

PORT COSTA SANITARY COMMISSION

Budget & Finance Committee
Agenda for Tuesday, March 26, 2019

TIME: 5:00 PM

PLACE: Crockett Community Center
850 Pomona Street, Crockett

CALL TO ORDER:

PUBLIC COMMENTS:

ITEMS FOR CONSIDERATION:

1. Receive 9-month FY 18/19 financial report and preliminary budget for FY 19/20, form recommendations
2. General discussion on other financial issues including but not limited to prioritizing capital projects, long-term funding, future sewer use charges, and other financial concerns which may affect the Port Costa Sanitary Department.

ADJOURNMENT:

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a District meeting, or if you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the General Manager at (510) 787-2992. Notification of at least 24 hours prior to the meeting or time when services are needed will assist District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

PORT COSTA SANITARY DEPARTMENT

of the Crockett Community Services District

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TO: Port Costa Sanitary Commissioners
FROM: Department Manager *SB*
SUBJECT: 9-month Budget Report and preliminary FY 2019/20 Budget
DATE: March 13, 2019

The 9-month Port Costa Sanitary Department Budget Report details are incorporated within the attached draft Fiscal Year (FY) 19/20 budget. There does not appear the need to adopt a revised FY 18/19 budget for the Port Costa Sanitary Department.

HIGHLIGHTS

- Sewer Use Charge (SUC) income (#301.0) is the sole source of revenue in FY 19/20 minus a small amount from sewer permit fees. Expenditures will exceed revenue.
- Outfall diffuser repair placeholder of \$25K removed from Capital Replacement (#416.96).
- Professional septic tank inspection of \$35K added as a Capital Improvement Project study (#111.x); planning \$10K for Phase 1 in FY 18/19 and \$25K for Phase 2 in FY 19/20.
- Partial septic tank cleaning (#416.96) will occur annually as requested by operators while reserves are built to perform any repairs or replacement identified by professional inspection. \$20K remains budgeted for septic tank cleaning. If full septic tank cleaning is required additional funding, such as inter-department loan, will need to be secured.
- Payroll costs for Port Costa will increase in FY 19/20 as staff spends more time on Port Costa issues. Benefit expenses are planned to increase as the District is looking into adding health benefits for employees. The annual increase to the Port Costa Sanitary Department is anticipated to be \$2,200 for FY 19/20.
- Contingency Reserve has been increased from 5% to 10% to \$16,848 in FY 19/20.
- There is currently no Capital Project Reserve Fund. Any emergency capital projects will require identification of funding at time of the declaration of emergency.

SUMMARY

The attached budget report shows the Port Costa Sanitary Department continues to draw down its unallocated cash balance. Current revenue is enough to cover operating expenses and planned inspections. Raising the Sewer Use Charge in FY 19/20 would not provide sufficient revenue to address larger projects or major emergencies.

FY 2019-20 PORT COSTA SANITARY DEPARTMENT BUDGET - FUND 3425 PRELIMINARY 3/13/2019

	PY 2017-18	FY 2018-19	FY 2018-19 Est.	FY 2018-19
	Actual	Approved Budget	Year End	Prelim Budget
Collection System				
Liability Insurance	\$ 3,325	\$ 3,425	\$ 3,723	\$ 3,946
Profess. Services.	\$ 0	\$ 500	\$ 1,000	\$ 1,000
Sewers Maint.	\$ 4,690	\$ 5,800	\$ 11,313	\$ 10,000
Other Operating	\$ 0	\$ 100	\$ 1,800	\$ 1,000
Permits & Fees	\$ 2,088	\$ 2,140	\$ 2,286	\$ 2,331
Total Collection System	\$ 10,103	\$ 11,965	\$ 20,122	\$ 18,277
Treatment Plant				
Generator fuel / oil	\$ 53	\$ 100	\$ 50	\$ 100
Property Insurance	\$ 812	\$ 852	\$ 974	\$ 935
Contract Operator	\$ 48,000	\$ 49,200	\$ 48,000	\$ 54,120
Chemicals	\$ 2,477	\$ 3,914	\$ 3,924	\$ 3,200
Hardware/Supplies & Misc.	\$ 680	\$ 800	\$ 487	\$ 800
Profess. Svcs. (Engineer, Lab, Technici	\$ 39,090	\$ 35,671	\$ 20,690	\$ 20,867
Electricity	\$ 3,265	\$ 2,954	\$ 2,977	\$ 3,121
Alarm system phone	\$ 1,150	\$ 1,580	\$ 1,300	\$ 1,580
Cap. Replacement	\$ 1,806	\$ 25,000	\$ 2,820	\$ 3,000
Operating fees/permits	\$ 4,238	\$ 4,289	\$ 4,564	\$ 4,401
Other Operating - septic cleaning	\$ 1,760	\$ 10,000	\$ 25,000	\$ 20,000
Total Treatment Plant	\$ 103,331	\$ 134,360	\$ 110,787	\$ 112,124
Administrative				
Elections	\$ 0	\$ 35	\$ 77	\$ 0
Crime Insurance	\$ 28	\$ 25	\$ 25	\$ 25
Memberships	\$ 2,392	\$ 2,435	\$ 2,432	\$ 2,480
Office / Postal	\$ 193	\$ 250	\$ 267	\$ 250
Profess. Svcs.(admin)	\$ 1,286	\$ 3,500	\$ 2,273	\$ 3,500
Printing/Publishing	\$ 1,393	\$ 1,535	\$ 1,502	\$ 1,547
Software Subscription	\$ 0	\$ 0	\$ 169	\$ 350
Vehicle/Travel/Meetings	\$ 26	\$ 50	\$ 80	\$ 100
Other	\$ 420	\$ 400	\$ 748	\$ 1,600
County Charges	\$ 557	\$ 575	\$ 644	\$ 660
Sub-Total Administrative	\$ 6,295	\$ 8,805	\$ 8,217	\$ 10,512
Salaries and Benefits (O&M)	\$ 16,429	\$ 19,890	\$ 23,096	\$ 27,566
Other Payroll Exp. (WC premiums etc.)	\$ 0	\$ 0	\$ 0	\$ 0
Total Administrative	\$ 22,724	\$ 28,695	\$ 31,313	\$ 38,078
Total O&M Expenses	\$ 136,158	\$ 175,020	\$ 162,221	\$ 168,479
Non-Operational Expenses				
Loan Principle	\$ 88,959	\$ 89,931	\$ 89,932	\$ 36,474
Loan Interest on PY Cap Projects	\$ 10,511	\$ 13,653	\$ 12,236	\$ 12,692
Non-Op Other	\$ 0	\$ 0	\$ 700	\$ 0
Fixed Assets and Other				
Capital Projects Allocation	\$ 0	\$ 4,100	\$ 13,800	\$ 58,000
Allocation to operating reserves	\$ 0	\$ 26,000	\$ 0	\$ 35,000
Contingency Reserve	\$ 0	\$ 13,248	\$ 0	\$ 16,848
Total Expenditures	\$ 235,628	\$ 321,952	\$ 278,189	\$ 327,493
TOTAL APPROPRIATIONS	\$ 235,628	\$ 321,952	\$ 278,189	\$ 327,493
TOTAL REVENUES				
Sewer use charge	\$ 237,236	\$ 262,501	\$ 262,501	\$ 272,528
Capacity charge	\$ 0	\$ 0	\$ 0	\$ 0
Permit fees	\$ 0	\$ 180	\$ 180	\$ 180
Interest (non-op)	\$ 0	\$ 0	\$ 1,031	\$ 0
Misc fees / cost recovery (ops)	\$ 0	\$ 0	\$ 1,400	\$ 0
Grants (non-op)	\$ 0	\$ 0	\$ 0	\$ 0

**PORT COSTA SANITARY DEPARTMENT
PRELIMINARY BUDGET FY 19/20 (3/13/2019)**

Sewer Use Charge \$1,973

GENERAL FUND 3425: REVENUE DETAIL

	PY Actual FY 17/18	Adopted FY 18/19	9 Month Actual FY 18/19	Estimated Total FY 18/19	Preliminary Budget FY 19/20
301.0 Sewer use charge	\$237,236.00	\$262,501.00	\$262,501.00	\$262,501	\$272,528.00
303.0 Capacity charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
302.0 Permit fees	\$0.00	\$180.00	\$60.00	\$180.00	\$180.00
306.0 Misc fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUB-TOTALS O&M	\$237,236.00	\$262,681.00	\$262,561.00	\$262,681.00	\$272,708.00
311.0 Interest	\$0.00	\$0.00	\$630.15	\$1,031.00	\$0.00
318.0 Cost recovery (Non-op)	\$0.00	\$0.00	\$700.00	\$1,400.00	\$0.00
317.0 Short-term Loans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
319.0 Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL REVENUE	\$237,236.00	\$262,681.00	\$263,891.15	\$265,112.00	\$272,708.00

FUND 3425 - BALANCE OVERVIEW

	PY ACTUAL FY 17/18	ADOPTED FY 18/19	ESTIMATED FY 18/19	DRAFT BUDGET FY 19/20	
Opening Cash Balance					
Septic Tank Replacement Reserve	\$ 6,820.15	\$ 16,820.15	\$ 16,820.15	\$ 3,820.15	
Discharge Permit Reserve	\$ 36,000.00	\$ 29,946.25	\$ 29,946.25	\$ 32,908.75	
Plumbing Pipe Refurb. Reserve	\$ 7,000.00	\$ 10,000.00	\$ 10,000.00	\$ 12,000.00	
RWQCB Violation Fines Reserve	\$ 33,000.00	\$ 6,000.00	\$ 6,000.00	\$ 8,000.00	
Contingency Reserve ***	\$ -	\$ -	\$ -	\$ -	
Carry Over (unallocated)	\$ 21,207.95	\$ 42,871.48	\$ 42,871.48	\$ 35,832.13	
TOTAL OPENING CASH BALANCE	\$ 104,028.10	\$ 105,637.88	\$ 105,637.88	\$ 92,561.03	
ESTIMATED REVENUE	\$237,236.00	\$262,681.00	\$ 265,112.00	\$ 272,708.00	
ESTIMATED O&M EXPENSES	\$ (136,156.36)	\$ (175,020.00)	\$ (162,221.21)	\$ (168,479.00)	
ESTIMATED CAP. PROJ. EXPENSES	\$ -	\$ (4,100.00)	\$ (13,800.00)	\$ (58,000.00)	
ESTIMATED LOAN PRINCIPAL	\$ (88,958.58)	\$ (89,931.00)	\$ (89,931.51)	\$ (36,474.00)	
ESTIMATED LOAN INTEREST	\$ (10,511.28)	\$ (13,653.00)	\$ (12,236.13)	\$ (12,692.00)	
Closing Fund Balance					
Operating Reserves Included in Balance					
Septic Tank Rehab/Replace Reserve	\$ 16,820.15	\$ 28,820.15	\$ 3,820.15	\$ 13,820.15	(\$300K by __ 2029)
Discharge Permit Reserve	\$ 29,946.25	\$ 35,688.75	\$ 32,908.75	\$ 34,908.75	(\$40K by May 2023)
Plumbing Pipe Refurb. Reserve	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00	(\$15K by Oct 2020)
RWQCB Violation Fines Reserve	\$ 6,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	
Contingency ***	\$ -	\$ 13,248.00	\$ -	\$ 16,848.00	
Interfund G/L non-op adjustment	\$ -	\$ -	\$ -	\$ -	
Carry Over(unallocated)	\$ 42,871.48	\$ (12,142.02)	\$ 35,832.13	\$ 1,047.13	
TOTAL CLOSING FUND BALANCE	\$ 105,637.88	\$ 85,614.88	\$ 92,561.03	\$ 89,624.03	

*** Unused contingency reserve moves to unallocated general funds at the end of the fiscal year.

Outstanding Debt	Beginning FY 18/19	Actual Ending FY 18/19	Est. Payments FY 19/20	Est. Ending FY 19/20
Crockett Valona Sanitary (WestA Refi)	\$313,437.15	\$277,963.36	\$36,474.15	\$241,489.21
Crockett Valona Sanitary (CCC Refi)	\$54,457.72	\$0.00	\$0.00	\$0.00
Crockett Valona Sanitary (Transfer)	\$24,233.49	\$24,233.49	\$0.00	\$24,233.49
Total Debt	\$392,128.36	\$302,196.85	\$36,474.15	\$265,722.70

**PORT COSTA SANITARY DEPARTMENT
PRELIMINARY BUDGET FY 19/20 (3/13/2019)**

GENERAL FUND 3425: EXPENDITURE DETAIL

	PY Actuals	Current Budget	9 Month Actual	Estimated	Preliminary Budget
	FY 17/18	FY 18/19	FY 18/19	FY 18/19	FY 19/20
415 · SEWAGE COLLECTION *****					
415.30 · INSURANCE - Liability	3,324.84	3,425.00	3,723.03	3,723.03	3,946.00
415.55 · PROF. SVCS. (Coll.)	0.00	500.00	1,000.00	1,000.00	1,000.00
415.70 · MAINTENANCE	4,690.00	5,800.00	9,862.50	11,312.50	10,000.00
415.96 · OTHER OPERATING (Coll.)	0.00	100.00	1,800.00	1,800.00	1,000.00
415.96.2c · Permits & Fees (Coll.)	2,088.00	2,140.00	2,286.00	2,286.00	2,331.00
Total 415 · SEWAGE COLLECTION *****	10,102.84	11,965.00	18,671.53	20,121.53	18,277.00
416.25 · GASOLINE, OIL, FUEL	\$53.09	\$100.00	\$0.00	\$50.00	\$100.00
416.31 · INSURANCE - Property	\$811.79	\$852.00	\$974.35	\$974.35	\$935.00
416.51.1pc · Treatment Plant Operators	\$48,000.00	\$49,200.00	\$32,000.00	\$48,000.00	\$54,120.00
416.51.2pc · Chemicals	\$2,476.91	\$3,914.00	\$2,945.55	\$3,923.55	\$3,200.00
416.51.3pc · Hardware, Supplies, & Misc	\$679.59	\$800.00	\$289.20	\$487.20	\$800.00
416.56.2pc .3pc · Prof. Svcs. - Engineer	\$16,053.75	\$17,971.00	\$8,091.25	\$8,091.25	\$5,000.00
416.56.3pc · Prof. Svcs. -Technician	\$7,492.00	\$5,700.00	\$3,010.00	\$4,210.00	\$5,000.00
416.56.7pc · Prof. Svcs. - Lab Testing	\$15,299.50	\$12,000.00	\$5,189.00	\$8,389.00	\$10,667.00
416.56.x · Prof. Svcs. - Attorney / Other	\$244.86	\$0.00	\$0.00	\$0.00	\$200.00
416.91.1pc · Electricity	\$3,264.58	\$2,954.00	\$2,235.94	\$2,976.94	\$3,121.00
416.91.6pc and 416.96.3 · Plant Alarm System	\$1,150.16	\$1,580.00	\$1,151.66	\$1,300.17	\$1,580.00
416.96.1 · Capital Replacements (Treat.)	\$1,806.46	\$25,000.00	\$2,820.31	\$2,820.31	\$3,000.00
416.96.2 · Permits & Fees (Treat.)	\$4,238.00	\$4,289.00	\$4,149.00	\$4,564.00	\$4,401.00
416.96 · OTHER OP (Treat) - Septic Cleaning	\$1,760.00	\$10,000.00	\$0.00	\$25,000.00	\$20,000.00
416.99 · ENFORCEMENT PENALTIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total 416 · SEWAGE TREATMENT *****	103,330.69	134,360.00	62,856.26	110,786.77	112,124.00
417. ADMIN/GENERAL					
417.21 · ELECTIONS	0.00	35.00	77.18	77.18	0.00
417.31 · INSURANCE -Crime(employee bond)	28.04	25.00	0.00	25.00	25.00
417.36 · MEMBERSHIPS - BACWA & CASA	2,391.63	2,435.00	2,427.00	2,432.00	2,480.00
417.41 · OFFICE POSTAL / SUPPLIES	192.59	250.00	174.02	267.02	250.00
417.56 · PROF SVCS (Admin) Attorney/Auditor	1,285.92	3,500.00	1,492.80	2,272.80	3,500.00
417.61 · PRINTING/ PUBLISHING	1,393.35	1,535.00	1,370.70	1,502.30	1,547.00
417.70 · SOFTWARE SUBSCRIPTION	0.00	0.00	168.58	168.58	350.00
417.80 · VEHICLE / TRAVEL REIMBURSEMENT	25.69	50.00	67.84	80.35	100.00
417.96 · OTHER ADMIN. / RECOVERY	419.66	400.00	738.81	747.81	1,600.00
417.96.3pc · County Charges	557.02	575.00	643.71	643.71	660.00
Total 417 · ADMIN / GENERAL *****	6,293.90	8,805.00	7,160.64	8,216.75	10,512.00
6560 · PAYROLL EXPENSES *****					
6.1dMc · GM's O&M Wages	5,022.60	6,105.00	4,346.51	6,887.42	7,576.00
6.1ds · Sectry. O&M Wages	315.55	392.00	276.35	451.07	496.00
6.1ds · Dept. Mgr's O&M Wages	9,398.07	11,387.00	8,453.96	13,253.12	14,579.00
11.1dMc · GM O&M Benefits GM	604.86	729.00	552.98	871.53	1,395.00
11.1ds · Sectry. O&M Benefits	52.70	65.00	35.59	60.92	351.00
11.1as · Dept. Mgr's O&M Benefits	1,035.15	1,212.00	1,019.65	1,572.10	3,169.00
Total 6560 · PAYROLL EXPENSES *****	16,428.93	19,890.00	14,685.04	23,096.16	27,566.00
Total O&M Expense	136,156.36	175,020.00	103,373.47	162,221.21	168,479.00
Non-Op and Capitol Expenses					
416.212 · LOAN PRINCIPAL (non-op)	\$88,958.58	\$89,931.00	\$89,931.51	\$89,931.51	\$36,474.00
419.1 · Loan Interest - Non-Op Expense	10,511.28	13,653.00	12,236.13	12,236.13	12,692.00
111.x · Capitol Sewer Projects and CCTV	0.00	4,100.00	0.00	13,800.00	58,000.00
419 · Non-Op Expense - Other	0.00	0.00	700.00	700.00	0.00
Operating Reserves - Budget Allocation					
Septic Tank Replacement(\$300k over 10yrs)		12,000.00			30,000.00
Discharge Permit Reserve(\$40k over 5yrs)		10,000.00			2,000.00
Plumbing Pipe Reserve (\$15K over 5yrs)		2,000.00			3,000.00
RWQCB Violation Fines Reserve		2,000.00			0.00
Contingency 10%		13,248.00			16,848.00
TOTAL EXPENSES	\$235,626.22	\$321,952.00	\$206,241.11	\$278,888.85	\$327,493.00
Net Ordinary O&M Income	101,079.64	87,661.00	160,517.68	102,890.79	104,229.00
Net Include. Contingency, Capital, & Reserves	\$1,609.78	(59,271.00)	57,650.04	(13,776.85)	-\$54,785.00

Capital Projects for FY 2019/20

PRELIM (3/13/19)

PORT COSTA SANITARY DEPARTMENT

SEWER COLLECTION SYSTEM PROJECTS	CAPITAL IMPROVEMENTS FIXED ASSET	GRANT FUNDED	PCSAN FUNDED
Emergency project(s)	\$10,000.00		\$10,000.00
CCTV Inspection	\$10,000.00		\$10,000.00
TOTAL	\$20,000.00		

TREATMENT PLANT	CAPITAL REPLACEMENTS O&M	CAPITAL IMPROVEMENTS FIXED ASSET	
Septic Tank Inspection Phase 2		\$25,000.00	\$25,000.00
Sump high alarm		\$1,500.00	\$1,500.00
Backup chemical pump		\$1,500.00	\$1,500.00
Various emergency WWTP	\$3,000.00	\$10,000.00	\$1,500.00
TOTAL	\$3,000	\$38,000.00	

EQUIPMENT	CAPITAL IMPROVEMENTS
No tools or equipment planned	\$0.00
TOTAL	\$0.00

\$49,500.00

The below programs can be added if additional funding is identified, otherwise to FY 20/21 or later.

Smoke Testing of collection system	\$8,600.00
Sand Replacement Reserve - annual buildup	TBD