



AGENDA

Finance Committee Meeting Board of Directors Ironhouse Sanitary District

DATE: April 24, 2018
TIME: 11:00 AM

LOCATION:
IRONHOUSE SANITARY DISTRICT OFFICE
450 WALNUT MEADOWS DRIVE
OAKLEY, CA 94561

1. ROLL CALL
2. APPROVAL OF THE AGENDA
3. PUBLIC COMMENTS
4. APPROVAL OF MINUTES OF THE FEBRUARY 12, 2018 ISD FINANCE COMMITTEE MEETING

Documents:

[DRAFT FINANCE COMMITTEE MEETING 2.13.2018.PDF](#)

5. REVIEW THE PROPOSED FISCAL YEAR 2018/2019 BUDGET

Documents:

[ISD CONSOLIDATED BUDGET FY 18-19.PDF](#)
[ISD CONSOLIDATED BUDGET FY 18-19 RESERVES.PDF](#)
[ISD CONSOLIDATED BUDGET FY 18-19 NET REVENUE TEST.PDF](#)
[BUDGET ASSUMPTIONS - FY 18-19.PDF](#)
[CPI_SUMMARY_WESTERN - MARCH 2018.PDF](#)
[BUDGET PROCESS AND TIMELINES.PDF](#)
[MEDICAL CAP DATA.PDF](#)

6. ADJOURNMENT

ISD will provide reasonable accommodations for persons with disabilities who are planning to attend meetings if the contact the District at least 48 hours before the meeting at (925) 625-2279.

IRONHOUSE SANITARY DISTRICT
FINANCE COMMITTEE MEETING
MINUTES
February 13, 2018

1. CALL TO ORDER

The meeting was called to order by President Lauritzen at 11:04 a.m.

1.A. ROLL CALL

Directors present:	Chris Lauritzen and Peter Zirkle
Staff/Consultants present:	Chad Davisson, General Manager Tyson Zimmerman, Assistant General Manager Cecilia Goff, District Secretary/Office Administrator Michael Welty, Financial Consultants

2. APPROVAL OF THE AGENDA

M/S P. Zirkle and C. Lauritzen voted to approve the agenda as presented.

In favor: C. Lauritzen and P. Zirkle. Opposed: None. Absent: None.

3. PUBLIC COMMENTS

There were no comments from the public in attendance.

4. INFORMATIONAL ITEMS (No action required)

4.A. REVIEW THE PROPOSED FISCAL YEAR 2017/18 BUDGET REVISIONS

Michael Welty, District Financial Consultant, reviewed the proposed fiscal year 2017/2018 budget revisions and solicited any questions from the finance committee.

4.B. REVIEW OF THE RESERVE FUNDS

Mr. Welty provided an overview of the reserve funds and solicited any questions from the Board.

4.C. FY 18/19 BUDGET TIMELINE

Mr. Welty provided an overview of the fiscal year 2018/2019 budget timeline process and solicited any questions from the Board.

At this time, the Board reviewed the minutes from the April 26, 2017 Finance Committee meeting.

M/S P. Zirkle and C. Lauritzen voted to approve the April 26, 2017 Finance Committee meeting as presented.

In favor: C. Lauritzen and P. Zirkle. Opposed: None. Absent: None.

5. ADJOURNMENT

The meeting was adjourned at 1:55 p.m.

ISD All Departments FY18/19 Budget Detail

	Headquarters	Collections	Jersey	Recycled Water	WRF	FY 18/19 Budget	Revised FY 17/18 Budget	FY 17/18 9 Months Actual (75%)	Actual YTD % of FY 18/19 Budget	Budget 18/19 % Change Budget 17/18	Comments
REVENUE											
4010.00 · Sewer Service Charge	10,310,860					10,310,860	10,166,100	7,611,457	73.8%	1.4%	15,670 EDUs @ \$658 (FY 18/19)
4020.00 · Inspection Fees	30,035					30,035	29,160	60,756	202.3%	3.0%	4% of Engineers Estimate
4030.00 · Plan Check Fees	15,017					15,017	14,580	29,353	195.5%	3.0%	2% of Engineers Estimate
4040.00 · Connection Fees	278,400					278,400	278,400	284,831	102.3%	0.0%	\$1,392 per EDU x New Connections (Assume 200)
4060.00 · Sewer Use Charge (New Permits)	65,800					65,800	65,800	85,766	130.3%	0.0%	(\$658 x 200 New Connections)/2
4070.00 · Capacity Fees											
4070.20 · Plant Capacity Fees	1,009,000					1,009,000	997,090	1,020,123	101.1%	1.2%	(\$4,985.45 x 1.012) = \$5,045 then x 200 New Connections
4070.50 · TLC Fees	194,000					194,000	191,608	196,034	101.0%	1.2%	(\$958.04 x 1.012) = \$970, then x 200 New Connections
Total 4070.00 · Capacity Fees	1,203,000	0	0	0	0	1,203,000	1,188,698	1,216,157	101.1%	1.2%	
4100.00 · Leases and Permits	1,000		2,230			3,230	3,230	940	29.1%	0.0%	Permit Fees and ABA Energy Jersey Island Leases
4110.00 · Grant Revenue	0					0	0	0			
4120.00 · Hay Sales			105,000			105,000	80,000	81,891	78.0%	31.3%	Additional Alfalfa fields and higher quality yeilds
4200.00 · RD830 Levee Maintenance			145,000			145,000	170,000	115,775	79.8%	-14.7%	To Reflect Prior Year Actual
4210.00 · RD830 Management Reimbursement	60,000					60,000	60,000	45,000	75.0%	0.0%	Management agreement with RD830 for cost of ISD management working on RD830 activity.
4400.00 · Undercrossing Maintenance	4,000					4,000	4,000	0	0.0%	0.0%	Estimated Revenue Recognition for Cost Shared by Others
4600.00 · Mineral Rights			8,500			8,500	8,500	6,397	75.3%	0.0%	Peoco Energy Gas Royalties
4700.00 · Jersey Island Use Fees			200			200	700	730	365.0%	-71.4%	User Parking Fees for Fishing
4725.00 · Recycled Water Fees				0		0	0	55			
4750.00 · Other Fees and Services	35,000					35,000	35,000	21,199	60.6%	0.0%	Mostly CCWD Sludge Removal
4800.00 · Ad Valorem and Other Taxes	265,000					265,000	255,000	183,340	69.2%	3.9%	Based on FY 17/18 Actual
4900.00 · Offers of Dedication	0					0	131,000	131,000			Non-Cash Developer Contribution of Infrastructure
4990.00 · Miscellaneous Income	35,000					35,000	35,000	28,622	81.8%	0.0%	Miscellaneous Income and CSRMA Dividends
Total Revenue	12,303,112	0	260,930	0	0	12,564,042	12,525,168	9,903,269	78.8%	0.3%	
EXPENSES											
5000.00 · Salaries and Related Expenses											
5010.00 · Salaries and Wages											
5010.10 · Base Staff Salaries	659,389	613,461	586,205		705,953	2,565,007	2,343,230	1,703,674	66.4%	9.5%	3.5% Merit/COLA in Base Wages
5010.20 · Stand By/On Call	0	24,000	0		24,000	48,000	56,000	35,230	73.4%	-14.3%	Based on Current FY YTD Actual
5010.30 · Overtime Pay	0	15,000	20,000		5,000	40,000	42,700	30,982	77.5%	-6.3%	Based on Current FY YTD Actual
5010.40 · Vehicle Allowance	5,880	2,880	2,880		2,880	14,520	14,520	10,890	75.0%	0.0%	5 Employees @ \$240 per Month
5010.50 · Vacation Buy-Back	15,000	16,000	4,000		4,000	39,000	35,000	22,985	58.9%	11.4%	Based on Current FY YTD Actual
5010.60 · Accrued Time Pay-Out	20,000					20,000	35,000	32,110	160.6%	-42.9%	Not Expecting any Retirements or Terminations but Placeholder
5010.80 · Director Pay	39,040					39,040	39,040	23,290	59.7%	0.0%	Use same as FY 17/18 Budget
5010.90 · Temporary Staff Wages			20,000			20,000	35,000	11,508	57.5%	-42.9%	As submitted by department heads
Total 5010.00 · Salaries and Wages	739,309	671,341	633,085	0	741,833	2,785,567	2,600,490	1,870,669	67.2%	7.1%	
5020.00 · Health, Life and Disability											
5020.10 · Medical Insurance - Staff	107,434	153,649	98,339		147,241	506,663	488,340	356,325	70.3%	3.8%	Expect 12% Increase January 2019 (effective 6% increase) for those under \$1,825 Cap. Cap 90% of Kaiser family plan.
5020.20 · Medical Insurance - Directors	26,359					26,359	30,901	19,763	75.0%	-14.7%	Based on BOD Caps
5020.30 · Dental Insurance - Staff	21,083	28,786	19,434		26,591	95,895	91,091	65,405	68.2%	5.3%	Estimate 5% Increase July 2018
5020.40 · Dental Insurance - Directors	3,422					3,422	4,816	2,683	78.4%	-29.0%	Based on BOD Caps
5020.50 · Vision - Staff	2,196	3,056	2,181		2,780	10,214	10,360	7,027	68.8%	-1.4%	Estimate 5% increase July 2018

ISD All Departments FY18/19 Budget Detail

	Headquarters	Collections	Jersey	Recycled Water	WRF	FY 18/19 Budget	Revised FY 17/18 Budget	FY 17/18 9 Months Actual (75%)	Actual YTD % of FY 18/19 Budget	Budget 18/19 % Change Budget 17/18	Comments
5020.60 · Vision - Directors	516					516	1,355	391	75.8%	-61.9%	Based on BOD Caps
5020.70 · Life and Disability	8,606	10,757	10,280		11,358	41,002	39,718	28,143	68.6%	3.2%	Estimate 5% increase July 2018
Total 5020.00 · Health, Life and Disability	169,616	196,249	130,235	0	187,971	684,070	666,581	479,737	70.1%	2.6%	
5030.00 · Retirement - CalPERS	192,413	164,743	138,753		137,762	633,671	692,237	522,994	82.5%	-8.5%	31.5% of base wages (CalPERS Classic, 17 Employees, included 7% of EE share paid by ISD), 7.4 % of base wages (CalPERS PEPRA, 10 Employees).
5040.00 · OPEB Annual Req. Contribution	320,000					320,000	300,000	205,729	64.3%	6.7%	Estimated. Actual will be based on Actuarial Report that will need to be prepared as of 6/30/18.
5080.00 · Workers Compensation Insurance	3,410	38,946	47,611		43,583	133,550	94,866	64,728	48.5%	40.8%	Expecting 5% Increase in Rates, Experience Mod increased from 1.12 to 1.44 (29% increase)
5090.00 · Payroll Taxes - Employer	15,433	11,037	11,679		12,238	50,386	49,125	37,882	75.2%	2.6%	As calculated based on expected payroll
Total 5000.00 · Salaries and Related Expenses	1,440,181	1,082,315	961,362	0	1,123,386	4,607,245	4,403,299	3,181,739	69.1%	4.6%	
5200.00 · Administration Expenses											
5203.00 · Bank and Credit Card Fees	1,200	0	0	0	0	1,200	1,200	580	48.3%	0.0%	Based on Current FY Actual
5204.00 · Coalitions	29,500	0	0	0	0	29,500	30,400	20,604	69.8%	-3.0%	CVCWA (\$4,200 Mercury Study), IRWMP (\$5,000), WRCW (\$16,105), BACWWEE (\$4,000)
5205.00 · County - LAFCO	8,500	0	0	0	0	8,500	7,500	8,368	98.4%	13.3%	Estimated Annual Fee
5210.00 · County - Processing Fees	13,000	0	0	0	0	13,000	13,000	6,781	52.2%	0.0%	Estimated Annual Fee
5215.00 · Dues and Memberships	30,000	2,500	0	0	2,500	35,000	30,200	33,099	94.6%	15.9%	CASA (\$16,068), CSDA (\$7,500), CVCWA (\$800), Oakley Chamber (\$500), Costco (\$120), BPC (\$1000), WEF (\$3,200), BABC (\$750), BAB2E (\$1,500), CWEA (\$2,000), Misc (\$1562)
5220.00 · Election Expenses	22,000	0	0	0	0	22,000	0	0	0.0%		Election in FY 18/19
5225.00 · Employee Events & Appreciation	10,000	500	500	0	600	11,600	9,600	11,979	103.3%	20.8%	Xmas party, Morale boosters, GM staff appreciation expenses
5228.00 · Employee Wellness Program	5,000	0	0	0	0	5,000	7,500	7,036	140.7%	-33.3%	Employee Assistance Program
5230.00 · Expensed Equip/Furn/Software	10,000	0	0	0	5,000	15,000	17,000	4,769	31.8%	-11.8%	Placeholder for various non-capitalized purchases
5235.00 · Licenses/Permits/Certifications	1,000	9,000	5,000	0	50,000	65,000	64,000	52,669	81.0%	1.6%	Operator Certifications and SWRCB Permit fees (\$36K), BAAQMD (\$10K), CSLC (\$3K), CC Health (\$6K), CWEA (\$1K), Other (\$9K)
5240.00 · Office Supplies and Expenses	12,000	2,000	1,500	0	2,000	17,500	17,500	10,651	60.9%	0.0%	Based on expected actual
5242.00 · Physicals & Exams	0	1,500	1,000	0	600	3,100	4,100	1,552	50.1%	-24.4%	DMV Physicals and Datco Drug Testing
5245.00 · Postage and Delivery	1,000	500	0	0	500	2,000	5,000	645	32.3%	-60.0%	Based on expected actual
5248.00 · Printing and Reproduction	1,200	0	0	0	1,000	2,200	5,000	2,262	102.8%	-56.0%	Sharp USA Copier Maintenance
5250.00 · Public Education and Outreach	15,000	0	0	0	0	15,000	15,000	514	3.4%	0.0%	\$15,000 public outreach and open house events
5255.00 · Records Management	2,000	0	0	0	0	2,000	10,000	8,652	432.6%	-80.0%	ECS Imaging, Shredding and program license fee.
5265.00 · Subscriptions and Notices	2,000	4,000	0	0	0	6,000	3,500	3,108	51.8%	71.4%	Based on expected actual
5270.00 · Telecommunications											
5270.10 · Cellular Reimbursement	3,360	4,200	6,240	0	3,600	17,400	16,560	12,525	72.0%	5.1%	Based on cell reimbursements currently in place
5270.20 · Office Line, Internet and Data	28,000	2,700	0	0	2,200	32,900	41,000	30,424	92.5%	-19.8%	TPx \$6,240, Microsoft Exchange \$1,457, Mitel \$8,724, Comcast \$10,020, Verizon \$4,900
Total 5270.00 · Telecommunications	31,360	6,900	6,240	0	5,800	50,300	57,560	42,949	85.4%	-12.6%	
5273.00 · Temporary Support Services	0	0	0	5,500	22,000	27,500	27,900	24,758	90.0%	-1.4%	Non Employee Temporary Staffing
5275.00 · Training, Tuition and Conferences	50,000	9,000	2,000	0	12,000	73,000	53,000	55,238	75.7%	37.7%	Training, tuition reimbursement and related travel for ISD staff and board of directors. Woodland , Supervisor, Electrical, CWEA, NEXGEN etc. training for 9 empl.
5295.00 · Miscellaneous Administration	1,000	1,000	0	0	0	2,000	1,500	476	23.8%	33.3%	Placeholder for unexpected costs
Total 5200.00 · Administration Expenses	245,760	36,900	16,240	5,500	102,000	406,400	380,460	296,690	73.0%	6.8%	
5300.00 · Insurance											
5310.00 · CSRMA Business Package	160,000					160,000	160,000	125,754	78.6%	0.0%	Based on Expected Actual
5320.00 · Fidelity Bond	1,300					1,300	1,500	1,300	100.0%	-13.3%	Based on Expected Actual
Total 5300.00 · Insurance	161,300	0	0	0	0	161,300	161,500	127,054	78.8%	-0.1%	

ISD All Departments FY18/19 Budget Detail

	Headquarters	Collections	Jersey	Recycled Water	WRF	FY 18/19 Budget	Revised FY 17/18 Budget	FY 17/18 9 Months Actual (75%)	Actual YTD % of FY 18/19 Budget	Budget 18/19 % Change Budget 17/18	Comments
5400.00 · Operations and Maintenance											
5402.00 · Bio-Solids Removal	0	0	0	0	94,000	94,000	130,000	101,886	108.4%	-27.7%	Lone Tree Trucking, Synagro
5408.00 · Encroachment Permits	0	1,200	0	0	1,200	1,200	1,200	0	0.0%	0.0%	
5410.00 · Equipment Rental	0	6,500	3,000	1,000	4,000	14,500	12,800	3,014	20.8%	13.3%	Boomlift for Crane Inspections/Grit Classifier Service, Crane Rental, Various Other
5420.00 · Fuel											
5420.20 · Diesel - On Road	0	8,500	3,500	0	0	12,000	11,300	7,722	64.4%	6.2%	Expecting no significant change in prices or consumption
5420.30 · Diesel - Off Road	0	0	40,000	0	4,000	44,000	39,400	26,213	59.6%	11.7%	fuel prices increase
5420.60 · Gasoline	1,000	16,000	8,500	0	300	25,800	24,600	18,950	73.4%	4.9%	Expecting no significant change in prices or consumption
Total 5420.00 · Fuel	1,000	24,500	52,000	0	4,300	81,800	75,300	52,885	64.7%	8.6%	
5425.00 · Janitorial Service and Supplies	3,250	3,250	3,250	0	3,250	13,000	22,400	16,563	127.4%	-42.0%	As Contracted
5430.00 · Jersey Island Use Expense	0	0	0	0	0	0	1,000	0		-100.0%	No more hunting
5435.00 · Landscaping Services & Supplies	8,400	0	0	0	7,300	15,700	15,000	11,431	72.8%	4.7%	As Contracted
5440.00 · Maintenance and Repair											
5440.05 · Building Maintenance and Security	20,000	10,000	5,400	0	14,000	49,400	81,400	46,182	93.5%	-39.3%	Paint, Lights, General Repairs, Locksmith, Rollup Doors, Pest Control (\$6K), Security (\$2K), HVAC and Various Other
5440.10 · Collection System Repair	0	85,000	0	0	0	85,000	85,000	65,984	77.6%	0.0%	Non Capitalized Repairs to System
5440.20 · Farm and Field Maintenance	0	0	110,000	0	0	110,000	110,000	59,835	54.4%	0.0%	Expecting No Change in Actual
5440.25 · Ground Maintenance	9,600	3,600	15,000	0	9,000	37,200	43,000	24,101	64.8%	-13.5%	Weed Spray, Irrigation/plants/tree R/R, Pesticides
5440.30 · Levee Maintenance	0	0	0	0	0	0	0	0			None Expected
5440.35 · Pond Maintenance	0	0	0	0	35,000	35,000	65,000	50,972	145.6%	-46.2%	Preliminary #...If pond dries completely this will change to \$0.
5440.40 · Road Repairs	0	0	0	0	0	0	60,000	87		-100.0%	Road Repair For Jersey Island is on RD830 this Year
5440.50 · Undercrossing Maintenance	4,000	0	0	0	0	4,000	8,500	0	0.0%	-52.9%	Based on expected cost
5440.55 · Vehicle & Equip. Maintenance	500	20,000	65,000	0	5,000	90,500	101,000	49,405	54.6%	-10.4%	Reduction Reflects Newer Vehicles Added to Fleet in FY 17/18
5440.60 · WRF Maintenance & Repair	0	0	0	0	260,000	260,000	249,500	189,676	73.0%	4.2%	Equipment Maintenance/Repairs, Equipment Replacement <\$5,000 Capitalization Policy. Includes Rotork (\$15k), Neuros (\$76k), IR/Cisco.
Total 5440.00 · Maintenance and Repair	34,100	118,600	195,400	0	323,000	671,100	803,400	486,242	72.5%	-16.5%	
5450.00 · Mosquito Abatement	0	0	15,000	0	0	15,000	20,000	2,492	16.6%	-25.0%	Cost for spraying of south pond moved to WRF operations
5455.00 · Nexgen CMMS	0	6,000	0	0	6,000	12,000	12,000	12,000	100.0%	0.0%	5 Licenses @ \$12K/year split with Collections
5460.00 · Supplies and Materials											
5460.20 · Chemicals	0	15,000	0	0	65,000	80,000	85,000	52,136	65.2%	-5.9%	Polymer \$25K, Sodium Hypochlorite \$5K, Citric Acid \$20K, Aluminum Sulfate \$15K (Bulk pricing), Collections \$15,000
5460.40 · Lab Supplies	0	0	0	0	10,000	10,000	10,000	4,557	45.6%	0.0%	Lab Tests
5460.60 · Maintenance Supplies	500	1,500	3,000	0	6,000	11,000	10,500	5,228	47.5%	4.8%	
5460.80 · Operating Supplies	0	5,000	5,000	1,000	8,000	19,000	21,500	9,532	50.2%	-11.6%	Mechanics gloves, misc. vehicle cleaners, paint etc.
Total 5460.00 · Supplies and Materials	500	21,500	8,000	1,000	89,000	120,000	127,000	71,453	59.5%	-5.5%	
5470.00 · Qrtly Ground watering Monitoring	0	0	0	0	9,000	9,000	8,500	8,861	98.5%	5.9%	
5475.00 · Reclamation Assessments	5,200	0	182,565	0	150,000	337,765	337,765	337,744	100.0%	0.0%	RD830 Assessment, and RD799
5480.00 · Safety Related Expenses	2,000	8,000	6,000	0	10,000	26,000	26,500	15,102	58.1%	-1.9%	Safety Related Expenses and Training
5485.00 · Telemetry System & Calibration	0	5,000	0	0	45,000	50,000	50,000	6,258	12.5%	0.0%	SCADA, Radios, Flow Meters R/R, UPS replacement, JSP.
5488.00 · Tools and Expensed Equipment	0	10,000	8,000	0	6,000	24,000	24,000	15,873	66.1%	0.0%	Mechanics hand tools, replacing old farm tools
5490.00 · Uniforms and Servicing	0	7,210	9,000	0	8,000	24,210	24,000	16,397	67.7%	0.9%	Annual servicing and purchases of replacement uniforms
Total 5400.00 · Operations and Maintenance	54,450	211,760	482,215	2,000	758,850	1,509,275	1,690,865	1,158,201	76.7%	-10.7%	
5600.00 · Professional Services											
5605.00 · Accounting Services	125,000	0	0	0	0	125,000	120,000	82,273	65.8%	4.2%	Michael Welty, CPA
5610.00 · Auditing and Tax Services	16,000	0	0	0	0	16,000	16,000	11,000	68.8%	0.0%	Cost of Annual Audit
5620.00 · Caretaker Costs	0	0	16,800	0	0	16,800	16,800	12,600	75.0%	0.0%	Leo Moss Caretaker - \$1,400 per month

ISD All Departments FY18/19 Budget Detail

	Headquarters	Collections	Jersey	Recycled Water	WRF	FY 18/19 Budget	Revised FY 17/18 Budget	FY 17/18 9 Months Actual (75%)	Actual YTD % of FY 18/19 Budget	Budget 18/19 % Change Budget 17/18	Comments
5630.00 · Consulting Services				0							
5630.10 · Connection Rate Studies	0	0	0	0	0	0	10,000	0			
5630.15 · Engineering Services	150,000	0	0	0	0	150,000	150,000	68,541	45.7%	0.0%	VW Housen & Associates
5630.20 · Financial Analysis Projections	4,500	0	0	0	0	4,500	4,000	4,300	95.6%	12.5%	OPEB Actuarial Reports and Other
5630.25 · Geotechnical Services	5,000	0	0	0	0	5,000	5,000	1,768	35.4%	0.0%	Hultgren-Tillis
5630.30 · GIS and Mapping	0	5,000	0	0	0	5,000	3,500	3,500	70.0%	42.9%	
5630.40 · Grant Development	0	0	0	0	0	0	0	0			
5630.45 · HR Analysis and Services	80,000	0	0	0	0	80,000	80,000	42,310	52.9%	0.0%	RGS (\$60,000) and Dew Point Consulting (\$20,000)
5630.50 · Information Technology	15,000	0	2,000	0	0	17,000	16,000	10,381	61.1%	6.3%	MY PC Partners and Other
5630.55 · Inspection Services	0	0	0	0	0	0	7,000	6,940		-100.0%	
5630.60 · Regulatory and Environmental	0	0	0	0	40,000	40,000	10,000	1,455	3.6%		NPDES Permit Renewal - Larry Walker & Associates
5630.65 · Programming Services	0	0	0	0	10,000	10,000	15,000	2,175	21.8%	-33.3%	Worksmart Automation, Supply PS Data Integration
5630.80 · Strategic and Other Planning	20,000	0	0	0	0	20,000	20,000	0	0.0%	0.0%	Visioning Sessions (Rita Giacalone)
5630.85 · Studies and Assessments	50,000	0	0	0	0	50,000	210,000	201,303	402.6%	-76.2%	Flow Study
5630.90 · Other Contracted Services	5,000	0	0	0	0	5,000	0	3,388	67.8%		Place holder for unexpected consulting services
Total 5630.00 · Consulting Services	329,500	5,000	2,000	0	50,000	386,500	530,500	346,061	89.5%	-27.1%	
5650.00 · Lab Testing											
5650.20 · General Lab Services	0	0	0	0	24,000	24,000	30,000	7,979	33.2%	-20.0%	FGL
Total 5650.00 · Lab Testing	0	0	0	0	24,000	24,000	30,000	7,979	33.2%	-20.0%	
5660.00 · Legal Services											
5660.10 · General Business Issues	90,000	0	0	0	0	90,000	90,000	54,793	60.9%	0.0%	
5660.40 · Personnel Related	10,000	0	0	0	0	10,000	10,000	3,450	34.5%	0.0%	
Total 5660.00 · Legal Services	100,000	0	0	0	0	100,000	100,000	58,243	58.2%	0.0%	
5670.00 · Payroll Processing Fees	12,000	0	0	0	0	12,000	11,800	7,100	59.2%	1.7%	ADP and 125 Plan Fees
5680.00 · Public Outreach Services	52,500	0	0	0	0	52,500	52,500	31,726	60.4%	0.0%	Gelke Promotions - PR Services and Newsletter
Total 5600.00 · Professional Services	635,000	5,000	18,800	0	74,000	732,800	877,600	556,982	76.0%	-16.5%	
5800.00 · Utilities											
5810.00 · Diablo Water District	1,200	3,200	0	0	1,100	5,500	5,500	4,093	74.4%	0.0%	DWD lift station wash water, potable water for office, shop and plant
5860.00 · Electric and Gas	16,000	85,000	15,000	0	520,000	636,000	651,650	419,300	65.9%	-2.4%	PG&E and CA PV Energy
Total 5800.00 · Utilities	17,200	88,200	15,000	0	521,100	641,500	657,150	423,393	66.0%	-2.4%	
6000.00 · Depreciation Expense	100,000	1,315,000	175,000	0	2,210,000	3,800,000	3,800,000	2,850,003	75.0%	0.0%	
Total Expense	2,653,891	2,739,175	1,668,617	7,500	4,789,336	11,858,520	11,970,874	8,594,062	72.5%	-0.9%	
Net Operating Income (Deficit)	9,649,222	(2,739,175)	(1,407,687)	(7,500)	(4,789,336)	705,523	554,294	1,309,207	185.6%	27.3%	
Other Income/Expense											
Other Income											

ISD All Departments FY18/19 Budget Detail

	Headquarters	Collections	Jersey	Recycled Water	WRF	FY 18/19 Budget	Revised FY 17/18 Budget	FY 17/18 9 Months Actual (75%)	Actual YTD % of FY 18/19 Budget	Budget 18/19 % Change Budget 17/18	Comments
7500.00 · Cattle Sales			1,050,000			1,050,000	975,000	815,395	77.7%	7.7%	Based on value of sales at current market conditions
7600.00 · Gain (Loss) Sale of Assets	0					0	16,000	56,498		-100.0%	
7700.00 · Interest and Dividend Income	220,000					220,000	210,000	183,254	83.3%	4.8%	
7800.00 · Unrealized Gains and (Losses)	0					0	(75,000)	(166,761)			
	220,000	0	1,050,000	0	0	1,270,000	1,126,000	888,386	70.0%	12.8%	
Other Expense											
8500.00 · Cattle Operation Expenses											
8510.00 · Salaries and Related Expenses											
8510.10 · Salaries and Wages			135,000			135,000	135,000	103,125	76.4%	0.0%	
8510.1t · Temporary Staff Wages			20,000			20,000	20,000	14,656	73.3%	0.0%	
8510.20 · Health, Life & Disability			34,000			34,000	34,000	24,400	71.8%	0.0%	
8510.30 · Retirement - CalPERS			40,000			40,000	40,000	28,614	71.5%	0.0%	
8510.80 · Workers Compensation			8,400			8,400	7,600	6,609	78.7%	10.5%	
8510.90 · Payroll Taxes - Employer			3,400			3,400	3,800	2,616	76.9%	-10.5%	
Total 8510.00 · Salaries and Related Expenses	0	0	240,800	0	0	240,800	240,400	180,020	74.8%	0.2%	
8520.00 · Dues & Subscriptions			1,400			1,400	1,400	50	3.6%	0.0%	
8525.00 · Expensed Equipment			0			0	0	0			
8530.00 · Feed			12,000			12,000	12,000	7,666	63.9%	0.0%	Adjusted for better quality of ISD hay, and Alfalfa
8535.00 · Fencing			25,000			25,000	25,000	239	1.0%	0.0%	
8540.00 · Fuel											
8540.20 · Diesel - On Road			2,250			2,250	2,250	1,057	47.0%	0.0%	
8540.30 · Diesel - Off Road			3,150			3,150	3,150	1,829	58.1%	0.0%	
8540.60 · Gasoline			4,050			4,050	4,050	2,435	60.1%	0.0%	
Total 8540.00 · Fuel	0	0	9,450	0	0	9,450	9,450	5,321	56.3%	0.0%	
8545.00 · Operating Supplies			22,000			22,000	22,000	19,549	88.9%	0.0%	
8550.00 · Replacement Cattle			52,000			52,000	50,000	46,200	88.8%	4.0%	replacement costs follow the market conditions
8553.00 · State Inspection Fees			2,000			2,000	2,000	0	0.0%	0.0%	Department of Ag Inspection Fees
8555.00 · Trucking			5,000			5,000	5,000	4,950	99.0%	0.0%	
8560.00 · Vaccination Supplies			51,000			51,000	51,000	32,681	64.1%	0.0%	
8565.00 · Vehicle/Equipment Maintenance			5,000			5,000	5,000	2,312	46.2%	0.0%	
8570.00 · Veterinary Services			7,500			7,500	7,500	4,445	59.3%	0.0%	
8595.00 · Miscellaneous			1,200			1,200	1,800	0	0.0%	-33.3%	
Total 8500.00 · Cattle Operation Expenses	0	0	434,350	0	0	434,350	432,550	303,433	69.9%	0.4%	
8995.00 · Interest Expense	0					0	0	0			
Total Other Expense	0	0	434,350	0	0	434,350	432,550	303,433	69.9%	0.4%	
Net Other Income(Expense)	220,000	0	615,650	0	0	835,650	693,450	584,953	70.0%	20.5%	
Net Income (Deficit)	9,869,222	(2,739,175)	(792,037)	(7,500)	(4,789,336)	1,541,173	1,247,744	1,894,160	122.9%	23.5%	
Debt Service	(2,937,701)					(2,937,701)	(2,937,701)				
Net Deficit Including Debt Service	6,931,521	(2,739,175)	(792,037)	(7,500)	(4,789,336)	(1,396,528)	(1,689,957)				
Excluding Depreciation	100,000	1,315,000	175,000	0	2,210,000	3,800,000	3,800,000				
Net Cash Inflow (Outflow) - Excluding CIP	7,031,521	(1,424,175)	(617,037)	(7,500)	(2,579,336)	2,403,472	2,110,043				

ISD
 Net Asset Reserve Analysis and Rollforward
 FY 18/19

	Unrestricted					Restricted				Total
	Operations	Rate Stabilization	Capital Expenditure	Jersey Trail Use	Total Unrestricted	Debt Service	Expansion	TLC	Total Restricted	
Estimated Balance 6/30/18	4,954,174	732,000	10,000,000	34,000	15,720,174	2,937,701	100,000	3,750,000	6,787,701	22,507,875
Expected Inflows	12,630,842			200	12,631,042		1,009,000	194,000	1,203,000	13,834,042
Expected Disbursements	(8,492,870)		(2,066,775)	0	(10,559,645)				0	(10,559,645)
Debt Service Payment	(1,571,670)				(1,571,670)		(1,366,031)		(1,366,031)	(2,937,701)
Transfers for Operating Excess	(2,034,272)		2,034,272		0				0	0
Transfers - Expansion for Debt Coverage	(257,031)				(257,031)		257,031		257,031	0
Transfers - Advalorem	(265,000)		265,000		0				0	0
Estimated Balance 6/30/19	4,964,174	732,000	10,232,497	34,200	15,962,871	2,937,701	0	3,944,000	6,881,701	22,844,572
Est. Change in Net Asset Reserve Balance	10,000	0	232,497	200	242,697	0	(100,000)	194,000	94,000	336,697
Reserve Requirements per Adopted Policies:										
Target	4,954,174	1,415,478	15,422,030	200		2,937,701	N/A	N/A		
Minimum	2,830,957	707,739	1,422,030	100		2,937,701	N/A	N/A		
Maximum	4,954,174	N/A	30,844,061	400		N/A	N/A	N/A		
Meets Target Expectation	FALSE	FALSE	FALSE	TRUE		TRUE				
Pass Minimum Balance Requirement	TRUE	TRUE	TRUE	TRUE		TRUE				
Does not Exceed Maximum Balance	FALSE	N/A	TRUE	FALSE						

Policy Attributes:**Operating Reserve**

One Month Budgeted Operating Costs excluding Depreciation and Expansion costs	707,739
Four Month Budgeted Operating Costs excluding Depreciation and expansion costs	2,830,957
Seven Months Budgeted Operating Costs excluding Depreciation and Expansion costs	4,954,174
Twelve Months Budgeted Operating Costs excluding Depreciation and Expansion costs	8,492,870
Excess Operating Reserve	10,000

Rate Stabilization Reserve

Two Months Budgeted Operating Costs excluding Depreciation and expansion costs	1,415,478
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Capitalization Reserve

Cost Basis of Capital Assets 3/31/18	142,203,026
Minimum Balance @ 1%	1,422,030
Five Year Capital Plan	14,000,000

Jersey Island Reserve

One Year of User Fees	200
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Debt Service Reserve

Annual Debt Service	2,937,701
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ISD
Net Revenue Test
FY 18/19

	<u>FY 18/19</u>
Net Revenue Test	
Revenue:	
Operating Revenues	12,564,042
Non-Operating Revenues	<u>1,270,000</u>
Total Revenue	13,834,042
Expenses:	
Operating Expenses	11,858,520
Non-Operating Expenses	434,350
Less: Depreciation	<u>(3,800,000)</u>
	8,492,870
Net Revenue	5,341,173
Required Net Revenue for 1.0 Debt Coverage Ratio	<u>2,937,700</u>
Net Revenue Overage (Deficiency)	<u><u>2,403,473</u></u>
Net Revenue Overage (Deficiency) per EDU	<u><u>153.38</u></u>
EDUs for Budget	15,670
Pass Net Revenue Requirement	TRUE

Ironhouse Sanitary District
Significant Budget Assumptions
FY 18/19

Revenue

1. No service charge rate increase, remains at \$658 per EDU.
2. Estimate start the year with 15,670 EDUs.
3. 200 new connections.

Expenses

Salaries and Related Expenses:

1. Merit/COLA Increase of 3.5%
2. Medical premium cap increased to 90% of Kaiser family rate or \$1,824.88. Estimate 12% increase effective January 2019 (6% effective rate increase for FY) for premiums currently under the cap.
3. Worker's compensation experience mod increased from 1.12 to 1.44 (29% increase in mod) resulting in significantly higher premiums.

Operations and Maintenance:

1. Expect land application of bio-solids will result in 28% reduction in bio-solids removal cost.

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE
March 2018
ALL ITEMS INDEXES
(1982-84=100 unless otherwise noted)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
Mar 2017	Feb 2018	Mar 2018	Feb 2018	Mar 2018	Mar 2018	Mar 2017	Feb 2018	Mar 2018	Feb 2018	Mar 2018	Mar 2018	
U. S. City Average.....	243.801	248.991	249.554	2.2	2.4	0.2	237.656	242.988	243.463	2.3	2.4	0.2
(1967=100).....	730.320	745.866	747.554	-	-	-	707.906	723.788	725.202	-	-	-
Los Angeles-Long Beach-Anaheim.....	254.525	263.012	264.158	3.6	3.8	0.4	244.932	253.243	254.451	3.7	3.9	0.5
(1967=100).....	751.980	777.054	780.441	-	-	-	723.848	748.411	751.980	-	-	-
West	252.949	259.986	260.994	3.1	3.2	0.4	244.489	251.704	252.644	3.2	3.3	0.4
(Dec. 1977 = 100)	408.878	420.252	421.883	-	-	-	393.369	404.978	406.490	-	-	-
West – A*.....	260.092	268.106	269.271	3.4	3.5	0.4	249.591	257.891	258.983	3.6	3.8	0.4
(Dec. 1977 = 100)	424.116	437.184	439.084	-	-	-	404.039	417.475	419.244	-	-	-
West – B/C**(Dec. 1996=100).....	147.880	151.200	151.702	2.5	2.6	0.3	147.298	150.911	151.404	2.8	2.8	0.3

BI-MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018	Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018	
San Francisco-Oakland-Hayward.....	271.626	277.414	281.308	2.9	3.6	1.4	265.569	271.342	275.699	3.1	3.8	1.6
(1967=100).....	835.053	852.847	864.818	-	-	-	808.680	826.260	839.526	-	-	-
Seattle-Tacoma-Bellevue.....	259.503	265.850	268.031	3.5	3.3	0.8	255.471	262.485	264.477	4.0	3.5	0.8
(1967=100).....	791.065	810.414	817.064	-	-	-	757.726	778.529	784.437	-	-	-

* A = greater than 2,500,000 population

** B/C = 2,500,000 population or less

Dash (-) = Not Available.

Release date April 11, 2018. The next monthly and bi-monthly releases are scheduled for May 10, 2018.

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). Additional information on the geographic revision is available at: www.bls.gov/cpi/georevision2018.htm. For questions, please contact us at BLSinfoSF@BLS.GOV or (415) 625-2270.

Ironhouse Sanitary District
Budget Process/Timeline
FY 18/19

Below is a summary and timeline of the FY 18/19 budgeting process:

1. Department head budget templates e-mailed to department heads for completion (January 29, 2018).
2. Due date for department head budgets returned to finance (February 16, 2018).
3. Department head budgets compiled into one consolidated budget. Expected completion date the middle of March.
4. Budget meeting with department heads to review consolidated budget of which the likely outcome is revisions to department head budgets. This meeting is currently not scheduled but likely will occur late March.
5. Budget review with finance committee. Timing of this meeting is likely mid-April.
6. Budget workshop with full board. This typically occurs in mid-May.
7. Budget adopted by full board at the June 5th board meeting.

Current

Kaiser Family Rate Since 2013

Year	Premium	Employer Contribution	Employee Share	% of Premium
2018	\$2,027.64	\$1,738.44	\$289.20	85.74%
2017	\$1,906.81	\$1,738.44	\$168.37	91.17%
2016	\$1,940.82	\$1,738.44	\$202.38	89.57%
2015	\$1,857.57	\$1,738.44	\$119.13	93.59%
2014	\$1,931.07	\$1,738.44	\$192.63	90.02%
2013	\$1,738.44	\$1,738.44	\$0.00	100.00%

Proposed

90% of Kaiser Family Premium Rate

Year	Premium	Employer Contribution	Employee Share	Difference from Current fixed CAP
2018	\$2,027.64	\$1,824.88	\$202.76	\$86.44
2017	\$1,906.81	\$1,716.13	\$190.68	(\$22.31)
2016	\$1,940.82	\$1,746.74	\$194.08	\$8.30
2015	\$1,857.57	\$1,671.81	\$185.76	(\$66.63)
2014	\$1,931.07	\$1,737.96	\$193.11	(\$0.48)

