
Adopted Budget

Fiscal Year 2020/2021

Sewerage Commission -

Oroville Region

Adopted at the Regular Board Meeting of May 27, 2020



PROPOSED BUDGET FOR FISCAL YEAR 2020/2021

This proposed budget for fiscal year 2020/2021 is submitted for your review. We will again increase the monthly sewer service charge this fiscal year as plans for the plant modifications progress.

In 43 years of service to our community, SC-OR has only raised rates by a total \$13.10 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 the SC-OR facility. This picture is similar you last year's budget cover just from a different direction. If SC-OR moves into the future with the proposed modifications, the landscape of the facility will change dramatically.*

UNRESTRICTED ACCOUNTS

Exhibit A changes

Salary and Wages

There is an increase to the salary and wages line item of 6.8% due to hiring two Operators-In-Training, who are anticipated to obtain their Grade II licenses in January 2021.

Employee Benefits: Workers' Compensation Insurance

There is an increase in Workers' Compensation Insurance of 13.8% due to an increase in premiums.

Employee Benefits: Group Insurance

There is an increase in group insurance of 3.9% due to additions in operational staff with families.

Employee Benefits: PERS Contribution (including unfunded liability)

There is an anticipated increase in PERS contributions of 2.6% due to an increase in operational staffing.

Insurance: SDRMA Contribution (Property and Liability)

SDRMA informed us that there will be an increase in our property and liability insurance of 32%. The increase is attributed to all of the natural disasters that have occurred over the past few years.

Gas Oil and Fuel

There is no change in this category.

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 1.9% in this line item.

Professional Services

There is no change in this line item.

Printing and Publication

There is no change in this line item.

Repair and Maintenance

There is an increase to this line item of 2.6%.

Biosolids Disposal

There is no change in this category.

Monitoring and Compliance

There is no change in this category.

Training and Meetings

There is no change in this category.

Utilities

There is an increase of 3% to this item to cover the increase of electrical costs.

Commissioners Fees

This item was increased 50% for the increase in Commissioner fees.

Closing Comments

In closing, this next fiscal years' budget, if adopted, will be an overall increase of 5.52% from the current year.

This is a proposed budget for your review. It is your option to adopt or make changes to if you desire. SC-OR has a wonderful track record of low service charges, with nothing less than excellent service to our community.

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:

Jacobs 100% design of plant upgrade	\$1,900,000.00
Provost & Pritchard	<u>\$ 30,000.00</u>
Total	<u>\$1,930,000.00</u>

Exhibit E - Capital Improvement and Expansion Fund

Projected Budget Requests:

299D3 XE Compact Track Loader	\$ 97,000.00
Brown Bear R31-10 Paddle Aerator	\$ 65,000.00
Transfer Flow Refueling Tank (Truck Bed)	\$ 2,500.00
Unknown Expenditures	\$ 40,000.00
Total	<u>\$ 204,500.00</u>

299D3 XE Compact Track Loader:

- This compact track loader is essential to the Brown Bear Aerator; it has the largest and most efficient hydraulic pump in its class.
- This loader will come in handy once the plant modifications are complete, it will be able to navigate small areas such as the UV system to assist in maintenance.
- There are countless attachments and implements that would allow operational staff to take on projects that currently need to be contracted out.



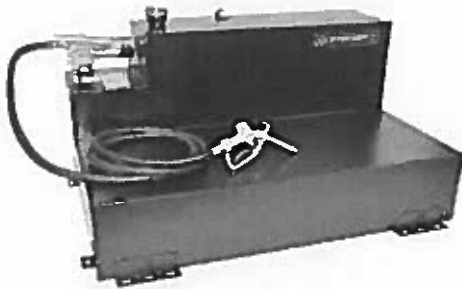
Brown Bear R31-10 Paddle Aerator:

- The Brown Bear attaches to the track loader and aerates the biosolids; the aerator will reduce the drying time by one to one and half months, saving time and disposal costs.
- Shorter drying time would allow for disposal to start earlier, which in turn reduces the risk of rainfall increasing the weight and adding additional disposal costs.
- The design allows for less contact with the drying surface, which, will reduce wear-and-tear on pond surfaces and equipment.



Transfer Flow Refueling Tanks (Truck Bed):

- With the current situation involving PG&E and their Power Safety Shut Offs, a bed mounted refueling tank will decrease the amount of time and personnel needed to maintain the pump station generators during power outages.
- In portions of the year the O&M staff operate and maintain large trailer mounted pumps; these pumps are in various locations, both inside and outside of the plant. This transfer tank will allow the operators to refuel these crucial pieces of equipment in one shot instead of having to transfer fuel in cans several times.



- **Primary Influent Pump Station:** This pump station will be the first step to a new future for SC-OR. The pump station is not included in the Capital Improve budget request due to possible funding through the IRWM program.
- **Unknown Expenditures:** To fund any unknown expenditures that may occur during the year.

Proposed Budget

Fiscal Year 2020/2021

DESCRIPTION	Collection (410000)	Treatment (420000)	Administratn. (450000)	PROPOSED BUDGET
SALARIES & WAGES	13,605	530,577	196,718	740,900
EMPLOYEE BENEFITS	11,414	445,134	121,418	577,966
P.E.R.S.	1,624	63,322	39,798	104,744
P.E.R.S. Unfunded Liability	3,450	134,536	36,680	174,666
F.I.C.A.	1,045	40,739	18,542	60,326
GROUP INSURANCE	3,351	130,672	53,207	187,230
WORK COMP. INS.	1,259	49,084	657	51,000
COMMISSIONERS' FEES			43,200	43,200
COMMISSIONERS' F.I.C.A. WITHHOLDING			3,306	3,306
GAS, OIL, & FUEL		19,000		19,000
INSURANCE			67,000	67,000
MEMBERSHIPS			8,850	8,850
OFFICE EXPENSE		1,000	7,500	8,500
OPERATING SUPPLIES		145,000	700	145,700
PROFESSIONAL SERVICES			144,200	144,200
ENGINEERING			50,000	50,000
LEGAL			26,000	26,000
AUDITING			16,000	16,000
PERMITS			50,000	50,000
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		5,000	3,000	8,000
UTILITIES	25,650	362,500	1,500	389,650
ELECTRIC POWER	25,000	340,000		365,000
WATER	650	1,500		2,150
COMMUNICATIONS		17,500	1,500	19,000
REFUSE DISPOSAL		3,500		3,500
TOTAL CONTROLLABLE EXPENDITURES	60,669	1,718,211	600,392	2,379,272

Exhibit B

UNRESTRICTED FUNDS COMPARISON OF BUDGETED REVENUE AND ESTIMATED EXPENDITURES FOR FISCAL YEAR 2020/2021

Est. based on estimated interest rate	<u>\$3,459,454</u>	2.29%	\$79,221
Estimated Svc chrgs 18,444 * EDU's at	<u>\$15.85 /EDU x 12</u>		\$3,508,049
Service charges on EDU's added through the year		60	\$8,559
Septic Tank Pumpers			\$85,000
Excess Monthly Flows			\$6,500
Water for Sludge Program			\$180,000
Total Estimated Operating Revenue			<u>\$3,867,329</u>
Contribution to WCRF from monthly swr svc chg (\$.35/EDU)			\$77,465
Contribution to RCA from monthly sewer svc chg (\$5.25/EDU)			\$1,161,972 \$1,239,437
Estimated Revenue			<u>\$2,627,892</u>
Estimated budgeted expenditures			<u>\$2,379,272</u>
2020/21 Contingency Operating Revenue			<u><u>\$248,620</u></u>

Exhibit C

REPLACEMENT FUND (WCRF) COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2020/2021

Estimated balance-on-hand July 1, 2020		\$625,882
Replacement Fund (WCRF) Income		
Estimated Interest Income @ 2.29%	\$14,333	
Contribution from monthly sewer service charges	<u>\$77,465</u>	<u>\$91,797</u>
Total Replacement Fund (WCRF)		<u>\$717,679</u>
Estimated Expenditures for Replacement		
Unknown Expenditures	<u>\$40,000</u>	
	\$40,000	
Total Estimated Expenditures		<u>\$40,000</u>
Estimated remaining balance on June 30, 2021		<u><u>\$677,679</u></u>

Exhibit D

REGULATORY & CAPITAL ACCOUNT (R&CA) ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2020/2021

Estimated balance-on-hand July 1, 2020		\$929,650
Regulatory & Capital Account (R&CA)		
Estimated Interest Income @ 2.29%	\$21,289	
Contribution from monthly sewer service charges	<u>\$1,161,972</u>	<u>\$1,183,261</u>
Total Regulatory & Capital Account (RCA)		<u>\$2,112,911</u>
Estimated Expenditures From RCA		
Provost & Pritchard	\$30,000	
Jacobs	\$1,900,000	<u>\$1,930,000</u>
Estimated remaining balance on June 30, 2021		<u><u>\$182,911</u></u>

Exhibit E

CAPITAL OUTLAY FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2020/2021

Estimated balance-on-hand July 1, 2020			\$7,790,461
Capital and Expansion Fund Income			
Interest Income on:	6,185,026 @	2.29%	141,637
Regional Facilities Charge	60 @	\$6,638	398,280
Solar savings transfer	100,000		100,000
Total Estimated Income			<u>639,917</u>
Total Capital and Expansion Fund			<u>\$8,430,378</u>
Estimated Expenditures for Replacement			
299D3 XE Compact track Loader			\$97,000
Brown Bear R31-10 paddle Aerator			\$65,000
Transfer Flow Refueling Tank (Truck Bed)			\$2,500
Unknown Expenditures			<u>\$40,000</u>
Total Estimated Expenditures			<u>\$204,500</u>
Estimated balance of fund on June 30, 2021			<u><u>\$8,225,878</u></u>

Exhibit F

ANNUAL M & O FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2020/2021

Estimated balance-on-hand July 1, 2020		\$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, 2021		<u><u>\$300,000</u></u>

Exhibit G

COMPARISON OF WAGE SCHEDULES FOR CALENDAR YEARS 2020 & 2021

Effective September 1, 2019

POSITION	1	2	3	4	5	6	7
	BASE	6 MONS.	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS
O. I. T.	21.51	22.45	23.32	24.44			
Administrative Asst.	24.94	25.91	26.94	28.09	29.23	30.46	31.90
Grade I Operator	24.65	25.70	26.79	27.95	29.10	30.43	31.88
Grade II Operator	27.12	28.65	29.88	30.98	32.49	33.97	35.60
Grade III Operator	28.16	29.45	30.68	32.03	33.42	34.92	36.60
Chemist	29.69	30.99	32.38	33.73	35.31	36.89	38.66
Lab Technician	29.69	30.99	32.38	33.73	35.31	36.89	38.66
Foreman	33.17	34.65	36.21	38.18	39.43	41.35	43.32
ECC/OIT	30.99	32.38	33.73	35.31	37.15	38.66	40.60
Envir. Comp. Mgr.	33.17	34.65	36.21	38.18	39.43	41.35	43.32

EFFECTIVE 01 September 2020 (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.	21.83	22.79	23.67	24.81			
Administrative Asst.	25.31	26.30	27.34	28.51	29.67	30.92	32.38
Grade I Operator	25.02	26.09	27.19	28.37	29.54	30.89	32.36
Grade II Operator	27.53	29.08	30.33	31.45	32.98	34.48	36.13
Grade III Operator	28.58	29.89	31.14	32.51	33.92	35.44	37.15
Chemist	30.14	31.45	32.87	34.24	35.84	37.44	39.24
Lab Technician	30.14	31.45	32.87	34.24	35.84	37.44	39.24
Foreman	33.67	35.17	36.75	38.75	40.02	41.97	43.97
ECC/OIT	31.46	32.87	34.24	35.84	37.71	39.24	41.21
Envir. Comp. Mgr.	33.67	35.17	36.75	38.75	40.02	41.97	43.97

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 2020/2021 BUDGET WITH PREVIOUS YEARS ACTUAL BUDGETS

DESCRIPTION	ACTUAL 2016/2017	ACTUAL 2017/2018	ACTUAL 2018/2019	ACTUAL 2019/2020	Proposed 2020/2021
SALARIES & WAGES	688,700	710,500	\$739,200	\$690,600	740,900
EMPLOYEE BENEFITS	485,300	515,200	\$584,134	\$549,500	577,966
COMMISSIONERS' FEES	21,600	21,600	\$21,600	\$21,600	43,200
COMMISSIONERS' FICA	1,653	1,653	\$1,653	\$1,653	3,306
GAS, OIL, & FUEL	17,000	17,000	\$17,000	\$19,000	19,000
INSURANCE	35,000	35,000	\$40,000	\$46,500	67,000
MEMBERSHIPS	7,500	7,500	\$7,500	\$8,000	8,850
OFFICE EXPENSE	6,500	6,500	\$6,500	\$9,600	8,500
OPERATING SUPPLIES	80,000	90,000	\$105,000	\$143,000	145,700
PROFESSIONAL SERVICES	149,500	149,500	\$152,500	\$152,500	144,200
PRINTING & PUBLICATION	3,000	3,000	\$3,000	\$3,000	3,000
REPAIR & MAINTENANCE	110,000	110,000	\$110,000	\$112,000	115,000
BIOSOLIDS DISPOSAL	45,000	45,000	\$45,000	\$35,000	35,000
RESEARCH & MONITORING	55,000	65,000	\$130,000	\$70,000	70,000
TRAVEL & MEETINGS	10,000	10,000	\$10,000	\$8,000	8,000
UTILITIES	329,550	333,750	\$353,900	\$378,100	\$389,650
TOTAL OPERATIONS	2,045,303	2,121,203	\$2,326,987	\$2,248,053	2,379,272
Annual budget increase/decrease %	2.76	3.58	8.84	-3.51	5.52

Exhibit I

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

