

**PROPOSED 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**



**PROPOSED 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

PROPOSED BUDGET FY 2006-07

MANAGEMENT DISCUSSION and ANALYSIS

Introduction

West Valley Sanitation District directly provides four core services:

- Sewer permitting and information management
- Engineering, inspection services, and construction management
- Sewer system maintenance and operation
- Urban runoff program management

In addition to these core services, the District participates in and helps fund wastewater treatment and related environmental services provided by the regional water pollution control plant operated by the City of San Jose. Most of these core services are funded by the annual sewer service and use charge that is collected on the tax roll for all District sewer users. The urban runoff program is funded by a separate, parcel-based, storm drainage fee. Costs associated with extending the sewer system and providing new sewer connections are charged directly to the benefiting properties.

The sewer service and use charge also funds most of the District's administrative support services including public outreach, financial management, legal support, employee services, clerical support, computer services, materials and equipment management, and facilities management.

The District is continuing to develop an information management system that enhances the capacity to link operational cost data to level of service objectives. At the present time a performance-based budget has been developed and is being tested for sewer system maintenance and operations.

Overview of Proposed Budget

This budget document is comprised of the following sections:

- Estimated Expenditures for FY 2005-06 & Summary of FY 2006-07 Proposed Budget on pages 2&3.
- Detail of Salaries and Benefits Budget for FY 2006-07 on page 4.
- Detail of Estimated and Projected Revenues on page 5.
- Detail of Proposed Operating Expenses on pages 6-10.
- Detail of Estimated Capital Expenditures on pages 11-13.
- Budget Summary and Five Year Projections on page 14.
- Proposed 2006-11 Capital Improvement Program (Appendix A).
- Proposed FY 2006-07 Revenue Program (Appendix B).

The following discussion of the proposed budget highlights any significant changes between both proposed and estimated actual expenditures that warrant commentary. For purposes of this discussion 'significant changes' are defined as greater than a \$10,000 change in any given budget classification.

I. Salaries and Employee Benefits

The Summary on page 2 shows that proposed total salaries and benefits are projected to rise from \$3.42 million budgeted in the current fiscal year to \$3.61 million in FY 2005-06. This 5.6 percent increase includes estimated increases in pension and health insurance costs and contracted 3.0 percent employee salary increases. A new position for an Executive Assistant has been added to the Administrative & Information Services Division to provide greater staff depth for succession planning and anticipated retirements in the next few years.

II. Maintenance and Operations

Gasoline, Oil and Fuel was increased by \$18,000 (4 percent) due to higher fuel costs.

Office Expense was decreased by \$11,700 (10 percent).

Contractual Services have been decreased by \$186,300 (41 percent). The elimination of the line item for Los Gatos sewer maintenance operations is the primary change in this category.

Treatment Plant Operations is the largest expense in the district's annual operating budget. The amount budgeted is made up of two components. First is the district's share of the wastewater treatment plant's proposed operating budget for the next fiscal year. This figure has increased each year and is based on the district's wastewater flow to the plant as a percentage of the total. The second component is budgeted as "prior year credit" and represents the variance between the prior fiscal year's budget and actual costs, as well as the district's share of miscellaneous plant revenues and interest on reserves. This credit varies over a great range from year to year. The current year's net operating cost is \$4,551,957. The net amount budgeted for FY 2006-07 is \$4,899,600, a 7.4 percent increase.

Professional Services is estimated to increase by \$236,000 (65 percent) primarily for one time consulting services for a sewer system capacity study and hydraulic model. This is a required element of new State sewer system regulations.

Repairs and Maintenance has been increased by \$40,000 reflecting higher costs for sewer cleaning tools and an increased emphasis on emergency response.

Revenue Bond Debt Service is estimated to be \$365,000 more in next year's budget due to increased principal payments for the Clean Water Financing Authority (wastewater treatment plant) revenue bonds.

III. Capital Expenditures

Net capital outlays in the current fiscal year are expected to total about \$5.9 million compared to \$4.4 million spent in the previous fiscal year. Net capital outlay for FY

2006-07 is estimated at \$4.99 million. Details of the four main categories of capital expenditures are discussed below.

General Fixed Assets includes property improvements, furniture, vehicles and equipment. Proposed property improvements include a maintenance building security system and a radio system upgrade. Three vehicles are scheduled for replacement.

Subsurface Lines includes all district sewer realignments, replacements, upgrades, major repairs and rehabilitation projects. In the current year \$5.2 million was budgeted in this category and actual expenditures are expected to total \$4.4 million. Nearly \$3 million is budgeted again for the FY 2006-07. Major projects scheduled for the coming year are Los Gatos Winchester Basin 7 Area 2 and Area 3.

Septic System Abandonment Program (SSAP) is budgeted at \$25,000 and is essentially a placeholder for potential sewer extensions that may be requested by district property owners without available public sewers.

Treatment Plant and Joint Lines represents the district's share of all capital projects initiated and constructed by the City of San Jose. Current year expenditures are expected to total \$1.4 million. \$2.4 million is budgeted for FY 2006-07.

IV. Revenues

District revenues as detailed on page 5 of the proposed budget are grouped into two major categories, operating revenues and non-operating revenues. Operating revenues are comprised of annual sewer service charges and various fees for other services. It is estimated that total operating revenues in the current fiscal year will equal \$14.3 million. This total is projected to increase to \$15 million for the coming fiscal year.

Non-operating revenues includes interest on district reserves, SSAP reimbursements, and miscellaneous other funds. Total non-operating revenues for the current year are expected to total approximately \$7,854,000. \$7 million of this total figure represents the proceeds from a one million gallon treatment capacity transfer to the City of Milpitas. Non-operating revenues in FY 2006-07 are estimated at \$1.1 million.

V. Reserves

District Reserves includes all non-restricted funds available to the district. At the beginning of fiscal year 2006-07 non-restricted reserves are expected to total nearly \$27.6 million. Most of these reserve funds are designated for capital expenditures and to provide rate stability. District reserves, including \$7 million in bond proceeds, reached a high of \$29.4 million at the beginning of FY 2001-02.

District guidelines for minimum reserve levels are based on maintaining sufficient funds to cover 60 percent of annual operating expenditures in addition to capital reserves equal to 60 percent of the adjusted total 5-year capital improvement program. Peak capital spending needs for significant projects are generally funded with grants, state revolving fund (SRF) loans, and/or revenue bonds. Due to the \$7 million proceeds from Milpitas, the District's reserves have increased significantly from last year's projections. The District will update our ten-year financial projections and present new financial recommendations to the Board of Directors early in the new fiscal year.

VI. Operating Budget Summary and Comparisons

Estimated district operating costs (excluding capital expenditures) are projected to total \$10.88 million at the end of the current fiscal year on June 30. This compares favorably with \$10.75 million in actual operating costs for the previous year (FY 2004-05).

Proposed operating costs of \$11.44 million for Fiscal Year 2006-07 are projected to total about \$215,000, (1.9 percent) more than the current operating budget of \$11.22 million. This is mostly attributable to a combination of increased salary and benefit costs and increased scheduled debt repayment.

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

PROPOSED BUDGET FOR FISCAL YEAR 2006-2007

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APPENDIX A: CAPITAL IMPROVEMENT PROGRAM 2006-2011

APPENDIX B: REVENUE PROGRAM FOR SEWERAGE SERVICES

ESTIMATED EXPENDITURES FOR FISCAL YEAR 2005-06

AND

SUMMARY OF FISCAL YEAR 2006-07 OPERATING BUDGET

Expenditure Classification and Account Number	2005-06					2006-07 PROPOSED BUDGET			Total
	Budgeted	Estimated	Administration	Engin.	Operations	Disposal & NPS			
SALARIES AND EMPLOYEE BENEFITS									
010 Salaries	\$2,228,823	2,183,235	\$ 885,115	\$ 359,339	\$ 878,717	\$ 248,220		\$2,371,391	
020 Employee Benefits	1,187,386	881,000	512,825	176,462	466,018	83,216		1,238,521	
Total Salaries and Employee Benefits	\$3,416,209	\$3,064,235	\$1,397,940	\$535,801	\$1,344,735	\$331,436		\$3,609,912	
MAINTENANCE AND OPERATIONS									
030 Directors' Fees	28,460	28,460	28,460					28,460	
060 Gasoline, Oil & Fuel	42,500	55,500			60,500			60,500	
070 Insurance	145,000	90,000	61,000	24,000	60,000			145,000	
080 Memberships	30,020	29,198	23,550	6,350	1,500			31,400	
090 Office Expense	116,200	117,700	71,500	4,600	28,400			104,500	
110 Contractual Services	455,830	419,524	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	288,495				288,495		288,495	
120 Professional Services	364,000	131,076	346,250	253,750	0			600,000	
130 Printing & Public Notices	10,800	10,660	6,500	2,500	2,800			11,800	
140 Rents and Leases	11,900	9,500	14,000		3,400			17,400	
150 Repairs and Maintenance	168,800	190,000	8,000	7,500	191,300			206,800	
170 Professional Development	68,950	63,331	32,550	7,350	38,000			77,900	
190 Utilities	74,100	68,930	51,600		22,000			73,600	
200 Miscellaneous	15,400	9,920	4,125	1,075	10,000			15,200	
210 Revenue Bond Debt Service	1,652,108	1,758,367				2,017,108		2,017,108	
Total Maintenance and Operations	\$8,024,520	\$7,822,618	\$696,685	\$479,975	\$465,400	\$7,205,203		\$8,847,263	

2005-06

EXPENDITURES

2006-07 PROPOSED BUDGET

**Expenditure Classification
and Account Number
CAPITAL OUTLAY**

	Budgeted	Estimated	Administration	Engin.	Operations	Disposal & NPS	Total
General Fixed Assets	\$ 192,000	\$ 98,239	\$ 31,000	\$ 4,000	\$ 441,500	\$ -	\$ 476,500
Subsurface Lines	5,207,000	4,428,500		2,950,000			2,950,000
Septic System Abandonment Program	25,000	-		25,000			25,000
Treatment Plant & Joint Lines	1,225,300	1,419,000				2,422,300	2,422,300
TOTAL CAPITAL OUTLAY	\$ 6,649,300	\$ 5,945,739	\$ 31,000	\$ 2,979,000	\$ 441,500	\$ 2,422,300	\$ 5,873,800
Less Discount Factor	641,595	-					881,070
NET CAPITAL OUTLAY	\$ 6,007,705	\$ 5,945,739	\$ 31,000	\$ 2,979,000	\$ 441,500	\$ 2,422,300	\$ 4,992,730

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	23,553,833					22,634,998
TOTAL RESERVES	\$ 26,638,044	\$ 27,582,345					\$ 26,308,510

SUMMARY

Salaries & Employee Benefits	3,416,209	3,064,235	1,397,940	535,801	1,344,735	331,436	3,609,912
District Maintenance & Operations	1,531,960	1,223,799	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	288,495				288,495	288,495
Revenue Bond Debt Service	1,652,108	1,758,367				2,017,108	2,017,108
Capital Outlay - General	192,000	98,239	31,000	4,000	441,500		476,500
Capital Outlay - Subsurface Lines	5,207,000	4,428,500		2,950,000			2,950,000
Capital Outlay - SSAP	25,000	-		25,000			25,000
Capital Outlay - Plant	1,225,300	1,419,000				2,422,300	2,422,300
Capital Outlay - Discount Factor	(641,595)	-					(881,070)
TOTAL EXPENDITURES	\$ 17,448,434	\$ 16,832,592	\$ 2,125,625	\$ 3,994,776	\$ 2,251,635	\$ 9,958,939	\$ 17,449,905

TOTAL EXPENDITURES AND RESERVES

TOTAL EXPENDITURES AND RESERVES	\$ 44,086,478	\$ 44,414,937					\$ 43,758,415
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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**

	ESTIMATED Fiscal Year 2005-06	PROPOSED BUDGET Fiscal Year 2006-07
BALANCE IN OPERATING FUND - JULY 1	\$ 22,238,837	\$ 27,582,345
FISCAL YEAR REVENUES:		
Operating Revenues:		
Sewer Service Charges		
Collected on Tax Roll	12,340,000	13,080,000
County Collection Fee (1%)	(123,400)	(130,800)
Direct Billings	625,000	663,000
At Issuance of Permits	70,000	74,000
Total Sewer Service Charges Net	12,911,600	13,686,200
Fees for Other Services		
Permit and Inspection Fees	228,000	170,000
Connection Fees	215,000	215,000
Treatment Plant Capacity Fees	445,000	450,000
Overhead Billed	13,000	15,000
Plan Checking Fees	8,000	10,000
Storm Drain Fees	55,000	62,000
Clean Water Program (NPS)	446,000	446,000
Total Fees for Other Services	1,410,000	1,368,000
Total Operating Revenues	14,321,600	15,054,200
Non-Operating Revenues		
Interest	650,000	926,870
SSAP Principal Payments	129,000	125,000
SSAP Interest Payments	74,000	70,000
County Collection Fee (1%)	(2,000)	(2,000)
Annexation Charges	2,000	1,000
Sale of Treatment Plant Capacity	7,000,000	-
Other	1,500	1,000
Total Non-Operating Revenues	7,854,500	1,121,870
TOTAL FISCAL YEAR REVENUES	22,176,100	16,176,070
TOTAL FUNDS AVAILABLE	44,414,937	43,758,415
FISCAL YEAR EXPENDITURES	16,832,592	17,449,905
BALANCE IN OPERATING FUND - JUNE 30	\$ 27,582,345	\$ 26,308,510

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*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
GENERAL FIXED ASSETS						
Property Improvements						
12060-08	Maintenance Building Security			35,000		35,000
12060-09	Administration Roof Replacement					
12060-10	Fire Suppression 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						
12070-53	Water Truck					
12070-57	TV Truck Equipment					
12070-58	Rod Truck Replacement					
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	6,000				6,000
12080-25	Computer Terminal/Hardware	15,000				15,000
12080-27	CMMS/GIS					
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		21,000	4,000	382,500		407,500
TOTAL GENERAL FIXED ASSETS		31,000	4,000	441,500		476,500

CAPITAL OUTLAY 2006-07 BUDGET DETAIL

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
SUBSURFACE LINES - GENERAL						
14020-02	Sewer Extension Revolving Fund Projects		40,000			40,000
14020-88	Town of Los Gatos Sewer System Assets					
	Subtotal Subsurface Lines - General		40,000			40,000
SUBSURFACE LINES - REHABILITATION						
14020-80	LG-Winchester Basin 7 Area 3		1,725,000			1,725,000
14020-84	LG-Winchester Basin 7 Area 4		930,000			930,000
14020-85	LG-Winchester Basin 6 Area 2		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
14020-83	Reservoir Road Sewer Improvement		-			
	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*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
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		\$31,000	\$2,979,000	\$441,500	\$2,422,300	\$5,873,800
discount	Less Discount Factor					\$881,070
TOTAL CAPITAL OUTLAY		\$31,000	\$2,979,000	\$441,500	\$2,422,300	\$4,992,730

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	\$ 912,634	\$ 1,397,940	\$ 1,439,878	\$ 1,483,074	\$ 1,527,566	\$ 1,573,393
Service Extension	570,573	535,801	551,875	568,431	585,484	603,049
Sewer Maintenance	1,253,717	1,344,735	1,385,077	1,426,629	1,469,428	1,513,511
Sewage Disposal	327,311	331,436	341,379	351,620	362,169	373,034
Sub-Total	3,064,235	3,609,912	3,718,209	3,829,754	3,944,647	4,062,987
Maintenance and Operation:						
Administration and General	379,000	696,685	717,586	739,114	761,287	784,126
Service Extension	190,585	479,975	494,374	509,205	524,481	540,215
Sewer Maintenance	654,214	465,400	188,047	193,688	199,499	205,484
Disposal & NPS	4,840,452	5,188,095	5,343,738	5,504,050	5,669,172	5,839,247
Revenue Bond Debt Service	1,758,367	2,017,108	2,045,000	2,052,000	2,065,000	2,067,000
Sub-Total	7,822,618	8,847,263	8,788,745	8,998,057	9,219,439	9,436,072
Capital Outlay :						
General Fixed Assets	98,239	476,500	60,000	35,000	54,000	54,000
Subsurface Lines	4,428,500	2,950,000	4,285,000	4,540,000	4,185,000	4,600,000
Septic System Abandonment	-	25,000	25,000	25,000	25,000	25,000
Treatment Plant & Joint Lines	1,419,000	2,422,300	1,967,300	1,590,300	660,300	205,300
Discount Factor	-	(881,070)	(950,595)	(928,545)	(738,645)	(732,645)
Sub-Total	5,945,739	4,992,730	5,386,705	5,261,755	4,185,655	4,151,655
TOTAL EXPENDITURES	16,832,592	17,449,905	17,893,659	18,089,566	17,349,741	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	23,553,833	22,634,998	21,873,219	21,104,024	21,320,582	21,456,076
Sub-Total	27,582,345	26,308,510	25,627,936	24,948,192	25,227,456	25,422,916
TOTAL BUDGET	44,414,937	43,758,415	43,521,595	43,037,758	42,577,197	43,073,630
RESOURCES						
Fund Balance at June 30	22,238,837	27,582,345	26,308,510	25,627,936	24,948,192	25,227,456
Service Charges*	12,911,600	13,686,200	14,638,623	14,785,009	14,932,859	15,082,188
SSAP Agreement Payments	201,000	193,000	145,000	119,000	95,000	47,000
Septic Conversion Program						
Other Income	9,063,500	2,296,870	2,429,462	2,505,813	2,601,146	2,716,986
TOTAL RESOURCES	\$44,414,937	\$43,758,415	\$43,521,595	\$43,037,758	\$42,577,197	\$43,073,630
*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 Estimated

APPENDIX A

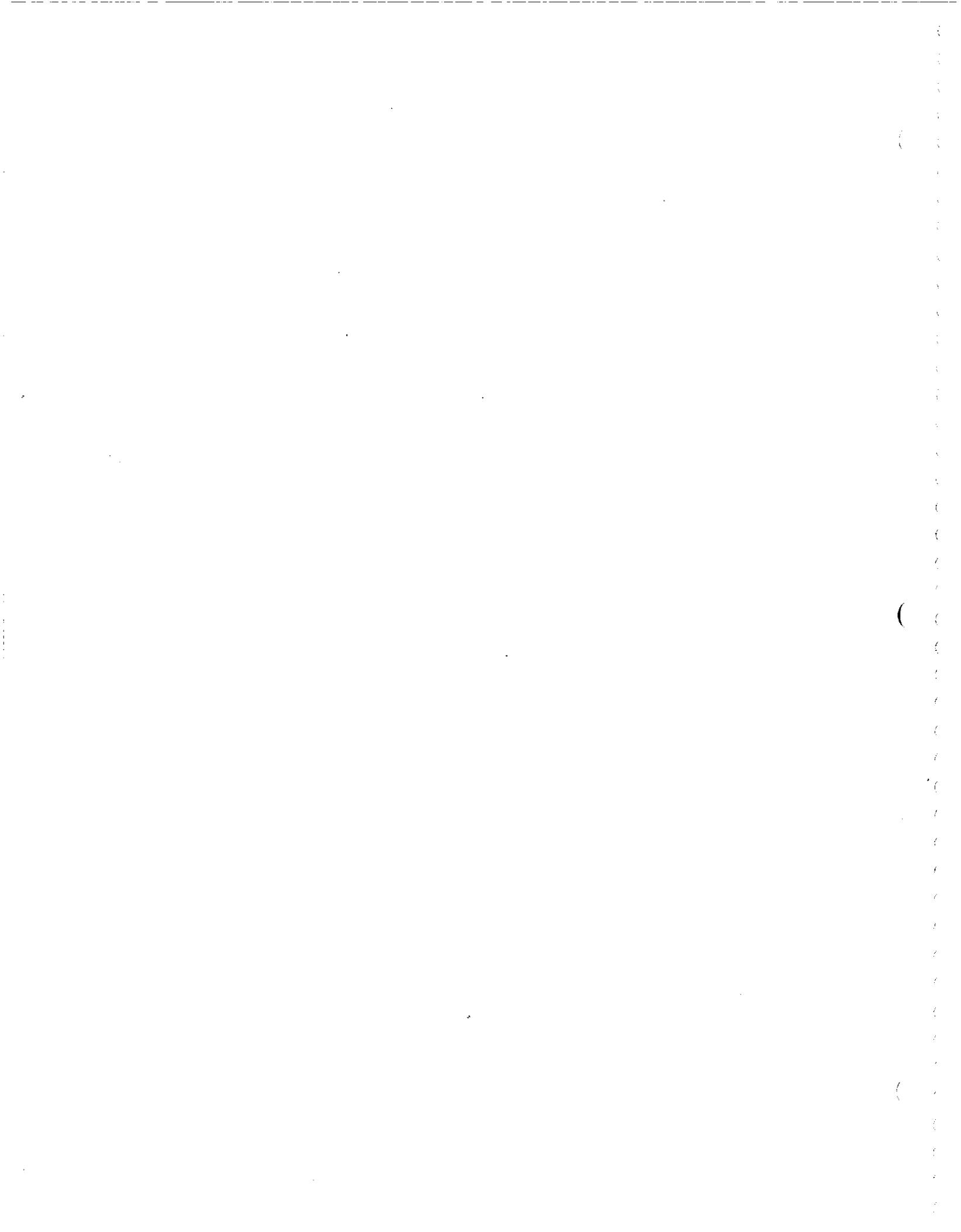
CAPITAL IMPROVEMENT PROGRAM 2006-2011

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>1. Wastewater Treatment Plant</u>							
a) South Bay Action Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) WWTP Projects	409,000	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:	\$ 409,000	\$ 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	325,000						
c) 60/84" RCP Interceptor	325,000	219,000	595,000				814,000
d) Forest-Rosa Trunk Rehab.	75,000	405,000					405,000
j) San Tomas Aquino Trunk Rehab.	250,000						-
k) San Tomas Expressway Trunk Rehab.	35,000						-
m) Willow-Union Trunk Sewer Rehab.	0	882,000	245,000				1,127,000
Subtotal Joint Trunk Sewer Participation:	\$ 1,010,000	\$ 1,506,000	\$ 1,100,000	\$ 1,000,000	\$ 170,000	\$ 50,000	\$ 3,826,000
Total San Jose Projects:	\$ 1,419,000	\$ 2,422,300	\$ 1,967,300	\$ 1,590,300	\$ 660,300	\$ 205,300	\$ 6,845,500
Discounted Total San Jose Projects:	\$ 1,419,000	\$ 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	\$ 556,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Los Gatos Basin 7 Area 2	1,450,000						
c) LG-Winchester Basin 7 Area 3	50,000	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		1,230,000	1,100,000	1,100,000			2,330,000
g) Quito Basin 8		150,000	2,235,000				2,385,000
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:	\$ 2,056,500	\$ 2,785,000	\$ 4,160,000	\$ 4,415,000	\$ 4,060,000	\$ 4,600,000	\$ 20,020,000

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>
	<i>Estimate</i>						
CONSTRUCTION PROJECTS							
<u>4. 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
<u>5. Miscellaneous Construction Projects</u>							
a) Sewer System Upgrade	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000		\$ 100,000
c) Emergency Repair Projects		50,000	50,000	50,000	50,000		200,000
f) District Manhole Adjustments		50,000	50,000	50,000	50,000		200,000
g) Trunk Sewer Survey							-
h) SERF Program		40,000					40,000
Subtotal Miscellaneous Construction:	\$ -	\$ 165,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 540,000
NON-CONSTRUCTION CAPITAL							
1. Vehicles & Equipment	\$ 94,239	\$ 407,500	\$ 50,000	\$ 25,000	\$ 44,000	\$ 44,000	\$ 570,500
2. Property Improvements	4,000	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:	\$2,470,239	\$476,500	\$60,000	\$35,000	\$54,000	\$54,000	\$679,500
TOTAL CAPITAL OUTLAY:							
Discount Factor	\$ 5,945,739	\$ 5,873,800	\$ 6,337,300	\$ 6,190,300	\$ 4,924,300	\$ 4,884,300	\$ 28,210,000
	\$881,070	\$950,595	\$928,545	\$738,645	\$732,645	\$732,645	\$4,231,500
ADJUSTED CAPITAL OUTLAY:	\$ 5,945,739	\$ 4,992,730	\$ 5,386,705	\$ 5,261,755	\$ 4,185,655	\$ 4,151,655	\$ 23,978,500



APPENDIX B

SEWER SERVICE REVENUE PROGRAM



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

**PROPOSED
REVENUE PROGRAM
FOR
SEWERAGE SERVICES**

FISCAL YEAR 2006-2007

**MAY, 2006
PREPARED BY
ROBERT R. REID
DISTRICT MANAGER AND ENGINEER**

SEWER SERVICE REVENUE PROGRAM

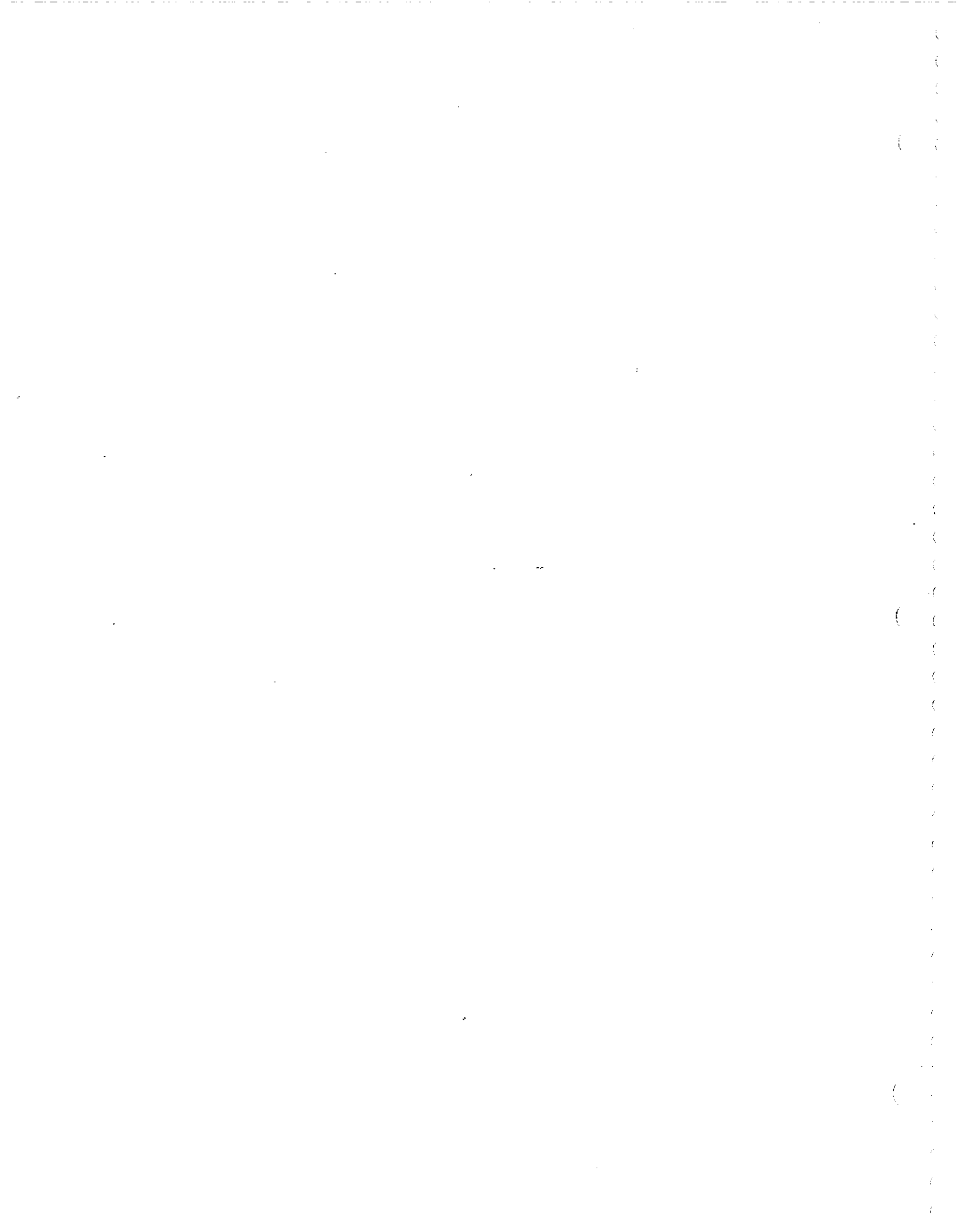
Ordinance No. 132, establishing sewer service charges for fiscal years 2003-04 through 2007-08, was adopted by the Board of Directors of West Valley Sanitation District on October 9, 2002, after a public hearing held in accordance with West Valley Sanitation District Resolution No. 02.07.15 and Article XIID, Section 6, of the California Constitution.

The sewer service and use charges pay for the operation, maintenance and improvements of the sanitary sewer system that conveys wastewater through the sewer system to the San Jose/Santa Clara Water Pollution Control Plant. The sewer service charges also support the district's share of operation and maintenance of the treatment plant and associated environmental protection programs required to meet Federal and State water quality permits for protection of the South San Francisco Bay. Prior to adoption of Ordinance No. 132, the district's sewer service charges had remained constant since 1994. The sewer service charges established for fiscal years 2003-04 through 2007-08 are based on financial projections and a rate analysis prepared for the district by an independent consultant, and are sufficient for cost recovery requirements.

The sewer service rate structure established by Ordinance No. 132 will remain in effect through fiscal year 2007-08. A copy of the schedule is included at the end of this report.

Questions about the sewer service charge schedule may be directed to:

Robert R. Reid, District General Manager
West Valley Sanitation District of Santa Clara County
100 East Sunnyoaks Avenue
Campbell, CA 95008
408-378-2407



WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY, CALIFORNIA

SEWER SERVICE AND USE CHARGE

FISCAL YEAR 2006-2007

The proposed Sewer Service and Use Charge rate structure for Fiscal Year 2006-2007 charges users of sewerage service in West Valley Sanitation District (formerly County Sanitation District No. 4) on the benefit received principle, in conformance with the FINANCIAL PLAN AND REVENUE GUIDELINES FOR WASTEWATER AGENCIES adopted by the California State Water Resources Control Board and dated April 1983. The rates were computed to recover projected costs in Fiscal Year 2006-2007 for the following:

- a. District's share of operation and maintenance of the San Jose/Santa Clara Water Pollution Control Plant.
- b. Plant improvements, equipment replacement, and modification.
- c. Maintenance and operation of District wastewater collection and conveyance system.
- d. Collection system maintenance equipment and construction.
- e. General administrative services.
- f. Extension of service of collection system.
- g. General and unappropriated reserves.

RESIDENTIAL RATES

Proposed residential Sewer Service and Use Charge rates, based on the typical wastewater discharge and wastewater strength for residential units, are \$22.05 per month or \$264.60 per year for each single-family dwelling, and \$15.35 per month or \$184.20 per year for each multiple dwelling and mobile home. The charges are collected on the tax roll for the District through the Santa Clara County Tax Collector's office and are identified as sewer service on the tax bill.

COMMERCIAL, INSTITUTIONAL, AND GROUPED INDUSTRY RATES

Commercial, institutional, and grouped industry classes include non-residential users discharging wastewater of uniform strength of less than 50,000 gallons per day. The rate structure for these classes is based on water consumption data and the differences in wastewater strength among 16 standard classifications of users. Annual water consumption in some special cases is adjusted by averaging water consumption for the months of January, February, March, and April of the previous year and extending the data for the following year. These months are selected to minimize the effects of landscape irrigation. An annual charge is computed for approximately 1,905 users in these categories and placed on the tax roll. Properties not on the tax roll are billed directly by the district.

MONITORED INDUSTRY RATES

Non-residential users discharging more than 50,000* gallons of wastewater of varying strength per day are billed quarterly on the basis of the rate structure, adjusted water consumption, and wastewater strength determined from samples collected during the billing period.

COST RECOVERY RATES

CAPITAL COSTS**

Infiltration/Inflow	\$	2.00	per User
Flow		421,658.00	per MGD
Biological Oxygen Demand (BOD)		72,039.00	per 1000 lbs/day
Suspended Solids (SS)		49,473.00	per 1000 lbs/day
Nitrogen (NH ₃)		212,080.00	per 1000 lbs/day

OPERATING AND MAINTENANCE COSTS**

Flow		901.00	per MG
Biological Oxygen Demand (BOD)		61.00	per 1000 lbs
Suspended Solids (SS)		81.00	per 1000 lbs
Nitrogen (NH ₃)		660.00	per 1000 lbs

*Conforms to State Water Resources Control Board definition of significant users. Monitoring is not cost effective for users with wastewater discharge below 50,000 gallons per day.

**Cost recovery rates shown are annual charges per designated quantity.

TREATMENT PLANT CAPACITY FEES

The purpose of the treatment plant capacity fee, made effective August 13, 1982, is to recover the cost of District participation in the Intermediate-Term Improvements of the San Jose/Santa Clara Water Pollution Control Plant. This is a "one time" fee collected at the time structures connect to the District's waste water collection system.

The treatment plant capacity fee, which remains unchanged, is computed on four parameters as follows:

Flow	\$ 0.79 per gallon per day
BOD	191.35 per pound per day
SS	230.45 per pound per day
NH ₃	693.79 per pound per day

Estimated treatment plant capacity fees for various types of connections are listed below.

EXAMPLE CONNECTIONS

TYPICAL RATE

Residential*

Large residence: 40,000 sq ft or greater lot	\$1,632
Small residence: 40,000 sq ft or less lot	1,071
Townhouse/Condominium: 2 bedroom	990
Multiple dwelling: 1 bedroom	990
Secondary Unit	803

Commercial

Fast food restaurant (1000 sq. ft.)	\$12,190
Sit-down restaurant (2300 sq. ft.)	30,755
Medical center (12,500 sq. ft.)	9,655
Convalescent home (5334 sq. ft.)	11,205
Gas station (436 sq. ft.)	1,090
Laundromat (375 sq. ft.)	3,460
Market - Grocery (14,098 sq. ft.)	9,109
Small retail store (1252 sq. ft.)	323
Office: approximately 20 persons (257 sq. ft.)	1,224
Heavy manufacturer with 4,800 gpd discharge (1481 sq. ft.)	23,320
Large industrial laundry with 25,000 gpd (11,590 sq. ft.)	120,780
Electrical equipment manufacturer (494 sq. ft.)	13,682

*Residential units abandoning private septic systems and connecting to public sewers receive a credit for prior participation in the treatment plant expansion through ad valorem taxes.

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2006-2007

I. RESIDENTIAL

	FY 2005-2006		FY 2006-2007		% Change
	Month	Year	Month	Year	
Single-Family Dwelling	\$20.80	\$249.60	\$22.05	\$264.60	6.00
Multiple Dwelling Unit	14.50	174.00	15.35	184.20	6.00
Mobile Home	14.50	174.00	15.35	184.20	6.00

II. GROUPED INDUSTRIAL AND COMMERCIAL

Grouped Industrial	Dollars per Hundred Cubic Feet of Wastewater Discharged		
	FY 2005-2006	FY 2006-2007	% Change
Winery	6.36	6.74	6.00
Printing Works	2.95	3.12	6.00
Machinery Manufacturing	3.09	3.27	6.00
Electrical Equipment	2.08	2.20	6.00
Film Service	2.19	2.32	6.00
Soft Water Service	1.91	2.03	6.00
Plating Works	1.99	2.11	6.00
Industrial Laundries	4.14	4.39	6.00
Car Washes	1.68	1.78	6.00
Commercial			
Restaurant	4.11	4.35	6.00
Hotel-Motel	2.13	2.26	6.00
Gas Station-Repair	2.27	2.40	6.00
Domestic Laundry	1.86	1.98	6.00
Retail-Office-Misc.	2.20	2.34	6.00
Hospital-Convalescent	1.98	2.10	6.00
Schools-Colleges	2.48	2.63	6.00

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2006-2007

III. SIGNIFICANT INDUSTRIAL (over 50,000 gpd discharge)

	FY 2005-2006	FY 2006-2007	% Change
Capital Cost Recovery			
Annual Charge per User for I/I	\$ 2	\$ 2	0.00
Annual Charge per MGD Flow	397,791	421,658	6.00
Annual Charge per 1000 lbs/day BOD	67,961	72,039	6.00
Annual Charge per 1000 lbs/day SS	46,672	49,473	6.00
Annual Charge per 1000 lbs/day NH ₃	200,075	212,080	6.00
Operation and Maintenance Cost Recovery			
Charge per MGY of Flow	850	901	6.00
Charge per 1000 lbs of BOD	58	61	6.00
Charge per 1000 lbs of SS	77	81	6.00
Charge per 1000 lbs of NH ₃	622	660	6.00

Cost recovery factors are based in part on loading parameters provided by the San Jose/Santa Clara Water Pollution Control Plant.

**WEST VALLEY SANITATION DISTRICT
SCHEDULE OF
SEWER SERVICE AND USE CHARGES**

RESIDENTIAL SEWER CHARGES ARE MONTHLY RATE PER DWELLING UNIT					
USER CLASSIFICATION	RATES PER MONTH				
	2003-04	2004-05	2005-06	2006-07	2007-08
Single Family	\$17.80	\$19.25	\$20.80	\$22.05	\$23.35
Multi-Family	\$12.40	\$13.40	\$14.50	\$15.35	\$16.30
Mobile Home	\$12.40	\$13.40	\$14.50	\$15.35	\$16.30

COMMERICAL, INSTITUTIONAL AND GROUPED INDUSTRIES ARE BASED ON LOADING PER HUNDRED CUBIC FEET (HCF) OF WASTEWATER DISCHARGE					
USER CLASSIFICATION	RATES PER HCF				
	2003-04	2004-05	2005-06	2006-07	2007-08
COMMERCIAL					
Restaurant	\$3.52	\$3.80	\$4.11	\$4.35	\$4.61
Hotel/Motel	\$1.83	\$1.97	\$2.13	\$2.26	\$2.39
Gas Station - Repair	\$1.94	\$2.10	\$2.27	\$2.40	\$2.55
Domestic Laundry	\$1.60	\$1.73	\$1.86	\$1.98	\$2.09
Retail/Office/Misc.	\$1.89	\$2.04	\$2.20	\$2.34	\$2.48
INSTITUTIONAL					
Hospitals	\$1.70	\$1.83	\$1.98	\$2.10	\$2.22
Schools	\$2.13	\$2.30	\$2.48	\$2.63	\$2.79
GROUPED INDUSTRIES					
Winery	\$5.45	\$5.89	\$6.36	\$6.74	\$7.15
Printing Works	\$2.53	\$2.73	\$2.95	\$3.12	\$3.31
Machinery Manufacturing	\$2.65	\$2.86	\$3.09	\$3.27	\$3.47
Electrical Equipment	\$1.78	\$1.92	\$2.08	\$2.20	\$2.34
Film Service	\$1.88	\$2.03	\$2.19	\$2.32	\$2.46
Plating Works	\$1.71	\$1.84	\$1.99	\$2.11	\$2.24
Industrial Laundry	\$3.55	\$3.84	\$4.14	\$4.39	\$4.66
Car Wash	\$1.44	\$1.55	\$1.68	\$1.78	\$1.88





