

WEST BAY

SANITARY DISTRICT



Serving Our Community Since 1902



WEST BAY SANITARY DISTRICT

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

FY 2020-21

**Approved
June 10, 2020**

WEST BAY SANITARY DISTRICT
GENERAL FUND, CAPITAL ASSET FUND,
RECYCLED WATER FUND, SOLID WASTE FUND &
RESERVES BUDGETS
FY 2020-21

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WEST BAY SANITARY DISTRICT
GENERAL FUND, CAPITAL ASSET FUND,
RECYCLED WATER FUND, SOLID WASTE FUND & RESERVES
BUDGETS
FY 2020-21

EXECUTIVE SUMMARY

General Fund

The approved General Fund Expenditure Budget (excluding depreciation) of \$22,530,701 reflects a \$6,616,203 or -23% decrease from the FY2019-20 Budget. The overall Budget decrease is a result of increases to Operating expenses and a substantial decrease to Non-Operating expenses.

Operating Expenses, excluding depreciation, increased by \$637,479, or 7.3%, due primarily to increases in Salaries & Wages and Employee Benefits line items. The 2019 MOU contract increased salaries by 4% in FY2019-20 and FY2020-21, a 3% assumption had been used for budgeting purposes.

Non-Operating expenses decreased by \$7,253,681, or (-35.5%), primarily resulting from a \$6.4M pay down on the 2018 Bond for SVCW in FY2019-20.

Depreciation is included in the detail of the General Fund Total Operating Expense to indicate the level of increase or decrease in depreciable assets (increases are largely through capital improvement projects) in the budget year. Including this figure in the approved 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 \$41,036,069 (increase of .3%) and includes the required operating reserves of \$9,395,827 (-1.1% decrease) and allows a transfer of \$9,109,541 to the Capital Assets Fund. This transfer is an increase of \$6.84M over FY2019-20. The increase in total income and reserves reflects the impact of utilizing \$6.4M in reserves in FY2019-20 to fund the remaining portion of a \$13M pay down of the District's allocated share (\$48M) of the SVCW 2018 Bond issue.

Capital Assets Fund

The approved Capital Assets Fund Expenditures Budget of \$9,500,000 represents a \$2,625,950 increase (38%) from the FY2019-20 Budget. The capital budget includes:

- \$475K for necessary administrative capital expenses;
- \$2.9M for Collection Facilities purchases and projects;
 - Including \$228,000K for vehicle and equipment replacements which are funded from the Equipment Replacement Reserve;
- \$5.9M of Subsurface (underground) pipeline replacement projects and pump station upgrades (as scheduled in the annually updated Collection System Master Plan). This is an increase over FY2019-20 due to reduction in normal CIPs in FY2019-20 to help fund the SVCW 2018 Bond issue payment. These capital expenditures enable the District to maintain the State's recommended goal of replacing more than 1.5% of the system's aging pipelines each year;
- \$210,000 for CEQA work, Manhole Raising, and Unanticipated Capital Expenditures.

A balance of \$14,903,043 of available funds is projected at the end of the fiscal year to remain for the future year's capital expenditures.

Reserve Funds

The approved contributions are based on fully funded reserve balances by the end of FY2024-25.

Reserves Contributions:

- Emergency Capital: A contribution of \$200,000 will be made towards the target in FY 2020-21.
- Capital Projects Reserve: A contribution of \$683,500 will be made towards the target in FY 2020-21.
- Operating Reserve: A contribution of \$1,300,000 will be made towards the target in FY 2020-21.
- The Rate Stabilization Reserve: A contribution of \$1.555M will be added towards the target in FY2020-21.
- The Equipment Replacement Reserve: In FY2020-21 total contributions of \$360.5K will be added to the Money Market Account.
- The Recycled Water Facility Cash Flow Reserve: No contributions.

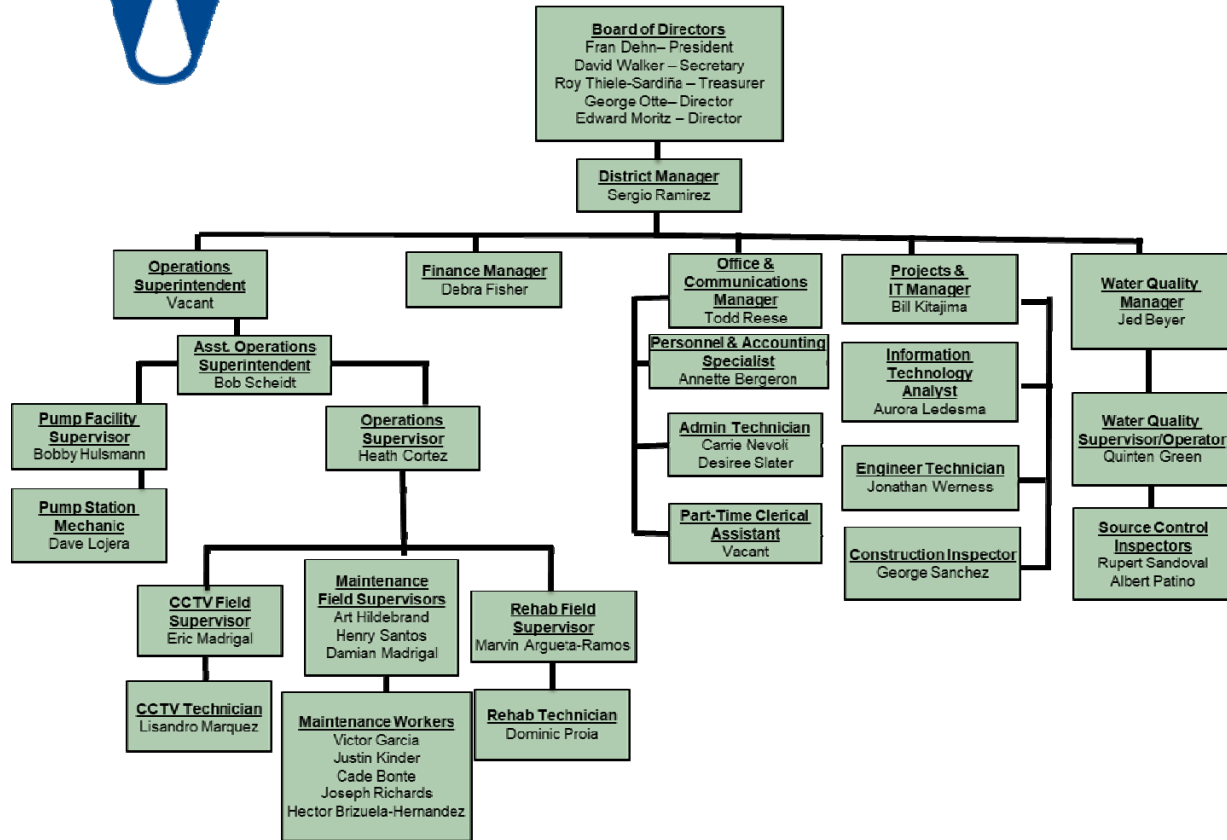
DISTRICT DESCRIPTION

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.

West Bay Sanitary District:



Organization Chart FY 2020-21



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 2020 rate schedule. Effective July 1, 2020 the residential sewer service charge increases 4% to \$1,224/year. The non-residential charge varies based on flow and strength but averages 4%. 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; training and travel; and utilities.

Non-Operating expenses include SVCW costs (Capital Reserves, Operating Expenses, and Bond & State Revolving Fund (SRF) payments); LAFCO fees; and miscellaneous non-operating expenses.

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

Changes in Operating Expense Budget from FY 2019-20

Increases in FY 2020-21

Salary & Benefits

The most significant increase to the Operating Budget is in Salaries and Wages of \$564.7K. This increase reflects the impact of the prior year Memorandum of Understanding (MOU) with represented employees for a 4% salary increase. While 2019-20 only assumed a 3% cost of living increase, this accounts for 5% of the increase. Additionally, WBSD added an additional Water Quality Supervisor, who will spend half his time on WBSD Operations and half supervising the Sharon Heights Golf & Country Club Waste Water Recycling Facility. WBSD also is budgeting for increases in retired annuitant costs, due to the District Manager retirement and his assistance in 2020-21. These factors, plus normal step increases, result in a 9.2% overall increase in Salaries.

Benefits increased \$232K, or 8.9%. The benefits include increases based on higher Salary expense, which affect life insurance, workers' compensation, retirement, taxes, and deferred compensation matching.

Worker's Compensation is expected to increase by 2%, even though our Experience Modification Factor decreased from 1.26 to 1.22.

The employer share of CalPERS for normal retirement contributions are fairly flat, while the annual Unfunded Accrued Liability (UAL) payment increases to \$442,963. The board approved continuing to fund an additional \$1 million for the UAL. The Board also provided direction at the budget workshop to paydown the UAL and to fully fund the OPEB liability. This is discussed further in Changes Following Budget Workshop section.

Director's Fees

Director's fees increase by \$2K, to reflect the increase to \$230 per meeting, effective January 1, 2020.

Election Expense

Three board members are up for election in 2020-21, therefore \$70K has been budgeted for this expense.

Depreciation

Depreciation increased \$400K due to the completion of the Belle Haven Project and Recycled Water Facility.

Insurance Expense

Insurance increased \$59K, 52% over FY2019-20 budget, but only 4% over actual expense for FY2019-20. General liability is expected to increase 10%. Property, including vehicles is expected to increase 20%.

Operating Supplies

Operating Supplies increased \$12,250. This is mainly related to the COVID-19 threat, increasing the use of Personal Protective Equipment (PPE) and increasing the inventory to prepare for continuing or future needs and shortages. WBSD also added an additional employee, who will need PPE, including uniforms and gear.

Increases in PPE of \$8,250 and Monitoring supplies of \$5K, were partially offset by decreasing the WBSD budget for pump station parts by \$1K.

Contractual Services

Contractual Services increased by \$17.5K. Several contracts increased for a total of \$37.5K, which was partially offset by a \$20K decrease in planned asphalt contractor expense. The majority of the increase was due to \$20K in root foaming, after years of no increases by contractor and reduction in sources.

Repairs and Maintenance

Repairs and Maintenance is increasing by \$10.9K; \$3K for battery and radio maintenance; and \$7.9K for computer software upgrades.

Utilities

Utilities expense is increasing \$13.3K. Water is expected to increase 15%, while other utilities are expected to increase by 5%.

Other Operating Expenses

Other Operating Expenses is increasing \$20.7K; \$7.5K is for increases in City Encroachment and Air Quality Board permits; \$3K is for State Water Board increases; and \$10.2K is bank expenses and credit card processing fees, which are recovered through Permit charges, which were previously not included in the budget.

Decreases in FY 2020-21

Professional Services

Professional Services decreased by \$50K from the previous budget, as described in “Changes following the Budget Workshop”. Safety Training increased \$5K, which WBSD staff feels is critical to maintain the current safety record of over 1,080 days without “Lost Time Accidents” and maintain a safe environment for staff and the public during the unprecedented climate.

Research and Monitoring

Research and Monitoring is decreasing \$13K, as WBSD will defer Single Family Monitoring verses Multi-family Monitoring in FY 2020-21.

Training, Meetings, & Travel

Training, Meetings, & Travel is decreasing \$13K. WBSD will defer \$3K for specialty safety training certification in FY 2020-21. It is also expected that conferences and meetings for both staff and the board will be limited in FY 2020-21, reducing these expenses by \$10K.

Changes following the Budget Workshop

Benefits

The board was presented a plan at the Budget Workshop to transfer \$1.6M in funds from the PARS Irrevocable Trust (implemented in 2018) and contribute \$1M from the FY2020-21 budget to paydown the PERS UAL with a current balance of \$5.8M, as of 6/30/2020. The plan includes paying another \$1M in each of the following four years, which will eliminate the current liability and save over \$4.3M on UAL interest. In addition to this plan the Board directed staff to fully fund the OPEB liability by contributing \$87,458 in FY2020-21 to the PARS irrevocable trust account.

Insurance Expense

Insurance increased another \$590, for vehicles, based on premium notice received after the Budget Workshop.

Contractual Services

Towing was reduced by \$500 after the Budget Workshop, to defer optional increases.

Professional Services

Staff has reduced \$55K from General Engineering, Surveys, and Study expenses as directed by the Board.

Changes in Non-Operating Expense Budget from FY 2019-20

Non-Operating expenses are projected to be \$7.16M less than FY 2019-20. This is mainly due to the payment of \$6.416M for the Silicon Valley Clean Water (SVCW) 2018 bonds.

Increases in FY 2020-21

Payment to SVCW for their Operations Fund was projected to increase \$146K, in their cash forecast, to \$7,076,158.

SVCW contributions for Capital is increasing \$126.7K to \$409,274.

San Mateo Local Agency Formation Commission (LAFCO) is estimated to increase by \$2K to \$21,000.

Decreases in FY 2020-21

Total payments to SVCW will decrease by \$7,255,681 in FY 2020-21, including the payment of \$6.4M for the 2018 bond in FY 2019-20.

The SVCW SRF Reserve contribution will decrease \$104K to \$347,712.

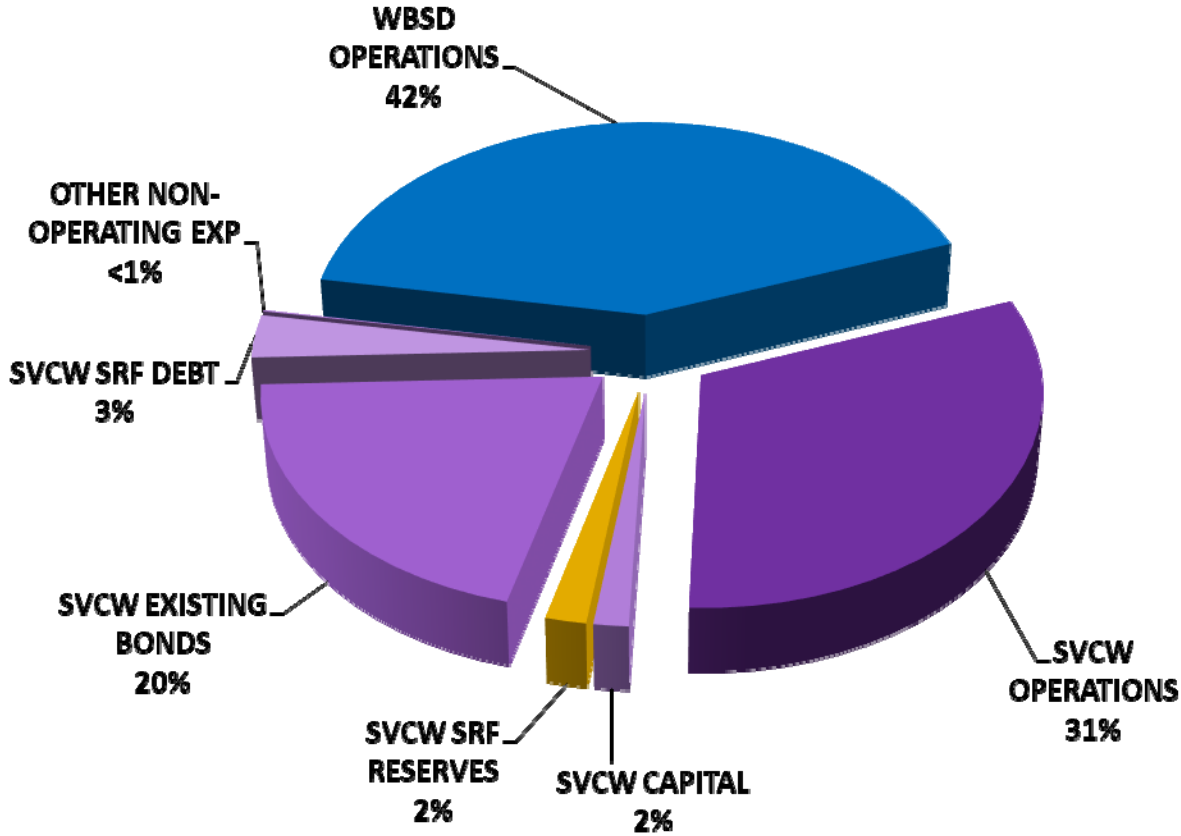
Total SVCW bond payments, excluding the 2018 bond, will decrease by \$770K, to \$4,593,692. Primarily due to the 2009 Bonds being paid off through the 2018 issue.

Total SVCW SRF debt service payments will decrease by \$238K, to \$726,843.

Changes following the Budget Workshop

There were no changes to Non-Operating Expenses following the Budget Workshop.

**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2020-21
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 of collection system pipeline or appurtenances that are required for the District to continue to sustain or improve the current level of service.

Summary of Revenues and Expenses

Revenues

The Capital budget includes revenue from connection fees and transfers from General fund revenues, after expenditures and the Operating Reserve of five months of operations expense are applied.

Expenses

The Capital budget includes sufficient funds for expenditures on Administration, Collection Facilities, Subsurface Lines, and other construction projects.

Changes in Capital Budget from FY 2019-20

Administration Projects

The Administration projects' budget is \$475K, \$200k less than FY 2019-20. WBSD has deferred the 10 year Master Plan of \$350K to reduce costs, as directed by the Board. The main Administration Project for FY 2020-21 would be the Corporate Yard Renovation Design, for \$350K, with five continuing projects for \$125K.

- District Office Exterior & Interior, \$20K (\$10k each)
- Levee Survey & GPS Update, \$60K
- Flow Monitoring Study, \$30K
- Server Replacement Program, \$15K.
- Corporate Yard Renovation Design, \$350K.

Collection Facilities Projects

The Collection Facilities budget is \$2.9M, \$238K higher than FY 2019-20.

- Replacement of Metal Storage Building Phase 1 & 2 will carryover \$852.5K from Phase 1 in FY2019-20 and add \$247K for required sprinklers, improvement of water main, and delay costs, for a total cost of \$1.1M.
- FERRF & LEVEE Improvements will carryover \$1.5M, combined.

Collection Facilities Projects (continued)

- Bayfront Resource Recovery will carryover \$300K.
- Smart Covers of \$10K is being deferred in FY2020-21 and new projects will include two smart covers, as directed by the Board
- Equipment Replacement in FY2020-21 is \$228K, funded from the Equipment Replacement Reserve. This is \$167K less than FY2019-20. \$235K has been deferred, as directed by the Board; \$185K to replace the Dump Truck and \$50K to replace DM vehicle.
 - Pipehunter hoses and camera reel backs of \$25K.
 - Mainline CCTV Camera of \$28K.
 - Pump Supervisor Truck unit 217, including ½ ton crane, which was deferred in FY2018-19 of \$90K.
 - Water Quality Supervisor Vehicle of \$50K for a new truck.
 - Flo Dar Equipment of \$35M for replacement flow meters.

Subsurface Lines and Other Projects

Subsurface Lines includes costs for Pump Station Replacement programs, Pipeline Replacement and Rehabilitation Engineering, and Pipeline Replacement and Rehabilitation Construction. WBSD has budgeted \$5.9M for Subsurface Lines; \$2.2M more than FY2019-20, due to a return to target levels for pipeline replacement.

Pump Stations:

Pump Stations costs are flat for most costs, with some deferrals, as recommended by staff.

- Pump & Valve Replacement Program, no increase.
- Private Pump & Panel Replacements, no increase.
- Pump Station Fence Repair & Replacements, deferred \$12K.

Pipeline Replacement & Rehabilitation Engineering Projects:

- Isabella, Gilbert & Bay North - Phase 2 will carryover \$350K to FY2020-21.

Pipeline Replacement & Rehabilitation Construction Projects:

- Town of Atherton Civic Center (Dinklespeil) was completed and paid in FY2019-20 for \$517K; \$283K under budget.
- Isabella, Gilbert & Bay North - Phase 1 will carryover \$1.5M to FY2020-21.
- Isabella, Gilbert & Bay North - Phase 2 is planned to begin in FY2020-21 for \$2.5M.
- Lower Ringwood is planned to begin in FY2020-21 for \$1.5M.

Other Capital Expenditures

Other continuing capital expenditures of \$210K are flat in FY2020-2.

- Construction Projects Environmental Review (CEQA), no increase.
- Manhole Raising (Paving Projects), no increase.
- Allowance for Unanticipated Capital Expenditures, no increase.

Reserves

Operation & Capital Reserves:

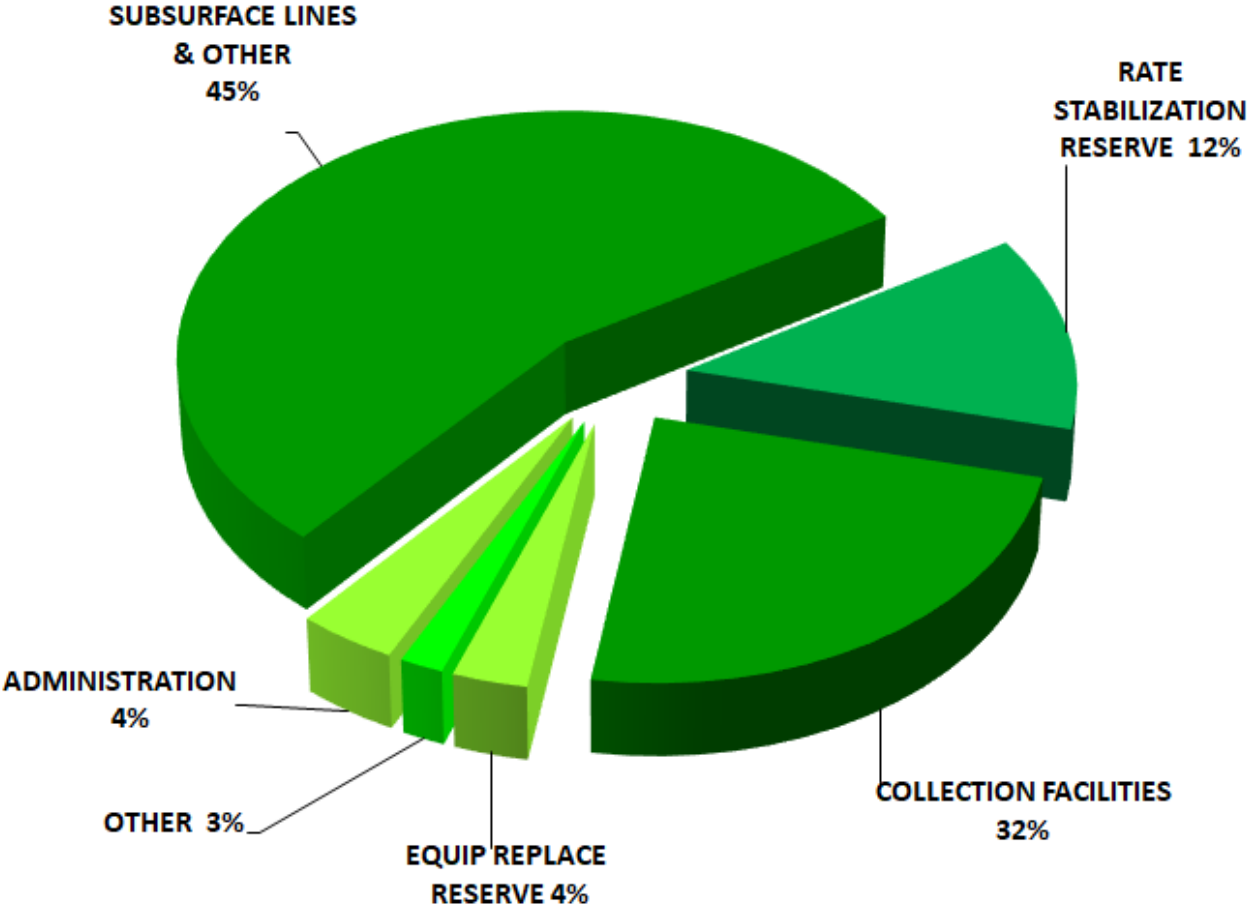
The contributions to reserves are based on fully funded reserve balances by FY2024-25.

- The Emergency Capital Reserve, in case of a catastrophic event, is to be funded at a target level of \$5M. A contribution of \$200K will be made towards the target in FY 2020-21.
- The Capital Projects Reserve is for payment of Capital Projects with a target level of \$6M. A contribution of \$683.5K will be made towards the target in FY 2020-21.
- The Operating Reserve has a target level of \$9M, which represents approximately five months of operations. A contribution of \$1.3M will be made towards the target in FY 2020-21.
- The Rate Stabilization Reserve, to pay down the District's debt allocation for SVCW Bonds and Loans, has a target balance of \$8M. A Contribution of \$1.555M will be added towards the target in FY2020-21. In addition, per the District's policy, a transfer of any unspent balances remaining in Non-Operating Expenses will be made to the Rate Stabilization Reserve at year-end.
- The Equipment Replacement Reserve, created in FY2015-16, will continue to be funded annually. In FY2020-21 total contributions of \$360.5K will be added to the Money Market Account to assist the District in stabilizing expenditures for replacing equipment.
- The Recycled Water Facility Cash Flow Reserve, for cash flow management of Recycled Water Projects had a target level of \$8M. However, over the next 5 years the Recycled Water Cash Flow Reserve will be reduced to \$4.2M through annual contributions to help restore the other reserves to target levels.

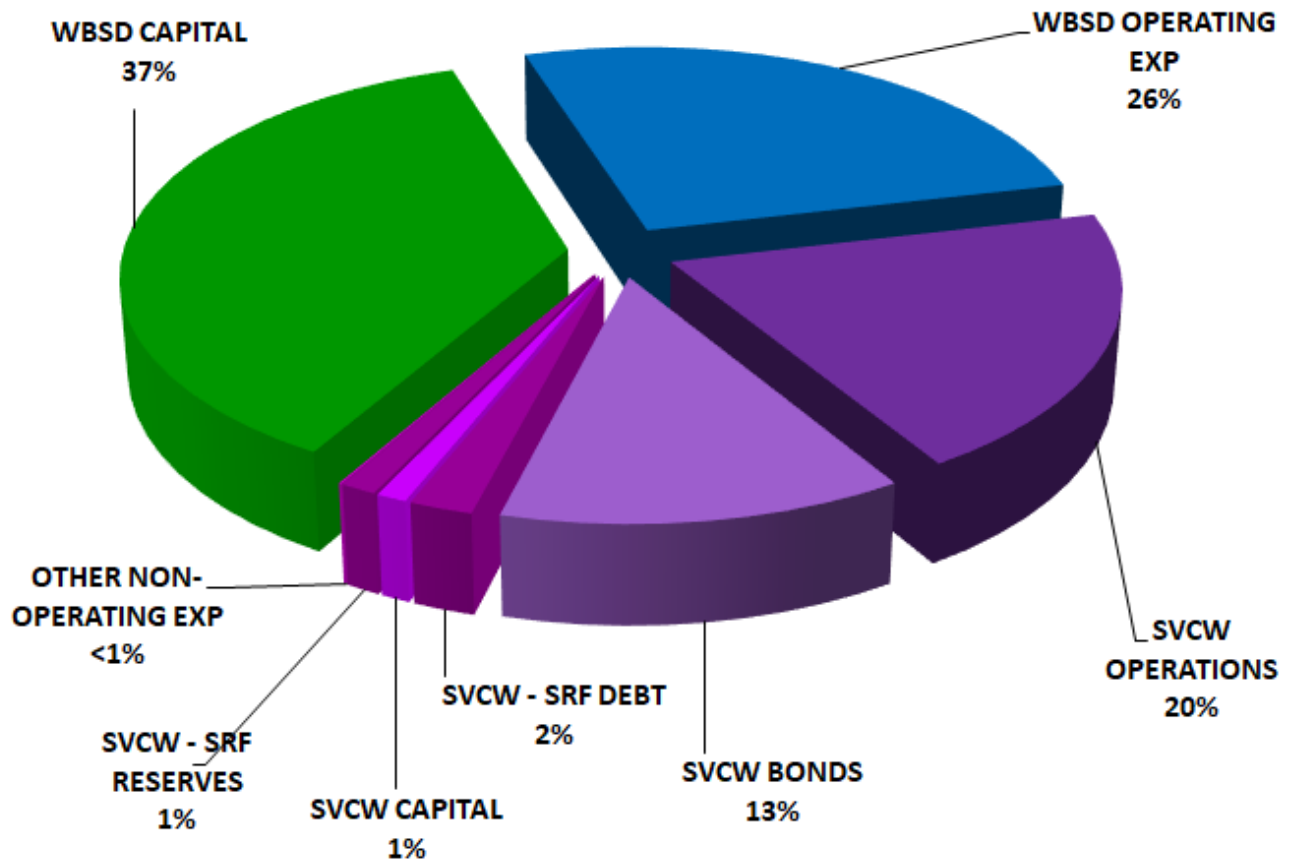
Other Reserves:

- The Recycled Water SRF Reserve - Sharon Heights Golf & Country Club (SHGCC) has approximately \$1.5M, as part of the long term agreement with SHGCC.
- The Solid Waste Fund is anticipated to have a Rate Stabilization Reserve balance of \$235,815 by the end of FY2020-21.

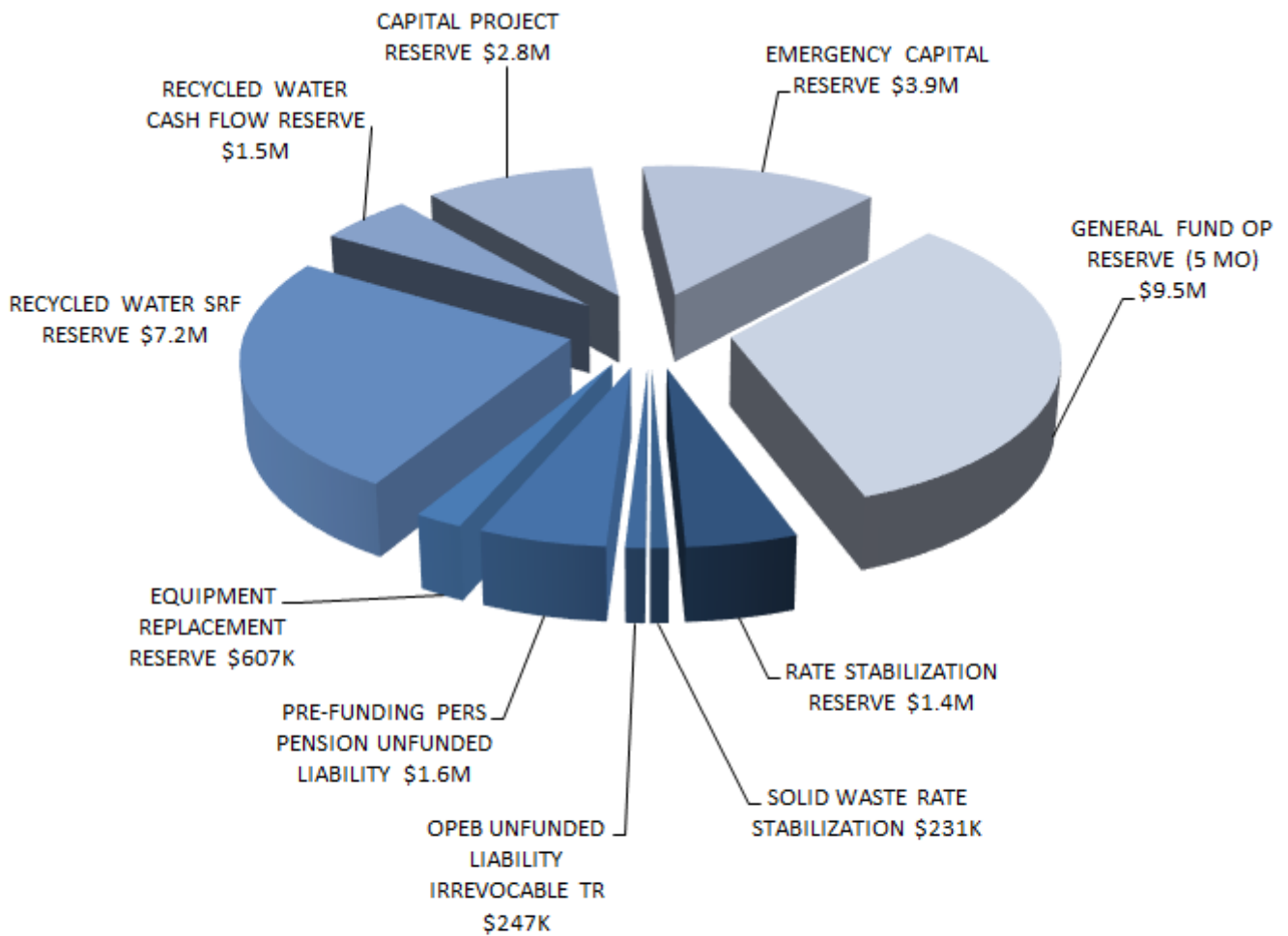
**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2020-21
EXPENDITURES
CAPITAL ASSET FUND**



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2020-21
EXPENDITURES
GENERAL FUND & CAPITAL ASSET FUND**



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2020-21
RESERVE BALANCES
Projected 6/30/2020**



RECYCLED WATER FUND

Description of Services Provided

The Recycled Water Fund budget includes all costs associated with the operation of the Sharon Heights Golf & Country Club (SHGCC) Recycled Water facility.

Summary of Revenues and Expenses

Revenues

The Recycled Water Fund budget includes contributions of \$417,617 by SHGCC for the annual operation and maintenance of the SHGCC Recycled Water facility.

Expenses

The Recycled Water Fund budget includes sufficient funds for SHGCC expenditures on Labor, Utilities, Maintenance and Repairs, Services and Reporting, Supplies, and Overhead. The detailed costs are included in the agreement with SHGCC.

Salary, Wages & Benefits

The total budget for Salary, Wages, & Benefits is \$111K. Salary & Wages includes half the fully loaded labor cost for the Chief Plant Operator, who will split their time between WBSD and SHGCC. The benefits are the associated benefits only for the time working at the SHGCC Recycled Water facility.

Other Operating Expenses

The budget for Other Operating Expenses is \$398K, including all the anticipated direct costs for the facility. The largest expense is anticipated to be the Utility costs of \$127K and Research & Monitoring of \$66K, with \$205.5K in other expenses, such as Insurance, Supplies, Professional Services, Repairs & Maintenance, and other Operating Expenses.

Administrative Expenses

A small Administrative Expense of \$19K includes the overhead costs for management, payroll, and other accounting expenses, as allowed by the long term agreement with SHGCC.

Non-Operating Expenses

SHGCC will annual contribute \$144K in a Sinking Fund to pay for infrastructure replacement, needed during the terms of the loan and management by WBSD.

SHGCC will make monthly payments in ten installments for the annual SRF loan payment of \$675.5K. In FY 2020-21, there will be 10 installment payments, for a total of \$675.5K.

Recycled Water – SHGCC Reserves

- The Recycled Water Reserve - Sharon Heights Golf & Country Club (SHGCC) has a total of \$1,529,383; \$853,842 as a SRF Reserve, plus \$675,541 as a Long Term Agreement Reserve, as part of the long term agreement with SHGCC.
- SHGCC anticipates contributing \$144,148 to a Sinking Fund annually (above the O&M charges) to be held in a separate reserve account from the one above.

SOLID WASTE FUND

Description of Services Provided

WBSD is responsible for refuse (solid waste) collection, treatment, disposal, and reclamation.

Summary of Revenues and Expenses

Revenues

Solid Waste services are franchised with another organization, with anticipated Franchise Fees of \$108K in FY2020-21.

Expenses

The total budget for allocated operating expenses for Solid Waste is \$103K. This includes direct expenses for Rate Studies, Mailings, and Public Relations, and an allocation of overhead from the General Fund.

Reserves

The balance of revenues and allocated expenses is added to the Solid Waste Rate Stabilization Reserve Fund.

- The Solid Waste Rate Stabilization Reserve is anticipated to have a balance of \$235,815 by the end of FY2020-21.

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
General Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
GENERAL FUND				
FUND INCOME				
<u>OPERATING INCOME</u>				
NON-RESIDENTIAL	7,670,995	6,861,843	(809,152)	-10.5%
RESIDENTIAL	22,890,920	23,912,216	1,021,296	4.5%
SEWER SERVICE CHARGES	30,561,914	30,774,058	212,144	0.7%
FLOW EQUALIZATION COST SHARING	351,138	365,184	14,046	4.0%
PERMIT AND INSPECTION FEES	100,000	100,000	0	0.0%
OTHER OPERATING INCOME (LAH & WS)	350,000	350,000	0	0.0%
TOTAL OPERATING INCOME	31,363,053	31,589,242	226,190	0.7%
<u>NON-OPERATING INCOME</u>				
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	31,414,053	31,640,242	226,190	0.7%
GENERAL FUND RESERVE	9,498,293	9,395,827	(102,467)	-1.1%
TOTAL AVAILABLE FOR FISCAL YEAR	40,912,346	41,036,069	123,723	0.3%
FUND EXPENDITURES				
OPERATING EXPENSE (Excluding Depreciation)	8,712,544	9,350,022	637,479	7.3%
TOTAL NON-OPERATING EXPENSE	20,434,360	13,180,679	(7,253,681)	-35.5%
CURRENT EXPENSE (Excluding Depreciation)	29,146,904	22,530,701	(6,616,203)	-22.7%
GENERAL FUND OPERATING RESERVE	9,498,293	9,395,827	(102,467)	-1.1%
TOTAL CURRENT EXP & OPERATING RES	38,645,197	31,926,528	(6,718,669)	-17.4%
TRANSFER To/(From) Capital Fund	2,267,149	9,109,541	6,842,392	301.8%

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
General Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
FUND EXPENDITURES - DETAILS				
<u>OPERATING EXPENSE</u>				
SALARIES & WAGES	3,631,382	3,963,828	332,446	9.2%
EMPLOYEE BENEFITS	2,609,186	2,841,502	232,316	8.9%
TOTAL SALARIES, WAGES & BENEFITS	6,240,569	6,805,330	564,762	9.0%
<u>OTHER OPERATING EXPENSE</u>				
DIRECTOR'S FEES	40,260	42,320	2,060	5.1%
ELECTION EXPENSE	0	70,000	70,000	
DEPRECIATION	2,500,000	2,900,000	400,000	16.0%
GASOLINE, OIL AND FUEL	70,000	70,000	0	0.0%
INSURANCE	114,000	173,290	59,290	52.0%
MEMBERSHIPS	51,450	51,450	0	0.0%
OFFICE EXPENSE	35,500	35,500	0	0.0%
OPERATING SUPPLIES	363,095	375,345	12,250	3.4%
CONTRACTUAL SERVICES	463,500	481,000	17,500	3.8%
PROFESSIONAL SERVICES	545,220	495,220	(50,000)	-9.2%
PRINTING AND PUBLICATIONS	62,500	62,500	0	0.0%
RENTS AND LEASES	40,000	40,000	0	0.0%
REPAIRS AND MAINTENANCE	287,000	297,900	10,900	3.8%
RESEARCH AND MONITORING	33,000	20,000	(13,000)	-39.4%
TRAINING, MEETINGS & TRAVEL	69,200	56,200	(13,000)	-18.8%
UTILITIES	183,250	196,550	13,300	7.3%
OTHER OPERATING EXPENSE	179,000	199,700	20,700	11.6%
TRANSFER OVERHEAD TO SOLID WASTE RESERVE FUND	(65,000)	(103,000)	(38,000)	58.5%
TRANSFER ADMINISTRATIVE EXPENSE TO RECYCLED WATER FACILITY	0	(19,283)	(19,283)	
TOTAL OTHER OPERATING EXPENSES	4,971,975	5,444,692	472,717	9.5%
TOTAL OTHER OPERATING EXPENSES (Excluding Depreciation)	2,471,975	2,544,692	72,717	2.9%
TOTAL OPERATING EXPENSE	11,212,544	12,250,022	1,037,479	9.3%
OPERATING EXPENSE (Excluding Depreciation)	8,712,544	9,350,022	637,479	7.3%

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
General Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
<u>NON-OPERATING EXPENSE</u>				
CONTRIBUTIONS TO SVCW (OPERATIONS)	6,930,000	7,076,158	146,158	2.1%
SVCW - SRF RESERVE CONTRIBUTION	282,513	409,274	126,761	44.9%
CONTRIBUTIONS TO SVCW CAPITAL	452,073	347,712	(104,361)	-23.1%
SVCW BOND 2009 (\$55 million)	1,300,000	0	(1,300,000)	-100.0%
SVCW BOND 2014 (\$65 million)	1,145,000	1,145,480	480	0.0%
SVCW BONDS 2015 (\$60 million)	1,070,000	1,610,500	540,500	50.5%
SVCW BONDS (2018)	1,848,774	1,837,713	(11,062)	-0.6%
SVCW BONDS (2018) Paydown (Funded from Rate Stab Res, GF)	6,416,000	0	(6,416,000)	-100.0%
SVCW - SRF DEBT SERVICE (2011 Debt)	225,000	220,077	(4,923)	-2%
SVCW - SRF DEBT SERVICE (2012 Debt)	740,000	506,765	(233,235)	-31.5%
LAFCo CONTRIBUTIONS	19,000	21,000	2,000	10.5%
OTHER NON-OPERATING EXPENSE	6,000	6,000	0	0.0%
TOTAL NON-OPERATING EXPENSE	20,434,360	13,180,679	(7,253,681)	-35.5%
TOTAL CURRENT EXPENSE	31,646,904	25,430,701	(6,216,203)	-19.6%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	29,146,904	22,530,701	(6,616,203)	-23%
<u>OPERATING RESERVES</u>				
RESERVE FOR OPERATIONS (5 months Total Expense)	9,471,210	9,395,827	(75,383)	-0.8%
TOTAL OPERATING RESERVES	9,471,210	9,395,827	(75,383)	-0.8%
TOTAL EXPENSE AND RESERVES	41,118,114	34,826,528	(6,291,586)	-15.3%

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
General Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
<u>SALARIES, WAGES, AND BENEFIT - DETAILS</u>				
SALARIES AND WAGES				
COLLECTION	1,953,595	2,197,296	243,701	12.5%
ADMINISTRATIVE	1,081,000	1,123,236	42,236	3.9%
TEMPORARY EMPLOYEES	125,000	160,000	35,000	28.0%
SUBTOTAL	3,159,595	3,480,532	320,937	10.2%
ALLOWANCE FOR ACROSS THE BOARD INCREASE JULY - 4% per MOU	91,038	137,480	46,442	51.0%
ALLOWANCE FOR MERIT INCREASE (STEP INCR)	67,481	16,450	(51,031)	-75.6%
ALLOWANCE FOR OVERTIME (NONEXEMPT EMPLOYEES ONLY)	135,061	142,019	6,958	5.2%
PERFORMANCE MEASURES & GOALS PROGRAM	145,000	150,000	5,000	3.4%
STANDY-BY PAY	33,207	37,347	4,140	12.5%
END OF YEAR COMPENSATION	0	0	0	
SUBTOTAL	471,787	483,297	11,509	2.4%
TOTAL SALARIES AND WAGES	3,631,382	3,963,828	332,446	9.2%
EMPLOYEE BENEFITS				
LIFE INSURANCE	15,173	17,372	2,199	14%
LONG-TERM DISABILITY	18,208	20,847	2,639	14%
WORKERS' COMPENSATION	126,410	129,332	2,922	2%
HEALTH BENEFITS	801,552	907,182	105,629	13%
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM	401,106	3,014,441	2,613,335	652%
EMPLOYEE ASSISTANCE & FSA ADMINISTRATION FEE	3,100	3,100	0	
UNEMPLOYMENT INS. and MEDICARE	65,742	70,994	5,252	8%
UNEMPLOYMENT INS., MEDICARE, & SOC SEC (Temp Employees)	12,209	14,886	2,678	22%
DISTRICT MANAGER AUTO ALLOWANCE	8,400	7,200	(1,200)	-14%
COMMUTER	10,000	10,000	0	0%
DEFERRED COMPENSATION MATCHING	36,703	58,691	21,989	60%
PRE-FUNDING RETIREMENT UNFUNDED LIABILITY (PARS IRREVOCABLE TRU	1,000,000	(1,600,000)	(2,600,000)	-260%
PRE-FUNDING OPEB UNFUNDED LIABILITY (PARS IRREVOCABLE TRUST)	0	87,458	87,458	
VACATION LEAVE ACCRUAL	100,000	100,000	0	0%
TOTAL EMPLOYEE BENEFITS	2,609,186	2,841,502	232,316	8.9%

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Capital Asset Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
FUND INCOME & RESERVES				
Beginning Balance For Fiscal Year *	24,957,942	17,767,502	(7,190,440)	-29%
Revenue - Connection Charges	500,000	250,000	(250,000)	-50%
Interest Income	75,000	75,000	0	0%
Projected Transfer From General Fund	2,267,149	9,109,541	6,842,392	302%
TOTAL INCOME & RESERVES	27,800,091	27,202,043	(598,048)	-2%
FUND CAPITAL EXPENDITURES				
ADMINISTRATION	275,000	475,000	200,000	73%
COLLECTION FACILITIES	2,662,050	2,900,000	237,950	9%
SUBSURFACE LINES AND OTHER	3,727,000	5,915,000	2,188,000	59%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW	10,000	10,000	0	
MANHOLE RAISING (PAVING PROJECTS)	100,000	100,000	0	0%
ALLOWANCE FOR UNANTICIPATED EXPENSES	100,000	100,000	0	0%
TOTAL CAPITAL EXPENDITURES	6,874,050	9,500,000	2,625,950	38%
CAPITAL RESERVE TRANSFERS				
Emergency Capital Reserves Transfer (Target Goal \$5M)	0	200,000	200,000	
Capital Project Reserves Transfers (Target Goal \$6M)	350,000	683,500	333,500	95%
Rate Stabilization/Bond Reserve (Target Goal \$8M)	1,000,000	1,555,000	555,000	56%
Equipment Replacement Reserves Transfer	350,000	360,500	10,500	3%
TOTAL RESERVE TRANSFERS	1,700,000	2,799,000	1,099,000	65%
TOTAL CAPITAL EXPENDITURES & RESERVE TRANSFERS	8,574,050	12,299,000	3,724,950	43%
PROJECTED AVAILABLE FUND AT YEAR END	19,226,041	14,903,043	(4,322,998)	-22%

* Beginning balance from approved Financial Audit 6/30/19.

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Capital Asset Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
CAPITAL EXPENDITURE - DETAIL				
ADMINISTRATION				
District Office Exterior	10,000	10,000	0	
District Office Interior	10,000	10,000	0	
Levee Survey & Gps Update	60,000	60,000	0	
Flow Monitoring Study	30,000	30,000	0	
Server Replacement Program	15,000	15,000	0	
Corporate Yard Renovation Design (Possible Deferral)		350,000	350,000	
Corporate Yard Renovation Feasibility Study	150,000	0	(150,000)	
10 Year Master Plan - Deferred		0	0	
TOTAL ADMINISTRATION	275,000	475,000	200,000	73%
COLLECTION FACILITIES				
Replace Metal Storage Building Phase 1 & 2 (Carryover)	852,550	852,550	0	0%
Replace Metal Storage Building (Water Main & Sprinklers)		247,450	247,450	
Ferrf Improvements	500,000	0	(500,000)	-100%
Levee Improvement Project - Sheet Piling	1,000,000	0	(1,000,000)	-100%
Ferrf & Levee Improvement Project - Sheet Piling (Combine & Carryover)		1,500,000	1,500,000	
Bayfront Resource Recovery (Carryover)	300,000	300,000	0	0.00
Smart Covers (2)	9,500	0	(9,500)	-100%
SUBTOTAL COLLECTION FACILITIES	2,662,050	2,900,000	237,950	9%
EQUIPMENT REPLACEMENT - Funded From The Equipment Replacement Fund				
Pipehunter (Hoses & Camera Reel Backups)	220,000	25,000	(195,000)	-89%
Mainline Cctv Camera	25,000	28,000	3,000	12%
Service Truck - Unit 208	60,000	0	(60,000)	
Operations Superintendent Suv - Unit 206	50,000	0	(50,000)	
Dump Truck - Deferred		0	0	
Pump Supervisor Truck - Unit 217 W/ 1/2 T Crane (Deferred In 18/19)		90,000	90,000	
District Manager Vehicle - Unit 201 (2013) - Deferred		0	0	
Water Quality Supervisor Vehicle		50,000	50,000	
Flo Dar Equipment (Flow Meters)	35,000	35,000	0	0%
Ads Flow Meter	5,000	0	(5,000)	
TOTAL EQUIPMENT REPLACEMENT	395,000	228,000	(167,000)	-42%
Equipment purchases funded from Equipment Replacement Reserve	(395,000)	(228,000)	167,000	-42%
TOTAL COLLECTION FACILITIES	2,662,050	2,900,000	237,950	9%

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Capital Asset Fund**

	Budget FY 2019-20	Budget FY 2020/21	Budget Variance	% Var
CAPITAL EXPENDITURE - DETAIL				
SUBSURFACE LINES & OTHER				
<u>PUMP STATIONS</u>				
Pump & Valve Replacement Program	40,000	40,000	0	0%
Private Pump & Panel Replacements	20,000	20,000	0	0%
Pump Station Fence Repair & Replacements	17,000	5,000	(12,000)	-71%
<u>PIPELINE REPLACEMENT & REHAB ENGINEERING</u>				
Isabella, Gilbert & Bay North - Phase 1	350,000	0	(350,000)	-100%
Isabella, Gilbert & Bay North - Phase 2		350,000	350,000	
<u>PIPELINE REPLACEMENT & REHAB CONSTRUCTION</u>				
Town of Atherton Civic Center - Dinklespeil	800,000	0	(800,000)	-100%
Isabella, Gilbert & Bay North - Phase 1 (Carryover \$1.5m)	2,500,000	1,500,000	(1,000,000)	-40%
Isabella, Gilbert & Bay North - Phase 2		2,500,000	2,500,000	
Lower Ringwood		1,500,000	1,500,000	
Micellaneous Point Repairs		0	0	
SUBTOTAL SUBSURFACE LINES	3,727,000	5,915,000	2,188,000	59%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW (CEQA)	10,000	10,000	0	
MANHOLE RAISING (PAVING PROJECTS)	100,000	100,000	0	
ALLOWANCE FOR UNANTICIPATED CAPITAL EXPENDITURES	100,000	100,000	0	
SUBTOTAL OTHER CAPITAL PROJECTS	210,000	210,000	0	0%
TOTAL CAPITAL EXPENDITURES	6,874,050	9,500,000	2,625,950	38%
RESERVES				
<u>CONTRIBUTIONS TO RESERVES</u>				
Emergency Capital Reserves Transfer (Target Goal \$5M)	0	200,000	200,000	
Capital Project Reserves Transfers (Target Goal \$6M)	350,000	683,500	333,500	95%
Operating Reserves Transfers (Target Goal \$9M)	0	1,300,000	1,300,000	
Rate Stabilization/Bond Reserve (Target Goal \$8M)	1,000,000	1,555,000	555,000	56%
Contributions To Vehicle & Equip Replacement Reserve	350,000	360,500	10,500	3%
Equipment Replacement Reserve Used To Fund Equipment Expenditures In Collection Facilities				
Recycled Water Facility Cash Flow Reserve	0	0		
Recycled Water SRF Reserve	0	0		
TOTAL CONTRIBUTIONS TO RESERVES	1,700,000	4,099,000	2,399,000	141%
** TOTAL CAPITAL EXPENDITURES & RESERVE TRANSFER	8,574,050	13,599,000	5,024,950	59%

** Includes Carryovers.

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Recycled Water Fund**

	Projected 6/30/20	Budget FY 2020/21	Budget Variance
FUND INCOME			
Operating Income			
Sharon Heights Golf & County Club		417,617	417,617
TOTAL OPERATING INCOME	0	417,617	417,617
NON-OPERATING INCOME			
Other Non Operating Income	878,203	819,689	819,689
TOTAL NON-OPERATING INCOME	878,203	819,689	819,689
TOTAL INCOME	878,203	1,237,306	1,237,306
FUND EXPENDITURES			
Total Operating Expense (Excluding Depreciation)		417,617	417,617
Total Non-Operating Expense		675,541	675,541
TOTAL FUND EXPENDITURES	0	1,093,158	1,093,158
NET FUND BALANCE FOR FISCAL YEAR	878,203	144,148	144,148
RETAINED FUNDS			
Restricted			
SRF Reserve (120% of annual pmt)	853,842	0	0
Long Term Agreement Reserve	675,541	0	0
Subtotal Restricted Funds	1,529,383	0	0
Unrestricted			
Sinking Fund (Prepaid Rehabilitation Expenses)	0	144,148	144,148
RETAINED FUNDS	1,529,383	144,148	144,148

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Recycled Water Fund**

	Projected 6/30/20	Budget FY 2020/21	Budget Variance
FUND EXPENDITURES - DETAIL			
<u>OPERATING EXPENSE</u>			
Salaries & Wages		63,428	63,428
Employee Benefits		47,571	47,571
TOTAL SALARIES, WAGES & BENEFITS	0	110,999	110,999
<u>OTHER OPERATING EXPENSE</u>			
Directors' Fees		0	0
Election Expense		0	0
Depreciation		0	0
Gasoline, Oil And Fuel		0	0
Insurance		9,252	9,252
Memberships		0	0
Office Expense		0	0
Operating Supplies		4,800	4,800
Contractual Services		0	0
Professional Services		34,992	34,992
Printing And Publications		0	0
Rents And Leases		0	0
Repairs And Maintenance		12,000	12,000
Research And Monitoring		66,000	66,000
Training, Meetings & Travel		0	0
Utilities		126,792	126,792
Other Operating Expenses		33,499	33,499
Subtotal Operating Expenses	0	398,334	398,334
Administrative Expense		19,283	19,283
TOTAL OPERATING EXPENSE	0	417,617	417,617
<u>NON-OPERATING INCOME & EXPENSE</u>			
<u>OTHER NON-OPERATING INCOME</u>			
Sinking Fund		144,148	144,148
Long Term Agreement Reserve	675,541	0	0
SRF Loan Payment Advance Installments (3 pmts 19/20, 10 pmts 20/21)	202,662	675,541	675,541
TOTAL NON-OPERATING INCOME	878,203	819,689	819,689
<u>OTHER NON-OPERATING EXPENSE</u>			
SRF Loan Payment	0	675,541	675,541
TOTAL NON-OPERATING EXPENSE	0	675,541	675,541
TOTAL NON-OPERATING INCOME & EXPENSE	878,203	144,148	144,148
TOTAL CURRENT EXPENSE	0	1,093,158	1,093,158

**West Bay Sanitary District
Approved Budget
Fiscal Year 2020-21
Recycled Water Fund**

	Projected 6/30/20	Budget FY 2020/21	Budget Variance
FUND EXPENDITURES - SALARIES, WAGES, AND BENEFIT DETAILS			
SALARIES AND WAGES			
Collection		58,899	58,899
Administrative		0	0
Temporary Employees		0	0
Subtotal	0	58,899	58,899
Allowance For Board Increase July - 4% Increase To Salary Base Per Mou		2,356	2,356
Allowance For Merit Increase (Step Incr)		0	0
Allowance For Overtime (Nonexempt Employees Only)		0	0
Standy-By Pay		2,173	2,173
Subtotal	0	4,529	4,529
TOTAL SALARIES AND WAGES	0	63,428	63,428
EMPLOYEE BENEFITS			
Life Insurance		306	306
Long-Term Disability		368	368
Workers' Compensation		1,903	1,903
Health Benefits		18,121	18,121
Public Employee's Retirement System		12,741	12,741
Employee Assistance & Fsa Administration Fee		0	0
Unemployment Ins. And Medicare		1,361	1,361
Unemployment Ins., Medicare, & Soc Sec (Temp Employees)		0	0
District Manager Auto Allowance		0	0
Commuter		0	0
Deferred Compensation Matching		1,767	1,767
Pre-Funding Retirement Unfunded Liability (Pars Irrevocable Trust)		0	0
Vacation Leave Accrual		0	0
Employee Burden		11,005	11,005
TOTAL EMPLOYEE BENEFITS	0	47,571	47,571

WEST BAY SANITARY DISTRICT
Approved Budget
Fiscal Year 2020-21
Solid Waste Fund

	Prior Balances	Budget FY 2019-20	Budget FY 2020/21
Income			
Operating Income			
Franchises	816,352	85,000	108,000
Total Income	816,352	85,000	108,000
Estimate			
Expenditures			
10 Years			
Allocated Operating Expense			
Rate Studies	105,000	11,000	42,000
Mailings	48,000	5,000	5,000
Public Relations	10,000	1,000	1,000
Overhead Expense Allocation From General Fund	459,660	48,000	55,000
Total Allocated Operating Expense	622,660	65,000	103,000
Contribution To Solid Waste Fund	193,692	20,000	5,000
Solid Waste Fund Beginning Balance	0	193,692	230,815
Solid Waste Fund Balance	193,692	213,692	235,815

WEST BAY SANITARY DISTRICT
Approved Budget
Fiscal Year 2020-21
Reserves

	Projected Balance 6/30/2020	Budget Contributions (Withdrawals) 2020/21	Projected Reserve Balance 6/30/2021
GENERAL FUND			
GENERAL FUND OPERATING RESERVE (5 MONTHS OPERATING EXPENSE)	9,466,101	1,300,000	10,766,101
PRE-FUNDING PERS PENSION UNFUNDED LIABILITY (PARS TRUST ACCOUNT)	1,608,334	(1,600,000)	8,334
PRE-FUNDING OPEB UNFUNDED LIABILITY (RESERVE/TRUST ACCOUNT)	246,753	87,458	334,211
CAPITAL ASSETS FUND			
EMERGENCY CAPITAL RESERVE (Target \$5 million)	3,885,182	200,000	4,085,182
CAPITAL PROJECT RESERVE (Target \$6 million)	2,761,824	683,500	3,445,324
RATE STABILIZATION (Target \$8 million)	1,403,292	1,555,000	2,958,292
EQUIPMENT REPLACEMENT RESERVE	606,904	360,500	967,404
RECYCLED WATER CASH FLOW RESERVE (Target \$8 million)			
RECYCLED WATER FACILITY CASH FLOW RESERVE - BofW	226,503	0	226,503
RECYCLED WATER FACILITY CASH FLOW RESERVE - LAIF	6,983,500	0	6,983,500
TOTAL RECYCLED WATER CASH FLOW RESERVE	7,210,003	0	7,210,003
RECYCLED WATER FUND			
RECYCLED WATER SRF RESERVE (SHGCC)	1,529,383	0	1,529,383
SHGCC SINKING FUND	0	144,148	144,148
TOTAL RECYCLED WATER FUNDS	1,529,383	144,148	1,673,531
SOLID WASTE FUND			
SOLID WASTE RATE STABILIZATION	230,815	5,000	235,815
TOTAL RESERVE BALANCES	28,948,591	2,735,606	31,684,197