



WEST BAY SANITARY DISTRICT FY 2021-22 SEWER RATE STUDY



February 18, 2021 - Draft Report



HF&H Consultants, LLC

DRAFT

West Bay Sanitary District

500 Laurel Street
Menlo Park, CA 94025



FY 2021-22 Sewer Rate Study

February 18, 2021

HF&H Consultants, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



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201 North Civic Drive, Suite 230
Walnut Creek, California 94596
Tel: (925) 977-6950
hfh-consultants.com

Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA
Robert C. Hilton, CMC

February 18, 2021

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

Subject: FY 2021-22 Sewer Rate Study - Draft 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 2021-22 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 costs.

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 an additional Operator III in FY 2020-21 (whose costs will be split 50/50 with Sharon Heights) and an additional full-time Pump Mechanic in FY 2021-22 to support operations due to growth and additional treatment operations;
- Fund \$8.2 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 \$12.7 million to \$17.7 million over the five-year study period;
- By FY 2024-25, fully fund the District's OPEB/PERS unfunded accrued liability obligation, estimated to be \$5.8 million;
- By FY 2025-26, reach the targeted levels of the District's operating, capital, rate stabilization, and emergency reserve balances;
- Manage expected reductions in commercial revenue resulting from COVID-19 stay-at-home orders, which has reduce commercial water use by approximately 9%; and,
- 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 this 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.

Very truly yours,
HF&H CONSULTANTS, LLC

John W. Farnkopf, P.E.
Senior Vice President

Richard J. 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

District Board

Fran Dehn, President
David Walker, Secretary
Roy Thiele-Sardina, Treasurer
Edward Moritz, Member
George Otte, Member

District Staff

Sergio Ramirez, District Manager
Debra Fisher, Finance Manager
Bill Kitajima, Projects and IT Manager

HF&H Consultants, LLC

John Farnkopf, Sr. Vice President
Rick Simonson, Sr. Vice President
Gabe Sasser, Senior Associate



Sewer Rate Study

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1. BACKGROUND AND SUMMARY

1.1. Background

The District provides wastewater collection and conveyance services to approximately 32,000 residential, commercial, and industrial equivalent dwelling units (EDU) 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 January 2020 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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential Sewer Service Charge	\$1,031	\$1,072	\$1,126	\$1,177	\$1,224
Percentage Increase		4.0%	5.0%	4.5%	4.0%
Annual Increase - \$ per Year		\$41	\$54	\$51	\$47

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 80 homes in the Portola Valley area (located within the On-Site Wastewater Disposal Zone) pay higher charges (currently \$470 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 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 2020-21 were adopted by the Board in April 2020, as follows:

Figure 1-2. Current Rates

	Current FY 2020-21
<u>Residential (charge per DU per year)</u>	
Single Family, Multi Family	\$1,224
On-site Wastewater Disposal Zone	\$1,694
<u>Commercial (charge per CCF)</u>	
Retail/Commercial	\$9.86
Institution/Public	\$9.24
Restaurants/Bakeries	\$20.78
Supermarkets with Grinders	\$21.01
Hospitals	\$10.20
Hotels with Dining Facilities	\$16.78
<u>Industrial (measured)</u>	
Flow Rate Charge per CCF	\$7.28
BOD Rate Charge per pound	\$1.28
TSS Rate Charge per pound	\$1.46

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 2021-22. The increases indicated below reflect updated assumptions and currently available information. Annual revenues will increase greater than the rate increase in most years as the District continues to experience growth in the number of customers served. The increase in total revenues will be partially offset by projected reductions to commercial revenues. Work-from-orders, as well as business hour restrictions resulting from the COVID-19 pandemic have decreased commercial wastewater discharge, thus lowering commercial revenue, as commercial rates are flow based. This decrease in commercial revenues is projected to continue in FY 2021-22, though to a lesser degree, with commercial revenues back to “normal” levels by FY 2022-23. In future years, revenues outpace proposed rate increases due to growth in the number of dwelling units. 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 2021-22	2.5%	0.5%
FY 2022-23	2.5%	4.0%
FY 2023-24	2.5%	4.0%
FY 2024-25	2.5%	2.8%
FY 2025-26	2.5%	2.8%

1.5.2 Proposed Rates for FY 2021-22

The following figure shows the current FY 2020-21 rates and the proposed FY 2021-22 rates, which reflect a 2.5% 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 2021-22 Rates

	Current	FY 2021-22 Proposed		
	FY 2020-21	Rate	\$ Chg	% Chg
Residential (charge per DU per year)				
Single Family, Multi Family	\$1,224	\$1,255	\$31	2.5%
On-site Wastewater Disposal Zone ¹	\$1,694	\$1,875	\$181	10.7%
Commercial (charge per CCF)				
Retail/Commercial	\$9.86	\$10.11	\$0.25	2.5%
Institution/Public	\$9.24	\$9.47	\$0.23	2.5%
Restaurants/Bakeries	\$20.78	\$21.30	\$0.52	2.5%
Supermarkets with Grinders	\$21.01	\$21.54	\$0.53	2.5%
Hospitals	\$10.20	\$10.46	\$0.25	2.5%
Hotels with Dining Facilities	\$16.78	\$17.20	\$0.42	2.5%
Industrial (measured)				
Flow Rate Charge per CCF	\$7.28	\$7.46	\$0.18	2.5%
BOD Rate Charge per pound	\$1.28	\$1.31	\$0.03	2.5%
TSS Rate Charge per pound	\$1.46	\$1.50	\$0.04	2.5%

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 2021-22 through FY 2025-26. 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 2020-21 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
(1) General Inflation	Per Budget	3.0%	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 Unfunded Accrued Liability	Per Budget	-23.7%	9.6%	7.5%	7.6%	1.1%
(6) SVCW O&M Expenses Increase %	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%
(7) Interest on Earnings	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
(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	3.0%	3.0%	3.0%	3.0%	3.0%
(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) Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%
(14) Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%
(15) Non-resid. rev. decrease due to COVID (% chng fro	Per Budget	-10.0%	-5.0%	0.0%	0.0%	0.0%

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 \$8.9 million to \$11.3 million over the five-year planning period. The District’s expenses are increasing more rapidly than the rate of inflation due to future staffing level additions, 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 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Salaries	\$3,963,828	\$4,272,381	\$4,443,276	\$4,642,444	\$4,850,543	\$5,067,973
Benefits	\$2,841,502	\$2,955,162	\$3,073,369	\$3,196,303	\$3,324,155	\$3,457,122
PERS Unfunded Accrued Liability	\$382,655	\$292,110	\$320,110	\$344,109	\$370,109	\$374,000
Contractual/Professional Services	\$976,220	\$1,009,145	\$1,043,166	\$1,078,320	\$1,114,644	\$1,152,176
Other O&M	\$1,595,472	\$1,578,680	\$1,703,848	\$1,691,056	\$1,820,387	\$1,811,930
Non-Operating Revenue	<u>(\$816,184)</u>	<u>(\$838,650)</u>	<u>(\$861,769)</u>	<u>(\$885,561)</u>	<u>(\$499,029)</u>	<u>(\$511,898)</u>
Net District Operating Costs	\$8,943,493	\$9,268,828	\$9,722,000	\$10,066,670	\$10,980,809	\$11,351,303
		3.6%	4.9%	3.5%	9.1%	3.4%

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 \$7.9 million (in FY 2021-22) to \$9.0 million (in FY 2023-24), during the five-year planning period. On average, the District expects to spend approximately \$8.2 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 2023-24 is the Levee (FERRF) Improvements. In FY 2023-24 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Administration	\$350,000	\$0	\$1,500,000	\$500,000	\$0	\$0
Collection Facilities	\$2,245,550	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000
Pipe Replacement and/or Rehab.	\$4,800,000	\$1,200,000	\$200,000	\$5,825,000	\$7,000,000	\$7,397,500
Capacity	\$1,500,000	\$0	\$0	\$0	\$0	\$0
Construction Proj. Environ Review	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Manhole Raising	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Allow. For Unanticipated Cap Exp	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Vehicles and Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expenses	\$9,105,550	\$7,910,000	\$8,410,000	\$9,035,000	\$7,710,000	\$8,107,500
Less: Connection Fee Revenue	<u>(\$250,000)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>	<u>(\$505,087)</u>
Net Capital Expenses	\$8,855,550	\$7,404,913	\$7,904,913	\$8,529,913	\$7,204,913	\$7,602,413
		-16%	7%	8%	-16%	6%

The District plans to fund these capital improvements from connection fee revenue and sewer service charge revenue on a pay-as-you-go (PAYGo) basis without issuing debt, which continues the District’s historical practice.

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, and an OPEB/PERS Retirement Liability Reserve Fund. 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 five 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 three reserves.

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. Historically, the initial target reserve balance was \$3.5 million. However, construction cost escalation, averaging 15% annually over the last four years, has raised the costs to perform capital improvements. Rising costs correlate to increases in replacement of underground pipelines, as evidenced in **Figure 2-3**. In light of rising costs, the Board revised the target balance to \$6.0 million. 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 Replace 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 \$0.6 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. In past years, a small portion of the Capital reserve budget included vehicle and equipment replacement costs. However, going forward, the District has requested this fund to be 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.

2.3.6. Recycled Water Project Reserve Fund

In late 2016, the Board established an \$8 million reserve fund for future capital expenditures to help reduce potable water use by constructing a satellite recycled water treatment facility at the 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 have 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). The SWRCB has remitted payments to the District as construction has completed. The District intends to infuse these funds back into operating reserves and other recycled water projects when necessary for cash-flow purposes.

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. As of June 30, 2020, the District's unfunded liability was just under \$6 million and the reserve fund balance was \$2,036,722. In 2020-21 the District contributed an additional \$2.6 million, including \$1.6 million transferred from the reserve fund. The projected unfunded liability as of June 30, 2021 is \$3.3 million. The District plans to continue making additional transfers of \$1 million each year until the outstanding balance is zero. Our analysis shows our goal will be met by the end of June 30, 2024.

2.4. SVCW Expenses

In FY 2021-22, SVCW’s treatment charge projects as 45% of the District’s total revenue requirement, and is the District’s single largest expense, which will increase to 48% of the District’s total revenue requirement by FY 2025-26. 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%. 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.

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

SVCW Projected Expenses	Current Year			Projected		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Net Operating Expense	\$6,883,538	\$7,090,044	\$7,302,746	\$7,521,828	\$7,747,483	\$7,979,907
Revenue-Funded Capital (PAYGo)	\$347,712	\$402,600	\$402,600	\$402,600	\$402,600	\$402,600
Debt Reserves	\$409,274	\$543,421	\$677,819	\$812,224	\$946,635	\$1,081,052
Debt Service						
Existing Bonds (2014, 2015, 2018)	\$4,593,692	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338
2020 Refunding Bonds (New)	\$0	\$2,845,087	\$2,848,607	\$2,840,584	\$2,848,749	\$2,842,521
Fixed-Rate Bond Issue #1	\$0	\$0	\$0	\$0	\$302,594	\$302,594
Existing SRF	\$506,765	\$726,842	\$726,842	\$726,842	\$726,842	\$726,842
SRF for Conveyance Planning	\$0	\$409,614	\$409,614	\$409,614	\$409,614	\$409,614
New SRF Loan(s)	\$0	\$0	\$0	\$1,774,308	\$1,774,308	\$1,774,308
Subtotal SVCW Debt Service	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216
Subtotal, SVCW	\$12,740,981	\$13,856,821	\$14,202,566	\$16,325,962	\$16,993,787	\$17,354,775
SVCW Expenses due to growth	\$0	\$26,423	\$53,538	\$81,362	\$109,916	\$139,219
Total, SVCW Project Expenses	\$12,740,981	\$13,883,243	\$14,256,103	\$16,407,325	\$17,103,703	\$17,493,994

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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
SVCW Operating Expenses	\$7,640,524	\$8,062,488	\$8,436,703	\$8,818,014	\$9,206,634	\$9,602,778
SVCW Debt Service	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216
WBSD Capital Imp. Program	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413
WBSD Operating Expenses	\$8,943,493	\$9,268,828	\$9,722,000	\$10,066,670	\$10,980,809	\$11,351,303
Contribution To/(From) Reserves	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected Revenue Req't.	\$29,413,887	\$30,881,485	\$31,707,516	\$34,203,408	\$35,813,925	\$36,574,710

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

- The District will fund an average of \$9.0 million annually in SVCW operating expenses, including PAYGo Capital projects and increased costs due to a growing customer base.

- The District will fund an average of \$7.0 million annually in SVCW debt service.
- There are 3.5% average annual increases in District O&M costs.
- \$8.2 million annually in District PAYGo capital projects.
- The District plans to continue making annual transfers to the District's OPEB/PERS unfunded liability reserve and will meet the full liability amount by FY 2023-24.
- All Operating, Capital, Rate Stabilization, OPEB/PERS, and Emergency reserve levels will be funded to their respective target levels by FY 2024-25.

2.6. Revenue Increases

The District's revenue requirements increase over the next five years. Current rates cannot support the projected revenue requirements shown in **Figure 2-5**. As stated previously, the District projects 0.4% annual growth in customer accounts which will provide an additional \$1.3 million in additional revenue. Revenue derived from growth helps to offset rate increases required to generate additional revenue. As a result, the increases in annual revenue will be greater than the increases in rate revenue. **Figure 2-6** summarizes the annual increase in revenue requirement and the recommended rate increases.

Figure 2-6. Annual Revenue Increases

	Five-Year Planning Period				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Projected Revenue Requirement Increases	5.0%	2.7%	7.9%	4.7%	2.1%
Proposed Rate Increases	2.5%	2.5%	2.5%	2.5%	2.5%

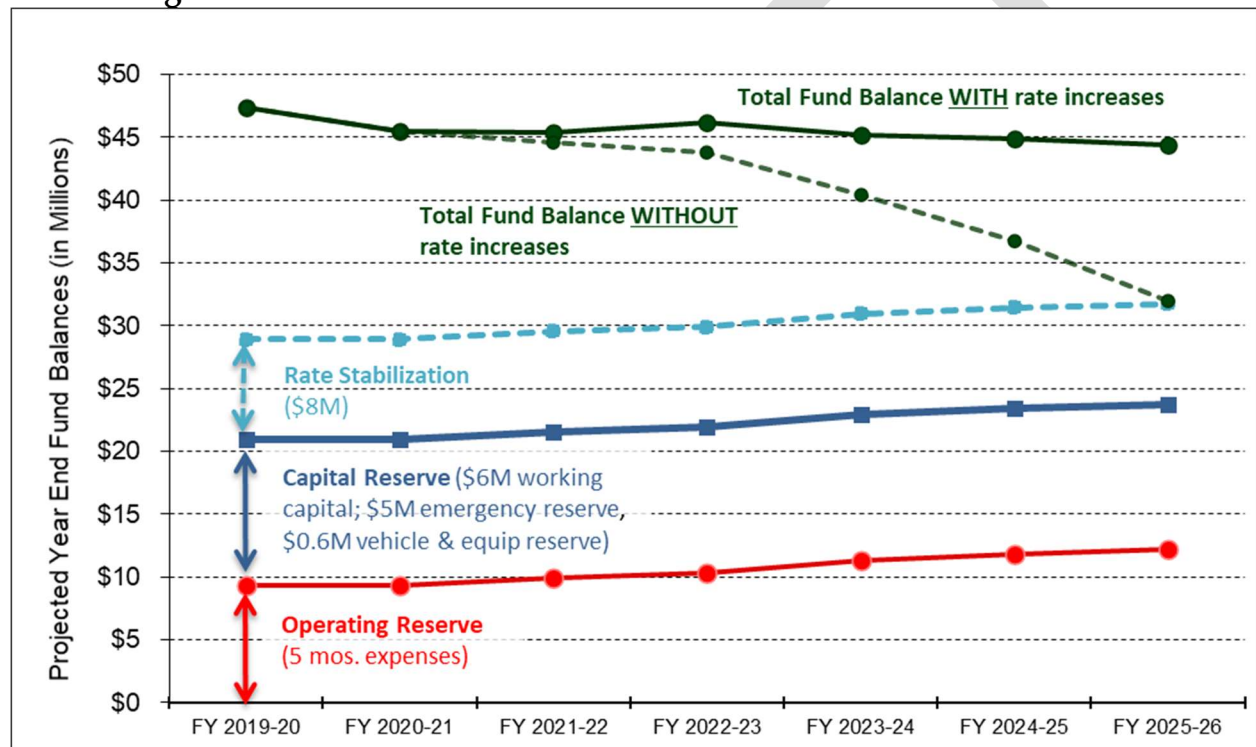
2.7. Fund Balance

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 2025-26. 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 is exploring the possibility of installing a new Bayfront Recycled Water Facility to produce 0.5 million gallons per day (MGD) of recycled water. Other than the recycled water facility itself, the system improvements would include new influent and effluent pump stations, as well as, piping to transport the recycled water to customers in the Menlo Park Bayshore Area. 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 (\$0.6 million), and rate stabilization reserves (\$8.0 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Residential Sewer Service Charge	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
Percentage Increase		2.5%	2.5%	2.5%	2.5%	2.5%
Annual Increase - \$ per Year		\$31	\$31	\$32	\$33	\$34

Figure 3-2. Projected Rates – Commercial and Industrial

	Adopted	Projected				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<i>Annual Increase</i>		2.5%	2.5%	2.5%	2.5%	2.5%
Commercial (charge per CCF)						
Retail/Commercial	\$9.86	\$9.86	\$10.10	\$10.36	\$10.62	\$10.88
Institution/Public	\$9.24	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20
Restaurants/Bakeries	\$20.78	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94
Supermarkets with Grinders	\$21.01	\$21.01	\$21.54	\$22.07	\$22.63	\$23.19
Hospitals	\$10.20	\$10.20	\$10.46	\$10.72	\$10.99	\$11.26
Hotels with Dining Facilities	\$16.78	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52
Industrial (measured)						
Flow Rate Charge per CCF	\$7.28	\$7.28	\$7.47	\$7.65	\$7.84	\$8.04
BOD Rate Charge per pound	\$1.28	\$1.28	\$1.31	\$1.35	\$1.38	\$1.41
TSS Rate Charge per pound	\$1.46	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62

3.1. STEP/Grinder Charges

The District has approximately 79 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 \$470 annually for the services the District provides these customers to service and replace their pumps and appurtenances.

Last year, 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 current 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 2021-22 will be the second 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 2.5% 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,097
<i>\$ Increase</i>		\$150	\$150	\$150	\$150	\$27

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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Base Service Charge	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,097
Annual Bill	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482
<i>\$ Increase</i>		\$181	\$181	\$182	\$183	\$61

3.2. Summary of Proposed Rates for FY 2021-22

Figure 3-7 provides a schedule of proposed FY 2021-22 rates for all customer types, as discussed above.

Figure 3-7. FY 2021-22 Proposed Rates

	Current	FY 2021-22 Proposed		
	FY 2020-21	Rate	\$ Chg	% Chg
<u>Residential (charge per DU per year)</u>				
Single Family, Multi Family	\$1,224	\$1,255	\$31	2.5%
On-site Wastewater Disposal Zone	\$1,694	\$1,875	\$181	10.7%
<u>Commercial (charge per CCF)</u>				
Retail/Commercial	\$9.86	\$10.11	\$0.25	2.5%
Institution/Public	\$9.24	\$9.47	\$0.23	2.5%
Restaurants/Bakeries	\$20.78	\$21.30	\$0.52	2.5%
Supermarkets with Grinders	\$21.01	\$21.54	\$0.53	2.5%
Hospitals	\$10.20	\$10.46	\$0.25	2.5%
Hotels with Dining Facilities	\$16.78	\$17.20	\$0.42	2.5%
<u>Industrial (measured)</u>				
Flow Rate Charge per CCF	\$7.28	\$7.46	\$0.18	2.5%
BOD Rate Charge per pound	\$1.28	\$1.31	\$0.03	2.5%
TSS Rate Charge per pound	\$1.46	\$1.50	\$0.04	2.5%

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.

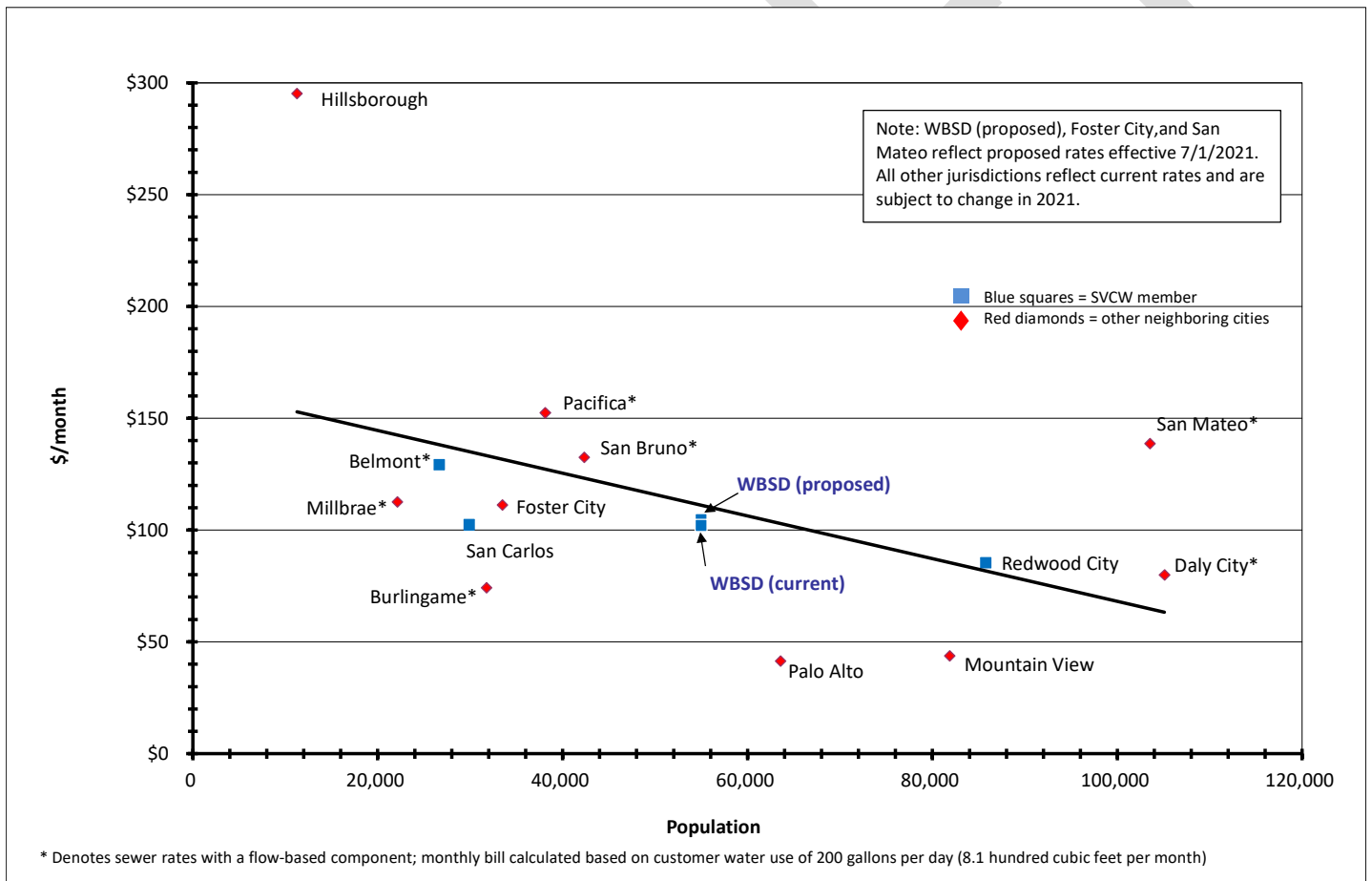
Figure 3-8. Projected Rates (FY 2021-22 through FY 2025-26)

	Adopted	Projected				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<u>Residential (charge per DU per year)</u>						
Single Family, Multi Family	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385
On-site Wastewater Disposal Zone	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482
<u>Commercial (charge per CCF)</u>						
Retail/Commercial	\$9.86	\$10.11	\$10.36	\$10.62	\$10.88	\$11.16
Institution/Public	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20	\$10.45
Restaurants/Bakeries	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94	\$23.51
Supermarkets with Grinders	\$21.01	\$21.54	\$22.07	\$22.63	\$23.19	\$23.77
Hospitals	\$10.20	\$10.46	\$10.72	\$10.98	\$11.26	\$11.54
Hotels with Dining Facilities	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52	\$18.99
<u>Industrial (measured)</u>						
Flow Rate Charge per CCF	\$7.28	\$7.46	\$7.65	\$7.84	\$8.04	\$8.24
BOD Rate Charge per pound	\$1.28	\$1.31	\$1.34	\$1.38	\$1.41	\$1.45
TSS Rate Charge per pound	\$1.46	\$1.50	\$1.53	\$1.57	\$1.61	\$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

DRAFT

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	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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
9	1	Base Service Charges	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	To Tables 3, 4
10	2	<i>Cumulative Increase</i>		2.5%	5.1%	7.7%	10.4%	13.1%	
11	3	\$ Increase		\$31	\$31	\$32	\$33	\$34	
12	4	Residential Bill (annual)	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385	
13	5	<i>% incr</i>		2.5%	2.5%	2.5%	2.5%	2.5%	
14	6	Annual STEP/Grinder Charge	\$320	\$470	\$620	\$770	\$920	\$1,070	
15	7	<i>Proposed Annual Increases (\$)</i>	\$150	\$150	\$150	\$150	\$150	\$27	To Table 3
16	8	Total Annual STEP/Grinder Charge	\$470	\$620	\$770	\$920	\$1,070	\$1,097	
17	9								
18	10	<i>Base Service Charge (from above)</i>	\$1,224	\$1,255	\$1,286	\$1,318	\$1,351	\$1,385	
19	11	Total Annual Bill (Base + STEP/Grinder)	\$1,694	\$1,875	\$2,056	\$2,238	\$2,421	\$2,482	
20	12			10.7%	9.7%	8.9%	8.2%	2.5%	
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>		2.5%	2.5%	2.5%	2.5%	2.5%	
26		Commercial (charge per CCF)							
27		Retail/Commercial	\$9.86	\$10.11	\$10.36	\$10.62	\$10.89	\$11.16	
28		Institution/Public	\$9.24	\$9.47	\$9.71	\$9.95	\$10.20	\$10.46	
29		Restaurants/Bakeries	\$20.78	\$21.30	\$21.83	\$22.38	\$22.94	\$23.51	
30		Supermarkets with Grinders	\$21.01	\$21.54	\$22.08	\$22.63	\$23.20	\$23.78	
31		Hospitals	\$10.20	\$10.46	\$10.72	\$10.99	\$11.26	\$11.54	
32		Hotels with Dining Facilities	\$16.78	\$17.20	\$17.63	\$18.07	\$18.52	\$18.98	
33		Industrial (measured)							
34		Flow Rate Charge per CCF	\$7.28	\$7.46	\$7.65	\$7.84	\$8.04	\$8.24	
35		BOD Rate Charge per pound	\$1.28	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44	
36		TSS Rate Charge per pound	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62	\$1.66	
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								
7	Table 1B. General								
8	Table 2. Revenue Requirement								
9	Table 3. Revenue Increases								
10	Table 4. Reserves								
11	Table 5. Capital Projects								
12	Table 6. WBSD Service								
13									
14	Assumptions		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
16	(1)	General Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
17	(2)	Utilities	Per Budget	7.0%	7.0%	7.0%	7.0%	7.0%	To Table 2
18	(3)	Salaries	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
19	(4)	Benefits	Per Budget	4.0%	4.0%	4.0%	4.0%	4.0%	To Table 2
20	(5)	PERS Unfunded Accrued Liability	Per Budget	-23.7%	9.6%	7.5%	7.6%	1.1%	From Table 2
21	(6)	SVCW O&M Expenses Increase %	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	From Table 2
22	(7)	Interest on Earnings		0.25%	0.25%	0.25%	0.25%	0.25%	To Table 4
23	(8)	Miscellaneous	Per Budget	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 2
24	(9)	Los Altos Hills, Woodside Revenue Change	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 2
25	(10)	Construction Cost Inflation	Per Budget	3.0%	3.0%	3.0%	3.0%	3.0%	To Table 5
26	(11)	Increase in Annual Residential Customers	Per Budget	73	73	73	73	73	To Table 3
27	(12)	Number of Total Residential Customer Accounts		19,515	19,588	19,661	19,734	19,807	19,880
28	(13)	Annual Percentage in Residential Account Growth	Per Budget	0.4%	0.4%	0.4%	0.4%	0.4%	To Table 2
29	(14)	Annual Increase in Salaries for OT due to Growth	Per Budget	0.0%	0.0%	0.5%	0.5%	0.5%	to Table 2
30	(15)	Non-resid. rev. decrease due to COVID (% chng from p	Per Budget	-10.0%	-5.0%	0.0%	0.0%	0.0%	To Table 3
31									
32	Target Fund Balances								
33	<u>Operating Fund</u>								
34		Purpose	For O&M cash flow during the year						
35		Minimum balance	Cannot go negative						
36		Target balance	Five months of operating expenses						
37			(to accommodate biannual receipt of fees from County tax roll)						
38	<u>Capital Asset Fund</u>								
39		Purpose	To be used for replacement of Facilities						
40		Minimum balance	Cannot go negative						
41		Target balance	\$6,000,000						
42									
43	<u>Emergency Capital Fund</u>								
44		Purpose	To be used for sewer emergencies						
45		Minimum balance	Cannot go negative						
46		Target balance	\$5,000,000						
47									
48	<u>Rate Stabilization Fund</u>								
49		Purpose	Allow a margin of safety for the uncertainty of SVCW capital costs						
50		Minimum balance	Cannot go negative						
51		Target balance	\$8,000,000						
52									
53	<u>Vehicle & Equipment Replacemend Fund</u>								
54		Purpose	To be used for replacement of Equipment						
55		Minimum balance	Cannot go negative						
56		Target balance	\$600,000						

	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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
7	SVCW Projected Expenses								
8	Operating and Capital PAYGo Expenses								
9	Operating Expenses		\$6,883,538	\$7,090,044	\$7,302,746	\$7,521,828	\$7,747,483	\$7,979,907	SVCW Expenses per District February 2021 Draft
10	Operating Expenses due to growth (HF&H est.)	(13)		26,423	53,538	81,362	109,916	139,219	est. impact on expenses due to growth
11	Transfer to Cash Reserves (CIP)		402,600	536,800	671,000	805,200	939,400	1,073,600	
12	Transfer to Operating Reserves		6,674	6,621	6,819	7,024	7,235	7,452	
13	Revenue-Funded Capital (PAYGo)		347,712	402,600	402,600	402,600	402,600	402,600	
14	Subtotal SVCW Operating/PAYGo Expenses		\$7,640,524	\$8,062,488	\$8,436,703	\$8,818,014	\$9,206,634	\$9,602,778	
15	Debt Service								
16	2014 Bond (\$55 million)		\$1,145,480	\$0	\$0	\$0	\$0	\$0	
17	2015 Bond (\$60 million)		1,610,500	0	0	0	0	0	
18	2018 Bond		1,837,713	1,839,213	1,834,338	1,837,963	1,834,963	1,835,338	
19	2020 Refunding Bonds (New)		0	2,845,087	2,848,607	2,840,584	2,848,749	2,842,521	
20	Fixed-Rate Bond Issue #1		0	0	0	0	302,594	302,594	
21	Existing SRF		506,765	726,842	726,842	726,842	726,842	726,842	
22	SRF for Conveyance Planning		0	409,614	409,614	409,614	409,614	409,614	
23	New SRF Loan(s)		0	0	0	1,774,308	1,774,308	1,774,308	
24	New WIFIA Loan(s)		0	0	0	0	0	0	
25	Subtotal SVCW Debt Service		\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216	
26	Total SVCW Expenses		\$12,740,981	\$13,883,243	\$14,256,103	\$16,407,325	\$17,103,703	\$17,493,994	
27	<i>Annual Change</i>			9.0%	2.7%	15.1%	4.2%	2.3%	
28									
29	Operating Expenses								
30	Salaries	(3),(13)	\$3,963,828	\$4,122,381	\$4,287,276	\$4,480,204	\$4,681,813	\$4,892,495	
31	Salary & Benefits for New FTE - Pump Stations	(3)		\$150,000	\$156,000	\$162,240	\$168,730	\$175,479	
32	Employee Benefits	(4)	\$2,841,502	\$2,955,162	\$3,073,369	\$3,196,303	\$3,324,155	\$3,457,122	
33	PERS Unfunded Accrued Liability	(5)	382,655	292,110	320,110	344,109	370,109	374,000	PERS Projections
34	Director's Fees	(1)	\$42,320	\$43,590	\$44,897	\$46,244	\$47,632	\$49,060	
35	Election Expense		\$70,000	\$0	\$70,000	\$0	\$70,000	\$0	
36	Gasoline, Oil and Fuel	(1),(13)	\$70,000	\$72,361	\$74,800	\$77,321	\$79,926	\$82,617	
37	Insurance	(1),(13)	\$173,290	\$179,135	\$185,174	\$191,414	\$197,862	\$204,524	
38	Memberships	(1),(13)	\$51,450	\$53,185	\$54,978	\$56,831	\$58,745	\$60,723	
39	Office Expense	(1),(13)	\$35,500	\$36,697	\$37,934	\$39,213	\$40,534	\$41,899	
40	Operating Supplies	(1),(13)	\$375,345	\$388,004	\$401,085	\$414,601	\$428,567	\$442,998	
41	Contractual Services	(1),(13)	\$481,000	\$497,223	\$513,985	\$531,306	\$549,204	\$567,696	
42	Professional Services	(1),(13)	\$495,220	\$511,922	\$529,181	\$547,014	\$565,440	\$584,480	
43	Printing and Publications	(1),(13)	\$62,500	\$64,608	\$66,786	\$69,037	\$71,362	\$73,765	
44	Rents and Leases	(1),(13)	\$40,000	\$41,349	\$42,743	\$44,183	\$45,672	\$47,210	
45	Repairs and Maintenance	(1),(13)	\$297,900	\$307,947	\$318,329	\$329,056	\$340,141	\$351,594	
46	Research and Monitoring	(1),(13)	\$20,000	\$20,675	\$21,372	\$22,092	\$22,836	\$23,605	
47	Travel and Meetings	(1)	\$56,200	\$57,886	\$59,623	\$61,411	\$63,254	\$65,151	
48	Utilities	(2),(13)	\$196,550	\$211,041	\$226,597	\$243,297	\$261,225	\$280,470	
49	Other Operating Expense	(1)	\$199,700	\$205,691	\$211,862	\$218,218	\$224,764	\$231,507	
50	Admin Alloc to Recycled Water Fund	(1)	(\$19,283)	(\$20,705)	(\$22,231)	(\$23,869)	(\$25,628)	(\$27,516)	
51	OH Alloc to Solid Waste Fund	(1)	(\$103,000)	(\$110,594)	(\$118,746)	(\$127,498)	(\$136,892)	(\$146,977)	
52	Total Operating Expenditures		\$9,732,677	\$10,079,668	\$10,555,124	\$10,922,728	\$11,449,449	\$11,831,901	
53	<i>Annual Change</i>			3.6%	4.7%	3.5%	4.8%	3.3%	
54	Non-Operating Expenditures								
55	Non-Operating Expense	(1)	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	
56	Contrib. to LAFCo	(1)	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	
57	Subtotal, Non-Operating Expenditures		\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	
58	<i>Annual Change</i>			3.0%	3.0%	3.0%	3.0%	3.0%	
59									
60	Total Expenses		\$22,500,658	\$23,990,721	\$24,839,872	\$27,359,556	\$28,583,541	\$29,357,195	
61	<i>Annual Change</i>			6.6%	3.5%	10.1%	4.5%	2.7%	

	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									
6		Tbl. 1B	Budgeted	Projected					
62			FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
63	Non-Operating Revenues								
64		(1)	(\$365,184)	(\$376,140)	(\$387,424)	(\$399,046)	\$0	\$0	Flow equalization cost sharing ends FY 2023-24 per District
65		(8)	(\$100,000)	(\$101,000)	(\$102,010)	(\$103,030)	(\$104,060)	(\$105,101)	
66		(9)	(\$350,000)	(\$360,500)	(\$371,315)	(\$382,454)	(\$393,928)	(\$405,746)	
67		(8)	(\$1,000)	(\$1,010)	(\$1,020)	(\$1,030)	(\$1,041)	(\$1,051)	
68			(\$816,184)	(\$838,650)	(\$861,769)	(\$885,561)	(\$499,029)	(\$511,898)	
69				2.8%	2.8%	2.8%	-43.6%	2.6%	
70	Other Transfers to/(from)								
71			\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
72			\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
73			\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	From Table 4
74			\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
75			\$0	\$0	\$0	\$0	\$0	\$0	From Table 4
76			\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	
77				0.0%	0.0%	0.0%	0.0%	0.0%	
78			\$29,413,887	\$30,881,485	\$31,707,516	\$34,203,408	\$35,813,925	\$36,574,710	To Table 3
79				5.0%	2.7%	7.9%	4.7%	2.1%	
80				5.0%	7.8%	16.3%	21.8%	24.3%	
81									
82	Source: West Bay Sanitary District FY 2020/21 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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
8	Rate Revenue @ Current Rates							
9	Residential	\$23,984,939						
10	Non-Residential	\$7,185,691						
11	Total Rate Revenue @ Current Rates	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	\$31,170,630	FY 2020/21 Tax Roll spreadsheet provided by District
12	Less: Reduction in Non-Residential Wastewater		(\$718,569)	(\$359,285)	\$0	\$0	\$0	COVID-related decrease in water use
13	Plus: Additional Revenue from Residential Growth		89,352	178,704	268,056	357,408	446,760	
14	Adjusted Revenue at Current Rates		\$30,541,413	\$30,990,049	\$31,438,686	\$31,528,038	\$31,617,390	To Below
15								
16	Revenue Requirement	(\$29,413,887)	(\$30,881,485)	(\$31,707,516)	(\$34,203,408)	(\$35,813,925)	(\$36,574,710)	From Table 2
17	To/(From) operations before Rate Incr.	\$1,756,743	(\$340,072)	(\$717,467)	(\$2,764,722)	(\$4,285,887)	(\$4,957,320)	To Table 4
18								
19								
20	Increase in Rate Revenue		2.5%	2.5%	2.5%	2.5%	2.5%	From Table 1B
21	Cumulative Increase in Rate Revenue		2.5%	5.1%	7.7%	10.4%	13.1%	To Table 1A
22	Revenue from Rate Increases							
23	FY 2021-22 (eff. July 1, 2021)		\$763,535	\$774,751	\$785,967	\$788,201	\$790,435	
24	FY 2022-23 (eff. July 1, 2022)			\$794,120	\$805,616	\$807,906	\$810,196	
25	FY 2023-24 (eff. July 1, 2023)				\$825,757	\$828,104	\$830,451	
26	FY 2024-25 (eff. July 1, 2024)					\$848,806	\$851,212	
27	FY 2025-26 (eff. July 1, 2025)						\$872,492	
28	Total Revenue from Rate Increases	\$0	\$763,535	\$1,568,871	\$2,417,340	\$3,273,017	\$4,154,785	
29	Total Current Revenue	\$31,170,630	\$30,541,413	\$30,990,049	\$31,438,686	\$31,528,038	\$31,617,390	From Above
30	Subtotal Revenue	\$31,170,630	\$31,304,948	\$32,558,921	\$33,856,026	\$34,801,055	\$35,772,175	To Line 44
31								
32	STEP System Additional Charge		\$150	\$150	\$150	\$150	\$27	From Table 1B
33	Current STEP System Customers		79	79	79	79	79	
34	Cumulative Additional STEP System Customers			10	10	10	10	
35	Subtotal		79	89	89	89	89	
36								
37	Revenue from Additional STEP System Charge Increases							
38	FY 2021-22 (eff. July 1, 2021)		\$11,850	\$11,850	\$11,850	\$11,850	\$11,850	
39	FY 2022-23 (eff. July 1, 2022)			\$13,350	\$13,350	\$13,350	\$13,350	
40	FY 2023-24 (eff. July 1, 2023)				\$13,350	\$13,350	\$13,350	
41	FY 2024-25 (eff. July 1, 2024)					\$13,350	\$13,350	
42	FY 2025-26 (eff. July 1, 2025)						\$2,381	
43	Total Revenue from STEP System Rate Increases		\$11,850	\$25,200	\$38,550	\$51,900	\$54,281	
44	Subtotal Revenue	\$31,170,630	\$31,304,948	\$32,558,921	\$33,856,026	\$34,801,055	\$35,772,175	From Line 30
45		\$31,170,630	\$31,316,798	\$32,584,121	\$33,894,576	\$34,852,955	\$35,826,455	
46	Revenue Requirement	(\$29,413,887)	(\$30,881,485)	(\$31,707,516)	(\$34,203,408)	(\$35,813,925)	(\$36,574,710)	From Above
47	To/(From) operations after Rate Incr.	\$1,756,743	\$435,313	\$876,605	(\$308,832)	(\$960,970)	(\$748,255)	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 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
7											
8	OPERATING (GENERAL) FUND										
9	Revenue Increases										
10	Beginning Balance					2.5%	2.5%	2.5%	2.5%	2.5%	From Table 1A
11	Surplus/Deficit from Rate Revenue										From Table 3
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 - Reimbursement										(To)/From Below
20	OPEB/PERS Unfunded Liabilities										(To)/From Below
21	Subtotal Transfers										
22	Fund Subtotal										all remaining cash after reserves
23	Estimated Interest Earnings (7)										
24	Ending Balance										
25											
26	OPERATING RESERVE										
27	Beginning Balance										
28	Transfers (To)/From										
29	Revenue Requirement										
30	Operating General Fund										
31	Subtotal Transfers										
32	Fund Subtotal										
33	Estimated Interest Earnings (7)										
34	Ending Balance										
35	<i>Minimum Balance (5 mo. operations)</i>										
36											

	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 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
37	CAPITAL ASSET FUND										
38	Beginning Balance				\$2,781,875	\$5,469,377	\$6,269,512	\$6,109,247	\$5,322,019	\$5,861,135	
39	Revenues										
40	Connection Charges				\$250,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
41	Capital Projects										
42	Administration				(\$350,000)	\$0	(\$1,500,000)	(\$500,000)	\$0	\$0	From Table 5
43	Collection Facilities				(\$2,245,550)	(\$6,500,000)	(\$6,500,000)	(\$2,500,000)	(\$500,000)	(\$500,000)	From Table 5
44	Pipe Repl & Rehab				(\$4,800,000)	(\$1,200,000)	(\$200,000)	(\$5,825,000)	(\$7,000,000)	(\$7,397,500)	From Table 5
45	Capacity				(\$1,500,000)	\$0	\$0	\$0	\$0	\$0	From Table 6
46	Environmental Review				(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	From Table 5
47	Manhole Raising				(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	From Table 5
48	Allow for Unanticipated Cap Exp				(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	From Table 5
49	Vehicles & Equipment				\$0	\$0	\$0	\$0	\$0	\$0	From Table 5
50	Subtotal Expenses				(\$9,105,550)	(\$7,910,000)	(\$8,410,000)	(\$9,035,000)	(\$7,710,000)	(\$8,107,500)	
51											
52	Payment to SVCW (to reduce debt obligation)				\$0	\$0	\$0	\$0	\$0	\$0	
53											
54	Net Capital Expenditures to be paid by Rates				(\$8,855,550)	(\$7,404,913)	(\$7,904,913)	(\$8,529,913)	(\$7,204,913)	(\$7,602,413)	
55											
56	Transfers (To)/From										
57	Revenue Requirement- PayGo Capital				\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	To Table 2
58	Operating General Fund				\$3,800,000	\$460,000	\$0	\$0	\$0	\$0	From Above
59	Rate Stabilization Fund				\$0	\$0	\$0	\$0	\$0	\$0	From Below
60	Subtotal Transfers				\$11,529,413	\$8,189,413	\$7,729,413	\$7,729,413	\$7,729,413	\$7,729,413	
61	Fund Subtotal				\$5,455,738	\$6,253,877	\$6,094,012	\$5,308,747	\$5,846,519	\$5,988,135	
62	Estimated Interest Earnings (7)				\$13,639	\$15,635	\$15,235	\$13,272	\$14,616	\$14,970	
63	Ending Balance				\$2,781,875	\$5,469,377	\$6,269,512	\$6,109,247	\$5,322,019	\$5,861,135	\$6,003,105
64	Target Balance				\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	From Table 1B
65											
66	EMERGENCY CAPITAL RESERVES										
67	Beginning Balance				\$3,904,702	\$4,938,017	\$4,950,362	\$4,962,738	\$4,975,145	\$4,987,582	
68	Transfers (To)/From										
69	Revenue Requirements				\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
70	Operating General Fund				\$1,021,000	\$0	\$0	\$0	\$0	\$0	To Above
71	Subtotal Transfers				\$1,021,000	\$0	\$0	\$0	\$0	\$0	
72	Fund Subtotal				\$4,925,702	\$4,938,017	\$4,950,362	\$4,962,738	\$4,975,145	\$4,987,582	
73	Estimated Interest Earnings (7)				\$12,314	\$12,345	\$12,376	\$12,407	\$12,438	\$12,469	
74	Ending Balance				\$3,904,702	\$4,938,017	\$4,950,362	\$4,962,738	\$4,975,145	\$4,987,582	\$5,000,051
75	Minimum Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
76	Target Balance				\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
77											

	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											
6			Tbl.	Actual	Budgeted						
7			1B	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
78	RATE STABILIZATION FUND										
79		Beginning Balance			\$1,408,407	\$7,903,116	\$7,922,874	\$7,942,681	\$7,962,537	\$7,982,444	
80		Payment to SVCW			\$0	\$0	\$0	\$0	\$0	\$0	
81		Transfers (To)/From									
82		Operating General Fund			\$6,475,000	\$0	\$0	\$0	\$0	\$0	To Table 2
83		Recycled Water Project Fund			\$0	\$0	\$0	\$0	\$0	\$0	
84		Capital Fund			\$0	\$0	\$0	\$0	\$0	\$0	To Above
85		Subtotal Transfers			\$6,475,000	\$0	\$0	\$0	\$0	\$0	
86		Fund Subtotal			\$7,883,407	\$7,903,116	\$7,922,874	\$7,942,681	\$7,962,537	\$7,982,444	
87		Estimated Interest Earnings (7)			\$19,709	\$19,758	\$19,807	\$19,857	\$19,906	\$19,956	
88		Ending Balance			\$1,408,407	\$7,903,116	\$7,922,874	\$7,942,681	\$7,962,537	\$7,982,444	\$8,002,400
89		Target Balance			\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	
90											
91											
92	VEHICLE & EQUIPMENT REPLACEMENT FUND										
93		Beginning Balance			\$ 607,251	\$ 608,769	\$ 610,291	\$ 611,817	\$ 613,346	\$ 614,880	
94		Transfers (To)/From									
95		Revenue Requirement			\$0	\$0	\$0	\$0	\$0	\$0	To Table 2
96		Operating General Fund			\$0	\$0	\$0	\$0	\$0	\$0	
97		Subtotal Transfers			\$0	\$0	\$0	\$0	\$0	\$0	
98		Fund Subtotal			\$ 607,251	\$ 608,769	\$ 610,291	\$ 611,817	\$ 613,346	\$ 614,880	
99		Estimated Interest Earnings (7)			\$1,518	\$1,522	\$1,526	\$1,530	\$1,533	\$1,537	
100		Ending Balance			\$607,251	\$608,769	\$610,291	\$611,817	\$613,346	\$614,880	\$616,417
101		Target Balance			\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	
102	RECYCLED WATER PROJECT FUND (not included in Fund Balance graph)										
103		Beginning Balance			\$8,742,313	\$8,764,169	\$8,786,079	\$8,808,045	\$8,830,065	\$8,852,140	
104											
105		SRF Reimbursement									
106		Expenditures									
107											
108		Transfers (To)/From									
109		Revenue Requirements			\$0	\$0	\$0	\$0	\$0	\$0	
110		Operating Fund			\$0	\$0	\$0	\$0	\$0	\$0	
111		Rate Stabilization Reserve			\$0	\$0	\$0	\$0	\$0	\$0	
112		Capital Asset Fund			\$0	\$0	\$0	\$0	\$0	\$0	From Above
113		Subtotal Transfers			\$0	\$0	\$0	\$0	\$0	\$0	
114		Fund Subtotal			\$8,742,313	\$8,764,169	\$8,786,079	\$8,808,045	\$8,830,065	\$8,852,140	
115		Estimated Interest Earnings (7)			\$21,856	\$21,910	\$21,965	\$22,020	\$22,075	\$22,130	
116		Ending Balance			\$8,742,313	\$8,764,169	\$8,786,079	\$8,808,045	\$8,830,065	\$8,852,140	\$8,874,270
117											
118	OPEB/PERS Unfunded Liabilities (not included in Fund Balance graph)										
119		Beginning Balance			\$2,036,722	\$2,077,456	\$2,119,005	\$1,141,385	\$654,213	\$667,297	
120		Transfers (To)/From									
121		Revenue Requirements			\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
122		Additional Liability Payment			(2,600,000)	(1,000,000)	(1,000,000)	(500,000)	-	-	
123		Operating Fund			\$2,600,000	\$1,000,000	\$0	\$0	\$0	\$0	From Above
124		Subtotal Transfers			\$0	\$0	(\$1,000,000)	(\$500,000)	\$0	\$0	
125		Fund Subtotal			\$2,036,722	\$2,077,456	\$1,119,005	\$641,385	\$654,213	\$667,297	
126		Estimated Interest Earnings			\$40,734	\$41,549	\$22,380	\$12,828	\$13,084	\$13,346	2% earnings per year (District)
127		Ending Balance			\$2,036,722	\$2,077,456	\$2,119,005	\$1,141,385	\$654,213	\$667,297	\$680,643
128		Unfunded Liability + OPEB Target			2,500,000	1,500,000	500,000	-	-	-	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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Subtotal
7		Administration								
8		Corporate Yard Maintenance Building		350,000	-	1,500,000	500,000	-	-	2,000,000
9		Administration Subtotal		350,000	\$0	\$1,500,000	\$500,000	\$0	\$0	2,000,000
10		Collection Facilities								
11		Metal Storage Building		745,550						-
12		FERRF (Levee)		1,000,000	6,000,000	6,000,000	2,000,000	0	-	14,000,000
13		FEF		500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
14		Collection Facilities Subtotal		\$2,245,550	\$6,500,000	\$6,500,000	\$2,500,000	\$500,000	\$500,000	16,500,000
15		Equipment Replacement								
16		Large Diameter Trunkline Cleaning & CCTV		-	-	-	-	-	-	-
17		Equipment Replacement Subtotal		\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Pipe Replacement and Rehabilitation								
19		Pump Station Miscellaneous		-	-	200,000	-	200,000	-	400,000
20		Bay Road North		3,000,000	-	-	-	-	-	-
21		Gilbert		500,000	-	-	1,500,000	-	-	1,500,000
22		Atherton Civic Center		800,000	-	-	-	-	-	-
23		Isabella		500,000	-	-	-	-	-	-
24		Willow Road PS - Piping		-	200,000	-	-	-	-	200,000
25		Santa Margarita		-	-	-	700,000	-	-	700,000
26		Camino al Lago		-	-	-	1,155,000	-	-	1,155,000
27		Santa Cruz		-	-	-	-	-	700,000	700,000
28		Avy		-	-	-	175,000	-	-	175,000
29		Vine		-	-	-	770,000	-	-	770,000
30		Marsh Road CIPP (Remaining)		-	-	-	1,125,000	-	-	1,125,000
31		Westminster		-	-	-	-	5,000,000	-	5,000,000
32		Stowe Lane Pump Station		-	-	-	-	-	1,300,000	1,300,000
33		Stowe Lane PS xcrossing SFPUC sag		-	-	-	-	-	297,500	297,500
34		ECR @ Glenwood		-	-	-	-	-	500,000	500,000
35		University		-	-	-	-	1,800,000	4,600,000	6,400,000
36		Alameda Campo Bello to Harrison (Bad Soil)		-	-	-	-	-	-	-
37		Hermosa		-	-	-	-	-	-	-
38		Santa Cruz		-	-	-	-	-	-	-
39		College Park		-	-	-	-	-	-	-
40		Downtown		-	-	-	-	-	-	-
41		Flood Park		-	-	-	-	-	-	-
42		East Palo Alto		-	-	-	-	-	-	-
43		Menalto Easements		-	-	-	-	-	-	-
44		Lorelei		-	-	-	-	-	-	-
45		Sharon Heights (Basin 60)		-	-	-	-	-	-	-

	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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Subtotal
46		Walsh (Basin 50)		-	-	-	-	-	-	-
47		Weekend Acres/SLAC (Basin 40)		-	-	-	-	-	-	-
48		Encinal A		-	-	-	-	-	-	-
49		Ladera (Basin 30)		-	-	-	-	-	-	-
50		Portola Valley (Basin 10)		-	-	-	-	-	-	-
51		Los Trancos (Basin 20)		-	-	-	-	-	-	-
52		101 Crossing (SD xcrossing)		-	-	-	-	-	-	-
53		Stevenson		-	-	-	-	-	-	-
54		MacBain		-	-	-	400,000	-	-	400,000
55		Elena		-	-	-	-	-	-	-
56		Fair Oaks		-	-	-	-	-	-	-
57		Encinal B		-	-	-	-	-	-	-
58		Berkeley		-	-	-	-	-	-	-
59		Bayfront Entry Improvements		-	1,000,000	-	-	-	-	1,000,000
60		Pipe Replacement and Rehabilitation Subtotal		4,800,000	1,200,000	200,000	5,825,000	7,000,000	7,397,500	21,622,500
61		Capacity								
62		Lower Ringwood		1,500,000	-	-	-	-	-	-
63		Valparaiso		-	-	-	-	-	-	-
64		Willow Gravity Main		-	-	-	-	-	-	-
65		Upper Ringwood		-	-	-	-	-	-	-
66		Santa Cruz Avy		-	-	-	-	-	-	-
67		Cambridge Laurel		-	-	-	-	-	-	-
68		Middlefield at Fair Oaks		-	-	-	-	-	-	-
69		Capacity Subtotal		\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0
70		Other								
71		Construction Projects Environmental Review		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
72		Manhole Raising		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
73		Allow for Unanticipated Cap Exp		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
74		Other Subtotal		\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$1,050,000
75										
76		Total Capital Expenses		\$9,105,550	\$7,910,000	\$8,410,000	\$9,035,000	\$7,710,000	\$8,107,500	\$41,172,500
77		Less: Connection Fee Revenue		(\$250,000)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$505,087)	(\$2,525,435)
78		Net PAYGo Capital Expenses		\$8,855,550	\$7,404,913	\$7,904,913	\$8,529,913	\$7,204,913	\$7,602,413	\$38,647,065
79		to be paid by Rates								
79							5-year CIP Average:		\$7,729,413	
80										

	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 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Notes
7	Debt Coverage Ratio							
8	Revenue Sources							
9	Sewer Service Charges	\$31,170,630	\$31,316,798	\$32,584,121	\$33,894,576	\$34,852,955	\$35,826,455	From Table 3
10	Flow Equalization Cost Sharing	\$365,184	\$376,140	\$387,424	\$399,046	\$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)	\$350,000	\$360,500	\$371,315	\$382,454	\$393,928	\$405,746	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	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	From FY 2020-21 Budget
15	Connection fees	\$250,000	\$505,087	\$505,087	\$505,087	\$505,087	\$505,087	From Table 5
16	Investment Interest	\$113,553	\$113,237	\$115,272	\$112,787	\$111,978	\$110,705	
17	Subtotal	\$33,025,908	\$33,449,312	\$34,741,790	\$36,073,553	\$36,644,590	\$37,629,686	
18								
19	Operating Expenses							
20	SVCW Operating Expenses	(\$6,883,538)	(\$7,090,044)	(\$7,302,746)	(\$7,521,828)	(\$7,747,483)	(\$7,979,907)	From Table 2
21	SVCW Operating Expenses due to growth	\$0	(\$26,423)	(\$53,538)	(\$81,362)	(\$109,916)	(\$139,219)	
22	WBSD Operating Expenses	(\$9,732,677)	(\$10,079,668)	(\$10,555,124)	(\$10,922,728)	(\$11,449,449)	(\$11,831,901)	
23	Subtotal	(\$16,616,215)	(\$17,196,135)	(\$17,911,408)	(\$18,525,918)	(\$19,306,848)	(\$19,951,027)	
24								
25	Net Revenue	<u>\$16,409,693</u>	<u>\$16,253,178</u>	<u>\$16,830,382</u>	<u>\$17,547,634</u>	<u>\$17,337,742</u>	<u>\$17,678,660</u>	
26								
27	Debt Service							
28	SVCW Debt Service							
29	2014 Bond (\$55 million)	\$1,145,480	\$0	\$0	\$0	\$0	\$0	From Table 2
30	2015 Bond (\$60 million)	\$1,610,500	\$0	\$0	\$0	\$0	\$0	From Table 2
31	2018 Bond	\$1,837,713	\$1,839,213	\$1,834,338	\$1,837,963	\$1,834,963	\$1,835,338	From Table 2
32	2020 Refunding Bonds (New)	\$0	\$2,845,087	\$2,848,607	\$2,840,584	\$2,848,749	\$2,842,521	From Table 2
33	Fixed-Rate Bond Issue #1	\$0	\$0	\$0	\$0	\$302,594	\$302,594	From Table 2
34	Existing SRF	\$506,765	\$726,842	\$726,842	\$726,842	\$726,842	\$726,842	From Table 2
35	SRF for Conveyance Planning	\$0	\$409,614	\$409,614	\$409,614	\$409,614	\$409,614	From Table 2
36	New SRF Loan(s)	\$0	\$0	\$0	\$1,774,308	\$1,774,308	\$1,774,308	From Table 2
37	New WIFIA Loan(s)	\$0	\$0	\$0	\$0	\$0	\$0	From Table 2
38	Subtotal	\$5,100,457	\$5,820,756	\$5,819,401	\$7,589,310	\$7,897,069	\$7,891,216	
39	Sharon Heights SRF	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	\$675,541	
40	Total Debt Service	\$5,775,998	\$6,496,297	\$6,494,942	\$8,264,851	\$8,572,610	\$8,566,757	
41								
42								
43	Debt coverage ratio	2.84	2.50	2.59	2.12	2.02	2.06	
44								