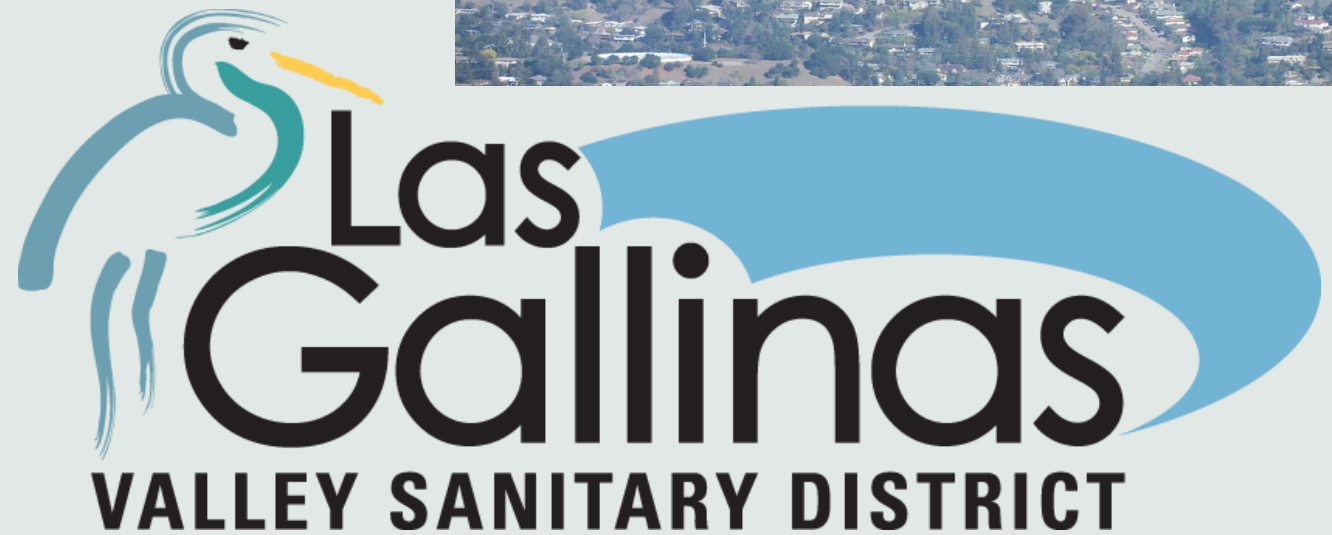


Preliminary Budget Fiscal Year 2024-2025

MAY 16, 2024



OUR MISSION

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

CORE VALUES

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

HIGHLIGHTS OF THE BUDGET

\$19.8 Million in Capital
Improvement Projects



Capital projects make
up 48% of the budget



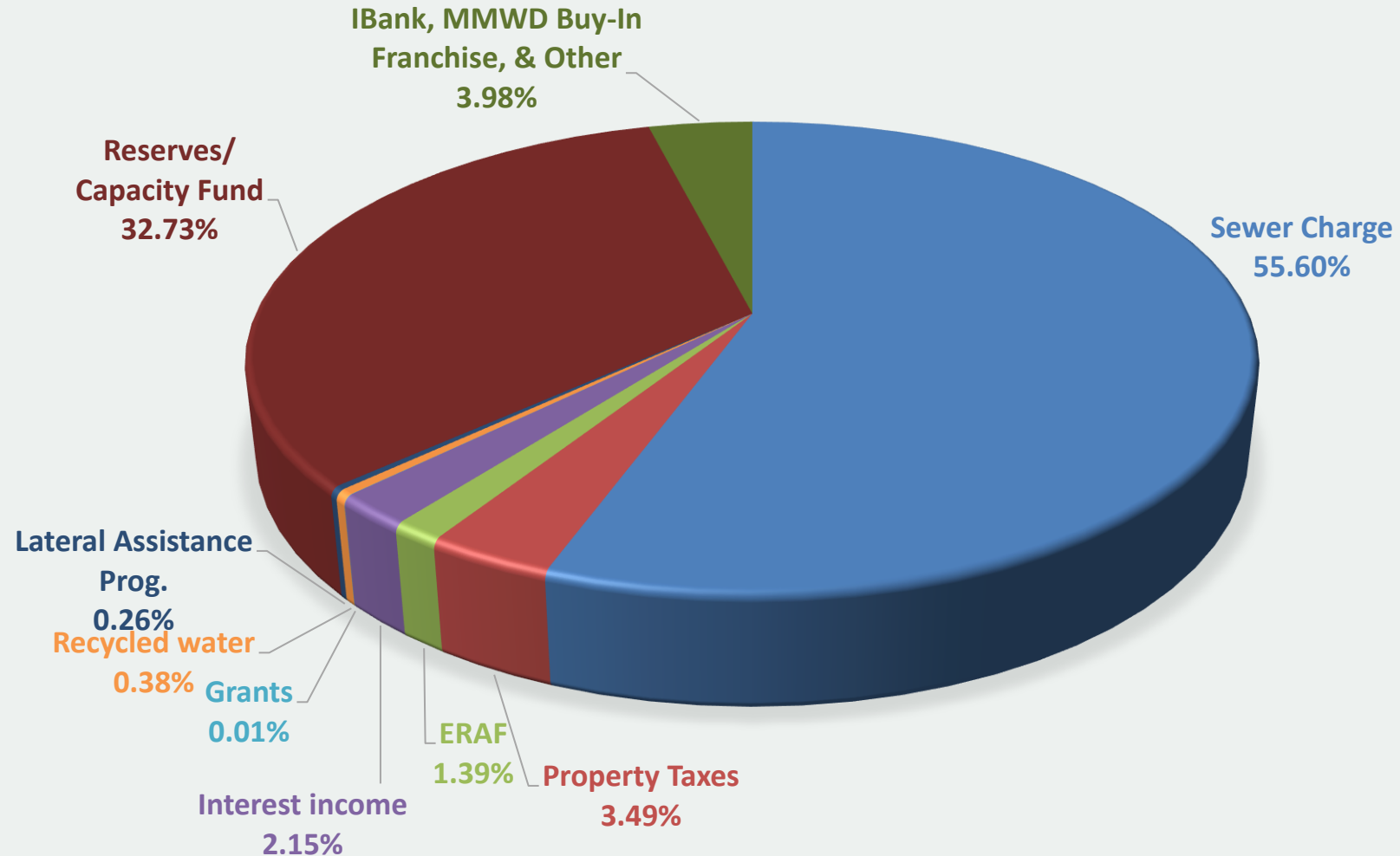
O&M costs continue to
rise but at a slower pace

Comparisons to a Year Ago

	Adopted 2023-2024	Prelim 2024-2025
Capital Outlay Budget	\$17.0 M *	\$19.8 M
7-Year Total CIP Expenditures	\$149.8 M	\$172.5 M
Reserve Balance at End of Fiscal Year	\$15.7 M	\$17.6 M

* Excludes \$3M to Capital Reserve for OCC/Admin/Lab buildings

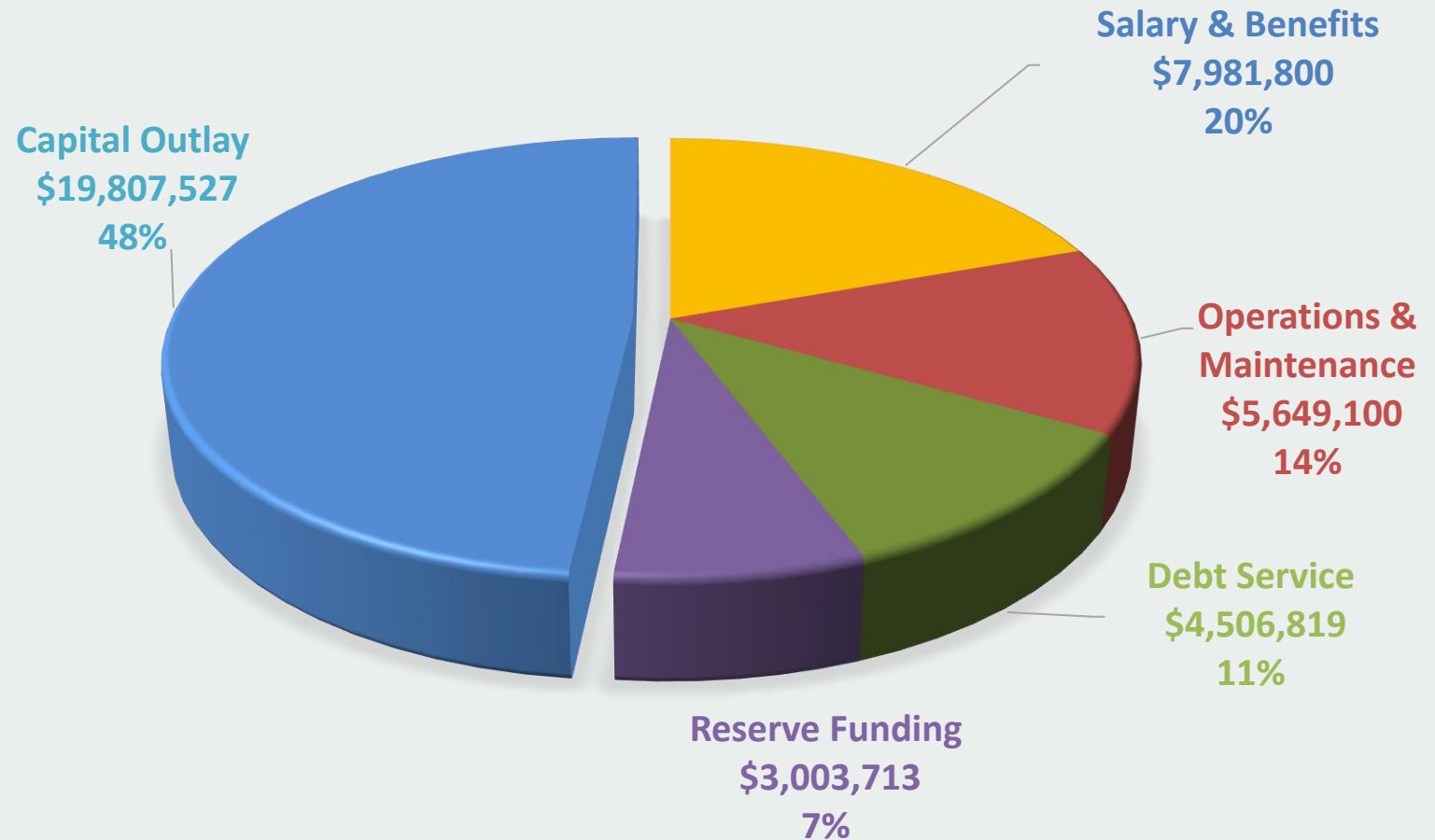
2024-2025 TOTAL REVENUE SOURCES



\$37,967,489

EXPENDITURES

PRELIMINARY BUDGET 2024-2025



**Expense
Increases Driven
by Maintenance
and Outside
Services**

Outside Costs

Biosolids Land Application

Algae Control

Replacement Pumps

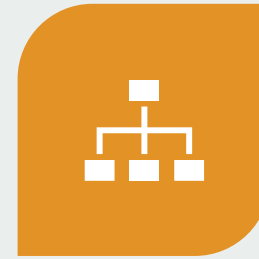
Equipment Maintenance

Proposed New Position

Operator In Training



Board has
authority
to add
positions



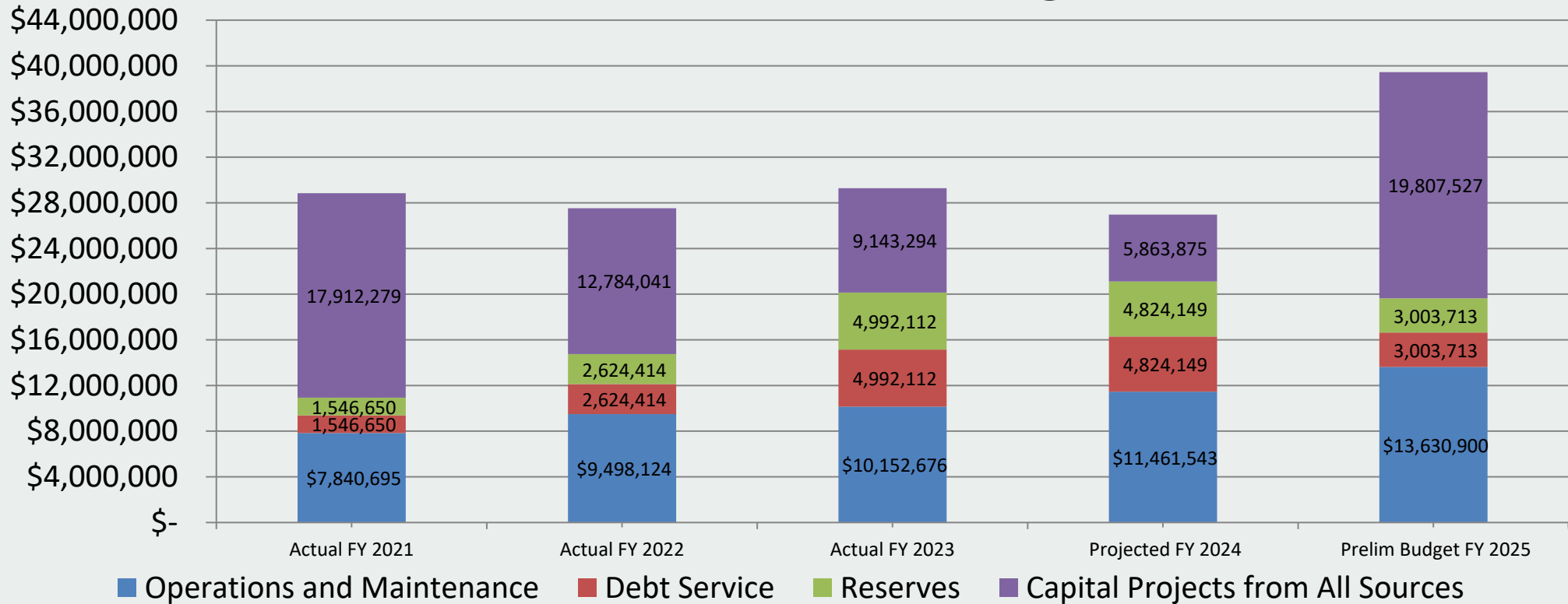
Increase
positions
from 31
to 32



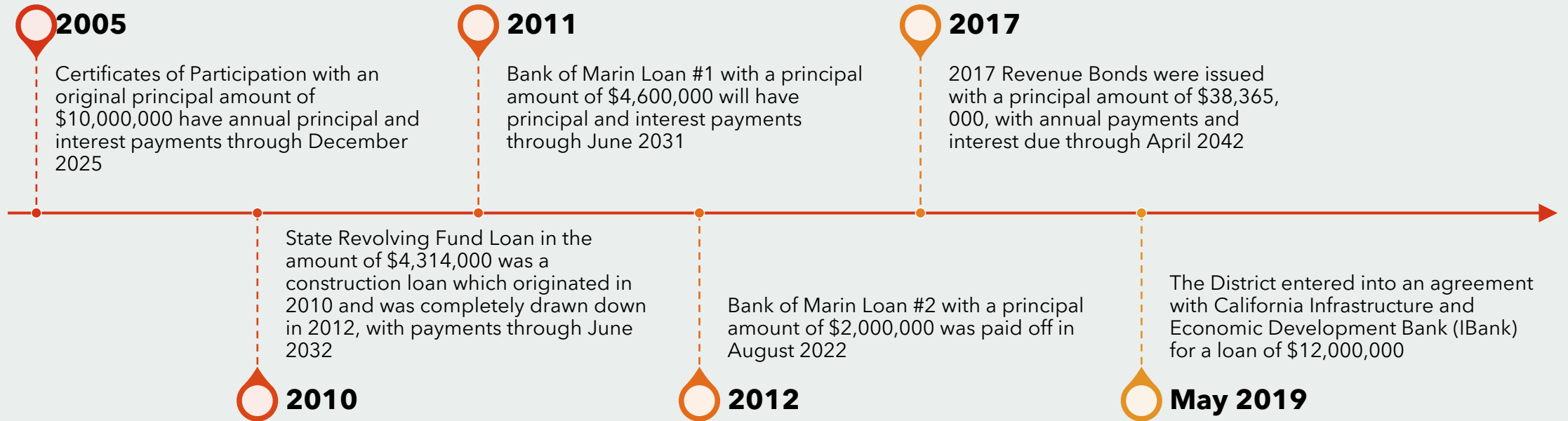
\$60K
funding in
2024-25
to begin
program

Expenditures

Fiscal Years 2020-2021 through 2024-2025



Debt Service



Debt Service Coverage Ratio (DSCR)

	Budget 2023-24	Projected 2023-24	Budget 2024-25
Net Operating Income / Debt Service	2.00	2.32	2.37

- Key measure of an agency's ability to repay its loans, take on new financing and make dividend payments
- A higher DSCR means lower finance costs for future capital improvement loans
- A DSCR of at least 2 is considered very strong and shows that an agency can cover two times its debt

Reserves

Operating and Rate Stabilization Reserve to increase \$575K to \$4.82M. Target goal is \$10M.

Emergency Repair reserve to increase \$111K to \$1.28M. Target goal is \$1.5M.

Capital Reserves to increase \$1.68M. The District has reached it's target goal of \$11M. \$9M of which is for the new administration, operations, and lab buildings.

Vehicle and Equipment Reserve will decrease by \$484K to \$468K after Vactor Flusher Truck is delivered. Target goal is \$1M.

Restricted Funds

A restricted fund is a reserve account that contains money that can be used only for specific purposes.

The District has four Restricted Funds.

- Capacity / Connection Fee Fund
- Captains Cove Fund
- Marin Lagoon Fund
- Recycled Water Capital Repair and Replacement Fund

Capital Projects in 2024-2025

**Project costs range
from \$5K to \$1.8M.**

**Total capital outlay is
\$19.8M.**

35

- **Approved
Projects**

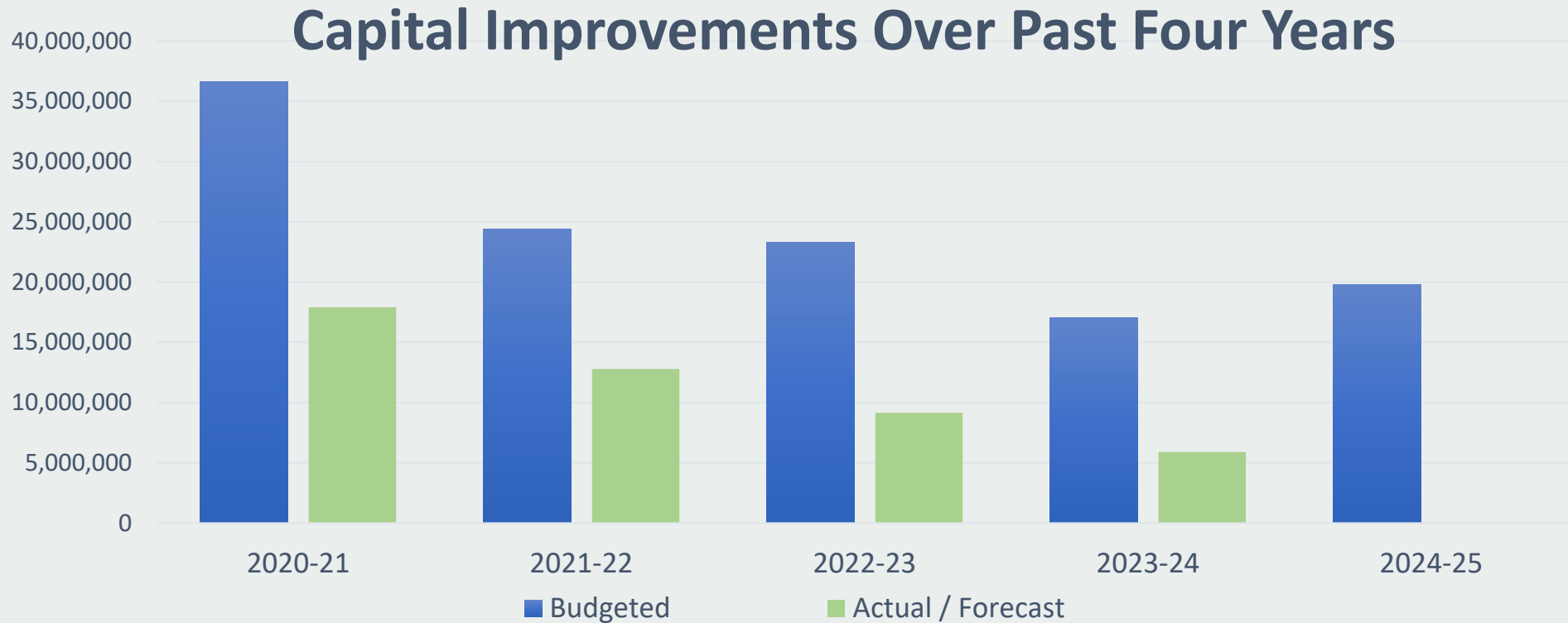
7

- **New Projects in
the Budget**

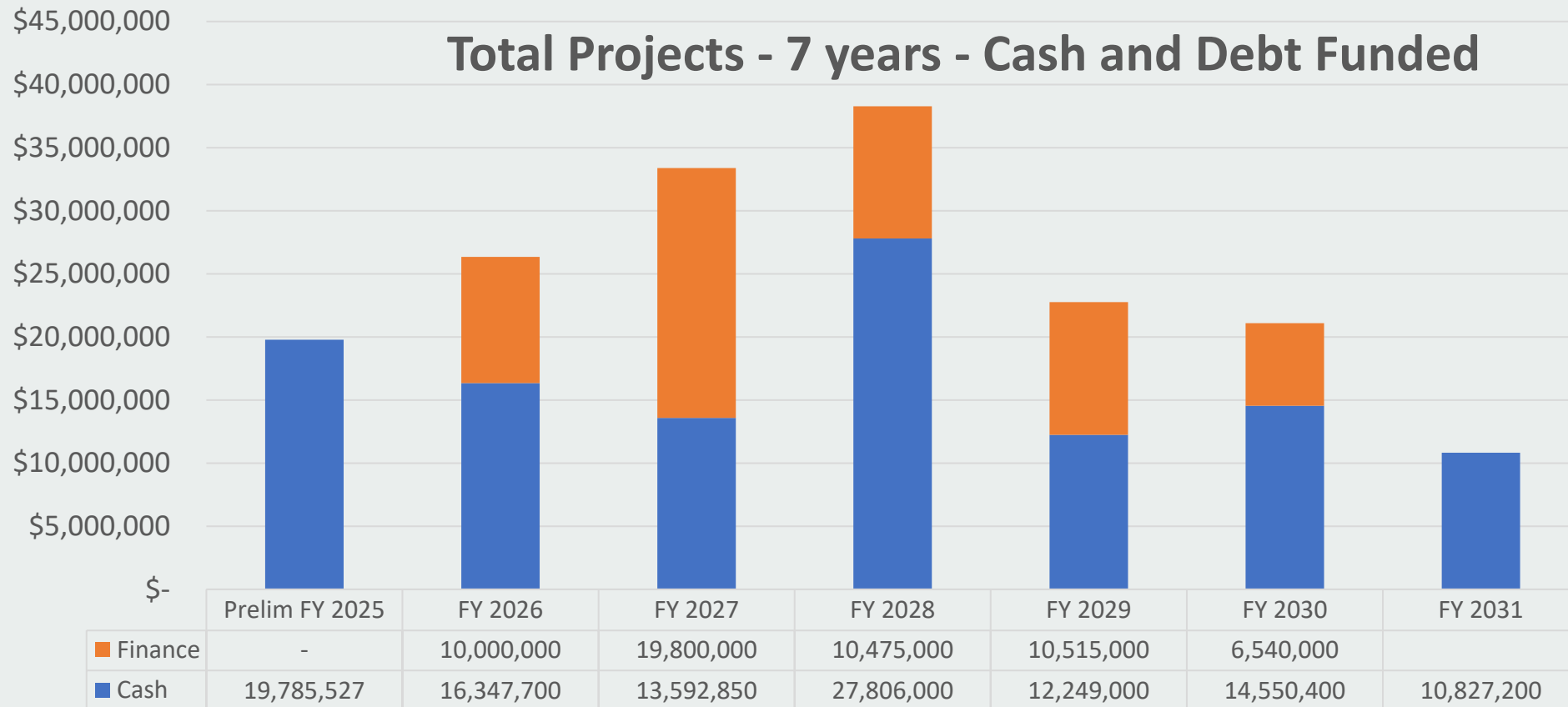
14

- **Pending
Projects**

Completed Capital Projects



Capital Improvement Program



* Based on 2023 Sewer Rate Study recommendations and current CIP priorities.

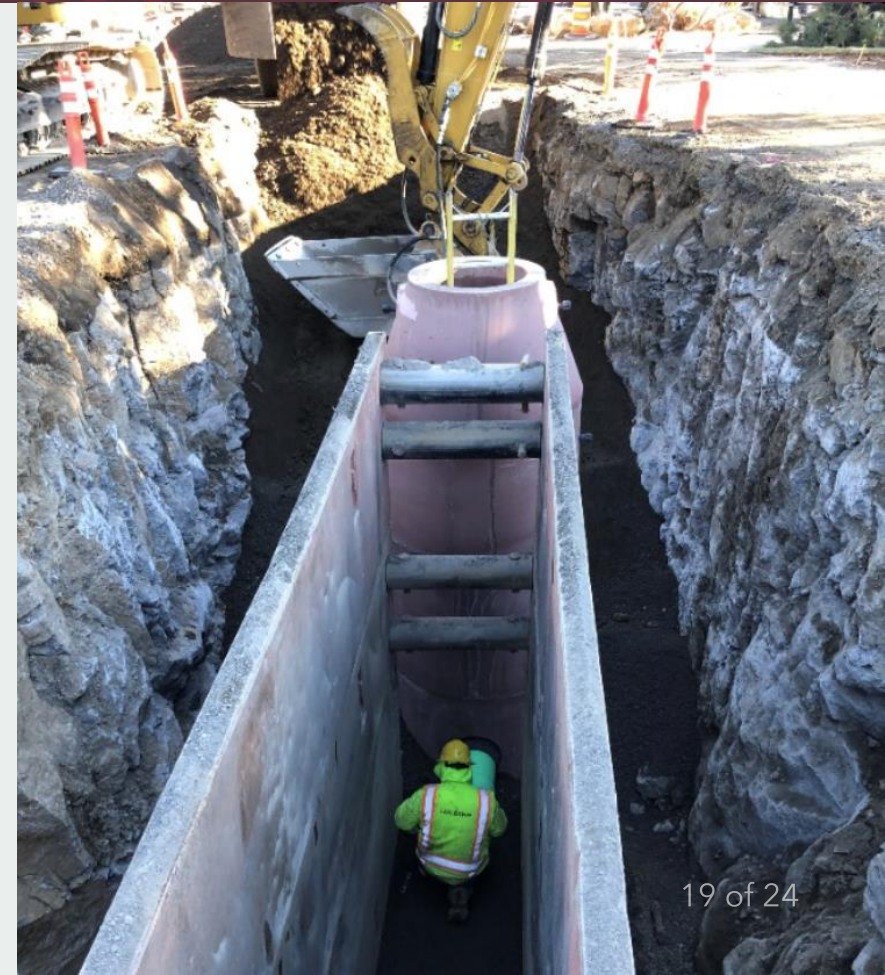
Capital Project and Engineering Treatment Plant Improvements

- Laboratory Building Design
- Digester MCC-2 Upgrades
- Blending Elimination Project
(Primary Effluent Pump Station and
Secondary Clarifier Expansion to 24
MGD Capacity)



Capital Project and Engineering Collection System Improvements

- John Duckett Pump Station Electrical Upgrades and Terra Linda Trunk Sewer Creek Crossing
- Sewer Main Collection System Rehabilitation Program



Capital Project and Engineering Reclamation Area Improvements

- Center Pivot No. 3, 4, and 5 Pump station improvements to Motor Control Centers, pumps, and wet well
- Cattail Dredging



SUMMARY

- Expenses exceed revenue by \$3M.
- Unrestricted Cash Balance will be drawn down.
- Capital Outlay is 48% of the budget.
- Debt financing will be required in FY 2025-2026.
- 2024-2025 budget to be adopted on June 20, 2024