

UNION SANITARY DISTRICT UNION CITY, CALIFORNIA

OPERATING & CIP BUDGETS

FY 2015



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June 13, 2014

To: USD Board of Directors

From: Richard Currie
General Manager

Subject: Fiscal Year 2015 Budget

Union Sanitary District staff is pleased to present to the Board of Directors, the annual budget for Fiscal Year 2015, covering the period from July 1, 2014 to June 30, 2015. The budget continues to focus on operation and maintenance of our infrastructure assets, capital project construction, planning, and effective use of technology.

Outstanding Performance and Cost Effective Service for Our Customers

In keeping with our Mission, USD continues to provide a high level of award-winning service to our customers at a very reasonable cost. USD has maintained our rates well below the target level of the lower 33rd percentile. In fact, our current Sewer Service Charge rate of \$338 per year for a single family residence is in the lower 12th percentile of the 26 agencies we survey annually. On a monthly basis, at just under \$28, we are by far the least expensive household utility.

We continue our record of outstanding stewardship and service. We have been recently informed that USD has won the Platinum Award from the National Association of Clean Water Agencies for Peak Performance, operating for 5 consecutive years without exceeding any of the limits or conditions of our permit. This is a tribute to the outstanding work by our Operations and Maintenance teams. We continue to average less than one spill per hundred miles of pipeline per year, amongst the best in the State. Our collections services and Environmental Compliance groups have successfully implemented measures to control roots and grease to help minimize spills and back-ups. We are responding to over 96% of all customer call outs within one hour, and we have had no critical asset failures impacting the public. Our quality performance is also reflected in awards we have received for our procurement program and financial reporting.

Financial State of the District

The recovery of the local economy in the time following the end of the recession has been slow, but is showing positive signs of improvement. In the last year, USD has seen an increase in the number of permit applications, indicating new growth. We are still experiencing the trend where businesses using large quantities of water are leaving the service area and small water users and R&D firms are moving into the District. The overall impact on revenues seems to be stabilizing however.

Our current financial condition can be characterized as stable. Our revenues have continued to increase, allowing for an ongoing annual contribution to the District's Capital Improvement Program (CIP). Our aggressive program has resulted in a slight reduction of reserves; however, our infrastructure is in excellent condition with reduced risk of failure. We have also been able to make contributions to our emergency reserve for mitigation of the inevitable impacts of seismic activity in the Bay Area.

Our strong planning and asset management efforts ensure that we have a good understanding of the condition of our assets and that we schedule projects in a timely manner to evaluate, and if necessary, rehabilitate or replace aging infrastructure. Our Capital Improvement Program includes \$200 million in projects over the next 10 years to ensure continued reliable operation of our pipelines, pump stations and treatment Plant. In addition, USD is continuing to implement elements of our Information Technology Master Plan, including Data Management Systems for construction project management and Plant operation's information. We are also evaluating the expanded use of remote data access. These improvements will allow us to continue to improve the efficiency of our business.

Revenues

We are continuing to see recovery in the local economy, with continued residential development and growth in business, including occupancy of previously vacant commercial buildings. We are also seeing a continued increase in building permit applications and new development construction. With a high percent of our revenue based on residential customers, USD's income remains relatively stable despite volatility in the number and type of commercial and industrial businesses.

Expenditures

Operating expenditures for the coming fiscal year are projected to increase by 1.5%. This reflects savings due to implementation of both solar and cogeneration projects. Chemical cost increases have been less than projected due to our participation in the Bay Area Chemical Consortium. Also, some personnel costs have been reduced due to the end of the Deputy General Manager position as the new GM will be in place for the coming year. These are one-time decreases in the operating budget that will allow for greater contributions to the CIP projects fund.

After having made no net changes in the number of USD employees since 2000, management has recommended adding 6 positions to bolster our maintenance staff, enhance planning and asset management efforts, and provide inspection of new development and CIP construction. Last year, the construction inspector position was filled, resulting in savings on previously contracted work. This position is also partially funded by fees received for new development. We are currently recruiting for the position of Senior Process Engineer. This position will be in the Treatment and Disposal Work Group on the Research and Support Team. The Senior Process Engineer's work will include finding ways to improve operations, increase energy efficiency, and reduce chemical usage. For the upcoming fiscal year, we will be recommending that the Board approve two positions in the FMC Work Group. An additional mechanic and painter are needed to reduce backlog, reduce overtime, and help enhance maintenance of existing treatment plant and pump station equipment, much of which was installed in the late 1970s and 1980s.

The Capital Improvement Program will be increasing slightly from last year. In the 10 year plan, new projects have been added for wet weather flow management, pipeline rehabilitation and replacement, and lift station improvements. There is also a large addition for equipment replacement at the plant as identified in the Plant Master Plan for FY24. The Information System R&R will be continuing to fund new projects from the IT Master Plan, including a major upgrade to the SCADA System, a GIS upgrade and replacement of the telephone communications system.

The Special Projects Fund (formerly Non-ECB) will see greater levels of expenditure than in the past several years. The \$1.7 million budget is based on the large number of studies and other one-time expenditures anticipated for the coming year. Studies planned for this year include the Irvington Basin Sewer Master Plan, a Pump Station Master Plan, a Water Recycling Feasibility study, a Corrosion Control study for large sewer lines, and the completion of the Hayward Marsh Rehabilitation study. Other expenditures include the Old Alameda Creek permit renewal and an Odor Control System Evaluation. We anticipate the Special Projects Fund budget to return to lower levels in FY16.

Capital Program and Project Financing

Capital project spending will continue to focus on the Wastewater Treatment Plant as well as pipeline rehabilitation. As many of our buildings and treatment processes approach 35 years of operation, we will be replacing and upgrading them to ensure long term, efficient operation of the plant. FY14 saw the completion of the Headworks Improvements Project, the pipeline tunnel under I-680 and the Hayward fault, the new Boyce Road Pump Station, replacement of primary effluent pumps, the MCC replacement project, the Interim Thickener project, and substantial work on the \$10 million Cogeneration project. New projects for FY15 include the Jarvis Avenue Sewer Project, the Upper Hetch Hetchy Sewer Rehabilitation project, Digester 5 rehabilitation, Newark backyard sewer relocation, various treatment plant facilities projects, and completion of the Cogeneration project.

USD continues to take advantage of the availability of low interest loans through the State and Federally funded State Revolving Fund (SRF) program. Recent projects such as the Primary Clarifier rehabilitation project, the Boyce Road Pump Station and the Electrical Substation Upgrade have been funded using these loans at interest rates between 2.5% and 2.7%. USD recently received approval for a loan for the Thickener Control Building Improvements project for \$13.4 million at an interest rate of 2.1%. We will be making the final payment for the Treatment Plant Upgrade project before the end of this fiscal year, paying off the 20 year, \$30 million loan.

Challenges for FY14

The most significant issues facing the District in the coming fiscal year will likely be management transition, workload management and wet weather flow management. Key staff will be retiring, or transitioning to retirement during this fiscal year. Transferring critical knowledge, providing appropriate training, and maintaining our focus on the Mission of the District will be key elements to a smooth transition. Workload management will bring many challenges associated with implementing an ambitious Capital Improvement Program. Many new staff members, as well as managers, will be coming up to speed this year while our workload remains constant. Wet weather flow issues will be centered on Hayward Marsh and identifying options and developing contingency plans for handling future peak flows.

Balanced Budget, Reserves and Rates

USD has been operating with a balanced budget and anticipates continuing to do so. In some years, USD takes money from reserves for capital projects, and in some years funds are added to our reserves. For FY15 we anticipate adding close to \$1 million to reserves. Our reserves continue to be stable, although as our operating budget increases, more of our reserves are dedicated to ensuring operating cash flow for the 8 month period in which we receive very limited Sewer Service Charge revenues. Our projected fund balances indicate renewal and replacement fund reserves will remain positive with the implementation of the proposed rate increases for FY15 and beyond. In 2018, the R&R reserves will reach their lowest balance at below \$1 million due to the large expenditures anticipated in the Capital Improvement Program for construction. However, this reserve is anticipated to increase in the following years.

Conclusion

USD continues to perform as one of the most outstanding wastewater agencies in the State of California. Our high level of service and reasonable rates reflect a highly efficient and customer oriented staff that has created a positive culture and earned USD an excellent reputation in our industry. Our employees are the hallmark of our organization and are responsible for our success in being a highly responsive, non-bureaucratic public agency that can boast award winning service, well maintained infrastructure and a safe and productive work environment.

SUMMARY & COMMENTS FISCAL YEAR 2015 BUDGET

This summary and comments section addresses the proposed budget and rates for Fiscal Year 2015.

10-YEAR FINANCIAL PLAN

Rates: Increase by 5.7% the existing Sewer Service Charge for Single Family Dwelling (SFD) to \$357.02 and \$315.25 for Multi-family Dwelling (MFD). Sewer Service Charge ordinance rates will increase by 5.7% in 2015. A Proposition 218 notice to reflect an increase for FY14-FY16 of 5.7% each year was mailed to property owners in April 2013. Increases are projected for the following several years, but will be reviewed and analyzed annually.

PERS retirement investment losses from 2008-2009 have adversely impacted employer rates. Rates are expected to increase dramatically in the next five years, due to assumption changes and prior year losses. Projected rates for FY 2015 and FY 2016 are 17.41% and 18.7%, respectively. The employee paid portion of the employer rate will gradually increase as well.

Capacity fees are projected to increase by 5% to \$5,595.66 in FY 2015 and reviewed annually. A comprehensive capacity fee study was completed in FY 2010 and the results have been incorporated into the FY 2015 budget.

Financing: The District will fund capital projects by a combination of pay-as-you-go and debt financing (State Revolving Fund Loans).

SEWER SERVICE FUND REVENUES FY 2015 Revenues & Proceeds: \$52,198,161

Revenue and Transfers:

- The principal revenue for the Operating Fund is from the annual sewer service charges of \$47.5 million in FY 2015.
- Interest and other income (\$4.7 million) includes \$210,000 in interest, \$848,500 in Operating revenue from the City of Fremont Urban Runoff program, East Bay Dischargers Authority (EBDA) revenue, inspection/plan check fees; \$76,000 from Livermore Amador Valley Water Management Agency (LAVWMA), \$189,200 from PG&E in carport and Irvington solar panel rebates (until 2017), and \$38,000 from the sale of surplus equipment. The District will also receive \$845,000 in SGIP rebates from the Cogeneration project.
- The District is anticipating total receipts of \$2,542,500 in SRF loan proceeds for the Thickener project for the sewer service charge fund in FY 2015.

SEWER SERVICE FUND EXPENSE FY 2015 Expense: \$51,384,821

Each component of the Sewer Service Fund expense is described below:

- Operating Budget: FY 2015 Expense: \$32,659,214

The Operating Fund contains expenditures required for the day-to-day operation of the District, including maintenance, regulatory activities, engineering, and administration. The net Operating budget will increase 1.52% in FY 2015.

- Special Projects FY 2015 Expense: \$1,708,478

This fund includes non-routine expenses such as one-time studies, hiring of consultants, and new programs where the long-term financial impact, if any, is not known. Major FY 2015 expenses by categories include: Administrative and Regulatory \$172,000, Hayward Marsh Projects, \$164,410; Studies and other projects include Corrosion Control & Pretreatment Chemical Study, \$100,000; Irvington Basin Master Plan Update, \$200,000; Pump Station Master Plan, \$150,000; Water Recycling & Conservation Plan, \$220,000, and Odor Control System Evaluation, \$100,000.

- Retiree Medical Benefits FY 2015 Expense: \$543,540

The District began to transfer Retiree Assets to the CalPERS trust (CERBT) in FY 2009. For FY 2015, the annual required contribution (ARC) based on the recently completed 7/1/13 actuarial study will be \$543,540.

- Renewal & Replacement - Vehicle and Equipment FY 2015 Expense: \$1,057,000

Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is based on a 10-year replacement schedule and expense projection. Major expenses include eight pickup trucks, \$338,500, two construction trucks and one dump truck planned but not purchased in FY14, \$315,000 and \$185,000, respectively, and three hybrid sedans, \$108,000. The provision is \$589,900 for FY 2015.

- Renewal & Replacement - Information System FY 2015 Expense: \$1,216,000

This fund replaces major information systems hardware and software. The provision is \$800,000 for FY 2015. Major projects include the new Time and Attendance System, \$200,000, SCADA Upgrade, \$150,000. IT/PBX and Security Replacements, \$311,000, as identified in the latest IT Master Plan.

- Renewal & Replacement – Plant & Pump Station FY 2015 Expense: \$250,000

This fund is for the purchase of Plant equipment that is scheduled to be replaced due to age or obsolescence, as well as unplanned replacement costs. The provision for FY 2015 is \$250,000 and expenses include replacing valve actuators, parts washer, and overhaul of #1 centrifuge, overhaul of #1 NPS pump, and replacing pumps; Purchase of spare PWAS pump.

- Emergency Fund FY 2015 Expense: \$0

The District established the Emergency Fund in FY 2008. The purpose of this fund is to mitigate the financial impact of an emergency or catastrophic event. The provision for FY 2015 will be \$750,000.

- Structural Renewal and Replacement FY 2015 Expense: \$13,836,889

The proposed Capital Improvement Program projects of \$11,632,500 for FY 2015 are included in this fund. In addition, the fund will pay SRF loan payments of \$681,000 for the Irvington Equalization Storage Facility project, \$108,000 for the Willow/Central Ave. project, \$343,000 for Newark Pump Station, \$140,000 for the Lower Hetch Hetchy project, \$127,000 for the Cedar Blvd project, \$157,000 for the Substation 1 project, \$444,000 for the Primary Clarifier project, and \$206,000 for the Boyce Road project. The provision will be approximately \$11,358,000. A detailed CIP schedule is included with this document.

- Pretreatment Fund FY 2015 Expense: \$7,000

Expenses are for supplies, equipment and training that support the Pretreatment Program and Ordinance No. 36. There is no sewer service charge provision for this fund.

- Miscellaneous Expense FY 2015 Expense: \$106,000

The District pays Alameda County an annual fee for administration and sewer service charge collection through the tax rolls, based on the number of parcels.

SEWER SERVICE FUND RESERVES

- Approximately \$813,000 will be transferred to reserves for funding of the FY '15 Operating Fund, Renewal and Replacement funds, Capital Improvement Program, and related debt servicing.

CAPACITY FUND FY 2015 Revenues & Proceeds: \$4,481,500

- Revenues for FY 2015 include capacity fees of \$2,700,000, and interest income of \$89,000. The Capacity fund will be financed by a Capacity Fee of \$5,595.66 per equivalent dwelling unit, a 5% increase from 2014.
- The Capacity fund is scheduled to receive SRF loan proceeds for the Thickener project in the amount of \$847,500.
- The Capacity fund will receive \$845,000 in SGIP rebates for the Cogeneration project.

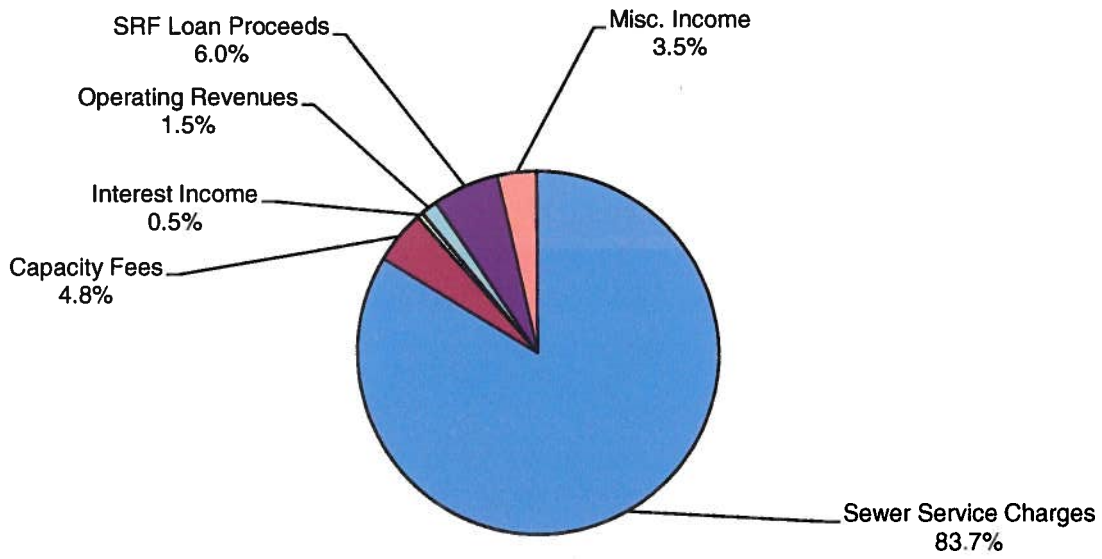
CAPACITY FUND FY 2015 Expense: \$4,163,000

- The expenditures for FY 2015 include \$3,240,000 for the Capacity-related portion of the Capital Improvement Program.
- The Capacity fund will pay debt servicing of \$227,000 for the Capacity portion of the Irvington Equalization Storage Facilities project SRF loan and \$343,000 for the Capacity portion of the Newark Pump Station SRF loan, \$147,000 for Primary Clarifier, and \$206,000 for Boyce Road, for a total of \$923,000.

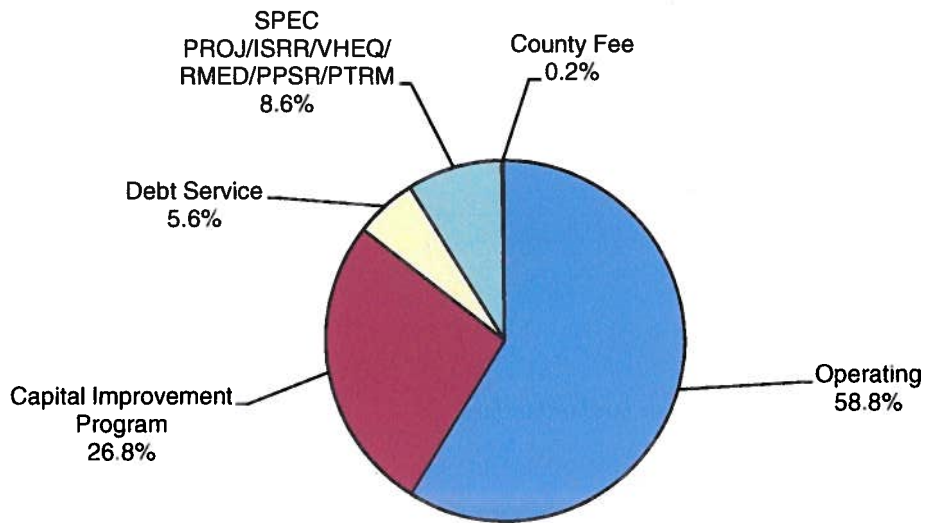
CAPACITY FUND RESERVES

- Approximately \$319,000 will be added to Capacity Fund reserves in FY 2015.

FY '15 Total Revenues & Proceeds
\$56,680,161



FY '15 Total Expenditures
\$55,547,821



Amount to Reserves
\$1,132,340

NET OPERATING BUDGET			
Work Group	FY '14 Budget	FY '14 Projected	FY '15 Approved
District Board	\$190,063	\$164,200	\$170,900
General Manager/Administration	1,182,404	1,190,500	1,048,000
Business Services	4,501,787	4,534,014	4,664,105
Collection Services	5,552,778	5,360,000	5,906,998
Technical Services	4,721,559	4,360,000	4,641,307
Treatment & Disposal Services	9,709,975	9,432,875	9,798,610
Fabrication, Maintenance & Construction	5,476,790	5,146,982	5,580,794
Total OPERATING	\$31,335,356	\$30,188,571	\$31,810,714
Percent of FY '14 Budget		96.3%	

Percent change from FY '14 Budget

1.52%

SPECIAL PROJECTS FUND FY '14 - FY '15

	DESCRIPTION	BUDGET FY '14	PROJECTION FY '14	ESTIMATED CARRYOVER	New \$	APPROVED BUDGET FY '15
	Administrative & Regulatory					
	GIS JPA	24,500	7,666	16,950	21,050	38,000
	New Public Outreach Programs	20,000	10,000	10,000	15,000	25,000
	Professional Recruitment Services	0	0	0	65,000	65,000
	Public Information Program (includes USD Newsletter)	45,000	35,000	10,000	34,000	44,000
	Sub-Total Admin & Regulatory	89,500	52,666	36,950	135,050	172,000
	Studies & Other					
	Admin & Field Services Building Leak Investigation	0	0	0	48,000	48,000
	Alvarado Sub-Surface Investigation (was Plant Groundwater Well)	10,000	4,278	5,722	10,000	15,722
	Anitamo Sidestream Treatment Pilot	0	0	0	15,000	15,000
	Biosolids Dewatering Evaluation	0	19,521	0	0	0
	Corrosion Control & Pretreatment Chemical Study	0	0	0	100,000	100,000
	Effluent Flow Management Study	50,000	3,281	46,719	0	46,719
	Evaluation of CS Preventive Maintenance Program	50,000	0	50,000	0	50,000
	FOG - Residential Public Outreach	0	10	0	0	0
	Fremont Mid-Town Capacity Assessment	20,000	13,138	6,862	0	6,862
	Fuel Management System Upgrade	40,000	31,904	0	0	0
	Hazardous Materials Program	50,000	48,000	2,000	48,000	50,000
	Intelligent Manhole Covers	20,000	10,436	0	0	0
	Irvington Basin Master Plan Update	50,000	25,000	25,000	175,000	200,000
	Lateral Pilot Program - Condition Assessment	110,000	44,068	95,650	0	95,650
	Local Limits and Wastewater Treatability (Ammonia)	10,000	21,340	0	5,000	5,000
	NPDES Permit Renewal - Old Alameda Creek	0	0	0	75,000	75,000
	Odor Control System Evaluation	0	0	0	100,000	100,000
	Plant-wide Lighting Study	0	0	0	50,000	50,000
	Pump Station Master Plan	0	0	0	150,000	150,000
	Sea Level Rise Study	0	2,460	0	0	0
	Seismic Evaluation	100,000	100,000	0	50,000	50,000
	Sewer Service Charge Cost of Service Study	100,000	45,345	26,615	0	26,615
	Vehicle Storage Bird Netting and Light Replacement	0	0	0	67,500	67,500
	Water Recycling & Conservation Program (Funded by CPTY)	70,000	70,000	0	220,000	220,000
	Sub-Total Studies & Other	680,000	438,781	258,568	1,113,500	1,372,068
	Hayward Marsh					
	Ammonia Removal Study	50,000	56,000	0	0	0
	Rehabilitation Study	0	311,000	0	128,000	128,000
	NPDES Permit Annual Fee	2,000	2,062	0	2,100	2,100
	NPDES Permit Support Services	0	0	0	5,000	5,000
	Permit Amendment to Delay Mixing Study	30,000	16,900	13,100	0	13,100
	Regional Monitoring Plan (RMP) Annual Fee	18,000	16,935	1,065	15,145	16,210
	Sub-Total Hayward Marsh	100,000	402,897	14,165	150,245	164,410
	Total Special Projects Fund	869,500	894,344	309,683	1,398,795	1,708,478

102.9%

196.5%

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
SPECIAL PROJECTS - Fund 30						
Beginning Balance	\$310,580	\$309,683	\$0	\$0	\$0	\$0
Revenue						
Provisions from SSC	417,027	1,398,795	600,000	600,000	600,000	600,000
Expenditures						
Studies and Projects	864,500	1,708,478	600,000	600,000	600,000	600,000
Ending Balance	(136,893)					
Estimated Carryover	(\$309,683)	\$0	\$0	\$0	\$0	\$0

PROJECTS PLANNED FOR FY '14

Project Category	Amount
Administrative & Regulatory	\$172,000
Studies & Other	1,372,068
Hayward Marsh	164,410
Total	\$1,708,478

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
RETIREE MEDICAL - Fund 40						
Beginning Balance	\$1,860	\$0	\$0	\$0	\$0	\$0
Revenue						
Provisions from SSC for ARC*	462,852	543,540	561,205	579,444	598,276	617,720
Expenditures						
Medical Expenses	(362,859)	(360,707)	(398,224)	(432,737)	(466,174)	(501,989)
Medical Reimbursement	362,859	360,707	398,224	432,737	466,174	501,989
Transfers out:						
Annual Required Contribution (ARC)	464,712	543,540	561,205	579,444	598,276	617,720
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

* From actuarial valuation completed in FY'14

		Estimated	Projected				
Fiscal Years Ending June 30,		2014	2015	2016	2017	2018	2019
RENEWAL & REPLACEMENT VEHICLES AND EQUIPMENT - Fund 50							
Beginning Balance		\$1,150,237	\$1,075,221	\$645,421	\$595,431	\$440,290	\$715,990
Revenue							
Provisions from SSC		561,800	589,900	619,400	638,000	657,000	677,000
Sale of surplus		25,000	38,000	39,000	37,000	18,000	26,000
Expenditures							
Vehicles and Equipment		661,816	1,057,700	708,390	830,141	399,300	637,500
Ending Balance		\$1,075,221	\$645,421	\$595,431	\$440,290	\$715,990	\$781,490
REPLACEMENTS SCHEDULED FOR FY '15							
Vehicles			Equipment				
QTY	Type	Repl. Cost	QTY	Type	Repl. Cost		
8	Pickup Trucks	\$338,500	2	Utility Carts	\$36,000		
2	Construction Trucks*	315,000	1	6" Portable Pump	59,000		
1	10-Yard Dump Truck*	185,000	28	Chairs	7,000		
3	Hybrid Sedans	108,000	1	Small Generator	2,800		
			2	Cutoff Saws	2,400		
			1	Super Rip Cord Blower	2,000		
			1	Hurco Blower	2,000		
Total for Vehicles		\$946,500	Total for Equipment		\$111,200		
TOTAL VEHICLES AND EQUIPMENT: FY '15 BUDGET							\$1,057,700

*Carryover from FY'14

		Estimated	Projected				
Fiscal Years Ending June 30,		2014	2015	2016	2017	2018	2019
RENEWAL & REPLACEMENT INFORMATION SYSTEM - Fund 60							
Beginning Balance		\$1,368,371	\$1,143,124	\$727,124	\$490,024	\$659,624	\$555,424
Revenue							
Provisions from SSC		800,000	800,000	800,000	800,000	700,000	700,000
Expenditures							
IT/PBX/Security Replacements		167,700	311,000				
IT Master Plan Projects		857,547	905,000	1,037,100	630,400	804,200	703,500
Ending Balance		\$1,143,124	\$727,124	\$490,024	\$659,624	\$555,424	\$551,924

SYSTEM UPGRADES & REPLACEMENTS SCHEDULED FOR FY '15

Project / System	Amount
SCADA Master Plan/Standards	\$250,000
Time/Attendance System Replacement	200,000
SCADA Upgrade	150,000
Collection System GIS Upgrade	60,000
Mobile Projects	55,000
Operating Data Management System - start	50,000
Records Management	50,000
Public Website Improvements - complete	40,000
Capital Projects Management System - complete	20,000
ECMS - complete project	15,000
Hansen 8 Complete interfaces/mobile	15,000
IT/PBX/Security Replacements	311,000
Total	\$1,216,000

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
RENEWAL & REPLACEMENT PLANT AND PUMP STATION - Fund 70						
Beginning Balance	\$158,524	\$0	\$0	\$0	\$0	\$0
Revenue						
Provisions from SSC	113,217	250,000	250,000	250,000	250,000	250,000
Expenditures						
Plant and Pump Station Equipment	220,000	220,000	200,000	200,000	200,000	200,000
Unplanned expenditures	52,388	30,000	50,000	50,000	50,000	50,000
Charged to ECB if exceeds Budget	(647)					
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

REPLACEMENTS SCHEDULED FOR FY 2015	
Replace 6 Valve Actuators	\$45,000
Replace Parts Washer	35,000
Overhaul#1 Centrifuge	30,000
Purchase Spare PWAS Pump	30,000
Overhaul #1 NPS Pump	25,000
Replace 2 Positive Displacement Pumps	22,000
Replace Portable 6" Submersible Pump	15,000
Subtotal Planned Projects:	\$202,000
Unplanned Maintenance	\$48,000
Total for FY 2015	\$250,000
TOTAL PLANT AND PUMPSTATION R&R FY '15 BUDGET	

It is anticipated that the Plant & Pump Station Renewal & Replacement fund will be incorporated with or replaced by an asset management program in the future.

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
EMERGENCY - Fund 75						
Beginning Balance	\$2,000,000	\$2,750,000	\$3,500,000	\$4,250,000	\$5,000,000	\$5,000,000
Revenue						
Provisions from SSC	750,000	750,000	750,000	750,000	0	0
Expenditures						
	0	0	0	0	0	0
Ending Balance	\$2,750,000	\$3,500,000	\$4,250,000	\$5,000,000	\$5,000,000	\$5,000,000

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
STRUCTURAL RENEWAL & REPLACEMENT - Fund 80						
Beginning Balance	\$8,876,000	\$5,675,000	\$6,583,500	\$5,135,500	\$905,500	(\$151,500)
Revenue						
Provisions from SSC/Net Revenue	11,978,000	11,358,000	11,695,000	13,218,000	15,740,000	17,561,000
SRF Proceeds	1,479,000	3,387,000	4,294,000	169,000	1,169,000	1,169,000
Expenditures						
CIP Projects	12,700,000	11,632,500	15,233,000	14,850,000	15,199,000	14,749,000
Debt Service (SRF Repayments)	3,958,000	2,204,000	2,204,000	2,767,000	2,767,000	2,767,000
Ending Balance	\$5,675,000	\$6,583,500	\$5,135,500	\$905,500	(\$151,500)	\$1,062,500

Fiscal Years Ending June 30,	Estimated	Projected				
	2014	2015	2016	2017	2018	2019
PRETREATMENT - Fund 85						
Beginning Balance	\$112,797	\$106,497	\$99,497	\$92,497	\$85,497	\$78,497
Revenue						
Transfer from SSC	0	0	0	0	0	0
Enforcement Fees	11,200	0	0	0	0	0
Expenses						
Supplies/Equipment	17,500	4,000	4,000	4,000	4,000	4,000
Training	0	3,000	3,000	3,000	3,000	3,000
Ending Balance	\$106,497	\$99,497	\$92,497	\$85,497	\$78,497	\$71,497

	<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
CAPACITY - Fund 90						
<i>Beginning Balance</i>	\$16,093,405	\$14,802,792	\$15,121,292	\$13,881,292	\$8,935,292	\$5,083,292
<u>Revenue</u>						
Capacity Fees	3,576,000	2,700,000	2,300,000	2,300,000	2,300,000	2,300,000
SRF Proceeds	945,387	847,500	1,375,000	0	1,000,000	1,000,000
SGIP Proceeds (Cogen)	0	845,000	169,000	169,000	169,000	169,000
Interest	125,000	89,000	92,000	85,000	56,000	33,000
<u>Expenditures</u>						
CIP	5,220,000	3,240,000	4,253,000	6,390,000	6,267,000	4,557,000
Debt Servicing	717,000	923,000	923,000	1,110,000	1,110,000	1,110,000
<i>Ending Balance</i>	\$14,802,792	\$15,121,292	\$13,881,292	\$8,935,292	\$5,083,292	\$2,918,292

Annual Contract Purchases of Supplies, Services & Vehicle Renewal Replacements Over \$100,000 for Fiscal Year 2015	
ITEMS	
	<i>Estimated Expenditure</i>
Supplies*:	
Sodium Hypochlorite - One-year contract with Univar USA, Inc.	\$396,000
Ferrous Chloride, One-Year contract with Kemira Water Solutions, Inc.	395,000
Polymer, emulsion, One-Year Contract with BASF Corp.	395,000
Hydrogen Peroxide, One-Year Contract with Evoqua Water Technologies	325,000
Total Supplies:	\$1,511,000
Services:	
State Water Resources Control Board, Debt payments for seven SRF loans	\$3,127,110
PERS Retirement payments for employees	3,198,933
PERS Medical - payments for employee coverage	3,025,342
PERS Retiree Medical Trust payments - Annual Required Contribution - (ARC)	543,540
PG&E, payments for electrical service - Alvarado site	1,503,000
PG&E, payments for electrical service - Newark Pump Station	191,513
EBDA Operations & Maintenance payments	1,123,200
Biosolids, Year Four of Five-Year Contract with Synagro West	651,579
Total Services:	\$13,364,217
Vehicle & Equipment Renewal/Replacement:	
2 New Construction Trucks	340,000
1 10-Yard Dump Truck	185,000
Total Vehicle & Equipment Renewal/Replacement	\$525,000

*Chemicals are bid annually via the Bay Area Chemical Consortium (BACC)

STATEMENT OF CASH FLOW AND FUND BALANCES			
	FY '14 Budget	FY '14 Projected	FY '15 Proposed
OPERATING FUND			
Beginning Balance	\$35,467,000	\$35,467,000	\$32,330,923
<u>Revenues and Proceeds:</u>			
Sewer Service Charges	\$44,887,853	\$44,887,853	\$47,448,461
Operating Revenues	765,000	982,000	848,500
Interest Income	219,000	263,000	210,000
SGIP Rebates (Cogen)	0	0	845,000
Solar Rebates (Irvington & Carport)	180,000	180,000	189,200
SRF Loan Proceeds	3,200,000	1,479,352	2,542,000
Misc. (LAVWMA, enforcement fees)	109,500	125,000	115,000
<i>Total Revenues and Proceeds</i>	\$49,361,353	\$47,917,205	\$52,198,161
<u>Expenditures:</u>			
Operating	\$32,100,356	\$31,060,571	\$32,659,214
Special Projects	869,500	864,500	1,708,478
Retiree Medical Benefits (ARC)	462,852	462,852	543,540
R & R - Vehicles & Equipment	1,089,734	661,816	1,057,700
R & R - Information System	1,101,990	1,025,247	1,216,000
R & R - Plant & Pump Stations	250,000	197,237	250,000
Pretreatment Program	7,000	17,500	7,000
Sewer Service Fee from County	106,000	105,559	106,000
Debt Servicing	3,958,000	3,958,000	2,204,389
Capital Program - R & R Structural*	12,285,000	12,700,000	11,632,500
<i>Total Expenditures</i>	\$52,230,432	\$51,053,282	\$51,384,821
Ending Sewer Service Fund Balance	\$32,597,921	\$32,330,923	\$33,144,263
CAPACITY FUND			
Beginning Balance	\$16,093,000	\$16,093,000	\$14,801,824
<u>Revenues:</u>			
Capacity Fees	\$2,300,000	\$3,575,626	\$2,700,000
Interest Income	102,000	125,000	89,000
SGIP Rebates (Cogen)	0	0	845,000
SRF Loan Proceeds	500,000	945,387	848,000
<i>Total Revenues</i>	\$2,902,000	\$4,646,013	\$4,482,000
<u>Expenditures:</u>			
Capital Program*	\$5,220,000	\$5,220,000	\$3,240,000
Debt Servicing - SRF	718,000	717,189	923,000
<i>Total Expenditures</i>	\$5,938,000	\$5,937,189	\$4,163,000
Ending Capacity Fund Balance	\$13,057,000	\$14,801,824	\$15,120,824

*CIP Budgeted at 90%

TEN YEAR CIP FY15-FY24 EXPENDITURE PLAN
 June 2, 2014
 (All Figures x\$1,000)

ADMINISTRATIVE FACILITIES														
Fund	%	Rank	Project Name	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total
800		3	Additional CS (Vehicle) Storage		50	200								250
800		2	FMC Bldg - New		700	4,000	2,000							6,700
800		2	FMC Bldgs Renovation		50	300								350
800		3	FMC Storage		50	200								250
800		3	Plant Paving			200			250					450
900		3	Solar Panels at Alvarado - Phase II		150	1,500								1,650
Total for ADMINISTRATIVE FACILITIES				0	1,000	6,400	2,000	0	0	250	0	0	0	9,650

COLLECTION SYSTEM														
Fund	%	Rank	Project Name	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total
800		1	Alvarado-Niles Sewer Rehab	275	3,500									3,775
800		2	Cast Iron/Pipe Lining		500		500							1,000
800	0.75	1	Jarvis Ave	750										750
900	0.25	1	Jarvis Ave	250										250
800		2	Misc. C S Projects		250	250	300	300	300	300	300	300	300	2,600
800		2	RCP Sewer Rehab (Alvarado Basin)						200	2,000	100	1,000		3,300
800		2	RCP Sewer Rehab (Irvington Basin)				200	2,000	300	3,000				5,500
800		2	RCP Sewer Rehab (Newark Basin)					100	1,000				100	1,200
800	0.50	2	Newark Backyard Relocation	225	1,250	100	1,250							2,825
900	0.50	2	Newark Backyard Relocation	225	1,250	100	1,250							2,825
800		2	Pine St. Easement	100										100
800		2	Spot Repairs		500								500	1,000
900		2	Stevenson at Davis St.				150	1,000						1,150
800		1	Upper Hetch Hetchy	3,500									500	4,000

Collection cont'd next page

TEN YEAR CIP FY15-FY24 EXPENDITURE PLAN

June 2, 2014

(All Figures x\$1,000)

<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
900		1	Veasy St. Sewer Improvements	100	600									700
Total for COLLECTION SYSTEM				5,425	7,850	450	3,650	3,400	1,800	5,300	400	1,300	1,400	30,975

TRANSPORT SYSTEM PROJECTS

<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
800	0.50	2	Alameda Creek Crossing Lift Station						250		2,000	2,000		4,250
900	0.50	2	Alameda Creek Crossing Lift Station						250		2,000	2,000		4,250
800	0.50	1	Boyce Rd. LS Replacement	150										150
900	0.50	1	Boyce Rd. LS Replacement	150										150
800		2	Cherry St. PS Improvements	50										50
900		2	Eden Marsh			1,000	1,000	1,000						3,000
900		3	Equalization Storage @ Irvington									300	3,000	3,300
900		2	Equalization Storage @ Newark					500			3,000			6,500
800	0.50	1	Fremont & PP LS\ Internal Lift Pumps	100	500									600
900	0.50	1	Fremont & PP LS\ Internal Lift Pumps	100	500									600
800	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500							550
900	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500							550
800		2	New Cherry St. PS							300	3,000			3,300
800		1	Stevenson Property Backup Comm Towe	700										700
800		3	Transport System Misc. Projects					1,000		1,000			1,000	3,000
800	0.50	1	Wet Weather Flow Management	200	200	200	2,000	2,000						4,600
900	0.50	1	Wet Weather Flow Management	200	200	200	2,000	2,000						4,600
Total for TRANSPORT SYSTEM PROJECTS				1,650	1,400	1,500	6,000	6,500	500	4,300	10,000	4,300	4,000	40,150

TEN YEAR CIP FY15-FY24 EXPENDITURE PLAN
 June 2, 2014
 (All Figures x\$1,000)

<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
900		2	3rd Degritter System		100	500								600
800		2	30" ML Pipe Lining		100	500								600
800		2	Aeration Internal Lift Pumps						1,000					1,000
800	0.50	2	Aeration System Rehab	50	200	1,000	1,000							2,250
900	0.50	2	Aeration System Rehab	50	200	1,000	1,000							2,250
900		2	Aeration Tank (East) Baffling		100	500								600
800		2	Aeration Tank (East) Roof		250	2,500								2,750
800		3	Alvarado PS Roof		50									50
800		3	Blower Bldg & Channel Air Demo & Repl				100	500						600
800	0.50	1	Cogen Project	1,150										1,150
900	0.50	1	Cogen Project	1,150										1,150
800		2	Contact Tank Valve Replacement					1,000						1,000
800		2	Control Box No. 1 Improvements		150	1,500	1,500							3,150
800		2	Diffuser Replacement		100	100	150							350
800		1	Digester No. 5 Rehab	500										500
900		3	Digester No. 7										100	100
800		2	Emergency Outfall Outlet Improvements			300								300
800	0.50	2	FOG Receiving Station & Fuel Cell								250	2,500		2,750
900	0.50	2	FOG Receiving Station & Fuel Cell								250	2,500		2,750
800		2	Gravity Belt Thickener					500	2,000	3,000				5,500
800		2	Generator Controls Upgrade	200	1,000									1,200
800		2	Headworks gates, actuators and Screens			100	1,500							1,600

TEN YEAR CIP FY15-FY24 EXPENDITURE PLAN
 June 2, 2014
 (All Figures x\$1,000)

<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
800		1	MCC Replacement	100	600				100	600				1,400
800		2	Misc. Electrical Equipment Upgrade		500				500		500		1,000	2,500
800		2	Misc. Projects		250	250	250	300	300	300	300	300	300	2,550
800		2	Odor Scrubber System Improvements					250	2,500	300	3,000	200	2,000	8,250
800		2	Old Newark Plant Demo			100	1,000							1,100
800		3	Paint Facilities - Additional		200	1,000								1,200
800		2	Plant Facilities Improvements	300	800									1,100
800		2	Plant Master Plan Equipment Replacement					2,000	3,000	3,000	4,000	4,000	6,000	22,000
800		2	PLC Replacement		100	200	350							650
800	0.75	2	Primary Clarifier Rehab (5-6)			375	1,688	1,688						3,750
900	0.25	2	Primary Clarifier Rehab (5-6)			125	563	563						1,250
800		2	Primary Effluent (60") Pipeline Rehab	50	200									250
800		1	RAS PS Pumps, Valve & Pipe Replacement		100	600	600							1,300
800		2	Repairs to Concrete Tanks		200	200	200	200	200	200	200	200	200	1,800
800	0.75	2	Sec. Clarifiers No. 5 and 6 Rehabilitation		150	1,500	1,500							3,150
900	0.25	2	Sec. Clarifiers No. 5 and 6 Rehabilitation		50	500	500							1,050
900		3	Secondary Clarifiers No 7 & 8									400	2,000	2,400
800		2	Seismic Retrofit of Conc. Structures				200	2,000	200	2,000	300	3,000	300	8,000
800		2	Sludge Drying (BACWA)	100	100	100								300
800		2	Sludge Recirculation Pump Replacement		200	200								400
800		2	Standby Generators 5 and 6					150	2,500					2,650
800		2	Standby Generators 7 and 8				200	200	4,000					4,200
900		2	Storm Water Diversion Pump Station		200	1,500								1,700

Treatment cont'd next page

TEN YEAR CIP FY15-FY24 EXPENDITURE PLAN
 June 2, 2014
 (All Figures x\$1,000)

<u>Fund</u>	<u>%</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>Total</u>
800	0.75	2	Thickener Control Bldg Improvements	4,125	4,125	375								8,625
900	0.25	2	Thickener Control Bldg Improvements	1,375	1,375	125								2,875
800		2	Thickener Mechanisms 1-2				100	2,200						2,300
800		2	Truck Scales Improvements			100								100
800		2	Water Storage Tank and Well	300										300
Total for TREATMENT				9,450	11,400	15,250	12,200	11,550	16,300	9,400	8,800	13,100	11,900	119,350
GRAND TOTAL				16,525	21,650	23,600	23,850	21,450	18,600	19,250	19,200	18,700	17,300	200,125
FUND 800 - Structural Renewal & Replacement				12,925	16,925	16,500	16,888	16,388	18,350	16,250	13,950	13,500	12,200	153,875
FUND 900 - Capacity				3,600	4,725	7,100	6,963	5,063	250	3,000	5,250	5,200	5,100	46,250

FY 2015 Budget

ASSUMPTIONS (Long-Term)	
Interest Rate - Bonds, SRF	2.70%
CIP Initiation Rate	3.50%
Investment Rate	0.60%
CIP Funding @	90%

Amounts x\$1000, except where noted.

Debt Summary - At 2019	
SRF Loans Outstanding - SSC	\$43,818
SRF Loans Outstanding - Capacity	21,082
Total SRF Loans & other Debt Outstanding	\$64,900
CIP Expenditures - 2015-2019	
Renewal & Replacement - SSC	\$71,663
Capacity Fund	24,706
Total CIP Expenditures @ 90%	\$96,369

Debt Summary - At 2024	
SRF Loans Outstanding - SSC	\$30,247
SRF Loans Outstanding - Capacity	15,422
Total SRF Loans & other Debt Outstanding	\$45,669
CIP Expenditures - 2015 - 2024	
Renewal & Replacement - SSC	138,488
Capacity Fund	41,626
Total CIP Expenditures @ 90%	180,114

Rate Study Impact	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024	
	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Capacity Fee Increase	10.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
SSC Increase	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	
Fiscal Years Ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Residential (EDU) Increase (Growth) - 1 year lag in rates	0.25%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	
Commercial Increase (Memo only here)	0.00%	0.00%	0.00%	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Industrial Increase (Memo only here)	0.00%	0.00%	0.00%	0.20%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
Increase in Operations Budget	6.00%	1.52%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Capacity Fee Charge (whole \$)	\$5,329	\$5,596	\$5,876	\$6,170	\$6,479	\$6,803	\$7,143	\$7,500	\$7,875	\$8,269	\$8,682	\$7,143	\$7,500	\$7,875	\$8,269	\$8,682	\$7,143	\$7,500	\$7,875	\$8,269	\$8,682	
Sewer Service Charge (SFC) (whole \$)	\$338	\$357	\$377	\$398	\$420	\$443	\$461	\$479	\$498	\$518	\$539	\$461	\$479	\$498	\$518	\$539	\$461	\$479	\$498	\$518	\$539	

CASH FLOW PROJECTIONS

Sewer Service Fund	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024	
	\$8,876	\$5,676	\$6,254	\$4,738	\$4,36	\$6,971	\$440	\$107	\$2,860	\$11,443	\$20,844	\$18,781	20,145	21,762	22,702	26,017	16,515	14,825	12,555	12,150	10,980	
Revenue																						
Net Revenues (SSC+Int+OPRev-Gross ECB Exp-Prov)	11,978	11,028	11,626	13,146	15,665	17,483	18,781	20,145	21,762	22,702	26,017	18,781	20,145	21,762	22,702	26,017	16,515	14,825	12,555	12,150	10,980	
Loan Payments from Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Temporary Transfer To/From Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SRF Loan/SGIP Proceeds	1,479	3,387	4,294	169	1,169	1,169	169	1,169	1,169	1,169	1,169	169	1,169	1,169	1,169	1,169	169	1,169	1,169	1,169	1,169	
Expenditures																						
CIP Expenditures	12,700	11,633	15,233	14,850	15,199	14,749	16,515	14,825	12,555	12,150	10,980	16,515	14,825	12,555	12,150	10,980	16,515	14,825	12,555	12,150	10,980	
Loans to Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - New Issues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	3,958	2,204	2,204	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	2,767	
Ending Balance	\$5,876	\$6,254	\$4,738	\$4,36	(\$697)	\$440	\$107	\$2,860	\$11,443	\$20,844	\$32,729	\$440	\$107	\$2,860	\$11,443	\$20,844	\$107	\$2,860	\$11,443	\$20,844	\$32,729	

Other Designated Reserves (funds #30,40,60,70,75,85,SRF,INS,CF, Cash in bank)
 Total Sewer Service Fund Balance \$32,331 \$33,144 \$32,725 \$29,849 \$29,576 \$31,489 \$31,625 \$35,359 \$44,007 \$54,960 \$67,057

Capacity Fund (Capacity Fees)

Capacity Fund (Capacity Fees)	2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024	
	\$16,093	\$14,802	\$15,121	\$13,880	\$8,934	\$5,082	\$2,917	\$4,071	\$6,089	\$7,527	\$5,494	\$2,917	\$4,071	\$6,089	\$7,527	\$5,494	\$2,917	\$4,071	\$6,089	\$7,527	\$5,494	
Revenue																						
Interest Income	125	89	91	85	55	33	20	27	42	54	44	20	27	42	54	44	20	27	42	54	44	
Capacity Fees	3,576	2,700	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	
Temporary Transfer To/From Existing Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SGIP Proceeds	0	845	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	169	
SRF Loan Proceeds	945	848	1,375	0	1,000	1,000	0	3,500	5,250	2,000	0	0	3,500	5,250	2,000	0	0	3,500	5,250	2,000	0	
Expenditures																						
CIP Expenditures	5,220	3,240	4,253	6,390	6,267	4,557	225	2,700	4,725	4,680	4,590	225	2,700	4,725	4,680	4,590	225	2,700	4,725	4,680	4,590	
Loan Payments to R & R Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	717	923	923	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	
Ending Balance	\$14,802	\$15,121	\$13,880	\$8,934	\$5,082	\$2,917	\$4,071	\$6,089	\$7,527	\$5,494	\$1,640	\$4,071	\$6,089	\$7,527	\$5,494	\$1,640	\$4,071	\$6,089	\$7,527	\$5,494	\$1,640	

% OF DEBT SERVICE TO GROSS REVENUES 9.3% 6.1% 6.0% 7.0% 6.7% 6.3% 6.0% 6.0% 5.8% 6.1% 6.6% 6.3%
 Debt Capacity Target (should not exceed 25% of Op + Debt) 13.1% 8.7% 8.4% 9.9% 9.6% 9.2% 8.9% 8.6% 8.6% 9.1% 9.8% 9.5%
 Ratio of debt service to SSC Net Rev (min. 1.30 per Debt policy#2080) 3.30 5.12 5.07 4.50 4.94 5.43 5.78 6.15 5.94 5.57 5.93

BONDING CAPACITY - Above 1.25 coverage 117,579 148,061 146,134 154,033 175,245 198,321 215,044 232,614 246,799 256,773 278,409