



ORO LOMA SANITARY DISTRICT

2655 GRANT AVENUE, SAN LORENZO, CA 94580



OPERATING AND CAPITAL BUDGET FOR FISCAL YEARS 2017-18 & 2018-19

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Oro Loma Sanitary District Operating and Capital Budget For Fiscal Years 2017-18 & 2018-19

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Oro Loma Sanitary District Operating and Capital Budget For Fiscal Years 2017-18 & 2018-19

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Resolution No. 3637

**A RESOLUTION APPROVING
THE TWO-YEAR OPERATING AND CAPITAL BUDGET
FOR FISCAL YEARS 2017-18 AND 2018-19
FOR ORO LOMA SANITARY DISTRICT**

RESOLVED, by the Sanitary Board of Oro Loma Sanitary District, Alameda County, California, that

Members of the Board have been provided copies of the District's proposed two-year budget for fiscal years 2017-18 and 2018-19; and

The District's Finance & Insurance Committee has reviewed the proposed budget and recommended it be adopted; and

The Board reviewed the proposed budget at a special work session on March 30, 2017; and

The Board has determined that the District will have sufficient revenues and cash reserves to meet its financial obligations over the next two fiscal years.

NOW, THEREFORE, BE IT RESOLVED that the Sanitary Board does hereby adopt the budget for fiscal years 2017-18 and 2018-19.

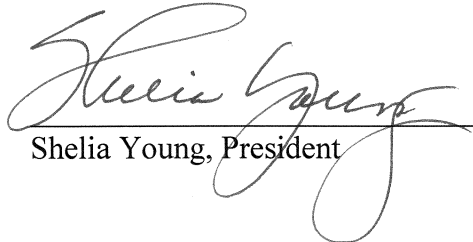


I certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted by the Sanitary Board of Oro Loma Sanitary District, Alameda County, California, at a meeting thereof held on the 16th day of May 2017, by the following vote of the members thereof:

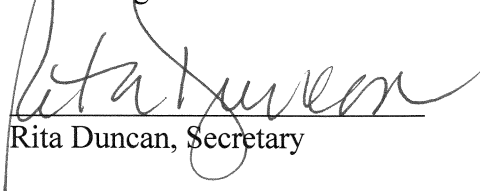
AYES, Members: Becker, Dias, Duncan, Walters, Young

NOES, Members:

ABSENT, Members:


Shelia Young, President

Countersigned:


Rita Duncan, Secretary

**Government Finance Officers Association's
Distinguished Budget Presentation Award**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Oro Loma Sanitary District
California**

For the Fiscal Year Beginning

July 1, 2015

Jeffrey R. Emen

Executive Director

Introduction

Budget Message

Budget Message from the General Manager

On behalf of the Board of Directors and staff of the Oro Loma Sanitary District, I am pleased to present the District's Two-Year Operating and Capital Budget for the fiscal years ending June 30, 2018 and 2019, with comparison to the preceding fiscal year. The following table summarizes the spending budgeted for each year.

	FY 2016-17	FY 2017-18	FY 2018-19
Operating Budget	\$23.0 million	\$21.0 million	\$21.4 million
Capital Budget	\$8.0 million	\$6.6 million	\$4.8 million
Total	\$31.0 million	\$27.6 million	\$26.2 million

The budget is built upon the District's mission, core values, and its strategic plan. In parallel with budget preparation, the Board led an update to the 10-Year Strategic Vision & Goals. The update commits the District to allocating substantial resources to execute the goals. The goals encompass 5 key areas: financial stability, safety and employee development, regulatory compliance, customer service, and infrastructure. Our vision is to send a generation of employees into retirement without injury, respond well to new regulations, proactively communicate with the public, manage for the highest long-term value, and achieve excellence in our industry. Using the strategic plan as foundation, the budget serves to align the resources and actions of our team to achieve these goals.

One of the top commitments in the plan is to maintain a healthy infrastructure. The District has managed its pumps, pipes, and equipment well and has been enjoying their high performance. To continue this strong position, the budget contains provisions for major piping improvements in the Capital Improvement Program (CIP). These include reductions in pipes with roots or heavy sags, and an overall lowering in the number of miles of pipe in the system with significant structural defects.

The budget omits potentially the largest capital project. The project involves early action to treat nutrients in advance of the expiring East Bay Dischargers Authority (EBDA) Joint Powers Authority Agreement on January 1, 2020. The District is currently negotiating a permit to discharge peak flows, in exchange for implementing nutrient treatment. Because the project is in negotiations, funding for the design or implementation is not included in the budget document. Clarity on the permit conditions, anticipated project costs, and a Board decision to proceed (or not) is expected by October 2017. In a case where the Board elects to proceed, we will need to consider the use of available reserves or debt financing to fund the project.

Under the leadership and direction of the Board, the District has a long history of exceeding industry standards:

- Operates an award-winning sewage collection system and treatment plant.
- Maintains the lowest sewer service rates in Alameda County, and one of the lowest in California. District customers receive top quality sewage collection and treatment services for \$0.65 a day.
- Charges one of the lowest garbage rates in Alameda County.
- Exceeded State mandated requirements for garbage diversion from landfills by implementing innovative recycling programs and public outreach.
- Promotes a strong safety culture, and held a record from February 2008 to July 2015 of operating for 2716 days (more than 7 years) without a lost-time injury.

- Won the 2013 California Sanitation Risk Management Authority's SHELL Award which recognizes statewide excellence in management of Safety, Health, Environmental, Liability and Losses, and the 2014 California Water Environment Association Treatment Plant Safety Award at the local, State, and national levels.
- Operates a 720kW biogas-fired cogeneration-powered treatment plant. Combined with the sources listed below, the plant has reduced its energy bill to near zero.
- Continuously seeks renewable energy sources to preserve global resources by implementing a 468kW solar array and a grease receiving facility to reduce natural gas usage.
- Was awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for 21 consecutive years.
- Received the Government Finance Officers Association's Distinguished Budget Presentation Award for its first submission of the Two-Year Budget for FY 2015-16 & FY 2016-17.
- Won the 2014 California Water Environment Association San Francisco Bay Section Research Achievement Award for its Zeolite-Anammox Pilot Project, which focuses on research supporting cost-effective nutrient removal technology.
- Received the 2014 Special District Leadership Foundation District Transparency Certificate of Excellence, in recognition of its best practices in operations and governance transparency.
- Remains debt-free since 2009 through prudent cash management and resource allocation.
- Has attained fully funded status on its Other Post-Retirement Employee Benefit obligations as of June 30, 2013.

I appreciate the guidance provided by the District's Finance & Insurance Committee and Board of Directors, and staff members who have dedicated themselves to the excellence of the District's budget process. This is the District's second comprehensive budget presentation using guidelines established by the Government Finance Officers Association (GFOA). Our goal is to enhance the presentation of our budget and financial information, making them meaningful and easily understandable to the District's rate payers and other interested parties. This Budget serves as a financial plan as the District strives on in its commitment to provide services to our community, and to best manage the public's clean water infrastructure. We look forward to another two successful years.



Jason J. Warner, P.E.
General Manager

Current Budget Factors, Priorities & Challenges

Revenue Base, Fee Increases & Other Revenue Sources

Due to limited building capacity within the District, the residential customer base is not expected to change significantly, with revenues expected to grow at the Board-approved rate increase of 7.5% per year. On the other hand, commercial revenues have experienced higher volatility since businesses are billed based on water consumption. From 2014 to 2016, as an indirect result of the California drought, commercial revenues dropped by more than 10% despite annual rate increases of 3%. As the community moves out from the drought during 2017, commercial revenues are expected to recover by a gradual 5.6% per year. Sanitary truck waste revenues are trending favorably, while investment income shall remain constant as diminishing cash reserves are offset by increasing yields. Overall, revenues will provide sufficient resources for the current operating budget. However, the District will have to continue to use existing reserves to fund its capital improvement program, totaling \$11.5 million for the next 2 years.

Workforce & Compensation

The District has always done more with less. We pride ourselves in right-sizing our workforce and retaining the best qualified employees. Over the last 2 decades, the number of full-time employees decreased from 61.5 to 43. Staffing will remain at the same level for the next 2 years. In June 2016, labor agreements with 5 bargaining units were renewed. The average salary increase was 6.5%, which included 2.6% in cost-of-living provisions, and market adjustments for positions with salaries below surveyed median. As part of its current strategic goals, the District will promote professional development through its educational reimbursement program. Depending on their classifications, employees may receive \$1,500 or \$5,250 in annual reimbursement for meetings and courses approved by the District. As of July 1, 2017, 25% of the District's employees would have reached retirement age. There will be significant need to attract exceptional candidates to continue our history of strong achievement.

Health Benefits & Pension Liability

Medical premium increases averaged 4% per year in the last 5 years while other benefit costs have remained stable. The current budget projects overall health benefits based on this trend. In 2015, in an effort to move towards full pension funding, the District voluntarily contributed \$6.35 million towards its \$11.5 million unfunded accrued liability (UAL), plus \$2 million in 2016. However, unfavorable market conditions, compared to CalPERS' 7.5% assumed rate of return, have dampened the pace of funding as new amortization bases are added to the UAL each year for the shortfall. Nevertheless, the District's proactive payments have resulted in approximately \$0.6 million in pension cost savings per year, reflecting prudent use of cash in an investment environment where yields are still well below 3%. New challenges are on the horizon, as CalPERS lowers the assumed return from 7.5% to 7%, to be phased in over 3 years. The change will affect benefit costs beginning FY 2018-19, with an impact between 0.25% to 0.75% of payroll for normal cost (\$12,000-\$36,000/year), and between 2% to 3% for UAL payments (\$7,500-\$11,000/year).

Ongoing Capital Project Requirements

With the goal of maintaining reliable infrastructure in mind, the Board recognizes the critical need to replace the District's aging sewer pipes (50-70 years old), and has adopted an accelerated plan to replace at least 3 miles of pipes per year (1.1%/year or a 90-year replacement cycle), as compared to the previous 2 miles per year. Additional funds are approved in FY 2017-18 for pipeline work to reduce surcharging and rain water inflow/infiltration in the Trojan Basin. The District is also evaluating alternative means of discharging its peak effluent instead of utilizing the outfalls of East Bay Dischargers Authority (EBDA). If our pursued strategy to discharge peak flows by using our own old outfall pipes turns out successfully, EBDA costs over time will be reduced. The evaluation is still in a preliminary phase, but, if implemented, the plan will carry significant cash requirements of approximately \$12 million over the next 3 years.

Environmental Issues and Challenges

Over the next few decades, the District will likely be required to treat its effluent to a higher standard, including nutrient treatment. Through a variety of early action, pilot studies, and permit negotiations, the District is seeking a solution that will provide the maximum benefit to the environment at the lowest long-term cost. Additionally, the District is incorporating sea level rise plans into its existing designs. The strategy is to "do no new harm", which means that we will not build new infrastructure in areas susceptible to sea level rise. Over time, we expect that critical infrastructure in the treatment facility will slowly move above the levels of projected sea rise.

Budget Overview

Revenues	Budget	Assumptions / Trends
Total Revenues	<ul style="list-style-type: none"> FY 2016-17: \$19,880,200 FY 2017-18: \$21,396,150 (7.6% increase) FY 2018-19: \$22,410,450 (4.7% increase) 	<ul style="list-style-type: none"> Sewer rate increases by 7.5% per year. FY 2017-18: \$238; FY 2018-19: \$256. No increases to annual lift station surcharges. Blackstone & Canyon Ridge: \$116; Canyon Drive \$60. Drought officially ended. Commercial sewer revenues (billed based on water usage) projected to recover by 5.6% in FY 2017-18. Garbage rates projected increases: 2.5% per year. No increases in residential recycling charges. Investment Income remains stable. Declining cash balance offset by increasing yields. Connection fees revenues projected at \$200,000 per year. Fee per connection remains at \$6,919. Capital repayments are based on CVSD's share of treatment plant capital budget. FY 2017-18: \$322,550; FY 2018-19: \$133,750.
Operating Revenues	<ul style="list-style-type: none"> FY 2016-17: \$19,489,200 FY 2017-18: \$21,000,650 (7.8% increase) FY 2018-19: \$22,010,950 (4.8% increase) 	
Non-Operating Revenues	<ul style="list-style-type: none"> FY 2016-17: \$391,000 FY 2017-18: \$395,500 (1.2% increase) FY 2018-19: \$399,500 (1.0% increase) 	
Connection Fees & CVSD Capital Repayments	<ul style="list-style-type: none"> FY 2016-17: \$1,142,750 FY 2017-18: \$522,550 (54.3% decrease) FY 2018-19: \$333,750 (36.1% decrease) 	

Expenses (Operating)	Budget	Assumptions / Trends
Total Expenses	<ul style="list-style-type: none"> FY 2016-17: \$23,030,200 FY 2017-18: \$20,956,600 (9.0% decrease) FY 2018-19: \$21,374,700 (2.0% increase) 	<ul style="list-style-type: none"> Cost of living adjustments: 3% per year. Health benefit cost increases: 4% per year. Overall employee benefits increases: FY 2017-18: 6.2%; FY 2018-19: 7.1% Supplies/chemical costs increases: 3% per year. Staffing level to remain at 43 positions. Savings of over \$600,000 per year in pension contributions due to voluntary UAL payments of \$8.35 million. No further payments planned. Public outreach budget of \$240,000 per year includes possible funding for 1 additional full-time position to implement outreach programs. Depreciation expense decreases by \$0.9 million in FY 2017-18 due to a group of assets from the 2007 capacity restoration project being fully depreciated. Election expenses in FY 2018-19: \$150,000.
Operating Expenses	<ul style="list-style-type: none"> FY 2016-17: \$21,637,000 FY 2017-18: \$20,603,400 (4.8% decrease) FY 2018-19: \$21,021,500 (2.0% increase) 	
Non-Operating Expenses	<ul style="list-style-type: none"> FY 2016-17: \$1,393,200 FY 2017-18: \$353,200 (74.6% decrease) FY 2018-19: \$353,200 (no change) 	

Expenditures (Capital)	Budget	Assumptions / Trends
Capital Expenditures	<ul style="list-style-type: none"> FY 2016-17: \$7,974,700 FY 2017-18: \$6,660,000 (16.5% decrease) FY 2018-19: \$4,845,000 (27.3% decrease) 	<ul style="list-style-type: none"> Pipeline replacements accelerated: FY 2017-18: \$4.35 million; FY 2018-19: \$4 million. Lift station rehabilitation: \$150,000 per year. Other major projects in FY 2017-18: Trojan MCC replacement \$400,000; plant paving \$500,000, pond bridge piping and containment \$250,000. Other major projects in FY 2018-19: Cogen engine overhaul \$175,000; CCTV Van No. 2 \$80,000; truck wash drainage pump \$80,000. Potential commitment for nutrient optimization will have significant impact on capital expenditures.

Note: Shortfalls between projected revenues and expenditures will be funded by using existing cash reserves.

MISSION STATEMENT

The **best** possible service at the **lowest** possible cost

We are committed, first and foremost, to providing the best possible wastewater collection, pretreatment, treatment, refuse, and recycling service to the public. We do this to protect the public health and environment. We also recognize that those we serve inherently desire the best value for the services provided. In alignment, we seek to optimize operations and the allocation of resources to produce the highest long-term value.



VISION OF ORO LOMA SANITARY DISTRICT

Safety is paramount.

We will maintain a safety program, safety culture, safe work habits, and safe work record to reflect our practice of proactive risk identification and mitigation, and commitment to safely completing our work. Our vision is to send a generation of employees into retirement without impairment.



Our staff remains our key asset.

Despite anticipated attrition, we will practice deliberate knowledge transfer, keep the selection of extraordinary team players as our norm, foster an environment to promote professional development, and offer an appropriate compensation package.

Shaping and responding to emerging regulations gives us a competitive advantage.

We will perform sound planning, engage with the regulatory community, and innovate as we select optimal responses to significant emerging regulations.

Implement only new technologies that are worth our investment.

We will scrutinize available technologies and implement only those that increase our standard for operational resiliency while meeting our high standards for investment of public funds.

Measured risk taking is part of sound management.

We will continue to take prudent business risks that improve the District's ability to respond to future challenges while maintaining our fiscal strength.

The public deserves that we manage with the long term in mind.

We will maintain a comprehensive understanding of our service and infrastructure needs and provide proper funding to manage their ongoing renewal.

Proactive communication is essential to providing the best service.

We will identify issues of public concern and communicate our approach to addressing these issues well in advance of any requirement for significant action.

Excellence over average performance.

We will set the standard for operational resiliency, regulatory compliance, and cost-efficient operations among sanitary agencies in the State.

10-Year Strategic Vision & Goals

DISTRICT VALUES

Do it safe, do it right, do it now.

This motto captures many of the District's core values. Above all else, we value the long-term safety of our employees. We value excellence and doing the job right, and take action to make the District better over time.

Customer Service

We go above and beyond to deliver quality and respectful service. In most cases, the best service involves doing our job well, so the customer has the ability to focus on other things. When we do meet the customer face to face, our goal is to provide the highest level of service through responsiveness, expertise, and courtesy.

Trust

Trust is foundational to providing an elite level of performance. It is earned through decades of sound stewardship, continually seeking to improve, and living our values each day. Trust includes the public's trust in our service, partners within the community, and internal relationships throughout the District.

Teamwork

We work to protect the public health and the environment. We understand the value of teamwork and are committed to working together internally and partnering with outside agencies and customers. We encourage communication and collaboration.

Communication

We value excellent communications between all levels of the organization and between the District and the community. Communication is essential to advise the public on ways to partner with us in protecting the environment, and solicit feedback on ways in which we can improve our service.

Ownership

We value the attitude of ownership and the associated behavior. Ownership produces positive benefits in the way we care about the District and the way we allocate resources to generate the best long-term value for our customers. It is a mindset that we encourage at every level within the District.

STRATEGIC GOALS

Financial Stability	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
Maintain lowest residential sewer service charges in Alameda County unless long-term infrastructure needs or new regulatory requirements dictate higher rates.	Perform annual sewer service charges survey for Alameda County jurisdictions and report the District's ranking within the County.
Maintain solid waste rates among the lowest in Alameda County.	Perform annual solid waste rates survey for Alameda County jurisdictions and report the District's ranking within the County.
Identify and communicate to the Board and to the public future funding needs for operations and projected regulatory/infrastructure upgrades.	Update and report to the Board the cash flow & investment timeline once per quarter. Perform 5-year cash flow projections at least once per year. Include at least one newsletter article per year on long-range District planning.
Build Capital Asset Program funding into rate structure by 2027.	Include required revenue in next 5-year rate study - scheduled for 2021.
Renegotiate EBDA agreement or implement alternative to reduce/eliminate District responsibility for replacement of conveyance system it does not use.	Negotiate and obtain permit for near-shore diversion of secondary effluent in excess of 30 mgd. Negotiate and obtain permit for use of existing outfall structure for potential discharge year round.
In response to anticipated Biosolids Landfill Ban in 2025, continue to evaluate biosolids recycling alternatives.	Monitor legislation at State level. Continue exploring opportunities for beneficial reuse of biosolids beyond those in FY 2016/2017 Biosolids Alternatives Analysis.
Produce timely, accurate, transparent, and useful financial reports.	Issue monthly financials by the 10th of the following month.
Update "10-year Strategic Vision and Goals" document every two years with budget document.	Next update scheduled for April 2019.

10-Year Strategic Vision & Goals

STRATEGIC GOALS

Safety and Employee Development

10-YEAR STRATEGIC GOAL	INTERMEDIATE
Zero lost time accidents.	Continue existing high level of safety training (minimum 20 training sessions per year), co-worker electrical safe work audits, and internal safety audits.
Maintain High Performing Safety Culture	Maintain average time for correction of safety work orders at or under 30 days (excludes work orders where alternate, safe method of work is available). Hold monthly Safety Committee meetings and distribute minutes to all staff. Perform written management safety audits a minimum of four times per year.
Survey Oro Loma Safety Culture every two years and maintain a minimum of 90% positive responses in the aggregate.	Perform Safety Culture survey in Fall 2018, and present findings to the management team. Identify action plan for any areas in need of improvement.
Maintain policies and procedures by auditing, updating, and training on policies at least every 3 years.	Review all safety procedures in 2019 and update as needed.
Develop written training standards and video-based operator training program for all areas of the plant. All written and video training modules to be completed by 2022.	Organize the plant into 25 modules. Complete a minimum of 10 written training and video training modules by end of FY 2019/2020.
Enhance Collections training program to include embedded video, critical situation response, and/or multimedia options. Link videos to Geographic Information System (GIS).	Build video library of difficult-to-locate manholes that reside in easements, adding a minimum of 10 locations per year.
Conduct critical incident response debriefing sessions and document lessons learned for future training.	Perform debrief sessions as events dictate.

STRATEGIC GOALS

Safety and Employee Development *(cont.)*

10-YEAR STRATEGIC GOAL	INTERMEDIATE
Develop and maintain cross training for key administration/finance functions.	District Secretary to perform payroll functions once per quarter, and process basic HR transactions with CalPERS, dental and vision insurance, Ceridian; Accountant to prepare and analyze monthly financials and attend Finance & Insurance Committee meetings two times per year.
As a District, we will provide financial support and encourage any employee with a plan and desire to improve knowledge, skills, and/or abilities.	Promote the availability of the educational reimbursement program to all staff two times per year.
Conduct annual management development training (commit to a minimum of two days per year)	Coordinate annual management training and develop program for existing management team. Potential topics include communication best practices, conflict resolution, supervision, teamwork, problem solving and decision making, employee motivation, employee recognition, performance management, building trust, and/or other applicable topics.
Consolidate Administration, Collections, and Engineering office space into one single building/locker rooms with Operations and Maintenance by 2027	Evaluate needs, develop preliminary plan, and estimate costs to implement transition by end of FY 2018/2019.

10-Year Strategic Vision & Goals

STRATEGIC GOALS

Regulatory Compliance	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
Zero collection system overflows	Meet cleaning and inspection goals annually. Perform video inspections of repair work within 24 hours of notification by Engineering.
Zero lift station overflows.	Continue to perform annual asset management analysis with Engineering. Continue to update critical equipment list and response action plans.
Zero effluent violations.	Provide annual training on NPDES Permit Conditions and continue to manage peak secondary flows to below 69 mgd.
Zero permit violations due to equipment failures.	Continue to monitor preventive maintenance on equipment on a monthly basis
Maintain compliance with all SSMP and CIWQS reporting requirements.	Certify monthly "no spill" reports where applicable. Certify all spill reports as they occur. Update SSMP at least once every five years.
Develop "watch list" of emerging regulations, key regulatory contacts, and participate when warranted.	Review BACWA Regulatory Issues Summary with Operations Committee. Participate in Nutrients Discussion at BACWA Level.
Track ongoing discussions of nutrient removal regulations and potential technical responses.	Continue to participate in BACWA's Nutrient Contract Management Group.
Maintain lift station contingency plan and provide training to allow an average remote site and bypass set-up of 90 minutes at all remote sites.	Update contingency plan annually. Perform a minimum of three timed, scenario-based emergency response launches per year (i.e. measure time to select, hitch, and exit plant with appropriate tow vehicle and equipment).
Maintain policies and procedures within guidelines of "industry best".	Audit procedures annually. Perform update on any policy or procedure older than three years.

STRATEGIC GOALS

Regulatory Compliance <i>(cont.)</i>	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
Continue to meet requirements of County and State solid waste requirements.	Continue outreach to commercial and multi-family customers and implement programs requested within 30 days.
Actively monitor StopWaste activities, communicate key issues to OLSD Board, and proactively communicate concerns to Oro Loma representative and staff at partner agencies.	Review StopWaste agenda package and brief District representative/Board as needed.
Achieve 90% participation in organics recycling in schools.	Develop and present for Board consideration options for the Oro Loma schools within the City of San Leandro in FY 2017/2018. Current rates provide significant barrier for City of San Leandro schools to implement organics collection programs.

10-Year Strategic Vision & Goals

STRATEGIC GOALS

Customer Service	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
Measure customer satisfaction related to sewer, solid waste, and recycling activities every two years. Identify areas for improvement.	Administer customer satisfaction survey every two years (Summer 2018) and present results to the Board.
Measure Collections customer satisfaction and identify areas for improvement by written surveys.	Present annual findings to the Board in August of each year.
Provide live, knowledgeable customer service point of contact for all incoming calls.	Ongoing. Provide training as needed.
Increase the public's knowledge of its role in protecting the environment.	A minimum of one article in each newsletter on the public's role in preventing overflows and/or diverting materials from the landfill.
Integrate Customer Service Interface into GIS.	Before FY 2019/2020, implement functionality in Geographic Information System (GIS) to allow staff to enter notes and document conversations with customers.
Maintain maintenance backlog to below 100 work orders at least two months each year.	Maintain compliance with the 10-year standard each year.
Maintain 95% annual uptime on cogeneration system.	Maintain compliance with the 10-year standard each year. (Planned outages for engine rebuilds to be excluded from measurement)

STRATEGIC GOALS

Infrastructure	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
Maintain 10-Year Capital Planning Document for all District Assets (Update Monthly)	Continue to update 10-year plan as new information becomes available.
Improve the condition of the collection system by approximately 3% each year for the next 10 years. Existing baseline includes 91.4 miles with a defect score of 3 or greater. The goal is to reduce the value from 91.4 to 61.4 miles by 2027.	Rehabilitate 3 miles/year in FYs 2017/2018 and 2018/2019. Re-evaluate system health in 2018/2019 and establish appropriate funding level in the FYs 2019-2021 budget.
Reduce the number of miles of pipe with a Grade 5 defect to below 4 miles of pipe by 2027. (2017 Baseline is 14 miles of pipe).	Reduce the number of miles of pipe with a Grade 5 defect to below 12 miles by FY 2020/2021.
Replace a minimum of 30 miles of collection system pipe between 2017 and 2027 (increase miles of HDPE from 24.6 to 54.6).	Replace a minimum of 3 miles of pipe every year.
Manage line replacement program to limit high-frequency footage (an indicator of system health) at or below 10% of the District's system (27 miles). Consider use of debt financing in 2020 based upon progress in meeting this goal.	Continue to monitor improvements to high-frequency footage gained from line replacement program. Communicate progress to Board on a monthly basis and make funding estimate prior to FYs 2019-2021 budget approval. Submit application for SRF funding in FY 2017/2018 in the amount of \$16.5M. If funds are authorized, evaluate benefits of low-cost loan.
Build GIS into central reference source for all District Assets and customer service issues.	Develop written plan for the migration of OASIS (Collections Maintenance Management System) into AIMS (GIS) by September 2017. Connect the LINKO database (Pre-Treatment Management Software) to AIMS in FY 2017/2018.
Implement Asset Management Program for all District assets by 2023.	Complete Phase 2 of Asset Management Plan: Configuration of IT Systems (FY 2017/2018).

10-Year Strategic Vision & Goals

STRATEGIC GOALS

Infrastructure (cont.)	
10-YEAR STRATEGIC GOAL	INTERMEDIATE
In response to ongoing climate change trends - do no new harm - all new construction to take into account sea level rise projections.	Continue to build all new infrastructure above the 100 year sea rise projections.
Zero overflows due to capacity limitations.	Perform source detection analysis on the main trunks feeding the Grant Ave. and Lewelling Blvd. interceptors and update the hydraulic model in FYs 2018/2019 and 2019/2020.
Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in 2025.	Monitor results from other agencies' recent experiences upgrading their cogeneration systems, organics receiving facilities, and biofueling facilities.
Reduce off-hours lift station maintenance calls to under 10 per year.	Perform annual analysis of trouble calls related to lift stations. Develop action plan for any re-occurring or common risk.

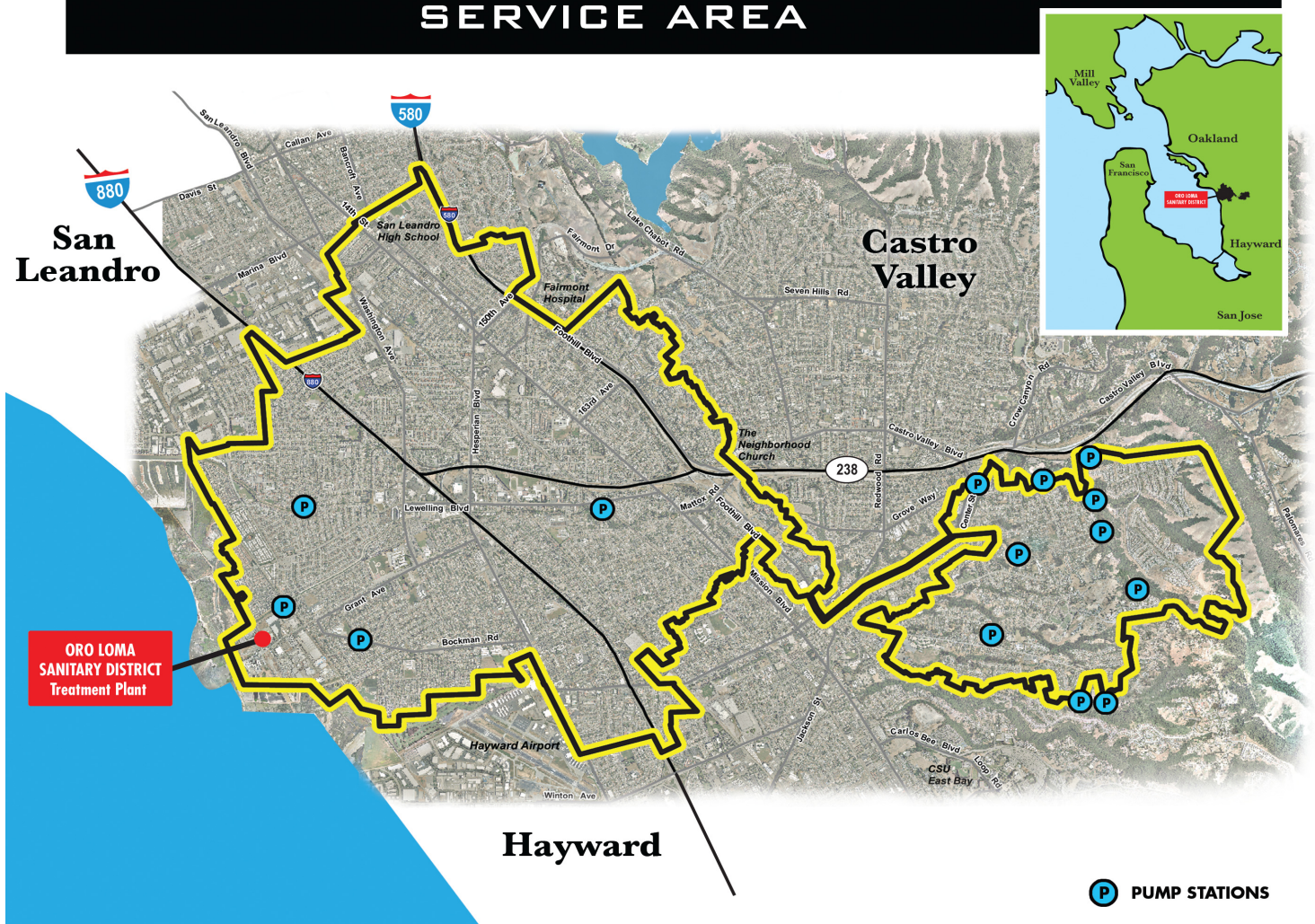
District Overview

District Profile

Location & Service Area

Oro Loma Sanitary District was originally formed to serve an 800-acre area. Today, the District encompasses 13 square miles, serving the communities of unincorporated Alameda County, including San Lorenzo, Ashland, Cherryland, Fairview, portions of Castro Valley, and designated areas of the Cities of Hayward and San Leandro. The District's service area is located about 13 miles south of Oakland and 30 miles north of San Jose on the eastern shore of the San Francisco Bay.

ORO LOMA SANITARY DISTRICT SERVICE AREA



Form of Government

The District was formed on August 7, 1911, and is one of the oldest sanitary agencies in Alameda County, California. It was subsequently reorganized under the Sanitary District Act of 1923 of the State Health & Safety Code, which empowers the District to provide sewer, solid waste, and recycling services as a special district of local government.

Scope of Services

Sewer Services	<ul style="list-style-type: none"> • Miles of sewer lines - 273 • Number of lift stations - 14 • Permitted sewage treatment capacity - 20 million gallons per day (mgd) • Average daily dry weather flow – 12.4 mgd • Treatment processes - Primary and secondary, disinfection • Disposal of effluent - through East Bay Discharges Authority (EBDA), a joint-powers agency • Disposal of biosolids - 11 dry tons per day, hauled annually to the Altamont Landfill and used as alternative daily cover • Water reclamation - 60 million gallons per year (1.3%) of treated effluent is reused for irrigation at the Skywest Golf Course
Solid Waste Services	<ul style="list-style-type: none"> • Serving unincorporated areas of Alameda County and parts of Hayward and San Leandro • Contracted to Waste Management of Alameda County
Recycling Services	<ul style="list-style-type: none"> • Serving unincorporated areas of Alameda County and parts of San Leandro • Include residential and commercial recycling, green waste and organics/foodwaste • Contracted to Waste Management of Alameda County

Demographics

Population Served (Number of persons)	134,820 within Oro Loma Sanitary District 64,000 within Castro Valley Sanitary District 2,850 within Cities of Hayward and San Leandro
Customer Base (Number of customer accounts)	47,103 within the District's jurisdiction <ul style="list-style-type: none"> • Residential - 45,910 (97.46%) • Commercial and light industrial – 1,190 (2.53%) • Significant industrial - 3 (0.01%) 21,350 within other jurisdictions <ul style="list-style-type: none"> • Castro Valley Sanitary District - 20,400 • Cities of Hayward and San Leandro - 950

District Profile

Community Profile

Population, Per Capita Income & Unemployment Statistics

Indicator	Communities within the District's Boundaries Located in			All Areas
	San Lorenzo, Ashland, Cherryland, Fairview	Hayward	San Leandro	
Population	84,449	9,908	40,463	134,820
Per Capita Income	\$28,817	\$25,770	\$29,442	\$28,781
Unemployment rate	5.5%	6.2%	4.8%	5.3%

Major Employers Within The District

Employer	Type of Business	Number of Employees
San Lorenzo Unified School District	School district	1225
Kaiser Foundation Health Plan	Medical clinics	893
County of Alameda	Government services and hospital complex	893
Ghirardelli Chocolate	Food manufacturing	406
San Leandro Hospital	Hospital	475
Kraft	Food manufacturing	400
The Hillshire Brands	Food manufacturing	400
Tharco	Packaging materials manufacturing	361
San Leandro Unified School District	School district	295
Hayward Unified School District	School district	293
Target	Department store	200
Safeway	Grocery store	140

Top 20 Commercial Customers

Customer	Type of Business	Sewer Charges	% of Sewer
		2015 (last available)	Revenues
Santini Foods	Food manufacturing	\$ 551,024	4.6%
Ghirardelli Chocolate	Food manufacturing	190,215	1.6%
The Hillshire Brands	Food manufacturing	108,812	0.9%
Madison Bayfair	Shopping mall	90,058	0.8%
Fairmont Hospital Complex	Hospital, medical clinics and correctional facilities	84,025	0.7%
County of Alameda General Services	Government services	66,636	0.6%
Hayward Area Recreation & Park District	Recreation and parks	63,492	0.5%
San Lorenzo Unified School District	School District	49,621	0.4%
Hayward Unified School District	School district	41,822	0.3%
Greenhouse Marketplace	Retail businesses	38,908	0.3%
San Lorenzo Car Wash	Car Wash	31,003	0.3%
San Leandro Hospital (SLCO)	Hospital	30,789	0.3%
Tharco	Packaging materials manufacturing	29,575	0.2%
Save Mart Supermarket	Grocery store	19,611	0.2%
Lorenzo Manor Shopping Center	Retail businesses	18,913	0.2%
Budget Inn	Hotel	18,140	0.2%
Allsafe Self Storage	Storage facility	17,381	0.1%
Driftwood Manor	Assisted living facility	16,718	0.1%
Kaiser Foundation Health Plan	Medical clinics	16,455	0.1%
Guadalajara Enterprises	Retail businesses	16,404	0.1%
Total from Top 20 Commerical Customers		\$ 1,499,602	12.5%

Impact of Community Demographics on the District:

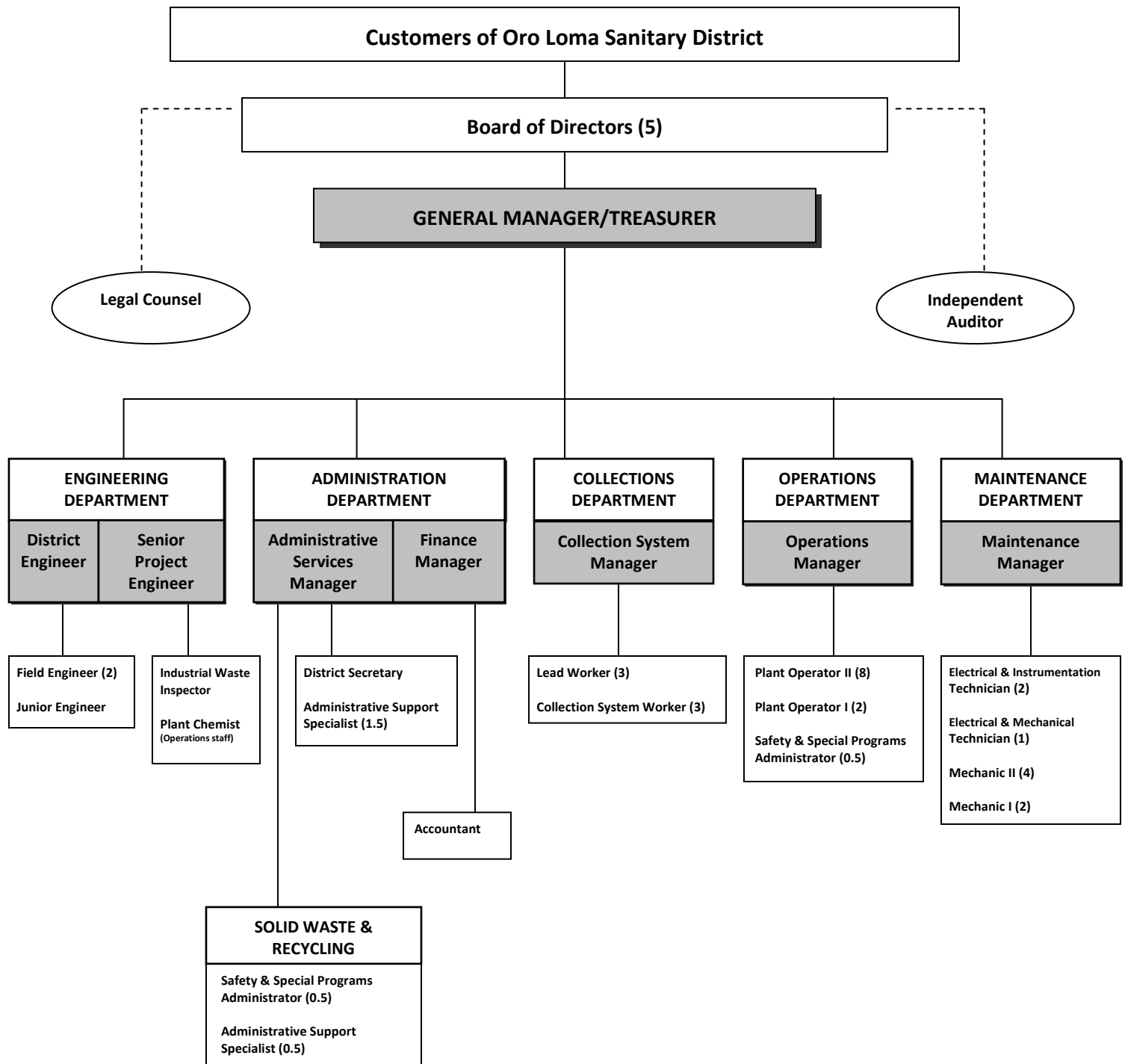
Haulers dispose grease collected from local restaurants for a tipping fee ranging from \$0.04 to \$0.09 per gallon. This activity has been generating over \$120,000 per year in Grease Receiving Charges revenues, and is favorable to District operations as the grease collected increases digester gas production, which is an essential part of the sewage treatment process.

In the last 2 years, the District expanded its food waste recycling program to schools in San Lorenzo. Food waste are generated mainly from school lunchrooms, and are recycled for composting, thereby reducing the need for landfills. The District is continuously promoting this program to its commercial customers, and has added new funds for public outreach in the next 2 years to increase community awareness.

Service Fees

	Customer Type	FY 2016-17	FY 2017-18	FY 2018-19
Sewage Service Rates Ordinance No. 37 and Resolution No. 3627	Residential - rate per dwelling per year			
	• Single-family dwellings	\$221	\$238	\$256
	• Multiple-family dwellings	\$221	\$238	\$256
	• Mobile homes	\$181	\$194	\$209
	Commercial - rate per 100 cubic feet (cf) of water used	\$3.273	\$3.518	\$3.782
	Significant Industrial Users - rates are based on actual flow and loadings per unit cost			
	• Flow, per 100 cf water	\$2.144	\$2.305	\$2.478
	• BOD, per pound	\$0.417	\$0.448	\$0.482
	• SS, per pound	\$0.477	\$0.513	\$0.551
Permit & Inspection Fees		\$280	\$280	\$280
Sewer Connection Fees Ordinance No. 35	Residential	\$6,919	\$6,919	\$6,919
	Nonresidential			
	• Flow, per gallon per day	\$29.70	\$29.70	\$29.70
	• BOD, per pound per day	\$1,420.38	\$1,420.38	\$1,420.38
	• SS, per pound per day	\$1,377.34	\$1,377.34	\$1,377.34
Garbage Rates Ordinance No. 34	Residential	Effective 9/1/16	Effective 9/1/17, 9/1/18	
	Unincorporated & Hayward		Annual rate increases are based on a combination of factors: 50% April CPI-U and 50% weighted average of teamster wage, benefits and pension contract increases.	
	• 20-gallon cart per month	\$8.54		
	• 35-gallon cart per month	\$17.04		
	• 64-gallon cart per month	\$34.11		
	• 96-gallon cart per month	\$51.14		
	San Leandro			
	• 20-gallon cart per month	\$9.85		
	• 35-gallon cart per month	\$19.76		
	• 64-gallon cart per month	\$39.46		
	• 96-gallon cart per month	\$59.22		
Recycling & Green Waste Rates Ordinance No. 34	Single-family dwellings	\$55.20	\$55.20	\$55.20
	Multi-family and mobile homes	\$51.84	\$51.84	\$51.84
	Commercial per cubic yard			
	• Unincorporated & Hayward	\$11.06	Increases per terms of agreement	
	• San Leandro	\$11.62	Increases per terms of agreement	

Organization Chart



Board of Directors

The District is governed by a 5-member Board of Directors, elected in the County's general election, for alternating 4-year terms. The public is welcome to attend the District's Board meetings held on the first and third Tuesdays of each month at 3:00 p.m., and the Committee meetings at various times throughout the month. A listing of dates and times is available on the District's website at www.oroloma.org.



Shelia Young, President

Term Expires 2018

Chairperson of Solid Waste Committee, member of Finance & Insurance Committee, and representative to ACWMA.

Ms. Young is currently a business/environmental consultant who owned her own business for 30 years prior to service as Mayor of the City of San Leandro. She was named Mayor Emeritus in 2008, and was elected to the Oro Loma Board in 2014.



Dan Walters, Vice President

Term Expires 2020

Chairperson of Operations Committee, member of Personnel/Safety/Public Information Committee, and alternate representative to ACSDA and EBDA Commission.

Mr. Walters is a local business owner who has been actively serving the community for decades. He has over 30 years of experience in chemical engineering, innovation and business management. He joined the Board in 2015.



Rita Duncan, Secretary

Term Expires 2018

Chairperson of Personnel/Safety/Public Information Committee, member of Solid Waste Committee, representative to ACSDA, and alternate representative to ACWMA.

Ms. Duncan was the Director of Human Resources at a Bay Area manufacturing company. She was appointed to fill a Board vacancy in December 2015, and was elected in November 2016.



Timothy Becker, Director

Term Expires 2018

Chairperson of Construction Committee, member of Operations Committee, representative to EBDA Commission, and member of CASA Executive Board.

Mr. Becker has over 30 years of experience in the environmental services industry, and has been managing his own consulting business for over 10 years. He has been a member of the Board of Directors since 2007.



Roland Dias, Director

Term Expires 2020

Chairperson of Finance & Insurance Committee, member of Construction Committee.

Mr. Dias is a retired Pacific Bell and AT&T executive who has extensive experience in fiscal budgeting and financial controls. He joined the Board of Directors in 1992.

Note: ACSDA – Alameda County's chapter of the California Special Districts Association.
ACWMA – Alameda County Waste Management Authority, also known as Stopwaste.org.
CASA – California Association of Sanitation Agencies.
EBDA – East Bay Dischargers Authority.

Management Team

Officials



Jason Warner, General Manager/Treasurer (from 2008)

Directs, manages, and coordinates District activities in accordance with Board policies. Manages the daily activities of the District and keeps the Board informed on projects and programs to facilitate good decision making. As Treasurer of the District, the General Manager also oversees the District's financial operations and risk management.

Departmental Management

Administration



Andreea Simion, Administrative Services Manager (from 2003)

Manages human resources functions, administrative support services, and public information programs. Oversees the preparation of agendas and minutes for the Board and various committee meetings, and coordinates the solid waste, recycling, safety, and training programs.



Arlene Wong, Finance Manager (from 2013)

Manages the District's financial controls and reporting system, including budgeting, cash flow, investments, billings, payments, payroll, financial audits and compliance. Ensures that the District is meeting its fiduciary responsibilities. Assists other managers in budget monitoring and project costing.

Collections



Lenny Rather, Collection System Manager (from 1997)

Manages the inspection, assessment, and maintenance of the sewer collection system. Performs regulatory reporting and maintains continuous emergency response. Ensures that exemplary customer service is provided when the crew performs sewer line work throughout District neighborhoods.

Management Team

Engineering



William Halsted, District Engineer (from 2009)

Manages the Engineering Department. Administers the Capital and Renewal & Replacement programs for the collection system and remote site lift stations. Oversees the Geographic Information System (GIS) and Asset Management programs, issuance of permits for construction, repairs and annexations, reviews plans and specifications.



Jimmy Dang, Senior Project Engineer (reclassified to the management team in 2017)

Manages the laboratory, pretreatment compliance, and Capital and Renewal & Replacement programs related to the treatment facility. Oversees the long-term planning for the treatment plant, prepares design documents, manages construction, and all other aspects of project management related to the treatment facility.

Treatment Plant



Manuel Talledo-Garcia, Operations Manager (from 2012)

Manages continuous operations of the treatment plant and water reclamation facilities. Oversees processes for energy optimization, grease acceptance for digesters efficiency, and sludge dewatering. Maintains primary responsibility for regulatory compliance with the District's National Pollutant Discharge Elimination System (NPDES) permit.



Scott von der Lieth, Maintenance Manager (from 2011)

Manages treatment facilities and equipment maintenance and provides support to the Operations and Collections Departments. Maintains efficient response to remote site pump station failures. Collaborates with the Engineering Department in various projects. Maintains primary responsibility for compliance with the Air Board's regulations.

Position Summary Schedule

* Management Staff

Department & Position Title	2015-16	2016-17	2017-18	2018-19
Collections				
* Collection System Manager	1	1	1	1
Lead Worker	3	3	3	3
Collection System Worker	3	3	3	3
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Operations				
* Operations Manager	1	1	1	1
Plant Chemist	1	1	1	1
Plant Operator II	8	8	8	8
Plant Operator I	2	2	2	2
Safety & Special Programs Administrator	0.5	0.5	0.5	0.5
Administrative Support Specialist	1	1	1	1
	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>
Maintenance				
* Maintenance Manager	1	1	1	1
Electrical & Instrumentation Technician	2	2	2	2
Electrical & Mechanical Technician	0	0	1	1
Mechanic II	5	5	4	4
Mechanic I	2	2	2	2
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Engineering				
* District Engineer	1	1	1	1
* Senior Project Engineer	0	0	1	1
Senior Project Engineer	1	1	0	0
Associate Engineer	1	1	0	0
Field Engineer	1	1	2	2
Junior Engineer	0	0	1	1
Construction Inspector	1	1	0	0
Industrial Waste Inspector	1	1	1	1
	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Administration				
* General Manager	1	1	1	1
* Administrative Services Manager	1	1	1	1
* Finance Manager	1	1	1	1
Accountant	1	1	1	1
District Secretary	1	1	1	1
Safety & Special Program Administrator	0.5	0.5	0.5	0.5
Administrative Support Specialist	1	1	1	1
	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>	<u>6.5</u>
Total Positions	43	43	43	43

The District plans to maintain the same staffing level for the next 2 years.

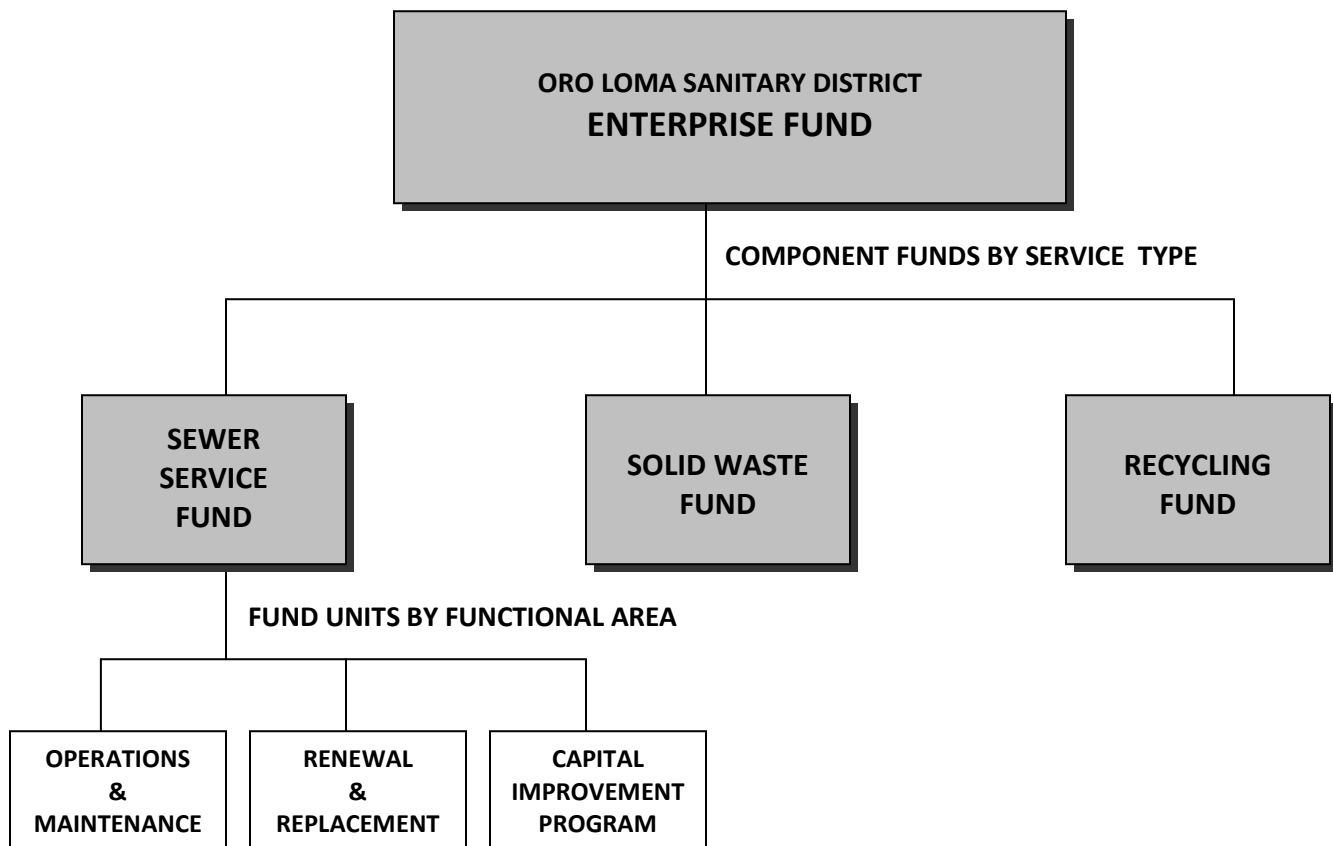
Financial Structure, Policy & Process

Fund Structure & Basis of Budgeting

Fund Structure

The District utilizes an enterprise fund structure to account for services it provides to the public. The cost for these services are recovered primarily through user fees, much like a business in the private sector.

Under the District's single enterprise fund are component funds that account for revenues and expenses of the District's three service types – Sewer Service, Solid Waste, and Recycling. The Sewer Service component fund is further divided into three units – Operations and Maintenance (O&M), Renewal and Replacement (R&R), and Capital Improvement Program (CIP), to account for the different functions within the Sewer Service type.



Basis of Budgeting

The District uses the accrual basis of budgeting. Revenues are recognized when earned, and expenses are recorded when the liability is incurred. This basis of budgeting is consistent with the basis of accounting used in the audited financial reports. The District takes the economic resources measurement focus, with the objective to determine operating income, changes in net position, and cash flows.

Budget Process

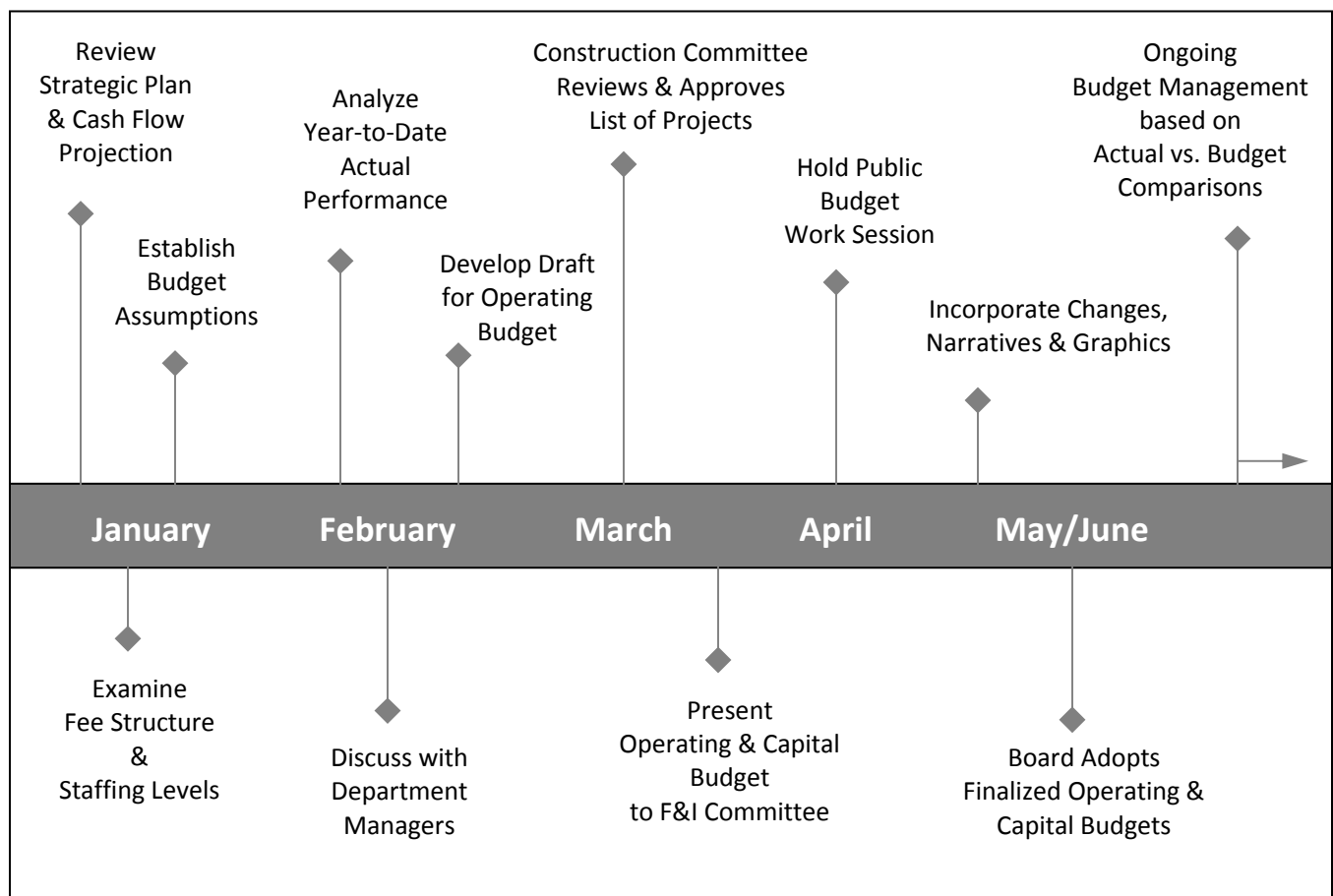
The biennial budget process begins in January every other year and concludes with the adoption by the Board, typically around May or June. The budget development is guided by several factors: the strategic vision, goals and objectives, the long-range capital plan, the 5-year cash flow projection, as well as external influences such as economic conditions and regulatory issues. During the initial phase, budget assumptions are developed. In addition, the fee structure and staffing levels are also examined.

The next phase of the budget process takes place in February and involves the analysis of year-to-date operating revenues and expenses, and discussions with Department managers on anticipated needs. The Construction Committee reviews and approves the list of Renewal & Replacement and Capital Improvement Program projects based on the long-range plan prepared by Engineering staff. The draft budget is presented to the Finance & Insurance (F&I) Committee for review by mid-March.

A Board budget work session is held in late March or early April to review the proposed budget and to obtain public input. Changes are incorporated before the final budget with narratives and graphics is put together. The document is presented to the Board for adoption before the end of June.

The following timeline provides the entire budget process at a glance.

Budget Timeline



Department Units

Collections Department

Mission Statement: *Treat every customer like family*

The primary responsibility of the Collections Department is to protect human health and the water quality of the Bay, by maintaining the integrity of the District's sewage collection system, which consists of approximately 273 miles of sewer lines, 6,050 manholes, 126 special structures, 14 lift stations, and several siphons. The Collections crew cleans and video-inspects over 2 million feet of sewer lines each year, and maintains records of sewer line condition. The crew partners with the Engineering Department to establish repair and replacement priorities, and to handle regulatory reporting for sewer overflows.

Expense & Staffing Trends:

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$ 1,027,447	\$1,232,900	\$1,227,100	\$1,259,700
Fuel & Supplies	87,714	122,200	121,900	123,700
Contractual & Professional Services	94,829	81,800	114,000	114,000
Other Expenses	190,974	295,900	260,400	268,000
Total Expenses	\$1,400,964	\$1,732,800	\$1,723,400	\$1,765,400

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Position	Actual	Budget	Budget	Budget
Collection System Manager	1	1	1	1
Lead Worker	3	3	3	3
Collection System Worker	3	3	3	3
Total Staff Count	7	7	7	7

Strategic Goals & Objectives:

- Zero collection system overflows.
- Enhance training program to include embedded video, critical situation response, and/or multimedia options. Link videos to Geographic Information System (GIS).
- Maintain compliance with all Sewer System Management Plan (SSMP) and California Integrated Water Quality System (CIWQS) reporting requirements.
- Develop watch list of emerging regulations, key regulatory contacts, and participate when warranted.
- Measure customer satisfaction and identify areas for improvement by written surveys.

Performance Measures:

The Collection crew provides courteous service by responding to sewer service calls quickly. Typically a crew member will be on site within 10 minutes of a call received during work hours. An after-hour standby crew member usually reports to the site in under 30 minutes. Customer satisfaction is measured by survey cards provided to the callers. The results from these surveys have been consistently positive. Production goals are established each year for footage cleaned and inspected. The goal is to operate without a sewage overflow.

Proactive Sewer Line Maintenance & Results

Year	Total Cleaned & CCTV'd (ft)	Monthly Average (ft)	Sewer Service Calls	Sewer Stoppages	Sewer Overflows
2016	2,092,466	174,372	100	2	1
2015	2,006,671	167,223	118	3	3
2014	2,017,476	168,123	149	1	3
2013	2,217,645	184,804	141	1	1
2012	2,103,762	175,314	136	1	1

New Issues & Challenges:

The Collections Department faces the ongoing challenge of preventing sewer overflows while maintaining an aging sewer infrastructure. Through its current 10-Year Strategic Plan, the Board has established a goal to improve the overall health of the collection system. System health is operationalized by reducing the backlog of defective pipe from 91.4 miles today to 61.4 miles in 2027. Additionally, the number of miles of pipe with a grade 5 defect will be reduced from 14 miles to 4 miles by 2027. These long-range goals will be achieved on top of addressing new defects that develop during the 10-year period. The Board established these aggressive targets to ensure continuous high performance in the collection system.

Heavy rains in the winter of 2016-17 led to the District's first wet weather sewer overflow in over 10 years. Preventing a similar future event will require allocation of resources upstream of the Trojan Lift Station (generally serving the area of the District south of Lewelling Blvd). Many of these pipes are in sound structural condition, but they allow excessive rain water to enter the sewer system during wet weather. Efforts to prevent rain water from entering the system require additional funds in addition to those used for repairing structural defects. The current budget is the highest 2-year allocation for pipe renewal in the District's history.

Department Units

Operations Department

Mission Statement: *Safe and cost-effective wastewater treatment in compliance with all regulatory requirements*

The Operations Department is responsible for the 24/7 operation of the District's sewage treatment plant. The plant has an average daily dry weather flow of 12.4 MGD, with a design flow of 20 MGD. The treatment plant is jointly owned by Oro Loma Sanitary District (75%) and Castro Valley Sanitary District (CVSD) (25%). Under long-term mutual agreements, CVSD reimburses the District for operations and maintenance costs for wastewater treatment, based on its actual contributory sewage flows which fluctuate between 25% and 27%, and a fixed rate of 25% for most capital costs. In addition to operating the plant, staff is involved in the operation and maintenance of the East Bay Dischargers Authority (EBDA) pump station, Skywest Golf Course water reclamation facilities, laboratory services, pretreatment activities, and compliance with regulations regarding treatment and disposal of wastewater and biosolids.

Expense & Staffing Trends:

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$ 1,924,344	\$2,318,900	\$2,497,500	\$2,614,000
Fuel & Supplies	479,091	667,900	635,000	631,000
Contractual & Professional Services	421,361	600,000	575,000	585,000
Other Expenses	400,759	641,800	563,700	568,500
Total Expenses	\$3,225,555	\$4,228,600	\$4,271,200	\$4,398,500

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Position	Actual	Budget	Budget	Budget
Operations Manager	1	1	1	1
Plant Chemist	1	1	1	1
Plant Operator II	7	8	8	8
Plant Operator I	3	2	2	2
Safety & Special Programs Administrator	0.5	0.5	0.5	0.5
Administrative Support Specialist	1	1	1	1
Total Staff Count	13.5	13.5	13.5	13.5

Strategic Goals & Objectives:

- Zero effluent violations.
- Develop written training standards and video-based operator training program for all areas of the plant by 2022.
- Develop annual watch list of emerging regulations, key regulatory contacts, and participate when warranted.
- Evaluate biosolids recycling alternatives before the anticipated Biosolids Landfill Ban in 2025.
- Renegotiate EBDA agreement or implement alternative to reduce or eliminate District responsibility for replacement of conveyance system it does not use.
- Conduct critical incident debriefing sessions and document lessons learned for future training.
- Track ongoing discussions of nutrient removal regulations and potential technical responses.
- Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in 2025.

Performance Measures:

The Operations Department works continuously around the clock to manage the wastewater process and respond to emergency needs. The department has built a strong track record of achieving 100% compliance with effluent standards for the past 11 years. Effluent quality from the treatment facility regularly tops the other high-performing partner agencies in EBDA.

The District remains a leader in resource recovery and self-generation of power needed for the treatment process. For each of the past 5 years, the District has netted its annual electrical utility bill to zero, despite being a net power importer, because the facility exports power during peak periods and uses power during off-peaks. The Operations Department achieves these outstanding results through the use of a 720kW cogeneration system and a 468kW solar array.

Average Monthly Effluent Quality

Year	CBOD (mg/l)	CBOD % of Removal	TSS (mg/l)	TSS % of Removal
2016	4	98%	5	99%
2015	5	98%	6	99%
2014	4	98%	6	99%
2013	5	98%	6	99%
2012	4	98%	5	99%

Annual Plant Power Demand & Self Sufficiency

Year	Plant Power Demand (kW)	Cogen Generation (kW)	Solar Generation (kW)	Self Sufficiency
2016	6,733,399	6,210,728	507,818	100%
2015	6,876,778	5,975,648	825,867	99%
2014	7,206,859	5,952,120	797,291	94%
2013	6,956,498	5,715,907	788,698	94%
2012	6,883,008	5,993,060	861,131	100%

New Issues & Challenges:

There is concern in the San Francisco Bay related to nutrient loading and potential for harmful algal growths. In response, the Regional Water Quality Control Board issued a Nutrient Watershed Permit. The permit, which was cooperatively negotiated with the wastewater community, requires increased monitoring of nutrients within the treatment process, a commitment to fund approximately \$1 million per year in scientific monitoring in the Bay (costs shared among 37 agencies), and an engineering evaluation of optimization and upgrade alternatives to treat nutrients. To date, the evaluation was completed for all 37 treatment plants. The results show that our treatment facility was uniquely positioned because of its former secondary clarifiers, and that the District could reduce its total nitrogen load by approximately one-half, by converting its process within the existing concrete structure.

The District continues to investigate early action to treat nutrients, potentially with an incentive to reduce our capacity ownership stake in the EBDA Joint Powers Authority renewal in January 2020. Greater clarity for mandatory upgrades is expected in 2024 when the 3rd version of the Nutrient Watershed Permit is issued. The Regional Board has communicated a strategy to study the issue until 2024, and to establish a treatment goal by that time. Our Board has indicated that it would allow between 5 to 10 years to implement the nutrient treatment requirements established in 2024.

Department Units

Maintenance Department

Mission Statement: *We are here for you*

The Maintenance Department provides equipment repair and maintenance services, including electrical instrumentation, process control, and mechanical & electrical services for treatment plant operations, collection system lift stations facilities, vehicles, buildings, and the 720kW cogeneration and emergency generator facilities. The department performs routine preventive maintenance to ensure optimal efficiency of machinery and equipment. Additionally, our mechanics maintain the pump station and recycled water facility owned by East Bay Dischargers Authority (EBDA). The department also works closely with project engineers and is actively involved in many capital improvement projects.

Expense & Staffing Trends:

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$ 1,120,745	\$1,441,800	\$1,570,700	\$1,653,900
Fuel & Supplies	61,347	83,500	71,000	73,000
Contractual & Professional Services	719,320	639,500	667,500	667,500
Other Expenses	118,769	152,700	142,100	145,600
Total Expenses	\$2,020,181	\$2,317,500	\$2,451,300	\$2,540,000

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Position	Actual	Budget	Budget	Budget
Maintenance Manager	1	1	1	1
Electrical & Instrumentation Technician	2	2	2	2
Electrical & Mechanical Technician	0	0	1	1
Mechanic II	5	5	4	4
Mechanic I	2	2	2	2
Total Staff Count	10	10	10	10

Strategic Goals & Objectives:

- Zero lift station overflows.
- Zero permit violations due to equipment failures.
- Keep maintenance backlog to below 100 work orders for a minimum of 2 months per year.
- Maintain 95% annual uptime on cogeneration system.
- Maintain lift station contingency plan and provide training to allow an average remote site response and bypass set-up of 90 minutes at all remote sites.
- Reduce off-hour lift station maintenance calls to under 10 per year.

Performance Measures:

The Maintenance Department strives to fulfill work order requests in a timely manner while keeping up with its own preventive maintenance routine. Maintenance staff analyzes all aspects of the treatment plant and lift stations, and continuously look for ways to enhance reliability and efficiency of the District's equipment.

Corrective Work Order Fulfillments

Year	Previous Outstanding	New Work Orders	Work Orders Completed	Current Outstanding
2016	38	881	877	42
2015	51	833	846	38
2014	57	710	716	51
2013	82	686	711	57
2012	75	983	976	82

Preventive Work Order Fulfillments

Year	Previous Outstanding	New Work Orders	Work Orders Completed	Current Outstanding
2016	76	2596	2628	44
2015	36	2512	2472	76
2014	68	1917	1949	36
2013	118	1985	2035	68
2012	94	2005	1981	118

New Issues & Challenges:

One of the greatest challenges in the coming years will be staff turnover. Four members of the department, including the manager, are eligible for retirement. The District will need to both hire well and train new staff to maintain the current high performance of the group, when and if the eligible employees choose to retire.

One new industry trend is that many District suppliers are carrying less stock inventory, making it difficult for the District to obtain parts on short notice. In response, the District has developed a critical equipment list and performs an annual audit of spare parts. For any critical piece of equipment, staff ensures that parts are on the shelf at the District, or they are readily available from the suppliers.

The department has developed several forward-looking indicators of lift station health. These include daily pump starts, a review of average pump output, communications quality, thermal scans, and megger testing. An anomaly in any of these data points will trigger an analysis and potential corrective action. The department also performs frequent audits of the lift station level controls, back-up floats, and remote communications. These proactive efforts, combined with a committed crew, have resulted in an elite level of lift station reliability. The Department has developed a "Lift Station Best Practices" presentation that has been well received at several industry conferences.

Department Units

Engineering Department

Mission Statement: *Friendly customer service with quality engineering and project management*

The Engineering Department performs planning, design, bidding, construction and management services related to the ongoing renewal and expansion of District facilities. The department also performs asset management and assessment; develops long-range capital planning; performs annual updates of revenue bases; inspects collection system improvements; collects and interprets data through flow-monitoring devices; reviews plans submitted by public agencies, contractors and homeowners; issues permits for construction, repairs and encroachments; processes annexations to the District; maintains records of engineering drawings and the District's mapping system; and, oversees pretreatment compliance.

Expense & Staffing Trends:

Expense Category	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Salaries ¹ & Benefits	\$527,524	\$715,200	\$679,900	\$703,700
Fuel & Supplies	11,583	16,500	15,400	15,400
Contractual & Professional Services	87,227	99,900	121,000	121,000
Other Expenses	56,498	56,700	57,400	58,800
Total Expenses	\$682,832	\$888,300	\$873,700	\$898,900

¹ Salaries shown in this table represent staff time contributed to general Engineering tasks, and exclude salaries charged to Renewal & Replacement (R&R) and Capital Improvement Program (CIP) projects. Approximately 50% of gross Engineering salaries is allocated to R&R and CIP budgets.

Position	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
District Engineer	1	1	1	1
Senior Project Engineer (management)	0	0	1	1
Senior Project Engineer	1	1	0	0
Associate Engineer	1	1	0	0
Field Engineer	1	1	2	2
Junior Engineer	0	0	1	1
Construction Inspector	1	1	0	0
Industrial Waste Inspector	1	1	1	1
Total Staff Count	6	6	6	6

Strategic Goals & Objectives:

- Zero overflows due to capacity limitations.
- Build Geographic Information System (GIS) into central reference source for all District assets and customer service issues, and integrate customer service interface into GIS.
- Maintain 10-year capital plan for District assets, updating it monthly.
- Manage line replacement program to limit high frequency footage at or below 10% of District (27 miles).
- Improve the condition of the collection system by approximately 3% per year for the next 10 years, reducing pipes with a defect score of 3 or greater from 91.4 miles to 61.4 miles by 2027.
- Reduce pipes with a defect score of 5 from the existing 14 miles to below 4 miles by 2027.
- Replace a minimum of 30 miles of collection system pipes by 2027. Increase miles of HDPE collection system pipes from 24.6 miles to 54.6 miles.
- Implement asset management program for all District assets by 2023.

Performance Measures:

In addition to managing construction projects, Engineering staff works closely with the Collections crew to identify sewer pipes and infrastructure in critical need for repair or replacement. Engineering staff has developed an in-house ranking system known as Pipeline Defect Grading Criteria (PDGC) to assess severity of pipe defects. Critical pipe defects under 25 feet, are considered Point Repairs, and are scheduled for repair within a 12-month period. Line segments over 25 feet in length repaired under the Pipeline Replacement Project.

Engineering Service Levels

Year	Point Repairs Completed	Miles of Sewer Lines Replaced	Sewer Permits Issued	Inspections Completed
2016	93	3.4	299	606
2015	114	3.0	271	625
2014	122	2.9	258	796
2013	60	2.8	220	544
2012	95	2.5	173	440

New Issues & Challenges:

The District's sewer line infrastructure is aging – 72% of its subsurface lines are over 50 years old, and 17% are over 70 years old. During the last 2 years, 30 miles of the District's 273 miles of subsurface lines turned 70 years old. As the system ages, more resources are required for maintenance, repair, and replacement. One of the most challenging tasks in the Engineering Department is to prioritize sewer line repair or replacement work within budgetary constraints and meet the objective of zero sewer overflows.

The Department has achieved record levels of pipe replacement at a time when it has the fewest staff. This achievement speaks to the efficiency and effectiveness of the existing team. The budget includes 6 staff members. The department is currently staffed with 5. Depending upon the level of new development and a potential decision to act early in nutrient treatment, management may recommend hiring to staff at the fully budgeted level.

Department Units

Administration Department

Mission Statement: *Providing excellent service with a positive attitude*

The Administration Department provides administrative support to the Board of Directors, Board Committees and other District departments. Core functions include: public administration, finance and budgeting, investment portfolio management, human resources, labor relations, information technology, risk management, public information, performance management, safety and training. The Administration Department also oversees other District functions which include solid waste and recycling services.

Expense & Staffing Trends:

Administration Functions	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$816,012	\$1,071,600	\$1,056,700	\$1,109,300
Fuel & Supplies	28,650	28,400	27,600	27,600
Contractual & Professional Services	264,892	362,100	419,400	419,400
Other Expenses	130,259	296,600	169,100	321,400
Total Expenses	\$1,239,813	\$1,758,700	\$1,672,800	\$1,877,700

Solid Waste Functions	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$144,317	\$186,700	\$183,500	\$190,000
Fuel & Supplies	1,181	3,600	3,500	3,500
Contractual & Professional Services	14,951	34,000	93,500	93,500
Other Expenses	147,279	243,400	218,600	225,100
Total Expenses	\$307,728	\$467,700	\$499,100	\$512,100

Recycling Functions	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expense Category	Actual	Budget	Budget	Budget
Salaries & Benefits	\$144,217	\$177,500	\$174,600	\$181,100
Fuel & Supplies	134	5,000	1,000	2,000
Contractual & Professional Services	2,251,186	2,363,200	2,502,000	2,502,000
Other Expenses	179,385	250,200	224,800	231,300
Total Expenses	\$2,574,922	\$2,795,900	\$2,902,400	\$2,916,400

Department Units

Position	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
General Manager	1	1	1	1
Administrative Services Manager	1	1	1	1
Finance Manager	1	1	1	1
Accountant	1	1	1	1
District Secretary	1	1	1	1
Safety & Special Programs Administrator	0.5	0.5	0.5	0.5
Administrative Support Specialist	1	1	1	1
Total Staff Count	6.5	6.5	6.5	6.5

Strategic Goals & Objectives:

General Administration:

- Maintain lowest residential sewer service charges in Alameda County, unless long-term infrastructure needs or new regulatory requirements dictate higher rates.
- Measure customer satisfaction related to sewer activities every 2 years. Identify areas for improvement.
- Produce timely, accurate, transparent, and useful financial reports, within 10 days of month-end.
- Develop and maintain cross-training for key administration/finance functions.
- Provide live, knowledgeable customer service point of contact for all incoming calls.
- Identify and communicate required funding needs for operations and regulatory/infrastructure upgrades.
- Build capital asset program funding into rate structure by 2027.
- Increase the public's knowledge of the District's role in environmental protection, by including at least 1 article in each District newsletter on the public's role in preventing overflows and/or diverting materials from the landfill.
- Maintain policies and procedures within guidelines of "industry best". Audit procedures annually and perform update on any policy or procedures older than 3 years.
- Update 10-year strategic plan every biennial budget cycle.

Safety:

- Zero lost-time accidents.
- Maintain high performing safety culture. Maintain average time for correction of safety work orders at or under 30 days. Perform written management safety audits at least 4 times a year.
- Conduct the Oro Loma Safety Culture survey every 2 years, and maintain a minimum of 90% positive responses in the aggregate.
- Maintain policies and procedures by auditing, updating, and training on policies at least every 3 years.

Solid Waste & Recycling:

- Continue to meet County and State solid waste requirements.
- Maintain solid waste rates among the lowest in Alameda County.
- Measure customer satisfaction related to solid waste and recycling activities every 2 years. Identify areas for improvement.

Department Units

- Actively monitor Stopwaste.org activities, communicate key issues to Board of Directors, and proactively communicate concerns to Oro Loma representative and staff at partner agencies.
- Achieve 90% participation in organics recycling in schools.

Performance Measures:

- The District has maintained the lowest sewer service rate in Alameda County, and the lowest known rate in the State of California for the last 10 years.
- The District won the 2016 CSRMA Workers' Compensation Excellence Award.
- The District received the GFOA Distinguished Budget Presentation Award for its first submission of the Two-Year Budget for FY 2015-16 & FY 2016-17.
- The District won the 2014 Special Districts Leadership Foundation's Transparency Certificate of Excellence, in recognition of its best practices in operations and governance transparency.
- In 2014, a customer survey on the District's sewer, garbage and recycling services was sent to 2100 random customers within the District. 95% of responding garbage customers and 72% of sewer customers expressed satisfaction with their service (24% of sewer customers did not indicate their rating.)
- As of July 1, 2017, the District has achieved 716 days without a lost time injury.
- The District won the 2014 CWEA Plant Safety Award at both local and State levels, and the national Water Environment Federation Safety Award.
- The District won the 2013 CSRMA's SHELL Award which recognized excellent management in Safety, Health, Environmental, Liability and Losses.

New Issues & Challenges:

Within the last 7 years, 14 employees (33% of the workforce) retired from the District. It has been a challenge recruiting highly qualified candidates to fill the void left by the experienced employees. We have been successful so far, but further challenges await, with 25% of existing employees being eligible to retire within the next 2 years, a new generation of Millennials is coming into the workforce. We must consider new ways of attracting and retaining candidates, to make the District more appealing to a generation that values personal time and meaningfulness of their work above all else. Another growing challenge involves developing the District's public outreach program while maintaining current staffing levels. The Board puts high emphasis on maintaining a communicative website and social media presence, as well as a comprehensive brand redesign and increased participation in community events.

In the solid waste arena, the Stopwaste Mandatory Recycling Ordinance has taken full effect, and recycling/green waste/organics programs are now mandatory for all businesses and multi-family properties within the District. Extensive outreach and education efforts must continue, with the goal of bringing all affected customers into compliance. This is a significant challenge, because in most cases, adding service comes at a cost, and some customers are resisting the change.

The Board adopted a set of financial policies and standard procedures, and regularly reviews and updates them. These policies and procedures provide a framework for the District to prudently manage its resources, and to be accountable stewards for the public it serves.

Balanced Budget Policy

One of the District's fiscal responsibilities is to maintain a balanced budget, in which revenues are sufficient to cover expenses required to meet planned needs. To assist in its decision-making, the Board regularly examines a 5-year cash flow analysis prepared by staff. The most recent analysis projects a gradual decline of year-end cash balance from \$18.2 million in 2017 to \$13.7 million in 2022, with planned capital improvements exceeding \$20 million in the next 5 years. The Board has consistently elected to fund capital improvements by using existing reserves, and strives to maintain a healthy cash flow by implementing modest rate increases of 7.5% per year for 5 years. In the operating budget for the next 2 years, revenues (FY 2017-18: \$21.4 million; FY 2018-19: \$22.4 million) are sufficient to cover expenses (FY 2017-18: \$21.0 million; FY 2018-19: \$21.4 million).

Budgetary Controls Policy

The Board maintains budgetary controls by reviewing monthly financial reports to ensure compliance with the adopted budget. The General Manager has authority to reallocate up to \$50,000 between funds or projects based on actual need, while increases in the total budget always require Board approval. The adopted budget is typically amended by the Board shortly after the year begins, to carry over prior year unused appropriations for projects in progress. Subsequent budget amendments occur continuously throughout the remainder of the year, as priorities are revised and new needs are identified. The District has consistently met its budgetary control requirements by managing operating expenses at between 85% to 90% of budget.

Investment Policy

The Investment Policy provides the framework for investing public funds held by the District. It follows the State of California's guidelines, and defines the risks associated with investing funds, lists the authorized financial institutions and custodians, identifies the permissible instruments and maturities, and describes the internal control and reporting requirements. The Finance & Insurance Committee oversees the ongoing compliance of this policy, and the Board reviews it annually, at which time the list of authorized brokers/dealers is also updated. The District invests up to 30% of its funds in certificates of deposits (maximum allowed by State law), and diversifies its remaining portfolio among Federal agency bonds, corporate bonds, and treasury notes.

Financial Reserves Policy

The Financial Reserves Policy sets the required reserves for each component fund, so that there is sufficient fund balance to meet the needs of specifically identified purposes. This policy is reviewed by the Board as needed. If fund balance approaches the minimum required reserves, the Board may either revise the reserve level or authorize equity transfers between component funds to ensure that the approved reserves are maintained. The Board recently amended the reserves to \$9.4 million, which consists of \$3.7 million for sewer and recycling, \$1.25 million for Renewal & Replacement (R&R), \$4 million for Capital Improvement Program (CIP), and \$0.5 million for liability insurance deductibles.

Capital Assets Policy

The Capital Assets Policy defines the threshold of a fixed asset to be \$10,000 with useful life of more than 1 year. It addresses the acquisition and disposal processes of an asset, as well as measures to safeguard assets through periodic inventory. Assets that meet the defined criteria are capitalized in the accounting system at fiscal year-end, and depreciated over their useful lives. The assets will remain on the District's records until they are approved by the Board for disposal through annual surplus review.

Financial Policies

Internal Control Policy

The District established a framework for internal control, using the California State Controller's guidelines. It follows the standards adopted by the American Institute of Certified Public Accountants (AICPA) and the internal control framework provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The objective of this policy is to safeguard tangible and intangible assets, and to prevent and detect errors and fraud, including its computer information system. The District's organizational structure anchors on a system of accountability, ascending from employees to management, to the General Manager, and to the elected Board of Directors. The Board maintains internal control through committees overseeing 5 key areas – Construction; Finance & Insurance; Operations; Personnel, Safety & Public Information; and, Solid Waste. Other measures such as segregation of duties, requirement of dual signatures on payments, and limiting the possession of District credit cards are implemented as additional control. The independent auditor has certified that there were no identified deficiencies or material weaknesses in the District's internal control.

Cash Management Policy

The Cash Management Policy establishes specific procedures for collecting, depositing and disbursing District cash. It defines the role and responsibility of various staff in day-to-day tasks such as cash receipts, accounts payable and petty cash disbursements, payroll processing, and bank reconciliation. The Finance & Insurance Committee reviews check registers and audits selected payments at monthly committee meetings. Bank reconciliations are performed by the Finance Manager and approved by the General Manager. Separate personnel handles the deposit of cash and the issuance of payments, and a restricted group of designated persons is authorized to initiate fund transfers, allowable only between District accounts. In addition, payroll is processed by 2 individuals to prevent fraud. The District maintains a structured financial environment, in which the risks of unauthorized cash transactions are significantly reduced.

Purchasing Policy

The Purchasing Policy provides the framework for the procurement of goods and services. It defines the levels of purchasing authority and responsibilities, documentation required, and describes the competitive bidding process. Department managers are authorized to make purchases up to \$10,000; District Engineer \$15,000; and, General Manager \$50,000. Acquisitions above \$50,000 always require Board approval. The policy also provides guidelines on procurement of construction projects, under the California Public Construction Code (PCC) and the California Uniform Public Construction Cost Accounting Act (UPCCAA). The District follows these established guidelines and is in compliance.

Other Policies & Procedures

In addition to the above, the District has a Rebate Policy which outlines the process of providing sewer rebates to commercial customers who divert part of their water usage from the sewer system. Typically the diversion goes into their production process or to irrigation. The Revenues & Expenses Classification Policy defines the list of general ledger revenue and expense accounts to ensure proper financial reporting. The Record Retention Policy sets the standards and protocol for the retention and destruction of documents, in conformity to guidelines provided by the Secretary of State.

Financial Information & Trends

4-Year Consolidated Financial Schedule

	2015-16 Actual	2016-17 Adopted Budget	2017-18 Adopted Budget	% Change Over Prior Budget	2018-19 Adopted Budget	% Change Over Prior Budget
Operating Revenues						
District Service Charges	\$ 11,984,556	\$ 12,390,800	\$ 13,725,300	11%	\$ 14,648,400	7%
Refunds - District Service Charges	(34,673)	(100,000)	(100,000)	0%	(100,000)	0%
Agency Treatment Charges	2,430,769	2,672,400	2,625,350	-2%	2,687,550	2%
Permits & Inspection Fees	162,898	113,000	128,000	13%	128,000	0%
Sanitary Truck Waste Charges	90,621	50,000	90,000	80%	90,000	0%
Grease Receiving Charges	158,967	120,000	128,000	7%	128,000	0%
Solid Waste Contract Fees	937,750	927,000	1,025,000	11%	1,050,000	2%
Recycling Charges	2,417,263	2,386,000	2,409,000	1%	2,409,000	0%
Landfill Fees - Measure D	319,719	330,000	320,000	-3%	320,000	0%
Overhead Recovery	586,197	600,000	650,000	8%	650,000	0%
Total Operating Revenues	\$ 19,054,067	\$ 19,489,200	\$ 21,000,650	8%	\$ 22,010,950	5%
Operating Expenses						
Sewage Collections	\$ 2,637,991	\$ 3,177,800	\$ 3,323,400	5%	\$ 3,285,400	-1%
Sewage Operations	3,483,009	5,088,600	4,771,200	-6%	5,028,500	5%
Sewage Maintenance	2,498,881	2,962,500	2,891,300	-2%	2,735,000	-5%
Engineering	684,704	898,300	883,700	-2%	908,900	3%
Administration	1,256,629	1,798,700	1,735,300	-4%	1,945,200	12%
Sewage Disposal - EBDA	779,476	780,700	840,200	8%	883,200	5%
Depreciation	3,351,201	3,650,000	2,700,000	-26%	2,750,000	2%
Decrease in Carrying Value of EBDA	165,735	100,000	100,000	0%	100,000	0%
Solid Waste	306,213	414,700	466,100	12%	479,100	3%
Recycling	2,574,922	2,765,700	2,892,200	5%	2,906,200	0%
Pension (GASB 68) & OPEB Adjustments	876,480	-	-	0%	-	0%
Total Operating Expenses	\$ 18,615,241	\$ 21,637,000	\$ 20,603,400	-5%	\$ 21,021,500	2%
Operating Income	\$ 438,826	\$ (2,147,800)	\$ 397,250	118%	\$ 989,450	149%
Non-Operating Revenues						
Investment Income	\$ 128,479	\$ 102,000	\$ 121,000	19%	\$ 121,000	0%
Increase in Fair Value of Investments	86,020	-	-	0%	-	0%
Rents & Leases	79,956	81,000	92,500	14%	96,500	4%
Gain on Disposal of Capital Assets	-	-	-	0%	-	0%
Recovery of Uncollectible Accounts	17,203	10,000	10,000	0%	10,000	0%
Penalties & Miscellaneous Revenues	343,888	118,000	92,000	-22%	92,000	0%
EBDA / LAVWMA Agreement Refund	79,371	80,000	80,000	0%	80,000	0%
Total Non-Operating Revenues	\$ 734,917	\$ 391,000	\$ 395,500	1%	\$ 399,500	1.0%
Non-Operating Expenses						
Write-Offs of Uncollectible Accounts	1,515	13,200	\$ 13,200	0%	\$ 13,200	0%
Unfunded Pension Liability Catch-Up	see note	1,000,000	-	-100%	-	0%
Contingency	-	380,000	340,000	-11%	340,000	0%
Total Non-Operating Expenses	\$ 1,515	\$ 1,393,200	\$ 353,200	-75%	\$ 353,200	0%
Income Before Contributions	\$ 1,172,228	\$ (3,150,000)	\$ 439,550	114%	\$ 1,035,750	136%
Connection Fees	\$ 298,612	\$ 120,000	200,000	67%	200,000	0%
Capital Grants	1,202,580	-	-	0%	-	0%
Change in Net Position	\$ 2,673,420	\$ (3,030,000)	\$ 639,550	121%	\$ 1,235,750	93%
Net Position - Beginning of Year (based on budget)	\$ 90,911,175	\$ 93,777,464	\$ 90,747,464	-3%	\$ 91,387,014	0.7%
Prior Period GASB 68 Adjustments	\$ 192,869					
Net Position - End of Year (based on budget)	\$ 93,777,464	\$ 90,747,464	\$ 91,387,014	0.7%	\$ 92,622,764	1.3%

Note on Unfunded Pension Liability Catch-Up: In FY 2015-16, \$1 million was paid towards the unfunded pension liability. Due to the requirements of GASB Statement No. 68, the contribution was excluded from FY 2015-16's non-operating expenses in the audited financial statements, and was reclassified as a deferred outflow of resources.

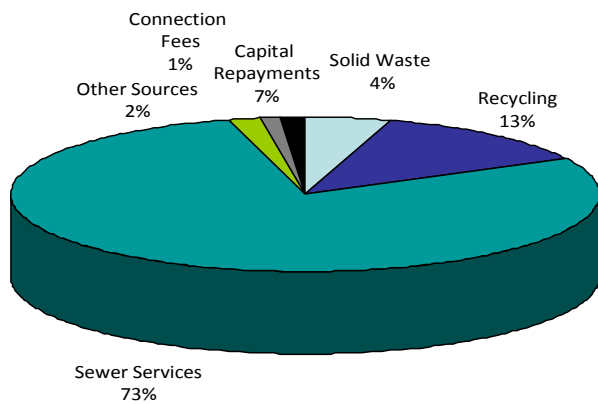
Revenue Sources

The District derives its revenues from the following sources:

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Revenues				
Sewer Services	\$15,379,335	\$15,846,200	\$17,246,650	\$18,231,950
Solid Waste	937,750	927,000	1,025,000	1,050,000
Recycling	2,736,982	2,716,000	2,729,000	2,729,000
Other Sources (Non-Operating Revenues)	734,917	391,000	395,500	399,500
Total Revenues	\$19,788,984	\$19,880,200	\$21,396,150	\$22,410,450
Other Contributions, Repayments & Grants				
Connection Fees	\$298,612	\$120,000	\$200,000	\$200,000
Capital Repayments (from Castro Valley Sanitary District)	1,185,986	1,022,750	322,550	133,750
Capital Grants	1,202,580	-	-	-
Total Contributions, Repayments & Grants	\$2,687,178	\$1,142,750	\$522,550	\$333,750
Total Revenues, Contributions, Repayments & Grants	\$22,476,162	\$21,022,950	\$21,918,700	\$22,744,200

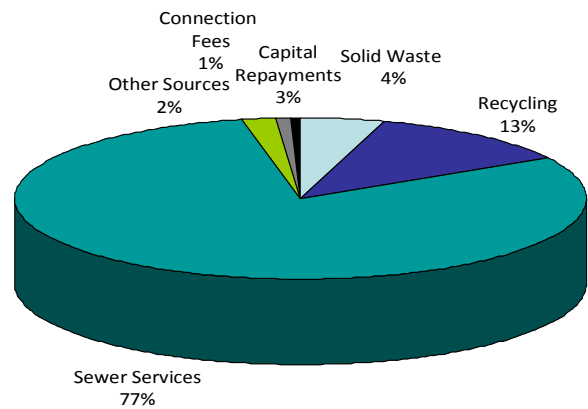
Revenues, Contributions, Repayments & Grants

FY 2017-18



\$21,918,700

FY 2018-19



\$22,744,200

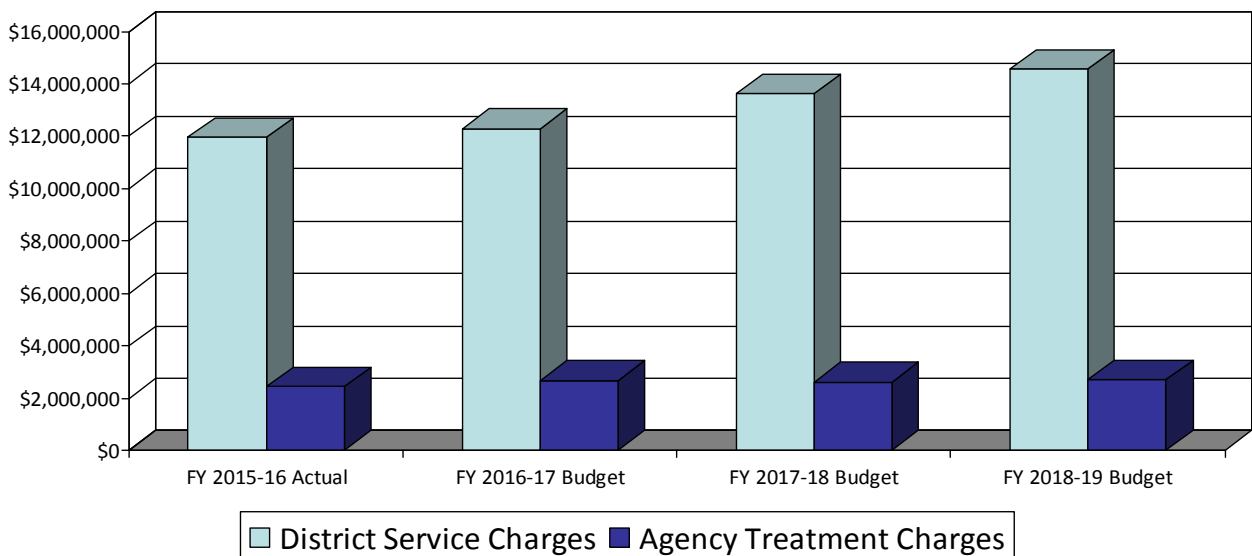
Revenue Trends

Sewer Service Revenues

District Service Charges include Board-approved sewer rate increases of 7.5% per year, beginning FY 2015-16. The annual single family residence sewer rate is \$238 for FY 2017-18, and \$256 for FY 2018-19. Agency Treatment Charges fluctuate from year to year, and are heavily dependent on Renewal & Replacement projects being planned for each year, as Castro Valley Sanitary District shares approximately 25% of treatment plant project costs. On the other hand, Agency Treatment Charges from the Cities of Hayward and San Leandro have grown at a steady pace as a result of annual rate increases of approximately 3% within those jurisdictions. The District provides treatment services for these communities and receives 90% of the revenues charged by the City of Hayward and 75% charged by the City of San Leandro. The budget for Sanitary Truck Waste Charges is set to reflect actual growth. Other sewer service revenues are expected to be stable.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
District Service Charges	\$11,949,883	\$12,290,800	\$13,625,300	\$14,548,400
Agency Treatment Charges	2,430,769	2,672,400	2,625,350	2,687,550
Permits & Inspection Fees	162,898	113,000	128,000	128,000
Sanitary Truck Waste Charges	90,621	50,000	90,000	90,000
Grease Receiving Charges	158,967	120,000	128,000	128,000
Overhead Recovery	586,197	600,000	650,000	650,000
Total Revenues - Sewer Services	\$15,379,335	\$15,846,200	\$17,246,650	\$18,231,950
Change in Budget from Prior Year			8.8%	5.7%

Major Sewer Service Revenue Sources

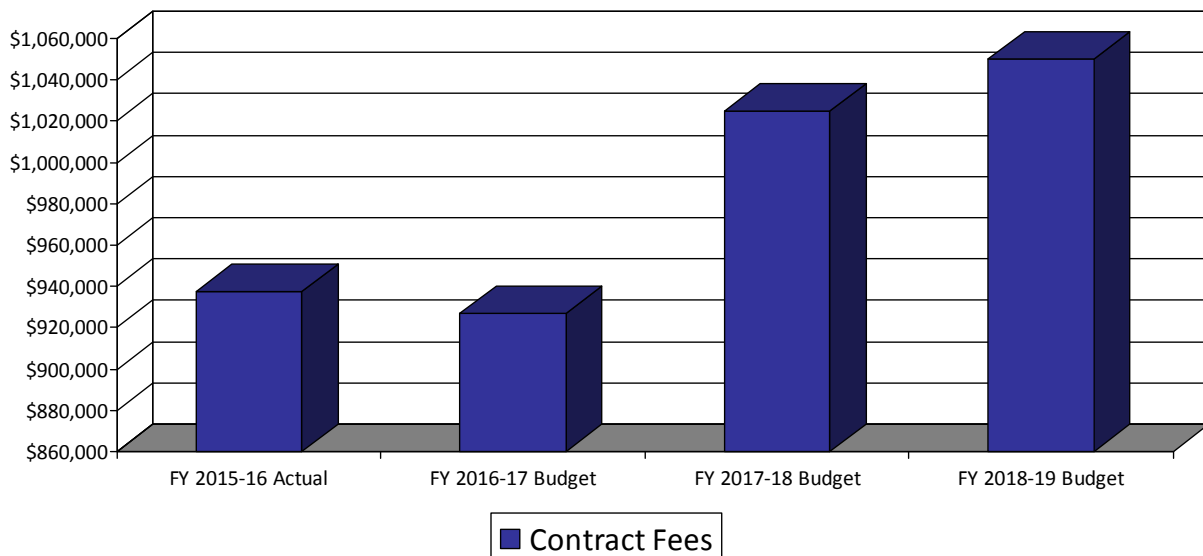


Solid Waste Revenues

The District contracts with Waste Management of Alameda County (WMAC) to provide garbage services to its customers, and receives 6% franchise fees on WMAC's garbage revenues. Customers residing in the unincorporated areas of Alameda County and Hayward pay \$17.04 per month for weekly 35-gallon cart collection service. Customers within the San Leandro city limit pay \$19.76 per month. Other service levels (20-gallon, 64-gallon and 96-gallon) are also offered at various rates. Each September, garbage rates charged by WMAC to District customers are adjusted based on a combination of changes in the CPI and the union's labor costs. In past years, rate increases have ranged between 2.5 to 3.5%. It is noteworthy that the projected actual revenue for FY 2016-17 is \$1 million, which significantly exceeds the budget of \$927,000 due to a higher level of services provided. The FY 2017-18 budget reflects a 2.5% growth based on FY 2016-17's projected actual rather than the amount budgeted.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Solid Waste Contract Fees	\$937,750	\$927,000	\$1,025,000	\$1,050,000
Total Revenues - Solid Waste	\$937,750	\$927,000	\$1,025,000	\$1,050,000
Change in Budget from Prior Year			10.6%	2.4%

Solid Waste Revenues



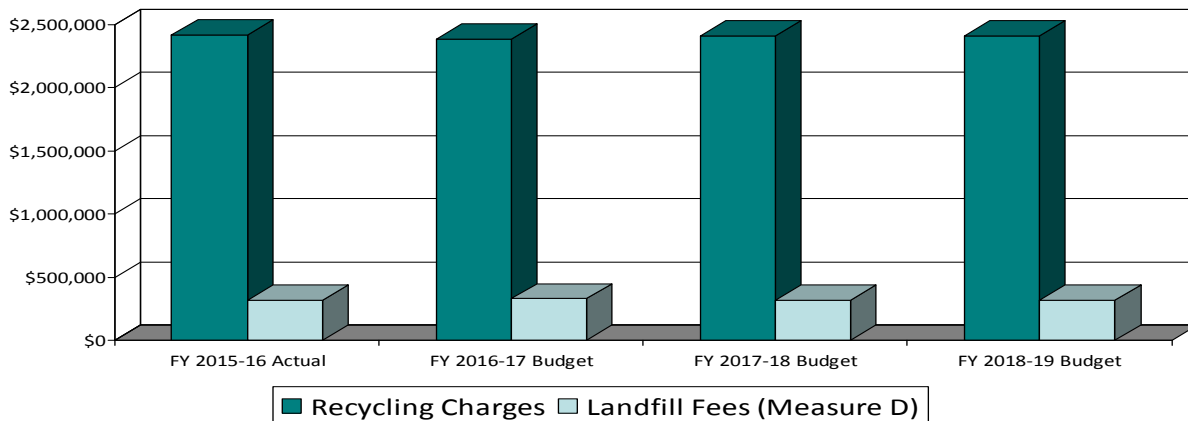
Revenue Trends

Recycling Revenues

Recycling services are provided to District customers through Waste Management of Alameda County (WMAC). The service agreement, effective through August 2024, provides for zero increases in residential and green waste recycling throughout the contract term (\$4.60/month). Commercial and industrial recycling customers are billed directly by WMAC, and the District receives a franchise fee of \$1.10 per cubic yard. In recent years, the volume in commercial and industrial recycling has grown significantly as a result of public outreach efforts by the District and WMAC on waste reduction. Landfill fees (Measure D), proceeds of a grant from Alameda County Waste Management Authority based on diversion from landfills, have remained stable and are expected to stay at the current level.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Recycling Charges	\$2,417,263	\$2,386,000	\$2,409,000	\$2,409,000
Landfill Fees (Measure D)	319,719	330,000	320,000	320,000
Total Revenues - Recycling	\$2,736,982	\$2,716,000	\$2,729,000	\$2,729,000
Change in Budget from Prior Year			0.5%	0.0%

Recycling Revenues



Other Revenue Sources (Non-Operating Revenues)

Investment Income for FY 2017-18 is budgeted to reflect actual market experience, and is maintained at the same level for FY 2018-19 as a result of reduced cash levels offset by increasing yields. Other revenues will remain relatively stable.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Investment Income	\$128,479	\$102,000	\$121,000	\$121,000
Rents & Leases	79,956	81,000	92,500	96,500
Penalties & Miscellaneous Revenues	343,888	118,000	92,000	92,000
EBDA LAVWMA Refunds	79,371	80,000	80,000	80,000
Other Gains, Losses & Recovery	103,223	10,000	10,000	10,000
Total Revenues - Other Sources	\$734,917	\$391,000	\$395,500	\$399,500
Change in Budget from Prior Year			1.2%	1.0%

Expenditures

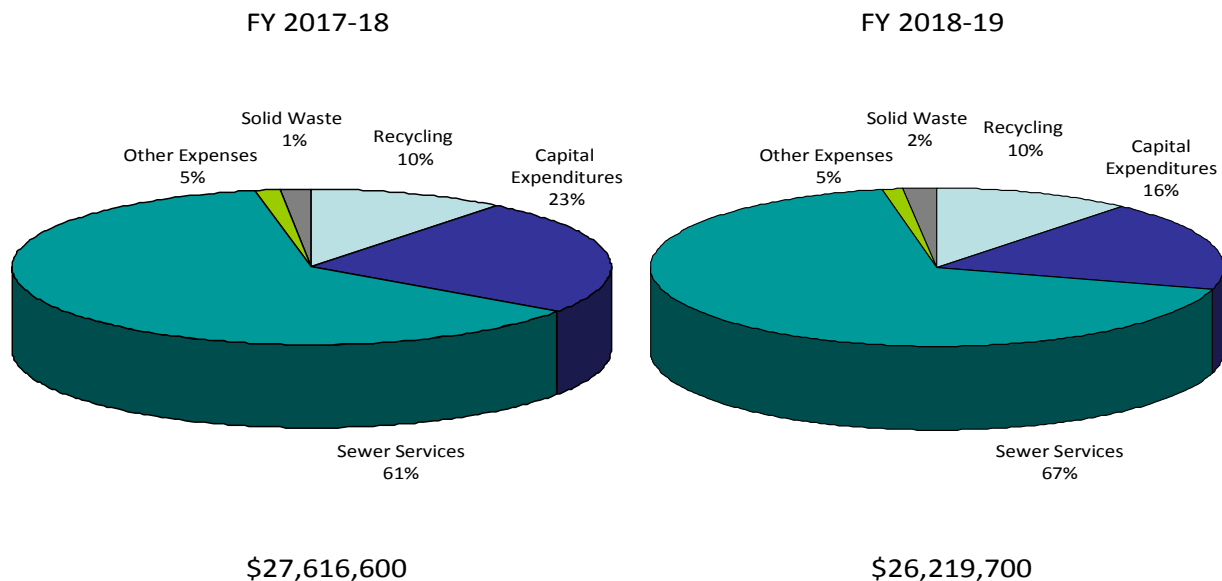
Expenditures are funds spent in the course of operating the District and providing services to rate payers, and are distributed among the operating budget and the Capital Improvement Program (CIP). Expenses within the operating budget include costs of operating and maintaining the sewer service system (O&M), solid waste, and recycling, as well as costs incurred in the Renewal & Replacement (R&R) program. The R&R program accounts for repairs of infrastructure, equipment, and other recurring maintenance. These expenses are reported on the income statement.

In FY 2015-16, the District maintained its actual expenses at 86% of the operating budget. R&R expenses were also below budget (72% spent). The combined result was a \$3 million favorable variance from the budgeted \$22.3 million in expenses. In non-operating expenses, the District has paid a total of \$2 million towards its unfunded pension liability in FY 2015-16 and FY 2016-17, but has planned not to further fund the liability for the next 2 years.

Capital expenditures are defined as procurement or construction of capital assets that exceeds \$10,000 with a useful life of more than 1 year. The acquisition value of a capital item is reported on the balance sheet as fixed asset, with depreciation to be expensed evenly throughout the asset's useful life. Detailed descriptions of capital projects for planned the next 2 years can be found in the Long-Range Plan & Capital Budget section.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Expenses within the Operating Budget				
Operating Expenses: Sewer Services	\$15,734,106	\$18,456,600	\$17,245,100	\$17,636,200
Solid Waste	306,213	414,700	466,100	479,100
Recycling	2,574,922	2,765,700	2,892,200	2,906,200
Non-Operating Expenses	1,515	1,393,200	353,200	353,200
Total Expenses within the Operating Budget	\$18,616,756	\$23,030,200	\$20,956,600	\$21,374,700
Capital Expenditures				
Sewer Services	\$5,989,374	\$7,974,700	\$6,660,000	\$4,845,000
Total Capital Expenditures	\$5,989,374	\$7,974,700	\$6,660,000	\$4,845,000
Total Expenditures	\$24,606,130	\$31,004,900	\$27,616,600	\$26,219,700

Operating Expenses and Capital Expenditures



Expense Trends

Sewer Service Expenses

Sewer service expenses within the operating budget include costs of operating and maintaining the sewer service system (O&M), and costs incurred in the Renewal & Replacement (R&R) program based on the strategic plan. To increase public awareness of the sewer services provided by the District, the Board has approved new funding of \$60,000 per year for public outreach.

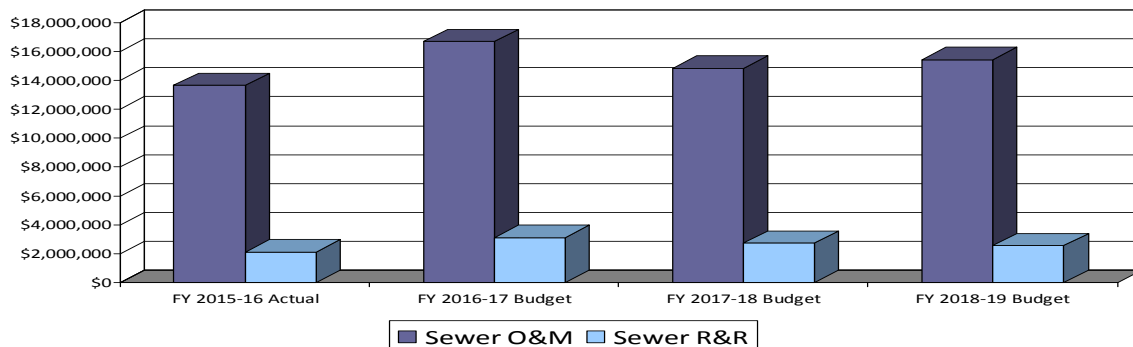
From March 2015 to July 2016, the District has paid a total of \$8.35 million towards its unfunded pension liability, thereby reducing its pension contributions by at least \$600,000 per year. Due to other goals in the current strategic plan that require liquidity, the District has decided not to further fund the liability for the next 2 years.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Sewer Services O&M				
Sewage Collections	\$1,400,964	\$1,732,800	\$1,723,400	\$1,765,400
Sewage Operations	3,225,555	4,228,600	4,271,200	4,398,500
Sewage Maintenance	2,020,181	2,317,500	2,451,300	2,540,000
Engineering	682,832	888,300	873,700	898,900
Administration	1,239,813	1,758,700	1,672,800	1,877,700
Sewage Disposal - EBDA	660,226	674,700	715,200	758,200
Depreciation	3,351,201	3,650,000	2,700,000	2,750,000
Decrease in EBDA Equity	165,735	100,000	100,000	100,000
Write-Offs of Uncollectible Accounts	-	10,000	10,000	10,000
Unfunded Pension Liability Catch-Up	see note	1,000,000	-	-
Contingency	-	300,000	300,000	300,000
Pension & OPEB Expenses	876,480	-	-	-
Expenses - Sewer Services O&M	\$13,622,987	\$16,660,600	\$14,817,600	\$15,398,700
Change in Budget from Prior Year			-11.1%	3.9%
Sewer Services R&R				
Collection System	\$1,237,027	\$1,445,000	\$1,600,000	\$1,520,000
Treatment Plant	736,154	1,505,000	940,000	825,000
Engineering, Administration & EBDA	137,938	156,000	197,500	202,500
Expenses - Sewer Services R&R	\$2,111,119	\$3,106,000	\$2,737,500	\$2,547,500
Change in Budget from Prior Year			-11.9%	-6.9%
Total Expenses - Sewer Services	\$15,734,106	\$19,766,600	\$17,555,100	\$17,946,200

Note: Write-offs, Unfunded Pension Liability Payment, and Contingency expenses are part of the Non-Operating Expenses line item on page 49.

In FY 2015-16, \$1 million was paid towards the unfunded pension liability. Due to the requirements of GASB Statement No. 68, the contribution was excluded from FY 2015-16's non-operating expenses in the audited financial statements, and was reclassified as a deferred outflow of resources.

Sewer Service Expenses



Expense Trends

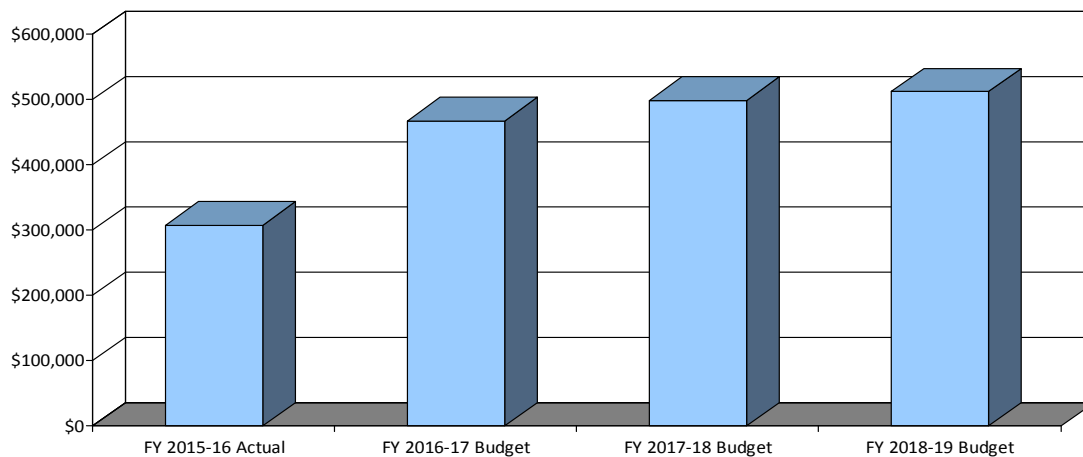
Solid Waste Expenses

Solid Waste expenses consist mainly of salaries and overhead to monitor the garbage service program. Staff periodically audits garbage routes and ensures that services provided by Waste Management of Alameda County (WMAC) continuously meet standards required by the contract. To increase public awareness of the solid waste services provided by the District, the Board has approved new funding of \$60,000 per year for public outreach.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Solid Waste	\$306,213	\$414,700	\$466,100	\$479,100
Write-Offs of Uncollectible Accounts	1,515	3,000	3,000	3,000
Contingency	-	50,000	30,000	30,000
Total Expenses - Solid Waste	\$307,728	\$467,700	\$499,100	\$512,100
Change in Budget from Prior Year			6.7%	2.6%

Note: Write-offs and Contingency expenses are part of the Non-Operating Expenses line item on page 49.

Solid Waste Expenses



Expense Trends

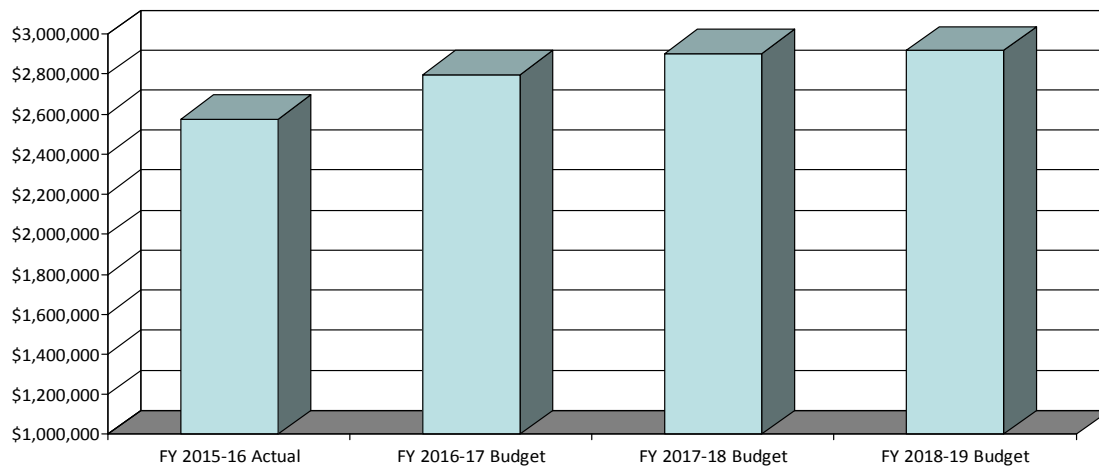
Recycling Expenses

Over 80% of recycling expenses is to pay for contracted services provided by Waste Management of Alameda County (WMAC). Due to zero rate increases stipulated by the agreement, on-going recycling expenses will remain relatively stable for the next 2 years and beyond, with slight adjustments for service invoices based on annual house count changes. To increase public awareness of recycling and to increase community involvement, the Board has approved new funding of \$120,000 per year for public outreach.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Recycling	\$2,574,922	\$2,765,700	\$2,892,200	\$2,906,200
Write-Offs of Uncollectible Accounts	-	200	200	200
Contingency	-	30,000	10,000	10,000
Total Expenses - Recycling	\$2,574,922	\$2,795,900	\$2,902,400	\$2,916,400
Change in Budget from Prior Year			3.8%	0.5%

Note: Write-offs and Contingency expenses are part of the Non-Operating Expenses line item on page 49.

Recycling Expenses



Changes in Net Position & Fund Equity

Net position¹ is classified into 3 categories: investment in capital assets, restricted net position, and unrestricted net position. The classification is based on availability or accessibility of the resource, rather than its origin.

Net position measures the overall financial condition of the District. Over time, trends in net position provide indications on the District's financial strength. Nevertheless, other non-financial factors such as economic or demographic changes, and new regulatory requirements also impact the District's financial condition.

The District's net position has been increasing at an average of 2.4% per year for the 10-year period from FY 2004-05 (\$79.5 million) to FY 2013-14 (\$98.3 million). It decreased by 7.5%, to \$90.9 million in FY 2014-15, primarily due to the first-time inclusion of a \$8.2 million Net Pension Liability, as required by GASB Statement No. 68. As a result of the \$6.35 million funding in 2015 towards the unfunded pension liability, Net Pension Liability was significantly reduced, and accounted partly for the 3.2% increase in the Total Net Position for FY 2015-16 (\$93.8 million). The Net Position is expected to be stable for the next 2 years. Growth in revenues derived from the 7.5% annual sewer rate increases, combined with the suspension of additional payments towards the unfunded pension liability, will offset the increasing costs of operating the District and maintaining its infrastructure.

The District does not have any restricted portion in its net position. Its net position consists only of net investment in capital assets and unrestricted net position. The fund equity presented below represents the unrestricted portion of net position.

	FY 2015-16 Actual	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
Net Investment in Capital Assets	\$70,176,762	\$73,801,780	\$77,439,230	\$79,400,480
Unrestricted Net Position (Fund Equity)				
Investment in EBDA	\$6,331,498	\$6,277,343	\$6,177,343	\$6,077,343
Designated Reserves Set Aside by Board	8,902,500	9,451,500	9,451,500	9,451,500
Unreserved Net Position (Fund Equity)	8,366,704	4,589,441	1,691,541	1,066,041
Unrestricted Net Position (Fund Equity)	\$23,600,702	\$20,318,284	\$17,320,384	\$16,594,884
Total Net Position*	\$93,777,464	\$94,120,064	\$94,759,614	\$95,995,364
Projected Change from Prior Year		0.4%	0.7%	1.3%

* The Total Net Position for FY 2016-17 is projected based on an 85% experienced spending of the operating budget, and is carried forward through FY 2018-19. For this reason, the amounts of Total Net Position shown in this table differ from those shown on page 44, which are based on budgeted (not projected) expenditures.

¹ Net position is the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources.

Wet Weather Equalization/Ecotone Demonstration Project

The Wet Weather Equalization/Ecotone Demonstration project was undertaken in response to nutrient issues in the San Francisco Bay and rising sea levels. Part of the project involved building an ecotone slope, otherwise known as a horizontal levee, to emulate a natural upland. Widespread use of the horizontal levee will provide multiple benefits including improved water quality, increased habitat, and flood protection from rising seas. The project also included the construction of an 8-million gallon equalization basin to store peak flows, and a nitrification facility for nutrient treatment.



Horizontal Levee



Equalization Basin



Nitrification Facility

Operating Budget

Total Operating Budget by Service Type

Total Budgeted Revenues & Expenses FY 2017-18

	Sewer				Solid Waste	Recycling	Total
	O&M	R&R	CIP*	Total			
Operating Revenues							
District Service Charges	\$ 9,725,300	\$ 4,000,000	\$ -	\$ 13,725,300	\$ -	\$ -	\$ 13,725,300
Refunds - District Service Charges	(100,000)	-	-	(100,000)	-	-	(100,000)
Agency Treatment Charges	2,372,000	253,350	-	2,625,350	-	-	2,625,350
Permits & Inspection Fees	128,000	-	-	128,000	-	-	128,000
Sanitary Truck Waste Charges	90,000	-	-	90,000	-	-	90,000
Grease Receiving Charges	128,000	-	-	128,000	-	-	128,000
Solid Waste Contract Fees	-	-	-	-	1,025,000	-	1,025,000
Recycling Charges	-	-	-	-	-	2,409,000	2,409,000
Landfill Fees - Measure D	-	-	-	-	-	320,000	320,000
Overhead Recovery	650,000	-	-	650,000	-	-	650,000
Total Operating Revenues	\$ 12,993,300	\$ 4,253,350	\$ -	\$ 17,246,650	\$ 1,025,000	\$ 2,729,000	\$ 21,000,650
Non-Operating Revenues							
Investment Income	\$ 30,000	\$ 40,000	\$ 40,000	\$ 110,000	\$ 7,000	\$ 4,000	\$ 121,000
Rents & Leases	92,500	-	-	92,500	-	-	92,500
Recovery of Uncollectible Accounts	-	-	-	-	10,000	-	10,000
Penalties & Miscellaneous Revenues	80,000	-	-	80,000	-	12,000	92,000
EBDA / LAVWMA Agreement Refund	-	-	80,000	80,000	-	-	80,000
Total Non-Operating Revenues	\$ 202,500	\$ 40,000	\$ 120,000	\$ 362,500	\$ 17,000	\$ 16,000	\$ 395,500
Total Revenues	\$ 13,195,800	\$ 4,293,350	\$ 120,000	\$ 17,609,150	\$ 1,042,000	\$ 2,745,000	\$ 21,396,150
Operating Expenses							
Sewage Collections	\$ 1,723,400	\$ 1,600,000	\$ -	\$ 3,323,400	\$ -	\$ -	\$ 3,323,400
Sewage Treatment Operations	4,271,200	500,000	-	4,771,200	-	-	4,771,200
Sewage Treatment Maintenance	2,451,300	440,000	-	2,891,300	-	-	2,891,300
Engineering	873,700	10,000	-	883,700	-	-	883,700
Administration	1,672,800	62,500	-	1,735,300	-	-	1,735,300
Sewage Disposal - EBDA	715,200	125,000	-	840,200	-	-	840,200
Depreciation	2,700,000	-	-	2,700,000	-	-	2,700,000
Decrease in Carrying Value of EBDA	100,000	-	-	100,000	-	-	100,000
Solid Waste	-	-	-	-	466,100	-	466,100
Recycling	-	-	-	-	-	2,892,200	2,892,200
Total Operating Expenses	\$ 14,507,600	\$ 2,737,500	\$ -	\$ 17,245,100	\$ 466,100	\$ 2,892,200	\$ 20,603,400
Non-Operating Expenses							
Write-Offs of Uncollectible Accounts	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 3,000	\$ 200	\$ 13,200
Unfunded Pension Liability Catch-Up	-	-	-	-	-	-	-
Contingency	300,000	-	-	300,000	30,000	10,000	340,000
Total Non-Operating Expenses	\$ 310,000	\$ -	\$ -	\$ 310,000	\$ 33,000	\$ 10,200	\$ 353,200
Total Expenses	\$ 14,817,600	\$ 2,737,500	\$ -	\$ 17,555,100	\$ 499,100	\$ 2,902,400	\$ 20,956,600
Income Before Contributions	\$ (1,621,800)	\$ 1,555,850	\$ 120,000	\$ 54,050	\$ 542,900	\$ (157,400)	\$ 439,550
Connection Fees	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 200,000
Change in Net Position	\$ (1,621,800)	\$ 1,555,850	\$ 320,000	\$ 254,050	\$ 542,900	\$ (157,400)	\$ 639,550

* Amounts shown in this column represent revenues within the operating budget assigned to Capital Improvement Program (CIP).

Total Operating Budget by Service Type

Total Budgeted Revenues & Expenses FY 2018-19

	Sewer				Solid Waste	Recycling	Total
	O&M	R&R	CIP*	Total			
Operating Revenues							
District Service Charges	\$ 10,148,400	\$ 4,500,000	\$ -	\$ 14,648,400	\$ -	\$ -	\$ 14,648,400
Refunds - District Service Charges	(100,000)	-	-	(100,000)	-	-	(100,000)
Agency Treatment Charges	2,462,000	225,550	-	2,687,550	-	-	2,687,550
Permits & Inspection Fees	128,000	-	-	128,000	-	-	128,000
Sanitary Truck Waste Charges	90,000	-	-	90,000	-	-	90,000
Grease Receiving Charges	128,000	-	-	128,000	-	-	128,000
Solid Waste Contract Fees	-	-	-	-	1,050,000	-	1,050,000
Recycling Charges	-	-	-	-	-	2,409,000	2,409,000
Landfill Fees - Measure D	-	-	-	-	-	320,000	320,000
Overhead Recovery	650,000	-	-	650,000	-	-	650,000
Total Operating Revenues	\$ 13,506,400	\$ 4,725,550	\$ -	\$ 18,231,950	\$ 1,050,000	\$ 2,729,000	\$ 22,010,950
Non-Operating Revenues							
Investment Income	\$ 30,000	\$ 40,000	\$ 40,000	\$ 110,000	\$ 7,000	\$ 4,000	\$ 121,000
Rents & Leases	96,500	-	-	96,500	-	-	96,500
Recovery of Uncollectible Accounts	-	-	-	-	10,000	-	10,000
Penalties & Miscellaneous Revenues	80,000	-	-	80,000	-	12,000	92,000
EBDA / LAVWMA Agreement Refund	-	-	80,000	80,000	-	-	80,000
Total Non-Operating Revenues	\$ 206,500	\$ 40,000	\$ 120,000	\$ 366,500	\$ 17,000	\$ 16,000	\$ 399,500
Total Revenues	\$ 13,712,900	\$ 4,765,550	\$ 120,000	\$ 18,598,450	\$ 1,067,000	\$ 2,745,000	\$ 22,410,450
Operating Expenses							
Sewage Collections	\$ 1,765,400	\$ 1,520,000	\$ -	\$ 3,285,400	\$ -	\$ -	\$ 3,285,400
Sewage Treatment Operations	4,398,500	630,000	-	5,028,500	-	-	5,028,500
Sewage Treatment Maintenance	2,540,000	195,000	-	2,735,000	-	-	2,735,000
Engineering	898,900	10,000	-	908,900	-	-	908,900
Administration	1,877,700	67,500	-	1,945,200	-	-	1,945,200
Sewage Disposal - EBDA	758,200	125,000	-	883,200	-	-	883,200
Depreciation	2,750,000	-	-	2,750,000	-	-	2,750,000
Decrease in Carrying Value of EBDA	100,000	-	-	100,000	-	-	100,000
Solid Waste	-	-	-	-	479,100	-	479,100
Recycling	-	-	-	-	-	2,906,200	2,906,200
Total Operating Expenses	\$ 15,088,700	\$ 2,547,500	\$ -	\$ 17,636,200	\$ 479,100	\$ 2,906,200	\$ 21,021,500
Non-Operating Expenses							
Write-Offs of Uncollectible Accounts	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 3,000	\$ 200	\$ 13,200
Unfunded Pension Liability Catch-Up	-	-	-	-	-	-	-
Contingency	300,000	-	-	300,000	30,000	10,000	340,000
Total Non-Operating Expenses	\$ 310,000	\$ -	\$ -	\$ 310,000	\$ 33,000	\$ 10,200	\$ 353,200
Total Expenses	\$ 15,398,700	\$ 2,547,500	\$ -	\$ 17,946,200	\$ 512,100	\$ 2,916,400	\$ 21,374,700
Income Before Contributions	\$ (1,685,800)	\$ 2,218,050	\$ 120,000	\$ 652,250	\$ 554,900	\$ (171,400)	\$ 1,035,750
Connection Fees	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 200,000
Change in Net Position	\$ (1,685,800)	\$ 2,218,050	\$ 320,000	\$ 852,250	\$ 554,900	\$ (171,400)	\$ 1,235,750

* Amounts shown in this column represent revenues within the operating budget assigned to Capital Improvement Program (CIP).

Operating Budget: Sewer Services O&M

Sewer Services Operations & Maintenance (O&M) Budgeted Revenues & Expenses

	2016-17 Adopted Budget	2017-18 Adopted Budget	Budget Change Over Prior Year		2018-19 Adopted Budget	Budget Change Over Prior Year	
Operating Revenues							
District Service Charges	\$ 8,790,800	\$ 9,725,300	\$ 934,500	11%	\$ 10,148,400	\$ 423,100	4%
Refunds - District Service Charges	(100,000)	(100,000)	-	0%	(100,000)	-	0%
Agency Treatment Charges	2,289,000	2,372,000	83,000	4%	2,462,000	90,000	4%
Permits & Inspection Fees	113,000	128,000	15,000	13%	128,000	-	0%
Sanitary Truck Waste Charges	50,000	90,000	40,000	80%	90,000	-	0%
Grease Receiving Charges	120,000	128,000	8,000	7%	128,000	-	0%
Overhead Recovery	600,000	650,000	50,000	8%	650,000	-	0%
Total Operating Revenues	\$ 11,862,800	\$ 12,993,300	\$ 1,130,500	10%	\$ 13,506,400	\$ 513,100	4%
Non-Operating Revenues							
Investment Income	\$ 13,000	\$ 30,000	\$ 17,000	131%	\$ 30,000	\$ -	0%
Rents & Leases	81,000	92,500	11,500	14%	96,500	4,000	4%
Penalties & Miscellaneous Revenues	100,000	80,000	(20,000)	-20%	80,000	-	0%
Total Non-Operating Revenues	\$ 194,000	\$ 202,500	\$ 8,500	4%	\$ 206,500	4,000	2%
Total Sewer O&M Revenues	\$ 12,056,800	\$ 13,195,800	\$ 1,139,000	9%	\$ 13,712,900	\$ 517,100	4%
Operating Expenses							
Sewage Collections	\$ 1,732,800	\$ 1,723,400	\$ (9,400)	-1%	\$ 1,765,400	\$ 42,001	2%
Sewage Treatment Operations	4,228,600	4,271,200	42,600	1%	4,398,500	127,300	3%
Sewage Treatment Maintenance	2,317,500	2,451,300	133,800	6%	2,540,000	88,699	4%
Engineering	888,300	873,700	(14,600)	-2%	898,900	25,200	3%
Administration	1,758,700	1,672,800	(85,900)	-5%	1,877,700	204,899	12%
Sewage Disposal - EBDA	674,700	715,200	40,500	6%	758,200	43,000	6%
Depreciation	3,650,000	2,700,000	(950,000)	-26%	2,750,000	50,000	2%
Decrease in Carrying Value of EBDA	100,000	100,000	-	0%	100,000	-	0%
Total Operating Expenses	\$ 15,350,600	\$ 14,507,600	\$ (843,000)	-5%	\$ 15,088,700	\$ 581,100	4%
Non-Operating Expenses							
Write-Offs of Uncollectible Accounts	\$ 10,000	\$ 10,000	\$ -	0%	\$ 10,000	\$ -	0%
Unfunded Pension Liability Catch-Up	1,000,000	-	(1,000,000)	-100%	-	-	0%
Contingency	300,000	300,000	-	0%	300,000	-	0%
Total Non-Operating Expenses	\$ 1,310,000	\$ 310,000	\$ (1,000,000)	-76%	\$ 310,000	\$ -	0%
Total Sewer O&M Expenses	\$ 16,660,600	\$ 14,817,600	\$ (1,843,000)	-11%	\$ 15,398,700	\$ 581,100	4%
Sewer O&M Revenues Over Expenses	\$ (4,603,800)	\$ (1,621,800)	\$ 2,982,000	65%	\$ (1,685,800)	\$ (64,000)	-4%

Operating Budget: Sewer Services O&M

Sewer Services Operations & Maintenance (O&M) Budgeted Expenses by Account

	FY 2016-17 Adopted Budget	FY 2017-18 Adopted Budget	Budget Change Over Prior Year		FY 2018-19 Adopted Budget	Budget Change Over Prior Year	
Salaries	\$ 4,120,600	\$ 4,266,500	\$ 145,900	4%	\$ 4,397,200	\$ 130,700	3%
Salaries - Overtime	64,800	44,500	(20,300)	-31%	44,500	-	0%
Salaries - Shift Differerential	52,600	59,400	6,800	13%	59,400	-	0%
Salaries - Standby/Emergency Response	28,500	35,200	6,700	24%	35,200	-	0%
Directors' Fees	86,500	84,800	(1,700)	-2%	84,800	-	0%
Employee Benefits	2,298,600	2,441,500	142,900	6%	2,615,500	174,000	7%
Directors' Benefits	128,800	100,000	(28,800)	-22%	104,000	4,000	4%
Election Expenses	130,000	-	(130,000)	-100%	150,000	150,000	100%
Gas & Oil	103,400	88,600	(14,800)	-14%	89,600	1,000	1%
Insurance & Risk Management	562,800	507,800	(55,000)	-10%	522,400	14,600	3%
Office Expenses	53,100	51,800	(1,300)	-2%	49,800	(2,000)	-4%
Bank Fees	2,400	2,400	-	0%	2,400	-	0%
Operating Supplies	565,500	544,700	(20,800)	-4%	547,200	2,500	0%
Odor Control Supplies	20,600	20,000	(600)	-3%	18,000	(2,000)	-10%
Belt Press Supplies	128,000	125,000	(3,000)	-2%	125,000	-	0%
Safety Supplies	32,900	30,800	(2,100)	-6%	30,800	-	0%
Lift Station Supplies	15,000	10,000	(5,000)	-33%	10,300	300	3%
Contractual Services	439,200	427,000	(12,200)	-3%	447,000	20,000	5%
Contractual Services - Dept. Support	149,500	144,000	(5,500)	-4%	124,000	(20,000)	-14%
Contractual Services - Sludge	410,000	400,000	(10,000)	-2%	400,000	-	0%
Contractual Services - Pretreatment	5,200	5,000	(200)	-4%	5,000	-	0%
Contractual Services - Alameda Co.	92,700	90,000	(2,700)	-3%	90,000	-	0%
Contractual Services - SCADA	-	30,000	30,000	100%	40,000	10,000	33%
Professional Services	196,200	201,000	4,800	2%	201,000	-	0%
Memberships & Publications	64,700	63,100	(1,600)	-2%	63,100	-	0%
Newsletter & Public Outreach	15,500	105,000	89,500	577%	105,000	-	0%
Rents & Leases	23,400	23,300	(100)	0%	23,300	-	0%
Repairs & Maintenance	326,900	326,500	(400)	-0.1%	326,500	-	0%
Repairs & Maintenance - Waukeshas	120,000	120,000	-	0%	120,000	-	0%
Repairs & Maintenance - Lift Stations	30,900	50,000	19,100	62%	50,000	-	0%
Research & Monitoring	105,000	101,000	(4,000)	-4%	101,000	-	0%
Travel, Meetings & Training	87,600	88,000	400	0.5%	88,000	-	0%
Travel, Meetings - Directors	20,600	25,000	4,400	21%	25,000	-	0%
Recognition Program	35,300	34,300	(1,000)	-3%	35,400	1,100	3%
Utilities	249,400	199,500	(49,900)	-20%	201,600	2,100	1%
Utilities - Lift Stations	56,700	56,700	-	0%	58,500	1,800	3%
Utilities - Solar Power	103,000	90,000	(13,000)	-13%	90,000	-	0%
Write-Off of Uncollectible Accounts	10,000	10,000	-	0%	10,000	-	0%
Sewage Disposal - EBDA	650,000	689,000	39,000	6%	730,400	41,400	6%
Expenses Chargeable to EBDA	24,700	26,200	1,500	6%	27,800	1,600	6%
Depreciation	3,650,000	2,700,000	(950,000)	-26%	2,750,000	50,000	2%
Decrease in Carrying Value of EBDA	100,000	100,000	-	0%	100,000	-	0%
Unfunded Pension Liability Catch-Up	1,000,000	-	(1,000,000)	-100%	-	-	0%
Contingency	300,000	300,000	-	0%	300,000	-	0%
Total Sewer O&M Expenses	\$ 16,660,600	\$ 14,817,600	\$ (1,843,000)	-11%	\$ 15,398,700	\$ 581,100	4%

Note: The Newsletter & Public Outreach budget (\$105,000) consists of \$25,000 for consulting services by The Placemaking Group, and, 25% share of the costs of: the newsletter (\$20,000), action items in the Communications Plan (\$25,000), and proposed staffing for the outreach program (\$35,000). The total costs of the last 3 items are distributed among Sewer Service (25%), Solid Waste (25%) and Recycling (50%).

Operating Budget: Sewer Services O&M

Sewer Services Operations & Maintenance (O&M) Budgeted Expenses by Department FY 2017-18

	Collections	Operations	Maintenance	Engineering	Administration	Non- Departmental	Total
Salaries	\$ 763,500	\$ 1,646,400	\$ 1,055,000	\$ 358,500	\$ 443,100	\$ -	\$ 4,266,500
Salaries - Overtime	16,000	12,500	10,000	4,000	2,000	-	44,500
Salaries - Shift Differential	24,000	32,000	300	3,100	-	-	59,400
Salaries - Standby/Emergency Response	31,200	-	4,000	-	-	-	35,200
Directors' Fees	-	-	-	-	84,800	-	84,800
Employee Benefits	392,400	806,600	501,400	314,300	426,800	-	2,441,500
Directors' Benefits	-	-	-	-	100,000	-	100,000
Election Expenses	-	-	-	-	-	-	-
Gas & Oil	50,000	20,000	15,000	3,000	600	-	88,600
Insurance & Risk Management	158,100	187,400	98,300	28,900	35,100	-	507,800
Office Expenses	3,600	10,000	5,000	7,200	26,000	-	51,800
Bank Fees	-	-	-	-	2,400	-	2,400
Operating Supplies	50,000	450,000	41,000	3,700	-	-	544,700
Odor Control Supplies	-	20,000	-	-	-	-	20,000
Belt Press Supplies	-	125,000	-	-	-	-	125,000
Safety Supplies	8,300	10,000	10,000	1,500	1,000	-	30,800
Lift Station Supplies	10,000	-	-	-	-	-	10,000
Contractual Services	40,000	105,000	170,000	40,000	72,000	-	427,000
Contractual Services - Dept. Support	-	40,000	40,000	64,000	-	-	144,000
Contractual Services - Sludge	-	400,000	-	-	-	-	400,000
Contractual Services - Pretreatment	-	5,000	-	-	-	-	5,000
Contractual Services - Alameda Co.	-	-	-	-	90,000	-	90,000
Contractual Services - SCADA	-	-	30,000	-	-	-	30,000
Professional Services	4,000	20,000	15,000	12,000	150,000	-	201,000
Memberships & Publications	2,600	11,500	4,000	5,000	40,000	-	63,100
Newsletter & Public Outreach	-	-	-	-	105,000	-	105,000
Rents & Leases	-	15,000	5,300	-	3,000	-	23,300
Repairs & Maintenance	20,000	5,000	292,500	5,000	4,000	-	326,500
Repairs & Maintenance - Waukeshas	-	-	120,000	-	-	-	120,000
Repairs & Maintenance - Lift Stations	50,000	-	-	-	-	-	50,000
Research & Monitoring	-	100,000	1,000	-	-	-	101,000
Travel, Meetings & Training	15,000	24,000	20,000	7,000	22,000	-	88,000
Travel, Meetings - Directors	-	-	-	-	25,000	-	25,000
Recognition Program	3,000	5,800	3,500	2,000	20,000	-	34,300
Utilities	25,000	130,000	10,000	14,500	20,000	-	199,500
Utilities - Lift Stations	56,700	-	-	-	-	-	56,700
Utilities - Solar Power	-	90,000	-	-	-	-	90,000
Write-Offs of Uncollectible Accounts	-	-	-	-	-	10,000	10,000
Sewage Disposal - EBDA	-	-	-	-	-	689,000	689,000
Expenses Chargeable to EBDA	-	-	-	-	-	26,200	26,200
Depreciation	-	-	-	-	-	2,700,000	2,700,000
Decrease in Carrying Value of EBDA	-	-	-	-	-	100,000	100,000
Unfunded Pension Liability Catch-Up	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	300,000	300,000
Total Sewer O&M Expenses	\$ 1,723,400	\$ 4,271,200	\$ 2,451,300	\$ 873,700	\$ 1,672,800	\$ 3,825,200	\$ 14,817,600

Note: The Newsletter & Public Outreach budget (\$105,000) consists of \$25,000 for consulting services by The Placemaking Group, and, 25% share of the costs of: the newsletter (\$20,000), action items in the Communications Plan (\$25,000), and proposed staffing for the outreach program (\$35,000). The total costs of the last 3 items are distributed among Sewer Service (25%), Solid Waste (25%) and Recycling (50%).

Operating Budget: Sewer Services O&M

Sewer Services Operations & Maintenance (O&M) Budgeted Expenses by Department FY 2018-19

	Collections	Operations	Maintenance	Engineering	Administration	Non- Departmental	Total
Salaries	\$ 783,900	\$ 1,695,200	\$ 1,089,000	\$ 369,200	\$ 459,900	\$ -	\$ 4,397,200
Salaries - Overtime	16,000	12,500	10,000	4,000	2,000	-	44,500
Salaries - Shift Differential	24,000	32,000	300	3,100	-	-	59,400
Salaries - Standby/Emergency Response	31,200	-	4,000	-	-	-	35,200
Directors' Fees	-	-	-	-	84,800	-	84,800
Employee Benefits	404,600	874,300	550,600	327,400	458,600	-	2,615,500
Directors' Benefits	-	-	-	-	104,000	-	104,000
Election Expenses	-	-	-	-	150,000	-	150,000
Gas & Oil	50,000	20,000	16,000	3,000	600	-	89,600
Insurance & Risk Management	162,600	192,700	101,200	29,700	36,200	-	522,400
Office Expenses	3,600	8,000	5,000	7,200	26,000	-	49,800
Bank Fees	-	-	-	-	2,400	-	2,400
Operating Supplies	51,500	450,000	42,000	3,700	-	-	547,200
Odor Control Supplies	-	18,000	-	-	-	-	18,000
Belt Press Supplies	-	125,000	-	-	-	-	125,000
Safety Supplies	8,300	10,000	10,000	1,500	1,000	-	30,800
Lift Station Supplies	10,300	-	-	-	-	-	10,300
Contractual Services	40,000	135,000	160,000	40,000	72,000	-	447,000
Contractual Services - Dept. Support	-	20,000	40,000	64,000	-	-	124,000
Contractual Services - Sludge	-	400,000	-	-	-	-	400,000
Contractual Services - Pretreatment	-	5,000	-	-	-	-	5,000
Contractual Services - Alameda Co.	-	-	-	-	90,000	-	90,000
Contractual Services - SCADA	-	-	40,000	-	-	-	40,000
Professional Services	4,000	20,000	15,000	12,000	150,000	-	201,000
Memberships & Publications	2,600	11,500	4,000	5,000	40,000	-	63,100
Newsletter & Public Outreach	-	-	-	-	105,000	-	105,000
Rents & Leases	-	15,000	5,300	-	3,000	-	23,300
Repairs & Maintenance	20,000	5,000	292,500	5,000	4,000	-	326,500
Repairs & Maintenance - Waukeshas	-	-	120,000	-	-	-	120,000
Repairs & Maintenance - Lift Stations	50,000	-	-	-	-	-	50,000
Research & Monitoring	-	100,000	1,000	-	-	-	101,000
Travel, Meetings & Training	15,000	24,000	20,000	7,000	22,000	-	88,000
Travel, Meetings - Directors	-	-	-	-	25,000	-	25,000
Recognition Program	3,600	5,300	3,800	2,100	20,600	-	35,400
Utilities	25,700	130,000	10,300	15,000	20,600	-	201,600
Utilities - Lift Stations	58,500	-	-	-	-	-	58,500
Utilities - Solar Power	-	90,000	-	-	-	-	90,000
Write-Offs of Uncollectible Accts	-	-	-	-	-	10,000	10,000
Sewage Disposal - EBDA	-	-	-	-	-	730,400	730,400
Expenses Chargeable to EBDA	-	-	-	-	-	27,800	27,800
Depreciation	-	-	-	-	-	2,750,000	2,750,000
Decrease in Carrying Value of EBDA	-	-	-	-	-	100,000	100,000
Unfunded Pension Liability Catch-Up	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	300,000	300,000
Total Sewer O&M Expenses	\$ 1,765,400	\$ 4,398,500	\$ 2,540,000	\$ 898,900	\$ 1,877,700	\$ 3,918,200	\$ 15,398,700

Note: The Newsletter & Public Outreach budget (\$105,000) consists of \$25,000 for consulting services by The Placemaking Group, and, 25% share of the costs of: the newsletter (\$20,000), action items in the Communications Plan (\$25,000), and proposed staffing for the outreach program (\$35,000). The total costs of the last 3 items are distributed among Sewer Service (25%), Solid Waste (25%) and Recycling (50%).

Operating Budget: Sewer Services R&R

Sewer Services Renewal & Replacement (R&R) Budgeted Revenues & Expenses

		2017-18 Adopted Budget	2018-19 Adopted Budget
	Revenues		
	District Service Charges	\$ 4,000,000	\$ 4,500,000
	Agency Treatment Charges - CVSD	253,350	225,550
	Investment Income	40,000	40,000
	Total R&R Revenues	\$ 4,293,350	\$ 4,765,550
Project #	Expenses		
	Collections		
104.00	Lift Stations - Asset Management	\$ 30,000	\$ 90,000
100.00	Lift Stations - General & Recurring Maintenance	80,000	80,000
141.00	Collection System Asset Repair / Maintenance ⁽²⁾	1,250,000	1,250,000
144.10	Collection System GIS Updates & Maintenance	25,000	25,000
144.00	Collection System Source Detection & Hydraulic Model Updates	150,000	10,000
151.10	Easement Clearing & Road Maintenance	50,000	50,000
900.91	Critical Renewal & Replacements - Collections	15,000	15,000
	Total Collections	\$ 1,600,000	\$ 1,520,000
	Treatment Plant		
328.00	Arc Flash Hazard Review	\$ 30,000	\$ -
204.00	Asset Management	10,000	10,000
266.00	CEPT System Rehabilitation	35,000	-
289.00	Concrete Assessment & Rehabilitation	100,000	-
281.02	Digester No. 3 Decommissioning	-	100,000
293.02	Ecotone Research & Monitoring	60,000	60,000
213.07	Effluent Local Limits Reporting & Testing	50,000	-
305.00	Gate & Valve Replacements	25,000	25,000
306.00	Grease Receiving Pump Relocation	75,000	-
213.00	Pre-Design Studies & Testing	65,000	30,000
	Recurring Maintenance:		
395.06	▪ Landscaping & Grounds	25,000	25,000
395.01	▪ Painting	150,000	50,000
395.07	▪ Roadway & Berm Maintenance	40,000	-
395.02	▪ Roof Maintenance	25,000	25,000
239.00	Safety Improvements	30,000	30,000
222.02	Secondary Clarifier (old) Demolition	-	250,000
222.03	Secondary Clarifier (old) Coating on East Wall	-	150,000
219.00	Treatment Unit Influent Channel	150,000	-
900.93	Critical Renewal & Replacements - Treatment Plant	70,000	70,000
	Total Treatment Plant	\$ 940,000	\$ 825,000
	Engineering & Administration		
524.00	Fiscal Agent Fees	\$ 2,500	\$ 2,500
595.45	IT & Network Upgrades - District-wide	30,000	35,000
900.90	Critical Renewal & Replacements - Engineering	10,000	10,000
900.95	Critical Renewal & Replacements - Administration	30,000	30,000
	Total Engineering & Administration	\$ 72,500	\$ 77,500
	Sewage Disposal - EBDA		
626.00	EBDA Replacement Assessment	\$ 125,000	\$ 125,000
	Total R&R Expenses	\$ 2,737,500	\$ 2,547,500
	R&R Revenues Over Expenses	\$ 1,555,850	\$ 2,218,050

Agency Treatment Charges - CVSD ⁽¹⁾			
	FY 2017-18	FY 2018-19	
Collections			
-	\$ -	\$ -	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	\$ -	\$ -	
Treatment Plant			
25%	\$ 7,500	\$ -	-
25%	2,500	2,500	-
25%	8,750	-	-
25%	25,000	-	-
25%	-	25,000	-
35%	21,000	21,000	-
25%	12,500	-	-
25%	6,250	6,250	-
25%	18,750	-	-
25%	16,250	7,500	-
25%	6,250	6,250	-
25%	37,500	12,500	-
25%	10,000	-	-
25%	6,250	6,250	-
25%	7,500	7,500	-
25%	-	62,500	-
25%	-	37,500	-
25%	37,500	-	-
25%	17,500	17,500	-
	\$ 241,000	\$ 212,250	
Engineering & Administration			
-	\$ -	\$ -	-
19%	5,700	6,650	-
12.5%	1,250	1,250	-
18%	5,400	5,400	-
	\$ 12,350	\$ 13,300	
Sewage Disposal - EBDA			
-	\$ -	\$ -	-
	\$ 253,350	\$ 225,550	

* Requires approval by Construction Committee and Board before commencement

(1) Treatment plant project expenses are billable to CVSD at the actual flow rate, with the exception of Ecotone Research & Monitoring project billable at 35%. Administration related items are billed at 18%, Engineering related items are billed at 12.5%.

(2) Collection System Asset Repair/Maintenance consists of Manhole Raising, Point Repairs, Line Repairs and Major Structure Repairs.

Operating Budget: Sewer Services R&R

Sewer Services Renewal & Replacement (R&R) Project Descriptions

Collections		
	FY 2017-18	FY 2018-19
Lift Stations – Asset Management Preparing and maintaining individual assets and an asset inventory at lift stations which will include the asset's condition, life expectancy, and projected costs over the life of the asset.	\$30,000	\$90,000
Lift Stations – General & Recurring Maintenance For general repairs at the lift stations. Funds will be transferred to the appropriate lift station account upon use. Provides for electrical rehabilitation, painting, paving and roof maintenance, and landscaping and grounds.	\$80,000	\$80,000
Collection System Asset Repair / Maintenance Collection system asset repairs include: <ul style="list-style-type: none"> • Point Repairs: Repairs of sections of pipes under 25 feet in length. • Line Repairs: Repairs of sections of pipes greater than 25 feet in length. • Major Structures Repairs: Inspection and repair of the assets listed in the major structures inventory, which includes all freeway crossings, earthquake fault crossings, and trunk sewer junction structures. • Manhole Raising: Manhole rings and covers must be raised in streets that are overlaid with new pavement to ensure public safety and limit claims due to damaged vehicles. 	\$1,250,000	\$1,250,000
Collection System GIS Updates & Maintenance The geographic information system (GIS) is the District's collection system mapping program. It also serves as the basis for the hydraulic model and provides access to the closed circuit television (CCTV) data. The GIS will require regular maintenance to maintain the data.	\$25,000	\$25,000
Collection System Source Detection & Hydraulic Model Updates Maintenance of the following systems: <ul style="list-style-type: none"> • Source Detection: Provides for the installation of flow meters to measure the peak, average, and dry weather flows and wet weather storm events. This data is then incorporated into the hydraulic model for calibration and analysis of deficiencies and bottlenecks in the collection system. The FY 2017-18 budget will be utilized to evaluate the Trojan basin. • Hydraulic Model: The model analyzes the hydraulic characteristics of all pipelines in the system. 	\$150,000	\$10,000
Easement Clearing & Road Maintenance For the clearing of brush and road maintenance on easement roads utilized by the Collections crews during routine CCTV and Hydro cleaning of the system.	\$50,000	\$50,000
Critical Renewal & Replacements – Collections For unanticipated renewal & replacement items utilized by the Collections department.	\$15,000	\$15,000
Total Collections	\$1,600,000	\$1,520,000

Operating Budget: Sewer Services R&R

Sewer Services Renewal & Replacement (R&R) Project Descriptions

Treatment Plant		
	FY 2017-18	FY 2018-19
Arc Flash Hazard Review This project will provide for the review and update of the treatment plant's electrical system arc flash potential.	\$30,000	\$0
Asset Management Preparing and maintaining individual assets and an asset inventory for the treatment plant which will include the asset's condition, life expectancy, and projected costs over the life of the asset.	\$10,000	\$10,000
CEPT System Rehabilitation Repair and coating of fiberglass ferric tanks in the chemically enhanced primary treatment (CEPT) system.	\$35,000	\$0
Concrete Assessment and Rehabilitation Ongoing rehabilitation and repair of concrete cracks throughout the treatment plant.	\$100,000	\$0
Digester No. 3 Decommissioning This project will provide for the removal of the cover on digester no. 3, which was taken out of service after digesters no. 6 and no. 7 were built.	\$0	\$100,000
Ecotone Research & Monitoring This budget will provide for the continuing research on the ecotone slope.	\$60,000	\$60,000
Effluent Local Limits Reporting & Testing This testing is required every five years to set the limits used in the pretreatment program.	\$50,000	\$0
Gate & Valve Replacements Ongoing replacement of gate and other miscellaneous valves due to end of their useful lives.	\$25,000	\$25,000
Grease Receiving Pump Relocation The decommissioned digester no. 3 withdrawal pump will be repurposed at the grease receiving station to assist grease haulers in offloading grease.	\$75,000	\$0
Pre-Design Studies and Testing To evaluate new processes or technologies. FY 2017-18 budget includes \$35,000 to evaluate and develop a plan to consolidate all District offices into one single building with locker rooms in the Treatment Plant.	\$65,000	\$30,000
Recurring Maintenance		
Landscaping & Grounds	\$25,000	\$25,000
Painting	\$150,000	\$50,000
Roadway & Berm Maintenance	\$40,000	\$0
Roof Maintenance	\$25,000	\$25,000

Operating Budget: Sewer Services R&R

Sewer Services Renewal & Replacement (R&R) Project Descriptions

Treatment Plant (continued)

	FY 2017-18	FY 2018-19
Safety Improvements For unforeseen safety related projects.	\$30,000	\$30,000
Secondary Clarifier (old) Demolition Removal of the clarifier mechanism within the old secondary clarifiers. The mechanisms are no longer operable.	\$0	\$250,000
Secondary Clarifier (old) Coating on East Wall Coating on the east wall of the old secondary clarifiers will stop water from leaking through the wall into Gallery C. Leaks in the past have caused electrical problems.	\$0	\$150,000
Treatment Unit influent Channel Rehabilitation Coating of the concrete channel between the influent pump station and the treatment unit.	\$150,000	\$0
Critical Renewal & Replacement – Treatment Plant For unanticipated renewal & replacement items within the treatment plant.	\$70,000	\$70,000
Total Treatment Plant	\$940,000	\$825,000

Engineering, Administration & EBDA

	FY 2017-18	FY 2018-19
Fiscal Agent Fees For the District's investment custodial services.	\$2,500	\$2,500
IT & Network Upgrades – District-wide For maintenance and upgrades of the District's computer and information technology network, including upgrading to Windows 10 and Microsoft Office 2016.	\$30,000	\$35,000
Critical Renewal & Replacements – Engineering For unanticipated renewal & replacement items utilized by the Engineering department.	\$10,000	\$10,000
Critical Renewal & Replacements – Administration For unanticipated renewal & replacement items utilized by the Administration department.	\$30,000	\$30,000
EBDA Replacement Assessment Annual Contribution to EBDA for renewal & replacement assessment.	\$125,000	\$125,000
Total Engineering, Administration & EBDA	\$197,500	\$202,500
Total R&R Costs	\$2,737,500	\$2,547,500

Operating Budget: Solid Waste

Solid Waste Budgeted Revenues & Expenses

	2016-17 Adopted Budget	2017-18 Adopted Budget	Budget Change Over Prior Year		2018-19 Adopted Budget	Budget Change Over Prior Year	
Revenues							
Solid Waste Contract fees	\$ 927,000	\$ 1,025,000	\$ 98,000	11%	\$ 1,050,000	\$ 25,000	2%
Investment income	1,200	7,000	5,800	483%	7,000	-	0%
Recovery of Uncollectible Accounts	10,000	10,000	-	0%	10,000	-	0%
Total Revenues	\$ 938,200	\$ 1,042,000	\$ 103,800	11%	\$ 1,067,000	\$ 25,000	2%
Expenses							
Salaries	\$ 177,000	\$ 174,100	\$ (2,900)	-2%	\$ 180,600	\$ 6,500	4%
Salaries - Overtime	500	500	-	0%	500	-	0%
Directors' Fees	9,200	8,900	(300)	-3%	8,900	-	0%
Overhead	186,700	183,500	(3,200)	-2%	190,000	6,500	4%
Office Expenses	3,100	3,000	(100)	-3%	3,000	-	0%
Safety Supplies	500	500	-	0%	500	-	0%
Contractual Services	3,000	3,000	-	0%	3,000	-	0%
Professional Services	15,000	10,000	(5,000)	-33%	10,000	-	0%
Memberships & Publications	1,600	1,000	(600)	-38%	1,000	-	0%
Newsletter & Public Outreach	15,500	80,000	64,500	416%	80,000	-	0%
Repairs & Maintenance	500	500	-	0%	500	-	0%
Travel, Meetings & Training	1,000	-	(1,000)	-100%	-	-	0%
Recognition Program	600	600	-	0%	600	-	0%
Utilities	500	500	-	0%	500	-	0%
Write-Offs of Uncollectible Accounts	3,000	3,000	-	0%	3,000	-	0%
Contingency	50,000	30,000	(20,000)	-40%	30,000	-	0%
Total Expenses	\$ 467,700	\$ 499,100	\$ 31,400	7%	\$ 512,100	\$ 13,000	3%
Solid Waste Revenues Over Expenses	\$ 470,500	\$ 542,900	\$ 72,400	15%	\$ 554,900	\$ 12,000	2%

Note: The Newsletter & Public Outreach budget (\$80,000) consists of 25% share of the costs of: the newsletter (\$20,000), action items in the Communications Plan (\$25,000), and proposed staffing for the outreach program (\$35,000). The total costs of these items are distributed among Sewer Service (25%), Solid Waste (25%) and Recycling (50%).

Operating Budget: Recycling

Recycling Budgeted Revenues & Expenses

	2016-17 Adopted Budget	2017-18 Adopted Budget	Budget Change Over Prior Year		2018-19 Adopted Budget	Budget Change Over Prior Year	
Revenues							
Recycling Charges - Residential	\$ 2,290,000	\$ 2,309,000	\$ 19,000	1%	\$ 2,309,000	\$ -	0%
Recycling Charges - Commercial	96,000	100,000	4,000	4%	100,000	-	0%
Landfill Fees - Measure D	330,000	320,000	(10,000)	-3%	320,000	-	0%
Investment Income	1,800	4,000	2,200	122%	4,000	-	0%
Penalties & Miscellaneous Revenues	18,000	12,000	(6,000)	-33%	12,000	-	0%
Total Revenues	\$ 2,735,800	\$ 2,745,000	\$ 9,200	0.3%	\$ 2,745,000	\$ -	0%
Expenses							
Salaries	\$ 177,000	\$ 174,100	\$ (2,900)	-2%	\$ 180,600	\$ 6,500	4%
Salaries - Overtime	500	500	-	0%	500	-	0%
Overhead	177,500	174,600	(2,900)	-2%	181,100	6,500	4%
Office Expenses	5,000	1,000	(4,000)	-80%	2,000	1,000	100%
Contractual Services - WMAC	2,300,000	2,300,000	-	0%	2,300,000	-	0%
Contractual Services - Others	20,000	20,000	-	0%	20,000	-	0%
Professional Services	2,000	2,000	-	0%	2,000	-	0%
Memberships & Publications	2,000	-	(2,000)	-100%	-	-	0%
Newsletter & Public Outreach	20,600	160,000	139,400	677%	160,000	-	0%
Schools & Commercial Recycling Supplies	20,600	20,000	(600)	-3%	20,000	-	0%
Travel, Meetings & Training	500	-	(500)	-100%	-	-	0%
Write-Offs of Uncollectible Accounts	200	200	-	0%	200	-	0%
San Leandro Measure D Expense	40,000	40,000	-	0%	40,000	-	0%
Contingency	30,000	10,000	(20,000)	-67%	10,000	-	0%
Total Expenses	\$ 2,795,900	\$ 2,902,400	\$ 106,500	4%	\$ 2,916,400	\$ 14,000	0.5%
Recycling Revenues Over Expenses	\$ (60,100)	\$ (157,400)	\$ (97,300)	-162%	\$ (171,400)	\$ (14,000)	-9%

Note: The Newsletter & Public Outreach budget (\$160,000) consists of 50% share of the costs of: the newsletter (\$40,000), action items in the Communications Plan (\$50,000), and proposed staffing for the outreach program (\$70,000). The total costs of these items are distributed among Sewer Service (25%), Solid Waste (25%) and Recycling (50%).

Board of Directors



Oro Loma Sanitary District's Board of Directors
From left to right: Roland Dias (Director), Dan Walters (Vice President),
Shelia Young (President), Timothy Becker (Director), Rita Duncan (Secretary).



The re-elected Directors took the Oath of Office on December 6, 2016, officiated by legal counsel Jen Faught. From left to right: Director Roland Dias, Director Dan Walters, Director Rita Duncan.

Long-Range Plan & Capital Budget

Long-Range Plan

The foundation of the District's long-range financial plan is anchored on its 10-year Renewal & Replacement (R&R) Capital Improvement Program (CIP) Plan. The District updates the plan monthly, based on asset management and its 10-year strategic goals. The projected R&R and CIP average cost is \$9.4 million per year. The following section discusses strategic goals that have noteworthy financial impact on the operating and capital budgets, and provides summaries of the 10-year R&R and CIP Schedule.

Strategic Goals & Impact on the Operating Budget - Renewal & Replacement (R&R)

- Implement asset management program for all District assets by 2023.
- Build geographic information system (GIS) into a central reference source for all District assets and customer service issues.
- Maintain zero sewer overflows.
- Maintain zero lost time injuries.
- Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in 2025.

The Strategic Plan sets a goal of establishing a comprehensive asset management program by 2023. In 2017, staff developed a plan which includes intermediate milestones to achieve the 2023 goal. When built, the system will include an asset inventory with information such as asset condition, life expectancy, and projected costs over the asset's life. The program will cover both Collections and Treatment Plant assets, and will be useful for optimizing our existing assets and accurately projecting future financing needs. The cost of implementing the program is \$140,000 for the next 2 years, and \$50,000 annually thereafter for the remainder of the 10-year horizon.

The District will spend \$25,000 per year in the next 10 years, for integrating and maintaining the geographic information system (GIS) into a central reference source. This is an essential tool for Collections and Engineering staff in the field. The integrated program will also enhance customer service at the point of contact, by enabling staff to look up pertinent data associated with properties when customers call.

To maintain zero sewer overflows, the Collections crew routinely inspects and cleans sewer pipes of roots and debris. Pipes requiring immediate repairs are identified during the process. The long-range plan provides for \$1.25 million annually to perform these repairs and related work, to ensure reliability in its sewer infrastructure.

As part of the District's safety culture, the Safety Committee evaluates issues relating to work safety and ergonomics. The District is providing \$30,000 per year in the next 10 years for ongoing safety improvements and modifications, making employees safer at work and free from injuries.

Summary of the 10-Year Renewal & Replacement Schedule

Category	Fiscal Year (millions)									
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Collections	1.60	1.52	1.84	1.84	1.88	1.83	1.83	1.83	1.83	1.83
Treatment Plant	0.94	0.83	1.16	0.43	1.92	0.28	0.64	1.56	0.71	1.61
Engineering & Administration	0.20	0.20	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Total	2.74	2.55	3.23	2.50	4.03	2.34	2.70	3.62	2.77	3.67

Strategic Goals & Impact on the Capital Budget - Capital Improvement Program (CIP)

- Improve the condition of the collection system by approximately 3% per year. Replace a minimum of 30 miles of pipes in the next 10 years. Existing baseline includes 91.4 miles of pipes with a defect score of 3 or greater. The goal is to reduce this value to 61.4 miles by 2027.
- Reduce pipes with a defect score of 5 from the existing 14 miles to below 4 miles by 2027.
- Increase pipes made of high-density polyethylene (HDPE) from 24.6 miles to 54.6 miles by 2027.
- Manage the sewer line replacement program to limit high-frequency footage at or below 27 miles of pipes (10% of the District's collection system).
- Build capital asset program funding into rate structure.
- In response to ongoing climate change trends, do no new harm. Build all new infrastructure above the 100-year sea level rise projections.

The pipeline replacement program is maintained to fix chronic and structural issues identified within the existing collection system. A base funding of \$3 million per year has been established in the long-range plan to replace a minimum of 30 miles of pipes by 2027, to work progressively towards the goal of reducing pipes with a defect score of 3 or greater from 91.4 miles to 61.4 miles in the next 10 years. To mitigate the risk from pipes with severe defects (score of 5), one-third of the targeted rate of replacement (10 miles) will be prioritized for those pipes. In addition, the District is in the process of phasing out vitrified clay pipes with the more durable high-density polyethylene (HDPE). In the next 2 years, the Board has approved additional funding, from \$3 million per year to \$4.35 million in FY 2017-18 and \$4 million in FY 2018-19, to accelerate the pace of the upgrade.

Under the current rate structure, revenues are not sufficient to fund the District's capital needs. In the past, the Board has consistently elected to use existing reserves to pay for CIP expenditures. As a result, the District's cash balance has decreased from \$38.2 million in 2004 to \$21.7 million in 2016, and is projected to be \$18.2 million at the end of FY 2016-17. As the projected cash balance continues to decline, the District will incorporate a capital component into its sewer rate structure, when it reviews and adopts new rates in FY 2021-22.

In anticipation of potential costs to rehabilitate the infrastructure of East Bay Dischargers Authority (EBDA), the District is pursuing options to reduce its capacity rights in EBDA by optimizing the nutrient levels in its effluent, obtaining an NPDES permit for wet weather discharge through an existing outfall pipe, and expanding the use of the outfall pipe in the future if needed. If materialized, additional resources of approximately \$12 million will be needed. This yet-to-be-determined expenditure, combined with the requirements of other strategic goals, may lead the District to consider debt financing when the time comes.

Summary of the 10-Year Capital Improvement Program Schedule

Category	Fiscal Year (millions)									
	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
Collections	5.35	4.30	4.69	4.33	4.10	4.42	4.29	4.09	4.02	4.10
Treatment Plant	1.24	0.50	0.66	0.37	0.48	0.46	0.18	0.40	7.26*	7.79*
Engineering & Administration	0.07	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total	6.66	4.85	5.40	4.75	4.63	4.93	4.52	4.54	11.33	11.94

* FY 25-26 and FY 26-27 include significant non-recurring costs of: \$7.1 million for cogeneration system upgrade, \$1.25 million for gravity belt thickener polymer system rehabilitation, and \$2 million for sludge dewatering equipment replacement.

Capital Budget

Capital Improvement Program (CIP) Budgeted Revenues & Expenditures

		2017-18 Adopted Budget	2018-19 Adopted Budget
Revenues, Contributions & Repayments			
	Investment Income	\$ 40,000	\$ 40,000
	EBDA / LAVWMA Agreement Refund	80,000	80,000
	Capital Contributions - Connection Fees	200,000	200,000
	Capital Repayments - CVSD	322,550	133,750
	Total CIP Revenues & Contributions	\$ 642,550	\$ 453,750
Expenditures			
Project #	Expenditures		
Collections			
100.00	Lift Stations - General	\$ 50,000	\$ 50,000
107.00	Lift Stations - Rehabilitation	150,000	150,000
105.00	Lift Stations - Remote Site PLC Upgrades	100,000	-
100.01	Lift Stations - Trojan MCC Replacement	400,000	-
142.00	Altamont Road Easement Sewer Line Replacement	250,000	-
162.00	Collections CCTV Van No. 2	-	80,000
166.00	Collections Truck Replacement	35,000	-
143.##	Pipeline Replacement Program	4,350,000	4,000,000
900.91	Critical Equipment - Collections	15,000	15,000
	Total Collections	\$ 5,350,000	\$ 4,295,000
Treatment Plant			
227.00	Chlorine Contact Basin Water Champ Replacement	\$ -	\$ 20,000
299.00	Cogeneration Engine Overhaul	-	175,000
228.00	Gravity Belt Thickener Polymer System Rehabilitation	-	35,000
267.00	Grit Pump Replacement & Piping Rehabilitation	25,000	-
284.00	Influent Grinder Rebuild	30,000	30,000
314.01	Laboratory Fan Replacements	75,000	-
395.07	Plant Paving	500,000	-
301.00	Plant Security System	125,000	-
302.00	Plant Main Gate Controls & Communications	50,000	-
315.00	Pond Bridge Piping Replacement & Containment	250,000	-
249.00	Primary Discharge Line #4 Water Pipe Replacement	25,000	-
319.00	SCADA Network System Replacements & Upgrades	50,000	50,000
321.00	Truck Wash Drainage Pump	-	80,000
316.00	Vehicle Replacements	40,000	40,000
900.93	Critical Equipment - Treatment Plant	70,000	70,000
	Total Treatment Plant	\$ 1,240,000	\$ 500,000
Engineering & Administration			
595.40	IT & Network Upgrades - District-wide	\$ 50,000	\$ 30,000
900.90	Critical Equipment - Engineering	10,000	10,000
900.95	Critical Equipment - Administration	10,000	10,000
	Total Engineering & Administration	\$ 70,000	\$ 50,000
	Total CIP Expenditures	\$ 6,660,000	\$ 4,845,000
	CIP Revenues Over Expenditures	\$ (6,017,450)	\$ (4,391,250)

Capital Repayments - CVSD ⁽¹⁾			
		FY 2017-18	FY 2018-19
Collections			
-	\$ -	\$ -	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	\$ -	\$ -	-
Treatment Plant			
25%	\$ -	\$ 5,000	-
25%	-	43,750	-
25%	-	8,750	-
25%	6,250	-	-
25%	7,500	7,500	-
25%	18,750	-	-
25%	125,000	-	-
25%	31,250	-	-
25%	12,500	-	-
25%	62,500	-	-
25%	6,250	-	-
25%	12,500	12,500	-
25%	-	20,000	-
25%	10,000	10,000	-
25%	17,500	17,500	-
	\$ 310,000	\$ 125,000	-
Engineering & Administration			
19%	\$ 9,500	\$ 5,700	-
12.5%	1,250	1,250	-
18%	1,800	1,800	-
	\$ 12,550	\$ 8,750	-
	\$ 322,550	\$ 133,750	-

* Requires approval by Construction Committee and Board before commencement

(1) Treatment plant project costs are billable to CVSD based on its 25% ownership in the treatment plant. Administration related items are billed at 18%, Engineering related items are billed at 12.5%.

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs less than \$50,000

	FY 2017-18	FY 2018-19
Collections		
Lift Stations General For miscellaneous projects at lift stations.	\$50,000	\$50,000
Collections Truck Replacement For the replacement of vehicles that have exceeded their useful lives.	\$35,000	\$0
Critical Equipment – Collections	\$15,000	\$15,000
Treatment Plant		
Chlorine Contact Basin Water Champ Replacement To replace the water champ at the chlorine contact basin.	\$0	\$20,000
Gravity Belt Thickener Polymer System Rehabilitation To rehabilitate the polymer system at the gravity belt thickener.	\$0	\$35,000
Grit Pump Replacement & Piping Rehabilitation For the installation of a gantry crane over the grit pump. This will allow the pump to be lifted and moved onto a cart for removal.	\$25,000	\$0
Influent Grinder Rebuild The two grinders installed on the barscreens are to be rebuilt every two years to replace worn and broken teeth. One of the two grinders will be rebuilt each year.	\$30,000	\$30,000
Plant Main Gate Controls & Communications Replacement of the entrance gate controls and communications. Work to coincide with the Plant Security System Project.	\$50,000	\$0
Primary Discharge Line #4 Water Pipe Replacement Replacement of the process water pipeline along the primary effluent channel. Water is used to maintain the cleanliness of the treatment unit.	\$25,000	\$0
SCADA Network System Replacements & Upgrades To maintain the SCADA system within the treatment plant. The SCADA system is the process communication system used to operate and control the treatment process.	\$50,000	\$50,000
Vehicle Replacements For the replacement of vehicles that have exceeded their useful lives.	\$40,000	\$40,000
Engineering & Administration		
IT & Network Upgrades – District-Wide For upgrades of the District's computer and information technology network components. Additional funds in FY 2017-18 provide for the upgrade of the District server hardware, operating system and workstation licenses.	\$50,000	\$30,000
Critical Equipment – Engineering	\$10,000	\$10,000
Critical Equipment – Administration	\$10,000	\$10,000

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Lift Stations – Rehabilitation

Project Location: Deer Trail Lift Station and Shawn Court Lift Station, Hayward.

Project Description: Rehabilitation of lift stations to prevent irreversible damage and provide reliable service.

Project Justification: This project provides funds for rehabilitation of the lift stations including coating the wet wells, hatch replacements, pump, piping and valve replacements, electrical panel replacement at Shawn Court, as well as improvements for accessibility and safety.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 20,000	\$ 10,000	\$10,000
Construction (Contractor)	280,000	140,000	\$140,000
Total	\$300,000	\$150,000	\$150,000

Lift Stations – Remote Site PLC Upgrades

Project Location: Various lift stations throughout the District.

Project Description: Rehabilitation and upgrades of the programmable logic controllers (PLCs) at various lift stations, which include controls and control panel upgrades.

Project Justification: Many of the lift stations have obsolete controls and PLCs. This makes parts difficult and expensive to purchase.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 2,500	\$ 2,500	\$0
Design (District)	10,000	10,000	0
Construction (Contractor)	87,500	87,500	0
Total	\$100,000	\$100,000	\$0

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Lift Stations – Trojan MCC Replacement

Project Location: Trojan Lift Station, Trojan Avenue, San Leandro.

Project Description: The project provides for the replacement of an existing 480-volt motor control center (MCC) with a new 480-volt MCC, replacement of an existing programmable logic controller system (PLC) with a new PLC, replacement of existing level float switches with new ones, replacement of existing terminal boxes with new ones, and other associated work. The project design was completed in FY 2016-17.

Project Justification: The existing equipment is obsolete and spare parts are no longer available.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 45,000	\$ 45,000	\$0
Construction (Contractor)	355,000	355,000	0
Total	\$400,000	\$400,000	\$0

Altamont Road Easement Sewer Line Replacement

Project Location: The sewer easement above Altamont Road in the unincorporated area of San Leandro.

Project Description: Rehabilitation of pipelines identified through the closed circuit television (CCTV) inspection based upon their structural condition or maintenance history. This 435-foot sewer has been moved to a separate project because it is under a retaining wall which is failing.

Project Justification: The sewer line has been identified to have several repairable defects the worst of which has a Pipeline Assessment Certification Program (PACP) grade of 5 (5 is the worst on a scale of 1-5).

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 2,500	\$ 2,500	\$0
Design (District)	10,000	10,000	0
Construction (Contractor)	237,500	237,500	0
Total	\$250,000	\$250,000	\$0

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Collections CCTV Van No. 2

Project Location: Collections maintenance vehicle which services the collection system District-wide.

Project Description: Replacement of the Collections closed circuit television (CCTV) van No. 2. The van is utilized to inspect pipelines before cleaning to justify the use of the high pressure hydro. By not running the hydro through pipes that are clean the District saves water, and reduces wear and tear on the pipes.

Project Justification: The CCTV Van No. 2 has reached the end of its useful life and is in need of replacement. Staff believes the reduced wear on the system justifies the continued use of a second van.

Impact Analysis: N/A

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Purchase	\$80,000	\$0	\$80,000
Total	\$80,000	\$0	\$80,000

Pipeline Replacement Program

Project Location: Various locations throughout the collection system.

Project Description: Rehabilitation of pipelines identified through the closed circuit television (CCTV) inspection based upon their structural condition or maintenance history.

Project Justification: This work will be performed to fix chronic maintenance and structural issues identified within the existing collection system. The projects will be designed in the spring, and construction will take place beginning in the summer of each fiscal year. A portion of the budget from each fiscal year will be used to replace sewers within the Trojan basin along Corvallis Street, Edgemoor Street, and Trojan Avenue to reduce surcharging, and rain water inflow and infiltration. The proposed funding level was established to align with the District's 10-Year Strategic Plan of replacing 30 miles of collection system pipe between 2017 and 2027.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 515,000	\$ 305,000	\$ 210,000
Design (District)	90,000	50,000	40,000
Construction (Contractor)	7,745,000	3,995,000	3,750,000
Total	\$8,350,000	\$4,350,000	\$4,000,000

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Cogeneration Engine Overhaul

Project Location: Treatment Plant: Cogeneration System.

Project Description: Overhaul of cogeneration engine.

Project Justification: Every two years, one of the two cogeneration engines is scheduled to be rebuilt. The overhaul is required to meet emission standards and helps ensure reliable operation. Cogeneration engine No. 2 was rebuilt in FY 2016-17 and the engine that is showing the most wear in FY 2018-19 will be rebuilt.

Impact Analysis: N/A

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 15,000	\$0	\$ 15,000
Parts & Materials (Contractor)	80,000	0	80,000
Labor (District)	35,000	0	35,000
Quality Control & Inspection (Contractor)	35,000	0	35,000
Project Contingency	10,000	0	10,000
Total	\$175,000	\$0	\$175,000

Laboratory Fan Replacements

Project Location: Treatment Plant: Operations Building Roof.

Project Description: Replacement of six laboratory exhaust fans.

Project Justification: The fan housings have reached the end of their useful lives. Holes in the housings due to corrosion are allowing rain and dirt to leak into the building.

Impact Analysis: N/A

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Construction (Contractor)	\$75,000	\$75,000	\$0
Total	\$75,000	\$75,000	\$0

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Plant Paving

Project Location: Treatment Plant.

Project Description: Paving replacement around the belt filter press building and the main entrance as well as drainage improvements.

Project Justification: The asphalt in the areas to be repaved has failed and these areas need to be re-graded to improve drainage.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 10,000	\$ 10,000	\$0
Design (Consultant)	30,000	30,000	0
Construction (Contractor)	460,000	460,000	0
Total	\$500,000	\$500,000	\$0

Plant Security System

Project Location: Treatment Plant.

Project Description: Provides for the installation of lights and closed circuit television (CCTV) cameras at strategic locations within the plant to discourage trespassing as well as the replacement of the alarm system in the Administration, Engineering, and Collections buildings.

Project Justification: This work is to be completed in response to a security audit performed in 2016.

Impact Analysis: N/A

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Equipment Purchase and Installation	\$125,000	\$125,000	\$0
Total	\$125,000	\$125,000	\$0

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Pond Bridge Piping Replacement & Containment

Project Location: Treatment Plant.

Project Description: Project provides for the replacement of the piping across the treatment plant bridge that crosses the Bockman Canal. Staff will evaluate double-contained pipe or a boring under the canal.

Project Justification: The existing piping shows signs of wear and is not installed with secondary containment.

Impact Analysis: Negative declaration.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 20,000	\$ 20,000	\$0
Design (Consultant)	20,000	20,000	0
Construction	210,000	210,000	
Total	\$250,000	\$250,000	\$0

Truck Wash Drainage Sump

Project Location: Treatment Plant.

Project Description: Replacement of the pumping system at the truck wash drainage sump.

Project Justification: The pump and the discharge piping at the truck wash drainage sump are no longer serviceable. This project will replace the existing system with the standard system used at the District's lift stations.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Project Management (District)	\$ 5,000	\$0	\$ 5,000
Construction (Contractor)	\$75,000	\$0	\$75,000
Total	\$80,000	\$0	\$ 80,000

Capital Budget: Sewer Services

Capital Improvement Program Project Descriptions with Costs more than \$50,000

Critical Equipment – Treatment Plant

Project Location: Treatment Plant.

Project Description: Replacement of unanticipated failure of critical equipment at the Treatment Plant.

Project Justification: To replace unexpected failure of critical equipment at the Treatment Plant.

Impact Analysis: Categorically exempt – renewal of existing infrastructure.

Financial Requirements:

Project Components	Total Project Budget	Annual Allocation	
		FY 2017-18	FY 2018-19
Construction (Contractor)	\$140,000	\$ 70,000	\$ 70,000
Total	\$140,000	\$ 70,000	\$ 70,000

Other Information

Risk Management

The District is a member of the California Sanitation Risk Management Authority (CSRMA), a joint powers authority that provides broad coverage and risk control services to its members. The District participates in the property insurance, workers' compensation and pooled liability programs through CSRMA.

The pooled liability program has the following tiers of coverage:

Coverage Limits	Coverage Provided By
\$0 - \$500,000	CSRMA Risk Pool, with a \$250,000 Deductible.
\$500,001 - \$15,500,000	Munich Reinsurance America
\$15,500,001 - \$25,500,000	Ironshore Specialty Insurance Co.
\$25,500,001 and up	Oro Loma Self-Insurance

The District accounts for costs associated with risk management through an internal clearing fund. Costs accumulated are distributed quarterly to department units as Insurance & Risk Management expenses.

The following table shows trends in each of the risk management cost categories.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Salaries	\$73,772	\$82,400	\$97,800	\$101,400
Overtime	136	1,800	1,000	1,000
Overhead	55,431	63,200	76,000	78,800
Insurance Premiums	201,289	311,000	229,000	235,700
Office Expenses	1,245	2,060	1,500	1,600
Operating Supplies & Equipment	11,569	14,500	14,500	15,000
Contractual Services	17,544	14,640	10,000	10,300
Professional Services	-	1,000	3,000	3,100
Memberships & Publications	1,950	5,000	4,000	4,200
Travel, Meetings & Training	6,120	4,200	8,000	8,300
Recognition Program	-	3,000	3,000	3,000
Losses & Settlements	995	60,000	60,000	60,000
Total Expenses	\$370,051	\$562,800	\$507,800	\$522,400
Change in Budget from Prior Year			-9.8%	2.9%

Costs are distributed to department units as follows.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Collections	\$106,173	\$200,000	\$158,100	\$162,600
Operations	128,590	195,000	187,400	192,700
Maintenance	72,714	102,500	98,300	101,200
Engineering	29,340	28,800	28,900	29,700
Administration	33,234	36,500	35,100	36,200
Total Expenses	\$370,051	\$562,800	\$507,800	\$522,400

Flexible Spending Benefit Plan

The District maintains a flexible spending benefit plan for its full-time employees. The plan is funded by both the District and the employees, and is accounted for separately in the District's financial reporting. These contributions pay for medical and other insurance premiums, flexible spending reimbursements, and cash withdrawals allowed under the plan.

Benefits have been projected using a 4% assumed annual increase in medical premiums. The following table shows the expected trends in the flexible spending benefit plan.

	FY 2015-16 Actual	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget
Contributions				
Employer Contributions	\$820,155	\$1,035,800	\$937,000	\$975,000
Employee Contributions	\$16,010	20,800	10,000	10,000
Total Contributions	\$836,165	\$1,056,600	\$947,000	\$985,000
Disbursements				
Medical Insurance	\$657,297	\$858,000	\$754,300	\$784,400
Dental Insurance	69,238	80,000	73,000	73,000
Vision Insurance	9,919	10,400	10,600	12,200
Life Insurance	11,245	12,500	12,000	12,000
Flexible Spending Reimbursements-Prior Year	4,145	8,400	4,000	4,000
Flexible Spending Reimbursements-Current Year	8,473	14,500	8,500	9,200
Cash Withdrawals	76,026	72,800	84,600	90,200
Total Disbursements	\$836,343	\$1,056,600	\$947,000	\$985,000
Change in Budget from Prior Year			-10.4%	4.0%

Overhead Recovery

Indirect costs of operations are distributed to projects and other business activities through overhead recovery. The District develops a set of overhead rates, to be applied to various activities, to reflect the true cost of projects and other business activities. The rates are updated during each budget period and classified into 3 rate tiers: Risk Management, Internal Projects, and External Services.

The Risk Management rate is the ratio of total budgeted benefits to total budgeted salaries, plus a factor for employees' paid time-off. This rate is applied to salaries incurred by the Risk Management clearing fund.

The Internal Projects rate includes the Risk Management rate, plus other indirect costs consisting of administration, engineering and contingency expenses. This rate is applied to Renewal & Replacement (R&R) and Capital Improvement Program (CIP) project salaries, as well as Solid Waste and Recycling salaries.

The External Services rate includes the Internal Projects rate, plus a component to recover asset depreciation. This rate is applied to tasks performed for the general public, such as engineering services and tract reviews.

In addition, the District is under an agreement with East Bay Dischargers Authority (EBDA) to recover its indirect costs at a fixed rate of 100% of salaries, supplies and other expenses associated with maintaining EBDA's pump station and Skywest facilities.

The following overhead rates are in effect for FY 2017-18 and FY 2018-19.

Overhead Rate Tier	Overhead Rate
Risk Management	75%
Internal Projects	100%
External Services	160%
EBDA	100%

The District has been debt-free since September 2009 when it exercised the redemption option on its Sewer Revenue Refunding Bonds Series 2003. As a result, there is no long term debt or restricted portion of net position. The District currently does not anticipate any debt issuance.

The California Health & Safety Code, Section 6651, Bonded Indebtedness Limit, limits the District's maximum bonding capacity to 15% of the assessed value (25% of full value) of the real and personal property within the District. The following presents the most recent information on the District's bonding capacity, based on property values established by the County of Alameda.

	2016	2017
Total Asset Valuation at Full Value	\$12,128,474,619	\$12,681,845,778
Assessed Valuation at 25% of Full Value	3,032,118,655	3,170,461,445
Limit (15% thereof)	454,817,798	475,569,217
Authorized & Unissued General Obligation Bonds	(600,000)	(600,000)
Bonding Capacity	\$454,217,798	\$474,969,217

Pipeline Replacement Program

The Pipeline Replacement Program focuses on fixing chronic maintenance and structural issues identified within the existing collection system through the closed circuit television (CCTV) inspection. This project is the major focus of the Capital Improvement Program (CIP) budget. The proposed budget was established to align with the District's 10-Year Strategic Plan of replacing 30 miles of collection system pipe between 2017 and 2027.



Glossary

Technical Terms

Account – A record of a business transaction.

Accounting System – The structure of records and procedures that discovers, records, classifies, summarizes, and reports information on the financial position and results of operations of the District as a governmental entity.

Accrual Basis – The recognition of a revenue or expense in a fiscal year even though the actual cash may not be received or paid until the following fiscal year.

Adoption – Formal action by the Board of Directors. The adoption of the budget sets the financial framework for subsequent fiscal year(s).

Agency Treatment Charges – Revenues derived from long-term contracts with other entities to whom the District provides sewage treatment, such as Castro Valley Sanitary District, City of Hayward, City of San Leandro and East Bay Dischargers Authority.

Alameda County Waste Management Authority (ACWMA, as known as StopWaste.org) – A public agency formed in 1976 by a Joint Exercise of Powers Agreement among the County of Alameda, each of the 14 cities within the County, and 2 sanitary districts, that provide refuse and recycling collection services. The Authority has a 17-member board composed of elected officials appointed by each member agency. The Authority is responsible for preparation of the Alameda County Integrated Waste Management Plan and Alameda County Hazardous Waste Management Plan. It manages a long-range program for the development of solid waste facilities, and offers a wide variety of programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding of such programs is provided by disposal fees based on tonnage.

Allocation of expenses – The manner in which revenues and expenses are accounted for in the different service functions of the District:

- 1) Sewer Services – sewage collection, treatment and disposal. This function is further divided into:
 - Operation & Maintenance (O&M)
 - Renewal & Replacement (R&R)
 - Capital Improvement Program (CIP)

- 2) Solid Waste – Garbage collection and disposal provided under an agreement with Waste Management of Alameda County (WMAC).
- 3) Recycling Services – Recycling programs for residential and commercial customers, provided under an agreement with WMAC.

Assets – Resources owned by the District.

Asset Management – Maintaining a desired level of service for optimal asset performance at the lowest life-cycle cost. Lowest life-cycle cost refers to the best appropriate cost for rehabilitating, repairing or replacing an asset.

Authorized positions – Number of staff positions authorized for the fiscal year.

Average Dry Weather Flow – The average non-storm flow over 24 hours during the dry months of the year (May through September). It is composed of the average sewage flow and the average dry weather inflow and infiltration.

Biosolids – Sludge residual from the treatment process.

Budget – The District's financial plan for a given period of time, which includes revenues, expenses, and other expenditures that provide funding for services provided to District customers. It contains an Operating Budget and a Capital Budget.

- Operating Budget – The financial plan for non-capital revenues and expenses.
- Capital Budget – The financial plan of capital expenditures, part of the long-range plan. It applies only to Sewer Services – see Capital Improvement Program (CIP).

Capital Assets – Assets owned by the District that have a useful life of more than 1 year and cost over \$10,000. Capital assets include land, buildings, machinery, equipment, and major improvements and rehabilitation that extend the useful life of an asset by 1 year or more.

Capital Improvement Program (CIP) – Accounts for revenues, capital contributions and repayments, and allocates designated resources for capital improvements such as construction, purchases of new facilities and equipment, or major reconstruction of existing infrastructure.

Castro Valley Sanitary District (CVSD or CVSan) – Joint-owner of the Oro Loma/Castro Valley Water Pollution Control Plant (25%). Under a long-term agreement, CVSD reimburses the District for 25% of the cost of treatment plant capital improvements, and for operating costs based on flow rate.

Cogeneration – Production of energy as a result of utilizing the by-products of the solids treatment process.

Commercial & Industrial Recycling Charges – Revenues derived from commercial customers who participate in a commercial recycling program.

Contingency – Reserves included in each fiscal year budget as an allowance for unanticipated expenses.

Contract Fees – Revenues derived from the long-term agreement with the District's solid waste services provider (WMAC).

Contributions - Connection Fees – Governed by Ordinance No. 35. Connection fees represent one-time contributions of resources to the District, imposed on developers. The intent of these fees is to recover the capacity cost of sewer facilities within the existing system.

Cost of Living Adjustment (COLA) – An increase in wage compensation to offset the adverse conditions of inflation on salaries, or a provision for price increases based on the historical index of general inflation. Labor contract adjustments are based upon the Consumer Price Index-Wage Earners San Francisco-Oakland Bay Area (CPI-W) for the period of April of the preceding year through April of the current year.

Decrease in EBDA Equity – see East Bay Dischargers Authority.

Depreciation – Loss in asset value over the useful life of a capital asset as a result of wear, deterioration, or obsolescence.

District Service Charges – Revenues received from customers for sewer services, under Ordinance No. 37.

East Bay Dischargers Authority (EBDA) – A Joint Powers Authority established in 1974 by the Cities of Hayward and San Leandro, and Castro Valley Sanitary District (CVSD), Oro Loma Sanitary District, and Union Sanitary District (USD). The District's equity interest in EBDA is 19.305%. The purpose of EBDA is to manage and operate common-use areas for sewage transportation and disposal facilities for its member agencies. EBDA also holds a discharge permit, which allows the member agencies to dispose of their treated water into San Francisco Bay. The business transactions between the District and EBDA are reflected in both revenues and expenses:

- *Operating Revenues: EBDA* – Payment from EBDA to the District for the operation and maintenance of EBDA facilities by the District's personnel under a long-term agreement.
- *Non-operating Revenue: EBDA/LAVWMA Refund* – Payment from EBDA to the District for interest received by EBDA from a long-term agreement with LAVWMA. The total interest received by EBDA is distributed to the JPA member agencies based on the agreement.
- *Operating Expenses: Sewage Disposal – EBDA* – Annual provision for the District's share of EBDA expenses associated with the transportation, disposal, and administration of the EBDA disposal system.
- *Non-operating Expenses: Decrease in EBDA Equity* – Annual decrease in EBDA equity due to depreciation of EBDA assets.

Effluent – Treated wastewater.

Enterprise Fund –Accounts for operations and business activities in a manner similar to a private business, where the intent is that the costs of providing services to the general public are recovered primarily through user fees.

Fiscal Year (FY) – A 12-month financial measurement period between July 1 and June 30.

Fund – A fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources, liabilities and equity. Funds are segregated based on specific services or objectives in accordance with special regulations, restrictions, or limitations.

Technical Terms

Garbage Rates – Fees paid by customers for garbage removal services provided by the District's authorized contractor (WMAC).

Grants – Contributions by other governmental entities or organizations to provide funding for a specific project.

Grease Receiving Charges – Fees charged to customers who dispose of restaurant grease directly at the treatment plant.

Interest Income – Revenues received by the District from investments.

Landfill Fees – Measure D Revenues – The Alameda County Waste Reduction and Recycling Initiative, known as Measure D, levies a surcharge on solid waste landfilled in Unincorporated Alameda County. 50% of these revenues are distributed to cities and sanitary districts that meet criteria contained in the law. The District meets the criteria.

Lift Station – facilities to move wastewater from lower to higher elevation.

Long-Range Plan – The District maintains a long-range Construction Plan. It details planned projects by cost and target year. During each budget cycle, the planned projects for the next 2 years are moved into the budget document and the Board approves necessary funds for their implementation. The plan forecasts both capital project requirements and long-term needs for major repairs and maintenance of the sewer system (R&R).

Net Position – The difference between assets plus deferred outflow of resources, and liabilities plus deferred inflow of resources.

Non-operating – Enterprise fund revenues or expenses that are not a result of its primary service activities.

Operating Expenses – Cost incurred by the District in the course of service to customers.

Operating Revenues – Funds received by the District through its normal business operations.

Operation & Maintenance (O&M) – Accounts for revenues and expenses related to the day-to-day operations of sewer services.

Ordinance – A local law set forth by the Board of Directors.

Other or Miscellaneous – Revenues or expenses aggregated on the financial statements for accountability purposes.

Overhead Rates – The purpose of overhead rates is to recover the cost of benefits, non-productive time, and other resources, such as administration and engineering services.

Overhead Recovery – Revenues from the application of overhead rates to actual staff salaries, for time spent on projects and assignments in renewal and replacement, capital improvement projects, solid waste and recycling activities.

Permits and Inspection Fees – Fees imposed to cover the cost of issuing sewer permits, inspecting sewer work, and maintaining permanent District records. Those fees are governed by Ordinance No. 35.

Proposition 218 – Passed by California voters on November 5, 1996 with effective date July 1, 1997, it requires local governments to obtain the approval of property owners in a local ballot measure before levying a new or increased tax assessment of those property owners. In 2006, the California Supreme Court ruled that Proposition 218 applies to local water, recycling and sewer charges.

Renewal and Replacement (R&R) – Accounts for revenues and expenses associated with repairs on maintenance of collections and treatment facilities or equipment.

Rents and Leases – Revenues received from customers, pursuant to operating leases or rental agreements.

Residential Recycling Charges – Revenues received from customers for mandatory recycling services provided under AB 939, based on annual recycling charges governed by Ordinance No. 34 and collected on Alameda County's property tax bill.

Resolution – A special or temporary order of the Board of Directors. A resolution requires less formality than a statute or ordinance.

Revenues – Income received by providing services, or from investments or other sources.

Sanitary Truck Waste Charges – Revenues from the portable toilet industry, which disposes of waste directly at the treatment plant.

Sewer Rates – Fees paid by customers for sewer services. Residential customers pay a flat rate charged annually, depending on the type of residence. Commercial and industrial sewer rates are based on water consumption volume. The sewer rates for heavy industrial users also include components for biochemical oxygen demand (BOD) and suspended solids (SS).

Waste Management of Alameda County (WMAC) – As of January 1, 2012, the Agreement for Services with WMAC was amended and extended to 2024, with a 2-year extension, solely at the District's discretion, potentially followed by a 6-year extension by mutual agreement. The agreement provides for the collection and disposal of garbage, recycling, and green waste materials generated within the District's service area. As part of the program, District customers are entitled to 2 free bulky pickups per calendar year.

Acronyms

AB939

Assembly Bill AB939, the Integrated Waste Management Act of 1989, implements mandatory recycling programs in California.

ACSDA

Alameda County's chapter of the California Special Districts Association.

ACWMA

Alameda County Waste Management Authority, also known as StopWaste.org.

BOARD

The Board of Oro Loma Sanitary District, comprised of 5 elected officials.

BOD

Biochemical Oxygen Demand, a measurement of the strength of wastewater.

CAFR

Comprehensive Annual Financial Report.

CalPERS

California Public Employees Retirement System.

CASA

California Association of Sanitation Agencies, a non-profit organization ensuring clean water for California.

CCTV

Closed circuit television.

CEPT

Chemically Enhanced Primary Treatment, the addition of chemicals (ferric chloride/polymer) to increase the effectiveness of pollutant removal.

CEQA

California Environmental Quality Assessment, which provides for legal review by regulatory agencies of the general public.

CIP

Capital Improvement Program.

CIWQS

California Integrated Water Quality System.

COLA

Cost of Living adjustment.

CPI

Consumer Price Index.

CPI-U

Consumer Price Index, for all urban consumers.

CPI-W

Consumer Price Index, for wage earners.

CPVC

Chlorinated Polyvinyl Compound (plastic pipe).

CSRMA

California Sanitation Risk Management Authority, a JPA that provides the majority of the District's insurances.

CVSD

Castro Valley Sanitary District, a joint-owner of the Water Pollution Control Plant (25%).

CWEA

California Water Environment Association, a professional organization issuing certification for various trades.

DWF

Dry Weather Flow.

EBDA

East Bay Dischargers Authority, a JPA that provides effluent disposal services for its 5 member agencies.

EPA

Environmental Protection Agency of the United States, a federal regulatory agency.

FASB

Financial Accounting Standards Board.

FY

Fiscal Year.

GIS

Geographic Information System.

GAL

Gallon, a unit of liquid volume.

GASB

Governmental Accounting Standards Board.

GFOA

Government Finance Officer Association of United States and Canada, a professional organization for finance.

H₂S

Hydrogen Sulfide, a corrosive substance commonly found in sewer systems and treatment works.

HDPE

High-density polyethylene.

HVAC

Heating, ventilation, air conditioning.

I/I

Inflow/Infiltration; water that enters the wastewater flow from the environment, rather than from a plumbing system.

JPA

Joint powers authority, a separate public agency formed pursuant to a joint exercise of powers agreement.

KW

Kilowatt, a measure of power.

KWH

Kilowatt-hour, a measure of energy.

LAIF

Local Agency Investment Fund.

LAVWMA

Livermore-Amador Valley Water Management Agency, a JPA that provides effluent disposal for Tri-Valley agencies and discharges effluent into the EBDA pipeline.

MGD

Million gallons per day.

MOU

Memorandum of Understanding, an agreement between labor groups and the District.

NAICS

North America Industry Classification System (NAICS Codes), universal numbering method that helps identify the industry affiliation of a company.

NPDES

National Pollution Discharge Elimination System, a federally mandated program to allow the District to discharge its effluent.

O&M

Operation and Maintenance.

OLSD

Oro Loma Sanitary District.

PACP

Pipeline Assessment Certification Program.

PDGC

Pipeline Defect Grading Criteria.

P.E.

Professional Engineer.

PLC

Programmable Logic Controller, an electronic device that provides preset controls for plant equipment.

PWE

Present worth of expenditures.

PWWF

Peak wet weather flow.

R&R

Renewal and Replacement Program.

RAS

Return Activated Sludge; sludge that settles in the secondary clarifier and is returned back to the aeration system.

Acronyms

SCADA

Supervisory Control and Data Acquisition, description of the functions and abilities of the treatment plant's computer system.

SFRWQCB

San Francisco Regional Water Quality Control Board, the local water quality regulatory agency.

SIC (codes)

Standard Industrial Classification (SIC codes), universal numbering method that helps identify the industry affiliation of a company.

SS

Suspended Solids, measurement of residual solids, a method for determining sewage strength and treatment plant efficiency.

SSMP

Sewer System Management Plan.

SSO

Sanitary sewer overflow.

VCP

Vitrified clay pipe.

WAS

Waste Activated Sludge; sludge that is removed from the activated sludge system each day, as part of the treatment process.

WMAC

Waste Management of Alameda County.