

**PROPOSED BUDGET
FISCAL YEAR 2015-2016**

**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**

PROPOSED BUDGET
FISCAL YEAR 2015-2016

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

Submitted By

JON NEWBY
DISTRICT MANAGER AND ENGINEER

TO

BOARD OF DIRECTORS

STEVEN LEONARDIS	COUNCIL MEMBER, TOWN OF LOS GATOS
MANNY CAPPELLO	VICE MAYOR, CITY OF SARATOGA
MARSHALL ANSTANDIG	COUNCILMEMBER, CITY OF MONTE SERENO
MICHAEL KOTOWSKI	COUNCIL MEMBER, CITY OF CAMPBELL
KEN YEAGER	SUPERVISOR, FOURTH DISTRICT SANTA CLARA COUNTY

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

PROPOSED BUDGET FOR FISCAL YEAR 2015-2016

TABLE OF CONTENTS

Estimated Expenditures for Fiscal Year 2014-2015 and
Summary of Proposed Fiscal Year 2015-2016 Operating Budget..... 2

Detail of Salaries and Employee Benefits,
Fiscal Year 2015-2016 Operating Budget.....4

Schedule of Available Funds and Estimated Balance in
Operating Fund June 30, 2015, and June 30, 2016.....5

Detail of Fiscal Year 2015-2016 Operating Expenses.....6

Capital Outlay 2015-2016 Budget Detail.....10

Fiscal Year 2014-2015 Operating Summary and
Projections through Fiscal Year 2019-2020.....12

APPENDIX A: CAPITAL IMPROVEMENT PROGRAM 2015-2020

APPENDIX B: REVENUE PROGRAM FOR SEWERAGE SERVICES

ESTIMATED EXPENDITURES FOR FISCAL YEAR 2014-15

AND

SUMMARY OF FISCAL YEAR 2015-16 OPERATING BUDGET

Expenditure Classification and Account Number	2014-15 EXPENDITURES		2015-16 PROPOSED BUDGET				
	Final Budget	Estimated	Administration	Engineering	Sewer Operations	Sewage Disposal	Total
SALARIES AND EMPLOYEE BENEFITS							
010 Salaries	\$ 2,962,542	\$ 2,959,195	\$ 1,118,177	\$ 625,206	\$ 1,427,350	\$ -	\$ 3,170,733
020 Employee Benefits	1,861,236	1,648,458	536,281	291,525	909,328	-	1,737,134
Total Salaries and Employee Benefits	\$ 4,823,778	\$ 4,607,653	\$ 1,654,458	\$ 916,731	\$ 2,336,678	\$ -	\$ 4,907,867
MAINTENANCE AND OPERATIONS							
030 Directors' Fees	13,800	13,800	13,800	-	-	-	13,800
060 Gasoline, Oil & Fuel	80,000	75,000	-	-	75,000	-	75,000
070 Insurance	340,000	325,000	340,000	-	-	-	340,000
080 Memberships	46,075	34,283	35,500	3,260	1,800	-	40,560
090 Office Expense	59,650	39,150	50,000	3,300	4,450	-	57,750
100 Information Services	308,200	181,200	212,960	59,490	82,450	-	354,900
110 Contractual Services	247,614	247,614	244,030	2,750	21,700	-	268,480
111 Treatment Plant Operation	7,524,688	6,681,850	-	-	-	10,203,237	10,203,237
120 Professional Services	691,000	653,000	285,000	335,000	20,000	-	640,000
130 Printing & Public Notices	16,200	11,200	15,000	1,000	200	-	16,200
140 Rents and Leases	20,500	16,500	12,000	-	4,500	-	16,500
151 Repairs and Maintenance	350,250	350,750	8,000	4,250	348,500	-	360,750
170 Professional Development	92,250	82,700	42,700	23,750	35,500	-	101,950
190 Utilities	96,500	102,000	48,000	-	63,500	-	111,500
200 Miscellaneous	10,400	11,000	3,450	2,100	5,500	-	11,050
210 Revenue Bond Debt Service	1,457,332	1,457,332	-	-	-	1,714,334	1,714,334
Total Maintenance and Operations	\$ 11,354,459	\$ 10,282,379	\$ 1,310,440	\$ 434,900	\$ 663,100	\$ 11,917,571	\$ 14,326,011

Expenditure Classification and Account Number	2014-15 EXPENDITURES		2015-16 PROPOSED BUDGET				
	Final Budget	Estimated	Administration	Engineering	Sewer Operations	Sewage Disposal	Total
CAPITAL OUTLAY							
General Fixed Assets	\$ 371,700	\$ 211,700	\$ 165,000	\$ 33,000	\$ 456,000	\$ -	\$ 654,000
Subsurface Lines & Misc. Construction Proj.	4,667,000	2,935,000	-	4,810,000	-	-	4,810,000
Septic System Abandonment Program	10,000	10,000	-	10,000	-	-	10,000
Septic System Abandonment Projects	-	-	-	300,000	-	-	300,000
Treatment Plant & Joint Lines	5,010,644	3,582,341	-	-	-	8,870,244	8,870,244
TOTAL CAPITAL OUTLAY	\$ 10,059,344	\$ 6,739,041	\$ 165,000	\$ 5,153,000	\$ 456,000	\$ 8,870,244	\$ 14,644,244
RESERVES							
Operating Reserve	9,813,937	8,955,133					10,708,043
Capital Reserve	10,059,344	3,156,700					5,774,000
Debt Service Reserve	1,457,332	1,457,332					1,714,334
Vehicle Replacement Reserve	619,750	309,875					618,750
Undesignated Reserve	1,714,004	13,937,330					24,704,426
TOTAL RESERVES	\$ 23,664,367	\$ 27,816,370					\$ 43,519,553
SUMMARY							
Salaries & Employee Benefits	4,823,778	4,607,653	1,654,458	916,731	2,336,678	-	4,907,867
District Maintenance & Operations	2,372,439	2,143,197	1,310,440	434,900	663,100	-	2,408,440
Treatment Plant Operation	7,524,688	6,681,850	-	-	-	10,203,237	10,203,237
Revenue Bond Debt Service	1,457,332	1,457,332	-	-	-	1,714,334	1,714,334
Capital Outlay - General	371,700	211,700	165,000	33,000	456,000	-	654,000
Capital Outlay - Subsurface Lines	4,667,000	2,935,000	-	4,810,000	-	-	4,810,000
Capital Outlay - SSAP	10,000	10,000	-	310,000	-	-	310,000
Capital Outlay - Plant	5,010,644	3,582,341	-	-	-	8,870,244	8,870,244
TOTAL EXPENDITURES	\$ 26,237,581	\$ 21,629,073	\$ 3,129,898	\$ 6,504,631	\$ 3,455,778	\$ 20,787,815	\$ 33,878,122
TOTAL EXPENDITURES AND RESERVES	\$ 49,901,948	\$ 49,445,443					\$ 77,397,675

DETAIL OF SALARIES AND EMPLOYEE BENEFITS, FISCAL YEAR 2015-16 OPERATING BUDGET

POSITION TITLES	Administration & Info. Svc.	Engineering	Operations
District Manager and Engineer	0.35	0.30	0.35
Director of Admin./Information Services	1.00		
Senior Accountant	1.00		
Senior Account Clerk	1.00		
Account Clerk II	2.00		
Administrative Assistant II (Part Time)	0.50		
Information Services Coordinator	1.00		
Construction Inspector I/II	1.00	1.00	
Assistant Engineer Permit/Mapping	1.00		
Director of Engineering/Operations		0.50	0.50
Senior Civil Engineer		1.00	
Assoc. Engineering Technician	1.00	1.00	
Assistant Engineer		1.00	
Student Intern		0.27	
Operations Supervisor			1.00
Supervising Leadworker			1.00
Maintenance Leadworker (Specialized)			3.00
Maintenance Leadworker			1.00
Maintenance Worker I/II (Specialized)			3.00
Maintenance Worker II			1.00
Maintenance Worker Trainee/I			2.00
TOTAL FTEs	9.85	5.07	12.85

	Administration & Info. Svc.	Engineering	Operations	Total
TOTAL SALARIES	1,118,177	625,206	1,427,350	3,170,733
EMPLOYEE BENEFITS:				
Retirement	195,556	106,414	253,646	555,616
Workers' Compensation	2,852	4,276	35,996	43,124
Employee Group Insurance	238,741	126,581	338,867	704,189
Retiree Medical	-	-	146,299	146,299
FICA Employer Tax	80,089	43,606	110,211	233,906
OPEB Funding	19,043	10,648	24,309	54,000
TOTAL BENEFITS	536,281	291,525	909,328	1,737,134
TOTAL SALARIES AND BENEFITS	\$ 1,654,458	\$ 916,731	\$ 2,336,678	\$ 4,907,867

**SCHEDULE OF AVAILABLE FUNDS
AND BALANCE IN OPERATING FUND JUNE 30, 2015 & AND JUNE 30, 2016**

	ESTIMATED Fiscal Year 2014-15	PROPOSED BUDGET Fiscal Year 2015-16
BALANCE IN OPERATING FUND - JULY 1	\$ 27,152,290	\$ 27,816,370
FISCAL YEAR REVENUES:		
Operating Revenues:		
Sewer Service Charges		
Collected on Tax Roll	19,483,088	21,431,397
Direct Billings	968,743	1,065,617
At Issuance of Permits	47,047	51,752
Total Sewer Service Charges Net	20,498,878	22,548,766
Fees for Other Services		
Permit and Inspection Fees	304,944	335,438
Labor and Overhead Billed	25,000	25,000
Connection Fees	773,174	781,000
Treatment Plant Capacity Fees	350,880	354,000
Plan Checking Fees	2,473	4,000
Storm Cleaning Fees	113,832	86,162
Storm Fund Administrative Fees	7,457	7,400
Total Fees for Other Services	1,577,760	1,593,000
Total Operating Revenues	22,076,638	24,141,766
Non-Operating Revenues		
Interest	151,345	143,000
SSAP Principal & Interest	61,345	42,714
Other	3,825	3,825
Bond Proceeds	-	25,250,000
Total Non-Operating Revenues	216,515	25,439,539
TOTAL FISCAL YEAR REVENUES	22,293,153	49,581,305
TOTAL FUNDS AVAILABLE	49,445,443	77,397,675
FISCAL YEAR EXPENDITURES	21,629,073	33,878,122
BALANCE IN OPERATING FUND - JUNE 30	\$ 27,816,370	\$ 43,519,553

DETAIL OF FISCAL YEAR 2015-16 OPERATING EXPENSES

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engineering	Operations	Sewage Disposal	
DIRECTORS' FEES						
030-01	Board Meeting Fees	\$ 12,000	-	-	-	\$ 12,000
030-02	Miscellaneous Meetings	1,500	-	-	-	1,500
030-03	Sewer Advisory Board Fees	300	-	-	-	300
TOTAL		13,800	-	-	-	13,800
GASOLINE, OIL AND FUEL						
060-01	Vehicles and Equipment	-	-	75,000	-	75,000
TOTAL		-	-	75,000	-	75,000
INSURANCE						
070-01	General District Insurance	215,000	-	-	-	215,000
070-02	Insurance Deductible	125,000	-	-	-	125,000
TOTAL		340,000	-	-	-	340,000
MEMBERSHIPS						
080-01	American Public Works Association	1,500	-	-	-	1,500
080-04	California Association of Sanitation Agencies	20,000	-	-	-	20,000
080-05	California Water Environment Association (CWEA)	700	160	1,800	-	2,660
080-07	Santa Clara County Intergovernmental Employee Relations Service	3,800	-	-	-	3,800
080-08	SCC Spec Dist Assoc	1,200	-	-	-	1,200
080-09	American Society of Civil Engineers	-	900	-	-	900
080-11	Water Environment Federation (WEF)	-	1,100	-	-	1,100
080-12	Other	8,300	700	-	-	9,000
080-19	Water Environ. Research Federation (WERF)	-	-	-	-	-
080-20	Pipe Users Group	-	400	-	-	400
TOTAL		35,500	3,260	1,800	-	40,560
OFFICE EXPENSES						
090-03	Books, Manuals, Periodicals	1,500	500	250	-	2,250
090-05	Photographic Supplies	-	300	200	-	500
090-06	Postage	23,000	-	-	-	23,000
090-07	Miscellaneous Office Expense	25,000	2,000	4,000	-	31,000
090-17	County Recorder Fees	500	-	-	-	500
090-18	Engineering Field Supplies	-	500	-	-	500
TOTAL		50,000	3,300	4,450	-	57,750
INFORMATION SERVICES						
100-01	Computer Maintenance Agreements	85,260	33,140	37,800	-	156,200
100-02	Software and Training	76,500	2,000	500	-	79,000
100-03	Hardware Repairs & Supplies	2,500	1,250	1,250	-	5,000
100-04	Maps (County Base & Real Estate)	6,000	-	-	-	6,000
100-06	Information Technology Support	32,200	16,100	16,100	-	64,400
100-07	Email-Internet Access	5,000	2,500	2,500	-	10,000
100-08	Computer Hardware & Equipment	5,500	4,500	24,300	-	34,300
TOTAL		212,960	59,490	82,450	-	354,900

DETAIL OF FISCAL YEAR 2015-16 OPERATING EXPENSES

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engineering	Operations	Sewage Disposal	
CONTRACTUAL SERVICES						
110-13	Protective Clothing	-	-	15,000	-	15,000
110-22	Drug & Alcohol Testing Program (DATCO)	-	-	1,700	-	1,700
110-24	Computer Accounting Services - B of A	20,000	-	-	-	20,000
110-35	County Collection Charges - 1% of tax roll	224,030	-	-	-	224,030
110-45	Underground Service Alert	-	1,750	-	-	1,750
110-50	Other	-	1,000	5,000	-	6,000
TOTAL		244,030	2,750	21,700	-	268,480
TREATMENT PLANT OPERATION						
111-01	Treatment Plant Operation	-	-	-	8,745,757	8,745,757
111-03	City of San Jose O&M Reserve	-	-	-	1,457,480	1,457,480
TOTAL		-	-	-	10,203,237	10,203,237
PROFESSIONAL SERVICES						
120-01	Accounting and Audit	80,000	-	-	-	80,000
120-02	Legal - General	60,000	-	-	-	60,000
120-05	Management/Engineering Consulting	60,000	-	-	-	60,000
120-07	Legal - Litigation	30,000	-	-	-	30,000
120-09	Misc. Civil Engineering	-	20,000	-	-	20,000
120-12	Consultant for Metering Station	-	75,000	-	-	75,000
120-18	Hydraulic Capacity Study	-	75,000	-	-	75,000
120-20	GASB 45 Actuarial Study	20,000	-	-	-	20,000
120-21	Safety Management Plan	-	-	20,000	-	20,000
120-22	CIP Prioritization & Development	-	15,000	-	-	15,000
120-23	Large Sewer Inspection	-	150,000	-	-	150,000
120-24	Private Lateral Replacement Program	35,000	-	-	-	35,000
TOTAL		285,000	335,000	20,000	-	640,000
PRINTING AND PUBLIC NOTICES						
130-01	Advertising/Public Notices	10,000	-	-	-	10,000
130-02	Blueprinting & Scanning	-	500	-	-	500
130-03	Printing	5,000	500	200	-	5,700
TOTAL		15,000	1,000	200	-	16,200
RENTS AND LEASES						
140-04	Photocopy Machine	12,000	-	4,500	-	16,500
TOTAL		12,000	-	4,500	-	16,500

DETAIL OF FISCAL YEAR 2015-16 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engineering	41* Operations	43* Sewage Disposal	Total
REPAIRS AND MAINTENANCE						
Buildings and Grounds						
151-01	Services and Repairs	-	-	80,000	-	80,000
151-02	Supplies	-	-	7,000	-	7,000
Vehicles and Equipment						
151-11	Vehicles	-	-	35,000	-	35,000
151-12	Mounted Equipment	-	-	25,000	-	25,000
151-13	Portable Equipment	-	-	7,000	-	7,000
151-14	Pump Station	-	-	15,000	-	15,000
151-15	CCTV	-	-	25,000	-	25,000
151-16	Rental Fees and Leases	-	-	3,500	-	3,500
151-17	Testing, Licensing and Fees	-	-	1,000	-	1,000
Collection System						
151-21	Services and Repair	-	-	15,000	-	15,000
151-22	Construction Materials and Supplies	-	-	10,000	-	10,000
151-23	Cleaning Tools and Parts	-	-	25,000	-	25,000
151-24	Flow Monitoring and Measurement	-	-	10,000	-	10,000
151-25	Excavation & Environmental Health Permits	-	-	10,000	-	10,000
151-26	CWC Section 13260 Annual Fees (SWRCB)	-	-	12,500	-	12,500
Operating Supplies						
151-31	Small Shop/Field Tools	2,500	250	6,000	-	8,750
151-32	Shop/Field Supplies	1,000	-	4,000	-	5,000
151-33	Grease, Oil and Solvents	-	-	2,500	-	2,500
Safety Equipment and Supplies						
151-41	Equipment	-	3,500	10,000	-	13,500
151-42	Clothing and Gear	4,500	500	7,500	-	12,500
151-43	Confined Space Services	-	-	15,000	-	15,000
Sewer Overflow Expenses						
151-51	Cleanup and Claims	-	-	15,000	-	15,000
151-52	Water Quality Testing and Supplies	-	-	5,000	-	5,000
151-53	Lodging, Relocation and Expenses	-	-	2,500	-	2,500
TOTAL		8,000	4,250	348,500	-	360,750
PROFESSIONAL DEVELOPMENT						
170-01	Tuition Reimbursement	3,000	1,000	1,000	-	5,000
170-02	Water Environment Federation Conference	500	3,000	-	-	3,500
170-03	CASA Conference - Directors	5,000	-	-	-	5,000
170-04	CASA Conference - Attorney	2,000	-	-	-	2,000
170-05	CASA Conference - Staff	6,500	2,000	-	-	8,500
170-06	CWEA Conference - Manager	800	-	-	-	800
170-07	CWEA Conference - Staff	-	5,500	6,000	-	11,500
170-08	CWEA, APWA & ASCE Local Section	-	500	500	-	1,000
170-09	City Management Meetings	100	-	-	-	100
170-10	Safety Training	1,000	500	18,000	-	19,500
170-11	Special Districts Association Meetings	600	-	-	-	600
170-12	American Public Works Assoc. Conference	2,200	-	-	-	2,200
170-15	Miscellaneous Staff Training	10,000	3,000	5,000	-	18,000
170-16	NASTT-Trenchless Technology	-	500	500	-	1,000
170-17	CALPERA & CALPERS	3,000	-	-	-	3,000
170-18	Lucity, ESRI & Tyler Conference	7,000	7,000	2,500	-	16,500
170-19	Professional Licenses & Certifications	1,000	750	2,000	-	3,750
TOTAL		42,700	23,750	35,500	-	101,950
UTILITIES						
190-01	Electricity & Gas-Office, Shop & Pump Strn.	28,000	-	1,500	-	29,500
190-03	Radio Communications/Repairs	-	-	39,000	-	39,000
190-04	Telephone	15,000	-	-	-	15,000
190-05	Trash Disposal	-	-	5,500	-	5,500
190-06	Water: Office, Shop, and Grounds	5,000	-	-	-	5,000
190-07	Water for Sewer Cleaning	-	-	17,500	-	17,500
TOTAL		48,000	-	63,500	-	111,500

DETAIL OF FISCAL YEAR 2015-16 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engineering	41* Operations	43* Sewage Disposal	Total
MISCELLANEOUS						
200-01	Miscellaneous	500	500	750	-	1,750
200-02	Automobile Mileage Allowance	500	500	200	-	1,200
200-04	Safety Awards	100	100	800	-	1,000
200-05	Employee Recognition	2,000	500	500	-	3,000
200-12	Physicals/Innoculations/Test HEP etc.	300	500	2,250	-	3,050
200-13	Overtime Meals	50	-	1,000	-	1,050
TOTAL		3,450	2,100	5,500	-	11,050
REVENUE BOND DEBT SERVICE						
210-02	Revenue Bond Debt Service/Water Reclam.	-	-	-	647,813	647,813
210-38	Revenue Bond Debt Service Series 2010	-	-	-	439,413	439,413
210-04	State Revolving Fund Loan	-	-	-	377,108	377,108
210-39	Lease Revenue Bond Series	-	-	-	-	-
210-40	Lease Revenue Bond Series - COI	-	-	-	250,000	250,000
TOTAL		-	-	-	1,714,334	1,714,334
TOTAL OPERATING EXPENSES		\$ 1,310,440	\$ 434,900	\$ 663,100	\$ 11,917,571	\$ 14,326,011

CAPITAL OUTLAY 2015-16 BUDGET DETAIL

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engineering	Operations	Sewage Disposal	
GENERAL FIXED ASSETS						
Property Improvements						
610-01	Miscellaneous Property Improvements	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
	Subtotal Property Improvements	-	-	50,000	-	50,000
Vehicles, Other, Furniture and Equipment						
620-10	Vehicles	-	-	350,000	-	350,000
630-01	Computer Equipment	-	5,000	6,000	-	11,000
630-02	Operations Furniture & Equipment	-	-	50,000	-	50,000
620-06	Flow Monitoring Devices	-	-	-	-	-
630-04	Furniture & Equipment - Administration	10,000	-	-	-	10,000
630-06	Furniture & Equipment - Engineering	-	20,000	-	-	20,000
650-01	Computer Software	155,000	8,000	-	-	163,000
	Subtotal Vehicles, Other, Furniture and Equipment	165,000	33,000	406,000	-	604,000
	TOTAL GENERAL FIXED ASSETS	\$ 165,000	\$ 33,000	\$ 456,000	\$ -	\$ 654,000

CAPITAL OUTLAY 2015-16 BUDGET DETAIL

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engineering	Operations	Sewage Disposal	
SUBSURFACE LINES - REHABILITATION						
710-03	Quito Basin 7 Area 2 (Bn 7-2 & Bn 5-2)	-	-	-	-	-
710-09	Blossom Hill Road Bridge	-	-	-	-	-
710-11	Quito Basin (Wildcat Creek Area Bn 7-3 & 7-4)	-	800,000	-	-	800,000
710-12	University Ave ACP (Blossom Hill to Lark)	-	400,000	-	-	400,000
710-13	LG Creek Trunk (Vasona Lake)	-	2,150,000	-	-	2,150,000
710-18	Harrison Avenue (R/R to Hamilton)	-	-	-	-	-
710-23	Railway Ave/Campbell Ave SS Improvement	-	600,000	-	-	600,000
	Subtotal Subsurface Lines - Rehabilitation	-	3,950,000	-	-	3,950,000
MISCELLANEOUS CONSTRUCTION PROJECTS						
720-01	Sewer Extension Revolving Fund Projects	-	10,000	-	-	10,000
720-02	Sewer Contract Repairs	-	800,000	-	-	800,000
720-03	District Manhole Adjustments	-	50,000	-	-	50,000
720-04	Miscellaneous Pipeline Repairs	-	-	-	-	-
	Subtotal Miscellaneous Construction Projects	-	860,000	-	-	860,000
	TOTAL - DISTRICT PROJECTS	-	4,810,000	-	-	4,810,000
TREATMENT PLANT AND SAN JOSE JOINT LINES						
730-01	WWTP Projects				8,196,304	8,196,304
730-02	Capital Replacement Fund - TP				-	-
730-03	4th Interceptor				226,440	226,440
730-04	60" Brick Interceptor Rehab				447,500	447,500
730-05	South Bay Action Plan				-	-
730-06	Moorpark-Meridian Trunk Rehab. Phase 3				-	-
730-07	Zanker Road Interceptor Cleaning				-	-
	TOTAL TREATMENT PLANT AND JOINT LINES				8,870,244	8,870,244
SEPTIC SYSTEM ABANDONMENT PROGRAM						
740-01	Septic Disposal Conversion Program		10,000			10,000
740-06	Septic Abandonment Construction Projects		300,000			300,000
	TOTAL SEPTIC SYSTEM ABANDONMENT PROGRAM		310,000			310,000
	TOTAL CAPITAL OUTLAY	\$165,000	\$5,153,000	\$456,000	\$8,870,244	\$ 14,644,244

FISCAL YEAR 2015-2016 OPERATING BUDGET SUMMARY AND PROJECTIONS THROUGH 2019-20

OPERATING FUND APPROPRIATIONS	2014-15**	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries and Benefits:						
Administration and General	\$ 1,559,619	\$ 1,654,458	\$ 1,712,364	\$ 1,772,297	\$ 1,834,327	\$ 1,898,528
Service Extension	824,010	916,731	948,817	982,026	1,016,397	1,051,971
Sewer Maintenance	2,224,024	2,336,678	2,418,462	2,503,108	2,590,717	2,681,392
Sub-Total	4,607,653	4,907,867	5,079,643	5,257,431	5,441,441	5,631,891
Maintenance and Operation:						
Administration and General	1,035,987	1,310,440	1,356,306	1,403,777	1,452,909	1,503,761
Service Extension	490,060	434,900	450,122	465,876	482,182	499,058
Sewer Maintenance	617,150	663,100	686,309	710,330	735,192	760,924
Sewage Disposal	6,681,850	10,203,237	9,758,703	10,271,840	9,198,548	9,527,076
Revenue Bond Debt Service	1,457,332	1,714,334	2,475,996	1,930,234	2,098,143	1,949,364
Sub-Total	10,282,379	14,326,011	14,727,436	14,782,057	13,966,974	14,240,183
Capital Outlay:						
General Fixed Assets	211,700	654,000	325,140	334,770	784,612	370,448
Subsurface Lines	2,935,000	4,810,000	4,250,000	3,885,000	3,985,000	4,385,000
Septic System Abandonment	10,000	310,000	310,000	310,000	310,000	310,000
Treatment Plant & Joint Lines	3,582,341	8,870,244	9,476,693	15,674,773	11,592,649	7,138,017
Sub-Total	6,739,041	14,644,244	14,361,833	20,204,543	16,672,261	12,203,465
TOTAL EXPENDITURES	21,629,073	33,878,122	34,168,912	40,244,031	36,080,676	32,075,539
RESERVES						
Operating Reserve	8,955,133	10,708,043	10,656,485	11,036,354	11,433,197	11,839,805
Capital Reserve	3,156,700	5,774,000	4,885,140	4,529,770	5,079,612	5,065,448
Debt Service Reserve	1,457,332	1,714,334	2,475,996	1,930,234	2,098,143	1,949,364
Vehicle Replacement Reserve	309,875	618,750	670,000	732,500	601,250	666,250
Undesignated Reserve	13,937,330	24,704,426	\$17,153,691	\$6,095,044	\$197,570	\$464,600
Sub-Total	27,816,370	43,519,553	35,841,312	24,323,902	19,409,772	19,985,467
TOTAL BUDGET	49,445,443	77,397,675	70,010,224	64,567,933	55,490,448	52,061,006
RESOURCES						
Fund Balance at June 30	27,152,290	27,816,370	43,519,553	\$35,841,312	\$24,323,902	\$19,409,772
Service Charges*	20,498,878	22,548,766	24,690,899	26,913,080	29,335,257	30,802,020
SSAP Agreement Payments	61,345	42,714	42,549	38,746	38,746	38,746
Other Income	1,732,930	1,739,825	1,757,223	1,774,795	1,792,543	1,810,468
Bond Proceeds	-	25,250,000	-	-	-	-
TOTAL RESOURCES	49,445,443	77,397,675	70,010,224	\$64,567,933	\$55,490,448	\$52,061,006
*Rate Increase:	10.0%	10.0%	9.5%	9.0%	9.0%	5.0%
Residential Rate/Month	33.34	36.67 *	40.15 *	43.77 *	47.71 *	50.1 *

* 2016-2020 Projected Rate

** 2014-15 Estimate

APPENDIX A

CAPITAL IMPROVEMENT PROGRAM 2015-2020

**FY 2015-2020
CAPITAL IMPROVEMENT PROGRAM**

	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5-Year Total</u>
	<i>Final Budget</i>	<i>Estimated</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>
CONSTRUCTION PROJECTS								
<u>1. Wastewater Treatment Plant</u>								
WWTP Projects	\$ 4,196,100	\$ 3,545,040	\$ 8,196,304	\$ 7,980,018	\$ 14,028,098	\$ 9,547,834	\$ 5,210,702	\$ 44,962,956
Equipment replacement	-	-	-	144,565	144,565	144,565	144,565	578,260
Subtotal WWTP Contributions:	\$ 4,196,100	\$ 3,545,040	\$ 8,196,304	\$ 8,124,583	\$ 14,172,663	\$ 9,692,399	\$ 5,355,267	\$ 45,541,216
<u>2. Joint Trunk Sewer Projects</u>								
Fourth Interceptor (Rehab IIB & IIIB)	\$ 11,544	\$ 4,092	\$ 226,440	\$ -	\$ -	\$ -	\$ -	\$ 226,440
60" Brick Interceptor	803,000	33,209	447,500	1,352,110	1,352,110	-	-	3,151,720
Rincon-Virginia Sanitary Sewer Improvements	-	-	-	-	150,000	1,715,500	-	1,865,500
Westmont-Harriet Sanitary Sewer Improvement	-	-	-	-	-	150,000	1,748,000	1,898,000
Fourth Interceptor Phase VIIA	-	-	-	-	-	34,750	34,750	69,500
Subtotal Joint Trunk Sewer Participation:	\$ 814,544	\$ 37,301	\$ 673,940	\$ 1,352,110	\$ 1,502,110	\$ 1,900,250	\$ 1,782,750	\$ 7,211,160
Total San Jose Projects:	\$ 5,010,644	\$ 3,582,341	\$ 8,870,244	\$ 9,476,693	\$ 15,674,773	\$ 11,592,649	\$ 7,138,017	\$ 52,752,376
<u>3. District Sewer Rehabilitation Program</u>								
Quito Basin 7 Area 2 (Bn 7-2 & Bn 5-2)	\$ 418,000	\$ 418,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quito Basin (Wildcat Creek Area Bn 7-3 & 7-4)	125,000	125,000	800,000	1,415,000	-	-	-	2,215,000
LG Creek Trunk (Vasona Lake)	2,300,000	150,000	2,150,000	-	-	-	-	2,150,000
Leigh Basin 3 Area 1	-	-	-	-	-	200,000	1,600,000	1,800,000
Blossom Hill Road Bridge	210,000	210,000	-	-	-	-	-	-
University Ave (Elm - Blossom Hill)	-	-	-	300,000	1,600,000	-	-	1,900,000
University Ave ACP (Blossom Hill to Lark)	250,000	100,000	400,000	1,500,000	-	-	-	1,900,000
San Tomas (Old Orchard - Campbell)	-	-	-	-	-	-	-	-
Winchester Blvd (Knowles - Old Orchard)	-	-	-	-	-	-	-	-
Harrison Avenue (R/R to Hamilton)	200,000	-	-	200,000	950,000	-	-	1,150,000
Campbell Downtown Ph 1 (2nd to Winchester)	-	-	-	-	250,000	1,100,000	-	1,350,000
Campbell Downtown Ph 2 (1st to Harrison)	-	-	-	-	250,000	1,100,000	-	1,350,000
Leigh Basin 3 Area 2	-	-	-	-	-	-	200,000	200,000
La Paloma to Oak Street	-	-	-	-	-	750,000	1,750,000	2,500,000
Railway Ave/Campbell Ave SS Improvement	-	-	600,000	-	-	-	-	600,000
Subtotal District Sewer Rehabilitation:	\$ 3,503,000	\$ 1,003,000	\$ 3,950,000	\$ 3,415,000	\$ 3,050,000	\$ 3,150,000	\$ 3,550,000	\$ 17,115,000

FY 2015-2020
CAPITAL IMPROVEMENT PROGRAM

	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5-Year Total</u>
	<i>Final Budget</i>	<i>Estimated</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>	<i>Forecasts</i>
CONSTRUCTION PROJECTS								
<u>4. Septic System Abandonment Program</u>								
Septic Disposal Conversion Program	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Septic System Abandonment Program			300,000	300,000	300,000	300,000	300,000	1,500,000
Subtotal SSAP Program:	\$ 10,000	\$ 10,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 1,550,000
<u>5. Miscellaneous Construction Projects</u>								
SERF Projects	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Sewer Contract Repairs	952,000	1,727,000	800,000	800,000	800,000	800,000	800,000	4,000,000
District Manhole Adjustments	202,000	195,000	50,000	25,000	25,000	25,000	25,000	150,000
Miscellaneous Pipeline Repairs	-	-	-	-	-	-	-	-
Subtotal Miscellaneous Construction:	\$ 1,164,000	\$ 1,932,000	\$ 860,000	\$ 835,000	\$ 835,000	\$ 835,000	\$ 835,000	\$ 4,200,000
NON-CONSTRUCTION CAPITAL								
Vehicles, Furniture & Equipment	\$ 321,700	\$ 161,700	\$ 604,000	\$ 275,140	\$ 284,770	\$ 734,612	\$ 320,448	\$ 2,218,970
Property Improvements	50,000	50,000	50,000	50,000	50,000	50,000	50,000	250,000
Subtotal Non-Construction Capital:	\$ 371,700	\$ 211,700	\$ 654,000	\$ 325,140	\$ 334,770	\$ 784,612	\$ 370,448	\$ 2,468,970
TOTAL CAPITAL OUTLAY:	\$ 10,059,344	\$ 6,739,041	\$ 14,644,244	\$ 14,361,833	\$ 20,204,543	\$ 16,672,261	\$ 12,203,465	\$ 78,086,346

APPENDIX B

SEWER SERVICE REVENUE PROGRAM

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

**PROPOSED
REVENUE PROGRAM
FOR
SEWERAGE SERVICES**

FISCAL YEAR 2015-2016

**APRIL, 2015
PREPARED BY JON NEWBY
DISTRICT MANAGER AND ENGINEER**

SEWER SERVICE REVENUE PROGRAM

Ordinance No. 144, establishing sewer service charges for fiscal years 2013-2014 through fiscal year 2017-2018, was adopted by the Board of Directors of West Valley Sanitation District on May 8, 2013, after a public hearing held in accordance with provisions of Article XIID, Section 6 of the California Constitution, otherwise known as Proposition 218. Sewer service and use charges for residential and non-residential connections are shown on the following pages.

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 Regional Wastewater Facility (Treatment 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. The sewer service charges and fees are based on financial projections and a rate analysis prepared for the District by an independent consultant, and is sufficient for cost recovery requirements.

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

Jon Newby, District Manager and Engineer
West Valley Sanitation District of Santa Clara County
100 East Sunnoaks Avenue
Campbell, CA 95008
408-378-2407
jnewby@westvalleysan.org

WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY, CALIFORNIA

SEWER SERVICE AND USE CHARGES

FISCAL YEAR 2015-2016

The proposed Sewer Service and Use Charge rate structure for Fiscal Year 2015-2016 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. The rates were computed to recover projected costs in Fiscal Year 2015-2016 for the following:

- a. District's share of operation and maintenance of the San Jose-Santa Clara Regional Wastewater Facility.
- 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 \$36.67 per month or \$440.04 per year for each single-family dwelling, and \$25.60 per month or \$307.20 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 under WV Sewer Sani/Storm.

COMMERCIAL, INSTITUTIONAL, AND GROUPED INDUSTRY RATES

The rate structure for commercial, institutional, and grouped industry classes include non-residential users discharging wastewater of uniform strength of less than 50,000 gallons per day is based on water consumption data and the differences in wastewater strength among 15 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 2,400 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**

Flow	\$701,852.00 per MGD
Biological Oxygen Demand (BOD)	119,908.00 per 1000 lbs/day
Suspended Solids (SS)	82,348.00 per 1000 lbs/day
Nitrogen (NH ₃)	353,006.00 per 1000 lbs/day

OPERATING AND MAINTENANCE COSTS**

Flow	\$1,500.00 per MG
Biological Oxygen Demand (BOD)	102.00 per 1000 lbs
Suspended Solids (SS)	134.00 per 1000 lbs
Nitrogen (NH ₃)	1098.00 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, established in 1982 and modified in 2006 by Ordinance No. 133, is to recover the costs associated with the District’s purchase of wastewater treatment capacity in the San Jose-Santa Clara Regional Wastewater Facility. This is a “one time” fee collected at the time a connection is made to the District’s wastewater collection system.

The treatment plant capacity fee is computed on four parameters as follows:

Flow	\$4.03 per gallon per day
BOD	300.35 per pound per day
SS	202.44 per pound per day
NH ₃	1,092.76 per pound per day

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

<u>EXAMPLE CONNECTIONS</u>	<u>TYPICAL CAPACITY FEE</u>	
<u>Residential</u>		
Single-Family Residence:	\$1,288	
Townhouse/Condominium:	1,288	
Multiple Dwelling:	1,120	
Secondary Unit	1,120	
 <u>Commercial</u>		
		<u>Typical Connection Fee*</u>
Fast food restaurant (1000 sq. ft.)	\$8,144	\$9,279
Full service restaurant (2300 sq. ft.)	21,645	24,662
Medical center (12,500 sq. ft.)	31,859	51,550
Convalescent home (20 beds)	16,567	26,806
Gas station (4000 sq. ft., 4 pair pumps)	12,727	20,620
Laundromat (10 machines)	30,235	51,550
Market – Grocery (15,000 sq. ft.)	25,790	29,384
Small retail store (1300 sq. ft.)	569	978
Office: (1800 sq. ft.)	1,510	2,598
Hotel/Motel with dining (50 rooms)	35,951	61,860
Hospital (85 beds)	124,568	201,561
Coffee shop (1500 sq. ft.)	3,801	4,330
Donut shop (1500 sq. ft.)	8,144	9,279

*CONNECTION FEE

In addition to updating the treatment plant capacity fee, Ordinance No. 133 updated the sewer connection fee to reflect costs associated with replacement and rehabilitation of District sewer lines. The residential connection fee is standardized, and the commercial connection fee is based on flow parameters. The fee is collected when a connection is made to the District’s sewer system or when a significant change is made to an existing connection.

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2015-2016

I. <u>RESIDENTIAL</u>	FY 2014-2015		FY 2015-2016		%
	Month	Year	Month	Year	Change
Single-Family Dwelling	\$33.34	\$400.08	\$36.67	\$440.04	10.00
Multiple Dwelling Unit	23.27	279.24	25.60	307.20	10.00
Mobile Home	23.27	279.24	25.60	307.20	10.00
II. <u>GROUPED INDUSTRIAL AND COMMERCIAL</u>	Dollars per Hundred Cubic Feet of Wastewater Discharged				
			FY	FY	%
			2014-2015	2015-2016	Change
Grouped Industrial					
Winery			\$10.21	\$11.23	10.00
Printing Works			4.73	5.20	10.00
Machinery Manufacturing			4.95	5.44	10.00
Electrical Equipment			3.34	3.67	10.00
Film Service			3.51	3.86	10.00
Plating Works			3.19	3.51	10.00
Industrial Laundry			6.66	7.32	10.00
Car Wash			2.69	2.95	10.00
Commercial					
Restaurant			\$6.58	\$7.24	10.00
Hotel-Motel			3.41	3.75	10.00
Gas Station-Repair			3.64	4.01	10.00
Domestic Laundry			2.99	3.29	10.00
Retail/Office/Misc.			3.55	3.90	10.00
Hospitals			3.17	3.49	10.00
Schools			3.98	4.38	10.00

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2015-2016

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

	FY 2014-2015	FY 2015-2016	% Change
Capital Cost Recovery			
Annual Charge per MGD Flow	\$638,048	\$701,852	10.00
Annual Charge per 1000 lbs/day BOD	109,008	119,908	10.00
Annual Charge per 1000 lbs/day SS	74,861	82,348	10.00
Annual Charge per 1000 lbs/day NH ₃	320,915	353,006	10.00
Operation and Maintenance Cost Recovery			
Charge per MGD of Flow	\$1,364	\$1,500	10.00
Charge per 1000 lbs of BOD	93	102	10.00
Charge per 1000 lbs of SS	122	134	10.00
Charge per 1000 lbs of NH ₃	998	1,098	10.00

Cost recovery factors are based in part on loading parameters provided by the San Jose-Santa Clara Regional Wastewater Facility.