

**FINAL BUDGET  
FISCAL YEAR 2003-2004**

**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 2003-2004**

**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

DAN FURTADO	MAYOR, CITY OF CAMPBELL
DIANE MC NUTT	COUNCILMEMBER, TOWN OF LOS GATOS
DAVID BAXTER	MAYOR, CITY OF MONTE SERENO
STAN BOGOSIAN	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 2003-2004**

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ACTUAL EXPENDITURES FOR FISCAL YEAR 2002-03

AND

SUMMARY OF FISCAL YEAR 2003-04 OPERATING BUDGET

Expenditure Classification and Account Number	2002-03 EXPENDITURES		2003-04 FINAL BUDGET				Total
	Budgeted	Actual	Administration	Engin.	Operations	Disposal & NPS	
<b>SALARIES AND EMPLOYEE BENEFITS</b>							
010 Salaries	\$2,015,306	1,837,174	\$ 564,333	\$ 413,174	\$ 816,180	\$ 245,609	\$2,039,296
020 Employee Benefits	699,240	447,992	229,561	125,689	341,175	55,623	752,048
<b>Total Salaries and Employee Benefits</b>	<b>\$2,714,546</b>	<b>\$2,285,166</b>	<b>\$793,894</b>	<b>\$538,863</b>	<b>\$1,157,355</b>	<b>\$301,232</b>	<b>\$2,791,344</b>
<b>MAINTENANCE AND OPERATIONS</b>							
030 Directors' Fees	28,040	21,882	30,410				30,410
060 Gasoline, Oil & Fuel	38,800	29,322			32,000		32,000
070 Insurance	133,000	96,505	60,600	23,800	59,400		143,800
080 Memberships	21,410	23,417	18,600	5,100	760		24,460
090 Office Expense	121,650	43,069	65,100	3,500	3,950		72,550
100 Engineering Field Supplies	2,150	497		1,100			1,100
110 Contractual Services	751,800	695,469	27,700	156,500	663,940		848,140
111 Treatment Plant Operation	5,554,000	4,951,689				5,699,800	5,699,800
115 Clean Water Program (NPS)	270,300	219,496				273,350	273,350
120 Professional Services	288,900	224,320	231,900	55,500	1,500		288,900
130 Printing & Public Notices	42,000	13,890	12,000	2,000	1,300		15,300
140 Rents and Leases	11,900	7,514	8,500		3,400		11,900
150 Repairs and Maintenance	154,400	106,032	600		154,100		154,700
170 Professional Development	71,550	38,820	35,050	5,350	29,500		69,900
190 Utilities	57,500	62,077	48,740		17,500		66,240
200 Miscellaneous	15,740	7,592	4,485	1,075	10,000		15,560
210 Revenue Bond Debt Service	988,400	935,098				1,108,120	1,108,120
<b>Total Maintenance and Operations</b>	<b>\$8,551,540</b>	<b>\$7,476,689</b>	<b>\$543,685</b>	<b>\$253,925</b>	<b>\$977,350</b>	<b>\$7,081,270</b>	<b>\$8,856,230</b>

2002-03  
EXPENDITURES

2003-04 FINAL BUDGET

Expenditure Classification and Account Number	Budgeted	Actual	Administration	Engin.	Operations	Disposal & NPS	Total
<b>CAPITAL OUTLAY</b>							
General Fixed Assets	\$ 814,000	\$ 559,082	\$ 120,000	\$ 7,000	\$ 459,000	\$ -	\$ 586,000
Subsurface Lines	2,420,000	2,237,840		2,660,000			2,660,000
Septic System Abandonment Program	25,000	-		25,000			25,000
Treatment Plant & Joint Lines	5,089,500	1,920,738				5,562,689	5,562,689
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 8,348,500</b>	<b>\$ 4,717,660</b>	<b>\$ 120,000</b>	<b>\$ 2,692,000</b>	<b>\$ 459,000</b>	<b>\$ 5,562,689</b>	<b>\$ 8,833,689</b>
Less Discount Factor	1,164,990	-					1,325,053
<b>NET CAPITAL OUTLAY</b>	<b>\$ 7,183,510</b>	<b>\$ 4,717,660</b>	<b>\$ 120,000</b>	<b>\$ 2,692,000</b>	<b>\$ 459,000</b>	<b>\$ 5,562,689</b>	<b>\$ 7,508,636</b>
<b>RESERVES</b>							
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	145,266	145,266					145,266
Vehicle Replacement	883,000	883,000					883,000
Capacity Acquisitions	2,500,000	2,750,000					2,500,000
Capital Fund Reserves	16,622,233	20,256,045					14,345,899
<b>TOTAL RESERVES</b>	<b>\$ 20,375,343</b>	<b>\$ 24,259,155</b>					<b>\$ 18,069,009</b>
<b>SUMMARY</b>							
Salaries & Employee Benefits	2,714,546	2,285,166	793,894	538,863	1,157,355	301,232	2,791,344
District Maintenance & Operations	1,738,840	1,370,406	543,685	253,925	977,350		1,774,960
Treatment Plant Operation	5,554,000	4,951,689				5,699,800	5,699,800
Clean Water Program (NPS)	270,300	219,496				273,350	273,350
Revenue Bond Debt Service	988,400	935,098				1,108,120	1,108,120
Capital Outlay - General	814,000	559,082	120,000	7,000	459,000		586,000
Capital Outlay - Subsurface Lines	2,420,000	2,237,840		2,660,000			2,660,000
Capital Outlay - SSAP	25,000	-		25,000			25,000
Capital Outlay - Plant	5,089,500	1,920,738				5,562,689	5,562,689
Capital Outlay - Discount Factor	(1,164,990)	-					(1,325,053)
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,449,596</b>	<b>\$ 14,479,515</b>	<b>\$ 1,457,579</b>	<b>\$ 3,484,788</b>	<b>\$ 2,593,705</b>	<b>\$ 12,945,191</b>	<b>\$ 19,156,210</b>
<b>TOTAL EXPENDITURES AND RESERVES</b>	<b>\$ 38,824,939</b>	<b>\$ 38,738,670</b>					<b>\$ 37,225,219</b>

**DETAIL OF SALARIES AND EMPLOYEE BENEFITS, FISCAL YEAR 2003-04 OPERATING BUDGET**

	Employees	Administration & Info. Svc.	Engineering & Operations		Disposal and NPS	Total
			Engin.	Operations		
<b>DISTRICT MANAGER AND ENGINEER</b>	1	\$ 43,134	\$ 36,972	\$ 36,972	\$ 6,162	\$ 123,240
<b>ADMINISTRATION DIVISION:</b>						
Director of Admin./Information Services	1	104,801				104,801
Account Clerk II	1	53,523				53,523
Secretary II	3	155,593				155,593
Secretary I						
Information Systems Coordinator	1	90,588				90,588
Engineering Technician-Part Time	1	41,160				41,160
Engineering Technician/Inspector	1	32,489	32,489			64,978
<b>ENGINEERING &amp; OPERATIONS DIVISION:</b>						
Director of Engineering/Operations	1		55,200	55,200		110,400
Senior Engineer	1		96,420			96,420
Construction Inspection Manager	1		90,588			90,588
Assistant Engineer (New Hire)	1		62,344			62,344
Operations Supervisor	1			90,588		90,588
Maintenance Leadworker (Specialized)	3			132,573	65,298	197,871
Maintenance Worker II	6			263,828	52,639	316,467
Maintenance Worker I	1			53,685		53,685
Maintenance Worker I (New Hire)	1			41,600		41,600
Custodian/Gardener	1			50,660		50,660
<b>MISCELLANEOUS:</b>						
WVCWP Program Manager	1				60,008	60,008
WVCWP Staff	2				61,502	61,502
Student Intern	1		15,001			15,001
Compensation for On-Call Duty				21,000		21,000
Overtime Contingency & Out of Class				17,031		17,031
Salary Contingency		19,714	11,265	25,347		56,326
Grade Certification Premium				2,520		2,520
Performance Incentive Contingency		23,331	12,895	25,176		61,402
<b>TOTAL SALARIES</b>		564,333	413,174	816,180	245,609	2,039,296
<b>EMPLOYEE BENEFITS:</b>						
Retirement		37,870	26,969	53,897	8,688	127,424
Workers' Compensation		11,207	12,907	59,143	9,315	92,572
Employee Group Insurance		135,896	54,313	161,716	19,313	371,238
FICA & SDI Employer Tax		44,588	31,500	66,419	18,307	160,814
<b>TOTAL BENEFITS</b>		229,561	125,689	341,175	55,623	752,048
<b>TOTAL SALARIES AND BENEFITS</b>		\$ 793,894	\$ 538,863	\$ 1,157,355	\$ 301,232	\$ 2,791,344



**SCHEDULE OF AVAILABLE FUNDS  
AND BALANCE IN OPERATING FUND JUNE 30, 2003 AND JUNE 30, 2004**

	Actual Fiscal Year 2002-03	Final Budget Fiscal Year 2003-04
<b>BALANCE IN OPERATING FUND - JULY 1</b>	\$ 26,720,389	\$ 24,259,155
<b>FISCAL YEAR REVENUES:</b>		
Operating Revenues:		
Sewer Service Charges		
Collected on Tax Roll	9,565,543	10,501,000
County Collection Fee (1%)	(95,681)	(105,000)
Direct Billings	358,754	360,000
At Issuance of Permits	32,936	27,300
Total Sewer Service Charges Net	9,861,552	10,783,300
Fees for Other Services		
Permit and Inspection Fees	118,365	120,000
Connection Fees	174,901	140,000
Treatment Plant Capacity Fees	355,478	250,000
Overhead Billed	4,980	6,000
Plan Checking Fees	3,250	1,000
Storm Drain Fees	89,664	160,000
Clean Water Program (NPS)	539,511	450,000
Total Fees for Other Services	1,286,149	1,127,000
Total Operating Revenues	11,147,701	11,910,300
Non-Operating Revenues		
Interest	641,455	829,964
SSAP Principal Payments	138,004	140,500
SSAP Interest Payments	91,159	85,550
County Collection Fee (1%)	(2,279)	(2,250)
Annexation Charges	886	1,000
Other	1,355	1,000
Total Non-Operating Revenues	870,580	1,055,764
<b>TOTAL FISCAL YEAR REVENUES</b>	<b>12,018,281</b>	<b>12,966,064</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>38,738,670</b>	<b>37,225,219</b>
<b>FISCAL YEAR EXPENDITURES</b>	<b>14,479,515</b>	<b>19,156,210</b>
<b>BALANCE IN OPERATING FUND - JUNE 30</b>	<b>\$ 24,259,155</b>	<b>\$ 18,069,009</b>

\* Account Prefix

DETAIL OF FISCAL YEAR 2003-04 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
<b>DIRECTORS' FEES</b>						
030-01	Board Meeting Fees	\$ 26,885				\$ 26,885
030-02	Miscellaneous Meetings	2,655				2,655
030-03	Sewer Advisory Board Fees	870				870
TOTAL		30,410				30,410
<b>GASOLINE, OIL AND FUEL</b>						
060-01	Vehicles and Equipment			32,000		32,000
060-02	Storage Tank and Haz-Mat Permits					
TOTAL				32,000		32,000
<b>INSURANCE</b>						
070-01	General District Insurance	35,600	23,800	59,400		118,800
070-02	Insurance Deductible	25,000				25,000
TOTAL		60,600	23,800	59,400		143,800
<b>MEMBERSHIPS</b>						
080-01	American Public Works Association	250	250			500
080-02	American Society for Testing and Materials					
080-03	California Public Employers Labor Relations Association	250				250
080-04	California Association of Sanitation Agencies	10,500				10,500
080-05	California Water Environment Association (CWEA)	250		700		950
080-06	Risk Management	100				100
080-07	Santa Clara County Intergovernmental Employee Relations Service	6,000				6,000
080-08	Santa Clara County Special Districts Association	50				50
080-09	American Society of Civil Engineers		250			250
080-11	Water Environment Federation (WEF)		500			500
080-12	Other	800				800
080-18	Maintenance Superintendents Association	150		60		210
080-19	Water Evn. Research Federation (WERF)		3,600			3,600
080-20	Pipe Users Group		500			500
080-25	Public Agency Coalition-PERS/PAC	250				250
TOTAL		18,600	5,100	760		24,460
<b>OFFICE EXPENSES</b>						
090-01	Annexation/Detachment Fees	1,000				1,000
090-02	Assessors Maps	2,000				2,000
090-03	Books, Manuals, Periodicals	1,200	1,000	550		2,750
090-04	County and City Maps (Digital)	1,000				1,000
090-05	Photographic Supplies	200	500	500		1,200
090-06	Postage	6,000				6,000
090-07	Miscellaneous Office Expense	16,000	1,000	1,800		18,800
090-08	Computer Software	35,500				35,500
090-10	Microfiche Publishers	100				100
090-11	Video Tapes			100		100
090-12	Computer Supplies	1,000	1,000	1,000		3,000
090-14	Microfiche Files	100				100
090-17	County Recorder Fees	1,000				1,000
TOTAL		65,100	3,500	3,950		72,550

\* Account Prefix

**DETAIL OF FISCAL YEAR 2003-04 OPERATING EXPENSES**

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
<b>ENGINEERING FIELD SUPPLIES</b>						
100-02	Inspection Supplies		500			500
100-03	Surveying Supplies		300			300
100-04	Sulfide Mitigation Program Supplies		300			300
<b>TOTAL</b>			1,100			1,100
<b>CONTRACTUAL SERVICES</b>						
110-01	Area Y Trunk Sewer Maintenance					
110-05	City of San Jose Camden Avenue Sewer					
110-06	Electrical Repairs			1,000		1,000
110-12	Los Gatos Town Sewer Maintenance			636,540		636,540
110-13	Protective Clothing			12,000		12,000
110-14	Line Location Assistance		500			500
110-15	Pipeline Relocation and Repair		100,000			100,000
110-20	City & County Inspection Fees		1,500			1,500
110-22	Drug & Alcohol Testing Program (DATCO)			2,200		2,200
110-24	Computer Accounting Services - B of A	8,000				8,000
110-25	Water Records - SJ Water Co	1,500				1,500
110-27	County Assessor Parcel Files	8,500				8,500
110-31	Office Equipment Maintenance	200				200
110-34	Gardening Services			4,200		4,200
110-40	Underground Storage Tank Monitoring					
110-41	CHP/DOT Vehicle Inspections					
110-42	Metering Station Operation		50,000			50,000
110-43	TV Inspections for I&I Program		1,000			1,000
110-45	Underground Service Alert		2,500	1,300		3,800
110-47	Testing Laboratory Service			1,500		1,500
110-50	Other		1,000	1,600		2,600
110-51	Real Estate Digital Map (Metroscan)	3,500				3,500
110-52	Assessor's Map (Barclay)	6,000				6,000
110-53	HVAC Maintenance/Repair			2,000		2,000
110-54	Emergency Generator/Fire Alarm			1,600		1,600
<b>TOTAL</b>		27,700	156,500	663,940		848,140
<b>TREATMENT PLANT OPERATION</b>						
111-01	Treatment Plant Operation				5,949,800	5,949,800
	Less prior year credit				(250,000)	(250,000)
<b>TOTAL</b>					5,699,800	5,699,800
<b>WEST VALLEY CLEAN WATER PROGRAM (NPS)</b>						
115-01	SCV Prog. Assmt./Industrial Inspection				187,000	187,000
115-02	Non-payroll Operating Expenses				86,350	86,350
<b>TOTAL</b>					273,350	273,350

\* Account Prefix

DETAIL OF FISCAL YEAR 2003-04 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
<b>PROFESSIONAL SERVICES</b>						
120-01	Accounting and Audit	96,000				96,000
120-02	Legal - General	52,500				52,500
120-07	Legal - Litigation	8,400				8,400
120-04	Misc Computer Applications	25,000	1,500	1,500		28,000
120-05	Management Consulting	20,000				20,000
120-11	Upgrade of COSMO & Parcel Info. Sys.	30,000	25,000			55,000
120-13	Geographic Information System		29,000			29,000
<b>TOTAL</b>		<b>231,900</b>	<b>55,500</b>	<b>1,500</b>		<b>288,900</b>
<b>PRINTING AND PUBLIC NOTICES</b>						
130-01	Advertising/Public Notices	8,000				8,000
130-02	Blueprinting	1,000	1,000	300		2,300
130-03	Printing	2,000	500	1,000		3,500
130-04	Printing SL Maps	1,000	500			1,500
<b>TOTAL</b>		<b>12,000</b>	<b>2,000</b>	<b>1,300</b>		<b>15,300</b>
<b>RENTS AND LEASES</b>						
140-01	Equipment Rental			3,000		3,000
140-03	Communication Equipment Rental			400		400
140-04	Photocopy Machine	8,500				8,500
<b>TOTAL</b>		<b>8,500</b>		<b>3,400</b>		<b>11,900</b>
<b>REPAIRS AND MAINTENANCE</b>						
Equipment Repairs and Maintenance						
150-01	Air Compressor AC3			200		200
150-02	Foamer MV39					
150-03	Fire Extinguisher Refills			700		700
150-04	Pump, Portable			150		150
150-05	Rodder, Spartan			1,500		1,500
150-06	Tractor, Backhoe MV38			1,200		1,200
150-07	Rodder, Flexible MV40			1,200		1,200
150-08	Water Truck MV37			1,000		1,000
150-09	HV Cleaner, Engine, Pump, Reel			4,000		4,000
150-10	Gasoline Pump / Alarm System			1,000		1,000
150-11	Forklift MV64			250		250
150-12	Auxiliary Generator					
150-13	TV Inspection Equipment, Parts			20,000		20,000
150-14	Miscellaneous Equipment Repairs	600		1,800		2,400
150-15	Janitorial Supplies			3,000		3,000
150-16	Building & Grounds Maintenance			12,000		12,000
150-17	Building Repairs			8,000		8,000
Motor Vehicle Maintenance						
150-18	Routine Service and Repair			5,000		5,000
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

\* Account Prefix

**DETAIL OF FISCAL YEAR 2003-04 OPERATING EXPENSES**

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
<b>Sewer Maintenance Supplies</b>						
150-24	Gravel, Pipe Bedding, Fill Sand			1,200		1,200
150-25	Grease, Oil, Solvents			350		350
150-26	Paint, Electrical, Dry Batteries, Locks, Hardware, Mechanical Tools			5,000		5,000
150-27	Rain Gear, Boots, Gloves			1,600		1,600
150-28	Rods, Plugs, Cleanout Balls, Test Balls, Cleaning Tools, Hoses and Fittings			15,000		15,000
150-29	Root Control Chemicals and Supplies			12,000		12,000
150-30	Sewer Chemicals (Other than Root Control), Chlorine, Dye, Odor Blocks			1,000		1,000
150-31	Sewer Pipe and Fittings			8,000		8,000
150-32	Traffic Warning & Safety Devices, Jackets, Safety Shoes, Scott Paks, Tri-Tester			6,500		6,500
150-33	Welding Supplies			400		400
<b>Surface Repair and Maintenance</b>						
<b>Streets and Easements</b>						
150-34	Rings, Bolt Downs, Frames, Covers			3,000		3,000
150-35	Seeds, Hay, Witness Posts			150		150
150-36	Manhole Repair Material			800		800
150-37	Paving Material			3,500		3,500
150-38	Building Material			4,500		4,500
150-39	Miscellaneous Repair Supplies			600		600
150-40	Subsurface Line Repair			5,000		5,000
150-42	Emergency Overflow Expense			5,000		5,000
<b>TOTAL</b>		<b>600</b>		<b>154,100</b>		<b>154,700</b>

**PROFESSIONAL DEVELOPMENT**

170-01	Tuition Reimbursement	1,500	750	2,500		4,750
170-02	Water Environment Federation Conference	2,600		3,300		5,900
170-03	CASA Conference - Directors	7,000				7,000
170-04	CASA Conference - Attorney	3,500				3,500
170-05	CASA Conference - Staff	6,000				6,000
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	50				50
170-10	Safety Training		200	15,000		15,200
170-11	Special Districts Association Meetings	50				50
170-12	American Public Works Assoc. Conference	1,500				1,500
170-13	Maint. Superintendent Assoc. Conference	2,500				2,500
170-15	Other	7,000	2,000	4,000		13,000
170-16	NASTT-Trenchless Technology		1,000	1,500		2,500
170-17	Software Training	2,550				2,550
<b>TOTAL</b>		<b>35,050</b>	<b>5,350</b>	<b>29,500</b>		<b>69,900</b>

**UTILITIES**

190-01	Electricity and Gas, Office & Shop	21,700				21,700
190-03	Radio Communications/Repairs			5,500		5,500
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	10,740				10,740

<b>TOTAL</b>		<b>48,740</b>		<b>17,500</b>		<b>66,240</b>
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\* Account Prefix

DETAIL OF FISCAL YEAR 2003-04 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
<b>MISCELLANEOUS</b>						
200-01	Miscellaneous	750	250	750		1,750
200-02	Automobile Mileage Allowance	200				200
200-03	Refunds	100				100
200-04	Safety Awards	125	125	750		1,000
200-05	Employee Recognition	2,500				2,500
200-07	Licenses / Registration	450	400	1,800		2,650
200-08	Excavation & Environmental Health Permits			3,500		3,500
200-12	Physicals/Innoculations	300	300	2,000		2,600
200-13	Overtime Meals	60		1,200		1,260
<b>TOTAL</b>		<b>4,485</b>	<b>1,075</b>	<b>10,000</b>		<b>15,560</b>
<b>REVENUE BOND DEBT SERVICE</b>						
210-02	Revenue Bond Debt Service/Water Reclam.				617,880	617,880
210-03	Revenue Bond Debt Service/CSCDA				490,240	490,240
<b>TOTAL</b>					<b>1,108,120</b>	<b>1,108,120</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$543,685</b>	<b>\$253,925</b>	<b>\$977,350</b>	<b>\$7,081,270</b>	<b>\$8,856,230</b>

**CAPITAL OUTLAY 2003-04 BUDGET DETAIL**

<b>Account Number</b>	<b>Expense Classification</b>	<b>45* Admin.</b>	<b>42* Engin.</b>	<b>41* Operations</b>	<b>43* Disposal &amp; NPS</b>	<b>Total</b>
<b>GENERAL FIXED ASSETS</b>						
<b>Property Improvements</b>						
12060-06	Asphalt Pavement Replacement					
12060-07	Fuel Island Modification					
12060-08	Maintenance Building Security Doors			30,000		30,000
12060-09	Administration Building Re-Roofing			115,000		115,000
Subtotal Property Improvements				145,000		145,000
<b>Vehicles</b>						
12070-53	Water Truck			135,000		135,000
12070-54	Flat Bed Dump Truck					
12070-55	Utility Vehicle					
12070-56	On-call Truck					
12070-57	TV Truck Equipment			15,000		15,000
12070-58	Rod Truck Replacement			96,000		96,000
12070-59	Utility Truck Replacement			40,000		40,000
12070-60	Pickup Truck Replacement			28,000		28,000
<b>Furniture and Equipment</b>						
12080-23	Administration Furniture & Equipment	5,000				5,000
12080-25	Computer Terminal/Hardware					
12080-27	CMMS/GIS					
12080	Carryover	115,000				115,000
12090-07	Engineering Furniture & Equipment		4,000			4,000
12090-09	Computer Terminal/Hardware		3,000			3,000
12090-11	CAD/GPS System/Plotter					
Subtotal Vehicles, Furniture and Equipment		120,000	7,000	314,000		441,000
<b>TOTAL GENERAL FIXED ASSETS</b>		<b>120,000</b>	<b>7,000</b>	<b>459,000</b>		<b>586,000</b>

**CAPITAL OUTLAY 2003-04 BUDGET DETAIL**

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
<b>SUBSURFACE LINES - GENERAL</b>						
14020-78	Matilija Drive Sewer Extension					
14020-02	Sewer Extension Revolving Fund Projects		10,000			10,000
	Subtotal Subsurface Lines - General		10,000			10,000
<b>SUBSURFACE LINES - REHABILITATION</b>						
14020-21	Basin Strategic Plan					
14020-72	Los Gatos Sewer Impr. Area 2 & 3					
14020-73	Saratoga Village Sewer Rehabilitation					
14020-74	Saratoga Village Sewer Rehab. ,Area 2					
14020-76	Saratoga Village Sewer Rehab. ,Area 3		1,120,000			1,120,000
14020-79	Santa Cruz Ave. Sewer Rehabilitation		600,000			600,000
14020-80	County Hamilton Basin Rehab. #1		650,000			650,000
14020-22	Emergency Repairs		50,000			50,000
	Subtotal Subsurface Lines - Rehabilitation		2,420,000			2,420,000
<b>SUBSURFACE LINES - UPGRADE</b>						
14020-36	Sewer System Upgrade		30,000			30,000
14020-66	District Manhole Adjustments		50,000			50,000
14020-68	San Marcos Rd. Sewer Replacement		100,000			100,000
14020-70	Vickery Lane Sewer Replacement					
14020-75	Moran Park Siphon					
14020-81	Siphon Improvement Program		50,000			50,000
14020-77	Azule Park Relocation					
	Subtotal Subsurface Lines - Upgrade		230,000			230,000
<b>SUBSURFACE LINES - TRUNK SEWERS</b>						
14020-71	Wildcat Trunk Sewer Realignment					
	Subtotal Subsurface Lines - Trunk Sewers					
<b>TOTAL - SUBSURFACE LINES</b>			<b>2,660,000</b>			<b>2,660,000</b>



**CAPITAL OUTLAY 2003-04 BUDGET DETAIL**

<b>Account Number</b>	<b>Expense Classification</b>	<b>45* Admin.</b>	<b>42* Engin.</b>	<b>41* Operations</b>	<b>43* Disposal &amp; NPS</b>	<b>Total</b>
<b>TREATMENT PLANT AND SAN JOSE JOINT LINES</b>						
14030-03	WWTP Projects					
14030-04	Capital Replacement Fund - TP				159,580	159,580
14030-35	SRF Loan Repayment				377,109	377,109
14030-12	4th Interceptor - Phase IVIVA					
14030-15	60" Brick Interceptor Rehab - Phase IIIB				708,000	708,000
14030-17	84" RCP Interceptor				999,000	999,000
14030-23	San. Tomas Aquino Trunk Rehab.				166,000	166,000
14030-25	Julian-Sunol Sewer Rehabilitation				34,500	34,500
14030-34	Forest-Rosa Sewer Rehabilitation Phase II				18,000	18,000
14030-27	Forest-Rosa Supplemental					
14030-30	North Relief Trunk Rehabilitation					
14030-28	Moorpark-Saratoga Sewer Rehabilitation					
14030-39	San Tomas Expressway Trunk Rehab.				1,066,000	1,066,000
14030-40	South Bay Action Plan					
14030-	Carryover Capital Outlay				2,034,500	2,034,500
<b>TOTAL TREATMENT PLANT AND JOINT LINES</b>					<b>5,562,689</b>	<b>5,562,689</b>
<b>SEPTIC SYSTEM ABANDONMENT PROGRAM</b>						
14040-50	Septic System Abandonment Phase II					
14040-61	Septic Disposal Conversion Program		25,000			25,000
14040-63	Bella Vista Drive, Los Gatos					
<b>TOTAL SEPTIC SYSTEM ABANDONMENT PROGRAM</b>			<b>25,000</b>			<b>25,000</b>
<b>TOTAL CAPITAL OUTLAY</b>		<b>\$120,000</b>	<b>\$2,692,000</b>	<b>\$459,000</b>	<b>\$5,562,689</b>	<b>\$8,833,689</b>
Less Discount Factor						1,325,053
<b>TOTAL CAPITAL OUTLAY</b>		<b>\$120,000</b>	<b>\$2,692,000</b>	<b>\$459,000</b>	<b>\$5,562,689</b>	<b>\$7,508,636</b>

**FISCAL YEAR 2003-04 OPERATING BUDGET SUMMARY AND PROJECTIONS THROUGH 2007-08**

<b>OPERATING FUND APPROPRIATIONS</b>	<b>2002-03**</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Salaries and Benefits:</b>						
Administration and General	\$ 662,681	\$ 793,894	\$ 817,711	\$ 842,242	\$ 867,509	\$ 893,534
Service Extension	387,165	538,863	555,029	571,680	588,830	606,495
Sewer Maintenance	950,687	1,157,355	1,192,076	1,227,838	1,264,673	1,302,613
Sewage Disposal	284,633	301,232	310,269	319,577	329,164	339,039
Sub-Total	2,285,166	2,791,344	2,875,085	2,961,337	3,050,176	3,141,681
<b>Maintenance and Operation:</b>						
Administration and General	425,750	543,685	559,996	576,796	594,100	611,923
Service Extension	98,840	253,925	261,543	269,389	277,471	285,795
Sewer Maintenance	845,816	977,350	1,006,671	1,036,871	1,067,977	1,100,016
Disposal & NPS	5,171,185	5,973,150	6,152,345	6,336,915	6,527,022	6,722,833
Revenue Bond Debt Service	935,098	1,108,120	1,165,000	1,378,919	1,375,056	1,386,841
Sub-Total	7,476,689	8,856,230	9,145,555	9,598,890	9,841,626	10,107,408
<b>Capital Outlay :</b>						
General Fixed Assets	559,082	586,000	138,000	138,000	138,000	138,000
Subsurface Lines	2,237,840	2,660,000	2,645,000	2,150,000	1,630,000	1,635,000
Septic System Abandonment	-	25,000	25,000	25,000	25,000	25,000
Treatment Plant & Joint Lines	1,920,738	5,562,689	2,552,189	3,700,359	2,032,819	2,075,539
Discount Factor	-	(1,325,053)	(804,028)	(902,004)	(573,873)	(581,031)
Sub-Total	4,717,660	7,508,636	4,556,161	5,111,355	3,251,946	3,292,508
<b>TOTAL EXPENDITURES</b>	<b>14,479,515</b>	<b>19,156,210</b>	<b>16,576,801</b>	<b>17,671,582</b>	<b>16,143,748</b>	<b>16,541,597</b>
<b>RESERVES</b>						
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	145,266	145,266	149,624	154,113	158,736	163,498
Vehicle Replacement	883,000	853,000	810,000	831,000	879,000	791,000
Other Operating Reserves	2,750,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Capital Fund Reserves	20,256,045	14,345,899	11,746,312	9,126,290	8,967,424	9,664,680
Sub-Total	24,259,155	18,069,009	15,442,275	12,849,282	12,754,626	13,380,278
<b>TOTAL BUDGET</b>	<b>38,738,670</b>	<b>37,225,219</b>	<b>32,019,076</b>	<b>30,520,864</b>	<b>28,898,374</b>	<b>29,921,875</b>
<b>RESOURCES</b>						
Fund Balance at June 30	26,720,389	24,259,155	18,069,009	15,442,275	12,849,282	12,754,626
Service Charges*	9,861,552	10,783,300	11,773,315	12,854,223	13,761,731	14,733,309
SSAP Agreement Payments	226,884	223,800	210,180	198,202	182,127	163,696
Septic Conversion Program	-	-	55,000	115,000	150,000	250,000
Other Income	1,929,845	1,958,964	1,911,572	1,911,164	1,955,234	2,020,244
<b>TOTAL RESOURCES</b>	<b>\$38,738,670</b>	<b>\$37,225,219</b>	<b>\$32,019,076</b>	<b>\$30,520,864</b>	<b>\$28,898,374</b>	<b>\$29,921,875</b>

*Rate Increase	0%	8%	8%	8%	6%	6%
Residential Rate/Month	16.50	17.80	19.25	20.80	22.05	23.35

\*\* 2002-2003 Actual

**APPENDIX A**

**CAPITAL IMPROVEMENT PROGRAM 2003-2008**

2003-2008 CAPITAL IMPROVEMENT PROGRAM							
CONSTRUCTION PROJECTS	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	5-Year Total
	Actual						
<b>1. Wastewater Treatment Plant</b>							
a) South Bay Action Plan	\$ 975,000						\$ -
b) WWTP Projects	\$ 365,087			\$ 613,670	\$ 546,130	\$ 428,850	\$ 1,588,650
c) Equipment replacement	\$ 120,400	\$ 159,580	\$ 159,580	\$ 159,580	\$ 159,580	\$ 159,580	\$ 797,900
d) SRF Loan Repayment	\$ 377,108	\$ 377,109	\$ 377,109	\$ 377,109	\$ 377,109	\$ 377,109	\$ 1,885,545
Subtotal WWTP Contributions:	\$ 862,595	\$ 536,689	\$ 536,689	\$ 1,150,359	\$ 1,082,819	\$ 965,539	\$ 4,272,095
<b>2. Joint Trunk Sewer Projects</b>							
a) Fourth Interceptor	\$ 14,060			\$ 124,000	\$ 890,000	\$ 310,000	\$ 1,324,000
b) 60" Brick Interceptor	\$ 48,850	\$ 80,000	\$ 1,080,000	\$ 18,000			\$ 1,806,000
c) 84" RCP Interceptor	\$ 3,739	\$ 999,000	\$ 31,500			\$ 800,000	\$ 1,830,500
d) Forest-Rosa Trunk Rehab.	\$ 625,650	\$ 18,000	\$ 40,000	\$ 588,000	\$ 3,000		\$ 649,000
f) Forest-Rosa Supplement Rehab.	\$ 3,914						\$ -
g) Julian-Sunol Sewer Rehab.	\$ 25,728	\$ 34,500					\$ 34,500
j) Moorpark-Saratoga Sewer Rehab.	\$ -						\$ -
j) San Tomas Aquino Trunk Rehab.	\$ 27,998	\$ 342,000	\$ 269,000	\$ 105,000			\$ 540,000
k) San Tomas Expressway Trunk Rehab.	\$ 61,700	\$ 1,066,000	\$ 536,000				\$ 1,602,000
m) Willow-Union Trunk Sewer Rehab.			\$ 59,000	\$ 1,715,000	\$ 57,000		\$ 1,831,000
n) North Relief Trunk Rehab	\$ 246,504						\$ -
Subtotal Joint Trunk Sewer Participation:	\$ 1,058,143	\$ 1,059,500	\$ 2,015,500	\$ 2,550,000	\$ 950,000	\$ 1,110,000	\$ 9,617,000
Total San Jose Projects:	\$ 1,920,738	\$ 2,034,500	\$ 3,528,189	\$ 3,700,359	\$ 2,032,819	\$ 2,075,539	\$ 13,889,095
Discounted Total San Jose Projects:	\$ 1,729,325	\$ 3,079,464	\$ 2,249,864	\$ 3,225,809	\$ 1,808,400	\$ 1,844,712	\$ 12,208,248
<b>3. District Sewer Rehabilitation Program</b>							
a) Los Gatos Sewer Improvement, Area 3	\$ 104,309						\$ -
b) Saratoga Village Rehabilitation, Area 2	\$ 713,320						\$ -
c) Saratoga Village Rehabilitation, Area 3	\$ 93,282	\$ 1,120,000					\$ 1,120,000
d) Santa Cruz Ave. Sewer Rehabilitation		\$ 600,000					\$ 600,000
e) County Hamilton Basin Rehabilitation #1		\$ 650,000					\$ 650,000
f) Los Gatos Sewer Rehabilitation, Area 4		\$ 1,500,000					\$ 1,500,000
g) Basin Rehabilitation Project 5, Area 1				\$ 1,600,000			\$ 1,600,000
h) Basin Rehabilitation Project 5, Area 2				\$ 400,000	\$ 1,000,000		\$ 1,400,000
i) Basin Rehabilitation Project 6					\$ 500,000	\$ 1,500,000	\$ 2,000,000
Subtotal District Sewer Rehabilitation:	\$ 910,911	\$ 2,370,000	\$ 1,500,000	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000	\$ 8,870,000
<b>4. Septic System Abandonment Program</b>							
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

**2003-2008 CAPITAL IMPROVEMENT PROGRAM**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	5-Year Total
<b>CONSTRUCTION PROJECTS</b>	<u>Actual</u>						
5. Miscellaneous Construction Projects		<u>Carryover</u>					
a) Sewer System Upgrade	\$ 33,377	\$ 30,000	\$ 35,000	\$ 40,000	\$ 45,000	\$ 50,000	\$ 200,000
b) Wildcat Trunk Sewer Realignment	\$ 960,515						\$ -
c) Emergency Repair Projects	\$ 38,097	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
d) Moran Park Siphon	\$ 85,913						\$ -
e) Azule Park Sewer Relocation	\$ -						\$ -
f) District Manhole Adjustments	\$ 48,056	\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000		\$ 175,000
g) Siphon Improvement Program		\$ 50,000	\$ 1,000,000				\$ 1,050,000
h) Matilija Drive Sewer Extension	\$ 150,436					\$ 25,000	\$ 25,000
J) SERF Program	\$ 10,535	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
K) San Marcos Sewer Replacement		\$ 100,000					\$ 100,000
Subtotal Miscellaneous Construction:	\$ 1,326,929	\$ 290,000	\$ 1,145,000	\$ 150,000	\$ 130,000	\$ 135,000	\$ 1,850,000
<b>NON-CONSTRUCTION CAPITAL</b>							
1. Vehicles & Equipment	\$291,844	\$326,000	\$128,000	\$128,000	\$128,000	\$128,000	\$ 838,000
2. Property Improvements	\$267,238	\$145,000	\$10,000	\$10,000	\$10,000	\$10,000	\$ 185,000
Subtotal Non-Construction Capital:	\$559,082	\$471,000	\$138,000	\$138,000	\$138,000	\$138,000	\$ 1,023,000
Total Capital Carryover:	\$ 2,149,500	\$ 2,149,500					
<b>TOTAL CAPITAL OUTLAY:</b>	\$ 4,717,660	\$ 8,833,889	\$ 5,360,189	\$ 6,013,359	\$ 3,825,819	\$ 3,873,539	\$ 25,757,095
Discount Factor		\$1,325,053	\$804,028	\$902,004	\$573,873	\$581,031	\$3,863,564
<b>ADJUSTED CAPITAL OUTLAY:</b>	\$ 4,717,660	\$ 7,508,636	\$ 4,556,161	\$ 5,111,355	\$ 3,251,946	\$ 3,292,508	\$ 21,893,531





