

WEST BAY

SANITARY DISTRICT



Serving Our Community Since 1902



WEST BAY SANITARY DISTRICT

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

FY 2018-19

APPROVED
June 13, 2018

WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2018-19

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WEST BAY SANITARY DISTRICT
GENERAL FUND AND CAPITAL ASSET FUND BUDGETS
&
RESERVES
FY 2018-19

EXECUTIVE SUMMARY

General Fund

The proposed General Fund Expenditure Budget (excluding depreciation) of \$29,012,442 reflects a \$9,562,019 or 49.2% increase from the FY2017-18 Budget. The overall Budget increase is a result of increases to both Operating and Non-Operating expenses. The primary increase is a result of the District Board's effort to stabilize rate increases, and has thus directed staff to include the pre-payment of \$6.6M of bond debt from the Rate Stabilization Fund to Silicon Valley Clean Water treatment facility in the Spring of 2019. The District's allocated share of bond debt for the SVCW Capital Improvement Program for 2018-19 is approximately \$13M.

The District Board has directed staff to include, in the FY2018-19 Budget, the allocation of \$1M towards the prefunding of pension liability in the District's irrevocable trust through PARS (Public Agency Retirement Services). Therefore, excluding depreciation, Operating Expenses increased by \$1,219,229, or 17.1%, primarily in the Benefits line item. Other increases are seen in the Election expense, and Contractual Services.

Non-Operating expenses increased by \$8,342,789, or 67.7%, as a result of the new 2018 bond issue, the \$6.6M contribution towards the 2018-19 bond allocation and increases in contributions to Silicon Valley Clean Water (SVCW) operations.

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 proposed budget for the upcoming fiscal year may avoid the necessity of a large reconciliation in the final budget year financial statements.

In addition to funding expenditures, the total income and reserves of \$37,658,654 (increase of 9.4%) is sufficient to provide for the required operating reserves of \$9,365,601 (15.2% increase) and allow a transfer of \$5,880,611 to the Capital Assets Fund. This transfer is a decrease of \$966,998 over FY2017-18.

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

Capital Assets Fund

The proposed Capital Assets Fund Expenditures & Reserve Transfers Budget of \$9,251,000 represents a \$528,500 decrease (5%) from the FY 2017-18 Budget. The Budget includes \$6.7M of Subsurface (underground) pipeline replacement projects (as scheduled in the annually updated Collection System Master Plan). The Subsurface pipeline projects include a \$4.1M carryover (unspent) for the Belle Haven III CIP project and \$600,000 carryover for the Atherton Civic Center project from FY2017-18. These expenditures combined enable the District to maintain the goal of replacing more than 1.5% of the system's aging pipelines each year.

The capital budget also includes necessary administrative capital expenses for upgrades such as the Flow Monitoring Study, the Levee Survey & GPS Update, District Server Replacement Program, and carryover funds for a new phone system. The capital budget also carries over from the prior fiscal year the Metal Storage Building replacement project at the Flow Equalization and Resource Recovery Facility.

A balance of \$15,433,863 of available funds is anticipated at the end of the fiscal year to remain for the following year's capital expenses.

Reserve Funds

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

The Equipment Replacement Reserve created in FY2015-16 will continue to be funded annually. In FY2018-19 total contributions of \$240,000 will be added to assist the District in stabilizing expenditures for replacing equipment. This is a decrease of \$30K from FY2017-18 funding.

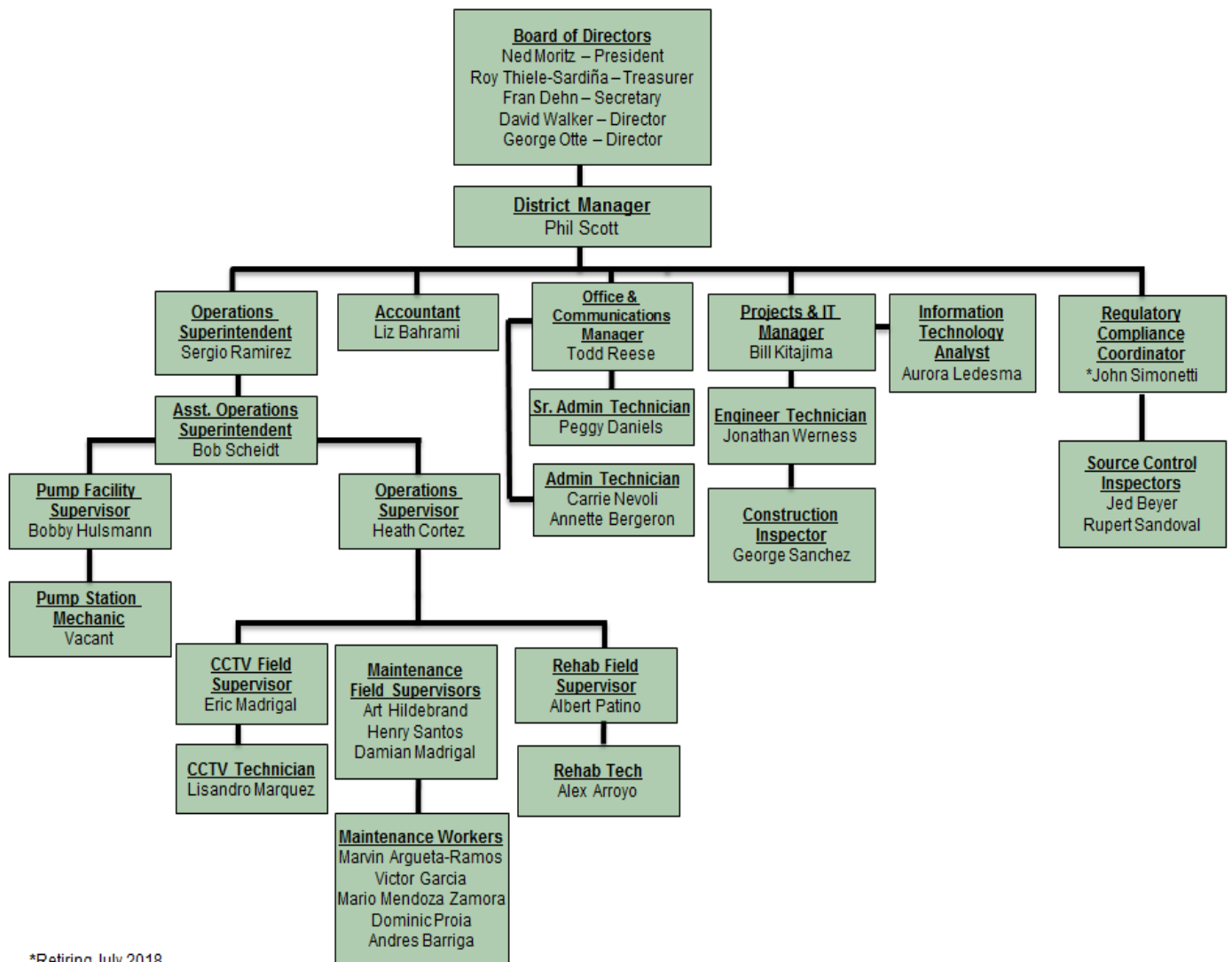
The Rate Stabilization Reserve is currently funded at \$5.6M. \$1M is budgeted for transfer, in FY18-19, to the Rate Stabilization Reserve, contributed from the Capital Asset fund for a balance of \$6.6M. However, the Board has decided to utilize the Rate Stabilization Reserve to pay down the District's allocation of \$13M in new SVCW bond debt. This payment is anticipated for the spring of 2019. In addition, the District's policy is to transfer unspent balances remaining in Non-Operating Expenses at year-end to the reserve. However, it is anticipated that this additional transfer will be negligible for FY2017-18.

The Solid Waste Rate Stabilization Reserve is anticipated to have a balance of \$216,136 by the end of FY2018-19.

DISTRICT DESCRIPTION

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

The WBSD organization will be as shown:



*Retiring July 2018

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 2018 rate schedule. Effective July 1, 2018 the residential sewer service charge increases 5% to \$1,126/year. The non-residential charge varies based on flow and strength but averages 5%. 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.

Discussion of Changes in Operating Expense Budget from FY 2017-18

Increases – One significant increase to the Operating budget is due to the increase in employee benefits of \$1,056,090 resulting from the Board of Directors approval to set aside \$1M into the PARS Irrevocable Trust to prefund the District's unfunded pension liability. This increase is partially offset by a lower than usual Salaries & Wages of only \$30K, or 1%. This reflects recent retirements of long term employees that are backfilled with junior employees starting at the lower end of the salary range.

Election Expense of \$70,000 was added to the Budget to cover the 3 District Board positions that are up for re-election in FY2018-19. Election expenses are expected for both San Mateo and Santa Clara counties as West Bay's jurisdiction includes both counties.

Contractual Services increased by \$47.5K resulting from a \$46.0K increase due to root foaming and \$1.5K for collection staff personal protective wear.

Memberships increased by \$13,150 resulting from: new membership in the California Special District Association (CSDA) \$6.5K; increase in the Underground Service Alert (USA) membership of \$4.6K; and \$1.0K increase each for Western Recycled Water Coalition (WRWC) and CWEA.

Depreciation is a non-cash expense and has no impact on reserves, cash or transfer to the Capital Assets Fund. It serves to indicate the level of increase or decrease in depreciable assets in the budget year. Depreciation increased by \$100,000 for FY 2018-19 from \$1.8M to \$1.9M.

Decreases – The decrease to Rents & Leases of (\$21,000) is a result of discontinued RV space rental.

Discussion of Changes in Non-Operating Expense Budget from FY 2017-18

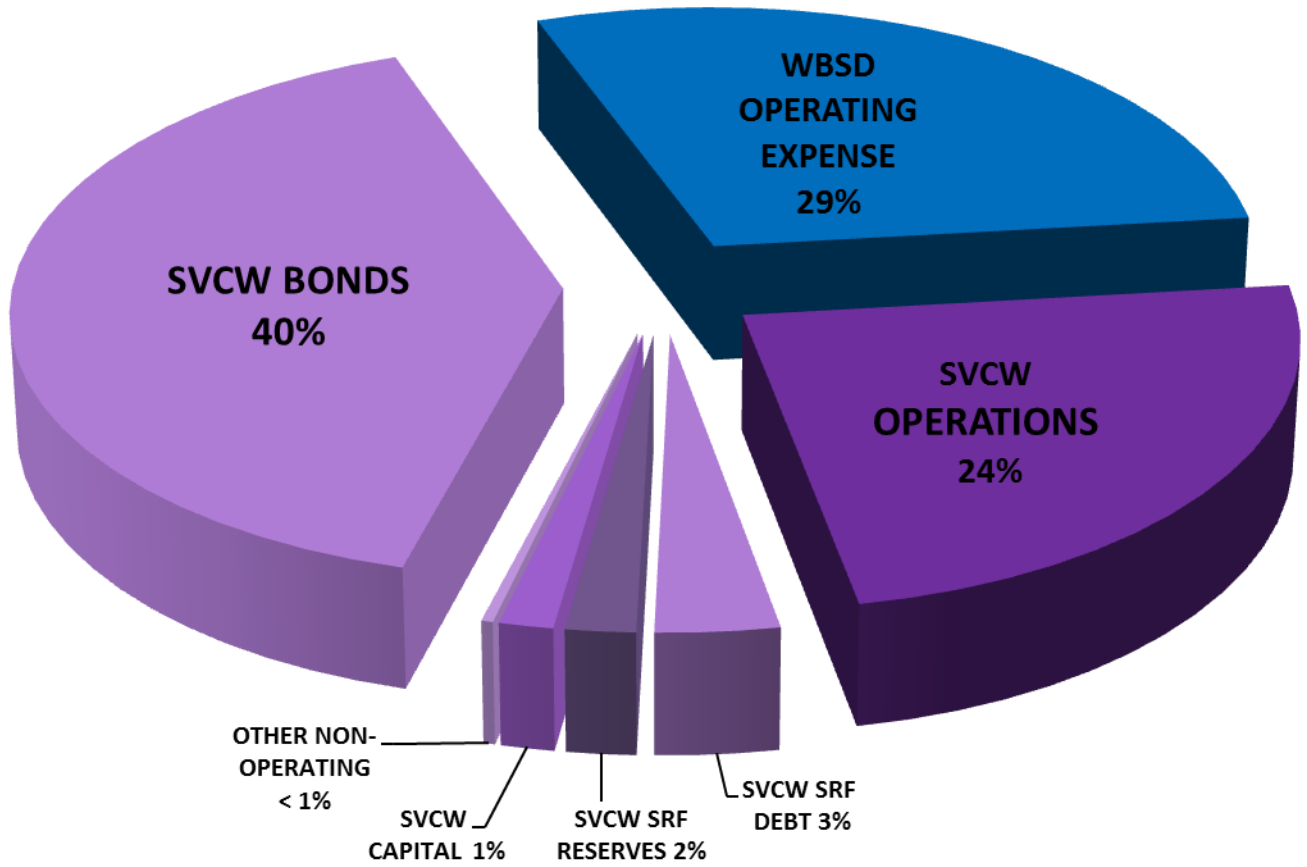
Increases - Payment to SVCW for their Operations Fund is \$6,930,000, an increase of \$380K over last year. Contributions to SVCW Capital is \$423,245, an increase of \$8,240. Further increases in Non-Operating expenses result from the new 2018 Bond issue with payments of \$1,838,480 and payments for the line of credit of \$66,064, together increasing total debt service by \$1.35M over last year. In addition to the above, the District Board has directed staff to include the pre-payment of \$6.6M of bond debt from the Rate Stabilization Reserve to Silicon Valley Clean Water treatment facility in the Spring of 2019. This District's allocated share of bond debt for the SVCW Capital Improvement Program for 2018-19 is approximately \$13M. Payment of the remainder of the \$13M may be not be necessary in FY2018-19 but may be delayed until FY2019-20. The advantage of using the Rate Stabilization Reserve in this manner is that it reduces the required revenue and helps to smooth future rate increases.

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

Changes – As a result of the Budget Workshop, \$6.6M from the Rate Stabilization Reserve will be utilized to buy down SVCW bond debt due in FY2018-19. This change is reflected in Non-Operating expenses and the Reserve balance.

The above changes to Non-Operating Expenses result in a net increase of \$8,342,789, all of which are related to SVCW expense increases.

WEST BAY SANITARY DISTRICT
FISCAL YEAR 2018-2019
SUMMARY OF EXPENDITURES
GENERAL FUND



CAPITAL ASSETS FUND

Description of Services Provided

The Capital budget includes all costs associated with capitalized replacement or rehabilitation of existing facilities. This category includes significant office and O&M equipment that will be in use for more than five years, studies, contracted specialty operations, and rehabilitation or replacements 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 - Capital budget revenue arises from sewer service charges and connection fees.

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

The Capital Fund expenses also include the building of our Reserve Accounts that include: Emergency Capital Reserve - fully funded at \$5M; Capital Project Reserve - fully funded at \$3.5M; Recycled Water Cash Flow Reserve fully funded at \$8.0M; the ongoing annual contributions to the Equipment Replacement Reserve; and the Rate Stabilization Reserve. In FY2017-18 maturities in the \$8M Recycled Water Cash Flow Reserve were transferred to LAIF to provide for short term cash flow needs of the project while waiting for reimbursement from the State Revolving Fund (SRF). Rates provided in LAIF have been steadily increasing during the year with the yield currently at 1.80% (as of May 30, 2018).

Discussion of Changes in Capital Budget from FY 2017-18

Administration projects – Significant administration projects for FY 2018-19 include the ongoing Flow Monitoring project for \$30K; the Levee Survey & GPS update project to survey manhole xyz coordinates, rim and invert elevations information to our maps \$60K; and a new Phone System carryover from FY2017-18 to replace the more than decade old current system \$15K.

Total expenditures in Administration projects budgeted in FY2018-19 are (\$75K) less than FY2017-18.

Collection Facilities projects – Two projects carried over from FY2017-18 are the Metal Storage Building \$425K and the ongoing allocation of funding for FERRF improvements (\$500k). Vehicle and equipment replacements constitute much of the Collection Facilities expenditures. Vehicle purchases budgeted for FY2018-19 include replacement of the Jetter Unit 220, \$200K; a pickup truck for the Operations Supervisor Unit 224, \$35K; and rehabilitation of the Recycled Water Truck Unit 222, \$40K. Funding for these vehicles and some of the equipment purchases is provided through the Equipment Replacement Reserve. Other equipment replacements such as the routine purchase of Smart Covers budgeted at \$9.5K; equipment for monitoring, sampling and confined space equipment \$35K, are also scheduled for FY2018-19.

Total expenditures in Collections Facilities projects budgeted in FY2018-19 including those funded from the Equipment Replacement Reserve are \$105,000 more than FY2017-18.

Subsurface Lines and Other Projects –

Pump Stations:

The Capital Fund budget includes ongoing annual purchase of Pump & Valve Replacements \$40K and Private Pump & Panel Replacements \$20K. New to the Capital Budget in FY2018-19 is \$16,500 for Pump Station Fence Repair & Replacements.

Pipeline Replacement & Rehab Construction Projects:

Design: \$350K for Isabella, Gilbert & Bay North, and Coyote Hill.

Construction: Subsurface capital projects include \$4.1M carryover for the Belle Haven III project for a total of \$5.5M; and \$600K carryover for the Town of Atherton Civic Center (Dinklespeil) project for a total of \$800K.

Total expenditures budgeted for Subsurface Lines & Other in FY2018-19 are \$6,726,500 or \$423.5K less than in FY2017-18.

Capital Reserves

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

Rate Stabilization Reserve which is currently funded at \$5.6M will receive additional funding of \$1,000,000 as well as remaining unspent money from Other Non-Operating Expense in the General Fund to build a reserve to stabilize future rate increases. For FY2017-18, it is anticipated that only a negligible amount will remain for transfer to the reserve at the end of the

current fiscal year from unspent Non-Operating Expenses. The District anticipates the expenditure of the entire Rate Stabilization Reserve for payment toward the District's allocation of \$13M for SVCW Bond debt for FY2018-19.

A transfer of \$240K is budgeted to the Equipment Replacement Reserve which was established in FY2015-16 to stabilize expenditures for purchases of vehicles and large equipment per the WBSD Vehicle and Equipment Replacement List FY2018-19. Budgeted expenditures for the FY2018-19 year include purchase of a Jetter, Unit 220 replacement; a pickup truck for the Operations Supervisor, Unit 224; Monitoring, Sampling & Confined Space Equipment; and continued restoration of the recycled water truck, Unit 222. The reserve balance is projected to be approximately \$220K at June 30, 2019.

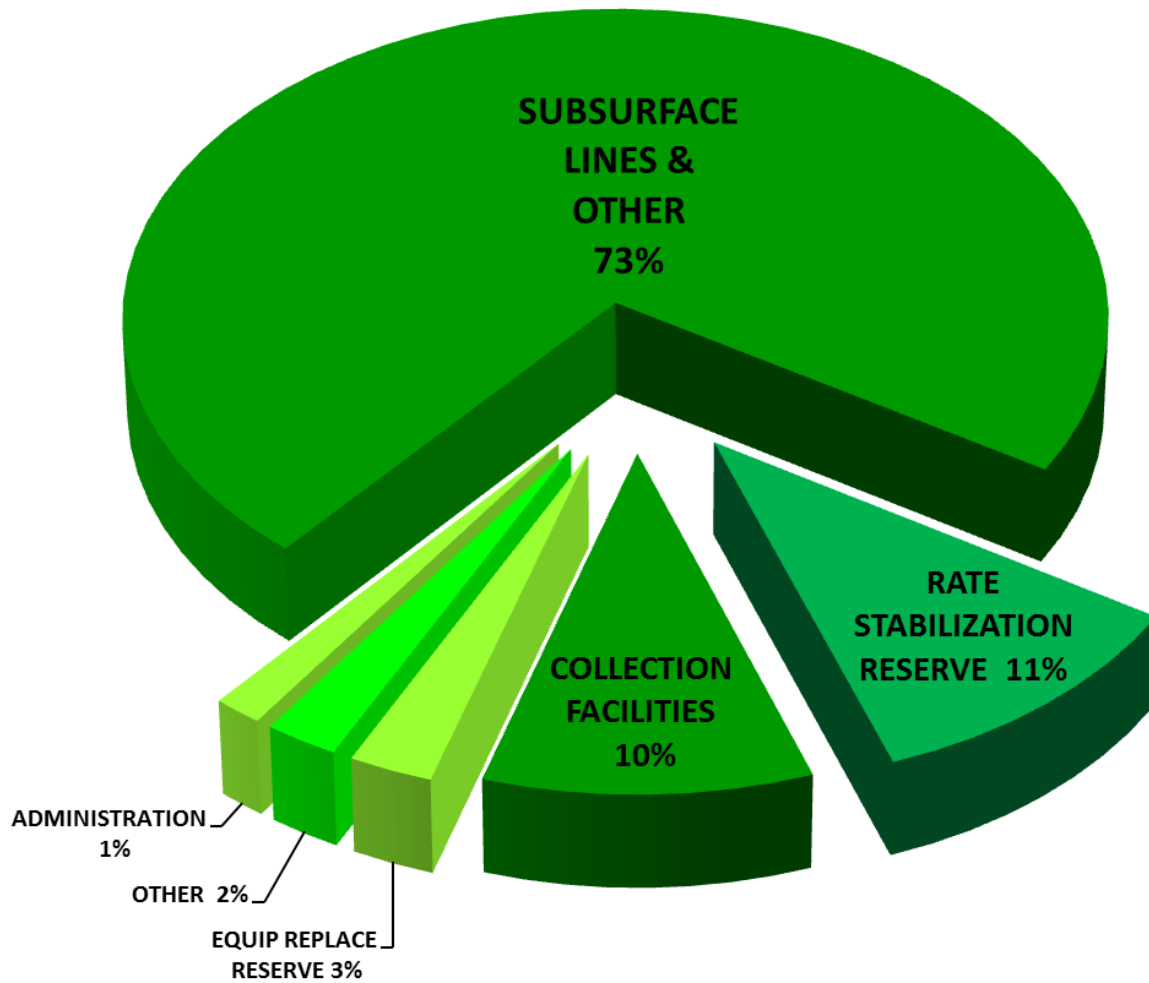
In FY2016-17 the Recycled Water Facility Cash Flow Reserve was established with \$8M to fund expenditure requirements of the recycled water project with SHGCC while awaiting reimbursement from the State Revolving Fund. No further additions to this fund are anticipated.

In FY2018-19 the District will be working to assign the Solid Waste Franchise to the County of San Mateo. In the meantime a budget has been produced for the Solid Waste fund and is projected to consist of a beginning balance of \$193,136; revenues of \$96,000; expenses of \$73,000; with an ending balance of \$216,136. This ending balance constitutes the Solid Waste Rate Stabilization Reserve.

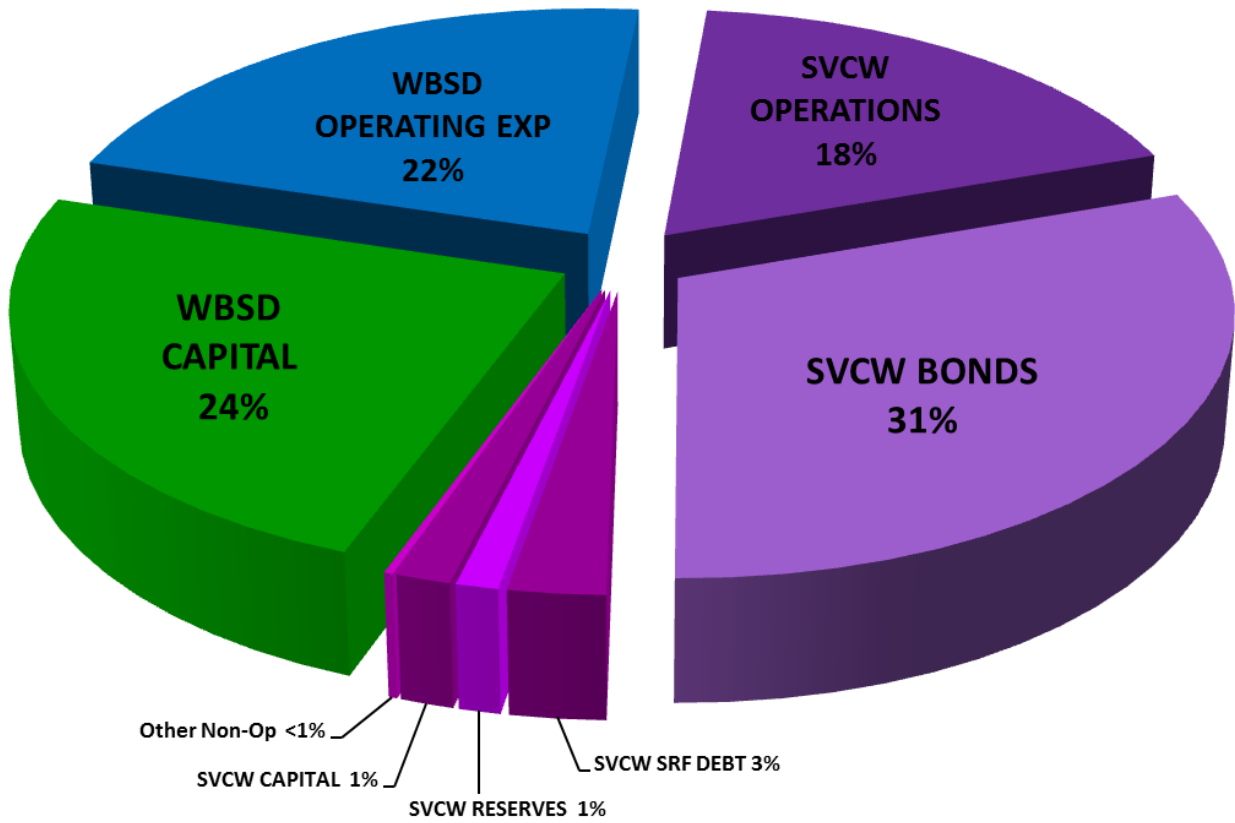
In FY2017-18 the Recycled Water SRF Reserve was created to meet the requirements of the SRF loan to hold 1.1 times the annual payment due in reserve. This reserve is held by West Bay and was funded by Sharon Heights Golf and Country Club. If no default occurs during the life of the SRF loan the reserve will be utilized for the last SRF payment or remitted back to Sharon Heights including interest accrued.

All aforementioned reserves, save the Equipment Replacement Reserve and the Solid Waste Rate Stabilization Reserve, have been included in the District's Investment Management portfolio to maximize the interest earning capabilities of these monies which currently yield approximately 2%.

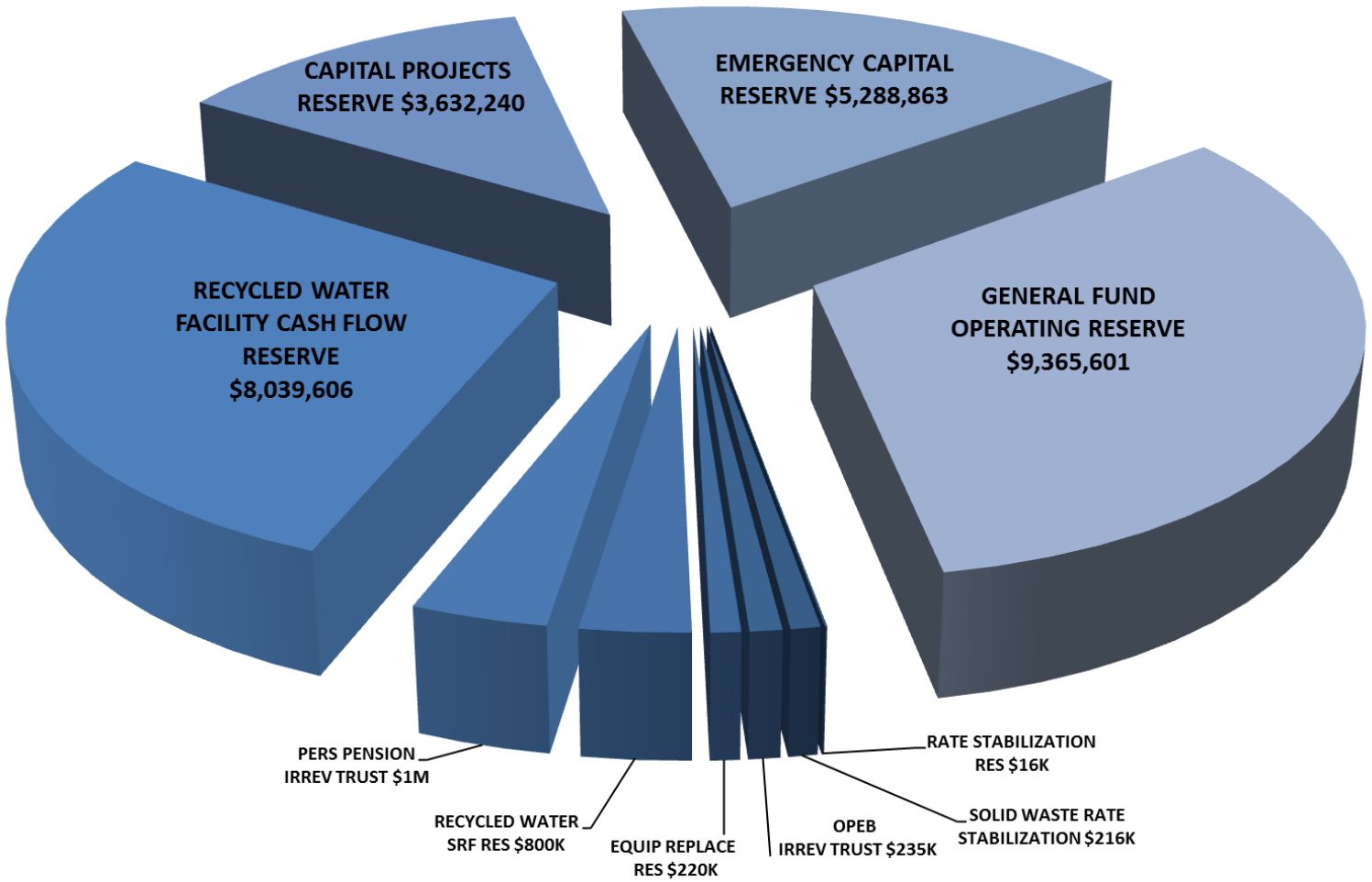
WEST BAY SANITARY DISTRICT
FISCAL YEAR 2018-2019
SUMMARY OF EXPENDITURES
CAPITAL ASSET FUND



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2018-2019
SUMMARY OF EXPENDITURES
GENERAL FUND & CAPITAL ASSET FUND**



**WEST BAY SANITARY DISTRICT
FISCAL YEAR 2018-19
SUMMARY OF
RESERVE FUND BALANCES
@ 6/30/2019**



**GENERAL FUND
APPROVED
BUDGET FY2018/2019**



GENERAL FUND

	2017/18 BUDGET	2018/19 BUDGET	VARIANCE	%
FUND INCOME				
OPERATING INCOME				
NON-RESIDENTIAL	\$5,131,824	\$5,547,500	415,676	8.1%
RESIDENTIAL	\$20,263,817	\$21,905,186	1,641,369	8.1%
SEWER SERVICE CHARGES	\$25,395,640	\$27,452,686	2,057,046	8.1%
FLOW EQUALIZATION COST SHARING	\$324,642	\$339,367	14,725	4.5%
PERMIT AND INSPECTION FEES	\$100,000	\$100,000	0	0.0%
OTHER OPERATING INCOME (LAH & WS)	\$426,750	\$350,000	(76,750)	-18.0%
TOTAL OPERATING INCOME	\$26,247,032	\$28,242,053	1,995,021	7.6%
NON-OPERATING INCOME				
INTEREST INCOME (MMK & LAIF)	\$50,000	\$50,000	0	0.0%
OTHER NON OPERATING INCOME	\$1,000	\$1,000	0	0.0%
TOTAL NON-OPERATING INCOME	\$51,000	\$51,000	0	0.0%
TOTAL INCOME	\$26,298,032	\$28,293,053	1,995,021	7.6%
GENERAL FUND AVAILABLE BALANCE	\$8,131,426	\$9,365,601	1,234,175	15.2%
TOTAL AVAILABLE FOR FISCAL YEAR	\$34,429,458	\$37,658,654	3,229,196	9.4%
FUND EXPENDITURES				
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$7,128,473	\$8,347,703	1,219,230	17.1%
TOTAL NON-OPERATING EXPENSE	\$12,321,950	\$20,664,739	8,342,789	67.7%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$19,450,423	\$29,012,442	9,562,019	49.2%
GENERAL FUND OPERATING RESERVE	\$8,131,426	\$9,365,601	1,234,175	15.2%
SUBTOTAL TOTAL CURRENT EXP & OPERATING RES	27,581,850	\$38,378,042	10,796,192	39.1%
AMOUNT TO TRANSFER TO/(FROM) CA FUND	\$6,847,609	\$5,880,611	(966,998)	-14.1%

FUND EXPENDITURES - DETAIL

	2017/18 BUDGET	2018/19 BUDGET	VARIANCE	
OPERATING EXPENSE				
SALARIES & WAGES	\$3,349,962	\$3,379,871	29,909	0.9%
EMPLOYEE BENEFITS	\$1,459,336	\$2,515,426	1,056,090	72.4%
DIRECTOR'S FEES	\$37,930	\$40,260	2,330	6.1%
ELECTION EXPENSE	\$0	\$70,000	70,000	
DEPRECIATION	\$1,800,000	\$1,900,000	100,000	5.6%
GASOLINE, OIL AND FUEL	\$70,000	\$70,000	0	0.0%
INSURANCE	\$104,850	\$112,000	7,150	6.8%
MEMBERSHIPS	\$32,850	\$46,000	13,150	40.0%
OFFICE EXPENSE	\$35,500	\$35,500	0	0.0%
OPERATING SUPPLIES	\$353,195	\$353,195	0	0.0%
CONTRACTUAL SERVICES	\$402,000	\$449,500	47,500	11.8%
PROFESSIONAL SERVICES	\$529,350	\$529,950	600	0.1%
PRINTING AND PUBLICATIONS	\$62,500	\$62,500	0	0.0%
RENTS AND LEASES	\$61,000	\$40,000	(21,000)	-34.4%
REPAIRS AND MAINTENANCE	\$278,500	\$283,000	4,500	1.6%
RESEARCH AND MONITORING	\$33,000	\$33,000	0	0.0%
TRAINING, MEETINGS & TRAVEL	\$57,500	\$57,500	0	0.0%
UTILITIES	\$156,000	\$165,000	9,000	5.8%
OTHER OPERATING EXPENSE	\$170,000	\$170,000	0	0.0%
TRANSFER OVERHEAD EXPENSE TO SOLID WASTE FUND	(\$65,000)	(\$65,000)	0	0.0%
TOTAL OPERATING EXPENSE (Including Depreciation)	\$8,928,473	\$10,247,703	1,319,229	14.8%
TOTAL OPERATING EXPENSE (Excluding Depreciation)	\$7,128,473	\$8,347,703	1,219,229	17.1%
NON-OPERATING EXPENSE				
CONTRIBUTIONS TO SVCW (OPERATIONS)	\$6,550,000	\$6,930,000	380,000	5.8%
CONTRIBUTIONS TO SVCW (CAPITAL)	\$415,000	\$423,245	8,245	2.0%
SVCW BOND 2009 (\$55 million)	\$1,300,000	\$1,300,000	0	0.0%
SVCW BOND 2014 (\$65 million)	\$1,145,000	\$1,145,000	0	0.0%
SVCW BONDS 2015 (\$60 million)	\$826,950	\$826,950	0	0.0%
SVCW BONDS (2018)	\$500,000	\$1,838,480	1,338,480	267.7%
SVCW - New Bonds (FY2018-19) - Funded from Rate Stabilization Reserve *	\$0	\$6,600,000	6,600,000	
SVCW - SRF DEBT SERVICE (2011 Debt)	\$225,000	\$225,000	0	0.0%
SVCW - SRF DEBT SERVICE (2012 Debt)	\$740,000	\$740,000	0	0.0%
SVCW - SRF RESERVE CONTRIBUTION	\$545,000	\$545,000	0	0.0%
SVCW - LINE OF CREDIT	\$50,000	\$66,064	16,064	32.1%
OTHER NON-OPERATING EXPENSE	\$6,000	\$6,000	0	0.0%
CONTRIBUTIONS TO LAFCo	\$19,000	19,000	0	0.0%
TOTAL NON-OPERATING EXPENSE	\$12,321,950	20,664,739	8,342,789	67.7%
TOTAL CURRENT EXPENSE (Excluding Depreciation)	\$19,450,423	\$29,012,442	9,562,018	49.2%
RESERVES				
RESERVE FOR OPERATIONS (5 months Total Exp)	\$8,131,426	\$9,365,601	1,234,174	15.2%
TOTAL RESERVES	\$8,131,426	9,365,601	1,234,174	15.2%
TOTAL EXPENSE, LIABILITIES AND RESERVES	\$27,581,850	\$38,378,042	10,796,192	39.1%
AMOUNT TO TRANSFER TO/(FROM) CA FUND	\$6,847,609	\$5,880,611	(966,998)	-14.1%

CAPITAL ASSET FUND

APPROVED

BUDGET FY2018/2019



CAPITAL ASSETS FUND

	<u>2017/18 BUDGET</u>	<u>2018/19 BUDGET</u>	<u>VARIANCE</u>	
FUND INCOME & RESERVES				
BEGINNING BALANCE FOR FISCAL YEAR	\$15,470,817	\$18,229,252 *	\$2,758,435	17.8%
ANTICIPATED CONNECTION CHARGES REVENUE	\$500,000	\$500,000	\$0	0.0%
INTEREST INCOME (FY15/16- 2.1%; FY16/17 - 2.1%)	\$75,000	\$75,000	\$0	0.0%
PROJECTED TRANSFER FROM GENERAL FUND	\$6,847,609	\$5,880,611	(\$966,998)	-14.1%
TOTAL INCOME & RESERVES	\$22,893,426	\$24,684,863	\$1,791,437	7.8%
FUND CAPITAL EXPENDITURES - SEE DETAIL				
ADMINISTRATION - Includes prior FY carryover of \$175K for Billing Software	\$215,000	\$140,000	(\$75,000)	-34.9%
COLLECTION FACILITIES - Includes prior FY carryover of \$425K for Metal Storage Building Replacement	\$934,500	\$934,500	\$0	0.0%
SUBSURFACE LINES AND OTHER	\$7,150,000	\$6,726,500	(\$423,500)	-5.9%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW	\$10,000	\$10,000	\$0	0.0%
MANHOLE RAISING (PAVING PROJECTS)	\$100,000	\$100,000	\$0	0.0%
ALLOWANCE FOR UNANTICIPATED EXPENSES	\$100,000	\$100,000	\$0	0.0%
TOTAL CAPITAL EXPENDITURES	\$8,509,500	\$8,011,000	(\$498,500)	-5.9%
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$0	\$0	\$0	
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$270,000	\$240,000	(\$30,000)	-11.1%
RATE STABILIZATION/BOND RESERVE		\$1,000,000	\$1,000,000	
RECYCLED WATER FACILITY CASH FLOW RESERVE		\$0	\$0	
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$9,779,500	\$9,251,000	(\$528,500)	-5.4%
PROJECTED AVAILABLE FUND AT YEAR END	\$13,113,926	\$15,433,863	\$2,319,937	17.7%
* Anticipated Fund Balance 6/30/2018				
\$18,229,252				

**CAPITAL ASSETS FUND
CAPITAL EXPENDITURE DETAIL**

	<u>2017/18 BUDGET</u>	<u>2018/19 BUDGET</u>	<u>VARIANCE</u>	
ADMINISTRATION				
DISTRICT OFFICE EXTERIOR	\$10,000	\$10,000	\$0	0.0%
DISTRICT OFFICE INTERIOR	\$10,000	\$10,000	\$0	0.0%
LEVEE SURVEY & GPS UPDATE	\$60,000	\$60,000	\$0	0.0%
FLOW MONITORING STUDY	\$30,000	\$30,000	\$0	0.0%
SERVER REPLACEMENT PROGRAM	\$15,000	\$15,000	\$0	0.0%
SEWER SYSTEM MODEL SOFTWARE	\$75,000	\$0	(\$75,000)	-100.0%
PHONE SYSTEM	\$15,000	\$15,000	\$0	
TOTAL ADMINISTRATION	\$215,000	\$140,000	(\$75,000)	-34.9%
COLLECTION FACILITIES				
SMART COVERS (3)	\$9,500	\$9,500	\$0	0.0%
METAL STORAGE BUILDING REPLACEMENT	\$425,000	\$425,000	\$0	0.0%
FERRF IMPROVEMENTS & DEMOLITION OF OLD TREATMENT PLANT WORKS	\$500,000	\$500,000	\$0	0.0%
EQUIPMENT REPLACEMENT - Funded From The Equipment Replacement Fund				
<i>FORD F250 Unit 224 (OPERATIONS SUPERVISOR)</i>	\$0	\$35,000	\$35,000	
<i>JETTER - UNIT 220 Replace</i>	\$0	\$200,000	\$200,000	
<i>RECYCLED WATER TRUCK (RESTORATION) - UNIT 222</i>	\$25,000	\$40,000	\$15,000	60.0%
<i>MONITORING, SAMPLING, CONFINED SPACE EQUIPMENT</i>	\$35,000	\$35,000	\$0	
<i>REHAB HEAVY DUTY TRUCK UNIT 209</i>	\$110,000	\$0	(\$110,000)	
<i>CONSTRUCTION INSPECTOR PICKUP UNIT 211</i>	\$35,000	\$0	(\$35,000)	
TOTAL EQUIPMENT REPLACEMENT	\$205,000	\$310,000	\$105,000	51.2%
Equipment purchases funded from Equipment Replacement Reserve	(\$205,000)	(\$310,000)	(\$105,000)	
TOTAL COLLECTION FACILITIES	\$934,500	\$934,500	\$0	0.0%

	<u>2017/18 BUDGET</u>	<u>2018/19 BUDGET</u>	<u>VARIANCE</u>	
SUBSURFACE LINES & OTHER				
PUMP STATIONS				
PUMP & VALVE REPLACEMENT PROGRAM	\$40,000	\$40,000	\$0	0.0%
PRIVATE PUMP & PANEL REPLACEMENTS	\$20,000	\$20,000	\$0	0.0%
PUMP STATION FENCE REPAIR & REPLACEMENTS	\$0	\$16,500	\$16,500	
PIPELINE REPLACEMENT & REHAB DESIGN				
Belle Haven III - Carryover	\$40,000	\$0	(\$40,000)	
Isabella, Gilbert & Bay North, Coyote Hill	\$350,000	\$350,000	\$0	0.0%
PIPELINE REPLACEMENT & REHAB CONSTRUCTION				
Belle Haven II - Sharon Rd Change Order	\$2,000,000	\$0	(\$2,000,000)	-100.0%
Belle Haven III (Carryover \$4.1M)	\$4,100,000	\$5,500,000	\$1,400,000	34.1%
Town of Atherton Civic Center - Dinklespeil (Carryover \$600K)	\$600,000	\$800,000	\$200,000	33.3%
TOTAL SUBSURFACE LINES AND OTHER	\$7,150,000	\$6,726,500	(\$423,500)	-5.9%
CONSTRUCTION PROJECTS ENVIRONMENTAL REVIEW	\$10,000	\$10,000	\$0	0.0%
MANHOLE RAISING (PAVING PROJECTS)	\$100,000	\$100,000	\$0	0.0%
ALLOWANCE FOR UNANTICIPATED CAPITAL EXPENDITURES	\$100,000	\$100,000	\$0	0.0%
TOTAL CAPITAL EXPENDITURES	\$8,509,500	\$8,011,000	(\$498,500)	-5.9%
RESERVE TRANSFERS				
EMERGENCY CAPITAL RESERVES TRANSFER	\$0	\$0	\$0	
CAPITAL PROJECT RESERVES TRANSFER	\$0	\$0	\$0	
EQUIPMENT REPLACEMENT RESERVES TRANSFER	\$270,000	\$240,000	(\$30,000)	-11%
RATE STABILIZATION/BOND RESERVE	\$1,000,000	\$1,000,000	\$0	
RECYCLED WATER FACILITY CASH FLOW RESERVE	\$0	\$0	\$0	
TOTAL RESERVE TRANSFERS	\$1,270,000	\$1,240,000	(\$30,000)	-2%
TOTAL CAPITAL EXPENDITURES, RESERVE TRANSFERS, & CIP CARRYOVER	\$9,779,500	\$9,251,000	(\$528,500)	-5%

RESERVE FUNDS

APPROVED

BUDGET FY2018/2019



RESERVE FUNDS	2017/18 BUDGET	Projected Actual @ 6/30/2018	2018/19 BUDGET Contributions	2018/19 BUDGET Expenditures	2018/19 BUDGET
GENERAL FUND					
GENERAL FUND OPERATING RESERVE (5 MONTHS OPERATING EXPENSE)	\$8,131,426	\$8,131,426	\$1,234,174		9,365,601
PRE-FUNDING OPEB UNFUNDED LIABILITY (RESERVE/TRUST ACCOUNT)	\$225,000	\$235,234	\$0		235,234
PRE-FUNDING PERS PENSION UNFUNDED LIABILITY (RESERVE/TRUST ACCOUNT)			\$1,000,000		1,000,000
CAPITAL ASSETS FUND					
EMERGENCY CAPITAL RESERVE (TARGET \$5 MILLION)	\$5,238,989	\$5,288,863	\$0	\$0	5,288,863
CAPITAL PROJECT RESERVE (TARGET \$3.5 MILLION)	\$3,603,089	\$3,632,240	\$0	\$0	3,632,240
EQUIPMENT REPLACEMENT RESERVE	\$274,428	\$290,205	\$240,000	(\$310,000)	\$220,205
RATE STABILIZATION	\$4,000,000.00	\$5,616,904	\$1,000,000	(\$6,600,000)	\$16,904
RECYCLED WATER CASH FLOW RESERVE					
RECYCLED WATER FACILITY CASH FLOW RESERVE *	\$506,212	\$8,039,606			\$8,039,606
RECYCLED WATER SRF RESERVE (Reserve established 2/2018)		\$806,280	\$0	\$0	\$806,280
SOLID WASTE RATE STABILIZATION RESERVE					
SOLID WASTE RATE STABILIZATION	\$152,838	193,136	\$96,000	(\$73,000)	216,136
TOTAL RESERVE BALANCES	22,131,982	32,233,895	3,570,174	(6,983,000)	28,821,069