

WEST BAY

SANITARY DISTRICT



Serving Our Community Since 1902



WEST BAY SANITARY DISTRICT

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

FY 2016-17

**APPROVED
JUNE 8, 2016**

WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2016-17

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WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2016-17

EXECUTIVE SUMMARY

General Fund

The proposed General Fund Expenditure Budget (excluding depreciation) of \$18,950,786 reflects a \$1,157,006 or 6.5% increase from the FY 2015-16 Budget. The largest increases result from increases in non-operating expenses, primarily contributions to SVCW Operations, Capital Reserves, and State Revolving Fund (SRF) debt service. These increases add \$1,442,412 to the Budget and include \$500,000 to cover additional bond/SRF debt for FY16-17 that may become necessary. However, reductions in other Non-Operating expenses resulted in a total net increase to Non-Operating Expenses of \$680,861 for the fiscal year. Excluding depreciation, the significant increases in the Operating Expenses were in the areas of Salaries & Benefits, and Professional Services. Overall, Operating Expenses increased by \$476,145 (7.3%). Non-Operating Expenses increased by \$680,861 (6.1%).

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.

The projected Total Income of \$25,063,206 plus the budgeted Operating Reserve of \$7,923,244, provides \$32,986,450 as the Total Available for Fiscal Year FY2016-17. This is sufficient to provide for the Total Expense of \$18,950,786, maintain the Operating Reserve of \$7,923,244, and transfer the balance of \$6,112,420 to the Capital Asset Fund.

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 \$9,635,950 represents a \$1,041,450 increase (12.1%) from the FY 2015-16 Budget. The Budget includes \$4,000,000 of pipeline replacement projects (as scheduled in the Collection System Master Plan 2011, updated 2013). This year Capital Fund Budget also includes a \$3,560,000 CIP carryover (unspent) from CIP projects in progress from FY 15-16. 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 and a carryover for completion of the Billing Software Replacement. 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 \$16,547,787 of available funds is anticipated at the end of the fiscal year to remain for the following year's capital expenses.

Reserve Funds

The FY2016-17 Budget includes establishing a new reserve for Other Post Employment Benefits (OPEB) and the District will set aside \$225,000 into an irrevocable trust fund for the OPEB unfunded liability which is currently valued at \$217,440. With an irrevocable trust, the District will benefit by not having to report an Unfunded Liability in the Statement of Net Position as of June 30, 2018. Funding of the OPEB represents the largest single increase in Operating Expenses for FY2016-17 and is nearly half of the 7.3% increase in overall Operating Expenses.

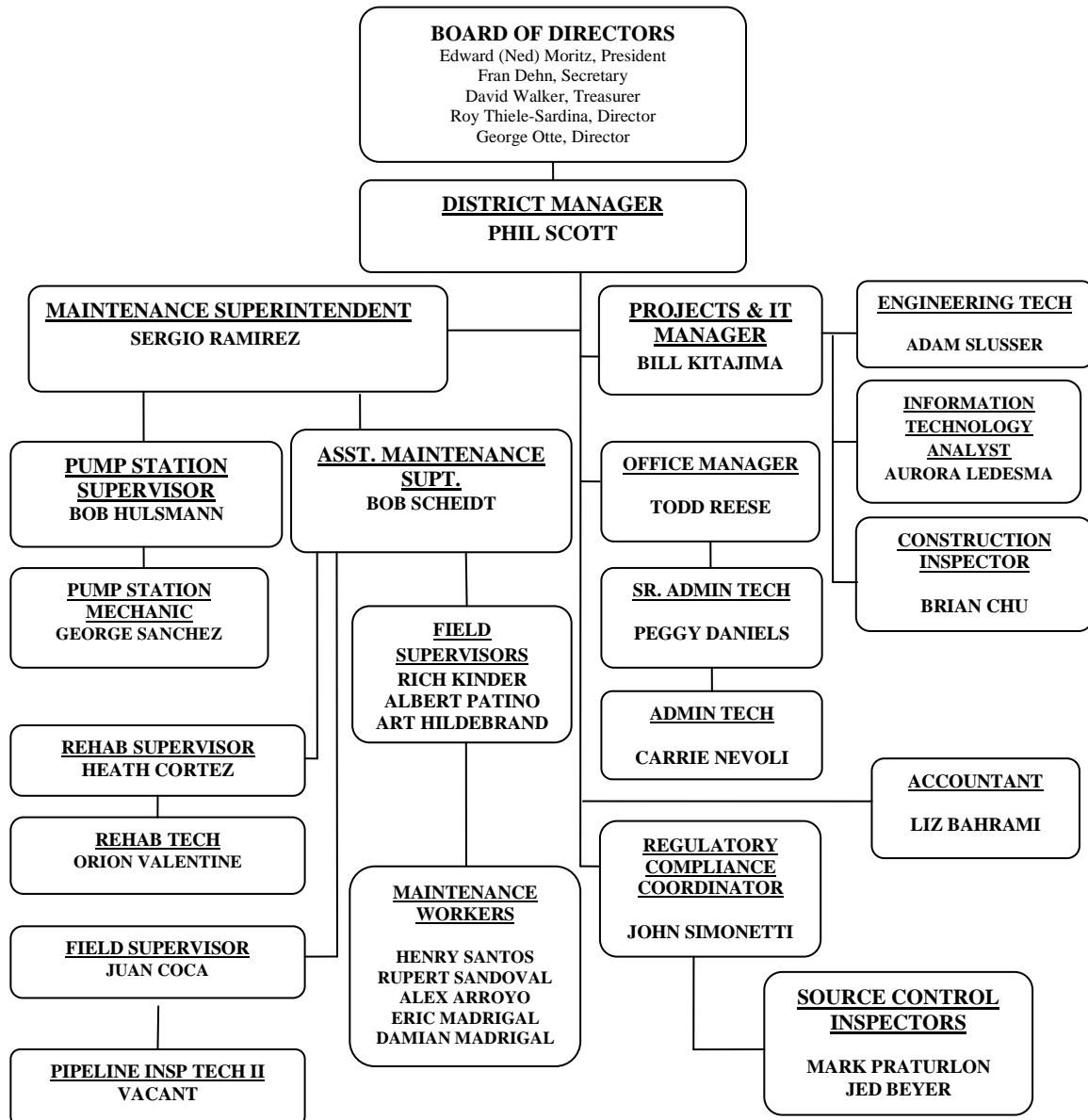
The proposed Capital Assets Fund budget is based on a fully funded reserve balance and no contributions to reserves are proposed with the exception of the Equipment Replacement Reserve. The Emergency Capital Reserves, in case of a catastrophic event, is funded at a target level of \$5M; the Capital Projects Reserve, for payment of Capital Projects, is funded at the target level of \$3.5M; and the Rate Stabilization Reserve is funded at \$3M.

The new Equipment Replacement Reserve was created in FY2015-16 with contributions of \$215,000, plus CPI for each subsequent year, to assist the District in stabilizing expenditures for replacing equipment. Budgeted expenditures for the FY2016-17 year include purchase of a Ford Explorer to replace the old Unit 207; a Ford pickup truck to replace the old unit 202; rehabilitation of the Recycled Water Truck Unit 222; and a new easement access vehicle to replace the 1989 Extend-A-Jet easement cleaning machine. The fund balance is projected to be \$194,467 at June 30, 2017.

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.

The WBSD organization will be as shown:



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 2016 rate schedule. Effective July 1, 2016 the residential sewer service charge increases to \$1,031/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.

Discussion of Changes in Operating Expenses Budget from FY 15-16

Increases – One significant increase to the Operating budget is due to the increase in salaries and employee benefits of \$382,719. This increase includes the contribution of \$225,000 to fund the OPEB Reserve.

Operating Supplies increased \$13,000 for repair materials.

Professional Services increased \$104,000 primarily from the anticipated Baylands Recycled Water Project Feasibility study.

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 \$100,000 for fiscal year 2016-17.

Decreases – Significant decreases to the Operating budget result from the net decrease in the Election Expense of \$40K since FY16-17 is not an election year for our Board of Directors.

Discussion of Changes in Non-Operating Expenses Budget from FY 2015-16

Increases - Payment to SVCW for their Operations Fund is \$6,227,000, an increase of \$345.9K over last year. Contributions to SVCW Capital is \$411,000, an increase of \$257.5K. Further increases in Non-Operating expenses result from a \$339K increase in the 2012 SVCW State Revolving Fund (SRF) Loan payments. An additional \$500,000 was budgeted to cover potential unanticipated bond/SRF financing. Total increases to Non-Operating Expenses are \$1,442,411.

Decrease –As a result of lower interest rates than anticipated on the new 2015 \$60M bond issue, the cost of the new debt service was reduced significantly in the FY2016-17 Budget resulting in a cost reduction of \$333K. In addition, the 2008 \$10M bond was eliminated through refinancing within the above mentioned \$60M bond, further reducing debt service by \$204.4K and the 2009 \$55M bond payments are \$5.2K lower than the prior year. Further savings result from a \$199K reduction in SVCW SRF Reserve Contributions and a \$20K reduction in the SVCW line of credit. Total decreases to Non-Operating Expenses are \$761,550.

The above changes to Non-Operating Expenses result in a net increase of \$680,861 to SVCW related expenses.

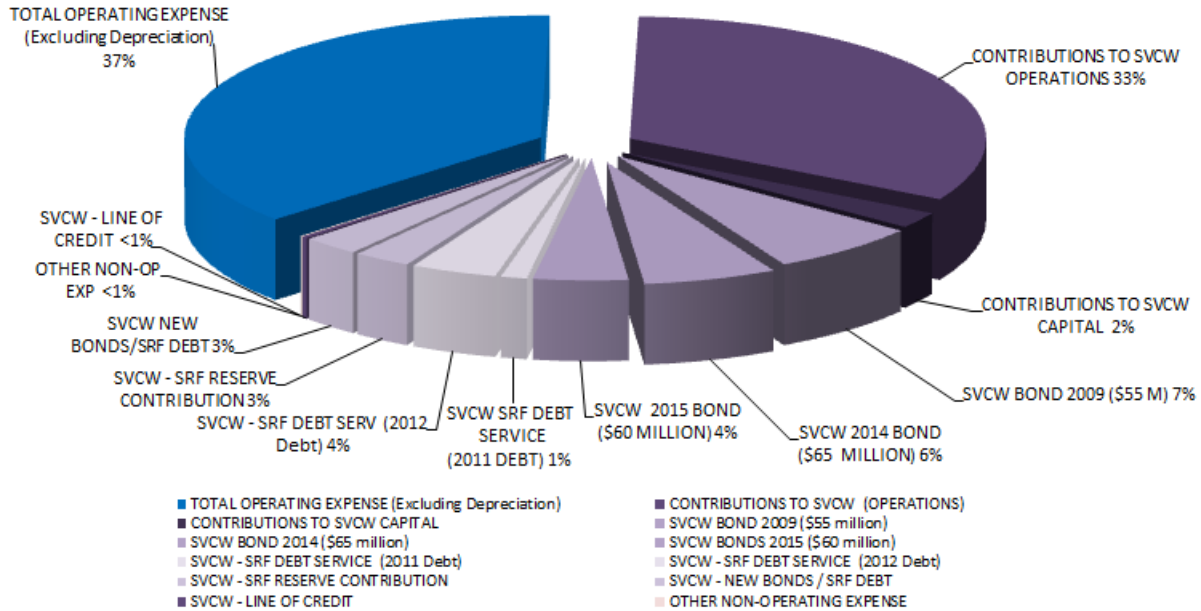
Changes – Since the Budget Workshop, a net increase in Non-Operating Expenses of \$15,000 to SVCW related expenses was received from SVCW, increasing the amounts provided in their adopted FY2016-17 Budget received on April 19. Fortunately, staff's conservative projections are sufficient to cover this change so no update to the proposed Budget as presented at the Workshop is necessary.

General Fund Reserves

The *Operating Reserve* of \$7,923,244, equivalent to 5 months of total expenses, is maintained to accommodate the biannual receipt of fees from the County tax roll.

OPEB Irrevocable Trust. In FY2016-17, the District is planning to set aside \$225,000 into an irrevocable trust, to fully fund the current unfunded liability of \$217,440 for Other Post-Employment Benefits (OPEB).

**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2016-2017
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 Emergency Capital Reserves, Capital Project Reserves, and ongoing annual contributions to the Equipment Replacement Reserve.

Discussion of Changes in Capital Budget from FY 15-16

Administration projects – Significant administration projects for FY 2016-17 include the ongoing Flow Monitoring project for \$80,000; the carryover of \$75,000 for the completion of the replacement of our Billing software; and the Levee Survey & GPS update project to survey manhole xyz coordinates, and rim and invert elevations information to our maps which was increased by \$20K to \$60,000.

Total expenditures in Administration projects budgeted in FY2016-17 are \$80K less than FY2015-16.

Collection Facilities projects – Vehicle and equipment replacements constitute much of the Collection Facilities expenditures such as the routine purchase of Smart Covers budgeted at \$9,500. Vehicle purchases budgeted for FY2016-17 include a Ford Explorer to replace the old Unit 207, a Ford pickup truck to replace the old unit 202, and rehabilitation of the Recycled Water Truck Unit 222. Subsequent to the Budget Workshop on May 4th, staff has identified a need for an easement access vehicle to replace the 1989 Extend-A-Jet easement cleaning machine (which was scheduled for replacement in FY2016-17). Funding for these vehicle purchases are provided through the Equipment Replacement Reserve.

One project carried over from last year is the Metal Storage Building budget of \$425,000. An additional line item for FY2016-17 is \$500,000 for the FEF Improvements & Demolition of the Old Treatment Plant Works. This project will shore up the levees at the FEF grounds and begin the removal of some of the old treatment plant works that remain onsite.

Total expenditures in Collections Facilities projects budgeted in FY2016-17 are \$500K more than FY2015-16.

Subsurface Lines and Other Projects –

Pipeline Replacement/Rehab Design: \$350,000 for the design of Belle Haven III, Marsh Rd, & Stowe Lane Pump Station projects; and a carryover of \$60,000 for completion of design of the Belle Haven II project

Pipeline Replacement/Rehab Construction: Subsurface capital projects include \$4 million dollars for the Belle Haven III (\$2.5M) and Marsh Rd. (\$1.5M) projects. This category also includes a carryover of \$3.5 million for the completion of Belle Haven II (\$2.5M) area pipeline replacement and the Sausal Vista Pump Station rehabilitation project (\$1.0M).

The Capital Fund budget includes ongoing annual purchase of Pump & Valve Replacements \$40,000 and Private Pump & Panel Replacements \$20,000.

Total expenditures Budgeted for Subsurface Lines & Other in FY2016-17 are \$8,020,000 or \$910K higher than in FY2015-16.

Allowance for Unanticipated Expenses –

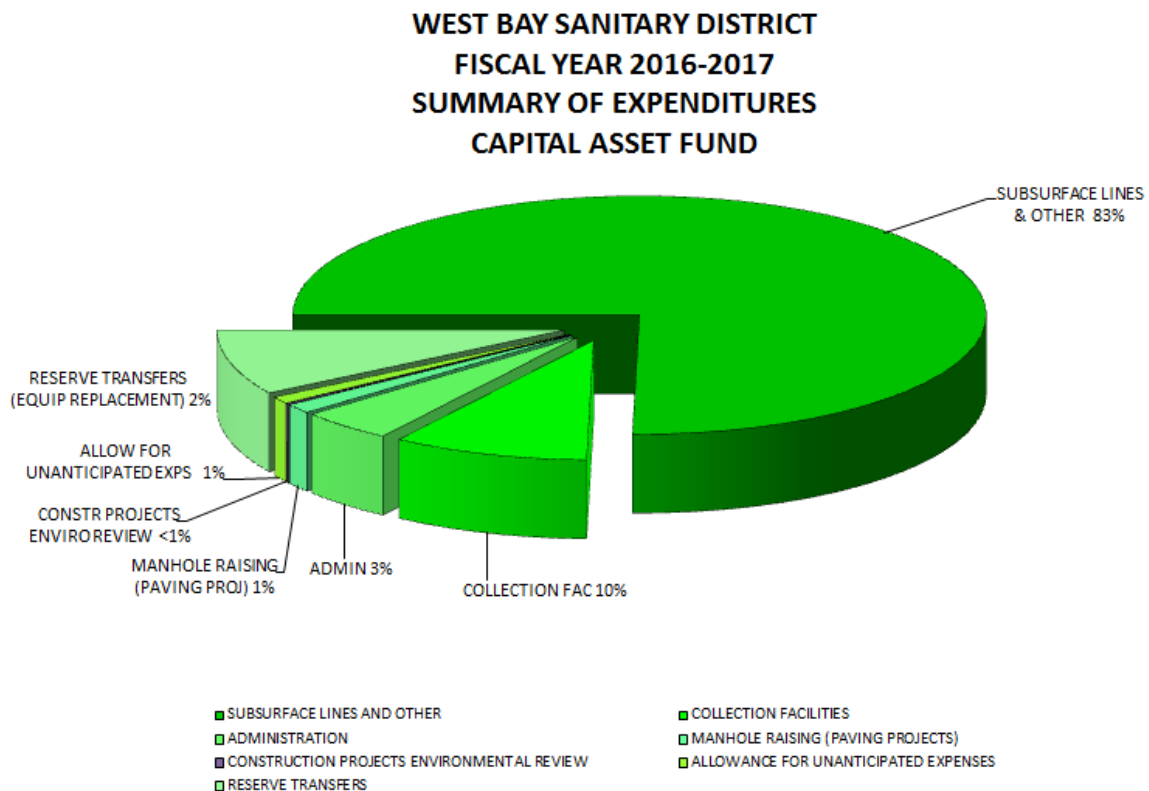
The FY2016-17 Capital Budget allows for an increase from \$75,000 to \$100,000 for escalation in costs associated with emergency pipeline repairs.

Capital Reserves –

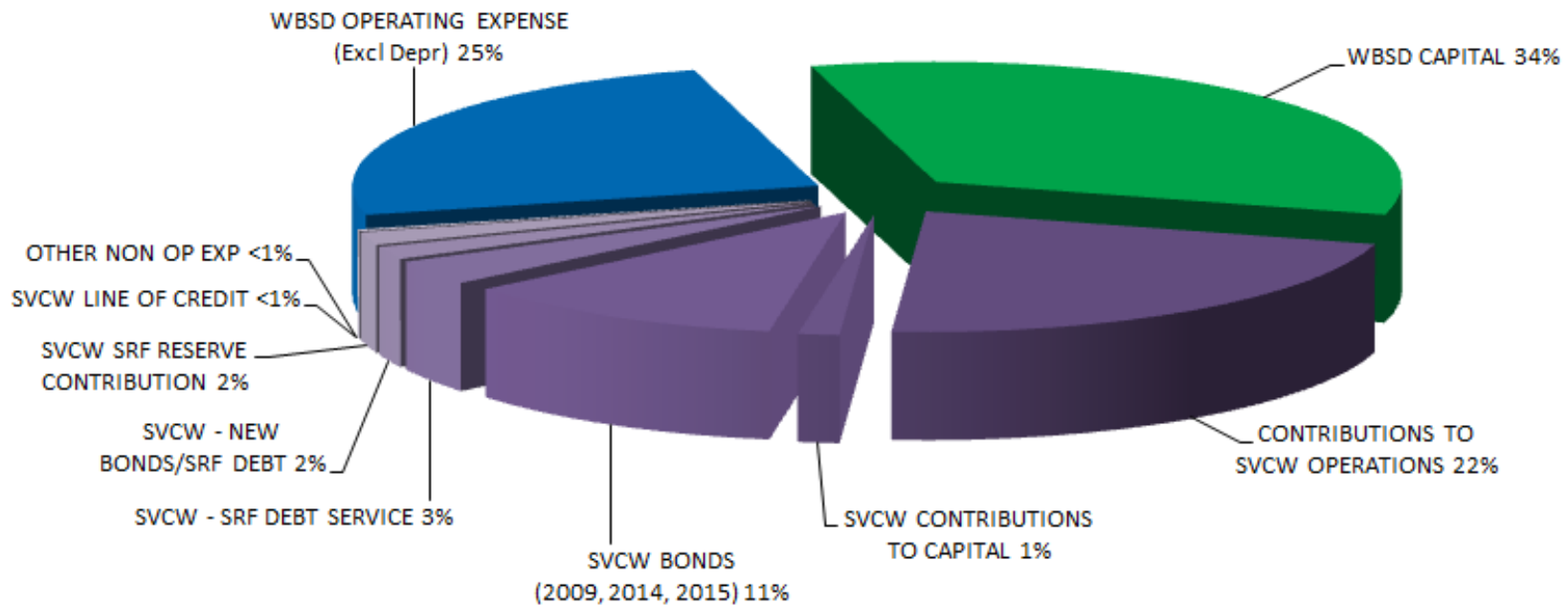
The *Capital Assets Fund* budget is based on a fully funded reserve balance and no contributions to reserves are proposed, except for the Equipment Replacement Reserve. The *Emergency Capital Reserves*, in case of a catastrophic event, is funded at a target level of \$5M; the *Capital Projects Reserve*, for payment of Capital Projects, is funded at the target level of \$3.5M; and the *Rate Stabilization Reserve* is funded at \$3M.

The new *Equipment Replacement Reserve* created in FY2015-16 will continue to be funded annually with contributions of \$215,000, plus CPI for each subsequent year, to assist the District in stabilizing expenditures for replacing equipment.

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.

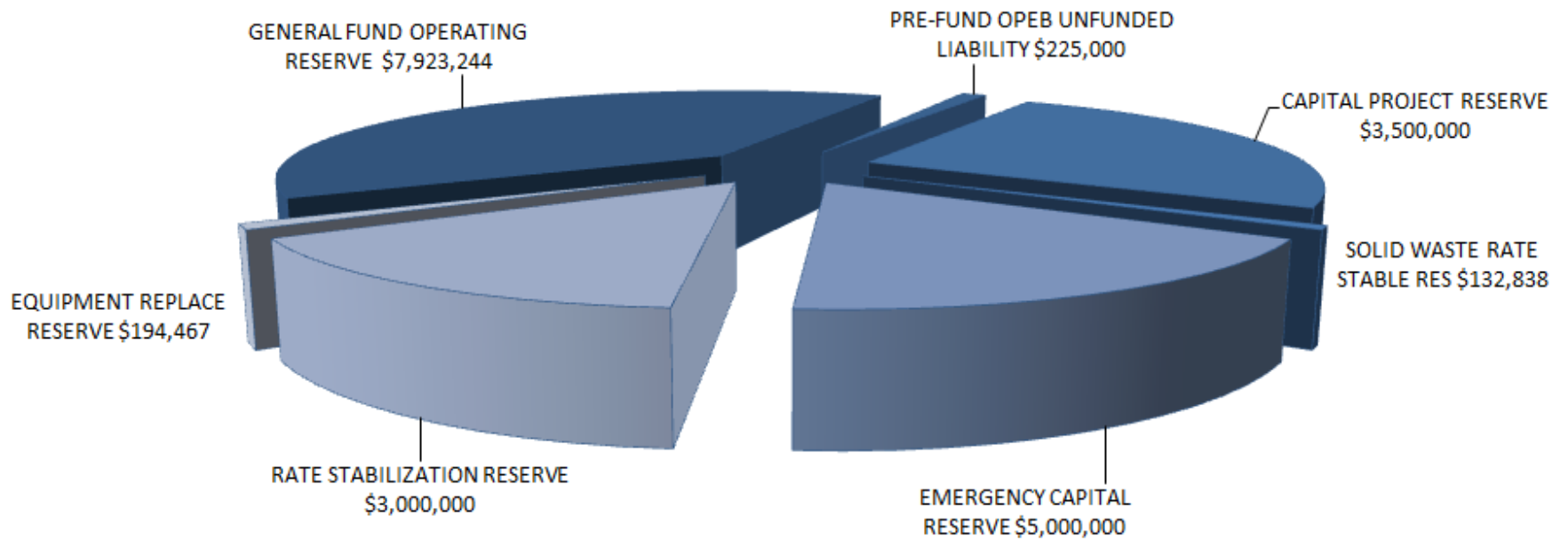


WEST BAY SANITARY DISTRICT FISCAL YEAR 2016-2017 SUMMARY OF EXPENDITURES GENERAL FUND AND CAPITAL ASSET FUND



- TOTAL OPERATING EXPENSE (Excluding Depreciation)
- WBSD - Capital
- CONTRIBUTIONS TO SVCW (OPERATIONS)
- CONTRIBUTIONS TO SVCW (CAPITAL)
- SVCW Bonds (2009, 2014, 2015)
- SVCW - SRF DEBT SERVICE (2011, 2012)
- SVCW - NEW BONDS/SRF DEBT

**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2016-2017
SUMMARY OF
RESERVE FUND BALANCES**



GENERAL FUND
APPROVED
BUDGET FY2016/2017



GENERAL FUND

	2015/16 BUDGET	2016/17 BUDGET	VARIANCE	%
FUND INCOME				
OPERATING INCOME				
NON-RESIDENTIAL	\$4,693,223	\$4,934,446	241,223	5.1%
RESIDENTIAL	\$18,206,484	\$19,298,873	1,092,389	6.0%
SEWER SERVICE CHARGES	\$22,899,707	\$24,233,319	1,333,612	5.8%
FLOW EQUALIZATION COST SHARING	\$309,000	\$313,000	4,000	1.3%
PERMIT AND INSPECTION FEES	\$50,000	\$50,000	0	0.0%
OTHER OPERATING INCOME (LAH & WS)	\$315,614	\$415,887	100,273	31.8%
TOTAL OPERATING INCOME	\$23,574,321	\$25,012,206	1,437,885	6.1%
NON-OPERATING INCOME				
INTEREST INCOME (FY09/10 - 2.0%; FY10/11 - 0.5%)	\$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	\$23,625,321	\$25,063,206	1,437,885	6.1%
GENERAL FUND AVAILABLE BALANCE	\$7,441,158	\$7,923,244	482,086	6.5%
TOTAL AVAILABLE FOR FISCAL YEAR	\$31,066,479	\$32,986,450	1,919,971	6.2%
FUND EXPENDITURES				
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$6,548,641	\$7,024,786	476,145	7.3%
TOTAL NON-OPERATING EXPENSE	\$11,245,139	\$11,926,000	680,861	6.1%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$17,793,780	\$18,950,786	1,157,006	6.5%
GENERAL FUND OPERATING RESERVE	\$7,441,158	\$7,923,244	482,086	6.5%
SUBTOTAL TOTAL CURRENT EXP & OPERATING RES	25,234,938	\$26,874,030	1,639,092	6.5%
AMOUNT TO TRANSFER TO/(FROM) CA FUND	\$5,831,541	\$6,112,420	280,879	4.8%

FUND EXPENDITURES - DETAIL

	2015/16 BUDGET	2016/17 BUDGET	VARIANCE	
OPERATING EXPENSE				
SALARIES & WAGES	\$3,092,348	\$3,215,407	123,059	4.0%
EMPLOYEE BENEFITS	\$1,337,664	\$1,597,324	259,660	19.4%
DIRECTOR'S FEES	\$34,404	\$37,930	3,526	10.3%
ELECTION EXPENSE	\$40,000	\$0	(40,000)	
DEPRECIATION	\$1,500,000	\$1,600,000	100,000	6.7%
GASOLINE, OIL AND FUEL	\$70,000	\$70,000	0	0.0%
INSURANCE	\$92,000	\$95,050	3,050	3.3%
MEMBERSHIPS	\$30,000	\$30,850	850	2.8%
OFFICE EXPENSE	\$33,000	\$33,000	0	0.0%
OPERATING SUPPLIES	\$332,195	\$345,195	13,000	3.9%
CONTRACTUAL SERVICES	\$388,000	\$393,000	5,000	1.3%
PROFESSIONAL SERVICES	\$425,350	\$529,350	104,000	24.5%
PRINTING AND PUBLICATIONS	\$62,500	\$62,500	0	0.0%
RENTS AND LEASES	\$38,680	\$38,680	0	0.0%
REPAIRS AND MAINTENANCE	\$259,000	\$259,000	0	0.0%
RESEARCH AND MONITORING	\$33,000	\$33,000	0	0.0%
TRAINING, MEETINGS AND TRAVEL	\$55,500	\$56,500	1,000	1.8%
UTILITIES	\$145,000	\$148,000	3,000	2.1%
OTHER OPERATING EXPENSE	\$145,000	\$145,000	0	0.0%
TRANSFER OVERHEAD EXPENSE TO SOLID WASTE FUND	(\$65,000)	(\$65,000)	0	0.0%
TOTAL OPERATING EXPENSE (Including Depreciation)	\$8,048,641	\$8,624,786	576,145	7.2%
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$6,548,641	\$7,024,786	476,145	7.3%
NON-OPERATING EXPENSE				
CONTRIBUTIONS TO SVCW (OPERATIONS)	\$5,881,095	\$6,227,000	345,905	5.9%
CONTRIBUTIONS TO SVCW (CAPITAL)	\$153,494	\$411,000	257,506	167.8%
SVCW BOND 2008 (\$10 million)	\$204,378	\$0	(204,378)	-100.0%
SVCW BOND 2009 (\$55 million)	\$1,305,283	\$1,300,000	(5,283)	-0.4%
SVCW BOND 2014 (\$65 million)	\$1,145,000	\$1,145,000	0	0.0%
SVCW BONDS 2015 (\$60 million)	\$1,145,000	\$812,000	(333,000)	-29.1%
SVCW - SRF DEBT SERVICE (2011 Debt)	\$225,000	\$225,000	0	0.0%
SVCW - SRF DEBT SERVICE (2012 Debt)	\$401,000	\$740,000	339,000	84.5%
SVCW - SRF RESERVE CONTRIBUTION	\$693,889	\$495,000	(198,889)	-28.7%
SVCW - NEW BONDS/SRF DEBT	\$0	\$500,000	500,000	
SVCW - LINE OF CREDIT	\$70,000	\$50,000	(20,000)	-28.6%
OTHER NON-OPERATING EXPENSE	\$6,000	\$6,000	0	0.0%
CONTRIBUTIONS TO LAFCo	\$15,000	15,000	0	0.0%
TOTAL NON-OPERATING EXPENSE	\$11,245,139	11,926,000	680,861	6.1%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$17,793,780	\$18,950,786	1,157,006	6.5%
RESERVES				
RESERVE FOR OPERATIONS (5 months Total Exp)	\$7,441,158	\$7,923,244	482,086	6.5%
TOTAL RESERVES	\$7,441,158	7,923,244	482,086	6.5%
TOTAL EXPENSE, LIABILITIES AND RESERVES	\$25,234,938	\$26,874,030	1,639,092	6.5%

CAPITAL ASSET FUND

APPROVED

BUDGET FY2016/2017

WEST BAY
SANITARY DISTRICT



CAPITAL ASSETS FUND

	2015/16 BUDGET	2016/17 BUDGET	VARIANCE	
FUND INCOME & RESERVES				
BEGINNING BALANCE FOR FISCAL YEAR	\$16,202,765	\$19,946,317 *	\$3,743,552	23.1%
ANTICIPATED CONNECTION CHARGES REVENUE	\$50,000	\$50,000	\$0	0.0%
INTEREST INCOME (FY13/14 - 2.5%; FY14/15 - 1.50%)	\$75,000	\$75,000	\$0	0.0%
PROJECTED TRANSFER FROM GENERAL FUND	\$5,831,541	\$6,112,420	\$280,879	4.8%
TOTAL INCOME & RESERVES	\$22,159,306	\$26,183,737	\$4,024,431	18.2%
FUND CAPITAL EXPENDITURES - SEE DETAIL				
ADMINISTRATION - Includes prior FY carryover of \$175K for Billing Software	\$330,000	\$250,000	(\$80,000)	-24.2%
COLLECTION FACILITIES - Includes prior FY carryover of \$425K for Metal Storage Building Replacement	\$434,500	\$934,500	\$500,000	115.1%
SUBSURFACE LINES AND OTHER - Includes prior year carryover of \$2.65M for FY14-15 construction projects	\$7,110,000	\$8,020,000	\$910,000	12.8%
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	\$75,000	\$100,000	\$25,000	33.3%
TOTAL CAPITAL EXPENDITURES	\$8,059,500	\$9,414,500	\$1,355,000	16.8%
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$320,000	\$0	(\$320,000)	-100.0%
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$215,000	\$221,450	\$6,450	3.0%
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$8,594,500	\$9,635,950	\$1,041,450	12.1%
PROJECTED AVAILABLE FUND AT YEAR END	\$13,564,806	\$16,547,787	\$2,982,981	22.0%

* Anticipated Fund Balance 6/30/2016
 \$19,946,317

**CAPITAL ASSETS FUND
CAPITAL EXPENDITURE DETAIL**

	<u>2015/16 BUDGET</u>	<u>2016/17 BUDGET</u>	<u>VARIANCE</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	\$40,000	\$60,000	\$20,000	50.0%
FLOW MONITORING STUDY	\$80,000	\$80,000	\$0	0.0%
SERVER REPLACEMENT PROGRAM	\$15,000	\$15,000	\$0	0.0%
BILLING SOFTWARE - <i>Carryover FY15-16</i>	\$175,000	\$75,000	(\$100,000)	-57.1%
TOTAL ADMINISTRATION	\$330,000	\$250,000	(\$80,000)	-24.2%
COLLECTION FACILITIES				
SMART COVERS (3)	\$9,500	\$9,500	\$0	0.0%
REPLACE METAL STORAGE BUILDING - <i>Carryover FY15-16</i>	\$425,000	\$425,000	\$0	0.0%
FEF IMPROVEMENTS & DEMOLITION OF OLD TREATMENT PLANT WORKS		\$500,000	\$500,000	
EQUIPMENT REPLACEMENT -				
<i>FORD EXPLORER - UNIT 207 (\$35K)</i>				
<i>F-150 PICKUP - UNIT 202 (35K)</i>				
<i>RECYCLED WATER TRUCK (RESTORATION) - UNIT 222 (\$25K)</i>				
<i>EASEMENT ACCESS VEHICLE FOR TV & PIPEPATCH (\$20K)</i>				
NOTE: Equipment purchases are funded from Equipment Replacement Reserve FY2016-17				
TOTAL COLLECTION FACILITIES	\$434,500	\$934,500	\$500,000	115.1%

	<u>2015/16 BUDGET</u>	<u>2016/17 BUDGET</u>	<u>VARIANCE</u>	
SUBSURFACE LINES & OTHER				
PIPELINE REPLACEMENT & REHAB DESIGN				
Belle Haven II - Carryover	\$150,000	\$60,000	(\$90,000)	-60.0%
Belle Haven III (\$150K), Marsh Rd, & Stowe Ln PS	\$350,000	\$350,000	\$0	0.0%
PIPELINE REPLACEMENT & REHAB CONSTRUCTION				
Sausal Vista PS (\$1.0M), & Belle Haven II (\$2.5 M) - Carryover	\$2,500,000	\$3,500,000	\$1,000,000	40.0%
Belle Have III (\$2.5M), Marsh Rd (\$1.5M), & Stowe Ln PS (\$0)	\$4,000,000	\$4,000,000	\$0	0.0%
PUMP & VALVE REPLACEMENT PROGRAM	\$40,000	\$40,000	\$0	0.0%
PRIVATE PUMP & PANEL REPLACEMENTS	\$20,000	\$20,000	\$0	0.0%
MISCELLANEOUS POINT REPAIRS	\$50,000	\$50,000	\$0	0.0%
TOTAL SUBSURFACE LINES AND OTHER	\$7,110,000	\$8,020,000	\$910,000	12.8%
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	\$75,000	\$100,000	\$25,000	33.3%
TOTAL CAPITAL EXPENDITURES	\$8,059,500	\$9,414,500	\$1,355,000	16.8%
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$320,000	\$0	(\$320,000)	-100.0%
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$215,000	\$221,450	\$6,450	3.0%
RATE STABILIZATION RESERVE (NOT BUDGETED in FY2015-16)	\$0	\$0	\$0	
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$8,594,500	\$9,635,950	\$1,041,450	12.1%

RESERVE FUNDS

APPROVED

BUDGET FY2016/2017

WEST BAY
SANITARY DISTRICT



RESERVE FUNDS	<u>Fund Balance @ 6/30/2015</u>	<u>2015/16 BUDGET Contributions</u>	<u>Actual Fund Balance @ 6/30/2016</u>	<u>2016/17 BUDGET Contributions</u>	<u>Reserve Balance @ 6/30/2017</u>		
GENERAL FUND							
GENERAL FUND OPERATING RESERVE (5 MONTHS OPERATING EXPENSE)	\$6,144,471	\$1,296,687	\$7,441,158	\$482,086	7,923,244		
PRE-FUNDING OPEB UNFUNDED LIABILITY (RESERVE/TRUST ACCOUNT)				\$225,000	225,000		
	<u>Fund Balance @ 6/30/2015</u>	<u>2015/16 ACTUAL Contributions</u>	<u>2015/16 Expenditures</u>	<u>Actual Fund Balance @ 6/30/2016</u>	<u>2016/17 BUDGET Contributions</u>	<u>2016/17 Expenditures</u>	<u>Reserve Balance @ 6/30/2017</u>
CAPITAL ASSETS FUND							
EMERGENCY CAPITAL RESERVE (TARGET \$5 MILLION)	\$2,550,000	\$2,450,000		\$5,000,000	\$0	\$0	5,000,000
CAPITAL PROJECT RESERVE (TARGET \$3.5 MILLION)	\$1,050,000	\$2,450,000		\$3,500,000	\$0	\$0	3,500,000
EQUIPMENT REPLACEMENT RESERVE		\$215,000	(\$126,983)	\$88,017	\$221,450	(\$115,000)	\$194,467
RATE STABILIZATION/BOND RESERVE		\$3,000,000		\$3,000,000			\$3,000,000
SOLID WASTE FUND							
SOLID WASTE RATE STABILIZATION RESERVE	\$92,838	20,000		\$112,838	20,000		132,838
TOTAL RESERVE BALANCES	9,837,309	9,431,687	(126,983)	19,142,013	948,536	(115,000)	19,975,549

EQUIPMENT REPLACEMENT RESERVE

APPROVED

BUDGET FY2016/2017



EQUIPMENT REPLACEMENT RESERVE

	2015/16 BUDGET	Actual @ 6/30/2016	Balance @ 6/30/16	2016/17 BUDGET	Balance @ 6/30/17
RESERVE CONTRIBUTIONS					
RESERVE CONTRIBUTIONS	\$215,000	\$215,000		\$221,450	
TOTAL CONTRIBUTIONS	\$215,000	\$215,000	\$215,000	\$221,450	436,450
RESERVE EXPENDITURES					
CONSTRUCTION BACKHOE	\$150,000	\$126,983			
FORD EXPLORER - UNIT 207				\$35,000	
F-150 PICKUP - UNIT 202				\$35,000	
RECYCLED WATER TRUCK (RESTORATION) - UNIT 222				\$25,000	
EASEMENT ACCESS VEHICLE FOR TV & PIPEPATCH				\$20,000	
TOTAL EXPENDITURES	\$150,000	\$126,983	\$126,983	\$115,000	241,983
RESERVE BALANCE	\$65,000	\$88,017	\$88,017	\$106,450	194,467

SOLID WASTE FUND

APPROVED

BUDGET FY2016/2017



SOLID WASTE FUND

	2015/16 BUDGET	2016/17 BUDGET	VARIANCE
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
RESERVES	\$20,000	\$20,000	0
TOTAL EXPENSE AND RESERVES	\$85,000	\$85,000	\$0
SOLID WASTE FUND AVAILABLE BALANCE	\$0	\$0	\$0

FUND EXPENDITURES - DETAIL

	2014/15 BUDGET	2015/16 BUDGET	VARIANCE
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
RESERVES			
RATE STABILIZATION RESERVE	\$20,000	20,000	0
TOTAL RESERVES	\$20,000	20,000	0
TOTAL EXPENSE AND RESERVES	\$85,000	85,000	0