

# **Union Sanitary District**

## **Union City, California**

### **Adopted Operating and CIP Budget**

### **FY 2021**



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**DATE:** June 22, 2020

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Laurie Brenner, Finance & Acquisition Services Coach

**SUBJECT:** Fiscal Year 2021 Operating and CIP Budget

Union Sanitary District (USD) staff is pleased to present the comprehensive annual budget for Fiscal Year (FY) 2021 to the Board of Directors. This budget covers the period from July 1, 2020 through June 30, 2021. The District continues to focus on the operation and maintenance of its infrastructure and assets, capital project construction, planning, and effective use of technology.

### **Outstanding Performance and Cost-Effective Service for the District's Customers**

In keeping with our Mission, the District continues to provide a high level of award-winning service to its customers at very competitive rates. Completed during FY 2020, USD conducted a new major Cost of Service Analysis (COSA) study to determine a five-year rate plan that met all requirements related to charges for services under Proposition 218. The COSA took into consideration current and future operational and capital costs, and reserve requirements for the next five years. The study provided the District with a baseline against which we can analyze future USD needs.

The rate study and Notice of Public Hearing were put in motion before the current COVID-19 situation. USD carefully considered the impacts of postponing the proposed rate increases, and it became very clear that any delay would impact the District's operations in the years ahead. The District's infrastructure needs now and for the next 10 years were overwhelming factors in this determination to move forward with the proposed increases. USD's 10-year Capital Improvement Program budget is currently estimated at \$644,350,000, and these infrastructure investments

are necessary to maintain safe, reliable operations that comply with current and planned regulatory requirements.

The Board adopted the new COSA and associated rate structure on May 11, 2020 however, collection of residential Sewer Service Charge increases for FY 2021 will be deferred until FY 2022 due to the potential economic impacts of the COVID-19 crisis. The annual single-family rate will remain at the FY 2020 rate of \$421.37 in FY 2021, and increase annually beginning in FY 2022, to \$611.58 by the fifth year (FY 2025). The average annual rate of the 35 Bay Area agencies the District surveys was \$684.32 as of the last District survey in FY 2020. This does not include potential rate increases over the next 5 years at the agencies surveyed.

The District continued its record of outstanding stewardship and service. Once again, USD received the Platinum Award from the National Association of Clean Water Agencies for Peak Performance for operating without exceeding the limits or conditions of the District's permit. This is a tribute to the outstanding work by District Operations and Maintenance teams. The District continues to average less than one spill per hundred miles of pipeline per year, ranking the District among the best in the State, while doing so in a very cost-effective manner. The District Collections Services and Environmental Compliance groups have successfully implemented measures to control roots and grease to help minimize spills and back-ups.

### **Financial State of the District**

During the first part of the year, improvement in the economy had positive effects on the District. Revenues were increasing over the prior fiscal year, but a slight decrease in development activity in the service area was anticipated. Even prior to the COVID-19 crisis, the District continued to exercise fiscal prudence when considering how to best cover increasing expenses. During FY 2020, a complex financial model was utilized to run a multitude of "what if" scenarios. Scenario-based modeling allows the District to analyze different financing plan scenarios to assist the District in making sound financial decisions on future operating and infrastructure needs and the long-term sustainability of prospective policies and programs. It is because of this cautionary approach that the District has continued to remain financially healthy.

USD has seen slight decreases in permit applications in the past twelve months, and that is expected to continue in FY 2021. A portion of USD capital projects is always funded by capacity fees; typically, the majority are funded through Sewer Service Charges. In FY 2021, \$25.15 million comes from the Capacity Fund and \$22.3 million will come from the Sewer Service Charges. The District continues to be vigilant in its efforts to control expenses. Like other agencies, USD faces pressures associated with the costs of health care and pensions, as well as costs for treatment plant chemicals and utilities (primarily PG&E), in addition to other capital expenditures.

## **Revenues**

Sewer Service Charges are expected to remain flat at \$60.5 million in FY 2021, based on the Board of Director's decision to defer approved collection of residential rate increases for FY 2021 due to the uncertainty associated with the COVID-19 crisis. With approximately 75% of the District's revenue based on residential customers; this will require the District to transfer funds from reserves to cover revenue requirements in FY 2021.

As of this report, Capacity Fee revenues approved by the Board, effective July 1, 2016 will remain in effect for FY 2021. As previously stated, the Tri-City area has experienced a slowing of the previous increase in construction development. As a result, total Capacity Fee revenues are expected to come in at \$5.7 million in FY 2021, which is below both the 2020 actual and FY 2020 budgeted values. Anticipated expenditures associated with capacity fees over the next several years indicate that there will be an overall declining balance in this fund, beginning in FY 2021 as projects associated with the Enhanced Treatment and Site Upgrade (ETSU) program and other CIP projects move forward in earnest at the District.

## **Expenditures**

Total expenditures in the Sewer Service Fund for the coming fiscal year are projected to increase by 13.1%. Operating expenses are anticipated to increase by 6.2%. Increases are primarily due to the addition of a new plant Operator and an Assistant Engineer to support the ETSU program projects, salary, and pension contribution rate increases, as well as to cover the renewal and replacement of various information systems throughout the District. Significant increases in some chemicals utilized in the treatment process are reflected in the FY 2021 budget.

Retirements during FY 2020 are expected to remain static as compared to the two prior fiscal years; balancing the District's ability to attract and retain a qualified workforce against the bottom line will continue to be a challenge as more of our tenured workforce becomes eligible for retirement.

The Capital Improvement Program will be increasing significantly this year from FY 2020 levels as expected, because many projects were in pre-design or design mode last year. Staff conducted a thorough study of the infrastructure needs of the District and developed a 20-year Capital Improvement Plan (CIP) that totals approximately \$1.09 billion. The total CIP budgeted for FY 2021 is just over \$47.4 million. USD continues to keep its CIP costs as low as possible by aggressively pursuing all available low interest loans and funding programs, including the State and federally funded Clean Water State Revolving Fund (SRF) program administered by the State Water Resources Control Board. The District is also in the process of developing a long-term debt management strategy.

On February 8, 2020, the District issued revenue bonds to refinance all existing SRF loans and to obtain \$37 million in new project money. Market conditions were optimal and the Series 2020A

bond issuance afforded the District's rate payers over \$2 million dollars in savings over the remaining life of the debt service on the prior SRF loans.

Capital project spending will continue to focus on rehabilitation and replacement of key elements of the wastewater treatment plant and collections system pipeline. Many of the District's buildings and treatment processes have been in operation for over 35 years. Replacing and upgrading these facilities and equipment will ensure the District can efficiently operate the plant in the long-term. Projects for FY 2021 include plant facilities improvements such as a seventh anaerobic digester, standby power generation system upgrades, and pump station improvements. The Information Systems Renewal and Replacement (R&R) Program will continue to fund new projects, such as the District-wide SharePoint Upgrade, Non-Residential Billing Program Replacement, the replacement of older servers and hardware for business continuity, and disaster recovery.

Special Projects Fund expenditures will decrease from \$4.3 million budgeted in FY 2020 to just over \$2.7 million in FY 2021. Of the \$2.7 million, \$2 million is for special projects that will carry forward to FY 2021. Some of the studies planned or continuing this year include the Old Alameda Creek Report of Discharge, Odor Control Alternatives Study, and the Irvington Basin Master Plan Update. Other expenditures include those for the Outreach programs, including the USD outreach programs, and GIS Joint Powers Authority (JPA).

### **Balanced Budget, Reserves and Rates**

USD has long operated with a balanced budget and FY 2021 is no exception. District reserves continue to be stable, although as the District's operating budget increases, more of the District's reserves are dedicated to ensuring operating needs are met. Although funds will be taken from both the Sewer Service Fund and Capacity Fund reserves in FY2021, these are planned activities and not of concern to the District's financial health.

The District's investment portfolio continues to perform well, providing interest income monthly which helps cover operating expenses.

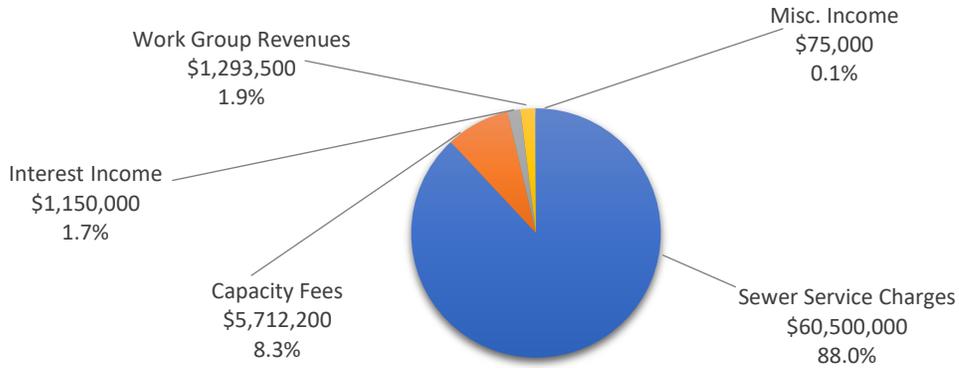
### **Conclusion**

This previous year, the District experienced significant milestones. FY 2020 marked the first time since 1994 that the District issued revenue bonds as a cost-effective mechanism for refinancing existing debt service and to procure new money for several of the existing CIP projects at a very low interest rate. Additionally, the District embarked on an unprecedented 20-year CIP program designed to ensure the District's ability to serve the ratepayers well into the future.

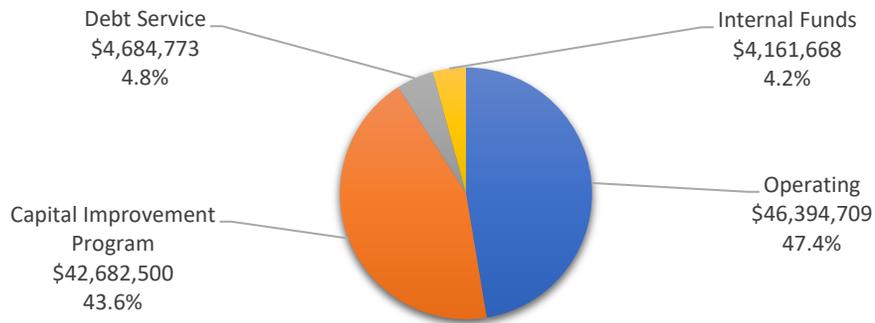
I would like to express my appreciation to all the employees of the District whose hard work is not taken for granted and whose dedication is reflected in the daily delivery of services to the District's customers. The District is firmly committed to meeting every challenge brought forth

through innovative and creative problem-solving and embracing continual improvement in all that it does.

**Total Revenues**  
**\$68,730,700**



**Total Expenditures**  
**\$97,923,650**



**Expenditures in Excess of Revenues**  
**(\$29,192,950)**

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**SUMMARY AND COMMENTS  
FISCAL YEAR 2021 BUDGET**

**Budget Summary – All Funds (Sewer Service and Capacity Funds)**

	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
<b>Total Revenues</b>				
Sewer Service Charges	\$60,099,000	\$60,500,000	\$60,500,000	0.7
Capacity Fees	13,567,000	12,312,200	5,712,200	(57.9)
Work Group Revenues	1,283,500	1,254,064	1,293,500	0.8
Interest	1,350,000	2,211,058	1,150,000	(14.8)
Other	512,000	412,000	75,000	(85.4)
SRF Loan Proceeds	0	0	0	0.0
<b>Total Revenues</b>	<b>\$76,811,500</b>	<b>\$76,689,322</b>	<b>\$68,730,700</b>	<b>(10.5)</b>
<b>Total Expenditures</b>				
Operating	\$43,689,365	\$43,283,831	\$46,394,709	6.2
Capital Projects (90%)	19,732,500	11,400,000	42,682,500	116.3
Debt Service	3,902,080	4,021,267	4,684,773	20.1
Special Projects	4,354,600	1,319,557	2,723,000	(37.5)
Other Internal Funds	1,260,750	937,414	1,438,668	14.1
<b>Total Expenditures</b>	<b>\$72,939,295</b>	<b>\$60,962,069</b>	<b>\$97,923,650</b>	<b>34.4</b>
<b>Net Revenues (Expenditures) - To/(From) Reserves</b>	<b>\$3,872,205</b>	<b>\$15,727,253</b>	<b>(\$29,192,950)</b>	<b>(853.9)</b>

**Adopted Combined Budget – Sewer Service and Capacity Funds**

	<b>Sewer Service Fund (Incl Fund 80)</b>	<b>Capacity Fund (Fund 90)</b>	<b>Total</b>
<b>Total Revenues</b>			
Sewer Service Charges	\$60,500,000	\$0	\$60,500,000
Capacity Fees	0	5,712,200	5,712,200
Work Group Revenues	1,293,500	0	1,293,500
Interest	750,000	400,000	1,150,000
Other	75,000	0	75,000
SRF Loan Proceeds	0	0	0
<b>Total Revenues</b>	<b>\$62,618,500</b>	<b>\$6,112,200</b>	<b>\$68,730,700</b>
<b>Total Expenditures</b>			
Operating	\$46,394,709	\$0	\$46,394,709
Capital Projects (90%)	20,052,000	22,630,500	42,682,500
Debt Service	2,014,249	2,670,524	4,684,773
Special Projects	2,723,000	0	2,723,000
Other Internal Funds	1,438,668	0	1,438,668
<b>Total Expenditures</b>	<b>\$72,622,626</b>	<b>\$25,301,024</b>	<b>\$97,923,650</b>
<b>Expenditures in Excess of Revenues – From Reserves</b>	<b>(\$10,004,126)</b>	<b>(\$19,188,824)</b>	<b>(\$29,192,950)</b>

## SEWER SERVICE FUND

The FY 2021 budget for the Sewer Service Fund is presented below:

	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
<b>Total Revenues</b>				
Sewer Service Charges	\$60,099,000	\$60,500,000	\$60,500,000	0.7
Work Group Revenues	1,283,550	1,254,064	1,293,500	0.8
Interest	850,000	1,311,058	750,000	(11.8)
Other	387,000	287,000	75,000	(80.6)
SRF Loan Proceeds	0	0	0	0
<b>Total Revenues</b>	<b>\$62,619,500</b>	<b>\$63,352,122</b>	<b>\$62,618,500</b>	<b>(0.002)</b>
<b>Total Expenditures</b>				
Operating	\$43,689,254	\$43,283,831	\$46,394,709	6.2
Capital Projects (90%)	12,132,000	7,000,000	20,052,000	65.3
Debt Service	2,785,617	2,857,810	2,014,249	(27.7)
Special Projects	4,354,600	1,319,557	2,723,000	(37.5)
Other Internal Funds	1,260,750	937,414	1,438,668	14.1
<b>Total Expenditures</b>	<b>\$64,222,221</b>	<b>\$55,398,612</b>	<b>\$72,622,626</b>	<b>13.1</b>
<b>Net Revenues (Expenditures) - To/(From) Reserves</b>	<b>(\$1,602,832)</b>	<b>\$7,953,510</b>	<b>(\$10,004,126)</b>	<b>524.2</b>

**REVENUES:** Revenues in the Sewer Service Fund are anticipated to remain approximately the same as FY 2020 actual due to a Board approved one-year deferral of the collection of the residential rate increase for FY 2021. With respect to the estimated actual amounts for FY 2020 the FY 2021 budget reflects only a 0.002% change. Each of the individual revenue elements is discussed below:

**Sewer Service Charges:** The principal revenue source for the Sewer Service Fund is the annual Sewer Service Charges, estimated to be \$60.5 million in FY 2021. The budget estimate has been based on a new wastewater rate and cost of service study, resulting in the adoption of a five-year rate plan in May of 2020, pursuant to the requirements of Proposition 218. The existing annual sewer service charge for Single Family Dwellings (SFD) will increase from \$421.37 in FY 2020 to \$454.57 in FY 2021, however, the collection of that increase will be deferred until FY 2022 due to the unanticipated COVID-19 crisis. Similarly, the annual Multi-family Dwelling rate will increase from \$365.32 in FY 2020 to \$400.58 in FY 2021, but collection of that increase will also be deferred until FY 2022. The Multi-family Dwelling rate will remain at \$365.32 as a result. Residential rates account for approximately 75% of total sewer service charge revenues. For non-residential customers, rates are calculated annually using flow based on water usage and sewage strength.

**Work Group Revenues:** These revenues consist of things like field inspection fees, plan check fees, permits, external work orders, and services provided to the City of Fremont's Urban Runoff program. Because these items tend to vary based on external demands, anticipated revenues are typically estimated in a conservative manner. The FY 2021 budget estimate is \$10,000 (0.8%) higher than the prior year's budget amount.

**Interest:** Interest income is expected to decrease 11.8% from the FY 2020 budget amount. This change is based on market volatility and based on an uncertain economic outlook. All indications are that the Federal Reserve will keep interest rates close to 0% even if the overall national economy rebounds from the COVID-19 crisis and other socio-political issues currently influencing the global markets.

**Other:** Other revenues consist of miscellaneous income, primarily rebates for various District programs and forfeited customer deposits. This item is expected to decrease by 80.6% from the FY 2020 budget amount, primarily because of the end of the SGIP co-generation rebate program which impacted last year positively.

**SRF Loan Proceeds:** No SRF loan proceeds are anticipated to be received in FY 2021, although 2 project applications have been filed for funding consideration.

**EXPENDITURES:** Expenditures in the Sewer Service Fund are anticipated to increase 13.1% in comparison to the FY 2020 budget. Each of the individual expenditure elements is discussed below:

**Operating:** Operating expenditures are those required for the day-to-day operations of the District, including maintenance, regulatory activities, engineering, and administration. Operating expenditures are estimated to increase 6.2% in FY 2021. Of that increase, 5.7% is due primarily to addition of two positions to support the ETSU program, salaries and benefits adjustments in accordance with the District’s Memorandum of Understanding (MOU) with its classified employees and increased California Public Employees’ Retirement System (CalPERS) contributions.

Below is additional information about the components of salaries and benefits:

	<b>Budget FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>Dollar Change</b>	<b>% Change</b>
Wages	\$18,034,108	\$19,011,381	\$977,273	5.4
CalPERS Contributions	5,432,246	6,086,861	654,615	12.1
Workers’ Compensation	322,808	382,581	59,773	18.5
Other (Medical, Medicare)	3,858,369	4,036,657	178,288	4.6
Vacancy Factor	(552,951)	(885,524)	(332,573)	60.1
<b>Total Salaries and Benefits</b>	<b>\$27,094,580</b>	<b>\$28,631,956</b>	<b>\$1,537,376</b>	<b>5.7</b>

Increased payments to CalPERS are the result of both increased wages and an increase in the CalPERS contribution rate, from 29.203% in FY 2020 to 31.117% in FY 2020, resulting in a 12.1% overall increase in payments to CalPERS. Workers’ compensation costs have increased because of increased wages (upon which workers’ compensation premiums are based) and an anticipated 5% rate increase. Medical amounts are increasing in accordance with the MOU. Salaries and benefits include a 3% vacancy factor, an increase of 1% from prior year, in recognition of the fact that vacancies occur throughout the year and are not immediately backfilled.

Below is information about the Fund 20 components of Operating expenditures, which include salaries and benefits:

<b>Work Group</b>	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
Board of Directors	\$ 179,176	\$ 172,862	\$ 180,354	0.7
General Manager	1,066,367	1,055,464	1,066,753	0.04
Business Services	4,342,141	4,073,437	4,169,231	(4.0)
Collection Services	7,315,485	6,960,071	7,623,414	4.2
Technical Services	6,639,720	6,403,936	6,815,278	2.6
Treatment & Disposal Services	11,299,505	11,377,867	12,769,413	13.0
EBDA	1,614,002	1,614,002	1,736,000	7.6
ETSU	0	355,152	681,793	
Fabrication, Maintenance, and Construction	8,837,463	8,940,515	9,050,619	2.4
Non-Departmental	910,506	846,525	982,500	7.9
<b>Total Operating Expenditures</b>	<b>\$42,205,365</b>	<b>\$41,799,831</b>	<b>\$45,075,355</b>	<b>6.8</b>

In addition to salary and benefit increases discussed above, some of the other reasons for the 6.8% increase in operating expenditures are as follows:

- The addition of a Plant Operator and an Assistant Engineer in support of the ETSU program
- Actual costs for Districtwide accounts (telephones, training, insurance premiums and other miscellaneous items) are projected to increase
- Treatment & Disposal is projecting increases in chemical and energy costs associated with treatment processes
- Fabrication, Maintenance, and Construction expects to incur additional costs due to increased maintenance needs for aging infrastructure, utility rate increases from Alameda County Water District (ACWD) and PG&E, and increased maintenance costs for the EBDA pump station until a new station is constructed

District-wide training, property insurance, and telephones, that benefit the entire District, not just one or two individual work groups were placed into a Non-Departmental category in FY 2018. This change will remain in effect and has been beneficial in tracking District-wide expenses. The FY 2021 budget continues to reflect this change.

**Capital Projects:** This line item is discussed separately later in this document.

**Debt Service:** This line item is discussed separately later in this document.

**Special Projects:** This line item includes non-routine expenditures for things like one-time studies, hiring consultants, and new programs where the long-term financial impact, if any, is not known. A detailed listing of Special Projects is included later in this document.

**Other Internal Funds:** These are separate components of the Sewer Service Fund that account for renewals and replacements of vehicles, equipment, and technology. Below is detailed information about this line item:

	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
Renewal & Replacement – Vehicles and Equipment (Fund 50)	\$153,050	\$101,919	\$77,868	(49.1)
Renewal & Replacement – Information Systems (Fund 60)	857,700	585,495	960,800	12.0
Renewal & Replacement – Plant and Pump Station (Fund 70)	250,000	250,000	400,000	60.0
<b>Total Other Funds</b>	<b>\$1,260,750</b>	<b>\$937,414</b>	<b>\$1,438,668</b>	<b>14.1</b>

- **Renewal & Replacement – Vehicles and Equipment:** Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is now based on a conditional assessment/age specific replacement schedule and expenditure projection. The vehicles scheduled for replacement in FY 2021 are as follows (no equipment is included in the plan this year):

<b>Vehicles:</b>	
(2) 2020 Hybrid Pool Vehicles	\$77,868
<b>Total Vehicles</b>	<b>\$77,868</b>
<b>Equipment:</b>	
No Equipment in FY21	\$0
<b>Total Vehicles and Equipment</b>	<b>\$77,868</b>

As noted in the table above, estimated actual expenditures in FY 2021 are significantly less than the FY 2020 budget amount.

- **Renewal & Replacement – Information Systems:** The FY 2021 budget for Information Systems renewal and replacement consists of the following:

Small Equipment (Laptops, Switches, Routers, etc.)	\$503,300
SharePoint Upgrade/Conversion	122,500
Non Residential Billing	125,000
IT Various Projects (Eg. ECMS and LIMS updates)	90,000
GIS – Various	70,000
Cyber Security Plan	50,000
<b>Total Information Systems</b>	<b>\$960,800</b>

- **Renewal & Replacement – Plant and Pump Station:** Plant and pump station renewals and replacements anticipated in FY 2021 consist of the following:

EBDA New Agreement	150,000
Unplanned Maintenance	150,000
(2) Polymer Skids and (3) Rebuild Kits	100,000
<b>Total Plant and Pump Station</b>	<b>\$400,000</b>

**Sewer Service Fund Reserves:** In accordance with debt covenants and District Policy No. 2090, “Reserves, Allocations and Fund Balance,” the District maintains several reserves in the Sewer Service Fund. In FY 2021, approximately \$2.8 million is anticipated to be transferred from reserves. This is planned based on projected CIP needs and is expected to continue for at least the next five to seven years. A summary of the various reserve/allocation budgets for FY 2021 is shown in the following table:

<b>Reserve/Allocation Descriptions</b>	<b>Adopted Budget FY 2021</b>
Cash Flow	\$19,116,939
Structural Renewal & Replacement	47,830,000
Emergency	6,500,000
Short Term Liquidity	5,000,000
Parity Debt	2,887,200
Liability Insurance	1,000,000
Industrial Customer Stabilization	1,000,000
Information Systems Renewal & Replacement	960,800
Vehicle & Equipment Renewal & Replacement	77,868
<b>Total Reserves/Allocations – Sewer Service Fund</b>	<b>\$84,372,807</b>

A description of each reserve and its target funding level is as follows:

- **Cash Flow** – Sewer Service Charge revenues are collected by the Alameda County Tax Collector’s Office and remitted to the District in two major installments in April and December of each year. For the District to pay its ongoing expenditures throughout the year, it reserves between three and six months (25-50%) of gross operating expenditures at the start of each fiscal year.

- **Structural Renewal & Replacement** – To maintain the ability to renew and replace infrastructure, this reserve is funded at the average annual renewal/replacement capital costs based on the 10-year CIP. This is a conservative approach.
- **Emergency** – In order to help mitigate the financial impacts of an emergency or catastrophic event, the District has an Emergency Reserve. The target for FY 2021 is \$6.5 million.
- **Industrial Customer Stabilization**- The District has several Significant Industrial Users (SIUs). This reserve allows the District to implement appropriate responses and actions should one or more of these SIUs significantly scale back or cease operations unexpectedly, resulting in a rapid loss of revenue to the District.
- **SRF Loan Contingency** – The District is eligible to apply for low interest rate loans through the State of California to finance capital projects. A requirement of these loans is the establishment and maintenance of a contingency reserve that is defined in the loan documents. The reserve balance is set at the amount required in the loan documents, typically one annual payment per loan. Currently unfunded as no SRF debt is outstanding.
- **Short-Term Liquidity** – The District maintains a minimum amount of immediately available funds, to cover the rolling 6-month average monthly payroll, plus a rolling 6-month average of the monthly accounts payable, held in a local bank account, in cash deposits.
- **Parity Debt Reserve**- This fund was recently established to cover debt covenants associated with the recent Series 2020A bond issuance.
- **Liability Insurance** – The District is a member of and purchases liability insurance from the California Sanitation Risk Management Association (CSRMA). The deductible of \$500,000 reduces the amount of premiums charged to the District. To account for an event that is either not covered by insurance or under the deductible amount, the District reserves two times the annual deductible amount, based on claims history.
- **Information Systems Renewal & Replacement** – To maintain the ability to replace computer hardware and software, this fund is allocated at the actual planned annual information systems renewal/replacement costs, plus approved carry over from the previous year.
- **Vehicle & Equipment Renewal & Replacement** – To maintain the ability to replace the District's fleet and major equipment, this fund is allocated at the actual planned annual equipment renewal/replacement costs, plus approved carry over from the previous year.

## CAPACITY FUND

The FY 2021 budget for the Capacity Fund is presented below:

	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
<b>Total Revenues</b>				
Capacity Fees	\$13,567,000	\$12,312,200	\$5,712,200	(57.9)
Interest	500,000	900,000	400,000	(20.0)
Other	125,000	125,000	0	(100.0)
SRF Loan Proceeds	0	0	0	0
<b>Total Revenues</b>	<b>\$14,192,000</b>	<b>\$13,37,200</b>	<b>\$6,112,200</b>	<b>(56.9)</b>
<b>Total Expenditures</b>				
Capital Projects (90%)	\$7,600,500	\$4,400,000	\$22,630,500	197.8
Debt Service	1,116,463	1,163,457	2,670,524	139.2
<b>Total Expenditures</b>	<b>\$8,716,963</b>	<b>\$5,563,457</b>	<b>\$25,301,024</b>	<b>190.3</b>
<b>Net Revenues (Expenditures) - To/(From) Reserves</b>	<b>\$5,475,037</b>	<b>\$7,773,743</b>	<b>(\$19,188,824)</b>	<b>(450.5)</b>

**REVENUES:** Revenues in the Capacity Fund are anticipated to decrease 56.9% in comparison to the FY 2020 budget. Each of the individual revenue elements is discussed below:

**Capacity Fees:** The principal revenue source for the Capacity Fund is Capacity Fees, estimated to be \$5.7 million in FY 2021. These fees are collected in accordance with the provisions of California Assembly Bill (AB) 1600 and are intended to mitigate the impacts of new development. In the case of the District, these fees are collected from new development as a requirement of connecting to the sewer system. As such, they can only be used for capital projects that preserve or increase the system's capacity to serve that new development. The last several years have seen significant new development in the Tri-Cities area of Fremont, Newark, and Union City. The pace of that development is expected to slow in FY 2021, resulting in a reduced revenue estimate as compared to FY 2020 actual. Pursuant to Ordinance No. 35.22, based on a capacity fee study and adopted by the Board in April 2016, capacity fees were to increase annually through FY 2020. Capacity fees for Single Family Dwellings (SFD) were \$8,898 in FY 2020, and capacity fees for Multi-family Dwellings were \$7,627 in FY 2020. These fees will remain in effect until an updated Capacity Fee Study is completed and considered by the District.

**Interest:** Interest income is expected to decrease 20% from the FY 2020 budget amount and decrease 55.6% from the FY 2020 estimated actual amount. This overall decrease is based on the market volatility and uncertainty in the economy as the result of COVID-19 and other socio-economic and political influencing factors.

**Other:** Other revenues are not expected in the Capacity Fund in FY 2021.

**SRF Loan Proceeds:** No SRF loan proceeds are anticipated to be received in FY 2021.

**EXPENDITURES:** Expenditures in the Capacity Fund are anticipated to increase 190.3% in comparison to the FY 2020 budget. This is attributable to increased spending on capital projects. Debt service may also increase accordingly. These items are discussed in more detail later in this document.

**Capacity Fund Reserves:** In FY 2021, approximately \$3.47 million is anticipated to be transferred from reserves. Because Capacity Fees are collected in accordance with AB 1600, they are subject to regulatory restriction. As a result, \$61,785,534 is restricted for use on capital projects that preserve or increase the District’s capacity to serve new development.

**CAPITAL PROJECTS**

Capital projects are accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District adopts a 20-year Capital Improvement Plan (CIP) each year in conjunction with the adoption of the annual operating budget. Actual appropriations are established at 90% of the CIP amount for that year. Although spending for capital projects is anticipated to be significantly higher in FY 2021 than in the prior year, it is also expected to continue to increase substantially over the next five to seven years, as the result of the ETSU Program and other CIP projects. Through FY 2030, the CIP includes projects totaling over \$709.4 million. By FY 2040, this amount will grow to \$1.14 billion.

Below is information about capital projects spending for FY 2020 and FY 2021:

	<b>Budget FY 2020</b>	<b>Estimated Actual FY 2020</b>	<b>Adopted Budget FY 2021</b>	<b>% Change</b>
Sewer Service Fund – Structural Renewal and Replacement	\$12,132,000	\$7,000,000	\$20,052,000	65.3
Capacity Fund	7,600,000	4,400,000	22,630,500	197.8
<b>Total Capital Projects</b>	<b>\$19,732,000</b>	<b>\$11,400,000</b>	<b>\$42,682,500</b>	<b>116.3</b>

Key elements of the FY 2021 capital improvement program include **design** of the following projects:

- **Enhanced Treatment and Site Upgrade Program projects-** This program is a comprehensive, multi-year, phased set of projects that includes aeration basin modifications, plant equalization storage basins, effluent facilities, and administrative campus design.
- **Centrifuge Building Improvements** – Various rehabilitation and improvement projects associated with final solids handling, odor control and conveyance systems at the centrifuge building in the treatment plant.
- **WAS Thickeners Replacement**– This project will replace the existing WAS thickeners to maintain existing solids handling capacity and provide improved treatment.

Key elements of the FY 2021 capital improvement program include **construction** of the following projects:

- **Digester No. 7** – The Plant Solids Capacity/Assessment Study identified a need for reliable solids capacity in the primary digester system and recommended the District construct new Primary Digester No. 7.
- **Digester No. 2 Inspection and Rehab-** This project entails conditional assessment and any necessary repairs to Digester No. 2 to ensure its continued solids handling capacity.

- **Alvarado Influent Pump Station Improvements** – This project will replace the station’s wastewater pumps, variable frequency drives (VFDs), and electrical switchboard because they are at the end of their useful lives, and replacement parts are difficult to obtain because of lack of availability of original equipment and manufacturers’ support.
- **Headworks Screens Replacement** – This project will install new mechanical bar screens at the Headworks Building to improve removal of debris from the wastewater prior to the plant’s downstream processes, and to restore capacity and redundancy of the system.
- **Gravity Sewer Rehab/Replacement at Various Locations throughout the Tri-Cities** – The project will install full-length cured-in-place pipe (CIPP) lining of damaged sewer mains at several locations in the District’s service area.

**DEBT SERVICE**

Debt service is related to capital projects and is accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District paid off all nine outstanding loans from the State Water Resources Control Board’s Clean Water State Revolving Fund (SRF) in FY 2020, using revenue bond proceeds. Details about debt service payments are presented below:

Debt	Sewer Service Fund – Structural Renewal and Replacement		Capacity Fund		Total Debt Service – FY 2021	Maturity Date
	FY 2020	FY 2021	FY 2020	FY 2021		
State Water Resources Control Board Loans	\$2,785,617	\$0	\$1,116,463	\$0	\$0	
Revenue Bonds, Series 2020A	0	2,014,249	0	2,670,524	4,684,773	06/30/2051
<b>Total Debt Service</b>	<b>\$2,785,617</b>	<b>\$2,014,249</b>	<b>\$1,116,463</b>	<b>\$2,670,524</b>	<b>\$4,684,773</b>	

**SPECIAL PROJECT EXPENDITURES**

DESCRIPTION	Adopted Budget FY20	Estimated Actual FY20	Estimated Carryover	New \$ (Provision)	Adopted Budget FY21
<b>Administrative &amp; Regulatory</b>					
Anticipated Biosolids Coalition Membership Dues	\$25,000	\$0	\$25,000	\$0	\$25,000
Anticipated Election Costs (Fremont, Newark & Union City; 164,200 registered voters)	820,600	111,330	0	0	0
GIS JPA	27,000	22,000	5,000	25,000	30,000
Public Outreach Programs	150,000	150,000	0	150,000	150,000
Public Information Program	75,000	75,000	0	70,000	70,000
Property Acquisition	1,500,000	0	1,500,000	0	1,500,000
Recruitment	30,000	29,000	0	0	0
HR NEOGov Onboarding System	0	0	0	10,000	10,000
<b>Sub-Total Administrative &amp; Regulatory</b>	<b>\$2,627,600</b>	<b>\$387,330</b>	<b>\$1,530,000</b>	<b>\$255,000</b>	<b>\$1,785,000</b>
<b>Studies &amp; Other</b>					
ACWD/SFPUC Joint Reclaimed Water Study	95,000	20,000	75,000	0	75,000
Alvarado Sub-Surface Investigation (Plant Groundwater Monitoring)	8,000	6,724	1,276	6,724	8,000
Capacity Fee Study	50,000	47,000	3,000	22,000	25,000
CIP Front End Specs Update	100,000	80,000	10,000	0	10,000
Cogen Options Evaluation	150,000	99,730	0	0	0
Cost of Service Analysis (COSA)	85,000	85,000	0	0	0
Financial Master Plan	25,000	35,000	0	40,000	40,000
Forcemain Condition Assessment	30,000	0	30,000	0	30,000
Forcemain Geotech Investigation at Alameda Creek	100,000	23,000	77,000	23,000	100,000
Irvington Basin MP Update	60,000	50,000	10,000	260,000	270,000
IT Master Plan	114,000	5,732	0	0	0
Newark Basin Master Plan/PACP Update	30,000	80,159	0	0	0
Odor Control Alternatives Studies	50,000	12,772	0	0	0
Odor Control Pilot Study	250,000	35,000	215,000	90,000	305,000
Old Alameda Creek Report of Waste Discharge (ROWD)	300,000	75,000	50,000	0	50,000
Plant Master Plan	75,000	79,375	0	0	0
Pump Stations Odor Control Study	75,000	99,000	0	0	0
Treatment Plant IT Network Master Plan	130,000	98,735	0	0	0
Fiscal Model Update	0	0	0	25,000	25,000
<b>Sub-Total Studies &amp; Other</b>	<b>1,727,000</b>	<b>932,227</b>	<b>471,276</b>	<b>466,724</b>	<b>938,000</b>
<b>Total Special Projects</b>	<b>\$4,354,600</b>	<b>\$1,319,557</b>	<b>\$2,001,276</b>	<b>\$721,724</b>	<b>\$2,723,000</b>

**Annual Contract Purchases of Supplies, Services, Equipment  
Renewal/Replacement and Projects Renewal/Replacement  
Over \$100,000  
for Fiscal Year 2021**

	<b>Estimated Expenditure</b>
<b>Supplies:</b>	
Sodium Hypochlorite, 1-year contract	\$686,000
Ferrous Chloride, 1-year contract	547,000
Hydrogen Peroxide	532,000
Polymer, emulsion, 2-year contract with 3 optional 1-year renewals	460,000
Polymer, mannich, 2-year contract with 3 optional 1-year renewals	106,000
<b>Total Supplies</b>	<b>\$2,331,000</b>
<b>Services:</b>	
CalPERS Retirement	\$6,086,861
Series 2020A - Annual Debt Service on Bonds	4,684,773
CalPERS Medical	3,751,220
PG&E, electrical service - Alvarado site (\$1,900,000) and Newark P.S. (\$245,000)	2,145,000
EBDA Operations & Maintenance payments	1,736,000
Biosolids Contract	1,481,000
OPEB Retiree Medical Trust payments (ADC)	708,354
Insurance (Property & Contents, Fleet, General Liability, Bonding)	387,500
Gas Media, Year Two of Two with HydroChemPSC	162,000
DGS natural gas service, PG&E billed through DGS	160,000
Grit screening and disposal, 1-year contract	115,000
<b>Total Services</b>	<b>\$21,417,708</b>
<b>Information Systems Renewal/Replacement:</b>	
Back Up Target Servers	\$150,000
<b>Total Information Systems Renewal &amp; Replacement</b>	<b>\$150,000</b>
<b>Information Systems Projects:</b>	
Non Residential Billing Replacement (NRB) Farallon Geographics Inc	\$125,000
Share Point Upgrade Project	\$122,500
<b>Total Information Systems Projects</b>	<b>\$247,500</b>

**Union Sanitary District 20-Year CIP  
FY 2021 - FY2040  
(All Figures x \$1,000)**

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total	
<b>ADMINISTRATIVE FACILITIES</b>																											
800		3		Additional CS (Vehicle) Storage								250			250											250	
800		1	Prog/Des	ETSU - Campus Building (Admin, FMC, Ops)	3,900	32,100	30,000	6,250							72,250											72,250	
800		1		Field Ops Bldg. Sesmic Upgrade and Leak Repairs					200		1,500	1,600			3,300											3,300	
800		3		FMC Storage				300							300											300	
800		3		Plant Paving			250					500		200	950		200		200		200		200			1,750	
800		2		Radio Repeater Antenna Replacement									150		150											150	
800	50	3		Solar Panels/Inverters Replacement at Alvarado											0				150							150	
900	50	3		Solar Panels/Inverters Replacement at Alvarado											0				150							150	
800	50	2		Solar Panels/Inverters Replacement at Carport		50									50	300										350	
900	50	2		Solar Panels/Inverters Replacement at Carport		50									50	300										350	
800	50	2		Solar Panels/Inverters Replacement at Irvington		150									150		900									1,050	
900	50	2		Solar Panels/Inverters Replacement at Irvington		150									150		900									1,050	
<b>Total for ADMINISTRATIVE FACILITIES</b>					<b>3,900</b>	<b>32,500</b>	<b>30,250</b>	<b>6,550</b>	<b>200</b>	<b>0</b>	<b>1,500</b>	<b>2,100</b>	<b>400</b>	<b>200</b>	<b>77,600</b>	<b>600</b>	<b>2,000</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>81,100</b>	
Total Priority 1 Administrative Facilities					3,900	32,100	30,000	6,250	200	0	1,500	1,600	0	0	75,550	0	0	0	0	0	0	0	0	0	0	0	75,550
Total Priority 2 Administrative Facilities					0	400	0	0	0	0	0	0	150	0	550	600	1,800	0	0	0	0	0	0	0	0	0	2,950
Total Priority 3 Administrative Facilities					0	0	250	300	0	0	0	500	250	200	1,500	0	200	0	500	0	200	0	200	0	0	0	2,600
<b>Total Fund 800 - Administrative Facilities</b>					<b>3,900</b>	<b>32,300</b>	<b>30,250</b>	<b>6,550</b>	<b>200</b>	<b>0</b>	<b>1,500</b>	<b>2,100</b>	<b>400</b>	<b>200</b>	<b>77,400</b>	<b>300</b>	<b>1,100</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,550</b>
<b>Total Fund 900 - Administrative Facilities</b>					<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>300</b>	<b>900</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,550</b>

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total		
<b>COLLECTION SYSTEM</b>																												
800		2	Design	Cast Iron/Pipe Lining	500		532		500		566		602		2,700	640		681		725		772				5,518		
800		1	Design	Central Avenue Sanitary Sewer Relocation	50	1,000									1,050											1,050		
800		2	Constr	Gravity Sewer Rehab/Replacement	1,000	400	1,495	1,698		1,807		1,922		2,046	10,368		2,176		2,316		2,464		2,622			19,946		
800		1		RCP Sewer Rehab (Alvarado Basin)					350	3,500					3,850											3,850		
800		1	Design	RCP Sewer Rehab (Irvington Basin)	300	3,000									3,300											3,300		
800		1		RCP Sewer Rehab (Newark Basin)							350	3,500			3,850											3,850		
<b>Total for COLLECTION SYSTEM</b>					<b>1,850</b>	<b>4,400</b>	<b>2,027</b>	<b>1,698</b>	<b>850</b>	<b>5,307</b>	<b>916</b>	<b>5,422</b>	<b>602</b>	<b>2,046</b>	<b>25,118</b>	<b>640</b>	<b>2,176</b>	<b>681</b>	<b>2,316</b>	<b>725</b>	<b>2,464</b>	<b>772</b>	<b>2,622</b>	<b>0</b>	<b>0</b>	<b>37,514</b>		
Total Priority 1 Collection System					350	4,000	0	0	350	3,500	350	3,500	0	0	12,050	0	0	0	0	0	0	0	0	0	0	0	12,050	
Total Priority 2 Collection System					1,500	400	2,027	1,698	500	1,807	566	1,922	602	2,046	13,068	640	2,176	681	2,316	725	2,464	772	2,622	0	0	0	25,464	
Total Priority 3 Collection System					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund 800 - Collection System</b>					<b>1,850</b>	<b>4,400</b>	<b>2,027</b>	<b>1,698</b>	<b>850</b>	<b>5,307</b>	<b>916</b>	<b>5,422</b>	<b>602</b>	<b>2,046</b>	<b>25,118</b>	<b>640</b>	<b>2,176</b>	<b>681</b>	<b>2,316</b>	<b>725</b>	<b>2,464</b>	<b>772</b>	<b>2,622</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,514</b>	
<b>Total Fund 900 - Collection System</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total
<b>TRANSPORT SYSTEM</b>																										
800	50	2		Alameda Creek Crossing Lift Station											375	3,000	2,125									5,500
900	50	2		Alameda Creek Crossing Lift Station											375	3,000	2,125									5,500
800		2	Constr	Cathodic Protection Improvements - Transport	300	500			150			150			1,100	150			150				150			1,550
900		1	Design	Cherry St. PS	150	1,500	1,500								3,150											3,150
900		2	Design	Equalization Storage @ Irvington	50	600	225								875											875
900		2		Equalization Storage @ Newark							2,300	7,000	16,400		25,700											25,700
800		1	Constr	Forcemain Corrosion Repairs - Phase 3	500	500									1,000											1,000
800		1		Forcemain Corrosion Repairs - Phase 4		550	500								1,050											1,050
800		3		Forcemain Rehabilitation											0	1,000	13,000	13,000	13,000	13,000						53,000

**Union Sanitary District 20-Year CIP  
FY 2021 - FY2040  
(All Figures x \$1,000)**

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total	
800		3		Hayward Marsh Decommissioning		100	1,000								1,100											1,100	
800	50	2		Irvington PS Pumps and VFDs				1,070	5,170	2,260					8,500											8,500	
900	50	2		Irvington PS Pumps and VFDs				1,070	5,170	2,260					8,500											8,500	
800	50	2	Design	Newark and Irvington PS Chemical System Impr	300	1,800	975								3,075											3,075	
900	50	2	Design	Newark and Irvington PS Chemical System Impr	300	1,800	975								3,075											3,075	
800	50	2		Newark PS Pumps and VFDs							650	2,163	2,150		4,963											4,963	
900	50	2		Newark PS Pumps and VFDs							650	2,163	2,150		4,963											4,963	
800		3		Pump Station Asset Condition Assessment R&R			1,500		3,850	1,000	200			4,600	11,150				100	5,800			5,400			22,450	
800		3		Transport System Misc. Projects		250	250	250	250	250	250	250	250	250	2,250	250	250	250	250	250	250	250	250	250	250	250	4,750
800	50	1	Des/Constr	Wet Weather Flow Management	250										250											250	
900	50	1	Des/Constr	Wet Weather Flow Management	250										250											250	
<b>Total for TRANSPORT SYSTEM</b>					<b>2,100</b>	<b>7,600</b>	<b>6,925</b>	<b>2,390</b>	<b>14,590</b>	<b>5,770</b>	<b>4,050</b>	<b>11,726</b>	<b>21,700</b>	<b>4,850</b>	<b>81,701</b>	<b>7,400</b>	<b>17,500</b>	<b>13,250</b>	<b>13,500</b>	<b>19,050</b>	<b>250</b>	<b>5,800</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>159,201</b>	
<b>Total Priority 1 Transport System</b>					<b>1,150</b>	<b>2,550</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,700</b>
<b>Total Priority 2 Transport System</b>					<b>950</b>	<b>4,700</b>	<b>2,175</b>	<b>2,140</b>	<b>10,490</b>	<b>4,520</b>	<b>3,600</b>	<b>11,476</b>	<b>21,450</b>	<b>0</b>	<b>61,501</b>	<b>6,150</b>	<b>4,250</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>72,201</b>
<b>Total Priority 3 Transport System</b>					<b>0</b>	<b>350</b>	<b>2,750</b>	<b>250</b>	<b>4,100</b>	<b>1,250</b>	<b>450</b>	<b>250</b>	<b>250</b>	<b>4,850</b>	<b>14,500</b>	<b>1,250</b>	<b>13,250</b>	<b>13,250</b>	<b>13,350</b>	<b>19,050</b>	<b>250</b>	<b>5,650</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>81,300</b>
<b>Total Fund 800 - Transport System</b>					<b>1,350</b>	<b>3,700</b>	<b>4,225</b>	<b>1,320</b>	<b>9,420</b>	<b>3,510</b>	<b>1,100</b>	<b>2,563</b>	<b>2,775</b>	<b>4,850</b>	<b>34,813</b>	<b>4,400</b>	<b>15,375</b>	<b>13,250</b>	<b>13,500</b>	<b>19,050</b>	<b>250</b>	<b>5,800</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>107,188</b>
<b>Total Fund 900 - Transport System</b>					<b>750</b>	<b>3,900</b>	<b>2,700</b>	<b>1,070</b>	<b>5,170</b>	<b>2,260</b>	<b>2,950</b>	<b>9,163</b>	<b>18,925</b>	<b>0</b>	<b>46,888</b>	<b>3,000</b>	<b>2,125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,013</b>

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total	
<b>TREATMENT PLANT</b>																											
900		2	Constr	Aeration Blower 11 and East Blower Bldg Improveme	2,175	2,000									4,175												4,175
800	50	2		Aeration Internal Lift Pumps		250	1,250								1,500												1,500
900	50	2		Aeration Internal Lift Pumps		250	1,250								1,500												1,500
800	50	2	Constr	Alvarado Influent PS Improvements	2,000	2,900									4,900											4,900	
900	50	2	Constr	Alvarado Influent PS Improvements	2,000	2,900									4,900											4,900	
800		2	Constr	Alvarado Influent Valve Box Gate Valves 1-2	300										300											300	
800		2	Constr	Cathodic Protection Improvements - Plant	900			500		150		150		150	1,850		150		150		150		150			2,450	
800	50	2	Constr	Centrifuge Building Improvements	1,500	1,600									3,100											3,100	
900	50	2	Constr	Centrifuge Building Improvements	1,500	1,600									3,100											3,100	
800	50	2		Centrifuge Replacement		350	500	3,700	3,700						8,250											8,250	
900	50	2		Centrifuge Replacement		350	500	3,700	3,700						8,250											8,250	
800		2		Centrifuge System Equipment Replacement			900	3,650	3,650						8,200											8,200	
800	50	1		Cogen Engine No. 1 60K Block Replacement					550						550			650								1,200	
900	50	1		Cogen Engine No. 1 60K Block Replacement					550						550			650								1,200	
800	50	1		Cogen Engine No. 2 60K Block Replacement		500								600	1,100								750			1,850	
900	50	1		Cogen Engine No. 2 60K Block Replacement		500								600	1,100								750			1,850	
800	50	2		Cogen Retrofit							100	1,000			1,100											1,100	
900	50	2		Cogen Retrofit							100	1,000			1,100											1,100	
800		2		Control Box No. 1 Improvements							650	4,400	1,950		7,000											7,000	
800		2		Degritter Building Roof (Seismic) Replacement										600	600	3,400	1,400									5,400	
800	50	2		Degritting at Headworks and Improvements							950	5,400	2,300		8,650											8,650	
900	50	2		Degritting at Headworks and Improvements							950	5,400	2,300		8,650											8,650	
800		3		Diffuser Replacement											0		950	750								1,700	
900		3		Digester Additional Capacity											0											0	
800		1	Design	Digester No. 1 Insp & Rehab	400	3,600									4,000				600		5,700					10,300	
800		1	Constr	Digester No. 2 Insp & Rehab	1,500										1,500			600	5,300							7,400	
800		3		Digester No. 3 Insp & Rehab											0	450	4,150									4,600	
800		3		Digester No. 4 Insp & Rehab					450	4,100					4,550											4,550	

**Union Sanitary District 20-Year CIP  
FY 2021 - FY2040  
(All Figures x \$1,000)**

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total	
800		3		Digester No. 5 Insp & Rehab							450	4,300			4,750											4,750	
800		3		Digester No. 6 Insp & Rehab			500	4,600							5,100								600			5,700	
800		3		Digester No. 7 Insp & Rehab											0						550	5,200				5,750	
900		1	Constr	Digester No. 7	13,000	7,000									20,000											20,000	
800	50	2		Emergency Outfall Outlet Improvements		625									625											625	
900	50	2		Emergency Outfall Outlet Improvements		625									625											625	
800	50	1	Design	ETSU - Aeration Basin Modifications	3,000	9,700	6,950	2,963	2,963						25,575											25,575	
900	50	1	Design	ETSU - Aeration Basin Modifications	3,000	9,700	6,950	2,963	2,963						25,575											25,575	
800	50	1	Design	ETSU - Blower 7-10 Replacement	300	1,350	2,900	350							4,900											4,900	
900	50	1	Design	ETSU - Blower 7-10 Replacement	300	1,350	2,900	350							4,900											4,900	
900		1	Design	ETSU - Aeration Basin No. 8	300	4,000	7,500	3,700							15,500											15,500	
800	50	1	Design	ETSU - Secondary Clarifiers	1,400	3,450	500	27,350	18,250						50,950												50,950
900	50	1	Design	ETSU - Secondary Clarifiers	1,400	3,450	500	27,350	18,250						50,950												50,950
800		1	Design	ETSU - Effluent Facilities	1,000	3,000	1,000	21,400	21,400						47,800												47,800
900		1		ETSU - Plant Equalization Storage				550	1,650	17,300					19,500											19,500	
800	50	3		ETSU - Nutrient Removal (Level 2 Year-round)											0						2,600	10,750	34,000	45,400		92,750	
900	50	3		ETSU - Nutrient Removal (Level 2 Year-round)											0						2,600	10,750	34,000	45,400		92,750	
800		2		Flares Replacement		700	5,300								6,000											6,000	
900		2		Flares Replacement		700	5,300								0											0	
800		2		Headworks Gates										500	500	3,500										4,000	
800	60	1	Constr	Headworks Screens Replacement	1,080										1,080											1,080	
900	40	1	Constr	Headworks Screens Replacement	720										720											720	
800		2		MCC Replacement		100	900					50	500		1,550											1,550	
800		2		Odor Scrubber System Improvements					650	1,300	5,200	4,800	1,500	400	13,850	3,000	1,300	7,000	4,400	7,500	3,700	3,500	800	6,300		51,350	
800		2		Plant 1 and 2 Water System Improvements		100	900								1,000											1,000	
800		2		Plant 12kV Switchgear				700	3,500	5,000	4,000				13,200											13,200	
900		2		Plant 12kV Switchgear											0											0	
800	50	3		Plant Additional Power Source											0							250	2,000	2,750		5,000	
900	50	3		Plant Additional Power Source											0							250	2,000	2,750		5,000	
800		2		Plant Asset Condition Assessment R&R			100	150	2,000	500		1,000		200	3,950	300	4,500	1,150	2,650	400	200		400	0		13,550	
800		2		Plant Asset Condition Assessment Projects		2,400			3,000				800	3,350	9,550	3,350	3,350									16,250	
800	50	2		Plant Fiber Optic Network		250	250	250	250	300	300	300	300	300	2,500											2,500	
900	50	2		Plant Fiber Optic Network		250	250	250	250	300	300	300	300	300	2,500											2,500	
800		2		Plant Grating Replacement		50									50											50	
800		2		Plant Mechanical and Electrical Projects		500	500	500	500	500	500	500	500	500	4,500	500	500	500	500	500	500	500	500	500	500	9,500	
800		2		PLC Replacement		250			300				350		900			400					450			1,750	
800		1		Primary Clarifier (1 - 4) Sismic Upgrade			550	4,000	1,810						6,360											6,360	
900		1		Primary Clarifier (1 - 4) Sismic Upgrade			550	4,000	1,810						0											0	
800	75	2		Primary Clarifier Rehab (5-6)					1,328	7,260	7,260	1,328			17,176											17,176	
900	25	2		Primary Clarifier Rehab (5-6)					442	2,420	2,420	442			5,724											5,724	
800		3		Reclaimed Water											0											0	
900		3		Reclaimed Water											0											0	
800		3		Secondary Digester No. 1 Insp & Rehab			350	3,200							3,550					500	4,700					8,750	
800		3		Secondary Digester No. 2 Insp & Rehab						400	3,400				3,800							550	5,000			9,350	
800		2		Seismic Retrofit of Conc. Structures		200		300		300		300		300	1,400		300		300		300		300			2,600	

**Union Sanitary District 20-Year CIP  
FY 2021 - FY2040  
(All Figures x \$1,000)**

Fund	%	Rank	Status	Project Name	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total	
800	50	2		Site Drainage Improvements			200	400	1,400	1,150					3,150											3,150	
900	50	2		Site Drainage Improvements			200	400	1,400	1,150					3,150											3,150	
800		1	Des/Constr	Standby Power Generation System Upgrade	1,000	14,000	12,000	6,000							33,000											33,000	
900		3		Standby Power Generator No. 4											0						2,300	14,500	7,200			24,000	
800		2		Switchboard 3 Replacement		100	800	350							1,250											1,250	
900		2		Switchboard 3 Replacement											0											0	
800		2		Switchboard 4 Replacement			150	1,000	500						1,650											1,650	
900		2		Switchboard 4 Replacement											0											0	
800		2		Thickeners 1 and 2 Rehabilitation				200	1,700	750					2,650											2,650	
800		3		Thickeners 3 and 4 Rehabilitation											0			650	3,000							3,650	
800		1	Design	WAS Thickeners	800	4,200	5,000	1,500							11,500											11,500	
900		3		Waste Recycling and Alternative Energy									1,500	1,500	9,000											10,500	
<b>Total for TREATMENT PLANT</b>					<b>39,575</b>	<b>84,150</b>	<b>61,550</b>	<b>122,325</b>	<b>97,105</b>	<b>42,880</b>	<b>26,580</b>	<b>30,670</b>	<b>10,800</b>	<b>9,300</b>	<b>524,935</b>	<b>23,500</b>	<b>15,650</b>	<b>11,900</b>	<b>14,700</b>	<b>12,500</b>	<b>22,750</b>	<b>42,050</b>	<b>93,050</b>	<b>103,700</b>	<b>500</b>	<b>865,235</b>	
Total Priority 1 Treatment Plant					29,200	65,800	46,750	98,475	68,385	17,300	0	0	0	1,200	327,110	0	0	1,900	5,300	600	5,700	0	1,500	0	0	0	342,110
Total Priority 2 Treatment Plant					10,375	18,350	13,950	16,050	28,270	21,080	22,730	26,370	10,800	6,600	174,575	14,050	11,500	9,050	8,000	8,400	4,850	4,450	2,150	6,800	500	0	244,325
Total Priority 3 Treatment Plant					0	0	850	7,800	450	4,500	3,850	4,300	0	1,500	23,250	9,450	4,150	950	1,400	3,500	12,200	37,600	89,400	96,900	0	0	278,800
Total Fund 800 - Treatment Plant					15,180	50,175	41,500	83,063	67,901	21,710	22,810	23,528	8,200	6,900	340,966	14,500	15,650	11,250	14,700	12,500	17,850	16,550	49,100	55,550	500	0	549,116
Total Fund 900 - Treatment Plant					24,395	33,975	20,050	39,263	29,205	21,170	3,770	7,142	2,600	2,400	183,969	9,000	0	650	0	0	4,900	25,500	43,950	48,150	0	0	316,119

Project Type	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	10-Year Total	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	20-Year Total		
Administrative Facilities	3,900	32,500	30,250	6,550	200	0	1,500	2,100	400	200	77,600	600	2,000	0	500	0	200	0	200	0	0	0	81,100	
Collection System	1,850	4,400	2,027	1,698	850	5,307	916	5,422	602	2,046	25,118	640	2,176	681	2,316	725	2,464	772	2,622	0	0	0	37,514	
Transport System	2,100	7,600	6,925	2,390	14,590	5,770	4,050	11,726	21,700	4,850	81,701	7,400	17,500	13,250	13,500	19,050	250	5,800	250	250	250	250	159,201	
Treatment Plant	39,575	84,150	61,550	122,325	97,105	42,880	26,580	30,670	10,800	9,300	524,935	23,500	15,650	11,900	14,700	12,500	22,750	42,050	93,050	103,700	500	0	865,235	
<b>GRAND TOTAL</b>	<b>47,425</b>	<b>128,650</b>	<b>100,752</b>	<b>132,963</b>	<b>112,745</b>	<b>53,957</b>	<b>33,046</b>	<b>49,918</b>	<b>33,502</b>	<b>16,396</b>	<b>709,354</b>	<b>32,140</b>	<b>37,326</b>	<b>25,831</b>	<b>31,016</b>	<b>32,275</b>	<b>25,664</b>	<b>48,622</b>	<b>96,122</b>	<b>103,950</b>	<b>750</b>	<b>0</b>	<b>1,143,050</b>	
<b>R&amp;R (Fund 800) Total</b>	22,280	90,575	78,002	92,631	78,371	30,527	26,326	33,613	11,977	13,996	478,297	19,840	34,301	25,181	30,866	32,275	20,764	23,122	52,172	55,800	750	0	773,368	
<b>Capacity (Fund 900) Total</b>	25,145	38,075	22,750	40,333	34,375	23,430	6,720	16,305	21,525	2,400	231,057	12,300	3,025	650	150	0	4,900	25,500	43,950	48,150	0	0	369,682	
<b>Priority 1</b>																								
Administrative Facilities	3,900	32,100	30,000	6,250	200	0	1,500	1,600	0	0	75,550	0	0	0	0	0	0	0	0	0	0	0	0	75,550
Collection System	350	4,000	0	0	350	3,500	350	3,500	0	0	12,050	0	0	0	0	0	0	0	0	0	0	0	0	12,050
Transport System	1,150	2,550	2,000	0	0	0	0	0	0	0	5,700	0	0	0	0	0	0	0	0	0	0	0	0	5,700
Treatment Plant	29,200	65,800	46,750	98,475	68,385	17,300	0	0	0	1,200	327,110	0	0	1,900	5,300	600	5,700	0	1,500	0	0	0	0	342,110
<b>Total Priority 1 Projects</b>	<b>34,600</b>	<b>104,450</b>	<b>78,750</b>	<b>104,725</b>	<b>68,935</b>	<b>20,800</b>	<b>1,850</b>	<b>5,100</b>	<b>0</b>	<b>1,200</b>	<b>420,410</b>	<b>0</b>	<b>0</b>	<b>1,900</b>	<b>5,300</b>	<b>600</b>	<b>5,700</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>435,410</b>
<b>Priority 2</b>																								
Administrative Facilities	0	400	0	0	0	0	0	0	150	0	550	600	1,800	0	0	0	0	0	0	0	0	0	0	2,950
Collection System	1,500	400	2,027	1,698	500	1,807	566	1,922	602	2,046	13,068	640	2,176	681	2,316	725	2,464	772	2,622	0	0	0	0	25,464
Transport System	950	4,700	2,175	2,140	10,490	4,520	3,600	11,476	21,450	0	61,501	6,150	4,250	0	150	0	0	150	0	0	0	0	0	72,201
Treatment Plant	10,375	18,350	13,950	16,050	28,270	21,080	22,730	26,370	10,800	6,600	174,575	14,050	11,500	9,050	8,000	8,400	4,850	4,450	2,150	6,800	500	0	0	244,325
<b>Total Priority 2 Projects</b>	<b>12,825</b>	<b>23,850</b>	<b>18,152</b>	<b>19,888</b>	<b>39,260</b>	<b>27,407</b>	<b>26,896</b>	<b>39,768</b>	<b>33,002</b>	<b>8,646</b>	<b>249,694</b>	<b>21,440</b>	<b>19,726</b>	<b>9,731</b>	<b>10,466</b>	<b>9,125</b>	<b>7,314</b>	<b>5,372</b>	<b>4,772</b>	<b>6,800</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>344,940</b>
<b>Priority 3</b>																								
Administrative Facilities	0	0	250	300	0	0	0	500	250	200	1,500	0	200	0	500	0	200	0	200	0	0	0	0	2,600
Collection System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport System	0	350	2,750	250	4,100	1,250	450	250	250	4,850	14,500	1,250	13,250	13,250	13,350	19,050	250	5,650	250	250	250	250	0	81,300
Treatment Plant	0	0	850	7,800	450	4,500	3,850	4,300	0	1,500	23,250	9,450	4,150	950	1,400	3,500	12,200	37,600	89,400	96,900	0	0	0	278,800
<b>Total Priority 3 Projects</b>	<b>0</b>	<b>350</b>	<b>3,850</b>	<b>8,350</b>	<b>4,550</b>	<b>5,750</b>	<b>4,300</b>	<b>5,050</b>	<b>500</b>	<b>6,550</b>	<b>39,250</b>	<b>10,700</b>	<b>17,600</b>	<b>14,200</b>	<b>15,250</b>	<b>22,550</b>	<b>12,650</b>	<b>43,250</b>	<b>89,850</b>	<b>97,150</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>362,700</b>