

2019 - 2020



BUDGET

EAST PALO ALTO SANITARY DISTRICT

BUDGET MESSAGE

FISCAL YEAR 2019-2020

FINAL BUDGET

I am delighted to present the East Palo Alto Sanitary District Operating and Capital Budget for the Fiscal Year 2019-2020 for your consideration.

The objective is to have a balanced budget while simultaneously providing qualitative level of service to our customers. I am pleased that this spending plan is being achieved with minimal rate increases. This budget will be furthering the advancement of the District's vision, mission and core values.

BUDGET PRIORITIES

The operating and capital budget has been prepared to address the following priorities of the Board of Directors:

1. Sound utilities with high level of service to the community
2. Maintenance of fiscal responsibilities
3. Provision for yearly capital improvement program to maintain the collection system
4. Provision for capital improvement program with our strategic partners
5. Provision for stable work force
6. Implementation of cyber security initiatives to protect our information system
7. Effective staff training
8. Minimization of cost of services
9. Compliance with Federal and State Regulations
10. Maintenance of stable contingency fund
11. Sound knowledge management initiatives
12. Effective management control system
13. Implementation of social marketing initiatives

BUDGET OVERVIEW

The Fiscal Year 2019/2020 budget is based on total projected revenues in the amount of \$5,948,374 and total budgeted expenses in the amount of \$5,766,000. This represents an increase of approximately 15.1% in projected revenues and a decrease of 2.72% in budgeted expenses, over previous year's budget.

REVENUE ESTIMATES

The revenues for the sewer services were estimated based on water consumption between April 30, 2018 and May 1, 2019.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Akin Okupe', with a long horizontal flourish extending to the right.

Akin Okupe, M.B.A.,P.E

General Manager

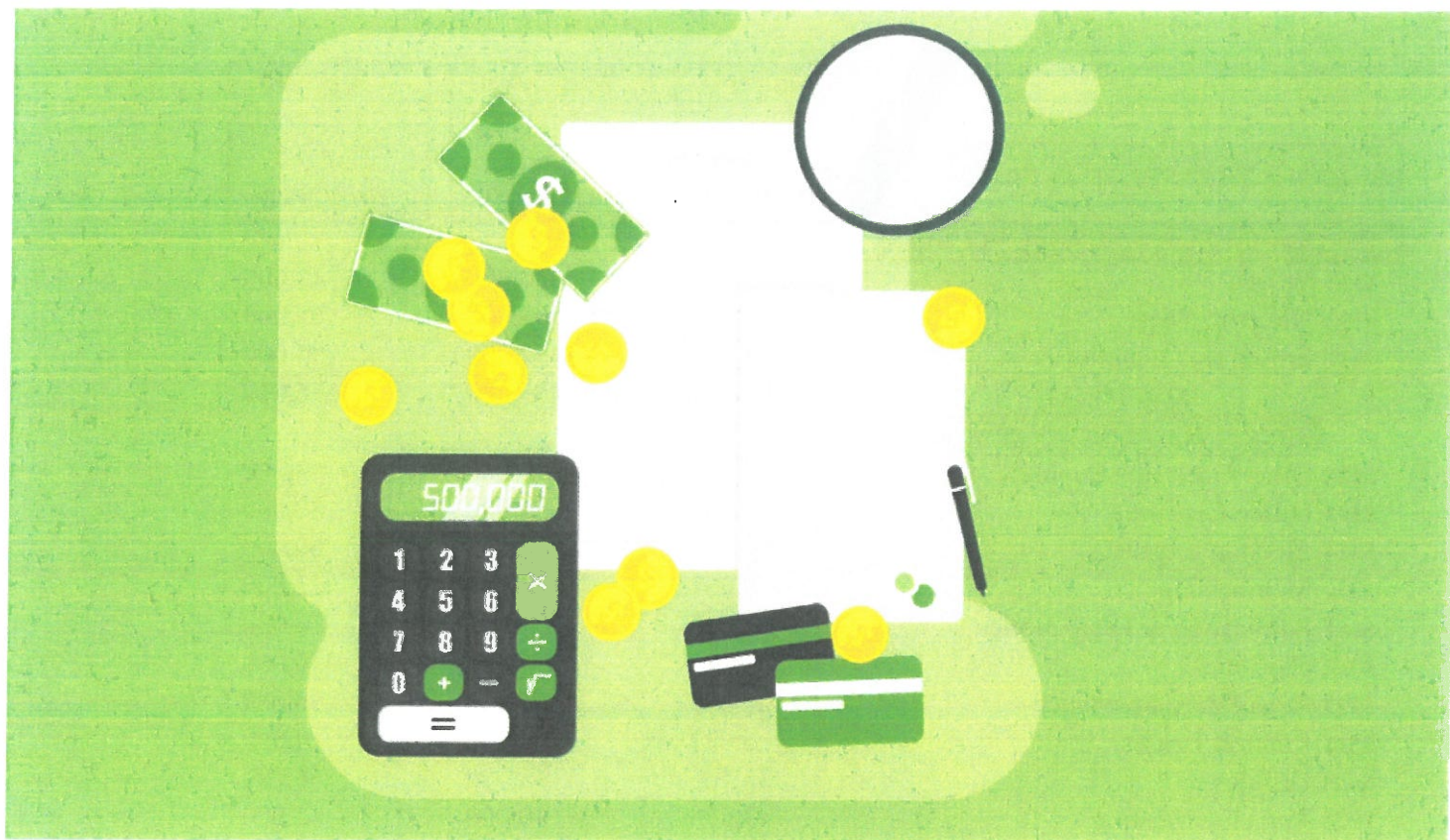
2019-20 **BUDGET**

EAST PALO ALTO SANITARY DISTRICT

Approved Budget - General Fund #02545

Fiscal Year 2019-2020

EXPENDITURES		Actual	Approved	Approved
		Expenses	Budget	Budget
		2017-2018	2018-2019	2019-2020
CODE	SALARIES & EMPLOYEE BENEFIT			
4111	Wages	331,844	520,000	315,000
4192	Directors Fees	63,654	65,000	65,000
4631	Employees Benefits	356,075	450,000	295,000
	SUB TOTAL	751,573	1,035,000	675,000
	OPERATION & MAINTENANCE			
5188	Other Operating Supplies	4,659	3,000	3,300
5193	Office Expenses	31,991	35,000	30,000
5314	Election Expenses	56,015	-	60,000
5332	Membership	19,007	20,000	22,000
5341	Publication & Legal Notice	5,815	7,000	8,000
5416	Gas, Fuel	3,012	5,000	6,000
5459	Repair & Maintenance	28,630	45,000	46,000
5521	Rents & Leases	5,627	4,500	4,500
5638	Utilities	35,563	45,000	56,000
5721	Travel & Meeting	43,678	40,000	42,000
5731	Training & Education	13,748	15,000	12,000
5817	Contract Sewage Services	1,602,884	1,916,513	2,184,000
5858	Contractual Services	389,524	300,000	450,000
5861	Engineering Services	113,060	100,000	150,000
5872	Prof & Spec Services	93,600	113,600	120,000
5876	Professional Services	39,748	50,000	70,000
5958	Research & Monitoring	-	400	400
5966	Operating Supplies	2,371	6,000	6,000
5969	Special Expenses	38,331	26,000	30,000
6731	Insurance	49,336	47,300	56,000
6732	Legal Services	79,124	55,000	75,000
	SUB TOTAL	2,655,722	2,834,313	3,431,200
	CAPITAL & DEBTS			
7211	Planned Debt Services	-	861,452	442,800
7311	Equipment Expenses	73,083	100,000	50,000
6322	Repay Treatment Plant	75,242	117,793	188,000
	SUB TOTAL	148,325	1,079,245	680,800
	OTHER CHARGES			
8810	Contingency	-	-	-
	SUB TOTAL	-	-	-
	TRANSFERS TO OTHER FUNDS			
7541	Construction/Replacement	1,200,000	375,000	375,000
7541	Treatment Plant Reserve	-	-	-
7541	Rate Stabilization	-	-	-
	SUB TOTAL	1,200,000	375,000	375,000
	GRAND TOTAL	\$ 4,755,620	\$ 5,323,558	\$ 5,162,000



EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET SUMMARY FOR ALL FUNDS FY 2019-2020

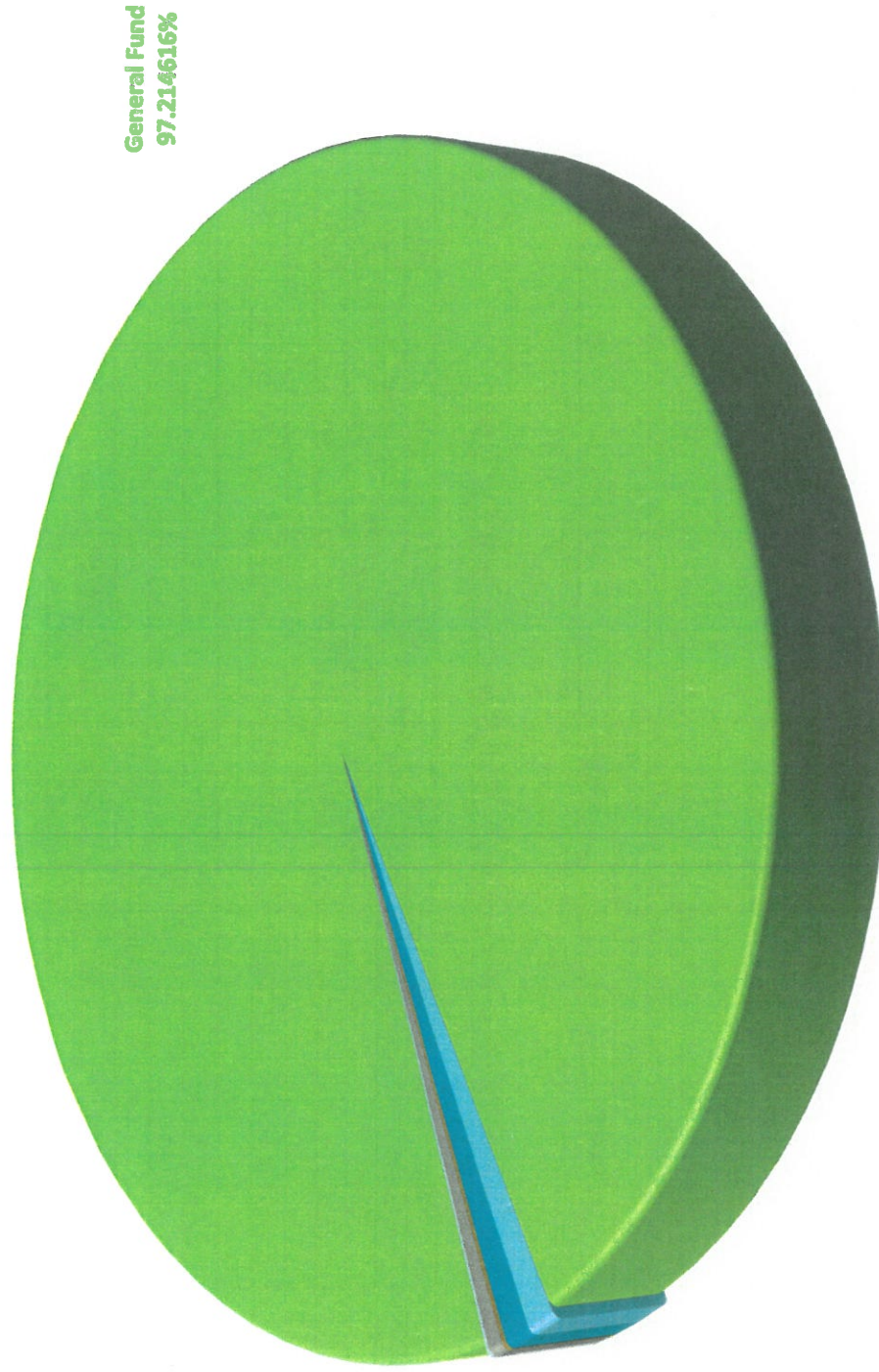
Expenditure For The Fiscal Year 2019-2020

	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
Salaries and Employees Benefits	675,000	-	-	-	-	-	675,000
Operations and Maintenance	1,247,200	-	-	-	-	-	1,247,200
Treatment Plant (RWQCP)	2,184,000	-	-	-	-	-	2,184,000
Total Operating Expenditures	4,106,200	-	-	-	-	-	4,106,200
Capital and Debts	680,800	-	79,000	-	-	-	759,800
Construction	-	-	900,000	-	-	-	900,000
Total Budgeted Expenditures	4,787,000	-	979,000	-	-	-	5,766,000

Revenue For The Fiscal Year 2019-2020 Based on \$600 Per Unit

	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	\$ 10,676,145	\$ 1,254,089	\$ 2,727,685	\$ 106,267	\$ 1,541,282	\$ 62,134	\$ 16,367,602
Sewer Service Charges	4,752,374	-	-	-	-	-	4,752,374
Property taxes	477,000	-	-	-	-	-	477,000
Connection Fee	-	30,000	-	-	-	-	30,000
Interest Income	203,000	30,400	58,700	8,500	32,600	5,800	339,000
Rental Income	50,000						50,000
ERAF Rebate / Former RDAF	300,000	-	-	-	-	-	300,000
Total Projected Revenue	5,782,374	60,400	58,700	8,500	32,600	5,800	5,948,374
Interfund Transfers	(375,000)	(375,000)	750,000	-	-	-	-
Total Available Revenues	\$ 16,083,519	\$ 939,489	\$ 3,536,385	\$ 114,767	\$ 1,573,882	\$ 67,934	\$ 22,315,976
Ending Fund Balance	\$ 11,296,519	\$ 939,489	\$ 2,557,385	\$ 114,767	\$ 1,573,882	\$ 67,934	\$ 16,549,976

REVENUE FOR FY 2019-2020



Rate Stabilization Fund
0.097321%

Treatment Plant Fund
0.547009%

Lateral Replacement Fund
0.142625%

Payroll Taxes W/H Fund
0.000000%

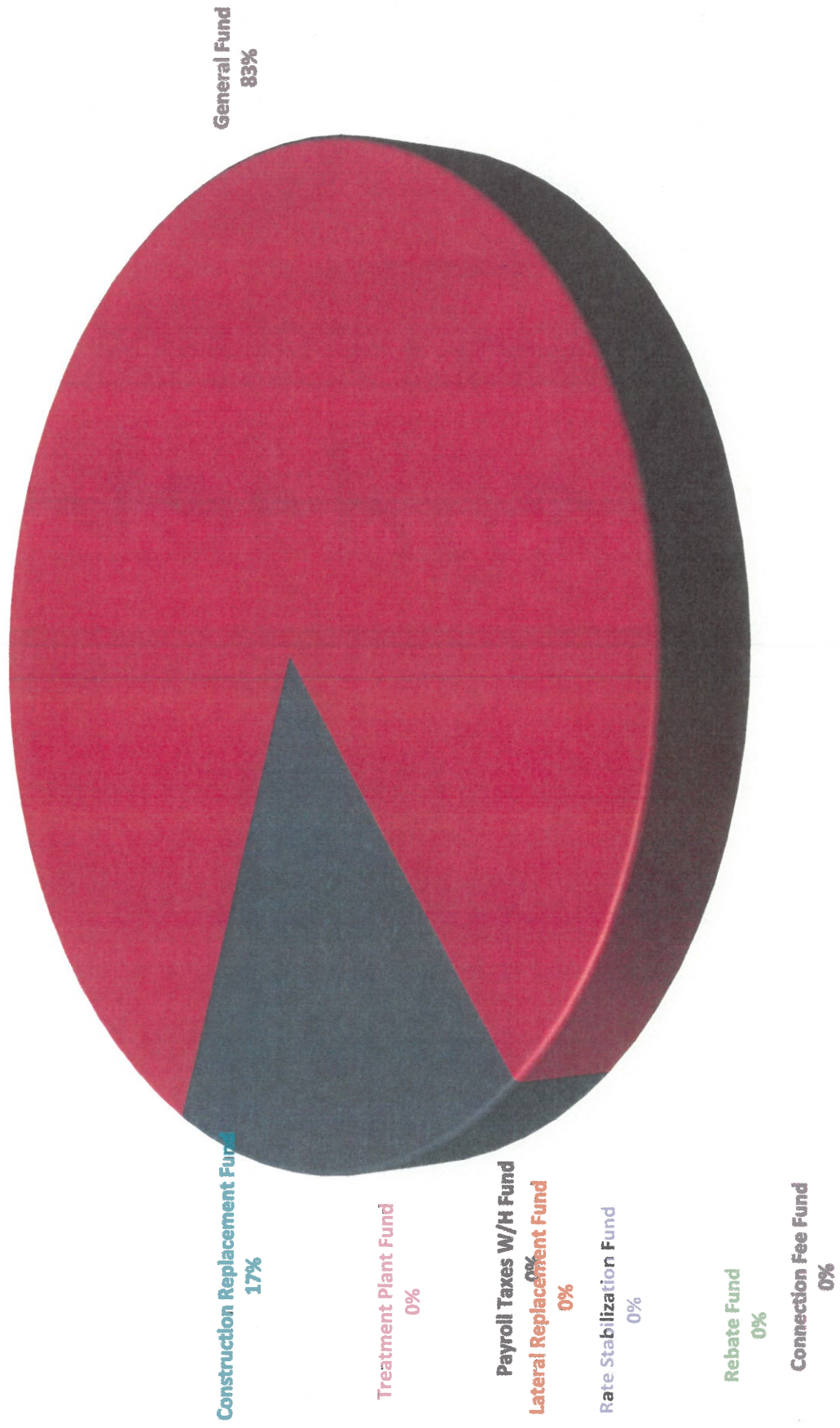
Rabata Fund
0.000000%

Construction Replacement Fund
0.984952%

Connection Fee Fund
1.013477%

General Fund
97.214616%

EXPENDITURES FOR FY 2019-2020





**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 331,844	\$ 520,000	\$ 315,000

DIRECTORS FEES 4192

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 63,654	\$ 65,000	\$ 65,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 356,075	\$ 450,000	\$ 295,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

OTHER OPERATING SUPPLIES 5188

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 4,659	\$ 3,000	\$ 3,300

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 31,991	\$ 35,000	\$ 30,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 56,015	\$ -	\$ 60,000

MEMBERSHIP 5332

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 19,007	\$ 20,000	\$ 22,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 5,815	\$ 7,000	\$ 8,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 3,012	\$ 5,000	\$ 6,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 28,630	\$ 45,000	\$ 46,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 5,627	\$ 4,500	\$ 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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
2016-2017	2017-2018	2018-2019
\$ 35,563	\$ 45,000	\$ 56,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 43,678	\$ 40,000	\$ 42,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 13,748	\$ 15,000	\$ 12,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 1,602,884	\$ 1,916,513	\$ 2,184,000

CONTRACTUAL SERVICES 5858

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 389,524	\$ 300,000	\$ 450,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

ENGINEERING AND MANAGEMENT SERVICES 5861

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 113,060	\$ 100,000	\$ 150,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 93,600	\$ 113,600	\$ 120,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
\$ 39,748	\$ 50,000	\$ 70,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
\$ -	\$ 400	\$ 400

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 2,371	\$ 6,000	\$ 6,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 38,331	\$ 26,000	\$ 30,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 49,336	\$ 47,300	\$ 56,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 79,124	\$ 55,000	\$ 75,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

PLANNED DEBT SERVICES 7211

This account includes new debts.

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ -	\$ 861,452	\$ 442,800

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 73,083	\$ 100,000	\$ 50,000

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>		
\$ 75,242	\$ 117,793	\$ 188,000

**EAST PALO ALTO SANITARY DISTRICT
APPROVED BUDGET - GENERAL FUND #02545
FISCAL YEAR 2019-2020**

CONTINGENCIES 8810

This account represents the amount estimated for unforeseen purposes.

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -

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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ 1,200,000	\$ 375,000	\$ 375,000

TRANSFER TO TREATMENT PLANT RESERVE FUND 7541.48

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

Actual Expenses 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<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 2017-2018	Approved Budget 2018-2019	Approved Budget 2019-2020
<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -