

Las Gallinas Valley Sanitary District
Adopted Budget
June 17, 2021



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

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

June 17, 2021

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

The management staff of the Las Gallinas Valley Sanitary District ("District") is pleased present our proposed budget for the upcoming 2021-22 fiscal year which includes revenues, operating and maintenance expenses, debt service, reserve funding, and capital outlay anticipated.

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

The COVID-19 pandemic has changed how residents and commercial property owners live and work, impacting water use and therefore wastewater discharges. Preliminary review of Marin Municipal Water District ("MMWD") water use data for variable rate non-residential rate payers show that the overall volume of water use has decreased by 17.6%. The District received \$3,758,200 in Sewer Service Charges (SSC) from variable rate accounts in fiscal year 2020-21 and it is projected that revenue will decrease to \$3,373,996 in fiscal year 2021-22, a loss of \$384,204. This shortfall is reflected in the operating revenue financial statement.

The District is also in labor negotiations with Operating Engineers Local 3 ("OE3") to obtain a new agreement with our union employees. If approved, it will take effect July 1, 2021, and will have an impact on the salary and benefit expenses for fiscal year 2021-22 and beyond. The Board will receive additional information on the labor negotiations and will have an opportunity to approve the agreement before the final budget is adopted on June 17, 2021.

The District is required to 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 \$40,801,914 in revenue sources for 2021-22 consisting of \$26,184,724 in revenue and \$14,617,190 in bond funds and reserves. Adopted budget consists of \$25,776,283 in revenue and \$15,025,631 in bond funds and reserves.

Operating and Maintenance ("O&M") expense is anticipated to increase over the prior year budget by \$1.5 million, or 14.56%. O&M expense means the reasonable and necessary expenses paid or incurred for maintaining and operating the collection, treatment, and recycled water systems ("Systems") of the District, determined in accordance with generally accepted accounting principles ("GAAP") that the Governmental Accounting Standards Board ("GASB") established for



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and used by state and local governments in the United States. O&M expenses include all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the systems of the District in good repair and working order. These include all administrative costs of the District that are charged directly or apportioned to the operation of the systems, such as salaries and wages of employees, overhead, the cost of permits, licenses, and charges to operate the system and insurance premiums. Excluded from O&M expenses is depreciation, replacement, and obsolescence charges or reserves and amortization of intangibles. O&M expenses, including employee salaries and wages, comprises 25.32% of the budget.

Debt service requirements are \$4,728,310 and include the 2017 Revenue Bonds and 2019 California Infrastructure and Economic Development Bank (IBank) loan. Debt service comprises 11.59% of the budget.

Reserve funding of \$1,365,360 is proposed to be established and set aside to cover scheduled, routine, and unscheduled expenses that would otherwise be drawn from the general fund. Reserve funds may also be used for large-scale projects, such as the Secondary Treatment Plant Upgrade and Recycled Water Expansion ("STPURWE") project, and improvements that are expected to happen in the future. Reserve funding comprises 3.35% of the budget. The District maintains five reserve funds and three restricted funds. Restricted funds are monies set aside for a particular purpose. They are permanently restricted to that purpose and cannot be used for other expenses. Reserve policy F-50 establishes and explains the purpose and reasons for each of the reserves established, along with target thresholds. Both the reserve funds and restricted funds are included in the reserve funding total, but they are different in that while the board can reallocate funds from reserves, the restricted funds, such as Captains Cove and Marin Lagoon, serve a specific purpose and therefore their use is controlled by State law and agreements in place for providing service. Management is proposing transferring \$4,019,000 from the Capital Reserves for use on the STPURWE project in fiscal year 2021-22.

The Capital Outlay effort for 2021-22 remains the primary driver of expenditures for the District. Capital expenditures for fiscal year are budgeted at \$24,375,754, comprising 59.74% of the total budget. Development of the Capital Improvement Program ("CIP"), review of the identified strategic initiatives established by the Board, along with anticipated implementation of the Integrated Wastewater Master Plan indicate that capital improvements will remain the primary expense driver for the District for at least the next 10 years. The good news is that by adding to or improving District facilities the public materially benefits from the value and useful life of the assets of the District.

Sincerely,


Mike Prinz
General Manager


Dale McDonald
Administrative Services Manager

(Amended budget report to include Board adopted budget revisions as of June 17, 2021)

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REVENUE

Operating Revenue

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

A Sewer Service Charge (“SSC”) rate increase of 9.0%, an additional \$87 annually for Single Family Residential (“SFR”) users, has been used as the basis in preparing the budget revenue projections. Even with this rate increase SSC revenue will only increase \$718,985, equal to 4.78%, over what was budgeted last year due to COVID-19 impacts. Non-residential SSC revenue is anticipated to be \$384,204 lower than in the prior year’s budget as less wastewater was generated by non-residential customers during the pandemic. The Board adopted a rate increase of 6.34% for fiscal year 2021-22 on June 17, 2021.

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

Inspections, permits, and application fees reflect projected revenue from fees related to the Private Sewer Lateral Inspection program, lateral repairs and replacement, and applications for engineering review. The revenue is based on historical sales data for properties within the District between 2019 and 2021. The budgeted amount is projected at \$87,310, an increase over the last two fiscal year average. Inspection activities have picked up in recent months and are expected to increase as the County opens up post-pandemic in fiscal year 2020-21.

Non-Operating Revenue

Secured property taxes are calculated based on the value of real property, land and personal property, such as structures, located upon real property. Secured property is taxed at a general rate of 1% of the assessed value. Property tax projections for 2021-22 are expected to be slightly higher than 2020-21 actuals. For 2021-22, revenue is budgeted at \$1,130,170 and reflects a 2.5% increase over projected 2020-21 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.

Prior Secured taxes, Supplemental Property Tax Assessments, and Home-Owner Property Tax Relief (“HOPTR”) funds are projected to rise 2.5% over last year. These are collected by the County with and at the same time as the secured property taxes and SSC assessment. They are reported separately as required by the State Controller’s Office and auditing standards. Both the 1% annual Ad-Valorem tax increase for most property owners and the reassessment of property value upon sale of homes are factored in the reserve assumptions.

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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. Any excess ERAF funds not shifted to the schools are returned to the District. The County has submitted all excess ERAF funds for 2020-21 and has provided staff with an estimate of \$451,000 than can be anticipated for receipt in 2021-22. The 27.94% percentage change over prior 2020-21 on the financial statement is misleading. The budgeted amount for ERAF in 2020-21 was well below the prior year actuals.

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

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

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

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

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

Capital Contributions / Capacity Related Revenue

Annexation, Capital Facilities, Charges, and Connections Fee activity for remodel permits and Accessory Dwelling Units has increased from prior years, but larger projects are proceeding slowly. While the District is substantially built out and the pace of development is difficult to predict, staff has been involved in some small-size development projects as well as one large development, the new Kaiser building on Los Gamos Drive, which has resulted in higher collection of fees in 2020-21 of \$209,229. A decrease is budgeted for 2021-22, based on the last two actual revenue years minus the one large hospital connection, for capital capacity connection charges in 2021-22. It is difficult to budget for unknown private projects, but past trends warrant budgeting for modest revenue sources annually. The interest income for this category is for existing funds on deposit which can be used for capital projects than expand capacity to convey or treat wastewater.

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

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Revenue. Demolition of the MMWD recycled water system resulted in cost overages of \$230,899 that will be recovered by LGVSD in fiscal year 2021-22.

IBank Loan Disbursements will continue into 2021-22 and be fully depleted in the upcoming fiscal year. The disbursements budgeted at \$6,663,191 are reflected in the Other category on the charts on pages 4 and 5.

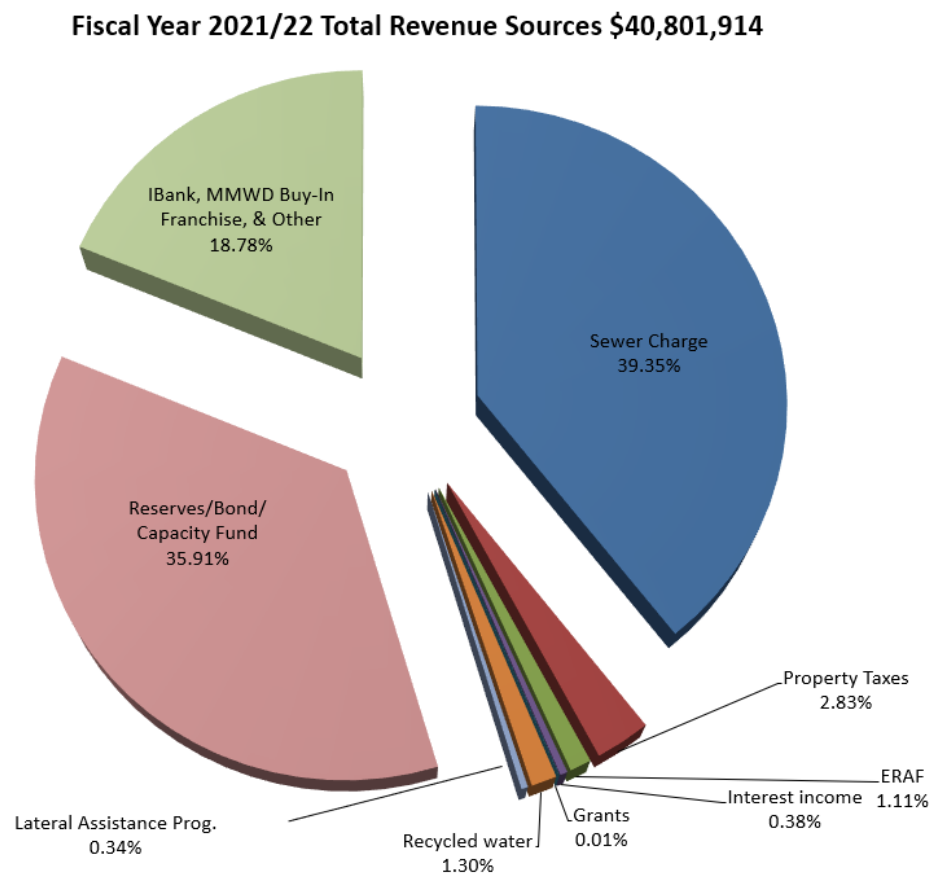
Federal and State grants may become available for wastewater infrastructure projects in 2021-22 and beyond but none have been identified as of this workshop, let alone secured. The District has contracted with a consultant to pursue alternative funding. It is wise for the District to design construction ready projects to take advantage of any grants that become available, but it would not be prudent to anticipate revenue from grants at this time.

Utilization of Bond Funds and Reserves

To help offset the SSC rate increase this year, management proposed drawing down the rate stabilization reserve balance by \$166,130, reducing the SSC rate increase required by approximately 1.1%. However, this will place a slight burden on the District in future years to restore the reserves. Board approved drawing down the rate stabilization reserve by \$299,571 in the adopted budget.

The Private Sewer Lateral (PSL) Assistance Program has continued to provide low interest loans of up to \$10,000 to allow homeowners to repair or replace their defective sewer. The District estimates that ten homeowners may take advantage of the program and has allocated \$100,000 in PSL funds for 2021-22. Reimbursements for loans made to property owners are deposited to the fund as homeowners pay their tax bill. Revenue of \$138,800 is anticipated in 2021-21 which is sufficient enough to fund the program with no use of sewer service or property tax revenue. It may be prudent to establish the PSL program as a reserve and set target thresholds to clearly delineate its purpose and use.

The District has projects budgeted for 2020-21 which either will not begin prior to year-end or are accumulating funds over several years. These projects are included in the Capital Outlay budget and any unused funding will carry forward into 2021-22. By delaying some



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previously funded capital projects and using their prior year capital funding towards more critical projects in 2021-22 less required SSC revenue will be required, thereby lowering need to raise rates to fund these projects in 2021-22. A total of \$10,293,060 of prior-year capital carry-over was adopted for use in 2021-22.

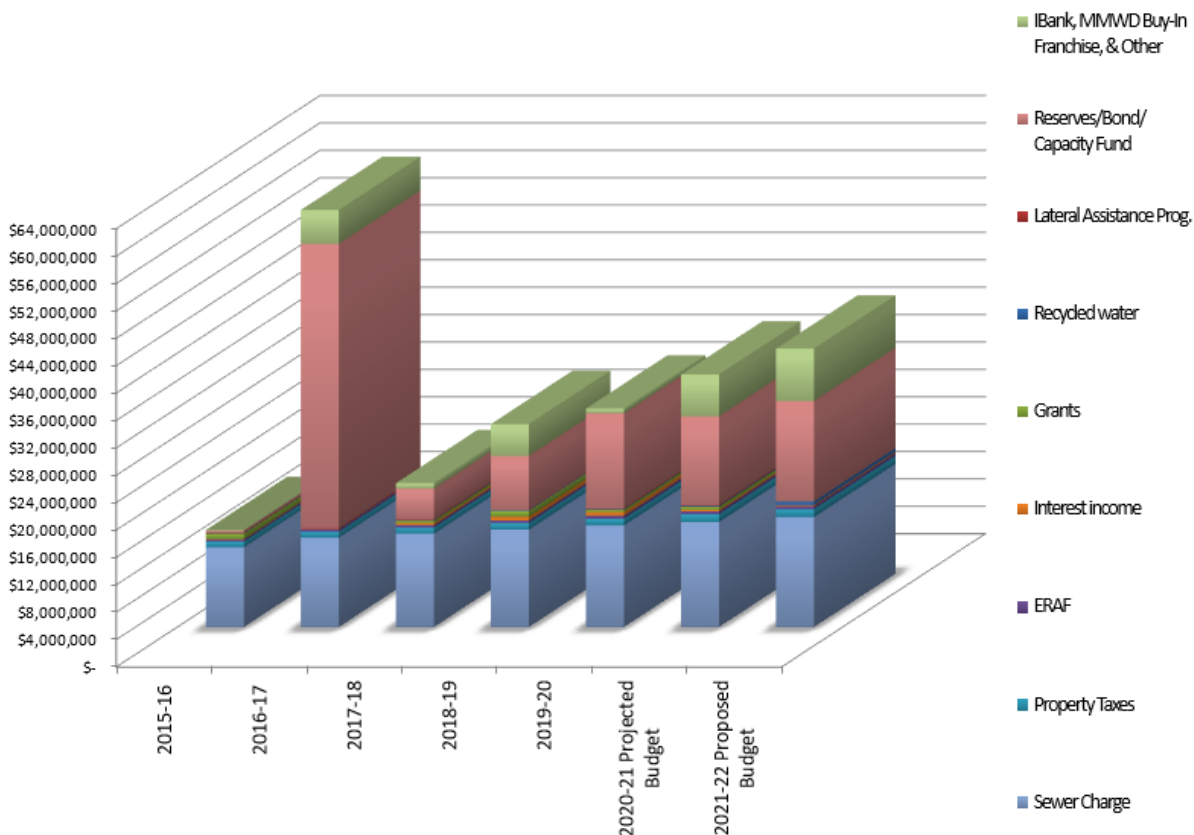
The 2017 Bond, used for the STPURWE Project, has been depleted as expected and the related LAIF bond account has been closed. Capital Construction Project Reserves in the amount of \$4,019,000 will be used in 2021-22. No additional transfers or earned interest is budgeted in 2021-22.

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

Transfers from the Capacity Fee Facilities Fund, which has been growing as fees for new or additional connections to system are paid by developers, can be used to pay for collection system and plant capacity improvements necessary to serve those connections. A total of \$200,000 is budgeted for 2021-22 and will be used towards any additional costs incurred as part of the STURWE Project over previously authorized and financed allocations.

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

Revenue Sources 2015 to 2022



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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.

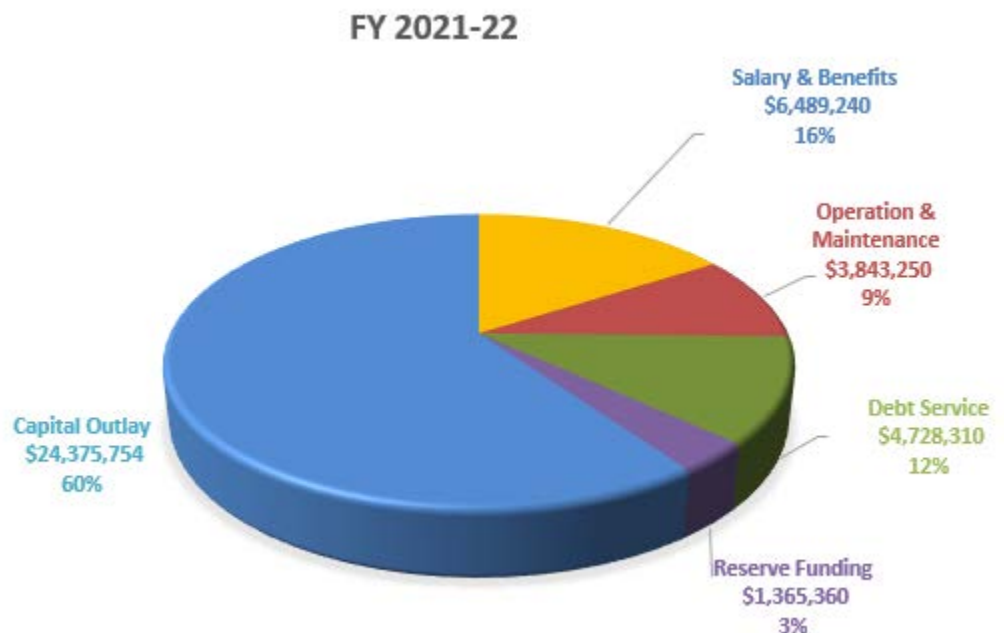
Modified accrual accounting is an alternative bookkeeping method that combines accrual-basis accounting with cash-basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

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

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

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

The District's largest expenditure category is Capital Outlay followed by Operation and Maintenance. The operating and maintenance expense, debt service, reserve and restricted funding, and capital outlay financials have been reviewed and comments on key items of interest are being provided to the Board to facilitate discussion.



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

Operating and Maintenance Expenses

Employee Expenses:

Regular staff salaries are based on 2021-22 projected wages including a Market Rate Salary Scale adjustment and 2.5% cost of living increase factored into the preliminary budget. This is expected to change once an agreement is reached between the District and OE3 on employee salary and benefit increases to be included in a new Memorandum of Understanding (“MOU”). The budget includes funding for three additional full-time positions (FTE) being proposed including the recently approved Plant Operator III FTE, a Computer Maintenance Management System (CMMS) Technician, and a Civil Engineering Technician. The overall budgeted wage increase is forecast to be \$865,348.

Overtime expense is estimated, based on historical levels, to rise 27% in fiscal year 2021-22, driven by anticipated overtime in July and August 2021 related to the plant startup processes. Overtime workload is expected to drop as the fiscal year continues and additional positions are filled.

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

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

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

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

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

1. Federal and State payroll taxes are paid monthly and include Social Security and Medicare tax of 7.65% of covered wages for all employees. Unemployment insurance has remained unchanged in recent years, but staff is anticipating an adjustment upwards for calendar year 2022.
2. Group life insurance and long-term disability insurance are budgeted using 2020-21 year-to-date amounts with adjustments for changes in census data.
3. CalPERS contributions are projected from regular wages with the published employer contribution rate of 14.194% for classic members and 6.482% for PEPRA in 2021-22. Staff who became CalPERS members after 2013 are covered by the PEPRA plan which requires lower retirement contributions by the District.

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4. Health insurance is projected based on the known rates for July through December 2021 and the application of the health insurance trend rate of +8% for 2021-22. It also reflects costs associated with the addition of four positions in 2020-21 and three proposed positions in 2021-22. Other Post-Employment Benefits (“OPEB”) retiree health benefits for prior employees and pre-funded expenditures for current employees based on the GASB 75 actuarial valuation measurement date June 30, 2019 are included under health benefit expenses.
5. Dental insurance is paid through a self-insured plan and is based on actual claims made. Since claim expenses vary from person to person and from year to year, the budget is based on the average of the prior three years. Dental insurance is one of the benefits that OE3 has asked to be negotiated in the next MOU.
6. Vision insurance is a set amount and is projected based on current employees and projected new staff. It is lower than what was budgeted last year but higher than prior year actuals. Vision Insurance expense is anticipated to change before the final budget is considered in June.

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

Proposed New Positions:

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

Wastewater Operator

The current team of wastewater operators responsible for covering treatment and reclamation operational shifts consists of 4 shift operators and a lead operator. In addition to normal business day operational shifts, this team covers weekend, holiday, and emergency standby rotation needs. Current staffing levels are insufficient to allow for adequate coverage for planned (vacation) and unplanned time off (sick time) without significant overtime expense and chronic deferral of training and professional development opportunities. In two recent cases, notable overtime and a temporary employment agency had to be utilized in to provide wastewater operator shift coverage under semi-emergent conditions. On May 10, 2021, the Board approved adding one (1) Full Time Equivalent (FTE) Plant Operator III position and hiring is underway. The addition of one shift level operator to this team is expected to significantly improve overtime trends, standby coverage flexibility, team morale, and professional development pursuits. The budget for fiscal year 2021-22 includes this recently created new position.

Computerized Maintenance Management System (CMMS) Technician

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

The District Board acknowledged the importance of asset management as an appropriate infrastructure stewardship tool when, in 2019, it identified implementation of an asset management system as one of the District’s 6 strategic initiatives. In order to not only completely and expeditiously launch CityWorks as the

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District's chosen asset management platform, but also to maintain an ongoing effort to keep asset data registries and work order tracking up to date, a dedicated technical position is required. This position will be responsible for establishing and maintaining all asset data and work order templates as well as working closely with operational, maintenance, and engineering staff in order to optimize capital planning and maintenance activities District-wide. Deferring the addition of this position this will likely result in potential and/or continued negative impacts to reactive maintenance trends, capital costs, O/M costs, and, potentially, operational outcomes.

Civil Engineering Technician

The District's engineering division is currently comprised of the District Engineer and an Associate Civil Engineer. While the output of this two-member team is often very impressive, staff levels do not afford time for professional development for either position, and, quite frequently, lower level, otherwise delegable technical tasks must be carried out by the Associate Civil Engineer. Workloads for this division will increase further as the District embarks on a significant effort to implement and maintain an asset management system.

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

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

Insurance:

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

Pooled liability insurance includes general liability and mobile equipment, billed separately. The general liability insurance premium period is based on a calendar year and the mobile equipment on a fiscal year basis. The liability insurance is the larger premium for which the yearly cost is known based on the current billing, a modest increase of 1% over 2020 has been calculated for liability insurance.

Property insurance is reported along with general liability. Since 2018, significant events have driven the property insurance market to firm substantially. The event of 2020 has further aggravated market conditions and the firming trend is expected to continue. Property insurance increased by 7.5% in fiscal year 2020-21 and is forecast to increase 50% to \$66,984 in 2021-22.

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

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Repairs and Maintenance:

Maintenance expenses that use to be managed separately by the Collection System Manager and Plant Manager under their respective departments has been consolidated under the new Maintenance department. The total repair and maintenance budget line items remain the same in the roll up budget presented. Repair and Maintenance budget for 2021-22 is projected to increase 4.43%.

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

The building and grounds maintenance budget include an outside firm to perform yard work on the main building landscape and also reflect budget for deferred maintenance work by skilled maintenance employees. It includes monthly Jefferson Security Fire Suppression monitoring expenses. Recent additional costs associated with materials are anticipated to put pressure on outside vendors to raise prices.

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

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

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

Capital repairs/replacements consist of items that are long-lived or life extending in nature but are not included in the capital improvements budget. They are either items that are capital in nature but the replacement/repair is not anticipated as part of the initial capital outlay budget or items such as small pumps and equipment with a cost under the \$5,000 capitalization threshold. The budget increase in 2021-22 is due to replacement pumps and parts at the Treatment Plant and at various collection system pump stations.

Other Operating Expenses:

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

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

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

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

Outside contracted services are expected to decrease by 38.62% in 2021-22 over what was budgeted for in 2020-21. Percentage decrease in budget from year-over year actual is 10%. Some strategic and transactional Human Resource (HR) functions will continue to be contracted out as it is more economical for a small agency than bringing the full suite of HR services in-house. Regional Government Services Authority will continue to provide accounting assistance to support the District's administrative staff. Brown & Caldwell will continue to provide support for the new treatment process startup in 2021-22. Kenwood Energy will provide services related to solar panel energy management in the reclamation area. Additional outside services include expenses for the cost of pagers, answering service, alarm system monitoring, security patrol, pre-employment screening, and portable restrooms in the reclamation area.

Aquatic review is conducted twice a year but is budgeted for under consulting services rather than having its own budget line item. This line has been removed from the budget.

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

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

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

Consultants include costs for recent Classification & Compensation study, recent Cost of Service sewer rate study, MMWD water data review and rate setting assistance, recruitment, labor relations, and for organizational and Board development. Consultant costs are projected to be about the same in 2021-22.

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

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

Financial services include actuarial valuations and accounting CPA services. Actual prior year costs plus anticipated CPA use in 2021-22 were the basis used to set the budget for this line item. These include the GASB 68 and 75 actuarial valuations.

Lateral rehab assistance program is based on the amount of expenses in the 2020-21 rate anticipated to be loaned to property owners for repair or replacement of their sewer lateral. The amount of \$100,000 will be enough to fund at least 10 lateral replacements.

Utility power is for the treatment plant and the pump stations. Telephone and water are budgeted based on year to date 2020-21 costs. The adopted telephone budget amount for 2020-21 was estimated low. Internet is a new account code that has been setup to track internet use separate from telephone and other office expenditures. From October 2019 to March 2021 water billing from MMWD had not be submitted to the District

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as access to the water meter was restricted during the STPURWE project. The previously covered meter was exposed, billing for the prior and current year water was calculated, and the District paid for past water use in March 2021. The proposed budget amount based on recent water billing is therefore \$21,300.

General and Administrative:

General and administrative functions benefit all departments of the District. Expenses are billed to individual departments, if feasible, or billed to the Administration department as a general expense.

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

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

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

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

Computer support and supplies includes annual smaller value software renewals, outside computer network support, replacement of computer equipment as needed, Zoom, and other incidental computer peripherals. Software maintenance agreements are also an expense item but software licensing that exceeds the District's capital asset threshold are capitalized as an intangible asset. Two AutoCAD computers are also budgeted for in 2021-22 for engineering.

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

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

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

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

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

Rents and leases include the administration office lease at 101 Lucas Valley Road, at \$111,245 for 2021-22, costs for the lease of the postage machine, off-site records storage, railroad easements and copiers. As in the

Las Gallinas Valley Sanitary District

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2020-21 budget, we have to prepare for Public Safety Power Shutoffs (PSPS) events from PG&E initiated by high-risk weather conditions. These events may trigger power outages in our area and will require that we have standby generators and fuel ready for power outages during possible wildfires. Rents and leases assigned to pump stations are for portable stand by generators for PSPS events and is budgeted at \$53,400.

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

Debt Service

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

- Certificates of Participation (COP) with an original principal amount of \$10,000,000, which were issued in 2005, and have annual principal and interest payments through December 2025. The District refinanced them at a reduced interest rate of 3.3% which will save interest over the remaining life and will result in lower annual payments. The principal balance remaining is scheduled to be \$3,278,800 as of July 1, 2021.
- State Revolving Fund Loan (SRF) was a construction loan which originated in 2010 and was completely drawn down in 2012. The original principal amount was \$4,314,750 with annual principal and interest payments through June 2032. The interest rate is 2.7%. The principal balance remaining is scheduled to be \$2,685,729 as of July 1, 2021.
- Bank of Marin Loan #1 which originated in 2011 with a principal amount of \$4,600,000. Monthly principal and interest payments are due through June 2031. The interest rate is 3.88%. The principal balance remaining is scheduled to be \$2,746,390 as of July 1, 2021.
- Bank of Marin Loan #2 which originated in 2012 with a principal amount of \$2,000,000. Monthly principal and interest payments are due through August 2022. The interest rate is 3.25%. The principal balance remaining is scheduled to be \$268,993 as of July 1, 2021.
- 2017 Revenue Bonds were issued in April 2017 with a principal amount of \$38,365,000. The true interest rate to maturity is 3.2984%. Annual principal and interest payments are due through April 2042. The principal balance remaining is scheduled to be \$34,405,000 as of July 1, 2021.
- The District entered into an agreement with California Infrastructure and Economic Development Bank (IBank) in May 2019 for a loan of \$12,000,000. The loan has a maturity dates ranging from August 1, 2019 thru August 1, 2043. The interest rate on the loan is 3.0% per annum. The principal balance remaining is scheduled to be \$11,321,687 as of July 1, 2021. An annual service fee, \$33,996 for 2021-22, is treated as an Operating & Maintenance expense but recognized as debt service for budget purposes. The annual fee is not reported as a long-term obligation in audited financials.

The debt service does not reflect the reimbursement to be received from MMWD for buying into the existing recycled water treatment facility or their portion of the 2017 Revenue Bonds. The payments to be received from MMWD are transferred to the reserves budget.

Las Gallinas Valley Sanitary District

Adopted Budget – 2021-22

Reserves

- Operating Reserve has set a target of a minimum balance equal to 7 months of average annual budgeted expenses. Based on reserve fund policy the reserve target is therefore \$8,785,466 but the reserve only has balance \$2,351,898. The budget includes adding \$321,678, one-twentieth of the reserve target shortfall, to the budget for 2021-22.
- Rate stabilization reserve has been established to fund unexpected expense increases and can be used to help stabilize sewer service charge rate swings. The target balance of \$300,000 was established in 2009. The budget proposed includes using \$166,130 of the reserve to lower the sewer service charge rate by approximately 1% for 2021-22. Without the use of the reserve the sewer service charge rate increase would have been 10.1% or additional service cuts would have to have been identified. The adopted budget includes an additional \$133,441 transfer from reserves resulting in the target balance being reduced to \$429 as of July 1, 2021.
- Emergency repair reserve target of \$1,000,000 was met in fiscal year ended June 30, 2017.
- The Capital Reserves holds funds for the Secondary Treatment Plant Upgrade and Recycled Water Expansion projects are based on the actual payment required to service the 2017 Revenue Bonds and the amount that was included in the proposed rate increase. These funds will be used to pay for the project expenses. The balance of the reserve can be used for other major capital projects.
- Vehicle and Equipment Reserve (VERF) was established in fiscal year 2019-20 to fund vehicle and equipment replacements. The reserve was established at \$1,000,000 and was setup with funds held in the District's LAIF account. In November 2020, \$379,100 was allocated by the Board for use to acquire new District vehicles, which was over the initial budgeted amount of \$328,131. A total of \$50,969 is therefore budgeted for 2021-22 to replenish the VERF to its target. A vehicle replacement schedule is being developed, based on depreciation and the useful life of vehicles, which may be used to set the vehicle reserve thresholds in the near future.
- Captains Cove and Marin Lagoon are restricted reserves built up when there is excess of special assessments over projected operations, maintenance and capital expenditures which are collected for these developments. Revenue was received and deposited along with property tax payments into the operating fund but excess revenue over operating costs were not calculated and transferred to the restricted funds to pay for future capital replacement projects. Staff will undertake an audit and make appropriate adjustments. Projected additions less expenses for 2020-21 and 2021-22 are reflected in the Reserve Funding worksheet.
- MMWD Debt Reimbursement reserves are the amounts MMWD is paying to the District for the buy-in for the existing recycled water treatment plant and the allocated share of the 2017 Revenue Bonds for the expansion project. These reserves are included in the Capital Reserves totals.
- Capacity Connection Fee reserve fund is restricted for the use of collection system and plant capacity improvements to serve the new connections that contributed to the fund through fees collected.

Las Gallinas Valley Sanitary District

Adopted Budget – 2021-22

Capital Outlay

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

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

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

The Capital Outlay budget details are presented at the end of the report. New this year, construction related Other Operating Expenses, which had been tracked along with Capital Improvements, were separated from the Capital Outlay budget to improved accounting and auditing going into fiscal year 2021-22.

The cost allocated to software licenses, whether purchased on a perpetual or subscription term basis, frequently identified as a Software-as-a-Service (“SaaS”) licensing and delivery model, is capitalized as an intangible asset. Most costs incurred related to software implementation activities including customization, configuring and installing are capitalized along with the software license. CityWorks, ArcGIS, SCADA, and the upcoming Accounting Enterprise Resource Planning (“ERP”) software all follow SaaS licensing models.

Centricity CityWorks / GIS implementation and CMMS Asset Management Onboarding Task 1 authorized in March 2021 as well as a budget placeholder for CMMS Task 2 in the 2021-22 budget in the amount of \$460,000 are included in the Capital Outlay budget as an intangible capital expense. A more accurate cost estimate for the Onboarding Tasks 2 thru 4 will be known once the consulting project goes out for bid in late 2021. There is a possibility that total costs related to onboarding for the STPURWE project could reach \$1M in 2021-22 if both the STPURWE project and collection system pump stations are included in Tasks 2 through 4. Implementation costs can be lowered substantially in 2022-23 and 2023-24 if the pump station onboarding is postponed.

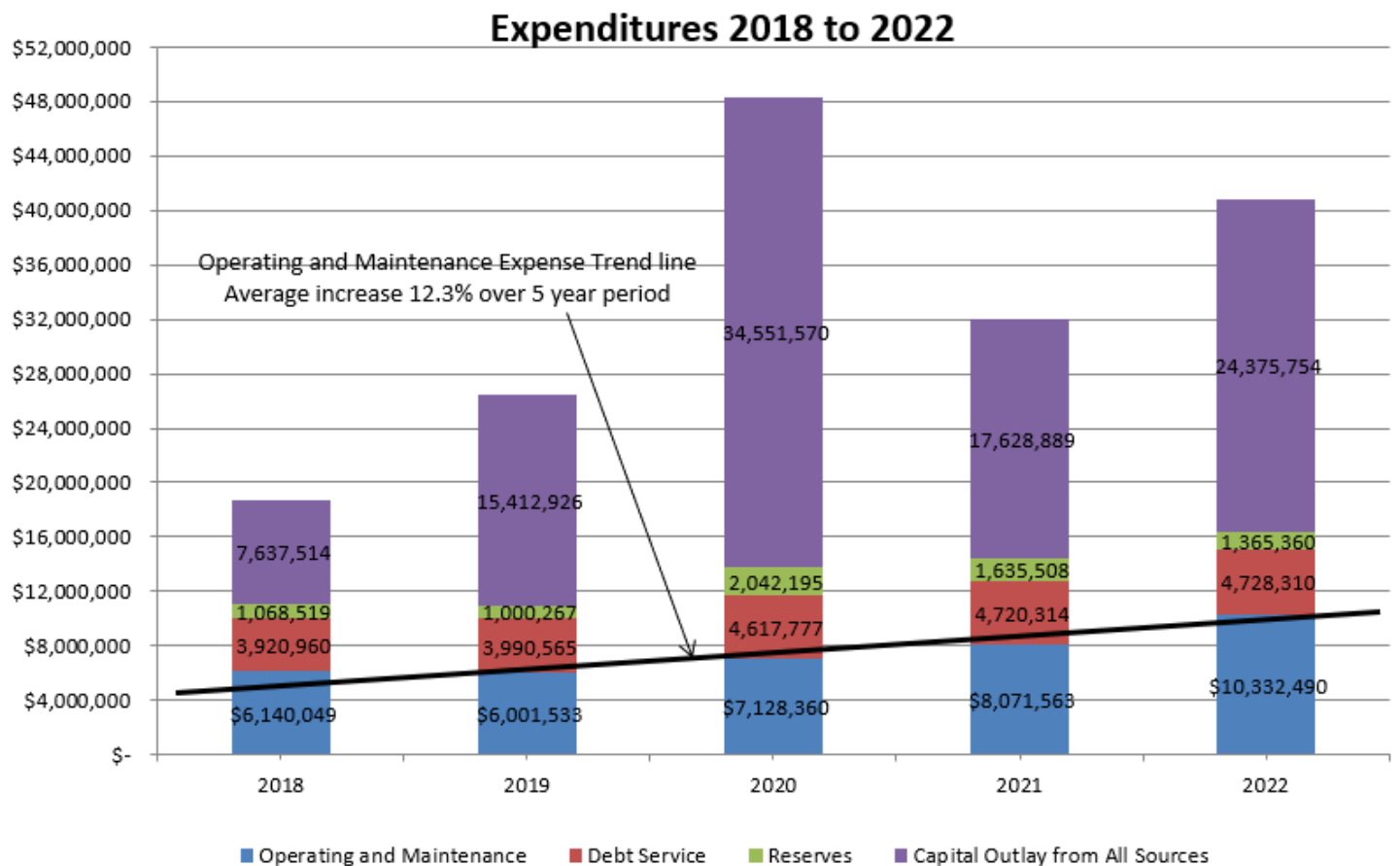
A preliminary five-year CIP, in landscape layout, contains projected expenditures through 2025-26 which show the Operational Control Center & Administration Building construction in year 4, as presented by HDR, Inc. based on 9.0% rate increases over at least the next 2 years, subject to change by the Board. All projects after year 2 are subject to change once the Integrated Wastewater Master Plan is completed in 2023.

The Capital Outlay budget and five-year CIP is subject to modification before the final 2021-22 Budget is presented to the Board on June 17, 2021.

Las Gallinas Valley Sanitary District Adopted Budget – 2021-22

Summary

Operating and Maintenance expenditures continue to rise with funding coming primarily from sewer service charge revenue. The average O&M increase over the last 5-year period is 12.3%. Excluding the capital outlay expense spike in 2020 for the STPURWE project capital outlay is also trending higher and is anticipated to continue as aging infrastructure is repaired or replaced. The projected capital expenditures for the next 5 years only show an increase in capital spending. The chart on the following page shows the trend of District's expenses over the last 5 years.



The following budget financial statements are appended to the end of this report:

- Revenue
- Budget Summary
- Operating and Maintenance Expense
- Debt Service
- Reserve Funding
- Restricted Funds
- Capital Outlay for FY 2021-22
- Capital Improvement Program (CIP) Projected 5-Years

***** End of Budget Report *****

Las Gallinas Valley Sanitary District Adopted Budget – 2021-22

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**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 REVENUE
ADOPTED BUDGET - JUNE 17, 2021**

Revenue Description	2019-20 Final Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Adopted Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 14,831,995	\$ 15,289,361	\$ 15,338,093	\$ 15,648,637	2.30%
Recycled Water NMWD	67,288	42,000	129,103	135,600	69.03%
Recycled Water MMWD	-	-	-	393,800	
Inspections/Permits/Application Fee	25,385	31,733	75,915	87,310	63.65%
Miscellaneous Operating Revenue	1,335	750	750	750	
Total Operating Revenue	14,926,002	15,363,844	15,543,861	16,266,097	5.55%
NON-OPERATING REVENUE					
Property Tax	982,123	962,419	1,102,605	1,130,170	14.84%
Suppl. Property Tax Assess.	(3,799)	16,000	18,512	18,976	15.68%
Educational Revenue Augmentation Fund	442,204	325,000	439,054	451,000	27.94%
Homeowner Property Tax Relief	3,679	4,300	3,641	3,733	-15.19%
Franchise Fees Marin Sanitary Service	124,693	137,081	179,183	151,938	9.78%
Private Sewer Lateral Assistance Program	103,566	66,500	115,719	138,800	52.09%
Interest Income	2,226	500	2,517	1,760	71.59%
Interest on Reserves and LAIF	516,653	350,000	215,942	151,100	-131.63%
Reimbursements / Passthru	-	-	15,918	41,000	
Other nonoperating revenues	3,037	-	23,261	23,261	
	2,174,382	1,861,800	2,116,352	2,111,738	11.84%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	38,681	-	209,229	35,341	
Interest on Connection Fee Fund	148	300	155	622	
Marin Municipal Water District Inter-Governmental	514,720	463,395	463,395	694,294	
2019 IBank Loan Disbursements	-	5,537,545	5,336,810	6,663,191	16.89%
Federal Grants	369,321	847,150	441,229	-	
State Grants	-	-	5,000	5,000	
	922,871	6,848,390	6,455,818	7,398,448	7.43%
TOTAL REVENUES	\$ 18,023,255	\$ 24,074,034	\$ 24,116,031	\$ 25,776,283	
UTILIZATION OF BOND FUNDS AND RESERVES					
	<i>Actual Use</i>	<i>Adopted Available</i>	<i>Projected Use</i>	<i>Budgeted</i>	
Operating Reserves / Rate Stabilization	-	110,000	-	299,571	
Private Sewer Lateral Assistance Funds	-	-	-	100,000	
Prior Year Capital Project Carryover Utilized	13,067,053	11,270,217	12,449,823	10,293,060	
Capital Construction Project Reserve	-	-	-	4,019,000	
Interest Earned on Unspent Bond Funds & IBank	816,531	450,000	235,768	-	
Transfers from Bond Fund	30,703,722	15,460,319	8,710,157	-	
Transfers from Marin Lagoon Restricted Fund	-	74,000	42,241	84,000	
Transfers from Captains Cove Restricted Fund	-	2,695	29,765	30,000	
Transfers from Capacity Fee Facilities Fund	-	-	-	200,000	
SUB TOTAL	44,587,306	27,367,231	21,467,754	15,025,631	-82.14%
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 62,610,561	\$ 51,441,265	\$ 45,583,785	\$ 40,801,914	

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 BUDGET SUMMARY
ADOPTED BUDGET - JUNE 17, 2021**

	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Adopted Budget	Increase / Decrease Over PY Budget	% Change Over Prior Year Budget
OPERATING EXPENSES						
EMPLOYEE WAGES	2,948,302	3,653,602	3,262,455	4,518,950	\$ 865,348	19.15%
EMPLOYEE BENEFITS	1,206,001	1,882,662	1,471,067	1,970,290	\$ 87,628	4.45%
INSURANCE EXPENSE	172,888	175,076	260,612	308,500	\$ 133,424	43.25%
REPAIRS AND MAINTENANCE	536,975	866,078	708,614	906,200	\$ 40,122	4.43%
SUPPLIES & SMALL TOOLS	308,848	384,503	359,396	433,400	\$ 48,897	11.28%
CONTRACTED SERVICES	958,849	1,006,252	1,032,924	1,084,200	\$ 77,948	7.19%
UTILITIES	333,645	287,812	395,126	411,700	\$ 123,888	30.09%
GENERAL & ADMINSTRATIVE	662,852	572,032	581,370	699,250	\$ 127,218	18.19%
OPERATING EXPENSE TOTALS	\$ 7,128,360	\$ 8,828,016	\$ 8,071,563	\$ 10,332,490	\$ 1,504,473	14.56%
DEBT SERVICE						
DEBT SERVICE TOTALS	\$ 4,617,777	\$ 4,803,576	\$ 4,720,314	\$ 4,728,310	\$ (75,267)	-1.59%
RESERVE FUNDING						
WORKING CASH FLOW	166,286	166,286	166,286	321,678	\$ 155,392	48.31%
RATE STABILIZATION	-	-	-	-	\$ -	-
EMERGENCY REPAIR	-	-	-	-	\$ -	-
CAPITAL RESERVES	832,190	831,790	831,832	915,901	\$ 84,111	9.18%
VEHICLE & EQUIPMENT (VERF)	1,000,000	328,131	328,131	50,969	\$ (277,162)	-543.79%
CAPACITY (RESTRICTED FUND)	43,463	300	209,385	35,963	\$ 35,663	99.17%
CAPTAINS COVE (RESTRICTED FUNC	43	-	32,434	15,935	\$ 15,935	100.00%
MARIN LAGOON (RESTRICTED FUND	213	-	67,440	24,914	\$ 24,914	100.00%
RESERVE FUNDING TOTALS	\$ 2,042,195	\$ 1,326,507	\$ 1,635,508	\$ 1,365,360	\$ 38,853	2.85%
CAPITAL OUTLAY						
CAPITAL OUTLAY	\$ 34,551,570	\$ 36,624,740	\$ 17,628,889	\$ 24,375,754	\$ (12,248,986)	-50.25%
TOTAL BUDGET						
TOTAL BUDGET	\$ 48,339,902	\$ 51,582,840	\$ 32,056,274	\$ 40,801,914	\$ (10,780,926)	-26.42%

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET - JUNE 17, 2021**

Acct. Num.	Expense Description	2019-20	2020-21	2020-21	2021-22	% Change Over Prior Year Budget
		Total Actual	Adopted Budget	Projected End of Year	Adopted Budget	
1003	Regular Staff Salaries	\$ 2,592,353	\$ 3,344,036	\$ 2,868,157	4,159,900	19.61%
1004	Extra Hire	73,899	-	86,787	21,980	
1008	Over Time	90,957	92,777	92,359	118,140	21.47%
1009	Vacation and Sick Accrual	51,073	64,000	64,000	64,000	
1010	Stand By	79,877	78,409	80,329	82,340	4.77%
1036	Directors Fees	60,143	74,380	70,824	72,590	-2.47%
	TOTAL EMPLOYEE WAGES	<u>2,948,302</u>	<u>3,653,602</u>	<u>3,262,455</u>	<u>4,518,950</u>	19.15%
1037	Directors Benefits	8,765	9,188	9,089	9,950	7.66%
1404	Payroll Taxes	200,252	250,734	213,522	338,600	25.95%
1502	Group Life Insurance	6,705	7,150	6,477	9,440	24.26%
1507	PERS	421,132	829,316	571,339	750,300	-10.53%
1509	Health Insurance	505,043	671,277	584,864	750,530	10.56%
1510	Dental Insurance	6,298	21,000	24,522	25,800	18.60%
1514	Vision Insurance	3,491	4,255	2,401	4,410	3.51%
1516	Long Term Disability	19,013	29,277	21,933	30,090	2.70%
2006	Auto Allowance	8,303	24,465	8,487	14,700	-66.43%
2007	Commute Stipend	26,999	36,000	28,434	36,470	1.29%
	TOTAL EMPLOYEE BENEFITS	<u>1,206,001</u>	<u>1,882,662</u>	<u>1,471,067</u>	<u>1,970,290</u>	4.45%
1701	Workers' Comp Insurance	65,033	46,000	61,664	75,500	39.07%
2060	Pooled Liability & Property Insurance	106,905	128,029	197,950	231,900	44.79%
2061	Fidelity Bond	950	1,047	998	1,100	4.82%
	TOTAL INSURANCE EXPENSE	<u>172,888</u>	<u>175,076</u>	<u>260,612</u>	<u>308,500</u>	43.25%
2083	Vehicle Parts & Maintenance	61,456	37,163	38,230	42,500	12.56%
2096	Building maintenance	41,744	38,500	50,017	47,300	18.60%
2097	Grounds Maintenance	46,574	65,531	39,222	67,400	2.77%
2332	Reclamation Maint. & Pasture Disk (2333)	6,526	194,484	160,714	106,600	-82.44%
2538	Power Generation Maint & Repair	20,136	40,000	22,107	30,700	-30.29%
2365	Equipment Maintenance	62,978	88,500	41,901	66,200	-33.69%
2366	Equipment Repair	98,412	194,900	180,054	227,000	14.14%
2367	Capital Repairs/Replacements	199,149	207,000	176,370	318,500	35.01%
	TOTAL REPAIRS AND MAINTENANCE	<u>536,975</u>	<u>866,078</u>	<u>708,614</u>	<u>906,200</u>	4.43%

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET - JUNE 17, 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Adopted Budget	% Change Over Prior Year Budget
2107	Hypochlorite	49,490	54,000	51,014	89,200	39.46%
2110	Bisulfite	74,534	46,000	55,406	56,800	19.01%
2109	Miscellaneous Chemicals	48,902	87,000	50,538	61,100	-42.39%
2362	General Operating & Lab (2115) Supplies	33,950	40,250	84,207	51,900	22.45%
2501	Fuel, Oil, and CNG for Vehicles (2501-2506)	32,910	33,803	40,157	41,100	17.75%
2389	Safety Equipment & Supplies	29,676	38,450	20,656	35,700	-7.70%
2397	Safety Services	28,146	60,000	44,919	69,500	13.67%
2249	Small Tools	11,240	25,000	12,501	28,100	11.03%
	TOTAL SUPPLIES & SMALL TOOLS	308,848	384,503	359,396	433,400	11.28%
2117	Lab Contract Services	54,290	43,000	42,868	47,000	8.51%
2119	Pollution Prevention Program	13,321	12,500	22,032	22,800	45.18%
2320	Outside Services (2321, 2322, 2323, 2326)	87,513	306,756	245,773	221,300	-38.62%
2324	Janitorial	18,119	14,946	17,285	17,700	15.56%
2325	Aquatic Review	-	5,000	-	-	n/a
2327	Uniform Service	4,911	6,800	9,118	11,700	41.88%
2330	Damage Claim	12,401	10,000	20,000	20,000	50.00%
2334	Sludge Disposal Inject	101,087	76,350	88,400	91,700	16.74%
2357	Regulatory Consultant	221,799	185,300	178,666	146,500	-26.48%
2358	Engineering Pass-through Projects	27,821	25,000	21,466	63,200	60.44%
2359	Feasibility Studies	-	-	26,768	55,000	
2360	Consultants - Other	161,007	70,000	140,131	131,200	46.65%
2713	Legal	150,787	123,600	112,221	115,000	-7.48%
2717	Audit	25,750	27,000	24,500	25,100	-7.57%
2718	Financial Services	7,200	-	11,800	16,000	
2801	Private Lateral Rehab Assistance Program	72,843	100,000	71,895	100,000	0.00%
	TOTAL CONTRACTED SERVICES	958,849	1,006,252	1,032,924	1,084,200	7.19%
2533	Internet	-	-	4,666	4,800	
2534	Telephone	67,579	42,205	66,595	68,300	38.21%
2535	Utility Power	257,808	237,920	299,471	317,300	25.02%
2536	Water	8,258	7,687	24,393	21,300	63.91%
	TOTAL UTILITIES	333,645	287,812	395,126	411,700	30.09%

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET - JUNE 17, 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Adopted Budget	% Change Over Prior Year Budget
1006	Payroll Processing	19,581	12,729	21,607	22,150	42.53%
2477	Conferences	38,367	68,500	855	51,600	-32.75%
2479	Mileage and Travel	4,782	8,000	905	5,200	-53.85%
2129	Election	-	25,000	250	-	
2133	Office Supplies	80,652	23,500	39,708	33,100	29.00%
2134	Meeting Supplies	7,601	3,700	1,035	1,600	-131.25%
2716	Computer Services and Software	97,755	84,500	95,780	110,900	23.81%
2135	Bank Charges	1,644	1,500	1,500	1,500	0.00%
9778	User Charge Collection Fee	33,505	35,000	40,182	41,200	15.05%
2221	Publication and Legal Ads	29,004	16,606	14,506	16,300	-1.88%
2223	Public Education and Outreach ⁽¹⁾	40,970	65,000	38,589	61,200	-6.21%
2264	Taxes, Other	8,128	9,000	891	900	-900.00%
2272	Memberships	67,302	46,495	58,200	49,200	5.50%
2363	Permits	74,422	20,250	93,146	96,500	79.02%
2364	Fines	9,000	-	-	-	
2246	Rents and Leases	140,144	119,652	167,721	171,900	30.39%
9786	Employee Recognition ⁽¹⁾	2,190	6,000	847	9,000	
9787	Employee Training and Education ⁽¹⁾	7,483	25,600	4,296	25,700	0.39%
9999	Miscellaneous expense	322	1,000	1,352	1,300	23.08%
	TOTAL GENERAL & ADMINSTRATIVE	662,852	572,032	581,370	699,250	18.19%
	OPERATING EXPENSE TOTALS	\$ 7,128,360	\$ 8,828,016	\$ 8,071,563	\$ 10,332,490	14.56%

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 DEBT SERVICE
ADOPTED BUDGET - JUNE 17, 2021**

Expenditure	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Adopted Budget
2005 Certificates of Participation/ Refunded 2014	\$ 692,488	\$ 698,760	\$ 698,760	\$ 709,125
2010 State Revolving Fund Loan	285,464	285,464	285,464	285,464
2011 Bank of Marin Loan	332,681	332,681	332,681	332,681
2012 Bank of Marin Loan	235,346	248,207	235,346	235,346
2017 Revenue Bonds ^{(1) (2)}	2,448,600	2,449,000	2,449,000	2,447,800
2019 IBank Loan ⁽³⁾	623,197	789,463	719,062	717,892
	\$ 4,617,777	\$ 4,803,576	\$ 4,720,314	\$ 4,728,310

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

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

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

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

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 RESERVE FUNDING
ADOPTED BUDGET - JUNE 17, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Adopted Budget
Beginning Reserve Balance	\$ 5,080,948	\$ 7,079,424	\$ 7,079,424	\$ 8,026,573
Operating Reserve				
Beginning Balance	\$ 2,019,326	\$ 2,185,612	\$ 2,185,612	\$ 2,351,898
Plus: Additions	166,286	166,286	166,286	321,678
Less: Use of Funds	-	(110,000)	-	-
Ending Balance	\$ 2,185,612	\$ 2,241,898	\$ 2,351,898	\$ 2,673,576
<i>Purpose: Insure minimum of 7 months of O&M + Debt Service is available</i>			<i>Target:</i>	\$ 8,785,466
Rate Stabilization				
Beginning Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	(299,571)
Ending Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 429
<i>Purpose: Fund unexpected expense increases, replenish over 3 to 4 year period.</i>			<i>Target:</i>	\$ 300,000
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<i>Purpose: Fund emergency repairs, replenish over 2 to 3 year period.</i>			<i>Target:</i>	\$ 1,000,000
Capital Reserves (STPURWE and other)				
Beginning Balance	\$ 1,761,622	\$ 2,593,812	\$ 2,593,812	\$ 3,425,644
Plus: Undesignated additions	146,722	146,722	146,722	229,717
Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾	222,115	221,715	221,715	222,915
Plus: STPURWE MMWD Buy-In ⁽²⁾	206,549	206,549	206,549	206,549
Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾	256,804	256,804	256,846	256,720
Less: Authorized Use of Funds	-	-	-	(4,019,000)
Ending Balance	\$ 2,593,812	\$ 3,425,602	\$ 3,425,644	\$ 322,545
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 4,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 949,031
Plus: Additions	1,000,000	328,131	328,131	50,969
Less: Authroized Use of Funds	-	-	(379,100)	-
Ending Balance	\$ 1,000,000	\$ 1,328,131	\$ 949,031	\$ 1,000,000
<i>Purpose: To fund large vehicle and equipment replacements.</i>			<i>Target:</i>	\$ 1,000,000
Ending Reserve Balance	\$ 7,079,424	\$ 8,295,631	\$ 8,026,573	\$ 4,996,550

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

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

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

Total Budgeted Reserve Funding: \$ 1,288,548

**LAS GALLINAS VALLEY SANITARY DISTRICT
2021-2022 RESERVE FUNDING - RESTRICTED FUNDS
ADOPTED BUDGET - JUNE 17, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Adopted Budget
Restricted Funds				
Capacity Connection Fee Fund (#5025)				
Beginning Balance	\$ 53,282	\$ 96,745	\$ 96,745	\$ 306,130
<i>Plus: Additions</i>	43,463	300	209,385	35,963
<i>Less: Use of Funds</i>	-	-	-	(200,000)
Ending Balance	\$ 96,745	\$ 97,045	\$ 306,130	\$ 142,093
<i>Purpose: To pay for collection system and plant capacity improvements to serve new connections.</i>				
Captains Cove Fund (#5019)				
Beginning Balance	\$ 17,198	\$ 17,241	\$ 17,241	\$ 30,405
<i>Plus: Additions</i>	43	-	32,434	15,935
<i>Less: Use of Funds</i>	-	-	(19,270)	(30,000)
Ending Balance	\$ 17,241	\$ 17,241	\$ 30,405	\$ 16,340
<i>Purpose: Special assessment fees in and class account 350 expenses out.</i>				
Marin Lagoon Fund (#5005)				
Beginning Balance	\$ 84,259	\$ 84,472	\$ 84,472	\$ 109,671
<i>Plus: Additions</i>	213	-	67,440	24,914
<i>Less: Use of Funds</i>	-	-	(42,241)	(84,000)
Ending Balance	\$ 84,472	\$ 84,472	\$ 109,671	\$ 50,585
<i>Purpose: Special assessment fees in and class account 360 expenses out.</i>				
Total Restricted Fund Reserve Funding:				\$ 76,812



FY 2021-2022 Capital Budget - Capital Outlay

(Date: 6/17/2021)

ADOPTED

Line No.	Project No.	Type	Account	Project Name	BUDGET 2021-22		
					Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted
PLANNING, SOFTWARE, & OTHER ENGINEERING							
2	20100-05	A	4362	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	714,983	714,983	-
3	20100-05	A	4362	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	305,000	-	305,000
4	21500-08	A	4859	Biosolids System Improvement Analysis	75,000	66,758	8,242
5	21200-06	A	4169	Temp Access Rd Guide Dogs (temp asphalt road) - ADDED 2021	-	-	-
6	21300-07,	A		Arc Flash Study	250,000	138,000	112,000
7	New Job #			Sea Level Rise Mitigation Program Design	100,000	-	100,000
8	New Job #			Standard Specifications and Drawings Update Project - engineering	75,000	-	75,000
9	20125-01	A	4117	On-Call Engineering Contract	273,613	173,613	100,000
10	New Job #	N	4117	On-Call Inspection	45,000	-	45,000
11	New Job #	N		On-Call Construction Contract (2021-2023)	100,000		100,000
13	New Job #	N		IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000		35,000
14	20100-01		4361	Accounting ERP Integration - O&M beginning in FY 22-23	100,000	100,000	-
15	New Job #		4361	Website Improvement - O&M beginning in FY 22-23	25,000	-	25,000
16	17200-03	N	4413	City Works Annual Licensing	30,000		30,000
17	New Job #	N		Fleet Maintenance Software annual licenses	2,000		2,000
18	21600-20			Asset Management Onboarding Task 1 STPURWE CMMS CityWorks	111,000	111,000	
19	New Job #			Asset Management Onboarding Task 2-4 CMMS CityWorks	460,000	-	460,000
20	21125-02	A	4821	Drafting Software & Computer Upgrade	9,401	9,401	-
Subtotal:					2,710,997	1,313,754	1,397,242
FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT							
23	New Job #	N		Smart Covers (3) Additional	15,000		15,000
24	New Job #	N		Mower Attachment Equipment	27,000		27,000
25	New Job #	N		Hose Trailer Equipment	10,000		10,000
Subtotal:					52,000	-	52,000
COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)							
27	11200-03	A	4153	John Duckett Pump Station & HWY 101 Terra Linda Trunk Sewer Design	200,000	200,000	-
28	12300-05	A	4483	Rafael Meadows Pump Station - Electrical	249,574	249,574	-
29	20300-09	A	4459	Smith Ranch Pump Station Electrical Upgrades	310,000	310,000	-
30	18360-01	A	4481	Marin Lagoon Pump Station No.1 (2)	271,525	271,525	-
31	21300-01	A	4829	Contempo Marin MH N050.07 & Connection Improvement	140,000	140,000	-
32	18350-01	A	4238	Captains Cove Pump Station Upgrades(2)	30,000	-	30,000
33	20200-01	A	4153	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	100,000	250,000
34	21300-03	A	4830	Standby/Towable Generators for Minor Pump Stations	400,000	400,000	-
35	21350-01	A	4834	Automatic Transfer Switches for Pump Stations	250,000	90,000	160,000
36	19200-01 & 20200-01	A	4153	Sewer Main Rehabilitation (Air Release Valve & Vault Replacements) - two project numbers, budget of \$400,000 in FY 20-21	257,856	257,856	-
37	21300-04	A	4831	Pump Station Site Lighting, Safety, & Security Improvements	250,000	190,000	60,000
38	19200-02	A	4240	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-
39	21300-06	A	4832	Fencing Improvements at Various Locations	60,000	49,600	10,400
40	21600-01	A	4835	Emergency Bypass Pumping Analysis & Emergency Response Plan	112,083	52,083	60,000
41	21600-03	A	4837	Annual Facility Paving at Various Locations	35,000		35,000
42	18300-05	A	4857	Hawthorn Pump Station Fencing	25,000	25,000	-
43	New Job #	N		Rafael Meadows Pump Station - Civil, fencing, other	180,000		180,000
44	New Job #	N		Mulligan PS wetwell upgrade	60,000		60,000
45	21300-07	A	4833	IWMP Pump Station & Force Main Projects (Placeholder)	250,000		250,000
Subtotal:					3,481,038	2,385,638	1,095,400
RECLAMATION							
62	21500-01	N	4838	Reclamation Pump Station Improvements	150,000	150,000	-
63	New Job #	N		St. Vincent's Pump Station Improvements	100,000		100,000
64	New Job #	A		Reclamation Storage Pond Valves & Catwalk piers	175,000		175,000
67	21500-04	N	4841	Reclamation Pasture Irrigation System Assessment Study	45,000	-	45,000
68	20500-05	A	4290 /	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	156,948	156,948	-
69	11500-09	A	4412	Miller Creek Vegetation Maintenance repair, maint. Modify)	118,429	43,429	75,000

Line No.	Project No.	Type	Account	Project Name	BUDGET 2021-22		
					Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted
68	21500-07	N	4843	IWMP Reclamation Projects (Placeholder)	150,000		150,000
69	New Job #	N	4330	Solar Relay Rehab Project - (3) inverters and other replacements	150,000		150,000
Subtotal:					1,045,377	350,377	695,000

TREATMENT PLANT (INCL. RECYCLED WATER)							
82	21100-01	N	4861	Plant Operations Control & Admin Building Design	1,500,000	1,500,000	-
85	20100-02	A	4306	Plant Operations Control & Admin Building - Site Evaluation	21,864	21,864	-
84	21600-07	N	4862	Digester Inspection & Coating Improvement	300,000	300,000	-
85	21600-06	A	4846	Digester Room MCC #2 Upgrade Design & Construction	670,000	670,000	-
86	21600-11	A	4851	Annual Plant Paving at Various Locations	60,000	60,000	-
87	21600-12	N	4852	Maintenance Shop & Locker Room Improvements	50,000	50,000	-
88	18300-05	N	4857	Radio Antenna at Hawthorn Pump Station	20,000	20,000	-
89	21600-08	A	4848	Grit Chambers Coating & Auger Rebuild	300,000	300,000	-
90	21600-09	N	4849	Plant Lighting Improvements and Other Electrical Enhancement	100,000	100,000	-
91	20600-04	A	4328	Flow Equalization Basin Design and Construction	375,000	375,000	-
92	20600-03	N	4250	BERS Canopy (Biogas Equip CNG Fueling)	150,000	150,000	-
93	New Job #	N		Primary Clarifier #1 Repair	300,000	300,000	-
94	New Job #	N		Chemical Tanks Replacement & Eyewash Station	60,000	60,000	-
95	21600-15	N	4855	Miscellaneous Plant Equipment Demolition & Disposal	30,000	30,000	-
96	21600-16	A	4856	IWMP Treatment Plant Projects (Placeholder)	250,000	-	250,000
Subtotal:					4,186,864	3,936,864	250,000
Total (Non-Financed):					11,476,276	7,986,633	3,489,642

FINANCED PROJECTS							
112	12600-07 & 16650-02	A	4501 & 4225	Secondary Treatment Plant Upgrade & Recycled Water Expansion	12,899,478	12,939,410	39,932
Subtotal:					12,899,478	12,939,410	39,932

GRAND TOTAL CAPITAL OUTLAY: 24,375,754 20,926,043 3,529,574

Priority

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

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



FY 2021-2022 Capital Improvements Program - Capital Outlay

ADOPTED

(Date: 6/17/2021)

Line No.	Priority	Project No.	Type	Account	Project Name	BUDGET 2021-22		PROJECTED EXPEDITURES				
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26
PLANNING, SOFTWARE, & OTHER ENGINEERING												
1	0	20100-05	C	4362	Integrated Wastewater Master Plan Phase 1 ⁽¹⁾	-	-	-	-	-	-	-
2	1	20100-05	A	4362	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	714,983	714,983	-	-	-	-	-
3	1	20100-05	A	4362	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	305,000	-	305,000	100,000	-	-	405,000
4	1	21500-08	A	4859	Biosolids System Improvement Analysis	75,000	66,758	8,242	-	-	-	8,242
5	1	21200-06	A	4169	Temp Access Rd Guide Dogs (temp asphalt road) - ADDED 2021	-	-	-	-	-	-	-
6	1	21300-07, 21500-07, & 21600-16	A		Arc Flash Study	250,000	138,000	112,000	-	-	-	112,000
7	1	New Job #			Sea Level Rise Mitigation Program Design	100,000	-	100,000	100,000	100,000	100,000	500,000
8	1	New Job #			Standard Specifications and Drawings Update Project - engineering	75,000	-	75,000				75,000
9	1	20125-01	A	4117	On-Call Engineering Contract	273,613	173,613	100,000	100,000	100,000	100,000	500,000
10	1	New Job #	N	4117	On-Call Inspection	45,000	-	45,000	100,000	100,000	100,000	445,000
11	1	New Job #	N		On-Call Construction Contract (2021-2023)	100,000	-	100,000	100,000	100,000	100,000	500,000
12	2	20125-01	A		On-Call Construction Contract (2019-2021)	-	-	-				
13	1	New Job #	N		IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000	-	35,000	2,000	2,000	2,000	43,000
14	1	20100-01		4361	Accounting ERP Integration - O&M beginning in FY 22-23	100,000	100,000	-	5,000	5,000	5,000	15,000
15	1	New Job #		4361	Website Improvement - O&M beginning in FY 22-23	25,000	-	25,000	5,000	5,000	5,000	40,000
16	1	17200-03	N	4413	City Works Annual Licensing	30,000	-	30,000	36,000	36,000	36,000	174,000
17	1	New Job #	N		Fleet Maintenance Software annual licenses	2,000	-	2,000	2,000	2,000	2,000	10,000
18	1	21600-20			Asset Management Onboarding Task 1 STPURWE CMMS CityWorks	111,000	111,000					-
19	1	New Job #			Asset Management Onboarding Task 2-4 CMMS CityWorks	460,000	-	460,000	875,000	875,000	510,000	2,830,000
20	1	21125-02	A	4821	Drafting Software & Computer Upgrade	9,401	9,401	-	-	-	-	-
21	3		N		Sea Level Rise Mitigation Construction	-	-	-	-	-	3,000,000	3,000,000
Subtotal:						2,710,997	1,313,754	1,397,242	1,425,000	1,325,000	960,000	3,550,000
FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT												
22	1	20300-07	N	4440	Bypass Pump Connection Components & Pipe	-	-	-	-	-	-	-
23	1	New Job #	N		Smart Covers (3) Additional	15,000	-	15,000	-	-	-	15,000
24	1	New Job #	N		Mower Attachment Equipment	27,000	-	27,000	-	-	-	27,000
25	1	New Job #	N		Hose Trailer Equipment	10,000	-	10,000	-	-	-	10,000
26		19200-01	N	4361	Synentic Phone Upgrade - NOT IN BUDGET FOR FY 20-21	-	-	-	-	-	-	-
Subtotal:						52,000	-	52,000	-	-	-	-
COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS)												
27	1	11200-03	A	4153	John Duckett Pump Station & HWY 101 Terra Linda Trunk Sewer Design	200,000	200,000	-	-	-	-	-
28	1	12300-05	A	4483	Rafael Meadows Pump Station - Electrical	249,574	249,574	-	-	-	-	-
29	1	20300-09	A	4459	Smith Ranch Pump Station Electrical Upgrades	310,000	310,000	-	-	-	-	-
30	1	18360-01	A	4481	Marin Lagoon Pump Station No.1 (2)	271,525	271,525	-	-	400,000	400,000	800,000
31	1	21300-01	A	4829	Contempo Marin MH N050.07 & Connection Improvement	140,000	140,000	-	-	-	-	-
32	1	18350-01	A	4238	Captains Cove Pump Station Upgrades(2)	30,000	-	30,000	20,000	-	-	50,000

Line No.	Priority	Project No.	Type	Account	Project Name	BUDGET 2021-22			PROJECTED EXPEDITURES				
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests
33	1	20200-01	A	4153	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	100,000	250,000	250,000	-	-	-	500,000
34	1	21300-03	A	4830	Standby/Towable Generators for Minor Pump Stations	400,000	400,000	-	-	-	-	-	-
35	1	21350-01	A	4834	Automatic Transfer Switches for Pump Stations	250,000	90,000	160,000	-	-	-	-	160,000
36	1	19200-01 & 20200-01	A	4153	Sewer Main Rehabilitation (Air Release Valve & Vault Replacements) - two project numbers, budget of \$400,000 in FY 20-21	257,856	257,856	-	-	-	-	-	-
37	1	21300-04	A	4831	Pump Station Site Lighting, Safety, & Security Improvements	250,000	190,000	60,000	-	-	-	-	60,000
38	1	19200-02	A	4240	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-	50,000	50,000	50,000	50,000	200,000
39	1	21300-06	A	4832	Fencing Improvements at Various Locations	60,000	49,600	10,400	60,000	-	-	-	70,400
40	1	21600-01	A	4835	Emergency Bypass Pumping Analysis & Emergency Response Plan	112,083	52,083	60,000	-	-	-	-	60,000
41	1	21600-03	A	4837	Annual Facility Paving at Various Locations	35,000	-	35,000	35,000	35,000	35,000	35,000	175,000
42	1	18300-05	A	4857	Hawthorn Pump Station Fencing	25,000	25,000	-	-	-	-	-	-
43	1	New Job #	N		Rafael Meadows Pump Station - Civil, fencing, other	180,000	-	180,000	-	400,000	-	-	580,000
44	1	New Job #	N		Mulligan PS wetwell upgrade	60,000	-	60,000	250,000	-	-	-	310,000
45	1	21300-07	A	4833	IWMP Pump Station & Force Main Projects (Placeholder)	250,000	-	250,000	250,000	2,000,000	2,000,000	2,000,000	6,500,000
46	2	11500-01	N	4161	SCADA Integration & Control Panel Replacements for Minor Pump Stations (4) plus Golf Course	-	-	-	250,000	250,000	250,000	250,000	1,000,000
47	2		N		Systemwide Cathodic Protection Improvements	-	-	-	200,000	200,000	-	-	400,000
48	3		N		Lower Marinwood Trunk Sewer M000.5 and MH M000.03 Access Road	-	-	-	-	60,000	-	-	60,000
49	3		N		Marinwood HWY 101 Trunk Sewer MH M000.51 & M000.49 Access Road	-	-	-	-	60,000	-	-	60,000
50	3		N		Sewer Main Rehabilitation (Locations TBD)	-	-	-	-	-	2,000,000	-	2,000,000
51	3	14300-05	P	4492	Smith Ranch Rd Combined Force Main	-	-	-	-	-	-	250,000	250,000
52	3		N		Descanso Pump Station Odor Control	-	-	-	-	-	45,000	100,000	145,000
53	3	20600-03	P	4217	Smith Ranch CNG Filling Station Canopy	-	-	-	-	-	-	45,000	45,000
54	3		N		Captains Cove and Marin Lagoon Pump Station Telemetry(2)	-	-	-	-	-	-	250,000	250,000
55	3		N		Civic Center Pump Station VFD Control	-	-	-	-	-	-	100,000	100,000
56	3		N		Lower Marinwood TS Capacity Upgrade & Relocation	-	-	-	-	-	-	250,000	250,000
57	3		N		McInnis Pump Station Improvements	-	-	-	-	-	-	75,000	75,000
58	3		N		Vac Truck Recycled Water Filling Station & Wash Rack	-	-	-	-	-	-	60,000	60,000
59	3		N		Smith Ranch Pump Station Generator Diesel Conversion	-	-	-	-	-	-	-	-
60	3		N		HWY 101 Northgate Industrial Park 8", Northgate North 12", Mulligan 18" TS Undercrossings Replacement	-	-	-	-	-	-	-	-
61	3		N		Mulligan TS Capacity Upgrade	-	-	-	-	-	-	-	-
Subtotal:						3,481,038	2,385,638	1,095,400	1,365,000	3,055,000	4,780,000	3,865,000	

RECLAMATION													
62	1	21500-01	N	4838	Reclamation Pump Station Improvements	150,000	150,000	-	150,000	-	-	-	150,000
63	1	New Job #	N		St. Vincent's Pump Station Improvements	100,000	-	100,000	100,000	200,000	-	-	400,000
64	1	New Job #	A		Reclamation Storage Pond Valves & Catwalk piers	175,000	-	175,000	-	-	-	-	175,000
67	1	21500-04	N	4841	Reclamation Pasture Irrigation System Assessment Study	45,000	-	45,000	-	-	45,000	-	90,000
68	1	20500-05	A	4290 / 4460	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	156,948	156,948	-	-	-	-	-	-
69	1	11500-09	A	4412	Miller Creek Vegetation Maintenance repair, maint. Modify)	118,429	43,429	75,000	75,000	75,000	-	-	225,000
68	1	21500-07	N	4843	IWMP Reclamation Projects (Placeholder)	150,000	-	150,000	150,000	150,000	150,000	2,000,000	2,600,000
69	2	New Job #	N	4330	Solar Relay Rehab Project - (3) inverters and other replacements	150,000	-	150,000	300,000	-	-	-	450,000
70	2		N		Reclamation Staging Area	-	-	-	60,000	-	-	-	60,000
71	2		N		Sludge Lagoon Liner Replacement/Repair	-	-	-	75,000	75,000	75,000	-	225,000

Line No.	Priority	Project No.	Type	Account	Project Name	BUDGET 2021-22			PROJECTED EXPEDITURES				
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests
72	3		N		Storage Pond 1 Transfer Pipe Repair			-	-	100,000	-	-	100,000
73	-	20500-01	C	4264	Center Pivot No. 2 Irrigation Pipe System			-	-	-	-	-	-
74	-	20500-03	C	4454	St. Vincent's Pump Station Headwall			-	-	-	-	-	-
75	1	20500-02	A	4262	Reclamation Storage Pond Valves & Transfer Boxes - 3 catwalks			-	-	-	-	-	-
76		21500-02	N	4839	Reclamation Shop Improvements		-	-	-	-	-	-	-
77	1	21500-06	A	4842	Automated Gate for Reclamation Bridge			-	-	-	-	-	-
78	4	11500-09	CANC	4412	Reclamation Parking Lot / Miller Creek			-	-	-	-	-	-
79	4	20500-04	C	4330	Solar Phase II Replacement Project			-	-	-	-	-	-
80	4	21500-01	A	4838	Reclamation Levee Capping - SLR mitigation			-	-	-	-	-	-
81	4		N		Pond Security Fencing			-	-	-	-	-	-
Subtotal:						1,045,377	350,377	695,000	910,000	600,000	270,000	2,000,000	

TREATMENT PLANT (INCL. RECYCLED WATER)													
82	1	21100-01	N	4861	Plant Operations Control & Admin Building Design	1,500,000	1,500,000	-	-	-	-	-	-
85	1	20100-02	A	4306	Plant Operations Control & Admin Building - Site Evaluation	21,864	21,864	-	-	-	-	-	-
84	1	21600-07	N	4862	Digester Inspection & Coating Improvement	300,000	300,000	-	-	-	-	-	-
85	1	21600-06	A	4846	Digester Room MCC #2 Upgrade Design & Construction	670,000	670,000	-	-	-	-	-	-
86	1	21600-11	A	4851	Annual Plant Paving at Various Locations	60,000	60,000	-	60,000	60,000	60,000	60,000	240,000
87	1	21600-12	N	4852	Maintenance Shop & Locker Room Improvements	50,000	50,000	-	-	-	-	-	-
88	1	18300-05	N	4857	Radio Antenna at Hawthorn Pump Station	20,000	20,000	-	-	-	-	-	-
89	1	21600-08	A	4848	Grit Chambers Coating & Auger Rebuild	300,000	300,000	-	-	-	-	-	-
90	1	21600-09	N	4849	Plant Lighting Improvements and Other Electrical Enhancement	100,000	100,000	-	-	150,000	-	-	150,000
91	1	20600-04	A	4328	Flow Equalization Basin Design and Construction	375,000	375,000	-	-	1,000,000	-	-	1,000,000
92	1	20600-03	N	4250	BERS Canopy (Biogas Equip CNG Fueling)	150,000	150,000	-	-	-	-	-	-
93	1	New Job #	N		Primary Clarifier #1 Repair	300,000	300,000	-	-	-	-	-	-
94	1	New Job #	N		Chemical Tanks Replacement & Eyewash Station	60,000	60,000	-	-	-	-	-	-
95	1	21600-15	N	4855	Miscellaneous Plant Equipment Demolition & Disposal	30,000	30,000	-	-	-	-	-	-
96	1	21600-16	A	4856	IWMP Treatment Plant Projects (Placeholder)	250,000	-	250,000	250,000	2,000,000	2,000,000	5,000,000	9,500,000
97	3		N		BERS Tail Gas Piping	-	-	-	-	400,000	-	-	400,000
98	3		N		Comcast Cable Installation	-	-	-	-	250,000	-	-	250,000
99	3		N		Covered Vehicle Parking & Storage	-	-	-	-	200,000	-	-	200,000
100	-	20100-03	CANC	4801	Equipment (Office redesign)	-	-	-	-	-	-	-	-
101	-	20600-01	C	4180	Influent Screen Rebuild	-	-	-	-	-	-	-	-
102	1	21600-15	A	4855	Misc Plant Equipment Demolition & Disposal	-	-	-	-	-	-	-	-
103	1	21600-17	A	4858	Sludge Thickener Structure Demolition	-	-	-	-	-	-	-	-
104	1	21600-14	A	4854	Bioassay Tank Installation	-	-	-	-	-	-	-	-
105	-	12600-02	C	4142	WWTP Upgrades - retention payoff Gregory Equipment	-	-	-	-	-	-	-	-
106		20600-02	C	4137	Lab Cabinet Rehab for Dishwasher & Sink	-	-	-	-	-	-	-	-
107	1	21400-01	CANC	4845	Carport & Paving Lab cancelled - USED FOR Paving Project 2020	-	-	-	-	-	-	-	-
108	4		N		Primary Clarifiers - Improvements	-	-	-	-	-	-	-	-
109	4		N		Disinfection System Review and Upgrade Design	-	-	-	-	-	-	-	-
110	3		N		Fixed Film Reactor Demolition	-	-	-	-	-	-	150,000	150,000
111	4		N		Plant Potable Water Hydrant Installation	-	-	-	-	-	-	-	-
Subtotal:						4,186,864	3,936,864	250,000	310,000	4,060,000	2,060,000	5,210,000	

Total (Non-Financed): 11,476,276 7,986,633 3,489,642 4,010,000 9,040,000 8,070,000 14,625,000

Line No.	Priority	Project No.	Type	Account	Project Name	BUDGET 2021-22			PROJECTED EXPEDITURES				
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request Adopted	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests
FINANCED PROJECTS													
112	1	12600-07 & 16650-02	A	4501 & 4225	Secondary Treatment Plant Upgrade & Recycled Water Expansion	12,899,478	12,939,410	39,932	-	-	-	-	39,932
113	1		N		Property Acquisition(3)			-	-	-	-	-	-
114	2		N		Operations Control Center Building Construction and soft costs (build up cash 1st 3 years)			-	3,000,000	3,000,000	22,000,000		28,000,000
115	2		N		John Duckett Pump Station & HWY 101 Terra Linda TS crossing Construction			-	6,000,000	6,000,000			12,000,000
Subtotal:						12,899,478	12,939,410	39,932	9,000,000	9,000,000	22,000,000	-	-

GRAND TOTAL CAPITAL OUTLAY: 24,375,754 20,926,043 3,529,574 13,010,000 18,040,000 30,070,000 14,625,000

73,617,332

Priority

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

⁽¹⁾ - Project with multi-year budgeting.

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

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

Fixed Asset

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

Legend

- Collections
- Finance
- Operations

