

WEST BAY

SANITARY DISTRICT



Serving Our Community Since 1902



WEST BAY SANITARY DISTRICT

**GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES**

FY 2017-18

**APPROVED
MAY 24, 2017**

WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2017-18

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WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2017-18

EXECUTIVE SUMMARY

General Fund

The proposed General Fund Expenditure Budget (excluding depreciation) of \$19,450,423 reflects a \$499,637 or 2.6% increase from the FY2016-17 Budget. The largest increases result from increases in non-operating expenses, primarily contributions to SVCW Operations and State Revolving Fund (SRF) debt service. These increases add \$373,000 to the Budget. Excluding depreciation, the significant increases in the Operating Expenses were in the areas of Salaries & Benefits, Rents & Leases, Repairs & Maintenance, and Other Operating Expense. Overall, Operating Expenses increased by \$303,687 (3.5%). Non-Operating Expenses increased by \$395,950 (3.3%)

Depreciation is included in the detail of the General Fund Total Operating Expense to indicate the level of increase or decrease in depreciable assets in the budget year. Including this figure in the proposed budget for the upcoming fiscal year may avoid the necessity of a large reconciliation in the final budget year financial statements.

In addition to funding expenditures, the total income and reserves of \$34,429,458 is sufficient to provide for the required operating reserves of \$8,131,426 (2.6%) increase and allow a transfer of \$6,847,609 to the Capital Assets Fund. This transfer is an increase of \$208,182 over FY2016-17.

Due to the anticipated increases in SVCW debt service, rate increases are needed over the next few years to fund the revenue requirement for the above mentioned programs.

Capital Assets Fund

The proposed Capital Assets Fund Expenditures & Reserve Transfers Budget of \$9,779,500 represents a \$143,550 increase (1%) from the FY 2016-17 Budget. The Budget includes \$4.7M of pipeline replacement projects (as scheduled in the Collection System Master Plan 2011, updated 2013). The Capital Fund Budget also includes a \$2M CIP carryover (unspent) from CIP projects in progress from FY2016-17. These expenditures enable the District to maintain the goal of replacing more than 1.5% of the system's aging pipelines each year.

The capital budget includes necessary administrative capital expenses such as the Flow Monitoring Study, the Levee Survey & GPS Update, acquisition of Sewer System Model Software, and a new Phone System. The capital budget also carries over from the prior fiscal year the Collection Facility project of replacing the Metal Building at the Flow Equalization Facility.

A balance of \$13,113,926 of available funds is anticipated at the end of the fiscal year to remain for the following year's capital expenses.

Reserve Funds

The proposed Capital Assets Fund budget is based on a fully funded reserve balance. The Emergency Capital Reserves, in case of a catastrophic event, is funded at a target level of \$5M, and the Capital Projects Reserve, for payment of Capital Projects, is funded at the target level of \$3.5M.

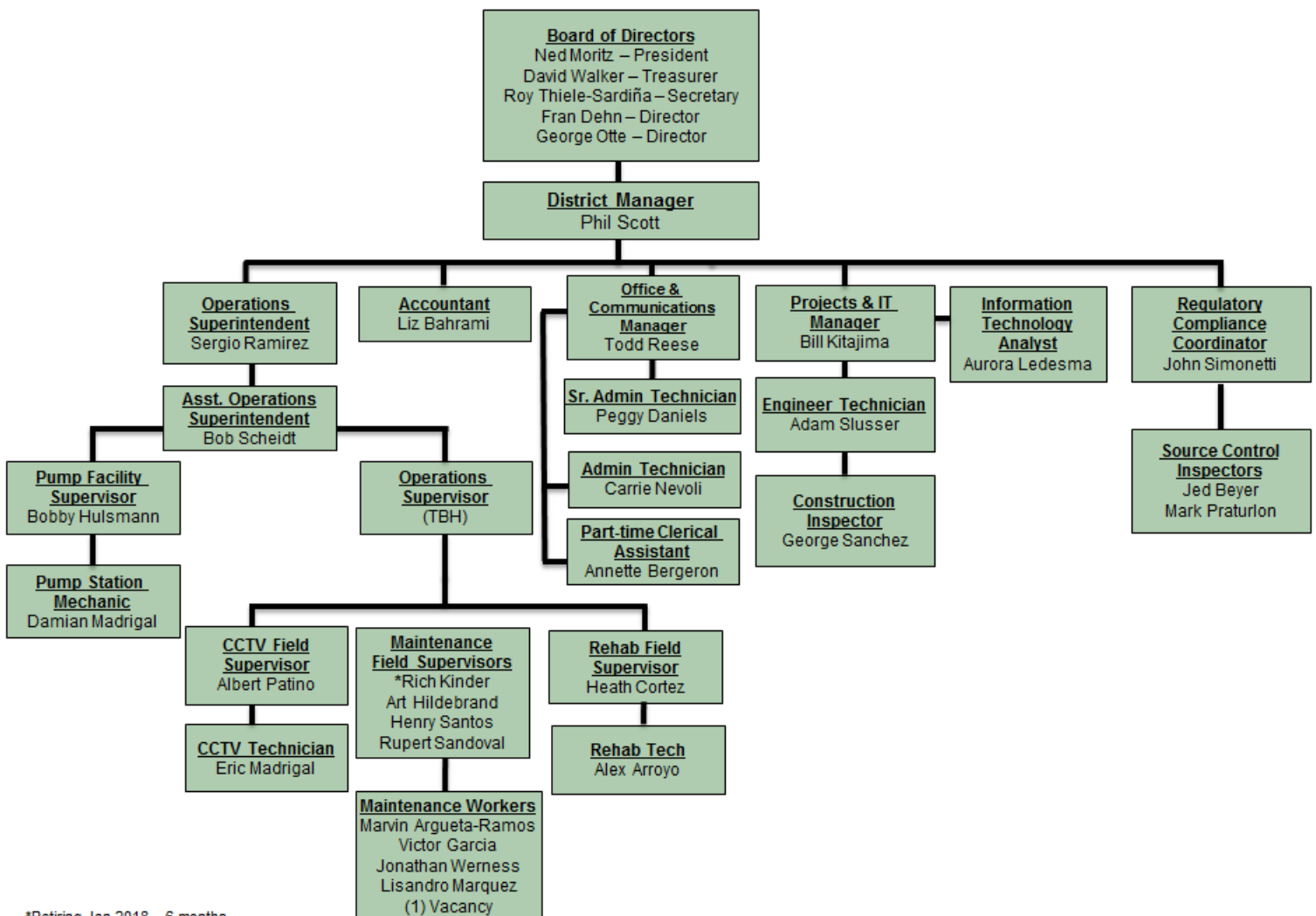
A transfer of \$270K is budgeted to the Equipment Replacement Reserve which was established in FY2015-16 to stabilize expenditures for purchases of vehicles and large equipment per the WBSD Vehicle and Equipment Replacement List FY2017-18. Budgeted expenditures for the FY2017-18 year include purchase of a heavy duty pickup truck for Rehab, Unit 209; a pickup truck for the construction inspector, Unit 211; 2 Flo Dar monitors; and continued restoration of the recycled water truck, Unit 222. The reserve balance is projected to be approximately \$275K at June 30, 2018.

\$1M is budgeted for transfer to the Rate Stabilization Reserve which is currently funded at \$3M. In addition, unspent balances remaining in Non-Operating Expenses at year end will be added to the reserve. It is anticipated that this additional transfer will be approximately \$1M for FY2016-17.

DISTRICT DESCRIPTION

West Bay Sanitary District provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. West Bay Sanitary District also provides wastewater collection system maintenance services for the Town of Los Alto Hills and the Town of Woodside.

The WBSD organization will be as shown:



*Retiring Jan 2018 – 6 months

GENERAL FUND

Description of Services Provided

The General Fund budget includes the Operations and Maintenance expenses required to operate and maintain existing District infrastructure and facilities. The District's existing facilities include mainline sewer pipeline, pumping stations, flow equalization basins, and O&M equipment and building facilities.

Summary of Revenue and Expenses

Revenues: A summary budget with supporting line item detail is attached at the end of this document. Revenues are received from non-residential and residential customers based on sewer service charges established in the July 2017 rate schedule. Effective July 1, 2017 the residential sewer service charge increases to \$1,072/year. The non-residential charge varies based on flow and strength. Revenue also includes projected interest income, permit fees, and flow equalization shared costs (increased).

Expenses: Expense categories include Operating and Non-Operating expenses and reserves. *Operating expenses* include salaries, wages and benefits; Director's fees; gas, oil and fuel, insurance and memberships, office and operating supplies; professional services and contract services; repairs and maintenance; travel and training; and utilities.

Non-Operating expenses include SVCW costs (Capital Reserves, Operating Expenses, and Bond & State Revolving Fund (SRF) payments); LAFCo fees; and miscellaneous expenses such as non-residential sewer rate refunds.

A *reserve* of 5 months of total expenses is maintained to accommodate the biannual receipt of fees from the County tax roll.

Discussion of Changes in Operating Expenses Budget from FY 2016-17

Increases – One significant increase to the Operating budget is due to the increase in salaries of \$134,556, reflecting the 3% salary increase per MOU as well as the addition of a new Operations Supervisor position. This increase is more than offset by decreases in Employee Benefits of (\$137,988) due to savings generated from increased cost sharing of the PERS pension contributions paid by employees. It also reflects the full funding of the OPEB Irrevocable Trust contribution of \$225,000 in FY2016-17.

Rents & Leases increased by \$22,320 with the addition to the Budget of rent for the RV space rental that was not previously included.

Repairs & Maintenance increased by \$19,500 as a result of \$11K addition to grounds maintenance at the Flow Equalization Facility and \$8.5K for Flow Dar monitor maintenance.

Other Operating Expense increased by \$25,000 to accommodate an additional line item on the County tax bill.

Depreciation is a non-cash expense and has no impact on reserves, cash or transfer to the Capital Assets Fund. It serves to indicate the level of increase or decrease in depreciable assets in the budget year. Depreciation increased by \$200,000 for FY 2017-18.

Decreases – The significant decrease to Employee Benefits of (\$137,988) was previously discussed above. Beyond that there are no further decreases to discuss.

Discussion of Changes in Non-Operating Expenses Budget from FY 2016-17

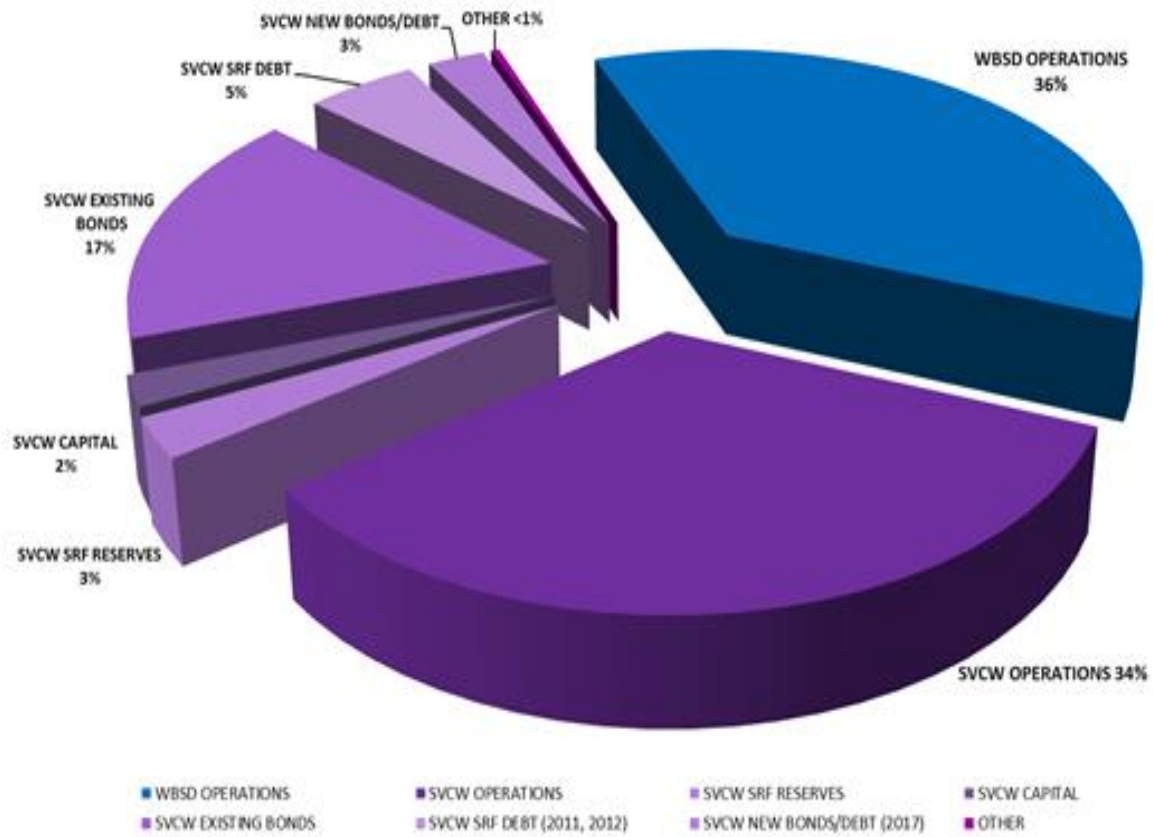
Increases - Payment to SVCW for their Operations Fund is \$6,550,000, an increase of \$323K over last year. Contributions to SVCW Capital is \$415,000, an increase of \$4K. Further increases in Non-Operating expenses result from a \$15K increase in the 2015 Bond payments and \$50,000 increase to SVCW Reserve Contribution. An additional \$4K was added to LAFCo Contributions. Total increases to Non-Operating Expenses are \$395,950.

Decrease – There were no decreases to Non-Operating Expense.

The above changes to Non-Operating Expenses result in a net increase of \$395,950 to SVCW related expenses.

Changes – made at the Budget Workshop include the addition of a new position of Operations Supervisor; a title change for the Office Manager to Office and Communications Manager along with a 5% salary increase; and an increase to Other Operating Expense to include an additional itemized line on the San Mateo County tax bill. These additional expenses increased Salaries by \$102K, Employee Benefits by \$39K and Other Operating Expense by \$25K for a total increase of \$166,246.

**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2017-2018
SUMMARY OF EXPENDITURES
GENERAL FUND**



CAPITAL ASSETS FUND

Description of Services Provided

The Capital budget includes all costs associated with capitalized replacement or rehabilitation of existing facilities. This category includes significant office and O&M equipment that will be in use for more than five years, studies, contracted specialty operations, and rehabilitation or replacements that are required for the District to continue to sustain or improve the current level of service.

Summary of Revenues and Expenses

Revenues - Capital budget revenue arises from sewer service charges and connection fees.

Expenses - The budget includes sufficient funds for capital expenditures on Administration projects such as Flow Monitoring Study and GPS surveys; mapping projects; and computer network hardware and software. Capital expenditures include funds for the Collection Facilities such as, replacing the metal storage building at the old treatment plant; new and replacement vehicles and equipment; funds for Subsurface pipeline and pump station rehabilitation and replacement projects; and on-going projects that repeat each year such as CEQA reviews, manhole raising, pumps and check valves replacement, STEP and Grinder pump replacement and allowance for unanticipated capital expenditures.

The Capital Fund expenses also include the building of our Reserve Accounts that include: Emergency Capital Reserves - fully funded at \$5M; Capital Project Reserves - fully funded at \$3.5M; and the ongoing annual contributions to the Equipment Replacement Reserve and the Rate Stabilization Reserve. In FY2016-17 an unbudgeted \$8M was transferred to establish a Recycled Water Facility Cash Flow Reserve to help in the cash flow expenditure requirements of the project while awaiting reimbursement from the State Revolving Fund. No further additions to this fund are anticipated.

Discussion of Changes in Capital Budget from FY 2016-17

Administration projects – Significant administration projects for FY 2017-18 include the ongoing Flow Monitoring project for \$30K; the Levee Survey & GPS update project to survey manhole xyz coordinates, rim and invert elevations information to our maps \$60K; the Sewer System Model Software to model and analyze flows \$75K; and a new Phone System to replace the more than decade old current system \$15K.

Total expenditures in Administration projects budgeted in FY2017-18 are (\$35K) less than FY2016-17.

Collection Facilities projects – Vehicle and equipment replacements constitute much of the Collection Facilities expenditures such as the routine purchase of Smart Covers budgeted at \$9.5K. One project carried over from FY2016-17 is the Metal Storage Building \$425K. Vehicle purchases budgeted for FY2017-18 include a F550 heavy duty pickup truck with built in compressor and custom utility bed for Rehab to replace the old Unit 209 \$110K; a F150 pickup

truck for the Construction Inspector to replace the old unit 211 \$35K; 2 Flo Dar Monitors \$35K; and rehabilitation of the Recycled Water Truck Unit 222 \$25K. Funding for these vehicles and the purchase of the monitors is provided through the Equipment Replacement Reserve.

Total expenditures in Collections Facilities projects budgeted in FY2017-18 including those funded from the Equipment Replacement Reserve are \$90,000 more than FY2016-17.

Subsurface Lines and Other Projects –

Pump Stations:

Design: The Capital Fund budget includes ongoing annual purchase of Pump & Valve Replacements \$40K and Private Pump & Panel Replacements \$20K.

Pipeline Replacement & Rehab Construction projects:

Design: \$350K for Santiago/Camino Alos Cerros project; and a carryover of \$40K for completion of design for the Belle Haven III project.

Construction: Subsurface capital projects include \$4.1M for the Belle Haven III project; a carryover of \$2M for the completion of Belle Haven II; and \$600K for the Town of Atherton Civic Center (Dinklespeil) project.

Total expenditures Budgeted for Subsurface Lines & Other in FY2017-18 are \$7,150,000 or \$870K less than in FY2016-18.

Capital Reserves

The Capital Assets Fund budget is based on a fully funded reserve balance. The Emergency Capital Reserves, in case of a catastrophic event, is funded at a target level of \$5M. The Capital Projects Reserve, for payment of Capital Projects, is funded at the target level of \$3.5M.

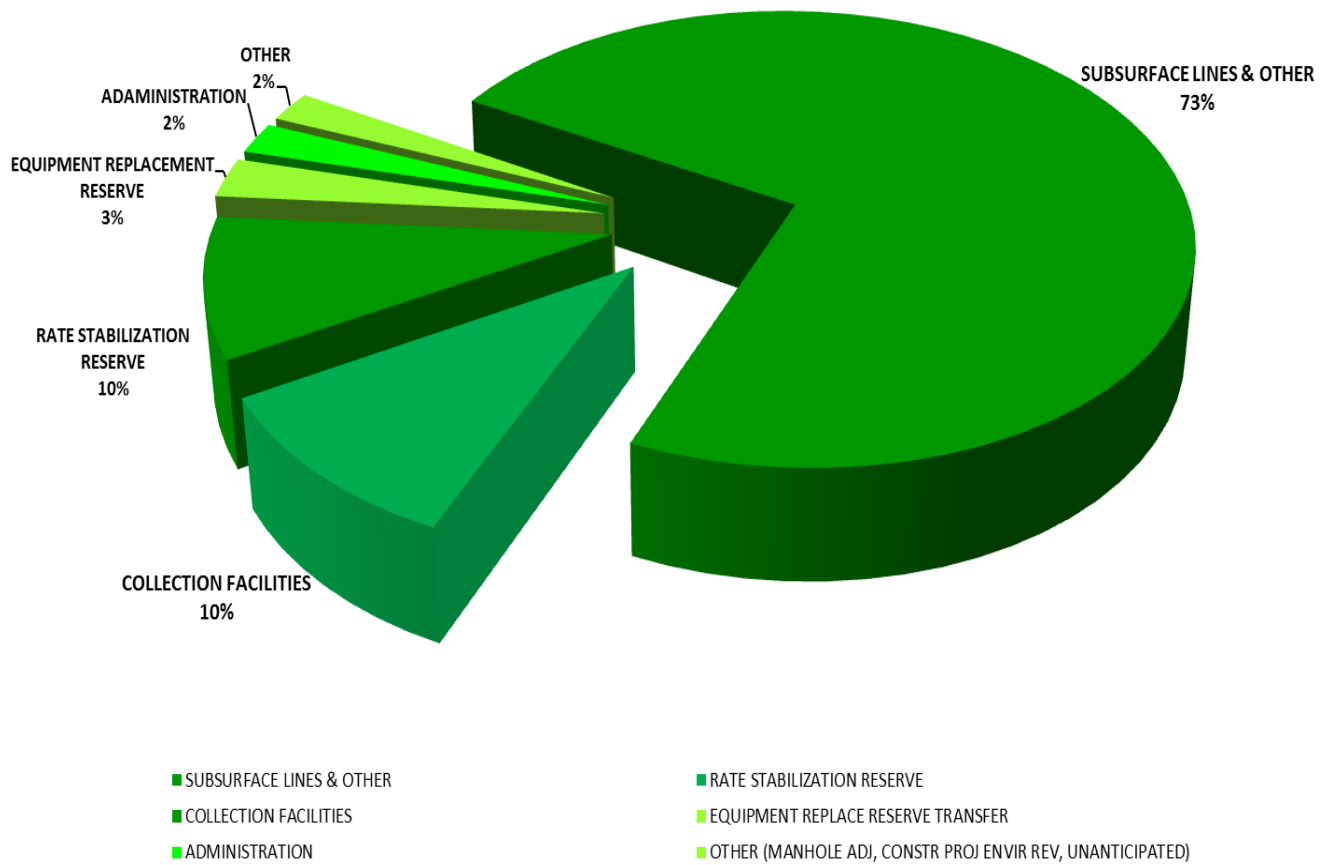
Rate Stabilization Reserve which is currently funded at \$3M will receive additional funding of \$1,000,000 as well as remaining unspent money from Other Non-Operating Expense in the General Fund to build a reserve to stabilize future rate increases. It is anticipated that approximately \$1M will be contributed to the reserve at the end of the current fiscal year from unspent Non-Operating Expenses.

The Equipment Replacement Reserve created in FY2015-16 will continue to be funded annually. In FY2017-18 total contributions of \$270,000 will be added to assist the District in stabilizing expenditures for replacing equipment. This is an increase of \$48,550 over FY2016-17 funding.

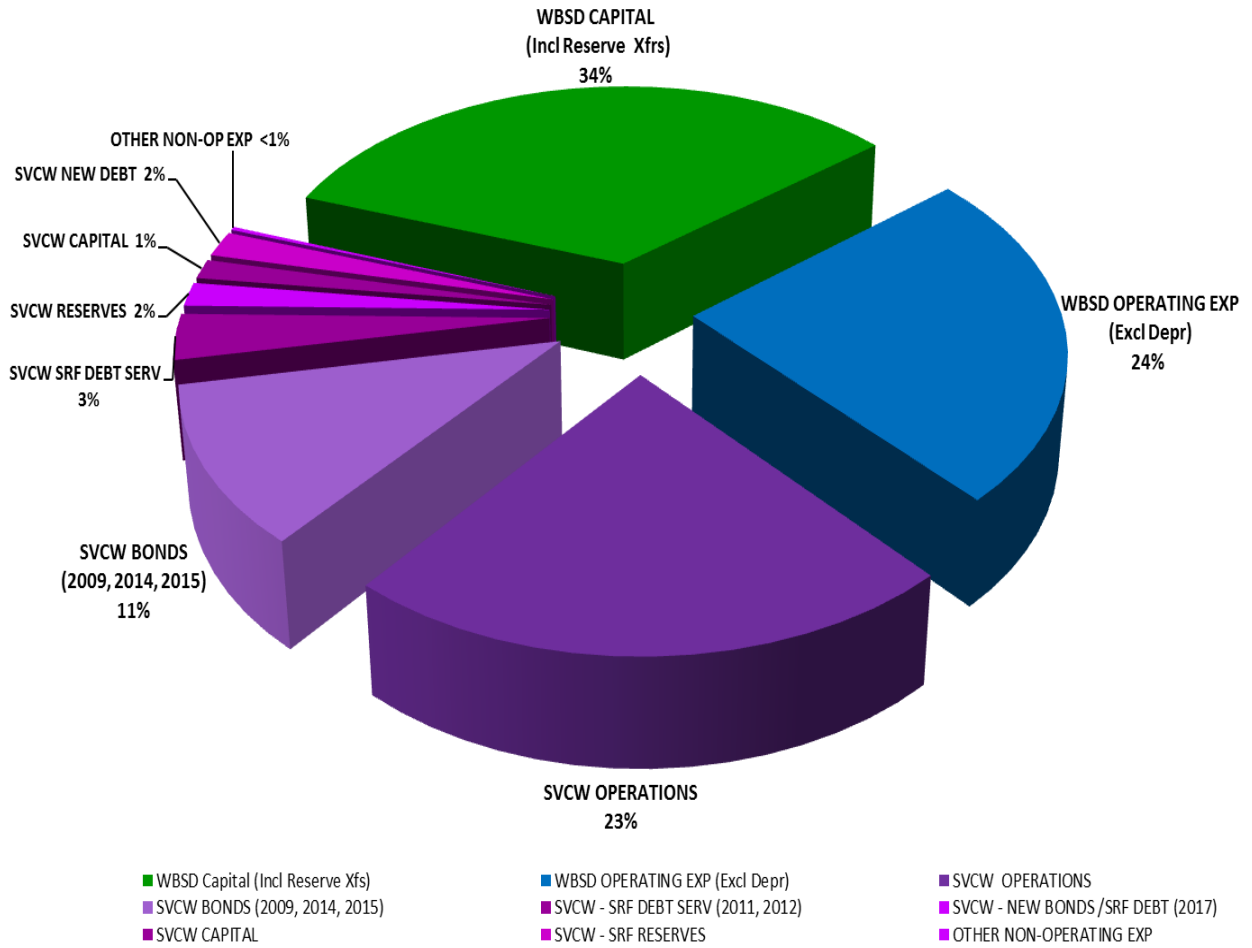
In FY2016-17 an unbudgeted \$8M was transferred to establish a Recycled Water Facility Cash Flow Reserve to help with the cash flow expenditure requirements of the recycled water project with SHGCC while awaiting reimbursement from the State Revolving Fund. No further additions to this fund are anticipated.

All aforementioned reserves including the General Fund Operating Reserve have been included in the District's Investment Management Fund portfolio to maximize the interest earning capabilities of these monies which currently yield approximately 2%.

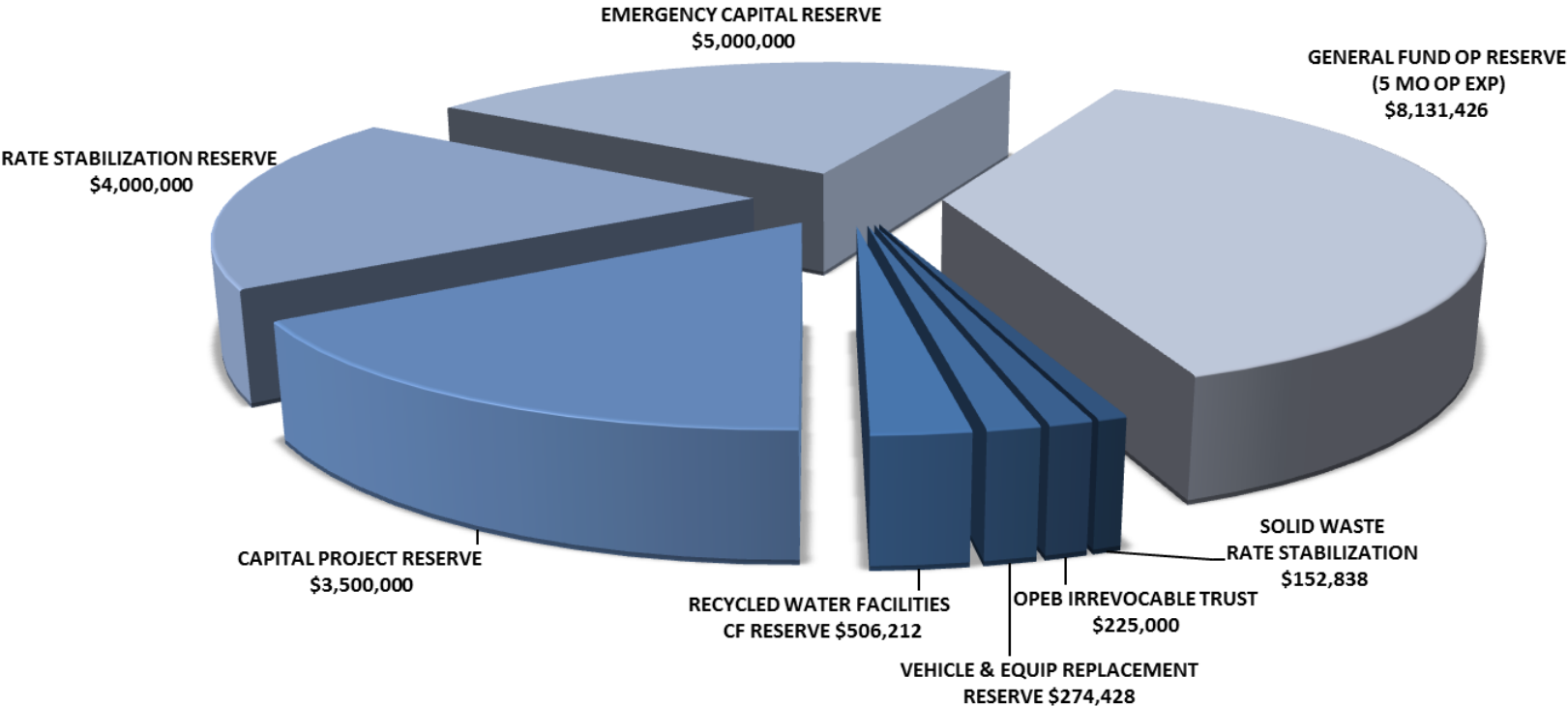
**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2017-2018
SUMMARY OF EXPENDITURES
CAPITAL ASSET FUND**



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2017-2018
SUMMARY OF EXPENDITURES
GENERAL FUND & CAPITAL ASSET FUND**



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2017-2018
SUMMARY OF
RESERVE FUND BALANCES**



GENERAL FUND
APPROVED
BUDGET FY2017/2018



GENERAL FUND

	2016/17 BUDGET	2017/18 BUDGET	VARIANCE	%
FUND INCOME				
OPERATING INCOME				
NON-RESIDENTIAL	\$4,934,446	\$5,131,824	197,378	4.0%
RESIDENTIAL	\$19,298,873	\$20,263,817	964,944	5.0%
SEWER SERVICE CHARGES	\$24,233,319	\$25,395,640	1,162,321	4.8%
FLOW EQUALIZATION COST SHARING	\$313,000	\$324,642	11,642	3.7%
PERMIT AND INSPECTION FEES	\$50,000	\$100,000	50,000	100.0%
OTHER OPERATING INCOME (LAH & WS)	\$415,887	\$426,750	10,863	2.6%
TOTAL OPERATING INCOME	\$25,012,206	\$26,247,032	1,234,826	4.9%
NON-OPERATING INCOME				
INTEREST INCOME (MMK & LAIF)	\$50,000	\$50,000	0	0.0%
OTHER NON OPERATING INCOME	\$1,000	\$1,000	0	0.0%
TOTAL NON-OPERATING INCOME	\$51,000	\$51,000	0	0.0%
TOTAL INCOME	\$25,063,206	\$26,298,032	1,234,826	4.9%
GENERAL FUND AVAILABLE BALANCE	\$7,923,244	\$8,131,426	208,182	2.6%
TOTAL AVAILABLE FOR FISCAL YEAR	\$32,986,450	\$34,429,458	1,443,008	4.4%
FUND EXPENDITURES				
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$7,024,786	\$7,128,473	103,687	1.5%
TOTAL NON-OPERATING EXPENSE	\$11,926,000	\$12,321,950	395,950	3.3%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$18,950,786	\$19,450,423	499,637	2.6%
GENERAL FUND OPERATING RESERVE	\$7,923,244	\$8,131,426	208,182	2.6%
SUBTOTAL TOTAL CURRENT EXP & OPERATING RES	26,874,030	\$27,581,849	707,819	2.6%
AMOUNT TO TRANSFER TO/(FROM) CA FUND	\$6,112,420	\$6,847,609	735,189	12.0%

FUND EXPENDITURES - DETAIL

	2016/17 BUDGET	2017/18 BUDGET	VARIANCE	%
OPERATING EXPENSE				
SALARIES & WAGES	\$3,215,407	\$3,349,962	134,556	4.2%
EMPLOYEE BENEFITS	\$1,597,324	\$1,459,336	(137,988)	-8.6%
DIRECTOR'S FEES	\$37,930	\$37,930	(0)	0.0%
ELECTION EXPENSE	\$0	\$0	0	
DEPRECIATION	\$1,600,000	\$1,800,000	200,000	12.5%
GASOLINE, OIL AND FUEL	\$70,000	\$70,000	0	0.0%
INSURANCE	\$95,050	\$104,850	9,800	10.3%
MEMBERSHIPS	\$30,850	\$32,850	2,000	6.5%
OFFICE EXPENSE	\$33,000	\$35,500	2,500	7.6%
OPERATING SUPPLIES	\$345,195	\$353,195	8,000	2.3%
CONTRACTUAL SERVICES	\$393,000	\$402,000	9,000	2.3%
PROFESSIONAL SERVICES	\$529,350	\$529,350	0	0.0%
PRINTING AND PUBLICATIONS	\$62,500	\$62,500	0	0.0%
RENTS AND LEASES	\$38,680	\$61,000	22,320	57.7%
REPAIRS AND MAINTENANCE	\$259,000	\$278,500	19,500	7.5%
RESEARCH AND MONITORING	\$33,000	\$33,000	0	0.0%
TRAINING, MEETINGS & TRAVEL	\$56,500	\$57,500	1,000	1.8%
UTILITIES	\$148,000	\$156,000	8,000	5.4%
OTHER OPERATING EXPENSE	\$145,000	\$170,000	25,000	17.2%
TRANSFER OVERHEAD EXPENSE TO SOLID WASTE FUND	(\$65,000)	(\$65,000)	0	0.0%
TOTAL OPERATING EXPENSE (Including Depreciation)	\$8,624,786	\$8,928,473	303,687	3.5%
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$7,024,786	\$7,128,473	103,687	1.5%
NON-OPERATING EXPENSE				
CONTRIBUTIONS TO SVCW (OPERATIONS)	\$6,227,000	\$6,550,000	323,000	5.2%
CONTRIBUTIONS TO SVCW (CAPITAL)	\$411,000	\$415,000	4,000	1.0%
SVCW BOND 2009 (\$55 million)	\$1,300,000	\$1,300,000	0	0.0%
SVCW BOND 2014 (\$65 million)	\$1,145,000	\$1,145,000	0	0.0%
SVCW BONDS 2015 (\$60 million)	\$812,000	\$826,950	14,950	1.8%
SVCW - SRF DEBT SERVICE (2011 Debt)	\$225,000	\$225,000	0	0.0%
SVCW - SRF DEBT SERVICE (2012 Debt)	\$740,000	\$740,000	0	0.0%
SVCW - NEW BONDS / SRF DEBT	\$500,000	\$500,000	0	0.0%
SVCW - SRF RESERVE CONTRIBUTION	\$495,000	\$545,000	50,000	10.1%
SVCW - LINE OF CREDIT	\$50,000	\$50,000	0	0.0%
OTHER NON-OPERATING EXPENSE	\$6,000	\$6,000	0	0.0%
CONTRIBUTIONS TO LAFCo	\$15,000	19,000	4,000	26.7%
TOTAL NON-OPERATING EXPENSE	\$11,926,000	12,321,950	395,950	3.3%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$18,950,786	\$19,450,423	499,637	2.6%
RESERVES				
RESERVE FOR OPERATIONS (5 months Total Exp)	\$7,923,244	\$8,131,426	208,182	2.6%
TOTAL RESERVES	\$7,923,244	8,131,426	208,182	2.6%
TOTAL EXPENSE, LIABILITIES AND RESERVES	\$26,874,030	\$27,581,849	707,819	2.6%
AMOUNT TO TRANSFER TO/(FROM) CA FUND	\$6,112,420	\$6,847,609	735,189	12.0%

CAPITAL ASSET FUND

APPROVED

BUDGET FY2017/2018



CAPITAL ASSETS FUND

	<u>2016/17 BUDGET</u>	<u>2017/18 BUDGET</u>	<u>VARIANCE</u>	<u>%</u>
FUND INCOME & RESERVES				
BEGINNING BALANCE FOR FISCAL YEAR	\$19,946,317	\$15,470,817 *	(\$4,475,500)	-22.4%
ANTICIPATED CONNECTION CHARGES REVENUE	\$50,000	\$500,000	\$450,000	900.0%
INTEREST INCOME (FY15/16- 2.1%; FY16/17 - 2.1%)	\$75,000	\$75,000	\$0	0.0%
PROJECTED TRANSFER FROM GENERAL FUND	\$6,112,420	\$6,847,609	\$735,189	12.0%
TOTAL INCOME & RESERVES	\$26,183,737	\$22,893,426	(\$3,290,311)	-12.6%
FUND CAPITAL EXPENDITURES - SEE DETAIL				
ADMINISTRATION - Includes prior FY carryover of \$175K for Billing Software	\$250,000	\$215,000	(\$35,000)	-14.0%
COLLECTION FACILITIES - Includes prior FY carryover of \$425K for Metal Storage Building Replacement	\$934,500	\$934,500	\$0	0.0%
SUBSURFACE LINES AND OTHER	\$8,020,000	\$7,150,000	(\$870,000)	-10.8%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW	\$10,000	\$10,000	\$0	0.0%
MANHOLE RAISING (PAVING PROJECTS)	\$100,000	\$100,000	\$0	0.0%
ALLOWANCE FOR UNANTICIPATED EXPENSES	\$100,000	\$100,000	\$0	0.0%
TOTAL CAPITAL EXPENDITURES	\$9,414,500	\$8,509,500	(\$905,000)	-9.6%
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$0	\$0	\$0	
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$221,450	\$270,000	\$48,550	21.9%
RATE STABILIZATION/BOND RESERVE		\$1,000,000	\$1,000,000	
RECYCLED WATER FACILITY CASH FLOW RESERVE		\$0	\$0	
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$9,635,950	\$9,779,500	\$143,550	1.5%
PROJECTED AVAILABLE FUND AT YEAR END	\$16,547,787	\$13,113,926	(\$3,433,861)	-20.8%
* Anticipated Fund Balance 6/30/2016	\$15,470,817			

**CAPITAL ASSETS FUND
CAPITAL EXPENDITURE DETAIL**

	<u>2016/17 BUDGET</u>	<u>2017/18 BUDGET</u>	<u>VARIANCE</u>	<u>%</u>
ADMINISTRATION				
DISTRICT OFFICE EXTERIOR	\$10,000	\$10,000	\$0	0.0%
DISTRICT OFFICE INTERIOR	\$10,000	\$10,000	\$0	0.0%
LEVEE SURVEY & GPS UPDATE	\$60,000	\$60,000	\$0	0.0%
FLOW MONITORING STUDY	\$80,000	\$30,000	(\$50,000)	-62.5%
SERVER REPLACEMENT PROGRAM	\$15,000	\$15,000	\$0	0.0%
BILLING SOFTWARE - Carryover FY15-16	\$75,000	\$0	(\$75,000)	-100.0%
SEWER SYSTEM MODEL SOFTWARE	\$0	\$75,000	\$75,000	
PHONE SYSTEM		\$15,000	\$15,000	
TOTAL ADMINISTRATION	\$250,000	\$215,000	(\$35,000)	-14.0%
COLLECTION FACILITIES				
SMART COVERS (3)	\$9,500	\$9,500	\$0	0.0%
REPLACE METAL STORAGE BUILDING	\$425,000	\$425,000	\$0	0.0%
FEF IMPROVEMENTS & DEMOLITION OF OLD TREATMENT PLANT WORKS	\$500,000	\$500,000	\$0	0.0%
EQUIPMENT REPLACEMENT -				
<i>FORD EXPLORER - UNIT 207</i>	\$35,000		(\$35,000)	
<i>F-150 PICKUP - UNIT 202</i>	\$35,000		(\$35,000)	
<i>EASEMENT ACCESS VEHICLE FOR TV & PIPEPATCH</i>	\$20,000		(\$20,000)	
<i>RECYCLED WATER TRUCK (RESTORATION) - UNIT 222</i>	\$25,000	\$25,000	\$0	
<i>REHAB HEAVY DUTY TRUCK UNIT 209</i>	\$0	\$110,000	\$110,000	
<i>CONSTRUCTION INSPECTOR PICKUP UNIT 211</i>	\$0	\$35,000	\$35,000	
<i>FLO DAR MONITORS (2)</i>	\$0	\$35,000	\$35,000	
TOTAL EQUIPMENT REPLACEMENT	\$115,000	\$205,000	\$90,000	
Equipment purchases funded from Equipment Replacement Reserve	(\$115,000)	(\$205,000)	(\$90,000)	
TOTAL COLLECTION FACILITIES	\$934,500	\$934,500	\$0	0.0%

	<u>2016/17 BUDGET</u>	<u>2017/18 BUDGET</u>	<u>VARIANCE</u>	<u>%</u>
SUBSURFACE LINES & OTHER				
PUMP STATIONS				
PUMP & VALVE REPLACEMENT PROGRAM	\$40,000	\$40,000	\$0	0.0%
PRIVATE PUMP & PANEL REPLACEMENTS	\$20,000	\$20,000	\$0	0.0%
PIPELINE REPLACEMENT & REHAB DESIGN				
Belle Haven II - Carryover	\$60,000	\$0	(\$60,000)	
Belle Haven III (\$150K), Marsh Rd, & Stowe Ln PS	\$350,000	\$0	(\$350,000)	
Belle Haven III - Carryover	\$0	\$40,000	\$40,000	
Santiago/Camino Alos Cerros	\$0	\$350,000	\$350,000	
PIPELINE REPLACEMENT & REHAB CONSTRUCTION				
Sausal Vista PS (\$1.0M), & Belle Haven II (\$2.5 M) - Carryover	\$3,500,000	\$0	(\$3,500,000)	
Belle Have III (\$2.5M), Marsh Rd (\$1.5M), & Stowe Ln PS (\$0)	\$4,000,000	\$0	(\$4,000,000)	
Belle Haven II Carryover		\$2,000,000	\$2,000,000	
Belle Haven III		\$4,100,000	\$4,100,000	
Town of Atherton Civic Center (Dinklespell)		\$600,000	\$600,000	
MISCELLANEOUS POINT REPAIRS	\$50,000	\$0	(\$50,000)	
TOTAL SUBSURFACE LINES AND OTHER	\$8,020,000	\$7,150,000	(\$870,000)	-10.8%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW	\$10,000	\$10,000	\$0	0.0%
MANHOLE RAISING (PAVING PROJECTS)	\$100,000	\$100,000	\$0	0.0%
ALLOWANCE FOR UNANTICIPATED CAPITAL EXPENDITURES	\$100,000	\$100,000	\$0	0.0%
TOTAL CAPITAL EXPENDITURES	\$9,414,500	\$8,509,500	(\$905,000)	-9.6%
RESERVE TRANSFERS				
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$0	\$0	\$0	
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$221,450	\$270,000	\$48,550	22%
RATE STABILIZATION RESERVE		\$1,000,000	\$1,000,000	
RECYCLED WATER FACILITY CASH FLOW RESERVE		\$0	\$0	
TOTAL RESERVE TRANSFERS	\$221,450	\$1,270,000	\$1,048,550	473%
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$9,635,950	\$9,779,500	\$143,550	1%

RESERVE FUNDS

APPROVED

BUDGET FY2017/2018



RESERVE FUNDS	Fund Balance @ 6/30/2016	2016/17 BUDGET Contributions	Actual Fund Balance @ 6/30/2017	2017/18 BUDGET Contributions	Reserve Balance @ 6/30/2018		
GENERAL FUND							
GENERAL FUND OPERATING RESERVE (5 MONTHS OPERATING EXPENSE)	\$7,441,158	\$482,086	\$7,923,244	\$208,182	8,131,426		
PRE-FUNDING OPEB UNFUNDED LIABILITY (RESERVE/TRUST ACCOUNT)		\$225,000.00	\$225,000	\$0	225,000		
	Fund Balance @ 6/30/2016	2016/17 Contributions	2016/17 Expenditures	Actual Fund Balance @ 6/30/2017	2017/18 BUDGET Contributions	2017/18 Expenditures	Reserve Balance @ 6/30/2018
CAPITAL ASSETS FUND							
EMERGENCY CAPITAL RESERVE (TARGET \$5 MILLION)	\$5,238,989	\$0		\$5,238,989	\$0	\$0	5,238,989
CAPITAL PROJECT RESERVE (TARGET \$3.5 MILLION)	\$3,603,089	\$0		\$3,603,089	\$0	\$0	3,603,089
EQUIPMENT REPLACEMENT RESERVE	\$88,017	\$221,450	(\$100,039)	\$209,428	\$270,000	(\$205,000)	\$274,428
RATE STABILIZATION	\$2,983,434			\$3,000,000	\$1,000,000		\$4,000,000
RECYCLED WATER FACILITY CASH FLOW RESERVE *	(\$343,788)	\$8,000,000 *	(\$650,000)	\$7,006,212	\$1,800,000 **	(8,300,000)	\$506,212
* Contribution for Recycled Water Facility Cash Flow Reserve not Budgeted in FY2016-17 Budget.							
**FY2017-18 Contributions reflect anticipated SRF reimbursement.							
SOLID WASTE RATE STABILIZATION RESERVE							
SOLID WASTE RATE STABILIZATION	\$112,838	85,000	(\$65,000)	132,838	85,000	(\$65,000)	152,838
TOTAL RESERVE BALANCES	19,123,738	9,013,536	(815,039)	27,338,801	3,363,182	(8,570,000)	22,131,983

EQUIPMENT REPLACEMENT RESERVE

APPROVED

BUDGET FY2017/2018



EQUIPMENT REPLACEMENT RESERVE

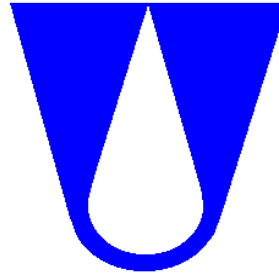
	2016/17 BUDGET	Actual @ 6/30/2017	2017/18 BUDGET
RESERVE CONTRIBUTIONS			
BEGINNING BALANCE	\$88,017	\$88,017	\$209,428
RESERVE CONTRIBUTIONS	\$221,450	\$221,450	\$270,000
TOTAL AVAILABLE BALANCE	\$309,467	\$309,467	\$479,428
RESERVE EXPENDITURES			
FORD EXPLORER - UNIT 207	\$35,000	\$32,279	
F-150 PICKUP - UNIT 202	\$35,000	\$36,090	
EASEMENT ACCESS VEHICLE FOR TV & PIPEPATCH	\$25,000	\$19,170	
RECYCLED WATER TRUCK (RESTORATION) - UNIT 222	\$20,000	\$12,500	\$25,000
REHAB HEAVY DUTY TRUCK UNIT 209			\$110,000
CONSTRUCTION INSPECTOR PICKUP UNIT 211			\$35,000
FLO DAR MONITORS (2)			\$35,000
TOTAL EXPENDITURES	\$115,000	\$100,039	\$205,000
RESERVE BALANCE	\$194,467	\$209,428	\$274,428

RESOURCE RECOVERY

APPROVED

BUDGET FY2017/2018

WEST BAY
SANITARY DISTRICT



RESOURCE RECOVERY

	Fund Balance @ 6/30/2015	2015/16 Expenditures	Fund Balance @ 6/30/2016	2016/17 Contributions / Reimbursements	2016/17 Expenditures	Fund Balance @ 6/30/2017	2017/18 Contributions / Reimbursements	2017/18 Expenditures	Reserve Balance @ 6/30/2018
SHARON HEIGHTS GOLF & COUNTRY CLUB	\$0	(\$343,788)	(\$343,788)	\$8,000,000 *	(\$650,000)	\$7,006,212	\$1,800,000 **	(8,300,000)	\$506,212
BAYFRONT									
RECYCLED WATER FACILITY CASH FLOW RESERVE *									
* Contribution for Recycled Water Facility Cash Flow									
Reserve not Budgeted in FY2016-17 Budget									
**FY2017-18 Contributions reflect anticipated SRF reimbursement									
TOTAL RESOURCE RECOVERY	0	(343,788)	(343,788)	8,000,000	(650,000)	7,006,212	1,800,000	(8,300,000)	\$506,212

SOLID WASTE FUND

APPROVED

BUDGET FY2017/2018



SOLID WASTE RATE STABILIZATION RESERVE

	<u>2016/17 BUDGET</u>	<u>2017/18 BUDGET</u>	<u>VARIANCE</u>
FUND INCOME			
OPERATING INCOME			
FRANCHISES	\$85,000	\$85,000	0
TOTAL INCOME	\$85,000	\$85,000	0
FUND EXPENDITURES			
TOTAL OPERATING EXPENSE	\$65,000	\$65,000	0
TOTAL CURRENT EXPENSE	\$65,000	\$65,000	0
CONTRIBUTION TO SOLID WASTE RESERVE FUND	\$20,000		
SOLID WASTE RATE STABILIZATION RESERVE BEGINNING BALANCE	\$112,838	\$132,838	20,000
SOLID WASTE RATE STABILIZATION RESERVE ENDING BALANCE	\$132,838	\$152,838	\$20,000

FUND EXPENDITURES - DETAIL

	<u>2016/17 BUDGET</u>	<u>2017/18 BUDGET</u>	<u>VARIANCE</u>
OPERATING EXPENSE			
RATE STUDIES	\$11,000	\$11,000	0
MAILINGS	\$5,000	\$5,000	0
PUBLIC RELATIONS	\$1,000	1,000	0
OVERHEAD EXPENSE ALLOCATION FROM GENERAL FUND	\$48,000	\$48,000	0
PREVIOUS YEARS EXPENSE (HHW)	\$0	\$0	0
TOTAL OPERATING EXPENSE	\$65,000	\$65,000	0
TOTAL CURRENT EXPENSE	\$65,000	\$65,000	0