



101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
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www.LGVSD.org

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

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

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and the environment by providing effective wastewater collection, treatment, and recycling services.

BOARD MEETING AGENDA

June 17, 2021

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments' ability to respond to COVID-19 Pandemic based on Guidance for Gatherings issued by the California Department of Public Health. The Executive Order specifically allows local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health. In light of this, June 17, 2021, meeting of the LGVSD Board will be held via Zoom electronic meeting. There will be NO physical location of the meeting. Due to the current circumstances, there may be limited opportunity to provide verbal comments during the meeting. Persons who wish to address the Board for public comment or on an item on the agenda are encouraged to submit comments in writing to the Board Secretary (tlerch@lgvsd.org) by 5:00 pm on Wednesday, June 16, 2021. In addition, Persons wishing to address the Board verbally must contact the Board Secretary, by email (tlerch@lgvsd.org) and provide their Name; Address; Tel. No.; and the Item they wish to address by the same date and time deadline for submission of written comments, as indicated above. Please keep in mind that any public comments must be limited to 3 minutes due to time constraints. Any written comments will be distributed to the LGVSD Board before the meeting.*

**Prior to the meeting, participants should download the Zoom app at:*

<https://zoom.us/download> A link to simplified instructions for use of the Zoom app is:

<https://blog.zoom.us/wordpress/2018/07/03/video-communications-best-practice-guide/>

REMOTE CONFERENCING ONLY

Join Zoom Meeting online at:

<https://us02web.zoom.us/j/83705436893>

OR

By teleconference at: +16699009128 Meeting ID: 837 0543 6893

**MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR
PUBLIC INSPECTION ON THE DISTRICT WEBSITE WWW.LGVSD.ORG**

NOTE: Final board action may be taken on any matter appearing on agenda

Estimated Time

OPEN SESSION:

3:30 PM

1. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

3:35 PM

2. RESOLUTION NO. 2021-2217– A RESOLUTION CERTIFYING THAT LEGAL NOTICE HAS BEEN GIVEN FOR THE HEARING ON THE SEWER SERVICE CHARGE RATE INCREASES FOR THE FISCAL YEAR 2021-22 AND FISCAL YEAR 2022-23; AND RESOLUTION NO. 2021- 2218 – A RESOLUTON CERTIFYING THAT LEGAL NOTICE HAS BEEN GIVEN FOR THE HEARING ON THE BUDGET FOR THE FISCAL YEAR 2021-22

Staff to present Resolution No. 2021-2217 – A Resolution Certifying that Legal Notice has been given for the Hearing on the Sewer Service Charge Rate Increases for the Fiscal Year 2021-22 and 2022-23; and Resolution No. 2021-2218 - A Resolution Certifying that Legal Notice has been given for the Hearing on the Budget for the Fiscal Year 2021-22.

Staff recommendation: Board adopt Resolution 2021-2217 – A Resolution Certifying that Legal Notice has been given for the Hearing on the Sewer Service Charge Rate Increase for the Fiscal Years 2021-22 and 2022-23; and the Board adopt Resolution No. 2022-2218 - A Resolution Certifying that Legal Notice has been given for the Hearing on the Budget for the Fiscal Year 2021-22.

3:45 PM

3. PUBLIC HEARING – SEWER SERVICE CHARGE RATE INCREASE: A HEARING TO CONSIDER RAISING THE ANNUAL SEWER SERVICE CHARGE FOR THE NEXT TWO YEARS CONSISTENT WITH REQUIREMENTS OF GOVERNMENT CODE SEC. 54954.6.

A. OPEN PUBLIC HEARING

B. RATE INCREASE PRESENTATION:

District staff presentation on the proposed sewer service charge rate increases for Fiscal Year 2021-22 and 2022-23. The proposed increases are: Fiscal year 2021-22, not to exceed \$1,055 and Fiscal Year 2022-23, not to exceed \$1,150.

C. REVIEW DISTRICT STAFF RECOMMENDATIONS:

Board to consider staff recommendation to increase sewer service charges.

D. PUBLIC COMMENT:

This portion of the meeting is reserved for persons desiring to address the Board regarding the proposed rate increase. Presentations are generally limited to three minutes.

E. CLOSE THE PUBLIC HEARING:

Board to close the public hearing.

F. BOARD DETERMINATION AND ACTION

Board to consider comments from public, review administrative record and make determination regarding action to increase annual sewer service charge. The Board shall make a finding that its action is consistent with the requirements of the Government Code that implemented Proposition 218.

4:10 PM

4. PUBLIC HEARING: ORDINANCE 187 – AN ORDINANCE AMENDING TITLE 3, CHAPTER 1, LAS GALLINAS VALLEY SANITARY DISTRICT SEWER SERVICE CHARGES

A. OPEN PUBLIC HEARING

District staff presents the Ordinance No 187 Amending Title 3, Chapter 1 Sanitary Code of the Las Gallinas Valley Sanitary District.

B. REVIEW DISTRICT STAFF RECOMMENDATIONS

Board to consider staff recommendation to adopt Ordinance 187 to reflect the increase in sewer service charges effective July 1, 2021, through June 30, 2023 amending Title 3, Chapter 1 Sanitary Code of the Las Gallinas Valley Sanitary District.

C. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board regarding the proposed rate increase. Presentations are generally limited to three minutes.

D. CLOSE THE PUBLIC HEARING

Board to close the public hearing.

E. BOARD DETERMINATION AND ACTION

Board to consider comments from public, review administrative record and make determination regarding approval of Ordinance 187.

4:20 PM

5. PUBLIC HEARING – BUDGET FOR THE 2021-22 FISCAL YEAR

A. OPEN PUBLIC HEARING

B. BUDGET 2021-22 PRESENTATION:

District staff to present the following proposed budgets for the fiscal year July 1, 2021 to June 30, 2022:

- a. Revenue
- b. Operating and Maintenance
- c. Reserves
- d. Debt Service
- e. Capital Outlay

C. REVIEW DISTRICT STAFF RECOMMENDATIONS:

Board to approve the 2021-22 Budget as proposed.

D. PUBLIC COMMENT:

This portion of the meeting is reserved for persons desiring to address the Board regarding the proposed Budget. Presentations are generally limited to three minutes.

E. CLOSE THE PUBLIC HEARING:

Board to close the public hearing.

F. BOARD DETERMINATION AND ACTION

Board to consider comments from public, review administrative record and make determination regarding action to approve the proposed Budgets.

5:00 PM

6. RESOLUTIONS

Resolutions necessary to effectuate transmittal of the District's assessment roll to and acceptance by the Marin County Tax Collector for collection pursuant to Health & Safety Code Sec. 6760.

- A. RESOLUTION NO. 2021-2219– A RESOLUTION CONFIRMING THE ANNUAL SEWER SERVICE CHARGE AND SUPPLEMENTAL SERVICE CHARGES FOR THE LAS GALLINAS VALLEY SANITARY DISTRICT FOR THE FISCAL YEARS 2021 -22 AND 2022-23 AND PROVIDING FOR THE COLLECTION OF SEWER SERVICE CHARGES ON THE TAX ROLL
- B. RESOLUTION NO. 2021-2220 – A RESOLUTION FIXING AND APPROVING THE BUDGET FOR THE FISCAL YEAR 2021-22
- C. RESOLUTION NO. 2021-2222 – A RESOLUTION DETERMINING THE 2021-22 APPROPRIATION OF TAX PROCEEDS
- D. RESOLUTION NO. 2021-2223 – A RESOLUTION REQUESTING ALLOCATION OF TAXES FOR THE FISCAL YEAR 2021-22

5:20 PM

7. CONSENT CALENDAR:

These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.

- A. Approve the Board Minutes for June 3, 2021
- B. Approve the Warrant List for June 17, 2021
- C. Approve Board Compensation for May, 2021

Possible expenditure of funds: Yes, Items B and D

Staff recommendation: Adopt Consent Calendar – Items A through D,

5:30 PM

8. INFORMATION ITEMS:

STAFF/CONSULTANT REPORTS:

- 1. General Manager Report – Verbal

5:45 PM

9. EMPLOYEE CLIMATE SURVEY CONTRACT AWARD

Board to review and consider approving the Employee Climate Survey Contract Award.

6:00 PM

10. EMPLOYMENT AGREEMENTS FOR UNREPRESENTED EMPLOYEES:

- A. Board to approve the contracts with the unrepresented employees:
 - (i) General Manager
 - (ii) Administrative Services Manager
 - (iii) Collection System/Safety/Maintenance Manager
 - (iv) District Engineer
 - (v) Plant Manager
 - (vi) Administrative Financial Specialist

6:15 PM

11. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

6:20 PM

12. BOARD MEMBER REPORTS:

1. CLARK
 - a. NBWA Board Committee, NBWA Conference Committee, 2021 Operations Control Center Ad Hoc Committee, Other Reports
2. ELIAS
 - a. NBWRA, Ad Hoc Engineering Committee re: STPURWE, 2021 GM Evaluation Ad Hoc Committee, 2021 Operations Control Center Ad Hoc Committee, Other Reports
3. MURRAY
 - a. Marin LAFCO, CASA Energy Committee, 2021 GM Evaluation Ad Hoc Committee, 2021 Legal Services Ad Hoc Committee, Marin Special Districts Association, Other Reports – Offshore Wind Webinar
4. SCHRIEBMAN
 - a. Gallinas Watershed Council/Miller Creek Watershed Council, JPA Local Task Force NBWA Tech Advisory Committee, Other Reports
5. YEZMAN
 - a. Flood Zone 7, CSRMA, Ad Hoc Engineering Committee re: STPURWE Engineering Subcommittee, 2021 Legal Services Ad Hoc Committee, Other Reports

6:30 PM

13. BOARD REQUESTS:

- A. Board Meeting Attendance Requests – Verbal
- B. Board Agenda Item Requests – Verbal
- C. Pending Board Agenda Item Requests (Agenda Tentative Dates)
 - i. INFORMATION - Pump Station Vegetation and Safety Report - TBD
 - ii. INFORMATION – Marsh Pond Long Term Vegetation Management Comments – 7/15/21
 - iii. INFORMATION – HR Semi- annual report - TBD
 - iv. ACTION - Relocation Assistance Act Policy for Real Estate Acquisitions - TBD
 - v. ACTION – Parliamentary meeting Procedure – 7/15/21
 - vi. ACTION – Board Policies regarding Resolutions – 7/15/21
 - vii. ACTION – Board Norms Summary Document – 7/15/21
 - viii. ACTION – Strategic Plan Workshop- TBD

6:35 PM

14. VARIOUS INDUSTRY RELATED ARTICLES

6:40 PM

15. ADJOURNMENT

FUTURE BOARD MEETING DATES: JUNE 22, JULY 1, AND JULY 8, 2021

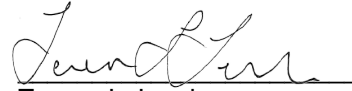
AGENDA APPROVED:

Crystal J. Yezman, Board President

Patrick Richardson, Legal Counsel

CERTIFICATION: I, Teresa Lerch, District Secretary of the Las Gallinas Valley Sanitary District, hereby declare under penalty of perjury that on or before June 14, 2021, 3:30 p.m., I posted the Agenda for the Board Meeting of said Board to be held June 17, 2021 at the District Office, located at 101 Lucas Valley Road, Suite 300, San Rafael, CA.

DATED: June 10, 2021



Teresa L. Lerch
District Secretary

The Board of the Las Gallinas Valley Sanitary District meets regularly on the first and third Thursday of each month. The District may also schedule additional special meetings for the purpose of completing unfinished business and/or study session. Regular meetings are held at the District Office, 101 Lucas Valley Road, Suite 300, San Rafael, CA.

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



Agenda Summary Report

To: Mike Prinz, General Manager *MPZ*
From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lgvSD.org
Meeting Date: June 17, 2021
Re: Two Resolutions Certifying Legal Notices Had Been Given for the Public Hearings Regarding the 2021-22 and 2022-23 Sewer Rates, and the 2021-22 Budget.
Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board adopt the two resolutions described below.

BACKGROUND

Resolutions indicating that public notice has been provided for Public Hearings are required by Government Code § 54954.2 and the Sanitary District Act of 1923, Health and Safety Code §§ 6400 et seq. for the budget and for changes to the sewer rates. Two resolutions certifying that legal notices had been given for the 2021-22 and 2022-23 Sewer Rates and the 2021-22 Budget have been developed and are attached hereto. These resolutions are as follows:

- A. Resolution No. 2021-2217 – Certifying that legal notice has been given for the hearing on the sewer service charge rate increase for the fiscal years 2021-22 and 2022-23.
- B. Resolution No. 2021-2218 – Certifying that legal notice has been given for the hearing on the budget for the fiscal year 2021-22.

PREVIOUS BOARD ACTION

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None.

Marin Independent Journal

4000 Civic Center Drive, Suite 301
San Rafael, CA 94903
415-382-7335
legals@marinij.com

2074259

LAS GALLINAS VALLEY SANITARY
300 SMITH RANCH ROAD
SAN RAFAEL, CA 94903

**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

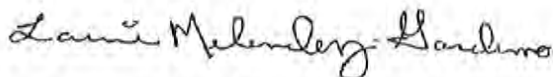
**STATE OF CALIFORNIA
County of Marin**

I am a citizen of the United States and a resident of the County aforesaid. I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

05/13/2021, 05/27/2021, 06/10/2021

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 10th day of June, 2021.



Signature

PROOF OF PUBLICATION

Legal No. **0006574647**

**NOTICE OF PUBLIC HEARING
LAS GALLINAS VALLEY SANITARY DISTRICT**

The Sanitary District is desirous of public comments on the Annual Budget and the Proposition 218 Annual Sewer Service Charge increase prior to adoption. Copies of the Budget are available at the District Office free of charge to the public as well as on the District's website at www.LGVSD.org

Effective Date July 1, 2021

Proposed Residential Charges: Single-family home or residential units such as condominiums and mobile homes - Annual Sewer Charge Rate per living unit. Multi-family residential units such as apartments - 90% of the Annual Sewer Service Charge per living unit.

Current Rate: \$958 per year.

Proposed Maximum Residential Rate:
2021/22 - \$ 1,055 per year, increase of \$87.
2022/23 - \$ 1,150 per year, increase of \$95.

Proposed Non-Residential Sewer Service Charges: Rates for non-residential customers are proportional to the rise in residential rates. Rates are calculated individually for each type of non-residential use, based on water usage and a strength factor, which is an average cost to treat wastewater from a particular type of non-residential customer.

Copies of the Proposition 218 Notice are available for public review at the District Office and on the District Website

FURTHERMORE, said Board intends to adopt the District Budget for 2021-22 and the District Annual Sewer Service Charge Increase with or without modification at the public hearing set for June 17, 2021.

NOTICE IS HERBY GIVEN, that on June 17, 2021 at 3:30 PM at the regular meeting place of said District, Las Gallinas Valley Sanitary District Administration Office, 101 Lucas Valley Road, San Rafael, said Board will hear and consider Ordinance 187 and all comments to the Annual Sewer Service Charge Increase for 2021-22 and 2022-23 and the District Budget for 2021-22.

Dated: May 5, 2021

Mike Prinz
General Manager
Las Gallinas Valley Sanitary District

5/13,27, 6/10/2021

RESOLUTION No. 2021-2217

**A RESOLUTION CERTIFYING THAT LEGAL NOTICE
HAS BEEN GIVEN FOR THE HEARING
ON THE SEWER SERVICE CHARGE RATE INCREASE FOR THE
FISCAL YEARS 2021-22 AND 2022-23**

LAS GALLINAS VALLEY SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

WHEREAS, a notice to all property owners of the District was mailed before April 30, 2021 announcing the public hearing on Sewer Service Charge increases proposed for the fiscal years 2021-22 and 2022-23 as required by California Proposition 218; and

WHEREAS, this District held public workshops on April 20, 2021 regarding a two-year rate plan and FY 2021-22 budget and on May 10, 2021 to review the proposed Sewer Service Charges for 2021-22 and 2022-23; and

WHEREAS, this District has invited the public comment on the proposed maximum rates for 2021-22 and 2022-23 at a public hearing on June 17, 2021 regarding a two-year rate plan; and

WHEREAS, the District has duly published legal notice in the Marin Independent Journal, a newspaper of general circulation on May 17th, May 27th and June 10th, 2021, posted said notice at the District's offices at 101 Lucas Valley Road, Suite 300, San Rafael, CA, 94903; and at its website at www.lgvsd.org in accordance with the requirements of the Government Code § 54954.2 and the Sanitary District Act of 1923, Health and Safety Code §§ 6400 et seq., said notice specifying, among other things, that the District will conduct such hearing on Thursday, June 17, 2021 at 3:30 p.m. at the District's offices.

NOW THEREFORE, the Board certifies that legal notice has been given.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021, by the following vote of the members thereof:

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

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

Crystal J. Yezman, Board President
Las Gallinas Valley Sanitary District

(seal)

RESOLUTION No. 2021-2218

**A RESOLUTION CERTIFYING THAT LEGAL NOTICE
HAS BEEN GIVEN FOR THE HEARING
ON THE BUDGET FOR THE FISCAL YEAR 2021-22**

LAS GALLINAS VALLEY SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

WHEREAS, this District has reviewed the preliminary budget at public workshop on April 20, 2021 and at its regular Board meeting held on May 20, 2021, and has invited the public comment on the budget.

WHEREAS, the District has duly published legal notice in the Marin Independent Journal, a newspaper of general circulation posted on May 17th, May 27th and June 10th, 2021, and posted said notice at the District's offices at 101 Lucas Valley Road, Suite 300 San Rafael, CA, 94903; and at its website at www.lgvsd.org in accordance with the requirements of the Government Code § 54954.2 and the Sanitary District Act of 1923, Health and Safety Code §§ 6400 et seq., said notice specifying, among other things, that the District will conduct such hearing on Thursday, June 17, 2021 at 3:30 p.m. at the District's offices.

NOW THEREFORE, THE BOARD certifies that legal notice has been given.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021, by the following vote of the members thereof:

AYES, and in the favor thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

Crystal J. Yezman, Board President
Las Gallinas Valley Sanitary District

(seal)



Agenda Summary Report

To: Mike Prinz, General Manager *MJP*
 From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lgvsd.org
 Meeting Date: June 17, 2021
 Re: Public Hearing for the Sewer Service Charges for Fiscal Years 2021-22 and 2022-23

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

STAFF RECOMMENDATION

Staff recommends that the Board conduct the public hearing, receive and consider a sewer service charge rate increase to \$1,055 per sanitary unit in Fiscal Year 2021-22, a 9.0% increase, and also consider a sewer service charge rate increase to \$1,150 per sanitary unit in Fiscal Year 2022-23, a 9% increase. Immediately following this public hearing, is a public hearing to adopt Ordinance No. 187, which will legally establish the annual sewer charge unit rates for Fiscal Years 2021-22 and 2022-23.

BACKGROUND

Legal and Technical Aspects

California Constitution Article XIII D (adopted by voter initiative, Proposition 218, effective November 1996) provides the legal framework against which the District's charges must be measured. Sewer user fees are "Property Related Fees and Charges" governed by Article XIII D, Section 6. (See Paland v. Brooktrails Township Community Services District (2009) 176 Cal. App. 4th 158.) Article XIII D defines fee or charge as "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service." (Article XIII D, Section 2, Subdivision (e).) "Property-related service" is defined as "a public service having a direct relationship to property ownership." (Article XIII D, Section 2, Subdivision (h).)

Under Article XIII D, Section 6, Subdivision (b), an agency may not impose or increase property related fees and charges unless they meet certain substantive requirements, including:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.



Each year the District analyzes the cost of providing service and the related revenue requirement as part of the budget process. The majority of the District's costs are fixed related to operating, maintaining and upgrading the facilities for all levels of wastewater flow, high or low. The variable costs related to the level of flow are primarily power and chemical costs. The infrastructure required to convey one million gallons a day or three million gallons a day of sewage to the plant for treatment is substantially the same. The District must provide full flow sewer service capacity regardless of the impacts of weather and regardless of the number of building occupants, which can vary from day to day, owner to owner.

On April 24, 2020, the District entered into agreement with HDR to complete a Cost of Sewer Service Study to assist with the development of a series of rate policies to be used for future management of sewer use charge fees for the fiscal years July 1, 2020-2021, 2021-2022, and 2022-2023. As part of the study HDR reviewed the financial and rate setting policies of the District. Key assumptions were developed with assistance from staff and focused on revenue calculations and projections, projections of Operating & Maintenance (O&M) expenses and review of the capital improvement plan, and the overall rate transition plan and its impacts to the District's fund balance. Due to time constraints, the sewer service charge rates for the first year (FY2020-21) of this plan was calculated by the District in a manner consistent with its current rate calculation methodology and was set at \$968. The rates for the subsequent two years of the three-year plan are what is being considered today.

The broader objective of the study was to provide the necessary information and analysis to the District's Board of Directors for it to set rates and a rate structure to adequately fund the operating, capital costs and debt service for the next two years. The study also considered future capital related expansion of facilities, especially the impact large Capital Improvement Projects (CIP), such as the new Operation Control Center Administration Building and John Duckett Pump Station, would have on sewer rates.

On April 15, 2021, the Board adopted the Sewer Rate study ("Study"), which was prepared by HDR Engineering, Inc (HDR). This Study is incorporated by reference as part of the Administrative Record of this proceeding and available for inspection at the Las Gallinas Valley Sanitary District website <http://www.lgvsd.org/218>.

On April 20, 2021, the Board set the public hearing for the budget and sanitary sewer service charges for June 17, 2021. Pursuant to the requirements of Proposition 218, the legal notice was mailed to all property owners of the District on April 30, 2021; a public notice of the hearings was published in the Marin Independent Journal on May 13, May 27 and June 10, 2021; and a notice was posted on the home page of the District website.

The rates included in the two-year rate plan, based on 9.0% increases for each of the following two years, are as follows:

Fiscal Year	Maximum Rate	Adopted Rate
2021/22	\$1,055	\$1,055 (proposed)
2022/23	\$1,150	\$1,550 (proposed)

Rate Calculation Methods

The District has analyzed anticipated FY 2021-22 operating expenses and based on the rate study of 2021, determined the appropriate supporting rate for the subject years. Many rate-related factors beyond the proposed rate increase remain unchanged from the previous five-year rate methodology and connection fee summary which are summarized below:

1. Maintaining flat rate sewer charges for all residential customers.
2. Adjusting the rate for multi-family residential customers to 90% of a single-family customer based on the findings in the study that, on average in examining the winter water use, multi-family units use 90% of a single-family home.
3. Multi-family residential customers are those that are defined by the County of Marin Assessor's office as multi-family. Typically, they have a use code of 21 and more than 1 living unit; however, properties that are owned by a non-profit or governmental entity may have a use code of 61 and 81, respectively. Identification of properties with a use code of 61 and 81 that meet the requirements to be classified as multi-family will similarly have living units in excess of 1.
4. Adjusting the calculation of commercial customer sewer charges, which are based on water usage, to utilize 8 Centum Cubic Feet (CCF) per month rather than 10 CCF per month.
5. In calculating the commercial customers sewer charges, the calculation is taken out one more decimal point rather than rounding up to the next whole number i.e., 19.2 rather than 20.
6. Adjusting the strength factor for certain customers:

a.

Customer Class	Pre-2015 Strength Factor	Post-2015 Strength Factor
Restaurants/Cafes	2.6	2.4
Bakeries	2.6	3.2
Mortuaries	1.0	2.0

- b. An additional strength factor category was added for Hospitals/Convalescent Homes/Assisted Living Facilities with a domestic strength factor of 1.0.
- c. Elimination of strength factor classifications for Rooming Houses and Motels with and without kitchen since these categories are better categorized with Hotels and Motels.

The Board also agreed to re-examine the application of the 90% of a sewer charge to multi-family units in subsequent years. During 2014, the Board commissioned HDR to update its finding from the prior study. At the April 23, 2015 meeting the Board adopted the Technical Memorandum prepared by HDR which stated that using 90% of a single-family residential sewer charge was still a reasonable method based on a review of the water consumption data for multi-family residential units. Updates may occur in future years; however none were proposed at this time.

The District is continuing to use the methodology of a flat fee per residential dwelling unit which is the predominant practice of stand-alone sewage collection and treatment agencies in California. The District has approximately 9,700 parcels which are charged for sewer service, of these approximately 600 are non-residential customers for which individual calculations are required.

As part of the capital outlay plan for the five-year period ending June 30, 2020, the Board set as a target the median combined sewer charge and property taxes for Marin County. Sewer agencies in Marin receive varying amounts of property taxes per capita depending on several factors including property tax values, turnover of housing stock, and the level of services provided by the agencies when Proposition 13 was passed. Other agencies and cities have implemented multiple rate schedules for residential users including volumetric rates and reduced charges for multi-family residential properties. In addition, the sewer user charge for commercial users is calculated based on the volume of water used during the summer and winter billing periods. This user groups makes up only 3% of users but generates 21% of the sanitary sewer charges.

Each year, staff develops a budget which takes into account the planned upgrades and expenditures. The Board reviews the budget at a workshop in April and makes a determination as to which projects will proceed in the coming fiscal year. The budget dictates the revenue required for the upcoming fiscal year.



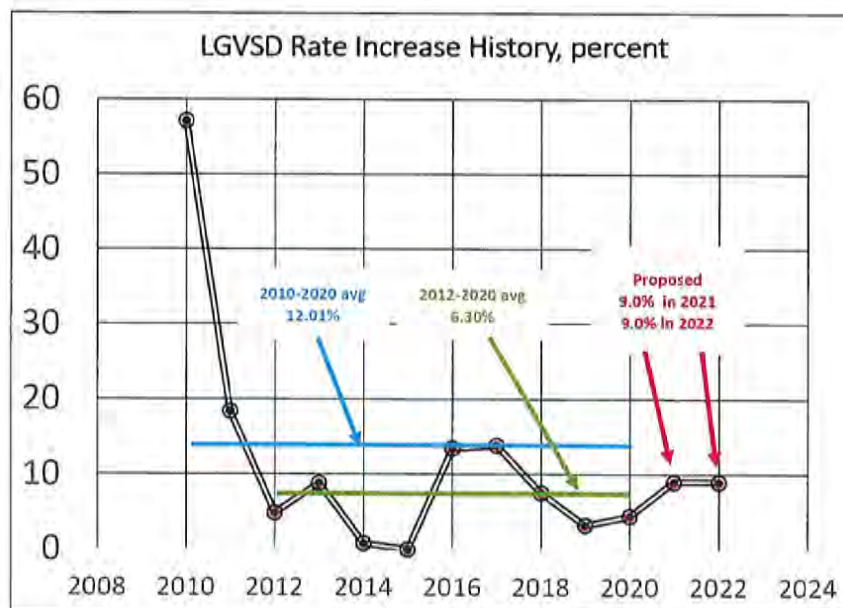
The budget process identified the need to raise the sewer service charge rates to cover the expenses for fiscal year 2021-22 and beyond.

The vast majority of our customers have their sewer service charges collected annually as a line item on their property tax bill as an assessment along with their property tax bill from the County. Some agencies receive a larger share of property tax from the county which helps keep their sewer service charge rates lower, and others receive less or no property tax revenue. For example, Corte Madera Sanitary District (SD) and Richardson Bay SD historically has received 49% and 33% of their billable revenue from property taxes. As such, they are not a good agency to compare sewer service rates too and are therefore excluded from the table below. Property tax revenue distributed to sewer agencies in Marin County averages 17% of their billable revenue. Las Gallinas Valley Sanitary District receives below the average, 9.32% of our billable revenue was from property taxes in 2020-21, which is the equivalent of \$99 for each sewer service charge unit.

Below is a table of the sewer user charges collected by other Marin County sewer agencies for fiscal year ending June 30, 2021 and the anticipated rates for next fiscal year.

Location	Rates		%	
	2021/22	2020/21	Rate Increase	Other District's Rates vs LGVSD
Belvedere SD5	1985	1985	0.00%	87.26%
Tamalpais CSD	1375	1324	3.85%	29.72%
Sausalito / Marin City SD	1162	1103	5.35%	9.62%
Ross Valley SD	1083	1024	5.76%	2.17%
Las Gallinas Valley SD	1055	968	9.0%	0.00%
Tiburon SD5	1034	1034	0.00%	-2.45%
San Rafael SD	861	861	0.00%	-18.77%
Novato SD	657	657	0.00%	-38.02%

The chart below depicts the LGVSD rate increase trend dating back to 2010:





Staff has continued to update the budget as additional information became available. For the 2021-22 fiscal year, staff is proposing a budget which establishes the sewer charge revenue at \$1,055 per sanitary unit. The proposed annual charge for 2021-22 equates to \$88 per month, up from \$81 in 2020-21, for single-family residential customers. This equals an increase of \$7 per month. The proposed annual charge for 2022-23 of \$1,150 equates to \$96 per month for single-family residential customers.

The proposed sewer service charge increase for fiscal year 2021-22 and the proposed budget for 2021-22 are inter-related. The public hearing on the budget will be considered immediately after the Board considers adoption of Ordinance No. 187 setting the sewer service charge rate. Any reduction in sewer service charge revenue will require a reduction of capital outlay and/or operating expenses to balance the 2021-22 budget.

Alternatives

The Board directed staff to identify budget alternatives that would reduce the impact a sewer service charge increase would have on its customers. The alternatives presented are for the proposed rate increase for fiscal year 2021-22 only. The proposed second year rate increase of 9% can be reconsidered during the budget process of fiscal year 2022-23. Staff investigated various options and two alternatives could be implemented which would lower customer rates for fiscal year 2021-22.

1. **Rate Stabilization** - draw down the Rate Stabilization reserve by an additional \$133,441, leaving a balance in the reserve of \$429, which would allow:
 - a. Reduction of the sewer service charge rate increase, from 9.0% to 8.13%.
 - b. Equal to a rate of \$1,047 per sanitary service unit.
 - c. Lowers increase to only \$79 over the current rate of \$968.

2. **Use Capital Carryover Funding for Projects Instead of Sewer Rate Funding** - The *Flow Equalization Basin Design and Construction Capital Project* has carryover funding allocated to the project. Engineering has identified the decommissioned secondary clarifier at the treatment plant as a resource that can be modified to provide limited equalization storage, reducing the urgency to build a new flow equalization basin within the next 2-3 years. Funding set aside for construction can therefore be reallocated to more pressing capital projects at the treatment plant which include:

\$125K in additional funding for the Operational Control Center Admin Building design
\$60K for annual plant paving projects
\$60K for chemical tank replacement and new eyewash stations
\$30K miscellaneous plant equipment demolition

\$275K Total transfer of Carryover Funds in Fiscal Year 2021-22

Utilizing capital project carryover funding instead of sewer service charge rate funding for the above projects would result in:

- a. Further reduction of the sewer service charge rate increase, from 8.13% to 6.34%.
- b. Rate of \$1,029 per sanitary service unit.
- c. Lower increase to only \$61 over the current rate of \$968.

Engineering has advised against deferring any capital projects or implementing additional Capital Improvement Program budget reductions. Capital costs are only anticipated to increase in coming years.



The Board can choose to implement one, both or none of the alternatives suggested on the previous page. Staff recommends considering alternatives only for fiscal year 2021-22. Please see the table below showing the effect to the Sewer Service Charge (SSC) rates:

Proposed Basic Rate FY 21-22 with Alternatives

Percentage Increase	9%	8.13%	7.21%	6.34%
Annual SSC Rate	\$1,055	\$1,047	\$1,038	\$1,029
Annual Increase in FY 21/22	\$87	\$79	\$70	\$61
Alternative	-	1	2	1+2

Proposed Basic Rate FY 22-23 remains at 9%

Annual SSC Rate	\$1,150	\$1,141	\$1,131	\$1,122
Annual Increase in FY 22/23	\$95	\$94	\$93	\$93

PREVIOUS BOARD ACTION

On April 15, 2021, the Board adopted the Sewer Rate Study, which was prepared by HDR Engineering, Inc.

On April 20, 2021, the Board participated in a budget workshop on the preliminary budget for fiscal year 2021-22 and considered impacts the proposed rate increase would have on the community. The Board approved noticing a maximum 9% SSC rate increase for 2021-22 and 2022-23 along with setting the time and place for the public hearing on the sewer service charge rates to be June 17, 2021.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

Projected sources or revenue for fiscal year 2021-22 are \$40,801,914, of which \$16,057,078 is derived from user charges, based on a 9% rate increase, collected under the sanitary sewer service charge.

It is important to note that the funds reallocated from the Rate Stabilization Reserve and/or Capital Carryover Funding will have to be replaced as early as fiscal year 2023-24 which could mean SSC increases in excess of 10% in future years.



Agenda Summary Report

To: Mike Prinz, General Manager *MP*
From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lgvSD.org
Meeting Date: June 17, 2021
Re: Public Hearing – Ordinance 187 - Sewer Service Charges
Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X .

STAFF RECOMMENDATION

Staff requests that the Board open the public hearing to solicit public input. Once received and considered, staff recommends that the Board approve Ordinance 187 – An Ordinance Amending Title 3, Chapter 1 Sanitary Code of the Las Gallinas Valley Sanitary District.

BACKGROUND

The purpose of this Ordinance is to codify the action taken in the item that immediately precedes this on the District Board Meeting Agenda: Public Hearing - Sewer Service Charge Rate Increase.

PREVIOUS BOARD ACTION

Immediately preceding this Public Hearing, the Board conducted a Public Hearing for the Sewer Service Charges for Fiscal Years 2021-22 and 2022-23 as required by Government Code.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A

**BOARD OF DIRECTORS OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT**

ORDINANCE 187

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 1,
LAS GALLINAS VALLEY SANITARY DISTRICT
SEWER SERVICE CHARGE ORDINANCE**

The Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, does ordain as follows:

Section 1. The title and contents of Article II, Section 201(C), Title 3, Chapter 1 of the Las Gallinas Valley Sanitary District Ordinance Code is amended to read as follows:

Section 2.

ARTICLE II. SEWER SERVICE CHARGES

Section 201. Rate Schedule/Sewer Service Units. Each owner of premises within the District shall pay a Sewer Service Charge for each sewer service unit in accordance with the purposes for which said premises are used. In the event that the premises are used for more than one purpose, there shall be an annual charge for each classification of use on portions of said premises and the annual sewer service charges for such premises shall be the aggregate of the all such annual charges. For each use, sewer services units are assigned according to the following schedule: * * * * *

(C) Amount of Annual Sewer Service Charge. Pursuant to legal notification as specified in Government Code Section 53756(d), the annual sewer service charge for the following fiscal years are as follows:

FISCAL YEAR ANNUAL SEWER SERVICE CHARGE FOR EACH SEWER SERVICE UNIT

2021/22	\$1,055
2022/23	\$1,150

Section 3. Upon adoption of this Ordinance, it shall be entered in full in the minutes of the Board of Directors, shall be posted in one place in the District, shall be published once in the Marin Independent Journal, and shall take effect immediately upon the expiration of one (1) week of said publication and posting.

I hereby certify that the foregoing is a full, true and correct copy of the Ordinance duly and regularly passed and adopted by the Board of Directors of the Las Gallinas Valley Sanitary District of Marin County, California, at a meeting hereof held on June 17, 2021, by the following vote of members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

Teresa L. Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

Crystal J. Yezman, Board President

(seal)



Agenda Summary Report

To: Mike Prinz, General Manager *MAP*
 From: Dale McDonald, Administrative Services Manager *M*
 (415) 526-1519 dmcDonald@lqvsd.org
 Meeting Date: June 17, 2021
 Re: Public Hearing – Budget for the 2021-22 Fiscal Year
 Item Type: Consent Action Information Other
 Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Staff requests that the Board open the public hearing to solicit public input. Once received and considered, staff recommends that the Board approve the FY 2021-22 Budget.

BACKGROUND

Staff and the Board has been meeting since February 2021 to develop the budget for fiscal year 2021-22. Multiple Board meetings have been held on the budget and associated sewer service rate study completed by HDR Engineering, Inc. To ensure adequate funding, the proposed budget includes a 9.0% increase to the sewer service charges imposed.

On May 20, 2021, staff responded to the previous Board requests and comments regarding the budget. Highlights between the initial preliminary budget and proposed budget were discussed. Changes between the May 20, 2021 proposed budget and the final proposed budget are described below:

Highlighted Changes

REVENUE

1. *Sewer Service User Charges* - \$42,968 increase over the revenue projected May 20. A large apartment complex was identified as being underbilled in fiscal year 2020-21 and once corrected, the recognized Sewer Service Charge (SSC) revenue increased.
2. *Recycled Water Revenue* –revenue revised based on anticipated recycled water to be purchased by North Marin Water District (NMWD) and Marin Municipal Water District (MMWD), bringing in \$123,030 in additional revenue.
3. *Non-Operating Revenue* – total revenue increase of \$17,929 due to various minor adjustments within the sub-accounts.
4. *Capacity Connection Fees* - the recent Kaiser Los Gamos connection fee of \$181,511 raised the projected 2020-21 connection fee revenue from \$28,968 to \$209,229. The proposed revenue for 2021-22 has been lowered to \$35,341 based on the last two-year average excluding the Kaiser fee.
5. *MMWD Inter-Governmental Revenue* – projected \$230,899 increase over the prior budget due to pending recovery of overage costs related to the demolition of the decommissioned MMWD

recycled water system that was removed as part of the Secondary Treatment Plant Upgrade Recycled Water Plant Expansion (STPURWE) Project.

EXPENSES

1. *Employee Wages & Benefits* – up from \$6,401,330 to \$6,489,240, an increase of \$87,910. The projected budget calculation was refined switching from a monthly formula to bi-weekly to capture the last pay period date of June 27. The % salary change over the prior year budget rose from 17.95% to 19.15%, mostly attributable to additional positions.
2. *Contracted Services* – Outside services are anticipated to decrease by 38.62% over the prior year adopted budget and 9.6% under the prior year actual expenses. Other consultant costs are projected to be about \$9K lower in 2021-22 as well. Contracted services remain a substantial percentage of the budgeted operation expenses.
3. *Utilities and General Administrative* – increased approximately \$60K. Utility power was the primary driver, up from \$278,200 to \$317,300.

The proposed budget includes adding three positions beginning in fiscal year 2021-22 all of which were most recently discussed during the May 20 budget presentation. These positions are necessary in order to address a range of District needs associated with deferred maintenance, business risk, approved strategic initiatives, staff morale, standby fatigue, and workload distribution. These new positions are:

- Plant Operator III (*pre-approved on May 10, 2021*)
- Computerized Maintenance Management System (CMMS) Technician
- Civil Engineering Technician

Alternatives

The Board directed staff to identify budget alternatives that would reduce the impact rate increases would have on customer rates. Staff investigated various options and two alternatives were presented at the public hearing immediately preceding this hearing on the budget. These two alternatives are summarized below:

1. **Rate Stabilization** – draw down the Rate Stabilization reserve by an additional \$133,441, leaving a balance in the reserve of \$429, which allows a reduction of the sewer service charge rate increase from 9.0% to 8.13%. Sewer Service User Charge revenue will decrease to \$15,923,637. The Rate Stabilization fund will need to be restored over the next 3 to 4 years per District reserve policy.
2. **Use Capital Carryover Funding for Projects** – utilize \$275,000 of the *Flow Equalization Basin Design and Construction Capital Project* carryover funding to fund four (4) projects that otherwise would be funded from sewer service charge revenue. Utilizing capital project carryover funding instead of sewer service charge rate funding allows further reduction of the sewer service charge rate increase from 8.13% to 6.34%. Sewer Service User Charge revenue will be reduced to \$15,648,637. Construction of the Flow Equalization Basin is not scheduled until 2023-24.

Projects Identified to Receive Carryover Funding

\$125K in additional funding for the Operational Control Center Admin Building design
\$60K for annual plant paving projects
\$60K for chemical tank replacement and new eyewash stations
\$30K miscellaneous plant equipment demolition

Engineering has advised against deferring any capital projects or implementing additional Capital Improvement Program budget reductions. Capital costs are only anticipated to increase in coming years.

SUMMARY

The budget as proposed is balanced. Revenue increase of \$308,127 over what was presented in the proposed budget on May 20 is recognized in the final proposed budget. Bonds and reserve expenses are \$8,130 higher than what was proposed on May 20. Operating expenses increased \$124,690. Reserve funding increased \$109,650. Capital Outlay remained the same. In summary, the net change closes the shortfall of \$170,525 presented in the budget of May 20.

The Sewer Service Charge (SSC) increase for fiscal year 2021-22 and the proposed budget for 2021-22 are inter-related. The public hearing on the SSC increase was considered immediately prior to the presentation of this proposed budget and included discussion on alternative rate increases. Any reduction in SSC revenue will have an impact in obtaining a balanced budget unless alternative funding sources are identified from capital outlay funding transfers, reserve drawn down, or reduction in operating expenses..

Please see the attached Proposed Budget report and financial schedules for details.

PREVIOUS BOARD ACTION

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

On April 15, 2021, the Board approved accepting the draft Sewer Rate Study which proposed rate increases of 9.5% for each of the fiscal years 2021-22 and 2022-23. No action was taken on proposed rates.

On April 20, 2021, the Board participated in a budget workshop on the preliminary budget for fiscal year 2021-22 and considered impacts the proposed rate increase would have on the community. The Board approved noticing a maximum 9% SSC rate increase for 2021-22 and 2022-23.

Resolution No. 2021-2210, approved on April 20, 2021, set the public hearing for the Fiscal Year 2021-22 Budget.

The Board received a budget update on May 10 and on May 20, 2021. A request to find alternatives to imposing the proposed 9.0% SSC increase was made by members of the Board.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The proposed budget is balanced with total expenditures of \$40,801,914. Revenue and utilization of reserve funding is projected to be \$40,801,914. The budget includes \$321,678 being allocated to the operating reserve fund.

The proposed budget will use \$166,130 from the rate stabilization reserve fund to help lower the SSC rate, keeping it at 9.0% unless otherwise directed by the Board.

Las Gallinas Valley Sanitary District

Proposed Budget

June 17, 2021



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Fax: 415-499-7715
www.LGVSD.org

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

DISTRICT BOARD
Megan Clark
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.

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

Las Gallinas Valley Sanitary District

Proposed Budget – 2021-22

REVENUE

Operating Revenue

The District is heading into its first year of a new two-year rate plan. The rate of 4.44% for 2020-21 was developed internally by staff last year. The presentation 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.

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.

Las Gallinas Valley Sanitary District

Proposed Budget – 2021-22

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

Las Gallinas Valley Sanitary District

Proposed Budget – 2021-22

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.

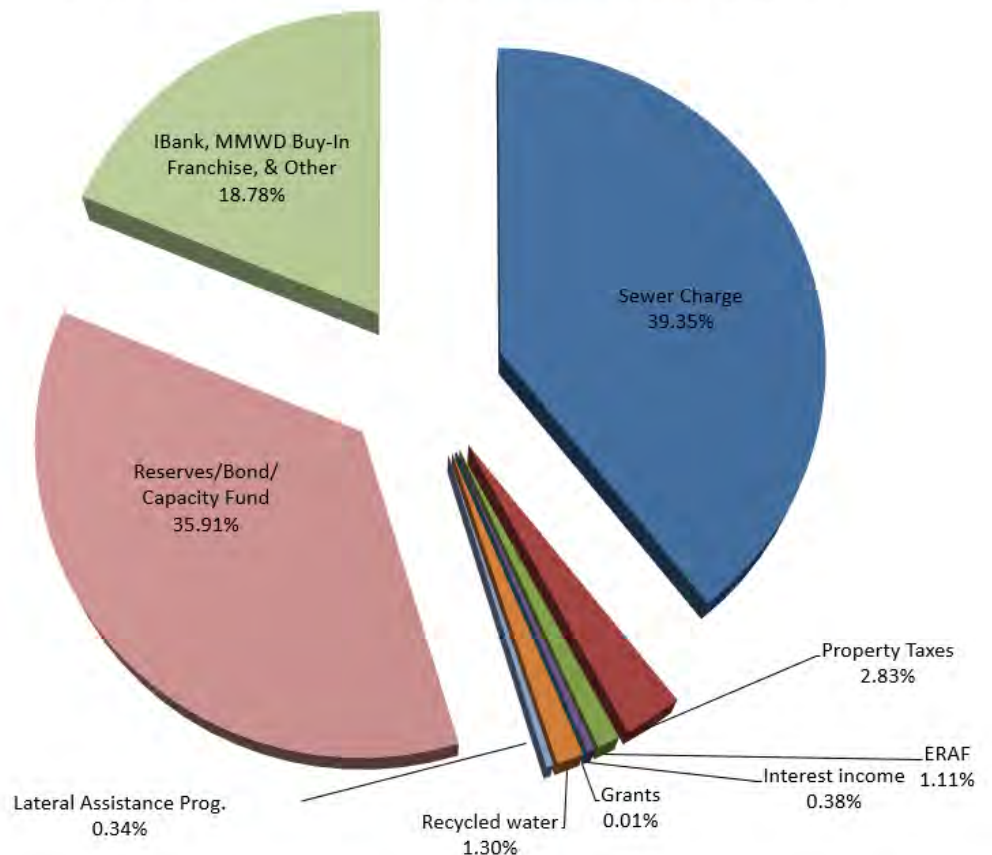
Utilization of Bond Funds and Reserves

To help offset the SSC rate increase this year, management is proposing 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.

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 previously funded capital projects

Fiscal Year 2021/22 Total Revenue Sources \$40,801,914



Las Gallinas Valley Sanitary District Proposed Budget – 2021-22

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 \$10,018,060 of prior-year capital carry-over is budgeted for use in 2021-22.

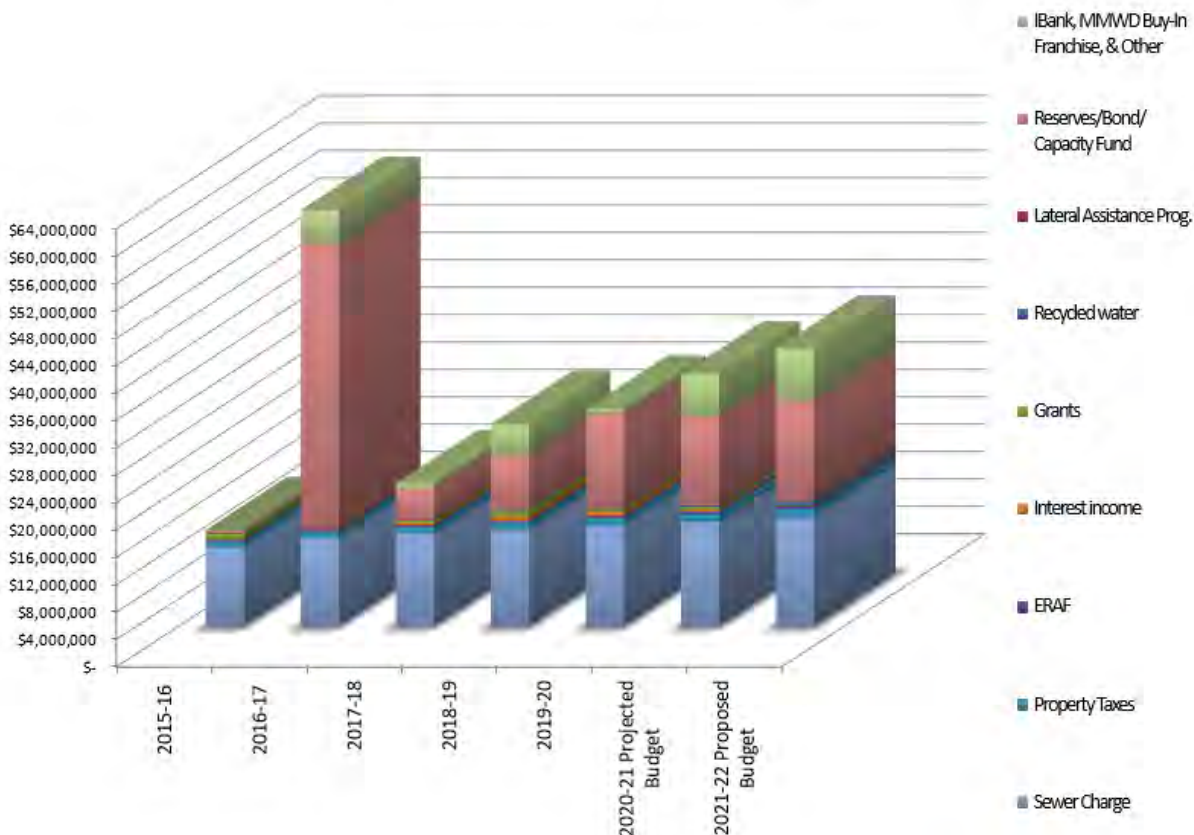
The 2017 Bond, used for the STPURWE Project, has been depleted as expected and the related LAIF bond account has been closed. Capital Construction Project Reserves in the amount of \$4,019,000 will be used in 2021-22. No additional transfers or earned interest is budgeted in 2021-22.

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.

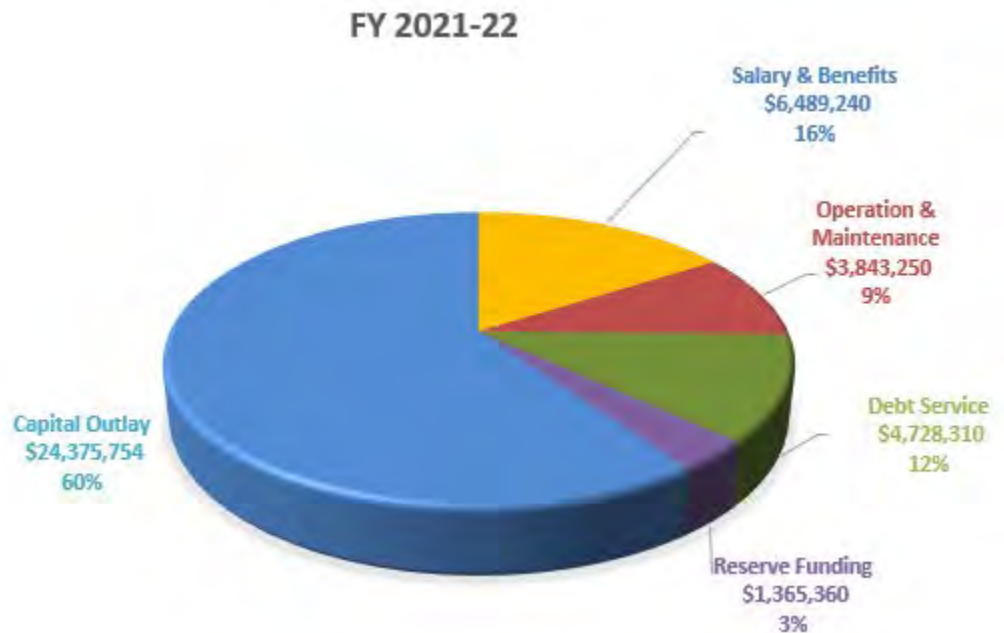
Modified accrual accounting is an alternative bookkeeping method that combines accrual-basis accounting with cash-basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

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.

Las Gallinas Valley Sanitary District

Proposed Budget – 2021-22

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.

Las Gallinas Valley Sanitary District

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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.

Las Gallinas Valley Sanitary District

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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

Las Gallinas Valley Sanitary 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

Proposed Budget – 2021-22

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

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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.
- 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

Proposed 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.

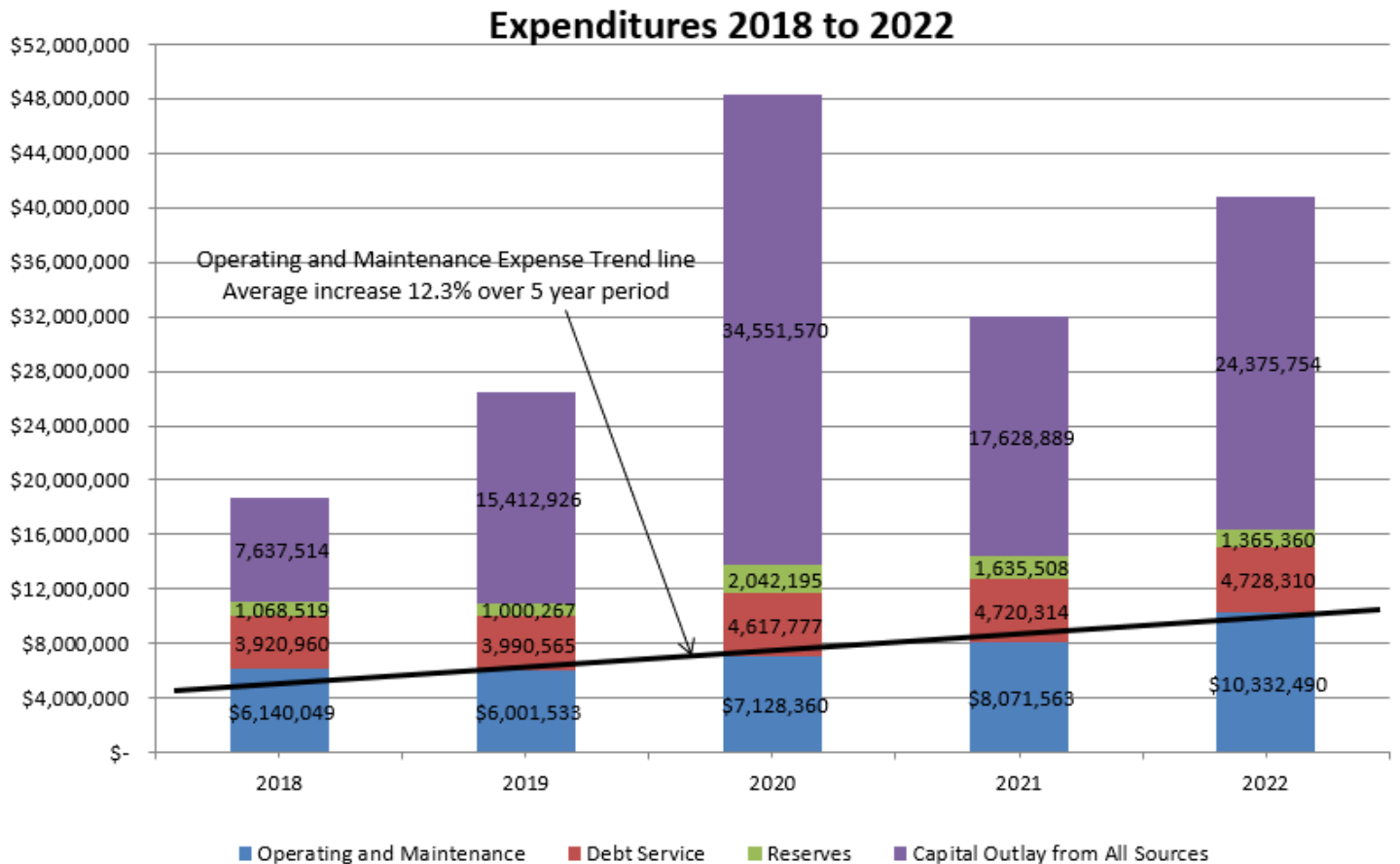
A preliminary five-year CIP, in landscape layout, contains projected expenditures through 2025-26 which show the Operational Control Center & Administration Building construction in year 4, as presented by HDR, Inc. based on 9.0% rate increases over at least the next 2 years, subject to change by the 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 Proposed 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 Proposed Budget – 2021-22

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

Revenue Description	2019-20 Final Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Proposed Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 14,831,995	\$ 15,289,361	\$ 15,338,093	\$ 16,057,078	4.78%
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	16,674,538	7.86%
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 / Passthu	-	-	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	\$ 26,184,724	
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	-	166,130	
Private Sewer Lateral Assistance Funds	-	-	-	100,000	
Prior Year Capital Project Carryover Utilized	13,067,053	11,270,217	12,449,823	10,018,060	
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	14,617,190	-87.23%
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
PROPOSED BUDGET - JUNE 17 2021**

	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Proposed 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
PROPOSED BUDGET - JUNE 17 2021**

Acct. Num.	Expense Description	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Proposed Budget	% Change Over Prior Year 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>	<u>19.15%</u>
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>	<u>4.45%</u>
1701	Workers' Comp Insurance	65,033	46,000	61,664	75,500	39.07%
2060	Pooled Liability & Property Insurance	106,905	128,029	197,950	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>	<u>43.25%</u>
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>	<u>4.43%</u>

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

Expenditure	2019-20 Total Actual	2020-21 Adopted Budget	2020-21 Projected End of Year	2021-22 Proposed 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
PROPOSED BUDGET - JUNE 17, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Proposed 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	-	-	-	(166,130)
Ending Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ 133,870
<i>Purpose: Fund unexpected expense increases, replenish over 3 to 4 year period.</i>			<i>Target:</i>	\$ 300,000
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<i>Purpose: Fund emergency repairs, replenish over 2 to 3 year period.</i>			<i>Target:</i>	\$ 1,000,000
Capital Reserves (STPURWE and other)				
Beginning Balance	\$ 1,761,622	\$ 2,593,812	\$ 2,593,812	\$ 3,425,644
Plus: Undesignated additions	146,722	146,722	146,722	229,717
Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾	222,115	221,715	221,715	222,915
Plus: STPURWE MMWD Buy-In ⁽²⁾	206,549	206,549	206,549	206,549
Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾	256,804	256,804	256,846	256,720
Less: Authorized Use of Funds	-	-	-	(4,019,000)
Ending Balance	\$ 2,593,812	\$ 3,425,602	\$ 3,425,644	\$ 322,545
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 4,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 949,031
Plus: Additions	1,000,000	328,131	328,131	50,969
Less: Authroized Use of Funds	-	-	(379,100)	-
Ending Balance	\$ 1,000,000	\$ 1,328,131	\$ 949,031	\$ 1,000,000
<i>Purpose: To fund large vehicle and equipment replacements.</i>			<i>Target:</i>	\$ 1,000,000
Ending Reserve Balance	\$ 7,079,424	\$ 8,295,631	\$ 8,026,573	\$ 5,129,991

(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
PROPOSED BUDGET - JUNE 17, 2021**

	2019-20 Actual	2020-21 Adopted Budget	2020-21 Projected	2021-22 Preliminary Budget
Restricted Funds				
Capacity Connection Fee Fund (#5025)				
Beginning Balance	\$ 53,282	\$ 96,745	\$ 96,745	\$ 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

(Date: 6/1/2021)

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
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
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 / 4460	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

					BUDGET 2021-22		
Line No.	Project No.	Type	Account	Project Name	Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request
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	1,375,000	125,000
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	3,661,864	525,000
Total (Non-Financed):					11,476,276	7,711,633	3,764,642
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	20,651,043	3,804,574

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

⁽¹⁾ - Project with multi-year budgeting.

⁽²⁾ - Funded by Captains Cove & Marin L.

⁽³⁾ - Unknown at this time, staff may require

FY 2021-2022 Capital Improvements Program - Capital Outlay

FINAL

(Date: 6/1/2021)

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	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests
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	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	100,000	500,000
10	1	New Job #	N	4117	On-Call Inspection	45,000	-	45,000	100,000	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	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	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	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	5,000	40,000
16	1	17200-03	N	4413	City Works Annual Licensing	30,000	-	30,000	36,000	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	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	110,000	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
33	1	20200-01	A	4153	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	100,000	250,000	250,000	-	-	-	500,000

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	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests
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
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	-	-	-	-	-	-	-	-

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	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	5-Year Total Requests	
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	1,375,000	125,000	-	-	-	-	-	125,000
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	60,000	300,000
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	-	-	-	-	-	60,000
95	1	21600-15	N	4855	Miscellaneous Plant Equipment Demolition & Disposal	30,000	-	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	3,661,864	525,000	310,000	4,060,000	2,060,000	5,210,000		

Total (Non-Financed): 11,476,276 7,711,633 3,764,642 4,010,000 9,040,000 8,070,000 14,625,000

FINANCED PROJECTS

Line No.	Priority	Project No.	Type	Account	Project Name	BUDGET 2021-22			PROJECTED EXPEDITURES				5-Year Total Requests
						Year 1 Projected Expenditures 2021-22	Use of Carryover from 2020-21	Year 1 2021-22 Funding Request	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	
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 20,651,043 3,804,574 13,010,000 18,040,000 30,070,000 14,625,000

73,892,332

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





Agenda Summary Report

To: Mike Prinz, General Manager *MP*
From: Dale McDonald, Administrative Services Manager *DM*
 (415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: June 17, 2021
Re: Resolutions Regarding the 2021-22 Budget
Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board to approve the four resolutions summarized below.

BACKGROUND

Each year at this time, the Board is presented with several budget related resolutions for review and approval. These resolutions are required by the State and Marin County as part of the budget process pursuant to Health & Safety Code Sec. 6760 to request billing services and to request funds due the District. These resolutions are as follows:

- A. Resolution No. 2021-2219 – Confirming the annual sewer service charge and supplemental service charges and authorizing Marin County to bill sewer service charges on the tax roll.
- B. Resolution No. 2021-2220 – Approving the 2020-21 Budget.
- C. Resolution No. 2021-2222 – Determining the maximum appropriation limit of tax proceeds per state law of \$3,138,929.
- D. Resolution No. 2021-2223 – Requesting allocation of taxes from Marin County for the 2020-21 fiscal year (\$1,130,000).

PREVIOUS BOARD ACTION

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None.

RESOLUTION NO. 2021-2219

**A RESOLUTION CONFIRMING THE ANNUAL SEWER SERVICE CHARGE
AND SUPPLEMENTAL SERVICE CHARGES FOR THE
LAS GALLINAS VALLEY SANITARY DISTRICT
FOR THE FISCAL YEARS 2021-22 AND 2022-23 AND PROVIDING FOR THE COLLECTION
OF SEWER SERVICE CHARGES ON THE TAX ROLL**

RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

WHEREAS, the District did on June 17, 2021 have a Public Hearing on the Proposed Increase in Sewer Service Charges and,

WHEREAS, the Board did on June 17, 2021 adopt Ordinance No. 187, which adopted the annual rate increases as outlined in the Proposition 218 Notification, a copy of which is attached as Exhibit A and incorporated into this resolution and,

WHEREAS, the Board pursuant to the adoption of Ordinance No. 187 desires to affirm that the maximum annual sewer service charge for the fiscal year 2021-22 is \$1,055 per year and starting on July 1, 2021 and that the maximum annual sewer service charge for the fiscal year 2022-23 is \$1,150 per year and starting on July 1, 2022 as indicated in the Proposition 218 Notification referred to above and,

WHEREAS, the Board finds that the annual sewer service charge is supported by evidence in the study commissioned by the District staff and the charge meets the legal requirements of the California Constitution, Article XIII D, § 6 and Government Code §§ 53750 et seq., and

WHEREAS, on June 4, 2009, the Board approved Ordinance No. 142, An Ordinance Amending Title 5, Chapter 2, of the Ordinance Code of the Las Gallinas Valley Sanitary District, Regarding the Marin Lagoon Sewer Service Surcharge that the following sanitary sewer service surcharge, in addition to the annual sewer service charge, shall be:

Marin Lagoon Homeowners Association \$110 per annum, and

WHEREAS, on June 4, 2009, the Board approved Ordinance No.143, An Ordinance Adding Title 5, Chapter 3, of the Ordinance Code of the Las Gallinas Valley Sanitary District, Regarding the Captains Cove Sewer Service Surcharge that the following sanitary sewer service surcharge, in addition to the annual sewer service charge, shall be:

Captains Cove Homeowners Association \$100 per annum,

NOW THEREFORE, the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, hereby resolves that,

1. The annual sewer service charge of \$1,055 per sanitary unit shall be the rate for the fiscal year 2021-22 and the annual sewer service charge of \$1,150 per sanitary unit shall be the rate for the fiscal year 2022-23.
2. The annual sanitary sewer service surcharge for the Marin Lagoon HOA of \$110 per annum and Captains Cove HOA of \$100 per annum will added to the sewer service charge above for the fiscal years 2021-22 and 2022-23.

BE IT FURTHER RESOLVED, that the Las Gallinas Valley Sanitary District, Marin County does hereby elect, pursuant to section 5473 of the Health and Safety Code of the State of California, to have those certain sewer charges established by said District for services and facilities furnished by it, pursuant to ordinances thereof duly passed and adopted by the Sanitary Board of the District, collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Sections 5470 through 5473.11 of the Health and Safety Code of the State of California and said ordinances of said District.

* * * * *

I hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021, by the following vote of the members thereof:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVE:

(seal)

Crystal J. Yezman, Board President
Las Gallinas Valley Sanitary District

RESOLUTION No. 2021-2220

**A RESOLUTION FIXING AND APPROVING THE BUDGET
FOR THE FISCAL YEAR 2021-22**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the General Manager has prepared the proposed budget for the fiscal year 2021-22; and,

WHEREAS, the members of the Sanitary District Board of Directors have studied that proposed budget and made amendments thereto;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Las Gallinas Valley Sanitary District that the general fund allocation approved for fiscal year 2021-22 is \$40,801,914 including an allocation of \$24,375,754 for capital improvements and \$4,728,310 for debt service.

BE IT RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

1. That balances on hand as of June 30, 2021, and in the funds of the District, shall be reserved for use by the District during the fiscal year 2021-22.
2. That the budget for said District for the fiscal year 2021-22 heretofore presented to this Board, a copy of which is hereto attached as Exhibit A and by reference incorporated herein, be, and the same is hereby approved.
3. That the General Manager of this District shall be, and is hereby, authorized and directed to file a certified copy of this resolution with the budget of this District thereto attached, with the Board of Supervisors and the Treasurer of Marin County.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021, by the following vote of the members thereof:

AYES, and in the favor thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

(seal)

Crystal J. Yezman, Board President
Las Gallinas Valley Sanitary District

DRAFT

Exhibit A

Las Gallinas Valley Sanitary District
2021-22 Budget

(Enclosed with Agenda Item 5 – Public Hearing)

RESOLUTION No. 2021-2222

**A RESOLUTION DETERMINING THE 2021-22
APPROPRIATION OF TAX PROCEEDS**

LAS GALLINAS VALLEY SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, that the calculated maximum limit applicable to the 2021-22 appropriations of tax proceeds is \$3,138,929 in accordance with Article XIII B of the Constitution of the State of California. The Board selects the change in California per capita income as the cost of living factor to be used in the calculation of the appropriation limit. The Board selects the change in population of Marin County as the change of population factor to be used in the calculation of the appropriations limit. The District's 2021-22 appropriations subject to tax proceeds limitations are \$1,130,170. Detailed schedules are hereto attached as Exhibit A and by reference incorporated herein.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a Resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021 by the following vote of the members thereof:

AYES, and in the favor thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

(seal)

Crystal J. Yezman, Board President
Las Gallinas Valley Sanitary District

EXHIBIT A

CALCULATION OF APPROPRIATION LIMIT FOR
2021-22 PROCEEDS OF TAXES

Appropriations Adjustment Limit Factors		Calculated Maximum Limit
CPI 2021-22	1.038	
Population 2020-21	x 0.9900	Growth for Marin County
Combined Factor	<u>1.0276</u>	
	\$3,054,682	x 1.0276 = \$3,138,929

CPI 2020-21	1.0373	
Population 2019-20	x 0.9940	Growth for Marin County
Combined Factor	<u>1.0311</u>	
	\$2,962,615	x 1.0311 = \$3,054,682

CPI 2019-20	1.0385	
Population 2018-19	x 0.9999	Growth for Marin County
Combined Factor	<u>1.0384</u>	
	\$2,853,068	x 1.0384 = \$2,962,615

RESOLUTION No. 2022-2223

**A RESOLUTION REQUESTING ALLOCATION OF TAXES
FOR THE FISCAL YEAR 2021-22**

LAS GALLINAS VALLEY SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

1. That the minimum amount of money required by said District to be raised by taxes during the fiscal year ending June 30, 2022 for the purpose of paying the maintenance and operation expense of said District, as it comes due, is the amount of \$1,130,000.

2. That it is hereby estimated that said sum is the minimum amount of money required by said District for such purposes during said ensuing fiscal year.

3. That said Sanitary Board further respectfully requests the Honorable Board of Supervisors of the County of Marin to direct the County Auditor to allocate to the Las Gallinas Valley Sanitary District the amount of \$1,130,000 or such other amount as shall be determined to be said District's share of the 2021-22 property tax revenue generated pursuant to Section 93 of the Revenue and Taxation Code and allocated pursuant to Section 97 of said Code.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 17, 2021, by the following vote of the members thereof:

AYES, and in the favor thereof, Members:

NOES, Members:

ABSENT, Members:

ABSTAIN, Members:

Teresa L. Lerch, District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

(seal)

Crystal J. Yezman, Board President

Agenda Item 7A
Date Jun 17, 2021

MEETING MINUTES OF JUNE 3, 2021

THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN OPEN SESSION BY ZOOM CONFERENCE ON JUNE 3, 2021 AT 3:31 PM AND STAFF BY ZOOM CONFERENCE AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300 CONFERENCE ROOM, SAN RAFAEL, CA. 94903

- BOARD MEMBERS PRESENT:** M. Clark, R. Elias, C. Murray, J. Schriebman and C. Yezman
- BOARD MEMBERS ABSENT:** None.
- STAFF PRESENT:** Mike Prinz, General Manager; Teresa Lerch, Board Secretary; Dale McDonald, District Treasurer; Mike Cortez, District Engineer; Mel Liebmann, Plant Manager;
- OTHERS PRESENT:** Pat Richardson, District Counsel; Fani Hansen, DHA; Trevor Gottfredson and Greg Robley, MWA; Kendall Flint;
- ANNOUNCEMENT:** President Yezman announced that the agenda had been posted as evidenced by the certification on file in accordance with the law

1. **PUBLIC COMMENT:** None

2. **CONSENT CALENDAR:**
These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.
- A. Approve the Board Minutes for May 10th and May 20, 2021
 - B. Approve the Warrant List for June 3, 2021
 - C. Approve Murray webinar attendance Harmful Algal Blooms and Algal Toxins on May 25, 2021
 - D. Approve Murray webinar attendance How Data Analytics is Transforming Waste Collections and Recovery May 26, 2021
 - E. Approve Thatcher Contract Proposal for Furnishing Liquid Ferric Chloride during the twelve-month period of July 1, 2021 to June 30, 2022.
 - F. Approve Univar Contract Proposal for Furnishing Liquid Sodium Bisulfite (25% Concentration) during the twelve-month period of July 1, 2021 to June 30, 2022.
 - G. Approve Univar Contract Proposal for Furnishing Liquid Sodium Hypochlorite (12.5% Concentration) during the twelve-month period of July 1, 2021 to June 30, 2022.
 - H. Approve Addendum of Agreement with Operational Technical Services to continue providing independent On-Call Wastewater Operators to the District
 - I. Approve Application of Allocation of Capacity for APN 175-250-14, 496 Las Gallinas Ave, The Habit Burger Grill
 - J. Approve Resolution 2021-2215 – Authorizing Execution of a Quitclaim Deed from PGE
- Items C, D and J were discussed.

ACTION:
Board approved (M/S Clark/Murray 5-0-0-0) the Consent Calendar items A through J.
AYES: Clark, Elias, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.

ABSTAIN: None.

3. INFORMATION ITEMS:

STAFF / CONSULTANT REPORTS:

1. General Manager Report – Verbal – Prinz reported
2. World Environment Day – June 5th and World Oceans Day – June 8th – Prinz reported.
3. District Correspondence – McDonald reported.
4. COVID-19 Vaccinations - District Counsel Report – Richardson reported. Discussion ensued.
5. Update on Excess Education Revenue Augmentation Funds (ERAF) – McDonald reported.
6. Operations Control Center Site 5 Presentation by DHA – Fani Hansen from Danadjieva Hansen Architects, Inc. gave a presentation to the Board. Discussion ensued.

4. 2020-2025 STRATEGIC PLAN

Board and staff reviewed the updated 2020-2025. Strategic Plan. Discussion ensued. The Board requested this item be brought back in a Strategic Plan Workshop.

5. EMPLOYEE CLIMATE REPORT REQUEST FOR PROPOSALS

Board and staff discussed requesting an Employee Climate Report and possibly a Request for Proposals.

ACTION:

Board approved (M/S Schriebman/Elias 5-0-0-0) hiring FutureSense to do an Employee Climate Survey and the Survey would be begin in July after the Labor Negotiations are completed. Board requested contract be back to the Board for approval.

AYES: Clark, Elias, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

6. MISCELLANEOUS FEE SCHEDULE

Board and staff discussed amending the Miscellaneous Fee Schedule and approving Resolution 2021-2216.

ACTION:

Board approved (M/S Murray/Schriebman 5-0-0-0) adopting Resolution 2021-2216 amending the Miscellaneous Fee Schedule with the board requested modifications clarifying additional plumbing fixtures in the fee schedule.

AYES: Clark, Elias, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

7. BOARD NORMS SUMMARY DOCUMENT

Board and staff reviewed the Board Norms Summary Document. Kendal Flint also made suggestions to the Board. The Board Norms Summary document will be updated and brought back to a future Board meeting.

8. PUBLIC COMMENT - None

9. BOARD MEMBER REPORTS – this item was tabled due to lack of time.

ACTION:

Board approved (M/S Schriebman/Elias 5-0-0-0) tabling Board Reports until next meeting.

AYES: Clark, Elias, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

10. BOARD REQUESTS:

- A. Board Meeting Attendance Requests- None.
The Board Meeting/Conference request form has been updated to reflect the question if registration/hotel assistance is needed – Lerch will send out the new form.
- B. Board Agenda Item Requests- Board President requested that the Strategic Plan be brought back in a workshop forum, Board discuss the placement of Resolutions on the Agenda and follow up on the Pacific Crest Group Human Resources report to the Board.
- C. Board Secretary Lerch advised the upcoming Board Meeting Dates:

June 10 th	Special Meeting	4:00 pm	Closed Session
June 17 th	Regular Meeting	3:30 pm	
June 22	Special Meeting	8:00 am	
July 1	Regular Meeting	3:30 pm	
July 8	Special Meeting	9:00 am	Closed Session
July 15 th	Regular Meeting	3:30 pm	

District Counsel Byers will be attending the July 1 and July 8th Board Meetings. Director Schriebman may not be able to attend the July 1 Board meeting.

11. VARIOUS INDUSTRY RELATED ARTICLES – No discussion.

12. ADJOURNMENT:

ACTION:

Board approved (M/S Schriebman/Murray 5-0-0-0) the adjournment of the meeting at 7:05 p.m.

AYES: Clark, Elias, Murray, Schriebman and Yezman.

NOES: None.

ABSENT: None.

ABSTAIN: None.

The next Board Meeting is scheduled for Thursday, June 10, 2021, at 4 PM by Zoom Electronic meeting.

ATTEST:

Teresa Lerch, District Secretary

APPROVED:

Megan Clark, Board Vice-President

Agenda Item 7B
 Date Jun 17, 2021

Las Gallinas Valley Sanitation District
 Warrant List 6/17/2021 DRAFT

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
1	6/17/2021	EFT1	ADP Payroll	109,664.41		109,664.41	Paydate & Processing Charges - 6/04/2021
2	6/17/2021	ACH	A an P Moving	84.70		84.70	Records Retention - June
3	6/17/2021	N/A	Albert Webb Associates	9,280.00		9,280.00	CEQA Support for Admin Building Site Selection - April & May
4	6/17/2021	ACH	Amerine Systems Inc.	961.23		961.23	Sprinkler Lube-Pasture Irrigation Pump Building
5	6/17/2021	N/A	Aramark Uniform Service	561.08		561.08	Uniform Laundry Service - Week of 5/17 & 5/24
6	6/17/2021	N/A	Banner Bank	30,655.37		30,655.37	STPURWE-Retention on Progress Payment #26
7	6/17/2021	N/A	Banner Bank	36,414.41		36,414.41	STPURWE-Retention on Progress Payment #27
8	6/17/2021	ACH	Brown and Caldwell	4,807.94		4,807.94	STPURWE - Engineering Support during Construction
9	6/17/2021	ACH	Byers Law Office	5,700.00		5,700.00	Legal Services Rendered -May
10	6/17/2021	N/A	California Water Environment Assoc.	283.00		283.00	EE's Membership & Certifications
11	6/17/2021	EFT	CalPERS 457 Plan	6,178.00		6,178.00	EE's Deferred Comp for Paydate 6/4
12	6/17/2021	EFT	CalPERS CERBT-OPEB	11,630.00		11,630.00	Pre-Fund GASB Payment -June
13	6/17/2021	EFT	CalPERS Retirement	19,626.04		19,626.04	EE & ER Payment to Retirement-Paydate 6/4
14	6/17/2021	N/A	Carbon Supply Inc.	11,870.00		11,870.00	H2S Media Vessel Installation
15	6/17/2021	ACH	CATS4U	114,386.42		114,386.42	Air Release Valve & Vault Replacement on Force Main - May
16	6/17/2021	ACH	Contractor Compliance and Monitoring	7,336.96		7,336.96	Labor Compliance-March, April (for Kleinfelder) May
17	6/17/2021	ACH	Core Utilities	2,400.00		2,400.00	IT Services - May
18	6/17/2021	N/A	Dave Lehman Trucking	1,300.00		1,300.00	Concrete Blocks - Reclamation Pump Station Improvements
19	6/17/2021	EFT	Direct Dental	802.81		802.81	Dental Payments - June
20	6/17/2021	EFT	Discovery Benefits	20.00		20.00	FSA Payment
21	6/17/2021	ACH	Du-All Safety	4,812.00		4,812.00	Safety Maintenance & Safety Training
22	6/17/2021	ACH	Elias, Rabi	200.00		200.00	Health Reimbursement - June
23	6/17/2021	ACH	EOA, Inc.	17,958.60		17,958.60	Technical Assistance with Regulatory Permits- April
24	6/17/2021	ACH	Gardeners Guild	1,123.00		1,123.00	Grounds Maintenance- June
25	6/17/2021	N/A	Gardner, Herbert	10,000.00		10,000.00	Sewer Lateral Assistance Program
26	6/17/2021	N/A	Garton Tractor	278.48		278.48	Replacement Parts for Tractor Mower
27	6/17/2021	ACH	Hanford ARC	6,927.50		6,927.50	LMC Revegetation Maintenance Services- May
28	6/17/2021	ACH	Hach	71.77		71.77	Chlorine & Buffer Solution
29	6/17/2021	N/A	Hazen and Sawyer	11,577.50		11,577.50	Engineering Support Services, Disgester Room MCC #1 Upgrade

Las Gallinas Valley Sanitation District Warrant List 6/17/2021 DRAFT							
	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
30	6/17/2021	N/A	Jackson's Hardware	37.44		37.44	Cable Ties, Funnels
31	6/17/2021	N/A	JDB Systems	3,661.05		3,661.05	SCADA Interface & Troubleshooting
32	6/17/2021	ACH	Kennedy/Jenks Consulting	15,761.12		15,761.12	Integrated Wastewater Master Plan, Descanso Force Main Alignment Analysis
33	6/17/2021	N/A	Marin Ace	343.98		343.98	Misc. Supplies
34	6/17/2021	ACH	Marin Independent Journal	362.28		362.28	Public Notices- Bids for On-Call Contract for Construction Projects
35	6/17/2021	N/A	Marin/Sonoma Mosquito & Vector Control	77.91		77.91	Mosquito Control at Ponds
36	6/17/2021	ACH	Murray, Craig	125.00		125.00	Health Reimbursement - June
37	6/17/2021	N/A	Myers & Sons Construction	582,451.99		582,451.99	STPURWE Construction Payment for April
38	6/17/2021	N/A	Myers & Sons Construction	691,873.70		691,873.70	STPURWE Construction Payment for May
39	6/17/2021	N/A	National Auto Fleet Group	31,271.41		31,271.41	Purchase of the Toyota RAV4
40	6/17/2021	N/A	NBC Construction	27,967.00		27,967.00	Rafael Meadows PS- Standby Generator Installation
41	6/17/2021	N/A	North Valley Labor Compliance	225.00		225.00	Labor Compliance Services for LMC Revegetation Maintenance Services
42	6/17/2021	ACH	Nute Engineering	808.00		808.00	On-Call Support for Integrated Wastewater Master Plan- May
43	6/17/2021	N/A	Operating Engineers	487.36		487.36	Union Dues- 6/18 Paydate
44	6/17/2021	N/A	Pacific Crest Group	660.00		660.00	HR Consulting Services
45	6/17/2021	N/A	Pacific Gas & Electric	322.35		322.35	CNG Purchase- 4/30 - 5/31
46	6/17/2021	N/A	Pacific Gas & Electric	5,421.40		5,421.40	Pump Stations 4/20 - 5/18
47	6/17/2021	N/A	Piazza Construction	61,175.21		61,175.21	On-Call Construction Contract Projects- April 2020
48	6/17/2021	N/A	R3 Consulting Group	3,221.25		3,221.25	AB 1826 Technical Assistance Support- Grant Funded
49	6/17/2021	ACH	Retiree Augusto	168.56		168.56	Retiree Health - July
50	6/17/2021	ACH	Retiree Burgess	184.03		184.03	Retiree Health - July
51	6/17/2021	ACH	Retiree Cummins	181.48		181.48	Retiree Health - July
52	6/17/2021	ACH	Retiree Cutri	480.12		480.12	Retiree Health - July
53	6/17/2021	ACH	Retiree Emanuel	238.25		238.25	Retiree Health - June
54	6/17/2021	ACH	Retiree Gately	206.97		206.97	Retiree Health - July
55	6/17/2021	ACH	Retiree Guion	206.97		206.97	Retiree Health - July
56	6/17/2021	ACH	Retiree Johnson	692.45		692.45	Retiree Health - July
57	6/17/2021	ACH	Retiree Kermoian	181.48		181.48	Retiree Health - July
58	6/17/2021	ACH	Retiree Mandler	181.48		181.48	Retiree Health - July

**Las Gallinas Valley Sanitation District
Warrant List 6/17/2021 DRAFT**

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
59	6/17/2021	ACH	Retiree McGuire	616.50		616.50	Retiree Health - July
60	6/17/2021	ACH	Retiree Memmott	181.48		181.48	Retiree Health - July
61	6/17/2021	ACH	Retiree Petrie	168.56		168.56	Retiree Health - July
62	6/17/2021	ACH	Retiree Pettey	180.74		180.74	Retiree Health - July
63	6/17/2021	ACH	Retiree Reetz	505.96		505.96	Retiree Health - July
64	6/17/2021	ACH	Retiree Reilly	181.48		181.48	Retiree Health - July
65	6/17/2021	ACH	Retiree Vine	181.48		181.48	Retiree Health - July
66	6/17/2021	ACH	Retiree Wettstein	655.00		655.00	Retiree Health - July
67	6/17/2021	ACH	Retiree Williams	655.00		655.00	Retiree Health - July
68	6/17/2021	ACH	Schriebman, Judy	365.00		365.00	Health Reimbursement - June, CSDA Conference Reimbursement for Schriebman & Clark
69	6/17/2021	N/A	T&T Valve and Instruments	6,840.90		6,840.90	Replacement of Valves in Reclamation- Partical Payment
70	6/17/2021	N/A	United Site Services	1,053.78		1,053.78	Porta Potties for Construction Workers and Water Stopages
71	6/17/2021	ACH	Univar	3,710.20		3,710.20	Purchase Sodium Hypochlorite
72	6/17/2021	N/A	Verizon Wireless	2,021.75		2,021.75	Mobile Phone Bill- May-June
73	6/17/2021	N/A	Water Components & Building Supply	190.48		190.48	Bushings, Elbows, Reducer, Couplings
74	6/17/2021	EFT	WEX Health	50.00		50.00	FSA Administration Fee- June
75	6/17/2021	N/A	Woodland Center Auto Supply	3,687.41		3,687.41	Oil & Air Filters for Pump Stations
76	6/17/2021	ACH	Yezman, Crystal	200.00		200.00	Health Reimbursement - June

Do not change any formulas below this line.

TOTAL \$ 1,877,332.18 \$ - \$ 1,877,332.18

EFT1	EFT1 = Payroll (Amount Required)	109,664.41	109,664.41	Approval: Finance GM Board
EFT2	EFT2 = Bank of Marin loan payments	0.00	0.00	
PC	Petty Cash Checking	0.00	0.00	
>1	Checks (Operating Account)	0.00	0.00	
N/A	Checks - Not issued	1,535,211.21	1,535,211.21	
EFT	EFT = Vendor initiated "pulls" from LGVSD	38,306.85	38,306.85	
ACH	ACH = LGVSD initiated "push" to Vendor	194,149.71	194,149.71	
	Total	<u>\$ 1,877,332.18</u>	<u>\$ 1,877,332.18</u>	

Difference: \$ -

STPURWE Costs 1,346,203.41

Agenda Item 7C
Date June 17, 2021

Directors' Meeting Attendance Recap

<u>Name</u>	<u>Total Meetings</u>
Megan Clark	6
Rabi Elias	3
Craig Murray	6
Judy Schriebman	6
Crystal Yezman	3
Total	<u>24</u>

Meeting Date: 6/17/2021
Paydate: 6/18/2021



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Megan Clark Month: MAY 2021

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
6	REG	X	
10	SPECIAL	X	
20	REG	X	
TOTAL		3	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
7	NBWA	X	
18	CSDA	X	
19	CSDA	X	
TOTAL		3	

Total Meetings for which I am Requesting Payment: 6
 Max of six (6) per Health & Safety Code §4733

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Megan Clark
 Director Signature

5-21-21
 Date

[Signature]
 Administrative Services Manager Approved

6/24/21
 Date

[Signature]
 Board Secretary Received

5.21.21
 Date



300 Smith Ranch Road, San Rafael, CA 94903

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Rabi Elias Month: May 2021

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
5/6/21	Reg. Bd. Meeting	✓	
5/20/21	Reg. Bd. Meeting	✓	
TOTAL		2	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
5/10/21	Special, Labor negotiation	✓	
TOTAL		1	

TOTAL MEETINGS CHARGED (Max of six per Health & Safety Code #4733):	3
--	---

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

R. Elias
Signature

6/3/21
Date

[Signature]
Approved By/ Date

6/4/21
Pay Date

6/3/21



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

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: MURRAY, Craig K. Month: May 2021

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
5/6/21	Board Meeting	X	
5/10/21	Special Board Meeting	X	
5/20/21	Board Meeting	X	
TOTAL		3/3	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
5/2,3,16,22/21	Merrydale Road/Las Gallinas Creek Headwater Litter Removal c/o City of San Rafael: 5/2 3.0 hours (veg.clearance); 5/3 0.5 hours; 5/16 1.0 hours; 5/22 2.0 hours; 5/31 0.5 hours		XXXX
5/4/21	Transportation Authority of Marin (TAM's) Safe Routes to School (SR2S) Quarterly Meeting – Venetia Valley School: 101 Merrydale Path		X
5/6/21	Charting a Course for Offshore Wind Energy in California Webinar. Nossaman. Panel: Kate Huckelbridge, Deputy Director of Energy, Ocean Resources & Federal Consistency, CA Coastal Commission; Jennifer Lucchesi, Executive Officer, State Lands Commission; Matt Marshall, Executive Director, Redwood Coast Energy Authority; Chris Potter, Conservation and Mitigation Banking, Marine Region, CA Department of Fish and Wildlife.		X
5/12/21	International Right of Way Association, Chapter 2, WETA Executive Officer Presentation		X
5/19/21	LAFCo Legislation Subcommittee Meeting		X
5/20/21	LAFCo Vice Chair EO Coordinating Meeting		X
5/18/21	CASA Water Energy Coalition Meeting		X
5/21/21	Bike To Wherever Day		X
5/25/21	US EPA, Harmful Algal Blooms and Algal Toxins Webinar	X	



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


Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

5/26/21	How Data Analytics is Transforming Waste Collections & Recovery, Busch Systems Webinar	X	
5/27/21	Living on the Edge: Managing Sea Level Rise in California, Nossaman Webinar		X
5/27/21	CASA Air Quality, Climate Change & Energy (ACE) Workgroup Meeting	X	
5/28/21	LGVSD Board Member General Manager Coordination Meeting		X
TOTAL		3/15	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6/18
--	-------------

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.



 Director Signature

Craig K. Murray

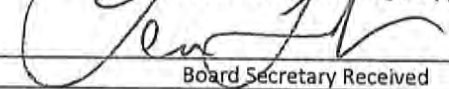
June 1, 2021



 Administrative Services Manager Approved

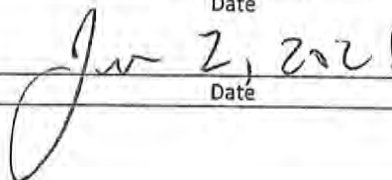
 Date

6/4/21



 Board Secretary Received

 Date



 Date

 Date



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

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Judy Schriebman Month: May 2021

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
May 6	Regular Meeting	X	
May 10	Special Budget meeting	X	
May 20	Regular Meeting	X	
TOTAL		3:3	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
May 5	Gallinas Watershed Council Meeting	X	
May 18, 19	CSDA Legislative Update Webinar/Conference	XX	
TOTAL		3:3	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6
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I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Judy Schriebman

May 29, 2021

Director Signature

Date

Administrative Services Manager Approved

Date

Board Secretary Received

Date



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

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Crystal Yezman Month: May 2021

Board Members shall be compensated for up to the legal limit of six (6) meetings per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
5/6	Regular Board Mtg	X	
5/10	Special Board Mtg	X	
5/20	Regular Board Mtg	X	
TOTAL			

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
TOTAL			

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	3
--	----------

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.



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

Office: 415.472.1734 Fax: 415.499.7715

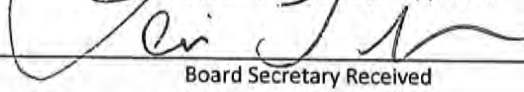
BOARD MEMBER ATTENDANCE FORM



Director Signature



Administrative Services Manager Approved



Board Secretary Received

06/03/21

Date

6/4/21

Date

6/9/21

Date


6/17/2021

General Manager Report

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation



Agenda Summary Report

To: LGVSD Board of Directors
 From: Mike Prinz, General Manager 
 (415) 526-1511 mprinz@lqvsd.org
 Meeting Date: June 17, 2021
 Re: 2021 Employee Climate Assessment – Contract Award
 Item Type: Consent Action Information Other
 Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board to review and consider approving the proposed contract with FutureSense to conduct an Employee Climate Assessment.

BACKGROUND

The Board retained FutureSense in 2017 to evaluate the organizational climate of the District and to understand working conditions experienced by District Staff. FutureSense conducted an extensive survey of Staff on a variety of topics in order to determine organizational themes and areas on which to focus in order to improve the culture of the District. The initial effort in 2017 was triggered by organizational conditions near the end of the prior general manager's tenure with the District.

The Board retained FutureSense again in 2018 and 2019 to conduct follow up climate assessment work in order to evaluate how conditions were evolving. The most recent Climate Assessment Report was delivered to the Board on January 9, 2020, and an updated report was transmitted on February 11, 2020.

The Board previously indicated that an Employee Climate Report should be conducted on a regular basis, potentially every 12-24 months for the foreseeable future, in order to verify trends, determine organizational health norms, and make adjustments as needed.

PREVIOUS BOARD ACTION

The Board discussed options to proceed with a climate assessment update during the Board meeting on June 3, 2021. The Board directed staff to obtain a proposal from FutureSense for a climate assessment. That proposal is attached to this staff report.

On January 9, 2020, the Board created an ad hoc Subcommittee regarding FutureSense's 2019 work. On August 6, 2020, the Board dissolved this ad hoc committee after having considered its original purpose fulfilled.

On September 28, 2017, the Board created an ad hoc Subcommittee regarding FutureSense's 2017 work. On January 10, 2019, the Board dissolved this ad hoc committee after having considered its original purpose fulfilled.



ENVIRONMENTAL REVIEW
N/A

FISCAL IMPACT

The proposed fee for the 2021 employee climate assessment is \$25,200.

June 9, 2021

Mike Prinz
General Manager
Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, CA 94901

RE: ENGAGEMENT LETTER TO CONDUCT CLIMATE ASSESSMENT – 2021

By Email to: mprinz@lqvsd.org

Dear Mike:

Thanks for reaching out to me to provide request a proposal for this potential engagement to update the Employee Climate Assessment that we conducted in 2017, 2018 and 2019. This letter will highlight my understanding of your situation, our approach to working with you, and the staffing, timing, and fees for our engagement.

Our Understanding of Your Situation

In 2017, FutureSense was retained to conduct a discovery into the culture, communications, leadership dynamics and the employees' reception to change at LGVSD. This was in response to concerns of the board regarding staff complaints and turnover. Our discovery led to an extensive report with four main areas to improve (climate of distrust and fear, professional communication and channels, role of HR, and governance guardrails) and twelve specific recommendations.

A subsequent interim assessment was conducted in 2018 and included electronically gathered data without interviews. This information was also included in our 2019 report which was a full study. You requested that the climate assessment in 2019 include board members and your outside partners at RSG, who at that time had been working with you on *Goal 5 Organizational Analysis*. You were hoping to learn more about how to bring closure to people's perception of the past which will allow the organization to move forward without always looking back.

We identified 15 recommendations in 5 broad categories in 2019 (the report was shared with the board in January 2020). You have requested a full update of the climate assessment to be completed in 2021. The specific climate assessment tool (41 scaled qualitative questions) we will continue to use is part of an integrated process of discovery – management interviews, focus group sessions with staff, and an online assessment. While we are sensitive to fees, we believe that it is necessary to conduct the assessment using all approaches of data gathering. This will give us the best and most consistent insight relating to progress (or lack thereof) since November 2019.

Our Approach

Our approach to working with you includes the following process:

Phase I: Assess

The first step in the process is to conduct a discovery into the culture, communication, leadership dynamics, and the employees' reception to change. To do this our team will:

1. Interviews with Staff - Our team will conduct 30-minute individual interviews with your key leaders, managers, and supervisors. These will be scheduled in-person or over the telephone or by Zoom based on scheduling availability. In addition, staff level interviews will be available for those who request it. We expect to spend one day conducting these interviews.
2. Employee Focus Group – 1-2 focus groups will be conducted with staff to garner the employee perspective from front line staff. The focus group sessions will be 1 hour each. If we are successful, we can schedule the focus groups the same day as the leadership interviews.
3. Interviews with Board Members and Pacific Crest Group – We will meet with each of the 5 Board member to download with them their perceptions as well. We will suggest meeting with the lead consultant from Pacific Crest Group to assure that we get their input as well.
4. Online Survey - All staff and employees will be asked to participate in an online survey. We propose to use the same instrument as last time with 41 scaled qualitative questions. This will provide an assessment of the climate beyond the personal interviews and focus groups. We find that piggybacking the survey to the interviews and focus groups allows for greater clarity and information to supplement the interview process.

Phase II: Align

In Phase 2, our team will aggregate the results from Phase 1 (Assessment) and provide recommendations. This will come in two forms:

1. Recommendation Report – Our team will put together a report that includes a summary of our findings, as well as a series of recommendations to help improve the climate and communications for all levels of staff and leadership at Las Gallinas Valley Sanitary District in both the short-term and long-term. As was the case in the past, our recommendations can be mindful of finding reporting mechanisms and channels to help the board stay abreast of the opportunities and challenges within the organization.
2. Presentations – In addition to the written report members of the FutureSense team will present our findings and recommendations to senior leadership and to the board, and then subsequently to employees as appropriate and necessary. In our pricing, we assume one meeting with leadership, one meeting with the Board and one meeting with staff, each to last 60-90 minutes. I will make all of the presentations along with our project manager, as available.

Phase III: Act

The third phase in this project would be executing against the recommendations from Phase II. Due to the unknown nature of the discovery, pricing for this part of the project would be determined after Phase 2 is completed.

Our Staffing, Timing and Fees

I will be the client manager for this engagement. I will be involved in all activities and will be assisted by other members of the FutureSense team, Brett Finkelstein, and Stacy Wanninger. Brett will function as the day-to-day project manager. This will give us the depth to conduct the analysis in an efficient manner – both in terms of time as well as fees. Brett has worked on all of the previous engagements. You can learn about our team member’s capabilities and backgrounds on our website at <http://www.futuresense.com/team/>.

At this point, we are prepared to begin this project within 2-3 weeks of being retained. A project of this nature is highly dependent on the availability of people for interviews and focus groups and the ease in setting up those meetings. Typically, this type of project takes 4-6 weeks in elapsed time to complete.

We do not typically charge on an hourly rate basis, but rather charge for our services on a value-based project basis. Based on our assessment of this project and its importance to your success as an organization, we are requesting consulting fees as follows. *Please note: our rates have increased since 2019, but we still offer a 10% discount for public sector and non-profit organizations and these are factored into our bid.*

- **Phases I & II:** \$24,000 plus administrative fees of 5% for **total fees of \$25,200**
- **Phase III:** TBD after Phases I & II

We request payment of ½ of total fees at the time we are engaged and the other ½ at the time we are complete or at 60 days after engagement, whichever is sooner. In addition, we charge for out-of-pocket expenses for travel at cost and when incurred. Our terms are net 30.

About FutureSense

FutureSense provides integrated solutions to build and sustain human capital capacity and optimize organizational performance. Founded in 1995 as FutureSense, Inc., we successfully completed a joint venture with The Innovation Institute (www.ii4change.com) on November 1, 2015 and are now known as FutureSense, LLC. We are valued partners with our clients in the areas of strategy, organization and people – building relationships with a thoughtful, responsive, and authentic approach to business practices. Our current motto – “Thoughtful. Responsive. Authentic.™” – exemplifies our continued commitment to building and maintaining relationships with our clients and community, and delivering results that drive innovation, optimize organizational capacity, and build relationships.

- **Thoughtful.** We are Innovative, insightful, and intentional. We help our clients creatively and conscientiously, keeping our finger on the pulse and staying one step ahead of the curve.
- **Responsive.** Speed of thought, speed of action, speed of results. We attend to clients' needs clearly, effectively, and accurately. Communication and timeliness are our calling cards.
- **Authentic.** We are all about relationships and people. We grow connections with our clients and our community, sprouting vibrant futures and bettering the lives of those we serve.

We have strong beliefs that guide our values and how we work with our clients:

- **Integrity.** We say it like it is. We tell you what you need to hear, not what you want to hear.
- **Relationships.** We care. Because the only way we can get the job done right, is working together with you.
- **Transformation.** We are change agents. We want to move the meter in your organization and create positive change.
- **Sustainability.** We seek to provide sticking power. We work with you to get the job done now and continue to do so throughout the future.
- **Solutions.** We execute. The solution is yours, not ours - we get the job done the way it works best for you.
- **Speed.** We get it done. We purposely keep our organization nimble so we can move yours in the right direction.

You can learn more about us on our website at www.futuresense.com.

Mike, I would personally welcome the chance to work with you, the Board, and your staff in helping you to continue to build a strong culture at Las Gallinas Valley Sanitary District. If you agree with the terms of this engagement letter, please sign below and return to me at jim@futuresense.com. Of course, if you have questions or want clarifications or to make changes to this engagement letter, please do not hesitate to contact me by email or by phone at 415-299-4456 (mobile).

Cheers,

Approved,



Jim Finkelstein
President and CEO
FutureSense, LLC
415-299-4456
jim@futuresense.com
cc: Brett Finkelstein

Title _____
Las Gallinas Valley Sanitary District

_____ Date

Agenda Summary Report

To: Mike Prinz, General Manager *MJP*
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lgvsd.org
Meeting Date: June 17, 2021
Re: Approval of Extension of Employment Agreements for Management and Unrepresented Employee
Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes _____ No X (See attached) Not Applicable _____

STAFF RECOMMENDATION

Board to approve the Extension of Employment Agreements for management and unrepresented employee contracts.

BACKGROUND

As of June 30, 2021, all management and unrepresented employee contracts expire. Those contracts belong to the General Manager, Administrative Services Manager, Plant Manager, District Engineer, Collections/Safety/Maintenance Manager, and the Administrative/Financial Specialist.

Management wishes to allow the District to complete its negotiations with Operating Engineers Local 3 before requesting changes to management and unrepresented employee contracts. The General Manager has authority to execute contract extensions per Board Policy B-80. The Board has authority to execute the contract extension for its General Manager, the Executive Officer of the District.

Due to time constraints, and pursuant to Government Code Section 54956(b) which requires management contracts be considered during a regular meeting of the governing body, this is the final meeting for which contract changes can be considered before the agreements expire.

Not executing the extension would mean employment would technically cease for the above employees on July 1, 2021.

PREVIOUS BOARD ACTION

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Mike Prinz (General Manager)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Mike Prinz, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 1st of July 2019, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Mike Prinz as General Manager of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that any adjustments, including but not limited to salary adjustments, benefits, or other terms

subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the “Extended Term”).

Addition of General Provision to Employment Agreement

Section 10 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by its Board President, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

Board President
Las Gallinas Valley Sanitary District

Date: _____

Mike Prinz

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Dale McDonald (Administrative Services Manager)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Dale McDonald, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 28th of September 2020, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Dale McDonald as Administrative Services Manager of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that any adjustments, including but not limited to salary adjustments, benefits, or other terms

subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the “Extended Term”).

Addition of General Provision to Employment Agreement

Section 9 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by the General Manager, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

General Manager
Las Gallinas Valley Sanitary District

Date: _____

Dale McDonald

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Robert Liebmann (Plant Manager)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Robert Liebmann, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 19th of June 2019, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Robert Liebmann as Plant Manager of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that any adjustments, including but not limited to salary adjustments, benefits, or other terms

subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the "Extended Term").

Addition of General Provision to Employment Agreement

Section 9 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by the General Manager, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

General Manager
Las Gallinas Valley Sanitary District

Date: _____

Robert Liebmann

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Michael Cortez (District Engineer)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Michael Cortez, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 11th of June 2019, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Michael Cortez as District Engineer of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that any adjustments, including but not limited to salary adjustments, benefits, or other terms

subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the “Extended Term”).

Addition of General Provision to Employment Agreement

Section 9 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by the General Manager, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

General Manager
Las Gallinas Valley Sanitary District

Date: _____

Michael Cortez

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Greg Pease (Collection System/Safety/Maintenance Manager)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Greg Pease, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 19th of June 2019, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Greg Pease as Collection System/Safety/Maintenance Manager of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that any adjustments, including but not limited to salary adjustments, benefits, or other terms

subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the “Extended Term”).

Addition of General Provision to Employment Agreement

Section 9 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by the General Manager, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

General Manager
Las Gallinas Valley Sanitary District

Date: _____

Greg Pease

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

EXTENSION OF EMPLOYMENT AGREEMENT

Between Las Gallinas Valley Sanitary District

And

Amy Schultz (Administrative/Financial Specialist – Confidential)

This EXTENSION OF EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2021, by and between the Las Gallinas Valley Sanitary District, a special district, (“District or Employer”) and Amy Schultz, (“Employee”) both of whom understand as follows:

RECITALS

WHEREAS, an Employment Agreement exists between the District and Employer, entered into the 18th of June 2020, for which term is set to end on June 30, 2021; and

WHEREAS, Employer desires to continue to employ the services of Amy Schultz as Administrative/Financial Specialist – Confidential of the Las Gallinas Valley Sanitary District; and

WHEREAS, both the Employer and Employee wish to extend the term of the agreement for six (6) months to provide for and to allow the District to complete negotiations with its represented employees; and

WHEREAS, the Employer and Employee agree that if a successor Memorandum of Understanding (MOU) between the District and Operating Engineers Local 3 is not approved by the District before October 1, 2021, the Employee may call for and enter negotiations on the Employment Agreement independent from the represented employee group; and

WHEREAS, the Employer wishes to recognize that the Employee is offering to delay other modifications to their Employment Agreement and in return the Employer wants to confirm that

any adjustments, including but not limited to salary adjustments, benefits, or other terms subsequently made after this Extension is entered into, shall be retroactive to the first pay period that encompasses July 1, 2021; and

WHEREAS, both Employer and Employee have read this Extension of Employment Agreement and understand its contents fully.

NOW, THEREFORE, in consideration of the foregoing and the provisions and promises hereinafter set forth, the parties agree as follows:

Extension of Term of Employment Agreement

Section 2 (B) The term of the Employment Agreement is hereby extended and the Employment Agreement shall terminate on December 31, 2021 (the “Extended Term”).

Addition of General Provision to Employment Agreement

Section 9 (G) - The Employee may reopen negotiations with regards to this Employment Agreement if the District has not come to agreement with the union on a Memorandum of Understanding between the District and Operating Engineers Local 3 by October 1, 2021. Any increase in salary, benefits, or terms negotiated will be retroactive to the first pay period that encompasses July 1, 2021.

IN WITNESS WHEREOF, Las Gallinas Valley Sanitary District has caused this Agreement to be signed and executed on its behalf by the General Manager, and duly attested by its District Secretary, and the Employee has signed and executed this Agreement the day and year first above written.

General Manager
Las Gallinas Valley Sanitary District

Date: _____

Amy Schultz

Date: _____

Teresa Lerch
District Secretary

Seal

APPROVED AS TO FORM:

6/17/2021

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

6/17/2021

BOARD MEMBER REPORTS

CLARK

NBWA Board Committee, 2021 Operations Control Center Ad Hoc Committee, Other Reports

ELIAS

NBWRA , Ad Hoc Engineering Sub-Committee re: STPURWE, 2021 GM Evaluation Ad Hoc Subcommittee, 2021 Operations Control Center Ad Hoc Committee, Other Reports

MURRAY

Marin LAFCO, CASA Energy Committee, 2021 GM Evaluation Ad Hoc Subcommittee, 2021 Legal Services Ad Hoc Committee, Marin Special Districts Association, Other Reports

SCHRIEBMAN

Gallinas Watershed Council/Miller Creek Watershed Council, JPA Local Task Force, NBWA Tech Advisory Committee, Other Reports

YEZMAN

Flood Zone 7, CSRMA, Ad Hoc Engineering Sub-Committee re: STPURWE, 2021 Legal Services Ad Hoc Committee, Other Reports



AGENDA

Air Quality, Climate Change, and Energy (ACE) Workgroup Meeting

Agenda Item 12.3
Date June 17, 2021

Meeting Date/Time: May 27, 2021 / 8:30 – 10:30 am
Meeting Location: Zoom Link (provided in the meeting appointment)
Dial-in: Zoom Call-In (provided in the meeting appointment)

COMMENCEMENT

ITEM	LEAD
Welcome/Roll Call	Jackie Zipkin (Chair), Greg Kester and Sarah Deslauriers (CASA)
Review/Approval of Agenda	All

LEGISLATIVE UPDATE

	ITEM	LEAD	STATUS
1.	2021 Bill Cycle	Jessica/ Alma	Bill Review – Latest ACE Bill Report (separate attachment)
2.	Governor’s Budget	Jessica	May Revise Details, Water-Energy Bond Ask Subgroup

PRIORITY ISSUES/ACTION ITEMS

	ITEM	LEAD	NOTES
1.	COVID-19	Greg	Resources on CASA Website , CASA/CWEA webinar: April 21 , CWEA webinar: May TBD , Wastewater Based Epidemiology (WBE)
2.	PFAS	Greg Jared	SWRCB Order Sampling efforts continue, check Geotracker data, EPA developing single and multi-lab methods
3.	Criteria Pollutants & Toxics Emissions Reporting & AB 2588 Toxics Program	Sarah David	Air Toxics Subgroup, proposed CTR and EICG , drafting 1-page summary of next steps, outlining sector two-step process
4.	SB 1383: Organic Waste Methane Emissions Reductions	Greg	SB 1383 , enforcement remains on schedule, regulations , impacts to POTWs , CalRecycle Webinar Series
5.	100 Percent Clean Energy Act of 2018	Sarah	2021 SB 100 Joint Agency Report , Workshop Jun 2 on next steps
6.	CARB Advanced Clean Truck Rule (2020) & Advanced Clean Fleet Rule (2021)	Sarah	Advanced Clean Vehicle Subgroup, One-Time Reporting data, Clean Fleet Rule – Coalition and CARB Board Member outreach
7.	New BACT for Large Emergency Diesel Engines: BAAQMD, SMAQMD, SCAQMD	Sarah David	BAAQMD final; comments submitted to SMAQMD; SCAQMD to begin public process end May/early June
8.	AB 32 Scoping Plan Update - 2022	Sarah	Workshop series kick-off June 8
9.	CA Adaptation: SWRCB/RWQCBs, Coastal Commission, OPC, CA Adaptation Strategy	Sarah	Climate Change Preparedness Subgroup, SWRCB Survey late 2021, SF Bay RWQCB survey , CA Adaptation Strategy workshop May 26

INFORMATIONAL ITEMS

	ITEM	LEAD	NOTES
1.	Soil Enrichment Protocol	Sarah	Webinar overview – June 23 or 24
2.	Carbon Sequestration Meta-Analysis	Sarah	Request for help w/ systematic article reviews and data extraction
3.	Biogas/Biomethane Management: EPA Renewable Fuel Standard RINs	Greg	Communication with Kurt Gustafson resuming to discuss the R3 vs R5 value for sludge-based vs codigestion-based biogas
4.	CPUC Self-Generation Incentive Program	Greg	CASA develops follow-up letter to Commissioner
5.	BAAQMD Climate Pollutants Regulation	Sarah	Regulation 13 suspended, Organic Recovery Technical Working Group BMPs for controlling CH ₄ /VOCs, BACWA to Survey POTWs
6.	Central Valley Salinity Alternatives for Long-Term Sustainability (CV SALTS)	Debbie Layne	Notice to Comply for salinity released, nutrient management early action plans released, Attorneys Roundtable held Apr 29
7.	SCAQMD Rule 1118.1 (to limit NOx)	David	Research/technology assessments, impact to standby engine use
8.	Biosolids & Fire Reclamation Efforts	Greg	Status of Las Virgenes/Calabasas, sampling into spring 2021
9.	USFS Wood Innovation Grant	Greg	2-yr project testing use of biochar for odor control, Final Report

UPCOMING CONFERENCES/EVENTS

NAME	DATE/LOCATION
CWEA Annual Conference	June 7-10, Virtual
CWEA-CASA COVID-19 Webinar Series	June 30, Virtual
NACWA Utility Leadership Event	July 20-21, Virtual
CASA Annual Conference	August 11-13, San Diego, CA

NEXT MEETING: June 24th, 8:30 to 10:30 am (webinar/conference call)



AGENDA

Air Quality, Climate Change, and Energy (ACE) Workgroup Meeting

Additional topics we review periodically for progress or changes:

State

- CARB Natural & Working Lands
- CARB Mandatory GHG Reporting Regulation
- CARB 2030 Target Scoping Plan
- CEQA Guidance on GHG Emissions
- CNRA Climate Change Assessment
- CNRA Online CA Sea Level Rise Database
- CNRA Safeguarding CA: Implementation Action Plans
- CEC Climate Change Research Plan
- OEHHA CalEnvironScreen Tool
- California's Climate Future report (by Governor Brown)
- Funding opportunities

Regional Adaptation Collaboratives

- Bay Area Climate Adaptation Network (BayCAN)
- San Francisco Bay Regional Coastal Hazards Adaptation Resiliency Group (CHARG)
- Southern California Association of Governments (SCAG) Regional Climate Adaptation Framework

National

- NEPA Guidance on GHG Emissions
- EPA EJScreen Tool
- WERF Phase II Project (lab scale based model) - N₂O Emissions from Wastewater Treatment Processes
- WERF High Quality Biosolids from Wastewater Project
- EPA Mandatory GHG Reporting Regulation Updates
- EPA Clean Power Plan (on stay)
- EPA Existing Source Performance Standards
- EPA Biogenic Emissions Accounting Framework
- White House Budget for DOE Energy Efficiency and Renewable Energy Programs
- NACWA Energy Workgroup
- NACWA Climate & Resilience Workgroup
- Funding opportunities

International

- Global GAP (Good Agricultural Practices) & Biosolids
- IWA Nitrous Oxide Modeling

CASA ACE Committee Bill Tracker 5/21/2021

AB 72

(Petrie-Norris D) Environmental protection: Natural Resources Agency: coastal adaptation projects: sea level rise: regulatory review and permitting: report.

Current Text: Introduced: 12/7/2020 [html](#) [pdf](#)

Introduced: 12/7/2020

Status: 5/20/2021-Coauthors revised. From committee: Do pass. (Ayes 16. Noes 0.) (May 20).

Location: 12/7/2020-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #13 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Would enact the Coastal Adaptation Permitting Act of 2021. The bill would require the agency to explore, and authorize it to implement, options within the agency's jurisdiction to establish a more coordinated and efficient regulatory review and permitting process for coastal adaptation projects, as defined. The bill would require the agency to submit, by July 1, 2023, a report to the Legislature with suggestions and recommendations for improving and expediting the regulatory review and permitting process for coastal adaptation projects.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

AB 284

(Rivas, Robert D) California Global Warming Solutions Act of 2006: climate goal: natural and working lands.

Current Text: Amended: 4/14/2021 [html](#) [pdf](#)

Introduced: 1/21/2021

Last Amend: 4/14/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 12. Noes 4.) (May 20).

Location: 5/5/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #39 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the state board, when updating the scoping plan and in collaboration with the Natural Resources Agency and other relevant state agencies and departments, to take specified actions by January 1, 2023, including, among others, identifying a 2045 climate goal, with interim milestones, for the state's natural and working lands, as defined, and identifying practices, policy and financial incentives, market needs, and potential reductions in barriers that would help achieve the 2045 climate goal.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

AB 322

(Salas D) Energy: Electric Program Investment Charge program: biomass.

Current Text: Amended: 4/12/2021 [html](#) [pdf](#)

Introduced: 1/26/2021

Last Amend: 4/12/2021

Status: 5/20/2021-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

Location: 5/20/2021-S. RLS.

Summary: Current law creates in the State Treasury the Electric Program Investment Charge Fund to be administered by the State Energy Resources Conservation and Development Commission and requires the PUC to forward to the Energy Commission, at least quarterly, moneys for those EPIC programs the PUC has determined should be administered by the Energy Commission for deposit in the fund. Current law requires the Energy Commission, in administering moneys in the fund for research, development, and demonstration programs, to develop and implement the EPIC program for the purpose of awarding funds to projects that may lead to technological advancement and breakthroughs to overcome barriers that prevent the achievement of the state's statutory energy goals and that may result in a portfolio of projects that are strategically focused and sufficiently narrow to make advancement on the most significant technological challenges. Current law, until January 1, 2023, requires the Energy Commission to expend certain percentages of the moneys appropriated from the fund for technology demonstration and deployment at sites that benefit certain communities. This bill would require the Energy Commission to consider, in the investment planning process for the EPIC program, bioenergy projects for biomass conversion, as specified.

Position

Support

Assigned

CASA ACE Cmte,
Jessica

AB 585

(Rivas, Luz D) Climate change: Extreme Heat and Community Resilience Program.

Current Text: Amended: 3/17/2021 [html](#) [pdf](#)

Introduced: 2/11/2021

Last Amend: 3/17/2021

Status: 5/20/2021-From committee: Amend, and do pass as amended. (Ayes 13. Noes 1.) (May 20).

Location: 4/14/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #287 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Would establish the Extreme Heat and Community Resilience Program and would require the Office of Planning and Research to administer the program. Under the program, the bill would require the Office of Planning and Research to coordinate the state’s efforts to address extreme heat and to facilitate the implementation of local, regional, and state climate change planning into effective projects through the awarding of competitive grants to eligible entities for implementation of those projects. The bill would establish the Extreme Heat and Community Resilience Fund in the State Treasury and would require the office, upon appropriation by the Legislature, to expend moneys in the fund for the implementation of the program.

Position	Assigned
Refer to ACE Committee	CASA ACE Cmte

AB 843

(Aguiar-Curry D) California Renewables Portfolio Standard Program: renewable feed-in tariff: Bioenergy Market Adjusting Tariff program: community choice aggregators.

Current Text: Amended: 4/12/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amend: 4/12/2021

Status: 5/20/2021-From committee: Amend, and do pass as amended. (Ayes 12. Noes 0.) (May 20).

Location: 4/28/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #312 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: The California Renewables Portfolio Standard Program requires every electrical corporation to file with the Public Utilities Commission a standard tariff for electricity generated by an electric generation facility, as defined, that qualifies for the tariff, is owned and operated by a retail customer of the electrical corporation, and is located within the service territory of, and developed to sell electricity to, the electrical corporation. The commission refers to this requirement as the renewable feed-in tariff. This bill would provide that the renewable feed-in tariff would apply to a qualifying electric generation facility that is developed to sell electricity to the electrical corporation or, for a bioenergy electric generation facility, to an electrical corporation or a community choice aggregator within the electrical corporation’s service territory.

Position	Assigned
Support	CASA ACE Cmte, Jessica

AB 897

(Mullin D) Office of Planning and Research: regional climate networks: climate adaptation action plans.

Current Text: Amended: 4/19/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amend: 4/19/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 12. Noes 3.) (May 20).

Location: 5/12/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #139 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Current law requires, by July 1, 2017, and every 3 years thereafter, the Natural Resources Agency to update, as prescribed, the state’s climate adaptation strategy, known as the Safeguarding California Plan. Current law establishes the Office of Planning and Research in state government in the Governor’s office. Current law establishes the Integrated Climate Adaptation and Resiliency Program to be administered by the office to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as prescribed. This bill would authorize eligible entities, as defined, to establish and participate in a regional climate network, as defined. The bill would require the office to encourage the inclusion of agencies with land use planning authority into regional climate networks. The bill would authorize a regional climate network to engage in activities to address climate change, as specified.

Position	Assigned
Refer to ACE Committee	CASA ACE Cmte

AB 1086

(Aguiar-Curry D) Organic waste: implementation strategy.

Current Text: Amended: 4/5/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amend: 4/5/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 16. Noes 0.) (May 20).

Location: 4/14/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #171 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Would require the Natural Resources Agency, in coordination with specified state agencies, and in consultation with stakeholders and relevant permitting agencies, to prepare and submit to the Legislature, by January 1, 2023, a report that provides an implementation strategy to achieve the state's organic waste, and related climate change and air quality, mandates, goals, and targets. The bill would authorize the Natural Resources Agency to, by July 1, 2022, contract with outside entities, including the California Council on Science and Technology and the University of California, to prepare the report. The bill would require the implementation strategy to include, among other things, recommendations on policy and funding support for the beneficial reuse of organic waste.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

AB 1261 (Burke D) State Air Resources Board: greenhouse gas emissions: incentive programs.

Current Text: Amended: 3/18/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 3/18/2021

Status: 5/20/2021-From committee: Amend, and do pass as amended. (Ayes 16. Noes 0.) (May 20).

Location: 5/12/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #355 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Would require the State Air Resources Board, on or before January 1, 2023, to establish specified processes to assist the state in achieving its greenhouse gas emissions reduction goals, including a process to identify any overlap among its incentive programs that share the same objectives and a process to define, collect, and evaluate data on the behavioral changes that result from each of its incentive programs. The bill would require the state board to use the information collected pursuant to these processes to refine the greenhouse gas emissions estimates for each of its incentive programs in its annual reports to the Legislature, its funding plans, and any long-term planning documents or reports.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte

AB 1279 (Muratsuchi D) Coastal resources: sustainable kelp.

Current Text: Amended: 3/25/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 3/25/2021

Status: 5/20/2021-Read second time. Ordered to Consent Calendar.

Location: 5/19/2021-A. CONSENT CALENDAR

Calendar: 5/24/2021 #470 ASSEMBLY CONSENT CALENDAR 1ST DAY-ASSEMBLY BILLS

Summary: Would require the Protection Council to work with private and nonprofit entities to bring sustainable kelp to the coastal waters of the state, as provided. The bill would require the council to review and assess data from existing research and ongoing pilot projects to identify critical knowledge gaps related to, among other things, kelp forest ecosystems

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte

AB 1371 (Friedman D) Recycling: plastic: packaging and carryout bags.

Current Text: Amended: 4/21/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 4/21/2021

Status: 5/20/2021-From committee: Amend, and do pass as amended. (Ayes 12. Noes 4.) (May 20).

Location: 5/12/2021-A. APPR. SUSPENSE FILE

Calendar: 5/24/2021 #361 ASSEMBLY SECOND READING FILE -- ASSEMBLY BILLS

Summary: Would prohibit an online retailer that sells or offers for sale and delivers purchased products in or into the state from using single-use plastic packaging that consists of shipping envelopes, cushioning, or void fill to package or transport the products, on and after January 1, 2023, for large online retailers, as defined, and on and after January 1, 2025, for small online retailers, as defined. The bill would prohibit a manufacturer, retailer, producer, or other distributor that sells or offers for sale and delivers purchased products in or into the state from using expanded polystyrene packaging to package or transport the products.

Position

Assigned

AB 1500 (Garcia, Eduardo D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

Current Text: Amended: 5/11/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 5/11/2021

Status: 5/20/2021-Joint Rule 62(a), file notice suspended. From committee: Do pass and re-refer to Com. on RLS. (Ayes 12. Noes 3.) (May 20). Re-referred to Com. on RLS.

Location: 5/20/2021-A. RLS.

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$7,080,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Position

Support, if
amended

Assigned

CASA ACE Cmte,
Jessica

AB 1559 (O'Donnell D) Energy: Innovative Renewable Energy for Buildings Act of 2021.

Current Text: Amended: 3/18/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 3/18/2021

Status: 3/22/2021-Re-referred to Com. on NAT. RES.

Location: 3/18/2021-A. NAT. RES.

Summary: Current law requires the State Energy Resources Conservation and Development Commission to administer the Alternative and Renewable Fuel and Vehicle Technology Program to provide financial assistance for the development and deployment of innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. This bill, the Innovative Renewable Energy for Buildings Act of 2021, would, until January 1, 2031, require the commission to establish and implement a program to provide financial incentives to producers for the production of renewable propane, renewable hydrogen, and renewable dimethyl ether meeting certain requirements and that is used as an energy source for buildings in the state.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

SB 1 (Atkins D) Coastal resources: sea level rise.

Current Text: Amended: 3/23/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amend: 3/23/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 6. Noes 1.) (May 20). Read second time. Ordered to third reading.

Location: 5/20/2021-S. THIRD READING

Calendar: 5/24/2021 #177 SENATE SENATE BILLS -THIRD READING FILE

Summary: The California Coastal Act of 1976 establishes the California Coastal Commission and provides for planning and regulation of development in the coastal zone, as defined. The act requires the commission, within 90 days after January 1, 1977, to adopt, after public hearing, procedures for the preparation, submission, approval, appeal, certification, and amendment of a local coastal program, including a common methodology for the preparation of, and the determination of the scope of, the local coastal programs, as provided. This bill would also include, as part of the procedures the commission is required to adopt, recommendations and guidelines for the identification, assessment, minimization, and mitigation of sea level rise within each local coastal program, as provided. The bill would delete the timeframe specified above by which the commission is required to adopt these procedures.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

SB 18 (Skinner D) Green electrolytic hydrogen.

Current Text: Amended: 5/20/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amend: 5/20/2021

Status: 5/20/2021-From committee: Do pass as amended. (Ayes 7. Noes 0.) (May 20). Read second time and amended. Ordered to second reading.

Location: 5/20/2021-S. SECOND READING

Calendar: 5/24/2021 #8 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would require the State Air Resources Board, by December 31, 2022, as a part of the scoping plan and the state's goal for carbon neutrality, to prepare a strategic plan for accelerating the production and use of hydrogen, including a specific plan to accelerate production and use of green hydrogen, in California and an analysis of how curtailed electrical generation could be better utilized to help meet the state's greenhouse gas emissions reduction goals. The bill would require the state board, in developing the strategic plan, to consult with the California Workforce Development Board and labor and workforce organizations.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

SB 27

(Skinner D) Carbon sequestration: state goals: natural and working lands: registry of projects.

Current Text: Amended: 5/20/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amend: 5/20/2021

Status: 5/20/2021-From committee: Do pass as amended. (Ayes 5. Noes 2.) (May 20). Read second time and amended. Ordered to second reading.

Location: 5/20/2021-S. SECOND READING

Calendar: 5/24/2021 #11 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would require, no later than July 1, 2022, the Natural Resources Agency, in coordination with the California Environmental Protection Agency, the State Air Resources Board, the Department of Food and Agriculture, and other relevant state agencies, to establish the Natural and Working Lands Climate Smart Strategy that serves as a framework to increase adoption of natural and working lands-based carbon sequestration and that advances the state's climate goals. The bill would require the state board, as part of its scoping plan, to establish specified carbon dioxide removal targets for 2030 and beyond.

Position

Refer to ACE
Committee

Assigned

CASA ACE Cmte,
Jessica

SB 45

(Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

Current Text: Amended: 4/8/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amend: 4/8/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 5. Noes 2.) (May 20). Read second time. Ordered to third reading.

Location: 5/20/2021-S. THIRD READING

Calendar: 5/24/2021 #184 SENATE SENATE BILLS -THIRD READING FILE

Summary: Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,595,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Position

Support, if
amended

Assigned

CASA ACE Cmte,
Jessica

SB 83

(Allen D) Sea Level Rise Revolving Loan Program.

Current Text: Amended: 5/20/2021 [html](#) [pdf](#)

Introduced: 12/15/2020

Last Amend: 5/20/2021

Status: 5/20/2021-From committee: Do pass as amended. (Ayes 6. Noes 0.) (May 20). Read second time and amended. Ordered to second reading.

Location: 5/20/2021-S. SECOND READING

Calendar: 5/24/2021 #21 SENATE SENATE BILLS - SECOND READING FILE

Summary: Current law establishes in state government the Ocean Protection Council. Current law requires the council to, among other things, establish policies to coordinate the collection, evaluation, and sharing of scientific data related to coastal and ocean resources among agencies. Current law establishes the State Coastal Conservancy with prescribed powers and responsibilities for implementing and administering various programs intended to preserve, protect, and restore the state's coastal areas. This bill would require the council, in consultation with the conservancy, to develop the Sea Level Rise Revolving Loan Program for purposes of providing low-interest loans to

local jurisdictions for the purchase of coastal properties in their jurisdictions identified as vulnerable coastal property, as provided.

Position	Assigned
Refer to ACE Committee	CASA ACE Cmte, Jessica

SB 372

(Leyva D) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles.

Current Text: Amended: 5/20/2021 [html](#) [pdf](#)

Introduced: 2/10/2021

Last Amend: 5/20/2021

Status: 5/20/2021-From committee: Do pass as amended. (Ayes 6. Noes 1.) (May 20). Read second time and amended. Ordered to second reading.

Location: 5/20/2021-S. SECOND READING

Calendar: 5/24/2021 #52 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would establish the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. The bill would require the state board to designate the California Pollution Control Financing Authority as the agency responsible for administering the program and would require the state board and the authority to enter into an interagency working agreement for the development and administration of the program. The bill would require the authority to consult with various state agencies and stakeholders in the development and implementation of the program.

Position	Assigned
Refer to ACE Committee	CASA ACE Cmte, Jessica

SB 418

(Laird D) Sea level rise planning: database.

Current Text: Amended: 3/17/2021 [html](#) [pdf](#)

Introduced: 2/12/2021

Last Amend: 3/17/2021

Status: 5/20/2021-From committee: Do pass. (Ayes 7. Noes 0.) (May 20). Read second time. Ordered to third reading.

Location: 5/20/2021-S. THIRD READING

Calendar: 5/24/2021 #286 SENATE SENATE BILLS -THIRD READING FILE

Summary: Current law requires the Natural Resources Agency, in collaboration with the Ocean Protection Council, to create, update biannually, and post on an internet website a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. Current law further requires that various public agencies and private entities provide to the agency, on a biannual basis, sea level rise planning information, as defined, that is under the control or jurisdiction of the public agencies or private entities, and requires the agency to determine the information necessary for inclusion in the database, as prescribed. Current law repeals these provisions on January 1, 2023. This bill would extend the sunset date for the above provisions until January 1, 2028.

Position	Assigned
Refer to ACE Committee	Alma, CASA ACE Cmte

SB 619

(Laird D) Organic waste: reduction regulations.

Current Text: Amended: 4/13/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amend: 4/13/2021

Status: 5/20/2021-Read third time. Passed. (Ayes 35. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 5/20/2021-A. DESK

Summary: Current law requires the Department of Resources Recycling and Recovery, in consultation with the state board, to adopt regulations to achieve those targets for reducing organic waste in landfills, and authorizes those regulations to require local jurisdictions to impose requirements on generators or other relevant entities within their jurisdiction, to authorize local jurisdictions to impose penalties on generators for noncompliance, and to include penalties to be imposed by the department for noncompliance. Current law provides that those regulations shall take effect on or after January 1, 2022, except that the imposition of penalties by local jurisdictions pursuant to the regulations shall not take effect until 2 years after the effective date of the regulations. This bill, until January 1, 2023, would require the department to only impose a penalty on a local jurisdiction, and would require a penalty to only accrue, for a violation of the regulations if the local jurisdiction did not make a reasonable effort, as determined by the department, to comply with the regulations.

Position
Support

Assigned
Alma, CASA ACE
Cmte, Jessica

SB 669 (Borgeas R) California Renewables Portfolio Standard Program: bioenergy projects.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 3/3/2021-Referred to Com. on RLS.

Location: 2/19/2021-S. RLS.

Summary: Current law requires electrical corporations, by December 1, 2016, to collectively procure, through financial commitments of 5 years, their proportionate share of 125 megawatts of cumulative rated generating capacity from bioenergy projects commencing operation prior to June 1, 2013. Current law additionally requires a local publicly owned electric utility serving more than 100,000 customers to procure their proportionate shares of 125 megawatts of cumulative rated generating capacity from those kinds of bioenergy projects subject to terms of at least 5 years. This bill would make a nonsubstantive revision to a definition applicable to the above-described requirements for the procurement of generating capacity from bioenergy projects.

Position
Watch Close

Assigned
CASA ACE Cmte,
Jessica

SB 759 (Hueso D) Short-lived climate pollutants: methane: organic waste: landfills.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 3/3/2021-Referred to Com. on RLS.

Location: 2/19/2021-S. RLS.

Summary: Current law requires the State Air Resources Board to complete, approve, and implement a comprehensive strategy to reduce emissions of short-lived climate pollutants in the state and to achieve a reduction in the statewide emissions of methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below 2013 levels by 2030, as provided. Current law requires the methane emissions reduction goals to include specified targets to reduce the landfill disposal of organics. This bill would make a nonsubstantive change to that latter provision.

Position
Refer to ACE
Committee

Assigned
CASA ACE Cmte,
Jessica

Total Measures: 22

Total Tracking Forms: 22

Air Quality, Climate Change, & Energy (ACE) Workgroup Meeting

May 27, 2021 (8:30 – 10:30 am)
Zoom Link – See Meeting Appointment



1

Legislative Update



2

Assembly Bills – 2021

- AB 72 (Petrie-Norris D) Coastal adaptation projects: sea level rise: regulatory review and permitting
- AB 284 (Rivas, Robert D) Climate goal: natural and working lands
- AB 322 (Salas D) Electric Program Investment Charge program: biomass
- AB 585 (Rivas, Luz D) Extreme Heat and Community Resilience Program
- AB 843 (Aguiar-Curry D) Renewables Portfolio Standard Program: renewable feed-in tariff
- AB 897 (Mullin D) ORP: regional climate networks: climate adaptation action plans
- AB 1086 (Aguiar-Curry D) Organic waste: implementation strategy (includes “biosolids”)
- AB 1261 (Burke D) State Air Resources Board: greenhouse gas emissions: incentive programs
- AB 1279 (Muratsuchi D) Coastal resources: sustainable kelp
- AB 1317 (Berman D) Clean energy

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Assembly Bills (cont’d) – 2021

- AB 1371 (Friedman D) Recycling: plastic: packaging and carryout bags
- AB 1500 (Garcia, Eduardo D) Safe DW, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022
- AB 1559 (O’Donnell D) Energy: Innovative Renewable Energy for Buildings Act of 2021

Senate Bills – 2021

- SB 1 (Atkins D) Coastal resources: sea level rise
- SB 18 (Skinner D) Green hydrogen – send to Workgroup for review of definitions
- SB 27 (Skinner D) Carbon Sequestration: state goals: natural and working lands: registry
- SB 45 (Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022
- SB 83 (Allen D) California Infrastructure and Economic Development Bank: SLR Revolving Fund
- SB 372 (Leyva D) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles
- SB 418 (Laird D) Sea level rise planning: database
- SB 619 (Laird D) Organic waste: reduction regulations
- SB 669 (Borgeas R) California Renewables Portfolio Standard Program: bioenergy projects
- SB 759 (Hueso D) Short-lived climate pollutants: methane: organic waste: landfills

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Governor’s Budget and Senate Budget Plan

- **CalRecycle – Senate proposes supporting \$130M, but rejecting Climate Catalyst Fund:**
 - \$50M Climate Catalyst Fund Recycling Infrastructure
 - \$5M Food Waste Prevention and Rescue Grants
 - \$5M Increase Community Composting Opportunities
 - \$35M Invest in New Composting and Anaerobic Digester Facilities
 - \$20M Expand Co-Digestion Capacity of Wastewater Facilities
 - \$15M Recycling Technology Feasibility Grants
- **CDFA – Senate proposes rejecting \$50M for Climate Smart Agriculture within Climate Catalyst Fund**
- **CDFA – Senate proposes approving \$776M for Climate Smart Agriculture**
- **CARB Cap & Trade Revenues – Senate proposes approving \$1.5B, working on details**
- **Wildfire and Healthy Forests – Senate proposes approving \$1B**



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Priority Issues/ Action Items



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1. COVID-19

- CWEA Webinar – May 25th
- CWEA-CASA Webinar – June 30th
- CASA website for resources: <https://casaweb.org/covid-19/>
- Wastewater-based epidemiology (WBE) efforts →
 - Survey sent (from Greg Kester) on behalf of Water Quality Monitoring Council to understand who is participating in WBE and other details
 - CDC managing national database (SWRCB to submit data) – National Wastewater Surveillance System
 - Health and Human Services data collection target: 30% population



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2. Per and Poly-fluoroalkyl Substances (PFAS)

- Quick facts:
 - Background (or baseline) levels are in ppb range
 - Notification levels: PFOS at 6.5, PFOA at 5.1 ppt, PFBS at 500 ppt
 - Response levels for PFOS/PFOA: 40/10 ppt (from 70 ppt), PFBS at 5000 ppt
- SWRCB Order
 - Quarterly sampling of influent, effluent (if ≥1 mgd)
 - Quarterly sampling of biosolids if ≥5 mgd or annual if 1-5 mgd
 - GW monitoring programs to do one-time sample
 - Check Geotracker data – not always accurate and units vary!
- Region 2 response in partnership with SFEI (Phase 1 data to inform Phase 2 – data being QA/QC'd)



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2. Per and Poly-fluoroalkyl Substances (PFAS)

- EPA PFOS/PFOA Problem Formulation
 - Recognizes receivers, importance of source control
 - EPA Risk Assessment Process (adopt by end 2021)
 1. Deterministic screening model
 2. Probabilistic model (full risk assessment)
 - Single lab method available
 - Multi-lab method by end of 2022, permit requirements next
 - Looking at thermal technologies
- EPA to award 4 teams summer 2021, ~\$1.5 M each to investigate pollutants in biosolids (27 proposals)
- Other efforts underway
 - National Coalition of Receivers – fact sheet revisions and engaging new congress



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3. Criteria Pollutants & Toxics Reporting and Air Toxics “Hot Spots” Program Updates

- Enacted January 1, 2020 via AB 617
- Gives CARB authority to “harmonize” air monitoring, reporting, & emissions reduction programs from stationary sources
 - Assess community exposure
 - Establish criteria for air monitoring
 - Identify strategies for emissions reduction
- Steps being taken to:
 - Establish emission reduction targets & enforcement programs
 - Develop uniform statewide reporting and public access to enhance public’s right to know



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3. Criteria Pollutants & Toxics Reporting and Air Toxics “Hot Spots” Program Updates

- Expanding the compound list to >1000 compounds (previously >500)
- KEY ISSUES:
 - Many of the compounds do not have known toxicity levels
 - Many of the compounds do not have known emission factors
 - Many of the compounds are not relevant to WWTPs
- Where does this leave WWTPs?
 - What do we report?
 - How can we report if there are no known emissions factors or toxicity levels?

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3. How can WWTPs comply with the updated CTR and Air Toxics “Hot Spots” Programs?

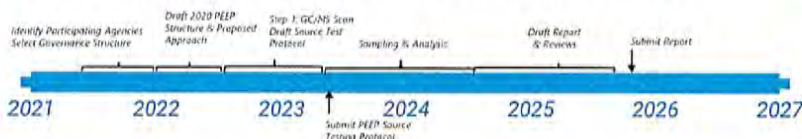
- WWTPs to report business as usual through 2028
- In meantime, WWTPs w/ air permits perform a “two-step process” to determine shortlist of compounds
- Two-Step Process consists of:
 - GC/MS Scan for determining detectable compounds
 - Quantification Process (Mimic 1990 Pooled Emissions Estimation Program, PEEP)
 - Quantification methods approved by CAPCOA
 - Toxicity potentials approved OEHHA Scientific Review Panel

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3. Next steps for the Wastewater Sector...

- California Association of Sanitation Agencies to draft proposal for performing the Two-Step Process with members
- Approximate timeline for Two-Step Process: ~5 years
- Approximate total cost: ~\$10 Million (spread across participating members)
- Execute the Two-Step Process requires various steps



CASA One-Page Summary to educate your staff and local air district staff – draft underway!



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4. SB 1383: Organic Waste Methane Emissions Reduction

- 40% methane reduction by 2030 (relative to 2013 levels)
- Organic waste diversion from landfills (includes biosolids, digestate, and sludges)
 - 50% by 2020 (relative to 2014 levels)
 - 75% by 2025 (relative to 2014 levels)
- Implementation
 - State to enforce on jurisdictions Jan 1, 2022
 - Local jurisdictions to start enforcement Jan 1, 2024
 - Compliance by Jan 1, 2025



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4. SB 1383: Organic Waste Methane Emissions Reduction

- Items to address...
 - Transfer of Emission Reduction Credits (offsets) from landfills to projects that divert/process organic waste – if combusting onsite (discussing with CAPCOA and air districts)
 - Designating facilities as landfilling that are not determined to be diversion, can go through determination process to get approved
 - Understand procurement of products and if they will consider other products (specifics in regulations) and how they apply to city and district facilities
 - Non-Local Entities (including special districts)
 - Streamlining permitting (Ventura County composting facility)
 - Understand how to handle County Ordinances
 - Updates to General Order

- Leave behind a map of ordinances to CalRecycle for outreach



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5. SB 100 Joint Agency Report

- 100% Clean Energy Act of 2018
- Renewable and zero-carbon resources to supply 100% of electric retail sales to end-use customers by 2045
- CEC, CPUC, and CARB drafted joint agency report to Legislature identifying pathways to achieve mandate
- CASA submitted comments recommending:
 - Inclusion of biogas/biomethane in SB 100 PATHWAYS
 - State level interagency coordination on utilization of biogas/biomethane supporting goals/mandates
 - Utilizing cost and supply information already compiled
 - Support for the Draft Report’s recommendation supporting research and innovation in clean energy technologies, including biogas/biomethane produced by POTW anaerobic digesters

Upcoming Workshops on Next Steps to Plan for SB 100 Resource Build

June 2nd Sessions

Session 1 - 10 AM: Framing the SB 100 Resource Build

Session 2 - 2 PM: Stakeholder Perspectives Roundtable



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6. CARB Advanced Clean Vehicle Regulations

Advanced Clean Truck Rule

- Requires manufacturers increase electric vehicles sales thru 2045
- Requires large entities report vehicle 2019/2020 activity by **May 1, 2021:**
 - >\$50 M in revenue from related subsidiaries, subdivisions, or branches, and has at least one vehicle
 - Owns 50 or more vehicles
 - Dispatches 50 or more vehicles into or throughout California
 - Is a government agency (federal, state, local, and municipalities)!

Next Steps...

- OAL approved March
- **Report activity data by May 1st**
- Activity data will be used as basis for Clean Fleet Rule regulatory development.
- Be sure to report:
 - Mileage
 - Hours of operation
 - Remote assets
 - Specialty vehicles and needs

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6. CARB Advanced Clean Vehicle Regulations

Advanced Clean Fleet Rule

- Zero-emission fleets by 2045
- Government entities viewed as early adopters
- Convert public fleets by 2035 (purchase agreement by 2027)
- Goal to adopt regulation by end of 2021 (may extend into 2022)
- Workshops held 3/2 and 3/4

*Specialty Vehicle Coalition
with ACWA, CMUA, SCPPA,
CSDA and SoCalGas*

CASA Subgroups

Next Steps...

- Comments submitted 4/2
 - Provisions for essential public services
 - Wastewater biogas as a low carbon transportation fuel
 - Develop exemption process with timeline for essential public services (consider cost)
 - Support normal replacement cycle of vehicles within public fleets and delayed start date for low population counties
 - Support purchases of NZEV
 - Regulatory timeline to reflect the need for flexibility in planning
 - Avoid stranded assets
 - Early action credit
- Draft regulation to come – 45-day comment period

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7. New BACT for Large Emergency Diesel Engines ≥1,000 bhp

- Kicked off by BAAQMD issuing determination December 22, 2020
- No stakeholder process, no previous notification
- Deemed achieved-in-practice based on installations vs operation
- Applied to permit applications open since Jan 1, 2020

EPA Tier 4 Emission Sta

Pollutant	BACT Limit
POC	0.14 g/bhp-hr
NO _x	0.5 g/bhp-hr
SO ₂	CARB Diesel (15 ppm sulfur)
CO	2.6 g/bhp-hr
PM-10	0.02 g/bhp-hr



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7. New BACT for Large Emergency Diesel Engines ≥1,000 bhp

- BACWA to brief BAAQMD Board Members / electeds on BACT process, communication issues, POTW planning process
- BACWA to provide BAAQMD staff specific asks (points made to Board)
- CASA tracking/responding to requests from other Air Districts
 - Sacramento Metro AQMD – comments submitted by 4/30
 - South Coast AQMD – end of May/early June
 - Coordinate with Hospital Association as an essential public service (Tier 4 Engine in SoCal hospital automatically shut off due to low urea)
- Local status updates



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8. AB 32 Climate Change Scoping Plan Update 2022

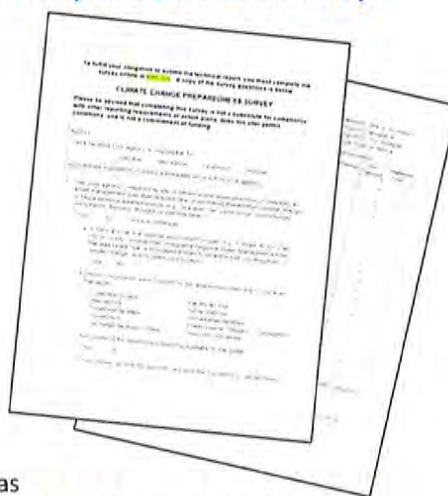
- CARB to kick off workshop series June 8th for development of 2022 Scoping Plan Update to achieve carbon neutrality by 2045 (previous updates 2008, 2013, 2017)
 - June 9 9:30 a.m. to 12:00 p.m.
Focus Area Discussion: Natural and Working Lands
 - June 9 1:30 p.m. to 4:00 p.m.
Focus Area Discussion: Equity and Environmental Justice
 - June 10 9:30 a.m. to 12:00 p.m.
Focus Area Discussion: Transportation Sector
 - June 10 1:30 p.m. to 4:00 p.m.
Focus Area Discussion: Electricity Sector



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9. CA Adaptation: SWRCB Climate Change Preparedness Survey

- State Water Board to:
 - Send NPDES and WDR permit holders to be surveyed in late 2021
 - 45-day response
 - Webinar after formal distribution
- Actions:
 - Consider piloting survey (like the Bay Area a)
 - Consider developing guidance for responding to survey
 - Determine new lead at SWRCB
 - Follow development of 4 priority areas (drinking water, wastewater/co-digestion, sea level rise, harmful algal blooms)



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9. CA Adaptation: Coastal Commission and Natural Resources Agency efforts

- Coastal Commission planning for sea level rise – met with staff to discuss:
 - Better coordination on a project/permit basis – avoid duplication of efforts
 - Better coordination at state agency level between CCC and SWRCB on requirements for performing vulnerability assessments
 - Certainty of which projections (and documents) agencies rely upon in their planning (i.e., the 2018 OPC Sea Level Rise Guidance, [Principles for State Action](#))

- Natural Resources Agency to update CA Adaptation Strategy (4th)
 - Kickoff workshop held May 26th
 - Series of region-specific workshops kicking off next week – beginning in north central valley June 1, 2, and 3
 - Draft strategy update to be released Q3 of 2021 with goal to final by end 2021



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Informational Items



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1. Soil Enrichment Protocol (SEP)

- Climate Action Reserve (Reserve)
- Published September 2020
- Provides guidance to **account for, report, and verify** GHG emission reduction associated with soil enrichment projects
- Produce **carbon offset credits**, referred to as Climate Reserve Tonnes (CRTs)
- **Soil enrichment projects** are defined as the adoption of sustainable agricultural land management practices intended to increase soil carbon sequestration and/or decrease net GHG emissions, via changes to:
 - Fertilizer application
 - Soil amendment application
 - Water management/irrigation
 - Tillage/residue management
 - Crop planting and harvesting
 - Fossil fuel usage
 - Grazing practices



Presentation to step through the calculation process – June 23/24

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2. Carbon Sequestration Meta-Analysis

- **Request for Biosolids Soil Carbon Systematic Article Reviews and Data Extraction**
- Virginia Tech researchers to quantify C-sequestration potential from land-applied biosolids from analysis of existing research/data
- Systematic review of published and unpublished data (13,000+ abstracts)
- Seeking assistance with Full-text Review (2 people per Review) – focused on Materials and Methods section and checking for soil organic carbon/matter data
- No funds available to compensate for time, offering authorship
- If you, a PhD student, postdoctoral researcher, or someone who would like to help, **please reach out to Mike Badzmierowski, Greg Evanylo, and Lee Daniels!**
- If you have non-published data showing changes in soil organic carbon/matter concentrations and stocks, consider sending to be included
- Data (with consent of authors) to be added to an open-access repository
- Promote biosolids research, identification of research gaps, and inform and harmonize future collection methods

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3. Biogas/Biomethane Management: RINs

- EPA Renewable Fuel Standard RINs
 - Met with Kurt Gustafson
 - Discussed interpretation of RFS related to RIN values for sludge-based biogas (D3, cellulosic) vs food waste-based biogas (D5, advanced biomass fuel)
 - Current interpretation is that all biogas from co-digestion will be valued at D5
- Next Steps
 - Appeal to higher authorities within EPA, sending letter
 - Pursue legislative clarity through Congress (some concerns by others)



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4. CPUC Self-Generation Incentive Program

- CASA responded Mar 22nd to questions, developing follow-up letter
- The Commission asked if it should revise SGIP renewable generation technology requirements to:
 1. Remove directed biofuels as an eligible fuel?
 2. Remove internal combustion engines from the list of eligible technologies?
 3. Exclude crops grown solely for energy production (commonly referred to as "purpose-grown crops") as eligible feedstocks for renewable fuels?
 4. Limit eligible sources of renewable hydrogen to "green electrolytic hydrogen"?
 5. Define green electrolytic hydrogen as hydrogen produced at the project site, or delivered to the project site by vehicle or dedicated pipeline, that was produced through electrolysis using:
 - 100% renewable electricity, as defined by the RPS, with the addition of large hydro;
 - 100% renewable electricity from a RPS purchase program that provides bundled renewable energy credits to the electricity purchaser; and
 - excluding hydrogen gas manufactured by any other method?
 6. Direct SGIP Program Administrators to issue a single 30-day warning when renewable fuel use documentation is not provided as required, followed by issuance of an infraction and initiation of procedures of the SGIP handbook if the required information is not provided within 30 days of issuance of the warning?

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5. BAAQMD Climate Pollutants Regulation 13



Rule development suspended due to COVID-19 & lack of data

- BAAQMD realized it needed more data, before drafting regulations!
- Draft BMPs summarized for Organic Material Handling and Compost Facilities
- BACWA to summarize current BMPs for POTWs via survey, specifically:
 - Anaerobic digesters and ancillary equipment
 - Other treatment processes (i.e., lagoons)
- BAAQMD may incorporate BMPs as part of standard permit conditions vs further regulate

BACWA Survey to be reviewed by BAAQMD before release to members



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6. Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS)

- **Nutrient (Nitrate) Management**
 - Nitrate Management Orders went to POTWs within priority basins (those land applying biosolids)
 - Only applicable in Priority 1 or 2 GW Basins
 - Early Action Plans approved May 5th (exception of 1 and will resubmit)
 - Roundtable held April 29th
- **Salt Management**
 - Notice to Comply released
 - Phase 1: Prioritization & Optimization Study (P&O Study) approved, pay now
 - Late 2020 to early 2021
 - 30- to 35-year study



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7. Rules to limit NO_x: SCAQMD Rule 1118.1

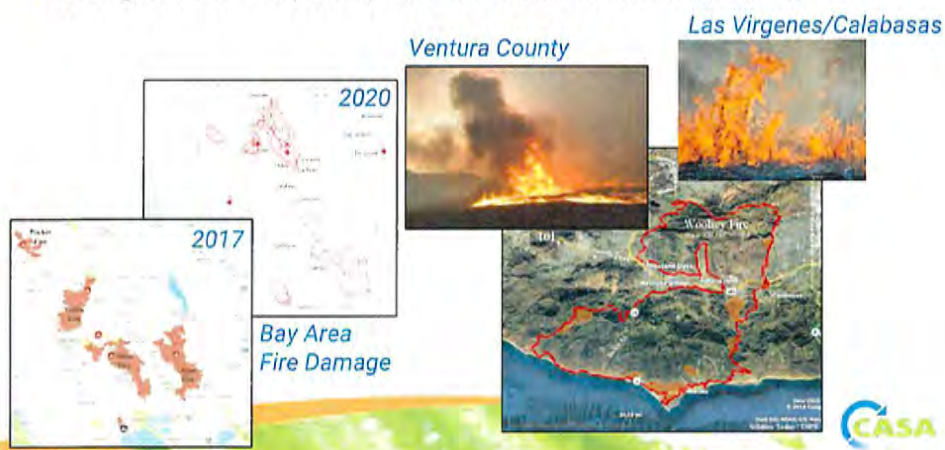
- SCAQMD – Rule 1118.1
 - Technology Assessments Status – SCAQMD staff to work with stakeholders on impacts of food waste diversion and beneficial use alternatives to flaring
 - Impact to emergency engine use



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8. Biosolids and Fire Reclamation Efforts

- Site secured in Las Virgenes/Calabasas (Phase 1) for Class B cake, Class A compost, and Class A dried pellets for land application + control site
 - Finalizing data analysis from Dec 2019 rain sample, to continue through spring 2021
 - Formal report to come in 2021
- Looking for a site in Bay Area (Phase 2) and back to Colorado (Phase 3)



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9. U.S. Forest Services Wood Innovation Grant



- Two-year grant from Sierra-NV Conservancy & Governor's Office of Planning & Research (completed Dec 2019)
- Collaboration with U-CO and UC-Merced unit (owned by Phoenix Energy)
- Investigate viability of replacing GAC with biochar (from gasification of dead trees) for pre- and post-treatment odor control
 - Year 1: Perfect activation of biochar (bench to full scale)
 - Year 2: Agency testing (Delta Diablo, LACSD)
- University of CO has written report summarizing additional needs to develop a marketable product – Greg Kester finished reviewing report last year
- Finding: Biochar did not perform as well as GAC, but recommendations for improving its performance are provided
- Report anticipated to be complete any time now, final formatting underway



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Upcoming Conferences/Events

- **CWEA Annual Conference**
June 7th-10th, Virtual
- **NACWA Utility Leadership Conference**
July 20th–21st, Virtual
- **CASA Annual Conference**
August 11th-13th, San Diego



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Upcoming Meeting

June 24th



MEMORIAL DAY
REMEMBER AND HONOR



35



Bank of Marin

Created ▾ Status ▾ Approvals ▾ Transaction Type ▾ Account ▾ Amount ▾

Tracking ID: 432759

Total Amount: \$126,526.75

Created: 06/04/2021 10:30 AM

Total Payments: 2

Created By: Amy Schultz

Description: ACH approved by Board 6032021

Will process On: 6/4/2021

Description	Number of Credits	Credit Amount	Effective	ACH Class Code
ePay	10	119989.25	6/7/2021 12:00:00 AM	PPD
ePay	2	6537.5	6/7/2021 12:00:00 AM	CCD

PASS-THRU ITEMS:

APPROVAL(S):

1 Amy Schultz

2 Pending

Credits: [0] **\$0.00** | Debits: [0] **\$0.00**

EESI

Unlocking Capital For Climate Solutions: The Benefits of a National Climate Bank

www.eesi.org (all slides, items online)

June 8, 2021

Craig K. Murray

Dan Bressette

- Need to Rethink America National Energy Policy. EESI: Hill Briefings, Climate Change Solutions, Social Media (@EESIONLINE); Fact Sheets. Upfront Costs: Actual Barrier. More Challenging Solar and Energy Efficiency and this is where Green Banks come in to bring affordable Capital to low, mod and communities of color and reach those that need it most.
- Green Banks need resources. Proposals in Congress and Panel to describe.

Jeffrey Schub, Exec. Dir. , Coalition for Green Capital. Clean Energy and Sustainability Accelerator. Review History of Federal Green Economy. Started in 2009 (Markey and Holland). Tied up in Cap and Trade and did not get to floor. 2019 (Dingal) National Climate Act. 1x Federal Appropriation for non profit to fund network of green banks across the US. Part of America Jobs Plan. Green Bank: Put in \$1 Public: Leverage \$3 private money. Overtime, increases because recycle dollars and loan to itself. 21 Green banks in 15 states and DC during last 10 years. 22 States on the way. Bipartisan legislation in Maine and Minnesota and concept of leveraging private investment is popular. Accelerator funds: State Green Banks in every US. Help local communities to transition to green energy economy. Problem carbon power hits consumers harder, differently in different states. Not price of electricity but level of burden on household based on household income (states with low income and stress). Level of support does need to vary by state. States with highest level of carbon power (eg CA, TX, LA, FLA, GA, Ill..) Indicator of negative health impacts (Asthma, health). Map shows central south states. 6 distinct regions with workers in different energy dependence. Conc. Of Wind in upper Midwest and wind in north east coast and west coast. Benefit to transition to clean energy is lower energy costs for everyone and savings accrue to the households esp. those with high reliance on fossil fuels. \$100B Accelerator vital to Critical objectives: Massive increase in wind 6x, transmission lines, and vehicles driven. Jobs for Range of skillsets: Production and Manufacturing 36% (mining job avg. 3.8 years), clean energy jobs will be true and abundant. 7 different sectors to invest (grid, transporation, building...). Accelerator: \$100B: \$800B private=\$900B invested in 10 years, 4 M jobs in 4 years, work in every community. Justice for communities harmed by pollution, hit by job loss, left out of gains enjoyed by the rest of country. 40% benefits low income communities. Single biggest climate reduction program per dollar: Accelerator-driven investment: reduces 20% of emissions. WE have done this type of big change before: Mid-90s to 2010 total transformation of information platform. Clean Energy and Sustainability Act (HR806) National Climate Act (S283).

Bryan Garcia, President and CEO, CT Green Bank. Quasi-public Org. similar to Corporation to State of CT. Focus on finance clean energy (including manuf. Fuel cells). State support \$0.001/kWh surcharge on electric rate payer bills (\$7-\$10 per household per year = \$25MM per year). Pursue investment strategies that advance market transformation in green investing. What after: Cleaner, Resilient, Healthier, Cheaper (net Savings, put more cash back into end use customer by reducing their bill with 20-25 year loans). CT Green Banks: \$30M/year. Invest public resources first (\$6:\$1) Public investment \$1: Private investment: \$6.60 and get all social and environmental benefits. Key thing: investment drives everything, the deployment of clean energy. Social and Environmental: Investment, economic development, environmental protection, tax benefits. Posi Gen is example of Residential solar PV to low and moderate income. Can pay 10-15% for energy. Can reduce financial affordability gap through

: Notes EESI Natl Climate Bank Webinar 6 8 21

up front financing solution. Food Waste to Energy: Quantum Bio Power in CT. Peoples Bank, subordinated debt at 20% provided. New England hydropower. All of New England old and aging dams, restored dam in Meriden CT. Key Bank, Bank of America, Webster Bank worked with. Unique to CT: Can issue CT Green Bank Bonds. WW II effort \$3T Bonds raised. CT wanted citizens to buy clean investment bonds. Paris Agreement: mitigation and no more than \$1k and certification that use and proceeds go to that purpose. Last Earth Day: \$100M sold to CT and others across country. Vision Statement: a planet protected by the love of humanity. Focus in future is more investment to reduce energy burden. www.ctgreenbank.com

Duanne Andrade, CFO, SELF. Univ. Latin American for Social Responsibility. FL SELF CFO. Solar and Energy Loan Fund. Certified CDFI. Social Justice, Environmental Justice, Economic Justice. First non profit green bank in FL (founded in 2009). Right after the housing crisis and to revitalize economy with Obama ARRA. SELF founded \$3M grant from US DOE. 2005 CDFI: to fulfill financing gaps left behind by traditional banks. Mandate 60% to be spent in low and mod income census tracts mainly energy efficiency and clean energy. Microlending based on ability to pay. Leveraged \$3M: \$25 M (8:1 ratio). Unsecured home improvement loans. Small \$10k loans. 50% clients with less than 680 credit scores. Less than 2% avg. default rate. Fund assist contractor. JP Morgan assisting to create new fund for green affordable housing (help renters in affordable housing buildings and utility bills take up most of their income so will finance with \$65M for affordable energy). PACE program in St Lucie County. Also do disability and aging in place home modifications. Lending programs: CDFI (no min. credit score or income, unsecured, 5% -10.99% 3-10yr term), KICA (raise funds globally, bring capital into community.. crowdfunded loans focused on Veterans and Women) , SAFE HOME, HALO, WQL. Wind hazard mitigation is 40% of lending. 76% is low mod income lending. Low mod income have a lot more needs (ie fix roof) before go solar. HCIF housing and community impact fund. Philanthropic fund: Leon Lowenstein: \$200k grant; leveraged \$800k. Now have 25 investors including Faith Based Investors. Federal/Gov funds are only 16% of total funding.

Brittany Heller, CO. Grid Alternatives Colorado. Direct solar project development & tech. asst. Nation's largest solar installer. 1.3 GHG emissions prevented from being released. Hands on training solar skills including those impacted by the criminal justice system. Eg 1.2MW community solar array: reduce 15 tons emissions. 900k solar workers required by 2035 to decarbonize the grid. Grid CO provides Paid training esp. important with people with barriers to employment. CO: 2019 Polis Admin roadmap to 100% renewable energy by 2040. bheller@gridalternatives.org

Miguel Yanez. Q/A. ? how will increase to serve underserved communities of color. A: Jeff. Premise of energy and climate justice and have the least access. Intrinsic is very localized and meeting folks where they are and very hard to do that with a national structure so it empowers local partners. Standard loans doesn't deliver because not the right terms so really is about the right terms. Need local participation and decision making and local control to develop cooperative ownership products and control what they own. Bryan: Whites own 85% of their homes v. Blacks and Hispanics own 5% of their homes so only small area of those of most vulnerable citizens. CT will go farther with National Climate Bank. Duanne: Change way think of LMI. Not because lazy, poor or don't have assets. Shift that thought. 30%-120% of avg. median income is LMI. Need to see what market needs are in LMI. ALICE: not poor enough for grants and stuck in middle. About 40% of America and don't qualify per banking standards, so look at them as credit worthy and accommodate per their cash flow. We apply it successfully. It works, it is good investments. ? How do you work with fed., state and local stakeholders on community investments. Brittany: can always find a project but difficult to find funds. Connected to CDBG dollars and all funds go to the homeowner. Other funds need to see ROI and more equity focus difficult in

reaching LMI customers. Duanne: St. Pete, Orange Co. each local government has their own goals, frame ourselves as implementation goals, we come in and we do the work for you. Financial coaching we partner with others, specialists. Job training. Leveraging partnerships is really imp. We are resource center for everyone as well. In community, when we partner everyone wins. Solar system on public housing building and Grant Co. septic to sewer is win-win partnerships. Bryan: 45% GHG reduction by 2030 as a foundation. Look at sec. 8 housing and how to mobilize improvements with tenants and property owners. Opportunities for Fed. To resolve owner/tenant problems. Give more CRA credits to banks to drive more investment. Jeff: very hard to address DOE smaller projects, not designed to have targeting flexibility between federal depts. Accelerator will oppty. For utility with stranded asset costs such as pulp mill transitioning. Dan: Rural financing. On bill financing to reach communities. Jeff: lot of green banks use on bill financing and need to use every tool available. Duanne: eg Martin Co. utilities, really need a lot of work to work with the utilities. Bryan: we have 169 cities in Towns in CT. About 59%.

Dan: national climate bank and emissions. Materials available at: www.eesi.org/060821bank. Briefing archive, presentation materials. Two more in 3 part energy emission series.

###

Certificate of Attendance for 1.0 Contact Hours

U. S. EPA's Small Water Systems Monthly Webinar Series
Harmful Algal Blooms and Algal Toxins

May 25, 2021

Craig Murray

This certificate represents participation in the webinar mentioned above as part of U.S. EPA's Monthly Small Systems Webinar Series: Challenges and Treatment Solutions for Small Water Systems. The webinar series is a collaboration between U.S. EPA's Office of Research and Development and Office of Water. The participant named above met the attendance requirements to receive the listed number of contact hours.



Thomas F. Speth

Thomas F. Speth, PhD
Webinar Series Coordinator
U.S. EPA Office of Research and Development

Michelle L. Latham

Michelle L. Latham
Webinar Series Coordinator
U.S. EPA Office of Research and Development



**BOARD MEMBER
MEETING ATTENDANCE REQUEST**

Date: _____ Name: _____

I would like to attend the _____ Meeting
of _____

To be held on the _____ day of _____ from _____ a.m. / p.m. to
_____ day of _____ from _____ a.m. / p.m.

Location of meeting: _____

Actual meeting date(s): _____

Meeting Type: (In person/Webinar/Conference) _____

Purpose of Meeting: _____

Meeting relevance to District: _____

Request assistance from Board Secretary to register for Conference: YES NO

Frequency of Meeting: _____

Estimated Costs of Travel (if applicable): _____

Date submitted to Board Secretary: _____

Board approval obtained on Date: _____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.

6/17/2021

BOARD AGENDA ITEM REQUESTS

Agenda Item 13B

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation



California Special
Districts Association
Districts Stronger Together

Agenda Item 14
Date Jun 17, 2021
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Are Public Agency Remote Meetings Coming to an End?

By Kristin Withrow posted 4 hours ago

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With the planned reopening of the State on June 15, many public agencies are asking if the Governor plans to rescind his Executive Orders ([N-25-20](#) and [N-29-20](#)) that suspend certain provisions of the Brown Act and allow public agencies to hold teleconferenced or remote meetings. While there has been speculation, unfortunately there has been no indication from the Governor's office what he plans to do with regard to that issue. The Governor has numerous options on how to proceed. Ideally, the Governor would leave the Executive Orders in place for the foreseeable future, allowing public agencies to consider the local health conditions and allowing agencies to evaluate if it is safe for them to meet in-person, as many public agencies have already begun to do, or continue to meet remotely while ensuring public access to those meetings. Additionally, the Governor could rescind the Executive Orders outright and immediately require public agencies hold in-person public meetings of their governing boards. This would create significant challenges for agencies that have already scheduled remote meetings and for those agencies that are not prepared to hold socially-distanced in-person meetings.

Chat-How Can We Help?

Not knowing how the Governor plans to proceed, CSDA along with several other public agency associations – including the California State Association of Counties and the League of California Cities – submitted the attached letter asking the Governor, should he decide to rescind the Executive Orders, to provide public agencies with a 30-day transition period to shift from remote to in-person meetings in order to “allow local agencies time to effectively adjust to whatever new state or local public health and safety requirements may exist to ensure a deliberative and collaborative approach to return to in-person public meetings.”

Though the Governor’s exact plans for lifting certain COVID-19 restrictions on June 15 are still unknown, CSDA is actively working to ensure special districts’ ability to effectively deliver critical services to their communities remains a key component of his decision-making process. As details of the Governor’s plans become available, CSDA will provide updates through our various means of communication to our membership.

###

#BrownAct

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167 views

Permalink

<https://www.csdanet.org/blogs/kristin-withrow1/2021/06/01/are-public-agency-remote-meetings-coming-to-an-end>

Comments

Currently no comments.



association of california
school administrators



ACHD
ASSOCIATION OF CALIFORNIA
HEALTHCARE DISTRICTS



CMUA
CALIFORNIA MUNICIPAL UTILITIES
ASSOCIATION

ACWA
Association of California Water Agencies

May 18, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Re: **Transition Period Prior to Repeal of COVID-related Executive Orders**

Dear Governor Newsom:


On behalf of the California State Association of Counties (CSAC), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), League of California Cities (CalCities), California Special Districts Association (CSDA), California Association of Local Agency Formation Commissions (CALAFCO), Association of California School Administrators (ACSA), Association of California Healthcare Districts (ACHD), California Municipal Utilities Association (CMUA), and the Association of California Water Agencies (ACWA), we write to respectfully request that you assist local governing bodies by providing time to prepare for the eventual repeal of COVID-related Executive Orders, including those that allow local legislative bodies to hold public meetings remotely. While our respective members welcome the opportunity to return to in-person public meetings and events with the improvements in public health metrics over the last few months, local government leaders around the state have considerable work to do to effectively transition back to conducting the public's business in meetings where elected and appointed officials, staff, and the public are physically present.

As you are aware, local agencies have been operating under the provisions of Executive Order N-25-20 and N-29-20, which you signed on March 12 and 17, 2020, authorizing local agencies to hold public meetings via teleconferencing and requiring public comment to be presented electronically. These Executive Orders also waived the requirement to post the remote meeting locations (typically the home addresses of elected and appointed officials and staff), as well as making those locations accessible to the public. Since then, our members have dramatically shifted the way they conduct their public business to maintain the health and safety of their staff and the public generally, while continuing to include the public in the important work of our local agencies. Returning to conducting business in person will require time and effort to ensure continued public health and safety, even with the state's improved public health status.

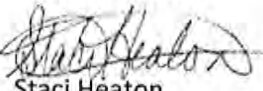
In light of the Center for Disease Control's May 13 announcement that vaccinated individuals can resume normal activities and in anticipation of the June 15 date for reopening the state, we respectfully request a period of transition of at least 30 days to allow local agencies time to effectively adjust to whatever new state or local public health and safety requirements may exist to ensure a deliberative and collaborative approach to return to in-person public meetings.

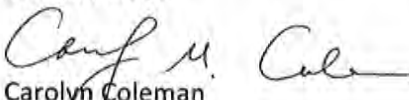
We greatly appreciate your leadership during the pandemic to ensure that the public's business would continue unabated and look forward to a return to normalcy. To the extent that you are considering repealing Executive Orders from early in the pandemic, we would greatly appreciate enough time to adjust operations to avoid unnecessary disruption or confusion and to allow us to safely transition back to in-person public meetings. Please do not hesitate to reach out if you wish to discuss further.

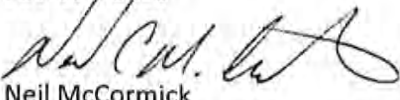
Sincerely,


Graham Knaus
Executive Director
California State Association of Counties
916-327-7500

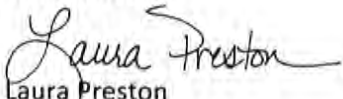

Jean Kinney Hurst
Legislative Advocate
Urban Counties of California
916-327-7531

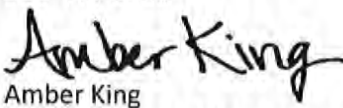

Staci Heaton
Acting Vice President of Government Affairs
Rural County Representatives of California
916-447-4806

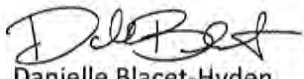

Carolyn Coleman
Executive Director
League of California Cities
916-658-8200

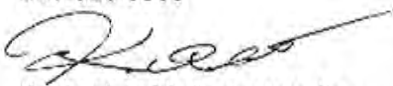

Neil McCormick
Chief Executive Officer
California Special Districts Association
916-442-7887


Pamela Miller
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California Association of Local Agency
Formation Commissions
916-442-6536


Laura Preston
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916-444-3216


Amber King
Vice President, Advocacy and Membership
Association of California Healthcare Districts
916-266-5200


Danielle Blacet-Hyden
Deputy Executive Director
California Municipal Utilities Association
916-326-5800


Kristopher M. Anderson, Esq.
Legislative Advocate
Association of California Water Agencies
916-441-4545

cc: Jim DeBoo, Chief of Staff, Office of the Governor
Ana Matosantos, Cabinet Secretary, Office of the Governor
Ronda Paschal, Deputy Legislative Secretary, Office of the Governor



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Executive Order on Virtual Meetings Will NOT be Rescinded on June 15

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1. Executive Order on Virtual Meetings Will NOT be Rescinded on June 15

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Dillon Gibbons

Actions ▾

Posted 19 hours ago |  [view attached](#)

No replies, thread closed.

Today, Ana Matosantos, Cabinet Secretary to Governor Gavin Newsom, responded to a [letter](#) sent to the Governor from CSDA's CEO, Neil McCormick, and other local government association representatives regarding the possible rescension of [Executive Order N-29-20](#) which provided the authority for local governments to conduct their business through virtual public meetings during the COVID-19 pandemic.

The attached response was brief but clear. In part, it read:

"Please be assured that this Executive Order Provision will not terminate on June 15 when the Blueprint is scheduled to terminate. While the Governor intends to terminate COVID19 executive orders at the earliest possible date at which conditions warrant, consistent with the Emergency Services Act, the Governor recognizes the importance of an orderly return to the ordinary conduct of public meetings of state and local agencies and boards. To this end, the Governor's office will work to provide notice to affected stakeholders in advance of rescission of this provision to provide state and local agencies and boards time necessary to meet statutory and logistical requirements. Until a further order issues, all entities may continue to rely on N-29-20."

CSDA will continue to share additional information on this issue as it becomes available.

Dillon Gibbons
Senior Legislative Representative
California Special Districts Association
Sacramento CA
(916) 442-7887
dillong@csda.net



OFFICE OF THE GOVERNOR

June 2, 2021

VIA EMAIL

Graham Knaus, Executive Director
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gknaus@counties.org

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Niel McCormick, Chief Executive Officer
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RE: Transition Period Prior to Repeal of COVID-related Executive Orders

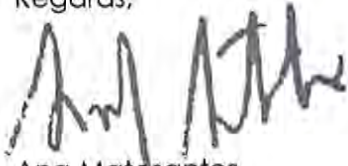
Dear Mr. Knaus, Ms. Miller, Ms. Hurst, Ms. Preston, Ms. Heaton, Ms. King, Ms. Coleman, Ms. Blacet-Hyden, Mr. McCormick, Mr. Anderson, and colleagues,

Thank you for your correspondence of May 18, 2021, inquiring what impact the anticipated June 15 termination of the Blueprint for a Safer Economy will have on Executive Order N-29-20, which provided flexibility to state and local agencies and boards to conduct their business through virtual public meetings during the COVID-19 pandemic.

Please be assured that this Executive Order Provision will not terminate on June 15 when the Blueprint is scheduled to terminate. While the Governor intends to terminate COVID-19 executive orders at the earliest possible date at which conditions warrant, consistent with the Emergency Services Act, the Governor recognizes the importance of an orderly return to the ordinary conduct of public meetings of state and local agencies and boards. To this end, the Governor's office will work to provide notice to affected stakeholders in advance of rescission of this provision to provide state and local agencies and boards time necessary to meet statutory and logistical requirements. Until a further order issues, all entities may continue to rely on N-29-20.

We appreciate your partnership throughout the pandemic.

Regards,

A handwritten signature in black ink, appearing to read 'Ana Matasantos', written in a cursive style.

Ana Matasantos
Cabinet Secretary

Businesses adapt to cope under drought restrictions

MARIN MUNICIPAL

3

District helps firms develop alternative conservation plans

By Will Houston

whouston@marinij.com

After a winter of season of record-low rainfall, Corte Madera business owner Paul Burrous knew water restrictions were imminent. That's when he decided to invest in a water truck.

While it costs Burrous several thousand dollars a month to rent and insure, the 2,000-gallon truck allows his business, the Marin Wood Restoration and Painting Co., to continue one of its most demanded services, power-washing, even during what is likely to be the county's worst drought on record.

The Marin Municipal Water District prohibits using potable water for power washing on decks and hard surfaces as part of a suite of restrictions it approved earlier this year.

After negotiating with the district, Burrous' company was able to work around this by filling the water truck with recycled water he secures from the district and using it for power-washing jobs.

"Obviously my business is first and foremost but doing the right thing is important too," Burrous said. "A lot of my clients are sensitive to it. They don't want to waste the precious water."

Burrous' water truck is but one example of ways businesses and agencies are adapting to Marin's worsening water supply issues.

With less than a year of water remaining in its seven reservoirs in the Mount Tamalpais watershed, the Marin Municipal Water District has approved mandatory use restrictions for its 191,000 central and southern Marin residents in April and May.

The rules seek to cut water use by 40% compared to average use during the three-year period of 2018-2020. Restrictions include limiting outdoor sprinkler use to two days per week, banning at-home car washing and other rules.

landscaping, rely more heavily on water use to sustain themselves, the district is working to develop alternative conservation plans that still meet the conservation target.



Gustavo Diaz of Marin Wood Restoration and Painting Co. power washes a fence in Corte Madera. The business rented a water truck and fills it with recycled water for use at job sites.

ALAN DEP — MARIN INDEPENDENT JOURNAL



Paul Burrous, owner of Marin Wood Restoration and Painting Co., stands next to a water truck he rented that is full of recycled water for use by his business.

ALAN DEP — MARIN INDEPENDENT JOURNAL

2

The same rules apply for the 4,000 businesses, industrial customers and government agencies in the district. Recognizing that certain types of businesses, such as golf courses and

4

Mill Valley’s municipal golf course is one example. The district’s rules limit golf course watering to greens and tees only, but the utility left open the door for alternative options to reach 40% conservation. Using about 12 million gallons of water in 2020, the Mill Valley Golf Course makes up nearly half of the city’s entire outdoor irrigation and water use, said Tony Boyd, a city public works official.

To prevent the course’s fairways from dying out entirely and having to be replaced, the district is allowing the city to water them as long as it conserves by 40% at the city’s 42 irrigation meters at local parks, athletic fields and playgrounds, Boyd said.

“Our main thing is that we don’t have to replace entire fields at the end of the summer,” Boyd said. “Just try and sustain them is our main goal.”

Two other golf courses have agreed to similar alternative plans, and the district will be tracking their water use monthly to ensure compliance, said Jeanne Mariani-Belding, district communications manager.

“Some are reducing irrigation overall to the roughs, some are removing sprinkler heads,” she said.

Nearly 30 alternative conservation plans, also called variances, have been approved by the district for other businesses, Mariani-Belding said.

“Some are changing business practices to reduce water use overall, and others, including companies that deal with deck and hardscape pressure washing, are using recycled water instead,” Mariani-Belding said.

For Joanne Webster, chief executive of the San Rafael Chamber of Commerce, what is most concerning is not the water restrictions but a proposed suspension of new water service hookups. The Marin Municipal Water District plans to discuss the idea at its meeting on June 15, and the North Marin Water District has already approved a hookup suspension in its Novato service area.

After the pandemic, the top issue among Marin employers is filling vacant jobs, Webster said,

5

The Marin Municipal Water District said a hookup moratorium would only save one one-thousandth of its annual potable water demand. For the North Marin Water District, the annual savings would be about 0.1%.

“For us, it’s lawns versus livelihoods of people,” Webster said. “We’re all going to have to do our part and there should be some incentive to rip up your high water use gardening and lawns.”

The Marin Municipal Water District recently tripled its turf replacement rebate from \$1 to \$3 per square foot along with offering other discounts and rebates.

At Mt. Tamalpais Cemetery and Mortuary in San Rafael, the 65 acres of grass is nearly all brown and dried. The cemetery was already under a three-day per week watering limit before the new restrictions.

“We have had to cut it down to almost nothing,” said Jack Thornton, the cemetery’s manager and funeral director.

Thornton said he gets calls almost daily asking why the lawns are so brown. While not aesthetically pleasing, the dry lawns are just a small worry compared to the potential of Marin depleting its water supply, Thornton said.

“We’d love to have the place nice and green but we just don’t want to waste water because people are going to need water to drink with,” Thornton said.

In the previous drought from 2012-2016, Bon Terra Landscapes Inc.co-owner Johnny Fort of Corte Madera said he has always tried to convey to customers how precious water is and promoted more drought tolerant landscaping over traditional lawns. “We never really got the responses we thought we were going to get,” Fort said. “People continued to put in large lawns and even larger.”

But with the second major drought in less than a decade now underway, more people are coming around to the idea. One of Fort’s customers looking to install turf in the front and back yards in recent months

5

36 7

particularly lower-income jobs. Part of that stems from Marin’s high cost of housing.

decided to switch to synthetic turf as the water situation worsened.

Limiting new housing production through a hookup suspension would be “devastating” to businesses and would only save a minimal amount of water compared to further restricting or banning lawn irrigation, Webster said.

While the drought so far has not affected the business, Fort and his wife and business partner Lisa Sechser said they have noticed more people are asking questions about alternative options to traditional green lawns.

“It’s really hard to talk people into spending money on something they don’t really want, but at some point in time what they want won’t be an option,” Fort said.

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Supreme Court Exposes Special Districts to Prevailing Wages for All Contracted Work - Kaanaana v Barrett Business Services, Inc.

By Vanessa Gonzales posted 17 days ago

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By Deborah Wilder, President, Contractor Compliance and Monitoring Inc.

The California Supreme Court recently ruled (March 29, 2021) that prevailing wages are not limited to just construction related projects when it comes to public utility, reclamation and other special districts. The Court essentially ruled that any contracts Special Districts entered into must be paid at prevailing wages.



This case involved the Los Angeles County Sanitation District No. 2 and their contract with Barrett Business Services to sort recycling and have other staff operate the Downey Area Recycling and Transfer Station and the Puente Hills Material Recovery Facility. None of the work performed by Barrett was construed as construction, maintenance or repair.

For the last 90 years, prevailing wage or public works projects have been limited to construction or construction related projects, including construction, repair, remodeling, alteration, maintenance, service work, emergency work and warranty work. Even though the California Department of Industrial Relations (DIR) has continued to define the wo Section 1720 et seq as restricted to construction related work, the court ruled, Section 1720(a,

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includes “work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type.” The court reasoned that the language in Labor Code Section 1720(a)(2) specifically referencing special districts was different than the language relating to other agencies engaged in “public works.” The court stated because this particular section of the code did not specifically call out construction and related work, that the Legislature had meant it to have a more expansive interpretation for special districts to include ALL work awarded by a public agency and paid for in whole or in part from public funds.

What this means is that all contracts between a special district and any contractor would be open to prevailing wages. This could mean financial services, computer maintenance, engineering consultants, janitorial work and more. Because there are not prevailing wage classifications published for non-construction work, special districts are in quite a quandary.

So, what is the solution? ACWA, CASA and CSDA are working toward a legislative correction. The DIR seems to be “studying the issue” and it is highly unlikely that a legislative fix will occur this year (or even next year).

In the meantime, there is a provision in the Labor Code and related regulations that allow an Awarding Agency to request a wage classification and wage rates from the Director of the DIR. The provision requires providing the DIR with 45 days’ notice before the Bid Date to issue a new prevailing wage classification and wage rate. While this may seem like a time-consuming process, the alternative is having the contractors classify their workers into one of the many construction trades in excess of \$50 an hour. For example, most likely the workers sorting the recycling will be classified into the closest prevailing wage classification, likely Laborers with wages upwards of \$55 an hour. A computer programmer may well be classified under the Electrician Inside Wireman trade in excess of \$80 an hour. The only way to prevent that is to request a classification from the Director of the DIR of, for example, “computer service technician” and suggest a “scope of work” and “prevailing wage rate” commensurate with market rates. With no legislative solution in sight, special districts will have to choose between standing in line to get prevailing wage rates for all of their non-construction contracts or risking that the workers will be classified into one of the many construction classifications which already exist.

If you need more information on this topic or want our help in preparing a prevailing wage request to the DIR, please contact CCMI.

Deborah is a licensed attorney in Oregon and California and is the president of [Contractor Compliance and Monitoring Inc.](#), a prevailing wage consulting firm. Deborah is also the author of three books on the topic of California and federal prevailing wages. She can be contacted at dwilder@ccmilcp.com.

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