



**CARPINTERIA**  
Sanitary District

5300 Sixth Street  
Carpinteria, CA 93013

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**Board of Directors**

Mike Modugno, President  
Deborah Murphy  
Michael Damron  
Gerald Velasco  
Lin Graf

**General Manager**

Craig M. Murray, P.E.

June 20, 2023

Mr. Mike Modugno  
President  
Board of Directors  
Carpinteria Sanitary District

**Re: Letter of Transmittal - FY 2023/24 Annual Budget**

Submitted for your review is the proposed FY 2023/24 Annual Budget for the Carpinteria Sanitary District. This financial guideline projects the administrative, operating, maintenance, and capital improvement funding requirements for the upcoming fiscal year. Based upon projected revenues and beginning fund balances, adequate resources are available to fund the proposed appropriations and maintain fund balances at or near policy levels. Inflationary effects have been taken into consideration, as have projected staffing and resource levels necessary to carry out the District's budgetary goals and objectives.

During FY 2021/22, the District prepared a comprehensive Wastewater Rates and Fees Study. The study included a review of the District's financial plan, user classifications, and rate structure for the wastewater enterprise. The study also reviewed the District's revenue requirements to determine the appropriate level of revenue adjustment to maintain financial sufficiency and rate stability. Based on the findings, the District's Board of Directors authorized a series of 3% annual rate increases beginning in FY 2022/23 and continuing for the following four fiscal years.

For FY 2023/24, the sewer service charge for a single family residential unit will increase from \$754.72 to \$777.37 per year. Non-residential rates will increase proportionally.

Overall, in FY 2023/24 we expect aggregate revenues to increase 4.0% and operating expenses to increase by 8.2% as compared to the prior fiscal year. The result being a projected debt ratio of 1.50, well above the minimum ratio of 1.25 required by a covenant of the District's outstanding debt. Revenues in excess of projected operating expenses will continue to fund a strategic capital improvement program and serve to maintain prudent fiscal reserves.

## REVENUE PROJECTION

Total revenues for FY 2023/24 are projected to be \$7,259,122 or \$277,969 more than the prior fiscal year projection. A summary of each revenue category is provided below:

**Sewer Service Charges (SSC).** SSC revenue is expected to be \$6,319,122 in the coming fiscal year. This is an increase of 1.8% or \$112,899 from previous fiscal year totals and is a net result of the aforementioned 3% rate increase, offset by a decrease in non-residential SSC revenue resulting from a pattern of decreased water use in that sector. Residential SSC revenue will make up 78.8% of the total, with the non-residential sector contributing 21.2%.

**Property Taxes.** The District receives 1% of the property tax increment collected by the Santa Barbara County Assessor for those parcels within the District's service area (with limited exceptions). Total assessed property values have continued to increase moderately in the past year and consequently the revenue from this source is projected to be \$750,000 which is \$65,145 or 9.5% higher than what was projected for the previous fiscal year.

**Development Impact Fees (DIF).** Development Impact Fee (DIF) revenue is variable and cannot be projected accurately on a year-to-year basis. Furthermore, because DIF revenue is restricted and may be used only for qualifying capital improvements, it is typically assumed to be zero for budgetary purposes. Based on the comprehensive rates and fees study, District Ordinance No. 18 was adopted to set the base DIF amount for the 2022/23 fiscal year. Commencing July 1<sup>st</sup> 2023, the DIF for a single dwelling unit will be \$6,576. This is an increase of approximately 5.6% or \$346 from the previous fiscal year. The non-residential DIF structure is based on equivalent dwelling units and will be increased proportionately.

**Other Revenues.** The District's other sources of revenue include interest income, permit and inspection fees, and other miscellaneous fees and charges. Interest income is projected to increase as short term interest rates continue to trend upward.

The District will not be renewing its contract to perform laboratory analysis for Cate School's wastewater recycling facility. Therefore, no revenue is projected for this line item.

The District repaired the foundation supporting the floodwall along the north-eastern boundary of its wastewater treatment facility in response to damage incurred during the January 9, 2023 storm flow event in Carpinteria Creek. The repair has been approved for reimbursement funding from FEMA and CalOES and an invoice submittal will be completed in the coming fiscal year grant revenue of \$20,000 is projected.

## OPERATING EXPENSES

Overall operating expenses are expected to increase by 8.2% or \$382,010 over the prior fiscal year projection. A brief description of individual expense accounts is provided below.

**Personnel Expenses.** The overall salary and benefit costs for FY 2023/24 are projected to be \$184,910 or 6.2% higher than the prior fiscal year. This increase results from the net effect of a cost of living increase, merit increases and the addition of two full-time positions within the organizational chart. Two new Operator in Training positions are proposed as part of a strategic succession planning effort related to the forthcoming Carpinteria Advanced Purification Project (CAPP).

The Salary Matrix included in the budget document reflects a 7.5% increase from the prior fiscal year. The District Board of Directors typically follows adopted policy guidance that modifies base wage rates based on the Consumer Price Index (CPI) for Urban Wage Earner and Clerical Workers in the Los Angeles – Long Beach – Anaheim area as provided by the U.S. Bureau of Labor Standards (BLS). The Board retains full discretion in implementation of any cost of living adjustment to staff compensation levels.

The District's CalPERS retirement benefit will continue to be based on the 2% @ 55 Program for Classic Miscellaneous Member groups, with the District paying the employer and employee contribution. Employees hired after January 1, 2013 are enrolled under a different plan established pursuant to the Public Employees' Pension Reform Act (PEPRA). Under this retirement plan, the employee is responsible for his or her annual contribution to the plan. Currently, 50% of District staff members are enrolled under PEPRA. Overall, in FY 2023/24 the District's PERS regular contributions will decrease \$5,000 or 1.7% from previous fiscal year, based primarily on investment returns within the CalPERS system.

The District will continue to participate in the California Risk Management Agency (CSRMA) pooled liability and workers compensation insurance programs. The workers compensation insurance premiums for FY 2023/24 are projected to stay essentially flat. Rates are associated with an experience modification factor which is a direct reflection of claims performance. The CSRMA pool continues to be administered by Alliant Insurance Services.

**General Expenses.** General expenses, incurred in each department, include routine expenses such as training, office supplies, licenses and permits, mileage reimbursement and other recurrent items. The proposed budget for this account is \$332,700, which represents a decrease of 5.2% or \$18,200 over the prior fiscal year.

**Environmental Monitoring.** This portion of the annual budget supports the quality control efforts required to monitor NPDES discharge permit parameters as well as to perform plant process control tests. The proposed budget is \$51,000, which represents a minor decrease of \$1,000 or 1.9% from the prior fiscal year.

**Utilities.** The majority of this budget account is for electricity purchased from Southern California Edison (SCE). The budget for this category is \$309,300 or 6.1% of the total operating budget. This reflects an increase of \$94,200 or 43.8% from the previous fiscal year. The increase is attributed to an adjustment to be more closely aligned with actual energy costs incurred in the previous fiscal year.

**Biosolids Disposal.** The District contracts with Engel & Gray, Inc. for transporting and composting of biosolids. The current contract cost for hauling and processing is \$55.26 per ton plus a fuel surcharge that varies with a national diesel fuel index. Based on higher projected fuel costs, the budget of \$135,000 represents an increase of \$15,000 over the previous fiscal year.

**Supplies & Equipment.** This budget category includes costs for chemicals and related supplies used in the wastewater treatment plant and collection system. The budget for this category is \$301,500, or about 6.0% of the total operating budget. This is an increase of \$63,000 or 26.4% from previous fiscal year. The increase is due to a sharp rise in the contract price for disinfection chemicals, following recent public bid solicitation.

**Repairs & Maintenance.** The budget projected for this category provides funding for all scheduled and unscheduled maintenance and repairs for District owned assets and equipment. The projected budget is \$362,200, or 7.2% of the total operating budget. This is a net increase of \$36,900 or 11.3% from the previous year's projection. Pandemic related supply chain issues continue to have affected our ability to obtain replacement parts, instrumentation and other critical operational items. The budget for this category was increased for the purpose of acquiring a broader inventory of parts and equipment for maintenance or repair purposes.

**Professional Services.** Professional service costs in FY 2023/24 are projected to be \$275,400 or 5.5% of the overall budget. This represents a decrease of 0.8% or \$2,100 over the previous fiscal year budget.

**Other Expenses.** This account supports outside expenses, such as administration fees for property tax collections by the County of Santa Barbara, bond trustee administration fees, the District's pro-rata portion of Santa Barbara LAFCO's annual budget and costs associated with participation in the Integrated Regional Water Management Plan process. The District also continues to allocate funds to provide limited funding for a joint indirect potable reuse water recycling project being pursued with the Carpinteria Valley Water District. The total projected budget for this category of expenses is \$80,300 or 1.6% of the operating budget.

## **NON-OPERATING EXPENSES**

**Capital Improvement Projects.** The proposed budget for new Capital Improvement Program (CIP) projects in FY 2023/24 is \$160,000. Two discrete projects or procurements are proposed. These projects will add to the list of ongoing or carryover projects, with a previously authorized aggregate total of \$3,125,000. The projects proposed for the coming year are relatively small when compared to capital spending in a typical year. However, District staff will be focused on completing projects currently underway and on design related activities for CAPP.

Detailed information on new and previously authorized CIP projects is presented in the budget document.

**Debt Service.** During the 2012/13 fiscal year, the District took advantage of a favorable interest rate environment and completed a refunding transaction for the outstanding 2003 Revenue Refinancing Bonds. The District Board concurrently authorized issuance of an additional \$4,500,000 in new municipal bonds to partially finance the Aerobic Digester Replacement Project. Currently, the District's 2012 Wastewater Revenue Bonds have an annual debt service obligation that is approximately \$1.1M.

To appropriately fund the Administration Building Replacement Project, the District obtained long term financing for the \$4.0M construction cost. The financing was successfully completed and a new debt service schedule was added to the budget document to reflect the annual payments.

The FY 2023/24 budget, as presented, results in a debt service ratio (revenue minus operating expenses divided by debt service obligation) of 1.50, which exceeds the minimum required ratio of 1.25.

## CASH POSITION

It is estimated that FY 2023/24 will start with a beginning combined cash and equivalent balance of about \$10.3M and will end with a combined cash balance, after payment of projected operating and non-operating expenses, of about \$11.0M. A higher balance may exist at the end of FY 2023/24 depending on the status of authorized capital improvement projects.

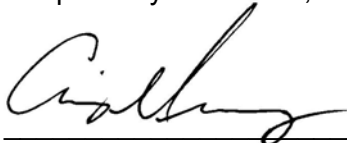
## A LOOK INTO THE FUTURE

The District's priorities continue to be focused on system reliability and energy efficiency. As mentioned, the CAPP project being pursued in partnership with the Carpinteria Valley Water District (CVWD) is a substantial undertaking that will demand significant resources as it moves through final design and into implementation. While capital funding for CAPP will be largely provided by CVWD, through State and Federal grants and low interest loans, the District's budget includes certain financial contributions and will definitively alter the annual budget process in years to come.

The District continues to work diligently to control costs, and we have developed a lean operating budget for FY 2023/24. Staff will strive to stay within the budget, and while it is always our goal to operate efficiently, it is important to make appropriate investments in maintenance and equipment renewal to ensure the community has a safe and reliable wastewater treatment and disposal system.

Sincere thanks are expressed to District staff for their assistance and common sense approach in the development of this year's budget. It could not be done without them.

Respectfully Submitted,



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Craig M. Murray, P.E.  
General Manager

Enclosures:      1. Resolution No. R-366  
                         2. Fiscal Year 2023/24 Budget

## RESOLUTION NO. R-366

### A RESOLUTION OF THE BOARD OF DIRECTORS OF CARPINTERIA SANITARY DISTRICT ADOPTING THE FISCAL YEAR 2023/24 FINAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE CARPINTERIA SANITARY DISTRICT AND SETTING THE ANNUAL APPROPRIATIONS LIMIT

The Board of Directors of the Carpinteria Sanitary District (“District”) does resolve as follows:

**SECTION 1: FINDINGS.** The Board of Directors finds and declares as follows:

- A. The Board of Directors reviewed the proposed final Operating and Capital Improvement Program (“CIP”) Budget (“Budget”) for the District for fiscal year 2023/24; and
- B. The Operating and CIP Budget are based upon appropriate estimates and financial planning for the District’s operations, debt and capital improvements; and
- C. The Board of Directors is fully informed regarding the District’s current finances, projected revenue, and financial obligations; and
- D. It is in the public interest for the Board of Directors to adopt the Budget and CIP as proposed by the General Manager.

**SECTION 2: ADOPTION.** The Budget and the CIP projects as incorporated by reference to this Resolution are approved and adopted subject only to the authorizations set forth below.

**SECTION 3: APPROPRIATIONS LIMIT.**

- A. Article XIII B of the California Constitution requires the District to set its Appropriations Limit on an annual basis.
- B. The District’s Appropriations Limit may be adjusted annually based upon inflation and population growth.
- C. The Board of Directors may choose the method of calculating adjustments to the District’s Appropriations Limit on an annual basis. For inflation, pursuant to Article XIII B, § 8(e)(2), adjustments to the Appropriations Limit may be calculated using either the percentage change in per capita personal income from the preceding year or the percentage change in the local assessment roll from the preceding year because of local nonresidential new construction. For population growth, pursuant to Government Code § 7901(b), the District may either use the percentage growth either in its jurisdiction or from the surrounding county.

- D. Pursuant to Article XIII B of the California Constitution, and those Government Code sections adopted pursuant to Article XIII B, § 8(f), the Board of Directors chooses to adjust the District's Appropriations Limit by calculating inflation using the California per capita personal income growth and calculating population growth by using the percentage change in population in Santa Barbara County.
- E. As a result of the adjustments made to the District's Appropriations Limit, the Board of Directors sets the Appropriations Limit for fiscal year 2023/24 at \$5,195,940.

**SECTION 4: BUDGET APPROPRIATIONS.** Based upon the Budget, the total General Fund operating budget, including transfers, is \$5,034,210. The Overall District Budget is \$6,679,147 including debt service and current year CIP projects. The General Manager, or designee, is authorized to implement the appropriations.

**SECTION 5: CIP APPROPRIATIONS.** Based upon the CIP, a total of \$160,000 is appropriated for capital improvement projects for fiscal year 2023/24. The General Manager, or designee, is authorized to implement the CIP.

**SECTION 6: FUND OPERATING RESERVES.** The General Manager, or designee, may appropriate any remaining revenues at the close of fiscal year 2023/24 into the applicable Fund operating reserve per Governmental Accounting Standards Board (GASB) Statement No. 54.

**SECTION 7: BUDGET ADJUSTMENTS.** The Budget may be subsequently adjusted as follows:

- A. By majority vote of the Board of Directors;
- B. By the General Manager, or designee, for all appropriation transfers between programs and appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs;
- C. Objects code expenditures within appropriation units in a program are not restricted so long as funding is available in the appropriation unit as a whole.

**SECTION 8: CONTRACTING AUTHORITY.**

- A. The General Manager, or designee, is authorized to bid and award contracts for the equipment, supplies, and services approved in the Budget.
- B. The General Manager or designee, is authorized to execute all contracts awarded for equipment, supplies, and services approved in the Budget.
- C. For all other services, equipment, and supplies, the General Manager or designee, is authorized to execute contracts in accordance with the District's Ordinances.

**SECTION 9:** The Secretary is directed to certify the adoption of this Resolution; record this Resolution in the book of the District's original resolutions; and make a minute of the adoption of the Resolution in the Board of Director's records and the minutes of this meeting.

**SECTION 10:** This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

**PASSED, APPROVED, AND ADOPTED** by the Governing Board of the Carpinteria Sanitary District on June 20, 2023, and carried by the following roll call vote:

**AYES:**

**NAYS:**

**ABSENT:**

**ABSTENTIONS:**

Resolution No. R-366 was thereupon declared, carried, and adopted.

Dated this 20<sup>th</sup> day of June 2023.

**We certify that the above is a true and correct copy of Resolution No. R-366, adopted by the Board of Directors of the Carpinteria Sanitary District on June 20, 2023.**

**APPROVED:**

\_\_\_\_\_  
Mike Modugno  
President, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Gerald Velasco  
Secretary, Board of Directors



# Carpinteria Sanitary District

## FISCAL YEAR 2023/24 BUDGET



### **BOARD OF DIRECTORS**

Mike Modugno — President

Michael Damron — President Pro-Tem

Lin Graf — Treasurer

Gerald Velasco — Secretary

Deborah Murphy — Secretary Pro-Tem

### **DISTRICT STAFF**

Craig Murray, P.E.— General Manager

Kim Garcia — District Administrator

Mark Bennett – Operations Manager

Carpinteria Sanitary District  
5300 Sixth Street  
Carpinteria, CA 93013  
[www.CarpSan.com](http://www.CarpSan.com)

## DISTRICT BOARD OF DIRECTORS AND STAFF

### BOARD OF DIRECTORS

Mike Modugno	President
Michael Damron	President Pro Tem
Gerald Velasco	Secretary
Deborah Murphy	Secretary Pro Tem
Lin Graf	Treasurer

The District Board of Directors meets on the first and third Tuesday of each month at 5:30 p.m. in the District's Administrative Offices located at 5300 Sixth Street, Carpinteria, CA 93013.

### COMMITTEES

#### **Finance Committee**

Lin Graf	Chairperson
Michael Damron	Member

#### **Public Relations Committee**

Debbie Murphy	Chairperson
Lin Graf	Member

#### **Personnel Committee**

Gerald Velasco	Chairperson
Michael Damron	Member

#### **Joint Utilities Committee**

Lin Graf	Chairperson
Debbie Murphy	Member

#### **Coastal Districts Financing Authority**

Michael Damron	Member
Mike Modugno	Member

#### **Recycled Water Committee**

Gerald Velasco	Chairperson
Mike Modugno	Member

#### **Ad-Hoc SSD Coordination Committee**

Gerald Velasco	Chairperson
Mike Modugno	Member

The Finance Committee generally meets on the third Monday of each month at 8:30 am at the Administration office. The Personnel, Public Relations, Local Utilities, Recycled Water, Coastal District's Financing Authority and Ad-Hoc committees do not have a set meeting schedule, but rather meet on an as-needed basis. All committee meetings are noticed in accordance with the Ralph M. Brown Act.

### DISTRICT SUPPORT STAFF

Craig Murray, P.E.	General Manager
Mark Bennett	Operations Manager
Kim Garcia	District Administrator

### LEGAL COUNSEL

Burke, Williams & Sorenson, LLP - Karl H. Berger

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## BUDGET MESSAGE

This section provides the reader a comprehensive overview of the District's proposed annual budget for the 2023/24 fiscal year. The budget has been developed to uphold the main tenet of providing the users of the wastewater system the most environmentally sound and cost-effective method of collecting and treating wastewater, regardless of the demands placed upon the system. The budget has been prepared with continued focus on achieving the desired outcomes stated in its mission, goals and objectives as outlined below.

### District Mission

**To provide its customers with reliable and cost-effective wastewater treatment.**

### Budget Goals

The primary goals of the District, which are the basis for establishing the annual operating and capital budgets, include:

- Ensure that the collection and treatment systems remain reliable regardless of climatic, political and economic conditions.
- Ensure that the system collects, treats and disposes of wastewater effectively without endangering public health or the environment and within the limits of all discharge permits.
- Ensure that the system has ample hydraulic capacity to handle the demands placed upon it.
- Recruit, develop and maintain a highly qualified, professional staff that can be relied upon to operate and upkeep critical facilities to the highest standards of our industry.
- Implement critical capital facility upgrades and improvements in a strategic manner to maximize overall system performance on a long-term basis.
- Continually undertake planning and preparation for future advancements in treatment technology and beneficial reuse or recycling of available resources.
- Responsibly fund future pension liabilities for District employees and retirees by setting aside allocations to address unfunded actuarial liability projections.
- Continuously improve District operations by increasing efficiency through innovation and technology.
- Build a framework for implementation and operation of the Carpinteria Advanced Purification Project over the long term.

## Budget Objectives

The District's budgeting objectives remain focused in three major areas: reliability, effectiveness and capacity. The District continues to pursue these goals in the most efficient manner possible. We are maintaining operational cost control measures in place to keep expenditures as low as practicable. Objectives for the 2023/24 fiscal year are summarized below.

### RELIABILITY

- Enhance the asset based management program through full utilization of the District's computerized maintenance management system across all disciplines and departments.
- Continue a systematic program for the pro-active replacement of high maintenance and obsolete equipment determined through the District's asset management program.
- Invest in repair and maintenance parts, equipment, and instrumentation that has proven to be difficult to source in a timely manner in order to ensure immediate availability as needed.
- Continue employee training programs for the maintenance and operations staff to ensure cost-effective equipment protection. The utilization of in-house staff enhances staff morale while reducing system downtime.
- Update and implement the District's Sewer System Management Plan (SSMP) and use data from comprehensive collection system cleaning and CCTV inspection program to optimize maintenance activities and plan rehabilitation and replacement projects.
- Continue to refine the Board adopted multi-year capital improvement plan to ensure system upgrades and expansions are consistent with customer demand and State and Federal regulations.
- Continue developing technologies for real-time system monitoring in both the treatment facility and the collection system that will provide immediate notification to District staff in the event of abnormal conditions.
- Continued focus on establishing process and equipment redundancy for critical components of the facility.
- Proactively address cyber risks through implementation of cybersecurity measures designed to protect the District's computer network and hardware systems.

### EFFECTIVENESS

- Continue enforcement of the Industrial Source Control Program and Fats, Oil and Grease (FOG) Control Program, and integrate into a more comprehensive Enhanced Source Control Program intended to reduce the introduction of toxic or harmful substances into the wastewater system which may negatively impact the system.

- Continue the training program for operations personnel to ensure uniform process control and NPDES permit compliance.
- Continue the current biosolids recycling program that provides for reliable beneficial reuse of biosolids within Santa Barbara County in compliance with all applicable State and Federal regulations.
- Explore new biosolids management opportunities that may reduce the overall carbon footprint or achieve a higher level of beneficial resource recovery and reuse.
- Provide the customer with courteous and professional service, with accurate information and facts, and with a public education awareness program on proper sewer usage and hazardous waste disposal alternatives.
- Participate and contribute to professional industry organizations in order to advance the regulatory framework for wastewater management in California and to ensure that District staff has the knowledge and resources to continually improve system operations.
- Continue expansion and refinement of outreach efforts to customers and the general public to communicate the District's mission and how we effectively spend ratepayer dollars to protect water quality, public health and the environment.
- Continue to implement meaningful energy efficiency projects reducing our overall demand on natural resources and pursue energy independence opportunities to the extent practicable.
- Work jointly with the Carpinteria Valley Water District on an indirect potable reuse water recycling program that will provide the community with a reliable, drought-proof source of water for the future.

### **CAPACITY**

- Continue to refine the treatment process through the investigation of alternative processes, operator training and upgraded state of the art equipment.
- Strengthen the provisions of the sewer use ordinance, where needed, to minimize undesirable infiltration and inflow to the sewer collection system.
- Continue the sewer main, interceptor and manhole cleaning program to remove built up deposits of debris, grease and roots.
- Continue implementation and development of a comprehensive lateral inventory and inspection program with strategic planning for lower lateral maintenance, rehabilitation and replacement as necessary.
- Systematically implement sewer main and lower lateral rehabilitation projects for aging infrastructure in order to minimize infiltration and root intrusion in the collection system.

- Utilize the computerized hydraulic model to evaluate collection system capacity for specific areas of growth and for long term regional planning for housing needs.

## Current Year Highlights

- **Hyperinflation and Supply Challenges.** As we continue into FY 2023/24 the cost of materials, equipment and goods has escalated dramatically. Annualized inflation has diminished from the 8% range seen in 2022, but remains significant. For the coming year, we will experience doubling of the cost of bulk disinfection chemicals over the prior two-year period. The cost for other necessary services, from property insurance coverage to janitorial service are continuing to increase. Labor markets are also severely stressed and are affecting our ability to fill vacancies. Upward pressure on salaries, simply to address cost of living increases and to stay competitive in the marketplace, will affect operating expenses and outpace projections.
- **Carpinteria Advanced Purification Project (CAPP).** The District continues to work in partnership with the Carpinteria Valley Water District (CVWD) on development of an indirect potable use project. The project is currently in the final design phase, with significant progress anticipated in FY 2023/24. Although, CAPP is intended as a water supply project primarily, and CVWD is expected to fund implementation and future operations, in the coming fiscal year we will contributing resources related to an ultrafiltration pilot plant, a comprehensive effluent quality monitoring program and other critical design period activities. The District will ultimately operate the new advanced water treatment plant that is the key element of the CAPP. This will require highly trained operations staff that are not likely to be available in the local market when the facility comes online. In anticipation of this gap, we plan to hire entry level staff in the near term to begin an accelerated training program. At some point in time, CAPP associated staff costs will be borne by CVWD and costs for these new positions are considered interim.

## DISTRICT PROFILE

### About the District

The Carpinteria Sanitary District is an independent special district, which provides wastewater collection, treatment, and disposal services to the residents and businesses of the City of Carpinteria and surrounding unincorporated areas in the Carpinteria Valley

Independent special districts are voted into existence by the citizens they serve and are sanctioned under California law to perform specific local government functions within certain boundaries. The District was formed in 1928 pursuant to the Sanitary District Act of 1923. It derives its authority in the California Health and Safety Code (Sections 6400-6830).

### Location

Carpinteria is a coastal community located in southeastern Santa Barbara County, 12 miles east of Santa Barbara and 19 miles northwest of Ventura. It is home to approximately 14,950 residents and welcomes a large visiting community.

### History

The Carpinteria Sanitary District was formed in 1928 to provide wastewater collection and disposal to area residents. During the 1930's and 40's wastewater was collected and discharged to the ocean without the benefit of treatment. It was during this period that the bulk of the sewer system serving the downtown area was constructed.

The District's first wastewater treatment plant, designed to treat 500,000 gallons per day, was completed and put into operation in 1951. Treated effluent was discharged directly into the Pacific Ocean via an 18" outfall pipe which ran along the eastern bank of Carpinteria Creek.

Over time, the District's wastewater collection has been expanded to serve the community's needs. The system currently consists of approximately 42 linear miles of sewer pipeline ranging from 6" to 24" in diameter. The District also owns and operates eight sewage pump stations that are necessary to convey flow to the wastewater treatment plant. Currently the District provides service to approximately 14,950 people and has approximately 4,500 user accounts

### Government Structure

The District is governed by a five member Board of Directors who serve four year terms. The Directors have been elected on an at-large basis by registered voters living within the District's service area. However, beginning with election year 2024, the District will transition to a division based elections system with individual directors serving one of five defined geographic regions.



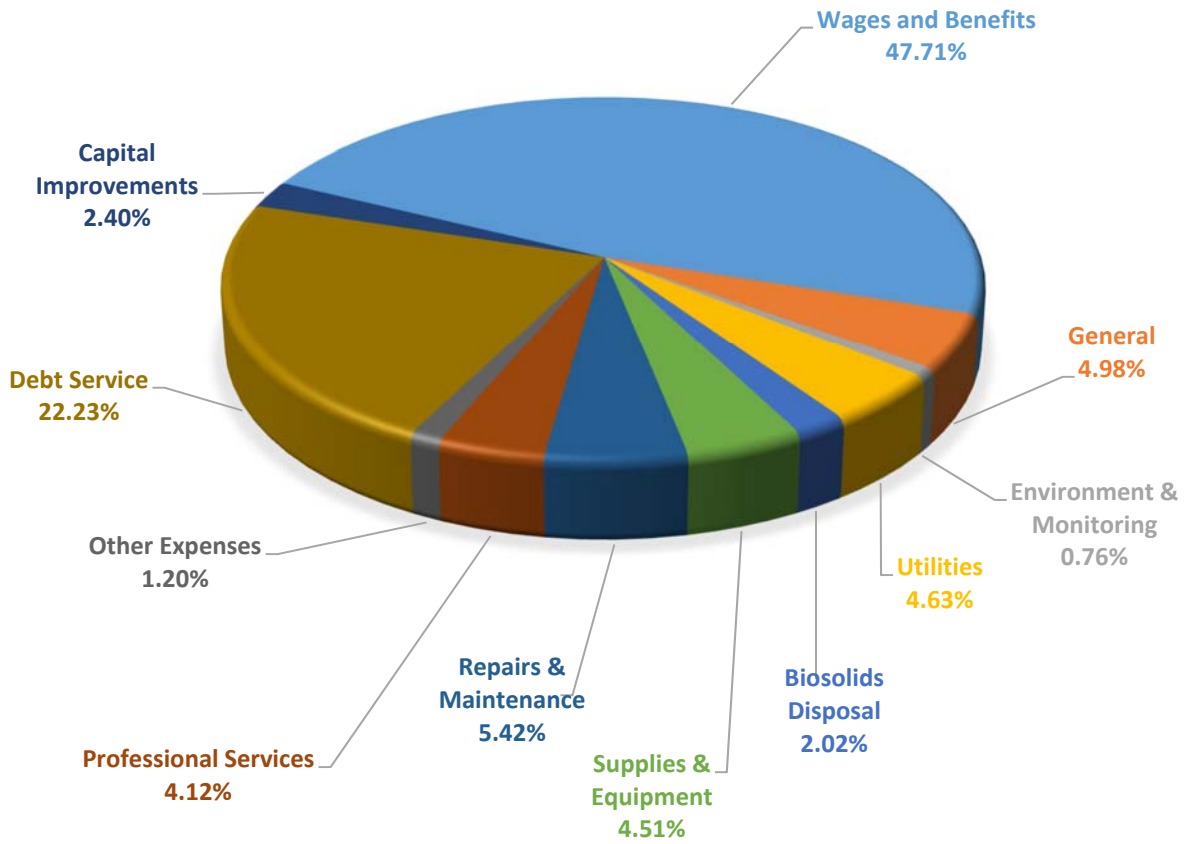
## BUDGET SUMMARY

The remainder of this section contains figures and financial data in spreadsheet format that summarize the proposed FY 2023/24 budget, as follows:

- **Budget Snapshot** – brief overview of the proposed FY 2023/24 budget
- **Expense Summary Chart** – graphical presentation of projected expenses
- **Pro-Forma Statement** – historical comparison of proposed FY 2023/24 budget
- **Bond Debt Service Schedule** – bond repayment schedule through 2042 maturation
- **Schedule of Loan Repayment** – Administration Building financing schedule
- **Organization Chart** – proposed District staffing and structure for FY 2023/24

<b>CARPINTERIA SANITARY DISTRICT BUDGET SNAPSHOT</b>				
	<b>BUDGET 2022/23</b>	<b>BUDGET 2023/24</b>	<b>BUDGET Inc/(Dec)</b>	<b>CHANGE %</b>
<b>REVENUES</b>				
Sewer Service Charges (SSC)	6,206,223	6,319,122	112,899	1.8%
Property Taxes	684,855	750,000	65,145	9.5%
Interest Income	50,000	150,000	100,000	200.0%
Development Impact Fees (DIF)	-	-	-	0.0%
Other Fees and Income	20,000	20,000	-	0.0%
Contract Lab Analysis	20,075	-	(20,075)	(100.0%)
Other Sources of Cash/Grants & Dedications	-	20,000	20,000	0.0%
<b>Total Gross Revenues</b>	<b>6,981,153</b>	<b>7,259,122</b>	<b>277,969</b>	<b>4.0%</b>
<b>EXPENSES</b>				
<b>Operating Expenses</b>				
Wages	1,895,500	2,068,710	173,210	9.1%
Benefits	1,106,400	1,118,100	11,700	1.1%
General	350,900	332,700	(18,200)	(5.2%)
Environment & Monitoring	52,000	51,000	(1,000)	(1.9%)
Utilities	215,100	309,300	94,200	43.8%
Biosolids Disposal	120,000	135,000	15,000	12.5%
Supplies & Equipment	238,500	301,500	63,000	26.4%
Repairs & Maintenance	325,300	362,200	36,900	11.3%
Professional Services	277,500	275,400	(2,100)	(0.8%)
Other Expenses	71,000	80,300	9,300	13.1%
<b>Total Operating Expenses</b>	<b>4,652,200</b>	<b>5,034,210</b>	<b>382,010</b>	<b>8.2%</b>
<b>Non-Operating Expense</b>				
Debt Service	1,181,938	1,180,563	(1,375)	(0.1%)
Admin Building Financing Fund	304,658	304,375	(283)	(0.1%)
Capital Improvements - Carry Over <sup>(1)</sup>	6,102,000	2,965,000	(3,137,000)	(51.4%)
Capital Improvements	1,155,000	160,000	(995,000)	(86.1%)
<b>Total Non-Operating Expenses <sup>(2)</sup></b>	<b>2,641,596</b>	<b>1,644,937</b>	<b>(4,133,658)</b>	<b>(156.5%)</b>
<b>Total Uses of Cash</b>	<b>7,293,796</b>	<b>6,679,147</b>		
<b>Surplus (Deficit) for the Year</b>	<b>(312,643)</b>	<b>579,975</b>		
<b>Estimate Year End Cash Balance</b>	<b>\$8,960,413</b>	<b>\$10,947,802</b>		
<small>(1) Capital Improvements - Carry Over funds have been approved in prior years budget and therefore not calculated into the current Fiscal Year Total Non-Operating Expense</small>				
<small>(2) Estimate Year End Cash Balance total excludes any Capital Improvements - Carry Over funds</small>				

### SUMMARY OF EXPENDITURES BY CATEGORY FY 2023/24



CARPINTERIA SANITARY DISTRICT								
PROFORMA STATEMENT								
Description	Actual Audited	Budget	Projected	Budget	Projected			
	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Revenue</b>								
Sewer Service Charge	\$ 5,954,033	\$ 6,206,223	\$ 6,185,000	\$ 6,319,122	6,508,695	6,703,956	6,905,075	7,112,227
Property Taxes	737,939	684,855	750,000	750,000	765,000	780,300	795,906	811,824
Interest Income	46,425	50,000	200,000	150,000	157,500	165,375	173,644	182,326
Development Impact Fees (DIF)	16,338	-	0	0	0	0	0	0
Other Fees and Income	5,731	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Contract Lab Analysis	28,340	20,075	20,075	0				
Other Source of Cash/Grant	1,098,712	-		20,000	0	0	0	0
<b>Total Revenue</b>	<b>7,887,518</b>	<b>6,981,153</b>	<b>7,175,075</b>	<b>7,259,122</b>	<b>7,451,195</b>	<b>7,669,631</b>	<b>7,894,625</b>	<b>8,126,377</b>
<b>Expenses</b>								
Wages	1,686,319	1,895,500	1,753,985	2,068,710	2,172,146	2,280,753	2,394,790	2,514,530
Benefits	873,423	1,106,400	1,052,261	1,118,100	1,174,005	1,232,705	1,294,341	1,359,058
General Operating Expenses	292,588	350,900	368,972	332,700	342,681	352,961	363,550	374,457
Environmental Monitoring	54,088	52,000	41,590	51,000	52,530	54,106	55,729	57,401
Utilities	259,251	215,100	325,049	309,300	324,765	341,003	358,053	375,956
Sludge Disposal	125,588	120,000	161,684	135,000	139,050	143,222	147,518	151,944
Supplies and Equipment	151,831	238,500	188,517	301,500	310,545	319,861	329,457	339,341
Repairs and Maintenance	229,250	325,300	317,342	362,200	376,688	391,756	407,426	423,723
Professional Services	204,212	277,500	247,788	275,400	289,170	303,629	318,810	334,750
Other Expenses	16,066	71,000	26,518	80,300	82,709	85,190	87,746	90,378
<b>Total Operating Expenses</b>	<b>3,892,616</b>	<b>4,652,200</b>	<b>4,483,708</b>	<b>5,034,210</b>	<b>5,264,289</b>	<b>5,505,186</b>	<b>5,757,421</b>	<b>6,021,537</b>
O & M Increase (Decrease) %			15.2%	8.2%	4.6%	4.6%	4.6%	4.6%
Scheduled Installment Payment - Bond	1,180,763	1,181,938	1,181,938	1,180,563	1,181,813	1,180,563	236,613	241,013
Scheduled Installment Payment - Admin	304,658	304,658	304,658	304,375	304,021	304,587	304,073	304,480
CIP-Previously Authorized/Carry Over(1)		6,102,000	4,332,000	2,965,000				
CIP - Current Year	4,423,034	1,155,000	110,000	160,000	1,200,980	1,544,950	1,438,800	1,213,520
<b>Total Non-Operating Expenses</b>	<b>5,908,455</b>	<b>2,641,596</b>	<b>1,596,596</b>	<b>1,644,937</b>	<b>2,686,813</b>	<b>3,030,099</b>	<b>1,979,486</b>	<b>1,759,013</b>
Surplus (Deficit) for the Year	(1,608,895)	(312,643)	1,094,772	579,975	(499,906)	(865,654)	157,718	345,827
Debt Services Ratio (>1.25%)	<b>2.68</b>	<b>1.57</b>	<b>1.81</b>	<b>1.50</b>	<b>1.47</b>	<b>1.46</b>	<b>3.95</b>	<b>3.86</b>
<b>Projected Year End Cash Balance (2)</b>	<b>\$ 9,273,056</b>	<b>\$ 8,960,413</b>	<b>\$ 10,367,828</b>	<b>\$ 10,947,802</b>	<b>\$ 10,447,896</b>	<b>\$ 9,582,242</b>	<b>\$ 9,739,961</b>	<b>\$ 10,085,788</b>

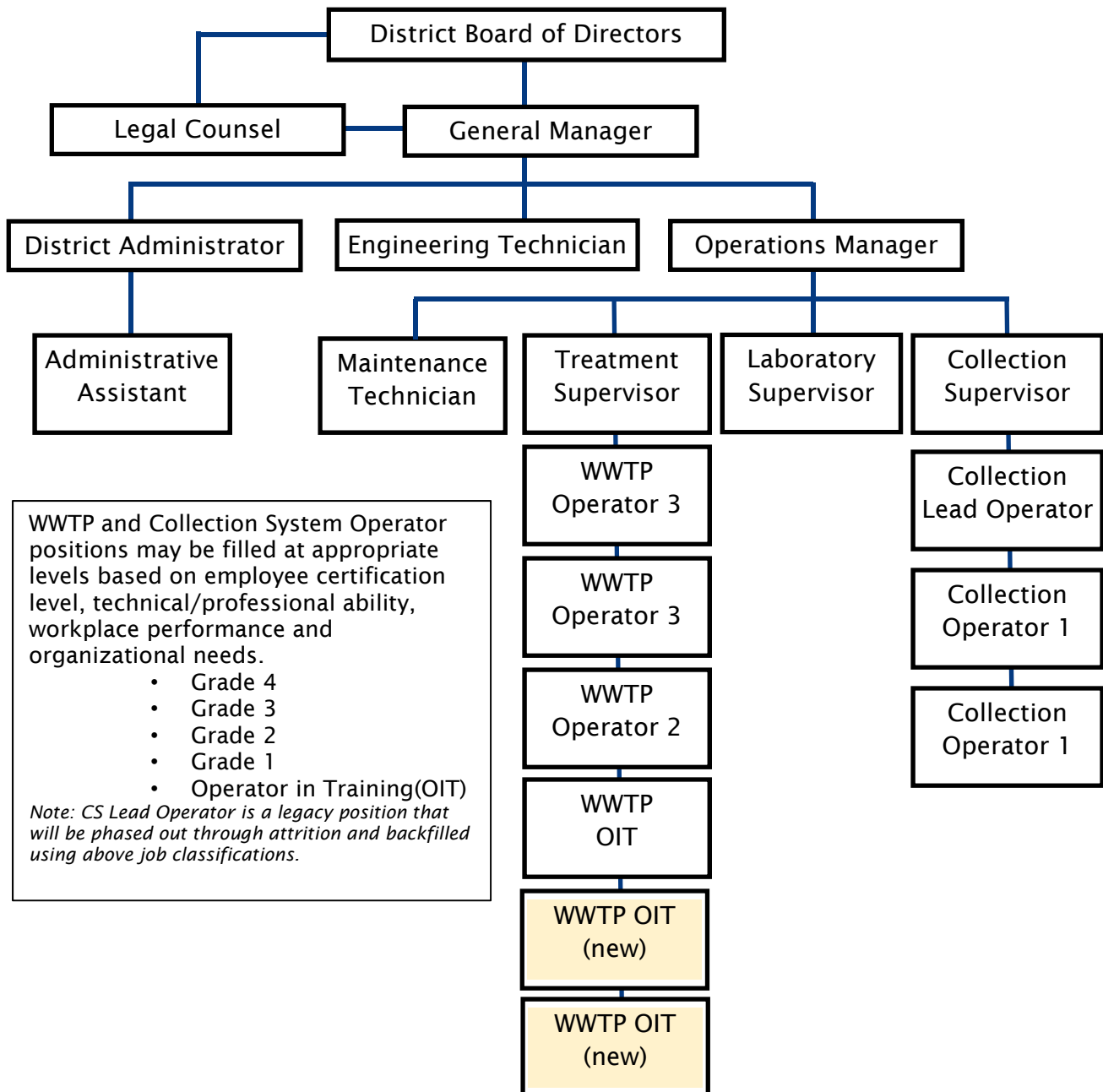
CARPINTERIA SANITARY DISTRICT				
2012 WASTEWATER REVENUE BONDS - DEBT SERVICE SCHEDULE				
Date	Principal	Interest	Semiannual Total	Fiscal Total
8/1/2013	\$ 565,000.00	\$ 356,466.52	\$ 921,466.52	
2/1/2014		266,231.25	266,231.25	1,187,697.77
8/1/2014	670,000.00	266,231.25	936,231.25	
2/1/2015		256,181.25	256,181.25	1,192,412.50
8/1/2015	690,000.00	256,181.25	946,181.25	
2/1/2016		242,381.25	242,381.25	1,188,562.50
8/1/2016	715,000.00	242,381.25	957,381.25	
2/1/2017		228,081.25	228,081.25	1,185,462.50
8/1/2017	745,000.00	228,081.25	973,081.25	
2/1/2018		213,181.25	213,181.25	1,186,262.50
8/1/2018	775,000.00	213,181.25	988,181.25	
2/1/2019		197,681.25	197,681.25	1,185,862.50
8/1/2019	800,000.00	197,681.25	997,681.25	
2/1/2020		183,681.25	183,681.25	1,181,362.50
8/1/2020	830,000.00	183,681.25	1,013,681.25	
2/1/2021		167,081.25	167,081.25	1,180,762.50
8/1/2021	865,000.00	167,081.25	1,032,081.25	
2/1/2022		149,781.25	149,781.25	1,181,862.50
8/1/2022	905,000.00	149,781.25	1,054,781.25	
2/1/2023		127,156.25	127,156.25	1,181,937.50
<b>8/1/2023</b>	<b>950,000.00</b>	<b>127,156.25</b>	<b>1,077,156.25</b>	
<b>2/1/2024</b>		<b>103,406.25</b>	<b>103,406.25</b>	<b>1,180,562.50</b>
8/1/2024	1,000,000.00	103,406.25	1,103,406.25	
2/1/2025		78,406.25	78,406.25	1,181,812.50
8/1/2025	1,050,000.00	78,406.25	1,128,406.25	
2/1/2026		52,156.25	52,156.25	1,180,562.50
8/1/2026	135,000.00	52,156.25	187,156.25	
2/1/2027		49,456.25	49,456.25	236,612.50
8/1/2027	145,000.00	49,456.25	194,456.25	
2/1/2028		46,556.25	46,556.25	241,012.50
8/1/2028	150,000.00	46,556.25	196,556.25	
2/1/2029		44,306.25	44,306.25	240,862.50
8/1/2029	150,000.00	44,306.25	194,306.25	
2/1/2030		42,056.25	42,056.25	236,362.50
8/1/2030	155,000.00	42,056.25	197,056.25	
2/1/2031		39,731.25	39,731.25	236,787.50
8/1/2031	160,000.00	39,731.25	199,731.25	
2/1/2032		37,331.25	37,331.25	237,062.50
8/1/2032	165,000.00	37,331.25	202,331.25	
2/1/2033		34,356.25	34,356.25	236,687.50
8/1/2033	170,000.00	34,856.25	204,856.25	
2/1/2034		32,200.00	32,200.00	237,056.25
8/1/2034	175,000.00	32,200.00	207,200.00	
2/1/2035		29,137.50	29,137.50	236,337.50
8/1/2035	185,000.00	29,137.50	214,137.50	
2/1/2036		25,900.00	25,900.00	240,037.50
8/1/2036	190,000.00	25,900.00	215,900.00	
2/1/2037		22,575.00	22,575.00	238,475.00
8/1/2037	195,000.00	22,575.00	217,575.00	
2/1/2038		19,162.50	19,162.50	236,737.50
8/1/2038	205,000.00	19,162.50	224,162.50	
2/1/2039		15,575.00	15,575.00	239,737.50
8/1/2039	210,000.00	15,575.00	225,575.00	
2/1/2040		11,900.00	11,900.00	237,475.00
8/1/2040	220,000.00	11,900.00	231,900.00	
2/1/2041		8,050.00	8,050.00	239,950.00
8/1/2041	225,000.00	8,050.00	233,050.00	
2/1/2042		4,112.50	4,112.50	237,162.50
8/1/2042	235,000.00	4,112.50	239,112.50	239,112.50
<b>Totals</b>	<b>\$ 13,630,000.00</b>	<b>\$ 5,812,591.52</b>	<b>\$ 19,442,591.52</b>	<b>\$ 19,442,591.52</b>

Source: Official Statement-Carpinteria Sanitary District 2012 Wastewater Revenue Bonds

CARPINTERIA SANITARY DISTRICT						
ADMIN BUILDING REPLACEMENT - SCHEDULE OF LOAN REPAYMENT						
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service	
8/1/2021	\$ 227,000.00	1.77%	\$ 43,856.67	\$ 270,856.67		
2/1/2022			33,391.05	33,391.05		
6/30/2022						304,247.72
8/1/2022	240,000.00	1.77%	33,391.05	273,391.05		
2/1/2023			31,267.05	31,267.05		
6/30/2023						304,658.10
<b>8/1/2023</b>	<b>244,000.00</b>	<b>1.77%</b>	<b>31,267.05</b>	<b>275,267.05</b>		
<b>2/1/2024</b>			<b>29,107.65</b>	<b>29,107.65</b>		
<b>6/30/2024</b>						<b>304,374.70</b>
8/1/2024	248,000.00	1.77%	29,107.65	277,107.65		
2/1/2025			26,912.85	26,912.85		
6/30/2025						304,020.50
8/1/2025	253,000.00	1.77%	26,912.85	279,912.85		
2/1/2026			24,673.80	24,673.80		
6/30/2026						304,586.65
8/1/2026	257,000.00	1.77%	24,673.80	281,673.80		
2/1/2027			22,399.35	22,399.35		
6/30/2027						304,073.15
8/1/2027	262,000.00	1.77%	22,399.35	284,399.35		
2/1/2028			20,080.65	20,080.65		
6/30/2028						304,480.00
8/1/2028	266,000.00	1.77%	20,080.65	286,080.65		
2/1/2029			17,726.55	17,726.55		
6/30/2029						303,807.20
8/1/2029	271,000.00	1.77%	17,726.55	288,726.55		
2/1/2030			15,328.20	15,328.20		
6/30/2030						304,054.75
8/1/2030	276,000.00	1.77%	15,328.20	291,328.20		
2/1/2031			12,885.60	12,885.60		
6/30/2031						304,213.80
8/1/2031	281,000.00	1.77%	12,885.60	293,885.60		
2/1/2031			10,398.75	10,398.75		
6/30/2032						304,284.35
8/1/2032	286,000.00	1.77%	10,398.75	296,398.75		
2/1/2033			7,867.65	7,867.65		
6/30/2033						304,266.40
8/1/2033	291,000.00	1.77%	7,867.65	298,867.65		
2/1/2034			5,292.30	5,292.30		
6/30/2034						304,159.95
8/1/2034	296,000.00	1.77%	5,292.30	301,292.30		
2/1/2035			2,672.70	2,672.70		
6/30/3035						303,965.00
8/1/2035	302,000.00	1.77%	2,672.70	304,672.70		
6/30/2036						304,672.70
<b>Totals</b>	<b>\$ 4,000,000.00</b>		<b>\$ 563,864.97</b>	<b>\$ 4,563,864.97</b>	<b>\$</b>	<b>4,563,864.97</b>

Source: Detailed Bond Debt Service, prepared by DBC Finance

# CARPINTERIA SANITARY DISTRICT ORGANIZATIONAL CHART FY 2023/24



WWTP and Collection System Operator positions may be filled at appropriate levels based on employee certification level, technical/professional ability, workplace performance and organizational needs.

- Grade 4
- Grade 3
- Grade 2
- Grade 1
- Operator in Training(OIT)

*Note: CS Lead Operator is a legacy position that will be phased out through attrition and backfilled using above job classifications.*

# REVENUE PROJECTION

## Revenue Policy

The Carpinteria Sanitary District must collect sufficient funds to maintain a prudent and balanced budget based on projected operational and capital expenses, while maintaining, at a minimum, a required debt service coverage ratio of 1.25.

The revenue projection for the coming fiscal year will be sufficient to support the District's operating costs and also to fund a portion of planned capital expenses. The following pages provide detailed revenue projections by account. A history of the District's residential sewer service charges is also provided, with a comparison against charges for other local wastewater agencies

## Sources of Revenue

The Carpinteria Sanitary District's sources of revenue are:

- Sewer Service Charges (SSC)
- Property Taxes
- Interest Income
- Development Impact Fees (DIF)
- Other Fees and Income
- Other Sources of Cash/Grant

CARPINTERIA SANITARY DISTRICT		
REVENUE ACCOUNT DETAIL		
Account Number	Account Title	Description
3100	Sewer Service Charges (SSC)	This account represents the total aggregate SSC that the District projects will be collected during the year, per Ordinance 17. Non-residential SSCs are based on water use and wastewater strength.
3130	Development Impact Fees (DIF)	The budget does not include revenue related to collection of Development Impact Fees. All DIF revenue are used for the current and future capacity related capital improvement projects.
3300	Property Taxes	This revenue section represents the District's share of 1% of secured, unsecured, unitary, supplemental, and homeowner property tax relief collected by the County.
3400	Interest Income (General Fund)	This account includes interest income earned on the District's cash balances at local banks, the State of California Local Agency Investment Fund (LAIF) and Santa Barbara County Treasury.
3412	Other Sources of Cash/Grants & Dedications	This account represents the amount to be received from various grants, dedications or reimbursements.
3150 3410 3430	Other Fees and Income	These accounts represent miscellaneous fees charged by the District for service provided. These include sewer service permit fees, plan check fees, and inspection fees. Other miscellaneous revenue is covered under these accounts.

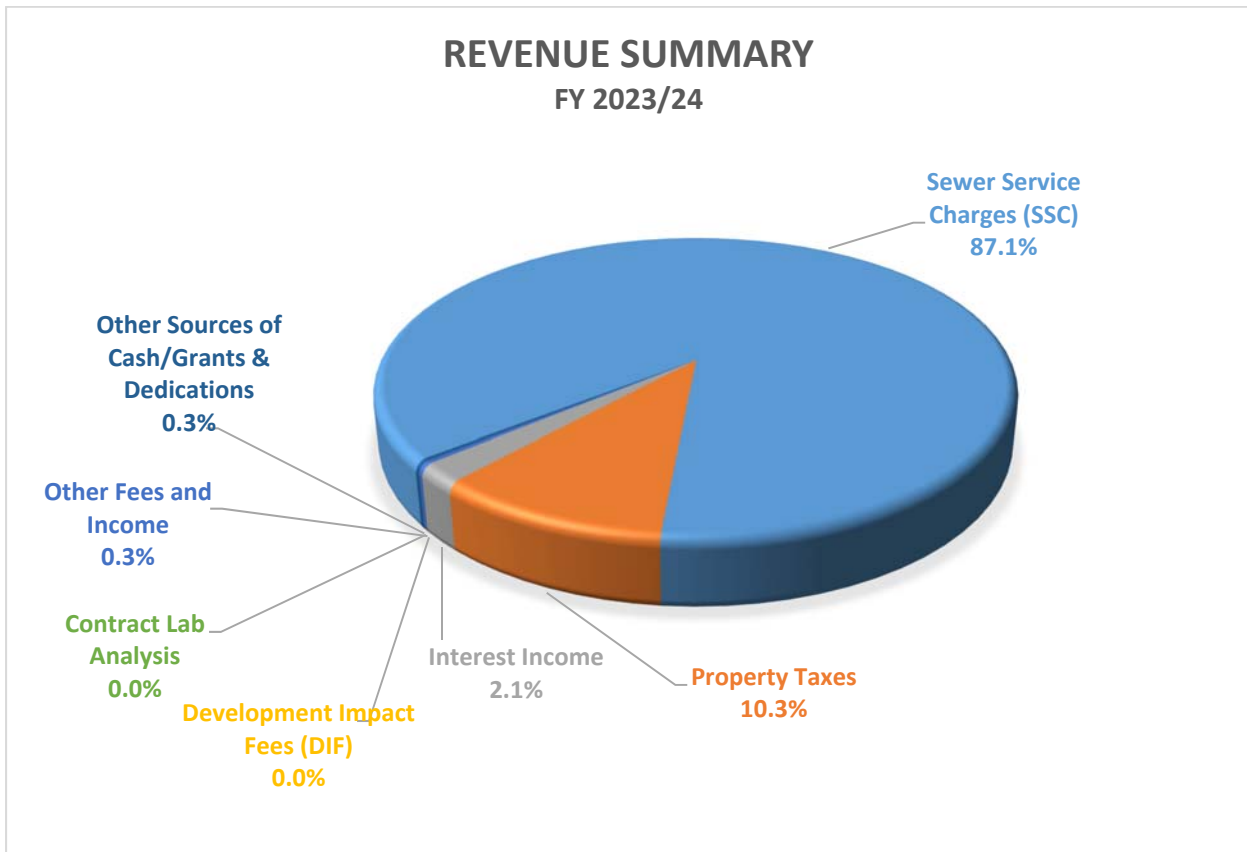


## Revenue Summary

The total projected revenue for FY 2023/24 is shown in the following table:

	BUDGET 2022/23	BUDGET 2023/24	BUDGET Inc/(Dec)	CHANGE %
Sewer Service Charges (SSC)	\$6,206,223	\$6,319,122	112,899	1.8%
Property Taxes	684,855	750,000	65,145	9.5%
Interest Income	50,000	150,000	100,000	200.0%
Development Impact Fees (DIF)	-	-	-	-
Other Fees and Income	20,000	20,000	-	0.0%
Contract Lab Analysis	20,075	-	(20,075)	(100.0%)
Other Sources of Cash/Grants & Dedications	-	20,000	20,000	0.0%
<b>Total Gross Revenues</b>	<b>\$ 6,981,153</b>	<b>\$ 7,259,122</b>	<b>\$ 277,969</b>	<b>4.0%</b>

Sewer service charges make up 87.1% of the District's total revenue. The following figure shows a percentage breakdown of projected revenue for the 2023/24 fiscal year by source.



### SEWER SERVICE CHARGES

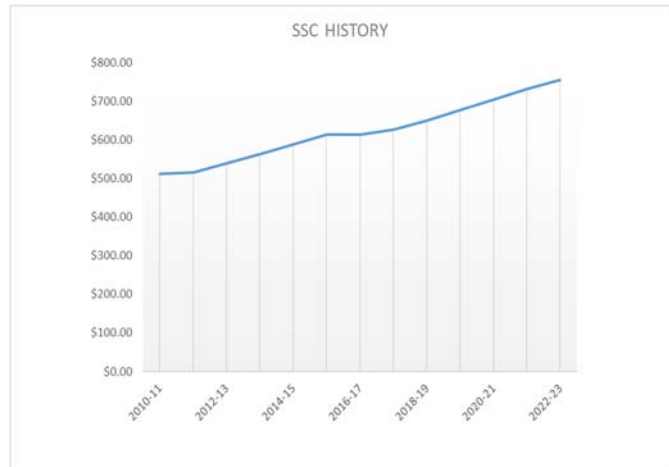
During FY 2021/22, the District engaged a financial consultant to conduct a comprehensive Wastewater Rates and Fees Study. This study included a comprehensive review of the District's financial plan, user classifications, and rate structure for the wastewater enterprise. The consultant also reviewed the District's revenue requirements to determine the appropriate level

of revenue adjustments to maintain financial sufficiency and rate stability. Based on their findings, the consultant recommended that the District implement a series of 3% increases to the SSC annually for a five-year period, commencing in FY 2022/23.

The incremental rate adjustments are necessary to fund operating and capital expenses, to maintain targeted reserve fund levels, and to meet debt service obligations. An updated computerized financial model was used to analyze a myriad of funding scenarios. The recommended series of modest increases was determined to be the most appropriate means of meeting revenue requirements with the lowest impact to the customer base.

A key aspect of the rate study was reapportionment of costs between the residential and non-residential customer classes. Water conservation efforts of the past decade have changed residential wastewater flow rates and characteristics and the updated rate structure establishes equitable charges for non-residential customers.

The updated sewer service charges and rate structure were enacted through adoption of District Ordinance No. 17 on June 7, 2022.



### **Residential Sewer Service Charges**

Residential SSCs will continue to be based on a flat rate per dwelling unit. In FY 2023/24, the annual charge per unit will be \$777.73 per year, reflecting a 3.0% increase over the prior year SSC. This rate is based on an average water use of 142 gallons per day per dwelling unit.

Total residential SSC revenue is projected to be about \$4,979,094 or 78.8% of the total SSC revenue. This represents an increase of approximately \$157,150 from FY 2022/23 projections. Currently, the total number of residential dwelling units being served by the District is 6,402.

### **Non-Residential Sewer Service Charges**

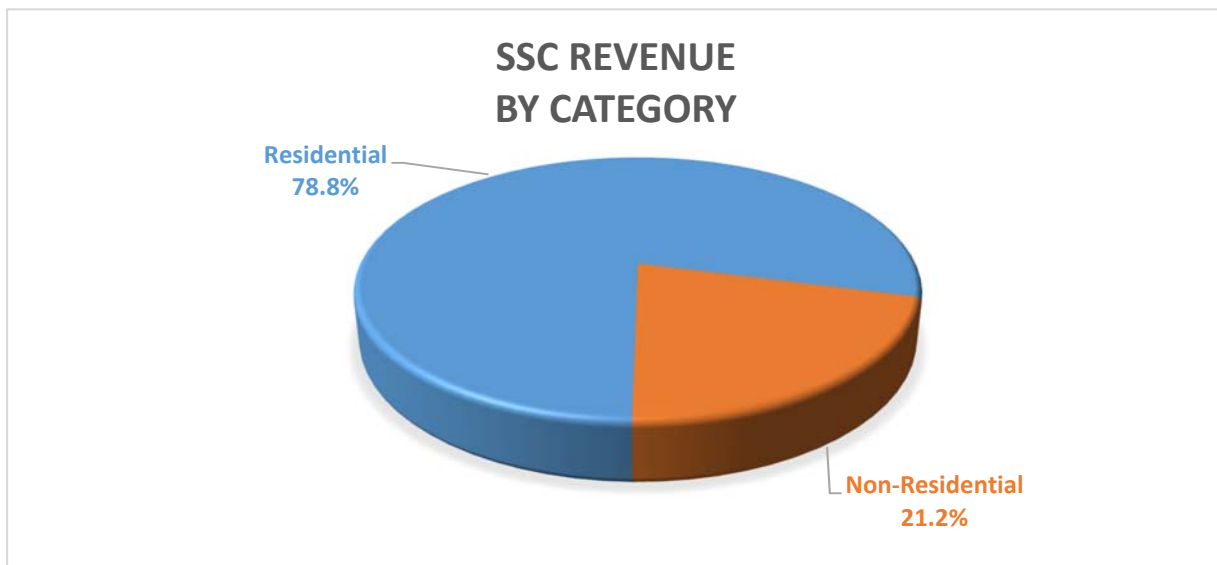
District Ordinance No. 17 groups non-residential customers into six classifications, based on wastewater strength, ranging from low to very high strength. For each classification, charges are determined based on a unit cost per 1,000 gallons of water used (based on a 3-year annual average). The unit rates uniformly assume that 90% of water used is returned to the sanitary sewer system. Additionally, the non-residential rate structure includes a minimum charge per parcel (or account) that is equivalent to one residential unit charge, or \$777.73 in the current year.

The District annually updates non-residential user information by performing a survey of commercial and industrial connections within its service area in February of each year. The survey also records changes in occupancy during the year, particularly those that have an impact on wastewater strength or projected flow rates. The District maintains and updates assessors'

parcel number (APN) information each year to reflect any changes, including lot splits or property owners name and mailing addresses.

The total non-residential revenue for FY 2023/24 is projected to be \$1,340,028 or 21.2% of the District's total SSC revenue. This represents a revenue increase of 1.8%, despite the base rate increase of 3.0%.

Decreased water use within certain non-residential sectors, attributable to pandemic related changes in building occupancy, has contributed to this lower than anticipated increase in SSC revenue. Because non-residential SSC calculations utilize 3-year rolling average water use factor, we expect this trend to continue until commercial water use rebounds.



### **Sewer Service Charge (SSC) Billings and Collections**

Residential and non-residential sewer service charges are collected by the Santa Barbara and Ventura County Assessor's office on behalf of the District on the annual property tax rolls. The SSC revenue in Santa Barbara County is guaranteed by the County under the "Teeter Plan". Under this plan the County will pay the District 100 percent of the SSC funds requested by the District for collection. The County will then retain the penalties for all past due accounts. The SSC for each parcel is shown on the property tax billing as a separate line item. The County's fee for printing of the additional line is one dollar per parcel. This fee is added to the SSC by the County and paid by the property owners.

Ventura County does not extend the "Teeter Plan" option to the District and capture or recovery of uncollected SSCs would be the responsibility of the District. Ventura County charges an administration fee for collection of SSC funds via the property tax roll. This fee is proportionally added to the base rate for parcels located in Ventura County.

**Property Taxes**

Property tax revenue is the District’s second largest revenue source. Property tax revenue collected by the Santa Barbara County Assessor consists of secured, unsecured, supplementary, unitary, and special assessment property taxes. The secured property tax is based on the assessed value of the property and may be increased a maximum of two percent per year by law. Secured property tax revenue has generally increased each year due to the rising in property values and changes in assessed value following property transfers.

The District typically receives one percent (1%) of the total property tax collected for parcels and other assets within its service area. The Santa Barbara County property tax revenue projection is \$750,000, which reflects an approximate increase of 9.5% over the prior year projection for this revenue category.

No property tax increment is received for parcels located in Ventura County.

**Appropriation Limit**

The District receives data from the State of California Department of Finance each year on Price and Population information for the purpose of calculating an annual Appropriation Limit. This process, required by State law, is intended to ensure that the District is not collecting excess property tax. The determination shows the District to be well within limitations for the coming fiscal year and is summarized in the following table:

Appropriation Limit Calculation		FY 2022/23	FY 2023/24
A	Prior Year Appropriation Limit	\$4,725,704	\$5,047,052
B	Change in Calif. Per Capita Income	1.088	1.042
C	Change in District’s Population	0.9884	0.9880
C1	Change in County Population	0.9816	0.9760
D	Multiplying Factor	1.0680	1.0295
	(Larger of C or C1 times B)		
E	New Appropriation Limit	\$5,047,052	\$5,195,940
F	Property Tax Collected/ Estimate	\$684,855	\$750,000
G	Under Limit	\$4,362,197	\$4,445,940

**Interest Income**

This source of income comes from interest earned at the State of California Local Agency Investment Fund (LAIF) and the Santa Barbara County Treasurer’s pool. The interest income for Fiscal Year 2023/24 is projected to be \$150,000. This is an increase of \$100,000 from the previous fiscal year projection and it is due to increases in short term interest rates seen in 2022/23.

**Development Impact Fees (DIF)**

Development Impact Fees (DIF) are fees collected for new sewer connections and developments within the District’s service area. This revenue is restricted for use on capital improvement projects that are capacity related.

The 2022 Wastewater Rates and Fees Study, prepared by Raftelis Financial Consultants, established a new baseline DIF that reflected the applicable capital cost recovery amount of \$6,230 per new equivalent dwelling unit (EDU). This new baseline DIF, authorized by Ordinance No. 18, escalates annually on July 1st of each year based on the Engineering News Record Construction Cost Index (ENR-CCI, 20 City Index). The DIF amount per EDU in FY 2023/24 will be increased to \$6,576.

Non-residential development impact fees are computed based on an Equivalent Dwelling Unit (EDU) basis according to the formula prescribed in Ordinance No.18.

Although the District generally collects a limited number of DIFs each year from new connections and small developments, existing limitations on growth within the District’s service area make this a variable and mostly insignificant source of revenue. Furthermore, because of the restricted nature of these funds, it is assumed for budgetary purposes that no DIF will be collected in this fiscal year. Any fees that are collected will be dedicated and accounted for in accordance with State law.

Description	Amount
Development Impact Fee, Fiscal Year 2022/23	\$6,230
<b>ENR-CCI, 20 City Index</b>	
ENR-CCI, 20 City Index, December Year 2022	13,175
ENR-CCI, 20 City Index, December Year 2021	12,481
Changes	694
Changes in Percentage	5.56%
Increase (Decrease)	\$346
<b>DIF Amount Effective July 1, 2023</b>	<b><u>\$6,576</u></b>

**Other Fees & Income**

This source of revenue includes miscellaneous fees charged by the District for issuing and processing permits for sewer system connections and plumbing alterations. The projected revenue for FY 2023/24 from these sources is \$20,000. Other miscellaneous revenue, such as dividends from pooled workers’ compensation and pooled liability insurance programs, may also be accounted for in this category.

**Contract Lab Analysis**

The District has ended its agreement to provide contract laboratory analysis for Cate School’s wastewater recycling facility, so there is no revenue projected in this category for FY 2023/24.

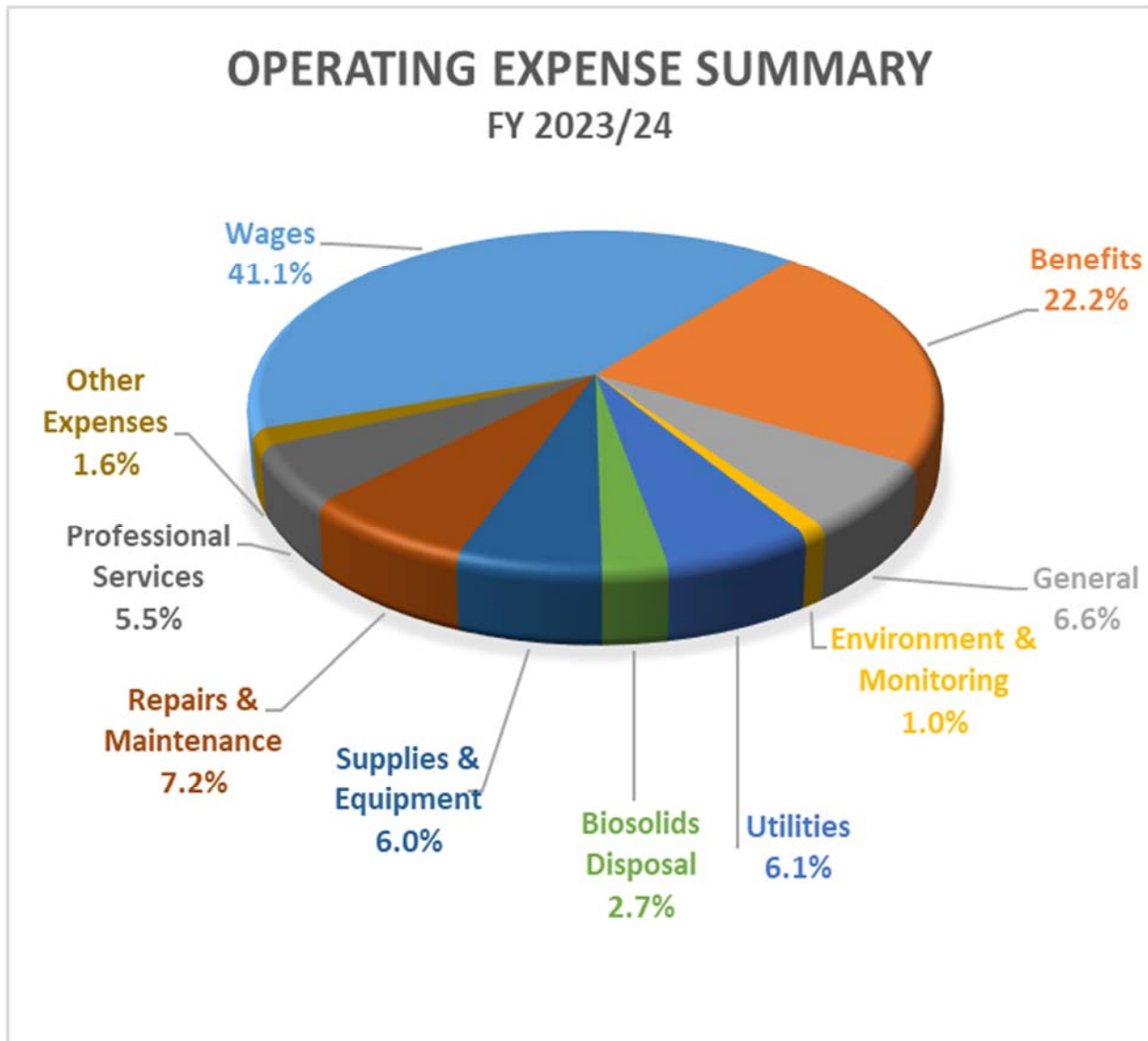
**Other Sources of Cash/Grants & Dedications**

The District completed an emergency project to stabilize the floodwall along the eastern boundary of its wastewater treatment facility in response to damage incurred on the January 9, 2023 storm flow event in Carpinteria Creek. This repair has been approved for reimbursement grant funding from FEMA and CalOES.

## EXPENSE OVERVIEW

The Carpinteria Sanitary District's operating expense budget is separated by departments: the Administration Department and the Plant/Collection Department. The operating expense section of the overall budget includes expenses associated with the day-to-day operation of the agency, exclusive of projected expenses for capital purchases, capital improvements and debt service payments.

The chart below provides a graphical overview of the District's overall operating budget for FY 2023/24.



The District's operating budget has taken into consideration the projected needs and projected costs for achieving key goals and objectives in the upcoming fiscal year. The operating expenses presented herein represent a summary of the more detailed expenses shown in the individual departmental budget sections.

The Administration section includes the projected expenses associated with the administration of the District including employee salaries and benefits, auditing, legal, engineering, professional services, permitting fees, Board of Directors' expenses, and insurance. The projected Administration department operating budget for FY 2023/24 is \$1,497,300 or 30% of the overall budget.

The Plant/Collection section includes the projected expenses associated with the operation and maintenance of the wastewater treatment plant, the collection system, and associated lift stations. Expenses include employee salaries and benefits, utilities, chemicals, equipment maintenance, biosolids disposal and general operating expenses. The projected Plant/Collection department operating budget for FY 2023/24 is \$3,536,910 or 70% of the overall budget.

## Summary Data

The remainder of this section contains figures and financial data in tabular and graphic format that summarize the projected expenditures District wide for the coming fiscal year, as follows:

- **All Department Operating Expenses**
- **Expense Account Detail**
- **CPI Cost Escalation Factor Summary**
- **FY 2023/24 Salary Matrix**

CARPINTERIA SANITARY DISTRICT							
All Departments							
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2022/23	(11 mo) 2022/23	%	2023/24	(Decrease)	%
5010	Regular Salaries	1,790,000	1,399,819	78.2%	1,960,000	170,000	9.5%
5015	Vacation Buy-back	30,000	5,293	17.6%	30,000	0	0.0%
5020	Temporary Staff	0	0	0.0%	0	0	0.0%
5030	Overtime	12,500	7,135	57.1%	12,500	0	0.0%
5040	Special Duty Pay	48,000	41,207	85.8%	51,210	3,210	6.7%
5050	Directors' Fees	15,000	8,200	54.7%	15,000	0	0.0%
	<b>Total Wages</b>	<b>1,895,500</b>	<b>1,461,654</b>	<b>77.1%</b>	<b>2,068,710</b>	<b>173,210</b>	<b>9.1%</b>
5110	CalPERS UAL	262,500	256,767	97.8%	245,000	(17,500)	(6.8%)
5111	PERS	295,000	191,265	64.8%	290,000	(5,000)	(1.7%)
5112	Social Security	135,000	104,151	77.1%	151,000	16,000	11.9%
5120	Medical Insurance	283,000	247,160	87.3%	293,000	10,000	3.5%
5121	Employee Wellness Program	3,000	200	6.7%	3,400	400	13.3%
5122	Unemployment Ins	3,000	2,230	74.3%	3,000	0	0.0%
5123	Certification Incentive Program	13,500	0	0.0%	13,500	0	0.0%
5124	Long Term Disability	15,400	12,509	81.2%	17,300	1,900	12.3%
5126	Life Insurance	4,300	3,413	79.4%	5,000	700	16.3%
5127	Dental / Vision Plan	40,000	23,723	59.3%	45,000	5,000	12.5%
5128	Workers' Comp	49,500	33,489	67.7%	49,500	0	0.0%
5132	Employee Medical - Physical	2,200	1,978	89.9%	2,400	200	9.1%
	<b>Total Benefits</b>	<b>1,106,400</b>	<b>876,885</b>	<b>79.3%</b>	<b>1,118,100</b>	<b>11,700</b>	<b>1.1%</b>
	<b>Total Wages &amp; Benefits</b>	<b>3,001,900</b>	<b>2,338,539</b>	<b>77.9%</b>	<b>3,186,810</b>	<b>184,910</b>	<b>6.2%</b>
5210	Departmental Expense	15,500	13,984	90.2%	15,500	0	0.0%
5215	Office Supplies	6,000	4,402	73.4%	5,000	(1,000)	(16.7%)
5222	Directors' Conference	8,000	1,015	12.7%	6,500	(1,500)	(18.8%)
5226	Directors' Election Exp.	10,000	450	0.0%	0	(10,000)	(100.0%)
5228	Directors' Dental / Vision	12,500	13,386	107.1%	12,500	0	0.0%
5231	Insurance - Liability	150,000	144,573	96.4%	150,000	0	0.0%
5241	Uniform Expense	11,500	12,916	112.3%	13,500	2,000	17.4%
5242	Membership and Dues	31,000	32,506	104.9%	31,600	600	1.9%
5244	Conference and Training	22,000	9,619	43.7%	22,000	0	0.0%
5246	Education Reimbursement	1,500	0	0.0%	1,500	0	0.0%
5260	Vehicle Fuel Expense	28,000	19,365	69.2%	28,000	0	0.0%
5265	Mileage Reimbursement	600	259	43.1%	600	0	0.0%
5270	Rent & Leases	4,300	992	23.1%	6,000	1,700	39.5%
5280	Temporary Office Relocation	15,000	15,969	106.5%	0	(15,000)	(100.0%)
5290	Licenses and Permits	35,000	38,042	108.7%	40,000	5,000	14.3%
	<b>Total General</b>	<b>350,900</b>	<b>307,477</b>	<b>87.6%</b>	<b>332,700</b>	<b>(18,200)</b>	<b>(5.2%)</b>
5310	Monitoring Equipment	21,000	22,110	105.3%	20,000	(1,000)	(4.8%)
5320	Monitoring Lab Work	21,000	12,549	59.8%	21,000	0	0.0%
5330	Spill Response	10,000	0	0.0%	10,000	0	0.0%
	<b>Total Environ &amp; Monitoring</b>	<b>52,000</b>	<b>34,659</b>	<b>66.7%</b>	<b>51,000</b>	<b>(1,000)</b>	<b>(1.9%)</b>



CARPINTERIA SANITARY DISTRICT							
All Departments - Continued							
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2022/23	(11 mo.) 2022/23	%	2023/24	(Decrease)	%
5410	Southern California Gas	2,000	2,680	134.0%	3,500	1,500	75.0%
5420	Southern California Electric	167,000	234,555	140.5%	265,000	98,000	58.7%
5430	Telephone/Internet	22,000	14,748	67.0%	16,000	(6,000)	(27.3%)
5540	Water	12,300	8,980	73.0%	13,500	1,200	9.8%
5450	Rubbish	6,000	5,576	92.9%	6,000	0	0.0%
5480	Underground Service Alert	2,300	1,724	75.0%	2,300	0	0.0%
5490	Building Alarm System	3,500	2,610	0.0%	3,000	(500)	0.0%
	<b>Total Utilities</b>	<b>215,100</b>	<b>270,874</b>	<b>125.9%</b>	<b>309,300</b>	<b>94,200</b>	<b>43.8%</b>
5470	Biosolids Disposal	120,000	134,737	112.3%	135,000	15,000	12.5%
5510	General Supplies	15,000	10,825	72.2%	15,000	0	0.0%
5521	Odor Control Chemicals	51,000	32,179	63.1%	51,000	0	0.0%
5522	Disinfection Chemicals	125,000	79,267	63.4%	185,000	60,000	48.0%
5524	Polymers	28,000	20,365	72.7%	31,000	3,000	10.7%
5525	Tool / Small Parts	6,000	3,763	62.7%	6,000	0	0.0%
5526	Fuel, Diesel, Lubricants	7,500	6,892	91.9%	7,500	0	0.0%
5527	Safety Equipment	6,000	3,806	63.4%	6,000	0	0.0%
	<b>Total Supplies &amp; Equipment</b>	<b>238,500</b>	<b>157,098</b>	<b>65.9%</b>	<b>301,500</b>	<b>63,000</b>	<b>26.4%</b>
5610	Equipment Maintenance	39,000	27,287	70.0%	25,200	(13,800)	(35.4%)
5620	Building Maintenance	23,800	15,234	64.0%	28,500	4,700	19.7%
5630	Grounds Maintenance	35,500	50,289	141.7%	25,500	(10,000)	(28.2%)
5640	Vehicles Maintenance	15,000	24,484	163.2%	20,000	5,000	33.3%
5650	Treatment Plant Maintenance	85,000	75,331	88.6%	125,000	40,000	47.1%
5680	Pump Station Maintenance	43,000	4,346	10.1%	40,000	(3,000)	(7.0%)
5690	Collection System Maintenance	84,000	67,481	80.3%	98,000	14,000	16.7%
	<b>Total Repair &amp; Maintenance</b>	<b>325,300</b>	<b>264,452</b>	<b>81.3%</b>	<b>362,200</b>	<b>36,900</b>	<b>11.3%</b>
5821	Accounting (Annual Audit)	19,000	14,000	73.7%	16,500	(2,500)	(13.2%)
5831	Legal Counsel	30,000	21,822	72.7%	30,000	0	0.0%
5835	Safety Program	36,000	0	0.0%	31,400	(4,600)	(12.8%)
5843	Computer Expenses	52,000	48,897	94.0%	52,000	0	0.0%
5844	SCADA Related Exp.	50,000	43,232	86.5%	35,000	(15,000)	(30.0%)
5847	Public Relations	15,000	4,546	30.3%	20,000	5,000	33.3%
5849	Professional Services	60,000	67,481	112.5%	60,000	0	0.0%
5851	Accounting Services	15,000	6,512	43.4%	30,000	15,000	100.0%
5855	IDP Monitoring Services	500	0	0.0%	500	0	0.0%
	<b>Total Professional Services</b>	<b>277,500</b>	<b>206,490</b>	<b>74.4%</b>	<b>275,400</b>	<b>(2,100)</b>	<b>(0.8%)</b>
6020	Admin Charges-SB County	10,000	0	0.0%	10,000	0	0.0%
6030	Debt Services Admin Fee	1,800	2,100	116.7%	1,800	0	0.0%
6031	LAFCO Pro-Rata Costs	6,200	7,172	115.7%	7,000	800	12.9%
6032	Regional Grant Planning	3,000	656	21.9%	1,500	(1,500)	(50.0%)
6033	Recycled Water System Develop	50,000	12,170	24.3%	60,000	10,000	20.0%
	<b>Total Other Expenses</b>	<b>71,000</b>	<b>22,099</b>	<b>31.1%</b>	<b>80,300</b>	<b>9,300</b>	<b>13.1%</b>
	<b>Total Expenses</b>	<b>4,652,200</b>	<b>3,736,423</b>	<b>80.3%</b>	<b>5,034,210</b>	<b>382,010</b>	<b>8.2%</b>

## CARPINTERIA SANITARY DISTRICT EXPENSE ACCOUNT DETAIL

Account Number	Account Title	Description
5010	Regular Salaries	Funds the regular salary and wages by department.
5015	Vacation Buyback	Funds for employee vacation buy-back program.
5020	Temporary Staff	Funds for temporary staffing needs.
5030	Overtime	Funds for scheduled and unscheduled overtime expense by department.
5040	Special Duty Pay	Funds for standby pay. Established base rate in FY18/19 is \$57.50 increasing each year by Board approved COLA.
5050	Directors Fees	Funds for elected officials to attend board and committee meetings.
5110	CalPERS UAL	Funds for CalPERS Unfunded Actuarial Liability (UAL) payments.
5111	PERS	Funds PERS (Public Employees' Retirement System) contributions for eligible employees.
5112	Social Security & Medicare	Funds for employer portion of Social Security and Medicare expense.
5120	Medical Insurance	Provides funding for medical insurance premiums for employees and their dependents.
5121	Employee Wellness	Provides funding for employee wellness program.
5122	Unemployment Insurance	Funds unemployment insurance premiums. Unemployment insurance is based on the first \$7,000 of each employee's wages.
5123	Certification Incentive Program	Funds program for employees who gain technical certification within the area of their responsibility and above and beyond their job requirement.
5124	Long Term Disability	Funds long term disability insurance for eligible employees.
5126	Employee Life Insurance	Funds for employees' life insurance for eligible employees.
5127	Dental/Vision Plan	Funds for Direct Dental/Vision care self-funded plan.
5128	Workers' Compensation	Funds for pooled CSRMA workers' compensation insurance premiums.
5132	Employee Physicals & First Aid	Funds for employees physicals. Includes drug/alcohol testing, pre-employment screening, first aid supplies and use.
5210	Departmental Expense	Funds for the purchase of routine various expenses such as coffee, drinking water, subscriptions, mailing, and other misc. items.
5215	Office Supplies	Funds for office supplies and minor office equipment.
5222	Directors Conference	Funds for elected officials' conferences, trainings, lodging, travel expenses, and Board workshop.
5226	Directors Election Expense	Funds for all required activities related to the Board of Directors election expenses.

Account Number	Account Title	Description
5228	Directors Dental & Vision Plan	Funds for Direct Dental/Vision care self-funded plan.
5231	District Liability Insurance	Funds the premiums for CSRMA pooled insurance programs which include liability, property, dishonesty bond, auto, and mobile equipment.
5241	Uniform Expenses	Funds to provide uniform service for employees.
5242	Membership & Dues	Funds for State/CWEA licenses, exams and TCP certification and class B license renewals and professional membership dues.
5244	Conferences & Training	Funds to provide training expenses, conferences, CWEA, and TCP, safety, maintenance and supervisory training.
5246	Employee Education Reimbursement	Funds for education reimbursement for job-related courses completed successfully that have advance approval from the General Manager.
5260	Vehicle Fuel Expenses	Funds for fuel for District vehicles.
5265	Employee Mileage Reimbursement	Funds for mileage reimbursement, at IRS rate, for employees who travel with their own vehicle on District business.
5270	Equipment Rental and Leases	Funds for the cost of renting pumps, equipment and other needed equipment not currently owned by the District.
5280	Temporary Office Relocation	Funds for temporary Administration office including rental costs, moving expense and storage fees while the new office is being constructed.
5290	Licenses & Permits	Funds for the various licenses and permits required of the District by various State, County and local agencies.
5310	Monitoring Equipment	Funds for minor lab equipment purchases and reagent chemicals necessary to perform the in-house lab analysis.
5320	Monitoring Lab Work	Funds for expenses related to the testing efforts performed by outside lab. These include ocean, beach, sludge and raw wastewater samples.
5330	Spill Response	Funds intended to cover costs related to unanticipated sewer backups or overflows.
5410	Natural Gas	Funds for natural gas usage.
5420	Electricity	Funds for electricity usage.
5430	Telephone/Internet	Funds for telephone, wireless communication, and high speed internet service,
5440	Water	Funds for domestic water usage.
5450	Rubbish	Funds for the disposal of trash.
5470	Biosolids Disposal	Funds for biosolids transportation and composting fees.
5480	USA	Fund for the Underground Service Alert (USA) dig alert.
5490	Building Alarm System	Funds for the Administration building security alarm system.
5510	General Supplies	Funds for general supplies.

Account Number	Account Title	Description
5521	Odor Control Chemicals	Replacement and disposal of odor control media for the facility's air scrubbers and bulk odor control chemicals.
5522	Disinfection Chemicals	Funds for sodium hypochlorite used for disinfection of the final effluent and sodium bisulfite used to dechlorinate prior to final discharge.
5524	Polymer	Funds for a liquid polymer used to dewater the biosolids prior to being sent to the commercial composting facility.
5525	Tools	Funds for the purchase and replacement of miscellaneous hand tools.
5526	Fuel, Diesel & Lubricants	Funds for fuel and oil expenses associated with stationary equipment and portable generators, pumps, etc.
5527	Safety Equipment	Funds for the purchase of personal protection and safety equipment.
5610	Equipment Maintenance	Funds for scheduled maintenance and calibration of District's equipment testing using outside professional services.
5620	Building Maintenance	Funds for the general repair and upkeep of the buildings.
5630	Grounds Maintenance	Funds for the maintenance of District grounds.
5640	Vehicle Maintenance	Funds needed to maintain District vehicles.
5650	WWTP Equipment Maintenance	Funds for scheduled/unscheduled repair of both the mechanical and electrical components of stationary equipment.
5680	Pump Station Maintenance	Funds for the scheduled/unscheduled maintenance of the lift stations.
5690	Collection System Maintenance	Funds for sewer system supplies required for ongoing maintenance efforts.
5821	Audit Fee	Funds for yearly audit services required for public entity.
5831	Legal Counsel	Funds for legal services provided by the District legal counsel.
5835	Safety Program	Funds for a maintaining a safety training program
5843	Computer Related Expenses	Expenses for computer related services, software, hardware, remote and on-site support, maintenance agreements, upgrades.
5844	SCADA Related Expenses	Expenses related to maintenance of SCADA computer system.
5847	Public Relations	Funds for expenses related to the District's public relations efforts such as newspaper print media, webpage update and support.
5849	Professional Services	Funds for other professional services such as engineering, GIS support, and other services needed which are not included in other line items.
5851	Accounting	Formerly Payroll Services. Funds for recurring support costs to maintain an accounting management software program and related services.
5855	Monitoring Source Control Program	Funds for outside laboratory service required for monitoring the District's industrial/commercial discharges as per the issued discharge permits.
6020	Santa Barbara County Admin Fees	SB County fees for collection of property taxes.

Account Number	Account Title	Description
6030	Debt Services Admin Fees	Funds for trustee administration fees charged for the Revenue Bonds.
6031	LAFCO Pro-Rata	Funds for the Santa Barbara County pro-rata LAFCO Budget.
6032	Regional Grant/Planning	Funds for regional planning and grant pursuits.
6033	Recycled Water System	Funds for recycled water planning and development.

**CPI Cost Escalation Factor**

In 2010, the Board of Directors adopted a formal Cost of Living Adjustment (COLA) policy as a supplement to the District’s Personnel Rules and Regulations. The COLA was adopted as an annual modification based on the Consumer Price Index for Urban Wage Earners and Clerical Workers in the Los Angeles – Riverside – Orange County, CA region as determined by the Bureau of Labor Statistics (BLS). Effective in 2018, the BLS made changes to its geographic area structure which would affect our policy. The revised Core Based Statistical Area (CBSA) is now comprised of Los Angeles - Long Beach – Anaheim. The COLA is the basis for modifying the District’s salary schedule during the annual budget adoption process, however, the Board retains full discretion to deviate from the indicated adjustment factor.

1/12/23, 8:36 AM

Bureau of Labor Statistics Data



**U.S. BUREAU OF LABOR STATISTICS**

Databases, Tables & Calculators by Subject

Change Output Options:

From: 2012 To: 2022 GO

include graphs  include annual averages

[More Formatting Options](#) →

Data extracted on: January 12, 2023 (11:35:54 AM)

**CPI for Urban Wage Earners and Clerical Workers (CPI-W)**

**12-Month Percent Change**

Series Id: CWURS49ASA0

Not Seasonally Adjusted

Series Title: All Items in Los Angeles-Long Beach-Anaheim, CA, urban wage earners and clerical workers, not seasonally adjusted

Area: Los Angeles-Long Beach-Anaheim, CA

Item: All Items

Base Period: 1982-84=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012	2.1	2.1	2.0	1.3	1.5	1.5	1.9	2.5	2.2	3.2	2.1	2.0	2.0	1.8	2.3
2013	1.9	2.4	1.3	0.9	1.0	1.5	1.6	0.9	0.7	-0.3	0.5	1.2	1.1	1.5	0.8
2014	0.8	0.4	1.0	1.6	1.8	1.9	2.1	1.8	1.6	1.4	1.0	0.3	1.3	1.3	1.4
2015	-0.7	-0.4	0.2	0.0	0.9	0.4	1.2	1.0	0.4	0.7	1.4	1.9	0.6	0.1	1.1
2016	3.3	2.3	1.3	1.6	0.6	1.1	0.3	0.6	1.5	1.9	1.5	1.7	1.5	1.7	1.3
2017	1.7	2.5	2.4	2.5	2.4	2.2	2.5	2.9	3.2	3.0	3.7	3.7	2.7	2.3	3.2
2018	3.7	3.7	3.9	4.1	4.3	4.2	4.0	4.1	3.9	4.3	3.8	3.3	3.9	4.0	3.9
2019	2.9	2.6	2.7	3.6	3.4	3.3	3.3	2.9	3.2	3.6	3.5	3.2	3.2	3.1	3.3
2020	3.5	3.5	2.2	0.6	0.6	1.3	1.9	2.2	1.4	0.6	1.0	1.5	1.7	1.9	1.4
2021	1.1	1.4	2.7	4.2	4.5	4.7	4.5	4.5	4.8	5.6	6.4	6.9	4.3	3.1	5.4
2022	7.6	7.3	8.7	8.1	8.2	8.9	7.9	7.6	7.8	7.6	5.9	4.6	7.5	8.1	6.9

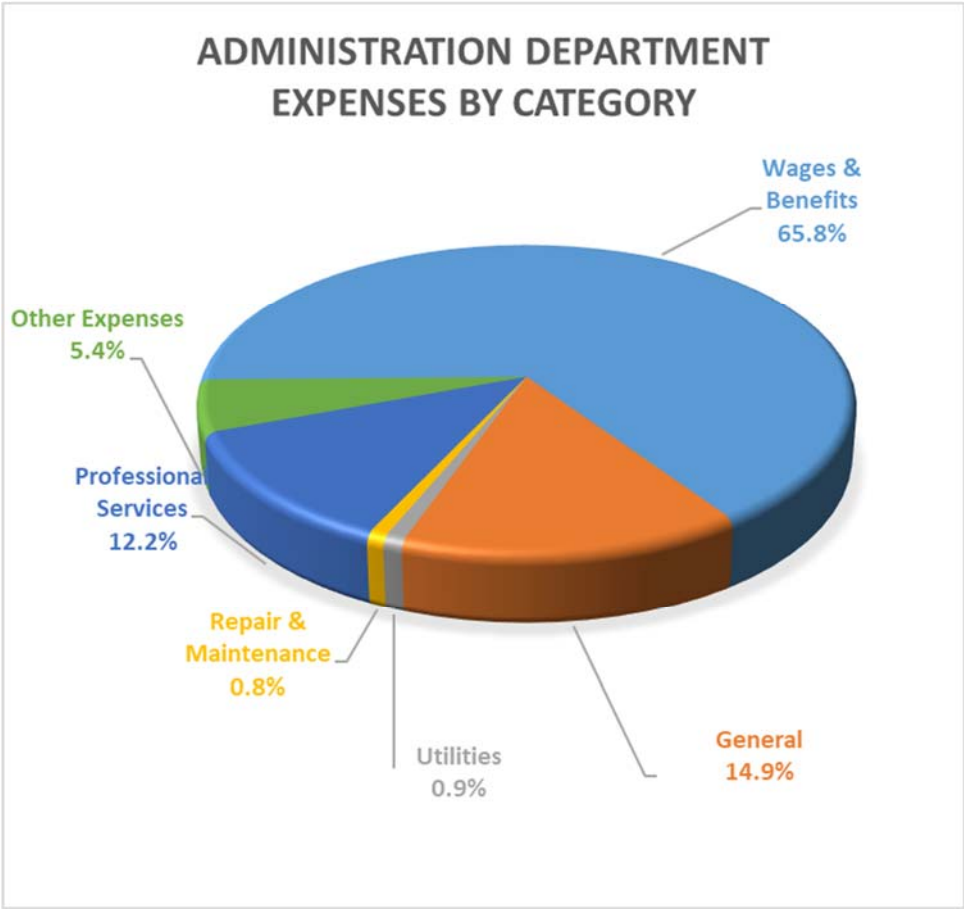
CARPINTERIA SANITARY DISTRICT						
SALARY MATRIX - MONTHLY						
FY 2023/24						
POSITION		A	B	C	D	E
General Manager						\$20,550
District Administrator		\$11,260	\$11,823	\$12,415	\$13,035	\$13,687
Administrative Assistant		\$6,236	\$6,548	\$6,875	\$7,219	\$7,580
Engineering Technician		\$6,927	\$7,273	\$7,637	\$8,019	\$8,420
Operations Manager	1	\$13,060	\$13,713	\$14,399	\$15,119	\$15,875
Treatment Supervisor	1	\$9,068	\$9,522	\$9,998	\$10,498	\$11,023
Operator in Training	1	\$5,155	\$5,413	\$5,684	\$5,968	\$6,266
Operator 1	1	\$5,824	\$6,115	\$6,421	\$6,742	\$7,079
Operator 2	1	\$6,376	\$6,695	\$7,030	\$7,381	\$7,751
Operator 3	1	\$7,070	\$7,424	\$7,795	\$8,185	\$8,594
Operator 4	1	\$7,601	\$7,981	\$8,380	\$8,799	\$9,239
Lab Supervisor	1	\$8,855	\$9,298	\$9,763	\$10,251	\$10,764
Collection System Supervisor	1	\$9,817	\$10,308	\$10,824	\$11,365	\$11,933
Collection System Lead Operator	1	\$7,281	\$7,645	\$8,028	\$8,429	\$8,850
Collection System Operator 1	1	\$5,296	\$5,560	\$5,838	\$6,130	\$6,437
Collection System Operator 2	1	\$6,079	\$6,383	\$6,702	\$7,038	\$7,389
Collection System Operator 3	1	\$6,534	\$6,861	\$7,204	\$7,564	\$7,943
Collection System Operator 4	1	\$7,024	\$7,376	\$7,744	\$8,132	\$8,538
Maintenance Technician	1	\$4,093	\$4,297	\$4,512	\$4,738	\$4,974
The above matrix includes a 7.5% annual escalation factor (Los Angeles) starting 7/1/23						
1) CalPERS uniform allowance for Classic members. Not to exceed \$416 annually.						

## ADMINISTRATION DEPARTMENT EXPENSES

The Administration department consists of the General Manager, the District Administrator, the Administrative Assistant, and the Engineering Technician. The department is responsible for the day-to-day administrative functions of the District including overall management, accounting functions, sewer service charge development and billing, financial planning, human resources, risk management, District planning and development, customer relations, and the onsite inspection of all sewer related improvements.

The Administration Department operating budget for FY 2023/24 is projected to be \$1,497,300, which represents a modest increase of 1.9%, or \$27,600, over the prior fiscal year. A description of changes to each account category is provided below.

Expenses attributable to the District’s Board of Directors are also included in the Administration Department budget. These expenses include Directors fees, limited benefits and training/conference expenses.





## Administration Budget Account Highlights

### **Personnel Expenses**

The personnel section represents the largest portion of the administration department budget. This account funds all wages, salaries, and benefits for the department's employees as well as the five elected officials. The total projected expense is estimated to be \$985,600 or 65.8% of the administration budget.

Budget adjustments in this category result from a policy directed cost of living adjustment for non-contract employees, and associated increase in CalPERS pension and social security costs. Other payroll related expenses have changed proportionately.

The net result of the adjustments in this category is a budget increase for personnel expenses of \$35,900, or 3.8% over the prior year.

### **General Expenses**

The projected budget for general administrative expenses is \$223,200, or 14.9% of the total administration budget. This represents a decrease of \$25,800 or 10.4% over the previous fiscal year. The largest decrease is attributed to a reduction in the cost for a temporary administration office facility. District administration moved out of the temporary facility and ended the existing lease on September 30, 2022.

### **Utilities**

Utility costs include those for electricity, water, telephone, and the security system for the administration building. The budgeted amount for the 2023/24 fiscal year is \$13,000 or 0.9% of the overall administration budget. Budgeted costs in this category are projected to be approximately 25% lower than in the previous fiscal year.

### **Repairs and Maintenance**

The budget for this account covers repair and maintenance of the administration building, grounds and equipment. The projected budget expense in this category is \$11,700 or 0.8% of the administration budget. Expenses in this category are essentially the same as in the previous fiscal year.

### **Professional Services**

The projected budget for professional services is \$183,500 or 12.2% of the overall administration budget. This represents an increase of \$12,900 or 7.6% from the previous fiscal year budget. The District will be transitioning its accounting management software program to a new hosted platform that is subscription based. A new account (5851: Accounting Services) was established for recurring support costs. The new accounting system will provide enhanced capabilities and associated annual costs will be partially offset by savings in other accounts under the Professional Services category.

**Other Expenses**

The budget for other expenses is \$80,300, or 5.4% of the total administration budget. An increase of \$9,300, or 13.1%, in this category for FY 2023/24 is the result of an increase in projected contributions of resources to the Carpinteria Advanced Purification Project.

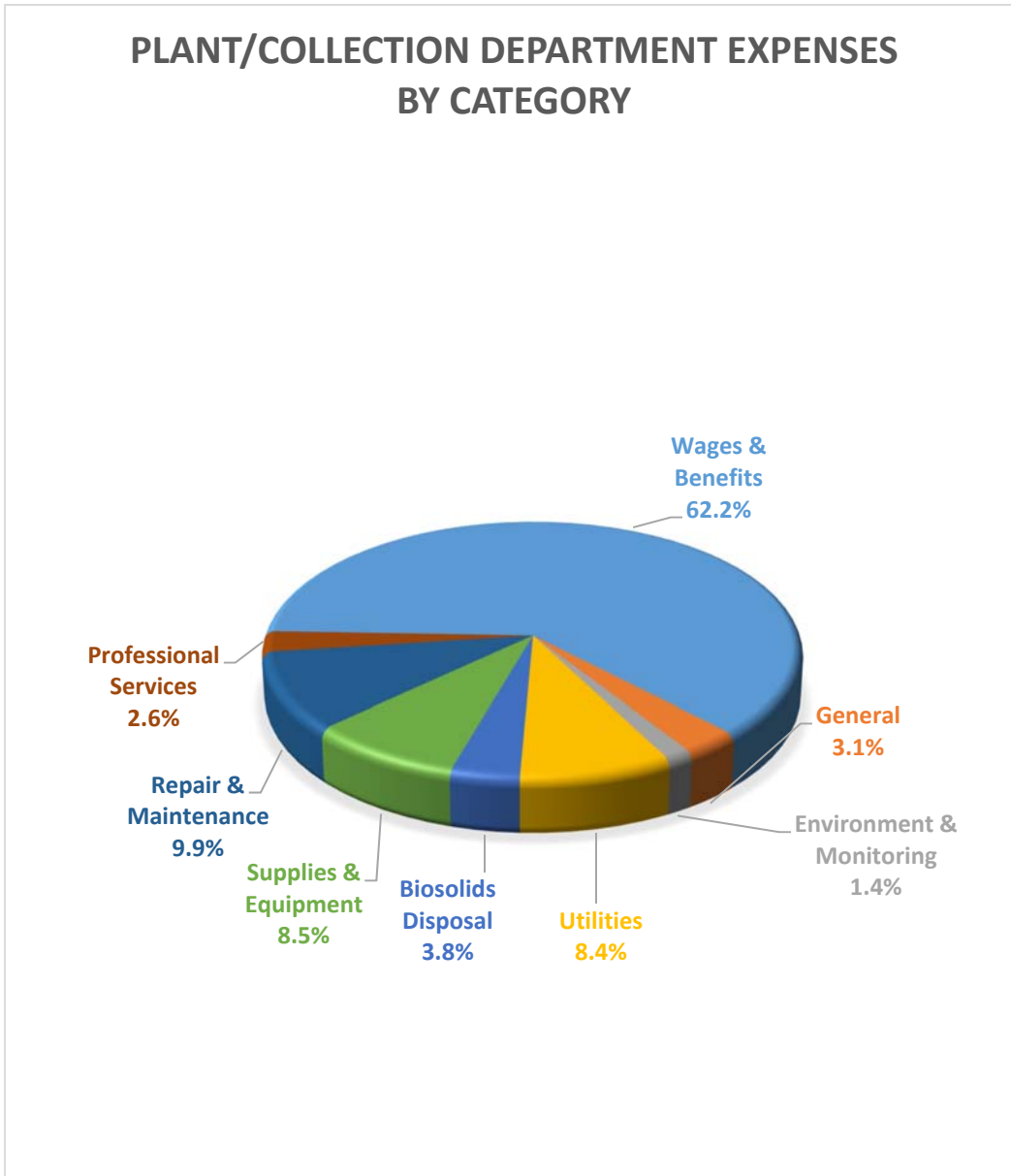
The remainder of this section presents detailed budget spreadsheets for the Administration Department.

CARPINTERIA SANITARY DISTRICT							
Administration Department							
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2022/23	(11 mo) 2022/23	%	2023/24	(Decrease)	%
5010	Regular Salaries	575,000	472,831	82.2%	605,000	30,000	5.2%
5015	Vacation Buy-back	12,000	3,648	30.4%	12,000	0	0.0%
5030	Overtime	500		0.0%	500	0	0.0%
5050	Director's Fee	15,000	8,200	54.7%	15,000	0	0.0%
	<b>Total Wages</b>	<b>602,500</b>	<b>484,679</b>	<b>80.4%</b>	<b>632,500</b>	<b>30,000</b>	<b>5.0%</b>
5110	CalPERS UAL	97,500	92,228	94.6%	95,000	(2,500)	(2.6%)
5111	PERS	105,000	73,078	69.6%	110,000	5,000	4.8%
5112	Social Security	40,000	31,175	77.9%	43,000	3,000	7.5%
5120	Medical Insurance	78,000	72,616	93.1%	78,000	0	0.0%
5121	Employee Wellness Program	800		0.0%	800	0	0.0%
5122	Unemployment Ins	1,000	500	50.0%	1,000	0	0.0%
5123	Certification Incentive Program	1,500		0.0%	1,500	0	0.0%
5124	Long Term Disability	4,900	4,430	90.4%	5,300	400	8.2%
5126	Life Insurance	1,300	933	71.8%	1,300	0	0.0%
5127	Dental / Vision Plan	12,500	8,394	67.2%	12,500	0	0.0%
5128	Workers' Comp	4,500	5,659	125.8%	4,500	0	0.0%
5132	Employee Med - Physical	200		0.0%	200	0	0.0%
	<b>Total Benefits</b>	<b>347,200</b>	<b>289,012</b>	<b>83.2%</b>	<b>353,100</b>	<b>5,900</b>	<b>1.7%</b>
	<b>Total Wages &amp; Benefits</b>	<b>949,700</b>	<b>773,691</b>	<b>81.5%</b>	<b>985,600</b>	<b>35,900</b>	<b>3.8%</b>
5210	Departmental Expense	11,500	10,050	87.4%	11,500	0	0.0%
5215	Office Supplies	4,000	4,001	100.0%	3,000	(1,000)	(25.0%)
5222	Directors' Conference	8,000	1,015	12.7%	6,500	(1,500)	(18.8%)
5226	Directors' Election Exp.	10,000	450	4.5%		(10,000)	0.0%
5228	Directors' Dental / Vision	12,500	13,386	107.1%	12,500	0	0.0%
5231	Insurance - Liability	150,000	144,573	96.4%	150,000	0	0.0%
5242	Membership and Dues	24,000	28,429	118.5%	24,000	0	0.0%
5244	Conference and Training	10,000	3,450	34.5%	10,000	0	0.0%
5246	Education Reimbursement	1,000		0.0%	1,000	0	0.0%
5265	Mileage Reimbursement	200		0.0%	200	0	0.0%
5270	Rent & Leases	2,800	992	35.4%	4,500	1,700	60.7%
5280	Temporary Office Relocation	15,000	15,969	106.5%	0	(15,000)	(100.0%)
	<b>Total General</b>	<b>249,000</b>	<b>222,316</b>	<b>89.3%</b>	<b>223,200</b>	<b>(25,800)</b>	<b>(10.4%)</b>

<b>CARPINTERIA SANITARY DISTRICT</b>							
<b>Administration Department - Continued</b>							
		<b>BUDGET</b>	<b>ACTUAL</b>	<b>EXPENDED</b>	<b>BUDGET</b>	<b>Increase</b>	<b>CHANGE</b>
		<b>2022/23</b>	<b>(11 mo.) 2022/23</b>	<b>%</b>	<b>2023/24</b>	<b>(Decrease)</b>	<b>%</b>
5410	Southern California Gas	0	0	0.0%	0	0	0.0%
5420	Southern California Electric	2,000	3,937	196.8%	1,000	(1,000)	(50.0%)
5430	Telephone	9,000	3,842	42.7%	5,000	(4,000)	(44.4%)
5440	Water	2,800	3,038	108.5%	4,000	1,200	42.9%
5490	District Alarm System	3,500	2,610	74.6%	3,000	(500)	0.0%
	<b>Total Utilities</b>	<b>17,300</b>	<b>13,427</b>	<b>77.6%</b>	<b>13,000</b>	<b>(4,300)</b>	<b>(24.9%)</b>
5610	Equipment Maintenance	1,000	2,766	276.6%	200	(800)	(80.0%)
5620	Building Maintenance	2,800	3,910	139.7%	3,500	700	25.0%
5630	Grounds Maintenance	8,000	7,210	90.1%	8,000	0	0.0%
	<b>Total Repair &amp; Maintenance</b>	<b>11,800</b>	<b>13,886</b>	<b>117.7%</b>	<b>11,700</b>	<b>(100)</b>	<b>(0.8%)</b>
5821	Accounting & Audit	19,000	14,000	73.7%	16,500	(2,500)	(13.2%)
5831	Legal Counsel	30,000	21,822	72.7%	30,000	0	0.0%
5835	Safety Program	9,600		0.0%	5,000	(4,600)	(47.9%)
5843	Computer Expense	22,000	20,975	95.3%	22,000	0	0.0%
5847	Public Relations	15,000	4,546	30.3%	20,000	5,000	33.3%
5849	Professional Services	60,000	67,481	112.5%	60,000	0	0.0%
5851	Accounting Services	15,000	6,512	43.4%	30,000	15,000	100.0%
	<b>Total Professional Services</b>	<b>170,600</b>	<b>135,335</b>	<b>79.3%</b>	<b>183,500</b>	<b>12,900</b>	<b>7.6%</b>
6020	Admin Charges-SB County	10,000	0	0.0%	10,000	0	0.0%
6030	Debt Services Admin Fee	1,800	2,100	116.7%	1,800	0	0.0%
6031	LAFCO Pro-Rata Costs	6,200	7,172	115.7%	7,000	800	12.9%
6032	Regional Grant Planning	3,000	656	21.9%	1,500	(1,500)	(50.0%)
6033	Recycled Water System Develop	50,000	12,170	24.3%	60,000	10,000	20.0%
	<b>Total Other Expenses</b>	<b>71,000</b>	<b>22,099</b>	<b>31.1%</b>	<b>80,300</b>	<b>9,300</b>	<b>13.1%</b>
	<b>Total Administration Expenses</b>	<b>1,469,400</b>	<b>1,180,754</b>	<b>80.4%</b>	<b>1,497,300</b>	<b>27,900</b>	<b>1.9%</b>

## PLANT/COLLECTION DEPARTMENT EXPENSES

The Plant/Collection Department is responsible for carrying out the day-to-day operation and maintenance of the District's wastewater treatment facility and collection system. The projected FY 2023/24 budget for this department is \$3,536,910, which represents an increase of \$354,110 or 11.1% over the prior fiscal year.



## Plant/Collection Budget Account Highlights

### **Total Personnel Expenses**

Personnel costs make up 62.2% of the Plant/Collection Department's operating budget. This budget account funds all of the department wages, benefits, overtime, and standby duty costs. Standby pay will be compensated in FY 2023/24 at a rate of \$70.34 per day, as determined by a Board approved formula.

Expenditures in these accounts are projected to increase by \$149,010, or 7.3%, from the prior fiscal year.

A substantial fraction of the expected increase is associated with the proposed addition of two full-time Operator in Training positions. This would increase the District's full-time staff positions to a total of 18.

For multiple reasons, recruiting experienced and licensed operations staff has been exceptionally challenging. Local housing costs make it impractical or impossible for qualified individuals to relocate to this area. When the CAPP project comes online, it will be crucial to have knowledgeable staff with Advanced Water Treatment Operator (AWTO) certification. Bringing on entry level staff members now will ensure that we can staff the advanced water treatment facility in the future. The District will incur near term costs for these new positions, with the understanding that they will ultimately be part of the CAPP operations group, with labor and benefit costs reimbursed by Carpinteria Valley Water District.

Other increases to total personal costs are attributable to a substantial, policy directed cost of living adjustment, merit-based wage increases and increases in related payroll expenses. Increases in CalPERS pension contributions and higher insurance premiums are other factors affecting the budget in this category.

### **General Expenses**

The total budget for this category is \$109,550, or 3.1% of the Plant/Collection Department budget. This reflects an increase of \$7,600 over the previous fiscal year. Higher uniform costs are anticipated with the addition of new operations staff members. A bi-annual laboratory accreditation fee also contributes to the increase in this category.

### **Environmental Monitoring**

The projected budget for environmental monitoring is \$51,000, or 1.4% of the department budget. This represents a \$1,000, or 1.9%, decrease from the previous fiscal year. Laboratory equipment costs are projected to be slightly lower than in the prior fiscal year.

### **Utilities**

The cost for utilities, which include water, electricity, natural gas, trash service, and USA (Underground Service Alert) is projected to be \$296,300, or 8.4% of the departmental budget. An increase of \$98,500 in this category is proposed, primarily due to increased electricity costs and irregularities in utility billing that contributed to an underestimation of energy costs in the prior fiscal year.

### **Biosolids Disposal**

The District contracts with Engel & Gray, Inc. for biosolids hauling and composting. The cost for biosolids transport and off-site composting is currently \$55.26 per ton plus a variable fuel surcharge as set forth in the agreement. The budget for this account has been increased by 12.5% to a total of \$135,000. The proposed increase is attributed to the continuing high cost of diesel fuel and somewhat higher solids production at the treatment facility.

### **Supplies and Equipment**

This budget category includes the supply of chemicals, fuel, safety equipment and tools needed to operate the treatment plant and collection system. The major costs in this category are for polymer, odor control chemicals, and disinfection chemicals. The proposed budget for this category is \$301,500, which represents a \$63,000 or 26.4% increase from the prior year budget for supplies and equipment. This increase is almost entirely due to sharp increases in the cost for disinfection chemicals. Recent bids for bulk sodium hypochlorite have more than doubled the cost per gallon for the coming year. Sodium bisulfite unit costs have also risen dramatically.

### **Repairs and Maintenance**

The total projected budget for repairs and maintenance is \$350,500, or 9.9% of the department budget. This is a net increase of \$37,000, or 11.8% above the prior fiscal year. Several factors are contributing to the adjustments in this category.

Significant increases in the Treatment Plant Maintenance and Collection System Maintenance subcategories are anticipated based on inflation factors in the industry. The cost for pumps, valves, electrical equipment, and any contracted services has risen dramatically. Ongoing supply chain issues have also affected our ability to obtain repair and replacement parts in a timely manner. Accordingly, we plan to bolster our inventory of certain parts and equipment in the coming year to enhance reliability.

Increases in this category are partially offset by savings in the Grounds and Equipment Maintenance accounts. Addition of a new Maintenance Technician position in the prior year has provided an in-house resources to address certain maintenance items.

### **Professional Services**

The projected budget for this category is \$91,900, or 2.6% of the overall department budget. A decrease of \$15,000, or 14.0%, is expected in this expense category. The Operations group is expecting a reduced demand for contracted SCADA support services in the coming year.

The remainder of this section presents detailed budget spreadsheets for the Plant/Collection Department.

CARPINTERIA SANITARY DISTRICT							
Plant/Collection Department							
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2022/23	(11 mo) 2022/23	%	2023/24	(Decrease)	%
5010	Regular Salaries	1,215,000	926,988	76.3%	1,355,000	140,000	11.5%
5015	Vacation Buy-back	18,000	1,645	9.1%	18,000	0	0.0%
5020	Temporary Staff	0	0	0.0%	0	0	0.0%
5030	Overtime	12,000	7,135	59.5%	12,000	0	0.0%
5040	Special Duty Pay	48,000	41,207	85.8%	51,210	3,210	6.7%
Total Wages		1,293,000	976,975	75.6%	1,436,210	143,210	11.1%
5110	CalPERS UAL	165,000	164,540	99.7%	150,000	(15,000)	(9.1%)
5111	CalPERS	190,000	118,187	62.2%	180,000	(10,000)	(5.3%)
5112	Social Security	95,000	72,976	76.8%	108,000	13,000	13.7%
5120	Medical Insurance	205,000	174,544	85.1%	215,000	10,000	4.9%
5121	Employee Wellness Program	2,200	200	9.1%	2,600	400	18.2%
5122	Unemployment Ins	2,000	1,730	86.5%	2,000	0	0.0%
5123	Certification Incentive Program	12,000	0	0.0%	12,000	0	0.0%
5124	Long Term Disability	10,500	8,079	76.9%	12,000	1,500	14.3%
5126	Life Insurance	3,000	2,480	82.7%	3,700	700	23.3%
5127	Dental / Vision Plan	27,500	15,329	55.7%	32,500	5,000	18.2%
5128	Workers' Comp	45,000	27,830	61.8%	45,000	0	0.0%
5132	Employee Medical - Physical	2,000	1,978	98.9%	2,200	200	10.0%
Total Benefits		759,200	587,873	77.4%	765,000	5,800	0.8%
Total Wages & Benefits		2,052,200	1,564,848	76.3%	2,201,210	149,010	7.3%
5210	Departmental Expense	4,000	3,933	98.3%	4,000	0	0.0%
5215	Office Supplies	2,000	401	20.0%	2,000	0	0.0%
5241	Uniform Expense	11,500	12,916	112.3%	13,500	2,000	17.4%
5242	Membership and Dues	7,000	4,076	58.2%	7,600	600	8.6%
5244	Conference and Training	12,000	6,169	51.4%	12,000	0	0.0%
5246	Education Reimbursement	500	0	0.0%	500	0	0.0%
5260	Vehicle Fuel Expense	28,000	19,365	69.2%	28,000	0	0.0%
5265	Mileage Reimbursement	400	259	64.7%	400	0	0.0%
5270	Rent & Leases	1,500	0	0.0%	1,500	0	0.0%
5290	Licenses and Permits	35,000	38,042	108.7%	40,000	5,000	14.3%
Total General		101,900	85,161	83.6%	109,500	7,600	7.5%
5310	Monitoring Equipment	21,000	22,110	105.3%	20,000	(1,000)	(4.8%)
5320	Monitoring Lab Work	21,000	12,549	59.8%	21,000	0	0.0%
5330	Spill Response	10,000	0	0.0%	10,000	0	0.0%
Total Environment & Monitoring		52,000	34,659	66.7%	51,000	(1,000)	(1.9%)



CARPINTERIA SANITARY DISTRICT							
Plant/Collection Department - Continued							
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2022/23	(11 mo.) 2022/23	%	2023/24	(Decrease)	%
5410	Southern California Gas	2,000	2,680	134.0%	3,500	1,500	75.0%
5420	Southern California Electric	165,000	230,618	139.8%	264,000	99,000	60.0%
5430	Telephone	13,000	10,907	83.9%	11,000	(2,000)	(15.4%)
5440	Water	9,500	5,942	62.5%	9,500	0	0.0%
5450	Rubbish	6,000	5,576	92.9%	6,000	0	0.0%
5480	Underground Service Alert	2,300	1,724	75.0%	2,300	0	0.0%
	<b>Total Utilities</b>	<b>197,800</b>	<b>257,447</b>	<b>130.2%</b>	<b>296,300</b>	<b>98,500</b>	<b>49.8%</b>
5470	Biosolids Disposal	120,000	134,737	112.3%	135,000	15,000	12.5%
5510	General Supplies	15,000	10,825	72.2%	15,000	0	0.0%
5521	Odor Control Chemicals	51,000	32,179	63.1%	51,000	0	0.0%
5522	Disinfection Chemicals	125,000	79,267	63.4%	185,000	60,000	48.0%
5524	Polymers	28,000	20,365	72.7%	31,000	3,000	10.7%
5525	Tool / Small Parts	6,000	3,763	62.7%	6,000	0	0.0%
5526	Fuel, Diesel, Lubricants	7,500	6,892	91.9%	7,500	0	0.0%
5527	Safety Equipment	6,000	3,806	63.4%	6,000	0	0.0%
	<b>Total Supplies &amp; Equipment</b>	<b>238,500</b>	<b>157,098</b>	<b>65.9%</b>	<b>301,500</b>	<b>63,000</b>	<b>26.4%</b>
5610	Equipment Maintenance	38,000	24,521	64.5%	25,000	(13,000)	(34.2%)
5620	Building Maintenance	21,000	11,323	53.9%	25,000	4,000	19.0%
5630	Grounds Maintenance	27,500	43,079	156.7%	17,500	(10,000)	(36.4%)
5640	Vehicles Maintenance	15,000	24,484	163.2%	20,000	5,000	33.3%
5650	Treatment Plant Maintenance	85,000	75,331	88.6%	125,000	40,000	47.1%
5680	Pump Station Maintenance	43,000	4,346	10.1%	40,000	(3,000)	(7.0%)
5690	Collection System Maintenance	84,000	67,481	80.3%	98,000	14,000	16.7%
	<b>Total Repair &amp; Maintenance</b>	<b>313,500</b>	<b>250,566</b>	<b>79.9%</b>	<b>350,500</b>	<b>37,000</b>	<b>11.8%</b>
5835	Safety Program	26,400	0	0.0%	26,400	0	0.0%
5843	Computer Expenses	30,000	27,922	93.1%	30,000	0	0.0%
5844	SCADA Related Exp.	50,000	43,232	86.5%	35,000	(15,000)	(30.0%)
5855	IDP Monitoring Services	500	0	0.0%	500	0	0.0%
	<b>Total Professional Services</b>	<b>106,900</b>	<b>71,155</b>	<b>66.6%</b>	<b>91,900</b>	<b>(15,000)</b>	<b>(14.0%)</b>
	<b>Total Plant/Collection Expenses</b>	<b>3,182,800</b>	<b>2,555,669</b>	<b>80.3%</b>	<b>3,536,910</b>	<b>354,110</b>	<b>11.1%</b>

## CAPITAL IMPROVEMENT PROJECTS

A portion of the District’s projected overall budget for the 2023/24 fiscal year is allocated to capital improvement program (CIP) projects. These projects have been developed through long term planning efforts and through ongoing condition assessment of key infrastructure and equipment. They are complementary to several ongoing capital upgrades within the collection system, authorized in prior fiscal years, and are critical elements of the District’s overall quality improvement plan.

### Planning Assumptions

The following assumptions were used in the development of the District’s capital improvement projects for the coming fiscal year:

- The proposed CIP projects consist of projects from the District’s long range Capital Improvement Program (2021-2030) and other necessary projects and equipment acquisitions.
- The District will fund the approved projects through a direct appropriation of operating revenue and dedicated reserves held in the General Fund into the Capital Improvement Fund.
- The overall funding goal of the District’s long term CIP is a “pay-as-you-go” scenario, which avoids the need to incur additional long-term debt.
- Certain capacity related projects will be funded or partially funded with Development Impact Fees (DIF) collected by the District for new service connections. DIF monies are strictly accounted for to comply with state law.

### CIP Budget Components

The CIP section of the proposed budget for the 2023/24 fiscal year (Capitalized Expenditures) is a component of the Non-Operating Expense section as illustrated in the Budget Snapshot. The CIP budget includes the projected expenses for purchase of fixed assets/equipment as well as those expenses associated with infrastructure repair and replacement projects undertaken by the District.

The combined budgets for newly proposed and carry over CIP projects for the 2023/24 fiscal year is **\$3,125,000**. The list of projects and their funding source is provided below for ongoing and new capital projects.

#### Existing/Carryover CIP Projects

The District is currently implementing a number of capital improvement projects that have been authorized and funded by the Board of Directors in prior years. Each of these projects are expected to continue into the 2023/24 fiscal year. A list of ongoing or carryover CIP projects is presented in the following table.

Detailed project descriptions have been provided in previous year budget documents. Funds for these projects have been appropriated to the District's dedicated CIP fund.

CARPINTERIA SANITARY DISTRICT				
CAPITAL IMPROVEMENT PROJECT (CIP)				
Previously Authorized CIP Projects				
FY 2023/24				
CIP NO.	FUNDING SOURCE	DESCRIPTION	TOTAL PROJECT BUDGET	FY 2023/24 ALLOCATION
P-188	CIP	Carpinteria Avenue Inverted Siphon Relocation	\$ 500,000	
P-208	CIP	Accounting Management Software	\$ 100,000	
P-209	CIP	Lift Station No. 2 Force Main Realignment	\$ 700,000	
P-210	CIP	Sawyer Avenue Sewer Realignment	\$ 165,000	
P-212	CIP	Lift Station No. 2 Structural Rehabilitation	\$ 195,000	
P-213	CIP	Grit Pump Replacement	\$ 80,000	
P-218	CIP	Lower Lateral Rehabilitation Project	\$ 200,000	
	CIP	Garage Building	\$ 250,000	
	CIP	Belt Filter Press Replacement	\$ 650,000	
	CIP	Manhole Rehabilitation Program - Phase 3	\$ 125,000	
<b>Total CIP Carryover</b>			<b>\$ 2,965,000</b>	

### New CIP Projects

The following table presents a summary of the new CIP projects proposed for implementation in the coming fiscal year. Detailed project descriptions with justifications are provided later in this section. Project numbers will be assigned at the time individual projects are initiated.

CARPINTERIA SANITARY DISTRICT				
CAPITAL IMPROVEMENT PROJECT (CIP)				
New CIP Projects				
FY 2023/24				
CIP NO.	FUNDING SOURCE	DESCRIPTION	TOTAL PROJECT BUDGET	BUDGET 2023/24
	CIP	Server Replacement Project	\$ 35,000	\$ 35,000
	CIP	Solids Transfer and Dewatering Improvements	\$ 125,000	\$ 125,000
<b>Total New CIP Budget</b>			<b>\$ 160,000</b>	<b>\$ 160,000</b>

The level of proposed capital spending in FY 2023/24 is markedly lower than in a typical year. Adjustments to the District's long range CIP were intentionally made to allow staff resources to focus on in-progress and previously authorized projects. Additionally, internal resources are being dedicated to the CAPP final design effort. This is a significant commitment of staff time towards an important project that is not reflected in our capital program because it is being funded primarily by the Carpinteria Valley Water District.

## **CIP Program Funding**

### **Current Year CIP Funding Allocation**

Allocation of capital improvement funds for FY 2023/24 will occur once the recommended CIP projects are authorized by the District's Board of Directors. Projects outlined in this section will be funded through a combination of current year operating revenue and existing cash reserves. The funding breakdown is detailed in the Pro-Forma worksheet.

A reconciliation of the restricted CIP fund will be completed concurrent with the FY 2023/24 budget approval process. The purpose of this reconciliation is to incorporate Board authorized adjustments to capital project costs and reflect cost savings realized on certain completed capital projects.

### **Future CIP Project Funding**

From a fiscal planning perspective, the District's long range CIP should be considered a dynamic tool and as such should be reviewed and updated regularly to reflect the District's changing infrastructure needs.

It is expected that future CIP projects will be funded from a combination of annual SSC revenue and cash reserves from the General Fund appropriated to the CIP Fund. This "pay-as-you go" approach will provide the necessary cash to pay for the improvements while avoiding additional long term debt as long as practical. The funding of future projects can, therefore, be tailored and managed on a cash flow basis.

CARPINTERIA SANITARY DISTRICT  
FY 2023/24 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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**PROJECT TITLE:** Server Replacement Project

**DESCRIPTION:** This project involves replacement of the District's main file and application server located in the Administration Building. The upgrade would include a current operating system and new solutions for a virtualized server environment, data backup, offsite storage, and security, as well as other related hardware and software components.

**BUDGET COST:** \$35,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The existing server is functional, but has legacy operating system software deployed (Server 2012) that will no longer supported by Microsoft. Over its service life, the District has added several SEQL database applications and that software framework also requires updating. A new server and current operating system (Server 2022 or 2019) will greatly enhance system functionality, capacity and security going forward. The existing server was installed in FY 2015/16 and an 8-year service life for the equipment and software exceeded normal expectations.



CARPINTERIA SANITARY DISTRICT  
FY 2023/24 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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**PROJECT TITLE:** Solids Transfer and Dewatering Improvements

**DESCRIPTION:** This project involves replacement of the solids feed pump that feeds the belt filter press with a higher capacity pump. It also includes replacement of the solids transfer pump with a different style pump that is not prone to clogging and is readily serviceable. Associated piping and valve modifications are included to allow for improved system operation. .

**BUDGET COST:** \$125,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** Key operational changes have resulted in lower solids concentrations in the aerated sludge holding tanks. The District's existing belt filter press feed pump does not have adequate hydraulic capacity to support this new paradigm. Replacement with a larger sized progressive cavity pump will optimize dewatering operations. The existing submersible style solids transfer pump is prone to clogging and its location makes it nearly impossible to maintain. Replacement with a different style pump and reconfiguration of suction and discharge piping will allow for effective transfer between the two aerated sludge holding tanks.

