

# **WEST BAY SANITARY DISTRICT**



**Budget**

**Fiscal Year 2025-26**

**Presented**

**June 25, 2025**

## Financial Report Budget Fiscal Year 2025-26

The West Bay Sanitary District (the District) provides wastewater collection and conveyance services to the City of Menlo Park, Atherton, and Portola Valley, and areas of East Palo Alto, Woodside and unincorporated San Mateo and Santa Clara counties. The District conveys raw wastewater, via the Menlo Park Pump Station and force main, to Silicon Valley Clean Water (SVCW) for treatment and discharge to the San Francisco Bay. The District was originally formed in December 1902 as the Menlo Park Sanitary District under the Sanitary Sewer Act of 1891. The District operated as the Menlo Park Sanitary District from 1902 until 1981 when its name was changed to the West Bay Sanitary District to more accurately reflect the service area. The powers of the District are established by the State of California Health and Safety Code. The District currently serves a population of 21,079 households and commercial establishments.

The Budget Workshop, held May 13, 2025, is to review and develop the fiscal year budget with the full District board. Sewer service charge revenue has been updated for Fiscal Year 2025-26. Wages and benefits were updated after the Memorandum of Understanding (MOU) with represented employees in the International Brotherhood of Teamsters, Local 350 for Sanitary Truck Drivers and Helpers, was approved on June 11, 2025.

The Budget Report was developed in conformity with the format prescribed by the provisions of the Governmental Accounting Standards Board (GASB).

### Table of Contents

Statement of Revenue, Expenses and Changes in Net Position	3
Collections	
Statement of Revenue, Expenses and Changes in Net Position, Collections	4
Revenues	5
Expenditures	6
Expense Analysis	10
Capital Fund	11
Capital Budget	13
Reserves	15
Solid Waste Fund	16
Recycled Water Fund	
Sharon Heights Recycled Water Facility	19
Recycled Water Capital Expenditures	20
Statement of Revenue, Expenses and Changes in Net Position, Funds	21

West Bay Sanitary District  
Consolidated Budget  
Fiscal Year 2025-26

	Unaudited Actual 3/31/2025	Projected 6/30/2025	Approved Budget FY 2024-25	Revised Budget FY 2024-25	Proposed Budget FY 2025-26	Budget Variance	% Var
<b>Operating Revenues</b>							
Residential	19,738,032	28,118,978	27,643,947	27,643,947	29,576,172	1,932,225	7%
Non-Residential	5,341,740	5,320,719	5,801,413	5,801,413	5,959,603	158,190	3%
Sewer Service Charges	25,079,773	33,439,697	33,445,360	33,445,360	35,535,775	2,090,415	6%
Permit & Inspection Fees	290,697	387,596	200,000	200,000	250,000	50,000	25%
Flow Equalization	174,508	174,508	69,210	69,210	-	(69,210)	-100%
Other Operating Revenue	1,032,185	1,372,819	862,449	1,952,898	2,495,037	542,139	28%
<b>Operating Revenues</b>	<b>26,577,163</b>	<b>35,374,621</b>	<b>34,577,019</b>	<b>35,667,468</b>	<b>38,280,812</b>	<b>2,613,344</b>	<b>7%</b>
<b>Operating Expenses</b>							
Salaries & Benefits	5,845,466	7,793,955	7,789,559	8,539,513	9,141,452	601,939	7%
Materials & Supplies	385,347	513,795	813,800	961,912	1,066,999	105,087	11%
Insurance	278,100	370,800	368,560	371,058	413,149	42,092	11%
Contract Services	654,607	872,809	1,009,652	1,031,620	1,120,364	88,745	9%
Professional Services	312,903	417,204	1,671,800	1,701,275	1,731,085	29,810	2%
Repairs & Maintenance	306,130	408,173	719,615	729,365	941,037	211,672	29%
Utilities	380,176	506,901	544,430	546,455	613,416	66,961	12%
Other Operating Expenses	214,117	285,490	621,401	640,001	617,786	(22,215)	-3%
Depreciation	2,885,704	3,847,605	3,955,000	4,062,250	4,255,000	192,750	5%
<b>Total WBSD Operating Expenses</b>	<b>11,262,550</b>	<b>15,016,733</b>	<b>17,493,817</b>	<b>18,583,448</b>	<b>19,900,288</b>	<b>1,316,840</b>	<b>7%</b>
Sewage Treatment Plant (SVCW)	15,429,428	18,328,703	18,540,559	18,540,559	18,191,973	(348,586)	-2%
<b>Total Operating Expenses</b>	<b>26,691,977</b>	<b>33,345,435</b>	<b>36,034,376</b>	<b>37,124,007</b>	<b>38,092,261</b>	<b>968,254</b>	<b>3%</b>
<b>Operating Income (Loss)</b>	<b>(114,814)</b>	<b>2,029,186</b>	<b>(1,457,357)</b>	<b>(1,456,539)</b>	<b>188,551</b>	<b>1,645,090</b>	<b>-113%</b>
<b>Non-Operating Revenues (Expenses)</b>							
Investment Income	2,582,292.97	2,582,293	501,000	501,000	501,000	-	0%
Other Non-Operating Income	652,773.86	652,774	671,950	671,950	735,800	63,850	10%
Interest Expense	(151,111.88)	(151,112)	(151,112)	(151,112)	(145,994)	5,118	-3%
Other Non-Operating Expenses	-	-	-	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3,083,955</b>	<b>3,083,955</b>	<b>1,021,838</b>	<b>1,021,838</b>	<b>1,090,806</b>	<b>68,968</b>	<b>7%</b>
<b>Change in Net Position by Fund</b>	<b>2,969,141</b>	<b>10,198,491</b>	<b>(435,518)</b>	<b>(434,701)</b>	<b>1,279,357</b>	<b>1,714,058</b>	<b>-394%</b>
Pension Adjustment (GASB 68)	(66,004)	(66,004)					
Capital Contributions							
Grants Received	2,283,093	2,283,093			2,601,019	2,601,019	
Capital Fund: Connection Fees	489,764	489,764	250,000	250,000	250,000	-	0%
Recycled Water Fund	524,889	524,889	662,900	662,900	662,900	-	0%
<b>Change in Net Position</b>	<b>6,200,884</b>	<b>13,430,235</b>	<b>477,382</b>	<b>478,199</b>	<b>4,793,276</b>	<b>4,315,077</b>	<b>902%</b>
Beginning Net Position	180,396,525	180,396,525	180,396,525	193,826,759	193,826,759		
Prior Period Adjustment							
Ending Net Position	186,597,409	193,826,759	180,873,906	194,304,959	198,620,035		

**Consolidated Statement:**

West Bay Sanitary District’s consolidated budget conforms to the governmental accounting standards board (GASB) reporting standards for local governments, following generally accepted accounting principals (GAAP), including all District Funds.

West Bay Sanitary District  
Collections Budget  
General, Capital, & Treatment Plant Funds  
Fiscal Year 2025-26

	Unaudited Actual	Approved Budget	Collections Budget	Budget Change	% Change
	3rd Qtr FY 24-25	FY 2024-25	FY 2025-26	FY 2025-26	FY 2024-25
<b>Operating Revenues</b>					
Residential	19,738,032	27,643,947	29,576,172	1,932,225	7%
Non-Residential	5,341,740	5,801,413	5,959,603	158,190	3%
Sewer Service Charges	25,079,773	33,445,360	35,535,775	2,090,415	6%
Permit & Inspection Fees	290,697	200,000	250,000	180,790	261%
Flow Equalization	174,508	69,210	-	(200,000)	-100%
Other Operating Revenue	950,919	1,829,598	2,363,437	533,839	29%
<b>Operating Revenues</b>	<b>26,495,897</b>	<b>35,544,168</b>	<b>38,149,212</b>	<b>9,048,271</b>	<b>7%</b>
<b>Operating Expenses</b>					
Salaries & Benefits	5,671,630	8,323,513	8,838,352	514,839	6%
Materials & Supplies	373,477	916,912	1,026,999	110,087	12%
Insurance	243,274	325,058	351,149	26,092	8%
Contract Services	654,607	1,031,620	1,120,364	88,745	9%
Professional Services	255,499	1,602,175	1,615,500	13,325	1%
Repairs & Maintenance	302,245	704,365	760,037	55,672	8%
Utilities	185,234	297,205	333,916	36,711	12%
Other Operating Expenses	127,081	531,481	478,775	(52,706)	-10%
Depreciation	2,319,528	3,307,250	3,500,000	192,750	6%
<b>Total WBSD Operating Expenses</b>	<b>10,132,574</b>	<b>17,039,578</b>	<b>18,025,092</b>	<b>985,514</b>	<b>6%</b>
Sewage Treatment Plant (SVCW)	15,429,428	18,540,559	18,191,973	(348,586)	-2%
<b>Total Operating Expenses</b>	<b>25,562,001</b>	<b>35,580,137</b>	<b>36,217,065</b>	<b>636,928</b>	<b>2%</b>
<b>Operating Income (Loss)</b>	<b>933,896</b>	<b>(35,969)</b>	<b>1,932,147</b>	<b>1,968,116</b>	<b>-5472%</b>
<b>Non-Operating Revenues (Expenses)</b>					
Investment Income	2,338,416	500,000	500,000	-	
Other Non-Operating Income	108,720	-	-	-	
Interest Expense	-	-	-	-	
Other Non-Operating Expenses	-	-	-	-	
Increase (Decrease) in SVCW	-	-	-	-	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>2,447,136</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	
Change in Net Position before Contributions & Special Items	3,381,032	464,031	2,432,147	1,968,116	424%
Increase (Decrease) in Pension (GASB 68)	(66,004)	-	-	-	
Capital Contributions	-	-	-	-	
Grants Received	2,283,093	-	2,601,019	2,601,019	
Capital Fund: Connection Fees	489,764	250,000	250,000	-	
Recycled Water Fund	-	-	-	-	
<b>Change in Net Position</b>	<b>6,087,886</b>	<b>714,031</b>	<b>5,283,166</b>	<b>4,569,135</b>	<b>640%</b>

**Collection Statement:**

West Bay Sanitary District's collection budget shows the District's core function of providing wastewater collection and conveyance services to the City of Menlo Park, Atherton, Portola Valley, areas of East Palo Alto, Woodside, and unincorporated San Mateo and Santa Clara counties.

**Budget Fiscal Year 2025-26**

West Bay Sanitary District has three distinct enterprise funds: Collections, which is the original mandate of the district; Solid Waste, franchised to Recology since January 1, 2011, and Recycled Water, consisting of the Sharon Heights Recycled Water Facility, completed March 2021, and the Bayfront Recycled Water Facility, currently in construction.

**Collections: General, Capital, & Treatment Plant Funds:**

Collection system is comprised of the General Fund, for direct District expenses, Capital Fund for capital expenditures, including depreciation, and the Treatment Plant Fund, for sewage treatment plant activity by Silicon Valley Clean Water (SVCW). These funds represent the sewer service operations. Solid Waste and Recycled Water Funds are detailed separately.

**Revenues:**

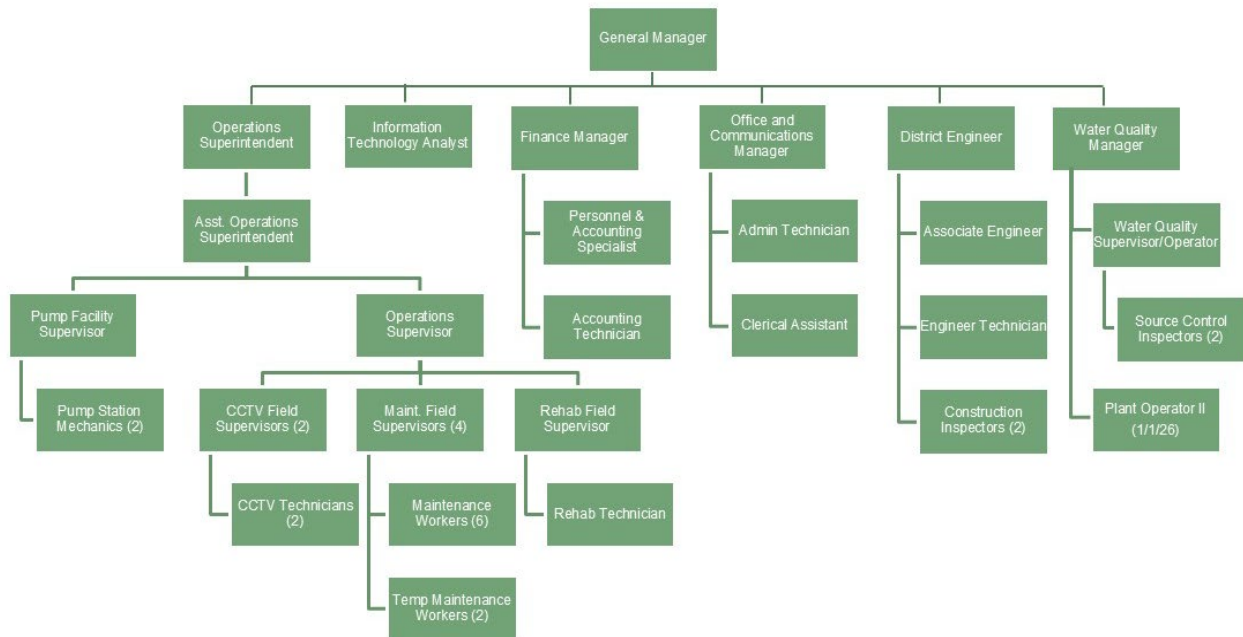
The Budget for FY 2025-26 includes total Operating Revenues of \$38.28 million, with \$38.15 million in the General Fund, reflecting a 7% increase from FY 2024-25 annual budget.

- **Sewer Service Charges.** Total revenue of \$ 35.5 million is estimated, reflecting a 5% increase in rates. Residential customers increased by 38 during FY 2025-26, to 20,470 households served. Non-Residential customers increased by 7, to 619, for a total of 21,089 customers.
- **Permit Fees.** Permit & Inspection Fees budget is \$250,000. These fees are budgeted conservatively, due to the uncertain nature of their timing.
- **Flow Equal.** The total Flow Equalization Cost Sharing with Silicon Valley Clean Water (SVCW) contract expired in FY 2023-24, with a two month extension in FY 2024-25. SVCW proposed optional subsequent use billed as needed. It is unknown if there will be additional charges.
- **Other Operating Income.** A total of \$2.36 million, a 29% increase from the prior budget.
  - The District has three Maintenance Service Agreements with outside agencies for \$2.16 million annually.
    - Revenue from East Palo Alto Sanitary District (EPASP) = \$ 1,588,403, a 4.5% increase. On July 24, 2024 the District signed a five year agreement with the City of East Palo Alto to provide services for the East Palo Alto Sanitary District's (EPASD) 35 miles of gravity sewer pipelines.
    - Revenue from Los Altos Hills = \$484,760, a 4% increase.
      - 4% x 4 years, after 2% equaling over 18% in the 5-year contract.
    - Revenue from Town of Woodside = \$90,204, a 4% increase.
  - Pass-through revenue from HACH Service Passthrough = \$200,070.
  - Recology Franchise Fees for Solid Waste services for 2,253 customers = \$131,600, a 7% increase. The District service area includes 4 apartments, 29 commercial establishments, and 2,220 residential customers.
- **Non-Operating Revenues:** The District budget for Interest Income is \$500,000.

**Expenditures:**

Total Operating Expenses for all funds is \$38.1 million, representing a 3% increase from the approved FY 2024-25 budget. Collections includes the General, Capital, and SVCW Funds, while the Solid Waste and Recycled Water Funds are reported separately, to provide transparency.

West Bay Sanitary District  
Organization Chart  
FY 2025-26



**Collections Expenditures: General, Capital, and Treatment Plant Funds**

Collection expenses of \$36.2 million represents a 2% increase over FY 2024-25. Detailed expenses are shown on the Expense Analysis on page 10.

**General Fund.**

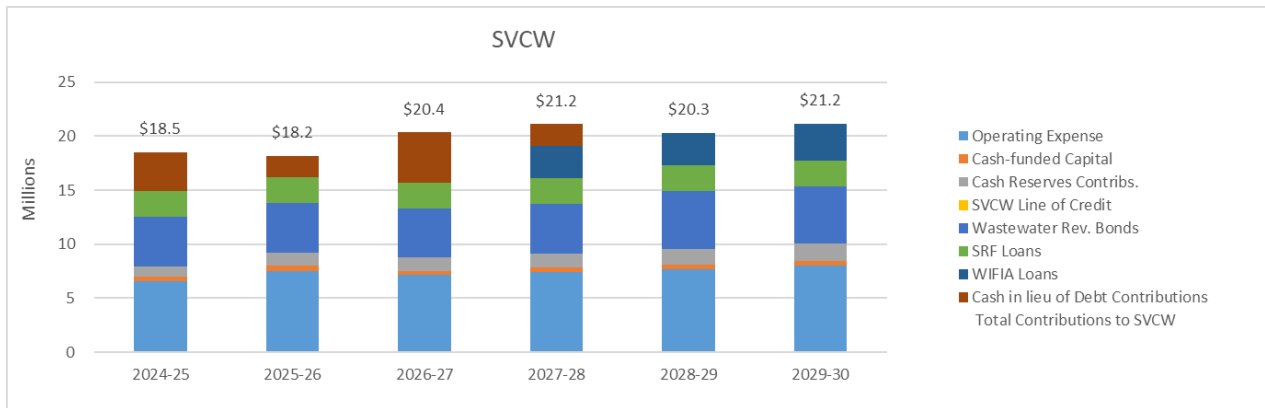
General Fund Expenses are \$14.5 million, increasing 6% from FY 2024-25.

- Salaries and benefit costs are increasing 6% from FY 2024-25, including changes in the Memorandum of Understanding (MOU) with represented employees, approved June 11, 2025, and effective July 1, 2025. The District has 39 full time positions, with an additional position for a Plant Operator II, effective January 1, 2026, included in Recycled Water Fund.
  - Salaries increased 7%, based on full staffing, with a 4.5% COLA, per the MOU and annual merit step increases.
  - Benefits increased 5% from FY 2024-25, including additional staff.
- Material and Supplies is increasing 12% from FY 2024-25.
  - Fuel costs are increasing 10%.
  - Office Expense, 2% increase.

- Operating Supplies, 11% increase.
- Equipment Expense increased 26%, to \$121,400. These represent replacement of small tools and equipment or one-time purchases under the \$20,000 capitalization policy.
  - Collections = \$50,300
  - Pump Stations = \$469,100
  - Water Quality = \$25,000
- Insurance costs are expected to increase approximately 8%. The District is a member of California Sanitation Risk Management Authority (CSRMA), which provides self-insured and excess insurance. Final rates will not be available until late June 2025. The District has evaluated deductible options to reduce costs, balancing against increased risk. The District's experience modification factor for workers' compensation decreased to 0.76, from 0.83. Below 1.0 is indicative of good claim history.
- Contractual Services are increasing 9% from FY 2024-25. This category includes contract expenses to HACH, which are passed through to customers with a marginal administrative fee, for a total of \$200,070.
  - Contracts expenses are increasing 10%.
  - Rents and leases are increasing 1%.
- Professional services, which includes printing, publications, research, and monitoring costs, are increasing 1%. Professional services includes engineering, attorney fees, studies, technology consulting, and other outside professional services. FY 2023-24 and FY 2024-25 included one-time costs, which were not all completed, including software installations carried over to FY 2025-26.
  - Professional Services is \$1,488,400, increasing 1%.
    - Engineering costs are \$619,726.
    - IT Services are \$501,600.
      - Carryover software installation costs of \$40,000 for Finance software and \$200,000 for a new tax roll system.
      - Computerized maintenance management system (CMMS) replacement Installation.
    - Legal and audit fees of \$200,900.
    - Health screening, safety training, and recruitment costs are \$111,700.
    - Miscellaneous services of \$106,600.
  - Printing & Publications is \$99,500, increasing 9%.
  - Research and Monitoring is unchanged, at \$27,600.
- Repairs and maintenance expenses include fleet, safety equipment, lift stations, and other equipment maintenance crucial to operations and computer software and hardware (under \$20,000 capitalization limit). Costs are increasing 8% to \$760,037.

- Repairs & Maintenance \$378,411, a 2% increase.
- Computer Hardware & Software \$381,626, a 15% increase.
  - Cloud Based Software:
    - Replace CMMS software, \$165,000
    - Finance Enterprise, \$82,000
    - Tax Roll software, \$35,000
    - Telemetry System, \$10,000
    - Digital Bidding Software, \$9,000
    - Other software \$30,626
  - Hardware \$50,000
- Utilities are \$333,916, increasing 12%, including a 15% increase for electricity.
- Other Operating Expenses, which includes Election expenses, Memberships, Training, Meetings, Travel, LAFCo, and miscellaneous expenses, are decreasing 10% to \$478,775.
  - No Election expense, reducing costs \$70,000 from FY2024-25, for bi-annual elections for three current board members reaching the end of their current term.
  - Training, meetings, and travel are increasing 11%, for new and promoted staff.
- **Capital Fund Depreciation.** Depreciation of \$3.5 million, increased 6% for completed projects and additional vehicles.
- **SVCW Operating Expenses/Debt.** This includes contributions and debt payments for the benefit of SVCW. Total Expenditures are \$18,191,973, decreasing 2% for the District's share of SVCW budget in FY 2025-26. SVCW expenditures represent 50% of the Collection Operating Expenses, excluding capital and depreciation. The District holds a 22.66% share of SVCW's Net Position according to the SVCW's annual Unaudited Analysis of Net Position, as of June 30, 2024. SVCW is reported in the Treatment Plant Fund, to better identify direct District Operations and those for SVCW.
  - SVCW Operating expenses is \$7,526,417, a 14% increase. Monthly payments also include revenue-funded capital and reserves. These are \$1,721,652 for FY 2025-26, a 26% increase from FY 2024-25.
  - SVCW Debt payments are \$6,958,961 for 2018 bonds, 2021 A&B bonds, WWTP SRF loan, and RESCU loans, which is flat from prior year. WIFIA loans will begin repayment in 2027-28 for an approximate \$3 million increase in the first year.
  - SVCW has allowed several options for \$33 million in additional funding. The Board has indicated paying cash in lieu of additional debt. After several discussions with SVCW staff, the district was provided the option for \$8,697,093 cash in lieu over three years, with \$1,984,943 in FY 2025-26. Reduced from \$5,636,400 in FY 2025-26 Budget Workshop. This saves over \$2 million from other scenarios.

West Bay Sanitary District  
Contributions  
Silicon Valley Clean Water



**Capital Contributions:**

- Connection Fees of \$250,000 are unchanged.
- National Fish & Wildlife Foundation grant funds of \$2,601,019 is outstanding for the levee living shoreline, which is expected to be completed in FY 2025-26.

**Change in Net Position:**

The Collections Budget: General, Capital, and Treatment Plant Funds, Net Operating Income of \$1,932,147, with a Net Change in Position is \$5,283,166.

The Combined Net Operating Income of \$188,551 for all Funds, with a total positive Change in Net Position of \$4,793,276 for FY 2025-26.

**Budget  
Collections Budget  
Fiscal Year 2025-26  
Expense Analysis**

	<b>Unaudited Collections 3rd Qtr FY 24-25</b>	<b>Revised Collections Budget FY 2024-25</b>	<b>Collections Budget FY 2025-26</b>	<b>Budget Variance</b>	<b>% Var</b>
<b>Operating Expenses</b>					
Salaries & Wages	4,126,617	5,758,631	6,146,298	387,667	7%
Employee Benefits	1,496,538	2,380,683	2,504,554	123,871	5%
Directors- Fees	36,990	93,600	96,900	3,300	4%
Election Expense	2,683	70,000		(70,000)	
Gasoline, Oil & Fuel	65,071	160,025	175,821	15,796	10%
Insurance	243,274	325,058	351,149	26,092	8%
Memberships	52,111	96,241	101,241	5,000	5%
Office Expense	32,487	53,100	53,950	850	2%
Operating Supplies	270,202	607,387	675,828	68,441	11%
Contract Services	614,700	919,275	1,006,714	87,440	10%
Professional Services	255,499	1,482,900	1,488,400	5,500	0%
Printing & Publications	25,607	91,675	99,500	7,825	9%
Rents & Leases	39,906	112,345	113,650	1,305	1%
Repairs & Maintenance	181,338	372,239	378,411	6,172	2%
Computer Hardware & Software	120,907	332,126	381,626	49,500	15%
Research & Monitoring	-	27,600	27,600	-	
Training, Meetings & Travel	47,654	171,900	190,600	18,700	11%
Utilities	185,234	297,205	333,916	36,711	12%
Other Operating Expenses	71,715	288,860	309,945	21,085	7%
Equipment Expense	5,716	96,400	121,400	25,000	26%
Pension Expense		50,000	50,000	-	
OPEB Expense	11,484	40,600	40,600	-	
Solid Waste Overhead Allocation	(49,365)	(65,820)	(89,111)	(23,291)	35%
Recycled Water Overhead Allocation	(23,325)	(29,700)	(33,900)	(4,200)	14%
Depreciation	2,319,528	3,307,250	3,500,000	192,750	6%
<b>Total WBSD Operating Expenses</b>	<b>10,132,574</b>	<b>17,039,578</b>	<b>18,025,092</b>	<b>985,514</b>	<b>6%</b>
SVCW - Operating Fund	4,949,145	6,579,079	7,526,417	947,338	14%
SVCW - Capital Contributions	301,878	402,502	466,801	64,299	16%
SVCW - Operating Reserves	-	-	210,892	210,892	
SVCW - Capital Reserves	704,547	939,400	1,043,959	104,559	11%
SVCW - Line of Credit	-	-		-	
SVCW - Debt Service Reserves	-	-		-	
SVCW - 2018 Bond	1,834,200	1,834,963	1,835,338	375	0%
SVCW: 2021 Bonds (\$55.6m)	2,741,810	2,742,354	2,737,697	(4,657)	0%
SVCW - SRF WWTP Debt C-06-5216-120	506,765	506,765	506,765	-	
SVCW - SRF Debt C-06-8069-110	143,482	143,482	143,482	-	
SVCW - SRF RESCU	619,611	530,307	530,307	-	
SVCW: SRF Loan C-06-8264-210	533,970	593,284	593,284	-	
SVCW: SRF Loan C-06-8264-710	351,765	612,090	612,090	-	
SVCW - Cash in Lieu of Debt	2,742,255	3,656,334	1,984,943	(1,671,391)	-46%
<b>Total External Operating Expenses</b>	<b>15,429,428</b>	<b>18,540,559</b>	<b>18,191,973</b>	<b>(348,586)</b>	<b>-1.9%</b>
<b>Total Operating Expenses</b>	<b>25,562,001</b>	<b>35,580,137</b>	<b>36,217,065</b>	<b>636,928</b>	<b>2%</b>

**Capital Fund:**

The Capital Fund is financed with any Net Increase in Position from the Collection Operations revenue, Connection Charges by customers, and Interest Income. The District had \$43.5 million Capital Budget balance available as of June 30, 2024. Through March 31, 2025, the capital budget decreased \$6.2 million, resulting in a \$37.3 million capital budget balance. There is \$11 million in budgeted capital expenditures outstanding for the current year.

**Capital Fund Revenue:**

Connection Fees of \$250,000 are budgeted; no change from FY 2024-25.

**Capital Fund Expenses:**

Total Capital Expenditures budget for FY 2025-26 is \$17.54 million, a 36% decrease from FY 2024-25. \$10 million is carried over from FY 2024-25. A detailed schedule of Capital Expenditures is included on page 13-14.

**Capital Assets:**

<b>Capital Fund Expenditures</b>	<b>Actual YTD 3/31/2025</b>	<b>Budget FY 2024-25</b>	<b>Budget FY 2025-26</b>	<b>Budget Change</b>	<b>% Var</b>
Administration	79,274	80,000	0	(80,000)	-100%
Collection Facilities	0	600,000	600,000	0	0%
Vehicles & Equipment	984,921	1,528,000	365,000	(1,163,000)	-76%
Pump Stations	66,661	1,639,000	2,826,000	1,187,000	72%
Subsurface Lines & Other Capital	0	100,000	200,000	100,000	100%
Construction Projects	14,805,239	23,449,500	13,549,500	(9,900,000)	-42%
<b>Total Capital Fund</b>	<b>15,936,096</b>	<b>27,396,500</b>	<b>17,540,500</b>	<b>(9,856,000)</b>	<b>-36%</b>

- **Administration.** There is no budget in administration.
- **Collection Facilities - Buildings.** The budget for Collection includes FERRF and unexpected allowance of \$1,100,000, for an 83% increase.
  - FERRF Improvements \$500,000
  - Allowance for Unanticipated Capital Expenditures of \$100,000
- **Vehicle & Equipment.** The budget for vehicles and equipment is \$365,000, a 76% decrease from the FY 2024-25 budget, when additional vehicles were purchased to maintain new contract with EPASD.
  - Equipment: No capitalized equipment budget.
  - Vehicles:
    - Ford Maverick, \$40,000 for Managers' Pool Vehicle.
    - Utility Truck \$80,000, for Pump Supervisor
    - 3 Ton Crane \$240,000
  - Contribution to Equipment Replacement Reserve: Increased 3% to \$442,000, plus an additional \$1 million to re-establish after depleting reserve in FY 2024-25.

- **Pump Stations.** The budget is increasing 72%, to \$2,826,000.
  - Additional Pump & Valve Replacement, \$142,000.
  - Pump Station Telemetry, \$1,245,000, with \$510,918 carried over from FY 2024-25.
  - Willow Pump Station Discharge, Ivy, \$300,000.
  - Illinois Force Main Replacement, \$1,039,000 carried over from FY 2024-25.
  - Hamilton Henderson Wetwell Lining, \$100,000.
  
- **Subsurface Lines & Other Capital.**
  - No change in \$100,000 for Manhole Raising on paving projects.
  - Structure coating of \$100,000 is in the Master Plan.
  
- **Construction in Progress (CIP).** These are new construction projects that are recorded separately and capitalized when completed. CIP is not depreciated until completed. \$13,549,500 is budgeted for CIP, with \$9.5 million carryover from FY 2024-25 capital budget, not including the Pump Station Telemetry project. New funding is \$4.1 million.
  - Levee Project:
    - \$1 million budget to complete levee project in FY 2025-26.
    - The District received a \$4,884,112 grant from the National Fish and Wildlife Foundation for the construction of a living shoreline. These are matching funds requiring a 112% contribution by the District (\$5.5 million). The District has received \$2,283,093 to date, with \$2,601,019 outstanding.
  - Pipeline Replacement & Rehab Engineering, \$500,000 in new funding.
    - Laurel Ave-Hwy101 Crossing
  - Pipeline Replacement & Rehab Construction, \$12,049,500, carried over from FY 2024-25.
    - Stowe Lane (Carryover), \$2,100,000.
    - Willow Pump Station Rehabilitation (Carryover), \$300,000.
    - Misc Point Repairs-High Freq. List Repairs (LAMP 1), \$6,949,500, \$6 million carryover.
    - Bayfront Park Sanitary Sewer Improvements, \$1,000,000 (Carryover)
    - Emergency Syphon Repairs, \$1,200,000
    - Unexpected Pipeline Repair Projects \$500,000, added to account for emergency or unanticipated pipeline repairs.

**Budget  
Fiscal Year 2025-26  
Capital Fund**

Capital Expenditure - Detail	Actual 3/31/2025	Revised Budget FY 2024/25	Budget FY 2025/26	Budget Variance	Budget % Var
<b>Plant &amp; Administration</b>					
District Office HVAC System	79,274	80,000			
Write-Off Assets					
<b>Total Administration</b>	<b>79,274</b>	<b>80,000</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Collection Facilities - FERRF/Buildings</b>					
FERRF Improvements		500,000	500,000	0	0%
Allowance For Unanticipated Capital Expenditures		100,000	100,000	0	0%
Write-Off Assets					
<b>Subtotal Collection Facilities</b>	<b>0</b>	<b>600,000</b>	<b>600,000</b>	<b>0</b>	<b>0%</b>
<b>Equipment Replacement - Funded From The Equipment Replacement Fund</b>					
<b>Equipment</b>					
CCTV Equipment: Transporter, Track Module, Camera		28,000		(28,000)	
<b>Vehicles</b>					
Dump Truck (Deferred since 2020 to 2023-24)	185,145			0	
Electric Vehicles		80,000		(80,000)	
Ford Maverick	30,766	35,000	45,000	10,000	
Utility Truck - Pump Supervisor			80,000	80,000	
CCTV	489,516	425,000		(425,000)	
US Jetter		200,000		(200,000)	
Pipe Hunter / Jetter	279,494	280,000		(280,000)	
CCTV Unit		480,000		(480,000)	
3 Ton Crane			240,000	240,000	
<b>Total Equipment Replacement</b>	<b>984,921</b>	<b>1,528,000</b>	<b>365,000</b>	<b>(1,163,000)</b>	<b>-76%</b>
Sales of Vehicles	(166,340)				
Destroyed Vehicle					
Write-Off Prior Period Disposable Parts					
<b>Net Vehicles &amp; Equipment Expense</b>	<b>818,581</b>	<b>1,528,000</b>	<b>365,000</b>	<b>(1,163,000)</b>	<b>-76%</b>
Equipment Replacement Reserve	(401,577)	(401,577)	(442,000)	(40,423)	10%
<b>Net Vehicles &amp; Equipment Activity</b>	<b>417,004</b>	<b>1,126,423</b>	<b>(77,000)</b>	<b>(1,203,423)</b>	<b>-107%</b>
<b>Subsurface Lines &amp; Other Capital</b>					
<b>Pump Stations</b>					
Pump Equipment Replacement Program		40,000	142,000	102,000	255%
Pump Station Telemetry		205,515	694,083		
Pump Station Telemetry (carryover)	9,083	354,485	550,918	685,000	122%
Willow PS Discharge (Ivy Drive) Capacity Improvements			300,000	300,000	
Illinois Force Main Replacements	57,579	1,039,000			
Illinois Force Main Replacement (carryover)			1,039,000	-	
Hamilton Henderson Wetwell Lining			100,000	100,000	
Write-Off: Assets					
<b>Total Pump Stations</b>	<b>66,661</b>	<b>1,639,000</b>	<b>2,826,000</b>	<b>1,187,000</b>	<b>72%</b>
<b>Other Subsurface Lines</b>					
Manhole Raising (Paving Projects)		100,000	100,000	0	0%
Structure Coating (Maintenance)			100,000	100,000	
<b>Total Subsurface Lines &amp; Other Capital</b>	<b>0</b>	<b>100,000</b>	<b>200,000</b>	<b>100,000</b>	
<b>Total Pump Station, Subsurface Lines, &amp; Other Capital</b>	<b>66,661</b>	<b>1,739,000</b>	<b>3,026,000</b>	<b>1,287,000</b>	<b>74%</b>

**Budget  
Fiscal Year 2025-26  
Capital Fund**

<b>Capital Expenditure - Detail</b>	<b>Actual 3/31/2025</b>	<b>Budget FY 2024/25</b>	<b>Budget FY 2025/26</b>	<b>Budget Variance</b>	<b>% Var</b>
<b><u>Construction in Progress</u></b>					
Levee Improvement Project	3,509,103	148,214	1,000,000		
Levee Improvement Project (Carryover)	4,851,786	4,851,786		(4,000,000)	20%
<b><u>Pipeline Replacement &amp; Rehab Design &amp; Engineering</u></b>					
Spot Repair Design-High Frequency List		-			
Spot Repair Design-High Frequency List (Carryover)		350,000		(350,000)	0%
Pipeline Replacement Design		478,350			
Pipeline Replacement Design (Carryover)	227,432	221,650		(700,000)	0%
Laurel Ave-Hwy101 Crossing			500,000		
<b><u>Pipeline Replacement &amp; Rehab Construction</u></b>					
Stowe Lane					
Stowe Lane (Carryover)	26,770	3,000,000	2,100,000	(900,000)	70%
Willow Pump Station Rehabilitation					
Willow Pump Station Rehabilitation (Carryover)	791,680	1,700,000	300,000	(1,400,000)	18%
Misc Point Repairs-High Freq. List Repairs (LAMP 1)	4,159,969	10,214,444	895,025		
Misc Point Repairs-High Freq. List Repairs (Carryover)	885,056	885,056	6,054,475	(4,150,000)	63%
Bayfront Park Sanitary Sewer Improvements	-	595,010			
Bayfront Park Sanitary Sewer Improvements (Carryover)	353,443	1,004,990	1,000,000	(600,000)	63%
Emergency Syphon Repairs			1,200,000		
Unexpected Pipeline Repair Projects			500,000		
<b>Total Construction in Progress</b>	<b>14,805,239</b>	<b>23,449,500</b>	<b>13,549,500</b>	<b>(9,900,000)</b>	<b>-42%</b>
<b>Total Construction in Progress</b>	<b>14,805,239</b>	<b>23,449,500</b>	<b>13,549,500</b>	<b>(9,900,000)</b>	<b>-42%</b>
<b>Total Capital Fund Expenditures</b>	<b>15,936,096</b>	<b>27,396,500</b>	<b>17,540,500</b>	<b>(9,856,000)</b>	<b>-36%</b>

**Reserves:**

The District reserves funds to protect cash flow between sewer service fee payments from the county, maintain fiscal stability, and reserve for future projects. The District has six individual investment accounts to reserve funds for various aspects of operations, plus two money market accounts, including the two accounts which are restricted and hold deposits from Sharon Heights Golf & Country Club (SHGCC) for the SRF loan on the Sharon Heights Recycled Water Facility (SHRWF). In addition, the District has two checking accounts and holds funds in Local Agency Investment Fund (LAIF), which are liquid and available to fund current Operations and Capital Projects.

**Budget  
Fiscal Year 2025-26  
Reserve Contributions**

Reserves	Targets	Balance 3/31/25	Budget FY 2024-25	Budget FY 2025-26	Balance FY 2025-26	Budget Change	% Var
<b>Collection Reserves</b>							
Operating Reserve (6mo/Ops)	18,108,533	17,245,253	3,220,785	863,280	18,108,533	(2,357,505)	-273%
Rate Stabilization Reserve	10,000,000	11,667,111			11,667,111	0	
Treatment Plant Reserve	12,000,000	11,068,041		(1,984,943)	9,083,098	(1,984,943)	100%
<b>Restricted Reserves</b>							
PARS Irrevocable Trust		419,008	50,000	50,000	469,008	0	0%
PARS Irrevocable Trust		581,988	25,000	25,000	606,988	0	0%
<b>Capital Fund Reserves</b>							
Capital Reserve	14,000,000	22,867,569			22,867,569	0	#DIV/0!
Equipment Replacement Reserve	1,000,000		413,625	1,442,000	1,442,000	1,028,375	#REF!
<b>Recycled Water Fund Reserves</b>							
Recycled Water Cash Flow Reserve	8,000,000	4,714,448			4,714,448	0	#DIV/0!
Recycled Water SRF Reserve - Restricted	1,458,404	1,520,706			1,520,706	0	#DIV/0!
<b>Total Reserves</b>	<b>64,566,937</b>	<b>70,084,125</b>	<b>3,709,410</b>	<b>395,337</b>	<b>(3,314,073)</b>	<b>(3,709,410)</b>	<b>-938.3%</b>

The District currently has four separate investment reserve accounts maintained to support the goals of the District, along with reserves held in LAIF, including Operating Reserves and an Equipment Replacement Reserve, a Pension Trust, and the restricted Recycled Water SRF Reserve. Annual contributions are made in accordance with the Board approved budget in order to reach the target balances for each reserve. The Operating Reserve is set at six months of operating expenses, based on the annual budget, and adjusted with the new approved budget.

- **Reserves.** Total reserve designations are \$4.2 million, excluding \$5.6 million deduction.
  - **Operating Reserve:** Designate \$2.7 million.
    - Six months of operations provides cash flow between July and December, when the first sewer service charges are received.
    - Operating Reserves will be held in LAIF, where they are available for cash flow.
  - **Vehicle & Equip Replacement Reserve:** Designate \$1.4 million in LAIF.
    - \$1 million to re-establish reserve after depleting in FY 2024-25.
    - \$442,000, annual contribution increased 3% annually.
  - **Treatment Plant Reserve:** Transfer \$1.98 million for cash-in-lieu of additional SVCW debt in FY 2025-26. This reserve was specifically created to have funds available to make contributions in lieu of taking on additional long-term debt through SVCW. The current projection for additional contributions for capital is \$8,697,093 over three years.

- **Restricted Reserves.**
  - **Public Agency Retirement Services (PARS) Trust:**
    - **Retirement:** \$50,000 to reserve for possible CalPERS unfunded liability.
    - **Other Post-Employment Benefits:** \$25,000 to keep pace with increasing liability.

**Solid Waste:**

The Solid Waste Fund has a projected net decrease of \$10,096 for FY 2025-26. The Net Position is estimated at \$883,429 through FY 2025-26.

- **Solid Waste Fund Revenue.** Franchise fees are received from Recology, which manages solid waste collection for the District. The budget is estimated at a 7% increase from FY 2025-26, based on current receipts. Recology may have other changes, which are uncertain at this time; additional costs associated with implementation of California’s Short-Lived Climate Pollutant (SLCP) Reduction Strategy, SB1383 and disposal costs at the Shoreway Environmental Center.
- **Solid Waste Fund Expense.** Allocated expenses for the Solid Waste program of \$141,696 is budgeted for rate studies, annual notification mailing, and overhead allocation, a combined 21% increase. The overhead allocation was raised to account for the increase in staff time for meetings and matters involving new solid waste regulations.

Budget  
Fiscal Year 2025-26  
Solid Waste Fund

	YTD 3/31/2024	Projected 6/30/24	Budget FY 2024-25	Budget FY 2025-26	Budget Variance	% Var
<b>Operating Income</b>						
Franchises	86,077	114,769	123,300	131,600	8,300	7%
<b>Total Income</b>	<b>86,077</b>	<b>114,769</b>	<b>123,300</b>	<b>131,600</b>	<b>8,300</b>	<b>7%</b>
<b>Expenditures</b>						
Rate Studies	28,314	28,314	44,200	45,526	1,326	3%
Mailings	3,600	3,600	5,300	5,459	159	3%
Public Relations	0	0	1,600	1,600	0	0%
Overhead Expense Allocation - General	46,950	62,600	65,820	89,111	23,291	35%
<b>Total Allocated Operating Expense</b>	<b>78,864</b>	<b>94,514</b>	<b>116,920</b>	<b>141,696</b>	<b>24,776</b>	<b>21%</b>
<b>Non-Operating Income &amp; Expense</b>						
Surplus	317,824	317,824	0	0	0	0%
<b>Change in Net Position</b>	<b>325,037</b>	<b>338,079</b>	<b>6,380</b>	<b>(10,096)</b>	<b>(16,476)</b>	<b>-258%</b>
<b>Solid Waste Fund Beginning Balance</b>	<b>555,446</b>	<b>555,446</b>	<b>555,446</b>	<b>893,525</b>		
<b>Solid Waste Fund Balance</b>	<b>880,483</b>	<b>893,525</b>	<b>561,826</b>	<b>883,429</b>		

**Recycled Water:**

Recycled Water has two operations; The Sharon Heights Recycled Water Facility (SHRWF), completed in FY 2021-22 and the Bayfront Recycled Water Facility (BFRWF), under construction.

Recycled Water Fund	Unaudited Actuals 3/31/2025	Budget FY 2024-25	Budget FY 2025-26	Budget Variance	Budget Variance %
Salaries & Benefits	(174,048)	(216,000)	(303,100)	(87,100)	40%
Other Operating Expense	(340,050)	(455,950)	(675,400)	(219,450)	48%
Depreciation	(566,176)	(755,000)	(755,000)	-	0%
<b>Operating Income (Expense)</b>	<b>(1,080,274)</b>	<b>(1,426,950)</b>	<b>(1,733,500)</b>	<b>(306,550)</b>	<b>21%</b>
Non-Operating Income	787,931	672,950	736,800	63,850	9%
Non-Operating Expense	(151,112)	(151,112)	(145,994)	5,118	-3%
Capital Contributions	524,889	662,900	662,900	-	0%
<b>Net Change in Position</b>	<b>81,435</b>	<b>(242,212)</b>	<b>(479,794)</b>	<b>(237,582)</b>	<b>98%</b>

**Sharon Heights Recycled Water Facility**

The Sharon Heights Recycled Water Facility (SHRWF) was completed in FY 2021-22, for a project total of \$22,647,052. \$22,267,257 was received from the State Revolving Fund, including a \$5,259,800 Water Recycling Funding Program Construction Grant and a State Revolving Fund (SRF) Loan of \$17,117,420. The District assumed full management of the facility beginning January 27, 2021.

The SHRWF budget is based on the approved 2025 calendar year operations and maintenance budget agreed upon with Sharon Heights Golf & Country Club (SHGCC) representatives. It does not reflect increases created by the new MOU. The detailed SHRWF statement is included on page 19.

- **Revenue.** Revenue is recognized as non-operating income, as all costs of the facility are paid by the District and ultimately reimbursed by Sharon Heights Golf & Country Club (SHGCC). The District provides SHGCC with a projected budget in January 2025, which estimated annual operations and maintenance and is billed in twelve equal monthly installments. The difference is reconciled annually and billed or credited to SHGCC.
- **Expense.** Total Operating expenditures are budgeted at \$1,490,800 for FY 2025-26, including \$755,000 in depreciation of the recycled water facility.
  - Operating Expense budget is \$735,800, based on the calendar year budget with SHGCC.
    - Direct District expense budget is \$701,900, 9% higher than FY 2024-25.
    - Indirect Administration is \$33,900, 12% higher than FY 2024-25.
  - Depreciation is expensed on the straight-line method, \$755,000 annually.
- **Non-Operating Income & Expenses.**
  - Non-Operating Income
    - Income for FY 2025-26 is \$735,800, which represents the calendar year budget agreement with SHGCC for operations and maintenance.
    - \$1,000 in estimated interest income on the SRF deposit.

- Non-Operating Expenses
  - Although \$662,911 represents the principal and interest on the SRF loan payment, only the interest of \$145,994 is expensed. The principal amount reduces the loan balance.
- **Contributions.**
  - SHGCC pays \$662,900 in ten equal installments over ten months for the SRF loan payments, due March 30 each year. Recorded as a contribution by SHGCC.

**Bayfront Recycled Water Facility**

The Bayfront Recycled Water Facility (BFRWF) has been in preliminary planning since 2017. The District completed an initial BFRWF Plan in February 2019, with Board approval on May 12, 2021, completion is scheduled for 2027. The 1 million gallons per day (MGD) facility is estimated to cost \$85 million, as of January 2025.

The California State Water Board approved \$66.6 million in funding, including \$50 million federal Clean Water SRF loan, \$11.6 million in California Water Recycling loan, and \$5 million California Water Recycling Grant.

The District has identified several potential users, including Meta, who has 43.3% funding participation in the initial \$951 thousand management contract with Woodard & Curran.

- **Expense.** Total Operating expenditures are estimated at \$1,733,500 for FY 2025-26.
  - In FY 2025-26, the District will begin training an operator, effective January 1, 2026.
  - Ignition Software expense \$156,000 is budgeted for plant related operating software, transitioning from software used at SHRWF.

	SHRWF FY 2025-26	BFRWF FY 2025-26	Recycled Water FY 2025-26
Salaries & Benefits	(217,400.00)	(85,700.00)	(303,100.00)
Other Operating Expense	(518,400.00)	(157,000.00)	(675,400.00)
Depreciation	(755,000.00)	-	(755,000.00)
<b>Operating Income (Expense)</b>	<b>(1,490,800.00)</b>	<b>(242,700.00)</b>	<b>(1,733,500.00)</b>
Non-Operating Income	736,800		736,800.00
Non-Operating Expense	(145,994)		(145,993.89)
Capital Contributions	662,900		662,900.00
<b>Net Change in Position</b>	<b>(237,094)</b>	<b>(242,700)</b>	<b>(479,794)</b>

West Bay Sanitary District  
 Recycled Water Fund  
 Sharron Heights Recycled Water Facility  
 Budget  
 Fiscal Year 2025-26

Fund Expenditures - Detail	Actual YTD 3/31/2025	Projected 6/30/25	Budget FY 2024/25	Budget FY 2025/26	Budget Variance	% Var
<b><u>Operating Expense</u></b>						
Salaries & Wages	80,116	106,821	130,000	130,000	0	0%
Employee Benefits	49,415	65,887	40,000	41,400	1,400	3%
Indirect Labor	15,510	20,680	0	0	-	
Overtime	13,807	13,807	25,000	25,000	-	0%
Standby	15,200	20,267	21,000	21,000	-	0%
<b>Total Salaries, Wages &amp; Benefits</b>	<b>174,048</b>	<b>227,462</b>	<b>216,000</b>	<b>217,400</b>	<b>1,400</b>	<b>1%</b>
<b><u>Other Operating Expense</u></b>						
Fuel	0	0	0	0	0	
Insurance	34,826	46,435	46,000	62,000	16,000	26%
Memberships	0	0	0	0	0	
Office Expense	0	0	0	0	0	
Operating Supplies	11,870	15,827	45,000	40,000	(5,000)	-13%
Contractual Services	0	0	0	0	0	
Professional Services	42,595	42,595	25,000	40,000	15,000	38%
Printing & Publications	0	0	0	0	0	
Rents & Leases	0	0	0	0	0	
Repairs & Maintenance	3,885	5,180	25,000	25,000	0	0%
Research & Monitoring	14,504	19,339	23,000	23,000	0	0%
Training, Meetings & Travel	0	0	0	0	0	
Utilities	194,941	259,922	249,250	279,500	30,250	11%
Licenses & Permits	14,103	18,804	13,000	15,000	2,000	13%
Other Operating Expenses	0	0	0	0	0	
<b>Subtotal Operating Expenses</b>	<b>490,772</b>	<b>635,563</b>	<b>642,250</b>	<b>701,900</b>	<b>59,650</b>	<b>8%</b>
Administrative Expense	23,325	31,100	29,700	33,900	4,200	12%
<b>Direct Expenditures</b>	<b>514,097</b>	<b>666,663</b>	<b>671,950</b>	<b>735,800</b>	<b>63,850</b>	<b>9%</b>
Depreciation	566,176	754,902	755,000	755,000	0	0%
<b>Total Operating Expense</b>	<b>1,080,274</b>	<b>1,421,565</b>	<b>1,426,950</b>	<b>1,490,800</b>	<b>63,850</b>	<b>4%</b>
<b><u>Non-Operating Income &amp; Expense</u></b>						
<b>Other Non-Operating Income</b>						
SHGCC O&M Revenue	537,794	717,058	671,950	735,800	63,850	9%
Interest Income, Gains on Investment	1,253	1,670	1,000	1,000	0	0%
Other Non-Operating Income	6,260					
<b>Total Non-Operating Income</b>	<b>545,307</b>	<b>718,729</b>	<b>672,950</b>	<b>736,800</b>	<b>63,850</b>	<b>9%</b>
<b>Other Non-Operating Expense</b>						
SRF Loan Payment - Principal	(506,732)	(506,732)	(511,799)	(516,917)	(5,118)	1%
SRF Loan Payment - Interest	(151,112)	(151,112)	(151,112)	(145,994)	5,118	-4%
<b>Total Non-Operating Expense</b>	<b>(151,112)</b>	<b>(151,112)</b>	<b>(151,112)</b>	<b>(145,994)</b>	<b>5,118</b>	<b>-4%</b>
<b>Total Non-Operating Income &amp; Expense</b>	<b>394,195</b>	<b>567,617</b>	<b>521,838</b>	<b>590,806</b>	<b>68,968</b>	<b>12%</b>
<b>Contributions</b>						
SHGCC Contributions: SRF Loan	464,038	662,911	662,900	662,900	0	0%
<b>Net Change in Position</b>	<b>(222,041)</b>	<b>(191,037)</b>	<b>(242,212)</b>	<b>(237,094)</b>	<b>5,118</b>	<b>-2%</b>

**Recycled Water Capital Projects:**

West Bay Sanitary District  
 Recycled Water Fund  
 Fiscal Year 2025-26

Recycled Water Capital Expenditures	Actual 3/31/2025	Budget FY 2024/25	Budget FY 2025/26	Budget Variance	% Var
<b><u>Bayfront Recycled Water Facility (BFRWF)</u></b>					
Bayfront Recycled Water Facility		-	29,077,681		
Bayfront Recycled Water Facility (Carryover)	8,240,542	15,750,000	7,509,458	20,837,139	232%
Bayfront - Reclaimed Water Pipelines	6,630				
<b><u>Sharon Heights Recycled Water Facility (SHRWF)</u></b>					
SHRWF - Avy Pump Station	45,918				
<b>Recycled Water Fund Capital Expenditures</b>	<b>8,293,090</b>	<b>15,750,000</b>	<b>36,587,139</b>	<b>20,837,139</b>	<b>1.32</b>

***Sharon Heights Recycled Water Facility***

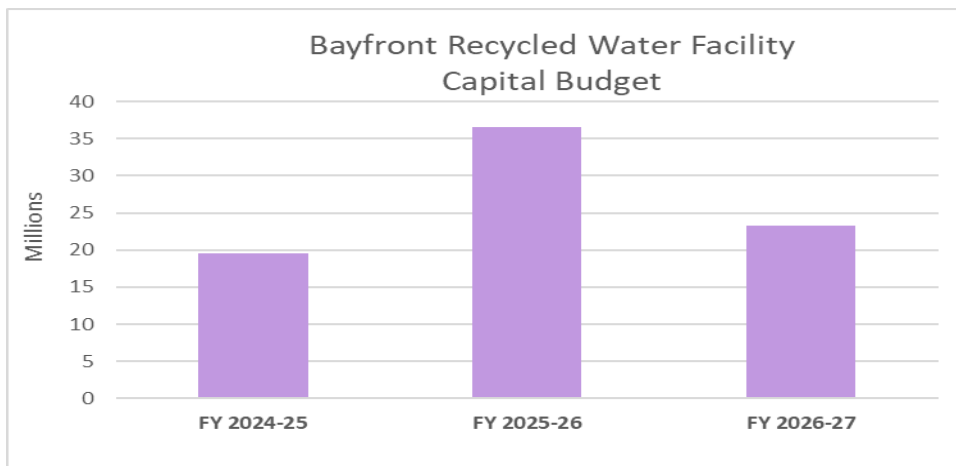
The SHRWF has no active capital projects.

- Avy Altscheul Pump Station (Avy PS) was completed in FY 2024-25.
  - Will provide additional flow to SHRWF
  - All costs reimbursed by SHGCC to District
- Solar Project Lease, which has been delayed.
  - SHGCC is pursuing a lease for solar power for the SHRWF through a lease agreement.
  - SHGCC to assume all costs.

***Bayfront Recycled Water Project***

The Bayfront Project has a \$36,587,139 capital budget for the recycled water facility.

- Project Management
- Recycled Water Facility began construction in FY 2024-25.
- Reclaimed Water Pipelines to Menlo Park Pump Station.



**West Bay Sanitary District  
Budget  
Fiscal Year 2025-26  
By Fund**

	General Fund	Capital Fund	Waste Water Treatment Fund	Solid Waste Fund	Recycled Water Fund	Combined Budget	Change Prior Year	Percentage
	FY 2025-26	FY 2025-26	FY 2025-26	FY 2025-26	FY 2025-26	FY 2025-26		
<b>Operating Revenues</b>								
Sewer Service Charges	35,535,775	-	-	-	-	35,535,775	2,090,415	6%
Permit & Inspection Fees	250,000	-	-	-	-	250,000	50,000	25%
Flow Equalization	-	-	-	-	-	-	(69,210)	-100%
Other Operating Revenue	2,363,437	-	-	131,600	-	2,495,037	542,139	28%
<b>Operating Revenues</b>	<b>38,149,212</b>	<b>-</b>	<b>-</b>	<b>131,600</b>	<b>-</b>	<b>38,280,812</b>	<b>2,613,344</b>	<b>7%</b>
<b>Operating Expenses</b>								
Salaries & Benefits	8,838,352	-	-	-	303,100	9,141,452	601,939	7%
Materials & Supplies	1,026,999	-	-	-	40,000	1,066,999	105,087	11%
Insurance	351,149	-	-	-	62,000	413,149	42,092	11%
Contract Services	1,120,364	-	-	-	-	1,120,364	88,745	9%
Professional Services	1,615,500	-	-	52,585	63,000	1,731,085	29,810	2%
Repairs & Maintenance	760,037	-	-	-	181,000	941,037	211,672	29%
Utilities	333,916	-	-	-	279,500	613,416	66,961	12%
Other Operating Expenses	478,775	-	-	89,111	49,900	617,786	(22,215)	-3%
Depreciation	-	3,500,000	-	-	755,000	4,255,000	192,750	5%
<b>Total WBSD Operating Expenses</b>	<b>14,525,092</b>	<b>3,500,000</b>	<b>-</b>	<b>141,696</b>	<b>1,733,500</b>	<b>19,900,288</b>	<b>1,316,840</b>	<b>7%</b>
Sewage Treatment Plant (SVCW)	-	-	18,191,973	-	-	18,191,973	(348,586)	-2%
<b>Total Operating Expenses</b>	<b>14,525,092</b>	<b>3,500,000</b>	<b>18,191,973</b>	<b>141,696</b>	<b>1,733,500</b>	<b>38,092,261</b>	<b>968,254</b>	<b>3%</b>
<b>Operating Income (Loss)</b>	<b>23,624,121</b>	<b>(3,500,000)</b>	<b>(18,191,973)</b>	<b>(10,096)</b>	<b>(1,733,500)</b>	<b>188,551</b>	<b>1,645,090</b>	<b>-113%</b>
<b>Non-Operating Revenues (Expenses)</b>								
Investment Income	500,000	-	-	-	1,000	501,000	-	0%
Other Non-Operating Income	-	-	-	-	735,800	735,800	63,850	-42%
Interest Expense	-	-	-	-	(145,994)	(145,994)	5,118	1%
Other Non-Operating Expenses	-	-	-	-	-	-	-	0%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>590,806</b>	<b>1,090,806</b>	<b>68,968</b>	<b>7%</b>
<b>Change in Net Position by Fund</b>	<b>24,124,121</b>	<b>(3,500,000)</b>	<b>(18,191,973)</b>	<b>(10,096)</b>	<b>(1,142,694)</b>	<b>1,279,357</b>	<b>1,714,058</b>	<b>-394%</b>
Pension Adjustment (GASB 68)	-	-	-	-	-	-	-	-
Capital Contributions								
Grants Received	-	2,601,019	-	-	-	2,601,019	-	-
Capital Fund: Connection Fees	-	250,000	-	-	-	250,000	-	0%
Recycled Water Fund	-	-	-	-	662,900	662,900	-	0%
<b>Change in Net Position by Fund</b>	<b>24,124,121</b>	<b>(648,981)</b>	<b>(18,191,973)</b>	<b>(10,096)</b>	<b>(479,794)</b>	<b>4,793,276</b>	<b>4,315,077</b>	<b>902%</b>