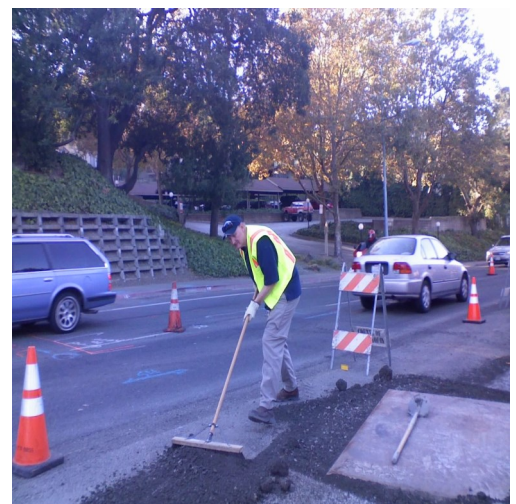


BIENNIAL BUDGET

FISCAL YEARS 2020 & 2021



BIENNIAL BUDGET FISCAL YEARS 2020 & 2021

BOARD OF DIRECTORS

HARRY WIENER
PRESIDENT

SHERRY STANLEY
VICE PRESIDENT

DAVID ALVARADO
DIRECTOR

CHERYL SUDDUTH
DIRECTOR

CESAR ZEPEDA
DIRECTOR



GENERAL MANAGER
Lisa Malek-Zadeh

Deputy General Manager
Andrew McClough

BOARD ATTORNEY
Alfred A. Cabral

WATER QUALITY & RESOURCE RECOVERY
DEPARTMENT MANAGER
AARON WINER

INFRASTRUCTURE & PLANNING
DEPARTMENT MANAGER
MICHAEL SAVANNAH

ADMINISTRATIVE SERVICES
DEPARTMENT MANAGER
JUSTIN LOVELL

PREPARED BY:

Administrative Services Department

WEST COUNTY WASTEWATER DISTRICT

BIENNIAL OPERATING BUDGET

FISCAL YEARS 2020 & 2021

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**West County Wastewater District
California**

For the Biennium Beginning

July 1, 2017

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the West County Wastewater District for the Bi-annual Budget beginning July 1, 2017. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, an operations guide, a financial plan, and a communication device.



Executive Summary Biennial Fiscal Years 2020 & 2021 Budget

Board Meeting Agenda Memorandum

TO: Honorable Board of Directors
West County Wastewater District

DATE: July 12, 2019

REPORT BY: Lisa Malek Zadeh, General Manager

SUBMITTED BY: Dean Prater, Finance Supervisor
Glenn Lazof, Transitional Administrative Services Advisor

AGENDA ITEM: Biennial Fiscal Years (FY) 2020 and 2021 Budget

RECOMMENDED ACTION

1) Adopt a Resolution adopting the West County Wastewater District Biennial Budget for Fiscal Years (FY) 2020 and 2021.

CURRENT SITUATION

The District adopts a biennial budget. The adopted budget will provide appropriation and budget authority for the fiscal years which begin July 1, 2019 and July 1, 2020. The District is currently operating on the authority of the continuing resolution number 2019-42 approved by the Board on June 28, 2019. This resolution expires on July 31, 2019.

BACKGROUND

FY 2020 and 2021 Budget

The FY 2020 and 2021 Biennial budget includes the necessary funding to pay the wages and benefits of District employees, per approved contracts and Memoranda of Understanding, secure professional and purchased services, make debt service payments, and complete approved capital expenditures in the next two years.

Revenue

The budget reflects increases in Residential and Commercial Sewer Use charges representing the 2020 11% rate increase, a conservative growth of property tax income based on 2019 actuals, revenue from the Shimmick lease, a less conservative projection of connection fee revenue, and pending reimbursements of loan proceeds from the State Revolving Fund (SRF).

Total Revenue FY 2020 \$32,197,781; FY 2021 \$29,294,721

Expenditures

Personnel Expenditures

The General Manager's recommended budget includes funding for the previously approved Deputy General Manager position for a net increase of three (3) full time equivalents (FTE) for FY 2020 relative to FY 2019.

In FY 2020 the new positions are: one (1) Administrative Analyst III, one (1) Executive Assistant, two (2) Administrative Technicians and one (1) Human Resources Division Manager. The Human Resources Division. The HR Manager is projected to start in January 2020 resulting in an additional 4.5 FTE in FY 2020. Classification specifications for these new positions will be brought to the Board just prior to recruitment for approval later this year.

In addition, the FY 2020 budget shows a reduction of 1.5 FTE relative to those approved for FY 2019. This is due to three (3) department head positions currently in application review having a projected state date of October 2019 and the elimination of an HR Analyst that we expect to be employed during the second half of the fiscal year.

Non Personnel Expenditures

Significant expenditures increases include \$1.2 million representing WCWD's share of increased West County Agency (WCA) expenditures, the majority of which is for one-time Capital Projects which were reviewed and approved by this board as part of the Capital Improvement Projects Plan (CIP), and subsequently approved by the WCA Board in June. WCWD's ambitious Capital Improvement Plan accounts for most of the \$25.2 million in increased WCWD Capital Expenditures over the FY 2019 adopted budget, the exceptions being \$919,850 in vehicles and equipment to replace those that are past their useful life, and \$500,000 for acquisition and implementation of an asset management system.

There are also some significant net reductions including over \$1,000,000 in reduced expenditures on contracted transitional management support, mostly RGS with one position supported by Aqua Staffing, also being reduced to a short transitional period. Additional reductions in the RGS contract are represented in the second year of this budget proposal.

The District CIP has been reduced \$295,000 to since it was approved May 22. The reduction reflects a projected share of cost of WCA Capital Projects. There will be other costs that may yet be reduced as a result of ongoing discussions of the options with the JPA.

Total Expenditures: FY 2020 \$53,583,266; FY 2021 \$35,652,655

FISCAL IMPACT

Revenues	FY 2020 Proposed	FY 2021 Proposed
Total Revenues	\$32,197,781	\$29,294,721
Expenditures		
Personnel	\$13,406,032	\$15,196,299
Non Personnel	\$9,803,595	\$7,502,996
Total Operating	\$23,209,627	\$22,699,295
Capital Expenditures	\$30,373,639	\$12,953,360
Total Expenditures	\$53,583,266	\$35,652,655
Increase (Decrease) to Reserves*	(\$21,385,485)	(\$6,357,935)

In FY 2020, budgeted expenditures across all funds are \$53.6 million. In FY 2021, expenditures are \$35.7 million, of which \$30.4 million for 2020 and \$13 million for 2021 are Capital Expenditures. Revenue is projected to total \$32.2 million in FY 2020 and \$29.3 million in FY 2021.

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.

SUPPORTING DOCUMENTATION:

- A. Budget Change
- B. Table 1 Summary
- C. Table 2 Revenues
- D. Table 3 Operating Expenses
- E. Table 4 Capital and Totals
- F. Capital Equipment Replacement List
- G. 5 year operating

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Summary of FY 2020 Significant Budget Changes		FTE	Status	FY 2019	Changes	Approved 2020	FTE	2021 Changes (Relative to 2019 Baseline)	Proposed 2021	Notes
Position #	Positions									
1	Eliminate Community Affairs/Public Education & Outreach	1.0	Permanent Change	\$259,875	(\$259,875)	\$0	1.0	(\$284,459)	\$0	Approved in 2018, converted to Communications Division Manager
2	Add Communications Division Manager	1.0	Permanent Change		\$168,046	\$168,046	1.0	\$227,578	\$227,578	New 2020
3	Eliminate Human Resources & Organization Performance	1.0	Permanent Change	\$259,875	(\$259,875)	\$0	1.0	(\$284,459)	\$0	Converted to Human Resources Division Manager FY 2020
4	Add Human Resources Division Manager	0.5	Permanent Change		\$84,023	\$84,023	1.0	\$227,578	\$227,578	New- Fill January 2021
5	Eliminate Process/Control Engineer	1.0	Permanent Change	\$277,200	(\$277,200)	\$0	1.0	(\$303,326)	\$0	Converted to Plant Process and Systems Operator
6	Add Plant Lead Operator (for process and systems analysis)	1.0	Permanent Change		\$215,963	\$215,963	1.0	\$233,118	\$233,118	Plant Process and Systems Operator for Analysis
7	Human Resources Analyst (Transactional and Tactical)	0.5	Permanent Change	\$197,867	(\$98,934)	\$98,934	1.0	\$6,937	\$204,804	Filled January 2021
8	Administrative Services Department Manager	0.3	Permanent Change	\$241,685	(\$80,562)	\$161,123	1.0	\$61,076	\$302,761	Filled October 2021
9	Infrastructure and Planning Department Manager	0.3	Permanent Change	\$266,446	(\$88,815)	\$177,631	1.0	\$56,348	\$322,794	Filled October 2021
10	Water Quality and Resource Recovery Department Manager	0.3	Permanent Change	\$305,741	(\$152,871)	\$152,871	1.0	\$24,791	\$330,532	Filled October 2021
11	Add Administrative Analyst III (Administrative Services)	1.0	Permanent Change	\$0	\$173,101	\$173,101	1.0	\$200,915	\$200,915	New
12	Add Executive Assistant (for GM)	1.0	Permanent Change	\$0	\$143,291	\$143,291	1.0	\$154,589	\$154,589	New
13	Add 2 Administrative Technicians (1 for AS-Finance, 1 split I)	2.0	Permanent Change	\$0	\$286,582	\$286,582	2.0	\$345,604	\$345,604	New
14	Add Administrative Analyst (Infr & Planning)	1.0	Permanent Change	\$0	\$150,433	\$150,433	1.0	\$178,884	\$178,884	New
Subtotal Position changes		3.0		\$1,808,689	\$3,308	\$1,811,997	9.0	\$845,173	\$2,729,156	Includes \$75,594 savings from increased costs of continuing eliminated positions.
Contracts/Operating/Revenue										
	RGS Services		Ongoing Reductions	\$1,881,488	(\$1,000,642)	880,846		(\$1,605,488)	276,000	
	West County Agency		One Time Change	\$191,243	\$1,162,883	\$1,354,126		\$0	\$191,243	
	Contract Service Revenue		Permanent Change	(\$448,579)	\$489,535	\$40,956		\$489,535	\$40,956	
	Shimmick land lease		1-time	\$0	(\$162,000)	(\$162,000)		\$390,083	\$390,083	
	Connection Fee Revenue		1-time	(\$400,000)	(\$228,000)	(\$628,000)		(\$228,000)	(\$628,000)	
Contracts/Operating Revenue				\$1,224,152	\$261,776	\$1,485,928		(\$953,870)	\$270,282	
	Asset Management System			\$0	\$500,000	\$500,000		\$0	\$0	
	Capital Improvement Plan		1-time	\$5,133,574	\$23,820,216	\$28,953,790		\$7,721,426	\$12,855,000	Per Approved CIP, adjusted for WCA
	Vehicles and Equipment			\$0	\$919,850	\$919,850		\$98,360	\$98,360	
Capital Expenditures				\$5,133,574	\$25,240,066	\$30,373,640		\$7,819,786	\$12,953,360	
Total Operating and CIP changes		-		\$6,357,726	\$25,501,842	\$31,859,568		\$6,865,916	\$13,223,642	

Table 1 Summary

All Revenues	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2019 Budget Update/ Midyear Revision	FY 2019 Projected	FY 2020 Proposed	FY 2021 Proposed
Enterprise Revenue							
Sewer Use Charges	\$19,818,385	\$21,216,484	\$23,737,638	\$23,737,638	\$23,399,724	\$26,065,982	\$26,065,982
Fees	\$1,273,397	\$1,654,837	\$529,726	\$679,726	\$774,340	\$931,901	\$921,901
Rents and Leases	\$90,941	\$257,354	\$201,245	\$363,245	\$751,370	\$536,114	\$390,083
Contract Services	\$183,468	\$106,279	\$448,579	\$198,579	\$84,636	\$40,956	\$40,956
Enterprise Subtotal	\$21,366,191	\$23,234,955	\$24,917,188	\$24,979,188	\$25,010,070	\$27,574,953	\$27,418,922
Property Taxes	\$1,218,094	\$1,394,528	\$1,146,000	\$1,146,000	\$1,515,069	\$1,575,672	\$1,638,699
Grants and Reimbursements	\$30,076,056	\$9,076,562	\$0	\$0	\$4,822,017	\$2,568,000	\$0
Other	\$263,109	\$423,815	\$94,905	\$95,405	\$775,320	\$479,156	\$237,100
Total Revenues	\$52,923,450	\$34,129,860	\$26,158,093	\$26,220,593	\$32,122,475	\$32,197,781	\$29,294,721
Operating Expenditures							
Personnel	\$9,899,155	\$10,114,877	\$12,414,803	\$11,880,067	\$10,368,755	\$13,406,032	\$15,196,299
Non Personnel	\$4,324,385	\$5,947,053	\$7,816,241	\$10,238,923	\$7,664,944	\$9,803,595	\$7,502,996
Total Operating	\$14,223,540	\$16,061,930	\$20,231,044	\$22,118,990	\$18,033,699	\$23,209,627	\$22,699,295
Net Operating (Deficit)	\$38,699,910	\$18,067,930	\$5,927,049	\$4,101,603	\$14,088,777	\$8,988,154	\$6,595,425
Capital Expenditures							
Personnel	\$469,785	\$396,309	\$648,797	\$160,384	\$133,766	\$1,047,518	\$459,876
Improvements	\$25,081,627	\$9,974,138	\$5,133,574	\$7,085,634	\$3,825,888	\$26,583,647	\$12,233,859
Equipment	\$551,056	\$1,460,119	\$0	\$614,400	\$29,800	\$2,742,474	\$259,625
Total Capital	\$26,102,468	\$11,830,566	\$5,782,371	\$7,860,418	\$3,989,454	\$30,373,639	\$12,953,360
Total Expenditures	\$40,326,008	\$27,892,496	\$26,013,415	\$29,979,408	\$22,023,153	\$53,583,266	\$35,652,655
Increase (Decrease) to Reserves*	\$12,597,442	\$6,237,364	\$144,678	(\$3,758,815)	\$10,099,323	(\$21,385,485)	(\$6,357,935)

Table 2 Revenues

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2019 Budget Update/ Midyear Revision	FY 2019 Projected	FY 2020 Proposed	FY 2021 Proposed
Revenues							
Sewer Use Charge-Residential	\$15,176,741	\$16,754,603	\$18,722,041	\$18,722,041	\$18,650,705	\$20,705,000	\$20,705,000
Sewer Use Charge-Commercial	\$2,546,284	\$2,991,293	3,228,186	3,228,186	\$3,139,959	\$3,635,982	\$3,635,982
Sewer Use Charge-Industrial	\$2,095,360	\$1,470,588	\$1,787,411	\$1,787,411	\$1,609,060	\$1,725,000	\$1,725,000
Inspection/Permit Fees	\$302,422	\$231,481	\$279,726	\$279,726	\$283,082	\$303,901	\$293,901
Connection Fees	\$970,975	\$1,423,356	\$250,000	\$400,000	\$491,258	\$628,000	\$628,000
Rents & Leases	\$90,941	\$257,354	\$201,245	\$363,245	\$751,370	\$536,114	\$390,083
Contract Services	\$183,468	\$106,279	\$448,579	\$198,579	\$84,636	\$40,956	\$40,956
Property Taxes	\$1,218,094	\$1,394,528	\$1,146,000	\$1,146,000	\$1,515,069	\$1,575,672	\$1,638,699
Proposition 1 and 13 Grants	\$6,966,498	\$2,034,947					
SRF Reimbursement	\$23,109,558	\$7,041,615			\$4,822,017	\$2,568,000	
Miscellaneous Revenue	\$165,483	\$42,926	\$64,905	\$65,405	\$157,375	\$67,256	\$69,200
Interest	\$94,438	\$327,188	\$30,000	\$30,000	\$617,945	\$369,000	\$125,000
Proceeds from disposal of assets	\$3,188	\$53,701				\$42,900	\$42,900
Total	\$52,923,450	\$34,129,860	\$26,158,093	\$26,220,593	\$32,122,475	\$32,197,781	\$29,294,721

Table 3 Operating Expenditures

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2019 Budget Update/ Midyear Revision	FY 2019 Projected	FY 2020 Proposed	FY 2021 Proposed
Operating Personnel							
Salaries and Wages	\$5,946,474	\$6,147,325	\$7,517,228	\$6,982,492	\$6,100,000	\$7,863,419	9,242,533
Overtime	\$335,841	\$192,487	\$136,086	\$136,086	\$193,755	\$240,694	\$262,357
Benefits- Medical, Dental, Vision, Life	\$1,324,436	\$1,457,868	\$1,646,866	\$1,646,866	\$1,400,000	\$1,876,084	\$2,000,113
Benefits- Retirement	\$2,031,553	\$2,045,463	\$2,782,727	\$2,782,727	\$2,400,000	\$3,051,433	\$3,300,447
Worker's Compensation Insurance	\$188,347	\$192,243	\$218,184	\$218,184	\$200,000	\$264,001	\$280,449
Benefits- Allowances and Reimbursements	\$72,504	\$79,490	\$113,712	\$113,712	\$75,000	\$110,401	\$110,401
Total Operating Personnel	\$9,899,155	\$10,114,877	\$12,414,803	\$11,880,067	\$10,368,755	\$13,406,032	\$15,196,299
Other Operating							
Legal Fees	\$194,205	\$242,953	\$224,973	\$224,973	\$234,559	\$248,000	\$248,000
Banking & Financial Services	\$28,586	\$12,015	\$34,200	\$34,200	\$26,186	\$31,400	\$31,400
Engineering & Architectural Services	\$15,867	\$600				\$8,200	\$8,200
Professional & Technical Services	\$1,031,973	\$1,768,889	\$1,746,849	\$4,237,517	\$2,758,562	\$2,940,000	\$1,506,000
Other Purchased Services	\$278,552	\$325,545	\$434,012	\$434,012	\$390,719	\$399,300	\$455,700
Communications	\$57,887	\$68,611	\$53,675	\$53,675	\$90,441	\$71,700	\$72,001
Utilities	\$1,242,094	\$1,007,432	\$1,301,583	\$1,301,853	\$949,508	\$1,042,351	\$1,042,651
Travel	\$39,496	\$66,576	\$52,956	\$52,956	\$73,216	\$87,600	\$96,000
Rent/Leases	\$30,368	\$31,851	\$30,506	\$30,506	\$23,762	\$38,800	\$38,800
Property Services	\$79,223	\$161,227	\$178,894	\$178,894	\$112,171	\$251,600	\$251,600
Grants & Government Payments	\$228,289	\$135,226	\$227,616	\$227,616	\$220,487	\$1,226,000	\$276,000
Permits	\$42,899	\$56,036	\$73,792	\$73,792	\$58,432	\$66,700	\$66,700
Supplies	\$751,096	\$919,150	\$1,172,903	\$1,172,903	\$839,814	\$988,000	\$988,000
Property/Equipment	\$99,799	\$81,909	\$252,993	\$252,993	\$126,513	\$497,500	\$497,500
Claims Paid	\$15,401	\$3,492	\$16,224	\$16,224	\$66,280	\$15,400	\$15,400
Bad Debt Write-Offs	\$10,153	\$16,204	\$15,065	\$15,065		\$13,400	\$31,400
Debt Service	\$178,497	\$1,049,337	\$2,000,000	\$1,931,744	\$1,694,294	\$1,877,645	\$1,877,645
Non Personnel Operating	\$4,324,385	\$5,947,053	\$7,816,241	\$10,238,923	\$7,664,944	\$9,803,595	\$7,502,996
Total Operating	\$14,223,540	\$16,061,930	\$20,231,044	\$22,118,990	\$18,033,699	\$23,209,627	\$22,699,295

Table 4 Capital Expenditures, Grand Totals, and Reserve Impact

	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2019 Budget Update/ Midyear Revision	FY 2019 Projected	FY 2020 Proposed	FY 2021 Proposed
Capital Personnel							
Salaries and Wages	\$301,449	\$285,745	\$459,743	\$111,199	\$97,319	\$1,047,518	\$459,876
Overtime	\$6,135		\$11,000	\$2,697			
Benefits- Medical, Dental, Vision, Life	\$60,778	\$38,028	\$69,788	\$17,039	\$12,358		
Benefits- Retirement	\$92,960	\$61,999	\$99,115	\$24,388	\$21,254		
Worker's Compensation Insurance	\$7,644	\$6,535	\$8,269	\$1,920	\$2,634		
Benefits- Allowances and Reimbursements	\$819	\$4,002	\$882	\$3,141	\$201		
Total Personnel in Capital Expense	\$469,785	\$396,309	\$648,797	\$160,384	\$133,766	\$1,047,518	\$459,876
Non Personnel Capital Expense							
Engineering & Architectural Services	\$2,030,584	\$1,512,412		\$1,150,000			
Professional & Technical Services	\$1,127,803	\$1,152,421		\$161,714			
Other Purchased Services	\$783	\$3,849		\$8,620			
Travel	\$115			\$0			
Permits	\$670	\$8,384		\$34,857			
Supplies	\$15,446	\$30,471		\$92,000			
Capital Improvements	\$21,906,226	\$7,266,601	\$5,133,574	\$5,638,443	\$3,825,888	\$26,583,647	\$12,233,859
Property/Equipment	\$551,056	\$1,460,119		\$614,400	\$29,800	\$2,742,474	\$259,625
Subtotal Non Pers Capital	\$25,632,683	\$11,434,257	\$5,133,574	\$7,700,034	\$3,855,688	\$29,326,121	\$12,493,484
Total Capital	\$26,102,468	\$11,830,566	\$5,782,371	\$7,860,418	\$3,989,454	\$30,373,639	\$12,953,360
Total operating and capital expenditures	\$40,326,008	\$27,892,496	\$26,013,415	\$29,979,408	\$22,023,153	\$53,583,266	\$35,652,655
Net Increase (Decrease) to reserves (revenue less expenditures)	\$12,597,442	\$8,237,364	\$144,678	(\$3,758,815)	\$10,099,323	(\$21,385,485)	(\$8,357,935)

CAPITAL VEHICLE EQUIPMENT REPLACEMENT

Equipment	FY 2019 ADOPTED	FY 2020 PROPOSED	FY 2021 PROPOSED	FY 2022 PROPOSED	FY 2023 PROPOSED
2009 Int. Hydro	\$0	\$0	\$0	375,000	\$0
2011 Int. Rodder	\$0	\$0	\$0	\$0	\$0
2000 Ford Hydro	\$0	\$0	\$0	\$0	\$0
1994 GMC Box Van	\$0	\$0	\$0	\$0	\$0
2001 Int. Rodder	\$350,000	\$0	\$0	\$0	\$0
1992 GMC Dump Truck	\$0	\$0	\$0	\$0	\$0
2018 Freightliner Dump Truck	\$0	\$0	\$0	\$0	\$0
1997 Jeep Cherokee	\$0	\$0	\$0	\$0	\$0
1992 Backhoe Trailer	\$0	\$0	\$80,000	\$0	\$0
1995 Case Backhoe	\$0	\$0	\$0	\$0	\$0
2007 Case Backhoe	\$0	\$0	\$0	\$116,000	\$0
2001 Dodge Truck	\$0	\$0	\$0	\$0	\$0
2010 Compressor	\$0	\$0	\$0	\$0	\$0
2010 Wells Trailer	\$0	\$0	\$0	\$0	\$0
2001 Ford CCTV Van	\$0	\$0	\$0	\$0	\$0
1998 GMC Repair Truck	\$0	\$0	\$0	\$0	\$0
2011 Int. Hydro	\$0	\$0	\$0	\$0	\$0
2016 New TV Truck	\$0	\$0	\$0	\$0	\$0
2015 Mini Excavator	\$0	\$0	\$0	\$0	\$0
2017 Vactor 2017 Vactor 2100 PD	\$0	\$0	\$0	\$0	\$0
2018 Vactor Combo 2100 Plus vehicle.	\$0	\$0	\$0	\$0	\$0
2018 Ford F250 4x4 regular cab pickup truck	\$0	\$0	\$0	\$0	\$0
2016 Case Backhoe	\$0	\$0	\$0	\$0	\$0
2007 Ford F-150	\$0	\$66,950	\$0	\$0	\$0
2016 Ford F-350	\$0	\$0	\$0	\$0	\$0
2017 US Jetter	\$0	\$0	\$0	\$0	\$0
2001 GMC Crane Truck	\$0	\$95,000	\$0	\$0	\$0
2005 Dodge Truck	\$0	\$45,000	\$0	\$0	\$0
2005 Dodge Truck	\$0	\$47,700	\$0	\$0	\$0
2005 Chevy Truck	\$0	\$47,700	\$0	\$0	\$0
2010 Ford Truck	\$0	\$0	\$0	\$45,000	\$0
1979 Forklift	\$0	\$0	\$0	\$0	\$0
2017 Forklift Toyota	\$0	\$0	\$0	\$0	\$0
2010 Laboratory Electric Cart	\$0	\$30,000	\$0	\$0	\$0
UV-Visible Spectrophotometer	\$0	\$10,000	\$0	\$0	\$0
Enerpac Hyd Maintenance Set	\$0	\$10,000	\$0	\$0	\$0
Alignment Tools	\$0	\$5,000	\$0	\$0	\$0
Sludge Heater 1&2 Burners	\$0	\$25,000	\$0	\$0	\$0
8" Mobile Trash Pump	\$0	\$130,000	\$0	\$0	\$0
200amp 480v Mobile Generator	\$0	\$120,000	\$0	\$0	\$0

CAPITAL VEHICLE EQUIPMENT REPLACEMENT CONTINUED

100amp 240v Mobile Generator	\$0	\$0	\$0	\$0	\$0
50amp 240v Generator (LaHonda)	\$0	\$0	\$0	\$0	\$0
Asco Power generator 904074.	\$0	\$0	\$0	\$0	\$0
US Jetting trailer flusher model 4018	\$0	\$0	\$0	\$0	\$0
Bella Flora Wet Well Liner Repair	\$0	\$0	\$0	\$0	\$0
200amp Compact Load Bank	\$0	\$0	\$0	\$0	\$0
Spare Pump - Bella Flora	\$0	\$25,000	\$0	\$0	\$0
Spare Motor - D'Avila	\$0	\$7,500	\$0	\$0	\$0
Spare Rotating Asm -D'Avila	\$0	\$10,000	\$0	\$0	\$0
Spare Motor - La Honda	\$0	\$7,500	\$0	\$0	\$0
Spare Rotating Asm-La Honda	\$0	\$10,000	\$0	\$0	\$0
Spare Pump/Motor -MacBryde	\$0	\$0	\$0	\$0	\$0
Spare Pump/Motor - Park	\$0	\$0	\$0	\$0	\$0
Spare Pump/Motor-Point Pinole	\$0	\$25,000	\$0	\$0	\$0
Spare Pump/Motor-Sobrante	\$0	\$10,000	\$0	\$0	\$0
Fire Alarm System Plant	\$0	\$25,000	\$0	\$0	\$0
Fygt Trash Pump NP 488-4 10 HP	\$0	\$0	\$0	\$0	\$12,500
Fork Lift	\$0	\$0	\$0	\$0	\$0
Trash pump #1002934	\$0	\$0	\$0	\$0	\$0
Duplex submersible pump 7.5", 230 hp, 3 F	\$0	\$0	\$0	\$0	\$0
Duplex submerisable pump 7.5/230/3	\$0	\$0	\$0	\$0	\$0
Water champ part #W3T212230	\$0	\$0	\$0	\$0	\$0
odel 100C42.2. 3HP 230V, 3 phase, 20 A,	\$0	\$0	\$0	\$0	\$0
Labconco flask scrubber . 97001-160 44203	\$0	\$0	\$0	\$0	\$13,154
Microscope model BX43TF	\$0	\$0	\$0	\$0	\$18,168
Imagerunner Adv C5550i copier/printer/	\$0	\$0	\$0	\$0	\$12,996
Plotting printer	\$0	\$24,000	\$0	\$0	\$0
SCH 305 Com hub	\$0	\$0	\$0	\$0	\$11,957
ExecuTime Time & Attendance mobile app	\$0	\$0	\$0	\$0	\$5,583
IT Hardware	\$30,000	\$86,500	\$18,360	\$18,727	\$19,102
GM Vehcile	\$0	\$0	\$0	\$0	\$0
Digital Archiving Module	\$0	\$27,000	\$0	\$0	\$0
Legacy Digital Archive Service	\$0	\$30,000	\$0	\$0	\$0
Equipment Total	380,000	\$919,850	\$98,360	\$554,727	\$93,459

5 Year Operating Revenue and Expense					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Proposed	Proposed	Projected	Projected	Projected
Total Revenue	\$ 29,629,781	\$ 29,294,720	\$ 29,357,747	\$ 29,420,774	\$ 29,483,801
Total Expenditure	\$ 21,829,781	\$ 22,248,295	\$22,785,962	\$23,336,623	\$23,900,591
Net Operating Income	\$ 7,800,000	\$ 7,046,425	\$ 6,571,785	\$ 6,084,151	\$ 5,583,210

Excludes One Time Sources and Uses, such as CIP, or Loan Proceeds.

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

RESOLUTION NO. 2019-44

ADOPTING THE BIENNIAL BUDGET FOR FISCAL YEARS 2020 AND 2021

The Board of Directors finds and determines as follows:

- A. 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.
- B. The Biennial Budget includes budgeted expenditures of \$53,583,266 for Fiscal Year 2020 and \$35,652,655 for Fiscal Year 2021; revenue of \$32,197,781 for Fiscal Year 2020 and \$29,294,721 for Fiscal Year 2021; Operating Expenses are \$23,209,627 for Fiscal Year 2020 and \$22,699,295 for Fiscal Year 2021; Capital Expenditures are \$30,373,639 for Fiscal Year 2020 and \$12,953,360 for Fiscal Year 2021.


NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST
COUNTY WASTEWATER DISTRICT AS FOLLOWS:

1. The foregoing recitals are true and correct statements of fact and are incorporated into this resolution.
2. The Board of Directors of the West County Wastewater District, Contra Costa County, California hereby adopts the Biennial Budget for Fiscal Year 2020 and 2021 as attached to this resolution.

* * *

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 12th day of July, 2019, by the following vote:

AYES: Alvarado, Stanley, Zepeda, Wiener
NOES: Sudduth
ABSENT: None



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

ABOUT THE DISTRICT

DISTRICT BASICS

The West County Wastewater District will celebrate its 100th anniversary during this Biennial Budget Period. 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. In 1978, the District changed its name to West Contra Costa County Sanitary District and in 1992 changed to West County Wastewater District.

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, water recycling, and limited disposal of wastewater.

For 99 years the District has protected and served the public health of the community. Originally charged with the construction and maintenance of a sewer system 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 250 miles of gravity sewer pipelines, 17 lift stations and 12 miles of 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, including our 16th Platinum Award.

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. 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



Harry Wiener
President



Sherry Stanley
Vice President



David Alvarado
Director



Cheryl Sudduth
Director

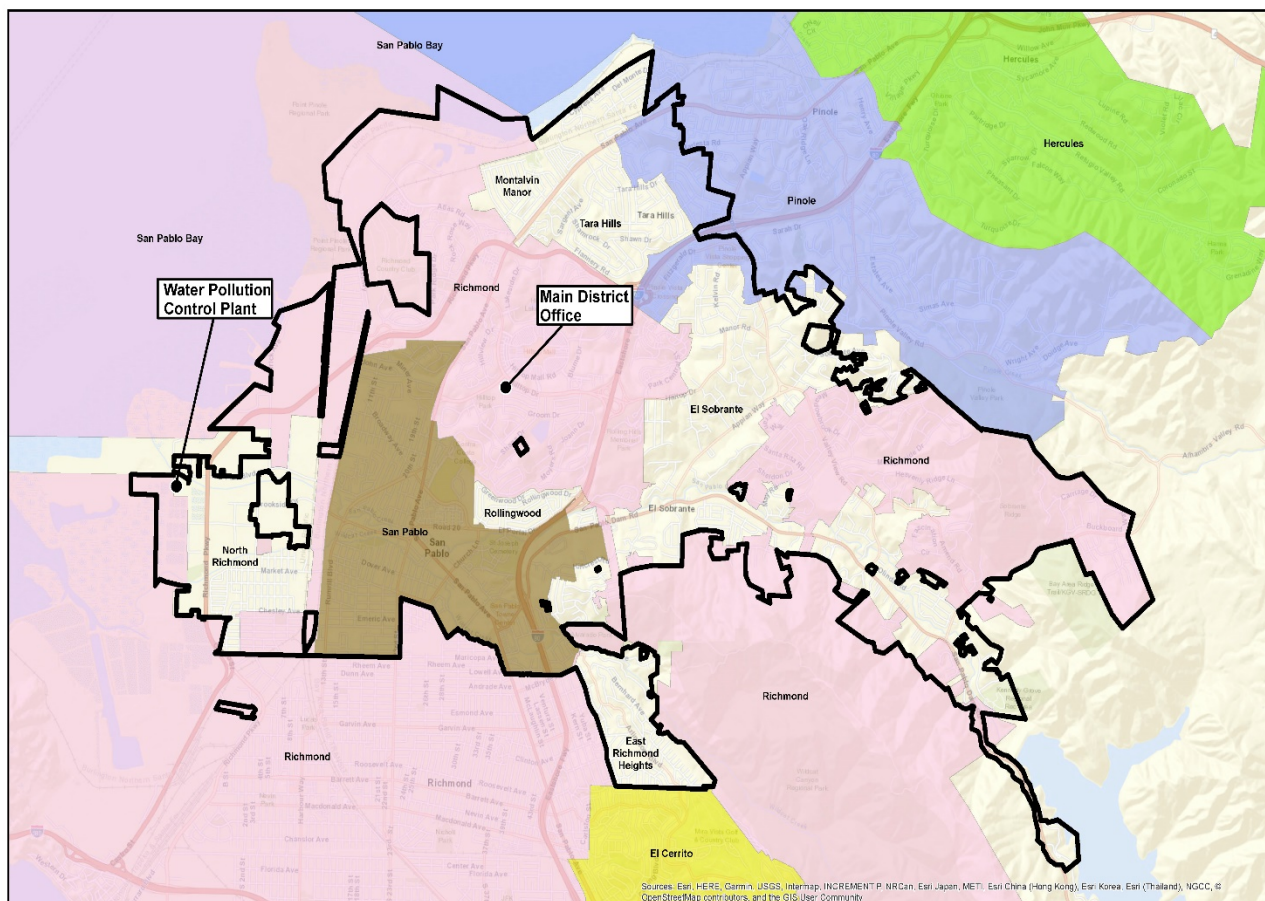


Cesar Zepeda
Director

To protect the public health through the safe, responsible collection and treatment of wastewater to recover for reuse while promoting environmental stewardship for the West County Community.

DISTRICT DEMOGRAPHICS

The District is located in the western section of Contra Costa County, approximately 12 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.

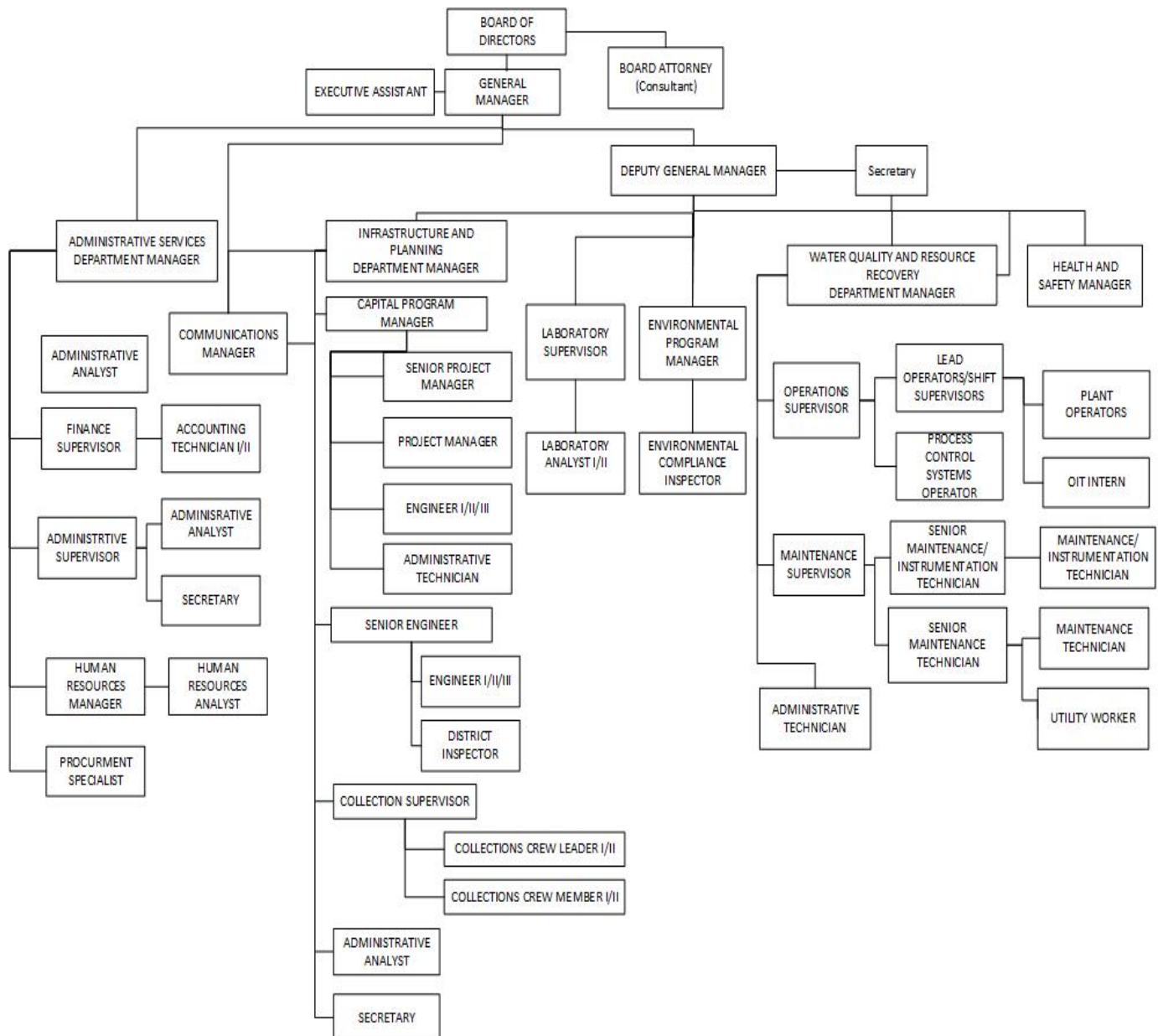


The District is essentially fully built out and anticipates only 1% growth annually, primarily due to infill and density increases as parcels are converted to multi-family units. Of the District's approximately 35,000 connections, 96% are from residential dwellings and 4% are commercial.

DISTRICT PERSONNEL

The majority of the District's 77.0 Full Time Equivalent (FTE) budgeted positions are represented by bargaining units. The Directors, Deputy General Manager, department managers, some administrative staff, and the confidential employees are unrepresented. The General Manager is the only at-will employee.

Organizational Charts Fiscal Year 2020 & 2021



Position Control List

POSITION CONTROL LIST

<u>Classifications</u>	FISCAL YEAR 2019 <u>Authorized</u> <u>Positons</u>	FISCAL YEAR 2020 <u>Authorized</u> <u>Positons</u>	FISCAL YEAR 2021 <u>Authorized</u> <u>Positons</u>
Director	5	5	5
General Manager	1	1	1
Deputy General Manager	1	1	1
Communications Manager	0	1	1
Executive Secretary	0	1	1
Health and Safety Manager	1	1	1
<u>Administrative Services:</u>			
Administrative Services Department Manager	1	1	1
Administration Supervisor	1	1	1
Administrative Analyst	1	1	1
Administrative Technician	0	1	1
Secretary	3	3	3
Finance Supervisor	1	1	1
Senior or Budget Administrative Analyst	0	1	1
Accounting Technician II	2	2	2
Procurement Specialist	1	1	1
Human Resources Manager	0	1	1
Human Resources Analyst	1	1	1
<u>Infrastructure and Planning Services:</u>			
Infrastructure and Planning Department Manager	1	1	1
Senior Engineer	1	1	1
District Inspector	1	1	1
Engineer I/II/III	3	3	3
Capital Program Manager	1	1	1
Senior Project Manager	1	1	1
Project Manager	1	1	1
Administrative Technician	0	1	1
Administrative Analyst	0	1	1
Collection System Supervisor	1	1	1
Collection System Crew Leader I/II	5	5	5
Collection System Crew Member I/II	7	7	7
<u>Water Quality and Resource Recovery Plant</u>			
Water Quality and Resource Recovery Department Manager	1	1	1
Environmental Programs Manager	1	1	1
Environmental Compliance Inspector	1	1	1
Laboratory Supervisor	1	1	1
Laboratory Analyst I/II	2	2	2
Plant Operations Supervisor	1	1	1
Shift Supervisor/Lead Operator	6	7	7
Senior Plant Operator/Plant Operator/OIT	5	6	6
Plant Maintenance Supervisor	1	1	1
Sr. Maintenance/Instrumentation Technician	1	1	1
Senior Maintenance Technician	2	1	1
Maintenance/Instrumentation Technician	1	1	1
Maintenance Technician/Technician-in-Training	4	4	4
Utility Worker	1	1	1
TOTAL DISTRICT	69	77	77

Employee Benefits

Regular employees 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. The total contribution rate paid by the District for the majority of employees for FY 2020 and FY 2021 is projected at 14.5 % of reportable wages.

The District offers retiree health insurance in a vesting schedule that begins with a 50% premium after 10 years of service at retirement and 100% premium paid at 20 years of services at retirement. To fund the retiree medical, the District contributes to an OPEB trust fund for future retiree health premiums. The projected contribution rate is approximately 13% of payroll. The District is committed to paying the Annual Required Contribution (ARC) as defined in the actuarial valuation.

The District offers medical, dental, vision, and life insurance to its employees.

Memorandums of Understanding

There are four Memorandum of Understanding (MOU) within the District. Below is a listing of the employee units with highlights from their contracts/manual.

Administrative Clerical Unit – MOU expired June 30, 2019, currently in negotiation
This unit covers Secretaries, Technicians, Specialist and Clerks.

Field Operations Unit – January 1, 2019 to December 31, 2021
This unit covers, Collection System Operators, Plant Operators, and Plant Mechanics.

Managerial Employees Unit – October 4, 2018 to June 30, 2021
This unit covers Supervisors, Engineers, and Project Managers

Unrepresented Employees – Expired June 30, 2017, in negotiation
This unit covers Department Managers, Supervisors and Analysts

FIVE YEAR STRATEGIC PLAN

PROCESS

In 2010, the District developed a five-year Strategic Plan. The Strategic Plan is reviewed annually and has been updated in 2015, 2016, 2018, and 2019.

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.

At a Special Board meeting on April 30, 2019 the Board of Directors approved the following update to the Strategic Plan revising the District's Mission, Vision, and Core Values Statements including a list of new Goals.

Mission Statement

To protect the public health through the safe, responsible collection and treatment of wastewater to recover for reuse while promoting environmental stewardship for the West County Community.

Vision Statement

To be an integrated partner to make our planet better for future generations.

Core Values

Service
Trust
Leadership
Collaboration
Accountability

Goals

- Embrace our obligations to the future by planning and preparing today.
- Recruit, develop and retain employees that embrace the District's Core Values and have a passion for the environment.
- Ensure all staff are properly trained and understand the standards upon which they are held accountable.
- Develop a communication strategy that enhances public perception and confidence in the services we provide.
- Become an environmental leader by being a zero-waste enterprise through maximizing our resource recovery and minimizing our environmental footprint.
- Promote financial policies and practices that support sustainability, integrity and responsible allocation.
- Responsibly manage infrastructure.
- Collaborate with local, regional and national partners to further the mission of the District.
- Become a carbon negative enterprise by 2031.

FINANCIAL PROCEDURES

FINANCIAL MANAGEMENT PROCEDURES

The West County Wastewater District biennial budget conforms to Generally Accepted Accounting Principles (GAAP) as applicable to local governments, with the exception that the budget is not accrual based and reports Capital costs as expenses so that budget comparisons can be reported.

The District is an enterprise agency and 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 operates one fund, the operating fund that accounts nearly all activities 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.

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 net of recurring revenue over recurring expenses. Recurring expenses exclude one-time Capital Improvements, as well as one-time non-Capital projects.
2. Budget Preparation and Presentation: The District prepares and presents its budget using current financial resources.
3. Prompt Reimbursement Submission: Some programs and projects are funded by loans, grants or other entities on a reimbursement basis, the District applies for reimbursements on a timely basis within the limitations of funding source requirements 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).
4. 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.

5. Capital Improvement Plan: The Board adopts a Five Year 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.

Approved projects, with circumstances that arise which change the funding requirements of the project, are addressed in the CIP annually.

6. Financial Oversight and Reporting: The District provide regular financial reports comparing budgeted revenue and expenditure information to actual on a monthly and year-to-date basis each month. The Administrative 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 Board of Directors at a regularly scheduled meeting, 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 posted on the District's web site.

7. 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, 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, before, or as close thereafter as possible to June 30th of each year, is made available within 30 days of such adoption and on the District's web site. The Final Budget document is published and submitted to Government Finance Officers Association within 90 days of approval, for consideration in the award of their Certificate of Recognition for Budget Preparation

- 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 and procedures.

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 cost of living increase from the preceding year, as estimated by the California Department of Finance.

The change in cost of living between 2018 and 2019 was 3.2%. The change in population in Contra Costa County between 2018 and 2019 was .880%. (Source: California Department of Finance).

The estimated tax proceeds for fiscal year (FY) 2020 subject to appropriation limit is \$1,303,809. The adjusted appropriations limit for FY 2020 is \$2,105,674, which is the maximum amount of tax proceeds that the District is able to appropriate and spend in FY 2020. This leaves the District with an appropriation capacity of \$721,865 which is under the limit.

**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	\$1,701,080
2015	0.99770	1.00980	1.00750	\$1,713,838
2016	1.03820	1.01280	1.05150	\$1,802,101
2017	1.05370	1.01120	1.06550	\$1,920,139
2018	1.03690	1.01130	1.04860	\$2,013,458
2019	1.03200	1.00880	1.04110	\$2,096,211
2020	1.03850	1.00700	1.04580	\$2,105,674

*Price (Per Capita Personal Income) data supplied by State Department of Finance (Ref. Section 2212 of California Revenue and Taxation Code). https://www.bls.gov/regions/west/news-release/consumerpriceindex_sanfrancisco.htm#bls-print

**Population change is based on that established for the County because the District is located within more than one city and the unincorporated area within a single county. Population data supplied by State Department of Finance (Ref. Section 2228 of California Revenue and Taxation Code).

State of California, Department of Finance, 2019-2020 Annual Price and Population Letter May 2019:
["http://www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/PriceandPopulation2019.pdf"](http://www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/PriceandPopulation2019.pdf)

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

RESOLUTION NO. 2019-41

ESTABLISHING THE FISCAL YEAR 2020 APPROPRIATIONS LIMIT IN COMPLIANCE WITH
ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA

The Board of Directors finds and determines as follows:

- A. 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.
- B. 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.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST
COUNTY WASTEWATER DISTRICT AS FOLLOWS

1. The foregoing recitals are true and correct statements of fact and are incorporated into this resolution.
2. 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 2020 calculated pursuant to Article XIII B of the California Constitution is established at \$2,105,674, as attached to this resolution.

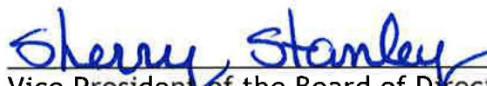
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I HEREBY CERTIFY that this resolution was duly and regularly adopted by the Board of Directors of the West County Wastewater District, Contra Costa County, California, at a regular meeting held on the 28th day of June, 2019, by the following vote:

AYES: Sudduth, Zepeda, Stanley, Wiener
NOES: None
ABSENT: Alvarado


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

**West County Wastewater District
Fiscal Year 2020 Appropriations Limit (Gann)**

FY 2019 Appropriations Limit		\$2,096,211
<u>Calculation of Appropriation Factor</u>		
Per Capita Cost of Living increase %	3.85	
Per Capita Cost of Living converted to ratio	$(3.85+100)/100=$	1.0385
Change in County Population %	0.70	
Population Change converted to ratio	$(.70+100)/100=$	1.0070
Calculation of Appropriation Factor	$1.0385 \times 1.0070=$	1.0458
Change in Appropriations Limit		\$9,463
FY 2020 Appropriations Limit		\$2,105,674
<u>Appropriations Subject to Limit</u>		
FY 2020 Budgeted Revenues (all sources)		\$28,786,852
Less: Revenue from Non-Tax Sources		<u>(\$27,403,043)</u>
Total Appropriations Subject to Limit		\$1,383,809
Remaining Appropriation Capacity		\$721,865

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.

The Board of Directors 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 Board may consider adjustments to apply to Fiscal Year 2021 during fiscal year 2020.

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, 2020, the District's SUC rate for a single RDU is approximately \$53 per month (\$639 per year).

FISCAL YEARS 2020 & 2021 BUDGET BOOK

<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>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
<u>FY 2021</u> (FY 2020 Rates in Effect until Changed)					
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 2020. 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.

WEST COUNTY WASTEWATER DISTRICT
Schedule of User Fees (Effective July 1, 2019)

ENVIRONMENTAL QUALITY (SEWER USE) RATES

USER TYPE

A.	SINGLE FAMILY RESIDENTIAL	
1	Flat rate	639.00
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	557.00
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	557.00
2	Min Charge	n/a
3	Flow Charge	n/a
4	BOD Charge	n/a
5	SS Charge	n/a
D.	COMM. DOMESTIC STRENGTH	
1	Flat rate	n/a
2	Min Charge	639.00
3	Flow Charge	6.84
4	BOD Charge	n/a
5	SS Charge	n/a
E.	COMM. HIGH STRENGTH	
1	Flat rate	n/a
2	Min Charge	639.00
3	Flow Charge	11.52
4	BOD Charge	n/a
5	SS Charge	n/a
F.	INDUSTRIAL	
1	Flat rate	n/a
2	Min Charge	639.00

**WEST COUNTY WASTEWATER DISTRICT
Schedule of User Fees (Effective July 1, 2019)**

3 Flow Charge	4.40
4 BOD Charge	0.45
5 SS Charge	0.54

ANNEXATION FEES

Annexation Fees	2,517.00
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PLAN APPROVAL AND SEWER PERMITS- BUILDING CONSTRUCTION

USER TYPE

A.	SINGLE FAMILY		
	1 Plan Approval	(per bldg.)	191.00
	2 Permit		383.00
B.	MULTIPLE FAMILY DWELLINGS, TRAILER COURTS, GUEST DWELLINGS OR CONDOMINIUMS		
	1 Plan Approval	(per bldg.)	223.00
	2 Permit	(per bldg. Sewer)	415.00
C.	SCHOOL BUILDINGS OR CHURCHES		
	1 Plan Approval		223.00
	2 Permit		415.00
D.	COMMERCIAL INSTALLATIONS		
	1 Plan Approval		998.00
	2 Permit		639.00
E.	INDUSTRIAL INSTALLATIONS		
1	Contributing Domestic Flow Only		
	a Plan Approval		773.00
	b Permit		322.00
2	Contributing Industrial Waste (Ordinance 1-12-71A, Sec. 5)		
	a Plan Approval		709.00
	b Permit		2,845.00
F.	MISCELLANEOUS INSTALLATIONS		
	1 Plan Approval		96.00

**WEST COUNTY WASTEWATER DISTRICT
Schedule of User Fees (Effective July 1, 2019)**

2 Permit	407.00
G. MINOR REPAIRS, ALTERATIONS AND DEMOLITION	
1 Plan Approval	159.00
2 Permit	287.00

TENTATIVE MAP REVIEW

Number of Proposed Lots in Subdivision

1	20 lots and Under	3,485.00
2	21 + lots	3,743.00

SEWER MAIN CONSTRUCTION PERMIT FEES

Permit - District		
1	Maintained (per 1,500 l.f. or fraction thereof)	11,158.00
Permit - Privately		
2	Maintained (per 1,000 l.f. or fraction thereof)	6,986.00
3	Per Manhole (applies to all SME projects)	322.00

CONNECTION FEE

USER TYPE

1	Single Family	8,419.00
2	Multi Family	6,042.00
3	Commercial Domestic Strength	Varies by service unit
4	Commercial Non-Domestic Strength	Varies by service unit

FLOW ZONE CHARGE

Zone

1	427.00
2	1,058.00
3	1,484.00
4A	1,484.00
4B	1,277.00

**WEST COUNTY WASTEWATER DISTRICT
Schedule of User Fees (Effective July 1, 2019)**

5	3,392.00
6	427.00
7-13	
14	1,058.00
15	848.00
16	427.00
17	1,277.00
18A	427.00
18B	3,392.00

DENSITY CHARGES

Dwelling Units/Acre

1-12	0.00
13-20	118.00
21-30	237.00
31-40	356.00
41-50	474.00
51-60	593.00
61-70	712.00
71-80	830.00
81-90	949.00
91-100	1,068.00
101+	1,186.00

ENVIRONMENTAL COMPLIANCE INSPECTIONS

Business Type

1 Food Service Establishment Inspection	307.00
2 Dental Facility Inspection	307.00
3 Permitted Industrial User - Inspection	607.00
4 Permitted Industrial User - Sampling	1,222.00
5 Auto Service Facility Sampling	453.00

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	531.00
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OTHER FEES

**WEST COUNTY WASTEWATER DISTRICT
Schedule of User Fees (Effective July 1, 2019)**

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

EXHIBIT TO BOARD RESOLUTION 17-020

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

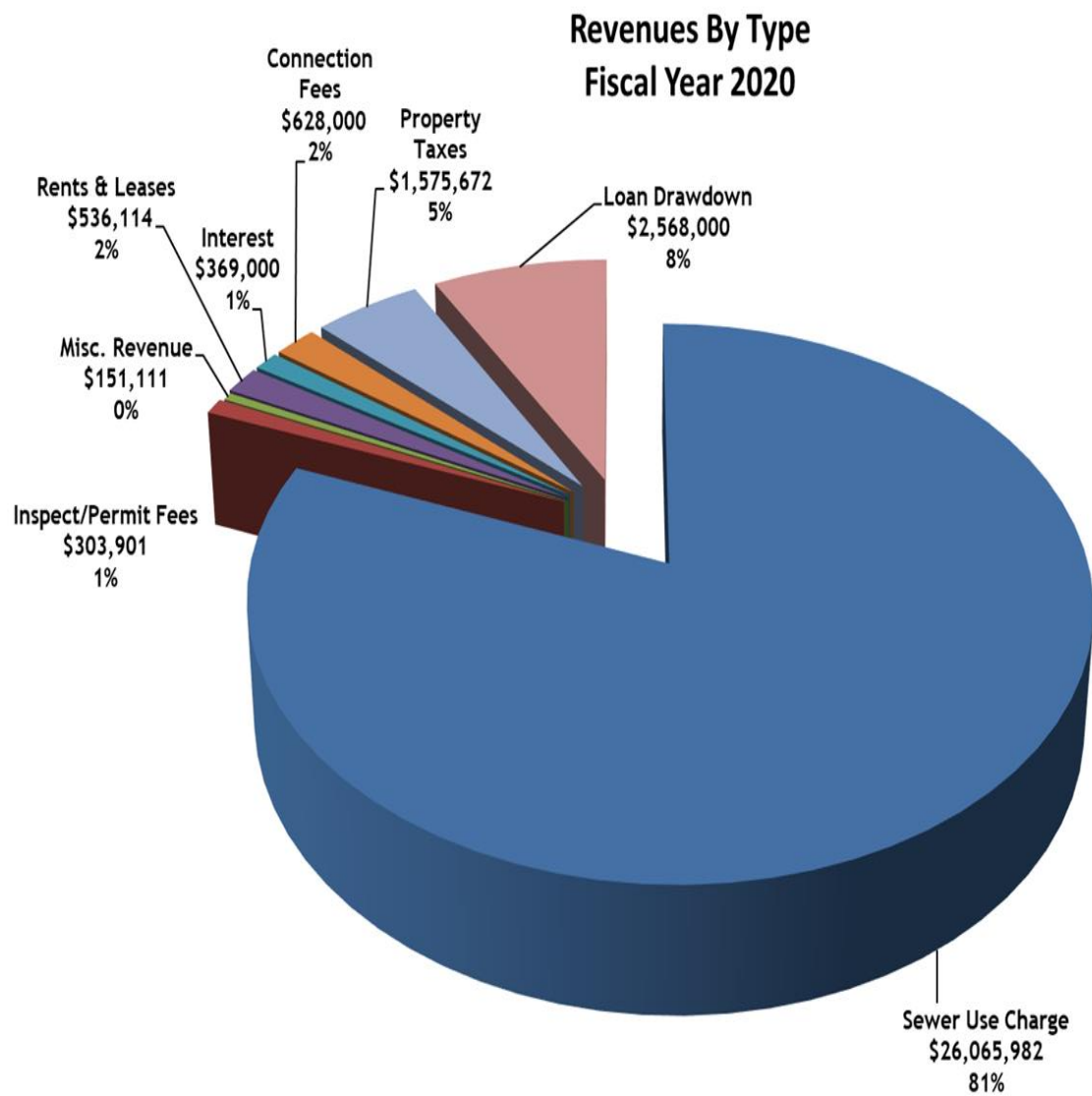
(2) Per connection

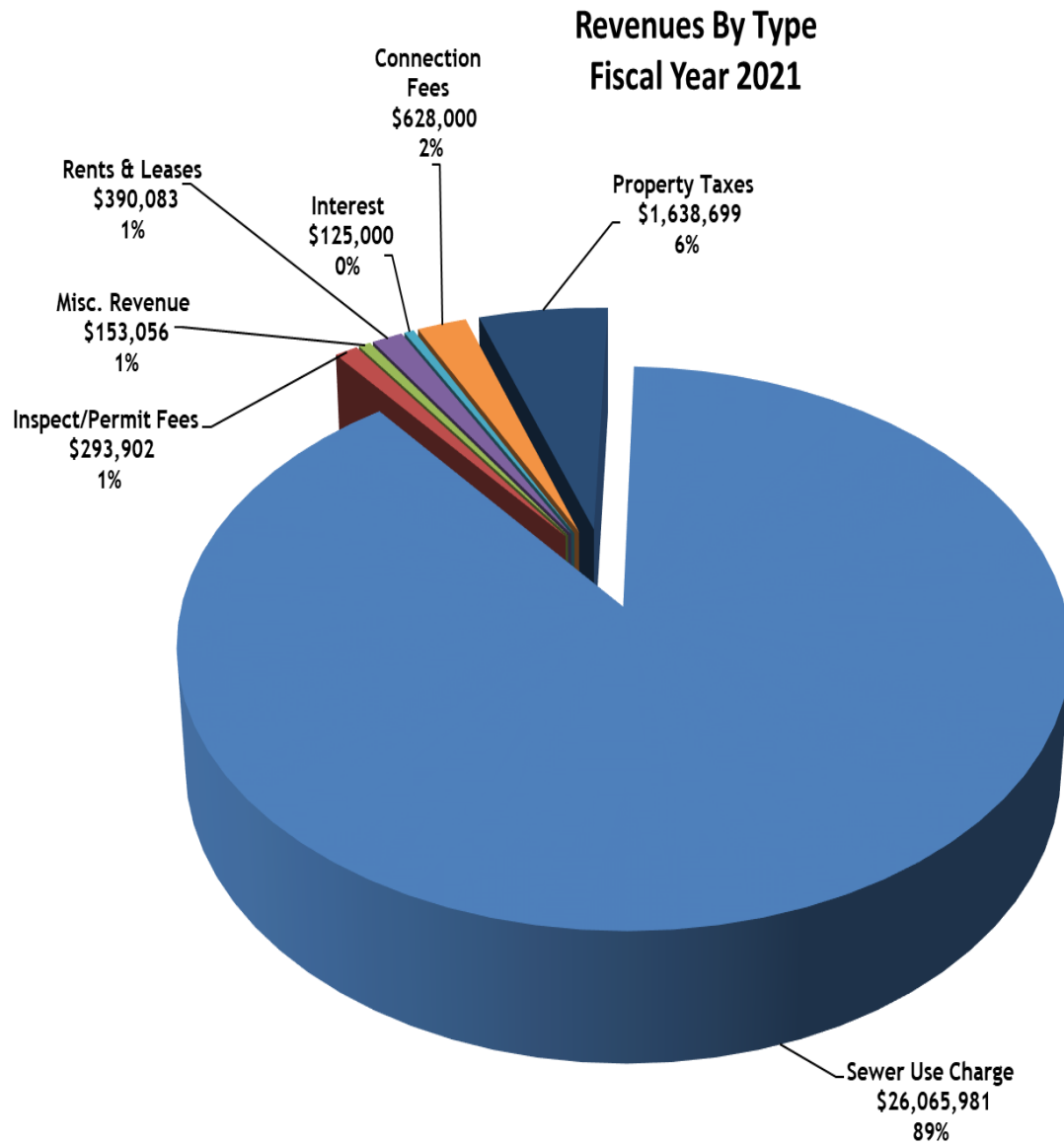
(3) Per 1,000 gallons of metered water consumption

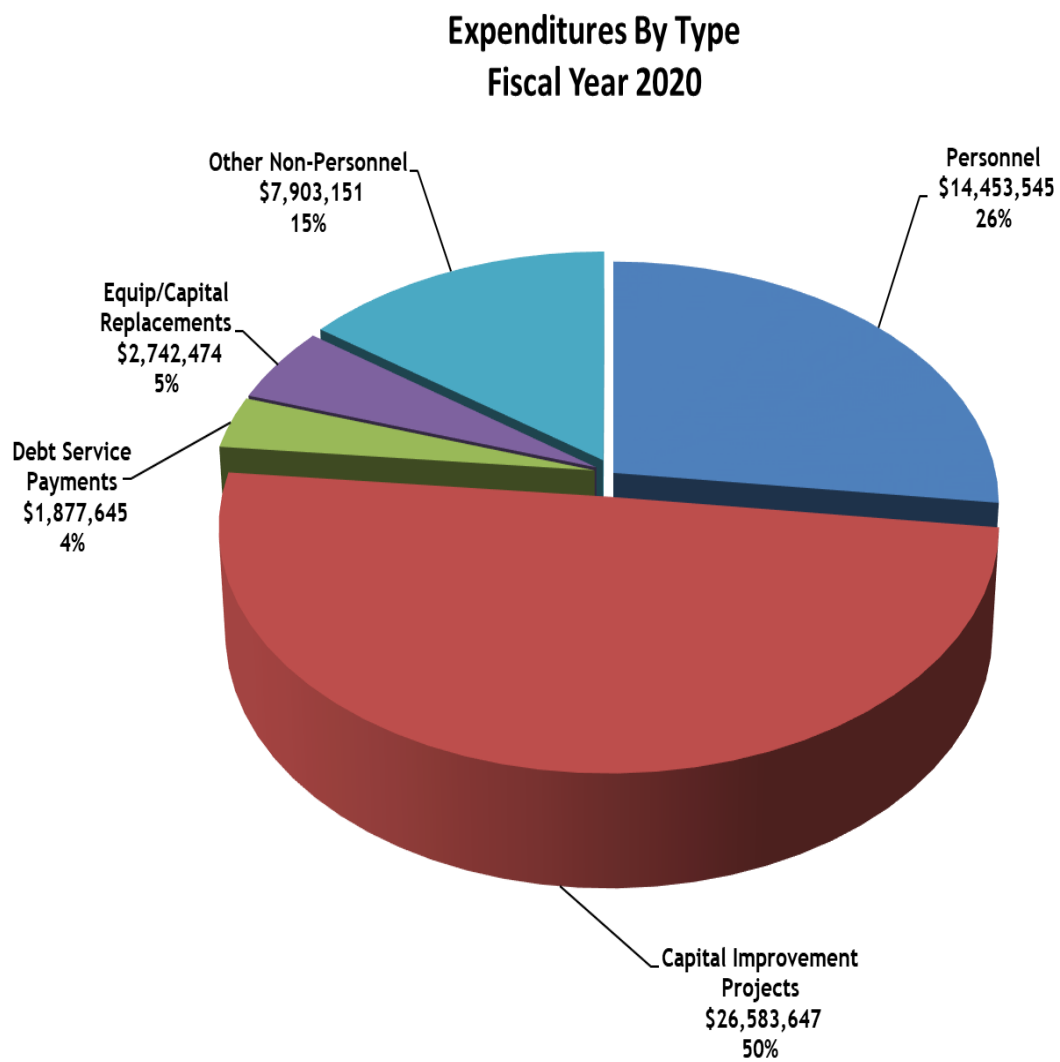
(4) Per unit of measured or estimated biochemical oxygen demand

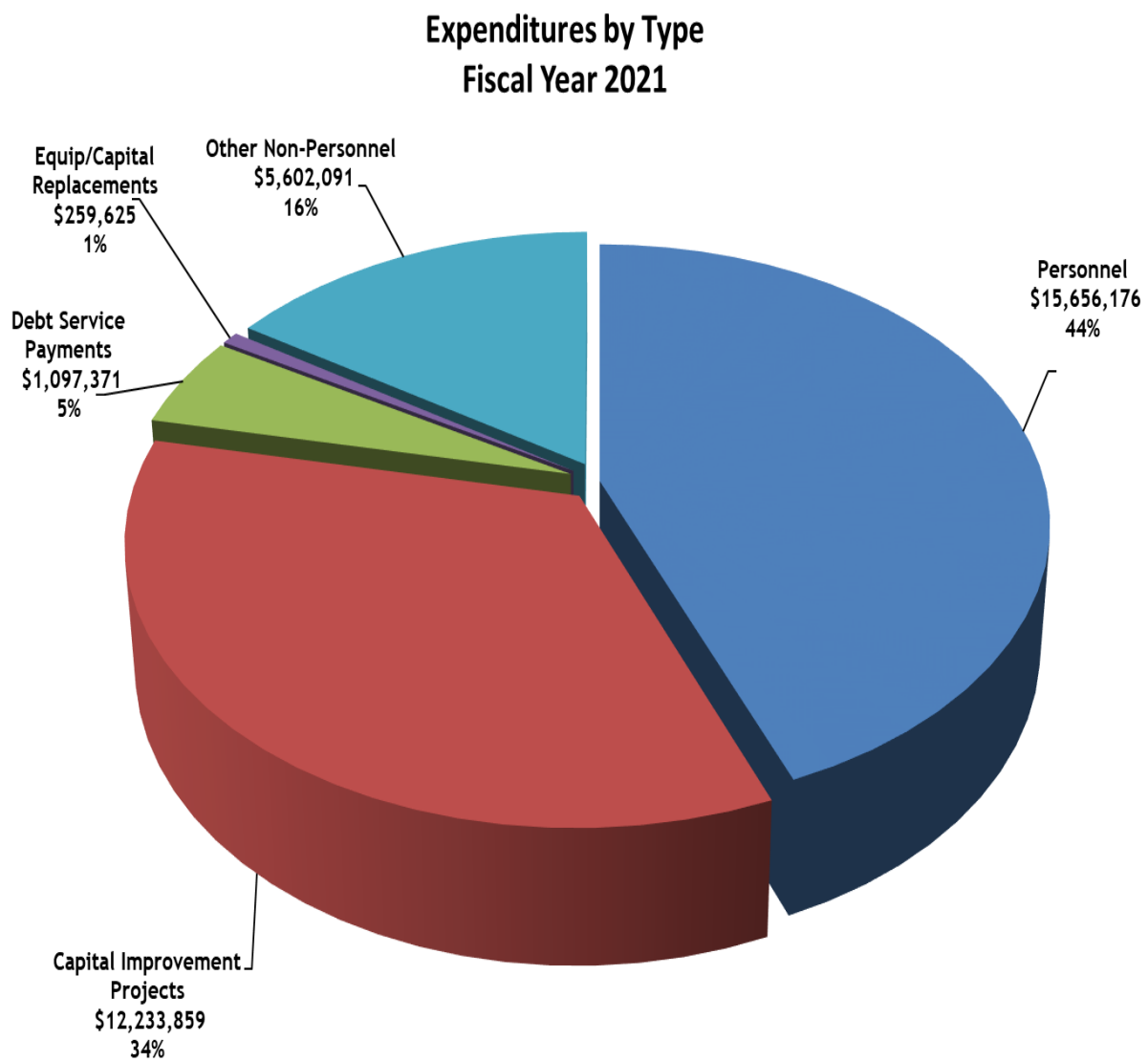
(5) Per unit of measured or estimated suspended solids

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

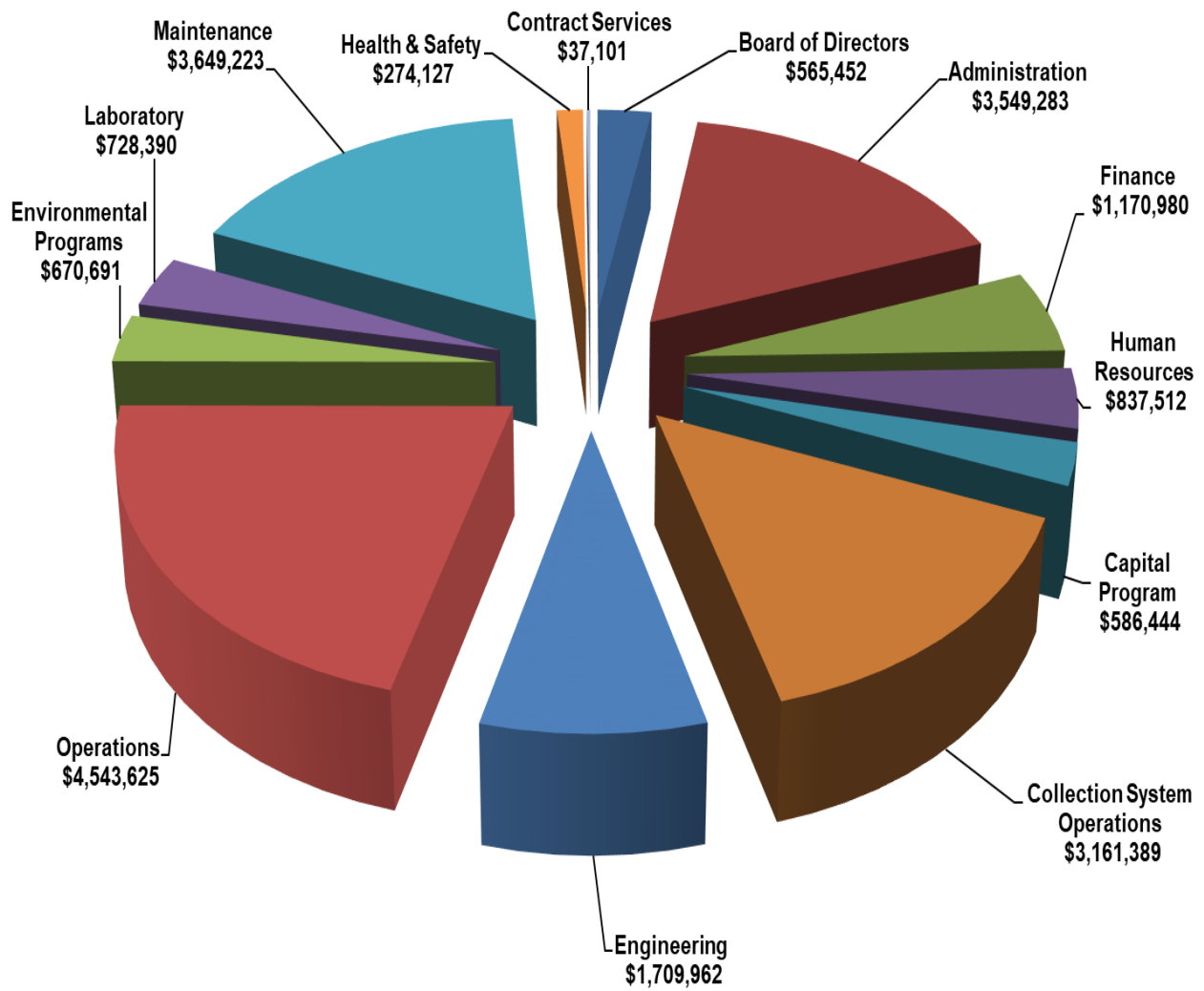




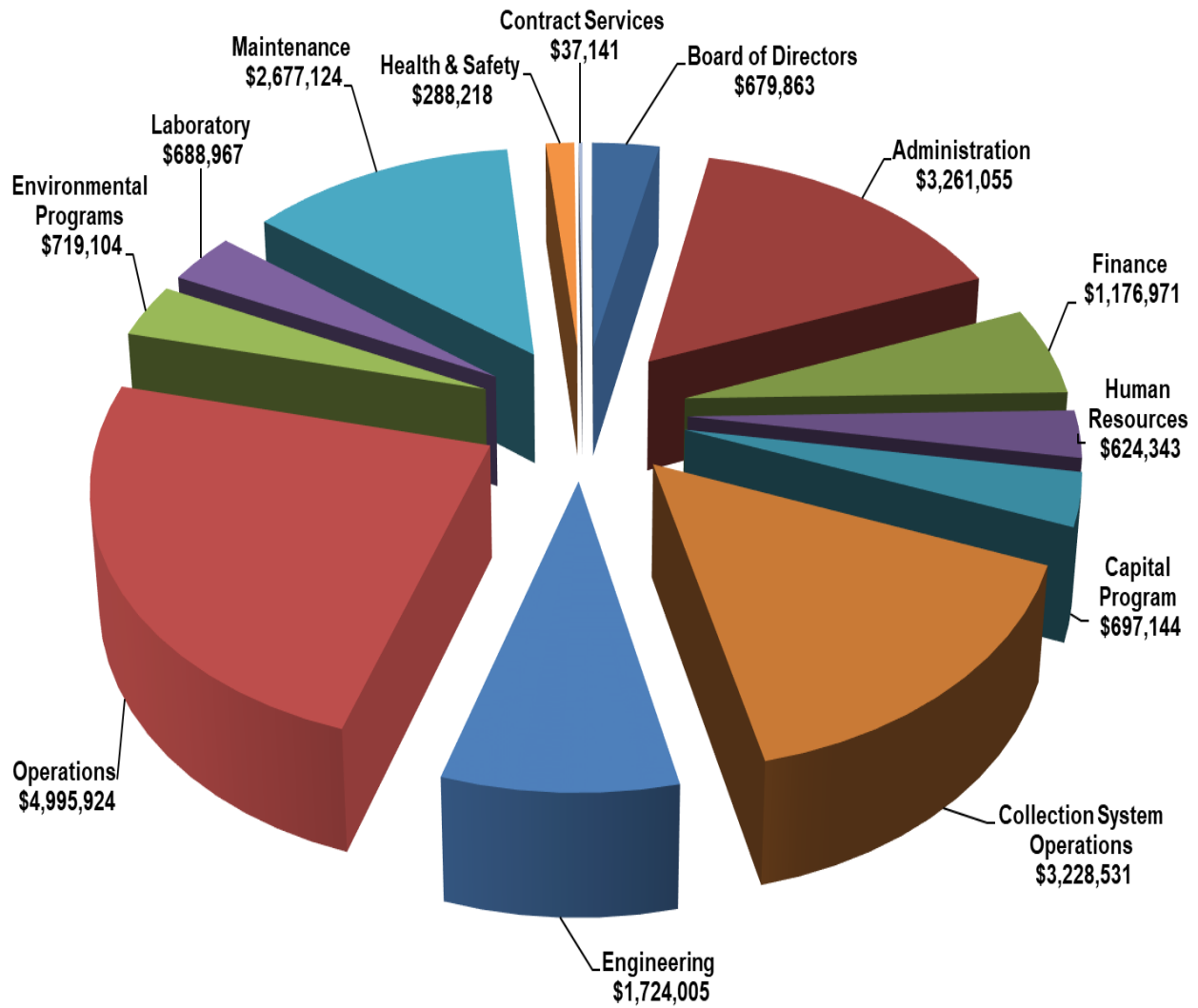




Expenditures By Divisions Fiscal Year 2020



Expenditures By Divisions Fiscal Year 2021



BUDGET OVERVIEW

THE BUDGET PROCESS

The West County Wastewater District budgets on a fiscal year basis that begins July 1 and ends June 30. Every two years, the 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.

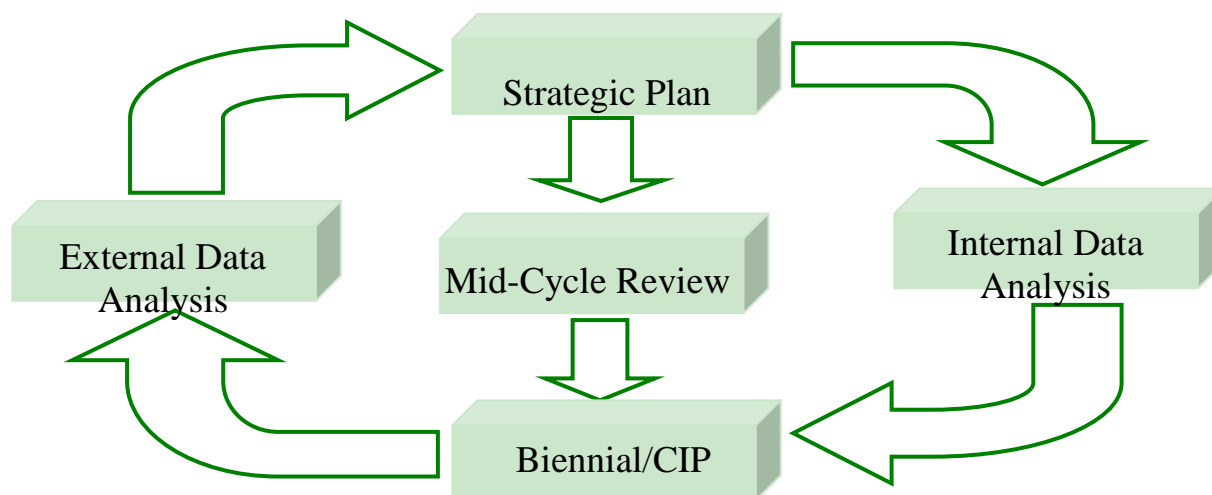
The District's budget is based on management goals and objectives with the allocated resources and it paves the way for future growth and demonstrates how this growth is to be managed and sustained. The budget empowers the Board of Directors and the public to examine the budget by prioritizing strategic 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 2020 and 2021 Biennial Budget includes an overview that is detailed by department.

In developing the Biennial Budget, departments and divisions 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' and divisions costs by type and division.

For new and re-organized Divisions, expenditures were carved out of the previous division based on estimates and discussions with key stakeholders. Future budgets will benefit from the actual historical experience of this biennial period.

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. Particular effort in this cycle was invested in developing an aggressive Capital Improvements program and organizational changes required to successfully meet the District's goals. All budget discussions with the Board of Directors 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) to 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

The Board of Directors expects management to justify all expenditures and continue to identify areas that can be made more efficient and cost effective. Each year the District makes assumptions regarding revenue and expenses. 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.

The increasing costs of employee benefits, particularly rising payments for post-employment benefits affects all public agencies. The District, while experiencing increases in these costs, has been fortunate in experiencing smaller increases than the California average. Intensified case management by the Human Resources team within the Administrative Services Department has resulted in reductions in workers compensation and disability costs.

Costs that are shared between divisions and departments, and therefore not easily identifiable as direct costs are allocated based on each division's percentage of District personnel. Some costs, are not allocated to each division usually when the amounts cannot justify the administrative effort to allocate the cost.

The Biennial Budget originated with actuals from FY 2017 and FY 2018, as well projections for FY 2019. This was 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 new positions and programs are also included in the final budget as approved by the Board of Directors.

The proposed budget includes additional spending in response to initiatives including staffing changes that will have a minimal impact on FY 2020, but will increase FY 2021 by approximately \$845,000 over 2019 Budget. This is more than offset by over \$1.6 million in contract reductions, some of which reflects a decreased reliance on outside management.

The overall change before the Board initiatives from the Operating Fund Budget for FY 2019 to FY 2021 is an increase of approximately 2.8%.

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

All Revenues	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adopted Budget	FY 2019 Budget Update/ Midyear Revision	FY 2019 Projected	FY 2020 Proposed	FY 2021 Proposed
Enterprise Revenue							
Sewer Use Charges	\$19,818,385	\$21,216,484	\$23,737,638	\$23,737,638	\$23,399,724	\$26,065,982	\$26,065,982
Fees	\$1,273,397	\$1,654,837	\$529,726	\$679,726	\$774,340	\$931,901	\$921,901
Rents and Leases	\$90,941	\$257,354	\$201,245	\$363,245	\$751,370	\$536,114	\$390,083
Contract Services	\$183,468	\$106,279	\$448,579	\$198,579	\$84,636	\$40,956	\$40,956
Enterprise Subtotal	\$21,366,191	\$23,234,955	\$24,917,188	\$24,979,188	\$25,010,070	\$27,574,853	\$27,418,922
Property Taxes	\$1,216,094	\$1,394,528	\$1,146,000	\$1,146,000	\$1,515,069	\$1,575,672	\$1,638,699
Grants and Reimbursements	\$30,076,056	\$9,076,562	\$0	\$0	\$4,822,017	\$2,568,000	\$0
Other	\$263,109	\$423,815	\$94,905	\$95,405	\$775,320	\$479,156	\$237,100
Total Revenues	\$52,923,450	\$34,129,860	\$26,158,093	\$26,220,593	\$32,122,475	\$32,197,781	\$29,294,721
Operating Expenditures							
Personnel	\$9,899,155	\$10,114,877	\$12,414,803	\$11,880,067	\$10,368,755	\$13,406,032	\$15,196,299
Non Personnel	\$4,324,385	\$5,947,053	\$7,816,241	\$10,238,923	\$7,664,944	\$9,803,595	\$7,502,996
Total Operating	\$14,223,540	\$16,061,930	\$20,231,044	\$22,118,990	\$18,033,699	\$23,209,627	\$22,699,295
Net Operating (Deficit)	\$38,699,910	\$18,067,930	\$5,927,049	\$4,101,603	\$14,088,777	\$8,988,154	\$6,595,425
Capital Expenditures							
Personnel	\$469,785	\$396,309	\$648,797	\$160,384	\$133,766	\$1,047,518	\$459,876
Improvements	\$25,081,627	\$9,974,138	\$5,133,574	\$7,085,634	\$3,825,888	\$26,583,647	\$12,233,859
Equipment	\$551,056	\$1,460,119	\$0	\$614,400	\$29,800	\$2,742,474	\$259,625
Total Capital	\$26,102,468	\$11,830,566	\$5,782,371	\$7,860,418	\$3,989,454	\$30,373,639	\$12,953,360
Total Expenditures	\$40,326,008	\$27,892,496	\$26,013,415	\$29,979,408	\$22,023,153	\$53,583,266	\$35,652,655
Increase (Decrease) to Reserves*	\$12,597,442	\$6,237,364	\$144,678	(\$3,758,815)	\$10,099,323	(\$21,385,485)	(\$6,357,935)

FY 2018 Actuals exclude non-cash depreciation expense.

*Revenue less expenditures. Excludes depreciation expense and capitalized costs.

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.

GOALS

- 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.

HIGHLIGHTS

- Active in California Association of Sanitation Agencies (CASA), California Special District Association (CSDA), Local Agency Formation Commission (LAFCO), Contra Costa Special Districts Association (CCSDA), California Sanitation Risk Management Authority (CSRMA), and Water Environment Federation (WEF)
- Modified the Five-Year Capital Plan to allow for greater ability to meet customer needs.
- Continued exploration of various land use and power options.
- Has been serving the public for more than 97 years.

PROGRAM OBJECTIVES

- 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.
- 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 to expand District's contract services to local agencies to maximize District efficiencies.

**Financial Summary
Board of Directors**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$97,118	\$91,811	\$80,473	\$100,661	\$96,051	-4.6%	\$96,313	-4.3%
Benefits- Medical, Dental, Vision, Life, EAP	\$97,209	\$110,541	\$96,227	\$56,536	\$120,534	113.2%	\$126,355	123.5%
Benefits- Retirement	\$11,728	\$1,410	\$1,218	\$30,082	\$46,654	55.1%	\$49,351	64.1%
Worker's Compensation Premiums	\$283	\$254	\$204	\$388	\$442	13.9%	\$460	18.6%
Benefits- Allowances and Reimbursements	\$2,231	\$3,454	\$1,815	\$1,920		-100.0%		-100.0%
Total Personnel	\$208,570	\$207,470	\$179,938	\$189,587	\$263,681	39.1%	\$272,479	43.7%
Legal Expenses	\$177,289	\$196,330	\$201,197	\$186,035	\$196,000	5.4%	\$196,000	5.4%
Professional & Technical Services	\$14,528	\$14,227	\$5,965	\$8,109	\$14,108	74.0%	\$13,131	61.9%
Other Purchased Services	\$32,185	\$25,242	\$25,329	\$46,292	\$39,500	-14.7%	\$39,500	-14.7%
Communications	\$4,915	\$6,400	\$6,113	\$4,160	\$6,400	53.9%	\$6,400	53.8%
Travel	\$18,940	\$32,678	\$45,449	\$24,552	\$25,963	5.7%	\$28,454	15.9%
Rentals/Leases		\$1,168		\$270		-100.0%		-100.0%
Grants & Governmental Payments	\$42,750		\$43,062	\$54,680		-100.0%	\$103,900	90.0%
Supplies	\$4,992	\$4,085	\$4,095	\$3,623	\$4,500	24.2%	\$4,699	29.7%
Property/Equipment	\$7,607	\$1,204	\$308	\$4,326	\$15,300	253.7%	\$15,300	253.7%
Total Non-Personnel	\$303,207	\$281,334	\$331,519	\$332,047	\$301,771	-9.1%	\$407,384	22.7%
Total Expenses	\$511,776	\$488,804	\$511,457	\$521,634	\$565,452	8.4%	\$679,863	30.3%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

Staffing								
Director	5.00	5.00	5.00	5.00	5.00	0.0%	5.00	0.0%
Total	5.00	5.00	5.00	5.00	5.00	0.0%	5.00	0.0%

**ADMINISTRATIVE SERVICES DEPARTMENT
ADMINISTRATION DIVISION**



PROGRAM DESCRIPTION

The Administration division, as part of Administrative 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 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.

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

GOALS

- Provide effective and efficient administrative support to the Board and District departments.
- Maintain responsive and efficient customer service.
- Manage District information systems, web site and social media pages.
- Implement District document retention and destruction policy.

HIGHLIGHTS

- Implemented electronic Board Agenda management system.

PROGRAM OBJECTIVES

- Manage the processing and review of District contracts.
- 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.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Administration Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$991,063	\$821,419	\$76,302	\$1,229,614	\$1,358,773	10.5%	\$1,466,346	19.3%
Overtime	\$4,300	\$2,857	\$2,848	\$5,000	\$33,991	579.8%	\$31,844	536.9%
Benefits- Medical, Dental, Vision, Life	\$141,036	\$140,410	\$122,722	\$194,645	\$255,022	31.0%	\$234,893	20.7%
Benefits- Retirement	\$312,837	\$239,015	\$259,852	\$399,729	\$407,545	2.0%	\$444,444	11.2%
Worker's Compensation Premiums	\$16,506	\$12,709	\$14,499	\$9,167	\$5,018	-45.3%	\$4,923	-46.3%
Benefits- Allowances and Reimbursements	\$21,277	\$21,159	\$19,137	\$38,890	\$15,266	-60.7%	\$13,780	-64.6%
Total Personnel	\$1,487,018	\$1,237,568	\$995,361	\$1,877,045	\$2,075,615	10.6%	\$2,196,230	17.0%
Legal Expenses	\$16,916	\$46,623	\$33,362	\$38,938	\$52,000	33.5%	\$52,000	33.5%
Banking & Financial Services	(\$195)							
Professional & Technical Services	\$183,810	\$725,463	\$1,311,055	\$436,967	\$913,462	109.0%	\$478,351	9.5%
Other Purchased Services	\$175,685	\$193,684	\$224,103	\$295,757	\$237,310	-19.8%	\$275,100	-7.0%
Communications	\$7,084	\$7,998	\$16,130	\$10,073	\$10,900	8.2%	\$11,200	11.2%
Utilities	\$15,172	\$12,425	\$13,218	\$10,786	\$15,000	39.1%	\$15,000	39.1%
Travel	\$10,346	\$17,524	\$10,488	\$15,791	\$10,342	-34.5%	\$11,331	-28.2%
Rentals/Leases	\$7,998	\$8,420	\$7,859	\$8,891	\$8,000	-10.0%	\$8,000	-10.0%
Property Services	\$6,962	\$29,364	\$23,282	\$11,024	\$117,899	969.5%	\$117,900	969.5%
Grants & Governmental Payments	\$10,728	\$13,035	\$15,056	\$22,767	\$21,400	-6.0%	\$20,900	-8.2%
Supplies	\$12,023	\$21,428	\$22,519	\$12,167	\$23,900	96.4%	\$24,989	105.4%
Property/Equipment	\$38,075	\$43,017	\$34,814	\$52,998	\$34,655	-34.6%	\$34,654	-34.6%
Claims Paid	\$15,401	\$3,492	\$66,280	\$16,224	\$15,400	-5.1%	\$15,400	-5.1%
Bad Debt Write Offs	\$20,225	\$121,886			\$13,400			
Total Non-Personnel	\$520,231	\$1,244,361	\$1,778,165	\$932,383	\$1,473,668	58.1%	\$1,064,825	14.2%
Transfers Out	\$3,348,388	\$5,862,000	\$6,377,000	\$6,377,000	\$6,920,000		\$7,099,000	11.3%
Total Expenses	\$5,355,637	\$8,343,929	\$9,150,526	\$9,186,428	\$10,469,283	14.0%	\$10,360,055	12.8%
Revenue								
Sewer Use Charge-Residential	\$15,176,741	\$16,754,603	\$18,650,705	\$18,722,041	\$20,705,000	10.6%	\$20,705,000	10.6%
Sewer Use Charge-Commercial	\$2,546,284	\$2,822,443	\$3,139,959	\$3,141,030	\$3,493,001	11.2%	\$3,493,000	11.2%
Sewer Use Charge-Industrial	\$20,635	\$33,113	\$43,175	\$42,084	\$30,000	-28.7%	\$30,000	-28.7%
Misc. Revenue	\$28,564	\$41,909	\$16,104	\$63,844	\$67,255	5.3%	\$69,200	8.4%
Gain/Loss on Sale of Assets					\$42,900		\$42,900	
Interest	\$94,438	\$327,188	\$617,945	\$30,000	\$369,000	1130.0%	\$125,000	316.7%
Subtotal	\$17,866,663	\$19,979,255	\$22,467,888	\$21,998,999	\$24,707,156	12.3%	\$24,465,100	11.2%
Total Revenue	\$17,866,663	\$19,979,255	\$22,467,888	\$21,998,999	\$24,707,156	12.3%	\$24,465,100	11.2%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Administration Division*	5.60	5.60	5.60	5.60	6.40	14.3%	6.40	14.3%
Total	5.60	5.60	5.60	5.60	6.40	14.3%	6.40	14.3%

*0.60 refers to Administrative Services Manager which is allocated to both Administrative Services and Finance Divisions. In 2020 and 2021, HR becomes a separate division

FY 2020 and 2021 Proposed includes an Executive Assistant and a Communications Manager. HR Analyst moves to a separate division.

FY 2020 and 2021 Administrative Services Manager splits .4 Finance, .4 Administrative Services, .2 Human Resources

**ADMINISTRATIVE SERVICES DEPARTMENT
FINANCE DIVISION**



PROGRAM DESCRIPTION

The Finance Division, as part of the Administrative Services Department, provides accounting support to all District departments and to District customers, vendors, and regulatory agencies. Its functions include financial management, payroll processing, customer billing, and vendor payments. The Administrative Services Manager manages the Administrative Services Department operations.

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

HIGHLIGHTS

- Performed Fiscal Year 2018 year-end close procedures in compliance with government generally accepted accounting principles. Participated in creating the Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR).
- Coordinated the annual financial audit and presentation of audited financial statements to the Board. Applied for and received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Award for the Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR).
- Assisted the Administrative Services Manager in preparation of the Fiscal Year 2020 and 2021 Biennial Budgets. This included the reorganization of District divisions.
- Prepared monthly Budget to Actual reports and staff reports for presentation to the Board. Prepared Quarterly Investment reports for Board presentation.

- Participated in District initiatives: new employee orientations, Capital Program Division Project Resource Guide, Lateral Grant Cross Division Working Group, Expectations for Internal Customer and Decision-Making, Records Retention, and Leadership Academy training.
- Assisted Management by providing historical context and analysis for: West County Agency joint venture agreement and joint use cost analysis and settlement.
- Coordinated transition of District credit card provider from Bank of the West to Umpqua Bank.
- Created or updated procedures for Director medical insurance reimbursement, Project Budgeting procedure and training, Surplus Property disposals, Physical Count of District Fixed Assets, Timekeeping system time entry. Suggested edits for the Bank and Check Signing Policy, Reserve Policy, and Procurement Policy.
- Participated in creating the Audit Services Request for Proposal, committee evaluation of vendor proposals and presentation to the Board.
- Provided training on InCode Budget Module.

GOALS & PROGRAM OBJECTIVES

- Provide a system of accounting and reporting that adequately describes the financial condition of the District.
- Support District Management by providing quality information and analysis for decision-making and improvement in efficiency and effectiveness.
- Provide exceptional customer service to Management, employees, customers, vendors and regulatory agencies.
- Continue to prepare reports that meet the standards for the Government Finance Officers Association (GFOA) award for Excellence in Financial Reporting.
- Maintain and improve the internal accounting control system and reporting that adequately describes the financial condition of the District.
- Ensure compliance with all federal and state law. Perform accounting in conformance with Government Generally Accepted Accounting Principles (GAAP).
- Provide monthly budget reports to the Board and divisions. Facilitate Division Supervisor understanding of Budget reports.
- Provide timekeeping and accounting system training to internal customers.
- Work with departments and divisions to implement procedures that result in best value and increased efficiencies.
- Timely and accurately process employee payroll in accordance with time reported, Memorandums of Understanding, and in compliance with federal and state laws.
- Bill, track, and collect customer accounts receivable. Process accounts payable and pay in accordance with payment terms.
- Maintain accounting records for Capital Improvement projects and Fixed Assets.
- Improve job knowledge by participating in training that provides value to the District.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Finance Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$476,759	\$444,890	\$423,450	\$544,948	\$534,530	-1.9%	\$612,169	12.3%
Overtime	\$1,129	\$1,737	\$3,195	\$2,600	\$7,130	174.2%	\$11,035	324.4%
Benefits- Medical, Dental, Vision, Life	\$80,861	\$101,178	\$101,945	\$79,117	\$145,255	83.6%	\$148,373	87.5%
Benefits- Retirement	\$132,960	\$143,433	\$150,831	\$204,541	\$161,585	-21.0%	\$191,339	-6.5%
Worker's Compensation Premiums	\$5,130	\$7,893	\$6,445	\$1,173	\$1,885	60.7%	\$1,961	67.2%
Benefits- Allowances and Reimbursements	\$10,602	\$6,995	\$8,550	\$4,714	\$7,552	60.2%	\$7,500	59.1%
Total Personnel	\$707,441	\$706,126	\$694,416	\$837,093	\$857,937	2.5%	\$972,377	16.2%
Banking & Financial Services	\$28,781	\$12,015	\$26,186	\$34,200	\$31,400	-8.2%	\$31,400	-8.2%
Professional & Technical Services	\$97,031	\$98,723	\$98,167	\$50,403	\$243,274	382.7%	\$102,599	103.6%
Other Purchased Services	\$4,758	\$4,715	\$3,581	\$8,382	\$3,300	-60.6%	\$3,300	-60.6%
Communications	\$1,660	\$1,700	\$1,902	\$2,137	\$1,700	-20.4%	\$1,700	-20.4%
Utilities	\$8,081	\$7,874	\$6,167	\$4,185	\$8,450	101.9%	\$8,750	109.1%
Travel	\$4,367	\$3,660	\$807	\$2,704	\$3,518	30.1%	\$3,856	42.6%
Rentals/Leases	\$2,880	\$3,914	\$3,765	\$2,704	\$2,800	3.6%	\$2,800	3.6%
Property Services	\$3,550	\$3,847	\$3,911	\$5,793	\$4,300	-25.8%	\$4,300	-25.8%
Supplies	\$4,722	\$2,978	\$3,545	\$4,705	\$4,300	-8.6%	\$4,489	-4.6%
Property/Equipment	\$694			\$3,000	\$10,000	233.3%	\$10,000	233.3%
Bad Debt Write Offs	(\$3,260)			\$15,065		-100.0%	\$31,400	108.4%
Total Non-Personnel	\$153,265	\$139,426	\$148,032	\$133,277	\$313,043	134.9%	\$204,594	53.5%
Total Expenses	\$860,705	\$845,552	\$842,448	\$970,370	\$1,170,980	20.7%	\$1,176,971	21.3%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units. Retirement increases are based on CalPERS Estimates.

Staffing								
Finance Division*	4.40	4.40	4.40	4.40	5.40	22.7%	5.40	22.7%
Total	4.40	4.40	4.40	4.40	5.40	22.7%	5.40	22.7%

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

FY 2020 and 2021 Proposed includes Administrative Analyst.

**ADMINISTRATIVE SERVICES DEPARTMENT
HUMAN RESOURCES DIVISION**



PROGRAM DESCRIPTION

The Human Resources division, as part of Administrative Services Department provides support to the Board of Directors, the General Manager and all District departments and employees. Its functions include overall planning and coordination of District employee engagement including recruitment activities, promotional activities, compensation and benefits management, workforce development and performance, compliance reporting and risk management, payroll administration, and policy development and implementation.

Human Resources division operations are managed by the Administrative Services Department Manager.

GOALS

- Provide effective and efficient human resources support to the Board and District employees.
- Maintain responsive and efficient customer service.
- Manage District information systems for employee records.
- Design and source programs for employee development.
- Development of an employee oriented culture that emphasis the District Core Values.

HIGHLIGHTS

- Developed and improved the onboarding and exiting process system for new and former employees.
- Collaboratively work with the Finance division developing efficient time keeping procedures using the Executime software program.
- Organized Employee training and meetings to help with the District cultural change.
- Coordinated enhanced recruitment services.

PROGRAM OBJECTIVES

- Manage the processing and review of District employees.
- Manage and process the onboarding of new employees.
- Manage and process the exiting of retiring/resigning employees.
- 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 timekeeping program Executime in coordination with the Finance division.

Financial Summary Human Resources Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages					\$225,746		\$292,306	
Overtime								
Benefits- Medical, Dental, Vision, Life					\$40,486		\$42,104	
Benefits- Retirement					\$67,441		\$88,045	
Worker's Compensation Premiums					\$6,351		\$6,605	
Benefits- Allowances and Reimbursements					\$3,321		\$3,322	
Total Personnel	\$0	\$0	\$0	\$0	\$343,345		\$432,382	
Banking & Financial Services								
Professional & Technical Services					\$494,167		\$191,961	
Other Purchased Services								
Communications								
Utilities								
Travel								
Rentals/Leases								
Property Services								
Supplies								
Property/Equipment								
Bad Debt Write Offs								
Total Non-Personnel	\$0	\$0	\$0	\$0	\$494,167		\$191,961	
Total Expenses	\$0	\$0	\$0	\$0	\$837,512		\$624,343	

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.
Retirement increases are based on CalPERS Estimates.

Staffing							
Human Resources Division*					2.00		2.00
Total	0.00	0.00	0.00	0.00	2.00		2.00

FY 2020 and 2021 Proposed includes Human Resources Manager and Human Resources Analyst.

INFRASTRUCTURE & PLANNING DEPARTMENT CAPITAL PROGRAM DIVISION



PROGRAM DESCRIPTION

The Capital Program division is a newly created division (2018) tasked with the development and delivery of the District's Capital Improvement Program. The Program is comprised of capital improvement projects covering all aspects of District operations, including collection systems upgrades and repairs, Water Quality and Resource Recovery Plant process equipment repair, replacement and improvements, District office and facilities upgrades and development, West County Agency facilities improvements and various feasibility studies and assessments. The Division also leads master planning and long range project planning initiatives.

Division services are managed by the Infrastructure and Planning Department Manager with direct supervision by the Capital Program Manager.

GOALS

- Manage District project initiatives from inception through completion.
- Design, shape and deliver capital projects and District initiatives that address critical needs of the District, including rehabilitating the condition and increasing the capacity and operational efficiency of the collection system, pump stations, Water Quality and Resource Recovery Plant, and administration facilities.
- Support the District's cultural change initiative by working collaboratively throughout the District and supporting an inclusive system by which stakeholders are engaged in every phase of project delivery.
- Design, draft, peer review and deliver a project resource guide which will be the template for project delivery at the District.

HIGHLIGHTS

- Developed the District's 5-year Capital Improvement Plan (CIP), 2-year capital budget, and prioritization of mission-critical projects.
- Developed the District project delivery system and implemented initial phases of the Program for pilot projects.
- Rolled out new project delivery standards with peer review and stakeholder involvement and commitment.
- Delivered the District's first project closeout report and presentation and closed out pending completed projects.
- Major Capital Projects completed in FY 2018 and FY 2019:

Sodium Hypo Tank Replacement
Electrical Improvements
Recycled Water Reliability Upgrades
Miscellaneous Mechanical Improvements
Bar Screen Replacements
WPCP Facilities Improvements
CSO Feasibility & Structural Review
Security Camera repairs at WPCP
Hilltop Green Lift Station
SCADA Upgrades at WPCP
Seismic Upgrades at WPCP
Administration Acoustical Improvements
San Pablo Towne Center Sewer Replacement
Cathodic Protection Station 7 – CP #7
WPCP Roof Replacements Project

PROGRAM OBJECTIVES

- Prioritize capital improvement projects to meet District needs and comply with new regulatory requirements while maintaining the updated 5-year Capital Improvement Plan.
- Deliver the overall Capital Program effectively and efficiently while collaborating with stakeholders and providing a net benefit to the District
- Develop standards for project delivery that will embody staff empowerment as well as accountability
- Deliver projects in the Capital Program on time and within budget while ensuring transparency and adherence to District goals and priorities.

PERFORMANCE MEASURES

As a new division, the Capital Projects division has developed and implemented several new procedures that have been immediately credited with increasing effectiveness as well as collaboration throughout the project delivery process. These measures include;

- Project Charter creation and stakeholder alignment with project goals.
- Project schedule and timelines.
- Project budgets which are published and adhered to or adjusted with GM or Board approval.
- Stakeholder satisfaction surveys.
- Project close out reporting including unbiased assessment of effectiveness, functionality and adherence to initial schedules and budgets.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Capital Program Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages			\$183,462		(\$202,027)		\$246,336	
Overtime					\$16,094		\$16,479	
Benefits- Medical, Dental, Vision, Life			\$22,918		\$106,580		\$113,620	
Benefits- Retirement			\$35,522		\$194,797		\$204,948	
Worker's Compensation Premiums			\$6,893		\$2,891		\$3,007	
Benefits- Allowances and Reimbursements			\$359		\$6,300		\$6,300	
Total Personnel	\$0	\$0	\$249,154	\$0	\$124,635		\$590,690	
Engineering & Architectural Services					\$200		\$200	
Professional & Technical Services					\$428,657		\$72,987	
Other Purchased Services					\$4,996		\$4,995	
Communications			\$124		\$3,848		\$3,848	
Utilities			\$641		\$8,177		\$8,177	
Travel					\$1,484		\$1,626	
Rentals/Leases					\$2,590		\$2,590	
Property Services			\$674		\$4,070		\$4,070	
Grants & Governmental Payments								
Supplies			\$691		\$3,959		\$4,133	
Property/Equipment					\$3,828		\$3,828	
Total Non-Personnel	\$0	\$0	\$2,131	\$0	\$461,809		\$106,454	
Total Expenses	\$0	\$0	\$251,284	\$0	\$586,444		\$697,144	

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing							
Capital Projects Division					5.10		5.10
Total	0.00	0.00	0.00	0.00	5.10		5.10

FY 2019 Budget includes Capital Programs Manager, Senior Project Manager, Project Manager.

FY 2020 and 2021 budget includes .1 of the Deputy General Manager, and a Capital Programs Manager, Senior Project Manager, Project Manager, Engineer I/II/III, and an Administrative Technician

**INFRASTRUCTURE & PLANNING 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 Infrastructure and Planning Services Manager with direct supervision by the Collection System Supervisor.

GOALS

- 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 identify and repair manholes that contribute to I&I.
- 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.
- To increase capacity by using contract service providers to thoroughly clean trunk lines.
- No lost time due to injuries or accidents

HIGHLIGHTS

- Rodded and flushed over 1,638,000 feet of main line in 2018.
- The TV inspection team video-inspected 123,000 feet of main line in 2018.
- During 2018, the CSO crew responded to 133 service requests.
- During 2018, there were only 13 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.
- Continued public outreach program about the use of non-flushable wipes.
- 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.
- CSO recorded 0 lost time accidents or injuries in 2018.

PROGRAM OBJECTIVES

- To clean 2,000,000 feet of pipelines with rodding and hydro-flushing vehicles. Implement 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 crew on safety and continually enhance customer service.
- To increase the amount of repairs on pipelines to help maintain the systems integrity and reliability.
- To decrease the amount of I & I that enters Collection System.

PERFORMANCE MEASURES

- Graphical representation of the number of SSOs categorized by cause from 2014 to 2018

**Financial Summary
Collection System Operations Division**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$1,103,415	\$1,095,326	\$1,179,652	1,490,225	1,339,240	-10.1%	\$1,381,086	-7.3%
Overtime	\$14,301	\$21,641	\$46,646	\$25,000	\$26,580	6.3%	\$27,424	9.7%
Benefits- Medical, Dental, Vision, Life	\$286,366	\$298,029	\$330,800	\$280,798	\$314,091	11.9%	\$333,755	18.9%
Benefits- Retirement	\$391,383	\$400,801	\$463,693	\$559,639	\$428,113	-23.5%	\$441,674	-21.1%
Worker's Compensation Premiums	\$41,259	\$42,348	\$46,685	\$66,551	\$66,276	-0.4%	\$68,927	3.6%
Benefits- Allowances and Reimbursement	\$10,175	\$19,271	\$8,307	\$18,289	\$18,300	0.1%	\$18,300	0.1%
Total Personnel	\$1,846,899	\$1,877,416	\$2,075,782	\$2,440,502	\$2,192,600	-10.2%	\$2,271,166	-6.9%
Professional & Technical Services	\$373,158	\$334,875	\$174,873	\$586,110	\$340,150	-42.0%	\$316,568	-46.0%
Other Purchased Services	\$24,300	\$35,043	\$42,526	\$26,041	\$33,900	30.2%	\$33,900	30.2%
Communications	\$16,056	\$16,766	\$17,798	\$11,519	\$17,599	52.8%	\$17,599	52.8%
Utilities	\$18,317	\$19,425	\$25,805	\$32,804	\$19,400	-40.9%	\$19,400	-40.9%
Travel	\$2,274	\$7,701	\$6,334	\$3,515	\$7,740	120.2%	\$8,482	141.3%
Rentals/Leases	\$3,915	\$11,372	\$5,583	\$4,763	\$11,000	130.9%	\$11,000	130.9%
Property Services	\$9,374	\$13,372	\$12,861	\$9,916	\$10,000	0.8%	\$10,000	0.8%
Permits	\$2,563	\$4,528	\$10,175	\$15,039	\$4,600	-69.4%	\$4,528	-69.9%
Supplies	\$102,910	\$88,142	\$82,314	\$185,766	\$124,400	-33.0%	\$129,886	-30.1%
Property/Equipment	\$52,488	\$36,937	\$23,580	\$66,518	\$400,000	501.3%	\$406,001	510.4%
Total Non-Personnel	\$605,356	\$568,162	\$401,850	\$941,991	\$968,789	2.8%	\$957,365	1.6%
Total Expenses	\$2,452,255	\$2,445,578	\$2,477,632	\$3,382,493	\$3,161,389	-6.5%	\$3,228,531	-4.6%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Collection System Operations*	13.84	13.84	13.84	13.84	13.19	-4.7%	13.19	-4.7%
Total	13.84	13.84	13.84	13.84	13.19	-4.7%	13.19	-4.7%

* The .19 refers to .1 of the Deputy General Manager, Infrastructure and Planning Manager 0.59; Secretary 0.25; Administrative Analyst .25 allocated to both Engineering and Collection System Operations Divisions.

**INFRASTRUCTURE & PLANNING DEPARTMENT
ENGINEERING DIVISION**



PROGRAM DESCRIPTION

The Engineering Division is responsible for:

- Determining upgrades to existing sewer facilities to accommodate residential, commercial and industrial development within the District.
- Providing plan review to ensure code compliance for single residences, subdivisions, changes of use, developments and sewer construction.
- Enforcing design standards for sewer construction within the District, and providing construction inspection services.
- Providing permit services, fee estimates and inspection of sewer lateral replacements and repairs for all parcels within the District service area.
- Preparing Annexation applications to add parcels to the District service area.

Division services are managed by the Infrastructure and Planning Manager with direct supervision by the Senior Engineer.

GOALS

- To provide engineering analysis of existing facilities and alternatives for cost effective implementation of all District capital projects.
- To establish standards and provide inspection of all sewer construction, including private laterals and to maintain accurate records of infrastructure improvements.
- To remain informed of 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 researching the status of lateral compliance and performing video inspection of sewer laterals upon the sale of a residence.

HIGHLIGHTS

- Issued permits and inspected construction for 327 sewer construction projects in FY 2018 and 192 projects in FY 2019.

PROGRAM OBJECTIVES

- Provide research, design, and construction inspection services for District capital improvement projects.
- Continue education and cross training of personnel to improve service and keep informed of the latest technological advances in mapping, construction and wastewater industries.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Engineering Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$703,859	\$822,264	\$573,035	\$785,715	\$892,391	13.6%	\$980,411	24.8%
Overtime	\$5,393	\$16,319	\$52,519	\$23,600	\$11,468	-51.4%	\$13,627	-42.3%
Benefits- Medical, Dental, Vision, Life	\$161,227	\$172,594	\$149,479	\$161,484	\$228,184	41.3%	\$237,310	47.0%
Benefits- Retirement	\$238,418	\$265,803	\$247,319	\$314,838	\$268,965	-14.6%	\$299,536	-4.9%
Worker's Compensation Premiums	\$13,283	\$17,995	\$10,467	\$9,983	\$4,001	-59.9%	\$4,161	-58.3%
Benefits- Allowances and Reimbursement	\$8,337	\$5,782	\$2,773	\$14,806	\$10,873	-26.6%	\$10,876	-26.5%
Total Personnel	\$1,130,516	\$1,300,757	\$1,035,593	\$1,310,426	\$1,415,882	8.0%	\$1,545,921	18.0%
Engineering & Architectural Services		\$600			\$200		\$200	
Professional & Technical Services	\$24,108	\$48,115	\$497,297	\$20,592	\$237,773	1054.7%	\$121,237	488.8%
Other Purchased Services	\$4,722	\$10,401	\$6,095	\$5,408	\$8,505	57.3%	\$8,505	57.3%
Communications	\$8,928	\$10,392	\$10,081	\$8,632	\$6,552	-24.1%	\$6,552	-24.1%
Utilities	\$21,950	\$17,747	\$18,295	\$23,816	\$13,924	-41.5%	\$13,924	-41.5%
Travel	\$182	\$568		\$2,392	\$2,528	5.7%	\$2,770	15.8%
Rentals/Leases	\$5,551	\$6,977	\$6,556	\$5,928	\$4,410	-25.6%	\$4,410	-25.6%
Property Services	\$9,849	\$10,149	\$10,179	\$8,112	\$6,930	-14.6%	\$6,930	-14.6%
Supplies	\$10,219	\$10,355	\$9,565	\$15,912	\$6,740	-57.6%	\$7,038	-55.8%
Property/Equipment	\$538	\$558	\$5,826	\$3,952	\$6,518	64.9%	\$6,518	64.9%
Total Non-Personnel	\$86,048	\$115,861	\$563,894	\$94,744	\$294,080	210.4%	\$178,084	88.0%
Total Expenses	\$1,216,564	\$1,416,618	\$1,599,486	\$1,405,170	\$1,709,962	21.7%	\$1,724,005	22.7%
Revenue								
Inspection/Permit Fees	\$203,443	\$161,247	\$193,487	\$198,135	\$212,000	7.0%	\$212,001	7.0%
Subtotal	\$203,443	\$161,247	\$193,487	\$198,135	\$212,000	7.0%	\$212,001	7.0%
Total Revenue	\$203,443	\$161,247	\$193,487	\$198,135	\$212,000	7.0%	\$212,001	7.0%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Engineering Division*	9.16	9.16	9.16	9.16	6.80	-25.8%	6.80	-25.8%
Total	9.16	9.16	9.16	9.16	6.80	-25.8%	6.80	-25.8%

* The 0.16 refers to Infrastructure and Planning Manager 0.41; Secretary 0.75; and an Administrative Analyst allocated to both Engineering and Collection System Operations Divisions.

FY 2020 and 2021 Proposed includes .75 Administrative Analyst and .05 of the Deputy General Manager bringing the number to 0.8

**WATER QUALITY & RESOURCE RECOVERY DEPARTMENT
OPERATIONS DIVISION**



PROGRAM DESCRIPTION

The Water Quality and Resource Recovery 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 and Resource Recovery Department Manager with direct supervision by the WQRP Operations Supervisor.

GOALS

- 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 sixteenth and seventeenth 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.

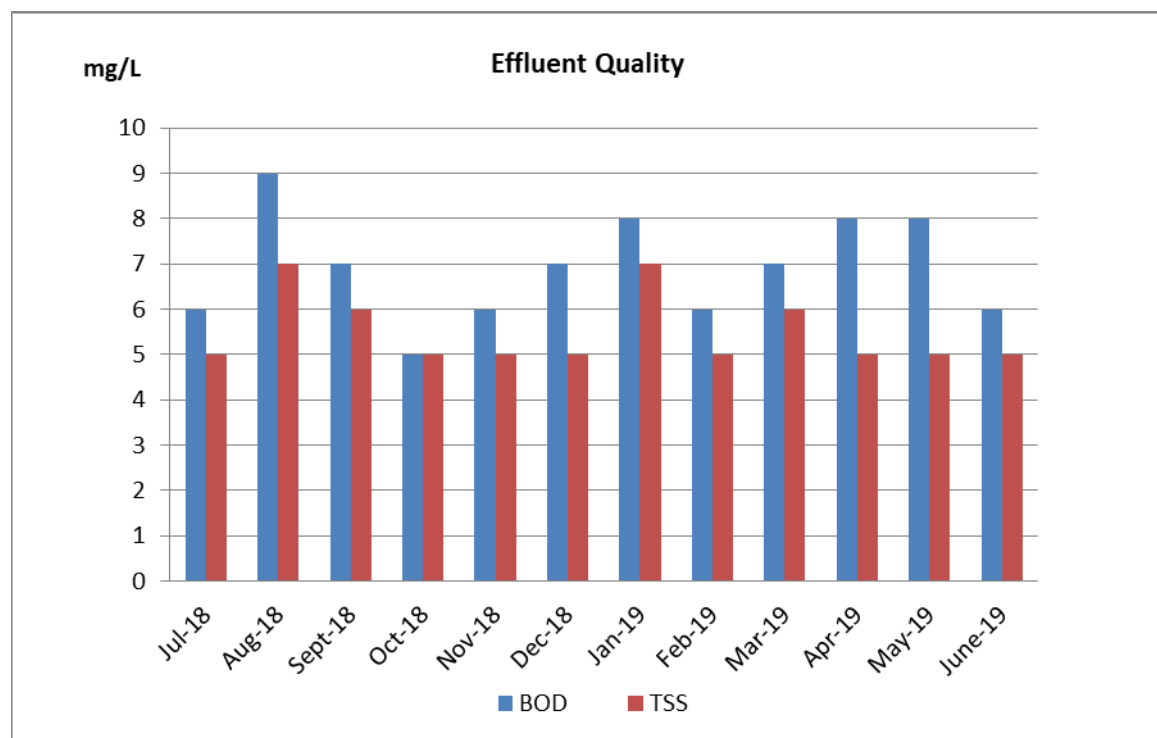
HIGHLIGHTS

- Drained, inspected, and repaired, as necessary all three primary clarifiers.
- Drained, inspected, and repaired, one secondary sedimentation basin.
- Drained #1 and #2 aeration basin for “pin” inspection and perform preventive maintenance, as needed on the aerators.
- Drained and cleaned chlorine contact basins as required.
- Mixed and dried biosolids lagoons, sampled dry biosolids, and coordinated the cleaning with removal with Republic and BTI.
- 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 and training of operators. 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. Continue to implement the department's annual safety training programs.
- Continued to operate the plant 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 calendar year 2019. Anticipate receiving the Platinum award for calendar year 2020.
- 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.
- Hired a paid OIT for the plant.
- Supplied quality effluent to the North Richmond Water Reclamation Plant & 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.

PROGRAM OBJECTIVES

- Dewater, sample, and remove bio-solids from lagoons by November 1, 2019 and 2020.
- Dewater, inspect, and perform necessary work on all three Aeration Basins.
- Dewater, clean and prepare for inspection by Maintenance Division personnel, three primary clarifiers and one secondary sedimentation basin.
- Dewater and clean chlorine contact basins as needed during 2019 and 2020.
- Provide refresher training in the lab and at different processes for Operations Division personnel.
- Participate with lab personnel in the various sampling programs and training.
- Continue to fully implement the Department's Annual Safety Training programs.
- Continue to administer the District's Trucked Waste Acceptance Program.
- Schedule Operator training classes and other regional training classes at the Districts Wooten Training Classroom throughout 2019 and 2020.

PERFORMANCE MEASURES



FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Operations Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$1,123,059	\$1,374,209	\$1,486,352	\$1,613,308	\$1,988,690	23.3%	\$2,254,702	39.8%
Overtime	\$282,035	\$132,103	\$111,327	\$36,602	\$98,932	170.3%	\$111,570	204.8%
Benefits- Medical, Dental, Vision, Life	\$263,852	\$343,218	\$390,681	\$460,593	\$374,900	-18.6%	\$431,045	-6.4%
Benefits- Retirement	\$425,912	\$463,774	\$506,022	\$572,293	\$733,123	28.1%	\$817,337	42.8%
Worker's Compensation Premiums	\$54,890	\$56,108	\$52,223	\$71,233	\$92,827	30.3%	\$102,723	44.2%
Benefits- Allowances and Reimbursement	\$10,550	\$9,824	\$6,592	\$13,016	\$23,100	77.5%	\$24,600	89.0%
Total Personnel	\$2,160,297	\$2,379,237	\$2,553,197	\$2,767,045	\$3,311,572	19.7%	\$3,741,977	35.2%
Engineering & Architectural Services	\$7,934				\$8,000		\$8,000	
Professional & Technical Services	\$46,643	\$28,152	\$171,908	\$163,949	\$45,297	-72.4%	\$28,618	-82.5%
Other Purchased Services	\$19,959	\$29,107	\$23,396	\$15,140	\$24,790	63.7%	\$43,399	186.7%
Communications	\$8,510	\$11,529	\$18,184	\$8,436	\$11,500	36.3%	\$11,500	36.3%
Utilities	\$683,834	\$580,071	\$517,540	\$592,698	\$541,900	-8.6%	\$541,900	-8.6%
Travel	\$1,205	\$1,618	\$4,041	\$1,406	\$9,217	555.5%	\$10,101	618.4%
Property Services	\$10,106	\$10,136	\$11,347	\$10,686	\$10,100	-5.5%	\$10,100	-5.5%
Grants & Governmental Payments	\$26,524	\$160	\$192	\$197	\$200	1.5%	\$200	1.5%
Permits	\$11,195	\$11,195	\$14,711	\$23,622	\$17,400	-26.3%	\$17,400	-26.3%
Supplies	\$357,704	\$309,016	\$447,134	\$539,920	\$549,650	1.8%	\$574,729	6.4%
Property/Equipment		\$193	\$1,057	\$1,622	\$14,000	763.1%	\$8,000	393.2%
Total Non-Personnel	\$1,173,615	\$981,177	\$1,209,509	\$1,357,676	\$1,232,053	-9.3%	\$1,253,947	-7.6%
Total Expenses	\$3,333,912	\$3,360,414	\$3,762,706	\$4,124,721	\$4,543,625	10.2%	\$4,995,924	21.1%
Revenue								
Sewer Use Charge-Industrial	\$2,074,725	\$1,437,476	\$1,565,885	\$1,745,327	\$1,695,000	-2.9%	\$1,695,000	-2.9%
Sewer Use Charge- Commercial (Trucked Waste revenue)	\$136,919	\$168,850	\$141,271	\$87,156	\$142,981	64.1%	\$142,981	64.1%
Rents & Leases	\$90,941	\$257,354	\$751,370	\$201,245	\$536,114	166.4%	\$390,083	93.8%
Discharge violation revenue				\$500				
Miscellaneous Operating Revenue				\$1,061				
Subtotal	\$2,302,585	\$1,863,679	\$2,458,526	\$2,035,289	\$2,374,095	16.6%	\$2,228,064	9.5%
Total Revenue	\$2,302,585	\$1,863,679	\$2,458,526	\$2,035,289	\$2,374,095	16.6%	\$2,228,064	9.5%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Plant Operations*	12.80	12.80	13.80	13.80	17.45	26.4%	17.45	26.4%
Total	12.80	12.80	13.80	13.80	17.45	26.4%	17.45	26.4%

* The 0.45 refers to .4 DGM, Water Quality Manager 0.40; Secretary 0.40; DGM .25; allocated to Environmental Compliance, Plant Operations, and Maintenance Divisions.

**WATER QUALITY & RESOURCE RECOVERY DEPARTMENT
ENVIRONMENTAL PROGRAMS 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 and Resource Recovery Manager with direct supervision by the Environmental Programs Manager and Laboratory Supervisor.

HIGHLIGHTS

- Collected over 8,500 samples and oversaw more than 17,000 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 127 students, teachers, and parents.
- Participated in public outreach activities such as the El Sobrante Stroll, St. Paul School Fall Festival, North Richmond and SPAWNERS Earth Day Celebrations and the North Richmond 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 pretreatment and pollution prevention programs, Air Board permit, Storm Water permit, Hazardous Waste generator permit, and Hazardous Materials Business Plan.

Managed the permit and conducted required monitoring for the Class II leachate discharge to the City of Richmond.

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.
- Participation in the North Richmond horizontal levee work group providing representation for the District in a potential project to protect the treatment plant from sea level rise.
- Work with the Bay Area Biosolids Commission on identifying options for better utilization of the Districts biosolids.

PERFORMANCE MEASURES

Maintained 100% compliance with our NPDES Permit, Pretreatment and Pollution Prevention Program requirements for Fiscal Years 2018 and 2019.

Financial Summary Environmental Programs Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages					\$345,987		\$391,585	
Overtime					\$1,325		\$2,627	
Benefits- Medical, Dental, Vision, Life					\$91,120		\$97,128	
Benefits- Retirement					\$110,439		\$124,080	
Worker's Compensation Premiums					\$13,622		\$14,167	
Benefits- Allowances and Reimbursements					\$4,800		\$4,800	
Total Personnel	\$0	\$0	\$0	\$0	\$567,293		\$634,387	
							\$0	
Professional & Technical Services					\$16,456		\$10,841	
Other Purchased Services					\$8,778		\$8,778	
Communications					\$1,551		\$1,551	
Utilities					\$29,172		\$29,172	
Travel					\$5,828		\$6,387	
Property Services					\$2,046		\$2,046	
Permits					\$1,650		\$1,723	
Supplies					\$37,917		\$24,219	
Property/Equipment								
Total Non-Personnel	\$0	\$0	\$0	\$0	\$103,398		\$84,717	
Total Expenses	\$0	\$0	\$0	\$0	\$670,691		\$719,104	
Revenue								
Inspection/Permit Fees					\$91,901		\$81,901	
Misc. Revenue								
Subtotal	\$0	\$0	\$0	\$0	\$91,901		\$81,901	
Total Revenue	\$0	\$0	\$0	\$0	\$91,901		\$81,901	

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing							
Environmental Programs*					2.12		2.12
Total	0.00	0.00	0.00	0.00	2.12		2.12

FY 2020 and 2021 Proposed includes Environmental Programs Manager, Environmental Compliance Inspector; and .12 of the Deputy General Manager allocated to 0.5 WQRR, .26 I&P, .12 Enir and Industrial Compliance, .12 Laboratory

**WATER QUALITY & RESOURCE RECOVERY DEPARTMENT
LABORATORY DIVISION**



PROGRAM DESCRIPTION

The Laboratory Division is responsible for sampling and conducting analyses of various plant samples for process control, NPDES permit parameters including Pretreatment, Biosolids, Watershed & Nutrients and special projects as needed. In addition, the department is also responsible for transmitting Self-Monitoring and Discharge Monitoring Reports to the State and Regional Water Quality Board through CIWQS (California Integrated Water Quality System).

Department services are managed by the Water Quality and Resource Recovery Manager with direct supervision by the Laboratory Supervisor.

HIGHLIGHTS

- Collected over 8,500 samples and administer more than 17,000 compliance and process-related analysis last year.
- Participated in process for issuance of Bay Area wide Nutrient Watershed Permit by the Regional Board.
- Participated in Biosolids program from sampling to reporting.
- Continued to pass the Annual Proficiency Testing for ELAP compliance.
- Submitted regulatory reports to RWQCB (Regional Water Quality Control Board) such as Self-Monitoring and Discharge Monitoring Reports. In addition, the department also submitted the District's annual reports for the Air Board permit.
- Compiled Data Integrity and Ethics training for Laboratory, Operation, and Environmental Program staff.
- Participated in public outreach activities led by Environmental Program Department such as the El Sobrante Stroll and Richmond North Shoreline Festival.
- Maintained required staff certification.

GOALS & PROGRAM OBJECTIVES

- Maintain 100 % compliance with the District's NPDES permit requirements, including the Pretreatment program and Biosolids
- Promote and maintain representative sampling, perform required analyses and accurately report data collected for NPDES compliance and to evaluate the operational status of the treatment plant and the quality of the biosolids we generate.
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and microbiology
- Continue passing Annual Proficiency Testing for ELAP certificate requirement.
- Promote and provide continuous education certification to maintain and stay abreast of emerging and advance technology.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote District's core values: trust, accountability, leadership, collaboration, service.
- Promote District's goal of protecting the public health by generating accurate, defensible data and performing necessary quality control.
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (EBMUD, BACWA, City of Richmond/ Veolia).
- Continue to work collaboratively with other department to continuously achieve 100% NPDES compliance and mostly protect public health.

PERFORMANCE MEASURES

The Water Pollution Control Plant maintained 100% compliance with our NPDES Permit and ELAP permit for the Fiscal Year 2018/2019

Financial Summary Laboratory Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$507,518	\$538,991	\$576,962	\$566,996	\$362,798	-36.0%	\$348,573	-38.5%
Overtime	\$2,756	\$6,052	\$5,290	\$2,454	\$6,126	149.6%	\$6,586	168.4%
Benefits- Medical, Dental, Vision, Life	\$98,574	\$100,461	\$10,317	\$139,615	\$74,695	-46.5%	\$78,973	-43.4%
Benefits- Retirement	\$183,088	\$188,781	\$199,664	\$225,300	\$105,069	-53.4%	\$101,199	-55.1%
Worker's Compensation Premiums	\$19,575	\$19,439	\$18,910	\$19,965	\$18,238	-8.7%	\$18,968	-5.0%
Benefits- Allowances and Reimbursemen	\$3,062	\$4,236	\$2,972	\$5,408	\$4,800	-11.2%	\$4,800	-11.2%
Total Personnel	\$814,572	\$857,960	\$814,115	\$959,738	\$571,726	-40.4%	\$559,099	-41.7%
Professional & Technical Services	\$58,041	\$106,893	\$191,719	\$107,026	\$24,933	-76.7%	\$16,426	-84.7%
Other Purchased Services	\$6,065	\$12,594	\$36,625	\$24,636	\$13,300	-46.0%	\$13,300	-46.0%
Communications	\$3,775	\$4,797	\$6,863	\$3,600	\$2,350	-34.7%	\$2,350	-34.7%
Utilities	\$86,838	\$70,989	\$67,718	\$74,353	\$44,200	-40.6%	\$44,200	-40.6%
Travel	\$2,047	\$2,716	\$6,089	\$1,731	\$8,830	410.1%	\$9,677	459.0%
Property Services	\$6,201	\$6,201	\$6,808	\$6,749	\$3,100	-54.1%	\$3,100	-54.1%
Permits		\$3,592	\$4,310	\$3,375	\$2,500	-25.9%	\$2,500	-25.9%
Supplies	\$43,829	\$47,087	\$56,404	\$48,672	\$57,450	18.0%	\$38,314	-21.3%
Property/Equipment	\$396		\$602	\$2,704		-100.0%		-100.0%
Total Non-Personnel	\$207,192	\$254,869	\$377,140	\$272,846	\$156,664	-42.6%	\$129,868	-52.4%
Total Expenses	\$1,021,764	\$1,112,830	\$1,191,255	\$1,232,584	\$728,390	-40.9%	\$688,967	-44.1%
Revenue								
Inspection/Permit Fees	\$96,740	\$70,235	\$89,594	\$81,091		-100.0%		-100.0%
Misc. Revenue				\$1,561		-100.0%		-100.0%
Subtotal	\$96,740	\$70,235	\$89,594	\$82,652	\$0	-100.0%	\$0	-100.0%
Total Revenue	\$96,740	\$70,235	\$89,594	\$82,652	\$0	-100.0%	\$0	-100.0%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Laboratory*	4.48	4.48	4.48	4.48	3.12	-30.4%	3.12	-30.4%
Total	4.48	4.48	4.48	4.48	3.12	-30.4%	3.12	-30.4%

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

FY 2020 and 2021 Proposed includes Laboratory Supervisor, Laboratory Analyst II (2). and includes 12 of the Deputy

**WATER QUALITY & RESOURCE RECOVERY DEPARTMENT
MAINTENANCE DIVISION**



PROGRAM DESCRIPTION

The Maintenance Division is responsible for the reliability and integrity of systems and equipment at the Water Quality and Recovery Plant (WQRP). 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 manages and executes predictive and preventive maintenance programs, corrective and rehabilitative maintenance, and in-house equipment repairs and process improvements. One of the primary roles of the division is the development and execution of capital projects and equipment purchases. Another major role of the division is coordinating and overseeing contractors working at the plant.

Services are managed by the WQRP Superintendent with direct supervision by the WQRP Maintenance Supervisor.

GOALS

- To maintain appropriate capacities and effective operations to assure no spills or overflows at Lift Stations.
- 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 identify, prioritize, and complete critical Capital Improvement Projects.
- To complete all scheduled and necessary equipment purchases.

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.
 - ✓ 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:
 - ✓ Maintenance Staff is two thirds new hires, most haven't been with the District a year. But the level of knowledge and expertise is outstanding.
 - ✓ Continued training of staff to address our increasing dependence on modern technologies.
 - ✓ Cross-training in trade disciplines
 - ✓ Staff is offered classes in every phase of operation and maintenance
- Division contributions to completion of upgrade, efficiency and rejuvenation projects:
 - ✓ Enhancements of digester gas burning Engines and Boilers.
 - ✓ Upgrade of Chain and Flights in Sedimentation Basin #3.
 - ✓ Replacement and Repair of Influent and Effluent Motors
 - ✓ Maintaining and Constant upkeep of buildings and grounds.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses or discharge permit violations, and to minimize the possibility of equipment breakdowns and failures.
- 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 Capital Projects and Equipment Purchases
- Assess and plan for future needs

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Maintenance Division

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages	\$889,332	\$915,560	\$919,018	\$1,134,867	\$930,526	-18.0%	\$990,705	-12.7%
Overtime	\$24,117	\$11,779	\$15,446	\$39,000	\$38,948	-0.1%	\$41,065	5.3%
Benefits- Medical, Dental, Vision, Life	\$187,479	\$184,364	\$218,621	\$264,416	\$223,188	-15.6%	\$238,395	-9.8%
Benefits- Retirement	\$320,594	\$331,454	\$337,221	\$456,738	\$348,696	-23.7%	\$369,024	-19.2%
Worker's Compensation Premiums	\$35,666	\$33,900	\$24,297	\$38,089	\$44,822	17.7%	\$46,639	22.4%
Benefits- Allowances and Reimbursement	\$6,150	\$8,675	\$6,158	\$12,659	\$13,800	9.0%	\$13,800	9.0%
Total Personnel	\$1,463,338	\$1,485,732	\$1,520,762	\$1,945,768	\$1,599,980	-17.8%	\$1,699,628	-12.7%
Professional & Technical Services	\$184,872	\$392,765	\$288,064	\$305,206	\$173,244	-43.2%	\$147,696	-51.6%
Other Purchased Services	\$10,878	\$14,759	\$29,064	\$12,356	\$20,401	65.1%	\$20,401	65.1%
Communications	\$6,959	\$9,027	\$13,370	\$5,118	\$8,500	66.1%	\$8,500	66.1%
Utilities	\$399,830	\$296,671	\$299,279	\$323,600	\$323,800	0.1%	\$323,800	0.1%
Travel	\$133	\$111	\$7	\$865	\$9,147	957.4%	\$10,024	1058.9%
Rentals/Leases	\$10,023			\$7,950	\$10,000	25.8%	\$10,000	25.8%
Property Services	\$33,181	\$88,158	\$43,783	\$126,614	\$92,101	-27.3%	\$92,101	-27.3%
Grants & Governmental Payments	\$148,258	\$122,030	\$162,177	\$149,972	\$1,204,400	703.1%	\$150,500	0.4%
Permits	\$29,141	\$36,721	\$29,236	\$31,756	\$39,700	25.0%	\$39,700	25.0%
Supplies	\$213,924	\$195,820	\$209,881	\$338,600	\$154,751	-54.3%	\$161,576	-52.3%
Property/Equipment			\$60,326	\$117,873	\$13,199	-88.8%	\$13,199	-88.8%
Total Non-Personnel	\$1,037,199	\$1,156,062	\$1,135,189	\$1,419,910	\$2,049,243	44.3%	\$977,496	-31.2%
Total Expenses	\$2,500,537	\$2,641,794	\$2,655,952	\$3,365,678	\$3,649,223	8.4%	\$2,677,124	-20.5%

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing							
Maintenance*	9.72	9.72	10.72	10.72	10.92	1.9%	10.92 1.9%
Total	9.72	9.72	10.72	10.72	10.92	1.9%	10.92 1.9%

* The 0.92 refers to DGM .2; Water Quality Manager 0.36; Secretary 0.36; allocated to Environmental Compliance, Plant Operations, and Maintenance Divisions.



The Health & Safety Division is a new division of the District in FY 2020. Health and safety was formerly administered through a safety committee that collaborated between Human Resources the operating departments with no one position responsible for a comprehensive health and safety program. This new division will be led by a new Health and Safety manager position.

- Provide effective and efficient health and safety support for the District.

As this position is newly created for the District, there are no highlights to reflect on at this current time

**Financial Summary
Health & Safety Division**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Budget	FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures								
Salaries & Wages					\$141,212		\$157,504	
Overtime								
Benefits- Medical, Dental, Vision, Life					\$30,615		\$32,665	
Benefits- Retirement					\$40,207		\$44,786	
Worker's Compensation Premiums					\$7,027		\$7,308	
Benefits- Allowances and Reimbursements					\$1,800		\$1,800	
Total Personnel	\$0	\$0	\$0	\$0	\$220,861		\$244,063	
Professional & Technical Services					\$8,477		\$5,585	
Other Purchased Services					\$4,522		\$4,522	
Communications					\$799		\$799	
Utilities					\$15,028		\$15,028	
Travel					\$3,002		\$3,290	
Property Services					\$1,054		\$1,054	
Permits					\$850		\$850	
Supplies					\$19,533		\$13,027	
Property/Equipment								
Total Non-Personnel	\$0	\$0	\$0	\$0	\$53,266		\$44,155	
Total Expenses	\$0	\$0	\$0	\$0	\$274,127		\$288,218	

Key Assumptions

Benefits- Medical, Dental, Vision, Life and worker's comp premiums assume a 4% annual increase each year.

FY 2020 wages includes 4% increases per MOUs for Field Ops & Management, 4% estimated increases for Admin/Clerical and Unrep; FY 2021 includes increases of 3% for all units.

Retirement increases are based on CalPERS Estimates.

Staffing								
Health & Safety					1.00		1.00	
Total	0.00	0.00	0.00	0.00	1.00		1.00	

FY 2020 and 2021 Proposed includes Health & Safety Manager.

**WATER QUALITY & RESOURCE RECOVERY DEPARTMENT
CONTRACT SERVICES**



PROGRAM DESCRIPTION

The Maintenance Division of the Water Quality and Resource Recovery Department (WQRR) operates, maintains and/or supports five 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 WQRR 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 WQRR Department Manager with direct supervision by the WQRR Maintenance Supervisor. Staff is assigned to work on contract sites on an as-needed basis.

GOALS

- 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.

HIGHLIGHTS

- Enhanced clean water program North Richmond Storm Water pump station.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Financial Summary Contract Services

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	% Change over FY 2019 Adopted		FY 2021 Proposed	% Change over FY 2019 Adopted
Expenditures									
Salaries & Wages	\$54,351	\$42,855	\$30,714	\$50,893	\$24,500	-51.9%		\$24,500	-51.9%
Overtime	\$1,811			\$1,830	\$100	-94.5%		\$100	-94.5%
Benefits- Medical, Dental, Vision, Life	\$7,833	\$7,072	\$5,366	\$9,662	\$4,000	-58.6%		\$4,000	-58.6%
Benefits- Retirement	\$14,634	\$10,992	\$7,392	\$19,568	\$6,700	-65.8%		\$6,700	-65.8%
Worker's Compensation Premiums	\$1,754	\$1,598	\$919	\$1,635	\$600	-63.3%		\$600	-63.3%
Benefits- Allowances and Reimbursement	\$121	\$93	\$63	\$4,010	\$0	-100.0%		\$0	-100.0%
Total Personnel	\$80,503	\$62,611	\$44,454	\$87,598	\$35,900	-59.0%		\$35,901	-59.0%
Engineering & Architectural Services	\$7,933								
Professional & Technical Services	\$49,780	\$19,599	\$19,514	\$68,487	(\$23,000)	-133.6%		(\$22,999)	-133.6%
Utilities	\$8,071	\$2,230	\$1,484	\$239,611	\$23,300	-90.3%		\$23,300	-90.3%
Supplies	\$772	\$394	\$4,356	\$23,538	\$900	-96.2%		\$940	-96.0%
Total Non-Personnel	\$66,557	\$22,223	\$25,354	\$331,636	\$1,200	-99.6%		\$1,240	-99.6%
Total Expenses	\$147,060	\$84,834	\$69,808	\$419,234	\$37,101	-91.2%		\$37,141	-91.1%
Revenue									
Contract Services	\$183,468	\$106,279	\$84,636	\$448,579	\$40,956	-90.9%		\$40,956	-90.9%
Subtotal	\$183,468	\$106,279	\$84,636	\$448,579	\$40,956	-90.9%		\$40,956	-90.9%
Total Revenue	\$183,468	\$106,279	\$84,636	\$448,579	\$40,956	-90.9%		\$40,956	-90.9%
Operating Net	\$36,408	\$21,445	\$14,827	\$29,345	\$3,855	-89.4%		\$3,815	\$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					
Contract Services*	0.50	0.50	0.50	0.50	
Total	0.50	0.50	0.50	0.50	

* 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 IMPROVEMENT PROGRAM

The 2-Year Capital Improvement Plan assumes that projects which do not qualify for CWSRF loans will be funded on either a pay-as-you-go basis or future debt financing as required. It is not projected that Debt financing or rate increases will be required during the biennial budget period.

PROJECT NAME	PROJECT NUMBER	FY 2020 APPROVED	FY 2021 APPROVED
Committed Projects			
WPCP Facility Improvements	WPCP Facility Imp	\$335,000	\$0
Foster Lane Sewer	16CS201	\$1,250,000	\$0
Via Verdi Landslide	17CS201	\$34,000	\$0
La Paloma	19CS20x	\$1,000,000	\$2,000,000
Security Improvements at Plant	19DF20y	\$500,000	\$0
SRF assistance	16EG301	\$30,072	\$0
Replace Caustic Tank at WPCP	19PP50t	\$1,115,000	\$0
Security Camera repair at WPCP	19DF201	\$133,388	\$0
Subtotal		\$4,397,460	\$2,000,000
Projects in design			
Maintenance Bldg at WPCP	15PS603	\$0	\$0
Bid Package #3.1: priority sewers	15CS201	\$3,758,000	\$0
Various Lift Stations (BP#3)	14LS407	\$3,000,000	\$1,800,000
Roofs at WPCP phase 2	19PS60x	\$436,830	\$0
Replace Valves at Effluent Structure	19PP50s	\$1,125,000	\$0
Sonoma Street Sewer Replacement	Sonoma St.	\$1,700,000	\$0
Replace Valves at Headworks	19PP50v	\$1,125,000	\$0
Subtotal		\$11,144,830	\$1,800,000
Projects that have not started			
CSO Facilities	19DF20x	\$2,586,500	\$0
DAFT rehabilitation	19PP50y	\$1,150,000	\$1,150,000
VFD & MCC at Headworks	19PP50u	\$950,000	\$0
Replace Engine-Driven Blowers	19PP50w	\$1,490,000	\$0
Digester 2 interior coating	19PP50x	\$500,000	\$0
Cathodic Protection	19PS605	\$5,000	\$5,000
Acoustics at Hilltop	18AD101	\$180,000	\$0
Repairs to WCA Joint Outfall	19CS20y	\$0	\$0
CCTV of collection system		\$0	\$0
Wetland / horizontal levee		\$0	\$0
Additional Staff to deliver CIP	18PP500	\$0	\$0
Leachate MOSCAD Upgrade	18PP501	\$50,000	\$0
Effluent Dechlorinization	18PP502	\$2,500,000	\$0
Subtotal		\$9,411,500	\$1,155,000
Individual Gravity Sewer Projects			
Bid Package #3.2	15CS202	\$0	\$1,500,000
Bid Package #3.3	18CS203	\$0	\$750,000
Bid Package #3.4	18CS204	\$0	\$500,000
Bid Package #3.6	18CS206	\$0	\$150,000
State Mandated Additional Pipes		\$4,000,000	\$5,000,000
Subtotal		\$4,000,000	\$7,900,000
Individual Lift Station Projects			
Tara Hills Lift Station	CSR98	\$0	\$0
D'Avila Lift Station	CSR99	\$0	\$0
La Honda Lift Station	CSR100	\$0	\$0
Carriage Hills Lift Station	CSR104	\$0	\$0
Subtotal		\$0	\$0
Total		\$28,953,790	\$12,855,000

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 Board of Directors adopted a 5-year SUC rate plan effective July 1, 2015. This plan sets the new SUC rates for residential dwelling units (RDUs) to increase approximately 11% each year, until the last of those adopted increases takes effect in FY 2020.

Connection Fees: The connection fees increase each year by the change in the Engineering New Record's Construction Cost Index for San Francisco, an inflation measure for capital infrastructure costs, from April to April each year. For FY 2020 connection charge of 8,419 per equivalent dwelling unit (EDU).

Leases and Rents: The District currently has two lease agreements. One is , with the City of Richmond, for the use of the District's sludge beds. We also lease property on parcel of commercial property not yet put to District use.

Contract Revenue: The District contracts with various local agencies to perform a variety of maintenance and collection system services. The assumption is that these service contracts will continue and that all associated costs will be covered by the resulting receivables.

EXPENDITURE FORECAST

Operating expenditures include wages, salaries, benefits, maintenance and operating of the collection and treatment systems, and the purchase of materials and supplies. 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 manual for the unrepresented employees. Wages and salaries are projected to increase as per the approved cost of living increases for each MOU and as newer employees reach the top step in each Salary Range. Retirement contributions and the Annual Required Contribution (ARC) for Other Post-Employment

Benefits (OPEB) are calculated as a percentage of payroll and increase accordingly. Additionally, retirement contributions are estimated to increase 1% each year to account for the new contribution calculations implement by CalPERS. Other benefits are, such as health care premiums, increase based on contracted rates. 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. The budget assumes that there are no changes in service levels.

CLEAN WATER STATE REVOLVING FUND (SRF) LOAN

PROGRAM DESCRIPTION

The Clean Water State Revolving Fund (CWSRF) is a financial assistance program for the purpose of implementing the Federal Clean Water Act (CWA) and various State water quality laws. It provides financial assistance for construction or implementation of projects that address water quality problems and prevent pollution of the waters of the State.

The CWSRF Program provides low-interest loans and other financing mechanisms for construction of publicly-owned wastewater treatment facilities, sewers, sewer interceptors, water recycling facilities, and storm water treatment facilities. It also finances expanded use projects such as implementation of nonpoint source (NPS) projects and development and implementation of estuary Comprehensive Conservation and Management Plans (CCMPs).

The primary benefit to the District is the cost savings due to reduced interest rates. The CWSRF funding cost (at a 3% interest rate) can amount to a 25% grant/subsidy compared to a 20-year market rate loan using conventional funding (at a 6% interest rate).

West County Wastewater District Ten Fiscal Years

<u>Loan Agreement #</u>	<u>Repayment Dates</u>		<u>Interest Rate</u>	<u>Loan Offered</u>	<u>Loan Amount</u>	<u>Loan Available</u>
	<u>Start</u>	<u>End</u>				
7876-110	5/6/2017	5/6/2036	1.90%	1,654,505	1,293,841	
7876-120	5/31/2020	5/31/2039	1.90%	2,881,758	284,736	2,614,624
7876-130	8/30/2018	8/30/2037	1.90%	14,593,521	13,755,553	180,826
8043-110 (1)	6/3/2018	6/3/2037	1.00%	30,457,093	19,322,858	
Total as of 6/30/19				49,586,877	34,656,989	2,795,450

<u>Repayment Schedule (2):</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FYE 6/30/20	1,708,362	443,757	2,152,119
FYE 6/30/21	1,691,135	460,984	2,152,119
FYE 6/30/22	1,714,312	437,807	2,152,119
FYE 6/30/23	1,737,840	414,280	2,152,119
FYE 6/30/24	1,761,724	390,395	2,152,119
FYE 6/30/25	1,785,971	366,149	2,152,119
FYE 6/30/26	1,810,586	341,534	2,152,119
FYE 6/30/27	1,835,575	316,544	2,152,119
FYE 6/30/28	1,860,946	291,174	2,152,119
Thereafter	18,750,539	1,430,004	20,180,543
Total	34,656,989	4,892,628	39,549,617

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Operating Fund (Fund 100) Five-Year Fund Analysis

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Beginning Fund Balance	\$4,480,162	\$4,944,696	\$3,813,839	\$11,700,689	\$6,391,564	\$5,413,494	\$4,544,126	\$2,634,838	(\$366,365)
Revenue									
Sewer Use Charge-Residential	15,176,741	16,754,603	18,650,705	18,722,041	20,705,000	20,705,000	20,705,000	20,705,000	20,705,000
Sewer Use Charge-Commercial	2,546,284	2,822,443	3,139,959	3,228,186	3,635,982	3,635,981	3,635,981	3,635,981	3,635,981
Sewer Use Charge-Industrial	2,095,360	1,470,588	1,609,060	1,787,411	1,725,000	1,725,000	1,725,000	1,725,000	1,725,000
Inspection/Permit Fees	300,183	231,481	283,082	279,726	303,901	293,902	293,902	293,902	293,902
Misc. Revenue	165,483	210,759	157,375	64,905	67,255	69,200	69,200	69,200	69,200
Rents & Leases	90,941	257,354	751,370	201,245	536,114	390,083	390,083	390,083	390,083
Interest	94,438	327,188	617,945	30,000	369,000	125,000	125,000	125,000	125,000
Contract Services	183,468	106,279	84,636	448,579	40,956	40,956	40,956	40,956	40,956
Gain (loss) on disposal of assets					42,900	42,900	42,900	42,900	42,900
Subtotal	\$20,652,899	\$22,180,695	\$25,294,131	\$24,762,093	\$27,426,108	\$27,028,022	\$27,028,022	\$27,028,022	\$27,028,022
Total Revenue	\$20,652,899	\$22,180,695	\$25,294,131	\$24,762,093	\$27,426,108	\$27,028,022	\$27,028,022	\$27,028,022	\$27,028,022
Expenditures									
Salaries & Wages	\$5,946,474	\$6,147,325	\$6,100,000	\$7,517,228	\$8,038,417	\$9,242,536	\$9,704,663	\$10,189,896	\$10,699,391
Overtime	\$335,841	\$192,487	\$193,755	\$136,086	\$240,694	\$262,357	\$275,475	\$289,249	\$303,711
Benefits- Medical, Dental, Vision, Life	\$1,324,436	\$1,457,868	\$1,400,000	\$1,648,866	\$2,008,670	\$2,118,616	\$2,224,547	\$2,335,775	\$2,452,563
Benefits- Retirement	\$2,031,553	\$2,045,463	\$2,400,000	\$2,782,727	\$2,919,334	\$3,182,463	\$3,341,586	\$3,508,665	\$3,684,099
Worker's Compensation Premiums	\$188,347	\$192,243	\$200,000	\$218,184	\$264,000	\$280,449	\$294,471	\$309,195	\$324,655
Benefits- Allowances and Reimbursements	\$72,504	\$79,490	\$75,000	\$113,712	\$109,912	\$109,878	\$115,372	\$121,141	\$127,198
Total Personnel	\$9,899,154	\$10,114,877	\$10,368,755	\$12,414,803	\$13,581,027	\$15,196,300	\$15,956,115	\$16,753,920	\$17,581,616
Legal Expenses	\$194,205	\$242,953	\$234,559	\$224,973	\$248,000	\$248,000	\$260,400	\$273,420	\$287,091
Banking & Financial Services	\$28,586	\$12,015	\$26,186	\$34,200	\$31,400	\$31,400	\$32,970	\$34,618	\$36,349
Engineering & Architectural Services	\$15,867	\$600	\$0	\$0	\$8,400	\$8,400	\$8,819	\$9,260	\$9,723
Professional & Technical Services	\$1,031,973	\$1,768,812	\$2,758,562	\$1,746,849	\$2,916,998	\$1,483,000	\$1,567,150	\$1,635,008	\$1,716,758
Other Purchased Services	\$278,552	\$325,545	\$390,719	\$434,012	\$399,301	\$455,700	\$478,485	\$502,409	\$527,529
Communications	\$57,887	\$68,611	\$90,441	\$53,675	\$71,701	\$72,001	\$75,601	\$79,381	\$83,350
Utilities	\$1,242,094	\$1,007,432	\$949,508	\$1,301,853	\$1,042,352	\$1,042,652	\$1,094,785	\$1,149,524	\$1,207,000
Travel	\$39,496	\$66,576	\$73,216	\$52,956	\$87,598	\$95,999	\$100,799	\$105,839	\$111,131
Rentals/Leases	\$30,368	\$31,851	\$23,762	\$30,506	\$38,799	\$38,800	\$40,740	\$42,777	\$44,915
Property Services	\$79,223	\$161,227	\$112,171	\$178,894	\$251,601	\$251,602	\$264,182	\$277,391	\$291,261
Grants & Governmental Payments	\$228,259	\$135,226	\$220,487	\$227,616	\$1,226,000	\$275,500	\$289,275	\$303,738	\$318,925
Permits	\$42,899	\$56,036	\$58,432	\$73,792	\$66,700	\$66,700	\$70,035	\$73,537	\$77,214
Supplies	\$751,096	\$679,304	\$839,814	\$1,172,903	\$988,001	\$988,037	\$1,037,439	\$1,089,311	\$1,143,777
Property/Equipment	\$99,799	\$81,909	\$126,513	\$252,993	\$497,500	\$497,500	\$522,375	\$548,494	\$575,919
Claims Paid	\$15,401	\$3,492	\$66,280	\$16,224	\$15,400	\$15,400	\$16,170	\$16,979	\$17,827

FISCAL YEARS 2020 & 2021 BUDGET BOOK

Operating Fund (Fund 100) Five-Year Fund Analysis

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Bad Debt Write Offs	\$16,965	\$121,886	\$0	\$15,065	\$13,400	\$31,400	\$32,970	\$34,619	\$36,349
Total Non-Personnel	\$4,152,688	\$4,763,476	\$5,970,651	\$5,816,511	\$7,903,151	\$5,602,091	\$5,882,195	\$6,176,305	\$6,485,120
Transfers Out	\$3,348,388	\$5,862,000	\$6,377,000	\$6,377,000	\$6,920,000	\$7,099,000	\$7,099,000	\$7,099,000	\$7,099,000
Total Expenses	\$17,400,211	\$20,740,353	\$22,716,406	\$24,608,314	\$28,404,178	\$27,897,391	\$28,937,310	\$30,029,226	\$31,175,737
Annual Surplus/(Shortfall)	\$3,252,689	\$1,440,342	\$2,577,725	\$153,779	(\$978,070)	(\$869,368)	(\$1,909,288)	(\$3,001,203)	(\$4,147,715)
Ending Fund Balance	\$7,732,851	\$6,384,938	\$6,391,564	\$11,854,468	\$5,413,494	\$4,544,126	\$2,634,838	(\$366,365)	(\$4,514,079)
Restricted/Designated Reserve									
Unrestricted Fund Balance	\$7,732,851	\$6,384,938	\$6,391,564	\$11,854,468	\$5,413,494	\$4,544,126	\$2,634,838	(\$366,365)	(\$4,514,079)

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

Key Assumptions

Revenue: Sewer Use Charges include the approved 5-year rate increase of 11% in 2020

Personnel: 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.

5% increases assumed for health, retirement and worker's comp premiums

Non-Personnel: assumes 4% increases most professional & purchased services, utilities and supplies

Transfer Out are funds transferred from the Operating Fund to other funds to pay for debt service payments (\$2.0 million); annual contribution for future equipment replacement (FY 2020 \$920K, FY 2021 \$99K); and contribution to capital fund (FY 2020 \$4 million, FY 2021 \$5 million) for future improvements.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

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

	FY 2017	FY 2018	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Actual	Actual	Projected	Adopted	Proposed	Proposed	Projected	Projected	Projected
Beginning Fund Balance	\$795,607	\$271,857	\$656,008	\$221,707	\$800,213	\$1,114,212	\$1,428,212	\$1,742,212	\$2,056,212
Revenue									
Connection Fees	271,745	384,151	144,204	50,000	314,000	314,000	314,000	314,000	314,000
Interest									
Subtotal	\$271,745	\$384,151	\$144,204	\$50,000	\$314,000	\$314,000	\$314,000	\$314,000	\$314,000
Total Revenue	\$271,745	\$384,151	\$144,204	\$50,000	\$314,000	\$314,000	\$314,000	\$314,000	\$314,000
Expenditures									
Transfers Out	\$795,495								
Total Expenses	\$795,495	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Surplus/(Shortfall)	(\$523,750)	\$384,151	\$144,204	\$50,000	\$314,000	\$314,000	\$314,000	\$314,000	\$314,000
Ending Fund Balance	\$271,857	\$656,008	\$800,213	\$271,707	\$1,114,212	\$1,428,212	\$1,742,212	\$2,056,212	\$2,370,212
Restricted/Designated Reserve	(271,857)	(656,008)	(800,213)	(271,707)	(1,114,212)	(1,428,212)	(1,742,212)	(2,056,212)	(2,370,212)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

Portion of connection fees are set aside for capacity related Improvements. Once there is sufficient fund balance, money is transferred to Capital Improvement Fund (400) where capacity improvements are spent.

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 2020 & 2021 BUDGET BOOK

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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Beginning Fund Balance	\$24,274,193	\$27,856,433	\$32,555,553	\$31,524,135	\$34,428,222	\$11,039,105	\$5,136,804	\$10,165,189	(\$7,330,435)
Revenue									
Connection Fees	699,230	1,039,204	347,064	200,000	314,000	314,000	314,000	314,000	314,000
Property Taxes	1,218,094	1,394,528	1,515,069	1,146,000	1,575,672	1,638,699	1,639,073	1,639,073	1,639,073
Interest									
Loan Drawdown									
Subtotal	\$1,917,324	\$2,433,732	\$1,862,122	\$1,346,000	\$1,889,672	\$1,952,699	\$1,953,073	\$1,953,073	\$1,953,073
Transfer In	2,795,495	3,000,000	4,000,000	4,000,000	4,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Revenue	\$4,712,819	\$5,433,732	\$5,862,122	\$5,346,000	\$5,889,672	\$6,952,699	\$6,953,073	\$6,953,073	\$6,953,073
Expenditures									
Salaries & Wages	301,449	49,377	97,319	459,743	872,518	459,876	460,000	460,000	460,000
Overtime	6,135			11,000			-	-	-
Benefits- Medical, Dental, Vision, Life	60,778	7,827	12,358	69,788			-	-	-
Benefits- Retirement	92,960	12,108	21,254	99,115			-	-	-
Worker's Compensation Premiums	7,644	1,386	2,634	8,269			-	-	-
Benefits- Allowances and Reimbursements	819	105	201	882			-	-	-
Total Personnel	\$469,785	\$70,803	\$133,766	\$648,797	\$872,518	\$459,876	\$460,000	\$460,000	\$460,000
Capital Improvements	25,081,628	12,516,926	3,825,888	5,133,574	26,583,647	12,233,859	1,464,689	23,988,697	11,000,000
Property/Equipment	509,097		29,800		1,822,624	161,265			
Total Non-Personnel	\$25,590,725	\$12,516,926	\$3,855,688	\$5,133,574	\$28,406,271	\$12,395,124	\$1,464,689	\$23,988,697	\$11,000,000
Debt Service									
Transfers Out									
Total Expenses	\$26,060,510	\$12,587,729	\$3,989,453	\$5,782,371	\$29,278,789	\$12,855,000	\$1,924,689	\$24,448,697	\$11,460,000
Annual Surplus/(Shortfall)	(\$21,347,691)	(\$7,153,997)	\$1,872,669	(\$436,371)	(\$23,389,117)	(\$5,902,301)	\$5,028,384	(\$17,485,624)	(\$4,506,927)
Ending Fund Balance	\$2,926,502	\$20,702,436	\$34,428,222	\$31,087,764	\$11,039,105	\$5,136,804	\$10,165,189	(\$7,330,435)	(\$11,837,362)
Restricted/Designated Reserve									
Unrestricted Fund Balance	\$2,926,502	\$20,702,436	\$34,428,222	\$31,087,764	\$11,039,105	\$5,136,804	\$10,165,189	(\$7,330,435)	(\$11,837,362)

Key Assumptions

Excludes depreciation and capitalized costs.

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

FISCAL YEARS 2020 & 2021 BUDGET BOOK

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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Beginning Fund Balance	\$2,722,115	\$10,603,422	\$20,045,583	\$4,669,130	\$25,173,306	\$27,863,661	\$27,986,016	\$28,108,371	\$28,230,726
Revenue									
Loan Proceeds	\$23,109,558	\$7,041,615	\$4,822,017		\$2,568,000				
Subtotal	\$23,109,558	\$7,041,615	\$4,822,017	\$0	\$2,568,000	\$0	\$0	\$0	\$0
SRF Reimbursements									
Transfer In	1,000,000	1,600,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Revenue	\$24,109,558	\$8,641,615	\$6,822,017	\$2,000,000	\$4,568,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Expenditures									
Debt Service	178,497	1,546,922	1,694,294	1,931,744	1,877,645	1,877,645	1,877,645	1,877,645	1,877,645
Total Expenses	\$178,497	\$1,546,922	\$1,694,294	\$1,931,744	\$1,877,645	\$1,877,645	\$1,877,645	\$1,877,645	\$1,877,645
Annual Surplus/(Shortfall)	\$23,931,061	\$7,094,693	\$5,127,723	\$68,256	\$2,690,355	\$122,355	\$122,355	\$122,355	\$122,355
Ending Fund Balance	\$26,653,176	\$17,698,115	\$25,173,306	\$4,737,386	\$27,863,661	\$27,986,016	\$28,108,371	\$28,230,726	\$28,353,081
Restricted/Designated Reserve	(\$26,653,176)	(\$17,698,115)	(\$25,173,306)	(\$4,737,386)	(\$27,863,661)	(\$27,986,016)	(\$28,108,371)	(\$28,230,726)	(\$28,353,081)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

Transfer In represents a transfer from the Operating Fund to make principal and interest payments to the state.

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

Loan Drawdown represents proceeds for loans with State Revolving Fund used to pay for capital projects. FY 2020 Proposed is the estimated remaining amount of SRF loan proceeds of \$44M loan.

FISCAL YEARS 2020 & 2021 BUDGET BOOK

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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2019 Adopted	FY 2020 Proposed	FY 2021 Proposed	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Beginning Fund Balance	\$353,055	\$670,703	\$435,813	\$5,703	\$719,364	\$719,515	\$720,155	\$720,428	\$720,969
Revenue									
Interest									
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In	348,388	1,262,000	377,000	377,000	920,000	99,000	555,000	94,000	94,000
Total Revenue	\$348,388	\$1,262,000	\$377,000	\$377,000	\$920,000	\$99,000	\$555,000	\$94,000	\$94,000
Expenditures									
Property/Equipment	41,959	1,406,986	93,449	365,000	919,850	98,360	554,727	93,459	94,000
Total Non-Personnel	\$41,959	\$1,406,986	\$93,449	\$365,000	\$919,850	\$98,360	\$554,727	\$93,459	\$94,000
Total Expenses	\$41,959	\$1,406,986	\$93,449	\$365,000	\$919,850	\$98,360	\$554,727	\$93,459	\$94,000
Annual Surplus/(Shortfall)	\$306,429	(\$144,986)	\$283,551	\$12,000	\$150	\$840	\$273	\$541	\$0
Beginning Fund Balance	\$353,055	\$670,703	\$435,813	\$5,703	\$719,364	\$719,515	\$720,155	\$720,428	\$720,969
Ending Fund Balance	\$659,484	\$525,716	\$719,364	\$17,703	\$719,515	\$720,155	\$720,428	\$720,969	\$720,969
Restricted/Designated Reserve	(\$659,484)	(\$525,716)	(\$719,364)	(\$17,703)	(\$719,515)	(\$720,155)	(\$720,428)	(\$720,969)	(\$720,969)
Unrestricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions

Transfer in represents a transfer from the Operating Fund for future equipment/vehicle replacements.

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

Property/Equipment Projection based on Capital Vehicle Equipment Replacement List maintained by Procurement Specialist and based upon Supervisor input.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

The West County Wastewater District Board of Directors adopted Resolution 2019-36 at the regular Board of Directors meeting May 22, 2019 approving the Fiscal Years 2020-2024 Five-Year Capital Improvement Plan.

The District has pursued several long range planning initiatives over the past 5 – 7 years, including a 20-year Master Plan, and a 5-year Capital Improvement Plan (CIP) in June of 2015, which was used to inform the District's general direction with respect to Capital Improvement projects, Treatment Plant and Collections Systems renovation, and new capital project initiatives to address emerging issues and to embrace new technologies and industry best practices.

While the 20-year Master Plan is speculative, the 5-year Plan is more accurate and relevant in the early years of the Plan and in particular in the first two year of the Plan which forms the basis of the Fiscal Year (FY) 2020-2021 Biennial Budget funding request for Capital Project spending. Capital Plans provide a general direction more than a fixed set of requirements to which the District is bound. This is critically important in view of the ever-changing circumstances associated to industry regulation and the operational realities of the District, which can require a change of direction based on emerging new priorities.

The CIP calls for large and unprecedented Capital spending in FY 2020, based on a variety of factors including the design of projects in prior years and FY 2019, the anticipated completion of several multi-year projects through construction, additional significant investment in the Treatment Plant to continue the modernization effort begun with State Revolving Fund (SRF) funding years ago, ensuring continuous effective treatment and permit compliance, and the anticipated need to invest significantly in our response to the Inflow and Infiltration (I/I) issues experienced on the Collections side of District operations. The recommended fund for FY 2020 is approximately \$29,250,000 FY 2021, in contrast, is currently estimated at approximately \$13,000,000 reflecting the inability of delivery of new work or additional projects with existing and proposed new staff until completion of the efforts initiated or completing in FY 2020.

The first year of the 5-year Plan includes 2 separate pipe replacements, augmented by a request for non-capital funding for a proposed Private Lateral Replacement Funding Program, emphasizing the urgency of addressing the inflow and infiltration of storm water into the system, which have increased storm influent inflows at the Treatment Plant beyond capacity to treat or safely store the combined flows within the plant, resulting in unpermitted discharges to the bay. The CIP for FY 2020 also includes continued funding for necessary improvements to the Treatment Plant infrastructure required to ensure permit compliance and safe operation of the Plant itself, as well as Lift Station improvements. The following chart and adopted resolution describes a summary of the approved 5-year CIP:

FISCAL YEARS 2020 & 2021 BUDGET BOOK

PROJECT NAME	SRF	PREVIOUS YEARS SPENT	FY 2019 APPROVED	FY 2020 PROPOSED	FY 2021 PROPOSED	FY 2022 PROPOSED	FY 2023 PROPOSED	FY 2024 PROPOSED	FY2025 and Beyond	ESTIMATED PROJECT TOTAL
Committed Projects										
Sodium Hypo Tank Replacements		\$1,313,774	\$238,159	\$0	\$0	\$0	\$0	\$0	\$0	\$1,551,933
Electrical Improvements	1	\$6,505,520	\$256,744	\$0	\$0	\$0	\$0	\$0	\$0	\$6,762,264
Recycled Water Reliability Upgrade	2	\$29,902,196	\$1,129,700	\$0	\$0	\$0	\$0	\$0	\$0	\$31,031,896
Miscellaneous Mechanical Imp.	1	\$2,452,365	\$326,875	\$0	\$0	\$0	\$0	\$0	\$0	\$2,779,240
Primary Clarifier Improvements	1	\$2,947,317	\$130,345	\$0	\$0	\$0	\$0	\$0	\$0	\$3,077,662
Bar Screen Replacements		\$308,979	\$61,021	\$0	\$0	\$0	\$0	\$0	\$0	\$370,000
Inflow & Infiltration study		\$251,059	\$178,941	\$0	\$0	\$0	\$0	\$0	\$0	\$430,000
WPCP Facility Improvements		\$199,429	\$148,333	\$335,000	\$0	\$0	\$0	\$0	\$0	\$682,762
Pipe Bursting of Sanitary Sewers		\$8,789	\$1,216,211	\$0	\$0	\$0	\$0	\$0	\$0	\$1,225,000
Foster Lane Sewer		\$37,708	\$50,000	\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$1,337,708
Via Verdi Landslide		\$211,945	\$34,055	\$34,000	\$0	\$0	\$0	\$0	\$0	\$280,000
CSO Feasibility/Structural Review		\$24,251	\$50,749	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Cogeneration feasibility study		\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
La Paloma		\$0	\$300,000	\$1,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$3,300,000
Security Improvements at Plant		\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
SRF assistance		\$221,603	\$28,000	\$30,072	\$0	\$0	\$0	\$0	\$0	\$279,675
Replace Caustic Tank at WPCP		\$0	\$60,000	\$1,115,000	\$0	\$0	\$0	\$0	\$0	\$1,175,000
Security Camera repair at WPCP		\$0	\$66,612	\$133,388	\$0	\$0	\$0	\$0	\$0	\$200,000
Subtotal		\$44,384,935	\$4,325,745	\$4,397,460	\$2,000,000	\$0	\$0	\$0	\$0	\$55,108,140
Projects in design										
Maintenance Bldg at WPCP	3	\$90,875	\$659,125	\$0	\$0	\$0	\$6,000,000	\$6,000,000	\$1,250,000	\$14,000,000
Bid Package #3.1: priority sewers	3	\$32,312	\$250,688	\$3,758,000	\$0	\$0	\$0	\$0	\$0	\$4,041,000
Various Lift Stations (BP#3)	1	\$165,569	\$294,690	\$3,000,000	\$1,800,000	\$0	\$0	\$0	\$0	\$5,260,259
Roofs at WPCP phase 2		\$0	\$38,170	\$436,830	\$0	\$0	\$0	\$0	\$0	\$475,000
Replace Valves at Effluent Structure		\$0	\$75,000	\$1,125,000	\$0	\$0	\$0	\$0	\$0	\$1,200,000
Sonoma Ave. Line replacement		\$0	\$0	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$1,700,000
Replace Valves at Headworks		\$0	\$75,000	\$1,125,000	\$0	\$0	\$0	\$0	\$0	\$1,200,000
Subtotal		\$288,756	\$1,392,673	\$11,144,830	\$1,800,000	\$0	\$6,000,000	\$6,000,000	\$1,250,000	\$27,876,259
Projects that have not started										
CSO Facilities		\$24,250	\$0	\$2,586,500	\$0	\$0	\$6,000,000	\$0	\$0	\$8,610,750
DAFT rehabilitation		\$0	\$100,000	\$1,150,000	\$1,150,000	\$0	\$0	\$0	\$0	\$2,400,000
VFD & MCC at Headworks		\$0	\$50,000	\$950,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Replace Engine-Driven Blowers		\$0	\$10,000	\$1,490,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Digester 2 interior coating		\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Cathodic Protection		\$82,285	\$50,000	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$432,285
Acoustics at Hilltop		\$2,400	\$167,600	\$180,000	\$0	\$0	\$0	\$0	\$0	\$350,000
Repairs to WCA Joint Outfall		\$0	\$100,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$300,000
CCTV of collection system		\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Wetland / horizontal levee		\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Additional Staff to deliver CIP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leachate MOSCAD Upgrade		\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Effluent Dechlorinization		\$0	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Subtotal		\$108,935	\$1,477,600	\$9,706,500	\$1,250,000	\$100,000	\$6,000,000	\$0	\$0	\$18,643,035

FISCAL YEARS 2020 & 2021 BUDGET BOOK

PROJECT NAME	SRF	PREVIOUS YEARS SPENT	FY 2019 APPROVED	FY 2020 PROPOSED	FY 2021 PROPOSED	FY 2022 PROPOSED	FY 2023 PROPOSED	FY 2024 PROPOSED	FY2025 and Beyond	ESTIMATED PROJECT TOTAL
Individual Gravity Sewer Projects										
Bid Package #3.2	3	\$5,214	\$0	\$0	\$1,500,000	\$2,800,000	\$1,032,386	\$0	\$0	\$5,337,600
Bid Package #3.3	3	\$0	\$0	\$0	\$750,000	\$1,496,000	\$750,000	\$0	\$0	\$2,996,000
Bid Package #3.4	3	\$0	\$0	\$0	\$500,000	\$1,200,000	\$1,704,000	\$0	\$0	\$3,404,000
Bid Package #3.6	3	\$0	\$0	\$0	\$150,000	\$500,000	\$1,043,000	\$0	\$0	\$1,693,000
State Mandate additional pipes		\$0	\$0	\$4,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$4,000,000
Subtotal		\$5,214	\$0	\$4,000,000	\$7,900,000	\$10,996,000	\$9,529,386	\$5,000,000	\$0	\$17,430,800
Individual Lift Station Projects										
Tara Hills Lift Station		\$0	\$0	\$0	\$0	\$247,443	\$1,650,557	\$0	\$0	\$1,898,000
D'Avila Lift Station		\$0	\$0	\$0	\$0	\$53,843	\$359,157	\$0	\$0	\$413,000
La Honda Lift Station		\$0	\$0	\$0	\$0	\$46,152	\$307,848	\$0	\$0	\$354,000
Carriage Hills Lift Station		\$0	\$0	\$0	\$0	\$21,251	\$141,749	\$0	\$0	\$163,000
Subtotal		\$0	\$0	\$0	\$0	\$368,689	\$2,459,311	\$0	\$0	\$2,828,000
		\$44,787,840	\$7,196,018	\$29,248,790	\$12,950,000	\$11,464,689	\$23,988,697	\$11,000,000	\$1,250,000	\$121,886,034
Projects not currently included										
Cogeneration improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,203,000
Digester heating & mixing upgrade		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,744,007
Other planning studies		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,800,000
Training Facility		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Environmental Center at WPCP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Sludge dewatering improvements		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,199,727
Aeration Rehabilitation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,425,159
Odor Control phase 1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,121,539
RAS rehabilitation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,187,967
Secondary sedimentation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,233,693
Equalization expansion		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,959,542
Lift Station SCADA communication		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Energy efficiency phase 1 (Cogen Esco)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000
Planning		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Master Plan updates		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,513,704
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,638,338

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

RESOLUTION NO. 2019-36

**APPROVE THE FISCAL YEAR (FY) 2020-2024 FIVE YEAR CAPITAL
IMPROVEMENT PLAN AND AUTHORIZE FUNDING OF \$29,248,790 FOR FISCAL
YEAR (FY) 2020 AND FUNDING OF \$12,950,000 FOR FY 2021 CAPITAL
PROJECTS AND ADDITIONAL STAFF POSITIONS**

The Board of Directors finds and determines as follows:

- A. As part of the annual budgeting process, the Board approves the allocation of a sum of money annually to fund the capital expenditure budget and project initiatives, and
- B. The Board also approves a 5-Year Capital Improvement Plan (CIP) at appropriate intervals, last occurring in 2014, which provides staff with prioritized direction concerning capital improvement project opportunities for the District, and
- C. The biennial budget allocations for FY 2020 have not yet been made, and staff has presented a new FY 2020-2024 CIP which recommends budgeting the sum of \$29,248,790 for project costs including staffing for the first year of the 5-year CIP starting July 1, 2020, and
- D. Staff has presented a 5-year CIP that spans FY 2020-2024, which the Board accepts and approves as the appropriate plan for the District Capital projects initiatives, and
- E. That there is an urgent need to provide direction and funding to allow the immediate initiation of time-sensitive projects as quickly as possible in FY 2020.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST
COUNTY WASTEWATER DISTRICT AS FOLLOWS:**

- 1. The foregoing recitals are true and correct statements of fact and are incorporated into this Resolution.
- 2. The Board of Directors adopts the proposed 5-Year Capital Improvement Plan as presented and as attached to this resolution.
- 3. The General Manager is authorized to include the sum of \$29,248,790 in the FY 2020 biennial budget and \$12,950,000 in the FY 2021 Capital Projects budget for project costs including staffing expenses.

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I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted at a regular meeting of the Board of Directors of the West County Wastewater District held on the 22nd day of May, 2019, by the following vote of the Board:

AYES: Alvarado, Sudduth, Stanley, Wiener
NOES: None
ABSENT: None



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

DEBT SERVICE

The West County Wastewater District issues long term debt for the construction or replacement of significant capital assets. Debt service is the annual or semi-annual payments that the District makes to repay the principal and interest on its debt.

DEBT PRACTICES

As a matter of practice, the District has largely operated since 1998 on a pay-as-you-go basis for the purpose of funding large equipment purchases and capital improvement projects. Revenues have been sufficient to maintain this practice. Exceptionally, the District continues to engage State Revolving Fund Loans with an interest rate which is lower than our current return on investment as a financial strategy. In addition to the practice of pay-as-you-go, the Board of Directors has adopted policies to maintain fund balances and reserves at sufficient levels to cover cash flow needs for normal operating expenses.

DEBT CAPACITY AND DEBT LIMITATIONS

Debt capacity is the difference between the amount of debt the District has outstanding and the maximum amount of debt the District can incur within its legal, public policy and financial limitations. The District has not issued general obligation debt and, as such, there is no legal limitation on the amount of debt it can issue. The District is currently limited only by financial limitations. Financial limitations include two factors: 1) willingness of institutions to loan the District money, and 2) limitations on future debt placed on the District by current debt.

CURRENT DEBT OBLIGATIONS

In 2013, the District began the work of creating a District-Wide Master Plan, which identified approximately \$320 million in capital project needs through 2033. 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 \$17.8 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 1% interest. Details of the current debt obligations are outlined in the following table:

West County Wastewater District Debt Capacity - Ten Fiscal Years

<u>Loan</u>		<u>Repayment Dates</u>		<u>Loan</u>	<u>Loan</u>	<u>Loan</u>
<u>Agreement #</u>	<u>Start</u>	<u>End</u>	<u>Interest Rate</u>	<u>Offered</u>	<u>Amount</u>	<u>Available</u>
7876-110	5/6/2017	5/6/2036	1.90%	1,654,505	1,293,841	
7876-120	5/31/2020	5/31/2039	1.90%	2,881,758	284,736	2,614,624
7876-130	8/30/2018	8/30/2037	1.90%	14,593,521	13,755,553	180,826
8043-110 (1)	6/3/2018	6/3/2037	1.00%	30,457,093	19,322,858	
Total as of 6/30/19				49,586,877	34,656,989	2,795,450

<u>Repayment Schedule (2):</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FYE 6/30/20	1,708,362	443,757	2,152,119
FYE 6/30/21	1,691,135	460,984	2,152,119
FYE 6/30/22	1,714,312	437,807	2,152,119
FYE 6/30/23	1,737,840	414,280	2,152,119
FYE 6/30/24	1,761,724	390,395	2,152,119
FYE 6/30/25	1,785,971	366,149	2,152,119
FYE 6/30/26	1,810,586	341,534	2,152,119
FYE 6/30/27	1,835,575	316,544	2,152,119
FYE 6/30/28	1,860,946	291,174	2,152,119
Thereafter	18,750,539	1,430,004	20,180,543
Total	34,656,989	4,892,628	39,549,617

(1) Loan offered amount is before grants awarded under Proposition 1 of \$5,356,330 and Proposition 13 of \$4,000,000. In the fiscal year ending June 30, 2018, grant proceed of \$9,001,445 were received. In the fiscal year ending June 30, 2019, grant proceed of \$354,885 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

Appendix A

Financial Policies



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

West County Wastewater District
Budget Policy
Page 2

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).

**West County Wastewater District
Budget Policy
Page 3**

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

West County Wastewater District

Budget Policy

Page 4

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.

**West County Wastewater District
Budget Policy
Page 5**

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).

**West County Wastewater District
Budget Policy
Page 6**

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

Audit Policy

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.



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

West County Wastewater District
Reserves Policy
Page 2

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.

**West County Wastewater District
Reserves Policy
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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 an 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.



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.

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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
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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
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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.



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

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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.

Appendix B

District Population Information

District Population, Income & Unemployment

Fiscal Year	District Population	Total Personal Income (A)	Per Capita Personal Income B	Unemployment Rate (B)	Contra Costa County Population	District Population as % of County
2010	125,096	6,758,936,880	54,030	11.00%	1,073,055	11.66%
2011	96,597	5,571,811,557	57,681	10.70%	1,056,064	9.15%
2012	97,296	6,020,481,888	61,878	9.40%	1,065,117	9.13%
2013	97,998	6,020,507,130	61,435	7.90%	1,074,702	9.12%
2014	98,724	6,323,864,544	64,056	6.20%	1,086,553	9.09%
2015	97,998	6,780,971,610	69,195	5.20%	1,074,702	9.12%
2016	98,724	7,127,379,180	72,195	4.70%	1,086,553	9.09%
2017	103,385	7,911,762,261	76,527	4.00%	1,139,746	9.07%
2018	103,651	NA	NA	3.40%	1,147,879	9.03%
2019	104,027	NA	NA	3.20%	1,155,879	9.00%

Source: *Population*: State of California, Department of Finance, Demographic Research Unit, including adjustments, based upon the approximate percentage of total population served in each of the following areas: through Fiscal Year 2010 - San Pablo 100%, Pinole 18%, Richmond 28% and unincorporated Contra Costa County 35%; effective Fiscal Year 2011 – San Pablo 100%, Pinole 8%, Richmond 31% and unincorporated Contra Costa County 21%.

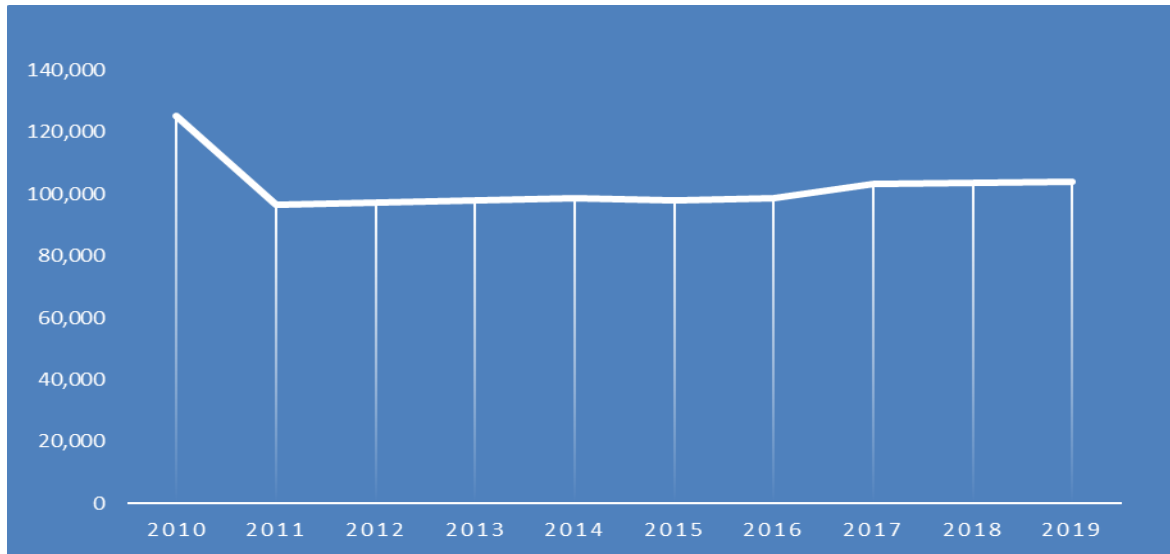
Total Personal Income: State of California, Department of Finance, Demographic Research Unit, including adjustments, as of January 2014

Unemployment Rate: State of California, Employment Development Department, as of June 2014

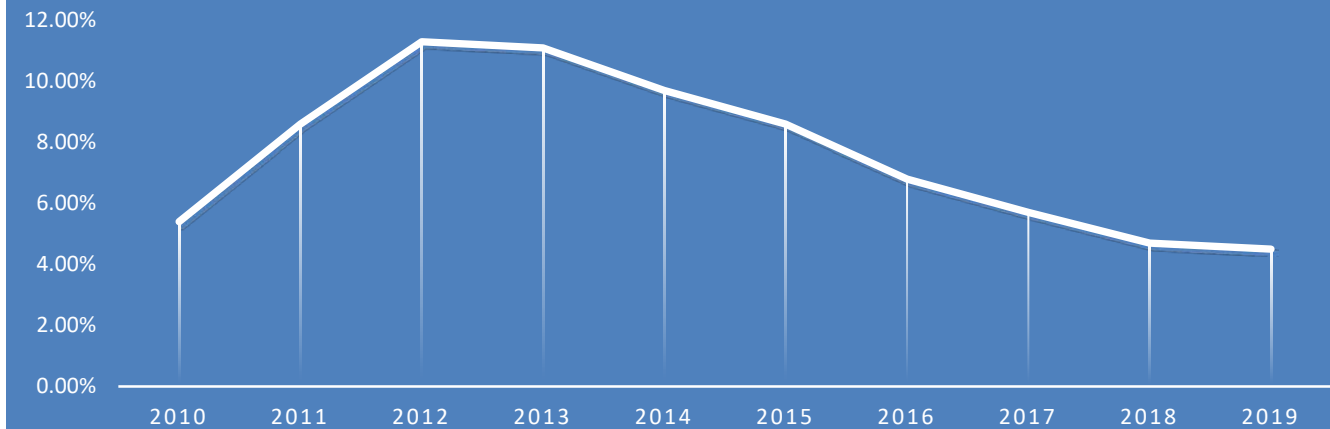
Notes: (A) Data calculated by multiplying District population by Per Capita Personal Income

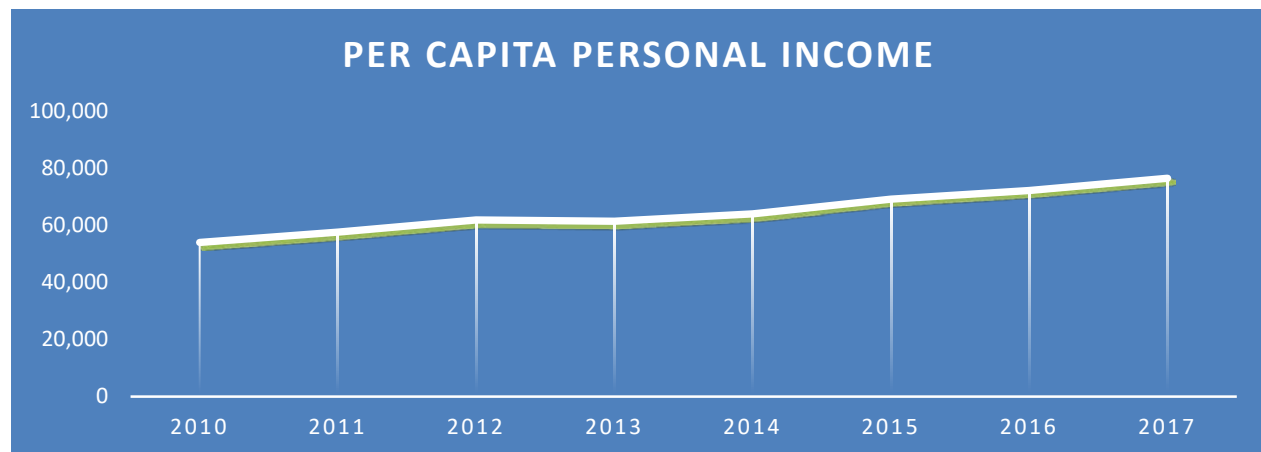
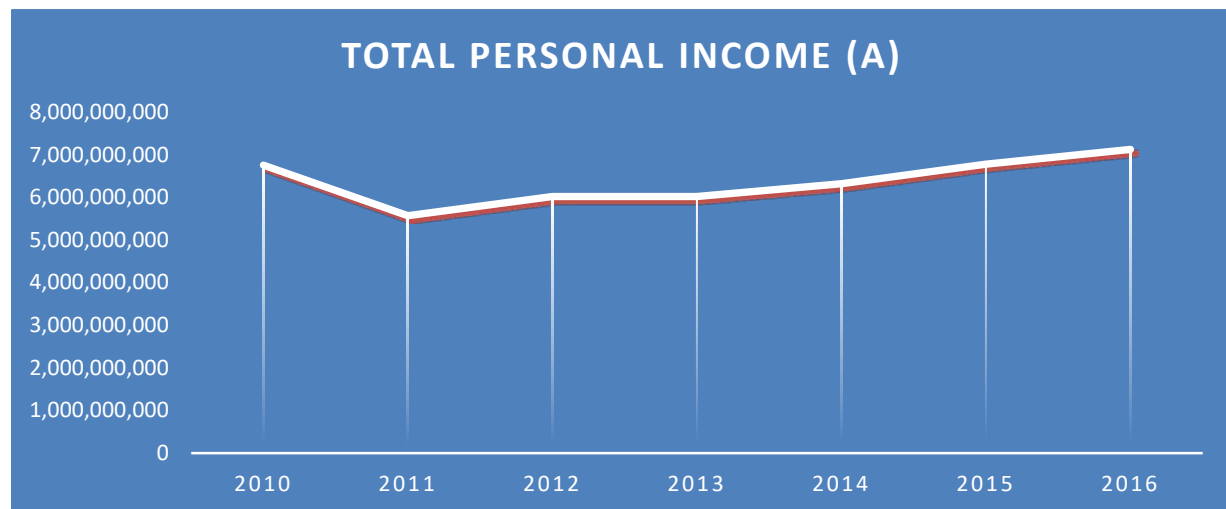
(B) Data presented for Contra Costa County – data not available at the District level.

Population Served



UNEMPLOYMENT RATE (B)





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.

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).

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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 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.

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.

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, storm-water 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, information 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 Quality & Resource Recovery Plant (WQRRP): The District's wastewater treatment facility located at 2377 Garden Tract Road, Richmond, CA 94801.