LAVWMA WATER
Resource Recovery

Livermore-Amador Valley Water Management Agency

OPERATING AND CAPITAL BUDGET FISCAL YEAR 2026-2027

Approved by the LAVWMA Board May 20, 2026

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

PROPOSED OPERATING BUDGET AND CAPITAL BUDGET

FISCAL YEAR 2026-2027

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FISCAL YEAR 2026-2027

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OPERATING AND CAPITAL BUDGETS
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EXECUTIVE SUMMARY

The Budget Document is comprised of three expenditure categories:

1. **Operating Budget**
2. **Capital Projects Budget for projects funded by Annual Member Fees**
3. **Capital Projects Budget for projects funded by Reserves**

OPERATING BUDGET

The proposed Operating Budget of $5,665,848 is a 1.92% increase from the FY 2025-2026 budget. The total revenue requirement of $12,712,548 is a 3.68% increase from the FY 2025-2026 budget. Debt service payments totaling $6,646,700 consist of $2,027,243 for the Repair Project and $4,619,457 for the Expansion Project. The annual replacement fund contribution, which has been fixed at $400,000 for the past several years, brings total capital program costs to $7,046,700 before special repair and replacement capital projects, which are budgeted at $1,648,300.

Operating Budget Items of Note

DSRSD - The Dublin San Ramon Services District (DSRSD) budget for the Livermore-Amador Valley Water Management Agency (LAVWMA) includes an increase in labor costs to account for a COLA adjustment. Electrical energy is a large component of the Operating Budget, accounting for $2,086,500, an increase of 3.02%. DSRSD staff enrolled LAVWMA in the Ava Community Energy Aggregator Bright Choice Program. Ava Bright choice allows LAVWMA to use clean and renewable energy at a 5% discount over normal PG&E rates.

EBDA - EBDA and LAVWMA amended their Master Agreement with approval by both Boards occurring in May 2021, and an execution date of June 1, 2021. The agreement stipulated that the cost allocation methodology agreed upon would be applied retroactively for EBDA costs incurred from July 1, 2020, forward. EBDA costs in this budget reflect the 2021 Master Agreement. Costs for EBDA are calculated using flow data to establish fixed and variable flow-based percentages. It is in LAVWMA's best interest to reduce variable costs through a combination of reducing flows through water recycling and actively managing flows during wet weather. Fixed costs are now 21.6% as per the EBDA/LAVWMA Master Agreement.

The total East Bay Dischargers Authority (EBDA) Operations and Maintenance (O&M) budget of $1,220,902 is 4.7% more than LAVWMA budgeted last year. This is based upon EBDA's preliminary budget figures which may change when EBDA's Board adopts their budget.

Due to an error, LAVWMA failed to include EBDA's Special Project items in its 2025-2026 budget. Had those costs been included in LAVWMA's FY 2025-2026 budget, this proposed budget for FY 2026-2027 would be an increase of 4.65% over FY 2025-2026.

LAVWMA ADMINISTRATION AND MANAGEMENT - Costs for contractual services and insurance continue to increase due to industry increases in such services. Administrative and management expenses reflect various contractual services including general management, legal services, financial accounting services, website services, and new in this year's budget, a records management project.

CAPITAL BUDGET

FY 2025-2026 CAPITAL BUDGET

The FY 2025-2026 capital budget of $4,426,500 for renewal and replacement of LAVWMA and EBDA facilities provided budgets for several projects that are still underway. There are projects that will not be completed by June 30, 2026, requiring a budget carry-over to FY 2026-2027. This budget request will be brought back to the Board once final June 30, 2026, expenditures have been determined.

FY 2026-2027 CAPITAL BUDGET

The FY 2026-2027 proposed capital budget of $1,648,300 is for the renewal and replacement of LAVWMA and EBDA facilities. This is a reduction from the FY 2025-2026 budget of $4,426,500. The proposed FY 2026-2027 budget includes the continuation of several current year projects. After 5 years in LAVWMA's repair and replacement budget, it is anticipated that the design improvements at the San Leandro Sample Station (SLSS) will be completed in the coming fiscal year. Improvements will be made to LAVWMA's pipeline cathodic protection system, and LAVWMA will complete Phase 2 of its asset management program. Please see section 3.0 for a complete list. The Staff Report also contains a detailed description of every proposed project.

REVENUE REQUIREMENTS

FY 2026-2027 Revenue Requirements are $12,799,046. This represents a 1.65% increase over the revenue that was required for FY 2025-2026 when the EBDA special projects are added to the FY 2025/26 budget. The FY 2026-2027 budget includes the debt service (repair and expansion) for the 2021 Bonds. Although repair and expansion of the existing pipeline is a capital cost, the associated debt service is tabulated in the Operating Budget to assist member agencies with their rate and fee calculations. The projected debt service includes payment of principal and interest. This year's budget recommends that the annual deposit to the Joint Use Renewal Replacement Fund be continued at the $400,000 level. This amount was approved for FY 2016-2017 and has not been adjusted since.

1.0 ORGANIZATION AND SERVICE AREA

The Livermore-Amador Valley Water Management Agency (LAVWMA) is a Joint Powers Agency comprised of the cities of Livermore and Pleasanton, and the Dublin San Ramon Services District (DSRSD). The City of Livermore collects and treats all City wastewater. DSRSD delivers water to the City of Dublin and the Dougherty Valley, and it collects and treats wastewater for Dublin and southern San Ramon and treats additional wastewater under a contract with the City of Pleasanton. LAVWMA exports treated effluent from the LAVWMA Pumping Station west over the Dublin Grade, through Castro Valley, and the City of San Leandro, to a pipeline operated by the EBDA. EBDA dechlorinates the effluent and discharges it through a deepwater outfall into the San Francisco Bay. A significant portion of member agency flows are kept within their service areas for water recycling purposes.

1.1 MISSION AND GOALS

LAVWMA's mission is to support its member agencies: Dublin San Ramon Services District, City of Pleasanton, and City of Livermore by providing cost-effective operation and maintenance of all of the Agency export facilities in full compliance with federal, state, and local requirements. LAVWMA supports its member agencies in their efforts to implement comprehensive water recycling programs.

We will complete our work primarily through consultants. We will invest in this diverse project team and promote a work ethic that recognizes and promotes teamwork and a positive work environment. We will practice fairness, provide challenges, and allow freedom of communication and thought to enable team members to make meaningful contributions to LAVWMA, the industry and our community.

Agency Goals & Objectives

To carry out our Mission, LAVWMA will pursue the following goals:

- Environmental Compliance.
- Continue efficient operations of facilities to prevent wastewater overflows.
- Meet all CEQA mitigation requirements for new construction.
- Exceed requirements pertaining to community impacts.

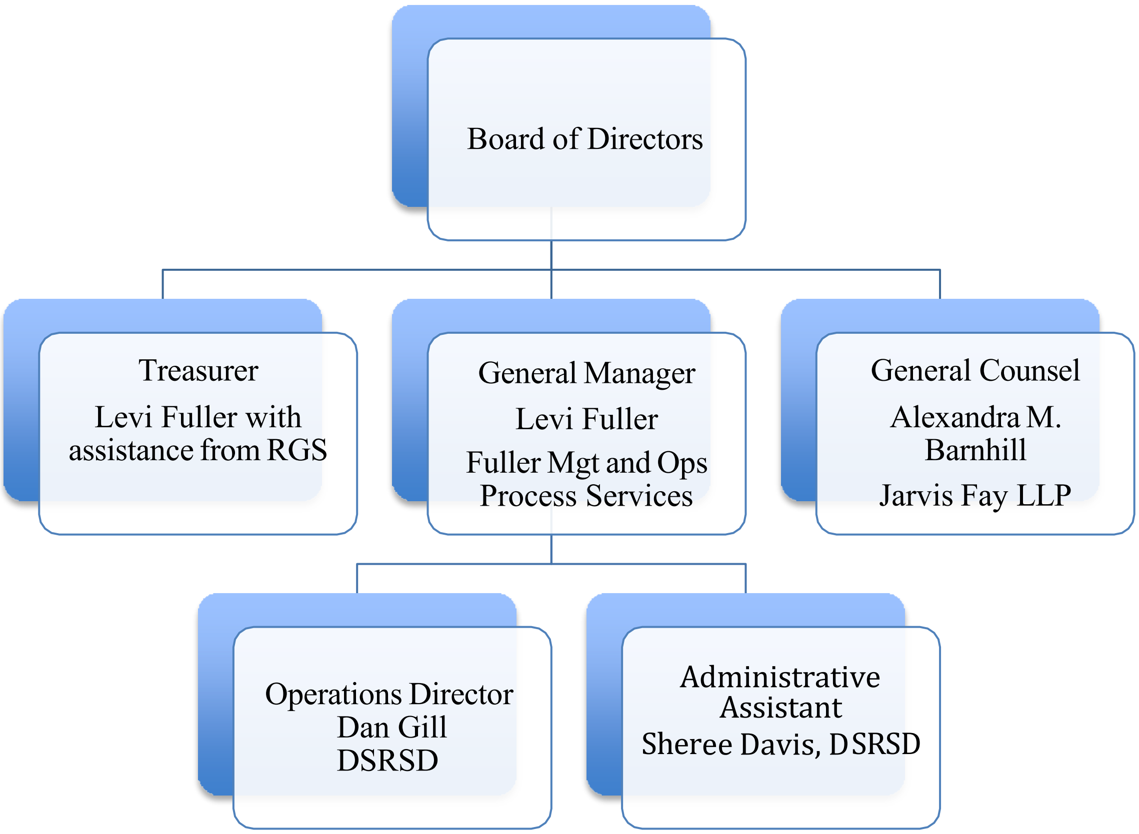
Cost Effectiveness. Continue to perform routine maintenance on existing facilities in a manner that promotes cost savings over the projected life of the facilities.

Technical Soundness. Provide technically sound solutions that use the newest available technology without incurring excessive risk.

Customer Service. Continue to comply with the 1997 Joint Exercise of Powers Agreement (JPA) and the October 2011 Sewer Service Contract with the LAVWMA member agencies.

1.2 ORGANIZATION

The LAVWMA team proposed for FY 2026-2027 is shown in the following chart.



2.0 OPERATING BUDGET

2.1 Description of Services Provided

The O&M budget includes all costs required to operate and maintain existing LAVWMA facilities. LAVWMA's existing facilities include the sole-use and dual-use interceptors, junction structure, export pump station, storage basins, export pipeline including appurtenances, and two emergency wet weather effluent discharge stations. LAVWMA's facilities are operated and maintained by DSRSD, pursuant to a Maintenance Agreement initially executed in 1979.

The following FY 2026-2027 Operating Budget includes costs for the following:

1. Variable O&M Costs
2. Fixed O&M Costs
3. Administration and Management Costs

The Capital Program funding includes the $400,000 annual deposit to Reserves and the debt service on the 2021 Bonds. The Budget for the Capital Repair and Replacement (R&R) Projects are being funded out of Reserves.

LAVWMA Fiscal Year 2026-2027 Budget

The following table shows the proposed Operating Budget:

OPERATIONS AND MAINTENANCE	ADOPTED	ADOPTED		PROPOSED	
VARIABLE AND FIXED COSTS	FY 2024-2025	FY 2025-2026	change	FY 2026-2027	change
DSRSD Variable Costs (power)	$ 2,065,755	$ 2,025,350	-2%	$ 2,086,500	3.02%
EBDA Variable Costs (power and chemicals)	$ 275,510	$ 278,445	1%	$ 265,500	-4.65%
Subtotal - O & M Variable Costs	**$ 2,341,265**	**$ 2,303,795**	**-2%**	**$ 2,352,000**	**2.09%**
DSRSD Maintenance Agreement	$ 1,467,894	$ 1,575,385	7.32%	$ 1,622,150	2.97%
EBDA Agreement	$ 742,098	$ 887,634	19.61%	$ 955,402	7.63%
Subtotal - O & M Fixed Costs	**$ 2,209,992**	**$ 2,463,019**	**11.45%**	**$ 2,577,552**	**4.65%**
LAVWMA ADMINISTRATION AND MANAGEMENT					
Subtotal - O & M Administration & Management	**$ 566,504**	**$ 792,500**	**39.89%**	**$ 736,296**	**-7.09%**
TOTAL O&M COSTS	**$ 5,117,761**	**$ 5,559,314**	**8.63%**	**$ 5,665,848**	**1.92%**
CAPITAL PROGRAM FUNDING					
Replacement Fund	$ 400,000	$ 400,000	0.00%	$ 400,000	0.00%
Repair Debt. Service	$ 2,025,620	$ 2,024,350	-0.06%	$ 2,027,243	0.14%
Expansion Debt Service	$ 4,622,254	$ 4,621,600	-0.01%	$ 4,619,457	-0.05%
TOTAL CAPITAL PROGRAMS	**$ 7,047,874**	**$ 7,045,950**	**-0.03%**	**$ 7,046,700**	**0.01%**
TOTAL REVENUE REQUIRED	**$ 11,806,535**	**$ 12,261,667**	**3.85%**	**$ 12,712,548**	**3.68%**

The Capital Program funding is comprised of a $400,000 deposit to Reserves and a $6,646,700 Debt Service payment on the 2021 Bonds. The Budget for the Capital Repair and Replacement Projects are being funded out of the Replacement Fund, aka Reserves.

CAPITAL PROGRAM FUNDING					
Replacement Fund	$ 400,000	$ 400,000	0.00%	$ 400,000	0.00%
Repair Debt Service	$ 2,025,620	$ 2,024,350	-0.06%	$ 2,027,243	0.14%
Expansion Debt Service	$ 4,622,254	$ 4,621,600	-0.01%	$ 4,619,457	-0.05%
Subtotal Capital Programs	**$ 7,047,874**	**$ 7,045,950**	**-0.03%**	**$ 7,046,700**	**0.01%**

2.2 Operating Budget Summaries

2.2.1 DSRSD & EBDA Variable Costs – Power and Chemicals

Variable costs for power from DSRSD and EBDA are directly tied to the volume of flow that LAVWMA discharges. These costs total $2,352,000, have increased by 2.09%, and continue to make up 45% of LAVWMA’s total Operating Budget, its single largest cost.

2.2.2 DSRSD & EBDA Fixed Costs

Total Fixed costs are projected to increase by 4.65% for a total of $2,577,552.

DSRSD Maintenance Agreement - Operation and maintenance of LAVWMA facilities for FY 2026-2027 is estimated by DSRSD to require 5,480 fully burdened labor hours. This is similar to last year. Costs for these items are based on projected costs for FY 2025-2026 and anticipated needs for FY 2026-2027. DSRSD's budget shows $1,622,150 for all costs, a 2.97 % increase. This reflects a 3% cost of labor increase reflecting a cost-of-living wage adjustment.

EBDA Agreement - Costs for EBDA's services are based on estimates for FY 2026-2027. EBDA's proposed but not adopted budget for fixed costs is projected to be $955,402 and is comprised of an O&M cost of $594,800 and EBDA's special projects budget totaling $360,602. This item covers EBDA's fixed operational and maintenance costs that are billed to LAVWMA. It also covers costs to EBDA for various Special Projects including the Regional Monitoring Program and LAVWMA's share of EBDA's permit fees. Some of these costs are shared on different percentages than LAVWMA's fixed cost percentage in the agreement with EBDA. LAVWMA's share of EBDA's NPDES permit fee, $828,600, is based on the permitted average dry weather flows for each agency that is part of the EBDA system. LAVWMA's share of this cost is 26.62%, or $220,600. LAVWMA is responsible for a portion of the force main system and will be billed accordingly. Under the terms of the 2021 Master Agreement, LAVWMA is responsible for 26.1% of the fixed costs for "shared" EBDA facilities. The new Master Agreement was retroactive to July 1, 2020.

OPERATIONS AND MAINTENANCE	ADOPTED	ADOPTED		PROPOSED	
FIXED COSTS	FY 2024-2025	FY 2025-2026	change	FY 2026-2027	change
DSRSD Maintenance Agreement	**$ 1,467,894**	**$ 1,575,385**	**7.32%**	**$ 1,622,150**	**2.97%**
Labor	*1,182,824*	*1,249,300*	5.62%	*1,286,800*	3.00%
Materials and Supplies	*92,190*	*99,350*	7.77%	*102,500*	3.17%
Contractual	*144,130*	*179,385*	24.46%	*159,100*	-11.31%
Lab Analysis (Monitoring and Testing)	*45,600*	*47,350*	3.84%	*48,750*	2.96%
Utilities	*3,150*	-	0.00%	-	0.00%
Non Routine	0	-	0.00%	*25,000*	100.00%
EBDA Agreement	**$ 742,098**	**$ 887,634**	**19.61%**	**$ 955,402**	**7.63%**
EBDA O&M Fixed Costs	$ 445,998	$ 546,437	22.52%	$ 594,800	8.85%
EBDA Special Projects	$ 296,100	$ 341,197	15.23%	$ 360,602	5.69%
NPDES Permit		*196,856*	0.00%	*220,600*	12.06%
Regional Monitoring Program		*64,255*	0.00%	*50,700*	-21.10%
Nutrient Surcharge		*48,085*	0.00%	*42,200*	-12.24%
Alternative Monitoring and Reporting		*11,539*	0.00%	*11,900*	3.13%
Air Toxics Study		*20,462*	0.00%	*20,500*	0.19%
Special Studies Fee		-	0.00%	*14,702*	0.00%
Subtotal - O & M Fixed Costs	**$ 2,209,992**	**$ 2,463,019**	**11.45%**	**$ 2,577,552**	**4.65%**

2.2.3 Fixed Administration and Management Costs including special projects

Administration and management fixed costs include general administration, program management, legal services, financial services, IT support, special projects consulting services, permits, insurance, etc. The Proposed Budget is $736,296 as compared with $792,500 in FY 2025-2026 and $566,504 in FY 2024-2025. There were a number of special projects. Beginning in FY 2024-2025 there were changes of administrative duties from DSRSD to LAVWMA including accounting, accounts receivable, accounts payable, LAVWMA website maintenance, and support services. Some of those costs were not line-item costs in past LAVWMA budgets but were included in DSRSD’s maintenance costs. In FY 2025-2026, several projects were undertaken to allow LAVWMA to assume duties that had previously been done by DSRSD. Banking relationships, accounting systems, and records management systems were among these projects. Some projects will carry over into the new fiscal year. The FY 2026-2027 budget includes an allocation of $72,000 for records management including the purchase of certified digitization of LAVWMA records, $16,800 for renewal of the DSRSD/LAVWMA lease agreement for the LAVWMA Pump Station Property, and $12,000 for upgrading the LAVWMA website to be complaint with American Disability Act requirements. Legal costs for the support of capital projects have been included in the capital program budget. Legal costs budgeted under administration are solely for general legal counsel services and special administrative projects as noted.

OPERATIONS AND MAINTENANCE	ADOPTED	ADOPTED		PROPOSED	
ADMINISTRATION AND MANAGEMENT COSTS	FY 2024-2025	FY 2025-2026	change	FY 2026-2027	change
Contractual Services	$ 371,500	$ 390,500	5.11%	$ 403,320	3.28%
Administration Support Services	DSRSD	$ 162,400		$ 116,775	-28.09%
Miscellaneous	$ 63,000	$ 65,400	3.81%	$ 31,500	-51.83%
Permits, Inspections, Insurance, Associations	$ 132,004	$ 174,200	31.97%	$ 184,701	6.03%
Subtotal Administration and Management	**$ 566,504**	**$ 792,500**	39.89%	**$ 736,296**	**-7.09%**

Administration and Management - Special Projects

Administrative Special Projects	**FY 2026-2027**
Renewal of DSRSD/LAVWMA Pump Station This project is to renew the 50-year lease agreement for the 15 Acre LAVWMA Pump Station Site	**$ 16,800.00**
Website ADA Compliance California law requires all public agency websites to be in compliance with the American Disabilities Act by April 1, 2027. This budget is for consultant assistance to achieve this objective.	**$ 12,000.00**
Records Management Conduct an assessment of LAVWMA’s existing records management program, including facilities, systems, resources and costs and compare to best management practices. Purchase of a certified digital records management software. Train pertinent staff on the use of this digital software. Scan paper records stored in approximately 200 boxes into the digital records storage software. Establish an operating procedure for records management and records retention.	**$ 72,000.00**
Total	**$ 100,800.00**

2.2.4 Capital Program Funding

This category includes the projected FY 2026-2027 debt service of $6,696,700 for repairs and expansion that were financed, or more precisely *refinanced*, by the 2021 Bonds. Although repair and expansion of the existing pipeline are capital costs, the associated debt service and funding program costs are tabulated in the Operating Budget to assist member agencies with their rate and fee calculations. The projected debt service includes payment of both principal and interest. It is recommended that the annual $400,000 deposit to LAVWMA's capital facilities Joint Renewal Replacement account be continued to help cover Repair and Replacement Projects, totaling $1,648,300 for the FY 2026-2027 budget from the FY 2025-2026 budget of $4,426,500. See Section 3.0 following for the Capital Repair and Replacement Budget.

	ADOPTED	ADOPTED		PROPOSED	
CAPITAL PROGRAM FUNDING	FY 2024-2025	FY 2025-2026	change	FY 2026-2027	change
Replacement Fund	$ 400,000	$ 400,000	0.00%	$ 400,000	0.00%
Repair Debt Service	$ 2,025,620	$ 2,024,350	-0.06%	$ 2,027,243	0.14%
Expansion Debt Service	$ 4,622,254	$ 4,621,600	-0.01%	$ 4,619,457	-0.05%
Subtotal Capital Programs	**$ 7,047,874**	**$ 7,045,950**	**-0.03%**	**$ 7,046,700**	**0.01%**

2.3 Total O&M + Capital Program Funding

FY 2025-2026 expenditures are projected to come in close to budget. The annual reconciliation process will resolve any over or under payments. The FY 2026-2027 Proposed Budget projects a Total Revenue Requirement of $12,779,046 which is 4.22% more than the FY 2025-2026 Total Revenue Requirement. Total Operations and Maintenance Costs are $5,732,346, an increase of 3.11% from the previous fiscal year. Total Capital Program Costs are $7,046,700, an increase of 0.01% from the previous fiscal year.

3.0 CAPITAL REPAIR AND REPLACEMENT BUDGET

3.1 Description of Capital Budget

The Capital Projects Budget that appears as part of the Operations and Maintenance Budget reflects capital projects that are funded out of the reserve, which is currently funded at $400,000 annually. The Repair and Replacement Budget, which follows, reflects capital projects funded out of Member Fees.

The Capital Projects Repair and Replacement Budget includes all costs associated with renewal and replacement of existing capitalized facilities. From 2001 to 2010, proceeds from a 2001 Series A Bond were the primary source of funding for LAVWMA's capital expenditures. The bond funds were fully expended (closed out) in June 2011. As of July 2011, the only source of capital funding has been the Renewal & Replacement Reserve Funds that have been established for Joint-Use, Dual-Use and Sole-Use Facilities. Per EBDA's Emergency Reserve Policy adopted November 18, 2021, LAVWMA is responsible for $326,250 of the total $1,250,000 emergency reserve.

3.2 Discussion of Capital Expenditures Proposed for FY 2026-2027

The following table summarizes $1,648,300 of anticipated FY 2026-2027 capital expenditures for the renewal and replacement of LAVWMA and EBDA facilities.

It is acknowledged and as has been the case historically it may not be possible to complete all capital projects proposed in a given fiscal year, and many capital projects may take more than one fiscal year to complete. Prudent capital project planning, however, requires that LAVWMA includes all projects in its capital projects planning program so that planning, funding, financing, and scheduling can be optimized.

THE TABLE BELOW INCLUDES PROJECTS THAT MAY HAVE BEEN ACTIVE SINCE FY 2021 TO FY 2027.

Capital Repair and Replacement Projects	**ADOPTED**	**ADOPTED**	**PROPOSED**
All items are Joint Use Projects unless otherwise noted.	**FY 2024-2025**	**FY 2025-2026**	**FY 2026-2027**
San Leandro Sample Station Design Improvements	$ 1,675,000	$ 1,275,000	$ 528,665
Export Pumps - New Pumps and Rebuild motors	$ 150,000	$ 190,000	$ 100,000
Resealing 3 Storage Basins at the Pump Station	$ -	$ -	$ -
Pump Station Motor Control Center (MCC) and Soft Starter Upgrades	$ -	$ -	$ -
Road Drainage Improvements at the LAVWMA Pump Station	$ -	$ -	$ -
Cathodic Protection Projects	$ 250,000	$ 320,000	$ 310,000
Export Pipeline Inspection	$ 850,000	$ 600,000	$ 59,100
PLC / SCADA Upgrade at the Pump Station	$ 600,000	$ 725,000	$ -
LAVWMA Flow Meter Replacement	$ -	$ -	$ -
Smart Detectors on High Maintenance Air/Vac and Air Release Valves	$ -	$ -	$ -
Livermore Pipeline Replacement (Sole Use)	$ 200,000	$ 75,000	$ 87,000
Air/Vac Valve Assessment and Resolution at EBDA line	$ 100,000	$ 151,500	$ -
Replace seventeen valve actuators at the pump station	$ 95,000	$ 85,000	$ -
LAVWMA Asset Management Program	$ -	$ 150,000	$ 120,000
Pump Station Main Line Cross Over Valve Evaluation	$ -	$ 50,000	$ -
Ava Bright Choice Program and Solar System	$ -	$ 210,000	$ -
East Lewelling Blvd Utility Improvements	$ -	$ 150,000	$ 20,000
NPDES Permit Renewal	$ -	$ 75,000	$ 44,535
Electrical Improvements to Main Switchgear	$ -	$ -	$ -
On Call Engineering Support	$ -	$ 220,000	$ 220,000
Back Up Power Improvements at the Pump Station	$ -	$ -	$ -
CIP Support Legal	$ -	$ -	$ 9,000
Other Misc. LAVWMA Renewal/Replacements	$ 50,000	$ 50,000	$ 50,000
Other Misc. EBDA Renewal/Replacements	$ 50,000	$ 50,000	$ 50,000
CIP Planning/Management Contingency	$ 50,000	$ 50,000	$ 50,000
Total	**$ 4,070,000**	**$ 4,426,500**	**$ 1,648,300**

3.3 Joint-Use Fund

The following table shows the history of the last several years through the most recently published Financial Statements (FY 2024-2025),

As previously noted, the annual contribution to the Joint Use R&R Fund is proposed to remain at $400,000, while proposed R&R expenditures for FY 2025-2026 are projected to be $4,351,500, and $1,561,300 for FY 2026-2027. It is anticipated that by the next fiscal year, the Board will establish policies regarding the Agency's R&R reserve and capital project funding. These policies will be based on a strategic approach that combines the utilization of existing reserves with new capital contributions.

Fiscal Year	City of Livermore 30.1%	City of Pleasanton 34.95%	DSRSD 34.95%	Contributions	Interest	Expenses	Net
FY 2020	$120,400	$139,800	$139,800	**$400,000**	$324,341	-$2,816,127	**-$2,091,786**
FY 2021	$120,400	$139,800	$139,800	**$400,000**	11,373	-2,953,589	**-$2,542,216**
FY 2022	$120,400	$139,800	$139,800	**$400,000**	55,731	-2,817,345	**-$2,361,614**
FY 2023	$120,400	$139,800	$139,800	**$400,000**	353,250	-3,074,309	**-$2,321,059**
FY 2024	$120,400	$139,800	$139,800	**$400,000**	622,067	-2,875,667	**-$1,853,600**
FY 2025	$120,400	$139,800	$139,800	**$400,000**	673,271	-2,910,046	**-$1,836,775**

3.4 Sole-Use Fund

The only activity currently included in the Sole-Use Fund is the Livermore Pipeline. The project Budget for FY 2026-2027 is $87,000.

Note on the Livermore Pipeline Repair Project Funding

The City of Livermore owed LAVWMA approximately $6,200,000 for the emergency pipeline replacement project plus interest loss. The City of Livermore has paid $5,800,000 toward this cost. The City transferred $4,300,000 in cash and requested that LAVWMA transfer $1,500,000 million from the Sole-Use Fund Reserves to the Joint-Use Fund. These financial transactions were completed in January of 2025. The remaining balance of this project is related to close out costs, such as the acquisition of easements and efforts to pursue FEMA reimbursement for this project. In December of 2024, LAVWMA was able to secure $21,000 in FEMA Cal/OES reimbursements.

After numerous meetings with FEMA officials and LAVWMA providing various Livermore pipeline repair project documents to FEMA officials on September 12, 2025, FEMA and CALOES signed an agreement approving and the LAVWMA General Manager signed the agreement in acceptance of a reimbursement to LAVWMA in the amount of $5,409,942:

- Federal Share 75% $4,057,479.63
- Non-Federal Share 25% $1,352,463.21

However, due to funding challenges and shutdowns of the federal government, to date this reimbursement has yet to be released to LAVWMA.

The FY 2026-2027 sole-use budget projects $87,000 in expenses, $75,000 of which is projected to be used for consulting to continue to pursue the release of reimbursement funds from FEMA and CAL/OES. The consultant services are a sole use expenditure. Accordingly, funds from CalOES/FEMA would be distributed to the City of Livermore.

The balance of the budget, $13,000, is projected to be needed for legal services in conjunction with acquisition of an easement.

4.0 FY 2026-2027 Member Agency Cost Sharing & Schedule

The table below is the O&M plus Capital Program Summary from the overall budget showing the recent history of the Capital Program Budget. These Capital expenses, along with the Operations and Maintenance budget, show the total revenue needed to fund the Budget FY 2026-2027 Budget at $12,712,79,046. The second table addresses Member Agency Costs.

OPERATIONS AND MAINTENANCE	ADOPTED	ADOPTED		PROPOSED	
FIXED and VARIABLE COSTS	FY 2024-2025	FY 2025-2026	change	FY 2026-2027	change
Subtotal - O & M Variable Costs	**$ 2,341,265**	**$ 2,303,795**	**-2%**	**$ 2,352,000**	**2.09%**
Subtotal - O & M Fixed Costs	**$ 2,209,992**	**$ 2,463,019**	11.45%	**$ 2,577,552**	4.65%
Subtotal - O & M Administration and Management	**$ 566,504**	**$ 792,500**	39.89%	**$ 736,296**	**-7.09%**
CAPITAL PROGRAM FUNDING					
Replacement Fund	$ 400,000	$ 400,000	0.00%	$ 400,000	0.00%
Repair Debt. Service	$ 2,025,620	$ 2,024,350	-0.06%	$ 2,027,243	0.14%
Expansion Debt Service	$ 4,622,254	$ 4,621,600	-0.01%	$ 4,619,457	-0.05%
Subtotal Capital Programs	**$ 7,047,874**	**$ 7,045,950**	**-0.03%**	**$ 7,046,700**	**0.01%**
TOTAL REVENUE REQUIRED	**$ 11,806,535**	**$ 12,261,667**	**3.85%**	**$ 12,712,548**	**3.68%**

MEMBER AGENCY COSTS FY 2026-2027			**DSRSD/**		
	Total	**Livermore**	**Pleasanton**	**DSRSD**	**Pleasanton**
Variable O&M	$ 2,352,000	$ 823,200	$ 1,528,800		
Fixed O&M	3,313,848	997,468	2,316,380		
Sole Use Fixed O&M	-	-			
Total O&M	5,665,848	1,820,668	3,845,180		
Replacement Fund	400,000	120,400	279,600		
Repair Debt	2,024,585	808,822	1,215,763		
Expansion Debt	4,622,115	1,040,900	3,581,215		
Total Capital Costs	7,046,700	1,970,122	5,076,578		
Total Revenue Required	**$ 12,712,548**	**$ 3,790,790**	**$ 8,921,758**		
Semi Annual O&M Advance	2,832,924	910,334	1,922,590		
Semi Annual Replacement Fund Advance	200,000	60,200	139,800		
July 1 Bond Debt Service Advance	3,323,350	924,861	2,398,489	1,292,653	1,105,836
Jan 1 Bond Debt Service Advance	3,323,350	924,861	2,398,489	1,292,653	1,105,836
Total July 1 Advance	$ 6,356,274	1,895,395	4,460,879		
Total January 1 Advance	$ 6,356,274	$ 1,895,395	$ 4,460,879		
Percentages					
Variable O&M		35.00%	65.00%		
Fixed O&M		30.10%	69.90%		
Replacement Fund		30.10%	69.90%		
Repair Debt		39.95%	60.05%		
Expansion Debt		22.52%	77.48%		

Livermore-Amador Valley Water Management Agency
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