



# Carpinteria Sanitary District **FISCAL YEAR 2019/20 BUDGET**

## **BOARD OF DIRECTORS**

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

## **DISTRICT STAFF**

Craig Murray, P.E.— General Manager  
Kim Garcia — District Administrator





**CARPINTERIA**  
Sanitary District

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Carpinteria, CA 93013

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**Board of Directors**

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

**General Manager**

Craig M. Murray, P.E.

June 18, 2019

Mr. Mike Modugno  
President  
Board of Directors  
Carpinteria Sanitary District

**Re: Letter of Transmittal - FY 2019/20 Annual Budget**

Submitted for your review is the proposed FY 2019/20 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 2016/17, the District prepared a comprehensive Wastewater Rates and Fees Study. The study included a comprehensive 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 4% annual rate increases beginning in FY 2017/18 and continuing for the following four fiscal years. This is the third year of the serial rate increase.

For FY 2019/20, the sewer service charge for a single family residential unit will increase from \$650.33 to \$676.35 per year. Non-residential rates will increase proportionally.

Overall, in FY 2019/20 we expect revenue to increase modestly (1.8%) and operating expenses to increase at a slightly higher rate (2.9%). The result being a projected debt ratio of 1.97, well above the minimum ratio of 1.25 required by a covenant of the 2012 Wastewater Revenue Refunding Bonds. 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 2019/20 are projected to be \$6,809,656 or \$123,456 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 \$5,526,302 in the coming fiscal year. This is an increase of 5.9% or \$305,502 from previous fiscal year and is the result of the aforementioned 4% rate increase and measurable growth within the District's customer base. Residential SSC revenue will make up 77.9% of the total, with the non-residential sector contributing 22.1%.

**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). Property values have continued to increase moderately in the past year and consequently the revenue from this source projected to be \$12,654 or 2.0% 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. As a part of the Wastewater Rates and Fees Study, a new DIF per dwelling unit was established. The District Board recently adopted Ordinance No. 16 setting the base fee and prescribing an annual adjustment of the fee based on the Engineering News Record Construction Cost Index (ENR-CCI 20-City). This index tracks costs of construction that may fluctuate in either a positive or negative direction. Commencing July 1<sup>st</sup> 2019, the DIF for a single dwelling unit will be \$4,895.00. This is an increase of approximately 3% or \$145 from previous fiscal year. The non-residential DIF structure will be increased proportionately.

**Other Revenues**. The District's other sources of revenue include interest income, permit and inspection fees, contract lab analysis fees, and other miscellaneous fees and charges. Interest income is projected to increase as interest rates trend higher. Other revenue sources in this category are expected to be basically unchanged from the prior year, with one exception, described below.

The District is pursuing repair of the foundation supporting the floodwall along the eastern boundary of its wastewater treatment facility in response to damage incurred during the January 9, 2018 storm flow event in Carpinteria Creek. The repair has been approved for reimbursement funding from FEMA and CalOES at a rate of 96.5%.

In late 2018 the District completed an interim stabilization project in advance of the 2018/19 rainy season. This interim emergency action was necessary because permits for the permanent repair could not be obtained in time to perform the work. Reimbursement funding for the interim work was received in FY 2018/19. Work to complete the permanent repair will proceed in FY 2019/20. Based on current cost estimates, we have included disaster assistance grant fund revenue totaling \$500,000 for the 2019/20 fiscal year.

**Other Districts' Contribution Safety Officer**. After careful consideration by the participating agencies, a mutual decision was made to end the cooperative safety program. Additional details regarding the decision and fiscal impacts are discussed within the budget document.

## **OPERATING EXPENSES**

Overall operating expenses are expected to increase by 2.9% or \$110,354 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 2019/20 are projected to be \$132,370 or 5.5% higher than the prior fiscal year. A portion of the increase can be attributed to a Vacation Buy-back Program, approved by the Board, which will allow employees to conditionally cash out accrued vacation in accordance with plan provisions. Additionally, payroll related expenses such as social security and PERS retirement are also increasing proportionately to pure salary escalation.

The Salary Matrix included in the budget document reflects a 3.9% increase from the prior fiscal year. Historically, the base wage rates are tied to the Consumer Price Index (CPI) for Urban Wage Earner and Clerical Workers in the Los Angeles – Riverside – Orange County area as provided by the U.S. Bureau of Labor Standards (BLS). This index was modified in 2019, now covering the Los Angeles – Long Beach – Anaheim area.

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. At this time, 25% of District staff members are enrolled under PEPRA. Overall, in FY 2019/20 the District's PERS contributions will increase \$68,500 or 21.6% from previous fiscal year. The increase is primarily attributed to CalPERS' phased reduction in the discount rate within the pool and efforts to reduce the District's unfunded actuarial liability.

The District will continue to participate in the California Risk Management Agency (CSRMA) pooled liability and workers compensation insurance programs. The workers comp is projected to increase by \$16,750 or 23.9%. This is due to a higher ex-mod factor resulting from development on open claims and diminished pool 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 \$287,900, which represents an increase of 10.7% or \$27,800 over the prior fiscal year. The major increase in this category of expenses is due to the cost of temporary office relocation associated with the construction of a new administration building.

**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 \$55,500, which is unchanged 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 \$186,880 or 4.7% of the total operating budget. This reflects a reduction of \$820 or 0.4% from the previous fiscal year estimate.

**Biosolids Disposal.** The District contracts with Engel & Gray, Inc. for transporting and composting of biosolids. The current contract cost of transporting and disposals is \$55.26 per ton for this fiscal year plus a fuel surcharge. The projected cost of biosolids disposal is \$10,000 or 11.1% higher than previous 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 \$248,500, or about 6.3% of the total operating budget. This is a net increase of \$26,000 or 11.7% from previous fiscal year. The increase is a result of increased sodium bisulfite and sodium hypochlorite contract costs.

**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 \$220,700, or 5.6% of the total operating budget. This is a decrease of \$30,400 or 12.1% from the previous year's projection.

**Professional Services.** Professional service costs in FY 2019/20 are projected to be \$264,800 or 6.7% of the overall budget. This represents a reduction of 9.8% or \$28,600 over the previous fiscal year budget. A mid-year budget increase was approved to allow for expenditures related to the District's FEMA LOMR appeal process. It's anticipated that these cost will not continue into FY 2019/20.

**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 allocated \$50,000, a reduction of \$25,000 from the prior year, 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 \$68,204 or 1.7% of the operating budget.

## **NON-OPERATING EXPENSES**

**Capital Improvement Projects.** The proposed budget for new Capital Improvement Program (CIP) projects in FY 2019/20 is \$815,000, inclusive of five discrete projects. These projects will add to the list of nine carryover projects, with a previously authorized aggregate total of \$5,080,000.

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 very 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 planned Administration Building Replacement Project, the District intends to obtain long term financing

for the anticipated \$1.8M construction cost. The projected debt service schedule was adjusted going forward to include payments on a 20-year term credit at market interest rates.

The FY 2019/20 budget, as presented, results in a debt service ratio (revenue minus operating expenses divided by debt service obligation) of 1.97, which exceeds the minimum required ratio of 1.25.

## **CASH POSITION**

It is estimated that FY 2019/20 will start with a beginning combined cash and equivalent balance of about \$9,770,378 (General Fund, CIP Fund, and DIF Fund) and will end with a combined cash balance, after payment of projected operating and non-operating expenses, of about \$8,158,620. A higher balance may exist at the end of FY 2019/20 depending on the status of authorized capital improvement projects.

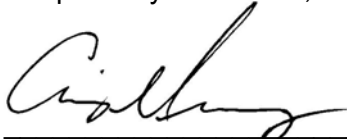
## **A LOOK INTO THE FUTURE**

The District's priorities continue to emphasize the long and short-term improvements to the wastewater collection system. CIP implementation will continue to be a top priority for the District for the next five years and beyond. In the coming year, the District's collection system staff will continue to ramp up its efforts to proactively maintain, repair and renew the District's entire network of mainlines, manhole and lateral sewers.

The District continues to work diligently to control costs, and we have developed a lean operating budget for FY 2019/20. 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-329  
                         2. Fiscal Year 2019/20 Budget

**RESOLUTION NO. R-329**

**RESOLUTION OF  
THE BOARD OF DIRECTORS OF  
CARPINTERIA SANITARY DISTRICT  
ADOPTING THE OPERATING AND CAPITAL BUDGET  
FOR THE FISCAL YEAR 2019/20  
AND  
ESTABLISHING CONTROLS ON CHANGES  
IN APPROPRIATIONS FOR THE VARIOUS FUNDS**

**WHEREAS**, the Board of Directors of Carpinteria Sanitary District including the Board Finance Committee has reviewed a preliminary budget for Fiscal Year 2019/20 and has made changes therein;

**NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors of **CARPINTERIA SANITARY DISTRICT** as follows:

1. That the budget document which is on file with the Secretary to the Board, a summary of which is attached hereto as Exhibit A - Budget Snapshot, is adopted as the final operating and capital budget for the District for the Fiscal Year 2019/20.
2. That the amount designated in the final Fiscal Year 2019/20 operating budget is hereby appropriated and may be expended by the departments or funds for which they are designated and such appropriation shall be neither increased nor decreased except as provided herein.
3. That funds are hereby appropriated from the General Fund and placed into the Capital Improvement Fund to fully fund authorized capital expenditures which total \$815,000. The designated funds may be expended for ongoing and newly approved projects for which they are designated and such appropriation shall be neither increased nor decreased except as provided herein.
4. That the following controls are hereby placed on the use and transfer of budgeted funds:
  - a. The General Manager is responsible for keeping expenditures within budget allocations for positions, salaries, operational expenses and capital acquisitions and may adopt budget policies as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or General Manager as described herein.
  - b. The General Manager may exercise discretion in administration of the budget to respond to changed circumstances, provided that any modification in excess of \$25,000 shall require approval by the Board.

- c. The Board must authorize any increase in the overall operating budget, capital budget, salary budget and number of authorized regular personnel positions above the level identified in the final operating and capital budget. The General Manager may authorize the hiring of temporary or part-time staff as necessary, within the limits imposed by the available funds in the operating and capital budget.
- 5. That authorization is made for any carry over or continuing appropriations for the capital budget.

**PASSED, APPROVED, AND ADOPTED** at the special meeting of the Board of Directors of the Carpinteria Sanitary District held June 18, 2019, and carried by the following roll call vote:

**AYES: Modugno, Damron, Graf, Murray, Velasco**

**NAYS: None**

**ABSTENTIONS: None**

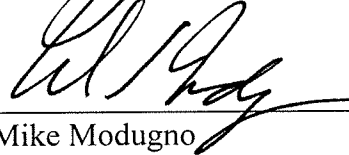
**ABSENT: None**

Resolution No. R-329 was thereupon declared, carried, and adopted.

Dated this 18th day of June 2019.

**We certify that the above is a true and correct copy of Resolution No. R-329, adopted by the Board of Directors of the Carpinteria Sanitary District on June 18, 2019.**

**APPROVED:**



Mike Modugno  
President, Board of Directors

**ATTEST:**



Gerald Velasco  
Secretary, Board of Directors



**CARPINTERIA SANITARY DISTRICT  
BUDGET SNAPSHOT**

	BUDGET 2018/19	BUDGET 2019/20	BUDGET Inc/(Dec)	CHANGE %
<b>REVENUES</b>				
Sewer Service Charges (SSC)	\$5,220,800	\$5,526,302	\$305,502	5.9%
Property Taxes	\$632,700	\$645,354	\$12,654	2.0%
Interest Income	\$20,000	\$100,000	\$80,000	400.0%
Development Impact Fees (DIF)				0.0%
Other Fees and Income	\$20,000	\$20,000		0.0%
Contract Lab Analysis	\$18,000	\$18,000		0.0%
Other Sources of Cash/Grants & Dedications	\$723,700	\$500,000	(\$223,700)	(30.9%)
Other Districts' Contributions/Safety Officer	\$51,000		(\$51,000)	(100.0%)
<b>Total Gross Revenues</b>	<b>\$6,686,200</b>	<b>\$6,809,656</b>	<b>\$123,456</b>	<b>1.8%</b>
<b>EXPENSES</b>				
Operating Expenses				
Wages	\$1,597,500	\$1,626,000	\$28,500	1.8%
Benefits	\$797,700	\$901,570	\$103,870	13.0%
General	\$260,100	\$287,900	\$27,800	10.7%
Environment & Monitoring	\$55,500	\$55,500		0.0%
Utilities	\$187,700	\$186,880	(\$820)	(0.4%)
Biosolids Disposal	\$90,000	\$100,000	\$10,000	11.1%
Supplies & Equipment	\$222,500	\$248,500	\$26,000	11.7%
Repairs & Maintenance	\$251,100	\$220,700	(\$30,400)	(12.1%)
Professional Services	\$293,400	\$264,800	(\$28,600)	(9.7%)
Other Expenses	\$94,200	\$68,204	(\$25,996)	(27.6%)
<b>Total Operating Expenses</b>	<b>\$3,849,700</b>	<b>\$3,960,054</b>	<b>\$110,354</b>	<b>2.9%</b>
Non-Operating Expense				
Debt Service	\$1,185,900	\$1,181,360	(\$4,540)	(0.4%)
Capital Improvements	\$4,622,422	\$5,080,000	\$457,578	19.2%
<b>Total Non-Operating Expenses</b>	<b>\$5,808,322</b>	<b>\$6,261,360</b>	<b>\$885,234</b>	<b>15.2%</b>
<b>Total Uses of Cash</b>	<b>\$9,658,022</b>	<b>\$10,221,414</b>	<b>\$995,588</b>	<b>9.9%</b>
<b>Surplus (Deficit) for the Year</b>	<b>(\$2,971,822)</b>	<b>(\$3,411,758)</b>	<b>(\$872,132)</b>	<b>20.4%</b>
Admin Building Financing Fund	\$1,800,000	\$1,800,000		
<b>Estimate Year End Cash Balance</b>	<b>\$8,919,178</b>	<b>\$8,158,620</b>		

RATIO                      1.76                      1.97

## DISTRICT BOARD OF DIRECTORS AND STAFF

### BOARD OF DIRECTORS

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

Deborah Murphy	Chairperson
Lin Graf	Member

#### **Personnel Committee**

Gerald Velasco	Chairperson
Michael Damron	Member

#### **Public Relations Committee**

Debbie Murphy	Chairperson
Gerald Velasco	Member

#### **Joint Utilities Committee**

Lin Graf	Member
Mike Modugno	Member

#### **Ad-Hoc Facilities Planning Committee**

Michael Damron	Chairperson
Debbie Murphy	Member

#### **Coastal District's Financing Authority**

Mike Modugno	Member
Michael Damron	Member

The Finance Committee generally meets on the third Monday of each month at 8:30 am at the Administration office located at 5300 Sixth Street. The Personnel, Public Relations, Local Utilities and Ad-Hoc Facilities Planning Committees do not have a set meeting schedule, but rather meet on an as-needed basis. All committee meetings are noticed as special or regular meetings 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

Law Office of Anthony H. Trembley  
Anthony Trembley    Legal Counsel

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## BUDGET MESSAGE

This section provides the reader a comprehensive overview of the District's proposed annual budget for the 2019/20 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.

## 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 2019/20 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.
- 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.
- 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.
- Invest in new and 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.

### EFFECTIVENESS

- Continue enforcement of the Industrial Source Control Program and Fats, Oil and Grease (FOG) Control Program which serve as the primary methods to reduce the introduction of toxic or harmful substances into the wastewater system which may negatively impact the system, its personnel, or the treatment process.
- 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.

- 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.
- Redevelop the District's computerized hydraulic model and complete analyses necessary to validate identified capacity limited segments scheduled for replacement or upsizing.
- Systematically implement sewer main and lower lateral rehabilitation projects for aging infrastructure in order to minimize infiltration and root intrusion in the collection system.

## Current Year Highlights

- **Safety Program.** For over a decade, the District has participated in a cooperative program with other local wastewater agencies who together have jointly funded a Safety and Training Officer position. Since inception, the Safety and Training Officer has been an employee of the Carpinteria Sanitary District, but costs were distributed to other participating agencies based on a joint participation agreement. In FY 2018/19 the Safety and Training Officer was filled as a part-time position, based on the needs of the three agencies in the cooperative. In March 2019, the individual filling this role retired.

After careful consideration by the participating agencies, a mutual decision was made to end the cooperative safety program. This decision was based, in part, on the fact that the agencies had reached a high level of OSHA compliance and safety preparedness and that an individual agency approach offered more flexibility. There have also been major advancements in online training and compliance platforms that facilitate safety program management.

Accordingly, the FY 2019/20 budget no longer contains a separate Safety & Training Department. This discrete departmental accounting was set up to plan and track costs that were ultimately shared by the participating agencies. In lieu, we have created a separate budget account under the Professional Services subcategory. Safety Program expenses, which are expected to include outside consultants, subscriptions services and other elements, will be included in this line item going forward.

- **Administration Building Replacement Project.** The District is advancing a project to replace its modular administration building with a permanent structure. To fund this major capital upgrade, the District intends to pursue long term financing for the construction phase of this project. This Board decision flowed from a series of long-range financial planning sessions. This debt financing approach is reflected in the Pro-Forma Statement included in this section, but not in the current Debt Service Schedule as the timing and details for the funding remain uncertain. Current market conditions have resulted in sharply escalating construction costs within the region. District staff and the Board will carefully review and update the project financing plan at the appropriate point in the implementation timeline for this project.
- **Unfunded Actuarial Pension Liabilities.** As is the case for most government entities that participate in a CalPERS retirement pension program, an actuarial study prepared by CalPERS has projected an unfunded liability within our program. Although not mandated, the District's Board of Directors decided to establish a simple reserve fund to partially cover this future liability and to allocate \$250,000 per year over a four-year period from its general fund reserve. Although not reflected as an expenditure in the annual operating or capital budget, this important policy decision implemented in FY 2017/18 will continue. Additionally, the District will explore other approaches to addressing the unfunded liability directly through CalPERS or via a separate pension trust.

## 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 13,500 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 16,500 people and has approximately 4,300 user accounts

### Government Structure

The District is governed by a five member Board of Directors who serve four year terms. The Directors are elected on an at-large basis by registered voters living within the District's service area.



## BUDGET SUMMARY

The remainder of this section contains figures and financial data in spreadsheet format that summarize the proposed FY 2019/20 budget, as follows:

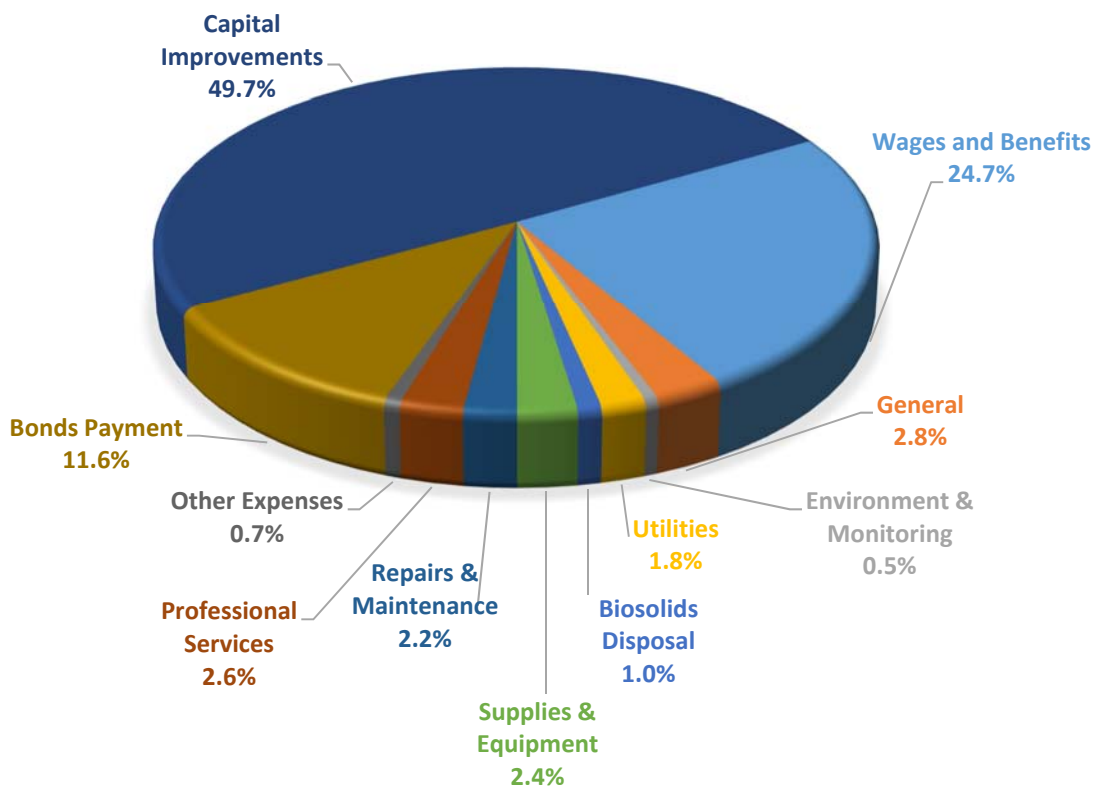
- **Budget Snapshot** – brief overview of the proposed FY 2019/20 budget
- **Expense Summary Chart** – graphical presentation of projected expenses
- **Pro-Forma Statement** – historical comparison of proposed FY 2019/20 budget
- **Debt Service Schedule** – bond repayment schedule through 2042 maturation
- **Organization Chart** – proposed District staffing and structure for FY 2019/20.

**CARPINTERIA SANITARY DISTRICT  
BUDGET SNAPSHOT**

	BUDGET 2018/19	BUDGET 2019/20	BUDGET Inc/(Dec)	CHANGE %
<b>REVENUES</b>				
Sewer Service Charges (SSC)	\$5,220,800	\$5,526,302	\$305,502	5.9%
Property Taxes	\$632,700	\$645,354	\$12,654	2.0%
Interest Income	\$20,000	\$100,000	\$80,000	400.0%
Development Impact Fees (DIF)				0.0%
Other Fees and Income	\$20,000	\$20,000		0.0%
Contract Lab Analysis	\$18,000	\$18,000		0.0%
Other Sources of Cash/Grants & Dedications	\$723,700	\$500,000	(\$223,700)	(30.9%)
Other Districts' Contributions/Safety Officer	\$51,000		(\$51,000)	(100.0%)
<b>Total Gross Revenues</b>	<b>\$6,686,200</b>	<b>\$6,809,656</b>	<b>\$123,456</b>	<b>1.8%</b>
<b>EXPENSES</b>				
Operating Expenses				
Wages	\$1,597,500	\$1,626,000	\$28,500	1.8%
Benefits	\$797,700	\$901,570	\$103,870	13.0%
General	\$260,100	\$287,900	\$27,800	10.7%
Environment & Monitoring	\$55,500	\$55,500		0.0%
Utilities	\$187,700	\$186,880	(\$820)	(0.4%)
Biosolids Disposal	\$90,000	\$100,000	\$10,000	11.1%
Supplies & Equipment	\$222,500	\$248,500	\$26,000	11.7%
Repairs & Maintenance	\$251,100	\$220,700	(\$30,400)	(12.1%)
Professional Services	\$293,400	\$264,800	(\$28,600)	(9.7%)
Other Expenses	\$94,200	\$68,204	(\$25,996)	(27.6%)
<b>Total Operating Expenses</b>	<b>\$3,849,700</b>	<b>\$3,960,054</b>	<b>\$110,354</b>	<b>2.9%</b>
Non-Operating Expense				
Debt Service	\$1,185,900	\$1,181,360	(\$4,540)	(0.4%)
Capital Improvements	\$4,622,422	\$5,080,000	\$457,578	19.2%
<b>Total Non-Operating Expenses</b>	<b>\$5,808,322</b>	<b>\$6,261,360</b>	<b>\$885,234</b>	<b>15.2%</b>
Total Uses of Cash	\$9,658,022	\$10,221,414	\$995,588	9.9%
Surplus (Deficit) for the Year	(\$2,971,822)	(\$3,411,758)	(\$872,132)	20.4%
Admin Building Financing Fund	\$1,800,000	\$1,800,000		
<b>Estimate Year End Cash Balance</b>	<b>\$8,919,178</b>	<b>\$8,158,620</b>		

RATIO                      1.76                      1.97

## SUMMARY OF EXPENDITURES BY CATEGORY FY 2019/20



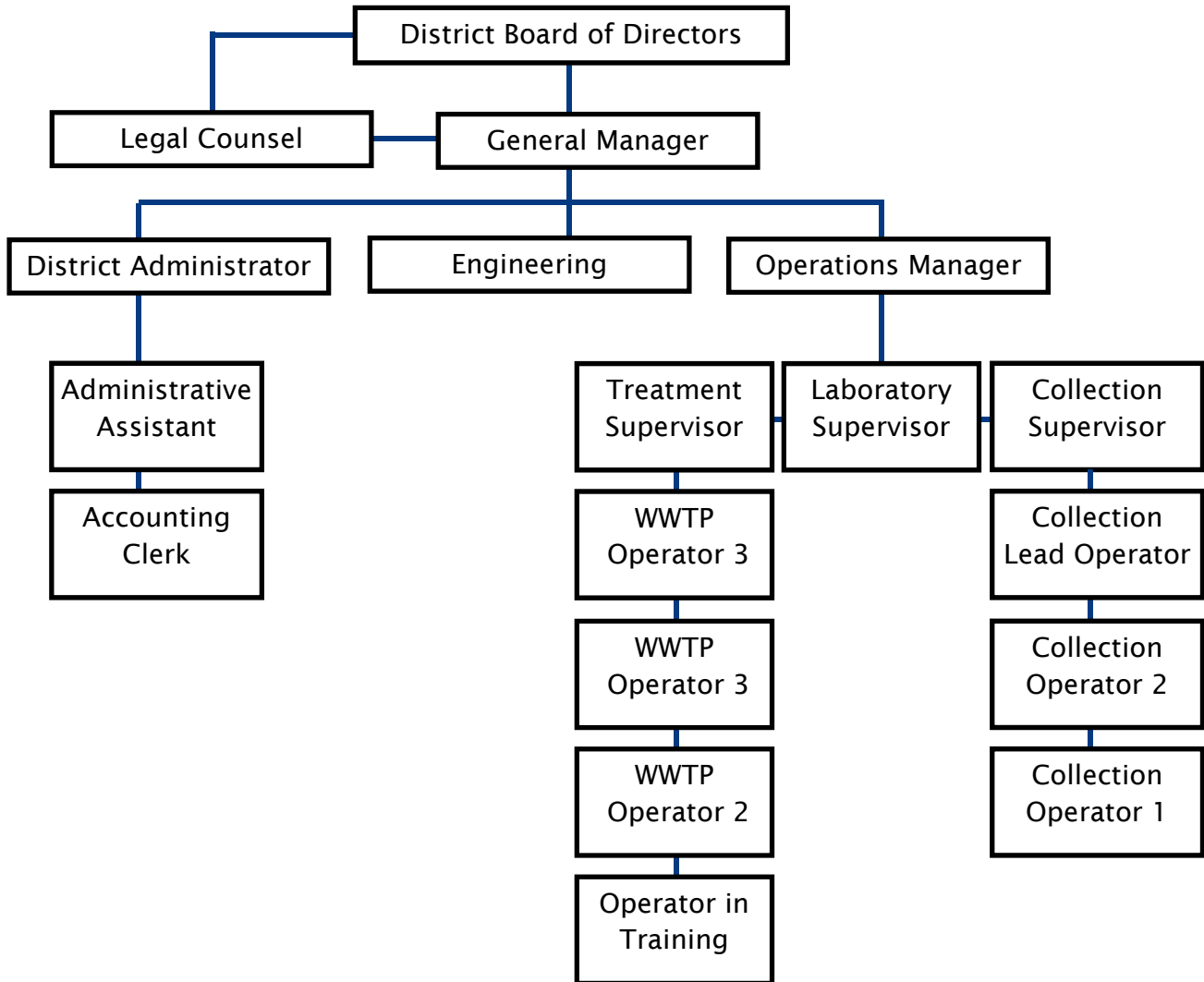
**CARPINTERIA SANITARY DISTRICT  
PROFORMA STATEMENT**

Description	Actual	Budget	Projected	Budget	Projected			
	Audited	(Amended)						
	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Revenue								
Sewer Service Charge	\$ 5,108,684	\$ 5,220,800	\$ 5,220,800	\$ 5,526,302	\$ 5,747,354	\$ 5,977,248	\$ 5,977,248	\$ 5,977,248
Property Taxes	633,644	632,700	632,700	645,354	658,261	671,426	684,855	698,552
Interest Income	124,230	20,000	100,000	100,000	102,000	104,040	106,121	108,243
Development Impact Fees (DIF)	23,000	0	152,000	0	0	0	0	0
Other Fees and Income	101,528	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Contract Lab Analysis	17,474	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Other Source of Cash/Grant	158,092	723,700	300,000	500,000	0	0	0	0
Other Districts Contri/Safety Officer	51,970	51,000	51,000	0	0	0	0	0
<b>Total Revenue</b>	<b>6,218,622</b>	<b>6,686,200</b>	<b>6,494,500</b>	<b>6,809,656</b>	<b>6,545,615</b>	<b>6,790,715</b>	<b>6,806,224</b>	<b>6,822,043</b>
Expenses								
Wages	1,451,130	1,597,500	1,450,000	1,626,000	1,707,300	1,792,665	1,882,298	1,976,413
Benefits	777,311	797,700	750,000	901,570	946,649	993,981	1,043,680	1,095,864
General Operating Expenses	167,906	260,100	260,100	287,900	296,537	305,433	314,596	324,034
Environmental Monitoring	30,872	55,500	40,000	55,500	58,275	60,023	61,824	63,679
Utilities	173,898	187,700	187,700	186,880	196,224	206,035	216,337	227,154
Sludge Disposal	92,161	90,000	90,000	100,000	103,000	106,090	109,273	112,551
Supplies and Equipment	150,275	222,500	175,000	248,500	255,955	263,634	271,543	279,689
Repairs and Maintenance	272,875	251,100	140,000	220,700	229,528	238,709	248,257	258,188
Professional Services	125,353	293,400	225,000	264,800	278,040	291,942	306,539	321,866
Other Expenses	16,869	94,200	40,000	68,204	70,250	72,358	74,528	76,764
<b>Total Operating Expenses</b>	<b>3,258,650</b>	<b>3,849,700</b>	<b>3,357,800</b>	<b>3,960,054</b>	<b>4,141,758</b>	<b>4,330,870</b>	<b>4,528,876</b>	<b>4,736,201</b>
O & M Increase (Decrease) %	0	0	0	0	0	0	0	0
Scheduled Installment Payment	1,185,463	1,185,900	1,185,500	1,181,360	1,320,300	1,319,900	1,315,400	1,314,800
CIP	1,115,634	4,622,422	1,100,000	5,080,000	1,300,000	1,300,000	1,200,000	900,000
<b>Total Non-Operating Expenses</b>	<b>2,301,097</b>	<b>5,808,322</b>	<b>2,285,500</b>	<b>6,261,360</b>	<b>2,620,300</b>	<b>2,619,900</b>	<b>2,515,400</b>	<b>2,214,800</b>
Surplus (Deficit) for the Year	658,875	(2,971,822)	851,200	(3,411,758)	(216,442)	(160,055)	(238,052)	(128,958)
Admin Building Financing Fund		1,800,000		1,800,000				
Debt Services Ratio (>1.25%)	<b>2.33</b>	<b>1.76</b>	<b>2.25</b>	<b>1.97</b>	<b>1.81</b>	<b>1.85</b>	<b>1.72</b>	<b>1.57</b>
<b>Projected Year End Cash Balance</b>	<b>\$ 10,091,000</b>	<b>\$ 8,919,178</b>	<b>\$ 9,770,378</b>	<b>\$ 8,158,620</b>	<b>\$ 7,942,178</b>	<b>\$ 7,782,122</b>	<b>\$ 7,544,071</b>	<b>\$ 7,415,112</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
<b>8/1/2019</b>	<b>800,000.00</b>	<b>197,681.25</b>	<b>997,681.25</b>	
<b>2/1/2020</b>		<b>183,681.25</b>	<b>183,681.25</b>	<b>1,181,362.50</b>
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
8/1/2023	950,000.00	127,156.25	1,077,156.25	
2/1/2024		103,406.25	103,406.25	1,180,562.50
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 ORGANIZATIONAL CHART FY 2019/20



# REVENUE PROJECTION

## Revenue Policy

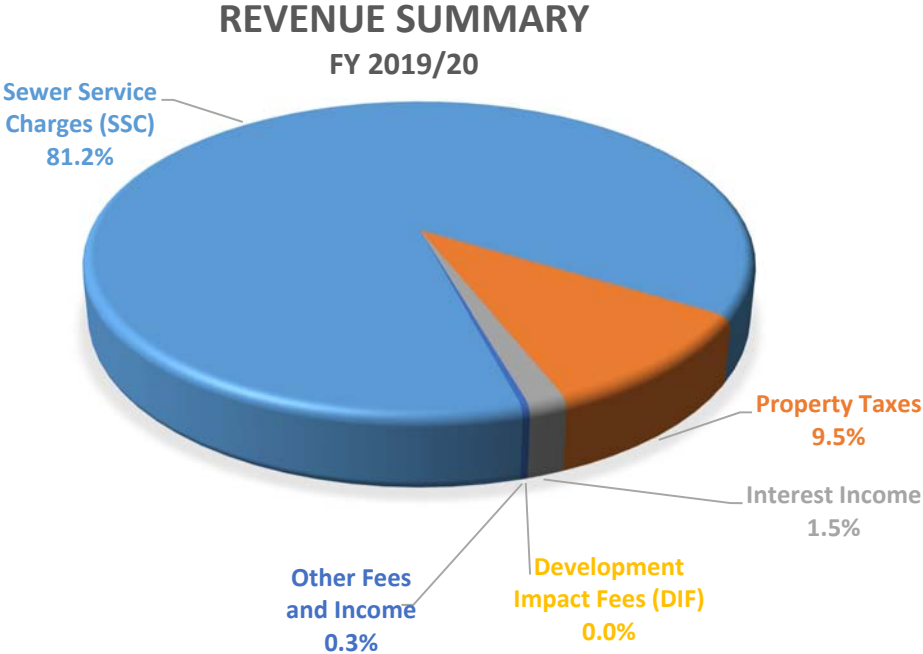
The Carpinteria Sanitary District must collect sufficient funds to maintain a prudent and balanced budget based on projected operational and capital expenses, while maintaining, at a minimum, a required debt service coverage ratio of 1.25.

## 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
- Contract Lab Analysis
- Other Sources of Cash/Grant

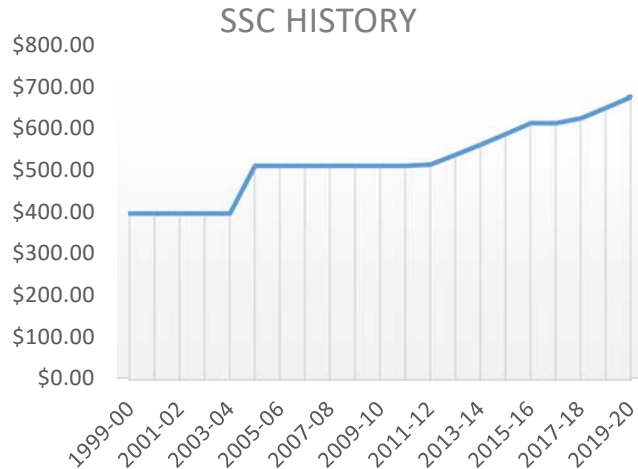
Sewer service charges make up 81.2% of the District’s total revenue. The following figure shows a percentage breakdown of projected revenue for the 2019/20 fiscal year by source.



**SEWER SERVICE CHARGES**

During FY 16/17, the District engaged a financial consultant to conduct a comprehensive Wastewater Rate and Fee 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 4% increases to the SSC annually for a five-year period, commencing in FY 2017/18.

The incremental rate adjustments are necessary to fund operating and capital expenses, to maintain targeted reserve fund levels, and to meet debt service obligations. The District’s computerized financial model was updated and 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. 15 on June 6, 2017.

**Residential Sewer Service Charges**

Residential SSCs will continue to be based on a flat rate per dwelling unit. In FY 2019/20, the annual charge per unit will be \$676.35 per year, reflecting a 4% 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 \$4,267,040, or 77.9% of the total SSC revenue. This represents an increase of approximately \$170,000 from FY 2018/19 projections. Currently, the total number of residential dwelling units being served by the District is 6,313.

**Non-Residential Sewer Service Charges**

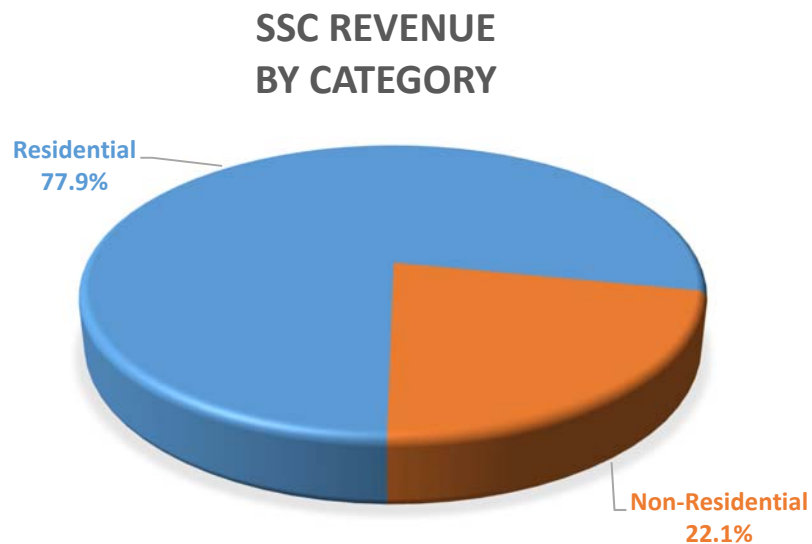
District Ordinance No. 15 groups non-residential customers into six classifications, based on wastewater strength, ranging from low to very high strength. For each classification, charges are determined based on a unit cost per 1,000 gallons of water used (based on a 3-year annual



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 \$676.35 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 2019/20 is projected to be \$1,213,944, or 22.1% of the District's total SSC revenue. This is approximately \$90,185 more than what was projected for the prior year.



### **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 \$645,354, which reflects an approximate increase of 2% 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:

		FY 2018/19	FY 2019/20
A	Prior Year Appropriation Limit	\$3,947,901	\$4,127,925
B	Change in Calif. Per Capita Income	1.0367	1.0385
C	Change in District’s Population	1.0046	-1.0060
C1	Change in County Population	1.0086	1.0043
D	Multiplying Factor (Larger of C or C1 times B)	1.0456	1.0430
E	New Appropriation Limit	\$4,127,925	\$4,305,426
F	Property Tax Collected/ Estimate	\$632,700	\$645,354
G	Under Limit	\$3,495,225	\$3,660,072

**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 2019/20 is projected to be \$100,000. This is an increase of \$80,000 from the previous fiscal year projection and it is due to higher interest rates of return.

**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 2017 Wastewater Rate and Fee Study established a new equivalent dwelling unit (EDU) baseline value for FY 2017/18 at \$4,600. The baseline DIF was authorized by Ordinance No. 16, adopted on June 6, 2017.

The DIF amount escalates on July 1<sup>st</sup> of each year, based upon the change in the Engineering News Record Construction Cost Index (ENR-CCI, 20 City Index). Non-residential development impact fees are computed based on an Equivalent Dwelling Unit (EDU) basis according to the formula prescribed in Ordinance No.16. Commencing July 1<sup>st</sup> of 2019, the DIF amount will be \$4,895.

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 2018/2019	\$4,750
<b>ENR-CCI, 20 City Index</b>	
ENR-CCI, 20 City Index, December Year 2018	11,205
ENR-CCI, 20 City Index, December Year 2017	10,873
Changes	332
Changes in Percentage	3.05%
Increase (Decrease)	\$145
<b>DIF Amount Effective July 1, 2019</b>	<b><u>\$4,895</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 2019/20 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 performs contract laboratory analysis for Cate School’s wastewater recycling facility. Cate School is charged a unit price that recoups the total actual cost of providing this contract service. The total projected revenue from this source for FY 2019/20 is \$18,000. This is unchanged from the previous fiscal year.

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

The District is pursuing an emergency repair of the foundation supporting the floodwall along the eastern boundary of its wastewater treatment facility in response to damage incurred on the January 9, 2018 storm flow event in Carpinteria Creek. The repair has been approved for reimbursement funding from FEMA and CalOES at a rate of 96.5%.

In late 2018 the District completed an interim stabilization project in advance of the 2018/19 rainy season. This interim emergency action was necessary because permits for the permanent repair could not be obtained in time to perform the work. Reimbursement funding for the interim work was received in FY 2018/19. Work to complete the permanent repair will proceed in FY 2019/20. Based on current cost estimates, we have included disaster assistance grant fund revenue totaling \$500,000 for the 2019/20 fiscal year.

**Revenue Summary**

The total projected revenue for FY 2019/20 is shown in the following table:

	BUDGET 2018/19	BUDGET 2019/20	BUDGET Inc/(Dec)	CHANGE %
Sewer Service Charges (SSC)	\$ 5,220,800	\$ 5,526,302	\$ 305,502	5.85%
Property Taxes	632,700	645,354	12,654	2.00%
Interest Income	20,000	100,000	80,000	400.00%
Development Impact Fees (DIF)				0.00%
Other Fees and Income	20,000	20,000		0.00%
Contract Lab Analysis	18,000	18,000		0.00%
Other Sources of Cash/Grants & Dedications	723,700	500,000	(223,700)	(30.91%)
Other Districts' Contributions/Safety Officer	51,000		(51,000)	(100.00%)
<b>Total Gross Revenues</b>	<b>\$ 6,686,200</b>	<b>\$ 6,809,656</b>	<b>\$ 123,456</b>	<b>1.85%</b>

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.

## 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 15. 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.
3170	Contract Lab Analysis	The District provides Cate School with wastewater sample analysis services. This account represents the income received from Cate School based on a time and materials basis for performing the analysis services.
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 annexation fees, sewer service permit fees, plan check fees, and inspection fees. Other miscellaneous revenue is covered under these accounts.

## 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.

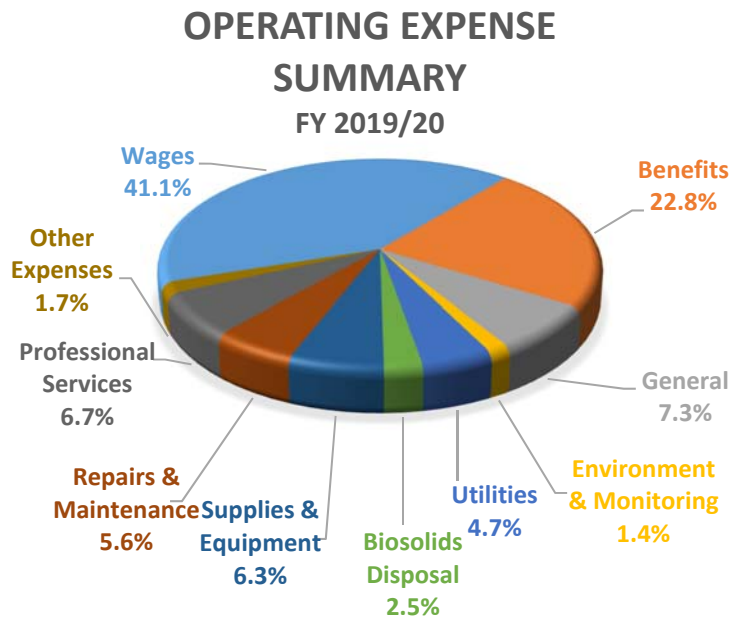
The adjacent chart provides a graphical overview of the District’s operating budget for FY 2019/20.

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, insurance and miscellaneous repairs for the upkeep of the Administration Building and Boardroom. The projected Administration department operating budget for FY 2019/20 is \$1,302,504 or 33% 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 2019/20 is \$2,657,550, or 67% of the overall budget.

With the dissolution of the District’s joint safety program and elimination of the District’s Safety Department budget, net changes will be reflected in the overall budget. Various accounts within the Wages and Benefits category will see a slight shift downward as a result, however Professional Services will increase with the addition of account 5835, Safety Program. This account is intended to account for program expenditures in the current year related to safety training and outside consultant support.



## **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 2019/20 Salary Matrix**

## CARPINTERIA SANITARY DISTRICT

### All Departments

		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2018/19	(10 mo.) 2018	%	2019/20	(Decrease)	%
5010	Regular Salaries	1,523,100	1,167,597	76.66%	1,520,000	(3,100)	(0.2%)
5015	Vacation Buy-back			0.00%	30,000	30,000	0.0%
5030	Overtime	12,500	6,800	54.40%	12,500		0.0%
5040	Special Duty Pay	41,900	34,446	82.21%	43,500	1,600	3.8%
5050	Directors' Fees	20,000	8,000	40.00%	20,000		0.0%
	<b>Total Wages</b>	<b>1,597,500</b>	<b>1,216,843</b>	<b>76.17%</b>	<b>1,626,000</b>	<b>28,500</b>	<b>1.8%</b>
5111	PERS	317,500	283,723	89.36%	386,000	68,500	21.6%
5112	Social Security	120,600	96,134	79.71%	122,000	1,400	1.2%
5120	Medical Insurance	212,400	186,080	87.61%	226,720	14,320	6.7%
5121	Employees Wellness Program	3,200	1,324	41.37%	3,000	(200)	(6.3%)
5122	Unemployment Ins	4,100	2,565	62.56%	3,800	(300)	(7.3%)
5123	Certification Incentive Program	13,500		0.00%	13,500		0.0%
5124	Long Term Disability	11,300	9,615	85.09%	13,300	2,000	17.7%
5126	Life Insurance	4,100	3,498	85.32%	4,300	200	4.9%
5127	Dental / Vision Plan	38,700	30,138	77.87%	40,000	1,300	3.4%
5128	Workers' Comp	70,000	69,606	99.44%	86,750	16,750	23.9%
5132	Employee Medical - Physical	2,300	1,278	55.56%	2,200	(100)	(4.4%)
	<b>Total Benefits</b>	<b>797,700</b>	<b>683,960</b>	<b>85.74%</b>	<b>901,570</b>	<b>103,870</b>	<b>13.0%</b>
	<b>Total Wages &amp; Benefits</b>	<b>2,395,200</b>	<b>2,010,187</b>	<b>83.93%</b>	<b>2,527,570</b>	<b>132,370</b>	<b>5.5%</b>
5210	Departmental Expense	13,100	12,884	98.35%	15,500	2,400	18.3%
5215	Office Supplies	5,100	3,932	77.10%	5,000	(100)	(2.0%)
5222	Directors' Conference	15,000	4,297	28.65%	12,000	(3,000)	(20.0%)
5226	Directors' Election Exp.			0.00%			0.0%
5228	Directors' Dental / Vision	12,500	8,060	64.48%	12,500		0.0%
5231	Insurance - Liability	66,500	62,646	94.20%	85,000	18,500	27.8%
5241	Uniform Expense	10,500	9,815	93.48%	10,500		0.0%
5242	Membership and Dues	30,000	24,943	83.14%	30,000		0.0%
5244	Conference and Training	21,000	18,051	85.96%	22,000	1,000	4.8%
5246	Education Reimbursement	1,500	352	23.47%	1,500		0.0%
5260	Vehicle Fuel Expense	16,000	14,158	88.49%	15,000	(1,000)	(6.3%)
5265	Mileage Reimbursement.	600	83	13.90%	600		0.0%
5270	Rent & Leases	3,300	2,634	79.83%	3,300		0.0%
5280	Temporary Office Relocation	40,000		0.00%	50,000	10,000	25.0%
5290	Licenses and Permits	25,000	19,749	79.00%	25,000		0.0%
	<b>Total General</b>	<b>260,100</b>	<b>181,605</b>	<b>69.82%</b>	<b>287,900</b>	<b>27,800</b>	<b>10.7%</b>
5310	Monitoring Equipment	30,000	14,401	48.00%	30,000		0.0%
5320	Monitoring Lab Work	15,500	12,718	82.05%	15,500		0.0%
5330	Proposition 65 Clean Up Exp.	10,000		0.00%	10,000		0.0%
	<b>Total Environment &amp; Monitoring</b>	<b>55,500</b>	<b>27,119</b>	<b>48.86%</b>	<b>55,500</b>		<b>0.0%</b>



	BUDGET 2018/19	ACTUAL (10 mo.) 2018	EXPENDED %	BUDGET 2019/20	Increase (Decrease)	CHANGE %
5410 Southern California Gas	1,800	981	54.48%	1,800		0.0%
5420 Southern California Electric	153,800	130,095	84.59%	153,800		0.0%
5430 Telephone	12,100	9,026	74.59%	11,200	(900)	(7.4%)
5540 Water	12,300	8,077	65.66%	12,300		0.0%
5450 Rubbish	6,000	4,954	82.56%	6,000		0.0%
5480 Underground Service Alert	800	910	113.70%	800		0.0%
5490 Building Alarm System	900	930	103.34%	980	80	8.9%
<b>Total Utilities</b>	<b>187,700</b>	<b>154,971</b>	<b>82.56%</b>	<b>186,880</b>	<b>(820)</b>	<b>(0.4%)</b>
<b>5470 Biosolids Disposal</b>	<b>90,000</b>	<b>74,962</b>	<b>83.29%</b>	<b>100,000</b>	<b>10,000</b>	<b>11.1%</b>
5510 General Supplies	15,000	7,433	49.55%	15,000		0.0%
5521 Oder Control Chemicals	45,000	14,586	32.41%	45,000		0.0%
5522 Chlorine	124,000	104,600	84.35%	151,000	27,000	21.8%
5524 Polymers	20,000	17,798	88.99%	20,000		0.0%
5525 Tool / Small Parts	5,000	2,601	52.03%	4,000	(1,000)	(20.0%)
5526 Fuel, Diesel, Lubricants	7,500	3,888	51.83%	7,500		0.0%
5527 Safety Equipment	6,000	3,010	50.16%	6,000		0.0%
<b>Total Supplies &amp; Equipment</b>	<b>222,500</b>	<b>153,915</b>	<b>69.18%</b>	<b>248,500</b>	<b>26,000</b>	<b>11.7%</b>
5610 Equipment Maintenance	21,100	8,077	38.28%	12,700	(8,400)	(39.8%)
5620 Building Maintenance	13,500	5,668	41.98%	12,500	(1,000)	(7.4%)
5630 Ground Maintenance	17,500	13,287	75.93%	8,500	(9,000)	(51.4%)
5640 Vehicles Maintenance	27,000	22,059	81.70%	15,000	(12,000)	(44.4%)
5650 Treatment Plant Maintenance	65,000	35,534	54.67%	65,000		0.0%
5680 Pump Station Maintenance	25,000	12,422	49.69%	25,000		0.0%
5690 Collection System Maintenance	82,000	17,413	21.23%	82,000		0.0%
<b>Total Repair &amp; Maintenance</b>	<b>251,100</b>	<b>114,459</b>	<b>45.58%</b>	<b>220,700</b>	<b>(30,400)</b>	<b>(12.1%)</b>
5821 Accounting (Annual Audit)	9,800	9,800	100.00%	10,300	500	5.1%
5831 Legal Counsel	25,000	23,813	95.25%	30,000	5,000	20.0%
5835 Safety Program			0.00%	20,000	20,000	0.0%
5843 Computer Expenses	51,000	44,844	87.93%	62,000	11,000	21.6%
5844 SCADA Related Exp.	70,000	16,532	23.62%	70,000		0.0%
5847 Public Relations	15,000	7,058	47.05%	15,000		0.0%
5849 Professional Services	115,000	104,305	90.70%	50,000	(65,000)	(56.5%)
5851 Payroll Services / Paychex	7,100	5,719	80.54%	7,000	(100)	(1.4%)
5855 IDP Monitoring Services	500		0.00%	500		0.0%
<b>Total Professional Services</b>	<b>293,400</b>	<b>212,070</b>	<b>72.28%</b>	<b>264,800</b>	<b>(28,600)</b>	<b>(9.8%)</b>
6020 Admin Charges-SB County	10,000	9,273	92.73%	10,000		0.0%
6030 Debt Services Admin Fee	1,800	1,600	88.89%	1,800		0.0%
6031 LAFCO Pro-Rata Costs	5,900	5,902	100.03%	3,404	(2,496)	(42.3%)
6032 Regional Grant Planning	1,500	1,256	83.71%	3,000	1,500	100.0%
6033 Recycled Water System Develop	75,000	14,832	19.78%	50,000	(25,000)	(33.3%)
<b>Total Other Expenses</b>	<b>94,200</b>	<b>32,862</b>	<b>34.89%</b>	<b>68,204</b>	<b>(25,996)</b>	<b>(27.6%)</b>
<b>Total Expenses</b>	<b>3,849,700</b>	<b>2,970,420</b>	<b>77.16%</b>	<b>3,960,054</b>	<b>110,354</b>	<b>2.9%</b>

## 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.
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.
5111	PERS	Funds PERS (Public Employees' Retirement System) contributions for eligible employees.
5112	Social Security & Medicare (FICA)	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 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.
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.

Account Number	Account Title	Description
5241	Uniform Expenses	Funds to provide uniform service for employees.
5242	Professional Licenses and Certs	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	Laboratory Expense	Funds for minor lab equipment purchases and reagent chemicals necessary to perform the in-house lab analysis.
5320	Laboratory-Outside Services	Funds for expenses related to the testing efforts performed by outside lab. These include ocean, beach, sludge and raw wastewater samples.
5330	Prop 65 Clean Up Expense	Funds for the cleanup of minor sewage spills that are below the District's insurance deductible.
5410	Natural Gas	Funds for natural gas usage.
5420	Electricity	Funds for electricity usage.
5430	Telephone	Funds for long distance, local, cellular and lift station telemetry service.
5440	Water	Funds for water usage.
5450	Trash Services	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.
5521	Odor Control Chemicals	Replacement and disposal of odor control media for the facility's air scrubbers.
5522	Disinfection Chemicals	Funds for sodium hypochlorite used for disinfection of the final effluent and sodium bisulfite used to dechlorinate prior to final discharge.

Account Number	Account Title	Description
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	Lift 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.
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	Other Professional Services	Funds for other professional services such as engineering, GIS support, and other services needed.
5851	Payroll Services	Funds for payroll and timekeeping services through an outside vendor.
5855	Monitoring Source Control Program	Funds for outside laboratory service required for monitoring the District's industrial/commercial discharges per issued discharge permit.
6020	Santa Barbara County Admin Fees	SB County fees for collection of property taxes.
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 2018, the BLS made changes to its geographic structure which would affect our policy. The revised Core Based Statistical Area (CBSA) will now be comprised of Los Angeles - Long Beach – Anaheim.

5/14/2019 Bureau of Labor Statistics Data

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### Databases, Tables & Calculators by Subject

Change Output Options: From: 2009 To: 2019 GO  
 include graphs  include annual averages [More Formatting Options](#)

Data extracted on: May 14, 2019 (2:35:14 PM)

**CPI-Urban Wage Earners and Clerical Workers (Current Series)**

**12-Month Percent Change**  
 Series Id: CMURS49ASA0  
 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: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2009	-0.6	-0.5	-1.6	-2.1	-2.4	-2.8	-3.2	-2.1	-1.4	-0.6	1.2	2.5	-1.2	-1.7	-0.6
2010	2.3	1.8	2.4	2.4	2.0	1.0	1.0	1.0	0.5	0.9	1.0	1.6	1.5	2.0	1.0
2011	2.0	2.6	3.5	3.9	3.7	3.3	2.7	2.7	3.5	3.1	3.2	2.2	3.0	3.2	2.9
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											

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[www.bls.gov](http://www.bls.gov) | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

**CARPINTERIA SANITARY DISTRICT  
 SALARY MATRIX - MONTHLY  
 FY 2019/20**

POSITION		A	B	C	D	E
General Manager						15,698
District Administrator		9,569	10,050	10,554	11,080	11,637
Administrative Assistant		5,299	5,564	5,842	6,134	6,441
Accounting Clerk		3,637	3,818	4,010	4,210	4,420
Engineering Technician		5,728	6,013	6,315	6,631	6,962
Operations Manager	1	9,689	10,172	10,680	11,215	11,775
Treatment Supervisor	1	7,527	7,903	8,298	8,713	9,147
Operator in Training	1	4,381	4,601	4,832	5,071	5,327
Operator 1	1	4,949	5,195	5,457	5,729	6,014
Operator 2	1	5,414	5,686	5,970	6,268	6,583
Operator 3	1	5,982	6,281	6,595	6,924	7,271
Lab Supervisor	1	7,525	7,902	8,297	8,712	9,147
Collection System Supervisor	1	7,690	8,074	8,478	8,900	9,344
Collection System Lead Operator	1	6,187	6,494	6,820	7,161	7,518
Collection System Operator 1	1	4,381	4,601	4,832	5,072	5,327
Collection System Operator 2	1	4,906	5,151	5,409	5,680	5,964

The above matrix includes a 3.9% annual escalation factor (Los Angeles) starting 7/1/19

1) CalPERS uniform allowance for Classic members. Not to exceed \$416 annually.

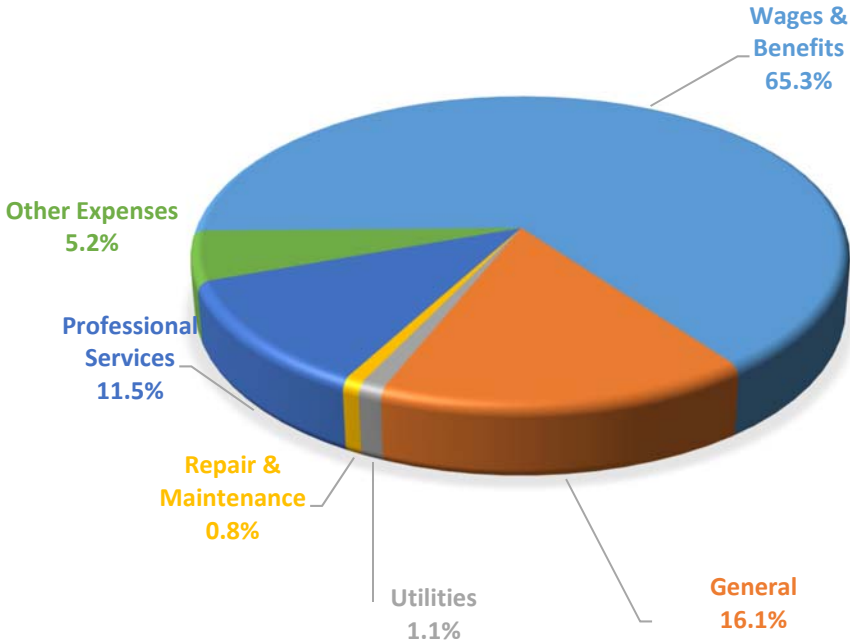
## ADMINISTRATION DEPARTMENT EXPENSES

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 2019/20 is projected to be \$1,302,504, which represents an increase of 1.9%, or \$24,504, 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 DEPARTMENT EXPENSES BY CATEGORY



## 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 \$850,020 or 65.3% of the administration budget.

Budget adjustments in this category result from a cost of living adjustment, increasing CalPERS pension costs and workers' compensation premium increases. Other payroll related expenses have changed proportionately.

As mentioned within the Budget Message, the District Board of Directors approved a Vacation Buy-back Program allowing eligible employees to conditionally cash out accrued vacation leave hours in accordance with the program provisions. A new expense line has been added to include a projected first year expenditure of \$12,000 for this department.

The net result in this category is a budget increase of \$73,520 or 9.5% over the prior year.

### **General Expenses**

The projected budget for general administrative expenses is \$210,000, or 16.1% of the total administration budget. This represents an increase of \$29,500 or 16.3% over the previous fiscal year. The major increase in this category of expenses is due to escalating premiums in the insurance market. Account 5231 has been increased by 30.8% as increased costs across all insurance accounts, including liability, property, crime and mobile equipment policies is anticipated.

Costs for temporary office relocation associated with a major capital project involving construction of a new administration building have been increased by \$10,000. Expenditures include office rental costs, storage fees, and moving expenses. A new account (5280-0) was added during the budget process in the previous year to track these costs, however, no costs have been incurred to date.

### **Utilities**

Utility costs include those for natural gas, electricity, water, telephone, and the security system for the administration building. The budgeted amount for the 2019/20 fiscal year is \$13,780, or 1.1% of the overall administration budget. Costs remain flat with a nominal increase of 0.6%, or \$80 from the prior year budget.

### **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 \$10,200, or 0.8% of the administration budget. This is 49.5% or \$10,000 less than previous year budget. The decrease is a result of planned safety pruning and maintenance of the blue gum eucalyptus trees and



Canary Island Date Palm trees on District property being budgeted and completed in the previous fiscal year.

### **Professional Services**

The projected budget for professional services is \$150,300 or 11.5% of the overall administration budget. This represents a reduction of \$42,600 or 22.1% over the previous fiscal year budget.

Through a mid-year budget adjustment for FY 2018/19, the Board authorized a \$90,000 increase for costs associated with the District's engagement of engineer firms and expert legal consultants to support an appeal of the proposed Letter of Map Revision (LOMR) for Carpinteria Creek initiated by the City of Carpinteria. The reduction reflects limited continued associated costs on this effort.

Professional Services will increase with the addition of Account 5835, Safety Program. With the elimination of the Safety and Training Department, adequate funding in this category is necessary to ensure workplace safety and OSHA compliance. A proportional amount of the overall program costs has been included in the Administration Department budget in this category.

### **Other Expenses**

The budget for other expenses is \$68,204, or 5.2% of the administration budget. This is a decrease of 27.6% or \$25,996 and is mostly attributable to a decreased level of financial support anticipated for development of the indirect potable reuse recycled water project in conjunction with the Carpinteria Valley Water District (CVWD). While CVWD will be responsible for the majority of the implementation costs, there are certain soft costs that the District expects to incur in a facilitation mode, including those for comprehensive water quality analyses and community outreach.

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

**CARPINTERIA SANITARY DISTRICT**  
**Administration Department**

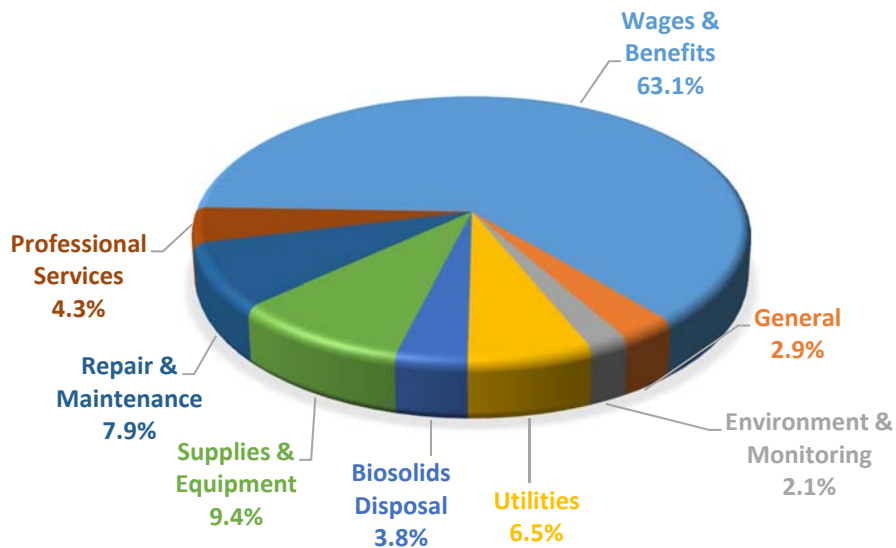
		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2018/19	(10 mo.) 2018	%	2019/20	(Decrease)	%
5010	Regular Salaries	515,000	418,393	81.24%	530,000	15,000	2.9%
5015	Vacation Buy-back			0.00%	12,000	12,000	0.0%
5030	Overtime	500		0.00%	500		0.0%
5050	Director's Fee	20,000	9,400	47.00%	20,000		0.0%
	<b>Total Wages</b>	<b>535,500</b>	<b>427,793</b>	<b>79.89%</b>	<b>562,500</b>	<b>27,000</b>	<b>5.0%</b>
5111	PERS	110,000	99,896	90.81%	142,000	32,000	29.1%
5112	Social Security	38,500	29,116	75.63%	42,000	3,500	9.1%
5120	Medical Insurance	68,000	65,018	95.62%	74,120	6,120	9.0%
5121	Employees Wellness Program	800	254	31.71%	800		0.0%
5122	Unemployment Ins	1,000	540	53.96%	1,000		0.0%
5123	Certification Incentive Program	1,500		0.00%	1,500		0.0%
5124	Long Term Disability	3,900	3,654	93.70%	4,600	700	18.0%
5126	Life Insurance	1,100	933	84.80%	1,300	200	18.2%
5127	Dental / Vision Plan	10,000	8,939	89.39%	12,500	2,500	25.0%
5128	Workers' Comp	6,000	3,440	57.33%	7,500	1,500	25.0%
5132	Employee Med - Physical	200		0.00%	200		0.0%
	<b>Total Benefits</b>	<b>241,000</b>	<b>211,790</b>	<b>87.88%</b>	<b>287,520</b>	<b>46,520</b>	<b>19.3%</b>
	<b>Total Wages &amp; Benefits</b>	<b>776,500</b>	<b>639,583</b>	<b>82.37%</b>	<b>850,020</b>	<b>73,520</b>	<b>9.5%</b>
5210	Departmental Expense	10,000	9,206	92.06%	11,500	1,500	15.0%
5215	Office Supplies	3,000	2,995	99.83%	3,000		0.0%
5222	Directors' Conference	15,000	4,297	28.65%	12,000	(3,000)	(20.0%)
5226	Directors' Election Exp.			0.00%			0.0%
5228	Directors' Dental / Vision	12,500	8,060	64.48%	12,500		0.0%
5231	Insurance - Liability	65,000	61,146	94.07%	85,000	20,000	30.8%
5242	Membership and Dues	22,000	20,103	91.38%	22,000		0.0%
5244	Conference and Training	9,000	7,982	88.69%	10,000	1,000	11.1%
5246	Education. Reimbursement	1,000		0.00%	1,000		0.0%
5265	Mileage Reimbursement.	200		0.00%	200		0.0%
5270	Rent & Leases	2,800	2,634	94.08%	2,800		0.0%
5280	Temporary Office Relocation	40,000		0.00%	50,000	10,000	25.0%
	<b>Total General</b>	<b>180,500</b>	<b>116,423</b>	<b>64.50%</b>	<b>210,000</b>	<b>29,500</b>	<b>16.3%</b>

		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2018/19	(10 mo.) 2018	%	2019/20	(Decrease)	%
5410	Southern California Gas	1,000	513	51.29%	1,000		0.0%
5420	Southern California Electric	3,800	3,544	93.26%	3,800		0.0%
5430	Telephone	5,200	4,513	86.79%	5,200		0.0%
5440	Water	2,800	1,918	68.50%	2,800		0.0%
5490	District Alarm System	900	930	103.34%	980	80	8.9%
<b>Total Utilities</b>		<b>13,700</b>	<b>11,418</b>	<b>83.34%</b>	<b>13,780</b>	<b>80</b>	<b>0.6%</b>
5610	Equipment Maintenance	1,700	910	53.52%	1,700		0.0%
5620	Building Maintenance	3,500	2,234	63.84%	2,500	(1,000)	(28.6%)
5630	Ground Maintenance	15,000	10,213	68.09%	6,000	(9,000)	(60.0%)
<b>Total Repair &amp; Maintenance</b>		<b>20,200</b>	<b>13,358</b>	<b>66.13%</b>	<b>10,200</b>	<b>(10,000)</b>	<b>(49.5%)</b>
5821	Accounting & Audit	9,800	9,800	100.00%	10,300	500	5.1%
5831	Legal Counsel	25,000	23,813	95.25%	30,000	5,000	20.0%
5835	Safety Program			0.00%	5,000	5,000	0.0%
5843	Computer Expense	21,000	23,282	110.87%	33,000	12,000	57.1%
5847	Public Relation	15,000	7,058	47.05%	15,000		0.0%
5849	Professional Services	115,000	104,305	90.70%	50,000	(65,000)	(56.5%)
5851	Payroll Service - Paychex	7,100	5,719	80.54%	7,000	(100)	(1.4%)
<b>Total Professional Services</b>		<b>192,900</b>	<b>173,976</b>	<b>90.19%</b>	<b>150,300</b>	<b>(42,600)</b>	<b>(22.1%)</b>
6020	Admin Charges-SB County	10,000	9,273	92.73%	10,000		0.0%
6030	Debt Services Admin Fee	1,800	1,600	88.89%	1,800		0.0%
6031	LAFCO Pro-Rata Costs	5,900	5,902	100.03%	3,404	(2,496)	(42.3%)
6032	Regional Grant Planning	1,500	1,256	83.71%	3,000	1,500	100.0%
6033	Recycled Water System Develop	75,000	14,832	19.78%	50,000	(25,000)	(33.3%)
<b>Total Other Expenses</b>		<b>94,200</b>	<b>32,862</b>	<b>34.89%</b>	<b>68,204</b>	<b>(25,996)</b>	<b>(27.6%)</b>
<b>Total Administration Expenses</b>		<b>1,278,000</b>	<b>987,620</b>	<b>77.28%</b>	<b>1,302,504</b>	<b>24,504</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 2019/20 budget for this department is \$2,657,550, which represents an increase of 6.4%, or \$160,750, over the prior fiscal year.

### PLANT/COLLECTION DEPARTMENT EXPENSES BY CATEGORY



## Plant/Collection Budget Account Highlights

### **Total Personnel Expenses**

Personnel costs make up 63.1% 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 at a daily rate calculated by using \$57.50 as a base rate and escalating in alignment with the same CPI index as used in the COLA policy on an annual basis on July 1<sup>st</sup> of each year. The standby pay for FY 2019/20 will be \$59.74/day.

Expenditures in these accounts are projected to increase by \$127,750, or 8.2%, from the prior fiscal year.

The anticipated increase in total personal costs are attributable to merit-based wage increases, a cost of living adjustment and increases in related payroll expenses. Increases in CalPERS pension contributions and workers' compensation insurance premiums are other factors affecting the budget in this category. Workers' compensation insurance premiums are projected to increase by \$15,850 over the prior year due to an increase in the District's experience modification factor and higher base premiums within the District's pooled insurance program. Additionally, \$18,000 is included in this category for the apportioned cost of the newly adopted Vacation Buy-back Program.

### **General Expenses**

The total budget for this category is \$77,900, or 2.9% of the Plant/Collection Department budget. This reflects an increase of just \$1,000 over the previous fiscal year. A minor increase in departmental expenses was made to account for increased team building efforts.

### **Environmental Monitoring**

The projected budget for environmental monitoring is \$55,500, or 2.1% of the department budget. There is no change in this category of expenses from the previous fiscal year.

In FY 2014/15, the District entered into an agreement with Cate School to perform contract laboratory analysis for their wastewater recycling facility. This agreement will be continued in fiscal year 2019/20 and cost recovery for this service is reflected as a revenue source in the revenue section of the budget document.

### **Utilities**

The cost for utilities, which include water, electricity, natural gas, trash service, and USA (Underground Service Alert) is projected to be \$173,100, or 6.5% of the departmental budget. This amount is unchanged from the previous fiscal year budget. Continued focus on energy efficiency has resulted in demand based cost savings, however, electricity costs are rising based on higher provider costs and wildfire prevention efforts.

### **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 fuel surcharge as set forth in the agreement. The budget for this account is projected to be \$100,000 and this is \$10,000 or 11.1% higher than the budget for this prior fiscal year. The projected increase is due to rising diesel fuel costs, which directly affect the contracted cost for hauling and composting according to the fuel surcharge formula. Annual production rates are not expected to change.

### **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. A competitive bidding process was completed for the provision of bulk sodium hypochlorite and sodium bisulfite for the 2-year period beginning July 1, 2019. This procurement effort resulted in significantly higher unit costs for both chemicals (Account 5522-1). As a result, the proposed budget for this category is \$248,500. This represents a \$26,000 or 11.7% increase over the prior year budget for supplies and equipment.

### **Repairs and Maintenance**

The total projected budget for repairs and maintenance is \$210,500, or 7.9% of the department budget. This is a net decrease of \$19,000, or 8.3% over the prior fiscal year. During FY 2018/19, the budget for vehicles maintenance (Account 5640-1) was necessarily amended during the year to address an unanticipated repair to the District's combination sewer cleaning machine. We do not expect major repairs during the coming year and savings in this account are expected. Additional savings in the equipment maintenance account (Account 5610-1) are anticipated as a result of efficiency improvements in our annual ocean outfall inspection program.

### **Professional Services**

The projected budget for this category is \$114,500, or 4.3% of the overall department budget. The increase is attributed to the addition of Account 5835-1, Safety Program. With the elimination of the Safety and Training Department, adequate funding in this category is necessary to ensure workplace safety and OSHA compliance. A proportional amount of the overall program costs has been included in the Operations Department budget in this category.

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
		2018/19	(10 mo.) 2018	%	2019/20	(Decrease)	%
5010	Regular Salaries	950,500	795,139	83.65%	990,000	39,500	4.2%
5015	Vacation Buy-back			0.00%	18,000	18,000	0.0%
5030	Overtime	12,000	6,800	56.66%	12,000		0.0%
5040	Special Duty Pay	41,900	37,666	89.89%	43,500	1,600	3.8%
	<b>Total Wages</b>	<b>1,004,400</b>	<b>839,604</b>	<b>83.59%</b>	<b>1,063,500</b>	<b>59,100</b>	<b>5.9%</b>
5111	PERS	207,500	183,826	88.59%	244,000	36,500	17.6%
5112	Social Security	77,600	62,486	80.52%	80,000	2,400	3.1%
5120	Medical Insurance	140,000	117,469	83.91%	152,600	12,600	9.0%
5121	Employees Wellness Program	2,200	670	30.45%	2,200		0.0%
5122	Unemployment Ins	2,800	1,899	67.83%	2,800		0.0%
5123	Certification Incentive Program	12,000		0.00%	12,000		0.0%
5124	Long Term Disability	7,400	5,961	80.55%	8,700	1,300	17.6%
5126	Life Insurance	3,000	2,565	85.51%	3,000		0.0%
5127	Dental / Vision Plan	27,500	19,776	71.91%	27,500		0.0%
5128	Workers' Comp	63,400	65,693	103.62%	79,250	15,850	25.0%
5132	Employee Medical - Physical	2,000	1,278	63.90%	2,000		0.0%
	<b>Total Benefits</b>	<b>545,400</b>	<b>461,624</b>	<b>84.64%</b>	<b>614,050</b>	<b>68,650</b>	<b>12.6%</b>
	<b>Total Wages &amp; Benefits</b>	<b>1,549,800</b>	<b>1,301,228</b>	<b>83.96%</b>	<b>1,677,550</b>	<b>127,750</b>	<b>8.2%</b>
5210	Departmental Expense	3,000	3,597	119.90%	4,000	1,000	33.3%
5215	Office Supplies	2,000	937	46.85%	2,000		0.0%
5241	Uniform Expense	10,500	9,815	93.48%	10,500		0.0%
5242	Membership and Dues	8,000	4,840	60.50%	8,000		0.0%
5244	Conference and Training	12,000	10,069	83.91%	12,000		0.0%
5246	Education Reimbursement	500	352	70.40%	500		0.0%
5260	Vehicle Fuel Expense	15,000	12,985	86.56%	15,000		0.0%
5265	Mileage Reimbursement.	400	83	20.85%	400		0.0%
5270	Rent & Leases	500		0.00%	500		0.0%
5290	Licenses and Permits	25,000	19,749	79.00%	25,000		0.0%
	<b>Total General</b>	<b>76,900</b>	<b>62,428</b>	<b>81.18%</b>	<b>77,900</b>	<b>1,000</b>	<b>1.3%</b>
5310	Monitoring Equipment	30,000	14,401	48.00%	30,000		0.0%
5320	Monitoring Lab Work	15,500	12,718	82.05%	15,500		0.0%
5330	Proposition 65 Clean Up Exp.	10,000		0.00%	10,000		0.0%
	<b>Total Environment &amp; Monitoring</b>	<b>55,500</b>	<b>27,119</b>	<b>48.86%</b>	<b>55,500</b>		<b>0.0%</b>

		BUDGET	ACTUAL	EXPENDED	BUDGET	Increase	CHANGE
		2018/19	(10 mo.) 2018	%	2019/20	(Decrease)	%
5410	Southern California Gas	800	468	58.47%	800		0.0%
5420	Southern California Electric	150,000	126,551	84.37%	150,000		0.0%
5430	Telephone	6,000	3,812	63.54%	6,000		0.0%
5440	Water	9,500	6,159	64.83%	9,500		0.0%
5450	Rubbish	6,000	4,954	82.56%	6,000		0.0%
5480	Underground Service Alert	800	910	113.70%	800		0.0%
	<b>Total Utilities</b>	<b>173,100</b>	<b>142,853</b>	<b>82.53%</b>	<b>173,100</b>		<b>0.0%</b>
5470	Biosolids Disposal	90,000	83,231	92.48%	100,000	10,000	11.1%
5510	General Supplies	15,000	7,433	49.55%	15,000		0.0%
5521	Oder Control Chemicals	45,000	14,586	32.41%	45,000		0.0%
5522	Chlorine	124,000	104,600	84.35%	151,000	27,000	21.8%
5524	Polymers	20,000	17,798	88.99%	20,000		0.0%
5525	Tool / Small Parts	5,000	2,601	52.03%	4,000	(1,000)	(20.0%)
5526	Fuel, Diesel, Lubricants	7,500	3,888	51.83%	7,500		0.0%
5527	Safety Equipment	6,000	3,010	50.16%	6,000		0.0%
	<b>Total Supplies &amp; Equipment</b>	<b>222,500</b>	<b>153,915</b>	<b>69.18%</b>	<b>248,500</b>	<b>26,000</b>	<b>11.7%</b>
5610	Equipment Maintenance	19,000	6,498	34.20%	11,000	(8,000)	(42.1%)
5620	Building Maintenance	10,000	3,433	34.33%	10,000		0.0%
5630	Ground Maintenance	2,500	3,074	122.97%	2,500		0.0%
5640	Vehicles Maintenance	26,000	20,867	80.26%	15,000	(11,000)	(42.3%)
5650	Treatment Plant Maintenance	65,000	35,534	54.67%	65,000		0.0%
5680	Pump Station Maintenance	25,000	12,422	49.69%	25,000		0.0%
5690	Collection System Maintenance	82,000	17,413	21.23%	82,000		0.0%
	<b>Total Repair &amp; Maintenance</b>	<b>229,500</b>	<b>99,241</b>	<b>43.24%</b>	<b>210,500</b>	<b>(19,000)</b>	<b>(8.3%)</b>
5835	Safety Program			0.00%	15,000	15,000	0.0%
5843	Computer Expenses	29,000	21,262	73.32%	29,000		0.0%
5844	SCADA Related Exp.	70,000	16,532	23.62%	70,000		0.0%
5855	IDP Monitoring Services	500		0.00%	500		0.0%
	<b>Total Professional Services</b>	<b>99,500</b>	<b>37,793</b>	<b>37.98%</b>	<b>114,500</b>	<b>15,000</b>	<b>15.1%</b>
	<b>Total Plant/Collection Expenses</b>	<b>2,496,800</b>	<b>1,907,808</b>	<b>76.41%</b>	<b>2,657,550</b>	<b>160,750</b>	<b>6.4%</b>



## CAPITAL IMPROVEMENT PROJECTS

A significant portion of the District's projected overall budget for the 2019/20 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 (2015-2025) 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. However, comprehensive financial planning resulted in determination to finance construction of the District's new administration building to fairly apportion costs for this major facility improvement to current and future ratepayers.
- 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 2019/20 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 2019/20 fiscal year is **\$5,050,000**. 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. Eight of these projects are expected to continue into the 2019/20 fiscal year. Significant ongoing CIP projects include:

- Administration Building Replacement (P-158)
- Flood Wall Emergency Repair (P-176)
- Sewer System Hydraulic Model Update (P-184)
- Disinfection Monitoring Unit Enclosures (P-186)
- Lab and Break Room Improvements
- Garage Building
- Lower Lateral Rehabilitation Project
- Wetwell Rehabilitation – Lift Stations 1,2,and 3

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.

The Flood Wall Emergency Repair Project (P-176) is an ongoing emergency repair that will be funded through a FEMA Public Assistance Program grant. The total project budget was not amended for FY 2019/20, although it was necessary to undertake an interim, emergency repair effort in late 2018 that may ultimately affect the capital cost of this emergency repair.

**CARPINTERIA SANITARY DISTRICT  
 CAPITAL IMPROVEMENT PROJECT (CIP)  
 Previously Authorized CIP Projects  
 FY 2019/20**

CIP NO.	FUNDING SOURCE	DESCRIPTION	TOTAL PROJECT BUDGET	FY 2019/20 ALLOCATION
P-158	CIP	Admin Building Replacement Project	2,000,000	0
P-176	FEMA	Flood Wall Emergency Repair	750,000	0
P-184	CIP	Sewer System Hydraulic Model Update	35,000	0
P-186	CIP	Disinfection Monitoring Unit Enclosures	30,000	0
	CIP	Lab and Breakroom Improvements	150,000	0
	CIP	Garage Building	250,000	0
	CIP	Collection System Rehabilitation Project Phase 3	750,000	0
	CIP	Lower Lateral Rehabilitation Project	200,000	0
	CIP	Wetwell Rehabilitation - Lift Stations 1, 2 and 3	100,000	0
<b>Total CIP Carryover</b>			<b>4,265,000</b>	<b>0</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 2019/20**

CIP NO.	FUNDING SOURCE	DESCRIPTION	TOTAL PROJECT BUDGET	BUDGET 2019/20
	CIP	Carpinteria Avenue Inverted Siphon Relocation	500,000	500,000
	CIP	Climbing Bar Screen	150,000	150,000
	CIP	Influent Pump Station Valve Replacement	50,000	50,000
	CIP	Foul Air Ducting Replacement	100,000	100,000
	CIP	CCTV Camera Vertical Extender	15,000	15,000
<b>Total New CIP Budget</b>			<b>815,000</b>	<b>815,000</b>

**CIP Program Funding**

**Current Year CIP Funding Allocation**

Allocation of capital improvement funds for FY 2019/20 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, existing cash reserves, and long term financing for the Administration Building Replacement Project. The funding breakdown is detailed in the Pro-Forma worksheet.

A reconciliation of the restricted CIP fund will be completed concurrent with the FY 2019/20 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**

An update to the District’s long range Capital Improvement Program will be considered subsequent to the FY 2019/20 budget process. The updated long range CIP will cover the period from 2019 through 2029. 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.

With the exception of the Administration Building Replacement Project, 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 a practical. The funding of future projects can, therefore, be tailored and managed on a cash flow basis.

CARPINTERIA SANITARY DISTRICT  
FY 2019/20 CAPITA IMPROVEMENT PROGRAM  
PROJECT SUMMARY

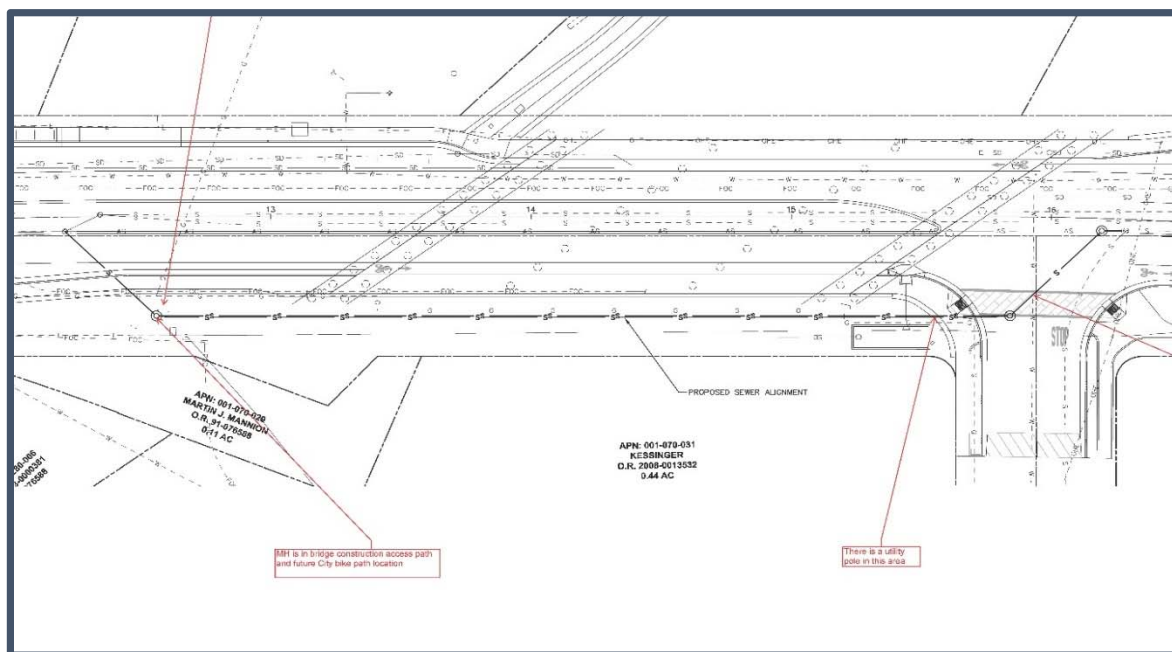
**PROJECT TITLE:** Carpinteria Avenue Inverted Siphon Relocation

**DESCRIPTION:** This project involves relocation of the existing two-barrel inverted siphon under Carpinteria Creek at Carpinteria Avenue. A new inverted siphon system will be constructed to the south of the bridge, together with new manholes and gravity sewer piping necessary to avoid conflict with a proposed bridge replacement by the City of Carpinteria. Work will be coordinated with the City's capital project.

**BUDGET COST:** \$500,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The City of Carpinteria intends to replace the existing bridge over Carpinteria Creek at Carpinteria Avenue. In 2012, the District installed a new inverted siphon in this location with the understanding that the City would involve us in the design and avoid the new sewer infrastructure. However, this did not happen and the foundation system for the proposed bridge is in direct conflict with the existing siphon system. As such, the City is requiring the District to relocate our infrastructure outside of the footprint of the new bridge.



CARPINTERIA SANITARY DISTRICT  
FY 2019/2020 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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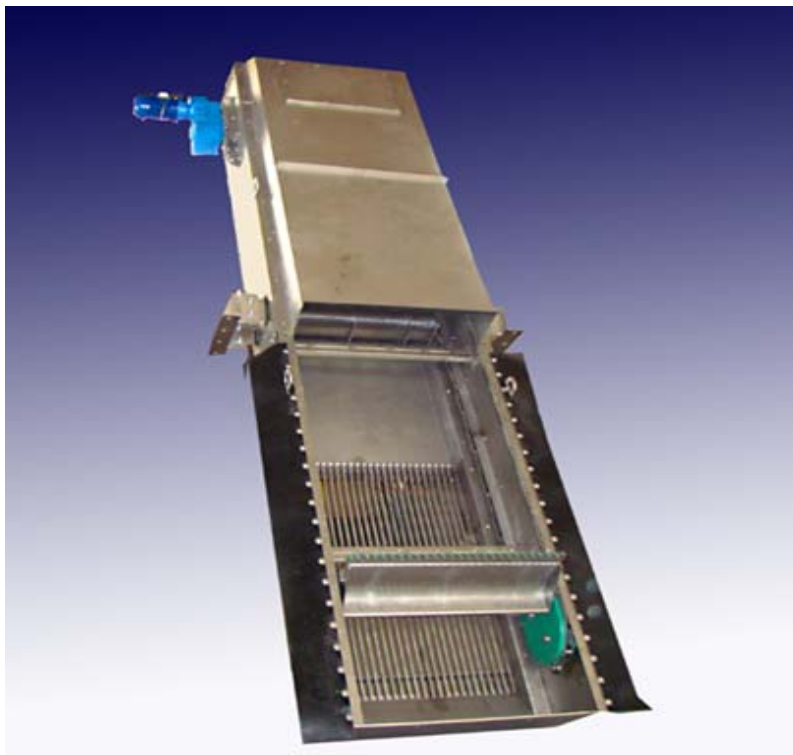
**PROJECT TITLE:** Climbing Bar Screen

**DESCRIPTION:** This project involves installation of a redundant mechanical climbing bar screen at the wastewater treatment facility. The new bar screen would be installed in an existing channel intended for this purpose, and will utilize the existing screenings conveyor system.

**BUDGET COST:** \$150,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** Over the past decade, the District has aggressively pursued equipment procurements and capital projects intended to provide redundancy within the plant. The headworks has a single climbing bar screen. When this equipment is off-line for service or repair, a bypass channel with a fixed grate is used to capture debris and other non-compatible material. This manual bypass screen is not effective and the result of having the single bar screen off-line is often a very significant effort to remove materials from the downstream process tanks. To provide system redundancy and enhance maintenance, a second mechanical bar screen is proposed.



CARPINTERIA SANITARY DISTRICT  
FY 2019/2020 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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**PROJECT TITLE:** Influent Pump Station Valve Replacement

**DESCRIPTION:** This project involves replacement of existing isolation and check valves within the influent pump station. Valve assemblies for all three influent pumps will be replaced with similar, new equipment.

**BUDGET COST:** \$50,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The existing valve assemblies for the mission critical influent pumps have been in service since their original installation in 1995. These valves are in continuous service and have reached the end of their useful service life, exhibiting minor leaks or requiring recurrent service to remain functional. New valves will restore the efficacy of this critical element of the treatment facility. The project budget includes costs to procure the valves and substantial installation costs based on the need to fully bypass the influent wetwell to replace the isolation valves.



CARPINTERIA SANITARY DISTRICT  
FY 2019/2020 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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**PROJECT TITLE:** Foul Air FRP Ducting Replacement

**DESCRIPTION:** Rehabilitation or replacement of deteriorated fiberglass ducting within the treatment facility. The work includes modifications to the odor control system piping configuration to enhance and optimize the functionality of the dry scrubber odor control system.

**BUDGET COST:** \$100,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The existing fiberglass foul air ducting within the treatment facility has deteriorated in multiple locations due to corrosive conditions. Acidic condensate has damaged the duct piping and also affected concrete in the pipe gallery. Replacement of this ductwork is critical for operator safety and protection of the existing infrastructure. Concurrent realignment and reconfiguration of the foul air piping may potentially convey higher concentrated foul air (from the headworks and influent wetwell) to the larger activated carbon scrubber unit, improving odor control.



CARPINTERIA SANITARY DISTRICT  
FY 2019/20 CAPITAL IMPROVEMENT PROGRAM  
PROJECT SUMMARY

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**PROJECT TITLE:** CCTV Camera Vertical Extender

**DESCRIPTION:** Procurement of a riser assembly for the EnviroSight Rover X crawler unit for inspection of large diameter pipes.

**BUDGET COST:** \$15,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The existing CCTV camera unit, with the largest wheels installed, is designed to inspect pipes up to 12 inches in diameter. A mechanical riser system is available that would raise the camera incrementally to the centerline of pipes up to 21 inches in diameter. This would enhance inspection of the larger pipes within our system.

