

**EAST PALO ALTO
SANITARY DISTRICT**



**APPROVED
BUDGET
FY 2016-2017**

EAST PALO ALTO SANITARY DISTRICT
BUDGET MESSAGE
FISCAL YEAR 2016-2017

FINAL BUDGET

It is my pleasure to submit to you the East Palo Alto Sanitary District Operating and Capital Budget, for the fiscal year 2016 – 2017, for your consideration.

The purpose of this Budget is to provide the District Board and the General Manager with the financial information necessary for the allocation of resources to accomplish the goals and objectives of the District. I am delighted this spending plan is being achieved without a sewage rate increase. This budget will be furthering the advancement of the District's vision, mission and core values.

OPERATING AND CAPITAL BUDGETS

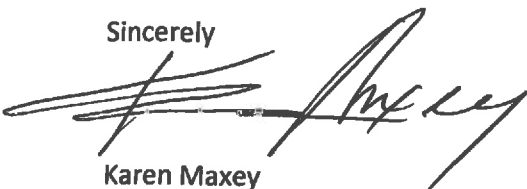
Each year the District provides comprehensive Operating and Capital Budget with the goal of allowing the District to provide high quality service and meet state and federal environmental regulations. The District's Board of Directors adopts the annual budget in June of each year.

The FY 2016/2017 budget is based on operating revenues of \$4,917,254 and operating expenses of \$4,158,185, which reflect an increase of 1.01% in operating revenues and an increase of 1.01% in operating expenses, over last year's budget submittal. New requests in the Capital Improvement Project (CIP) budget include sewer improvement project expenses of \$1,696,000. Total revenues of \$5,187,014 and total expenses of \$5,933,185 are budgeted, representing a 1.06% increase in revenues and a 1.21% increase in expenses over last year's submittal.

FINANCIAL MANAGEMENT

Being responsible with and effectively managing the District's funds is a high priority for the East Palo Alto Sanitary District. The District manages its finances in order to provide daily services as well as plan for the maintenance, improvement and expansion of the sewer collection system and wastewater treatment systems. The fiscal year 2016-2017 budget will continue the District's history of responsible fiscal management.

Sincerely

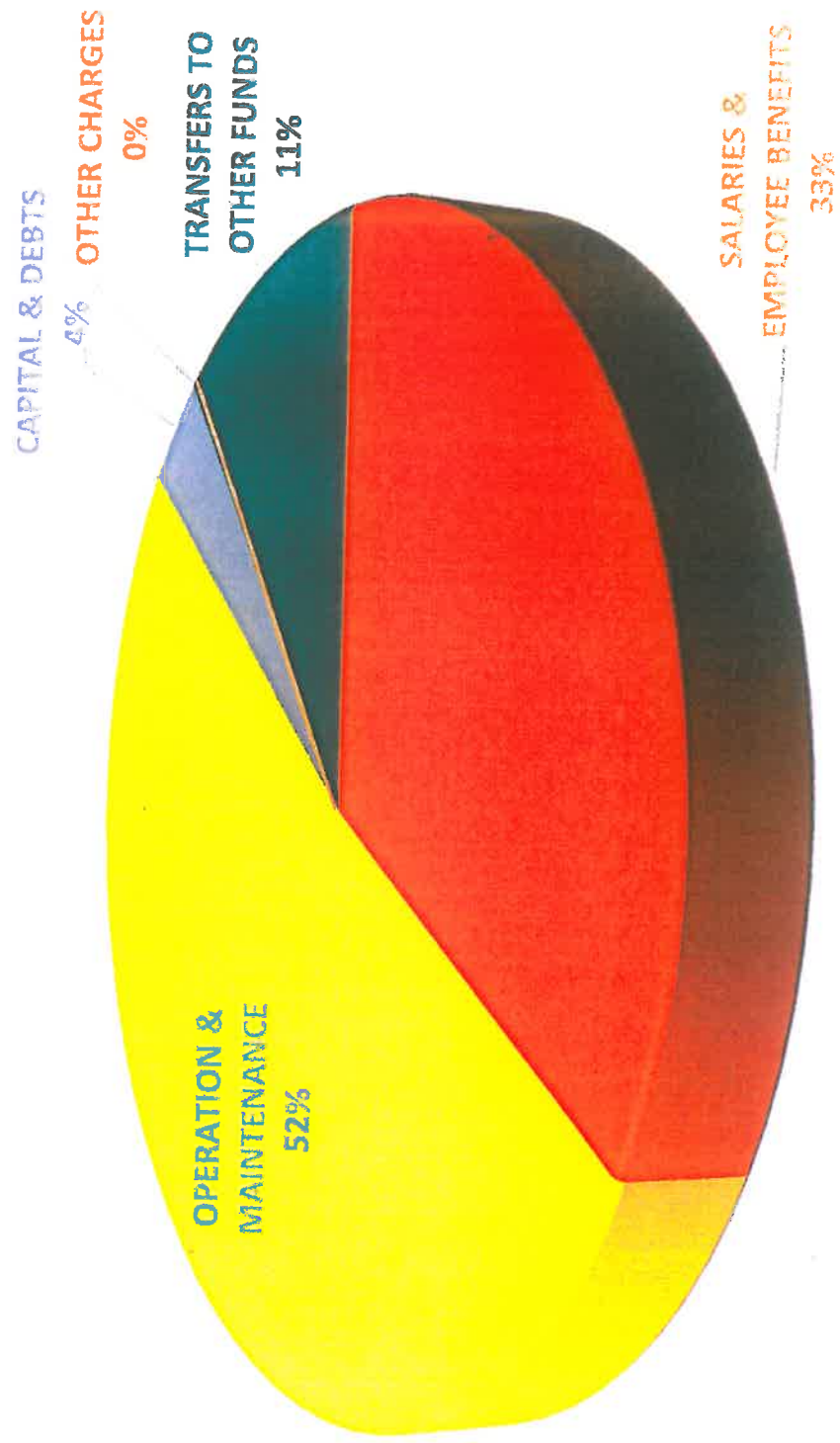


Karen Maxey
Interim General Manager

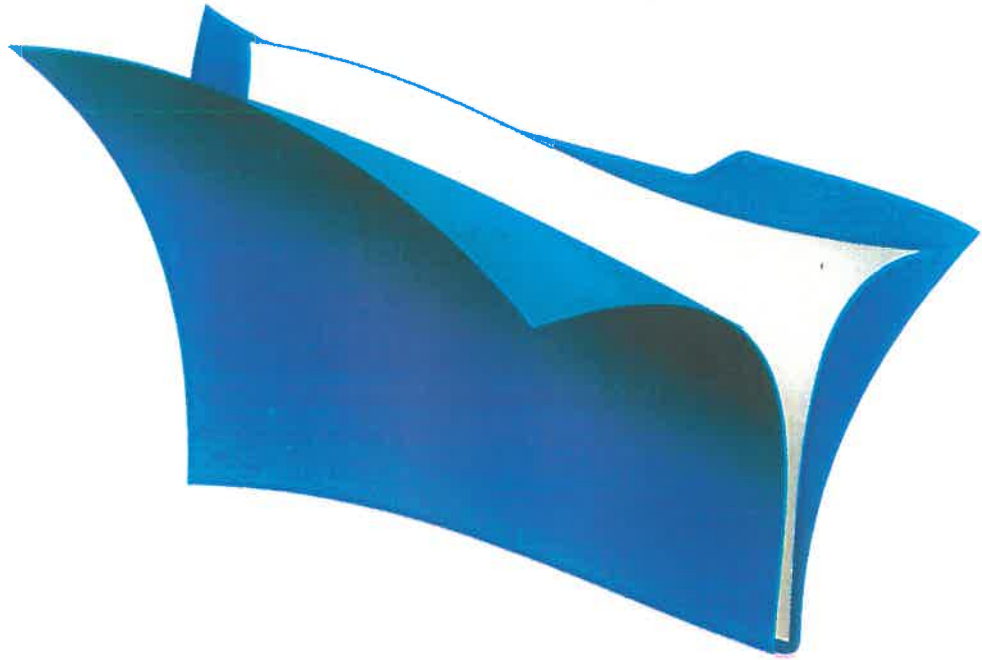
EAST PALO ALTO SANITARY DISTRICT
Approved Budget - General Fund #02545
Fiscal Year 2016-2017

EXPENDITURES		Actual	Revised	Approved
CODE	SALARIES & EMPLOYEE BENEFIT	Expenses	Budget	Budget
		2014-2015	2015-2016	2016-2017
4111	Wages	901,318	972,500	890,000
4192	Directors Fees	50,895	56,000	52,100
4631	Employees Benefits	562,286	565,000	593,250
	SUB TOTAL	1,514,499	1,593,500	1,535,350
OPERATION & MAINTENANCE				
5188	Other Operating Supplies	1,029	1,600	1,900
5193	Office Expenses	28,353	22,500	29,500
5314	Election Expenses	-	-	-
5332	Membership	14,241	30,000	26,400
5341	Publication & Legal Notice	9,263	30,000	15,000
5416	Gas, Fuel	8,986	12,000	9,500
5459	Repair & Maintenance	54,900	56,000	56,000
5521	Rents & Leases	3,618	8,000	5,500
5638	Utilities	31,825	40,000	33,000
5721	Travel & Meeting	18,355	29,000	25,000
5731	Training & Education	7,950	18,000	13,500
5817	Contract Sewage Services	1,247,948	1,513,000	1,639,135
5858	Contractual Services	159,127	161,000	172,000
5861	Engineering Services	106,547	85,000	95,000
5872	Prof & Spec Services	78,000	90,000	90,000
5876	Professional Services	60,246	50,000	65,000
5958	Research & Monitoring	-	1,900	400
5966	Operating Supplies	2,148	6,000	6,000
5969	Special Expenses	49,162	32,000	30,000
6731	Insurance	40,868	50,000	45,000
6732	Legal Services	46,918	56,000	55,000
	SUB TOTAL	1,969,486	2,292,000	2,412,835
CAPITAL & DEBTS				
7211	Gen Fac Financing Corp Bnd	-	-	-
7311	Equipment Expenses	-	150,000	80,000
6322	Repay Treatment Plant	75,318	80,000	80,000
	SUB TOTAL	75,318	230,000	160,000
OTHER CHARGES				
8810	Contingency	-	-	-
	SUB TOTAL	-	-	-
TRANSFERS TO OTHER FUNDS				
7541	Construction/Replacement	-	-	500,000
7541	Treatment Plant Reserve	410,000	764,500	-
7541	Rate Stabilization	-	-	-
	SUB TOTAL	410,000	764,500	500,000
	GRAND TOTAL	\$ 3,969,303	\$ 4,880,000	\$ 4,608,185

APPROVED BUDGET GENERAL FUND FY 2016/17



EXPENDITURES



EAST PALO ALTO SAN JUAN DISTRICT
APPROVED BUDGET SUMMARY FOR ALL FUNDS FY 2016-2017

Budget Based \$575.00 Rate Per Residential Unit

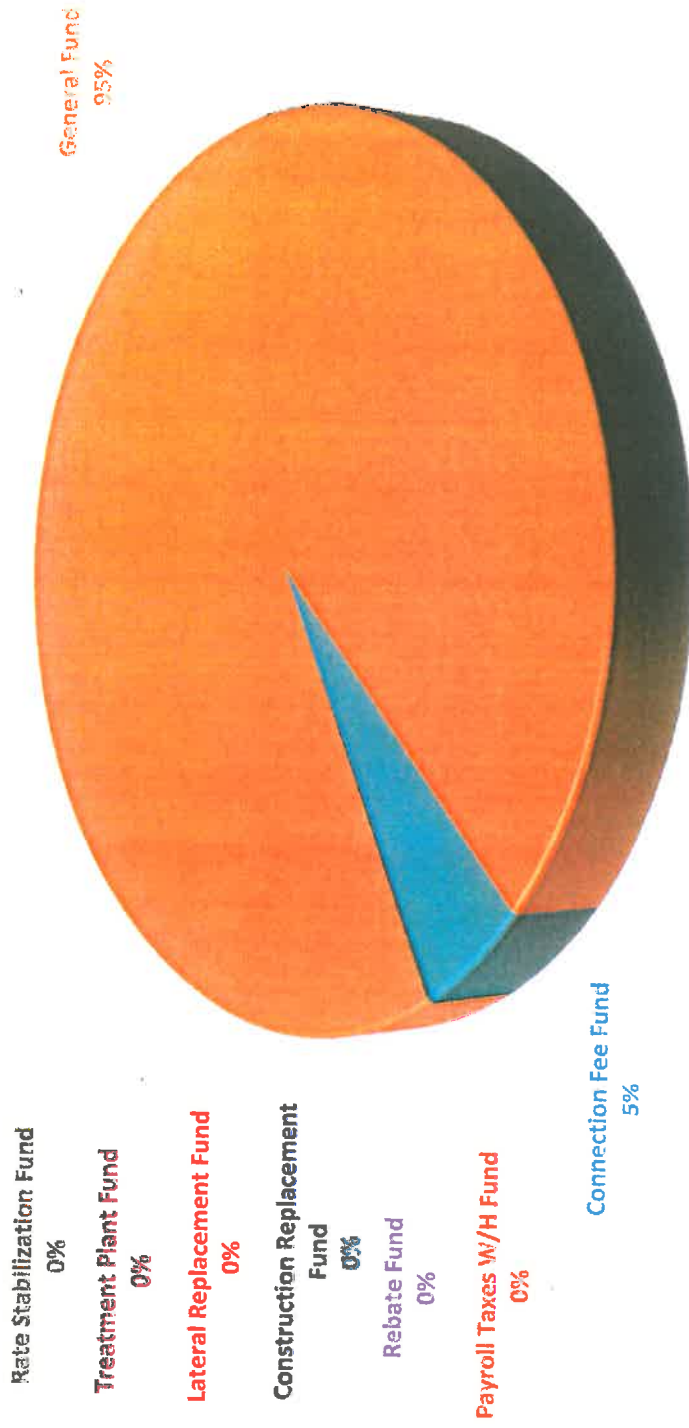
Revenue For The Fiscal Year 2016-2017

	2545 General Fund	2541 Connection Fee Fund	2542 Rebate Fund	2544 Payroll Taxes W/H Fund	2546 Construction Replacement Fund	2547 Lateral Replacement Fund	2548 Treatment Plant Fund	2549 Rate Stabilization Fund	EPASD All Funds
Beginning Fund Balance	\$ 7,013,320	\$ 1,008,200	\$ -	\$ -	\$ 1,371,800	\$ 103,450	\$ 1,498,500	\$ 60,570	\$ 11,055,842
Sewer Service Charges	4,523,550	-	-	-	-	-	-	-	4,523,550
Property taxes	320,000	-	-	-	-	-	-	-	320,000
Connection Fee	-	250,000	-	-	-	-	-	-	250,000
Interest Income	48,000	6,000	-	-	6,500	300	6,800	160	67,760
Rental Income	25,704	-	-	-	-	-	-	-	25,704
Total Projected Revenue	4,917,254	256,000	-	-	6,500	300	6,800	160	5,187,014
Interfund Transfers	-	-	-	-	500,000	-	-	-	500,000
Total Available Revenues	\$ 11,930,574	\$ 1,264,200	\$ -	\$ -	\$ 1,878,300	\$ 103,750	\$ 1,505,300	\$ 60,730	\$ 16,742,856

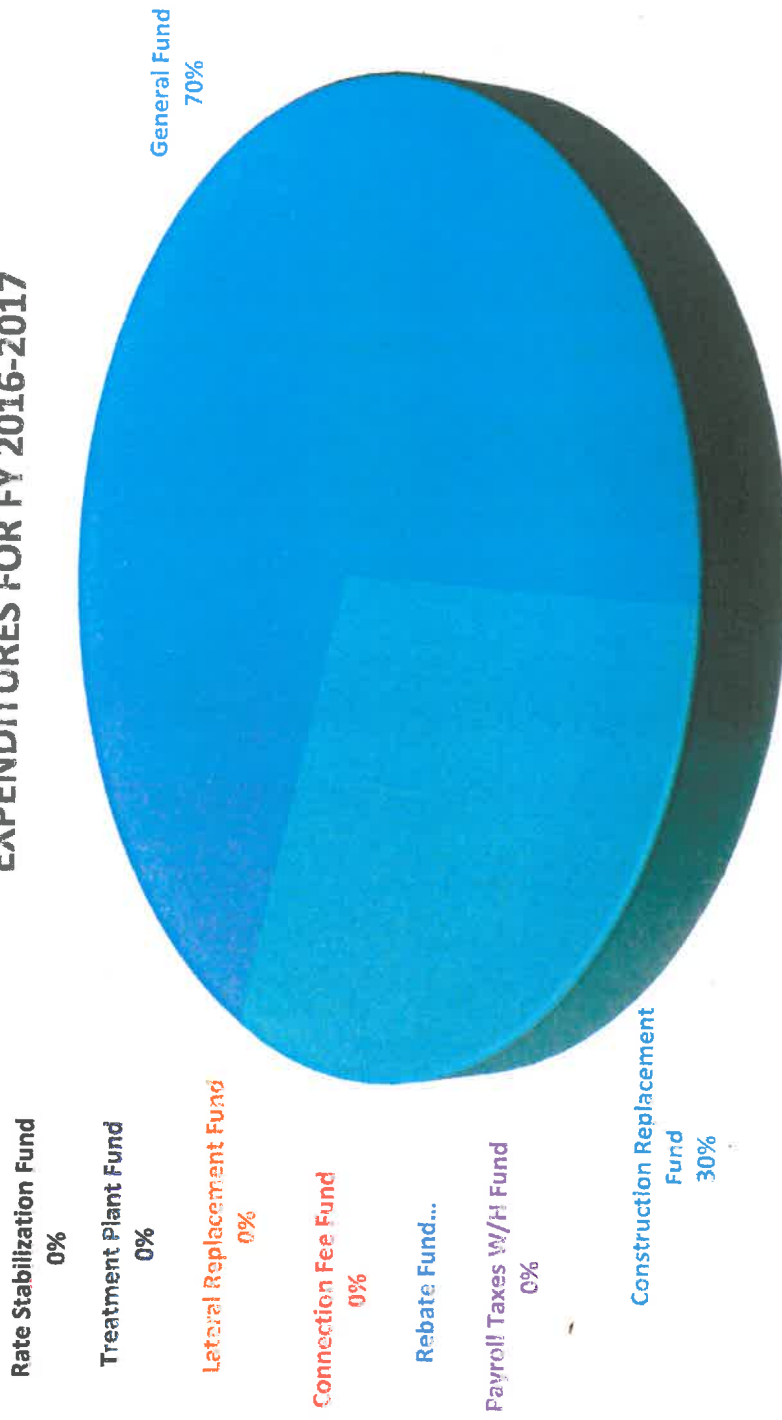
Expenditure For The Fiscal Year 2016-2017

	2545 General Fund	2541 Connection Fee Fund	2542 Rebate Fund	2544 Payroll Taxes W/H Fund	2546 Construction Replacement Fund	2547 Lateral Replacement Fund	2548 Treatment Plant Fund	2549 Rate Stabilization Fund	EPASD All Funds
Personnel & Other Operating	2,231,050	-	-	-	-	-	-	-	2,231,050
Employees' Post Employment Benefits	78,000	-	-	-	-	-	-	-	78,000
Engineering Services	-	-	-	-	-	-	-	-	-
Treatment Plant (RWQCP)	1,639,135	-	-	-	-	-	-	-	1,639,135
Total Operating Expenditures	3,948,185	-	-	-	-	-	-	-	3,948,185
Long Term Debt Service	80,000	-	-	-	-	-	-	-	80,000
2011 SFR Loan	-	-	-	-	79,000	-	-	-	79,000
Fixed Assets/Equipment	80,000	-	-	-	-	-	-	-	80,000
Capital Projects	-	-	-	-	1,696,000	-	-	-	1,696,000
Factor Truck Lease	50,000	-	-	-	-	-	-	-	50,000
Total Budgeted Expenditures	4,158,185	-	-	-	1,775,000	-	-	-	5,933,185
Interfund Transfers	500,000	-	-	-	-	-	-	-	500,000
Ending Fund Balance	\$ 7,272,389	\$ 1,264,200	\$ -	\$ -	\$ 103,300	\$ 103,750	\$ 1,505,300	\$ 60,730	\$ 10,309,671

REVENUE FOR FY 2016-2017



EXPENDITURES FOR FY 2016-2017



Rate Stabilization Fund
0%

Treatment Plant Fund
0%

Lateral Replacement Fund
0%

Connection Fee Fund
0%

Rebate Fund...

Payroll Taxes W/H Fund
0%

Construction Replacement
Fund
30%

SALARIES & EMPLOYEE BENEFITS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

SALARIES AND WAGES 4111

This account includes salaries, wages and other considerations for District employees chargeable to operations. This amount includes annual merit increase, overtime and differentials. Based on 40 standard hours work week for the entire fiscal year.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 901,318	\$ 972,500	\$ 890,000

DIRECTORS FEES 4192

This account includes fees paid to directors for regular and special Board meetings and committee meetings and conference attendance

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 50,895	\$ 56,000	\$ 52,100

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

EMPLOYEE BENEFITS 4631

This account includes:

*Employee Retirement Systems
Health, Dental, Life, and Accident Insurance
Unemployment Insurance
State Disability Insurance
Worker's Compensation Premiums
Long Term Disability
Health Club Membership*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 562,286	\$ 565,000	\$ 593,250

OPERATIONS & MAINTENANCE



EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017

OTHER OPERATING SUPPLIES 5188

This account includes all operating expenses not includible in other expense categories

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 1,029	\$ 1,600	\$ 1,900

OFFICE EXPENSE 5193

This account is used to record the purchase of various items used in day-to-day operations. The following are typical items reflected in this account:

Accounting & Reporting Forms
Books & Manuals
Envelopes, Postage
P.O. Box Rental
Stationary & Office Supplies
Small Stapling, Dating, & Numbering Machines

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 28,353	\$ 22,500	\$ 29,500

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

ELECTION EXPENSE 5314

This account includes reimbursement to San Mateo County for the costs of election notices, printing of ballots and contractual election services rent of polling places and ballot boxes, pay of election officials and other election expenses.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -

MEMBERSHIP 5332

This account includes the cost of memberships in societies, associations of officials, trade associations, and other organizations.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 14,241	\$ 30,000	\$ 26,400

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

PUBLICATION AND LEGAL NOTICE 5341

This account includes the cost of the publication of legally required notices and reports. This includes:

*Advertisements
Bids for Purchases
Bond Sales Notices
Budgets
Delinquent Tax List
Employment Opportunities
Financial Reports
Newsletters
Ordinances
Proceedings of Governmental Body
Public Hearing Notices
Legal Notices
Board Meetings Broadcasting*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 9,263	\$ 30,000	\$ 15,000

GASOLINE, OIL, AND FUEL 5416

This account includes the cost of fuel and oil used in the operations of motor vehicles and equipment. This would include the cost of gasoline used in the production of power to operate pumps and other equipment.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 8,986	\$ 12,000	\$ 9,500

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

REPAIRS AND MAINTENANCE 5459

These expenditures represent the cost of repairing and maintaining the District's equipment & pipelines, including vehicles, mobile equipment, and office equipment.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 54,900	\$ 56,000	\$ 56,000

RENTS AND LEASES 5521

This account includes rents and leases paid for the use of the security systems, postage meter, improvements and equipment. This includes amounts paid under operating lease agreements.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 3,618	\$ 8,000	\$ 5,500

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

UTILITIES 5638

This account includes the cost of:

*Electricity
Heating & Cooling Supplies for Buildings
Natural Gas
Telephone
Water
Solid Waste Disposal*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 31,825	\$ 40,000	\$ 33,000

TRAVEL AND MEETING 5721

This account includes the cost of:

*Board of Directors Travel
Gasoline Used in Travel
Leased or Rented Vehicles
Reimbursement for Private Vehicle Use
Reimbursement for Meals, Lodging, and Conference Expenses
Bridge Tolls, Study Materials, Train or Bus Fare, Airline Tickets, and
Any Other Travel Expense*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 18,355	\$ 29,000	\$ 25,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

TRAINING AND EDUCATION 5731

This account includes the cost of continuing professional education, as well as employee training, development, seminars, conferences, and staff reorganization for cross training. These expenditures are intended to improve the capability, productivity, and efficiency of the District's staff.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 7,950	\$ 18,000	\$ 13,500

CONTRACT SEWAGE 5817

This account represents reimbursement for sewage treatment charges to the Regional Water Quality Control (RWQCP) including the administrative general components of the sewage treatment contract.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 1,247,948	\$ 1,513,000	\$ 1,639,135

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

CONTRACTUAL SERVICES 5858

This account includes the cost of outside services of a professional nature and not chargeable to another category.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 159,127	\$ 161,000	\$ 172,000

ENGINEERING AND MANAGEMENT SERVICES 5861

This account includes professional engineering services provided by outside engineering consultants.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 106,547	\$ 85,000	\$ 95,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

PROFESSIONAL AND ACCOUNTING SERVICES 5872

This account includes professional accounting and audit services. The District currently contracts with two local CPA firms for professional accounting and auditing services.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 78,000	\$ 90,000	\$ 90,000

PROFESSIONAL SERVICES 5876

This account includes the cost of professional services not reflected in other areas. This includes:

*Actuarial Studies
Appraisals
Board Commissioned Studies
Fiscal Agent's Fees
Management Salary Surveys
Human Resources Consultant
Board Workshops
Special Projects*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 60,246	\$ 50,000	\$ 65,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

RESEARCH AND MONITORING 5958

*This account includes the cost of laboratory and field test analysis.
It also includes monitoring of industrial discharge,
the implementation of source control monitoring.*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ -	\$ 1,900	\$ 400

OPERATING EXPENSE 5966

*This account represents all those supplies which are used for District Operations
but are not Capital Items (rather, they are "expendable"). These include pipe,
couplings, chemicals, safety materials, tires, etc..*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 2,148	\$ 6,000	\$ 6,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

DISTRICT SPECIAL EXPENSE 5969

*This account includes all operating expenses not included elsewhere.
The district charges various special projects and unanticipated expenditures,
and refunds for overpayment of sewer service charges, replenish imprest
account for payment of travel expenses and refreshments.*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 49,162	\$ 32,000	\$ 30,000

INSURANCE 6731

*This account includes the cost of insurance premiums for fire, burglary, public
liability, collision, property damage, individual and blanket bonds, money and
securities, boiler and forgery. Insurance premium dividends or refunds shall be
credited to this account.*

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 40,868	\$ 50,000	\$ 45,000

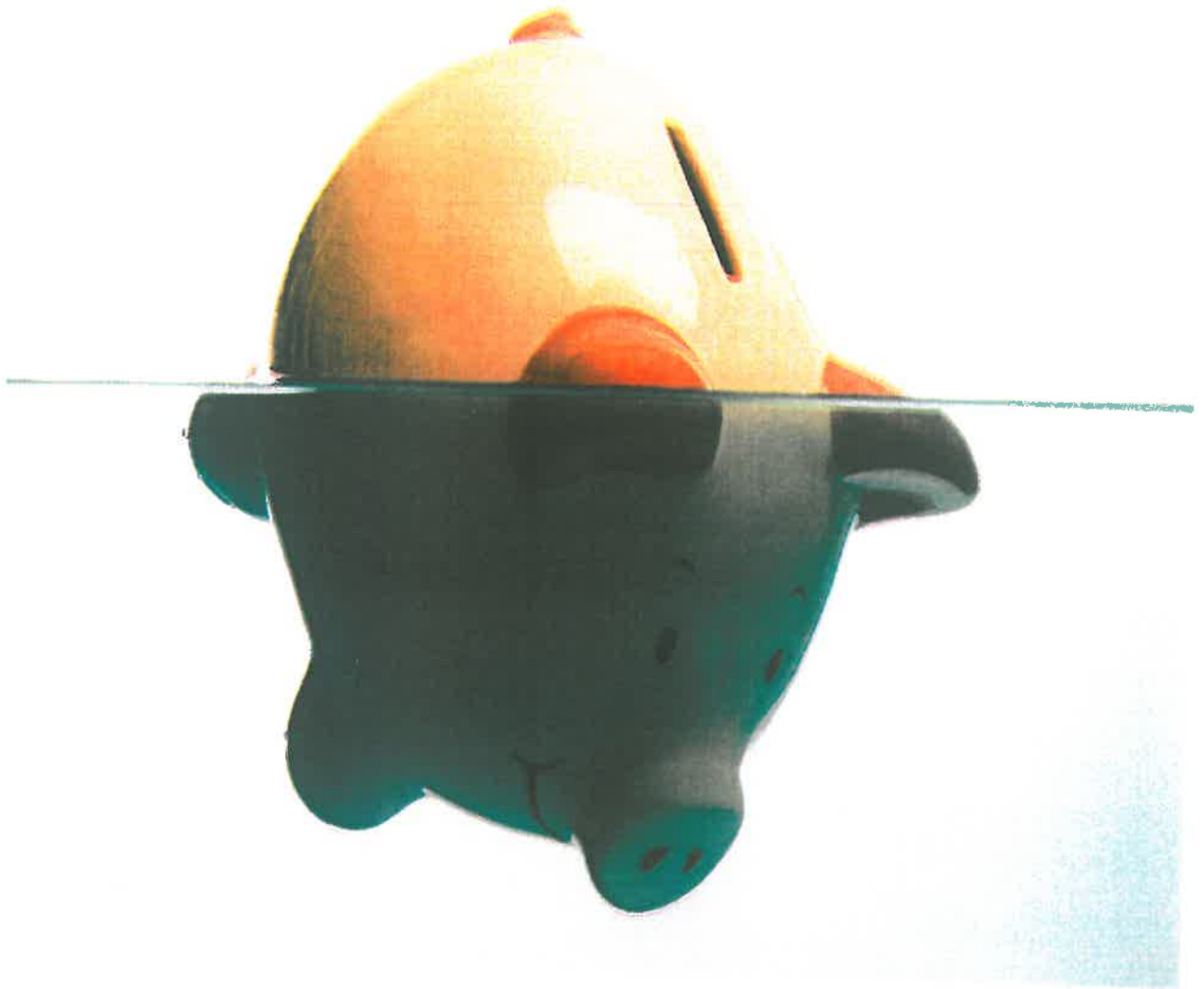
**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

LEGAL SERVICES 6732

This account includes the cost of legal services by outside law firm for defending cases in the court of law and providing advice in the legal matters . The district currently contracts with law firm to work as district legal counsel.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 46,918	\$ 56,000	\$ 55,000

CAPITAL & DEBTS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

GENERAL FACILITIES FINANCING CORP BOND 7211

This account includes the current portion of long-term debt and interest related to the issuance of the 1990 Facilities Project Certificate of Participation Bonds.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ -	\$ -	\$ -

EQUIPMENT 7311

This account includes spending for capital items, such as machinery, long term use equipment, vehicle for the district's daily operation.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ -	\$ 150,000	\$ 80,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

REPAY TREATMENT PLANT 6322

This account is used to charge the fixed asset component of the contract with the Regional Water Quality Control Plant.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ 75,318	\$ 80,000	\$ 80,000

OTHER CHARGES



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

CONTINGENCIES 8810

This account represents the amount estimated for unforeseen purposes.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>		
\$ -	\$ -	\$ -

TRANSFER TO OTHER FUNDS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2016-2017**

TRANSFER TO CONSTRUCTION AND REPLACEMENT 7541.46

This account includes the transfers made to funds maintained for the construction and replacement of major capital projects.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ 500,000

TRANSFER TO TREATMENT PLANT RESERVE FUND 7541.48

This account includes the transfers made to funds maintained for Treatment Plant Reserve.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ 410,000	\$ 764,500	\$ -

TRANSFER TO RATE STABILIZATION FUND 7541.49

This account includes the transfers made to funds for the purpose of maintaining the current wastewater rates.

Actual Expenses 2014-2015	Revised Budget 2015-2016	Approved Budget 2016-2017
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -