



STEGE SANITARY DISTRICT

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

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 15, 2023

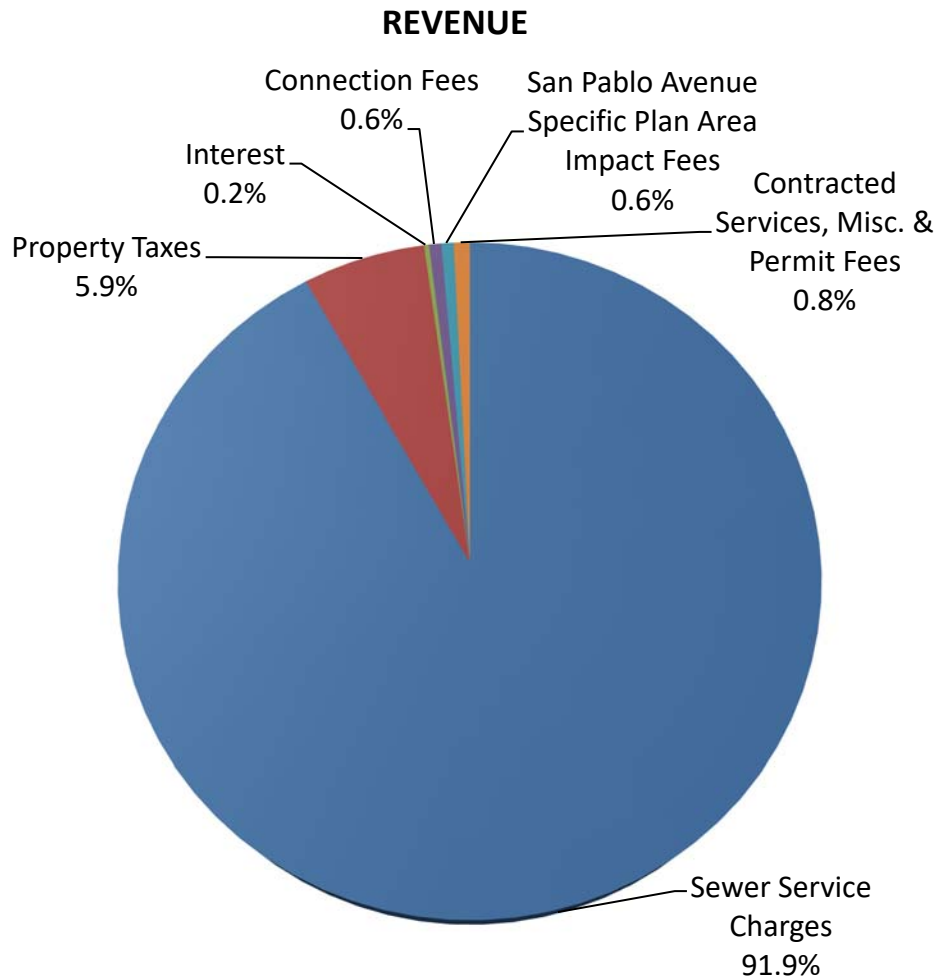
Re: Budget for Fiscal Year 2023-24

The Fiscal Year (FY) 2023-24 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2023-24 including supplemental data regarding fund target levels.

BUDGET OVERVIEW

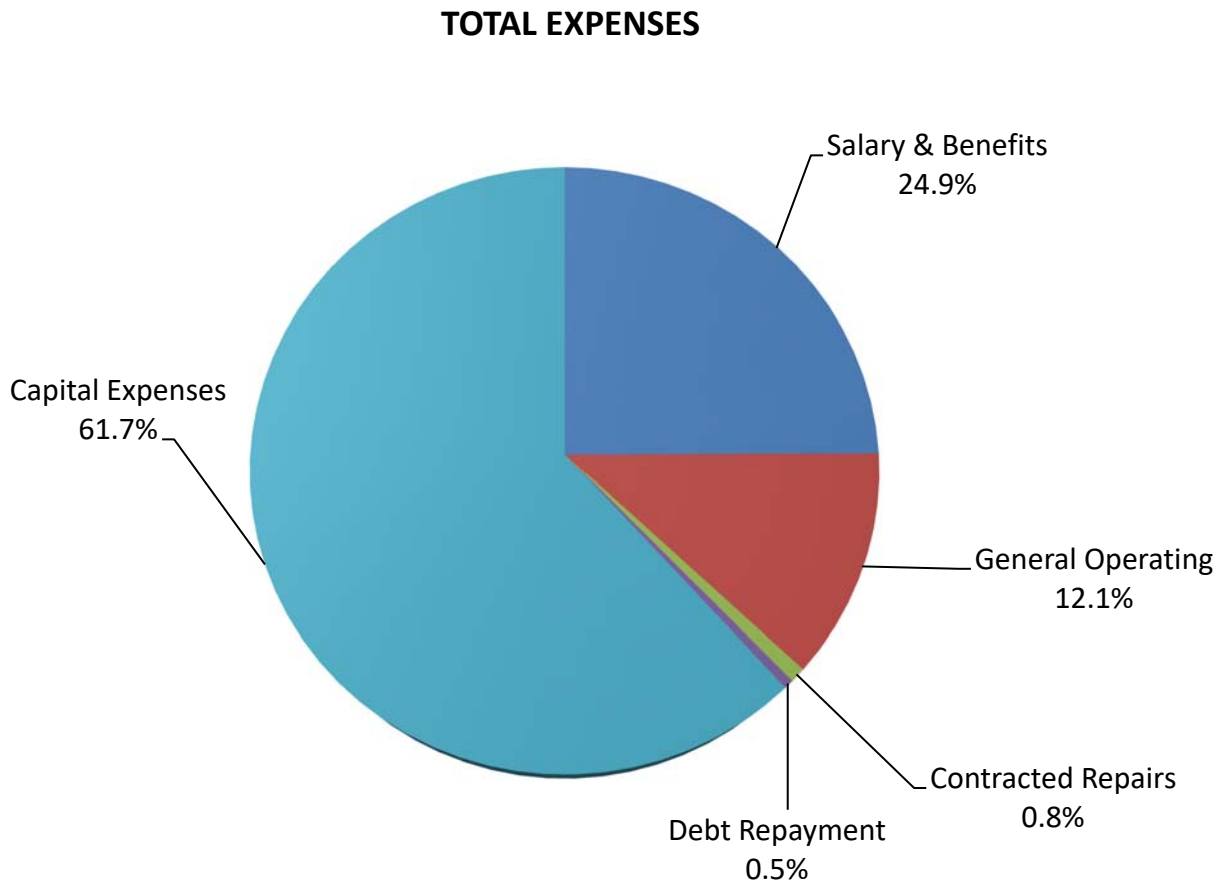
Revenue

The FY 2023-24 budget includes \$8,419,000 in revenue, exclusive of the transfer of funds. The budget estimates service charge revenue at \$7,733,000 (91.9% of total revenue), property tax at \$500,000 (5.9%), interest income at \$20,000 (0.2%), connection fees at \$50,000 (0.6%), San Pablo Avenue Specific Plan Area Impact Fees at \$50,000 (0.6%), and contracted services, miscellaneous income and permit fees at \$66,000 (0.8%).



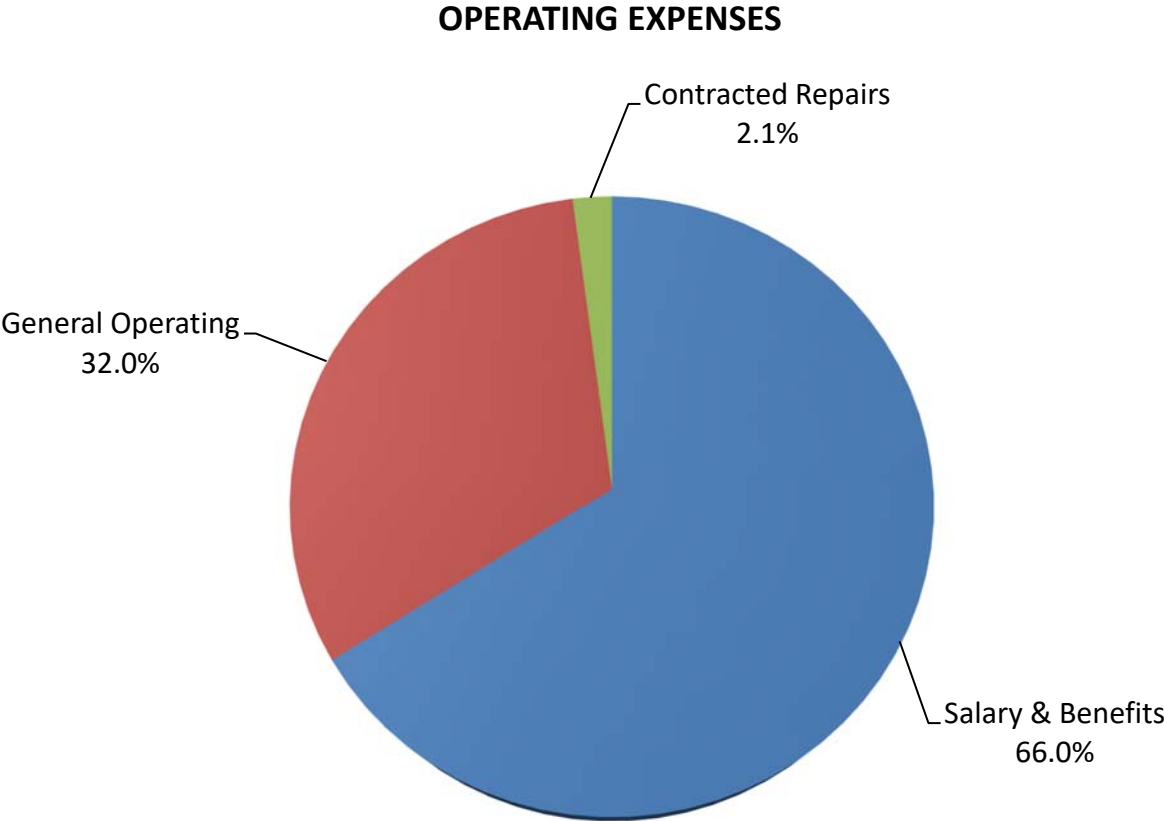
Expenses

The Total Operating and Capital Expenses for FY 2023-24 amounts to \$9,183,961. Salary and benefit expenses are budgeted at \$2,289,606 (24.9% of total expenses), operating and general expenses at \$1,109,055 (12.1%), debt repayment at \$43,900 (0.5%), repairs at \$72,000 (0.8%), and capital expenses (excluding debt) at \$5,669,400 (61.7%).



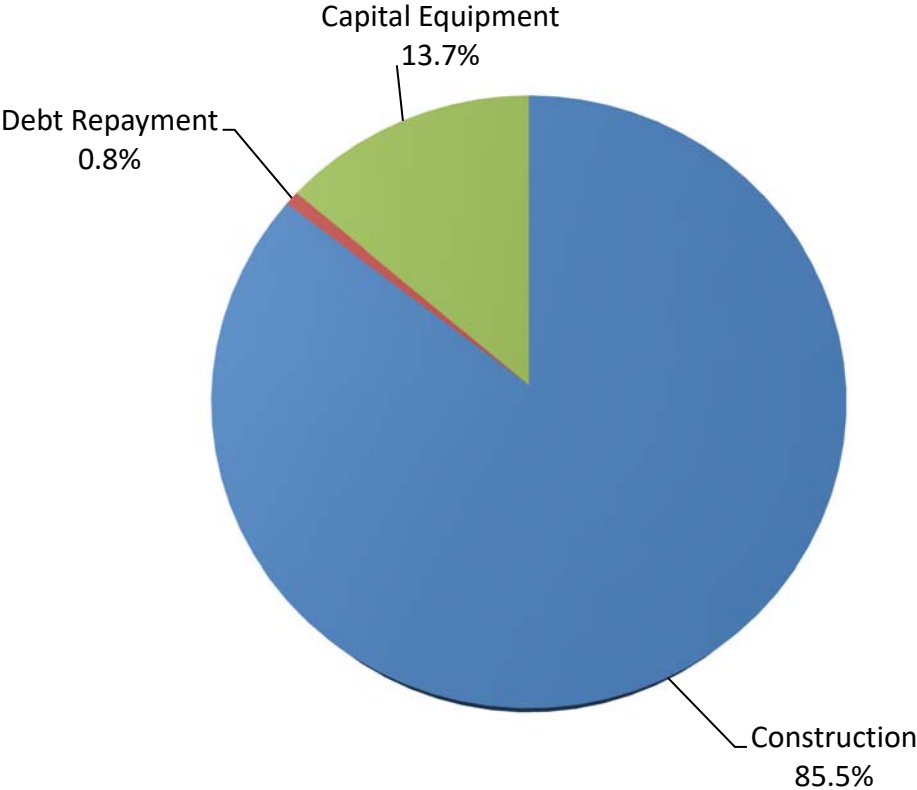
The budget estimates a deficit of \$764,961 which will transfer from the Working Capital and Reserve Fund.

The Operating Expenses for FY 2023-24 total \$3,470,661. 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 \$2,289,606 (66.0%) of the operating budget. The operating and general expenses are budgeted at \$1,109,055 (32.0%) and contracted repairs at \$72,000 (2.1%).



The Capital Expenses for FY 2023-24 total \$5,713,300. Construction costs total \$4,884,400 (85.5%) which includes \$3,473,000 for the annual sewer rehabilitation project, \$324,400 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 capital equipment expenses total \$785,000 (13.7%) and the annual debt service payment for an outstanding State Revolving Fund (SRF) loan is \$43,900 (0.8%).

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 (\$3,524,000) and the Capital Fund (\$4,895,000). 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 conservatively projected interest revenue of \$20,000 is split between both the Operation Fund and the Capital Fund. Expected revenue from miscellaneous income is set at \$21,000, permit and inspection fees at \$12,000, and contracted services at \$33,000, all of which are the average amounts over the last several years. Property tax revenue remains at \$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 proposed developments as outlined in the City of El Cerrito San Pablo Avenue Corridor - Major Projects Report.

Operating Expenses

The proposed operating budget for FY 2023-24 of \$3,470,661 represents an 4% increase versus last year's budget. Salary (\$1,574,160) and benefits (\$715,446) combined are 66% of the operating budget which is similar to past fiscal years as shown in the following table.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2023-24	3,470,661	1,574,160	45%	715,446	21%	2,289,606	66%
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%

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 \$25,256. Actual payments to retirees are anticipated to be about \$27,272, including administrative fees.

Contracted main line repair expenses are included as part of the operating expenses and increased slightly to \$72,000 which is consistent with the projections from the Sewer Rate Study.

Operating budget items notably different from the previous budget include:

- adding 4% to salaries which is a cost-of-living adjustment based on the latest April CPI-W figures,
- adding \$20,000 to hire a financial rate consultant to conduct a Connection Charge and San Pablo Avenue Specific Plan Area (SPASPA) Impact Fee Study and a Sewer Rate Study, and
- adding \$54,600 (20%) for liability and property insurance premiums as recommended by California Sanitation Risk Management Authority (CSRMA) due to market pressure created by wildfires, storms, civil disorders, and ‘social inflation’ (more litigation, more plaintiff-friendly judgements, and larger jury awards reflecting public sentiment more than actual damage).

Capital Expenses

The capital equipment expense of \$785,000 includes \$175,000 to fund 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 \$560,000 to replace a combination water jetting and vacuum system sewer cleaning truck which is at the end of its useful life and \$50,000 to replace a work truck that was deemed a “total loss” due to a recent accident.

A full rehabilitation of the Canon Pump Station is included at a budget amount of \$1,000,000. Also included is \$25,000 for manhole adjustments based on anticipated paving projects in El Cerrito, Richmond, and Kensington, \$50,000 for large interceptor cleaning by way of 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 \$3,473,000, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 7% (\$214,000) 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 \$326,400 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 2023-24, based on the projected ending balances estimated for June 30, 2023. 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 2023-24 is calculated to be \$2,082,397.

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 2023-24 is calculated to be \$4,235,943.

Based on the budgeted figures as shown, the total fund balance at the end of FY 2023-24 is projected to be about \$3.3M more than the total target balance. Note that this amount is based on estimated expenditures for FY 2022-23. Actual expenditures will not be finalized until after July. But as shown, the information gives indication that the District continues to be in a solid financial position.

FY 2022-23 BUDGET PERFORMANCE

The final expenses for FY 2022-23 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 (rods, augers, hoses, and nozzles), sewer materials (pipe, fittings, manholes, and castings), professional services (technical/legal support, litigation expenses, labor relations, and flow monitoring modeling), and penalties & 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 in FY 2022-23. The budget amounts for flow meters (\$175,000) and the

Private Sewer Lateral Replacement Loan Program (\$489,150) will not be fully expended and both carried over into FY 2023-24. Manhole adjustments (\$25,000) were not 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 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 15,000	\$ 15,000	0%
Miscellaneous	\$ 21,000	\$ 21,000	0%
Operating Income:			
Permit & Inspection Fees	\$ 12,000	\$ 12,000	0%
Sewer Service Charges	\$ 3,209,000	\$ 3,443,000	7%
Contracted Services	\$ 33,000	\$ 33,000	0%
Subtotal	\$ 3,290,000	\$ 3,524,000	7%
II. CAPITAL FUND (3423)			
Non-Operating Income:			
Interest	\$ 5,000	\$ 5,000	0%
Operating Income:			
Property Tax	\$ 500,000	\$ 500,000	0%
Capital Service Charges	\$ 3,775,000	\$ 4,290,000	14%
Connection Fees	\$ 50,000	\$ 50,000	0%
San Pablo Ave. Impact Fee	\$ 50,000	\$ 50,000	0%
Subtotal	\$ 4,380,000	\$ 4,895,000	12%
TOTAL REVENUE	\$ 7,670,000	\$ 8,419,000	10%

EXHIBIT B

STEGE SANITARY DISTRICT EXPENSE SUMMARY

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 2,225,474	\$ 2,300,897	3%
Dept 41 - Pump Stations	\$ 40,020	\$ 40,020	0%
Dept 41 - Contracted Repairs	\$ 70,000	\$ 72,000	3%
Dept 45 - General & Administration	\$ 992,813	\$ 1,057,744	7%
SUBTOTAL OPERATING EXPENSES	\$ 3,328,307	\$ 3,470,661	4%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 436,767	\$ 785,000	80%
Dept 41 - Debt Repayment (SRF)	\$ 43,900	\$ 43,900	0%
Dept 41 - Sewer Rehabilitation	\$ 3,833,150	\$ 4,884,400	27%
SUBTOTAL CAPITAL EXPENSES	\$ 4,313,817	\$ 5,713,300	32%
TOTAL	\$ 7,642,124	\$ 9,183,961	20%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 7,642,124	\$ 9,183,961	20%

STEGE SANITARY DISTRICT TRANSFER TO/(FROM) RESERVES

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
REVENUE	\$ 7,670,000	\$ 8,419,000	10%
EXPENSES	\$ (7,642,124)	\$ (9,183,961)	20%
SUBTOTAL	\$ 27,876	\$ (764,961)	
TRANSFER TO/(FROM) RESERVES	\$ 27,876	\$ (764,961)	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2023-2024

ITEM	FISCAL YEAR 2022-2023 BUDGET	FISCAL YEAR 2023-2024 BUDGET	% Change	OPERATIONS	GENERAL & ADMIN.
OPERATING EXPENSES:					
010 Salaries & Wages	\$ 1,515,960	\$ 1,574,160	4%	\$ 1,308,560	\$ 265,600
020 Employee Benefits	\$ 692,363	\$ 715,446	3%	\$ 557,280	\$ 158,166
030 Directors' Expenses	\$ 41,007	\$ 45,478	11%	\$ -	\$ 45,478
040 Election Expense	\$ 30,000	\$ -	-100%	\$ -	\$ -
060 Gasoline, Oil, Fuel	\$ 22,000	\$ 28,000	27%	\$ 28,000	\$ -
070 Insurance	\$ 265,400	\$ 320,000	21%	\$ 15,000	\$ 305,000
080 Memberships	\$ 18,600	\$ 19,100	3%	\$ 4,000	\$ 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	\$ 101,300	\$ 102,300	1%	\$ 102,300	\$ -
120 Professional Services	\$ 156,100	\$ 176,100	13%	\$ 84,000	\$ 92,100
130 Printing & Publications	\$ 29,000	\$ 29,000	0%	\$ -	\$ 29,000
140 Rents & Leases	\$ 1,800	\$ 1,800	0%	\$ 1,000	\$ 800
150 Repairs & Maintenance	\$ 128,370	\$ 128,370	0%	\$ 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	\$ 45,200	\$ 47,700	6%	\$ 10,000	\$ 37,700
200 Other Expenses	\$ 64,600	\$ 64,600	0%	\$ -	\$ 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	\$ 17,137	\$ 17,137	0%	\$ 17,137	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	0%	\$ 1,250	\$ -
207 Contracted Repairs	\$ 70,000	\$ 72,000	3%	\$ 72,000	\$ -
410 Pump Stations	\$ 40,020	\$ 40,020	0%	\$ 40,020	\$ -
TOTAL OPERATING EXPENSES	\$ 3,328,307	\$ 3,470,661	4%	\$ 2,412,917	\$ 1,057,744
CAPITAL EXPENSES:					
650 DEBT REPAYMENT	\$ 43,900	\$ 43,900	0%	\$ 43,900	\$ -
300 CAPITAL EQUIPMENT	\$ 436,767	\$ 785,000	80%	\$ 785,000	\$ -
400 CONSTRUCTION	\$ 3,833,150	\$ 4,884,400	27%	\$ 4,884,400	\$ -
TOTAL CAPITAL EXPENSES	\$ 4,313,817	\$ 5,713,300	32%	\$ 5,713,300	\$ -
TRANSFER TO CAPITAL FUND		\$ -		\$ -	\$ -
TOTAL BUDGET	\$ 7,642,124	\$ 9,183,961	20%	\$ 8,126,217	\$ 1,057,744

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 589,900	\$ 614,100	4%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	577,100	600,800	4%
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	\$ 1,260,660	\$ 1,308,560	4%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 335,730	\$ 345,410	3%
021a Deferred Comp Match	27,000	27,000	0%
022 Health Care Premiums & Admin Fees	72,581	81,634	12%
023 Life Insurance/Dental/LTD	13,680	13,680	0%
024 Workers' Compensation Insurance	20,200	21,200	5%
025 Unemployment Insurance	6,000	6,200	3%
026 Medicare	21,200	21,800	3%
027 Cash in Lieu (Dependent Care & Medical) Retiree Medical & ARC	24,000	24,000	0%
'028 Retiree Medical (AnnReq'dContrib ARC)	3,656	1,456	-60%
'029 Retiree Health Care Premium	11,900	11,900	0%
030 Social Security (On Call Maintenance)	1,310	3,000	129%
TOTAL EMPLOYEE BENEFITS	\$ 537,257	\$ 557,280	4%
MAINTENANCE			
060 GAS, OIL AND FUEL	\$ 22,000	\$ 28,000	27%
070 CLAIMS	15,000	15,000	0%
080 MEMBERSHIPS	3,500	4,000	14%
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	80,500	87,000	8%

DETAIL SHEET

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

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
Totals from previous page	\$ 80,500	\$ 87,000	8%
110 CONTRACTUAL SERVICES			
111 Phone Service (Answering Service)	\$ 1,500	\$ 1,500	0%
112 Manhole Level Monitors	3,400	3,400	0%
115 Sewer Root Foaming	75,000	75,000	0%
116 Radio and Test Equipment Maintenance	500	500	0%
117 Utility Marking Service	5,000	6,000	20%
118 DOT Regulatory Compliance	900	900	0%
119 Collection System JPA	15,000	15,000	0%
120 Smoke Testing	-	-	
120 PROFESSIONAL SERVICES			
121 Technical/Legal Support	\$ 62,000	\$ 62,000	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	\$ 50,000	\$ 50,000	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	5,700	5,700	0%
158 Yard Maintenance	2,520	2,520	0%
159 Refuse Service	5,100	5,100	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	\$ 394,170	\$ 401,670	2%

DETAIL SHEET

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

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
Totals from previous page	\$ 394,170	\$ 401,670	2%
193 WATER - HYDRO FLUSHER	\$ 10,000	\$ 10,000	0%
203 FIRST AID SUPPLIES	500	500	0%
204 SAFETY EQUIPMENT AND GLOVES	4,500	4,500	0%
205 UNIFORMS AND BOOTS	17,137	17,137	0%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 427,557	\$ 435,057	2%
41.2 BURLINGAME PUMP STATION			
150 Repairs (Contracted)	\$ 20,000	\$ 20,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	1,800	1,800	0%
152 Telemetry	350	350	0%
153 Maintenance and Landscaping	960	960	0%
41.4 CANON PUMP STATION			
150 Repairs (Contracted)	10,000	10,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	1,560	1,560	0%
TOTAL PUMP STATIONS	\$ 40,020	\$ 40,020	0%
207 CONTRACTED REPAIRS	70,000	72,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 1,260,660	\$ 1,308,560	4%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	537,257	557,280	4%
TOTAL OTHER MAINTENANCE/ENGINEERING	427,557	435,057	2%
TOTAL - PUMP STATIONS	40,020	40,020	0%
TOTAL CONTRACTED REPAIRS	70,000	72,000	3%
TOTAL OPERATIONS	\$ 2,335,494	\$ 2,412,917	3%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 251,800	\$ 262,100	4%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 255,300	\$ 265,600	4%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 100,360	\$ 102,420	2%
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	2,196	2,196	0%
024 Workers' Compensation Insurance	4,400	4,600	5%
025 Unemployment Insurance	500	500	0%
026 Medicare	8,250	9,050	10%
Retiree Medical			
'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	\$ 155,106	\$ 158,166	2%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 23,507	\$ 24,478	4%
032 Travel Reimbursement	10,000	10,000	0%
033 Meetings & Conference	6,500	10,000	54%
034 Training	1,000	1,000	0%
TOTAL - DIRECTORS' EXPENSES	\$ 41,007	\$ 45,478	11%
040 ELECTION EXPENSES	\$ 30,000	\$ -	-100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 272,900	\$ 327,500	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	336,507	365,578	9%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
Totals from previous page	\$ 336,507	\$ 365,578	9%
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%
122 Engineering Services	-	-	0%
123 Audit and Special Reports	20,000	40,000	100%
124 Resources Consultant	5,000	5,000	0%
125 Administrative Support	1,000	1,000	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	463,507	512,578	11%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
Totals from previous page	\$ 463,507	\$ 512,578	11%
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	\$ 13,500	\$ 15,000	11%
192 Telephone & Computer Internet	13,000	14,000	8%
193 Water	4,200	4,200	0%
194 Security System	4,500	4,500	0%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 7,500	\$ 7,500	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	\$ 582,407	\$ 633,978	9%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 255,300	\$ 265,600	4%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 155,106	\$ 158,166	2%
TOTAL - ADMINISTRATION & GENERAL	\$ 992,813	\$ 1,057,744	7%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 3,328,307	\$ 3,470,661	4%

DETAIL SHEET

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

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 175,000	\$ 175,000	0%
324 Vehicle Replacement	180,000	610,000	239%
331 By-pass Pump	81,767	-	-100%
Sub-Total Capital Operations	\$ 436,767	\$ 785,000	80%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 436,767	\$ 785,000	80%

DETAIL SHEET

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

FISCAL YEAR 2023-2024

ITEM	Fiscal Year 2022-2023 Budget	Fiscal Year 2023-2024 Budget	% Change
411 MANHOLES			
Manhole Adjustments	\$ 25,000	\$ 25,000	0%
428 RENEWAL & REPLACEMENT			
a. Interceptor Cleaning	\$ 50,000	\$ 50,000	0%
b. Pump Station Rehab	-	1,000,000	0%
c. Admin Building	10,000	10,000	0%
SUB TOTAL (428)	\$ 60,000	\$ 1,060,000	1667%
434 STANDARD SEWER REHABILITATION (3423)			
a. Construction Costs	\$ 3,259,000	\$ 3,473,000	7%
e. San Pablo Ave. Specific Plan Upgrades	-	-	0%
f. Private Sewer Lateral Replacement Loan Program*	489,150	326,400	-33%
SUB-TOTAL (434)	\$ 3,748,150	\$ 3,799,400	1%
TOTAL CONSTRUCTION COSTS (400s)	\$ 3,833,150	\$ 4,884,400	27%
650 DEBT REPAYMENT (SRF LOANS)			
b. Repayment Project 02203	43,900	43,900	0%
TOTAL DEBT REPAYMENT (650)	\$ 43,900	\$ 43,900	0%
TOTAL CAPITAL EXPENSES (400-650)	\$ 4,313,817	\$ 5,713,300	32%

* Funding limited to property tax revenue.

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2023-2024 RECONCILIATION OF FUND BALANCES

	FISCAL YEAR 2023-2024 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2023 (est.)	\$ 10,378,348	\$ 2,500,000	\$ 7,878,348
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	\$ 3,443,000	\$ 3,443,000	
Miscellaneous	\$ 21,000	\$ 21,000	
Subtotal	\$ 3,524,000	\$ 3,524,000	
EXPENSES			
General & Administration	\$ (1,057,744)	\$ (1,057,744)	
Operating/Pump Stations	\$ (2,412,917)	\$ (2,412,917)	
Subtotal	\$ (3,470,661)	\$ (3,470,661)	
Net Gain (Loss)*	\$ 53,339	\$ 53,339	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 500,000		\$ 500,000
Capital Service Charges	\$ 4,290,000		\$ 4,290,000
San Pablo Impact Fee	\$ 50,000		\$ 50,000
Interest Income	\$ 5,000		\$ 5,000
Connection Fees	\$ 50,000		\$ 50,000
Subtotal	\$ 4,895,000		\$ 4,895,000
EXPENSES			
Capital Equipment	\$ (785,000)		\$ (785,000)
Construction	\$ (4,884,400)		\$ (4,884,400)
Debt Repayment (SRF Loan)	\$ (43,900)		\$ (43,900)
Subtotal	\$ (5,713,300)		\$ (5,713,300)
Net Gain (Loss)*	\$ (818,300)		\$ (818,300)
Fund Balances			
Before transfers	\$ 9,613,387	\$ 2,553,339	\$ 7,060,048
Transfers between Reserves		\$ (470,942)	\$ 470,942
*Used from Reserves			
Fund Balances As of 6/30/2024 (est.)	\$ 9,613,387	\$ 2,082,397	\$ 7,530,991
TARGET BALANCE	\$ 6,318,339	\$ 2,082,397	\$ 4,235,943

(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)
2023	44	3331	3462	202	0	7039	31.92	7742	703	125	10984	6311	1.46
2024	44	3471	4884	785	0	9184	35.75	8419	-765	20	10219	6505	1.20
2025	44	3539	3594	80	130	7387	25.00	6000	-1387	17	8832	6601	1.38
2026	44	3630	3719	10	100	7503	25.00	6004	-1499	17	7334	6083	1.18
2027	0	3733	3850	70	75	7727	29.00	6873	-854	17	6479	6235	0.95
2028	0	3807	3983	60	75	7926	33.00	7742	-184	17	6296	6502	0.82
2029	0	3934	4122	345	75	8476	37.00	8612	136	17	6432	6749	0.74
2030	0	4013	4265	150	90	8518	39.00	9038	520	10	6951	6957	0.76
2031	0	4124	4414	95	90	8723	40.00	9257	534	10	7486	7223	0.80
2032	0	4227	4568	435	140	9369	42.00	9693	324	10	7809	7453	0.80
2033	0	4342	4891	45	75	9352	42.00	9696	344	10	8153	7718	0.84

Fund Balance vs. Target Balance for FY 2023-24

