

---

---

# **Adopted Budget Fiscal Year 2021/2022 Sewerage Commission - Oroville Region**

---

---

SEWERAGE COMMISSION – OROVILLE REGION STAFF



L-R: Kendra, Lauri, Matt, Joe, Mitch, Mikah, Chris, Josh, Glen

## **PROPOSED BUDGET FOR FISCAL YEAR 2021/2022**

This proposed budget for fiscal year 2021/2022 is submitted for your review. In accordance with resolution #7140 we will again increase the monthly sewer service charge this fiscal year to prepare for the plant upgrade.

In 43 years of service to our community, SC-OR has only raised rates by a total \$15.10 per month. Congratulations to the SC-OR Board for achieving such a goal and moving SC-OR in a positive direction.

Below are my comments on this years' proposed budget.

**Note:** *The picture on the cover is of our staff, the real driving force behind our years of cost-conscious high-quality results. The Commissions' years of consistent performance are a direct reflection of the hard work and commitment from the Board of Commissioners down to the operators and support staff.*

### **UNRESTRICTED ACCOUNTS**

#### **Exhibit A changes**

##### Salary and Wages

There is an increase to the salary and wages line item of 4.04% due to the approved hiring of two Operators-In-Training.

##### Employee Benefits: Workers' Compensation Insurance

There is an estimated increase in Workers' Compensation Insurance of 25.26% due to an increase in operational staffing.

##### Employee Benefits: Group Insurance

There is an estimated increase in group insurance of 27.16% due to additions in operational staff with families.

##### Employee Benefits: PERS Contribution (including unfunded liability)

There is an anticipated decrease in PERS contributions of .51% due to one long-term classic employee retiring.

##### Insurance: SDRMA Contribution (Property and Liability)

SDRMA informed us that there will be an increase in our property and liability insurance of 20.9%. The increase is attributed to all of the natural disasters that have occurred over the past few years, and is an industry-wide increase.

Gas Oil and Fuel

There is an increase of 57.9% due to the rise in fuel costs

Memberships

There is no change in this category.

Office Expense

There is no change in this category.

Operating Supplies

There has been an increase of 12.73% due to an increase in the transportation costs of our chemicals.

Professional Services

There has been a 6.93% decrease due to a reduction in engineering services.

Printing and Publication

There is no change in this line item.

Repair and Maintenance

There is no change in this line item.

Biosolids Disposal

There is no change in this category.

Monitoring and Compliance

There is no change in this category.

Training and Meetings

There has been a 100% increase due to the recent hiring of numerous operators-in-training, and the need to invest in their knowledge and skill levels so they may become grade 3 operators.

Utilities

There is an increase of 3.85% to this item to cover the increase of electrical costs.

Commissioners Fees

There is no change in this category.

Closing Comments

In closing, this next fiscal year's budget, if adopted, will be an overall increase of 6.20% over the current year.

## RESTRICTED ACCOUNTS

Below are equipment needs and/or projects funded in this budget.

### Exhibit C - WCRF (Equipment Replacement Fund)

Unknown Expenditures: Any unanticipated expenditures that arise throughout the year. This budget is used to fill in the gaps for purchases of unplanned items.

Following is what we have budgeted for the WCRF fund expenditures:

***Projected Budget Requests:***

Unknown Expenditures .....	\$ 40,000.00
Total .....	<u>\$ 40,000.00</u>

### Exhibit D – Regulatory & Capital Account (R&CA)

***Projected Budget Requests:***

Salinity Study .....	\$ 50,000.00
Unknown .....	\$ 25,000.00
Total .....	<u>\$ 75,000.00</u>

### Exhibit E - Capital Improvement and Expansion Fund

***Projected Budget Requests:***

Ruddy Creek Engineering & Drawings .....	\$ 30,000.00
Unknown Expenditures .....	\$ 40,000.00
Total .....	<u>\$ 70,000.00</u>



# Proposed Budget

## Fiscal Year 2021/2022

DESCRIPTION	Collection (410000)	Treatment (420000)	Administratn. (450000)	PROPOSED BUDGET
SALARIES & WAGES	14,628	570,742	185,430	770,800
EMPLOYEE BENEFITS	11,519	449,298	178,655	639,473
P.E.R.S.	1,384	53,983	37,201	92,568
P.E.R.S. Unfunded Liability	3,328	129,796	52,285	185,409
F.I.C.A.	1,129	44,042	14,364	59,535
GROUP INSURANCE	4,100	159,920	74,057	238,077
WORK COMP. INS.	1,578	61,557	748	63,883
COMMISSIONERS' FEES			43,200	43,200
COMMISSIONERS' F.I.C.A. WITHHOLDING			3,305	3,305
GAS, OIL, & FUEL		30,000		30,000
INSURANCE			81,000	81,000
MEMBERSHIPS			8,850	8,850
OFFICE EXPENSE		1,000	7,500	8,500
OPERATING SUPPLIES		164,250		164,250
PROFESSIONAL SERVICES			134,200	134,200
ENGINEERING			35,000	35,000
LEGAL			26,000	26,000
AUDITING			16,000	16,000
PERMITS			55,000	55,000
OTHER			2,200	2,200
PRINTING & PUBLICATION			3,000	3,000
REPAIR & MAINTENANCE	10,000	105,000		115,000
BIOSOLIDS DISPOSAL		35,000		35,000
MONITORING & COMPLIANCE		70,000		70,000
TRAINING & MEETINGS		13,000	3,000	16,000
UTILITIES	25,650	377,500	1,500	404,650
ELECTRIC POWER	25,000	355,000		380,000
WATER	650	1,500		2,150
COMMUNICATIONS		17,500	1,500	19,000
REFUSE DISPOSAL		3,500		3,500
<b>TOTAL CONTROLLABLE EXPENDITURES</b>	<b>61,797</b>	<b>1,815,790</b>	<b>649,640</b>	<b>2,527,228</b>

# Exhibit B

## UNRESTRICTED FUNDS COMPARISON OF BUDGETED REVENUE AND ESTIMATED EXPENDITURES FOR FISCAL YEAR 2021/2022

Est. based on estimated interest rate	<u>\$3,219,385</u>	0.63%	\$81,129
Estimated Svc chrgs      18,640 * EDU's at	\$17.85 /EDU x 6		\$1,996,344
Estimated Svc chrgs      18,774 * EDU's at	\$17.85 /EDU x 6		\$2,010,695
*Estimated service charges on EDU's added through the year		268	
Septic Tank Pumpers			\$85,000
Excess Monthly Flows			\$0
Water for Sludge Program			\$0
<b>Total Estimated Operating Revenue</b>			<u>\$4,173,16</u>
Contribution to WCRF from monthly swr svc chg (\$.35/EDU)			\$78,569
Contribution to R&CA from monthly sewer svc chg (\$5.25/EDU)			\$1,178,541
			<u>\$1,257,11</u>
Estimated Revenue			<u>\$2,916,05</u>
Estimated budgeted expenditures			<u>\$2,527,25</u>
<b>2021/22 Contingency Operating Revenue</b>			<u><u>\$388,80</u></u>

# Exhibit C

## REPLACEMENT FUND (WCRF) COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2021/2022

Estimated balance-on-hand July 1, 2021			<b>\$773,204</b>
<b>Replacement Fund (WCRF) Income</b>			
Estimated Interest Income @	<b>0.63% * 4</b>	<b>\$19,485</b>	
Contribution from monthly sewer service charges		<u><b>\$78,569</b></u>	<u><b>\$98,054</b></u>
Total Replacement Fund (WCRF)			<u><b>\$871,258</b></u>
<b>Estimated Expenditures for Replacement</b>			
Unknown Expenditures		<u><b>\$40,000</b></u>	
		<b>\$40,000</b>	
Total Estimated Expenditures			<u><b>\$40,000</b></u>
Estimated remaining balance on June 30, 2022			<u><u><b>\$831,258</b></u></u>

# Exhibit D

## REGULATORY & CAPITAL ACCOUNT (R&CA) ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2021/2022

Estimated balance-on-hand July 1, 2021			\$1,399,910
<b>Regulatory &amp; Capital Account (R&amp;CA)</b>			
Estimated Interest Income @ 0.63%	\$35,278		
Contribution from monthly sewer service charges	<u>\$1,178,541</u>		<u>\$1,213,819</u>
Total Regulatory & Capital Account (RCA)			<u>\$2,613,729</u>
<b>Estimated Expenditures From R&amp;CA</b>			
Salinity Study	\$50,000		
Unknown	\$25,000		<u>\$75,000</u>
Estimated remaining balance on June 30, 2022			<u><u>\$2,538,729</u></u>



# Exhibit E

## CAPITAL OUTLAY FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2021/2022

Estimated balance-on-hand July 1, 2021			<b>\$7,484,32</b>
<b>Capital and Expansion Fund Income</b>			
Interest Income on:	7,484,324 @	0.63% *4	188,605
Regional Facilities Charge	268 @	\$6,638	1,778,984
Solar savings transfer (final payoff)	108,791		108,791
<b>Total Estimated Income</b>			<b><u>2,076,38</u></b>
<b>Total Capital and Expansion Fund</b>			<b><u>\$9,560,70</u></b>
<b>Estimated Expenditures for Replacement</b>			
Ruddy Creek (Engineering & Drawings)			\$30,000
Unknown Expenditures			<u>\$40,000</u>
<b>Total Estimated Expenditures</b>			<b><u>\$70,00</u></b>
<b>Estimated balance of fund on June 30, 2022</b>			<b><u><u>\$9,490,70</u></u></b>

# Exhibit F

## ANNUAL M & O FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2021/2022

Estimated balance-on-hand July 1, 2021		\$300,000
Annual M & O Fund Income		
None	<u>0</u>	
Total Estimated Income		<u>\$0</u>
Total M & O Fund		\$300,000
Estimated Expenditures for Replacement		
None	<u>0</u>	
Total Estimated Expenditures		<u>\$0</u>
Estimated balance of fund on June 30, 2022		<u><u>\$300,000</u></u>

# Exhibit G

## COMPARISON OF WAGE SCHEDULES FOR CALENDAR YEARS 2021 & 2022

Effective March 1, 2021

POSITION	1	2	3	4	5	6	7
	BASE	6 MONS.	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
O. I. T.	21.79	22.74	23.62	24.76			
Administrative Asst.	25.26	26.25	27.29	28.46	29.61	30.86	32.32
Grade I Operator	24.97	26.03	27.14	28.31	29.48	30.83	32.30
Grade II Operator	27.75	29.02	30.28	31.38	32.91	34.41	36.06
Grade III Operator	28.53	29.83	31.08	32.45	33.85	35.37	37.08
Plant Supervisor	36.95	38.62	40.36	42.22	44.12	46.14	48.27
Environ. Compliance Supervisor	31.39	32.80	34.17	35.77	37.36	39.16	41.13
Lead Operator	31.39	32.80	34.17	35.77	37.36	39.16	41.13
Manager/Superintendent	53.61		56.43	59.40	62.52	65.81	

EFFECTIVE 01 September 2021 (Based on 1.5% estimated increase)

POSITION	1	2	3	4	5	6	7
	BASE	6 MONS.	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
O. I. T.	22.12	23.08	23.97	25.13			
Administrative Asst.	25.64	26.64	27.70	28.89	30.05	31.32	32.81
Grade I Operator	25.35	26.42	27.55	28.74	29.92	31.29	32.79
Grade II Operator	28.17	29.46	30.73	31.85	33.40	34.93	36.60
Grade III Operator	28.96	30.28	31.55	32.94	34.36	35.90	37.64
Plant Supervisor	37.50	39.20	40.97	42.85	44.78	46.83	48.99
Environ. Compliance Supervisor	31.86	33.29	34.68	36.31	37.92	39.75	41.75
Lead Operator	31.86	33.29	34.68	36.31	37.92	39.75	41.75
Manager/Superintendent	54.41		57.28	60.29	63.46	66.80	

The cost-of-living allowance will be cumulative so that the entire wage schedule is incremented each September 1st (based on the CPI @ August 31st).

Advanced grade recognition of \$ 72/hr will only be paid for one grade above Grade III, and is not cumulative (excludes administrative O&M).

# Exhibit H

## COMPARISON OF 2021/2022 BUDGET WITH PREVIOUS YEARS ACTUAL BUDGETS

DESCRIPTION	ACTUAL 2017/2018	ACTUAL 2018/2019	ACTUAL 2019/2020	ACTUAL 2020/2021	PROPOSED 2021/2022
SALARIES & WAGES	710,500	\$739,200	\$690,600	740,900	770,800
EMPLOYEE BENEFITS	515,200	\$584,134	\$549,500	577,966	639,470
COMMISSIONERS' FEES	21,600	\$21,600	\$21,600	43,200	43,200
COMMISSIONERS' FICA	1,653	\$1,653	\$1,653	3,306	3,306
GAS, OIL, & FUEL	17,000	\$17,000	\$19,000	19,000	30,000
INSURANCE	35,000	\$40,000	\$46,500	67,000	81,000
MEMBERSHIPS	7,500	\$7,500	\$8,000	8,850	8,850
OFFICE EXPENSE	6,500	\$6,500	\$9,600	8,500	8,500
OPERATING SUPPLIES	90,000	\$105,000	\$143,000	145,700	164,200
PROFESSIONAL SERVICES	149,500	\$152,500	\$152,500	144,200	134,200
PRINTING & PUBLICATION	3,000	\$3,000	\$3,000	3,000	3,000
REPAIR & MAINTENANCE	110,000	\$110,000	\$112,000	115,000	115,000
BIOSOLIDS DISPOSAL	45,000	\$45,000	\$35,000	35,000	35,000
RESEARCH & MONITORING	65,000	\$130,000	\$70,000	70,000	70,000
TRAVEL & MEETINGS	10,000	\$10,000	\$8,000	8,000	16,000
UTILITIES	333,750	\$353,900	\$378,100	\$389,650	\$404,650
<b>TOTAL OPERATIONS</b>	<b>2,121,203</b>	<b>\$2,326,987</b>	<b>\$2,248,053</b>	<b>2,379,272</b>	<b>2,527,220</b>
Annual budget increase/decrease %	3.58	9.70	-3.30	5.80	6.20

# Exhibit I

Comparison graph of increase in annual budget over a 5-year period

