



Duckett Creek Sanitary District Operational and Capital Budget

January 1, 2024 – December 31, 2024

Approved November 28, 2023



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

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Fiscal Year 2024

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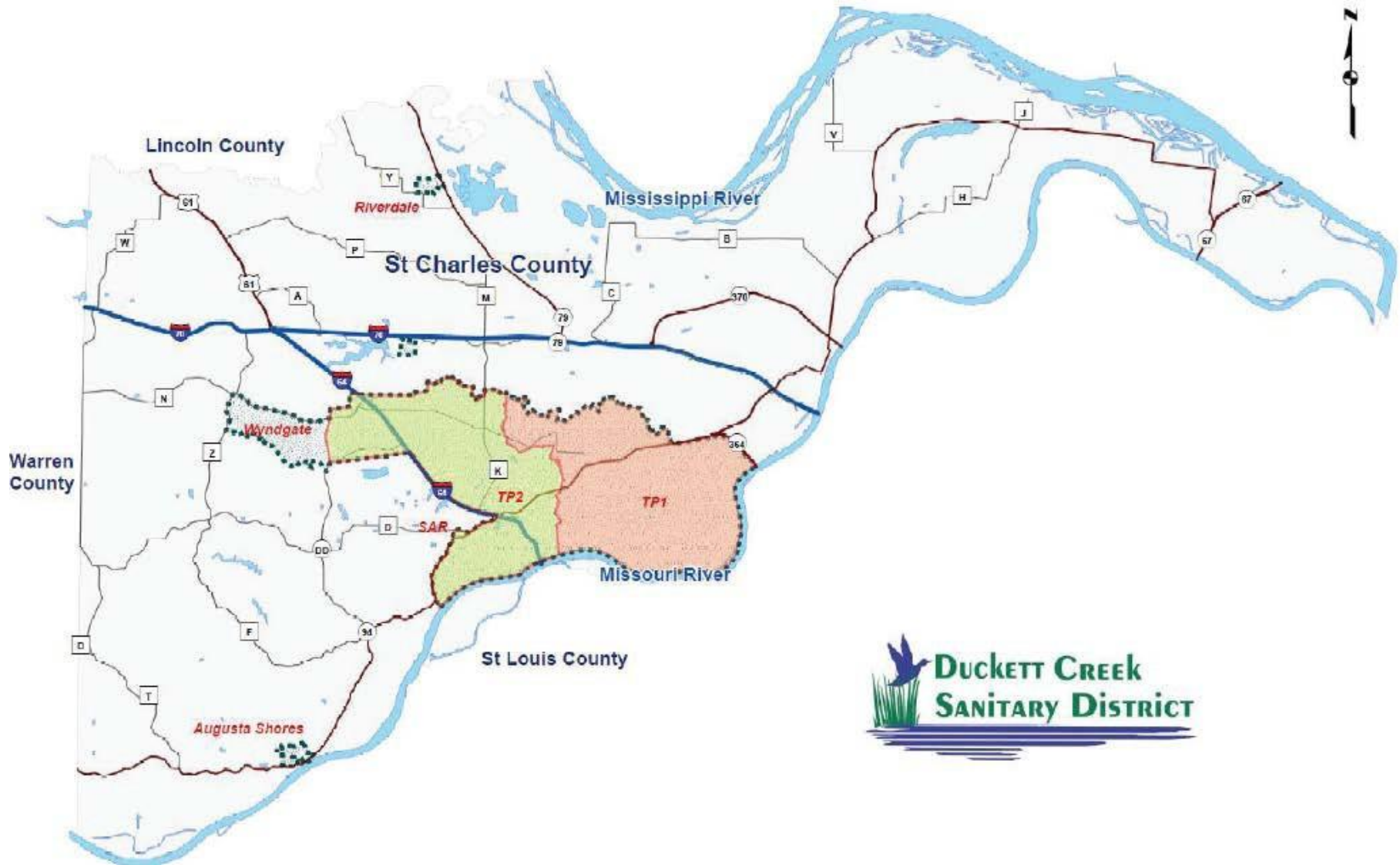
Introduction

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 47 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 416,659. The District serves approximately one-third of those residents. The average annual customer growth in the District for the last five years is 1.11%. The largest commercial customers of the District are a school district, a retirement community and a hospital.

The District operates approximately 713 miles of sanitary sewers (collection system) and 47 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) and one 7.0 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 three membrane bio-reactor (MBR) plants. The plants and major lift stations are described in further detail later in this document.

DISTRICT MAP OF THE DUCKETT CREEK SANITARY DISTRICT AREA



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 (MGD) 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 have occurred since 2017 to replace or improve the plant including the replacement of influent and grit pumps, the HVAC system, major building improvements with a large garage renovation in 2021 and the replacement of large aeration equipment in 2023.
- **Wastewater Treatment Plant 2 (TP2)**. This plant was built in 1994 and serves the southwestern half of the District. The plant has a wastewater capacity of 7 MGD 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. A major \$11.29 million capacity upgrade was completed during 2017-2018. In 2020-2022, engineering and construction for a workshop storage building was complete and a \$1.8 million aeration overhaul was accomplished from 2022-2023.
- **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.
- **Wastewater Treatment Plant 4 (TP4)**. This 3 MGD plant is under construction in western St. Charles County and has a January 2025 completion projection.

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.
- **Wyndgate MBR Treatment Plant**. This treatment plant was constructed in 2005 to serve several residential communities, including the Wyndgate subdivision. The plant processes approximately 111,000 gallons of wastewater per day on average but was designed to treat a flow of 300,000 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. In the 2022 and 2023 year this MBR plant received additional tankage and capacity.

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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Duckett Creek Sanitary District
Missouri**

For the Fiscal Year Beginning

January 01, 2023

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an award of Distinguished Presentation to Duckett Creek Sanitary District of Missouri for its annual budget for the fiscal year beginning January 1, 2023. This is the 21st year the District has received this prestigious award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we will submit it to the GFOA to determine its eligibility for another award.

The Fiscal Year 2024 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 strategy for accomplishing this mission 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 2024 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, responsibilities and goals 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. This section also includes a brief description of each project.

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.

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November 28, 2023

Members of the Duckett Creek Board of Trustees,

I hereby submit the recommended budget of Duckett Creek Sanitary District for the 2024 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. In fiscal year 2024 the District continues its contract with Stantec for sewer rate advisory calculation services on commercial adjustments to equally align the commercial sewer rate with residential, which is the norm in our county. This progression over a three year period toward rate parity started in the spring of 2022. In addition, the District has contracted with Stantec to develop wholesale rate pricing for future evaluation and use. The updated Stantec rate projection will be presented to the board in November. Duckett Creek staff will take over updates to the tool after this budget season. Included in the draft 2024 budget includes a full year of the residential increase effective March 1, 2023 and a partial year of the third commercial parity increase planned for March of 2024.

In our fiscal year 2024 budget we have continued necessary infrastructure maintenance and improvements to our system with inflation affected pricing. The budget also includes a salary progression system that replaced a former design adding a shorter span to maximum salary which has been successful in attracting and retaining employees. The new plan offers salary progression after gaining job competency and role expertise. The new plan provides a means to address recurring vacancies which, if not addressed, could negatively affect the short and long term operation of our system.

Sewer Fund Revenue Overview

As mentioned above, total revenues for 2024 are budgeted to provide for all activities. In addition, the District will maintain a required reserve ratio of 110% of debt service coverage with the sewer fund's operating income. The third and final commercial rate increase in 2024 of \$0.95 cents per month to the minimum monthly rate, will contribute to help provide for the necessary coverage ratio as well as provide equality as compared to the residential rate. Total revenues increase over the 2023 estimate by 1.79% or \$316,425 with conservative budget projections for connection fees which are tied to construction activity. Combined residential charge revenue totals \$13,814,902 with a 6.49% increase compared to the 2023 estimate which is \$12.97 million. This budget includes an estimated 334 new homes or 0.75% growth which is the projection of attainable residential growth for 2024 and less than our annual average growth of 1%. The combined commercial charge revenue budget totals \$3,620,468 compared to the 2023 estimate of \$3,030,375 an overall 19.47% increase. Miscellaneous revenue (Other Revenue) fluctuates year to year and returns to the minimum attainable level of \$20,600 plus the addition of a \$40,000 statement credit offered by Cigna health insurance for a total budget of \$60,600 in 2024.

Connection Revenue

The District received residential connection fees from January through September totaling \$1,188,400 and commercial connection fees of \$86,842 for the same time period. As stated above, the District routinely conservatively projects 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. 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.

Other Revenue

The District's miscellaneous revenue or "Other Revenue" for the present 2023 year includes a 2022 Cigna invoice credit of \$15,450 received this year, cell tower revenue of \$18,250, recycled metals of \$7,516, a workers' compensation insurance refund of \$4,973, a damage reimbursement from Messiah Lutheran for \$6,428, Cuivre River coop credit payment of \$2,561 and an insurance reimbursement for flood damage to the UV system totaling \$4,476. Since most are one-time occurrences, the "Other Revenue" budget for 2024 includes only routine revenue items for field rents, cell tower charges and a one year Cigna statement credit, therefore is lower than the 2023 estimate by 17.89% or \$13,750.

Charge Revenue

Residential Charge Revenue is impacted by new connections which represent new customers. The new budget allows for some of the new housing starts, and housing starts from the latter part of the year, to be added slowly into our revenue stream. The Residential Charge Revenue budget of \$13,814,902 includes a 6.49% increase compared to the 2023 estimate of \$12.97 million and a 3.7% increase of \$492,464 compared to the 2023 budget. As mentioned above, the revenue budget also allows the District to reach its necessary debt service coverage ratio of 110%.

Commercial Charge Revenue totals \$3,620,468 in the 2024 budget which is a 19.47% increase from the 2023 estimate and is 20% higher than the 2023 budget or \$608,029. The District received commercial connections through September totaling \$86,842. These additional commercial developments will increase revenue once they are built.

Appropriations

The proposed 2024 Budget authorizes appropriations for total sewer fund expenses of \$50,918,112 (\$50,020,164 net of interest) which includes operational expenses of \$9,927,324, capital expenses, including plant construction, of \$34,391,853 and debt service of \$6,598,935. 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 2024 Administration operational budget decreases compared to the current year 2023 estimate by 21.78% or \$73,039 and decreases by 3.68% or \$10,022 compared to the 2023 budget. 2024 changes include reductions in newsletter postage and printing which was used to mail rate increase notifications to all customers in 2023. Other expenses in this department include District office supplies, employee meetings, community outreach at the Cottleville Weldon Spring Rotary Club and expenses related to the accounting, purchasing, and the customer service billing functions.

In the 2022 fiscal year the customer service collections expense account was separated into individual expense accounts for printing, billing, lock box, merchant processing and the Tyler web payment service. These items were previously bundled in the 10-2300 account where they were offset by fee receipts for credit processing, water utility letter fees and delinquent fees. This new process increases transparency and allows us to track these items more effectively. In the past year the merchant services expense (credit card processing fees) has increased and staff requested relief from the current merchant service provider, who is one of only two options that our ERP system allows to work with their online platform. Staff has evaluated other online platforms, and foresees a potential bid for these services in the next few years after further evaluation. At present, staff proposes to pass the majority, if not all expense, on to customers. Therefore, the 2024 merchant services budget includes a \$4,000 increase from the 2023 budget and a \$49,500 decrease compared to the 2023 estimate. The \$4,000 budget is intended to offset any deficit of fees charged to customers. Fees will continue to be charged only to customers who use credit card processing as a payment option. Credit card processing comprised approximately 30.27% of all payments received in the last 12 month period (September 2022 to October 2023).

The overall administration budget, including personnel, increases by 6.89 % or \$123,307 compared to the 2023 estimate. Salaries which grow by 12.04% or \$114,228 compared to the 2023 estimate, include the mid-year hiring of an Information Systems Specialist to run a new inventory control system process using existing software. Also included in the salaries budget is a 5% 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 2023 estimate include retirement which grows by 11.65% or \$17,372 and the health insurance budget with an increase of 24.89% or \$44,646. Both the retirement and health insurance budgets include expense for the new Information Systems position including the cost of family health coverage.

Information Systems - The 2024 Information Systems operational budget increases compared to the current year estimate by 7.5% or \$17,628 and 11.76% or \$26,600 from the current year budget with increases for software support and maintenance, computer equipment and programming.

Engineering - The 2024 Engineering operational budget, without personnel expense decreases by 8.81% or \$53,458 over the current year estimate due to increased cost in 2023 for emergency sewer line maintenance. The 2024 operational budget without personnel increases 26.68% or \$116,498 over the current year budget and includes a temporary one year increase in the sewer line maintenance budget of \$100,000. After 2024 the 20-6000 sewer line maintenance budget will return from \$320,000 to the flat \$220,000 annual recurring budget. Another increase to this department's expense is an additional \$20,000 budget increase to move the customer back-up reimbursement account to Engineering from Operations and Maintenance where it was formerly housed.

Also new to this year's budget is additional training for water damage restoration, applied microbial remediation training and welding training. The total 2024 Engineering budget with personnel increases by 12% which is \$272,281 over the 2023 budget and 7.18% or \$168,382 over the 2023 estimate. For comparison to the 2023 estimate, full time salaries increase by 12.62% or \$141,867 due to full staffing, retirement increases by 8.97% or \$16,289 and health insurance increases by 16.82% or \$41,484. Personnel and salary expense increases in 2024 compared to the 2023 estimate due to the addition of a field services employee in late 2023 after a partial year vacancy for the position. As mentioned, the department's ongoing sewer line maintenance program is budgeted for \$320,000 in improvements for 2024 and \$220,000 annually thereafter as part of our continuing collection system maintenance program. This budget also provides equipment and tools for the sewer line maintenance function.

Operations and Maintenance - Operations and Maintenance operational expenses, excluding personnel expenses, increase by 2.85% or \$86,960 compared to the 2023 estimate and decrease by 5.95% or \$198,206 compared to the current year budget. Changes in line items compared to the 2023 budget include a combined 8% increase for property and casualty insurance and a 15.54% increase for auto insurance due to added vehicles and a 5% overall increase to premium. Professional engineering services for the pretreatment program with Geosyntec was approved late last year. In 2024 that expense should finish under budget and our pre-treatment program should be ready to start. Water utility increases by 20% or \$14,100 and natural gas increases by 7% or \$4,500, both compared to the current year budget. The lab consumables budget increase by 25% or \$15,000 due to increased testing expense and the bio-solid polymer budget increases by 12.2% or \$17,226 compared to the current year budget for the petroleum based product. The department expenses also include a sufficient budget for vehicle maintenance and fleet gasoline. Major reductions in the 2024 O&M expense budgets include the removal of the back-up reimbursement budget of \$20,000 to move this expense to the Engineering department, a \$234,900 and 61.8% reduction in the plant projects budget and a \$141,300 or 86% reduction in the lift station project budget.

The total operations expense budget including personnel items, decreases by 1.09% or \$57,909 compared to the 2023 budget and increases 4.7% or \$235,756 compared to the 2023 estimate. Compared to the 2023 budget, O&M salaries increase 7.16% or \$89,698, the retirement budget increases by 7.29% or \$15,472 and health insurance increases 10.93% or \$26,988. Large maintenance projects for 2024 are outlined next:

Large Plant Maintenance and Lift Station Projects total \$847,250

Large Plant Maintenance Items of \$655,000 include:

General Plant Maintenance \$300,000
TP1 Clarifier Brush System \$45,000
Roof Maintenance \$25,000
TP1 Ditch Rotor Drive Electrical Conduit Replacement \$75,000
TP2 Influent Pump \$50,000
General Pumps \$50,000
Road Repairs \$50,000

Large Lift Station Maintenance Projects of \$192,250 Include:

General Lift Station Maintenance \$100,000
Hwy K Ball Valves and Hwy DD Flanged Ball Valve \$22,250
Lift Station Parts Inventory \$20,000
Lift Station Pump Inventory \$50,000

Capital Expenses Capital expenses increase by \$2,109,358 or 6.53% from the current year 2023 budget and increases \$14,359,384 or 71.68% from the current year estimate due to Hopewell plant construction, as well as other planned projects. The 2024 budget year's planned construction projects or purchases include:

Harvester Storage Building \$25,000
Annual Fleet Replacement \$197,000
Semi Truck Replacement for TP2 \$250,000
Sludge Spreader Replacement-Land App \$170,000
Replace TP1 Stainless Steel Gates \$200,000
Complete Sewer Line Maint. - South Interceptor \$50,000
TP4 Engineering-Estimated Remainder of CMT Contract \$100,000
O'Fallon Hills Engineering \$116,127
Engineering for TP1 Biosolids and Equipment Shed \$85,000
Engineering for Rehabilitation of Future Pump Stations \$40,000
General Engineering \$30,000
GIS Upgrade \$9,000
Incode ERP Upgrades \$13,900
Rate Tool Updates Spring 2024 \$12,300

O'Fallon Hills \$640,000
Hwy DD Water Line, Road Bore \$20,000
Research Park LS Control Panel/Spare Pump \$60,000
Twin Chimneys LS Controls \$30,000
Princeton Place Controls, Regrading and Asphalt \$40,000
Future Pump Station Rehabilitation Construction \$250,000
Hwy K Addition/Project and Influent Structure \$570,070
Dardenne Rehabilitation (Corrosion) \$1,750,000
Replace Street Side Landscape Administration Bldg \$25,000
Replace Admin Bldg HVAC Chiller \$127,203
Redo Admin Bldg Sidewalk for ADA Accessibility \$45,000
Admin Bldg Pavillion/Awning for Employee Breaks and Meetings \$5,000
Concrete Curbing Replacement Admin Bldg \$10,000
TP4 Construction \$29,516,253

The Hopewell TP4 project was approved at the September 2022 board meeting and a major change order was approved in 2023 to add an aeration basin for increased capacity. The total TP4 Budget for 2023 and 2024 equals \$44.375 million including permits, overhead electric, completion of the access road, the East Influent Pipeline, the Dardenne Creek Interceptor, and the conversion of Wyndgate to a lift station. The total 2024 capital budget is set at \$34,391,853.

Debt Service - The 2024 budget provides for all required debt service obligations and the budget includes 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 \$6,598,935 and the interest income offset is estimated at 4.13% in 2024 totaling \$897,948 for a net debt service amount of \$5,700,987

Fund Balance Reserve - Based on the estimates of revenue, and all authorized expenditures we are projecting an unrestricted fund balance at the 2024 fiscal year end of \$10,415,344. This proposed fund balance amount is in addition to maintaining \$800,000 in required 2015 bond reserve, funds accumulated for debt service, a benefit reserve fund, the Hopewell TP4 reserve fund of \$1,500,000 and the Board mandated emergency reserve of \$3,000,000. The overall debt service coverage ratio is projected to be 123% (141% net of interest) for fiscal year 2024 which exceeds the required 110% debt service covenant.

Compensation Plan – Last September the board approved authorization for a necessary 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 has helped the District be competitive in the current aggressive labor market and will help prevent the loss of skilled

employees. The cost of living CPI indexes exceeded 4.5% for the first half of the year. A recent salary survey of local governments included an average 5% increase with some governments making range adjustments. Therefore, we believe the cost of living (COLA) adjustment of 5% is appropriate to fairly adjust for cost of living increases. The average wage increase compared to the 2023 wage rates will be 7.75% including directors and 7.94% 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. The money in the fund was intended to off-set premium increases or other benefit expenses if needed. Because premiums from year-to-year are considered revenue items and due to the receipt of surplus funds or negotiated credits since 2018, the benefit reserve fund continues to slowly grow in size. The budgeted reserve balance at fiscal 2024 year-end is projected at \$274,944.

History of Medical Insurance

During the 2019 year, 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 is comparable to our narrowed peer group in St. Charles County. In addition, employee only coverage, previously no cost to employees, was changed to include a 10% premium share from employees. The last benefit and salary survey was done in 2022 and showed the health insurance deductibles and plans were still comparable with peers.

An early renewal quote from Cigna, our medical insurance company indicated their desire to increase premiums by 12.6%. After discussions with our broker, the final renewal increase was limited to 11.7% with a \$40,000 statement credit, an overall savings of \$5,907 for all departments including sewer lateral. No adjustment was made in the budget from October to November for this savings which was equal to 0.82% net expense savings. The Cigna renewal includes no change in plan design or benefits and includes continuation of the MotivateMe wellness program. The MotivateMe program started in 2021 to provide an offset for the H.S.A. contribution of \$300 for employee enrollments and \$600 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. Due to a staffing addition in Administration and filling a vacancy in Engineering, the overall health insurance benefit is budgeted to increase by 16.54% or \$113,531.

The 2022 benefit and salary survey and outside compensation study shows the District could compare more favorably to peers if there were additional overall leave with the availability of an emergency medical leave bank with low accrual rates and low accrual retention as a consideration for the future. The pension benefit factor of 2.0% (of final average salary) is now the norm for most local entities compared to the District's LAGERS benefit program of 1.5%. A benefit of 1.75% was recommended by LAGERS as a potential benefit improvement with lesser expense. The survey also identified a larger employer cost share for family health coverage. The District will consider these benefit comparisons with a future survey review in 2024. Any future change would be properly discussed and evaluated with the Board prior to request. The 2023 pension budget includes a 0.1% increase to the LAGERS rate and a 7.54% increase in budget or \$42,296.42 compared to the prior year's budget and a 9.13% or \$50,503 increase compared to the prior year 2023 estimate.

Our broker Marsh McLennan advised that the District's dental renewal with Delta is an increase of 5% or \$1,741.68. Vision increases by 8% or \$455.28 but is a guaranteed rate for two years. The 2024 budget includes a combined net increase of \$2,439 or 8.4% for both programs including a buffer for employee enrollment changes. Life and disability with UNUM had a rate hold which ends in 2024. UNUM's renewal of the total life and disability package was offered with an increase of 6.1% or \$1,678. MetLife offered an improved long term disability benefit of 60% instead of 50% with a total package price (life and disability) of \$28,274, which is an increase of \$794 or 2.9% over current, a savings of \$884 annually compared to the UNUM renewal. The total budget for dental, life, vision and disability insurance equals \$63,005, a difference of 8.57% or \$4,800 compared to the prior year's budget. Final marketing results for all insurance will be shared with the board at the November board meeting.

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 2024 budget includes revenue projected at \$730,198 and expenses totaling \$677,687. 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 and maintenance as well as office supplies, postage, vehicle fuel, vehicle insurance and maintenance. In 2023 a miscellaneous expense of \$21,255 is estimated to cover refunds for sewer lateral fees charged in the Summergate subdivision. The subdivision has a mix of single family homes, villas and condos. Some of the buildings have six or more units that were determined not eligible for the program and their fees are being refunded.

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 2024 year with a budgeted net income of \$52,511 and an estimated program balance of \$588,289 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. I want to acknowledge the Director of Finance and Administration, Julie O'Guinn for helping to develop and finalize these recommendations and preparation of the budget with the assistance of Sarah Beckmann and accounting staff members Bridget Knudsen and Sarah Marien, whose contributions enable a successful budget function.

Together, we commend this budget for your consideration.

Keith Arbuckle, Executive Director



LIST OF APPOINTED OFFICIALS November, 2023

Greg Dohrman, Chairperson

Linda K. Wibbenmeyer, Vice-Chairperson

Robert W. Schnur, Board Member

William Rebore, Board Member

John Harshbarger, Board Member

DUCKETT CREEK DIRECTOR'S

Keith Arbuckle

Executive Director

Julie O'Guinn

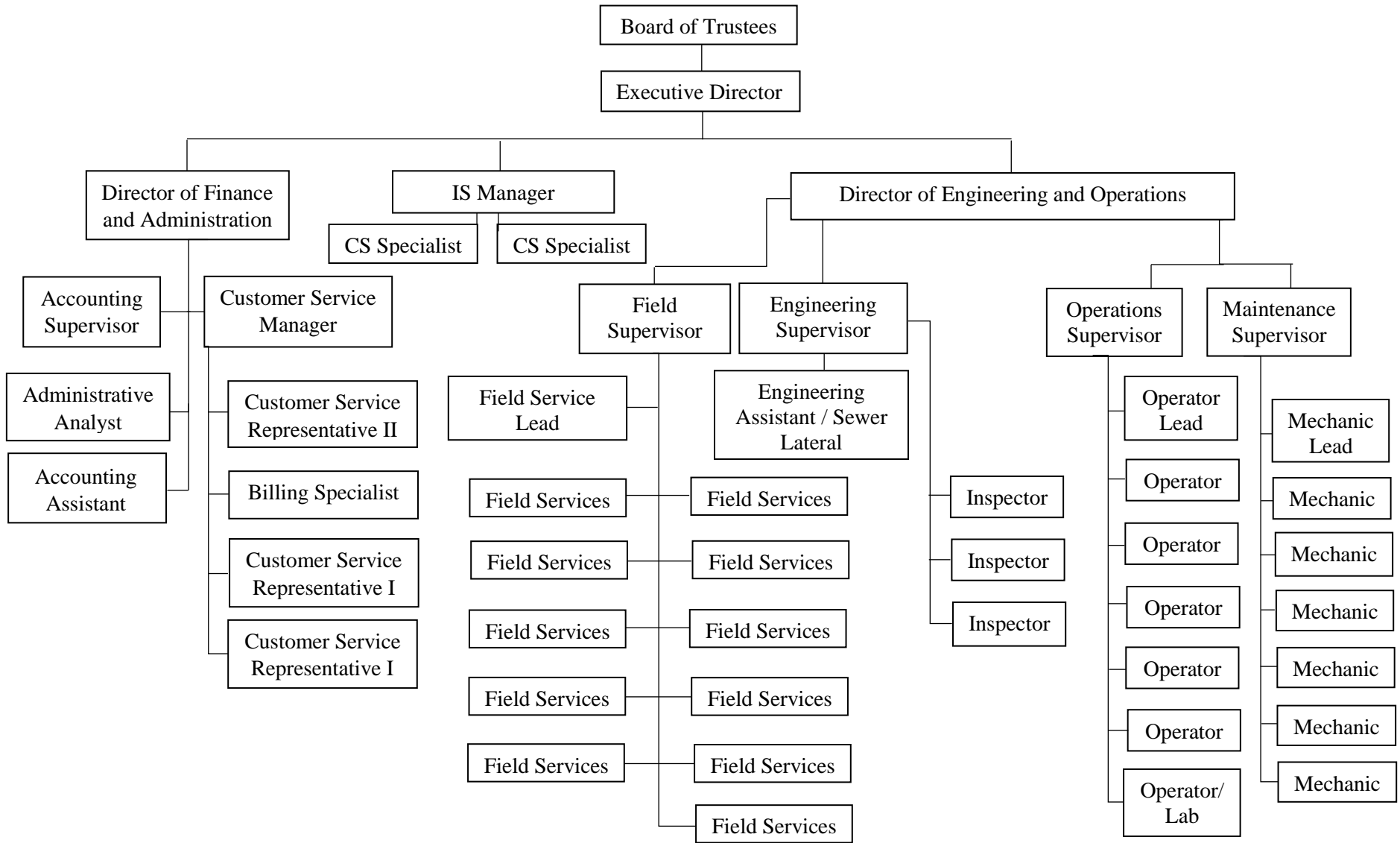
Director of Finance & Administration

Luke Kehoe

Director of Engineering and Operations



Duckett Creek Sanitary District Organizational Chart



Duckett Creek Sanitary District Personnel Listing

	2015 Budgeted FTE	2016 Budgeted FTE	2017 Budgeted FTE	2018 Budgeted FTE	2019 Budgeted FTE	2020 Budgeted FTE	2021 Revised FTE	2022 Budgeted FTE	2023 Budgeted FTE	2024 Requested FTE
Executive Director	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
Customer Service	4	4	4	4	4	4	4	5	5	5
Accountant	1	1	1	1	1	1	1	1	1	1
Administrative Analyst	0	0	1	1	1	1	1	1	1	1
Accounting Assistant	1	1	1	1	1	1	1	1	1	1
Information Systems Administrator	1	1	1	1	1	1	1	1	1	1
Computer Specialist	1	1	1	1	1	1	1	1	1	2
<i>Department of Administration Total:</i>	10	10	11	11	11	11	11	12	12	13
Director of Engineering	1	1	1	1	1	1	0.5	0.5	0.5	0.5
Inspectors	5	5	4	4	3	3	3	3	3	3
Senior Engineering Assistant	0	0	1	1	1	1	1	1	1	1
Engineering Asst./CAD Technicians	2	1	1	1	1	1	1	1	1	1
Field Services	11	12	12	12	12	12	12	13	13	13
Engineering/Administrative Aide	1	1	1	1	0	0	0	0	0	0
<i>Department of Engineering Total:</i>	20	20	20	20	18	18	17.5	18.5	18.5	18.5
Director of Operations & Maintenance	1	1	1	1	1	1	0.5	0.5	0.5	0.5
Plant Operators	6	6	6	6	7	7	8	8	8	8
Maintenance Mechanics	7	7	8	8	8	8	8	8	8	8
<i>Department of Operations Total:</i>	14	14	15	15	16	16	16.5	16.5	16.5	16.5
<i>Total Approved Personnel:</i>	44	44	46	46	45	45	45	47	47	48



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.

DUCKETT CREEK SANITARY DISTRICT'S STRATEGIC PLAN

In order to fulfill the Mission of Duckett Creek Sanitary District, which is:

“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”

We have adopted what we call a strategic plan called our Clear Vision Plan.

This plan is comprised of a set of Big Questions, which may change from time to time, that are addressed through a series of component parts – more detailed questions that we review and gauge our actions upon monthly. This Clear Vision Plan and the Big Questions are reviewed and supported by our Board of Trustees. The Board reviews this plan yearly.

Strategic Plan or Clear Vision Plan

The current Big Questions are:

- 1. What are we doing to ensure we have the Best employees?**
- 2. Are we good Financial Stewards (Efficient)?**
- 3. Are we staying Technologically advanced?**
- 4. What does Quality customer service look like?**
- 5. Are our Operations tight enough that we can Quickly respond to challenges?**
- 6. Are we budgeting enough for the Future needs of preventive maintenance?**
- 7. Are we engaged in Public policy at the federal, state and local levels?**

As an example, one of the components of Big Question #2, “Are we good Financial Stewards (Efficient)” is: What is our cost per gallon treated?

- 1. How do we compare to our peers?**
- 2. How do we compare to the industry?**

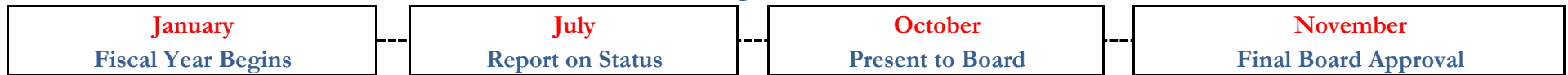
The Executive Director reviews yearly department goals for their relevancy to these Big Questions and they are included in the director’s annual performance review. Goals for each department can be located in each of the department sections in this budget document.

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.

Budget Calendar



The District routinely prepares a five-year revenue and expense projection as part of its annual budget document. In addition, the District updates its annual ten-year departmental capital and large maintenance budget plan, which is reviewed periodically throughout the budget year. This capital and maintenance project budget is incorporated into a longer term 20-year projection of expenses and revenues. Bond ordinances require the District to maintain pledged revenues for each year of at least 110% - which is also known as a coverage ratio. The budget schedules, the coverage ratio and the District's fund balance restrictions are incorporated into a rate setting tool to determine rate sufficiency as part of the District's annual budget process.

Once complete, the draft budget is provided at the September and October Board of Trustees meetings 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 28, 2023.

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.

After 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 and increased the commercial rate from \$3.05 per thousand gallons to \$5.35 per thousand gallons. 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 nine years with no change. The increase in March of 2023 to the flat rate of \$26.75 per month was projected to remain stable for another nine-year period if all financial projection components remain unchanged. As mentioned previously, the financial rate setting tool will now be utilized annually in conjunction with each fiscal year’s budget preparation to better assess the District’s long-term financial wellbeing.

In September, 2023 Moody’s reaffirmed the Districts 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 the **five-year spending projection** (Summary of Operating and Capital Budgets) for the District. The five-year plan was developed to avoid using a one-year snap shot approach to evaluate the on- going 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 Comprehensive Annual 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. With higher interest rates, the cash-basis yield on these investments during fiscal year 2024 is budgeted at \$420,000 plus project fund interest of \$478,000. The Administration Department reports quarterly 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 2024 budget.

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 participating in the State of Missouri Revolving Loans program, issuing Revenue bonds and private placement lease financings 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 Five-Year Budget is 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 5-YEAR PROJECTION SUMMARY

November 28, 2023 *Cash Basis*

					Projected Budgets for Discussion Only			
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Operating Revenues								
Charges and Services	13,715,687	16,334,878	16,002,750	17,435,370	17,842,854	18,071,284	18,186,396	18,302,317
Connection Fees	511,062	200,000	1,275,242	200,000	100,000	100,000	300,000	300,000
Surcharge Income	243,319	241,170	261,696	261,696	257,144	257,144	0	0
Inspections/Other Rev.	113,192	31,600	113,554	72,600	39,600	31,600	34,900	34,900
Total Operating Revenue	14,583,260	16,807,648	17,653,241	17,969,666	18,239,598	18,460,028	18,521,296	18,637,217
Operating Expenses								
Administration	1,555,645	1,725,542	1,790,089	1,913,396	2,156,774	2,307,561	2,433,547	2,566,487
Information Services	198,431	226,120	235,092	252,720	259,288	265,764	272,402	279,206
Engineering	1,765,568	2,242,378	2,346,277	2,514,659	2,632,611	2,866,035	3,025,995	3,195,778
Operations & Maint.	5,584,465	5,304,457	5,010,791	5,246,549	5,427,374	6,184,436	6,348,304	6,930,256
Total Operating Expenses	9,104,018	9,498,497	9,382,249	9,927,324	10,476,047	11,623,796	12,080,248	12,971,726
OPERATING INCOME (LOSS)	5,479,242	7,309,151	8,270,992	8,042,342	7,763,551	6,836,232	6,441,049	5,665,491
Costs of Issuance	237,510	0	0					
Current Debt Service	3,540,947	6,653,778	6,653,778	6,598,935	6,540,032	4,221,766	3,438,784	3,439,444
Interest Income General (cr)	261,271	226,362	591,501	419,786	0	0	0	0
Interest Income 2022 (cr)	0	0	1,674,464	478,162	155,208	104,193	98,984	102,208
NET DEBT SERVICE	3,778,457	6,427,416	4,387,813	5,700,987	6,384,824	4,117,573	3,339,800	3,337,236
Total Capital Expenditures	6,629,349	32,282,495	20,032,469	34,391,853	4,164,706	2,040,200	3,401,598	2,587,416
Net Income	-4,928,563	-31,400,760	-16,149,290	-32,050,498	-2,785,979	678,459	-300,350	-259,161
Transfers In-Prior Year Reimb.			286,181					
Transfers In-Curr Yr Project Reimb.		27,591,000	14,136,650	29,430,942				
Release 2006 reserve								
Unrestricted Fund Bal Est. ('22 Actual)	\$ 16,722,003	\$ 12,912,243	\$ 13,034,899	\$ 10,415,343	\$ 7,629,363	\$ 9,107,822	\$ 8,807,472	\$ 8,548,311
Restricted Proj Fund Interest		\$ -	\$ 1,674,464	\$ 478,162				
Restricted Project Fund Balance		\$ 13,588,812	\$ 28,952,780	\$ -				
Board Designated Reserve	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Surplus Share		\$ 20,000	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Cigna Statement Credit		\$ 16,000	\$ 16,000	\$ 40,000				
Offset Premium 23 \$16,000		\$ -	\$ -					
Offset Wellness (Actual < 50%)		\$ (25,110)	\$ (25,110)	\$ (25,110)	\$ (25,110)	\$ (25,110)	\$ (25,110)	\$ (25,110)
Benefit Stabilization Reserve	\$ 269,164	\$ 280,054	\$ 260,054	\$ 274,944	\$ 269,834	\$ 264,724	\$ 259,614	\$ 254,504
Reserve -2015 DCSD issue	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -
Reserve -2022 DCSD issue		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Coverage Ratio Net DS (Goal of 1.10)	1.45	1.14	1.88	1.41	1.22	1.66	1.93	1.70
Coverage Ratio Curr DS (Goal of 1.10)	1.55	1.10	1.24	1.22	1.19	1.62	1.87	1.65
Reserve Ratio (Goal of 25-40%)	184%	136%	139%	105%	73%	78%	73%	66%

Covg:Income/DS. Reserve: FB/OpEXP

Capital expenses follow a ten year plan produced by depts.

Duckett Creek Departments

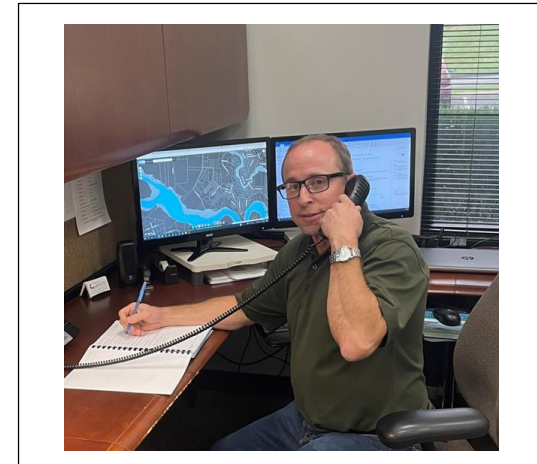
Operations departments include the Department of Administration, Engineering and Operations and Maintenance.



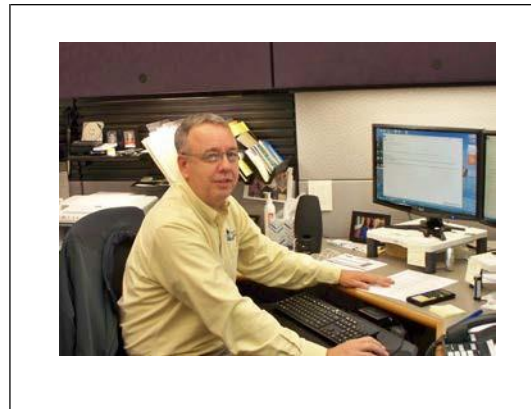
Director of Finance & Administration



Executive Director



Director of Engineering and Operations



Information Systems Manager

DEPARTMENT OF ADMINISTRATION

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

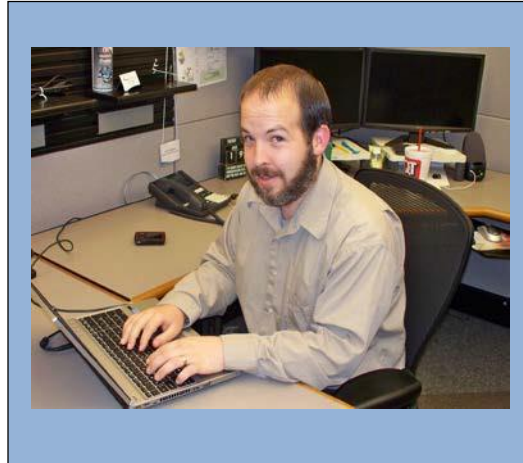
This department is responsible for the following activities:

- Billing and collections for approximately 43,794 residential and 1,324 commercial customers (as of November 2023) 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 25 years (from 1998-2022) and the Distinguished Budget Award for 21 years (from 2003-2023) 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 has 13 budgeted employees including the Director of Finance & Administration and the Executive Director.



ADMINISTRATION DEPARTMENT

2024 ANNUAL GOALS

- ❖ Prepare application and request awards from the Government Finance Officers’ Association for Distinguished Budget and Certificate of Excellence in Financial Reporting – ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Attend trainings provided by the Government Finance Officers’ Association, Missouri Association of Public Procurement, Society for Human Resource Management, WEFTEC and other training as requested and budgeted for employees – ALIGNS WITH **STRATEGIC GOAL 1 and 4**
- ❖ Continue to Administer Peer Surveys for salary and benefits comparisons to inform decision making – ALIGNS WITH **STRATEGIC GOAL 1**
- ❖ Continue wellness and training opportunities for all District employees - ALIGNS WITH **STRATEGIC GOAL 1**
- ❖ Further evaluate potential options with electronic payments and email billing services - ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Migration to Tyler INCODE Version 10 Upgrade financial and billing software - ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Addition of Tyler Content Manager – an electronic repository system for billing and accounts payable - ALIGNS WITH **STRATEGIC GOAL 2**

2023 Performance Outcomes

Customer Service Performance Outcomes

Bills Issued	2021	2022	2023
Residential	182,998	184,712	189,287
Commercial	14,019	14,203	14,220
Payments Processed			
In-House	27,204	28,897	26,464
Web Based	41,319	47,689	54,309
IVR-After Hrs Phone Pmts	1,446	1,253	1,361
Electronic Cks / Bank Cks	74,900	72,360	70,706
UMB Lock Box Payments	34,294	31,808	29,995
Checking Auto Drafts	14,758	16,383	17,200
Credit Auto Drafts	785	-	-
Total:	194,706	198,390	200,035
Other Processes			
Title Checks	2,142	1,881	1,591

Administration Performance Outcomes

Items Processed	2021	2022	2023
Payroll Checks	1,104	1,176	1,214
Payables Checks	1,617	1,824	1,763
ACH Drafts	290	354	390
Refund Checks	520	543	330
Journal Entries	601	748	735
Bids and Quotes	30	31	26

INFORMATION SYSTEMS (IS)

2024 ANNUAL GOALS

- ❖ Continue education and COMPTIA certification of Information Systems staff – ALIGNS WITH **STRATEGIC GOAL 1**
- ❖ Create and implement new efficient processes for staff – ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Complete Geographic Information System (GIS) upgrade with APPS/Tasks for greater productivity – ALIGNS WITH **STRATEGIC GOAL 2 and 3**
- ❖ Complete conversion to One Drive cloud storage for employee work files and computing - ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Start conversion of servers to the cloud - ALIGNS WITH **STRATEGIC GOAL 2**
- ❖ Administer Migration to Tyler INCODE Version 10 Upgrade financial and billing software - ALIGNS WITH **STRATEGIC GOAL 2**

2023 Performance Outcomes

- Server replacement to better support District applications and tasks
- UPS Battery Back Up Replacement for the District IS System
- Replacement of Survey Equipment and Survey Software, supporting Engineering Inspections Activities
- Upgrade GIS System to add more online users to increase productivity

DUCKETT CREEK SANITARY DISTRICT - 2024 ADMINISTRATION EXPENSE BUDGET - DEPARTMENT 10

DEPARTMENTAL EXPENDITURES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
WAGES - REGULAR				
10 - 0001 WAGES-ADMIN-FULL TIME	\$855,380	\$945,571	\$948,525	\$1,062,753
0002 - WAGES-ADMIN-PART TIME	0	0	0	0
0003 - WAGES-ADMIN-INTERNSHIPS	7,260	8,500	1,740	8,500
0004 - WAGES BOARD OF TRUSTEES	2,250	1,500	1,500	1,500
TOTAL WAGES-REGULAR	\$864,890	\$955,571	\$951,765	\$1,072,753
WAGES - OVERTIME				
0100 - WAGES-ADMIN-OVERTIME	\$0	\$250	\$0	\$250
0101 - PERSONAL LEAVE BUY BACK	4,306	4,500	3,227	4,300
TOTAL WAGES-OVERTIME	\$4,306	\$4,750	\$3,227	\$4,550
FRINGE BENEFITS				
0200 - FICA	\$60,880	\$71,622	\$72,044	\$80,571
0201 - ER RETIREMENT CONTRIBUTION	48,892	147,300	149,127	166,499
0202 - DISABILITY & LIFE INSURANCE	7,095	7,280	7,167	9,067
0203 - WORKER'S COMPENSATION INS	51,774	57,070	61,242	60,811
0204 - HEALTH INSURANCE	100,378	179,349	179,339	223,985
0205 - DENTAL INSURANCE	5,628	6,538	6,197	7,958
0207 - VISION INSURANCE	1,135	1,169	1,094	1,331
0208 - CAR ALLOWANCE	6,000	6,000	6,000	6,000
0210 - PAYROLL PROCESSING FEES	17,404	16,500	17,477	17,500
TOTAL FRINGE BENEFITS	\$299,186	\$492,828	\$499,687	\$573,722
BOND ADMINISTRATION FEES				
1300 - ADMINISTRATIVE BOND FEES	\$9,968	\$5,025	\$7,445	\$7,500
TOTAL BOND ADMINISTRATION FEES	\$9,968	\$5,025	\$7,445	\$7,500
FEES				
1700 - BANKING FEES	\$3,643	\$20,200	\$19,238	\$19,800
TOTAL FEES	\$3,643	\$20,200	\$19,238	\$19,800
DUES & PUBLICATIONS				
2100 - DUES & PUBLICATIONS	\$5,891	\$4,859	\$6,671	\$5,875
TOTAL DUES & PUBLICATIONS	\$5,891	\$4,859	\$6,671	\$5,875
PROF SERVICES - ACCOUNTING				
2200 - PROFESSIONAL SVCS - ACCOUNTING	\$21,400	\$22,000	\$22,175	\$21,600
TOTAL PROFESSIONAL SVCS - ACCOUNTING	\$21,400	\$22,000	\$22,175	\$21,600

PROF SERVICES - COLLECTIONS

2300 - PROFESSIONAL SVCS - COLLECTING	\$716	\$3,000	\$2,200	\$1,200
2305 - PRINTING -BILLING STOCK	6,739	8,235	7,701	8,703
2306 - BILLING SERVICE	11,348	12,000	12,742	12,750
2307 - LOCK BOX SERVICE	13,293	12,500	14,500	14,500
2308 - MERCHANT PROCESSING SVC	21,225	1,000	54,500	5,000
2309 - UB BILLING SVCS - TYLER	208	400	400	400
TOTAL PROF SVCS - COLLECTIONS	\$53,528	\$37,135	\$92,043	\$42,553

PROF SERVICES - LEGAL

2400 - PROFESSIONAL SVCS - LEGAL	\$30,991	\$25,000	\$25,000	\$25,000
TOTAL PROF SVCS - LEGAL	\$30,991	\$25,000	\$25,000	\$25,000

PROF SERVICES - MEDICAL

2500 - PROF SERVICES - MEDICAL	\$1,481	\$3,500	\$1,630	\$2,000
TOTAL PROF SERVICES - MEDICAL	\$1,481	\$3,500	\$1,630	\$2,000

PROF SERVICES - PERSONNEL

2600 - PROFESSIONAL SVCS - PERSONNEL	\$18,170	\$7,000	\$4,700	\$4,500
TOTAL PROF SERVICES - PERSONNEL	\$18,170	\$7,000	\$4,700	\$4,500

OFFICE SUPPLIES

3000 - OFFICE SUPPLIES	\$6,650	\$8,680	\$4,774	\$6,720
TOTAL OFFICE SUPPLIES	\$6,650	\$8,680	\$4,774	\$6,720

MISCELLANEOUS

3100 - POSTAGE	\$73,476	\$68,299	\$77,149	\$77,200
3101 - DISTRICT NEWSLETTER	17,172	23,033	28,201	1,799
3200 - MISCELLANEOUS	3,339	1,895	3,233	3,245
3300 - EMPLOYEE ASSISTANCE EAP	1,202	1,035	1,035	1,035
TOTAL MISCELLANEOUS	\$95,189	\$94,262	\$109,618	\$83,279

TRAINING/EDUCATION

4000 - TRAVEL & TRAINING	\$7,872	\$15,958	\$16,744	\$18,135
4001 - SPECIALIZED EDUCATION/TRAINING	3,650	10,000	5,990	10,000
TOTAL TRAINING/EDUCATION	\$11,523	\$25,958	\$22,734	\$28,135

STAFF DEVELOPMENT

4100 - STAFF DEVELOPMENT	\$13,413	\$17,574	\$18,182	\$14,209
TOTAL STAFF DEVELOPMENT	\$13,413	\$17,574	\$18,182	\$14,209

COMMUNITY AFFAIRS

4200 - COMMUNITY AFFAIRS	\$903	\$1,200	\$1,200	\$1,200
TOTAL COMMUNITY AFFAIRS	\$903	\$1,200	\$1,200	\$1,200

TOTAL ADMINISTRATION: \$1,441,131 \$1,725,542 \$1,790,089 \$1,913,396

DUCKETT CREEK SANITARY DISTRICT - 2024 INFORMATION SERVICES EXPENSE BUDGET - DEPARTMENT 12

<i>DEPARTMENTAL EXPENDITURES</i>	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>COMPUTER MAINTENANCE</u>				
12 - 1100 - PROGRAMMING	\$750	\$2,000	\$8,400	\$12,000
1101 - SOFTWARE	942	1,000	1,000	1,000
1102 - SOFTWARE SUPPORT & MAINTENANCE	101,149	99,330	99,330	112,970
1103 - COMPUTER EQUIPMENT	18,709	14,000	16,000	20,000
TOTAL COMPUTER MAINTENANCE	\$121,550	\$116,330	\$124,730	\$145,970
<u>EQUIPMENT LEASE</u>				
1400 - EQUIPMENT LEASE	\$5,816	\$7,360	\$7,360	\$7,050
TOTAL EQUIPMENT LEASE	\$5,816	\$7,360	\$7,360	\$7,050
<u>EQUIPMENT MAINTENANCE</u>				
1500 - OFFICE EQUIPMENT MAINTENANCE	\$5,840	\$8,400	\$8,400	\$7,870
TOTAL EQUIPMENT MAINTENANCE	\$5,840	\$8,400	\$8,400	\$7,870
<u>DUES & PUBLICATIONS</u>				
2100 - DUES & PUBLICATIONS	\$0	\$0	\$0	\$0
TOTAL DUES & PUBLICATIONS	\$0	\$0	\$0	\$0
<u>TRAINING/EDUCATION</u>				
4000 - TRAVEL & TRAINING	\$1,201	\$3,600	\$4,172	\$3,600
TOTAL TRAINING/EDUCATION	\$1,201	\$3,600	\$4,172	\$3,600
<u>TELEPHONE/PAGERS</u>				
5100 - TELEPHONE, INTERNET, SATELLITE	\$40,036	\$64,010	\$64,010	\$61,830
5101 - CELLULAR PHONE	21,713	26,420	26,420	26,400
TOTAL TELEPHONE/PAGERS	\$61,749	\$90,430	\$90,430	\$88,230
TOTAL INFORMATION SERVICES:	\$196,156	\$226,120	\$235,092	\$252,720

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
- establishing and monitoring escrow accounts and recoupmets
- review for compliance the as-built drawings
- camera inspections
- repair of the collection system and easements
- 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.



DEPARTMENT OF ENGINEERING 2024 ANNUAL GOALS

Continue computerized mapping of the District's infrastructure. This will include updating the map from information obtained by field operations through planned and unscheduled events. The information will be used to schedule preventive maintenance work as well as District sewer line projects for corrective work.

District field operations will be scheduled to meet the yearly requirements of CMOM (Capacity Management of Operations and Maintenance). This year's objectives **ALIGNS WITH STRATEGIC GOALS 2, 5 and 6**

- ❖ Inspect 200,000 feet of sewer line.
- ❖ Inspect 1,000 manholes.
- ❖ Replace 25 lids along creeks with lockable and sealed frames and covers.
- ❖ Cement line 175 manholes.
- ❖ Re-inspect lines for proper operation that were placed on the preventive maintenance program.
- ❖ Schedule and complete projects identified for corrective work.
- ❖ Engineering design work for projects identified in the Capital Improvement Projects. Receive, select and negotiate contracts with engineering firms to proceed with design.

Work with Operations and Maintenance on the Following Projects – **ALIGNS WITH STRATEGIC GOALS 3 and 6**

- ❖ TP1: Replace: Replacement of Stainless Steel RAS gates and Engineering for a Biosolids Equipment Shed
- ❖ TP4: Engineering, Influent Pipeline, Wyndgate Conversion and Plant Construction
- ❖ Pump/Lift Stations: Complete Engineering and Projects for O'Fallon Hills, Highway K, Dardenne and Pump Station Upsizing. Engineering for Area-wide consolidation, Major pump replacements
- ❖ Sewer Line Replacement and repairs - Complete the emergency repair for the Hwy 364 South Interceptor Project
- ❖ Admin Building: Replace landscape, HVAC chiller, Redo Sidewalk slope for ADA accessibility and replace concrete curbing

Additional departmental goals in 2024:

- ❖ Continue education and training through seminars and conferences related to the employee's job. – **ALIGNS WITH STRATEGIC GOALS 3 and 6**
- ❖ Continue to look at ways to improve efficiency in how we operate and perform our jobs. – **ALIGNS WITH STRATEGIC GOALS 3 and 6**
- ❖ Evaluate priorities based on protecting the customer and environment and execute plan through properly budgeting each year and future years to meet these concerns. – **ALIGNS WITH STRATEGIC GOALS 3 and 6**
- ❖ Anticipate customer satisfaction by targeting situations that have potential negative results and create plan to minimize customer complaints. Communication through letters, door knockers and meet with customers on situations that will involve them (lateral program, digs). -- **ALIGNS WITH STRATEGIC GOALS 3 and 6**
- ❖ Attend technical conferences and exhibits for technologies or methods that will improve reliability and efficiency – **ALIGNS WITH STRATEGIC GOALS 3 and 6**

Engineering Department Performance Outcomes

	2021	2022	2023
Plans Reviewed	36	31	35
Lines Lamped	610	708	550
Lines Flushed	1113	956	244
Lines Televised	393	974	938
Manholes Evaluated	3	1290	173
Manholes Repair Needed*	220	411	32
Manholes Repaired	347	105	269
Manholes Strongcoat Required		330	61
Manholes Strongcoated	6	10	2
Manholes GPS Surveyed	1552	1797	408
Dye Tests	36	27	25
Digs (or portions of Digs)	27	30	47
Digs Cost\$	\$154,421.00	\$251,370.00	\$444,229.00
Driveway Repairs (ref Dig)	1		2
Driveway Repairs (ref Dig)\$	\$ 2,000.00		\$ 3,700.00
Sewer Lateral Repairs Ordered	57	64	69
Sewer Lateral Repairs Ordered \$	\$285,392.00	\$408,254.91	\$491,672.56

*repair list continued from previous year

Projects Completed in 2023

[Construction Started for the TP4 Plant \(roadway\)](#)

[O'Fallon Hills A1 Lift Station Replacement](#)

DUCKETT CREEK SANITARY DISTRICT - 2024 ENGINEERING EXPENSE BUDGET - DEPARTMENT 20

<i>DEPARTMENTAL EXPENDITURES</i>	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>WAGES - REGULAR</u>				
20 - 0001 - WAGES-ENGINEERING-FULL TIME	\$987,922	\$1,168,851	\$1,124,528	\$1,266,395
0002 - WAGES-ENGINEERING-PART TIME	26,096	18,400	26,000	18,400
TOTAL WAGES-REGULAR	\$1,014,018	\$1,187,251	\$1,150,528	\$1,284,795
<u>WAGES - OVERTIME</u>				
0100 - WAGES-ENGINEERING-OVERTIME	\$56,216	\$60,000	\$45,618	\$60,000
0101 - PERSONAL LEAVE BUY BACK	1,311	1,500	1,923	2,800
TOTAL WAGES-OVERTIME	\$57,527	\$61,500	\$47,541	\$62,800
<u>FRINGE BENEFITS</u>				
0200 - FICA	\$78,994	\$95,377	\$91,071	\$102,938
0201 - ER RETIREMENT CONTRIBUTION	47,857	190,704	181,671	197,960
0202 - DISABILITY & LIFE INSURANCE	9,167	9,948	9,759	11,074
0204 - HEALTH INSURANCE	128,053	250,343	246,581	288,065
0205 - DENTAL INSURANCE	7,831	9,062	8,617	9,844
0207 - VISION INSURANCE	1,543	1,563	1,523	1,655
0208 - CAR ALLOWANCE	0	0	2,400	2,400
TOTAL FRINGE BENEFITS	\$273,445	\$556,997	\$541,622	\$613,936
<u>DUES & PUBLICATIONS</u>				
2100 - DUES & PUBLICATIONS	\$8,939	\$10,400	\$11,285	\$11,654
TOTAL DUES & PUBLICATIONS	\$8,939	\$10,400	\$11,285	\$11,654
<u>PROF SVCS - ENGINEERING</u>				
2700 - PROFESSIONAL SVCS - ENGINEERING	\$0	\$0	\$0	\$0
TOTAL PROF SVCS - ENGINEERING	\$0	\$0	\$0	\$0
<u>MISCELLANEOUS</u>				
3200 - MISCELLANEOUS	\$433	\$500	\$150	\$500
TOTAL MISCELLANEOUS	\$433	\$500	\$150	\$500
<u>TRAINING/EDUCATION</u>				
4000 - TRAVEL & TRAINING	\$6,767	\$28,680	\$28,255	\$24,710
TOTAL TRAINING/EDUCATION	\$6,767	\$28,680	\$28,255	\$24,710
<u>COMMUNITY AFFAIRS</u>				
4200 - COMMUNITY AFFAIRS	\$740	\$1,850	\$1,720	\$1,064
TOTAL COMMUNITY AFFAIRS	\$740	\$1,850	\$1,720	\$1,064

MAINTENANCE SUPPLIES

6000 - SEWER LINE MAINTENANCE	\$94,561	\$220,000	\$395,456	\$320,000
6002 - EQUIPMENT & TOOLS	68,356	90,000	90,000	90,000
6003 - SAFETY SUPPLIES AND EQUIPMENT	2,750	10,000	10,000	10,000
6090 - MANHOLE REHAB SUPPLIES	44,200	70,200	64,120	70,200
TOTAL MAINTENANCE SUPPLIES	\$209,866	\$390,200	\$559,576	\$490,200

BACK-UP REIMBURSEMENT

6400 - BACK-UP REIMBURSEMENT	\$0	\$0	\$0	\$20,000
TOTAL BACK-UP REIMBURSEMENT	\$0	\$0	\$0	\$20,000

MISSOURI ONE CALL

6700 - MISSOURI ONE CALL	\$4,970	\$5,000	\$5,600	\$5,000
TOTAL MISSOURI ONE CALL	\$4,970	\$5,000	\$5,600	\$5,000

TOTAL ENGINEERING:

\$1,576,705	\$2,242,378	\$2,346,277	\$2,514,659
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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.



DEPARTMENT OF OPERATIONS & MAINTENANCE

2024 ANNUAL GOALS

- ❖ Continue to work with District engineering to complete lift station and treatment plant improvements. **-ALIGNS WITH STRATEGIC GOALS 5 AND 6**
- ❖ Provide necessary on-going training to staff as needed. **-ALIGNS WITH STRATEGIC GOAL 1**
- ❖ Replace existing vehicles on the established rotation plan. **-ALIGNS WITH STRATEGIC GOALS 5 AND 6**
- ❖ Continue educational outreach program. **-ALIGNS WITH STRATEGIC GOAL 7**
- ❖ Continue to monitor and optimize odor control measures at various pump station outfalls and treatment plants. **-ALIGNS WITH STRATEGIC GOAL 4**
- ❖ Assist with priority evaluations that are used by the collection system maintenance department for selection of subdivisions to be inspected, cleaned and to undergo line replacement and repairs as needed. **-ALIGNS WITH STRATEGIC GOAL 6**
- ❖ Run seven-year complaint analysis to evaluate trends and locations of customer backups and customer odor complaints. **-ALIGNS WITH STRATEGIC GOAL 4**

Work with Engineering on the Following Projects - **-ALIGNS WITH STRATEGIC GOALS 5 AND 6**

- ❖ TP1: Replace Stainless Steel Reactivated Sludge Gates and Engineering for a Biosolids Equipment Shed
- ❖ TP4: Construction Project Management, Plant Construction, Influent Pipeline, Wyndgate Conversion to Force main
- ❖ Pump/Lift Stations: Complete Engineering and Projects for O'Fallon Hills, Highway K, Dardenne and Pump Station Upsizing, Engineering for area-wide consolidation, major pump replacements.
- ❖ Sewer Line Replacement and Repairs – Complete the emergency repair for Hwy 364 South Interceptor Project
- ❖ Admin Building: Replace HVAC Chiller

2023 O&M Performance Outcomes

- ❖ Replace administration Building HVAC Boiler
- ❖ O'Fallon Hills A1 Lift Station Replacement
- ❖ Riverdale Plant Upgrades/Capacity Increases
- ❖ TP1 Floating Aerators/Aeration Equipment Replacements
- ❖ TP2 \$1.8 million-dollar aeration replacement – oxidation ditch upgrade
- ❖ Purchase Kuhn Trailer sludge spreader for Biosolids
- ❖ Purchase 2024 Freightliner for Biosolids
- ❖ Purchase 2022 John deer 4WD Loader for Biosolids
- ❖ Purchase 2024 Freightliner Chassis – For Use as Mechanics Crane (retrofit)

DUCKETT CREEK SANITARY DISTRICT - 2024 O&M EXPENSE BUDGET - DEPARTMENT 31

DEPARTMENTAL EXPENDITURES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
WAGES - REGULAR				
31 - 0001 - WAGES-O & M-FULL TIME	\$1,126,560	\$1,253,385	\$1,243,269	\$1,343,083
0002 - WAGES-O & M-PART TIME	0	0	0	0
TOTAL WAGES-REGULAR	\$1,126,560	\$1,253,385	\$1,243,269	\$1,343,083
WAGES - OVERTIME				
0100 - WAGES-O & M-OVERTIME	\$108,746	\$110,000	\$114,048	\$110,000
0101 - PERSONAL LEAVE BUY BACK	6,221	6,500	6,117	7,200
TOTAL WAGES-OVERTIME	\$114,967	\$116,500	\$120,165	\$117,200
FRINGE BENEFITS				
0200 - FICA	\$92,616	\$104,796	\$104,303	\$111,712
0201 - ER RETIREMENT CONTRIBUTION	62,756	212,332	211,332	227,804
0202 - DISABILITY & LIFE INSURANCE	9,648	9,811	10,037	11,452
0204 - HEALTH INSURANCE	141,916	246,849	244,396	273,837
0205 - DENTAL INSURANCE	7,946	9,096	8,390	8,986
0207 - VISION INSURANCE	1,629	1,545	1,523	1,638
0208 - CAR ALLOWANCE	0	0	2,400	2,400
0209 - UNIFORMS	13,668	18,500	18,500	15,000
TOTAL FRINGE BENEFITS	\$330,178	\$602,929	\$600,881	\$652,829
PROGRAM INSURANCE				
1200 - COMP/GEN LIABILITY INSURANCE	\$164,017	\$166,950	\$168,556	\$180,355
1201 - VEHICLE INSURANCE	51,138	53,400	58,759	61,697
TOTAL PROGRAM INSURANCE	\$215,155	\$220,350	\$227,315	\$242,052
DUES & PUBLICATIONS				
2100 - DUES & PUBLICATIONS	\$3,393	\$3,734	\$3,248	\$3,450
TOTAL DUES & PUBLICATIONS	\$3,393	\$3,734	\$3,248	\$3,450
PROF SVCS-MEDICAL				
2500 - PROFESSIONAL SERVICES-MEDICAL	\$0	\$0	\$0	\$0
TOTAL PROF SVCS-MEDICAL	\$0	\$0	\$0	\$0
PROF SVCS-ENGINEERING				
2700 - PROFESSIONAL SERVICES-ENGINEERING	\$7,398	\$12,000	\$67,574	\$27,500
TOTAL PROF SVCS-ENGINEERING	\$7,398	\$12,000	\$67,574	\$27,500
MISCELLANEOUS				
3200 - MISCELLANEOUS	\$334	\$600	\$100	\$600
TOTAL MISCELLANEOUS	\$334	\$600	\$100	\$600
TRAINING/EDUCATION				
4000 - TRAVEL & TRAINING	\$12,907	\$14,785	\$20,000	\$13,585
TOTAL TRAINING/EDUCATION	\$12,907	\$14,785	\$20,000	\$13,585
COMMUNITY AFFAIRS				
4200 - COMMUNITY AFFAIRS	\$0	\$440	\$320	\$440
TOTAL COMMUNITY AFFAIRS	\$0	\$440	\$320	\$440

UTILITIES

5000 - WATER	\$74,667	\$68,900	\$82,919	\$83,000
5001 - TRASH	9,485	10,000	11,003	11,000
5002 - ELECTRICITY	1,024,647	1,090,000	977,500	1,090,000
5003 - GAS/PROPANE	51,005	65,000	54,000	69,500
TOTAL UTILITIES	\$1,159,804	\$1,233,900	\$1,125,422	\$1,253,500

LIFT STATION/PLANT MAINT

6200 - BUILDING & GROUND MAINTENANCE	\$62,346	\$73,700	\$66,564	\$66,750
TOTAL LIFT STATION/PLANT MAINT	\$62,346	\$73,700	\$66,564	\$66,750

BACK-UP REIMBURSEMENT

6400 - BACKUP REIMBURSEMENT	\$15,968	\$20,000	\$20,000	\$0
TOTAL BACK-UP REIMBURSEMENT	\$15,968	\$20,000	\$20,000	\$0

VEHICLE EXPENSE

6800 - VEHICLE MAINTENANCE	\$58,103	\$60,000	\$60,512	\$60,000
TOTAL VEHICLE EXPENSE	\$58,103	\$60,000	\$60,512	\$60,000

TOTAL O & M: \$3,107,113 \$3,612,323 \$3,555,370 \$3,780,989

DUCKETT CREEK SANITARY DISTRICT- 2024 O & M TREATMENT PLANT EXPENSE BUDGET - DEPT 32

<i>DEPARTMENTAL EXPENDITURES</i>	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>MAINTENANCE SUPPLIES</u>				
32 - 6001 - LAB CONSUMABLE SUPPLIES	\$50,957	\$60,000	\$76,977	\$75,000
TOTAL MAINTENANCE SUPPLIES	\$50,957	\$60,000	\$76,977	\$75,000
<u>BIO-SOLID REMOVAL</u>				
6101 - BIO-SOLID REMOVAL - VEH/EQU MAINT	\$111,490	\$90,000	\$81,025	\$90,000
6102 - BIO-SOLID POLYMER	85,560	141,174	94,392	158,400
TOTAL BIO-SOLID REMOVAL	\$197,050	\$231,174	\$175,417	\$248,400
<u>ODOR CONTROL</u>				
6300 - LIFT STATION ODOR CONTROL	\$50,514	\$58,000	\$60,400	\$60,400
6301 - PLANT ODOR CONTROL	32,514	33,000	25,000	25,000
TOTAL ODOR CONTROL	\$83,028	\$91,000	\$85,400	\$85,400
<u>PERMITS, FEES</u>				
6500 - PLANT OPERATING PERMIT	\$31,027	\$31,000	\$31,000	\$31,500
TOTAL PERMITS, FEES	\$31,027	\$31,000	\$31,000	\$31,500
<u>VEHICLE EXPENSE</u>				
6801 - FLEET GASOLINE	\$90,227	\$92,000	\$82,061	\$92,000
6802 - DIESEL FUEL	73,886	71,010	58,669	71,010
TOTAL VEHICLE EXPENSE	\$164,113	\$163,010	\$140,730	\$163,010
<i>TOTAL O & M TREATMENT PLANT:</i>	\$526,175	\$576,184	\$509,524	\$603,310

DUCKETT CREEK SANITARY DISTRICT - 2024 O & M FIELD EXPENSE BUDGET - DEPARTMENT 33

DEPARTMENTAL EXPENDITURES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>MAINTENANCE SUPPLIES</u>				
33 - 6002 - EQUIPMENT & TOOLS	\$6,876	\$10,500	\$15,000	\$15,000
TOTAL MAINTENANCE SUPPLIES	\$6,876	\$10,500	\$15,000	\$15,000
TOTAL O & M FIELD:	\$6,876	\$10,500	\$15,000	\$15,000

DUCKETT CREEK SANITARY DISTRICT - 2024 O & M LS/PLANT MAINT EXPENSE BUDGET - DEPT. 34

DEPARTMENTAL EXPENDITURES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>LIFT STATION/PLANT MAINT</u>				
34 - 6201 - PLANT MAINTENANCE	\$1,115,962	\$300,000	\$320,000	\$300,000
6202 - PLANT PROJECTS	207	379,900	303,613	145,000
6203 - PLANT PARTS INVENTORY	0	20,000	20,000	60,000
6204 - PLANT PUMPS AND PUMP PARTS	0	0	34,000	100,000
6205 - PAVING	0	50,000	25,000	50,000
6211 - LIFT STATION MAINTENANCE	277,248	132,000	100,600	100,000
6212 - LIFT STATION PROJECTS	0	163,550	67,684	22,250
6213 - LIFT STATION PARTS INVENTORY	0	10,000	10,000	20,000
6214 - LIFT STATION PUMPS AND PUMP PARTS	0	50,000	50,000	50,000
TOTAL LIFT STATION/PLANT MAINT	\$1,393,417	\$1,105,450	\$930,897	\$847,250
TOTAL O & M LS/PLANT MAINT:	\$1,393,417	\$1,105,450	\$930,897	\$847,250



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 which 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.

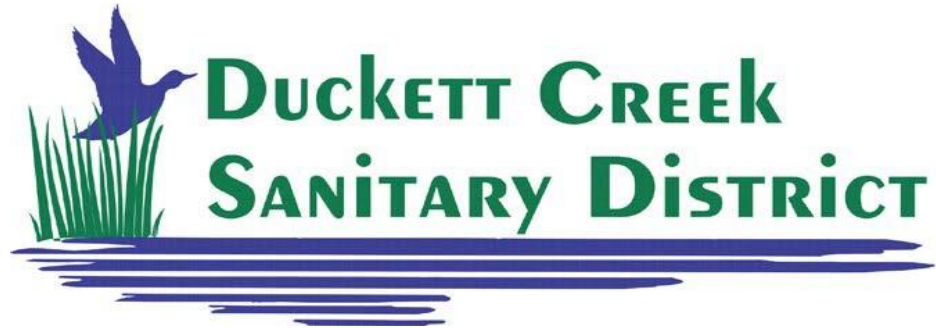
During 2015 the District refunded a portion of these outstanding 2006 series bonds.

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 of 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 1.1 (110%) coverage ratio requirement. The projected bond coverage ratio for 2023 is 1.88 and 1.41 for 2024. 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, 2024.



Duckett Creek Sanitary District Schedule of Revenue Bonds Payable 2024

YEAR	PRINCIPAL	INTEREST	TOTAL
2024	4,490,000	2,108,935	6,598,935
2025	4,620,000	1,920,032	6,540,032
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:	51,286,000	21,083,021	72,369,021

Note: This schedule reflects actual debt payments due.

DUCKETT CREEK SANITARY DISTRICT - 2024 DEBT SERVICE EXPENSE BUDGET - DEPARTMENT 11

DEPARTMENTAL EXPENDITURES

INTEREST EXPENSE

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
11 - 7002 - BOND INT-PRINCIPAL EXP 2002A	5,605	261,566	261,566	0
7005 - BOND INT-PRINCIPAL EXP 2015	212,379	2,171,750	2,171,750	2,378,500
7006 - BOND INT-PRINCIPAL EXP 2016	67,374	781,266	781,266	780,770
7007 - BOND INT-PRINCIPAL EXP 2022	239,289	3,439,196	3,439,196	3,439,665
7099 - COST OF ISSUANCE EXENSE	237,510	0	0	0
TOTAL INTEREST EXPENSE	\$762,157	\$6,653,778	\$6,653,778	\$6,598,935

INTEREST INCOME

7100 - REGULAR INTEREST INCOME	(\$279,353)	(\$226,362)	(\$2,265,965)	(\$897,948)
7103 - 2002A BOND INTEREST INCOME	(11,598)	-	-	-
TOTAL INTEREST INCOME	(\$290,951)	(\$226,362)	(\$2,265,965)	(\$897,948)

TOTAL DEBT SERVICE:	\$471,206	\$6,427,416	\$4,387,813	\$5,700,987
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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 the 2006 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/replacement 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 2022 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, HVAC, building and garage improvements and engineering and renovations for a TP2 workshop . 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 the District continues major improvements for lift stations, large equipment repairs and replacement, large vehicle purchases and fleet purchases, as well as plant 4 construction.

The following section provides a summary of information by budget year and project, a detailed description of each current year project and the anticipated cost for the life of the 5-year plan contemplated here. In reality, the District regularly updates a ten-year capital plan and uses projections to provide a 20- and 30-year longterm plan including important capital expense items.

DUCKETT CREEK SANITARY DISTRICT - 2024 CAPITAL BUDGET - DEPT 40

DEPARTMENTAL EXPENDITURES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
CAPITAL EXPENSE (CASH BASIS)				
40 - 8001 - HARVESTER MAINT FACILITY/GRNDS	\$6,704	\$6,000	\$2,000	\$30,000
8002 - TRUCKS, HEAVY EQUIPMENT	427,099	1,000,789	849,016	617,000
8004 - TREATMENT PLANT IMPROVEMENT	75,714	200,000	2,107,943	200,000
8008 - SEWER LINE REPLACEMENT	65,233	475,506	300,000	50,000
8009 - LAND EASEMENTS	58,568	120,000	55,000	0
8010 - LAND ACQUISITIONS	0	0	0	0
8011 - ENGINEERING DESIGN PROJECTS	1,800,652	1,105,000	1,576,156	371,127
8012 - COMPUTERS, SMALL EQUIPMENT	86,202	0	0	9,000
8016 - ERP SOFTWARE	20,342	73,200	25,930	26,200
8020 - LIFT STATION IMPROVEMENTS	116,450	1,955,000	234,647	3,360,070
8021 - BIO PAD	23,950	125,000	0	0
8022 - ADMIN BLDG IMPROVEMENTS	38,249	131,000	22,600	212,203
8023 - TREATMENT PLANT 4	393,000	27,091,000	14,859,177	29,516,253
TOTAL CAPITAL EXPENSE	\$3,112,162	\$32,282,495	\$20,032,469	\$34,391,853
TOTAL CAPITAL:	\$3,112,162	\$32,282,495	\$20,032,469	\$34,391,853

Summary of Proposed Capital Plan FY 2024-2028

CATEGORIES	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
Harvester Maintenance Facility/Grnds.	\$ 2,000	\$ 30,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Truck, Heavy Equipment	849,016	617,000	335,000	360,000	160,000	160,000
Treatment Plant Improvement	2,107,943	200,000	320,000	320,000	320,000	720,000
Sewer Line Replacement	300,000	50,000	455,506	-	1,500,000	-
Land Easements	55,000	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-
Engineering Design Projects	1,576,156	371,127	70,000	70,000	70,000	70,000
Computers/Small Equipment	-	9,000	6,000	12,000	12,000	-
ERP Software	25,930	26,200	23,200	23,200	17,900	17,900
Lift Station Improvements	234,647	3,360,070	1,750,000	250,000	250,000	250,000
Bio Pad	-	-	200,000	-	-	-
Admin. Building Improvements	22,600	212,203	-	-	-	-
Treatment Plant 4	14,859,177	29,516,253	1,000,000	1,000,000	1,000,000	1,265,000
Capital Expenses	\$ 20,032,468	\$ 34,391,853	\$ 4,164,706	\$ 2,040,200	\$ 3,334,900	\$ 2,487,900

2024 Capital Improvement Budget

Account Name: Harvester Maintenance Facility/Grnds.

Description: Expenses Related to The Maintenance of The Facility and Grounds.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8001 Harvester Maintenance Facility/Grnds.						
Storage Building		25,000				
Flooring	2,000					
Miscellaneous		5,000	5,000	5,000	5,000	5,000
Total Harvester Maintenance Facility/Grnds.	2,000	30,000	5,000	5,000	5,000	5,000

2024 Capital Improvement Budget

Account Name: Trucks and Heavy Equipment

Description: Repair or Replace Existing Vehicles and Equipment Due to Age and Use.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8002 Trucks and Heavy Equipment						
Annual Fleet Replacement	42,854	197,000	160,000	160,000	160,000	160,000
Replace Semi Truck - Plant 2		250,000				
Hydroflush	9,713					
Replace Sludge Spreader	151,700	170,000				
Boom Truck	233,975					
Vac Truck	226,089					
Utility UTV	23,000					
Front End Loader	161,685		175,000			
Semi Trailers (Dump Trailers)				200,000		
Total Trucks and Heavy Equipment	849,016	617,000	335,000	360,000	160,000	160,000

2024 Capital Improvement Budget

Account Name: Treatment Plant Improvements

Description: Repair or Replace Existing Facilities or Portions of Facilities Due to Age and Use.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8004 Treatment Plant Improvements						
Stainless Steel Gates at TP1		200,000				
Replacing Above Ground Fuel Tanks at TP1 Riverdale, Phase 2	16,844 70,000					
Membrane Replacements						
Replace Ditch Rotors / Paddles at TP2	1,800,099					
Two Surface Aerators at TP1	221,000					
Two Surface Aerators at TP2				300,000		
Project Contingency Budget			320,000	20,000	320,000	320,000
Total Treatment Plant Improvements	2,107,943	200,000	320,000	320,000	320,000	320,000

2024 Capital Improvement Budget

Account Name: Sewer Line Replacement

Description: Repair or Replace Existing Sewer Lines Due to Age and Use.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8008 Sewer Line Replacement						
CIPP						
Pinewoods Project 3			367,392			
Muirfield Project 6			36,608			
Trails of Riverwood Project 17			27,144			
Twin Chimneys LS Project 8			6,396			
Vineyards Project 15			17,966			
South Interceptor	170,000	50,000			1,500,000	
8" Portable Diesel Pump	130,000					
Total Sewer Line Replacement	300,000	50,000	455,506	0	1,500,000	0

2024 Capital Improvement Budget

Account Name: Land Easements

Description: Procurement of Land Easements for Construction Projects.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8009 Land Easements						
Easement Budget O'Fallon Hills	55,000					
Total Land Easements	55,000	0	0	0	0	0

2024 Capital Improvement Budget

Account Name: Land Acquisitions

Description: Acquire Land for Operations.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8010 Land Acquisitions						
Total Land Acquisitions	0	0	0	0	0	0

2024 Capital Improvement Budget

Account Name: Engineering Design Projects

Description: Design Work for Various Repair and Replacement Projects.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8011 Engineering Design Projects						
TP4 Task 1 (100k) Preliminary Design	29,565					
TP4 Task 2 (432k) Preliminary Design	5,008					
TP4 Task 3 (768k) Preliminary Design (now 1mil.)	52,049					
TP4 Task 4 (700k) Preliminary Design	723,531					
TP4 Task 5 (75k) Preliminary Design	20,287					
TP4 Task 6 (100k) Preliminary Design	18,440					
TP4 Task 7 (225k) Preliminary Design	96,015					
TP4 Adjust Contract CMT and Extra Work for Permitting Approval	175,285					
TP4 Adjust Contract CMT for \$3.635775M Aeration \$200,000	100,000	100,000				
Rehab of Future Pump Stations		40,000	40,000	40,000	40,000	40,000
O'Fallon Hills	5,666	116,127				
Hwy K Pump Station Upgrade	195,000					
PS Dardenne Engineering	125,310					
Equipment Shed at TP1		50,000				
Biosolids Equipment Shed at TP1		35,000				
General Engineering	30,001	30,000	30,000	30,000	30,000	30,000
Total Engineering Design Projects	1,576,156	371,127	70,000	70,000	70,000	70,000

2024 Capital Improvement Budget

Account Name: Computers and Small Equipment

Description: Provides for Information Systems Infrastructure Needs.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8012 Computers / Small Equipment						
Batteries (every five years)			6,000			
Server Replacements				12,000	12,000	
GIS Upgrade		9,000				
Total Computers / Small Equipment	0	9,000	6,000	12,000	12,000	0

2024 Capital Improvement Budget

Account Name: ERP Software

Description: Provides for Billing System and ERP System Software and Updates.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8016 ERP Software						
Incode Upgrades	4,000	13,900	13,900	13,900	13,900	13,900
Rate Study Tool/Rate Setting Tool	21,930	12,300	9,300	9,300	4,000	4,000
Total ERP Software	25,930	26,200	23,200	23,200	17,900	17,900

2024 Capital Improvement Budget

Account Name: Lift Station Improvements

Description: Construction Activity Related to Improvements to Lift Stations.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8020 Lift Station Improvements						
O'Fallon Hills	75,000	640,000				
Windcastle-800' Boring for Low Pressure System Extension-Creekview Ct.	60,000					
Hwy DD LS - Add Water Line, Road Bore		20,000				
MO Research Pk North LS - Control Panel, Spare Pump		60,000				
Trails of Jacobs Summit LS - New Pumps/Phase Converter	45,000					
Twin Chimneys LS - Controls		30,000				
Princeton Place - Controls - Regrading and Asphalt		40,000				
Areawide Pump Station Consolidation Summerlin	54,647					
Future PS Rehab		250,000	250,000	250,000	250,000	250,000
Hwy K Addition/Project		500,000	1,500,000			
Hwy K Influent Structure		70,070				
Dardenne Rehab Replace Piping/Corrosion		1,750,000				
Total Lift Station Improvements	234,647	3,360,070	1,750,000	250,000	250,000	250,000

2024 Capital Improvement Budget

Account Name: Bio Pad

Description: Repairs or Improvements to Bio Pad.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8021 Bio Pad						
Biosolids Handling Equipment Shed			200000			
Total Bio Pad	0	0	200,000	0	0	0

2024 Capital Improvement Budget

Account Name: Administration Building Improvements

Description: Replacements or Repairs to Facility and Grounds Due to Age and Use.

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8022 Admin. Bldg. Improvements						
Landscaping Replaced		25,000				
Replace HVAC Chiller in 2022 & System in 2023		127,203				
Painting	600					
Redo Slope of Sidewalk for ADA Accessibility		45,000				
Pavilion		5,000				
Boiler Replacement	22,000					
Concrete Curbing at Admin Building		10,000				
Total Admin. Building Improvements	22,600	212,203	0	0	0	0

2024 Capital Improvement Budget

Account Name: Treatment Plant 4

Description: Continuation of Conceptual Plan for Hopewell Road Plant

Budget Item	2023 Est.	2024 Budget	2025 Planned	2026 Planned	2027 Planned	2028 Planned
5.40.8023 Treatment Plant 4						
Building Permit	45,501					
Overhead Electric	110,185					
Easements	8,269					
Access Road	121,793					
Plant Construction	13,372,000	23,714,550				
East Influent Pipeline	485,714	1,214,286				
Collection System / Pipeline	485,714	300,000	1,000,000	1,000,000	1,000,000	1,000,000
Removal of Wyndgate (Conversion of Plant to Lift Station)	230,000	651,642				
Add Aeration TP4 River City		3,635,775				
New Vehicle for One Person						25,000
Biosolids Loader						240,000
Total Treatment Plant 4	14,859,177	29,516,253	1,000,000	1,000,000	1,000,000	1,265,000

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Sewer Lateral Program

The Sewer Lateral Program was newly implemented in fall of 2016 with a program start date of January 1, 2017. The program is funded with a \$28 annual fee approved in the April 2016 election for Duckett Creek customers that are not covered by another municipal 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 2024 budget includes revenue projected at \$730,198 and expenses totaling \$677,687 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 2024 year with a net income of \$52,511 and an estimated program balance of \$588,289 (cash basis) which is restricted for future residential sewer lateral repairs.

DUCKETT CREEK SANITARY DISTRICT - 2024 SEWER LATERAL PROGRAM BUDGET

REVENUES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
SEWER LATERAL REVENUES				
OTHER REVENUE	\$7,413	\$0	\$0	\$0
SEWER LATERAL FEES	687,718	686,974	686,974	688,152
INTEREST INCOME	9,884	6,000	50,904	42,046
TOTAL REVENUES	\$705,015	\$692,974	\$737,878	\$730,198
EXPENSES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
ADMINISTRATION	\$5,569	\$19,563	\$40,718	\$21,124
INFORMATION SERVICES	1,053	2,000	2,000	2,000
ENGINEERING	521,324	590,612	638,586	647,964
O&M	1,800	5,599	5,599	5,599
O&M TREATMENT PLANT	800	1,000	806	1,000
TOTAL OPERATIONAL EXPENSES	\$530,546	\$618,774	\$687,709	\$677,687
CAPITAL EXPENSES	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$530,546	\$618,774	\$687,709	\$677,687
REVENUES OVER/UNDER EXP	\$174,469	\$74,200	\$50,169	\$52,511
PROGRAM BALANCE:	\$485,609	\$559,809	\$535,778	\$588,289

2024 SEWER LATERAL EXPENSE DETAIL

ADMINISTRATION DEPT '10' EXPENSES

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
ADMIN SALARIES	\$3,198	\$10,357	\$10,357	\$11,226
FICA	0	792	792	859
ER RETIREMENT CONTRIBUTION	0	1,605	1,605	1,751
WORKERS' COMPENSATION INS	1,667	1,880	1,880	2,015
HEALTH INSURANCE	0	1,958	1,958	2,302
ACCOUNTING FEES	0	1,100	1,100	1,100
LEGAL SERVICES	0	1,250	1,250	1,250
OFFICE SUPPLIES	620	521	521	521
POSTAGE	0	0	0	0
MISCELLANEOUS	84	100	21,255	100
TOTAL ADMINISTRATION EXPENSES	\$5,569	\$19,563	\$40,718	\$21,124

INFORMATION SVCS DEPT '12' EXPENSES

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
PROGRAMMING	\$0	\$250	\$250	\$250
SOFTWARE	0	0	0	0
SOFTWARE SUPPORT	524	524	524	524
COMPUTER EQUIPMENT	0	0	0	0
TELEPHONE AND INTERNET	0	806	806	806
CELLULAR PHONE	529	420	420	420
TOTAL INFORMATION SERVICES EXPENSES	\$1,053	\$2,000	\$2,000	\$2,000

ENGINEERING DEPT '20' EXPENSES

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
ENGINEERING SALARIES	\$69,112	\$57,166	\$57,166	\$60,220
OVERTIME	0	2,000	0	2,000
FICA	5,440	4,526	4,526	4,760
ER RETIREMENT CONTRIBUTION	6,082	9,171	9,171	9,394
HEALTH INSURANCE	5,436	7,749	7,749	11,590
401K MATCH	0	0	0	0
SEWER LATERAL REPAIR	435,254	510,000	559,974	560,000
TOTAL ENGINEERING EXPENSES	\$521,324	\$590,612	\$638,586	\$647,964

O & M DEPT '31' EXPENSES

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
VEHICLE INSURANCE	\$1,200	\$1,200	\$1,200	\$1,200
ELECTRICITY	0	1,117	1,117	1,117
NATURAL GAS	0	316	316	316
BUILDING MAINTENANCE	0	2,366	2,366	2,366
VEHICLE MAINTENANCE	600	600	600	600
TOTAL O & M EXPENSES	\$1,800	\$5,599	\$5,599	\$5,599

O & M PLANT DEPT '32' EXPENSES

	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
FLEET FUEL	\$800	\$1,000	\$806	\$1,000
TOTAL O & M TREATMENT PLANT EXP	\$800	\$1,000	\$806	\$1,000

TOTAL EXPENSES:	\$530,546	\$618,774	\$687,709	\$677,687
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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. Included is certain graphic information about revenue trends and assumptions utilized in budget preparation. A copy of the approved budget resolution and glossary of terms completes this section's information.

ECONOMIC CONDITION AND OUTLOOK

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 offices are established, 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 household income in 2022 was \$99,596, 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. The latest unemployment data from March 2024 shows St. Charles County’s unemployment rate was 3.1% compared to 3.3% statewide.

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 dollar planned development totaling 1,100 acres within the high-tech corridor. The Winghaven 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 residential village located in the development. Several commercial sites are located in the development, the largest being MasterCard International.

LONG-TERM FINANCIAL PROJECTIONS

After 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 with the last planned for March, 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 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 preparation to better assess the District’s long-term financial wellbeing.

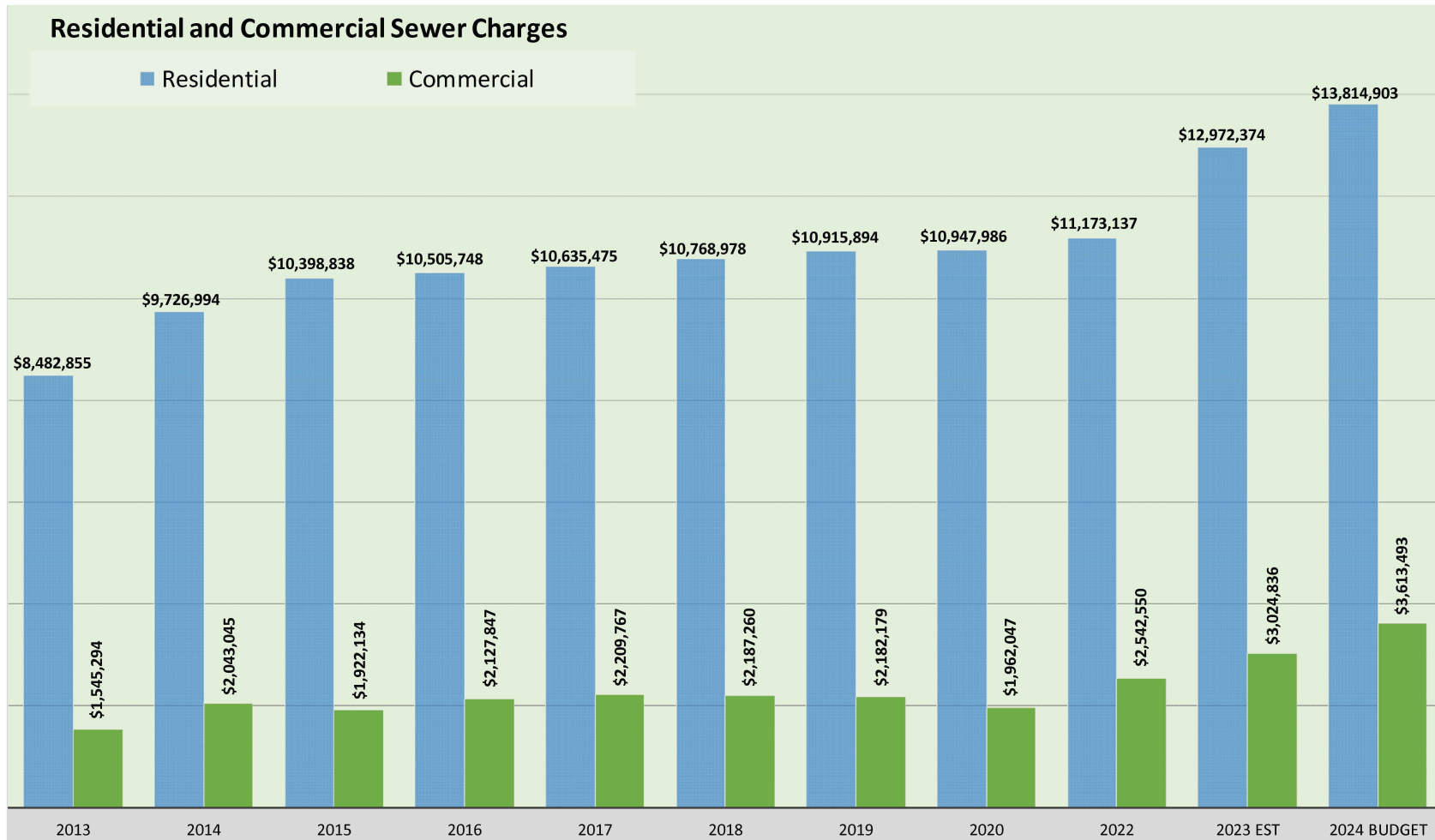
In summary, the economic outlook for the District continues to be conservative yet optimistic. The District is well positioned to accommodate future growth while protecting system assets in a timely manner.

The following graphs provide a multi-year trend representation of the major revenue sources. Descriptions of each revenue source and budgetary preparation assumptions are included.

DUCKETT CREEK SANITARY DISTRICT - 2024 REVENUE BUDGET

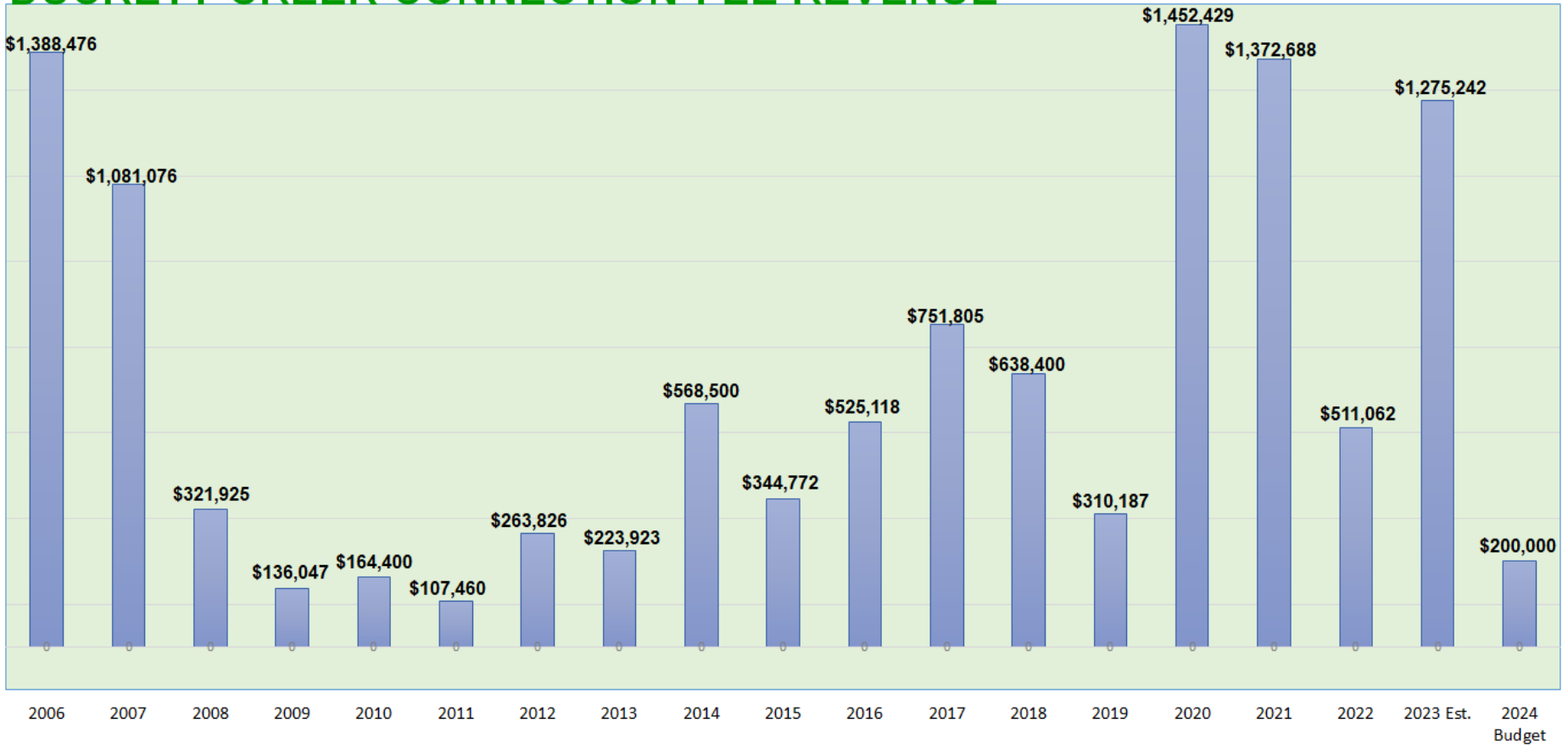
REVENUES	2022 ACTUAL	2023 BUDGET	2023 ESTIMATE	2024 BUDGET
<u>RESIDENTIAL CHARGES</u>				
01-4001 - SEWER CHARGES-RESIDENTIAL	\$10,634,138	\$12,856,495	\$12,462,871	\$13,312,902
01-4002 - RIVERDALE SEWER CHGS RES	140,320	138,016	146,260	146,260
01-4003 - WYNDGATE SEWER CHRG RES	313,974	309,028	336,840	336,840
01-4030 - SEWER LATE CHARGES	23,329	18,000	23,052	18,000
01-4040 - NSF FEES	1,258	900	3,351	900
TOTAL RESIDENTIAL CHARGES	\$11,113,019	\$13,322,439	\$12,972,375	\$13,814,902
<u>COMMERCIAL CHARGES</u>				
01-4115 - SEWER CHARGES-COMMERCIAL	\$2,505,156	\$3,009,664	\$3,020,625	\$3,610,718
01-4117 - WYNDGATE SEWER CHRG COM	7,410	2,775	9,750	9,750
TOTAL COMMERCIAL CHARGES	\$2,512,566	\$3,012,439	\$3,030,375	\$3,620,468
<u>CONNECTION FEES</u>				
01-4210 - RESIDENTIAL CONNECTION FEES	\$230,800	\$104,000	\$1,188,400	\$104,000
01-4211 - COMMERCIAL CONNECTION FEES	\$327,462	\$96,000	\$86,842	\$96,000
TOTAL CONNECTION FEES	\$558,262	\$200,000	\$1,275,242	\$200,000
<u>SURCHARGE INCOME</u>				
01-4301 - SURCHARGE INCOME	\$0	\$0	\$0	\$0
01-4302 - RIVERDALE SURCHARGE INCOME	64,297	63,216	67,768	67,768
01-4303 - WYNDGATE SURCHARGE INCOME	180,824	177,954	193,928	193,928
TOTAL SURCHARGE INCOME	\$245,121	\$241,170	\$261,696	\$261,696
<u>INSPECTION FEES</u>				
01-4420 - INSPECTION FEES	\$56,141	\$9,500	\$36,704	\$9,500
TOTAL INSPECTION FEES	\$56,141	\$9,500	\$36,704	\$9,500
<u>OTHER REVENUE</u>				
01-4500 - PERMIT FEES	\$2,550	\$1,500	\$4,700	\$2,500
01-4501 - OTHER REVENUE	34,801	20,600	72,150	60,600
TOTAL OTHER REVENUE	\$37,351	\$22,100	\$76,850	\$63,100
TOTAL REVENUES:	\$14,522,460	\$16,807,648	\$17,653,241	\$17,969,666

Charge revenue includes the monthly residential user fee base of \$21.75 per month through February, increased to \$26.75 in March 2023. Commercial metered usage rates of \$4.40 per 1,000 gallons of water used through February updating to \$5.35 in March of 2024 after a three year phased-in approach to reach parity. The new rates come after a nine year rate hold and are projected to remain steady for another nine 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..

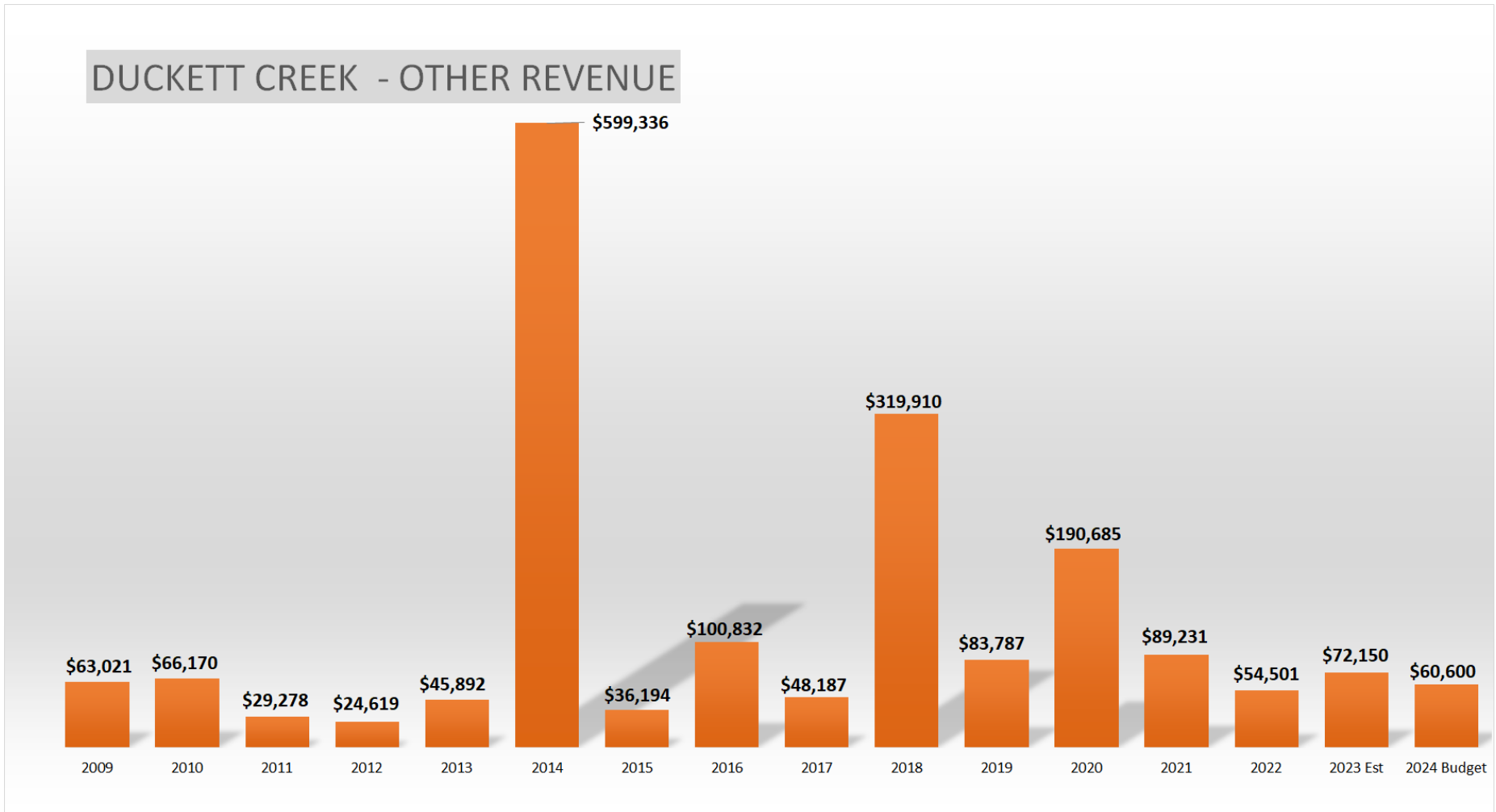


The connection fee revenue includes a residential charge of \$800 per lot for the main system development and a graduated charge for commercial developments based on acreage to be developed. Revenue projections are extremely difficult for this line item as they fluctuate with construction development. The reduction in revenues starting in 2008 is indicative of the housing market reductions that started at that time. Construction activity then increased in 2020 and 2021, with growth following the pandemic then leveled off to a more neutral levels in 2022. Connection fees for the new TP4 plant started arriving in 2023, showing a remarkable increase related to that area's growth activity in anticipation of the new plant. The 2024 budget projection is intended to be conservative, however, as this revenue can fluctuate greatly.

DUCKETT CREEK CONNECTION FEE REVENUE



Other Revenues is a category, which can include any miscellaneous sources of funding such as sale of fixed assets, cell tower revenue 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 in 2014 totaling \$545,593 for a project that was canceled. In 2016 the District received a large election expense refund. 2018 includes a bond interest refund for \$223,696 and health insurance rebate of \$15,261. The 2020 year includes a FEMA disaster reimbursement, a lien settlement, our health insurance surplus and a vehicle trade in. The 2024 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 was historically included in the debt service budget as an offset to expense for budgeting purposes. The District’s participation in the SRF loan program has phased out with the newer use of private placement lease financing. 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. 2020-2022 interest returns were greatly affected by the federal reserve rate cuts implemented to help during the pandemic. Interest increased dramatically in 2023 due to higher interest rates and interest earned from the TP4 construction project fund. All interest for the construction project is segregated for use on that project. Interest projections for 2024 include an estimated average rate of 4% (4.13%).

Interest Income



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Duckett Creek Sanitary District

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

Ph: (636) 441-1244
Customer Service Fax: (636) 496-8100
Engineering Fax: (636) 496-8150


RESOLUTION #23-10

RESOLUTION ADOPTING FY2024 BUDGET

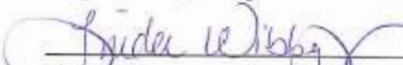
IT IS HEREBY ORDERED AND RESOLVED BY THE TRUSTEES OF DUCKETT CREEK SEWER DISTRICT THAT THE ATTACHED FY2024 OPERATIONS AND CAPITAL BUDGET BE ADOPTED EFFECTIVE JANUARY 1, 2024.

ADOPTED BY THE BOARD OF TRUSTEES OF THE DUCKETT CREEK SEWER DISTRICT OF ST. CHARLES COUNTY, MISSOURI THIS 28TH DAY OF NOVEMBER, 2023.

Duckett Creek Sanitary District
By the Board of Trustees



Greg Dohrman, Chairperson



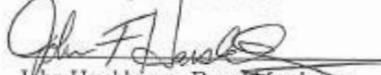
Linda Wibbenmeyer, Vice-Chairperson



Bill Rebores, Board Member



Bob Schnur, Board Member



John Harshbarger, 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 28, 2023

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DUCKETT CREEK SANITARY DISTRICT

Glossary of Terms

Fiscal Year 2024

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 given 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 the \$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 Syst
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 sometime 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.

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