



WEST BAY SANITARY DISTRICT FY 2022-23 SEWER RATE STUDY



February 9, 2022 - Final Report



HF&H Consultants, LLC

West Bay Sanitary District

500 Laurel Street
Menlo Park, CA 94025



FY 2022-23 Sewer Rate Study

February 9, 2022

HF&H Consultants, LLC

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February 9, 2022

Mr. Sergio Ramirez
District Manager
West Bay Sanitary District
500 Laurel Street
Menlo Park, CA 94025

Subject: FY 2022-23 Sewer Rate Study - Final Report

Dear Mr. Ramirez:

HF&H Consultants (HF&H) is pleased to submit this draft report to update the West Bay Sanitary District's (District's) FY 2022-23 and FY 2023-24 sewer rates. The report summarizes the analysis that was conducted to develop the recommended rates. The analysis updates last year's projections to reflect the District's and Silicon Valley Clean Water's (SVCW) current operating and capital cost projections.

The overall increase in revenue will allow the District to:

- Fund inflationary increases in existing staff and sewer collection system operating and maintenance costs.
- Fund \$9.7 million in annual capital projects for the District-maintained collection system.
- Fully-fund the District's share of SVCW's projected operating and capital costs to operate the wastewater treatment plant which grows from \$12.2 million to \$17.5 million over the five-year study period.
- Continue to maintain sufficient reserves to fully fund operating and capital reserve targets, as well as meet the updated Board-approved reserve targets for the Rate Stabilization Reserve Fund (increasing from \$8.0 to \$10.0) and Treatment Plant Reserve Fund (\$12.0 million) for future SVCW capital requirements.
- Adapt to large, expected increases in SVCW debt service in subsequent years beyond FY 2025-26 without resorting to sharp increases in rates beyond the five-year planning period.



* * * * *

A copy of the rate model is included in the appendix.

We appreciate this opportunity to continue working for the District.

Sincerely,
HF&H CONSULTANTS, LLC

Rick Simonson, CMC
Senior Vice President

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ACRONYMS

FY	Fiscal Year
CCF or HCF	Hundred cubic feet of metered water sold; 748 gallons; a cube of water 4.6 feet on edge
BOD	Biochemical Oxygen Demand
COS	Cost of Service
EDU	Equivalent Dwelling Unit
FTE	Full-Time Equivalent
GPD	Gallons per Day
I&I	Inflow & Infiltration
MGL	Milligrams per Liter
O&M	Operations and Maintenance
PAYGo	Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources of revenue
SHGCC	Sharon Heights Golf & Country Club
SLAC	Stanford Linear Accelerator Center
SVCW	Silicon Valley Clean Water, a Joint Powers Authority that is responsible for regional conveyance and wastewater treatment for West Bay Sanitary District and the cities of Redwood City, San Carlos, and Belmont.
STEP	Septic Tank Effluent Pumping systems
TSS	Total Suspended Solids

ACKNOWLEDGEMENTS

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Sewer Rate Study

1. BACKGROUND AND SUMMARY

1.1. Background

The District provides wastewater collection and conveyance services to approximately 55,000 residential, commercial, and industrial customers through a system of pipelines and pump stations that transport their wastewater to the Silicon Valley Clean Water (SVCW) facility for treatment and discharge into San Francisco Bay. SVCW is a Joint Powers Authority (JPA) that provides wastewater treatment services to the Cities of Redwood City, San Carlos, and Belmont as well as the District.

The District owns and operates wastewater collection system facilities serving portions of Menlo Park, Atherton, and Portola Valley. Wastewater from these communities is treated at the SVCW treatment plant, the cost for which is billed to the District and included in the District's sewer service charges. In addition, the District maintains the wastewater collection system operations for the Towns of Los Altos Hills and Woodside under service contracts. Wastewater from these communities is treated at the Palo Alto Regional Water Quality Control plant. Under the services contracts, the District is fully compensated by the towns. The towns are responsible for setting rates for their customers, which will cover the District's cost as well as the cost of treatment.

1.2. Five-Year Financial Plan

This report presents a financial plan for the District that incorporates the capital improvements identified in the District's Master Plan, as well as the latest available projections provided by SVCW in their recent January draft of 2022 Long Range Financial Plan. The District's five-year financial plan comprises:

- Projected District operating and capital expenses to maintain the collection system.
- Projected SVCW operating and capital expenses to maintain and upgrade the sewer treatment plant.
- Projected reserve balances and targets.
- Projected revenues from the District's current and proposed sewer service charges; and,
- Projected growth within the District.

The results of the financial plan indicate the annual increases in sewer service charges that are projected to fund the District's expenses and maintain adequate reserves.

Detailed spreadsheets comprising the five-year financial plan are included in Appendix A.

1.3 Recent Rate Increases

During the last five years, the District’s residential sewer service charges have increased as shown in **Figure 1-1**.

Figure 1-1. Recent Rates and Rate Increases

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Residential Sewer Service Charge	\$1,072	\$1,126	\$1,177	\$1,224	\$1,255
Percentage Increase		5.0%	4.5%	4.0%	2.5%
Annual Increase - \$ per Year		\$54	\$51	\$47	\$31

The increases during this period were primarily attributable to SVCW’s increasing debt service allocation to the District to fund treatment plant upgrades and, secondarily, to inflationary increases in the District’s operating and annual capital repair and replacement expenses.

1.4. Current Sewer Rates

The District charges sewer customers annually on the tax rolls, which is a common practice for billing for sewer service. Billing on the tax rolls is less expensive than it would be if the District issued its own bills while allowing the County to easily levy liens for nonpayment. Even though the District bills through the tax rolls, its sewer service charges are not a tax or assessment. Unlike taxes or assessments, which are based on land-related characteristics such as assessed value or parcel size, the District’s sewer charges are a form of service fee or charge that is proportionate to the cost of providing sewer service.

Residential customers are charged per dwelling unit. In addition, approximately 85 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges (currently \$620 per year) for the maintenance of the Septic Tank Effluent Pump (STEP) system or Grinder Sewer Collection Systems that they require.

Commercial customers pay charges based on their metered water use from the prior calendar year (measured in CCF or hundred cubic feet). Each non-residential charge is the product of the customer’s actual flow multiplied by the rate corresponding to the customer’s class.

Industrial customers are billed based on each customer’s annual flow and the strength of the customer’s wastewater based on sampling data.

Current rates for FY 2021-22 were adopted by the Board in April 2021, as follows:

Figure 1-2. Current Rates

	Current FY 2021-22
<u>Residential (charge per DU per year)</u>	
Single Family, Multi Family	\$1,255
On-site Wastewater Disposal Zone	\$1,875
<u>Commercial (charge per CCF)</u>	
Retail/Commercial	\$10.11
Institution/Public	\$9.47
Restaurants/Bakeries	\$21.30
Supermarkets with Grinders	\$21.54
Hospitals	\$10.46
Hotels with Dining Facilities	\$17.20
<u>Industrial (measured)</u>	
Flow Rate Charge per CCF	\$7.46
BOD Rate Charge per pound	\$1.31
TSS Rate Charge per pound	\$1.50

1.5. Findings and Recommendations

1.5.1 Projected Rate Increases During Five-Year Planning Period

Figure 1-3 indicates the annual rate increases projected for the five-year planning period, beginning with FY 2022-23. The increases indicated below reflect updated assumptions and currently available information. Annual revenues will increase greater than the rate increase in all five years as the District continues to experience growth in the number of customers served. The five-year financial plan assumes 73 new dwelling units each year through FY 2025-26. Note: due to the District billing on the tax roll, the projected annual revenue increases reflect a one-year delay in the realization of the revenue from growth. For example, the growth which occurs in FY 2021-22 will first appear on the tax rolls in FY 2022-23.

Figure 1-3. Projected Rate and Revenue Increases

Fiscal Year	Projected Rate Increase	Projected Revenue Increase
FY 2022-23	2.0%	2.4%
FY 2023-24	2.0%	2.4%
FY 2024-25	2.0%	2.4%
FY 2025-26	2.0%	2.3%
FY 2026-27	2.0%	2.3%

1.5.2 Proposed Rates for FY 2021-22

The following figure shows the current FY 2021-22 rates and the proposed FY 2022-23 and FY 2023-24 rates, which reflect a 2.0% across-the-board increase to all rates. In addition, we are recommending an additional \$150 increase to those customers within the On-Site Wastewater Disposal Zone for the increases in costs to maintain the STEP or Grinder Sewer Collection Systems that they require¹.

Figure 1-4. Current and Proposed FY 2022-23, FY 2023-24 Rates

	Adopted	FY 2022-23 Proposed			FY 2023-24 Proposed		
	FY 2021-22	Rate	\$ Chg	% Chg	Rate	\$ Chg	% Chg
Residential (charge per DU per year)							
Single Family, Multi Family	\$1,255	\$1,280	\$25	2.0%	\$1,306	\$26	2.0%
On-site Wastewater Disposal Zone	\$1,875	\$2,050	\$175	9.3%	\$2,226	\$176	8.6%
Commercial (charge per CCF)							
Retail/Commercial	\$10.11	\$10.31	\$0.20	2.0%	\$10.52	\$0.21	2.0%
Institution/Public	\$9.47	\$9.66	\$0.19	2.0%	\$9.85	\$0.19	2.0%
Restaurants/Bakeries	\$21.30	\$21.73	\$0.43	2.0%	\$22.16	\$0.43	2.0%
Supermarkets with Grinders	\$21.54	\$21.97	\$0.43	2.0%	\$22.41	\$0.44	2.0%
Hospitals	\$10.46	\$10.67	\$0.21	2.0%	\$10.88	\$0.21	2.0%
Hotels with Dining Facilities	\$17.20	\$17.54	\$0.34	2.0%	\$17.89	\$0.35	2.0%
Industrial (measured)							
Flow Rate Charge per CCF	\$7.46	\$7.61	\$0.15	2.0%	\$7.76	\$0.15	2.0%
BOD Rate Charge per pound	\$1.31	\$1.34	\$0.03	2.3%	\$1.37	\$0.03	2.2%
TSS Rate Charge per pound	\$1.50	\$1.53	\$0.03	2.0%	\$1.56	\$0.03	2.0%

¹ Section 3 of this report provides details of the larger percentage increase recommended for those customers within the On-site Wastewater Disposal Zone

2. REVENUE REQUIREMENT PROJECTIONS

A spreadsheet model was developed to derive revenue requirements for a five-year planning period, FY 2022-23 through FY 2026-27. The revenue requirements represent the costs that must be covered by revenue from rates and other sources. The District’s Operations & Maintenance (O&M) budget for FY 2021-22 served as the starting point for projecting the District’s expenses and revenues. SVCW provided the projections of all future SVCW expenses, including debt service, used in the model. The escalation factors summarized in **Figure 2-1** were incorporated in the model for projecting expenses and revenues.

Figure 2-1. Key Modeling Assumptions

Assumptions	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
(1) General Inflation	Per Budget	5.4%	3.0%	3.0%	3.0%	3.0%
(2) Utilities	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%
(3) Salaries	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%
(4) Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%
(5) PERS	Per Budget	NA	-60.2%	0.0%	0.0%	0.0%
(6) SVCW O&M Expenses Increase %	Per Budget	2.6%	3.0%	3.0%	3.0%	3.0%
(7) Interest on Earnings	0.3%	0.60%	0.60%	0.60%	0.60%	0.60%
(8) Miscellaneous	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%
(9) Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(10) Construction Cost Inflation	Per Budget	6.3%	4.4%	4.4%	4.4%	4.4%
(11) Increase in Annual Residential Customers	Per Budget	73	73	73	73	73
(12) Number of Total Residential Customer Accounts	19,515	19,588	19,661	19,734	19,807	19,880
(13) Number of STEP/STEG Customer Accounts	85	89	89	89	89	89
(14) Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%
(15) Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%

The application of these assumptions to the O&M and capital expenses is described below and summarized in **Figure 2-2** and **Figure 2-3**.

2.1. District O&M Expenses

The District’s net O&M expenses (summarized by category in **Figure 2-2**) are projected to increase from approximately \$8.0 million to \$10.6 million over the five-year planning period. The District’s expenses are increasing more rapidly than in previous years due to present levels of high inflation. In addition, net expenses are increasing with the end of approximately \$400,000 in annual non-operating revenue from the flow equalization cost sharing agreement (eff. FY 2024-25) and increases in operating expenses due to a growing customer base. With the regional focus on residential development, the District projects an annual increase of 73 single-family equivalent accounts per year, with a total of 365 accounts added by the end of the planning period.

Figure 2-2. District O&M Expense Summary

	Current Year	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1 Salaries	\$4,363,442	\$4,537,980	\$4,719,499	\$4,931,876	\$5,153,811	\$5,385,732
2 Benefits	\$1,834,191	\$1,907,559	\$1,983,861	\$2,063,215	\$2,145,744	\$2,231,574
3 PERS Unfunded Accrued Liability	\$0	\$502,455	\$200,000	\$200,000	\$200,000	\$200,000
4 Contractual/Professional Services	\$1,175,695	\$1,243,564	\$1,285,488	\$1,328,808	\$1,373,570	\$1,419,821
5 Other O&M	\$1,740,383	\$1,911,323	\$1,906,821	\$2,044,819	\$2,045,424	\$2,188,750
6 Non-Operating Revenue	(\$1,133,271)	(\$1,174,093)	(\$1,207,275)	(\$829,392)	(\$852,192)	(\$875,656)
7 Net District Operating Costs	\$7,980,440	\$8,928,787	\$8,888,393	\$9,739,327	\$10,066,356	\$10,550,220
8		11.9%	-0.5%	9.6%	3.4%	4.8%

2.2. District Capital Expenses

The District’s capital expenses are summarized by category in **Figure 2-3**. The District’s annual budgeted capital expenditures range from a low of \$8.8 million (in FY 2026-27) to \$10.3 million (in FY 2022-23), during the five-year planning period. On average, the District expects to spend approximately \$9.7 million annually on these projects (during the five-year planning period FY 2021-22 to FY 2025-26).

Collection Facilities and Underground Pipe Replacement and Rehabilitation projects make up the bulk of the District’s planned improvements. The primary Collection Facilities project planned for FY 2021-22 through FY 2024-25 is the Levee (FERRF) Improvements. In FY 2024-25 through the end of the planning period, the District anticipates several large-scale pipe replacement or rehabilitation projects.

Figure 2-3. CIP Summary

	Current Year	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1 Administration	\$385,000	\$335,000	\$1,535,000	\$1,535,000	\$1,035,000	\$35,000
2 Collection Facilities	\$7,600,000	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000
3 Pipe Replacement and/or Rehab.	\$3,855,000	\$3,055,000	\$1,555,000	\$5,780,000	\$7,452,500	\$7,872,000
4 Capacity	\$1,500,000	\$0	\$0	\$0	\$0	\$0
5 Construction Proj. Environ Review	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
6 Manhole Raising	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
7 Allow. For Unanticipated Cap Exp	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
8 Vehicles & Equipment	\$201,750	\$201,750	\$201,750	\$201,750	\$201,750	\$201,750
9 Total Capital Expenses	\$13,751,750	\$10,301,750	\$10,001,750	\$10,226,750	\$9,399,250	\$8,818,750
10 Less: Connection Fee Revenue	(\$500,000)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)
11 Net Capital Expenses	\$13,251,750	\$9,796,663	\$9,496,663	\$9,721,663	\$8,894,163	\$8,313,663
12		-26%	-3%	2%	-9%	-7%

The District plans to fund these capital improvements from a combination of connection fee revenue (from growth) and sewer service charge revenue on a pay-as-you-go (PAYGo) basis without issuing debt, which continues the District’s historical practice. Note: connection fees are currently being reviewed. Any increases to connection fees will reduce the District’s requirement of sewer service charge revenues to fund future capital expenditures.

2.3. District Reserves

In addition to covering annual expenses, sewer service charges need to generate revenue to maintain adequate operations and capital reserves. To determine what constitutes adequate reserve amounts, the reserve balance was subdivided into Operations, Capital, Vehicle and Equipment Replacement, Rate Stabilization, Recycled Water Project, Emergency Reserves, OPEB/PERS Retirement Liability Reserve Fund, and a Treatment Plant Reserve. In this way, it is possible to set recommended target balances for each purpose.

2.3.1. Operations Reserve Minimum Balance

The Operations Reserve provides working capital for monthly O&M expenses. There is a nine-month lag between sewer service charge payments from the County tax assessor; therefore, the minimum Operations Reserve balance is set equal to six months of O&M expenses to provide adequate cash flow. If this minimum balance is maintained, the District should be able to fund its monthly operations cash flow over this extended period without relying on the Capital Reserve for a short-term loan. Maintaining the minimum balance for the Operations Reserve is recommended as the highest priority for the District's reserve accounts.

2.3.2. Emergency Reserve Target Balance

The target balances for the Operations and Capital Reserves are sufficient to provide working capital on an ongoing basis, but do not provide for unforeseen contingencies such as emergencies. Should an emergency strike (e.g., earthquake), the District cannot suddenly raise rates to generate additional funds due to state law requirements for such rate increases (e.g., Proposition 218). Moreover, the District bills annually on the tax rolls. Therefore, the District has set a target for the Emergency Reserve of \$5.0 million. With such a reserve, the District would have funds on hand to take immediate remedial steps without waiting to procure a loan or issue bonds.

Maintaining the target balance for the Emergency Reserve is recommended as the second highest priority after meeting the minimum balance for the Operations Reserve. The Emergency Reserve can be used for funding capital projects at times when the Capital Reserve is not fully funded.

2.3.3. Capital Reserve Target Balance

The Capital Reserve provides liquidity to fund construction for projects that are funded on a PAYGo basis (as opposed to those that are funded from debt). With adequate capital reserves, the District is able to pay contractors without encroaching on the Operations or Emergency Reserves. The target balance of \$6.0 million meets this objective. Maintaining the target balance for the Capital Reserve is recommended after meeting the minimum balances for the Operations and Emergency Reserves.

2.3.4. Vehicle and Equipment Replacement Fund

The Vehicle and Equipment Replacement fund provides resources to replace District fleet vehicles and operations equipment. The District maintains a schedule for replacement based on the useful life of the asset. The target reserve balance of \$1.0 million ensures there are sufficient funds on hand to keep up with the retirement of old equipment or vehicles with the purchase of their replacements. This fund is tracked separately from the Capital Reserve.

2.3.5. Rate Stabilization Reserve Fund

The Board established a rate stabilization fund to allow a margin of safety for the uncertainty of the timing and amount of SVCW capital expenditures to upgrade the wastewater treatment facility (as discussed in **Section 2.4** below). The funds could be used to minimize future rates increases and/or to reduce interest expenses by buying down the amount of debt to be issued by SVCW to fund the upgrades. Within the last five years, the District has utilized this reserve to remove a \$13.0 million debt obligation. The District anticipates future debt obligations and is building this reserve to buy down future debt. In 2021, the Board voted to increase the target reserve of the revenue stabilization fund from \$8 million to \$10 million in anticipation of growing SVCW plant capital funding requirements.

2.3.6. Recycled Water Project Reserve Fund

In late 2016, the Board established an \$8.0 million reserve fund for future capital expenditures to help reduce potable water use by constructing a satellite recycled water treatment facility at the Sharon Heights Golf and Country Club (SHGCC) to use recycled water to irrigate the golf course and also to serve water to the Stanford Linear Accelerator Center (SLAC) for irrigation and industrial uses such as for cooling towers. These funds had been set aside to fund design and construction costs that will be incurred prior to receiving funding from the State Water Resources Control Board (SWRCB) through a loan from the State Revolving Fund (SRF). The SWRCB has remitted payments to the District as construction has completed.

The District will repurpose these funds for expenses related to the Bayfront Recycled Water Project. Once again, these funds will be utilized to help fund the construction of the future recycled water treatment plant as a stopgap measure between receipt of recycled water connection fee revenues from future development and loan proceeds for the SWRCB.

2.3.7. OPEB/PERS Retirement Liability Reserve Fund

In February 2018, the Board established a reserve fund to offset the District's unfunded pension liability. In FY 2020-21, the District contributed \$6.2 million of the fund balance to pay off the entire balance of its unfunded accrued liability. The fund has a current balance of \$237,452 and there are no plans to increase the amount as the District has

satisfied their unfunded liability and plans to fund their OPEB/PERS obligations on a PAYGo basis.

2.3.8. Treatment Plant Reserve Fund

In FY 2020-21, the Board established a reserve to fund increasing SVCW capital expenses. The reserve is intended to address two notable requirements placed on the District beginning in FY 2024-25. First, SVCW will require each member agency to contribute additional funds in lieu of further debt issuance. This annual expense projects to grow from less than \$500,000 to more than \$1.6 million by FY 2026-27. Second, in FY 2027-28, each SVCW member agency will begin making payments for its share on a group of WIFIA loans with a 30-year term. The District’s annual obligation will average \$4.5 million over the life of the loan, a 35% increase from FY 2022-23 SVCW total expenses. These long-term expenses prompted the Board to establish an additional reserve intended to fund planned and unplanned SVCW treatment plant expenses. The Board established a target of \$12.0 million and intends to contribute \$2.5 million per year to this reserve ahead of FY 2027-28 when the first WIFIA loan payments are due. The District has discretion whether to first use funds from its Rate Stabilization Reserve Fund or its Treatment Plant Reserve Fund but intends to use existing reserves to meet future SVCW capital expenses.

2.4. SVCW Expenses

In FY 2022-23, SVCW’s treatment costs are projected to be approximately 41% of the District’s total revenue requirement and is projected to increase to 49% of the District’s total revenue requirement by FY 2026-27. As shown in **Figure 2-4**, SVCW’s cost has recently increased significantly to fund the debt service on a series of bonds and SRF loans, that has been issued to fund the rehabilitation of its interceptors, pump stations, and wastewater treatment plant. The District’s treatment charge is allocated in proportion to the number of its EDUs compared with the other SVCW member agencies, currently 26.84%.

Figure 2-4. SVCW O&M and Debt Service Revenue Requirement

SVCW Projected Expenses	Current Year	Projected				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1 Net Operating Expense	\$6,247,706	\$6,410,576	\$6,602,893	\$6,800,980	\$7,005,009	\$7,215,160
2 Revenue-Funded Capital (PAYGo)	\$401,929	\$402,600	\$402,600	\$402,600	\$402,600	\$402,600
3 Debt Reserves	\$536,800	\$676,635	\$811,004	\$945,378	\$1,079,758	\$1,214,142
4 Cash-in-lieu of Debt	\$0	\$0	\$0	\$492,902	\$2,075,326	\$1,636,861
5 <u>Debt Service</u>						
6 Existing 2018 Bond	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338	\$1,838,838
7 2021A & B Refunding Bonds (New)	\$2,743,273	\$2,737,566	\$2,731,306	\$2,742,354	\$2,737,697	\$2,727,968
8 Existing SRF	\$506,765	\$506,765	\$506,765	\$506,765	\$506,765	\$506,765
9 SRF for Conveyance Planning	\$0	\$0	\$0	\$143,482	\$143,482	\$143,482
10 New SRF Loan(s)	\$0	\$0	\$0	\$1,682,633	\$1,682,633	\$1,682,633
11 Subtotal SVCW Debt Service	\$5,089,251	\$5,078,669	\$5,076,034	\$6,910,197	\$6,905,915	\$6,899,685
12 Subtotal, SVCW	\$12,275,686	\$12,568,480	\$12,892,531	\$15,552,057	\$17,468,608	\$17,368,448
13 SVCW Expenses due to growth	\$0	\$23,891	\$48,407	\$73,565	\$99,382	\$125,877
14 Total, SVCW Project Expenses	\$12,275,686	\$12,592,371	\$12,940,938	\$15,625,622	\$17,567,990	\$17,494,325

2.5. Total Revenue Requirements

The foregoing modeling assumptions lead to the projected revenue requirements shown in **Figure 2-5**.

Figure 2-5. Projected Revenue Requirements

	Current Year	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
SVCW Operating Expenses	\$6,247,706	\$6,434,467	\$6,651,300	\$6,874,545	\$7,104,391	\$7,341,037
SVCW PAYGo Capital	\$401,929	\$402,600	\$402,600	\$895,502	\$2,477,926	\$2,039,461
SVCW Debt-funded Capital	\$5,626,051	\$5,755,304	\$5,887,038	\$7,855,575	\$7,985,673	\$8,113,827
WBSD Capital Imp. Program (net)	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563
WBSD Operating Expenses	\$7,980,440	\$8,928,787	\$8,888,393	\$9,739,327	\$10,066,356	\$10,550,220
Total Projected Revenue Req't.	\$29,500,689	\$30,765,721	\$31,073,894	\$34,609,511	\$36,878,909	\$37,289,109

Highlights of the District’s projected revenue requirements are as follows:

- The District will fund an average of \$6.8 million annually in SVCW operating expenses.
- The District will fund an average of \$8.4 million annually of combined SVCW capital expenditures through contributions to reserves or existing debt service payments.
- The District’s collection system O&M costs are projected to increase by an average of 3.5% per year.
- The District will fund an average of \$9.2 million annually in net capital expenditures for its own collection system.
- Operating, Capital, Rate Stabilization, OPEB/PERS, Vehicle and Equipment, and Emergency reserve levels will be funded to their respective target levels by FY 2026-27.

2.6. Revenue Increases

The District’s revenue requirement is increasing approximately 21% over the next five years. Current rates cannot support the projected revenue requirements shown in **Figure 2-5**. However, it is not necessary to increase rates a cumulative 21% over the next five-year period, as the District has adequate reserves to fully fund all reserve targets and contribute excess reserves to partially offset the revenue requirement increases (as discussed in Section 2.7 below). **Figure 2-6** summarizes the annual increase in the District’s revenue requirement and the proposed rate increases.

Figure 2-6. Annual Revenue Increases

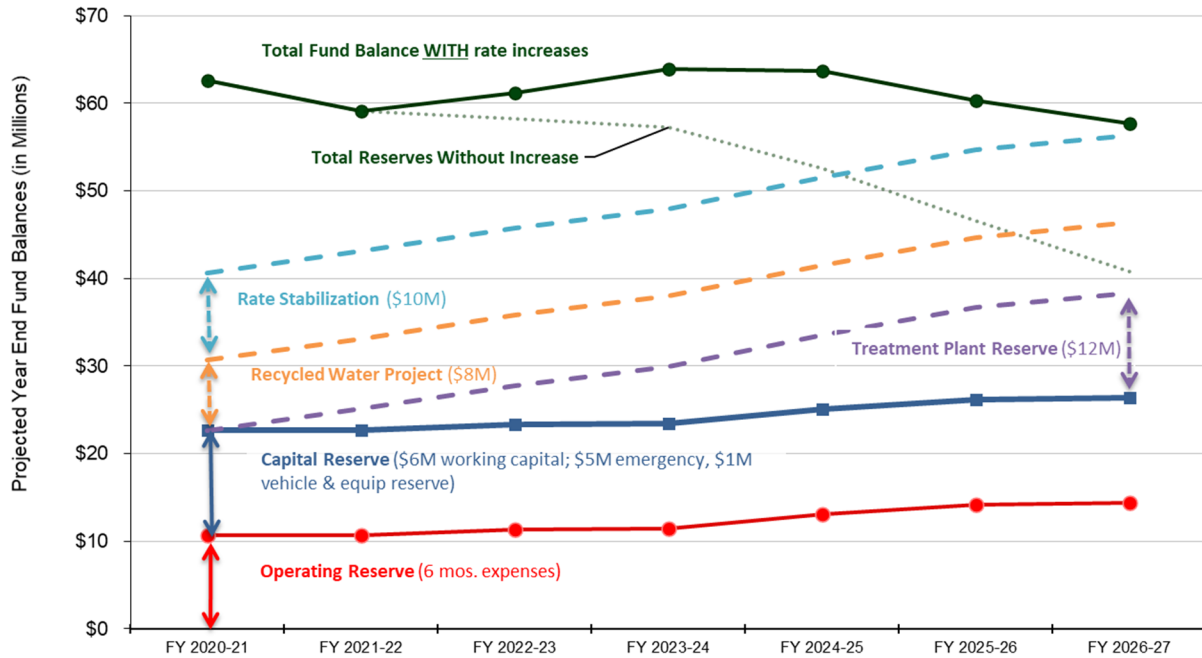
	Five-Year Planning Period				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Projected Revenue Requirement Increases	4.3%	1.0%	11.4%	6.6%	1.1%
Proposed Rate Increases	2.0%	2.0%	2.0%	2.0%	2.0%

2.7. Fund Balance

Figure 2-7 shows the projected annual fund balances with the rate revenue increases recommended in Figure 2-6 (solid green line). Although the projections show straight lines between years, the fund balance will be drawn down substantially during each year. In other words, the reserves are actively drawn from at all times during the year but only periodically added to when payments are received from the County. The reserves are not simply accumulated without being used. The recommended revenue increases will maintain a fund balance above the target during the five-year planning period.

This strong position provides the District with opportunities to use reserves for future anticipated expenses. For example, the District anticipates increases in SVCW debt service beyond FY 2026-27. With its reserve position, the District can fund these increased costs without resorting to sharp increases in future rates or having to participate in debt-financing with the SVCW, much like the District did in 2019 when the Board authorized contributing \$13.5 million (in two payments) from the District’s reserves to reduce the District’s proportionate share of an SVCW bond obligation, which resulted in lower interest expenses for the District over the 30-year term of the bond. In addition, during the rate study period, the District plans to construct a new Bayfront Recycled Water Facility to produce 0.6 million gallons per day (MGD) of recycled water. The District will have the opportunity to use reserves, which currently exceed the target, to fund these improvements that have yet to be fully vetted.

Figure 2-7. Fund Balance With and Without Increased Rate Revenue



2.7.1 Minimum Fund Balance

The minimum balance (red line) is the balance that is required to meet the District’s operating expenses during the year. The balance is large because the District bills annually on the tax rolls and receives reimbursement from the County twice each year. As a result, there are several months over which the District must rely heavily on its operating reserve to meet its monthly cash flow requirements. Because of the lag between payments from the County, the minimum Operations Reserve balance is set equal to five months of SVCW and District operating expenses.

2.7.2 Target Fund Balance

The target balance is the sum of the minimum balance for operations (red line) plus an allowance for capital projects (\$6.0 million), emergency capital reserves (\$5.0 million), vehicle and equipment replacement fund (\$1.0 million), and rate stabilization reserves (\$10.0 million). The capital allowance provides working capital to maintain sufficient funds in order to pay contractors so that work can proceed without delay. Emergency reserves help manage risks associated with sudden asset failures caused by emergencies such as natural disasters or human error. Emergency reserves are a form of capital reserve that can provide a measure of self-insurance so that immediate funding is available for disaster recovery until loans can be arranged. The vehicle and equipment replacement fund provides for the scheduled replacement of the District’s fleet vehicles and operational equipment.

3. PROJECTED RATE INCREASES

Current rates cannot support the projected revenue requirements shown in **Figure 2-5**. The projected rate increases, and corresponding residential sewer service charges, are summarized in **Figure 3-1 (Residential)** and **Figure 3-2 (Commercial and Industrial)**.

Figure 3-1. Projected Rates - Residential

	ADOPTED	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Residential Sewer Service Charge	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386
Percentage Increase		2.0%	2.0%	2.0%	2.0%	2.0%
Annual Increase - \$ per Year		\$25	\$26	\$26	\$27	\$27

Figure 3-2. Projected Rates - Commercial and Industrial

	Adopted	Projected				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Residential (charge per DU per year)						
Single Family, Multi Family	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386
On-site Wastewater Disposal Zone	\$1,875	\$2,050	\$2,226	\$2,402	\$2,450	\$2,499
Commercial (charge per CCF)						
Retail/Commercial	\$10.11	\$10.31	\$10.52	\$10.73	\$10.94	\$11.16
Institution/Public	\$9.47	\$9.66	\$9.85	\$10.05	\$10.25	\$10.46
Restaurants/Bakeries	\$21.30	\$21.73	\$22.16	\$22.60	\$23.05	\$23.51
Supermarkets with Grinders	\$21.54	\$21.97	\$22.41	\$22.86	\$23.32	\$23.79
Hospitals	\$10.46	\$10.67	\$10.88	\$11.10	\$11.32	\$11.55
Hotels with Dining Facilities	\$17.20	\$17.54	\$17.89	\$18.25	\$18.62	\$18.99
Industrial (measured)						
Flow Rate Charge per CCF	\$7.46	\$7.61	\$7.76	\$7.92	\$8.08	\$8.24
BOD Rate Charge per pound	\$1.31	\$1.34	\$1.37	\$1.40	\$1.43	\$1.46
TSS Rate Charge per pound	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65

3.1. STEP/Grinder Charges

The District has approximately 85 single family residential customers located in the On-Site Wastewater Disposal Zone who require either Septic Tank Effluent Pumping systems (STEP) or Grinder Pumping systems. These customers are currently charged an additional \$620 annually for the services the District provides these customers to service and replace their pumps and appurtenances.

In 2020, the District re-examined the service costs specific to these customers and found the revenues collected have not been keeping pace with the annual rate increases. **Figure 3-3** details the calculated cost to provide STEP/grinder system maintenance for these customers.

Figure 3-3. Annual STEP/Grinder System Costs

Private Pump System Maintenance	Annual Costs
1. Labor Cost	
STEP System Bi-Annual Pump Maint.	\$5,099
STEP System Bi-Annual Pump Maint. - Facility Supv.	\$8,798
Grinder System Bi-Annual Pump Maint.	\$5,099
Grinder System Bi-Annual Pump Maint. - Facility Supv.	\$8,798
STEP pump replacement	\$2,779
Grinder pump replacement	\$4,343
Private pump station repairs	\$4,169
Coordination with phone utility companies	\$1,020
Subtotal Labor Costs	\$40,105
2. Material Costs	
Signa Mechanical Open Purchase Order	\$7,000
Envirozyme - Fog Digester	\$3,000
ISAC Controllers/Modem	\$2,500
Private Pump and Panel Replacement	\$20,000
Subtotal Material Costs	\$32,500
Total Costs For Private Pump Systems	\$72,605
Number of Private Units	79
Total Cost per Private Pump Site	\$919

As shown in **Figure 3-4**, the FY 2019-20 charge of \$320 was insufficient to cover the \$919 annual cost of service per account. Rather than increase the STEP/Grinder charge to meet the cost of service in one year, the increases will be phased in over five fiscal years. This phasing will avoid rate shock and will allow the District to recoup the cost of service by FY 2024-25. **Figure 3-4** calculates the increase for this additional service over five consecutive years. The increase in FY 2022-23 will be the third annual phased increase.

Figure 3-4. On-Site Wastewater Disposal Zone Cost of Service

Private Pump System Cost of Service Analysis	
Current Cost per Private Pump Site	(\$919)
Escalated FY 2024-25 cost @ 3%/yr for 5 years	(\$1,065)
Existing Charge per Private Pump Site	\$320
Difference between cost and existing charge	(\$745)
Difference spread over 5 fiscal years for rates	5
Proposed Annual Increase over 5 years	\$150

Figure 3-5 summarizes the proposed annual STEP/Grinder charge over the next five fiscal years, assuming an annual increase of \$150 per account through FY 2024-25. FY 2025-26 increases to the STEP/Grinder charge assume a 2.0% increase which follows the recommended increase to the base service charge.

Figure 3-5. Projected STEP/Grinder System Cost Increases

	ADOPTED	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Annual STEP/Grinder Charge	\$620	\$770	\$920	\$1,070	\$1,091	\$1,113
<i>\$ Increase</i>		\$150	\$150	\$150	\$21	\$22

Figure 3-6 summarizes the total annual charge for those customers with a STEP/Grinder System. Such customers are charge the base service charge and the additional costs to maintain the STEP/Grinder System.

Figure 3-6. Total Projected Annual Charges - Customers with STEP/Grinder Systems

	ADOPTED	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Base Service Charge	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386
Annual STEP/Grinder Charge	\$620	\$770	\$920	\$1,070	\$1,091	\$1,113
Annual Bill	\$1,875	\$2,050	\$2,226	\$2,402	\$2,450	\$2,499
<i>\$ Increase</i>		\$175	\$176	\$176	\$48	\$49

3.2. Summary of Proposed Rates for FY 2022-23

Figure 3-7 provides a schedule of proposed FY 2022-23 and FY 2023-24 rates for all customer types, as discussed above.

Figure 3-7. FY 2022-23, FY 2023-24 Proposed Rates

	Adopted	FY 2022-23 Proposed			FY 2023-24 Proposed		
	FY 2021-22	Rate	\$ Chg	% Chg	Rate	\$ Chg	% Chg
Residential (charge per DU per year)							
Single Family, Multi Family	\$1,255	\$1,280	\$25	2.0%	\$1,306	\$26	2.0%
On-site Wastewater Disposal Zone	\$1,875	\$2,050	\$175	9.3%	\$2,226	\$176	8.6%
Commercial (charge per CCF)							
Retail/Commercial	\$10.11	\$10.31	\$0.20	2.0%	\$10.52	\$0.21	2.0%
Institution/Public	\$9.47	\$9.66	\$0.19	2.0%	\$9.85	\$0.19	2.0%
Restaurants/Bakeries	\$21.30	\$21.73	\$0.43	2.0%	\$22.16	\$0.43	2.0%
Supermarkets with Grinders	\$21.54	\$21.97	\$0.43	2.0%	\$22.41	\$0.44	2.0%
Hospitals	\$10.46	\$10.67	\$0.21	2.0%	\$10.88	\$0.21	2.0%
Hotels with Dining Facilities	\$17.20	\$17.54	\$0.34	2.0%	\$17.89	\$0.35	2.0%
Industrial (measured)							
Flow Rate Charge per CCF	\$7.46	\$7.61	\$0.15	2.0%	\$7.76	\$0.15	2.0%
BOD Rate Charge per pound	\$1.31	\$1.34	\$0.03	2.3%	\$1.37	\$0.03	2.2%
TSS Rate Charge per pound	\$1.50	\$1.53	\$0.03	2.0%	\$1.56	\$0.03	2.0%

Revenue increases for subsequent years have been projected in this financial plan and are based on several assumptions and information that will require review prior to adopting any future rate increases. **Figure 3-8** summarizes projected rates over the entire five-year financial planning period.

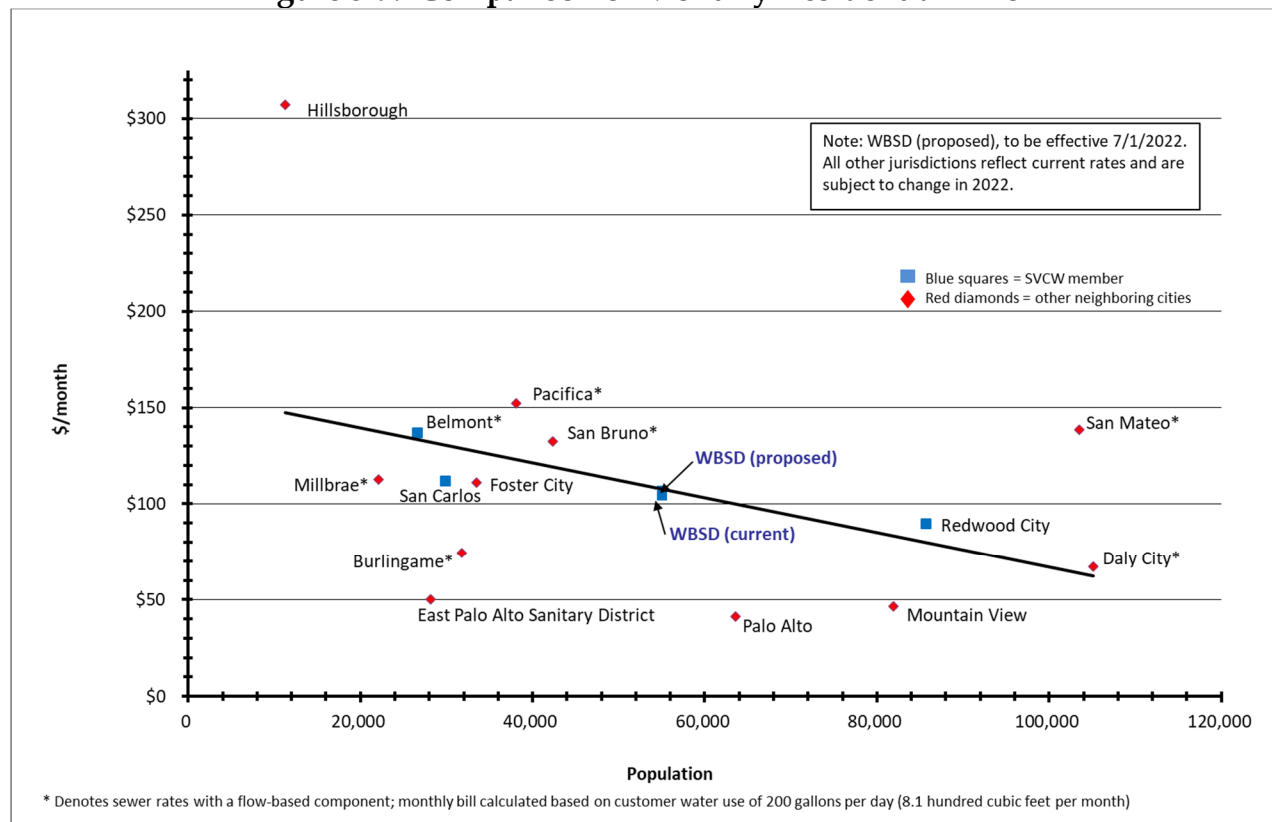
Figure 3-8. Projected Rates (FY 2022-23 through FY 2026-27)

	Adopted	Projected				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Residential (charge per DU per year)						
Single Family, Multi Family	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386
On-site Wastewater Disposal Zone	\$1,875	\$2,050	\$2,226	\$2,402	\$2,450	\$2,499
Commercial (charge per CCF)						
Retail/Commercial	\$10.11	\$10.31	\$10.52	\$10.73	\$10.94	\$11.16
Institution/Public	\$9.47	\$9.66	\$9.85	\$10.05	\$10.25	\$10.46
Restaurants/Bakeries	\$21.30	\$21.73	\$22.16	\$22.60	\$23.05	\$23.51
Supermarkets with Grinders	\$21.54	\$21.97	\$22.41	\$22.86	\$23.32	\$23.79
Hospitals	\$10.46	\$10.67	\$10.88	\$11.10	\$11.32	\$11.55
Hotels with Dining Facilities	\$17.20	\$17.54	\$17.89	\$18.25	\$18.62	\$18.99
Industrial (measured)						
Flow Rate Charge per CCF	\$7.46	\$7.61	\$7.76	\$7.92	\$8.08	\$8.24
BOD Rate Charge per pound	\$1.31	\$1.34	\$1.37	\$1.40	\$1.43	\$1.46
TSS Rate Charge per pound	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65

3.3. Residential Sewer Charge Comparison

Based on available sources, **Figure 3-9** shows the recent charges for sewer service among various San Mateo and Santa Clara County agencies. Larger agencies tend to have lower rates because they can take advantage of economies of scale and have a larger base of customers over which to distribute fixed costs. **Figure 3-9** shows the District’s current and proposed sewer rates along with the other SVCW member agencies (identified with blue squares in the figure below). It should be noted that the other SVCW member agencies also face similar additional costs. It is expected that these agencies will be required to increase their rates substantially to cover their share of SVCW costs. Even with the projected rate increases, we would not expect the District’s relative position among its neighbors to change significantly.

Figure 3-9. Comparison of Monthly Residential Bills



APPENDIX A. SEWER RATE MODEL

	A	B	C	D	E	F	G	H	I
1		West Bay Sanitary District							
2		Sewer Rate Study							
3		Table 1A. Summary							
4									
5		RESIDENTIAL							
6									
7		Adopted							
8		<i>Fiscal Year:</i>	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
9	1	Base Service Charges	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	To Tables 3, 4
10	2	<i>Cumulative Increase</i>		2.0%	4.0%	6.1%	8.2%	10.4%	
11	3	\$ Increase		\$25	\$26	\$26	\$27	\$27	
12	4	Residential Bill (annual)	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386	
13	5	<i>% incr</i>		2.0%	2.0%	2.0%	2.0%	2.0%	
14	6	Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,091	made total \$1,875
15	7	<i>Proposed Annual Increases (\$)</i>	\$150	\$150	\$150	\$150	\$21	\$22	To Table 3
16	8	Total Annual STEP/Grinder Charge	\$620	\$770	\$920	\$1,070	\$1,091	\$1,113	
17	9								
18	10	<i>Base Service Charge (from above)</i>	\$1,255	\$1,280	\$1,306	\$1,332	\$1,358	\$1,386	
19	11	Total Annual Bill (Base + STEP/Grinder)	\$1,875	\$2,050	\$2,226	\$2,402	\$2,450	\$2,499	
20	12			9.3%	8.6%	7.9%	2.0%	2.0%	
21		COMMERCIAL & INDUSTRIAL							
22									
23		Adopted							
24		<i>Fiscal Year:</i>	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
25		<i>% Increase</i>		2.0%	2.0%	2.0%	2.0%	2.0%	
26		Commercial (charge per CCF)							
27		Retail/Commercial	\$10.11	\$10.31	\$10.52	\$10.73	\$10.94	\$11.16	
28		Institution/Public	\$9.47	\$9.66	\$9.85	\$10.05	\$10.25	\$10.46	
29		Restaurants/Bakeries	\$21.30	\$21.73	\$22.16	\$22.60	\$23.05	\$23.51	
30		Supermarkets with Grinders	\$21.54	\$21.97	\$22.41	\$22.86	\$23.32	\$23.79	
31		Hospitals	\$10.46	\$10.67	\$10.88	\$11.10	\$11.32	\$11.55	
32		Hotels with Dining Facilities	\$17.20	\$17.54	\$17.89	\$18.25	\$18.62	\$18.99	
33		Industrial (measured)							
34		Flow Rate Charge per CCF	\$7.46	\$7.61	\$7.76	\$7.92	\$8.08	\$8.24	
35		BOD Rate Charge per pound	\$1.31	\$1.34	\$1.37	\$1.40	\$1.43	\$1.46	
36		TSS Rate Charge per pound	\$1.50	\$1.53	\$1.56	\$1.59	\$1.62	\$1.65	
37									
38									

A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 1B. General							
4								
5	List of Model Worksheets							
6	Table 1A. Summary	Table 4. Reserves						
7	Table 1B. General	Table 5. Capital Projects						
8	Table 2. Revenue Requirement	Table 6. WBSD Service						
9	Table 3. Revenue Increases							
10								
11	Assumptions	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
13	(1) General Inflation	Per Budget	5.4%	3.0%	3.0%	3.0%	3.0%	To Table 2
14	(2) Utilities	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
15	(3) Salaries	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
16	(4) Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
17	(5) PERS	Per Budget	NA	-60.2%	0.0%	0.0%	0.0%	From Table 2
18	(6) SVCW O&M Expenses Increase %	Per Budget	2.6%	3.0%	3.0%	3.0%	3.0%	From Table 2
19	(7) Interest on Earnings		0.25%	0.60%	0.60%	0.60%	0.60%	To Table 4
20	(8) Miscellaneous	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 2
21	(9) Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
22	(10) Construction Cost Inflation	Per Budget	6.3%	4.4%	4.4%	4.4%	4.4%	To Table 5; FY 2022-23 is 2-year average, future years are 5-year average
23	(11) Increase in Annual Residential Customers	Per Budget	73	73	73	73	73	To Table 3
24	(12) Number of Total Residential Customer Accounts		19,515	19,588	19,661	19,734	19,807	19,880
25	(13) Number of STEP/STEG Customer Accounts		85	89	89	89	89	
26	(14) Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%	To Table 2
27	(15) Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%	to Table 2
28								
29	Target Fund Balances							
30	<u>Operating Fund</u>							
31	Purpose	For O&M cash flow during the year						
32	Minimum balance	Cannot go negative						
33	Target balance	Six months of operating expenses						
34		(to accommodate biannual receipt of fees from County tax roll)						
35	<u>Capital Asset Fund</u>							
36	Purpose	To be used for replacement of Facilities						
37	Minimum balance	Cannot go negative						
38	Target balance	\$6,000,000						
39								
40	<u>Emergency Capital Fund</u>							
41	Purpose	To be used for sewer emergencies						
42	Minimum balance	Cannot go negative						
43	Target balance	\$5,000,000						
44								
45	<u>Rate Stabilization Fund</u>							
46	Purpose	Allow a margin of safety for the uncertainty of SVCW capital costs						
47	Minimum balance	Cannot go negative						
48	Target balance	\$10,000,000						
49								
50	<u>Vehicle & Equipment Replacement Fund</u>							
51	Purpose	To be used for replacement of Equipment						
52	Minimum balance	Cannot go negative						
53	Target balance	\$1,000,000						
54								
55	<u>Treatment Plant Reserve</u>							
56	Purpose	To be used for SVCW Capital expenses						
57	Minimum balance	Cannot go negative						
58	Target balance	\$12,000,000						
59								

	A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District								
2	Sewer Rate Study								
3	Table 2. Revenue Requirement								
4									
5			Budgeted	Projected					
6		Tbl. 1B	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
7	SVCW Projected Expenses								
8	<u>Operating and Capital PAYGo Expenses</u>								
9			\$6,247,706	\$6,410,576	\$6,602,893	\$6,800,980	\$7,005,009	\$7,215,160	SVCW Expenses per 2022 DRAFT LRFP
10				23,891	48,407	73,565	99,382	125,877	est. impact on expenses due to growth
11		(14)	536,800	676,635	811,004	945,378	1,079,758	1,214,142	SVCW Expenses per 2022 DRAFT LRFP
12			401,929	402,600	402,600	402,600	402,600	402,600	
13			0	0	0	492,902	2,075,326	1,636,861	SVCW Expenses per 2022 DRAFT LRFP
14			\$7,186,435	\$7,513,702	\$7,864,904	\$8,715,425	\$10,662,075	\$10,594,640	
15	<u>Debt Service</u>								
16			1,839,213	1,834,338	1,837,963	1,834,963	1,835,338	1,838,838	Per District, 11/1/2021
17			2,521,854	2,515,891	2,511,506	2,524,679	2,517,522	2,510,668	Per District, 11/1/2021
18			221,419	221,675	219,800	217,675	220,175	217,300	Per District, 11/1/2021
19			506,765	506,765	506,765	506,765	506,765	506,765	Per District, 11/1/2021
20			0	0	0	143,482	143,482	143,482	Per District, 11/1/2021
21			0	0	0	1,682,633	1,682,633	1,682,633	Per District, 11/1/2021
22			0	0	0	0	0	0	Per District, 11/1/2021
23			\$5,089,251	\$5,078,669	\$5,076,034	\$6,910,197	\$6,905,915	\$6,899,685	
24			\$12,275,686	\$12,592,371	\$12,940,938	\$15,625,622	\$17,567,990	\$17,494,325	
25		<i>Annual Change</i>		2.6%	2.8%	20.7%	12.4%	-0.4%	
26									
27	Operating Expenses								
28		(3),(15)	\$4,363,442	\$4,537,980	\$4,719,499	\$4,931,876	\$5,153,811	\$5,385,732	
29		(4)	\$1,834,191	\$1,907,559	\$1,983,861	\$2,063,215	\$2,145,744	\$2,231,574	
30		(5)	\$0	\$02,455	\$200,000	\$200,000	\$200,000	\$200,000	Per District, 11/23/21
31		(1)	\$42,320	\$44,605	\$45,943	\$47,322	\$48,741	\$50,204	
32			\$0	\$70,000	\$0	\$70,000	\$0	\$70,000	
33		(1),(14)	\$70,000	\$74,041	\$76,537	\$79,116	\$81,781	\$84,535	
34		(1),(14)	\$204,550	\$216,358	\$223,652	\$231,189	\$238,977	\$247,024	
35		(1),(14)	\$31,410	\$33,223	\$34,343	\$35,501	\$36,696	\$37,932	
36		(1),(14)	\$58,660	\$62,046	\$64,138	\$66,299	\$68,533	\$70,840	
37		(1),(14)	\$39,600	\$41,886	\$43,298	\$44,757	\$46,265	\$47,823	
38		(1),(14)	\$393,425	\$416,136	\$430,165	\$444,662	\$459,640	\$475,117	
39		(1),(14)	\$665,475	\$703,891	\$727,621	\$752,141	\$777,477	\$803,657	
40		(1),(14)	\$510,220	\$539,673	\$557,867	\$576,667	\$596,092	\$616,164	
41		(1),(14)	\$67,500	\$71,397	\$73,804	\$76,291	\$78,861	\$81,516	
42		(1),(14)	\$51,700	\$54,684	\$56,528	\$58,433	\$60,401	\$62,435	
43		(1),(14)	\$338,425	\$357,961	\$370,029	\$382,499	\$395,383	\$408,697	
44		(1),(14)	\$20,000	\$21,155	\$21,868	\$22,605	\$23,366	\$24,153	
45		(1)	\$56,200	\$59,235	\$61,012	\$62,842	\$64,727	\$66,669	
46		(2),(14)	\$232,500	\$249,641	\$268,043	\$287,798	\$309,004	\$331,769	
47		(1)	\$219,340	\$231,184	\$238,120	\$245,263	\$252,621	\$260,200	
48		(1)	(\$15,557)	(\$16,704)	(\$17,935)	(\$19,257)	(\$20,676)	(\$22,199)	
49		(1)	(\$105,090)	(\$112,838)	(\$121,156)	(\$130,085)	(\$139,670)	(\$149,960)	
50			\$9,078,311	\$10,065,569	\$10,057,238	\$10,529,135	\$10,877,777	\$11,383,882	
51		<i>Annual Change</i>		10.9%	-0.1%	4.7%	3.3%	4.7%	
52	Non-Operating Expenditures								
53		(1)	\$6,000	\$6,324	\$6,514	\$6,709	\$6,910	\$7,118	Per District budget
54		(1)	\$29,400	\$30,988	\$31,917	\$32,875	\$33,861	\$34,877	
55			\$35,400	\$37,312	\$38,431	\$39,584	\$40,771	\$41,995	
56		<i>Annual Change</i>		5.4%	3.0%	3.0%	3.0%	3.0%	
57									
58			\$21,389,397	\$22,695,251	\$23,036,607	\$26,194,340	\$28,486,538	\$28,920,202	
59		<i>Annual Change</i>		6.1%	1.5%	13.7%	8.8%	1.5%	

	A	B	C	D	E	F	G	H	I
1	West Bay Sanitary District								
2	Sewer Rate Study								
3	Table 2. Revenue Requirement								
4									
5			Budgeted	Projected					
6		Tbl. 1B	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
60									
61	Non-Operating Revenues								
62	Flow Equalization Cost Sharing	(1)	(\$368,490)	(\$388,388)	(\$400,040)	\$0	\$0	\$0	Flow equalization cost sharing ends FY 2023-24 per District
63	Permit & Inspection Fees	(8)	(\$100,000)	(\$101,000)	(\$102,010)	(\$103,030)	(\$104,060)	(\$105,101)	
64	Other Operating Revenue (Los Altos Hills, Woodside)	(9)	(\$663,781)	(\$683,694)	(\$704,205)	(\$725,331)	(\$747,091)	(\$769,504)	
65	Other Non-Operating Income (excl. interest)	(8)	(\$1,000)	(\$1,010)	(\$1,020)	(\$1,030)	(\$1,041)	(\$1,051)	
66	Subtotal, Non-Operating Income		(\$1,133,271)	(\$1,174,093)	(\$1,207,275)	(\$829,392)	(\$852,192)	(\$875,656)	
67				3.6%	2.8%	-31.3%	2.7%	2.8%	
68	Other Transfers to/(from)								
69	Operating (General) Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
70	Operating Reserve		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
71	Capital Projects Fund (for PAYGo projects)		\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	From Table 4
72	Emergency Capital Reserves		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
73	Vehicle & Equipment Replacement Fund		\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
74	Treatment Plant Reserve		\$0	\$0	\$0	(\$492,902)	(\$2,075,326)	(\$1,636,861)	
75	Total Transfers		\$9,244,563	\$9,244,563	\$9,244,563	\$8,751,661	\$7,169,237	\$7,607,702	
76				0.0%	0.0%	-5.3%	-18.1%	6.1%	
77	Net Revenue Requirement		\$29,500,689	\$30,765,721	\$31,073,894	\$34,116,609	\$34,803,583	\$35,652,248	To Table 3
78	Annual Change			4.3%	1.0%	9.8%	2.0%	2.4%	
79	Cumulative Change			4.3%	5.3%	15.6%	18.0%	20.9%	
80									
81	Source: West Bay Sanitary District FY 2021/22 Budget								

	A	B	C	D	E	F	G	H
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 3. Revenue Increases							
4								
5								
6		Estimated	Projected					
7		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
8	Rate Revenue @ Current Rates							
9	Residential	\$24,549,614						includes manually billed parcels too.
10	Non-Residential	\$5,260,136						
11	Total Rate Revenue @ Current Rates	\$29,809,751	\$29,809,751	\$29,809,751	\$29,809,751	\$29,809,751	\$29,809,751	FY 2020/21 Tax Roll spreadsheet provided by District
12	Plus: Additional Revenue from Residential Growth		91,615	183,230	274,845	366,460	458,075	
13	Adjusted Revenue at Current Rates		\$29,901,366	\$29,992,981	\$30,084,596	\$30,176,211	\$30,267,826	To Below
14								
15	Revenue Requirement	(\$29,500,689)	(\$30,765,721)	(\$31,073,894)	(\$34,116,609)	(\$34,803,583)	(\$35,652,248)	From Table 2
16	To/(From) operations before Rate Incr.	\$309,062	(\$864,355)	(\$1,080,914)	(\$4,032,014)	(\$4,627,372)	(\$5,384,422)	To Table 4
17								
18								
19	Increase in Rate Revenue		2.0%	2.0%	2.0%	2.0%	2.0%	From Table 1B
20	Cumulative Increase in Rate Revenue		2.0%	4.0%	6.1%	8.2%	10.4%	To Table 1A
21	Revenue from Rate Increases							
22	FY 2021-22 (eff. July 1, 2021)		\$598,027	\$599,860	\$601,692	\$603,524	\$605,357	
23	FY 2022-23 (eff. July 1, 2022)			\$611,857	\$613,726	\$615,595	\$617,464	
24	FY 2023-24 (eff. July 1, 2023)				\$626,000	\$627,907	\$629,813	
25	FY 2024-25 (eff. July 1, 2024)					\$640,465	\$642,409	
26	FY 2025-26 (eff. July 1, 2025)						\$655,257	
27	Total Revenue from Rate Increases	\$0	\$598,027	\$1,211,716	\$1,841,418	\$2,487,490	\$3,150,300	
28	Total Current Revenue	\$29,809,751	\$29,901,366	\$29,992,981	\$30,084,596	\$30,176,211	\$30,267,826	From Above
29	Subtotal Revenue	\$29,809,751	\$30,499,393	\$31,204,697	\$31,926,014	\$32,663,701	\$33,418,125	To Line 44
30								
31	STEP System Additional Charge		\$150	\$150	\$150	\$21	\$22	From Table 1B
32	Current STEP System Customers		85	85	85	85	85	
33	Cumulative Additional STEP System Customers		4	4	4	4	4	
34	Subtotal		89	89	89	89	89	
35								
36	Revenue from Additional STEP System Charge Increases							
37	FY 2021-22 (eff. July 1, 2021)		\$13,350	\$13,350	\$13,350	\$13,350	\$13,350	
38	FY 2022-23 (eff. July 1, 2022)			\$13,350	\$13,350	\$13,350	\$13,350	
39	FY 2023-24 (eff. July 1, 2023)				\$13,350	\$13,350	\$13,350	
40	FY 2024-25 (eff. July 1, 2024)					\$1,905	\$1,905	
41	FY 2025-26 (eff. July 1, 2025)						\$1,943	
42	Total Revenue from STEP System Rate Increases		\$13,350	\$26,700	\$40,050	\$41,955	\$43,897	
43	Subtotal Revenue	\$29,809,751	\$30,499,393	\$31,204,697	\$31,926,014	\$32,663,701	\$33,418,125	From Line 30
44		\$29,809,751	\$30,512,743	\$31,231,397	\$31,966,064	\$32,705,656	\$33,462,023	
45	Revenue Requirement	(\$29,500,689)	(\$30,765,721)	(\$31,073,894)	(\$34,116,609)	(\$34,803,583)	(\$35,652,248)	From Above
46	To/(From) operations after Rate Incr.	\$309,062	(\$252,978)	\$157,503	(\$2,150,546)	(\$2,097,928)	(\$2,190,225)	To Table 4

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
7											
8	OPERATING (GENERAL) FUND										
9	Revenue Increases										
10	Beginning Balance					2.0%	2.0%	2.0%	2.0%	2.0%	From Table 1A
11	Surplus/Deficit from Rate Revenue										
12	Transfers (To)/From										
13	Revenue Requirement										To Table 2
14	Operating Reserve										(To)/From Below
15	Capital Asset Fund										(To)/From Below
16	Emergency Capital Reserve										(To)/From Below
17	Rate Stabilization Fund										(To)/From Below
18	Vehicle & Equipment Replacement Fund										(To)/From Below
19	Recycled Water Project										
20	OPEB/PERS Unfunded Liabilities										(To)/From Below
21	Treatment Plant Reserve										
22	Subtotal Transfers										
23	Fund Subtotal										all remaining cash after reserves
24	Estimated Interest Earnings (7)										
25	Ending Balance										
26											
27	OPERATING RESERVE										
28	Beginning Balance										
29	Transfers (To)/From										
30	Revenue Requirement										
31	Operating General Fund										
32	Subtotal Transfers										
33	Fund Subtotal										
34	Estimated Interest Earnings (7)										
35	Ending Balance										
36	<i>Minimum Balance (6 mo. operations)</i>										

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
37											
38	CAPITAL ASSET FUND										
39	Beginning Balance			\$3,474,069	\$1,470,549	\$2,935,960	\$4,711,963	\$5,266,272	\$5,650,372		
40	Revenues										
41	Connection Charges			\$500,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
42	Capital Projects										
43	Administration			(\$385,000)	(\$335,000)	(\$1,535,000)	(\$1,535,000)	(\$1,035,000)	(\$35,000)		From Table 5
44	Collection Facilities			(\$7,600,000)	(\$6,500,000)	(\$6,500,000)	(\$2,500,000)	(\$500,000)	(\$500,000)		From Table 5
45	Subsurface Lines & Pumps			(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)	(\$95,000)		From Table 5
46	Pipe Repl & Rehab			(\$3,760,000)	(\$2,960,000)	(\$1,460,000)	(\$5,685,000)	(\$7,357,500)	(\$7,777,000)		From Table 5
47	Capacity			(\$1,500,000)	\$0	\$0	\$0	\$0	\$0		From Table 6
48	Environmental Review			(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)		From Table 5
49	Manhole Raising			(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)		From Table 5
50	Allow for Unanticipated Cap Exp			(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)		From Table 5
51	Vehicles & Equipment			(\$201,750)	(\$201,750)	(\$201,750)	(\$201,750)	(\$201,750)	(\$201,750)		From Table 5
52	Subtotal Expenses			(\$13,751,750)	(\$10,301,750)	(\$10,001,750)	(\$10,226,750)	(\$9,399,250)	(\$8,818,750)		
53											
54	Payment to SVCW (to reduce debt obligation)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
55											
56	Net Capital Expenditures to be paid by Rates			(\$13,251,750)	(\$9,796,663)	(\$9,496,663)	(\$9,721,663)	(\$8,894,163)	(\$8,313,663)		
57											
58	Transfers (To)/From										
59	Revenue Requirement- PayGo Capital			\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	\$9,244,563	To Table 2
60	Operating General Fund			\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$0	\$0	\$0	From Above
61	Rate Stabilization Fund			\$0	\$0	\$0	\$0	\$0	\$0	\$0	From Below
62	Subtotal Transfers			\$11,244,563	\$11,244,563	\$11,244,563	\$10,244,563	\$9,244,563	\$9,244,563	\$9,244,563	
63	Fund Subtotal			\$1,466,882	\$2,918,449	\$4,683,860	\$5,234,863	\$5,616,672	\$6,581,272		
64	Estimated Interest Earnings (7)			\$3,667	\$17,511	\$28,103	\$31,409	\$33,700	\$39,488		
65	Ending Balance			\$3,474,069	\$1,470,549	\$2,935,960	\$4,711,963	\$5,266,272	\$5,650,372	\$6,620,760	
66	Target Balance			\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	From Table 1B
67											
68	EMERGENCY CAPITAL RESERVES										
69	Beginning Balance			\$4,119,550	\$4,129,849	\$4,909,128	\$4,938,583	\$4,968,214	\$4,998,023		
70	Transfers (To)/From										
71	Revenue Requirements			\$0	\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
72	Operating General Fund			\$0	\$750,000	\$0	\$0	\$0	\$0	\$0	To Above
73	Subtotal Transfers			\$0	\$750,000	\$0	\$0	\$0	\$0	\$0	
74	Fund Subtotal			\$4,119,550	\$4,879,849	\$4,909,128	\$4,938,583	\$4,968,214	\$4,998,023		
75	Estimated Interest Earnings (7)			\$10,299	\$29,279	\$29,455	\$29,631	\$29,809	\$29,988		
76	Ending Balance			\$4,119,550	\$4,129,849	\$4,909,128	\$4,938,583	\$4,968,214	\$4,998,023	\$5,028,011	
77	Minimum Balance			\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
78	Target Balance			\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	

	A	B	C	D	E	F	G	H	I	J	K	
1	West Bay Sanitary District											
2	Sewer Rate Study											
3	Table 4. Reserves											
4												
5			Tbl.	Actual	Budgeted							
6			1B	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes	
79												
80	RATE STABILIZATION FUND											
81					\$4,257,666	\$4,268,310	\$6,305,920	\$8,355,756	\$10,417,890	\$10,480,397		
82					\$0	\$0	\$0	\$0	\$0	\$0		
83	Transfers (To)/From											
84					\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$0	\$0	To Table 2	
85					\$0	\$0	\$0	\$0	\$0	\$0		
86					\$0	\$0	\$0	\$0	\$0	\$0	To Above	
87					\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$0	\$0		
88					\$4,257,666	\$6,268,310	\$8,305,920	\$10,355,756	\$10,417,890	\$10,480,397		
89				(7)	\$10,644	\$37,610	\$49,836	\$62,135	\$62,507	\$62,882		
90					Ending Balance	\$4,257,666	\$4,268,310	\$6,305,920	\$8,355,756	\$10,417,890	\$10,480,397	\$10,543,280
91					<i>Target Balance</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	<i>\$10,000,000</i>	revised per 2021 Board policy
92												
93												
94	VEHICLE & EQUIPMENT REPLACEMENT FUND											
95					\$ 816,217	\$ 818,258	\$ 994,188	\$ 1,000,153	\$ 1,006,154	\$ 1,012,191		
96	Transfers (To)/From											
97					\$0	\$0	\$0	\$0	\$0	\$0	To Table 2	
98					\$0	\$170,000	\$0	\$0	\$0	\$0		
99					\$0	\$170,000	\$0	\$0	\$0	\$0		
100					\$ 816,217	\$ 988,258	\$ 994,188	\$ 1,000,153	\$ 1,006,154	\$ 1,012,191		
101				(7)	\$2,041	\$5,930	\$5,965	\$6,001	\$6,037	\$6,073		
102					Ending Balance	\$816,217	\$818,258	\$994,188	\$1,000,153	\$1,006,154	\$1,012,191	\$1,018,264
103					<i>Target Balance</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	
104												
105	TREATMENT PLANT RESERVE FUND											
106					\$ -	\$ 2,506,250	\$ 5,036,288	\$ 7,581,505	\$ 9,646,135	\$ 10,131,234		
107	Transfers (To)/From											
108					\$0	\$0	\$0	(\$492,902)	(\$2,075,326)	(\$1,636,861)	To Table 2	
109					\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000		
110					\$2,500,000	\$2,500,000	\$2,500,000	\$2,007,098	\$424,674	\$863,139		
111					\$ 2,500,000	\$ 5,006,250	\$ 7,536,288	\$ 9,588,603	\$ 10,070,809	\$ 10,994,373		
112				(7)	\$6,250	\$30,038	\$45,218	\$57,532	\$60,425	\$65,966		
113					Ending Balance	\$0	\$2,506,250	\$5,036,288	\$7,581,505	\$9,646,135	\$10,131,234	\$11,060,339
114					<i>Target Balance</i>	<i>\$2,500,000</i>	<i>\$4,500,000</i>	<i>\$6,500,000</i>	<i>\$8,500,000</i>	<i>\$10,500,000</i>	<i>\$12,000,000</i>	
115												

	A	B	C	D	E	F	G	H	I	J	K
1	West Bay Sanitary District										
2	Sewer Rate Study										
3	Table 4. Reserves										
4											
5			Tbl.	Actual	Budgeted						
6			1B	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
116	UNRESTRICTED RECYCLED WATER PROJECT FUND										
117	Beginning Balance				\$229,869	\$7,593,665	\$7,639,227	\$7,685,063	\$7,731,173	\$7,777,560	
118											
119	SRF Reimbursement										
120	Expenditures										
121											
122	Transfers (To)/From										
123	Revenue Requirements				\$0	\$0	\$0	\$0	\$0	\$0	
124	Operating Fund				\$7,344,859	\$0	\$0	\$0	\$0	\$0	
125	Rate Stabilization Reserve				\$0	\$0	\$0	\$0	\$0	\$0	
126	Capital Asset Fund				\$0	\$0	\$0	\$0	\$0	\$0	From Above
127	Subtotal Transfers				\$7,344,859	\$0	\$0	\$0	\$0	\$0	
128	Fund Subtotal				\$7,574,728	\$7,593,665	\$7,639,227	\$7,685,063	\$7,731,173	\$7,777,560	
129	Estimated Interest Earnings (7)				\$18,937	\$45,562	\$45,835	\$46,110	\$46,387	\$46,665	
130	Ending Balance				\$229,869	\$7,593,665	\$7,639,227	\$7,685,063	\$7,731,173	\$7,777,560	\$7,824,225
131	Target Balance				\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	
132											
133	OPEB/PERS Unfunded Liabilities										
134	Beginning Balance				\$237,452	\$242,201	\$247,045	\$251,985	\$257,025	\$262,166	
135	Transfers (To)/From										
136	Revenue Requirements				\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
137	Additional Liability Payment				\$0	\$0	\$0	\$0	\$0	\$0	
138	Operating Fund				\$0	\$0	\$0	\$0	\$0	\$0	From Above
139	Subtotal Transfers				\$0	\$0	\$0	\$0	\$0	\$0	
140	Fund Subtotal				\$237,452	\$242,201	\$247,045	\$251,985	\$257,025	\$262,166	
141	Estimated Interest Earnings				\$4,749	\$4,844	\$4,941	\$5,040	\$5,141	\$5,243	2% earnings per year (District)
142	Ending Balance				\$237,452	\$242,201	\$247,045	\$251,985	\$257,025	\$262,166	\$267,409
143	Unfunded Liability + OPEB Target				502,455	502,455	200,000	200,000	200,000	200,000	Per District

	A	B	C	D	E	F	G	H	I	J
1	West Bay Sanitary District									
2	Sewer Rate Study									
3	Table 5. Capital Projects									
4										
5				Budgeted	Projected				Five-Year	
6				FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Subtotal
7		Administration								
8		District Office Interior		10,000	10,000	10,000	10,000	10,000	10,000	-
9		District Office Exterior		10,000	10,000	10,000	10,000	10,000	10,000	-
10		Server Replacement Program		15,000	15,000	15,000	15,000	15,000	15,000	-
11		Corporate Yard Renovation Feasibility Study		350,000	300,000	1,500,000	1,500,000	1,000,000	-	4,300,000
12		Administration Subtotal		385,000	335,000	1,535,000	1,535,000	1,035,000	35,000	4,300,000
13		Collection Facilities								
14		Metal Storage Building 1		852,550	-	-	-	-	-	-
15		Metal Storage Building 2		247,450	-	-	-	-	-	-
16		FERRF (Levee)		6,500,000	6,000,000	6,000,000	2,000,000	0	-	14,000,000
17		FEF		-	500,000	500,000	500,000	500,000	500,000	2,500,000
18		Collection Facilities Subtotal		\$7,600,000	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000	16,500,000
19		Equipment Replacement								
20		Flo Dar Equipment (Flow Meters)		36,750	36,750	36,750	36,750	36,750	36,750	-
21		Vehicle Replacement		165,000	165,000	165,000	165,000	165,000	165,000	-
22		Large Diameter Trunkline Cleaning & CCTV		-	-	-	-	-	-	-
23		Equipment Replacement Subtotal		201,750	201,750	201,750	201,750	201,750	201,750	-
24		Subsurface Lines & Other Capital								
25		Pump & Valve Replacement Program		\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	-
26		Private Pump & Panel Replacements		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	-
27		Pump Station Repair & Replacements		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	-
28		Flow Monitoring Study		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	-
29		Subsurface Lines & Other Subtotal		\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$0
30										
31		Pipe Replacement and Rehabilitation								
32		Levee Survey & GPS Update		\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	300,000
33		Pump Station Miscellaneous		-	200,000	-	200,000	-	200,000	600,000
34		Bay Road North		-	-	-	-	-	-	-
35		Gilbert		-	-	-	1,500,000	-	-	-
36		Isabella, Gilbert & Bay North Phase 2		2,500,000	-	-	-	-	-	-
37		Atherton Civic Center		-	-	-	-	-	-	-
38		Isabella		-	-	-	-	-	-	-
39		Willow Road PS - Piping		-	200,000	-	-	-	-	200,000
40		Santa Margarita		-	-	-	700,000	-	-	700,000
41		Camino al Lago		-	-	-	1,155,000	-	-	1,155,000
42		Santa Cruz		-	-	-	-	700,000	1,004,000	1,704,000
43		Avy		-	-	-	175,000	-	-	175,000
44		Vine		-	-	-	770,000	-	-	770,000
45		Marsh Road CIPP (Remaining)		-	-	-	1,125,000	-	-	1,125,000
46		Westminster		-	-	-	-	5,000,000	-	5,000,000
47		Stowe Lane Pump Station		200,000	-	-	-	1,300,000	-	1,300,000
48		Stowe Lane PS xcrossing SFPUC sag		-	-	-	-	297,500	-	297,500
49		ECR @ Glenwood		-	-	-	-	-	500,000	500,000
50		University		-	-	-	-	-	1,800,000	1,800,000
51		Alameda Campo Bello to Harrison (Bad Soil)		-	-	-	-	-	900,000	900,000
52		Hermosa		-	-	-	-	-	1,400,000	1,400,000
53		College Park		-	-	-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J
1		West Bay Sanitary District								
2		Sewer Rate Study								
3		Table 5. Capital Projects								
4										
5				Budgeted	Projected				Five-Year	
6			FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Subtotal	
54		Downtown	-	-	-	-	-	-	-	-
55		Flood Park	-	-	-	-	-	700,000	700,000	700,000
56		East Palo Alto	-	-	-	-	-	-	-	-
57		Menalto Easements	-	-	-	-	-	-	-	-
58		Lorelei	-	-	-	-	-	-	-	-
59		Sharon Heights (Basin 60)	-	-	-	-	-	-	-	-
60		Walsh (Basin 50)	-	-	-	-	-	-	-	-
61		Weekend Acres/SLAC (Basin 40)	-	-	-	-	-	-	-	-
62		Encinal A	-	-	-	-	-	-	-	-
63		Ladera (Basin 30)	-	-	-	-	-	-	-	-
64		Portola Valley (Basin 10)	-	-	-	-	-	-	-	-
65		Los Trancos (Basin 20)	-	-	-	-	-	-	-	-
66		101 Crossing (SD xcrossing)	-	-	-	-	-	-	-	-
67		Stevenson	-	-	-	-	-	-	-	-
68		MacBain	-	-	400,000	-	-	-	-	400,000
69		Elena	-	-	-	-	-	-	-	-
70		Fair Oaks	-	-	-	-	-	-	-	-
71		Encinal B	-	-	-	-	-	-	-	-
72		Berkeley	-	-	-	-	-	1,213,000	1,213,000	1,213,000
73		Bayfront Entry Improvements	1,000,000	2,500,000	1,000,000	-	-	-	3,500,000	3,500,000
74		Pipe Replacement and Rehabilitation Subtotal	3,760,000	2,960,000	1,460,000	5,685,000	7,357,500	7,777,000	23,739,500	23,739,500
75		Capacity								
76		Lower Ringwood	1,500,000	-	-	-	-	-	-	-
77		Valparaiso	-	-	-	-	-	-	-	-
78		Willow Gravity Main	-	-	-	-	-	-	-	-
79		Upper Ringwood	-	-	-	-	-	-	-	-
80		Santa Cruz Avy	-	-	-	-	-	-	-	-
81		Cambridge Laurel	-	-	-	-	-	-	-	-
82		Middlefield at Fair Oaks	-	-	-	-	-	-	-	-
83		Capacity Subtotal	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
84		Other								
85		Construction Projects Environmental Review	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
86		Manhole Raising	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
87		Allow for Unanticipated Cap Exp	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
88		Other Subtotal	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$1,050,000
89										
90		Total Capital Expenses	\$13,751,750	\$10,301,750	\$10,001,750	\$10,226,750	\$9,399,250	\$8,818,750	\$45,589,500	\$45,589,500
91		Less: Connection Fee Revenue	(\$500,000)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$2,525,435)	(\$2,525,435)
92		Net PAYGo Capital Expenses	\$13,251,750	\$9,796,663	\$9,496,663	\$9,721,663	\$8,894,163	\$8,313,663	\$43,064,065	\$43,064,065
93		to be paid by Rates						5-year CIP Average:	\$9,244,563	
94										

	A	B	C	D	E	F	G	H
1	West Bay Sanitary District							
2	Sewer Rate Study							
3	Table 6. WBSD Service							
4								
5		Budgeted			Projected			
6		FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Notes
7	Debt Coverage Ratio							
8	Revenue Sources							
9	Sewer Service Charges	\$29,809,751	\$30,512,743	\$31,231,397	\$31,966,064	\$32,705,656	\$33,462,023	From Table 3
10	Flow Equalization Cost Sharing	\$368,490	\$388,388	\$400,040	\$0	\$0	\$0	From Table 2
11	Permit & Inspection Fees	\$100,000	\$101,000	\$102,010	\$103,030	\$104,060	\$105,101	From Table 2
12	Other Operating Revenue (Los Altos Hills, Woodside)	\$663,781	\$683,694	\$704,205	\$725,331	\$747,091	\$769,504	From Table 2
13	Other Non-Operating Income (excl. interest)	\$1,000	\$1,010	\$1,020	\$1,030	\$1,041	\$1,051	From Table 2
14	Sharon Heights SRF	\$662,911	\$662,911	\$662,911	\$662,911	\$662,911	\$662,911	From FY 2021-22 Budget
15	Connection fees	\$500,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
16	Investment Interest	\$121,614	\$287,772	\$288,932	\$274,899	\$251,063	\$230,014	
17	Subtotal	\$32,227,547	\$33,142,606	\$33,895,602	\$34,238,353	\$34,976,909	\$35,735,691	
18								
19	Operating Expenses							
20	SVCW Operating Expenses	(\$6,247,706)	(\$6,410,576)	(\$6,602,893)	(\$6,800,980)	(\$7,005,009)	(\$7,215,160)	From Table 2
21	SVCW Operating Expenses due to growth	\$0	(\$23,891)	(\$48,407)	(\$73,565)	(\$99,382)	(\$125,877)	
22	WBSD Operating Expenses	(\$9,078,311)	(\$10,065,569)	(\$10,057,238)	(\$10,529,135)	(\$10,877,777)	(\$11,383,882)	
23	Subtotal	(\$15,326,017)	(\$16,500,035)	(\$16,708,538)	(\$17,403,680)	(\$17,982,169)	(\$18,724,919)	
24								
25	Net Revenue	\$16,901,530	\$16,642,571	\$17,187,064	\$16,834,673	\$16,994,741	\$17,010,772	
26								
27	Debt Service							
28	SVCW Debt Service							
29	2018 Bond (\$55 million)	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338	\$1,838,838	From Table 2
30	2021A Refunding Bonds (\$55.7 million)	\$2,521,854	\$2,515,891	\$2,511,506	\$2,524,679	\$2,517,522	\$2,510,668	From Table 2
31	2021B Refunding Bonds (\$55.7 million)	\$221,419	\$221,675	\$219,800	\$217,675	\$220,175	\$217,300	From Table 2
32	SVCW SRF for WWTP Phase I (C-06-5216-120)	\$506,765	\$506,765	\$506,765	\$506,765	\$506,765	\$506,765	From Table 2
33	SVCW SRF Conveyance Planning Loan (\$4.1 million)	\$0	\$0	\$0	\$143,482	\$143,482	\$143,482	From Table 2
34	SWRCB SRF Loan (RESCU)	\$0	\$0	\$0	\$1,682,633	\$1,682,633	\$1,682,633	From Table 2
35	New WIFIA Loan(s)	\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
36	Subtotal	\$5,089,251	\$5,078,669	\$5,076,034	\$6,910,197	\$6,905,915	\$6,899,685	
37	Sharon Heights SRF	\$662,911	\$662,911	\$662,911	\$662,911	\$662,911	\$662,911	Per District budget FY 2021-22
38	Total Debt Service	\$5,752,162	\$5,741,580	\$5,738,945	\$7,573,108	\$7,568,826	\$7,562,596	
39								
40								
41	Debt coverage ratio	2.94	2.90	2.99	2.22	2.25	2.25	
42								