



CARPINTERIA
Sanitary District

5300 Sixth Street
Carpinteria, CA 93013

Phone (805) 684-7214 · Fax (805) 684-7213

Board of Directors

Lin Graf, President
Michael Damron
Mike Modugno
Jeff Moorhouse
Gerald Velasco

General Manager

Craig M. Murray, P.E.

June 13, 2017

Mr. Lin Graf
President
Board of Directors
Carpinteria Sanitary District

Re: Letter of Transmittal - FY 2017/18 Annual Budget

Submitted for your review is the proposed FY 2017/18 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 well as projected needs to carry out the District's budgetary goals and objectives.

During FY 2016/17, the District engaged Raftelis Financial Consultants to conduct 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 consultant 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 consultant recommended a series of 4% annual rate increases beginning in FY 2017/18 and continuing for the following four fiscal years.

For FY 2017/18, the sewer service charge for a single family residential unit will increase from \$614.16 to \$625.31 per year. Non-residential rates will increase as well, with some categories of users affected more substantially than others, based on the comprehensive analysis undertaken to ensure that the fees charged are proportional to the cost of providing service.

Overall, in FY 2017/18 we expect revenues to increase modestly (2.9%) and operating expenses to increase very slightly (0.6%). The result being a projected debt ratio of 1.77, 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 2017/18 are projected to be \$5,830,600 or \$166,100 more than the prior fiscal year projection. A summary of each revenue category is provided below:

Sewer Service Charges (SSC). SSC revenue is projected to be \$5,089,900 in the coming fiscal year. This is an increase of 2.0% or \$98,000 from previous fiscal year. Although a 4% increase in SSC rates was implemented, actual revenue generation is lower due to water conservation within the non-residential sector. Residential SSC revenue will make up 77.3% of the total, with the non-residential sector contributing 22.7%.

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 \$36,100 or 6.4% higher than what was projected for the previous fiscal year.

Other Revenues. The District's other sources of revenue include interest income, permit and inspection fees, and other miscellaneous fees and charges. Interest income is projected to increase as interest rates trend higher. Other revenue sources in this category are expected to be unchanged from the prior 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 1st, 2017, the DIF for a single dwelling unit will be \$4,600.00. This is an increase of approximately 38% from the previous fiscal year. The non-residential DIF structure will be increased proportionately.

OPERATING EXPENSES

Overall operating expenses have increased by 0.6% or \$23,100 from the prior fiscal year projection. A brief description of individual expense accounts is provided below.

Personnel Expenses. The overall projected salary and benefit costs for FY 2017/18 are projected to be \$31,800 or 1.4% lower than the prior fiscal year. The decrease is attributed to staffing changes within the Plant/Collections Department. A temporary position within the operations group, authorized during 2016/17, was eliminated and another position in the collection system was backfilled as an entry level position following a staff member retirement. Other costs including PERS retirement, health insurance and workers compensation are projected to increase slightly in the coming year.

The Salary Matrix included in the budget document reflects a 1.5% increase from the prior fiscal year. The base wage rates are tied to the Consumer Price Index (CPI) for Urban Wage Earner and Clerical Workers in the Los Angeles-Orange-Riverside area as provided by the U.S. Bureau of Labor Standards (BLS).

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. Overall, in FY 2017/18 the District's PERS contributions will increase \$2,900 or 1.0% from previous fiscal year.

The District will continue to participate in the California Risk Management Agency (CSRMA) pooled liability and workers compensation insurance programs. The CSRMA pool is administered by Alliant Insurance Services.

General Expenses. General expenses, incurred in each of the three departments, include routine expenses such as training, office supplies, licenses and permits, mileage reimbursement and other recurrent items. The proposed budget for this account is \$247,100, which represents an increase of 8.8% or \$20,000 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, estimated at \$25,000. The projected costs of liability insurance, vehicle fuel, and membership/dues reflect a modest increase, but are offset by savings resulting from no scheduled election expenses during the year.

Environmental Monitoring. This portion of the annual budget supports the quality control efforts required to monitor NPDES discharge permit parameters as well as to perform plant process control tests. The proposed budget is \$55,500, which is \$1,000 or 1.8% more than 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 \$189,000 or 5.2% of the total operating budget. This reflects a reduction of \$49,300 or 20.7% from the previous fiscal year estimate. A \$50,000 savings is expected following completion of the Aerated Sludge Holding Tank Replacement Project, which included installation of new high efficiency aeration blowers.

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. While we expect to implement a program that will reduce the unit cost by \$5 per ton, the budget for this account remains unchanged from the prior year as fuel costs are expected to increase.

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 \$222,200, or about 6.2% of the total operating budget, unchanged from the prior year. The District has recently issued new purchase contracts for sodium bisulfite and sodium hypochlorite with minor unit price changes that did not affect the overall budget.

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 \$230,400, or 6.4% of the total operating budget. This is an increase of \$13,400 or 6.2% from the previous year's projection. Treatment plant maintenance, equipment, and building maintenance are expected to rise modestly for this fiscal year.

Professional Services. Professional service costs in FY 2017/18 are projected to be \$210,100 or 5.8% of the overall budget. This represents an increase of 10.9% or \$20,600 over the previous fiscal year budget. The increase is attributed to higher costs of computer software licensing and support and migration of the District's accounting software to a client/server system. Legal and other professional expenses are also expected to increase slightly.

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 to a new account 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 \$68,400 or 1.9% of the operating budget.

NON-OPERATING EXPENSES

Capital Improvement Projects. The proposed budget for new Capital Improvement Program (CIP) projects in FY 2017/18 is \$525,000, inclusive of ten discrete projects. These projects will add to the list of seven carryover projects, with a previously authorized aggregate total of \$1,860,000. For FY 2017/18 it is proposed that the budget for the Administration Building Replacement Project be augmented by \$1,800,000 to provide adequate funds for the construction phase of this capital project. Detailed information on new and previously authorized CIP projects is presented in Section 7.0 of the budget document.

Debt Service. During the 2012/13 fiscal year, the District took advantage of a very a favorable interest rate environment and completed a refunding transaction for the outstanding 2003 Revenue Refinancing Bonds. The District Board concurrently authorized issuance of an additional \$4,500,000 in new municipal bonds to partially finance the Aerobic Digester Replacement Project. Currently, the District's 2012 Wastewater Revenue Bonds have an annual debt service obligation that is approximately \$1.1M. To appropriately fund the 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 2017/18 budget, as presented, results in a debt service ratio (revenue minus operating expenses divided by debt service obligation) of 1.77, which exceeds the minimum required ratio of 1.25.

CASH POSITION

It is estimated that FY 2017/18 will start with a beginning combined cash and equivalent balance of about \$11,300,000 (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 \$9,883,200. This starting balance includes \$1,800,000 in proceeds from the financing described in preceding section, which is actually expected in the second half of the fiscal year. A higher balance may exist at the end of FY 2017/18 depending on the status of authorized capital improvement projects.

A LOOK INTO THE FUTURE

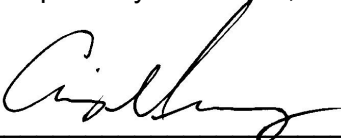
The District's priorities continue to emphasize the long and short-term improvements to the wastewater collection system. CIP implementation will continue to be a top priority for the District for the next five years and beyond. In the coming year, the District's collection system staff will continue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

A major capital improvement project at the treatment facility – the Aerobic Digester Replacement Project – was completed during FY 2016/17. In the coming year we will continue to focus on capital improvement projects within the plant intended to improve operational efficiency and replace aging equipment.

The District continues to work diligently to control costs, and we have developed a lean operating budget for FY 2017/18. 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,



Craig M. Murray, P.E.
General Manager

Enclosures: 1. Resolution No. R-304
 2. Fiscal Year 2017/18 Budget

Carpinteria Sanitary District

FISCAL YEAR 2017/18 BUDGET



BOARD OF DIRECTORS

Lin Graf — President
Mike Modugno — President Pro-Tem
Jeff Moorhouse — Treasurer
Michael Damron — Secretary
Gerald Velasco — Secretary Pro-Tem

DISTRICT STAFF

Craig Murray, P.E.— General Manager
Hamid Hosseini — Finance Director



CARPINTERIA
Sanitary District

ENVIRONMENTAL LEADERSHIP IN CARPINTERIA SINCE 1928

Table of Contents

DISTRICT BOARD OF DIRECTORS AND STAFF	1
1.0 BUDGET FORWARD.....	2
District Mission	2
Budget Goals	2
Budget Objectives	2
Current Year Highlights	4
Budget Summary.....	4
2.0 REVENUE PROJECTION.....	10
Revenue Policy	10
Sources of Revenue.....	10
Revenue Summary.....	15
3.0 EXPENSE OVERVIEW	19
Summary Data	20
4.0 ADMINISTRATION DEPARTMENT EXPENSES.....	27
Administration Budget Account Highlights	27
5.0 PLANT/COLLECTION DEPARTMENT EXPENSES.....	31
Plant/Collection Budget Account Highlights	31
6.0 SAFETY AND TRAINING DEPARTMENT EXPENSES.....	36
Safety Officer Budget Account Highlights	36
7.0 CAPITAL IMPROVEMENT PROJECTS	39
Planning Assumptions.....	39
CIP Budget Components.....	39
CIP Program Funding.....	41

DISTRICT BOARD OF DIRECTORS AND STAFF

BOARD OF DIRECTORS

Lin Graf	President
Mike Modugno	President Pro Tem
Jeff Moorhouse	Treasurer
Michael Damron	Secretary
Gerald Velasco	Secretary Pro Tem

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.

COMMITTEES

Finance Committee

Jeff Moorhouse	Chairperson
Gerald Velasco	Member

Personnel Committee

Michael Damron	Chairperson
Mike Modugno	Member

Public Relations Committee

Mike Modugno	Chairperson
Michael Damron	Member

Local Utilities Committee

Lin Graf	Member
Jeff Moorhouse	Member

Ad-Hoc Facilities Planning Committee

Michael Damron	Member
Mike Modugno	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 and 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
Hamid Hosseini	Finance Director
Mark Bennett	Operations Manager
Kim Garcia	Office Manager
Anthony Trembley	Legal Counsel – Musick, Peeler & Garrett, LLP

1.0 BUDGET FORWARD

This section provides the reader a comprehensive overview of the District's proposed annual budget for the 2017/18 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.

District Mission

The mission of the Carpinteria Sanitary District is **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.
- 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.

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 2017/18 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 both in the treatment facility and the collection system that will provide immediate notification to District staff in the event of abnormal conditions.

EFFECTIVENESS

- Continue the enforcement of the Industrial Source Control Program and Grease Control Program which serve as the primary methods to reduce the introduction of toxic or harmful substances into the wastewater system which may cause harm to the system, its personnel, or the treatment process.
- Continue the training program for the 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, limiting the introduction of uncontaminated water from sources such as building gutters and cooling systems as well as the gradual elimination of use of septic systems within the District boundaries.
- 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.
- Complete the critical Plum/Pear Sewer Replacement Project to provide adequate trunk line capacity between Lift Station No. 4 and Lift Station No. 2.

Current Year Highlights

- **2017 Wastewater Rates and Fees Study.** In March 2017 the District completed a comprehensive study that culminated in an updated sewer service charge rate structure and a 4% per year serial rate increase in FY 2017/18 and in each of the following four years. This study and associated rate and fee impacts are described further in this budget document.
- **Administration Building Replacement Project.** The District will be moving forward with 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 are uncertain.

Budget Summary

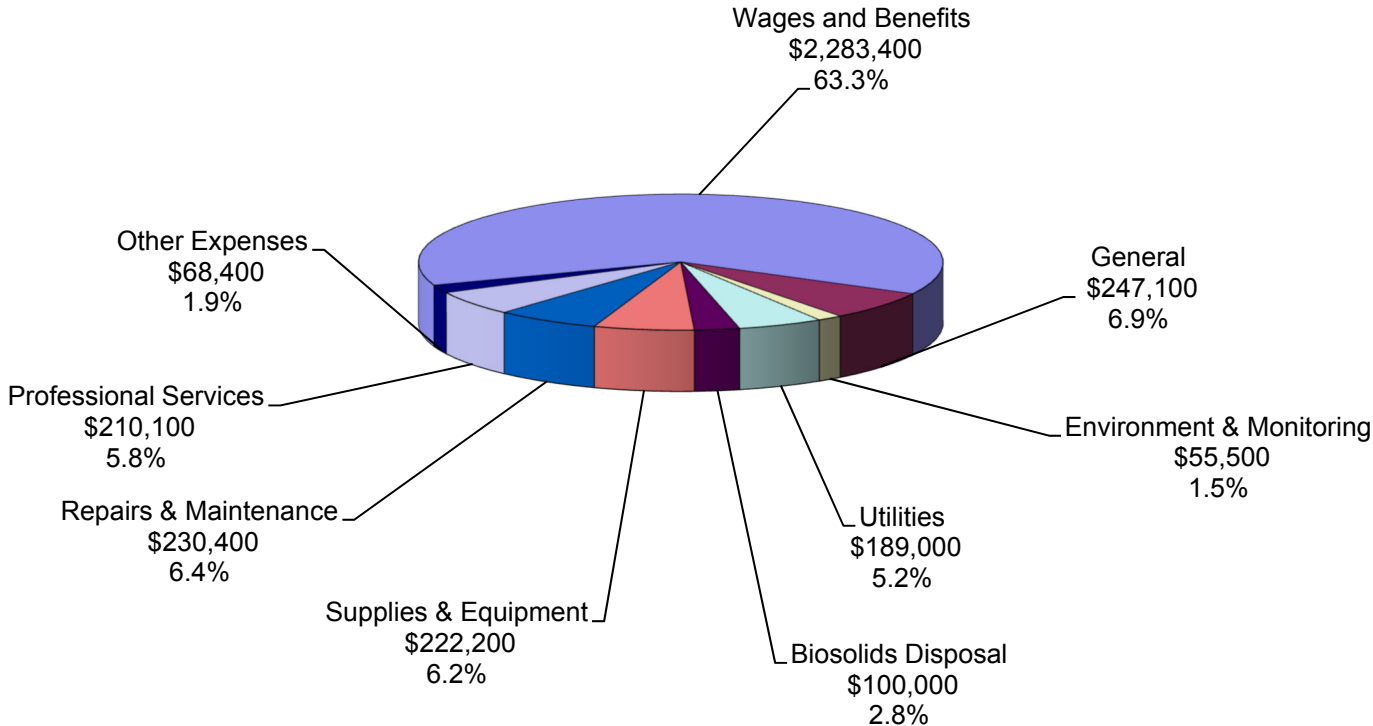
The remainder of this section contains figures and financial data in spreadsheet format that summarize the proposed FY 2017/18 budget, as follows:

- **Budget Snapshot** – brief overview of the proposed FY 2017/18 budget
- **Expense Summary Chart** – graphical presentation of projected expenses
- **Pro-Forma Statement** – historical comparison of proposed FY 2017/18 budget
- **Debt Service Schedule** – bond repayment schedule through 2042 maturation
- **Organization Chart** – proposed District staffing and structure for FY 2017/18

Carpinteria Sanitary District
Budget Snapshot
Fiscal Year 2017/2018

Description	2016/17 Budget	2016/17 11 Months Actual	% Expended/ YTD	2017/18 Budget	\$ Increase (Decreases.)	% Change
<u>REVENUES</u>						
Sewer Service Charges (SSC)	4,991,000	4,907,711	98%	5,089,000	98,000	2.0%
Property Taxes	566,500	541,153	96%	602,600	36,100	6.4%
Interest Income	18,000	40,695	226%	50,000	32,000	177.8%
Other Fees & Income	20,000	23,176	116%	20,000	0	0.0%
Development Impact Fees (DIF)	0	16,620	N/A	0	0	0.0%
Contract Lab Analysis	18,000	12,149	67%	18,000	0	0.0%
Other Sources of Cash/Grant & Dedications	0	3,500	N/A	0	0	0.0%
Other Districts' Contributions/Safety Officer	51,000	50,949	100%	51,000	0	0.0%
Total Gross Revenues	5,664,500	5,595,953	99%	5,830,600	166,100	2.9%
<u>EXPENSES</u>						
<u>1) Operating Expenses:</u>						
Wages	1,552,400	1,278,571	82%	1,519,400	(33,000)	-2.1%
Benefits	762,800	603,364	79%	764,000	1,200	0.2%
General	227,100	176,149	78%	247,100	20,000	8.8%
Environment & Monitoring	54,500	30,692	56%	55,500	1,000	1.8%
Utilities	238,300	158,931	67%	189,000	(49,300)	-20.7%
Biosolids Disposal	100,000	77,468	77%	100,000	0	0.0%
Supplies & Equipment	222,200	151,105	68%	222,200	0	0.0%
Repairs & Maintenance	217,000	164,286	76%	230,400	13,400	6.2%
Professional Services	189,500	174,457	92%	210,100	20,600	10.9%
Other Expenses	19,200	13,908	72%	68,400	49,200	256.3%
Total Operating Expenses:	3,583,000	2,828,931	79%	3,606,100	23,100	0.6%
<u>2) Non-Operating Expenses:</u>						
Debt Service	1,185,500	1,187,698	100%	1,256,300	70,800	6.0%
Capital Improvement Projects	2,671,000	1,708,520	64%	4,185,000	1,514,000	56.7%
Total Non-Operating Expenses:	3,856,500	2,896,218	25%	5,441,300	1,584,800	41.09%
Total Uses of Cash:	7,439,500	5,725,149	77%	9,047,400		
Surplus (Deficit) for the Year	(1,775,000)	(129,196)	7%	(3,216,800)		
Admin Building Financing Fund				1,800,000		
Estimate Year End Balance		11,300,000		9,883,200		
Ratio	1.76			1.77		

Overall Budget FY 2017/2018
Total Projected Expenses = \$3,606,100



**Carpinteria Sanitary District
Pro-Forma Statement**

Description	Actual	Projected	Budget	Projected			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1 Sewer Service Charge Revenues	5,088,433	4,991,000	5,089,000	5,292,560	5,507,438	5,733,243	5,991,239
<u>Other Revenue</u>							
2 Property Taxes	546,574	566,500	602,600	614,652	626,945	639,484	652,274
3 Development Impact Fees	12,352	0	0	0	0	0	0
4 Other Fees and Income	38,548	38,000	38,000	38,000	38,000	38,000	38,000
5 Interest Income	33,972	18,000	50,000	40,000	40,000	79,500	108,000
6 Other Districts Contri/Safety Officer	46,556	51,000	51,000	51,000	51,000	51,000	51,000
7 Other Source of Cash/Grant	577,251		0	0	0	0	0
8 Total Revenue	<u>6,343,686</u>	<u>5,664,500</u>	<u>5,830,600</u>	<u>6,036,212</u>	<u>6,263,383</u>	<u>6,541,227</u>	<u>6,840,512</u>
<u>Expenses:</u>							
9 Wages	1,427,156	1,552,400	1,519,400	1,595,370	1,675,139	1,758,895	1,846,840
10 Benefits	713,466	762,800	764,000	802,200	842,310	884,426	928,647
11 General Operating Expenses	160,016	227,100	247,100	254,513	262,148	270,013	278,113
12 Environmental Monitoring	39,733	54,500	55,500	58,275	60,023	61,824	63,679
13 Utilities	219,774	238,300	189,000	198,450	208,373	218,791	229,731
14 Sludge Disposal	87,217	100,000	100,000	103,000	106,090	109,273	112,551
15 Supplies and Equipment	171,712	222,200	222,200	228,866	235,732	242,804	250,088
16 Repairs and Maintenance	200,186	217,000	230,400	239,616	249,201	259,169	269,535
17 Professional Services	101,317	189,500	210,100	220,605	231,635	243,217	255,378
18 Other Expenses	14,016	19,200	68,400	70,452	72,566	74,743	76,985
19 Total Operating Expenses	<u>3,134,593</u>	<u>3,583,000</u>	<u>3,606,100</u>	<u>3,771,347</u>	<u>3,943,216</u>	<u>4,123,154</u>	<u>4,311,547</u>
20 O & M Increase (Decrease) %	-7.0%	14.3%	0.6%	5.3%	4.6%	4.6%	4.6%
21 Scheduled Installment Payment	1,188,563	1,185,500	1,256,300	1,320,300	1,319,900	1,315,400	1,314,800
22 CIP	2,758,112	2,671,000	4,185,000	1,300,000	1,300,000	1,200,000	900,000
23 Total Non-Operating Expenses			5,441,300				
24 Surplus (Deficit) for the Year	<u>(737,582)</u>	<u>(1,775,000)</u>	<u>(3,216,800)</u>	<u>(355,435)</u>	<u>(299,733)</u>	<u>(97,327)</u>	<u>314,166</u>
25 Admin Building Financing Fund			1,800,000				
26 Debt Services Ratio (>1.25%)	2.20	1.76	1.77	1.72	1.76	1.84	1.92
Projected Year End Cash Balance		11,300,000	9,883,200	9,527,765	9,228,032	9,130,705	9,444,871

Carpinteria Sanitary District
2012 Wastewater Revenue Bonds-Debt Service Schedule

Date	Principal	Interest	Semiannual Total	Fiscal Total
8/1/2013	\$ 565,000.00	\$ 356,466.52	\$ 921,466.52	
2/1/2014		\$ 266,231.25	\$ 266,231.25	\$ 1,187,697.77
8/1/2014	\$ 670,000.00	\$ 266,231.25	\$ 936,231.25	
2/1/2015		\$ 256,181.25	\$ 256,181.25	\$ 1,192,412.50
8/1/2015	\$ 690,000.00	\$ 256,181.25	\$ 946,181.25	
2/1/2016		\$ 242,381.25	\$ 242,381.25	\$ 1,188,562.50
8/1/2016	\$ 715,000.00	\$ 242,381.25	\$ 957,381.25	
2/1/2017		\$ 228,081.25	\$ 228,081.25	\$ 1,185,462.50
8/1/2017	\$ 745,000.00	\$ 228,081.25	\$ 973,081.25	
2/1/2018		\$ 213,181.25	\$ 213,181.25	\$ 1,186,262.50
8/1/2018	\$ 775,000.00	\$ 213,181.25	\$ 988,181.25	
2/1/2019		\$ 197,681.25	\$ 197,681.25	\$ 1,185,862.50
8/1/2019	\$ 800,000.00	\$ 197,681.25	\$ 997,681.25	
2/1/2020		\$ 183,681.25	\$ 183,681.25	\$ 1,181,362.50
8/1/2020	\$ 830,000.00	\$ 183,681.25	\$ 1,013,681.25	
2/1/2021		\$ 167,081.25	\$ 167,081.25	\$ 1,180,762.50
8/1/2021	\$ 865,000.00	\$ 167,081.25	\$ 1,032,081.25	
2/1/2022		\$ 149,781.25	\$ 149,781.25	\$ 1,181,862.50
8/1/2022	\$ 905,000.00	\$ 149,781.25	\$ 1,054,781.25	
2/1/2023		\$ 127,156.25	\$ 127,156.25	\$ 1,181,937.50
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
Totals	\$ 13,630,000.00	\$ 5,812,591.52	\$ 19,442,591.52	\$ 19,442,591.52

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



District Board of Directors

General Manager

Craig Murray, P.E.

Legal Counsel

Anthony Trembley - MPG LLP

Engineering Tech

Lance Lawhon

Finance Director

Hamid Hosseini

Safety Officer

Jan Deering

Office Manager

Kim Garcia

Operations Manager

Mark Bennett

Treatment Supervisor

Mark Rogers

Lab Technician 2

Frank Gonzales

WWTP Operator 2/3

Paul Sweningson

WWTP Operator 2/3

Branson Taylor

WWTP Operator 2/3

Casey Balch

Operator in Training

Jude Kiesewetter

Collection Supervisor

Matt Oliver

CS Lead Operator

Eddie Saenz

CS Operator 1/2

Tim Gallup

CS Operator 1/2

John Jimenez

2.0 REVENUE PROJECTION

Revenue Policy

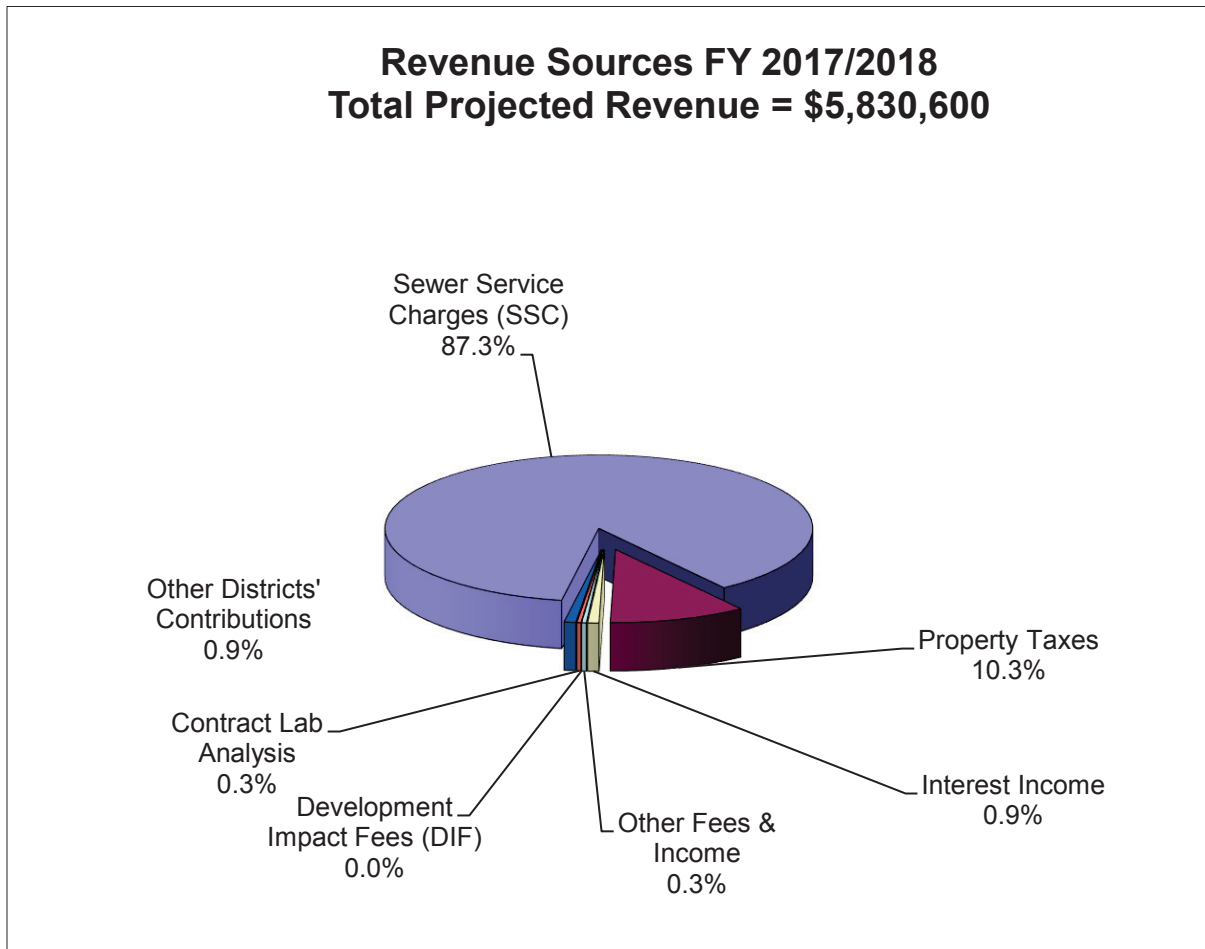
The Carpinteria Sanitary District must collect sufficient funds to maintain a prudent and balanced budget based on projected operational and capital expenses, while maintaining, at a minimum, a required debt service coverage ratio of 1.25.

Sources of Revenue

The Carpinteria Sanitary District's main sources of revenue are:

- Sewer Service Charges (SSC)
- Property Taxes
- Interest Income
- Other Fees and Income

Sewer service charges make up over 87.3% of the District's total revenue. The following figure shows a percentage breakdown of projected revenue for the 2017/18 fiscal year by source.



SEWER SERVICE CHARGES

During FY 16/17, the District engaged Raftelis Financial Consultants, Inc. to conduct a comprehensive Wastewater Rates and Fees Study. This study included a comprehensive review of the District's financial plan, user classifications, and rate structure for the wastewater enterprise. The consultant also reviewed the District's revenue requirements to determine the appropriate level of revenue adjustments to maintain financial sufficiency and rate stability. Based on their findings, the consultant recommended that the District implement a 4% increase to the SSC annually for the next five years, beginning in FY 17/18.

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. In the first year, the updated rate structure puts a higher burden on the non-residential customers to re-establish equitable charges based on volume and wastewater strength.

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 2017/18, the annual charge per unit will be \$625.31 per year, reflecting a 1.8% increase over the prior year SSC. This rate is based on an average water use of 142 gallons per day per dwelling unit, significantly lower than the previous residential baseline due to sustained water conservation efforts. Total residential SSC revenue is projected to be about \$3,935,100, or 77.3% of the total SSC revenue. This represents an increase of approximately \$72,000 from FY 2016/17 projections. Currently, the total number of residential dwelling units being served by the District is 6,293.

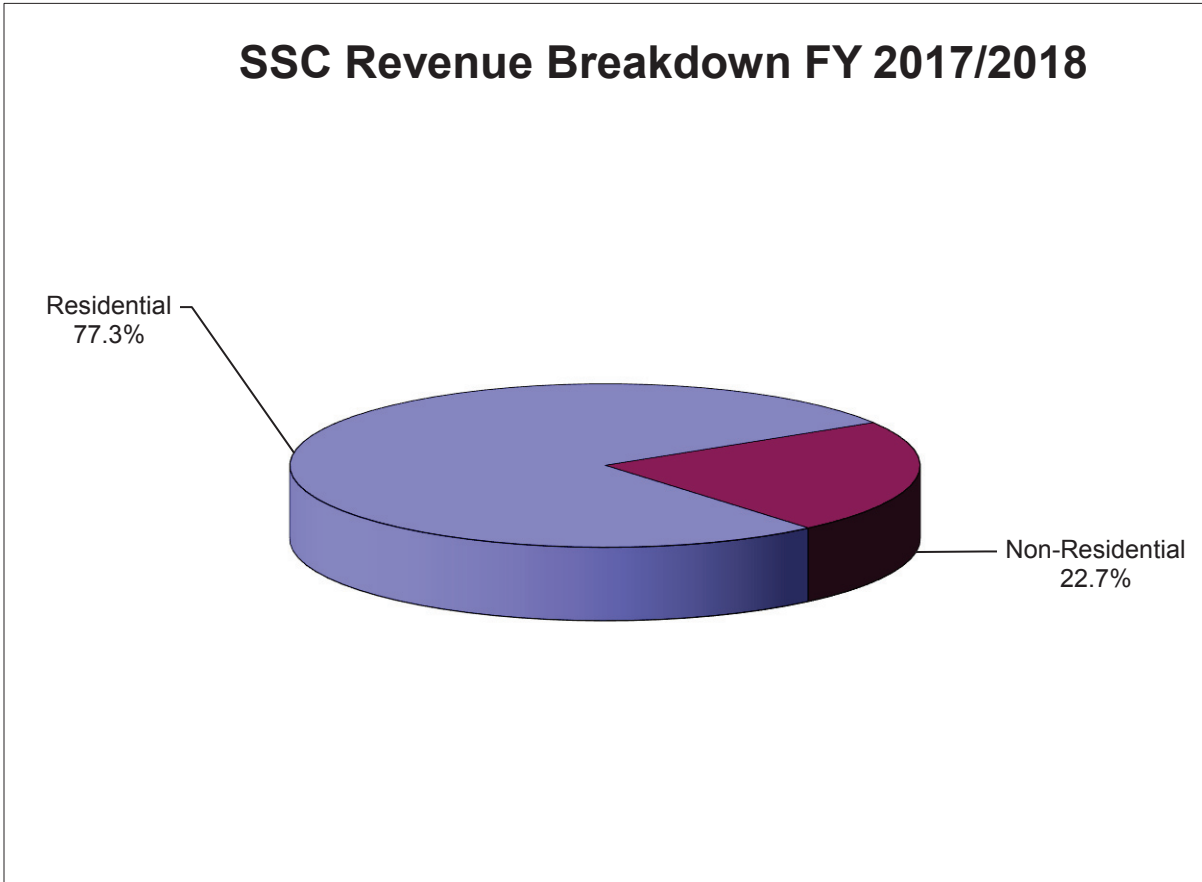
Non-Residential Sewer Service Charges

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 \$625.31 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 2017/18 is projected to be \$1,153,900, or 22.7% of the District's total SSC revenue. This is approximately \$25,800 more than what was projected for the prior year. The increase is attributed to the new rate structure being implemented this fiscal 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 \$602,600, which reflects about 6.4% increase over the prior year projection for this revenue category. This is based on preliminary projection by the County for the District property tax revenue for 2017/18 fiscal year.

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:

	Description	FY 2016/17	FY 2017/18
A	Prior Year Appropriation Limit	\$ 3,552,001	\$ 3,778,1 F1
B	Change in Calif. Per Capita Income	1.0537	1.0369
C	Change in District’s Population	1.0096	1.0036
C1	Change in County Population	1.0095	1.0076
D	Multiplying Factor (Larger of C or C1 times B)	1.0638	1.0448
E	New Appropriation Limit	\$ 3,778,618	\$ 3,947,901
F	Property Tax Collected/ Estimate	\$ 566,500	\$ 602,600
G	Under Limit	\$3,212,118	\$ 3,345,301

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 2017/18 is projected to be \$50,000. This is an increase of \$32,000 from the previous fiscal year projection due to higher interest rates of return and an expected higher average balance at LAIF.

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 2017/18 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.

Development Impact Fees

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.

As a part of the 2017 Wastewater Rates and Fees Study prepared by Raftelis Financial Consultants, a new equivalent dwelling unit (EDU) baseline value was established for FY 2017/18 at \$4,600. This represents a 38% increase from the DIF in place for the prior year, resulting from sharply reduced water use across all sectors. The baseline DIF was authorized by Ordinance No. 16, adopted on June 6, 2017.

The DIF amount escalates on July 1st 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.

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.

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 2017/18 is \$18,000. This is unchanged from previous fiscal year.

Other Districts Contribution/Joint Safety Officer Revenue

The District participates in cooperative agreement with three other local sanitary districts to employ a joint Safety and Training Officer. This individual is a part-time employee of the Carpinteria Sanitary District, with wages paid directly by the agency. However, costs for this entire program, including personnel costs, are apportioned amongst the three participating agencies based on a simple formula. The total projected cost of the program for FY 2017/18 is projected to be \$74,900, just \$200 more than the prior fiscal year projection. The projected revenue from this source is just over \$51,000, effectively unchanged from the prior year. Additional information on how the program is staffed and administered is discussed in Section 6.0.

Revenue Summary

The total projected revenue for FY 2017/18 is shown in the following table:

Revenue Sources	2016/17 Budget	2017/18 Proposed Budget	Dollar Variance	Percent Change
Sewer Service Charges (SSC)	\$ 4,991,000	\$5,081,000	\$80,000	2.0%
Property Taxes	\$ 566,500	\$602,600	\$36,100	6.4%
Interest Income	\$ 18,000	\$50,000	\$32,000	177.8%
Other Fees & Income	\$ 20,000	\$20,000	\$0	0%
Development Impact Fees (DIF)	\$0	\$0	\$0	0%
Contract Lab Analysis	\$18,000	\$18,000	\$0	0%
Other Districts Contribution/Safety Officer	\$51,000	\$51,000	\$0	0%
Total Gross Revenues	\$5,664,500	\$5,830,600	\$166,100	2.9%

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

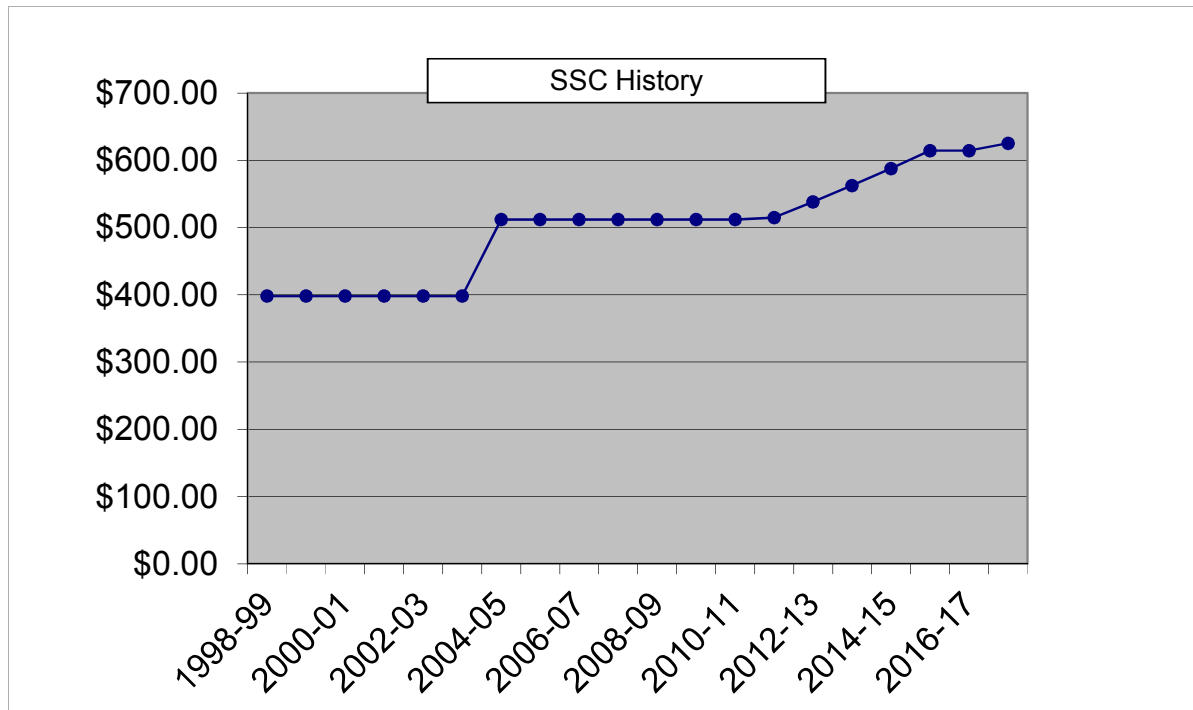
Revenue Accounts Details

ACCOUNT NUMBER:	3100	Description:
Account Title	Sewer Service Charges (SSC)	This account represents the total aggregate SSC that the District projects will be collected during the year, per Ordinance 11 . Non-residential SSCs are based on water use and wastewater strength.
ACCOUNT NUMBER:	3130	Description:
Account Title	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.
ACCOUNT NUMBER:	3170	Description:
Account Title	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
ACCOUNT NUMBER:	3300	Description:
Account Title	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.
ACCOUNT NUMBER:	3380	Description:
Account Title	Other Districts' Contribution Safety & Training Officer	This is the account for other Districts contribution toward the Joint Safety Officer program.
ACCOUNT NUMBER:	3400	Description:
Account Title	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), Santa Barbara County Treasury, and the Santa Barbara Bank & Trust.
ACCOUNT NUMBER:	Various	Description:
Account Title	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.

Carpinteria Sanitary District History of Residential Sewer Service Charges

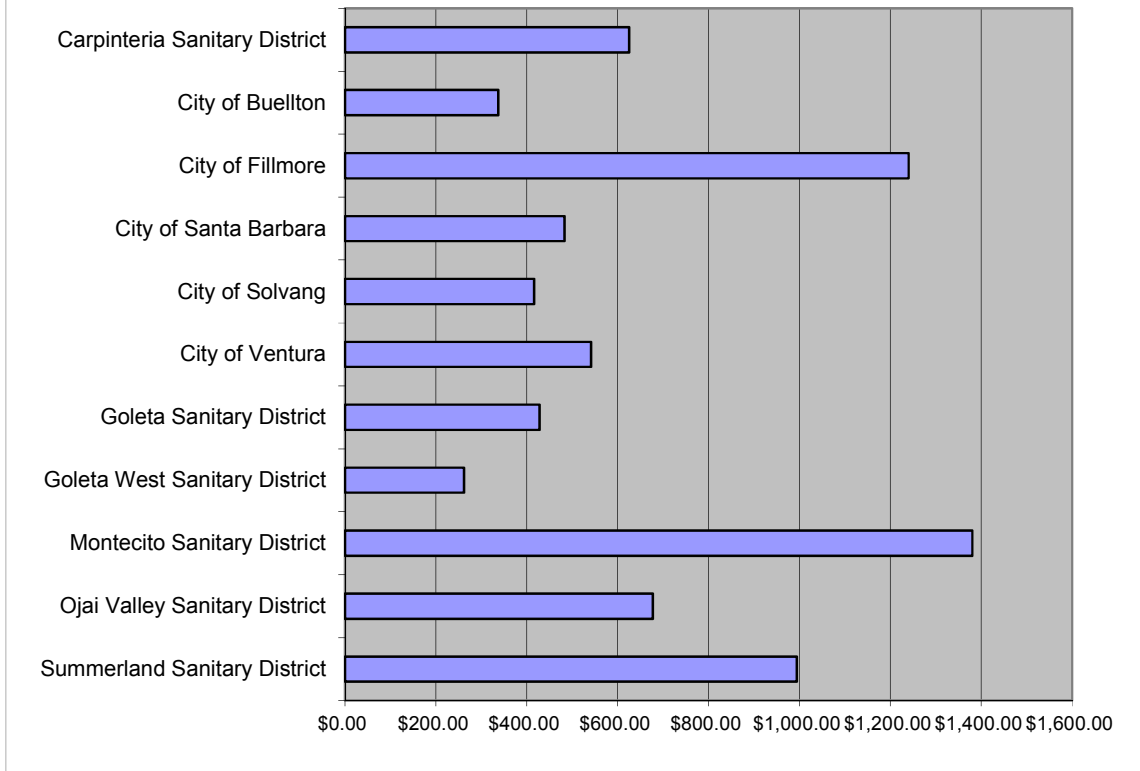
Residential Annual SSC	Mobile Homes Annual SSC	Ordinance Number
\$161.00	\$161.00	1989-5
\$172.00	\$165.43	Ord#3
\$190.00	\$182.80	Ord#4
\$232.71	\$225.73	Ord#5 (1992)
\$398.00	\$386.00	Ord#6 (1993)
\$512.00	\$512.00	Ord#10 (2004)
\$515.00	\$515.00	Ord#12 (2011)
\$538.18	\$538.18	Ord#12 (2011)
\$562.40	\$562.40	Ord#12 (2011)
\$587.71	\$587.71	Ord#12 (2011)
\$614.16	\$614.16	Ord#12 (2011)
\$625.31	\$625.31	Ord#15 (2017)

Fiscal Year	SSC	Cost per Month
1998-99	\$398.00	\$33.17
1999-00	\$398.00	\$33.17
2000-01	\$398.00	\$33.17
2001-02	\$398.00	\$33.17
2002-03	\$398.00	\$33.17
2003-04	\$398.00	\$33.17
2004-05	\$512.00	\$42.67
2005-06	\$512.00	\$42.67
2006-07	\$512.00	\$42.67
2007-08	\$512.00	\$42.67
2008-09	\$512.00	\$42.67
2009-10	\$512.00	\$42.67
2010-11	\$512.00	\$42.67
2011-12	\$515.00	\$42.92
2012-13	\$538.18	\$44.85
2013-14	\$562.40	\$46.87
2014-15	\$587.71	\$48.98
2015-16	\$614.16	\$51.18
2016-17	\$614.16	\$51.18
2017-18	\$625.31	\$52.11



Carpinteria Sanitary District Peer Agencies' Sewer Service Charges

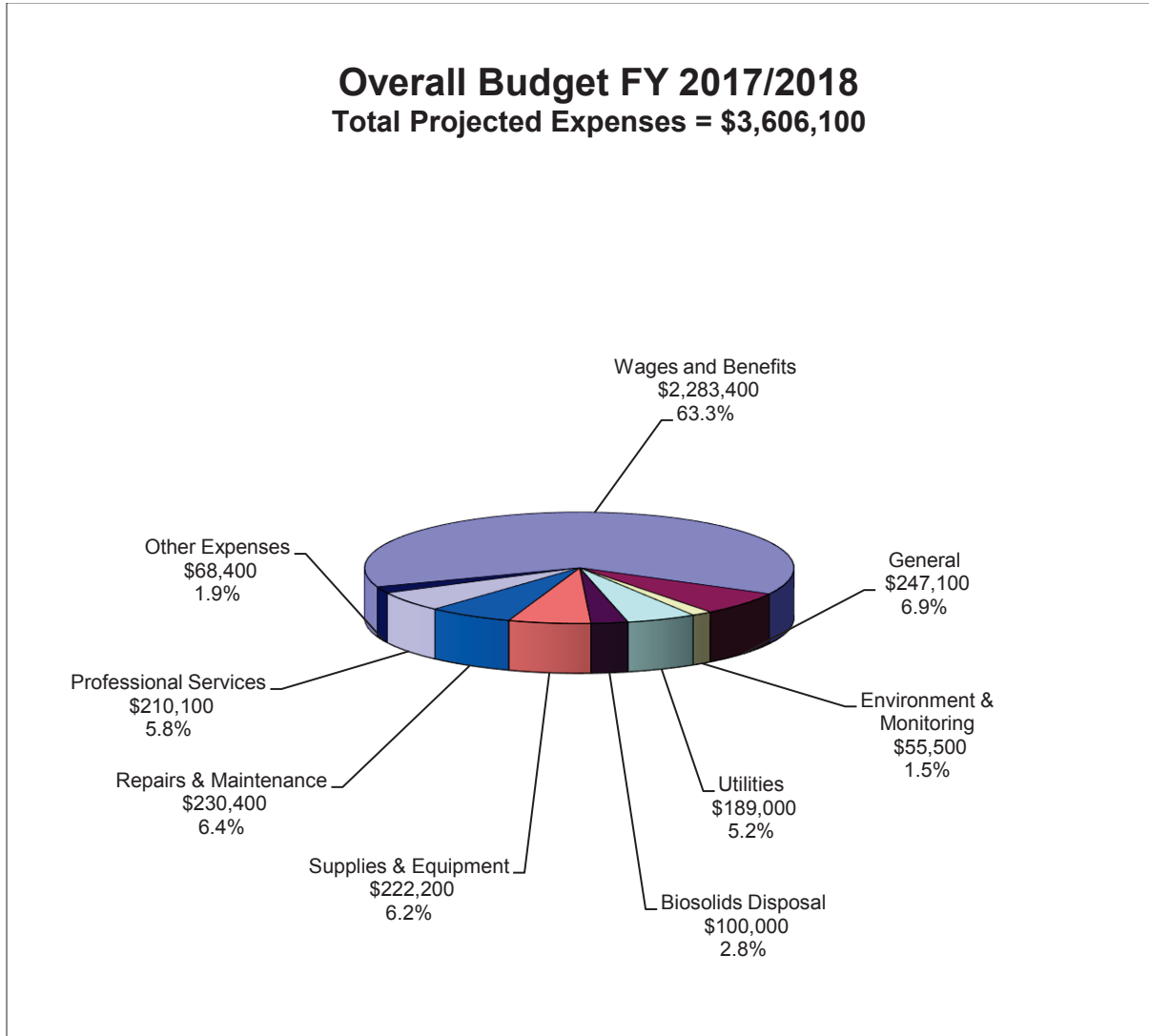
	Current Annual SSC 2016/17	Proposed SSC 2017/18
Carpinteria Sanitary District	\$614.16	\$625.31
City of Buellton	\$300.00	\$337.44
City of Fillmore	\$1,129.63	\$1,240.32
City of Santa Barbara	\$483.24	\$483.24
City of Solvang	\$415.80	\$415.80
City of Ventura	\$541.73	\$541.73
Goleta Sanitary District	\$428.23	\$428.23
Goleta West Sanitary District	\$239.00	\$262.00
Montecito Sanitary District	\$1,280.00	\$1,380.00
Ojai Valley Sanitary District	\$654.48	\$677.16
Summerland Sanitary District	\$994.17	\$994.17



3.0 EXPENSE OVERVIEW

The Carpinteria Sanitary District’s operating expense budget is separated into three departments: the Administration Department, the Plant/Collection Department, and the Safety and Training 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 following figure provides a graphical overview of the District’s operating budget for FY 2017/18.



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, District insurance and miscellaneous repairs for the upkeep of the Administration Building and Board Room. The projected Administration department operating budget for FY 2017/18 is \$1,144,400, or 31.7% 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, professional services, biosolids disposal and general operating expenses. The projected Plant/Collection department operating budget for FY 2017/18 is \$2,386,800, or 66.2% of the overall budget.

The Safety and Training section includes the projected expenses associated with utilization of outside consultants and employment of a joint Safety and Training Officer. Other direct expenses associated with occupational safety and regulatory compliance are also included in the budget. The projected 2017/18 fiscal year budget for this department is \$74,900, or 2.1% of the overall budget.

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.

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**
- **CPI Cost Escalation Factor Summary**
- **FY 2017/18 Salary Matrix**
- ~~Area d`cnY6 YbYzh~~Summary
- ~~Area d`cnY6 YbYzh~~Summary

Carpinteria Sanitary District
All Departments Budget

Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decrease.)	% Change
<u>Personnel Expenses</u>							
5010	Regular Salaries	1,481,600	1,223,862	83%	1,446,000	(35,600)	-2.4%
5030	Overtime	12,500	7,879	63%	12,500	0	0.0%
5040	Special Duty Pay	38,300	33,431	87%	40,900	2,600	6.8%
5050	Directors Fees	20,000	13,400	67%	20,000	0	
	Total Wages	1,552,400	1,278,571	82%	1,519,400	(33,000)	-2.1%
<u>Employee Benefits</u>							
5111	PERS	297,600	252,372	85%	300,500	2,900	1.0%
5112	Social Security	115,700	93,690	81%	114,700	(1,000)	-0.9%
5120	Medical Insurance	249,400	195,495	78%	225,000	(24,400)	-9.8%
5121	Employee Wellness Program	3,200	1,683	53%	3,200	0	0.0%
5122	Unemployment Insurance	7,100	2,168	31%	4,100	(3,000)	-42.3%
5123	Certification Incentive Program	0	0	NA	13,500	13,500	NA
5124	Long Term Disability	11,600	10,049	87%	11,300	(300)	-2.6%
5126	Life Insurance	4,300	3,964	92%	4,100	(200)	-4.7%
5127	Dental/ Vision Self Funding Plan	41,200	22,132	54%	38,700	(2,500)	-6.1%
5128	Workers' Compensation	30,400	19,872	65%	46,600	16,200	53.3%
5132	Employee Physicals & First Aid	2,300	1,938	84%	2,300	0	0.0%
	Total Employee Benefits	762,800	603,364	79%	764,000	1,200	0.2%
	TOTAL PERSONNEL	2,315,200	1,881,934	81%	2,283,400	(31,800)	-1.4%
<u>General Expenses</u>							
5210	Departmental Expense	13,100	12,306	94%	13,100	0	0.0%
5215	Office Supplies	6,600	4,054	61%	5,100	(1,500)	-22.7%
5222	Directors Confs. & Training	20,000	14,966	75%	20,000	0	0.0%
5226	Directors Election Expense	10,000	350	4%	0	(10,000)	-100.0%
5228	Directors Dental / Vision	12,500	9,227	74%	12,500	0	0.0%
5231	District Liability Insurance	66,500	61,055	92%	68,500	2,000	3.0%
5241	Uniform Expenses	8,000	7,353	92%	8,000	0	0.0%
5242	Memberships and Dues	25,500	24,336	95%	29,000	3,500	13.7%
5244	Conference & Training	21,000	12,459	59%	21,000	0	0.0%
5246	Employee Education Reimb.	1,500	0	0%	1,500	0	0.0%
5260	Vehicle Fuel Expenses	15,000	10,447	70%	16,000	1,000	6.7%
5265	Employee Mileage Reimb.	600	393	65%	600	0	0.0%
5270	Equipment Rental and Leases	1,800	1,357	75%	1,800	0	0.0%
5280	Temporary Office Relocation	0	0	0%	25,000	25,000	NA
5290	Licenses and Permits	25,000	17,845	71%	25,000	0	0.0%
	Total General	227,100	176,149	78%	247,100	20,000	8.8%
<u>Environment & Monitoring</u>							
5310	Monitoring-Equipment Expense	28,000	18,537	66%	30,000	2,000	7.1%
5320	Monitoring-Lab Work	16,500	12,155	74%	15,500	(1,000)	-6.1%
5330	Prop. 65 Clean Up Expense	10,000	0	0%	10,000	0	0.0%
	Total Environment & Monit.	54,500	30,692	56%	55,500	1,000	1.8%
<u>Utilities</u>							
5410	Natural Gas	1,800	1,193	66%	1,800	0	0.0%
5420	Electricity	204,800	134,742	66%	154,800	(50,000)	-24.4%
5430	Telephone	11,700	8,620	74%	12,400	700	6.0%
5440	Water	12,300	8,439	69%	12,300	0	0.0%
5450	Rubbish	6,000	4,434	74%	6,000	0	0.0%
5480	Underground Service Alert	800	662	83%	800	0	0.0%
5490	Building Alarm System	900	842	94%	900	0	0.0%
	Total Utilities	238,300	158,931	67%	189,000	(49,300)	-20.7%

Carpinteria Sanitary District
All Departments Budget

Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decrease.)	% Change
<u>Sludge Disposal</u>							
5470	Biosolids Disposal	100,000	77,468	77%	100,000	0	0.0%
	Total Sludge Disposal	100,000	77,468	77%	100,000	0	0.0%
<u>Supplies & Equipment</u>							
5510	General Supplies	15,000	10,748	72%	15,000	0	0.0%
5521	Odor Control Chemicals	45,000	10,596	24%	45,000	0	0.0%
5522	Chlorine-SO2	124,000	106,772	86%	124,000	0	0.0%
5524	Polymers	20,000	12,874	64%	20,000	0	0.0%
5525	Tools/Small Parts	5,000	4,647	93%	4,000	(1,000)	-20.0%
5526	Fuel, Diesel, Lubricants	7,500	2,993	40%	7,500	0	0.0%
5527	Safety Equipment	5,700	2,475	43%	6,700	1,000	17.5%
	Total Supplies & Equipment	222,200	151,105	68%	222,200	0	0.0%
<u>Repairs & Maintenance</u>							
5610	Equipment (minor)	11,500	13,853	120%	19,100	7,600	66.1%
5620	Building Maintenance	13,400	7,138	53%	14,800	1,400	10.4%
5630	Grounds Maintenance	8,500	4,710	55%	8,500	0	0.0%
5640	Vehicle Maintenance	16,600	8,248	50%	16,000	(600)	-3.6%
5650	Treatment Plant Maintenance	60,000	59,660	99%	65,000	5,000	8.3%
5680	Lift Station Maintenance	25,000	13,011	52%	25,000	0	0.0%
5690	Trunk Line Maintenance	82,000	57,666	70%	82,000	0	0.0%
	Total Repairs & Maint.	217,000	164,286	76%	230,400	13,400	6.2%
<u>Professional Services</u>							
5821	Accounting (Annual Audit)	9,500	9,500	100%	9,600	100	1.1%
5831	Legal Counsel	25,000	18,781	75%	30,000	5,000	20.0%
5843	Computer Related Expenses	30,500	25,052	82%	41,000	10,500	34.4%
5844	SCADA Related Expenses	50,000	45,272	91%	50,000	0	0.0%
5847	Public Relations	15,000	9,649	64%	15,000	0	0.0%
5849	Other Professional Services	54,000	61,929	115%	59,000	5,000	9.3%
5851	Payroll Service-Paychex	5,000	4,274	85%	5,000	0	0.0%
5855	IDP/Monitoring Source Control	500	0	0%	500	0	0.0%
	Total Professional Services	189,500	174,457	92%	210,100	20,600	10.9%
<u>Other Expenses</u>							
6020	Admin Charges-SB County	10,000	8,350	84%	10,000	0	0.0%
6030	Debt Services Administration Fees	3,200	1,500	47%	1,800	(1,400)	-43.8%
6031	LAFCO Pro-Rata Costs	4,500	4,058	90%	5,100	600	13.3%
6032	Regional Grant/Planning Costs	1,500	0	0%	1,500	0	0.0%
6033	Recycled Water System Development	0		N/A	50,000	50,000	N/A
	Total Other Expenses	19,200	13,908	72%	68,400	49,200	256.3%
GRAND TOTALS		3,583,000	2,828,931	79%	3,606,100	23,100	0.6%

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5010	Description:
ACCOUNT TITLE:	Regular Salaries	Funds the regular salary and wages for three various departments, including; Administration, Plant/Collection, and Safety & Training.
ACCOUNT NUMBER:	5030	Description:
ACCOUNT TITLE:	Overtime	Funds for scheduled and unscheduled overtime expense for the department.
ACCOUNT NUMBER:	5040	Description:
ACCOUNT TITLE:	Special Duty Pay	Funds for two employees' standby pay. This is based on 1.5 hours of pay per day using the average hourly pay rate for the group of participants with compensation determined on June 15th of each year for the following year.
ACCOUNT NUMBER:	5050	Description:
ACCOUNT TITLE:	Directors Fees	Funds for five elected officials to attend board and committee meetings.
ACCOUNT NUMBER:	5111	Description:
ACCOUNT TITLE:	PERS (Public Employees' Retirement System)	Funds PERS contributions for all eligible employees.
ACCOUNT NUMBER:	5112	Description:
ACCOUNT TITLE:	Social Security & Medicare (FICA)	Funds for employer portion of Social Security and Medicare expense.
ACCOUNT NUMBER:	5120	Description:
ACCOUNT TITLE:	Medical Insurance	Provides funding for medical insurance premiums for employees and their dependents.
ACCOUNT NUMBER:	5121	Description:
ACCOUNT TITLE:	Employee Wellness	Provides funding for employee wellness program.
ACCOUNT NUMBER:	5122	Description:
ACCOUNT TITLE:	Unemployment Insurance	Funds unemployment insurance premiums. Unemployment insurance is based on the first \$7,000 of each employee's wages.
ACCOUNT NUMBER:	5123	Description:
ACCOUNT TITLE:	Certification Incentive Program	Funds incentive program for employees who gain technical certification within the area of their responsibility above and beyond their job requirement.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5124	Description:
ACCOUNT TITLE:	Long Term Disability	Funds long term disability insurance for eligible employees.
ACCOUNT NUMBER:	5126	Description:
ACCOUNT TITLE:	Employee Life Insurance	Funds for employees' life insurance. The District provides \$40,000 term life insurance for all full-time employees.
ACCOUNT NUMBER:	5127	Description:
ACCOUNT TITLE:	Dental/Vision Plan	Funds for Direct Dental/Vision care self funded plan. The District self funds the program at \$2,500/benefit year for the employee and dependents.
ACCOUNT NUMBER:	5128	Description:
ACCOUNT TITLE:	Workers' Compensation	Funds for pooled CSRMA workers' compensation insurance premiums.
ACCOUNT NUMBER:	5132	Description:
ACCOUNT TITLE:	Employee Physicals & First Aid	Funds for employees physicals. Physicals are required for Class B drivers license. Includes DATCO drug/alcohol testing, pre-employment screening, first aid supplies and use.
ACCOUNT NUMBER:	5210	Description:
ACCOUNT TITLE:	Departmental Expense	Funds for the purchase of routine various expenses such as coffee, drinking water, subscriptions, mailing, and other misc. items.
ACCOUNT NUMBER:	5215	Description:
ACCOUNT TITLE:	Office Supplies	Funds for office supplies and minor office equipment.
ACCOUNT NUMBER:	5222	Description:
ACCOUNT TITLE:	Directors Conference Exp.	Funds for elected officials' conferences, trainings, lodging, travel expenses, and Board workshop.
ACCOUNT NUMBER:	5226	Description:
ACCOUNT TITLE:	Directors Election Expense	Funds for all required activities related to the Board of Directors election expenses.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5228	Description:
ACCOUNT TITLE:	Directors Dental & Vision Plan	Funds for the elected officials' dental/vision self funded plan up to \$2,500 for each elected officials and their eligible dependent family similar to the employees.
ACCOUNT NUMBER:	5231	Description:
ACCOUNT TITLE:	District Liability Insurance	Funds the premiums for CSRMA pooled insurance programs which include liability, property, dishonesty bond, auto physical damage, and mobile equipment.
ACCOUNT NUMBER:	5241	Description:
ACCOUNT TITLE:	Uniform Expenses	Funds to provide uniform service for employees.
ACCOUNT NUMBER:	5242	Description:
ACCOUNT TITLE:	Professional Licenses and Certifications	Funds for State/CWEA licenses, exams and TCP certification and class B license renewals and professional membership dues.
ACCOUNT NUMBER:	5244	Description:
ACCOUNT TITLE:	Conferences & Training	Funds to provide training expenses, conferences, CWEA, and TCP, safety, maintenance and supervisory training.
ACCOUNT NUMBER:	5246	Description:
ACCOUNT TITLE:	Employee Education Reimbursement	Funds for education reimbursement for job-related courses completed successfully that have advance approval from the General Manager.
ACCOUNT NUMBER:	5260	Description:
ACCOUNT TITLE:	Vehicle Fuel Expenses	Funds for fuel for the District vehicles and equipment.
ACCOUNT NUMBER:	5265	Description:
ACCOUNT TITLE:	Employee Mileage Reimbursement	Funds for mileage reimbursement for employees who travel with their own vehicle on District business. The reimbursement rate is at the IRS mileage rate.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5270	Description:
ACCOUNT TITLE:	Equipment Rental and Leases	Funds for the cost of renting pumps, equipment and other needed equipment not currently owned by the District.
ACCOUNT NUMBER:	5280	Description:
ACCOUNT TITLE:	Temporary Office Relocation	Funds for temporary Administration office including rental costs, moving expense and storage fees while the new office is being constructed.
ACCOUNT NUMBER:	5290	Description:
ACCOUNT TITLE:	Licenses & Permits	Funds for the various licenses and permits required of the District by various State, County and local agencies.
ACCOUNT NUMBER:	5310	Description:
ACCOUNT TITLE:	Laboratory Expense	Funds for minor lab equipment purchases and reagent chemicals necessary to perform the inhouse lab analysis required to monitor the plant's effluent discharge and to perform process control monitoring.
ACCOUNT NUMBER:	5320	Description:
ACCOUNT TITLE:	Laboratory-Outside Services	Funds for expenses related to the testing efforts performed by outside lab. These include ocean, beach, sludge and raw wastewater samples.
ACCOUNT NUMBER:	5330	Description:
ACCOUNT TITLE:	Prop 65 Clean Up Expense	Funds for the cleanup of minor sewage spills that are below the District's insurance deductible.
ACCOUNT NUMBER:	5410	Description:
ACCOUNT TITLE:	Natural Gas	Funds for natural gas usage.
ACCOUNT NUMBER:	5420	Description:
ACCOUNT TITLE:	Electricity	Funds for projected electricity usage at the Plant, seven lift stations, and the Administration office.
ACCOUNT NUMBER:	5430	Description:
ACCOUNT TITLE:	Telephone	Funds for long distance, local, cellular and lift station telemetry service.
ACCOUNT NUMBER:	5440	Description:
ACCOUNT TITLE:	Water	Funds for water usage at the treatment plant, lift stations, temp meter, and Administration building.
ACCOUNT NUMBER:	5450	Description:
ACCOUNT TITLE:	Trash Services	Funds for the disposal of trash, grit and screening from the Plant.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5470	Description:
ACCOUNT TITLE:	Biosolids Disposal	Funds for biosolids transportation and composting fees.
ACCOUNT NUMBER:	5480	Description:
ACCOUNT TITLE:	Underground Service Alert	Fund for the USA dig alert.
ACCOUNT NUMBER:	5490	Description:
ACCOUNT TITLE:	Building Alarm System	Funds for the Administration building security alarm system.
ACCOUNT NUMBER:	5510	Description:
ACCOUNT TITLE:	General Supplies	Funds for general supplies related to the Plant & Collection Department.
ACCOUNT NUMBER:	5521	Description:
ACCOUNT TITLE:	Odor Control Chemicals	Replacement and disposal of odor control media for the facility's air scrubbers.
ACCOUNT NUMBER:	5522	Description:
ACCOUNT TITLE:	Disinfection Chemicals, Chlorine/Bisulfite	Funds for sodium hypochlorite used for disinfection of the final effluent and sodium bisulfite used to dechlorinate prior to final discharge.
ACCOUNT NUMBER:	5524	Description:
ACCOUNT TITLE:	Polymer	Funds for a liquid polymer used to dewater the biosolids prior to being sent to the commercial composting facility.
ACCOUNT NUMBER:	5525	Description:
ACCOUNT TITLE:	Tools	Funds for the purchase and replacement of miscellaneous hand tools.
ACCOUNT NUMBER:	5526	Description:
ACCOUNT TITLE:	Fuel, Diesel & Lubricants	Funds for fuel and oil expenses associated with stationary equipment and portable generators, pumps, etc.
ACCOUNT NUMBER:	5527	Description:
ACCOUNT TITLE:	Safety Equipment	Funds for the purchase of personal protection and safety equipment.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5610	Description:
ACCOUNT TITLE:	Equipment Maintenance	Funds for scheduled maintenance and calibration of District's equipment testing using outside professional services.
ACCOUNT NUMBER:	5620	Description:
ACCOUNT TITLE:	Building Maintenance	Funds for the general repair and upkeep of the buildings.
ACCOUNT NUMBER:	5630	Description:
ACCOUNT TITLE:	Grounds Maintenance	Funds for the maintenance of fences, irrigation, paved roads, gutters, landscaping and other general grounds work.
ACCOUNT NUMBER:	5640	Description:
ACCOUNT TITLE:	Vehicle Maintenance	Funds for the in-house supplies and outside services needed to maintain the District vehicles. Includes lubricants, filters, batteries, tune-up parts, smog certifications, etc.
ACCOUNT NUMBER:	5650	Description:
ACCOUNT TITLE:	Treatment Plant Equipment Maintenance	Funds for scheduled/unscheduled repair of both the mechanical and electrical components of stationary equipment.
ACCOUNT NUMBER:	5680	Description:
ACCOUNT TITLE:	Lift Station Maintenance	Funds for the scheduled/unscheduled maintenance of the mechanical and electrical portions of the District's seven lift stations.
ACCOUNT NUMBER:	5690	Description:
ACCOUNT TITLE:	Collection System Maintenance	Funds for sewer system supplies required for ongoing maintenance efforts. Items include manhole rings, manhole covers, manhole grade rings, and lateral repairs, main line repair, root chemicals, and contracted MH raising.
ACCOUNT NUMBER:	5821	Description:
ACCOUNT TITLE:	Audit Fee	Funds for yearly audit services required for public entity.
ACCOUNT NUMBER:	5831	Description:
ACCOUNT TITLE:	Legal Counsel	Funds for legal services provided by the District legal counsel.

**Carpinteria Sanitary District
Accounts Details**

ACCOUNT NUMBER:	5843	Description:
ACCOUNT TITLE:	Computer Related Expenses	Expenses for computer related services, software, hardware, remote and on-site support, maintenance agreements, upgrades.
ACCOUNT NUMBER:	5844	Description:
ACCOUNT TITLE:	SCADA Related Expenses	Expenses related to maintenance of SCADA computer system. SCADA system provides continuous monitoring of plant equipment and remote pump stations. It also maintains historical data and has an integrated alarm and notification system.
ACCOUNT NUMBER:	5847	Description:
ACCOUNT TITLE:	Public Relations	Funds for expenses related to the District's public relations efforts such as newspaper print media, webpage update and support.
ACCOUNT NUMBER:	5849	Description:
ACCOUNT TITLE:	Other Professional Services	Funds for other professional services such as engineering, GIS support, and other services needed which are not included in other line items.
ACCOUNT NUMBER:	5851	Description:
ACCOUNT TITLE:	Payroll Services	Funds for payroll services through Paychex, Inc.
ACCOUNT NUMBER:	5855	Description:
ACCOUNT TITLE:	Monitoring Source Control Program	Funds for outside laboratory service required for monitoring the District's industrial/commercial discharges as per the issued discharge permits.
ACCOUNT NUMBER:	6020	Description:
ACCOUNT TITLE:	Santa Barbara County Admin Fees	SB County fees for collection of property taxes. Fees are based on amount collected.
ACCOUNT NUMBER:	6030	Description:
ACCOUNT TITLE:	Debt Services Admin Fees	Funds for trustee administration fees charged for the 2003 Revenue Refunding Bonds.
ACCOUNT NUMBER:	6031	Description:
ACCOUNT TITLE:	LAFCO Pro-Rata Cost	Funds for the Santa Barbara County pro-rata LAFCO Budget.
ACCOUNT NUMBER:	6032	Description:
ACCOUNT TITLE:	Regional Grant/Planning Costs	Funds for regional planning and grant pursuits including recycled water facilities planning.
ACCOUNT NUMBER:	6033	Description:
ACCOUNT TITLE:	Recycled Water System Development	Funds for recycled water planning and development.

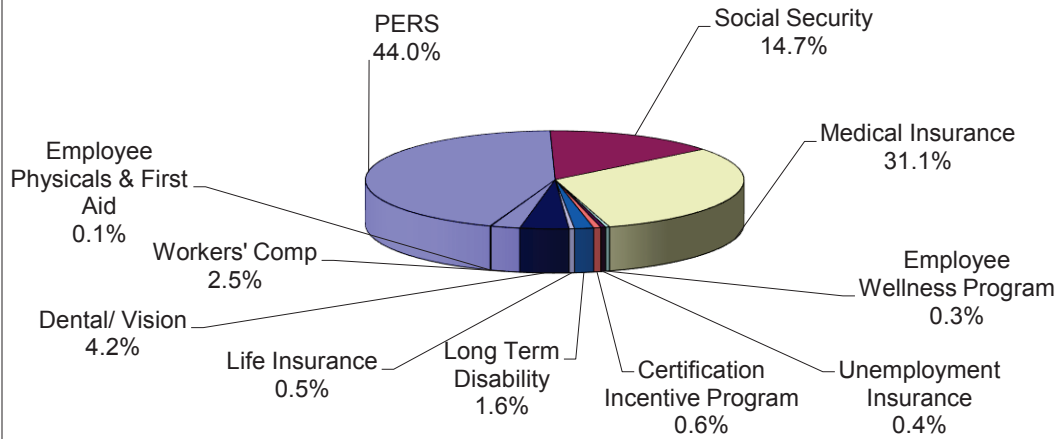
Carpinteria Sanitary District
Salary Matrix - Monthly
Fiscal Year 2017/18

Positions	A	B	C	D	E
General Manager					\$14,378
Finance Director	\$8,541	\$8,970	\$9,420	\$9,889	\$10,386
Engineering Technician	\$5,368	\$5,635	\$5,918	\$6,214	\$6,525
Office Manager	\$6,084	\$6,388	\$6,709	\$7,042	\$7,396
Operations Manager *	\$9,080	\$9,533	\$10,009	\$10,510	\$11,035
Treatment Supervisor *	\$7,054	\$7,406	\$7,777	\$8,166	\$8,573
Operator in Training *	\$4,106	\$4,312	\$4,529	\$4,753	\$4,992
Operator 1 *	\$4,638	\$4,869	\$5,114	\$5,369	\$5,636
Operator 2 *	\$5,074	\$5,329	\$5,595	\$5,874	\$6,169
Operator 3 *	\$5,606	\$5,886	\$6,180	\$6,489	\$6,814
Lab Tech 2 *	\$5,798	\$6,086	\$6,391	\$6,711	\$7,046
Collection System Supervisor *	\$7,206	\$7,567	\$7,945	\$8,341	\$8,757
Collection System Lead Operator *	\$5,798	\$6,086	\$6,391	\$6,711	\$7,046
Collection System Operator 1 *	\$4,106	\$4,312	\$4,529	\$4,754	\$4,992
Collection System Operator 2 *	\$4,598	\$4,828	\$5,069	\$5,323	\$5,589
Safety Training Officer	Part Time				\$4,800

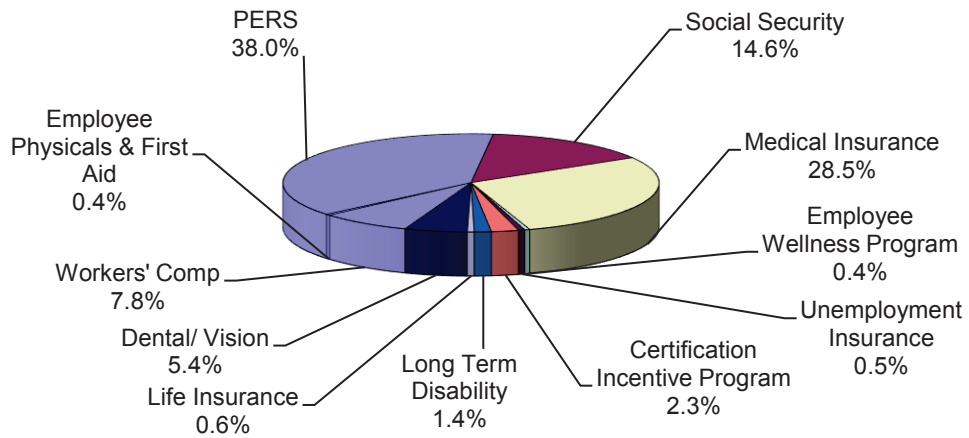
The above matrix includes a 1.5% annual escalation factor (Los Angeles, Orange, Riverside) starting the first pay period after 6/30/2017

* CalPERS uniform allowance. Not to exceed \$416 annually.

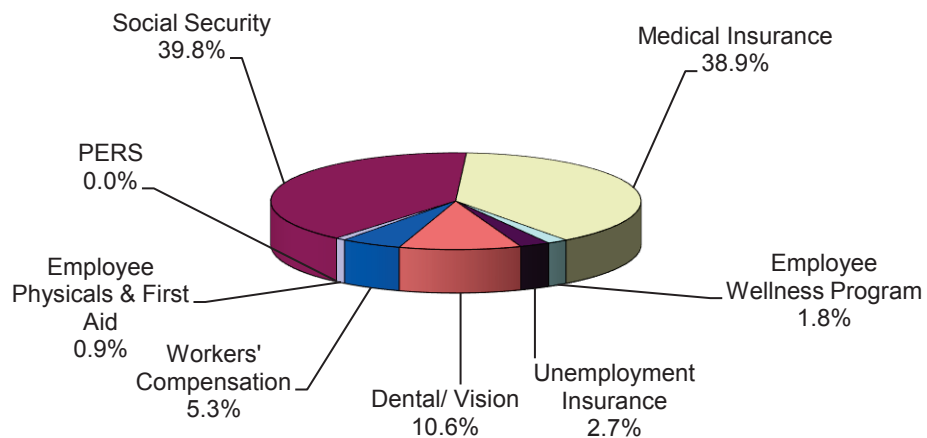
**Administration Department Employee Benefits
Total = \$240,800**



**Plant/Collection Department Employee Benefits
Total = \$511,900**



**Safety Officer Employee Benefits
Total = \$11,300**



Carpinteria Sanitary District
Standby Pay Detail for Fiscal Year 2017/18

1.5 hrs / Day @ Average Salary for Standby Personnel

	1	2	3	4	5	6
Eligible On-Call Employees	Sweningson	Balch	Taylor	Oliver	Saenz	Gallup
<u>Average Hrly Rate</u>	\$ 37.03					
<u>Daily Rate</u>	\$ 55.54					

Standby Pay is based on a 1.5 hours of pay per day using the average hourly pay rate for the group of participating employees, with compensation determined each year on June 15th for the following fiscal year.

	<u>Week Starting</u>	<u>Week Ending</u>	<u>Hours</u>	<u>No. of Staff on Call</u>	<u>On Call Compensations</u>
1	7/1/2017	7/14/2017	21	2	\$ 1,555.26
2	7/15/2017	7/28/2017	21	2	1,555.26
3	7/29/2017	8/11/2017	21	2	1,555.26
4	8/12/2017	8/25/2017	21	2	1,555.26
5	8/26/2017	9/8/2017	21	2	1,555.26
6	9/9/2017	9/22/2017	21	2	1,555.26
7	9/23/2017	10/6/2017	21	2	1,555.26
8	10/7/2017	10/20/2017	21	2	1,555.26
9	10/21/2017	11/3/2017	21	2	1,555.26
10	11/4/2017	11/17/2017	21	2	1,555.26
11	11/18/2017	12/1/2017	21	2	1,555.26
12	12/2/2017	12/15/2017	21	2	1,555.26
13	12/16/2017	12/29/2017	21	2	1,555.26
14	12/30/2017	1/12/2018	21	2	1,555.26
15	1/13/2018	1/26/2018	21	2	1,555.26
16	1/27/2018	2/9/2018	21	2	1,555.26
17	2/10/2018	2/23/2018	21	2	1,555.26
18	2/24/2018	3/9/2018	21	2	1,555.26
19	3/10/2018	3/23/2018	21	2	1,555.26
20	3/24/2018	4/6/2018	21	2	1,555.26
21	4/7/2018	4/20/2018	21	2	1,555.26
22	4/21/2018	5/4/2018	21	2	1,555.26
23	5/5/2018	5/18/2018	21	2	1,555.26
24	5/19/2018	6/1/2018	21	2	1,555.26
25	6/2/2018	6/15/2018	21	2	1,555.26
26	6/16/2018	6/29/2018	21	2	1,555.26
27	6/30/2018	7/3/2018	5	1	444.36
			552		\$ 40,881.12

Total Cost based on 1.5 hrs / Day @ Average Wages of Participants as of 6/15/2017

4.0 ADMINISTRATION DEPARTMENT EXPENSES

The Administration department consists of the General Manager, the Finance Director, the Office Manager, 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 operating budget for FY 2017/18 is projected to be \$1,144,400, which represents an increase of 12.1%, or \$123,700, over the prior fiscal year. A description of changes to each account category is provided below. Expenses attributable to the District's Board of Directors are also included in the Administration Department budget. These expenses include Directors fees, limited benefits and training/conference expenses.

Administration Budget Account Highlights

Total 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 four employees as well as the five elected officials. The total projected expense is estimated to be \$740,600 or 64.7% of the administration budget. Budget increases in this category are due to a minor cost of living adjustment and related payroll taxes, CalPERS retirement program cost increases, minor health insurance premium increases and a new professional certification incentive program intended to promote employee development above and beyond what is minimally required. Workers' compensation insurance premiums are projected to increase by \$4,000 over the prior year. This increase is attributed to a favorable performance based premium adjustment received in FY 2016/17 reducing costs for that year. Unemployment insurance costs are projected to decrease slightly due to lower rates.

General Expenses

The projected budget for general administrative expenses is \$169,300, or 14.8% of the total administration budget. This represents an increase of \$17,000 or 11.2% over the previous fiscal year. The major increase in this category of expenses is due to the cost of temporary office relocation associated with a major capital project involving construction of a new administration building. Anticipated expenditures include office rental costs, storage fees, and moving expenses expected to be about \$25,000 and to be incurred in Spring 2018. A new account (5280-0) was added to track these costs. The projected costs of liability insurance and membership fees have increased moderately. Some savings are anticipated in the coming year, as there will not be any election expenses in 2017.

Utilities

Utility costs include natural gas, electricity, water, telephone, and the security system for the administration building. The budgeted amount for the 2017/18 fiscal year is \$15,000, or 1.3% of the overall administration budget. This is an increase of 4.9%, or \$700 over the prior year results from the acquisition of a new cellular enabled tablet device for the District's Engineering Technician to optimize efficiency in field activities.

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 \$12,500, or 1.1% of the administration budget. This is about 14.7% or \$1,600 more than previous year budget.

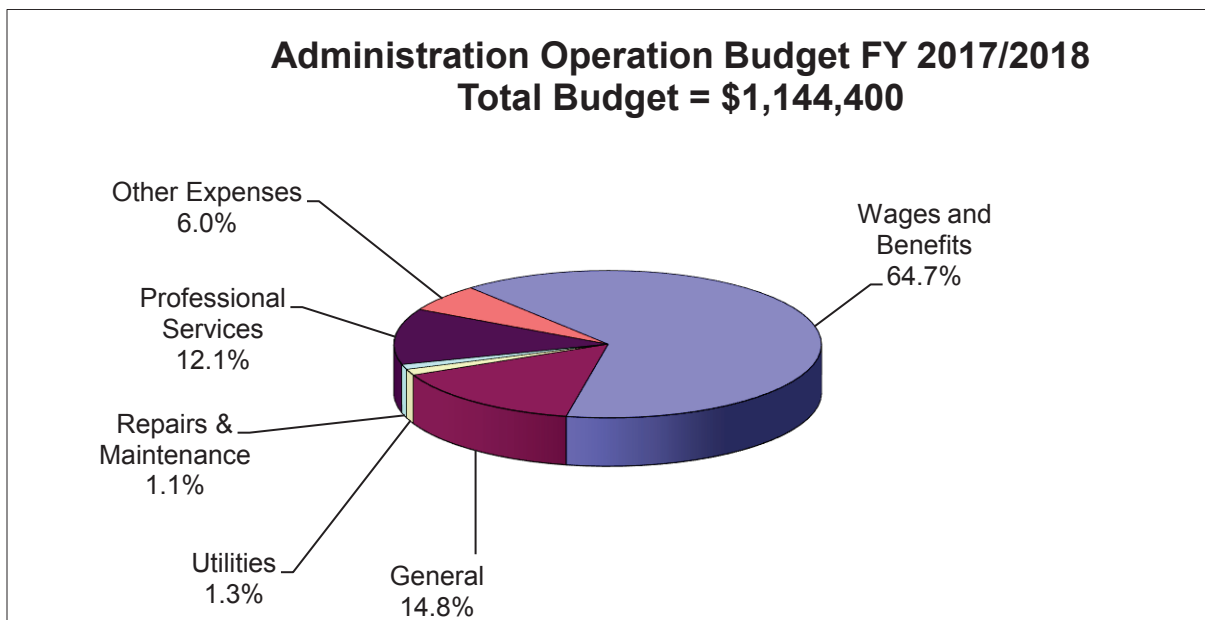
Professional Services

The projected budget for professional services is \$138,600 or 12.1% of the overall administration budget. This represents an increase of \$17,100 or 14.1% over the previous fiscal year budget. This increase is partly associated with additional legal services anticipated in the coming year as the District moves forward on a joint recycled water project with the Carpinteria Valley Water District. We also plan to migrate the District's financial accounting software and database to the main server and will engage an expert consultant to assist with this process.

Other Expenses

The budget for other expenses is \$68,400, or 6% of the administration budget. The annual debt administration fee is projected to decrease slightly, offset by a nominal increase in the District's pro-rata contribution to LAFCO. Based on Direction from the District Board of Directors, a new account was added in this category (6033-0) to provide limited funding for a regional recycled water project that the District is pursuing jointly with the local water district. Although we expect the District's contribution to the larger capital program to be minimal, based on the fact that it is primarily a water supply project, a total of \$50,000 was allocated in the FY 2017/18 budget to cover anticipated development costs that we reasonably expect to incur.

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



Carpinteria Sanitary District
Adminstration Department Budget
 Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decrease)	% Change
<u>Personnel Expenses</u>							
5010-0	Regular Salaries	462,000	408,605	88%	479,300	17,300	3.7%
5030-0	Overtime	500	0	0%	500	0	0.0%
5050-0	Directors Fees	20,000	13,400	67%	20,000	0	0.0%
	Total Wages	482,500	422,005	87%	499,800	17,300	3.6%
<u>Employee Benefits</u>							
5111-0	PERS	96,300	89,363	93%	106,000	9,700	10.1%
5112-0	Social Security	34,000	28,648	84%	35,500	1,500	4.4%
5120-0	Medical Insurance	70,000	63,728	91%	74,800	4,800	6.9%
5121-0	Employee Wellness Program	800	600	75%	800	0	0.0%
5122-0	Unemployment Insurance	1,800	987	55%	1,000	(800)	-44.4%
5123-0	Certification Incentive Program	0	0	NA	1,500	1,500	NA
5124-0	Long Term Disability	3,800	3,490	92%	3,900	100	2.6%
5126-0	Life Insurance	1,100	1,018	93%	1,100	0	0.0%
5127-0	Dental/ Vision Self Funding Plan	10,000	8,871	89%	10,000	0	0.0%
5128-0	Workers' Compensation	2,000	958	48%	6,000	4,000	200.0%
5132-0	Employee Physicals & First Aid	200	0	0%	200	0	0.0%
	Total Employee Benefits	220,000	197,663	90%	240,800	20,800	9.5%
TOTAL PERSONNEL		702,500	619,668	88%	740,600	38,100	5.4%
<u>General Expenses</u>							
5210-0	Departmental Expense	10,000	9,441	94%	10,000	0	0.0%
5215-0	Office Supplies	4,500	2,195	49%	3,000	(1,500)	-33.3%
5222-0	Directors Conf, Training & Misc.	20,000	14,966	75%	20,000	0	0.0%
5226-0	Directors Election Expense	10,000	350	4%	0	(10,000)	100.0%
5228-0	Directors Dental / Vision	12,500	9,227	74%	12,500	0	0.0%
5231-0	District Liability Insurance	65,000	59,555	92%	67,000	2,000	3.1%
5242-0	Memberships and Dues	19,500	19,112	98%	21,000	1,500	7.7%
5244-0	Conference & Training	9,000	3,299	37%	9,000	0	0.0%
5246-0	Employee Education Reimb.	1,000	0	0%	1,000	0	0.0%
5265-0	Employee Mileage Reimb.	200	0	0%	200	0	0.0%
5270-0	Equipment Rental and Leases	600	430	72%	600	0	0.0%
5280-0	Temporary Office Relocation	0	0	NA	25,000	25,000	NA
	Total General	152,300	118,576	78%	169,300	17,000	11.2%
<u>Utilities</u>							
5410-0	Natural Gas	1,000	581	58%	1,000	0	0.0%
5420-0	Electricity	4,800	3,236	67%	4,800	0	0.0%
5430-0	Telephone	4,800	3,528	73%	5,500	700	14.6%
5440-0	Water	2,800	1,843	66%	2,800	0	0.0%
5490-0	Security System Service	900	842	94%	900	0	0.0%
	Total Utilities	14,300	10,029	70%	15,000	700	4.9%

Carpinteria Sanitary District
Adminstration Department Budget
 Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decrease)	% Change
<u>Repairs & Maintenance</u>							
5610-0	Equipment (minor) & Maint.	1,500	853	57%	1,700	200	13.3%
5620-0	Building Maintenance	3,400	2,331	69%	4,800	1,400	41.2%
5630-0	Grounds Maintenance	6,000	3,893	65%	6,000	0	0.0%
	Total Repairs & Maint.	10,900	7,076	65%	12,500	1,600	14.7%
<u>Professional Services</u>							
5821-0	Accounting (Annual Audit)	9,500	9,500	100%	9,600	100	1.1%
5831-0	Legal Counsel	25,000	18,781	75%	30,000	5,000	20.0%
5843-0	Computer Related Expenses	13,000	9,211	71%	20,000	7,000	53.8%
5847-0	Public Relations	15,000	9,649	64%	15,000	0	0.0%
5849-0	Professional Services	54,000	61,929	115%	59,000	5,000	9.3%
5851-0	Payroll Service-Paychex	5,000	4,274	85%	5,000	0	0.0%
	Total Professional Services	121,500	113,345	93%	138,600	17,100	14.1%
<u>Other Expenses</u>							
6020-0	Admin Charges-SB County	10,000	8,350	84%	10,000	0	0.0%
6030-0	Debt Services Administration Fees	3,200	1,500	47%	1,800	(1,400)	-43.8%
6031-0	LAFCO Pro-Rata Costs	4,500	4,058	90%	5,100	600	13.3%
6032-0	Regional Grant/Planning Costs	1,500	0	0%	1,500	0	0.0%
6033-0	Recycled Water System Development	0	0	N/A	50,000	50,000	N/A
	Total Other Expenses	19,200	13,908	72%	68,400	49,200	256.3%
GRAND TOTALS		1,020,700	882,602	86%	1,144,400	123,700	12.1%

5.0 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 2017/18 budget for this department is \$2,386,800, which represents a reduction of 4.1%, or \$100,800, from the previous fiscal year.

Plant/Collection Budget Account Highlights

Total Personnel Expenses

Personnel costs make up 61.8% of the Plant/Collection Department's operating budget. This budget account funds all of the department wages, benefits, overtime, and standby duty costs. Expenditures in these accounts are projected to decrease by \$70,300, or 4.6%, from the prior fiscal year.

The anticipated decrease in total personal costs is primarily related to recent staffing changes within the department. A temporary position within the plant operations group, authorized in FY 2016/17, was eliminated for the coming year. Additionally, a member of the collection system group retired in June 2017 and his position was backfilled at the introductory level, creating some cost savings. Commencing in FY 2017/18 fiscal year, the District will initiate a technical certification incentive program to promote professional development within the department. Employees who gain technical certification within their area of responsibility and above and beyond their current job requirements will receive a one-time monetary incentive under this program. Workers' compensation insurance premiums are projected to increase by \$12,000 over the prior year. This increase is attributed to a favorable performance based premium adjustment received in FY 2016/17 reducing costs for that year.

Staff Position Updates. In order to provide promotional opportunities within the organization, specifically within the Plant/Collection Department, certain changes to the District organizational chart are proposed concurrent with this annual budget process. The Organization Chart, included at the end of Section 1.0, was amended for several authorized positions. The Wastewater Operator 2/3 position will allow internal flexibility to promote from the grade 2 level to the grade 3 level if an individual obtains the required certification(s), has met other criteria and objectives, and is recommended for advancement by supervisory staff. Similarly, the Collection System Operator 1/2 position will allow internal flexibility for promotion (in FY 2016/17 one CS Operator 1 and one CS Operator 2 position were authorized). The District's salary matrix for FY 2017/18, included in Section 2.0, reflects the changes and job descriptions for the positions were updated as necessary.

General Expenses

The total budget for this category is \$75,100, or 3.1% of the Plant/Collection Department budget. This reflects an increase of \$3,000 over the previous fiscal year attributed to a legislative change in on-road diesel fuel taxes approved by the State of California and an anticipated increase in the cost of licenses and professional certifications.

Environmental Monitoring

The projected budget for environmental monitoring is \$55,500, or 2.3% of the department budget. Overall, a net increase of \$1,000 from the prior fiscal year is projected for this budget category. A slight increase in monitoring equipment expenses is expected in the coming year. This will be partially offset by savings in outside laboratory analytical costs associated with a reduction in biosolids monitoring frequency.

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 2017/18 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 7.3% of the departmental budget. A savings of \$50,000, or 22.4%, over the previous year budget is projected. This significant savings, entirely within the electricity cost subcategory, will result from the recent completion of the Aeration Blower Replacement Project. This project involved installation of new high-speed turbo blowers that deliver air to the biologic treatment process using less than half the energy of the pre-existing equipment.

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, unchanged from the prior year, and approximately 4.2% of the overall operating budget. Although we expect to implement a program change that will reduce the base unit price for off-site composting, the budget was not decreased in anticipation of higher fuel costs going forward.

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 and disinfection chemicals. The proposed budget for this account is \$222,200, or 9.3% of the total departmental budget. No change from the prior year is proposed. New two-year bulk chemical purchase contracts for sodium bisulfite and sodium hypochlorite were recently approved by the District Board of Directors and become effective July 1, 2017. Only minor unit price changes resulted that did not affect the overall chemical budget for the coming year.

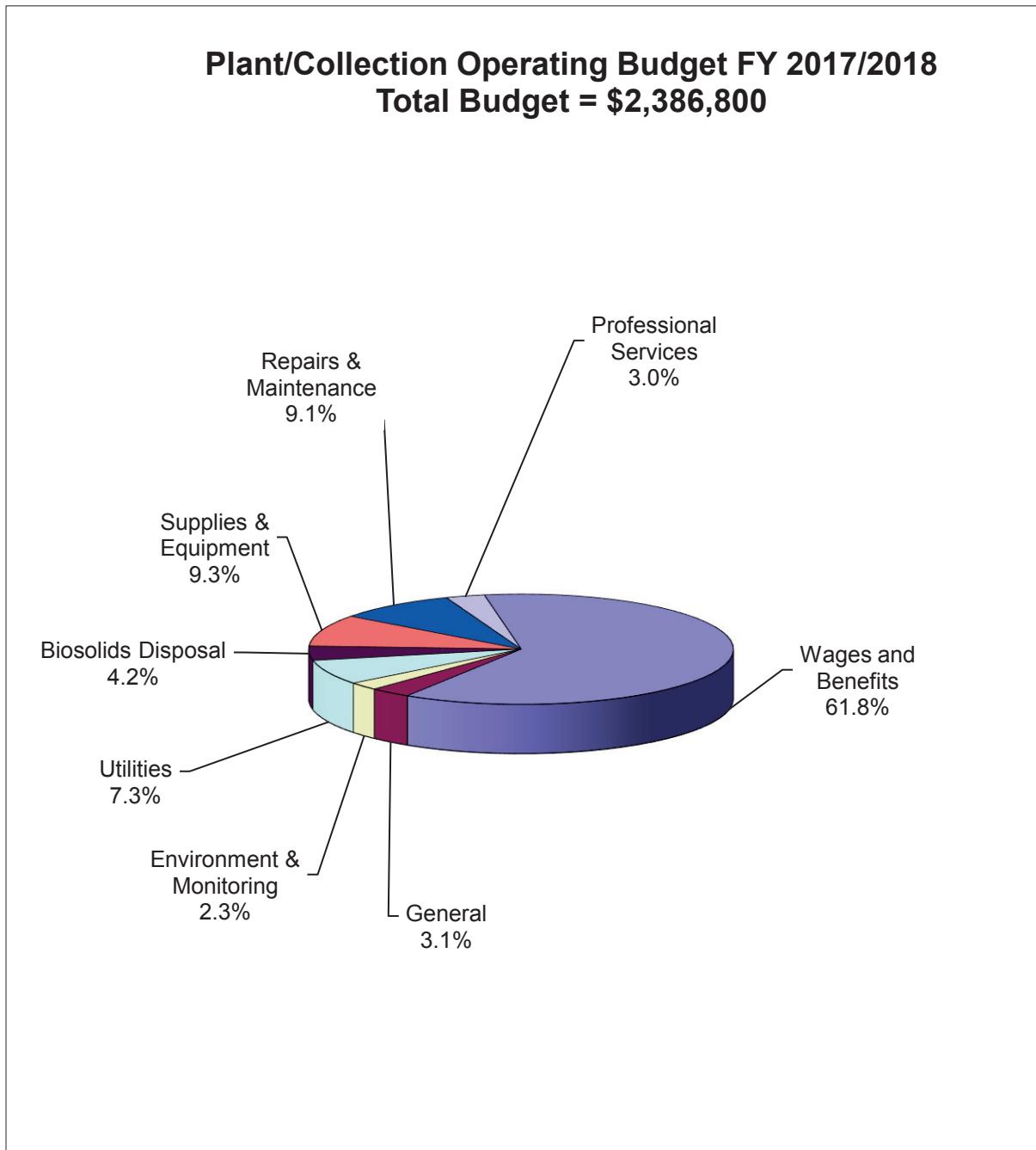
Repairs and Maintenance

The total projected budget for repairs and maintenance is \$216,500, or 9.1% of the department budget. This is a net increase of \$12,000, or 5.9% over the prior fiscal year. Video inspection of our ocean outfall is required annually by our NPDES permit and \$7,000 was added to the FY 2017/18 budget for performance of this task by an outside contractor. A modest increase in the treatment plant maintenance subcategory is also projected as we are seeing an increase in the frequency of unanticipated equipment repairs as the treatment facility equipment ages.

Professional Services

The budget for this account is \$70,500, or 3% of the Plant/Collection Department budget. This is an increase of \$3,500 over the prior year budget. Computer related expenses will increase in the coming year due to higher costs for annual software licensing and support fees. Other expenses within this budget category are expected to remain unchanged.

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



Carpinteria Sanitary District
Plant/Collection Department Budget

Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decreases.)	% Change
<u>Personnel Expenses</u>							
5010-1	Regular Salaries	962,000	758,474	79%	909,100	(52,900)	-5.5%
5030-1	Overtime	12,000	7,879	66%	12,000	0	0.0%
5040-1	Special Duty Pay	38,300	33,431	87%	40,900	2,600	6.8%
	Total Wages	1,012,300	799,783	79%	962,000	(50,300)	-5.0%
<u>Employee Benefits</u>							
5111-1	PERS	201,300	163,009	81%	194,500	(6,800)	-3.4%
5112-1	Social Security	77,200	60,698	79%	74,700	(2,500)	-3.2%
5120-1	Medical Insurance	175,000	128,062	73%	145,800	(29,200)	-16.7%
5121-1	Employee Wellness Program	2,400	925	39%	2,200	(200)	-8.3%
5122-1	Unemployment Insurance	5,000	1,088	22%	2,800	(2,200)	-44.0%
5123-1	Certification Incentive Program	0	0	NA	12,000	12,000	NA
5124-1	Long Term Disability	7,800	6,559	84%	7,400	(400)	-5.1%
5126-1	Life Insurance	3,200	2,947	92%	3,000	(200)	-6.3%
5127-1	Dental/ Vision Self Funding Plan	30,000	12,584	42%	27,500	(2,500)	-8.3%
5128-1	Workers' Compensation	28,000	18,792	67%	40,000	12,000	42.9%
5132-1	Employee Physicals & First Aid	2,000	1,938	97%	2,000	0	0.0%
	Total Employee Benefits	531,900	396,601	75%	511,900	(20,000)	-3.8%
	TOTAL PERSONNEL	1,544,200	1,196,384	77%	1,473,900	(70,300)	-4.6%
<u>General Expenses</u>							
5210-1	Departmental Expense	3,000	2,790	93%	3,000	0	0.0%
5215-1	Office Supplies	2,000	1,828	91%	2,000	0	0.0%
5241-1	Uniform Expenses	8,000	7,353	92%	8,000	0	0.0%
5242-1	Memberships and Dues	6,000	5,224	87%	8,000	2,000	33.3%
5244-1	Conferences & Training	12,000	9,160	76%	12,000	0	0.0%
5246-1	Employee Education Reimb.	500	0	0%	500	0	0.0%
5260-1	Vehicle Fuel Expenses	14,000	10,035	72%	15,000	1,000	7.1%
5265-1	Employee Mileage Reimb.	400	393	98%	400	0	0.0%
5270-1	Equipment Rental and Leases	1,200	927	77%	1,200	0	0.0%
5290-1	Licenses and Permits	25,000	17,845	71%	25,000	0	0.0%
	Total General	72,100	55,556	77%	75,100	3,000	4.2%
<u>Environment & Monitoring</u>							
5310-1	Monitoring-Equipment Expense	28,000	18,537	66%	30,000	2,000	7.1%
5320-1	Monitoring-Lab Work	16,500	12,155	74%	15,500	(1,000)	-6.1%
5330-1	Prop. 65 Clean Up Expense	10,000	0	0%	10,000	0	0.0%
	Total Environment & Monit.	54,500	30,692	56%	55,500	1,000	1.8%
<u>Utilities</u>							
5410-1	Natural Gas	800	613	77%	800	0	0.0%
5420-1	Electricity	200,000	131,506	66%	150,000	(50,000)	-25.0%
5430-1	Telephone	6,000	4,322	72%	6,000	0	0.0%
5440-1	Water	9,500	6,596	69%	9,500	0	0.0%
5450-1	Rubbish	6,000	4,434	74%	6,000	0	0.0%
5480-1	Underground Service Alert	800	662	83%	800	0	0.0%
	Total Utilities	223,100	148,132	66%	173,100	(50,000)	-22.4%

Carpinteria Sanitary District
Plant/Collection Department Budget

Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	%	2017/18 Budget	\$ Increase (Decreases.)	%
				Expended			Change
<u>Sludge Disposal</u>							
5470-1	Biosolids Disposal	100,000	77,468	77%	100,000	0	0.0%
	Total Sludge Disposal	100,000	77,468	77%	100,000	0	0.0%
<u>Supplies & Equipment</u>							
5510-1	General Supplies	15,000	10,748	72%	15,000	0	0.0%
5521-1	Odor Control Chemicals	45,000	10,596	24%	45,000	0	0.0%
5522-1	Disinfection Chemicals	124,000	106,772	86%	124,000	0	0.0%
5524-1	Polymers	20,000	12,874	64%	20,000	0	0.0%
5525-1	Tools/Small Parts	5,000	4,647	93%	4,000	(1,000)	-20.0%
5526-1	Fuel, Diesel, Lubricants	7,500	2,993	40%	7,500	0	0.0%
5527-1	Safety Equipment	5,700	2,475	43%	6,700	1,000	17.5%
	Total Supplies & Equipment	222,200	151,105	68%	222,200	0	0.0%
<u>Repairs & Maintenance</u>							
5610-1	Equipment Maintenance	10,000	12,761	128%	17,000	7,000	70.0%
5620-1	Building Maintenance	10,000	4,807	48%	10,000	0	0.0%
5630-1	Grounds Maintenance	2,500	817	33%	2,500	0	0.0%
5640-1	Vehicle Maintenance	15,000	8,248	55%	15,000	0	0.0%
5650-1	Treatment Plant Maint.	60,000	58,812	98%	65,000	5,000	8.3%
5680-1	Lift Station Maintenance	25,000	13,011	52%	25,000	0	0.0%
5690-1	Collection System Maintenance	82,000	57,666	70%	82,000	0	0.0%
	Total Repairs & Maint.	204,500	156,121	76%	216,500	12,000	5.9%
<u>Professional Services</u>							
5843-1	Computer Related Expenses	16,500	15,824	96%	20,000	3,500	21.2%
5844-1	SCADA Related Expenses	50,000	45,272	91%	50,000	0	0.0%
5855-1	IDP/ Monitoring Source Control	500	0	0%	500	0	0.0%
	Total Professional Services	67,000	61,096	91%	70,500	3,500	5.2%
GRAND TOTALS		2,487,600	1,876,554	75%	2,386,800	(100,800)	-4.1%

6.0 SAFETY AND TRAINING DEPARTMENT EXPENSES

In 2007 the District entered into a cooperative agreement with four other local wastewater agencies for the purpose of hiring a joint Safety and Training Officer. The group pursued this goal and hired an individual to provide safety program development and safety training for all of the agencies. The objective is to have a dedicated and qualified safety professional serving the group at a reasonable cost and the program has proven to be a success so far.

The Safety and Training Officer is an employee of the Carpinteria Sanitary District, but costs are distributed to two other participating agencies based on a joint participation agreement. The Safety and Training Officer is currently filled as a part-time position, based on the needs of the cooperative. Each agency has reached a level of OSHA compliance and safety preparedness such that demands are met adequately with approximately one day per week of service per agency.

Approximately 63.1% of the estimated program costs for 2017/18 fiscal year will be paid up-front by the two other participating agencies and reported as "Other Districts' Contribution" in the revenue section of the District's budget.

The Safety and Training Department will consist of one part-time employee and the total budget is projected to be \$74,900 for this fiscal year. This is an increase of \$200 or 0.3% from the previous fiscal year.

Safety Officer Budget Account Highlights

Total Personnel Expenses

Personnel costs are expected to be \$68,900 for the year, or 92% of the Safety Officer Department's total budget. This is an increase of 0.6% or \$400 from previous year. The increase is due to higher workers compensation insurance premiums and extension of the employee wellness program to the Safety and Training Officer.

General Expenses

The total budget in this category is \$2,700, or 3.6% of the departmental budget. There is no change from the previous fiscal year in this category.

Utilities

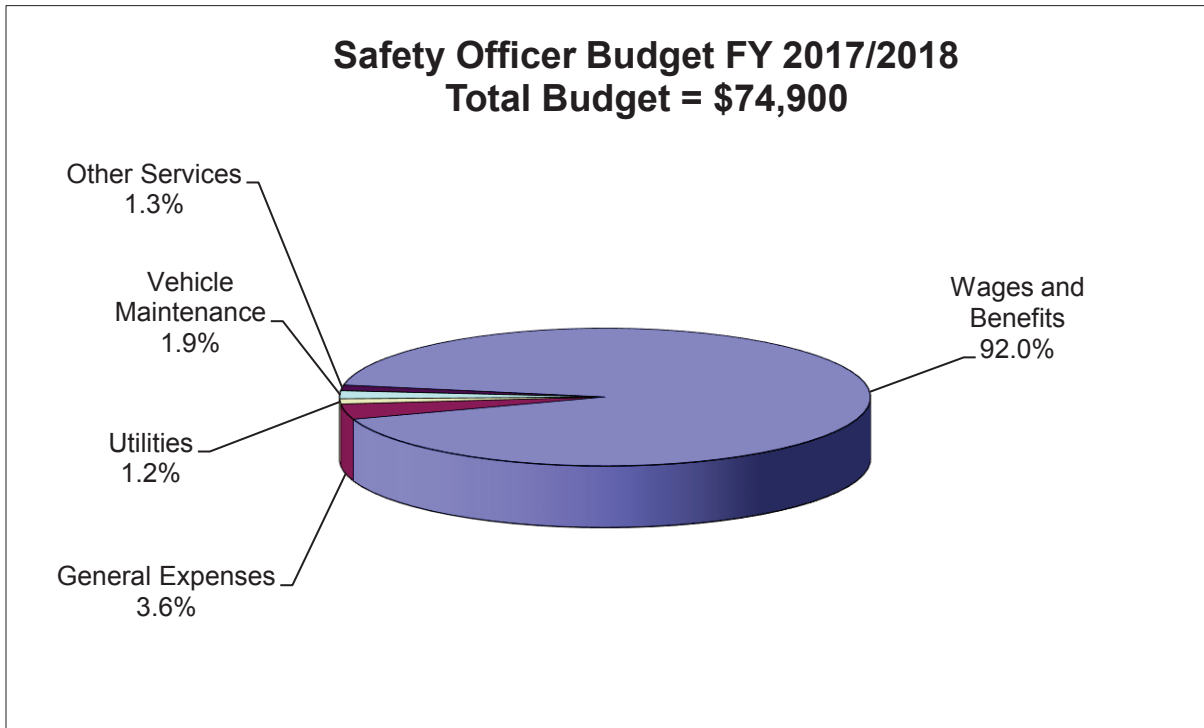
Utility costs for this department include only costs associated with provision of a mobile phone. There is no change from the prior year.

Repairs & Maintenance

Equipment maintenance (5610-3) is a new account added into this budget category to cover the \$400 cost to calibrate the noise dosimeter on an annual basis. Also, the District has dedicated a 2007 Ford Focus sedan to the Safety and Training officer to be used for traveling to other sanitary districts that share the cost of this program. Vehicle maintenance costs are expected to be \$600 less than in the prior year, as new tires for the vehicle were purchased in FY 2016/17.

Professional/Other Services

The projected cost of departmental computer related expenses is \$1,000, unchanged from the prior year.



Carpinteria Sanitary District
Safety & Training Department Budget

Fiscal Year 2017/2018

Account Number	Description	2016/17 Budget	2016/17 11 Months Actual	% Expended	2017/18 Budget	\$ Increase (Decrs.)	% Change
<u>Personnel Expenses</u>							
5010-3	Regular Salaries	57,600	56,783	99%	57,600	0	0.0%
	Total Wages	57,600	56,783	99%	57,600	0	0.0%
<u>Employee Benefits</u>							
5112-3	Social Security	4,500	4,344	97%	4,500	0	0.0%
5120-3	Medical Insurance	4,400	3,705	84%	4,400	0	0.0%
5121-3	Employee Wellness Program	0	158	158%	200	200	N/A
5122-3	Unemployment Insurance	300	93	31%	300	0	0.0%
5127-3	Dental/ Vision Self Funding Plan	1,200	677	56%	1,200	0	0.0%
5128-3	Workers' Compensation	400	122	31%	600	200	50.0%
5132-3	Employee Physicals & First Aid	100	0	0%	100	0	0.0%
	Total Employee Benefits	10,900	9,099	83%	11,300	400	3.5%
	TOTAL PERSONNEL	68,500	65,882	96%	68,900	400	0.6%
<u>General Expenses</u>							
5210-3	Departmental Expense	100	74	74%	100	0	0.0%
5215-3	Office Supplies	100	31	31%	100	0	0.0%
5231-3	District Liability Insurance(Auto)	1,500	1,500	100%	1,500	0	0.0%
5260-3	Vehicle Fuel Expenses	1,000	412	41%	1,000	0	0.0%
	Total General	2,700	2,017	74.7%	2,700	0	0.0%
<u>Utilities</u>							
5430-3	Telephone	900	770	86%	900	0	0.0%
	Total Utilities	900	770	86%	900	0	0.0%
<u>Repairs & Maintenance</u>							
5610-3	Equipment Maintenance	0	240	240%	400	400	N/A
5640-3	Vehicle & Equip. Maintenance	1,600	848	53%	1,000	(600)	-37.5%
	Total Utilities	1,600	1,088	68.0%	1,400	(200)	-37.5%
<u>Professional Services</u>							
5843-3	Computer Related Expenses	1,000	17	2%	1,000	0	0.0%
	Total Professional Expenses	1,000	17	2%	1,000	0	0.0%
	GRAND TOTALS	74,700	69,775	93%	74,900	200	0.3%

7.0 CAPITAL IMPROVEMENT PROJECTS

A significant portion of the District's projected overall budget for the 2017/18 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. 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 2017/18 fiscal year (Capitalized Expenditures) is a component of the Non-Operating Expense section as illustrated in the Budget Snapshot in Section 1.0. 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 2017/18 fiscal year is **\$4,185,000**. 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. Seven of these projects are expected to continue into the 2017/18 fiscal year. Significant ongoing CIP projects include:

- Plum Street Sewer Replacement Project (P-132)
- Administration Building Replacement Design (P-158)
- Lower Lateral Rehabilitation Project (P-167)
- Lab and Break Room Improvements
- Garage Building
- Disinfection Monitoring Unit Enclosures
- Laboratory Office HVAC Unit Replacement

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 Administration Building Replacement Project is expected to move from the design/permitting phase into the construction phase in 2017/18. Design and related costs have been previously authorized and this work is ongoing. To cover the cost of construction, estimated at \$1,800,000, a budget augmentation to Project P-158 is proposed for FY 2017/18. As previously indicated, the District expects to pursue long term financing to cover this major capital upgrade.

Funding Source	Description	Total Project Budget	FY 2017/18 Allocation
CIP	Plum Street Sewer Replacement Project (P-132)	\$1,000,000	\$0
CIP	Administration Building Replacement (P-158)	\$2,000,000	\$1,800,000
CIP	Lower lateral Rehab Project (P-167)	\$200,000	\$0
CIP	Lab and Breakroom Improvements	\$150,000	\$0
CIP	Garage Building	\$250,000	\$0
CIP	Disinfection Monitoring Unit Enclosures	\$30,000	\$0
CIP	Lab/Office HVAC Unit Replacement	\$30,000	\$0
CARRYOVER CIP PROJECT ALLOCATION		\$3,660,000	\$1,800,000

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.

Funding Source	Description	Total Project Budget	FY 2017/18 Allocation
CIP	Emergency Generator Replacements	\$100,000	\$100,000
DIF	Sewer System Hydraulic Model Update	\$35,000	\$35,000
CIP	Vehicle Replacement - 2017 Pickup Truck	\$30,000	\$30,000
CIP	Plant Water System Tank and Pump Replacement	\$50,000	\$50,000
CIP	Screenings Washer Compactor	\$90,000	\$90,000
CIP	Primary Clarifier Valve Replacement	\$25,000	\$25,000
CIP	Influent Flow Meter Replacement	\$20,000	\$20,000
CIP	Lift Station No. 1 Comminutor Pit Modifications	\$45,000	\$45,000
CIP	Primary Clarifier Cover Replacement	\$100,000	\$100,000
CIP	Roll-Off Truck Acquisition	\$30,000	\$30,000
NEW CIP PROJECTS TOTAL		\$525,000	\$525,000

CIP Program Funding

Current Year CIP Funding Allocation

Allocation of capital improvement funds for FY 2017/18 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 presented in Section 1.0.

A reconciliation of the restricted CIP fund will be completed concurrent with the FY 2017/18 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 was completed in July 2015, covering the period from 2015 to 2025. 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. For example, in the prior year, the long range CIP was modified somewhat to reflect shifting priorities for certain projects.

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

Capital Improvement Project (CIP)

Fiscal Year 2017/2018

CIP No.	Funding Source	Description	Project Starting Date	2016/17 Budget	Project Expenses To Date 5/31/17	2017/18 Budget
<u>Previously Authorized CIP Budget</u>						
P-132	CIP	Plum Street Sewer Replacement Project	7/1/2010	\$ 1,000,000	\$ 193,003	
P-158	CIP	Admin Building Replacement Project	12/1/2014	\$ 200,000	\$ 84,080	\$ 1,800,000
P-167	CIP	Lower Lateral Rehab Project	10/1/2016	\$ 200,000	\$ 309	
	CIP	Lab and Breakroom Improvements		\$ 150,000	0	
	CIP	Garage Building		\$ 250,000	0	
	CIP	Disinfection Monitoring Unit Enclosures		\$ 30,000	0	
	CIP	Lab/Office HVAC Unit Replacement		\$ 30,000	0	
<u>New CIP Projects</u>						
	CIP	Emergency Generator Replacements				\$ 100,000
	CIP	Sewer System Hydraulic Model Update				\$ 35,000
	CIP	Vehicle Replacement - 2017 Pickup Truck				\$ 30,000
	CIP	Plant Water System Tank and Pump Replacement				\$ 50,000
	CIP	Screenings Washer Compactor				\$ 90,000
	CIP	Primary Clarifier Valve Replacement				\$ 25,000
	CIP	Influent Flow Meter Replacement				\$ 20,000
	CIP	Lift Station No. 1 Comminutor Pit Modifications				\$ 45,000
	CIP	Primary Clarifier Cover Replacement				\$ 100,000
	CIP	Roll-Off Truck Acquisition				\$ 30,000
Total CIP Budget				\$ 1,860,000	\$ 277,392	\$ 2,325,000



PROJECT TITLE: Emergency Generator Replacements

DESCRIPTION: Procurement of a stationary emergency generator for Lift Station No. 1 to replace a 125KW trailer mounted generator; procurement of a 25KW trailer mounted emergency to replace an a 125KW trailer mounted generator; and relocation of an existing generator from Lift Station No. 4 to Lift Station No. 2.

BUDGET COST: \$100,000

FUND SOURCE: CIP

JUSTIFICATION: The District currently owns two trailer mounted emergency generators with Tier 1 diesel engines. This equipment is to provide emergency power to Lift Station No. 1 and Lift Station No. 2 during scheduled or unscheduled outages. These generators have remaining useful life but California Air Resources Board (CARB) regulations require this equipment to be retired and/or replaced in the current year to meet State emissions requirements. These rules apply to fleet equipment, such as this, regardless of the number of run hours per year. The larger stationary for Lift Station No. 1 will be permitted as stationary source by the Santa Barbara Air Pollution Control District. The 25KW trailer mounted generator, based on its horsepower rating, does not require state or local permitting.



CARPINTERIA SANITARY DISTRICT
FY 2017/18 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY



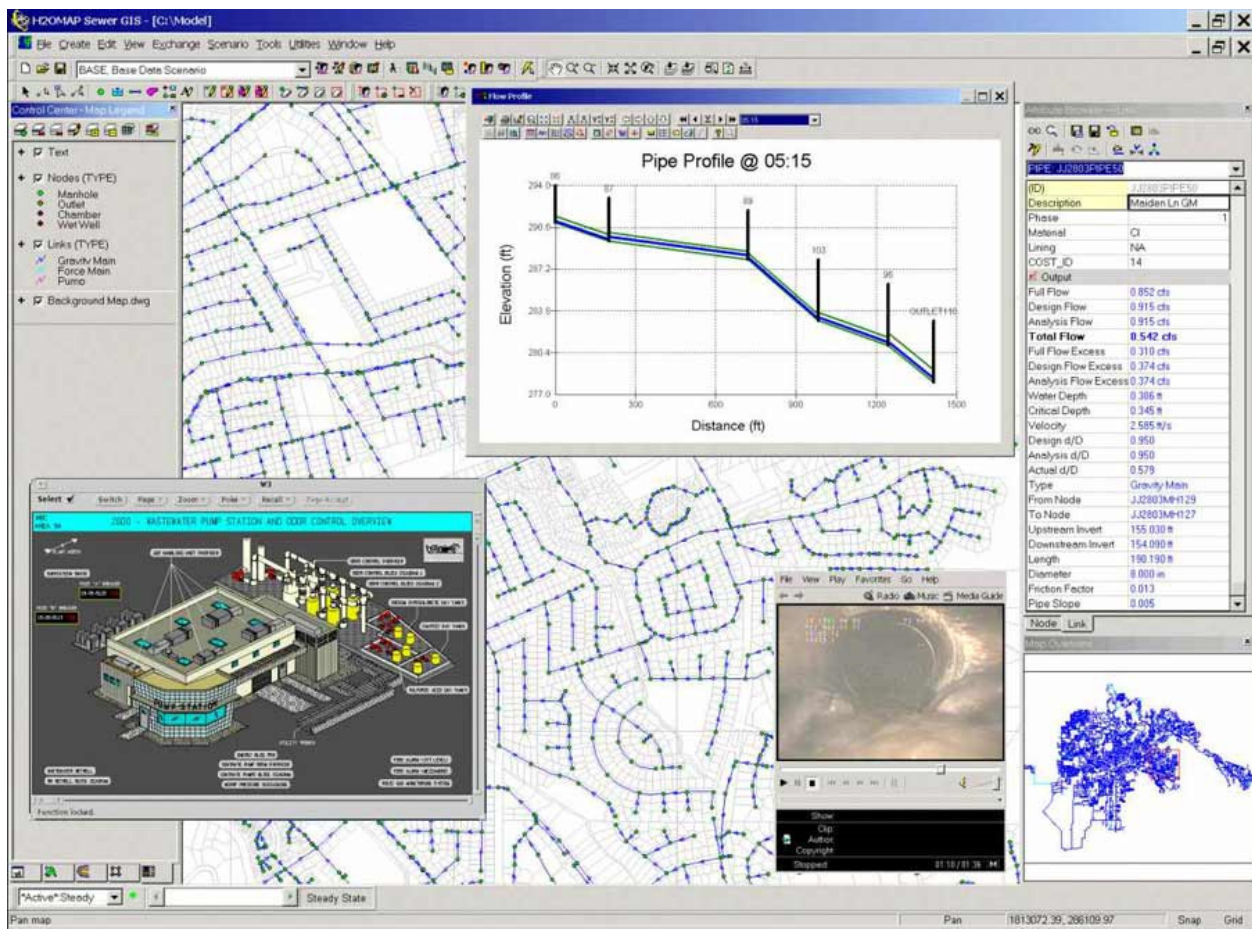
PROJECT TITLE: Sewer System Hydraulic Model Update

DESCRIPTION: This project involves procurement of software and consultant services necessary to update the District's hydraulic sewer system model.

BUDGET COST: \$35,000

FUND SOURCE: CIP

JUSTIFICATION: The District developed a computerized hydraulic model of the sewer collection system in 2004 as an element of the Sewer System Master Plan process. The model was built using a standalone software package called HYDRA. Currently available modeling software is designed to be integrated with GIS and CMMS applications, allowing for simple and immediate analyses, assessments and updates. Updating the hydraulic model periodically supports the District's overall Sewer System Management Plan and allows for improved assessment of hydraulic limitations within the system for long range capital planning purposes.





PROJECT TITLE: Vehicle Replacement – 2017 Extended Cab Pickup Truck

DESCRIPTION: This project involves replacement of a 2004 model year Dodge ¾ ton pickup truck. The vehicle would be replaced with a new model year vehicle procured through the State of California CMAS Contract and will be equipped to serve as a direct replacement for the existing extended cab truck. The existing vehicle will be sold at public auction

BUDGET COST: \$30,000

FUND SOURCE: CIP

JUSTIFICATION: The District's 2004 Dodge Ram long bed pickup truck has been in service for 13 years and has in excess of 150,000 miles. This equipment is used primarily for medium duty service during workdays and for towing trailer mounted pumps and generators as necessary. The existing truck has some identified mechanical problems and the proposed, scheduled replacement is intended to ensure reliability and availability of this vehicle at all times.





PROJECT TITLE: Plant Water System Tank and Pump Replacement

DESCRIPTION: This project involves replacement of the hydropneumatic tank and vertical turbine pumps that are the core of the plant water system at the treatment facility.

BUDGET COST: \$50,000

FUND SOURCE: CIP

JUSTIFICATION: The District uses recycled water (secondary effluent) for a variety of critical functions at the treatment facility. Both solids dewatering units depend on this “plant water” to function. We also use this water source throughout the plant for washdown and cleaning activities. The turbine pumps and hydropneumatic tank, installed in the early 1990s, have effectively reached the end of their service life and require replacement. The pressurized hydropneumatic tank is periodically inspected by an outside inspector and scheduled replacement was recommended during the last cycle. The controls for this system were replaced several years ago and remain in serviceable condition.





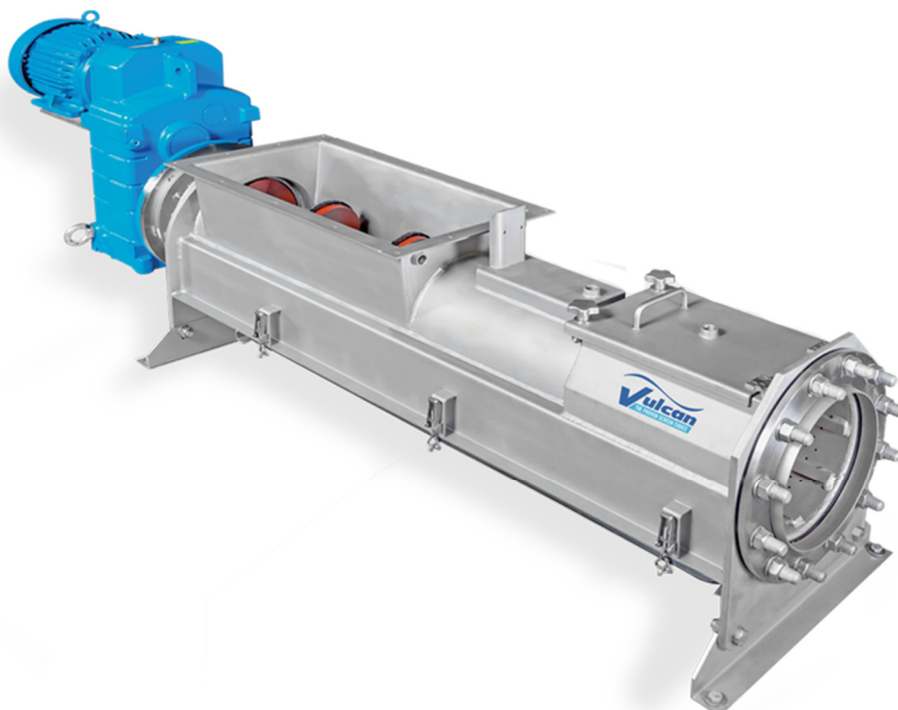
PROJECT TITLE: Screenings Washer Compactor

DESCRIPTION: This project involves procurement and installation of an automated screenings washer/compactor in the headworks at the treatment facility.

BUDGET COST: \$90,000

FUND SOURCE: CIP

JUSTIFICATION: Currently, screenings from the climbing barscreen in the influent channel in the headworks are dumped onto a belt conveyor before dropping into an open dumpster at ground level. No screenings processing was part of the plant upgrade design in the early 1990s. Current headworks design practice is to include a screenings washing and compacting process. This returns organic materials to the liquid stream for treatment, reduces odors and vector attraction in the screenings, and reduces the weight and volume of the screenings that are ultimately hauled off for landfilling. A mechanical washer/compactor would be installed and configured to discharge compacted screenings to the same dumpster currently utilized. The design approach will provide for future maintenance and operations flexibility. Some cost savings for off-site disposal will be realized, but the project is primarily intended to achieve odor reduction and more sanitary conditions for workers within the headworks structure.





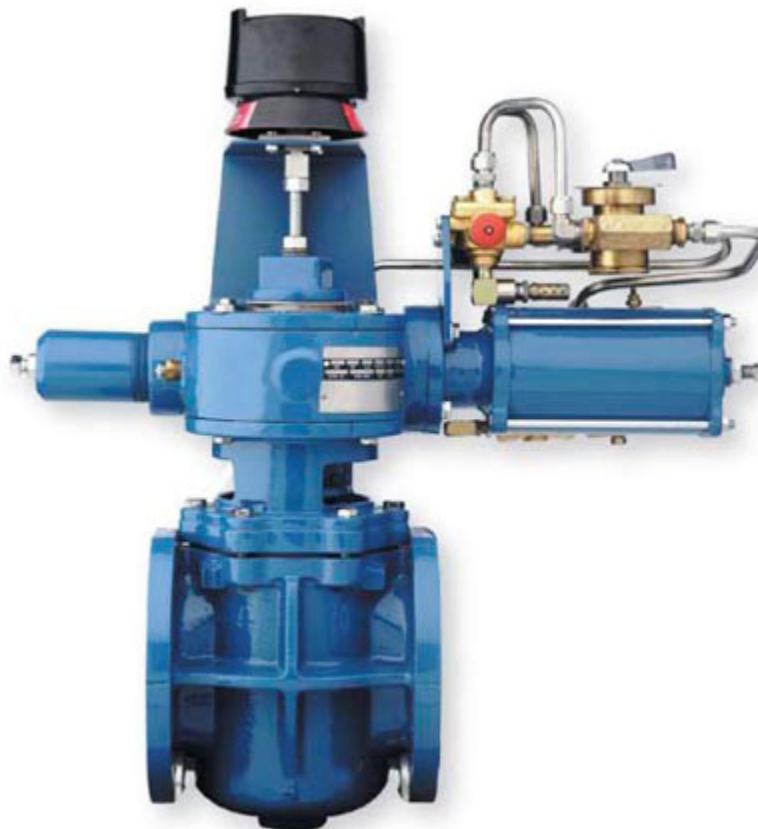
PROJECT TITLE: Primary Clarifier Valve Replacement

DESCRIPTION: This project involves replacement of the automated valves on the primary sludge piping from the existing primary clarifier.

BUDGET COST: \$25,000

FUND SOURCE: CIP

JUSTIFICATION: The existing motorized control valves on the primary clarifier sludge piping system were installed with the plant upgrade in the early 1990s. These valves, required to precisely control the flow of primary sludge from the clarifier tank to the aerobic digester, have exceeded their useful service life. Scheduled replacement of the valves is necessary to ensure continuous system operation.





PROJECT TITLE: Influent Flow Meter Replacement

DESCRIPTION: This project involves replacement of the magnetic flow meter used to accurately measure flow coming into the wastewater treatment facility.

BUDGET COST: \$20,000

FUND SOURCE: CIP

JUSTIFICATION: The existing 16-inch diameter magnetic flow meter located in the influent pump room was installed with the plant upgrade in the early 1990s. This magnetic flow meter, required to continuously and accurately measure the amount of wastewater flow being pumped up to the plant headworks, has exceeded its useful service life. The electrical components within the meter are obsolete and our ability to properly calibrate the device is limited. Scheduled replacement of the influent flow meter with a new 16-inch magnetic meter is necessary at this time.





PROJECT TITLE: Lift Station No. 1 Comminutor Pit Modifications

DESCRIPTION: This project involves modifications to the comminutor pit at Lift Station No. 1 to address safety/security concerns and to address corrosion and related structural deficiencies. Equipment within the existing pit, upstream of the wetwell, will be permanently removed. The open hatch and access ladder/platforms will be removed and replaced with an aluminum hatch. The existing shade structure and concrete crib wall will be removed or restored to enhance this lift station element.

BUDGET COST: \$45,000

FUND SOURCE: CIP

JUSTIFICATION: Lift Station No. 1 has an exterior, upstream structure that was previously used as a comminutor pit and was outfitted with an electric channel grinder. This equipment is now obsolete and has not been in use since the pumps at the lift station were upgraded over ten years ago. The concrete pit, or vault, has openings with ladders and access platforms that are no longer required and have deteriorated. An existing shade structure has also deteriorated and corrosion has contributed to spalled concrete and other issues. Restoration and modification of this structure will enhance site safety, limit odors and generally improve the site. Aluminum access hatches will replace existing openings and eliminate the potential for unauthorized entry. Concrete rehabilitation will extend the life of this structure.





PROJECT TITLE: Primary Clarifier Cover Replacement

DESCRIPTION: Procurement and installation of new aluminum cover system for primary clarifier tank for odor control and containment.

BUDGET COST: \$100,000

FUND SOURCE: CIP

JUSTIFICATION: This project was programmed for implementation in FY 2018/19 but has been necessarily moved forward to this fiscal year. The rectangular primary clarifier tank was originally equipped with an FRP cover system when the tank was constructed in the mid 1990's. The existing covers have seriously deteriorated and have exceeded their useful service life. When recently removed for work within the tank, many of the lifting points failed and panels were damaged beyond repair. Replacement with an aluminum cover system will provide an extended service life and provide required odor control and containment. Immediate replacement is further justified as the tank is not equipped with safety railing.





PROJECT TITLE: Roll-Off Truck Acquisition

DESCRIPTION: Procurement of a used heavy duty roll-off truck for use within the wastewater treatment facility to exchange and move roll-off bins used for solids dewatering operation.

BUDGET COST: \$30,000

FUND SOURCE: CIP

JUSTIFICATION: The District currently contracts with Engel & Grey, Inc. for biosolids hauling and off-site composting. The contracted services include rotating the 10 cubic yard roll-off containers at the mid-point of a dewatering cycle. This service, provided by a subcontractor to Engel & Grey, has not met our scheduling requirements on many occasions and is a limiting factor in our dewatering operations. Procurement of a roll-off truck will allow District staff to rotate the bins on an as-needed basis and would eliminate the need for the subcontracted service. This would greatly enhance operational flexibility. Engel & Grey would continue to haul full containers off-site for composting. A savings of \$5.00 per ton would be realized, offsetting the cost of the used truck. The limited non-road use of this vehicle would not result in permitting requirements or compliance issues with either the Santa Barbara APCD or the California Air Resources Board.





PROJECT TITLE: Administration Building Replacement Project

DESCRIPTION: This project involves replacement of the District's existing modular administration building with a permanent structure. The building replacement project will also include site improvements and landscaping as necessary.

BUDGET COST: \$1,800,000

FUND SOURCE: CIP

JUSTIFICATION: The District's existing administration building is comprised of several contiguous modular buildings (commercial office trailers) put in place in 1991. The building was originally permitted as a temporary structure by the City of Carpinteria and to conform with City zoning requirements must be replaced with a permanent structure by 2019. Design of the new building was previously authorized and is underway. This capital improvement is intended to authorize and provide funding for the construction phase. The budget for Project P-158 will be augmented to maintain accurate project accounting.



Massing Study