

Adopted Budget

Fiscal Year 2022/2023

DESCRIPTION	Collection (410000)	Treatment (420000)	Administratn. (450000)	PROPOSED BUDGET
SALARIES & WAGES	16,820	656,046	209,334	882,200
EMPLOYEE BENEFITS	9,221	484,608	189,991	683,820
P.E.R.S.	1,581	61,665	42,050	105,296
P.E.R.S. Unfunded Liability	511	140,734	70,367	211,612
F.I.C.A.	1,312	51,146	16,203	68,661
GROUP INSURANCE	4,232	169,270	60,626	234,128
WORK COMP. INS.	1,585	61,803	745	64,133
COMMISSIONERS' FEES			43,200	43,200
COMMISSIONERS' F.I.C.A. WITHHOLDING			3,305	3,305
GAS, OIL, & FUEL		30,000		30,000
INSURANCE			97,000	97,000
MEMBERSHIPS			10,000	10,000
OFFICE EXPENSE		1,000	7,500	8,500
OPERATING SUPPLIES		195,000		195,000
PROFESSIONAL SERVICES			144,500	144,500
ENGINEERING			35,000	35,000
LEGAL			26,000	26,000
AUDITING			16,000	16,000
PERMITS			65,000	65,000
OTHER			2,500	2,500
PRINTING & PUBLICATION			3,000	3,000
REPAIR & MAINTENANCE	10,000	105,000		115,000
BIOSOLIDS DISPOSAL		40,000		40,000
MONITORING & COMPLIANCE		75,000		75,000
TRAINING & MEETINGS		13,000	3,000	16,000
UTILITIES	25,650	522,850	1,500	550,000
ELECTRIC POWER	25,000	500,350		525,350
WATER	650	1,500		2,150
COMMUNICATIONS		17,500	1,500	19,000
REFUSE DISPOSAL		3,500		3,500
TOTAL CONTROLLABLE EXPENDITURES	61,691	2,122,504	712,330	2,896,525

PROPOSED BUDGET FOR FISCAL YEAR 2022/2023

This proposed budget for fiscal year 2022/2023 is submitted for your review. In accordance with policy #7140 and resolution 03-20, we will increase the monthly sewer service charge from \$17.85 to \$19.85/month/EDU to prepare for the plant upgrade.

In 43 years of service to our community, SC-OR has only raised rates by a total \$17.10 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: *This year's cover photo is of our New Influent Pump Station Construction. Just like this new Pump Station will give SC-OR a new flexibility and the ability to work more efficiently we are constantly driving to do the same thing as an operational and administrative staff. Good is never good enough at SC-OR, we are always striving to improve.*

UNRESTRICTED ACCOUNTS

Exhibit A Changes

Salary and Wages

There is an increase to the salary and wages line item of 12.6% due to the fact that SC-OR is fully staffed for the first time in 10 years.

Employee Benefits: Workers' Compensation Insurance

There is a minimal estimated increase in Workers' Compensation Insurance due to an industry wide increase.

Employee Benefits: Group Insurance

There is an estimated decrease in group insurance of 1.7% due to a retired benefit recipient aging out of system.

Employee Benefits: PERS Contribution (including unfunded liability)

There is an anticipated increase in PERS contributions of 12.2% due to having a full staff.

Insurance: SDRMA Contribution (Property and Liability)

SDRMA informed us that there will be an increase in our property and liability insurance of 16.4%. The increase is attributed to all of the natural disasters that have occurred over the past few years as well as inflation.

Gas Oil and Fuel

There is no change in this category.

Memberships

There is an 11.5% increase in this category due to membership agencies raising rates.

Office Expense

There is no change in this category.

Operating Supplies

There has been an increase of 15.7% due to an increase in production costs as well as the cost of transportation of our chemicals.

Professional Services

There has been a 7.1% increase due to the number of projects SC-OR is currently undertaking.

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 a 12.5% increase to bio-solids disposal because of an increased disposal rate at Neil Road landfill.

Monitoring and Compliance

There is a 6.6% increase in this category in response to higher laboratory fees as well as an increase in the cost to maintain accreditation.

Training and Meetings

There has been no increase in this category.

Utilities

There is an increase of 26.4% to cover the increase of electrical costs.

Commissioners Fees

There is no change in this category.

Closing Comments

In closing, this next fiscal years' budget, if adopted, will have an overall increase of 12.6% over the current year. In the current cycle of inflation, SC-OR staff looked at every possible way to keep costs down. I think we have trimmed the budget as much as possible while making sure that SC-OR is sufficiently funded to continue to lead the way in north state wastewater plant performance.

This is a proposed budget for your review. It is your option to adopt or make changes 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.

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

Exhibit C - WCRF (Equipment Replacement Fund)

Projected Budget Requests:

Vac Truck	\$... 80,000.00
Utility Vehicle	\$... 15,000.00
Electric jackhammer.....	\$ 3,000.00
Unknown Expenditures	\$... 40,000.00
Total.....	<u>\$ 138,000.00</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:

East Interceptor Engineering and Construction.....	\$1,500,000.00
Ruddy Creek Engineering & Drawing.....	\$. 300,000.00
Unknown Expenditures	\$... 40,000.00
Total.....	<u>\$1,840,000.00</u>

Exhibit B

UNRESTRICTED FUNDS COMPARISON OF BUDGETED REVENUE AND ESTIMATED EXPENDITURES FOR FISCAL YEAR 2022/2023

Est. based on estimated interest rate		\$5,394,375	0.23%	\$49,628
Estimated Svc chrgs	18,684 * EDU's at	\$19.85 /EDU x 6		\$2,225,264
Estimated Svc chrgs	18,684 * EDU's at	\$19.85 /EDU x 6		\$2,225,264
*Estimated service charges on EDU's added through the year				0
Septic Tank Pumpers				\$85,000
Excess Monthly Flows				\$0
Water for Sludge Program				\$0
Total Estimated Operating Revenue				<u>\$4,585,157</u>
Contribution to WCRF from monthly swr svc chg (\$.35/EDU)				\$78,306
Contribution to R&CA from monthly sewer svc chg (\$5.75/EDU)				\$1,286,459 <u>\$1,364,765</u>
Estimated Revenue				<u>\$3,220,392</u>
Estimated budgeted expenditures				<u>\$2,896,525</u>
2022/23 Contingency Operating Revenue				<u><u>\$323,867</u></u>

Exhibit C

REPLACEMENT FUND (WCRF) COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2022/2023

Estimated balance-on-hand July 1, 2022		\$825,372
Replacement Fund (WCRF) Income		
Estimated Interest Income @ 0.23% * 4	\$7,593	
Contribution from monthly sewer service charges	<u>\$78,569</u>	<u>\$86,162</u>
Total Replacement Fund (WCRF)		<u>\$911,534</u>
Estimated Expenditures for Replacement		
Vac truck from TWSD	\$80,000	
Electric jackhammer	\$3,000	
Mule UTV	\$15,000	
Unknown Expenditures	<u>\$40,000</u>	
Total Estimated Expenditures		<u>\$138,000</u>
Estimated remaining balance on June 30, 2023		<u><u>\$773,534</u></u>

Exhibit D

REGULATORY & CAPITAL ACCOUNT (R&CA) ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2022/2023

Estimated balance-on-hand July 1, 2022		\$2,382,360
Regulatory & Capital Account (R&CA)		
Estimated Interest Income @ 0.23%	\$21,918	
Contribution from monthly sewer service charges	<u>\$2,818,807</u>	<u>\$2,840,725</u>
Total Regulatory & Capital Account (RCA)		<u>\$5,223,085</u>
Estimated Expenditures From R&CA		
Salinity Study	\$50,000	
Unknown	\$25,000	<u>\$75,000</u>
Estimated remaining balance on June 30, 2023		<u><u>\$5,148,085</u></u>

Exhibit E

CAPITAL OUTLAY FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2022/2023

Estimated balance-on-hand July 1, 2022			\$8,214,623
Capital and Expansion Fund Income			
Interest Income on:	8,214,623 @	0.23% *4	75,575
Regional Facilities Charge	100 @	\$6,638	663,800
Total Estimated Income			<u>739,375</u>
Total Capital and Expansion Fund			<u>\$8,953,998</u>
Estimated Expenditures for Replacement			
East interceptor design & repair			\$1,500,000
Ruddy Creek (Engineering & Drawings)			\$300,000
Unknown Expenditures			<u>\$40,000</u>
Total Estimated Expenditures			<u>\$1,840,000</u>
Estimated balance of fund on June 30, 2023			<u><u>\$7,113,998</u></u>

Exhibit F

ANNUAL M & O FUND COMPARISON OF ESTIMATED INCOME AND EXPENDITURES FOR FISCAL YEAR 2022/2023

Estimated balance-on-hand July 1, 2022		\$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, 2023		<u><u>\$300,000</u></u>

Exhibit G

COMPARISON OF WAGE SCHEDULES FOR CALENDAR YEARS 2022 & 2023

Effective September 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.	22.88	23.88	24.80	26.00			
Administrative Asst.	26.52	27.56	28.65	29.88	31.10	32.40	33.94
Grade I Operator	26.22	27.33	28.50	29.73	30.95	32.37	33.92
Grade II Operator	29.14	30.47	31.79	32.95	34.56	36.13	37.86
Grade III Operator	29.96	31.32	32.63	34.07	35.54	37.14	38.93
Plant Supervisor	38.80	40.55	42.38	44.33	46.33	48.45	50.68
Environ. Compliance Supervisor	32.96	34.44	35.88	37.56	39.23	41.12	43.19
Lead Operator	32.96	34.44	35.88	37.56	39.23	41.12	43.19
Manager/Superintendent	56.29		59.25	62.37	65.65	69.10	

EFFECTIVE 01 September 2022 (Based on 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.	24.02	25.07	26.04	27.30			
Administrative Asst.	27.85	28.94	30.08	31.37	32.64	34.02	35.64
Grade I Operator	27.53	28.70	29.23	31.22	32.50	33.99	35.62
Grade II Operator	30.60	31.99	33.38	34.60	36.29	37.94	39.75
Grade III Operator	31.46	32.89	34.26	35.77	37.32	39.00	40.88
Plant Supervisor	40.74	42.58	44.50	46.55	48.65	50.87	53.21
Environ. Compliance Supervisor	34.61	36.16	37.67	39.44	41.19	43.18	45.35
Lead Operator	34.61	36.16	37.67	39.44	41.19	43.18	45.35
Manager/Superintendent	59.10		62.12	65.49	68.93	72.56	

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 2022/2023 BUDGET WITH PREVIOUS YEARS ACTUAL BUDGETS

DESCRIPTION	ACTUAL 2018/2019	ACTUAL 2019/2020	ACTUAL 2020/2021	ACTUAL 2021/2022	PROPOSED 2022/2023
SALARIES & WAGES	\$739,200	\$690,600	740,900	770,800	882,200
EMPLOYEE BENEFITS	\$584,134	\$549,500	577,966	639,473	683,820
COMMISSIONERS' FEES	\$21,600	\$21,600	43,200	43,200	43,200
COMMISSIONERS' FICA	\$1,653	\$1,653	3,306	3,305	3,305
GAS, OIL, & FUEL	\$17,000	\$19,000	19,000	30,000	30,000
INSURANCE	\$40,000	\$46,500	67,000	81,000	97,000
MEMBERSHIPS	\$7,500	\$8,000	8,850	8,850	10,000
OFFICE EXPENSE	\$6,500	\$9,600	8,500	8,500	8,500
OPERATING SUPPLIES	\$105,000	\$143,000	145,700	164,250	195,000
PROFESSIONAL SERVICES	\$152,500	\$152,500	144,200	134,200	144,500
PRINTING & PUBLICATION	\$3,000	\$3,000	3,000	3,000	3,000
REPAIR & MAINTENANCE	\$110,000	\$112,000	115,000	115,000	115,000
BIOSOLIDS DISPOSAL	\$45,000	\$35,000	35,000	35,000	40,000
RESEARCH & MONITORING	\$130,000	\$70,000	70,000	70,000	75,000
TRAVEL & MEETINGS	\$10,000	\$8,000	8,000	16,000	16,000
UTILITIES	\$353,900	\$378,100	\$389,650	404,650	\$550,000
TOTAL OPERATIONS	\$2,326,987	\$2,248,053	2,379,272	2,527,228	2,896,525
Annual budget increase/decrease %	9.70	-3.50	5.50	5.80	12.70

Exhibit I

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

