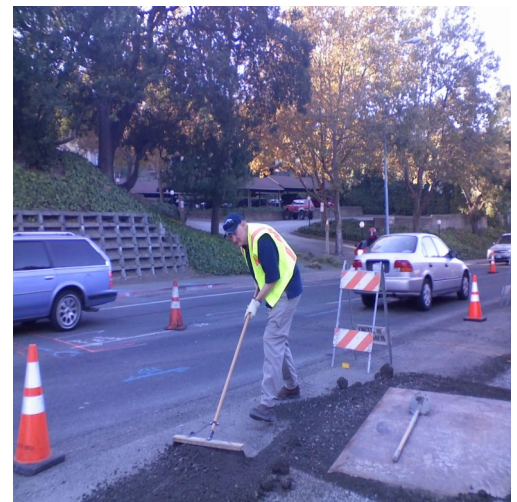


BIENNIAL BUDGET

FISCAL YEARS 2018 & 2019



BIENNIAL BUDGET FISCAL YEARS 2018 & 2019

LEONARD R. McNEIL
PRESIDENT

AUDREY L. COMEAUX
VICE PRESIDENT

DAVID ALVARADO
DIRECTOR

SHERRY STANLEY
DIRECTOR

HARRY WIENER
DIRECTOR



INTERIM GENERAL MANAGER
Edward H. McCormick

GENERAL COUNSEL
Alfred A. Cabral

**ACTING
WATER QUALITY MANAGER**
KEN COOK

**ACTING
ENGINEERING SERVICES MANAGER**
ANDREW ANTKOWIAK

BUSINESS SERVICES MANAGER
LISA MALEK-ZADEH

PREPARED BY:

Business Services Department

WEST COUNTY WASTEWATER DISTRICT

BIENNIAL BUDGET

FISCAL YEARS 2018 & 2019

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Board Agenda Memorandum

TO: Honorable Board of Directors
West County Wastewater District

DATE: June 21, 2017

FROM: Ed McCormick, General Manager

SUBMITTED BY: Lisa K. Malek-Zadeh, Business Services Manager

SUBJECT: Approve the Biennial Budget for Fiscal Years 2018 and 2019 and
Establish the Fiscal Year 2018 Appropriations Limit

RECOMMENDATION

1) Approve the Biennial Budget for Fiscal Years (FY) 2018 and 2019 and 2) establish the FY 2018 Appropriations Limit as required by Article XIII B of the Constitution of the State of California.

FISCAL IMPACT

In FY 2018, budgeted expenditures across all funds, totals \$27.5 million. In FY 2019, expenditures total \$26.3 million. Revenue is projected to total \$23.8 million in FY 2018 and \$26.2 million in FY 2019.

Transfers from the Operating Fund to other special funds for specific purposes total \$5.8 million in FY 2018 and \$6.4 million in FY 2019. These are excluded from the Revenue and Expenditures totals as they represent monies that move between funds, but are not actual operating or capital revenue and expenditures.

STRATEGIC PLAN COMPLIANCE

The recommendation complies with the West County Wastewater District Strategic Plan: 5.0 Financial Management manage public funds to provide financial stability, rate equity, and long-term rate management.

BACKGROUND AND DISCUSSION

FY 2018 and FY 2019 Budget

The FY 2018 and FY 2019 Biennial budget includes the necessary funding to pay the wages and benefits of District employees, secure professional and purchased services, make debt service payments and complete the budgeted capital expenditures in the next two years.

BOARD MEMBERS: D. Alvarado A. Comeaux L. McNeil S. Stanley H. Wiener
BOARD ATTORNEY: A. Cabral **INTERIM GENERAL MANAGER:** E. McCormick

West County Wastewater District
Board of Directors Meeting - June 21, 2017
Biennial Budget for FY 2018 & FY 2019/Fiscal Year 2018 Appropriations Limit
Page 2

In addition, funding for four new positions was added to the budget beginning in FY 2018 along with one-time requests to complete a compensation study, redesign the District's website, complete a new rate analysis and include a one-time use of fund balance from the operating fund to purchase equipment and vehicles that are past their useful life, but have been deferred due to a lack of funding. Also, included at the request of the Board, is a \$50,000 allocation in FY 2018 and \$100,000 in FY 2019 to explore innovative ideas that may generate additional revenue to the District in future years.

The proposed budget was presented to the Administration and Finance Committee on May 25th and to the Board of Directors at the May 30th and June 13th Special Board meetings. The final numbers included in the FY 2018 and FY 2019 budget are the result of these discussions and any requested changes.

FY 2018 Appropriations Limit

Proposition 4 of the California Constitution, known as the Gann Initiative, requires that an appropriations limit and methodology to calculate the limit be established each fiscal year.

The estimated tax proceeds for FY 2018 subject to appropriation limit is \$1,146,000. The adjusted appropriations limit for FY 2018 is \$1,696,527, which is the maximum amount of tax proceeds that the District is able to appropriate and spend in FY 2018. This leaves the District with an appropriation capacity of \$550,527, which is under the limit.

SUPPORTING DOCUMENTS

Attachment A: Budget Changes
Attachment B: Financial Summary by Division
Attachment C: Five-Year Fund Analysis by Fund
Attachment D: 2-Year Planned Capital Projects
Attachment E: Capital Equipment Replacement List
Attachment F: Resolution Establishing FY 2018 Appropriations Limit
Attachment G: Resolution Adopting the FY 2018 & FY 2019 Budget

BOARD MEMBERS: D. Alvarado A. Comeaux L. McNeil S. Stanley H. Wiener
BOARD ATTORNEY: A. Cabral INTERIM GENERAL MANAGER: E. McCormick

FY 2018 and FY 2019 Budget Changes

Summary of Budget Changes	FTE	FY 2018	FY 2019
<u>One-Time Additions</u>			
Compensation Study of All Positions		\$30,000	\$0
Design of New Website		\$25,000	\$0
New rate analysis		\$75,000	\$0
Capital Equipment/Vehicle Replacement catch up		<u>\$900,000</u>	<u>\$0</u>
		\$1,030,000	\$0
<u>Recurring Additions- Staffing</u>			
Community Affairs/Public Education & Outreach Representative	1.00	\$123,750	\$259,875
Employee Development & Organizational Performance Manager	1.00	\$123,750	\$259,875
Process/Control Engineer	1.00	\$132,000	\$277,200
Maintenance Assistant (In Training)	1.00	<u>\$61,350</u>	<u>\$128,835</u>
Total Staffing		\$440,850	\$925,785
<u>Recurring Additions- Non-Staffing</u>			
Maintenance & Repair services contract		\$75,000	\$75,000
Revenue Generation Ideas		<u>\$50,000</u>	<u>\$100,000</u>
		\$125,000	\$175,000
Total	4.00	\$1,595,850	\$1,100,785

**RESOLUTION OF THE BOARD OF DIRECTORS OF WEST COUNTY
WASTEWATER DISTRICT, COUNTY OF CONTRA COSTA, CALIFORNIA**

RESOLUTION NO. 17-018

ADOPTING THE BIENNIAL BUDGET FOR FISCAL YEARS 2018 and 2019

The Board of Directors finds that:

It is the duty of the Board of Directors of the West County Wastewater District to estimate the necessary revenue to meet lawful obligations and expenses of the District.

The Biennial Budget includes budgeted expenditures of \$27,544,038 for Fiscal Year 2018 and \$26,310,429 for Fiscal Year 2019; revenue of \$23,783,550 for Fiscal Year 2018 and \$26,158,092 for Fiscal Year 2019; and transfers of \$5,862,000 for Fiscal Year 2018 and \$6,377,000 for Fiscal Year 2019.

The Board of Directors of the West County Wastewater District, Contra Costa County, California adopts the Biennial Budget for Fiscal Year 2018 and 2019.

*

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I **HEREBY CERTIFY** that the foregoing resolution was duly and regularly adopted by the Board of Directors of the West County Wastewater District, Contra Costa County, California, at a regular meeting thereof held on the 21st day of June, 2017, by the following vote:

AYES: Wiener, Alvarado, Stanley, Comeaux, McNeil

NOES: None

ABSENT: None



Vice President of the Board of Directors
West County Wastewater District
Contra Costa County, California

ABOUT THE DISTRICT

DISTRICT BASICS

The District was organized on December 19, 1921, as the San Pablo Sanitary District to provide wastewater service to approximately 15,000 residents in the communities of San Pablo and North Richmond. The original District facilities consisted of a sewer system and a 24-inch outfall that collected and discharged untreated wastewater into Castro Creek, a tributary to San Francisco Bay. The District is now a full-service sanitary district and operations include sewage collection, treatment and disposal. In 1978, the District changed its name to West Contra Costa County Sanitary District and in 1992 changed to West County Wastewater District.

For 95 years the District has protected and served the public health of the community through the construction and maintenance of a sewer system. Over that time, the District has had to make many changes to accommodate a growing service area and ever-changing regulations. Today, the District owns, operates, and maintains a wastewater collection system with 249 miles of gravity sewer pipelines, 17 lift stations and 6.0 miles of pressure force mains, and a Water Pollution Control Plant (WPCP) with a capacity of 12.5 million gallon per day (mgd), average dry weather flow (ADWF).

The U.S. Environmental Protection Agency, the California Regional Water Quality Control Board, the California Health Services Department, as well as other regulatory agencies provide the permits and standards that the District must meet in order to collect, treat, recycle, reuse and dispose of wastewater. The WPCP has received awards from the National Association of Clean Water Agencies for regulatory compliance excellence.

The District is an independent Special District and is not financially responsible for any other governmental entity nor is it a component unit of another governmental entity. The District is governed by a five-member Board of Directors elected at large for four-year over-lapping terms. The President is elected by members of the Board, customarily for a one-year term of office. Historically, the tenure of Directors has generally been long, thereby enabling the District to maintain continuity and stability in policies and service. The District's affairs are administered by a General Manager who serves at the pleasure of the Board of Directors.

West County Wastewater District Board of Directors



Leonard L. McNeil
President



Audrey L. Comeaux
Vice President



David Alvarado
Director



Sherry Stanley
Director

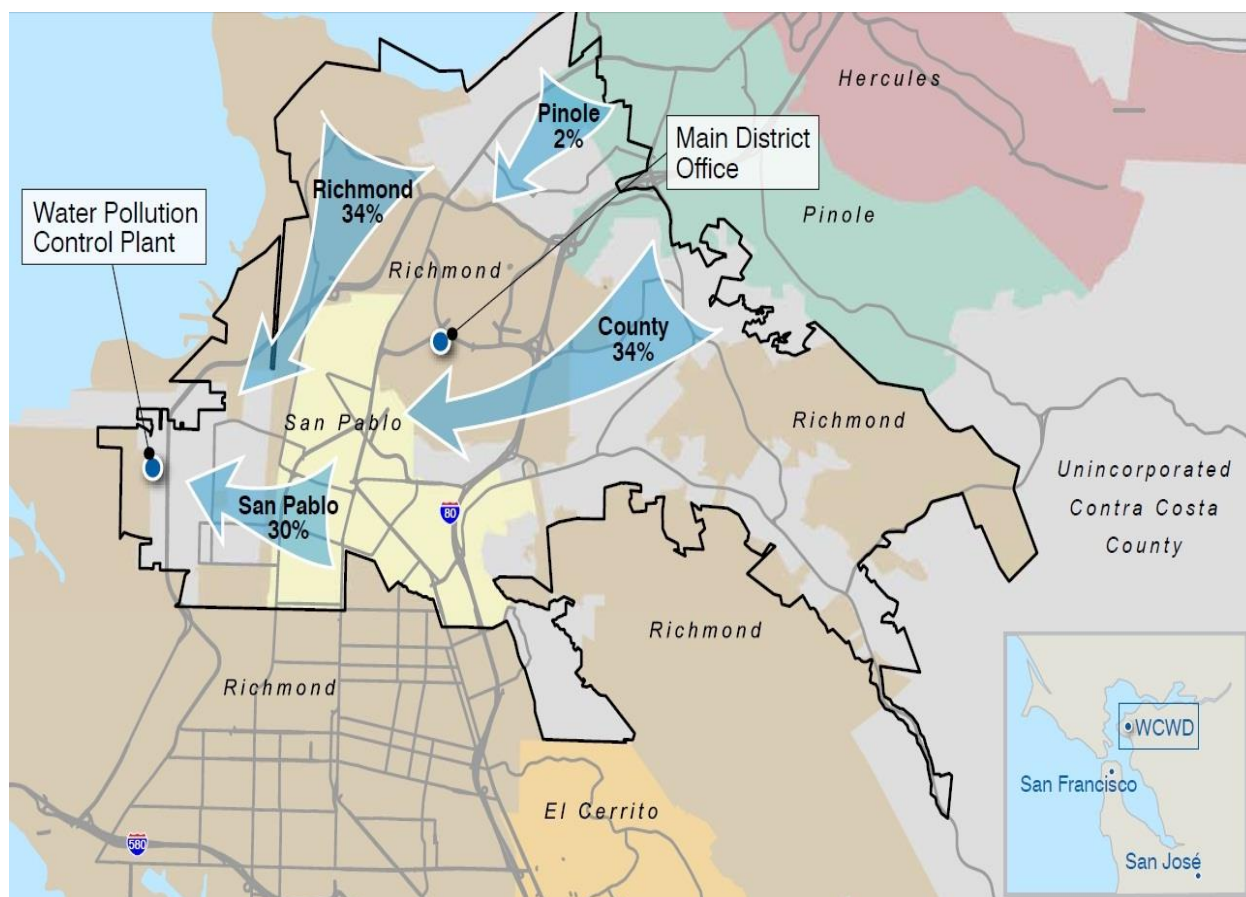


Harry Wiener
Director

We protect public health and San Francisco Bay by providing our communities with wastewater collection and treatment for reuse or disposal in an environmentally responsible, efficient and reliable manner.

DISTRICT DEMOGRAPHICS

The District is located in the western section of Contra Costa County, approximately 28 miles northeast of San Francisco and 12 miles north of Oakland. The District's service area encompasses 16.9 square miles within Contra Costa County. Roughly 6.8 square miles lie within the boundaries of the City of Richmond, 2.5 square miles lie within the City of San Pablo, 0.4 square miles within the City of Pinole and the remaining 7.2 square miles are in the unincorporated areas of Contra Costa County. The District's service area is fairly hilly, typical of the California coastal region.



The District is primarily built out and anticipates only 1% growth annually, primarily due to infill and density increases as parcels are converted to multi-family units. Of the District's approximately 35,000 connections, 96% are from residential dwellings and only 4% are commercial. The District has only three industrial units. This places the greatest burden of the cost of operating the District onto the residents in the District.

District Population, Income & Unemployment

Fiscal Year	District Population	Total Personal Income (A)	Per Capita Personal Income	Average County Unemployment Rate (B)	Contra Costa County Population	District Population as % of County
2008	124,398	7,199,409,852	57,874	6.1%	1,048,185	11.9%
2009	125,236	7,101,276,754	56,703	10.5%	1,061,325	11.8%
2010	125,096	6,938,449,640	55,465	11.2%	1,049,025	11.9%
2011	96,597	5,492,228,784	56,857	11.0%	1,059,495	9.1%
2012	97,296	5,740,526,109	59,001	9.4%	1,069,977	9.1%
2013	97,998	6,077,955,966	62,022	7.7%	1,083,340	9.0%
2014	98,724	6,104,627,626	61,835	6.1%	1,097,172	9.0%
2015	99,511	6,388,349,816	64,198	4.9%	1,111,143	9.0%
2016	102,481	6,932,319,943	67,645	4.9%	1,123,429	9.1%
2017	103,650	7,270,101,341	70,141	4.2%	1,139,513	9.1%

Source: *Population*: State of California, Department of Finance, Demographic Research Unit, including adjustments, as of January 2017, based upon the approximate percentage of total population served in each of the following areas: through – San Pablo 100%, Pinole 8%, Richmond 31% and unincorporated Contra Costa County 21%.

Total Personal Income: State of California, Department of Finance, Demographic Research Unit, including adjustments, as of January 2017

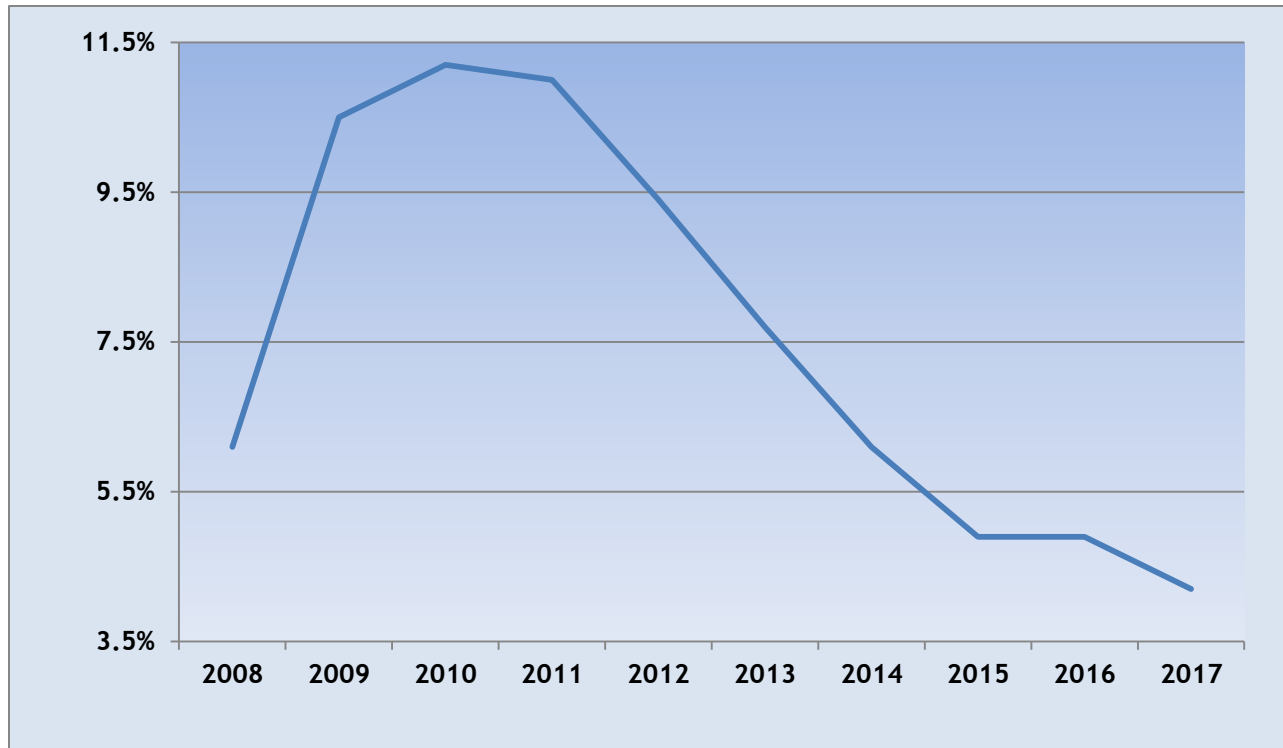
Unemployment Rate: State of California, Employment Development Department, as of June 2017

Notes: (A) Data calculated by multiplying District population by Per Capita Personal Income
(B) Data presented for Contra Costa County – data not available at the District level.

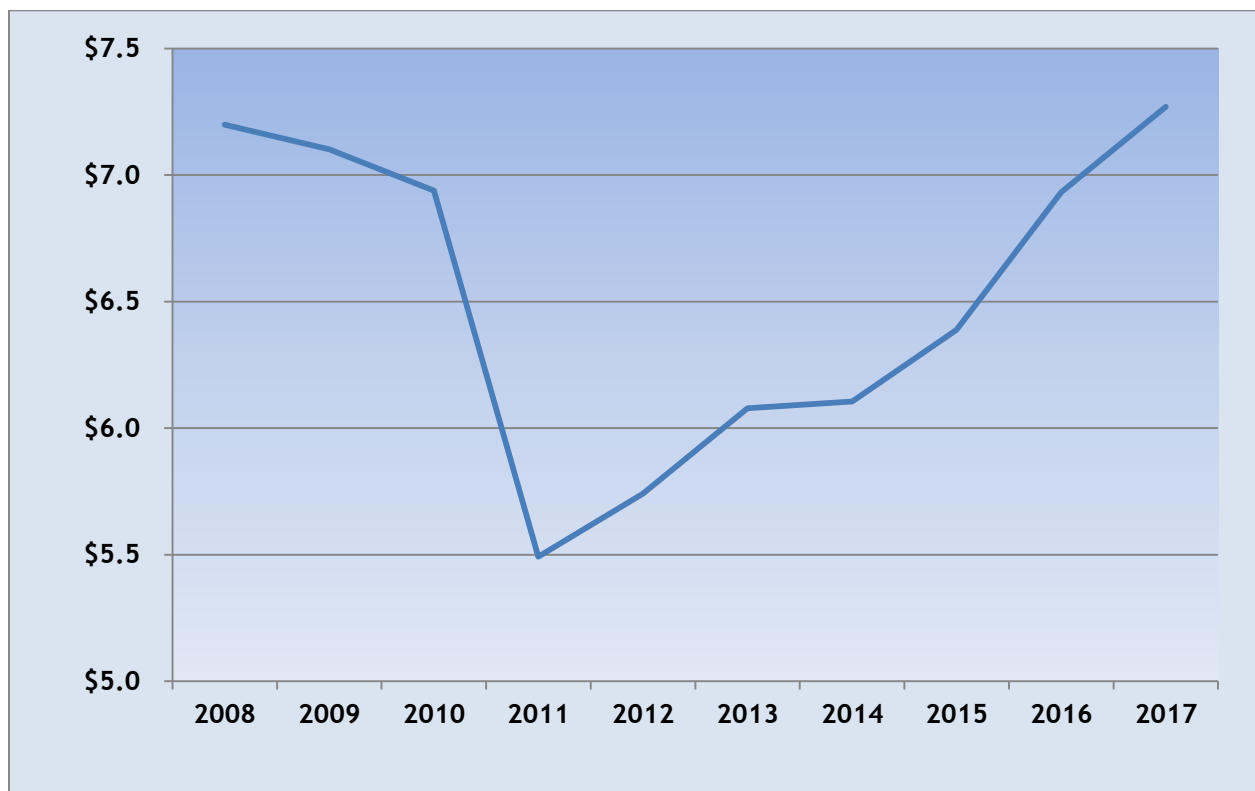
Population Served



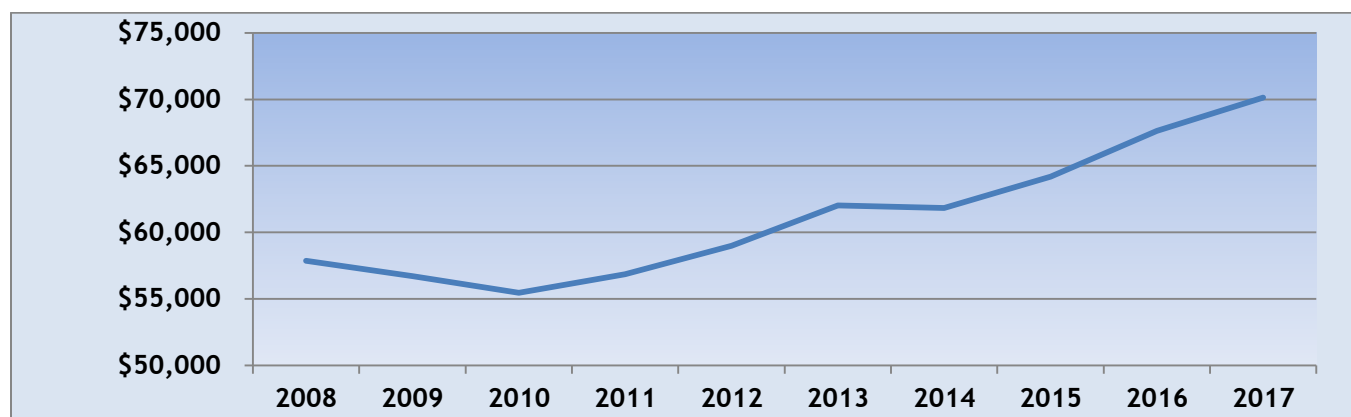
Unemployment Rate



Total Personal Income



Per Capita Personal Income



Top Ten Principal Employers: FY 2007 – 2016

Employer	FY 2016			FY 2007		
	Number of Employees	Rank	% of Total District Employment	Number of Employees	Rank	% of Total District Employment
Chevron Refinery	3,456	1	3.0%	2,461	1	2.1%
WCC Unified School District	1,962	2	1.7%			
Social Security Admin.	1,259	3	1.1%			
Blue Apron, Inc.	1,200	4	1.0%			
U. S. Postal Service	1,047	5	0.9%			
Contra Costa County	844	6	0.7%			
City of Richmond	842	7	0.7%			
Permanente Medical Group	732	8	0.6%	786	3	0.7%
Kaiser Foundation Hospitals and Health Center	629	9	0.5%			
Contra Costa College	585	10	0.5%	521	4	0.5%
Doctors Medical Center				935	2	0.8%
Casino San Pablo				520	5	0.5%
Walmart Store 3455				350	6	0.3%
Berlex, Inc.						0.0%
Costco Wholesale #482				278	7	0.2%
California Autism Foundation, Inc.				250	8	0.2%
Macy's Hilltop				242	9	0.2%
The Home Depot #643				209	10	0.2%
Total	12,556		10.7%	6,552		5.7%
All Others	104,324		89.3%	108,163		94.3%

Source: Comprehensive Annual Financial Reports for Fiscal Year Ending June 30, 2016 for City of Richmond, City of San Pablo and City of Pinole. Data is not available for June 30, 2017.

Note: Includes City of Richmond employers not within the District. Excludes employers in unincorporated Contra Costa County within the District.

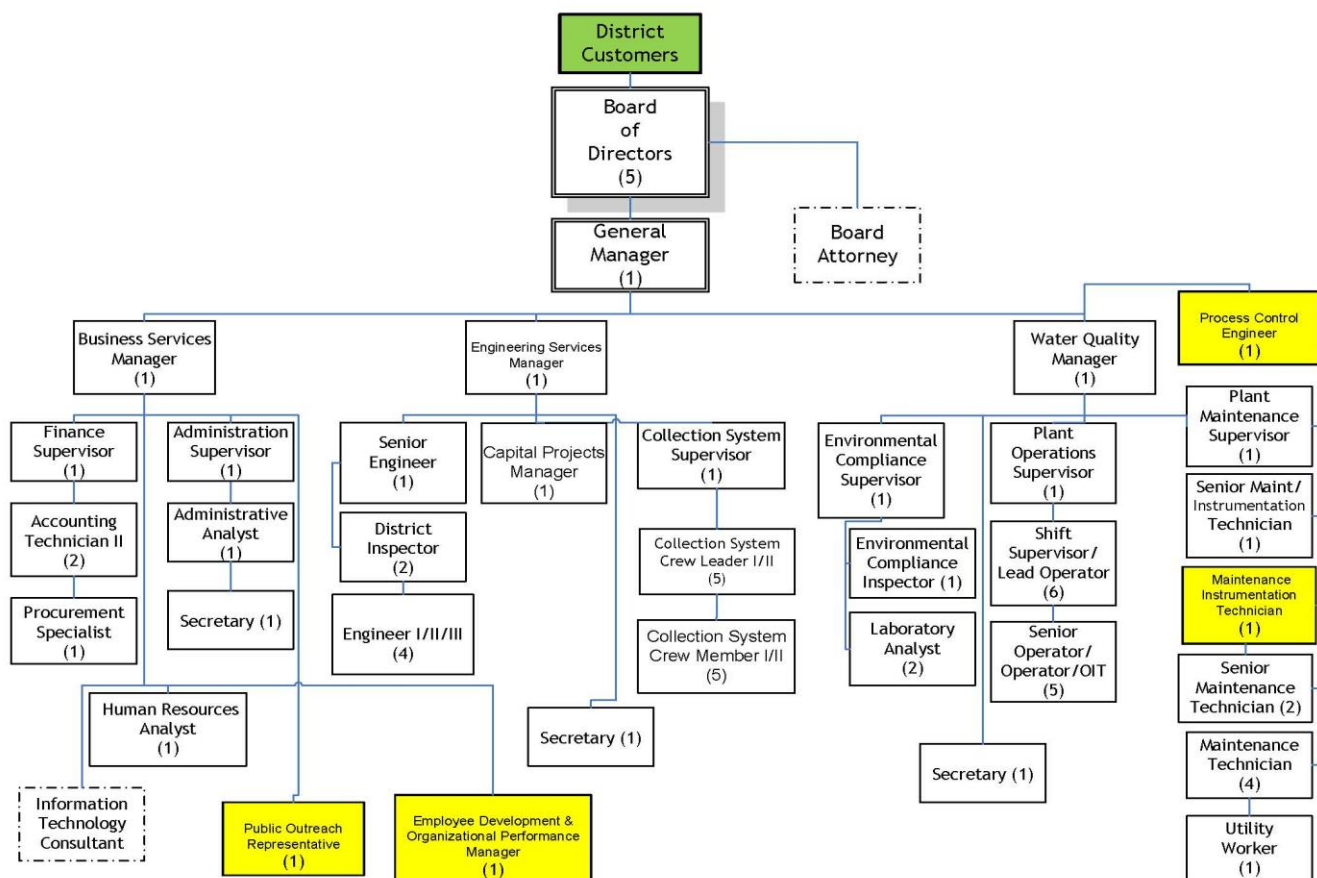
DISTRICT PERSONNEL

The majority of District's 69.0 Full Time Equivalent (FTE) budgeted positions are represented by bargaining units. The department managers and confidential employees are unrepresented. The General Manager is the only at-will employee. The 5.0 Board Members are elected to position.

Divisions	Budgeted 2017	Budgeted 2018	Budgeted 2019
Board	5.0	5.0	5.0
Administration	5.60	7.60	7.60
Finance	4.40	4.40	4.40
Engineering Services	9.16	9.16	9.16
Collection System Operations	13.84	13.84	13.84
Environmental Compliance	4.48	4.48	4.48
WPCP Operations	12.80	13.80	13.80
WPCP Maintenance	<u>9.72</u>	<u>10.72</u>	<u>10.72</u>
	65.0	69.0	69.0

Organizational Chart Fiscal Year 2018 & 2019 (shows supervisory structure)

West County Wastewater District Organizational Chart



Note: Yellow highlighted positions represent positions proposed in the 2018 & 2019 budget that have not been hired, but are included in the budget. Dotted positions are consulting positions paid for services.

Regular employees who work more than 1,000 hours per fiscal year and employed prior to January 1, 2013, are enrolled in the CalPERS 3.0% @ 60 retirement program. Regular employees hired on or after January 1, 2013, are enrolled in the CalPERS 2.0 @ 62 retirement program.

In compliance with GASB requirements, the District contributes to an OPEB trust fund for future retiree health premiums. The current contribution rate is approximately 17% of payroll. The District is committed to paying the Annual Required Contribution (ARC) as defined in the actuarial valuation.

Below is a listing of the employee units with highlights from their contracts/manual.

Administrative Clerical Unit

- Contract period January 1, 2016 – June 30, 2019.
- Wage adjustments of approximately 4% July 1, 2018.
- 3.0% at 60 with CalPERS for “classic” members. These employees contribute 7-8% of their reportable pay to CalPERS for retirement. The District pays any remainder of the employee’s 8% contribution.
- 2nd Tier benefits: 2% at 62 for “new” CalPERS members.
- Monthly health insurance premiums paid up to Kaiser Bay Area rate for the employee’s coverage level; 90% of full family dental coverage; 100% paid vision for full family.
- Life insurance policy of \$65,000.
- Ten holidays and at least 15 days of vacation leave per year.
- Qualified retirees receive health premium contributions at the same level as current employees; some with a vesting schedule.
- Annual allowance up to \$1,500 to reimburse for computer glasses, tuition, technology, or personal development.

Field Operations Unit

- Contract period May 6, 2015 – December 31, 2018.
- Wage adjustment of approximately 2% July 1, 2018.
- 3.0% at 60 with CalPERS for “classic” members. These employees contribute 7-8% of their reportable pay to CalPERS for retirement. The District pays any remainder of the employee’s 8% contribution.
- 2nd Tier benefits: 2% at 62 for “new” CalPERS members.
- Monthly health insurance premiums paid up to the Kaiser Bay Area rate for the employee’s coverage level; 90% of full family dental coverage; 100% paid vision for full family.
- Life insurance policy of \$65,000.
- Ten holidays and at least 13.5 days of vacation leave per year.
- Qualified retirees receive health premium contributions at the same level as current employees; some with a vesting schedule.
- Annual allowance up to \$500 to reimburse for safety shoes and computer/safety glasses

Managerial Employees Unit

- Contract period February 17, 2015 – June 30, 2018
- 3.0% at 60 with CalPERS for “classic” members. These employees pay 6% to 8% of their reportable pay to CalPERS for retirement. The District pays any remainder of the employee’s 8% contribution.
- 2nd Tier benefits: 2% at 62 for “new” CalPERS members.
- Monthly health insurance premiums paid up to the Kaiser Bay Area rate for the employee’s coverage level; 90% of full family dental coverage; 100% paid vision for full family.
- Life insurance policy of \$85,000.
- Ten holidays, administrative leave, and at least 13.5 days of vacation leave per year.
- Qualified retirees receive health premium contributions at the same level as current employees; some with a vesting schedule.
- Annual allowance up to \$500 to reimburse for safety shoes and computer/safety glasses; annual tuition reimbursement up to \$1,000

Unrepresented Employees

- Changes to terms and conditions at Board’s discretion.
- Wage adjustments of 5% July 1, 2018 AND 4% 2019.
- 3.0% at 60 with CalPERS for “classic” members. Employer does not pay any of the 8% employee contribution.
- 2nd Tier benefits: 2% at 62 for “new” CalPERS members.
- Monthly health insurance premiums paid up to the Kaiser Bay Area rate for the employee’s coverage level; 90% of full family dental coverage; 100% paid vision for full family.
- Life insurance policies up to \$150,000.
- Ten holidays, administrative leave for FLSA exempt employees, and at least 19 vacation days per year.
- Qualified retirees receive health premium contributions at the same level as current employees; some with a vesting schedule
- Annual allowance up to \$2,000 to reimburse for computer glasses, tuition, personal technology, memberships or personal development.

FIVE-YEAR STRATEGIC PLAN

PROCESS

In 2010, the District retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the development of the District's five-year Strategic Plan.

In 2015, the District again retained the services of BHI to facilitate and coordinate the review and update of the District's five-year Strategic Plan. A Board workshop was conducted where the Board reviewed input, revisited and refined the existing Mission Statement of the District, supported the Core Values and Vision Statement for the District. The updated Strategic Plan was adopted by the Board of Directors on March 16, 2016.

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so that it reflects the actual progress and conditional needs of the District. The reviews are documented and followed up with either a Plan supplement or an updated Plan. A five-year planning horizon will be maintained with each review effort developing a new fifth year of actions, projects and initiatives.

MISSION STATEMENT

The District's Mission Statement is a declaration of the District's purpose that describes why the District exists. All activities of the District should be in support of the Mission Statement, which is reviewed annually but is intended to be constant over the long term.

"We protect public health and San Francisco Bay by providing our communities with wastewater collection and treatment for reuse or disposal in an environmentally responsible, efficient and reliable manner."

CORE VALUES

The District's Core Values serve as a guidepost to the things that the District values when faced with options and alternatives. These are used every time decisions are made as a District. The Core Values are reviewed annually but are intended to be relatively constant over the long term. In 2016, the Board re-affirmed the following Core Values, which provided the framework for the 2018 & 2019 Biennial Budget.

- Is it **cost efficient, practical and responsible**?
- Does it support our commitment to **maintenance** of our plant and collection infrastructure?
- Does it support our dedication to be **innovative** regional leaders and industry leaders?

- Is it responsive to **our customers?**
- Does it support our **employees safety, productivity, retention and motivation?**
- Does it protect public health, the **environment and support regulatory compliance?**
- Does it promote **ethical behavior** in the conduct of District business?

VISION STATEMENT

The Vision Statement articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan and is reviewed annually. It will typically change more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

- A sustainable fee and rate structure that adequately meets the District's needs
- A continued commitment to fiscal responsibility
- A continued preventive maintenance focus
- Sufficient resources to support both compliance and work efficiency requirements
- A strong and stable relationship with employees
- A strong and enduring relationship with our general manager
- Supportive of regional partnerships
- Supportive of emerging technologies to foster efficient services, and good customer care
- A strong community outreach/communications program

FINANCIAL POLICIES & PROCEDURES

FINANCIAL MANAGEMENT

The West County Wastewater District biennial budget conforms to Generally Accepted Accounting Principles as applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated on the basis of funds. A fund is a separate self-balancing set of accounts comprised of assets, liabilities, fund balances, revenues and expenditures. The District prepares its budget on a fund accounting basis, which segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with financial related legal and contractual provisions. The District maintains the minimum number of funds consistent with legal and managerial requirements. The District reports the following funds in its annual budget.

- **Operating Fund:** This is the general operating fund of the District. The primary revenue source for this fund is derived from rates charged to customers for services provided and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and maintenance costs not paid through other funds are paid from this fund.
- **Special Revenue Funds:** These funds receive support from various sources, mainly in the form of grants, loans and other aid and are restricted to expenditures for particular purposes. At this time, the District has only one special revenue fund, the State Revolving Fund (SRF), to record loan proceeds, debt service payments, and reserves required by the Clean Water State Revolving Fund loans.
- **Capital Improvement Fund:** Funds allocated for capital expenditures for identified projects.
- **Restricted CIP Fund:** Indicates the current fiscal year resource allocation and amount allocated for capital expenditures for increased capacity-related projects.
- **Equipment Replacement Fund:** The purpose of this fund is to ensure sufficient resources needed to replace vehicles and equipment when they are longer serviceable. The Board established a policy of annual transfers from operating funds to cover the depreciation of vehicles and equipment.
- **Catastrophic Insurance Fund:** Demonstrates the District's ability to fund applicable insurance deductibles should a catastrophic event occur.

Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which activities are

controlled. The overview of each fund provides a detailed explanation of the purpose of the fund and its planned budget for each fiscal year.

The following principles are applied in preparing the District's Biennial Operating Budget:

1. Structurally-Balanced Budget: The District maintains a structurally-balanced budget with recurring revenues supporting recurring expenditures. Recurring expenditures primarily consist of personnel and operating costs required to operate the District and do not include one-time cost items such as new capital assets or replacement assets. Recurring revenues include charges and fees and do not include the use of fund balance. For purposes of this section, District-wide surplus for any fiscal year is defined as the increase in unreserved operating fund balance as reflected in the District's audited financial statement. District-wide deficit for any fiscal year is defined as the decrease in unreserved operating fund balance as reflected in the District's audited financial statement. Budget surplus of any department is defined as the excess of budgeted expenses over actual expenses in any fiscal year.
2. Budget Preparation and Presentation: The District prepares and presents its budget using current financial resources and the modified accrual basis of accounting.
3. Inter-fund Borrowing: The District does not borrow or use operating transfers to obtain cash from one fund type or reserve to fund activities of another fund type or reserve unless such use is deemed lawful, and unless the Board of Directors has determined that (a) the funds to be loaned will not be needed during the lending period, and (b) the funds for repayment will be available within a two-year period. Any actions taken to borrow funds under these conditions must be separately presented to and approved by the Board of Directors and the term of such borrowing shall not extend beyond the last day of the subsequent fiscal year.
4. Prompt Reimbursement Submission: Recognizing that some programs are funded by grants or other entities on a reimbursement basis, the District applies for reimbursements on a timely basis to minimize the period that District funds are used as float. In the event requests for reimbursements extend beyond the end of a fiscal year, such reimbursements are reflected as receivables in the annual financial statements to the extent allowed under accounting principles generally accepted in the United States of America (GAAP).
5. Reserve Policy: The District shall retain an Operating reserve equal to 90 days of annual operating expenses. This reserve may be used for funding emergency and unanticipated necessary expenditures during a given fiscal year. Fund balances in excess of the 90 day threshold may be used for capital improvements, or one-time expenditures.

6. Capital Improvement Plan: The Board adopts a Capital Improvement Plan ("CIP") each fiscal year. The CIP shall address cost estimates for all necessary infrastructure improvements. Funded, partially funded and unfunded projects are clearly delineated.

The CIP is detailed by fund, includes recommended project prioritization rankings, identified revenue sources, planned financing options and unfunded projects. The CIP, when feasible, includes estimates of the operational impacts produced for the operation of the capital improvements upon their completion. The CIP also includes a component reflecting all on-going approved capital projects of the District, the date funded, amount budgeted, amount spent since the start date, remaining budget, fiscal impact of known changes to financial assumptions underlying the project, estimated expenditures by fiscal year for the project and estimated completion date. Approved projects, with circumstances that arise which change the funding requirements of the project, are addressed in the CIP annually.

7. Financial Oversight and Reporting: The District provide regular financial reports on all funds comparing budgeted revenue and expenditure information to actual on a monthly and year-to-date basis each month. The Business Services Department is responsible for issuing the monthly reports to departments, the General Manager and Board of Directors and provides any information regarding any potentially adverse trends or conditions.

As soon after the closing of the fiscal year as is practicable, the annual audit reports of the District are prepared and presented to the Administration & Finance Committee each year, per the WCWD Audit Policy. Financial reports, offering statements and other financial-related documents issued to the public, provide full and complete disclosure of all material financial matters. The final report is presented to the Board of Directors at a regularly scheduled meeting and is posted on the District's web site.

8. Basic Financial Practices: The District strives to maintain formal policies and/or procedures that reflect "best practices" in:

- a. Budget development and adjustments: Establish proper budgetary preparation procedures and guidelines, calendar of events, planning models by fund, budget adjustment procedures, establishment of rates and fees, indirect costs and interest income. The biennial budget should be scheduled to allow sufficient review by the Board of Directors while allowing for sufficient citizen input.

The budget document reflecting all final actions as adopted by the Board of Directors, on or before June 30th of each year, is made available within 30 days of such adoption in both hard copy at the District office and on the District's web site.

- b. Cash management and investments: Comply with all related government codes.
- c. Debt management: Address affordability, capacity, debt issuance and management.
- d. Equipment and Vehicle Replacement: Established guidelines for determining the useful life and replacement of capitalized equipment and vehicles and provides a basis for establishing a budget and funding methodology.
- e. Procurement: Establish District-wide policies and procedures and provide appropriate checks and balances to ensure that departments adhere to the District's purchasing policies.

INVESTMENT MANAGEMENT

The District operates within an established formal investment policy, which applies to all investments of public funds. The overall goal is to safeguard the available operating and capital funds and achieve a maximum return on investment. Investment portfolios are managed to meet anticipated cash flow requirements. Investments consist of assets held with the Local Agency Investment Fund through the State of California Office of the Treasurer. The District prepares quarterly reports that show a complete list of all investments. The investment policy is reviewed annually for modifications and presented to the Board of Directors for approval.

FEES FOR SERVICES

Fees and rates are reviewed and updated annually to ensure that they are correct and appropriate. The use of fees and rates are subject to the following general concepts:

1. Revenue will not exceed the reasonable cost of providing the service.
2. Cost recovery goals will be based on the total cost of delivering services, including direct costs, departmental administration costs and agency wide costs such as accounting, human resources, information and telecommunication technology, vehicle costs and insurance.
3. The method of assessing and collecting fees will be as simple as possible in order to reduce the associated administrative costs.
4. Rate structures will be sensitive to the "market" for similar services as well as to frequency of use for the service and the influence rates and fees have on economic development.

PROPOSITION 4 (GANN LIMIT) ANALYSIS

Each fiscal year, the Board of Directors adopts a resolution to approve an annual appropriation limit as required by Article XIII B of the California Constitution, commonly referred to as the Gann Limit. This limitation does not apply to items such as appropriations from fees (unless such fees are in excess of the cost of providing the service) and from grants provided by other agencies. The District's initial appropriations limit was established and the statutory methodology provides that the prior year's appropriations limit may be adjusted using an annual factor that includes the change in population plus the change in the cost of living. For the purposes of calculating the adjustment, The District calculates the "change in population" based on the change in population within Contra Costa County and the "change in the cost of living" based on the change in California per capita personal income from the preceding year, as estimated by the California Department of Finance.

The change in per capita personal income between 2016 and 2017 was 5.37%. The change in population in Contra Costa County between 2016 and 2017 was 1.11%. The change in per capita personal income between 2017 and 2018 was 3.69%. The change in population in Contra Costa County between 2016 and 2017 was 1.11% (Source: California Department of Finance).

The estimated tax proceeds for Fiscal Year 2017 and 2018 to be appropriated by the District are under the Limit. The adjusted Appropriation Limit for FY 2017 is \$1,732,295. This is the maximum amount of tax proceeds the District is able to appropriate and spend in FY 2017. The appropriations subject to the Limit are \$1,107,477, which is the total anticipated tax revenue for FY 2017. This leaves the District with a FY 2017 appropriation capacity under the Limit of \$624,818. The adjusted Appropriation Limit for FY 2018 is \$1,696,527. This is the maximum amount of tax proceeds the District is able to appropriate and spend in FY 2018. The appropriations subject to the Limit are \$1,146,000, which is the total anticipated tax revenue for FY 2018. This leaves the District with an FY 2018 appropriation capacity under the Limit of \$550,527.

**WEST COUNTY WASTEWATER DISTRICT
FISCAL YEAR BUDGET
APPROPRIATIONS LIMIT**

Fiscal Year	Price Factor PCPI*	Population Change**	Calculation Factor	Appropriations Limit
1988	1.03470	1.00610	1.04100	\$514,961
1989	1.04660	1.01710	1.06450	\$548,167
1990	1.05190	1.01870	1.07160	\$587,412
1991	1.04210	1.02620	1.06940	\$628,178
1992	1.04140	1.03300	1.07577	\$675,773
1993	0.99360	1.02970	1.02311	\$691,390
1994	1.02720	1.00800	1.03542	\$715,877
1995	1.00710	1.01100	1.01818	\$728,890
1996	1.04720	1.01330	1.06113	\$773,445
1997	1.04670	1.00250	1.04932	\$811,589
1998	1.04670	1.00240	1.04921	\$851,529
1999	1.04150	1.01020	1.05212	\$895,914
2000	1.04530	1.00534	1.05088	\$941,498
2001	1.04910	1.00610	1.05550	\$993,751
2002	1.07820	1.01710	1.09664	\$1,089,784
2003	0.98730	1.01760	1.00468	\$1,094,880
2004	1.02310	1.01430	1.03773	\$1,136,190
2005	1.03280	1.01120	1.04437	\$1,186,600
2006	1.05260	1.01180	1.06502	\$1,263,754
2007	1.03960	1.01000	1.05000	\$1,326,942
2008	1.04420	1.01130	1.05600	\$1,401,251
2009	1.04290	1.01360	1.05710	\$1,481,261
2010	1.00620	1.01160	1.01790	\$1,507,776
2011	0.97460	1.01110	0.98540	\$1,485,762
2012	1.02510	1.00770	1.03300	\$1,534,792
2013	1.03770	1.00830	1.04630	\$1,605,853
2014	1.05120	1.00770	1.05930	\$1,625,805
2015	0.99770	1.00980	1.00750	\$1,617,897
2016	1.03820	1.01280	1.05150	\$1,688,554
2017	1.05370	1.01120	1.06550	\$1,732,295
2018	1.03690	1.01130	1.04860	\$1,696,527

*Price (Per Capita Personal Income) data supplied by State Department of Finance (Ref. Section 2212 of California Revenue and Taxation Code).

**RESOLUTION OF THE BOARD OF DIRECTORS OF WEST COUNTY
WASTEWATER DISTRICT, COUNTY OF CONTRA COSTA, CALIFORNIA**

RESOLUTION NO. 17-019

**ESTABLISHING THE FISCAL YEAR 2018 APPROPRIATIONS LIMIT IN COMPLIANCE WITH
ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA**

The Board of Directors finds that:

Article XIII B of the California Constitution establishes the methodology for annually adjusting the appropriations limit and requires that the District establish, by resolution, the appropriations limit for each fiscal year. The methodology provides that the prior year's appropriations limit may be adjusted using an annual factor that includes the change in population plus the change in the cost of living.

For the purpose of calculating the adjustment, the District calculates the "change in population" based on the change in population within Contra Costa County and the "change in the cost of living" based on the change in California per capita personal income from the preceding year, as estimated by the California Department of Finance.

The Board of Directors of the West County Wastewater District, Contra Costa County, California finds and determines that the District's appropriations subject to limitations and its appropriations limit for Fiscal Year 2018 calculated pursuant to Article XIII B of the California Constitution is established at \$1,696,527.

*

*

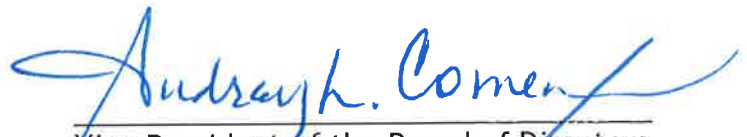
*

I HEREBY CERTIFY that this resolution was duly and regularly adopted by the Board of Directors of the West County Wastewater District, Contra Costa County, California, at a regular meeting held on the 21st day of June, 2017, by the following vote:

AYES: Wiener, Alvarado, Stanley, Comeaux, McNeil

NOES: None

ABSENT: None



Vice President of the Board of Directors
West County Wastewater District
Contra Costa County, California

**West County Wastewater District
Fiscal Year 2018 Appropriations Limit (Gann)**

FY 2017 Appropriations Limit	\$1,732,295
<u>Calculation of Appropriation Factor</u>	
Per Capita Personal Income	
Per Capita Cost of Living converted to ratio	1.0369
Change in County Population	
Population Change converted to ratio	1.0113
Calculation of Appropriation Factor	1.0486
Change in Appropriations Limit	(\$35,768)
FY 2017/18 Appropriations Limit	\$1,696,527
<u>Appropriations Subject to Limit</u>	
FY 2018 Revenues (all sources)	\$23,781,989
Less: Revenue from Non-Tax Sources	<u>(\$22,635,989)</u>
Total Appropriations Subject to Limit	\$1,146,000
Remaining Appropriation Capacity	\$550,527

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2015-2016

Presented to the

West County Wastewater District

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016



A handwritten signature in dark ink, appearing to read "Jesse Takahashi".

Jesse Takahashi

Jesse Takahashi
CSMFO President

A handwritten signature in dark ink, appearing to read "Michael Gomez".

Michael Gomez

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting Award Fiscal Year 2015-2016

Presented to the

West County Wastewater District

For meeting the criteria established to achieve the Outstanding Financial Reporting Award.

January 31, 2017



A handwritten signature in black ink, appearing to read "John Adams".

John Adams
CSMFO President

A handwritten signature in black ink, appearing to read "Craig Boyer".

Craig Boyer, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting



BUDGET POLICY

Adopted: 9/2/15

I. PURPOSE

The following policy outlines the West County Wastewater District's (District) guidelines for budgetary decision making and sets standards for sound budgetary practices and fiscal performance. An adopted Budget Policy that is consistently followed will assist the District in achieving its current and future goals in a fiscally responsible and sustainable manner.

This policy serves to guide the creation of the District's budget and outline standards for revenue generation and the execution of operating and capital budget expenditures as recommended by the Government Finance Officers Association (GFOA). This document shall be reviewed on a regular basis to reflect the highest standards of fiscal management and the District's budgetary goals.

According to the GFOA, a budget policy should address and establish the guidelines for the following elements:

- Operating and Capital Budget Policies
- Budgetary Controls
- Revenue/Expenditure Policies

This policy addresses each of these elements, and provides the District with a comprehensive foundation upon which the prudent establishment, execution, and monitoring of annual budgets can occur.

II. POLICY

It is the District's policy to achieve a long-term, structurally balanced budget through efficiencies and sound financial decisions. The District shall adopt a biennial budget each odd numbered year for the following two fiscal years.

A. Operating Budget

Annual operating expenditures shall not exceed annual revenues plus available fund balances. The operating budget shall contain the expected revenue and expenditure appropriations, staffing levels, and service plans for each department.

B. Capital Improvement Plan Budget

The CIP budget shall be a rolling 5-year Capital Improvement Plan for the District and shall be developed in conjunction with the operating budget to ensure effective use

of the District's overall resources to operate and maintain facilities. The CIP budget shall include all capital projects that result in capitalized assets that span multiple fiscal years. The CIP budget shall reflect total estimated project costs by including all prior- and current-year expenditures and appropriations, and future-year project costs, including any future funding needs through project completion.

CIP projects shall be reviewed no less than quarterly to identify projects that are not progressing and funds that may be available to be reprogrammed for another purpose. In order to ensure the use of long-range planning, the development of the multi-year CIP budget shall be primarily based upon the adopted Master Plan.

C. Public Involvement

Public involvement shall be encouraged in the budget decision-making process through Board of Directors workshops, public outreach, and information. Public participation efforts will allow the District to improve performance by identifying public needs and service delivery expectations and understand the public's priorities in budgeting. Public involvement allows the District to be more responsive to community needs and increases the value that the public receives from the District.

D. Board of Directors

The Board of Directors shall communicate its budget priorities to the General Manager in advance of the development of the biennial budget. The Board of Directors has budgetary control and delegates it to the General Manager as authorized by Resolution 13-053 and the Purchasing Policy, as may be amended from time to time, in order to carry out the business of the District. No department, fund, or project, regardless of funding source, shall expend an amount in excess of its appropriations without the prior authorization of the Board of Directors.

III. PROCEDURES

The District's budget is developed biennially for two fiscal years, July 1 through June 30. The budget is proposed by the General Manager with input from Board of Directors and the public and finally adopted by the Board of Directors.

The District uses strategic planning to map its goals and manage the tools and resources necessary for achieving them. The District Strategic Plan defines the direction for the District and provides a framework for the strategies and activities of the departments.

A. Basis of Budgeting

The District's budgets shall be prepared based on the modified accrual basis of accounting. The District's operating budget shall exclude unrealized gains or losses resulting from the change in fair value of investments, and proceeds from capital leases. These calculations are performed solely for financial statement reporting purposes and compliance with Generally Accepted Accounting Principles (GAAP).

B. Budget Process

The budget process is structured to achieve the fiscal and policy goals for the upcoming fiscal years. The budget process is composed of the following phases: budget development, budget review, budget adoption, budget monitoring, and mid-cycle budget amending.

Budget Development

The District Strategic Plan is the framework for the District's biennial budget. Policy decisions and strategies are made using the information contained in the Strategic Plan. The Operating Fund revenues and expenditures are then established and balanced through the budgeting process. Any remaining changes to the non-general funds and capital improvement projects are made, resulting in the General Manager's Proposed Budget.

The District's Operating Budget shall be detailed in a document that includes all operating activities and programs. The budget document shall include the Operating Fund as well as debt, internal service, and special revenue funds so the District's operations can be viewed comprehensively for decision making.

The CIP Budget shall be detailed in a document that includes all project activities and shall include all capital funds, restricted or unrestricted, so the entire 5-Year CIP can be viewed comprehensively for decision making.

The draft biennial budget, including both the Operating and the CIP budgets, shall be created and presented to the Administration & Finance Committee no later than February 28 of each odd numbered year. The draft budget shall be made available in hard copy at the District office and the Water Pollution Control Plant and shall be posted on the District's website.

Budget Review

The General Manager's presentation of the draft budget in February shall be followed by review and discussion of the budget. This phase includes at least one Board of Directors budget workshop to discuss priorities and recommend changes. After the budget workshop, the General Manager, or his/her designee, shall produce the proposed budget. This document shall contain the recommended changes to the draft budget based on revised current year expenditure and revenue projections.

Budget Adoption

The Administration & Finance Committee shall review the proposed budget and make recommendations to the Board of Directors. The final proposed budget is

then placed on the agenda for review and adoption by the Board of Directors no later than June 30 of each odd numbered year.

After the Board adopts the biennial budget, the Business Services Department finalizes the budget document and prepares it for submission to the California Society of Municipal Finance Officers (CSMFO) for the Excellence in Budgeting award. The adopted budget document is made available to the public in hard copy at the District office, the Water Pollution Control Plant and is placed on the District's website.

Budget Monitoring

The Business Services Department monitors the District's Operating Budget throughout the fiscal year. Monthly reports shall be presented to Board of Directors to reflect actual revenues and expenditures.

The Engineering Services Department monitors the District's CIP Budget throughout the fiscal year. Monthly reports shall be presented to Board of Directors to reflect actual revenues and expenditures.

No later than February 28 of each year, the General Manager shall present a mid-year budget report to Board of Directors to forecast year-end results and aid in amending the budget for the remainder of the fiscal year.

Mid-Cycle Budget Amending

No later than April 1 of each even numbered year, the General Manager shall present mid-cycle budget amendments to the Operating and CIP budgets to the Administration & Finance Committee for its review and recommendations to the Board of Directors. The proposed budget amendments are then placed on the agenda for review and adoption by the Board of Directors no later than June 30 of each even numbered year.

C. Encumbrances and Carryovers

All departments shall review and close all encumbrances no later than July 31 each fiscal year. CIP encumbrance amounts for projects still open at year-end shall be carried forward into subsequent fiscal years by Board resolution only.

D. Five-Year Fund Analysis

The District shall prepare a multi-year financial analysis for the District's funds that projects revenues and expenditures over a five-year period to include all committed expenditures. Revenue and expenditure assumptions shall include baseline growth projections. The analysis shall be presented to the Board of Directors annually as part of the budget process and updated as needed.

E. Revenues

Operating Revenue

The Operating Fund revenues shall not be earmarked for any particular purpose, unless required by law or generally accepted accounting principles (GAAP). Revenues shall be deposited in the Operating Fund and appropriated during the budget process or separate Board of Directors action.

Capital Revenue

The CIP program is supported by annual property tax revenues, connection fees, and loan proceeds. Revenues shall be deposited in the appropriate capital funds and appropriated during the budget process or separate Board of Directors action.

One-Time Revenues

The District shall limit, whenever possible, the use of one-time revenues such as grants, tax windfall, or fund balances to fund one-time expenditures. Ongoing expenditures shall be funded by ongoing revenues. When new and ongoing program expenditures are added to the budget, an ongoing revenue source such as an increase in existing revenues or a new revenue source shall be identified to fully support the cost of the program.

User Fees

Revenues derived from user fees shall be updated annually as part of the budget process. The fee increases are to be based on the established inflators identified in the District's Code. The full cost of services shall be determined in order to adequately establish fees to cover such costs.

F. Expenditures

Operating Expenditures

The annual budget process shall weigh all competing requests for District resources within expected fiscal constraints.

Capital Expenditures

Capital expenditures shall be limited to those identified in the 5-Year CIP and appropriated in the biennial budget process.

Pension Obligations

The District shall fully fund the Annual Required Contribution (ARC) as determined by the actuarial valuation report as required by the Governmental Accounting Standards Board (GASB).

Retiree Healthcare Obligations

The District's budget shall fully fund the Annual Required Contribution (ARC) as determined by the actuarial valuation report as required by the Governmental Accounting Standards Board (GASB).

Budgeted Positions

The District will fill only budgeted positions. Positions that are authorized on the Position Control List that are not budgeted will remain vacant.

Labor Agreements

The District's budget shall include wage and benefit increases in accordance with the Memorandums of Understanding (MOUs) between the District and its respective collective bargaining units.

III. DEFINITIONS

As used in this policy, the following words and phrases shall have the following definitions.

Balanced Budget: a budget where revenues are equal to, or exceed, expenditures.

Modified Accrual Basis of Accounting: revenues are recognized in the accounting period in which they become available and measurable, and expenditures are recognized in the accounting period in which the liability is incurred.

Structurally Balanced Budget: a budget that does not rely on reserves or the use of one-time revenues for ongoing expenditures.



AUDIT POLICY

Adopted: 3/18/15

Amended: 7/1/15

I. **PURPOSE**

The scope of auditing includes the examination and evaluation of the adequacy and effectiveness of the District's system of internal control and the quality of performance in carrying out assigned financial responsibilities. This policy provides guidance on the selection of an independent accounting firm that will provide opinions and reports on the District's financial statements, internal controls and compliance with federal and State laws and regulation.

The purpose of an independent financial audit is to evaluate the District's system of internal controls and to attest that no material misrepresentation exists in the annual financial report.

II. **POLICY**

The Board of Directors directs the General Manager to ensure that there is an annual independent fiscal audit of all District funds by a certified public accountant in conformance with the prescribed standards and legal requirements.

An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the District's published Comprehensive Annual Financial Report (CAFR), which will be presented to the Board of Directors no later than December 31 of each year.

The independent accounting firm will be selected through a request for proposal (RFP) process. The selection committee will be comprised of the General Manager, or his/her designee, the Business Services Manager and one member of the Administration & Finance Committee. The selection committee will review the qualifications of prospective firms and present their recommendations to the Board of Directors.

The audit service contract will be for an initial period of three years with two additional one-year options at the Board of Director's discretion. The audit contract, and any extensions, may be terminated by the District if the independent accounting firm fails to perform the scope of services to the District's satisfaction. In compliance with California Government Code, Section 12410.6, the District will not contract with an audit firm for more than six consecutive fiscal years.

West County Wastewater District
Board of Directors Policy & Procedures
Page 2

The District will use generally accepted accounting principles in preparing its annual financial statements, will work to achieve an unmodified auditors' opinion and will strive to meet the requirements of the California Society of Municipal Finance Officer's Award for Excellence in Financial Reporting. A copy of the CAFR will be submitted to the County Auditor's office as required.



RESERVE POLICY

Adopted: 9/2/15

I. PURPOSE

To provide policy and direction concerning the District's need to create and maintain adequate financial reserves.

II. POLICY

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations and to prepare for future anticipated funding requirements and unforeseen events.

To meet these objectives, the West County Wastewater District will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. Reserve funds will be accumulated and managed in a manner which allows the District to fund costs consistent with the Capital Improvement Program and long range financial plans while avoiding significant rate fluctuations due to changes in cash flow requirements. The District will also maintain cash reserves that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures. The level of reserves maintained and policies behind them will be reviewed annually with the Board of Directors during budget discussions.

A. Restricted Reserves

Encumbrance Reserve

This reserve represents the balance of outstanding encumbrances at year end, for which the goods or services have not been received. The reserved fund balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances outstanding at the end of the fiscal year.

Insurance Fund Reserve

The Insurance Fund Reserve is to provide for uninsured property losses to District facilities and to provide sufficient funds to initiate repair and recovery of damage to District facilities in advance of FEMA or other reimbursement. The reserve may be used to pay uninsured/ uninsurable property losses and/or to cover all or a portion of District paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves will be replenished by

reimbursement from FEMA or other sources. The reserve funding level is \$200,000 adjusted for outstanding reimbursements.

State Revolving Fund Reserves

The purpose of this reserve is to meet the requirements of the District's funding agreements with the State Revolving Fund loan program. The target balance shall be equal to 2 semi-annual payments for each outstanding loan. The funds will not be used and shall remain in the reserve fund until the loan is paid off.

B. Designated Reserves

Operating Fund Reserve

This reserve serves to ensure adequate working capital for cash flow needs and to provide a funding source for operating needs that arise during the year. The Government Finance Officers Association recommends that for enterprise funds "governments should start with a baseline of ninety (90) days worth of working capital and then adjust the target based on the particular characteristics of the enterprise fund in question (using 45 days as the minimum acceptable level)."

The District's Operating Fund is primarily funded by the Environmental Quality Charge (EQC). The first installment of EQC revenue is received nearly six months after the start of the fiscal year, so the Operating Fund's July 1 beginning working capital shall be equal to or greater than 90 days of operating expenses and during the year shall not be less than 45 days of operating expenses.

These funds will be used to pay for expenditures according to budget and expenditure authority. Annual reserves will vary, depending upon current year expenditure requirements. Interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

Capital Fund Reserve

This reserve serves to ensure adequate working capital for cash flow needs and to provide a funding source for capital needs that arise during the year. The District shall have sufficient cash flow to meet the at least six months of budgeted District expenditures. The six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement.

These funds will be used to pay for expenditures according to budget and expenditure authority. Annual reserves will vary, depending upon current year expenditure requirements. Interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

II. **PROCEDURES**

The General Manager, or his/her designee, acting as the District Treasurer, is responsible for managing reserves in accordance with this policy. No less than annually, the Board will evaluate the goals and purposes of each reserve and adopt policy changes as may be necessary or desirable.

The Board of Directors may authorize use of reserves. Authorization to use the funds will be consistent with applicable District policies and procedures. The Business Services Manager will prepare an annual analysis of the reserve levels for presentation as part of the budget process.

III. **DEFINITIONS**

As used in this policy, the following words and phrases shall have the following definitions.

Designated Reserves: funds for which uses are not constrained by externally imposed restrictions but are specified by, and are at the discretion of, the Board of Directors.

Encumbrance: a financial tool used to reflect commitments in the accounting system to recognize future commitments of resources prior to paying and receiving the goods or service.

Fund Balance: the moneys remaining at the end of the fiscal year in each identified fund for which no uses are specified.

Restricted Reserves: funds for which uses are constrained by either (a) externally imposed obligations with creditors, grantors, contributors, or laws/regulations; or (b) laws enacted through constitutional provisions or enabling legislation.



EQUIPMENT & VEHICLE REPLACEMENT POLICY

Adopted: 6/3/15

I. PURPOSE

The purpose of this policy is to establish guidelines for determining the useful life and replacement of capitalized equipment and vehicles and provide a basis for establishing a budget and funding methodology.

II. POLICY

Replacement of vehicles and equipment must be authorized by the General Manager or the Board of Directors in compliance with the District's Purchasing Policy. Vehicles and equipment that are no longer economically serviceable and have reached the end of their useful life will be recommended for replacement.

Staff will recommend replacement of a vehicle or equipment that encounters premature failure after all warranty coverage options have been exhausted. Vehicles and equipment that are replaced will be disposed of as surplus in accordance with the WCWD Purchasing Policy.

Budget restrictions and limitations may not allow for replacement of a vehicle or piece of equipment on a pre-determined life cycle. Replacements will be prioritized based on operational necessity, safety, availability of funding and other factors determined by the Board or General Manager.

A. Estimated Useful Life

The following durations will be assumed to estimate the useful life of depreciable equipment and vehicles for budgetary purposes.

<u>Type of Fixed Asset</u>	<u>Life in Years</u>	<u>Life in Miles</u>
Buildings – General Structures	20	N/A
Buildings – Lift Stations, Pump Stations, Out Buildings	20	N/A
Buildings – Modular	10	N/A
Buildings – Office Buildings	30	N/A
Equipment – Computers & Printers	3	N/A
Equipment – Office Equipment (copiers, servers, etc.)	5	N/A
Equipment – Light Duty	5	N/A
Equipment – Medium Duty	10	N/A
Equipment – Heavy Duty	15	N/A
Furniture – Office	5	N/A

West County Wastewater District
Equipment & Vehicle Replacement Policy
Page 2

Furniture – Office Fixtures	10	N/A
Improvements – General	15	N/A
Infrastructure – Manholes	50	N/A
Infrastructure – Outfall	70	N/A
Infrastructure – Sewer Lines	50	N/A
Infrastructure – Treatment Plant	40	N/A
Land	Indefinite	
Software	10	N/A
Vehicle – Autos & Vans	7	60,000
Vehicle – Trailer	15	N/A
Vehicle – Truck, Light Duty (Inspector, TV, Ops, etc.)	7	75,000
Vehicle – Truck, Heavy Duty (Hydro, Vactor, Dump, etc.)	15	100,000

B. Factors For Considering Replacement

The following factors will be considered when determining whether or not to replace vehicles or equipment in addition to the estimated useful life.

1. Vehicle or equipment age, condition, safety, accumulated depreciation, utilization and parts availability.
2. Vehicle or equipment repair cost exceeds the salvage value of the vehicle or equipment.
3. Vehicle or equipment annual maintenance costs exceed the annual depreciation value of the vehicle or equipment.

C. Replacement Fund

The District will establish and maintain an Equipment Replacement Fund (ERF) to assist in the budgeting and financing of the replacement of District fixed asset equipment and vehicles. This fund will not be used to fund replacement of buildings and infrastructure. Deposits into the ERF will be made each fiscal year based on the annual depreciation value calculated for the equipment or vehicle as allowed and authorized by the Operating Budget adopted by the Board of Directors. Once the equipment or vehicle has reached its useful life, contributions into the ERF will stop. If the equipment or vehicle is not replaced in the identified replacement year, deposits in the ERF will for that equipment or vehicle will be held until such time as the replacement is purchased.

If the cost of the replacement equipment or vehicle exceeds the amount deposited into the ERF, the additional cost of the replacement will be charged to the requesting department's operating budget or to the Capital Improvement Program budget, as appropriate. If the cost of the replacement equipment or vehicle is less than the amount deposited into the ERF, the deposit overage will be credited to the requesting department's operating budget or to the Capital Improvement Program budget, as appropriate.



WEST COUNTY WASTEWATER DISTRICT INVESTMENTS POLICY

Adopted: April 6, 2010
Amended: September 7, 2016

I. PURPOSE

The purpose of this policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related transactions.

II. POLICY

It is the policy of the West County Wastewater District (District) that the District's investment practices are based on state law and prudent money management and this policy. All District funds governed by this policy will be invested in accordance with applicable the California law and the District's Investment Policy. This policy applies to all financial assets of the District under its direct control and authority, unless explicitly excluded. Excluded funds may have different criteria or legal basis related to allowed investments.

A. Objectives

For purposes of this policy, the terms “invest”; “investment” or “investing” shall mean and refer to investing, reinvesting, purchasing, acquiring, exchanging, selling or managing District funds. The primary objectives, of District' investments activities shall be:

Safety: Safeguarding of principal is the primary objective of the investing District funds. All District investments shall be undertaken in a manner that seeks to ensure preservation of principal in the District's investment portfolio.

Liquidity: The secondary objective of investing District funds shall be to meet the liquidity and cash flow needs of the District.

Return On Investment: The third objective of District investments o shall be to achieve a desired market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

Diversification: District investments will be diversified consistent with applicable California law to avoid incurring unreasonable and avoidable risks.

Prudence: All persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor" standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited

West County Wastewater District Investments Policy

to, the general economic conditions and the anticipated needs of the District that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. Within these limitations and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law and this policy.

Socially Responsible Investing (SRI): Within the confines of the prudent investor standard, and subject to the objectives of safeguarding principal, maintaining liquidity and securing return on investment, investment decisions may consider sustainable, socially conscious principles that include financial return and social good.

Authorized individuals acting in accordance with this Policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion. "Timely" reporting means notification of the General Manager and the Board within five business days of any determination that a deviation exists or has occurred.

B. Delegation of Authority

Management responsibility for District investments is hereby delegated to the General Manager as Treasurer of the District. This delegation of authority shall expire at the next policy review and may be renewed by the Board of Directors from fiscal year to fiscal year, or revoked at the discretion of the Board of Directors.

The General Manager may delegate to appropriately experience subordinate staff the responsibility for implementing all transactions authorized by the General Manager. A system of controls to monitor compliance with this policy shall be adopted, periodically updated and followed by the Board of Directors, General Manager/Treasurer and District staff.

C. Ethics and Conflict of Interest

Officers and employees involved in District investments shall refrain from personal business activities that could conflict with proper execution of the investment program, which could impair their ability to make impartial decisions, or which could create the appearance of impropriety. Officers and employees involved in the investment process shall abide by the District's Conflict of Interest Code, California Government Code § 1090 et seq. the California Political Reform Act (California Government Code § 81000 et seq.) and other applicable provisions of California law regulating investment of public funds.

West County Wastewater District Investments Policy

D. Internal Controls

The General Manager shall develop and implement of such administrative procedures and internal controls which are considered prudent, given the size of the organization and the complexity of investments. The internal controls will be reviewed by the independent auditor as part of the annual audit. The controls shall be designed to prevent employee error, misrepresentations by third parties or imprudent actions by employees or officers of the District.

E. Selecting Financial Institutions and Brokers/Dealers

In selecting the financial institutions for the deposit or investment of District funds, the District shall consider the credit worthiness of institutions which are utilized. All broker/dealers should be primary dealers regularly reporting to the Federal Reserve Bank and shall maintain an office in the State of California. Efforts shall be made to monitor the credit characteristics and financial history throughout the period in which District funds are deposited or invested. The District will solicit multiple bids and offers on investment transactions from the District's approved broker/dealers. If an investment advisor is used, they may use their own list of approved broker/dealers and financial institutions for investment purposes.

F. Investments

California law governs the investments permitted for purchase by the District. Within the investments permitted by California law, the District seeks to further restrict eligible investment to the investments listed below. Percentage limitations, where indicated, apply at the time of purchase. Rating requirements where indicated, apply at the time of purchase.

In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the Business Services Manager shall notify the General Manager and the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

U.S. Treasuries: Government Code 53601 (b). Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

Federal Agency Securities: Government Code 53601 (f). Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

State of California or any local agency within the State: Government Code 53601 (c), (e). Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-

West County Wastewater District Investments Policy

producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency, provided that the obligations are rated in one of the two highest categories by one or more nationally recognized rating service.

Commercial Paper: Government Code 53601 (h). Commercial paper rated in the highest category by one or more nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either subparagraph (1) or subparagraph (2):

1. The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars (\$500,000,000). (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
2. The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (C) Has commercial paper that is rated "A-1" and/or "P-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Investments in commercial paper are limited to a maximum of 25% of surplus funds.

U.S. Corporate Debt: Government Code 53601 (k). Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "AA" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes may not exceed 30 percent of the District's investment portfolio.

Negotiable Certificates of Deposit: Government Code 53601 (i). Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank, provided that the senior debt obligations of the issuing institution are rated "AA" or better by one or more nationally recognized rating service. Purchase of negotiable certificates of deposit may not exceed 30 percent of the District's investment portfolio and are limited to a maximum maturity of one year.

State of California's Local Agency Investment Fund (LAIF): The District may invest in LAIF. Investment in each LAIF account may not exceed \$65 million or the current approved maximum deposit allowed by LAIF.

West County Wastewater District Investments Policy

Local Government Investment Pools (LGIP): Upon approval of the Board of Directors, the District may participate in other public agency investment pools, which serve to invest public agency funds in conformance with applicable California law and are rated "AAA" by one or more nationally recognized rating service. Participation in such a pool shall be consistent with the objectives.

Insured Savings Account or Money Market Account: All savings account or money market accounts must be collateralized in accordance with applicable California Government law. The District, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

Money Market Mutual Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §. 80a-1, et seq.) that invest solely in U.S. treasuries, obligations of the U.S. Treasury, and repurchase agreements relating to such treasury obligations.

The District may invest in shares of beneficial interest issued by a company which shall have met either of the following criteria:

(1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSORs.

(2) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares of beneficial interest purchased pursuant to this paragraph shall not include any commission that the companies may charge. Investments in Money Market Mutual Funds are further limited to 10% of surplus funds.

G. Maximum Maturity

Selection of investment maturities in conformance with the Government Code restrictions shall be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

No investment shall be made in any security, other than a security underlying a repurchase, reverse repurchase or securities lending agreement as authorized by this section that at the time of the investment has a term remaining to maturity in excess of five years.

H. Sales Prior to Maturity

Securities shall not be purchased directly by the District for the specific purpose of trading. However, sales prior to maturity are permitted under the

West County Wastewater District Investments Policy

following circumstances: (1) to meet an unanticipated disbursement or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds.

Certain investment opportunities may involve the recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1% of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, (3) estimation of time necessary to recoup the loss.

I. Reporting Requirements

Quarterly, District staff may present the Board with a report which conforms with the requirements of section 53646(b) of the Government Code.

J. Safekeeping and Custody

All securities purchased by or on behalf of the agency, whether negotiable, bearer, registered, or nonregistered shall be delivered, either by book entry or physical delivery, to the District's third party custodian and held in the District's name. The third party custodian shall be independent from the company or firm which sold the security and from its investment advisor if it chooses one.

K. Policy Review

Not less frequently than once each fiscal year, the Administration & Finance Committee will review the implementation of the District's investment program to determine whether it is consistent with the investment policy, to determine general investment strategies and to monitor results. Not less frequently than once each fiscal year, District staff shall present the Board with a statement of investment policy, which the Board shall consider at a public meeting. Any proposed changes to the investment policy shall also be considered by the Board at a public meeting.

L. Excluded Funds

Funds governed by provisions of their specific bond indentures or resolutions as well as the Retirement Funds and Long-Term Debt Funds are excluded from the provisions of this policy. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in securities permitted by this Policy. The identification of alternatives by the Board of Directors shall follow the objectives of this policy.

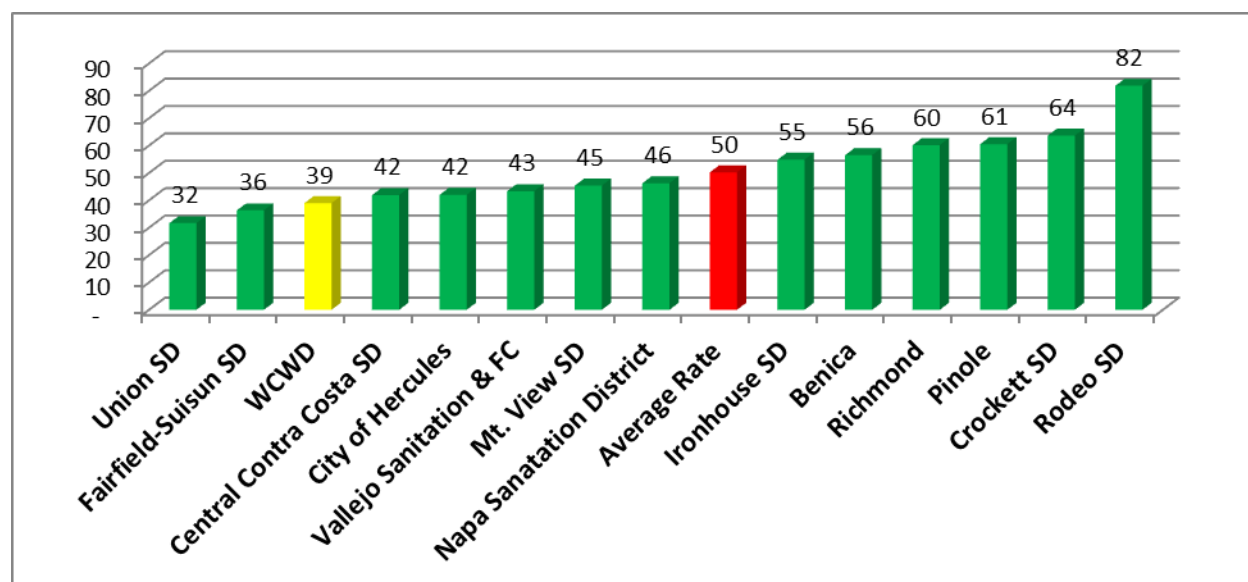
FEES & CHARGES

SEWER USE (ENVIRONMENTAL QUALITY) CHARGE RATES

The District's primary source of revenue is the Sewer Use/Environmental Quality Rates (SUC) Charge, which are based on the reasonable cost of providing service to the District's customers. As allowed under Proposition 218, the District may adopt a rate schedule for up to five years, provided that the required notice is provided to the rate payers. The Board of Directors, after consideration of written comments submitted by rate payers, and after conducting a properly noticed public hearing, adopted a rate schedule on June 3, 2015 for five years covering Fiscal Years 2016 through 2020.

Each year the Board of Directors, as part of the budget process, reviews the cost of service and determines if the adopted rates need to be adjusted. If the Board of Directors determines that no adjustment is necessary, the adopted rate will be applied. This section includes the calculations utilized by the District to determine the appropriate rate for each user category.

The District has little new development and anticipates only one percent (1%) in growth each year, primarily from infill development. For the purpose of calculating revenue from the Sewer Use Charge for Fiscal Year 2018, the budget assumes 33,536 residential dwelling units (RDU), 1,469 commercial units and 3 industrial units. The following chart demonstrates how the District's SUC rates compare to other neighboring districts. Effective July 1, 2017, the District's SUC rate for a single RDU is approximately \$43 per month (\$519 per year). The average rate for neighboring districts as of December 2016 was \$50 per month (\$600 per year).



This chart reflects charges as of December 2016

FISCAL YEARS 2018 & 2019

<u>User Category</u>	<u>Flat Rate (1)</u>	<u>Min. Charge (2)</u>	<u>Flow Charge (3)</u>	<u>BOD Charge (4)</u>	<u>SS Charge (5)</u>
<u>Current Year Three: FY 2018</u>					
Single Family Residential	\$519	n/a	n/a	n/a	n/a
Multi-Family Residential	\$453	n/a	n/a	n/a	n/a
Mobile Home Residential	\$453	n/a	n/a	n/a	n/a
Comm. Domestic Strength	n/a	\$519	\$5.56	n/a	n/a
Comm. High Strength (6)	n/a	\$519	\$9.36	n/a	n/a
Industrial (6)	n/a	\$519	\$3.58	\$0.37	\$0.45
<u>Year Four: FY 2019</u>					
Single Family Residential	\$576	n/a	n/a	n/a	n/a
Multi-Family Residential	\$502	n/a	n/a	n/a	n/a
Mobile Home Residential	\$502	n/a	n/a	n/a	n/a
Comm. Domestic Strength	n/a	\$576	\$6.17	n/a	n/a
Comm. High Strength (6)	n/a	\$576	\$10.38	n/a	n/a
Industrial (6)	n/a	\$576	\$3.97	\$0.41	\$0.49
<u>Year Five: FY 2020</u>					
Single Family Residential	\$639	n/a	n/a	n/a	n/a
Multi-Family Residential	\$557	n/a	n/a	n/a	n/a
Mobile Home Residential	\$557	n/a	n/a	n/a	n/a
Comm. Domestic Strength	n/a	\$639	\$6.84	n/a	n/a
Comm. High Strength (6)	n/a	\$639	\$11.52	n/a	n/a
Industrial (6)	n/a	\$639	\$4.40	\$0.45	\$0.54

(1) Per Dwelling Unit

(2) Per Connection

(3) Per 1,000 gallons of metered water consumption

(4) Per unit of measured or estimated biochemical oxygen demand

(5) Per unit of measured or estimated suspended solids

(6) Additional charge to recover monitoring costs; includes food service and some medical uses on case-by-case basis

USER FEES

In addition to the Sewer Use Charge (SUC) rates, this section contains the User Fees, authorized in District Code chapter 8.20.030, for Fiscal Year 2018. The construction related rates are adjusted each year by the change in the Construction Cost Index as reported in the Engineering News-Record each May. All other fees are adjusted but the change in the Consumer Price Index, All Users, for the San Francisco Bay Area each April.

USER FEES
(Effective July 1, 2017)

		AMOUNT
ENVIRONMENTAL QUALITY (SEWER USE) RATES		
<u>USER TYPE</u>		
A.	SINGLE FAMILY RESIDENTIAL	
1	Flat rate	519.00
2	Min Charge	n/a
3	Flow Charge	n/a
4	BOD Charge	n/a
5	SS Charge	n/a
B.	MULTI- FAMILY RESIDENTIAL	
1	Flat rate	453.00
2	Min Charge	n/a
3	Flow Charge	n/a
4	BOD Charge	n/a
5	SS Charge	n/a
C.	MOBILE HOME RESIDENTIAL	
1	Flat rate	453.00
2	Min Charge	n/a
3	Flow Charge	n/a
4	BOD Charge	n/a
5	SS Charge	n/a
D.	COMMERCIAL DOMESTIC STRENGTH	
1	Flat rate	n/a
2	Min Charge	519.00
3	Flow Charge	5.56
4	BOD Charge	n/a
5	SS Charge	n/a
E.	COMMERCIAL HIGH STRENGTH	
1	Flat rate	n/a
2	Min Charge	519.00
3	Flow Charge	9.36
4	BOD Charge	n/a
5	SS Charge	n/a
F.	INDUSTRIAL	
1	Flat rate	n/a

2	Min Charge	519.00
3	Flow Charge	3.58
4	BOD Charge	0.37
5	SS Charge	0.45

ANNEXATION FEES

Annexation Fees	2,344.00
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PLAN APPROVAL AND SEWER PERMITS- BUILDING CONSTRUCTION**USER TYPE**

A.	SINGLE FAMILY		
1	Plan Approval	(per bldg.)	178.00
2	Permit		357.00
B.	MULTIPLE FAMILY DWELLINGS, TRAILER COURTS, GUEST DWELLINGS OR CONDOMINIUMS		
1	Plan Approval	(per bldg.)	207.00
2	Permit	(per bldg. Sewer)	386.00
C.	SCHOOL BUILDINGS OR CHURCHES		
1	Plan Approval		207.00
2	Permit		386.00
D.	COMMERCIAL INSTALLATIONS		
1	Plan Approval		929.00
2	Permit		595.00
E.	INDUSTRIAL INSTALLATIONS		
1	Contributing Domestic Flow Only		
a	Plan Approval		720.00
b	Permit		300.00
2	Contributing Industrial Waste (Ordinance 1-12-71A, Sec. 5)		
a	Plan Approval		6661.00
b	Permit		2,650.00
F.	MISCELLANEOUS INSTALLATIONS		
1	Plan Approval		89.00

2	Permit	379.00
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G. MINOR REPAIRS, ALTERATIONS AND DEMOLITION

1	Plan Approval	148.00
2	Permit	267.00

TENTATIVE MAP REVIEW**Number of Proposed Lots in Subdivision**

1	20 lots and Under	3,246.00
2	21 + lots	3,486.00

SEWER MAIN CONSTRUCTION PERMIT FEES

1	Permit – District Maintained (per 1,500 l.f. or fraction thereof)	10,393.00
2	Permit – Privately Maintained (per 1,000 l.f. or fraction thereof)	6,507.00
3	Per Manhole (applies to all SME projects)	300.00

CONNECTION FEE**USER TYPE**

1	Single Family	5,744.00
2	Multi Family	4,126.00
3	Commercial Domestic Strength	Varies by service unit
4	Commercial Non-Domestic Strength	Varies by service unit

FLOW ZONE CHARGE**Zone**

1	210.00
2	520.00
3	729.00
4A	729.00
4B	627.00
5	1,666.00
6	210.00
7-13	0.00
14	520.00

15	417.00
16	210.00
17	627.00
18A	210.00
18B	1,666.00

DENSITY CHARGES**Dwelling Units/Acre**

1-12	0.00
13-20	100.00
21-30	200.00
31-40	300.00
41-50	400.00
51-60	500.00
61-70	600.00
71-80	700.00
81-90	800.00
91-100	900.00
101+	1,000.00

ENVIRONMENTAL COMPLIANCE INSPECTIONS**Business Type**

1 Food Service Establishment Inspection	286.00
2 Dental Facility Inspection	286.00
3 Permitted Industrial User - Inspection	565.00
4 Permitted Industrial User – Sampling	1,138.00
5 Auto Service Facility Sampling	422.00

The fee for construction re-inspection, non-compliance re-inspection or sampling shall be at the appropriate fee category listed above.

TEMPORARY DISCHARGE PERMIT

Temporary Discharge Permit	495.00
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OTHER FEES

1 Dishonored Check Fee	10.00
2 Collection Fee	See Note

Note: The Collection Fee is the District's actual cost to collect delinquent charges. The fee may include collection agency fees, applicable County charges, legal fees, and court costs.

The District shall refund services fees to the person requesting the services only upon proof that the requested service was not performed. If any portion of the requested services is performed, then no portion of the fee shall be refunded. Connection fees shall be refunded to the owner of the property for which the connection was requested upon proof that the connection was not completed.

AUTHORITY: WEST COUNTY WASTEWATER DISTRICT CODE CHAPTER 8.20.030

**RESOLUTION OF THE BOARD OF DIRECTORS OF WEST COUNTY
WASTEWATER DISTRICT, COUNTY OF CONTRA COSTA, CALIFORNIA**

RESOLUTION NO. 17-020

RESCIND RESOLUTION 16-027, CONFIRM THE SEWER USE CHARGE (ENVIRONMENTAL QUALITY CHARGE) RATES FOR FISCAL YEARS 2018, 2019 and 2020 AND AUTHORIZE COLLECTION OF SAID CHARGES ON THE COUNTY TAX ROLL

The Board of Directors finds that:

1. The State of California and the United States Environmental Protection Agency prescribed as a grant condition the levying of sewer use charges to assure that each recipient of waste collection, treatment and disposal service (collectively "Wastewater Service") within the West County Wastewater District's (District) service area will pay its proportionate share of District operation and maintenance including replacement and certain capital costs of providing Wastewater Service.
2. The District prepared a revenue program that sets out in detail the amount of revenue that needs to be collected annually from each recipient of Wastewater Service and the rates required to be charged to each user of District Wastewater Service for District capital and operating and maintenance purposes. These rates will be referred to as the District's Sewer Use Charge (Environmental Quality Charge).
3. On June 3, 2015, after due and proper notice was given, the District's Board of Directors conducted a public hearing at which they heard all oral comments in favor of and in opposition to, and received and tallied all written protests in opposition to the District's proposed Sewer Use Charge (Environmental Quality Charge) for the District's fiscal years 2016 through 2020, inclusive. The District received 56 written protests, 8 verbal protests, and 15 returned notices (which were counted as protests) in opposition to the District's proposed Sewer Use (Environmental Quality) Charges for District Fiscal Years 2016 through 2020, inclusive, which number did not constitute a majority of the District's customers eligible to submit written protests.

The Board of Directors of the West County Wastewater District, Contra Costa County, California, resolves that:

1. District Code Chapter 6.05 provides for the implementation of Sewer Use Charges (Environmental Quality Charges) and their collection.
2. The Sewer Use Charge (Environmental Quality Charge) for Fiscal Years 2016, 2017, 2018, 2019 and 2020 were adopted by Resolution 15-049.
3. The Board of Directors authorizes the Sewer Use Charge (Environmental Quality Charge) be applied and collected on the County tax roll for the applicable fiscal years as set forth in the Exhibit attached and incorporated.

* * *

I **HEREBY CERTIFY** that this resolution was duly and regularly adopted by the Board of Directors of the West County Wastewater District, Contra Costa County, California, at a regular meeting held on the 21st day of June 2017, by the following vote:

AYES: Wiener, Alvarado, Stanley, Comeaux, McNeil

NOES: None

ABSENT: None



President of the Board of Directors
West County Wastewater District
Contra Costa County, California



Vice President of the Board of Directors
West County Wastewater District
Contra Costa County, California

WEST COUNTY WASTEWATER DISTRICT

2910 Hilltop Drive
Richmond, CA 94806
(510) 222-6700

THE RATES are as follows:

User Category	Flat Rate (1)	Minimum Charge (2)	Flow Charge (3)	BOD Charge (4)	SS Charge (5)
<i>Year One: FY 2016</i>					
Single Family Residential	\$422	n/a	n/a	n/a	n/a
Multi-Family Residential	\$369	n/a	n/a	n/a	n/a
Mobile Home Residential	\$369	n/a	n/a	n/a	n/a
Commercial Domestic Strength	n/a	\$422	\$4.52	n/a	n/a
Commercial High Strength (6)	n/a	\$422	\$7.62	n/a	n/a
Industrial (6)	n/a	\$422	\$2.91	\$0.31	\$0.37
<i>Year Two: FY 2017</i>					
Single Family Residential	\$468	n/a	n/a	n/a	n/a
Multi-Family Residential	\$409	n/a	n/a	n/a	n/a
Mobile Home Residential	\$409	n/a	n/a	n/a	n/a
Commercial Domestic Strength	n/a	\$468	\$5.01	n/a	n/a
Commercial High Strength (6)	n/a	\$468	\$8.44	n/a	n/a
Industrial (6)	n/a	\$468	\$3.23	\$0.34	\$0.41
<i>Year Three: FY 2018</i>					
Single Family Residential	\$519	n/a	n/a	n/a	n/a
Multi-Family Residential	\$453	n/a	n/a	n/a	n/a
Mobile Home Residential	\$453	n/a	n/a	n/a	n/a
Commercial Domestic Strength	n/a	\$519	\$5.56	n/a	n/a
Commercial High Strength (6)	n/a	\$519	\$9.36	n/a	n/a
Industrial (6)	n/a	\$519	\$3.58	\$0.37	\$0.45
<i>Year Four: FY 2019</i>					
Single Family Residential	\$576	n/a	n/a	n/a	n/a
Multi-Family Residential	\$502	n/a	n/a	n/a	n/a
Mobile Home Residential	\$502	n/a	n/a	n/a	n/a
Commercial Domestic Strength	n/a	\$576	\$6.17	n/a	n/a
Commercial High Strength (6)	n/a	\$576	\$10.38	n/a	n/a
Industrial (6)	n/a	\$576	\$3.97	\$0.41	\$0.49
<i>Year Five: FY 2020</i>					
Single Family Residential	\$639	n/a	n/a	n/a	n/a
Multi-Family Residential	\$557	n/a	n/a	n/a	n/a
Mobile Home Residential	\$557	n/a	n/a	n/a	n/a
Commercial Domestic Strength	n/a	\$639	\$6.84	n/a	n/a
Commercial High Strength (6)	n/a	\$639	\$11.52	n/a	n/a
Industrial (6)	n/a	\$639	\$4.40	\$0.45	\$0.54

(1) Per dwelling unit

(2) Per connection

(3) Per 1,000 gallons of metered water consumption

(4) Per unit of measured or estimated biochemical oxygen demand

(5) Per unit of measured or estimated suspended solids

(6) Additional permit costs apply to recover monitoring costs; includes food service and some medical uses on a case-by-case basis

BUDGET OVERVIEW

THE BUDGET PROCESS

The District budgets for government operations on a fiscal year basis that begins July 1 and ends June 30. Every two years, the West County Wastewater District prepares a Biennial Budget. This document provides sufficient, meaningful and useful information to elected officials, District staff and, most importantly, the public. It is with this in mind that this budget document has been developed to serve the following primary functions:

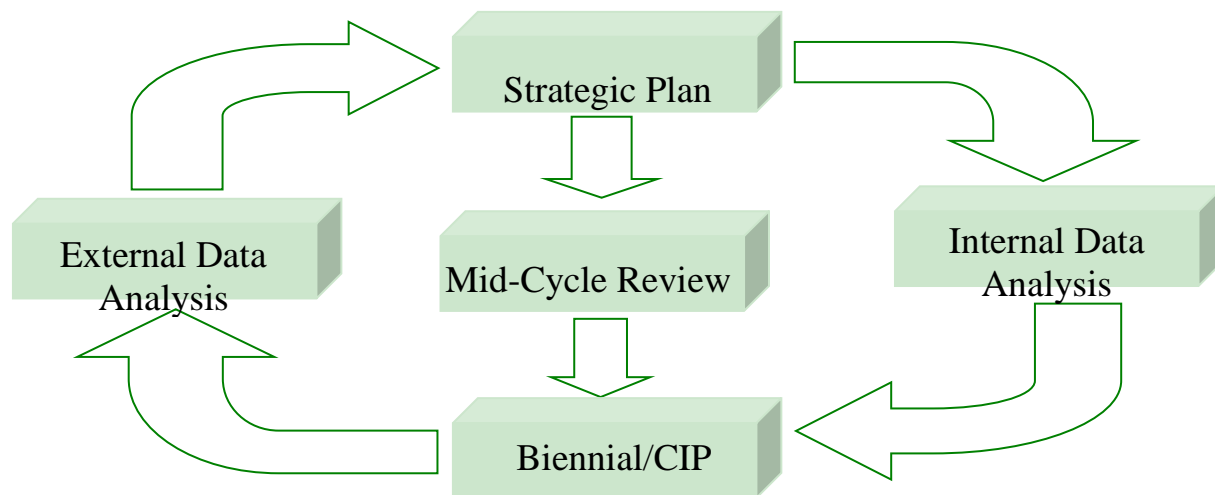
- To present the District's financial plan for each fiscal year, establishing appropriations and projected revenues to support the appropriations;
- To serve as an operations guide for District management to contain operational, maintenance and capital expenses;
- To serve as a communications device for the customers and rate payers of the District, enabling the District's operations and expenses to be fully transparent and provide a mechanism for public involvement in the budget process.

This document defines what the District has accomplished in the past budget cycle, what it plans to do in the future and demonstrates how it will accomplish these goals.

The District's budget is based on management goals and objectives with the allocated resources and it paves the way for future growth and demonstrates how this growth is to be managed and sustained. The budget empowers the Board of Directors and the public to examine the budget by prioritizing strategic growth as an organization and streamlines these objectives with the resources available to the District. In addition, this format provides information in a manner in which both the Board of Directors and the public attain a better understanding of the distribution of available resources among all of the departments and measures their performance utilizing these resources to meet their objectives. The FY 2018 and 2019 Biennial Budget includes an overview that is detailed by department.

In developing the Biennial Budget, departments analyzed existing service levels and potential services in light of their strategic priorities and modified their proposed budgets accordingly. The budget summarizes planned expenditures and revenues for all departments and programs. The detail is structured to summarize each department's costs by type and division.

The budget process begins with an evaluation of the Strategic Plan. The goals and objectives for the past budget are reviewed and changes are made to reflect what the Board of Directors believes is important for the next budget cycle. The Board reviews the budget and recommendations are made by the Finance and Administration Committee and Planning and Sustainability Committee. All budget discussions are made during open, publicly noticed meetings that conform to the Brown Act.

BUDGET PLANNING PROCESS

The budget process sets forth planned expenditures and revenues for two consecutive fiscal years. Year 1 and 2 expenditure and revenue plans are presented to the Board in a single document. At the conclusion of the biennial budget review and deliberation process, Year 1 of the biennial budget is approved and appropriated by the Board, which sets the level of authorized funding for the fiscal year. The Year 2 budget is also approved but is subject to mid-cycle review and appropriation action in the following year. Funds not expended in Year 1 do not automatically roll into Year 2. A separate action is needed to carryover appropriations between years.

During the mid-cycle review, staff proposes changes (if any) and the Committees review the Year 2 budget and make recommendations to the Board for consideration. At the conclusion of the deliberations, Year 2 of the biennial budget is approved and appropriated by the Board. In addition to the annual budget process, the Board reviews expenditures and revenues at the mid-year and makes changes as needed.

The District is committed to providing opportunities for its customers to participate in the budget process. Public workshops and meetings are properly noticed and held to discuss the Comprehensive Biennial Budget.

BUDGET OVERVIEW

Each year the District makes assumptions regarding revenue and expenses. While much of the operating expenses are outside of the District's control (utilities, chemical use, treatment flow levels), it is still possible to estimate the cost from year to year.

Details of division budgets are outlined in this section. The annual operating budget is balanced each year and is not dependent upon the Operating Fund balance. Annual surplus within the Operating Fund is transferred to the Capital Improvement Fund to fund identified projects and to the SRF (State Revolving Fund loan) Fund to record loan revenue and debt service.

Through fiscally conservative management of its resources and an ongoing dedication to maintaining the integrity of its infrastructure, the District has managed to weather the downturn in the economy with little impact on operations. The Board of Directors expects management to justify all expenditures and continue to identify areas that can be made more efficient and cost effective.

The Board has directed staff to contain future increases in operations and maintenance to no more than 5% each year. Any increases in expenses in excess of this target must be offset by additional revenue or savings in other areas.

The ever increasing costs of employee benefits affect the District as much as other public agencies. The Board has directed its negotiators to achieve cost containment for all of the District's bargaining agreements and unrepresented employees. The District will continue to look for opportunities to contain the cost of wages and benefits and their impact on District operations as a means to keep the annual Sewer Use Charge rates at a reasonable level.

Costs that are shared between divisions and departments are allocated based on each division's percentage of District personnel. Some costs, such as information technology support, postage, and legal services, are not allocated to each division and are budgeted in a single department.

The Biennial Budget originated with the baseline, based on the Amended Budget for Fiscal Year 2017, and then adjusted for known increases or decreases in operational expenses in the next two years. The adjustments include obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, health premiums, and utility costs, contributions to OPEB trust and other non-discretionary expenses. Discretionary changes such as Board initiative proposed new hires and programs are included in the final budget.

The proposed budget includes additional spending in response to Board initiatives that increase FY 2018 by approximately \$1.5 million and increase FY 2019 by approximately \$1.0 million.

Summary of Budget Changes	FTE	FY 2018	FY 2019
<u>One-Time Additions</u>			
Compensation Study of All Positions		\$30,000	\$0
Design of New Website		\$25,000	\$0
New rate analysis		\$75,000	\$0
Capital Equipment/Vehicle Replacement catch up		<u>\$900,000</u>	<u>\$0</u>
		\$1,030,000	\$0
<u>Recurring Additions- Staffing</u>			
Community Affairs/Public Education & Outreach Representative	1.00	\$123,750	\$259,875
Employee Development & Organizational Performance Manager	1.00	\$123,750	\$259,875
Process/Control Engineer	1.00	\$132,000	\$277,200
Maintenance Assistant (In Training)	1.00	<u>\$61,350</u>	<u>\$128,835</u>
Total Staffing		\$440,850	\$925,785
<u>Recurring Additions- Non-Staffing</u>			
Maintenance & Repair services contract		\$75,000	\$75,000
Revenue Generation Ideas		<u>\$50,000</u>	<u>\$100,000</u>
		\$125,000	\$175,000
Total	4.00	\$1,595,850	\$1,100,785

The overall change before the Board initiatives from the Operating Fund Adopted Budget for FY 2017 to FY 2018 is an increase of approximately 4.8%. The overall change before the Board initiatives from the Operating Fund Budget for FY 2018 to FY 2019 is an increase of approximately 5.1%.

The following pages describe the budget in total as well as by department/division. All expenditures and revenues (excluding property taxes and connection fee revenue) are included in the Operating Fund as this is the only funding source for the operations and maintenance of the District. The Capital Improvement Plan budget as presented is also included.

Financial Summary District – All Departments

Revenues	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed
Sewer Use Charge-Residential	\$13,666,543	\$15,195,228	\$15,195,228	\$16,866,703	\$18,722,041
Sewer Use Charge-Commercial	\$2,317,349	\$2,549,330	\$2,549,330	\$2,829,757	\$3,141,030
Sewer Use Charge-Industrial	\$1,306,939	\$877,643	\$1,450,702	\$1,610,280	\$1,787,411
Taxes	\$1,119,870	\$1,107,477	\$1,192,317	\$1,146,000	\$1,146,000
Connection Fees	\$453,178	\$0	\$770,015	\$250,000	\$250,000
Contract Services	\$338,791	\$414,027	\$361,293	\$430,468	\$448,579
Rents & Leases	\$353,535	\$0	\$268,930	\$189,854	\$201,245
Inspection/Permit Fees	\$210,834	\$219,184	\$275,920	\$277,927	\$279,226
Misc. Revenue	\$126,945	\$125,497	\$150,965	\$152,561	\$152,561
Interest	\$67,042	\$25,687	\$33,000	\$30,000	\$30,000
Transfer In	\$3,762,497	\$4,668,078	\$4,143,388	\$5,862,000	\$6,377,000
Total	\$23,723,523	\$25,182,152	\$26,391,088	\$29,645,550	\$32,535,092

Expenditures	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed
Personnel	\$9,247,113	\$10,930,174	\$10,016,572	\$12,040,580	\$13,063,600
Capital Improvements Projects	\$18,326,994	\$33,794,800	\$20,239,014	\$6,836,046	\$5,133,574
Other Non-Personnel	\$4,181,288	\$5,168,262	\$4,688,781	\$5,634,490	\$5,816,511
Equip/Capital Replacements	\$0	\$0	\$471,992	\$1,486,000	\$365,000
Debt Service Payment	\$16,288	\$1,968,078	\$89,775	\$1,546,922	\$1,931,744
Transfer Out	\$3,762,497	\$4,968,078	\$4,143,388	\$5,862,000	\$6,377,000
Total	\$35,534,180	\$56,829,393	\$39,649,522	\$33,406,038	\$32,687,429

BOARD OF DIRECTORS



PROGRAM DESCRIPTION

The Board of Directors is the legislative body of the West County Wastewater District and is composed of five members elected at large and serving staggered four-year terms. The Board makes all policy determinations through the enactment of ordinances and resolutions and has final authority in the implementation of these policies. The Board determines how the District will obtain and spend funds and annually reviews and approves the District's budget. The Board appoints the General Manager and Board Attorney as well as the members of the District's two standing committees.

HIGHLIGHTS

- Oversaw the operation of the District's collection and treatment system and maintained cost efficient, effective and reliable service at one of the lowest rates in the Bay Area.
- Monitored compliance of the Baykeeper Settlement Agreement.
- Active in California Association of Sanitation Agencies (CASA), California Special District Association (CSDA), Sanitation and Water Agencies of Contra Costa County (SAWA), Local Agency Formation Commission (LAFCO), Contra Costa Special Districts Association (CCSDA), Association of Metropolitan Sewerage Agencies (AMSA) California Sanitation Risk Management Authority (CSRMA), and County Treasury Oversight Committee (CTOC).
- Modified the Five-Year Capital Plan to allow for greater ability to meet customer needs.
- Continued exploration of various land use and power options.
- Published an annual Community newsletter.

GOALS & PROGRAM OBJECTIVES

- Provide effective leadership in the making of public policy in order to provide efficient, responsive and highly professional services to District customers.
- Conduct regular Board and committee meetings and special meetings on an as-needed basis.

- Establish and implement strategic policy goals and priorities for the District.
- Serve on regional boards, commissions and joint powers authorities affecting the District.
- Serve on Board appointed committees and sub-committees
- Maintain memberships in State and regional organizations serving District interests.
- Continue efforts to ensure a financially sound District and a continuation of the highest level of services possible to the community.
- Continue to remain active in professional associations representing the District's interests.
- Complete the programmatic environmental impact review and adoption of the District-wide Master Plan.
- Continue to review and implement policies to allow the District to increase services offered to its customers such as responding to lateral blockages and video inspections of laterals and through the regular review of customer survey feedback surveys.
- Maintain a leadership position in the regional community. Maintain good working relationship with local and regional elected officials.
- Review Plant and Collection System operations for cost effectiveness and benchmarking.
- Continue the Lateral Replacement Grant Program through public education and outreach.
- Continue to expand District's contract services to local agencies to maximize District efficiencies.

Financial Summary

Board of Directors

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$87,727	\$91,300	\$82,642	\$95,865	5.0%	\$100,661	10.3%
Benefits- Medical, Dental, Vision, Life	\$83,985	\$69,635	\$53,844	\$56,600	-18.7%	\$56,536	-18.8%
Benefits- Retirement	\$8,283	\$17,691	\$18,147	\$25,903	46.4%	\$30,082	70.0%
Benefits- Allowances and Reimbursements	\$1,920	\$1,974	\$1,920	\$1,920		\$1,920	
Worker's Compensation Premiums	\$250	\$364	\$347	\$370	1.6%	\$388	6.6%
Total Personnel	\$182,164	\$180,963	\$156,900	\$180,658	-0.2%	\$189,587	4.8%
Legal Expenses	\$170,175	\$172,000	\$129,993	\$178,880	4.0%	\$186,035	8.2%
Professional & Technical Services	\$8,147	\$7,500	\$7,663	\$7,797	4.0%	\$8,109	8.1%
Other Purchased Services	\$38,202	\$42,800	\$31,139	\$44,512	4.0%	\$46,292	8.2%
Communications	\$2,106	\$2,200	\$1,950	\$4,000	81.8%	\$4,160	89.1%
Travel	\$14,142	\$22,700	\$17,174	\$23,608	4.0%	\$24,552	8.2%
Rentals/Leases		\$250	\$184	\$260	4.0%	\$270	8.0%
Grants & Governmental Payments		\$45,000	\$50,205	\$5,836	-87.0%	\$54,680	21.5%
Supplies	\$1,908	\$3,350	\$4,000	\$3,484	4.0%	\$3,623	8.1%
Property/Equipment	\$173	\$4,000	\$1,735	\$4,160	4.0%	\$4,326	8.2%
Total Non-Personnel	\$234,853	\$299,800	\$244,043	\$272,537	-9.1%	\$332,047	10.8%
Total Expenses	\$417,018	\$480,763	\$400,943	\$453,195	-5.7%	\$521,634	8.5%

Key Assumptions

Salaries & Wages. Assumes 5% annual increase.

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 5% annual increase each year.

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented.

Non-Personnel:

FY 2019 Proposed includes \$47K for Board Election to reflect elections that occur every other year.

FY 2018 and FY 2019 Proposed budget assumes increases in communications cost due to new Board cell phones and computers.

Other Costs assume a 4% annual increase each year.

Staffing							
Director	5.00	5.00	5.00	5.00	0%	5.00	0%
Total	5.00	5.00	5.00	5.00	0%	5.00	0%

BUSINESS SERVICES DEPARTMENT: ADMINISTRATION/HUMAN RESOURCES DIVISION



PROGRAM DESCRIPTION

The Administration division, as part of Business Services Department provides administrative support to the Board of Directors, the General Manager and all District departments. Its functions include overall planning and coordination of District activities. It is responsible for human resources and risk management, management of the District's information systems, including the District's web site, and Board services. Public contact with the District is often initiated via this department and information management is a significant role.

Human Resources/Risk Management maintains wage, salary and benefits administration, employee recruitment, employee relations, District-wide employee training and recognition programs and on-going training of both employees and supervisors in expectations and process of employment by the District as well as administration of the District's self-insurance and loss prevention programs.

Business Services Department operations are managed by the Business Services Manager.

HIGHLIGHTS

- Facilitated Pharmaceutical and Sharps disposal drop-off station.

GOALS & PROGRAM OBJECTIVES

- Provide effective and efficient administrative support to the Board and District departments.
- Maintain responsive and efficient customer service.
- Ensure that the District is protected against loss through risk and claim management.
- Negotiate labor contracts with the District's employee bargaining units.
- Manage District information systems, web site and social media pages.
- Implement District document retention and destruction policy.
- Implement District electronic Board agenda management.
- Manage the processing and review of District contracts.
- Maintain records of benefits, including employee administrative leave balances, retirement contributions, and employer-provided insurance policies.
- Negotiate terms of Memorandum of Understanding, including amendments as required, with the represented units.
- Coordinate updates to terms and conditions for Unrepresented Employees.
- Recruit and retain highly qualified candidates for all positions.
- Maintain up-to-date personnel files.
- Provide assistance as needed with employee relations.
- Provide on-going clarifications of definitions and conditions of employment.
- Evaluate West County Wastewater District Personnel Policy & Procedures Manual and make appropriate revisions as needed.
- Represent the District and its interests on the CSRMA Board of Directors.
- Manage and prioritize department activities on an ongoing basis.
- Work with departments and divisions to implement procedures that result in cost savings, increased efficiencies and improved customer service.
- Provide general administrative support to all divisions for centralized services.
- Efficiently and effectively manage District information technology and systems, including the District website and social media sites.

Financial Summary Administration

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$739,108	\$802,279	\$726,197	1,029,443	28.3%	\$1,229,614	53.3%
Overtime	\$2,369	\$5,191	\$13,548	\$5,191	0.0%	\$5,000	-3.7%
Benefits- Medical, Dental, Vision, Life	\$123,156	\$123,690	\$95,641	\$163,368	32.1%	\$194,645	57.4%
Benefits- Retirement	\$159,944	\$269,498	\$275,568	\$331,513	23.0%	\$399,729	48.3%
Benefits- Other	\$5,152	\$6,240	\$5,236		-100.0%		-100.0%
Benefits- Allowances and Reimbursements	\$15,121	\$24,604	\$13,203	\$31,662		\$38,890	
Worker's Compensation Premiums	\$11,426	\$5,915	\$5,642	\$7,369	24.6%	\$9,167	55.0%
Total Personnel	\$1,056,276	\$1,237,417	\$1,135,035	\$1,568,545	26.8%	\$1,877,045	51.7%
Legal Expenses	\$34,766	\$36,000	\$27,208	\$37,440	4.0%	\$38,938	8.2%
Professional & Technical Services	\$161,548	\$307,384	\$290,080	\$504,180	64.0%	\$436,967	42.2%
Other Purchased Services	\$186,587	\$273,444	\$198,942	\$284,382	4.0%	\$295,757	8.2%
Communications	\$6,354	\$8,736	\$7,741	\$9,709	11.1%	\$10,073	15.3%
Utilities	\$10,665	\$9,973	\$7,719	\$10,371	4.0%	\$10,786	8.2%
Travel	\$11,948	\$14,600	\$11,046	\$15,184	4.0%	\$15,791	8.2%
Rentals/Leases	\$2,650	\$8,220	\$6,066	\$8,549	4.0%	\$8,891	8.2%
Property Services	\$21,176	\$10,192	\$10,396	\$10,600	4.0%	\$11,024	8.2%
Grants & Governmental Payments	\$10,362	\$21,049	\$23,484	\$21,891	4.0%	\$22,767	8.2%
Supplies	\$9,948	\$11,830	\$14,124	\$11,995	1.4%	\$12,167	2.9%
Property/Equipment	\$14,420	\$49,000	\$21,250	\$50,960	4.0%	\$52,998	8.2%
Claims Paid	\$72,721	\$15,000	\$22,859	\$15,600	4.0%	\$16,224	8.2%
Bad Debt Write Offs	\$105,934	\$0	\$0	\$0			
Total Non-Personnel	\$649,078	\$765,428	\$640,915	\$980,861	28.1%	\$932,383	21.8%
Transfers Out	\$3,409,316	\$4,968,078	\$3,348,388	\$5,862,000		\$6,377,000	
Total Expenses	\$5,114,670	\$6,970,924	\$5,124,338	\$8,411,407	20.7%	\$9,186,428	31.8%
Revenue							
Sewer Use Charge-Residential	\$13,666,543	\$15,195,228	\$15,195,228	\$16,866,703	11.0%	\$18,722,041	23.2%
Sewer Use Charge-Commercial	\$2,317,349	\$2,549,330	\$2,549,330	\$2,829,757	11.0%	\$3,141,030	23.2%
Sewer Use Charge-Industrial	\$9,863	\$20,664	\$34,156	\$37,913	83.5%	\$42,084	103.7%
Misc. Revenue	\$13,980	\$53,061	\$63,829	\$63,844	20.3%	\$63,844	20.3%
Interest	\$34,571	\$14,000	\$33,000	\$30,000	114.3%	\$30,000	114.3%
Subtotal	\$16,042,305	\$17,832,283	\$17,875,543	\$19,828,217	11.2%	\$21,998,999	23.4%
Total Revenue	\$16,042,305	\$17,832,283	\$17,875,543	\$19,828,217	11.2%	\$21,998,999	23.4%
Operating Net	\$10,927,635	\$10,861,360	\$12,751,205	\$11,416,810	5.1%	\$12,812,571	18.0%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented. Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 5% annual increase each year. Benefits- Retirement is based upon CalPERS estimated increases. Other Costs assume a 4% annual increase each year.

Staffing							
Administration Division*	5.60	5.60	5.60	7.60	36%	7.60	36%
Total	5.60	5.60	5.60	7.60	36%	7.60	36%

*0.60 refers to Business Services Manager which is allocated to both Administrative Services and Finance Divisions.

FY 2018 Proposed includes Community Affairs/Public Outreach Representative and Employee Development & Organizational Performance Manager for 6 months. FY 2019 includes these positions for the full year.

BUSINESS SERVICES DEPARTMENT: FINANCE DIVISION



PROGRAM DESCRIPTION

The Finance Division, as part of the Business Services Department, provides accounting support to all District departments and to District customers and vendors. Its functions include financial management, customer billing, centralized procurement, and payroll processing. Business Services Department operations are managed by the Business Services Manager.

The Finance Division is responsible for maintaining detailed financial records; accounts payable processing and payment; billing, tracking and collection of accounts receivables; payroll processing and reporting; employee benefits accounting; fixed asset management; financial planning, forecasting and reporting; budget development and analysis; debt administration; centralized procurement; and coordination of the District's audits.

HIGHLIGHTS

- Prepared FY 2018 and 2019 Budgets in new format.
- Performed FY 2016 year-end close procedures, coordinated annual audit and presentation of audited financials to the Administration & Finance Committee.
- Prepared the Comprehensive Annual Financial Report for FY 2016 and received the California Society of Municipal Finance Officers (CSMFO) Award for Outstanding Financial Reporting.
- Implemented electronic employee time keeping system.
- Received the CSMFO Operating Budget Excellence Award for the Comprehensive Biennial Budget for Fiscal Years 2016 and 2017.
- Celebrated retirement of Accounting Technician after 28 years of service. Hired and trained a replacement Accounting Technician.

GOALS & PROGRAM OBJECTIVES

- Maintain and improve a system of accounting and reporting that adequately describes the financial condition of the District.
- Prepare reports that meet the award standards for outstanding Financial Reporting and Operating Budget from the Government Finance Officers Association (GFOA).
- Provide excellent customer service to external and internal customers. Provide analytical support to District Management to improve efficiency and effectiveness.
- Timely and accurately process employee payroll in accordance with time reported, Memorandums of Understanding, and in compliance with federal and state laws.
- Process accounts payable and pay in accordance with payment terms. Bill, track and collect accounts receivable.
- Ensure compliance with all federal and state laws. Perform accounting in conformity with Government GAAP (Generally Accepted Accounting Principles).
- Maintain accounting records for Capital Improvement projects and Fixed Assets.
- Facilitate Division Supervisor understanding of monthly budget reports.
- Continue best value procurement of supplies and services. Contain costs by monitoring selected large volume purchases and suggesting contracts with competitively priced vendors.
- Work with departments and divisions to implement procedures that result in best value and increased efficiencies.
- Maximize use of recycled and “green” office supplies throughout organization.
- Maintain contracts for District office equipment, telephone/computer lines, janitorial, and other services and equipment.

Financial Summary

Finance

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$338,760	\$493,439	\$446,645	\$523,316	6.1%	\$544,948	10.4%
Overtime	\$298	\$105	\$274	\$2,600	2376.2%	\$2,600	2376.2%
Benefits- Medical, Dental, Vision, Life	\$71,736	\$93,470	\$72,274	\$74,334	-20.5%	\$79,117	-15.4%
Benefits- Retirement	\$124,058	\$172,239	\$175,966	\$192,769	11.9%	\$204,541	18.8%
Benefits- Allowances and Reimbursements	\$5,325	\$3,808	\$2,276	\$4,595	20.7%	\$4,714	23.8%
Worker's Compensation Premiums	\$1,660	\$1,100	\$1,049	\$1,117	1.5%	\$1,173	6.6%
Total Personnel	\$541,838	\$764,160	\$698,484	\$798,730	4.5%	\$837,093	9.5%
Banking & Financial Services	\$26,123	\$31,620	\$29,968	\$32,885	4.0%	\$34,200	8.2%
Professional & Technical Services	\$128,717	\$46,600	\$47,615	\$48,464	4.0%	\$50,403	8.2%
Other Purchased Services	\$14,804	\$7,750	\$5,638	\$8,060	4.0%	\$8,382	8.2%
Communications	\$1,604	\$1,976	\$1,751	\$2,055	4.0%	\$2,137	8.1%
Utilities	\$5,900	\$3,870	\$2,995	\$4,024	4.0%	\$4,185	8.1%
Travel	\$1,542	\$2,500	\$1,891	\$2,600	4.0%	\$2,704	8.2%
Rentals/Leases		\$2,500	\$1,845	\$2,600	4.0%	\$2,704	8.2%
Property Services	\$3,570	\$5,356	\$5,463	\$5,570	4.0%	\$5,793	8.2%
Supplies	\$3,959	\$4,350	\$5,193	\$4,524	4.0%	\$4,705	8.2%
Property/Equipment	\$26	\$2,600	\$1,128	\$2,704	4.0%	\$3,000	15.4%
Bad Debt Write Offs			\$15,000	\$14,486		\$15,065	
Total Non-Personnel	\$186,245	\$109,122	\$118,487	\$127,971	17.3%	\$133,277	22.1%
Total Expenses	\$728,082	\$873,281	\$816,971	\$926,701	6.1%	\$970,370	11.1%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented.

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/C. Benefits- Retirement is based upon CalPERS estimated increases.

Other Costs assume a 4% annual increase each year.

Staffing							
Finance Division*	4.40	4.40	4.40	4.40	0%	4.40	0%
Total	4.40	4.40	4.40	4.40	0%	4.40	0%

*0.40 refers to Business Services Manager which is allocated to both Administrative Services and Finance Divisions.

ENGINEERING SERVICES DEPARTMENT: ENGINEERING DIVISION



PROGRAM DESCRIPTION

The Engineering Division is responsible for the management and technical support necessary to:

- Implement the District's capital improvement program. This includes increasing the capacity of the collection system, as well as rehabilitation of the existing collection system, pump stations, treatment plant, and administration facilities.
- Determine needed facilities for growth in the District. Provide review of tentative maps and sewer construction plans. Enforce design standards for sewer construction, and provide construction inspection services.
- Provide permit services, including fee estimates and inspection of sewer lateral replacements and repairs for 27,255 parcels in the District.

Division services are managed by the Engineering Services Manager with direct supervision by the Senior Engineer. The Capital Projects Manager manages the Capital Projects Program.

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all capital projects. Pipeline, pump station, engineering and treatment plant projects completed totaled over \$ 10.2 million in FY 2016 and FY 2017.
- Major Capital Projects completed in FY 2016 and FY 2017:

Primary Clarifier Improvements
Seismic Retrofits at the WPCP
Miscellaneous Mechanical Improvements
Market Avenue Sewer Replacement

The following projects were completed during FY 2016 and FY 2017.

Project Name	Project Number	Year Completed	Length of Pipe	Value of Improvement
Vactor Spoils Facility	12PS602	2016	NA	\$41,000
Market Ave Sewer	14CS204	2016	2,080	\$982,000

FISCAL YEARS 2018 & 2019

Pipes 12" and less	14CS206	2017	2,400	\$1,319,000
Pipes 15" and greater	14CS207	2017	450	\$284,000
Hazel and Dimm Sewer	14CS213	2017	700	\$194,000
Church Lane Sewer	14CS214	2017	150	\$380,000
Riverside Ave Sewer	15CS203	2016	50	\$140,000
Primary Clarifiers	15PS602	2017	NA	\$2,941,000
Seismic Retrofits at the WPCP	15PS601	2017	NA	\$2,085,000
Misc. Mechanical Improvements	15PP501	2017	NA	\$1,884,000
Total			5,830	\$10,217,000

- Implemented construction of over 5,800 feet of sewer mains in FY 2015-16 and FY 2016-2017.
Issued permits and inspected construction for 876 sanitary sewer construction projects in FY 2015-16 and FY 2016-17.

GOALS & PROGRAM OBJECTIVES

- To provide engineering analysis and project development for cost effective implementation of all District capital projects.
- To effectively plan and implement future replacement and improvements to the infrastructure in order to maintain an efficient, reliable system and to provide timely response with plan review for new development.
- To establish standards and provide inspection of all sewer construction, including private laterals and to maintain accurate reproducible records of infrastructure improvements and land records.
- To keep informed of all construction that may affect District facilities and provide accurate field marking of District lines for the Underground Service Alert (USA) program to minimize damage to District sewers.
- To manage programs to assist customers, such as implementing the Building Sewer Replacement Grant Program and conducting video inspection of laterals upon the sale of a residence.
- Provide research, design, bidding and construction inspection services for District capital improvement projects.
- Prioritize capital improvement projects to meet District needs and comply with new regulatory requirements and maintain an updated 5-year capital plan.
- Continue education and cross training of personnel to improve service and keep informed of the latest technological advances in mapping, construction and wastewater industries.

Financial Summary Engineering

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$572,282	\$717,811	\$649,739	\$752,795	4.9%	\$785,715	9.5%
Overtime	\$1,774	\$3,150	\$8,221	\$23,600	649.2%	\$23,600	649.2%
Benefits- Medical, Dental, Vision, Life	\$148,802	\$190,779	\$147,517	\$151,723	-20.5%	\$161,484	-15.4%
Benefits- Retirement	\$201,732	\$264,888	\$270,853	\$296,718	12.0%	\$314,838	18.9%
Benefits- Allowances and Reimbursements	\$6,300	\$11,960	\$7,150	\$14,430	20.7%	\$14,806	23.8%
Worker's Compensation Premiums	\$10,688	\$9,360	\$8,927	\$9,507	1.6%	\$9,983	6.7%
Total Personnel	\$941,578	\$1,197,948	\$1,092,407	\$1,248,773	4.2%	\$1,310,426	9.4%
Professional & Technical Services	\$103,419	\$18,040	\$19,000	\$19,800	9.8%	\$20,592	14.1%
Other Purchased Services	\$3,718	\$4,946	\$5,000	\$5,200	5.1%	\$5,408	9.3%
Communications	\$6,800	\$7,488	\$8,000	\$8,300	10.8%	\$8,632	15.3%
Utilities	\$15,727	\$20,671	\$22,000	\$22,900	10.8%	\$23,816	15.2%
Travel	\$529	\$2,050	\$2,200	\$2,300	12.2%	\$2,392	16.7%
Rentals/Leases	\$657	\$5,100	\$5,400	\$5,700	11.8%	\$5,928	16.2%
Property Services	\$9,590	\$7,304	\$7,450	\$7,800	6.8%	\$8,112	11.1%
Grants & Governmental Payments	\$350						
Permits	\$100						
Supplies	\$8,092	\$12,348	\$14,742	\$15,300	23.9%	\$15,912	28.9%
Property/Equipment	\$540	\$3,400	\$3,600	\$3,800	11.8%	\$3,952	16.2%
Total Non-Personnel	\$149,522	\$81,347	\$87,392	\$91,100	12.0%	\$94,744	16.5%
Total Expenses	\$1,091,101	\$1,279,295	\$1,179,799	\$1,339,873	4.7%	\$1,405,170	9.8%
Revenue							
Inspection/Permit Fees	\$171,834	\$155,530	\$195,789	\$197,213	26.8%	\$198,135	27.4%
Subtotal	\$171,834	\$155,530	\$195,789	\$197,213	26.8%	\$198,135	27.4%
Total Revenue	\$171,834	\$155,530	\$195,789	\$197,213	26.8%	\$198,135	27.4%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented. FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Benefits- Retirement is based upon CalPERS estimated increases. Other Costs assume a 4% annual increase each year.

Staffing							
Engineering Division*	9.16	9.16	9.16	9.16	0%	9.16	0%
Total	9.16	9.16	9.16	9.16	0%	9.16	0%

* The 0.16 refers to Engineering Services Manager 0.41; Secretary 0.75; allocated to both Engineering and Collection System Operations Divisions.

ENGINEERING SERVICES DEPARTMENT: COLLECTION SYSTEM OPERATIONS DIVISION



PROGRAM DESCRIPTION

The Collection System Operations (CSO) division responds to customer requests for service and performs preventive and corrective maintenance of the wastewater mains in the West County Wastewater District. The division also provides on-call response and limited collection system preventive maintenance for the Crockett Community Service District collection system.

Services are managed by the Engineering Services Manager with direct supervision by the Collection System Supervisor.

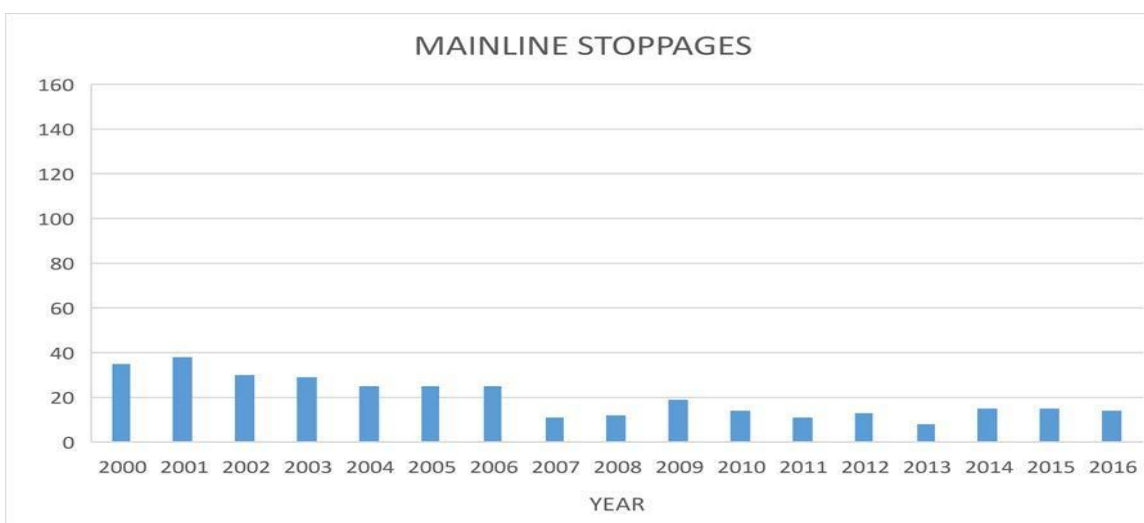
HIGHLIGHTS

- Rodded and flushed over 2,132,000 feet of main line in 2017 and maintained maximum capacity of lines surcharged during storm events.
- The TV inspection team video-inspected 299,000 feet of main line in 2017.
- During 2017, the CSO crew responded to 150 service requests.
- During 2017, there were only 14 mainline stoppages.
- The CSO crew consistently responded to 98% of all service requests in less than one hour at any time of the day or night.
- Responded to critical failures in the system due to Acts of God like landslides without any loss to the system.
- Increased preventive maintenance wet well grease removal and cleaning at critical pump stations in cooperation with Plant Maintenance Division (This work improves pump station reliability and reduces odor generation).
- As an added service provided to the customer, the C.S.O. Division offers a lateral video inspection service (These have been performed as a follow-up to requests from the customers and to confirm that sewer problem is in lateral).

GOALS & PROGRAM OBJECTIVES

- To minimize and eliminate overflows into the environment and to provide uninterrupted service to our customers.
- To reduce spills to 7 per 100 miles of mainline.
- Continue to prolong the life and improve reliability of the Collection System.
- To provide customers with quick, knowledgeable and complete response by District service crews when requested with a goal of 100% customer satisfaction.
- To identify and correct pipeline defects and infiltration and inflow sources in main lines through video inspection and repairs.
- To Rod and Hydro Clean 2,000,000 feet of pipeline.
- Schedule TV inspection of district line segments every 6 years for lines 12 inches or less and every 10 years for lines larger than 12 inches.
- In addition, post-stoppage review and other requests for TV inspection completed as needed.
- No lost time due to injuries or accidents.
- To clean 2,500,000 feet of pipelines with rodding and hydro-flushing vehicles.
- Implement a program to clean pipelines larger than 12 inches in diameter on a minimum schedule of once in 10 years.
- Provide video inspection of all new main line segments, and existing pipeline.
- Continue to video inspect problem lines and segments where stoppages occur.
- The goal to complete televising the entire district has been accomplished and the C.S.O. continues the 10-year cycle.
- Identify and continue providing additional customer services, including assistance with building sewer laterals.
- Continue training CSO staff on safety and continually enhance customer service.
- To increase the amount of repairs on pipelines to help maintain the systems integrity and reliability.

PERFORMANCE MEASURES



Financial Summary

Collection System Operations (CSO)

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$1,099,672	\$1,280,489	\$1,159,058	\$1,434,091	12.0%	1,490,225	16.4%
Overtime	\$15,527	\$25,200	\$65,765	\$25,000	-0.8%	\$25,000	-0.8%
Benefits- Medical, Dental, Vision, Life	\$279,891	\$331,738	\$256,510	\$263,825	-20.5%	\$280,798	-15.4%
Benefits- Retirement	\$388,775	\$470,851	\$481,455	\$527,430	12.0%	\$559,639	18.9%
Benefits- Allowances and Reimbursements	\$10,282	\$10,500	\$8,832	\$17,825	69.8%	\$18,289	74.2%
Worker's Compensation Premiums	\$43,363	\$62,400	\$59,514	\$63,382	1.6%	\$66,551	6.7%
Total Personnel	\$1,837,510	\$2,181,178	\$2,031,134	\$2,331,553	6.9%	\$2,440,502	11.9%
Professional & Technical Services	\$476,168	\$501,162	\$512,078	\$565,269	12.8%	\$586,110	17.0%
Other Purchased Services	\$20,970	\$24,076	\$17,516	\$25,039	4.0%	\$26,041	8.2%
Communications	\$11,313	\$10,650	\$9,437	\$11,076	4.0%	\$11,519	8.2%
Utilities	\$17,832	\$30,329	\$23,474	\$31,542	4.0%	\$32,804	8.2%
Travel	\$2,432	\$3,250	\$2,459	\$3,380	4.0%	\$3,515	8.2%
Rentals/Leases	\$531	\$4,404	\$3,250	\$4,580	4.0%	\$4,763	8.2%
Property Services	\$8,883	\$9,168	\$9,351	\$9,534	4.0%	\$9,916	8.2%
Permits	\$3,732	\$13,904	\$14,988	\$14,460	4.0%	\$15,039	8.2%
Supplies	\$150,086	\$145,176	\$173,326	\$178,621	23.0%	\$185,766	28.0%
Property/Equipment	\$73,786	\$61,500	\$26,671	\$63,960	4.0%	\$66,518	8.2%
Total Non-Personnel	\$765,734	\$803,619	\$792,550	\$907,461	12.9%	\$941,991	17.2%
Total Expenses	\$2,603,244	\$2,984,797	\$2,823,684	\$3,239,014	8.5%	\$3,382,493	13.3%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented.

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Benefits- Retirement is based upon CalPERS estimated increases.

Other Costs assume a 4% annual increase each year.

Staffing							
Collection System Operations*	13.84	13.84	13.84	13.84	0%	13.84	0%
Total	13.84	13.84	13.84	13.84	0%	13.84	0%

* The 0.84 refers to Engineering Services Manager 0.59; Secretary 0.25; allocated to both Engineering and Collection System Operations Divisions.

WATER QUALITY SERVICES DEPARTMENT: WPCP ENVIRONMENTAL COMPLIANCE DIVISION



PROGRAM DESCRIPTION

The Environmental Compliance Division provides services and oversight in four areas: National Pollutant Discharge Elimination System (NPDES) permit compliance, Laboratory Operations and implementation of the Pretreatment and Pollution Prevention Programs. NPDES permit compliance involves maintaining compliance with permit parameters, implementing investigations and additional sampling programs to address specific pollutants, developing action plans to reduce these pollutants and reporting levels of progress to the Regional Board. The laboratory conducts analyses of various plant samples for process control, NPDES permit parameters and special projects as needed.

The Pretreatment Program includes evaluating facilities and discharges within the District's service area that could adversely affect the collection system and/or treatment plant, evaluating permit applications and issuing permits, performing inspections, sampling and monitoring and conducting enforcement when needed. The Pollution Prevention Program focuses on educating commercial businesses and residents on pollutants that are harmful to the collection system, treatment plant and the environment and how to reduce or eliminate them. Public information, plant tours, and participation in outreach activities are significant elements of this program.

Division services are managed by the Water Quality Manager with direct supervision by the Environmental Compliance Supervisor.

HIGHLIGHTS

- Collected over 7,400 samples and oversaw more than 12,300 process-related tests, including industrial and commercial discharger tests last year.
- Performed inspections and sampled regulated industrial facilities; performed sampling at commercial facilities and inspections at food service establishments (FSEs) and dentists in the District's service area.

- Conducted classroom tours for over 120 students, teachers, and parents.
- Participated in public outreach activities such as the El Sobrante Stroll, and Richmond North Shoreline Festival.
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses, and during public events.
- Provided inspection services for the County's Green Business Program.
- Performed inspections under contract to local cities to assess compliance with storm water ordinances.
- Participated in process for issuance of first Bay Area wide Nutrient Watershed Permit by the Regional Board.
- Submitted the District's annual reports for the Air Board permit, Storm Water permit, Hazardous Waste generator permit, and Hazardous Materials Business Plan.

GOALS & PROGRAM OBJECTIVES

- Maintain 100 % compliance with the District's NPDES permit requirements, including the Pretreatment and Pollution Prevention programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial discharges, the operational status of the treatment plant and the quality of the biosolids we generate.
- Effectively regulate discharges of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, District staff, the public and the environment.
- Effectively implement the pollution prevention program and provide public outreach to reduce and or prevent the discharge of pollutants to the collection system, treatment plant and the environment; this includes implementing tools to measure the progress of these efforts.
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (Green Business Program, Household Hazardous Waste/Pharmaceutical Collection, Bay Area Pollution Prevention Group, etc.)
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.
- Perform all required sampling, inspections, studies and outreach to comply with the District's NPDES permit, Pretreatment and Pollution Prevention Programs, FOG program, process control and source identification.
- Maintain compliance with all programs and requirements listed above.
- Maintain ELAP certification for laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant and the bay.

PERFORMANCE MEASURES

The Water Pollution Control Plant maintained 100% compliance with our NPDES Permit, Pretreatment and Pollution Prevention Program requirements for Fiscal Years 2016 and 2017.

Financial Summary Water Pollution Control Plant – Environmental Compliance

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$482,027	\$513,633	\$464,924	\$540,284	5.2%	\$566,996	10.4%
Overtime	\$1,893	\$3,360	\$8,769	\$2,454	-27.0%	\$2,454	-27.0%
Benefits- Medical, Dental, Vision, Life	\$100,852	\$159,035	\$122,971	\$143,477	-9.8%	\$139,615	-12.2%
Benefits- Retirement	\$174,756	\$189,719	\$193,824	\$212,333	11.9%	\$225,300	18.8%
Benefits- Allowances and Reimbursements	\$3,320	\$4,368	\$2,611	\$5,270	20.7%	\$5,408	23.8%
Worker's Compensation Premiums	\$19,520	\$18,720	\$17,854	\$19,015	1.6%	\$19,965	6.7%
Total Personnel	\$782,368	\$888,835	\$810,953	\$922,833	3.8%	\$959,738	8.0%
Professional & Technical Services	\$45,034	\$98,952	\$101,107	\$102,910	4.0%	\$107,026	8.2%
Other Purchased Services	\$4,220	\$22,777	\$16,571	\$23,688	4.0%	\$24,636	8.2%
Communications	\$3,479	\$3,328	\$2,949	\$3,461	4.0%	\$3,600	8.2%
Utilities	\$64,881	\$68,744	\$53,206	\$71,494	4.0%	\$74,353	8.2%
Travel	\$1,293	\$1,600	\$1,210	\$1,664	4.0%	\$1,731	8.2%
Property Services	\$5,794	\$6,240	\$6,365	\$6,490	4.0%	\$6,749	8.2%
Permits	\$2,874	\$3,120	\$3,363	\$3,245	4.0%	\$3,375	8.2%
Supplies	\$33,316	\$36,898	\$44,053	\$46,800	26.8%	\$48,672	31.9%
Property/Equipment	\$48	\$2,500	\$1,084	\$4,161	66.4%	\$2,704	8.2%
Total Non-Personnel	\$160,939	\$244,159	\$229,908	\$263,913	8.1%	\$272,846	11.7%
Total Expenses	\$943,307	\$1,132,994	\$1,040,861	\$1,186,746	4.7%	\$1,232,584	8.8%
Revenue							
Contract Services	\$38,055						
Inspection/Permit Fees	\$38,999	\$63,654	\$80,131	\$80,714	26.8%	\$81,091	27.4%
Misc. Revenue				\$1,561		\$1,561	
Subtotal	\$77,054	\$63,654	\$80,131	\$82,275	29.3%	\$82,652	29.8%
Total Revenue	\$77,054	\$63,654	\$80,131	\$82,275	29.3%	\$82,652	29.8%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented. FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Benefits- Retirement is based upon CalPERS estimated increases. Other Costs assume a 4% annual increase each year.

Staffing							
Environmental Compliance*	4.48	4.48	4.48	4.48	0%	4.48	0%
Total	4.48	4.48	4.48	4.48	0%	4.48	0%

* The 0.48 refers to Water Quality Manager 0.24; Secretary 0.24; allocated to Environmental Compliance, Plant Operations, and Maintenance Divisions.

WATER QUALITY SERVICES DEPARTMENT: WPCP OPERATIONS DIVISION



PROGRAM DESCRIPTION

The Water Pollution Control Plant Operations Division is responsible for the safe, legal, economical, and environmentally acceptable treatment and reclaiming of all sanitary wastewater flows from West County Wastewater District. In addition, this program is responsible for “First Response” to alarms from 18 district lift stations and three (3) contract stations.

Division services are managed by the Water Quality Manager with direct supervision by the WPCP Operations Supervisor.

HIGHLIGHTS

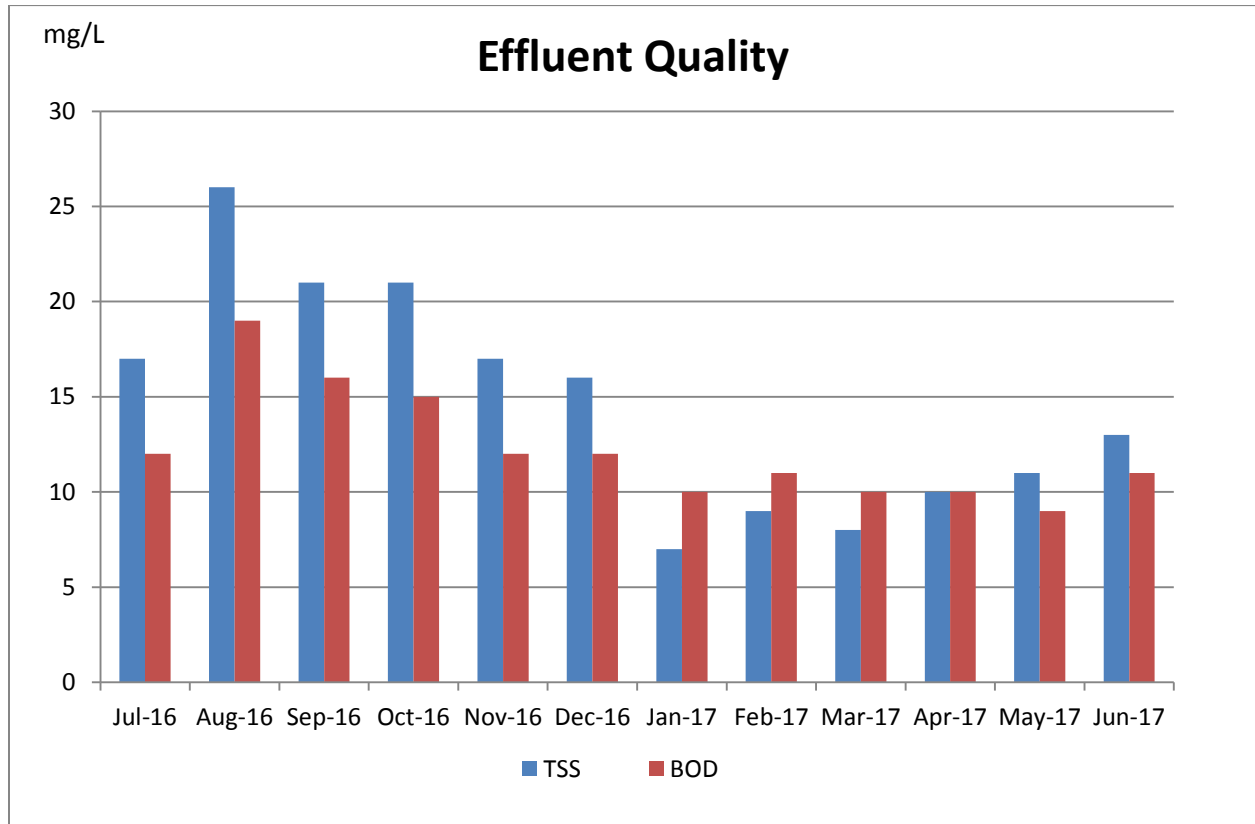
- Drained, inspected, and rebuilt all three primary clarifiers.
- Drained, inspected, and repaired, as necessary two secondary clarifiers.
- Drained #1 and #2 aeration basins for inspection and modification as part of the Recycled Water Reliability Upgrade Project.
- Drained and cleaned chlorine contact basins as required.
- Mixed and dried biosolids lagoons, sampled dry biosolids, and coordinated the cleaning with West County Landfill.
- Continued to monitor energy use at the treatment plant and develop new energy efficient/conservation efforts.
- Continued efforts to research areas of green power generation to help lower future energy costs, most notably a solar generation project.
- Participated with lab personnel on various sampling programs. Performed process related laboratory analysis for the Environmental Compliance Division on weekends.
- Continued to receive the highest inspection rating from the Regional Water Quality Control Board (RWQCB) for the annual NPDES compliance inspection.
- Participated in a partnership with East Bay Municipal Utilities District’s on various projects to increase reclaimed water use, most notably the Richmond Advanced Recycled Expansion (RARE) Water Project.

- Provided leadership and supervision training for all plant Shift Supervisors. Continued to make certification review training available to all Operations Division personnel. Fully implemented the department's annual safety training programs.
- Continued to develop methods to lower ammonia levels in WCWD effluent to aid the North Richmond Water Reclamation Plant (NRWRP) meet requirements to supply reclaimed water to the Chevron Refinery.
- Received the NACWA Platinum award for zero National Pollutants Discharge Elimination System (NPDES) permit violations for the fourteenth consecutive year.
- The plant continued to participate in the Solano College Operator-in-Training program, where students volunteer their time to intern at the plant gaining valuable work experience to augment their classroom studies of wastewater treatment plant operations.
- Supplied quality effluent to the North Richmond Water Reclamation Plant and the RARE project and the West Contra Costa Sanitary Landfill for reuse.
- Administered the District's Trucked Waste Acceptance Program.
- Worked with consultant engineers to optimize processes and expand nitrifying facilities to improve reliability.

GOALS & PROGRAM OBJECTIVES

- To operate the wastewater treatment and disposal system of the West County Wastewater District for current and future customers with safe, efficient, and cost-effective treatment services.
- To have 100% compliance with all NPDES limits for conventional pollutants.
- To receive the National Association of Clean Water Agencies (NACWA) Platinum Award for the fifteenth consecutive calendar year.
- To continue providing current plant personnel with opportunities to attend seminars and technical sessions, to expand their interest and knowledge of the wastewater industry.
- Dewater, sample, and remove biosolids from lagoons by November 22 of each year.
- Dewater, inspect, and perform project improvements on both Aeration Basins.
- Dewater, clean and rehabilitate three primary and four secondary clarifiers.
- Dewater and clean chlorine contact basins as needed during 2016 and 2017.
- Provide refresher training in the lab and for safety (rescue).
- Participate with lab personnel in the various sampling programs.
- Continue to fully implement the Department's Annual Safety Training programs.
- Continue to administer the District's Trucked Waste Acceptance Program.
- Schedule Operator Certification training classes and other regional training classes at the District's Wooten Training Classroom.

PERFORMANCE MEASURES



Financial Summary

Water Pollution Control Plant – Operations

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$1,049,993	\$1,283,721	\$1,161,983	\$1,454,029	13.3%	\$1,613,308	25.7%
Overtime	\$223,107	\$54,600	\$142,490	\$34,859	-36.2%	\$36,602	-33.0%
Benefits- Medical, Dental, Vision, Life	\$259,204	\$369,856	\$285,984	\$413,487	11.8%	\$460,593	24.5%
Benefits- Retirement	\$399,346	\$459,551	\$469,900	\$513,763	11.8%	\$572,293	24.5%
Benefits- Allowances and Reimbursements	\$9,279	\$10,452	\$6,248	\$11,685	11.8%	\$13,016	24.5%
Worker's Compensation Premiums	\$52,331	\$57,200	\$54,554	\$63,948	11.8%	\$71,233	24.5%
Total Personnel	\$1,993,260	\$2,235,379	\$2,121,159	\$2,491,770	11.5%	\$2,767,045	23.8%
Engineering & Architectural Services	\$9,593		\$13,256				
Professional & Technical Services	\$68,633	\$151,580	\$154,882	\$157,643	4.0%	\$163,949	8.2%
Other Purchased Services	\$13,050	\$13,998	\$10,184	\$14,558	4.0%	\$15,140	8.2%
Communications	\$8,309	\$7,800	\$6,912	\$8,112	4.0%	\$8,436	8.2%
Utilities	\$487,922	\$547,983	\$424,126	\$569,902	4.0%	\$592,698	8.2%
Travel	\$266	\$1,300	\$984	\$1,352	4.0%	\$1,406	8.2%
Property Services	\$9,669	\$9,880	\$10,078	\$10,275	4.0%	\$10,686	8.2%
Grants & Governmental Payments	\$8,160	\$182	\$203	\$189	3.8%	\$197	8.2%
Permits	(\$1,632)	\$21,840	\$23,542	\$22,714	4.0%	\$23,622	8.2%
Supplies	\$361,592	\$418,113	\$499,186	\$519,153	24.2%	\$539,920	29.1%
Property/Equipment		\$1,500	\$651	\$1,560	4.0%	\$1,622	8.1%
Total Non-Personnel	\$965,562	\$1,174,176	\$1,144,004	\$1,305,458	11.2%	\$1,357,676	15.6%
Total Expenses	\$2,958,822	\$3,409,555	\$3,265,163	\$3,797,228	11.4%	\$4,124,721	21.0%
Revenue							
Sewer Use Charge-Industrial	\$1,297,077	\$856,979	\$1,416,546	\$1,572,367	83.5%	\$1,745,327	103.7%
Rents & Leases	\$353,535		\$268,930	\$189,854		\$201,245	
Misc. Revenue	\$112,965	\$72,436	\$87,136	\$87,156	20.3%	\$87,156	20.3%
Subtotal	\$1,763,577	\$929,415	\$1,772,612	\$1,849,377	99.0%	\$2,033,728	118.8%
Total Revenue	\$1,763,577	\$929,415	\$1,772,612	\$1,849,377	99.0%	\$2,033,728	118.8%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented.

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for

Benefits- Retirement is based upon CalPERS estimated increases.

Supplies cost assumes a 4% annual increase over FY 2017 Projected

Other Costs assume a 4% annual increase each year.

Staffing							
Plant Operations*	12.80	12.80	12.80	13.80	8%	13.80	8%
Total	12.80	12.80	12.80	13.80	8%	13.80	8%

* The 0.80 refers to Water Quality Manager 0.40; Secretary 0.40; allocated to Environmental Compliance, Plant Operations, and Maintenance Divisions.

FY 2018 Proposed includes Process/Control Engineer for 6 months. FY 2019 includes this position for the full year.

WATER QUALITY SERVICES DEPARTMENT: WPCP MAINTENANCE DIVISION



PROGRAM DESCRIPTION

The Maintenance Division is responsible for the reliability and integrity of systems and equipment at the Water Pollution Control Plant (WPCP). The Division also operates and maintains 17 District-owned lift stations and facilities for three contract entities; the Crockett Sanitary Department pump stations and storage facility, Contra Costa County North Richmond Storm Water pump station, and West County Justice Center lift station. The Maintenance Division maintains the 36-inch, five-mile long, transmission pipeline.

The Maintenance Division manages and executes predictive and preventive maintenance programs, corrective and rehabilitative maintenance, and in-house equipment and process improvements. The division serves a primary role in the development and execution of capital projects and equipment purchases. The division coordinates and oversees contractors working in the plant.

Services are managed by the WPCP Water Quality Manager with direct supervision by the WPCP Maintenance Supervisor.

HIGHLIGHTS

- Maintained the reliability of equipment and Plant processes via:
 - ✓ Comprehensive preventive maintenance - leading to no significant equipment failures and minimal interruptions to plant processes.
 - ✓ Predictive maintenance programs: Vibration Analysis and Infrared Scanning aided in system analyses and troubleshooting endeavors.
 - ✓ Calibration of all Plant instruments
 - ✓ Enhanced reliability with an increased inventory of back-up (spare) pumps and motors.
- Supervision of programs and systems:
 - ✓ Plant and Lift Station SCADA

- ✓ Computerized Maintenance Management System
- ✓ District-wide Fleet Management Program (with CSO Division)
- Personnel highlights:
 - ✓ Staff CWEA Certifications: (3) Grade IV Plant Maintenance Technicians, (4) Grade III Mechanical Technicians, and (1) Grade I Mechanical Technician; (1) Grade III Electrical / Instrumentation Technician, (1) Grade II Electrical / Instrumentation Technician.
 - ✓ Continued training staff to address our increasing dependence on modern technologies.
 - ✓ Cross-training in trade disciplines.
- Division contributions to completion of upgrade, efficiency and rejuvenation projects:
 - ✓ SCADA / MOSCAD upgrades - including disaster recovery enhancements and new server.
 - ✓ Replacement of damaged Auto Transfer Switch at Lakeside Lift Station.
 - ✓ Active Participation in the Hilltop Green Lift Station Upgrade Project with construction of new wet well, new submersible flygt pumps and new VFD's.

GOALS & PROGRAM OBJECTIVES

- To maintain appropriate capacities and effective operations and assure no spills or overflows.
- To maintain the wastewater treatment facilities, lift stations and contract stations at a level that assures uninterrupted quality service to our customers; and ensures no process interruptions due to equipment break downs.
- To promote the development and education of staff to assure the ongoing ability to operate, maintain, troubleshoot and repair all systems and equipment.
- To continue upgrading all equipment and facilities - concentrating on improved reliability, ease-of-maintenance and reduced operating and maintenance costs.
- To complete critical Capital Improvement Projects.
- To complete all scheduled and necessary equipment purchases.
- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses or discharge permit violations, and to minimize the possibility of equipment breakdowns.
- Perform predictive maintenance – utilizing vibration analyses and thermal imaging on specific lift station pumps as part of the comprehensive preventive/predictive maintenance program.
- Purchase and install new pumps as necessary, and facilitate overhauls on existing pumps to ensure no interruption in service.
- Installation of chemical injection system at Lakeside Lift Station wet well to dissolve/prevent build-up of grease.
- Continue the comprehensive training of division personnel.
- Continue to promote and provide a safe and healthy environment for all District personnel, contractors, visitors – and the community we serve.

- Complete all one-year Capital Projects and Equipment Purchases.
- Assess and plan for future needs.

Financial Summary

Water Pollution Control Plant – Maintenance (including Lift Stations)

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$815,959	\$983,420	\$890,160	\$1,041,855	5.9%	\$1,134,867	15.4%
Overtime	\$14,675	\$10,920	\$28,498	\$39,000	257.1%	\$39,000	257.1%
Benefits- Medical, Dental, Vision, Life	\$185,544	\$247,091	\$191,058	\$250,680	1.5%	\$264,416	7.0%
Benefits- Retirement	\$296,498	\$360,909	\$369,037	\$417,329	15.6%	\$456,738	26.6%
Benefits- Allowances and Reimbursements	\$8,160	\$9,620	\$8,092	\$11,964	24.4%	\$12,659	31.6%
Worker's Compensation Premiums	\$34,130	\$33,280	\$31,741	\$35,040	5.3%	\$38,089	14.5%
Total Personnel	\$1,354,966	\$1,645,240	\$1,518,586	\$1,795,868	9.2%	\$1,945,768	18.3%
Professional & Technical Services	\$213,530	\$257,911	\$263,529	\$294,477	14.2%	\$305,206	18.3%
Other Purchased Services	\$12,375	\$11,424	\$8,311	\$11,881	4.0%	\$12,356	8.2%
Communications	\$6,099	\$4,732	\$4,193	\$4,921	4.0%	\$5,118	8.2%
Utilities	\$303,250	\$299,186	\$231,564	\$311,154	4.0%	\$323,600	8.2%
Travel	\$650	\$800	\$605	\$832	4.0%	\$865	8.1%
Rentals/Leases		\$7,350	\$5,424	\$7,350	0.0%	\$7,950	8.2%
Property Services	\$47,111	\$117,062	\$119,402	\$121,744	4.0%	\$126,614	8.2%
Grants & Governmental Payments	\$151,689	\$129,379	\$144,344	\$144,499	11.7%	\$149,972	15.9%
Permits	\$25,906	\$29,360	\$31,648	\$30,534	4.0%	\$31,756	8.2%
Supplies	\$191,830	\$262,212	\$313,055	\$325,577	24.2%	\$338,600	29.1%
Property/Equipment	\$69,478	\$108,980	\$47,263	\$113,339	4.0%	\$117,873	8.2%
Total Non-Personnel	\$1,021,918	\$1,228,395	\$1,169,338	\$1,366,308	11.2%	\$1,419,910	15.6%
Total Expenses	\$2,376,884	\$2,873,635	\$2,687,924	\$3,162,175	10.0%	\$3,365,678	17.1%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented.

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 5% annual increase each year.

Benefits- Retirement is based upon CalPERS estimated increases.

Other Costs assume a 4% annual increase each year.

Staffing							
Maintenance*	9.72	9.72	9.72	10.72	10%	10.72	10%
Total	9.72	9.72	9.72	10.72	10%	10.72	10%

* The 0.72 refers to Water Quality Manager 0.36; Secretary 0.36; allocated to Environmental Compliance, Plant Operations, and Maintenance Divisions.

FY 2018 Proposed includes Maintenance/Instrument Tech (In Training) for 6 months. FY 2019 includes this position for the full year.

WATER QUALITY SERVICES DEPARTMENT: CONTRACT SERVICES DIVISION



PROGRAM DESCRIPTION

The Maintenance Division of the Water Pollution Control Department operates, maintains and/or supports six contract facilities for three distinct agencies; the North Richmond Storm Water Pump Station (NRSWPS), two wastewater lift stations and a storage facility for Crockett Sanitary Department (CSD), and the West County Justice Center wastewater lift station (WCJC). This is a full cost recovery program.

The Maintenance Division is the key division in the Water Pollution Control Plant to generate capital projects and long range improvements for the contract stations. The division oversees and manages most outside contractors working at these facilities.

Services are managed by the WPCP Water Quality Manager with direct supervision by the WPCP Maintenance Supervisor. Staff is assigned to work on contract sites on an as-needed basis.

HIGHLIGHTS

- Enhanced clean water program North Richmond Storm Water pump station.
- Engagement in planning / facilitating the project to deliver North Richmond Storm Water pump station dry weather flows to WCWD Water Pollution Control Plant.
- Supervision/active participation in the installation of two electric motor driven pumps at North Richmond Storm Water Pump Station.
- Routine monitoring of DO levels at North Richmond Storm Water Pump Station Wet Well.
- Completion of Crockett Sanitary District Wet Weather Preparedness Checklist.
- Participation in the planning of Crockett Sanitary District MCC Upgrade.
- Replacement of Loring Station (CSD) pump from conventional submersible pump sewage pump to Grundfos submersible pump capable of cutting wipes and rags.
- Routine Wet Well Cleaning of Justice Center Wet Well.

GOALS & PROGRAM OBJECTIVES

- To continue to maintain the lift stations at a level that ensures prevention of spills and overflows.
- Assure high quality, efficient and cost-effective service for the communities we serve.
- To continue a program to upgrade all equipment and facilities, maintain appropriate capacities, maintain effective operations, ensure ease of maintenance, improve reliability, reduce operating and maintenance costs, and assure availability of repair parts and service.
- To provide reliable operations at all facilities.
- To continue to maintain the contract stations at a level that ensures high quality, cost-effective service to our customers.
- To provide effective maintenance and efficient service response to prevent spills and overflows at the wastewater facilities.
- To maintain adequate flows of storm water through the NRSWPS.
- To promote a program to upgrade all equipment and facilities that results in improved reliability and cost-effective maintenance and operation.

Financial Summary

Water Pollution Control Plant - Contracted Services

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	% Change over FY 2017 Adopted	FY 2019 Proposed	% Change over FY 2017 Adopted
Expenditures							
Salaries & Wages	\$55,980	\$46,161	\$41,784	\$48,469	5.0%	\$50,893	10.3%
Overtime	\$1,751	\$1,660	\$4,332	\$1,743	5.0%	\$1,830	10.2%
Benefits- Medical, Dental, Vision, Life	\$9,448	\$8,763	\$6,776	\$9,201	5.0%	\$9,662	10.3%
Benefits- Retirement	\$15,326	\$17,749	\$18,149	\$18,636	5.0%	\$19,568	10.2%
Benefits- Allowances and Reimbursements	\$124	\$3,637	\$3,059	\$3,819	5.0%	\$4,010	10.3%
Worker's Compensation Premiums	\$2,336	\$1,483	\$1,414	\$1,557	5.0%	\$1,635	10.3%
Total Personnel	\$84,965	\$79,453	\$75,514	\$83,425	5.0%	\$87,598	10.3%
Engineering & Architectural Services	\$9,593						
Professional & Technical Services	\$30,480	\$63,320	\$64,700	\$65,853	4.0%	\$68,487	8.2%
Utilities	\$135,828	\$221,534	\$171,462	\$230,395	4.0%	\$239,611	8.2%
Supplies	\$13,614	\$21,762	\$25,982	\$22,632	4.0%	\$23,538	8.2%
Total Non-Personnel	\$189,514	\$306,616	\$262,144	\$318,880	4.0%	\$331,636	8.2%
Total Expenses	\$274,479	\$386,069	\$337,658	\$402,305	4.2%	\$419,234	8.6%
Revenue							
Contract Services	\$300,736	\$414,027	\$361,293	\$430,468	4.0%	\$448,579	8.3%
Subtotal	\$300,736	\$414,027	\$361,293	\$430,468	4.0%	\$448,579	8.3%
Total Revenue	\$300,736	\$414,027	\$361,293	\$430,468	4.0%	\$448,579	8.3%

Key Assumptions

FY 2018 wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management; FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU. FY 2018 wages assumes 5% increases for unrepresented; FY 2019 assumes 4% increase for management and unrepresented. Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 5% annual increase each year. Benefits- Retirement is based upon CalPERS estimated increases. Other Costs assume a 4% annual increase each year.

Staffing							
Contract Services*	0.50	0.50	0.50	0.50	0%	0.50	0%
Total	0.50	0.50	0.50	0.50	0%	0.50	0%

* 0.50 is an estimate equivalent to the dollar amount budgeted.

Staffing allocated to Contract Services are based on actuals charged to the division.

Capital Improvements Projects

West County Wastewater District 2-Year Planned Capital Projects

PROJECT	FY 2018 Proposed	FY 2019 Proposed	2 yr Total
Treatment Facilities			
Sodium Hypochlorite System Improvements	\$232,442		\$232,442
Bid Package 7 Seismic Improvements	\$182,524		\$182,524
Reclaimed Water Reliability Upgrade	\$4,007,830		\$4,007,830
Bar Screen Replacements	\$625,000		\$625,000
Treatment Facilities	\$5,047,796	\$0	\$5,047,796
Building Facilities			
Roof Replacements at WPCP	\$175,000		\$175,000
Maint. Building/CSO/Admin/Engin. Building at Plant (Predesign)	\$400,000	\$600,000	\$1,000,000
Plant Improvements (HVAC and Lighting)	\$163,000		\$163,000
Subtotal Building Facilities	\$738,000	\$600,000	\$1,338,000
Collection System Facilities			
SRF Bid Package No. 3.1 (Highest Priority sewer replacements)	\$241,977	\$2,877,492	\$3,119,469
SRF Bid Package No. 5 (Misc. Pump Sta. Imps. - Predesign complete)	\$218,824	\$2,118,338	\$2,337,162
Church Lane Phase 3	\$145,797		\$145,797
Cathodic Protection	\$102,300		\$102,300
Foster Lane Sewer	\$478,000		\$478,000
Via Verdi Landslide	\$146,667	\$278,333	\$425,000
Bid Package 4 Hilltop Green Lift Station	\$458,537	\$0	\$458,537
Subtotal Collection System Facilities	\$1,792,102	\$5,274,163	\$7,066,265
Total Treatment, Building, Collection Facilities	\$7,577,898	\$5,874,163	\$13,452,061

West County Wastewater District: 5-Year Capital Improvement Plan

last revision: June 19, 2015

District or Master Plan Project #	Project Title or Description	TOTAL THROUGH FY 2019-20	PROJECTED THROUGH FY 2014-15	FISCAL YEAR 2015-16	FISCAL YEAR 2016-17	FISCAL YEAR 2017-18	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	PROJECT NOTES
AD - Administration									
14AD101	District Office Facilities	127,990	55,000	72,990					Budget transfers to 14AD102, 14CS213, 12PS603, 14CS214 In construction. Proposed carry over into FY 15-16 Moved back to FY 17-18
14AD102	Switchboard MDB Replacement	325,000	255,000	70,000					
14AD103	Document Retention Program	100,000				100,000			
CS- Collection System									
14CS202	Sewer Replacements	1,431,400				335,773	1,095,627		Moved back to FY 17-18. Scope and budget reduced.
14CS204	Market Ave Sewer Replacement	1,477,000	80,000	1,397,000					Design complete. Carry over into FY 15-16.
14CS213	Hazel Ave and Dimm Way	186,000	146,000	40,000					In construction
14CS214	Church Lane Phase 2	262,000	60,000	202,000					In construction
15CS203	Riverside Ave Sewer Bypass	100,000	20,000	80,000					New project in design
15CS204	Sewer Replacements	2,165,498				1,028,789	1,136,709		Moved back to FY 17-18
CSR01	El Camino at Pacific Dr	314,000				31,400	241,780	40,820	Moved back to FY 17-18
CSR02	Richmond Parkway and Goodrick	1,042,000				104,200	802,340	135,460	Moved back to FY 17-18
CSR03	Hilltop Green force main	166,000				46,480	119,520		Moved back to FY 17-18
CSR05	San Pablo Dam Road	856,000				85,600	659,120	111,280	Moved back to FY 17-18
CSR06	Rollingwood Drive / Mission Bell Drive	3,179,000				317,900	2,447,830	413,270	Moved back to FY 17-18
CSR08	Wildcat Creek / 13th St / Verde Ave	851,000				85,100	655,270	110,630	Moved back to FY 17-18
PS - Plant Structures									
12PS602	Vactor Spoils Facility	99,000	65,000	34,000					Design awarded Extended an additional year into FY 16-17 Moved back to FY 17-18 Proposed carry over into FY 15-16 Additional project spending in FY 20-21 (\$9,542,000)
12PS603	Sodium Hypochlorite Tanks	250,000	100,000	150,000					
12PS605	Cathodic Protection	330,000	90,000	120,000	120,000				
10PS607	Garden Tract Road Rehabilitation	112,660				112,660			
15PS604	Facilities at WPCP (Operations bldg, HVAC)	226,000	2,000	224,000					
DF05	New CSO and Admin bldg at WPCP	11,676,000					3,851,000	7,825,000	
PP - Plant Process									
12PP502	Flowmeter at Richmond WPCP	100,000	15,000	85,000					Proposed carry over into FY 15-16
10PP504	SCADA upgrades at WPCP	294,000	72,000	222,000					Request for Proposals
EG - Engineering									
12EG302	Master Plan and SRF PEIR support	2,544,000	2,323,311	220,689					Budget increased for PEIR support of SRF Application #3 Budget increased
15EG302	Inflow and Infiltration study	430,000	8,000	101,000	104,000	107,000	110,000		
EG04	Digester and Cogeneration Feasibility Study	100,000			100,000				
EG05	Updates to WPCP portion of Master Plan	750,000			750,000				Training scheduled. Budget reduced.
15EG301	Hansen conversion to NASSCO	20,000	12,000	8,000					
First SRF application									
14CS206	SRF Bid Package #1- Pipes 12" and less	1,689,000	70,000	1,619,000					CSR04, CSR21, CSR56. Design complete. CSC36, CSR09, CSC10A, CSC10B. Design near completion Combined SRF #5 into #3. Predesign near completion Design contract awarded Design contract awarded. Budget increased per predesign Design contract awarded Design contract awarded. Budget increased per predesign Construction awarded. Budget increased per predesign
14CS207	SRF Bid Package #2- Pipes 15" and greater	1,881,000	25,000	1,612,000	244,000				
14LS407	SRF Bid Package #3- Lift Station Wet Wells, pumps and controls	1,496,000	60,000	1,436,000					
14LS406	SRF Bid Package #4- Hilltop Green Wet Well	1,421,000	80,000	200,000	1,141,000				
14PP501	SRF Bid Package #6-Electrical Improvements at WPCP	4,058,000	100,000	1,518,000	2,440,000				
15PS601	SRF Bid Package #7- Seismic Improvements at WPCP	2,029,000	183,000	1,846,000					
15PP501	SRF Bid Package #8- Mechanical Improvements at WPCP	2,223,000	150,000	2,073,000					
15PS602	SRF Bid Package #9- Primary Clarifiers Rehabilitation	3,667,000	250,000	1,327,000	2,090,000				

West County Wastewater District: 5-Year Capital Improvement Plan

last revision: June 19, 2015

District or Master Plan Project #	Project Title or Description	TOTAL THROUGH FY 2019-20	PROJECTED THROUGH FY 2014-15	FISCAL YEAR 2015-16	FISCAL YEAR 2016-17	FISCAL YEAR 2017-18	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	PROJECT NOTES
Second SRF application									
15PP503	Recycled Water Reliability Upgrades	28,155,000	240,000	13,444,691	14,470,309				
Third SRF application									
15PS603	New maintenance building at WPCP	8,235,000	2,400	2,673,975	3,705,750	1,852,875			Third SRF application
15PP502	Odor Control at WPCP	3,980,000			183,000	3,000,000	797,000		Third SRF application
10PS606	Digester Gas Siloxane Removal	250,000				25,000	225,000		Third SRF application
PPP02	Cogeneration Upgrade	9,529,000				952,900	4,288,050	4,288,050	Third SRF application
PPP03	Boiler Bldg/Digester heat	10,231,000				1,023,100	4,603,950	4,603,950	Third SRF application
PPR04	Coating Digester #2	235,000			23,500	105,750	105,750		Third SRF application
PPR08	Rehabilitation of Digester Mechanical Equipment	282,000					282,000		Third SRF application
CSR18	San Pablo Dam Rd, Hillside Dr near Castro Ranch Rd	589,000		164,920	424,080				Third SRF application Phase 1A
CSC35	Amador Street North of Shasta	448,000		44,800	344,960	58,240			Third SRF application Phase 1B
CSC10	Market Ave from Rumrill to 7th	664,000		66,400	511,280	86,320			Third SRF application Phase 1B
CSR13	Lettia Dr, San Pablo Ave, Atlas Rd, Flannery Rd, Brian Rd	491,000		49,100	378,070	63,830			Third SRF application Phase 1B
CSR14	Richmond Pkwy, Goodrick Ave, 11th St, Rheem Creek , Collins	822,000		82,200	632,940	106,860			Third SRF application Phase 1B
CSR15	Maps N-15, N-16, N-17, O-15, O-16, O-17A, P-15, P-16	1,919,000		191,900	1,477,630	249,470			Third SRF application Phase 1B
CSR16	Maps M-12, N-11, N-11A, N-11B, O-11, O-12	1,518,000		425,040	1,092,960				Third SRF application Phase 1B
CSR17	San Pablo Dam Rd, El Portal Rd, Hillcrest Rd, Greenridge Dr	756,000		75,600	582,120	98,280			Third SRF application Phase 1B
CSR19	Garden Tract Rd, Market Ave, Filbert St, Pittsburgh Ave	338,000		33,800	260,260	43,940			Third SRF application Phase 1B
CSR20	Parr Blvd, 13th St, Victoria Ct, Brookside Dr, Giant Rd, Verde Rd	1,706,000		170,600	1,313,620	221,780			Third SRF application Phase 1B
CSR25	Cornelius Dr, Shannon Ave, Atlas Rd, Galway Rd, O'Harte Ave	791,000			221,480	569,520			Third SRF application Phase 2A
CSR26	Lakeside Dr, Hilltop Mall, Lancaster, Birmingham, Moyers	508,000			142,240	365,760			Third SRF application Phase 2A
CSR27	Appian Way, Stallion Rd, Heath Dr, Robert Way, Joan Vista	916,000			256,480	659,520			Third SRF application Phase 2A
CSR29	M-11, M-12, N-10, N-11, N-11A, N-11B, N-12A, O-11, O-12	1,658,000			464,240	1,193,760			Third SRF application Phase 2A
CSR30	L-17, L-18, M-15, M-16, M-17, N-14, N-15, N-16, N-17, O-15	1,284,000			359,520	924,480			Third SRF application Phase 2A
CSC01	Central St, Pittsburg Ave, Garden Tract Rd to Wildcat Creek	1,181,460			135,800	1,045,660			Third SRF application Phase 2B
CSC11	Dover Ave, Rumrill Blvd from Tyler St to Market Ave	767,340			88,200	679,140			Third SRF application Phase 2B
CSR28	Giant Rd, 20th St, 19th St, 14th St, San Pablo Ave.	1,973,160			226,800	1,746,360			Third SRF application Phase 2B
CSC23	Dover Avenue from 23rd St. to Tyler St.	504,000				141,120	362,880		Third SRF application Phase 3A
CSR33	Arlington, Marin, Yuba, Riverside, Amador, Casino, Park	787,000				220,360	566,640		Third SRF application Phase 3A
CSR34	Maps I-14, J-13, J-14, K-14	3,715,000				1,040,200	2,674,800		Third SRF application Phase 3A
CSR38	Foster lane, Appian Way and Fairway Drive	265,000				74,200	190,800		Third SRF application Phase 3A
CSR39	May Road between Meadowbrook and Valley View	109,360				30,520	78,840		Third SRF application Phase 3A
CSR40	San Pablo Dam Rd near May Rd, El Portal Dr near I-80	86,000				24,080	61,920		Third SRF application Phase 3A
CSR41	Moyers Rd near Annapolis Ave, El Portal Dr near Fordham St.	192,000				53,760	138,240		Third SRF application Phase 3A
CSR42	17th St. near Market Ave, Road 20 near 18th St.	213,000				59,640	153,360		Third SRF application Phase 3A
CSR44	Park Ave near Oak St, North Arlington near Riverside	119,000				33,320	85,680		Third SRF application Phase 3A
CSR45	San Pablo Dam Rd near Tri Lane, Hillside Rd, Trailside Drive	351,000				98,280	252,720		Third SRF application Phase 3A
CSC25	Dover Ave from Dodson Street to 23rd Street	416,000				41,600	320,320	54,080	Third SRF application Phase 3A
CSR32	Maps K-10, K-11, L-10, L-11, L-12, M-10, M-11, M-9	2,712,000				759,360	1,952,640		Third SRF application Phase 3B
CSC24	Church Lane / Dover Ave. from Alvarado St. to Tyler St.	1,236,000				123,600	951,720	160,680	Third SRF application Phase 3B
CSR31	Gertrude Ave, Martin Drive, Ruby Ave, Malcolm Drive	768,000				76,800	591,360	99,840	Third SRF application Phase 3B
CSR37	Contra Costa College, Lakeside pump station area, Giant Rd	1,673,000				167,300	1,288,210	217,490	Third SRF application Phase 3B
CSR43	Central Street near Wildcat Creek and 1st Street	292,000				29,200	224,840	37,960	Third SRF application Phase 3B

West County Wastewater District: 5-Year Capital Improvement Plan

last revision: June 19, 2015

District or Master Plan Project #	Project Title or Description	TOTAL THROUGH FY 2019-20	PROJECTED THROUGH FY 2014-15	FISCAL YEAR 2015-16	FISCAL YEAR 2016-17	FISCAL YEAR 2017-18	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	PROJECT NOTES
CSC Tara Hills	connection of 12" to 18"	46,000					4,600	41,400	Third SRF application Phase 4A
CSC Tara Hills	casing under RR	390,000					39,000	351,000	Third SRF application Phase 4A
CSC Tara Hills	force main to gravity trunk	1,603,000					160,300	1,442,700	Third SRF application Phase 4A
CSR49	Maps S-11, T-14	72,000					20,160	51,840	Third SRF application Phase 4B
CSR50	Maps O-15, P-15, Q-15, R-15	1,180,000					330,400	849,600	Third SRF application Phase 4B
CSR51	Maps L-18, N-14, N-15, N-17	318,000					89,040	228,960	Third SRF application Phase 4B
CSR52	Maps O-12, O-13, P-12, P-13, Q-13	1,309,000					366,520	942,480	Third SRF application Phase 4B
CSR53	Maps N-11A, O-10A, O-11, O-12, P-10, P-11	3,247,000					909,160	2,337,840	Third SRF application Phase 4B
CSR54	Maps K-8, L-8, L-9, M-9	863,000					86,300	776,700	Third SRF application Phase 4B
CSR55	Maps K-11, L-10, L-11, M-10, M-11, M-12	3,210,000					898,800	2,311,200	Third SRF application Phase 4B
Revised total of all Projects		152,881,868	4,463,711	32,080,705	34,284,239	20,400,787	34,220,196	27,432,230	
Original totals presented on 6-17-14 with the FY 14-15 CIP budget			19,509,153	22,603,585	23,270,840	33,582,622	na	na	
CIP Project Totals as presented by NBS in Exhibit 2 (CIP) dated May 23, 2015		183,015,987	9,700,105	33,155,189	36,959,920	26,038,807	45,159,976	32,001,990	
Other Capital Expenses									
Equipment		1,264,500	214,500	260,000	190,000	200,000	200,000	200,000	
Lateral Grant		2,500,000	2,178,403	321,597	0	0	0	0	
Total of all CIP Project totals plus Equipment and Lateral grant)			6,856,614	32,662,302	34,474,239	20,600,787	34,420,196	27,632,230	

Capital Vehicle Equipment Replacement

Equipment	Useful Life	Division	FY 2017 PROJECTED	FY 2018 PROPOSED	FY 2019 PROPOSED	FY 2020 PROPOSED	FY 2021 PROPOSED	FY 2022 PROPOSED	TOTAL
2009 Int. Hydro	15	Collection Sys Ops		-	-	-	-	275,000	275,000
2011 Int. Rodder	15	Collection Sys Ops		-	-	-	-	-	-
2000 Ford Hydro	15	Collection Sys Ops		260,000	-	-	-	-	260,000
1994 GMC Box Van	7	Collection Sys Ops		-	100,000	-	-	-	100,000
2001 Int. Rodder	15	Collection Sys Ops		-	190,000	-	-	-	190,000
1992 GMC Dump Truck	15	Collection Sys Ops		\$125,000	\$0	\$0	\$0	\$0	\$125,000
2003 Sterling Vactor	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
1997 Jeep Cherokee	7	Collection Sys Ops		\$65,000	\$0	\$0	\$0	\$0	\$65,000
1992 Backhoe Trailer	15	Collection Sys Ops		\$0	\$0	\$0	\$65,000	\$0	\$65,000
1995 Case Backhoe	15	Collection Sys Ops	\$124,000	\$0	\$0	\$0	\$0	\$0	\$124,000
2007 Case Backhoe	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
2010 Compressor	10	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
2010 Wells Trailer	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
2001 Ford CCTV Van	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
1998 GMC Repair Truck	7	Collection Sys Ops		\$0	\$0	\$190,000	\$0	\$0	\$190,000
2011 Int. Hydro	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
2016 New TV Truck	15	Collection Sys Ops	\$347,992	\$0	\$0	\$0	\$0	\$0	\$347,992
2015 Mini Excavator	15	Collection Sys Ops		\$0	\$0	\$0	\$0	\$0	\$0
2017 Vactor	15	Collection Sys Ops		\$460,000	\$0	\$0	\$0	\$0	\$460,000
2001 GMC Crane Truck	10	Maintenance		\$0	\$0	\$0	\$0	\$0	\$0
2005 Dodge Truck	7	Maintenance		\$45,000	\$0		\$0	\$0	\$45,000
2005 Dodge Truck	7	Maintenance		\$0	\$0		\$0	\$0	\$0
2005 Chevy Truck	7	Maintenance		\$0	\$45,000	\$0	\$0	\$0	\$45,000
2010 Ford Truck	7	Maintenance		\$0	\$0	\$0	\$0	\$45,000	\$45,000
1979 Forklift	15	Maintenance		\$40,000	\$0	\$0	\$0	\$0	\$40,000
Enerpac Hyd Maintenance Set	7	Maintenance		\$10,000	\$0	\$0	\$0	\$0	\$10,000
Alignment Tools	5	Maintenance		\$5,000	\$0	\$0	\$0	\$0	\$5,000
Sludge Heater 1&2 Burners	7	Maintenance		\$25,000	\$0	\$0	\$0	\$0	\$25,000
8" Mobile Trash Pump	7	Maintenance		\$130,000	\$0	\$0	\$0	\$0	\$130,000
200amp Compact Load Bank	10	Maintenance		\$20,000	\$0	\$0	\$0	\$0	\$20,000
Spare Pump - Bella Flora	7	Maintenance		\$25,000	\$0	\$0	\$0	\$0	\$25,000
Spare Motor - D'Avila	7	Maintenance		\$7,500	\$0	\$0	\$0	\$0	\$7,500
Spare Rotating Asm -D'Avila	7	Maintenance		\$10,000	\$0	\$0	\$0	\$0	\$10,000
Spare Motor - La Honda	7	Maintenance		\$7,500	\$0	\$0	\$0	\$0	\$7,500
Spare Rotating Asm-La Honda	7	Maintenance		\$10,000	\$0	\$0	\$0	\$0	\$10,000
Spare Pump/Motor -MacBryde	7	Maintenance		\$10,000	\$0	\$0	\$0	\$0	\$10,000
Spare Pump/Motor - Park	7	Maintenance		\$15,000	\$0	\$0	\$0	\$0	\$15,000
Spare Pump/Motor-Point Pinole	7	Maintenance		\$25,000	\$0	\$0	\$0	\$0	\$25,000
Spare Pump/Motor-Sobrante	7	Maintenance		\$10,000	\$0	\$0	\$0	\$0	\$10,000
Plotting printer	4	Engineering		\$24,000	\$0	\$0	\$0	\$0	\$24,000
IT Hardware	4	Administration		\$100,000	\$30,000	\$18,000	\$17,000	\$17,000	\$182,000
Digital Archiving Module	10	Administration	\$0	\$27,000	\$0	\$0	\$0	\$0	\$27,000
Legacy Digital Archive Service	10	Administration	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Equipment Total			\$471,992	\$1,486,000	\$365,000	\$208,000	\$82,000	\$337,000	\$2,949,992

FINANCIAL FORECAST

FINANCIAL OVERVIEW

The financial forecast is a projection of operating and capital expenses, rates and revenues that are anticipated in the next five years. The forecast evaluates and demonstrates whether the revenues are adequate to cover the projected costs.

REVENUE FORECAST

Sewer Use Charge: The District adopted a 5-year Sewer Use Charge (SUC) rate plan effective July 1, 2015. This calls for an 11% SUC rate increase each year for 5 years through June 30, 2020. This helps the District begin to fund \$330 million of capital improvement costs identified by the 20-year District-Wide Master Plan created in 2013.

Connection Fees: The District engaged NBS Government Finance Group (NBS) to conduct a Connection Fee rate study in 2016. The Board adopted a plan to increase connection fees over 5 years until the connection fee is at the NBS recommended \$9,756 per equivalent dwelling unit (EDU). These revenues are restricted to capital improvement program expenditures.

Property Taxes: The District receives a portion of Contra Costa County property taxes collected. These taxes are restricted to capital improvement program expenditures.

Leases and Rents: The District currently has only one lease agreement, with the City of Richmond, for the use of 5 District's sludge beds. The lease expires December 31, 2020, but can be extended for additional 3 or 5 year periods through December 31, 2025.

Contract Revenue: The District contracts with various local agencies to perform a variety of maintenance and collection system services. The District charges the local agencies for actual cost plus a 5-10% markup. The budgets assume that these service contracts will continue and that all associated costs will be covered by the revenue.

EXPENDITURE FORECAST

Operating expenditures include wages, salaries, benefits, materials, and supplies for maintenance and operations of the of the collection system, treatment system, engineering and administrative functions. The District also funds the annual debt service.

Wages, salaries and benefits are governed by three Memoranda of Understanding (MOU) with employee units and one Employee Manual for the unrepresented employees. Wages and salaries are projected to increase 5% for FY 2018 and 2-4% for FY 2019 based upon the MOUs and manual. Retirement contributions and Other Post-Employment Benefits (OPEB) contributions are calculated as a percentage of payroll and

increase accordingly. Other employee benefits are, such as health care premiums, are assumed to increase 5% each year.

Services and supplies are budgeted to increase 4% annually to account for inflationary increases. Utilities are budgeted to increase 5% annually. With the exception of Board initiatives cost, the budget assumes no changes in service levels.

FUND ANALYSIS

The District projects revenue and expenditures for the Operating Fund, Capital Improvement Fund, Restricted Capital Fund, Debt Service Fund, and the Equipment Replacement Fund. This allows the public to see where the District spends the money it collects as well as following generally accepted accounting principles (GAAP). The following analyses show the impacts of the biennial budget on the funds for the next five years.

FISCAL YEARS 2018 & 2019

Operating Fund (Fund 100) Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning Fund Balance	\$7,775,858	\$9,623,757	\$9,623,757	\$12,231,784	\$11,700,689	\$11,854,468	\$12,746,488	\$11,721,090
Revenue								
Sewer Use Charge-Residential	13,666,543	15,195,228	15,195,228	16,866,703	18,722,041	20,781,466	20,781,466	20,781,466
Sewer Use Charge-Commercial	2,317,349	2,549,330	2,549,330	2,829,757	3,141,030	3,486,543	3,486,543	3,486,543
Sewer Use Charge-Industrial	1,306,939	877,643	1,450,702	1,610,280	1,787,411	1,984,026	1,984,026	1,984,026
Contract Services	338,791	414,027	361,293	430,468	448,579	471,008	494,559	519,286
Rents & Leases	353,535	-	268,930	189,854	201,245	213,319	226,118	239,685
Inspection/Permit Fees	210,834	219,184	275,920	277,927	279,226	293,187	307,846	323,239
Misc. Revenue	126,945	125,497	150,965	152,561	152,561	158,550	166,478	174,802
Interest	34,571	14,000	33,000	30,000	30,000	30,000	30,000	30,000
Subtotal	\$18,355,506	\$19,394,910	\$20,285,368	\$22,387,550	\$24,762,093	\$27,418,099	\$27,477,036	\$27,539,047
Total Revenue	\$18,355,506	\$19,394,910	\$20,285,368	\$22,387,550	\$24,762,093	\$27,418,099	\$27,477,036	\$27,539,047
Expenditures								
Salaries & Wages	\$5,241,508	\$6,212,252	\$5,623,132	\$6,920,146	\$7,517,228	\$7,893,089	\$8,287,744	\$8,702,131
Overtime	\$261,394	\$104,186	\$271,897	\$134,447	\$136,086	\$142,890	\$150,035	\$157,537
Benefits- Medical, Dental, Vision, Life	\$1,262,617	\$1,594,057	\$1,232,575	\$1,526,694	\$1,646,866	\$1,729,209	\$1,815,669	\$1,906,453
Benefits- Retirement	\$1,768,720	\$2,223,094	\$2,272,899	\$2,536,393	\$2,782,727	\$2,921,863	\$3,067,957	\$3,221,354
Benefits- Allowances and Reimbursements	\$47,942	\$60,639	\$43,504	\$69,588	\$72,902	\$76,548	\$80,375	\$84,394
Other Employee Benefits	\$17,041	\$26,524	\$15,123	\$33,582	\$40,810	\$42,850	\$44,992	\$47,242
Worker's Compensation Premiums	\$175,703	\$189,822	\$181,042	\$201,304	\$218,184	\$229,093	\$240,548	\$252,575
Total Personnel	\$8,774,926	\$10,410,574	\$9,640,172	\$11,422,155	\$12,414,803	\$13,035,543	\$13,687,320	\$14,371,686
Legal Expenses	\$204,941	\$208,000	\$157,201	\$216,320	\$224,973	\$236,222	\$248,033	\$260,434
Banking & Financial Services	\$26,123	\$31,620	\$29,968	\$32,885	\$34,200	\$35,910	\$37,705	\$39,591
Engineering & Architectural Services	\$19,185	\$0	\$13,256	\$0	\$0	\$0	\$0	\$0
Professional & Technical Services	\$1,235,677	\$1,452,450	\$1,460,654	\$1,766,393	\$1,746,849	\$1,834,192	\$1,925,901	\$2,022,196
Other Purchased Services	\$293,927	\$401,215	\$293,301	\$417,320	\$434,012	\$455,713	\$478,498	\$502,423
Communications	\$46,065	\$46,910	\$42,933	\$51,634	\$53,675	\$56,359	\$59,177	\$62,136
Utilities	\$1,042,004	\$1,202,289	\$936,546	\$1,251,782	\$1,301,853	\$1,366,946	\$1,435,293	\$1,507,057
Travel	\$32,801	\$48,800	\$37,569	\$50,920	\$52,956	\$55,604	\$58,384	\$61,303
Rentals/Leases	\$3,839	\$27,824	\$22,169	\$29,039	\$30,506	\$32,031	\$33,633	\$35,315
Property Services	\$105,793	\$165,201	\$168,505	\$172,013	\$178,894	\$187,839	\$197,230	\$207,092
Grants & Governmental Payments	\$170,561	\$195,610	\$218,236	\$172,415	\$227,616	\$238,997	\$250,947	\$263,494
Permits	\$30,980	\$68,224	\$73,541	\$70,953	\$73,792	\$77,482	\$81,356	\$85,423
Supplies	\$774,345	\$916,039	\$1,093,661	\$1,128,086	\$1,172,903	\$1,231,548	\$1,293,126	\$1,357,782

FISCAL YEARS 2018 & 2019

Operating Fund (Fund 100) Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Property/Equipment	\$158,471	\$233,480	\$103,382	\$244,644	\$252,993	\$252,993	\$265,642	\$278,925
Claims Paid	\$72,721	\$15,000	\$22,859	\$15,600	\$16,224	\$17,035	\$17,887	\$18,781
Bad Debt Write Offs	\$105,934	\$0	\$15,000	\$14,486	\$15,065	\$15,818	\$16,609	\$17,440
Total Non-Personnel	\$4,323,366	\$5,012,662	\$4,688,781	\$5,634,490	\$5,816,511	\$6,094,687	\$6,399,421	\$6,719,392
Transfers Out	\$3,409,316	\$4,968,078	\$3,348,388	\$5,862,000	\$6,377,000	\$7,395,850	\$8,415,693	\$9,436,527
Total Expenses	\$16,507,608	\$20,391,314	\$17,677,341	\$22,918,645	\$24,608,314	\$26,526,080	\$28,502,434	\$30,527,605
Annual Surplus/(Shortfall)	\$1,847,899	(\$996,405)	\$2,608,027	(\$531,095)	\$153,779	\$892,019	(\$1,025,398)	(\$2,988,558)
Ending Fund Balance	\$9,623,757	\$8,627,352	\$12,231,784	\$11,700,689	\$11,854,468	\$12,746,488	\$11,721,090	\$8,732,532
Restricted/Designated Reserve	(\$2,253,068)	(\$2,321,024)	(\$2,321,024)	(\$2,864,831)	(\$3,076,039)	(\$3,315,760)	(\$3,562,804)	(\$3,815,951)
Unrestricted Fund Balance	\$7,370,689	\$6,306,328	\$9,910,760	\$8,835,858	\$8,778,429	\$9,430,728	\$8,158,286	\$4,916,581

Note: Excludes depreciation, capitalization, and GASB 68 entries.

Key Assumptions

Revenue: Sewer Use Charges include the approved 5-year rate increase of 11% in FY 2018 ; 11% in FY 2019 , 11% in FY 2020. No increases are included in the projections after the approved increase ends in FY 2020.

Personnel: FY 2018 Salaries & Wages includes 5% increases per MOUs for Field Ops, Admin/Clerical and Management and assumes 5% increases for unrepresented. FY 2019 includes increases of 2% for Field Ops and 4% for Admin/Clerical per MOU and assumes 4% increase for management and unrepresented. 5% increases are projected for all groups per year after FY 2019.

FY 2018 and forward assumes 5% increases per year for health, retirement and worker's compensation premiums.

Non-Personnel for FY 2018 and forward assumes 4% increases per year in most professional & purchased services, utilities and supplies.

FY 2018 includes 1-time funding of \$205,000 for contracts to complete a compensation study, redesign the District's website and complete a new rate analysis. Also included is \$75,000 split among several divisions to secure a contract for ongoing maintenance for vehicles. An annual allocation, \$50K in FY 2018 and \$100K in FY 2019 is added to be used to explore revenue generation ideas.

Transfers Out are funds transferred from the Operating Fund to other funds to make payments for debt service, future equipment replacement and contributions to the capital fund for future improvements.

Debt service payments: FY18 \$1.6 million, FY 19- FY 22 \$2 million per year

Equipment replacement : In FY 2018 in addition to the annual contribution of \$362K, In FY 2018, a 1-time \$900,000 contribution from the Operating Fund balance is being used to pay for equipment and vehicles that have been deferred past their normal replacement schedules. The amounts in the out years are as follows: FY19 \$377K, FY20 \$396K, FY21 \$416K, FY22 \$436K.

Annual contribution to capital fund: FY18 \$3 million, FY19 \$4 million, FY20 \$5 million, FY21 \$6 million , FY22 \$7 million

The Restricted/Designated Reserve is based on 45 days of operating expenses.

Restricted Capital Fund (Fund 300)
Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning Fund Balance	\$694,660	\$812,704	\$812,704	\$171,707	\$221,707	\$271,707	\$321,707	\$371,707
Revenue								
Connection Fees	115,893		154,003	50,000	50,000	50,000	50,000	50,000
Interest	2,151							
Subtotal	\$118,044	\$0	\$154,003	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Revenue	\$118,044	\$0	\$154,003	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Expenditures								
Transfers Out			795,000					
Total Expenses	\$0	\$0	\$795,000	\$0	\$0	\$0	\$0	\$0
Annual Surplus/(Shortfall)	\$118,044	\$0	(\$640,997)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Ending Fund Balance	\$812,704	\$812,704	\$171,707	\$221,707	\$271,707	\$321,707	\$371,707	\$421,707
Restricted/Designated Reserve	(812,704)	(812,704)	(171,707)	(221,707)	(271,707)	(321,707)	(371,707)	(421,707)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

A portion of annual connection fees are set aside for capacity related Improvements. Once there is a sufficient fund balance, money is transferred to Capital Improvement Fund (400) where capacity improvements expenditures are made. In FY 2017, \$795K was transferred to the capital Improvement Fund (400) for this purpose.

Connection fees are unpredictable, but this assumes a moderate annual revenue of \$50K per year.

After 2016, all interest is allocated to Operating Fund.

Restricted/Designated Reserve is the amount of funds that may not be used for any purpose other than allowed by Fund requirements.

FISCAL YEARS 2018 & 2019

Capital Improvement Fund (Fund 400) Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning Fund Balance	\$21,772,095	\$9,133,022	\$9,133,022	\$20,708,662	\$31,524,135	\$31,087,764	\$30,252,527	\$29,883,228
Revenue								
Connection Fees	337,285		616,012	200,000	200,000	200,000	200,000	200,000
Taxes	1,119,870	1,107,477	1,192,317	1,146,000	1,146,000	1,146,000	1,146,000	1,146,000
Interest	16,408	11,687						
Loan Drawdown	\$2,488,332		\$27,587,724	\$13,923,944				
Subtotal	\$3,961,895	\$1,119,164	\$29,396,053	\$15,269,944	\$1,346,000	\$1,346,000	\$1,346,000	\$1,346,000
Transfer In	2,409,316	1,700,000	2,795,000	3,000,000	4,000,000	5,000,000	6,000,000	7,000,000
Total Revenue	\$6,371,211	\$2,819,164	\$32,191,053	\$18,269,944	\$5,346,000	\$6,346,000	\$7,346,000	\$8,346,000
Expenditures								
Salaries & Wages	327,036	417,000	203,800	437,850	459,743	482,730	506,867	532,210
Overtime	-	600	11,000	11,000	11,000	11,550	12,128	12,734
Benefits- Medical, Dental, Vision, Life	55,882	33,300	63,300	66,465	69,788	73,277	76,941	80,788
Benefits- Retirement	84,946	64,200	89,900	94,395	99,115	104,071	109,274	114,738
Benefits- Allowances and Reimbursements	719	800	900	840	882	926	972	1,021
Worker's Compensation Premiums	3,604	3,700	7,500	7,875	8,269	8,682	9,117	9,572
Total Personnel	\$472,187	\$519,600	\$376,400	\$618,425	\$648,797	\$681,237	\$715,299	\$751,064
Capital Improvements	18,326,994	33,794,800	20,239,014	6,836,046	5,133,574	6,500,000	7,000,000	7,500,000
Property/Equipment	211,103	155,600						
Total Non-Personnel	\$18,538,097	\$33,950,400	\$20,239,014	\$6,836,046	\$5,133,574	\$6,500,000	\$7,000,000	\$7,500,000
Total Expenses	\$19,010,284	\$34,470,000	\$20,615,414	\$7,454,471	\$5,782,371	\$7,181,237	\$7,715,299	\$8,251,064
Annual Surplus/(Shortfall)	(\$12,639,073)	(\$31,650,836)	\$11,575,639	\$10,815,473	(\$436,371)	(\$835,237)	(\$369,299)	\$94,936
Ending Fund Balance	\$9,133,022	(\$22,517,813)	\$20,708,662	\$31,524,135	\$31,087,764	\$30,252,527	\$29,883,228	\$29,978,164
Restricted/Designated Reserve	(\$9,133,022)		(\$20,708,662)	(\$31,524,135)	(\$31,087,764)	(\$30,252,527)	(\$29,883,228)	(\$29,978,164)
Unrestricted Fund Balance	\$0	(\$22,517,813)	\$0	\$0	\$0	\$0	\$0	\$0

Note: Excludes depreciation, capitalization, and GASB 68 entries.

Key Assumptions

Loan Drawdown represents proceeds from the \$44 million State Revolving Fund (SRF) loan used to pay for capital projects. FY 2018 includes expenditure of the remaining SRF loan proceeds.

Repayment of loans are shown in Debt Service Fund (Fund 600).

The Transfer In is the annual contribution to capital projects transferred from the Operating Fund.

Restricted/Designated Reserve is the amount of funds that may not be used for any purpose other than allowed by Fund requirements.

Debt Service Fund (Fund 600)
Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning Fund Balance	\$1,708,329	\$2,705,827	\$3,705,827	\$4,616,052	\$4,669,130	\$4,737,386	\$4,805,642	\$4,873,898
Revenue								
Interest	13,786							
Subtotal	\$13,786	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In	1,000,000	2,968,078	1,000,000	1,600,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Revenue	\$1,013,786	\$2,968,078	\$1,000,000	\$1,600,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Expenditures								
Debt Service	16,288	1,968,078	89,775	1,546,922	1,931,744	1,931,744	1,931,744	1,931,744
Total Expenses	\$16,288	\$1,968,078	\$89,775	\$1,546,922	\$1,931,744	\$1,931,744	\$1,931,744	\$1,931,744
Annual Surplus/(Shortfall)	\$997,498	\$1,000,000	\$910,225	\$53,078	\$68,256	\$68,256	\$68,256	\$68,256
Ending Fund Balance	\$2,705,827	\$3,705,827	\$4,616,052	\$4,669,130	\$4,737,386	\$4,805,642	\$4,873,898	\$4,942,154
Restricted/Designated Reserve	(\$2,705,827)	(\$3,705,827)	(\$4,616,052)	(\$4,669,130)	(\$4,737,386)	(\$4,805,642)	(\$4,873,898)	(\$4,942,154)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

The Transfer In represents a transfer from the Operating Fund for the principal and interest payments to repay the SRF loan borrowed to fund capital projects. Restricted/Designated Reserve is the amount of funds that may not be used for any purpose other than allowed by Fund requirements.

Equipment Replacement Fund (Fund 700)
Five-Year Fund Analysis

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning Fund Balance	\$0	\$353,307	\$353,307	\$229,703	\$5,703	\$17,703	\$205,553	\$539,246
Revenue								
Interest	126							
Subtotal	\$126	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In	353,181		348,388	1,262,000	377,000	395,850	415,693	436,528
Total Revenue	\$353,307	\$0	\$348,388	\$1,262,000	\$377,000	\$395,850	\$415,693	\$436,528
Expenditures								
Property/Equipment			471,992	1,486,000	365,000	208,000	82,000	337,000
Total Non-Personnel	\$0	\$0	\$471,992	\$1,486,000	\$365,000	\$208,000	\$82,000	\$337,000
Total Expenses	\$0	\$0	\$471,992	\$1,486,000	\$365,000	\$208,000	\$82,000	\$337,000
Annual Surplus/(Shortfall)	\$353,307	\$0	(\$123,604)	(\$224,000)	\$12,000	\$187,850	\$333,693	\$99,528
Beginning Fund Balance	\$0	\$353,307	\$353,307	\$229,703	\$5,703	\$17,703	\$205,553	\$539,246
Ending Fund Balance	\$353,307	\$353,307	\$229,703	\$5,703	\$17,703	\$205,553	\$539,246	\$638,774
Restricted/Designated Reserve	(\$353,307)	(\$353,307)	(\$229,703)	(\$5,703)	(\$17,703)	(\$205,553)	(\$539,246)	(\$638,774)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

The Transfer in represents the annual contribution from the Operating Fund for future equipment/vehicle replacements. The annual contribution is based on the annual depreciation value calculated for the equipment or vehicle.

Annual expenditures are based on the equipment/vehicle replacement schedule. In FY 2018, a 1-time \$900,000 contribution from the Operating Fund balance is being used to pay for equipment and vehicles that have been deferred past their normal replacement schedules.

DEBT SERVICE



The District borrows using long term loans for the construction and replacement of capital assets. Debt service is the principal and interest payments required by loan agreements

DEBT POLICY

From 1998 until 2016, the District funded capital improvement projects using current revenues. The Board adopted policies to maintain fund balances and cash reserves at levels sufficient to cover cash flow needs for normal operating expenditure. In 2018, the District created a 20-year District-Wide Master Plan. This identified \$330 million of capital improvement costs. In 2015, the District obtained commitments for \$44.3 million of California State Water Resources Control Board State Revolving Fund loans under the Clean Water Act. These loans required the District to demonstrate the ability to repay the loans.

DEBT CAPACITY AND DEBT LIMITATIONS

The maximum amount of debt that the District can incur is determined by legal, public policy and financial limitations. Debt capacity is the difference between the maximum amounts of debt less outstanding debt. The District does not issue general obligation bonds, thus there is no legal limit of the amount of debt it can issue. The District is limited only by financial limitations: 1) willingness of the Board to raise SUC rates; 2) willingness of lenders to lend; 3) limits set by existing loan agreements.

CURRENT DEBT OBLIGATIONS

In 2013, the District began the work of creating a District-Wide 20-Year Master Plan, which identified approximately \$320 million in capital project needs. In 2013, the Board of Directors authorized \$75 million in loans from the Clean Water State Revolving Fund to provide low cost financing for capital improvements. In 2014, the Board of Directors authorized approximately \$25 million in a loan specifically for the purpose of providing reliable recycled water.

In 2014, the District entered into a \$178 million, 20-year loan with the State through the CWSRF program at 1.9% interest. In 2015, the District entered into a \$24.16 million, 20-year loan with the State through the CWSRF Recycled Water program at 1% interest.

Details of the current debt obligations are outline in the following tables:

<u>Loan</u> <u>Agreement #</u>	<u>Repayment Dates</u>		<u>Interest</u> <u>Rate</u>	<u>Loan Available</u>	<u>Loan Amount</u>
	<u>Start</u>	<u>End</u>			
7876-110	5/6/2017	5/6/2036	1.90%	1,654,505	1,420,601
7876-120	4/11/2019	4/11/2038	1.90%	2,881,758	269,510
7876-130	8/30/2018	8/30/2037	1.90%	14,593,521	8,961,502
8043-110 (1)	6/3/2018	6/3/2037	1.00%	30,457,093	14,953,471
Total as of 6/30/17				49,586,877	25,605,083

<u>Repayment Schedule (2):</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FYE 6/30/18	741,900	176,526	918,426
FYE 6/30/19	1,133,600	343,931	1,477,531
FYE 6/30/20	1,148,965	328,566	1,477,531
FYE 6/30/21	1,164,561	312,971	1,477,531
FYE 6/30/22	1,180,390	297,141	1,477,531
FYE 6/30/23	1,196,457	281,044	1,477,501
FYE 6/30/24	1,212,766	264,765	1,477,531
FYE 6/30/25	1,229,321	248,211	1,477,531
FYE 6/30/26	1,246,125	231,407	1,477,531
FYE 6/30/27	1,263,183	214,349	1,477,531
Thereafter	14,087,816	1,156,828	15,244,643
Total	25,605,083	3,855,738	29,460,821

(1) Loan Available amount is before grants awarded under Proposition 1 of \$5,356,330 and Proposition 13 of \$4,000,000. As of June 30, 2017, grant proceed of \$6,966,498 were received.

(2) This is a tentative payment schedule. The final payment schedule will be provided by the SRF after all disbursements are paid and project construction is complete.

GLOSSARY OF TERMS

Actual: Report of actual expenses or revenue for a given fiscal year. Actual expenses and revenue usually vary from the budgeted amount.

ADA: Americans with Disabilities Act

Adopted Budget: The budget formally approved by the Board of Directors.

Amended Budget: The budget formally amended during a fiscal year to reflect unanticipated expenditures and revenue.

Appropriation: A legal authorization made by the Board to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Valuation: A value established for real property for use as a basis in levying property taxes. Annual increases in valuation are limited to a maximum of 2%; however, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Audit: The primary objective of an audit is to determine if the District's annual financial statements fairly present the District's financial position and result of operations and conform to generally accepted accounting principles (GAAP). The audit function is always prepared by an independent Certified Public Accountant (CPA).

Authorized Positions: Inventory of positions approved by the Board of Directors that may or may not have funding (see Budgeted Positions).

Benefit Assessment: Charges levied on parcels to pay for public improvements or services provided within a pre-determined district or area according to the benefit the parcel receives from the improvement or services.

Biennial Budget: Plans of current expenditures and the proposed means of financing them over a two-year period. The Biennial Budget is the primary means by which most purchases, expenditures and service delivery activities of the agency are controlled.

Biochemical Oxygen Demand (BOD): A measure of the oxygen used by micro-organisms to decompose waste.

Board of Directors: Five individuals elected by the residents of the District to set policy direction for the District.

Bonds: A form of borrowing (debt financing) that reflects a written promise from the District to repay a sum of money on a specific date at a specified interest rate. Bonds are used to finance large capital projects such as buildings, streets, utility infrastructure and bridges.

Budget: A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services. The District uses a financial plan covering the fiscal year July 1 through June 30.

Budget Amendment: The Board has the sole responsibility for adopting the District's budget and may amend or supplement the budget at any time after adoption by majority vote. The General Manager has the authority to approve administrative adjustments to the budget as long as those changes do not have a significant policy impact nor affect budgeted year-end balances.

Budgeted Positions: Inventory of positions to be funded in the budget.

CalPERS: A state-wide pooled trust used by local government and state agencies to fund employee retirement benefits.

Capital Improvement Plan (Plan): A plan to provide for the renovation or replacement of existing public facilities and assets and for the construction or acquisition of new ones. The plan sets forth each project or other contemplated expenditure in which the District is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Improvement Program Budget: The means for financing the projects identified in the Capital Improvement Plan, to be incurred in a given fiscal year. Included are expenditures made for land, building, permanent public works projects, major construction or renovation of structures and major landscaping or park improvements.

Capital Outlay: Expenditures that result in the acquisition of, or addition to, fixed assets.

Capital Project Funds: This fund type is used to account for financial resources used in the acquisition or construction of major capital facilities other than those financed by Proprietary or Trust Funds.

Capital Improvement Plan (CIP): The District's plan of projected capital improvement projects for a five-year period.

Debt: Borrowing funds needed and pledging future revenues to make current expenditures. Traditionally, debt financing is used only for one-time capital improvements whose life will exceed the term of financing and where expected revenues are sufficient to cover the long-term debt.

Debt Capacity: The difference between the amount of outstanding debt the District has and the maximum amount of debt that the District can incur within its legal, public policy and financial limitations.

Debt Service: The principal and interest on bonds and other debt instruments according to a pre-determined schedule.

Department: A major organizational unit of the District that has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Designated Fund Balance: Amounts set aside for planned actions.

Development Fees: Fees charged to new development that has an impact on the District's facilities and related collection and treatment capacity.

Division: A minor organizational unit within a Department that has been assigned the responsibility for an operation within a functional area.

Employee Benefits: The cost to the District for contribution to employee retirement, health insurance, life, disability, Medicare, workers' compensation and unemployment compensation programs.

Encumbrances: Funds not yet expended but delegated or set aside in anticipation of expenditures in the form of a purchase order, contract or other commitment, chargeable to an appropriation. These funds cease to be an encumbrance when paid.

Enterprise Funds: Used to account for operations that are financed and operated in a manner similar to private sector enterprises and it is the intent of the District that the costs (including depreciation) of providing goods and services to the general public be financed or recovered primarily through user charges. At this time, all District operations are considered an Enterprise Fund.

Equivalent Dwelling Units (EDU): A representative unit for the demand and flow that a typical residential unit disposes into the sewer system in a day. This measurement is used to determine the connection fee and annual sewer service charge for non-residential customers of the District.

Expenditure: Designates the cost of goods delivered or services rendered, whether paid or unpaid. Where accounts are kept on the modified accrual basis of accounting, costs are recorded when goods are received or services rendered. Where accounts are kept on a cash basis, expenditures are recognized when the cash payments are made. The District uses modified accrual basis accounting.

Fee: A charge to the consumer for the cost of providing a particular service. Fees may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, including associated overhead.

Fiscal Year: A 12-month period of time used to record financial transactions. The District has specified July 1 to June 30 as its fiscal year.

Fixed Assets: Fixed assets are of a long-term nature, such as land, buildings, machinery, furniture and other equipment. These assets have a life expectancy in excess of one year and a total acquisition cost in excess of \$5,000.

Franchise Fees: A form of rent for use of public streets and roadways. Federal and state laws limit the amount of some franchise fees.

Full-Time Equivalent (FTE): The decimal equivalent of part-time position converted to a full-time base (i.e., one person working half-time would equate to 0.5 FTE).

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations reserves and equities.

Fund Balance: The excess of assets over liabilities and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses within a specified fund.

Generally Accepted Accounting Principles (GAAP): Uniform standards for financial accounting and reporting that govern the form and content of the basis financial statements of an agency.

Grant: A contribution from a government, non-profit or for-profit agency to the District for a specific purpose and time period.

Inter-Departmental Charge: Charges from one department to another for services performed on a cost-for-service basis.

Inter-Fund Transfers: Represent transfers of funds from one governmental fund to another governmental fund when both funds are part of the same reporting entity. An operating transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is authorized to use the resources to finance its operating expenditures or expenses.

Investment Revenue: Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

Permits: Charge designed to reimburse the District for costs of reviewing and approving private property improvements within the District's system area.

Mandated Services: District services provided to comply with State or Federal laws.

Master Plan: Long-range planning document that provides the framework for capital improvement projects.

Memorandum of Understanding (MOU): A document outlining the terms and details of an agreement between parties, including the responsibilities of each party. This term is often used to describe agreements between the agency and unions.

Million Gallons per Day (MGD): One million gallons per day equals 3.07 acre feet, or about 700 gallons per minute.

National Pollutant Discharge Elimination System (NPDES): A permit system authorized by the U. S. Environmental Protection Agency, Clean Water Act, to control water pollution by regulating discharge of treated sewage, stormwater and urban runoff into waters of the United States.

Operating Fund: This is the primary operating fund of the District. All revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the Operating Fund. Operating Fund resources can be utilized for any legitimate governmental purpose with the exception of subvention or grant revenues restricted for a specific purpose.

Operating: This is the portion of the budget that pertains to daily operations providing ongoing governmental services that excludes capital improvement activities.

Ordinance: A formal legislative enactment by the Board of Directors. It has full force and effect of law within the District boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has a higher legal standing than a resolution.

Other Post-Employment Benefits (OPEB): These are benefits, other than retirement pensions, that are provided to employees who retire from the District.

Personnel Expenditures: Salaries and wages paid to employees.

Professional Services: Services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance. For purposes of this document, the following are, but not limited to, professional services:

Architectural, construction management, construction surveys, material testing, inspection services, appraising, ad campaigns, engineering, environmental, finance, fine arts, insurance, land surveying, landscape architectural, legal management consultants, management information consultants, janitorial, landscape maintenance, grounds keeping, medical, document processing services, municipal program implementation, performing arts, personnel, psychological, sports and underwriting. Providers of such services are hereinafter referred to individually as “consultant” or collectively as “consultants”.

Projected: The amount of expenditures or revenue anticipated for the fiscal year based on analysis of actual expenses or receipt of revenue.

Property Tax: The California State Constitution provides that the combined maximum property tax rate on any given property is equal to 1% of its assessed value unless an additional amount has been approved by votes for special taxes or general obligation

bonds. The County assesses properties, bills and collects these property taxes. The County remits the District's share, including all penalties and interest. The purpose of this tax is to allow the District to provide general services to its citizens.

Proposed Budget: The version of the annual budget submitted to the Board of Directors for its consideration. It may be approved with or without changes made by The Board resolution.

Purchase Order: Authorizes the delivery of specific goods or services and incurrence of their debt.

Public Works Project: As pertains to bidding on public contracts and as defined in the Public Contract Code, includes any of the following:

- a. Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility, building, road or other public improvement of any kind.
- b. Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility.
- c. Painting or repainting any publicly owned, leased or operated facility.
- d. Public project does not include maintenance work.

Reimbursable Expenses: An expenditure that will be repaid through a billing, contract or agreement with a third party.

Reserve: An account used to earmark a portion of the fund balance as legally segregated for a specific use.

Resolution: A special order of the Board that requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Restricted Asset: Monies, or other resources, that have restrictions on their use by legal or contractual requirements. In governmental accounting, special treatments are applied to restricted assets arising out of debt in Enterprise Funds.

Revenue: Monies received from taxes, fees, permits, licenses, interest and inter-governmental sources during the fiscal year.

Revenue Bonds: Bonds issued to construct facilities and are repaid from revenue produced by the operation of those facilities.

Secured Property: Real property in which the value of the lien on the real property and personal property located thereon is sufficient to assure payment of the tax.

Service Charges: Charges imposed to support services to individuals or to cover the cost of providing such services.

Sewer Use Charge (SUC): Charge established by the District to adequately fund the ongoing costs of providing sewer service to properties within the District. Revenues from the SUC fund operations and maintenance of and improvements to the sewer system. Rates may not exceed the amounts adopted by the Board without proper notice to customers.

Special Revenue Fund: Used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Suspended Solids (SS): Particulates dissolved in liquid. See also Total Suspended Solids.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying for such services.

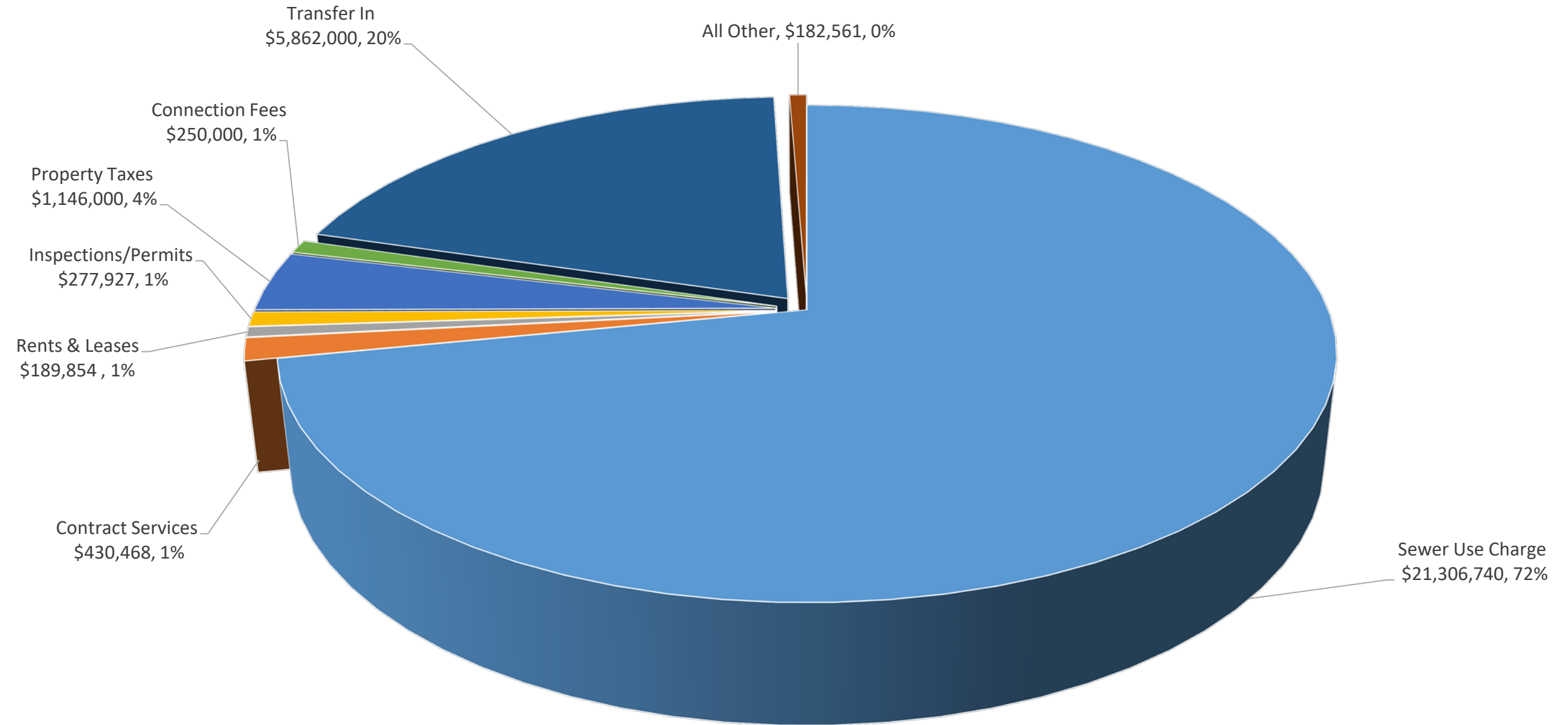
Total Suspended Solids (TSS): Particulate weight obtained by separating particles from a water sample using a filter, usually measured as milligrams per liter (mg/l).

Trust and Agency Funds: Also known as Fiduciary Funds, these funds are used to account for assets held by the District in a trustee capacity or as an agent for private individuals, organizations or other government agencies.

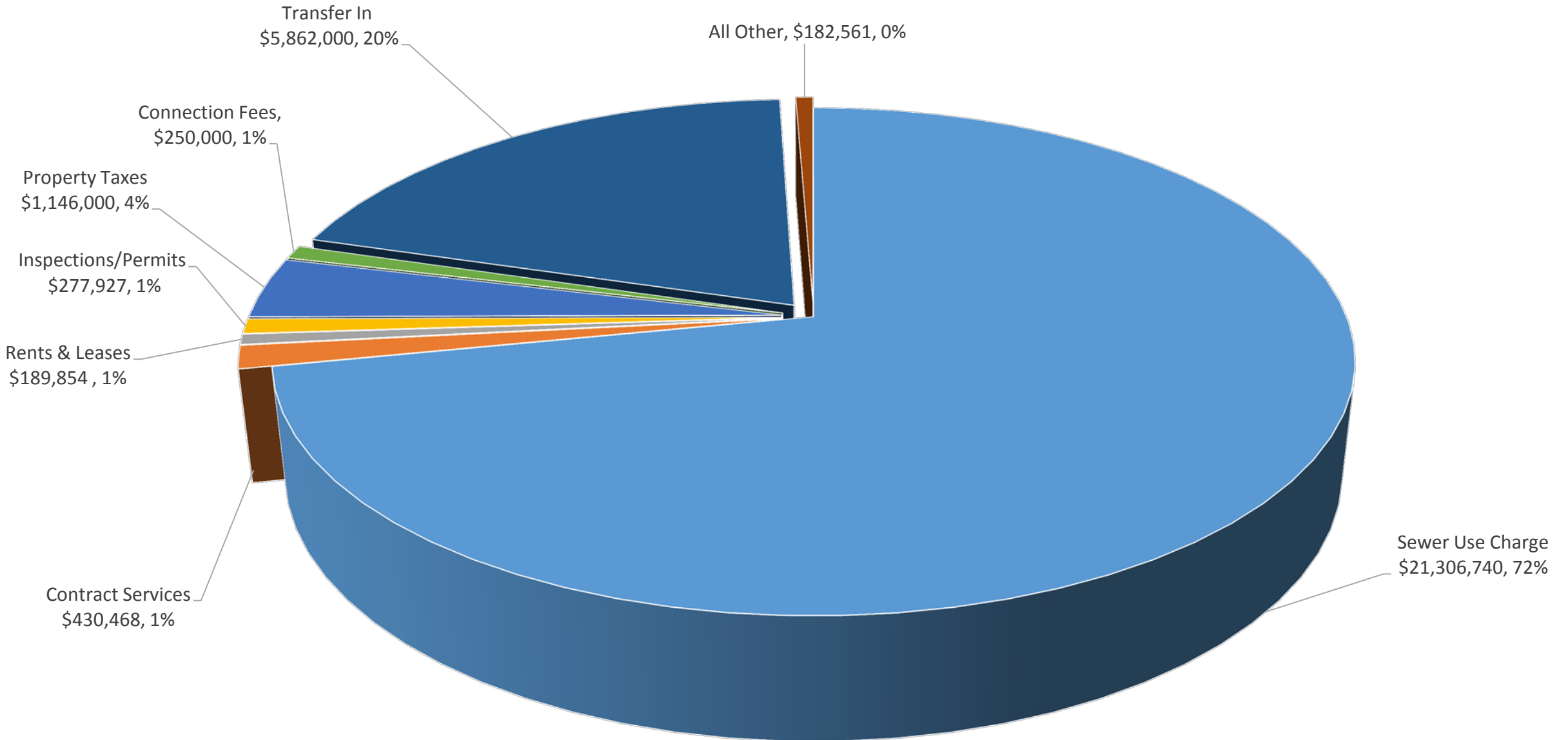
Unsecured Property: Real property in which the value of the lien is not sufficient to assure payment of the property tax.

Water Pollution Control Plant (WPCP): The District's wastewater treatment facility located at 2377 Garden Tract Road, Richmond, CA 94801.

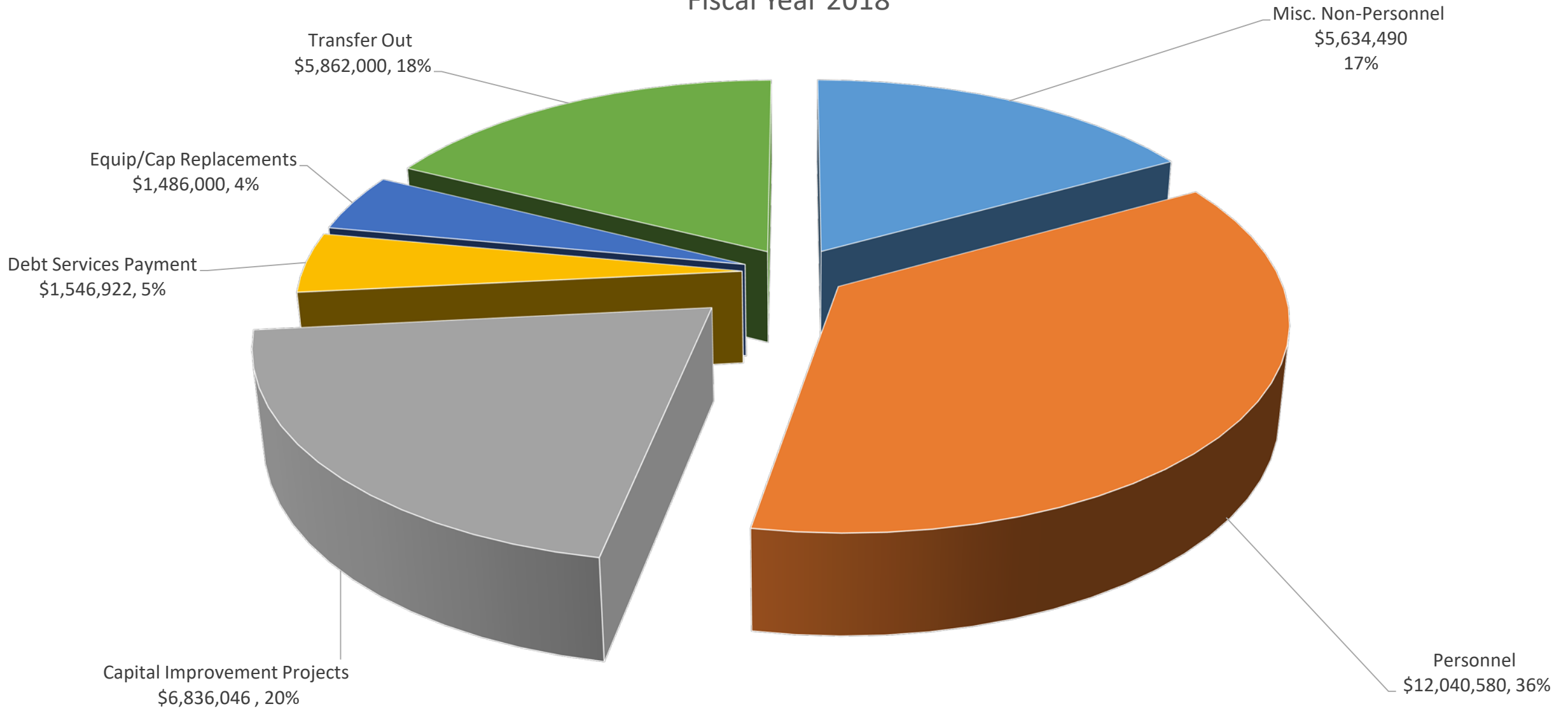
Revenues: By Type Fiscal Year 2018



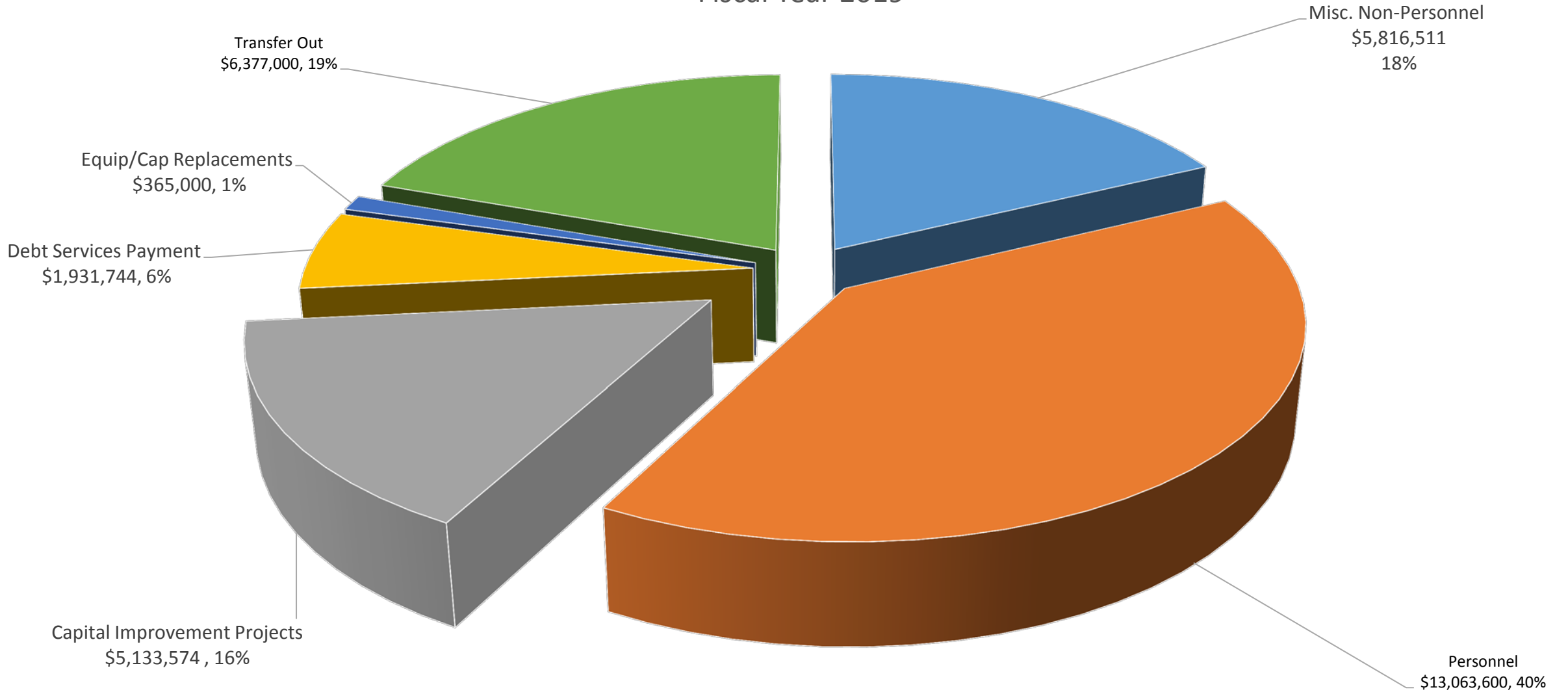
Revenues: By Type Fiscal Year 2019



Expenses: By Type Fiscal Year 2018

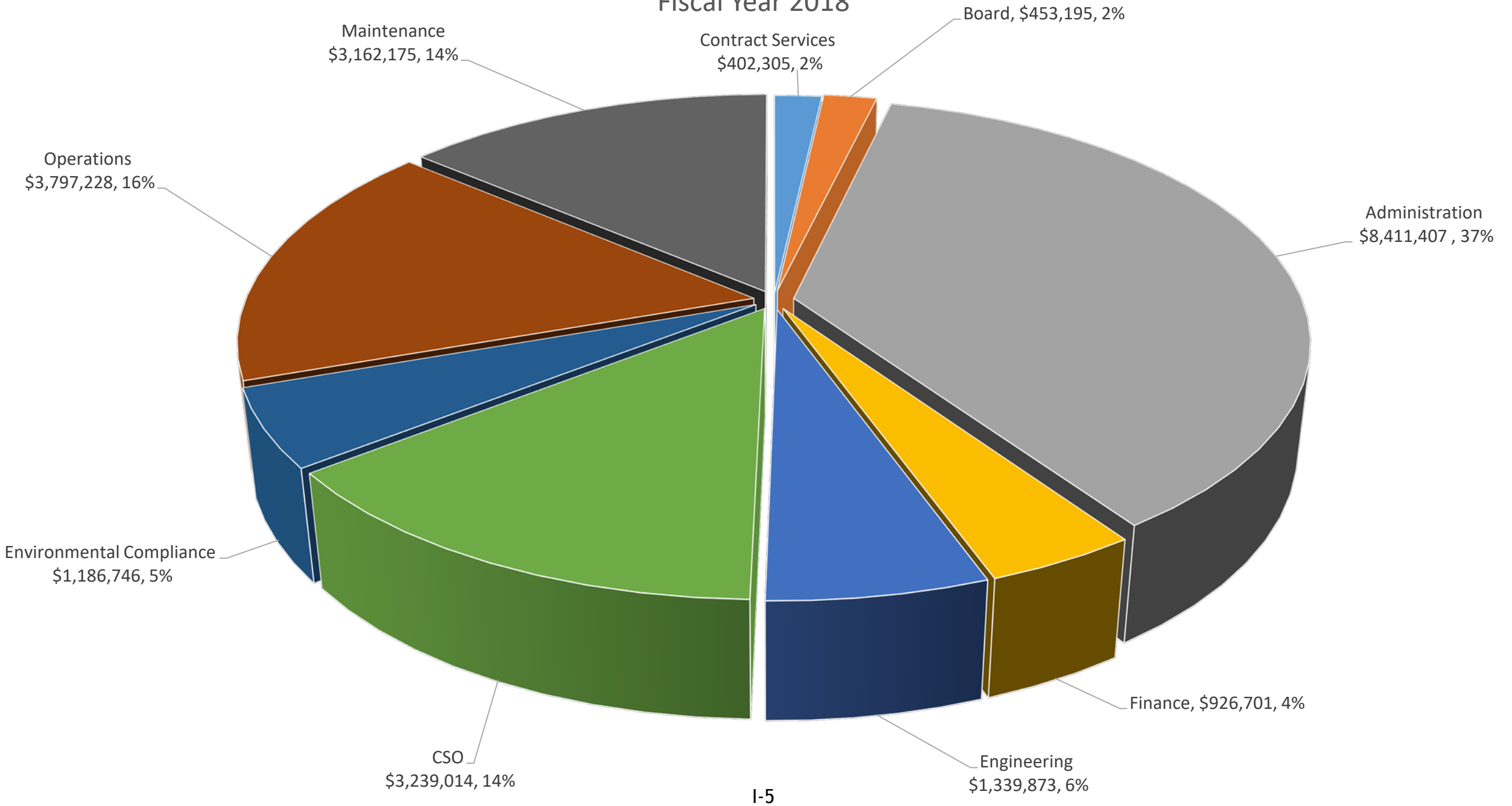


Expenses: By Type Fiscal Year 2019



Expenses: By Department

Fiscal Year 2018



Expenses: By Department

Fiscal Year 2019

