



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 17, 2021

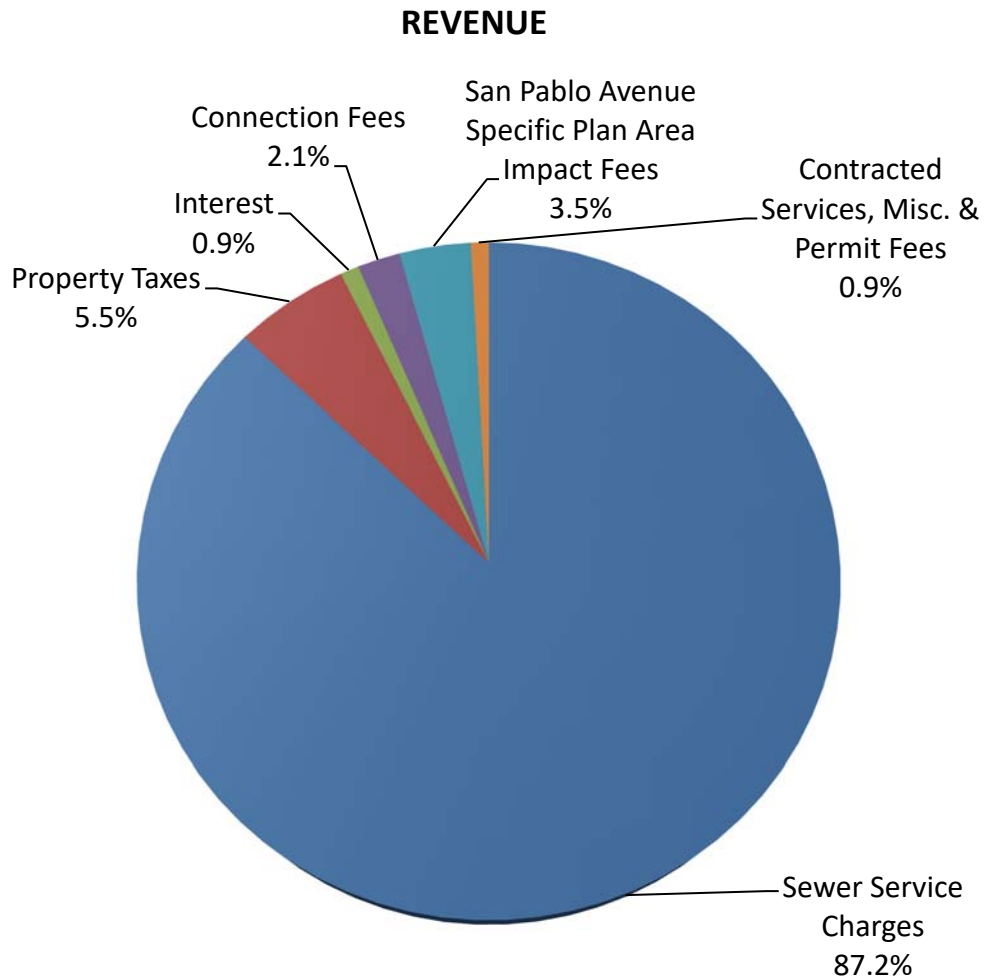
Re: Budget for Fiscal Year 2021-22

The Fiscal Year (FY) 2021-22 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2021-22 including supplemental data regarding fund target levels.

BUDGET OVERVIEW

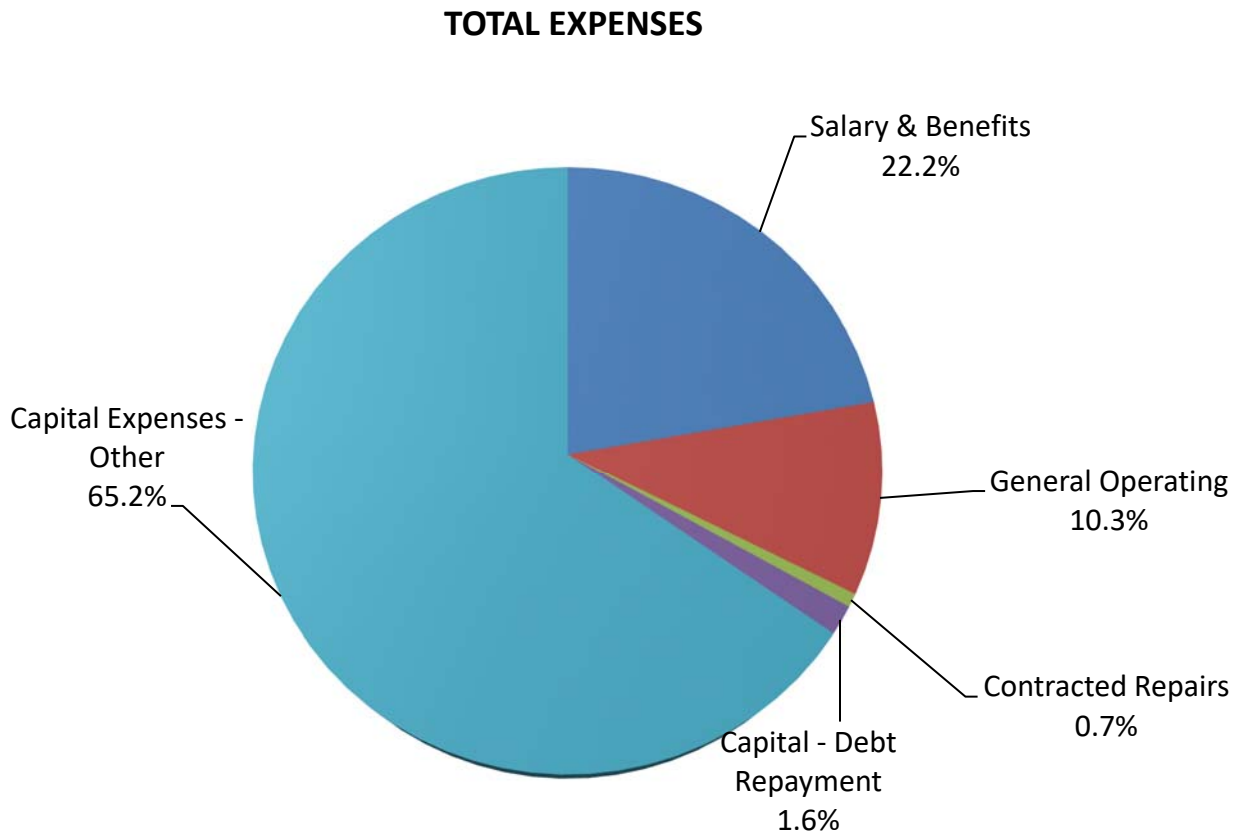
Revenue

The FY 2021-22 budget includes \$7,226,000 in revenue, exclusive of the transfer of funds. The budget estimates service charge revenue at \$6,298,000 (87.2% of total revenue), property tax at \$400,000 (5.5%), interest income at \$65,000 (0.9%), connection fees at \$150,000 (2.1%), San Pablo Avenue Specific Plan Area Impact Fees at \$250,000 (3.5%), and contracted services, miscellaneous income and permit fees at \$63,000 (0.9%).



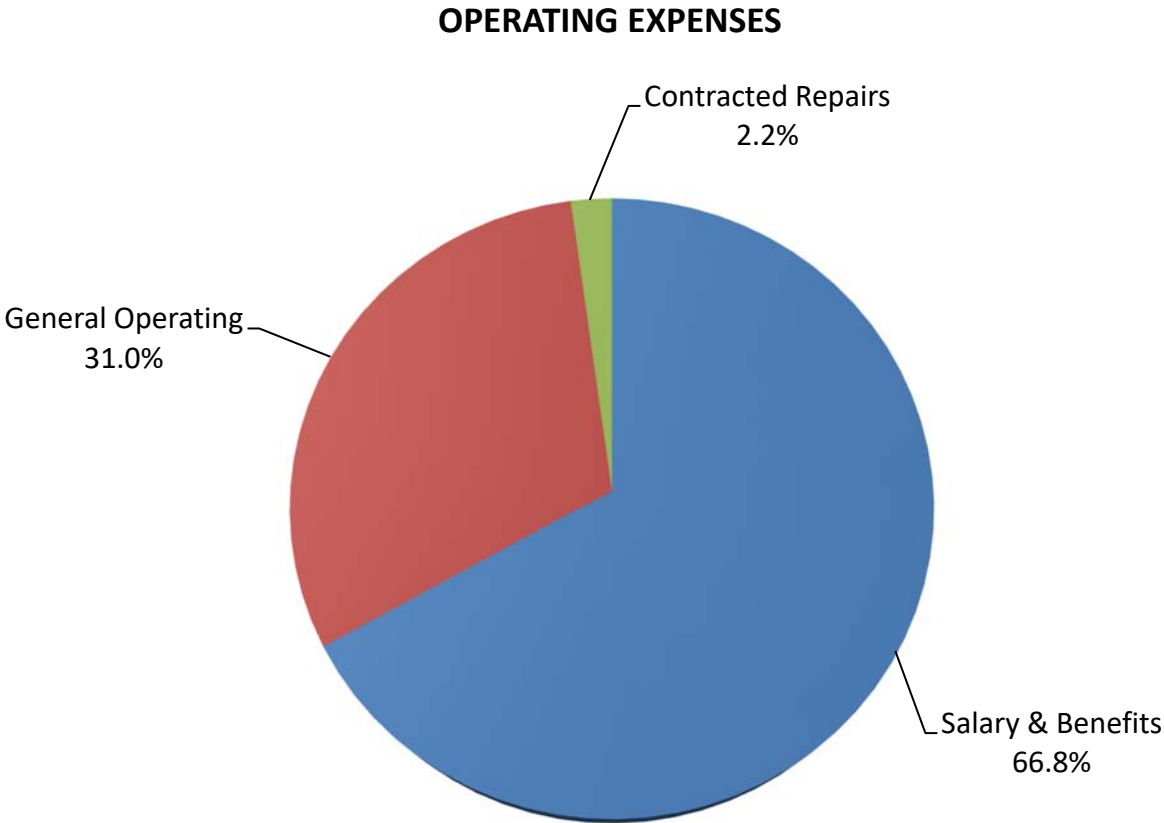
Expenses

The Total Operating and Capital Expenses for FY 2021-22 amounts to \$9,453,836. Salary and benefit expenses are budgeted at \$2,098,021 (22.2% of total budget), operating and general expenses at \$972,615 (10.3%), debt repayment at \$148,200 (1.6%), repairs at \$68,000 (0.7%), and capital expenses (excluding debt) at \$6,167,000 (65.2%).



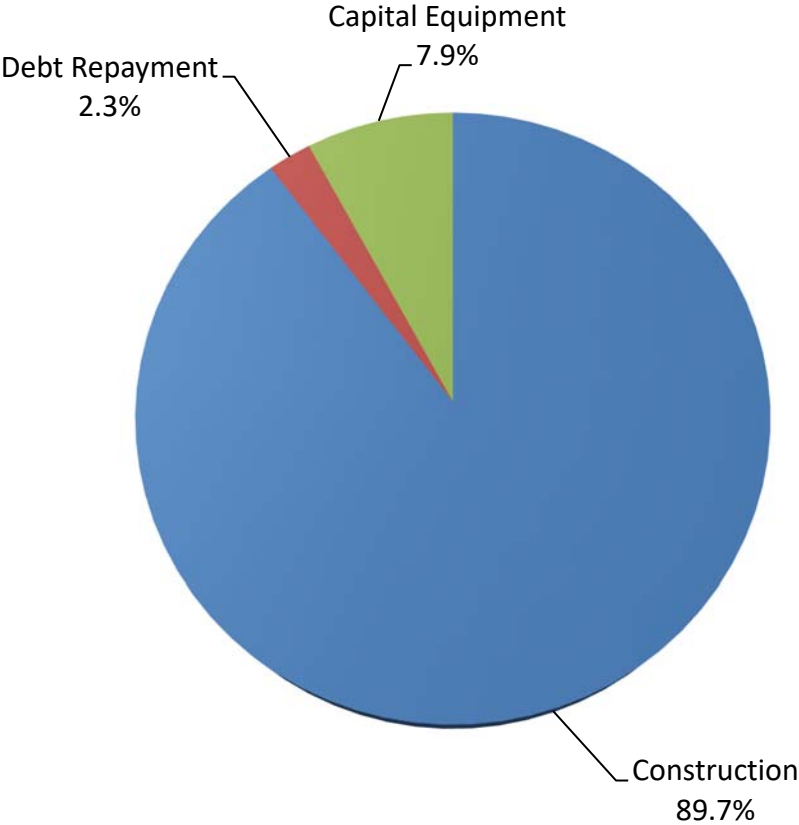
The budget estimates a deficit of \$2,227,836 of which \$1,000,000 will transfer from the SPASPA Impact Fee Fund and the remaining \$1,227,836 will transfer from the Working Capital and Reserve Fund.

The Operating Expenses for FY 2021-22 total \$3,138,636. 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 \$2,098,021 (66.8%) of the operating budget. The operating and general expenses are budgeted at \$972,615 (31.0%) and contracted repairs at \$68,000 (2.2%).



The Capital Expenses for FY 2021-22 total \$6,315,200. Construction costs total \$5,667,000 (89.7%) which includes \$3,057,000 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 for both the Burlingame Pump Station and the Canon Pump Station, \$500,000 for targeted I/I reduction construction costs, \$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 (2.3%) and capital equipment expenses total \$500,000 (7.9%).

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 equally into both the Operation Fund (\$3,149,000) and the Capital Fund (\$3,149,000). 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 \$65,000, split between both the Operation Fund and the Capital Fund, is ~24% less than last fiscal year due to the expectation of low interest rates. Expected revenue from miscellaneous income is set at \$21,000, permit and inspection fees at \$12,000, 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 exclusive of 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 proposed developments per the City of El Cerrito San Pablo Avenue Corridor - Major Projects Report.

Operating Expenses

The proposed operating budget for FY 2021-22 of \$3,138,636 represents an 4% increase versus last year's budget of \$3,031,811. Salary (\$1,429,460) and benefits (\$668,561) combined is 67% of the operating budget which is the same percentage as last fiscal year, but distributed differently. This is due to the Board, in December 2020, approving the elimination of the Flexible Benefit Plan contribution amount of \$1866 and corresponding cash out amount of \$1000 and, instead, paying for employee health care coverage up to the Kaiser rate, or a cash in lieu amount of \$500, and increasing all employee salaries and salary ranges by \$1000.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2021-22	3,138,636	1,429,460	46%	668,561	21%	2,098,021	67%
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%

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, 2020 is \$22,072. Actual payments to retirees are anticipated to be about \$23,363, 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 \$68,000 which is consistent with the projections from the Sewer Rate Study.

Operating budget items notably different from the previous budget include:

- re-allocating the previous flexible benefit (cafeteria) plan contribution amount toward health care premiums and salaries, as approved by the Board in December 2020,
- adding \$3200 to retiree health care premiums for the benefit increase from \$280/mo. to \$324.48/mo., as approved by the Board in February 2021,
- adding \$2000 for security system monitoring of the detached garage,
- removing \$30,000 for election expenses that is only budgeted for even year elections, and
- adding \$37,900 (20%) to liability and property insurance as recommended by California Sanitation Risk Management Authority (CSRMA) due to market pressure created by wildfires,

storms, civil disorders, 'social inflation' (more litigation, more plaintiff-friendly judgements, and larger jury awards reflecting public sentiment more than actual damage), and the added uncertainty of the COVID-19 pandemic.

Capital Expenses

The capital equipment expense of \$500,000 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 \$350,000 for the replacement of a 2002 sewer rodder truck which is at the end of its useful life.

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 professional services contract, 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 \$3,057,000, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 7% (\$190,000) 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, \$1,000,000 to replace force mains for both the Burlingame Pump Station and the Canon Pump Station, and \$500,000 for targeted I/I reduction construction to replace leaky sewer lines in high I/I areas using reserve funds.

Fund Balances (Ref: Exhibit D)

Exhibit D presents the reconciliation of fund balances for FY 2021-22, based on the projected ending balances estimated for June 30, 2021. 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 2021-22 is calculated to be \$1,883,182.

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 2021-22 is calculated to be \$4,455,793.

Based on the budgeted figures as shown, the total fund balance at the end of FY 2021-22 is projected to be about \$90,000 (1.4%) more than the total target balance. Note that this amount is based on planned expenditures for FY 2020-21. Actual expenditures will not be finalized until after July. But as shown, the information indicates that the District continues to be financially prudent.

FY 2020-21 BUDGET PERFORMANCE

The final expenses for FY 2020-21 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 operating supplies (such as rods, augers, hoses, and nozzles), professional services (such as technical/legal support, litigation expenses, and flow monitoring modeling), election expenses, penalties & fines, and, due to pandemic restrictions, travel and conference expenses. 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 in FY 2020-21. The budget amounts for the San Pablo Avenue Specific Plan Upgrades (\$1,000,000) and Pump Station Force mains (\$1,000,000) will not be expended until FY 2021-22. The budget amount for a fuel tank (\$65,000) will not be expended since it was determined to not be cost effective due to regulatory requirements and restrictions. 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. 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 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 70,000	\$ 50,000	-29%
Miscellaneous	\$ 21,000	\$ 21,000	0%
Operating Income:			
Permit & Inspection Fees	\$ 15,000	\$ 12,000	-20%
Sewer Service Charges	\$ 2,789,000	\$ 3,149,000	13%
Contracted Services	\$ 30,000	\$ 30,000	0%
Subtotal	\$ 2,925,000	\$ 3,262,000	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	\$ 2,901,000	\$ 3,149,000	9%
Connection Fees	\$ 150,000	\$ 150,000	0%
San Pablo Ave. Impact Fee	\$ 250,000	\$ 250,000	0%
Subtotal	\$ 3,716,000	\$ 3,964,000	7%
TOTAL REVENUE	\$ 6,641,000	\$ 7,226,000	9%

EXHIBIT B

STEGE SANITARY DISTRICT EXPENSE SUMMARY

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 2,078,676	\$ 2,159,348	4%
Dept 41 - Pump Stations	\$ 16,460	\$ 16,460	0%
Dept 41 - Contracted Repairs	\$ 66,000	\$ 68,000	3%
Dept 45 - General & Administration	\$ 870,675	\$ 894,828	3%
SUBTOTAL OPERATING EXPENSES	\$ 3,031,811	\$ 3,138,636	4%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 314,000	\$ 500,000	59%
Dept 41 - Debt Repayment (SRF)	\$ 148,200	\$ 148,200	0%
Dept 41 - Sewer Rehabilitation	\$ 4,977,000	\$ 5,667,000	14%
SUBTOTAL CAPITAL EXPENSES	\$ 5,439,200	\$ 6,315,200	16%
TOTAL	\$ 8,471,011	\$ 9,453,836	12%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 8,471,011	\$ 9,453,836	12%

STEGE SANITARY DISTRICT TRANSFER TO/(FROM) RESERVES

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
REVENUE	\$ 6,641,000	\$ 7,226,000	9%
EXPENSES	\$ (8,471,011)	\$ (9,453,836)	12%
SUBTOTAL	\$ (1,830,011)	\$ (2,227,836)	
TRANSFER TO/(FROM) RESERVES	\$ (1,830,011)	\$ (2,227,836)	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2021-2022

ITEM	FISCAL YEAR	FISCAL YEAR	% Change	OPERATIONS	GENERAL & ADMIN.
	2020-2021 BUDGET	2021-2022 BUDGET			
OPERATING EXPENSES:					
010 Salaries & Wages	\$ 1,247,160	\$ 1,429,460	15%	\$ 1,189,460	\$ 240,000
020 Employee Benefits	\$ 790,810	\$ 668,561	-15%	\$ 517,521	\$ 151,040
030 Directors' Expenses	\$ 39,731	\$ 39,888	0%	\$ -	\$ 39,888
040 Election Expense	\$ 30,000	\$ -	-100%	\$ -	\$ -
060 Gasoline, Oil, Fuel	\$ 22,000	\$ 22,000	0%	\$ 22,000	\$ -
070 Insurance	\$ 182,000	\$ 219,900	21%	\$ 15,000	\$ 204,900
080 Memberships	\$ 18,100	\$ 18,100	0%	\$ 3,000	\$ 15,100
090 Office Expense	\$ 10,100	\$ 10,100	0%	\$ -	\$ 10,100
100 Operating Supplies	\$ 40,000	\$ 40,000	0%	\$ 40,000	\$ -
110 Contractual Services	\$ 98,100	\$ 98,100	0%	\$ 98,100	\$ -
120 Professional Services	\$ 202,600	\$ 202,600	0%	\$ 129,000	\$ 73,600
130 Printing & Publications	\$ 29,000	\$ 29,000	0%	\$ -	\$ 29,000
140 Rents & Leases	\$ 1,800	\$ 1,800	0%	\$ 1,000	\$ 800
150 Repairs & Maintenance	\$ 116,700	\$ 116,700	0%	\$ 101,700	\$ 15,000
160 Revenue Collection Expenses	\$ 14,600	\$ 14,600	0%	\$ -	\$ 14,600
170 Travel & Meetings	\$ 18,500	\$ 18,500	0%	\$ 14,000	\$ 4,500
190 Utilities	\$ 39,200	\$ 41,200	5%	\$ 7,000	\$ 34,200
200 Other Expenses	\$ 62,100	\$ 62,100	0%	\$ -	\$ 62,100
203 First Aid Supplies	\$ 500	\$ 500	0%	\$ 500	\$ -
204 Safety Equipment and Gloves	\$ 4,500	\$ 4,500	0%	\$ 4,500	\$ -
205 Uniforms and Boots	\$ 12,500	\$ 15,317	23%	\$ 15,317	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	0%	\$ 1,250	\$ -
207 Contracted Repairs	\$ 66,000	\$ 68,000	3%	\$ 68,000	\$ -
410 Pump Stations	\$ 16,460	\$ 16,460	0%	\$ 16,460	\$ -
TOTAL OPERATING EXPENSES	\$ 3,063,711	\$ 3,138,636	2%	\$ 2,243,808	\$ 894,828
CAPITAL EXPENSES:					
650 DEBT REPAYMENT	\$ 148,200	\$ 148,200	0%	\$ 148,200	\$ -
300 CAPITAL EQUIPMENT	\$ 314,000	\$ 500,000	59%	\$ 500,000	\$ -
400 CONSTRUCTION	\$ 4,977,000	\$ 5,667,000	14%	\$ 5,667,000	\$ -
TOTAL CAPITAL EXPENSES	\$ 5,439,200	\$ 6,315,200	16%	\$ 6,315,200	\$ -
TRANSFER TO CAPITAL FUND		\$ -		\$ -	\$ -
TOTAL BUDGET	\$ 8,502,911	\$ 9,453,836	11%	\$ 8,559,008	\$ 894,828

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 476,400	\$ 553,900	16%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	453,200	541,900	20%
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	60,000	18%
017 Performance Incentive	12,000	12,000	0%
TOTAL SALARIES AND WAGES	\$ 1,014,260	\$ 1,189,460	17%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 341,290	\$ 321,350	-6%
021a Deferred Comp Match Cafeteria Plan	25,440	25,440	0%
022 Health Care Premiums & Admin Fees	480	72,581	15021%
023 Life Insurance/Dental/LTD	13,920	15,840	14%
024 Workers' Compensation Insurance	18,300	19,200	5%
025 Unemployment Insurance	5,400	5,700	6%
026 Medicare	19,600	20,200	3%
027 Cash in Lieu (Dependent Care & Medical) Retiree Medical & ARC	179,136	24,000	-87%
'028 Retiree Medical (AnnReq'dContrib ARC)	-	-	0%
'029 Retiree Health Care Premium	10,300	11,900	16%
030 Social Security (On Call Maintenance)	1,000	1,310	31%
TOTAL EMPLOYEE BENEFITS	\$ 614,866	\$ 517,521	-16%
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	5,000	5,000	0%
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	80,000	80,000	0%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
Totals from previous page	\$ 80,000	\$ 80,000	0%
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	3,000	3,000	0%
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	15,000	15,000	0%
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	\$ 423,800	\$ 423,800	0%

DETAIL SHEET

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

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
Totals from previous page	\$ 423,800	\$ 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	15,317	23%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 449,550	\$ 452,367	1%
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	66,000	68,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 1,014,260	\$ 1,189,460	17%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	614,866	517,521	-16%
TOTAL OTHER MAINTENANCE/ENGINEERING	449,550	452,367	1%
TOTAL - PUMP STATIONS	16,460	16,460	0%
TOTAL CONTRACTED REPAIRS	66,000	68,000	3%
TOTAL OPERATIONS	\$ 2,161,136	\$ 2,243,808	4%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 197,500	\$ 236,500	20%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 201,000	\$ 240,000	19%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 99,770	\$ 97,300	-2%
021a Deferred Comp Match	6,000	6,000	0%
Cafeteria Plan			
022 Health Care Premiums & Admin Fees	360	19,800	5400%
023 Life Insurance/Dental/LTD	1,980	2,160	9%
024 Workers' Compensation Insurance	4,000	4,200	5%
025 Unemployment Insurance	500	500	0%
026 Medicare	6,750	7,480	11%
027 Cash in Lieu (Dependent Care & Medical)	44,784	-	-100%
Retiree Medical			
'028 Retiree Medical (AnnReq'dContrib(ARC))	-	-	0%
'029 Retiree Health Care Premiums	10,300	11,900	16%
029a Social Security	1,500	1,700	13%
TOTAL - EMPLOYEE BENEFITS	\$ 175,944	\$ 151,040	-14%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 22,231	\$ 22,388	1%
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	\$ 39,888	0%
040 ELECTION EXPENSES	\$ 30,000	\$ -	-100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 189,500	\$ 227,400	20%
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	251,831	259,888	3%

DETAIL SHEET

STEGE SANITARY DISTRICT
ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL **FISCAL YEAR 2021-2022**

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
Totals from previous page	\$ 251,831	\$ 259,888	3%
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	20,000	20,000	0%
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	6,000	6,000	0%
Forward totals to next page	380,331	388,388	2%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
Totals from previous page	\$ 380,331	\$ 388,388	2%
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	\$ 13,000	\$ 13,000	0%
192 Telephone & Computer Internet	12,500	12,500	0%
193 Water	4,200	4,200	0%
194 Security System	2,500	4,500	80%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 5,000	\$ 5,000	0%
202 Property Taxes	100	100	0%
203 LAFCO Net Cost Apportionment	4,000	4,000	0%
204 Public Outreach	18,000	18,000	0%
205 Penalties & Fines	35,000	35,000	0%
TOTAL - GENERAL EXPENSES	\$ 493,731	\$ 503,788	2%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 201,000	\$ 240,000	19%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 175,944	\$ 151,040	-14%
TOTAL - ADMINISTRATION & GENERAL	\$ 870,675	\$ 894,828	3%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 3,031,811	\$ 3,138,636	4%

DETAIL SHEET

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

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 150,000	\$ 150,000	0%
319 Manhole Level Monitors	15,000	-	-100%
324 Vehicle Replacement	-	350,000	100%
328 Generator	50,000	-	-100%
329 Security Fence Burlingame PS	34,000	-	-100%
330 Fuel Tank	65,000	-	-100%
Sub-Total Capital Operations	\$ 314,000	\$ 500,000	59%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 314,000	\$ 500,000	59%

DETAIL SHEET

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

FISCAL YEAR 2021-2022

ITEM	Fiscal Year 2020-2021 Budget	Fiscal Year 2021-2022 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	-	-	0%
c. Admin Building	10,000	10,000	0%
SUB TOTAL (428)	\$ 60,000	\$ 60,000	0%
434 STANDARD SEWER REHABILITATION (3423)			
a. Construction Costs	\$ 2,867,000	\$ 3,057,000	7%
d. San Pablo Ave. Specific Plan Upgrades	1,000,000	1,000,000	0%
e. Pumpstation Forcemains	1,000,000	1,000,000	0%
f. Targeted I/I Reduction Construction Costs		500,000	0%
SUB-TOTAL (434)	\$ 4,867,000	\$ 5,557,000	14%
436 STANDARD SEWER REHABILITATION (3423)			
a. Grant Program			
TOTAL CONSTRUCTION COSTS (400s)	\$ 4,977,000	\$ 5,667,000	14%
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)	\$ 5,439,200	\$ 6,315,200	16%

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2021-2022 RECONCILIATION OF FUND BALANCES

	FISCAL YEAR 2021-2022 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2021 (est.)	\$ 8,655,079	\$ 1,804,766	\$ 6,850,313
OPERATING FUND			
REVENUE			
Contracted Services	\$ 30,000	\$ 30,000	
Interest Income	\$ 50,000	\$ 50,000	
Permit, Inspection Fees	\$ 12,000	\$ 12,000	
Sewer Service Charges	\$ 3,149,000	\$ 3,149,000	
Miscellaneous	\$ 21,000	\$ 21,000	
Subtotal	\$ 3,262,000	\$ 3,262,000	
EXPENSES			
General & Administration	\$ (894,828)	\$ (894,828)	
Operating/Pump Stations	\$ (2,243,808)	\$ (2,243,808)	
Subtotal	\$ (3,138,636)	\$ (3,138,636)	
Net Gain (Loss)*	\$ 123,364	\$ 123,364	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 400,000		\$ 400,000
Capital Service Charges	\$ 3,149,000		\$ 3,149,000
San Pablo Impact Fee	\$ 250,000		\$ 250,000
Interest Income	\$ 15,000		\$ 15,000
Connection Fees	\$ 150,000		\$ 150,000
Subtotal	\$ 3,964,000		\$ 3,964,000
EXPENSES			
Capital Equipment	\$ (500,000)		\$ (500,000)
Construction	\$ (5,667,000)		\$ (5,667,000)
Debt Repayment (SRF Loan)	\$ (148,200)		\$ (148,200)
Subtotal	\$ (6,315,200)		\$ (6,315,200)
Net Gain (Loss)*	\$ (2,351,200)		\$ (2,351,200)
Fund Balances			
Before transfers	\$ 6,427,243	\$ 1,928,130	\$ 4,499,113
Transfers between Reserves		\$ (44,948)	\$ 44,948
*Used from Reserves			
Fund Balances As of 6/30/2022 (est.)	\$ 6,427,243	\$ 1,883,182	\$ 4,544,061
TARGET BALANCE	\$ 6,338,975	\$ 1,883,182	\$ 4,455,793

(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) FUND BALANCE	(12) TARGET BALANCE	(13) RESERVE RATIO (11)/(6)
2021	148	3064	2977	314	0	6503	25.33	6641	138	85	8655	6221	1.25
2022	148	3139	5667	500	0	9454	28.42	7226	-2228	65	6427	6339	0.92
2023	44	3235	3259	200	110	6848	31.92	7473	625	17	7052	6874	0.94
2024	44	3332	3473	445	910	8204	35.75	8222	18	17	7070	6110	0.86
2025	44	3419	3594	80	130	7266	28.50	6657	-609	17	6461	6249	0.97
2026	44	3508	3719	10	100	7381	30.50	7094	-287	17	6174	6010	0.88
2027	0	3609	3850	70	75	7604	33.00	7639	35	17	6209	6160	0.81
2028	0	3682	3983	60	75	7800	35.50	8183	383	17	6592	6427	0.80
2029	0	3806	4122	345	75	8348	37.50	8620	272	17	6864	6756	0.79
2030	0	3882	4265	150	340	8638	38.50	8830	193	10	7056	6961	0.79
2031	0	3990	4414	95	90	8589	38.50	8833	244	10	7300	7226	0.82

Fund Balance vs. Target Balance for FY 2021-22

