

**WEST COUNTY WASTEWATER DISTRICT
RICHMOND, CALIFORNIA
BIENNIAL BUDGET
FISCAL YEARS 2022 & 2023**



**WEST COUNTY
WASTEWATER**



**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

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TABLE OF CONTENTS

TABLE OF CONTENTS	1
INTRODUCTION & OVERVIEW	
BUDGET MESSAGE	3
BUDGET PRIORITIES & ISSUES	4-6
SUMMARIZED BUDGET CHART	7
ABOUT WEST COUNTY WASTEWATER	8-9
MISSION & VISION STATEMENTS & CORE VALUES	10
STRATEGIC GOALS & STRATEGIES	11-12
FINANCIAL STRUCTURE, POLICY, AND PROCESS	
ORGANIZATION CHART	14
FUND DESCRIPTIONS & STRUCTURE	15
DEPT./FUND RELATIONSHIP	16
BASIS OF BUDGETING	17
BUDGET PROCESS	18-19
FINANCIAL POLICY & PROCEDURE SUMMARY	20-22
GANN APPROPRIATION LIMIT	23
FINANCIAL SUMMARIES	
CONSOLIDATED FINANCIAL SCHEDULE	25
THREE-YEAR CONSOLIDATED AND FUND FINANCIAL SCHEDULE	26
FUND BALANCE	27
REVENUES	28-29
EXPENDITURES	30
LONG-RANGE OPERATING FINANCIAL PLANS	31-33
DEPARTMENTAL PROGRAM INFORMATION AND POSITION SUMMARY CHART	
DEPARTMENTAL PROGRAM SUMMARY	35
DEPARTMENT OPERATING EXPENDITURE CHARTS	36-37
BOARD OF DIRECTORS	39-40
GENERAL COUNSEL	41
GENERAL MANAGER DEPT.	42-44
ADMINISTRATIVE SERVICES DEPT.	45
INFRASTRUCTURE & PLANNING DEPT.	46-48
WATER QUALITY & RESOURCE RECOVERY DEPT.	49-53
NON-DEPARTMENTAL	53-54
POSITION SUMMARY SCHEDULE	55
CAPITAL	
CAPITAL IMPROVEMENT PROGRAM	57-63
DEBT	
DEBT	64-67
STATISCAL/SUPPLEMENTAL SECTION	
POPULATION STATISCAL INFORMATIONAL CHARTS	68-70
GLOSSARY OF TERMS	71-74

**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
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INTRODUCTION AND OVERVIEW

BUDGET MESSAGE

West County Wastewater adopted its biennial budget for fiscal years 2022 and 2023 at the regular scheduled Board of Directors meeting on June 16, 2021.

The budget was developed optimizing the mission statement, vision, and goals of the strategic plan as outlined in this budget document.

There are several notable changes in the operating budget compared to FY 2021. On the revenue side, there is a 5.5% increase to the Sewer Use Charges for both FY 2022 and 2023. The Sewer Use Charge is approximately 88% or \$27.4 million in FY 2022 and \$29 million in FY 2023 of the operating budget revenues in both FYs.

The Capital Improvement Plan (CIP) is much larger than in the recent past. The Board approved the 10-year CIP at the June 2, 2021 Board meeting. The significant budget increase is primarily due to the planned Comprehensive Energy and Sustainability Upgrades program estimated to cost \$79 million over the next three years. The FY 2022 CIP expenditure budget is \$27.5 million and \$34.9 million in FY 2023.

The Board authorized the issuance of bonds in FY 2022 to fund the Comprehensive Energy and Sustainability Upgrades program and other miscellaneous capital projects. The total dollar amount of the bond issuance is unknown at this time but is estimated to be up to \$90 million.

Lastly, staff will begin to fund the reserves according to the updated reserves policies the Board adopted on May 5, 2021. In FY 2022, staff will start increasing the operating reserve from three months of operating expenses to six months of operating expenses and create an Emergency Reserve in FY 2021.

The following budget memo contains information regarding priorities and issues that were included in the development of the budget.

BUDGET PRIORITIES & ISSUES

TO: Board of Directors
West County Wastewater

DATE: June 16, 2021

REPORT BY: Lisa Malek-Zadeh, General Manager

SUBMITTED BY: Justin Lovell, Director of Administrative Services

The FY 2022 and 2023 biennial budget includes the necessary funding to pay the wages and benefits of WCW employees, per approved Memoranda's of Understanding (MOUs). The budget also includes sufficient funding for professional and purchased services, utilities, debt services payments, and capital expenditures in the next two fiscal years.

Revenue

Total Revenues: FY 2022 - \$55.4 million; FY 2023 - \$60.7 million

The FY 2022 total revenues are \$55.4 million, a 45% increase over FY 2021. The increase in revenue is primarily driven by the planned bond issuance that will fund the projects within the CIP. Staff estimates the total bond will be up to a maximum of \$90 million. The exact amount of the bond issuance will be known over the next couple of months. Staff anticipates receiving \$23.9 million in FY 2022 in debt proceeds to fund capital projects. In FY 2023, debt proceeds are expected to be \$27.9 million.

The principal operating revenue is the Sewer Use Charge. There is a 5.5% increase in Sewer Use Charges as identified in the five-year rate plan adopted June 16, 2021. The total Sewer Use Charge revenue is \$27.5 million in FY 2022. In FY 2023, there is another 5.5% sewer use charge increase, and the revenue will be \$29 million.

The subsequent most significant operating revenue is property taxes. As demand for home sales continues to be strong with limited supply on the real estate market, home prices continue to increase, positively impacting property tax revenue. Staff is projecting property tax revenue to be \$1.7 million in FY 2022, a 7% increase over the FY 2021 budget. In FY 2023, property tax revenues are anticipated to be \$1.8 million.

WCW continues to receive lease revenue from the property commonly referred to as the Color Spot property, located near the Water Quality and Resource Recovery Plant (WQRRP). Based on the lease agreement, revenues are anticipated to be \$667,000 in FY 2022 and \$693,000 in FY 2023. Another significant revenue source is the secondary effluent or recycled water revenue from the East Bay Municipal Utilities District (EBMUD) agreement. The recycled water is delivered to EBMUD and used at the Chevron plant as part of its oil refinery processes. The estimated revenue for recycled water is estimated to be \$228,000 in both FY 2022 and FY 2023.

Expenditures

Total Expenditures FY 2022 - \$57.8 million; FY 2023 - \$67.4 million

Personnel Expenditures

The FY 2022 personnel budget is \$15.6 million and \$15.9 million for FY 2023. The budget is based on 76 full-time equivalent (FTE) positions plus the five elected Board of Directors. The FY 2022 and 2023 budget includes a 5% vacancy factor, which assumes that some of the 76 FTE positions will be vacant. The vacancy factor represents between three and four vacancies at any one time. As a reference point, at the beginning of FY 2022, there are 15 vacancies.

The personnel budget includes salaries, wages, and benefits as negotiated with the bargaining groups in WCW. In FY 2022, CalPERS employer contributions are 15.25% of payroll for Classic members and 7.59% of payroll for Public Employees' Pension Reform Act (PEPRA) members. The employer contribution is anticipated to be flat over the next several years. However, the WCW unfunded accrued liability (UAL) continues to increase. In FY 2022, the UAL contribution will be \$1.16 million and \$1.29 million in FY 2023. Overall, the WCW pension plan is 74.5% funded as of June 30, 2019. Another significant expense is the other post employee benefits (OBEP), which funds the retiree medical benefit. For FY 2022 and 2023, the employer share is 14.8% of payroll deposited into the Other Post-Employment Benefits (OPEB) 115 trust. As of the end of FY 2020, the OPEB liability was 90% funded.

Non-Personnel Expenditures

The total Non-Personnel Expenditures in FY 2022 are \$10.2 million and \$9.5 million in FY 2023. The most significant non-personnel expense is the \$2.5 million annual expenses to dewater solids as part of the Water Quality and Resource Recovery Plant process. The dewatering process is a temporary expenditure until new digesters can be constructed. The digester replacement is planned in the CIP as part of the Comprehensive Energy and Sustainability Upgrades program.

Staff is anticipating higher utility costs in FY 2022 at \$1.3 million, a 22% increase compared to FY 2021. The higher prices are due to PG&E's change of electrical charges to time-of-use rate, increasing electrical costs when the demand across the system is higher. There are also increased gas and electrical expenses due to the digesters being offline. The utility costs are anticipated to be \$1.4 million in FY 2023.

In FY 2022, several initiatives are related to information technology infrastructure improvements and new software applications. The FY 2022 budget is \$500,000, which will continue the migration to Microsoft Office 365 products to provide additional software applications and security enhancements. The budget includes implementation costs of recently approved software application purchases, including a Laboratory Information Management System, Project Management Software, document management software, and upgrades to the asset management system.

FY 2022 and 2023 include \$400,000 each year for the Public Incentive Program for Efficiency of Sewers (PIPES) program. The PIPES program assists rate payers in repairing or replacing their sewer lines to meet sewer compliance and maintain a healthy neighborhood to conserve the environment by reducing the number of sanitary sewer overflows each year.

Non-Operating Expenditures

The non-operating expenditures include vehicle and equipment replacement, debt service, and contributions to the West County Agency. The FY 2022 non-operating expenditure budget includes \$550,000 for vehicle and equipment replacement and \$1.7 million for the WCW share of the Sodium Bisulfate facility replacement project as part of the West County Agency, a joint powers agreement with the City of Richmond. Additionally, in FY 2022, the debt service for existing California Water Resources Control Board State Revolving Fund (SRF) loans is \$2.2 million.

In FY 2023, an additional \$450,000 for vehicle and equipment replacement and an anticipated new debt service amount of \$4.3 million to begin repayment of the FY 2022 bond issuance.

Capital Expenditures

The Board adopted the 10-year Capital Improvement Plan at the June 2, 2021 Board meeting. The CIP budget is treated differently than the operating budget. Any unspent funding from one FY is rolled over into the next FY. The FY 2021 CIP budget is \$43.5 million. Staff is projecting the FY 2021 actual CIP expenses to be approximately \$9.3 million. The remaining estimated \$34.2 million budget will be rolled over into FY 2022 and will be available and rolled as part of the CIP once the year-end financial transactions are completed.

The FY 2022 CIP budget includes \$27.4 million of new appropriations. Of the \$27.4 million, \$23.9 million budget is for the Comprehensive Energy and Sustainability Upgrade program, with the remaining budget being allocated to facilities, force main, and other CIP projects. The Comprehensive Energy and Sustainability Upgrade program is estimated to cost a total of \$79 million and take three years to complete. In FY 2023, the CIP budget is \$34.9 million, with \$27.9 million allocated to the Comprehensive Energy and Sustainability Upgrades project. Additional funds are allocated to facilities, force mains, and lift station projects.

SUMMARIZED BUDGET CHART

West County Wastewater Fiscal Year 2022-2023 Operating and Capital Budget

Revenues	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget
Operating Revenue					
Sewer Use Charges	\$25,427,924	\$25,923,000	\$25,923,000	\$27,489,169	\$29,001,074
Fees	\$188,890	\$268,901	\$195,017	\$204,000	\$204,000
Misc Revenue	\$193,884	\$441,182	\$252,000	\$142,982	\$142,982
Rents and Leases	\$507,694	\$390,083	\$752,685	\$666,641	\$693,434
Contract Services	\$77,768	\$40,956	\$59,906	\$71,066	\$71,066
Other	\$1,017,465	\$329,000	\$441,000	\$353,000	\$353,000
Property Taxes	\$1,596,956	\$1,638,699	\$1,727,472	\$1,767,521	\$1,802,871
Grants	\$0	\$0	\$0	\$300,000	\$0
Subtotal Operating Revenues	\$29,010,580	\$29,031,821	\$29,351,079	\$30,994,379	\$32,268,428
Capital Revenue					
Connection Fees	\$582,745	\$628,000	\$812,105	\$475,000	\$485,000
Debt Proceeds	\$0	\$0	\$0	\$23,949,834	\$27,941,473
Capital Grants	\$0	\$644,709	\$644,709	\$0	\$0
Subtotal Capital Revenues	\$582,745	\$1,272,709	\$1,456,814	\$24,424,834	\$28,426,473
Commitment for Encumbrances			\$1,426,634		
Total Revenues	\$29,593,326	\$30,304,530	\$32,234,527	\$55,419,213	\$60,694,901

Expenditures	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget
Operating Expenditures					
Personnel	\$13,766,340	\$15,737,125	\$13,354,324	\$15,634,753	\$15,986,239
Non Personnel	\$6,564,946	\$10,000,072	\$9,954,811	\$10,171,212	\$9,545,170
Subtotal Operating Expenditures	\$20,331,286	\$25,737,197	\$23,309,135	\$25,805,966	\$25,531,409
Non Operating Expenditures					
Vehicle & Equipment	\$238,205	\$98,360	\$800,000	\$550,000	\$450,500
Debt Service	\$1,898,203	\$1,877,645	\$1,877,645	\$2,285,000	\$6,503,930
WCA Capital Contribution	\$0	\$0	\$0	\$1,715,000	\$0
Capital Expenditures	\$6,593,904	\$43,561,126	\$9,318,417	\$27,488,758	\$34,901,842
Subtotal Non Operating Expenditures	\$8,730,312	\$45,537,131	\$11,996,062	\$32,038,758	\$41,856,272
Total Expenditures	\$29,061,598	\$71,274,328	\$35,305,197	\$57,844,724	\$67,387,681
Available Resources	\$40,898,178		\$37,827,509	\$35,401,998	\$28,709,218

ABOUT WEST COUNTY WASTEWATER

WCW was founded and organized in 1921 as San Pablo Sanitary District, in San Pablo, California and then reorganized under the California Sanitary District Act of 1923. In 1978, WCW changed its name to West Contra Costa Sanitary District and in 1992 changed the name again to West County Wastewater District. WCW has existed for more than 99 years to protect public health and the environment by safely and responsibly collecting and treating wastewater. WCW is an independent Special District and not financially responsible for any other governmental entity nor a component unit of another governmental entity.

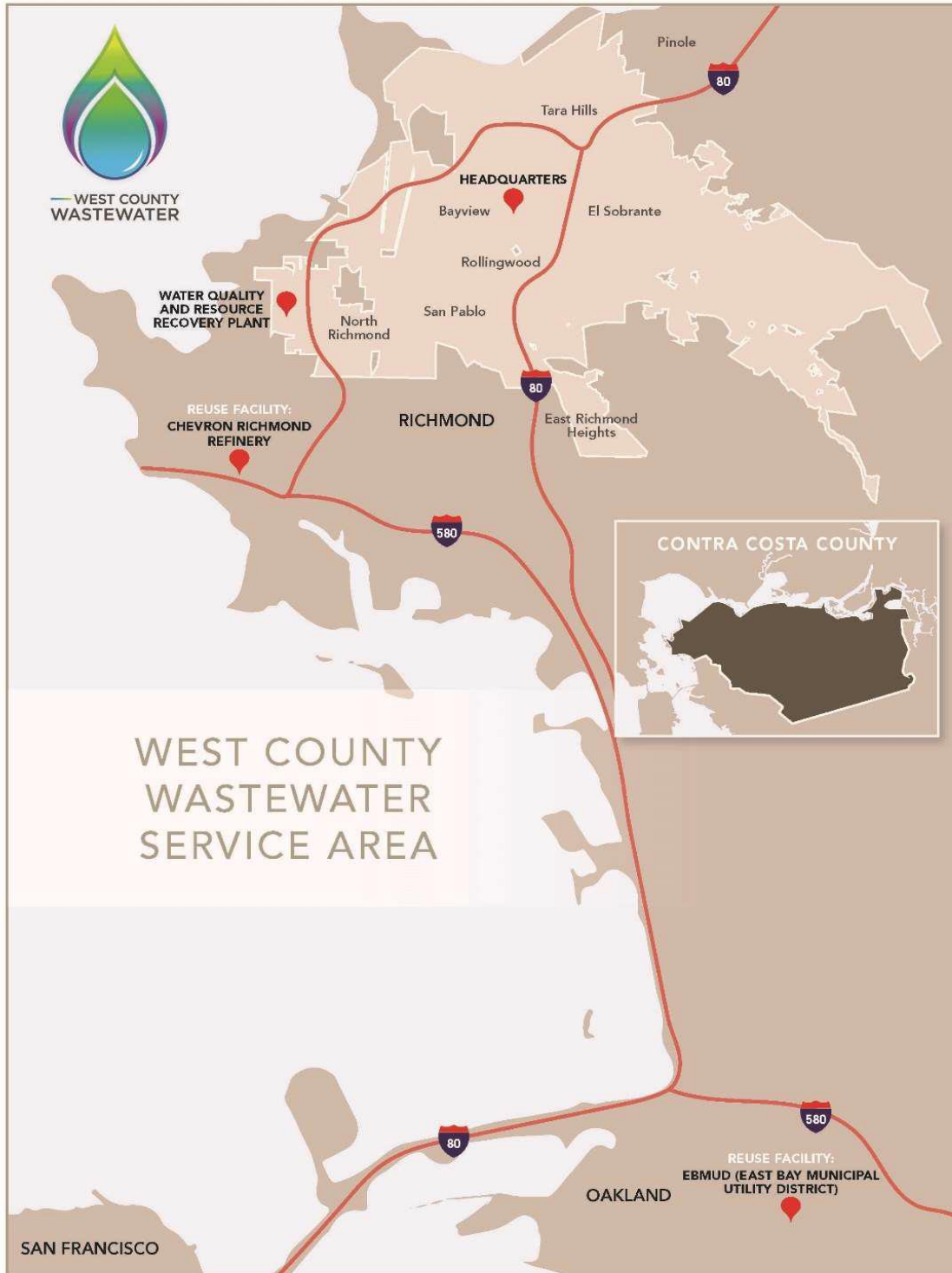
WCW serves approximately 34,000 residences and 900 commercial and industrial businesses, with a total population of nearly 104,000. WCW owns, operates, and maintains a wastewater collection system with 249 miles of gravity sewer pipelines, 17 lift stations, 6 miles of pressure force mains, and a Water Quality and Resource Recovery Plant with a capacity of 12.5 million gallons per day (mgd), average dry weather flow. WCW serves the City of San Pablo, Tara Hills, Richmond (northern subdivision), East Richmond Heights, designated sectors of the City of Pinole, El Sobrante, Rollingwood, Bayview and parts of the unincorporated County. WCW's collection and treatment process meets all state and federal regulations. WCW regularly performs tests to ensure viruses, bacteria and other contaminants are not present in treated, wastewater discharge.

WCW's Water Quality and Resource Recovery Plant has achieved the National Association of Clean Water Agencies Peak Performance Award for 21 years in a row and the corresponding Platinum 17 Award. A majority of our treated wastewater is used as recycled water for industrial purposes such as heating and cooling buildings, saving valuable drinking water for local residents.

WCW's Water Quality and Resource Recovery Plant is located at 2377 Garden Tract Road in Richmond, California, and the Administrative offices are located at 2910 Hilltop Drive in Richmond, California. WCW is governed by a five-member Board of Directors elected for staggered four-year terms in the even number years. The President and Vice-President are elected by members of the Board, customarily for a one-year term of the office. Since 1977, WCW participates in the West County Agency (WCA), a joint powers authority, with the City of Richmond, and the Richmond Municipal Sewer District for the purpose of maintaining a shared outfall line.

Map of WCW's Service Area

The lighter shaded area indicates WCW's service area within Contra Costa County, California.



MISSION & VISION STATEMENTS AND CORE VALUES

MISSION STATEMENT

Protect public health through safe, responsible wastewater collection and treatment, recovering the water for reuse and promoting environmental stewardship for our community.

VISION STATEMENT

Create a holistic plan for environmental stewardship through efficient wastewater management, extensive community engagement, inspirational leadership and integrated partnerships.

CORE VALUES

SERVICE: *Delivering value with humility, agility and reliability*

TRUST: *Starts with truth and ends with truth*

COLLABORATION: *More than the sum of our parts*

LEADERSHIP: *Be an example that inspires others*

ACCOUNTABILITY: *If it is to be, it's up to me*

SUSTAINABILITY: *Securing what we have for what will be*

STRATEGIC GOALS AND STRATEGIES

West County Wastewater's strategic goals are informed by its vision and mission statements. They define the direction provided by the Board to staff in order to move the agency forward. Each strategic goal is a broad statement of what WCW hopes to achieve over the next five years. It is more qualitative than quantitative in nature.

West County Wastewater Goals are supported by Objectives (steps toward the overarching Strategic Goal) and Milestones (measurable accomplishments). Below is the list of WCW Strategic Goals with their objectives established by the Board of Directors adopted at the Board of Directors meeting on July 1, 2020 for the fiscal years 2021 - 2025:

Strategic Goal 1 - Adopt Infrastructure maintenance and modernization strategies that maximize performance, reduce risk and ensure reliable service in collaboration with local, regional and national partners to further the mission of the organization.

Objectives

- ◆ Create an organization-wide Asset Management Plan
- ◆ Complete a comprehensive set of organization-wide Standard Operating Procedures
- ◆ Prioritize and implement capital improvement projects to increase system reliability
- ◆ Develop comprehensive, preventative maintenance schedules
- ◆ Complete the implementation of a new capital project delivery system
- ◆ Enhance partnerships with local public agencies, trade organizations, municipalities, and other entities
- ◆ Develop a comprehensive organization-wide safety program

Strategic Goal 2 - Be an environmental steward in our community through a commitment to reducing carbon emissions, maximizing resource recovery, minimizing our environmental footprint and making significant strides toward becoming a carbon-neutral enterprise.

Objectives

- ◆ Implement the Climate Action Plan
- ◆ Ensure employees reflect the organization's environmental stewardship values
- ◆ Strengthen environmental and public health educational programs

Strategic Goal 3 - Promote financial policies and practices that support sustainability, integrity, innovation and responsible resource allocation for the organization.

Objectives

- ◆ Develop comprehensive financial policies
- ◆ Evaluate rate and fee structure
- ◆ Enhance financial reporting
- ◆ Evaluate billing process and procedures

Strategic Goal 4 - Identify and leverage information and data management systems to ensure responsible infrastructure management and promote an effective and innovative organization.

Objectives

- ◆ Develop an IT Master Plan
- ◆ Develop and implement a records management program
- ◆ Implement project management system software
- ◆ Complete implementation of work collaboration software
- ◆ Evaluate IT hardware to support organizational needs
- ◆ Implement a paper-free workplace

Strategic Goal 5 - Recruit, develop, inspire and retain employees who embrace West County Wastewater's identity, values and culture, while also providing a working environment that supports and rewards their efforts.

Objectives

- ◆ Expand and streamline current recruiting efforts
- ◆ Enhance on-boarding experience
- ◆ Build on the employee experience
- ◆ Support employees by providing career enhancement opportunities
- ◆ Optimize how and where staff works
- ◆ Complete the implementation of a wellness program

Strategic Goal 6 - Engage with our community, enhancing the image of West County Wastewater and building awareness of our role in keeping our community healthy.

Objectives

- ◆ Complete and implement Communications Master Plan
- ◆ Develop and implement effective external communications tools
- ◆ Develop and implement effective internal communications tools

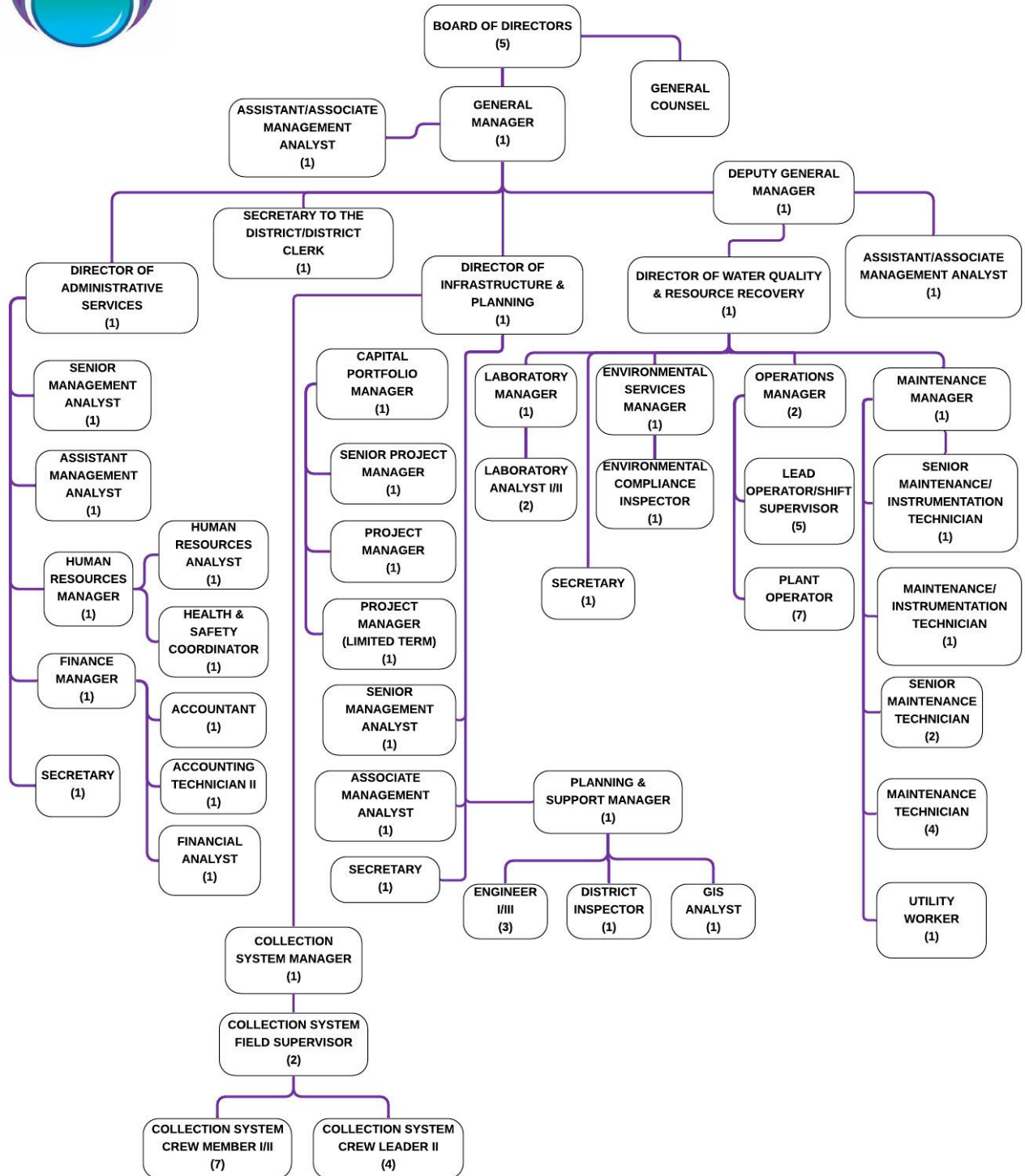
**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

FINANCIAL STRUCTURE, POLICY, AND PROCESS

ORGANIZATION CHART



WEST COUNTY WASTEWATER ORGANIZATIONAL CHART



FUND DESCRIPTIONS AND STRUCTURE

West County Wastewater is a stand-alone Special District operating as an enterprise fund. For budgeting purposes, WCW separates its single enterprise into different funds.

West County Wastewater Fund Descriptions			
FUND	FUND NAME	FUND TYPE	FUND DESCRIPTION
100	Operating Fund	Proprietary	Operating and Maintenance Revenue and Expense
300	Restricted Capital Fund	Proprietary	Revenue from Connection Fees and Flow Zone Fees for use in Capital Projects
400	Capital Improvement Fund	Proprietary	Used to Record Capital Improvement Costs
700	Vehicle and Equipment Replacement	Proprietary	Used to pay for vehicle and equipment replacement

DEPARTMENT/FUND RELATIONSHIP

WCW uses an enterprise fund to account for its operations. The single enterprise fund is further segmented into four internal sub-funds; Operating fund, Capital Improvement fund, Restricted Capital fund and Equipment Replacement fund. All departments charge their operating and maintenance expenses to the operating fund. The Infrastructure and Planning Department use the capital improvement fund for the Capital Improvement Program and deposits connection fee revenue into the Restricted Capital Fund.

Department and Division	Operating Fund
Board of Directors	x
General Counsel	x
General Manager	x
Administrative Services Department	x
Capital Programs	x
Contract Services	x
Infrastructure & Planning	x
Water Quality and Resource Recovery	x
Non-Departmental	x
West County Agency	x

BASIS OF BUDGETING

West County Wastewater's (WCW) biennial budget conforms to Generally Accepted Accounting Principles (GAAP) as applicable to local governments, except the budget is not accrual-based and reports capital costs as expenses so that budget comparisons can be reported.

West County Wastewater is an enterprise agency and prepares its budget on a fund accounting basis, segregating funds according to their intended purpose and aiding management in demonstrating compliance with financial-related legal and contractual provisions. West County Wastewater operates one fund, the operating fund, which accounts for nearly all activities of WCW. 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 funds that 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 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 WCW makes estimations regarding revenue and expenses. Details of department 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. WCW, while experiencing increases in these costs, has been fortunate in experiencing smaller increases than the California average. The Biennial Budget originated with actuals from FY 2020, as well projections for FY 2021. The budget 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 Other Post-Employment Benefits (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.

BUDGET PROCESS

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

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

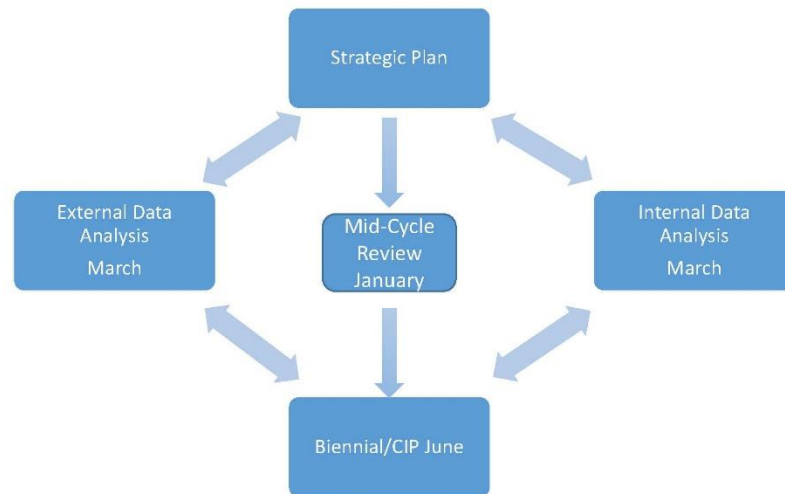
The FY 2022 and 2023 Biennial Budget includes an overview that is detailed by all departments. In developing the Biennial Budget, departments and divisions analyzed existing service levels and potential services in light of their strategic priorities and modified their proposed budgets accordingly. The budget summarizes planned expenditures and revenues for all departments and programs. The detail is structured to summarize each department. 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 WCW goals. All budget discussions with the Board of Directors are made during open, publicly noticed meetings that conform to the Brown Act.

The budget planning and review 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 carry over 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.

WCW is committed to providing opportunities for its customers to participate in the budget process by presenting the budget in draft and final form having discussions with the Board of Directors at publicly noticed meetings of the Board and the standing Finance & Administration Committee.

Budget Planning Process



Budget Review Process



FINANCIAL POLICY AND PROCEDURE SUMMARY

1. **Structurally-Balanced Budget**

West County Wastewater maintains a structurally-balanced budget with recurring revenues supporting operating and maintenance expenditures (O&M). O&M expenditures primarily consist of personnel and operating costs required to operate WCW and do not include one-time cost or capital costs. Recurring revenues include Sewer Use Charges, property taxes and permit fees.

2. **Budget Preparation and Presentation**

WCW prepares and presents its budget to the Board of Directors for approval prior to July 1 of every odd numbered year as per its Budget Policy adopted September 2, 2015. The budget policy outlines guidelines for budgetary decision-making and sets standards for sound budgetary practices and fiscal performance. The policy also sets a procedure for developing and proposing a budget for input from the Board of Directors and the public through a budget development, budget review, and budget adoption process.

3. **Prompt Reimbursement Submission**

Some programs and projects are funded by loans, grants or other entities on a reimbursement basis. WCW applies for reimbursements on a timely basis within the limitations of funding source requirements to minimize the period that funds are used. 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**

WCW will follow prudent financial planning to ensure sufficient resources for current services and obligations to prepare for future anticipated funding requirements and unforeseen events as defined in its Reserve Policy adopted May 5, 2021.

The reserve policy ensures WCW will 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 WCW 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. WCW will also maintain cash reserves that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

5. **Capital Improvement Plan**

WCW adopted a ten-year Capital Improvement Plan (CIP) in FY 2021 and appropriates funds to the CIP annually. Any unspent funds are rolled over to the subsequent fiscal year. The CIP addresses 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**

WCW provides regular financial reports comparing budgeted revenue and expenditure information at least every six months. Monthly check register reports are provided to the Board of Directors and every quarter an investment report is provided.

As soon after the closing of the fiscal year as is practicable, the annual audit reports of WCW are prepared and presented to the Board of Directors at a regularly scheduled meeting, per WCW 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 WCW website.

7. **Procurement**

It is WCW's policy to procure all goods and services in an open manner to receive the best quality and best value of public funds. Staff is working on an updated Purchasing Policy that will be presented to the Board of Directors for approval in the summer of 2021. The policy sets forth the standards and methods to be followed in obtaining goods (equipment, materials, and supplies) and services, and contracting for Public Projects.

The policy addresses fundamental principles of ethical procurement, methods of procurement, purchasing authorities, emergency contracts, waivers, procurement documentation and consideration of bids and proposals, execution of contract documents, contract administration, surplus property, environmentally preferable purchasing, and procurement procedures.

INVESTMENT MANAGEMENT

WCW operates within an established, formal investment policy and the most recent update to the policy was adopted December 2, 2020, 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. West County Wastewater prepares quarterly reports, which shows a complete list of all investments. The investment policy is reviewed annually for modifications and presented to the Board of Directors for approval if modifications are made.

DEBT MANAGEMENT

WCW adopted a Debt Management Policy on May 5, 2021. Debt is used as a fiscal management tool to spread the costs of capital asset construction and replacement over its useful life. WCW maintains a sound debt position, which achieves the most advantageous cost of borrowing with prudent levels of risk, preserve and enhanced credit quality and ratings assigned to its debt.

FEES FOR SERVICES

Fees and rates are reviewed and updated annually to ensure 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.

Gann Appropriations Limit

In 1979, California voters approved Proposition 4, known as the Gann Appropriations Limit (Gann Limit). The Gann Limit is part of California State Constitution Article XIII B. The Gann Limit sets an annual appropriation limit on the amount of tax proceeds to all California local governments. In addition to limits of tax proceeds, the Gann Limit limits the amount of money a local government can appropriate based on the previous years' appropriations plus a per capita personal income (CPI) change and a percent population change. Since its initial passage, the Gann Limit has been modified through various propositions. The most recent modification was approved by the voters in 1990 under Proposition 111. Proposition 111 exempted some appropriations such as Redevelopment money and changed the calculation formula, which greatly increased the appropriations limit. Currently, WCW uses the California Department of Finance statistics of CPI and percent population change to formulate the Gann Limit for WCW each fiscal year.

Fiscal Year	Price Factor PCPI*	Population Change**	Calculation Factor	Appropriations Limit
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	\$2,192,217
2021	1.03730	1.00260	1.04000	\$2,279,906
2022	1.05730	1.00350	1.06100	\$2,418,980

For FY 2022, the Gann appropriations limit is \$2,418,980. This limit applies to the property taxes WCW receives. The FY 2022 property tax budget is \$1,767,521. The maximum appropriation subject to the limit is \$1,767,521, which is under the limit by \$651,459.

**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

FINANCIAL SUMMARIES

CONSOLIDATED FINANCIAL SCHEDULE

West County Wastewater
Fiscal Year 2022-2023 Operating and Capital Budget

Revenues	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget	% change FY22 from FY21 Budget
Operating Revenue						
Sewer Use Charges	\$25,427,924	\$25,923,000	\$25,923,000	\$27,489,169	\$29,001,074	5.7%
Fees	\$188,890	\$268,901	\$195,017	\$204,000	\$204,000	-31.8%
Misc Revenue	\$193,884	\$441,182	\$252,000	\$142,982	\$142,982	-208.6%
Rents and Leases	\$507,694	\$390,083	\$752,685	\$666,641	\$693,434	41.5%
Contract Services	\$77,768	\$40,956	\$59,906	\$71,066	\$71,066	42.4%
Other	\$1,017,465	\$329,000	\$441,000	\$353,000	\$353,000	6.8%
Property Taxes	\$1,596,956	\$1,638,699	\$1,727,472	\$1,767,521	\$1,802,871	7.3%
Grants	\$0	\$0	\$0	\$300,000	\$0	100.0%
Subtotal Operating Revenues	\$29,010,580	\$29,031,821	\$29,351,079	\$30,994,379	\$32,268,428	6.3%
Capital Revenue						
Connection Fees	\$582,745	\$628,000	\$812,105	\$475,000	\$485,000	-32.2%
Debt Proceeds	\$0	\$0	\$0	\$23,949,834	\$27,941,473	100.0%
Capital Grants	\$0	\$644,709	\$644,709	\$0	\$0	0.0%
Subtotal Capital Revenues	\$582,745	\$1,272,709	\$1,456,814	\$24,424,834	\$28,426,473	94.8%
Commitment for Encumbrances			\$1,426,634			
Total Revenues	\$29,593,326	\$30,304,530	\$32,234,527	\$55,419,213	\$60,694,901	45.3%

Expenditures	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget	% change FY22 from FY21 Budget
Operating Expenditures						
Personnel	\$13,766,340	\$15,737,125	\$13,354,324	\$15,634,753	\$15,986,239	-0.7%
Non Personnel	\$6,564,946	\$10,000,072	\$9,954,811	\$10,171,212	\$9,545,170	1.7%
Subtotal Operating Expenditures	\$20,331,286	\$25,737,197	\$23,309,135	\$25,805,966	\$25,531,409	0.3%
Non Operating Expenditures						
Vehicle & Equipment	\$238,205	\$98,360	\$800,000	\$550,000	\$450,500	82.1%
Debt Service	\$1,898,203	\$1,877,645	\$1,877,645	\$2,285,000	\$6,503,930	17.8%
WCA Capital Contribution	\$0	\$0	\$0	\$1,715,000	\$0	0.0%
Capital Expenditures	\$6,593,904	\$43,561,126	\$9,318,417	\$27,488,758	\$34,901,842	-58.5%
Subtotal Non Operating Expenditures	\$8,730,312	\$45,537,131	\$11,996,062	\$32,038,758	\$41,856,272	
Total Expenditures	\$29,061,598	\$71,274,328	\$35,305,197	\$57,844,724	\$67,387,681	-23.2%
Available Resources						
	\$40,898,178		\$37,827,509	\$35,401,998	\$28,709,218	

Reserves					
Restricted Reserves	FY2020	FY2021	FY2022	FY2023	
Debt Service	\$2,284,343	\$2,284,343	\$6,504,000	\$6,504,000	
Committed Reserves					
Insurance	\$200,000	\$200,000	\$200,000	\$200,000	
Connection Fees	\$601,835	\$1,413,940	\$95,000	\$97,000	
Working Capital Reserves					
Operating Reserve	\$7,101,045	\$7,101,045	\$8,585,322	\$10,575,587	
Capital Reserve	\$20,904,350	\$15,774,815	\$4,890,000	\$5,037,000	
Equipment and Vehicle Replacement	\$2,036,994	\$2,036,994	\$2,036,994	\$2,036,994	
Emergency (New)		\$1,651,210	\$1,744,958	\$1,773,409	
Total Reserve	\$33,128,567	\$30,461,346	\$23,961,273	\$26,126,990	
Unrestricted Net Assets	\$7,769,611	\$7,366,163	\$11,440,725	\$2,582,228	

THREE-YEAR CONSOLIDATED AND FUND FINANCIAL SCHEDULE

West County Wastewater
Fiscal Year 2022-2023 Operating and Capital Budget

Revenue Detail	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget	% change FY22 from FY21 Budget
Revenues						
Sewer Use Charge-Residential	\$20,896,039	\$20,705,000	\$20,705,000	\$21,843,775	\$23,045,183	5.2%
Sewer Use Charge-Commercial	\$3,169,890	\$3,493,000	\$3,493,000	\$3,685,115	\$3,887,796	5.2%
Sewer Use Charge-Industrial	\$1,361,995	\$1,725,000	\$1,725,000	\$1,960,279	\$2,068,095	12.0%
Inspection/Permit Fees	\$188,890	\$268,901	\$195,017	\$204,000	\$204,000	-31.8%
Misc. Revenue	\$193,884	\$441,182	\$252,000	\$142,982	\$142,982	-208.6%
Rents & Leases	\$507,694	\$390,083	\$752,685	\$666,641	\$693,434	41.5%
Interest	\$922,465	\$125,000	\$237,000	\$125,000	\$125,000	0.0%
Recycled Water Revenue	\$95,000	\$204,000	\$204,000	\$228,000	\$228,000	10.5%
Contract Services	\$77,768	\$40,956	\$59,906	\$71,066	\$71,066	42.4%
Property Taxes	\$1,596,956	\$1,638,699	\$1,727,472	\$1,767,521	\$1,802,871	7.3%
Grants & Government Payment Revenue	\$0	\$0	\$0	\$300,000	\$0	100.0%
Subtotal Operating Revenues	\$29,010,580	\$29,031,821	\$29,351,079	\$30,994,379	\$32,268,428	6.3%
Capital Revenue						
Connection Fees	\$582,745	\$628,000	\$812,105	\$475,000	\$485,000	-32.21%
Debt Proceeds	\$0	\$0	\$0	\$23,949,834	\$27,941,473	100.00%
Capital Grant	\$0	\$644,709	\$644,709	\$0	\$0	0.00%
Subtotal Capital Revenues	\$582,745	\$1,272,709	\$1,456,814	\$24,424,834	\$28,426,473	94.8%
Commitments for Encumbrances			\$1,426,634			
Total Revenues	\$29,593,326	\$30,304,530	\$32,234,527	\$55,419,213	\$60,694,901	45.32%

Expenditures Detail	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Budget	FY2023 Budget	% change FY22 from FY21 Budget
Operating Personnel						
Salaries & Wages	\$6,980,276	\$8,849,371	\$7,468,477	\$9,181,237	\$9,385,831	3.6%
Overtime	\$508,101	\$213,916	\$191,358	\$357,607	\$363,666	40.2%
Benefits- Medical, Dental, Vision, Life	\$1,761,616	\$2,518,603	\$1,753,362	\$2,307,113	\$2,387,979	-9.2%
Benefits- Retirement	\$4,242,922	\$3,732,240	\$3,599,007	\$3,381,410	\$3,435,114	-10.4%
Workers' Compensation Premiums	\$170,417	\$330,261	\$260,978	\$288,304	\$294,567	-14.6%
Benefits - Allowances & Reimbursements	\$103,009	\$92,734	\$81,142	\$119,083	\$119,083	22.1%
Subtotal Personnel	\$13,766,340	\$15,737,125	\$13,354,324	\$15,634,753	\$15,986,239	-0.7%
Non-Personnel						
Legal Expenses	\$242,652	\$1,000,000	\$925,732	\$825,000	\$575,000	-21.2%
Banking & Financial Services	\$22,401	\$31,400	\$65,553	\$24,000	\$25,200	-30.8%
Engineering & Architectural Services	\$71,728	\$8,200	\$7,315	\$8,000	\$8,240	-2.5%
Professional & Technical Services	\$2,713,342	\$4,459,000	\$5,480,323	\$4,880,541	\$4,701,745	8.6%
Other Purchased Services	\$425,778	\$455,700	\$432,119	\$523,881	\$544,832	13.0%
Communications	\$109,824	\$85,621	\$113,744	\$177,749	\$121,281	51.8%
Utilities	\$1,170,890	\$1,042,651	\$1,198,527	\$1,329,739	\$1,386,977	21.6%
Travel	\$52,770	\$96,000	\$1,058	\$76,606	\$87,813	-25.3%
Rentals/Leases	\$48,555	\$38,800	\$77,031	\$22,247	\$23,209	-74.4%
Property Services	\$171,834	\$251,600	\$151,269	\$207,694	\$215,174	-21.1%
Grants & Governmental Payments	\$577,879	\$718,500	\$431,096	\$565,980	\$601,000	-26.9%
Permits	\$50,406	\$66,700	\$86,689	\$76,220	\$80,375	12.5%
Supplies	\$808,822	\$988,000	\$860,641	\$980,998	\$980,405	-0.7%
Property/Equipment	\$121,922	\$742,500	\$122,817	\$472,557	\$193,920	-57.1%
Claims Paid	-\$23,857	\$15,400	\$895	\$0	\$0	0.0%
Subtotal Non Personnel	\$6,564,946	\$10,000,072	\$9,954,811	\$10,171,212	\$9,545,170	1.7%
Non Operating Expenditures						
Vehicle & Equipment	\$238,205	\$98,360	\$800,000	\$550,000	\$450,500	82.1%
WCA Capital Contribution	\$0	\$0	\$0	\$1,715,000	\$0	100.0%
Debt Service	\$1,898,203	\$1,877,645	\$1,877,645	\$2,285,000	\$6,503,930	17.8%
Capital Expenditures	\$6,593,904	\$43,561,126	\$9,318,417	\$27,488,758	\$34,901,842	-58.5%
Subtotal Non Operating	\$8,730,312	\$45,537,131	\$11,996,062	\$32,038,758	\$41,856,272	-42.1%
Total Expenditures	\$29,061,598	\$71,274,328	\$35,305,197	\$57,844,724	\$67,387,681	-23.22%

Capital Expenditures by Program	FY2020 Actual	FY2021 Amended Budget	FY2021 Projected	FY2022 Proposed Budget	FY2023 Planned Budget	% of FY22 from FY21 Budget
Emergency	\$1,405,428	\$0	\$0	\$0	\$0	0.0%
Facilities	\$1,114,649	\$4,210,750	\$186,433	\$2,250,000	\$5,000,000	-87.1%
Force Mains	\$0	\$2,500,000	\$220,873	\$908,924	\$1,212,000	-175.1%
Gravity Sewer Pipe	\$1,433,326	\$21,811,238	\$4,205,557	\$0	\$0	0.0%
Lift Stations	\$1,186,046	\$6,576,929	\$3,393,236	\$0	\$368,369	0.0%
Other	\$55,776	\$0	\$0	\$380,000	\$380,000	100.0%
Plant Process	\$1,398,679	\$4,062,209	\$1,162,318	\$0	\$0	0.0%
Comprehensive Energy & Sustainability Upgrades	\$0	\$4,400,000	\$150,000	\$23,949,834	\$27,941,473	81.6%
Total Capital Expenditures	\$6,593,904	\$43,561,126	\$9,318,417	\$27,488,758	\$34,901,842	-58.47%

FUND BALANCE (NET POSITION)

Net Position is classified into three categories: Net Investment in Capital Assets, Restricted for Debt Service, and Unrestricted. The classification is based on availability or accessibility of the resource, rather than its origin. Net position measures the overall financial condition of WCW.

The largest portion of WCW's net position is the investment in capital assets (e.g., land, buildings, machinery, equipment, intangible assets, and sewer line infrastructure), less any related debt used to acquire those assets that are still outstanding.

Changes in Net Position and Fund Equity

	FY 2020 Actual	FY 2021 Projected	FY 2022 Budgeted	FY 2023 Planned
Total Operating Revenue	27,235,344	27,521,780	29,902,738	31,449,994
Total Non-Operating Revenues	1,770,518	1,024,870	1,091,641	818,434
Total Revenues	29,005,862	28,546,650	30,994,379	32,268,428
Total Operating Expenses	26,806,445	26,504,417	27,905,965	25,981,909
Non-Operating Expenses	469,687	9,554,931	29,773,758	41,405,772
Total Expenses	27,276,132	36,059,348	57,679,723	67,387,681
Income before Capital Contributions	1,729,730	(7,512,698)	(26,685,344)	(35,119,253)
Total Capital Contributions	578,975	1,151,407	24,424,834	28,426,473
Change in Net Position	2,308,705	(6,361,291)	(2,260,510)	(6,692,780)
Beginning Net Position	103,975,949	106,284,654	99,923,363	97,662,853
Ending Net Position	106,284,654	99,923,363	97,662,853	90,970,073
Net Investment in Capital Assets	80,174,152	80,975,894	81,785,652	82,603,509
Restricted for Debt Service	2,284,343	2,284,343	2,285,000	6,503,930
Unrestricted	23,826,159	16,663,125	13,592,201	1,862,634
Total Net Position	106,284,654	99,923,362	97,662,853	90,970,073

REVENUES

Total Revenues: FY 2022 - \$55.4 million; FY 2023 - \$60.7 million

The FY 2022 total revenues are \$55.4 million, a 45% increase over FY 2021. The increase in revenue is primarily driven by the planned bond issuance that will fund the projects within CIP. It is estimated that the total bond will be up to a maximum of \$90 million. West County Wastewater is anticipating receiving \$23.9 million in FY 2022 in debt proceeds to fund capital projects. In FY 2023, debt proceeds are expected to be \$27.9 million.

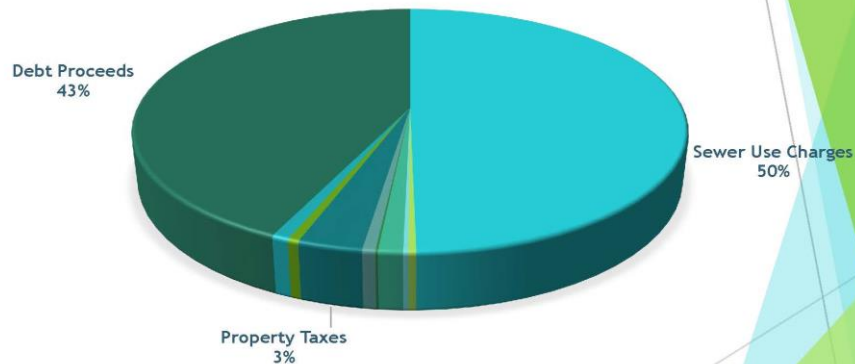
The principal operating revenue is the Sewer Use Charge. There is a planned 5.5% increase in Sewer Use Charges over the period of the next five years, which was adopted by the Board of Directors on June 16, 2021. The total Sewer Use Charge revenue is \$27.5 million in FY 2022. In FY 2023, there is another planned 5.5% Sewer Use Charge increase, and the revenue will be \$29 million.

The subsequent, most significant operating revenue is property taxes. As demand for home sales continues to be strong and market supply limited, home prices continue to increase, positively impacting property tax revenue. The property tax revenue is projected to be \$1.7 million in FY 2022, a 7% increase over the FY 2021 budget. In FY 2023, property tax revenues are anticipated to be \$1.8 million.

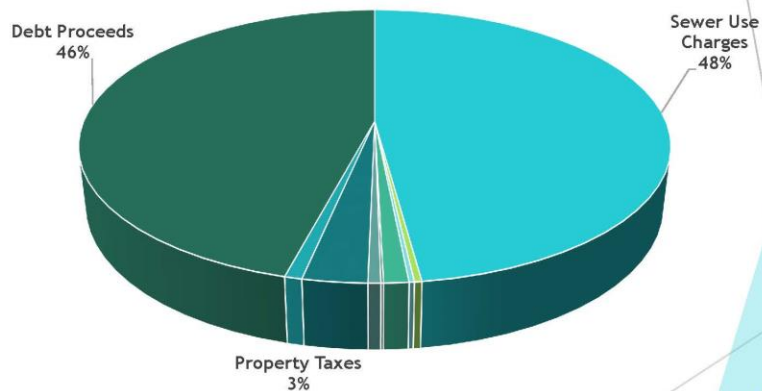
West County Wastewater continues to receive lease revenue from the WCW owned property (formerly Color Spot) located on Pittsburg Avenue, Richmond, California, near the Water Quality and Resource Recovery Plant. Based on the lease agreement, revenues are anticipated to be \$667,000 in FY 2022 and \$693,000 in FY 2023. Another significant revenue sources is the secondary effluent or recycled water revenue from the East Bay Municipal Utilities District (EBMUD) agreement. The recycled water is delivered to EBMUD and used at the Chevron Refinery plant in Richmond, California, as part of its oil refinery process. The estimated revenue for recycled water is estimated to be \$228,000 in both FY 2022 and FY 2023.

Revenue Graphs

Revenues FY 2022 \$30.9 M Operating, \$24.4 M Capital



Revenues FY 2023 \$32.3 M Operating, \$28.4 M Capital



EXPENDITURES

Total Expenditures: FY 2022 - \$57.8 million; FY 2023 - \$67.4 million

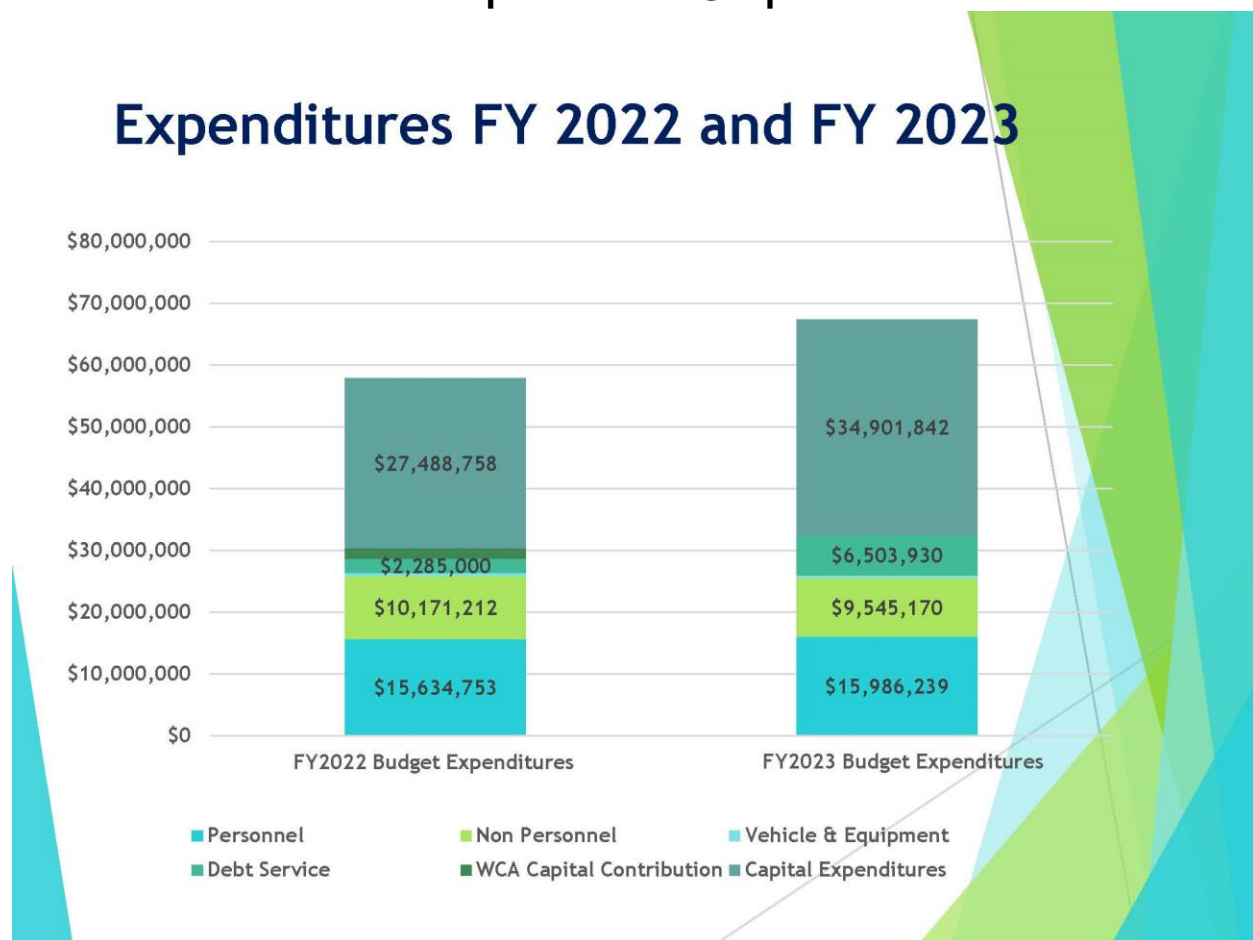
The FY 2022 personnel expenditures is \$15.6 million and \$15.9 million for FY 2023. This is based on 76 FTE positions plus the five elected Board of Directors.

The FY 2022, non-personal expenditures are \$10.2 million and \$9.5 million for FY 2023. The most significant non-personnel expenditure is the \$2.5 million annual expenses to dewater solids as part of the Water Quality & Resource Recovery Plant process. The dewater process is a temporary process until new digesters can be constructed. The digester replacement is planned in the CIP as part of the Comprehensive Energy and Sustainability Upgrades project.

The FY 2022, non-operating expenditures are \$33.3 million and \$41.9 million for FY 2023. The non-operating expenditures include cost for vehicle and equipment replacement, debt service, West County Agency Capital Contribution and Capital expenditures.

Expenditure Graphs

Expenditures FY 2022 and FY 2023



LONG-RANGE OPERATING FINANCIAL PLANS

10-Year Financial Plan and 5-year Environmental Quality (Sewer Use) Charge Plan

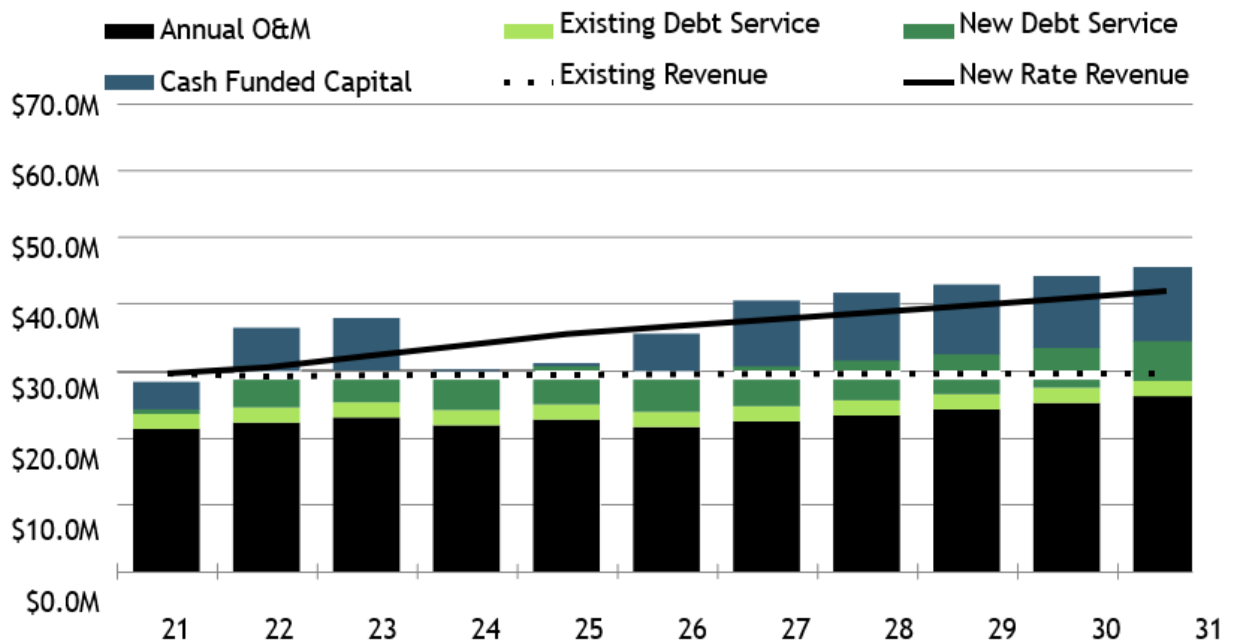
WCW developed a 10-year financial plan and a 5-year Environmental Quality (Sewer Use) Charge, also called SUC, rate plan that ensures sufficient revenues to cover existing expenditure obligations and adequately funds the 10-year capital program. Based on the 10-year financial forecast that included a review of operating revenue and expenditures, there is sufficient operating revenue to cover expected operating expenses without a rate increase. However, there are insufficient funds to cover the anticipated \$216 million in capital spending over the next ten years without a rate increase and debt financing. Several multi-year planning scenarios were evaluated to calculate rate revenue adjustment to meet the changes in planned expenditures.

The Board adopted the SUC rates for Fiscal Years 2022-2026 at a regular Board of Directors meeting on June 16, 2021. The approved Sewer Use Charge rate increase consists of 5.5% rate increases for Fiscal Years (FY) 2022-2025 and a 3% rate increase in FY 2026. The rate increases are needed to proceed with the projected \$216 million, 10-year CIP, using a combination of debt financing and pay-as-you-go (cash), while keeping rate increases as low as possible.

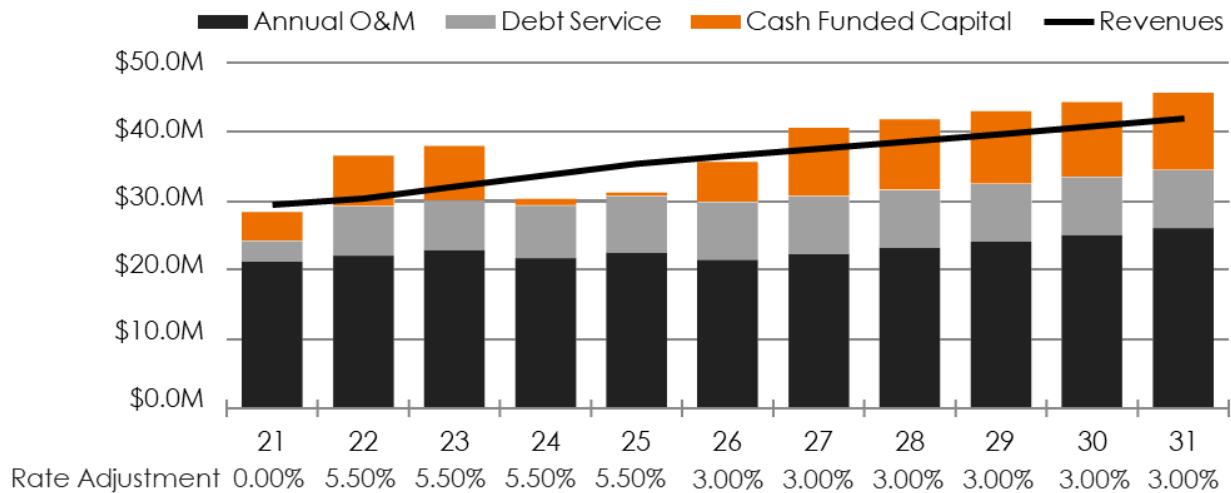
Environmental Quality (Sewer Use) Charge for Fiscal Years 2022 through 2026

Customer Class	Billing Unit	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Single Family Residential	per dwelling unit	\$674.00	\$711.00	\$750.00	\$791.00	\$815.00
Multi-Family Residential	per dwelling unit	\$588.00	\$620.00	\$654.00	\$690.00	\$711.00
Mobile Home	per dwelling unit	\$588.00	\$620.00	\$654.00	\$690.00	\$711.00
Commercial	Minimum Charge per Parcel	\$674.00	\$711.00	\$750.00	\$791.00	\$815.00
	Domestic Strength (per 1,000 gallons)	\$7.22	\$7.62	\$8.04	\$8.48	\$8.73
	High Strength (per 1,000 gallons)	\$12.15	\$12.82	\$13.53	\$14.27	\$14.70
Industrial	Minimum Charge per Parcel	\$674.00	\$711.00	\$750.00	\$791.00	\$815.00
	Flow Charge (per 1,000 gallons)	\$4.64	\$4.90	\$5.17	\$5.45	\$5.61
	BOD Charge (per pound)	\$0.47	\$0.50	\$0.53	\$0.56	\$0.58
	SS Charge (per pound)	\$0.57	\$0.60	\$0.63	\$0.66	\$0.68

Graph of Rate Increases and Debt Financing for 10-Year CIP



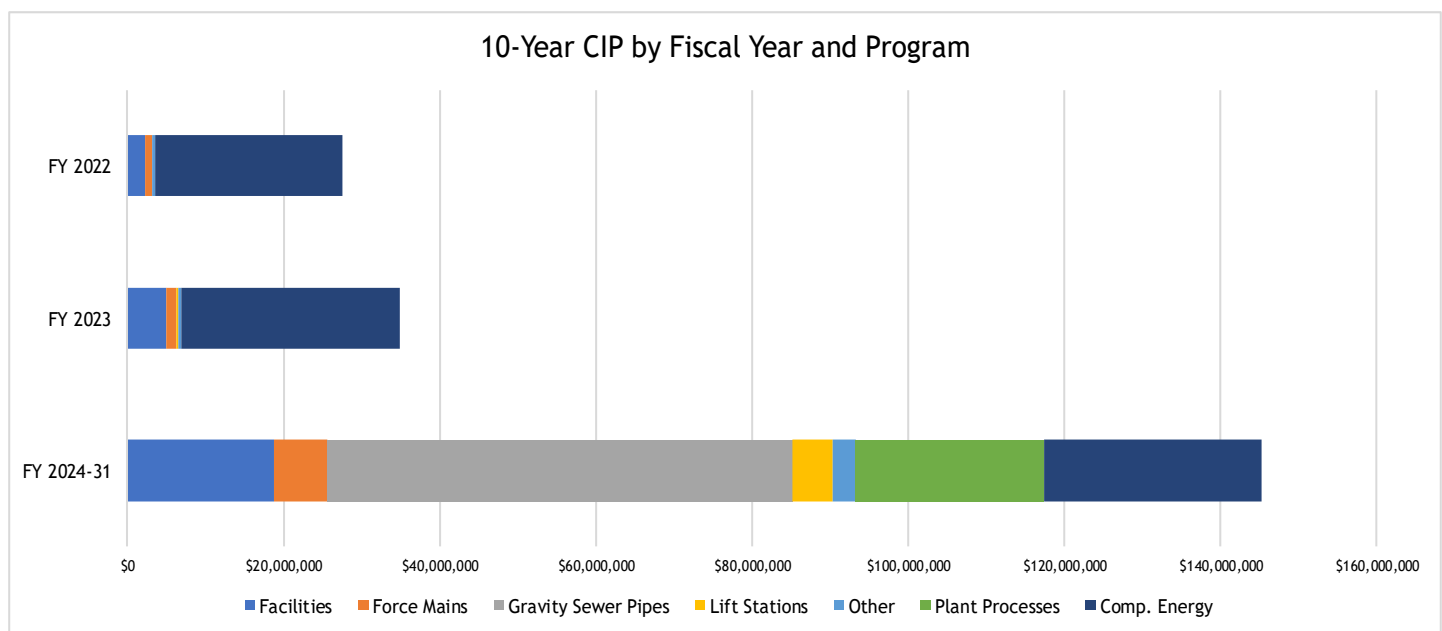
Graph of Forecasted Sources and Uses of Funds (FY 2021 - FY 2031)



10-year Capital Improvement Project Plan

West County Wastewater adopted the 10-Year Capital Improvement Project Plan at a regular Board of Directors meeting on June 2, 2021. The plan, adopted in the amount of \$216,777,650, includes all current capital improvement projects in progress as well as all identified proposed future CIP. The Plan both prioritizes and schedules CIP spending for the next 10 years, allowing WCW to effectively and transparently manage its fiscal and staffing resources, while ensuring that no projects are overlooked and the highest priority projects are delivered first. The Plan is a living document subject to adjustment. It consists of projections based on the most current information including condition and needs assessments as well as regulatory requirements.

10-Year Capital Improvement Projects Graph



10-Year Capital Improvement Projects Chart

CIP Program By Category	TOTAL PRIOR YEARS	TOTAL FY 2022	TOTAL FY 2023	TOTAL FY 2024 -2031	TOTAL 10-YR CIP
Facilities	\$743,209	\$2,250,000	\$5,000,000	\$18,717,541	\$26,710,750
Force Main	\$215,731	\$908,924	\$1,212,000	\$6,875,345	\$9,212,000
Gravity Sewer	\$2,920,612	\$0	\$0	\$59,616,012	\$62,536,624
Lift Station	\$4,938,468	\$0	\$368,369	\$5,098,092	\$10,404,929
Other	\$0	\$380,000	\$380,000	\$3,040,000	\$3,800,000
Plant Process	\$261,494	\$0	\$0	\$24,019,073	\$24,280,567
Comprehensive Energy	\$12,370	\$23,949,834	\$27,941,473	\$27,929,103	\$79,832,780
TOTAL:	\$9,091,884	\$27,488,758	\$34,901,842	\$145,295,166	\$216,777,650

**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

DEPARTMENTAL PROGRAM INFORMATION

DEPARTMENTAL PROGRAM SUMMARY

WCW has taken steps internally to improve its organizational culture - including redefining its hiring and on-boarding process to build a team who meets the needs of the community, possesses a passion for the environment and provides a strong base for success right from the start of their WCW careers. WCW is committed to providing its employees with professional development opportunities and an open, supportive atmosphere. These efforts will produce a team who is dedicated, invested and employs innovative practices to keep this organization at the forefront of the wastewater industry.

Every WCW department strives to achieve the organization's Strategic Goals and is rooted in WCW's Mission & Vision Statements and Core Values.

Summary of Department Functions:

Board of Directors - *provides effective leadership by creating public policy, which provides the highest level of efficiency, responsiveness and professional services to WCW customers.*

General Counsel - *act as chief legal advisor to the Board of Directors and the General Manager.*

General Manager - *under the policy direction of the WCW Board of Directors, the Office of the General Manager organizes, directs and coordinates all WCW business and operations.*

Administrative Services Department - *provides administrative support to the Board of Directors, the General Manager and all WCW departments, including the areas of finance, human resources, and information technology*

Infrastructure & Planning Department - *provides for the maintenance and construction of infrastructure within WCW and oversees the collection of wastewater within the jurisdiction, including permitting and inspections.*

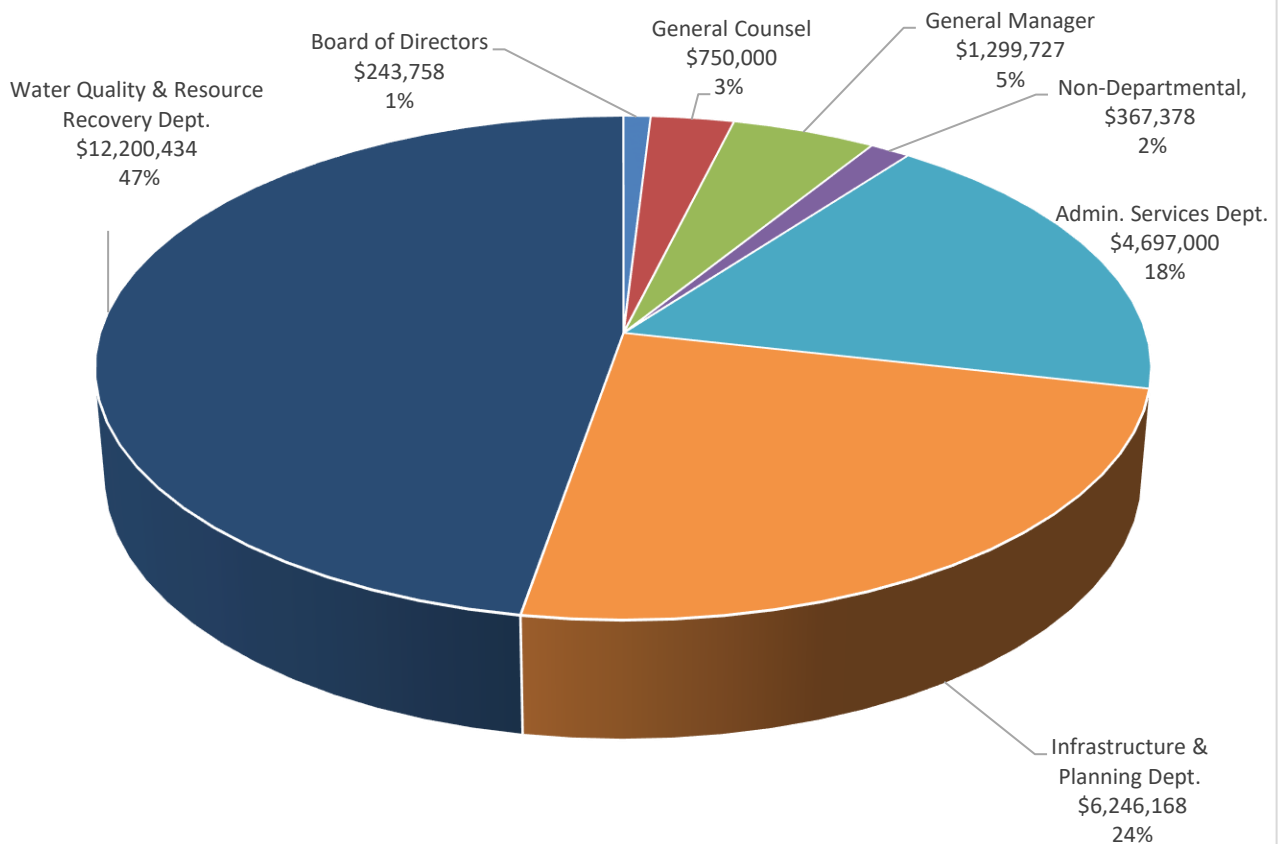
Water Quality & Resource Recovery Department - *provides for the safe and efficient, advanced treatment of wastewater making it ready for recovery and reuse.*

DEPARTMENT OPERATING EXPENDITURE CHARTS

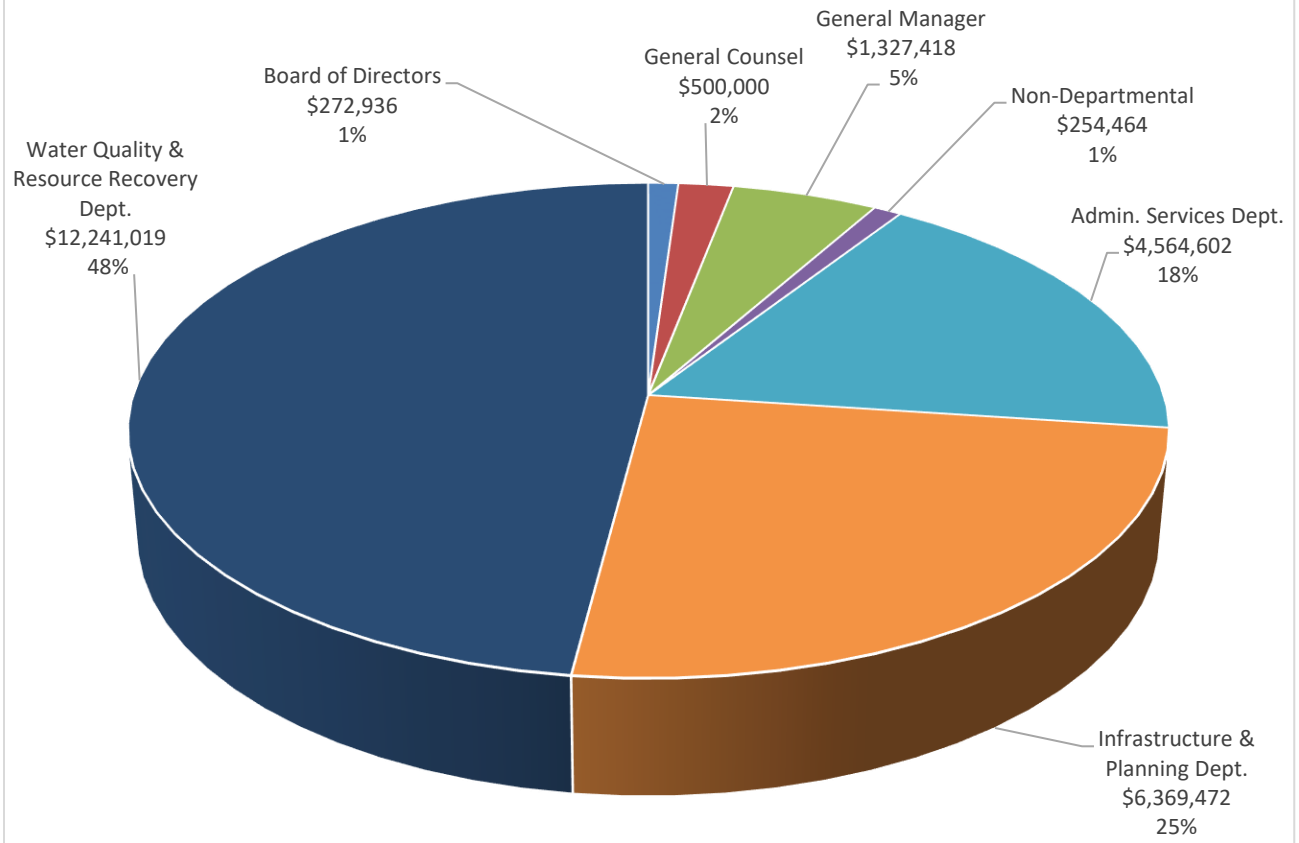
The following charts represent expenditure amounts and percentages for each department for fiscal year 2022 and fiscal year 2023. As the Water Quality & Resource Recovery department has the main function of processing and treating sewage water, it has the highest percentage of cost.

Charts of Departmental Expenditures for FY 2022 & FY 2023

Departmental Expenditures FY 2022



Departmental Expenditures FY 2023



**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

**DEPARTMENTAL DESCRIPTIONS, GOALS, HIGHLIGHTS,
PROGRAM OBJECTIVES, AND POSITION SUMMARY
SCHEDULE**

BOARD OF DIRECTORS

The Board of Directors is the legislative body of West County Wastewater and is composed of five members elected by division¹ 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 WCW will obtain and spend funds and annually reviews and approves WCW's budget. The Board appoints the General Manager and General Counsel as well as the members of the WCW's two standing committees.

CURRENT BOARD MEMBERS

Cheryl Sudduth, President

At Large -

Board Member since 2018 - Term Expires December 2022

Cesar Zepeda, Vice President

DIVISION 1

Board Member since 2019 - Term Expires December 2022

David Alvarado, Director

At Large -

Board Member since 2016 - Term Expires December 2022

Sherry Stanley, Director

DIVISION 2

Board Member since 2016 - Term Expires December 2024

Harry Wiener, Director

DIVISION 4

Board Member since 2016 - Term Expires December 2024

STANDING COMMITTEES

Finance & Administration Committee

Chair Cesar Zepeda

Member Harry Wiener

Infrastructure, Operations & Environmental Committee

Chair David Alvarado

Member Harry Wiener

¹ On January 15, 2020, the WCW Board approved new election division maps, which transitioned elections from at-large to division-based in compliance with the California Voting Rights Act, effective November 2020.

GOALS

- *Provides effective leadership by creating public policy, which provides the highest level of efficiency, responsiveness and professional services to WCW customers.* Conduct regular Board and committee meetings and special meetings on an as-needed basis
- Establish and implement strategic policy goals and priorities for WCW.
- Serve on regional boards, commissions and joint power authorities affecting the WCW
- Serve on Board-appointed committees and sub-committees
- Maintain memberships in State and regional organizations serving WCW 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)
- Continued exploration of various land use and power options
- Serving the public for more than 99 years

PROGRAM OBJECTIVES

- Continue efforts to ensure a financially sound WCW and a continuation of the highest level of services possible to the community
- Continue to remain active in professional associations representing WCW's interests
- Adopt policies to allow WCW 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 while maintaining good working relationships with local and regional elected officials

GENERAL COUNSEL

General Counsel is appointed by the Board of Directors on a contract basis and is responsible for administration of the legal affairs of WCW, representing WCW in litigation and hearings. General Counsel prepares or reviews all ordinances, contracts and other legal documents and provides legal advice and opinions to the Board, General Manager and other departments.

Current General Counsel, Hanson & Bridgett, LLC, was selected in September 2020 and has assisted staff with reviewing and updating policies and contract templates.

General Counsel acts as chief legal advisor to the Board of Directors and the General Manager. Direct, complex, legal functions requiring a high degree of proficiency and expertise. Direct staff activities to ensure in compliance with applicable laws, regulations, policies, and procedures and that WCW's mission, goals and objectives are met.

GOALS

- Lead role in performing complex legal assignments
- Advise the Board of Directors, General Manager, Deputy General Manager, and senior management on highly complex agreements, negotiations, administrative proceedings, and litigation in respective area of expertise
- Prepare and present information to the Board
- Coordinate activities related to legal assignments with internal and external contacts
- Review, analyze and draft legislation in areas of expertise and prepare response to legislative and regulatory proposal to promote laws, legal interpretations and regulations that are in WCW's best interest
- Provide guidance and legal expertise to Board of Directors and employees to ensure that actions taken are in compliance with objectives, guidelines, legal requirements, precedents, and policies

HIGHLIGHTS

- Drafted and updated Purchasing Policy
- Drafted contract templates for purchasing services and contractor services
- Provided legal assistance for notice of prop 218 process
- Provided legal assistance negotiating contract services for projects

PROGRAM OBJECTIVES

- Advising in wastewater and water law, recycled water, water rights, land use and real estate law, contracts related to providing services, labor law and laws relating to Joint Powers' Agencies
- Provides legal counsel and guidance
- Anticipate and identify legal issues
- Review, research and interpret on a wide variety of legal issues
- Draft, review and approve policies and procedures

GENERAL MANAGER DEPARTMENT

The Office of the General Manager ensures West County Wastewater meets its mission of protecting public health through safe, responsible wastewater collection and treatment, recovering the water for reuse and promoting environmental stewardship for our community.

The General Manager innovatively leads, manages and supervises the overall activities and operations of WCW to ensure reliable, high-quality service in an economical, open, responsive, courteous and environmentally responsible manner. The office leads a team of professional employees in meeting today's wastewater needs, planning for future demands, collaborating with partners, and strengthening public and stakeholder trust and relationships.

The Office of the General Manager is responsible for developing, implementing and executing short- and long-term plans, policies, budgets and strategies to accomplish WCW's mission, vision and core values, and to meet the objectives of the Strategic Plan and other Board of Directors' priorities.

Under the policy direction of the WCW Board of Directors, the Office of the General Manager organizes, directs and coordinates all WCW business and operations. The office represents WCW's policies and programs to employees, community organizations, partners, stakeholders and the public. The Office of the General Manager provides direct supervision to the Executive Leadership Team and General Counsel and oversees other employees and contractors, making sure the WCW team meets the agency's mission, vision, values and goals.

GOALS

- Provide effective, innovative leadership and coordinate the activities and operations of WCW
- Effectively and efficiently administer a variety of organization-wide programs and administrative actions
- Ensure WCW is taking steps to meet its Strategic Plan goals and objectives as set by the Board of Directors
- Recommend action/make decisions as appropriate to wastewater industry and legislative issues that may affect WCW and its operations
- Foster stakeholder relationships to the benefit of the region, public health, the environment and wastewater service
- Interpret and apply federal, state and local policies, procedures, laws and regulations
- Preserve and allocate limited resources in a cost-effective manner
- Build and maintain a strong, reliable and dedicated WCW team of employees

HIGHLIGHTS

- Effectively led the organization through the COVID-19 pandemic, pivoting operations to ensure public and employee safety and uninterrupted wastewater service
- Completed a new 5-Year Strategic Plan
- Hired an entirely new Executive Leadership Team
- Established new, organizational culture focused on creating equity and advancing diversity within the organization
- Streamlined, updated 68 stand-alone policies/procedures, converting them into guidelines that incorporate best practices and reflect current legal standards
- Launched an extensive records management program
- Transitioned WCW from an at-large-based election to a district-based election process
- Concluded negotiations with bargaining units, securing annual salary increases and improving bargaining unit alignment
- Enhanced services with new electronic initiatives such as online signatures, electronic approval of purchases, online permitting, online/self-services for payroll and benefits administration and launched a new work collaboration tool for managing projects, reporting progress and improved decision-making
- Redesigned website, focusing on user experience, transparency and engagement
- Enhanced public communication efforts, including developing a community newsletter and increasing WCW's social media presence
- Completed Rebranding Initiative, which included design and roll out of new logo reflective of organizational commitment to community culture climate

PROGRAM OBJECTIVES

- Carry out policy as directed by the Board of Directors
- Identify and respond to issues and concerns of the public and Board of Directors
- Advise the Board of Directors on issues and programs; prepare and recommend specific long- and short-range plans and actions
- Stay informed and evaluate the impact of wastewater industry and legislative issues that may affect WCW and its operations; keep Board informed and make recommendations/decisions as appropriate
- Collaborate with various partners and stakeholders in protecting public health and the environment and meeting wastewater demand
- Organize, direct, administer and enforce operation and maintenance of WCW facilities to meet all local, state and federal requirements
- Direct, oversee and participate in the development of WCW's work plan; assign work activities, projects and programs; monitor, review and evaluate workflow and work product, methods and procedures
- Represent WCW to the public, other agencies, partners, stakeholders, organizations and the media; supervise and coordinate the dissemination of public information
- Oversee and administer WCW's human resources management program, including labor/management relations and employee relations
- Ensure the safe functions of all WCW facilities, operations and practices

- Oversee the preparation of agendas for Board and committee meetings and report to the Board on all matters pertinent to operations
- Negotiate and manage complex contracts for a variety of administrative, fiscal and special projects
- Oversee the financial operations of WCW and expend funds in conformity with established policies and related laws and regulations; supervise the preparation of budget reports, financial statements and other statistical and analytical reports; oversee pursuit of and compliance with the terms of state and federal grant funding; implement and control cost measurement and cost control system

ADMINISTRATIVE SERVICES DEPARTMENT

The Administrative Services Department provides administrative support to the Board of Directors, the General Manager and all WCW departments. Its core functions include finance; payroll, budgeting, accounting, investing, of WCW funds; human resources, risk management and information technology.

GOALS

- Provide effective and efficient administrative support to the Board and District departments
- Maintain responsive and efficient customer service
- Manage information systems
- Implement District document retention and destruction policy
- Manage WCW budget and financial systems within generally accepted accounting principles
- Provide responsive and efficient human resource services including recruitments, benefit and leave administration

HIGHLIGHTS

- Implemented procurement contract management software
- Upgraded the internet bandwidth
- Migrated to a voice over IP phone system
- Enhanced network cybersecurity including multi factor authentication, endpoint protection and training
- Rolled out Microsoft 365 products and services
- Implemented comprehensive payroll and benefits system with ADP
- Expanded and strength Wi-Fi coverage at the CSO building
- Implemented new WCW logo across the organization
- Supported of PIPES program- Public Incentive Program for Efficiency of Sewer
- Successfully conducted virtual service-award/all-hands meeting during the pandemic
- Conducted 13 recruitments, 8 onboards, and 4 promotions of employees

PROGRAM OBJECTIVES

- Manage the processing and review of WCW contracts
- Manage and prioritize department activities on an ongoing basis
- Work with departments and divisions to implement procedures, which result in cost savings, increased efficiencies and improved customer service
- Provide general administrative support to all divisions for centralized services
- Efficiently and effectively manage information technology and systems

INFRASTRUCTURE & PLANNING DEPARTMENT

The Infrastructure & Planning Department is responsible for the maintenance and construction of infrastructure within WCW and oversees the collection of wastewater within the jurisdiction including permitting and inspections. This Department plans and manages WCW's Capital Improvement Program and provides customer service related to annexations, sewer repair/replacement permits and inspections. The Department works closely with all other departments within WCW.

The Infrastructure & Planning Department is comprised of the Capital Program division, Collection System Operations division and Planning & Support Services division.

The Capital Program division manages the development and delivery of WCW's Capital Improvement Program as well as improvement projects impacting all aspects of operations including upgrades, repairs and replacements of the collections systems; repairs, replacements and improvements of the Water Quality and Resource Recovery Plant process equipment; West County Agency facilities improvements; various feasibility assessments and studies; and the Comprehensive Energy and Sustainability Upgrade Project.

The Collection System Operations division is responsible for the collection and treatment of wastewater from unincorporated areas of El Sobrante, portions of the City of Pinole and the City of Richmond, as well as the entire City of San Pablo. The Collection Systems Operators are responsible for maintaining the system. Each pipeline is prescribed a scheduled cleaning between 3 and 48 months depending on age, location and condition. Condition assessments are completed by use of CCTV. The department also assists in the maintenance of the 17 lift stations and completes a variety of light construction projects. The WCW Collections System includes over 252 miles of gravity sewer, 6 miles of pressure pipe and 17 lift stations. The average age of the pipelines in the system is over 60 years. The CSO Division responds to WCW customer requests for service and provides on-call response for the Crockett Community Service District collection system.

The Planning and Support Services division determines upgrades to existing facilities to accommodate development within WCW boundaries, enforces design standards for sewer construction, and provides plan review to ensure code compliance. The division provides permit services, fee estimates, inspection of sewer lateral repairs and replacements, and prepares annexation applications to add parcels to the West County Wastewater service area. This division also maintains WCW GIS, providing engineering support and complete initial planning efforts for our CIP. They evaluate CMMS and CCTV data to develop pipe priorities, and manage various planning studies initiatives. They are responsible for the development and tracking of our Climate Action Plan as well as a number of other environmental initiatives.

GOALS:

- Execute projects in the CIP, Master Plan, and assist with emergencies
- Plan, scope and deliver the Comprehensive Energy and Sustainability Upgrade Project
- Produce a feasible, 10-Year Capital Improvement Program; evaluate and update the plan every fiscal year
- Replace 2.5 miles of sewer lateral pipe as part of National Pollutant Discharge Elimination System permit Table 7 Compliance
- Clean 1.5 million feet of pipe annually
- Inspect Laterals in high Inflow & Infiltration areas
- Repair or eliminate obvious Inflow & Infiltration sources
- CCTV 125,000 feet of pipe annually
- Annual Force Main Condition Assessments
- Ongoing asset management programs
- Maintain 95% resolved service calls within 24 hours
- Maintain 95% approval rating on service call customer surveys
- Monthly training program
- Individual development plans
- Train to standardized operating procedures
- Ongoing safety reminders
- Ongoing safety training
- Develop service agreements with vendors

HIGHLIGHTS:

- Developed weekly timelines on Monday.com and created a Master Project schedule
- Completed a Project Resource Guide as part of implementation of Capital Project Delivery System
- Created a Project prioritization process used to prioritize projects, including schedule and timelines
- Project Charter creation and stakeholder alignment with project goals
- Developed project close-out reporting including unbiased assessment of effectiveness, functionality and adherence to initial schedules and budgets
- Rodded and flushed over 2,112,141 feet of main line
- Video-inspected 183,720 feet of main line
- The CSO crew responded to 136 service requests
- During FY 2021, there were only 5 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
- Increased preventive maintenance, wet, well grease removal and cleaning at critical pump stations in collaboration with the Maintenance Division
- Issued 343 sewer permits
- Performed 328 sewer inspections

PROGRAM OBJECTIVES:

- Prioritize capital improvement projects to meet WCW needs and comply with regulatory requirements while maintaining the 10-year Capital Improvement Plan
- Deliver the overall Capital Program effectively and efficiently while collaborating with stakeholders and providing a net benefit to WCW
- Develop standards for project delivery that will empower staff while emphasizing accountability
- Deliver projects in the Capital Program on time and within budget while ensuring transparency and adherence to WCW goals and priorities
- Maintain 0 overflows annually
- Ongoing Condition Assessment Program
- Maintain excellent customer service
- Develop and train high performing-staff
- Maintain an excellent safety record
- Maintain excellent relationships with residents, businesses and utilities in the community
- Provide research, design, and construction inspection services for WCW 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
- Provide internal and external customer service as quickly as possible
- Eliminate Sanitary Sewer Overflows (SSOs)
- Prioritize projects designed to assist the overall agency
- All external customer service requests will be responded to within 24-hours of the initial request
- All internal customer service requests will be responded to within 48-hours of the initial request

WATER QUALITY & RESOURCE RECOVERY DEPARTMENT

The Water Quality & Resources Recovery Department provides for the safe and efficient, advanced treatment of wastewater making it ready for recovery and reuse by EBMUD and the Chevron Refinery. WQRR is charged with protecting public health and promoting environmental stewardship for our community at the most local level, as well as engaging our community to build awareness of WCW's role in maintaining community health and water quality.

Water Quality & Resource Recovery department is comprised of the Operations, Maintenance, Environmental Services and Laboratory Services divisions. These four divisions collaboratively provide high-quality services to the community via the following: treating collected wastewater; maintaining facilities grounds and equipment; complying with a comprehensive and intensive regulatory, monitoring program; regulating the (mainly commercial and industrial) business sector and engaging the community through educational programs.

The collections and treatment facilities operate 24-hours a day, 7 days a week, every day of the year. WQRR, along with other WCW Departments has successfully navigated the Covid-19 Pandemic without major interruptions or negative impacts to operations. One of the more unique and challenging aspects of the WQRR Department operation involves administering the various agreements and partnerships associated with the Solar Generating Facilities (Clearway Solar PPA); operating and maintaining 3 non-WCW sewer lift and storm pump stations under contract; WCA Partnership with the City of Richmond (COR) for joint effluent dechlorination and combined discharge; Exchange of Services Agreement between WCW, Republic Services and the COR (treatment of leachate in exchange for biosolids and other solid waste disposal); Agreement with EBMUD for Supply of Treated Secondary Effluent; Ground Lease for Digested Sludge Storage with the COR; agreements or permits (with Chevron, EBMUD and Republic Services) for WCW's treatment of various other waste streams.

GOALS

- Provide safe, responsible, compliant, cost effective and high-quality wastewater treatment
- Prepare wastewater for recovery and reuse purposes in order to offset the need for potable water usage
- Provide a safe, accepting, respectful, encouraging, compassionate and supportive work environment where staff can develop and have access to personal and professional growth and advancement opportunities
- Develop comprehensive, preventative maintenance schedules
- Develop and implement a valve exercising schedule
- Evaluate and implement asset management software program
- Strengthen environmental and public health educations programs
- Assist in implementing the Climate Action Plan to meet the goal of becoming a carbon neutral organization
- Maintain compliance with all regulatory agencies that have authority over WCW operations or activities

- Maintain compliance with National Pollutant Discharge Eliminations System (NPDES) permit requirements for Pretreatment Programs and adequately protect the Publicly Owned Treatment Works (POTW) from industrial discharges
- Maintain effective SOPs and a safety program to ensure all activities are carried out safely and consistently
- Maintain 100% compliance with the District's NPDES permit requirements including the Pretreatment and Biosolids program
- Maintain Environmental Laboratory Environmental Accreditation Program (ELAP) certification
- Provide accurate analysis to meet all local, state and federal requirements
- Promote District's goal of protecting the public health by generating accurate and defensible data
- Provide analytical support to other divisions such as Operation and Environmental Program

HIGHLIGHTS:

- Received NACWA Platinum 17 award for 17 consecutive years of NPDES permit compliance
- Restructured Operations and hired a second Operations Manager to provide additional supervision, training and support to department staff, especially those working night shift
- WCW treated 3.86 billion gallons (10.58 MGD) and 3.10 billion gallons (8.50 MGD) of wastewater per year in 2019, 2020 respectively
- EBMUD took 3.55 million gallons per day (34% of WCW effluent) and 6.11 million gallons per day (72% of WCW effluent) for reuse purposes in 2019 and 2020 respectively. It is important to note that 2019 was a very wet year and EBMUD's reclaim facilities were down or operating at reduced capacity due to maintenance for parts of 2019
- WCW produced 6,864 and 6,030 tons of biosolids in 2019 and 2020 respectively
- Participated in, and supported, re-establishment of the WCW safety committee. The committee has resumed regular safety meetings, monthly inspections and created such tracking documents as near miss reports. These enable staff to identify potential hazards and how to mitigate them.
- COVID training for staff by Target Solutions
- Supported development of the WCW Comprehensive Energy and Sustainability Upgrades (WCW CE&SU) project
- Staff completed, and supported the implementation and completion of the Effluent Pump Replacement Project, (which included the separate temporary effluent pump station last fall and winter), the Security Gate Replacement Project, SCADA upgrades, Vactor - Septage Hauler Dump Station, Lift Station (Phase 1) and Storm Pump Station Upgrades, Decommissioning and Condition Assessment of the Digesters, Digester/Lagoon and EQ basin cleaning, COVID-driven, challenging changes to staff schedules including remote work, set up of the Temporary Sludge Dewatering (Synagro) Project and completion of the MOSCAD Radio System Comms Upgrade. There have also been multiple process unit inspections and routine but time-consuming maintenance projects through the period all the while being short staffed in maintenance

- No safety or safety-related accidents since January 3, 2020
- No odor complaints documented.
- Completed 346 corrective work orders at the WQRR plant and lift stations
- Completed 1640 preventive work orders at the WQRR plant and lift stations
- Completed project for installation of 5 new Effluent Pumps at the WQRR plant
- Achieved green business certification for the treatment plant facility in 2021
- Lead the development of a social media campaign educating the community about the proper disposal of non-flushables and fats, oils and grease
- Created an inspection fee waiver program for food service establishments to provide temporary financial relief from the COVID pandemic, while still enforcing WCW's Ordinance Code with respect to grease removal device maintenance and operation
- Assisted the Deputy GM in applying for and receiving \$649,000 in grant funding from the SF Bay Restoration Authority for the North Richmond Living Levee Preliminary Planning & Design project
- Assisted the Deputy GM in applying for and receiving \$375,000 in grant funding from CalOES for the power resiliency allocation program
- Met all reporting requirements for the BAAQMD, CUPA, RWQCB, EPA and CARB in 2020-2021
- Provided revisions to Chapter 9 of WCW's Ordinance Code to be approved by the Board of Directors
- Staff served as vice chair of BAPPG during 2020-2021
- Created a comprehensive library of SOPs to ensure consistent operation and maintenance of equipment
- Submitted a business case for the expansion of the Division to meet agency goals
- Added one Significant Industrial User to the WCW Pretreatment Program in 2020
- Performed over 100 inspections of industrial/commercial facilities during 2020
- Performed approximately 63 sample events at industrial facilities during 2020-2021
- Collected over 8,200 samples and administered more than 17,300 compliance and process-related analysis
- Successfully completed the laboratory Annual Proficiency Testing
- Completed the Annual Data Ethics and Integrity Training for both laboratory and non-laboratory staff
- Maintained required laboratory staff certification
- Submitted regulatory reports to RWQCB (Regional Water Quality Control Board) such as Self-Monitoring and Discharge Monitoring Reports on-time
- Participated in Biosolids Program from sampling to reporting
- Acquired Laboratory Informational Management System

PROGRAM OBJECTIVES:

- Staff the treatment plant with operators that meet the necessary certification requirements
- Train operators on the processes, emergency procedures and response
- Monitor plant processes and equipment using SCADA or visual observation and trends to take corrective action and prevent effluent violations
- Encourage operator professional development with training and exams to further themselves and to benefit the rate payer
- Continue refining Standard Operating Procedures to achieve more consistent operations
- Support the goals of WCW by following its core values
- Maintain a safe working environment
- Develop and implement agency-wide odor complaint response, tracking and mitigation program
- Develop and implement an Operator-In-Training Program
- Develop and implement a competency-based training program
- Ensure that all required safety program elements meet CalOSHA standards
- Focus on more efficient use of consumables (bulk chemicals and office paper for example), waste reduction and increased recycling
- Conduct preventive maintenance to keep facilities and equipment in good working order
- Quickly repair equipment to ensure minimal downtime of critical equipment
- Operate and maintain 17 WCW lift stations, as well as contract lift stations
- Hire two new inspectors and reclassify the current inspector to a senior position within the Division
- Ensure WCW stays in compliance with pretreatment and pollution prevention program requirements
- Assist in applying for grant funding as opportunities arise
- Inspect all 11 significant and categorical industrial users at least once annually
- Monitor (sample) the discharge of all permitted industrial users at least twice annually
- Inspect all 200+ food service establishments at least once every two years
- Perform approximately 100 stormwater inspections annually under contract
- Continue to review industrial/commercial permit applications and communicate requirements for pretreatment and/or pollution prevention best management practices
- Continue to look for ways to expand public education and outreach programs via social media campaigns and classroom presentations
- Continue to serve in leadership roles on various BACWA committees to ensure WCW interests are being represented
- Continue representing WCW at the Bay Area Biosolids Coalition meetings
- Assist in managing the Mithun contract and provide direction regarding the North Richmond Living Levee Preliminary Planning & Design project
- Engage with Republic Services to ensure WCW is managing recycling and organic waste properly

- Take the lead in reporting requirements related to the CalOES and SFBRA grants
- Assist with projects that protect WCW and the services it provides to the community from climate change and sea level rise
- Provide contracted stormwater inspection services for the cities of San Pablo, Richmond, El Cerrito and Hercules
- Remain informed on developing regulatory changes that may affect WCW operations or activities in the future and assist in preparing for compliance
- 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 division to continuously achieve 100% NPDES compliance to protect public health
- Continue to provide resources and training both laboratory and non-laboratory staff to maintain laboratory accreditation permit
- Work with contractor in implementing the Laboratory Informational Management System to establish record management system
- Continue to participate in Laboratory workshops to integrate revised laboratory regulation (TNI) within the set timeline
- Continue to comply with requirements of the Laboratory Quality Assurance Program
- Implement laboratory record management system

NON-DEPARTMENTAL

Included in the biennial budget is a section for non-departmental expenditures. These expenditures include vehicle and equipment maintenance, debt service, and facility maintenance.

The FY 2022 non-departmental expenditures include \$550,000 for vehicle and equipment replacements, and \$2.2 million in debt service for the existing State Revolving Fund (SRF) loan.

The FY 2023 non-departmental expenditures include \$450,000 for vehicle and equipment replacement, \$2.2 million in debt service for the SRF loan, and an anticipated new debt service amount of \$4.3 million to begin repayment of the anticipated FY 2022 bond issuance.

The non-departmental expenditures account for 1% of the total operating expenditures by department. It's one of the lowest expenditures within the budget.

POSITION SUMMARY SCHEDULE

Position Titles by Departments	Position Count			
	FY 2020	FY 2021	FY 2022	FY 2023
Office of the General Manager Department				
General Manager	1	1	1	1
Deputy General Manager	1	1	1	1
Assistant/Associate Management Analyst	0	2	2	2
Communications Manager*	1	0	0	0
Executive Secretary*	1	0	0	0
Health & Safety Manager/Coordinator	1	1	1	1
<u>Subtotal</u>	5	5	5	5
Administrative Services Department				
Admin. Services Dept. Mgr. * - Director of Administrative Services	1	1	1	1
Secretary of the District/District Clerk	1	1	1	1
Admin. Analyst I* - Assistant Management Analyst	1	1	1	1
Administrative Technician	1	0	0	0
Administrative Analyst III* - Sr. Management Analyst	1	1	1	1
Secretary	1	1	1	1
Finance Supervisor* - Finance Manager	1	1	1	1
Financial Analyst	0	1	1	1
Accountant	0	1	1	1
Accounting Technician II	2	1	1	1
Procurement Specialist	1	0	0	0
Human Resources Manager	1	1	1	1
Human Resources Analyst	1	1	1	1
<u>Subtotal</u>	12	11	11	11
Infrastructure and Planning Services Department				
I & P Services Dept. Mgr. * - Director of Infrastructure and Planning Services	1	1	1	1
Secretary	1	1	1	1
Planning & Support Program Manager	1	1	1	1
District Inspector	1	1	1	1
Geographical Information Systems (GIS) Program Analyst	0	1	1	1
Engineer I/II/III	3	3	3	3
Capital Program Manager* - Capital Portfolio Manager	1	1	1	1
Senior Project Manager	1	1	1	1
Project Manager	1	1	1	1
Project Manager (Limited Term)	0	1	1	1
Administrative Technician	1	0	0	0
Admin. Analyst II * - Associate Management Analyst	1	1	1	1
Senior Management Analyst	0	1	1	1
Collection System Supervisor * - Collection System Manager	1	1	1	1
Collection System Field Supervisor	0	2	2	2
Collection System Crew Leader I/II	5	4	4	4
Collection System Crew Member I/II	7	7	7	7
<u>Subtotal</u>	25	28	28	28
Water Quality and Resource Recovery Department				
WQRR Dept. Manager * - Director of Water Quality and Resource Recovery	1	1	1	1
Secretary	1	1	1	1
Environmental Programs Manager* - Environmental Services Manager	1	1	1	1
Environmental Compliance Inspector	1	1	1	1
Laboratory Supervisor * - Laboratory Manager	1	1	1	1
Laboratory Analyst I/II	2	2	2	2
Plant Operations Supervisor * - Operations Manager	2	2	2	2
Shift Supervisor/Lead Operator	6	6	6	6
Plant Operator	6	6	6	6
Plant Maintenance Supervisor * - Maintenance Manager	1	1	1	1
Sr. Maintenance/Instrumentation Technician	1	1	1	1
Sr. Maintenance Technician	1	2	2	2
Maintenance/Instrumentation Technician	1	1	1	1
Maintenance Technician	4	5	5	5
Utility Worker	1	1	1	1
<u>Subtotal</u>	31	32	32	32
<u>TOTAL FTE</u>	74	76	76	76

Note

*Indicates the position had a title change in 2021 and the **bolded** title is the new position title

**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM

West County Wastewater funds an extensive Capital Improvement Program designed to preserve, maintain, and enhance WCW's assets, meet regulatory requirements, accommodate the community's needs, and protect public health and the environment. Capital improvements are construction or renovation activities that add value to WCW's fixed assets (pipelines, buildings, facilities, and equipment) or significantly extend their useful life.

Capital expenditures are expenses paid by WCW, which result in the improvement or construction of a capital asset. A capital asset is any asset of significant value, over \$5,000, which has a useful life expectancy of one year or more. Examples of capital assets include treatment plant renovations, collection system sewer replacements, equipment replacements, vehicle acquisitions, buildings, and land. Land is always considered a capital asset, regardless of value. All capital assets and improvements acquired or constructed are included in the Capital budget.

The Infrastructure and Planning department collaboratively creates a Capital Improvement Plan (CIP), which identifies and prioritizes capital projects needed to accomplish WCW's Strategic Plan and provides the basis for project scheduling, staffing, and long-range financial planning. The CIP is also a component of the framework for rate setting and decisions based on planned expenditures. The CIP undergoes several levels of review by WCW and is considered a fluid, changeable document. New or rescheduled projects may occur during any given year due to emergency or unplanned circumstances. These projects are referred to as new projects and are added to the 10-Year CIP, which includes a detailed presentation of the estimated budget needed for the first five years of the 10-Year CIP beginning on July 1 and ending on June 30 annually, referred to as a fiscal year.

WCW regularly updates its 10-Year Capital Improvement Plan (10-Year CIP). The Plan consists of projections based on current information including condition and needs assessments as well as regulatory requirements. After preliminary approval of the scope of the 10-Year CIP Plan, staff brings a two year budget to the Board for adoption. During the presentation of the budget for adoption, staff will make plan adjustments where necessary to accommodate changing operational needs and regulatory requirements.

The 10-Year CIP includes expenditures for the planning, design, and construction of capital projects and is categorized in seven programs: Facilities, Force Mains, Gravity Sewer, Lift Station, Other/Planning Studies, Plant Process, and Comprehensive Energy Upgrade and Sustainability. All CIP projects are reviewed annually to consider or reconsider prioritization, changes that may have occurred since predesign phase, and comprehensive condition assessments.

By adopting the CIP, the Board of Directors (Board) authorizes staff to pursue work on the identified projects in all seven programs with firm individual project budgets. In addition, any previously approved budget may carry forward to the current fiscal

year. Staff reports to the Board the final CIP expenditures, by program, after the end of each fiscal year and updates the Board on the status of the CIP.

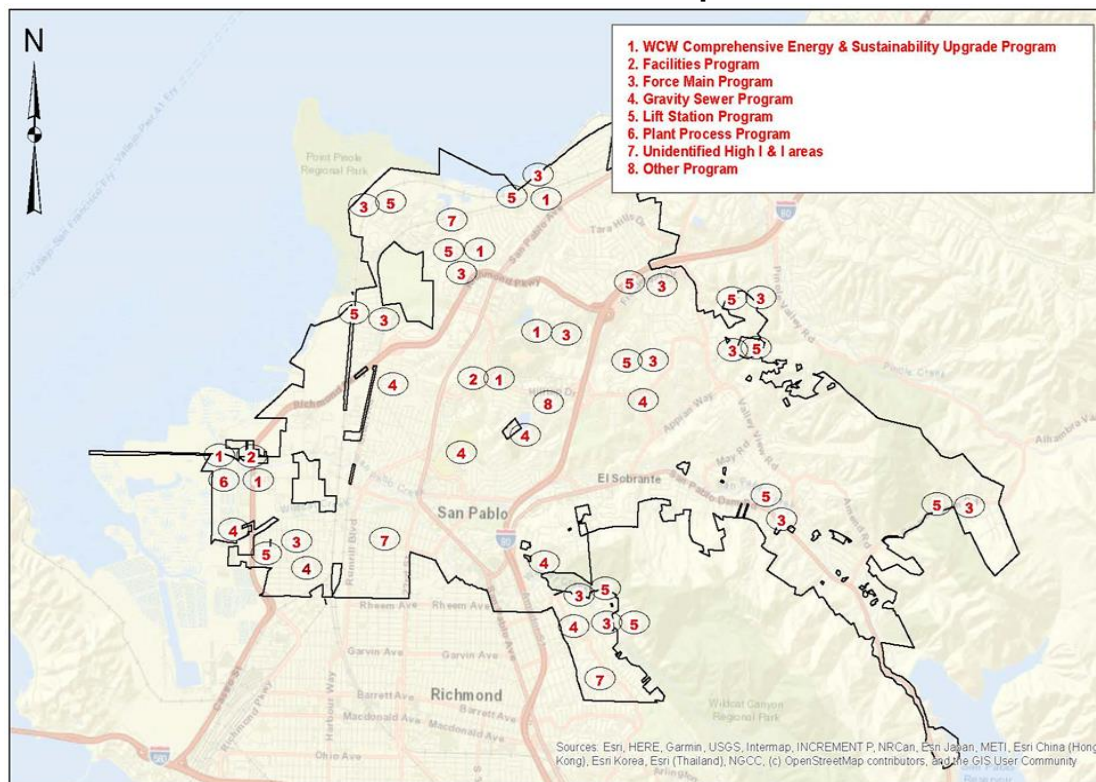
The Infrastructure and Planning Department is responsible for the planning and delivering of all capital improvement projects (CIP) identified in the 10-Year Capital Improvement Projects Plan. The charts below represents the total projects included in the CIP budget for fiscal years 2022-2031.

There are currently 32 total projects included in the CIP.

10 Year Capital Improvement Projects - All Programs Chart

CIP by Program	No. of CIP
Facilities	6
Force Mains	4
Gravity Sewer	10
Lift Station	6
Other	1
Plant Process	4
Comprehensive Energy	1
TOTAL:	32

10-Year Capital Improvement Projects - All Programs Area Location Map



In FY 2022 and FY 2023, WCW will move forward on projects identified in the 10-Year CIP approved in June 2020. Those projects that were previously generalized as “future” projects have been further developed and are now incorporated into an extended 10-Year CIP plan. The Comprehensive Energy and Sustainability Project, merely a concept previously, has been advanced, with individual projects therein identified and required budget enumerated.

Capital Improvement Projects Program Summary Chart FY 2022 and 2023

Program	TOTAL FY 2022	TOTAL FY 2023
Facilities	\$2,250,000	\$5,000,000
Force Main	\$908,924	\$1,212,000
Gravity Sewer	\$0	\$0
Lift Station	\$0	\$368,369
Other	\$380,000	\$380,000
Plant Process	\$0	\$0
Comprehensive Energy	\$23,949,834	\$27,941,473
TOTAL:	\$27,488,758	\$34,901,842

10-Year CIP Detailed Chart by Programs

Capital Project Name	Capital Project Description	Prior Years Expenditure	FY 22 Budget Expenditure	FY 23 Budget Expenditure	FY 24-FY 31 Planned Expenditure	Project Total Budget Amount
Comprehensive Energy & Sustainability Upgrade	Design and construct influent pump upgrades, improve grit system, dual gravity belt thickeners, electric blowers, digester construction, sludge dewatering. Cogeneration improvements, thermal sludge drying system, solar generation at WQRR & lift stations, LED upgrades at Hilltop and WQRR, electric vehicle charging stations, and expansion of equalization basins.	\$ 12,370	\$ 23,949,834	\$ 27,941,473	\$ 27,929,103	\$ 79,832,780
FACILITY PROGRAM:						
CSO Building Seismic Retrofit	Design and construction of the seismic retrofit for the CSO building as identified in the seismic study	\$ 135,804	\$ -	\$ -	\$ 8,474,946	\$ 8,610,750
WQRR Vactor Spoils Dump Site Relocation	Construct a vactor and RV spoils dumping facility within the vicinity of the WQRR	\$ 6,170	\$ -	\$ -	\$ 493,830	\$ 500,000
Hilltop Facilities Assessment	Maintenance, repair, and space planning per consultant report recommendations including painting of kitchen and hallway; repair of dry rot in the eaves, pillars and roof (including siding of CSO bldg)	\$ -	\$ 2,000,000	\$ 5,000,000	\$ -	\$ 7,000,000
Outside Lighting	Conduct lighting assessment and implement recommendation of light fixtures at the Hilltop Office	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
WQRR New Maintenance Building Facility	Design and construct a new maintenance building facility at WQRR	\$ 598,835	\$ -	\$ -	\$ 6,401,165	\$ 7,000,000
Hilltop Office Acoustic Upgrades	Installation of acoustic sound proofing for 4 rooms in the administration building	\$ 2,400	\$ -	\$ -	\$ 347,600	\$ 350,000
Environmental Center at WQRR	Design and construct an environmental learning center at WQRR	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
Training Facility	Construct classroom and conference rooms at WQRR	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
	Sub-Total	\$ 743,209	\$ 2,250,000	\$ 5,000,000	\$ 18,717,541	\$ 26,710,750
FORCE MAIN PROGRAM:						
Lakeside Force Main Replacement	Replace existing 1,578 LF 8" DIP with two new parallel force mains	\$ 75,489	\$ -	\$ 300,000	\$ 1,124,511	\$ 1,500,000
La Honda Force Main Replacement -	Replace existing 180 LF 6" DIP force mains with two new parallel PVC force mains	\$ 49,166	\$ -	\$ 12,000	\$ 250,834	\$ 312,000
Hilltop Green Force Main Replacement	Design new 1,000 LF force mains to existing connection and assess secondary force main alignment	\$ 91,076	\$ 908,924	\$ 300,000	\$ -	\$ 1,300,000
Force Main Condition Assessment & Replacement	Inspect 13 force mains, 26,200 LF	\$ -	\$ -	\$ 600,000	\$ 5,500,000	\$ 6,100,000
	Sub-Total	\$ 215,731	\$ 908,924	\$ 1,212,000	\$ 6,875,345	\$ 9,212,000

10-Year CIP Detailed Chart by Programs continued

Capital Project Name	Capital Project Description	Prior Years Expenditure	FY 22 Budget Expenditure	FY 23 Budget Expenditure	FY 24-FY 31 Planned Expenditure	Project Total Budget Amount
GRAVITY SEWER PROGRAM:						
Foster Lane Sewer Realignment	Demolish the Foster Lane lift station and install 360 LF of 8" gravity sewer pipe	\$ 106,135	\$ -	\$ -	\$ 1,231,573	\$ 1,337,708
North Richmond, Arlington, Alpine, Standard, Hazel, El Patio, Valley View Sewer Replacement	Replace 15,000 LF of pipe in public streets, easements	\$ 2,343,016	\$ -	\$ -	\$ 2,343,015	\$ 4,686,031
Sewer Collections System Conditions Assessment	Inspect sewer mains, manholes, and hydro-cleaning of sewer mains	\$ 169,445	\$ -	\$ -	\$ 380,555	\$ 550,000
Tara Hills Sewer Replacement SRF 3.2	Replace up to 4,233 feet of gravity line sewers	\$ 7,552	\$ -	\$ -	\$ 5,330,048	\$ 5,337,600
San Pablo Sewer Replacement SRF 3.3	Replace up to 4,465 feet of gravity line sewers		\$ -	\$ -	\$ 2,996,000	\$ 2,996,000
Lower San Pablo Sewer Replacement SRF 3.4	Replace up to 5,138 feet of gravity line sewers	\$ 425	\$ -	\$ -	\$ 3,403,575	\$ 3,404,000
El Sobrante Sewer Replacement SRF 3.6	Replace up to 5,122 feet of gravity line sewers	\$ -	\$ -	\$ -	\$ 1,693,000	\$ 1,693,000
Chesley & Giaramita, Rumrill South of Market Ave, Post Ave, Bush Ave, California Ave, Sutter Ave, 19th Street, Oak Knoll Sewer Replacements	Replace approximately 17,000 feet of sewer pipe	\$ 241,005	\$ -	\$ -	\$ 3,758,995	\$ 4,000,000
Unidentified High I & I Pipes	Replace approximately 17,000 feet of sewer pipe	\$ -	\$ -	\$ -	\$ 35,000,000	\$ 35,000,000
WQRR Effluent Pipe Cathodic Upgrade	Conduct a condition assessment and identify necessary upgrades to address deficiencies in the current cathodic protection and design the replacement of various test stations along 36" effluent pipelines	\$ 19,374	\$ -	\$ -	\$ 212,911	\$ 232,285
La Paloma Odor Mitigation	Complete odor and flow study to identify the cause and design engineered solutions to eliminate odors on La Paloma Road	\$ 33,660	\$ -	\$ -	\$ 3,266,340	\$ 3,300,000
	Sub-Total	\$ 2,920,612	\$ -	\$ -	\$ 59,616,012	\$ 62,536,624

10-Year CIP Detailed Chart by Programs continued

Capital Project Name	Capital Project Description	Prior Years Expenditure	FY 22 Budget Expenditure	FY 23 Budget Expenditure	FY 24-FY 31 Planned Expenditure	Project Total Budget Amount
LIFT STATION PROGRAM:						
Lakeside, McBryde, Park, Pinole Center and Sobrante Lift Station Upgrades	Perform electrical, mechanical and/or structural upgrades at these lift stations. The generator at Lakeside has been replaced, the generator at Pinole Center will remain in place, and a generator will be added at McBryde, Park, and Sobrante lift stations	\$ 4,938,468	\$ -	\$ -	\$ 1,638,461	\$ 6,576,929
Lift Station SCADA communication upgrade	Upgrade the SCADA communication system with various existing lift stations to improve operations efficiency	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
D'Avila Lift Station Upgrade	Perform electrical, mechanical and/or structural upgrades and install a generator	\$ -	\$ -	\$ 53,523	\$ 359,477	\$ 413,000
Tara Hills Lift Station Upgrade	Perform electrical, mechanical and/or structural upgrades	\$ -	\$ -	\$ 247,443	\$ 1,650,557	\$ 1,898,000
La Honda Lift Station Upgrade	Perform electrical, mechanical and/or structural upgrades and install a generator	\$ -	\$ -	\$ 46,152	\$ 307,848	\$ 354,000
Carriage Hills Lift Station Upgrade	Perform electrical, mechanical and/or structural upgrades	\$ -	\$ -	\$ 21,251	\$ 141,749	\$ 163,000
	Sub-Total	\$ 4,938,468	\$ -	\$ 368,369	\$ 5,098,092	\$ 10,404,929
OTHER PROGRAM:						
Other Planning Studies	Master planning and capital project feasibility studies	\$ -	\$ 380,000	\$ 380,000	\$ -	\$ 3,800,000
	Sub-Total	\$ -	\$ 380,000	\$ 380,000	\$ 3,040,000	\$ 3,800,000

10-Year CIP Detailed Chart by Programs continued

Capital Project Name	Capital Project Description	Prior Years Expenditure	FY 22 Budget Expenditure	FY 23 Budget Expenditure	FY 24-FY 31 Planned Expenditure	Project Total Budget Amount
PLANT PROCESS PROGRAM:						
WQRR Effluent Valve Replacement	Repair aged, damaged, and leaking valves at the effluent pumping area	\$ 45,269	\$ -	\$ -	\$ 1,154,731	\$ 1,200,000
WQRR Effluent Electrical System Upgrades	Upgrade, organize and relocate electrical equipment within the effluent and headworks buildings	\$ 216,225	\$ -	\$ -	\$ 783,775	\$ 1,000,000
WQRR Caustic Tank Replacement	Design and construct the relocation of the caustic tanks from enclosed C & D building and replace tanks	\$ -	\$ -	\$ -	\$ 1,175,000	\$ 1,175,000
WQRR Sea Level Rise Protection	Investigate, design and construct a horizontal levee at the WQRR	\$ -	\$ -	\$ -	\$ 687,209	\$ 687,209
RAS Rehabilitation	Rehabilitation of mechanical equipment and pumps at the RAS area	\$ -	\$ -	\$ -	\$ 1,187,967	\$ 1,187,967
Side Streams Monitoring Station near Headworks	System at headworks that will detect and measure digester supernatants and filtrates that potentially impact secondary treatment systems and energy consumption	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Aeration Rehabilitation	Rehabilitation of mechanical and electrical equipment at the aeration basin	\$ -	\$ -	\$ -	\$ 4,425,159	\$ 4,425,159
Odor Control Phase 1	New odor facilities at the headworks, grit chambers, and wet wells	\$ -	\$ -	\$ -	\$ 5,121,539	\$ 5,121,539
Secondary Sedimentation	Rehabilitation of mechanical equipment at the secondary sedimentation basin	\$ -	\$ -	\$ -	\$ 9,233,693	\$ 9,233,693
	Sub-Total	\$ 261,494	\$ -	\$ -	\$ 24,019,073	\$ 24,280,567
	TOTAL CIP - ALL PROGRAMS:	\$ 9,091,884	\$ 27,488,758	\$ 34,901,842	\$ 145,295,166	\$ 216,777,650

**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

DEBT

DEBT

Debt Service

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

Debt Practices

As a matter of practice, WCW 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. In 2015, WCW successfully obtained loan commitments from the State Water Control Resource Revolving Fund Loans with an interest rate 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 WCW has outstanding and the maximum amount of debt WCW can incur within its legal, public policy and financial limitations. West County Wastewater has not issued general obligation debt and, as such, there is no legal limitation on the amount of debt it can issue. West County Wastewater is currently limited only by financial limitations. Financial limitations include: 1) Ability to raise sewer rates to pay for future debt service and current debt obligations.

CURRENT DEBT OBLIGATIONS

In 2013, WCW 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 loans from the Clean Water State Revolving Fund (CWSRF) to provide low-cost financing for capital improvements. As of June 30, 2020, WCW has received approval from CWSRF for loans in the amount of \$49,586,870. In 2014, the Board of Directors authorized approximately \$25 million in a loan specifically for the purpose of providing reliable recycled water. In 2014, WCW entered into a \$17.8 million, 20-year loan with the State through the CWSRF program at 1.9% interest. In 2015, WCW entered into a \$24.16 million, 20-year loan with the State through the CWSRF Recycled Water program with 1% interest. Details of the current debt obligations are outlined below:

SRF Loan Payable - Wastewater Facility and Collection System Rehabilitation Project Phase I,

Segment 1. In 2015, the District entered into an agreement with the California State Water Resources Control Board ("SWRCB") for a 20-year loan in an amount not-to-exceed \$1,502,561 with an interest rate of 1.90% per annum for capital projects. As of July 1, 2021, this loan is outstanding in the approximate amount of \$1,162,219.

SRF Loan Payable - Wastewater Facility and Collection System Rehabilitation Project Phase I,

Segment 2. In 2015, the District entered into an agreement with the SWRCB for a 20-year loan in an amount not to-exceed \$2,881,758 with an interest rate of 1.90% per annum for capital projects. In 2016 Amendment 3 was executed increasing the amount to \$8,918,272. To date, the District has drawn \$2,253,766 of the loan amount. As of July 1, 2021, this loan is outstanding in the amount of \$2,253,766.

SRF Loan Payable - Wastewater Facility and Collection System Rehabilitation Project Phase I,

Segment 3. In fiscal year 2015, the District entered into an agreement with the SWRCB for a 20-year loan in an amount not-to-exceed \$14,305,856 with an interest rate of 1.90% per annum for capital projects. As of July 1, 2021, this loan is outstanding in the approximate amount of \$12,663,122.

SRF Loan Payable - Recycled Water Reliability Upgrades. In 2015, the District entered into an agreement with the SWRCB for a 20-year loan in an amount not-to-exceed \$30,457,093 with an interest rate of 1.00% per annum for capital projects. Of the amount, \$5,356,330 was Proposition 1 Grant funded and \$4,000,000 Proposition 13 grant funded. As of July 1, 2021, this loan is outstanding in the approximate amount of \$17,342,769.

SWRCB SRF Loan Summary Chart

Year Loan Issued	Description	Initial Amount	Amount Outstanding ²	Interest Rate	Length of Loan
2015	SWRCB SRF ³ Loan #7876-110	\$4,093,086	\$3,198,932	1.90%	20 years
2015	SWRCB SRF ⁴ Loan #7876-120	\$2,881,758	\$2,257,974	1.90%	20 years
2015	SWRCB SRF Loan #7876-130	\$10,829,156	\$9,452,199	1.90%	20 years
2015	SWRCB SRF Loan #8043-110	\$30,457,093	\$17,379,681	1.00%	20 years
TOTALS		\$48,261,093	\$32,288,786		

SWRCB SRF Loan Repayment Chart

Repayment Schedule ⁵	Principal	Interest	Total
FYE 6/30/21	1,782,859	501,484	2,284,343
FYE 6/30/22	1,806,872	477,471	2,284,343
FYE 6/30/23	1,832,158	452,186	2,284,343
FYE 6/20/24	1,857,834	426,508	2,284,342
FYE 6/20/25	1,883,907	400,436	2,284,343
FYE 6/20/26	1,910,383	373,960	2,284,343
FYE 6/20/27	1,937,269	347,074	2,284,343
FYE 6/20/28	1,964,571	319,772	2,284,343
FYE 6/20/29	1,992,297	292,046	2,284,343
FYE 6/20/30	2,020,454	263,889	2,284,343
Thereafter	16,139,317	1,052,673	17,191,990
TOTALS	35,127,920	4,907,499	40,035,418

FUTURE DEBT OBLIGATIONS

At the time of the budget adoption, WCW was working with its municipal advisor, bond counsel, and underwriters to issue up to \$90 million in wastewater revenue bonds to finance the Comprehensive Energy and Sustainability Project, force main, and gravity sewer projects as part of the Capital Improvement Program. It is anticipated that the revenue bonds will be sold in September 2021.

² Outstanding amount is as of July 1, 2021.

³ SWRCB SRF refers to the California State Water Control Board State Revolving Fund.

⁴ An SWRCB SRF amendment increased the amount available on the original \$2.9 million loan to approximately \$8.918 million. WCW is working on the CIP related to that increased loan amount and expects to update the outstanding balance on that loan once the full amount is drawn down.

⁵ 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.

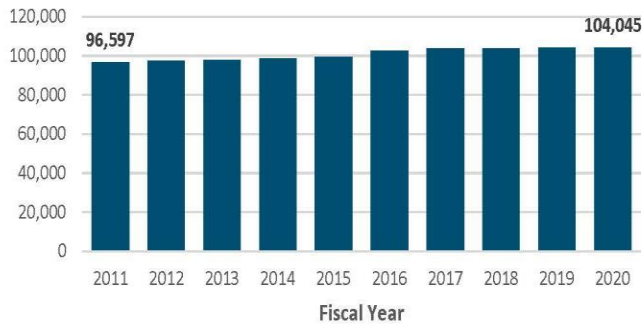
**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

STATISTICAL/SUPPLEMENTAL SECTION

POPULATION STATISCAL INFORMATIONAL CHARTS

District Population

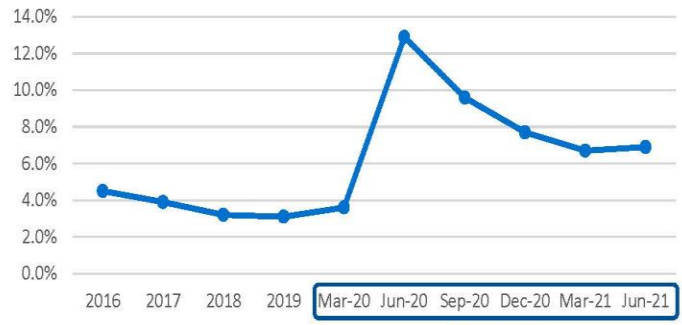
Steady, 0.83% average annual growth since 2011



Source: Comprehensive Annual Financial Report of the District for Fiscal Year Ended June 30, 2020

Contra Costa County Unemployment Rate

(2016 - June 2021)

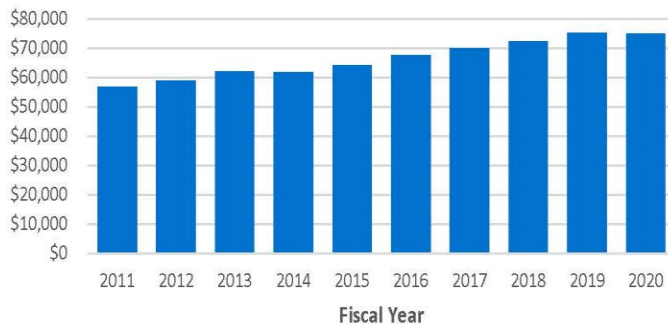


Source: California EDD

Quarterly

District Personal Income (Per Capita)

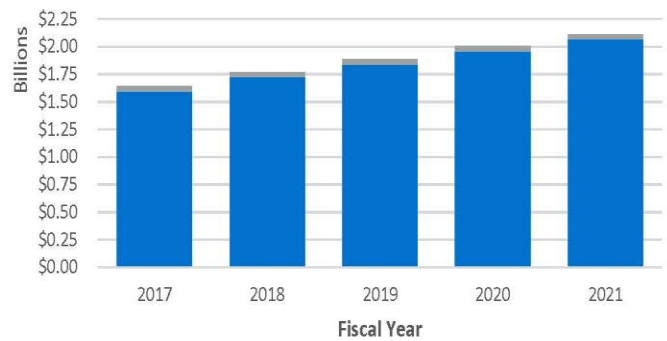
3% average annual growth since 2011



Source: Comprehensive Annual Financial Report of the District for Fiscal Year Ended June 30, 2020

City of San Pablo Assessed Valuation

6.6% average annual growth since 2017



Source: California Municipal Statistics, Inc.



Principal Employers in the District Area

- ▶ Top 10 employers account for 11.5% of the total estimated employment in the District
- ▶ Stable presence of government agencies and national brands
- ▶ District staff is not aware of changes in the top 10 employers due to COVID-19

District Service Areas: Largest Employers (FY 2018-19)

Employer	Employees	% of total District Employment
Chevron Refinery*	3,443	2.92%
West Contra Costa Unified School District	1,881	1.60%
Social Security Administration	1,259	1.07%
Amazon.com Services	1,257	1.07%
Blue Apron, Inc.	1,201	1.02%
U. S. Postal Service	1,047	0.89%
Contra Costa College	892	0.76%
City of Richmond	865	0.73%
Permanente Medical Group	854	0.73%
Contra Costa County	844	0.72%
Total Top 10	13,543	11.50%
Total Workforce	117,761	100.00%

Source: Comprehensive Annual Financial Reports for Fiscal Year Ending June 30, 2019 for City of Richmond, City of San Pablo and City of Pinole. Data is not available for June 30, 2020.

*Represents full employee count at Chevron; not all of these employees are working within WCW Boundaries



**WEST COUNTY WASTEWATER
BIENNIAL OPERATING BUDGET
FISCAL YEARS 2022 & 2023**

GLOSSARY OF TERMS

Glossary of Terms *(alphabetical order)*

BAPPG - Bay Area Pollution Prevention Group-develops a Bay wide pollution prevention program in cooperation with storm water management partners. It develops a public education and information program directed to the public on how to prevent pollution through individual housekeeping practices. BAPPG provides a forum for information exchanges, sharing and regional projects.

BAAQMD - Bay Area Air Quality Management District

CalOES - California Governor's Office of Emergency Services

Cal/OSHA - California Occupation of Safety & Health Agency

CARB - California Air Resources Board

CCTV - closed circuit television, the method used by Collection System Operations to observe and record the condition of sewer laterals and sewer mains

C&D Building - Chlorine and Disinfection Building

CIP - Capital Improvement Program.

COVID - Coronavirus

CSO - Collection System Operations

CUPA - Certified Unified Program Agencies (California Department of Toxic Substances Control)

DIP - Ductile Iron Pipe

EPA - Environmental Protection Agency

EQC - Environmental Quality Charge-The charges applied for sewer usage, also called Sewer Use Rate

FTE - Full Time Equivalent

GAAP - Generally Accepted Accounting Principles

I&I - Inflow and Infiltration-Inflow is groundwater or stormwater that enters into sanitary systems at points of direct connection to a sewer main. Infiltration is groundwater or stormwater that enters into sanitary sewer systems through deteriorated portions of sewer laterals or sewer mains

I & P - Infrastructure and Planning Department

LF - Linear Feet

NACWA - National Association of Clean Water Agencies

NPDES - National Pollutant Discharge Elimination System

OPEB - Other post-employment benefits

PIPES Program - Public Incentive Program for Efficiency of Sewer-A program offered to eligible owners of property within the boundaries of West County Wastewater to help defray a portion of the cost of partial or complete replacement of sewer laterals

POTW - Publicly Owned Treatment Works

PVC - Polyvinyl Chloride

WCW - West County Wastewater which is shortened for West County Wastewater District

RAS - Return Activated Sludge

RFP - Request for Proposals

RFQ - Request for Qualifications

RWQCB - Regional Water Quality Control Board

SSO - Sanitary Sewer Overflow-a release of untreated or partially treated sewage from a municipal sanitary sewer

SCADA (Supervisory Control and Data Acquisition) - A system that helps operators access actionable data and manage equipment and is designed to collect, analyze, and visualize data from industrial equipment

SOP - Standard Operating Procedure

SFBRA (San Francisco Bay Restoration Authority) - A regional agency created to fund shoreline projects that will protect, restore, and enhance San Francisco Bay through the allocation of funds raised by the Measure AA parcel tax

SRF - State Revolving Fund-A fund administered by the state of California for the purpose of providing low-interest loans for investments in water and sanitation infrastructure

SWRCB - California State Water Resources Control Board

Sewer lateral - that part of the horizontal piping of a drainage system which extends from the end of the building drain and which receives the discharge of the building drain and conveys it to a public sewer main or private sewer main

TNI - a non-profit organization dedicated to providing national standards of accreditation to allow environmental laboratories a set of regulations to produce data of known quality

WCA - West County Agency, a joint powers authority between the City of Richmond and the West County Wastewater District. WCA was organized and established under the constitution and laws of the State of California, in February 1977, for the purpose of providing for more efficient disposal of wastewater produced in each Member's jurisdiction

WCW - West County Wastewater which is shortened for West County Wastewater District

WQRR - Water Quality and Resource Recovery Department

WQRRP - Water Quality and Resource Recovery Treatment Plant