



Duckett Creek Sanitary District Operational and Capital Budget

January 1, 2026– December 31, 2026

Approved November 25, 2025



3550 Highway K, O'Fallon, MO 63368 www.duckettcreek.com

This Page Intentionally Left Blank

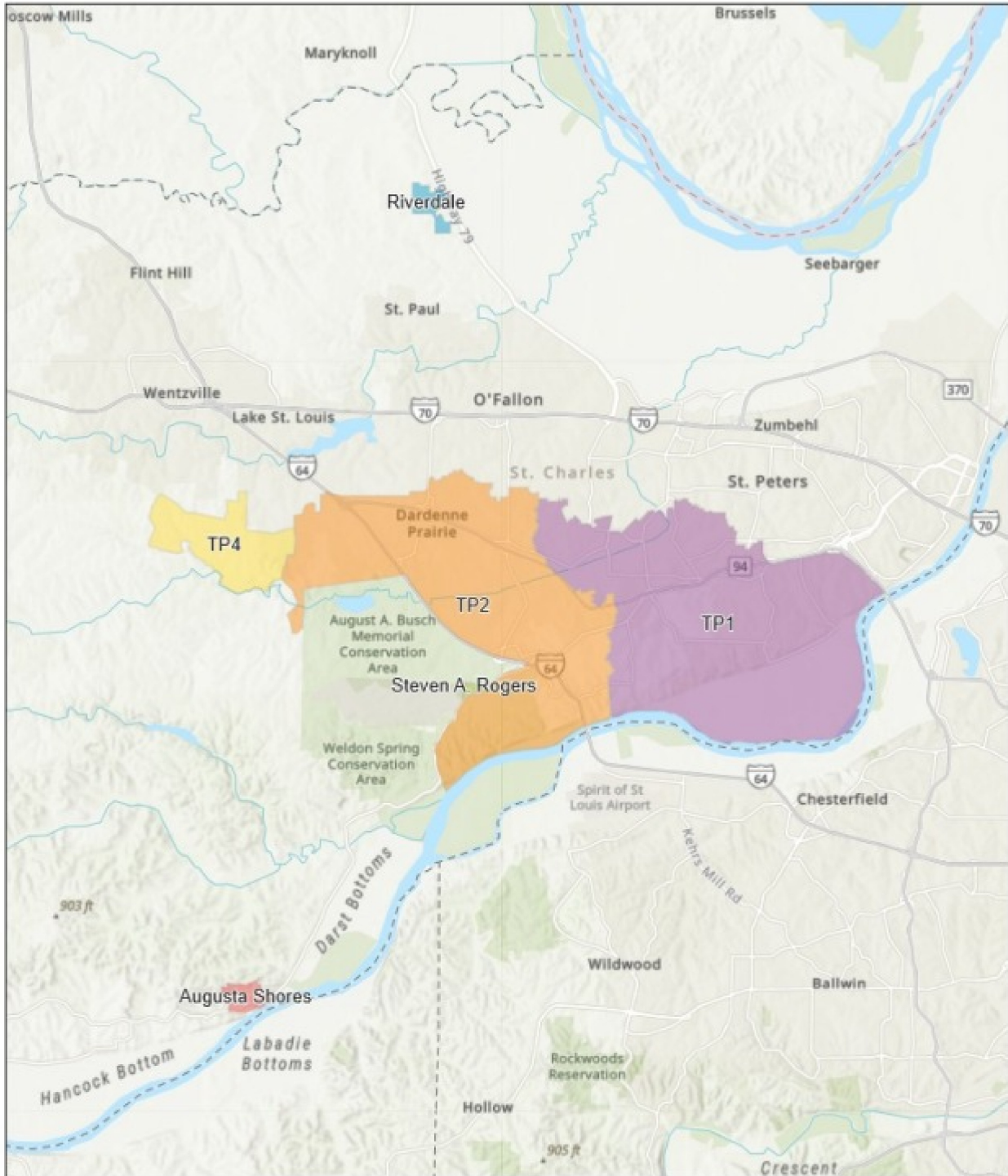
Introduction

Duckett Creek is a governmental sewer district in St. Charles County Missouri. The District was established by a resolution adopted by the St. Charles County Court (now referred to as the County Council) in 1972. On January 1, 1993, St. Charles County became a first-class county with a charter form of government. Pursuant to Revised Statutes of Missouri, Section 249 for sewer districts within a first-class county, the County Commission appoints five trustees who are responsible for control and operation of the District. A minimum of three trustees must reside in the District. The St. Charles County executive now appoints the trustees with concurrence of the County Council to staggered five-year terms. The District's Executive Director is appointed by the Board of Trustees and is responsible for implementing the Trustees' directives and policies for the administrative guidance, operational functions and strategic planning of the District. The District employs 49 full-time employees including the Executive Director.

The District occupies approximately 72 square miles, one quarter of the area of St. Charles County, encompassing unincorporated St. Charles County, the City of Weldon Spring, and a portion of the cities of St. Charles, St. Peters, St. Paul, O'Fallon, Lake St. Louis, Dardenne Prairie and Cottleville. St. Charles County is located on the western fringe of the St. Louis metropolitan area, approximately 18 miles northwest of the City of St. Louis, Missouri. The estimated population of St. Charles County is 424,000. The District serves approximately one-third of those residents. The average annual customer growth in the District for the last five years is approximately 1.1%. The largest commercial customers of the District are a school district, a senior living facility, and a hospital.

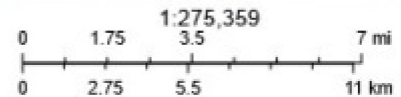
The District operates approximately 728 miles of sanitary sewers (collection system) and 50 lift stations. The District's collection system is dedicated to the District by developers at the time of construction. Wastewater treatment is provided by one 5.0 million gallons per day (MGD), one 7.0 MGD capacity, and one 7.5 MGD capacity activated-sludge secondary treatment facilities. The District also has a smaller conventional treatment plant servicing 440 acres in the Augusta Shores subdivision and two membrane bio-reactor (MBR) plants. The plants and major lift stations are described in further detail later in this document.

TP Service Area



6/16/2026

- | | |
|--------------------|-----------------|
| MapBoundaryUpdated | TP2 |
| Augusta Shores | TP4 |
| Riverdale | World_Hillshade |
| Steven A. Rogers | World_Hillshade |
| TP1 | |



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, NASA, NGA, USGS

Duckett Creek Sewer District System

Treatment Plants

Conventional Treatment Facilities (activated-sludge secondary treatment facilities): This process involves the introduction of micro-organisms and aeration (oxygenation) to sewage which has already been through a settling tank process called clarification. The aerated liquid is moved to a secondary tank where organic matter (activated sludge) reduces in size and settles or separates from the clear water. The water receives further treatment before release into the environment and the sludge is introduced into the environment through a land application (fertilization) process.

- **Wastewater Treatment Plant 1 (TP1).** This plant was built in 1988 and serves the eastern half of the District. The plant has a wastewater capacity of 5 million gallons per day and is currently processing 4.6 million gallons per day on average. A million-dollar project for the replacement of aeration and clarifier equipment occurred in 2016. Additional capital projects occurred during the 2017-2020 years, including the replacement of influent pumps and grit pumps, the HVAC system and project engineering and construction for major building improvements completed in 2021.
- **Wastewater Treatment Plant 2 (TP2).** This plant was built in 1994 and serves the western half of the District. The plant has a wastewater capacity of 7 million gallons per day and currently operates at approximately 64% capacity. This plant has won numerous awards from the state and federal environmental protection agencies for its design and construction. This plant completed an improvement project including a major capacity upgrade during 2017-2018 totaling \$11.288 million for construction and engineering. In 2020, engineering and construction for a workshop building was completed.
- **Wastewater Treatment Plant 4 (TP4).** Construction of this plant was completed in 2025 and serves the Southwestern area of the District. The plant has a wastewater capacity of 7.5 million gallons per day and currently operates at approximately 8% capacity. This plant opens up expansion in the Western corridor of St. Charles County for further develop solving the need for wastewater infrastructure in that area.
- **Augusta Shores Package Treatment Plant.** This small treatment plant was constructed in 2000. The plant has a wastewater capacity of 60,000 gallons per day and was designed to serve a 440-acre subdivision in a remote part of St. Charles County.

Membrane Bio-Reactor (MBR) Plants: This new technology is similar to regular treatment but introduces a membrane screening process designed to separate sludge from effluent. MBR processing results in effluent that can be up to five times cleaner than creek water, thus improving the quality of creeks and streams.

- **Steven A. Rogers MBR Treatment Plant.** This small treatment plant was constructed in 2004 to serve one high school complex in an area of St. Charles County that previously had no sewer service. The plant processes approximately 8,200 gallons of wastewater per day on average but was designed to treat a flow of up to 25,000 gallons per day.
- **Riverdale MBR Treatment Plant.** This treatment plant was constructed in 2005 to serve a residential community. The plant processes approximately 20,000 gallons of wastewater per day on average but was designed to treat a flow of up to 150,000 gallons per day. This plant received tankage additions in 2017 totaling \$108,383 which doubled capacity for redundancy and future processing needs.

Duckett Creek Sewer District System

Major Pump Stations

- **Harvester Pump Station.** This pump station collects most of the wastewater in the eastern portion of the District and pumps it to Wastewater Treatment Plant 1. This pump station received a \$2.5 million-dollar renovation in 2003.
- **Highway K Pump Station.** This pump station collects all of the wastewater in the western portion of the District. This station was built in 1997 and has the capacity to pump up to 7 million gallons per day to Wastewater Treatment Plant 2.
- **Highway DD Pump Station.** The District constructed this pump station and large collector line in 2004 at a cost of \$3.5 million. This station pumps to Wastewater Treatment Plant 2 serving MasterCard International, Enterprise Holdings, Citicorp, Verizon and other businesses along US Highway 40/61.
- **Harvest at Hopewell Pump Station.** This pump station collects wastewater in the western portion of the District. This station pumps to Wastewater Treatment Plant 4 serving new developments such as Harvest at Hopewell and Autumn Hollow along Highway N, Z, and DD.

The Fiscal Year 2026 Budget Document is organized into seven sections - Introduction, Budget Summary, Operations and Maintenance, Debt Service, Capital Improvements, Sewer Lateral Program and a section called Revenue and Other Information.

Introduction

The Introduction includes a budget overview, a list of District officials, an organizational chart and an approved personnel listing. The District’s Mission Statement and policy agenda are the final items contained in this section.

Budget Summary

The Budget Summary section is designed to provide the reader with an overview of District’s fiscal year 2026 operations as a whole and its future. A five-year cash flow projection indicates how reserve balances will be affected by future anticipated expenditures and capital outlays.

Operations and Maintenance

This section provides a more detailed picture of the department functions and responsibilities for the fiscal year.

Debt Service

This section presents information regarding outstanding debt obligations and a report of current reserve amounts set aside to satisfy those obligations.

Capital Improvements

The five-year Capital Improvements Program is included in this section. Pertinent information on project cost and the total annual obligations are included in a summary page.

Sewer Lateral Program

This section provides more information regarding the sewer lateral program and its budget for the fiscal year.

Revenue and Other Information

Included in this section are the discussion of the community profile, the multi-year revenue trend information, a copy of the Budget Resolution and the Glossary of Terms.

This Page Intentionally Left Blank



November 25, 2025

Members of the Duckett Creek Board of Trustees,

I hereby submit the recommended budget of Duckett Creek Sanitary District for the 2026 fiscal year. This budget continues to provide for the effective and efficient delivery of essential services while assuring the long-term stability of the District's treasury. The proposed 2026 budget incorporates the Rate Model as the basis for determining operational and capital allowances for expenditures. This budget stays within the parameters set by the Rate Model in order to sustain the projected rate period. The main parameter being keeping the Debt Service Coverage (DSR) ratio above 110% in any given fiscal year. The District has benefitted from higher than anticipated growth, with the addition of treatment plant four, that has outpaced the Rate Model projections. Our capital fund has grown to a sufficient level to cover future planned projects costs. This fund will continue to grow just by meeting our 110% coverage and receiving additional connection fees beyond budgeted projections during the fiscal year.

The timing is right to increase the operational budget to a sustainable level that meets our future needs and adequately fund capital projects. The only change staff is recommending is how future budgeting is approached given the same reserve policies that are in place. Our understanding is that these policies should be viewed as complimentary, not cumulative.

Our approach to preparing the 2026 budget was referencing the Rate Model 2026 year as the base line, updating the 2025 revenues and expenditures, compare and evaluate against the model, and adjust accordingly. The second step was to look forward into future years within the model and determine if any adjustments should be made due to increases or decreases in growth. The final check is to ensure our reserve policies are satisfied.

The major changes to the proposed budget are an increase in resources to evaluate the District's collection system. The District is growing beyond our ability to adequately inspect our buried sewer lines and manholes. The budget reflects additional field personnel, equipment and contracting services. Contracting services is projected to last three years or such time the District is on pace to continue work in-house. This effort will generate an updated list for repair work and CIPP contracting. The Rate Model will be updated with this information and used to evaluate timing of these projects to stay within the current rate period. The 2026 budget proposal also includes expected cost increases in projects, supplies and utilities as well as utilities for plant four which came online in the summer of 2025.



The board-approved salary progression system is included for a third full calendar year. As approved, the newer salary program offers a five-year progression to maximum salary for non-director staff in return for gaining job competency and role expertise. The plan provided a means to address recurring vacancies and has yielded the desired retention of field services staff members.

Sewer Fund Revenue Overview

As mentioned above, total Revenues for 2026 are budgeted to provide for all activities. In addition, the District will maintain the required reserve ratio of 110% of debt service coverage, projecting a ratio of 1.63% by year end from the sewer fund's operating income. Total 2026 revenues decrease over the 2025 estimate by 4.79% or \$939,809 with conservative budget projections for connection fees which are tied to construction activity.

Charge Revenue

Combined 2026 residential charge revenue budget totals \$14,294,338 with a 1.25% increase compared to the 2025 estimate which is \$14,118,932. This budget includes a conservative .37% growth in the District's existing service area. This also includes the sewer charge rate increases for Riverdale and Wyndgate customers due to the sunsetting of the surcharge fees. The Hopewell Residential Revenue was based on existing active customers at the end of third quarter 2025. Commercial charge revenue in 2026 totals \$4,050,038 compared to the 2025 estimate of \$4,009,525 an overall 1% increase. The commercial sewer rates achieved full parity in fiscal year 2024. Commercial Revenue increases are driven by slight additions in active customers and increases in consumption. Miscellaneous revenue (Other Revenue) fluctuates year to year and returns to a minimum attainable level of \$24,400.

Connection Revenue

The District received residential connection fees year to date totaling \$979,340 and commercial connection fees of \$58,980 for the same time period. As stated above, the District takes a conservative approach when projecting connection revenues every year although actual connection revenues have exceeded the \$200,000 annual budget since 2012. This minimum level allows for a budgeted amount that can be achieved, as estimated by our engineering department and the Rate Model data. As a reminder, we collect connection fees when a developer obtains a permit for the construction. We do not acquire the new customer until the building construction is complete or occupied. The engineering department is contacted annually for input in projecting the connection and charge revenue increases based on their knowledge of projects, and their input is subsequently included in the budget.



Other Revenue

The District's miscellaneous revenue or Other Revenue for the current 2025 year includes a Health Improvement Fund reimbursement of \$1,590, Level Funding Surplus Discounts totaling \$52,000, cell tower revenue of \$21,000, recycled metals of \$4052, a Cuivre River Cooperative rebate payment of \$3,634, surplus computer sales and credit card rebates. Since most are one-time occurrences, the "Other Revenue" budget for 2026 of \$24,400 includes only routine revenue items for credit card rebates, the Cuivre River Cooperative rebate and cell tower lease revenue so is therefore lower than the 2025 estimate by \$73,874.

Appropriations

The proposed 2026 Budget authorizes appropriations for total sewer fund expenses of \$27,774,886 (\$28,199,196 excluding interest offsets) which includes operational expenses of \$12,690,059 capital expenses of \$11,397,900 and debt service of \$4,111,237 (\$3,686,927 net of interest). Sewer fund expenses are outlined below.

Operational Expenses

Operational expenses include department expenses for administration, information systems, debt service, engineering, sewer line maintenance, and operations and maintenance including lift station maintenance and plant maintenance. Major expenses in these departments are included in the following paragraphs.

Administration

Excluding personnel expenses, the 2026 Administration operational budget of \$325,305 increases compared by 9.27% or \$27,599 compared to the 2025 budget. The 2026 proposed budget is a decrease compared to the fiscal year 2025 estimate by \$42,902 due to some one-time expenses incurred in 2025 that are not expected to continue at the same level during 2026. The 2026 budget changes include increases to banking and lockbox service fees, professional services-accounting, professional services-personnel, office supplies, postage, and investments in new training initiatives aimed at enhancing the District's organizational culture. There was a decrease in the specialized training budget which offsets the increase in training costs. An increased staff development budget for longevity benefits in all departments increases by \$1,116 compared to the 2025 estimate. All District office supplies, employee meetings, community outreach at the Cottleville Weldon Spring Rotary Club as well as expenses related to the accounting, purchasing and the customer service billing functions are included in this department's budget.



The merchant services expense (credit card processing fees) is set at \$5305 for the 2026 budget year to cover any lags in invoicing as well as any deficit of fees charged to customers. The District charges a convenience fee of 2% with a minimum of \$1.80 to customers paying with credit card. This fee level has generally covered the cost during the year. However, annual increases announced this month for 2026 will be evaluated to determine if those convenience fees will continue to offset costs. The District requests fee reductions annually when the merchant provider announces increases. Fees are charged only to customers who use credit card processing as a payment option. Other free payment options include recurring bank debit through our office, cash and check payments and automatic bank payments set up by customers with their financial institutions.

The overall administration budget, including personnel, increases by 7.28 % or \$140,135 compared to the 2025 estimate and 4.4% or \$86,821 compared to the 2025 budget. Salaries which increased by 9% or \$92,936 compared to the 2025 estimate and 1.65% or \$18,231 compared to the 2025 budget, include a 3.50% cost of living increase to the top of the salary ranges and progression along the salary range for non-executive employees who are not at the maximum salary range. Other budget increases compared to the 2025 estimate include retirement which grows by 7.67% or \$11,857 compared to the 2025 estimate, remaining flat compared to the 2025 budget. Health insurance is budgeted with an increase of 25.8% or \$49,334 over the current year estimate and an increase of \$18,340 over the 2025 budget due to expected health insurance premium increases.

Information Systems

The 2026 Information Systems operational budget increases compared to the current year estimate by 14% or \$36,257 and 8% or \$21,968 from the current year budget with the largest increases in the programming, software, telephone/internet, and cellular phone budgets. Reallocations of expense for programming, software and software support are adjusted to better categorize these items which were previously captured mainly in the support and maintenance account.

Engineering

The 2026 Engineering operational budget, without personnel expense is at \$1,183,697, an increase of 167% or \$741,014 over the current year estimate. This is also an increase over the 2025 budget by 57% or \$429,850. This fluctuation is due to the focus in fiscal year 2026 on evaluating the District's collection system resulting in an increase in budget of \$691,377 in sewer line maintenance compared to prior year estimate. Another notable change, is the \$40,000 increase to the back-up reimbursement budget in 2026 compared to the 2025 budget. This adjustment reflects the board-approved change in the maximum reimbursement amount per occurrence, which increased from \$5000 to \$10,000 per occurrence to better align with current costs and ensure adequate coverage for qualifying incidents.



The total 2026 Engineering budget with personnel increases by 49% which is \$1,258,960 over the 2025 estimate and 30% or \$870,414 over the 2025 budget. Compared to the 2025 estimate, full time salaries increase by 19.5% or \$274,373 and \$286,107 or 20.2%

compared to the prior year budget. Retirement increases by \$45,712 or 20.8% compared to the 2025 estimate and \$51,052 or 23.9% compared to the 2025 budget. Health insurance increases by 44% or \$123,566 compared to the 2025 estimate and \$78,568 or 24% compared to the 2025 budget. The 2026 personnel and salary expense increases are due in part to the addition of two field services employees. As mentioned, the department's ongoing sewer line maintenance program is budgeted at \$900,000 for 2026 and will remain at that for an additional two years thereafter to continue the accelerated collection system maintenance program. This budget also provides equipment and tools for the sewer line maintenance function. The retirement budget, health, dental, and vision insurance budgets also include expenses for the additional field services positions with the insurance coverage level set at the family coverage level.

Operations and Maintenance

Operations and Maintenance operational expenses, excluding personnel expenses, increase by 13.5% or \$454,316 compared to the 2025 estimate and increase by 11.7 % or \$410,009 compared to the current year budget. Auto, property and liability insurance combined are estimated to finish the year 11.9% over the 2025 budget or \$32,298, due to replacement of aging fleet vehicles with new vehicles increasing auto premiums and a slightly higher than budgeted renewal for property and casualty insurance. Compared to the 2025 estimate, the 2026 budget includes a 5% estimated increase or \$4,014 in budget for auto insurance premiums and a 27.3% total premium increase to property and casualty, and our umbrella coverage. The property and casualty insurance budget includes the addition of coverage for treatment plant four. The 2026 budget for professional engineering services include the land application program and pretreatment program design with Geosyntec for the remaining balance of their contracts. The training budget remains flat compared to the current year budget for operator and maintenance trainings, competency assessments, and commercial driver's license training at \$20,705. The building and grounds maintenance budget increased by \$28,929, a 43.6% over the 2025 budget due to additional planned maintenance throughout the District. This is an increase of \$16,433 or 21% increase over the 2025 estimate.

Water utility increases by 7% or \$9,731 compared to the current year budget. The 2026 water budget is based on year to date activity and includes the addition of water costs at treatment plant four. The proposed budget also includes rate increases of 10-12% per our water utility providers. Natural gas is budgeted 6.4% or \$5,163 higher than the 2025 budget and 64% or \$33,493 higher than the 2025 estimate. This increase is partly for the addition of plant four, which the operations department expects will mirror plant two in gas utility usage. Electric utility is projected to increase \$158,989 over the current year estimate and \$155,817 over the current year budget to total \$1,397,124 in 2026. The increase is attributable to a reported 8% increase by Cuivre River due to their supply cost as



well as a 12% increase that occurred mid-year 2025 from Ameren. The 2026 budget includes a full year of electricity expense for treatment plant four expected to total approximately \$88,000. The trash contract with Republic Waste includes annual increases, which resulted in an increase to the 2026 budget of \$1,992 or 11.5% over the 2025 estimate. This is also an increase of \$7,422, or 62.5% over the current year budget.

The lab supplies budget increases by 2% or \$1,547 over the 2025 budget. The department expenses also include a sufficient budget for vehicle maintenance and fleet gasoline. The plant odor control budget has a proposed increase of 35.2% or \$17,600 over the current year estimate. The increase is due to the addition of treatment plant four as well as correcting the budget amount to a more accurate level. The plant operating permit budget includes a \$50,000 increase for a permitting fee to participate in Enel's Demand Response Program related to the District's Ameren services at the Harvester LS and Highway K LS.

The total operations expense budget including personnel items, increases by 16.2% or \$906,471 compared to the 2025 estimate and 13.8% or \$787,766 compared to the 2025 budget. O&M salaries increase 18% or \$255,988 over the current year budget and the retirement budget increases by 15% or \$34,987. Health insurance increases 19% or \$56,212 compared to the 2025 budget which includes a 9.5% increase for employer premiums. The 2026 salaries, retirement, health, dental, and vision budgets include the addition of one plant operator at the family coverage level of for all insurance.

Large plant and lift station project and supply accounts 34-6201 through 34-6214 increased by \$32,135 or 3.6% compared to the current year estimate. However, the 2026 total budget for these accounts is a \$17,000 decrease when compared to the 2025 budget. A detailed listing of planned projects and expenses in this department is included in the subsequent pages.

Capital Expenses

2026 capital expenses total \$11,522,900, a decrease of \$741,040 or -6% from the current year estimate and a decrease of \$5,183,534 or -31% from the current year budget mainly due to the completion of treatment plant four construction which has been a major capital expense over the last three budget years. Due to delays in procurement, the District had to shift large lift station projects to the 2026 budget year. The 2025 estimate for the TP4 construction is higher than budget due to the large retainage payment made in the fourth quarter of 2025. That payment is held in this account on a cash basis and will be reclassified at year-end to reduce retainage payable. A small amount of retainage plus the additional change order of \$148K approved at the October 2025 board meeting was included in the 2026 budget as that final payment is expected to be in 2026. The total 2026 capital budget includes fleet replacement, a small crane truck, an additional video van for televising the collection system, continuation of the CIPP program, two pushout trailers, several plant projects, the O'Fallon Hill lift station projects, improvement projects at the Dardenne and Highway K lift



stations, contracted engineering services, fuel tanks added to TP2 and TP4, and the software migration to ERP Pro 10 which was carried over from 2025. A full detailed listing of all projects is included in subsequent pages of this budget document.

Debt Service

The 2026 budget provides for all required debt service obligations and exceeds the required revenue ratio coverage of 110% which is dividing operating income by debt service to reach a minimum ratio of 110%. Gross debt service equals \$4,111,237 and the interest income offset is estimated at \$424,310 for a net debt service amount of \$3,686,927. The final scheduled payment on the 2015 bond series will occur on December 1, 2025. The final scheduled payment on the 2016 lease financing will be on July 1, 2026. This results in a large decrease in debt service obligations beginning in 2026 of \$2,230,123 compared to the 2025 estimate. Going forward, the District's sole remaining debt service obligation will be the 2022 Certificates of Participation (COPS) with annual payments scheduled through December 2042.

Fund Balance Reserve

Based on the estimates of revenue, and all authorized expenditures, we are projecting an unrestricted fund balance at the 2026 fiscal year end of \$12,004,612. This proposed fund balance amount is in addition to funds accumulated for debt service, the benefit reserve fund, the 2022 COPS reserve fund of \$1,500,000 (TP4 financing) and the Board mandated emergency reserve of \$3,000,000. The overall debt service coverage ratio is projected to be 163% (146% net of interest) for fiscal year 2026 which again exceeds the required 110% debt service covenant. The previously restricted funds of \$800,000 required for the 2015 bond reserve will be released to unrestricted fund balance at the end of fiscal year 2025.

Compensation Plan

In September of 2022 the board approved authorization for a wage cost increase that aligns efforts to reward employees for skill acquisition and job mastery by adjusting our salary range down to a five-year step system with a final \$1,500 step reward for longevity of 15 years or more. The pay plan was implemented on October 10, 2022 and has helped the District be competitive in the current aggressive labor market and will help prevent the loss of skilled employees. Approximately 43% or 21 employees have reached the maximum step and will receive only the COLA increase in 2026. The cost of living CPI indexes ranged from 2-2.80% for the first half of 2025 (CPI-U St. Louis Mo/IL for February 2.0%, April 2.2%, June 2.5%, and October 2.8%). A recent salary increase report from World at Work projected average and median increases at 3.7% and 3.5% for nonexempt hourly workers. In addition, Newport Group's September survey anticipated a 3.0% average increase for structure movement in 2026 for businesses with under \$50M in Revenue. With this information, we believe the cost of living (COLA) adjustment of 3.50% is fair and maintains a competitive edge to retain skilled employees and attract qualified candidates when filling open positions. The average wage increase compared to the 2025 wage



rates is 5.59% including directors and 5.63% excluding directors. The average progression wage for employees who've not reach the maximum step is 7.91% excluding directors.

In November 2017, the District created a benefit reserve fund to allocate premium savings and surplus funds received from our level-funded insurance program in 2018. The money in the fund was intended to off-set premium increases or other benefit expenses if needed. Premium credits in the recent years were recorded as revenue, therefore the benefit reserve fund remains unchanged and is projected to end the year at \$269,164.

During 2019, an employee committee met various times to provide feedback on employee preferences they obtained regarding potential benefit changes considering the addition of the LAGERS retirement plan and subsequent cost increase. The outcome of those discussions was replacing the 100% employer funded deductible to an employee share of the deductible totaling \$600 for employee only coverage and \$1,200 for employee and dependent coverage.

This employee deductible share was comparable to our narrowed peer group in St. Charles County. In addition, employee only coverage, previously at no cost to employees, was changed to include a 10% premium share from employees. The District staff plans to conduct a benefit and salary survey in 2026 and will report those results along with any recommendations to the Board once the survey is completed.

For the 2026 health insurance budget, an early renewal estimate by our broker, Marsh McLennan, indicated a 22% increase. The final renewal increase offer from Cigna is a blended 10.5% increase with a 1% admin credit, reducing the renewal increase to 9.50%, if we do not go out to market for our health benefit. Marsh McLennan discussed the renewal with the Board and staff during the September and October meeting. The Cigna renewal offer includes no change in plan design or benefits. Our 2026 budget includes funds to continue a wellness benefit. The wellness program started in 2021 to provide an offset for the H.S.A. contribution of \$300 (now \$250) for employee only enrollments and \$600 (now \$500) for employee and spouse enrollments. These offsets are only achieved after completion of multiple healthy behavior activities such as health screenings, preventive exams, coaching programs, wellness activities or weight loss and body mass index changes. The overall health insurance benefit is budgeted to increase by 18% or \$153,120 compared to the 2025 budget and 31.6% or \$239,934 compared to the 2025 estimate. The variation from the estimate is due to the proposed addition of one operator and two field service positions.

Our broker Marsh McLennan estimated that the District's dental renewal with Delta will be an increase of 6%, so that increase and the addition of three employees totals a 24% or \$7,096 over the prior year budget and 28% or \$7,972 over the prior year estimate.



Vision insurance came in at a 5% increase for fiscal year 2026, so a slight increase in budget of approximately \$930 over the 2025 estimate.

Life and AD&D insurance with Metlife was presented with no changes to benefits or rates for year 2026. The Metlife short-term disability insurance coverage came in with an increase of \$0.249 per \$10 of covered benefit, up from \$0.184 per \$10 of covered benefit. Long-term disability rate increased slightly from a previous rate of \$0.38 to \$0.389 per \$100 of covered payroll. These rate increases were due in part to the ending of our two-year rate hold along with an administrative change for Metlife to submit the employer portion of FICA taxes on active disability claims and bill us directly for those amounts.

The 2026 pension budget includes a 0.2% decrease to the LAGERS rate (14.9% compared to 15.1% in 2025) and a 13.8% increase in budget or \$85,925 compared to the prior year's budget and a 15% or \$92,572 increase compared to the prior year 2025 estimate.

Sewer Lateral Fund

The Sewer Lateral Fund was implemented on January 1, 2017. The program is funded with a \$28 annual customer fee approved in the April 2016 election for the sewer lateral program repairs. This program pays for costs related to diagnosis and repair or replacement of private sewer lateral lines.

The 2026 budget includes total revenue projected at \$718,780 and expenses totaling \$685,597. The 2026 revenue budget for sewer lateral fees is \$706,780, a 1.37% increase over prior year's budget. Expected interest income of \$51,948 is part of this total revenue as well. Budgeted expenses include salaries and benefits for allocation of the following positions to the program: 1.5% of the Senior Engineering Supervisor position's time, operation of the program with 76.5% of the Inspector position, 7% of the Engineering Assistant's time and the Director of Engineering and Operations at 1%. Administration personnel expense includes Information Systems, Accounting and Customer Service at 12% total or 0.12 of a full-time equivalency (FTE). The budget also includes overhead such as utilities, maintenance, office supplies and vehicle expenses.

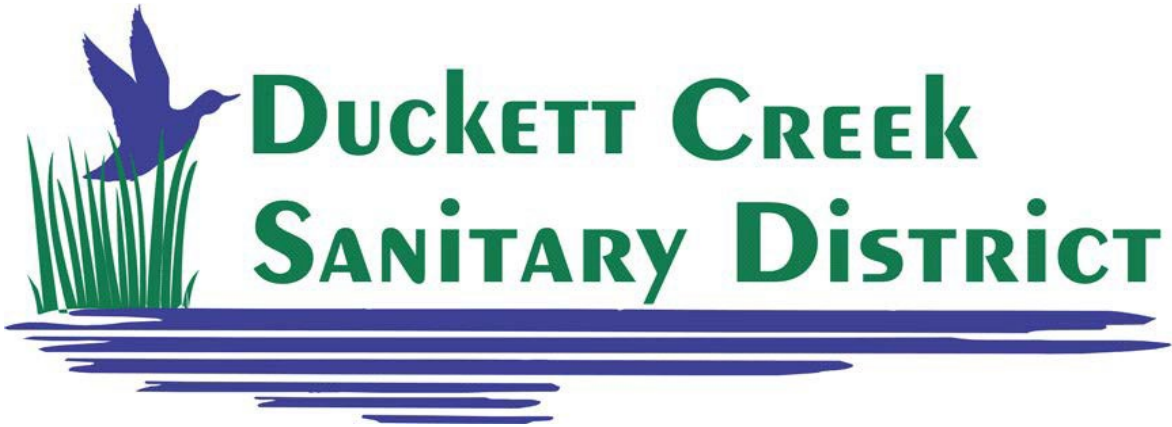
Most of the expense budget is appropriated for sewer lateral repairs with \$560,000 budgeted for this purpose. The Sewer Lateral Fund is budgeted to end the 2026 year with a budgeted net income of \$33,183 and an estimated program balance of \$867,155 which is restricted for future residential sewer lateral repairs.



In closing, I want to express my gratitude to the directors and department supervisors for their assistance in the preparation of this budget. The efforts of staff to develop and finalize these recommendations and preparation of the budget enable a successful budget function.

Together, we commend this budget for your consideration.

Keith Arbuckle, Executive Director



LIST OF APPOINTED OFFICIALS November, 2025

Linda K. Wibbenmeyer, Chairperson
John Harshbarger, Vice-Chairperson
Greg Dohrman, Board Member
Robert W. Schnur, Board Member
William Rebore, Board Member

DUCKETT CREEK DIRECTOR'S

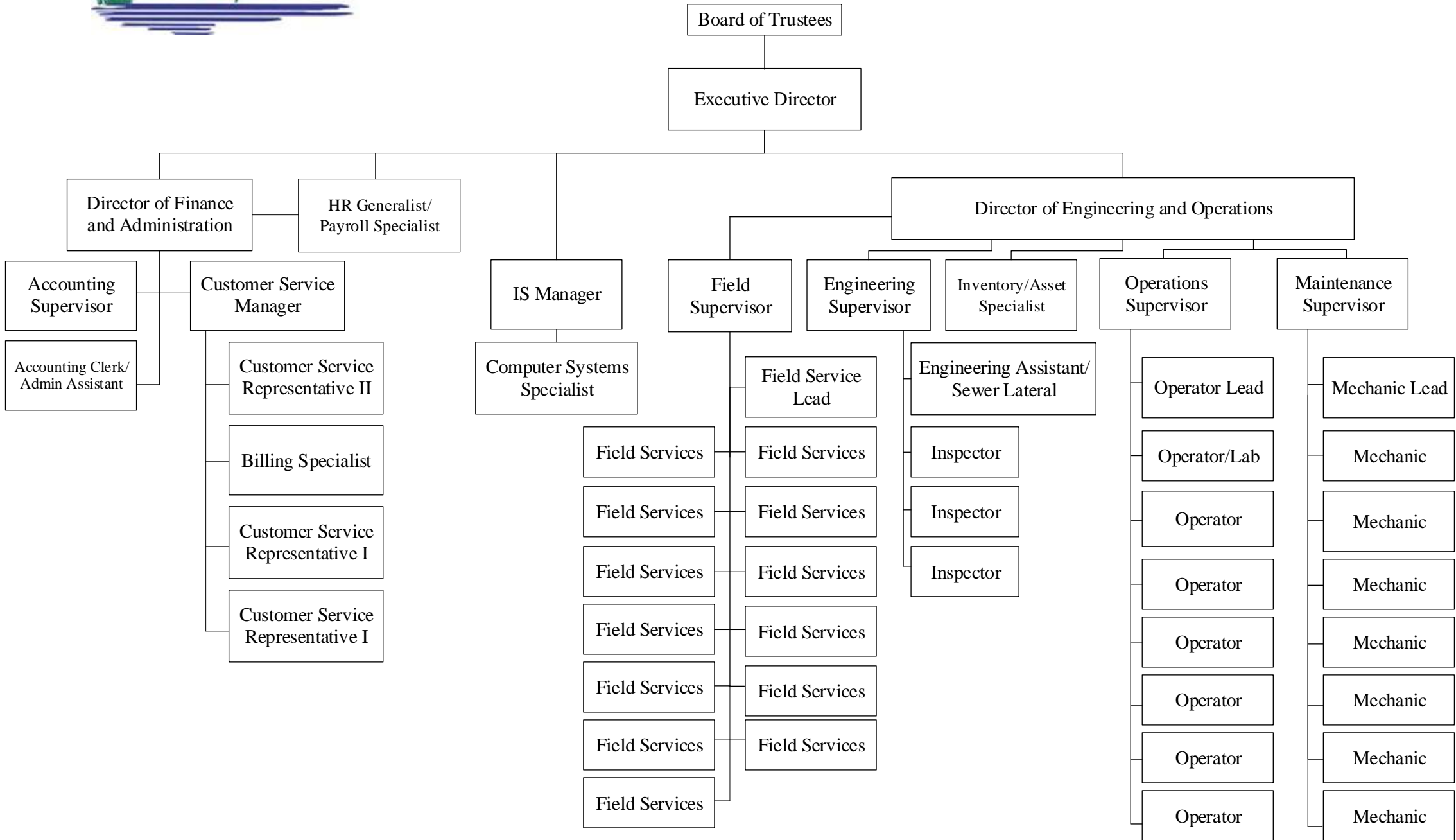
Keith Arbuckle
Executive Director

Bridget Knudsen
Director of Finance & Administration

Luke Kehoe
Director of Engineering and Operations



Duckett Creek Sanitary District Organizational Chart

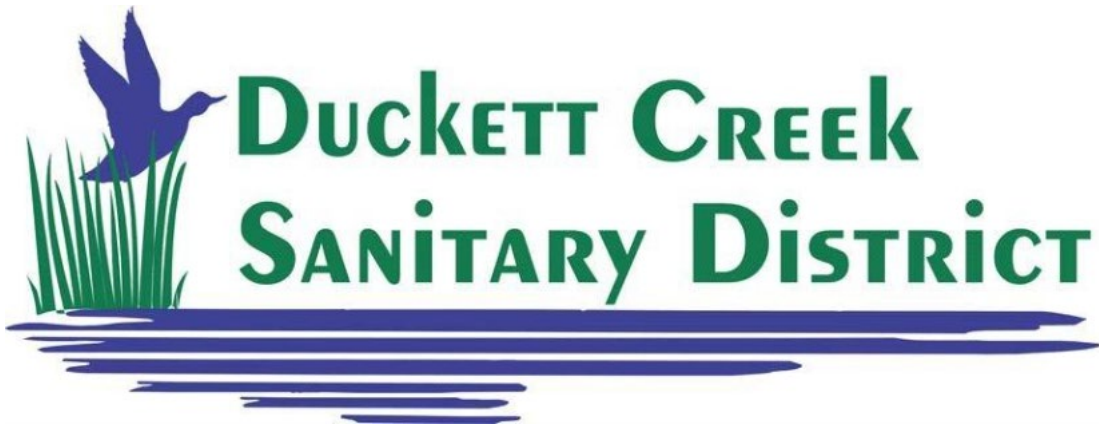


Revised January 2026



DUCKETT CREEK PERSONNEL LISTING

Duckett Creek Sanitary District Personnel Listing											
	2017	2018	2019	2020	2021	2021	2022	2023	2024	2025	2026
	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Revised	Budgeted	Budgeted	Budgeted	Budgeted	Requested
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Executive Director	1	1	1	1	1	1	1	1	1	1	1
Director of Finance and Administration	1	1	1	1	1	1	1	1	1	1	1
Customer Service	4	4	4	4	4	4	5	5	5	5	5
Accountant	1	1	1	1	1	1	1	1	1	1	1
Administrative Analyst	1	1	1	1	1	1	1	1	1	1	0
Accounting Assistant	1	1	1	1	1	1	1	1	1	1	1
Human Resources Generalist	0	0	0	0	0	0	0	0	0	0	1
Information Systems Administrator	1	1	1	1	1	1	1	1	1	1	1
Computer Specialist	1	1	1	1	1	1	1	1	2	2	2
<i>Department of Administration Total:</i>	11	11	11	11	11	11	12	12	13	13	13
Director of Engineering	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5
Inspectors	4	4	3	3	3	3	3	3	3	3	3
Senior Engineering Assistant	1	1	1	1	1	1	1	1	1	1	1
Engineering Asst./CAD Technicians	1	1	1	1	1	1	1	1	1	1	1
Field Services	12	12	12	12	12	12	13	13	13	13	15
Engineering/Administrative Aide	1	1	0	0	0	0	0	0	0	0	0
<i>Department of Engineering Total:</i>	20	20	18	18	18	17.5	18.5	18.5	18.5	18.5	20.5
Director of Operations & Maintenance	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5
Plant Operators	6	6	7	7	7	8	8	8	8	8	9
Maintenance Mechanics	8	8	8	8	8	8	8	8	8	8	8
<i>Department of Operations Total:</i>	15	15	16	16	16	16.5	16.5	16.5	16.5	16.5	17.5
<i>Total Approved Personnel:</i>	46	46	45	45	45	45	47	47	48	48	51



MISSION STATEMENT

Duckett Creek Sanitary District will provide the highest quality sanitary sewer service in the most cost-efficient manner while protecting and preserving the environment, quality of life, and promoting economic development in St. Charles County.

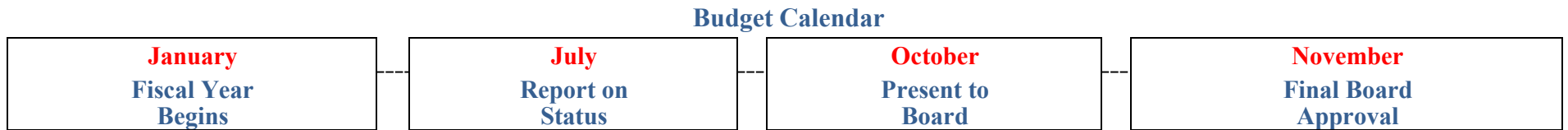
To accomplish this mission, it shall be the goal of the District to:

- A. Employ a well-trained staff with a low percentage of turnover;
- B. Maintain the existing infrastructure of the District through preventive maintenance and timely replacement of outdated equipment;
- C. Remain responsive to demands that service the best interest of the District and the community;
- D. Maintain a good relationship and reputation with customers and the general public through an on-going public relations and information program;
- E. Employ available technology in an effort to operate all programs in the District at the highest level of effectiveness and efficiency;
- F. Maintain rates and fees at the lowest level possible for customers while generating necessary funds to maintain a high level of service and adequately fund appropriate expansion of the District.

The policy making body of the Duckett Creek Sanitary District consists of an Executive Director and a five-member Board of Trustees in whom the legislative power of the District is vested. The St. Charles County Executive appoints the Trustees to five-year terms. The Executive Director serves at the pleasure of the Board of Trustees to an unspecified term. The Executive Director of the District directs department Directors.

Budgeting

The budget calendar of the District illustrated below begins mid-year with management’s presentation to the Board of the report on the District’s financial status.



The draft budget is provided at the October Board of Trustees meeting and the final budget is presented at the November Board of Trustees meeting. Final approval is needed by the Board of Trustees no later than December 31st of each year for the subsequent year. All meetings include a session for public comment. This year’s hearing was on November 25, 2025.

The budget document is required and includes appropriation for maintenance and operations, debt service and the capital expenditures. The law requires no other appropriations for the District. The annual budget is adopted on a cash basis of accounting where all transactions are recorded when actually received or disbursed. The District however, modifies its accounting records on an accrual basis of accounting at year end. The primary difference between the cash basis budget and the audited financial statements are the revenue accruals for user fees, accruals for expenses that cross fiscal periods and accruals for capital projects. The District management believes that due to the annualized user fee approach to customer charges, the cash basis budget produces a more conservative monitoring tool for distribution of financial resources. All budget amendments require the approval of the Executive Director. All budget adjustments that increase or decrease the overall funding level require approval by the Board of Trustees. The legal level of control is at the entity level.

Appropriations are approved on an annual basis as required by law. The operating budget is adopted based on the principle that current contemplated expenditures will not exceed current available revenue or available reserves which is defined as a balanced budget. The District has developed the five- year plan presentation to assure that reserve balances or accumulated revenues are maintained at a level to allow the District to adequately safeguard its infrastructure and adjust user fees in a timely fashion to ensure proper debt service maintenance.

All annual appropriations contemplated here will lapse at fiscal year-end and are either re-appropriated or returned to reserves.

Bond ordinances require the District to maintain pledged revenues for each year of at least 110%.

In September 2023, Moody’s reaffirmed the District’s Aa3 Bond rating.

Financial Monitoring

This section outlines the general financial monitoring responsibilities involved in the management and use of the District’s resources.

- I. **Administration Department** – The Director of Finance and Administration’s responsibility is to monitor the fiscal and program implementation of the approved budget. The Director reports monthly to the Executive Director as well as the Board of Trustees on various aspects of the budget performance.
- II. **Departments** – Departments are responsible for monitoring and managing their resources, ensuring budgets are not exceeded and all expenditures are in conformity with District, State and Federal ordinances, statutes, policies and regulations.

Financial Policy Summary

State regulations, bond covenants and investment policies along with the internal policies listed here provide sufficient guidelines to effectively manage the financial resources of the District.

Policy #1 - **The District’s reserve policies** (Resolution #06-01 and 18-02) dictate a minimum reserve of \$3 million dollars of total cash and investments and reserves shall not fall below 25% of the current year’s budgeted operational expenditures as measured on the last day of the current fiscal year. The Board must be notified if reserves are expected to fall below 40% of the current year’s budgeted operational expenditures as measured on the last day of the current fiscal year.

Policy #2 - To further strengthen its management tools, each year the District’s Board of Trustees receives a **five-year spending plan** (Summary of Operating and Capital Budgets) for the District. The five-year plan was developed to avoid using a one-year snapshot approach to evaluate the ongoing financial status of the District. This plan provides for contemplated customer growth, normal operating expenses and capital needs during the five-year period.

Policy #3 - **The District sets the maximum level of expenditures** at the amount authorized at budget adoption. Subsequent appropriations, should they be necessary, require Board of Trustees approval. Any subsequent appropriations are regulated by the overall surplus balance reserve requirements of the District.

Policy #4 - In 2002 by Resolution #02-09 the District adopted its formal “**Capitalization Policy**”. This policy generally follows GFOA recommended guidelines of cost greater than \$5,000 with useful life of 2 or more years. In 2017 this threshold was increased with resolution 17-07 to \$10,000 for plant and lift station items.

Independent Audits and Financial Reports

Sound business practice and federal and state laws require annual, independent audits of the District's financial statements. The independent accounting firm of Sikich, LLP performs the audit of all funds of the entity included in this document and issues an opinion on the District's General-Purpose Financial Statements. The District's most recent financial statements received an unqualified opinion.

The Administration staff prepares substantial analytical documentation for the annual audit which is used to produce the Annual Comprehensive Financial Report in accordance with generally accepted accounting principles and statutory requirements. The District's financial report has received the Certificate of Achievement for Excellence in Financial Reporting since 1998.

Working Capital

Prudent financial management and the District's bond covenant dictate cash temporarily idle during the year should be invested to produce the highest yield possible. The District invests funds as required by state statute. The cash-basis yield on these investments during fiscal year 2026 is conservatively budgeted at \$424,310. The Administration Department reports monthly to the Board of Trustees on the investing activities.

The District's bond covenants require certain investment amounts be set aside in restricted interest-bearing accounts for future principal and interest requirements. These requirements have been provided for in the fiscal year 2026 budget.

This Page Intentionally Left Blank



Budget Summary

All financial resources of the District are accounted for in a single enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District's responsibility to provide the most cost-effective services to its customers is accomplished by three operating departments: Administration, Engineering and Operations and Maintenance.

The District's capital needs have been met by issuing Revenue bonds, private placement lease financings, and certificates of participation issued by the District. These loans and any additional capital needs are funded by excess revenues.

All of the activities contemplated are funded by user fees for residential customers and a consumption-based fee for commercial customers. Currently there are no industrial users. Ancillary revenue sources include interest income, connection or tap-on-fees and inspection fees.

The Summary of Operating and Capital Budgets included in this section provides historical information on the prior year's expenditures, estimated projections and new budget appropriations for expenditures and both operating and non-operating revenue. The updated rate model is included in this section showing the Five-Year budget plan intended to provide information on the impact of operations and capital activities to reserve amounts. The individual departments contain the new budget request, the current year budget, the current year estimate and prior year actual result. This format meets the requirements of state statute for governmental budget presentation.



DUCKETT CREEK SEWER DISTRICT
DEBT COVERAGE RATIO CALCULATION AND RESERVE POLICY CALCULATION
November 25, 2025 Final - Cash Basis

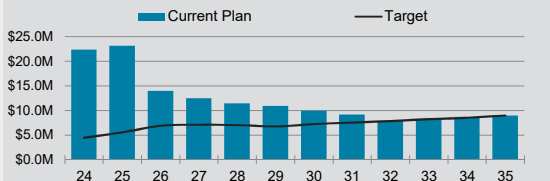
	2024 Actual	2025 Estimate	2026 Budget
Operating Revenues			
Charges and Services	18,145,247	18,128,457	18,344,376
Connection Fees	1,907,130	1,038,320	292,000
Surcharge Income	279,220	287,933	24,425
Inspections/Other Revenue	205,174	185,900	40,000
Total Operating Revenue	20,536,772	19,640,610	18,700,801
Operating Expenses			
Administration	1,808,257	1,924,355	2,064,490
Information Services	268,385	260,341	296,598
Engineering	2,438,819	2,555,334	3,814,294
Operations & Maintenance	5,028,613	5,608,207	6,514,677
Total Operating Expenses	9,544,075	10,348,237	12,690,059
OPERATING INCOME (LOSS)	10,992,697	9,292,373	6,010,742
Costs of Issuance	0	0	0
Current Debt Service	6,994,821	6,341,360	4,111,237
Interest Income General (cr)	895,354	1,053,600	373,415
Interest Income 2022 (cr)	1,214,775	271,557	50,895
NET DEBT SERVICE	4,884,693	5,016,204	3,686,927
Total Capital Expenditures	26,255,252	12,266,147	11,522,900
Net Income	-20,147,248	-7,989,978	-9,199,085
Transfers In-Curr Yr Project Reimb.	\$23,158,451	9,575,116	0
Fund Bal Est. ('24 Actual)	\$ 19,016,011	\$ 21,129,592	\$ 11,879,612
Restricted Proj Fund Interest	\$ 1,214,775	\$ 271,557	\$ 50,895
Restricted Project Fund Balance	\$ 10,344,880	\$ -	\$ -
Board Designated Reserve	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Benefit Stabilization Reserve	\$ 269,164	\$ 269,164	\$ 269,164
Reserve -2015 DCSD issue	\$ 800,000	\$ -	\$ -
Reserve -2022 DCSD issue	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Coverage Ratio Net Debt Service (Required 1.10)	2.25	1.85	1.63
Coverage Ratio Current Debt Service (Required 1.10)	1.57	1.47	1.46
Reserve Goal (25%-40%)	199%	204%	94%
Reserve Goal Minimum of 25% of Operating Expenses	\$ 2,386,019	\$ 2,587,059	\$ 3,172,515
Reserve Goal Optimal of 40% of Operating Expenses	\$ 3,817,630	\$ 4,139,295	\$ 5,076,024

Coverage: Net Income/Debt Service

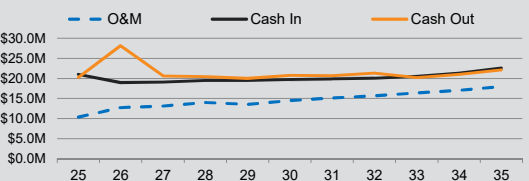
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2028	FY 2033
Override ▶												Cumulative	
Residential Fixed Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.04%	3.43%	4.38%	0.00%	10.21%
Commercial Usage Rate Plan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.04%	3.43%	4.38%	0.00%	10.28%
Total Fund Balance as a % of O&M	223.3%	110.1%	94.8%	81.4%	81.0%	68.9%	60.7%	50.0%	50.0%	50.0%	50.0%		
Senior-Lien DSC	1.91	1.83	1.74	1.58	1.75	1.55	1.39	1.26	1.20	1.25	1.34		
All-In DSC	1.67	1.53	1.74	1.58	1.75	1.55	1.39	1.25	1.14	1.16	1.22		
Single Family Residential Bill	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$27.30	\$28.24	\$29.48		
\$ Chg in Res. Bill	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.55	\$0.94	\$1.24		
Residential/ Commercial Parity	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Commercial Rate	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.46	\$5.65	\$5.90		
\$ Chg in Non-Res. Rate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.11	\$0.19	\$0.25		

Scenario Manager
Hopewell: Phase 2
LAGERS: No
Collection System: Yes

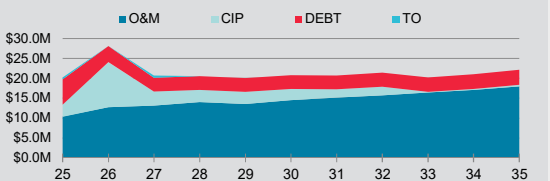
Operating Fund



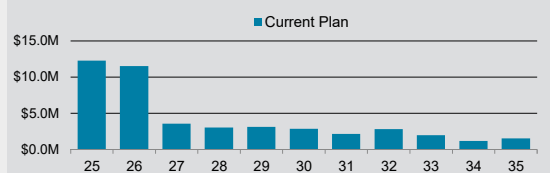
Revenues vs. Expenses



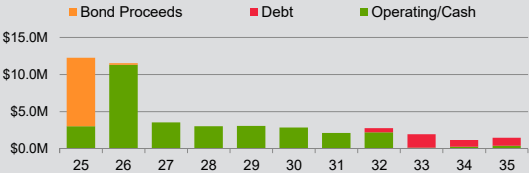
Expenses by Type



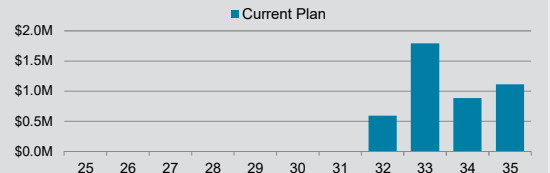
CIP Spending



CIP Funding



Subordinate Borrowing



Duckett Creek Departments

Operations departments include the Department of Administration, Engineering and Operations and Maintenance.

DEPARTMENT OF ADMINISTRATION

The Executive Director is responsible to the Board of Trustees for the day-to-day operations of the District.

This department is responsible for the following activities:

- Billing and collections for approximately 45,183 residential and 1,377 commercial customers and other related Customer Service activities.
- Accounting and finance related activities such as monthly and quarterly reports to the Executive Director and the Board of Trustees on cash management, accounts payable and receivable maintenance, procurement, budget and audit.
- Human resource management of the District, employee benefits and wellness activities.
- Purchasing and bidding processes for services and products.

The District has received the Certificate of Achievement for Excellence in Financial Reporting for 27 years and the Distinguished Budget Award for 23 years from the Government Finance Officers Association of the United States and Canada (GFOA). Both Certificate and Budget Awards are valid for one year.

The District's management information system activities are also contained in this department. They include daily trouble shooting, maintenance and administration of the network system and its related databases including the District's Geographical Information System (GIS).

This department currently employs 13 full-time employees, including the Director of Finance & Administration and the Executive Director.

DUCKETT CREEK SANITARY DISTRICT - 2026 ADMINISTRATION EXPENSE BUDGET - DEPARTMENT 10

DEPARTMENTAL EXPENDITURES

WAGES - REGULAR

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
10 - 0001 WAGES-ADMIN-FULL TIME	1,025,716	1,093,149	1,026,944	1,111,380
0002 - WAGES-ADMIN-PART TIME	-	-	-	-
0003 - WAGES-ADMIN-INTERNSHIPS	8,924	8,500	-	8,500
0004 - WAGES BOARD OF TRUSTEES	1,350	1,500	1,500	1,500
TOTAL WAGES-REGULAR	1,035,990	1,103,149	1,028,444	1,121,380

WAGES - OVERTIME

0100 - WAGES-ADMIN-OVERTIME	143	1,250	150	250
0101 - PERSONAL LEAVE BUY BACK	5,732	6,100	5,536	4,836
TOTAL WAGES-OVERTIME	5,875	7,350	5,686	5,086

FRINGE BENEFITS

0200 - FICA	72,869	84,200	75,351	85,282
0201 - ER RETIREMENT CONTRIBUTION	156,657	166,175	154,496	166,353
0202 - DISABILITY & LIFE INSURANCE	8,558	9,541	9,861	11,445
0203 - WORKER'S COMPENSATION INS	41,914	52,837	53,340	71,956
0204 - HEALTH INSURANCE	190,824	222,102	191,108	240,442
0205 - DENTAL INSURANCE	7,309	8,264	7,455	8,774
0207 - VISION INSURANCE	1,245	1,245	1,213	1,467
0208 - CAR ALLOWANCE	6,000	6,000	6,000	6,000
0210 - PAYROLL PROCESSING FEES	19,076	19,100	20,523	21,000
0211 - STATE UNEMPLOYMENT INSURANCE	-	-	-	-
TOTAL FRINGE BENEFITS	504,452	569,464	519,346	612,719

BOND ADMINISTRATION FEES

1300 - ADMINISTRATIVE BOND FEES	1,445	7,500	2,045	7,500
TOTAL BOND ADMINISTRATION FEES	1,445	7,500	2,045	7,500

IGTF AND BANKING FEES

1600 - INTER-GOVERNMENT TREATMENT	-	-	-	-
1700 - BANKING FEES	18,513	19,800	22,703	23,000
TOTAL IGTF AND BANKING FEES	18,513	19,800	22,703	23,000

DUES & PUBLICATIONS

2100 - DUES & PUBLICATIONS	3,672	5,681	2,895	6,142
TOTAL DUES & PUBLICATIONS	3,672	5,681	2,895	6,142

DUCKETT CREEK SANITARY DISTRICT - 2026 ADMINISTRATION EXPENSE BUDGET - DEPARTMENT 10

DEPARTMENTAL EXPENDITURES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>PROF SERVICES - ACCOUNTING</u>				
2200 - PROFESSIONAL SVCS - ACCOUNTING	22,425	22,300	44,657	28,670
TOTAL PROFESSIONAL SVCS - ACCOUNTING	22,425	22,300	44,657	28,670
<u>PROF SERVICES - COLLECTIONS</u>				
2300 - PROFESSIONAL SVCS - COLLECTING	2,134	4,540	6,200	4,676
2305 - PRINTING - BILLING STOCK	6,832	8,671	8,073	9,233
2306 - BILLING SERVICE	11,482	12,750	11,455	13,526
2307 - LOCK BOX SERVICE	13,461	12,700	18,117	20,000
2308 - MERCHANT PROCESSING SVC	4,289	5,000	5,000	5,305
2309 - UB BILLING SVCS - TYLER	296	410	467	500
TOTAL PROF SVCS - COLLECTIONS	38,494	44,071	49,312	53,240
<u>PROF SERVICES - LEGAL</u>				
2400 - PROFESSIONAL SVCS - LEGAL	45,587	40,000	78,372	30,717
TOTAL PROF SERVICES - LEGAL	45,587	40,000	78,372	30,717
<u>PROF SERVICES - MEDICAL</u>				
2500 - PROFESSIONAL SVCS - MEDICAL	2,525	3,250	1,996	3,348
TOTAL PROF SERVICES - MEDICAL	2,525	3,250	1,996	3,348
<u>PROF SERVICES - PERSONNEL</u>				
2600 - PROFESSIONAL SVCS - PERSONNEL	-	7,650	21,022	8,875
TOTAL PROF SERVICES - PERSONNEL	-	7,650	21,022	8,875
<u>OFFICE SUPPLIES</u>				
3000 - OFFICE SUPPLIES	5,174	6,679	4,493	11,910
TOTAL OFFICE SUPPLIES	5,174	6,679	4,493	11,910
<u>MISCELLANEOUS</u>				
3100 - POSTAGE	84,928	81,200	90,562	97,932
3101 - DISTRICT NEWSLETTER	1,848	1,799	1,658	1,881
3200 - MISCELLANEOUS	3,130	3,335	3,496	3,393
3300 - EMPLOYEE ASSISTANCE EAP	740	1,035	1,128	1,123
TOTAL MISCELLANEOUS	90,646	87,369	96,844	104,329

DUCKETT CREEK SANITARY DISTRICT - 2026 ADMINISTRATION EXPENSE BUDGET - DEPARTMENT 10

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>TRAINING/EDUCATION</u>				
4000 - TRAVEL & TRAINING	13,539	28,188	26,154	24,174
4001 - SPECIALIZED EDUCATION/TRAINING	5,990	4,000	2,190	4,000
TOTAL TRAINING/EDUCATION	19,529	32,188	28,344	28,174
<u>STAFF DEVELOPMENT</u>				
4100 - STAFF DEVELOPMENT	12,813	20,018	16,883	18,000
TOTAL STAFF DEVELOPMENT	12,813	20,018	16,883	18,000
<u>COMMUNITY AFFAIRS</u>				
4200 - COMMUNITY AFFAIRS	1,117	1,200	1,313	1,400
TOTAL COMMUNITY AFFAIRS	1,117	1,200	1,313	1,400
TOTAL ADMINISTRATION:	1,808,257	1,977,669	1,924,355	2,064,490

DUCKETT CREEK SANITARY DISTRICT - 2026 INFORMATION SERVICES EXPENSE BUDGET - DEPARTMENT 12

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>COMPUTER MAINTENANCE</u>				
12 - 1100 PROGRAMMING	7,774	25,500	11,970	13,250
1101 - SOFTWARE	-	31,350	22,850	44,436
1102 - SOFTWARE SUPPORT & MAINTENANCE	149,199	92,110	108,503	105,762
1103 - COMPUTER EQUIPMENT	19,985	19,000	19,000	19,300
TOTAL COMPUTER MAINTENANCE	176,958	167,960	162,323	182,748
<u>EQUIPMENT LEASE</u>				
1400 - EQUIPMENT LEASE	6,588	7,350	6,163	7,000
TOTAL EQUIPMENT LEASE	6,588	7,350	6,163	7,000
<u>EQUIPMENT MAINTENANCE</u>				
1500 - OFFICE EQUIPMENT MAINTENANCE	6,490	7,470	7,369	9,070
TOTAL EQUIPMENT MAINTENANCE	6,490	7,470	7,369	9,070
<u>DUES & PUBLICATIONS</u>				
2100 - DUES & PUBLICATIONS	-	-	-	-
TOTAL DUES & PUBLICATIONS	-	-	-	-
<u>TRAINING/EDUCATION</u>				
4000 - TRAVEL & TRAINING	1,241	4,600	1,903	3,000
TOTAL TRAINING/EDUCATION	1,241	4,600	1,903	3,000
<u>TELEPHONE/PAGERS</u>				
5100 - TELEPHONE, INTERNET, SATELLITE	56,206	60,850	59,946	67,990
5101 - CELLULAR PHONE	20,903	26,400	22,638	26,790
TOTAL TELEPHONE/PAGERS	77,108	87,250	82,583	94,780
TOTAL INFORMATION SERVICES:	268,385	274,630	260,341	296,598

DEPARTMENT OF ENGINEERING

This department is responsible for the review, inspection and approval of all public and private development plans for sanitary sewer systems within the District. It issues all permits for public sewers and connections to public sewers.

Duties performed by this department include:

- enforcement and collection of connection fees
- repair of the collection system and easements
- establishing and monitoring escrow accounts and recoupments
- review for compliance the as-built drawings
- camera inspections
- dedication of all public systems
- administration of the District's sewer lateral repair program

The Director of Engineering or his designee acts as liaisons between Engineering, Contractors and staff in overseeing the various capital improvement projects.

This department currently employs 18.5 full-time equivalency (FTE) positions including half of the Director of Engineering and Operations' position.

DUCKETT CREEK SANITARY DISTRICT - 2026 ENGINEERING EXPENSE BUDGET - DEPARTMENT 20

DEPARTMENTAL EXPENDITURES		2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>WAGES - REGULAR</u>					
20 - 0001 WAGES-ENGINEERING-FULL TIME		1,258,182	1,414,893	1,409,372	1,701,000
0002 - WAGES-ENGINEERING-PART TIME		28,734	26,100	17,255	22,264
	TOTAL WAGES-REGULAR	1,286,916	1,440,993	1,426,627	1,723,264
<u>WAGES - OVERTIME</u>					
0100 - WAGES-ENGINEERING-OVERTIME		48,180	60,000	39,554	58,000
0101 - PERSONAL LEAVE BUY BACK		2,649	3,837	2,787	4,294
	TOTAL WAGES-OVERTIME	50,830	63,837	42,341	62,294
<u>FRINGE BENEFITS</u>					
0200 - FICA		98,931	115,119	112,376	136,595
0201 - ER RETIREMENT CONTRIBUTION		196,261	213,448	218,788	264,500
0202 - DISABILITY & LIFE INSURANCE		12,092	14,038	14,030	18,032
0204 - HEALTH INSURANCE		264,667	327,782	282,784	406,350
0205 - DENTAL INSURANCE		9,348	10,700	10,677	15,000
0207 - VISION INSURANCE		1,604	1,715	1,641	2,162
0208 - CAR ALLOWANCE		2,400	2,400	2,400	2,400
	TOTAL FRINGE BENEFITS	585,303	685,202	642,697	845,039
<u>DUES & PUBLICATIONS</u>					
2100 - DUES & PUBLICATIONS		9,562	11,654	11,398	12,184
	TOTAL DUES & PUBLICATIONS	9,562	11,654	11,398	12,184
<u>PROF SERVICES - ENGINEERING</u>					
2200 - PROFESSIONAL SVCS - ENGINEERING		-	-	-	-
	TOTAL PROFESSIONAL SVCS - ENGINEERING	-	-	-	-
<u>MISCELLANEOUS</u>					
3200 - MISCELLANEOUS		232	500	467	523
	TOTAL MISCELLANEOUS	232	500	467	523
<u>TRAINING/EDUCATION</u>					
4000 - TRAVEL & TRAINING		14,747	25,030	24,756	25,834
	TOTAL TRAINING/EDUCATION	14,747	25,030	24,756	25,834
<u>COMMUNITY AFFAIRS</u>					
4200 - COMMUNITY AFFAIRS		923	1,064	833	1,112
	TOTAL COMMUNITY AFFAIRS	923	1,064	833	1,112

DUCKETT CREEK SANITARY DISTRICT - 2026 ENGINEERING EXPENSE BUDGET - DEPARTMENT 20

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>MAINTENANCE SUPPLIES</u>				
6000 - SEWER LINE MAINTENANCE	324,480	520,000	208,623	900,000
6002 - EQUIPMENT & TOOLS	76,368	90,000	85,302	94,556
6003 - SAFETY SUPPLIES AND EQUIPMENT	7,833	10,000	9,808	10,506
6090 - MANHOLE REHAB SUPPLIES	70,005	70,200	69,540	73,754
TOTAL MAINTENANCE SUPPLIES	478,686	690,200	373,273	1,078,816
<u>BACK-UP REIMBURSEMENT</u>				
6400 - BACK-UP REIMBURSEMENT	7,531	20,000	28,820	60,000
TOTAL BACK-UP REIMBURSEMENT	7,531	20,000	28,820	60,000
<u>MISSOURI ONE CALL</u>				
6700 - MISSOURI ONE CALL	4,089	5,400	4,123	5,228
TOTAL MISSOURI ONE CALL	4,089	5,400	4,123	5,228
TOTAL ENGINEERING:	2,438,819	2,943,880	2,555,334	3,814,294

DEPARTMENT OF OPERATIONS & MAINTENANCE

This department performs repairs, periodic maintenance and operation of the District facilities including treatment plants, administration building, lift stations, and the MBR plants. Duties performed include water testing and Department of Natural Resources reporting, land application of bio solids and general operations and maintenance.

This department is responsible for compliance with the Missouri Department of Natural Resources and the U.S. Environmental Protection Agency.

This department currently employs 16.5 full-time equivalency positions including half of the Director of Engineering and Operations' position.

DUCKETT CREEK SANITARY DISTRICT - 2026 O&M EXPENSE BUDGET - DEPARTMENT 31

DEPARTMENTAL EXPENDITURES		2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>WAGES - REGULAR</u>					
31 - 0001 WAGES-O & M-FULL TIME		1,337,295	1,424,655	1,391,140	1,680,643
0002 - WAGES-O & M-PART TIME		-	-	-	-
TOTAL WAGES-REGULAR		1,337,295	1,424,655	1,391,140	1,680,643
<u>WAGES - OVERTIME</u>					
0100 - WAGES-O & M-OVERTIME		109,036	110,000	141,520	110,000
0101 - PERSONAL LEAVE BUY BACK		6,821	8,111	8,074	7,648
TOTAL WAGES-OVERTIME		115,857	118,111	149,594	117,648
<u>FRINGE BENEFITS</u>					
0200 - FICA		105,352	118,022	117,866	137,570
0201 - ER RETIREMENT CONTRIBUTION		224,152	232,958	232,651	267,945
0202 - DISABILITY & LIFE INSURANCE		11,893	13,438	13,390	17,315
0204 - HEALTH INSURANCE		260,529	293,878	283,057	350,090
0205 - DENTAL INSURANCE		9,115	10,164	10,120	12,450
0207 - VISION INSURANCE		1,653	1,653	1,653	1,806
0208 - CAR ALLOWANCE		2,400	2,400	2,400	2,400
0209 - UNIFORMS		12,906	15,000	14,750	18,909
TOTAL FRINGE BENEFITS		627,999	687,513	675,887	808,485
<u>PROGRAM INSURANCE</u>					
1200 - COMP/GEN LIABILITY INSURANCE		221,224	192,214	224,437	285,660
1201 - VEHICLE INSURANCE		79,758	80,151	80,226	84,240
TOTAL PROGRAM INSURANCE		300,982	272,365	304,663	369,900
<u>DUES & PUBLICATIONS</u>					
2100 - DUES & PUBLICATIONS		3,610	3,480	3,485	3,625
TOTAL DUES & PUBLICATIONS		3,610	3,480	3,485	3,625
<u>PROF SERVICES - MEDICAL</u>					
2500 - PROFESSIONAL SVCS - MEDICAL		-	-	-	-
TOTAL PROFESSIONAL SVCS - MEDICAL		-	-	-	-
<u>PROF SERVICES - ENGINEERING</u>					
2200 - PROFESSIONAL SVCS - ENGINEERING		17,361	45,260	45,198	29,175
TOTAL PROFESSIONAL SVCS - ENGINEERING		17,361	45,260	45,198	29,175

DUCKETT CREEK SANITARY DISTRICT - 2026 O&M EXPENSE BUDGET - DEPARTMENT 31

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>MISCELLANEOUS</u>				
3200 - MISCELLANEOUS	447	600	206	627
TOTAL MISCELLANEOUS	447	600	206	627
<u>TRAINING/EDUCATION</u>				
4000 - TRAVEL & TRAINING	15,247	20,705	22,421	20,705
TOTAL TRAINING/EDUCATION	15,247	20,705	22,421	20,705
<u>COMMUNITY AFFAIRS</u>				
4200 - COMMUNITY AFFAIRS	191	440	440	460
TOTAL COMMUNITY AFFAIRS	191	440	440	460
<u>UTILITIES</u>				
5000 - WATER	121,272	137,509	132,554	147,240
5001 - TRASH	11,176	11,883	17,313	19,305
5002 - ELECTRICITY	1,094,779	1,241,307	1,238,135	1,397,124
5003 - GAS/PROPANE	43,415	80,625	52,295	85,788
TOTAL UTILITIES	1,270,642	1,471,324	1,440,296	1,649,457
<u>LIFT STATION/PLANT MAINT</u>				
6200 - BUILDING & GROUND MAINTENANCE	71,801	66,200	78,696	95,129
TOTAL LIFT STATION/PLANT MAINT	71,801	66,200	78,696	95,129
<u>VEHICLE EQUIPMENT</u>				
6800 - VEHICLE MAINTENANCE	52,672	61,498	58,840	63,038
TOTAL VEHICLE EXPENSE	52,672	61,498	58,840	63,038
TOTAL O & M:	3,814,104	4,172,151	4,170,867	4,838,892

DUCKETT CREEK SANITARY DISTRICT - 2026 O&M EXPENSE BUDGET - DEPARTMENT 32

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>MAINTENANCE SUPPLIES</u>				
32 - 6001 LAB CONSUMABLE SUPPLIES	71,158	77,250	61,104	78,797
TOTAL MAINTENANCE SUPPLIES	71,158	77,250	61,104	78,797
<u>BIO-SOLID REMOVAL</u>				
6101 - BIO-SOLID REMOVAL - VEH/EQU MAINT	47,361	80,000	67,214	94,556
6102 - BIO-SOLID POLYMER	94,392	162,000	165,173	166,419
TOTAL BIO-SOLID REMOVAL	141,753	242,000	232,387	260,975
<u>ODOR CONTROL</u>				
6300 - LIFT STATION ODOR CONTROL	36,089	24,000	24,000	63,458
6301 - PLANT ODOR CONTROL	33,222	50,000	50,000	67,600
TOTAL ODOR CONTROL	69,311	74,000	74,000	131,058
<u>PERMITS, FEES</u>				
6500 - PLANT OPERATING PERMIT	30,990	31,500	31,660	82,933
TOTAL PERMITS, FEES	30,990	31,500	31,660	82,933
<u>VEHICLE EXPENSE</u>				
6801 - FLEET GASOLINE	70,110	92,000	72,214	96,658
6802 - DIESEL FUEL	45,599	71,010	48,110	74,605
TOTAL VEHICLE EXPENSE	115,708	163,010	120,324	171,263
TOTAL O & M TREATMENT PLANT:	428,920	587,760	519,475	725,026

DUCKETT CREEK SANITARY DISTRICT - 2026 O & M FIELD EXPENSE BUDGET - DEPARTMENT 33

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>MAINTENANCE SUPPLIES</u>				
33 - 6002 EQUIPMENT & TOOLS	13,119	15,000	15,000	15,759
TOTAL MAINTENANCE SUPPLIES	13,119	15,000	15,000	15,759
TOTAL O & M FIELD:	13,119	15,000	15,000	15,759

DUCKETT CREEK SANITARY DISTRICT - 2026 O & M LS/PLANT MAINT EXPENSE BUDGET - DEPARTMENT 34

DEPARTMENTAL EXPENDITURES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>LIFT STATION/PLANT MAINTENANCE</u>				
34 - 6201 - PLANT MAINTENANCE	305,667	300,000	310,000	300,000
6202 - PLANT PROJECTS	109,369	327,000	250,000	315,000
6203 - PLANT PARTS/PUMPS INVENTORY (COMBINED W/34.6204 in FY26)	27,247	45,000	45,000	100,000
6204 - PLANT PUMPS AND PUMP PARTS	103,560	60,000	60,000	-
6205 - PAVING	34,850	50,000	50,000	50,000
6211 - LIFT STATION MAINTENANCE	124,784	100,000	105,000	100,000
6212 - LIFT STATION PROJECTS	51,134	-	-	-
6213 - LIFT STATION PARTS/PUMPS INVENTORY (COMBINED W/34.6214 in FY26)	9,412	20,000	20,000	70,000
6214 - LIFT STATION PUMPS AND PUMP PARTS	6,447	50,000	62,865	-
TOTAL LIFT STATION/PLANT MAINT	772,470	952,000	902,865	935,000
TOTAL O & M LS/PLANT MAINT:	772,470	952,000	902,865	935,000



Debt Service

The debt service budget portion of the budget is used to account for the resources accumulated for the payment of the District's 2015 Sewerage System Refunding Revenue Bonds and two private placement lease financings. All bonds issued by the District are considered revenue bonds or lease hold bonds.

The debt service revenues are comprised of excess revenues, user fees and certain restricted accounts established by bond covenants. Although there is no debt limit imposed by law for the District, a voter referendum is required for additional revenue debt issues. Existing bond covenants contain certain reserve requirements that must be met on an ongoing basis and prior to issuing new debt.

The District participated in the SRF Series 2006 was issued for various projects including an upgrade to one treatment plant, relocating a major force main and constructing two (2) additional MBR plants, the first public MBR plants in the state.

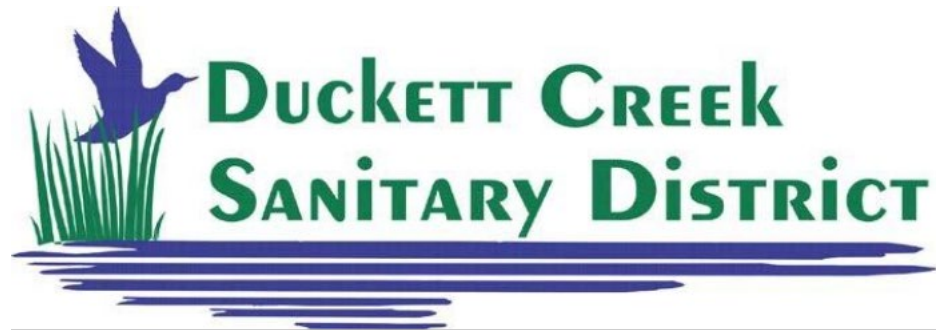
In 2015, the District refunded a portion of its outstanding 2006 series bonds.

During 2016, the District obtained a private placement lease financing with Commerce Trust to add capacity and improvements to Treatment Plant 2 and improvements to Treatment plant 1.

In November 2022, the District obtained a private placement lease financing with Simmons Bank to build a new treatment plant in western St. Charles County.

The District debt issues contain a 1.10 (110%) coverage ratio requirement. The projected bond coverage ratio for 2025 is 1.88 and 1.63 for 2026. In September 2023, Moody's reaffirmed the District's Aa3 rating.

The enclosed Schedule of Revenue Bonds and debt payable reflects all current outstanding debt of the District. The Debt Service Report indicates reserve appropriations for the new budget year ending December 31, 2026.



Duckett Creek Sanitary District Schedule of Revenue Bonds Payable 2026

YEAR	PRINCIPAL	INTEREST	TOTAL
2026	2,496,000	1,725,766	4,221,766
2027	1,800,000	1,638,784	3,438,784
2028	1,875,000	1,564,444	3,439,444
2029	1,950,000	1,487,007	3,437,007
2030	2,030,000	1,406,472	3,436,472
2031	2,115,000	1,322,633	3,437,633
2032	2,205,000	1,235,283	3,440,283
2033	2,295,000	1,144,217	3,439,217
2034	2,390,000	1,049,433	3,439,433
2035	2,485,000	950,726	3,435,726
2036	2,590,000	848,096	3,438,096
2037	2,695,000	741,129	3,436,129
2038	2,810,000	629,825	3,439,825
2039	2,925,000	513,772	3,438,772
2040	3,045,000	392,970	3,437,970
2041	3,170,000	267,211	3,437,211
2042	3,300,000	136,290	3,436,290
TOTALS:	42,176,000	17,054,054	59,230,054

Note: This schedule reflects actual debt payments due.
The District's cash basis budget reflects debt service funding requirements.

DUCKETT CREEK SANITARY DISTRICT - 2026 DEBT SERVICE EXPENSE BUDGET - DEPARTMENT 11

DEPARTMENTAL EXPENDITURES

INTEREST EXPENSE

11 - 7005 - BOND INT-PRINCIPAL EXP 2015

7006 - BOND INT-PRINCIPAL EXP 2016

7007 - BOND INT-PRINCIPAL EXP 2022

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
	2,378,500	2,320,500	2,120,500	-
	890,091	780,741	781,949	671,004
	3,726,230	3,438,791	3,438,911	3,440,233
TOTAL INTEREST EXPENSE	6,994,821	6,540,032	6,341,360	4,111,237

INTEREST INCOME

7100 REGULAR INTEREST INCOME

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2025 BUDGET
	(2,110,128)	(711,204)	(1,325,156)	(424,310)
TOTAL INTEREST INCOME	(2,110,128)	(711,204)	(1,325,156)	(424,310)

TOTAL DEBT SERVICE:	4,884,693	5,828,828	5,016,204	3,686,927
----------------------------	------------------	------------------	------------------	------------------

This Page Intentionally Left Blank

Capital Improvements Overview

The capital expenditure needs are considered during the normal budgeting process. Funding for individual projects is provided from user and connection fees, Revenue Bond proceeds and lease financing proceeds. The repayment of these bonds is accounted for in the debt service portion of the budget.

During Fiscal-Year 2006 the District issued \$18.8M in revenue bonds. The proceeds were utilized to fund upgrading of our oldest treatment plant, relocation of a major force main and construction of up to four MBR plants to service growth areas. Two MBR plants were finalized and built at Riverdale and Wyndgate subdivisions. A portion of these bonds will be repaid through a special surcharge assessed to the users of the MBR plants and developers through connection fees. The District made the last payment on the 2006 revenue issue in December 2018. A portion of these bonds was refunded in 2015 with a 2015 revenue bond issue.

The District began a program in 2009 to comply with Capacity Management Operation and Maintenance (CMOM) regulations mandated by the Environmental Protection Agency (EPA). The program requires entities to televise, document, repair or replace deteriorating systems and collection lines on a rotating basis.

Based on the results of this inspection and repair work the District identified approximately \$7 million in collection system repair/replace projects to be completed over a span of approximately 10 years. In addition to that 10-year period, the District continues to identify collection system repair needs through a robust video inspection program. With collection line repair needs identified in this manner, the District's CMOM/CIPP repair program remains an integral component of each annual budget. In 2026 the District continues its work inspecting and evaluating its collection system for future repair or replacement.

The District will also continue implementation of a plant and pump station upgrade program that began with the upgrade of the Highway K lift station. In 2016 to 2018 the District completed construction of a Treatment Plant 2 redundancy "capacity project" plus upgrades at plant 1 and 2 after issuing financing for a portion of this \$12.2 million-dollar project. Additional projects during the 2017-2022 years include the replacement of TP1 influent pumps, grit pumps, and HVAC, engineering and renovations for a TP2 workshop and TP1 building improvements in 2021. Fiscal year 2022-2023 capital items include Riverdale's expansion and aeration equipment replacement at TP1. A major \$1.8 million dollar aeration overhaul was also completed in 2022 and 2023 for the TP2 plant. In 2024 and 2025, the District continued major improvements for lift stations, large equipment repairs and replacement, large vehicle purchases and fleet purchases, as well as treatment plant 4 construction. The District continued the CIPP program in 2025 and included funding for it in 2026. The fiscal year 2026 capital budget also includes plans for completion of the O'Fallon Hills lift station improvements, Highway K Lift Station upgrades, Dardenne Lift Station rehab, Clover Meadows Lift Station installation, ADA compliant improvements at the Administration Building, fleet replacement, and various other projects as detailed on the following page.

The Capital Improvements section provides a summary of information by budget year and project. The District regularly updates a ten-year capital plan and uses projections to provide a 20- and 30-year long term plan including important capital expense items.

DUCKETT CREEK SANITARY DISTRICT - 2026 CAPITAL BUDGET - DEPARTMENT 40

DEPARTMENTAL EXPENDITURES

CAPITAL EXPENSE (CASH BASIS)

40 - 8001 - HARVESTER MAINT FACILITY/GRNDS
 8002 - TRUCKS, HEAVY EQUIPMENT
 8004 - TREATMENT PLANT IMPROVEMENT
 8008 - SEWER LINE REPLACEMENT
 8009 - LAND EASEMENTS
 8010 - LAND ACQUISITIONS
 8011 - ENGINEERING DESIGN PROJECTS
 8012 - COMPUTERS, SMALL EQUIPMENT
 8016 - ERP SOFTWARE
 8020 - LIFT STATION IMPROVEMENTS
 8021 - BIO PAD
 8022 - ADMIN BLDG IMPROVEMENTS
 8023 - TREATMENT PLANT 4

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
	-	30,000	-	30,000
	908,053	507,000	416,579	1,100,500
	194,337	577,000	234,887	1,155,000
	-	546,607	601,396	2,450,000
	6,102	-	394	-
	-	165,000	-	-
	886,346	805,000	607,137	650,000
	7,819	55,000	10,557	12,000
	27,449	64,780	5,870	60,000
	144,398	5,363,747	1,119,834	5,775,000
	-	200,000	-	-
	145,130	84,000	41,202	80,000
	23,935,619	8,308,300	9,228,292	210,400
TOTAL CAPITAL EXPENSE	26,255,253	16,706,434	12,266,147	11,522,900
TOTAL CAPITAL:	26,255,252	16,706,434	12,266,147	11,522,900

Summary of Proposed Capital Plan FY 2026-2030

Acct.	CATEGORIES	2025 Est.	2026 Budget	2027 Planned	2028 Planned	2029 Planned	2030 Planned
40-8001	Harvester Maintenance Facility/Grnds.	\$ -	30,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
40-8002	Trucks and Heavy Equipment	\$ 416,579	1,100,500	\$ 297,500	\$ 160,000	\$ 560,000	\$ 677,500
40-8004	Treatment Plant Improvements	\$ 234,887	1,155,000	\$ 320,000	\$ 800,000	\$ 720,000	\$ 320,000
40-8008	Sewer Line Maint./Replacement	\$ 601,396	2,450,000	\$ 1,500,000	\$ 400,000	\$ 400,000	\$ 400,000
40-8009	Land Easements	\$ 394	-	\$ -	\$ -	\$ -	\$ -
40-8010	Land Acquisitions	\$ -	-	\$ -	\$ -	\$ -	\$ -
40-8011	Engineering Design Projects	\$ 607,137	650,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
40-8012	Computers/Small Equipment	\$ 10,557	12,000	\$ 12,000	\$ -	\$ -	\$ 6,000
40-8016	ERP Software	\$ 5,870	60,000	\$ 17,900	\$ 17,900	\$ 17,900	\$ 17,900
40-8020	Lift Station Improvements	\$ 1,119,834	5,775,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
40-8021	Bio Pad	\$ -	-	\$ -	\$ -	\$ -	\$ -
40-8022	Admin. Building Improvements	\$ 41,202	80,000	\$ -	\$ -	\$ -	\$ -
40-8023	Treatment Plant 4	\$ 9,228,292	210,400	\$ 1,000,000	\$ 1,265,000	\$ 1,000,000	\$ 1,000,000
Capital Expenses		\$ 12,266,147	\$ 11,522,900	\$ 3,472,400	\$ 2,967,900	\$ 3,022,900	\$ 2,746,400

Proposed Capital Budget FY2026

Account No.	Account Description	Sub-Account Description	Project Type	Project Sub Type	Proposed Budget
5.40.8001	Harvester Maint Bldg.	General Allocation	Capital	Maintenance Yard	\$5,000
5.40.8001	Harvester Maint Bldg.	Storage Bldg	Capital	Maintenance Yard	\$25,000
5.40.8002	Trucks and Heavy Equipment	Annual Fleet Replacement (replace 4 trucks PLUS add 1 new mechanic truck & 1 new field services truck)	Capital	Fleet	\$450,000
5.40.8002	Trucks and Heavy Equipment	Annual Fleet Replacement (video truck for additional FS employees (accelerated from FY2030))	Capital	Fleet	\$300,000
5.40.8002	Trucks and Heavy Equipment	Add mini hydro excavator	Capital	Fleet	\$56,000
5.40.8002	Trucks and Heavy Equipment	Add 2 pushout trailers (ordered in FY25 paid for in FY26)	Capital	Fleet	\$294,500
5.40.8004	Treatment Plant Improvements	TP1 Spirac Conveyor System (final payment of 70% of \$294,500 + installation)	Capital	Plant	\$310,000
5.40.8004	Treatment Plant Improvements	Biosolid Pad Rain Screening / Walls	Capital	Plant	\$35,000
5.40.8004	Treatment Plant Improvements	TP4 Pumping Systems (disc thickener discharge & bypass channel)	Capital	Plant	\$120,000
5.40.8004	Treatment Plant Improvements	General Allocation	Capital	Plant	\$0
5.40.8004	Treatment Plant Improvements	TP-1 Pumps (GBT discharge pump replacement with hose pump)	Capital	Plant	\$90,000
5.40.8004	Treatment Plant Improvements	TP1 Stainless Steel Gates	Capital	Plant	\$300,000
5.408004	Treatment Plant Improvements	Riverdale building improvements	Capital	Plant	\$225,000
5.408004	Treatment Plant Improvements	TP #2 Unleaded and Diesel tanks installed	Capital	Plant	\$35,000
5.408004	Treatment Plant Improvements	TP #4 Unleaded and Diesel tanks installed	Capital	Plant	\$40,000
5.40.8008	Sewer Line Maintenance	CIPP projects at various identified	Capital	Collection System	\$750,000
5.40.8008	Sewer Line Maintenance	Collection System Expansion	Capital	Collection System	\$1,700,000
5.40.8011	Engineering Design	General Engineering	Capital	Consultant Services	\$250,000
5.40.8011	Engineering Design	Rehab of Future Pump Stations	Capital	Consultant Services	\$100,000
5.40.8011	Engineering Design	TP4 West Interceptor	Capital	Consultant Services	\$300,000
5.40.8012	Computers / Small Equipment	Server Replacements	Capital	Computers/Small Equipment	\$12,000
5.40.8020	Lift Station Improvements	O'Fallon Hills PS and Storage Install	Capital	Lift Station	\$1,250,000
5.40.8020	Lift Station Improvements	Hwy DD LS Waterline	Capital	Lift Station	\$25,000
5.40.8020	Lift Station Improvements	Hwy K PS Rehab	Capital	Lift Station	\$2,750,000
5.40.8020	Lift Station Improvements	Dardenne PS rehab	Capital	Lift Station	\$1,600,000
5.40.8020	Lift Station Improvements	Clover Meadows PS Installation	Capital	Lift Station	\$150,000
5.40.8022	Admin. Bldg. Improvements	ADA Improvements	Capital	HQ	\$65,000
5.40.8022	Admin. Bldg. Improvements	Parking Area Concrete Curbing	Capital	HQ	\$15,000

This Page Intentionally Left Blank

Sewer Lateral Program

The Sewer Lateral Program was newly implemented in fall of 2016 for an official program start date of January 1, 2017. The program is funded with a \$28 annual fee approved in the April 2016 election for sewer lateral repairs for Duckett Creek customers that are not covered by another municipal sewer lateral program. This program pays for costs related to diagnosis and repair or replacement of sewer lines with a targeted maximum outlay of \$7,500.

The 2026 budget includes revenue projected at \$718,780 and expenses totaling \$685,597 with \$560,000 appropriated for sewer lateral repairs. Budgeted expenses also include personnel expenses for the following Engineering positions:

- Operation of the program by the Engineering Assistant with 7% of this position's time allotted to the program. The program also pays for 50% of the major employee benefits for this position.
- Additional operation of the program by an Inspector with 76.5% of this position's time allotted to the program. The program also pays for 50% of the major employee benefits for this position.
- Administration of the program by the Senior Engineering Assistant with 1.5% of this position's time allotted to the program.
- Oversight of the program by the Director of Engineering with 1% of this position's time allotted to the program.

The budget also includes office supplies, vehicle fuel, insurance and maintenance, cell phone fees, professional services for computer information services and accounting salaries for overseeing the program's financial resources. As mentioned above, the majority of the expense budget or \$560,000 is appropriated for sewer lateral repairs. The fund is budgeted to end the 2026 year with a net income of \$33,183 and an estimated program balance of \$867,155 which is restricted for future residential sewer lateral repairs.

DUCKETT CREEK SANITARY DISTRICT - 2026 SEWER LATERAL PROGRAM BUDGET

REVENUES

SEWER LATERAL REVENUES

OTHER REVENUE
SEWER LATERAL FEES
INTEREST INCOME

TOTAL REVENUES

2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
-	8,500	8,500	-
694,064	697,200	703,260	706,780
53,759	44,000	51,948	12,000
747,823	749,700	763,708	718,780

EXPENSES

ADMINISTRATION
INFORMATION SERVICES
ENGINEERING
O&M
O&M TREATMENT PLANT
TOTAL OPERATIONAL EXPENSES
CAPITAL EXPENSES

TOTAL EXPENSES

2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
21,124	22,998	22,998	18,520
2,353	2,066	2,066	3,282
527,837	652,682	645,448	656,536
5,599	6,199	6,199	6,259
479	1,000	416	1,000
557,393	684,945	677,127	685,597
-	35,000	29,630	-
557,393	719,945	706,757	685,597

REVENUES OVER/(UNDER) EXPENSES

190,431	29,755	56,951	33,183
---------	--------	--------	--------

PROGRAM BALANCE:

777,021	806,776	833,972	867,155
----------------	----------------	----------------	----------------

2026 SEWER LATERAL EXPENSE DETAIL

ADMINISTRATION DEPARTMENT '10' EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
ADMINISTRATION SALARIES	11,226	11,832	11,832	8,638
FICA	859	905	905	660
ER RETIREMENT CONTRIBUTION	1,751	1,787	1,787	1,287
WORKER'S COMPENSATION INS	2,015	2,337	2,337	1,888
HEALTH INSURANCE	2,302	2,521	2,521	2,760
ACCOUNTING FEES	1,100	1,115	1,115	1,130
LEGAL SERVICES	1,250	2,000	2,000	1,616
OFFICE SUPPLIES	521	401	401	441
POSTAGE	-	-	-	-
MISCELLANEOUS	100	100	100	100
TOTAL ADMINISTRATION EXPENSES	21,124	22,998	22,998	18,520

INFORMATION SERVICES DEPARTMENT '12' EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
PROGRAMMING	250	250	250	250
SOFTWARE	-	64	64	64
SOFTWARE SUPPORT & MAINTENANCE	524	565	565	1,058
COMPUTER EQUIPMENT	353	-	-	700
TELEPHONE, INTERNET, SATELLITE	806	767	767	790
CELLULAR PHONE	420	420	420	420
TOTAL INFORMATION SERVICES EXPENSES	2,353	2,066	2,066	3,282

ENGINEERING DEPARTMENT '20' EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
ENGINEERING SALARIES	60,220	63,166	63,166	65,434
OVERTIME	-	2,000	2,000	2,000
FICA	4,760	4,985	4,985	5,158
ER RETIREMENT CONTRIBUTION	9,394	9,840	9,840	10,048
HEALTH INSURANCE	11,590	12,691	12,691	13,896
SEWER LATERAL REPAIR	441,874	560,000	552,766	560,000
TOTAL ENGINEERING EXPENSES	527,837	652,682	645,448	656,536

O & M DEPARTMENT '31' EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
VEHICLE INSURANCE	1,200	1,260	1,260	1,323
ELECTRICITY	1,117	1,327	1,327	1,500
NATURAL GAS	316	200	200	200
BUILDING MAINTENANCE	2,366	2,794	2,794	2,600
VEHICLE MAINTENANCE	600	618	618	636
TOTAL O & M EXPENSES:	5,599	6,199	6,199	6,259

O & M TREATMENT PLANT DEPARTMENT '32' EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
FLEET FUEL	479	1,000	416	1,000
TOTAL O & M TREATMENT PLANT EXPENSES	479	1,000	416	1,000

CAPITAL EXPENSES

	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
TRUCKS	-	35,000	29,630	-
TOTAL CAPITAL EXPENSES	-	35,000	29,630	-

TOTAL EXPENSES: **557,393** **719,945** **706,757** **685,597**

This Page Intentionally Left Blank

Revenue and Other Information

This section includes a community profile with various demographic information regarding the area where the District is located. There is also a brief statement about the economic outlook. A copy of the approved budget resolution and glossary of terms completes this section's information.

St. Charles County, where the District is located, is the third largest county in the state of Missouri behind Saint Louis County and Jackson County, where Kansas City is located. The City of O'Fallon, Missouri, where the District's administrative office is located, is the seventh largest city in the state. O'Fallon is a community of varied attributes that makes us an attractive place to live and work.

Over 60% of the homes in St. Charles County, Missouri, were built since 1980 making us a young community. The median age is 39.8 and 42% of the population hold bachelor's degrees or higher. The median family income in 2024 was \$104,692, among the highest in the St. Louis Region. A March 2024 study by the Robert Wood Johnson Foundation ranks St. Charles County among Missouri's healthiest counties for a fifteenth year considering it among the healthiest in the country for health outcomes and health factors. As of November 2025, the unemployment rate was 2.8% compared to 3.5% for the same month statewide (not seasonally adjusted).

The most significant employment growth area of the District is along U.S. Highway 40/61. Marketed as a "high-tech" corridor, steady development has attracted numerous technology jobs for the residents of St. Charles County. The most significant employers located in the corridor are MasterCard Worldwide (3,450 employees), Citigroup (1,858 employees), Progress West Healthcare Center (1,547 employees), and Nike Air (800 employees). Another significant development along U.S. Highway 40/61 corridor and served by the District is the University of Missouri Research Park, a corporate park development that is home of the Missouri Bluffs Golf Club. The O'Fallon Corporate Centre, also located within the corridor was the first "FibrePark" in eastern Missouri.

The largest residential development located in the District is Winghaven, the "City within a City". Winghaven is a \$550 million planned development totaling 1,100 acres within the high-tech corridor. The development provides 1,700 housing units and 850 apartments, including 450 senior citizens units. There is an 18-hole Jack Nicklaus designed golf course and a residential village located in the development. Several commercial sites are located in the development, the largest being MasterCard Worldwide.

LONG-TERM FINANCIAL PROJECTIONS

A 2021 rate study conducted by Stantec Consulting reestablished Duckett Creek was the only areawide sewer service not to have an equal rate for both commercial and residential services, the commercial rate was reviewed for a three-year phased-in progression toward full parity. These three increases to the commercial rate occurred in March 2022, 2023, and 2024. The parity adjustments increase the commercial rate from \$3.05 per thousand gallons to \$5.35 per thousand gallons to reach full parity. Stantec Consulting also provided an update to the District's rate study in 2022 confirming the need for a residential rate increase after a period of 9 years with no change in the residential rate. The District delayed the rate increase as long as possible and the ensuing flat rate of \$26.75 per month began in March of 2023 and is projected to remain stable for another nine-year period if all financial projection components remain unchanged. The financial rate setting tool will now be utilized annually in conjunction with each fiscal year's budget presentation to better assess the District's long-term financial wellbeing.

In summary, the economic outlook for the District continues to be conservative but optimistic. The District is well positioned to accommodate future growth while protecting system assets in a timely manner.

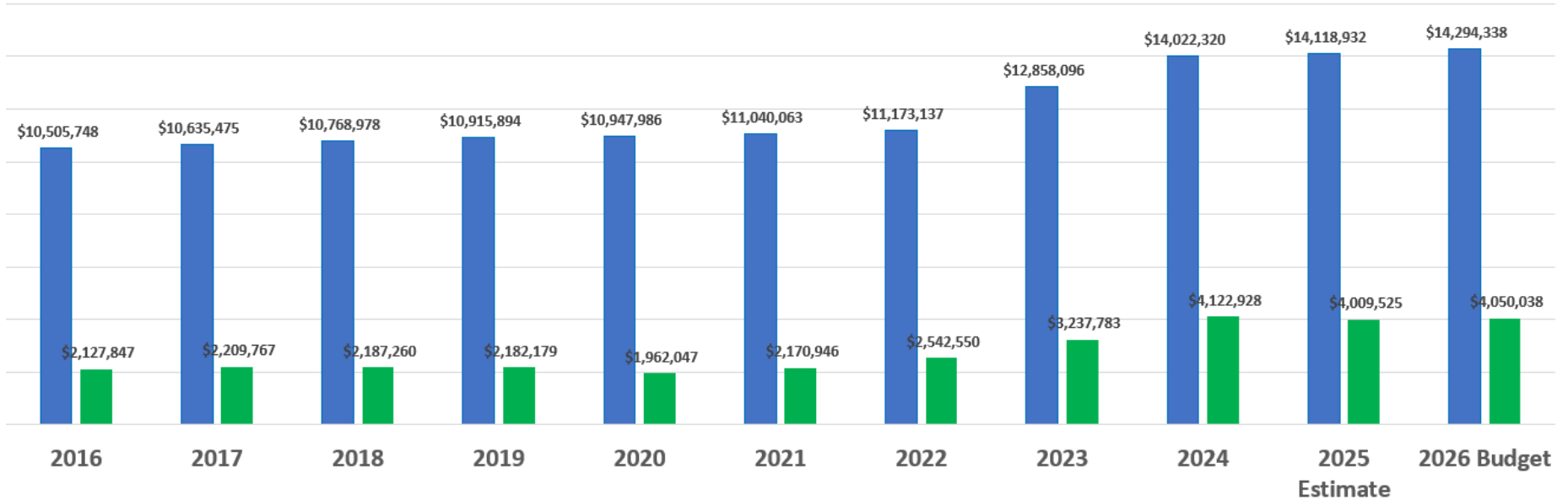
DUCKETT CREEK SANITARY DISTRICT - 2026 REVENUE BUDGET

REVENUES	2024 ACTUAL	2025 BUDGET	2025 ESTIMATE	2026 BUDGET
<u>RESIDENTIAL CHARGES</u>				
01 - 4001 - SEWER CHARGES-RESIDENTIAL	13,473,028	13,475,381	13,521,840	13,572,522
01 - 4002 - RIVERDAL SEWER CHARGES RESIDENTIAL	159,582	173,100	173,224	212,984
01 - 4003 - WYNDGATE SEWER CHARGES RESIDENTIAL	357,494	358,708	364,458	445,560
01 - 4004 - HOPEWELL SEWER CHARGES RESIDENTIAL	282	22,600	26,856	42,372
01 - 4030 - SEWER LATE CHARGES	30,431	18,000	31,380	20,000
01 - 4040 - NSF FEES	1,503	900	1,176	900
TOTAL RESIDENTIAL CHARGES	14,022,320	14,048,689	14,118,933	14,294,338
<u>COMMERCIAL CHARGES</u>				
01 - 4115 - SEWER CHARGES-COMMERCIAL	4,113,189	3,862,625	3,998,655	4,039,058
01 - 4117 - WYNDGATE SEWER CHARGES-COMMERCIAL	9,739	10,500	10,871	10,980
01 - 4118 - HOPEWELL SEWER CHARGES-COMMERCIAL	-	-	-	-
TOTAL COMMERCIAL CHARGES	4,122,928	3,873,125	4,009,525	4,050,038
<u>CONNECTION FEES</u>				
01 - 4210 - RESIDENTIAL CONNECTION FEES	1,103,800	104,000	979,340	196,000
01 - 4211 - COMMERCIAL CONNECTION FEES	803,330	96,000	58,980	96,000
TOTAL CONNECTION FEES	1,907,130	200,000	1,038,320	292,000
<u>SURCHARGE INCOME</u>				
01 - 4301 - SURCHARGE INCOME	-	-	-	-
01 - 4302 - RIVERDALE SURCHARGE INCOME	73,395	72,573	79,145	6,800
01 - 4303 - WYNDGATE SURCHARGE INCOME	205,826	207,104	208,787	17,625
TOTAL SURCHARGE INCOME	279,220	279,677	287,933	24,425
<u>INSPECTION FEES</u>				
01 - 4420 - INSPECTION FEES	42,160	9,500	33,401	12,350
TOTAL INSPECTION FEES	42,160	9,500	33,401	12,350
<u>OTHER REVENUE</u>				
01 - 4500 - PERMIT FEES	6,675	1,500	6,825	3,250
01 - 4501 - OTHER REVENUE	82,153	20,600	98,274	24,400
01 - 4502 - PROCEEDS SALE OF CAPITAL ASSETS	74,185	-	47,400	-
TOTAL OTHER REVENUE	163,014	22,100	152,499	27,650
TOTAL REVENUES:	20,536,772	18,433,091	19,640,610	18,700,801

The charge for sales and service revenue includes the monthly residential user fee base of \$26.75 per month. Commercial metered usage rates are \$5.35 per 1,000 gallons of water used. These rates are projected to remain steady for another seven-year period providing sufficiency to the District to meet its debt service coverage ratio and to fund needed capital improvements. Budgetary assumptions are based on historical growth and collections information.

RESIDENTIAL AND COMMERCIAL SEWER CHARGES

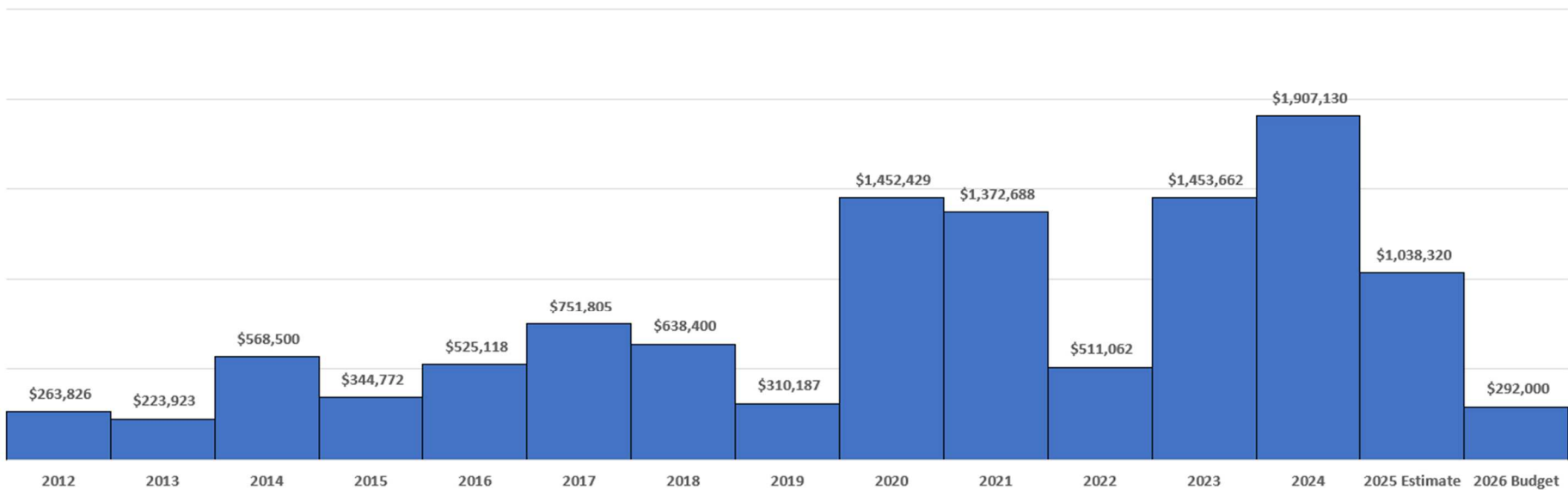
■ Residential ■ Commercial



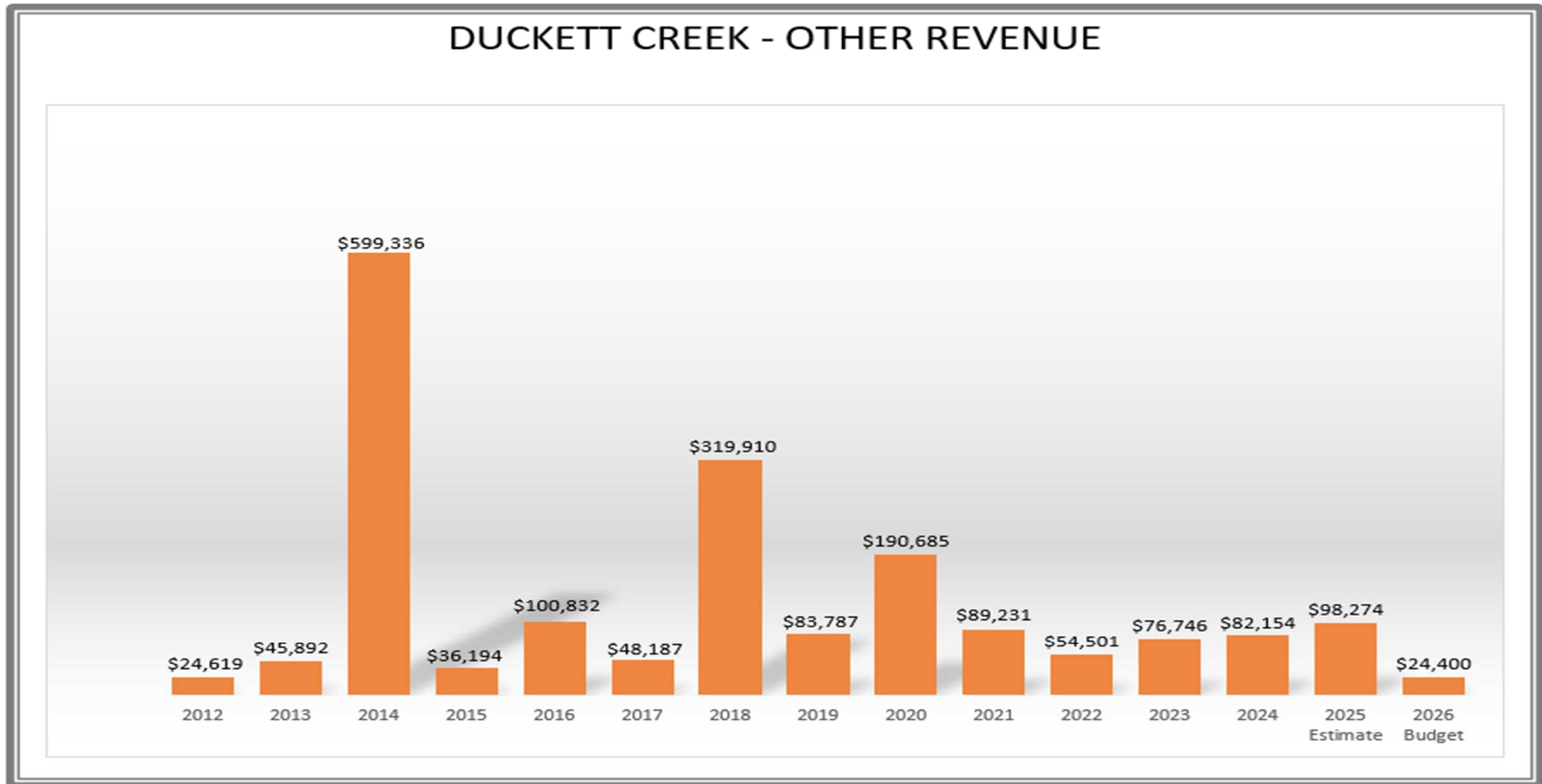
Connection Fee revenue is highly influenced by overall economic conditions, making it one of the more challenging revenues to project. This revenue fluctuates with development activity. The decline that began in 2008 reflects the housing market downturn that continued into 2012. The District saw moderate levels of new construction in existing service areas beginning in 2014 and peaking in year 2020. After a temporary dip in 2022 as build-out in existing service areas approached capacity, a significant share of connection fee revenue over the past three years has come from development within the new Treatment Plant 4 service area. However, the 2026 budget projection is intended to be conservative due to the ongoing uncertainty in development trends.

The connection fee structure is based on domestic water meter size with the base fee for a 3/4-inch meter ranging from \$800 up to \$2000 depending on the treatment plant service area of the development. Connection fee rates increase incrementally as the meter size increases. When the water meter size is unknown at the time of permitting, connection fees are calculated based on developed acreage at a rate of \$14,000 per acre and/or in combination with platted metered areas.

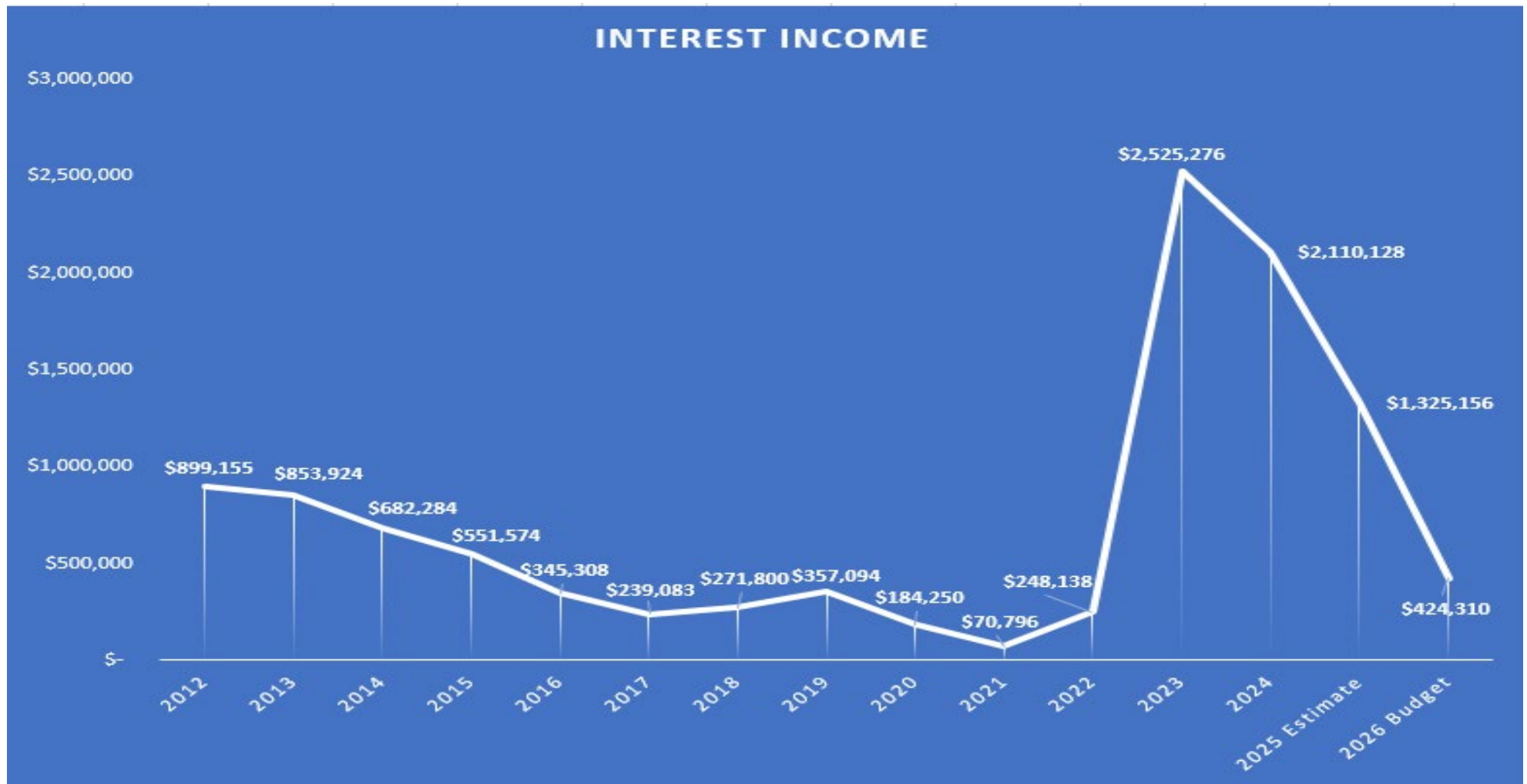
DUCKETT CREEK CONNECTION FEES



Other Revenues is a category which includes any miscellaneous sources of funding such as sale of fixed assets, cell tower revenue, credit card rebates, application fees to vacate easements, and property rental; however, revenue can fluctuate due to unexpected circumstances. Other Revenue sources include FEMA storm damage reimbursements, grant funds, insurance claim payments, sales of surplus items and other various income items. Major items include: a large refund from Zenon totaling \$545,593 was received in 2014 for a project that was cancelled. In 2016, the District received a large election expense refund. Year 2018 includes a bond interest refund of \$223,696 and health insurance rebate of \$15,261. The 2020 fiscal year includes a FEMA disaster reimbursement, a lien settlement, our health insurance surplus and vehicle trade-in. During fiscal year 2022, we received a FEMA reimbursement related to COVID-19, an IRS refund for overpaid arbitrage rebate, and a worker's compensation insurance dividend payout. In 2023, a Cigna credit, payment for a damaged sewer line, and an insurance claim was applied to Other Revenue. In fiscal year 2024, we received escrow forfeitures and Cigna credits. The District received health insurance surplus discount payments, an escrow forfeiture, and energy rebates in 2025. The 2026 budget resets revenue expectations to the minimum achievable amount for this revenue item.



A non-operating revenue source for the District is interest earned. As part of its participation in the State Revolving Loan Fund (SRF) Program the State invests certain amounts to provide debt service funding for current principle and interest payments. Due to this factor, investment interest is included in the debt service budget as an offset to expense for budgeting purposes. As this graph shows, the District's participation in the SRF loan program has reduced over the past ten years from three accounts with a larger investment pool in 2008 to one issue in 2020. All SRF Loans were paid off in 2022. The District's interest earnings on idle investments are also included in this revenue category and have adjusted over the last twelve years as indicated in the graph below. During years 2020-2022, interest returns were greatly affected by the Federal Reserve rate cuts implemented to help during the pandemic. The District began to see higher than expected returns on investments beginning in 2023 which continued into 2025. In the fall of 2022, the District issued debt to build a new treatment plant. The construction escrow fund was an interest-bearing account contributing to the increase in interest earnings from 2023-2025. That interest was restricted to the construction of the plant. The 2026 budget takes into consideration those higher trends but also maintained a conservative level approach in the expected return on investments.



This Page Intentionally Left Blank



Duckett Creek Sanitary District

3550 Hwy. K, O'Fallon, Missouri 63368-8384

Ph: (636) 441-1244
Customer Service Fax: (636) 498-8100
Engineering Fax: (636) 498-8150


RESOLUTION #25-10

RESOLUTION ADOPTING FY2026 BUDGET

IT IS HEREBY ORDERED AND RESOLVED BY THE TRUSTEES OF DUCKETT CREEK SEWER DISTRICT THAT THE ATTACHED FY2026 OPERATIONS AND CAPITAL BUDGET BE ADOPTED EFFECTIVE JANUARY 1, 2026.

ADOPTED BY THE BOARD OF TRUSTEES OF THE DUCKETT CREEK SEWER DISTRICT OF ST. CHARLES COUNTY, MISSOURI THIS 25TH DAY OF NOVEMBER, 2025.

Duckett Creek Sanitary District
By the Board of Trustees


Linda Wibbenmeyer, Chairperson


John Harshbarger, Vice-Chairperson


Bill Rebore, Board Member

Not present
Bob Schnur, Board Member


Greg Dohman, Board Member

This is to certify that this document is the original adopted by the Board of Trustees of the Duckett Creek Sewer District.

ATTEST:


Keith Arbuckle, Secretary

Dated: November 25, 2025

This Page Intentionally Left Blank



DUCKETT CREEK SANITARY DISTRICT

Glossary of Terms

Fiscal Year 2026

Accrual Basis of Accounting	Method of accounting that recognizes the financial effect of transaction, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.
Adopted Budget	The budget approved by the Board of Trustees enacted by budget appropriation resolution, on or before December 31 of each year.
Appropriation	An authorization made by the Board of Trustees which permits the District's administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and unencumbered amounts lapse at year-end.
Balanced Budget	The principal that current contemplated expenditures will not exceed current available revenues.
Bio Solids	Treated sewage sludge that meets certain EPA pollutant and pathogen requirements. It can be used for land application or composting.
Bond	A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.
Bond Rating	Grade give to bonds that indicate their credit quality.

Budget Resolution	The official enactment by the Board of Trustees establishing the legal authority for District's administrative staff to obligate and expend funds.
Budget	A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).
Budget Document	The official written statement prepared by the District staff, which presents the proposed budget to the Board of Trustees.
Capital Outlay	The purchase of items of significant value (more than \$5,000) and having a useful life of several years, also referred to as fixed assets.
CAFR	Comprehensive Annual Financial Report
Capital Projects	Projects established to account for the cost of capital improvements. Typically, a capital project encompasses a purchase of land and/or the construction of or improvements to a building or infrastructure.
Cash Basis	The basis of accounting under which revenues are recorded when received in cash and expenditures are recorded when cash is disbursed.
CIP	Construction work in progress.
CIPP	Cured in place pipe.
CMOM	Capacity, Management, Operation, and Maintenance Programs at Sanitary Sewer Collection Systems.
COMPTIA	Computing Technology Industry Association
Debt	A liability resulting from the borrowing of money or from the purchase of goods and services. Debts of governmental units include bonds, time warrants, notes, and floating debt.
Debt Service	Payment of interest and principal on debt.

Department	A management unit of closely associated District activities headed by a Director. Each department may have several divisions.
DNR	Department of Natural Resources
Effluent	Treated wastewater – also known as reclaimed water.
EIERA	Environmental Improvement and Energy Resources Authority. State Agency with oversight responsibility of the State Revolving Bonds.
Enterprise Fund	A type of proprietary fund used to account for the financing of goods or services to the general public where all or most of the operating expenses involved are recovered in the form of user charges.
EPA	Environmental Protection Agency
Expenditures	The cost of goods received or services rendered whether payments for such goods and services have been made or not.
FASB	Financial Accounting Standards Board
Fiscal Year	An accounting period extending from January 1 to the following December 31.
Flow	The volume of effluent expected to enter a treatment system within a specified time.
Fund	A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.
Fund Balance	The excess of the assets of a fund over its liabilities, reserves and carry-over.
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
Goal	The underlying reason(s) for the provision of essential District services.
HSA	Health Savings Account

LIMS	Laboratory Information Management System
Line Item Budget	A budget summarizing the detail categories of expenditure for goods and services the District intends to purchase during the fiscal year.
MBR Technology	A membrane bio-reactor is a wastewater treatment technology that uses a highly concentrated and biologically active process (activated sludge) together with a fabric (membrane) barrier to attain high quality effluent water.
MGD	Millions of gallons of flow per day.
Modified Accrual Basis	Under the modified accrual basis of accounting, recommended for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.
Net Income	A term used in accounting for governmental enterprises to designate the excess of total revenues over total expenses for an accounting period.
Proprietary Fund	Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. The two types of proprietary funds are: enterprise funds and internal service funds.
Purchase Order	A written legal document stating or confirming an offer to buy goods or services, which upon acceptance by a vendor becomes a contract. Its main function is to expedite, document, and control buying by the District.
RAS	Return activated sludge.
Recommended Budget	The budget proposed by the District staff to the Board of Trustees for adoption.
Reserves	An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.
Revenue	A term used to represent actual or expected income to a specific fund.

Revenue Bonds	Bonds whose principal and interest are payable exclusively from earnings of a public enterprise. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise's property and are then known as mortgage revenue bonds.
Sewer Lateral	Portion of sewer line, which lies between the residential exterior foundation wall and the sewer main.
Sludge	Solids removed from sewage during treatment.
State Revolving Fund (SRF)	State Environmental Improvement and Energy Resources Authority Water Pollution Control Revenue Bonds. The proceeds of the Authority's Bonds are used to purchase the bonds issued by the participating public entities (participants) pursuant to their respective ordinance or resolution. The Authority signs a Purchase Agreement with each Participant and DNR.
Transmittal Letter	A general discussion of the budget presented to the Board of Trustees as a part of the budget document. The transmittal letter explains principal budget issues against the background of financial experience in recent years and presents recommendations.
Ultraviolet Treatment	A disinfection process used in wastewater treatment to deactivate germs using high intensity ultra violet light: alternative treatment methods for disinfection would include chlorination and ozone treatment.
WWTP	Wastewater treatment plant.

Back Cover