

**EAST PALO ALTO
SANITARY DISTRICT**



**APPROVED
FY 2017-2018**

BUDGET MESSAGE

FISCAL YEAR 2017-18

FINAL BUDGET

It is my pleasure to submit to you the East Palo Alto Sanitary District Operating and Capital Budget for the fiscal year 2017-18 for your consideration.

The purpose of this Budget is to provide the District Board with the financial information necessary for the allocation of resources to accomplish the goals and objectives of the District. I am delighted, once again, to propose a spending plan, 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 produces 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 July of each year.

The FY 2017/18 budget is the same format and presentation as in the prior years and is primarily based on expenditures incurred in FY 2016-17 to estimate the required expenditures level for the upcoming fiscal year. Sewer service charge revenues are deposited directly into the individual funds in accordance with certain allocations for each fund to meet the expenditure requirement of each respective fund. Similar to previous years, the budget report presents the proposed expenditures for the District's existing operating department and the various revenues from several sources.

The anticipated total revenues FY 2017-18 are approximately \$4,970,912 which represents a 4% decrease over last year's budget.

The proposed personnel and operating expenditures for the coming fiscal year are estimated to be approximately \$1,860,500 which reflects a decrease of 16% over the amount budgeted in the prior fiscal year. This decrease is due to several factors including the vacation of old job positions associated with the District reorganization. The budget also includes \$2,000,000 for capital improvements (Fund 2546) which represents an increase of 19% over last year's budget.

FINANCIAL MANAGEMENT

Being responsible with and effectively managing District 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. The fiscal year 2017-18 budget will continue the District's history of responsible fiscal management.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen Maxey', written over a series of horizontal lines.

Karen Maxey
Interim General Manager

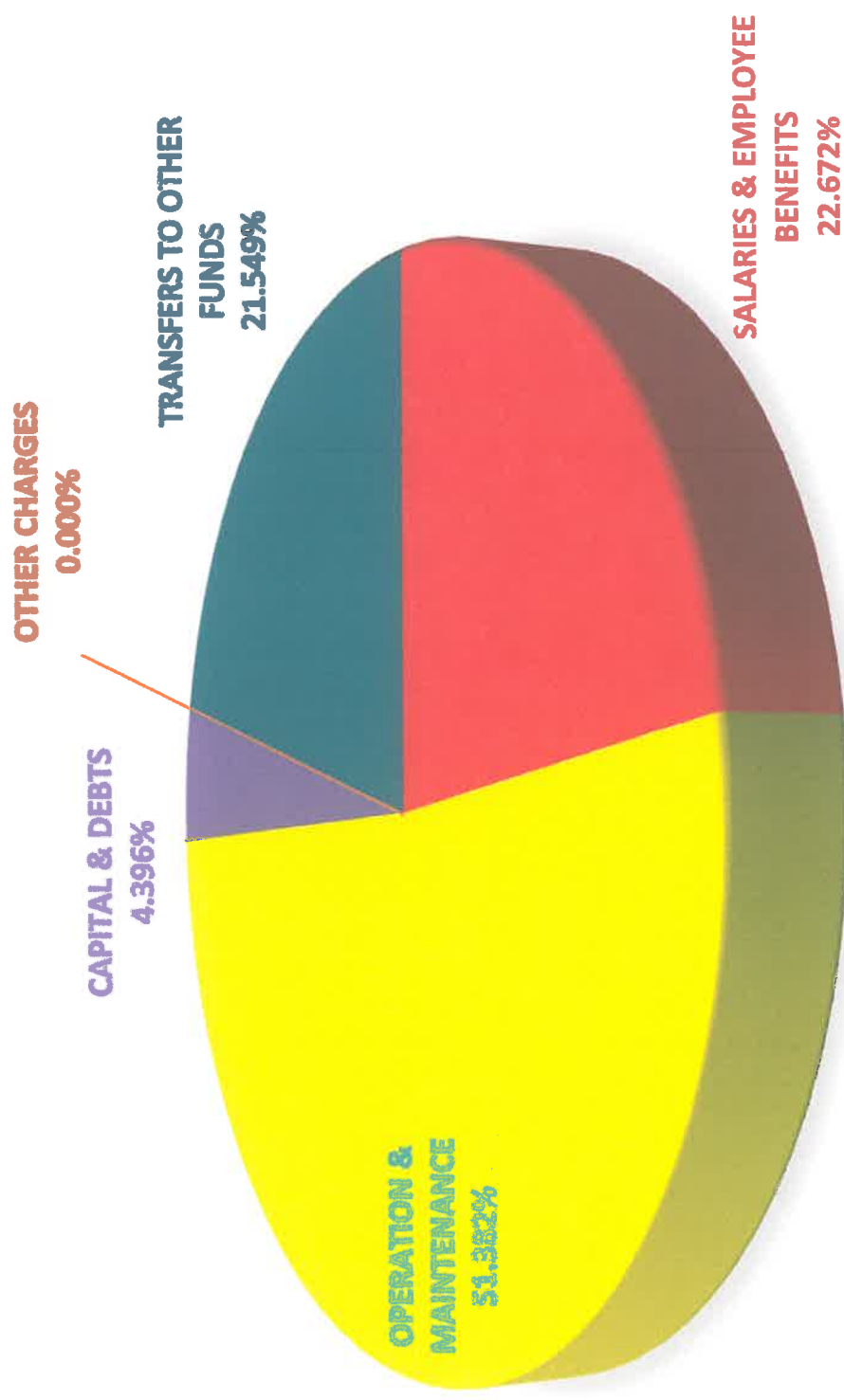
EAST PALO ALTO SANITARY DISTRICT

Approved Budget - General Fund #02545

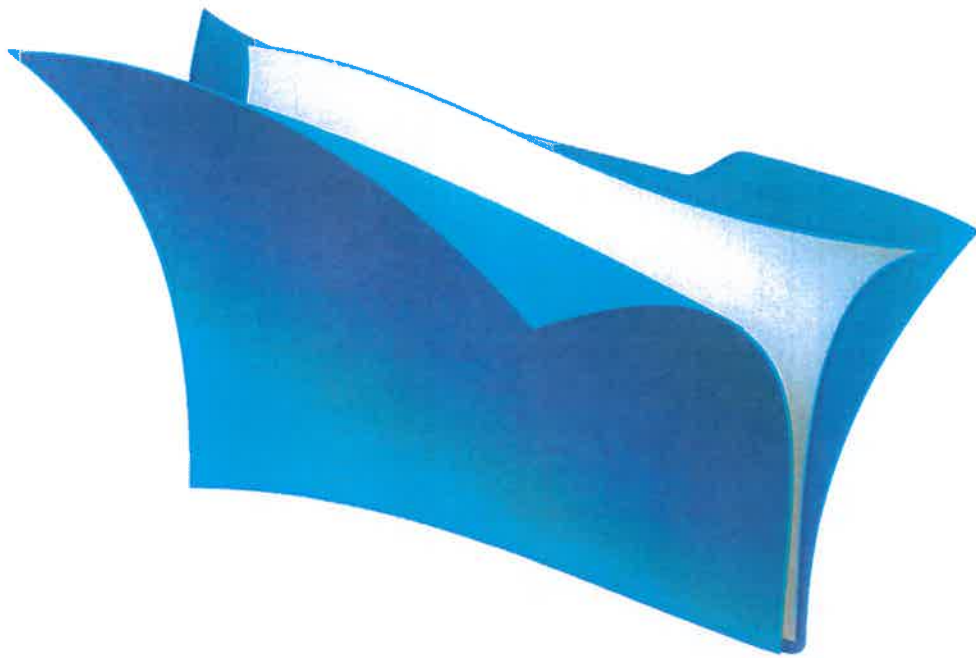
Fiscal Year 2017-2018

EXPENDITURES		Actual Expenses 2015-2016	Revised Budget 2016-2017	Approved Budget 2017-2018
CODE	SALARIES & EMPLOYEE BENEFIT			
4111	Wages	958,485	640,000	580,000
4192	Directors Fees	62,246	52,100	52,100
4631	Employees Benefits	584,213	543,250	420,000
	SUB TOTAL	1,604,944	1,235,350	1,052,100
OPERATION & MAINTENANCE				
5188	Other Operating Supplies	819	1,900	1,500
5193	Office Expenses	24,554	29,500	25,000
5314	Election Expenses	-	-	9,000
5332	Membership	15,666	26,400	16,000
5341	Publication & Legal Notice	10,237	15,000	14,000
5416	Gas, Fuel	7,537	9,500	9,000
5459	Repair & Maintenance	39,923	56,000	45,000
5521	Rents & Leases	3,317	5,500	4,500
5638	Utilities	37,837	43,000	38,000
5721	Travel & Meeting	22,518	25,000	24,000
5731	Training & Education	12,587	13,500	13,500
5817	Contract Sewage Services	1,431,206	1,647,301	1,648,000
5858	Contractual Services	118,308	222,000	150,000
5861	Engineering Services	107,635	345,000	100,000
5872	Prof & Spec Services	78,000	90,000	95,000
5876	Professional Services	50,359	65,000	60,000
5958	Research & Monitoring	-	400	400
5966	Operating Supplies	5,244	6,000	5,500
5969	Special Expenses	25,963	35,000	25,000
6731	Insurance	40,465	45,000	46,000
6732	Legal Services	52,741	55,000	55,000
	SUB TOTAL	2,084,915	2,736,001	2,384,400
CAPITAL & DEBTS				
7211	Gen Fac Financing Corp Bnd	-	-	-
7311	Equipment Expenses	123,503	56,834	125,000
6322	Repay Treatment Plant	75,200	80,000	79,000
	SUB TOTAL	198,703	136,834	204,000
OTHER CHARGES				
8810	Contingency	-	-	-
	SUB TOTAL	-	-	-
TRANSFERS TO OTHER FUNDS				
7541	Construction/Replacement	500,000	500,000	1,000,000
7541	Treatment Plant Reserve	-	-	-
7541	Rate Stabilization	-	-	-
	SUB TOTAL	500,000	500,000	1,000,000
	GRAND TOTAL	\$ 4,388,562	\$ 4,608,185	\$ 4,640,500

APPROVED BUDGET GENERAL FUND FY 2017/18



EXPENDITURES



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET SUMMARY FOR ALL FUNDS FY 2017-2018**

Budget Based \$575.00 Rate Per Residential Unit

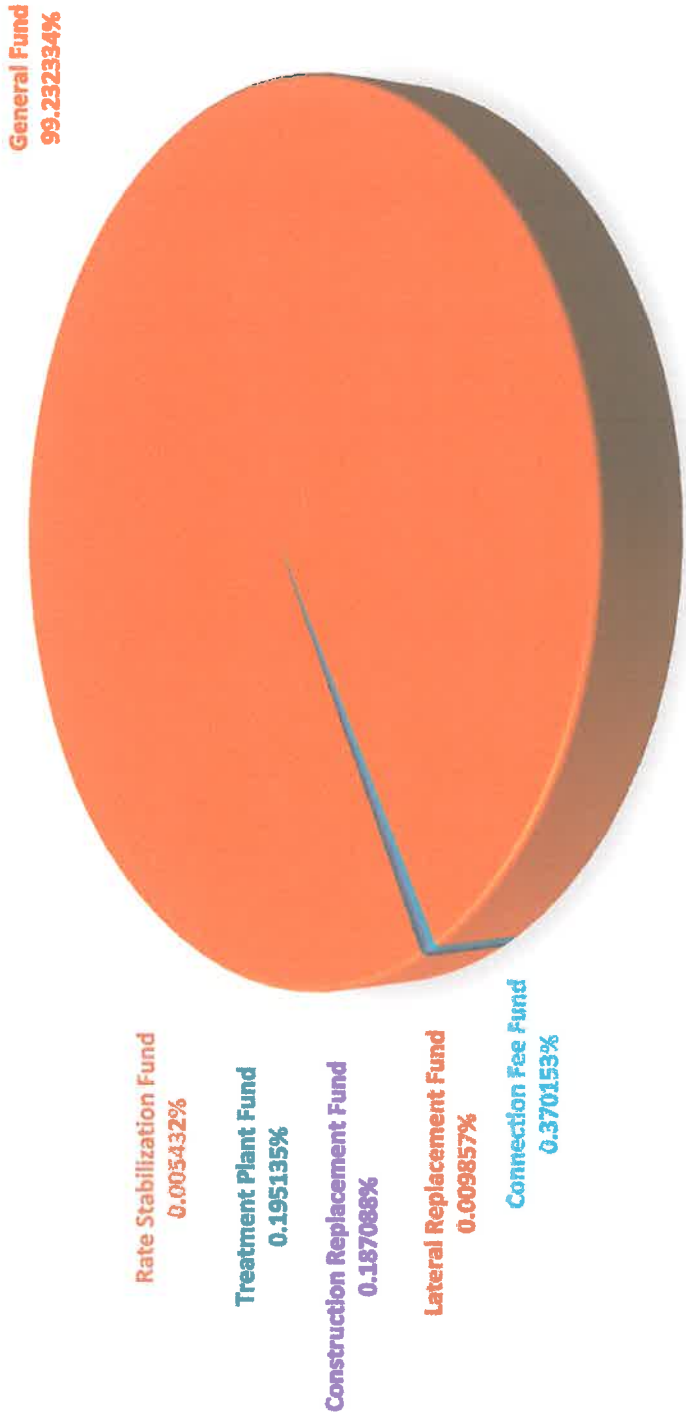
Revenue For The Fiscal Year 2017-2018

	2545	2541	2546	2547	2548	2549	EPASD
	General Fund	Connection Fee Fund	Construction Replacement Fund	Lateral Replacement Fund	Treatment Plant Fund	Rate Stabilization Fund	All Funds
Beginning Fund Balance	\$ 7,272,389	\$ 1,264,200	\$ 1,545,280	\$ 103,750	\$ 1,505,300	\$ 60,730	\$ 11,751,649
Sewer Service Charges	4,511,048	-	-	-	-	-	4,511,048
Property taxes	330,000	-	-	-	-	-	330,000
Connection Fee	-	10,000	-	-	-	-	10,000
Interest Income	66,000	8,400	9,300	490	9,700	270	94,160
Rental Income	25,704						25,704
Total Projected Revenue	4,932,752	18,400	9,300	490	9,700	270	4,970,912
Interfund Transfers	-	-	1,000,000	-	-	-	1,000,000
Total Available Revenues	\$ 12,205,141	\$ 1,282,600	\$ 2,554,580	\$ 104,240	\$ 1,515,000	\$ 61,000	\$ 17,722,561

Expenditure For The Fiscal Year 2017-2018

	2545	2541	2546	2547	2548	2549	EPASD
	General Fund	Connection Fee Fund	Construction Replacement Fund	Lateral Replacement Fund	Treatment Plant Fund	Rate Stabilization Fund	All Funds
Personnel & Other Operating	1,710,500	-	150,000	-	-	-	1,860,500
Employees' Post Employment Benefits	78,000	-	-	-	-	-	78,000
Treatment Plant (RWQCP)	1,648,000	-	-	-	-	-	1,648,000
Total Operating Expenditures	3,436,500	-	150,000	-	-	-	3,586,500
Long Term Debt Service	79,000	-	-	-	-	-	79,000
2011 SFR Loan	-	-	79,000	-	-	-	79,000
Fixed Assets/Equipment	125,000	-	-	-	-	-	125,000
Capital Projects	-	-	2,000,000	-	-	-	2,000,000
Factor Truck Lease	50,000	-	-	-	-	-	50,000
Total Budgeted Expenditures	3,690,500	-	2,229,000	-	-	-	5,919,500
Interfund Transfers	1,000,000	-	-	-	-	-	1,000,000
Ending Fund Balance	\$ 7,514,641	\$ 1,282,600	\$ 325,580	\$ 104,240	\$ 1,515,000	\$ 61,000	\$ 10,803,061

APPROVED REVENUE FOR FY 2017-2018



APPROVED EXPENDITURES FOR FY 2017-2018

Construction Replacement
Fund

0.00%

Rate Stabilization Fund
0.00%

Connection Fee Fund
0.00%

Lateral Replacement Fund
0.00%

General Fund
62.34%



Treatment Plant Fund
37.66%

SALARIES & EMPLOYEE BENEFITS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 958,485	\$ 640,000	\$ 580,000

DIRECTORS FEES 4192

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 62,246	\$ 52,100	\$ 52,100

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 584,213	\$ 543,250	\$ 420,000

OPERATIONS & MAINTENANCE



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

OTHER OPERATING SUPPLIES 5188

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 819	\$ 1,900	\$ 1,500

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 24,554	\$ 29,500	\$ 25,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ -	\$ -	\$ 9,000

MEMBERSHIP 5332

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 15,666	\$ 26,400	\$ 16,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 10,237	\$ 15,000	\$ 14,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 7,537	\$ 9,500	\$ 9,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 39,923	\$ 56,000	\$ 45,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 3,317	\$ 5,500	\$ 4,500

UTILITIES 5638

This account includes the cost of:

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 37,837	\$ 43,000	\$ 38,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 22,518	\$ 25,000	\$ 24,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 12,587	\$ 13,500	\$ 13,500

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 1,431,206	\$ 1,647,301	\$ 1,648,000

CONTRACTUAL SERVICES 5858

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 118,308	\$ 222,000	\$ 150,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

ENGINEERING AND MANAGEMENT SERVICES 5861

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 107,635	\$ 345,000	\$ 100,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 78,000	\$ 90,000	\$ 95,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 50,359	\$ 65,000	\$ 60,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ -	\$ 400	\$ 400

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 5,244	\$ 6,000	\$ 5,500

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 25,963	\$ 35,000	\$ 25,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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.

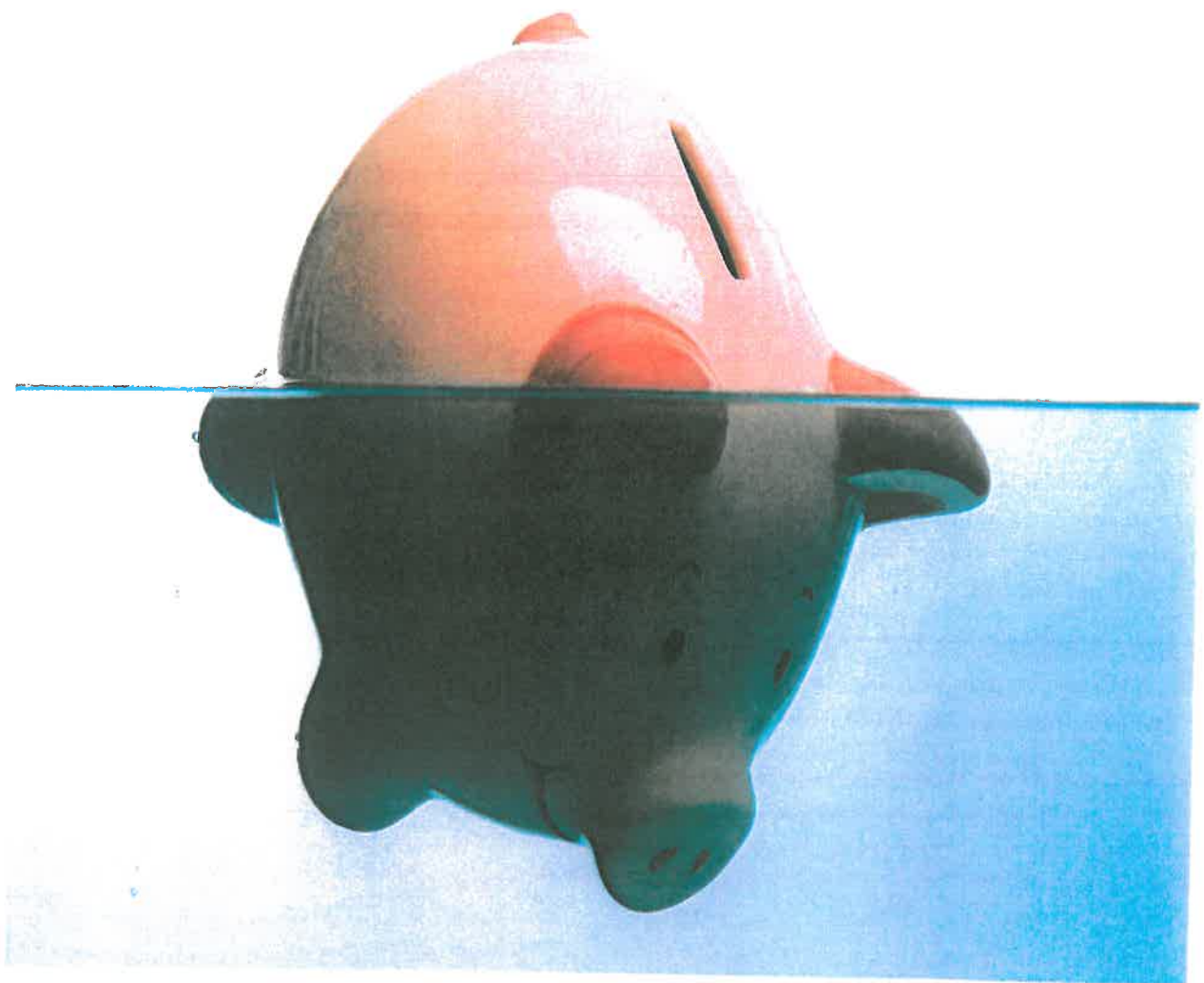
Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 40,465	\$ 45,000	\$ 46,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 52,741	\$ 55,000	\$ 55,000

CAPITAL & DEBTS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 123,503	\$ 56,834	\$ 125,000

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>		
\$ 75,200	\$ 80,000	\$ 79,000

OTHER CHARGES



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

CONTINGENCIES 8810

This account represents the amount estimated for unforeseen purposes.

Actual Expenses 2015-2016		Revised Budget 2016-2017		Proposed Budget 2017-2018	
<hr/>		<hr/>		<hr/>	
\$	-	\$	-	\$	-

TRANSFER TO OTHER FUNDS



**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2017-2018**

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ 500,000	\$ 500,000	\$ 1,000,000

TRANSFER TO TREATMENT PLANT RESERVE FUND 7541.48

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

Actual Expenses 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -

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 2015-2016	Revised Budget 2016-2017	Proposed Budget 2017-2018
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -