



STEGE SANITARY DISTRICT

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

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Juliet Christian-Smith
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Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 16, 2022

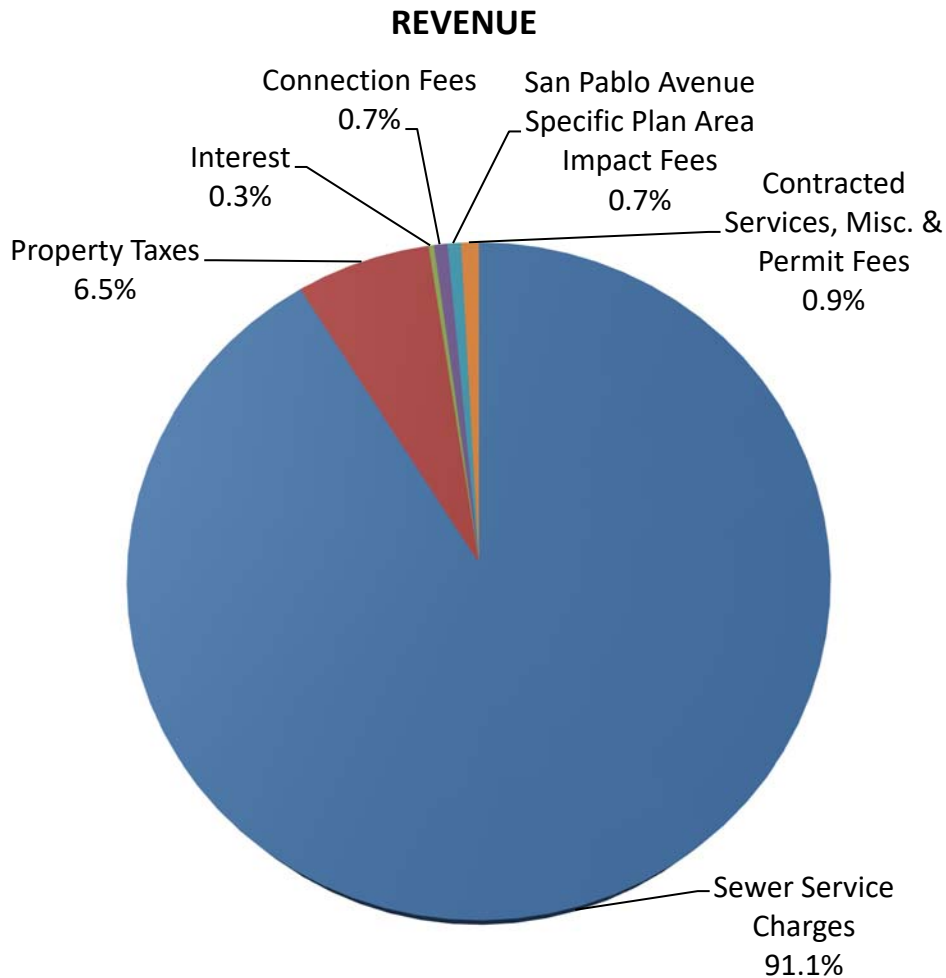
Re: Budget for Fiscal Year 2022-23

The Fiscal Year (FY) 2022-23 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2022-23 including supplemental data regarding fund target levels.

BUDGET OVERVIEW

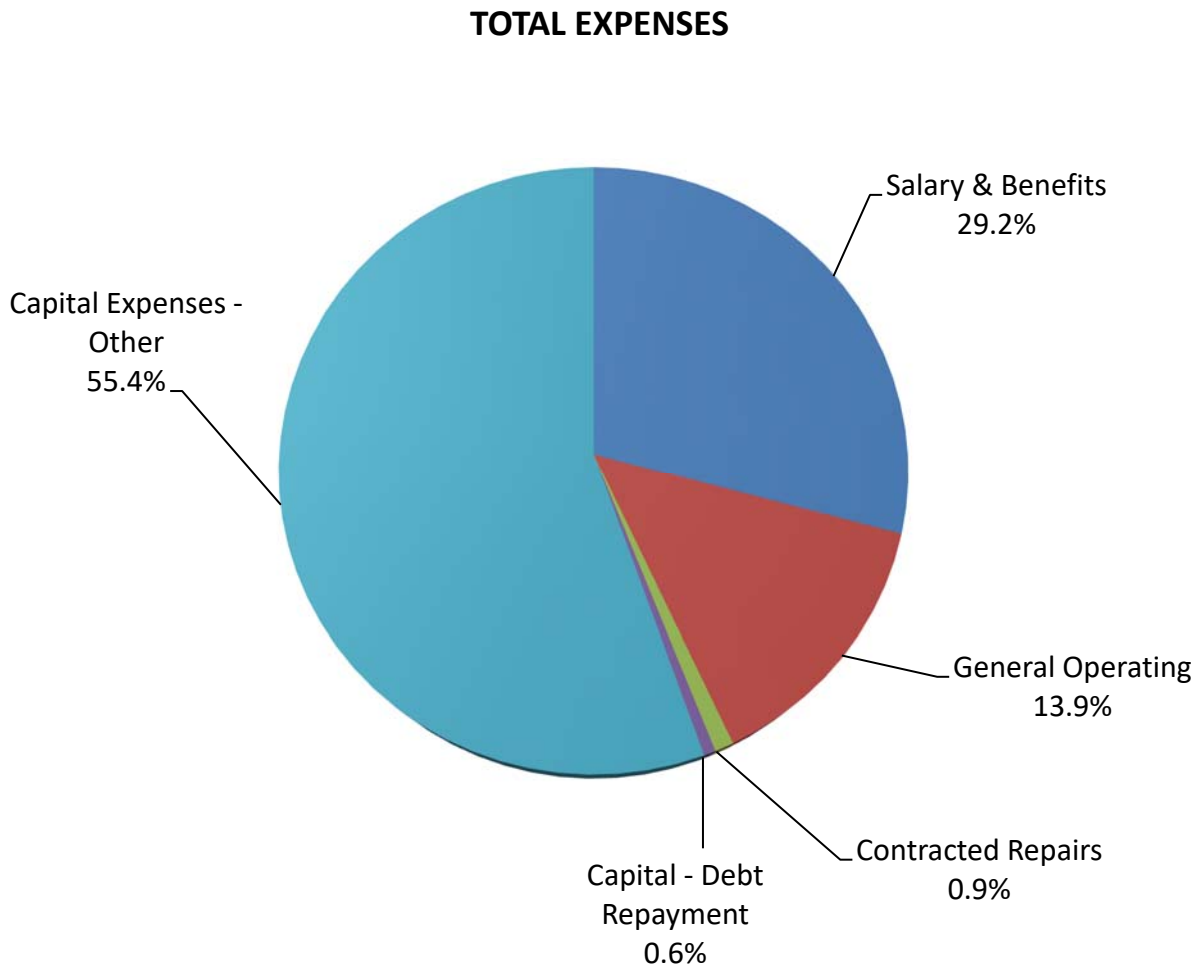
Revenue

The FY 2022-23 budget includes \$7,670,000 in revenue, exclusive of the transfer of funds. The budget estimates service charge revenue at \$6,984,000 (91.1% of total revenue), property tax at \$500,000 (6.5%), interest income at \$20,000 (0.3%), connection fees at \$50,000 (0.7%), San Pablo Avenue Specific Plan Area Impact Fees at \$50,000 (0.7%), and contracted services, miscellaneous income and permit fees at \$66,000 (0.9%).



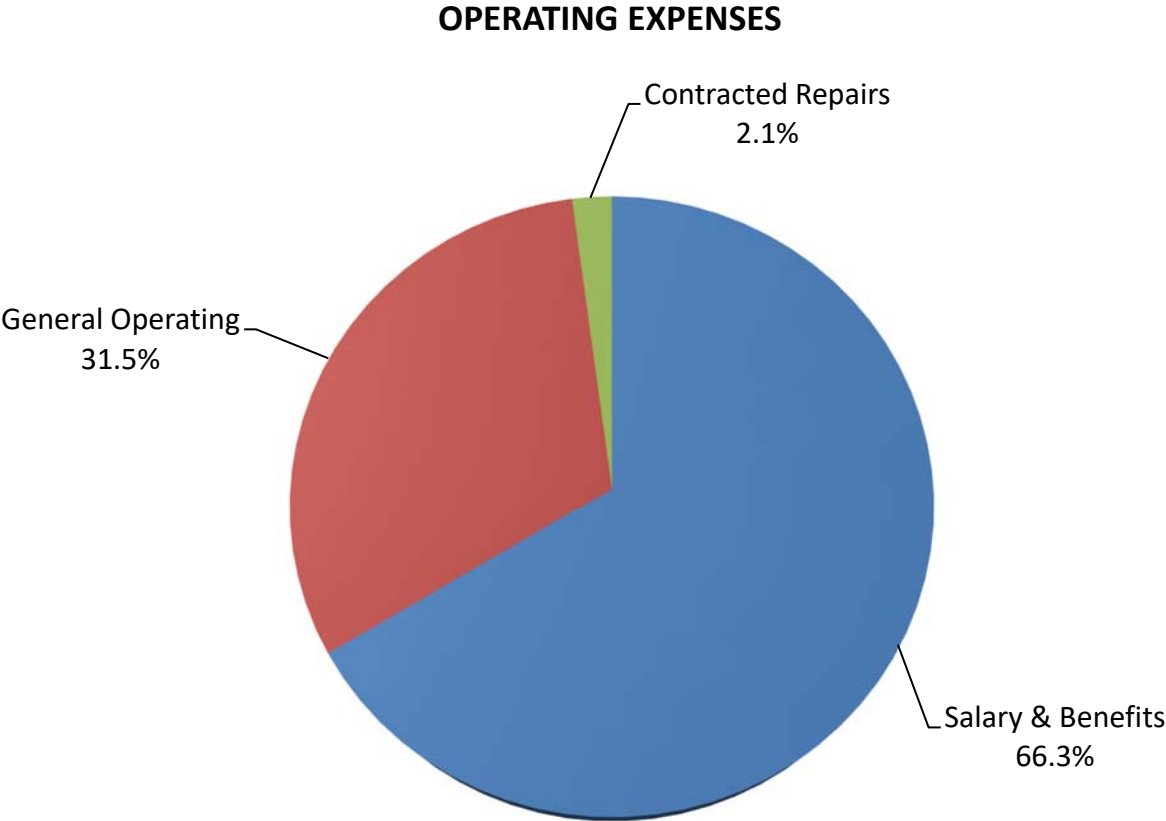
Expenses

The Total Operating and Capital Expenses for FY 2022-23 amounts to \$7,560,357. Salary and benefit expenses are budgeted at \$2,208,323 (29.2% of total budget), operating and general expenses at \$1,049,984 (13.9%), debt repayment at \$43,900 (0.6%), repairs at \$70,000 (0.9%), and capital expenses (excluding debt) at \$4,188,150 (55.4%).



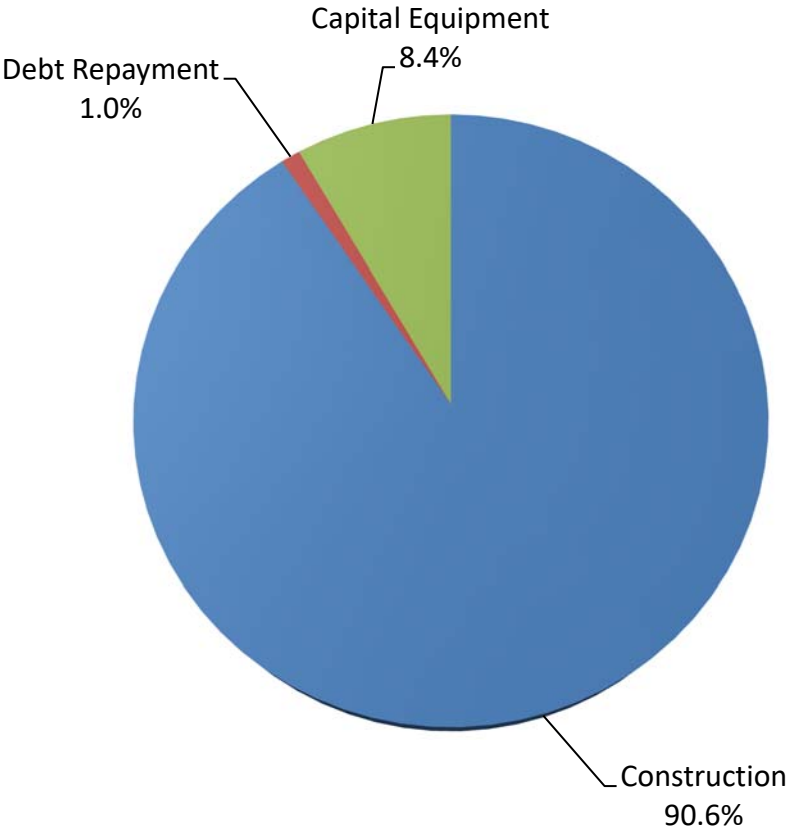
The budget estimates a surplus of \$109,643 which will transfer to the Working Capital and Reserve Fund.

The Operating Expenses for FY 2022-23 total \$3,328,307. 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 \$2,208,323 (66.3%) of the operating budget. The operating and general expenses are budgeted at \$1,049,984 (31.5%) and contracted repairs at \$70,000 (2.1%).



The Capital Expenses for FY 2022-23 total \$4,232,050. Construction costs total \$3,833,150 (90.6%) which includes \$3,259,000 for the annual sewer rehabilitation project, \$489,150 for the Private Sewer Lateral Replacement Loan Program (funding limited to property tax revenue), \$50,000 for interceptor cleaning, \$25,000 for manhole adjustments, and \$10,000 for capital work on the administration building (funded by the Building Reserve Fund). The one (1) annual debt service payment for an outstanding State Revolving Fund (SRF) loan is \$43,900 (1.0%) and the capital equipment expenses total \$355,000 (8.4%).

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 (\$3,209,000) and the Capital Fund (\$3,775,000). 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 \$20,000, split between both the Operation Fund and the Capital Fund, is in line with recently experienced (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 increased up to \$500,000 based on recent trends exclusive of unpredictable redevelopment assessment pass-through payments. District wide connection fee revenue is projected to be \$50,000 and the San Pablo Avenue Specific Plan Area Impact Fee revenue is estimated at \$50,000 in anticipation of a slowdown of proposed developments outlined in the City of El Cerrito San Pablo Avenue Corridor - Major Projects Report.

Operating Expenses

The proposed operating budget for FY 2022-23 of \$3,328,307 represents an 3% increase versus last year's budget of \$3,138,636. Salary (\$1,515,960) and benefits (\$692,363) combined are 66% of the operating budget which is one (1) percent lower than the last several fiscal years as shown in the following table.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2022-23	3,328,307	1,515,960	46%	692,363	21%	2,208,323	66%
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%

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, 2022 is \$18,199. Actual payments to retirees are anticipated to be about \$22,151, including administrative fees.

Contracted main line repair expenses are included as part of the operating expenses and increased slightly to \$70,000 which is consistent with the projections from the Sewer Rate Study.

Operating budget items notably different from the previous budget include:

- adding 6% to salaries to match the cost-of-living adjustment based on the latest April CPI-W figures,
- adding \$16,000 and \$6,000, respectively, for anticipated repairs to the Burlingame and Canon Pump Stations,
- adding \$30,000 for the anticipated expenses due to the 2022 Board of Directors November election, and
- adding \$45,500 (20%) to the liability and property insurance budget item 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 continued uncertainty of the COVID-19 pandemic.

Capital Expenses

The capital equipment expense of \$500,000 includes \$175,000 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 \$180,000 to complete the renewal of a 2002 sewer rodder truck which is at the end of its useful life.

The capital budget includes \$25,000 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 any needed capital work on the Administration Building.

The Standard Sewer Rehabilitation (Pipe-bursting) Project, at a budget amount of \$3,259,000, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 7% (\$202,000) 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 \$489,150 to continue funding the Private Sewer Lateral Replacement Loan Program from property tax revenue.

Fund Balances (Ref: Exhibit D)

Exhibit D presents the reconciliation of fund balances for FY 2022-23, based on the projected ending balances estimated for June 30, 2022. 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 2022-23 is calculated to be \$1,996,984.

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 2022-23 is calculated to be \$5,013,069.

Based on the budgeted figures as shown, the total fund balance at the end of FY 2022-23 is projected to be about \$0.8M more than the total target balance. Note that this amount is based on estimated expenditures for FY 2021-22. Actual expenditures will not be finalized until after July. There is also a planned \$1.0M expenditure to rehabilitate the Canon Pump Station that has been delayed until FY 2023-24. But as shown, the information gives indication that the District continues to be in a solid financial position.

FY 2021-22 BUDGET PERFORMANCE

The final expenses for FY 2021-22 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), penalties & fines, and, due to COVID concerns, 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 2021-22. The budget amounts for the vehicle replacement (\$350,000) and the Private Sewer Lateral Replacement Loan Program (\$500,000) will not be fully expended and both carried over into FY 2022-23. Although the projects were completed, 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 fully expended. Manhole adjustments (\$50,000) were 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 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 50,000	\$ 15,000	-70%
Miscellaneous	\$ 21,000	\$ 21,000	0%
Operating Income:			
Permit & Inspection Fees	\$ 12,000	\$ 12,000	0%
Sewer Service Charges	\$ 3,149,000	\$ 3,209,000	2%
Contracted Services	\$ 30,000	\$ 33,000	10%
Subtotal	\$ 3,262,000	\$ 3,290,000	1%
II. CAPITAL FUND (3423)			
Non-Operating Income:			
Interest	\$ 15,000	\$ 5,000	-67%
Operating Income:			
Property Tax	\$ 400,000	\$ 500,000	25%
Capital Service Charges	\$ 3,149,000	\$ 3,775,000	20%
Connection Fees	\$ 150,000	\$ 50,000	-67%
San Pablo Ave. Impact Fee	\$ 250,000	\$ 50,000	-80%
Subtotal	\$ 3,964,000	\$ 4,380,000	10%
TOTAL REVENUE	\$ 7,226,000	\$ 7,670,000	6%

EXHIBIT B

STEGE SANITARY DISTRICT EXPENSE SUMMARY

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 2,159,348	\$ 2,225,474	3%
Dept 41 - Pump Stations	\$ 16,460	\$ 40,020	143%
Dept 41 - Contracted Repairs	\$ 68,000	\$ 70,000	3%
Dept 45 - General & Administration	\$ 894,828	\$ 992,813	11%
SUBTOTAL OPERATING EXPENSES	\$ 3,138,636	\$ 3,328,307	6%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 500,000	\$ 355,000	-29%
Dept 41 - Debt Repayment (SRF)	\$ 148,200	\$ 43,900	-70%
Dept 41 - Sewer Rehabilitation	\$ 5,667,000	\$ 3,833,150	-32%
SUBTOTAL CAPITAL EXPENSES	\$ 6,315,200	\$ 4,232,050	-33%
TOTAL	\$ 9,453,836	\$ 7,560,357	-20%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 9,453,836	\$ 7,560,357	-20%

STEGE SANITARY DISTRICT TRANSFER TO/(FROM) RESERVES

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
REVENUE	\$ 7,226,000	\$ 7,670,000	6%
EXPENSES	\$ (9,453,836)	\$ (7,560,357)	-20%
SUBTOTAL	\$ (2,227,836)	\$ 109,643	
TRANSFER TO/(FROM) RESERVES	\$ (2,227,836)	\$ 109,643	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2022-2023

ITEM	FISCAL YEAR 2021-2022 BUDGET	FISCAL YEAR 2022-2023 BUDGET	% Change	OPERATIONS	GENERAL & ADMIN.
OPERATING EXPENSES:					
010 Salaries & Wages	\$ 1,429,460	\$ 1,515,960	6%	\$ 1,260,660	\$ 255,300
020 Employee Benefits	\$ 668,561	\$ 692,363	4%	\$ 537,257	\$ 155,106
030 Directors' Expenses	\$ 39,888	\$ 41,007	3%	-	\$ 41,007
040 Election Expense	\$ -	\$ 30,000	0%	-	\$ 30,000
060 Gasoline, Oil, Fuel	\$ 22,000	\$ 22,000	0%	\$ 22,000	\$ -
070 Insurance	\$ 219,900	\$ 265,400	21%	\$ 15,000	\$ 250,400
080 Memberships	\$ 18,100	\$ 18,600	3%	\$ 3,500	\$ 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	\$ 101,300	3%	\$ 101,300	\$ -
120 Professional Services	\$ 202,600	\$ 156,100	-23%	\$ 84,000	\$ 72,100
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	\$ 128,370	10%	\$ 113,370	\$ 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	\$ 41,200	\$ 45,200	10%	\$ 10,000	\$ 35,200
200 Other Expenses	\$ 62,100	\$ 64,600	4%	-	\$ 64,600
203 First Aid Supplies	\$ 500	\$ 500	0%	\$ 500	\$ -
204 Safety Equipment and Gloves	\$ 4,500	\$ 4,500	0%	\$ 4,500	\$ -
205 Uniforms and Boots	\$ 15,317	\$ 17,137	12%	\$ 17,137	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	0%	\$ 1,250	\$ -
207 Contracted Repairs	\$ 68,000	\$ 70,000	3%	\$ 70,000	\$ -
410 Pump Stations	\$ 16,460	\$ 40,020	143%	\$ 40,020	\$ -
TOTAL OPERATING EXPENSES	\$ 3,138,636	\$ 3,328,307	6%	\$ 2,335,494	\$ 992,813
CAPITAL EXPENSES:					
650 DEBT REPAYMENT	\$ 148,200	\$ 43,900	-70%	\$ 43,900	\$ -
300 CAPITAL EQUIPMENT	\$ 500,000	\$ 355,000	-29%	\$ 355,000	\$ -
400 CONSTRUCTION	\$ 5,667,000	\$ 3,833,150	-32%	\$ 3,833,150	\$ -
TOTAL CAPITAL EXPENSES	\$ 6,315,200	\$ 4,232,050	-33%	\$ 4,232,050	\$ -
TRANSFER TO CAPITAL FUND		\$ -		\$ -	\$ -
TOTAL BUDGET	\$ 9,453,836	\$ 7,560,357	-20%	\$ 6,567,544	\$ 992,813

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 553,900	\$ 589,900	6%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	541,900	577,100	6%
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	60,000	60,000	0%
017 Performance Incentive	12,000	12,000	0%
TOTAL SALARIES AND WAGES	\$ 1,189,460	\$ 1,260,660	6%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 321,350	\$ 335,730	4%
021a Deferred Comp Match	25,440	27,000	6%
022 Health Care Premiums & Admin Fees	72,581	72,581	0%
023 Life Insurance/Dental/LTD	15,840	13,680	-14%
024 Workers' Compensation Insurance	19,200	20,200	5%
025 Unemployment Insurance	5,700	6,000	5%
026 Medicare	20,200	21,200	5%
027 Cash in Lieu (Dependent Care & Medical)	24,000	24,000	0%
Retiree Medical & ARC			
'028 Retiree Medical (AnnReq'dContrib ARC)	-	3,656	0%
'029 Retiree Health Care Premium	11,900	11,900	0%
030 Social Security (On Call Maintenance)	1,310	1,310	0%
TOTAL EMPLOYEE BENEFITS	\$ 517,521	\$ 537,257	4%
MAINTENANCE			
060 GAS, OIL AND FUEL	\$ 22,000	\$ 22,000	0%
070 CLAIMS	15,000	15,000	0%
080 MEMBERSHIPS	3,000	3,500	17%
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	80,500	1%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
Totals from previous page	\$ 80,000	\$ 80,500	1%
110 CONTRACTUAL SERVICES			
111 Phone Service (Answering Service)	\$ 1,200	\$ 1,500	25%
112 Manhole Level Monitors	2,500	3,400	36%
115 Sewer Root Foaming	75,000	75,000	0%
116 Radio and Test Equipment Maintenance	500	500	0%
117 Utility Marking Service	3,000	5,000	67%
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	\$ 62,000	-42%
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	\$ 50,000	25%
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	5,700	27%
158 Yard Maintenance	2,400	2,520	5%
159 Refuse Service	4,750	5,100	7%
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	\$ 394,170	-7%

DETAIL SHEET

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

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
Totals from previous page	\$ 423,800	\$ 394,170	-7%
193 WATER - HYDRO FLUSHER	\$ 7,000	\$ 10,000	43%
203 FIRST AID SUPPLIES	500	500	0%
204 SAFETY EQUIPMENT AND GLOVES	4,500	4,500	0%
205 UNIFORMS AND BOOTS	15,317	17,137	12%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 452,367	\$ 427,557	-5%
41.2 BURLINGAME PUMP STATION			
150 Repairs (Contracted)	\$ 4,000	\$ 20,000	400%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	900	1,800	100%
152 Telemetry	350	350	0%
153 Maintenance and Landscaping	960	960	0%
41.4 CANON PUMP STATION			
150 Repairs (Contracted)	4,000	10,000	150%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	900	1,560	73%
152 Telephone/Telemetry	350	350	0%
TOTAL PUMP STATIONS	\$ 16,460	\$ 40,020	143%
207 CONTRACTED REPAIRS	68,000	70,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 1,189,460	\$ 1,260,660	6%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	517,521	537,257	4%
TOTAL OTHER MAINTENANCE/ENGINEERING	452,367	427,557	-5%
TOTAL - PUMP STATIONS	16,460	40,020	143%
TOTAL CONTRACTED REPAIRS	68,000	70,000	3%
TOTAL OPERATIONS	\$ 2,243,808	\$ 2,335,494	4%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 236,500	\$ 251,800	6%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 240,000	\$ 255,300	6%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 97,300	\$ 100,360	3%
021a Deferred Comp Match	6,000	6,000	0%
022 Health Care Premiums & Admin Fees	19,800	19,800	0%
023 Life Insurance/Dental/LTD	2,160	2,196	2%
024 Workers' Compensation Insurance	4,200	4,400	5%
025 Unemployment Insurance	500	500	0%
026 Medicare	7,480	8,250	10%
027 Cash in Lieu (Dependent Care & Medical) Retiree Medical	-	-	0%
'028 Retiree Medical (AnnReq'dContrib(ARC))	-	-	0%
'029 Retiree Health Care Premiums	11,900	11,900	0%
029a Social Security	1,700	1,700	0%
TOTAL - EMPLOYEE BENEFITS	\$ 151,040	\$ 155,106	3%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 22,388	\$ 23,507	5%
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	\$ 39,888	\$ 41,007	3%
040 ELECTION EXPENSES	\$ -	\$ 30,000	100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 227,400	\$ 272,900	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	259,888	336,507	29%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
Totals from previous page	\$ 259,888	\$ 336,507	29%
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	1,000	-60%
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	388,388	463,507	19%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
Totals from previous page	\$ 388,388	\$ 463,507	19%
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	\$ 13,500	4%
192 Telephone & Computer Internet	12,500	13,000	4%
193 Water	4,200	4,200	0%
194 Security System	4,500	4,500	0%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 5,000	\$ 7,500	50%
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	\$ 503,788	\$ 582,407	16%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 240,000	\$ 255,300	6%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 151,040	\$ 155,106	3%
TOTAL - ADMINISTRATION & GENERAL	\$ 894,828	\$ 992,813	11%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 3,138,636	\$ 3,328,307	6%

DETAIL SHEET

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

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 150,000	\$ 175,000	17%
324 Vehicle Replacement	350,000	180,000	-49%
Sub-Total Capital Operations	\$ 500,000	\$ 355,000	-29%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 500,000	\$ 355,000	-29%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - CAPITAL EXPENSES

FISCAL YEAR 2022-2023

ITEM	Fiscal Year 2021-2022 Budget	Fiscal Year 2022-2023 Budget	% Change
411 MANHOLES			
Manhole Adjustments	\$ 50,000	\$ 25,000	-50%
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	\$ 3,057,000	\$ 3,259,000	7%
d. Pumpstation Forcemains	1,000,000	-	-100%
e. San Pablo Ave. Specific Plan Upgrades	1,000,000	-	-100%
f. Private Sewer Lateral Replacement Loan Program*	500,000	489,150	-2%
SUB-TOTAL (434)	\$ 5,557,000	\$ 3,748,150	-33%
TOTAL CONSTRUCTION COSTS (400s)	\$ 5,667,000	\$ 3,833,150	-32%
650 DEBT REPAYMENT (SRF LOANS)			
a. Repayment Project 99201	104,300	-	-100%
b. Repayment Project 02203	43,900	43,900	0%
TOTAL DEBT REPAYMENT (650)	\$ 148,200	\$ 43,900	-70%
TOTAL CAPITAL EXPENSES (400-650)	\$ 6,315,200	\$ 4,232,050	-33%

* Funding limited to property tax revenue.

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2022-2023 RECONCILIATION OF FUND BALANCES

	FISCAL YEAR 2022-2023 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2022 (est.)	\$ 7,702,033	\$ 2,000,000	\$ 5,702,033
OPERATING FUND			
REVENUE			
Contracted Services	\$ 33,000	\$ 33,000	
Interest Income	\$ 15,000	\$ 15,000	
Permit, Inspection Fees	\$ 12,000	\$ 12,000	
Sewer Service Charges	\$ 3,209,000	\$ 3,209,000	
Miscellaneous	\$ 21,000	\$ 21,000	
Subtotal	\$ 3,290,000	\$ 3,290,000	
EXPENSES			
General & Administration	\$ (992,813)	\$ (992,813)	
Operating/Pump Stations	\$ (2,335,494)	\$ (2,335,494)	
Subtotal	\$ (3,328,307)	\$ (3,328,307)	
Net Gain (Loss)*	\$ (38,307)	\$ (38,307)	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 500,000		\$ 500,000
Capital Service Charges	\$ 3,775,000		\$ 3,775,000
San Pablo Impact Fee	\$ 50,000		\$ 50,000
Interest Income	\$ 5,000		\$ 5,000
Connection Fees	\$ 50,000		\$ 50,000
Subtotal	\$ 4,380,000		\$ 4,380,000
EXPENSES			
Capital Equipment	\$ (355,000)		\$ (355,000)
Construction	\$ (3,833,150)		\$ (3,833,150)
Debt Repayment (SRF Loan)	\$ (43,900)		\$ (43,900)
Subtotal	\$ (4,232,050)		\$ (4,232,050)
Net Gain (Loss)*	\$ 147,950		\$ 147,950
Fund Balances			
Before transfers	\$ 7,811,676	\$ 1,961,693	\$ 5,849,983
Transfers between Reserves		\$ 35,291	\$ (35,291)
*Used from Reserves			
Fund Balances As of 6/30/2022 (est.)	\$ 7,811,676	\$ 1,996,984	\$ 5,814,692
TARGET BALANCE	\$ 7,010,054	\$ 1,996,984	\$ 5,013,069

(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)
2022	148	3183	5667	120	0	9118	28.42	6996	-2123	19	7702	6384	1.08
2023	44	3328	3833	355	0	7560	31.92	7670	110	20	7812	7040	1.02
2024	44	3332	3473	445	1000	8294	35.75	8222	-72	17	7740	6346	0.94
2025	44	3419	3594	80	130	7266	28.00	6549	-717	17	7023	6279	1.07
2026	44	3508	3719	10	100	7381	28.00	6553	-828	17	6194	6010	0.95
2027	0	3609	3850	70	75	7604	32.00	7422	-182	17	6013	6160	0.81
2028	0	3682	3983	60	75	7800	35.00	8075	275	17	6287	6427	0.77
2029	0	3806	4122	345	75	8348	38.00	8729	381	17	6669	6673	0.75
2030	0	3882	4265	150	90	8388	38.00	8722	335	10	7003	6878	0.80
2031	0	3990	4414	95	90	8589	38.00	8725	136	10	7139	7143	0.82
2032	0	4090	4568	435	140	9233	40.00	9160	-73	10	7066	7371	0.77

Fund Balance vs. Target Balance for FY 2022-23

