

Las Gallinas Valley Sanitary District

Adopted Budget

Fiscal Year 2025-2026

June 18, 2025



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Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Nicholas Lavrov
Craig K. Murray
Gary E. Robards
Crystal J. Yezman

June 18, 2025

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 2025-2026 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, is historically adopted at the second regular meeting in June. As the regular meeting date landed on a District observed holiday, Juneteenth, the Board set the public hearing on the budget for the day prior, on June 18, 2025.

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 \$71,318,189 in total funding for 2025-2026 with \$27,404,922 coming revenue, \$25,600,000 from loan proceeds for capital projects, and \$18,313,267 from prior year capital carryover and reserve funds.

Operations and Maintenance (“O&M”) expenses are anticipated to increase over the prior year actuals by \$2,358,856, or 17.8%. 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 22% of the budget. Historically O&M expenses are closer to 35-40% of the budget but because of the size of the capital budget for fiscal year 2025-2026, the percentage is lower.

Debt service requirements are \$4,507,859 and include the 2017 Revenue Bonds and 2019 IBank loan. Debt service comprises 6.34% of the budget. The next debt to be paid off is the Municipal Finance Corporation 2005 Certificate of Participation Bond in December 2025.

New Reserve funding of \$3,344,257 is proposed 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. The District maintains four reserve funds and four restricted funds. Restricted funds are monies set aside for a particular purpose and \$373,493 in additional funding is proposed with the budget and includes 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 4.7% of the budget.

The Capital Outlay effort for 2025-2026 remains the primary driver of expenditures for the District comprising 66.9% of the total budget. The total capital outlay for the Capital Improvement Program ("CIP") for Fiscal Year 2025-2026 is \$47,568,544. 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 5 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.

Loan proceeds of \$25,600,000 from financing of four capital projects is the primary funding source for capital projects. Use of \$9,400,000 in capital reserves and \$8,309,567 in unused prior year Capital Outlay Carryover funds is the secondary source for the majority of capital projects in Fiscal Year 2025-2026.

Sincerely,



Curtis Paxton
General Manager



Dale McDonald
Administrative Services Manager

Las Gallinas Valley Sanitary District

Adopted Budget – 2025-2026

The Las Gallinas Valley Sanitary District is pleased to present its proposed Annual Budget for the upcoming fiscal year. This budget reflects the District's continued commitment to responsible financial stewardship, transparency, and the efficient delivery of services to the community. It outlines the anticipated revenues, planned expenditures, and debt service obligations, providing a comprehensive financial plan that supports the District's operational goals and long-term priorities. The Las Gallinas Valley Sanitary District adopts its budget annually.

The Government Accounting Standards Board ("GASB"), which is recognized as the official source of Generally Accepted Accounting Principles ("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.

REVENUE

Operating Revenue

The District is entering its third year of a four-year Sewer Service Charge ("SSC") rate plan. SSC revenue is the primary source of revenue the District receives. A rate increase of \$136 annually for Single Family Residential ("SFR") users is factored into the budget. The rate increase will provide \$1,883,008 in additional revenue over last year. Non-residential SSC revenue is expected to decrease slightly as water use is trending lower for non-residential customers who use less water during the measurement months.

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 the percentage of actual recycled water provided to MMWD and NMWD. Revenue is expected to increase as capital repair and maintenance expenses, a recoverable expense, is incurred.

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. Revenue is based on historical home sales and permit data for properties within the District between 2019 and 2024. A slight decrease is anticipated.

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The Miscellaneous revenue account allows various incidental or one-off payments to be deposited into the District's operating account. Staff do not forecast a budget in this category, as they are difficult to project, but have included a small placeholder based on last year's budget to assist with future accounting if needed.

Non-Operating Revenue

Property tax revenue growth assumptions by Marin County project a decline in property tax revenue growth of 4.0% over the next two fiscal years and increase to only 4.5% by 2027-28, which is below the annual property tax growth rate of 5% the county experienced over the last 20 years. This anticipated slowdown in revenue is due to uncertainty in the housing lending rates and the potential impact of a slowdown in the economy. 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 accounts for approximately 2% of the District's revenue. For 2025-2026, property tax revenue is expected to be \$1,346,300. 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 revenue assumptions.

The District has historically identified secured property taxes as general fund 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, and a total of \$25,000 has been allocated to the program in 2025-2026.

Prior Secured taxes, Supplemental Property Tax Assessments, and Home-Owner Property Tax Relief ("HOPTR") funds are projected to rise 9.23% 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.

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 have budgeted \$572,900 for 2025-2026 using the foundational basis from the ERAF revenue received in 2024-2025.

The Solid Waste Franchise fee revenue is forecast based on the anticipated Marin Sanitary Service rate increase Proposed 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, adopted January 2025, has increased both revenue and pass thru expenses related to the solids waste collection, recycling, and organic waste programs. An incremental increase in Franchise Fee revenue is forecast for January 2026 and is in alignment with the cost-of-service Franchise Agreement study completed in March 2024.

Interest income, which is invested in the California Cooperative Liquid Assets Security System ("California CLASS") and California Asset Management Program ("CAMP") investment pools, the Local Agency Investment Fund with the State of California, and Bank of Marin are expected to yield lower returns as the interest rate is anticipated decrease slightly in 2026. The District will utilize \$9.4 million in reserve funds held in CAMP for construction projects, which will reduce the amount of interest income received in 2025-2026.

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The Private Sewer Lateral (“PSL”) Assistance Program has continued to collect reimbursement payments through the County from property owners participating in the program. The program is self-funded, with sufficient revenue coming from repayment by property owners to fund assistance to new property owners wishing to take advantage of the program. The balance in this program as of June 30, 2025 is anticipated to be \$431,000.

Anticipated revenue of \$103,700 will help offset the \$134,000 in expenses for related new assistance program issuance in 2025-2026. The District experienced a spike in property owners taking advantage of the program this year as homeowners took advantage of having the contractor performing the District’s Sewer Main Collection System Rehabilitation Program of 2024 replace their private upper sewer lateral, at the property owners cost, at the same time work was done on the public main sewer.

The Reimbursements / Pass-thru / Rebates revenue account reports non-operational revenue such as the anticipated rebate from the California Energy Design Assistance (CEDA) program, administered by PG&E, as a financial incentive to offset the cost of decarbonization for the energy efficiency options to be included in the Multi-purpose Lab Building project.

Capital Contributions / Capacity Related Revenue

Annexation, Capital Facilities Charges (“CFC”), and Connections Fee activity for remodel permits and Accessory Dwelling Units (“ADUs”) has decreased from prior years. 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 2025-2026. Staff are conservatively budgeting \$278,501 in receipts for capital facility charges for 2025-2026 primarily the result of the two large projects currently under development. CFCs can be paid over 2 years as the project is developed with the majority of the payments made in year 2.

State and local governments have passed laws that 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. Annexation and development fees are separate from the CFC connection fees and are determined by engineering review. The interest income for this category is for existing CFC 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. Since project completion, the buy-in and debt service payments received from MMWD have historically been allocated to the undesignated Capital Reserves for future use by the District. This practice stopped in 2024-2025 when the District chose to deposit the MMWD payments into the operating account for use to pay their share of debt service which resulted in the District’s debt obligation being lower. In addition, according to the agreement, MMWD and LGVSD are required to meet and review the construction costs of the expansion project and adjust the buy-in amount based on the actual final costs of the project. The Marin Municipal Water District Inter-Governmental capital contribution revenue line item includes \$364,111 of buy-in and \$250,000 as a placeholder for anticipated revenue from the buy-in adjustment.

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”)

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project is filed. The remaining funds will be returned to the general fund as STPURWE expenditures have already occurred.

The District is anticipating an award of a cybersecurity grant from CalOES/FEMA in the next couple of months. The proposed budget includes revenue from this grant. If FEMA does not approve the grant, the related cybersecurity expenses will not be pursued unless alternative funding is identified.

Financing / Loan Proceeds

Four major projects, primarily funded through debt service, are scheduled to begin construction in 2025–2026. Approximately \$26 Million in construction costs will be financed through loans and other forms of debt. A financial advisor has been engaged to evaluate the most practical and cost-effective financing options for these projects. A finance team has begun the financing process for the Solar Photovoltaic Replacement project and Battery Energy Storage System project underway. Design work is underway and site preparation for the remaining construction projects will begin in the summer of 2025. Funding for construction phases of the projects will be secured before their respective construction phase begins.

Revenue	FY 2024-25 Revised Budget	FY 2024-25 12-Month Projected	FY 2025-26 % of PY Budget	FY 2025-26 Proposed Budget
Operating Revenue	21,109,930	20,860,599	98.82%	22,772,999
Non-Operating Revenue	2,912,240	3,260,238	111.95%	2,883,960
Capital Contributions / Capacity Related	1,546,142	539,530	34.90%	1,747,963
Loan Proceeds	-	-	-	25,600,000
Utilization of Reserves and Restricted Funds	14,899,880	7,674,824	51.51%	18,313,267
Allocation of Unrestricted Working Cash	2,561,440	-	-	-
	43,029,632	32,335,190	75.15%	71,318,189

Utilization of Reserves and Restricted Funds

In addition to the revenue the District receives, reserves and restricted funds are available for specific Board approved purposes. The District is projected to have approximately \$17,072,000 in reserves as of June 30, 2025. The budget includes utilizing \$9,830,000 of reserves in 2025-2026 towards capital projects.

- Capital Reserves are established for major capital projects that span two or more years, including upgrades and expansions. A designated reserve has been established for the construction of the Multipurpose Lab building with a balance of \$9,000,000. In addition, staff have proposed establishing a second designated capital reserve fund for the Sewer Main Collection System Rehabilitation and Inflow & Infiltration Reduction Program, which performs approximately \$3,000,000 in sewer pipe replacement every other year.
- 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 be carried forward into 2025-2026. A total of \$8,309,567 of prior-year capital carry-over is budgeted for use in 2025-2026.

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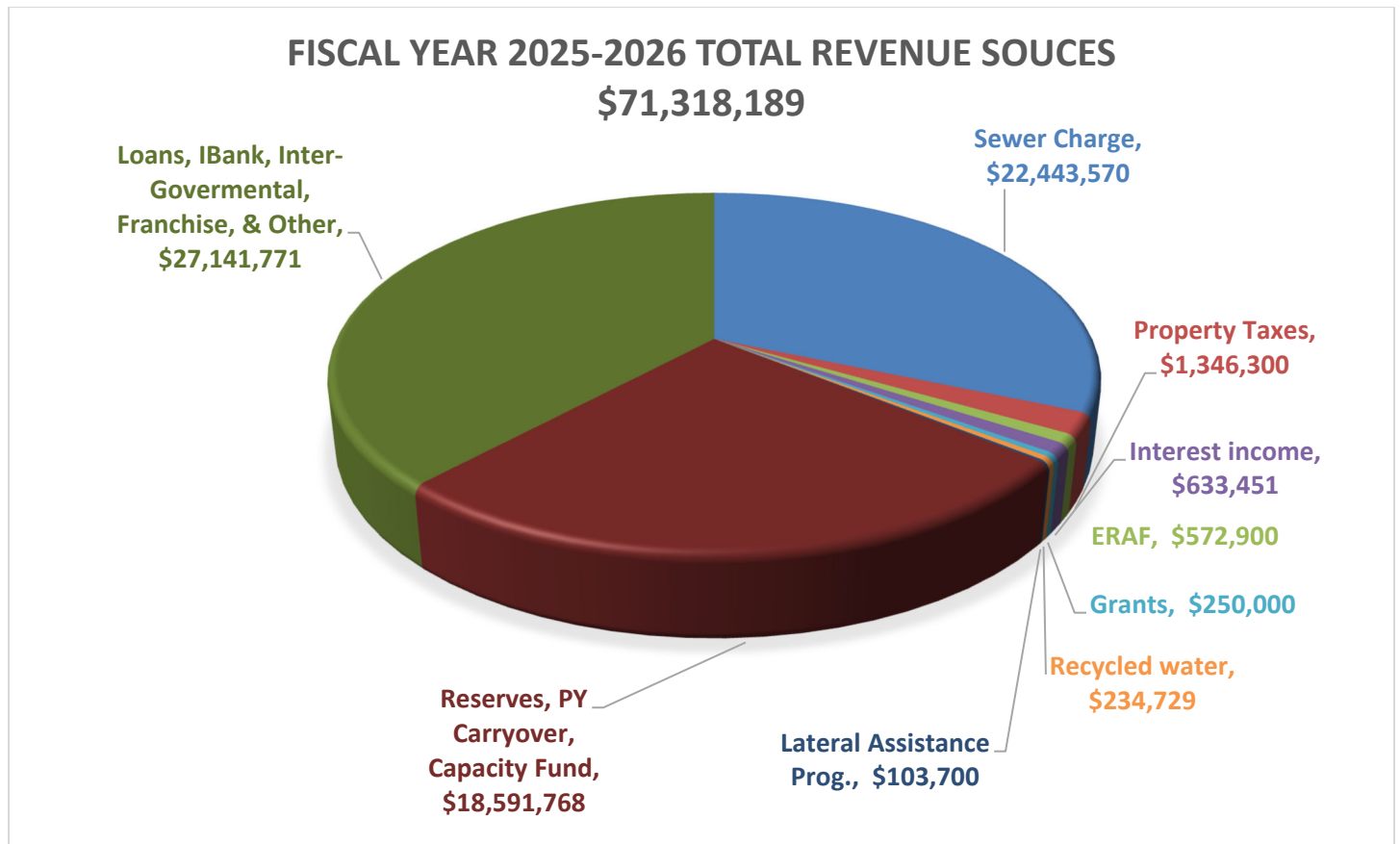
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- Transfers from the Capacity / Connection Fee Facilities Fund, which has been growing as fees for new or additional connections to the system are paid by developers, can be used to pay for collection system and plant capacity improvements necessary to serve those connections.
- The Recycled Water Capital Repair and Replacement fund, established in May 2023, is expected to have an ending balance of \$64,345 as of June 30, 2025. The District is required to contribute 10% of their portion of recycled water operating and maintenance expenses to this fund annually.

Total Revenue Summary

Revenue combined with utilization of reserves and restricted funding is sufficient to cover the identified budget expenditures in 2025-2026.

If there was a shortfall, it can be covered by identifying new revenue sources, reducing expenditures, reducing funding to the Operating & Rate Stabilization Reserve or other reserves, drawing down the District's unrestricted working cash capital balance, or a combination of the above.



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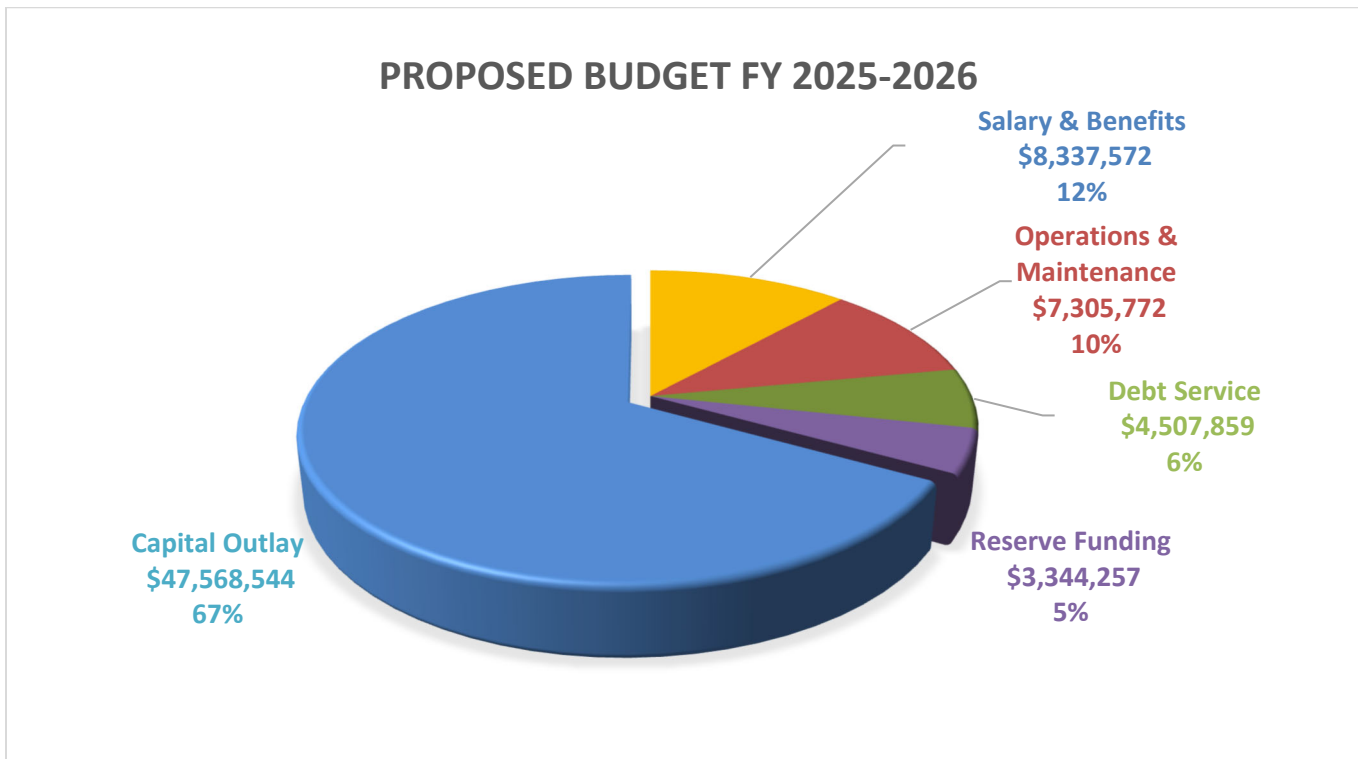
EXPENDITURES

Expenditures in a sanitary district reflect the planned use of public funds to support core services such as wastewater collection, treatment, and disposal, along with the management and maintenance of the District facilities such as the reclamation area. As part of the annual budget, these expenditures typically cover personnel costs, facility operations, regulatory compliance, and capital improvements. Budget allocations are designed to ensure efficient service delivery, to provide for the protection of public health and the environment, and to support the long-term sustainability of district operations through measured capital improvement.

Expenditures of the District are reported under the following categories:

1. Operations 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 Operations and Maintenance. The operations and maintenance expense, debt service, reserve and restricted funding, and capital outlay financials were analyzed, and key items of interest are noted in this report. The District's reserve policy and reserve funding targets for the Operating & Rate Stabilization Reserve, Emergency Repair, Capital Reserves, and Vehicle and Equipment Reserve were reviewed and are included as part the budget process.



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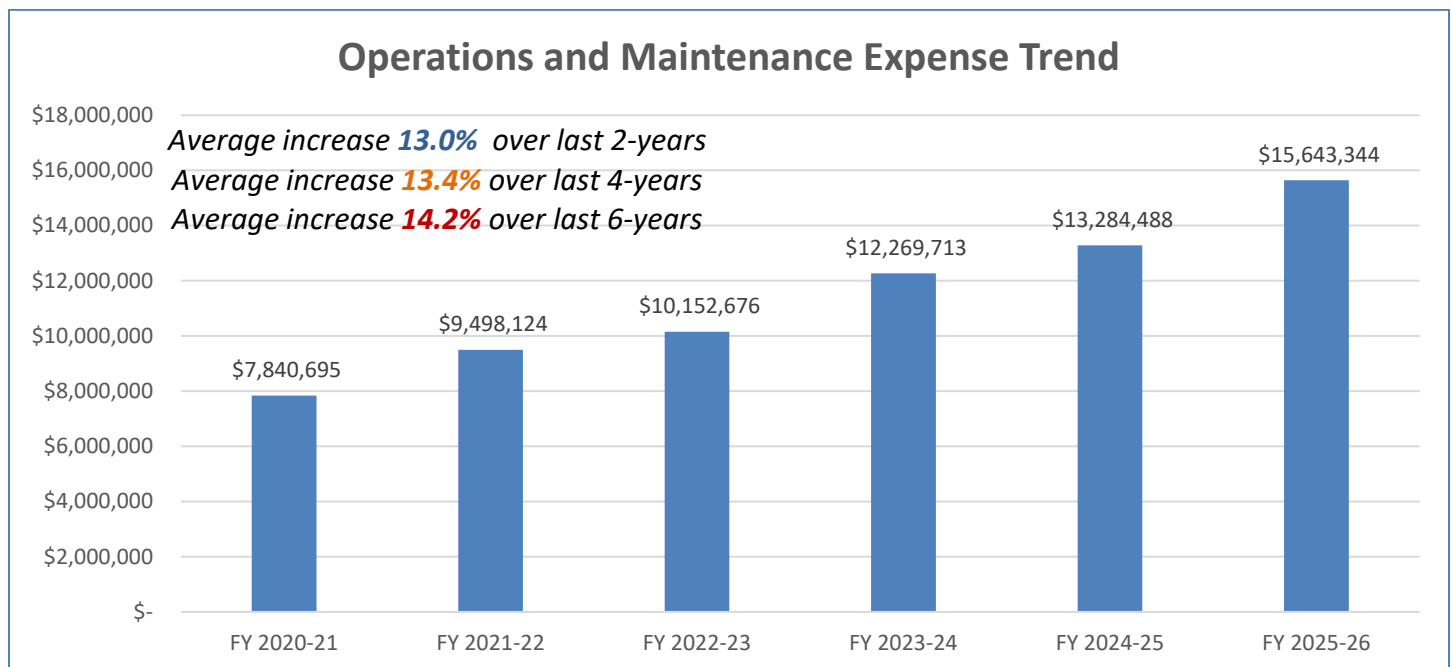
Operations & Maintenance Expenses

Operations & Maintenance (“O&M”) expenses, including salary and benefits, comprises approximately 22% of the current budget. The total O&M expenses are expected to rise 17.8% in 2025-2026 over the projected end of year expenditures from 2024-2025 and 13.2% over prior year budget. It is estimated that 70% of O&M is essential non-discretionary spending leaving little room to significantly impact the budget through targeted reductions.

No significant operational changes are proposed for next fiscal year except for a possible operational position being added, if funding can be identified. As such, an incremental roll-forward O&M budget is being proposed for 2025-2026.

The Low-Income Sewer Assistance Program currently provides a 10% reduction in SSC to qualified homeowners. Management proposes continuing the program at its current rate.

Inflation projections of the California Department of Finance SF Metropolitan Statistical Area CPI and Moody’s SF Metropolitan Area CPI, forecasted at 2.57% in 2025-2026, were used in setting the budget for the majority of accounts (i.e. general office supplies, utilities, outside services). On top of the base CPI, it is prudent to budget 15% for equipment and maintenance costs related to wastewater treatment plant and pump stations motors, gears, parts and supplies primarily dependent on overseas manufacturing.



Details of department financials were reviewed to develop the proposed budget. Minor adjustments were made during the development of the final budget.

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Salary and Benefits:

Salary expenses will rise 3% with the Cost-of-Living Adjustment that will take effect the first full pay period following July 1, 2025. In addition, employees eligible for a 5% step-increase, as published in the District's Salary Pay Schedule, is factored into the budget. The Memorandum of Understanding between the District and Operating Engineers Local 3 will expire on June 30, 2026. A total compensation salary survey will be completed by December 31, 2025 for use in successor MOU negotiations in early 2026.

The Operator-in-Training ("OIT") program has been successful, and management propose continuing the program into next fiscal year. The program provides for one Full-Time Equivalent (FTE) temporary internship position, with a term not to exceed 6 months. The program is mutually beneficial to the District and to the intern. The District's first intern worked out of the lab from January 2025 through June 2025 and the District's second OIT intern is scheduled to start work at the plant in July 2025.

There has been interest in adding another Skilled Maintenance Worker position to address the volume of equipment repair and maintenance tasks being performed at the treatment plant and pump stations. Management has also investigated the creation of or transition of an existing position to that of an inspector position that could support both private-sewer lateral inspections, currently performed by Collection Systems Operators, and sewer main construction project inspections, currently being performed under inspection services contracts. The budget does not fund these positions and if pursued, management will bring the question before the Board at a later date.

Workers' Compensation insurance is expected to increase 41%. California Sanitation Risk Management Authority's actuary developed funding requirements for the Workers' Compensation Program renewal for 2025-2026. The experience modification factor, used in the computation of the premium, increased from 0.70 to 0.91 which is the primary driver for the increased insurance premium

Repairs and Maintenance:

Most repairs and maintenance activity is coordinated by the Maintenance Department, but actual expenses related to assets are allocated to the respective financial cost center (Collection System, Pump Station, Treatment Plant, or Recycled Water) for proper accounting. The Repair and Maintenance proposed budget for 2025-2026 will is projected to increase 19.61%. The primary drivers of increased maintenance costs in 2025-2026 are:

- Equipment Maintenance & Repair expenses are projected to increase 64.6% over last year's budget and 27.7% over projected expenses through June 30, 2025.
- BioWheel Maintenance, Service, and Capital Repair is projected to cost \$379,278 this fiscal year and \$385,500 in 2025-2026 as chains, sprocket units, and gears ordered for inventory are delivered. Additional inventory for replacement of BioWheel components are planned for in 2025-2026 dependent on how the new chains, sprockets, and gears hold up to use.
- Reclamation pasture and pond maintenance reflect increased pasture disking costs as well as incremental increases to pond maintenance. Monthly Jefferson Security Fire Suppression monitoring is also included under the repair and maintenance budget.
- Building and Ground Maintenance has increased at the treatment plant now that the large secondary treatment plant project is complete. Costs include having an outside firm perform yard work on the main building landscape, and includes expenses related to maintenance work performed by the District's skilled maintenance employees.

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- Capital Repairs and Replacements will continue at their current pace with pump replacements being performed at the treatment plant and pump stations, equipment replacement at the lab, and other various wastewater treatment components replaced as needed.

Repair and maintenance costs have increased due to inflation and ongoing supply chain disruptions, which have driven up the prices of materials, equipment, and contractor services.

Other Operating Expenses:

Other operating expenses include supplies and contracted services to support the operations at the treatment plant, pump stations, and administration of the District. The District must budget for peak-weather events, such as heavy storms, which are increasing in intensity from historical events. These events cannot be planned for but the District can prepare for them by addressing funding for additional treatment plant and collection system expenses expected during these events.

- Chemical Supplies make up the largest percentage of supplies required by the District. The amount budgeted for supplies and small tools is \$1,054,400, and of that \$872,900 is for chemicals. The District is a member of the Bay Area Chemical Consortium (“BACC”) which assists the District in obtaining the most competitive unit pricing. Chemical costs are budgeted for based on historical wet-weather flow.
- Contract Personnel is funding set aside for potential vacancies at the District which may require short-term assistance from outside professionals while recruitment is underway or for emergency operator assistance if there is an employee staffing shortage. If unspent the funds remain in the general fund.
- Biosolids Management, Compliance, Sampling and Reporting was added to the 2024-2025 revised budget. Expenses for the program will continue into 2025-2026 at a projected cost of \$122,222.
- Outside contracted services include services related to personnel and HR services, guard service, labor relations, janitorial services, security patrols and alarm monitoring, portable restroom rentals, grant funding support, and other incidental outside operating expenses.
- Sludge injection and land disposal of biosolids is normally an operational expense of the wastewater treatment process. During the first year of the Biosolids Program Monitoring Research project, land application was performed as part of the biosolids feasibility study and sludge was injected into the Districts dedicated disposal site. The associated costs related to land disposal of solids, required as part of the ongoing study, was charged to the Biosolids Program Monitoring Research project. As we enter the third year of the study. The proposed operating budget includes \$105,000 towards biosolids disposal, calculating the share of operational expense based on the historical cost of sludge injection. The additional costs associated with land disposal are included in the capital Biosolids Program Monitoring Research Support and Flood Protection program.
- Consultants include costs for climate assessments, Canada goose project and reporting to NPDES, MMWD water data review and rate setting assistance, recruitment, labor relations, and for organizational and Board development.
- Feasibility studies that are not capital improvement or capacity related are treated as an operational expense. An energy feasibility study in the amount of \$200,000 is included in the 2025-2026 budget to kick off the District’s Energy and Wastewater Infrastructure Modernization and Utility Savings Program that will identify design-build projects to be considered in future years.

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- Financial Services includes funding to hire an independent financial advisor to identify debt financing and/or bond issuance options, bond counsel, and underwriter/placement agents for financing four large capital projects:
 - 1) Solar PV System Replacement and new Battery Energy Storage System
 - 2) Multipurpose Lab Building
 - 3) Corporation Yard construction
 - 4) John Duckett Pump Station and Terra Linda Creek Crossing projects.

Additional financial services include actuarial valuations, sewer rate studies, and arbitrage compliance services.

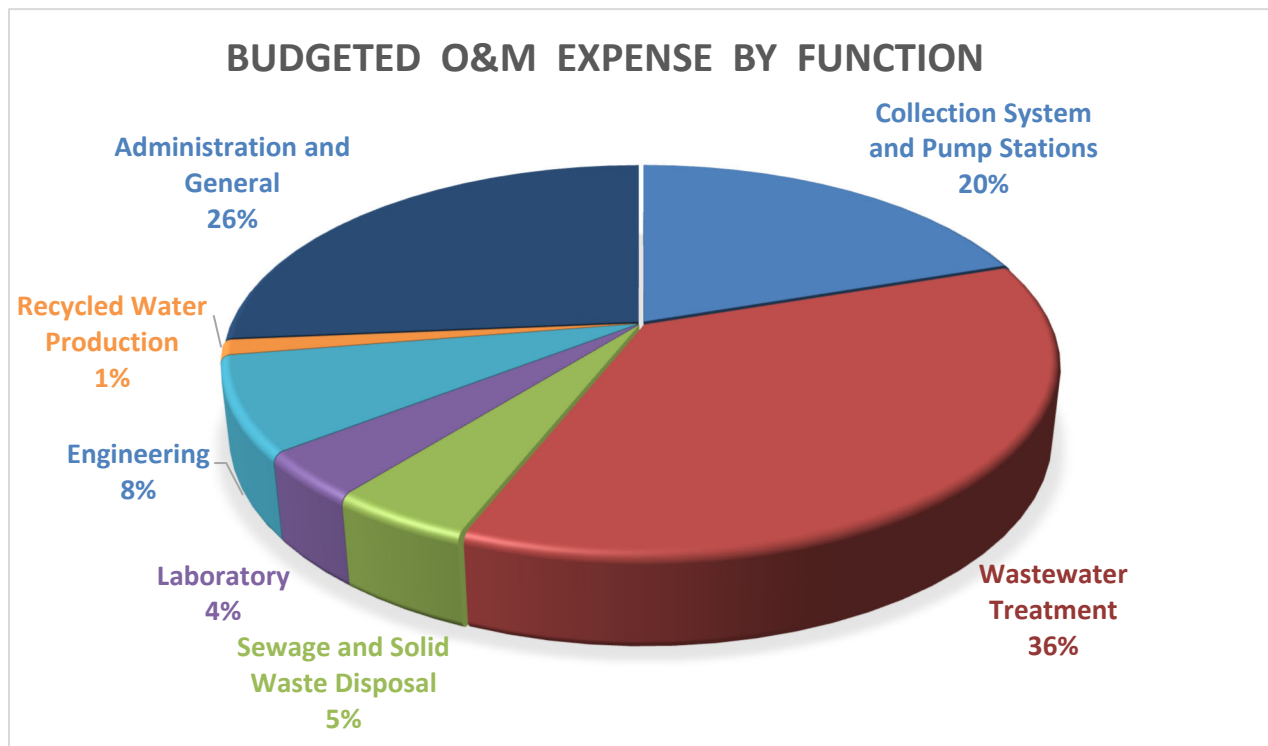
General and Administrative:

General and Administrative expenses round out the Operations and Maintenance expenses of the District. The expenses under this category are District wide and benefit all departments.

- Legal expenses related to ongoing settlement talks and potential litigation regarding the close out of the Secondary Treatment Plant Upgrade and Recycled Water Expansion (“STPURWE”) project continue. The budget includes \$150,000 in direct legal fees and \$25,000 in pass-thru expert witness fees.
- 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 and ArcGIS follow the multi-year SaaS licensing models. Other software such as SCADA, Caselle, and Microsoft Office which have software license agreements for one year or less are treated as incidental software licenses. Computer equipment below the capital asset threshold is replaced as needed under the Office Supplies & Equipment cost center.
- Cybersecurity expenses are now tracked separately from general IT support and \$250,000 has been budgeted in the 2025-2026 budget but spending is dependent on award of CalOES/FEMA grant.
- The District’s donation policy establishes a formal procedure for allocating funds to non-profit community groups requesting contributions from the District. As part of the policy, the Board funds the program from property tax revenue as part of the budget process. Donation funding for 2025-2026 is set at \$10,000.
- Rents and leases include the annual administration office lease at 101 Lucas Valley Road (\$120,000), lease of the postage machine, off-site records storage, railroad easements and copiers.
- Employee training and education includes the cost for the District to participate in the Liebert Cassidy Whitmore employment relations consortium and other offsite training. Management training and coaching is included in the budget for all managers and supervisors following the 2024 FutureSense climate assessment report.

Operations & Maintenance expense details by department were analyzed and rolled up into the proposed budget. Wastewater treatment remains the largest expense by function.

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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. The District refinanced them at a reduced interest rate of 3.3% which saved interest over the remaining life of the loan and resulted in lower annual payments. The principal balance remaining is scheduled to be \$718,800 as of July 1, 2025. This is the final year of principal and interest payments with the last loan payment scheduled for December 2025.
- 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 \$1,798,807 as of July 1, 2025.
- 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 \$1,775,271 as of July 1, 2025.
- 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 \$29,905,000 as of July 1, 2025.
- 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

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is scheduled to be \$9,871,024 as of July 1, 2025. An annual service fee, \$29,613 for 2025-2026, 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 are deposited into the operating account 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, results in the District's 2017 Revenue Bonds debt obligation being lower.

The Debt Service Coverage Ratio (DSCR) for the District projected for 2025-2026, based on the presented budget and debt service, is determined by dividing the Net Operating Income (\$10,013,615) by Total Debt Service (\$4,507,859). The calculated DSCR for 2025-2026 is therefore 2.22. 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. The Total Target for all reserves is \$25.3 Million with the Capital Reserve Fund target being the largest at \$11 Million. Any increase in target goals will require additional revenue to be set aside for this purpose. The District does not currently fully fund for depreciation of assets. The Capital Reserve policy does allow for accumulated depreciation to be reviewed and factored into setting the target goal, with the intent to have current ratepayers pay their share for the use of the District's assets.

Reserve funds are held in California Asset Management Program ("CAMP"). The interest earned in CAMP increases the balance of reserves and offsets the need to transfer funds from the District's operating account to meet the budgeted reserve targets.

- 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 2025-2026 is \$11,800,000 and the reserve will have a balance of \$4,833,105 at the beginning of the upcoming fiscal year. The budget includes adding \$696,690 to the budget for 2025-2026. 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 is \$1,500,000 and can be used to fund emergency repairs. Any shortfall in the reserve is to be built up over 2-3 years. The budget is proposing \$74,074 be added to the reserve.
- Capital Reserves contains both designated and undesignated funds for capital projects. The target of \$11,000,000 includes \$9,000,000 designated for the construction of the Multi-Use Laboratory / Education Center / Board Room building. The prior year adopted budget for 2024-2025 included adding \$3,000,000 to the designated Multi-Use Laboratory Building reserve; adding \$1,018,529 to the reserve, reallocating \$1,318,529 from the undesignated capital reserve balance, and allocating \$662,942 of earned interest to

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the designated reserve. The MMWD buy-in and debt service payments are no longer deposited into the reserve account. The budget for 2025-2026 authorizes \$1,500,000 to the designated Sewer Main Rehabilitation and Inflow & Infiltration Reduction project and \$600,000 to the designated Operations Control Center (OCC) / Administration Building project.

- Vehicle and Equipment Reserve (“VERF”) was established in Fiscal Year 2019-2020 to fund vehicle and equipment replacements. The reserve target was set at \$1,000,000. A total of \$100,000 will be added to replenish the VERF and \$430,000 will be used to purchase vehicles and equipment listed on the Capital Outlay budget in 2025-2026.
- 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. The budget includes the addition of \$316,083 to the reserve.
- 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 expenses in 2025-2026. As the balance of the restricted funds is low, no capital projects are budgeted to use the restricted reserves in the upcoming fiscal year. 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 the future.
- Recycled Water Capital Repair and Replacement restricted reserve fund was created in May 2023. The District is required to contribute 10% of their portion of annual recycled water O&M costs into this restricted fund for future capital expenditures to the Recycled Water Treatment Facility. A total of \$16,000 is estimated to be added to the restricted fund in 2025-2026.-

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. District policy requires the CIP be included in the Proposed budget and that the status of the CIP is updated annually as part of the budget process.

The CIP identifies adequate funding to support the acquisition, construction and replacement of assets identified in the plan, and identifies projects that the District believes beneficial to the system, but funding has not yet been identified. The CIP includes and indicates when and for what projects the District intends to finance through the issuance of debt. Additionally, the District strives 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 5-Year CIP for 2025-2026 through 2029-2030 plus miscellaneous capital needs that change yearly. The Proposed 2025-2026 Budget only includes funding approval for projects identified in the first year of the CIP and contains the list of projects to be funded with the adoption of this budget. The additional projects listed in the CIP are proposed for future years and they will require their own funding approval as part of their respective yearly budget.

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The Secondary Treatment Plant Upgrade and Recycled Water Expansion (“STPURWE”) project is complete. The formal Notice of Completion is to be filed once final settlement of accounting of the project with the contractor is complete. The assets associated with the STPURWE project were reclassified as an infrastructure improvement and added to the District’s financial statements as depreciable assets in the fiscal year ending June 30, 2024. A total of \$57K has been spent for closeout costs and financial reporting assistance related to this project in fiscal year 2024-2025. Any additional close out costs associated with the project after June 30, 2025 will require separate Board action.

Significant Investment In Capital Facilities

Four major projects, primarily funded through debt service, are underway or will soon begin construction in 2025–2026. The financed construction projects are:

- Solar Photovoltaic (“PV”) Replacement Project - the District’s planned Power Purchase Agreement model has been replaced with a \$3.8 million design-build construction project. The proposed budget includes bundling the Battery Energy Storage System (“BESS”) project, requiring an additional \$2.57 million for the BESS phase of the project, which has a June 29, 2026 deadline to qualify for rebate credits. The contractor has secured solar panel equipment and invoiced the District in June 2025, with reimbursement of these expenditures to be paid from future tax-exempt financing secured in 2025-2026. Financing to fund the continued construction of both projects is expected to be completed and closed by the end of August 2025.
- Multipurpose Lab Building - the design phase for the new Lab / Education Center / Boardroom building is nearing completion. Based on preliminary design work and anticipated scope adjustments, construction costs have increased. Final costs will be determined upon project bidding. For budgetary purposes, staff proposes a project budget of \$19 million, with \$9 million to be funded from the District’s Capital Reserve and the remaining \$10 million to be financed. The amount and funding requirements could change once final construction costs are known. The construction of the project will be done in phases, with underground utilities as Phase 1 to start in the summer of 2025 and the building structure as Phase 2 later in the fiscal year after financing is secured.
- John Duckett Pump Station and Terra Linda Creek Crossing - design work is expected to be completed in 2025. The project scope has been reduced, and construction is planned to be completed within the upcoming fiscal year. The estimated construction cost is \$5 million, with \$4.5 million to be financed.
- Corporation Yard - the design for the Corporation Yard project will be completed in 2025. Construction is estimated at \$5 million and is planned to be fully financed.

The Sewer Main Collection System Rehabilitation and Inflow & Infiltration Program for 2024 will wrap up in the summer of 2025 and will repeat again in fiscal year 2026-2027. Capital reserve funding for this valuable program is included in the budget. Outstanding at the time this budget was prepared is the actual additional cost of paving required by Marin County for this project. The budget added \$700,000 for additional paving with the hope that the amount will be negotiated lower.

Projects in progress and approved in the prior year 2024-2025 budget will continue into 2025-2026. Prior year Capital Outlay Carryover funding in the amount of \$8.3 Million is the primary source of revenue for these projects.

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Additional New Capital Projects Identified

New projects have been identified and added to the CIP. There are three new projects, two new vehicle purchases, and three engineering/administrative projects proposed in the 2025-2026 budget.

- Civic Station Pump Station Capacity Upgrade project to address storm water surges that impact the pump station. Funding of \$500K will come from the District's restricted Capacity Connection Fee Fund.
- Electrical Building Drainage project at the treatment plant for \$75K.
- High Speed Fiber Internet to the Plant placeholder of \$75K. Staff is investigating feasibility and costs.
- 2025 Ford Transit Cargo Camera Van and Camera Equipment for \$360K, funded from the District's Vehicle and Equipment Reserve (VERF).
- Mid-size Pickup Truck for Standby Plant Use for \$60K, funded by VERF.
- On-Call Construction Contract (2025-2027), a two year on-call program engineering utilizes to perform various small projects not identified in the CIP program. Budget to increase to \$265K over last year's budget of \$258K.
- Labor Compliance for Miscellaneous Capital Construction projects will be funded from the CIP program rather than as an operating expense. Labor compliance is an outside service coordinated by engineering. \$60K is budgeted for 2025-2026 and is projected to continue in future years.
- Capital Outlay Prior Year Miscellaneous Closeout is an administrative tool to allow projects that incur incidental charges in the fiscal year after the project is closed to have a funding source that would otherwise not be included in the current year budget. This will allow project accounting to close out without needing to make mid-year budget transfers from other projects.

Authorization to proceed with financing projects is dependent on obtaining financing with acceptable terms. Projects may proceed in phases if funded from multiple sources if feasible.

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
REVENUE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Revenue Description	2023-24 Final Actuals	2024-25 Adopted Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
OPERATING REVENUE					
Sewer Service User Charges	\$ 18,680,095	\$ 20,866,010	\$ 20,560,562	\$ 22,443,570	8.39%
Recycled Water (MMWD / NMWD)	113,735	143,400	213,389	234,729	9.09%
Inspections/Permits/Application Fee	49,533	59,900	55,091	57,400	4.02%
Miscellaneous Operating Revenue	43,563	40,620	31,556	37,300	15.40%
Total Operating Revenue	18,886,926	21,109,930	20,860,599	22,772,999	8.40%
NON-OPERATING REVENUE					
Property Tax and Supplemental Assessments	1,258,324	1,322,750	1,290,498	1,342,000	3.84%
Educational Revenue Augmentation Fund	509,427	480,510	550,750	572,900	3.87%
Homeowner Property Tax Relief	4,224	2,360	4,116	4,300	4.27%
Franchise Fees Marin Sanitary Service	175,203	185,440	185,208	191,700	3.39%
Private Sewer Lateral Assistance Program	98,484	100,000	93,191	103,700	10.13%
Interest Income	1,176,267	796,180	1,134,673	595,860	-90.43%
Reimbursements / Pass thru / Rebates	11,514	25,000	1,800	73,500	97.55%
	3,233,442	2,912,240	3,260,238	2,883,960	-13.05%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	236,580	320,420	138,939	278,501	
Interest on Connection Fee Fund	32,293	21,780	36,136	37,582	
Interest on Bond Funds	7	5	8	9	
Marin Municipal Water District Inter-Governmental	364,049	631,177	364,447	614,111	
IBank Loan Disbursements	-	567,760	-	567,760	
Federal and State Grants	-	5,000	-	250,000	
Loan Proceeds for Capital Projects	-	-	-	25,600,000	
	632,928	1,546,142	539,530	27,347,963	98.03%
TOTAL REVENUES	\$ 22,753,296	\$ 25,568,312	\$ 24,660,366	\$ 53,004,922	53.48%
<i>Total Revenues excluding Loan Proceeds</i>					<i>10.01%</i>
UTILIZATION OF RESTRICTED FUNDS AND RESERVES	<i>2023-24 Actual Use</i>	<i>Adopted Available</i>	<i>2024-25 Projected Use</i>	<i>2025-26 Adopted Budget</i>	
Operating Reserves / Rate Stabilization	-	-	-	-	
Private Sewer Lateral Assistance Funds	42,985	187,800	52,620	134,000	
Capital Outlay Carryover Utilized	4,864,063	12,255,708	5,400,227	8,309,567	
Capital Reserves	-	1,818,529	1,622,229	9,400,000	
Vehicle and Equipment Reserve	-	584,043	573,753	430,000	
Transfers from Marin Lagoon Restricted Fund	22,863	37,200	25,995	29,100	
Transfers from Captains Cove Restricted Fund	9,451	16,600	3,773	10,600	
Transfers from Capacity Connection Fee Fund	-	-	-	-	
SUB TOTAL	4,939,362	14,899,880	7,678,597	18,313,267	58.07%
ALLOCATION OF UNRESTRICTED WORKING CASH CAPITAL		2,561,440		-	
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 27,692,659	\$ 43,029,632	\$ 32,338,963	\$ 71,318,189	54.66%

**LAS GALLINAS VALLEY SANITARY DISTRICT
BUDGET SUMMARY
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

	2023-24 Final Actual	2024-25 Revised Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
OPERATING EXPENSES					
EMPLOYEE WAGES	4,972,660	5,480,200	5,129,397	5,647,600	10.10%
EMPLOYEE BENEFITS	2,377,042	2,393,400	2,301,404	2,689,972	16.88%
INSURANCE EXPENSE	439,667	486,200	445,751	519,700	16.59%
REPAIRS AND MAINTENANCE	694,636	1,007,200	1,172,753	1,402,700	19.61%
SUPPLIES & SMALL TOOLS	849,993	789,500	931,434	1,054,400	13.20%
CONTRACTED SERVICES	1,056,016	1,878,724	1,500,828	2,427,972	61.78%
UTILITIES	1,174,203	919,176	921,009	1,004,700	9.09%
GENERAL & ADMINISTRATIVE	730,434	842,600	863,276	886,700	2.71%
OPERATING EXPENSE TOTALS <i>(including operational adjustment)</i>	\$ 12,269,713	\$ 13,825,500	\$ 13,284,488	\$ 15,643,344	17.76%
DEBT SERVICE					
DEBT SERVICE TOTALS	\$ 4,473,473	\$ 4,506,819	\$ 4,506,819	\$ 4,507,859	0.02%
RESERVE FUNDING					
OPERATING & RATE STABILIZATION	639,123	585,211	585,211	696,690	19.05%
EMERGENCY REPAIR	166,667	111,111	111,111	74,074	-33.33%
CAPITAL RESERVES	3,668,782	3,000,000	3,000,000	2,100,000	-30.00%
VEHICLE & EQUIPMENT (VERF)	38,765	100,000	100,000	100,000	0.00%
CAPACITY (RESTRICTED FUND)	268,873	342,200	175,075	316,083	80.54%
CAPTAINS COVE (RESTRICTED FUND)	8,197	16,250	16,179	16,140	-0.24%
MARIN LAGOON (RESTRICTED FUND)	25,334	25,150	25,320	25,270	-0.20%
RECYCLED WATER (RESTRICTED FUND)	51,563	17,520	12,759	16,000	25.41%
RESERVE FUNDING TOTALS	\$ 4,867,304	\$ 4,197,442	\$ 4,025,655	\$ 3,344,257	-16.93%
CAPITAL OUTLAY					
CAPITAL OUTLAY	\$ 5,086,747	\$ 19,915,828	\$ 12,784,126	\$ 47,568,544	272.09%
TOTAL BUDGET					
TOTAL BUDGET	\$ 26,697,237	\$ 42,445,589	\$ 34,601,089	\$ 71,064,003	105.38%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATIONS AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Acct. Num.	Expense Description	2023-24 Final Actual	2024-25 Revised Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
EMPLOYEE WAGES						
5000	Regular Staff Salaries (5033)	\$ 4,281,178	\$ 4,707,900	\$ 4,406,426	\$ 4,872,500	10.58%
5010	Over Time (5020)	166,239	204,700	151,843	169,100	11.36%
5030	Stand By	136,123	123,300	120,108	131,300	9.32%
5050	Directors Fees	68,186	77,600	71,789	77,600	8.10%
5073	Emergency Response Stipend	56,122	64,300	63,343	66,600	5.14%
5075	Certification Stipend	138,926	171,600	160,610	173,100	7.78%
5077	Longevity Pay	125,886	130,800	155,277	157,400	1.37%
	TOTAL EMPLOYEE WAGES	<u>4,972,660</u>	<u>5,480,200</u>	<u>5,129,397</u>	<u>5,647,600</u>	<u>10.10%</u>
EMPLOYEE BENEFITS						
5060	Auto Allowance	15,902	16,500	15,393	16,400	6.54%
5090	Vacation and Sick Accrual	145,072	90,600	71,000	125,500	76.76%
5110	Health Insurance & Wellness Prog. (5111-5113, 5170)	941,720	968,600	910,990	1,042,772	14.47%
5115	Directors Benefits	10,852	10,900	8,856	10,900	23.09%
5117	Dental and Vision Insurance (5119)	55,174	116,100	62,994	133,100	111.29%
5120	Public Employee Retirement System	751,158	725,400	801,462	900,200	12.32%
5130	Payroll Taxes (SSI)	349,992	373,800	343,537	370,900	7.97%
5150	Group Life Insurance / Long Term Disability (5160)	56,757	55,500	51,172	53,000	3.57%
5180	Employer Match 457 Plan	50,415	36,000	36,000	37,200	3.33%
	TOTAL EMPLOYEE BENEFITS	<u>2,377,042</u>	<u>2,393,400</u>	<u>2,301,404</u>	<u>2,689,972</u>	<u>16.88%</u>
INSURANCE						
5140	Workers' Comp Insurance	114,994	111,400	69,191	98,000	41.64%
5411	Pooled Liability & Property Insurance	323,518	373,600	375,233	420,300	12.01%
5496	Fidelity Bond	1,155	1,200	1,327	1,400	5.54%
	TOTAL INSURANCE EXPENSE	<u>439,667</u>	<u>486,200</u>	<u>445,751</u>	<u>519,700</u>	<u>16.59%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATIONS AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Acct. Num.	Expense Description	2023-24 Final Actual	2024-25 Revised Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
REPAIRS AND MAINTENANCE						
5310	Vehicle Parts & Maintenance	41,469	48,700	57,804	66,800	15.56%
5311	Building and Ground Maintenance (5312)	83,824	100,900	166,468	163,700	-1.66%
5315	Equipment Maintenance & Repair (5313, 5317)	241,234	214,700	276,685	353,300	27.69%
5318	Biowheel Maint., Service, & Capital Repair (5338)	-	326,000	379,278	385,500	1.64%
5319	Capital Repairs/Replacements	135,171	90,600	117,762	143,900	22.20%
5321	Reclamation Pasture & Pond Maint. (5323, 5326)	192,938	226,300	174,756	289,500	65.66%
	TOTAL REPAIRS AND MAINTENANCE	694,636	1,007,200	1,172,753	1,402,700	19.61%
SUPPLIES & SMALL TOOLS						
5211	General Operating & Lab Supplies (5284,)	48,533	43,000	50,570	58,000	14.69%
5222	Small Tools	19,815	21,500	37,776	43,300	14.62%
5231	Fuel, Oil, and CNG for Vehicles (5232-5235)	40,351	49,800	41,051	48,400	17.90%
5243	Safety Equipment & Supplies	38,279	41,400	22,363	31,800	42.20%
5281	Hypochlorite	413,959	432,300	544,234	627,300	15.26%
5282	Bisulfite	228,793	136,800	148,633	152,300	2.47%
5283	Miscellaneous Chemicals	60,263	64,700	86,808	93,300	7.48%
	TOTAL SUPPLIES & SMALL TOOLS	849,993	789,500	931,434	1,054,400	13.20%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATIONS AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Acct. Num.	Expense Description	2023-24 Final Actual	2024-25 Revised Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
CONTRACTED SERVICES						
5241	Safety Services	56,744	57,900	59,275	64,500	8.81%
5301	Contract Personnel	-	60,000.00	-	120,000.00	n/a
5324	Biosolids Mgmt, Compliance, Sampling & Reporting (5329)	-	110,124	70,124	122,222	n/a
5325	Sludge Disposal Inject / Land Application	57,067	234,360	233,044	105,000	-54.94%
5327	Pollution Prevention Program	10,456	17,300	8,414	8,700	3.40%
5329	Lab Contract Services	69,835	68,500	96,498	99,000	2.59%
5331	Outside Services (5337, 5335,5339)	165,917	180,900	139,681	294,400	110.77%
5333	Janitorial	23,657	24,400	22,562	23,200	2.83%
5334	Uniform Service	27,108	23,900	30,999	31,900	2.91%
5341	Regulatory Consultant	105,378	170,900	98,905	171,600	73.50%
5342	Consultants - Other	231,176	200,200	224,214	232,500	3.70%
5345	SCADA Engineering Support	61,214	71,800	105,614	108,500	2.73%
5346	Cybersecurity	-	60,000	58,201	250,000	329.54%
5351	Legal (5352)	134,645	149,200	177,866	278,150	56.38%
5353	Audit	22,000	22,000	22,000	22,600	2.73%
5355	Financial Services	24,460	10,400	32,117	117,500	265.84%
5415	Pass-thru & Gen. Small Projects (5344)	23,375	39,400	18,021	19,200	6.54%
5417	Feasibility Studies	-	189,640	50,671	225,000	344.04%
5441	Private Lateral Rehab Assist. Program	42,985	187,800	52,620	134,000	154.65%
	TOTAL CONTRACTED SERVICES	1,056,016	1,878,724	1,500,828	2,427,972	61.78%
UTILITIES						
5421	Internet	10,111	10,300	10,995	9,900	-9.96%
5423	Telephone	38,848	40,200	40,264	41,800	3.81%
5425	Utility Power	1,085,596	822,976	832,158	914,300	9.87%
5427	Water	39,647	45,700	37,592	38,700	2.95%
	TOTAL UTILITIES	1,174,203	919,176	921,009	1,004,700	9.09%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATIONS AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Acct. Num.	Expense Description	2023-24 Final Actual	2024-25 Revised Budget	2024-25 Projected End of Year	2025-26 Adopted Budget	% Change Over 2024-25 Projected
GENERAL & ADMINISTRATIVE						
5221	Office Supplies & Equipment (5230)	54,067	52,200	49,883	53,900	8.05%
5223	Meeting Supplies	7,997	11,800	10,941	15,700	43.50%
5224	Damage Claims	248	200	153	500	226.60%
5229	Employee Recognition	1,010	1,000	2,625	2,700	2.85%
5303	Payroll Processing	25,264	25,900	24,430	25,100	2.74%
5347	Public Education and Outreach	45,718	42,000	46,249	47,500	2.70%
5359	Election	-	25,000	30,836	-	-100.00%
5361	Computer Services and Software (5362, 5363)	154,058	149,800	207,435	190,700	-8.07%
5431	Bank Charges	3,707	1,900	2,117	2,300	8.63%
5433	Publication and Legal Ads	13,794	13,500	10,770	14,100	30.92%
5439	Donations Non-Profits	14,000	10,000	10,000	10,000	0.00%
5451	Rents and Leases	119,470	136,500	137,364	140,900	2.57%
5453	Taxes Other	466	500	620	700	12.83%
5455	Permits (NPDES, Biosolids, BAAQCD)	122,994	86,100	128,296	131,900	2.81%
5457	User Charge Collection Fee	33,147	15,800	15,022	15,500	3.18%
5461	Memberships (CASA, CSDA, NBWRA)	65,872	73,900	72,528	75,500	4.10%
5465	Conferences	51,890	48,100	23,978	31,200	30.12%
5467	Mileage and Travel	2,723	35,400	40,872	52,700	28.94%
5469	Employee Training and Education	13,091	66,200	12,285	30,400	147.46%
5498	Penalties & Fines	-	-	-	-	n/a
5999	Miscellaneous expense (5225, 5998)	917	46,800	36,871	45,400	23.13%
TOTAL GENERAL & ADMINISTRATIVE		730,434	842,600	863,276	886,700	2.71%
Operational Adjustment		(24,937)	28,500	18,636	9,600	
OPERATING EXPENSE TOTALS		\$ 12,269,713	\$ 13,825,500	\$ 13,284,488	\$ 15,643,344	17.76%

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESERVES
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

	2023-24 Actual	2024-25 Adopted Budget	2024-25 Projected End of Year	2025-26 Adopted Budget
Beginning Reserve Balance	\$ 10,958,366	\$ 161,389	\$ 15,471,703	\$ 17,072,043
Operating & Rate Stabilization Reserve				
Beginning Balance	\$ 3,608,771	\$ 4,247,894	\$ 4,247,894	\$ 4,833,105
<i>Plus: Additions</i>	639,123	585,211	585,211	696,690
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 4,247,894	\$ 4,833,105	\$ 4,833,105	\$ 5,529,795
<i>Purpose: Insure minimum of 7 months of O&M + Debt Service is available</i>			<i>Target:</i>	\$ 11,800,000
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,166,667	\$ 1,166,667	\$ 1,277,778
<i>Plus: Additions</i>	166,667	111,111	111,111	74,074
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 1,166,667	\$ 1,277,778	\$ 1,277,778	\$ 1,351,852
<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	\$ 5,397,142	\$ 9,065,924	\$ 9,065,924	\$ 10,443,695
<i>Plus: Undesignated ⁽¹⁾</i>	668,782	-	-	-
<i>Plus: Lab Multipurpose Buildings Designated Reserve</i>	3,000,000	3,000,000	3,000,000	-
<i>Plus: OCC / Admin Buildings Designated Reserve</i>	-	-	-	600,000
<i>Plus: Sewer Main Rehab and I&I Reduction Reserve</i>	-	-	-	1,500,000
<i>Less: Authorized Use / Transfer of Funds ⁽²⁾</i>	-	(1,818,529)	(1,622,229)	(9,400,000)
Ending Balance	\$ 9,065,924	\$ 10,247,395	\$ 10,443,695	\$ 3,143,695
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 11,000,000
Breakdown of Capital Reserves Balance				
<i>Undesignated Ending Balance</i>	\$ 3,065,924	\$ 1,247,395	\$ 1,443,695	\$ 1,043,695
<i>Designated Ending Balance Buildings (Lab Edu Board OCC Admin)</i>	\$ 6,000,000	\$ 9,000,000	\$ 9,000,000	\$ 600,000
<i>Designated Ending Balance (Sewer Main Rehab and I&I Reduction)</i>	\$ -	\$ -	\$ -	\$ 1,500,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ 952,453	\$ 991,218	\$ 991,218	\$ 517,465
<i>Plus: Additions</i>	38,765	100,000	100,000	100,000
<i>Less: Authorized Use of Funds</i>	-	(584,043)	(573,753)	(430,000)
Ending Balance	\$ 991,218	\$ 507,175	\$ 517,465	\$ 187,465
<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	\$ 15,471,703	\$ 16,865,452	\$ 17,072,043	\$ 10,212,806
			<i>Target Total</i>	\$ 25,300,000

(1) In FY 24-25, \$1,318,529 was transferred from "Undesignated" to "Designated Lab Multipurpose Building" as part of the \$3M funding.

(1) Authorized use of \$203,700 from Capital Reserves towards Corporation Yard Design.

Total Budgeted New Reserve Funding: \$ 2,970,764
Total Use of Reserve Funding: \$ (9,830,000)

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESTRICTED FUNDS
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

	2023-24 Actual	2024-25 Adopted Budget	2024-25 Projected End of Year	2025-26 Adopted Budget
Capacity / Capital Facilities / Connection Fee Fund (#5025)				
Beginning Balance	\$ 797,904	\$ 1,066,777	\$ 1,066,777	\$ 1,241,852
<i>Plus: Additions</i>	268,873	342,200	175,075	316,083
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 1,066,777	\$ 1,408,977	\$ 1,241,852	\$ 1,557,935

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

Captains Cove Fund (#5019)				
Beginning Balance	\$ 3,657	\$ 2,403	\$ 2,403	\$ 14,809
<i>Plus: Additions</i>	8,197	16,250	16,179	16,140
<i>Less: Use of Funds</i>	(9,451)	(16,600)	(3,773)	(10,600)
Ending Balance	\$ 2,403	\$ 2,053	\$ 14,809	\$ 20,349

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

Marin Lagoon Fund (#5005)				
Beginning Balance	\$ 10,538	\$ 13,008	\$ 13,008	\$ 12,334
<i>Plus: Additions</i>	25,334	25,150	25,320	25,270
<i>Less: Use of Funds</i> ⁽¹⁾	(22,863)	(37,200)	(25,995)	(29,100)
Ending Balance	\$ 13,008	\$ 958	\$ 12,334	\$ 8,504

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	\$ 23	\$ 51,586	\$ 51,586	\$ 64,345
<i>Plus: Additions</i>	51,563	17,520	12,759	16,000
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 51,586	\$ 69,106	\$ 64,345	\$ 80,345

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

⁽²⁾ Established May 2023 with initial contribution by LGVSD made in 2023-24 covering multiple years since recycled water facilities came on-line. To be funded by LGVSD by multiplying the total annual recycled water Operating & Maintenance producing costs by 10%.

Total Restricted Fund Reserve Funding: \$ 373,493

**LAS GALLINAS VALLEY SANITARY DISTRICT
DEBT SERVICE
ADOPTED BUDGET FY 2025-2026 - JUNE 18, 2025**

Expenditure	2023-24 Total Actual	2024-25 Adopted Budget	2024-25 Projected End of Year	2025-26 Adopted Budget
2005 Certificates of Participation/ Refunded 2014	\$ 717,380	\$ 725,105	\$ 725,105	\$ 730,660
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
2017 Revenue Bonds ^{(1) (2)}	2,422,500	2,449,400	2,449,400	2,446,200
2019 IBank Loan	715,447	714,169	714,169	712,853
	\$ 4,473,473	\$ 4,506,819	\$ 4,506,819	\$ 4,507,859

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

⁽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 2025-26

Expenditure	Principal	Interest	Annual Fee
2005 Certificates of Participation/ Refunded 2014	\$ 718,800	\$ 11,860	\$ -
2010 State Revolving Fund Loan	236,897	48,568	-
2011 Bank of Marin Loan	264,625	65,056	-
2012 Bank of Marin Loan	-	-	-
2017 Revenue Bonds	1,250,000	1,196,200	-
2019 IBank Loan ⁽³⁾	395,004	148,065	29,613
	\$ 2,865,325	\$ 1,469,749	\$ 29,613

⁽³⁾ Annual IBank fee treated as Operation & Maintenance Expense but recognized as debt service for budget purposes. Only principal and interest is reported on audit as long-term obligations.

	2023-24 Final Actuals	2024-25 Adopted Budget	2024-25 Projected Actuals	2025-26 Adopted Budget
DEBT SERVICE COVERAGE RATIO (DSCR)				
Net Operating Income (NOI) = ⁽⁴⁾ - ⁽⁵⁾	\$ 9,850,655	\$ 10,196,670	\$ 10,836,348	\$ 10,013,615
Total Debt Service = ⁽⁶⁾	\$ 4,473,473	\$ 4,506,819	\$ 4,506,819	\$ 4,507,859
DSCR = NOI / Debt Service (Estimate *)	2.20	2.26	2.40	2.22

⁽⁴⁾ Operating and Non Operating Revenue

⁽⁵⁾ Operating Expense

⁽⁶⁾ Debt Service

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

Ref No.	Mgr.	Project No.	Account	Project Name	FUNDING SOURCES FY 2025-2026							FUTURE YEARS PROJECTED EXPENDITURES				Total 5-Year Expenditures	
					Adopted Budget 2025-26	PY Capital Outlay Carryover	Unrestricted Funds	Capital Reserves	Vehicle Replacement Fund	Capacity Connection Fees	Debt Financed and Bonds	Total Funding Sources	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29		Year 5 2029-30
PLANNING, SOFTWARE, ADMINISTRATION & OTHER ENGINEERING																	
1	MC	20100-05	10-420-7101	Integrated Wastewater Master Plan Phase 2 and Phase 3	275,000	275,000	-					275,000	-	-	-	275,000	
2	MC	21500-08	10-420-7110	Biosolids Program Monitoring Research Support& Flood Protection	337,544	127,953	209,591					337,544	-	-	-	337,544	
3	GP	21600-20	10-400-7504	Asset Management CMMS Centricity Implementation (Plant, PS, Rec Phases 2-4)	200,000	200,000	-					200,000	-	-	-	200,000	
4	MC	26420-01	10-420-8102	On-Call Construction Contract (2025-2027)	265,000	253,631	11,369					265,000	273,000	282,000	291,000	300,000	1,411,000
5	MC	25420-01	10-420-7901	On-Call Engineering Contract (PWO)	225,000	124,892	100,108					225,000	217,000	224,000	231,000	238,000	1,135,000
6	MC	25420-02	10-420-7903	On-Call Inspection Capital Projects	75,000	52,734	22,266					75,000	78,000	81,000	84,000	87,000	405,000
7	MC	23200-01	10-420-7106	Hydraulic and Continued Flow Modeling of Collection System	80,000	73,513	6,487					80,000	83,000	86,000	89,000	-	338,000
8	MC	26420-02	10-420-7906	Labor Compliance for Miscellaneous Capital Construction Projects	60,000	-	60,000					60,000	60,000	60,000	60,000	60,000	300,000
9	MC	26420-03	10-420-7998	Capital Outlay Prior Year Miscellaneous Closeout	50,000	-	50,000					50,000	50,000	50,000	50,000	50,000	250,000
10	ML	24560-01	10-560-7501	Lab Software LIMS for TNI Standards Reporting	41,000	38,655	2,345					41,000	-	-	-	-	41,000
11	MC	22125-01	10-420-7104	Sea Level Rise Mitigation Program Planning	10,000	10,000	-					10,000	40,000	-	-	-	50,000
12	MC	22125-02	10-420-7115	Standard Specifications and Drawings Update Project	10,000	9,762	238					10,000	-	-	-	-	10,000
Subtotal:					1,628,544	1,166,140	462,404	-	-	-	-	1,628,544	801,000	783,000	805,000	735,000	4,752,544

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund)																	
14	GP	24460-04	10-460-7704	Equipment for Collection System Response (trailers, hoses)	10,000	-	-	-	10,000			10,000	10,300	10,700	11,100	11,500	53,600
15	GP	26460-01	10-460-7703	2025 Ford Transit Cargo Camera Van and Camera Equipment	360,000	-	-	-	360,000			360,000	-	-	-	-	360,000
16	ML	26600-01	10-600-7701	Mid-Size Pickup Truck for Standby Plant Use	60,000	-	-	-	60,000			60,000	-	-	-	-	60,000
17	GP	VERF	10-460-7703	Future Year Fleet Replacement Vehicles and Utility Collection System Trucks	-	-	-	-	-			-	100,000	580,000	109,000	112,000	901,000
Subtotal:					430,000	-	-	-	430,000	-	-	430,000	110,300	590,700	120,100	123,500	1,374,600

- Project No.**
- New = New CIP projects identified and first funding request in 2025-26
 - Planned CIP = Projects on CIP in 2024-25 with first funding request in 2025-26
 - Mid-Year = Projects funded mid-year 2024-25 and carrying into 2025-26

Ref No.	Mgr.	Project No.	Account	Project Name	FUNDING SOURCES FY 2025-2026							FUTURE YEARS PROJECTED EXPENDITURES				Total 5-Year Expenditures	
					Adopted Budget 2025-26	PY Capital Outlay Carryover	Unrestricted Funds	Capital Reserves	Vehicle Replacement Fund	Capacity Connection Fees	Debt Financed and Bonds	Total Funding Sources	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29		Year 5 2029-30
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)																	
18	MC	11200-03	10-420-7105	John Duckett PS Electrical & Terra Linda Trunk Sewer Creek Crossing Improvement Design	225,000	225,000	-					225,000	-	-	-	225,000	
19	MC	25460-01	10-460-8104	Terra Linda Highway 101 Undercrossing Sewer Lining Design and Construction	450,000	450,000	-					450,000	-	-	-	450,000	
20	MC	20300-09	10-500-8303	Smith Ranch Pump Station Electrical Upgrades and Generator Conversion	1,061,000	946,722	114,278					1,061,000	-	-	-	1,061,000	
21	GP	24460-05	10-500-8307	Marin Lagoon PS #2-#9 Electrical System VFD Replacement (Phase 1) ⁽¹⁾	300,000	300,000	-					300,000	-	-	-	300,000	
22	GP	25500-01	10-500-8301	SCADA Integration for Pump Stations (Phase 2 split from VFD Replacement)	500,000	500,000	-					500,000	-	-	-	500,000	
23	MC	21600-03	10-500-8319	Annual Site Improvement PS - Paving, Fencing, Lighting	75,000	60,000	15,000					75,000	75,000	75,000	75,000	75,000	375,000
24	MC	26500-01	10-500-9301	Civic Center Pump Station Capacity Upgrade	500,000	-	-			500,000		500,000	3,000,000	-	-	-	3,500,000
25	GP	26500-02	10-500-8317	Captains Cove Pump Station Upgrade ⁽¹⁾	18,000	18,000	-					18,000	-	-	-	18,000	
26	MC	21300-04	10-500-8305	Pump Station Site Lighting, Safety, & Security Improvements	25,000	16,456	8,544					25,000	-	-	-	25,000	
27	MC	24500-05	10-500-8316	Hawthorn Waterproofing Drywell	60,000	60,000	-					60,000	-	-	-	60,000	
28	MC	Future		Mulligan PS & 18" TS and Hwy 101 Undercrossing Capacity Upgrades	-	-	-					-	981,000	6,720,000	-	7,701,000	
29	MC	22300-01	10-500-8310	Rafael Meadows Pump Station - Fencing, full perimeter	30,000	30,000	-					30,000	-	-	-	30,000	
30	MC	20200-01	10-420-8101	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	258,000	-	258,000					258,000	266,000	274,000	283,000	292,000	1,373,000
31	MC	Future		Smith Ranch Rd Combined Force Main	-	-	-					-	-	257,500	2,650,000	-	2,907,500
32	MC	Future		Lower Marinwood TS Capacity Upgrade & Relocation	-	-	-					-	-	257,500	1,590,000	-	1,847,500
33	MC	24460-06 & 25460-02	10-420-8103	Sewer Main Collection System Rehabilitation Program	1,900,000	948,490	951,510					1,900,000	1,860,000	190,000	1,920,000	288,000	6,158,000
34	MC	24460-07 & 25460-03	10-420-9101	Sewer I&I Reduction Program	560,000	141	559,859					560,000	930,000	75,000	960,000	80,000	2,605,000
35	GP	19200-02	10-460-8102	Manhole Frame & Cover Adjustment Allowance	52,000	52,000	-					52,000	54,000	56,000	58,000	60,000	280,000
36	MC	Planned CIP		Upper Terra Linda TS and Siphon Design and Improvements (capacity)	-	-	-					-	700,000	4,000,000	-	-	4,700,000
37	MC	Future		Northgate Industrial Park 8" Hwy 101 Undercrossing	-	-	-					-	180,250	1,855,000	-	-	2,035,250
38	MC	Placeholder		IWMP Pump Station & Force Main Projects (Placeholder)	-	-	-					-	-	-	1,700,000	5,900,000	7,600,000
39	MC	Placeholder		Sea Level Rise Mitigation Construction at Pump Stations (Placeholder)	-	-	-					-	-	-	-	1,090,000	1,090,000
Subtotal:					6,014,000	3,606,809	1,907,191	-	-	500,000	-	6,014,000	7,065,250	8,021,000	15,956,000	7,785,000	44,841,250

Collection System Project Type	
Pump Stations	= Pump Station Capital Asset Projects
Force Main	= Force Main Sewer Projects
Collection Sys	= Collection System Sewers Projects

Ref No.	Mgr.	Project No.	Account	Project Name	FUNDING SOURCES FY 2025-2026							FUTURE YEARS PROJECTED EXPENDITURES					
					Adopted Budget 2025-26	PY Capital Outlay Carryover	Unrestricted Funds	Capital Reserves	Vehicle Replacement Fund	Capacity Connection Fees	Debt Financed and Bonds	Total Funding Sources	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29	Year 5 2029-30	Total 5-Year Expenditures
RECLAMATION																	
40	MC	Planned CIP		Center Pivot No. 5, Replacement	250,000	-	250,000					250,000	-	-	-	-	250,000
41	MC	25580-03	10-580-8805	Levee Road Restoration	150,000	101,115	48,885					150,000	75,000	75,000	75,000	75,000	450,000
42	MC	25580-04	10-580-8806	Cattail Dredging in Ponds	350,000	100,000	250,000					350,000	-	-	-	-	350,000
43	MC	11500-09	10-580-7902	Miller Creek Rock Vane Repair & Watershed Program (WRA permitting)	150,000	-	150,000					150,000	-	-	-	-	150,000
44	MC	25580-06	10-580-8802	Catwalk Replacements in Reclamation Pond	75,000	25,000	50,000					75,000	-	-	-	-	75,000
45	MC	25580-01	10-580-8319	Center Pivot No. 3 Replacement	25,000	24,443	557					25,000	-	-	-	-	25,000
46	MC	25580-02	10-580-8320	Center Pivot No. 4 Replacement	22,000	21,850	150					22,000	-	-	-	-	22,000
47	MC	Future		Storage Pond 1 Transfer Pipe Repair	-	-	-					-	-	100,000	-	-	100,000
48	MC	Future	10-500-8309	St. Vincent's Pump Station Improvements	-	-	-					-	-	-	100,000	257,500	357,500
49	GP	21500-01	10-580-9801	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	-	-	-					-	-	-	-	200,000	200,000
50	MC	Placeholder		Biosolids Program Implementation & Construction (Placeholder)	-	-	-					-	-	2,300,000	2,300,000	2,300,000	6,900,000
51	MC	Placeholder		Sea Level Rise Mitigation Construction in Reclamation Area (Placeholder)	-	-	-					-	-	-	567,500	1,090,000	1,657,500
Subtotal:					1,022,000	272,408	516,826	-	-	-	-	1,022,000	75,000	2,475,000	3,042,500	3,922,500	9,262,000

TREATMENT PLANT (INCL. RECYCLED WATER)																	
52	MC	24600-01	10-420-7107	Laboratory Building Design (Lab / Education Center / Boardroom)	835,000	460,456	374,544					835,000	-	-	-	-	835,000
53	MC	21600-06	10-600-8501	Digester Room MCC #2 Upgrade Design & Construction	690,000	689,641	359					690,000	-	-	-	-	690,000
54	MC	24600-08	10-600-8516	Treatment Plant Standby Generator Upgrade	450,000	402,026	47,974					450,000	-	-	-	-	450,000
55	MC	22600-01	10-600-8502	Primary Clarifier #1 Repair Rehabilitation	710,000	580,237	129,763					710,000	-	-	-	-	710,000
56	MC	24600-15	10-600-8520	Primary Effluent PS and Secondary Clarifier Expansion to 24 MGD Capacity	360,000	298,677	61,323					360,000	-	-	-	-	360,000
57	MC	24600-03	10-420-7108	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers. UV Disinfection, RAS	400,000	400,000	-					400,000	-	-	-	-	400,000
58	MC	25600-02	10-420-7116	Corporation Yard Design	500,000	-	-	500,000				500,000	-	-	-	-	500,000
59	MC	24600-02	10-600-8507	Primary Clarifier Sludge Pump Addition	144,000	118,536	25,464					144,000	-	-	-	-	144,000
60	MC	21600-11	10-600-8509	Annual Site Improvement TP - Paving, Fencing, Lighting	75,000	18,955	56,045					75,000	75,000	75,000	75,000	75,000	375,000
61	ML	25560-01	10-560-7701	Lab Equipment, Miscellaneous	25,000	5,677	19,323					25,000	25,800	26,600	27,400	28,300	133,100
62	ML	25600-03	10-600-7702	Plant Equipment, Miscellaneous	25,000	-	25,000					25,000	25,800	26,600	27,400	28,300	133,100
63	MC	26600-02	10-600-8523	Electrical Building Drainage	75,000	-	75,000					75,000	-	-	-	-	75,000
64	MC	26600-03	10-600-8524	High Speed Fiber Internet to Plant	75,000	-	75,000					75,000	-	-	-	-	75,000
65	MC	20600-04	10-600-9501	Treatment Plant Upgrade Phase 3 Design- Flow Eq Basin and Headworks	-	-	-					-	500,000	-	-	-	500,000
66	MC	Future		Generator for Headworks and Lab	-	-	-					-	500,000	-	-	-	500,000
67	MC	21100-01	10-420-7102	Operations & Administration Building Design	-	-	-					-	-	2,250,000	-	-	2,250,000
68	MC	Future		Digester Replacement and Solids Improvement Design	-	-	-					-	-	1,300,000	-	-	1,300,000
69	MC	Future		Boiler Relocation Project	-	-	-					-	-	-	515,000	-	515,000
70	MC	Placeholder		Sea Level Rise Mitigation Construction at Treatment Plant (Placeholder)	-	-	-					-	-	-	-	1,090,000	1,090,000
Subtotal:					4,364,000	2,974,205	889,795	500,000	-	-	-	4,364,000	1,126,600	3,678,200	644,800	1,221,600	11,035,200

Ref No.	Mgr.	Project No.	Account	Project Name	FUNDING SOURCES FY 2025-2026							FUTURE YEARS PROJECTED EXPENDITURES				Total 5-Year Expenditures
					Adopted Budget 2025-26	PY Capital Outlay Carryover	Unrestricted Funds	Capital Reserves	Vehicle Replacement Fund	Capacity Connection Fees	Debt Financed and Bonds	Total Funding Sources	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29	

TOTAL PLANNING, FLEET, COLLECTION, RECLAMATION, & TREATMENT PROJECTS (Non-Financed)																
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Total (Non-Financed):	13,458,544	8,019,562	3,776,216	500,000	430,000	500,000	-	13,458,544	9,178,150	15,547,900	20,568,400	13,787,600	71,265,594
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FINANCED AND BOND PROJECTS																		
71	MC	22500-04	10-580-7101	Solar PV System Replacement Planning / Design / Build Project	2,540,000	-	-					2,540,000	2,540,000	-	-	-	-	2,540,000
72	MC	24600-14	10-600-8519	Battery Energy Storage System (BESS) ⁽²⁾	2,570,000	-	-					2,570,000	2,570,000	-	-	-	-	2,570,000
73	MC	Planned CIP		Laboratory Building Construction - (Lab / Education Center / Boardroom) ⁽³⁾	19,000,000	-	-	9,000,000				10,000,000	19,000,000	-	-	-	-	19,000,000
74	MC	Planned CIP		John Duckett PS & Terra Linda TS Creek Crossing Construction	5,000,000	250,000	250,000					4,500,000	5,000,000	-	-	-	-	5,000,000
75	MC	Planned CIP		Corporation Yard Construction	5,000,000	-	-					5,000,000	5,000,000	-	-	-	-	5,000,000
76	MC	Future		Treatment Plant Upgrade Phase 2 Construction - Primary Clarifiers, UV Disinfection, RAS	-	-	-					-	-	7,500,000	-	-	-	7,500,000
77	MC	Future		Operations Control Building Construction & Soft Costs ⁽⁴⁾	-	-	-					-	-	-	15,500,000	-	-	15,500,000
78	MC	Future		Treatment Plant Upgrade Phase 3 Construction - Flow Eq, UV, Headworks	-	-	-					-	-	-	3,975,000	3,975,000	-	7,950,000
79	MC	Future		Digester Replacement and Solids Improvement Construction	-	-	-					-	-	-	-	6,540,000	6,540,000	13,080,000
Subtotal:					34,110,000	250,000	250,000	9,000,000	-	-	-	24,610,000	34,110,000	7,500,000	19,475,000	10,515,000	6,540,000	78,140,000
Total Debt Funded					24,610,000									7,500,000	10,475,000	10,515,000	6,540,000	59,640,000

GRAND TOTAL CAPITAL OUTLAY:	47,568,544	8,269,562	4,026,216	9,500,000	430,000	500,000	24,610,000	47,568,544	16,678,150	35,022,900	31,083,400	20,327,600	149,405,594
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- ⁽¹⁾ - Captains Cove & Marin Lagoon projects funded from PY carryover and unrestricted funds in FY 2025-26 and FY 2026-27.
- ⁽²⁾ - Potential offset by funding programs, Inflation Reduction Act 25% to 40%, dependent on congressional action, and PG&E SGIP between 25% and 35%, lowering actual cost after rebates.
- ⁽³⁾ - Use of \$9M in capital cash reserves in FY 2025-26 for Multipurpose Lab construction, balance financed.
- ⁽⁴⁾ - Build up \$9M in capital reserves towards project construction in FY 2027-28, balance to be financed.

