



STEGE SANITARY DISTRICT

District Manager/Engineer:
Rex Delizo, P.E.

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Alan C. Miller
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 18, 2020

Re: Budget for Fiscal Year 2020-21

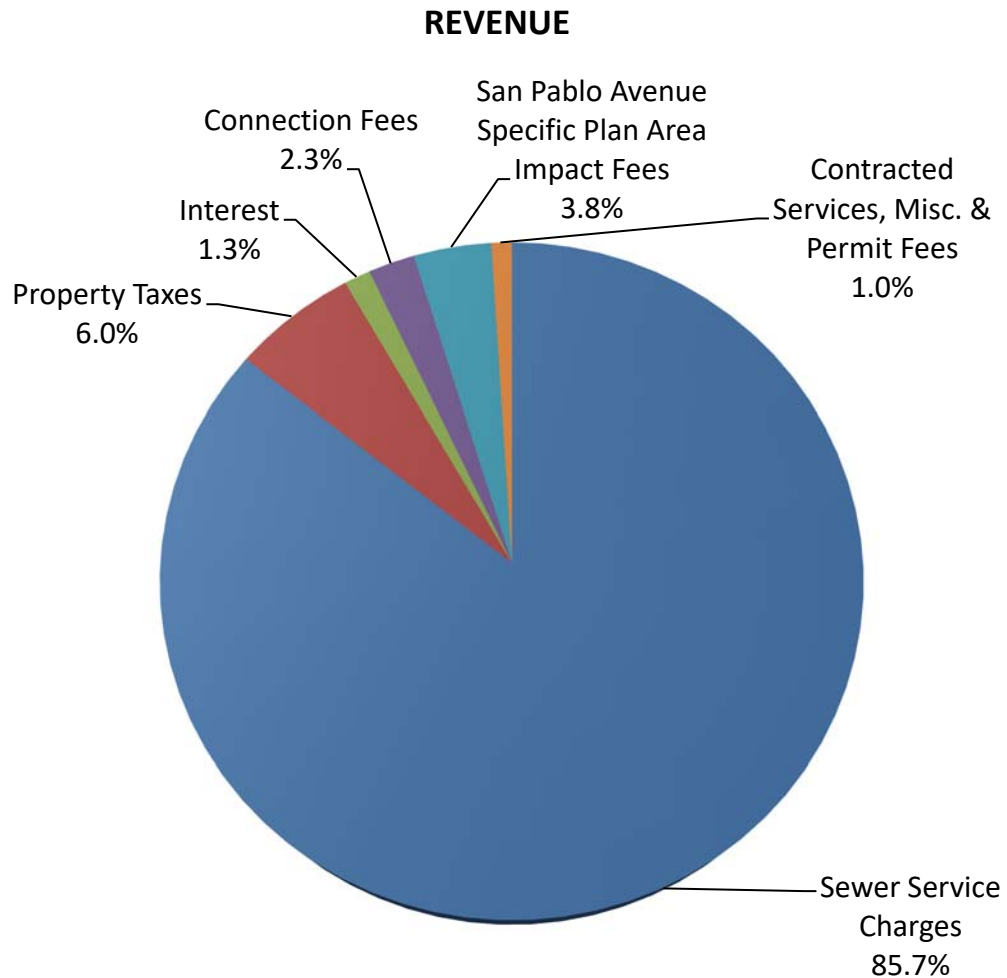
The Fiscal Year (FY) 2020-21 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2020-21 including supplemental data regarding fund target levels.

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BUDGET OVERVIEW

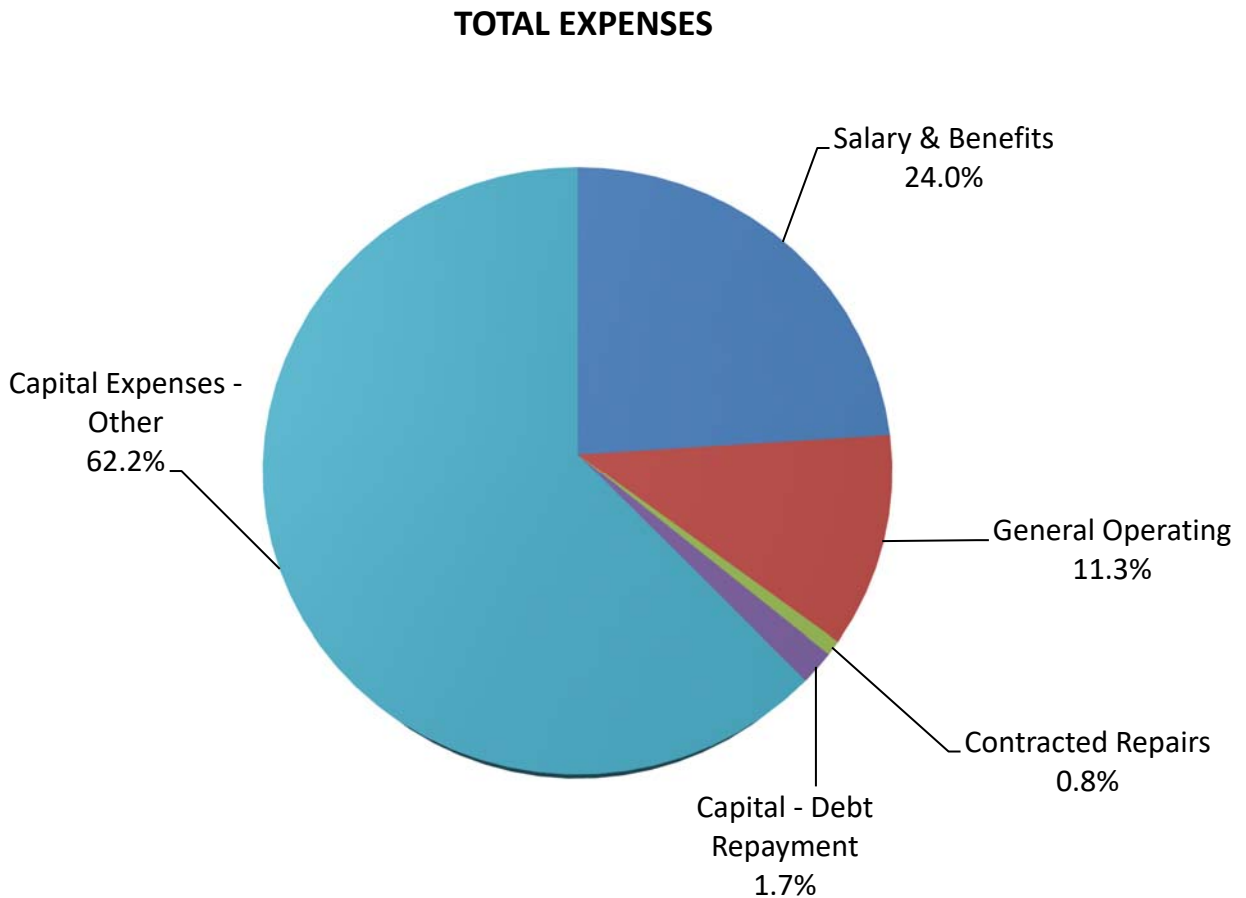
Revenue

The FY 2020-21 budget includes \$6,641,000 in revenue, exclusive of the transfer of funds. The budget estimates service charge revenue at \$5,690,000 (85.7% of total revenue), property tax at \$400,000 (6.0%), interest income at \$85,000 (1.3%), connection fees at \$150,000 (2.3%), San Pablo Avenue Specific Plan Area Impact Fees at \$250,000 (3.8%), and contracted services, miscellaneous income and permit fees at \$66,000 (1.0%).



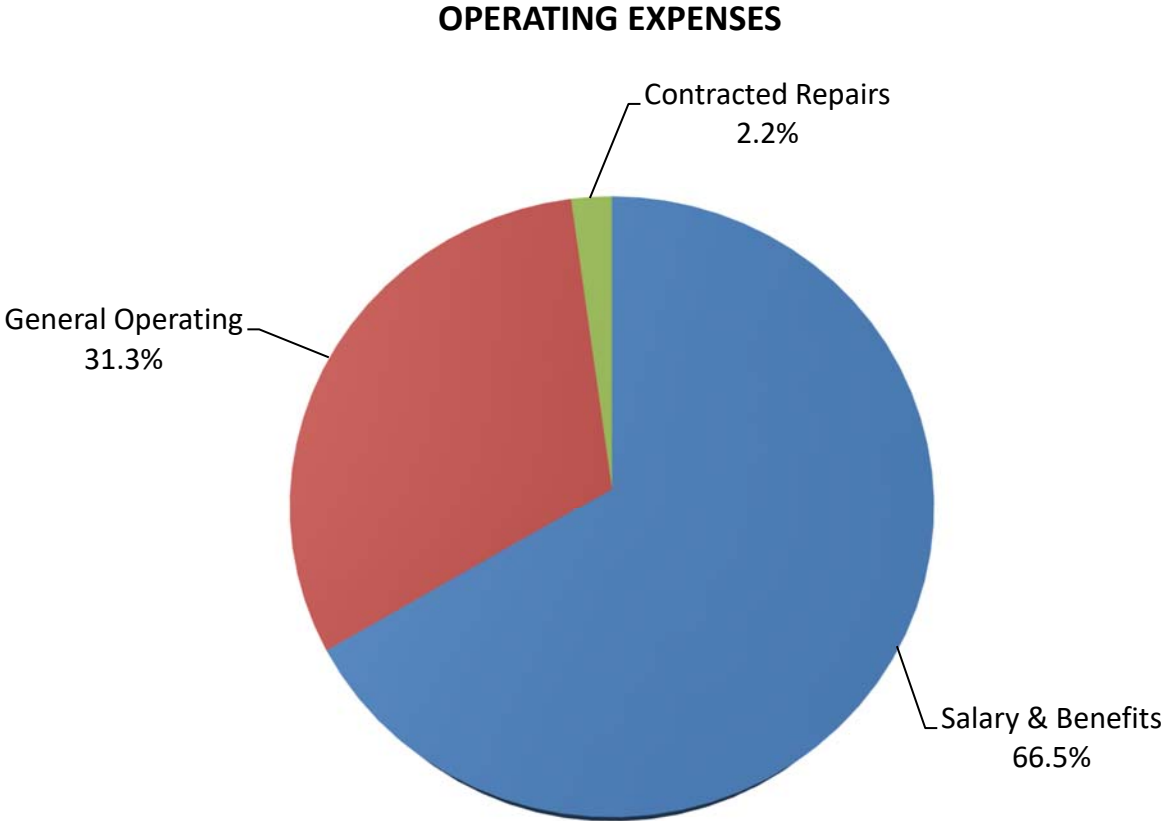
Expenses

The Total Operating and Capital Expenses for FY 2020-21 amounts to \$8,502,911. Salary and benefit expenses are budgeted at \$2,037,970 (24.0% of total budget), operating and general expenses at \$959,741 (11.3%), debt repayment at \$148,200 (1.7%), repairs at \$66,000 (0.8%), and capital expenses (excluding debt) at \$5,291,000 (62.2%).



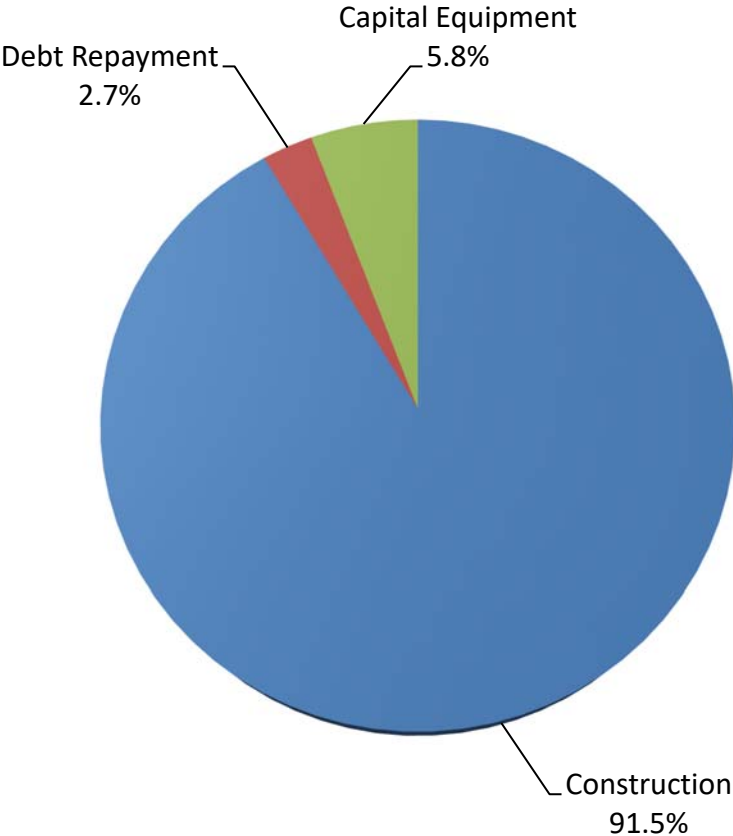
The budget estimates a deficit of \$1,861,911 of which \$1,000,000 will transfer from the SPASPA Impact Fee Fund and the remaining \$861,911 will transfer from the Working Capital and Reserve Fund.

The Operating Expenses for FY 2020-21 total \$3,063,711. The budget includes all operations, maintenance, and administrative expenses. The budget also includes the funding of the annual required contribution for “other post-employment benefits” or retiree health care funding. No additional staff is requested in this budget. Salary and benefit expenses are budgeted at \$2,037,970 (66.5%) of the operating budget. The operating and general expenses are budgeted at \$959,741 (31.3%) and contracted repairs at \$66,000 (2.2%).



The Capital Expenses for FY 2020-21 total \$5,439,200. Construction costs total \$4,977,000 (91.5%) which includes \$2,867,000 for the annual sewer rehabilitation project, \$1,000,000 for San Pablo Avenue Specific Plan Area (SPASPA) sewer upsizing (funded by the SPASPA Impact Fee Fund), \$1,000,000 to replace force mains at both the Burlingame Pump Station and the Canon Pump Station, \$50,000 for interceptor cleaning, \$50,000 for manhole adjustments, and \$10,000 for capital work on the administration building (funded by the Building Reserve Fund). Two (2) annual debt service payments for outstanding State Revolving Fund (SRF) loans total \$148,200 (2.7%) and capital equipment expenses total \$314,000 (5.8%).

CAPITAL EXPENSES



BUDGET CONTENTS

The budget detail sheets are similar to those used in previous years and show the budget amounts for the previous and upcoming fiscal year. A brief description of the exhibits attached to the budget detail sheets is as follows:

1. Revenue and Expenses Summary (Exhibits A & B). This information shows current sources of revenue, expenses, and compares them with the forecasts for proposed revenue and expenses for the upcoming fiscal year.
2. Budget Composite (Exhibit C). This item shows the allocation of expenses by the two District departments (Operations and Administration).
3. Reconciliation of Fund Balances (Exhibit D). This table shows the allocation of revenue to and expenses from the various funds of the District as well as internal fund transfers necessary to meet the targeted balances established by the Board.
4. 10 Year Financial Model. The spreadsheet and graph indicate the estimated operating and capital expenses, and how the financial state of the District is affected. Planned sewer service charge rates to support District expenses and target balances are also projected for the period shown.

FISCAL YEAR BUDGET

(Ref: Exhibits A-D & Detail Sheets)

Revenue

The District's principal revenue source is the annual sewer service charge which is allocated into both the Operation Fund (\$2,925,000) and the Capital Fund (\$3,716,000). The sewer service charge rate is based on the April 2019 Sewer Rate Study prepared by public finance consulting firm, Lechowicz & Tseng Municipal Consultants, and approved by the Board on April 25, 2019.

The total amount of interest revenue of \$85,000, split between both the Operation Fund and the Capital Fund, is the same as last fiscal year. Expected revenue from miscellaneous income remains at \$21,000, permit and inspection fees at \$15,000, and contracted services at \$30,000, all of which are the average amounts over the last several years. Property tax revenue remains at \$400,000 based on recent trends minus the unpredictable redevelopment assessment pass-through payments. District wide connection fee revenue is projected to be \$150,000 and the San Pablo Avenue Specific Plan Area Impact Fee revenue is estimated at \$250,000 in anticipation of a few of the proposed developments coming to fruition per the El Cerrito San Pablo Avenue Specific Plan - Proposed Major Projects Report as follows:

- Residential Mixed Use Project @1755 Eastshore Blvd. – 629 units plus commercial
- Residential Mixed Use Project @6115 Potrero Ave. & 11335-41 San Pablo Ave. – 60 units plus commercial
- Residential Mixed Use & Hotel Project @1612 & 1718 Eastshore Blvd. – 20 units & 84 hotel rooms plus office and retail
- Residential Project @1715 Elm St. – 14 units
- Residential Mixed Use Project @10290 San Pablo Ave. – 55 units plus commercial
- Residential Project @10192 San Pablo Ave. – 26 units
- Hampton Inn Project @11645 San Pablo Ave. – 124 hotel rooms plus commercial
- McNevin South Residential Project @10167 San Pablo Ave. – 62 units
- Village at Town Center Residential Project @10810 San Pablo Ave. – 40 units
- McNevin North Residential Mixed Use Project @10135 San Pablo Ave. – 72 units plus commercial
- Residential Mixed Use Project @11060 San Pablo Ave. – 183 units plus commercial
- Residential Project @11965 San Pablo Ave. (former Taco Bell site) – 144 units
- Residential Mixed Use Project @10919 San Pablo Ave. – 90 units plus commercial

- Residential Mixed Use Project @11795 San Pablo Ave. – 130 units plus commercial
- Mayfair Block Mixed Use Project @11690 San Pablo Ave. – 67 units plus commercial
- Residential Project @921 Kearney Street – 72 units
- Residential Project at the former lumberyard @Central Ave. – 46 units

Operating Expenses

The proposed operating budget for FY 2020-21 of \$3,063,711 represents an 4% increase versus last year’s budget of \$2,955,871. Salary (\$1,247,160) and benefits (\$790,810) combined is 67% of the operating budget which is the same percentage as last fiscal year.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2020-21	3,063,711	1,247,160	41%	790,810	26%	2,037,970	67%
2019-20	2,955,871	1,209,460	41%	779,670	26%	1,989,130	67%
2018-19	2,724,330	1,156,060	42%	615,060	23%	1,771,120	65%
2017-18	2,489,790	1,118,130	45%	578,800	23%	1,696,930	68%
2016-17	2,425,190	1,065,310	44%	561,920	23%	1,627,230	67%
2015-16	2,286,512	1,002,990	44%	524,880	23%	1,527,870	67%
2014-15	2,543,260	1,000,320	39%	504,900	20%	1,505,220	59%
2013-14	2,395,531	981,249	41%	484,499	20%	1,465,748	61%
2012-13	2,285,059	949,687	42%	428,082	19%	1,377,770	60%
2011-12	2,079,625	880,980	42%	416,085	20%	1,297,065	62%
2010-11	2,205,461	892,010	40%	399,651	18%	1,291,661	59%

The retiree health “contribution” to fully fund the annual required contribution (ARC) as determined by the latest Actuarial Analysis of Retiree Health Benefits as of June 30, 2018 is \$18,288. Actual payments to retirees are anticipated to be about \$23,520, including administrative fees. When payments are higher than the ARC, the Board has typically decided to make the payments without receiving any disbursement of the difference from the California Employers' Retiree Benefit Trust (CERBT) Fund. Therefore, the retiree medical amount budgeted to transfer to/from the CERBT fund is \$0.

Contracted main line repair expenses are included as part of the operating expenses and increased slightly to \$66,000 which is consistent with the projections from the Sewer Rate Study.

Operating budget items notably different from the previous budget include:

- adding \$30,000 for election expenses for two Director positions subject to selection by election in November, and
- adding \$37,900 (25%) to liability and property insurance as recommended by California Sanitation Risk Management Authority (CSRMA) due to the continued fallout from the widespread pricing correction in the insurance marketplace as a result of the wildfires in California, as well as hurricanes, floods, and hail storms in the Southern and Midwest regions.

Capital Expenses

The capital equipment expense of \$314,000 includes \$150,000 for the installation of flow meters at each sub-basin to assess the system's response to rehabilitation work completed since the inception of the Consent decree in 2011. Also included is \$50,000 for a new portable generator to replace one of our two (2) old generators that were shown to be unreliable during PG&E's Public Safety Power Shutoff (PSPS), \$34,000 for a more secure fence at the Burlingame Pump Station which has experienced repeated perimeter intrusion, and \$65,000 for a possible on-site fuel tank for emergency response purposes.

The capital budget includes \$50,000 for manhole adjustments based on anticipated paving projects in El Cerrito, Richmond and Kensington, \$50,000 for large interceptor cleaning by a third party contractor, and \$10,000 to spend the Building Reserve Fund for capital work on the Administration Building, if needed.

The Standard Sewer Rehabilitation (Pipe-bursting) Project, at a budget amount of \$2,867,000, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 7% (\$178,000) over last year's budget, based on the projection of the Sewer Rate Study, to adequately fund the aggressive schedule of collection system rehabilitation required by the USEPA Consent Decree. Also included is \$1,000,000 for San Pablo Avenue Specific Plan Area (SPASPA) sewer upsizing to accommodate anticipated development along San Pablo Avenue which is solely funded by the SPASPA Impact Fee and another \$1,000,000 to replace force mains at both the Burlingame Pump Station and the Canon Pump Station.

Fund Balances (Ref: Exhibit D)

Exhibit D presents the reconciliation of fund balances for FY 2020-21, based on the projected ending balances estimated for June 30, 2020. The table shows the allocation of revenue and expenses to and

from the respective funds, produces the year-end balance of each fund, and compares each fund balance to its target balance.

The Operating Target Balance is equal to 60% of budgeted operating and maintenance costs. This is the District's rough costs from May to December to reflect the lag in the collection of tax revenue and also provides a built-in mechanism to adjust for inflationary increases. The Operating Target Balance for FY 2020-21 is calculated to be \$1,838,227.

The Capital Target Balance is equal to the 3-year rolling average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. This is to ensure that the District will have adequate funds available on an annual basis to conduct sewer pipeline replacements or in case of an emergency such as an earthquake and also provides a built-in mechanism to adjust for inflationary increases. The Capital Target Balance for FY 2020-21 is calculated to be \$4,247,061.

Based on the budgeted figures as shown, the total fund balance at the end of FY 2020-21 is projected to be about \$380,000 less than the total target balance. Note that this deficit amount is based on planned expenditures for FY 2019-20. Actual expenditures will not be finalized until after July. There is also one-time Capital Construction costs of \$1,000,000 for San Pablo Avenue Specific Plan Area (SPASPA) sewer upsizing and another \$1,000,000 for the Pump Station Force Main Construction that will both phase out of the 3-year rolling average of the Capital Target Balance in 2022. So, although a deficit is currently projected, the amount of the deficit will likely decrease once FY 2019-20 expenditures are finalized and, looking forward, the Target Balance will decrease once the one-time Capital Construction costs phase out of the rolling average in 2022.

FY 2019-20 BUDGET PERFORMANCE

The final expenses for FY 2019-20 have not been settled, but staff is confident that the total operating expenses should be less than the budgeted amount. Several significant unencumbered balances which will not be fully expended include rods & augers, hoses and nozzles, technical/legal support, flow monitoring modeling, litigation expenses, and penalties and fines. No other operating expenses are expected to be of material variance to the budgeted amounts.

Similarly, total capital expenses are expected to be less than the budgeted amount since some capital expenses will not be expended for FY 2019-20. The budget amount for flow meters (\$40,000) will not be expended since the existing four (4) meters are still in good working order. Manhole adjustments (\$50,000) was not fully expended due to the lack of paving projects by the City of El Cerrito, City of Richmond, and Kensington requiring this level of work. The budget amount for Pump Station Rehabilitation (\$150,000) will be postponed and not expended until a full assessment and re-design of Canon Pump Station is completed in FY 2020-21. No other capital expenses are expected to be of material variance to the budgeted amounts.

FUTURE COSTS

The operating expenses included in this budget are similar to what can be expected in the near future. The capital expense to fund collection system rehabilitation will continue to gradually rise over the next ten years to reflect inflation and fund the gradual ramp up of work as required by the USEPA Consent Decree and as projected in the Sewer Rate Study.

EXHIBIT A

STEGE SANITARY DISTRICT REVENUE SUMMARY

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 70,000	\$ 70,000	0%
Miscellaneous	\$ 21,000	\$ 21,000	0%
Operating Income:			
Permit & Inspection Fees	\$ 15,000	\$ 15,000	0%
Sewer Service Charges	\$ 2,467,000	\$ 2,789,000	13%
Contracted Services	\$ 30,000	\$ 30,000	0%
Subtotal	\$ 2,603,000	\$ 2,925,000	12%
II. CAPITAL FUND (3423)			
Non-Operating Income:			
Interest	\$ 15,000	\$ 15,000	0%
Operating Income:			
Property Tax	\$ 400,000	\$ 400,000	0%
Capital Service Charges	\$ 2,535,000	\$ 2,901,000	14%
Connection Fees	\$ 150,000	\$ 150,000	0%
San Pablo Ave. Impact Fee	\$ 250,000	\$ 250,000	0%
Subtotal	\$ 3,350,000	\$ 3,716,000	11%
TOTAL REVENUE	\$ 5,953,000	\$ 6,641,000	12%

EXHIBIT B

STEGE SANITARY DISTRICT EXPENSE SUMMARY

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 2,069,146	\$ 2,110,576	2%
Dept 41 - Pump Stations	\$ 16,460	\$ 16,460	0%
Dept 41 - Contracted Repairs	\$ 64,000	\$ 66,000	3%
Dept 45 - General & Administration	\$ 806,265	\$ 870,675	8%
SUBTOTAL OPERATING EXPENSES	\$ 2,955,871	\$ 3,063,711	4%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 465,000	\$ 314,000	-32%
Dept 41 - Debt Repayment (SRF)	\$ 148,200	\$ 148,200	0%
Dept 41 - Sewer Rehabilitation	\$ 3,189,000	\$ 4,977,000	56%
SUBTOTAL CAPITAL EXPENSES	\$ 3,802,200	\$ 5,439,200	43%
TOTAL	\$ 6,758,071	\$ 8,502,911	26%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 6,758,071	\$ 8,502,911	26%

STEGE SANITARY DISTRICT TRANSFER TO/(FROM) RESERVES

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
REVENUE	\$ 5,953,000	\$ 6,641,000	12%
EXPENSES	\$ (6,758,071)	\$ (8,502,911)	26%
SUBTOTAL	\$ (805,071)	\$ (1,861,911)	
TRANSFER TO/(FROM) RESERVES	\$ (805,071)	\$ (1,861,911)	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2020-2021

ITEM	FISCAL YEAR 2020-2021 BUDGET	OPERATIONS	GENERAL & ADMIN.
OPERATING EXPENSES:			
010 Salaries & Wages	\$ 1,247,160	\$ 1,046,160	\$ 201,000
020 Employee Benefits	\$ 790,810	\$ 614,866	\$ 175,944
030 Directors' Expenses	\$ 39,731	\$ -	\$ 39,731
040 Election Expense	\$ 30,000	\$ -	\$ 30,000
060 Gasoline, Oil, Fuel	\$ 22,000	\$ 22,000	\$ -
070 Insurance	\$ 182,000	\$ 15,000	\$ 167,000
080 Memberships	\$ 18,100	\$ 3,000	\$ 15,100
090 Office Expense	\$ 10,100	\$ -	\$ 10,100
100 Operating Supplies	\$ 40,000	\$ 40,000	\$ -
110 Contractual Services	\$ 98,100	\$ 98,100	\$ -
120 Professional Services	\$ 202,600	\$ 129,000	\$ 73,600
130 Printing & Publications	\$ 29,000	\$ -	\$ 29,000
140 Rents & Leases	\$ 1,800	\$ 1,000	\$ 800
150 Repairs & Maintenance	\$ 116,700	\$ 101,700	\$ 15,000
160 Revenue Collection Expenses	\$ 14,600	\$ -	\$ 14,600
170 Travel & Meetings	\$ 18,500	\$ 14,000	\$ 4,500
190 Utilities	\$ 39,200	\$ 7,000	\$ 32,200
200 Other Expenses	\$ 62,100	\$ -	\$ 62,100
203 First Aid Supplies	\$ 500	\$ 500	\$ -
204 Safety Equipment and Gloves	\$ 4,500	\$ 4,500	\$ -
205 Uniforms and Boots	\$ 12,500	\$ 12,500	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	\$ -
207 Contracted Repairs	\$ 66,000	\$ 66,000	\$ -
410 Pump Stations	\$ 16,460	\$ 16,460	\$ -
TOTAL OPERATING EXPENSES	\$ 3,063,711	\$ 2,193,036	\$ 870,675
CAPITAL EXPENSES:			
650 DEBT REPAYMENT	\$ 148,200	\$ 148,200	\$ -
300 CAPITAL EQUIPMENT	\$ 314,000	\$ 314,000	\$ -
400 CONSTRUCTION	\$ 4,977,000	\$ 4,977,000	\$ -
TOTAL CAPITAL EXPENSES	\$ 5,439,200	\$ 5,439,200	\$ -
TRANSFER TO CAPITAL FUND	\$ -	\$ -	\$ -
TOTAL BUDGET	\$ 8,502,911	\$ 7,632,236	\$ 870,675

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 476,400	\$ 490,700	3%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	453,200	466,800	3%
012.6 Cell Phone (5)	3,600	3,600	0%
013 Overtime - Service Calls	15,400	15,400	0%
014 Overtime - Engineering/Inspection	500	500	0%
015 Standby	51,000	55,000	8%
017 Performance Incentive	12,000	12,000	0%
TOTAL SALARIES AND WAGES	\$ 1,014,260	\$ 1,046,160	3%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 345,980	\$ 341,290	-1%
021a Deferred Comp Match Cafeteria Plan	25,440	25,440	0%
'022 Health Care Admin Fees	480	480	0%
'027 Cash, Dependent Care & Medical	179,136	179,136	0%
023 Life Insurance/Dental/LTD	13,920	13,920	0%
024 Workers' Compensation Insurance	17,400	18,300	5%
025 Unemployment Insurance	5,100	5,400	6%
026 Medicare	19,000	19,600	3%
Retiree Medical & ARC			
'028 Retiree Medical (AnnReq'dContrib ARC)	-	-	0%
'029 Retiree Health Care Premium	10,300	10,300	0%
030 Social Security (On Call Maintenance)	1,000	1,000	0%
TOTAL EMPLOYEE BENEFITS	\$ 617,756	\$ 614,866	0%
MAINTENANCE			
060 GAS, OIL AND FUEL	\$ 22,000	\$ 22,000	0%
070 CLAIMS	15,000	15,000	0%
080 MEMBERSHIPS	3,000	3,000	0%
100 OPERATING SUPPLIES			
101 Rods and Augers	10,000	5,000	-50%
102 Chemicals	1,000	1,000	0%
104 Hose and Nozzles	25,000	25,000	0%
105 Emergency Readiness	500	500	0%
107 Engineering and Inspection Supplies	2,000	2,000	0%
108 Computer/Supplies	6,500	6,500	0%
Forward totals to next page	85,000	80,000	-6%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
Totals from previous page	\$ 85,000	\$ 80,000	-6%
110 CONTRACTUAL SERVICES			
111 Phone Service (Answering Service)	\$ 1,200	\$ 1,200	0%
112 Manhole Level Monitors	2,500	2,500	0%
115 Sewer Root Foaming	75,000	75,000	0%
116 Radio and Test Equipment Maintenance	500	500	0%
117 Utility Marking Service	2,300	3,000	30%
118 DOT Regulatory Compliance	900	900	0%
119 Collection System JPA	15,000	15,000	0%
120 PROFESSIONAL SERVICES			
121 Technical/Legal Support	\$ 107,000	\$ 107,000	0%
122 Safety Consultant	1,000	1,000	0%
123 Flow Monitoring Modeling	15,000	15,000	0%
124 Enforcement	6,000	6,000	0%
140 RENTS AND LEASES	1,000	1,000	0%
150 REPAIRS AND MAINTENANCE			
151 Vehicle Maintenance	\$ 40,000	\$ 40,000	0%
152 Equipment and Shop Maintenance	9,000	9,000	0%
153 Sewer Materials			
a. Pipe and Fittings	4,000	4,000	0%
b. Manholes	4,500	4,500	0%
c. Castings	1,000	1,000	0%
154 Emergency Sewer Replacement	12,500	12,500	0%
156 Building Maintenance	1,800	1,800	0%
157 Janitorial Services	4,500	4,500	0%
158 Yard Maintenance	2,400	2,400	0%
159 Refuse Service	4,750	4,750	0%
159a Refuse Service-Vactor	2,250	2,250	0%
160 Video Inspection Equipment Repair	10,000	15,000	50%
170 TRAVEL AND MEETINGS			
171 Training and Testing	\$ 3,000	\$ 3,000	0%
173 Travel Reimbursement	6,000	6,000	0%
174 Meetings and Conference	5,000	5,000	0%
Forward totals to next page	\$ 423,100	\$ 423,800	0%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - OPERATIONS**

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
Totals from previous page	\$ 423,100	\$ 423,800	0%
193 WATER - HYDRO FLUSHER	\$ 7,000	\$ 7,000	0%
203 FIRST AID SUPPLIES	500	500	0%
204 SAFETY EQUIPMENT AND GLOVES	4,500	4,500	0%
205 UNIFORMS AND BOOTS	12,500	12,500	0%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 448,850	\$ 449,550	0%
41.2 BURLINGAME PUMP STATION			
150 Repairs (Contracted)	\$ 4,000	\$ 4,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	900	900	0%
152 Telemetry	350	350	0%
153 Maintenance and Landscaping	960	960	0%
41.4 CANON PUMP STATION			
150 Repairs (Contracted)	4,000	4,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	900	900	0%
152 Telephone/Telemetry	350	350	0%
TOTAL PUMP STATIONS	\$ 16,460	\$ 16,460	0%
207 CONTRACTED REPAIRS	64,000	66,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 1,060,760	\$ 1,046,160	-1%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	619,556	614,866	-1%
TOTAL OTHER MAINTENANCE/ENGINEERING	448,850	449,550	0%
TOTAL - PUMP STATIONS	16,460	16,460	0%
TOTAL CONTRACTED REPAIRS	64,000	66,000	3%
TOTAL OPERATIONS	\$ 2,209,626	\$ 2,193,036	-1%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 191,700	\$ 197,500	3%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 195,200	\$ 201,000	3%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 100,730	\$ 99,770	-1%
021a Deferred Comp Match	6,000	6,000	0%
Cafeteria Plan			
'022 Health Care Admin Fees	360	360	0%
'027 Cash, Dependent Care & Medical	44,784	44,784	0%
023 Life Insurance/Dental/LTD	1,980	1,980	0%
024 Workers' Compensation Insurance	3,800	4,000	5%
025 Unemployment Insurance	500	500	0%
026 Medicare	6,100	6,750	11%
Retiree Medical			
'028 Retiree Medical (AnnReq'dContrib(ARC))	-	-	0%
'029 Retiree Health Care Premiums	10,300	10,300	0%
029a Social Security	1,500	1,500	0%
TOTAL - EMPLOYEE BENEFITS	\$ 176,054	\$ 175,944	0%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 22,231	\$ 22,231	0%
032 Travel Reimbursement	10,000	10,000	0%
033 Meetings & Conference	6,500	6,500	0%
034 Training	1,000	1,000	0%
TOTAL - DIRECTORS' EXPENSES	\$ 39,731	\$ 39,731	0%
040 ELECTION EXPENSES	\$ -	\$ 30,000	100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 151,600	\$ 189,500	25%
072 Dividends (CREDIT)	(22,500)	(22,500)	0%
080 MEMBERSHIPS			
081 Memberships	\$ 15,000	\$ 15,000	0%
082 Memberships - Board	100	100	0%
Forward totals to next page	183,931	251,831	37%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
Totals from previous page	\$ 183,931	\$ 251,831	37%
090 OFFICE EXPENSES			
091 Stationery, Postage, Supplies	\$ 4,000	\$ 4,000	0%
092 Subscriptions	5,000	5,000	0%
094 Public Notice Postage	400	400	0%
096 Bank Charges	700	700	0%
120 PROFESSIONAL SERVICES			
121 Legal Services	\$ 35,000	\$ 35,000	0%
123 Audit and Special Reports	40,000	20,000	-50%
124 Resources Consultant	5,000	5,000	0%
125 Administrative Support	2,500	2,500	0%
126 Labor Relations/HR Training	100	100	0%
127 Litigation Expenses	5,000	5,000	0%
129 ADP Payroll Expenses	6,000	6,000	0%
130 PRINTING AND PUBLICATIONS			
131 Meetings and Hearings Notices	\$ 1,000	\$ 1,000	0%
132 Newsletters	20,000	20,000	0%
133 Publications (Ordinances & Notices)	7,500	7,500	0%
134 Job Advertising	500	500	0%
140 RENTS AND LEASES	\$ 800	\$ 800	0%
150 BUILDING REPAIRS AND MAINTENANCE			
151 Administration Offices	\$ 9,000	\$ 9,000	0%
155 Office Equipment	3,600	6,000	67%
Forward totals to next page	330,031	380,331	15%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
Totals from previous page	\$ 330,031	\$ 380,331	15%
160 REVENUE COLLECTION EXPENSES			
161 EBMUD	\$ 600	\$ 600	0%
162 CCC Assessment Collection Fees	14,000	14,000	0%
170 TRAVEL AND MEETINGS			
173 Travel Reimbursement	\$ 1,500	\$ 1,500	0%
174 Meetings and Conferences	3,000	3,000	0%
190 UTILITIES			0%
191 Gas and Electricity	\$ 10,000	\$ 13,000	30%
192 Telephone & Computer Internet	11,000	12,500	14%
193 Water	4,200	4,200	0%
194 Security System	2,000	2,500	25%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 5,000	\$ 5,000	0%
202 Property Taxes	100	100	0%
203 LAFCO Net Cost Apportionment	3,000	4,000	33%
204 Public Outreach	18,000	18,000	0%
205 Penalties & Fines	35,000	35,000	0%
TOTAL - GENERAL EXPENSES	\$ 437,431	\$ 493,731	13%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 195,200	\$ 201,000	3%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 176,054	\$ 175,944	0%
TOTAL - ADMINISTRATION & GENERAL	\$ 808,685	\$ 870,675	8%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 3,018,311	\$ 3,063,711	2%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - CAPITAL EQUIPMENT EXPENSES**

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 40,000	\$ 150,000	275.0%
319 Manhole Level Monitors	-	15,000	100%
324 Vehicle Replacement	425,000	-	-100.0%
328 Generator	-	50,000	100%
329 Security Fence Burlingame PS	-	34,000	100%
330 Fuel Tank	-	65,000	100%
Sub-Total Capital Operations	\$ 465,000	\$ 314,000	-32%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 465,000	\$ 314,000	-32%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - CAPITAL EXPENSES**

FISCAL YEAR 2020-2021

ITEM	Fiscal Year 2019-2020 Budget	Fiscal Year 2020-2021 Budget	% Change
411 MANHOLES			
Manhole Adjustments	\$ 50,000	\$ 50,000	0%
428 RENEWAL & REPLACEMENT			
a. Interceptor Cleaning	\$ 50,000	\$ 50,000	0%
b. Pump Station Rehab	150,000	-	-100%
c. Admin Building	-	10,000	100%
SUB TOTAL (428)	\$ 200,000	\$ 60,000	-70%
434 STANDARD SEWER REHABILITATION (3423)			
a. Construction Costs	\$ 2,689,000	\$ 2,867,000	7%
d. San Pablo Ave. Specific Plan Upgrades	250,000	1,000,000	100%
e. Pumpstation Forcemains	-	1,000,000	100%
SUB-TOTAL (434)	\$ 2,939,000	\$ 4,867,000	66%
TOTAL CONSTRUCTION COSTS (400s)	\$ 3,189,000	\$ 4,977,000	56%
650 DEBT REPAYMENT (SRF LOANS)			
a. Repayment Project 99201	104,300	104,300	0%
b. Repayment Project 02203	43,900	43,900	0%
TOTAL DEBT REPAYMENT (650)	\$ 148,200	\$ 148,200	0%
TOTAL CAPITAL EXPENSES (400-650)	\$ 3,802,200	\$ 5,439,200	43%

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2020-2021 RECONCILIATION OF FUND BALANCES

	FISCAL YEAR 2020-2021 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2020 (est.)	\$ 7,570,313	\$ 520,000	\$ 7,050,313
OPERATING FUND			
REVENUE			
Contracted Services	\$ 30,000	\$ 30,000	
Interest Income	\$ 70,000	\$ 70,000	
Permit, Inspection Fees	\$ 15,000	\$ 15,000	
Sewer Service Charges	\$ 2,789,000	\$ 2,789,000	
Miscellaneous	\$ 21,000	\$ 21,000	
Subtotal	\$ 2,925,000	\$ 2,925,000	
EXPENSES			
General & Administration	\$ (870,675)	\$ (870,675)	
Operating/Pump Stations	\$ (2,193,036)	\$ (2,193,036)	
Subtotal	\$ (3,063,711)	\$ (3,063,711)	
Net Gain (Loss)*	\$ (138,711)	\$ (138,711)	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 400,000		\$ 400,000
Capital Service Charges	\$ 2,901,000		\$ 2,901,000
San Pablo Impact Fee	\$ 250,000		\$ 250,000
Interest Income	\$ 15,000		\$ 15,000
Connection Fees	\$ 150,000		\$ 150,000
Subtotal	\$ 3,716,000		\$ 3,716,000
EXPENSES			
Capital Equipment	\$ (314,000)		\$ (314,000)
Construction	\$ (4,977,000)		\$ (4,977,000)
Debt Repayment (SRF Loan)	\$ (148,200)		\$ (148,200)
Subtotal	\$ (5,439,200)		\$ (5,439,200)
Net Gain (Loss)*	\$ (1,723,200)		\$ (1,723,200)
Fund Balances			
Before transfers	\$ 5,708,402	\$ 381,289	\$ 5,327,113
Transfers between Reserves		\$ 1,456,938	\$ (1,456,938)
*Used from Reserves			
Fund Balances As of 6/30/2021 (est.)	\$ 5,708,402	\$ 1,838,227	\$ 3,870,175
TARGET BALANCE	\$ 6,085,288	\$ 1,838,227	\$ 4,247,061

(60% of annual O&M) (3Yr Avg. of Capital Costs)

STEGE SANITARY DISTRICT - 10 YEAR FINANCIAL MODEL
(\$ THOUSAND)

FISCAL YEAR ENDING	(1) ANNUAL DEBT SERVICE	(2) DISTRICT O&M COSTS	(3) SYSTEM REHAB.	(4) CAPITAL EQUIP COSTS	(5) OTHER CAP COSTS	(6) TOTAL COSTS (1) thru (5)	(7) MONTH USER CHARGE	(8) TOTAL REVENUE	(9) CASH FLOW (8)-(6)	(10) FUND INTEREST	(11) BALANCE	(12) TARGET BALANCE	(13) RESERVE RATIO (11)/(6)
2020	148	2725	2900	429	0	6202	22.58	6452	250	90	7571	5562	1.18
2021	148	3064	4977	314	0	8503	25.33	6641	-1862	85	5709	6085	0.89
2022	148	3141	3057	510	110	6966	28.42	6787	-179	17	5530	6177	0.82
2023	44	3235	3259	200	110	6848	31.92	7473	625	17	6155	5944	0.81
2024	44	3332	3473	445	610	7904	35.75	8222	318	17	6473	6010	0.78
2025	44	3419	3594	80	130	7266	31.50	7306	40	17	6513	6149	0.89
2026	44	3508	3719	10	100	7381	31.50	7311	-70	17	6443	6010	0.88
2027	0	3609	3850	70	75	7604	32.00	7422	-182	17	6261	6160	0.85
2028	0	3682	3983	60	75	7800	34.00	7858	58	17	6319	6427	0.80
2029	0	3806	4122	345	75	8348	36.00	8296	-52	17	6267	6756	0.76
2030	0	3882	4265	150	340	8638	38.00	8722	85	10	6351	6961	0.73

Balance vs. Target Balance for FY 2020-21

