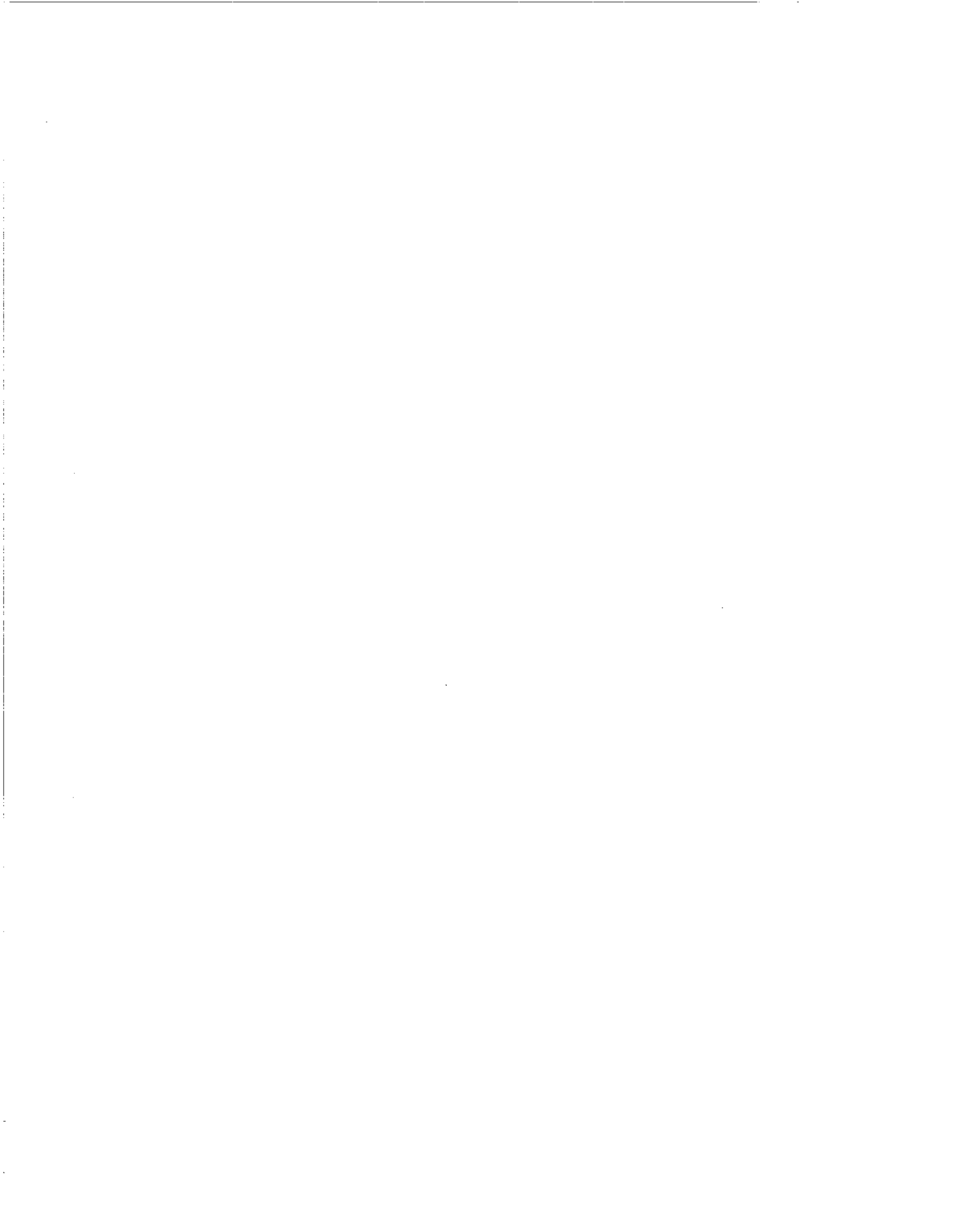


**FINAL BUDGET
FISCAL YEAR 2006-2007**

**WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY
CALIFORNIA**

SERVING RESIDENTS OF

**CITY OF CAMPBELL
TOWN OF LOS GATOS
CITY OF MONTE SERENO
CITY OF SARATOGA
UNINCORPORATED AREA
OF SANTA CLARA COUNTY**



**FINAL BUDGET
FISCAL YEAR 2006-2007**

**WEST VALLEY SANITATION DISTRICT
OF SANTA CLARA COUNTY, CALIFORNIA**
100 East Sunnyoaks Avenue
Campbell, California 95008

Submitted by

ROBERT R. REID
DISTRICT MANAGER AND ENGINEER

TO

BOARD OF DIRECTORS

DONALD R. BURR	COUNCILMEMBER, CITY OF CAMPBELL
DIANE MC NUTT	MAYOR, TOWN OF LOS GATOS
DAVID BAXTER	VICE MAYOR, CITY OF MONTE SERENO
NICK STREIT	COUNCILMEMBER, CITY OF SARATOGA
JAMES T. BEALL, JR.	SUPERVISOR, FOURTH DISTRICT SANTA CLARA COUNTY

**WEST VALLEY SANITATION DISTRICT
OF SANTA CLARA COUNTY, CALIFORNIA**

FINAL BUDGET FOR FISCAL YEAR 2006-2007

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APPENDIX A: CAPITAL IMPROVEMENT PROGRAM 2006-2011

ACTUAL EXPENDITURES FOR FISCAL YEAR 2005-06

AND

SUMMARY OF FISCAL YEAR 2006-07 OPERATING BUDGET

Expenditure Classification and Account Number	2005-06		2006-07 FINAL BUDGET				Total
	Budgeted	ACTUAL	Administration	Engin.	Operations	Disposal & NPS	
SALARIES AND EMPLOYEE BENEFITS							
010 Salaries	\$2,228,823	2,185,822	\$ 885,115	\$ 359,339	\$ 878,717	\$ 248,220	\$2,371,391
020 Employee Benefits	1,187,386	898,069	512,825	176,462	466,018	83,216	1,238,521
Total Salaries and Employee Benefits	\$3,416,209	\$3,083,891	\$1,397,940	\$535,801	\$1,344,735	\$331,436	\$3,609,912
MAINTENANCE AND OPERATIONS							
030 Directors' Fees	28,460	26,364					28,460
060 Gasoline, Oil & Fuel	42,500	58,934			60,500		60,500
070 Insurance	145,000	80,759	61,000	24,000	60,000		145,000
080 Memberships	30,020	27,827	23,550	6,350	1,500		31,400
090 Office Expense	116,200	61,664	71,500	4,600	28,400		104,500
110 Contractual Services	455,830	351,354	49,150	172,850	47,500		269,500
111 Treatment Plant Operation	4,551,957	4,551,957				4,899,600	4,899,600
115 Clean Water Program (NPS)	288,495	253,769				288,495	288,495
120 Professional Services	364,000	244,345	346,250	253,750			600,000
130 Printing & Public Notices	10,800	11,765	6,500	2,500	2,800		11,800
140 Rents and Leases	11,900	7,153	14,000		3,400		17,400
150 Repairs and Maintenance	168,800	172,108	8,000	7,500	191,300		206,800
170 Professional Development	68,950	70,287	32,550	7,350	38,000		77,900
190 Utilities	74,100	64,747	51,600		22,000		73,600
200 Miscellaneous	15,400	10,862	4,125	1,075	10,000		15,200
210 Revenue Bond Debt Service	1,652,108	1,758,368				2,017,108	2,017,108
Total Maintenance and Operations	\$8,024,520	\$7,752,263	\$696,685	\$479,975	\$465,400	\$7,205,203	\$8,847,263

2005-06
EXPENDITURES

2006-07 FINAL BUDGET

Expenditure Classification
and Account Number

	Budgeted	ACTUAL	Administration	Engin.	Operations	Disposal & NPS	Total
CAPITAL OUTLAY							
General Fixed Assets	\$ 192,000	\$ 105,589	\$ 56,000	\$ 4,000	\$ 441,500	\$ -	\$ 501,500
Subsurface Lines	5,207,000	4,422,847		2,950,000			2,950,000
Septic System Abandonment Program	25,000	-		25,000			25,000
Treatment Plant & Joint Lines	1,225,300	956,692				2,422,300	2,422,300
TOTAL CAPITAL OUTLAY	\$ 6,649,300	\$ 5,485,128	\$ 56,000	\$ 2,979,000	\$ 441,500	\$ 2,422,300	\$ 5,898,800
Less Discount Factor	641,595	-					884,820
NET CAPITAL OUTLAY	\$ 6,007,705	\$ 5,485,128	\$ 56,000	\$ 2,979,000	\$ 441,500	\$ 2,422,300	\$ 5,013,980

RESERVES

Building Repairs	30,944	30,944					30,944
Unemployment Insurance	18,900	18,900					18,900
Vehicle Damage Insurance	175,000	175,000					175,000
Accrued Sick Leave and Vacation	223,668	223,668					223,668
Vehicle Replacement	830,000	830,000					725,000
Capacity Acquisitions	2,500,000	2,750,000					2,500,000
Capital Fund Reserves	22,859,532	24,226,424					23,149,918
TOTAL RESERVES	\$ 26,638,044	\$ 28,254,936					\$ 26,823,430

SUMMARY

Salaries & Employee Benefits	3,416,209	3,083,891	1,397,940	535,801	1,344,735	331,436	3,609,912
District Maintenance & Operations	1,531,960	1,188,169	696,685	479,975	465,400		1,642,060
Treatment Plant Operation	4,551,957	4,551,957				4,899,600	4,899,600
Clean Water Program (NPS)	288,495	253,769				288,495	288,495
Revenue Bond Debt Service	1,652,108	1,758,368				2,017,108	2,017,108
Capital Outlay - General	192,000	105,589	56,000	4,000	441,500		501,500
Capital Outlay - Subsurface Lines	5,207,000	4,422,847		2,950,000			2,950,000
Capital Outlay - SSAP	25,000	-		25,000			25,000
Capital Outlay - Plant	1,225,300	956,692				2,422,300	2,422,300
Capital Outlay - Discount Factor	(641,595)	-					(884,820)
TOTAL EXPENDITURES	\$ 17,448,434	\$ 16,321,282	\$ 2,150,625	\$ 3,994,776	\$ 2,251,635	\$ 9,958,939	\$ 17,471,155

TOTAL EXPENDITURES AND RESERVES

TOTAL EXPENDITURES AND RESERVES	\$ 44,086,478	\$ 44,576,218					\$ 44,294,585
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DETAIL OF SALARIES AND EMPLOYEE BENEFITS, FISCAL YEAR 2006-07 OPERATING BUDGET

	Employees	Administration & Info. Svc.	Engineering & Operations		Disposal and NPS	Total
			Engin.	Operations		
GENERAL MANAGER	1	\$ 52,948	\$ 45,384	\$ 45,384	\$ 7,564	\$ 151,280
ADMINISTRATION DIVISION:						
Director of Admin./Information Services	1	119,658				119,658
Executive Assistant (New Hire)	1	59,987				59,987
Senior Account Clerk	1	62,093				62,093
Account Clerk II	2	118,248				118,248
Administrative Assistant II	1	59,124				59,124
Information Services Coordinator	1	110,177				110,177
Accountant (New Hire)	1	96,408				96,408
Engineering Technician-Part Time	1	44,496				44,496
Construction Inspector II	1	71,775				71,775
Assistant Engineering Technician	1	63,983				63,983
ENGINEERING & OPERATIONS DIVISION:						
Director of Engineering/Operations	1		63,030	63,030		126,060
Senior Engineer	1		108,510			108,510
Assist./Assoc. Eng. Tech. (Replacement)	1		62,003			62,003
Associate Engineering Tech.	1		62,003			62,003
Operations Supervisor	1			103,954		103,954
Maintenance Leadworker (Specialized)	2			97,632	48,086	145,718
Maintenance Worker II (1 Vacant)	4			190,622	49,802	240,424
Maintenance Worker II (Specialized)	3			174,284	21,541	195,825
Maintenance Worker I	1			55,962		55,962
Custodian	1			55,962		55,962
MISCELLANEOUS:						
WVCWP Program Manager	1				67,001	67,001
WVCWP Staff	3				46,560	46,560
Compensation for On-Call Duty				33,280		33,280
Overtime Contingency & Out of Class				24,410	3,090	27,500
Salary Contingency		7,380	5,220	5,220	180	18,000
Grade Certification Premium				2,600		2,600
Performance Incentive Contingency		18,838	13,189	26,377	4,396	62,800
TOTAL SALARIES		885,115	359,339	878,717	248,220	2,371,391
EMPLOYEE BENEFITS:						
Retirement		207,906	83,076	183,397	26,101	500,480
Workers' Compensation		14,920	8,628	44,440	7,708	75,696
Employee Group Insurance		220,055	57,923	167,137	28,638	473,753
FICA & SDI Employer Tax		69,944	26,835	71,044	20,769	188,592
TOTAL BENEFITS		512,825	176,462	466,018	83,216	1,238,521
TOTAL SALARIES AND BENEFITS		\$ 1,397,940	\$ 535,801	\$ 1,344,735	\$ 331,436	\$ 3,609,912

**SCHEDULE OF AVAILABLE FUNDS
AND BALANCE IN OPERATING FUND JUNE 30, 2006 AND JUNE 30, 2007**

	ACTUAL	FINAL BUDGET
	Fiscal Year 2005-06	Fiscal Year 2006-07
BALANCE IN OPERATING FUND - JULY 1	\$ 22,238,837	\$ 28,254,936
FISCAL YEAR REVENUES:		
Operating Revenues:		
Sewer Service Charges		
Collected on Tax Roll	12,338,261	13,120,561
County Collection Fee (1%)	(123,499)	(131,206)
Direct Billings	604,772	465,000
At Issuance of Permits	143,558	75,000
Total Sewer Service Charges Net	12,963,092	13,529,355
Fees for Other Services		
Permit and Inspection Fees	277,888	170,000
Connection Fees	275,663	215,000
Treatment Plant Capacity Fees	423,517	450,000
Overhead Billed	10,070	15,000
Plan Checking Fees	5,062	10,000
Storm Cleaning Fees	65,958	62,000
Clean Water Program (NPS)	446,118	446,000
Total Fees for Other Services	1,504,276	1,368,000
Total Operating Revenues	14,467,368	14,897,355
Non-Operating Revenues		
Interest	642,416	947,294
SSAP Principal Payments	134,188	125,000
SSAP Interest Payments	74,233	70,000
County Collection Fee (1%)	(2,041)	(2,000)
Annexation Charges	3,810	1,000
Sale of Treatment Plant Capacity	7,015,446	-
Other	1,961	1,000
Total Non-Operating Revenues	7,870,013	1,142,294
TOTAL FISCAL YEAR REVENUES	22,337,381	16,039,649
TOTAL FUNDS AVAILABLE	44,576,218	44,294,585
FISCAL YEAR EXPENDITURES	16,321,282	17,471,155
BALANCE IN OPERATING FUND - JUNE 30	\$ 28,254,936	\$ 26,823,430

DETAIL OF FISCAL YEAR 2006-07 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
DIRECTORS' FEES						
030-01	Board Meeting Fees	\$ 24,000				\$ 24,000
030-02	Miscellaneous Meetings	3,500				3,500
030-03	Sewer Advisory Board Fees	960				960
TOTAL		28,460				28,460
GASOLINE, OIL AND FUEL						
060-01	Vehicles and Equipment			60,000		60,000
060-02	Storage Tank and Haz-Mat Permits			500		500
TOTAL				60,500		60,500
INSURANCE						
070-01	General District Insurance	36,000	24,000	60,000		120,000
070-02	Insurance Deductible	25,000				25,000
TOTAL		61,000	24,000	60,000		145,000
MEMBERSHIPS						
080-01	American Public Works Association	350	150			500
080-03	California Public Employers Labor Relations Association	500				500
080-04	California Association of Sanitation Agencies	14,000				14,000
080-05	California Water Environment Association (CWEA)	250		1,500		1,750
080-07	Santa Clara County Intergovernmental Employee Relations Service	6,200				6,200
080-09	American Society of Civil Engineers		500			500
080-11	Water Environment Federation (WEF)		700			700
080-12	Other	2,250	500			2,750
080-19	Water Evn. Research Federation (WERF)		4,000			4,000
080-20	Pipe Users Group		500			500
TOTAL		23,550	6,350	1,500		31,400
OFFICE EXPENSES						
090-01	Annexation/Detachment Fees	1,000				1,000
090-02	Assessors Maps	1,000				1,000
090-03	Books, Manuals, Periodicals	1,000	1,000	1,000		3,000
090-04	County and City Maps (Digital)	1,000				1,000
090-05	Photographic Supplies		500	500		1,000
090-06	Postage	9,500				9,500
090-07	Miscellaneous Office Expense	19,000	2,100	1,900		23,000
090-08	Computer Software & Support	13,500		24,000		37,500
090-12	Computer Supplies, Hardware & Misc.	25,000	1,000	1,000		27,000
090-17	County Recorder Fees	500				500
TOTAL		71,500	4,600	28,400		104,500

DETAIL OF FISCAL YEAR 2006-07 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
CONTRACTUAL SERVICES						
110-01	Area Y Trunk Sewer Maintenance					
110-05	City of San Jose Camden Avenue Sewer					
110-06	Electrical Repairs			5,000		5,000
110-12	Los Gatos Town Sewer Maintenance					
110-13	Protective Clothing			15,000		15,000
110-14	Line Location Assistance		500			500
110-15	Pipeline Relocation and Repair		100,000			100,000
110-20	City & County Inspection Fees		1,000			1,000
110-22	Drug & Alcohol Testing Program (DATCO)			2,200		2,200
110-24	Computer Accounting Services - B of A	14,000				14,000
110-25	Water Records - SJ Water Co	1,500				1,500
110-27	County Assessor Parcel Files/Basemap	6,000				6,000
110-34	Gardening Services			4,500		4,500
110-40	Underground Storage Tank Monitoring					
110-42	Metering Station Operation		30,000			30,000
110-43	TV Inspections for I&I Program		10,000			10,000
110-45	Underground Service Alert		2,600	1,300		3,900
110-47	Testing Laboratory Service			1,500		1,500
110-50	Other		1,500	5,000		6,500
110-51	Real Estate Digital Maps	2,200	1,800			4,000
110-52	Assessor's Map (Barclay)					
110-53	HVAC Maintenance/Repair			4,000		4,000
110-54	Emergency Generator/Fire Alarm			3,000		3,000
110-55	County Base Map	5,000	5,000			10,000
110-56	Lift Station Monitoring			6,000		6,000
110-58	Computer Maintenance Contracts	20,450	20,450			40,900
TOTAL		49,150	172,850	47,500		269,500
TREATMENT PLANT OPERATION						
111-01	Treatment Plant Operation				5,999,600	5,999,600
	Less prior year credit				(1,100,000)	(1,100,000)
TOTAL					4,899,600	4,899,600
WEST VALLEY CLEAN WATER PROGRAM (NPS)						
115-01	SCV Prog. Assmt./Industrial Inspection				193,245	193,245
115-02	Non-payroll Operating Expenses				95,250	95,250
TOTAL					288,495	288,495

DETAIL OF FISCAL YEAR 2006-07 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
PROFESSIONAL SERVICES						
120-01	Accounting and Audit	115,000				115,000
120-02	Legal - General	54,500				54,500
120-07	Legal - Litigation	8,000				8,000
120-04	Misc Computer Applications	8,750	8,750			17,500
120-05	Management Consulting	25,000				25,000
120-11	Upgrade of Taxroll & Parcel Info. Sys.	30,000	20,000			50,000
120-13	Geographic Information System	25,000	75,000			100,000
120-16	Upgrade Accounting System	40,000				40,000
120-17	Accounting System Needs Analysis	25,000				25,000
120-18	Hydraulic Capacity Study		125,000			125,000
120-19	Hydraulic Capacity Software		25,000			25,000
120-19	GASB 45 Actuarial Study	15,000				15,000
TOTAL		346,250	253,750			600,000
PRINTING AND PUBLIC NOTICES						
130-01	Advertising/Public Notices	3,500				3,500
130-02	Blueprinting		1,500	300		1,800
130-03	Printing	3,000	500	1,000		4,500
130-04	Printing SL Maps		500	1,500		2,000
TOTAL		6,500	2,500	2,800		11,800
RENTS AND LEASES						
140-01	Equipment Rental			3,400		3,400
140-04	Photocopy Machine	14,000				14,000
TOTAL		14,000		3,400		17,400
REPAIRS AND MAINTENANCE						
Equipment Repairs and Maintenance						
150-01	Air Compressor AC3			500		500
150-03	Fire Extinguisher Refills			1,000		1,000
150-04	Pump, Portable			500		500
150-05	Rodder, Spartan			2,000		2,000
150-06	Tractor, Backhoe MV38			2,000		2,000
150-09	HV Cleaner, Engine, Pump, Reel			20,000		20,000
150-10	Gasoline Pump / Alarm System			2,000		2,000
150-11	Forklift MV64			500		500
150-13	TV Inspection Equipment, Parts			15,000		15,000
150-14	Miscellaneous Equipment Repairs	500		2,000		2,500
150-15	Janitorial Supplies			3,000		3,000
150-16	Building & Grounds Maintenance			20,000		20,000
150-17	Building Repairs			5,000		5,000
Motor Vehicle Maintenance						
150-18	Routine Service and Repair			2,500		2,500
150-19	Small Parts and Supplies, Batteries			7,500		7,500
150-20	Tires, Tube Repairs, Balance, Alignment			5,500		5,500
150-21	Upholster Seats			500		500
150-22	Paint Vehicles, Repair Dents			5,000		5,000
150-23	Damage Repair, Major			1,000		1,000

DETAIL OF FISCAL YEAR 2006-07 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
Sewer Maintenance Supplies						
150-24	Gravel, Pipe Bedding, Fill Sand			1,200		1,200
150-25	Grease, Oil, Solvents			2,000		2,000
150-26	Paint, Electrical, Dry Batteries, Locks, Hardware, Mechanical Tools			5,000		5,000
150-27	Rain Gear, Boots, Gloves			3,000		3,000
150-28	Rods, Plugs, Cleanout Balls, Test Balls, Cleaning Tools, Hoses and Fittings			29,000		29,000
150-29	Root Control Chemicals and Supplies			10,000		10,000
150-30	Sewer Chemicals (Other than Root Control), Chlorine, Dye, Odor Blocks			1,500		1,500
150-31	Sewer Pipe and Fittings			2,500		2,500
150-32	Traffic Warning & Safety Devices, Jackets, Safety Shoes, Scott Paks, Tri-Tester			10,000		10,000
150-33	Welding Supplies			1,000		1,000
Surface Repair and Maintenance Streets and Easements						
150-34	Rings, Bolt Downs, Frames, Covers			3,000		3,000
150-35	Seeds, Hay, Witness Posts			500		500
150-36	Manhole Repair Material			1,500		1,500
150-37	Paving Material			2,500		2,500
150-38	Building Material			2,500		2,500
150-39	Miscellaneous Repair Supplies			600		600
150-40	Subsurface Line Repair			5,000		5,000
150-42	Emergency Overflow Expense			15,000		15,000
150-43	Misc. Computer Hardware & Repairs	7,500	7,500			15,000
TOTAL		8,000	7,500	191,300		206,800

PROFESSIONAL DEVELOPMENT

170-01	Tuition Reimbursement	750	750	1,500		3,000
170-02	Water Environment Federation Conference	2,600		3,300		5,900
170-03	CASA Conference - Directors	8,000				8,000
170-04	CASA Conference - Attorney	4,200				4,200
170-05	CASA Conference - Staff	8,000				8,000
170-06	CWEA Conference - Manager	800				800
170-07	CWEA Conference - Staff		1,000	3,000		4,000
170-08	CWEA,APWA&ASCE Local Section		400	200		600
170-09	City Management Meetings					
170-10	Safety Training		200	20,000		20,200
170-11	Special Districts Association Meetings					
170-12	American Public Works Assoc. Conference	1,200				1,200
170-13	MSA	2,000				2,000
170-15	Other	5,000	5,000	10,000		20,000
170-16	NASTT-Trenchless Technology					
TOTAL		32,550	7,350	38,000		77,900

UTILITIES

190-01	Electricity and Gas, Office & Shop	24,000				24,000
190-03	Radio Communications/Repairs			10,000		10,000
190-04	Telephone	13,500				13,500
190-05	Trash Disposal			5,000		5,000
190-06	Water: Office, Shop, and Grounds	2,800				2,800
190-07	Water for Sewer Cleaning			7,000		7,000
190-10	Email-Internet Access	11,300				11,300
TOTAL		51,600		22,000		73,600

DETAIL OF FISCAL YEAR 2006-07 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
MISCELLANEOUS						
200-01	Miscellaneous	400	250	750		1,400
200-02	Automobile Mileage Allowance	300				300
200-03	Refunds	500				500
200-04	Safety Awards	225	125	750		1,100
200-05	Employee Recognition	2,000				2,000
200-07	Licenses / Registration	400	400	1,800		2,600
200-08	Excavation & Environmental Health Permits			3,500		3,500
200-12	Physicals/Innoculations	200	300	2,000		2,500
200-13	Overtime Meals	100		1,200		1,300
TOTAL		4,125	1,075	10,000		15,200
REVENUE BOND DEBT SERVICE						
210-02	Revenue Bond Debt Service/Water Reclam.				1,150,000	1,150,000
210-03	Revenue Bond Debt Service/CSCDA				490,000	490,000
210-04	State Revolving Fund Loan				377,108	377,108
TOTAL					2,017,108	2,017,108
TOTAL OPERATING EXPENSES		\$696,685	\$479,975	\$465,400	\$7,205,203	\$8,847,263

CAPITAL OUTLAY 2006-07 BUDGET DETAIL

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
GENERAL FIXED ASSETS						
Property Improvements						
12060-08	Maintenance Building Security			35,000		35,000
12060-10	Fire Supression for Server Room			11,000		11,000
12060-11	Radio System Upgrade			13,000		13,000
12060-12	Restroom Upgrades (Adm. Bldg.)	10,000				10,000
Subtotal Property Improvements		10,000		59,000		69,000
Vehicles						
12070-59	Utility Truck Replacement					
12070-62	Pickup Truck Replacement			18,000		18,000
12070-63	Jet Truck Replacement			175,000		175,000
12070-64	Vehicle Computer Analyzer			10,000		10,000
12070-65	New Spartan Rodder			4,500		4,500
12070-66	Sewer Cleaning Nozzles			10,000		10,000
12070-67	CCTV Easement Camera System			25,000		25,000
12070-68	Replacement Sewer Pumps			30,000		30,000
12070-69	Control Panels			50,000		50,000
12070-70	Sedan			25,000		25,000
Furniture and Equipment						
12070-61	PC Tablets, Computer Terminals/Hardware			35,000		35,000
12080-23	Administration Furniture & Equipment	11,000				11,000
12080-25	Computer Terminal/Hardware	15,000				15,000
12020-28	New Telephone System	20,000				20,000
12090-07	Engineering Furniture & Equipment		1,000			1,000
12090-09	Computer Terminal/Hardware		3,000			3,000
12090-12	Plotter					
Subtotal Vehicles, Furniture and Equipment		46,000	4,000	382,500		432,500
TOTAL GENERAL FIXED ASSETS		56,000	4,000	441,500		501,500

CAPITAL OUTLAY 2006-07 BUDGET DETAIL

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
SUBSURFACE LINES - GENERAL						
14020-02	Sewer Extension Revolving Fund Projects		40,000			40,000
	Subtotal Subsurface Lines - General		40,000			40,000
SUBSURFACE LINES - REHABILITATION						
14020-87	LG-Winchester Basin 7 Area 3		1,725,000			1,725,000
14021-09	LG-Winchester Basin 7 Area 4		930,000			930,000
14020-89	Quito Basin 8		130,000			130,000
14020-22	Emergency Repairs		50,000			50,000
	Subtotal Subsurface Lines - Rehabilitation		2,835,000			2,835,000
SUBSURFACE LINES - UPGRADE						
14020-36	Sewer System Upgrade		25,000			25,000
14020-66	District Manhole Adjustments		50,000			50,000
	Subtotal Subsurface Lines - Upgrade		75,000			75,000
TOTAL - SUBSURFACE LINES			2,950,000			2,950,000

CAPITAL OUTLAY 2006-07 BUDGET DETAIL

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
TREATMENT PLANT AND SAN JOSE JOINT LINES						
14030-03	WWTP Projects				761,000	761,000
14030-04	Capital Replacement Fund - TP				155,300	155,300
14030-35	SRF Loan Repayment				-	
14030-12	4th Interceptor				-	
14030-15	60" Brick Interceptor Rehab				-	
14030-17	60/84" RCP Interceptor				219,000	219,000
14030-23	San Tomas Aquino Trunk Rehab.				-	
14030-25	Julian-Sunol Sewer Rehabilitation				-	
14030-34	Forest-Rosa Sewer Rehabilitation				405,000	405,000
14030-39	San Tomas Expressway Trunk Rehab.				-	
14030-40	South Bay Action Plan				-	
14030-41	Willow-Union Trunk Sewer Rehab.				882,000	882,000
TOTAL TREATMENT PLANT AND JOINT LINES					2,422,300	2,422,300
SEPTIC SYSTEM ABANDONMENT PROGRAM						
14040-50	Septic System Abandonment Phase II				-	
14040-61	Septic Disposal Conversion Program		25,000			25,000
14040-63	Bella Vista Drive, Los Gatos				-	
TOTAL SEPTIC SYSTEM ABANDONMENT PROGRAM			25,000			25,000
TOTAL CAPITAL OUTLAY		\$56,000	\$2,979,000	\$441,500	\$2,422,300	\$5,898,800
discount	Less Discount Factor					\$884,820
TOTAL CAPITAL OUTLAY		\$56,000	\$2,979,000	\$441,500	\$2,422,300	\$5,013,980

FISCAL YEAR 2006-07 OPERATING BUDGET SUMMARY AND PROJECTIONS THROUGH 2010-11

OPERATING FUND APPROPRIATIONS	2005-06**	2006-07	2007-08	2008-09	2009-10	2010-11
Salaries and Benefits:						
Administration and General	\$ 918,681	\$ 1,397,940	\$ 1,439,878	\$ 1,483,074	\$ 1,527,566	\$ 1,573,393
Service Extension	571,977	535,801	551,875	568,431	585,484	603,049
Sewer Maintenance	1,260,387	1,344,735	1,385,077	1,426,629	1,469,428	1,513,511
Sewage Disposal	332,846	331,436	341,379	351,620	362,169	373,034
Sub-Total	3,083,891	3,609,912	3,718,209	3,829,754	3,944,647	4,062,987
Maintenance and Operation:						
Administration and General	438,407	696,685	717,586	739,114	761,287	784,126
Service Extension	132,636	479,975	494,374	509,205	524,481	540,215
Sewer Maintenance	617,126	465,400	188,047	193,688	199,499	205,484
Disposal & NPS	4,805,726	5,188,095	5,343,738	5,504,050	5,669,172	5,839,247
Revenue Bond Debt Service	1,758,368	2,017,108	2,045,000	2,052,000	2,065,000	2,067,000
Sub-Total	7,752,263	8,847,263	8,788,745	8,998,057	9,219,439	9,436,072
Capital Outlay :						
General Fixed Assets	105,589	501,500	60,000	35,000	54,000	54,000
Subsurface Lines	4,422,847	2,950,000	3,490,000	4,815,000	4,685,000	4,600,000
Septic System Abandonment	-	25,000	25,000	25,000	25,000	25,000
Treatment Plant & Joint Lines	956,692	2,422,300	1,967,300	1,590,300	660,300	205,300
Discount Factor	-	(884,820)	(831,345)	(969,795)	(813,645)	(732,645)
Sub-Total	5,485,128	5,013,980	4,710,955	5,495,505	4,610,655	4,151,655
TOTAL EXPENDITURES	16,321,282	17,471,155	17,217,909	18,323,316	17,774,741	17,650,714
RESERVES						
Building Repairs	30,944	30,944	31,872	32,828	33,813	34,827
Unemployment Insurance	18,900	18,900	19,467	20,051	20,653	21,273
Vehicle Damage Insurance	175,000	175,000	185,000	185,000	195,000	205,000
Accrued Sick Leave and Vacation	223,668	223,668	230,378	237,289	244,408	251,740
Vehicle Replacement	830,000	725,000	788,000	869,000	913,000	954,000
Other Operating Reserves	2,750,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Capital Fund Reserves	24,226,424	23,149,918	22,958,505	21,850,232	21,515,365	21,532,303
Sub-Total	28,254,936	26,823,430	26,713,222	25,694,400	25,422,239	25,499,143
TOTAL BUDGET	44,576,218	44,294,585	43,931,131	44,017,716	43,196,980	43,149,857
RESOURCES						
Fund Balance at June 30	22,238,837	28,254,936	26,823,430	26,713,222	25,694,400	25,422,239
Service Charges*	12,963,092	13,529,355	14,470,863	14,615,572	14,761,728	14,909,345
SSAP Agreement Payments	206,380	193,000	176,000	145,000	119,000	95,000
Septic Conversion Program						
Other Income	9,167,909	2,317,294	2,460,838	2,543,922	2,621,852	2,723,273
TOTAL RESOURCES	\$44,576,218	\$44,294,585	\$43,931,131	\$44,017,716	\$43,196,980	\$43,149,857
*Rate Increase:	8%	6%	6%	0%	0%	0%
Residential Rate/Month	20.80	22.05	23.35	23.35	23.35	23.35

** 2005-2006 Actual

APPENDIX A

CAPITAL IMPROVEMENT PROGRAM 2006-2011

2006-2011 CAPITAL IMPROVEMENT PROGRAM

	<u>2005-6</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>5-Year Total</u>
CONSTRUCTION PROJECTS	<u>Actual</u>						
<u>1. Wastewater Treatment Plant</u>							
a) South Bay Action Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) WWTP Projects	408,737	761,000	712,000	435,000	335,000	-	2,243,000
c) Equipment replacement	0	155,300	155,300	155,300	155,300	155,300	776,500
Subtotal WWTP Contributions:	\$ 408,737	\$ 916,300	\$ 867,300	\$ 590,300	\$ 490,300	\$ 155,300	\$ 3,019,500
<u>2. Joint Trunk Sewer Projects</u>							
a) Fourth Interceptor	\$ -	\$ -	\$ 260,000	\$ 1,000,000	\$ 170,000	\$ 50,000	\$ 1,480,000
b) 60" Brick Interceptor	315,116						
c) 60/84" RCP Interceptor	21,951	219,000	595,000				814,000
d) Forest-Rosa Trunk Rehab.	101	405,000					405,000
j) San Tomas Aquino Trunk Rehab.	202,373						
k) San Tomas Expressway Trunk Rehab.	8,414						
m) Willow-Union Trunk Sewer Rehab.	0	882,000	245,000				1,127,000
Subtotal Joint Trunk Sewer Participation:	\$ 547,955	\$ 1,506,000	\$ 1,100,000	\$ 1,000,000	\$ 170,000	\$ 50,000	\$ 3,826,000
Total San Jose Projects:	\$ 956,692	\$ 2,422,300	\$ 1,967,300	\$ 1,590,300	\$ 660,300	\$ 205,300	\$ 6,845,500
Discounted Total San Jose Projects:	\$ 956,692	\$ 1,926,950	\$ 1,540,200	\$ 1,219,750	\$ 429,250	\$ 42,500	\$ 5,158,650
<u>3. District Sewer Rehabilitation Program</u>							
a) Los Gatos Basin 7 Area 1	\$ 637,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Los Gatos Basin 7 Area 2	1,288,873						
c) LG-Winchester Basin 7 Area 3	79,362	1,725,000					1,725,000
d) LG-Winchester Basin 7 Area 4		930,000	1,000,000				1,930,000
e) LG-Winchester Basin 6 Area 1			130,000	1,780,000			1,910,000
f) LG-Winchester Basin 6 Area 2				1,830,000	500,000		2,330,000
g) Quito Basin 8		130,000	2,235,000				2,365,000
h) Quito Basin 7 Area 1				950,000	1,000,000		1,950,000
i) Quito Basin 7 Area 2				130,000	1,900,000		2,030,000
j) Quito Basin 5 Area 1					1,030,000	1,320,000	2,350,000
k) Quito Basin 5 Area 2					130,000	2,100,000	2,230,000
l) Quito Basin 6 Area 1						1,050,000	1,050,000
m) Quito Basin 6 Area 2						130,000	130,000
Subtotal District Sewer Rehabilitation:	\$ 2,005,988	\$ 2,785,000	\$ 3,365,000	\$ 4,690,000	\$ 4,560,000	\$ 4,600,000	\$ 20,000,000

2006-2011 CAPITAL IMPROVEMENT PROGRAM

	2005-6 <i>Actual</i>	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total
CONSTRUCTION PROJECTS							
4. <u>Septic System Abandonment Program</u>							
a) SSAP II & SDS Incentive Program	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
b) Other							-
Subtotal SSAP Program:	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
5. <u>Miscellaneous Construction Projects</u>							
a) Sewer System Upgrade	\$ 12,554	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000		\$ 100,000
c) Emergency Repair Projects	680	50,000	50,000	50,000	50,000		200,000
f) District Manhole Adjustments	21,275	50,000	50,000	50,000	50,000		200,000
g) Trunk Sewer Survey							-
h) SERF Program	10,350	40,000					40,000
Subtotal Miscellaneous Construction:	\$ 44,859	\$ 165,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 540,000
NON-CONSTRUCTION CAPITAL							
1. Vehicles & Equipment	\$ 105,589	\$ 432,500	\$ 50,000	\$ 25,000	\$ 44,000	\$ 44,000	\$ 595,500
2. Property Improvements	0	69,000	10,000	10,000	10,000	10,000	109,000
3. Town of Los Gatos Sewer Sys. Assets	2,372,000						-
Subtotal Non-Construction Capital:	\$2,477,589	\$501,500	\$60,000	\$35,000	\$54,000	\$54,000	\$704,500
TOTAL CAPITAL OUTLAY:	\$ 5,485,128	\$ 5,898,800	\$ 5,542,300	\$ 6,465,300	\$ 5,424,300	\$ 4,884,300	\$ 28,215,000
Discount Factor		\$884,820	\$831,345	\$969,795	\$813,645	\$732,645	\$4,232,250
ADJUSTED CAPITAL OUTLAY:	\$ 5,485,128	\$ 5,013,980	\$ 4,710,955	\$ 5,495,505	\$ 4,610,655	\$ 4,151,655	\$ 23,982,750

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