

Las Gallinas Valley Sanitary District

Adopted Budget

Fiscal Year 2023-2024

June 30, 2023





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Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Ronald Ford
Craig K. Murray
Gary E. Robards
Crystal J. Yezman

June 30, 2023

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

The management staff of the Las Gallinas Valley Sanitary District (“District or LGVSD”) is pleased to present the Proposed LGVSD Budget for the upcoming 2023-2024 fiscal year. The proposed budget includes the latest data on revenue projections, expense forecasts, debt service requirements, reserve funding, and capital outlay expenditures.

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

SUMMARY

The District must provide enough revenue to cover the cost of providing sanitary sewer collection, treatment, and recycled water service including the costs of acquisition, construction, reconstruction, maintenance, repairs, replacement and operation of the sanitary sewer systems and the payment of principal and interest on bonds or other debt instruments issued for the construction or reconstruction of the sanitary sewer systems. Operating revenue includes sewer service charges collected, revenue from the production of recycled water, and revenue from permit and inspection fees related to development-related sewer system improvements of the collection system. Non-operating revenue, which supplements operating revenue, includes property taxes, interest, franchise fees, and other pass-thru reimbursement revenue. Capital contributions, grants, and the utilization of bond funds and reserves round out the revenue sources for the District. The District is anticipating \$33,910,064 in total funding for 2023-2024 with \$23,791,633 coming from revenue and \$10,118,431 from prior year capital carryover and reserve funds.

Operations and Maintenance (“O&M”) expenses are anticipated to increase over the prior year budget by \$1,228,000, or 10.72%. O&M expenses means the reasonable and necessary expenses paid or incurred for maintaining and operating the collection, treatment, and recycled water systems (“Systems”) of the District, determined in accordance with generally accepted accounting principles (“GAAP”) that the Governmental Accounting Standards Board (“GASB”) established for and is used by state and local governments in the United States. O&M expenses include all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the systems of the District in good repair and working order. These include all administrative costs of the District that are charged directly or apportioned to the operation of the systems, such as salaries and wages of employees, overhead, the cost of permits, licenses, and charges to operate the system and insurance premiums. Excluded from O&M expenses are depreciation, replacement, obsolescence charges, reserves, and amortization of intangibles. O&M expenses, including employee salaries and wages, comprise 31.99% of the budget.

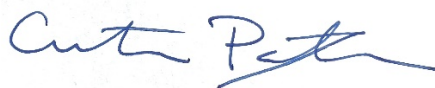
Debt service requirements are \$4,496,574 and include the 2017 Revenue Bonds and 2019 IBank loan. The final 2012 Bank of Marin Loan payment was made in August 2022. Debt service comprises 11.34% of the budget.

New Reserve funding of \$4,513,337 is proposed to be established and set aside to cover scheduled, routine, and unscheduled expenses that would otherwise be drawn from the General Fund. Reserve funds may also be used for large-scale projects and improvements that are expected to happen in the future, such as the construction of new operations and laboratory buildings at the treatment plant and the John Duckett Pump Station and Trunk Sewer project. The District maintains five reserve funds and four restricted funds. Restricted funds are monies set aside for a particular purpose and \$935,157 in additional funding is proposed with the budget, and includes new funding for the Recycled Water Capital Repair and Replacement fund required under agreement with Marin Municipal Water District ("MMWD"). Reserve funds are permanently restricted to that purpose and cannot be used for other expenses. Reserves Policy F-50 establishes and explains the purpose and reasons for each of the reserves established, along with target thresholds. Both the reserve funds and restricted funds are included in the reserve funding total, but they are different in that while the board can reallocate funds from reserves, while the restricted funds, such as Captains Cove and Marin Lagoon, serve a specific purpose and therefore their use is controlled by State law and agreements in place for providing service. Reserve and restricted funding comprise 13.74% of the budget.

The Capital Outlay effort for 2023-2024 remains the primary driver of expenditures for the District comprising 42.94% of the total budget. The total capital outlay for the Capital Improvement Program ("CIP") for Fiscal Year 2023-2024 is \$17,031,457, excluding \$3,000,000 that will be reserved for the construction of the new operations and administrative building in the future. During the development of the CIP, review of strategic initiatives established by the Board, along with anticipated implementation of the Integrated Wastewater Master Plan indicate that capital improvements will remain the primary expense driver for the District for at least the next 10 years. The recent Sewer Rate Study by Hildebrand Consulting included a 10-year CIP forecast based on the District developed CIP. The good news is that by adding to or improving District facilities the public materially benefits from the value and useful life of the assets of the District.

Unused prior year Capital Outlay Carryover funds is the primary funding source for the majority of capital projects in Fiscal Year 2023-2024. \$10,000,036 of carryover funding is allocated for use on capital projects in the 2023-2024 budget.

Sincerely,



Curtis Paxton
General Manager



Dale McDonald
Administrative Services Manager

Las Gallinas Valley Sanitary District

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REVENUE

Operating Revenue

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

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

Inspections, permits, and application fees reflect projected revenue from fees related to the Private Sewer Lateral Inspection program, lateral repairs and replacement, and applications for engineering review. The revenue is based on historical sales and permit data for properties within the District between 2019 and 2023.

Non-Operating Revenue

Secured property taxes are calculated based on the value of real property, land, and personal property, such as structures, located upon real property. Secured property is taxed at a general rate of 1% of the assessed value. Property tax projections for 2023-2024 are expected to be slightly higher than 2022-2023 actuals. For 2023-2024, property tax revenue is budgeted at \$1,229,409 and reflects a 3% increase over projected 2022-2023 receipts. The District has historically identified secured property taxes as General Construction Revenue since the State puts no limitations on its use. It can, therefore, be considered a general fund that can be used for any legal purpose allowed by District Code and State law. The Low-Income Sewer Rate Assistance Program is funded from secured property tax revenue, a total of \$25,000 has been allocated to the program, in 2023-2024.

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

Educational Revenue Augmentation Funds (“ERAF”) are determined by State statute. Special districts are allocated a certain amount of property tax revenues; however, a portion is shifted from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges. The District is subject to ERAF I and II tax shifts, which are specified by the State, using population and other factors. These factors are adjusted annually per the incremental growth rate in assessed property tax values. Staff has budgeted \$507,904 for 2023-2024 using the foundational basis from the ERAF revenue received in 2022-2023.

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The Solid Waste Franchise fee revenue is forecast based on the anticipated Marin Sanitary Service rate increase adopted in January of each year. The revenue is based on the agreement with the solid waste franchisee, Marin Sanitary Service. Higher rates due to costs related to implementation of SB 1383, the State's organics recycling law, could be adopted in January 2024 which would increase both revenue and pass thru expenses related to the solids waste collection, recycling, and organic waste programs.

Interest on reserves, which are invested in the Bank of Marin and the Local Agency Investment Fund with the State of California, are expected to yield higher than average returns with rates to remain flat in 2024. As the District uses accumulated funds for construction projects, the earnings are projected to decline in 2023-2024.

The Private Sewer Lateral Assistance program began in July 2012. The budget reflects the projected direct repayments and annual payments to be collected on the tax roll in 2023-2024 from property owners that took advantage of the program to have the District pay for their sewer lateral repair or replacement. Fewer anticipated loans are expected in 2023-2024 as home sales, a primary trigger for lateral sewer replacements, remain flat.

The Miscellaneous revenue account allows various incidental or one-off payments to be deposited into the District's operating account. Revenue received this fiscal year included \$85,900 in payment for the remaining unused Sharp Solar Panel Warranty value and \$10,200 in payments from Marin County to reimburse the District for collecting wastewater samples for COVID-19 testing. Staff does not forecast a budget in this category, as they are difficult to project, but has included a small placeholder to assist with future accounting if needed.

Capital Contributions / Capacity Related Revenue

Annexation, Capital Facilities Charges ("CFC"), and Connections Fee activity for remodel permits and Accessory Dwelling Units ("ADUs") has increased from prior years. CFC's can be paid over 3 years as the project is developed. While the District is substantially built out and the pace of development is difficult to predict, staff are aware of a few large-scale development projects which are anticipated to be approved for connecting to the sewer system in 2023-2024. State and local governments are looking at laws to allow additional expansion of ADUs to create more affordable housing and provide flexibility for families who wish to build a second unit on their property. ADUs are normally not subject to capacity or connection fees but can be billed a SSC depending on the size and number of units. Staff is budgeting \$870,286 in receipts for capital facility charges for 2023-2024 primarily the result of the two large projects under development. A capacity fee study by HDR Engineering was completed in 2022 which, based on the cost-of-service for connecting to the system, adjusted the CFCs that can be imposed on development. Annexation and development fees are separate from the CFC connection fees. The interest income for this category is for existing CPC funds held on deposit, which must be expended only for capital projects that increase capacity to either the collection system or treatment plant.

Marin Municipal Water District ("MMWD") entered into an agreement in March 2017, to buy into the existing capacity of the Recycled Water Treatment Facility as well as participating in the debt service of the 2017 Revenue Bonds associated with the estimated cost for the expansion of the facility. Through May 2023, the MMWD buy-in and debt service funds were allocated to the Capital Reserves for their shared cost of the expansion project. Now that the project is nearing completion, the buy-in and debt service payments received from MMWD will be allocated to undesignated Capital Reserves for future use by the District. In addition, per the agreement, MMWD and LGVSD will meet in late 2023 to review the construction costs of the projects and adjust the buy-in amount based on actual final costs of the project. The Marin Municipal Water District Inter-Governmental capital contribution revenue line item includes \$230,000 in 2023-2024 as a placeholder for anticipated revenue from the buy-in adjustment.

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There is only one pending disbursement of \$567,760 from the IBank loan remaining, which will be disbursed once the Notice of Completion for the Secondary Treatment Plant Upgrade and Recycled Water (“STPURWE”) project is filed. The remaining funds will be returned to the general fund as STPURWE expenditures have already been paid. The disbursements budgeted are reflected in the Other category on the charts on the following pages.

Federal and State grants may become available for wastewater infrastructure projects, but no specific grant has been identified let alone secured. The District has contracted with a consultant to pursue alternative funding and is collaborating with partner agencies, such as North Bay Water Reuse Authority, to investigate grant opportunities. It is wise for the District to design construction-ready projects to take advantage of any grants that become available, but it would not be prudent to anticipate revenue from grants at this time. A Local Assistance Grant in the amount of \$43,309 was obtained from CalRecycle in April 2022 which can be used for implementation of organic recycling programs in Fiscal Year 2023-2024 and beyond as mandated by SB 1383. A Zero Waste Marin reimbursement grant of \$5,000 is anticipated in 2023-2024 to offset the District’s cost for various waste reduction laws and support projects that move Marin’s communities to Zero Waste.

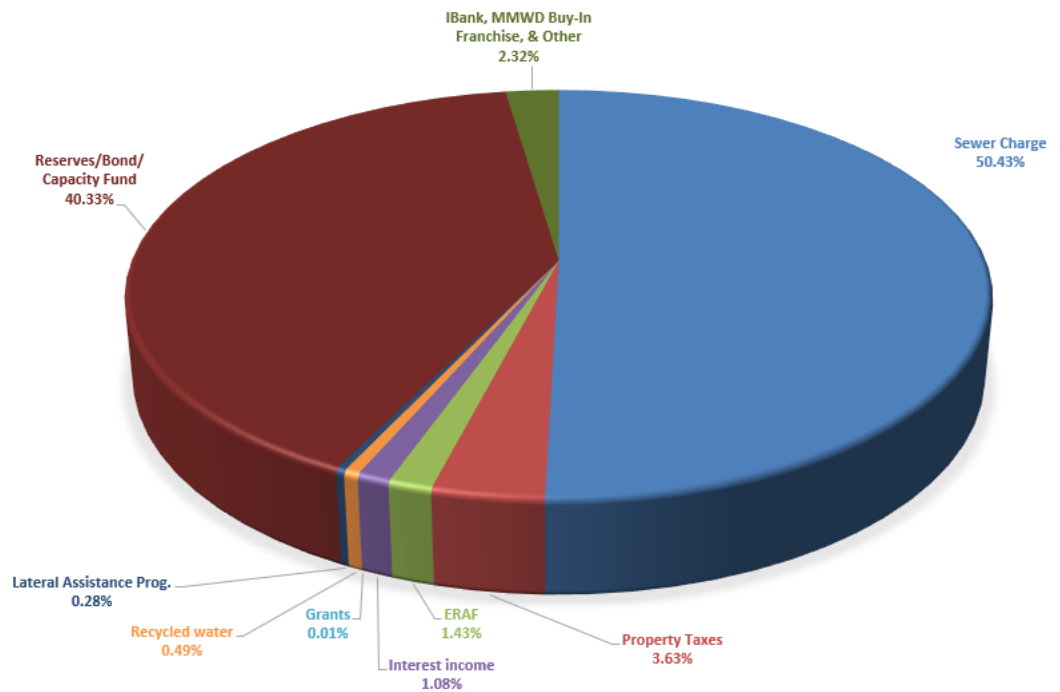
Utilization of Bond Funds and Reserves

The Private Sewer Lateral (“PSL”) Assistance Program has continued to collect reimbursements for loans made to property owners. No additional funding use has been proposed in recent years resulting in the balance in this program sitting at \$394,015. Funds must be sufficient to fund future assistance with anticipated revenue of \$81,700 allocated for 2023-2024. The budget includes using \$60,500 towards new loans in 2023-2024.

The District has previously budgeted for projects that have not yet begun or are in the middle of construction, which has created carry-over capital funding that is available for continuing projects. These projects are included in the Capital Outlay budget. Any unused funding allocated to these projects will carry forward into 2023-2024. A total of \$10,118,431 of prior-year capital carry-over is budgeted for use in 2023-2024.

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

FISCAL YEAR 2023-2024 TOTAL REVENUE SOURCES \$33,910,064



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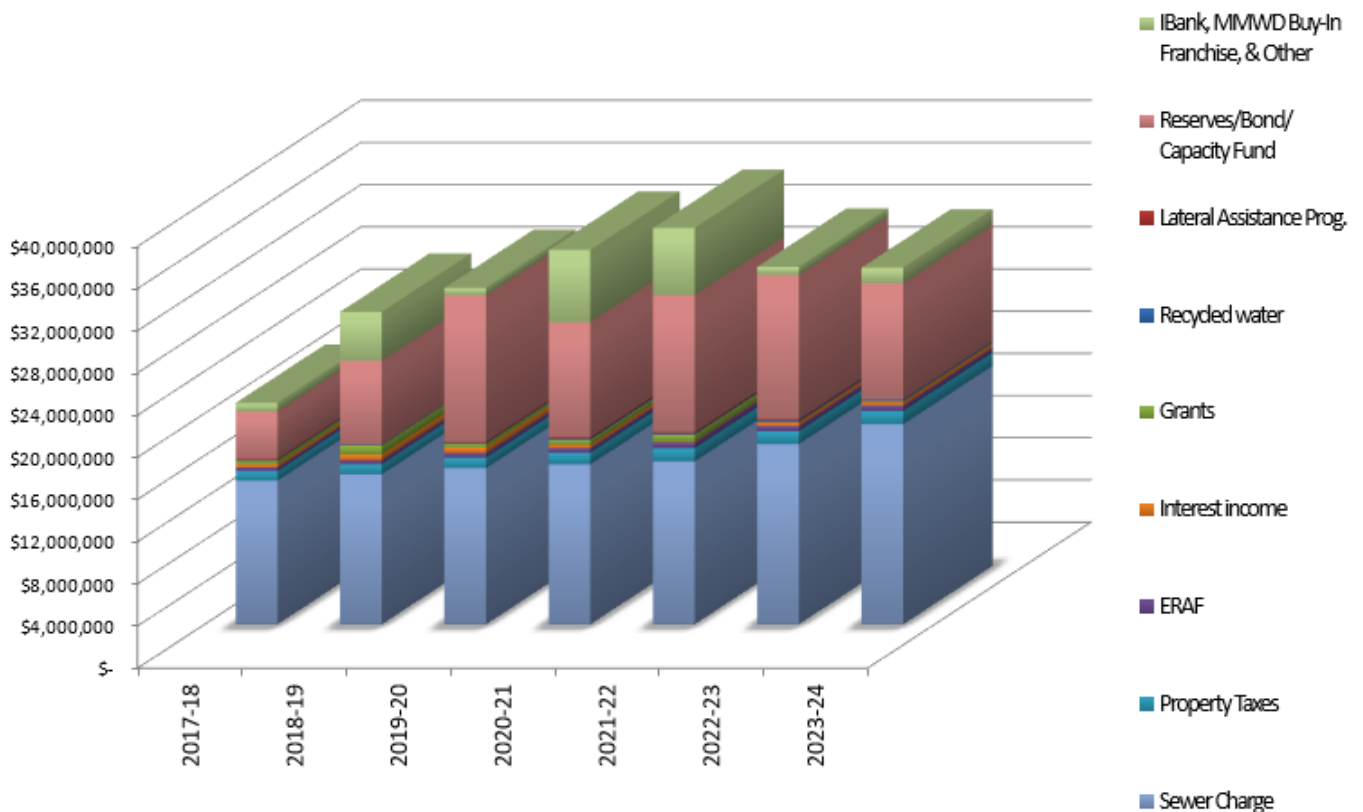
project. The projected Capital Reserve beginning balance of \$5,649,747 includes \$3,000,000 designated for the operations and administration building project. There is no planned use of these funds in 2023-2024.

Transfers from the Capacity / Connection Fee Facilities Fund, which has been growing as fees for new or additional connections to system are paid by developers, can be used to pay for collection system and plant capacity improvements necessary to serve those connections. There is no planned use of these funds budgeted for 2023-2024.

Transfers from the Marin Lagoon and Captains Cove restricted funds can be used towards repayment of operating and capital costs, including capital replacement and Board authorized capital projects, incurred for Marin Lagoon and Captains Cove collection systems. A total of \$51,400 is budgeted for 2023-2024.

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

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



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EXPENDITURES

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

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

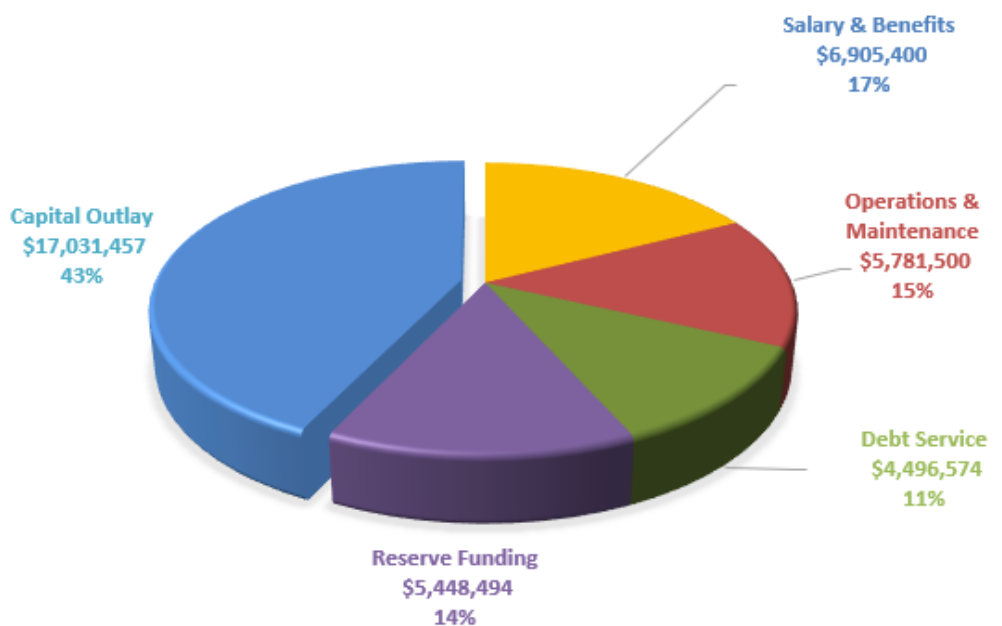
Modified accrual accounting is an alternative bookkeeping method that combines accrual-basis accounting with cash-basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

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

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

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

PROPOSED BUDGET FY 2023-2024



The District’s largest expenditure category is Capital Outlay followed by Operations and Maintenance. The operations and maintenance expense, debt service, reserve and restricted funding, and capital outlay financials

have been reviewed and comments on key items of interest are being provided to the Board to facilitate discussion. The Board can review its reserve policy and establish reserve funding targets for the Operating & Rate Stabilization Reserve, Emergency Repair, Capital Reserves, and Vehicle and Equipment Reserve as part of the budget process.

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Operations and Maintenance Expenses

Employee Expenses:

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

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

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

Health insurance is projected based on the known rates for July through December 2023 and the application of an estimated health insurance trend rate of +1% for the remainder of 2023-2024. CalPERS Health will set the coverage rates for 2024 in the summer of 2023. The expense also reflects costs associated with one new proposed position for 2023-2024. Other Post-Employment Benefits (“OPEB”) retiree health benefits for prior employees and pre-funded expenditures for current employees based on the GASB 75 actuarial valuation measurement date June 30, 2021 are included under health benefit expenses.

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

Proposed New Position:

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

Grant Management and Purchasing Procurement Specialist

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

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

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

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

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

Insurance:

Workers compensation insurance is based on projected wages for 2023-2024, plus the addition of full-time positions being filled, and a decrease in the experience modification factor from 0.94 to 0.89 based on the District's recent claims history. The Workers Compensation Insurance Rating Board (WCIRB) continues to use the simplified Experience Rating Formula which removes the first \$250 of each claim for the calculation. The increase in the projected 2022-2023 actuals is attributable to new employee positions filled in 2022-2023.

Pooled liability insurance includes general liability and mobile equipment, billed separately. The general liability insurance premium period is based on a calendar year and the mobile equipment on a fiscal year basis. The liability insurance is the larger premium for which the yearly cost is known based on the current billing, a modest increase of 1% over 2022 has been calculated for liability insurance. Budget is to be adjusted once the invoice for actual July 1, 2023 to June 30, 2024 insurance is received, usually in late May or early June.

Property insurance is reported on the same line item with general liability. Since 2018, significant events have driven the property insurance market to tighten substantially. Prior events in 2020 and 2021 have further aggravated market conditions and the firming trend is expected to continue. Property insurance rates are estimated to increase 20% or an additional \$23,550 because of market conditions. In addition, the new construction values related to the STPURWE Project will be added to the Schedule of Values (SOV) upon Notice of Completion which will increase the Total Insurance Value by an additional 7.5%, resulting in a significant premium increase at renewal estimated at an additional \$32,380 for 2023-2024.

Repairs and Maintenance:

Most repairs and maintenance expenses are coordinated by the Maintenance Supervisor, but actual expenses related to assets are allocated to the respective financial class Collection System, Pump Station, Treatment Plant, or Recycled Water for proper accounting. Management work together to authorize and approve expenses. Inflation and logistic delays have had an impact on the costs of parts and services in 2023. It is anticipated that continued inflationary factors will influence costs into 2024. The Repair and Maintenance budget for 2023-2024 is projected to decrease \$130,100 over the prior year budget (equal to 12.48%) but increase \$145,928 over the projected actual expenses (equal to 19.05%).

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The building and grounds maintenance budget includes having an outside firm perform yard work on the main building landscape and reflects expenses related to maintenance work performed by the District's skilled maintenance employees. It also includes monthly Jefferson Security Fire Suppression monitoring expenses. A large expense is expected for algae control at the reclamation area storage pond.

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

Capital repairs/replacements consist of items that are long-lived or life extending in nature but are not included in the capital improvements budget. They are either items that are capital in nature, but the replacement/repair is not anticipated as part of the initial capital outlay budget or items such as small pumps and equipment with a cost under the \$5,000 capitalization threshold. The budget has been reduced from prior years anticipating fewer capital replacement projects.

Other Operating Expenses:

Chemical costs will be substantially higher in 2023-2024. The budget is based on past usage and the expected increased chemical use in recycled water production. As a member agency of The Bay Area Chemical Consortium ("BACC"), the District benefits from regional bids for chemicals by wastewater agencies in the Bay Area. All agencies have experienced an increase in chemical costs over the last year. Unit prices beginning July 1 for hypochlorite will increase 82% and bisulfite 25%. Costs associated with recycled water production are recoverable based on the percentage of water received by each of LGVSD, MMWD, and NMWD.

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

Reclamation expenses include pasture disking and marsh pond vegetation management. Sludge Disposal cost for injecting digested biosolids in the District's dedicated disposal site is not required over the next few years while the biosolids feasibility study is underway, which requires land disposal of solids as part of the test study period. The amount is based on prior year activity, however long-range system improvements will lead to increased costs, which will hopefully be offset by a regional program and associated fees.

Feasibility studies that are not capital improvement or capacity related are treated as an operational expense. These studies include projects such as biogas, compost feasibility, sea level rise adaptation and drought contingency planning. A total of \$100,000 is budgeted for 2023-2024 for continuing and additional studies. The Biosolids Program Monitoring Research Support & Flood Protection program is a capital project as it is part of an EPA biosolids project and is budgeted separately in the District's Capital Improvement Program.

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

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General and Administrative:

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

Computer Services and Software includes annual software renewals, outside computer network support, Zoom video conference, and other incidental computer software products. As software companies move away from providing owned software licenses and switch to a Software-as-a-Service (“SaaS”) licensing and delivery model, in which software is licensed on a subscription basis and is centrally hosted, the District will see these expenses rise. CityWorks, ArcGIS, SCADA, and the Caselle Accounting Enterprise Resource Planning (“ERP”) software all follow SaaS licensing models. Computer equipment below the capital asset threshold is replaced as needed under the Office Supplies & Equipment cost center.

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

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

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

Debt Service

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

- Certificates of Participation (COP) with an original principal amount of \$10,000,000, which were issued in 2005, and have annual principal and interest payments through December 2025. The District refinanced them at a reduced interest rate of 3.3% which will save interest over the remaining life and will result in lower annual payments. The principal balance remaining is scheduled to be \$2,068,800 as of July 1, 2023.
- State Revolving Fund Loan (SRF) was a construction loan which originated in 2010 and was completely drawn down in 2012. The original principal amount was \$4,314,750 with annual principal and interest payments through June 2032. The interest rate is 2.7%. The principal balance remaining is scheduled to be \$2,254,100 as of July 1, 2023.
- Bank of Marin Loan #1 which originated in 2011 with a principal amount of \$4,600,000. Monthly principal and interest payments are due through June 2031. The interest rate is 3.88%. The principal balance remaining is scheduled to be \$2,279,776 as of July 1, 2023.

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- 2017 Revenue Bonds were issued in April 2017 with a principal amount of \$38,365,000. The true interest rate to maturity is 3.2984%. Annual principal and interest payments are due through April 2042. The principal balance remaining is scheduled to be \$32,265,000 as of July 1, 2023.
- The District entered into an agreement with California Infrastructure and Economic Development Bank (IBank) in May 2019 for a loan of \$12,000,000. The loan has a maturity date ranging from August 1, 2019 through August 1, 2043. The interest rate on the loan is 3.0% per annum. The principal balance remaining is scheduled to be \$10,623,024 as of July 1, 2023. An annual service fee, \$31,869 for 2023-2024, is treated as an Operating & Maintenance expense but recognized as debt service for budget purposes. The annual fee is not reported as a long-term obligation in audited financials.

The debt service does not reflect the reimbursement to be received from MMWD for buying into the existing recycled water treatment facility or their portion of the 2017 Revenue Bonds. The payments received from MMWD will be transferred to operating account beginning in July 2023 for use to pay their share of debt service for the recycled water treatment facility improvements. Choosing to recognize debt service payments from MMWD as a reimbursement to the general operating account for debt service payments, rather than funding of the capital reserve, the District's 2017 Revenue Bonds debt obligation would be lower.

The Debt Service Coverage Ratio (DSCR) for the District for 2023-2024, based on the presented budget and debt service, is determined by dividing the Net Operating Income (\$9,028,773) by Total Debt Service (\$4,496,574). The calculated DSCR for 2023-2024 is therefore 2.01. The District is required to maintain a DSCR of 1.25 or higher due to bond covenants and we are above this minimum. The District includes both its operating income and non-operating income, primarily guaranteed property taxes, in determining its Net Operating Income which is used in the calculation of DSCR. When specifically included in a utility's bond indenture, rate stabilization reserves can be used to help meet debt service coverage requirements during times of revenue shortfalls.

Reserves

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

- Operating & Rate Stabilization Reserve has a target of a minimum balance equal to 7 months of average annual budgeted expenses. Based on reserve fund policy the reserve target for 2023-2024 is therefore \$10,000,000 but the reserve only has balance \$3,608,771 at the beginning of the upcoming fiscal year. The budget includes adding \$639,123, one-tenth of the reserve target shortfall, to the budget for 2023-2024. The reserve has been established to fund unexpected expense increases and can be used to help stabilize sewer service charge rate swings.
- Emergency repair reserve target has been increased from \$1,000,000 to \$1,500,000 to adjust for inflation and construction price increases, to be built up over 2-3 years. The budget is proposing \$166,667 be added to the reserve in 2023-2024.
- The Capital Reserves has held funds for use towards the Secondary Treatment Plant Upgrade and Recycled Water Expansion (STPURWE) project since 2017. It included payments from MMWD required to service the 2017 Revenue Bonds. With the project near completion, the Board authorized transferring the remaining STPURWE designated Capital Reserves to the general operating account as reimbursement for project payments paid from the general fund. In addition, the Board designated \$3,000,000 to be transferred to the District's Capital Reserve fund for the purpose of constructing a new operations and administration building at the treatment plant. The proposed budget for 2023-2024

Las Gallinas Valley Sanitary District

Adopted Budget – 2023-2024

includes adding an additional \$3,000,000 to the Designated Capital Reserve for this project and \$668,782 additional undesignated funding.

- Vehicle and Equipment Reserve (VERF) was established in Fiscal Year 2019-2020 to fund vehicle and equipment replacements. The reserve was established at \$1,000,000 and was set up with funds held in the District's LAIF account. The Board authorized the purchase of new vehicles mid-year, reducing the projected end of year balance. The Vac-Con collection truck was not replaced in 2022-2023 and therefore less authorized reserve was used in 2022-2023. Staff suggest restoring the VERF target balance over 2 to 3 years while a VERF Replacement Program and Schedule is developed. A total of \$38,765 is therefore budgeted for 2023-2024 to replenish the VERF to its target before anticipated withdrawals for additional new vehicles in 2026-2027.
- Capacity Connection Fee reserve fund is restricted for the use of collection system and plant capacity improvements to serve the new connections that contributed to the fund through fees collected. Two large projects are anticipated to add \$1,453,365 to the fund over two years, with 60% (\$872,019) to be received in 2023-2024.
- Captains Cove and Marin Lagoon are restricted reserves built up when there is an excess of special assessments over projected operations, maintenance and capital expenditures which are collected for these developments. Both funds will be drawn down to pay for operational and capital projects. A rate surcharge rate study was undertaken as part of the 2023 Sewer Service Rate Study, and it determined that Captains Cove and Marin Lagoon contributions are sufficient to continue the ongoing operations and maintenance needs of the pump stations serving these communities. Larger capital improvement projects may require an increase in the surcharge in a future fiscal year budget.
- Recycled Water Capital Repair and Replacement restricted reserve fund was created in May 2023. LGVSD and MMWD are required to contribute 10% of the total annual recycled water O&M costs into this restricted fund for future capital expenditures to the Recycled Water Treatment Facility. A total of \$22,348 will be added to the restricted fund in 2023-2024.

Capital Outlay

The District is required to budget for the adequate maintenance of capital equipment and facilities to protect the public investment and ensure achievement of their maximum useful life. The District is required to prepare and adopt a at minimum a 5-Year Capital Improvement Program ("CIP") as part of the rate setting process that identifies and sets priorities for all major capital assets to be acquired, constructed, or replaced by the District. The District has prepared a 7-Year CIP which includes a biosolids program and flood and sea-level mitigation projects that have been identified to take place after 2028. District policy requires the CIP be included in the adopted budget and that the status of the CIP is updated annually as part of the budget process.

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

The Capital Outlay budget contains projects specifically identified in the 7-Year CIP for 2023-2024 through 2029-2030 plus miscellaneous capital needs that change yearly. The 2024-2030 years are rough estimates

Las Gallinas Valley Sanitary District

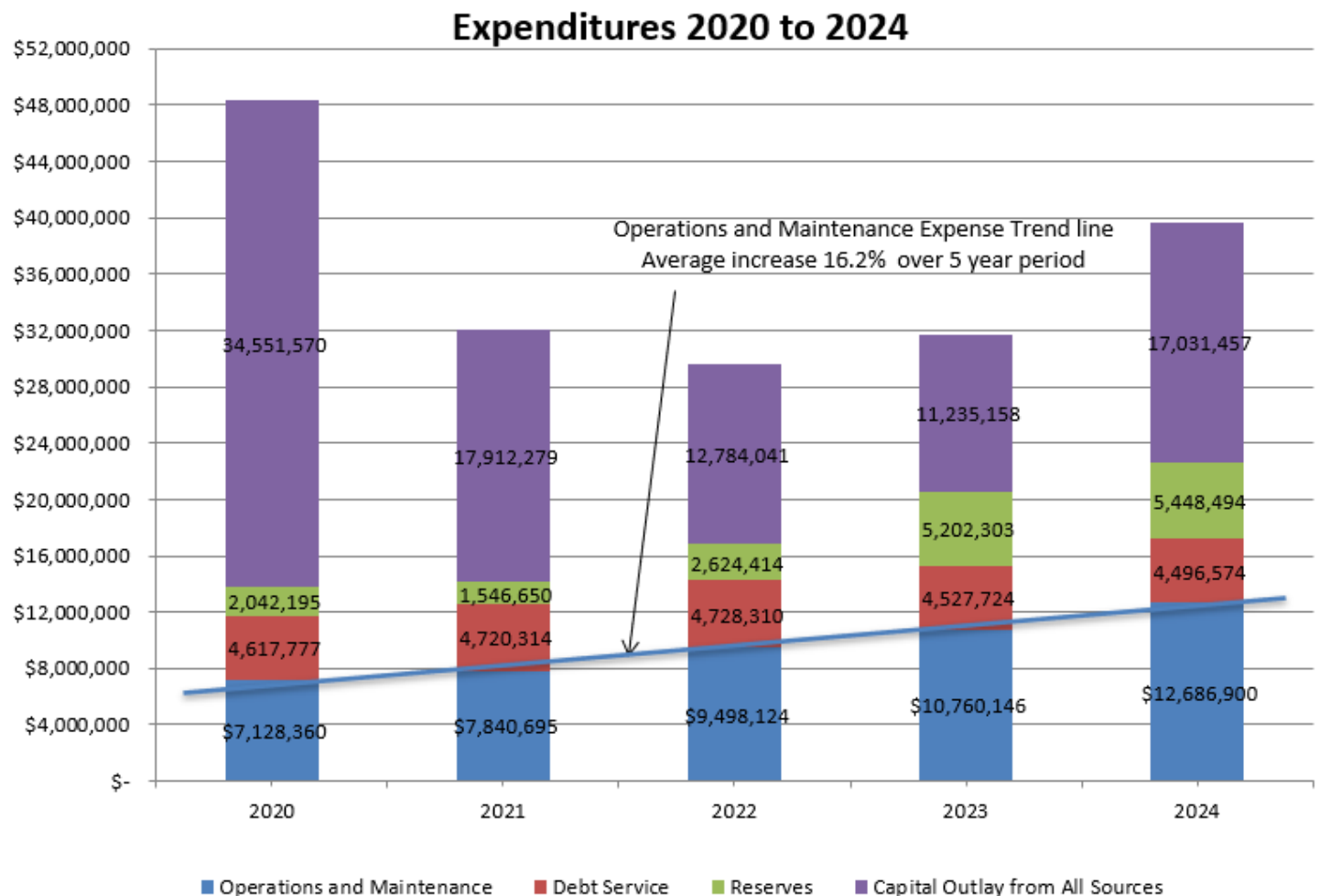
Adopted Budget – 2023-2024

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

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

Most of Capital Outlay expenses in recent years have been related to the Secondary Treatment Plant Upgrade Recycled Water Expansion Project but this will change as we head into 2023-2024. Collection system projects, including the restarting of the Sewer Main Collection System Rehabilitation Program, will comprise most of the capital budget in 2023-2024, with total collection system project costs budgeted at \$5,611,542.

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



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

**LAS GALLINAS VALLEY SANITARY DISTRICT
BALANCE STATEMENT & ACCOUNT INFORMATION
ADOPTED BUDGET - JUNE 30, 2023**

BALANCE STATEMENT		2022-23 Adopted Budget	2022-23 Projected Actuals	2023-24 Adopted Budget
<u>Beginning Balance (July 1):</u>		\$ 35,050,306	\$ 35,050,306	\$ 30,400,539
Revenue:				
Rate Revenues	(1)	\$ 16,910,508	\$ 17,102,767	\$ 18,984,072
Other Operating revenue	(1)	248,770	350,136	255,835
Non-operating revenue	(1)	2,223,923	2,391,092	2,475,766
Capital / Capacity Related		2,933,936	789,617	1,508,200
Expenditures:				
Operating expense	(2)	(11,458,900)	(10,769,416)	(12,686,900)
Debt Service	(3)	(4,527,723)	(4,527,724)	(4,496,574)
Capital outlay		(23,318,068)	(9,986,240)	(17,031,457)
<u>Ending Balance (June 30):</u>		<u>\$ 18,062,752</u>	<u>\$ 30,400,539</u>	<u>\$ 19,409,480</u>
Reserves and Restricted Funds		\$ 7,821,358	\$ 12,154,310	\$ 17,108,927
Unrestricted Funds		\$ 10,241,394	\$ 18,246,229	\$ 2,300,553

NOTE:

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

DEBT SERVICE COVERAGE RATIO (DSCR)	2022-23	2022-23	2023-24
Net Operating Income / Debt Service	1.75	2.00	2.01

Hildebrand Consulting used 3% inflation factor in 2023 Sewer Charge Rate Study. Actual annual inflation rate of 4.0% as of May 2023

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
REVENUE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Revenue Description	2021-22 Final Audited Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 15,491,846	\$ 16,910,508	\$ 17,102,767	\$ 18,984,072	10.92%
Recycled Water (MMWD / NMWD)	127,742	172,000	165,352	165,400	-3.99%
Inspections/Permits/Application Fee	67,176	75,520	83,500	75,150	-0.49%
Miscellaneous Operating Revenue	500	1,250	101,284	15,285	
Total Operating Revenue	15,687,264	17,159,278	17,452,903	19,239,907	10.81%
NON-OPERATING REVENUE					
Property Tax	1,106,077	1,262,092	1,193,601	1,229,409	-2.66%
Suppl. Property Tax Assess.	36,265	27,695	34,530	32,501	14.79%
Educational Revenue Augmentation Fund	559,681	584,867	486,032	507,904	-15.15%
Homeowner Property Tax Relief	4,323	4,453	2,302	2,371	-87.81%
Franchise Fees Marin Sanitary Service	162,382	169,776	182,480	197,991	14.25%
Private Sewer Lateral Assistance Program	109,527	79,300	95,875	81,700	2.94%
Interest Income	4,067	2,640	3,991	2,790	5.38%
Interest on Reserves and LAIF	101,501	68,100	360,130	396,100	82.81%
Reimbursements / Pass thru	-	25,000	32,151	25,000	
	2,083,822	2,223,923	2,391,092	2,475,766	10.17%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	468,273	1,740,572	396,606	870,286	
Interest on Connection Fee Fund	750	964	1,155	1,733	
Interest on Bond Funds	7	7	3	4	
Marin Municipal Water District Inter-Governmental	463,269	619,633	388,733	631,177	
IBank Loan Disbursements	5,124,515	567,760	-	567,760	
Federal Grants	-	-	-	-	
State Grants	645,535	5,000	3,120	5,000	
	6,702,350	2,933,936	789,617	2,075,960	-41.33%
TOTAL REVENUES	\$ 24,473,435	\$ 22,317,137	\$ 20,633,612	\$ 23,791,633	6.20%
UTILIZATION OF BOND FUNDS AND RESERVES					
	<i>2021-22 Actual Use</i>	<i>Adopted Available</i>	<i>2022-23 Projected Use</i>	<i>Budgeted</i>	
Operating Reserves / Rate Stabilization	-	-	-	-	
Private Sewer Lateral Assistance Funds	-	59,800	68,045	60,500	
PY Capital Outlay Carryover Utilized	8,673,100	16,268,568	12,330,960	10,000,036	
Capital Construction Project Reserve	3,389,949	800,000	2,196,165	-	
Interest Earned on Unspent IBank Funds	5,104	-	1,578	6,495	
Transfers from Marin Lagoon Restricted Fund	142,989	107,700	23,304	26,600	
Transfers from Captains Cove Restricted Fund	63,793	12,400	8,324	24,800	
Transfers from Capacity Connection Fee Fund	200,000	-	-	-	
SUB TOTAL	12,474,935	17,248,468	14,628,375	10,118,431	-70.47%
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 36,948,370	\$ 39,565,605	\$ 35,261,987	\$ 33,910,064	

**LAS GALLINAS VALLEY SANITARY DISTRICT
BUDGET SUMMARY
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
OPERATING EXPENSES					
EMPLOYEE WAGES	3,984,223	4,618,500	4,082,263	4,846,200	4.93%
EMPLOYEE BENEFITS	2,002,674	2,014,700	1,981,304	2,059,200	2.21%
INSURANCE EXPENSE	256,721	304,000	407,170	473,100	55.63%
REPAIRS AND MAINTENANCE	684,288	1,042,200	766,172	912,100	-12.48%
SUPPLIES & SMALL TOOLS	481,347	624,700	719,891	1,072,200	71.63%
CONTRACTED SERVICES	999,513	1,459,300	1,149,993	1,590,700	9.00%
UTILITIES	643,438	567,400	847,227	888,900	56.66%
GENERAL & ADMINSTRATIVE	456,419	828,100	815,396	844,500	1.98%
OPERATING EXPENSE TOTALS	\$ 9,508,624	\$ 11,458,900	\$ 10,769,416	\$ 12,686,900	10.72%
DEBT SERVICE					
DEBT SERVICE TOTALS	\$ 4,728,310	\$ 4,527,723	\$ 4,527,724	\$ 4,496,574	-0.69%
RESERVE FUNDING					
OPERATING & RATE STABILIZATION	787,964	635,195	635,195	639,123	0.62%
EMERGENCY REPAIR	-	-	-	166,667	
CAPITAL RESERVES	864,274	336,464	3,977,802	3,668,782	990.39%
VEHICLE & EQUIPMENT (VERF)	379,090	150,755	150,755	38,765	-74.29%
CAPACITY (RESTRICTED FUND)	470,689	1,741,536	397,761	872,019	-49.93%
CAPTAINS COVE (RESTRICTED FUND)	48,025	16,025	16,003	16,010	-0.09%
MARIN LAGOON (RESTRICTED FUND)	74,372	21,106	24,787	24,780	17.41%
RECYCLED WATER (RESTRICTED FUND)	-	-	-	22,348	
RESERVE FUNDING TOTALS	\$ 2,624,414	\$ 2,901,081	\$ 5,202,303	\$ 5,448,494	87.81%
CAPITAL OUTLAY					
CAPITAL OUTLAY	\$ 12,784,041	\$ 23,318,068	\$ 9,986,240	\$ 17,031,457	-26.96%
TOTAL BUDGET					
TOTAL BUDGET	\$ 29,645,389	\$ 42,205,772	\$ 30,485,683	\$ 39,663,425	-6.02%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
EMPLOYEE WAGES						
1003	Regular Staff Salaries (1901)	\$ 3,364,837	\$ 4,072,400	\$ 3,487,332	\$ 4,154,700	2.02%
1004	Extra Hire (1005)	107,039	5,200	47,693	17,400	234.62%
1008	Over Time (1011)	148,502	165,700	120,910	170,400	2.84%
1010	Stand By	84,048	92,500	84,864	120,800	30.59%
1014	Emergency Response Stipend	45,626	46,900	55,357	65,100	N/A
1015	Certification Stipend	88,416	84,000	118,460	137,000	N/A
1016	Longevity Pay	66,350	71,200	100,076	103,200	N/A
1036	Directors Fees	79,405	80,600	67,572	77,600	-3.72%
	TOTAL EMPLOYEE WAGES	<u>3,984,223</u>	<u>4,618,500</u>	<u>4,082,263</u>	<u>4,846,200</u>	4.93%
EMPLOYEE BENEFITS						
1009	Vacation and Sick Accrual	79,455	64,000	64,000	64,000	N/A
1901	COVID-19 Leave	11,466	-	27,430	-	N/A
1037	Directors Benefits	9,438	9,700	10,858	10,900	12.37%
1404	Payroll Taxes (SSI)	270,260	287,100	271,281	308,700	7.52%
1502	Group Life Insurance	6,802	8,700	11,435	19,200	120.69%
1507	PERS	839,477	787,500	712,444	722,400	-8.27%
1509	Health Insurance	723,307	787,000	790,071	873,800	11.03%
1510	Dental Insurance	21,459	16,500	48,177	61,600	273.33%
1514	Vision Insurance	2,786	3,300	3,787	8,200	148.48%
1516	Long Term Disability	24,045	34,100	31,991	43,000	26.10%
2006	Auto Allowance	9,582	16,800	9,831	11,400	-32.14%
2007	Commute Vehicle Stipend	4,597	-	-	-	
	TOTAL EMPLOYEE BENEFITS	<u>2,002,674</u>	<u>2,014,700</u>	<u>1,981,304</u>	<u>2,059,200</u>	2.21%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
INSURANCE						
1701	Workers' Comp Insurance	65,489	72,900	138,848	156,200	114.27%
2060	Pooled Liability & Property Insurance	190,185	230,000	267,222	315,800	37.30%
2061	Fidelity Bond	1,047	1,100	1,100	1,100	0.00%
	TOTAL INSURANCE EXPENSE	<u>256,721</u>	<u>304,000</u>	<u>407,170</u>	<u>473,100</u>	<u>55.63%</u>
REPAIRS AND MAINTENANCE						
2083	Vehicle Parts & Maintenance	32,106	31,600	52,155	55,400	75.32%
2096	Building maintenance	26,506	96,300	60,634	63,100	-34.48%
2097	Grounds Maintenance	62,964	109,300	49,798	156,700	43.37%
2331	Reclamation Pasture and Pond Maint. (2332,2335)	99,738	193,400	158,453	181,400	-6.20%
2538	Power Generation Maint & Repair	26,528	32,800	24,846	26,000	-20.73%
2365	Equipment Maintenance	65,152	81,500	76,245	93,000	14.11%
2366	Equipment Repair	311,717	174,900	200,024	153,100	-12.46%
2367	Capital Repairs/Replacements	59,578	322,400	144,018	183,400	-43.11%
	TOTAL REPAIRS AND MAINTENANCE	<u>684,288</u>	<u>1,042,200</u>	<u>766,172</u>	<u>912,100</u>	<u>-12.48%</u>
SUPPLIES & SMALL TOOLS						
2107	Hypochlorite	117,444	206,900	273,090	536,600	159.35%
2110	Bisulfite	62,299	85,400	162,868	203,600	138.41%
2109	Miscellaneous Chemicals	45,670	73,100	44,650	69,300	-5.20%
2362	General Operating & Lab Supplies (2115)	87,564	85,300	61,903	76,600	-10.20%
2501	Fuel, Oil, and CNG for Vehicles (2501-2506)	44,383	43,000	49,113	56,100	30.47%
2389	Safety Equipment & Supplies	47,240	49,000	58,339	50,800	3.67%
2397	Safety Services	58,825	57,400	56,736	60,000	4.53%
2249	Small Tools	17,923	24,600	13,194	19,200	-21.95%
	TOTAL SUPPLIES & SMALL TOOLS	<u>481,347</u>	<u>624,700</u>	<u>719,891</u>	<u>1,072,200</u>	<u>71.63%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
CONTRACTED SERVICES						
2117	Lab Contract Services	50,271	54,400	57,744	70,600	29.78%
2119	Pollution Prevention Program	15,451	16,600	20,737	21,600	30.12%
2320	Outside Services (2321, 2322, 2323, 2326)	164,626	310,700	114,605	280,900	-9.59%
2324	Janitorial	23,507	22,500	22,760	23,700	5.33%
2327	Uniform Service	13,112	13,600	14,939	15,500	13.97%
2330	Damage Claim	-	20,000	-	20,000	0.00%
2334	Sludge Disposal Inject	96,919	102,700	102,650	2,000	-98.05%
2354	SCADA Engineering Support	-	67,200	66,934	69,600	N/A
2357	Regulatory Consultant	163,593	186,400	152,337	163,900	-12.07%
2358	Pass-thru & Gen. Small Projects (2355)	14,411	15,900	55,912	57,600	262.26%
2359	Feasibility Studies	75,711	91,600	82,000	100,000	9.17%
2360	Consultants - Other	112,538	198,700	246,979	438,100	120.48%
2713	Legal	190,966	186,600	91,552	183,600	-1.61%
2717	Audit	27,160	27,200	22,710	22,700	-16.54%
2718	Financial Services	4,849	35,400	28,622	35,400	0.00%
2801	Private Lateral Rehab Assist. Program	46,400	59,800	68,045	60,500	1.17%
2802	Low-Income Rate Assistance Program	-	50,000	1,468	25,000	N/A
	TOTAL CONTRACTED SERVICES	999,513	1,459,300	1,149,993	1,590,700	9.00%
UTILITIES						
2533	Internet	7,905	7,800	10,456	11,000	41.03%
2534	Telephone	48,177	49,600	41,729	44,600	-10.08%
2535	Utility Power	557,748	476,100	745,103	781,300	64.10%
2536	Water	29,609	33,900	49,939	52,000	53.39%
	TOTAL UTILITIES	643,438	567,400	847,227	888,900	56.66%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget	% Change Over Prior Year Budget
GENERAL & ADMINSTRATIVE						
1006	Payroll Processing	23,438	24,900	20,525	24,900	0.00%
2477	Conferences	21,592	52,600	57,258	71,200	35.36%
2479	Mileage and Travel	920	4,600	2,583	5,200	13.04%
2129	Election	-	25,000	250	25,300	N/A
2133	Office Supplies & Equipment	37,887	42,800	64,350	69,800	63.08%
2134	Meeting Supplies	2,689	2,100	4,614	5,800	176.19%
2137	Donations Non-Profits	10,500	10,000	9,000	10,000	0.00%
2716	Computer Services and Software	50,065	97,600	91,233	157,300	61.17%
2135	Bank Charges	1,850	200	1,850	1,900	850.00%
9778	User Charge Collection Fee	35,363	36,900	36,762	38,300	3.79%
2221	Publication and Legal Ads	13,079	12,800	11,969	11,300	-11.72%
2223	Public Education and Outreach ⁽¹⁾	45,975	74,700	69,287	55,200	-26.10%
2264	Taxes, Other	1,949	1,900	1,397	1,400	-26.32%
2272	Memberships (CASA, CSDA, NBWRA)	49,526	69,100	65,657	67,900	-1.74%
2363	Permits (NPDES, Biosolids, BAAQCD)	64,320	119,300	80,248	83,500	-30.01%
2364	Penalties & Fines	-	-	66,462	-	
2246	Rents and Leases	65,694	192,700	149,028	153,100	-20.55%
9786	Employee Recognition ⁽¹⁾	1,893	5,600	7,326	8,400	50.00%
9787	Employee Training and Education ⁽¹⁾	13,373	49,400	15,319	45,300	-8.30%
9999	Miscellaneous expense (+COVID)	16,305	5,900	60,280	8,700	47.46%
TOTAL GENERAL & ADMINSTRATIVE		<u>456,419</u>	<u>828,100</u>	<u>815,396</u>	<u>844,500</u>	<u>1.98%</u>
OPERATING EXPENSE TOTALS		<u>\$ 9,508,624</u>	<u>\$ 11,458,900</u>	<u>\$ 10,769,416</u>	<u>\$ 12,686,900</u>	<u>10.72%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
DEBT SERVICE
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

Expenditure	2021-22 Total Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget
2005 Certificates of Participation/ Refunded 2014	\$ 709,125	\$ 708,665	\$ 708,665	\$ 717,380
2010 State Revolving Fund Loan	285,464	285,464	285,464	\$ 285,464
2011 Bank of Marin Loan	332,681	332,681	332,681	332,681
2012 Bank of Marin Loan	235,346	39,224	39,225	-
2017 Revenue Bonds ^{(1) (2)}	2,447,800	2,445,000	2,445,000	2,445,600
2019 IBank Loan	717,892	716,688	716,688	715,448
	\$ 4,728,310	\$ 4,527,723	\$ 4,527,724	\$ 4,496,574

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

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

Debt Service Breakdown FY 2023-2024

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

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESERVES
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

	2021-22 Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Adopted Budget
Beginning Reserve Balance	\$ 7,911,256	\$ 5,715,213	\$ 5,715,213	\$ 11,142,222
Operating & Rate Stabilization Reserve				
Beginning Balance	\$ 2,185,612	\$ 2,973,576	\$ 2,973,576	\$ 3,608,771
Plus: Additions	787,964	635,195	635,195	639,123
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 2,973,576	\$ 3,608,771	\$ 3,608,771	\$ 4,247,894
<i>Purpose: Insure minimum of 7 months of O&M + Debt Service is available</i>			<i>Target:</i>	\$ 10,000,000
Rate Stabilization (Final year FY 2021-22)				
Beginning Balance	\$ 300,000	\$ -	\$ -	\$ -
Plus: Additions	-	-	-	-
Less: Use of Funds / Transfer to Ops Reserve	(300,000)	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -
<i>Combined with Operating Reserve per Policy F-50 on 5-16-22</i>			<i>Target:</i>	\$ -
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Plus: Additions	-	-	-	166,667
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,166,667
<i>Purpose: Fund emergency repairs, replenish over 2 to 3 year period.</i>			<i>Target:</i>	\$ 1,500,000
Capital Reserves (STPURWE, OCC, and other CIP)				
Beginning Balance	\$ 3,425,644	\$ 899,969	\$ 899,969	\$ 5,649,747
Plus: Undesignated	229,727	336,464	336,464	668,782
Plus: Operations Control Center Designated Reserve	-	-	3,000,000	3,000,000
Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾	222,915	-	225,715	-
Plus: STPURWE MMWD Buy-In ⁽²⁾	154,911	-	159,196	-
Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾	256,720	-	256,427	-
Plus: Corr. to incld. PY BoM MMWD Reserves ⁽⁴⁾	-	-	2,968,141	-
Less: Authorized Use of Funds	(3,389,949)	(800,000)	(2,196,165)	-
Ending Balance	\$ 899,969	\$ 436,433	\$ 5,649,747	\$ 9,318,529
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 11,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ 1,000,000	\$ 841,668	\$ 841,668	\$ 883,704
Plus: Additions	379,090	150,755	150,755	38,765
Less: Authorized Use of Funds	(537,422)	(480,000)	(108,719)	(442,476)
Ending Balance	\$ 841,668	\$ 512,423	\$ 883,704	\$ 479,993
<i>Purpose: To fund large vehicle and equipment replacements, replenish over 2 to 3 years.</i>			<i>Target:</i>	\$ 1,000,000
Ending Reserve Balance	\$ 5,715,213	\$ 5,557,627	\$ 11,142,222	\$ 15,213,082
			<i>Target Total</i>	\$ 23,500,000

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

(2) MMWD quarterly buy-in payments down to \$26,890 beginning August 2023 - Held in Bank of Marin (BoM) Bus Money Market (BMM) #3983

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

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

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

Total Budgeted New Reserve Funding: \$ 4,513,337

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESTRICTED FUNDS
ADOPTED BUDGET FY 2023-2024 - JUNE 30, 2023**

	2021-22 Actual		2022-23 Adopted Budget		2022-23 Projected End of Year		2023-24 Adopted Budget
Restricted Funds							
Capacity / Capital Facilities / Connection Fee Fund (#5025)							
Beginning Balance	\$ 316,998	\$	587,687	\$	587,687	\$	985,449
<i>Plus: Additions</i>	470,689		1,741,536		397,761		872,019
<i>Less: Use of Funds</i>	(200,000)		-		-		-
Ending Balance	\$ 587,687	\$	2,329,223	\$	985,449	\$	1,857,468

Purpose: To pay for collection system and plant capacity improvements to serve new connections.

Captains Cove Fund (#5019)

Beginning Balance	\$ 17,266	\$	1,498	\$	1,498	\$	9,178
<i>Plus: Additions</i>	48,025		16,025		16,003		16,010
<i>Less: Use of Funds</i>	(63,793)		(12,400)		(8,324)		(24,800)
Ending Balance	\$ 1,498	\$	5,123	\$	9,178	\$	388

Purpose: Special assessment fees in and class account 350 expenses out.

Marin Lagoon Fund (#5005)

Beginning Balance	\$ 84,595	\$	15,978	\$	15,978	\$	17,462
<i>Plus: Additions</i>	74,372		21,106		24,787		24,780
<i>Less: Use of Funds</i> ⁽¹⁾	(142,989)		(107,700)		(23,304)		(26,600)
Ending Balance	\$ 15,978	\$	(70,616)	\$	17,462	\$	15,642

Purpose: Special assessment fees in and class account 360 expenses out.

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

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

Beginning Balance	-		-		-	\$	-
<i>Plus: Additions</i>	-		-		-		22,348
<i>Less: Use of Funds</i>	-		-		-		-
Ending Balance	-		-	\$	-	\$	22,348

Purpose: Capital repair or replacement costs at the Recycled Water Treatment Facility. Fund shall not exceed \$500K.

⁽²⁾ Established May 2023 with first annual contribution by MMWD and LGVSD to be made in 2023-24.

To be funded by LGVSD and MMWD by multiplying the total annual recycled water Operating & Maintenance producing costs by 10%.

Total Restricted Fund Reserve Funding: \$ 935,157

Line No.	Mgr.	Project No.	QB Acct.	Project Name	Adopted Budget 2023-24	FUNDING SOURCES						
						PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants
PLANNING, SOFTWARE, ADMINISTRATION & OTHER ENGINEERING												
1	MC	20100-05	4362	Integrated Wastewater Master Plan Phase 2 and Phase 3	125,000	125,000	-					
2	MC	21500-08	4859	Biosolids Program Monitoring Research Support& Flood Protection	340,000	95,978	244,022					
3	GP	22600-03	4299	Asset Management CMMS Centricity (Plant, PS, Rec Phases 2-4)	300,000	224,668	75,332					
4	MC	22125-01	4870	Sea Level Rise Mitigation Program Planning	100,000	40,000	60,000					
5	MC	23200-01	4808	Hydraulic and Flow Modeling of Collection System	75,000	72,707	2,293					
6	MC	21600-01	4835	Emergency Bypass Pumping Analysis & Response Plan	35,000	35,000	-					
7	MC	20125-01	4117	On-Call Engineering Contract	200,000	28,607	171,393					
8	MC	22125-03	4117	On-Call Inspection Capital Projects	60,000	4,910	55,090					
9	MC	22125-04	4117	On-Call Construction Contract (2021-2023)	250,000	-	250,000					
10	MC	22125-02	4871	Standard Specifications and Drawings Update Project	85,000	65,000	20,000					
11	DM	20100-01	4825	Accounting Caselle ERP Integration	20,000	20,000	-					
12	DM	22100-01	4361	Website Improvement Design and Implementation	25,000	25,000	-					
13	MC	21300-07	4833 4843	Arc Flash Study	10,000	10,000	-					
14	DM	New		Server Replacements - District Office, Plant, and Electrical Building	30,000	-	30,000					
15	ML	New		Lab Software LIMS for TNI Standards Reporting	45,000	-	45,000					
16	GP	22200-01	4872	IT Pipes Software Upgrade for Video Interface w/CityWorks	7,800	7,800	-					
Subtotal:					1,707,800	754,670	953,130	-	-	-	-	

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT											
21	GP	VERF		Fleet Replacement Vehicles	100,000	-	-			100,000	
23	GP	VERF		Equipment for Collection System Response (trailers, hoses)	10,000	-	-			10,000	
24	MC	21300-03	4830	Standby/Towable Generators for Minor Pump Stations	230,675	230,675	-			-	
25	GP	Pending	4154	2023 Vac-Con Flusher Truck - clean diesel (upon Board approval)	332,476	-	16,748			315,728	
26	GP	Pending	4154	2023 Ford Transit Cargo Van Hybrid for Camera	50,000	50,000	-			-	
Subtotal:					723,151	280,675	16,748	-	-	425,728	-

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

Line No.	Mgr.	Project No.	QB Acct.	Project Name	Adopted Budget 2023-24	FUNDING SOURCES						
						PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)												
42	MC	11200-03	4377	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	1,520,368	1,520,368	-					
43	GP	Pending	4162	Electrical System VFD Upgrade & SCADA Integration for (7) PS	500,000	250,000	250,000					
44	MC	21350-01	4834	Automatic Transfer Switches for Pump Stations	224,297	224,297	-					
45	MC	21300-04	4831	Pump Station Site Lighting, Safety, & Security Improvements	206,877	206,877	-					
46	MC	22300-01	4874	Rafael Meadows Pump Station - Fencing, full perimeter	150,000	-	150,000					
47	MC	21600-03	4837	Annual Site Improvement - Paving, Fencing, Lighting	35,000	23,197	11,803					
48	GP	18350-01	4238	Captains Cove Pump Station Upgrades ⁽²⁾	25,000	-	-	25,000	-			
49	MC	New	4481	Marin Lagoon Pump Stations Upgrades ⁽²⁾	20,000	-	-		20,000			
52	MC	20200-01	4153	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	380,000	305,000	75,000					
55	MC	Ongoing	4153	Sewer Main Collection System Rehabilitation Program	2,000,000	1,000,000	1,000,000					
56	MC	New		Sewer I&I Reduction Program (annual per SSMP)	500,000	-	500,000					
57	GP	19200-02	4153	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-					
Subtotal:					5,611,542	3,579,739	1,986,803	25,000	20,000	-	-	-

RECLAMATION												
80	GP	21500-01	4838	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	150,000	150,000	-					
81	MC	22500-04	4330	Solar PV System Replacement	265,000	265,000	-					
82	MC	23500-05	4262	Center Pivot No. 1 Replacement	25,500	25,500	-					
83	MC	Pending		Sludge Lagoon Liner Replacement/Repair	75,000	70,000	5,000					
86	MC	11500-09	4412	Miller Creek Vegetation Maintenance repair, maintenance (FY 23-24 final year)	75,000	25,000	50,000					
Subtotal:					590,500	535,500	55,000	-	-	-	-	-

TREATMENT PLANT (INCL. RECYCLED WATER)												
102	MC	New		Laboratory Building Design (Lab / Education Center / Boardroom)	750,000	750,000	-					
105	MC	22600-03	4878	Primary Clarifier #1 Repair	1,000,000	295,000	705,000					
106	MC	New		Primary Clarifier Sludge Pump Addition	150,000	-	150,000					
107	MC	New	4328	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers	400,000	300,000	100,000					
109	MC	21600-06	4846	Digester Room MCC #2 Upgrade Design & Construction	1,400,000	625,988	774,012					
110	MC	New		TWAS Enclosure / Sludge Basin and Reception Pad	1,400,000	-	1,400,000					
111	MC	New		Fueling Station Project (diesel & gas)	300,000	-	300,000					
112	MC	21600-09	4849	Plant Lighting Improvements and Other Electrical	110,000	50,000	60,000					
113	MC	21600-11	4851	Annual Site Improvement - Paving, Fencing, Lighting	60,000	-	60,000					
Subtotal:					5,570,000	2,020,988	3,549,012	-	-	-	-	-

Line No.	Mgr.	Project No.	QB Acct.	Project Name	Adopted Budget 2023-24	FUNDING SOURCES						
						PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants

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

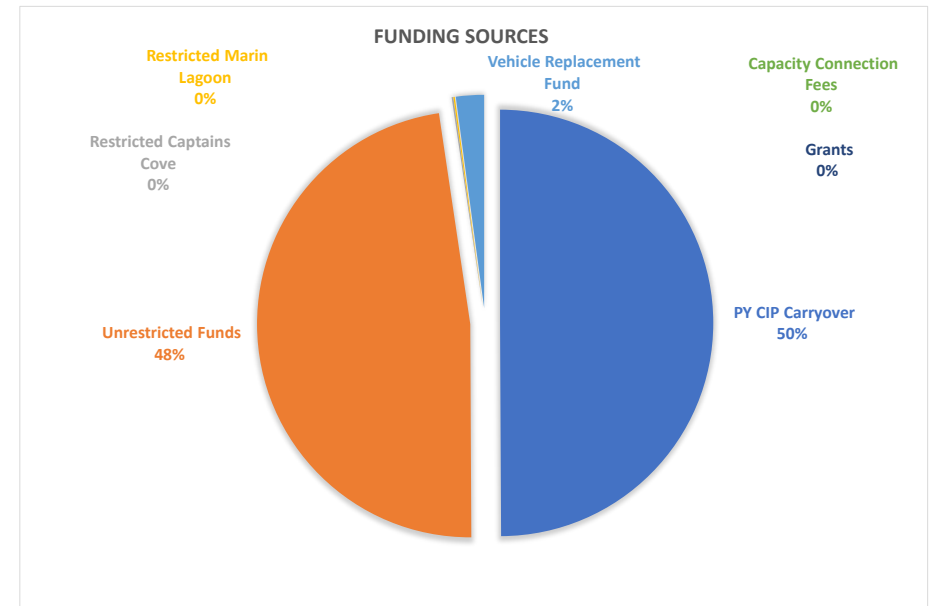
Total (Non-Financed):	14,202,993	7,171,572	6,560,693	25,000	20,000	425,728	-	-
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FINANCED AND BOND PROJECTS					Adopted Budget 2023-24	PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants
Line No.	Mgr.	Project No.	QB Acct.	Project Name								
127	MC	12600-07 & 16650-02	4501 & 4225	Secondary Treatment Plant Upgrade & Recycled Water Expan.	2,828,464	2,828,464	-					
131	MC			Administration and Operations Control Building Construction & Soft Costs (Cash) ⁽¹⁾	3,000,000	-	3,000,000					
Subtotal:					5,828,464	2,828,464	3,000,000	-	-	-	-	-

Total Financed 2,828,464

GRAND TOTAL CAPITAL OUTLAY:	20,031,457	10,000,036	9,560,693	25,000	20,000	425,728	-	-
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⁽¹⁾ - Buildup of \$9M in cash reserves over 3 years, 2022-23 through 2024-25
⁽²⁾ - Funded by Captains Cove & Marin Lagoon HOA.



(Adopted Budget - June 30, 2023)

Line No.	Mgr.	Project No.	Project Name	Adopted Budget 2023-24	PROJECTED EXPEDITURES					7-Year Total Expenditures	
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28	Year 6 2028-29		Year 7 2029-30
PLANNING, SOFTWARE, ADMINISTRATION & OTHER ENGINEERING											
1	MC	20100-05	Integrated Wastewater Master Plan Phase 2 and Phase 3	125,000		-					125,000
2	MC	21500-08	Biosolids Program Monitoring Research Support& Flood Protection	340,000	350,200	-	-	-	-	-	690,200
3	GP	22600-03	Asset Management CMMS Centricity (Plant, PS, Rec Phases 2-4)	300,000	250,000	116,600	-	-	-	-	666,600
4	MC	22125-01	Sea Level Rise Mitigation Program Planning	100,000	-	-	-	-	-	-	100,000
5	MC	23200-01	Hydraulic and Flow Modeling of Collection System	75,000	77,250	79,500	81,750	84,000	86,250	88,500	572,250
6	MC	21600-01	Emergency Bypass Pumping Analysis & Response Plan	35,000	36,050	-	-	-	-	-	71,050
7	MC	20125-01	On-Call Engineering Contract	200,000	206,000	212,180	218,545	225,102	231,855	238,810	1,532,492
8	MC	22125-03	On-Call Inspection Capital Projects	60,000	61,800	63,600	65,400	67,200	69,000	70,800	457,800
9	MC	22125-04	On-Call Construction Contract (2021-2023)	250,000	257,500	265,225	273,182	281,377	289,819	298,513	1,915,616
10	MC	22125-02	Standard Specifications and Drawings Update Project	85,000	-	-	-	-	-	-	85,000
11	DM	20100-01	Accounting Caselle ERP Integration	20,000	-	-	-	-	-	-	20,000
12	DM	22100-01	Website Improvement Design and Implementation	25,000	-	-	-	-	-	-	25,000
13	MC	21300-07	Arc Flash Study	10,000	-	-	-	-	-	-	10,000
14	DM	New	Server Replacements - District Office, Plant, and Electrical Building	30,000	-	-	-	-	-	-	30,000
15	ML	New	Lab Software LIMS for TNI Standards Reporting	45,000	-	-	-	-	-	-	45,000
16	GP	22200-01	IT Pipes Software Upgrade for Video Interface w/CityWorks	7,800	-	-	-	-	-	-	7,800
Subtotal:				1,707,800	1,238,800	737,105	638,877	657,679	676,923	696,624	6,353,808

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT											
21	GP	VERF	Fleet Replacement Vehicles	100,000	-	-	109,000	-	115,000	118,000	442,000
22	GP	VERF	Equipment for Collection System Response (trailers, hoses)	10,000	10,300	10,609	10,927	11,255	11,593	11,940	76,624
23	MC	21300-03	Standby/Towable Generators for Minor Pump Stations	230,675	-	-	-	-	-	-	230,675
24	GP	Pending	2023 Vac-Con Flusher Truck - clean diesel (upon Board approval)	332,476	-	-	-	-	-	-	332,476
25	GP	Pending	2023 Ford Transit Cargo Van Hybrid for Camera	50,000	-	-	-	-	-	-	50,000
26	GP	VERF	Utility Collection System Replacement Trucks	-	-	-	560,000	-	-	-	560,000
Subtotal:				723,151	10,300	10,609	679,927	11,255	126,593	129,940	1,691,775

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

(Adopted Budget - June 30, 2023)

Line No.	Mgr.	Project No.	Project Name	Adopted Budget 2023-24	PROJECTED EXPEDITURES					Year 6 2028-29	Year 7 2029-30	7-Year Total Expenditures
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28				
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)												
42	MC	11200-03	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	1,520,368	-	-	-	-	-	-	1,520,368	
43	GP	Pending	Electrical System VFD Upgrade & SCADA Integration for (7) PS	500,000	1,030,000	1,060,000	-	-	-	-	2,590,000	
44	MC	21350-01	Automatic Transfer Switches for Pump Stations	224,297	-	-	-	-	-	-	224,297	
45	MC	21300-04	Pump Station Site Lighting, Safety, & Security Improvements	206,877	-	-	-	-	-	-	206,877	
46	MC	22300-01	Rafael Meadows Pump Station - Fencing, full perimeter	150,000	-	-	-	-	-	-	150,000	
47	MC	21600-03	Annual Site Improvement - Paving, Fencing, Lighting	35,000	36,050	37,100	38,150	39,200	40,250	41,300	267,050	
48	GP	18350-01	Captains Cove Pump Station Upgrades ⁽²⁾	25,000	-	-	-	-	-	-	25,000	
49	MC	New	Marin Lagoon Pump Stations Upgrades ⁽²⁾	20,000	60,000	61,800	63,654	65,564	67,531	69,557	408,106	
50	MC	New	Mulligan PS & 18" TS and Hwy 101 Undercrossing Capacity Upgrades	-	-	-	981,000	6,720,000	-	-	7,701,000	
51	MC	New	Smith Ranch Pump Station Generator Diesel Conversion	-	-	-	109,000	560,000	-	-	669,000	
52	MC	20200-01	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	380,000	250,000	257,500	265,225	273,182	-	-	1,425,907	
53	MC	14300-05	Smith Ranch Rd Combined Force Main	-	-	257,500	2,650,000	-	-	-	2,907,500	
54	MC	New	Lower Marinwood TS Capacity Upgrade & Relocation	-	-	257,500	1,590,000	-	-	-	1,847,500	
55	MC	Ongoing	Sewer Main Collection System Rehabilitation Program	2,000,000	1,030,000	1,060,000	1,090,000	1,122,700	1,156,381	1,191,072	8,650,153	
56	MC	New	Sewer I&I Reduction Program (annual per SSMP)	500,000	515,000	530,000	545,000	560,000	575,000	590,000	3,815,000	
57	GP	19200-02	Manhole Frame & Cover Adjustment Allowance	50,000	51,500	53,000	54,500	56,000	57,500	59,000	381,500	
58	MC	New	Upper Terra Linda TS and Siphon Improvements	-	500,000	4,000,000	-	-	-	-	4,500,000	
59	MC	New	Northgate Industrial Park 8" Hwy 101 Undercrossing	-	-	-	180,250	1,855,000	-	-	2,035,250	
60	MC		IWMP Pump Station & Force Main Projects (Placeholder)	-	-	-	-	-	1,700,000	5,900,000	7,600,000	
61	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	1,090,000	1,090,000	
Subtotal:				5,611,542	3,472,550	7,574,400	7,566,779	11,251,646	3,596,662	8,940,929	48,014,508	

(Adopted Budget - June 30, 2023)

Line No.	Mgr.	Project No.	Project Name	Adopted Budget 2023-24	PROJECTED EXPEDITURES					7-Year Total Expenditures	
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28	Year 6 2028-29		Year 7 2029-30
RECLAMATION											
80	GP	21500-01	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	150,000	257,500	-	-	-	-	-	407,500
81	MC	22500-04	Solar PV System Replacement	265,000	-	-	-	-	-	-	265,000
82	MC	23500-05	Center Pivot No. 1 Replacement	25,500	-	-	-	-	-	-	25,500
83	MC	Pending	Sludge Lagoon Liner Replacement/Repair	75,000	77,250	79,500	-	-	-	-	231,750
84	MC	New	Storage Pond 1 Transfer Pipe Repair	-	-	-	-	100,000	-	-	100,000
85	MC	22300-03	St. Vincent's Pump Station Improvements	-	-	-	-	-	100,000	257,500	357,500
86	MC	11500-09	Miller Creek Vegetation Maintenance repair, maintenance (FY 23-24 final year)	75,000	-	-	-	-	-	-	75,000
87	MC	20500-05	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	-	61,800	-	-	67,200	-	-	129,000
88	MC	Pending	Levee Road Restoration	-	-	63,600	-	67,200	-	-	130,800
89	MC	New	Reclamation Levee Capping - SLR mitigation	-	-	-	-	-	567,500	-	567,500
90	MC		Biosolids Program Implementation & Construction (Placeholder)	-	-	-	-	-	2,300,000	2,300,000	4,600,000
91	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	1,090,000	1,090,000
Subtotal:				590,500	396,550	143,100	-	234,400	2,967,500	3,647,500	7,979,550

TREATMENT PLANT (INCL. RECYCLED WATER)											
102	MC	New	Laboratory Building Design (Lab / Education Center / Boardroom)	750,000	-	-	-	-	-	-	750,000
103	MC	21100-01	Operations & Admin Building Design	-	-	1,200,000	-	-	-	-	1,200,000
104	MC	New	Corporation Yard Design	-	500,000	-	-	-	-	-	500,000
105	MC	22600-03	Primary Clarifier #1 Repair	1,000,000	-	-	-	-	-	-	1,000,000
106	MC	New	Primary Clarifier Sludge Pump Addition	150,000	-	-	-	-	-	-	150,000
107	MC	New	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers	400,000	-	-	-	-	-	-	400,000
108	MC	20600-04	Treatment Plant Upgrade Phase 3 Design- Flow Eq, UV, Headworks	-	-	500,000	-	-	-	-	500,000
109	MC	21600-06	Digester Room MCC #2 Upgrade Design & Construction	1,400,000	-	-	-	-	-	-	1,400,000
110	MC	New	TWAS Enclosure / Sludge Basin and Reception Pad	1,400,000	-	-	-	-	-	-	1,400,000
111	MC	New	Fueling Station Project (diesel & gas)	300,000	-	-	-	-	-	-	300,000
112	MC	21600-09	Plant Lighting Improvements and Other Electrical	110,000	-	-	-	-	-	-	110,000
113	MC	21600-11	Annual Site Improvement - Paving, Fencing, Lighting	60,000	61,800	63,600	65,400	67,200	69,000	71,070	458,070
114	MC	New	Digester Replacement and Solids Improvement Design	-	-	-	-	1,300,000	-	-	1,300,000
115	MC	New	Vac Truck Recycled Water Filling Station & Wash Rack	-	-	-	63,600	-	-	-	63,600
116	MC	New	Boiler Relocation Project	-	-	-	-	-	515,000	-	515,000
117	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	1,090,000	1,090,000
Subtotal:				5,570,000	561,800	1,763,600	129,000	1,367,200	584,000	1,161,070	11,136,670

(Adopted Budget - June 30, 2023)

Line No.	Mgr.	Project No.	Project Name	Adopted Budget 2023-24	PROJECTED EXPEDITURES					7-Year Total Expenditures	
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28	Year 6 2028-29		Year 7 2029-30
TOTAL PLANNING, FLEET, COLLECTION, RECLAMATION, & TREATMENT PROJECTS (Non-Financed)											
Total (Non-Financed):				14,202,993	5,680,000	10,228,814	9,014,583	13,522,180	7,951,678	14,576,062	75,176,311

FINANCED AND BOND PROJECTS											
127	MC	12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expan.	2,828,464	-	-	-	-	-	-	2,828,464
128	MC		John Duckett PS & HWY 101 Terra Linda TS Crossing Construction	-	7,612,500	7,612,500	-	-	-	-	15,225,000
136	MC	New	Laboratory Building Construction - (Lab / Education Center / Boardroom)	-	4,000,000	3,500,000	-	-	-	-	7,500,000
137	MC	New	Corporation Yard Construction	-	-	5,000,000	-	-	-	-	5,000,000
131	MC		Adminstration and Operations Control Building Construction & Soft Costs (Cash) ⁽¹⁾	3,000,000	6,000,000	-	-	-	-	-	9,000,000
132	MC		Adminstration and Operations Control Building Construction & Soft Costs (Financed)	-	-	6,500,000	-	-	-	-	6,500,000
140	MC	20600-04	Treatment Plant Upgrade Phase 2 Construction - Primary Clarifiers	-	7,500,000	-	-	-	-	-	7,500,000
141	MC	New	Treatment Plant Upgrade Phase 3 Construction - Flow Eq, UV, Headworks	-	-	-	3,975,000	3,975,000	-	-	7,950,000
142	MC	New	Digester Replacement and Solids Improvement Construction	-	-	-	-	-	6,540,000	6,540,000	13,080,000
Subtotal:				5,828,464	25,112,500	22,612,500	3,975,000	3,975,000	6,540,000	6,540,000	74,583,464
Total Financed				2,828,464	19,112,500	22,612,500	3,975,000	3,975,000	6,540,000	6,540,000	52,503,464
GRAND TOTAL CAPITAL OUTLAY:				20,031,457	30,792,500	32,841,314	12,989,583	17,497,180	14,491,678	21,116,062	149,759,775

⁽¹⁾ - Buildup of \$9M in cash reserves over 3 years, 2022-23 through 2024-25

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

