

RESOLUTION No. 2019-2168

A RESOLUTION FIXING AND APPROVING THE BUDGET FOR THE FISCAL YEAR 2019-20

LAS GALLINAS VALLEY SANITARY DISTRICT

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, 2019, and in each of the funds of the District shall be reserved for use by the District during the fiscal year 2019-20.
2. That the budget for said District for the fiscal year 2019-20 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 Treasurer 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 6, 2019, by the following vote of the members thereof:

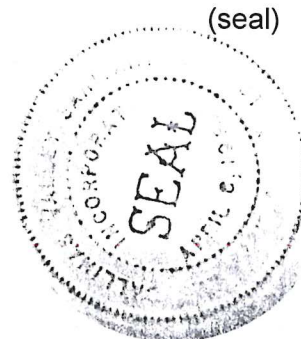
AYES, and in the favor thereof, Members: Clark, Elias, Murray, Schickman, Yeerna
NOES, Members: None.
ABSENT, Members: None.
ABSTAIN, Members: None.

[Handwritten signature of Teresa L. Lerch]

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

APPROVED:

[Handwritten signature of Craig K. Murray]
Craig K. Murray, Board President



# Exhibit A

Las Gallinas Valley Sanitary District  
2019-20 Budget

2019-2020 CAPITAL PROJECTS SUMMARY

FUNDING SOURCE

DEPARTMENT	PROJ#	CAPITAL OUTLAY DESCRIPTION	Type	Expenditures		FUNDING SOURCE				Available				
				2018-19	2019-20	Carryover		General Fund			Total			
				Previous Yr	Proposed	2018-2019 Projects	Bond Fund Reserve	Grants	Bond Fund Reserve			Reserves (Allocated)	Reserves (Unallocated)	
<b>100 ADMINISTRATION</b>														
	4361	19100-01 PHONE SYSTEM	E	20,000										
	4306	19100-02 ROOF REPLACEMENT	R	107,480										
	4307	19100-03 HVAC SYSTEM REPLACEMENT	E	70,000										
Finance		20100-01 INTEGRATED FINANCIAL SOFTWARE-ASM	S		100,000						100,000	100,000	125,000	
4306 GM		20100-02 ADMINISTRATION BUILDING	F		100,000						100,000	100,000	10,100,000	
4801 GM		20100-03 REDESIGN OF OFFICES IN ADMIN BUILDING	E		20,000						20,000	20,000	20,000	
GM		20100-04 GENERAL MANAGER AUTO	V	40,000										
4362 GM		20100-05 MASTER PLAN (2018-19 Funds from Collections 19200-04)	C	200,000										
<b>ADMINISTRATION SUMMARY</b>				437,480	420,000	200,000					200,000	400,000	1,000,000	
<b>125-ENGINEERING</b>														
Engineering	20125-01	On-Call Construction Contract	C		100,000							100,000	100,000	500,000
<b>200 COLLECTION SYSTEM</b>														
4377 Engineering	11200-03	JOHN DUCKETT SEWAGE MAIN CAPACITY AND STORAGE	I	8,413,890		6,728,443							6,728,443	8,928,443
4153 Collections	19200-01	SEWER MAIN REHABILITATION - 2018	I	2,063,167		379,803							379,803	2,053,167
4153 Collections	20200-01	SEWER MAIN REHABILITATION -2020-2024	I											5,000,000
4153a Collections	17200-03	GIS SOFTWARE IMPLEMENTATION-UPGRADE EXISTING	S	1,740		1,740							1,740	21,740
4153b Collections	18200-01	SEWER MAIN REHABILITATION 2018	I	8,580										8,580
4240 Collections	19200-02	MANHOLE/ROD HOLE REPAIR AND REPLACEMENT	I	94,510	50,000							50,000	50,000	344,510
4488 Collections	19200-03	VACTOR	V	285,000	40,000	285,000						40,000	325,000	325,000
4808 Moved	19200-04	COLLECTIONS SYSTEM MASTER PLAN (Moved to Admin)	C											
Engineering	11200-03	Marinwood Trunk Sewer Repair	I		300,000								300,000	300,000
Collections	20200-03	VEHICLE - PER GUIDE DOG AGREEMENT	V		145,000								300,000	300,000
<b>COLLECTION SYSTEM SUMMARY</b>				10,856,897	535,000						112,669	32,331	145,000	145,000
<b>300 PUMP STATIONS/FRC MNS</b>														
4492	12300-05	RAFAEL MEADOWS PUMP STATION	I		100,000							100,000	100,000	600,000
4801	14300-05	FORCE MAIN REPAIR/REPLACEMENT	I	1,838,145		1,838,145							1,838,145	1,838,145
	19300-01	SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA)	S	27,099										27,099
	19300-02	PUMP STATION PANEL UPGRADES AND REPLACEMENTS	R											
4481	18360-01	MARIN LAGOON PUMP STATION	I	193,115		193,115							193,115	193,115
4801	18300-05	HAWTHORNE PUMP STATION FENCING-REPLACEMENT	R	75,000		75,000							75,000	75,000
4801	18300-06	TRASH PUMP 6"-EMERGENCY BYPASS PUMPS	E	97,500										97,500
4801	18300-07	TRASH PUMP 8"-EMERGENCY BYPASS PUMPS	E	105,000										105,000
4801	18300-08	RED FLAG PREP - EMERGENCY GENERATORS	E											
4265	18350-01	CAPTAINS COVE PUMP STATION UPGRADES-UPGRADE AL	R	29,765		29,765							29,765	29,765
<b>PUMP STATIONS / FORCE MAINS SUMMARY</b>				2,385,624	100,000									
<b>500 RECLAMATION</b>														
4412	11500-09	MILLER CREEK - REPAIR, MAINTAIN & MODIFY	I	326,376	78,000								78,000	78,000
4412	17500-05	MCINNIS MARSH RESTORATION	I	100,000		100,000							100,000	100,000
	21500-01	LEVEE MAINTENANCE	I											275,000
4332	18500-02	NORTH BAY WATER REUSE AUTHORITY AND	I	36,000										38,000
Plant	20500-01	PASTURE IRRIGATION PUMP REBUILDS	R		40,000							40,000	40,000	40,000
Plant	20500-02	STORAGE POND SLUICE GATE REPLACE OR REPAIR	R		30,000							30,000	30,000	30,000
Plant/Engineer	20500-03	ST. VINCENT P. S. DISCHARGE PIPE LEVEE REPAIR	R		50,000							50,000	50,000	50,000
Plant	20500-04	SHARP SOLAR PANEL REPLACEMENT PROJECT	R		100,000							100,000	100,000	100,000
Plant	20500-05	MARSH POND VEGETATION REMOVAL	I		150,000							150,000	150,000	150,000
Plant	20300-06	SPARE 10HP FLYGT SUBMERSIBLE PUMP	E		10,000							10,000	10,000	10,000
Plant	20300-07	BYPASS PUMP CONNECTION COMPONENTS AND PIPE	E		40,000							40,000	40,000	40,000
Engineering	20300-09	SMITH RANCH P.S. FLOW METER VAULT SUMP PUMP	E		15,000							15,000	15,000	15,000
<b>RECLAMATION SUMMARY</b>				484,376	513,000									
<b>600 TREATMENT PLANT</b>														
4142	12600-02	PLANT IMPROVEMENTS 2018	I	840,000	71,000								71,000	792,140
4225	12600-07	SECONDARY PLANT UPGRADES	I	8,638,910	24,362,737									29,254,474
4161 Canopy/Engine	14600-04	BIOGAS ENERGY RECOVERY SYSTEM	I	247,498										247,498
4161	19600-01	SUPERVISORY CONTROL AND DATA ACQUISITION	S	27,099										27,099
4161	19600-02	MISCELLANEOUS PLANT EQUIPMENT	E	12,500										12,500
Plant	20600-01	INFLUENT SCREEN OVERHAUL - 2	I		130,000								130,000	130,000
Plant	20600-02	LAB CABINET REHAB FOR DISHWASHER AND SINK	E		10,000								10,000	10,000
Engineering	20600-03	CANOPY INSTALLATION - CNG FUELING	F		150,000								150,000	150,000
	20600-04	FLOW EQUALIZATION BASIN	F		400,000								400,000	4,900,000
<b>TREATMENT PLANT SUMMARY</b>				9,748,107	25,123,737									
<b>650 TERTIARY FACILITY</b>														
4286	18650-02	UV PIPING REPAIR	I	240,000										240,000

2019-2020 CAPITAL PROJECTS SUMMARY

DEPARTMENT	PROJ#	CAPITAL OUTLAY DESCRIPTION	Type	2018-19		2019-20	Expenditures	FUNDING SOURCE				Available		
				2018-19	2019-20			Carryover		General Fund			Total	
								2018-2019 Projects	Bond Fund Reserve	Grants	Bond Fund Reserve			Reserves (Allocated)
4250	19650-01	SUPERVISORY CONTROL AND DATA ACQUISITION-	S	27,869	-	-	-	-	-	-	-	27,099		
4501	16650-02	RECYCLED WATER FACILITY EXPANSION	I	6,591,160	4,299,306	-	552,747	6,038,413	847,150	4,299,306	-	11,184,869	13,102,759	
TERTIARY FACILITY SUMMARY				6,619,029	4,299,306	-	-	-	-	-	-	-	-	
NEEDED FOR FUTURE INFRASTRUCTURE PROJECTS				TOTALS	30,725,743	31,091,043	6,892,691	10,552,150	10,930,150	847,150	28,662,043	112,669	2,316,331	53,420,494

CAPITAL OUTLAY DESCRIPTION	Type	2018-19		2019-20	Expenditures	FUNDING SOURCE				Available	
		2018-2019 Projects	Bond Fund Reserve			Grants	Bond Fund Reserve	Reserves (Allocated)	Reserves (Unallocated)		Total
Capital Expenditures by Category:											
Capital Funding by Category:											
Infrastructure	I	29,690,461	29,541,043	-	9,960,645	10,930,150	847,150	28,662,043	-	879,000	51,278,989
Vehicle	V	325,000	185,000	-	285,000	-	-	-	112,669	72,331	470,000
Facility	F	-	650,000	-	-	-	-	-	-	650,000	650,000
Equipment	E	305,000	95,000	-	-	-	-	-	-	95,000	95,000
Software	S	59,937	100,000	-	1,740	-	-	-	-	100,000	101,740
Repair	R	212,245	220,000	-	104,765	-	-	-	-	220,000	324,765
Contract	C	299,000	300,000	-	200,000	-	-	-	-	300,000	500,000
Total Capital Projects		30,725,743	31,091,043	-	10,552,150	10,930,150	847,150	28,662,043	112,669	2,316,331	53,420,494
Allocation of Big Project Costs											
		Alloc.	2018-19	2019-20							
SECONDARY PLANT UPGRADES		85.0%	8,616,010	24,362,737							
RECYCLED WATER FACILITY EXPANSION		15.0%	6,591,160	4,299,306							
Total			15,207,170	28,662,043							

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 DEBT SERVICE BUDGET  
PRESENTED JUNE 6, 2019**

					Total Payout	Interest
	Source of Funds	2016-17 Total Actual	2017-18 Total Actual	2018-19 Projected Actual	2019-20 Proposed Budget	2019-20 Proposed Budget
<b>2005 Certificates of Participation/ Refunded 2014</b>	Gen Fund	\$ 689,876	\$ 697,963	\$ 690,473	\$ 692,488	\$ 137,488
<b>2019 IBank Loan</b>	Loan Reserve				623,197	258,063
<b>2010 State Revolving Fund Loan</b>	Gen Fund	285,464	285,464	285,464	285,464	83,564
<b>2011 Bank of Marin Loan</b>	Gen Fund	332,681	332,682	332,682	332,681	112,764
<b>2012 Bank of Marin Loan</b>	Gen Fund	235,346	235,346	235,346	235,346	20,113
<b>2017 Revenue Bonds <sup>(1)</sup></b>	Loan Reserve	-	2,369,505	2,446,600	2,448,600	1,458,600
		-	-	-	-	-
		<b>\$ 1,638,401</b>	<b>\$ 3,920,960</b>	<b>\$ 3,990,565</b>	<b>\$ 4,617,777</b>	<b>\$ 2,070,592</b>

	2018-19 Total Payout	2019-20 Total Payout	2019-20 Interest
Gen Fund	1,543,965	1,545,980	353,929
Loan Reserve	2,446,600	3,071,797	1,716,663
	<b>3,990,565</b>	<b>4,617,777</b>	<b>2,070,592</b>
		2,547,185	

(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 will be reclassified as Reserves and are reflected in the Reserve Budget for all years presented.

## Las Gallinas Valley Sanitary District

### Loans Payable Balance Estimates & Details at 06/30/2019

Note Payable	Started	Reason for Loan	End Date	Years	Interest %	Original Amount	Secured by:	Debt Coverage	Audited Balance @ June 30, 2018	Estimated Balance @ June 30, 2019
Bank of Marin #1	6/10/2011	Recycled Water Facility	6/10/2031	20.01	3.88%	\$ 4,600,000.00	Constructed Asset	1.20%	\$ 3,380,751.97	\$ 3,177,436.06
Bank of Marin #2	7/27/2012	Recycled Water Facility	8/10/2022	10.04	3.25%	\$ 2,000,000.00	Constructed Asset	1.20%	\$ 915,027.78	\$ 706,711.66
City National Bank for Municipal Finance Corporation	4/1/2014	Refinance 2005 COP <sup>(1)</sup> (Certificates of Participation) Bonds	6/1/2025	11.18	3.30%	\$ 6,880,000.00	Net Revenues	1.15%	\$ 4,978,800.00	\$ 4,443,800.00
State Water Resources Control Board State Revolving fund	11/1/2012	Construction	6/1/2032	19.59	2.70%	\$ 3,778,805.82	Constructed Asset	1.20%	\$ 3,291,572.00	\$ 3,094,980.65
US Bank 2017 Revenue Bonds	4/28/2017	Bonds for Construction	4/1/2042	24.94	3.30%	\$38,365,000.00	Net Revenues	1.25%	\$37,415,000.00	\$36,465,000.00
Premium on 2017 Bonds	4/1/2017	Revenue Bonds	4/1/2042	25.02					\$ 2,882,139.00	\$ 2,882,139.00
California Infrastructure & Economic Developmental Bank for I-Bank Loan	5/1/2019	Construction	5/1/2039	20.01	3.00%	\$12,000,000.00	Net Revenue	1.25%	\$ -	\$ 12,000,000.00
TOTAL DEBT									<u>\$ 52,863,290.75</u>	<u>\$ 58,885,919.65</u>

#### 1. Certificates of Participation:

A municipal government will typically issue muni bonds from which the proceeds from the bond investors will be used to undergo a project. The certificate of participation is an alternative to municipal bonds in which an investor buys a share in the improvements or infrastructure the government entity intends to fund. The authority usually uses the proceeds from a COP to construct a facility that is leased to the municipality, releasing the municipality from restrictions on the amount of debt that they can incur. The COP contrasts with a bond, in which the investor loans the government or municipality money in order to make these improvements.

**LAS GALLINAS VALLEY SANITARY DISTRICT  
REVENUE, EXPENSES, DEBT SERVICE COVERAGE  
PRESENTED JUNE 6, 2019**

Revenue Description	2017-18 Final Actual	2018-19 Projected Actual	2019-2020 Proposed Budget	Change	% Change from PY
<b>OPERATING REVENUE</b>					
User Charges	\$ 13,634,548	\$ 14,220,000	\$ 14,602,912	\$ 382,912	2.69%
Educational Revenue Augmentation Fund	372,411	319,000	325,000	\$ 6,000	1.88%
Recycled Water	61,080	39,000	42,000	\$ 3,000	7.69%
Franchise Fees	25,000	70,000	149,422	\$ 79,422	113.46%
Inspections/Permits/Application Fee	11,678	22,038	8,500	\$ (13,538)	-61.43%
Interest-Bank	425	531	500	\$ (31)	-5.89%
Interest on All Reserves	269,180	1,112,198	980,300	\$ (131,898)	-11.86%
Suppl. Property Tax Assess.	27,670	13,000	16,000	\$ 3,000	23.08%
Homeowner Property Tax Relief	4,354	3,240	4,300	\$ 1,060	32.70%
Private Sewer Lateral Assistance Program	101,368	87,721	80,000	\$ (7,721)	-8.80%
Reimbursement for Lateral Repairs		0	0	\$ -	0.00%
Miscellaneous Revenue	29,521	1,575	-	\$ (1,575)	-100.00%
Sale of Assets	29,012	75	-	\$ (75)	-100.00%
Operating Transfer In	-	-	-	\$ -	0.00%
<b>TOTAL OPERATING REVENUES</b>	<u>14,566,247</u>	<u>15,888,378</u>	<u>16,208,934</u>	\$ 320,555	2.02%
Property Tax	890,205	888,554	890,000	\$ 1,446	0.16%
Marin Municipal Water District	<u>455,057</u>	<u>463,145</u>	<u>463,353</u>	\$ 208	0.04%
Net Revenues	<u>15,911,509</u>	<u>17,240,078</u>	<u>17,562,287</u>		
<b>TOTAL OPERATING EXPENDITURES</b>	<u>\$ 6,127,621</u>	<u>6,376,788</u>	<u>7,348,015</u>	\$ 971,227	
<b>NET POSITION</b>	<u>\$ 9,783,888</u>	<u>\$ 10,863,290</u>	<u>\$ 10,214,271</u>	\$ (649,018)	
<b>DEBT EXPENDITURES</b>	<u>\$ 3,920,960</u>	<u>\$ 3,990,565</u>	<u>\$ 4,617,777</u>	\$ 627,212	
Convenant Regarding Gross Revenues	<u>250%</u>	<u>272%</u>	<u>221%</u>		
	<b>125% Requirement</b>				

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 RESERVE FUNDING BUDGET  
PRESENTED JUNE 6, 2019**

Expenditure	2016-17 Total Actual	2017-18 Adopted Budget	2018-19 Adopted Budget	2018-19 Revised Budget	2019-20 Proposed Budget
Working Cash Flow	\$ 126,408	\$ 158,045	\$ 166,286	\$ 166,286	\$ 166,286
Emergency Repair <sup>(1)</sup>	43,622	-	-	-	1,000,000
<b>Capital Reserves</b>					
Undesignated	111,536	139,451	\$ 146,722	\$ 146,722	\$ 146,722
Plant Upgrade and Recycled Water Treatment Plant Expansion Projects	2,591,715	301,210	224,115	224,115	222,115
Capacity Fund	-	-	-	300	300
Captains Cove	-	5,060	-	-	-
Marin Lagoon	6,263	9,695	-	-	-
MMWD Recycled Water Facility Buy in	333,563	-	-	-	-
Equipment Reserves					1,000,000
<b>MMWD Debt Reimbursement</b>					
Bank of Marin	-	206,549	206,549	206,549	206,549
2017 Revenue Bonds	-	248,509	256,595	256,595	256,804
	<u>\$ 3,213,107</u>	<u>\$ 1,068,519</u>	<u>\$ 1,000,267</u>	<u>\$ 1,000,567</u>	<u>\$ 2,998,776</u>

(1) These are reserves not taken into account in the CIP worksheet.



**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 RESERVE FUNDING BUDGET  
PRESENTED JUNE 6, 2019**

Expenditure	2016-17 Total Actual	2017-18 Adopted Budget	2018-19 Adopted Budget	2018-19 Revised Budget	2019-20 Proposed Budget
Working Cash Flow	\$ 126,408	\$ 158,045	\$ 166,286	\$ 166,286	\$ 166,286
Emergency Repair <sup>(1)</sup>	43,622	-	-	-	1,000,000
Capital Reserves					
Undesignated	111,536	139,451	\$ 146,722	\$ 146,722	\$ 146,722
Plant Upgrade and Recycled Water Treatment Plant Expansion Projects	2,591,715	301,210	224,115	224,115	222,115
Capacity Fund	-	-	-	300	300
Captains Cove	-	5,060	-	-	-
Marin Lagoon	6,263	9,695	-	-	-
MMWD Recycled Water Facility Buy in	333,563	-	-	-	-
Equipment Reserves					1,000,000
MMWD Debt Reimbursement					
Bank of Marin	-	206,549	206,549	206,549	206,549
2017 Revenue Bonds	-	248,509	256,595	256,595	256,804
	<u>\$ 3,213,107</u>	<u>\$ 1,068,519</u>	<u>\$ 1,000,267</u>	<u>\$ 1,000,567</u>	<u>\$ 2,998,776</u>

(1) These are reserves not taken into account in the CIP worksheet.

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

General & Administrative Expense

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Election	1,043	-	25,000	25,000	\$ -	0.00%
Office Supplies	16,432	14,072	15,549	15,620	\$ 71	0.46%
Computer Support and Supplies	40,418	121,468	76,432	84,500	\$ 8,068	10.56%
Bank Charges	2,574	1,594	114	1,500	\$ 1,386	1215.79%
User Charge Collection Fee	32,908	33,379	30,000	35,000	\$ 5,000	16.67%
Publication and Legal Ads	13,779	12,128	11,663	15,000	\$ 3,338	28.62%
Public Education and Outreach	33,462	34,037	40,000	65,000	\$ 25,000	62.50%
Taxes, Other	7,766	8,917	3,883	9,000	\$ 5,117	131.76%
Memberships	44,083	44,810	44,078	56,000	\$ 11,923	27.05%
Permits	48,604	55,985	19,812	23,250	\$ 3,438	17.35%
Fines	9,000	-	-	-	\$ -	
Rents and Leases	21,008	16,362	11,284	16,500	\$ 5,216	46.22%
Miscellaneous expense	102	-	1,014	1,000	\$ (14)	-1.38%
<b>Total General &amp; Administrative</b>	<u>\$ 271,179</u>	<u>\$ 342,752</u>	<u>\$ 278,829</u>	<u>\$ 347,370</u>	\$ 68,541	24.58%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Utilities Expense

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Utility Power	314,316	161,943	187,994	154,300	\$ (33,694)	-17.92%
Telephone	32,704	33,072	40,890	33,505	\$ (7,385)	-18.06%
Water	<u>4,897</u>	<u>8,634</u>	<u>9,127</u>	<u>10,000</u>	\$ 873	9.56%
<b>Total Utilities</b>	<u>\$ 351,917</u>	<u>\$ 203,649</u>	<u>\$ 238,011</u>	<u>\$ 197,805</u>	\$ (40,206)	-16.89%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Small Tools & Supplies Expense

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Hypochlorite	45,585	39,888	63,219	54,000	\$ (9,219)	-14.58%
Bisulfite	57,425	35,755	58,260	46,000	\$ (12,260)	-21.04%
Miscellaneous Chemicals	88,131	62,975	97,700	117,000	\$ 19,300	19.75%
General Operating Supplies	52,110	44,017	41,846	52,100	\$ 10,254	24.51%
Fuel & Oil	26,380	23,420	27,839	28,992	\$ 1,153	4.14%
Safety Equipment & Supplies	22,775	20,054	26,317	32,350	\$ 6,033	22.93%
Safety Services	28,720	28,619	29,892	53,000	\$ 23,108	77.31%
Small Tools	<u>3,261</u>	<u>5,805</u>	<u>834</u>	<u>8,000</u>	\$ 7,166	859.61%
<b>Total Small Tools &amp; Supplies</b>	<u>\$ 324,387</u>	<u>\$ 260,533</u>	<u>\$ 345,906</u>	<u>\$ 391,442</u>	\$ 45,536	13.16%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Contract Services Expense

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Outside Services	17,111	16,721	18,843	269,500	\$ 250,657	1330.22%
Pollution Prevention Program	16,905	12,264	8,981	12,500	\$ 3,519	39.19%
Lab Contract Services	50,748	37,425	38,000	43,000	\$ 5,000	13.16%
Special Monitoring/Pilot Testing	2,800	-	-	-	\$ -	
Janitorial	9,771	11,557	17,500	12,000	\$ (5,500)	-31.43%
Aquatic Review	3,536	3,421	3,008	3,800	\$ 792	26.32%
Uniform Service	4,913	6,005	5,914	6,500	\$ 586	9.91%
Damage Claim	992	407	17,214	10,000	\$ (7,214)	-41.91%
Sludge Disposal (Inject)	47,984	67,573	67,565	69,500	\$ 1,935	2.86%
Regulatory Consultant (Environmental)	158,591	80,414	168,064	177,300	\$ 9,236	5.50%
Engineering Consultant (General Small)	27,337	73,106	15,767	15,000	\$ (767)	-4.86%
Lateral Rehab Assistance Program	116,091	52,406	95,000	100,000	\$ 5,000	5.26%
Legal	195,643	197,981	120,000	120,000	\$ -	0.00%
Audit	30,570	25,570	25,635	28,000	\$ 2,365	9.23%
Consultants	36,763	100,658	123,530	120,000	\$ (3,530)	-2.86%
<b>Total Contracted Services</b>	<u>\$ 719,755</u>	<u>\$ 685,508</u>	<u>\$ 725,021</u>	<u>\$ 987,100</u>	\$ 262,079	36.15%

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**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Repairs and Maintenance Expense

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Vehicle Parts & Maintenance	42,093	52,880	62,426	51,500	\$ (10,926)	-17.50%
Building maintenance	12,117	15,317	6,620	35,000	\$ 28,380	428.70%
Grounds Maintenance	7,161	21,410	25,471	40,000	\$ 14,529	57.04%
Power Generation Maint & Repair	3,748	2,418	70,505	87,000	\$ 16,495	23.40%
Reclamation Maintenance			6,609	25,000	\$ 18,391	278.27%
Equipment Maintenance	50,442	35,848	80,599	115,000	\$ 34,401	42.68%
Equipment Repair	71,465	72,211	31,070	104,500	\$ 73,430	236.34%
Capital Repairs/Replacements	<u>166,782</u>	<u>266,606</u>	<u>56,399</u>	<u>153,000</u>	\$ 96,601	171.28%
<b>Total Repairs and Maintenance</b>	<b><u>\$ 353,808</u></b>	<b><u>\$ 466,690</u></b>	<b><u>\$ 339,700</u></b>	<b><u>\$ 611,000</u></b>	<b>\$ 271,300</b>	<b>79.86%</b>

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Insurance Expenses

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Workers' Comp Insurance	41,785	41,159	46,000	48,482	\$ 2,482	5.40%
Unemployment Insurance	-	-	-	-		
Pooled Liability Insurance	103,753	103,800	113,000	124,300	11,300	10.00%
Fidelity Bond	1,232	950	950	998	48	5.00%
<b>Total Insurance Expense</b>	<u>\$ 146,770</u>	<u>\$ 145,909</u>	<u>\$ 159,950</u>	<u>\$ 173,780</u>	13,830	8.65%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Employee Wages & Benefits Expenses

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
Regular Staff Salaries	2,252,470	2,458,142	2,389,273	2,761,056	\$ 371,784	15.56%
Over Time	87,008	83,452	90,951	75,607	(15,343)	-16.87%
Vacation and Sick Accrual	51,592	67,515	37,796	39,000	1,204	3.19%
Stand By	76,396	78,263	100,490	87,030	(13,460)	-13.39%
Directors Salary	55,847	75,391	72,020	74,380	2,361	3.28%
Directors Benefits	9,000	8,400	9,713	5,690	(4,022)	-41.41%
Payroll Taxes	178,182	191,210	210,491	208,702	(1,789)	-0.85%
Group Life Insurance	5,462	5,683	6,789	6,094	(695)	-10.24%
PERS	350,789	340,354	562,116	592,455	30,339	5.40%
Health Insurance	551,337	550,689	649,770	602,629	(47,141)	-7.26%
Long Term Disability	17,786	19,686	23,439	23,091	(348)	-1.49%
Auto Allowance	12,730	10,338	10,592	19,259	8,666	81.82%
Commute Stipend	28,037	28,845	36,345	35,626	(719)	-1.98%
Payroll Processing	9,657	9,466	10,727	10,500	(227)	-2.11%
Conferences	46,090	64,232	37,940	56,000	18,060	47.60%
Mileage and Travel	5,881	8,025	8,759	10,800	2,041	23.30%
Employee Recognition	2,481	6,616	6,883	6,000	(883)	-12.82%
Employee Training and Education	18,263	16,273	25,279	25,600	321	1.27%
<b>Total Employee Expense</b>	<b>\$ 3,759,008</b>	<b>\$ 4,022,580</b>	<b>\$ 4,289,371</b>	<b>\$ 4,639,519</b>	<b>350,148</b>	<b>8.16%</b>



**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 OPERATING AND MAINTENANCE EXPENSE BUDGET  
PRESENTED JUNE 6, 2019**

Overall Summary of Expenses

Expense Description	2016-17 Total Actual	2017-18 Total Actual	2018/19 Projected Actual	2019/20 Proposed Budget	Increase Over Projection	Percent Change from Prior Year
<b>Total Employee Wages</b>	2,523,313	2,762,763	2,690,528	3,037,074	\$ 346,545	12.88%
<b>Total Employee Benefits</b>	1,235,695	1,259,817	1,598,842	1,602,445	\$ 3,603	0.23%
<b>Total Insurance Expense</b>	146,770	145,909	159,950	173,780	\$ 13,830	8.65%
<b>Total Repairs and Maintenance</b>	353,808	466,690	339,700	611,000	\$ 271,300	79.86%
<b>Total Small Tools &amp; Supplies</b>	324,387	260,533	345,906	391,442	\$ 45,536	13.16%
<b>Total Contracted Services</b>	719,755	685,508	725,021	987,100	\$ 262,079	36.15%
<b>Total Utilities</b>	351,917	203,649	238,011	197,805	\$ (40,206)	-16.89%
<b>Total General &amp; Administrative</b>	271,179	342,752	278,829	347,370	\$ 68,541	24.58%
<b>OPERATING EXPENSE TOTALS</b>	<u>\$ 5,926,824</u>	<u>\$ 6,127,621</u>	<u>\$ 6,376,788</u>	<u>\$ 7,348,015</u>	\$ 971,227	15.23%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 REVENUE & FUNDS BUDGET  
PRESENTED JUNE 6, 2019**

<b>FUNDS AVAILABLE</b>	<b>2016-17 Final Actual</b>	<b>2017-18 Final Actual</b>	<b>2018-19 Projected Actual</b>	<b>2019-2020 Proposed Budget</b>	<b>Change</b>	<b>% Change from PY</b>
2019 Ibank Loan			12,000,000	-	\$ (12,000,000)	-100.00%
Federal Grant	-	-	169,004	847,150	\$ 678,147	401.26%
State Grant	-	362,033	-	-	\$ -	0.00%
	<u>41,476,351</u>	<u>817,090</u>	<u>12,632,149</u>	<u>1,310,503</u>	\$ (11,321,646)	-89.63%
<b>UTILIZATION OF BOND FUNDS AND RESERVES</b>						
Reserves	366,256	-	-	-	\$ -	
Private Sewer Lateral Assistance Funds	-	-	-	-	\$ -	
Prior Year Capital Project Carryover	4,046,259	1,359,494	-	10,552,150	\$ 10,552,150	0.00%
Construction Project Reserve		791,158		-	\$ -	0.00%
Interest Earned on Unspent Bond Funds		567,986	709,744	580,000	\$ (129,744)	-18.28%
Transfers from Bond Fund	65,955	-	-	39,592,193	\$ 39,592,193	0.00%
Marin Lagoon Reserve Fund	-	13,580	74,000	74,000	\$ -	0.00%
Captains Cove Reserve Fund	-	236	2,695	2,695	\$ -	0.00%
Capital Facilities Fund	350,056	300,300	-	-	\$ -	0.00%
	<u>4,828,526</u>	<u>3,032,754</u>	<u>786,439</u>	<u>50,801,039</u>	\$ 50,014,600	6359.63%
					\$ -	
<b>TOTAL FUNDS AVAILABLE FOR EXPENDITURES</b>	<u>\$ 60,903,191</u>	<u>\$ 19,535,163</u>	<u>\$ 29,472,111</u>	<u>\$ 68,630,476</u>	\$ 39,158,364	132.87%

**LAS GALLINAS VALLEY SANITARY DISTRICT  
2019-20 REVENUE & FUNDS BUDGET  
PRESENTED JUNE 6, 2019**

FUNDS AVAILABLE	2016-17 Final Actual	2017-18 Final Actual	2018-19 Projected Actual	2019-2020 Proposed Budget	Change	% Change from PY
<b>OPERATING REVENUE</b>						
User Charges	\$ 13,059,850	\$ 13,634,548	\$ 14,220,000	\$ 14,602,912	\$ 382,912	2.69%
Educational Revenue Augmentation Fund	366,078	372,411	319,000	325,000	\$ 6,000	1.88%
Recycled Water	45,548	61,080	39,000	42,000	\$ 3,000	7.69%
Franchise Fees	25,000	25,000	70,000	149,422	\$ 79,422	113.46%
Inspections/Permits/Application Fee	8,957	11,678	22,038	8,500	\$ (13,538)	-61.43%
Interest	532	425	531	500	\$ (31)	-5.89%
Interest on Reserves	72,856	269,180	388,665	400,000	\$ 11,335	2.92%
Suppl. Property Tax Assess.	15,409	27,670	13,000	16,000	\$ 3,000	23.08%
Homeowner Property Tax Relief	4,363	4,354	3,240	4,300	\$ 1,060	32.70%
Private Sewer Lateral Assistance Program	76,027	101,368	87,721	80,000	\$ (7,721)	-8.80%
Miscellaneous Revenue	33,057	29,521	1,575	-	\$ (1,575)	-100.00%
Sale of Assets	(6,267)	29,012	75	-	\$ (75)	-100.00%
Operating Transfer In	-	-	-	-	\$ -	0.00%
<b>Total Operating Revenue</b>	<b>13,701,410</b>	<b>14,566,247</b>	<b>15,164,845</b>	<b>15,628,634</b>	\$ 463,789	3.06%
<b>OTHER SOURCES OF FUNDS</b>						
<b>CAPACITY RELATED FUNDS</b>						
Annex and Capital Facility Charges	39,580	228,625	-	-	\$ -	0.00%
Interest on Connection Fees	451	242	124	300	\$ 176	141.25%
<b>Total Capacity Related Revenue</b>	<b>40,031</b>	<b>228,867</b>	<b>124</b>	<b>300</b>	\$ 176	141.25%
<b>GENERAL CONSTRUCTION FUNDS</b>						
Property Tax	856,873	890,205	888,554	890,000	\$ 1,446	0.16%
Operating Transfer In	-	-	-	-	\$ -	0.00%
	<b>856,873</b>	<b>890,205</b>	<b>888,554</b>	<b>890,000</b>	\$ 1,446	0.16%
<b>OTHER SOURCES</b>						
Marin Municipal Water District	436,837	455,057	463,145	463,353	\$ 208	0.04%
2017 Bond Sale	41,039,514	-	-	-	\$ -	0.00%

# Annual Operating Budget Fiscal Year 2019-2020



## Board of Directors

Craig K. Murray, President

Rabi Elias, Vice President

Megan Clark, Board Member

Judy Schriebman, Board Member

Crystal Yezman, Board Member

Prepared under the direction of:

Mike Prinz,

General Manager

With the aid of:

Robert D. Ruiz,

Administrative Services Manager



**DISTRICT BOARD**

Megan Clark

Rabi Elias

Craig K. Murray

Judy Schriebman

Crystal J. Yezman

**DISTRICT ADMINISTRATION**

Mike Prinz,

General Manager

Michael Cortez,

District Engineer

Mel Liebmann,

Plant Manager

Greg Pease,

Collection System/Safety Manager

Robert Ruiz

Administrative Services Manager

May 16, 2019

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

The management staff of the District is pleased to present to the Board the 2019-20 Preliminary Revenue, Operating and Maintenance Expense, Debt Service, Reserve Funding, and Capital Outlay Budgets for review. These budgets reflect the District's progress in the five-year capital improvement plan adopted by the Board in June 2015 for the 2016 through 2020 fiscal years.

Operating Revenue is expected to increase by approximately \$462,000 primarily from a \$29 increase in the sanitary sewer service charge from \$898 to \$927. Operating and Maintenance costs are expected to increase over the prior year by \$971,000 due to a serious problem with deferred maintenance in equipment, buildings and grounds by \$271,000 or 79.86%. Another major component is the PG&E Red Flag prep for power outages, which increased the budget by \$200,000. Staffing levels are projected to increase by one full time equivalent in order to help alleviate the deferred maintenance problem, but Staff expects that it will take at least a year to see positive results. Salaries will increase by 3.25%, which is based on COLA for the region over the last year. Also, we have a new permanent GM and a newly hired ASM. We are expecting that the changes in those positions will bring stability to many issues regarding personnel and deferred maintenance that have been plaguing the district.

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As has been anticipated, Debt service will increase from \$3,990,000 to \$4,617,777 due to the \$12,000,000 I-Bank loan agreement that the District executed on May 1<sup>st</sup>, which was additional borrowing for the Secondary Treatment Plant construction.

The Capital Outlay effort for 2019 will be focused on the Secondary Treatment Upgrade and Recycled Water Expansion projects, which will not be completed until January 2021. This will result in Capital Expenditures of approximately \$40 million in this fiscal year. Other equipment purchases, major repairs, planning for future projects and accumulation of funding for large projects will continue as normal.

Sincerely,

Robert D. Ruiz, CPA  
Administrative Services Manager

Mike Prinz, PE  
General Manager

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The background of the slide is a photograph of a landscape. In the foreground, there is a chain-link fence with a sign that says "VISITOR PARKING". Behind the fence is a field of green grass. In the distance, there are rolling hills under a cloudy sky. A bright rainbow is visible on the right side of the image, arching over the hills. A blue banner is overlaid on the bottom right of the photograph.

**Proposed Budget for  
Fiscal Year 2019-2020**

**Presented to the Board of Directors  
At the Board Meeting  
June 6, 2019  
Board Room  
300 Smith Ranch Road**