



Sunset Beach Sanitary District

Of Orange County

P.O. Box 1185

Sunset Beach, CA 90742

(562) 493-9932

www.sunsetbeachsd.org

RESOLUTION NO. 2021-08-01

The approval and adoption of the County of Orange Special District Budget for the Sunset Beach Sanitary District is contained in the minutes of the August 12th, 2021 Board Meeting as follows:

MOTION: To approve and adopt the budget of \$3,181,891 for the fiscal year 2021-2022, including reserves, and to certify that the tax rates are levied in accordance with Sections 93 and 96.31 of the Revenue and Taxation code, as applicable.

Motion made by: *Bernard Hartmann*


Seconded by: *John H. Woods*

Ayes: *4*

Nays: *0*

Absent: *1*


Graham K. Hoad, President


John H. Woods, Secretary

I hereby certify that the above is true and correct:


Chris Montana, Clerk of the Board

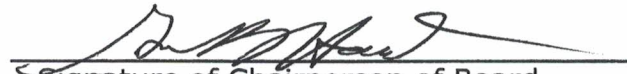
COUNTY OF ORANGE
SPECIAL DISTRICT BUDGET FOR Sunset Beach Sanitary District
FISCAL YEAR 2021-22

At a meeting held on August 12, 2021, the Board of
Directors of the Sunset Beach Sanitary District duly
adopted the budget (enclose copy of Resolution or Minute Order) for Fiscal Year 2021-22
in the amount of \$ 3,181,891.

BUDGET BALANCING ACCOUNT

Should any numbers listed on these forms be revised or updated, please indicate, in the
space provided below, the amount which may be adjusted to balance the total requirements
and the available financing.

Adjust Misc. Exp. Acct# 1700


Signature of Chairperson of Board

Signature of Secretary

ADDITIONAL INFORMATION REQUIRED

Time of Regular Board Meeting 6:30 p.m.

Directors: 5 Chairperson: Graham K. Hoad
(Please Print)

Bernard Hartmann, Treasurer Jon Regnier

Dave Evans

Secretary: John H. Woods Clerk: Chris Montana

Attorney: Wes Beverlin of Lewis Brisbois LLP Auditors: Clifton, Larson, Allen LLP

Mailing address of district: P.O. Box 1185
Sunset Beach, CA 90742

ATTN: Chris Montana Telephone: (714) 840-7077

Person to contact regarding budget: Chris Montana

Telephone: (714) 840-7077

E-mail: blueskyhb@aol.com

BUDGET FORM
FUND# and NAME: 749 Sunset Beach Sanitary District
FISCAL YEAR 2021-22

Detail by Revenue Source and Expenditure Object	2021-22 Adopted by the Board
FUND BALANCE AVAILABLE AS OF 6/30/2021	1,697,791
CANCELLATION OF RESERVES	
REVENUE	
6210 Property Taxes Current Secured	924,000
6220 Property Taxes Current Unsecured	20,000
6280 Property Taxes Current Supplemental	10,000
6300 Property Taxes Prior Supplemental	600
6610 Interest	15,000
6690 State Homeowners Property Tax Relief	4,500
7520 Sanitation Services - sewer connection fees	6,000
7600 Special Assessments	499,000
7670 Misc. / Franchise Fees	5,000
TOTAL REVENUE	1,484,100
TOTAL AVAILABLE FINANCING	3,181,891
EXPENDITURES/APPROPRIATIONS	
0100 Salary - Superintendent	84,000
0101-0001 Salary - Superintendent II	34,610
0101-0002 Salary - Asst. Superintendents	48,000
0112 Directors' Fees	10,000
0200 Retirement-Employers' Soc Sec	11,500
0301 State Employer's Tax (UI & ETT)	1,500
0352 Workers' Compensation Insur	11,000
0401 Medicare-Employer's Medicare	3,000
0702-0003 Answering Service	1,000
0702-0004 Cell Phone Expense	1,946
0702-0005 Pump Station Phone Lines	3,000
1000 Trash Pick-Up	275,000
1100 Insurance - Liability	16,000
1300-0006 Maintenance-Manholes	50,000
1300-0007 Maintenance-Generators	15,500
1300-0008 Maintenance-Shop Supplies	4,000
1300-0009 Emergency Repairs	50,000
1400-0010 Bldg & Improv - Pump Stations	60,000
1400-0011 Bldg & Improv - Sewer Lines	100,000
1400-0012 Bldg & Improv - CCTV	25,000
1600 Memberships	11,500
1800 Office Expense	1,000
1900 Prof/Specialized County Fees	7,200
1909-0014 Contracts - Audit	10,000
1909-0015 Contracts - Legal	10,000
1909-0016 Contracts - Assessor	4,000
1909-0017 Contracts - General Accounting	45,000
1912 Investment Admin Fees	1,200

BUDGET FORM
FUND# and NAME: 749 Sunset Beach Sanitary District
FISCAL YEAR 2021-22

Detail by Revenue Source and Expenditure Object	2021-22 Adopted by the Board
2000 Publication and Legal Notices	2,000
2100-0013 Engineering & Const - District Engineer	55,000
2100 Engineering & Const - Broadway Sewer Siphon	825,000
2100 Engineering & Const - Sewer Lateral Testing, Mapping	15,000
2100 Engineering & Const - Pump Station Studies, Gravity Bypass	225,000
2200-0020 Rents & Leases-Bldgs	14,000
2601 Private Auto Mileage	1,200
2602 Superintendent's Auto Allowance	4,800
2700 Meeting and Conference Expense	500
2800-0021 Utilities-SWRCB	3,500
2800-0022 Utilities-SCE	6,000
2800-0023 Utilities-OCSD-Treatment	175,000
2800-0024 Utilities-OCSD-Capital Replacement	33,625
2800-0025 Utilities-OCSD-Wastewater Permit	1,000
2800-0026 Utilities-OCSD-FOG	10,000
2800-0027 Utilities-HB-Operations & Maint.	20,000
2800-0028 Utilities-HB-Capital Replacement	12,310
TOTAL EXPENDITURES/APPROPRIATIONS	2,298,891
INCREASE OR NEW RESERVES	
Increase in Capital Projects Reserve	883,000
TOTAL FINANCING REQUIREMENTS	3,181,891

Instructions for Series 700 County Funds

Reserve cancellations and increases:

Input the Reserve balance sheet account and Department balance sheet account if applicable (e.g. 9811-0001).

Revenue: Input the Revenue account and Department revenue if applicable (e.g. 6210-0001).

Expenditures/Appropriations:

Input the Expenditure object and Department object if applicable (e.g. 1900-0001).

Totals: Total Available Financing must agree to Total Financing Requirements.
 Total Available Financing = Beginning FBA + Reserve Cancellations + Total Revenue
 Total Financing Requirements = Total Expenditures/Appropriations + Increases/New Reserves

COUNTY OF ORANGE
 Sunset Beach Sanitary District _____ DISTRICT
 FISCAL YEAR 2021-22

SCHEDULE FOR FUND BALANCE AVAILABLE

Line

1.	Fund Balance - 06/30/20 (from last year's schedule, Line 4)		<u>2,353,970</u>
	* \$1,717,867 with County: BSA's 9813 \$1,269,600 + 9990 \$448,267	Rounding	1
2.	Add: Actual Revenues FY - 2020-2021		<u>1,493,891</u>
	* \$1,462,021 with County.		
3.	Less: Actual Expenditures FY - 2020-2021	(<u>1,102,453</u>)
	* \$1,082,285 with County.		
4.	Fund Balance 06/30/21 (Line 1 + 2 - 3)		<u>2,745,409</u>
	* \$2,097,603 with County = BSA's 9813 \$595,500 + 9990 \$1,502,103		
5.	Less Total Reserves @ 06/30/21 (from total of Column 1, Schedule of Reserve Requirements)		
	5A. General Reserves _____		
	5B. Other Reserves <u>1,047,618</u>		
	* \$595,500 with County: BSA 9813 - Designated Capital Projects		
	5C. Total Reserves (line 5A + 5B)	(<u>1,047,618</u>)
6.	Total Fund Balance Available 07/01/21 (Line 4 less 5C). Post this number to Budget Form, Fund Balance Available		<u>1,697,791</u>
	* \$1,502,103 with County: BSA 9990		

Prepared by: (District) _____ Chris Montana _____ Telephone: _____ (714) 840-7077 _____

COUNTY OF ORANGE
 Sunset Beach Sanitary DISTRICT
 FOR FISCAL YEAR 2021-22
 SCHEDULE FOR RESERVE REQUIREMENTS

Description/BSA/Dept BSA General Reserves (BSA 9850)	1 2020-2021 Current Reserves	2 Cancellation Of Reserves	3 Increase Or New Reserves	4 Reserve For 2021-22
Other Reserves (Provide Detail):				
Emergency Funds Outside County	452,118			452,118
Capital Projects (BSA 9813)	595,500		883,000	1,478,500
TOTAL	1,047,618		883,000	1,930,618

INSTRUCTIONS

1. Record current reserves in Column 1. Post amounts from Column 1 to Schedule for Fund Balance Available, Lines 5A and/or 5B.
2. Record any decreases in reserves for the new budget year to Column 2.
Post all Cancellation of Reserves in Column 2 to Budget Form, Cancellations of Reserves
3. Record any increases or new reserves for the new budget year to Column 3.
Post all Increases/New Reserves in Column 3 to Budget Form, Increases/New Reserves
4. Reserves for 2021-22 (Column 4) = Current reserves (Column 1) - Cancellation of Reserves (Column 2) + Increase or New Reserves (Column 3).

Prepared by: (District) Chris Montana Telephone: (714) 840-7077

Sunset Beach Sanitary District

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CASH RESERVE POLICY

FY 2021-22

Background

California Government Code Section 53600 subjects all governing bodies of local agencies to the prudent investor standard which requires the Board to act with care, skill, and prudence to safeguard principal and maintain liquidity needs of the agency when investing, purchasing, acquiring or managing public funds.

General

The appropriate level and separation of reserves is critical to the financial health of the District and is necessary for the sustainable delivery of public services. It is the goal of this policy to establish those reserve funds necessary to meet the District's operating and capital financial goals.

Policy

The objective of the Sunset Beach Sanitary District's Reserve Policy is to provide adequate funding to meet the District's short-term requirements and long-term plans as outlined in the District's Capital Reserve Policy and its Forecast Budget. The Board authorizes and directs that the following reserve funds be established as follows:

- (1) Emergency Reserve Fund: This fund is established to set aside funds which would be needed for emergency repairs and related cleanup or other costs, in excess of \$100,000, resulting from a natural disaster, such as an earthquake or flood, or an unanticipated and unforeseen circumstance such as a sewer line breakage. The 2021-22 Emergency Reserve fund has been established by Board Resolution at a minimum amount of \$450,000 and target amount of \$500,000, to be invested in the State of California Local Agency Investment Fund (LAIF).
- (2) Capital Improvements Reserve Fund: This fund is established to accumulate reserves which have been committed to fund specific upcoming District projects that repair, rehabilitate, or replace current District assets, approved by the District's Board, on a pay-as-you-go basis. This reserve shall be funded with excess unassigned funds available.

The Board of Directors, by Resolution, has established the 2021-22 Capital Improvements Reserve at a minimum amount of \$500,000, reflecting a cancellation of \$674,100 to fund the Broadway Siphon Project, and a target amount of \$3,500,000, to be invested with funds maintained by the County of Orange as follows.

2025 Broadway Pump Station	2,000,000
2025 Allowance for Sewer Lateral Repairs	1,500,000

Total 2021-22 Budgeted Reserves are summarized as follows:

Emergency Reserve Fund	\$ 452,118
Capital Improvement-Broadway Siphon Reserve Fund	<u>1,478,500</u>
	<u>\$1,930,618</u>

The above Reserve Fund balances are to be reported on monthly financial reports and are to be evaluated at least once during the fiscal year, during the creation, adoption, and possible amendment of the District's budget.

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INVESTMENT POLICY 2021-22

General:

The Sunset Beach Sanitary District (hereinafter referred to as “the District”) shall invest its reserve funds under the “Prudent Investor Standard” under California Government Code Section 53600.3, which states that “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with case, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Objectives: The District shall invest in a manner designed to accomplish the objectives of:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

Authorized Investments:

All investments and deposits of the District shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686 (the “Code”). The District has further limited investments of reserves to the following which are specifically allowed under the Code:

Orange County Pooled Investment Fund: The Code allows unlimited investment in the Orange County Pooled Investment Fund. The District may invest in the Orange County Pooled Investment Fund in any manner it deems prudent.

Local Agency Investment Fund: The Code allows unlimited investment in the Local Agency Investment Fund (“LAIF”). The District may invest in LAIF in any manner it deems prudent.

Annual Review of Policy: The District shall review the Investment Policy at least once annually to insure its overall consistency with the overall objectives of preservation of principal, liquidity, and compliance to current law.