

Union Sanitary District

Union City, California

Adopted Operating & CIP Budget FY 2019



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DATE: June 25, 2018

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer

SUBJECT: Fiscal Year 2019 Operating and CIP Budget

Union Sanitary District (USD) staff is pleased to present the comprehensive annual budget for Fiscal Year (FY) 2019 to the Board of Directors. This budget covers the period from July 1, 2018 through June 30, 2019. The District continues to focus on the operation and maintenance of its infrastructure and assets, capital project construction, planning, and effective use of technology.

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

In keeping with our Mission, the District continues to provide a high level of service to its customers at very competitive rates. During FY 2016, USD conducted a major Cost of Service Analysis (COSA) to determine a five-year rate plan that met all requirements related to charges for services under Proposition 218. The Sewer Service Charge for FY 2019 incorporates the third rate increase of the five-year rate increase plan. The annual single-family rate will increase from \$393 to \$407 in FY 2019, and to \$436 by the fifth year (FY 2021). This increased rate is still well below the national average annual sewer service charge of \$479, as reflected in the most recent National Association of Clean Water Agencies price index. The average rate of the 34 Bay Area agencies the District surveys is \$621.

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

Compliance groups have successfully implemented measures to control roots and grease to help minimize spills and back-ups.

Financial State of the District

Revenues have been consistent with the projections outlined in the COSA and there has been a continued increase in development activity in the Districts service area. While economic conditions within the service area have improved, the District continues to exercise fiscal prudence. It is because of this cautionary approach that the District has continued to remain fiscally sound.

USD has seen increases in permit applications in the past twelve months, and that is expected to continue in FY 2019. A portion of USD capital projects is funded by capacity fees; however, the majority are funded through Sewer Service Charges. The District continues to be vigilant in its efforts to control expenses. Like other agencies, USD faces significant pressures associated with the costs of health care, pensions, chemicals, treatment plant utilities (primarily PG&E), aging infrastructure and other capital expenditures.

Revenues

Sewer Service Charges are expected to increase from \$54.9 million in FY 2018 to \$57 million in FY 2019 due to the third increase of the approved 5-year rate study. The Districts revenues remain relatively stable despite the slight volatility in non-residential revenues.

Capacity Fee revenues incorporate increased capacity fees approved by the Board, effective July 1, 2016, which are being phased in over a 4-year period. The Tri-City area is experiencing a continued increase in construction development; it is unclear when that trend might begin to slow. The District, in consultation with the three cities, carefully evaluates all the residential and non-residential projects in the service area for the upcoming year and prepares an estimate of anticipated growth and development. As a result, total capacity fee revenues are expected to come in at over \$16.2 million in FY 2019, similar to the 2018 actuals. Anticipated expenditures associated with capacity fees over the next several years indicate that there will likely be an overall declining balance in this fund.

Expenditures

The total increase in budget for the sewer service charges (fund 80) is approximately 2.5% while operating expenses are anticipated to increase by 6.3%, primarily due to salary and pension contribution rate increases. Chemical costs have been relatively stable due to the District's participation in the Bay Area Chemical Consortium; however, the District is budgeting for fairly significant increases in several chemicals utilized in the treatment process for FY 2019. The increase is primarily due to an increase in raw materials used in the manufacturing.

No significant changes to the number of District employees are budgeted during this fiscal year. The District filled many vacancies during FY 2018, mostly attributable to planned retirements. Balancing the District's ability to attract and retain a qualified workforce against the bottom line

will continue to be a challenge as more of our tenured workforce becomes eligible for retirement.

Total expenditures in the Capital Improvement Program are less than the FY 2018 levels. This was expected as many projects are in pre-design or design stage of the project in this FY. The total CIP budget is approximately \$9.3 million for both the sewer service and capacity fee funds. Annually, staff conducts a thorough study of the infrastructure needs of the District and developed a 20-year Capital Improvement Plan (CIP). The current plan is in excess of \$751 million. USD continues to minimize impacts on its cash flows, and ultimately the rate payers by taking advantage of very favorable project financing available through the State and federally funded Clean Water State Revolving Fund (SRF) program. Additionally, the District continues to explore alternative financing methods that provide a great degree of flexibility in delivering the necessary capital improvements.

Capital project spending will continue to focus on rehabilitation of the wastewater treatment plant and collections system pipeline. Many of the District's buildings and treatment processes are approaching 35 years in operation. Replacing and upgrading these facilities and equipment will ensure that we can efficiently operate the plant in the long-term. An example of some of the projects in FY 2019 include:

- A seventh anaerobic digester
- Standby power generation system upgrades
- Pump station improvements
- Laboratory Information Management System (LIMS)
- Replacement of older servers and hardware for business continuity, and disaster recovery.

Special Projects Fund expenditures will decrease from \$1.8 million in FY 2018 to \$1.4 million in FY 2019. Of the \$1.4 million, \$316,450 is for special projects that will carry forward to FY 2019. Examples of some of the of the special projects /studies planned or continuing this year include:

- Force Main Condition Assessment.
- Plant Master Plan.
- Newark Basin Master Plan/PACP Update.
- MBR Pilot program
- IT Master Plan.
- Odor Control Study Update (phase II and pilot).
- Outreach programs including the USD newsletter.
- Rebranding initiative.

Balanced Budget, Reserves and Rates

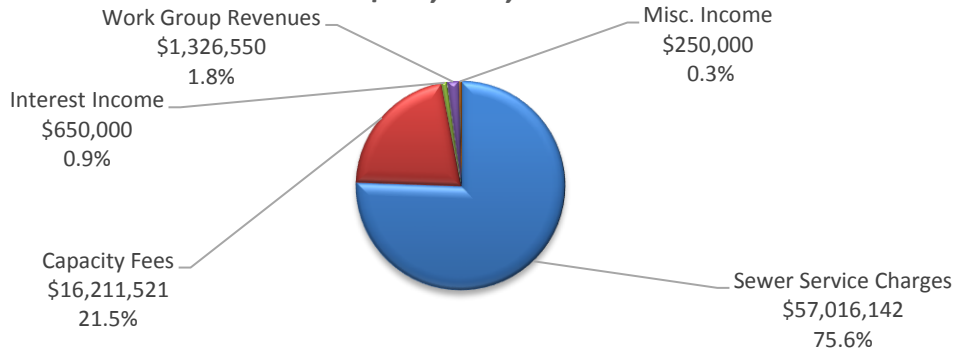
USD has long operated with a balanced budget and the FY19 budget is no exception. It is anticipated that reserves will be impacted over the next few fiscal years due to the District's infrastructure needs.

District reserves continue to be stable, although as the District operating budget increases, more of the District's reserves are dedicated to ensuring operating cash. The District's investment portfolio continues to perform conservatively well. During FY 2018, a complex financial model was completed that will allow the District to analyze different rate models and financing plan scenarios to assist the District in making sound financial decisions on future infrastructure needs and the long-term sustainability of prospective policies and programs.

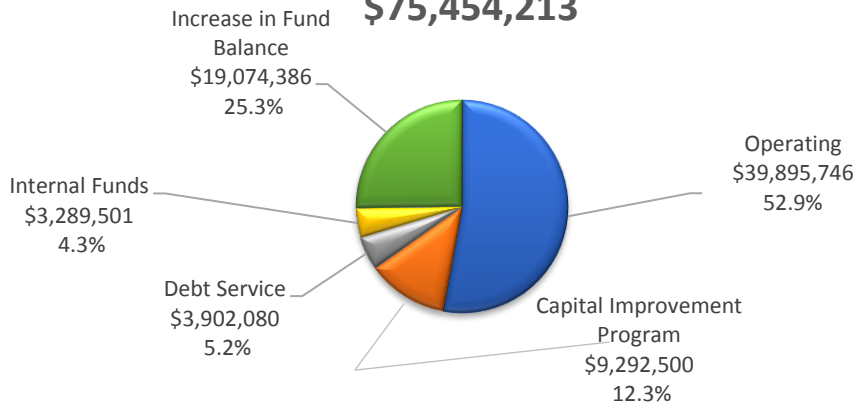
Conclusion

This calendar year, the District reached a significant milestone, 2018 marked 100 years of service to our customers in the Tri-City area. The District's high level of service and very competitive rates reflect its highly efficient and customer-oriented staff. The District is fortunate to have a very talented and dedicated workforce. I would like to express my appreciation to all the employees of the District whose hard work is not taken for granted and whose dedication is reflected in the daily delivery of services to our customers. The District is firmly committed to meeting every challenge brought forth while building a premier organization. This budget enables us to continue to move forward in meeting those challenges. By continuing to follow the budget policy set forth by the District, we will continue to deliver the highest level of service hopefully for the next 100 years, and beyond.

Total Revenues \$75,454,213



Total Expenditures \$75,454,213



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**SUMMARY AND COMMENTS
FISCAL YEAR 2019 BUDGET**

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

	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Total Revenues				
Sewer Service Charges	\$54,913,920	\$54,518,000	\$57,016,142	3.8
Capacity Fees	7,910,000	16,479,000	16,211,521	104.9
Work Group Revenues	1,300,000	1,238,500	1,326,550	2.0
Interest	625,000	700,000	650,000	4.0
Other	361,500	250,000	250,000	(30.8)
SRF Loan Proceeds	0	0	0	0
Total Revenues	\$65,110,420	\$73,185,500	\$75,454,213	15.9
Total Expenditures				
Operating	\$37,525,887	\$36,209,730	\$39,895,746	6.3
Capital Projects (90%)	10,080,000	8,578,040	9,292,500	(7.8)
Debt Service	3,880,441	3,902,080	3,902,080	0.6
Special Projects	1,873,523	1,826,672	1,410,000	(24.7)
Other Internal Funds	1,994,655	1,373,956	1,879,501	(5.8)
Total Expenditures	\$55,354,506	\$51,890,478	\$56,379,827	1.9
Revenues in Excess of Expenditures – To Reserves	\$ 9,755,914	\$21,295,022	\$19,074,386	95.5

Adopted Combined Budget – Sewer Service and Capacity Funds

	Sewer Service Fund (Incl Fund 80)	Capacity Fund (Fund 90)	Total
Total Revenues			
Sewer Service Charges	\$57,016,142	\$ 0	\$57,016,142
Capacity Fees	0	16,211,521	16,211,521
Work Group Revenues	1,326,550	0	1,326,550
Interest	375,000	275,000	650,000
Other	125,000	125,000	250,000
SRF Loan Proceeds	0	0	0
Total Revenues	\$58,842,692	\$16,611,521	\$75,454,213
Total Expenditures			
Operating	\$39,895,746	\$ 0	\$39,895,746
Capital Projects (90%)	6,142,500	3,150,000	9,292,500
Debt Service	2,785,617	1,116,463	3,902,080
Special Projects	1,410,000	0	1,410,000
Other Internal Funds	1,879,501	0	1,879,501
Total Expenditures	\$52,113,364	\$4,266,463	\$56,379,827
Revenues in Excess of Expenditures – To Reserves	\$ 6,729,328	\$12,345,058	\$ 19,074,386

SEWER SERVICE FUND

The FY 2019 budget for the Sewer Service Fund is presented below:

	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Total Revenues				
Sewer Service Charges	\$54,913,920	\$54,518,000	\$57,016,142	3.8
Work Group Revenues	1,300,000	1,238,500	1,326,550	2.0
Interest	425,000	476,000	375,000	(11.8)
Other	261,500	100,000	125,000	(52.2)
SRF Loan Proceeds	0	0	0	0
Total Revenues	\$56,900,420	\$56,332,500	\$58,842,692	3.4
Total Expenditures				
Operating	\$37,525,887	\$36,209,730	\$39,895,746	6.3
Capital Projects (90%)	6,660,000	5,756,870	6,142,500	(7.8)
Debt Service	2,769,387	2,785,617	2,785,617	0.6
Special Projects	1,873,523	1,826,672	1,410,000	(24.7)
Other Internal Funds	1,994,655	1,373,956	1,879,501	(5.8)
Total Expenditures	\$50,823,452	\$47,952,845	\$52,113,364	2.5
Revenues in Excess of Expenditures – To Reserves	\$ 6,076,968	\$ 8,379,655	\$ 6,729,328	10.7

REVENUES: Revenues in the Sewer Service Fund are anticipated to increase 3.8% in comparison to the FY 2018 budget. With respect to the estimated actual amounts for FY 2018, the FY 2019 budget is 4.6% more. Each of the individual revenue elements is discussed below:

Sewer Service Charges: The principal revenue source for the Sewer Service Fund is the annual Sewer Service Charges, estimated to be just over \$57 million in FY 2019. This is 3.8% more than the prior year's budget amount. For the last two years the budget estimate has been based on a new wastewater rate and cost of service study, resulting in the adoption of a five-year rate plan in January 2016, pursuant to the requirements of Proposition 218. The existing annual sewer service charge for Single Family Dwellings (SFD) will increase from \$393.35 in FY 2018 to \$407.12 in FY 2019 (an increase of 3.5%), and the annual Multi-family Dwelling rate will increase from \$341.03 in FY 2018 to \$352.97 in FY 2019 (also an increase of 3.5%). Residential rates account for 74.31% of total sewer service charge revenues. For non-residential customers, rates are calculated annually using flow based on water usage and sewage strength.

Work Group Revenues: These revenues consist of things like field inspection fees, plan check fees, permits, external work orders, and services provided to the City of Fremont's Urban Runoff program. Because these items tend to vary based on external demands, anticipated revenues are typically estimated in a conservative manner. The FY 2019 budget estimate is \$26,550 (2.0%) higher than the prior year's budget amount.

Interest: Interest income is expected to decrease 11.8% from the FY 2018 budget amount. These changes are based on maturing investment instruments and the temporary cessation of portfolio acquisitions throughout FY 2018. All indications are that the Federal Reserve will continue on its course of gradually raising interest rates as the overall economy continues to strengthen.

Other: Other revenues consist of rebates from the Self-Generation Incentive Program (SGIP) administered by the California Public Utilities Commission (CPUC) related to cogeneration and other miscellaneous income, including the sale of surplus equipment. This item is expected to decrease by 52.2% from the FY 2018 budget amount, primarily because of the end of the PG&E solar rebate program.

SRF Loan Proceeds: Although the State Revolving Fund (SRF) has been, and will likely continue to be, an ongoing source of funding for District capital needs, no SRF loan proceeds are anticipated to be received in FY 2019.

EXPENDITURES: Expenditures in the Sewer Service Fund are anticipated to increase 2.5% in comparison to the FY 2018 budget. Each of the individual expenditure elements is discussed below:

Operating: Operating expenditures are those required for the day-to-day operations of the District, including maintenance, regulatory activities, engineering, and administration. Operating expenditures are estimated to increase 6.3% in FY 2019. Of that increase, 4.9% is due primarily to salaries and benefits adjustments in accordance with the District’s Memorandum of Understanding (MOU) with its classified employees, performance-based merit increases for the Unclassified staff, and increased California Public Employees’ Retirement System (CalPERS) contributions.

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

	Budget FY 2018	Adopted Budget FY 2019	Dollar Change	% Change
Wages	\$16,786,650	\$17,258,665	\$ 472,015	2.8
CalPERS Contributions	3,822,623	4,433,146	610,523	16.0
Workers’ Compensation	299,232	314,142	14,910	5.0
Other (Medical, Medicare)	3,653,059	3,758,768	105,709	2.9
Vacancy Factor (2%)	(486,278)	(508,027)	(21,749)	4.5
Total Salaries and Benefits	\$24,075,286	\$25,256,694	\$1,181,408	4.9

Increased payments to CalPERS are the result of both increased wages and an increase in the CalPERS contribution rate, from 22.299% in FY 2018 to 25.359% in FY 2019, resulting in a 16.0% overall increase in payments to CalPERS. Workers’ compensation costs have increased because of increased wages (upon which workers’ compensation premiums are based) and an anticipated 5% rate increase. Medical amounts are increasing in accordance with the MOU. Consistent with prior years, salaries and benefits

include a 2% vacancy factor, in recognition of the fact that vacancies occur throughout the year and are not immediately refilled.

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

Work Group	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Board of Directors	\$ 176,093	\$ 171,093	\$ 179,111	1.7
General Manager/Admin.	1,082,884	992,884	1,043,506	(3.6)
Business Services	3,538,791	3,250,000	3,762,036	6.3
Collection Services	6,551,768	5,901,860	6,888,192	5.1
Technical Services	5,995,655	6,045,375	6,347,451	5.9
Treatment & Disposal Services	11,122,285	11,100,000	12,025,839	8.1
Fabrication, Maintenance, and Construction	7,762,322	7,451,829	8,264,515	6.5
Non-Departmental	587,080	587,080	652,008	11.1
Total Operating Expenditures	\$36,816,878	\$35,500,121	\$39,162,658	6.4

Salaries and benefits account for 64.5% of total operating expenditures in FY 2019 (down slightly from 65.4% in FY 2018). In addition to salary and benefit increases discussed above, some of the other reasons for the 6.4% increase in operating expenditures are as follows:

- Actual costs for Districtwide accounts (telephones, training, insurance premiums and other miscellaneous items) are projected to increase
- Treatment & Disposal is projecting significant increases in chemical and hauling costs associated with treatment processes
- Fabrication, Maintenance, and Construction expects to incur additional costs due to increased maintenance needs of aging infrastructure, additional media replacements at new contracted amounts for gas conditioning, the purchase of standby pumps as a contingency plan for a force main or pump station outage, and utility rate increases from Alameda County Water District (ACWD) and PG&E

District-wide training, property insurance, and telephones, that benefit the entire District, not just one or two individual work groups were placed into a Non-Departmental category last fiscal year. This

change will remain in effect and has been beneficial in tracking District-wide expenses. The FY 2019 budget continues to reflect this change.

Districtwide training is anticipated to increase because there is now a full-time Training and Emergency Response Programs Manager to oversee these activities. Finally, an Engineering Intern is included for FY 2019 (as it was in FY 2018) to assist with updating documentation for things like lockout tag out procedures. Because this position will likely assist several departments, it is included in the non-departmental budget line item.

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

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

Special Projects: This line item includes non-routine expenditures for things like one-time studies, hiring consultants, and new programs where the long-term financial impact, if any, is not known.

A detailed listing of Special Projects is included later in this document.

Other Internal Funds: These are separate components of the Sewer Services Fund that account for renewals and replacements of equipment and technology, as well as the pretreatment program. Below is detailed information about this line item:

	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Renewal & Replacement – Vehicles and Equipment (Fund 50)	\$ 1,139,555	\$719,956	\$660,201	(42.1)
Renewal & Replacement – Information Systems (Fund 60)	600,100	400,000	712,300	18.7
Renewal & Replacement – Plant and Pump Station (Fund 70)	250,000	250,000	500,000	100.0
Pretreatment Program (Fund 85)	5,000	4,000	7,000	40.0
Total Other Funds	\$1,994,655	\$1,373,956	\$1,879,501	(5.8)

- Renewal & Replacement – Vehicles and Equipment: Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is now based on a conditional assessment/age specific replacement schedule and expenditure projection. The vehicles and equipment scheduled for replacement in FY 2019 are as follows:

Vehicles:	
Toyota Forklift (Warehouse)	\$ 38,000
Hybrid Sedan (fleet)	38,000
Electric Sedan	38,000
Vactor (carry forward from FY18)	507,966
Total Vehicles	621,966
Equipment:	
Multi-Quip Concrete Saw	\$34,235
Miscellaneous supplies	4,000
Total Equipment	38,235
Total Vehicles and Equipment	\$660,201

As noted in the table above, one piece of equipment was approved for purchase in FY 2018 and the purchase order was issued. However, it is anticipated payment for this vehicle will not be made until FY 2019. As a result, \$507,966 for the Vactor is included in the FY 2019 budget so that the invoices can be paid. This is why the estimated actual expenditures in FY 2018 are significantly less than the FY 2018 budget amount, and there is a corresponding increase in the FY 2019 budget as compared to FY 2018.

- Renewal & Replacement – Information Systems: The FY 2019 budget for Information Systems renewal and replacement consists of the following:

Hardware (Desktops, Switches, Servers, Routers, etc.)	\$362,300
GIS – Various	145,000
IT Various Projects (Eg. Kronos, ECMS updates)	105,000
Laboratory Information Management System (LIMS) Software Implementation	100,000
Total Information Systems	\$712,300

- Renewal & Replacement – Plant and Pump Station: Plant and pump station renewals and replacements anticipated in FY 2019 consist of the following:

8" Trailer Mounted Pump	\$70,000
12" Trailer Mounted Pump	130,000
(2) Force Main Repair Couplings	210,000
Unplanned Maintenance	90,000
Total Plant and Pump Station	\$500,000

- Pretreatment Program: The Pretreatment Program budget consists of supplies, equipment and training that support the Pretreatment Program, as required by Ordinance 36.

Sewer Service Fund Reserves: In accordance with debt covenants and District Policy No. 2090, “Reserve Funds,” the District maintains a number of reserves in the Sewer Service Fund. In FY 2019, approximately \$6.7 million is anticipated to be transferred to reserves. A summary of the various reserves is shown in the following table:

Reserve Description	Adopted Budget FY 2019
Cash Flow	\$19,947,873
Structural Renewal & Replacement	25,796,500
Emergency	5,000,000
SRF Loan Contingency	3,902,080
Liquidity	1,240,000
Liability Insurance	1,000,000
Information Systems Renewal & Replacement	650,000
Vehicle & Equipment Renewal & Replacement	751,000
Total Reserves – Sewer Service Fund	\$58,287,453

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

- **Cash Flow** – Sewer Service Charge revenues are collected by the Alameda County Tax Collector’s Office and remitted to the District in two major installments in April and December of each year. In order for the District to pay its ongoing expenditures throughout the year, it reserves six months (50%) of gross operating expenditures at the start of each fiscal year.
- **Structural Renewal & Replacement** – To maintain the ability to renew and replace infrastructure, this reserve is funded at the average annual renewal/replacement capital costs based on the 20-year CIP.
- **Emergency** – In order to help mitigate the financial impacts of an emergency or catastrophic event, the District has an Emergency Reserve. The target for FY 2019 is \$5 million.
- **SRF Loan Contingency** – The District is able to utilize low interest rate loans through the State of California to finance capital projects. A requirement of these loans is the establishment and maintenance of a contingency reserve that is defined in the loan documents. The reserve balance is set at the amount required in the loan documents, typically one annual payment per loan.
- **Liquidity** – The District maintains a minimum amount of immediately available funds, 125% of biweekly payroll, held in a local bank account, in cash deposits.
- **Liability Insurance** – The District is a member of and purchases liability insurance from the California Sanitation Risk Management Association (CSRMA). The deductible of \$500,000 reduces the amount of premiums charged to the District. In order to account for an event that is either not covered by insurance or under the deductible amount, the District reserves two times the annual deductible amount, based on claims history.

- ***Information Systems Renewal & Replacement*** – To maintain the ability to replace computer hardware and software, this reserve is funded at the average annual information systems renewal/replacement costs projected over the next 5 years, with a minimum of \$250,000.
- ***Vehicle & Equipment Renewal & Replacement*** – To maintain the ability to replace the District's fleet and major equipment, this reserve is funded at the average annual equipment renewal/replacement costs projected over the next 5 years, with a minimum of \$500,000.

CAPACITY FUND

The FY 2019 budget for the Capacity Fund is presented below:

	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Total Revenues				
Capacity Fees	\$7,910,000	\$16,479,000	\$16,211,521	104.9
Interest	200,000	224,000	275,000	37.5
Other	100,000	150,000	125,000	25.0
SRF Loan Proceeds	0	25,810	0	0
Total Revenues	\$8,210,000	\$16,878,810	\$16,611,521	102.3
Total Expenditures				
Capital Projects (90%)	\$3,420,000	\$ 2,821,170	\$3,150,000	(7.9)
Debt Service	1,111,054	1,116,463	1,116,463	0.5
Total Expenditures	\$4,531,054	\$ 3,937,633	\$4,266,463	(5.8)
Revenues in Excess of Expenditures – To Reserves	\$3,678,946	\$ 12,941,177	\$12,345,058	235.6

REVENUES: Revenues in the Capacity Fund are anticipated to increase 102% in comparison to the FY 2018 budget. Each of the individual revenue elements is discussed below:

Capacity Fees: The principal revenue source for the Capacity Fund is Capacity Fees, estimated to be \$16.2 million in FY 2019. These fees are collected in accordance with the provisions of California Assembly Bill (AB) 1600 and are intended to mitigate the impacts of new development. In the case of the District, these fees are collected from new development as a requirement of connecting to the sewer system. As such, they can only be used for capital projects that increase the system's capacity to serve that new development. The last several years have seen significant new development in the Tri-Cities area of Fremont, Newark, and Union City. The pace of that development is not expected to slow in FY 2019, resulting in a static revenue estimate as compared to FY 2018 actual. Pursuant to Ordinance No. 35.22, based on a capacity fee study and adopted by the Board in April 2016, capacity fees will increase annually through FY 2020. Capacity fees for Single Family Dwellings (SFD) will increase from \$7,247 in FY 2018 to \$8,072 in FY 2019 (an increase of 11.4%), and capacity fees for Multi-family Dwellings will increase from \$6,211 in FY 2018 to \$6,919 in FY 2019 (also an increase of 11.4%).

Interest: Interest income is expected to increase 37.5% from the FY 2018 budget amount, and increase 22.8% from the FY 2018 estimated actual amount. This increase is based both on a higher average daily cash balance and increased interest rates. All indications are that the Federal Reserve will continue on its course of gradually raising interest rates as the overall economy continues to strengthen.

Other: Other revenues consist of rebates from the Self-Generation Incentive Program (SGIP) administered by the California Public Utilities Commission (CPUC) related to cogeneration.

SRF Loan Proceeds: Although the State Revolving Fund (SRF) has been, and will likely continue to be, an ongoing source of funding for District capital needs, no SRF loan proceeds are anticipated to be received in FY 2019.

EXPENDITURES: Expenditures in the Capacity Fund are anticipated to decrease 5.8% in comparison to the FY 2018 budget. This is attributable to decreased spending on capital projects, partially offset by increased debt service costs. Both of these items are discussed in more detail later in this document.

Capacity Fund Reserves: In FY 2019, approximately \$12.4 million is anticipated to be transferred to reserves. Because Capacity Fees are collected in accordance with AB 1600, they are subject to regulatory restriction. As a result, \$46,021,493 is restricted for use on capital projects that increase the District’s capacity to serve new development.

CAPITAL PROJECTS

Capital projects are accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District adopts a 20-year Capital Improvement Plan (CIP) each year in conjunction with the adoption of the annual operating budget. Actual appropriations are established at 90% of the CIP amount for that year. Although spending for capital projects is anticipated to be lower in FY 2019 than in the prior year, it is expected to increase substantially in later years. Through FY 2028, the CIP includes projects totaling over \$463 million. By FY 2038, this amount will grow to \$751.5 million.

Below is information about capital projects spending for FY 2018 and FY 2019:

	Budget FY 2018	Estimated Actual FY 2018	Adopted Budget FY 2019	% Change
Sewer Service Fund – Structural Renewal and Replacement	\$6,660,000	\$5,756,870	\$ 6,142,500	(7.8)
Capacity Fund	3,420,000	2,821,170	3,150,000	(7.9)
Total Capital Projects	\$10,080,000	\$8,578,040	\$9,292,500	(7.8)

Key elements of the FY 2019 capital improvement program include *design* of the following projects:

- **Standby Power Generation System Upgrade** – The plant’s standby diesel generators are at the end of their useful lives, and the generator controls are obsolete and complicated to update and maintain. This project will replace the existing equipment with new generators and updated controls.
- **Alvarado Pump Station Pumps and VFD Replacement** – This project will replace the station’s wastewater pumps, variable frequency drives (VFDs), and electrical switchboard because they are at the end of their useful lives, and replacement parts are difficult to obtain because of lack of availability of original equipment and manufacturers’ support.
- **Digester No. 2 Inspection and Rehab** -This project will include inspection and analysis of the exact condition of existing Digester No.2 and provide design for rehabilitation of the structure to maintain existing solids handling capacity.
- **Thickener Mechanisms** – This project will replace the entire upper gear rotating assemblies of two of the 4 the gravity thickeners to maintain existing solids handling capacity.

- **Headworks 3rd Bar Screen** – This project will install a new mechanical bar screen at the Headworks Building to improve removal of debris from the wastewater prior to the plant’s downstream processes, and to restore capacity and redundancy of the system.

Key elements of the FY 2019 capital improvement program include **construction** of the following projects:

- **Force Main Corrosion Repairs, Phase 2** – The project consists of removing and replacing manways and appurtenances of air release valves, blow offs and access manways; welding new steel components; sandblasting and painting / coating existing and new components; implementing biological control measures / BMPs and site restoration; access improvements to three sites; and bollard improvements and other miscellaneous repairs throughout the District’s service area.
- **Digester No. 7** – The Plant Solids Capacity/Assessment Study identified a need for reliable solids capacity in the primary digester system and recommended the District construct new Primary Digester No. 7.
- **Digester No. 3 Rehab** – This project will make structural repairs to the digester and modify the digested sludge and digester gas systems serving the digester and the Heating and Mixing Building No. 2. These improvements will extend the useful life of the digester and improve the reliability and operation of the digester process.
- **Cast Iron/Pipe Lining at Various Locations throughout the Tri-Cities** – The project will install full-length cured-in-place pipe (CIPP) lining of damaged sewer mains at several locations in the District’s service area.

DEBT SERVICE

Debt service is related to capital projects and is accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District has nine outstanding loans from the State Water Resources Control Board's Clean Water State Revolving Fund (SRF). Details about debt service payments are presented below:

Related Project	Sewer Service Fund – Structural Renewal and Replacement		Capacity Fund		Total Debt Service – FY 2019	Maturity Date
	FY 2018	FY 2019	FY 2018	FY 2019		
Irvington Equalization	\$ 681,123	\$ 681,123	\$ 227,041	\$ 227,041	\$ 908,164	8/30/2023
Willow/Central Avenue	108,385	108,385	0	0	108,385	11/16/2027
Lower Hetch Hetchy	139,634	139,634	0	0	139,634	11/17/2028
Newark Pump Station	342,703	342,703	342,702	342,702	685,405	1/26/2030
Cedar Blvd. Corridor Rehab.	127,349	127,349	0	0	127,349	2/26/2030
Primary Clarifier Rehab.	442,337	442,337	147,446	147,446	589,783	1/15/2033
Substation 1	157,327	157,327	0	0	157,327	2/28/2032
Boyce Road Lift Station	205,532	205,532	205,532	205,532	411,064	8/31/2032
Thickener Control Building	581,227	581,227	193,742	193,742	774,969	3/31/2037
Total Debt Service	\$2,785,617	\$2,785,617	\$1,116,463	\$1,116,463	\$3,902,080	

SPECIAL PROJECT EXPENDITURES

DESCRIPTION	Adopted Budget FY18	Estimated Actual FY18	Estimated Carryover	New \$ (Provision)	Adopted Budget FY19
Administrative & Regulatory					
Anticipated Biosolids Coalition Membership Dues	\$25,000	\$25,000	\$0	\$25,000	\$25,000
Anticipated Election Costs (Placeholder for 2020)	443,323	0	0	0	0
GIS JPA	22,000	37,000	0	27,000	27,000
IBB Labor Negotiations Facilitation	83,200	83,200	0	20,000	20,000
Public Information Program (USD newsletter)	100,000	85,000	15,000	75,000	90,000
Public Outreach (e.g., 2018 Centennial, FOG, Rebranding)	140,000	100,000	40,000	60,000	100,000
Sub-Total Administrative & Regulatory	\$813,523	\$330,200.00	\$55,000.00	\$207,000.00	\$262,000.00
Studies & Other					
Air Permitting Consultant Assistance	50,000	0	50,000	0	50,000
Alvarado Sub-Surface Investigation	10,000	6,550	3,450	6,550	10,000
Financial Master Plan	70,000	55,000	15,000	10,000	25,000
Forcemain Condition Assessment	100,000	17,028	0	10,000	10,000
Lateral Pilot Program - Condition Assessment	25,000	25,000	25,000	0	25,000
Local Limits Study	80,000	52,171	0	10,000	10,000
Newark Basin Master Plan/PACP Update	75,000	50,000	25,000	200,000	225,000
Odor Control Study Update	55,000	253,143	0	100,000	100,000
Plant Asset Condition Assessment Update	50,000	100,000	0	50,000	50,000
Plant Master Plan	175,000	225,898	0	100,000	100,000
Plant Solids System/Capacity Master Plan (Phases I and II)	110,000	151,200	0	0	0
Seismic Evaluation	20,000	12,000	8,000	0	8,000
Treatment Plant IT Network Master Plan	150,000	15,000	135,000	0	135,000
IT Master Plan	0	0	0	200,000	200,000
MBR Pilot Program	0	0	0	100,000	100,000
Water Reclamation Pilot Program	0	0	0	100,000	100,000
Sub-Total Studies & Other	970,000	962,990	261,450	886,550	1,148,000
Total Special Projects	\$1,783,523	\$1,293,190	\$316,450	\$1,093,550	\$1,410,000

**Annual Contract Purchases of Supplies, Services, and Vehicle and
Equipment Renewal /Replacement
Over \$100,000
for Fiscal Year 2019**

	<i>Estimated Expenditure</i>
Supplies:	
Sodium Hypochlorite, one-year contract with successful bidder	\$703,000
Polymer, emulsion, one-year contract with successful bidder	543,000
Ferrous Chloride, one-year contract with successful bidder	453,000
Hydrogen Peroxide, one-year contract with Evoqua	419,000
Biogas Treatment, year two of two-year contract with Prominent Systems, Inc.	161,000
Total Supplies	\$2,279,000
Services:	
CalPERS Retirement contribution payments for employees	\$4,413,343
State Water Resources Control Board - Debt payments for nine SRF loans	3,902,080
CalPERS Medical - payments for employee coverage	3,436,502
EBDA Operations & Maintenance payments	1,581,000
PG&E, electrical service - Alvarado site (\$1,150,000) and Newark P.S. (\$227,000)	1,377,000
Biosolids, year three of five with Synagro	856,000
CalPERS Retiree Medical Trust payments (ARC)	626,089
Insurance (Property & Contents, Fleet, General Liability)	302,500
Tiger natural gas service, billed through PG&E	285,000
Musgraves Consulting LLC contract for Business Services	180,000
Cogen #1 30K service (Primarily parts)	150,000
Grit screening and disposal, one-year contract	150,000
Total Services	\$17,259,514
Vehicle and Equipment Renewal/Replacement:	
(5) Servers	\$220,000
(2) Force Main Repair Couplings	210,000
Cured In Place Pipe Kits	150,000
Trailer Mounted Pump	130,000
Total Vehicle and Equipment Renewal/Replacement	\$710,000

USD 20-Year CIP, 2019-2038

Fund	%	Rank	Status	Project Name	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	10-Year Total	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	20-Year Total		
ADMINISTRATIVE FACILITIES																												
800		3		Additional CS (Vehicle) Storage					250						250												250	
800		1		Admin Bldg. Sesmic Upgrade and Leak Repairs		200	200				3,600	3,700			7,700												7,700	
900		1		Admin Bldg. Sesmic Upgrade and Leak Repairs											0												0	
800		1		Control Bldg. Sesmic Upgrade						200					200	1,300	1,400										2,900	
900		1		Control Bldg. Sesmic Upgrade											0												0	
800		1		Field Ops Bldg. Sesmic Upgrade and Leak Repairs						200			1,500	1,600	3,300												3,300	
900		1		Field Ops Bldg. Sesmic Upgrade and Leak Repairs											0												0	
800		2		FMC Bldg. - New		300	350	4,100	4,200						8,950												8,950	
900		2		FMC Bldg. - New											0												0	
800		2		FMC Bldg Renovation and Seismic		100	150			2,100					2,350												2,350	
800		3		FMC Storage						300					300												300	
800	0.75	2		Lab Remodel and Expansion											0	300	1,300	1,300									2,900	
900	0.25	2		Lab Remodel and Expansion											0	100	350	350									800	
800		3	Des/Constr	Plant Paving	250			250				300		200	1,000		200		200		200		200		200		2,000	
800		2		Radio Repeater Antenna Replacement											0	150											150	
800	0.50	3		Solar Panels at Alvarado - Phase II											0				100								100	
900	0.50	3		Solar Panels at Alvarado - Phase II			150	1,500							1,650				100								1,750	
800	0.50	2		Solar Panel Replacement at Carport			50								50		300										350	
900	0.50	2		Solar Panel Replacement at Carport			50								50		300										350	
800	0.50	2		Solar Panel Replacement at Irvington				150							150				900								1,050	
900	0.50	2		Solar Panel Replacement at Irvington				150							150				900								1,050	
Total for ADMINISTRATIVE FACILITIES					250	600	950	6,150	4,450	2,400	4,000	4,000	1,500	1,800	26,100	1,850	3,250	2,250	2,200	0	200	0	200	0	200	36,250		
Total Priority 1 Administrative Projects					0	200	200	0	0	0	4,000	3,700	1,500	1,600	11,200	1,300	1,400	0	0	0	0	0	0	0	0	0	13,900	
Total Priority 2 Administrative Projects					0	400	600	4,400	4,200	2,100	0	0	0	0	11,700	550	1,650	2,250	1,800	0	0	0	0	0	0	0	0	17,950
Total Priority 3 Administrative Projects					250	0	150	1,750	250	300	0	300	0	200	3,200	0	200	0	400	0	200	0	200	0	200	0	200	4,400
Total Fund 800 - Administrative Facilities					250	600	750	4,500	4,450	2,400	4,000	4,000	1,500	1,800	24,250	1,750	2,900	1,600	1,200	0	200	0	200	0	200	0	200	32,300
Total Fund 900 - Administrative Facilities					0	0	200	1,650	0	0	0	0	0	0	1,850	100	350	650	1,000	0	0	0	0	0	0	0	0	3,950
COLLECTION SYSTEM																												
800		2	Constr	Cast Iron/Pipe Lining	500		500		500		500		500		2,500	500		500		500		500		500		500	5,000	
800		1	Pre-design	Central Avenue Sanitary Sewer Relocation	100										100												100	
800		2		Gravity Sewer Rehab/Replacement		1,500		1,500		1,500		1,500		1,500	7,500		1,500		1,500		1,500		1,500		1,500	15,000		
800		1		RCP Sewer Rehab (Alvarado Basin)					300	3,000					3,300												3,300	
800		1		RCP Sewer Rehab (Irvington Basin)				300	3,000						3,300												3,300	
800		1		RCP Sewer Rehab (Newark Basin)		300	3,000								3,300												3,300	
900		3		Stevenson at Davis St.		150	1,000								1,150												1,150	
Total for COLLECTION SYSTEM					600	1,950	4,500	1,800	3,800	4,500	500	1,500	500	1,500	21,150	500	1,500	500	1,500	500	1,500	500	1,500	500	1,500	31,150		
Total Priority 1 Collection Projects					100	300	3,000	300	3,300	3,000	0	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	10,000
Total Priority 2 Collection Projects					500	1,500	500	1,500	500	1,500	500	1,500	500	1,500	10,000	500	1,500	500	1,500	500	1,500	500	1,500	500	1,500	500	1,500	20,000
Total Priority 3 Collection Projects					0	150	1,000	0	0	0	0	0	0	0	1,150	0	0	0	0	0	0	0	0	0	0	0	0	1,150

USD 20-Year CIP, 2019-2038

Fund	%	Rank	Status	Project Name	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	10-Year Total	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	20-Year Total	
Total Fund 800 - Collection System					600	1,800	3,500	1,800	3,800	4,500	500	1,500	500	1,500	20,000	500	1,500	500	1,500	500	1,500	500	1,500	500	1,500	30,000	
Total Fund 900 - Collection System					0	150	1,000	0	0	0	0	0	0	0	1,150	0	0	0	0	0	0	0	0	0	0	1,150	
TRANSPORT SYSTEM PROJECTS																											
800	0.50	2		Alameda Creek Crossing Lift Station											0	250		2,500	1,500							4,250	
900	0.50	2		Alameda Creek Crossing Lift Station											0	250		2,500	1,500							4,250	
800		2	Des/Constr	Cathodic Protection Improvements - Transport	150			150			150				600			150			150			150		1,050	
900		2		Cathodic Protection Improvements - Transport											0											0	
800	0.50	1	Predesign	Cherry St. PS	75	225	600	600							1,500											1,500	
900	0.50	1		Cherry St. PS	75	225	600	600							1,500											1,500	
900		2		Equalization Storage @ Alvarado			50	1,700	4,250						6,000											6,000	
900		2	Predesign	Equalization Storage @ Irvington	50										50		400	4,000								4,450	
900		2	Predesign	Equalization Storage @ Newark	100	500	2,500	2,500							5,600											5,600	
800		1	Constr	Forcemain Corrosion Repairs - Phase 2	1,000										1,000											1,000	
800		1	Design	Forcemain Corrosion Repairs - Phase 3	75	1,000									1,075											1,075	
800		1		Forcemain Corrosion Repairs - Phase 4		75	1,000								1,075											1,075	
800		3		Forcemain Lining											0			1,000	13,000	13,000	13,000	13,000				53,000	
800		3	Planning	Hayward Marsh Equipment Removal		100	1,000								1,100											1,100	
800	0.50	2		Irvington PS Pumps and VFDs					200	1,200	1,200				2,600											2,600	
900	0.50	2		Irvington PS Pumps and VFDs					200	1,200	1,200				2,600											2,600	
800	0.50	2	Predesign	Newark and Irvington PS Chemical System Impr	25			75	500	100					700											700	
900	0.50	2	Predesign	Newark and Irvington PS Chemical System Impr	25			75	500	100					700											700	
800		2	Des/Constr	Newark Plant Site Security	100										100											100	
800	0.50	2		Newark PS Pumps and VFDs							300	675	2,025		3,000											3,000	
900	0.50	2		Newark PS Pumps and VFDs							300	675	2,025		3,000											3,000	
800		3		Pump Station Asset Condition Assessment R&R		400			2,300		6,800	800	175		10,475		5,000					100	8,000	8,200	550	32,325	
800		3		Transport System Misc. Projects		250	250	250	250	250	250	250	250	250	2,250	250	250	250	250	250	250	250	250	250	250	4,750	
900		3		Transport System Misc. Projects											0											0	
800	0.50	1	Planning	Wet Weather Flow Management	1,175	500	300	2,500	2,075						6,550											6,550	
900	0.50	1	Planning	Wet Weather Flow Management	1,175	500	300	2,500	2,075						6,550											6,550	
Total for TRANSPORT SYSTEM PROJECTS					4,025	3,775	6,600	10,950	12,350	2,850	10,200	2,400	4,475	400	58,025	750	5,650	10,400	16,250	13,250	13,400	13,350	8,250	8,600	800	148,725	
Total Priority 1 Transport Projects					3,575	2,525	2,800	6,200	4,150	0	0	0	0	0	19,250	0	0	0	0	0	0	0	0	0	0	0	19,250
Total Priority 2 Transport Projects					450	500	2,550	4,500	5,650	2,600	3,150	1,350	4,050	150	24,950	500	400	9,150	3,000	0	150	0	0	150	0	38,300	
Total Priority 3 Transport Projects					0	750	1,250	250	2,550	250	7,050	1,050	425	250	13,825	250	5,250	1,250	13,250	13,250	13,250	13,350	8,250	8,450	800	91,175	
Total Fund 800 - Transport System					2,600	2,550	3,150	3,575	5,325	1,550	8,700	1,725	2,450	400	32,025	500	5,250	3,900	14,750	13,250	13,400	13,350	8,250	8,600	800	114,075	
Total Fund 900 - Transport System					1,425	1,225	3,450	7,375	7,025	1,300	1,500	675	2,025	0	26,000	250	400	6,500	1,500	0	0	0	0	0	0	0	34,650

USD 20-Year CIP, 2019-2038

Fund	%	Rank	Status	Project Name	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	10-Year Total	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	20-Year Total	
TREATMENT PROJECTS																											
800		2		30" ML Pipe Lining				100	550						650											650	
800	0.50	2		Aeration Blowers 7-9 Replacement					100	1,250	1,500				2,850											2,850	
900	0.50	2		Aeration Blowers 7-9 Replacement					100	1,250	1,500				2,850											2,850	
900		2	Design	Aeration Blower 11 (High Speed)	100	1,500									1,600											1,600	
800	0.50	2		Aeration Internal Lift Pumps					100	1,500					1,600											1,600	
900	0.50	2		Aeration Internal Lift Pumps					100	1,500					1,600											1,600	
900		1	Planning	Aeration Tank (East) Baffling and Improvements		2,500	2,600	800							5,900											5,900	
800		1		Aeration Tank (East) Roof		1,050	1,600	500							3,150											3,150	
800	0.50	2	Design	Alvarado Influent PS Improvements	375	1,225	1,600								3,200											3,200	
900	0.50	2	Design	Alvarado Influent PS Improvements	375	1,225	1,600								3,200											3,200	
800		2		Alvarado Influent Valve Box Gate Valves 1-2		300									300											300	
800		3		Blower Bldg Channel Blower Demo & Repl			300								300											300	
900		3		Blower Bldg Channel Blower Demo & Repl			300								300											300	
800		2		Blower Bldg (East) Ventilation Improvements											0											0	
800		2	Des/Constr	Cathodic Protection Improvements - Plant		150		150		150		150		150	750		150		150		150		150		150	1,500	
900		2		Cathodic Protection Improvements - Plant											0											0	
800		2		Centrifuge Building Sludge Loadout Room Extension		200									200											200	
900		2		Centrifuge Building Sludge Loadout Room Extension											0											0	
800		2		Centrifuge Building Water Lines Replacement			200								200											200	
900		2		Centrifuge Building Water Lines Replacement											0											0	
800	0.50	2	Predesign	Centrifuge Conveyance	100	150	1,100	1,100	500						2,950											2,950	
900	0.50	2	Predesign	Centrifuge Conveyance	100	150	1,100	1,100	500						2,950											2,950	
800	0.50	2		Centrifuge Replacement				300		1,550	1,600	850			4,300											4,300	
900	0.50	2		Centrifuge Replacement				300		1,550	1,600	850			4,300											4,300	
800		3		Co-Digestion											0											0	
900		3		Co-Digestion											0											0	
800	0.50	1	Planning	Cogen Building Ventilation	25										25											25	
900	0.50	1	Planning	Cogen Building Ventilation	25										25											25	
800	0.50	1		Cogen Engine No. 1 Block Replacement				250						300	550						375					925	
900	0.50	1		Cogen Engine No. 1 Block Replacement				250						300	550						375					925	
800	0.50	1		Cogen Engine No. 2 Block Replacement		250						250			500				350					425		1,275	
900	0.50	1		Cogen Engine No. 2 Block Replacement		250						250			500				350					425		1,275	
800	0.50	2	Des/Constr	Cogen Natural Gas and Power Meters	25	125									150											150	
900	0.50	2	Des/Constr	Cogen Natural Gas and Power Meters	25	125									150											150	
800	0.50	2		Cogen Retrofit							50	650			700											700	
900	0.50	2		Cogen Retrofit							50	650			700											700	
800		2		Contact Tank Improvements											0		500	4,000	4,000							8,500	
800		2	Predesign	Control Box No. 1 Improvements	100	400	1,600	1,600							3,700											3,700	
900		2	Des/Constr	Degritter Building 2W Pipeline	50										50											50	
800		2		Degritter Building Roof (Seismic) Replacement											0		500	3,000	1,700							5,200	

USD 20-Year CIP, 2019-2038

Fund	%	Rank	Status	Project Name	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	10-Year Total	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	20-Year Total
800	0.50	2		Degritters 1 and 2 Replacement						200	800	1,000			2,000											2,000
900	0.50	2		Degritters 1 and 2 Replacement						200	800	1,000			2,000											2,000
900		2		Degritter No. 4			200	600	1,050						1,850											1,850
800		3		Diffuser Replacement					600						600	950	750						1,200	950		4,450
900		3		Digester Additional Capacity									1,000	1,050	2,050	3,950	12,250	4,250				850	850	3,650	15,200	43,050
800		2		Digester Inspection and Rehab			100	100	100	200	150	150	150	150	1,100	150	250	200	200	200	200	200	300	250	250	3,300
800		1	Design	Digester No. 2 Insp & Rehab	200	1,800									2,000											2,000
800		1	Constr	Digester No. 3 Insp & Rehab	300										300											300
900		1	Des/Constr	Digester No. 7	1,000	6,450	6,450	1,600							15,500											15,500
800	0.50	2	Design	Emergency Outfall Outlet Improvements	75	500	150								725											725
900	0.50	2	Design	Emergency Outfall Outlet Improvements	75	500	150								725											725
900		1	Design	Headworks 3rd Bar Screen	150	1,250	100								1,500											1,500
800		2		Headworks Gates											0		500	3,500								4,000
800		2		Headworks Bar Screens 1-2 Replacement			300	2,000	1,000						3,300											3,300
800		2		MCC Replacement		150	150	100	1,000					150	1,550	500										2,050
800		2		Misc. Electrical Equipment Upgrade		500		500		500		1,000		500	3,000		500		500		500		500			5,000
800		2		Misc. Projects		300	300	300	300	300	300	300	300	300	2,700	300	300	300	300	300	300	300	300	300	300	5,700
800	0.50	3		Nutrient Removal							2,000	4,500	17,000	16,000	39,500	14,000										53,500
900	0.50	3		Nutrient Removal							2,000	4,500	17,000	16,000	39,500	14,000										53,500
900		2		Nutrient Sidestream Removal			850	1,600	5,000	1,700					9,150											9,150
800		2	Planning	Odor Scrubber System Improvements	100			550	5,500		600	6,000			12,750				600	6,000	8,500		9,100	9,400		46,350
900		2		Odor Scrubber System Improvements											0											0
800		2		Plant Asset Condition Assessment R&R		700	1,200	2,900	850	5,600	1,700	6,100			19,050		1,050	2,400		2,500		2,750		4,500		32,250
900		2		Plant Asset Condition Assessment R&R											0											0
800		2		Plant 12kV Switchgear						700	3,500				4,200											4,200
900		2		Plant 12kV Switchgear											0											0
800		2		Plant 5kV Switchgear						700	2,800				3,500											3,500
900		2		Plant 5kV Switchgear											0											0
800	0.50	2		Plant Fiber Optic Network		50	150			75	500				775											775
900	0.50	2		Plant Fiber Optic Network		50	150			75	500				775											775
800		2	Des/Constr	Plant Grating Replacement	100										100											100
900		2		Plant Grating Replacement											0											0
800		2		PLC Replacement			200				250				450	300				350				400		1,500
800		1		Primary Clarifier (1 - 4) Sesmic Upgrade			350	2,100	2,200						4,650											4,650
900		1		Primary Clarifier (1 - 4) Sesmic Upgrade											0											0
800	0.75	2		Primary Clarifier Rehab (5-6)							750	4,125	4,125	750	9,750											9,750
900	0.25	2		Primary Clarifier Rehab (5-6)							250	1,375	1,375	250	3,250											3,250
800	0.50	2	Constr	RAS Control Interim Improvements	50										50											50
900	0.50	2	Constr	RAS Control Interim Improvements	50										50											50

USD 20-Year CIP, 2019-2038

Fund	%	Rank	Status	Project Name	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	10-Year Total	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	20-Year Total	
800	0.50	2		RAS PS Pumps Replacement											0											0	
900	0.50	2		RAS PS Pumps Replacement											0											0	
800		3		Reclaimed Water Plant											0											0	
900		3		Reclaimed Water Plant											0											0	
800		2		Rehabilitation of Structures		200	200	200	200	200	200	200	200	200	1,800	200	200	200	200	200	200	200	200	200	200	200	3,800
800	0.75	2		Sec. Clarifiers No. 5 and 6 Rehabilitation											0											0	
900	0.25	2		Sec. Clarifiers No. 5 and 6 Rehabilitation											0											0	
800	0.50	1	Pre-design	Secondary Treatment Cap. Improv - Design	125	875									1,000											1,000	
900	0.50	1	Pre-design	Secondary Treatment Cap. Improv - Design	125	875									1,000											1,000	
800	0.50	3	Des/Constr	Secondary Treatment Cap. Improv - Construction			8,500	8,500	8,250	3,500					28,750											28,750	
900	0.50	3	Des/Constr	Secondary Treatment Cap. Improv - Construction			8,500	8,500	8,250	3,500					28,750											28,750	
800		2		Seismic Retrofit of Conc. Structures				200	2,000	300	3,000	300	3,000	300	9,100	3,000	300	3,000	300	3,000	300	3,000	300	3,000	3,000	25,600	
900		2		Seismic Retrofit of Conc. Structures											0											0	
800	0.50	2		Site Drainage Improvements					200	2,300					2,500											2,500	
900	0.50	2		Site Drainage Improvements					200	2,300					2,500											2,500	
800	0.50	2		Sludge Recirculation Pump Replacement			100	75							175				100							275	
900	0.50	2		Sludge Recirculation Pump Replacement			100	75							175				100							275	
800		2	Design	Standby Power Generation System Upgrade	1,500	11,000	11,000	3,000							26,500	500	4,500									31,500	
800		2		Switchboard 3 Replacement				50	300						350											350	
900		2		Switchboard 3 Replacement											0											0	
800		2		Switchboard 4 Replacement				50	325						375											375	
900		2		Switchboard 4 Replacement											0											0	
800		2	Design	Thickener Mechanisms	200	2,000									2,200						300	3,000				5,500	
900		2	Design	Thickener Mechanisms											0											0	
800		2		Truck Scales Improvements		150									150											150	
800		1	Pre-design	WAS Thickeners	100	3,000	4,400	500							8,000											8,000	
800	0.50	2		Water Storage Tank											0	25	600									625	
900	0.50	2		Water Storage Tank											0	25	600									625	
900		3		Waste Recycling and Alternative Energy						500	5,000				5,500											5,500	
Total for TREATMENT					5,450	39,950	55,600	40,100	41,800	28,425	26,900	39,200	44,150	36,400	357,975	37,900	22,950	20,850	8,850	12,550	11,200	10,300	12,900	15,450	24,450	535,375	
Total Priority 1 Treatment Projects					2,050	18,300	15,500	6,000	2,200	0	0	500	0	600	45,150	0	0	0	700	0	750	0	0	0	850	47,450	
Total Priority 2 Treatment Projects					3,400	21,650	22,500	17,100	22,500	21,425	22,400	24,700	9,150	2,750	167,575	5,000	9,950	16,600	8,150	12,550	10,450	9,450	10,850	10,850	8,400	269,825	
Total Priority 3 Treatment Projects					0	0	17,600	17,000	17,100	7,000	4,500	14,000	35,000	33,050	145,250	32,900	13,000	4,250	0	0	0	850	2,050	4,600	15,200	218,100	
Total Fund 800 - Treatment Plant					3,375	25,075	33,500	25,175	25,200	17,850	19,700	25,575	24,775	18,800	219,025	19,925	10,100	16,600	8,400	12,550	10,825	9,450	12,050	11,800	8,825	339,550	
Total Fund 900 - Treatment Plant					2,075	14,875	22,100	14,925	16,600	10,575	7,200	13,625	19,375	17,600	138,950	17,975	12,850	4,250	450	0	375	850	850	3,650	15,625	195,825	
GRAND TOTAL					10,325	46,275	67,650	59,000	62,400	38,175	41,600	47,100	50,625	40,100	463,250	41,000	33,350	34,000	28,800	26,300	26,300	24,150	22,850	24,550	26,950	751,500	
TOTAL PRIORITY 1 PROJECTS					5,725	21,325	21,500	12,500	9,650	3,000	4,000	4,200	1,500	2,200	85,600	1,300	1,400	0	700	0	750	0	0	0	850	90,600	
TOTAL PRIORITY 2 PROJECTS					4,350	24,050	26,150	27,500	32,850	27,625	26,050	27,550	13,700	4,400	214,225	6,550	13,500	28,500	14,450	13,050	12,100	9,950	12,350	11,500	9,900	346,075	
TOTAL PRIORITY 3 PROJECTS					250	900	20,000	19,000	19,900	7,550	11,550	15,350	35,425	33,500	163,425	33,150	18,450	5,500	13,650	13,250	13,450	14,200	10,500	13,050	16,200	314,825	
FUND 800 - Structural Renewal & Replacement					6,825	30,025	40,900	35,050	38,775	26,300	32,900	32,800	29,225	22,500	295,300	22,675	19,750	22,600	25,850	26,300	25,925	23,300	22,000	20,900	11,325	515,925	
FUND 900 - Capacity					3,500	16,250	26,750	23,950	23,625	11,875	8,700	14,300	21,400	17,600	167,950	18,325	13,600	11,400	2,950	0	375	850	850	3,650	15,625	235,575	