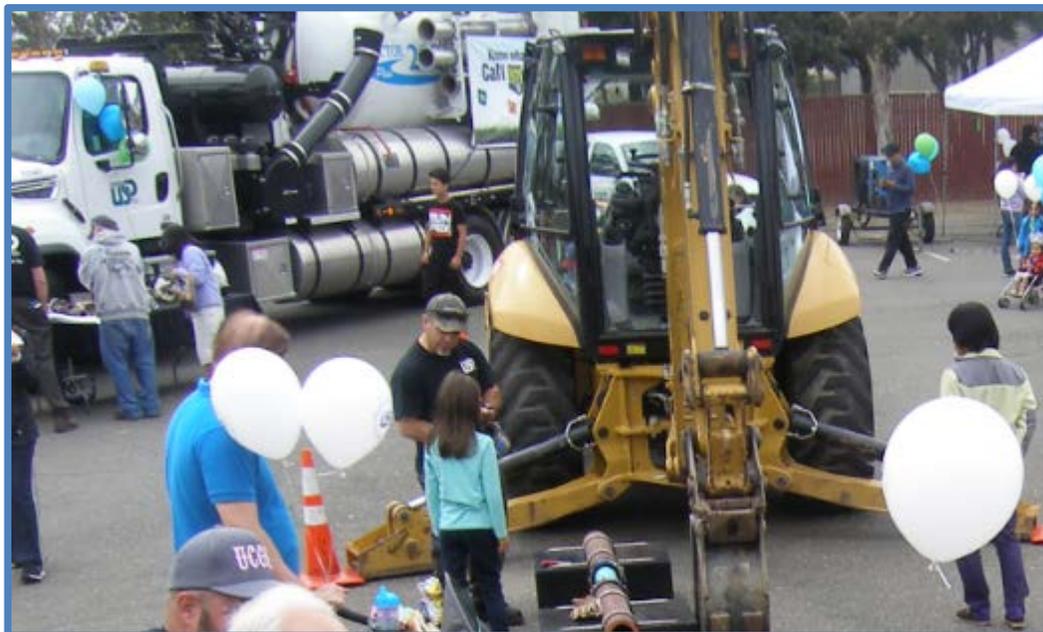


# Union Sanitary District Union City, California

## Operating & CIP Budgets FY 2016



# Union Sanitary District Operating & CIP Budget FY 2016

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July 13, 2015

To: USD Board of Directors

From: Paul R. Eldredge  
General Manager

Subject: Fiscal Year 2016 Budget

Union Sanitary District staff is pleased to present to the Board of Directors, the annual budget for Fiscal Year 2016, covering the period from July 1, 2015 to June 30, 2016. The budget continues to focus on operation and maintenance of the District's infrastructure assets, capital project construction, planning, and effective use of technology.

**Outstanding Performance and Cost Effective Service for the Districts Customers**

In keeping with the District's Mission, USD continues to provide a high level of award-winning service to the District's customers at a very reasonable cost. USD has maintained the District's rates well below the target level of the lower 33<sup>rd</sup> percentile. In fact, the District's existing Sewer Service Charge rate of \$357 per year for a single family residence is in the lower 15<sup>th</sup> percentile of the 27 agencies we survey annually. On a monthly basis, at just under \$29.75, we are by far the least expensive household utility.

We continue the District's record of outstanding stewardship and service. We have been recently informed that USD has won the Platinum Award from the National Association of Clean Water Agencies for Peak Performance, operating for 6 consecutive years without exceeding any of the limits or conditions of the District's permit. This is a tribute to the outstanding work by the District Operations and Maintenance teams. We continue to average less than one spill per hundred miles of pipeline per year, amongst the best in the State. The District Collections Services and Environmental Compliance groups have successfully implemented measures to control roots and grease to help minimize spills and back-ups. We are responding to over 97.5% of all customer call outs within one hour, up from 96% the previous year. The District quality performance is also reflected in awards we have received for the District procurement program and financial reporting.

## **Financial State of the District**

The recovery of the local economy in the time following the end of the recession has been slow, but is showing modest signs of improvement. In the last year, USD has seen an increase in the number of permit applications, indicating new growth. The positive indicators in the economy are encouraging, however, the District must remain vigilant in its efforts to contain expenses. Similar to other agencies, the District faces significant cost increase pressures due to health care and pensions as well as utilities and capital expenditures.

The District revenues have continued to increase, allowing for an ongoing annual contribution to the District's Capital Improvement Program (CIP). The District's aggressive program has resulted in a slight reduction of reserves over the years with an expected contribution in FY 16. The District's infrastructure is in good condition with reduced risk of failure. We have also been able to make contributions to the District emergency reserve for mitigation of the inevitable impacts of seismic activity in the Bay Area or other natural disasters.

The District's strong planning and asset management efforts ensure that we have a good understanding of the condition of the District assets and that we schedule projects in a timely manner to evaluate, and if necessary, rehabilitate or replace aging infrastructure. The District's Capital Improvement Program includes approximately \$190 million in projects over the next 10 years to ensure continued reliable operation of the District pipelines, pump stations and treatment plant. In addition, USD is continuing to implement elements of the District Information Technology Master Plan, including Data Management Systems for construction project management and Plant operation's information. We are also evaluating the expanded use of remote data access. These improvements will allow us to continue to improve the efficiency of the District's business.

## **Revenues**

Although the District continues to see recovery in the local economy, the extended drought is having an impact on the District's revenues from the non-residential customers. We are also seeing a modest increase in building permit applications and new development construction. With approximately 50% of the District's revenue based on residential customers, USD's income remains relatively stable despite volatility in the non-residential revenues.

## **Expenditures**

Total expenditures for the coming fiscal year are projected to increase by 3.0%. This reflects savings due to deferment of several CIP projects, reductions in operating expenses and savings associated with both solar and cogeneration projects. Chemical cost increases have been relatively stable due to the District participation in the Bay Area Chemical Consortium.

No significant changes are being proposed during this fiscal year to the number of District employees. Vacancies, mostly attributable to retirements, are being carefully evaluated prior to being backfilled. The District is experiencing a significant amount of turnover due to these retirements, which is not unique to the District. Many other agencies are experiencing the same

phenomenon. Balancing the District's ability to attract and retain a qualified workforce against the bottom line will continue to be a challenge.

The Capital Improvement Program will be decreasing slightly from last year. In the 10 year plan, new projects have been added for wet weather flow management, pipeline rehabilitation, and replacement, and lift station improvements. The Information System R&R will be continuing to fund new projects from the IT Master Plan, including a major upgrade to the SCADA System, a GIS upgrade and replacement of the telephone communications system.

The Special Projects Fund (formerly Non-ECB) expenditures will decrease slightly from the previous FY, \$1.7 million in FY15 versus \$1.5 million in FY16. Studies planned for this year include the plant solids system master plan, evaluation of CS preventative maintenance master plan, Alvarado Basin master plan update and a Water Recycling Feasibility study. Other expenditures include the Old Alameda Creek permit renewal, Hayward Marsh permit renewal and expanded outreach programs (USD newsletter and FOG brochure).

### **Capital Program and Project Financing**

Capital project spending will continue to focus on the Wastewater Treatment Plant as well as pipeline rehabilitation. As many of the District buildings and treatment processes approach 35 years of operation, we will be replacing and upgrading them to ensure long term, efficient operation of the plant. FY15 saw the completion of the Cogeneration project, Newark backyard project, phases I and II, Digester #5 rehabilitation to name a few. New projects for FY16 include, but are not limited to the continued work on the Thickener building project, the new FMC building, Alvarado – Niles sewer line rehab and the Newark Backyard Rehab Phase III.

USD continues to take advantage of the availability of low interest loans through the State and Federally funded State Revolving Fund (SRF) program.

### **Challenges for FY16**

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

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

USD has been operating with a balanced budget and anticipates continuing to do so. In some years, USD takes money from reserves for capital projects, and in some years funds are added to the District reserves. For FY16 we anticipate adding close to \$4.3 million to reserves. The District reserves continue to be stable, although as the District operating budget increases, more of the

District reserves are dedicated to ensuring operating cash flow for the 8 month period in which we receive very limited Sewer Service Charge revenues. The District projected fund balances indicate renewal and replacement fund reserves will remain positive with the implementation of the proposed rate increases for FY16 and beyond.

**Conclusion**

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

## SUMMARY & COMMENTS FISCAL YEAR 2016 BUDGET

This summary and comments section addresses the proposed budget and rates for Fiscal Year 2016.

### 10-YEAR FINANCIAL PLAN

Rates: Increase by 5.7% the existing Sewer Service Charge for Single Family Dwelling (SFD) to \$377. Increase to \$326.00 the Multi-family Dwelling (MFD) rate. Sewer Service Charge ordinance rates will increase by 5.7% on average in 2016. A Proposition 218 notice to reflect an increase for FY14-FY16 of 5.7% each year was mailed to property owners in April 2013. Increases are projected for the following several years, but will be reviewed and analyzed annually.

PERS retirement investment losses from 2008-2009 have adversely impacted employer rates. Rates are expected to increase in the next five years, due to assumption changes and prior year losses. Projected rates for FY 2016 and FY 2017 are 18.56% and 20.3%, respectively. The employee paid portion of the employer rate will increase as well, slightly offsetting the employer rate.

Capacity fees are currently under review. The current rate is \$5,595.66 per EDU. The fees will be brought back for the Board's consideration later this summer.

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

### Budget Summary for FY 2016

	FY 2015 (Projected)	FY 2016 (Budget)	% Change
<b>Total District Revenues &amp; Proceeds</b>			
Sewer Service Charge	\$48,385,649	\$48,430,260	0.1
Capacity Fees	4,200,000	4,372,000	4.1
Interest	335,000	345,000	2.9
Other Fees	1,562,004	1,373,000	-12.1
SGIP Rebates	1,690,000	200,000	-88.2
SRF Loan Proceeds	4,099,480	5,500,000	34.1
<b>Total Revenues &amp; Proceeds</b>	<b>\$60,272,133</b>	<b>\$60,220,260</b>	<b>-0.1</b>
<b>Total District Expenses</b>			
Operating	\$31,951,111	\$33,827,303	5.8
Capital Projects	15,327,000	15,076,000	-1.6
Debt Servicing	3,127,110	3,127,110	0.0
Special Projects	1,149,267	1,522,970	32.5
Sub-Funds	2,613,002	2,239,405	-14.3
County Processing Fee	105,559	106,000	0.4
<b>Total Expenses</b>	<b>\$54,273,049</b>	<b>\$55,898,788</b>	<b>3.0</b>

**SEWER SERVICE FUND****FY 2016 Revenues & Proceeds: \$54,243,260**

## Revenue and Transfers:

- The principal revenue for the Operating Fund is from the annual sewer service charges, estimated to be \$48.4 million in FY 2016. Revenues are expected to decline in FY 2016 between \$1,223,991 and \$3,000,740 due to lower water usage for non-residential customers. Non-residential customers' rates are calculated annually using flow and sewage strength per the rate study. This analysis is ongoing and should be finalized by mid-July. For the purposes of this draft budget, the amount of \$3,000,740 is being conservatively utilized as a worst-case scenario.
- Interest and other income (\$1.7 million) includes \$215,000 in interest, \$1,080,000 in Operating revenue from the City of Fremont Urban Runoff program, East Bay Dischargers Authority (EBDA) revenue, inspection/plan check fees; \$76,000 from Livermore Amador Valley Water Management Agency (LAVWMA), \$174,000 from PG&E in carport and Irvington solar panel rebates (until 2017), and \$43,000 from the sale of surplus equipment. The District is expected to receive \$100,000 in SGIP rebates from the Cogeneration project.
- The District is anticipating total receipts of \$4,125,000 in SRF loan proceeds for the Thickener project for the sewer service charge fund in FY 2016.

**SEWER SERVICE FUND****FY 2016 Expense: \$50,453,067**

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

- Operating Budget: FY 2016 Expense: \$33,827,303  

The Operating Fund contains expenditures required for the day-to-day operation of the District, including maintenance, regulatory activities, engineering, and administration. The net Operating budget will increase 2.67% in FY 2016. Since the May, 2015 Budget Workshop, the Operating expense budget has been reduced by \$353,938.
- Special Projects FY 2016 Expense: \$1,522,970  

This fund includes non-routine expenses such as one-time studies, hiring of consultants, and new programs where the long-term financial impact, if any, is not known. Major FY 2016 expenses by categories include: Administrative and Regulatory projects, \$564,538; Hayward Marsh projects, \$74,500; Studies and other projects, \$883,932. Since the May, 2015 Budget Workshop, the Special Projects Budget has been reduced by \$250,000. A detailed listing of Special Projects is included in this document.
- Retiree Medical Benefits FY 2016 Expense: \$561,205  

The District began to transfer Retiree Assets to the CalPERS trust (CERBT) in FY 2009. For FY 2016, the annual required contribution (ARC) based on the recently completed 7/1/13 actuarial study will be \$561,205. A new study (biennial) is required by CalPERS for FY 2016.

- Renewal & Replacement - Vehicle and Equipment FY 2016 Expense: \$379,500

Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is based on a 10-year replacement schedule and expense projection. Major expenses include two dump bed pickup trucks, a service response truck, three electric carts, 1 forklift, and other equipment. The provision is \$620,000 for FY 2016.

- Renewal & Replacement - Information System FY 2016 Expense: \$1,036,700

This fund replaces major information systems hardware and software. The provision is \$800,000 for FY 2016. Major projects include SCADA upgrade, Operations Data Management System, Collection System GIS Upgrade, and Records Management, and Mobile Projects, and Share Point Upgrade. IT/PBX and Security Replacements will be approximately, \$469,700, as described in the IT Master Plan of 2011.

- Renewal & Replacement – Plant & Pump Station FY 2016 Expense: \$250,000

This fund is for the purchase of Plant equipment that is scheduled to be replaced due to age or obsolescence, as well as unplanned replacement costs. The provision for FY 2016 is \$203,000 and expenses include overhauling degritters, a gravity belt press, purchasing a spare mixing pump, rehabilitating a forklift, two paint shop compressors, and two positive displacement pumps.

- Emergency Fund FY 2016 Expense: \$0

The District established the Emergency Fund in FY 2008. The purpose of this fund is to mitigate the financial impact of an emergency or catastrophic event. The provision for FY 2016 will be \$750,000.

- Structural Renewal and Replacement FY 2016 Expense: \$12,757,389

The proposed Capital Improvement Program projects of \$10,553,000 for FY 2016 are included in this fund. In addition, the fund will pay SRF loan payments of \$681,000 for the Irvington Equalization Storage Facility project, \$108,000 for the Willow/Central Ave. project, \$343,000 for Newark Pump Station, \$140,000 for the Lower Hetch Hetchy project, \$127,000 for the Cedar Blvd project, \$157,000 for the Substation 1 project, \$444,000 for the Primary Clarifier project, and \$206,000 for the Boyce Road project. The provision will be approximately \$17,000,000. A detailed CIP schedule is included with this document.

- Pretreatment Fund FY 2016 Expense: \$12,000

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

- Miscellaneous Expense FY 2016 Expense: \$106,000

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

## **SEWER SERVICE FUND RESERVES**

- Approximately \$3,790,193 will be transferred to reserves for funding of the FY 2016 Operating Fund, Renewal and Replacement funds, Capital Improvement Program, and related debt servicing.

## **CAPACITY FUND**

**FY 2016 Revenues & Proceeds: \$5,977,000**

- Revenues for FY 2016 include capacity fees of \$4,372,000, and interest income of \$130,000. The Capacity fund will be financed by a Capacity Fee of \$5,595.66 per equivalent dwelling unit.
- The Capacity fund is scheduled to receive SRF loan proceeds for the Thickener project in the amount of \$1,375,500.
- The Capacity fund is expected to receive \$100,000 in SGIP rebates for the Cogeneration project.

## **CAPACITY FUND**

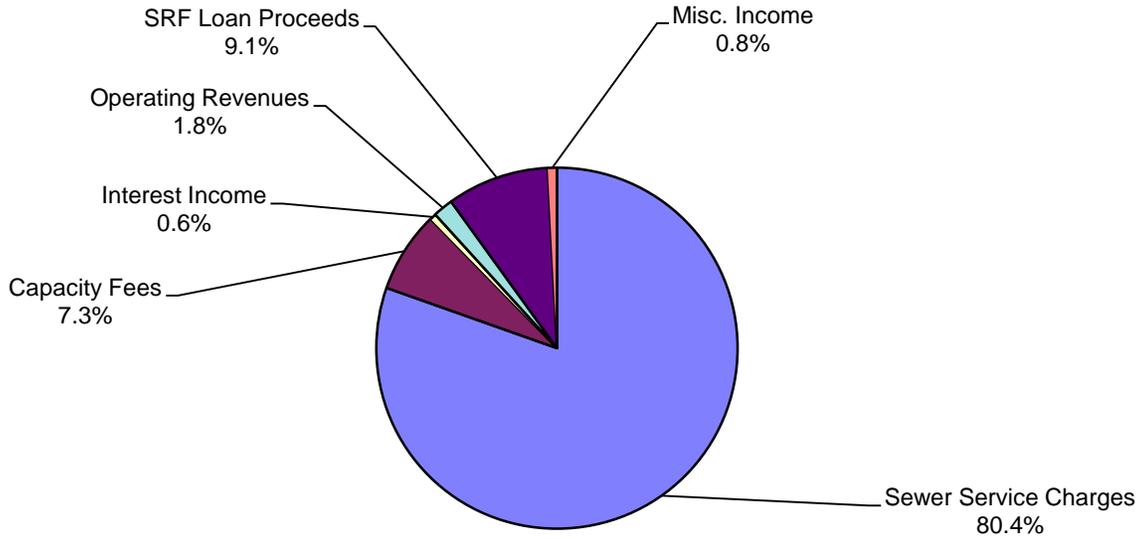
**FY 2016 Expense: \$5,445,721**

- The expenditures for FY 2016 include \$4,523,000 for the Capacity-related portion of the Capital Improvement Program.
- The Capacity fund will pay debt servicing of \$227,000 for the Capacity portion of the Irvington Equalization Storage Facilities project SRF loan and \$343,000 for the Capacity portion of the Newark Pump Station SRF loan, \$147,000 for Primary Clarifier, and \$206,000 for Boyce Road, for a total of \$923,000.

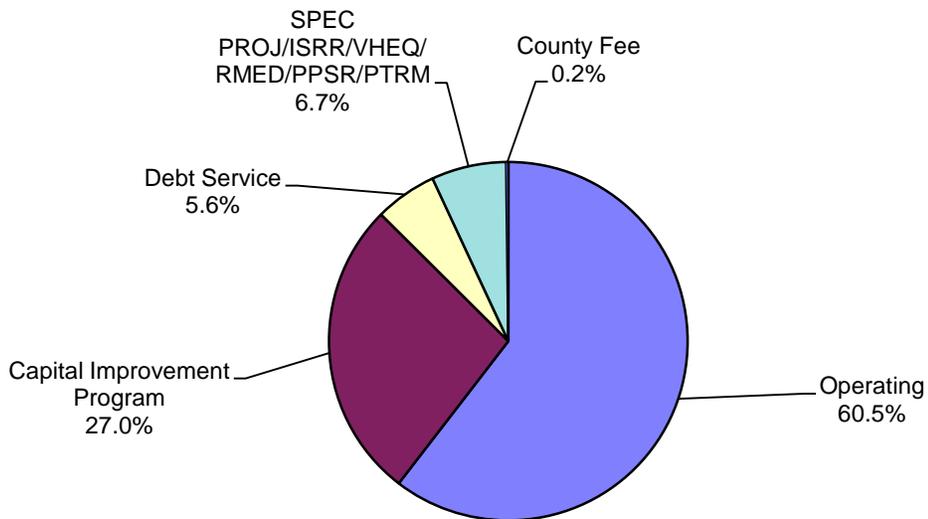
## **CAPACITY FUND RESERVES**

- Approximately \$531,279 will be added to Capacity Fund reserves in FY 2016.

**FY '16 Total Revenues & Proceeds  
\$60,220,260**



**FY '16 Total Expenditures  
\$55,898,788**



**Amount to Reserves  
\$4,321,472**

<b>NET OPERATING BUDGET</b>			
<b>Work Group</b>	<b>FY '15 Budget</b>	<b>FY '15 Projected</b>	<b>FY '16 Approved</b>
<b>District Board</b>	\$170,900	\$170,900	\$176,481
<b>General Manager/Administration</b>	1,048,000	1,030,795	953,139
<b>Business Services</b>	4,664,105	4,651,977	5,199,612
<b>Collection Services</b>	5,906,998	5,841,517	6,011,202
<b>Technical Services</b>	4,641,307	4,178,125	4,548,323
<b>Treatment &amp; Disposal Services</b>	9,798,640	9,600,393	9,997,304
<b>Fabrication, Maintenance &amp; Construction</b>	5,580,794	5,357,255	5,861,242
<b>Total OPERATING</b>	<b>\$31,810,744</b>	<b>\$30,830,962</b>	<b>\$32,747,303</b>
<b>Percent of FY '15 Budget</b>		<b>96.9%</b>	

**Percent change from FY '15 Budget**

**2.94%**

**SPECIAL PROJECTS FUND FY '15 - FY '16**

	<u>DESCRIPTION</u>	<u>BUDGET FY '15</u>	<u>PROJECTION FY '15</u>	<u>ESTIMATED CARRYOVER</u>	<u>New \$</u>	<u>APPROVED BUDGET FY '16</u>
	<b><i>Administrative &amp; Regulatory</i></b>					
	GIS JPA	38,000	30,400	7,600	14,400	22,000
	New Public Outreach Programs	25,000	40,000	(15,000)	70,000	70,000
	Professional Recruitment Services	65,000	50,000	15,000	10,000	25,000
	Public Information Program (includes USD Newsletter)	44,000	44,000	0	165,000	165,000
	Election Costs	0	0	0	282,538	282,538
	<i>Sub-Total Admin &amp; Regulatory</i>	<i>172,000</i>	<i>164,400</i>	<i>7,600</i>	<i>541,938</i>	<i>564,538</i>
	<b><i>Studies &amp; Other</i></b>					
	Admin & Field Services Building Leak Investigation	48,000	42,000	6,000	0	0
	Alvarado Basin Master Plan/PACP Update	0	0	0	50,000	50,000
	Alvarado Sub-Surface Investigation (was Plant Groundwater Well)	15,722	8,200	7,522	2,500	10,000
	Anitamox Sidestream Treatment Pilot	15,000	18,574	(3,574)	0	0
	Corrosion Control & Pretreatment Chemical Study	100,000	0	100,000	0	0
	Effluent Flow Management Study	46,719	0	46,719	0	0
	Evaluation of CS Preventive Maintenance Program	50,000	10,000	40,000	40,000	80,000
	Financial Master Plan	0	0	0	50,000	50,000
	Fremont Mid-Town Capacity Assessment	6,862	1,664	5,198	0	0
	Hazardous Materials Program	50,000	49,700	300	0	0
	Irvington Basin Master Plan Update	200,000	200,000	0	0	0
	Lateral Pilot Program - Condition Assessment	95,650	3,000	65,932	0	65,932
	Local Limits and Wastewater Treatability (Ammonia)	5,000	5,000	0	0	0
	NPDES Permit Renewal - Old Alameda Creek	75,000	39,000	36,000	2,000	38,000
	NPDES Permit Support Services	0	0	0	10,000	10,000
	Odor Control System Evaluation	100,000	100,000	0	0	0
	Plant Master Plan Update	0	0	0	50,000	50,000
	Plant Paving Condition Assessment	0	0	0	50,000	50,000
	Plant Solids System/Capacity Master plan	0	0	0	200,000	200,000
	Plant-wide Lighting Study	50,000	50,000	0	0	0
	Pump Station Master Plan	150,000	150,000	0	25,000	25,000
	Regional Biosolids Facility	0	0	0	15,000	15,000
	Seismic Evaluation	50,000	50,000	0	0	0
	Sewer Service Charge Cost of Service Study	26,615	52,653	(26,038)	10,000	10,000
	Standard Specs Update	0	0	0	50,000	50,000
	Vehicle Storage Bird Netting and Light Replacement	67,500	57,687	9,813	0	0
	Water Recycling & Conservation Program (Funded by CPTY)	220,000	7,000	213,000	0	180,000
	<i>Sub-Total Studies &amp; Other</i>	<i>1,372,068</i>	<i>844,478</i>	<i>500,872</i>	<i>554,500</i>	<i>883,932</i>
	<b><i>Hayward Marsh</i></b>					
	NPDES Permit Annual Fee	2,100	2,000	100	1,900	2,000
	NPDES Permit Support Services	5,000	0	5,000	32,500	37,500
	Permit Amendment to Delay Mixing Study	13,100	0	13,100	0	0
	Regional Monitoring Plan (RMP) Annual Fee	16,210	17,389	(1,179)	18,000	18,000
	Rehabilitation Study	128,000	121,000	7,000	10,000	17,000
	<i>Sub-Total Hayward Marsh</i>	<i>164,410</i>	<i>140,389</i>	<i>24,021</i>	<i>62,400</i>	<i>74,500</i>
	<b>Total Special Projects Fund</b>	<b><u>1,708,478</u></b>	<b><u>1,149,267</u></b>	<b><u>532,493</u></b>	<b><u>1,158,838</u></b>	<b><u>1,522,970</u></b>

67.3%

89.1%

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>SPECIAL PROJECTS - Fund 30</b>						
<b>Beginning Balance</b>	<b>\$134,820</b>	<b>\$384,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC	1,398,795	1,138,622	600,000	600,000	600,000	600,000
<b>Expenditures</b>						
Studies and Projects	1,149,267	1,522,970	600,000	600,000	600,000	600,000
<b>Estimated Carryover</b>	<b>\$384,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**PROJECTS PLANNED FOR FY '16**

Project Category	Amount
Administrative & Regulatory	\$564,538
Studies & Other	883,932
Hayward Marsh	74,500
<b>Total</b>	<b>\$1,522,970</b>

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>RETIREE MEDICAL - Fund 40</b>						
<b>Beginning Balance</b>	<b>\$4,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC for ARC*	543,540	561,205	579,444	598,276	617,720	637,796
<b>Expenditures</b>						
Medical Expenses	(398,224)	(432,737)	(466,174)	(501,989)	(536,886)	(571,293)
Medical Reimbursement	398,224	432,737	466,174	501,989	536,886	571,293
Transfers out:						
Annual Required Contribution (ARC)	548,008	561,205	579,444	598,276	617,720	637,796
<b>Ending Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* From actuarial valuation completed in FY'14

		<i>Estimated</i>		<i>Projected</i>			
<u>Fiscal Years Ending June 30,</u>		2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT VEHICLES AND EQUIPMENT - Fund 50</b>							
<b>Beginning Balance</b>	<b>\$956,195</b>	<b>\$648,865</b>	<b>\$932,365</b>	<b>\$363,365</b>	<b>\$673,365</b>	<b>\$759,365</b>	
<b>Revenue</b>							
Provisions from SSC	589,900	620,000	645,000	670,000	690,000	711,000	
Sale of surplus	45,000	43,000	39,000	18,000	26,000	57,000	
<b>Expenditures</b>							
Vehicles and Equipment	942,230	379,500	1,253,000	378,000	630,000	960,000	
<b>Ending Balance</b>	<b>\$648,865</b>	<b>\$932,365</b>	<b>\$363,365</b>	<b>\$673,365</b>	<b>\$759,365</b>	<b>\$567,365</b>	
<b>REPLACEMENTS SCHEDULED FOR FY '16</b>							
Vehicles			Equipment				
QTY	Type	Repl. Cost	QTY	Type	Repl. Cost		
2	Dump Bed Pickups	\$114,000	3	Electric Carts	\$55,500		
1	Service Response Truck	56,000	1	Forklift	52,000		
			2	Trailer Mounted Steam Cleaner	46,000		
			1	Saw Trailer	25,000		
			1	Pressure Washer	12,000		
			2	3-Inch Pumps	9,000		
			1	3,600 Watt Portable Generatot Chair Budget	3,000		
					7,000		
Total for Vehicles		\$170,000	Total for Equipment			\$209,500	
TOTAL VEHICLES AND EQUIPMENT FY '16 BUDGET							\$379,500

		<i>Estimated</i>		<i>Projected</i>			
<u>Fiscal Years Ending June 30,</u>		2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT INFORMATION SYSTEM - Fund 60</b>							
<b>Beginning Balance</b>	<b>\$1,399,153</b>	<b>\$1,391,421</b>	<b>\$1,154,721</b>	<b>\$811,921</b>	<b>\$765,421</b>	<b>\$835,321</b>	
<b>Revenue</b>							
Provisions from SSC	800,000	800,000	800,000	800,000	800,000	700,000	
<b>Expenditures</b>							
IT/PBX/Security Replacements	281,000	469,700	339,800	211,500	330,100	321,300	
IT Master Plan Projects	526,732	567,000	803,000	635,000	400,000	400,000	
<b>Ending Balance</b>	<b>\$1,391,421</b>	<b>\$1,154,721</b>	<b>\$811,921</b>	<b>\$765,421</b>	<b>\$835,321</b>	<b>\$814,021</b>	

**SYSTEM UPGRADES & REPLACEMENTS SCHEDULED FOR FY '16**

Project / System	Amount
SCADA Upgrade	\$150,000
Operations Data Management System	137,000
Collection System GIS Upgrade	120,000
Records Management	50,000
Mobile Projects	40,000
Share Point Upgrade 2013	40,000
Network Design Remote Site Data Lines	30,000
IT/PBX/Security Replacements	469,700
<b>Total</b>	<b>\$1,036,700</b>

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT PLANT AND PUMP STATION - Fund 70</b>						
<b>Beginning Balance</b>	<b>(\$647)</b>	<b>\$47,353</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC	250,000	202,647	250,000	250,000	250,000	250,000
<b>Expenditures</b>						
Plant and Pump Station Equipment	202,000	200,000	200,000	200,000	200,000	200,000
Unplanned expenditures		50,000	50,000	50,000	50,000	50,000
Charged to Operating if exceeds Budget						
<b>Ending Balance</b>	<b>\$47,353</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REPLACEMENTS SCHEDULED FOR FY 2016	
Overhaul 2 Degritters	\$50,000
Overhaul 1 Gravity Belt Press	50,000
Purchase Spare Mixing Pump	40,000
R&R Forklift	35,000
R&R 2 Paint Shop Compressors	30,000
R&R 2 Positive Displacement Pumps	22,000
Subtotal Planned Projects:	\$227,000
Unplanned Maintenance	\$23,000
Total for FY 2016	\$250,000
TOTAL PLANT AND PUMPSTATION R&R FY '16 BUDGET	

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



Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>EMERGENCY - Fund 75</b>						
<b>Beginning Balance</b>	<b>\$2,750,000</b>	<b>\$3,500,000</b>	<b>\$4,250,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>
<b>Revenue</b>						
Provisions from SSC	750,000	750,000	750,000	0	0	0
<b>Expenditures</b>						
Supplies/Equipment	0	0	0	0	0	0
<b>Ending Balance</b>	<b>\$3,500,000</b>	<b>\$4,250,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>

	<i>Estimated</i>		<i>Projected</i>			
<u>Fiscal Years Ending June 30,</u>	2015	2016	2017	2018	2019	2020
<b>STRUCTURAL RENEWAL &amp; REPLACEMENT - Fund 80</b>						
<b>Beginning Balance</b>	<b>(\$9,562,970)</b>	<b>(\$63,872)</b>	<b>\$8,578,239</b>	<b>\$5,978,850</b>	<b>\$5,511,100</b>	<b>\$6,878,350</b>
<b>Revenue</b>						
Provisions from SSC	19,843,659	17,000,000	16,000,000	20,000,000	20,000,000	20,000,000
SRF Proceeds	3,074,480	4,125,000	0	0	0	0
SGIP Proceeds	845,000	100,000	100,000	100,000	100,000	100,000
Solar Rebates	180,348	174,000	65,000	0	0	0
<b>Expenditures</b>						
CIP Projects	12,240,000	10,552,500	16,560,000	18,799,200	15,964,200	16,470,000
Debt Service (SRF Repayments)	2,204,389	2,204,389	2,204,389	1,768,550	2,768,550	2,768,550
<b>Ending Balance</b>	<b>(\$63,872)</b>	<b>\$8,578,239</b>	<b>\$5,978,850</b>	<b>\$5,511,100</b>	<b>\$6,878,350</b>	<b>\$7,739,800</b>

	<i>Estimated</i>		<i>Projected</i>			
<u>Fiscal Years Ending June 30,</u>	2015	2016	2017	2018	2019	2020
<b>PRETREATMENT - Fund 85</b>						
<b>Beginning Balance</b>	<b>\$119,783</b>	<b>\$108,483</b>	<b>\$101,483</b>	<b>\$94,483</b>	<b>\$87,483</b>	<b>\$80,483</b>
<b>Revenue</b>						
Transfer from SSC	0	0	0	0	0	0
Enforcement Fees	6,200	0	0	0	0	0
Safety Kleen Reimbursement	100,000	0	0	0	0	0
<b>Expenses</b>						
Supplies/Equipment	17,500	4,000	4,000	4,000	4,000	4,000
Training	0	3,000	3,000	3,000	3,000	3,000
Safety Kleen	100,000	0	0	0	0	0
<b>Ending Balance</b>	<b>\$108,483</b>	<b>\$101,483</b>	<b>\$94,483</b>	<b>\$87,483</b>	<b>\$80,483</b>	<b>\$73,483</b>

	<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>CAPACITY - Fund 90</b>						
<b><i>Beginning Balance</i></b>	<b>\$14,165,399</b>	<b>\$16,350,399</b>	<b>\$16,881,899</b>	<b>\$14,720,899</b>	<b>\$11,817,199</b>	<b>\$8,401,499</b>
<b><u>Revenue</u></b>						
Capacity Fees	4,200,000	4,372,000	2,800,000	2,800,000	2,800,000	2,800,000
SRF Proceeds	1,025,000	1,375,000	125,000	0	0	0
SGIP Proceeds (Cogen)	845,000	100,000	100,000	100,000	100,000	100,000
Interest	125,000	130,000	102,000	89,000	72,000	51,000
<b><u>Expenditures</u></b>						
CIP	3,087,000	4,522,500	4,365,000	4,781,700	5,276,700	3,285,000
Debt Servicing	923,000	923,000	923,000	1,111,000	1,111,000	1,111,000
<b><i>Ending Balance</i></b>	<b>\$16,350,399</b>	<b>\$16,881,899</b>	<b>\$14,720,899</b>	<b>\$11,817,199</b>	<b>\$8,401,499</b>	<b>\$6,956,499</b>

<b>Annual Contract Purchases of Supplies, Services &amp; Vehicle Renewal Replacements Over \$100,000 for Fiscal Year 2016</b>	
<b>ITEMS</b>	
	<i><b>Estimated Expenditure</b></i>
<b>Supplies*:</b>	
Ferrous Chloride, One-Year contract with Kemira Water Solutions, Inc.	\$400,000
Sodium Hypochlorite - One-year contract with Univar USA, Inc.	395,000
Polymer, emulsion, One-Year Contract with successful bidder	352,000
Hydrogen Peroxide, One-Year Contract with Siemens, Inc.	336,000
Polymer, mannich, One-Year Contract with successful bidder	145,000
<b>Total Supplies:</b>	<b>\$1,628,000</b>
<b>Services:</b>	
State Water Resources Control Board, Debt payments for eight SRF loans	\$3,127,110
PERS Medical - payments for employee coverage	3,099,141
PERS Retirement payments for employees	2,997,078
PG&E, payments for electrical service - Alvarado site	1,450,000
EBDA Operations & Maintenance payments	1,303,841
Biosolids, Year Four of Five-Year Contract with Synagro & successful bidder	756,879
PERS Retiree Medical Trust payments (ARC)	561,205
PG&E, payments for electrical service - Newark Pump Station	197,258
<b>Total Services:</b>	<b>\$13,492,512</b>
<b>Vehicle &amp; Equipment Renewal/Replacement:</b>	
Dump Bed Pickup Trucks	\$114,000
<b>Total Vehicle &amp; Equipment Renewal/Replacement</b>	<b>\$114,000</b>

<b>STATEMENT OF CASH FLOW AND FUND BALANCES</b>			
	FY '15 Budget	FY '15 Projected	FY '16 Approved
<b>OPERATING FUND</b>			
<b>Beginning Balance</b>	\$31,569,000	\$31,569,000	\$35,382,805
<b><u>Revenues and Proceeds:</u></b>			
<b>Sewer Service Charges</b>	\$47,448,461	\$48,385,649	\$48,430,260
<b>Operating Revenues</b>	848,500	1,120,149	1,080,000
<b>Interest Income</b>	210,000	210,000	215,000
<b>SGIP Rebates (Cogen)</b>	845,000	845,000	100,000
<b>Solar Rebates (Irvington &amp; Carport)</b>	189,200	180,348	174,000
<b>SRF Loan Proceeds</b>	2,542,000	3,074,480	4,125,000
<b>Misc. (LAVWMA, enforce fees, surplus items)</b>	115,000	261,507	119,000
<i>Total Revenues and Proceeds</i>	\$52,198,161	\$54,077,133	\$54,243,260
<b><u>Expenditures:</u></b>			
<b>Operating</b>	\$32,659,214	\$31,951,111	\$33,827,303
<b>Special Projects</b>	1,708,478	1,149,267	1,522,970
<b>Retiree Medical Benefits (ARC)</b>	543,540	543,540	561,205
<b>R &amp; R - Vehicles &amp; Equipment</b>	1,057,700	942,230	379,500
<b>R &amp; R - Information System</b>	1,216,000	807,732	1,036,700
<b>R &amp; R - Plant &amp; Pump Stations</b>	250,000	202,000	250,000
<b>Pretreatment Program</b>	7,000	117,500	12,000
<b>Sewer Service Fee from County</b>	106,000	105,559	106,000
<b>Debt Servicing</b>	2,204,389	2,204,389	2,204,389
<b>Capital Program - R &amp; R Structural*</b>	11,632,500	12,240,000	10,553,000
<i>Total Expenditures</i>	\$51,384,821	\$50,263,328	\$50,453,067
<b>Ending Sewer Service Fund Balance</b>	\$32,382,340	\$35,382,805	\$39,172,998
<b>CAPACITY FUND</b>			
<b>Beginning Balance</b>	\$14,165,000	\$14,165,000	\$16,350,279
<b><u>Revenues:</u></b>			
<b>Capacity Fees</b>	\$2,700,000	\$4,200,000	\$4,372,000
<b>Interest Income</b>	89,000	125,000	130,000
<b>SGIP Rebates (Cogen)</b>	845,000	845,000	100,000
<b>SRF Loan Proceeds</b>	848,000	1,025,000	1,375,000
<i>Total Revenues</i>	\$4,482,000	\$6,195,000	\$5,977,000
<b><u>Expenditures:</u></b>			
<b>Capital Program*</b>	\$3,240,000	\$3,087,000	\$4,523,000
<b>Debt Servicing - SRF</b>	923,000	922,721	922,721
<i>Total Expenditures</i>	\$4,163,000	\$4,009,721	\$5,445,721
<b>Ending Capacity Fund Balance</b>	\$14,484,000	\$16,350,279	\$16,881,558

\*CIP Budgeted at 90%

## Ten-Year Capital Improvement Plan

### ADMINISTRATIVE FACILITIES

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	1	Admin/Field Ops Bldg. Sesmic Upgrade at	100	1,000	1,000								2,100
900	1	Admin/Field Ops Bldg. Sesmic Upgrade and Leak Repairs											0
800	3	Additional CS (Vehicle) Storage		250									250
800	2	FMC Bldg. - New	200	3,700	3,900								7,800
900	2	FMC Bldg. - New											0
800	2	FMC Bldgs Renovation			100	300							400
900	2	FMC Bldgs Renovation											0
800	3	FMC Storage		250									250
800	3	Plant Paving		200				250					450
900	3	Solar Panels at Alvarado - Phase II		150	1,500								1,650
<b>Total for ADMINISTRATIVE FACILITIES</b>			<b>300</b>	<b>5,550</b>	<b>6,500</b>	<b>300</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,900</b>

### COLLECTION SYSTEM

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	1	Alvarado-Niles Sewer Rehab	1,000	3,000									4,000
900	1	Alvarado-Niles Sewer Rehab											0
800	2	Cast Iron/Pipe Lining		500		500		500		500		500	2,500
900	2	Cast Iron/Pipe Lining											0
800	2	Misc. C S Projects		250	250	300	300	300	300	300	300	300	2,600
800	2	RCP Sewer Rehab (Alvarado Basin)						200	2,000	100	1,000		3,300
900	2	RCP Sewer Rehab (Alvarado Basin)											0
800	2	RCP Sewer Rehab (Irvington Basin)				200	2,000	300	3,000				5,500
900	2	RCP Sewer Rehab (Irvington Basin)											0
800	2	RCP Sewer Rehab (Newark Basin)					100	1,000			100	1,000	2,200
900	2	RCP Sewer Rehab (Newark Basin)											0
800	0.50	Newark Backyard Relocation	1,300	1,200									2,500
900	0.50	Newark Backyard Relocation	1,300	1,200									2,500
800	1	Pine St. Easement	100										100
800	2	Spot Repairs	500		500		500		500		500		2,500
900	2	Spot Repairs											0

Collections cont'd next page

<u>Fund %</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Total</u>
Collections cont'd													
900	2	Stevenson at Davis St.					150	1,000					1,150
900	2	Veasy St. Sewer Improvements	50	650									700
<b>Total for COLLECTION SYSTEM</b>			<b>4,250</b>	<b>6,800</b>	<b>750</b>	<b>1,000</b>	<b>3,050</b>	<b>3,300</b>	<b>5,800</b>	<b>900</b>	<b>1,900</b>	<b>1,800</b>	<b>29,550</b>

**TRANSPORT SYSTEM PROJECTS**

<u>Fund %</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Total</u>
800	0.50	2	Alameda Creek Crossing Lift Station									250	250
900	0.50	2	Alameda Creek Crossing Lift Station									250	250
900	1	Equalization Storage @ Alvarado	400	600									1,000
900	3	Equalization Storage @ Irvington								300	3,000		3,300
900	2	Equalization Storage @ Newark				600		3,500	3,500				7,600
800	0.50	1	Fremont & PP LS\ Internal Lift Pumps	1,000	500								1,500
900	0.50	1	Fremont & PP LS\ Internal Lift Pumps	1,000	500								1,500
800	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500						550
900	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500						550
800	2	New Cherry St. PS						300	3,000				3,300
900	2	New Cherry St. PS											0
800	2	Newark PS Waterline	50										50
800	3	Transport System Misc. Projects	50	50		1,000			1,000			1,000	3,100
900	3	Transport System Misc. Projects											0
800	0.50	1	Wet Weather Flow Management	100	300	2,500	2,500	500					5,900
900	0.50	1	Wet Weather Flow Management	100	300	2,500	2,500	500					5,900
<b>Total for TRANSPORT SYSTEM PROJECTS</b>			<b>2,700</b>	<b>2,250</b>	<b>5,100</b>	<b>7,600</b>	<b>1,000</b>	<b>3,800</b>	<b>7,500</b>	<b>300</b>	<b>3,000</b>	<b>1,500</b>	<b>34,750</b>

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
<b>TREATMENT</b>													
Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
900	2	3rd Degritter System	100	500									600
800	2	30" ML Pipe Lining				100	500						600
800	0.50	2 Aeration Internal Lift Pumps					500						500
900	0.50	2 Aeration Internal Lift Pumps					500						500
800	0.50	2 Aeration System Rehab	500		200	1,000	1,000						2,700
900	0.50	2 Aeration System Rehab	500		200	1,000	1,000						2,700
900	2	Aeration Tank (East) Baffling	50	550									600
800	2	Aeration Tank (East) Roof	50	1,200	1,500								2,750
800	3	Blower Bldg & Channel Air Demo & Repl			100	500							600
800	0.50	1 Cogen Project	150	100									250
900	0.50	1 Cogen Project	150	100									250
800	2	Contact Tank Valve Replacement				1,000							1,000
800	2	Control Box No. 1 Improvements		150	1,500	1,500							3,150
800	2	Diffuser Replacement	100	100	150								350
900	3	Digester No. 7										100	100
800	2	Emergency Outfall Outlet Improvements		300									300
800	2	Gravity Belt Thickener					500	5,500					6,000
800	2	Generator Controls Upgrade	300	1,000									1,300
800	2	Headworks gates, actuators and Screens		100	1,500								1,600
800	1	Hypo Tank and PVC pipe replacement at	500	1,000									1,500
800	2	MCC Replacement	600				100	600					1,300
800	2	Misc. Electrical Equipment Upgrade		500		500		500		500		1,000	3,000
800	2	Misc. Projects		250	250	250	300	300	300	300	300	300	2,550

Treatment cont'd next page

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	2	Odor Scrubber System Improvements							550	5,500	600	6,000	12,650
900	2	Odor Scrubber System Improvements											0
800	2	Plant Facilities Improvements	500	600									1,100
800	1	Plant Master Plan Equipment Replacement			650	650	3,300		5,000	2,000	7,300	3,300	22,200
900	1	Plant Master Plan Equipment Replacement											0
800	2	PLC Replacement	100	200	350								650
800	0.75	2 Primary Clarifier Rehab (5-6)		375	1,688	1,688							3,750
900	0.25	2 Primary Clarifier Rehab (5-6)		125	563	563							1,250
800	2	Primary Effluent (60") Pipeline Rehab	100										100
800	1	RAS PS Pumps, Valve & Pipe Replacement		100	600	600							1,300
800	2	Repairs to Concrete Tanks		200	200	200	200	200	200	200	200	200	1,800
800	0.75	2 Sec. Clarifiers No. 5 and 6 Rehabilitation		150	1,500	1,500							3,150
900	0.25	2 Sec. Clarifiers No. 5 and 6 Rehabilitation		50	500	500							1,050
900	3	Secondary Clarifiers No. 7,8										400	400
800	2	Seismic Retrofit of Conc. Structures		200	2,000	200	2,000	200	2,000	300	3,000	300	10,200
900	2	Seismic Retrofit of Conc. Structures											0
800	2	Sludge Drying (BACWA)	100	100	100								300
800	2	Sludge Recirculation Pump Replacement			200	200							400
900	2	Sludge Recirculation Pump Replacement											0
800	2	Standby Generators 5 and 6				150	2,500						2,650
800	2	Standby Generators 7 and 8				200	4,000						4,200
900	2	Storm Water Diversion Pump Station				200	1,500						1,700
800	0.75	1 Thickener Control Bldg Improvements	4,125	375									4,500
900	0.25	1 Thickener Control Bldg Improvements	1,375	125									1,500
800	2	Thickener Mechanisms 1-2			100	2,200							2,300
900	2	Thickener Mechanisms 1-2											0
800	2	Truck Scales Improvements		100									100

Treatment cont'd next page

<u>Fund %</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Total</u>
Treatment cont'd													
800	2	Water Storage Tank and Well	200	100									300
900	2	Waste Recycling and Alternative Energy							500	5,000			5,500
<b>Total for TREATMENT</b>			<b>9,500</b>	<b>8,650</b>	<b>13,850</b>	<b>14,700</b>	<b>17,900</b>	<b>7,300</b>	<b>8,550</b>	<b>13,800</b>	<b>11,400</b>	<b>11,600</b>	<b>117,250</b>
<b>GRAND TOTAL</b>			<b>16,750</b>	<b>23,250</b>	<b>26,200</b>	<b>23,600</b>	<b>21,950</b>	<b>14,650</b>	<b>21,850</b>	<b>15,000</b>	<b>16,300</b>	<b>14,900</b>	<b>194,450</b>
			0	0	0	0	0	0	0	0	0	0	0
<b>FUND 800 - Structural Renewal &amp; Replacement</b>			<b>11,725</b>	<b>18,400</b>	<b>20,888</b>	<b>17,738</b>	<b>18,300</b>	<b>10,150</b>	<b>17,850</b>	<b>9,700</b>	<b>13,300</b>	<b>14,150</b>	<b>152,200</b>
<b>FUND 900 - Capacity</b>			<b>5,025</b>	<b>4,850</b>	<b>5,313</b>	<b>5,863</b>	<b>3,650</b>	<b>4,500</b>	<b>4,000</b>	<b>5,300</b>	<b>3,000</b>	<b>750</b>	<b>42,250</b>

## FY 2016 Budget - Ten Year Cashflow Projection

(amounts x \$1,000)

ASSUMPTIONS (Long-Term)	
Interest Rate - Bonds, SRF	2.70%
CIP Inflation Rate	3.50%
Investment Rate	0.60%
CIP Funding @	<b>90%</b>

Amounts x\$1000, except where noted.

Debt Summary - At 2020	
SRF Loans Outstanding - SSC	\$43,818
SRF Loans Outstanding - Capacity	21,082
<b>Total SRF Loans &amp; other Debt Outstanding</b>	<b>\$64,900</b>
CIP Expenditures - 2016-2020	
Renewal & Replacement - SSC	\$78,346
Capacity Fund	22,231
<b>Total CIP Expenditures @ 90%</b>	<b>\$100,577</b>

Debt Summary - At 2025	
SRF Loans Outstanding - SSC	\$30,247
SRF Loans Outstanding - Capacity	15,422
<b>Total SRF Loans &amp; other Debt Outstanding</b>	<b>\$45,669</b>
CIP Expenditures - 2016 - 2025	
Renewal & Replacement - SSC	136,981
Capacity Fund	38,026
<b>Total CIP Expenditures @ 90%</b>	<b>175,007</b>

Rate Study Impact												
	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate Model Time Period (must match time period below)		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Fiscal Years Ending June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Capacity Fee Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SSC Increase	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%
<b>Projection</b>												
Residential (EDU) Increase (Growth) - 1 year lag in rates	0.25%	0.40%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Commercial Increase (Memo only here)	0.00%	3.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Industrial Increase (Memo only here)	0.00%	3.00%	0.00%	0.20%	0.40%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Increase in Operations Budget	1.52%	4.60%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Capacity Fee Charge (whole \$)	\$5,596	\$5,875	\$6,169	\$6,477	\$6,801	\$7,141	\$7,498	\$7,873	\$8,267	\$8,680	\$9,114	
Sewer Service Charge (SFD) (whole \$)	\$357	\$377	\$398	\$421	\$445	\$467	\$490	\$515	\$541	\$568	\$596	
<b>CASH FLOW PROJECTIONS</b>												
<b>Sewer Service Fund</b>												
<b>Beginning Balance (Fund 80 + FPR)</b>	<b>\$4,203</b>	<b>\$7,403</b>	<b>\$10,446</b>	<b>\$5,551</b>	<b>\$1,037</b>	<b>\$1,995</b>	<b>\$4,802</b>	<b>\$18,362</b>	<b>\$27,306</b>	<b>\$45,507</b>	<b>\$64,373</b>	<b>\$64,373</b>
<b>Revenue</b>												
Net Revenues (SSC+Int+OPRev-Gross OP Exp-Prov)	13,724	11,575	13,768	16,954	19,592	21,946	25,463	27,778	29,700	33,604	35,471	
Loan Payments from Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
Temporary Transfer To/From Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
SRF Loan/SGIP Proceeds	3,919	4,225	100	100	100	100	0	0	0	0	250	
<b>Expenditures</b>												
CIP Expenditures	12,240	10,553	16,560	18,799	15,964	16,470	9,135	16,065	8,730	11,970	12,735	
Loans to Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - New Issues	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	2,204	2,204	2,204	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,087	
<b>Ending Balance</b>	<b>\$7,403</b>	<b>\$10,446</b>	<b>\$5,551</b>	<b>\$1,037</b>	<b>\$1,995</b>	<b>\$4,802</b>	<b>\$18,362</b>	<b>\$27,306</b>	<b>\$45,507</b>	<b>\$64,373</b>	<b>\$85,272</b>	
<b>Other Designated Reserves (funds #30,40,50,60,70,75,85,SRF,INS,CF, Cash in bank)</b>	<b>27,772</b>	<b>28,600</b>	<b>29,583</b>	<b>30,527</b>	<b>31,391</b>	<b>31,914</b>	<b>32,720</b>	<b>32,839</b>	<b>34,374</b>	<b>34,977</b>	<b>35,534</b>	
<b>Total Sewer Service Fund Balance</b>	<b>\$35,175</b>	<b>\$39,047</b>	<b>\$35,133</b>	<b>\$31,564</b>	<b>\$33,386</b>	<b>\$36,716</b>	<b>\$51,081</b>	<b>\$60,145</b>	<b>\$79,881</b>	<b>\$99,350</b>	<b>\$120,805</b>	
<b>Capacity Fund (Capacity Fees)</b>												
<b>Beginning Balance</b>	<b>\$14,165</b>	<b>\$16,351</b>	<b>\$16,883</b>	<b>\$14,722</b>	<b>\$11,819</b>	<b>\$8,404</b>	<b>\$6,959</b>	<b>\$8,141</b>	<b>\$8,858</b>	<b>\$5,411</b>	<b>\$4,014</b>	<b>\$4,014</b>
<b>Revenue</b>												
Interest income	125	130	102	89	72	51	43	52	59	38	30	
Capacity Fees	4,200	4,372	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	
Temporary Transfer To/From Existing Fund	0	0	0	0	0	0	0	0	0	0	0	
SGIP Proceeds	845	100	100	100	100	100	0	0	0	0	0	
SRF Loan Proceeds	1,025	1,375	125	0	0	0	3,500	3,000	0	0	250	
<b>Expenditures</b>												
CIP Expenditures	3,087	4,523	4,365	4,782	5,277	3,285	4,050	3,600	4,770	2,700	675	
Loan Payments to R & R Fund	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	923	923	923	1,111	1,111	1,111	1,111	1,536	1,536	1,536	1,309	
<b>Ending Balance</b>	<b>\$16,351</b>	<b>\$16,883</b>	<b>\$14,722</b>	<b>\$11,819</b>	<b>\$8,404</b>	<b>\$6,959</b>	<b>\$8,141</b>	<b>\$8,858</b>	<b>\$5,411</b>	<b>\$4,014</b>	<b>\$5,110</b>	
<b>% OF DEBT SERVICE TO GROSS REVENUES</b>	<b>5.8%</b>	<b>5.7%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>6.1%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.3%</b>	<b>5.0%</b>	<b>3.8%</b>	
Debt Capacity Target (should not exceed 25% of Op + Debt)	8.9%	8.5%	8.2%	9.6%	9.3%	9.0%	8.7%	9.2%	8.9%	8.6%	6.6%	
Ratio of debt service to SSC Net Rev (min. 1.30 per Debt policy#2060)	5.79	5.17	5.77	5.30	6.00	6.60	7.52	7.33	7.92	8.50	11.61	
<b>BONDING CAPACITY - Above 1.25 coverage</b>	<b>173,696</b>	<b>150,099</b>	<b>173,125</b>	<b>192,281</b>	<b>225,380</b>	<b>253,816</b>	<b>297,735</b>	<b>320,474</b>	<b>351,408</b>	<b>381,972</b>	<b>430,533</b>	