

Bayshore Sanitary District

San Mateo County, California

Annual Budget
Fiscal Year 2019-2020

Adopted July 25, 2019

**36 Industrial Way
Brisbane, California 94005
(415) 467-1144**

**Bayshore Sanitary District
Fiscal Year 2019-2020 Budget**

Account Number	<u>REVENUES</u>	Budgeted Fiscal Year 2019-2020
	Operating Revenues:	
6000	Permit Fees (Plan Check/Inspection)	25,000.00
6001	Sewer Service Charges	<u>992,000.00</u>
	Total Operating Revenues	1,017,000.00
	Non-Operating Revenues:	
6012	Connection/Capacity Fees	170,000.00
6104	Interest	96,000.00
6013	Taxes	300,000.00
6015	Other	<u>0.00</u>
	Total Non-Operating Revenues	566,000.00
	Total Revenues	1,583,000.00
	Contributions From Contingency Funds:	<u>0.00</u>
	Total Revenues and Contributions	\$1,583,000.00

Account Number	<u>EXPENDITURES</u>	<u>Budgeted Fiscal Year 2019-2020</u>
	Operating Expenditures:	
	Contractual Services – Collection System:	
7000	O&M Base	100,000.00
7001	O&M – Inspections	15,000.00
7002	O&M – Miscellaneous	3,000.00
7003	Repairs & Maintenance	15,000.00
7004	Utilities	18,000.00
7005	Special Services	2,500.00
7007	Gas, oil and fuel	500.00
7008	Outside Cleaning Service	62,000.00
7009	Outside Spill Response – Base	<u>10,000.00</u>
	Total Collection System	226,000.00
	Contractual Services – Treatment & Disposal:	
7006	San Francisco Contract	<u>1,000,000.00</u>
	Total Contractual Services	1,226,000.00
	Administration & General:	
7010	Election Expenses	0.00
7015	Payroll Taxes	1,200.00
7016	Benefits	12,800.00
7017	Director Fees	15,000.00

Account Number	<u>EXPENDITURES</u>	Budgeted Fiscal Year 2019-2020
7018	Insurance	11,000.00
7019	Licenses, Permits & Fees	6,000.00
7110	Memberships	2,500.00
	Office Expenses:	
7111	Website Maintenance	2,500.00
7112	Telephone & Internet	2,500.00
7113	General	1,000.00
	Professional Services:	
7114	Administration	21,000.00
7115	Engineering – Plan Review/Permits	15,000.00
7116	Engineering – General	50,000.00
7117	Legal	20,000.00
7118	Audit	11,500.00
7119	Other Professional Services	3,800.00
7210	Printing & Publications	1,500.00
7211	Board Room Maintenance & Repairs	5,000.00
7212	Travel & Meetings	7,500.00
7214	Payroll Service	900.00
	Total Administration & General	190,700.00
	Total Operating Expenditures	1,416,700.00

Account Number	<u>EXPENDITURES</u>	Budgeted Fiscal Year 2019-2020
	Non-Operating Expenditures:	
	Capital Improvements:	
	a. Pump Rehabilitation	10,000.00
	b. Collection System CIP	35,000.00
	c. Smoke Testing – Basin #1	10,000.00
	d. CCTV Mainline Inspection	10,000.00
	e. CCTV Lateral Inspection	10,000.00
	f. Telemetry Upgrade	<u>75,000.00</u>
	Total Capital Improvements	150,000.00
	Total Non-Operating Expenditures	150,000.00
	Contributions to Contingency Funds	<u>16,300.00</u>
	Total Expenses and Contributions	\$1,583,000.00

Bayshore Sanitary District

ANNUAL BUDGET - FISCAL YEAR 2019-2020

SUPPLEMENTAL BUDGET DETAIL DATA

The following data is supplied to provide additional information to the reader about the budget item amounts for fiscal year 2019-2020. The items are discussed in the same order as presented in the budget.

REVENUES

Revenues are grouped under two major categories; Operating Revenues and Non-Operating Revenue. The Operating Revenue consists of the moneys collected from the District's users for the purpose of operating and maintaining the system. This revenue consists of sewer service charges and fees associated with new permits. The Non-Operating Revenue consists of property taxes, connection fees from new users, capacity fees, and interest on existing funds and franchise fees. Each of the above two major categories is discussed below.

OPERATING REVENUES

Sewer Service Charges

The sewer service charges are funds collected from every sewer user in the District. These revenues are designated primarily for operations and maintenance of the existing facilities. The sewer service charges are adjusted periodically based on the expenses and the obligations of the District for operating its collection system and the costs of wastewater treatment and disposal. For fiscal year 2019-2020, the total sewer service charges budgeted for collection from the users of the District amount to \$992,000 which corresponds to a unit rate of \$5.00 per unit (one unit is defined as one hundred cubic feet which is equivalent to 748 gallons) and a \$125.00 fixed fee for operating costs.

Permit Fees

Permit fees are the fees associated with checking of plans and applications of new residential and non-residential users for connection to the existing facilities and

inspections to insure compliance with District regulations. It is anticipated that the District will receive \$25,000 in this category of fees in fiscal year 2019-2020.

The total anticipated operating revenues for the District in fiscal year 2019-2020 is \$1,017,000.

NON-OPERATING REVENUES

Connection Fees

There are currently 3 developments in progress in the District resulting in substantial connection fees in this fiscal year. There will also be revenue for non-residential increased capacity. The revenue for connection and capacity fees for 2019-2020 is estimated to be \$170,000.

Interest

The District maintains its reserve and contingency funds in interest bearing accounts. The amount of interest estimated to accrue on District reserve funds is projected to be \$96,000 for fiscal year 2019-2020.

Taxes

The District historically has received tax revenue from San Mateo County from the property tax rolls. This item of revenue is under the control of the County and is somewhat difficult to estimate. The District has budgeted \$300,000 for taxes this year.

Other Revenues

The District occasionally receives, but generally does not receive, other miscellaneous revenues associated with general operations of the District. No Other Revenues are anticipated for fiscal year 2019-2020.

The total non-operating revenue of the District in fiscal year 2019-2020 is projected to be \$566,000.

The total amount of the District's revenue anticipated in fiscal year 2019-2020 is \$1,583,000 which is the sum of the total operating and non-operating revenues described above.

CONTRIBUTIONS FROM CONTINGENCY FUNDS

The District has accumulated contingency funds over previous years. These funds have been allocated for several specific purposes. The accumulated funds are invested in interest-bearing accounts until they are actually required for the specific purpose. The interest received on these funds is utilized towards the District's annual non-operating budget.

This year there will be no contribution to the Capital Improvement Projects Contingency Fund.

The total revenues and contributions anticipated for fiscal year 2019-2020 amounts to \$1,584,000 which is the sum of the total operating and non-operating revenues, and contributions from existing contingency funds as described above.

EXPENDITURES

The anticipated expenditures of the District in fiscal year 2019-2020 are divided into several categories as detailed below.

OPERATING EXPENSES

The operating expenses consist of miscellaneous costs associated with the general day-to-day operations of the District. These expenses fall under various categories as described below.

CONTRACTUAL EXPENSES

There are two main contractual expenses under this category as described below.

Contractual Services for the Collection System

Operations & Maintenance

- a) The base cost for daily contractual operations and maintenance of the District's sewage collection system for fiscal year 2019-2020 is budgeted at \$100,000.
- b) Lateral and development inspections are budgeted at \$15,000.
- c) Miscellaneous services are budgeted at \$3,000.

Repairs & Maintenance

The annual cost for repairs and maintenance of the District collection system is estimated to be \$15,000 which includes facilities improvements, miscellaneous repair of pump(s) if necessary, etc.

Utilities

Utilities include costs associated with water, refuse collection and costs of electricity to operate the District pump station. The utilities cost budgeted for 2019-2020 is \$18,000.

Special Services

Special Services are those costs such as payment for Underground Service Alert, pest control service, semi-annual and annual equipment inspections. The amount budgeted for 2019-2020 is \$2,500.

Gas, Oil, and Fuel

The cost of gas and oil to operate the District's facilities is budgeted at \$500 this year.

Total collection system contractual expenses for the Bayshore Sanitary District anticipated in the fiscal year 2019-2020 amounts to \$154,000.

Outside Cleaning Service

This expense category was established to cover the cost of contracting with an outside entity to perform preventive maintenance of the District collection system. The cost budgeted is \$62,000.

Outside Spill Response – Base

This is another expense category established to cover the cost of contracting with an outside entity to respond to requests for service relative to overflows. The base cost budgeted is \$10,000.

Contractual Services for Treatment & Disposal

The District's Agreement with the City and County of San Francisco, acting through the San Francisco Public Utilities Commission (SFPUC), for contractual services for the treatment and disposal of wastewater from the District is based on the ratio of District flow vs. the total flow and the ratio of District loading of specific water quality parameters (COD, TSS,

and FOG) vs. the total water quality loading of these parameters at the City's wastewater treatment plants; and the SFPUC's approved budget for operation and maintenance and capital improvements for the wastewater treatment plants and a portion of the wastewater collection system. The amount budgeted for 2019-2020 is \$1,000,000.

Total contractual expenses for the District anticipated in the fiscal year 2019-2020 amounts to \$1,226,000.

ADMINISTRATION AND GENERAL

Election Expenses

There will be no election of Directors in 2019.

Payroll Taxes

As determined by the Internal Revenue Service, the elected Board of the District are considered employees. Payroll taxes have been budgeted at \$1,200 for this fiscal year.

Benefits

Insurance benefits for the District Board of Directors for this coming year are anticipated to be \$12,800.

Director's Fees and Expenses

Director's fees are calculated based on twelve regular meetings per year and approximately two special meetings per year. In addition to the regular and special meetings of the Board at large, the Director(s) attend meetings of other agencies such as LAFCo representing the District on matters of importance to the District. Directors may also attend selected conferences and seminars associated with governing and operating special districts involved in wastewater collection and disposal services. The total budgeted amount for Director's fees and expenses is \$15,000.

Insurance

The District participates in the pooled insurance program conducted by California Sanitation and Risk Management Authority for its general liability insurance and equipment coverage. The total amount budgeted for insurance is \$11,000.

Licenses, Permits & Fees

This account budgets funds for the District's prorated share of LAFCo, Environmental Health hazardous materials inspection, fees charged by cities for water usage reports, State Water Resources Control Board fee and permits for the District's diesel tank. The amount budgeted for this purpose is \$6,000.

Memberships

Memberships to professional organizations, i.e. California Special District Association, California Association of Sanitation Agencies and Underground Service Alert, are budgeted at \$2,500.

Office Expense

(a) Website Maintenance: For 2019-2020, \$2,600 is budgeted for maintenance and updating of the District website.

(b) Telephone & Internet: Covers expenses related to telephone, internet and answering services. A sum of \$2,500 has been budgeted for 2019-2020.

(c) General: Includes assorted paper goods, toner, postage, small equipment replacement/purchases, etc. The amount budgeted for these expenditures is \$1,000.

PROFESSIONAL SERVICES

The District contracts with professional service firms and individuals for finance, legal, administrative and engineering services. The amounts budgeted are adjusted annually according to the service levels anticipated for the current year.

Administration

The cost for secretarial and general office administration of the District is expected to be \$21,000 for the next fiscal year.

Engineering - Plan Review: Part of engineering services is associated with permit reviews and special conditions associated with new users and developments. The sum of \$15,000 is budgeted.

Engineering – General: Engineering services, similar to legal services, are associated with the general operations of the District. The sum of \$50,000 is budgeted.

Legal

Legal services are associated both with the general operations of the District and special projects undertaken by the District. Part of the legal services to the District is related to connections of new users and new developments to the District's facilities. The cost of such legal services are paid for through a part of connection and permit fees collected but are budgeted under this item. Special projects may involve litigation or extended negotiations with other agencies such as with the City and County of San Francisco concerning revisions to the agreement for wastewater treatment and disposal or with the City of Brisbane concerning service areas. General and special project legal expenses have been budgeted at \$20,000 for FY 2019-2020.

Audit

The cost of the annual audit performed for the District is expected to be \$11,500.

Other Professional Services

The District uses an outside service provider to prepare and submit the annual sewer service charge rolls in electronic format to the County of San Mateo. The cost for this service is estimated to be \$3,800.

The total costs associated with professional services in fiscal year 2019-2020 amounts to \$121,300.

Printing and Publications

Printing and publication costs include duplication charges as well as printing of letterheads and business cards. It also includes fees associated with publishing general public notices, notices of connection fees, new sewer service charges, newsletters as well as publications associated with bidding of construction projects in local papers. For fiscal year 2019-2020 the amount in this category has been set at \$1,500.

Repairs & Maintenance

The District has budgeted \$5,000 for miscellaneous repairs and maintenance expenses associated with the operations of the District, exclusive of the sewer collection and pumping system, such as minor repairs and maintenance to District's office, furniture and equipment.

Travel & Meetings

Travel and meeting costs are those associated with professional organizations such as CASA and CSDA. The cost for travel and meetings is \$7,500 for fiscal year 2019-2020.

Payroll Service

The District has chosen to use the services of an outside provider to issue its payroll obligations as well as governmental quarterly and annual filings. An amount of \$900 for this fiscal year has been budgeted.

Based on the above, the total Administrative and General Operating Expenses of the District are anticipated at \$190,700 for fiscal year 2019-2020.

Total operating expenses for the Bayshore Sanitary District are budgeted at \$1,416,700.

NON-OPERATING EXPENSES

Capital Improvements

The District has budgeted \$150,000 for capital improvement projects for 2019-2020. That sum is allocated for (a) pump rehabilitation; (b) collection system projects; (c) smoke testing; (e) mainline video inspections; (f) lateral video inspections and (g) telemetry upgrade.

The total amount of District's expenditures anticipated in fiscal year 2019-2020 amounts to \$1,566,700.

ANNUAL CONTRIBUTIONS TO CONTINGENCY FUNDS

For fiscal year 2019-2020 a \$16,300 contribution will be made to Contingency Funds.

The total of budgeted District expenses and contribution to reserve funds in fiscal year 2019-2020 is \$1,583,000.