



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.

DISTRICT BOARD
Megan Clark
Rabi Elias
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

DISTRICT ADMINISTRATION
Mike Prinz,
General Manager
Michael Cortez,
District Engineer
Mel Liebmann,
Plant Manager
Greg Pease,
Collection System/Safety Manager
Dale McDonald,
Administrative Services Manager

SPECIAL BOARD MEETING AGENDA

April 20, 2021

In accordance with Government Code Section 54956

Crystal J. Yezman, Board President, has called for a Special Meeting

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments' ability to respond to COVID-19 Pandemic based on Guidance for Gatherings issued by the California Department of Public Health. The Executive Order specifically allows local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health. In light of this, the April 20, 2021 meeting of the LGVSD Board will be held via Zoom electronic meeting. There will be NO physical location of the meeting. Due to the current circumstances, there may be limited opportunity to provide verbal comments during the meeting. Persons who wish to address the Board for public comment or on an item on the agenda are encouraged to submit comments in writing to the Board Secretary (tlerch@lgsd.org) by 6 am Tuesday, April 20, 2021. In addition, Persons wishing to address the Board verbally must contact the Board Secretary, by email (tlerch@lgsd.org) and provide their Name; Address; Tel. No.; and the Item they wish to address by the same date and time deadline for submission of written comments, as indicated above. Please keep in mind that any public comments must be limited to 3 minutes due to time constraints. Any written comments will be distributed to the LGVSD Board before the meeting.*

**Prior to the meeting, participants should download the Zoom app at: <https://zoom.us/download> A link to simplified instructions for use of the Zoom app is: <https://blog.zoom.us/wordpress/2018/07/03/video-communications-best-practice-guide/>*

REMOTE CONFERENCING ONLY

Join Zoom Meeting online at:

<https://us02web.zoom.us/j/88970619982>

OR

By teleconference at: +16699009128 Meeting ID: 889 7061 9982

**MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR
PUBLIC INSPECTION ON THE DISTRICT WEBSITE WWW.LGVSD.ORG
NOTE: Final board action may be taken on any matter appearing on the Agenda**

Estimated
Time

OPEN SESSION:

- 2:00 PM** **1. 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.
- 2:05 PM** **2. BUDGET WORKSHOP ON PRELIMINARY 2021-22 BUDGET**
 Introduction of Preliminary 2021-2022 Budget including Revenue, Operation and Maintenance, Debt Service and Capital Outlay Budgets.
- 4:25 PM** **3. APPROVE RESOLUTION 2021-2210 SETTING TIME AND PLACE FOR PUBLIC HEARING ON THE BUDGET FOR THE FISCAL YEAR 2021-22**
 Board to review and approve Resolution 2021-2210 Setting time and Place for the Public Hearing on the Budget for the Fiscal Year 2021-22.
- 4:30 PM** **4. APPROVE PROPOSTION 218 NOTICE AND RESOLUTION 2021-2211 SETTING TIME AND PLACE FOR PUBLIC HEARING ON SEWER SERVICE CHARGE RATES FOR THE FISCAL YEARS 2021-2022 AND 2022-2023**
 Board to review and approve Resolution 2021-2211 Setting time and place for the Public Hearing on Sewer Service Charge Rates for the Fiscal Years 2021-2022 and 2022-2023 and approve the Proposition 218 Notice.
- 5:00 PM** **5. ADJOURNMENT**

FUTURE BOARD MEETING DATES: MAY 6, MAY 20TH AND JUNE 3, 2021

AGENDA APPROVED:	Crystal J. Yezman, Board President	Patrick Richardson, Legal Counsel
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CERTIFICATION: I, Teresa Lerch, District Secretary of the Las Gallinas Valley Sanitary District, hereby declare under penalty of perjury that on or before April 19, 2021 3 PM, I posted the Agenda for the Board Meeting of said Board to be held April 20, 2021 , at the District Office, located at 101 Lucas Valley Road, Suite 300, San Rafael, CA.

DATED: April 13, 2021



 Teresa L. Lerch
 District 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 session. Regular meetings are held at the District Office, 101 Lucas Valley Road, Suite 300, San Rafael, CA. 94903

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

4/20/2021

PUBLIC COMMENT

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Agenda Summary Report

To: Mike Prinz, General Manager *MSP*
 From: Dale McDonald, Administrative Services Manager *M*
 (415) 526-1519 dmcDonald@lgsd.org
 Meeting Date: April 20, 2021
 Re: Budget Workshop on Preliminary 2021-22 Budget
 Item Type: Consent Action Information Other
 Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board to receive report and provide direction to Staff regarding the preliminary fiscal year 2021-22 budget in advance of noticing the sewer service charge rates for fiscal years 2021-22 and 2022-23.

BACKGROUND

Staff has been meeting since February 2021 to develop the preliminary budget for fiscal year 2021-22 for the Board to review.

Historically, the Board meets with staff in late March or early April and holds a budget workshop to discuss revenues, operating and maintenance expenses, debt service, reserve funding, and capital outlay anticipated for the upcoming fiscal year that begins July 1.

Feedback from the budget workshop is used to develop the proposed budget historically presented to the Board in May. The final budget will be developed based on feedback from the workshop and May meeting and be brought back to the Board and the public at the regularly scheduled Board meeting of June 17, 2021.

For the purposes of the budget workshop, staff is anticipating \$41,871,312 in revenue, which includes a sewer rate increase of 9.5%, and has identified \$42,408,835 in expenses. A budget shortfall of \$537,523 is projected in this scenario, however additional potential revenue and/or cuts to expenditures have been identified to balance the budget, contingent on Board support. Please see the attached Budget Workshop report and financial schedules for details.

PREVIOUS BOARD ACTION

On April 1, 2021, the Board received a Sewer Service Rate Study presentation by HDR, Inc. for fiscal years 2021-22 and 2022-23. No action was taken but direction was given which helped staff develop the preliminary budget.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A

Las Gallinas Valley Sanitary District
Budget Workshop
April 20, 2021



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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, Mike Prinz
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
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Crystal J. Yezman

April 20, 2021

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

The management staff of the Las Gallinas Valley Sanitary District ("District") is pleased hold our first Budget Workshop for the upcoming 2021-22 fiscal year which will review revenues, operating and maintenance expenses, debt service, reserve funding, and capital outlay anticipated. The workshop will give the Board an opportunity to provide feedback to management regarding the direction it wants to take with regards to setting priorities for fiscal year 2021-22 and beyond.

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

WORK IN PROGRESS

The preliminary Cost of Service Sewer Service Rate Study by HDR Sewer was presented April 1 with three scenarios on proposed rate adjustments. Additional information on capital projects was requested by the Board and as of this writing no decision on the suggested sewer rate for fiscal year 2021-22 was made.

The COVID-19 pandemic has changed how residents and commercial property owners live and work, impacting water use and therefore wastewater discharges. It is anticipated that water use for large non-residential rate payers has decreased, the details of which will be known once the Marin Municipal Water District ("MMWD") water use data review is completed late in April.

The District is also in labor negotiations with Operating Engineers Local 3 ("OE3") to obtain a new Memorandum of Understanding scheduled to take effect July 1, 2021. The Board will receive an update and additional information before the preliminary budget is considered in May and before the final budget is adopted, scheduled for June 2021. The District must however decide a course of action to move forward, with the information currently available, to meet Prop. 218 requirements if it intends to increase the assessment of sewer service charges based on estimated cost increases.

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 \$41,871,312 in revenue sources for 2021-22 consisting of \$25,530,005 in revenue and \$16,341,307 in bond funds and reserves.

Operating and Maintenance (“O&M”) expense is anticipated to increase over the prior year budget by \$2.5 million, or 22.06%. O&M expense means the reasonable and necessary expenses paid or incurred for maintaining and operating the collection, treatment, and recycled water systems (“Systems”) of the District, determined in accordance with generally accepted accounting principles (“GAAP”) that the Governmental Accounting Standards Board (“GASB”) established for and used by state and local governments in the United States. O&M expenses include all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the systems of the District in good repair and working order. These include all administrative costs of the District that are charged directly or apportioned to the operation of the systems, such as salaries and wages of employees, overhead, the cost of permits, licenses, and charges to operate the system and insurance premiums. Excluded from O&M expenses is depreciation, replacement, and obsolescence charges or reserves and amortization of intangibles.

Debt service requirements are \$4,728,310 and include the 2017 Revenue Bonds and 2019 IBank loan. Debt service comprises 11.15% of the budget.

Reserve funding of \$1,374,890 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, such as the Secondary Treatment Plant Upgrade and Recycled Water Expansion (“STPURWE”) project, and improvements that are expected to happen in the future. Reserve funding comprises 3.03% of the budget. The District maintains five reserve funds and three restricted funds. Restricted funds are monies set aside for a particular purpose. They are permanently restricted to that purpose and cannot be used for other expenses. Reserves policy F-50 establishes and explains the purpose and reasons for each of the reserves established, along with target thresholds. Both the reserve funds and restricted funds are included in the reserve funding total, but they are different in that while the board can reallocate funds from reserves, the restricted funds, such as Captains Cove and Marin Lagoon, serve a specific purpose and therefore their use is controlled by State law and agreements in place for providing service. A total of \$4,019,000 will be transferred from the Capital Reserves for use on the STPURWE project in fiscal year 2021-22.

The Capital Outlay effort for 2020-21 remains the primary driver of expenditures for the District. Capital expenditures for fiscal year are budgeted at \$25,067,006, comprising 59.11% of the total budget. Development of the Capital Improvement Program (“CIP”), review of the identified strategic initiatives established by the Board, along with anticipated implementation of the Integrated Wastewater Master Plan indicate that capital improvements will remain the primary expense driver for the District for at least the next 10 years. The good news is that by adding to or improving District facilities the public materially benefits from the value and useful life of the assets of the District.

Sincerely,



Mike Prinz
General Manager

4/13/2021



Dale McDonald
Administrative Services Manager

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

REVENUE

Operating Revenue

The District is heading into its first year of a new two-year rate plan. The rate of 4.44% for 2020-21 was developed internally by staff last year. The presentation of the two-year draft sewer service rate study by HDR is tentatively planned mid-April 2021 and will propose rate adjustments for fiscal years 2021-22 and 2022-23.

A Sewer Service Charge (“SSC”) rate increase of 9.5%, an additional \$92 annually for Single Family Residential (“SFR”) users, has been used as the basis in preparing the budget workshop financial projections. Even with this rate increase SSC revenue will only increase \$390,036, equal to 2.49%, over what was budgeted last year due to COVID-19 impacts. Non-residential SSC revenue is anticipated to be \$1,015,174 lower than in the prior year’s budget as less wastewater was generated by non-residential customers during the pandemic.

Recycled water revenue is the estimated cost of providing water to North Marin Water District (“NMWD”) and Marin Municipal Water District (“MMWD”) based on the projected recoverable costs for the year. Revenue is anticipated to increase as recycled water from the new recycled water treatment facility comes online and MMWD receives the recycled water. As this is the first year of providing recycled water to MMWD through the new facility, management estimated the revenue for 2021-22 by looking at historical revenue received from NMWD and, based on customers served in both Districts, calculated revenue at three times the revenue projected for NMWD. This number is expected to be revised before the final budget is presented in June 2021 as management will have actual recycled water expenditures over two months that can be used to refine the revenue anticipated.

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 data for properties within the District between 2019 and 2021. The budgeted amount is projected at \$110,200, an increase over the last two fiscal year average. Inspection activities have picked up in recent months and are expected to increase as the County opens up post-pandemic in fiscal year 2020-21.

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 2021-22 are expected to be slightly higher than 2020-21 actuals. For 2021-22, revenue is budgeted at \$928,362 and reflects a 2.5% increase over projected 2020-21 receipts. Actual receipts will be known by the end of April and revenue will be updated before the final budget is presented in June. 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.

Prior Secured taxes, Supplemental Property Tax Assessments, and Home-Owner Property Tax Relief (“HOPTR”) funds are projected to rise 2.5% 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.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

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 \$370,341 for 2021-22 based on projected property value growth of 2.5% over projected actuals. The 12.24% percentage change over prior 2020-21 on the financial statement is misleading. The budgeted amount for ERAF in 2020-21 was well below the prior year actuals. ERAF revenue is anticipated to be updated prior to the final budget after discussion with the County.

The Solid Waste Franchise fee revenue is forecast to exceed the budgeted revenue in 2020-21 and therefore has been calculated for 2020-22 by averaging the last two-year actuals. The revenue is based on the agreement with the solid waste franchisee, Marin Sanitary Service.

Interest on reserves, which are invested in the Bank of Marin and the Local Agency Investment Fund with the State of California, are expected to continue to yield low rates based on low interest rate environment. As the District uses accumulated funds for construction projects, the earnings are projected to decline in 2021-22.

In addition, with the Secondary Treatment Plant Upgrade and Recycled Water Expansion project proceeding with construction, staff expects reserves to be drawn down in 2020-21. IBank loan disbursements will continue into 2021-22 and be fully exhausted in the upcoming fiscal year.

The Private Sewer Lateral Assistance program began in July 2012. The budget reflects the projected direct repayments and annual payments collected on the tax roll for 2020-21 from property owners that took advantage of the program to have the District pay for their sewer lateral repair or replacement.

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

Capital Contributions / Capacity Related Revenue

Annexation, Capital Facilities, Charges, and Connections Fee activity for remodel permits and Accessory Dwelling Units has increased from prior years, but larger projects are proceeding slowly. While the District is substantially built out and the pace of development is difficult to predict, staff has been involved in some small-size development projects which has resulted in collection of fees in 2020-21. Staff is therefore budgeting a slight increase, based over the last two-year actuals, of \$33,825 for capital facility charges for 2021-22. The interest income for this category is for existing funds on deposit, which have been substantially expended for capital projects.

Marin Municipal Water District entered into an agreement in March 2017, to buy into the existing capacity of the Recycled Water Treatment Facility as well as participating in the debt service of the 2017 Revenue Bonds associated with the estimated cost for the expansion of the facility. These funds are allocated to the reserve funding for the cost of the project.

Las Gallinas Valley Sanitary District Budget Workshop – 2021-22

IBank Loan Disbursements will continue into 2021-22 and be fully depleted in the upcoming fiscal year. The disbursements budgeted at \$7,057,590 are reflected in the Other category on the charts on pages 4 and 5.

Federal and State grants may become available for wastewater infrastructure projects in 2021-22 and beyond but none have been identified as of this workshop, let alone secured. The District has contracted with a consultant to pursue alternative funding. 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.

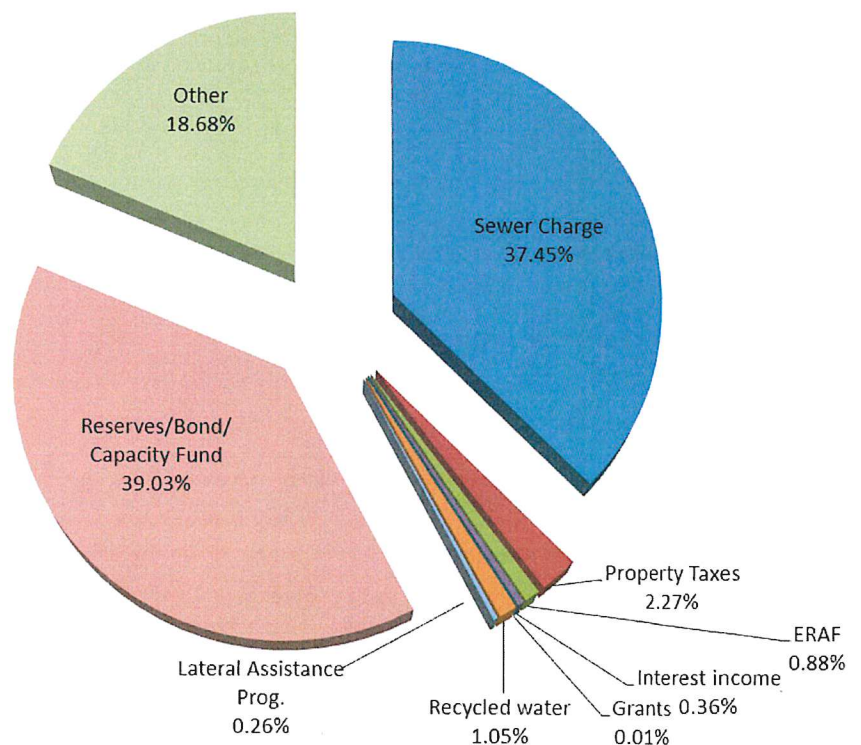
Utilization of Bond Funds and Reserves

To help offset the SSC rate increase this year, management is proposing drawing down the rate stabilization reserve balance by \$150,000, reducing the SSC rate increase required by approximately 1%. However, this will place a slight burden on the District in future years to restore the reserves.

The Private Sewer Lateral (PSL) Assistance Program has continued to collect reimbursements for loans made to property owners. No funding use has been proposed in recent years resulting in the balance in this program sitting at \$183,528. Funds have to be sufficient to fund future assistance but with anticipated revenue of \$110,200 budgeted for 2021-22 this may be the year to utilize some of these funds. The budget includes using \$100,200 in 2021-22. It may be prudent to establish the PSL program as a reserve and set target thresholds to clearly delineate its purpose and use.

The District has projects budgeted for 2020-21 which either will not begin prior to year-end or are accumulating funds over several years. These projects are included in the Capital Outlay budget and any unused funding will carry forward into 2021-22. By delaying some previously funded capital projects and using their prior year capital funding towards more critical projects in 2021-22 less required SSC revenue will be required, thereby lowering need to raise rates to fund these projects in 2021-22. A total of \$11,828,107 of prior-year capital carry-over is budgeted for use in 2021-22. Of this amount, \$3,732,820 is the reallocated carryover funds that will have to be made up in future years if identified and previously funded capital projects are to be completed.

Fiscal Year 2021/22 Budgeted Revenue \$41,871,312



Las Gallinas Valley Sanitary District Budget Workshop – 2021-22

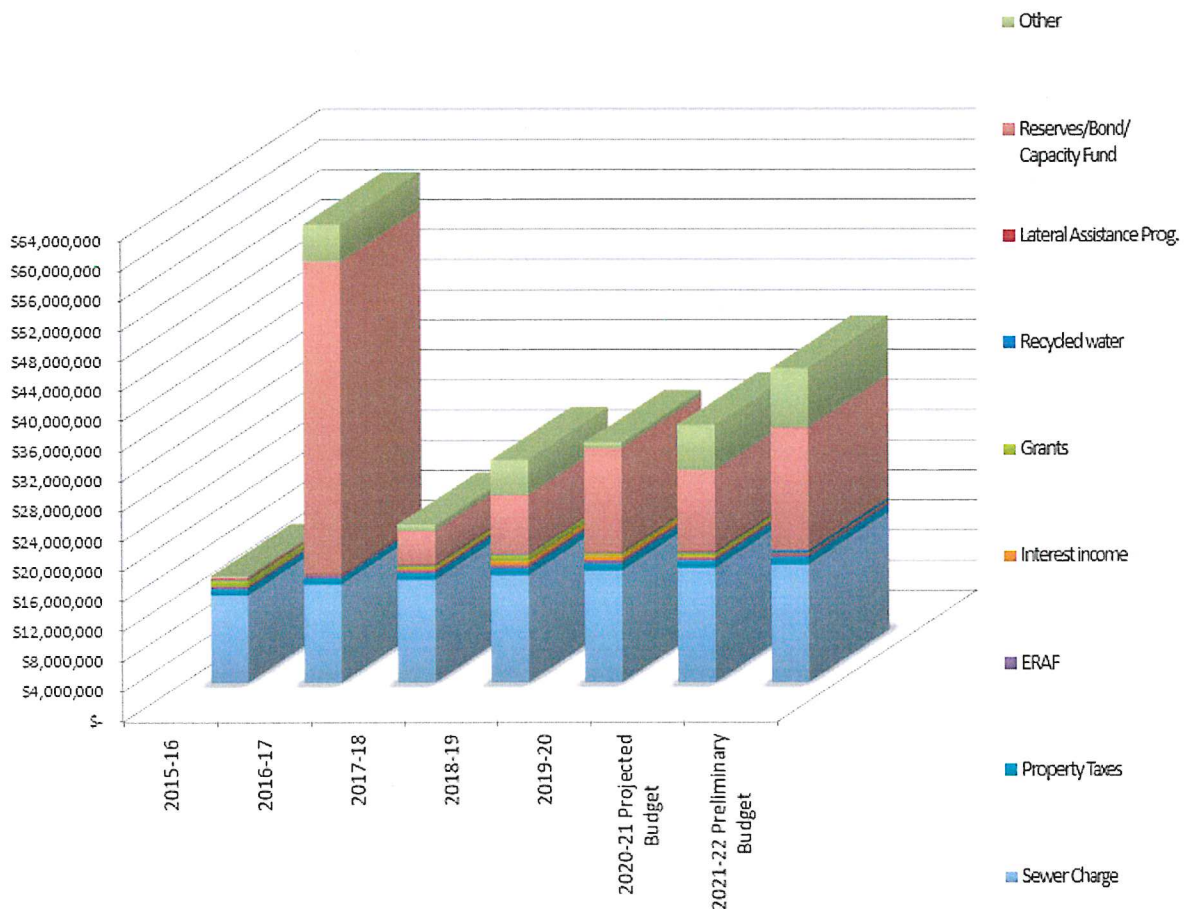
The 2017 Bond, used for the STPURWE Project, has been depleted as expected and the related LAIF bond account has been closed. Capital Construction Project Reserves in the amount of \$4,019,000 will be used in 2021-22. No additional transfers or earned interest is budgeted in 2021-22.

Transfers from Marin Lagoon and Captains Cove restricted funds can be used towards repayment of capital costs incurred for Marin Lagoon and Captains Cove collection system capital improvements. A total of \$114,000 is budgeted for 2021-22.

Transfers from the Capacity 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. A total of \$130,000 is budgeted for 2021-22 and will be used towards any additional costs incurred as part of the STURWE Project over previously authorized and financed allocations.

The graph below shows the composition of District revenues for the past five fiscal years plus the projected 2020-21 and preliminary budget for 2021-22.

Revenue Sources 2015 to 2022



Las Gallinas Valley Sanitary District Budget Workshop – 2021-22

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 are in compliance with the California State Controller's Office Internal Control Guidelines pursuant to CGC section 12422.5 and are adequate to protect the finances of the District.

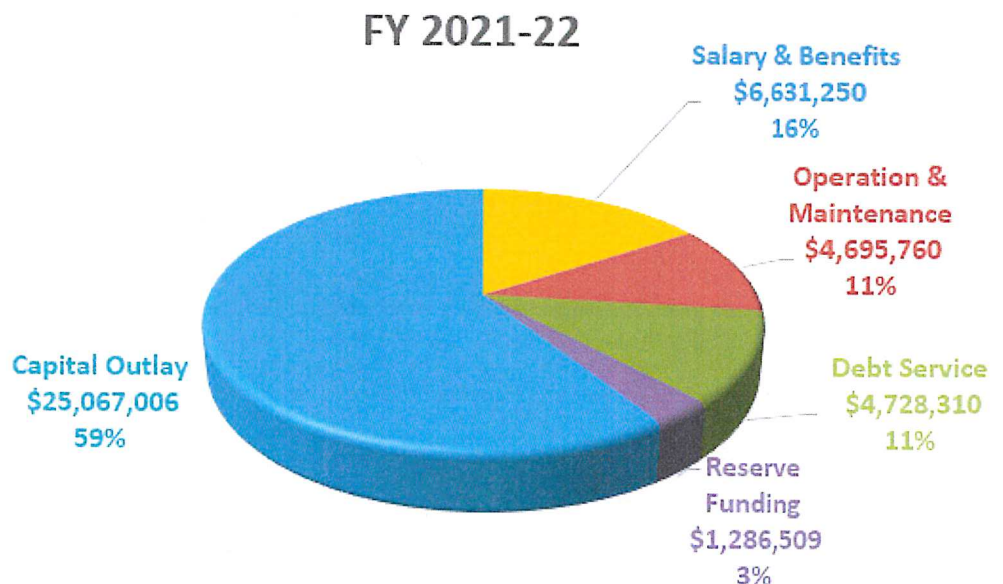
Expenditures of the District are broken down into the following categories:

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

The District's largest expenditure category is Capital Outlay followed by Operation and Maintenance. The operating and maintenance expense, debt

service, reserve and restricted funding, and capital outlay financials have been reviewed and comments on key items of interest are being provided to the Board to facilitate discussion.

Expenses related to the new recycled water treatment plant facility are difficult to determine as the process is new, data to develop the anticipated expenses does not exist, and the first billing to recover operating and maintenance costs from MMWD will not occur until July 2021.



Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

Operating and Maintenance Expenses

Employee Expenses:

Regular staff salaries are based on 2021-22 projected wages including a Market Rate Salary Scale adjustment and 2.5% cost of living increase factored into the preliminary budget. This is expected to change once an agreement is reached between the District and OE3 on employee salary and benefit increases to be included in a new Memorandum of Understanding (“MOU”). The budget includes funding for three additional full-time positions being proposed for 2021-22. The overall budgeted wage increase is \$799,168.

Overtime is estimated based on historical levels and reflect a 6% drop as compared to the 2020-21 adopted budget. Overtime is expected to decrease as additional positions are filled.

Vacation and sick accrual is estimated based on the trend of use over the prior three years; however, it is difficult to predict how much time staff will accumulate rather than use. Journal entry adjustments are made based on actual expenditures June 30 of every year.

Stand by time is based on projected wages, the regular rotation of personnel on duty, and additional staff who are on call during storm events.

Director salaries are projected at 2020-2021 amounts with a slight increase anticipated due to trend of increase meetings and reimbursable committee meetings. Board members receive a stipend of \$252.70 per meeting as set by District Ordinance.

Director medical benefits are based on the maximum allowance of \$200 per month per eligible director.

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 both approved positions and proposed positions:

1. Federal and State payroll taxes are paid monthly and include Social Security and Medicare tax of 7.65% of covered wages for all employees. Unemployment insurance has remained unchanged in recent years, but staff is anticipating an adjustment upwards for calendar year 2022.
2. Group life insurance and long-term disability insurance are budgeted using 2020-21 year-to-date amounts with adjustments for changes in census data.
3. CalPERS contributions are projected from regular wages with the published employer contribution rate of 14.194% for classic members and 6.482% for PEPRA in 2021-22. Staff who became CalPERS members after 2013 are covered by the PEPRA plan which requires lower retirement contributions by the District.
4. Health insurance is projected based on the known rates for July through December 2021 and the application of the health insurance trend rate of +8% for 2021-22. It also reflects costs associated with the addition of four positions in 2020-21 and three proposed positions in 2021-22. 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, 2019 are included under health benefit expenses.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

5. Dental insurance is paid through a self-insured plan and is based on actual claims made. Since claim expenses vary from person to person and from year to year, the budget is based on the average of the prior three years. Dental insurance is one of the benefits that OE3 has asked to be negotiated in the next MOU.
6. Vision insurance is a set amount and is projected based on current employees and projected new staff. It is lower than what was budgeted last year but higher than prior year actuals. Vision Insurance expense is anticipated to change before the final budget is considered in June.

Auto allowance and commute stipend are based on the known amounts for covered staff. These amounts may change before final budget in June based on MOU negotiations.

Proposed New Positions:

The following positions represent a portion of the positions recommended in the Organization Analysis developed by Regional Governmental Services in 2020. Additional position requests are likely to be proposed in future fiscal year budgets in order to achieve the recommended staffing levels.

Wastewater Operator

The current team of wastewater operators responsible for covering treatment and reclamation operational shifts consists of 4 shift operators and a lead operator. In addition to normal business day operational shifts, this team covers weekend, holiday, and emergency standby rotation needs. Current staffing levels are insufficient to allow for adequate coverage for planned (vacation) and unplanned time off (sick time) without significant overtime expense and chronic deferral of training and professional development opportunities. In two recent cases, notable overtime and a temporary employment agency had to be utilized in to provide wastewater operator shift coverage under semi-emergent conditions. The addition of one shift level operator to this team is expected to significantly improve overtime trends, standby coverage flexibility, team morale, and professional development pursuits.

Computerized Maintenance Management System (CMMS) Technician

The District has made partially successful attempts to deploy and utilize two types of CMMS/asset management systems within the last several years: Antero and, more recently, Cityworks. Unfortunately, staff levels and significant workloads have continually hampered staff's efforts to learn about and utilize the features of these two programs to any meaningful degree.

The District Board acknowledged the importance of asset management as an appropriate infrastructure stewardship tool when, in 2019, it identified implementation of an asset management system as one of the District's 6 strategic initiatives. In order to not only completely and expeditiously launch Cityworks as the District's chosen asset management platform, but also to maintain an ongoing effort to keep asset data registries and work order tracking up to date, a dedicated technical position is required. This position will be responsible for establishing and maintaining all asset data and work order templates as well as working closely with operational, maintenance, and engineering staff in order to optimize capital planning and maintenance activities District-wide. Deferring the addition of this position this will likely result in potential and/or continued negative impacts to reactive maintenance trends, capital costs, O/M costs, and, potentially, operational outcomes.

Civil Engineering Technician

The District's engineering division is currently comprised of the District Engineer and an Associate Civil Engineer. While the output of this two-member team is often very impressive, staff levels do not afford time for professional

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

development for either position, and, quite frequently, lower level, otherwise delegable technical tasks must be carried out by the Associate Civil Engineer. Workloads for this division will increase further as the District embarks on a significant effort to implement and maintain an asset management system.

Since the implementation of the District's sewer lateral ordinance in November 2019, over 300 sewer lateral inspection reports have been prepared, with an average production rate of 250 per year. This translates into approximately \$60,000 in application fee revenue per year. These statistics are expected to increase as the program continues to ramp up after the impact of the pandemic subsides further. The team exclusively dedicated to this effort consists of the District's Collection System/Maintenance/Safety (CSMS) Manager and the Administrative Assistant. Of these positions, the CSMS Manager is most significantly impacted by the overall effort, most of which is comprised of reporting tasks that could be delegated to a lower-level technical position.

A Civil Engineering Technician is proposed to assist with both the delegable technical tasks of the Associate Civil Engineer's workload and the majority of the CSMS Manager's reporting efforts for the sewer lateral inspection program. Not filling this position will cause the anticipated asset management responsibilities in the Engineering Division to exacerbate professional development limitations in that division and will limit the CSMS Manager's ability to increase assistance with asset management efforts and management duties in general. Approximately 1/3 of the cost of this position could be offset by a portion of the revenue taken in as a result of the sewer lateral inspection program.

Insurance:

Workers compensation insurance is based on projected wages for 2021-22, plus an increase of full-time positions being filled, and an increase in the experience modification factor from 0.69 to 0.98 based on the District's higher claims history. A 4.2% increase over actuals was used in developing the \$75,500 budget amount for 2021-22. The adopted budget amount for 2020-21 was set too low and expense to date has already exceeded the budget.

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 2020 has been calculated for liability insurance.

Property insurance is reported along with general liability. Since 2018, significant events have driven the property insurance market to firm substantially. The event of 2020 has further aggravated market conditions and the firming trend is expected to continue. Property insurance increased by 17.5% or \$27,259 this current fiscal year. For the budget workshop, a placeholder increasing property insurance by 5% for 2021-22 was used. Once the property insurance invoice is received for 2021-22, it is expected the premium will be higher. This budget line item will most likely be revised higher and presented with the proposed budget in May.

Fidelity bond for the cost of commercial crime insurance coverage is based on prior years.

Repairs and Maintenance:

Maintenance expenses that use to be managed separately by the Collection System Manager and Plant Manager under their respective departments has been consolidated under the new Maintenance department. The total repair and maintenance budget line items remain the same in the roll up budget presented. Repair and Maintenance budget for 2021-22 is projected to increase 12.56%.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

Vehicle parts and maintenance is based on 2020 year to date results with adjustments for projected activity during the remainder of the fiscal year. In 2019-20, the budget was to be increased 20% to address the deferred maintenance of various vehicles but instead it was set at the 2017-18 level. The change over prior year budget deserves clarification. The budget for 2021-22 is based on 2021-22 projected actuals plus a CPI adjustment of 2.5%.

The building and grounds maintenance budget include an outside firm to perform yard work on the main building landscape and also reflect budget for deferred maintenance work by skilled maintenance employees. It includes monthly Jefferson Security Fire Suppression monitoring expenses.

Power generation maintenance and repairs consists of work performed on the photo voltaic system, a maintenance contract for the BERS turbines, and maintenance of the CNG fill stations at the treatment plant and the pump station.

Reclamation maintenance and pasture disking is complete for 2020-21 and the budget for 2021-22 reflects lower anticipated expenses.

Equipment maintenance expenses are projected to be lower in 2021-22 even with the recently added solar panel cleaning contract that began in early 2021. Equipment repair expenses are anticipated to increase in 2021-22 based on projects identified, with increased staff being able to address any backlogged or deferred projects.

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 increase in 2021-22 is due to replacement pumps and parts at the Treatment Plant and at various collection system pump stations.

Other Operating Expenses:

Chemical costs are estimated based on past usage except for hypochlorite which will be used more during the treatment of recycled water. Costs associated with recycled water production are recoverable based on the percentage of water received by each of LGVSD, MMWD, and NMWD.

Supplies and small tools are budgeted based on needed items and prior year expenditures for each individual department.

Lab contract services are budgeted based on year to date 2020-21 charges for the treatment plant and factor in increased costs associated with the recycled water plant.

Pollution prevention program is contracted with Central Marin Sanitary Agency. The budget is based on the contract terms.

Outside services includes services related to Centricity CityWorks / GIS implementation and CMMS Asset Management Onboarding Task 1 authorized in March 2021 as well as a budget placeholder for CMMS Task 2 in the 2021-22 budget in the amount of \$460,000. A more accurate cost estimate for the Onboarding Tasks 2 thru 4 will be known once the consulting project goes out for bid in late 2021. There is a possibility that total costs related to onboarding for the STPURWE project could reach \$1M in 2021-22.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

Also included in outside services is services from Brown & Caldwell to provide support for the new treatment process startup. Kenwood Energy will provide services related to solar panel energy management in the reclamation area. Additional services include expenses for the cost of pagers, answering service, alarm system monitoring, security patrol, pre-employment screening, and portable restrooms in the reclamation area.

Janitorial cost is in line with prior year actuals. The budgeted amount in 2020-21 was recently determined to be low.

Aquatic review is conducted twice a year but is now budgeted for under consulting services rather than having its own budget line item. This line item will not be included in the budget next year.

Uniform service cleaning budget is increasing as new employees are hired.

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

The engineering consultant pass-thru expense is estimated by staff based on the average activity during recent years. A portion of this cost is reimbursed by project owners who apply for capacity permits.

Feasibility studies that are not capital improvement or capacity related are treated as an operational expense. These includes the Brown & Caldwell biogas study and Kennedy Jenks Descanso Force Main Alignment Analysis related to the McInnis Marsh Restoration. A total of \$55,000 is budgeted for 2021-22 to complete these projects and have funding set aside for yet unidentified studies.

Consultants include costs for recent Classification & Compensation study, recent Cost of Service sewer rate study, MMWD water data review and rate setting assistance, recruitment, labor relations, and for organizational and Board development. Consultant costs are projected lower in 2021-22 with the completion of class & comp and rate studies.

Legal expense is projected to remain the same as 2020-2021.

Audit expense is based on an agreed to proposal from Cropper Accountancy through the reporting year ending June 30, 2021.

Financial services include actuarial valuations and accounting CPA services. Actual prior year costs plus anticipated CPA use in 2021-22 were the basis used to set the budget for this line item.

Lateral rehab assistance program is based on the amount of expenses in the 2020-21 rate anticipated to be loaned to property owners for repair or replacement of their sewer lateral. The amount of \$100,200 is anticipated to be enough funding for 10 lateral replacements.

Utility power for is for the treatment plant and the pump stations. Telephone and water are budgeted based on year to date 2020-21 costs. The adopted telephone budget amount for 2020-21 was estimated low. Internet is a new account code that has been setup to track internet use separate from telephone and other office expenditures.

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Budget Workshop – 2021-22

General and Administrative:

Payroll processing expenses are budgeted based on prior year actuals and should be treated as a general administrative expense.

Conferences and mileage/travel were down in 2020-21 due to COVID-19 travel restrictions. As travel restrictions are lifted both are expected to return to normal in by late 2021 or early 2022. The budget for 2021-22 therefore reflects an increase over last year and more in line with nine-months of 2019-20 actuals.

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.

Office supplies and expenses were higher when the Administration and Engineering departments moved to 101 Lucas Valley Road. Expenses for 2021-22 are budgeted lower than the last two years actuals.

Computer support and supplies includes annual software renewals, outside computer network support, replacement of computer equipment as needed, Zoom, and other incidental computer peripherals. As software companies move away from providing owned software licenses and switch to a Software-as-a-Service (“SaaS”) licensing and delivery model, in which software is licensed on a subscription basis and is centrally hosted, the District will see these expenses rise. CityWorks, ArcGIS, SCADA, and the upcoming Accounting Enterprise Resource Planning (“ERP”) software all follow SaaS licensing models. Two AutoCAD computers are also budgeted for in 2021-22 for engineering.

User charge collection fee is charged by the County of Marin for collecting the property taxes and sanitary sewer service charges on the tax rolls. Staff is projecting the amount based on 2020-21 rates.

Publications and legal ads are for contract/public bidding advertising, chemical procurement, public hearings, and recruiting.

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

Taxes, other is the annual LAFCO charge and is based on the projected 2021-22 charge.

Memberships and permits are based on 2020-21 invoiced actuals with a slight increase factored for some permits. A new permit application for biosolids was issued in 2020-21 for \$20,362. The adopted budget amount for 2020-21 was too low and did not take into consideration all the permits required by the District. The budgeted amount for 2021-22 is based on the actuals of the last two prior years and take into consideration the new biosolids permit renewal.

Rents and leases include the administration office lease at 101 Lucas Valley Road, at \$111,245 for 2021-22, costs for the lease of the postage machine, off-site records storage, railroad easements and copiers. As in the 2020-21 budget, we have to prepare for Public Safety Power Shutoffs (PSPS) events from PG&E initiated by high-risk weather conditions. These events may trigger power outages in our area and will require that we have standby generators and fuel ready for power outages during possible wildfires. Rents and leases assigned to pump stations are for portable stand by generators for PSPS events and is budgeted at \$53,400.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

Employee training and education includes the cost for the District to participate in the Liebert Cassidy Whitmore employment relations consortium and other offsite training. Webinar training opportunities have become standard practice over the last year. The District expects to increase sending staff to offsite training conferences in late 2021 and early 2022 as COVID-19 restrictions are lifted, the budget reflects this increase.

Debt Service

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

- Certificates of Participation (COP) with an original principal amount of \$10,000,000, which were issued in 2005, and have annual principal and interest payments through December 2025. The District refinanced them at a reduced interest rate of 3.3% which will save interest over the remaining life and will result in lower annual payments. The principal balance remaining is scheduled to be \$3,278,800 as of July 1, 2021.
- 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 \$2,685,729 as of July 1, 2021.
- 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 \$2,746,390 as of July 1, 2021.
- Bank of Marin Loan #2 which originated in 2012 with a principal amount of \$2,000,000. Monthly principal and interest payments are due through August 2022. The interest rate is 3.25%. The principal balance remaining is scheduled to be \$268,993 as of July 1, 2021.
- 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 \$34,405,000 as of July 1, 2021.
- 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 dates ranging from August 1, 2019 thru August 1, 2043. The interest rate on the loan is 3.0% per annum. The principal balance remaining is scheduled to be \$11,321,687 as of July 1, 2021. An annual service fee, \$33,996 for 2021-22, 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 to be received from MMWD are transferred to the reserves budget.

Reserves

- Working Cash Flow, also known as Operating Reserve, has set a target of a minimum balance equal to 7 months of average annual budgeted expenses. Based on reserve fund policy the reserve target is therefore \$9,333,351 but the reserve only has balance \$2,351,898. The budget includes adding \$233,790, one-thirtieth of the reserve target shortfall, to the budget for 2021-22.

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

- Rate stabilization reserve has been established to fund unexpected expense increases and can be used to help stabilize sewer service charge rate swings. The target balance of \$300,000 was established in 2009. The budget proposed includes using \$150,000 of the reserve to lower the sewer service charge rate by approximately 1% for 2021-22. Staff suggests increasing the reserve target and adding additional funding when there is any surplus operating revenue at the end of the year.
- Emergency repair reserve target of \$1,000,000 was met in fiscal year ended June 30, 2017.
- The Capital Reserves holds funds for the Secondary Treatment Plant Upgrade and Recycled Water Expansion projects are based on the actual payment required to service the 2017 Revenue Bonds and the amount that was included in the proposed rate increase. These funds will be used to pay for the project expenses. The balance of the reserve can be used for other major capital projects.
- Vehicle and Equipment Reserve (VERF) was established in fiscal year 2019-20 to fund vehicle and equipment replacements. The reserve was established at \$1,000,000 and was setup with funds held in the District's LAIF account. In November 2020, \$379,100 was allocated by the Board for use to acquire new District vehicles, which was over the initial budgeted amount of \$328,131. A total of \$50,969 is therefore budgeted for 2021-22 to replenish the VERF to its target.
- Captains Cove and Marin Lagoon are restricted reserves built up when there is excess of special assessments over projected operations, maintenance and capital expenditures which are collected for these developments. Revenue was received and deposited along with property tax payments into the operating fund but excess revenue over operating costs were not calculated and transferred to the restricted funds to pay for future capital replacement projects. Staff will undertake an audit and make appropriate adjustments. Projected additions less expenses for 2020-21 and 2021-22 are reflected in the Reserve Funding worksheet.
- MMWD Debt Reimbursement reserves are the amounts MMWD is paying to the District for the buy-in for the existing recycled water treatment plant and the allocated share of the 2017 Revenue Bonds for the expansion project. These reserves are included in the Capital Reserves totals.
- 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.

Capital Outlay

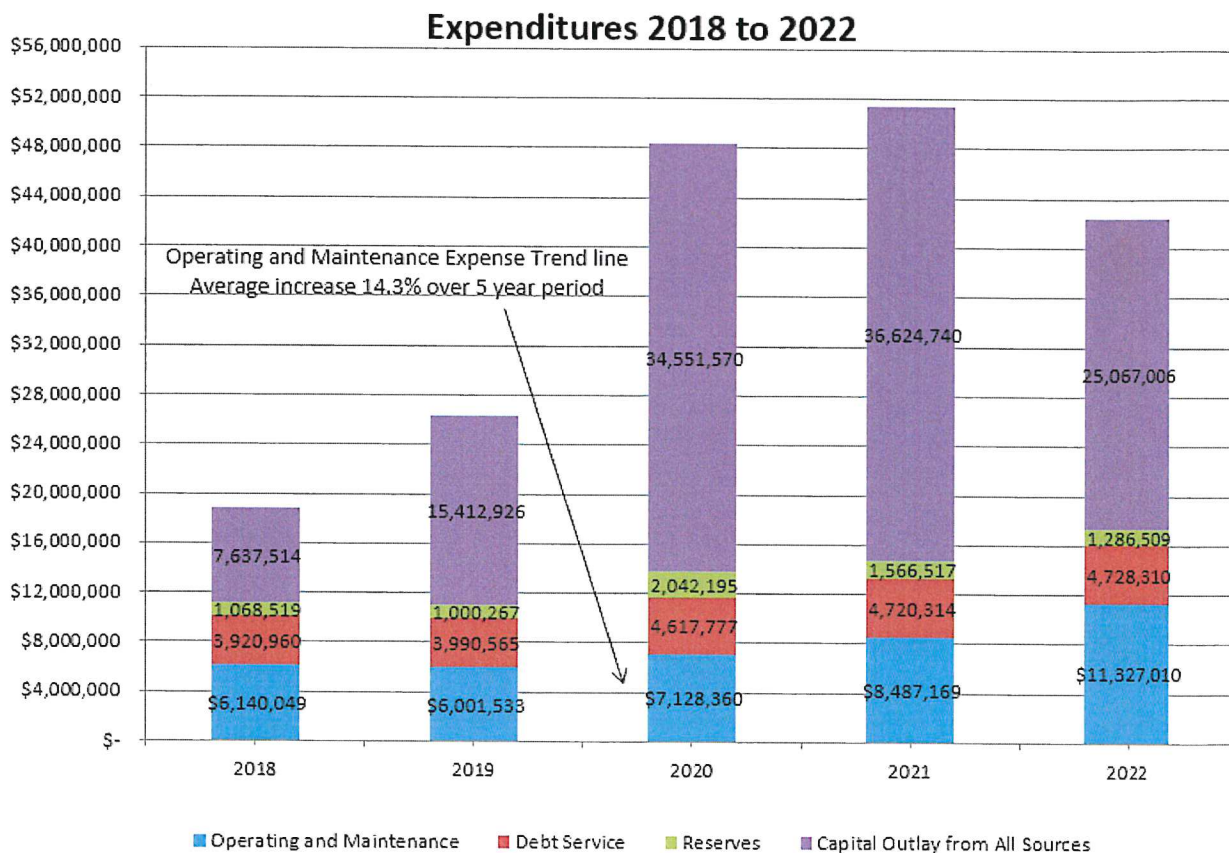
The District is required to budget for the adequate maintenance of capital equipment and facilities to protect the public investment and ensure achievement of their maximum useful life. The District is required to prepare and adopt a five-year Capital Improvement Plan ("CIP") as part of the rate setting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

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

Las Gallinas Valley Sanitary District

Budget Workshop – 2021-22

The Capital Outlay budget contains projects specifically identified in the Five-Year CIP for 2021-22 through 2025-26 plus miscellaneous capital needs that change yearly. The 2022-2026 years are very rough estimates that will be updated as the District's Integrated Wastewater Plan is completed over the next 2 years. The draft 2021-22 Budget only includes funding approval for projects identified in the first year of the CIP. See the separate Capital Outlay Budget for the list of projects and summary description. The following is a graph showing the composition of District expenditures for the past 4 fiscal years plus the budget for 2021-22. The majority of Capital Outlay expenses in recent years are related to the Secondary Treatment Plant Upgrade Recycled Water Expansion Project.



The Capital Outlay budget details are presented at the end of the report. New this year, Capital Improvement (Capital Outlay) is separated out from Construction Related Other Operating Expenses to improved accounting and auditing going into for fiscal year 2021-22.

A preliminary six-year CIP, in landscape layout, contains projected expenditures through 2026-27 which show the Administration Building construction in year 6, as presented by HDR, Inc. based on 9.5% rate increases over at least the next 2 years, subject to change by the Board. All projects after year 2 are subject to change once the Integrated Wastewater Master Plan is completed in 2023.

The Capital Outlay budget and six-year CIP will be modified before the 2021-22 Budget is presented to the Board on May 20, 2021. Additional details will be provided along with incorporating Board feedback on key projects such as the John Duckett Pump Station, the new Administration Building, and other projects.

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 REVENUE
BUDGET WORKSHOP - APRIL 20, 2021**

Revenue Description	2019-20 Final Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 14,831,995	\$ 15,289,361	\$ 15,246,184	\$ 15,679,397	2.49%
Recycled Water NMWD	67,288	42,000	102,078	102,100	58.86%
Recycled Water MMWD	-	-	25,943	337,300	
Inspections/Permits/Application Fee	25,385	31,733	68,665	78,970	59.82%
Miscellaneous Operating Revenue	1,335	750	750	750	
Total Operating Revenue	14,926,002	15,363,844	15,443,620	16,198,517	5.15%
NON-OPERATING REVENUE					
Property Tax	982,123	962,419	905,982	928,632	-3.64%
Suppl. Property Tax Assess.	(3,799)	16,000	16,847	17,269	7.35%
Educational Revenue Augmentation Fund	442,204	325,000	361,308	370,341	12.24%
Homeowner Property Tax Relief	3,679	4,300	4,284	4,392	2.09%
Franchise Fees Marin Sanitary Service	124,693	137,081	174,843	149,768	8.47%
Private Sewer Lateral Assistance Program	103,566	66,500	91,843	110,200	39.66%
Interest Income	2,226	500	2,542	1,770	71.75%
Interest on Reserves and LAIF	516,653	350,000	214,509	150,100	-133.18%
Reimbursements / Passthru	-	-	14,074	39,100	
Other nonoperating revenues	3,037	-	-	-	
	2,174,382	1,861,800	1,786,232	1,771,572	-5.09%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	38,681	-	28,968	33,825	
Interest on Connection Fee Fund	148	300	151	106	
Marin Municipal Water District Inter-Governmental	514,720	463,395	771,836	463,395	
2019 IBank Loan Disbursements	-	5,537,545	4,942,410	7,057,590	21.54%
Federal Grants	369,321	847,150	441,229	-	
State Grants	-	-	5,000	5,000	
	922,871	6,848,390	6,189,595	7,559,916	9.41%
TOTAL REVENUES	\$ 18,023,255	\$ 24,074,034	\$ 23,419,446	\$ 25,530,005	
UTILIZATION OF BOND FUNDS AND RESERVES					
	<i>Actual Use</i>	<i>Adopted Available</i>	<i>Projected Use</i>	<i>Budgeted</i>	
Operating Reserves / Rate Stabilization	-	110,000	-	150,000	
Private Sewer Lateral Assistance Funds	-	-	-	100,200	
Prior Year Capital Project Carryover Utilized	13,067,053	11,270,217	1,846,930	11,828,107	
Capital Construction Project Reserve	-	-	-	4,019,000	
Interest Earned on Unspent Bond Funds & IBank	816,531	450,000	235,768	-	
Transfers from Bond Fund	30,703,722	15,460,319	8,710,157	-	
Transfers from Marin Lagoon Restricted Fund	-	74,000	42,241	84,000	
Transfers from Captains Cove Restricted Fund	-	2,695	19,270	30,000	
Transfers from Capacity Fee Facilities Fund	-	-	-	130,000	
SUB TOTAL	44,587,306	27,367,231	10,854,366	16,341,307	-67.47%
TOTAL FUNDS AVAILABLE FOR EXPENDITURES		\$ 51,441,265		\$ 41,871,312	

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 BUDGET SUMMARY
BUDGET WORKSHOP - APRIL 20, 2021**

	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget	Increase / Decrease Over PY Budget	% Change Over Prior Year Budget
OPERATING EXPENSES						
EMPLOYEE WAGES	2,948,302	3,653,602	3,218,562	4,452,770	\$ 799,168	17.95%
EMPLOYEE BENEFITS	1,206,001	1,882,662	1,651,848	2,178,480	\$ 295,818	13.58%
INSURANCE EXPENSE	172,888	175,076	260,612	286,500	\$ 111,424	38.89%
REPAIRS AND MAINTENANCE	536,975	866,078	866,190	990,500	\$ 124,422	12.56%
SUPPLIES & SMALL TOOLS	308,848	384,503	353,091	427,900	\$ 43,397	10.14%
CONTRACTED SERVICES	958,849	1,006,252	1,141,131	1,815,900	\$ 809,648	44.59%
UTILITIES	333,645	287,812	369,410	389,000	\$ 101,188	26.01%
GENERAL & ADMINSTRATIVE	662,852	572,032	626,325	785,960	\$ 213,928	27.22%
OPERATING EXPENSE TOTALS	\$ 7,128,360	\$ 8,828,016	\$ 8,487,169	\$ 11,327,010	\$ 2,498,993	22.06%
DEBT SERVICE						
DEBT SERVICE TOTALS	\$ 4,617,777	\$ 4,803,576	\$ 4,720,314	\$ 4,728,310	\$ (75,267)	-1.59%
RESERVE FUNDING						
WORKING CASH FLOW	166,286	166,286	166,286	233,790	\$ 67,504	28.87%
RATE STABILIZATION	-	-	-	-	\$ -	-
EMERGENCY REPAIR	-	-	-	-	\$ -	-
CAPITAL RESERVES	832,190	831,790	831,832	915,901	\$ 84,111	9.18%
VEHICLE & EQUIPMENT (VERF)	1,000,000	328,131	328,131	50,969	\$ (277,162)	-543.79%
CAPACITY (RESTRICTED FUND)	43,463	300	42,097	45,000	\$ 44,700	99.33%
CAPTAINS COVE (RESTRICTED FUN	43	-	32,434	15,935	\$ 15,935	100.00%
MARIN LAGOON (RESTRICTED FUND	213	-	67,440	24,914	\$ 24,914	100.00%
RESERVE FUNDING TOTALS	\$ 2,042,195	\$ 1,326,507	\$ 1,468,219	\$ 1,286,509	\$ (39,998)	-3.11%
CAPITAL OUTLAY						
CAPITAL OUTLAY	\$ 34,551,570	\$ 36,624,740	\$ 17,580,554	\$ 25,067,006	\$ (11,557,734)	-46.11%
TOTAL BUDGET						
TOTAL BUDGET	\$ 48,339,902	\$ 51,582,840	\$ 32,256,256	\$ 42,408,835	\$ (9,174,005)	-21.63%

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
BUDGET WORKSHOP - APRIL 20, 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget	% Change Over Prior Year Budget
1003	Regular Staff Salaries	\$ 2,592,353	\$ 3,344,036	\$ 2,835,763	4,123,440	18.90%
1004	Extra Hire	73,899	-	84,210	29,470	
1008	Over Time	90,957	92,777	64,910	87,250	-6.33%
1009	Vacation and Sick Accrual	51,073	64,000	64,000	64,000	
1010	Stand By	79,877	78,409	106,896	84,260	6.94%
1036	Directors Fees	60,143	74,380	62,782	64,350	-15.59%
	TOTAL EMPLOYEE WAGES	<u>2,948,302</u>	<u>3,653,602</u>	<u>3,218,562</u>	<u>4,452,770</u>	<u>17.95%</u>
1037	Directors Benefits	8,765	9,188	10,054	11,010	16.55%
1404	Payroll Taxes	200,252	250,734	187,392	299,910	16.40%
1502	Group Life Insurance	6,705	7,150	7,135	10,260	30.31%
1507	PERS	421,132	829,316	747,744	961,280	13.73%
1509	Health Insurance	505,043	671,277	604,623	774,500	13.33%
1510	Dental Insurance	6,298	21,000	26,831	28,210	25.56%
1514	Vision Insurance	3,491	4,255	1,884	2,750	-54.73%
1516	Long Term Disability	19,013	29,277	23,697	31,600	7.35%
2006	Auto Allowance	8,303	24,465	13,611	19,960	-22.57%
2007	Commute Stipend	26,999	36,000	28,878	39,000	7.69%
	TOTAL EMPLOYEE BENEFITS	<u>1,206,001</u>	<u>1,882,662</u>	<u>1,651,848</u>	<u>2,178,480</u>	<u>13.58%</u>
1701	Workers' Comp Insurance	65,033	46,000	61,664	75,500	39.07%
2060	Pooled Liability & Property Insurance	106,905	128,029	197,950	209,900	39.00%
2061	Fidelity Bond	950	1,047	998	1,100	4.82%
	TOTAL INSURANCE EXPENSE	<u>172,888</u>	<u>175,076</u>	<u>260,612</u>	<u>286,500</u>	<u>38.89%</u>
2083	Vehicle Parts & Maintenance	61,456	37,163	64,239	69,100	46.22%
2096	Building maintenance	41,744	38,500	43,865	40,900	5.87%
2097	Grounds Maintenance	46,574	65,531	32,163	60,200	-8.86%
2332	Reclamation Maint. & Pasture Disk (2333)	6,526	194,484	205,314	159,200	-22.16%
2538	Power Generation Maint & Repair	20,136	40,000	30,015	38,400	-4.17%
2365	Equipment Maintenance	62,978	88,500	42,129	61,700	-43.44%
2366	Equipment Repair	98,412	194,900	217,439	249,400	21.85%
2367	Capital Repairs/Replacements	199,149	207,000	231,025	311,600	33.57%
	TOTAL REPAIRS AND MAINTENANCE	<u>536,975</u>	<u>866,078</u>	<u>866,190</u>	<u>990,500</u>	<u>12.56%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
BUDGET WORKSHOP - APRIL 20, 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget	% Change Over Prior Year Budget
2107	Hypochlorite	49,490	54,000	47,255	85,300	36.69%
2110	Bisulfite	74,534	46,000	51,651	52,900	13.04%
2109	Miscellaneous Chemicals	48,902	87,000	61,086	71,900	-21.00%
2362	General Operating & Lab (2115) Supplies	33,950	40,250	61,295	43,900	8.31%
2501	Fuel, Oil, and CNG for Vehicles (2501-2506)	32,910	33,803	37,189	38,200	11.51%
2389	Safety Equipment & Supplies	29,676	38,450	24,954	40,200	4.35%
2397	Safety Services	28,146	60,000	49,367	60,200	0.33%
2249	Small Tools	11,240	25,000	20,295	35,300	29.18%
	TOTAL SUPPLIES & SMALL TOOLS	308,848	384,503	353,091	427,900	10.14%
2117	Lab Contract Services	54,290	43,000	46,441	50,700	15.19%
2119	Pollution Prevention Program	13,321	12,500	19,376	19,900	37.19%
2320	Outside Services (2321, 2322, 2323, 2326)	87,513	306,756	359,654	933,500	67.14%
2324	Janitorial	18,119	14,946	21,273	21,800	31.44%
2325	Aquatic Review	-	5,000	-	5,100	1.96%
2327	Uniform Service	4,911	6,800	10,140	12,500	45.60%
2330	Damage Claim	12,401	10,000	10,000	10,000	0.00%
2334	Sludge Disposal Inject	101,087	76,350	88,400	90,600	15.73%
2357	Regulatory Consultant	221,799	185,300	186,335	206,700	10.35%
2358	Engineering Pass-through Projects	27,821	25,000	12,369	37,100	32.61%
2359	Feasibility Studies	-	-	26,768	55,000	
2360	Consultants - Other	161,007	70,000	124,750	97,100	27.91%
2713	Legal	150,787	123,600	126,343	129,500	4.56%
2717	Audit	25,750	27,000	27,500	28,200	4.26%
2718	Financial Services	7,200	-	3,000	18,000	
2801	Lateral Rehab Assistance Program	72,843	100,000	78,782	100,200	0.20%
	TOTAL CONTRACTED SERVICES	958,849	1,006,252	1,141,131	1,815,900	44.59%
2533	Internet	-	-	4,243	4,300	
2534	Telephone	67,579	42,205	71,254	73,200	42.34%
2535	Utility Power	257,808	237,920	286,663	304,100	21.76%
2536	Water	8,258	7,687	7,250	7,400	-3.88%
	TOTAL UTILITIES	333,645	287,812	369,410	389,000	26.01%

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
BUDGET WORKSHOP - APRIL 20, 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget	% Change Over Prior Year Budget
1006	Payroll Processing	19,581	12,729	22,694	23,260	45.28%
2477	Conferences	38,367	68,500	895	36,700	-86.65%
2479	Mileage and Travel	4,782	8,000	900	5,200	-53.85%
2129	Election	-	25,000	250	-	
2133	Office Supplies	80,652	23,500	41,587	31,900	26.33%
2134	Meeting Supplies	7,601	3,700	1,536	2,100	-76.19%
2716	Computer Services and Software	97,755	84,500	109,854	187,600	54.96%
2135	Bank Charges	1,644	1,500	1,500	1,500	0.00%
9778	User Charge Collection Fee	33,505	35,000	42,117	43,200	18.98%
2221	Publication and Legal Ads	29,004	16,606	14,986	16,500	-0.64%
2223	Public Education and Outreach ⁽¹⁾	40,970	65,000	45,947	68,500	5.11%
2264	Taxes, Other	8,128	9,000	9,000	9,200	2.17%
2272	Memberships	67,302	46,495	56,073	57,100	18.57%
2363	Permits	74,422	20,250	93,987	97,300	79.19%
2364	Fines	9,000	-	-	-	
2246	Rents and Leases	140,144	119,652	176,905	181,300	34.00%
9786	Employee Recognition ⁽¹⁾	2,190	6,000	2,324	6,000	
9787	Employee Training and Education ⁽¹⁾	7,483	25,600	4,772	17,600	-45.45%
9999	Miscellaneous expense	322	1,000	1,000	1,000	0.00%
	TOTAL GENERAL & ADMINSTRATIVE	<u>662,852</u>	<u>572,032</u>	<u>626,325</u>	<u>785,960</u>	<u>27.22%</u>
OPERATING EXPENSE TOTALS		<u>\$ 7,128,360</u>	<u>\$ 8,828,016</u>	<u>\$ 8,487,169</u>	<u>\$ 11,327,010</u>	<u>22.06%</u>

100 Administration 125 Engineering 200 Collection System 275 Maintenance 300 Pump Station
350 Captains Cove 360 Marin Lagoon Laboratory 400 600 Treatment Plant 900 Other / General

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 DEBT SERVICE
BUDGET WORKSHOP - APRIL 20, 2021**

Expenditure	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Preliminary Budget
2005 Certificates of Participation/ Refunded 2014	\$ 692,488	\$ 698,760	\$ 698,760	\$ 709,125
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	248,207	235,346	235,346
2017 Revenue Bonds ⁽¹⁾⁽²⁾	2,448,600	2,449,000	2,449,000	2,447,800
2019 IBank Loan ⁽³⁾	623,197	789,463	719,062	717,892
	\$ 4,617,777	\$ 4,803,576	\$ 4,720,314	\$ 4,728,310

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

(2) Per Board action on May 25, 2017, the 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.

(3) IBank Annual Loan Fee for FY 2020-21 of \$35,012.60 not included in adopted budget of June 18, 2020.

Expenditure	Debt Service Breakdown FY 2021-22		
	Principal	Interest	Annual Fee
2005 Certificates of Participation/ Refunded 2014	\$ 610,000	\$ 99,125	\$ -
2010 State Revolving Fund Loan	207,351	78,113	-
2011 Bank of Marin Loan	219,917	112,764	-
2012 Bank of Marin Loan	222,485	12,861	-
2017 Revenue Bonds	1,070,000	1,377,800	-
2019 IBank Loan ⁽⁴⁾	349,179	334,718	33,996
	\$ 2,678,932	\$ 2,015,382	\$ 33,996

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 RESERVE FUNDING
BUDGET WORKSHOP - APRIL 20, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Preliminary Budget
Beginning Reserve Balance	\$ 5,080,948	\$ 7,079,424	\$ 7,079,424	\$ 8,026,573
Working Cash Flow (Operating Reserve)				
Beginning Balance	\$ 2,019,326	\$ 2,185,612	\$ 2,185,612	\$ 2,351,898
Plus: Additions	166,286	166,286	166,286	233,790
Less: Use of Funds	-	(110,000)	-	-
Ending Balance	\$ 2,185,612	\$ 2,241,898	\$ 2,351,898	\$ 2,585,688
<i>Purpose: Insure minimum of 7 months of O&M + Debt Service is available</i>			<i>Target:</i>	\$ 9,365,603
Rate Stabilization				
Beginning Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	(150,000)
Ending Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 150,000
<i>Purpose: Fund unexpected expense increases, replenish over 3 to 4 year period.</i>			<i>Target:</i>	\$ 300,000
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<i>Purpose: Fund emergency repairs, replenish over 2 to 3 year period.</i>			<i>Target:</i>	\$ 1,000,000
Capital Reserves (STPURWE and other)				
Beginning Balance	\$ 1,761,622	\$ 2,593,812	\$ 2,593,812	\$ 3,425,644
Plus: Undesignated additions	146,722	146,722	146,722	229,717
Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾	222,115	221,715	221,715	222,915
Plus: STPURWE MMWD Buy-In ⁽²⁾	206,549	206,549	206,549	206,549
Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾	256,804	256,804	256,846	256,720
Less: Authorized Use of Funds	-	-	-	(4,019,000)
Ending Balance	\$ 2,593,812	\$ 3,425,602	\$ 3,425,644	\$ 322,545
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 4,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 949,031
Plus: Additions	1,000,000	328,131	328,131	50,969
Less: Authroized Use of Funds	-	-	(379,100)	-
Ending Balance	\$ 1,000,000	\$ 1,328,131	\$ 949,031	\$ 1,000,000
<i>Purpose: To fund large vehicle and equipment replacements.</i>			<i>Target:</i>	\$ 1,000,000
Ending Reserve Balance	\$ 7,079,424	\$ 8,295,631	\$ 8,026,573	\$ 5,058,233

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

(2) MMWD quarterly payments towards buy-in thru 2022

(3) MMWD semi-annual Revenue Bond payments toward project

Total Budgeted Reserve Funding: \$ 1,200,660

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 RESERVE FUNDING - RESTRICTED FUNDS
BUDGET WORKSHOP - APRIL 20, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Preliminary Budget
Restricted Funds				
Capacity Connection Fee Fund (#5025)				
Beginning Balance	\$ 53,282	\$ 96,745	\$ 96,745	\$ 138,841
<i>Plus: Additions</i>	43,463	300	42,097	45,000
<i>Less: Use of Funds</i>	-	-	-	(130,000)
Ending Balance	\$ 96,745	\$ 97,045	\$ 138,841	\$ 53,841
<i>Purpose: To pay for collection system and plant capacity improvements to serve new connections.</i>				
Captains Cove Fund (#5019)				
Beginning Balance	\$ 17,198	\$ 17,241	\$ 17,241	\$ 30,405
<i>Plus: Additions</i>	43	-	32,434	15,935
<i>Less: Use of Funds</i>	-	-	(19,270)	(30,000)
Ending Balance	\$ 17,241	\$ 17,241	\$ 30,405	\$ 16,340
<i>Purpose: Special assessment fees in and class account 350 expenses out.</i>				
Marin Lagoon Fund (#5005)				
Beginning Balance	\$ 84,259	\$ 84,472	\$ 84,472	\$ 109,671
<i>Plus: Additions</i>	213	-	67,440	24,914
<i>Less: Use of Funds</i>	-	-	(42,241)	(84,000)
Ending Balance	\$ 84,472	\$ 84,472	\$ 109,671	\$ 50,585
<i>Purpose: Special assessment fees in and class account 360 expenses out.</i>				

Total Restricted Fund Reserve Funding: \$ 85,849



2021-2022 Capital Improvements Program - Capital Outlay

(Date: 4/8/2021)

BUDGET 2021-22		
Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request

Line No. Mgr. Priority Project No. Type Project Name

PLANNING, SOFTWARE, & OTHER ENGINEERING						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
1	MC	1	New Job #	N	On-Call Construction Contract (2021-2023)	100,000		100,000
Subtotal:						100,000	-	100,000

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
3	GP	1	New Job #	N	Smart Covers (3) Additional	15,000		15,000
2	GP	1	New Job #	N	Mower Attachment Equipment	27,000		27,000
5	GP	1	New Job #	N	Hose Trailer Equipment	10,000		10,000
Subtotal:						52,000	-	52,000

COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
9	MC	1	11200-03	A	John Duckett Pump Station & HWY 101 Terra Linda Trunk Sewer Design	200,000	200,000	-
10	MC	1	12300-05	A	Rafael Meadows Pump Station - Electrical	249,574	249,574	-
11	MC	1	20300-09	A	Smith Ranch Pump Station Electrical Upgrades	310,000	310,000	-
12	MC	1	18360-01	A	Marin Lagoon Pump Station No.1 (2)	271,525	271,525	-
13	MC	1	21300-01	A	Contempo Marin MH N050.07 & Connection Improvement	140,000	140,000	-
14	GP	1	18350-01	A	Captains Cove Pump Station Upgrades(2)	30,000	-	30,000
15	MC	1	21300-03	A	Standby/Towable Generators for Minor Pump Stations	400,000	400,000	-
16	MC	1	21350-01	A	Automatic Transfer Switches for Pump Stations	250,000	90,000	160,000
17	MC	1	19200-01 & 20200-01	A	Sewer Main Rehabilitation (Air Release Valve & Vault Replacements) - two project numbers, budget of \$400,000 in FY 20-21	257,856	257,856	-
18	MC	1	21300-04	A	Pump Station Site Lighting, Safety, & Security Improvements	250,000	190,000	60,000
19	GP	1	19200-02	A	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-
20	MC	1	21300-06	A	Fencing Improvements at Various Locations	60,000	49,600	10,400
21	MC	1	21600-01	A	Emergency Bypass Pumping Analysis & Emergency Response Plan	112,083	52,083	60,000
22	MC	1	21600-03	A	Annual Facility Paving at Various Locations	35,000		35,000
23	MC	1	18300-05	A	Hawthorn Pump Station Fencing	25,000	25,000	-
24	MC	1	New Job #	N	Rafael Meadows Pump Station - Civil, fencing, other	180,000		180,000
25	MC	1	New Job #	N	Mulligan PS wetwell upgrade	60,000		60,000
26	MC	1	21300-07	A	IWMP Pump Station & Force Main Projects (Placeholder)	250,000		250,000
Subtotal:						3,131,038	2,285,638	845,400

RECLAMATION						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
43	GP	1	21500-01	N	Reclamation Pump Station Improvements	150,000	150,000	-
44	MC	1	New Job #	N	St. Vincent's Pump Station Improvements	100,000		100,000
45	MC	1	New Job #	A	Reclamation Storage Pond Valves & Catwalk piers	175,000		175,000
46	MC	1	21500-07	N	IWMP Reclamation Projects (Placeholder)	150,000		150,000
Subtotal:						575,000	150,000	425,000

TREATMENT PLANT (INCL. RECYCLED WATER)						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
59	MC	1	21600-06	A	Digester Room MCC #2 Upgrade Design & Construction	670,000	670,000	-
60	MC	1	21600-11	A	Annual Plant Paving at Various Locations	60,000	-	60,000
61	MC	1	21600-12	N	Maintenance Shop & Locker Room Improvements	50,000	50,000	-
62	MC	1	18300-05	N	Radio Antenna at Hawthorn Pump Station	20,000	20,000	-
63	MC	1	21600-08	A	Grit Chambers Coating & Auger Rebuild	300,000	200,000	100,000
64	MC	1	21600-09	N	Plant Lighting Improvements and Other Electrical Enhancement	100,000	100,000	-
65	MC	1	20600-04	A	Flow Equalization Basin Design and Construction	375,000	375,000	-
66	MC	1	20600-03	N	BERS Canopy (Biogas Equip CNG Fueling)	150,000	150,000	-
67	MC	1	New Job #	N	Primary Clarifier #1 Repair	300,000	-	300,000
68	MC	1	New Job #	N	Chemical Tanks Replacement & Eyewash Station	60,000	-	60,000
69	MC	1	21600-16	A	IWMP Treatment Plant Projects (Placeholder)	250,000	-	250,000
Subtotal:						2,335,000	1,565,000	770,000

Total (Non-Financed): 6,141,038 4,000,638 2,140,400

FINANCED PROJECTS						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
86	MC	1	12600-07 & 16650-02	A	Secondary Treatment Plant Upgrade & Recycled Water Expansion	12,939,410	12,939,410	-
Subtotal:						12,939,410	12,939,410	-

GRAND TOTAL CAPITAL OUTLAY: 19,132,448 16,940,048 2,192,400

Priority

- 1 - High - Yr 1
- 2 - Medium - Yr 2
- 3 - Low - Yr 3, 4, or 5
- 4 - Very Low - Yr 6+
- 0 - N/A

Fixed Asset

- X - CIP.
- E - Expenditure only.
- R - Reserve buildup

(1) - Project with multi-year budgeting.
 (2) - Funded by Captains Cove & Marin Lagoon
 (3) - Unknown at this time, staff may request for



2022 Construction Related Operating Expenses Projected

(Date: 4/8/2021)

Line No.	Mgr.	Priority	Project No.	Type	Project Name	BUDGET 2021-22		
						Year 1 Projected Expenditures 2021-22	Use of Carryover for 2021-22	Year 1 2021-22 Funding Request
PLANNING, SOFTWARE, & OTHER ENGINEERING								
2	MC	1	20100-05	A	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	714,983	714,983	-
3	MC	1	20100-05	A	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	305,000	-	305,000
4	MC	1	20125-01	A	On-Call Engineering Contract	273,613	173,613	100,000
5	MC	1	New Job #	N	On-Call Inspection	45,000	-	45,000
6	MC	1	21125-03	A	Alternative Funding Pursuit	21,108	21,108	-
7	GP	1	21200-01	A	Centricity CityWorks Maintenance, Support, & Training (O&M)	30,000	18,100	11,900
8	GP	1	21200-02	A	MFD/HOA/Commercial Lateral Ordinance Outreach/Survey	10,000	10,000	-
9	MP	1	21500-08	A	Biosolids System Improvement Analysis	75,000	66,758	8,242
10	MC	1	21200-06	A	Temp Access Rd Guide Dogs (temp asphalt road) - ADDED 2021	-	-	-
11	GP	1	New Job #	N	City Works Annual Licensing (O&M)	30,000	-	30,000
12	GP	1	New Job #	N	IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000	-	35,000
13	GP	1	New Job #	N	Fleet Maintenance Software annual licenses (O&M)	2,000	-	2,000
14	DM	1	20100-01		Accounting ERP Integration - O&M beginning in FY 22-23	55,000	55,000	-
15	MC	1	21300-07, 21500-07, & 21600-16	A	Arc Flash Study	250,000	138,000	112,000
16	MC	1	New Job #		Sea Level Rise Mitigation Program Design	100,000	-	100,000
17	GP			N	Pump Station 3D Site Imaging, Labeling, & SOP Program	-	-	-
18	MC	1	21600-20		Asset Management Onboarding Task 1 CMMS (O&M)	111,000	111,000	-
19	MC	1	New Job #		Asset Management Onboarding Task 2-4 CMMS (O&M)	460,000	-	460,000
21	MC	1	21125-01	A	Project Files Scanning	7,360	7,360	-
22	MC	1	21125-02	A	Drafting Software & Computer Upgrade	9,401	9,401	-
Subtotal:						2,534,464	1,325,322	1,209,142
COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)								
23	MC	1	20200-01	A	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	100,000	250,000
24	MC	1	21600-02	A	Annual Facility Painting at Various Locations (O&M)	35,000	-	35,000
Subtotal:						385,000	100,000	285,000
RECLAMATION								
25	MC	1	11500-09	A	Miller Creek Vegetation Maintenance (O&M)	129,141	54,141	75,000
26	MC	1	21500-04	N	Reclamation Pasture Irrigation System Assessment Study	45,000	-	45,000
28	MC	1	20500-05	A	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	156,948	156,948	-
Subtotal:						331,089	211,089	120,000
TREATMENT PLANT (INCL. RECYCLED WATER)								
30	MC	1	21100-01	N	Administration Building Design	1,500,000	1,000,000	500,000
31	MC	1	21600-07	N	Digester Inspection & Coating	300,000	300,000	-
32	MC	1	21600-10	N	Annual Plant Painting at Various Locations (O&M)	35,000	-	35,000
33	MC	1	21600-15	N	Miscellaneous Plant Equipment Demolition & Disposal	30,000	-	30,000
34	MC	1	20100-02	A	Administration Building Improvements - Site Evaluation	21,864	21,864	-
Subtotal:						1,886,864	1,321,864	565,000
- Minus O&M Expense included on budget O&M worksheets						(797,141)	(183,241)	(613,900)
GRAND TOTAL OTHER OPERATING CAP EXP:						5,934,558	3,141,516	2,793,042

Priority

1 - High - Yr 1

2 - Medium - Yr 2

3 - Low - Yr 3, 4, or 5

4 - Very Low - Yr 6+

0 - N/A

Fixed Asset

X - CIP.

E - Expenditure only.

R - Reserve buildup

⁽¹⁾ - Project with multi-year budgeting.

⁽²⁾ - Funded by Captains Cove & Marin Lagoor

⁽³⁾ - Unknown at this time, staff may request for

6-Year Capital Construction Related Operating Expenses Projected

(Date: 4/8/2021)

Line No.	Mgr.	Priority	Project No.	Type	Project Name	BUDGET 2021-22			PROJECTED EXPEDITURES				
						Year 1 Projected Expenditures 2021-22	Use of Carryover for 2021-22	Year 1 2021-22 Funding Request	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Year 6 2026-27
PLANNING, SOFTWARE, & OTHER ENGINEERING													
2	MC	1	20100-05	A	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	714,983	714,983	-	-	-	-	-	
3	MC	1	20100-05	A	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	305,000	-	305,000	100,000	-	-	-	
4	MC	1	20125-01	A	On-Call Engineering Contract	273,613	173,613	100,000	100,000	100,000	100,000	100,000	
5	MC	1	New Job #	N	On-Call Inspection	45,000	-	45,000	100,000	100,000	100,000	100,000	
6	MC	1	21125-03	A	Alternative Funding Pursuit	21,108	21,108	-	15,000	15,000	15,000	15,000	
7	GP	1	21200-01	A	Centricity CityWorks Maintenance, Support, & Training (O&M)	30,000	18,100	11,900	30,000	30,000	30,000	30,000	
8	GP	1	21200-02	A	MFD/HOA/Commercial Lateral Ordinance Outreach/Survey	10,000	10,000	-	-	-	-	-	
9	MP	1	21500-08	A	Biosolids System Improvement Analysis	75,000	66,758	8,242	-	-	-	-	
10	MC	1	21200-06	A	Temp Access Rd Guide Dogs (temp asphalt road) - ADDED 2021	-	-	-	-	-	-	-	
11	GP	1	New Job #	N	City Works Annual Licensing (O&M)	30,000	-	30,000	36,000	36,000	36,000	36,000	
12	GP	1	New Job #	N	IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000	-	35,000	2,000	2,000	2,000	2,000	
13	GP	1	New Job #	N	Fleet Maintenance Software annual licenses (O&M)	2,000	-	2,000	2,000	2,000	2,000	2,000	
14	DM	1	20100-01		Accounting ERP Integration - O&M beginning in FY 22-23	55,000	55,000	-	5,000	5,000	5,000	-	
15	MC	1	21300-07,	A	Arc Flash Study	250,000	138,000	112,000	-	-	-	-	
16	MC	1	New Job #		Sea Level Rise Mitigation Program Design	100,000	-	100,000	100,000	100,000	100,000	100,000	
17	GP			N	Pump Station 3D Site Imaging, Labeling, & SOP Program	-	-	-	-	-	-	-	
18	MC	1	21600-20		Asset Management Onboarding Task 1 CMMS (O&M)	111,000	111,000	-	-	-	-	-	
19	MC	1	New Job #		Asset Management Onboarding Task 2-4 CMMS (O&M)	460,000	-	460,000	875,000	875,000	510,000	110,000	
21	MC	1	21125-01	A	Project Files Scanning	7,360	7,360	-	-	-	-	-	
22	MC	1	21125-02	A	Drafting Software & Computer Upgrade	9,401	9,401	-	-	-	-	-	
Subtotal:						2,534,464	1,325,322	1,209,142	1,365,000	1,265,000	900,000	495,000	
COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)													
23	MC	1	20200-01	A	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	100,000	250,000	250,000	-	-	-	
24	MC	1	21600-02	A	Annual Facility Painting at Various Locations (O&M)	35,000	-	35,000	35,000	35,000	35,000	35,000	
Subtotal:						385,000	100,000	285,000	285,000	35,000	35,000	35,000	
RECLAMATION													
25	MC	1	11500-09	A	Miller Creek Vegetation Maintenance (O&M)	129,141	54,141	75,000	75,000	75,000	-	-	
26	MC	1	21500-04	N	Reclamation Pasture Irrigation System Assessment Study	45,000	-	45,000	-	-	45,000	-	
28	MC	1	20500-05	A	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	156,948	156,948	-	-	-	-	-	
Subtotal:						331,089	211,089	120,000	120,000	175,000	45,000	-	
TREATMENT PLANT (INCL. RECYCLED WATER)													
30	MC	1	21100-01	N	Administration Building Design	1,500,000	1,000,000	500,000	-	-	-	-	
31	MC	1	21600-07	N	Digester Inspection & Coating	300,000	300,000	-	-	-	-	-	
32	MC	1	21600-10	N	Annual Plant Painting at Various Locations (O&M)	35,000	-	35,000	35,000	35,000	35,000	35,000	
33	MC	1	21600-15	N	Miscellaneous Plant Equipment Demolition & Disposal	30,000	-	30,000	-	-	-	-	
34	MC	1	20100-02	A	Administration Building Improvements - Site Evaluation	21,864	21,864	-	-	-	-	-	
Subtotal:						1,886,864	1,321,864	565,000	35,000	35,000	35,000	35,000	
- Minus O&M Expense included on budget O&M worksheets						(797,141)	(183,241)	(613,900)	(1,103,000)	(1,158,000)	(618,000)	(213,000)	
GRAND TOTAL OTHER OPERATING CAP EXP:						5,934,558	3,141,516	2,793,042	2,908,000	2,668,000	1,633,000	778,000	

Priority
 1 - High - Yr 1
 2 - Medium - Yr 2
 3 - Low - Yr 3, 4, or 5
 4 - Very Low - Yr 6+
 0 - N/A

⁽¹⁾ - Project with multi-year budgeting.
⁽²⁾ - Funded by Captains Cove & Marin Lagoon
⁽³⁾ - Unknown at this time, staff may request fo

Fixed Asset
 X - CIP.
 E - Expenditure only.
 R - Reserve buildup

Legend

Collections	
Finance	
Operations	

Type
 A - Active
 C - Complete. Pro
 CANC - Cancelled



6-Year Capital Improvements Program - Capital Outlay

(Date: 4/8/2021)

Line No.	Mgr.	Priority	Project No.	Type	Project Name	BUDGET 2021-22		PROJECTED EXPEDITURES					
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Year 6 2026-27
PLANNING, SOFTWARE, & OTHER ENGINEERING													
1	MC	1	New Job #	N	On-Call Construction Contract (2021-2023)	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Subtotal:						100,000	-	100,000	100,000	100,000	100,000	100,000	3,000,000
FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT													
3	GP	1	New Job #	N	Smart Covers (3) Additional	15,000		15,000	-	-	-	-	-
2	GP	1	New Job #	N	Mower Attachment Equipment	27,000		27,000	-	-	-	-	-
5	GP	1	New Job #	N	Hose Trailer Equipment	10,000		10,000	-	-	-	-	-
Subtotal:						52,000	-	52,000	-	-	-	-	-
COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)													
9	MC	1	11200-03	A	John Duckett Pump Station & HWY 101 Terra Linda Trunk Sewer Design	200,000	200,000	-	-	-	-	-	-
10	MC	1	12300-05	A	Rafael Meadows Pump Station - Electrical	249,574	249,574	-	-	-	-	-	-
11	MC	1	20300-09	A	Smith Ranch Pump Station Electrical Upgrades	310,000	310,000	-	-	-	-	-	-
12	MC	1	18360-01	A	Marin Lagoon Pump Station No.1 (2)	271,525	271,525	-	-	400,000	400,000	200,000	-
13	MC	1	21300-01	A	Contempo Marin MH N050.07 & Connection Improvement	140,000	140,000	-	-	-	-	-	-
14	GP	1	18350-01	A	Captains Cove Pump Station Upgrades(2)	30,000	-	30,000	20,000	-	-	-	-
15	MC	1	21300-03	A	Standby/Towable Generators for Minor Pump Stations	400,000	400,000	-	-	-	-	-	-
16	MC	1	21350-01	A	Automatic Transfer Switches for Pump Stations	250,000	90,000	160,000	-	-	-	-	-
17	MC	1	19200-01 & 20200-01	A	Sewer Main Rehabilitation (Air Release Valve & Vault Replacements) - two project numbers, budget of \$400,000 in FY 20-21	257,856	257,856	-	-	-	-	-	-
18	MC	1	21300-04	A	Pump Station Site Lighting, Safety, & Security Improvements	250,000	190,000	60,000	-	-	-	-	-
19	GP	1	19200-02	A	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-	50,000	50,000	50,000	50,000	50,000
20	MC	1	21300-06	A	Fencing Improvements at Various Locations	60,000	49,600	10,400	60,000	-	-	-	-
21	MC	1	21600-01	A	Emergency Bypass Pumping Analysis & Emergency Response Plan	112,083	52,083	60,000	-	-	-	-	-
22	MC	1	21600-03	A	Annual Facility Paving at Various Locations	35,000	-	35,000	35,000	35,000	35,000	35,000	35,000
23	MC	1	18300-05	A	Hawthorn Pump Station Fencing	25,000	25,000	-	-	-	-	-	-
24	MC	1	New Job #	N	Rafael Meadows Pump Station - Civil, fencing, other	180,000	-	180,000	-	400,000	-	-	-
25	MC	1	New Job #	N	Mulligan PS wetwell upgrade	60,000	-	60,000	250,000	-	-	-	-
26	MC	1	21300-07	A	IWMP Pump Station & Force Main Projects (Placeholder)	250,000	-	250,000	250,000	2,000,000	2,000,000	2,000,000	2,500,000
27	MC	2	11500-01	N	SCADA Integration & Control Panel Replacements for Minor Pump Stations (4) plus Golf Course	-	-	-	250,000	250,000	250,000	250,000	-
28	MC	2		N	Systemwide Cathodic Protection Improvements	-	-	-	200,000	200,000	-	-	-
29	MC	3		N	Lower Marinwood Trunk Sewer M000.5 and MH M000.03 Access Road	-	-	-	-	60,000	-	-	-
30	MC	3		N	Marinwood HWY 101 Trunk Sewer MH M000.51 & M000.49 Access Road	-	-	-	-	60,000	-	-	-
31	MC	3		N	Sewer Main Rehabilitation (Locations TBD)	-	-	-	-	-	2,000,000	-	-
32	MC	3	14300-05	P	Smith Ranch Rd Combined Force Main	-	-	-	-	-	-	250,000	2,500,000
33	MC	3		N	Descanso Pump Station Odor Control	-	-	-	-	45,000	100,000	150,000	-
34	MC	3	20600-03	P	Smith Ranch CNG Filling Station Canopy	-	-	-	-	-	-	45,000	-
35	MC	3		N	Captains Cove and Marin Lagoon Pump Station Telemetry(2)	-	-	-	-	-	-	250,000	250,000
36	MC	3		N	Civic Center Pump Station VFD Control	-	-	-	-	-	-	100,000	-
37	MC	3		N	Lower Marinwood TS Capacity Upgrade & Relocation	-	-	-	-	-	-	250,000	1,500,000
38	MC	3		N	McInnis Pump Station Improvements	-	-	-	-	-	-	75,000	300,000
39	MC	3		N	Vac Truck Recycled Water Filling Station & Wash Rack	-	-	-	-	-	-	60,000	-
40	MC	3		N	Smith Ranch Pump Station Generator Diesel Conversion	-	-	-	-	-	-	-	100,000
41	MC	3		N	HWY 101 Northgate Industrial Park 8", Northgate North 12", Mulligan 18" TS Undercrossings Replacement	-	-	-	-	-	-	-	500,000
42	MC	3		N	Mulligan TS Capacity Upgrade	-	-	-	-	-	-	-	750,000
Subtotal:						3,131,038	2,285,638	845,400	1,115,000	3,055,000	4,780,000	3,865,000	8,835,000
RECLAMATION													
43	GP	1	21500-01	N	Reclamation Pump Station Improvements	150,000	150,000	-	150,000	-	-	-	-
44	MC	1	New Job #	N	St. Vincent's Pump Station Improvements	100,000	-	100,000	100,000	200,000	-	-	-
45	MC	1	New Job #	A	Reclamation Storage Pond Valves & Catwalk piers	175,000	-	175,000	-	-	-	-	-
46	MC	1	21500-07	N	IWMP Reclamation Projects (Placeholder)	150,000	-	150,000	150,000	150,000	150,000	2,000,000	2,000,000
47	MC	2		N	Reclamation Staging Area	-	-	-	60,000	-	-	-	-
48	MC	2		N	Sludge Lagoon Liner Replacement/Repair	-	-	-	75,000	75,000	75,000	-	-

Line No.	Mgr.	Priority	Project No.	Type	Project Name	BUDGET 2021-22		PROJECTED EXPEDITURES					
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Year 6 2026-27
49	MC	3		N	Storage Pond 1 Transfer Pipe Repair			-	-	100,000	-	-	
52	MC	1	20500-02	A	Reclamation Storage Pond Valves & Transfer Boxes - 3 catwalks			-	-	-	-	-	
53	GP		21500-02	N	Reclamation Shop Improvements	-		-	-	-	-	-	
54	MC	1	21500-06	A	Automated Gate for Reclamation Bridge			-	-	-	-	-	
57	MC	4	21500-01	A	Reclamation Levee Capping - SLR mitigation			-	-	-	-	-	250,000
58	MC	4		N	Pond Security Fencing			-	-	-	-	-	
Subtotal:						575,000	150,000	425,000	535,000	525,000	225,000	2,000,000	2,250,000
TREATMENT PLANT (INCL. RECYCLED WATER)													
59	MC	1	21600-06	A	Digester Room MCC #2 Upgrade Design & Construction	670,000	670,000	-	-	-	-	-	
60	MC	1	21600-11	A	Annual Plant Paving at Various Locations	60,000	-	60,000	60,000	60,000	60,000	60,000	60,000
61	MC	1	21600-12	N	Maintenance Shop & Locker Room Improvements	50,000	50,000	-	-	-	-	-	
62	MC	1	18300-05	N	Radio Antenna at Hawthorn Pump Station	20,000	20,000	-	-	-	-	-	
63	MC	1	21600-08	A	Grit Chambers Coating & Auger Rebuild	300,000	200,000	100,000	-	-	-	-	
64	MC	1	21600-09	N	Plant Lighting Improvements and Other Electrical Enhancement	100,000	100,000	-	-	150,000	-	-	
65	MC	1	20600-04	A	Flow Equalization Basin Design and Construction	375,000	375,000	-	-	1,000,000	-	-	
66	MC	1	20600-03	N	BERS Canopy (Biogas Equip CNG Fueling)	150,000	150,000	-	-	-	-	-	
67	MC	1	New Job #	N	Primary Clarifier #1 Repair	300,000	-	300,000	-	-	-	-	
68	MC	1	New Job #	N	Chemical Tanks Replacement & Eyewash Station	60,000	-	60,000	-	-	-	-	
69	MC	1	21600-16	A	IWMP Treatment Plant Projects (Placeholder)	250,000	-	250,000	250,000	2,000,000	2,000,000	5,000,000	5,000,000
70	MC	3		N	BERS Tail Gas Piping	-	-	-	-	400,000	-	-	
71	MC	3		N	Comcast Cable Installation	-	-	-	-	250,000	-	-	
72	MC	3		N	Covered Vehicle Parking & Storage	-	-	-	-	200,000	-	-	
75	MC	1	21600-15	A	Misc Plant Equipment Demolition & Disposal	-	-	-	-	-	-	-	
76	MC	1	21600-17	A	Sludge Thickener Structure Demolition	-	-	-	-	-	-	-	
77	MC	1	21600-14	A	Bioassay Tank Installation	-	-	-	-	-	-	-	
80	MC	1	21400-01	CANC	Carport & Paving Lab cancelled - USED FOR Paving Project 2020			-	-	-	-	-	60,000
81	MC	4		N	Primary Clarifiers - Improvements			-	-	-	-	-	5,000,000
82	MC	4		N	Disinfection System Review and Upgrade Design			-	-	-	-	-	250,000
83	MC	3		N	Fixed Film Reactor Demolition			-	-	-	-	150,000	
Subtotal:						2,335,000	1,565,000	770,000	310,000	4,060,000	2,060,000	5,210,000	10,370,000
Total (Non-Financed):						6,141,038	4,000,638	2,140,400	2,060,000	7,740,000	7,165,000	14,075,000	24,455,000
FINANCED PROJECTS													
86	MC	1	12600-07 & 16650-02	A	Secondary Treatment Plant Upgrade & Recycled Water Expansion	12,939,410	12,939,410	-	-	-	-	-	
90	MC	1		N	Property Acquisition(3)			-	-	-	-	-	
91	MC	2		N	Administration Building Construction and soft costs			-	-	3,337,360	3,427,469	25,813,408	
92	MC	2		N	John Duckett Pump Station & HWY 101 Terra Linda TS crossing Construction			-	-	6,499,240	6,674,720		
Subtotal:						12,939,410	12,939,410	-	-	6,499,240	10,012,080	3,427,469	25,813,408
GRAND TOTAL CAPITAL OUTLAY:						19,132,448	16,940,048	2,192,400	2,060,000	14,239,240	17,177,080	17,502,469	50,268,408

Priority
 1 - High - Yr 1
 2 - Medium - Yr 2
 3 - Low - Yr 3, 4, or 5
 4 - Very Low - Yr 6+
 0 - N/A

(1) - Project with multi-year budgeting.
 (2) - Funded by Captains Cove & Marin Lagoon
 (3) - Unknown at this time, staff may request for

Fixed Asset
 X - CIP.
 E - Expenditure only.
 R - Reserve buildup

Legend
 Collections
 Finance
 Operations

Type
 A - Active
 C - Complete. Project is expected to be
 CANC - Cancelled
 N - New



Agenda Summary Report

To: Mike Prinz, General Manager *MP*
From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lgvsd.org
Meeting Date: April 20, 2021
Re: Resolution No 2021-2210 Setting Time and Place for Public Hearing on the Budget for the Fiscal Year 2021-22

Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Staff recommends that the Board approve Resolution 2021-2210 setting the time and place of the Public Hearing for the Budget for the Fiscal Year 2021-22.

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 2021-22 annual budget. The date for the budget hearing is proposed to coincide with the public hearing on the sewer service charge rate increase, since the rates are part of the process to complete the 2021-22 Budget.

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

PREVIOUS BOARD ACTION

None

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None.

RESOLUTION No 2021-2210

**A RESOLUTION FIXING TIME AND PLACE FOR PUBLIC HEARING
ON THE DISTRICT BUDGET FOR THE FISCAL YEAR 2021-2022**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, this District is in the process of developing a budget for fiscal year 2021-2022; 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 the regular meeting place of said Board located at 101 Lucas Valley Road, San Rafael, California, is hereby set on Thursday, June 17, 2021 at 3:30 p.m. as the time and place for a public hearing on the 2021-2022 Budget Report filed with the Secretary of this District, and the District 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 20th day of April 2021, by the following vote of the members thereof:

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

Crystal J. Yezman Board President

Attest:

(seal)

Teresa L. Lerch, District Secretary

Resolution No. 2210



Agenda Summary Report

To: Mike Prinz, General Manager *MP*
From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: April 20, 2021
Re: Resolution No 2021-2211 Setting Time and Place for Public Hearing on Sewer Service Charge Rates for the Fiscal Years 2021-2022 and 2022-2023 and authorize mailing of Proposition 218 Notice
Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X

STAFF RECOMMENDATION

Board to set maximum rate increase for inclusion in the Notice to Property Owners, authorize the General Manager to coordinate mailing of the notice to all property owners before April 30, 2021, and adopt Resolution 2021-2211 setting the date for public hearing and on method of collection.

BACKGROUND

The District is required by Prop 218 to notify the public regarding an impending rate change and to set a Public Hearing date no less than 45 days prior to the public hearing where the increase in rates is to be considered. The proposed public hearing is scheduled for June 17, 2021 at 3:30 pm, therefore the required deadline for the notice to be mailed is April 30, 2021. If rate increases are approved by the board, the change will be effective on July 1, 2021.

On April 1, 2021, the Board received a preliminary cost of sewer service and rate study presentation from HDR, Inc. which indicated Sewer Service Charge (SSC) increases for the upcoming fiscal years 2021-2022 and 2022-2023 are needed to provide additional revenue for continued operations & maintenance and to meet the District’s capital improvement plan.

The maximum rate increase in the Prop 218 Notice to Property Owners does not commit the District to raising the rate to that level. It can be set lower at the public hearing if the Board so chooses.

PREVIOUS BOARD ACTION

Feedback supplied to staff during the rate study presented to the Board on April 1 and 15.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None

Attachments:

1. Notice to Property Owners – Public Hearing on Sewer Service Charge Increase
2. Resolution No. 2021-2211 Fixing Time and Place for Public Hearing on Wastewater Service Charge Rates for the Fiscal Years 2021-2022 and 2022-2023

RESOLUTION No 2021-2211

A RESOLUTION FIXING TIME AND PLACE FOR PUBLIC HEARING ON WASTEWATER SERVICE CHARGE RATES FOR THE FISCAL YEARS 2021-2022 AND 2022-2023

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, this District has elected to have certain charges for services and facilities furnished by it which have become delinquent and the sewer service charges for the fiscal years 2021-2022 and 2022-2023 collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Section 5470 through 5473.11 of the Health & Safety Code of the State of California; and

WHEREAS, pursuant thereto, a sewer service charge report will be on file with the Secretary of this District, and thereafter provided to the County Assessor prior to August 6, 2021;

NOW, THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District herein shall duly publish legal notice in the Marin Independent Journal, a newspaper of general circulation; post it at the District's offices at 101 Lucas Valley Road, San Rafael, CA; and post it at its website at www.lgvsd.org in accordance with the requirements of the Government Code § 54954.2 and the Sanitary District Act of 1923, Health and Safety Code §§ 6400 *et seq.*, said notice specifying, among other things, that the District will conduct a public hearing on Thursday, June 17, 2021 at 3:30 p.m. at the regular meeting place of said Board of Las Gallinas Valley Sanitary District, located at 101 Lucas Valley Road, Suite 300, San Rafael, California, for hearing on charges for services and facilities furnished by it which have become delinquent and the sewer service charges for the fiscal years 2021-2022 and 2021-2022 to be collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Section 5470 through 5473.11 of the Health & Safety Code of the State of California,

BE IT FURTHER RESOLVED, that a sewer service charge report will be on file with the Secretary of this District, and thereafter provided to the County Assessor prior to August 6, 2021.

* * * * *

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 20th day of April, 2021, by the following vote of the members thereof:

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

Crystal J. Yezman Board President

Attest:

(seal)

Teresa L. Lerch, District Secretary



Because of legal noticing requirements, you may receive more than one copy of this notice. This notice applies to all properties receiving service from Las Gallinas Valley Sanitary District.

101 Lucas Valley Road, Suite 300
San Rafael, CA 94903

Board of Directors

Megan Clark
Rabi Elias
Craig K. Murray
Judy Schriebman
Crystal Yezman

District Administration

Mike Prinz, *General Manager*

Presorted
Standard
US Postage
PAID
Unicorn Group



April 20, 2021

NOTICE TO PROPERTY OWNERS

June 17, 2021 Public Hearing on Sewer Service Charge Increase

The District will hold a public hearing on its proposed 2021-22 and 2022-23 sewer rates on Thursday, June 17, 2021. Due to COVID-19 public health orders, the hearing will be held via Zoom video conference. The District is proposing a two-year sewer service charge increase, to become effective on July 1, 2021.

Rate Change Explained

The District is proposing a **X.X%** increase for the first year of the two-year rate plan (of approximately **\$X.XX** per month per typical single-family residence); and a **X.X%** increase for the second year (or approximately **\$X.XX** per month for a typical single-family residence). This increase is necessary in order to ensure the District continues increasing efficiency and resiliency, and has the staff and facilities to continue providing high-quality services with a focus on protecting the environment.

We recognize that the timing of this increase as we all continue to endure the pandemic and its economic effects is unfortunate. However, the need for ongoing operational and capital improvement did not diminish over the last year. Our customers can be assured, though, that they are getting great value for their rates, which remain below average among Marin County sewer system operators (see chart on page 2).

Sewer service charges are primarily used for the wide variety of activities that ensure the District is up-to-date in critical regulatory, operational, and maintenance areas, and that our facilities meet the community's needs for today and the future. In addition to continuation of the District's Secondary Treatment Plant Upgrade and Recycled Water Expansion Project, a portion of this increase will be used to fund construction of a much-needed upgrade of our largest collection system pump station and a new administration building, and fill several crucial staff positions at the District.

To cover the cost of these critical services and upgrades, the District proposes increasing the rate from **\$XXX** to about **\$XXX** per year per sanitary sewer unit (an increase of **\$X.XX** per month) effective July 1, 2021, and a second-year increase from **\$XXX** to about **\$XXX** per year per sanitary sewer unit (an increase of **\$X.XX** per month) effective July 1, 2022.

How the Funds are Being Used

The majority of the funding is going into our capital improvement program, reinvesting into the District through modernization and upgrades throughout our aging systems. The Secondary Treatment Plant Upgrade and Recycled Water Expansion Project, which is currently underway, replaces old equipment and allows the District to meet increasing Federal and State regulatory compliance requirements. Phase 1 (of three phases) of the overall project was completed in March of this year, and included building of the new recycled water treatment facility which is now in operation. The new, more efficient facility increases the water recycling capacity from the previous 1.4 million gallons per day (MGD) to 5.4 MGD. A large portion of the District's recycled water is distributed to Marin Municipal Water District and North Marin Water District, which then sell it for use in landscape irrigation, car washes, cooling towers, commercial laundries, and toilet flushing. Other

Our Commitment to Excellence

District Transparency Certificate of Excellence by the Special District Leadership Foundation, 2019

Excellence in Financial Reporting, Certificate of Achievement, 2019

Public Education and Outreach Award Three-County Area 2012, 2013, 2014, 2015, 2016

Collection System of the Year Three-County Area 2008, 2010, 2012, 2016

To Protest the Proposed Changes

Protests against the proposed changes in the sewer service charge must be submitted in writing to the District before the end of the public hearing to be held on June 17, 2021 at 3:30 PM. Protests may be mailed/delivered to the District in advance at 101 Lucas Valley Road, Suite 300, San Rafael, CA 94903. Protests must identify the owner(s) of the property or properties for which the protest is entered, and be signed by the property owner. If a majority of owners of affected parcels within the District submit written protests against the proposed changes, the District will not approve the sewer service charge increases.

PARTICIPATE IN THE RATE HEARING: June 17, 2021 at 3:30 PM via Zoom video conference.

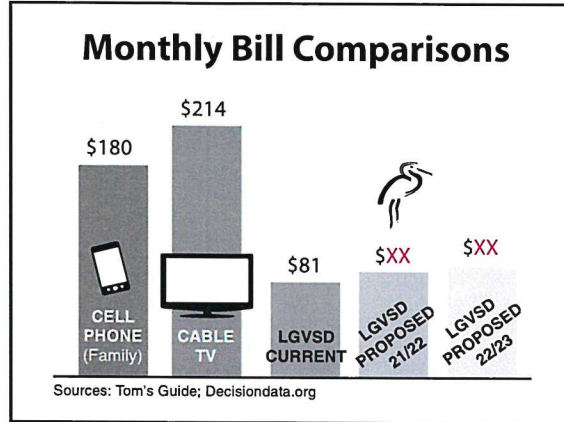
Go to www.lgvsd.org/218 for log-in information

WEB: www.lgvsd.org **PHONE:** 415-472-1734 **EMAIL:** info@lgvsd.org

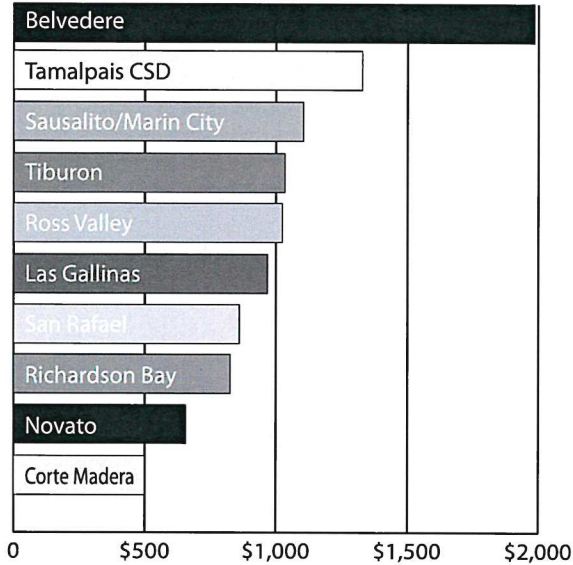
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 472-1734 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help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

LGVS D Rates Remain Below Marin County Average

The annual cost of sewer service for a typical District single family residential customer (or sanitary sewer unit) are below the average median of comparable Marin County communities.



Sewer Rate Comparison in Marin County as of April 2021



Summary of LGVSD Sewer Service Charges for July 1, 2021 through June 30, 2023

Residential Rates Beginning July 1, 2021

Residential Rates: This is the annual sewer service charge for single family homes or similar residential units such as condominiums and mobile homes. Multi-family residential units such as apartments are calculated at 90% of the annual single family home sewer service charge.

Current Basic Rate: \$xxx per year (\$xx per month)

Proposed Basic Rate: 2021/22 - \$xxx per year (\$xx per month)
2022/23 - \$xxx per year (\$xx per month)

Non-Residential Rates Beginning July 1, 2021

Non-Residential Rates: The rates for non-residential customers are proportional to the increase in residential rates. Rates are calculated individually for each type of non-residential use as described below.

How the District Keeps Costs Down

The District maintains a relatively small staff and proactively plans for and makes responsible investments in infrastructure and improvements. Good compliance with regulatory requirements has helped the District minimize costly fines.

"How the Funds are Being Used" continued from page 1...

amounts of recycled water are used to irrigate District pasture land, or is stored in the District's ponds for later release to Miller Creek, when permitted. The ability to produce a significantly-increased amount of recycled water for beneficial reuse contributes to the District's goals around environmental protection and preservation.

In late 2019 the District moved its administration and engineering departments to a temporary leased office site building where staff has more space, facilities, and capacity, until the old, outdated administration building can be replaced. The timing of this office move was very fortunate - without the move at that time, the pandemic would have impacted the District to a greater extent than it did. There would have not been enough space in the old building for both administrative and operational staff to work safely while adhering to COVID-19 distancing guidelines,

and business interruption would most likely have occurred. The planned new building at our treatment plant site will have more room for our staff and the public, include additional parking, and provide a building the community can be proud of for the next 50 years. It will be a more practical and productive setting for staff and for the community members who visit the main office. Initial building concepts have been completed, and site selection for the precise location of the new building is anticipated to take place later this spring.

Funds are also used for rehabilitating sewer and lower lateral pipelines and pump stations, increasing capacity of sewer mains, maintaining facilities to avoid equipment failure, making emergency repairs, replacing vehicles and equipment, and other activities.

User Classes	Rate Calculation	Water Use Calculation
Domestic strength users: Commercial, office buildings, retail, churches, halls, public agencies, laundromats, service stations, medical offices, hospitals, convalescent/nursing homes, barber/beauty shops, and car washes	The annual sewer service charge rate times the average summer and winter water use times a strength factor of: 1.0	To calculate water use, the District obtains the average of winter and summer water usage for each non-residential customer from the Marin Municipal Water District. This data is then converted to equivalent single family residential units (or sanitary sewer units). Water used solely for irrigation and recycled water which does not enter the sewer system, i.e. water not used for toilet flushing, laundry, commercial car washes, etc., is excluded from the calculation.
High strength users:		
Bakeries	3.2	
Markets with disposals	2.6	
Restaurants/Cafes	2.4	
Mortuaries, mixed uses/ other, hotels with restaurants	2.0	
Industrial and other high-strength users	Contact the District for information and assistance	
Schools without showers or cafeteria facilities	0.01 times the annual sewer service charge rate per average daily attendance for students, faculty, and employees	
Schools with showers or cafeteria facilities	0.02 times the annual sewer service charge rate per average daily attendance for students, faculty, and employees	