



ORO LOMA SANITARY DISTRICT

OPERATING AND CAPITAL BUDGET FOR FISCAL YEARS 2021-22 & 2022-23



2655 GRANT AVENUE, SAN LORENZO, CA 94580
(510) 276-4700 www.oroloma.org

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Oro Loma Sanitary District Operating and Capital Budget For Fiscal Years 2021-22 & 2022-23

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Resolution No. 3716

**A RESOLUTION APPROVING
THE TWO-YEAR OPERATING AND CAPITAL BUDGET
FOR FISCAL YEARS 2021-22 AND 2022-23
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 2021-22 and 2022-23; 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 special work sessions on March 9 and April 13, 2021; 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 2021-22 and 2022-23.

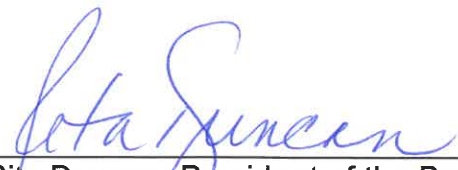
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I certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted by the Sanitary Board of Oro Loma Sanitary District, Alameda County, California, at a meeting thereof held on the 15<sup>th</sup> day of June 2021, by the following vote of the members thereof:

**AYES**, Members: Duncan, Lee, Simon, Stelzmann, Young

**NOES**, Members: None

**ABSENT**, Members: None

  
\_\_\_\_\_  
Rita Duncan, President of the Board

Countersigned:

  
\_\_\_\_\_  
Shelia Young, Secretary of the Board

**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, 2019**

*Christopher P. Morill*

Executive Director

# Introduction

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# 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, 2022 and 2023, with comparison to the preceding fiscal year. The following table summarizes the spending budgeted for each year.

|                  | FY 2020-21<br>(Amended) | FY 2021-22<br>(Adopted) | FY 2022-23<br>(Adopted) |
|------------------|-------------------------|-------------------------|-------------------------|
| Operating Budget | \$27.0 million          | \$29.1 million          | \$32.2 million          |
| Capital Budget   | \$13.8 million          | \$20.0 million          | \$11.2 million          |
| Total            | \$40.8 million          | \$49.1 million          | \$43.4 million          |

The Budget reflects the District's mission, core values, and its Strategic Plan. In parallel with this budget preparation, the Board held workshops in November 2020 and February 2021 to discuss key elements within the Strategic Plan. The Board redefined the District's mission statement based on its current vision, identified new ways of improving efficiency and potentials to better serve the community, while being mindful in preserving the environment. The updated 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 a guide, the Budget provides the fiscal resources to accomplish the goals.

One of the Board's top commitments is to maintain a healthy infrastructure. The Strategic Plan includes an accelerated pace pipe replacement, including the replacement of 40 miles of pipes between 2019 and 2029. It also aims to reduce miles of pipes with significant structural defects from 76 to 57 miles by 2029. Part of these capital improvements will be funded by Federal and State financing.

The Board values communication and engagement with the public. A Communications Plan is updated every few years to maintain public outreach through newsletters, social media and events such as Open House and plant tours. These efforts serve as learning opportunities on what we do and our role in protecting the environment.

The District positioned itself strategically in the renewed Joint Powers Authority Agreement of East Bay Dischargers Authority (EBDA) which took effect on July 1, 2020. With the construction of nutrient optimization facilities and by obtaining a National Pollutant Discharge Elimination System (NPDES) permit, the District now has ability to use an existing outfall pipe to discharge peak flow. This move significantly lowered the District's obligation in EBDA's capital costs in the future by reducing its maximum flow capacity from 69.2 mgd to 30.0 mgd (million gallons per day). In addition, our effluent quality is expected to meet or exceed all projected regulatory limits for at least 20 years.

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

### OPERATIONAL ACHIEVEMENTS

- The District maintains the lowest sewer service rates in Alameda County, and one of the lowest known rates in the State of California. As of July 1, 2020, the annual single-family residential sewer rate of \$296 is 55% below the average of \$665 within the County.
- As of September 1, 2020, the monthly garbage and recycling rate for a 35-gallon container in unincorporated Alameda is \$24.57, 40% less than the average of \$41.09 within the County.
- The District achieved 540 days between May 2015 and November 2016 without a sanitary sewer overflow, the longest periods in its history.
- The District maintains a high safety culture and continuously seeks to improve job safety. The District holds a record of 2716 days (more than 7 years) without a lost-time injury, from February 2008 to July 2015.



- The District completed the Wet Weather Equalization/Horizontal Levee Demonstration project which includes the construction of an 8 million gallon storage basin for wet weather equalization, combined with a horizontal levee for demonstration of wetland for dry weather flows. Benefits of this project include the ability to divert peak wet weather flows, improvement of existing wildlife habitat, and evaluation of the leading alternative response to sea level rise in the Bay Area.
- Between March 2015 and July 2016, the District contributed a total of \$8.35 million towards its unfunded pension liability. Despite market fluctuations, the June 30, 2019 CalPERS valuation shows that the District still maintains an 83% funded ratio.
- The District has maintained over 99% funded status on Other Post-Retirement Employee Benefit (OPEB) obligations since 2013.
- In FY 2020-21, the District completed the \$24.7 million Nutrient Optimization Project. The upgraded facilities enhance the nutrient treatment process and provide nitrogen removal (nitrification and denitrification) that meets permit limits until at least 2040.

## AWARDS & HONORS

- 2010 and 2013 CWEA Collection System of the Year at both the local and State levels.
- FY 2012-13 CSRMA Safety, Health, Environment, Liability & Losses (SHELL) Award.
- 2014 CWEA Bay Section Research Achievement Award for its Zeolite-Anammox Pilot Project which focuses on research supporting cost-effective nutrient removal technology.
- 2014 and 2020 Special District Leadership Foundation Transparency Certificate of Excellence.
- 2015 Water Environment Federation (WEF) George W. Burke Facility Safety Award.
- FY 2015-16 and FY 2019-20 CSRMA Workers' Compensation Excellence Award – The District was recognized for its ergonomic assessments of plant and field operations, for focusing on back injury prevention, and for keeping policies up to date on an ongoing basis.
- The Horizontal Levee Demonstration project won the 2017 CASA Award of Excellence for Outstanding Capital Project for Small Agency and the 2017 Friends of the San Francisco Estuary Outstanding Environment Project Award.
- In 2017, the Boards of Oro Loma Sanitary District and Castro Valley Sanitary District jointly received the San Francisco Bay Institute's Bay Hero Award for their vision and leadership related to sea rise response.
- The District was honored with the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its Two-Year Budgets for fiscal years 2015-2017, 2017-2019 and 2019-21; and, the Certificate of Excellence in Financial Reporting for 25 consecutive years.

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 fourth 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**

The Board is mindful of COVID-19's economic impact on the community and works hard to keep rates low for its customers. The Board elected to maintain a 5-year rate increase of 7.5% per year effective July 1, 2021. The rate is expected to remain the lowest among jurisdictions in Alameda County. The shortfall of funds for major capital improvements will be financed by Federal (WIFIA) and State (SRF) borrowings payable over 30 years. These funding sources will provide funds at historically low interest rates (WIFIA: 2.3%; SRF: 0.9%). The Board believes that a combination of modest rate increases and low-cost financing will deliver the best value for customers. This approach enables the District to renew its infrastructure without adopting large-scale rate increases in the short run. Despite significant cash need, the revenue base looks healthy. A new revenue source – charges for biosolids storage – will bring in a minimum of \$200,000 in revenues per year. In addition, the Lincoln Landing housing development in Hayward adds 480 new residential units to the District's customer base. As the economy rebounds from the downturn in 2020, more housing or commercial developments are expected to resume in coming years.

## **Workforce & Compensation**

The District has always done more with less while right-sizing its workforce. Compared to 61.5 employees in 1992, the number of full-time employees is maintained at mid-40s for more than 2 decades. With new processes in the nutrient removal process and other operational needs, staffing is planned at 46 positions for the next 2 years. Staff turnover has been a recent challenge. In the last 2 years, 8 employees (18% of the workforce) have left the District either due to retirement or other employment. This is twice the historic rate. Within the coming 5 years, another wave of service retirement may occur for 6 long-time employees. The District faces the difficulty of replacing these highly knowledgeable employees with qualified new workers and planning for adequate training during the transitions. One of our strategic goals is to promote professional development through the educational reimbursement program. Under the program, employees may receive up to \$5,250 in annual reimbursement for courses approved by the District. To retain the best qualified employees, the District offers a competitive compensation package based on a recent salary survey performed by an independent consultant.

## **Employee Benefits & Pension Liability**

With CalPERS' assumed rate of investment return settling at 7.0% in FY 2020-21, and its reduction of the amortization period for investment gains and losses from 30 years to 20 years, pension costs will continue to rise. The unfunded accrued liability rose from \$6.04 million in 2015 to \$9.73 million in 2018 and \$10.65 million in 2019. While normal cost contributions as a percentage of payroll increased only slightly for all 3 tiers, the required annual unfunded accrued liability payments jumped by 71% in the last 2 years, from \$0.45 million for FY 2019-20 to \$0.77 million for FY 2021-22. To effectively manage pension costs, the Board is in favor of amortizing the existing UAL over a period of 10 years. The cash impact of the accelerated paydown – \$0.76 million in FY 2021-22 and \$0.64 million in FY 2022-23, has been built into this Two-Year Budget as part of employee benefits.

## **Ongoing Capital Improvement Program**

The District administers a robust Capital Improvement Program. One top goal is to maintain reliable infrastructure. The Board recognizes the critical need to replace aging sewer pipes (50-70 years old). A The Strategic Plan sets a long-term goal to lower those with a defect score of 3 or greater from 76 miles to 57 miles by 2029. The current priority is to borrow \$40 million to reduce the existing backlog of high-risk pipes, replacing approximately 32 miles in the next 5 years. Another major project is the construction of the Consolidated Operations Building to provide centralized work areas, locker rooms and lunch rooms for collections and treatment plant staff. The project is expected to cost \$7.4 million. The new building will enhance efficiency and communications between various work groups.

## **Regulatory Issues and Challenges**

In September 2016, Governor Brown signed into law Senate Bill 1383: Short-Lived Climate Pollutants which will go into effect on January 1, 2022. The Bill establishes organics waste reduction targets and requires jurisdictions to have policies and programs in place by the effective date. While there are multiple aspects within SB 1383, the largest cost stems from a requirement to provide color-compliant containers for the entire customer base. The District will need to spend \$6 million to replace refuse and recycling carts in 2022. Costs of the new carts will be largely recovered over the next 5 years through increases in franchise fees and recycling fees. The advanced cash outlay in Year 2022 will put the District at a temporary operating deficit during this Two-Year Budget.

# Budget Overview

| Revenues                                                   | Budget                                                                                                                                                                          | Assumptions / Trends                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Revenues                                             | <ul style="list-style-type: none"> <li>FY 2020-21: \$25,096,500</li> <li>FY 2021-22: \$27,923,000 (11.3% increase)</li> <li>FY 2022-23: \$29,712,800 (6.4% increase)</li> </ul> | <ul style="list-style-type: none"> <li>Sewer rate increases by 7.5% per year. FY 2021-22: \$318; FY 2022-23: \$342.</li> <li>No increases to annual lift station surcharges. Blackstone &amp; Canyon Ridge: \$116; Canyon Drive \$60.</li> <li>Biosolid charges annual revenue: \$200,000 per year.</li> <li>Garbage rates projected increases: 3.0% per year.</li> <li>Residential recycling charges to increase annually by \$12 in FY 2021-22 and \$6 in FY 2022-23 to supplement for SB 1383 cart replacements.</li> <li>Investment Income decreases by 73% in FY 2021-22 due to adverse market rates.</li> <li>Capital repayments are based on CVSD's share of treatment plant capital budget. FY 2021-22: \$2,309,000; FY 2022-23: \$206,000.</li> <li>Capital grant revenues from PG&amp;E Battery Storage Program estimated at \$688,500 in FY 2021-22 and \$137,700 in FY 2022-23.</li> </ul> |
| Operating Revenues                                         | <ul style="list-style-type: none"> <li>FY 2020-21: \$24,648,500</li> <li>FY 2021-22: \$27,708,000 (12.0% increase)</li> <li>FY 2022-23: \$29,517,800 (6.5% increase)</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Non-Operating Revenues                                     | <ul style="list-style-type: none"> <li>FY 2020-21: \$448,000</li> <li>FY 2021-22: \$215,000 (52.0% decrease)</li> <li>FY 2022-23: \$195,000 (9.3% decrease)</li> </ul>          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Connection Fees, CVSD Capital Repayments, & Capital Grants | <ul style="list-style-type: none"> <li>FY 2020-21: \$1,780,600</li> <li>FY 2021-22: \$3,197,500 (79.6% increase)</li> <li>FY 2022-23: \$543,700 (83.0% decrease)</li> </ul>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Expenses (Operating)   | Budget                                                                                                                                                                          | Assumptions / Trends                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Expenses         | <ul style="list-style-type: none"> <li>FY 2020-21: \$26,983,900</li> <li>FY 2021-22: \$29,113,200 (7.9% increase)</li> <li>FY 2022-23: \$32,172,500 (10.5% increase)</li> </ul> | <ul style="list-style-type: none"> <li>Cost of living adjustments: 3% per year.</li> <li>Staffing at 46 positions.</li> <li>Employee benefits increase by 34% in FY 2021-22 partly due to CalPERS' pension contributions and voluntary pay down of existing UAL over 10 years.</li> <li>Overall increase in insurance cost: 19% in FY 2021-22</li> <li>Supplies/chemical costs increases: 3% per year.</li> <li>Power demand from Nutrient Optimization facilities adds \$150,000 per year to operating expenses.</li> <li>Operator internship program for up to 4 trainees per year. Annual budget \$166,400.</li> <li>Election expenses in FY 2022-23: \$300,000.</li> <li>Public outreach efforts continue based on the communications plan adopted by the Board. Annual budget \$345,000.</li> <li>Debt service interest FY 2021-22: \$433,200, FY 2022-23: \$420,700.</li> </ul> |
| Operating Expenses     | <ul style="list-style-type: none"> <li>FY 2020-21: \$26,182,400</li> <li>FY 2021-22: \$28,306,800 (8.1% increase)</li> <li>FY 2022-23: \$31,398,600 (10.9% increase)</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Non-Operating Expenses | <ul style="list-style-type: none"> <li>FY 2020-21: \$801,500</li> <li>FY 2021-22: \$806,400 (0.6% increase)</li> <li>FY 2022-23: \$773,900 (4.0% decrease)</li> </ul>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Expenditures (Capital) | Budget                                                                                                                                                                           | Assumptions / Trends                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Expenditures   | <ul style="list-style-type: none"> <li>FY 2020-21: \$13,866,800</li> <li>FY 2021-22: \$19,951,000 (43.9% increase)</li> <li>FY 2022-23: \$11,177,000 (44.0% decrease)</li> </ul> | <ul style="list-style-type: none"> <li>Pipeline replacements to be funded by SRF and WIFIA: \$10 million/year.</li> <li>Other major projects in FY 2021-22: Consolidated Operations Building \$7.4 million; Cogeneration Engine Overhaul \$235,000; Canyon Ridge Generator Installation \$180,000; Lift Station Rehabilitation \$150,000.</li> <li>Other major projects in FY 2022-23: Collections Hydrojetter replacement \$275,000; Cogeneration Engine Overhaul \$180,000.</li> </ul> |

## 10-Year Strategic Vision & Goals



### MISSION STATEMENT

**To provide the highest value in wastewater, solid waste, and recycling services to our customers and protect the San Francisco Bay and our communities.**



## 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. Our vision is to send a generation of employees into retirement without impairment.



### **Our staff remains our key asset.**

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. We strive to create and nurture an inclusive culture, where differences and diversity of thought contribute to exemplary customer service.

### **Our response 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.

### **New technologies are only implemented when worth our investment.**

We will scrutinize available technologies and implement only those that make us future-ready and 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 value in mind.**

Through sound management and ongoing infrastructure renewal, we will maintain our position as a reliable and low-cost service provider for generations to come.

### **Our best service starts with proactive communication.**

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 is pursued 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 jobs well so the customer has the ability to focus on other things. When we meet the customer face to face, our goal is to provide the highest level of service through responsiveness, professional appearance, expertise, and courtesy.

### **Diversity and Inclusion**

We are committed to fostering a diverse and inclusive workforce where we value inclusion and belonging. We create an environment where employees of all backgrounds and experiences are welcomed, respected, and engaged; and we value our community's rich diversity.

### **Trust**

Trust is foundational for elite 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, the trust of partners within the community, and internal relationships throughout the District.

### **Teamwork**

We value teamwork and are committed to working together internally and partnering with outside agencies and customers.

### **Communication**

We value excellent communication 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 among all staff. An attitude of ownership positively benefits the way we care about the District and the way we allocate resources to generate the best long-term value for our customers.





## STRATEGIC GOALS

| Financial Stability                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10-YEAR STRATEGIC GOAL                                                                                                                                                                                    | INTERMEDIATE                                                                                                                                                                                                                                                                                                                                                                                    |
| Oro Loma will provide high value to the ratepayers today and in the future. High value includes paying for needed infrastructure and maintaining rates within the lowest 30 percentile in Alameda County. | 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. Develop Prop 218 notice explaining the rate increase and associated needs in the collection system.                                                                                                                                           |
| Build Capital Asset Program funding into rate structure by 2029.                                                                                                                                          | Raise sewer service charges at a minimum of 7.5% per year in the next rate setting process (FYs 21/22-25/26). The portion of rate increase above inflation to be used to fund the capital program.                                                                                                                                                                                              |
| Continue to explore alternatives for the beneficial reuse of biosolids.                                                                                                                                   | Continue to land apply biosolids and monitor industry trends. Develop 3-year extension option for biosolids disposal for Board consideration (existing agreement expires December 31, 2021). If 3-year extension is not approved by Board, issue RFP for 5 years of biosolids reuse. Protect the continued use of the drying beds by increasing ongoing pond maintenance to \$100,000 per year. |
| Produce timely, accurate, transparent, and useful financial reports.                                                                                                                                      | Issue monthly financials by the 10th of the following month. Provide a minimum of three months overlap between retirement and new hire of Finance Manager.                                                                                                                                                                                                                                      |
| Update "10-year Strategic Vision and Goals" document every three years.                                                                                                                                   | Next update scheduled for April 2024.                                                                                                                                                                                                                                                                                                                                                           |

# 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 are 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 2022 and present findings to the management team. Identify action plan for any areas in need of improvement.                                                                                                                                                               |
| Maintain safety policies and procedures by auditing, updating, and training on policies at least every three years.                                                                                                      | Review all safety procedures in 2022 and update as needed.                                                                                                                                                                                                                                                       |
| Maintain written training standards and video-based operator training program for all areas of the plant.                                                                                                                | All written and video training modules to be complete by 2022. Provide assessment training to Operations staff for existing processes by 2023.                                                                                                                                                                   |
| Enhance Collections training program to include the use of Target Solutions Training System, embedded video, critical situation response, and/or multimedia options. Link videos to Geographic Information System (GIS). | Establish new formatting standard and transition existing Collections SOPs into the Target Solutions training database.                                                                                                                                                                                          |
| Conduct critical incident response debriefing sessions and document lessons learned for future training.                                                                                                                 | Perform debrief sessions as events dictate. Create slide deck of lessons learned from the past 10 years and include in annual training.                                                                                                                                                                          |



## STRATEGIC GOALS

| Safety and Employee Development <i>(cont.)</i>                                                                                                                 |                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10-YEAR STRATEGIC GOAL                                                                                                                                         | INTERMEDIATE                                                                                                                                                                                                                                                |
| 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 training topics per year).                                                          | Coordinate annual management training and develop program for existing management team. Management team to identify potential training needs and agree on the highest priority items for group training.                                                    |
| Build a consolidated locker room for Collections, Operations, and Maintenance staff. Consider options to further consolidate lunchrooms and O&M working areas. | Initiate design in FY 2019/20 with target bid date of August 2021. Obtain pricing for options to the locker room. Present pricing to the Board for final decision on project goals. Complete construction of selected alternative by the end of FY 2022/23. |
| Develop and commit to a high functioning Board. Invest in training of Board members and seek ways to improve efficiency of existing Committees.                | Conduct workshop to consider ways to streamline existing Committees and align standard reporting to a dashboard of key indicators, exception reports, policy updates, and contracts in excess of staff's authority.                                         |

# 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 48 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 using Emnet influent flow prediction software to minimize use of local outfall.                                                                                                                                                                                                                                                                                                                    |
| Zero permit violations due to equipment failures. Maintain a level of reliability so that ≤ 12 off hours (5:30 p.m. to 7:00 a.m.) trouble calls are made for plant equipment per year. | Develop a scoreboard for all O&M staff to communicate whether the District is on track to meet the goal. Perform debriefs on every off-hour call and make recommendations to repair or replace problematic equipment. To limit unnecessary callouts, develop a matrix detailing key equipment and allowable time to dispatch for use by operations when assessing equipment failures (i.e. if a process can wait until Monday at 7am, wait until then to address). |
| 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 (last revised in 2019).                                                                                                                                                                                                                                                                                                   |
| Develop "watch list" of emerging regulations, key regulatory contacts, and participate when warranted.                                                                                 | Review BACWA Regulatory Issues Summary with Operations Committee at least twice per year. Participate in Nutrients Discussion at BACWA Level.                                                                                                                                                                                                                                                                                                                      |
| 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 State and County solid waste requirements, including SB 1383.                                                                                                                                                                                                                          | Continue outreach to commercial and multi-family customers and implement programs requested within 30 days.                                                                                                                                                                                                                                                                                                                                                                                                         |
| Reduce residential recycling contamination by 35% by 2025, in advance of the expiration of our existing Solid Waste Services Agreement.                                                                                                                                                                 | Develop specifications and bid documents for the cart replacement plan approved by the Board in December 2020. Optimize specifications for lowest life cycle cost.<br><br>Replace solid waste, recycling, and green waste carts by the end of FY 22/23.                                                                                                                                                                                                                                                             |
| Maintain 100% participation in organics recycling in schools.                                                                                                                                                                                                                                           | Continue outreach and education to schools.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Be carbon free for indirect GHG emissions by 2040; achieve a 50% reduction in direct GHG emissions by 2040 (compared with Year 2000 levels).                                                                                                                                                            | Build a 2030 consolidated District fleet plan and review with the Board. Goals of fleet plan are to electrify transport around treatment plant site, develop a common pool of vehicles for all staff, and reduce maintenance by reducing the total number of vehicles by 20%.<br><br>Provide update on Oro Loma Climate Action Plan in Winter 2022.<br><br>Develop plan and budget needs for electrical charging program by the end of FY 2021/22. Develop infrastructure for electrical charging stations by 2025. |
| The District will produce as much electricity as it uses on an annual basis by 2030. For the period between 2021 and 2030, the District will focus on reducing electrical consumption. In 2030, the new Cogeneration System will be designed to provide 100% of District electricity from 2030 to 2050. | Review energy savings opportunities in 2021 and present findings to the Board. If economically attractive, move forward.                                                                                                                                                                                                                                                                                                                                                                                            |



# 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 2022) 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. Add electronic survey to the website.                                                                                                                                                                                                                            |
| Research and establish vision for Administration & Finance office of the future.                                                                                                        | Develop five-year plan to modernize administrative practices – electronic signatures, paperless A/P, reception from anywhere, remote work policy, and paperless administrative approvals. Identify practices to increase customer service via computer based/video interfaces.                                                |
| Increase the call to action messaging for the public, with emphasis on its role in protecting the environment.                                                                          | Implement the direction established in the Communications Plan – Recycle Right and 3Ps.                                                                                                                                                                                                                                       |
| Manage maintenance needs of the District with existing workforce and outside assistance as needed. Maintain maintenance backlog to below 125 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). Upgrade engine controls in FY 2021/22 to extend the life of the cogeneration system from 2025 to 2030 and reduce potential for long term outage.                                              |
| Cooperate with the County in its efforts to address illegal dumping and litter in the District. Take a meaningful step beyond current efforts to beautify the community.                | Obtain Board consensus and staff direction on the level of resources to apply to beautification efforts in the community.<br><br>Continue outreach on bulky waste pick-ups and evaluate multi-family bulky waste collection. Develop a volunteer litter pick-up program and present to Board for consideration in FY 2021/22. |
| Maintain a Communications Plan for District outreach efforts. Update the plan every five years.                                                                                         | Update existing plan in FY 2020/21. Review plan with Board at least every two years.                                                                                                                                                                                                                                          |

# 10-Year Strategic Vision & Goals

## STRATEGIC GOALS

| Infrastructure                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10-YEAR STRATEGIC GOAL                                                                                                                                                                                                                                          | INTERMEDIATE                                                                                                                                                                                                                                                                       |
| 10-Year Capital Planning Document for all District Assets (Update Monthly).                                                                                                                                                                                     | Report monthly to Construction Committee and 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 76 miles with a defect score of 3 or greater. The goal is to reduce the value from 76 to 57 miles by 2029.                       | Design and perform pipe replacements and spot repairs within total two-year budget (FYs 21/22 and 22/23) amount of \$22.5M (includes line replacement plus \$1.25M/year for spot repairs).                                                                                         |
| Replace a minimum of 40 miles of collection system pipe between 2019 and 2029 (increase miles of HDPE from 32.7 (10/31/18) to 72.7). As of January 21, there are 41 miles of HDPE pipe in the collection system.                                                | Replace a minimum of 4 miles of pipe every year until goal is reached. Use debt financing if and when available in FY 2021/22 to meet the strategic goals for the collection system.                                                                                               |
| 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). As of January 2021, 12.72% (35 miles) of the collection system is on the high frequency cleaning schedule. | Continue to monitor improvements to high-frequency footage gained from line replacement program. Communicate progress to Board on a monthly basis. Make decision in Spring 2021 on source(s) for debt financing – State Revolving Fund (SRF), Federal (WIFIA), or private funding. |
| Build GIS into central reference source for all District Assets and customer service issues.                                                                                                                                                                    | Continue to maintain minimum 10 District staff capable to use GIS for customer service response. Perform refresher training in 2022. Build infrastructure to allow remote access of GIS based customer service data.                                                               |
| Implement Asset Management Program for all District assets by 2023.                                                                                                                                                                                             | Provide an overview of the planned Asset Management Program to the Board in Fall 2021. Complete Phase 3 of Asset Management Plan: Input cost and condition data for all plant assets by December 2021.                                                                             |

# 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. The elevation standard for new critical infrastructure will be El. 8.0.                                                                                                        |
| Zero overflows due to capacity limitations.                                                                                                   | Continue to operate the five online flow monitoring stations. Perform source detection analysis on the main trunks feeding the Grant Avenue and Lewelling Blvd. interceptors and update hydraulic model in FY 2025/26.                                           |
| Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in 2027. | Perform study to evaluate energy efficiency measures in 2021. Focus of effort to include plant lighting, influent pumping, digester mixing, process control improvements, and dewatering. Present results and economic analysis to the Board by the end of 2021. |
| Maintain lift stations with a level of reliability so that we receive no more than 10 off-hours lift station maintenance calls per year.      | Perform annual analysis of trouble calls related to lift stations. Develop action plan for any reoccurring or common risks.                                                                                                                                      |

## District Overview

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# 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.



## How Oro Loma Began

Up till 1911, San Lorenzo was a rural farming community. Around that time, large farms and estates began to be subdivided and sold for individual home sites. With a growing population building new homes on smaller lots, community leaders saw the need for a public sewer system.

A public meeting was held on August 7, 1911, where the Board of Supervisors voted to approve the petition of 29 civic-minded men to create a new sanitary district. The petitioners were from diverse backgrounds. Collectively, they worked together for a common cause that would benefit the entire community for over the last century. The resolution that was passed by the Board of Supervisors required a special election to vote on the formation of a new district and to elect one Sanitary Assessor and five members of the Sanitary Board. The election was held on September 16, 1911. The sanitary district was overwhelming approved and thus began Oro Loma Sanitary District's long service to the community.



## Form of Government

The District was formed in 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"> <li>• Miles of sewer lines - 273</li> <li>• Number of lift stations - 12</li> <li>• Permitted sewage treatment capacity - 20 million gallons per day (mgd)</li> <li>• Average daily flow – 13 mgd</li> <li>• Treatment processes - Primary and secondary, disinfection</li> <li>• Disposal of effluent - through East Bay Discharges Authority (EBDA), a joint-powers agency</li> <li>• Disposal of biosolids - 13 dry tons per day, hauled annually to be used as alternative daily cover</li> <li>• Water reclamation - 57 million gallons per year (1.2%) of treated effluent is reused for irrigation at the Skywest Golf Course</li> </ul> |
| Solid Waste Services | <ul style="list-style-type: none"> <li>• Serving unincorporated areas of Alameda County and parts of Hayward and San Leandro</li> <li>• Contracted to Waste Management of Alameda County</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Recycling Services   | <ul style="list-style-type: none"> <li>• Serving unincorporated areas of Alameda County and parts of San Leandro</li> <li>• Include residential and commercial recycling, green waste and organics/foodwaste</li> <li>• Contracted to Waste Management of Alameda County</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                |

## Demographics

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Population Served<br>(Number of persons)       | 140,546 within Oro Loma Sanitary District<br>64,000 within Castro Valley Sanitary District<br>2,850 within Cities of Hayward and San Leandro                                                                                                                                                                                                                                                                           |
| Customer Base<br>(Number of customer accounts) | 47,392 within the District's jurisdiction <ul style="list-style-type: none"> <li>• Residential – 46,251 (97.59%)</li> <li>• Commercial and light industrial – 1,138 (2.40%)</li> <li>• Significant industrial - 3 (0.01%)</li> </ul> 21,370 within other jurisdictions <ul style="list-style-type: none"> <li>• Castro Valley Sanitary District - 20,400</li> <li>• Cities of Hayward and San Leandro - 970</li> </ul> |

# District Profile

## Community Profile

### Population, Per Capita Income & Unemployment Statistics

| Indicator         | San Lorenzo, Ashland,<br>Cherryland, Fairview | Hayward  | San Leandro | All<br>Areas |
|-------------------|-----------------------------------------------|----------|-------------|--------------|
| Population        | 88,191                                        | 9,999    | 42,356      | 140,546      |
| Per Capita Income | \$37,703                                      | \$33,748 | \$36,755    | \$37,136     |
| Unemployment rate | 6.9%                                          | 6.5%     | 6.8%        | 6.9%         |

### Major Employers Within The District

| Employer                            | Type of Business                  | Number of Employees |
|-------------------------------------|-----------------------------------|---------------------|
| Alameda Health System               | Hospital                          | 1459                |
| San Lorenzo Unified School District | School district                   | 1120                |
| Ghirardelli Chocolate               | Food manufacturing                | 514                 |
| County of Alameda                   | Government services               | 502                 |
| The Hillshire Brands                | Food manufacturing                | 400                 |
| Hayward Unified School District     | School district                   | 355                 |
| San Leandro Unified School District | School district                   | 302                 |
| Save Mart                           | Grocery store                     | 254                 |
| Target                              | Department store                  | 200                 |
| Tharco                              | Packaging materials manufacturing | 171                 |
| Kaiser Foundation Health Plan       | Medical clinic                    | 167                 |
| Safeway                             | Grocery store                     | 140                 |

### Top 20 Commercial Customers

| Customer                                | Type of Business                                      | Sewer Charges         | % of Sewer |
|-----------------------------------------|-------------------------------------------------------|-----------------------|------------|
|                                         |                                                       | 2019 (last available) | Revenues   |
| Santini Foods                           | Food manufacturing                                    | \$ 1,355,602          | 8.1%       |
| Ghirardelli Chocolate                   | Food manufacturing                                    | 209,928               | 1.3%       |
| The Hillshire Brands                    | Food manufacturing                                    | 176,797               | 1.1%       |
| Madison Bayfair                         | Shopping mall                                         | 143,685               | 0.9%       |
| Fairmont Hospital Complex               | Hospital, medical clinics and correctional facilities | 127,261               | 0.8%       |
| San Lorenzo Unified School District     | School District                                       | 108,977               | 0.7%       |
| Hayward Area Recreation & Park District | Recreation and parks                                  | 102,813               | 0.6%       |
| County of Alameda General Services      | Government services                                   | 58,684                | 0.4%       |
| Greenhouse Marketplace                  | Retail businesses                                     | 41,855                | 0.3%       |
| Fusion Delight                          | Restaurant                                            | 36,986                | 0.2%       |
| Hayward Unified School District         | School District                                       | 33,842                | 0.2%       |
| San Leandro Hospital (SLCO)             | Hospital                                              | 33,719                | 0.2%       |
| Lauderworld                             | Laundromat                                            | 27,789                | 0.2%       |
| Lorenzo Manor Shopping Center           | Retail businesses                                     | 27,144                | 0.2%       |
| San Leandro Unified School District     | School District                                       | 24,814                | 0.1%       |
| Guadalajara Enterprises                 | Retail businesses                                     | 23,629                | 0.1%       |
| Hilltop Care Center                     | Nursing home                                          | 23,178                | 0.1%       |
| Washington Center                       | Rehabilitation Services                               | 22,062                | 0.1%       |
| Save Mart Supermarket                   | Grocery store                                         | 21,192                | 0.1%       |
| Kaiser Foundation Health Plan           | Medical clinics                                       | 19,976                | 0.1%       |
| Total from Top 20 Commercial Customers  |                                                       | \$ 2,619,933          | 15.7%      |

#### Impact of Community Demographics on the District:

The District accepts restaurant grease from local food businesses and charges a tipping fee per gallon. Grease is favorable to District operations as it increases digester gas production which is an essential part of the sewage treatment process. This activity generates over \$100,000 annually in Grease Receiving Charges revenues.

The food waste/organics collection program has been fully implemented in schools in the District. Organics are generated mainly from school lunchrooms and are recycled for composting, thereby reducing the need for landfills. The District continuously promotes this program to its commercial customers as well, and emphasizes on public outreach to increase community awareness.

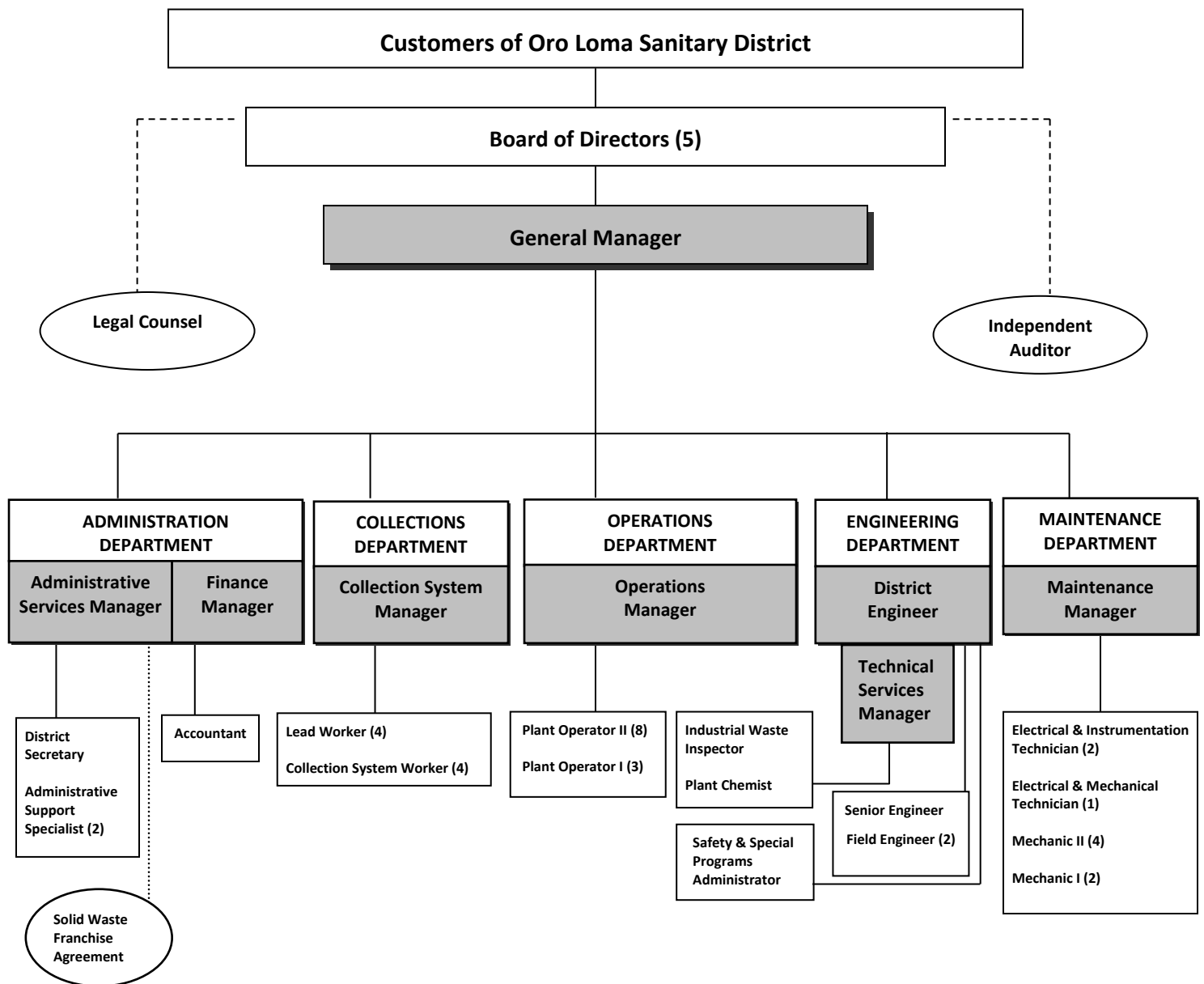
The District sponsors a waste removal pilot program in the Cherryland area where local volunteers in organized teams collect trash and recycling from public areas, and dispose of it in locked bins that are designated for this program. Waste Management services these bins weekly and invoices the District. The pilot program has been in place since 2019 and has seen great success. It was extended indefinitely and could possibly be expanded to other communities in the District's service area.

# District Profile

## Service Fees

|                                                                            | Customer Type                                                                            | FY 2020-21       | FY 2021-22                                                                                                                                                          | FY 2022-23 |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Sewage Service Rates</b><br>Ordinance No. 37 and<br>Resolution No. XXXX | Residential - rate per dwelling per year                                                 |                  |                                                                                                                                                                     |            |
|                                                                            | • Single-family dwellings                                                                | \$296            | \$318                                                                                                                                                               | \$342      |
|                                                                            | • Multiple-family dwellings                                                              | \$296            | \$318                                                                                                                                                               | \$342      |
|                                                                            | • Mobile homes                                                                           | \$241            | \$259                                                                                                                                                               | \$278      |
|                                                                            | Commercial - rate per 100<br>cubic feet (cf) of water used                               | \$4.371          | \$4.699                                                                                                                                                             | \$5.051    |
|                                                                            | Significant Industrial Users - rates are based on actual flow and loadings per unit cost |                  |                                                                                                                                                                     |            |
|                                                                            | • Flow, per 100 cf water                                                                 | \$2.864          | \$3.079                                                                                                                                                             | \$3.310    |
|                                                                            | • BOD, per pound                                                                         | \$0.557          | \$0.599                                                                                                                                                             | \$0.644    |
|                                                                            | • SS, per pound                                                                          | \$0.636          | \$0.684                                                                                                                                                             | \$0.735    |
|                                                                            |                                                                                          |                  |                                                                                                                                                                     |            |
| <b>Permit &amp; Inspection Fees</b>                                        |                                                                                          | \$280            | \$280                                                                                                                                                               | \$280      |
|                                                                            |                                                                                          |                  |                                                                                                                                                                     |            |
| <b>Sewer Connection Fees</b><br>Ordinance No. 35                           | Residential per unit                                                                     | \$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 |
|                                                                            |                                                                                          |                  |                                                                                                                                                                     |            |
| <b>Garbage Rates</b><br>Ordinance No. 34                                   | Residential                                                                              | Effective 9/1/20 | Effective 9/1/21, 9/1/22                                                                                                                                            |            |
|                                                                            | Unincorporated & Hayward                                                                 |                  | Annual rate increases are based on a combination of factors:<br>50% April CPI-U and 50% weighted average of teamster wage, benefits and pension contract increases. |            |
|                                                                            | • 20-gallon cart per month                                                               | \$10.01          |                                                                                                                                                                     |            |
|                                                                            | • 35-gallon cart per month                                                               | \$19.97          |                                                                                                                                                                     |            |
|                                                                            | • 64-gallon cart per month                                                               | \$39.98          |                                                                                                                                                                     |            |
|                                                                            | • 96-gallon cart per month                                                               | \$59.94          |                                                                                                                                                                     |            |
|                                                                            | San Leandro                                                                              |                  |                                                                                                                                                                     |            |
|                                                                            | • 20-gallon cart per month                                                               | \$11.55          |                                                                                                                                                                     |            |
|                                                                            | • 35-gallon cart per month                                                               | \$23.17          |                                                                                                                                                                     |            |
|                                                                            | • 64-gallon cart per month                                                               | \$46.25          |                                                                                                                                                                     |            |
|                                                                            | • 96-gallon cart per month                                                               | \$69.40          |                                                                                                                                                                     |            |
|                                                                            |                                                                                          |                  |                                                                                                                                                                     |            |
| <b>Recycling &amp; Green Waste Rates</b><br>Ordinance No. 34               | Single-family dwellings per year                                                         | \$55.20          | \$67.20                                                                                                                                                             | \$73.20    |
|                                                                            | Multi- and mobile homes per year                                                         | \$51.84          | \$63.84                                                                                                                                                             | \$69.84    |
|                                                                            | Commercial per cubic yard                                                                |                  |                                                                                                                                                                     |            |
|                                                                            | • Unincorporated & Hayward                                                               | \$12.95          | Increases per terms of agreement                                                                                                                                    |            |
|                                                                            | • San Leandro                                                                            | \$13.61          | 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 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](http://www.oroloma.org).



## **Rita Duncan, President**

*Term Expires 2022*

*Chairperson of Construction Committee, Member of Operations Committee, Representative on EBDA, Alternate Representative on ACSDA, and Vice Chairperson of CASA Federal Legislative Committee.*

Ms. Duncan retired as Director of Human Resources of a Bay Area manufacturing company. She was also formerly the Director of the Math, Engineering, Achievement & Education Outreach Program for the Stanford School of Engineering. Ms. Duncan was appointed to the Board in January 2016, elected in November 2016, and re-elected in 2018.



## **Fred Simon, Vice President**

*Term Expires 2022*

*Chairperson of Solid Waste Committee, Member of Construction Committee, and Alternate Representative on ACWMA.*

Mr. Simon is a registered professional civil engineer with over 20 years of experience in the Bay Area. He has worked for East Bay Municipal Utility District and is currently employed by Contra Costa Water District. He is a resident of the Heron Bay community in San Leandro. Mr. Simon was elected to the Board in November 2018.



## **Shelia Young, Secretary**

*Term Expires 2022*

*Chairperson of Finance & Insurance Committee, Member of Solid Waste Committee, Representative on ACWMA, Executive Board Member of ACSDA, and Alternate Representative on EBDA.*

Ms. Young is currently a business/environmental consultant who managed her own business for 30 years prior to service as Mayor of the City of San Leandro. She was named Mayor Emeritus in 2008. Ms. Young was elected to the Board of Directors in 2014 and was re-elected in 2018.



## **Benny Lee, Director**

*Term Expires 2024*

*Chairperson of Personnel/Safety/Public Information Committee, Member of Finance & Insurance Committee, and Representative on ACSDA.*

Mr. Lee is a financial systems and information technology professional and has a B.S. Degree in Business Administration. He is active in numerous local community organizations, cultural groups, and civic boards. He served as a member of the San Leandro City Council from 2012 to 2020. Mr. Lee was elected to the Board in 2020.



## **Paul Stelzmann, Director**

*Term Expires 2024*

*Chairperson of Operations Committee and Member of Personnel/Safety/Public Information Committee.*

Mr. Stelzmann has an extensive background in water treatment plant operations and has degrees in biology and chemistry. His responsibilities as a Senior Water Treatment Operator at East Bay Municipal Utility District include ensuring safe and efficient plant operations, compliance with State and Federal regulations, and operator training.

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

## Official



### **Jason Warner, General Manager/Treasurer**

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

## Departmental Management

### Administration



### **Andreea Simion, Administrative Services Manager**

Manages human resources, benefits, employee relations, and labor relations functions. Oversees Board and administrative support services, information technology, and public outreach programs. Also manages the District's agreement for solid waste services with Waste Management, including contract compliance management and program oversight.



### **Arlene Wong, Finance Manager**

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. Oversees activities related to debt issuance and compliance. Assists other managers in budget monitoring and project costing.

### Collections



### **Christopher Brown, Collection System Manager**

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.

## Engineering



### **Jimmy Dang, District Engineer**

Manages the Engineering Department. Administers the Capital and Renewal & Replacement programs for the treatment facility. Coordinates 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. Oversees safety and training programs.



### **William Halsted, Technical Services Manager**

Manages the laboratory, pretreatment compliance, and Capital and Renewal & Replacement programs related to the collections system and lift stations. Oversees the Geographic Information System (GIS) and Asset Management programs, issuance of permits for construction, repairs and annexations, reviews plans and specifications.

## Treatment Plant



### **Manuel Talledo-Garcia, Operations Manager**

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.



### **Gene Palop, Maintenance Manager**

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

## AUTHORIZED POSITIONS & STAFFING TRENDS BY DEPARTMENT

\* Management Staff

| Department & Position Title              | 2019-20   | 2020-21   | 2021-22   | 2022-23   |
|------------------------------------------|-----------|-----------|-----------|-----------|
| <b>Collections</b>                       |           |           |           |           |
| * <b>Collection System Manager</b>       | 1         | 1         | 1         | 1         |
| Lead Worker                              | 3         | 3         | 4         | 4         |
| Collection System Worker                 | 4         | 4         | 4         | 4         |
|                                          | <u>8</u>  | <u>8</u>  | <u>9</u>  | <u>9</u>  |
| <b>Operations</b>                        |           |           |           |           |
| * <b>Operations Manager</b>              | 1         | 1         | 1         | 1         |
| * <b>Technical Services Manager</b>      | 1         | 1         | 0         | 0         |
| Plant Chemist                            | 1         | 1         | 1         | 1         |
| Plant Operator II                        | 8         | 8         | 8         | 8         |
| Plant Operator I                         | 2         | 2         | 3         | 3         |
| Safety & Special Programs Administrator  | 1         | 1         | 1         | 1         |
| Industrial Waste Inspector               | 1         | 1         | 1         | 1         |
|                                          | <u>15</u> | <u>15</u> | <u>15</u> | <u>15</u> |
| <b>Maintenance</b>                       |           |           |           |           |
| * <b>Maintenance Manager</b>             | 1         | 1         | 1         | 1         |
| Electrical & Instrumentation Technician  | 2         | 2         | 2         | 2         |
| Electrical & Mechanical Technician       | 1         | 1         | 1         | 1         |
| Mechanic II                              | 5         | 5         | 4         | 4         |
| Mechanic I                               | 1         | 1         | 2         | 2         |
|                                          | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> |
| <b>Engineering</b>                       |           |           |           |           |
| * <b>District Engineer</b>               | 1         | 1         | 1         | 1         |
| * <b>Technical Services Manager</b>      | 0         | 0         | 1         | 1         |
| Senior Engineer                          | 0         | 0         | 1         | 1         |
| Field Engineer                           | 3         | 3         | 2         | 2         |
|                                          | <u>4</u>  | <u>4</u>  | <u>5</u>  | <u>5</u>  |
| <b>Administration</b>                    |           |           |           |           |
| * <b>General Manager</b>                 | 1         | 1         | 1         | 1         |
| * <b>Administrative Services Manager</b> | 1         | 1         | 1         | 1         |
| * <b>Finance Manager</b>                 | 1         | 1         | 1         | 1         |
| Accountant                               | 1         | 1         | 1         | 1         |
| District Secretary                       | 1         | 1         | 1         | 1         |
| Administrative Support Specialist        | 2         | 2         | 2         | 2         |
|                                          | <u>7</u>  | <u>7</u>  | <u>7</u>  | <u>7</u>  |
| <b>Total Positions</b>                   | <b>44</b> | <b>44</b> | <b>46</b> | <b>46</b> |

Staffing increased by 2 positions from the last budget. A Lead Worker position was added to Collections Department. A Plant Operator I position was added to Operations Department. Both additions were justified by increased work demand in those departments. Furthermore, transfers of positions among classifications or between departments include: Technical Services Manager transferred from Operations Department to Engineering Department; a Mechanic II opening reclassified to Mechanic I; a Field Engineer position reclassified to Senior Engineer. These changes were made due to changing roles of employees.



# **Financial Structure, Policy & Process**

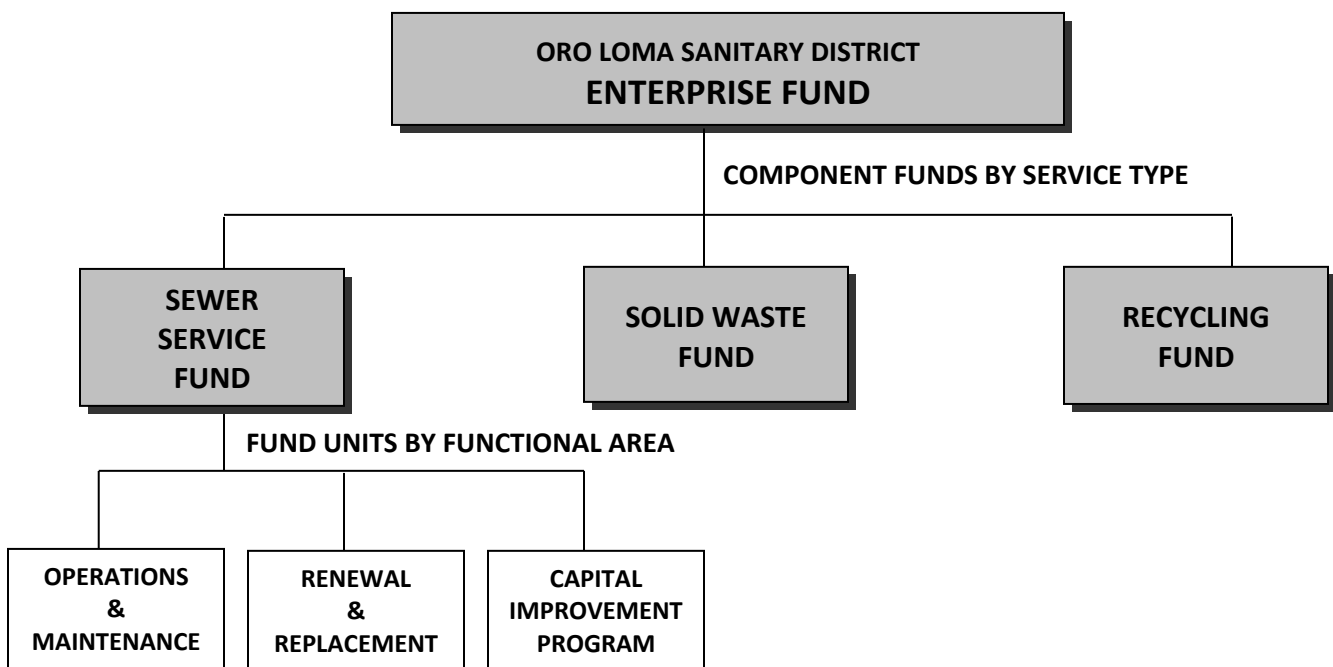
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# Fund Structure & Basis of Budgeting

## Fund Structure

The District utilizes an enterprise fund structure to account for services it provides to the public. The costs 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 represent the District's three service types – Sewer Service, Solid Waste, and Recycling. The Sewer Service component fund accounts for sewage treatment activities, from the collection of wastewater throughout the District, to the treatment and safe disposal of treated effluent. It is further divided into three units – Operations and Maintenance (O&M), Renewal and Replacement (R&R), and Capital Improvement Program (CIP). The Solid Waste component fund accounts for activities related to refuse collection services. The Recycling component fund accounts for activities related to residential, green waste and food waste recycling services. Since refuse and recycling collections are contracted to Waste Management of Alameda County, the District's involvement in the Solid Waste and Recycling component funds are primarily administrative.



**Relationship Between Component Funds & Department Units (Staff involvement is marked with the • symbol)**

| Component Fund \ Department Unit | Collections Department | Operations Department | Maintenance Department | Engineering Department | Administration Department |
|----------------------------------|------------------------|-----------------------|------------------------|------------------------|---------------------------|
| Sewer Service                    | •                      | •                     | •                      | •                      | •                         |
| Solid waste                      |                        |                       |                        |                        | •                         |
| Recycling                        |                        |                       |                        |                        | •                         |

## 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 before June 30. The budget development is guided by numerous factors: the strategic vision, goals and objectives; the long-range capital plan; the 5-year cash flow projection; economic conditions; regulatory issues; and, Proposition 218 proceedings every 5 years. During the initial phase, budget assumptions are developed and staffing level is examined.

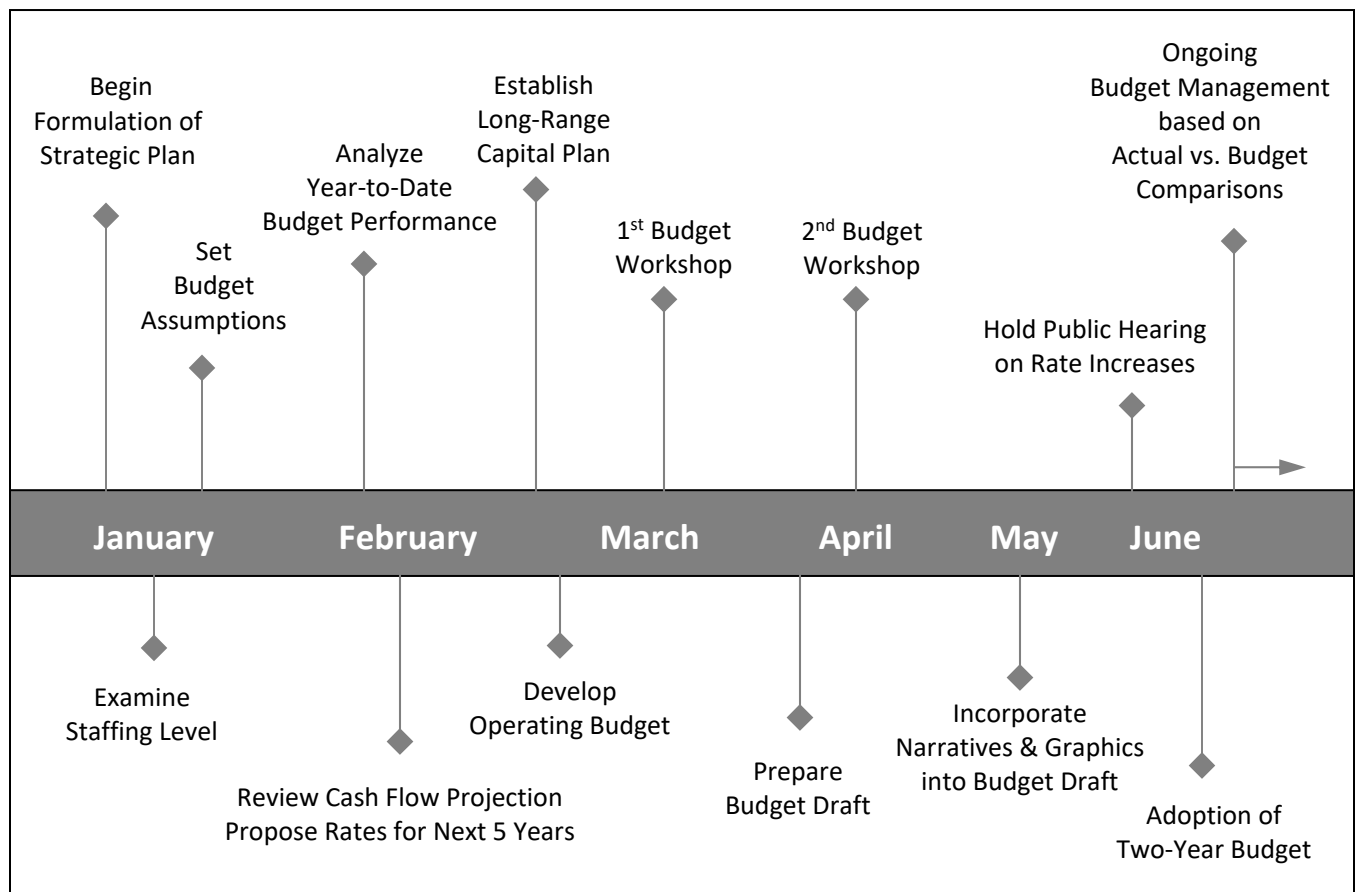
The next phase of the budget process takes place in February and involves the analysis of year-to-date operating revenues and expenses, and Board review of the 5-year cash flow projection. From February to March, the long-range capital plan is established. The operating budget is also under way as department managers provide input on individual budget needs.

Public budget workshops are held in March and April for Board collaboration and to obtain public input. During the first workshop, the Board reviews budget highlights such as staffing level, capital plan, rate structure and financing options. Staff prepares a budget draft for Board review in the second workshop. The final document is presented to the Board for adoption before the end of June. The District formulates a sewer and recycling rate plan every 5 years. In such case, a Proposition 218 hearing will be held before the Board adopts the budget.

The budget management process continues throughout the 2 years with ongoing actual vs. budget analyses. To realign the spending plan with changes in project priorities and circumstances, staff presents the need for budget amendments through various Committees to the Board for approval.

The following timeline provides the entire process at a glance for the FY 2021-22 and FY 2022-23 Budget preparation.

## 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, 5,993 maintenance holes, 117 special structures, 12 lift stations, and several siphons. The Collections crew cleans and video-inspects close to 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 2019-20  | FY 2020-21  | FY 2021-22  | FY 2022-23  |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Expense Category                    | Actual      | Budget      | Budget      | Budget      |
| Salaries & Benefits                 | \$1,199,471 | \$1,572,200 | \$1,883,400 | \$1,951,200 |
| Fuel & Supplies                     | 100,742     | 128,800     | 117,500     | 120,900     |
| Contractual & Professional Services | 162,576     | 141,500     | 113,600     | 117,100     |
| Other Expenses                      | 281,787     | 279,700     | 300,600     | 315,400     |
| Total Expenses                      | \$1,744,576 | \$2,122,200 | \$2,415,100 | \$2,504,600 |

|                           | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---------------------------|------------|------------|------------|------------|
| Position                  | Actual     | Budget     | Budget     | Budget     |
| Collection System Manager | 1          | 1          | 1          | 1          |
| Lead Worker               | 3          | 3          | 4          | 4          |
| Collection System Worker  | 4          | 4          | 4          | 4          |
| Total Staff Count         | 8          | 8          | 9          | 9          |

### Strategic Goals & Objectives:

- Zero collection system overflows.
- Enhance training program to include the use of Target Solutions Training System, 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 and is responsive to customer calls. 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 generally been positive, but serve to highlight and teach out the practices of the highest scoring crew members. Production goals are established each year for footage cleaned and inspected. The goal is to safely 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 |
|------|-----------------------------|----------------------|---------------------|-----------------|-----------------|
| 2020 | 1,339,938                   | 111,662              | 125                 | 4               | 2               |
| 2019 | 1,783,992                   | 148,666              | 121                 | 7               | 2               |
| 2018 | 1,578,653                   | 131,554              | 103                 | 4               | 4               |
| 2017 | 1,873,595                   | 156,133              | 115                 | 7               | 5               |
| 2016 | 2,092,466                   | 174,372              | 100                 | 2               | 1               |

### New Issues & Challenges:

The Collections Department faces the ongoing challenge of preventing sewer overflows while maintaining an aging sewer infrastructure. In addition to reducing the backlog of defective pipe from 76 miles in 2019 to 57 miles in 2029, it is the District's goal to enhance the condition of the collections system by replacing an average of 4 miles of pipe every year. Collections and Engineering staff work hand in hand to limit high-frequency footage (an indicator of system health) at 10% of the District's system (27 miles).

In recent years, the District has implemented a more robust pipe replacement program from 3 miles per year to an average of 4 miles per year. In response to the collection system's aging, the District has applied for \$40 million in loans from the Clean Water State Revolving Fund (CWSRF) and Water Infrastructure Finance and Innovation Act (WIFIA) in 2020. The loans may be approved as soon as the beginning of FY 2021-22. The funds will be used to replace 32 miles of pipe within the following 5 years.

# 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 flow of 13 mgd and 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 2019-20         | FY 2020-21         | FY 2021-22         | FY 2022-23         |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Expense Category (O&M only)         | Actual             | Budget             | Budget             | Budget             |
| Salaries & Benefits                 | \$2,615,447        | \$3,101,900        | \$3,372,100        | \$3,485,700        |
| Fuel & Supplies                     | 719,005            | 709,900            | 738,500            | 760,300            |
| Contractual & Professional Services | 545,126            | 640,200            | 778,800            | 797,100            |
| Other Expenses                      | 1,063,905          | 728,300            | 1,041,800          | 1,083,200          |
| <b>Total Expenses</b>               | <b>\$4,943,483</b> | <b>\$5,180,300</b> | <b>\$5,931,200</b> | <b>\$6,126,300</b> |

|                                         | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|-----------------------------------------|------------|------------|------------|------------|
| Position                                | Actual     | Budget     | Budget     | Budget     |
| Operations Manager                      | 1          | 1          | 1          | 1          |
| Technical Services Manager              | 1          | 1          | 0          | 0          |
| Plant Chemist                           | 1          | 1          | 1          | 1          |
| Plant Operator II                       | 8          | 8          | 8          | 8          |
| Plant Operator I                        | 2          | 2          | 3          | 3          |
| Safety & Special Programs Administrator | 1          | 1          | 1          | 1          |
| Industrial Waste Inspector              | 1          | 1          | 1          | 1          |
| <b>Total Staff Count</b>                | <b>15</b>  | <b>15</b>  | <b>15</b>  | <b>15</b>  |

### Strategic Goals & Objectives:

- Zero effluent violations.
- Maintain written training standards and video-based operator training program for all areas of the plant.
- Develop annual watch list of emerging regulations, key regulatory contacts, and participate when warranted.
- Conduct critical incident response debriefing sessions and document lessons learned for future training.
- Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in 2027.
- Build a consolidated locker room in the treatment plant. Consider options to further consolidate lunch rooms and O&M working areas.
- Continue to explore alternatives for the beneficial reuse of biosolids.

## 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 15 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. The Operations Department achieves these outstanding results through the use of a 720kW cogeneration system, a 468kW solar array, and sound energy use.

### Average Monthly Effluent Quality

| Year | CBOD<br>(mg/l) | CBOD<br>% of Removal | TSS<br>(mg/l) | TSS<br>% of Removal |
|------|----------------|----------------------|---------------|---------------------|
| 2020 | 5              | 98%                  | 6             | 98%                 |
| 2019 | 6              | 98%                  | 8             | 97%                 |
| 2018 | 4              | 98%                  | 5             | 99%                 |
| 2017 | 5              | 98%                  | 7             | 98%                 |
| 2016 | 4              | 99%                  | 5             | 99%                 |

### Annual Plant Power Demand & Self Sufficiency

| Year | Plant Power<br>Demand<br>(kW) | Cogen<br>Generation<br>(kW) | Solar<br>Generation<br>(kW) | Self<br>Sufficiency |
|------|-------------------------------|-----------------------------|-----------------------------|---------------------|
| 2020 | 7,587,718                     | 6,123,780                   | 736,969                     | 90%                 |
| 2019 | 7,030,757                     | 5,825,480                   | 718,571                     | 93%                 |
| 2018 | 6,790,364                     | 5,930,400                   | 597,386                     | 96%                 |
| 2017 | 7,125,613                     | 5,845,020                   | 555,903                     | 90%                 |
| 2016 | 6,733,399                     | 6,210,728                   | 507,818                     | 100%                |

## New Issues & Challenges:

The Operations Department faces increasing challenges in work schedule coverage as it strives to operate the treatment plant round-the-clock with existing staffing. A major concern for the Department is managing peak flow from rain storms. During seasons of heavy rain, Operators need to monitor the treatment process closely to ensure regulatory compliance. Excessive peak flows can temporarily be stored in the equalization basin until capacity in plant processes is available. Nevertheless, the risk of power outages during stormy weather poses added challenge to the Department.

With the completion of the Nutrient Optimization facilities, Operations staff are being trained and have implemented new procedures into their routine. One of these processes is the emergency use of the local outfall for effluent discharge, which requires adequate staffing both on site and on standby to execute the process and to perform effluent lab sampling. The goal is for the District to meet regulatory compliance at all times. The Department is committed to maintaining a high operating standard under these new procedures.

# 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 2019-20  | FY 2020-21  | FY 2021-22  | FY 2022-23  |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Expense Category (O&M only)         | Actual      | Budget      | Budget      | Budget      |
| Salaries & Benefits                 | \$1,676,802 | \$1,929,600 | \$2,187,100 | \$2,287,600 |
| Fuel & Supplies                     | 48,292      | 76,600      | 78,500      | 80,900      |
| Contractual & Professional Services | 779,094     | 767,500     | 803,900     | 827,500     |
| Other Expenses                      | 185,703     | 183,100     | 206,600     | 216,400     |
| Total Expenses                      | \$2,689,891 | \$2,956,800 | \$3,276,100 | \$3,412,400 |

|                                         | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|-----------------------------------------|------------|------------|------------|------------|
| Position                                | Actual     | Budget     | Budget     | Budget     |
| Maintenance Manager                     | 1          | 1          | 1          | 1          |
| Electrical & Instrumentation Technician | 2          | 2          | 2          | 2          |
| Electrical & Mechanical Technician      | 1          | 1          | 1          | 1          |
| Mechanic II                             | 5          | 5          | 4          | 4          |
| Mechanic I                              | 1          | 1          | 2          | 2          |
| Total Staff Count                       | 10         | 10         | 10         | 10         |

### Strategic Goals & Objectives:

- Zero lift station overflows.
- Maintain off-hour lift station maintenance calls to under 10 per year.
- Zero permit violations due to equipment failures.
- Achieve less than 12 off-hour calls for plant equipment per year.
- Keep maintenance backlog to below 125 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 electrical consumption by reviewing energy savings opportunities. Replace cogeneration system in 2030.



## 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 |
|------|----------------------|-----------------|-----------------------|---------------------|
| 2020 | 36                   | 1169            | 1157                  | 48                  |
| 2019 | 31                   | 876             | 871                   | 36                  |
| 2018 | 55                   | 904             | 928                   | 31                  |
| 2017 | 42                   | 913             | 900                   | 55                  |
| 2016 | 38                   | 881             | 877                   | 42                  |

### Preventive Work Order Fulfillments

| Year | Previous Outstanding | New Work Orders | Work Orders Completed | Current Outstanding |
|------|----------------------|-----------------|-----------------------|---------------------|
| 2020 | 74                   | 1958            | 1980                  | 52                  |
| 2019 | 99                   | 2013            | 2038                  | 74                  |
| 2018 | 78                   | 2108            | 2088                  | 98                  |
| 2017 | 44                   | 2155            | 2121                  | 78                  |
| 2016 | 76                   | 2596            | 2628                  | 44                  |

## New Issues & Challenges:

The Maintenance Department faces the industry trend in which suppliers carry less stock inventory, making it difficult for the District to obtain parts on short notice. The pandemic has deepened this challenge with increased item costs and shipping delays. Staff has developed a critical equipment list and performs periodic audit of spare parts in response. For any critical piece of equipment, staff ensures that parts are on the shelf at the District or readily available from the suppliers.

Staffing remains a significant issue throughout the pandemic as work crews need to be segregated for social distancing. Nevertheless, the team has maintained outstanding productivity. Looking ahead, with the high cost of living in the Bay Area and competitive employment with other agencies, qualified mechanics will be difficult to find.

The treatment plant's equipment automation and SCADA system have become more advanced with higher internet connectivity. Great care is being taken to minimize cyber risk and to protect the integrity of these systems.

To minimize flow disruptions caused by lift station issues, the Department maintains several forward-looking lift station health indicators. These include daily pump starts, a review of average pump output, communications quality, thermal scans, oil analysis, megger testing, engine-driven pump, and generator safety check. An anomaly in any of these data points will trigger 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.

# 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; and, maintains records of engineering drawings and the District's mapping system.

### Expense & Staffing Trends:

|                                     | FY 2019-20       | FY 2020-21       | FY 2021-22         | FY 2022-23         |
|-------------------------------------|------------------|------------------|--------------------|--------------------|
| Expense Category (O&M only)         | Actual           | Budget           | Budget             | Budget             |
| Salaries <sup>1</sup> & Benefits    | \$510,478        | \$627,600        | \$773,800          | \$810,400          |
| Fuel & Supplies                     | 15,366           | 15,800           | 15,800             | 16,100             |
| Contractual & Professional Services | 163,351          | 155,100          | 131,000            | 136,400            |
| Other Expenses                      | 88,117           | 69,200           | 82,100             | 85,100             |
| <b>Total Expenses</b>               | <b>\$777,313</b> | <b>\$867,700</b> | <b>\$1,002,700</b> | <b>\$1,048,000</b> |

<sup>1</sup> 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 60% of gross Engineering salaries is allocated to R&R and CIP budgets.

|                            | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|----------------------------|------------|------------|------------|------------|
| Position                   | Actual     | Budget     | Budget     | Budget     |
| District Engineer          | 1          | 1          | 1          | 1          |
| Technical Services Manager | 0          | 0          | 1          | 1          |
| Senior Engineer            | 0          | 0          | 1          | 1          |
| Field Engineer             | 3          | 3          | 2          | 2          |
| <b>Total Staff Count</b>   | <b>4</b>   | <b>4</b>   | <b>5</b>   | <b>5</b>   |

### 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. Maintain minimum of 10 District staff capable to use GIS for customer service response. Build infrastructure to allow remote access of GIS based customer service data.
- Maintain 10-year capital plan for District assets, updating it monthly.
- 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).
- 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 76 miles to 57 miles by 2029.
- Replace a minimum of 40 miles of collection system pipes between 2019 and 2029. Increase miles of HDPE collection system pipes from 32.7 miles to 72.7 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 are replaced under the Pipeline Replacement Project.

## Engineering Service Levels

| Year | Point Repairs Completed | Miles of Sewer Lines Replaced | Miles of Sewer Line in the Collection System with Defect Score of 3 or Greater | Sewer Permits Issued | Inspections Completed |
|------|-------------------------|-------------------------------|--------------------------------------------------------------------------------|----------------------|-----------------------|
| 2020 | 83                      | 2.3                           | 73.8                                                                           | 329                  | 736                   |
| 2019 | 81                      | 3.5                           | 71.5                                                                           | 335                  | 646                   |
| 2018 | 123                     | 3.8                           | 71.4                                                                           | 266                  | 476                   |
| 2017 | 102                     | 4.7                           | 76.6                                                                           | 280                  | 441                   |
| 2016 | 93                      | 3.4                           | 91.4                                                                           | 299                  | 606                   |

## New Issues & Challenges:

The District's sewer line infrastructure is continuing to age. At the beginning of this budget cycle, half of the collection system will be 70 years or older, a typical point where sewer pipes start to experience failures. As the system ages, more resources are required for maintenance, repair, and replacement. The most challenging task in the Engineering Department is to prioritize sewer line repair or replacement work within budgetary constraints and meet the objective of zero sewer overflows.

In recent years, the District has implemented a more robust pipe replacement program from 3 miles per year to an average of 4 miles per year. In response to the collection system's aging, the District has applied for \$40 million in loans from the Clean Water State Revolving Fund (CWSRF) and Water Infrastructure Finance and Innovation Act (WIFIA) in 2020. The loans may be approved as soon as the beginning of FY 2021-22. The funds will be used to replace 32 miles of pipe within the following 5 years.

# 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, public information, performance management and parts of risk management. The Administration Department also oversees other District functions which include solid waste and recycling services.

### Expense & Staffing Trends:

| <b>Administration Functions</b>     | FY 2019-20         | FY 2020-21         | FY 2021-22         | FY 2022-23         |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Expense Category                    | Actual             | Budget             | Budget             | Budget             |
| Salaries & Benefits                 | \$1,155,912        | \$1,375,300        | \$1,908,400        | \$1,757,600        |
| Fuel & Supplies                     | 35,230             | 28,900             | 29,600             | 30,400             |
| Contractual & Professional Services | 393,631            | 419,400            | 424,500            | 429,400            |
| Other Expenses                      | 159,808            | 493,700            | 200,600            | 505,400            |
| <b>Total Expenses</b>               | <b>\$1,744,580</b> | <b>\$2,317,300</b> | <b>\$2,563,100</b> | <b>\$2,722,800</b> |

| <b>Solid Waste Functions</b>        | FY 2019-20       | FY 2020-21       | FY 2021-22         | FY 2022-23       |
|-------------------------------------|------------------|------------------|--------------------|------------------|
| Expense Category                    | Actual           | Budget           | Budget             | Budget           |
| Salaries & Benefits                 | \$249,620        | \$186,800        | \$207,100          | \$197,400        |
| Fuel & Supplies                     | 1,247            | 3,500            | 3,500              | 3,500            |
| Contractual & Professional Services | 17,454           | 93,500           | 93,500             | 93,500           |
| Other Expenses                      | 265,088          | 231,200          | 2,293,600          | 262,400          |
| <b>Total Expenses</b>               | <b>\$533,409</b> | <b>\$515,000</b> | <b>\$2,597,700</b> | <b>\$556,800</b> |

| <b>Recycling Functions</b>          | FY 2019-20         | FY 2020-21         | FY 2021-22         | FY 2022-23         |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Expense Category                    | Actual             | Budget             | Budget             | Budget             |
| Salaries & Benefits                 | \$244,906          | \$177,900          | \$198,200          | \$188,300          |
| Fuel & Supplies                     | -                  | 2,000              | 2,000              | 2,000              |
| Contractual & Professional Services | 2,309,299          | 2,502,000          | 2,502,000          | 2,540,000          |
| Other Expenses                      | 301,884            | 242,000            | 284,100            | 4,272,700          |
| <b>Total Expenses</b>               | <b>\$2,856,088</b> | <b>\$2,923,900</b> | <b>\$2,986,300</b> | <b>\$7,003,000</b> |

## Department Units

| Position                          | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>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                    |
| Administrative Support Specialist | 2                    | 2                    | 2                    | 2                    |
| <b>Total Staff Count</b>          | <b>7</b>             | <b>7</b>             | <b>7</b>             | <b>7</b>             |

### Strategic Goals & Objectives:

#### General Administration:

- Provide high value to ratepayers by building needed infrastructure while maintaining rates within the lowest 30 percentile in Alameda County.
- 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.
- Research and establish a vision for the Administration and Finance office of the future. Move towards paperless practices and increase customer service via computer based/video interfaces.
- Identify and communicate to the Board and to the public future funding needs for operations and projected regulatory/infrastructure upgrades.
- Build capital asset program funding into rate structure by 2029.
- Maintain policies and procedures within guidelines of "industry best". Audit procedures annually and perform update on any policy or procedures older than 3 years.
- Provide financial support for employees desiring to improve knowledge, skills or abilities through the educational reimbursement program.
- Develop and commit to a high functioning Board. Invest in training Board members and seek ways to improve efficiency of existing Committees.
- Update 10-year strategic plan every 3 years.
- Maintain a Communications Plan for District outreach efforts. Update the Plan every 5 years.
- Be carbon-free for indirect green house gas emissions by 2040. Achieve a 50% reduction in direct green house gas emissions by 2040 (base year 2000). Build a 2030 consolidated fleet plan to electrify transport around the treatment plant site, reduce the fleet by 20%, and implement electrical charging stations by 2025.

#### Risk Management (in collaboration with Safety personnel):

- 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.



# Department Units

## Solid Waste & Recycling:

- Continue to meet County and State solid waste mandates, including SB 1383.
- 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.
- Reduce residential recycling contamination by 50% by 2025.
- Maintain 100% participation in organics recycling in schools.
- Cooperate with the County in its efforts to address illegal dumping and litter in the District. Take a meaningful step beyond current efforts to beautify the community.
- Increase the call-to-action messaging for the public, with emphasis on its role in protecting the environment.

## Performance Measures:

- The District has maintained the lowest sewer service rate in Alameda County.
- The District's solid waste and recycling rates are among the lowest in Alameda County.
- The District won the CSRMA Workers' Compensation Excellence Award in 2016 and 2020.
- The District received the GFOA Distinguished Budget Presentation Award for its the Two-Year Budgets for FYs 2015-17, FYs 2017-19 & FYs 2019-21.
- 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.
- The District won the 2014 CWEA Plant Safety Award at both local and State levels, and the national Water Environment Federation Safety Award.
- In 2020, a customer survey on all District's services was sent to 2100 random customers. Of those who responded, the following percentages of satisfaction were reported: 95% in trash, 91% in recycling, 93% in organics, 65% in sewer services (30% of sewer customers selected "I don't know".)
- As of May 31, 2021, the District has achieved 1357 days without a lost time injury.

## New Issues & Challenges:

With continuous social distancing throughout the COVID-19 pandemic, the Administration Department encounters the challenge of providing excellent customer service while keeping staff safe. Progressive arrangements have been made to enhance flexibility in work schedules and locations. A new phone and communication system was put in place to facilitate work both onsite and offsite. Staff remains resilient and continues to adapt to new work formats.

As staff turnover goes on with employees retiring or seeking other employment, recruiting highly qualified candidates to replace experienced employees has been difficult. The District will continue to reach a new generation of workers who value serving as a team and contributing to the health of the San Francisco Bay.

The Board puts high emphasis on public outreach and information. The Department will maintain the Communications Plan to engage with the community we serve.

In the solid waste arena, SB 1383: Short-Lived Climate Pollutants presents a significant new challenge with jurisdictions being asked to conduct outreach, monitoring, inspection, enforcement, and reporting activities. New refuse and recycling carts need to be replaced by 2022. An additional \$6 million outlay is planned in this Two-Year Budget to meet this requirement.

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. The Board has elected to fund capital improvements by using existing reserves and strives to maintain a healthy cash flow with modest rate increases. To assist in its decision-making, the Board regularly examines a 5-year cash flow analysis prepared by staff. The capital improvement program will total \$72 million during the next 5 years. In its effort to replace 40 miles of sewer pipelines by 2026, the District seeks to obtain \$40 million in Federal and State financing.

The Board anticipates temporary deficits in the Operating Budget and has established plans to mitigate the situation. The FY 2021-22 operating budget provides for \$27.9 million in revenues and \$29.1 million in expenses. The FY 2022-23 operating budget provides for \$29.7 million in revenues and \$32.2 million in expenses. The anticipated shortfalls are due to the \$6 million cost of cart replacements mandated by SB 1383: Short-Lived Climate Pollutants (\$2 million budgeted in FY 2021-22, \$4 million budgeted in FY 2022-23). The District will recover this cost through franchise fees and progressive recycling rate increases over the next several years.

## **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 90% to 96% 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 with banks that have a rating of 3 stars or above, and diversifies its remaining portfolio among Federal agency bonds, corporate bonds, and treasury notes.

## **Financial Reserves Policy**

The Financial Reserves Policy sets the required cash reserves so that there are sufficient funds to meet the needs of operating the District in the event of unforeseen interruption of incoming revenues. The Board has set the reserve level at half of the annual sewer revenues from Alameda County for the corresponding fiscal year. If reserves drop below the policy level, staff will communicate the inadequate reserve status on a monthly basis to the Finance & Insurance Committee and to the Board. The Board will determine the necessary actions in response to the shortfall.

## **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. Fully depreciated 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 handle 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. The authorization limit for department managers is \$15,000 and for the General Manager it is \$100,000. 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.

## **Debt Management Policy**

The Debt Management Policy establishes guidelines for the issuance and management of debt. It specifies the types of debt allowable, debt limits, structure and methods of issuance, as well as regulatory compliance. The District uses debt proceeds to fund capital improvements of sewer facilities that are authorized in its 10-year Capital Improvement Program. The District issued \$14.2 million in Sewer Revenue Bonds in 2018 and is in the process of obtaining Federal and State financing to fund the Sewer Collections System Pipeline Rehabilitation & Replacement Project.

## **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 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. The Claims Handling Procedures describes the process of handling claims accurately, fairly and in a timely manner.

## **Financial Information & Trends**

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# 4-Year Consolidated Financial Schedule

|                                         | 2019-20<br>Actual     | 2020-21<br>Budget     | 2021-22<br>Budget     | % Change<br>Over<br>Prior Budget | 2022-23<br>Budget     | % Change<br>Over<br>Prior Budget |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| <b>Operating Revenues</b>               |                       |                       |                       |                                  |                       |                                  |
| District Service Charges                | \$ 16,697,402         | \$ 16,901,600         | \$ 18,011,600         | 7%                               | \$ 19,282,800         | 7%                               |
| Refunds - District Service Charges      | (28,623)              | (100,000)             | (100,000)             | 0%                               | (100,000)             | 0%                               |
| Agency Treatment Charges                | 3,674,605             | 2,983,900             | 3,488,400             | 17%                              | 3,698,200             | 6%                               |
| Permits & Inspection Fees               | 296,034               | 140,000               | 140,000               | 0%                               | 140,000               | 0%                               |
| Sanitary Truck Waste Charges            | 22,275                | 20,000                | 20,000                | 0%                               | 20,000                | 0%                               |
| Grease Receiving Charges                | 125,388               | 130,000               | 120,000               | -8%                              | 120,000               | 0%                               |
| Biosolid Charges                        | 103,022               | -                     | 200,000               | 100%                             | 200,000               | 0%                               |
| Solid Waste Contract Fees               | 1,196,785             | 1,114,000             | 1,794,000             | 61%                              | 1,847,800             | 3%                               |
| Recycling Charges                       | 2,518,488             | 2,409,000             | 2,959,000             | 23%                              | 3,209,000             | 8%                               |
| Landfill Fees - Measure D               | 406,663               | 350,000               | 350,000               | 0%                               | 350,000               | 0%                               |
| Overhead Recovery                       | 963,658               | 700,000               | 725,000               | 4%                               | 750,000               | 3%                               |
| <b>Total Operating Revenues</b>         | <b>\$ 25,975,697</b>  | <b>\$ 24,648,500</b>  | <b>\$ 27,708,000</b>  | <b>12%</b>                       | <b>\$ 29,517,800</b>  | <b>7%</b>                        |
| <b>Operating Expenses</b>               |                       |                       |                       |                                  |                       |                                  |
| Sewage Collections                      | \$ 2,422,749          | \$ 4,897,000          | \$ 4,125,100          | -16%                             | \$ 4,124,600          | 0%                               |
| Sewage Operations                       | 5,766,944             | 6,503,700             | 6,241,200             | -4%                              | 6,806,300             | 9%                               |
| Sewage Maintenance                      | 2,577,149             | 3,193,800             | 3,556,100             | 11%                              | 3,747,400             | 5%                               |
| Engineering                             | 687,567               | 877,700               | 1,012,700             | 15%                              | 1,058,000             | 4%                               |
| Administration                          | 1,603,194             | 2,393,000             | 2,717,600             | 14%                              | 2,877,300             | 6%                               |
| Effluent Disposal - EBDA                | 1,013,998             | 996,500               | 1,096,500             | 10%                              | 1,116,500             | 2%                               |
| Depreciation                            | 2,875,500             | 3,725,000             | 3,836,800             | 3%                               | 3,951,900             | 3%                               |
| Decrease in Carrying Value of EBDA      | 64,505                | 200,000               | 200,000               | 0%                               | 200,000               | 0%                               |
| Solid Waste                             | 531,647               | 482,000               | 2,544,700             | 428%                             | 523,800               | -79%                             |
| Recycling                               | 2,856,088             | 2,913,700             | 2,976,100             | 2%                               | 6,992,800             | 135%                             |
| Pension & OPEB Expenses (GASB 68 & 75)  | 2,407,406             | -                     | -                     | 0%                               | -                     | 0%                               |
| <b>Total Operating Expenses</b>         | <b>\$ 22,806,747</b>  | <b>\$ 26,182,400</b>  | <b>\$ 28,306,800</b>  | <b>8%</b>                        | <b>\$ 31,398,600</b>  | <b>11%</b>                       |
| <b>Operating Income</b>                 | <b>\$ 3,168,950</b>   | <b>\$ (1,533,900)</b> | <b>\$ (598,800)</b>   | <b>61%</b>                       | <b>\$ (1,880,800)</b> | <b>-214%</b>                     |
| <b>Non-Operating Revenues</b>           |                       |                       |                       |                                  |                       |                                  |
| Investment Income                       | \$ 427,791            | \$ 220,000            | \$ 60,000             | -73%                             | \$ 40,000             | -33%                             |
| Increase in Fair Value of Investments   | 59,729                | -                     | -                     | 0%                               | -                     | 0%                               |
| Rents & Leases                          | 109,152               | 100,000               | 90,000                | -10%                             | 90,000                | 0%                               |
| Gain on Disposal of Capital Assets      | 3,340                 | -                     | -                     | 0%                               | -                     | 0%                               |
| Recovery of Uncollectible Accounts      | 18,432                | 10,000                | 20,000                | 100%                             | 20,000                | 0%                               |
| Project Grants                          | 293,997               | -                     | -                     | 0%                               | -                     | 0%                               |
| Penalties & Miscellaneous Revenues      | 110,615               | 118,000               | 45,000                | -62%                             | 45,000                | 0%                               |
| <b>Total Non-Operating Revenues</b>     | <b>\$ 1,023,056</b>   | <b>\$ 448,000</b>     | <b>\$ 215,000</b>     | <b>-52%</b>                      | <b>\$ 195,000</b>     | <b>-9%</b>                       |
| <b>Non-Operating Expenses</b>           |                       |                       |                       |                                  |                       |                                  |
| Write-Off of Capital Assets             | \$ 57,284             | \$ -                  | \$ -                  | 0%                               | \$ -                  | 0%                               |
| Write-Off of Uncollectible Accounts     | 1,762                 | 13,200                | 13,200                | 0%                               | 13,200                | 0%                               |
| Bond Interest Expense                   | 455,129               | 448,300               | 433,200               | -3%                              | 420,700               | -3%                              |
| Contingency                             | -                     | 340,000               | 360,000               | 6%                               | 340,000               | -6%                              |
| <b>Total Non-Operating Expenses</b>     | <b>\$ 514,175</b>     | <b>\$ 801,500</b>     | <b>\$ 806,400</b>     | <b>1%</b>                        | <b>\$ 773,900</b>     | <b>-4%</b>                       |
| <b>Income Before Contributions</b>      | <b>\$ 3,677,831</b>   | <b>\$ (1,887,400)</b> | <b>\$ (1,190,200)</b> | <b>37%</b>                       | <b>\$ (2,459,700)</b> | <b>-107%</b>                     |
| Connection Fees                         | \$ 171,738            | \$ 200,000            | \$ 200,000            | 0%                               | \$ 200,000            | 0%                               |
| Capital Grants                          | 63,424                | -                     | 688,500               | 100%                             | 137,700               | -80%                             |
| <b>Change in Net Position</b>           | <b>\$ 3,912,993</b>   | <b>\$ (1,687,400)</b> | <b>\$ (301,700)</b>   | <b>82%</b>                       | <b>\$ (2,122,000)</b> | <b>-603%</b>                     |
| <b>Net Position - Beginning of Year</b> | <b>\$ 98,202,353</b>  | <b>\$ 102,115,346</b> | <b>\$ 100,427,946</b> | <b>-2%</b>                       | <b>\$ 100,126,246</b> | <b>0%</b>                        |
| <b>Net Position - End of Year</b>       | <b>\$ 102,115,346</b> | <b>\$ 100,427,946</b> | <b>\$ 100,126,246</b> | <b>0%</b>                        | <b>\$ 98,004,246</b>  | <b>-2%</b>                       |

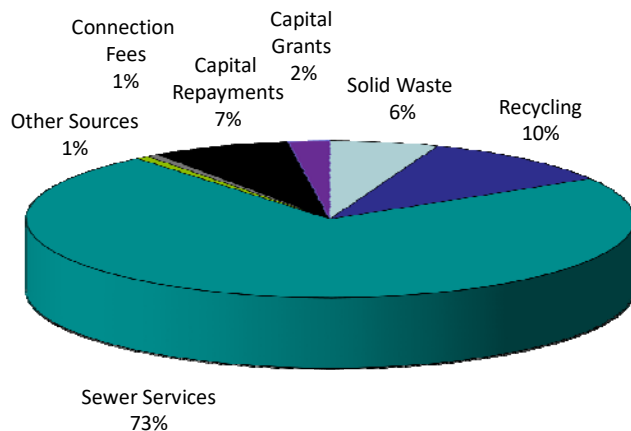
# Revenue Sources

The District derives its revenues from the following sources:

|                                                                            | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                                                            |                      |                      |                      |                      |
| Sewer Services                                                             | \$21,853,761         | \$20,775,500         | \$22,605,000         | \$24,111,000         |
| Solid Waste                                                                | 1,196,785            | 1,114,000            | 1,794,000            | 1,847,800            |
| Recycling                                                                  | 2,925,151            | 2,759,000            | 3,309,000            | 3,559,000            |
| Other Sources (Non-Operating Revenues)                                     | 1,023,056            | 448,000              | 215,000              | 195,000              |
| <b>Total Revenues</b>                                                      | <b>\$26,998,753</b>  | <b>\$25,096,500</b>  | <b>\$27,923,000</b>  | <b>\$29,712,800</b>  |
| <b>Other Contributions, Repayments &amp; Grants</b>                        |                      |                      |                      |                      |
| Connection Fees                                                            | \$171,738            | \$200,000            | \$200,000            | \$200,000            |
| Capital Repayments<br>(Reimbursement from Castro Valley Sanitary District) | 3,493,384            | 1,850,000            | 2,309,000            | 206,000              |
| Capital Grants                                                             | 63,424               | -                    | 688,500              | 137,700              |
| <b>Total Contributions, Repayments &amp; Grants</b>                        | <b>\$3,728,546</b>   | <b>\$2,050,000</b>   | <b>\$3,197,500</b>   | <b>\$543,700</b>     |
| <b>Total Revenues, Contributions, Repayments &amp; Grants</b>              | <b>\$30,727,299</b>  | <b>\$27,146,500</b>  | <b>\$31,120,500</b>  | <b>\$30,256,500</b>  |
| <b>Change in Budget from Prior Year</b>                                    |                      |                      | <b>14.6%</b>         | <b>-2.8%</b>         |

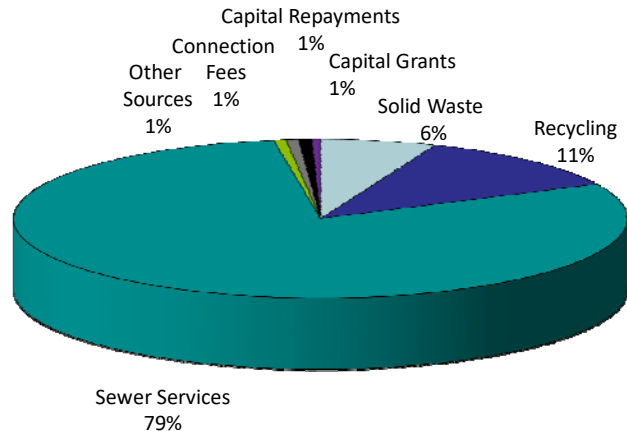
## Revenues, Contributions, Repayments & Grants

FY 2021-22



\$31,120,500

FY 2022-23



\$30,256,500



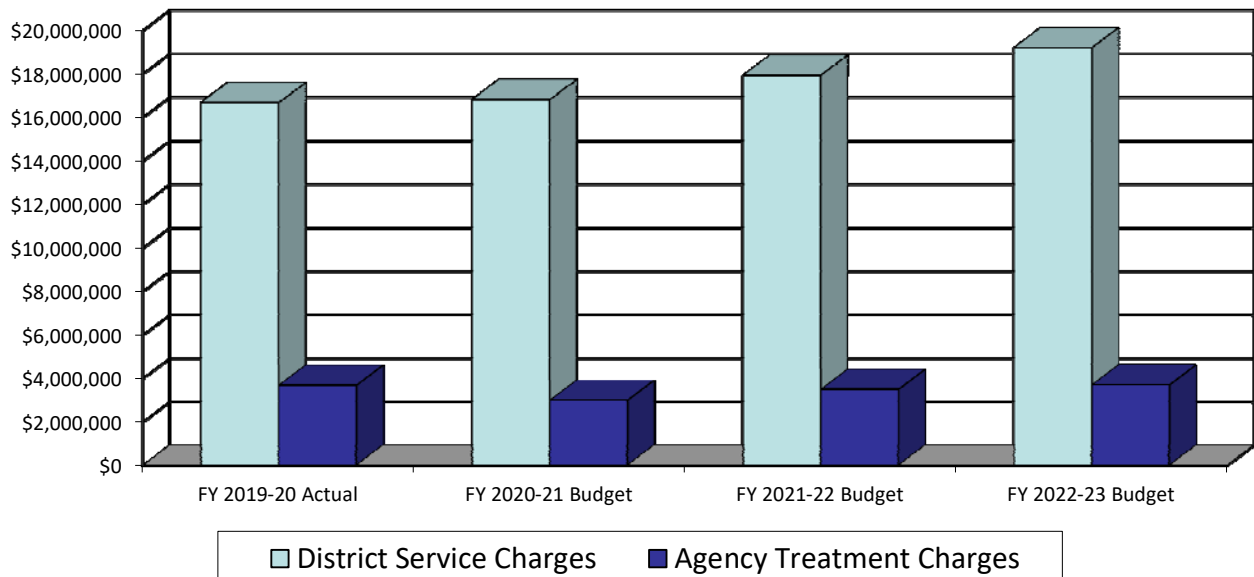
# Revenue Trends

## Sewer Service Revenues (Operating Revenues)

District Service Charges include Board-approved sewer rate increases of 7.5% per year. The annual single family residence sewer rate is \$318 for FY 2021-22, and \$342 for FY 2022-23. 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 treatment plant project costs based on percentage of plant flow (typically between 25% and 27%). Agency Treatment Charges from the Cities of Hayward and San Leandro are projected to grow at 2% per year. 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. Biosolid Charges represent a new revenue source of \$200,000 per year. The District contracts with Synagro to store its biosolids at the District site based on tonnage received. Sanitary Truck Waste Charges and Grease Receiving Charges are expected to be stable.

|                                            | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| District Service Charges (net of refunds)  | \$16,668,779         | \$16,801,600         | \$17,911,600         | \$19,182,800         |
| Agency Treatment Charges                   | 3,674,605            | 2,983,900            | 3,488,400            | 3,698,200            |
| Permits & Inspection Fees                  | 296,034              | 140,000              | 140,000              | 140,000              |
| Sanitary Truck Waste Charges               | 22,275               | 20,000               | 20,000               | 20,000               |
| Grease Receiving Charges                   | 125,388              | 130,000              | 120,000              | 120,000              |
| Biosolids Charges                          | 103,022              | -                    | 200,000              | 200,000              |
| Overhead Recovery                          | 963,658              | 700,000              | 725,000              | 750,000              |
| <b>Operating Revenues - Sewer Services</b> | <b>\$21,853,761</b>  | <b>\$20,775,500</b>  | <b>\$22,605,000</b>  | <b>\$24,111,000</b>  |
| <b>Change in Budget from Prior Year</b>    |                      |                      | <b>8.8%</b>          | <b>6.7%</b>          |

## Major Sewer Service Revenue Sources



# Revenue Trends

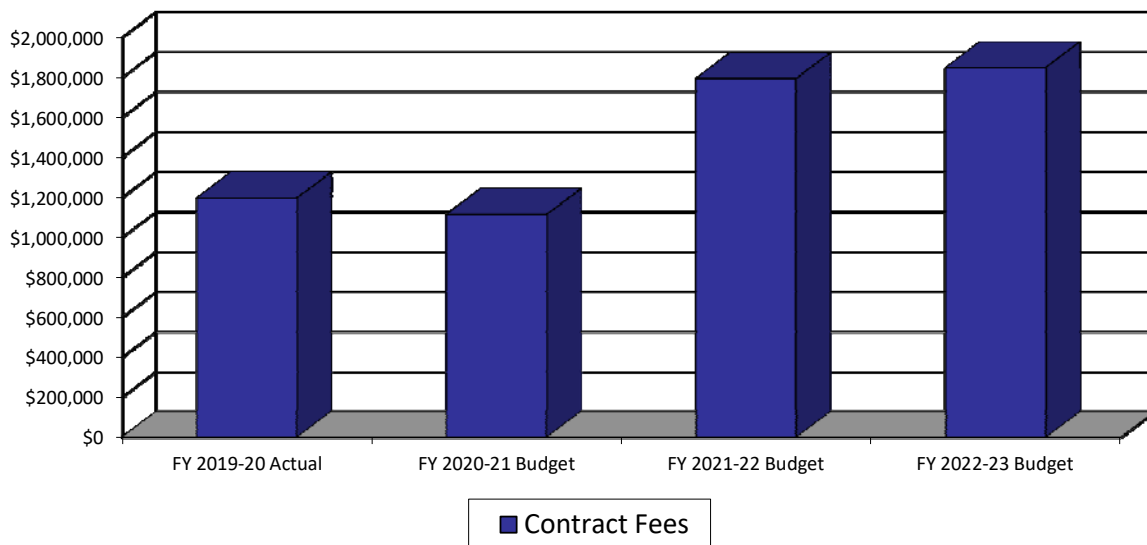
## Solid Waste Revenues (Operating Revenues)

The District contracts with Waste Management of Alameda County (WMAC) to provide refuse services to its customers and receives franchise fees on WMAC's revenues. In September 2020, the District increased the percentage of franchise fees from the existing 6% to 10% to partially fund for the cost of cart replacements as required by SB 1383. Customers residing in the unincorporated areas of Alameda County and Hayward pay \$19.97 per month for weekly 35-gallon cart collection service. Customers within the San Leandro city limit pay \$23.17 per month. Other service levels (20-gallon, 64-gallon and 96-gallon) are also offered at various rates. Each September, refuse 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 2.6% to 3.5%. The budget reflects an estimated 3.0% annual inflation adjustment in refuse rates.

|                                  | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Solid Waste Contract Fees        | \$1,196,785          | \$1,114,000          | \$1,794,000          | \$1,847,800          |
| Operating Revenues - Solid Waste | \$1,196,785          | \$1,114,000          | \$1,794,000          | \$1,847,800          |
| Change in Budget from Prior Year |                      |                      | 61.0%*               | 3.0%                 |

\*Franchise fees were at 6% until an increase to 10% was adopted in September 2020. FY 2021-22 represents the first full year in which the 10% is in effect.

## Solid Waste Revenues



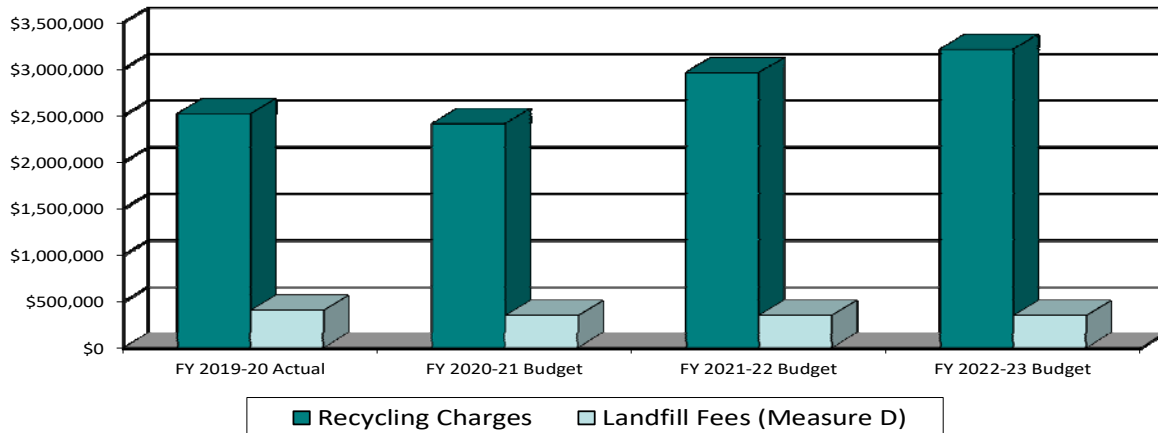
# Revenue Trends

## Recycling Revenues (Operating Revenues)

Recycling services are provided to District customers through Waste Management of Alameda County (WMAC). The service agreement is effective through August 2024. Recycling rates are budgeted to increase by \$1 in FY 2021-22 and \$0.5 annually for four subsequent years to partially fund for the cost of cart replacements as required by SB 1383. Commercial and industrial recycling customers are billed directly by WMAC and the District receives a franchise fee of \$1.10 per cubic yard. Landfill Fees (Measure D) represent proceeds of a grant from Alameda County Waste Management Authority based on diversion from landfills.

|                                  | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Recycling Charges                | \$2,518,488          | \$2,409,000          | \$2,959,000          | \$3,209,000          |
| Landfill Fees (Measure D)        | 406,663              | 350,000              | 350,000              | 350,000              |
| Operating Revenues - Recycling   | \$2,925,151          | \$2,759,000          | \$3,309,000          | \$3,559,000          |
| Change in Budget from Prior Year |                      |                      | 19.9%                | 7.6%                 |

## Recycling Revenues



## Other Revenue Sources (Non-Operating Revenues)

Due to a decreasing cash balance as a result of project spending and the economic impacts from COVID-19, Investment Income is expected to remain at low levels. Penalties and Miscellaneous Revenues are budgeted based on recent trends which were also affected by the pandemic. Other revenues are expected to remain stable.

|                                    | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Investment Income                  | \$427,791            | \$220,000            | \$60,000             | \$40,000             |
| Rents & Leases                     | 109,152              | 100,000              | 90,000               | 90,000               |
| Penalties & Miscellaneous Revenues | 110,615              | 118,000              | 45,000               | 45,000               |
| Project Grants                     | 293,997              | -                    | -                    | -                    |
| Other Gains, Losses & Recovery     | 81,501               | 10,000               | 20,000               | 20,000               |
| Non-Operating Revenues             | \$1,023,056          | \$448,000            | \$215,000            | \$195,000            |
| Change in Budget from Prior Year   |                      |                      | -52.0%               | -9.3%                |

# Expenditures

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

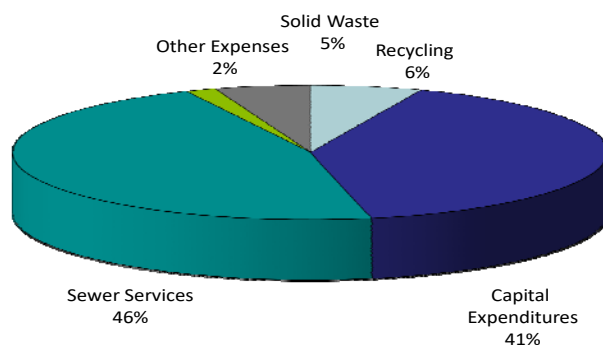
Spending within the CIP are classified as capital expenditures. These are defined as procurement or construction of capital assets that exceeds \$10,000 with a useful life of more than 1 year. The acquisition value of a capital item is reported on the balance sheet as fixed asset, with depreciation to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

The capital expenditures in FY 2019-20 included the final phase of construction of the \$24.7 million Nutrient Optimization Project, which will reduce the amount of nitrogen (a nutrient) that remains in the effluent to meet anticipated regulatory standards. The capital budget in FY 2021-22 contains the \$7.4 million Consolidated Operations Building project. This project will provide for new locker rooms and lunch rooms for treatment plant staff.

|                                                   | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|---------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses within the Operating Budget</b>       |                      |                      |                      |                      |
| Operating Expenses: Sewer Services                | \$19,419,012         | \$22,786,700         | \$22,786,000         | \$23,882,000         |
| Solid Waste                                       | 531,647              | 482,000              | 2,544,700            | 523,800              |
| Recycling                                         | 2,856,088            | 2,913,700            | 2,976,100            | 6,992,800            |
| Non-Operating Expenses                            | 514,175              | 801,500              | 806,400              | 773,900              |
| <b>Total Expenses within the Operating Budget</b> | <b>\$23,320,922</b>  | <b>\$26,983,900</b>  | <b>\$29,113,200</b>  | <b>\$32,172,500</b>  |
| <b>Capital Expenditures</b>                       |                      |                      |                      |                      |
| Sewer Services                                    | \$18,768,270         | \$13,866,800         | \$19,951,000         | \$11,177,000         |
| <b>Total Capital Expenditures</b>                 | <b>\$18,768,270</b>  | <b>\$13,866,800</b>  | <b>\$19,951,000</b>  | <b>\$11,177,000</b>  |
| <b>Total Expenditures</b>                         | <b>\$42,089,192</b>  | <b>\$40,850,700</b>  | <b>\$49,064,200</b>  | <b>\$43,349,500</b>  |
| <b>Change in Budget from Prior Year</b>           |                      |                      | 20.1%                | -11.6%               |

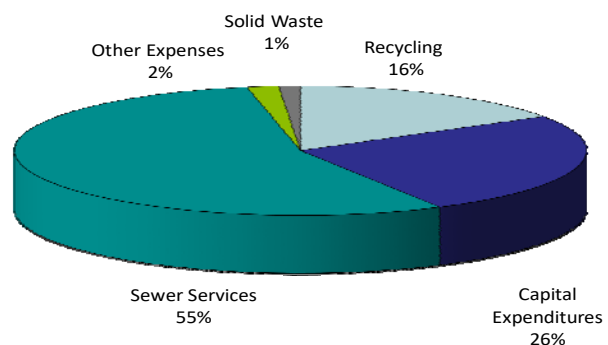
## Operating Expenses and Capital Expenditures

FY 2021-22



\$49,064,200

FY 2022-23



\$43,349,500

# Expense Trends

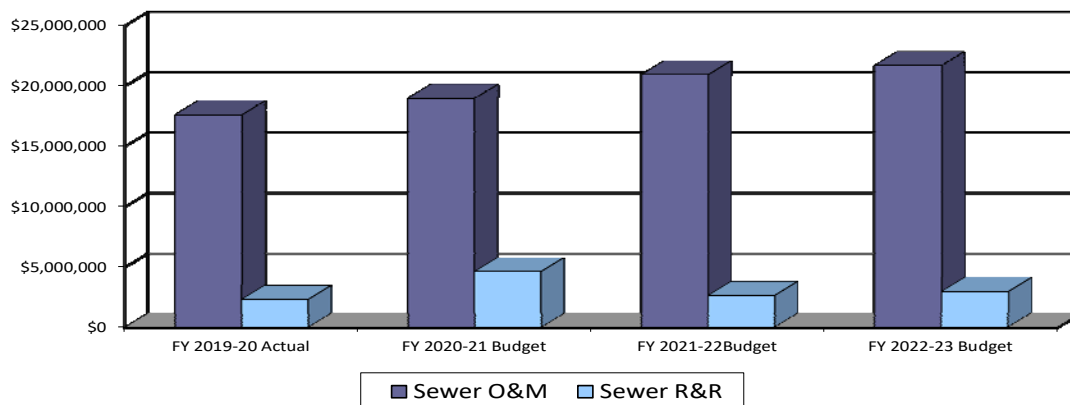
## Sewer Service Expenses

Sewer service expenses within the operating budget include costs of operating and maintaining the sewer service system (O&M), and spending in the Renewal & Replacement (R&R) program based on the Strategic Plan. A major driver in the O&M departmental expenses is the significant increases in the costs of employee benefits and insurance. Likewise, supplies and contractual services are expected to be more costly due to global economic trends.

|                                          | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sewer Services O&amp;M</b>            |                      |                      |                      |                      |
| Sewage Collections                       | \$1,599,997          | \$2,122,200          | \$2,415,100          | \$2,504,600          |
| Sewage Operations                        | 4,578,652            | 5,180,300            | 5,931,200            | 6,126,300            |
| Sewage Maintenance                       | 2,439,880            | 2,956,800            | 3,276,100            | 3,412,400            |
| Engineering                              | 687,567              | 867,700              | 1,002,700            | 1,048,000            |
| Administration                           | 1,525,177            | 2,317,300            | 2,563,100            | 2,722,800            |
| Effluent Disposal - EBDA                 | 954,373              | 830,000              | 930,000              | 950,000              |
| Depreciation                             | 2,875,500            | 3,725,000            | 3,836,800            | 3,951,900            |
| Decrease in EBDA Equity                  | 64,505               | 200,000              | 200,000              | 200,000              |
| Write-Offs of Uncollectible Accounts     | -                    | 10,000               | 10,000               | 10,000               |
| Bond Interest Expense                    | 455,129              | 448,300              | 433,200              | 420,700              |
| Contingency                              | -                    | 300,000              | 300,000              | 300,000              |
| Pension & OPEB Expenses (GASBs 68 & 75)  | 2,407,406            | -                    | -                    | -                    |
| <b>Expenses - Sewer Services O&amp;M</b> | <b>\$17,588,186</b>  | <b>\$18,957,600</b>  | <b>\$20,898,200</b>  | <b>\$21,646,700</b>  |
| <b>Change in Budget from Prior Year</b>  |                      |                      | <b>10.2%</b>         | <b>3.6%</b>          |
| <b>Sewer Services R&amp;R</b>            |                      |                      |                      |                      |
| Collection System                        | \$822,752            | \$2,774,800          | \$1,710,000          | \$1,620,000          |
| Treatment Plant                          | 1,325,561            | 1,560,400            | 590,000              | 1,015,000            |
| Engineering, Administration & EBDA       | 137,642              | 252,200              | 331,000              | 331,000              |
| <b>Expenses - Sewer Services R&amp;R</b> | <b>\$2,285,955</b>   | <b>\$4,587,400</b>   | <b>\$2,631,000</b>   | <b>\$2,966,000</b>   |
| <b>Change in Budget from Prior Year</b>  |                      |                      | <b>-42.6%</b>        | <b>12.7%</b>         |
| <b>Total Expenses - Sewer Services</b>   | <b>\$19,874,141</b>  | <b>\$23,545,000</b>  | <b>\$23,529,200</b>  | <b>\$24,612,700</b>  |
| <b>Change in Budget from Prior Year</b>  |                      |                      | <b>-0.1%</b>         | <b>4.6%</b>          |

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

## Sewer Service Expenses



## Expense Trends

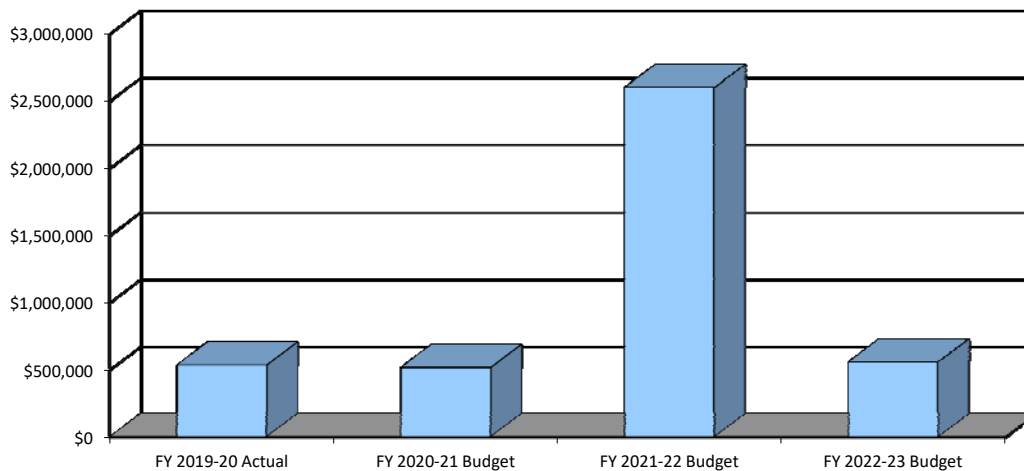
### Solid Waste Expenses

Solid Waste expenses consist mainly of salaries and overhead to monitor the refuse service program. Staff periodically performs route audits and ensures that services provided by Waste Management of Alameda County (WMAC) continuously meet standards required by the contract. In FY 2021-22, the Solid Waste budget includes an additional \$2 million for the replacement of refuse carts as required by SB 1383.

|                                         | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Solid Waste                             | \$531,647            | \$482,000            | \$2,544,700          | \$523,800            |
| Write-Offs of Uncollectible Accounts    | 1,762                | 3,000                | 3,000                | 3,000                |
| Contingency                             | -                    | 30,000               | 50,000               | 30,000               |
| <b>Total Expenses - Solid Waste</b>     | <b>\$533,409</b>     | <b>\$515,000</b>     | <b>\$2,597,700</b>   | <b>\$556,800</b>     |
| <b>Change in Budget from Prior Year</b> |                      |                      | <b>404.4%</b>        | <b>-78.6%</b>        |

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

### Solid Waste Expenses





# Expense Trends

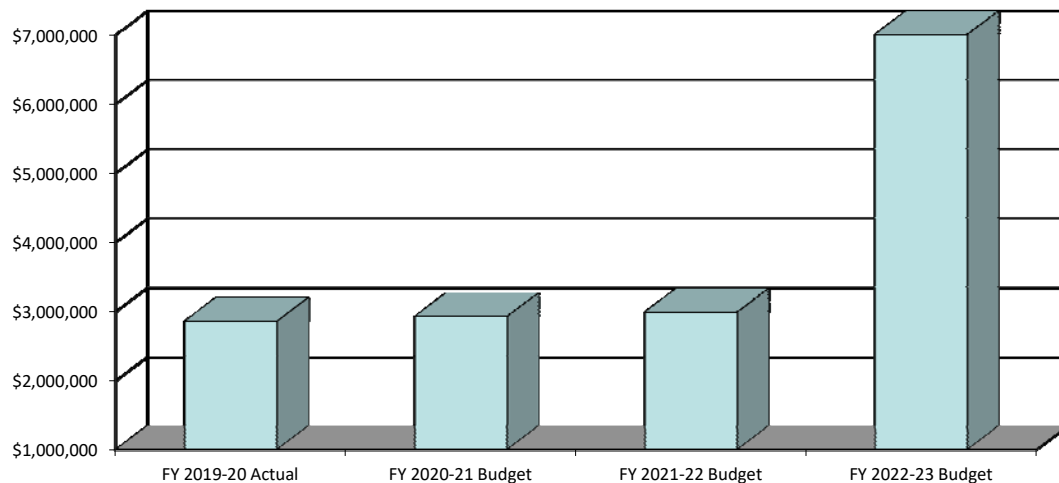
## Recycling Expenses

The largest expense item in Recycling expenses is budgeted for contracted services provided by Waste Management of Alameda County (WMAC). The annual contract amount is \$2.3 million. In FY 2022-23, the Recycling budget includes an additional \$4 million for the replacement of organics and recycling carts as required by SB 1383.

|                                         | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Recycling                               | \$2,856,088          | \$2,913,700          | \$2,976,100          | \$6,992,800          |
| Write-Offs of Uncollectible Accounts    | -                    | 200                  | 200                  | 200                  |
| Contingency                             | -                    | 10,000               | 10,000               | 10,000               |
| <b>Total Expenses - Recycling</b>       | <b>\$2,856,088</b>   | <b>\$2,923,900</b>   | <b>\$2,986,300</b>   | <b>\$7,003,000</b>   |
| <b>Change in Budget from Prior Year</b> |                      |                      | <b>2.1%</b>          | <b>134.5%</b>        |

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

## Recycling Expenses



## Changes in Net Position & Fund Equity

Net Position is defined as the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. It 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. 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.

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 was 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 has since increased to \$102 million in FY 2019-20 as a result of large-scale capital and infrastructural improvements in FY 2018-19 and FY 2019-20. The Net Position is expected to decrease on the horizon as the District incurs major expenses to meet new environmental regulations and takes on additional debt to finance its long-range capital plan.

The Fund Equity presented in the table below represents the unrestricted portion of Net Position.

|                                         | FY 2019-20<br>Actual | FY 2020-21<br>Projected | FY 2021-22<br>Projected | FY 2022-23<br>Projected |
|-----------------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Net Investment in Capital Assets        | \$84,883,862         | \$93,175,662            | \$96,980,862            | \$93,999,962            |
| Unrestricted Net Position (Fund Equity) |                      |                         |                         |                         |
| Investment in EBDA                      | \$5,943,481          | \$5,961,404             | \$5,761,404             | \$5,561,404             |
| Net Balance in Fund Equity              | 11,288,003           | 1,290,880               | (2,616,020)             | (1,557,120)             |
| Unrestricted Net Position (Fund Equity) | \$17,231,484         | \$7,252,284             | \$3,145,384             | \$4,004,284             |
| Total Net Position                      | \$102,115,346        | \$100,427,946           | \$100,126,246           | \$98,004,246            |
| Projected Change from Prior Year        |                      | -1.7%                   | -0.3%                   | -2.1%                   |

# Nutrient Optimization Project

The Nutrient Optimization Project improves treatment to allow local discharge of peak effluent flows. The project provides for the upgrade of our treatment process to remove approximately half of the nitrogen from the influent flow. With this project, the District has reduced its capacity requirements in the East Bay Dischargers Authority System from 69 to 30 mgd.

The project includes the construction of one new aeration basin and a new blower building, local outfall pumping and piping from the disinfection channels to the existing dual outfall pipe with local outfall flow metering, dechlorination feed system, miscellaneous mechanical, electrical and instrumentation modifications.



## Operating Budget

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# Total Operating Budget by Service Type

## Total Budgeted Revenues & Expenses FY 2021-22

|                                      | Sewer                 |                     |                   |                      | Solid Waste         | Recycling           | Total                 |
|--------------------------------------|-----------------------|---------------------|-------------------|----------------------|---------------------|---------------------|-----------------------|
|                                      | O&M                   | R&R                 | CIP*              | Total                |                     |                     |                       |
| <b>Operating Revenues</b>            |                       |                     |                   |                      |                     |                     |                       |
| District Service Charges             | \$ 13,011,600         | \$ 5,000,000        | \$ -              | \$ 18,011,600        | \$ -                | \$ -                | \$ 18,011,600         |
| Refunds - District Service Charges   | (100,000)             | -                   | -                 | (100,000)            | -                   | -                   | (100,000)             |
| Agency Treatment Charges             | 3,312,400             | 176,000             | -                 | 3,488,400            | -                   | -                   | 3,488,400             |
| Permits & Inspection Fees            | 140,000               | -                   | -                 | 140,000              | -                   | -                   | 140,000               |
| Sanitary Truck Waste Charges         | 20,000                | -                   | -                 | 20,000               | -                   | -                   | 20,000                |
| Grease Receiving Charges             | 120,000               | -                   | -                 | 120,000              | -                   | -                   | 120,000               |
| Biosolid Charges                     | 200,000               | -                   | -                 | 200,000              | -                   | -                   | 200,000               |
| Solid Waste Contract Fees            | -                     | -                   | -                 | -                    | 1,794,000           | -                   | 1,794,000             |
| Recycling Charges                    | -                     | -                   | -                 | -                    | -                   | 2,959,000           | 2,959,000             |
| Landfill Fees - Measure D            | -                     | -                   | -                 | -                    | -                   | 350,000             | 350,000               |
| Overhead Recovery                    | 725,000               | -                   | -                 | 725,000              | -                   | -                   | 725,000               |
| <b>Total Operating Revenues</b>      | <b>\$ 17,429,000</b>  | <b>\$ 5,176,000</b> | <b>\$ -</b>       | <b>\$ 22,605,000</b> | <b>\$ 1,794,000</b> | <b>\$ 3,309,000</b> | <b>\$ 27,708,000</b>  |
| <b>Non-Operating Revenues</b>        |                       |                     |                   |                      |                     |                     |                       |
| Investment Income                    | \$ 34,500             | \$ 18,000           | \$ 4,000          | \$ 56,500            | \$ 3,000            | \$ 500              | \$ 60,000             |
| Rents & Leases                       | 90,000                | -                   | -                 | 90,000               | -                   | -                   | 90,000                |
| Recovery of Uncollectible Accounts   | -                     | -                   | -                 | -                    | 20,000              | -                   | 20,000                |
| Penalties & Miscellaneous Revenues   | 40,000                | -                   | -                 | 40,000               | -                   | 5,000               | 45,000                |
| <b>Total Non-Operating Revenues</b>  | <b>\$ 164,500</b>     | <b>\$ 18,000</b>    | <b>\$ 4,000</b>   | <b>\$ 186,500</b>    | <b>\$ 23,000</b>    | <b>\$ 5,500</b>     | <b>\$ 215,000</b>     |
| <b>Total Revenues</b>                | <b>\$ 17,593,500</b>  | <b>\$ 5,194,000</b> | <b>\$ 4,000</b>   | <b>\$ 22,791,500</b> | <b>\$ 1,817,000</b> | <b>\$ 3,314,500</b> | <b>\$ 27,923,000</b>  |
| <b>Operating Expenses</b>            |                       |                     |                   |                      |                     |                     |                       |
| Sewage Collections                   | \$ 2,415,100          | \$ 1,710,000        | \$ -              | \$ 4,125,100         | \$ -                | \$ -                | \$ 4,125,100          |
| Sewage Treatment Operations          | 5,931,200             | 310,000             | -                 | 6,241,200            | -                   | -                   | 6,241,200             |
| Sewage Treatment Maintenance         | 3,276,100             | 280,000             | -                 | 3,556,100            | -                   | -                   | 3,556,100             |
| Engineering                          | 1,002,700             | 10,000              | -                 | 1,012,700            | -                   | -                   | 1,012,700             |
| Administration                       | 2,563,100             | 154,500             | -                 | 2,717,600            | -                   | -                   | 2,717,600             |
| Effluent Disposal - EBDA             | 930,000               | 166,500             | -                 | 1,096,500            | -                   | -                   | 1,096,500             |
| Depreciation                         | 3,836,800             | -                   | -                 | 3,836,800            | -                   | -                   | 3,836,800             |
| Decrease in Carrying Value of EBDA   | 200,000               | -                   | -                 | 200,000              | -                   | -                   | 200,000               |
| Solid Waste                          | -                     | -                   | -                 | -                    | 2,544,700           | -                   | 2,544,700             |
| Recycling                            | -                     | -                   | -                 | -                    | -                   | 2,976,100           | 2,976,100             |
| <b>Total Operating Expenses</b>      | <b>\$ 20,155,000</b>  | <b>\$ 2,631,000</b> | <b>\$ -</b>       | <b>\$ 22,786,000</b> | <b>\$ 2,544,700</b> | <b>\$ 2,976,100</b> | <b>\$ 28,306,800</b>  |
| <b>Non-Operating Expenses</b>        |                       |                     |                   |                      |                     |                     |                       |
| Write-Offs of Uncollectible Accounts | \$ 10,000             | \$ -                | \$ -              | \$ 10,000            | \$ 3,000            | \$ 200              | \$ 13,200             |
| Bond Interest Expense                | 433,200               | -                   | -                 | 433,200              | -                   | -                   | 433,200               |
| Contingency                          | 300,000               | -                   | -                 | 300,000              | 50,000              | 10,000              | 360,000               |
| <b>Total Non-Operating Expenses</b>  | <b>\$ 743,200</b>     | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ 743,200</b>    | <b>\$ 53,000</b>    | <b>\$ 10,200</b>    | <b>\$ 806,400</b>     |
| <b>Total Expenses</b>                | <b>\$ 20,898,200</b>  | <b>\$ 2,631,000</b> | <b>\$ -</b>       | <b>\$ 23,529,200</b> | <b>\$ 2,597,700</b> | <b>\$ 2,986,300</b> | <b>\$ 29,113,200</b>  |
| <b>Income Before Contributions</b>   | <b>\$ (3,304,700)</b> | <b>\$ 2,563,000</b> | <b>\$ 4,000</b>   | <b>\$ (737,700)</b>  | <b>\$ (780,700)</b> | <b>\$ 328,200</b>   | <b>\$ (1,190,200)</b> |
| Connection Fees                      | \$ -                  | \$ -                | \$ 200,000        | \$ 200,000           | \$ -                | \$ -                | \$ 200,000            |
| Capital Grants                       | -                     | -                   | 688,500           | 688,500              | -                   | -                   | 688,500               |
| <b>Change in Net Position</b>        | <b>\$ (3,304,700)</b> | <b>\$ 2,563,000</b> | <b>\$ 892,500</b> | <b>\$ 150,800</b>    | <b>\$ (780,700)</b> | <b>\$ 328,200</b>   | <b>\$ (301,700)</b>   |

# Total Operating Budget by Service Type

## Total Budgeted Revenues & Expenses FY 2022-23

|                                      | Sewer                 |                     |                   | Total                | Solid Waste         | Recycling             | Total                 |
|--------------------------------------|-----------------------|---------------------|-------------------|----------------------|---------------------|-----------------------|-----------------------|
|                                      | O&M                   | R&R                 | CIP*              |                      |                     |                       |                       |
| <b>Operating Revenues</b>            |                       |                     |                   |                      |                     |                       |                       |
| District Service Charges             | \$ 14,282,800         | \$ 5,000,000        | \$ -              | \$ 19,282,800        | \$ -                | \$ -                  | \$ 19,282,800         |
| Refunds - District Service Charges   | (100,000)             | -                   | -                 | (100,000)            | -                   | -                     | (100,000)             |
| Agency Treatment Charges             | 3,415,200             | 283,000             | -                 | 3,698,200            | -                   | -                     | 3,698,200             |
| Permits & Inspection Fees            | 140,000               | -                   | -                 | 140,000              | -                   | -                     | 140,000               |
| Sanitary Truck Waste Charges         | 20,000                | -                   | -                 | 20,000               | -                   | -                     | 20,000                |
| Grease Receiving Charges             | 120,000               | -                   | -                 | 120,000              | -                   | -                     | 120,000               |
| Biosolid Charges                     | 200,000               | -                   | -                 | 200,000              | -                   | -                     | 200,000               |
| Solid Waste Contract Fees            | -                     | -                   | -                 | -                    | 1,847,800           | -                     | 1,847,800             |
| Recycling Charges                    | -                     | -                   | -                 | -                    | -                   | 3,209,000             | 3,209,000             |
| Landfill Fees - Measure D            | -                     | -                   | -                 | -                    | -                   | 350,000               | 350,000               |
| Overhead Recovery                    | 750,000               | -                   | -                 | 750,000              | -                   | -                     | 750,000               |
| <b>Total Operating Revenues</b>      | <b>\$ 18,828,000</b>  | <b>\$ 5,283,000</b> | <b>\$ -</b>       | <b>\$ 24,111,000</b> | <b>\$ 1,847,800</b> | <b>\$ 3,559,000</b>   | <b>\$ 29,517,800</b>  |
| <b>Non-Operating Revenues</b>        |                       |                     |                   |                      |                     |                       |                       |
| Investment Income                    | \$ 22,700             | \$ 12,000           | \$ 3,000          | \$ 37,700            | \$ 2,000            | \$ 300                | \$ 40,000             |
| Rents & Leases                       | 90,000                | -                   | -                 | 90,000               | -                   | -                     | 90,000                |
| Recovery of Uncollectible Accounts   | -                     | -                   | -                 | -                    | 20,000              | -                     | 20,000                |
| Penalties & Miscellaneous Revenues   | 40,000                | -                   | -                 | 40,000               | -                   | 5,000                 | 45,000                |
| <b>Total Non-Operating Revenues</b>  | <b>\$ 152,700</b>     | <b>\$ 12,000</b>    | <b>\$ 3,000</b>   | <b>\$ 167,700</b>    | <b>\$ 22,000</b>    | <b>\$ 5,300</b>       | <b>\$ 195,000</b>     |
| <b>Total Revenues</b>                | <b>\$ 18,980,700</b>  | <b>\$ 5,295,000</b> | <b>\$ 3,000</b>   | <b>\$ 24,278,700</b> | <b>\$ 1,869,800</b> | <b>\$ 3,564,300</b>   | <b>\$ 29,712,800</b>  |
| <b>Operating Expenses</b>            |                       |                     |                   |                      |                     |                       |                       |
| Sewage Collections                   | \$ 2,504,600          | \$ 1,620,000        | \$ -              | \$ 4,124,600         | \$ -                | \$ -                  | \$ 4,124,600          |
| Sewage Treatment Operations          | 6,126,300             | 680,000             | -                 | 6,806,300            | -                   | -                     | 6,806,300             |
| Sewage Treatment Maintenance         | 3,412,400             | 335,000             | -                 | 3,747,400            | -                   | -                     | 3,747,400             |
| Engineering                          | 1,048,000             | 10,000              | -                 | 1,058,000            | -                   | -                     | 1,058,000             |
| Administration                       | 2,722,800             | 154,500             | -                 | 2,877,300            | -                   | -                     | 2,877,300             |
| Effluent Disposal - EBDA             | 950,000               | 166,500             | -                 | 1,116,500            | -                   | -                     | 1,116,500             |
| Depreciation                         | 3,951,900             | -                   | -                 | 3,951,900            | -                   | -                     | 3,951,900             |
| Decrease in Carrying Value of EBDA   | 200,000               | -                   | -                 | 200,000              | -                   | -                     | 200,000               |
| Solid Waste                          | -                     | -                   | -                 | -                    | 523,800             | -                     | 523,800               |
| Recycling                            | -                     | -                   | -                 | -                    | -                   | 6,992,800             | 6,992,800             |
| <b>Total Operating Expenses</b>      | <b>\$ 20,916,000</b>  | <b>\$ 2,966,000</b> | <b>\$ -</b>       | <b>\$ 23,882,000</b> | <b>\$ 523,800</b>   | <b>\$ 6,992,800</b>   | <b>\$ 31,398,600</b>  |
| <b>Non-Operating Expenses</b>        |                       |                     |                   |                      |                     |                       |                       |
| Write-Offs of Uncollectible Accounts | \$ 10,000             | \$ -                | \$ -              | \$ 10,000            | \$ 3,000            | \$ 200                | \$ 13,200             |
| Bond Interest Expense                | 420,700               | -                   | -                 | 420,700              | -                   | -                     | 420,700               |
| Contingency                          | 300,000               | -                   | -                 | 300,000              | 30,000              | 10,000                | 340,000               |
| <b>Total Non-Operating Expenses</b>  | <b>\$ 730,700</b>     | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ 730,700</b>    | <b>\$ 33,000</b>    | <b>\$ 10,200</b>      | <b>\$ 773,900</b>     |
| <b>Total Expenses</b>                | <b>\$ 21,646,700</b>  | <b>\$ 2,966,000</b> | <b>\$ -</b>       | <b>\$ 24,612,700</b> | <b>\$ 556,800</b>   | <b>\$ 7,003,000</b>   | <b>\$ 32,172,500</b>  |
| <b>Income Before Contributions</b>   | <b>\$ (2,666,000)</b> | <b>\$ 2,329,000</b> | <b>\$ 3,000</b>   | <b>\$ (334,000)</b>  | <b>\$ 1,313,000</b> | <b>\$ (3,438,700)</b> | <b>\$ (2,459,700)</b> |
| Connection Fees                      | \$ -                  | \$ -                | \$ 200,000        | \$ 200,000           | \$ -                | \$ -                  | \$ 200,000            |
| Capital Grants                       | -                     | -                   | 137,700           | 137,700              | -                   | -                     | 137,700               |
| <b>Change in Net Position</b>        | <b>\$ (2,666,000)</b> | <b>\$ 2,329,000</b> | <b>\$ 340,700</b> | <b>\$ 3,700</b>      | <b>\$ 1,313,000</b> | <b>\$ (3,438,700)</b> | <b>\$ (2,122,000)</b> |



# Operating Budget: Sewer Services O&M

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

|                                             | 2020-21<br>Budget | 2021-22<br>Budget | Budget Change<br>Over Prior Year |      | 2022-23<br>Budget | Budget Change<br>Over Prior Year |      |
|---------------------------------------------|-------------------|-------------------|----------------------------------|------|-------------------|----------------------------------|------|
| <b>Operating Revenues</b>                   |                   |                   |                                  |      |                   |                                  |      |
| District Service Charges                    | \$ 11,901,600     | \$ 13,011,600     | \$ 1,110,000                     | 9%   | \$ 14,282,800     | \$ 1,271,200                     | 10%  |
| Refunds - District Service Charges          | (100,000)         | (100,000)         | -                                | 0%   | (100,000)         | -                                | 0%   |
| Agency Treatment Charges                    | 2,777,000         | 3,312,400         | 535,400                          | 19%  | 3,415,200         | 102,801                          | 3%   |
| Permits & Inspection Fees                   | 140,000           | 140,000           | -                                | 0%   | 140,000           | -                                | 0%   |
| Sanitary Truck Waste Charges                | 20,000            | 20,000            | -                                | 0%   | 20,000            | -                                | 0%   |
| Grease Receiving Charges                    | 130,000           | 120,000           | (10,000)                         | -8%  | 120,000           | -                                | 0%   |
| Biosolids Charges                           | -                 | 200,000           | 200,000                          | 100% | 200,000           | -                                | 0%   |
| Overhead Recovery                           | 700,000           | 725,000           | 25,000                           | 4%   | 750,000           | 25,000                           | 3%   |
| <b>Total Operating Revenues</b>             | \$ 15,568,600     | \$ 17,429,000     | \$ 1,860,400                     | 12%  | \$ 18,828,000     | \$ 1,399,001                     | 8%   |
| <b>Non-Operating Revenues</b>               |                   |                   |                                  |      |                   |                                  |      |
| Investment Income                           | \$ 80,000         | \$ 34,500         | \$ (45,500)                      | -57% | \$ 22,700         | \$ (11,800)                      | -34% |
| Rents & Leases                              | 100,000           | 90,000            | (10,000)                         | -10% | 90,000            | -                                | 0%   |
| Penalties & Miscellaneous Revenues          | 103,000           | 40,000            | (63,000)                         | -61% | 40,000            | -                                | 0%   |
| <b>Total Non-Operating Revenues</b>         | \$ 283,000        | \$ 164,500        | \$ (118,500)                     | -42% | \$ 152,700        | (11,800)                         | -7%  |
| <b>Total Sewer O&amp;M Revenues</b>         | \$ 15,851,600     | \$ 17,593,500     | \$ 1,741,900                     | 11%  | \$ 18,980,700     | \$ 1,387,201                     | 8%   |
| <b>Operating Expenses</b>                   |                   |                   |                                  |      |                   |                                  |      |
| Sewage Collections                          | \$ 2,122,200      | \$ 2,415,100      | \$ 292,900                       | 14%  | \$ 2,504,600      | \$ 89,500                        | 4%   |
| Sewage Treatment Operations                 | 5,180,300         | 5,931,200         | 750,900                          | 14%  | 6,126,300         | 195,100                          | 3%   |
| Sewage Treatment Maintenance                | 2,956,800         | 3,276,100         | 319,300                          | 11%  | 3,412,400         | 136,300                          | 4%   |
| Engineering                                 | 867,700           | 1,002,700         | 135,000                          | 16%  | 1,048,000         | 45,300                           | 5%   |
| Administration                              | 2,317,300         | 2,563,100         | 245,800                          | 11%  | 2,722,800         | 159,700                          | 6%   |
| Effluent Disposal - EBDA                    | 830,000           | 930,000           | 100,000                          | 12%  | 950,000           | 20,000                           | 2%   |
| Depreciation                                | 3,725,000         | 3,836,800         | 111,800                          | 3%   | 3,951,900         | 115,100                          | 3%   |
| Decrease in Carrying Value of EBDA          | 200,000           | 200,000           | -                                | 0%   | 200,000           | -                                | 0%   |
| <b>Total Operating Expenses</b>             | \$ 18,199,300     | \$ 20,155,000     | \$ 1,955,700                     | 11%  | \$ 20,916,000     | \$ 761,000                       | 4%   |
| <b>Non-Operating Expenses</b>               |                   |                   |                                  |      |                   |                                  |      |
| Write-Offs of Uncollectible Accounts        | \$ 10,000         | \$ 10,000         | \$ -                             | 0%   | \$ 10,000         | \$ -                             | 0%   |
| Bond Interest Expense                       | 448,300           | 433,200           | (15,100)                         | -3%  | 420,700           | (12,500)                         | -3%  |
| Contingency                                 | 300,000           | 300,000           | -                                | 0%   | 300,000           | -                                | 0%   |
| <b>Total Non-Operating Expenses</b>         | \$ 758,300        | \$ 743,200        | \$ (15,100)                      | -2%  | \$ 730,700        | \$ (12,500)                      | -2%  |
| <b>Total Sewer O&amp;M Expenses</b>         | \$ 18,957,600     | \$ 20,898,200     | \$ 1,940,600                     | 10%  | \$ 21,646,700     | \$ 748,500                       | 4%   |
| <b>Sewer O&amp;M Revenues Over Expenses</b> | \$ (3,106,000)    | \$ (3,304,700)    | \$ (198,700)                     | -6%  | \$ (2,666,000)    | \$ 638,700                       | 19%  |

# Operating Budget: Sewer Services O&M

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

|                                        | 2020-21<br>Budget    | 2021-22<br>Budget    | Budget Change<br>Over Prior Year |            | 2022-23<br>Budget    | Budget Change<br>Over Prior Year |           |
|----------------------------------------|----------------------|----------------------|----------------------------------|------------|----------------------|----------------------------------|-----------|
| Salaries                               | \$ 5,023,200         | \$ 5,396,700         | \$ 373,500                       | 7%         | \$ 5,509,100         | \$ 112,400                       | 2%        |
| Salaries - Overtime                    | 40,400               | 40,500               | 100                              | 0%         | 41,600               | 1,100                            | 3%        |
| Salaries - Shift Diff/Traffic Exposure | 61,300               | 66,900               | 5,600                            | 9%         | 67,700               | 800                              | 1%        |
| Salaries - Standby/Emergency Response  | 35,200               | 40,300               | 5,100                            | 14%        | 41,400               | 1,100                            | 3%        |
| Directors' Fees                        | 85,000               | 87,400               | 2,400                            | 3%         | 89,100               | 1,700                            | 2%        |
| Employee Benefits                      | 3,240,500            | 4,336,000            | 1,095,500                        | 34%        | 4,378,600            | 42,600                           | 1%        |
| Directors' Benefits                    | 121,000              | 157,000              | 36,000                           | 30%        | 165,000              | 8,000                            | 5%        |
| Election Expenses                      | 300,000              | -                    | (300,000)                        | -100%      | 300,000              | 300,000                          | 100%      |
| Gas & Oil                              | 94,300               | 95,400               | 1,100                            | 1%         | 98,100               | 2,700                            | 3%        |
| Insurance & Risk Management            | 645,000              | 775,800              | 130,800                          | 20%        | 824,600              | 48,800                           | 6%        |
| Office & Lab Expenses                  | 60,100               | 69,600               | 9,500                            | 16%        | 71,700               | 2,100                            | 3%        |
| Bank Fees                              | 2,400                | 2,500                | 100                              | 4%         | 2,500                | -                                | 0%        |
| Operating Supplies                     | 611,900              | 615,700              | 3,800                            | 1%         | 634,300              | 18,600                           | 3%        |
| Odor Control Supplies                  | 18,900               | 18,900               | -                                | 0%         | 18,900               | -                                | 0%        |
| Belt Press Supplies                    | 131,300              | 135,000              | 3,700                            | 3%         | 139,100              | 4,100                            | 3%        |
| Safety Supplies                        | 33,000               | 34,800               | 1,800                            | 5%         | 35,700               | 900                              | 3%        |
| Lift Station Supplies                  | 10,500               | 10,500               | -                                | 0%         | 10,800               | 300                              | 3%        |
| Contractual Services                   | 560,000              | 641,500              | 81,500                           | 15%        | 662,100              | 20,600                           | 3%        |
| Contractual Services - Dept. Support   | 188,000              | 240,400              | 52,400                           | 28%        | 241,700              | 1,300                            | 1%        |
| Contractual Services - Sludge          | 400,000              | 350,000              | (50,000)                         | -13%       | 360,500              | 10,500                           | 3%        |
| Contractual Services - Pretreatment    | 5,000                | 5,000                | -                                | 0%         | 5,000                | -                                | 0%        |
| Contractual Services - Alameda Co.     | 90,000               | 95,000               | 5,000                            | 6%         | 97,900               | 2,900                            | 3%        |
| Contractual Services - SCADA           | 40,000               | 41,200               | 1,200                            | 3%         | 42,500               | 1,300                            | 3%        |
| Professional Services                  | 207,100              | 221,300              | 14,200                           | 7%         | 224,000              | 2,700                            | 1%        |
| Memberships & Publications             | 63,600               | 70,800               | 7,200                            | 11%        | 71,800               | 1,000                            | 1%        |
| Newsletter & Public Outreach           | 105,000              | 105,000              | -                                | 0%         | 105,000              | -                                | 0%        |
| Rents & Leases                         | 25,500               | 30,500               | 5,000                            | 20%        | 31,200               | 700                              | 2%        |
| Repairs & Maintenance                  | 327,900              | 334,600              | 6,700                            | 2%         | 344,400              | 9,800                            | 3%        |
| Repairs & Maintenance - Waukeshas      | 150,000              | 150,000              | -                                | 0%         | 154,500              | 4,500                            | 3%        |
| Repairs & Maintenance - Lift Stations  | 52,500               | 52,500               | -                                | 0%         | 54,100               | 1,600                            | 3%        |
| Research & Monitoring                  | 101,500              | 158,500              | 57,000                           | 56%        | 163,200              | 4,700                            | 3%        |
| Travel, Meetings & Training            | 86,000               | 91,000               | 5,000                            | 6%         | 91,000               | -                                | 0%        |
| Travel, Meetings - Directors           | 25,000               | 30,000               | 5,000                            | 20%        | 30,000               | -                                | 0%        |
| Recognition Program                    | 33,600               | 32,700               | (900)                            | -3%        | 32,000               | (700)                            | -2%       |
| Utilities                              | 302,200              | 455,000              | 152,800                          | 51%        | 468,800              | 13,800                           | 3%        |
| Utilities - Lift Stations              | 68,200               | 70,200               | 2,000                            | 3%         | 72,300               | 2,100                            | 3%        |
| Utilities - Solar Power                | 99,200               | 130,000              | 30,800                           | 31%        | 133,900              | 3,900                            | 3%        |
| Write-Off of Uncollectible Accounts    | 10,000               | 10,000               | -                                | 0%         | 10,000               | -                                | 0%        |
| Effluent Disposal - EBDA               | 800,000              | 830,000              | 30,000                           | 4%         | 850,000              | 20,000                           | 2%        |
| EBDA Reimbursable Expenses             | 30,000               | 100,000              | 70,000                           | 233%       | 100,000              | -                                | 0%        |
| Depreciation                           | 3,725,000            | 3,836,800            | 111,800                          | 3%         | 3,951,900            | 115,100                          | 3%        |
| Decrease in Carrying Value of EBDA     | 200,000              | 200,000              | -                                | 0%         | 200,000              | -                                | 0%        |
| Bond Interest Expense                  | 448,300              | 433,200              | (15,100)                         | -3%        | 420,700              | (12,500)                         | -3%       |
| Contingency                            | 300,000              | 300,000              | -                                | 0%         | 300,000              | -                                | 0%        |
| <b>Total Sewer O&amp;M Expenses</b>    | <b>\$ 18,957,600</b> | <b>\$ 20,898,200</b> | <b>\$ 1,940,600</b>              | <b>10%</b> | <b>\$ 21,646,700</b> | <b>\$ 748,500</b>                | <b>4%</b> |

# Operating Budget: Sewer Services O&M

## Sewer Services Operations & Maintenance (O&M) Budgeted Expenses by Department FY 2021-22

|                                        | Collections         | Operations          | Maintenance         | Engineering         | Administration      | Non-<br>Departmental | Total                |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Salaries                               | \$ 1,091,200        | \$ 2,097,400        | \$ 1,273,300        | \$ 290,800          | \$ 644,000          | \$ -                 | \$ 5,396,700         |
| Salaries - Overtime                    | 10,500              | 13,500              | 10,500              | 5,000               | 1,000               | -                    | 40,500               |
| Salaries - Shift Diff/Traffic Exposure | 26,400              | 35,200              | 300                 | 5,000               | -                   | -                    | 66,900               |
| Salaries - Standby/Emergency Response  | 34,300              | 2,000               | 4,000               | -                   | -                   | -                    | 40,300               |
| Directors' Fees                        | -                   | -                   | -                   | -                   | 87,400              | -                    | 87,400               |
| Employee Benefits                      | 721,000             | 1,224,000           | 899,000             | 473,000             | 1,019,000           | -                    | 4,336,000            |
| Directors' Benefits                    | -                   | -                   | -                   | -                   | 157,000             | -                    | 157,000              |
| Election Expenses                      | -                   | -                   | -                   | -                   | -                   | -                    | -                    |
| Gas & Oil                              | 52,500              | 21,600              | 17,300              | 3,400               | 600                 | -                    | 95,400               |
| Insurance & Risk Management            | 183,000             | 329,700             | 153,400             | 41,400              | 68,300              | -                    | 775,800              |
| Office & Lab Expenses                  | 4,000               | 25,000              | 5,400               | 7,200               | 28,000              | -                    | 69,600               |
| Bank Fees                              | -                   | -                   | -                   | -                   | 2,500               | -                    | 2,500                |
| Operating Supplies                     | 40,000              | 527,000             | 45,000              | 3,700               | -                   | -                    | 615,700              |
| Odor Control Supplies                  | -                   | 18,900              | -                   | -                   | -                   | -                    | 18,900               |
| Belt Press Supplies                    | -                   | 135,000             | -                   | -                   | -                   | -                    | 135,000              |
| Safety Supplies                        | 10,500              | 11,000              | 10,800              | 1,500               | 1,000               | -                    | 34,800               |
| Lift Station Supplies                  | 10,500              | -                   | -                   | -                   | -                   | -                    | 10,500               |
| Contractual Services                   | 40,000              | 212,000             | 257,500             | 60,000              | 72,000              | -                    | 641,500              |
| Contractual Services - Dept. Support   | -                   | 166,400             | 30,000              | 44,000              | -                   | -                    | 240,400              |
| Contractual Services - Sludge          | -                   | 350,000             | -                   | -                   | -                   | -                    | 350,000              |
| Contractual Services - Pretreatment    | -                   | 5,000               | -                   | -                   | -                   | -                    | 5,000                |
| Contractual Services - Alameda Co.     | -                   | -                   | -                   | -                   | 95,000              | -                    | 95,000               |
| Contractual Services - SCADA           | -                   | -                   | 41,200              | -                   | -                   | -                    | 41,200               |
| Professional Services                  | 4,100               | 40,000              | 5,200               | 22,000              | 150,000             | -                    | 221,300              |
| Memberships & Publications             | 2,700               | 11,800              | 4,300               | 12,000              | 40,000              | -                    | 70,800               |
| Newsletter & Public Outreach           | -                   | -                   | -                   | -                   | 105,000             | -                    | 105,000              |
| Rents & Leases                         | -                   | 15,000              | 12,500              | -                   | 3,000               | -                    | 30,500               |
| Repairs & Maintenance                  | -                   | 5,400               | 320,000             | 5,000               | 4,200               | -                    | 334,600              |
| Repairs & Maintenance - Waukeshas      | -                   | -                   | 150,000             | -                   | -                   | -                    | 150,000              |
| Repairs & Maintenance - Lift Stations  | 52,500              | -                   | -                   | -                   | -                   | -                    | 52,500               |
| Research & Monitoring                  | 17,000              | 140,000             | 1,500               | -                   | -                   | -                    | 158,500              |
| Travel, Meetings & Training            | 15,000              | 24,000              | 20,000              | 10,000              | 22,000              | -                    | 91,000               |
| Travel, Meetings - Directors           | -                   | -                   | -                   | -                   | 30,000              | -                    | 30,000               |
| Recognition Program                    | 2,700               | 4,800               | 2,900               | 1,800               | 20,500              | -                    | 32,700               |
| Utilities                              | 27,000              | 386,500             | 12,000              | 16,900              | 12,600              | -                    | 455,000              |
| Utilities - Lift Stations              | 70,200              | -                   | -                   | -                   | -                   | -                    | 70,200               |
| Utilities - Solar Power                | -                   | 130,000             | -                   | -                   | -                   | -                    | 130,000              |
| Write-Offs of Uncollectible Accounts   | -                   | -                   | -                   | -                   | -                   | 10,000               | 10,000               |
| Effluent Disposal - EBDA               | -                   | -                   | -                   | -                   | -                   | 830,000              | 830,000              |
| EBDA Reimbursable Expenses             | -                   | -                   | -                   | -                   | -                   | 100,000              | 100,000              |
| Depreciation                           | -                   | -                   | -                   | -                   | -                   | 3,836,800            | 3,836,800            |
| Decrease in Carrying Value of EBDA     | -                   | -                   | -                   | -                   | -                   | 200,000              | 200,000              |
| Bond Interest Expense                  | -                   | -                   | -                   | -                   | -                   | 433,200              | 433,200              |
| Contingency                            | -                   | -                   | -                   | -                   | -                   | 300,000              | 300,000              |
| <b>Total Sewer O&amp;M Expenses</b>    | <b>\$ 2,415,100</b> | <b>\$ 5,931,200</b> | <b>\$ 3,276,100</b> | <b>\$ 1,002,700</b> | <b>\$ 2,563,100</b> | <b>\$ 5,710,000</b>  | <b>\$ 20,898,200</b> |

# Operating Budget: Sewer Services O&M

## Sewer Services Operations & Maintenance (O&M) Budgeted Expenses by Department FY 2022-23

|                                        | Collections         | Operations          | Maintenance         | Engineering         | Administration      | Non-Departmental    | Total                |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Salaries                               | \$ 1,123,800        | \$ 2,155,600        | \$ 1,330,900        | \$ 297,300          | \$ 601,500          | \$ -                | \$ 5,509,100         |
| Salaries - Overtime                    | 10,800              | 13,900              | 10,800              | 5,100               | 1,000               | -                   | 41,600               |
| Salaries - Shift Diff/Traffic Exposure | 27,200              | 35,200              | 300                 | 5,000               | -                   | -                   | 67,700               |
| Salaries - Standby/Emergency Response  | 35,400              | 2,000               | 4,000               | -                   | -                   | -                   | 41,400               |
| Directors' Fees                        | -                   | -                   | -                   | -                   | 89,100              | -                   | 89,100               |
| Employee Benefits                      | 754,000             | 1,279,000           | 941,600             | 503,000             | 901,000             | -                   | 4,378,600            |
| Directors' Benefits                    | -                   | -                   | -                   | -                   | 165,000             | -                   | 165,000              |
| Election Expenses                      | -                   | -                   | -                   | -                   | 300,000             | -                   | 300,000              |
| Gas & Oil                              | 54,000              | 22,200              | 17,800              | 3,500               | 600                 | -                   | 98,100               |
| Insurance & Risk Management            | 194,500             | 350,400             | 163,000             | 44,000              | 72,700              | -                   | 824,600              |
| Office & Lab Expenses                  | 4,100               | 25,800              | 5,600               | 7,400               | 28,800              | -                   | 71,700               |
| Bank Fees                              | -                   | -                   | -                   | -                   | 2,500               | -                   | 2,500                |
| Operating Supplies                     | 41,200              | 542,900             | 46,500              | 3,700               | -                   | -                   | 634,300              |
| Odor Control Supplies                  | -                   | 18,900              | -                   | -                   | -                   | -                   | 18,900               |
| Belt Press Supplies                    | -                   | 139,100             | -                   | -                   | -                   | -                   | 139,100              |
| Safety Supplies                        | 10,800              | 11,400              | 11,000              | 1,500               | 1,000               | -                   | 35,700               |
| Lift Station Supplies                  | 10,800              | -                   | -                   | -                   | -                   | -                   | 10,800               |
| Contractual Services                   | 41,200              | 218,400             | 265,500             | 63,000              | 74,000              | -                   | 662,100              |
| Contractual Services - Dept. Support   | -                   | 166,400             | 30,000              | 45,300              | -                   | -                   | 241,700              |
| Contractual Services - Sludge          | -                   | 360,500             | -                   | -                   | -                   | -                   | 360,500              |
| Contractual Services - Pretreatment    | -                   | 5,000               | -                   | -                   | -                   | -                   | 5,000                |
| Contractual Services - Alameda Co.     | -                   | -                   | -                   | -                   | 97,900              | -                   | 97,900               |
| Contractual Services - SCADA           | -                   | -                   | 42,500              | -                   | -                   | -                   | 42,500               |
| Professional Services                  | 4,300               | 41,200              | 5,400               | 23,100              | 150,000             | -                   | 224,000              |
| Memberships & Publications             | 2,800               | 12,100              | 4,500               | 12,400              | 40,000              | -                   | 71,800               |
| Newsletter & Public Outreach           | -                   | -                   | -                   | -                   | 105,000             | -                   | 105,000              |
| Rents & Leases                         | -                   | 15,400              | 12,800              | -                   | 3,000               | -                   | 31,200               |
| Repairs & Maintenance                  | -                   | 5,600               | 329,600             | 5,000               | 4,200               | -                   | 344,400              |
| Repairs & Maintenance - Waukeshas      | -                   | -                   | 154,500             | -                   | -                   | -                   | 154,500              |
| Repairs & Maintenance - Lift Stations  | 54,100              | -                   | -                   | -                   | -                   | -                   | 54,100               |
| Research & Monitoring                  | 17,500              | 144,200             | 1,500               | -                   | -                   | -                   | 163,200              |
| Travel, Meetings & Training            | 15,000              | 24,000              | 20,000              | 10,000              | 22,000              | -                   | 91,000               |
| Travel, Meetings - Directors           | -                   | -                   | -                   | -                   | 30,000              | -                   | 30,000               |
| Recognition Program                    | 3,000               | 5,100               | 2,100               | 1,300               | 20,500              | -                   | 32,000               |
| Utilities                              | 27,800              | 398,100             | 12,500              | 17,400              | 13,000              | -                   | 468,800              |
| Utilities - Lift Stations              | 72,300              | -                   | -                   | -                   | -                   | -                   | 72,300               |
| Utilities - Solar Power                | -                   | 133,900             | -                   | -                   | -                   | -                   | 133,900              |
| Write-Offs of Uncollectible Accts      | -                   | -                   | -                   | -                   | -                   | 10,000              | 10,000               |
| Effluent Disposal - EBDA               | -                   | -                   | -                   | -                   | -                   | 850,000             | 850,000              |
| EBDA Reimbursable Expenses             | -                   | -                   | -                   | -                   | -                   | 100,000             | 100,000              |
| Depreciation                           | -                   | -                   | -                   | -                   | -                   | 3,951,900           | 3,951,900            |
| Decrease in Carrying Value of EBDA     | -                   | -                   | -                   | -                   | -                   | 200,000             | 200,000              |
| Bond Interest Expense                  | -                   | -                   | -                   | -                   | -                   | 420,700             | 420,700              |
| Contingency                            | -                   | -                   | -                   | -                   | -                   | 300,000             | 300,000              |
| <b>Total Sewer O&amp;M Expenses</b>    | <b>\$ 2,504,600</b> | <b>\$ 6,126,300</b> | <b>\$ 3,412,400</b> | <b>\$ 1,048,000</b> | <b>\$ 2,722,800</b> | <b>\$ 5,832,600</b> | <b>\$ 21,646,700</b> |

# Operating Budget: Sewer Services R&R

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

|                                         |                                                              | 2021-22<br>Budget   | 2022-23<br>Budget   |
|-----------------------------------------|--------------------------------------------------------------|---------------------|---------------------|
| <b>Revenues</b>                         |                                                              |                     |                     |
|                                         | District Service Charges                                     | \$ 5,000,000        | \$ 5,000,000        |
|                                         | Agency Treatment Charges - CVSD                              | 176,000             | 283,000             |
|                                         | Investment Income                                            | 18,000              | 12,000              |
|                                         | <b>Total R&amp;R Revenues</b>                                | <b>\$ 5,194,000</b> | <b>\$ 5,295,000</b> |
| <b>Project #</b>                        | <b>Expenses</b>                                              |                     |                     |
| <b>Collections</b>                      |                                                              |                     |                     |
| 104.00                                  | Lift Stations - Asset Management                             | \$ 70,000           | \$ 30,000           |
| 100.00                                  | Lift Stations - General & Recurring Maintenance              | 100,000             | 100,000             |
| 141.00                                  | Collection System Asset Repair / Maintenance                 | 1,250,000           | 1,250,000           |
| 144.10                                  | Collection System GIS Updates & Asset Management Plan        | 25,000              | 25,000              |
| 144.00                                  | Collection System Source Detection & Hydraulic Model Updates | 10,000              | 10,000              |
| 156.00                                  | Collection System Standard Operating Procedures Development  | 25,000              | -                   |
| 155.00                                  | Collection System Equipment Repair & Maintenance             | 65,000              | 40,000              |
| 151.10                                  | Easement Clearing & Road Maintenance                         | 50,000              | 50,000              |
| 126.00                                  | Maintenance Hole Adjustments                                 | 100,000             | 100,000             |
| 900.91                                  | Critical Renewal & Replacements - Collections                | 15,000              | 15,000              |
|                                         | <b>Total Collections</b>                                     | <b>\$ 1,710,000</b> | <b>\$ 1,620,000</b> |
| <b>Treatment Plant</b>                  |                                                              |                     |                     |
| 223.00                                  | 78" Plant Influent Pipeline Inspection                       | \$ 25,000           | \$ -                |
| 226.05                                  | Belt Filter Press Bearing Replacements                       | 70,000              | -                   |
| 226.03                                  | Belt Filter Press Conveyor Parts                             | -                   | 50,000              |
| 266.00                                  | CEPT System Rehabilitation                                   | -                   | 35,000              |
| 289.00                                  | Concrete Assessment & Rehabilitation                         | -                   | 20,000              |
| 213.07                                  | Effluent Local Limits Reporting & Testing                    | -                   | 30,000              |
| 312.00                                  | Flare Repairs                                                | -                   | 25,000              |
| 305.00                                  | Gate & Valve Replacements                                    | 25,000              | 25,000              |
| 313.00                                  | Grease System Rehabilitation & Pump Maintenance              | 40,000              | 40,000              |
| 224.00                                  | Influent Pump Volute Replacement & Critical Parts            | 40,000              | -                   |
| 202.00                                  | O&M Manuals and Computer-Based Training Updates              | 35,000              | 35,000              |
| 301.00                                  | Plant Security Upgrades                                      | 25,000              | 25,000              |
| 213.00                                  | Pre-Design Studies & Testing                                 | 50,000              | 50,000              |
| 241.00                                  | Primary Clarifier Launder Rehabilitation                     | -                   | 100,000             |
| 288.00                                  | Primary Effluent Channel Coating                             | -                   | 250,000             |
| 322.00                                  | Primary Sludge Pump Mounting Plate Replacement               | -                   | 30,000              |
| 242.00                                  | Process Instrumentation Replacement                          | 50,000              | 70,000              |
|                                         | <b>Recurring Maintenance:</b>                                |                     |                     |
| 395.06                                  | ▪ Landscaping & Grounds                                      | 25,000              | 25,000              |
| 395.07                                  | ▪ Roadway & Berm Maintenance                                 | 70,000              | 70,000              |
| 395.02                                  | ▪ Roof Maintenance                                           | 25,000              | 25,000              |
| 239.00                                  | Safety Improvements                                          | 30,000              | 30,000              |
| 204.00                                  | Treatment Plant GIS Updates & Asset Management Plan          | 10,000              | 10,000              |
| 900.93                                  | Critical Renewal & Replacements - Treatment Plant            | 70,000              | 70,000              |
|                                         | <b>Total Treatment Plant</b>                                 | <b>\$ 590,000</b>   | <b>\$ 1,015,000</b> |
| <b>Engineering &amp; Administration</b> |                                                              |                     |                     |
| 524.00                                  | Fiscal Agent Fees                                            | \$ 4,500            | \$ 4,500            |
| 595.45                                  | IT & Network Upgrades - District-wide                        | 40,000              | 40,000              |
| 535.00                                  | Open House                                                   | 80,000              | 80,000              |
| 900.90                                  | Critical Renewal & Replacements - Engineering                | 10,000              | 10,000              |
| 900.95                                  | Critical Renewal & Replacements - Administration             | 30,000              | 30,000              |
|                                         | <b>Total Engineering &amp; Administration</b>                | <b>\$ 164,500</b>   | <b>\$ 164,500</b>   |
| <b>Sewage Disposal - EBDA</b>           |                                                              |                     |                     |
| 626.00                                  | EBDA Replacement Assessment                                  | \$ 166,500          | \$ 166,500          |
|                                         | <b>Total R&amp;R Expenses</b>                                | <b>\$ 2,631,000</b> | <b>\$ 2,966,000</b> |
|                                         | <b>R&amp;R Revenues Over Expenses</b>                        | <b>\$ 2,563,000</b> | <b>\$ 2,329,000</b> |

| Agency Treatment Charges - CVSD <sup>(1)</sup> |                   |                   |          |
|------------------------------------------------|-------------------|-------------------|----------|
|                                                | 2021-22           | 2022-23           |          |
| <b>Collections</b>                             |                   |                   |          |
| -                                              | \$ -              | \$ -              | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
| -                                              | -                 | -                 | -        |
|                                                | <b>\$ -</b>       | <b>\$ -</b>       | <b>-</b> |
| <b>Treatment Plant</b>                         |                   |                   |          |
| 25%                                            | \$ 6,250          | \$ -              | -        |
| 25%                                            | 17,500            | -                 | -        |
| 25%                                            | -                 | 12,500            | -        |
| 25%                                            | -                 | 8,750             | -        |
| 25%                                            | -                 | 5,000             | -        |
| 25%                                            | -                 | 7,500             | -        |
| 25%                                            | -                 | 6,250             | -        |
| 25%                                            | 6,250             | 6,250             | -        |
| 25%                                            | 10,000            | 10,000            | -        |
| 25%                                            | 10,000            | -                 | -        |
| 25%                                            | 8,750             | 8,750             | -        |
| 25%                                            | 6,250             | 6,250             | -        |
| 25%                                            | 12,500            | 12,500            | -        |
| 25%                                            | -                 | 25,000            | -        |
| 25%                                            | -                 | 62,500            | -        |
| 25%                                            | -                 | 7,500             | -        |
| 25%                                            | 12,500            | 17,500            | -        |
|                                                |                   |                   |          |
| 25%                                            | 6,250             | 6,250             | -        |
| 25%                                            | 17,500            | 17,500            | -        |
| 25%                                            | 6,250             | 6,250             | -        |
| 25%                                            | 7,500             | 7,500             | -        |
| 25%                                            | 2,500             | 2,500             | -        |
| 25%                                            | 17,500            | 17,500            | -        |
|                                                | <b>\$ 147,500</b> | <b>\$ 253,750</b> |          |
| <b>Engineering &amp; Administration</b>        |                   |                   |          |
| -                                              | \$ -              | \$ -              | -        |
| 19%                                            | 7,600             | 7,600             | -        |
| 19%                                            | 15,200            | 15,200            | -        |
| 12.5%                                          | 1,250             | 1,250             | -        |
| 18%                                            | 5,400             | 5,400             | -        |
|                                                | <b>\$ 29,450</b>  | <b>\$ 29,450</b>  |          |
| <b>Sewage Disposal - EBDA</b>                  |                   |                   |          |
| -                                              | \$ -              | \$ -              | -        |
|                                                | <b>\$ 176,950</b> | <b>\$ 283,200</b> |          |

(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%. District-wide projects are billed at 19%.

# Operating Budget: Sewer Services R&R

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

| Collections                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | FY 2021-22  | FY 2022-23  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Lift Stations - Asset Management</b><br>Preparing and maintaining individual assets and an asset inventory at lift stations including the asset's condition, life expectancy, and projected costs over the life of the asset.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$70,000    | \$30,000    |
| <b>Lift Stations - General &amp; Recurring Maintenance</b><br>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.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$100,000   | \$100,000   |
| <b>Collection System Asset Repair / Maintenance</b><br>Collection system asset repairs include: <ul style="list-style-type: none"> <li>• Point Repairs: Repairs of sections of pipes under 25 feet in length.</li> <li>• Line Repairs: Repairs of sections of pipes greater than 25 feet in length.</li> <li>• 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.</li> <li>• Maintenance hole Raising: Maintenance hole 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.</li> </ul> | \$1,250,000 | \$1,250,000 |
| <b>Collection System GIS Updates &amp; Maintenance</b><br>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    |
| <b>Collection System Source Detection &amp; Hydraulic Model Updates</b><br>For update and analysis of the hydraulic model as needed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$10,000    | \$10,000    |
| <b>Collection System Standard Operating Procedures Development</b><br>For updating existing standard operating procedures for the Collections Department.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$25,000    | \$0         |
| <b>Collection System Equipment Repair &amp; Maintenance</b><br>For the maintenance of the existing collections equipment including cameras and hydro equipment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$65,000    | \$40,000    |
| <b>Easement Clearing &amp; Road Maintenance</b><br>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    |



# Operating Budget: Sewer Services R&R

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

| Collections                                                                                                                                                                                                                                              |                    |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                                                                                                                                                          | FY 2021-22         | FY 2022-23         |
| <b>Maintenance Hole Adjustments</b>                                                                                                                                                                                                                      | \$100,000          | \$100,000          |
| Every year the Cities of San Leandro and Hayward and the County of Alameda repave streets. This work requires that the District, at its expense, raise and lower maintenance hole castings. Typically, the budget for this is \$100,000 per fiscal year. |                    |                    |
| <b>Critical Renewal &amp; Replacements - Collections</b>                                                                                                                                                                                                 | \$15,000           | \$15,000           |
| For unanticipated renewal & replacement items utilized by the Collections department.                                                                                                                                                                    |                    |                    |
| <b>Total Collections</b>                                                                                                                                                                                                                                 | <b>\$1,710,000</b> | <b>\$1,620,000</b> |

# Operating Budget: Sewer Services R&R

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

| Treatment Plant                                                                                                                                                                                                                                                 |            |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                                                                                                                                 | FY 2021-22 | FY 2022-23 |
| <b>78" Plant Influent Pipeline Inspection</b><br>For condition assessment and inspection of the 78" influent pipeline within the plant and to determine proper timing when lining/rehabilitation is required.                                                   | \$25,000   | \$0        |
| <b>Belt Filter Press Bearing Replacements</b><br>For replacement of bearings on each belt filter press due to wear.                                                                                                                                             | \$70,000   | \$0        |
| <b>Belt Filter Press Conveyor Parts</b><br>To purchase spare parts for an immediate overhaul of the Belt Filter Press Conveyor when necessary to reduce downtime. The strategy is to extend the conveyor's life until a new unit is installed at the digesters. | \$0        | \$50,000   |
| <b>CEPT System Rehabilitation</b><br>For replacement of existing pumps and piping as required to maintain functionality of the CEPT System.                                                                                                                     | \$0        | \$35,000   |
| <b>Concrete Assessment &amp; Rehabilitation</b><br>For ongoing rehabilitation and repair of concrete cracks throughout the treatment plant.                                                                                                                     | \$0        | \$20,000   |
| <b>Effluent Local Limits Reporting &amp; Testing</b><br>For consulting services on local limits testing and evaluation. This evaluation is a requirement of the EBDA NPDES permit renewal anticipated in 2022.                                                  | \$0        | \$30,000   |
| <b>Flare Repairs</b><br>For maintenance of the flares to keep them operational.                                                                                                                                                                                 | \$0        | \$25,000   |
| <b>Gate &amp; Valve Replacements</b><br>For ongoing replacement of gate and other miscellaneous valves due to end of their useful lives.                                                                                                                        | \$25,000   | \$25,000   |
| <b>Grease System Rehabilitation and Pump Maintenance</b><br>For replacement of worn pumps and other miscellaneous maintenance.                                                                                                                                  | \$40,000   | \$40,000   |
| <b>Influent Pump Volute Replacement &amp; Critical Parts</b><br>For replacement of existing pumps volutes along with other critical parts due to end of useful life.                                                                                            | \$40,000   | \$0        |
| <b>O&amp;M Manuals and Computer-Based Training Updates</b><br>For ongoing updates to keep the computer-based training modules maintained as processes change.                                                                                                   | \$35,000   | \$35,000   |
| <b>Plant Security Upgrades</b><br>For ongoing maintenance of existing gate controls, cameras, and plant access.                                                                                                                                                 | \$25,000   | \$25,000   |

# Operating Budget: Sewer Services R&R

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

| Treatment Plant                                                                                                                                                                                                                                             |                  |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------|
|                                                                                                                                                                                                                                                             | FY 2021-22       | FY 2022-23         |
| <b>Pre-Design Studies &amp; Testing</b><br>To evaluate new process or technologies.                                                                                                                                                                         | \$50,000         | \$50,000           |
| <b>Primary Clarifier Launder Rehabilitation</b><br>For rehabilitation of primary clarifier launder mechanisms including leveling and neoprene gasket replacement.                                                                                           | \$0              | \$100,000          |
| <b>Primary Effluent Channel Coating</b><br>For coatings at the primary effluent channel to extend the life of the treatment unit.                                                                                                                           | \$0              | \$250,000          |
| <b>Primary Sludge Pump Mounting Plate Replacement</b><br>For replacement of corroded primary sludge pump base plate.                                                                                                                                        | \$0              | \$30,000           |
| <b>Process Instrumentation Replacement</b><br>For ongoing maintenance fund for instrumentation and electrical components throughout the treatment plant.                                                                                                    | \$50,000         | \$70,000           |
| <b>Recurring Maintenance</b>                                                                                                                                                                                                                                |                  |                    |
| Landscaping & Grounds                                                                                                                                                                                                                                       | \$25,000         | \$25,000           |
| Roadway & Berm Maintenance                                                                                                                                                                                                                                  | \$70,000         | \$70,000           |
| Roof Maintenance                                                                                                                                                                                                                                            | \$25,000         | \$25,000           |
| <b>Safety Improvements</b><br>For unforeseen safety related projects.                                                                                                                                                                                       | \$30,000         | \$30,000           |
| <b>Treatment Plant GIS Updates &amp; Asset Management Plan</b><br>The geographic information system (GIS) is a mapping program that organizes information based on its location. This work will incorporate assets of the treatment plant into the program. | \$10,000         | \$10,000           |
| <b>Critical Renewal &amp; Replacement - Treatment Plant</b><br>For unanticipated renewal & replacement items within the treatment plant.                                                                                                                    | \$70,000         | \$70,000           |
| <b>Total Treatment Plant</b>                                                                                                                                                                                                                                | <b>\$590,000</b> | <b>\$1,015,000</b> |

# Operating Budget: Sewer Services R&R

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

| Engineering, Administration & EBDA                                                                                                                      |                    |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                                                         | FY 2021-22         | FY 2022-23         |
| <b>Fiscal Agent Fees</b><br>For the District's investment custodial services.                                                                           | \$4,500            | \$4,500            |
| <b>IT &amp; Network Upgrades - District-wide</b><br>For maintenance of the computer and information technology network.                                 | \$40,000           | \$40,000           |
| <b>Open House</b><br>For annual event planning and execution.                                                                                           | \$80,000           | \$80,000           |
| <b>Critical Renewal &amp; Replacements - Engineering</b><br>For unanticipated renewal & replacement items utilized by the Engineering department.       | \$10,000           | \$10,000           |
| <b>Critical Renewal &amp; Replacements - Administration</b><br>For unanticipated renewal & replacement items utilized by the Administration department. | \$30,000           | \$30,000           |
| <b>EBDA Replacement Assessment</b><br>Annual Contribution to EBDA for renewal & replacement assessment.                                                 | \$166,500          | \$166,500          |
| <b>Total Engineering, Administration &amp; EBDA</b>                                                                                                     | <b>\$331,000</b>   | <b>\$331,000</b>   |
| <b>Total R&amp;R Costs</b>                                                                                                                              | <b>\$2,631,000</b> | <b>\$2,966,000</b> |

# Operating Budget: Solid Waste

## Solid Waste Budgeted Revenues & Expenses

|                                           | 2020-21<br>Budget   | 2021-22<br>Budget   | Budget Change<br>Over Prior Year |              | 2022-23<br>Budget   | Budget Change<br>Over Prior Year |             |
|-------------------------------------------|---------------------|---------------------|----------------------------------|--------------|---------------------|----------------------------------|-------------|
|                                           |                     |                     |                                  |              |                     |                                  |             |
| <b>Revenues</b>                           |                     |                     |                                  |              |                     |                                  |             |
| Solid Waste Contract fees                 | \$ 1,114,000        | \$ 1,794,000        | \$ 680,000                       | 61%          | \$ 1,847,800        | \$ 53,800                        | 3%          |
| Investment income                         | 20,000              | 3,000               | (17,000)                         | -85%         | 2,000               | (1,000)                          | -33%        |
| Recovery of Uncollectible Accounts        | 10,000              | 20,000              | 10,000                           | 100%         | 20,000              | -                                | 0%          |
| <b>Total Revenues</b>                     | <b>\$ 1,144,000</b> | <b>\$ 1,817,000</b> | <b>\$ 673,000</b>                | <b>59%</b>   | <b>\$ 1,869,800</b> | <b>\$ 52,800</b>                 | <b>3%</b>   |
|                                           |                     |                     |                                  |              |                     |                                  |             |
| <b>Expenses</b>                           |                     |                     |                                  |              |                     |                                  |             |
| Salaries                                  | \$ 177,400          | \$ 197,700          | \$ 20,300                        | 11%          | \$ 187,800          | \$ (9,900)                       | -5%         |
| Salaries - Overtime                       | 500                 | 500                 | -                                | 0%           | 500                 | -                                | 0%          |
| Directors' Fees                           | 8,900               | 8,900               | -                                | 0%           | 9,100               | 200                              | 2%          |
| Overhead                                  | 196,100             | 238,200             | 42,100                           | 21%          | 227,000             | (11,200)                         | -5%         |
| Office Expenses                           | 3,000               | 3,000               | -                                | 0%           | 3,000               | -                                | 0%          |
| Safety Supplies                           | 500                 | 500                 | -                                | 0%           | 500                 | -                                | 0%          |
| Contractual Services                      | 3,000               | 3,000               | -                                | 0%           | 3,000               | -                                | 0%          |
| Professional Services                     | 10,000              | 10,000              | -                                | 0%           | 10,000              | -                                | 0%          |
| Memberships & Publications                | 1,000               | 1,000               | -                                | 0%           | 1,000               | -                                | 0%          |
| Newsletter & Public Outreach              | 80,000              | 80,000              | -                                | 0%           | 80,000              | -                                | 0%          |
| Repairs & Maintenance                     | 500                 | 500                 | -                                | 0%           | 500                 | -                                | 0%          |
| Travel, Meetings & Training               | -                   | -                   | -                                | 0%           | -                   | -                                | 0%          |
| Recognition Program                       | 600                 | 600                 | -                                | 0%           | 600                 | -                                | 0%          |
| Utilities                                 | 500                 | 800                 | 300                              | 60%          | 800                 | -                                | 0%          |
| Write-Offs of Uncollectible Accounts      | 3,000               | 3,000               | -                                | 0%           | 3,000               | -                                | 0%          |
| SB 1383 Cart Replacements                 | -                   | 2,000,000           | 2,000,000                        | 100%         | -                   | (2,000,000)                      | -100%       |
| Contingency                               | 30,000              | 50,000              | 20,000                           | 67%          | 30,000              | (20,000)                         | -40%        |
| <b>Total Expenses</b>                     | <b>\$ 515,000</b>   | <b>\$ 2,597,700</b> | <b>\$ 2,082,700</b>              | <b>404%</b>  | <b>\$ 556,800</b>   | <b>\$ (2,040,900)</b>            | <b>-79%</b> |
|                                           |                     |                     |                                  |              |                     |                                  |             |
| <b>Solid Waste Revenues Over Expenses</b> | <b>\$ 629,000</b>   | <b>\$ (780,700)</b> | <b>\$ (1,409,700)</b>            | <b>-224%</b> | <b>\$ 1,313,000</b> | <b>\$ 2,093,700</b>              | <b>268%</b> |

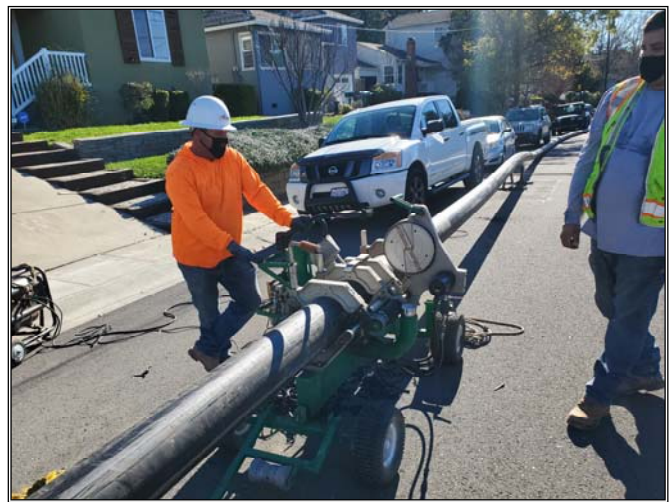
# Operating Budget: Recycling

## Recycling Budgeted Revenues & Expenses

|                                         | 2020-21<br>Budget   | 2021-22<br>Budget   | Budget Change<br>Over Prior Year |             | 2022-23<br>Budget     | Budget Change<br>Over Prior Year |               |
|-----------------------------------------|---------------------|---------------------|----------------------------------|-------------|-----------------------|----------------------------------|---------------|
| <b>Revenues</b>                         |                     |                     |                                  |             |                       |                                  |               |
| Recycling Charges - Residential         | \$ 2,309,000        | \$ 2,809,000        | \$ 500,000                       | 22%         | \$ 3,059,000          | \$ 250,000                       | 9%            |
| Recycling Charges - Commercial          | 100,000             | 150,000             | 50,000                           | 50%         | 150,000               | -                                | 0%            |
| Landfill Fees - Measure D               | 350,000             | 350,000             | -                                | 0%          | 350,000               | -                                | 0%            |
| Investment Income                       | 20,000              | 500                 | (19,500)                         | -98%        | 300                   | (200)                            | -40%          |
| Penalties & Miscellaneous Revenues      | 15,000              | 5,000               | (10,000)                         | -67%        | 5,000                 | -                                | 0%            |
| <b>Total Revenues</b>                   | <b>\$ 2,794,000</b> | <b>\$ 3,314,500</b> | <b>\$ 520,500</b>                | <b>19%</b>  | <b>\$ 3,564,300</b>   | <b>\$ 249,800</b>                | <b>8%</b>     |
| <b>Expenses</b>                         |                     |                     |                                  |             |                       |                                  |               |
| Salaries                                | \$ 177,400          | \$ 197,700          | \$ 20,300                        | 11%         | \$ 187,800            | \$ (9,900)                       | -5%           |
| Salaries - Overtime                     | 500                 | 500                 | -                                | 0%          | 500                   | -                                | 0%            |
| Overhead                                | 186,800             | 227,900             | 41,100                           | 22%         | 216,500               | (11,400)                         | -5%           |
| Office Expenses                         | 2,000               | 2,000               | -                                | 0%          | 2,000                 | -                                | 0%            |
| 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%          | 40,000                | 38,000                           | 1900%         |
| Memberships & Publications              | -                   | -                   | -                                | 0%          | -                     | -                                | 0%            |
| Newsletter & Public Outreach            | 160,000             | 160,000             | -                                | 0%          | 160,000               | -                                | 0%            |
| Schools & Commercial Recycling Supplies | 20,000              | 20,000              | -                                | 0%          | 20,000                | -                                | 0%            |
| Travel, Meetings & Training             | -                   | -                   | -                                | 0%          | -                     | -                                | 0%            |
| Write-Offs of Uncollectible Accounts    | 200                 | 200                 | -                                | 0%          | 200                   | -                                | 0%            |
| San Leandro Measure D Expense           | 45,000              | 46,000              | 1,000                            | 2%          | 46,000                | -                                | 0%            |
| SB 1383 Cart Replacements               | -                   | -                   | -                                | 0%          | 4,000,000             | 4,000,000                        | 100%          |
| Contingency                             | 10,000              | 10,000              | -                                | 0%          | 10,000                | -                                | 0%            |
| <b>Total Expenses</b>                   | <b>\$ 2,923,900</b> | <b>\$ 2,986,300</b> | <b>\$ 62,400</b>                 | <b>2%</b>   | <b>\$ 7,003,000</b>   | <b>\$ 4,016,700</b>              | <b>135%</b>   |
| <b>Recycling Revenues Over Expenses</b> | <b>\$ (129,900)</b> | <b>\$ 328,200</b>   | <b>\$ 458,100</b>                | <b>353%</b> | <b>\$ (3,438,700)</b> | <b>\$ (3,766,900)</b>            | <b>-1148%</b> |

# Pipeline Replacement Program

The Pipeline Replacement Program replaces sewer line infrastructure identified as high risk through closed circuit television (CCTV) inspection. This project is a heavy focus of the Capital Improvement Program (CIP) budget in upcoming years. Construction of the \$40 million project will take place within the next 3-5 years. The proposed funding level was established to align the program with 10-Year Strategic Plan of replacing 40 miles of collection system pipe between 2019 and 2029. This work will be funded in part by SRF and WIFIA financing for the next 5 years.





## **Long-Range Plan & Capital Budget**

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# Long-Range Plan

The foundation of the District's long-range financial plan is based upon 2 critical documents – the 10-Year Strategic Plan and the 10-Year Renewal & Replacement (R&R) Capital Improvement Program (CIP) Plan. Long-range goals are set in the Strategic Plan and updated every 2 to 3 years. The R&R and CIP Plan maintains a schedule of projects in alignment with goals identified in the Strategic Plan. The goals are presented on pages 9 to 16 of this document.

Staff updates the R&R and CIP Plan monthly with information from asset management and project reprioritizations. The operating and capital financial plans are developed based on assumptions and factors such as emerging issues in District operation, regulatory mandates, changes in current technology, life expectancy of assets, etc.

The projected R&R and CIP cost is \$17.3 million per year for the next 5 years (Total 5-year R&R: \$14.9 million. Total 5-year CIP: \$71.7 million). 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 overflows due to capacity limitations.
- Achieve a balance between plant electrical consumption and production by 2030.
- Conduct treatment plant electrical load study and implement identified improvements prior to planned cogeneration system replacement in FY 2029-30.

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 those goals. As of Spring 2021, staff continues to implement the plan and is on track to complete the goal a year early. When completed, the system will include an asset inventory with information such as asset condition and projected costs over the asset's life. The bulk of the program cost is planned for Lift Station Asset Management - \$70,000 in FY 2021-22 and \$30,000 in FY 2022-23.

The District will spend \$35,000 per year (\$25,000 in Collections plus \$10,000 in the Treatment Plant) for the next 10 years to maintain the geographic information system (GIS) as 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 property data associated with customer inquiries.

To maintain zero sewer overflows, the Collections crew routinely inspects and cleans sewer pipes to remove 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 such as maintenance hole coating and rehabilitation, to ensure reliability in its sewer infrastructure.

As part of the District's safety culture, the employee-led 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) |       |       |       |       |       |       |       |       |       |
|------------------------------|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                              | 21-22                  | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | 30-31 |
| Collections                  | 1.71                   | 1.62  | 1.56  | 1.56  | 1.75  | 1.56  | 1.56  | 1.56  | 1.56  | 1.56  |
| Treatment Plant              | 0.59                   | 1.02  | 1.51  | 1.11  | 0.79  | 2.99  | 0.61  | 0.47  | 0.63  | 0.80  |
| Engineering & Administration | 0.33                   | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  |
| Total                        | 2.63                   | 2.97  | 3.40  | 3.00  | 2.87  | 4.88  | 2.50  | 2.36  | 2.52  | 2.69  |

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

- Replace a minimum of 40 miles of pipes between 2019 and 2029 (increase miles of HDPE from 32.7 to 72.7).
- 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). Use debt financing in the next 5 years to meet the strategic plan goals for the collection system.
- Consolidate Collections, Operations and Maintenance into one single building with locker rooms by 2023.
- Build capital asset program funding into rate structure by 2029.
- In response to ongoing climate change trends, do no new harm. Build all new infrastructure above the 100-year sea level rise projections.
- By 2030, design and implement a new cogeneration system to provide 100% of District electricity to 2050.
- Be carbon-free for indirect green house gas emissions by 2040. Achieve a 50% reduction (compared to 2000 levels) in direct green house gas emissions by 2040.
- Improve the condition of the collection system by approximately 3% per year for the next 10 years. Currently, 76 miles of pipes have a defect score of 3 or greater. The goal is to reduce this value to 57 miles by 2029.

The District continues to make renewal of its sewer system a top strategic priority. The budget includes \$10 million allocation for pipe replacement in each of the next 2 years. Staff is working to obtain funding from State Revolving Funds and Federal WIFIA loans up to \$40 million to further accelerate the pace of replacement. These financing sources will help to achieve the long-range goal to replace a minimum of 40 miles of pipes by 2029 and to work progressively towards the goal of reducing pipes with a defect score of 3 or greater from 76 miles to 57 miles in the next 10 years. The District expects that the new HDPE pipes will have 2 to 3 times the life of the pipe they are replacing. Because the new pipe is nearly joint-free, the replacement program will begin to reduce inflow and infiltration to the plant and prevent the maintenance and overflow risks from root intrusion. HDPE is also advantageous for the wide variability in precipitation expected with climate change. In cases of more frequent drought, the smooth and seamless pipe is expected to perform better than the existing vitrified clay material.

Under the current rates, revenues are not sufficient to fund the District's capital needs. In the past, the Board has elected to use reserves, connection fees, or savings over projected expenses to pay for CIP expenditures. As a result, the District's cash balance has decreased from \$38.2 million in 2004 to \$19.1 million in February 2021. In anticipation of significant outlays for capital needs and response to regulatory requirements of SB 1383, the cash balance may end as low as \$8.3 million by FY 2022-23. To maintain a healthy level of reserves, the Board provided direction to raise rates by 7.5% per year for the next 5 years. The rates were adopted after the public hearing held on June 1, 2021.

To reduce long term costs and potential liabilities associated with a failure of our effluent pipeline (operated in partnership with the East Bay Dischargers Authority), the District renegotiated its capacity rights in the EBDA system from 69 to 30 mgd. The new agreement took effect on July 1, 2020, and significantly reduces the District's liabilities for assets it does not use.

## Summary of the 10-Year Capital Improvement Program Schedule

| Category                     | Fiscal Year (millions) |       |       |       |       |       |       |       |       |       |
|------------------------------|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                              | 21-22                  | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | 30-31 |
| Collections                  | 10.70                  | 10.34 | 10.22 | 7.53  | 6.22  | 3.58  | 3.47  | 3.22  | 3.22  | 3.22  |
| Treatment Plant              | 9.21                   | 0.80  | 2.05  | 6.20  | 8.25  | 7.35  | 1.16  | 10.96 | 5.68  | 2.35  |
| Engineering & Administration | 0.04                   | 0.04  | 0.04  | 0.04  | 0.04  | 0.04  | 0.04  | 0.04  | 0.04  | 0.04  |
| Total                        | 19.95                  | 11.18 | 12.31 | 13.77 | 14.51 | 10.97 | 4.67  | 14.22 | 8.94  | 5.61  |

# Capital Budget

## Capital Improvement Program (CIP) Budgeted Revenues & Expenditures

|                                                 |                                                               | 2021-22<br>Budget      | 2022-23<br>Budget      |
|-------------------------------------------------|---------------------------------------------------------------|------------------------|------------------------|
| <b>Revenues, Contributions &amp; Repayments</b> |                                                               |                        |                        |
|                                                 | Investment Income                                             | \$ 4,000               | \$ 3,000               |
|                                                 | Capital Contributions - Connection Fees                       | 200,000                | 200,000                |
|                                                 | Capital Grants                                                | 688,500                | 137,700                |
|                                                 | Capital Repayments - CVSD                                     | 2,309,000              | 206,000                |
|                                                 | <b>Total CIP Revenues &amp; Contributions</b>                 | <b>\$ 3,201,500</b>    | <b>\$ 546,700</b>      |
|                                                 | • Denotes a significant non-recurring project                 |                        |                        |
| <b>Project #</b>                                | <b>Expenditures</b>                                           |                        |                        |
| <b>Collections</b>                              |                                                               |                        |                        |
| 100.00                                          | Lift Stations - General                                       | \$ 50,000              | \$ 50,000              |
| 107.00                                          | Lift Stations - Rehabilitation                                | 150,000                | -                      |
| 109.00                                          | Lift Stations - Reliability Monitoring / Programming          | 21,000                 | -                      |
| 100.15                                          | • Canyon Ridge Lift Station Backup Generator Installation     | 180,000                | -                      |
| 100.05                                          | Wickman Lift Station Valve Vault Structural Enhancements      | 25,000                 | -                      |
| 161.00                                          | Collections CCTV Camera Replacement                           | 40,000                 | -                      |
| 162.00                                          | • Collections CCTV Van Replacement                            | 150,000                | -                      |
| 163.00                                          | • Collections Hydrojetter Replacement                         | -                      | 275,000                |
| 164.00                                          | Collections Standby Truck Replacement                         | 70,000                 | -                      |
| 146.XX                                          | Sewer Collection System Pipeline Rehabilitation & Replacement | 10,000,000             | 10,000,000             |
| 900.91                                          | Critical Equipment - Collections                              | 15,000                 | 15,000                 |
|                                                 | <b>Total Collections</b>                                      | <b>\$ 10,701,000</b>   | <b>\$ 10,340,000</b>   |
| <b>Treatment Plant</b>                          |                                                               |                        |                        |
| 221.00                                          | Aeration Basin Actuators                                      | \$ -                   | \$ 40,000              |
| 225.00                                          | Anoxic Mixers Retrofit                                        | 60,000                 | -                      |
| 249.02                                          | Belt Filter Press Building No. 4 Water Line Replacement       | 90,000                 | -                      |
| 227.00                                          | Chlorine Contact Basin Water Champ Replacement                | -                      | 27,000                 |
| 299.00                                          | Cogeneration Engine Overhaul                                  | 235,000                | 180,000                |
| 297.00                                          | Cogeneration/Gen 3 Engine Controls Module Upgrades            | 50,000                 | 50,000                 |
| 213.08                                          | • Consolidated Operations Building                            | 7,400,000              | -                      |
| 330.00                                          | Front Gate Actuators Replacement                              | 60,000                 | -                      |
| 243.00                                          | Hypochlorite Tank Replacement                                 | 60,000                 | -                      |
| 247.00                                          | Influent Pump Station VFD Replacement                         | 75,000                 | -                      |
| 331.00                                          | MCC Circuit Breakers Replacements                             | 60,000                 | 50,000                 |
| 270.00                                          | Network Cabling Mgmt, Asbuilts & Standards Documentation      | 95,000                 | -                      |
| 254.00                                          | • No. 1 Water Piping Replacement                              | 100,000                | -                      |
| 222.04                                          | Old Secondary Clarifiers Inlet Gate Actuator Modifications    | 40,000                 | -                      |
| 336.00                                          | Pond Complex Lighting & Security Enhancements                 | 60,000                 | -                      |
| 295.00                                          | Pond Drainage Pumps Replacements                              | 35,000                 | 35,000                 |
| 285.03                                          | RAS Pump Electrical Rehabilitation                            | 40,000                 | -                      |
| 285.04                                          | RAS Pump VFD Installation                                     | 48,000                 | -                      |
| 332.00                                          | Rotork Actuator Replacements                                  | 45,000                 | 45,000                 |
| 319.00                                          | SCADA Network System Replacements & Upgrades                  | 50,000                 | 50,000                 |
| 319.01                                          | SCADA Server Hardware Replacement                             | 67,000                 | -                      |
| 319.02                                          | SCADA Software Upgrades                                       | 110,000                | 50,000                 |
| 333.00                                          | • Treatment Unit Gate Replacement                             | 150,000                | 150,000                |
| 334.00                                          | UPS Replacement at West Switchgear and TR6 Lighting Panel     | 20,000                 | -                      |
| 316.00                                          | Vehicle Replacements                                          | 50,000                 | 50,000                 |
| 335.00                                          | • West Switchgear Circuit Breaker Replacement                 | 125,000                | -                      |
| 900.93                                          | Critical Equipment - Treatment Plant                          | 85,000                 | 70,000                 |
|                                                 | <b>Total Treatment Plant</b>                                  | <b>\$ 9,210,000</b>    | <b>\$ 797,000</b>      |
| <b>Engineering &amp; Administration</b>         |                                                               |                        |                        |
| 595.45                                          | IT & Network Upgrades - District-wide                         | \$ 20,000              | \$ 20,000              |
| 900.90                                          | Critical Equipment - Engineering                              | 10,000                 | 10,000                 |
| 900.95                                          | Critical Equipment - Administration                           | 10,000                 | 10,000                 |
|                                                 | <b>Total Engineering &amp; Administration</b>                 | <b>\$ 40,000</b>       | <b>\$ 40,000</b>       |
|                                                 | <b>Total CIP Expenditures</b>                                 | <b>\$ 19,951,000</b>   | <b>\$ 11,177,000</b>   |
|                                                 | <b>CIP Revenues Over Expenditures</b>                         | <b>\$ (16,749,500)</b> | <b>\$ (10,630,300)</b> |

| Capital Repayments - CVSD <sup>(1)</sup> |                     |                   |   |
|------------------------------------------|---------------------|-------------------|---|
|                                          | 2021-22             | 2022-23           |   |
| <b>Collections</b>                       |                     |                   |   |
| -                                        | \$ -                | \$ -              | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
| -                                        | -                   | -                 | - |
|                                          | <b>\$ -</b>         | <b>\$ -</b>       |   |
| <b>Treatment Plant</b>                   |                     |                   |   |
| 25%                                      | \$ -                | \$ 10,000         |   |
| 25%                                      | 15,000              | -                 |   |
| 25%                                      | 22,500              | -                 |   |
| 25%                                      | -                   | 6,750             |   |
| 25%                                      | 58,750              | 45,000            |   |
| 25%                                      | 12,500              | 12,500            |   |
| 25%                                      | 1,850,000           | -                 |   |
| 25%                                      | 15,000              | -                 |   |
| 25%                                      | 15,000              | -                 |   |
| 25%                                      | 18,750              | -                 |   |
| 25%                                      | 15,000              | 12,500            |   |
| 25%                                      | 23,750              | -                 |   |
| 25%                                      | 25,000              | -                 |   |
| 25%                                      | 10,000              | -                 |   |
| 25%                                      | 15,000              | -                 |   |
| 25%                                      | 8,750               | 8,750             |   |
| 25%                                      | 10,000              | -                 |   |
| 25%                                      | 12,000              | -                 |   |
| 25%                                      | 11,250              | 11,250            |   |
| 25%                                      | 12,500              | 12,500            |   |
| 25%                                      | 16,750              | -                 |   |
| 25%                                      | 27,500              | 12,500            |   |
| 25%                                      | 37,500              | 37,500            |   |
| 25%                                      | 5,000               | -                 |   |
| 25%                                      | 12,500              | 12,500            |   |
| 25%                                      | 31,250              | -                 |   |
| 25%                                      | 21,250              | 17,500            |   |
|                                          | <b>\$ 2,302,500</b> | <b>\$ 199,250</b> |   |
| <b>Engineering &amp; Administration</b>  |                     |                   |   |
| 19%                                      | \$ 3,800            | \$ 3,800          |   |
| 12.5%                                    | 1,250               | 1,250             |   |
| 18%                                      | 1,800               | 1,800             |   |
|                                          | <b>\$ 6,850</b>     | <b>\$ 6,850</b>   |   |
|                                          | <b>\$ 2,309,350</b> | <b>\$ 206,100</b> |   |

(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%. District-wide projects are billed at 19%.

# Capital Budget: Sewer Services

## Capital Improvement Program Project Descriptions with Costs up to \$50,000

|                                                                                                                                                                                 | FY 2021-22 | FY 2022-23 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>Collections</b>                                                                                                                                                              |            |            |
| <b>Lift Stations - General</b><br>For miscellaneous projects at lift stations.                                                                                                  | \$50,000   | \$50,000   |
| <b>Lift Stations - Reliability Monitoring / Programming</b><br>For SCADA programming of lift station alarms and operator adjustable controls.                                   | \$21,000   | \$0        |
| <b>Wickman Lift Station Valve Vault Structural Enhancements</b><br>To enhance structural integrity of valve vault access hatch.                                                 | \$25,000   | \$0        |
| <b>Collections CCTV Camera Replacement</b><br>For the replacement of the CCTV camera due to end of useful life.                                                                 | \$40,000   | \$0        |
| <b>Critical Equipment - Collections</b><br>For unanticipated equipment needs of the Collections department.                                                                     | \$15,000   | \$15,000   |
| <b>Treatment Plant</b>                                                                                                                                                          |            |            |
| <b>Aeration Basin Actuators</b><br>To replace existing actuators for the aeration basin blower pipe zone valves.                                                                | \$0        | \$40,000   |
| <b>Chlorine Contact Basin Water Champ Replacement</b><br>For replacement of the water champs at the chlorine contact channels at the end of their useful lives.                 | \$0        | \$27,000   |
| <b>Cogeneration/Gen 3 Engine Controls Module Upgrades</b><br>For engine control module upgrades due to end of their useful lives.                                               | \$50,000   | \$50,000   |
| <b>Old Secondary Clarifiers Inlet Gate Actuator Modifications</b><br>For installation of electrical and equipment necessary to automate one old secondary clarifier inlet gate. | \$40,000   | \$0        |
| <b>Pond Drainage Pumps Replacements</b><br>For installation of drainage pumps for ponds 3, 4, and 5.                                                                            | \$35,000   | \$35,000   |
| <b>RAS Pump Electrical Rehabilitation</b><br>For installation of RAS pump electrical parts to protect from water damage.                                                        | \$40,000   | \$0        |
| <b>RAS Pump VFD Installation</b><br>To install three remaining VFDs for the RAS pumps at the RAS/WAS building.                                                                  | \$48,000   | \$0        |

# Capital Budget: Sewer Services

## Capital Improvement Program Project Descriptions with Costs up to \$50,000

|                                                                                                                                                                                                                                                            | FY 2021-22 | FY 2022-23 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>Treatment Plant</b>                                                                                                                                                                                                                                     |            |            |
| <b>Rotork Actuator Replacements</b><br>To replace Rotork electric actuators for mechanical valves at the end of their useful lives.                                                                                                                        | \$45,000   | \$45,000   |
| <b>SCADA Network System Replacements &amp; Upgrades</b><br>For ongoing maintenance and replacement of 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   |
| <b>UPS Replacement at West Switchgear and TR6 Lighting Panel</b><br>To replace the West Switchgear UPS due to end of useful life, and the addition of new UPS at lighting panel.                                                                           | \$20,000   | \$0        |
| <b>Vehicle Replacements</b><br>For the replacement of vehicles that have exceeded their useful lives.                                                                                                                                                      | \$50,000   | \$50,000   |
| <b>Engineering &amp; Administration</b>                                                                                                                                                                                                                    |            |            |
| <b>IT &amp; Network Upgrades - District-Wide</b><br>For upgrades of computers and information technology network components.                                                                                                                               | \$20,000   | \$20,000   |
| <b>Critical Equipment - Engineering</b>                                                                                                                                                                                                                    | \$10,000   | \$10,000   |
| <b>Critical Equipment - Administration</b>                                                                                                                                                                                                                 | \$10,000   | \$10,000   |

# Capital Budget: Sewer Services

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

### Lift Stations – Rehabilitation

**Project Location:** Various Lift Stations throughout the District.

**Project Description:** Rehabilitation of various lift stations to provide reliable service.

**Project Justification:** This project provides funds for either the purchase of an easement and the installation of piping to bypass the lift station, or the rehabilitation of the lift station including coating the wet well, hatch replacement, piping and valve replacements, and electrical panel replacement, 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 2021-22        | FY 2022-23 |
| Project Management (District) | \$ 20,000            | \$ 20,000         | \$ 0       |
| Easement                      | 0                    | 0                 | 0          |
| Construction (Contractor)     | 130,000              | 130,000           | 0          |
| Total                         | \$ 150,000           | \$ 150,000        | \$ 0       |

### Canyon Ridge Lift Station Backup Generator Installation

**Project Location:** Canyon Ridge Lift Station.

**Project Description:** This project will provide for the installation of a backup generator at the Canyon Ridge Lift Station.

**Project Justification:** Several lift stations do not have backup power in the event of the loss of utility power. The backup generator will provide the backup power to prevent any overflows.

**Impact Analysis:** Categorically exempt – improvement of existing infrastructure.

#### Financial Requirements:

| Project Components            | Total Project Budget | Annual Allocation |            |
|-------------------------------|----------------------|-------------------|------------|
|                               |                      | FY 2021-22        | FY 2022-23 |
| Project Management (District) | \$ 3,000             | \$ 3,000          | \$0        |
| Design (District)             | 17,000               | 17,000            | 0          |
| Construction (Contractor)     | 160,000              | 160,000           | 0          |
| Total                         | \$180,000            | \$180,000         | \$0        |

# Capital Budget: Sewer Services

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

### Collections CCTV Van Replacement

**Project Description:** Purchase of a new CCTV Van used to televise the collection system.

**Project Justification:** The additional van will be used to inspect the sewer system more efficiently.

**Impact Analysis:** N/A

**Financial Requirements:**

| Project Components | Total Project Budget | Annual Allocation |            |
|--------------------|----------------------|-------------------|------------|
|                    |                      | FY 2021-22        | FY 2022-23 |
| Equipment          | \$150,000            | \$150,000         | \$0        |
| Total              | \$150,000            | \$150,000         | \$0        |

### Collections Hydrojetter Replacement

**Project Description:** Purchase of a new hydrojetter to replace the 2008 hydrojetter.

**Project Justification:** The replacement of the vehicle is due to the end of its useful life and may not meet emissions requirements.

**Impact Analysis:** N/A

**Financial Requirements:**

| Project Components | Total Project Budget | Annual Allocation |            |
|--------------------|----------------------|-------------------|------------|
|                    |                      | FY 2021-22        | FY 2022-23 |
| Equipment          | \$275,000            | \$0               | \$275,000  |
| Total              | \$275,000            | \$0               | \$275,000  |



# Capital Budget: Sewer Services

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

### Collections Standby Truck Replacement

**Project Description:** Replacement of existing standby truck used to maintain the collection system. A ¾ ton utility bed truck for emergency response in FY 2021-22.

**Project Justification:** The truck to be replaced has been inspected by the maintenance department and found to be nearing the end of its useful life.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components | Total Project Budget | Annual Allocation |            |
|--------------------|----------------------|-------------------|------------|
|                    |                      | FY 2021-22        | FY 2022-23 |
| Design (District)  | \$70,000             | \$70,000          | \$0        |
| Total              | \$70,000             | \$70,000          | \$0        |

### Sewer Collection System Pipeline Rehabilitation & Replacement

**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 all be designed in FY2021-22, and construction will take place within the next 3-5 years. The proposed funding level was established to align with the District's 10-Year Strategic Plan of replacing 40 miles of collection system pipe between 2017 and 2027. This is part of a \$40 million loan with SRF and WIFIA for the next 5 years.

**Impact Analysis:** Categorically exempt – renewal of existing infrastructure.

#### Financial Requirements:

| Project Components            | Total Project Budget | Annual Allocation |              |
|-------------------------------|----------------------|-------------------|--------------|
|                               |                      | FY 2021-22        | FY 2022-23   |
| Project Management (District) | \$ 1,800,000         | \$ 900,000        | \$ 900,000   |
| Design (District)             | 200,000              | 100,000           | 100,000      |
| Construction (Contractor)     | 18,000,000           | 9,000,000         | 9,000,000    |
| Total                         | \$20,000,000         | \$10,000,000      | \$10,000,000 |

# Capital Budget: Sewer Services

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

### Anoxic Mixers Retrofit

**Project Location:** Aeration Basins.

**Project Description:** Retrofitting and reposition anoxic mixers to allow for ease of access and maintenance.

**Project Justification:** These mixers require a minimum clearance to perform maintenance. Work will include retrofit of existing mixers to allow for ease of access over hand rails.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$60,000             | \$60,000          | \$0        |
| Total                     | \$60,000             | \$60,000          | \$0        |

### Belt Filter Press Building No. 4 Water Line Replacement

**Project Location:** Treatment Plant: Belt Filter Press Building.

**Project Description:** Replacement of existing No. 4 water line piping.

**Project Justification:** The existing No. 4 water lines are corroding and require replacement due to leaks and potential loss of operation.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$90,000             | \$90,000          | \$0        |
| Total                     | \$90,000             | \$90,000          | \$0        |

# 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 year, one of the two cogeneration engines is scheduled to be rebuilt. The overhaul is required to meet emission standards and helps ensure reliable operation. A \$235,000 amount is planned for FY 2021-22 which will include refurbishing and restoring the short block. The effort is important to maintain spare parts to extend the cogeneration system's useful life to 2029.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components                        | Total Project Budget | Annual Allocation |            |
|-------------------------------------------|----------------------|-------------------|------------|
|                                           |                      | FY 2021-22        | FY 2022-23 |
| Project Management (District)             | \$35,000             | \$20,000          | \$15,000   |
| Parts & Materials (Contractor)            | 180,000              | 100,000           | 80,000     |
| Labor (District)                          | 100,000              | 60,000            | 40,000     |
| Quality Control & Inspection (Contractor) | 75,000               | 40,000            | 35,000     |
| Project Contingency                       | 25,000               | 15,000            | 10,000     |
| Total                                     | \$415,000            | \$ 235,000        | \$180,000  |

### Consolidated Operations Building

**Project Location:** Treatment Plant.

**Project Description:** Expansion of the Operations Building and Consolidation of Operations and Maintenance work areas. This project will provide new locker rooms and lunch rooms for O&M staff. The costs for design were completed in FY 2020-21.

**Project Justification:** Provide adequate locker room space for all staff.

**Impact Analysis:** N/A.

#### Financial Requirements:

| Project Components            | Total Project Budget | Annual Allocation |            |
|-------------------------------|----------------------|-------------------|------------|
|                               |                      | FY 2021-22        | FY 2022-23 |
| Project Management (District) | \$ 200,000           | \$ 200,000        | \$0        |
| Design (Consultant)           | 0                    | 0                 | 0          |
| Construction (Contractor)     | 7,200,000            | 7,200,000         | 0          |
| Total                         | \$7,400,000          | \$7,400,000       | \$0        |

# Capital Budget: Sewer Services

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

### Front Gate Actuator Replacement

**Project Location:** Treatment Plant

**Project Description:** Replacement of front gate actuator due to end of its useful life.

**Project Justification:** The maintenance on the front gate has increased due to wearing parts and motors. The system is at the end of its useful life and requires replacement.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components                                           | Total Project Budget | Annual Allocation |            |
|--------------------------------------------------------------|----------------------|-------------------|------------|
|                                                              |                      | FY 2021-22        | FY 2022-23 |
| Project Management & Construction<br>(District & Contractor) | \$60,000             | \$60,000          | \$0        |
| Total                                                        | \$60,000             | \$60,000          | \$0        |

### Hypochlorite Tank Replacement

**Project Location:** Treatment Plant.

**Project Description:** Replace the existing three hypochlorite tanks due to the end of their useful life.

**Project Justification:** Replacement as necessary due to potential failures in the tank.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components                                           | Total Project Budget | Annual Allocation |            |
|--------------------------------------------------------------|----------------------|-------------------|------------|
|                                                              |                      | FY 2021-22        | FY 2022-23 |
| Project Management & Construction<br>(District & Contractor) | \$60,000             | \$60,000          | \$0        |
| Total                                                        | \$60,000             | \$60,000          | \$0        |

# Capital Budget: Sewer Services

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

### Influent Pump Station VFD Replacement

**Project Location:** Treatment Plant.

**Project Description:** Provides for the replacement of the existing VFDs for the influent pump station pumps.

**Project Justification:** The replacement of the existing VFDs due to lack of replacement parts.

**Impact Analysis:** N/A

**Financial Requirements:**

| Project Components                  | Total Project Budget | Annual Allocation |            |
|-------------------------------------|----------------------|-------------------|------------|
|                                     |                      | FY 2021-22        | FY 2022-23 |
| Equipment Purchase and Installation | \$75,000             | \$75,000          | \$0        |
| Total                               | \$75,000             | \$75,000          | \$0        |

### MCC Circuit Breakers Replacements

**Project Location:** Treatment Plant.

**Project Description:** Replacement of existing circuit breakers throughout plant due to end of useful life.

**Project Justification:** Improve electrical infrastructure reliability.

**Impact Analysis:** N/A

**Financial Requirements:**

| Project Components                                           | Total Project Budget | Annual Allocation |            |
|--------------------------------------------------------------|----------------------|-------------------|------------|
|                                                              |                      | FY 2021-22        | FY 2022-23 |
| Project Management & Installation<br>(District & Contractor) | \$110,000            | \$60,000          | \$50,000   |
| Total                                                        | \$110,000            | \$60,000          | \$50,000   |

# Capital Budget: Sewer Services

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

### Network Cabling Management, Asbuilts & Standards Documentation

**Project Location:** Treatment Plant.

**Project Description:** Network Cabling cleanup throughout plant and provide as built information and standards documentation.

**Project Justification:** Provide as-built information for records and perform cleanup of existing infrastructure.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components       | Total Project Budget | Annual Allocation |            |
|--------------------------|----------------------|-------------------|------------|
|                          |                      | FY 2021-22        | FY 2022-23 |
| Development (Consultant) | \$95,000             | \$95,000          | \$0        |
| Total                    | \$95,000             | \$95,000          | \$0        |

### No. 1 Water Piping Replacement

**Project Location:** Treatment Plant.

**Project Description:** The project is to replumb No. 1 water piping to ensure separation from any other water source or contaminant.

**Project Justification:** Improve safety related to the No. 1 water system.

**Impact Analysis:** N/A.

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$100,000            | \$100,000         | \$0        |
| Total                     | \$100,000            | \$100,000         | \$0        |

# Capital Budget: Sewer Services

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

### Pond Complex Lighting & Security Enhancements

**Project Location:** Treatment Plant.

**Project Description:** Increase security and lighting at the sludge drying beds and the access bridge.

**Project Justification:** Increase security due to the heightened intrusion into the treatment plant.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$60,000             | \$60,000          | \$0        |
| Total                     | \$60,000             | \$60,000          | \$ 0       |

### SCADA Server Hardware Replacement

**Project Location:** Treatment Plant.

**Project Description:** Replacement of SCADA Server.

**Project Justification:** To increase reliability and speeds.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$67,000             | \$67,000          | \$0        |
| Total                     | \$67,000             | \$67,000          | \$0        |

# Capital Budget: Sewer Services

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

### SCADA Software Upgrades

**Project Location:** Treatment Plant.

**Project Description:** Upgrade SCADA Software.

**Project Justification:** Periodic upgrades to keep up to date with latest software and support.

**Impact Analysis:** N/A

#### Financial Requirements:

| Project Components | Total Project Budget | Annual Allocation |            |
|--------------------|----------------------|-------------------|------------|
|                    |                      | FY 2021-22        | FY 2022-23 |
| Installation       | \$160,000            | \$110,000         | \$50,000   |
| Total              | \$160,000            | \$110,000         | \$ 50,000  |

### Treatment Unit Gate Replacement

**Project Location:** Treatment Plant.

**Project Description:** The six gates that allow the flow to enter the No. 1 cell of each train, and the gates that allow the flow exit the No. 4 cell of each train will be replaced.

**Project Justification:** All of the pedestals need new bases, the manual actuators need service, and the gates need to be cleaned and adjusted.

**Impact Analysis:** Categorically exempt – renewal of existing infrastructure.

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$300,000            | \$150,000         | \$150,000  |
| Total                     | \$300,000            | \$150,000         | \$ 150,000 |



# Capital Budget: Sewer Services

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

### West Switchgear Circuit Breaker Replacement

**Project Location:** Treatment Plant.

**Project Description:** Replacement of West Switchgear breaker due to end of useful life.

**Project Justification:** The West Switchgear breaker is a main breaker feeding a majority of the plant's power.

**Impact Analysis:** Categorically exempt – renewal of existing infrastructure.

#### Financial Requirements:

| Project Components        | Total Project Budget | Annual Allocation |            |
|---------------------------|----------------------|-------------------|------------|
|                           |                      | FY 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$125,000            | \$ 125,000        | \$ 0       |
| Total                     | \$125,000            | \$ 125,000        | \$ 0       |

### 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 2021-22        | FY 2022-23 |
| Construction (Contractor) | \$155,000            | \$ 85,000         | \$ 70,000  |
| Total                     | \$155,000            | \$ 85,000         | \$ 70,000  |

## Collection System Asset Repair/Maintenance

Collection system asset repairs include point repairs, line repairs, major structures repairs and maintenance hole raising. The project is a significant component of the Operating budget. These pictures are an example of maintenance hole raising from start to finish. Maintenance hole 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.



## **Other Information**

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# 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 \$250,000 Deductible.     |
| \$500,001 - \$10,500,000    | Munich Reinsurance America                      |
| \$10,500,001 - \$15,500,000 | Berkley Public Entity                           |
| \$15,500,001 - \$25,500,000 | Great American E & S and Allied World Assurance |
| \$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 2019-20       | FY 2020-21       | FY 2021-22       | FY 2022-23       |
|-----------------------------------------|------------------|------------------|------------------|------------------|
|                                         | Actual           | Budget           | Budget           | Budget           |
| Salaries                                | \$214,891        | \$208,300        | \$221,300        | \$222,100        |
| Overtime                                | -                | 500              | 500              | 500              |
| Insurance Premiums                      | 310,322          | 310,600          | 386,400          | 459,400          |
| Office Expenses                         | 1,596            | 1,700            | 1,700            | 1,700            |
| Operating Supplies & Equipment          | 4,348            | 15,800           | 15,800           | 15,800           |
| Contractual Services                    | 29,846           | 30,000           | 30,000           | 30,000           |
| Professional Services                   | -                | 3,100            | 3,100            | 3,100            |
| Memberships & Publications              | 13               | 4,000            | 4,000            | 4,000            |
| Travel, Meetings & Training             | 632              | 8,000            | -                | -                |
| Recognition Program                     | 2,330            | 3,000            | 3,000            | 3,000            |
| COVID-19 Supplies & Services            | 110,295          | -                | 50,000           | 25,000           |
| Losses & Settlements                    | 5,634            | 60,000           | 60,000           | 60,000           |
| <b>Total Expenses</b>                   | <b>\$679,907</b> | <b>\$645,000</b> | <b>\$775,800</b> | <b>\$824,600</b> |
| <b>Change in Budget from Prior Year</b> |                  |                  | <b>20.3%</b>     | <b>6.3%</b>      |

Costs are distributed to department units as follows.

|                       | FY 2019-20       | FY 2020-21       | FY 2021-22       | FY 2022-23       |
|-----------------------|------------------|------------------|------------------|------------------|
|                       | Actual           | Budget           | Budget           | Budget           |
| Collections           | \$160,405        | \$164,300        | \$183,000        | \$194,500        |
| Operations            | 288,918          | 237,300          | 329,700          | 350,400          |
| Maintenance           | 134,434          | 136,200          | 153,400          | 163,000          |
| Engineering           | 36,272           | 40,800           | 41,400           | 44,000           |
| Administration        | 59,878           | 66,400           | 68,300           | 72,700           |
| <b>Total Expenses</b> | <b>\$679,907</b> | <b>\$645,000</b> | <b>\$775,800</b> | <b>\$824,600</b> |

## 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. The District's cost of the plan is included in employee benefits for each department. These contributions pay for medical and other insurance premiums, flexible spending reimbursements, and cash withdrawals allowed under the plan.

The following table shows the expected trends in the flexible spending benefit plan.

|                                               | FY 2019-20<br>Actual | FY 2020-21<br>Budget | FY 2021-22<br>Budget | FY 2022-23<br>Budget |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Contributions                                 |                      |                      |                      |                      |
| Employer Contributions                        | \$885,477            | \$1,084,000          | \$1,152,200          | \$1,218,000          |
| Employee Contributions                        | \$11,411             | 15,000               | 16,000               | 16,000               |
| <b>Total Contributions</b>                    | <b>\$896,888</b>     | <b>\$1,099,000</b>   | <b>\$1,168,200</b>   | <b>\$1,234,000</b>   |
| Disbursements                                 |                      |                      |                      |                      |
| Medical Insurance                             | \$683,817            | \$864,800            | \$916,700            | \$972,000            |
| Dental Insurance                              | 71,434               | 79,000               | 83,700               | 88,800               |
| Vision Insurance                              | 10,213               | 10,500               | 11,500               | 12,200               |
| Life Insurance                                | 10,637               | 12,100               | 12,800               | 13,500               |
| Flexible Spending Reimbursements-Prior Year   | 5,427                | 4,000                | 6,000                | 6,000                |
| Flexible Spending Reimbursements-Current Year | 10,184               | 9,200                | 10,000               | 10,000               |
| Dependent Care Reimbursement                  | 4,996                | 10,000               | 10,000               | 10,000               |
| Cash Withdrawals                              | 103,237              | 109,400              | 117,500              | 121,500              |
| <b>Total Disbursements</b>                    | <b>\$899,945</b>     | <b>\$1,099,000</b>   | <b>\$1,168,200</b>   | <b>\$1,234,000</b>   |
| <b>Change in Budget from Prior Year</b>       |                      |                      | <b>6.3%</b>          | <b>5.6%</b>          |

# Overhead Recovery

Indirect costs of operations are distributed to projects and other business activities through overhead recovery. The District develops overhead rates to be applied to direct salaries to reflect the true cost of projects and other business activities. The rates are updated during each budget period.

The Benefits Rate is the ratio of total budgeted benefits to total budgeted salaries, plus a factor for employees' paid time-off. This rate reflects the true cost of labor per dollar of direct salaries.

The Project Rate includes the Benefits Rate plus other indirect costs such as administrative and engineering 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.

External services provided by District staff to developers and the general public are assessed the Project Rate to recover the overhead cost of performing tract reviews and other services.

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 2021-22 and FY 2022-23.

| Overhead Rate     | Overhead Rate |
|-------------------|---------------|
| Benefits Rate     | 96%           |
| Project Rate      | 115%          |
| External Services | 115%          |
| EBDA              | 100%          |

## Debt Obligations & Limits

The District did not have any debt between September 2009 and September 2018. In October 2018, the District issued \$14.2 million in Sewer Revenue Bonds to partially fund the Nutrient Optimization Project. Due to the District's strong financial history, a credit rating of AA+ was given by S&P Global. The debt has a 25-year term with a true interest cost of 3.482%. Total interest on the bonds is \$7.1 million. Annual debt service (inclusive of principal and interest) is approximately \$850,000. The District intends to refinance this debt with lower cost financing after the 7-year lock-in period expires in 2025.

The District is in the process of obtaining up to \$40 million debt financing from the Federal Government's Water Infrastructure Finance & Innovation Act (WIFIA) and the State of California's State Revolving Funds (SRF). The borrowed funds will be used to replace approximately 32 miles of sewer lines under the Sewer Collection System Pipeline Rehabilitation & Replacement Project. The District attained a credit rating of AA+ for this debt from both S&P Global and Fitch Ratings. Based on the WIFIA loan structure, no interest will be incurred during the construction phase. The substantial completion date of construction is expected to be August 2026. Debt payments will begin in 2031 until maturity in 2060.

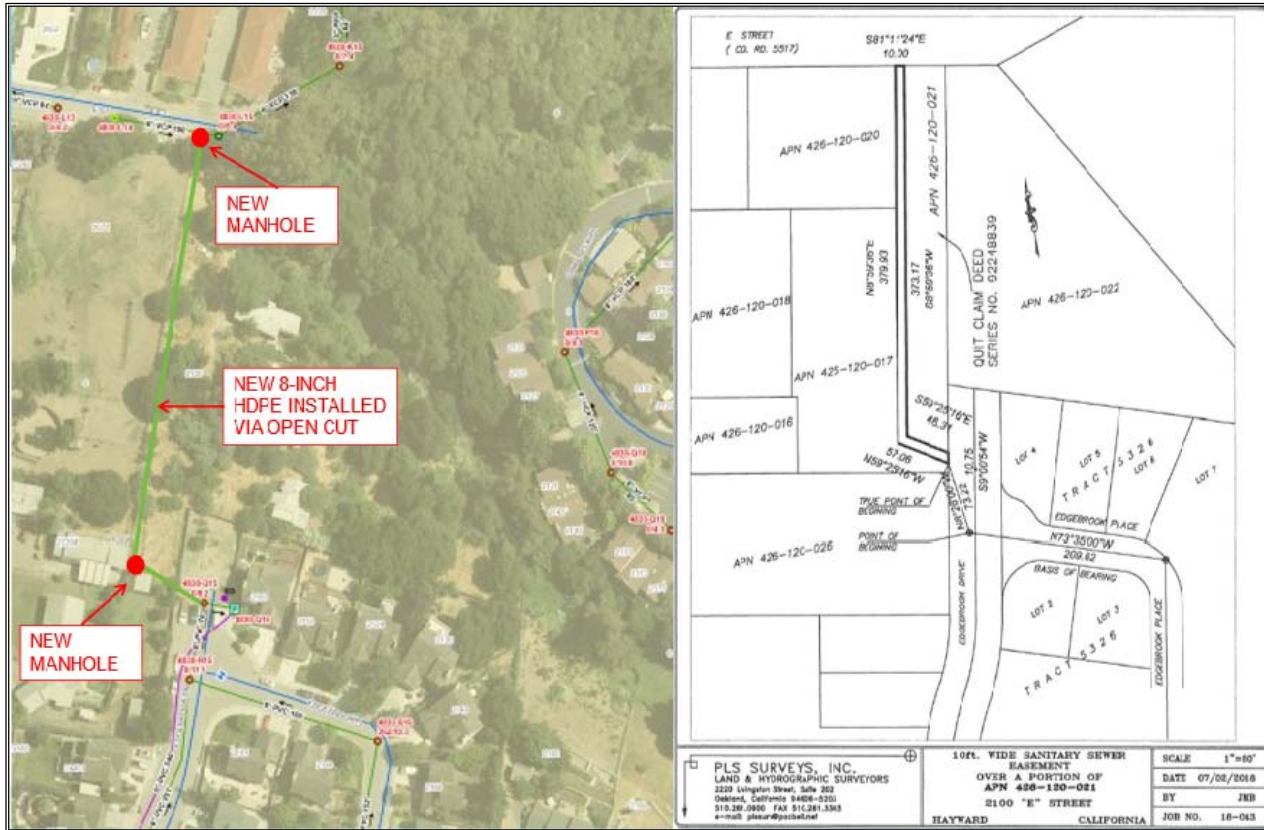
The California Health & Safety Code, Section 6651, Bonded Indebtedness Limit, limits the District's maximum bonding capacity to 15% of the assessed value (25% of full value) of the real and personal property within the District. The following presents the most recent information on the District's General Obligation bonding capacity based on property values established by the County of Alameda. This limit applies only to General Obligation Bonds. Sewer Revenue Bonds and Federal or State financing are excluded from the limit.

|                                                | 2020             | 2021             |
|------------------------------------------------|------------------|------------------|
| Total Asset Valuation at Full Value            | \$14,965,166,298 | \$15,847,475,328 |
| Assessed Valuation at 25% of Full Value        | 3,741,291,575    | 3,961,868,832    |
| Limit (15% thereof)                            | 561,193,736      | 594,280,325      |
| Authorized & Unissued General Obligation Bonds | (600,000)        | (600,000)        |
| General Obligation Bonding Capacity            | \$560,593,736    | \$593,680,325    |



# Edgebrook Lift Station Sewer Bypass

Lift stations are comprised of multiple electrical/mechanical components and structures, therefore creating a larger energy footprint and risks for failure. The Edgebrook Lift Station Sewer Bypass Project allowed for the decommissioning of the lift station and the elimination of these issues. The project consisted of the installation of 490 linear feet of 8-inch HDPE gravity sewer and the installation of two sanitary sewer maintenance holes.



## Project Progress



Serving Our Community, Protecting Our Environment.

6



## **Glossary**

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# 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, also 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 – Refuse 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.

**Categorically Exempt** – types of projects which the Secretary of the Resources Agency has determined do not usually have a significant effect on the environment.

**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-Hayward (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 19.14% effective with the renewed agreement on July 1, 2020. 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.
- *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.

**Garbage Rates** – Fees paid by customers for refuse 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.

# Technical Terms

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

**Investment 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).

**Negative Declaration** – a document that states upon completion of an initial study, that there is no substantial evidence that the project may have a significant effect on the environment.

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

**Non-operating Revenues or Expenses** – 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** – 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

**AB 939**

Assembly Bill AB 939, 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.

**BOD**

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

**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 liability, property and workers' compensation insurances.

**CVSD (CVSan)**

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.

**H<sub>2</sub>S**

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**

Operations 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.

**SB 1383**

Senate Bill SB 1383 - Short-Lived Climate Pollutants Reduction Act, a regulation to reduce emissions of green house gases and organic waste in landfills.

# 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.