CARPINTERIA
Sanitary District

5300 Sixth Street
Carpinteria, CA 93013

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



June 17, 2025

Mr. Gerald Velasco
President
Board of Directors
Carpinteria Sanitary District

**Re: Letter of Transmittal - FY 2025/26 Annual Budget**

Submitted for your review is the proposed FY 2025/26 Annual Budget for the Carpinteria Sanitary District. This financial guideline projects the administrative, operating, maintenance, and capital improvement funding requirements for the upcoming fiscal year. Based upon projected revenues and beginning fund balances, adequate resources are available to fund the proposed appropriations and maintain fund balances at or near policy levels. Inflationary effects have been taken into consideration, as have projected staffing and resource levels necessary to carry out the District's budgetary goals and objectives.

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

For FY 2025/26, the sewer service charge for a single family residential unit will increase from $800.70 to $824.73 per year. Non-residential rates will increase proportionally.

Overall, in FY 2025/26 we expect aggregate revenues to increase 3.0% and operating expenses to increase by 4.1% as compared to the prior fiscal year. The result being a projected debt ratio of 1.63, well above the minimum ratio of 1.25 required by a covenant of the District's outstanding debt. Revenues in excess of projected operating expenses will continue to fund a strategic capital improvement program and serve to maintain prudent fiscal reserves.

## REVENUE PROJECTION

Total revenues for FY 2025/26 are projected to be $8,000,000, or $232,920 more than the prior fiscal year projection. A summary of each revenue category is provided below:

**Sewer Service Charges (SSC)**. SSC revenue is expected to be $6,680,000 in the coming fiscal year. This is an increase of 3.0% or $192,920 from previous fiscal year totals and is a net result of the aforementioned 3% rate increase. Residential SSC revenue will make up 79.4% of the total, with the non-residential sector contributing 20.6%.

**Property Taxes**. The District receives 1% of the property tax increment collected by the Santa Barbara County Assessor for those parcels within the District's service area (with limited exceptions). Total assessed property values have continued to increase moderately in the past year and consequently the revenue from this source is projected to be $850,000 which is $55,000 or 6.9% higher than what was projected for the previous fiscal year.

**Development Impact Fees (DIF).** Development Impact Fee (DIF) revenue is variable and cannot be projected accurately on a year-to-year basis. Furthermore, because DIF revenue is restricted and may be used only for qualifying capital improvements, it is typically assumed to be zero for budgetary purposes. Based on the comprehensive rates and fees study, District Ordinance No. 18 was adopted to set the base DIF amount for the 2022/23 fiscal year. Commencing July 1st 2025, the DIF for a single dwelling unit will be $6,806. This is an increase of approximately 0.9% or $60 from the previous fiscal year. The non-residential DIF structure is based on equivalent dwelling units and will be increased proportionately.

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

## OPERATING EXPENSES

Overall operating expenses are expected to increase by 4.1% or $222,316 over the prior fiscal year projection. A brief description of individual expense accounts is provided below.

**Personnel Expenses**. The overall salary and benefit costs for FY 2025/26 are projected to be $96,916 or 2.8% higher than the prior fiscal year. This increase results from the net effect of a cost of living increase, merit increases and related benefit increases.

The Salary Matrix included in the budget document reflects a 3.1% increase from the prior fiscal year. The District Board of Directors typically follows adopted policy guidance that modifies base wage rates based on the Consumer Price Index (CPI) for Urban Wage Earner and Clerical Workers in the Los Angeles – Long Beach – Anaheim area as provided by the U.S. Bureau of Labor Standards (BLS). The Board retains full discretion in implementation of any cost of living adjustment to staff compensation levels.

The District's CalPERS retirement benefit will continue to be based on the 2% @ 55 Program for Classic Miscellaneous Member groups, with the District paying the employer and employee contribution. Employees hired after January 1, 2013 are enrolled under a different plan established pursuant to the Public Employees' Pension Reform Act (PEPRA). Under this retirement plan, the employee is responsible for his or her annual contribution to the plan. Currently, 65% of District staff members are enrolled under PEPRA.

The District will continue to participate in the California Risk Management Agency (CSRMA) pooled liability and workers compensation insurance programs. The workers compensation insurance premiums for FY 2025/26 are projected to increase modestly. Rates for workers compensation coverage are associated with an experience modification factor which is a direct reflection of claims performance. The CSRMA pool continues to be administered by Alliant Insurance Services.

**General Expenses**. General expenses, incurred in each department, include routine expenses such as training, office supplies, licenses and permits, mileage reimbursement and other recurrent items. The proposed budget for this account is $378,300, which represents an increase of 3.6% or $13,200 over the prior fiscal year.

**Environmental Monitoring**. This portion of the annual budget supports the quality control efforts required to monitor NPDES discharge permit parameters as well as to perform plant process control tests. The proposed budget is $62,500, which represents a 22.5% increase over 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 $341,300 or 6.1% of the total operating budget. This reflects a decrease of $2,500 or 0.7% from the previous fiscal year. The decrease is attributed to an adjustment to be more closely aligned with actual energy costs incurred in the previous fiscal year.

**Biosolids Disposal**. The District contracts with Engel & Gray, Inc. for transporting and composting of biosolids. The current contract cost for hauling and processing is $55.26 per ton plus a fuel surcharge that varies with a national diesel fuel index. The budget of $165,000 represents no change over the previous fiscal year.

**Supplies & Equipment**. This budget category includes costs for chemicals and related supplies used in the wastewater treatment plant and collection system. The budget for this category is $323,000, or about 5.8% of the total operating budget. This is an increase of $20,500 or 6.8% from previous fiscal year.

**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 $434,500, or 7.8% of the total operating budget. This is a net increase of $46,300 or 11.9% from the previous year’s projection.

**Professional Services**. Professional service costs in FY 2025/26 are projected to be $276,000 or 4.9% of the overall budget. This represents an increase of 10.4% or $26,000 over the previous fiscal year budget.

**Other Expenses**. This account supports outside expenses, such as administration fees for property tax collections by the County of Santa Barbara, bond trustee administration fees, the District's pro-rata portion of Santa Barbara LAFCO's annual budget and costs associated with participation in the Integrated Regional Water Management Plan process. The District also continues to allocate funds to provide limited funding for a joint indirect potable reuse water recycling project being pursued with the Carpinteria Valley Water District. The total projected budget for this category of expenses is $81,000 or 1.5% of the operating budget.

## NON-OPERATING EXPENSES

**Capital Improvement Projects**. The proposed budget for new Capital Improvement Program (CIP) projects in FY 2025/26 is $920,000. Five discrete projects or procurements are proposed. In addition, a budget augmentation for the previously authorized Lift Station No. 3 Wetwell Rehabilitation Project is proposed. The current budget for the project of $240,000 would be increased by $100,000 to a total of $340,000.

The proposed new projects, budget amendment, and previously authorized capital projects would result in an authorized aggregate total of $5,140,000 in capital expenditures. Detailed information on new and previously authorized CIP projects is presented in the budget document.

**Debt Service**. During the 2012/13 fiscal year, the District took advantage of a favorable interest rate environment and completed a refunding transaction for the outstanding 2003 Revenue Refinancing Bonds. The District Board concurrently authorized issuance of an additional $4,500,000 in new municipal bonds to partially finance the Aerobic Digester Replacement Project.

Currently, the District's 2012 Wastewater Revenue Bonds have an annual debt service obligation that is approximately $1.2M. In August this year the bond debt from the original issue that funded the major plant upgraded in 1993 will be paid off and our annual debt service for this issue will drop to approximately $260K.

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

The FY 2025/26 budget, as presented, results in a debt service ratio (revenue minus operating expenses divided by debt service obligation) of 1.63, which exceeds the minimum required ratio of 1.25.

## CASH POSITION

It is estimated that FY 2025/26 will start with a beginning combined cash and equivalent balance of about $11.6M and will end with a combined cash balance, after payment of projected operating and non-operating expenses, of about $11.5M. A higher balance may exist at the end of FY 2025/26 depending on the status of authorized capital improvement projects.

## A LOOK INTO THE FUTURE

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

The District continues to work diligently to control costs, and we have developed a lean operating budget for FY 2025/26. 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-382
2. Fiscal Year 2025/26 Budget

# RESOLUTION NO. R-382

## A RESOLUTION OF THE BOARD OF DIRECTORS OF CARPINTERIA SANITARY DISTRICT ADOPTING THE FISCAL YEAR 2025/26 FINAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE CARPINTERIA SANITARY DISTRICT AND SETTING THE ANNUAL APPROPRIATIONS LIMIT

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

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

A. The Board of Directors reviewed the proposed final Operating and Capital Improvement Program ("CIP") Budget ("Budget") for the District for fiscal year 2025/26; and

B. The Operating and CIP Budget are based upon appropriate estimates and financial planning for the District's operations, debt and capital improvements; and

C. The Board of Directors is fully informed regarding the District's current finances, projected revenue, and financial obligations; and

D. It is in the public interest for the Board of Directors to adopt the Budget and CIP as proposed by the General Manager.

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

**SECTION 3:** **APPROPRIATIONS LIMIT**.

A. Article XIIIB of the California Constitution requires the District to set its Appropriations Limit on an annual basis.

B. The District's Appropriations Limit may be adjusted annually based upon inflation and population growth.

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

D. Pursuant to Article XIIIB of the California Constitution, and those Government Code sections adopted pursuant to Article XIIIB, § 8(f), the Board of Directors chooses to adjust the District's Appropriations Limit by calculating inflation using the California per capita personal income growth and calculating population growth by using the percentage change in population in Santa Barbara County.

E. As a result of the adjustments made to the District's Appropriations Limit, the Board of Directors sets the Appropriations Limit for fiscal year 2025/26 at $4,933,189.

**SECTION 4: BUDGET APPROPRIATIONS**. Based upon the Budget, the total General Fund operating budget, including transfers, is $5,583,216. The Overall District Budget is $8,088,365 including debt service and current year CIP projects. The General Manager, or designee, is authorized to implement the appropriations.

**SECTION 5: CIP APPROPRIATIONS**. Based upon the CIP, a total of $1,020,000 is appropriated for capital improvement projects for fiscal year 2025/26. The General Manager, or designee, is authorized to implement the CIP.

**SECTION 6: FUND OPERATING RESERVES**. The General Manager, or designee, may appropriate any remaining revenues at the close of fiscal year 2025/26 into the applicable Fund operating reserve per Governmental Accounting Standards Board (GASB) Statement No. 54.

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

A. By majority vote of the Board of Directors;

B. By the General Manager, or designee, for all appropriation transfers between programs and appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs;

C. Objects code expenditures within appropriation units in a program are not restricted so long as funding is available in the appropriation unit as a whole.

**SECTION 8: CONTRACTING AUTHORITY.**

A. The General Manager, or designee, is authorized to bid and award contracts for the equipment, supplies, and services approved in the Budget.

B. The General Manager or designee, is authorized to execute all contracts awarded for equipment, supplies, and services approved in the Budget.

C. For all other services, equipment, and supplies, the General Manager or designee, is authorized to execute contracts in accordance with the District's Ordinances.

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

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

**PASSED, APPROVED, AND ADOPTED** by the Governing Board of the Carpinteria Sanitary District on June 17, 2025, and carried by the following roll call vote:

**AYES:**

**NAYS:**

**ABSENT:**

**ABSTENTIONS:**

Resolution No. R-382 was thereupon declared, carried, and adopted.

Dated this 17th day of June 2025.

**We certify that the above is a true and correct copy of Resolution No. R-382, adopted by the Board of Directors of the Carpinteria Sanitary District on June 17, 2025.**

**APPROVED:**

____________________________
Gerald Velasco
President, Board of Directors

**ATTEST:**

____________________________
Lin Graf
Secretary, Board of Directors

# Carpinteria Sanitary District

## FISCAL YEAR 2025/26 BUDGET


**BOARD OF DIRECTORS**

Gerald Velasco — President

Deborah Murphy — President Pro-Tem

Michael Damron — Treasurer

Lin Graf — Secretary

Mike Modugno — Secretary Pro-Tem

**DISTRICT STAFF**

Craig Murray, P.E.— General Manager

Kim Garcia — District Administrator

Mark Bennett – Operations Manager


**Carpinteria Sanitary District**
**5300 Sixth Street**
**Carpinteria, CA 93013**
**www.CarpSan.com**

# DISTRICT BOARD OF DIRECTORS AND STAFF

## BOARD OF DIRECTORS

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

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

## COMMITTEES

**Finance Committee**

| | |
|---|---|
| Michael Damron | Chairperson |
| Lin Graf | Member |

**Public Relations Committee**

| | |
|---|---|
| Mike Modugno | Chairperson |
| Debbie Murphy | Member |

**Personnel Committee**

| | |
|---|---|
| Debbie Murphy | Chairperson |
| Michael Damron | Member |

**Joint Utilities Committee**

| | |
|---|---|
| Michael Damron | Chairperson |
| Lin Graf | Member |

**Coastal Districts Financing Authority**

| | |
|---|---|
| Debbie Murphy | Member |
| Gerald Velasco | Member |

**Recycled Water Committee**

| | |
|---|---|
| Gerald Velasco | Chairperson |
| Mike Modugno | Member |

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

## DISTRICT SUPPORT STAFF

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

## LEGAL COUNSEL

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

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# BUDGET MESSAGE

This section provides the reader a comprehensive overview of the District's proposed annual budget for the 2025/26 fiscal year. The budget has been developed to uphold the main tenet of providing the users of the wastewater system the most environmentally sound and cost-effective method of collecting and treating wastewater, regardless of the demands placed upon the system. The budget has been prepared with continued focus on achieving the desired outcomes stated in its mission, goals and objectives as outlined below.

## District Mission

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

## Budget Goals

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

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

## Budget Objectives

The District's budgeting objectives remain focused in three major areas: reliability, effectiveness and capacity. The District continues to pursue these goals in the most efficient manner possible. We are maintaining operational cost control measures in place to keep expenditures as low as practicable. Objectives for the 2025/26 fiscal year are summarized below.

**RELIABILITY**

- Enhance the asset based management program through full utilization of the District's computerized maintenance management system across all disciplines and departments.

- Continue a systematic program for the pro-active replacement of high maintenance and obsolete equipment determined through the District's asset management program.

- Invest in repair and maintenance parts, equipment, and instrumentation that has proven to be difficult to source in a timely manner in order to ensure immediate availability as needed.

- Continue employee training programs for the maintenance and operations staff to ensure cost-effective equipment protection. The utilization of in-house staff enhances staff morale while reducing system downtime.

- Implement the District's Sewer System Management Plan (SSMP) and use data from comprehensive collection system cleaning and CCTV inspection program to optimize maintenance activities and plan rehabilitation and replacement projects.

- Continue to refine the Board adopted multi-year capital improvement plan to ensure system upgrades and expansions are consistent with customer demand and State and Federal regulations.

- Continue developing technologies for real-time system monitoring in both the treatment facility and the collection system that will provide immediate notification to District staff in the event of abnormal conditions.

- Continued focus on establishing process and equipment redundancy for critical components of the facility.

- Proactively address cyber risks through implementation of cybersecurity measures designed to protect the District's computer network and hardware systems.

**EFFECTIVENESS**

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

- Continue the training program for operations personnel to ensure uniform process control and NPDES permit compliance.

- Continue the current biosolids recycling program that provides for reliable beneficial reuse of biosolids within Santa Barbara County in compliance with all applicable State and Federal regulations.

- Explore new biosolids management opportunities that may reduce the overall carbon footprint or achieve a higher level of beneficial resource recovery and reuse.

- Provide the customer with courteous and professional service, with accurate information and facts, and with a public education awareness program on proper sewer usage and hazardous waste disposal alternatives.

- Participate and contribute to professional industry organizations in order to advance the regulatory framework for wastewater management in California and to ensure that District staff has the knowledge and resources to continually improve system operations.

- Continue expansion and refinement of outreach efforts to customers and the general public to communicate the District's mission and how we effectively spend ratepayer dollars to protect water quality, public health and the environment.

- Continue to implement meaningful energy efficiency projects reducing our overall demand on natural resources and pursue energy independence opportunities to the extent practicable.

- Work jointly with the Carpinteria Valley Water District on an indirect potable reuse water recycling program that will provide the community with a reliable, drought-proof source of water for the future.

## CAPACITY

- Continue to refine the treatment process through the investigation of alternative processes, operator training and upgraded state of the art equipment.

- Strengthen the provisions of the sewer use ordinance, where needed, to minimize undesirable infiltration and inflow to the sewer collection system.

- Continue the sewer main, interceptor and manhole cleaning program to remove built up deposits of debris, grease and roots.

- Continue implementation and development of a comprehensive lateral inventory and inspection program with strategic planning for lower lateral maintenance, rehabilitation and replacement as necessary.

- Systematically implement sewer main and lower lateral rehabilitation projects for aging infrastructure in order to minimize infiltration and root intrusion in the collection system.

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

## Current Year Highlights

- **Cost Uncertainty**. As the District moves into FY 2025/26, national geopolitical factors are expected to impact operating and capital costs. Tariffs, prospective tariffs and the spectre of a global trade war continue to insert volatility into capital markets, commodities and a broad swath of commercial and industrial production sectors. In addition to spiking prices on imported products and materials, a general inflationary effect is probable going forward based on experience over the first half of 2025. However, quantifying the magnitude of the fiscal impact is challenging. For the most part, the proposed FY 2025/26 budget does not incorporate significant escalation factors or line item escalation in response to current events. We have made reasonable adjustments based on information available, but there is some likelihood that budget estimates herein will miss the mark throughout the year.

- **Carpinteria Advanced Purification Project (CAPP).** The District continues to work in partnership with the Carpinteria Valley Water District (CVWD) on development of an indirect potable reuse project. The project is currently in the final design phase and expected to go to bid in the first quarter of FY 2025/26. CAPP is a water supply project primarily, and CVWD is expected to fund its implementation and future operations. Interagency agreements are now in place that will allow the District to begin recouping reasonable costs from CVWD for certain labor resources during the construction phase. The District will ultimately operate the new advanced water purification facility that is the key element of CAPP. We are continuing to plan for this operational phase through staff training and development. An update to our long range capital improvement program, which will be considered in conjunction with the annual budget review, considers a large construction project within the treatment plant occurring over a three year period. Focus will be shifted to remote lift stations and collection system improvements during this time horizon.

# DISTRICT PROFILE

## About the District

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

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

## Location

Carpinteria is a coastal community located in southeastern Santa Barbara County, 12 miles east of Santa Barbara and 19 miles northwest of Ventura. The City of Carpinteria is home to approximately 13,000 residents and welcomes a large visiting community.

## History

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

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

Over time, the District's wastewater collection has been expanded to serve the community's needs. The system currently consists of approximately 42 linear miles of sewer pipeline ranging from 6″ to 24″ in diameter. The District also owns and operates eight sewage pump stations that are necessary to convey flow to the wastewater treatment plant. Currently the District provides service to approximately 13,000 people and has approximately 4,500 user accounts

## Government Structure

The District is governed by a five member Board of Directors who serve four year terms. The Directors were historically elected on an at-large basis by registered voters living within the District's service area. However, beginning with election year 2024, the District has transitioned to a division based elections system with individual directors serving one of five defined geographic regions. For more information on the District's transition to division based elections you may visit https://carpsan.com/transitiontobydistrictelections/.

# BUDGET SUMMARY

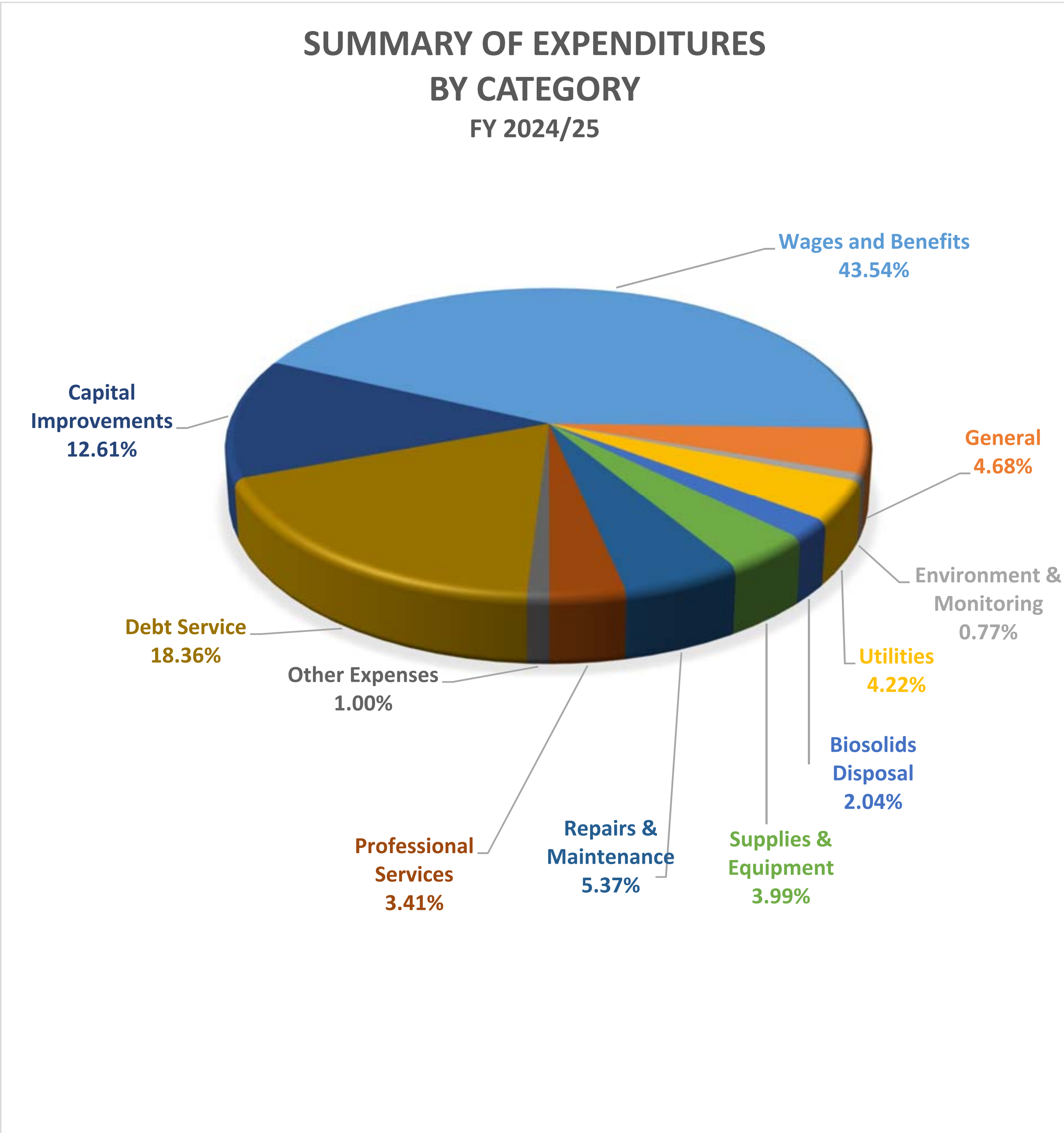
The remainder of this section contains figures and financial data in spreadsheet format that summarize the proposed FY 2025/26 budget, as follows:

- **Budget Snapshot** – brief overview of the proposed FY 2025/26 budget
- **Expense Summary Chart** – graphical presentation of projected expenses
- **Pro-Forma Statement** – historical comparison of proposed FY 2025/26 budget
- **Bond Debt Service Schedule** – bond repayment schedule through 2042 maturation
- **Schedule of Loan Repayment** – Administration Building financing schedule
- **Organization Chart** – proposed District staffing and structure for FY 2025/26

| CARPINTERIA SANITARY DISTRICT<br>BUDGET SNAPSHOT | | | | |
|---|---|---|---|---|
| | BUDGET 2024/25 | BUDGET 2025/26 | BUDGET Inc/(Dec) | CHANGE % |
| **REVENUES** | | | | |
| Sewer Service Charges (SSC) | 6,487,080 | 6,680,000 | 192,920 | 3.0% |
| Property Taxes | 795,000 | 850,000 | 55,000 | 6.9% |
| Interest Income | 250,000 | 450,000 | 200,000 | 80.0% |
| Development Impact Fees (DIF) | - | - | - | 0.0% |
| Other Fees and Income | 20,000 | 20,000 | - | 0.0% |
| Other Sources of Cash/Grants & Dedications | 215,000 | - | (215,000) | (100.0%) |
| Total Gross Revenues | 7,767,080 | 8,000,000 | 232,920 | 3.0% |
| | | | | |
| **EXPENSES** | | | | |
| **Operating Expenses** | | | | |
| Wages | 2,227,500 | 2,279,980 | 52,480 | 2.4% |
| Benefits | 1,197,200 | 1,241,636 | 44,436 | 3.7% |
| General | 365,100 | 378,300 | 13,200 | 3.6% |
| Environment & Monitoring | 51,000 | 62,500 | 11,500 | 22.5% |
| Utilities | 343,800 | 341,300 | (2,500) | (0.7%) |
| Biosolids Disposal | 165,000 | 165,000 | - | 0.0% |
| Supplies & Equipment | 302,500 | 323,000 | 20,500 | 6.8% |
| Repairs & Maintenance | 388,200 | 434,500 | 46,300 | 11.9% |
| Professional Services | 250,000 | 276,000 | 26,000 | 10.4% |
| Other Expenses | 70,600 | 81,000 | 10,400 | 14.7% |
| Total Operating Expenses | 5,360,900 | 5,583,216 | 222,316 | 4.1% |
| | | | | |
| **Non-Operating Expense** | | | | |
| Debt Service | 1,181,813 | 1,180,563 | (1,250) | (0.1%) |
| Admin Building Financing Fund | 304,021 | 304,587 | 566 | 0.2% |
| Capital Improvements - Carry Over (1) | 2,490,000 | 4,120,000 | 1,630,000 | 65.5% |
| Capital Improvements | 935,000 | 1,020,000 | 85,000 | 9.1% |
| Total Non-Operating Expenses (2) | 2,420,833 | 2,505,149 | 84,316 | 3.5% |
| | | | | |
| Total Uses of Cash | 7,781,733 | 8,088,365 | | |
| | | | | |
| Surplus (Deficit) for the Year | (14,653) | (88,365) | | |
| | | | | |
| Estimate Year End Cash Balance | $10,947,802 | $11,560,185 | | |

(1) Capital Improvements - Carry Over funds have been approved in prior years budget and therefore not calculated into the current Fiscal Year Total Non-Operating Expense

(2) Estimate Year End Cash Balance total excludes any Capital Improvements - Carry Over funds


SUMMARY OF EXPENDITURES
BY CATEGORY
FY 2024/25
Wages and Benefits
43.54%
General
4.68%
Environment &
Monitoring
0.77%
Utilities
4.22%
Biosolids
Disposal
2.04%
Supplies &
Equipment
3.99%
Repairs &
Maintenance
5.37%
Professional
Services
3.41%
Other Expenses
1.00%
Debt Service
18.36%
Capital
Improvements
12.61%

# CARPINTERIA SANITARY DISTRICT

## PROFORMA STATEMENT

| Description | Actual Unaudited (11 mo) 2024/25 | Budget 2024/25 | Projected 2024/25 | Budget 2025/26 | Projected 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Sewer Service Charge | 6,300,000 | 6,487,080 | $ 6,500,000 | $ 6,680,000 | 6,880,400 | 7,086,812 | 7,299,416 | 7,518,399 |
| Property Taxes | 750,000 | 795,000 | 840,000 | 850,000 | 867,000 | 884,340 | 902,027 | 920,067 |
| Interest Income | 406,000 | 250,000 | 500,000 | 450,000 | 472,500 | 496,125 | 520,931 | 546,978 |
| Development Impact Fees (DIF) | - | - | 200,000 | 0 | 0 | 0 | 0 | 0 |
| Other Fees and Income | 17,964 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Other Source of Cash/Grant | - | 215,000 | 204,785 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 7,473,964 | 7,767,080 | 8,264,785 | 8,000,000 | 8,239,900 | 8,487,277 | 8,742,374 | 9,005,444 |
| **Expenses** | | | | | | | | |
| Wages | 1,898,683 | 2,227,500 | 2,278,419 | 2,279,980 | 2,393,979 | 2,513,678 | 2,639,362 | 2,771,330 |
| Benefits | 1,046,079 | 1,197,200 | 1,255,295 | 1,241,636 | 1,303,718 | 1,368,904 | 1,437,349 | 1,509,216 |
| General Operating Expenses | 304,927 | 365,100 | 365,912 | 378,300 | 389,649 | 401,338 | 413,379 | 425,780 |
| Environmental Monitoring | 44,176 | 51,000 | 53,011 | 62,500 | 64,375 | 66,306 | 68,295 | 70,344 |
| Utilities | 317,456 | 343,800 | 380,947 | 341,300 | 358,365 | 376,283 | 395,097 | 414,852 |
| Biosolids Disposal | 138,178 | 165,000 | 165,814 | 165,000 | 169,950 | 175,049 | 180,300 | 185,709 |
| Supplies and Equipment | 214,101 | 302,500 | 256,921 | 323,000 | 332,690 | 342,671 | 352,951 | 363,539 |
| Repairs and Maintenance | 309,803 | 388,200 | 371,763 | 434,500 | 451,880 | 469,955 | 488,753 | 508,304 |
| Professional Services | 164,362 | 250,000 | 197,235 | 276,000 | 289,800 | 304,290 | 319,505 | 335,480 |
| Other Expenses | 18,080 | 70,600 | 21,697 | 81,000 | 83,430 | 85,933 | 88,511 | 91,166 |
| Total Operating Expenses | 4,455,845 | 5,360,900 | 5,347,013 | 5,583,216 | 5,837,836 | 6,104,407 | 6,383,502 | 6,675,721 |
| O & M Increase (Decrease) % | | | | 4.1% | 4.6% | 4.6% | 4.6% | 4.6% |
| Scheduled Installment Payment - Bond | 1,180,763 | 1,181,813 | 1,181,813 | 1,180,563 | 236,613 | 241,013 | 240,863 | 236,363 |
| Scheduled Installment Payment - Admin | 304,658 | 304,021 | 304,021 | 304,587 | 304,073 | 304,480 | 303,807 | 304,055 |
| CIP-Previously Authorized/Carry Over(1) | | 2,490,000 | | 4,120,000 | | | | |
| CIP - Current Year | 387,225 | 935,000 | 120,000 | 1,020,000 | 1,200,980 | 1,544,950 | 1,438,800 | 1,213,520 |
| Total Non-Operating Expenses | 1,872,646 | 4,910,833 | 1,605,833 | 2,505,149 | 1,741,666 | 2,090,443 | 1,983,470 | 1,753,937 |
| Surplus (Deficit) for the Year | 1,145,474 | (14,653) | 1,311,939 | (88,365) | 660,399 | 292,428 | 375,403 | 575,786 |
| Debt Services Ratio (>1.25%) | **2.03** | **1.62** | **1.83** | **1.63** | **4.44** | **4.37** | **4.33** | **4.31** |
| **Projected Year End Cash Balance (2)** | **$ 10,336,612** | **$ 10,947,802** | **$ 11,648,550** | **$ 11,560,185** | **$ 12,220,584** | **$ 12,513,011** | **$ 12,888,414** | **$ 13,464,200** |

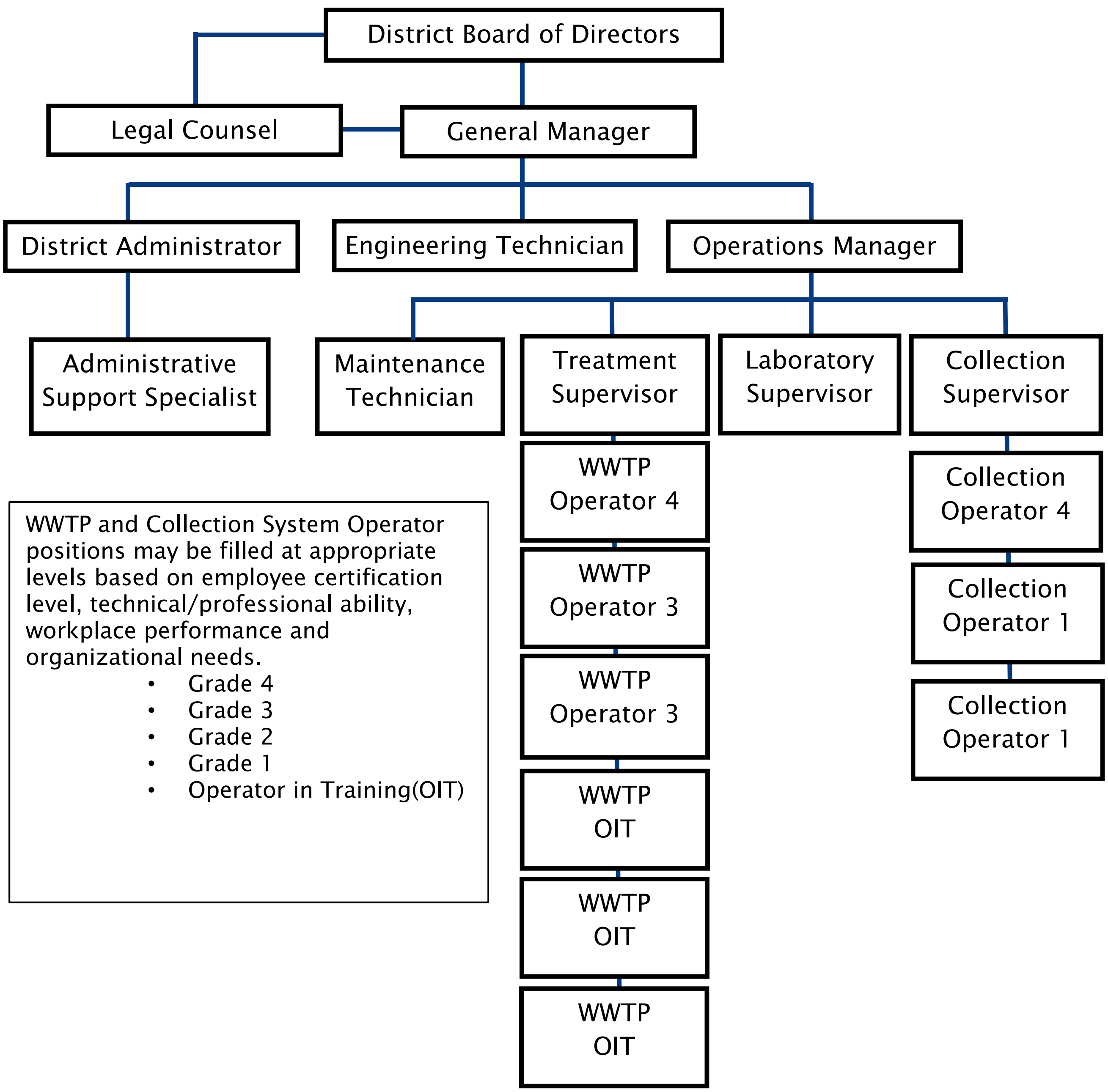
(1) Capital Improvements - Carry Over funds have been approved in prior years budget and therefore not calculated into the current Fiscal Year Total Non-Operating Expense

(2) Projected Year End Cash Balance total excludes any Capital Improvements - Carry Over funds

| 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 | | | | |

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

# CARPINTERIA SANITARY DISTRICT ORGANIZATIONAL CHART FY 2025/26




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

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

# REVENUE PROJECTION

## Revenue Policy

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

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

## Sources of Revenue

The Carpinteria Sanitary District's sources of revenue are:

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

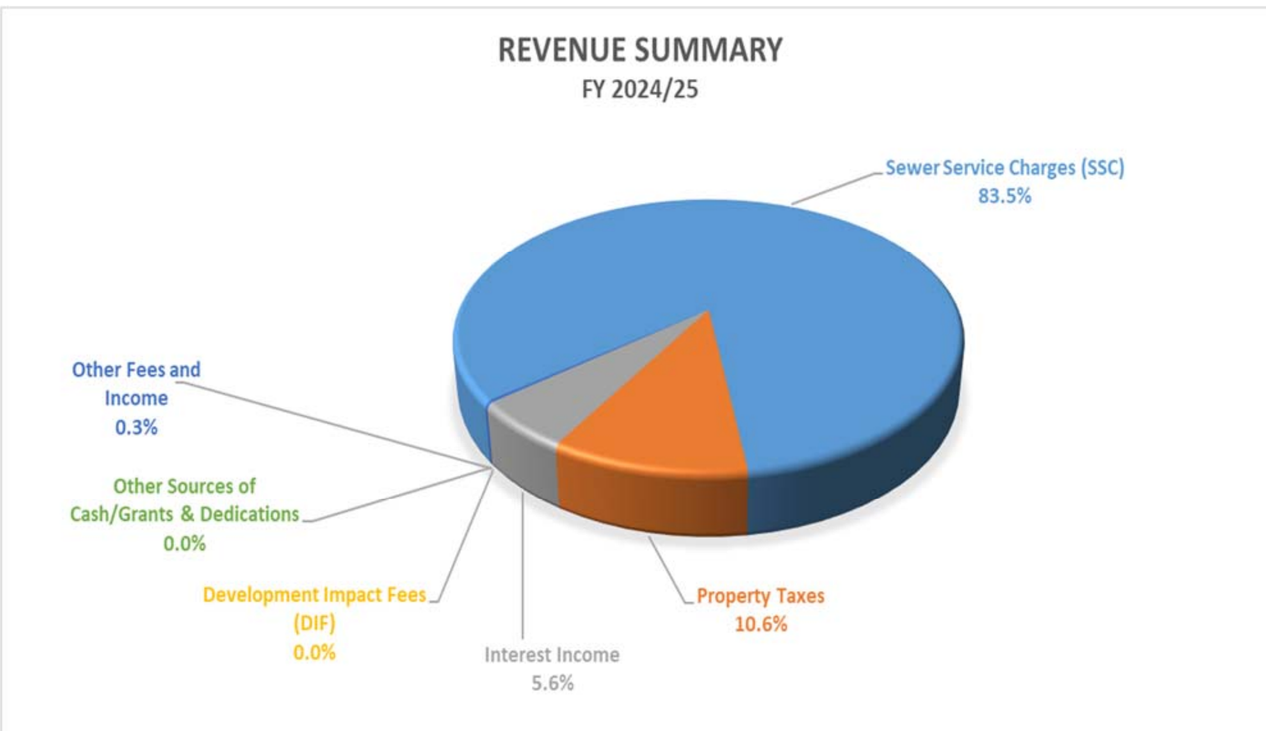
| CARPINTERIA SANITARY DISTRICT<br>REVENUE ACCOUNT DETAIL | | |
|---|---|---|
| **Account Number** | **Account Title** | **Description** |
| **3100** | Sewer Service Charges (SSC) | This account represents the total aggregate SSC that the District projects will be collected during the year, per Ordinance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

## Revenue Summary

The total projected revenue for FY 2025/26 is shown in the following table:

| | BUDGET 2024/25 | BUDGET 2025/26 | BUDGET Inc/(Dec) | CHANGE % |
|---|---|---|---|---|
| Sewer Service Charges (SSC) | $6,487,080 | $6,680,000 | 192,920 | 3.0% |
| Property Taxes | 795,000 | 850,000 | 55,000 | 6.9% |
| Interest Income | 250,000 | 450,000 | 200,000 | 80.0% |
| Development Impact Fees (DIF) | - | - | - | |
| Other Fees and Income | 20,000 | 20,000 | - | 0.0% |
| Other Sources of Cash/Grants & Dedications | 215,000 | - | (215,000) | (100.0%) |
| Total Gross Revenues | $ 7,767,080 | $ 8,000,000 | $ 232,920 | 3.0% |

Sewer service charges make up 84.9% of the District's total revenue. The following figure shows a percentage breakdown of projected revenue for the 2025/26 fiscal year by source.



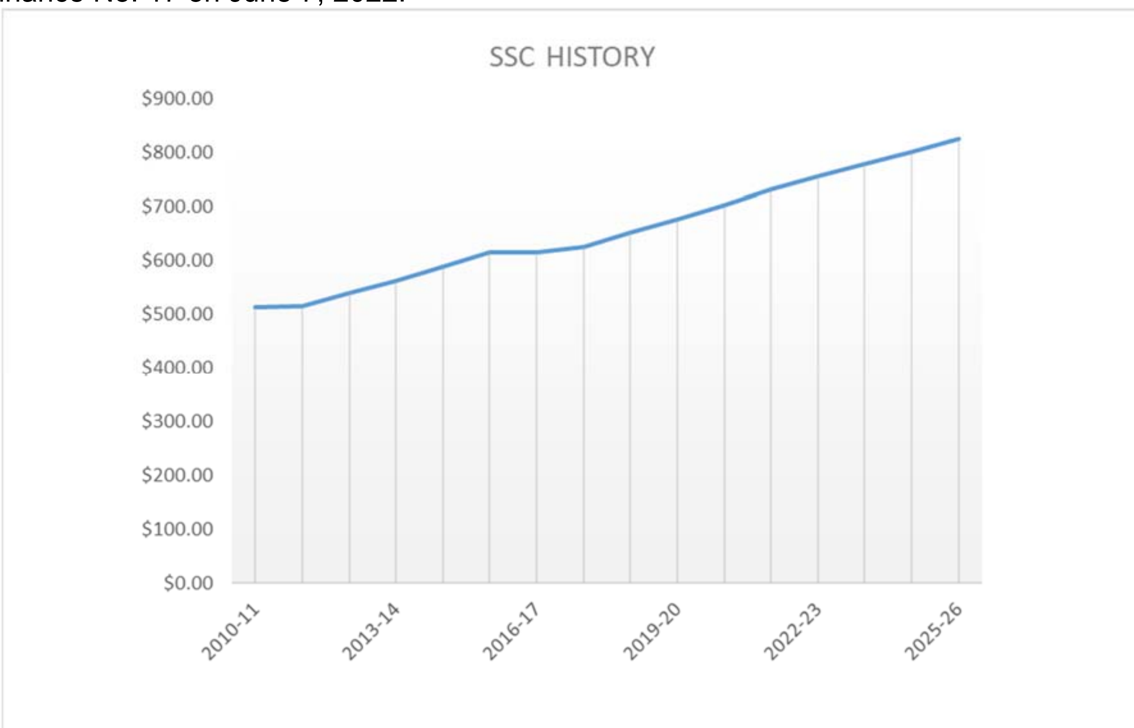

### SEWER SERVICE CHARGES

During FY 2021/22, the District engaged a financial consultant to conduct a comprehensive Wastewater Rates and Fees Study. This study included a comprehensive review of the District's financial plan, user classifications, and rate structure for the wastewater enterprise. The consultant also reviewed the District's revenue requirements to determine the appropriate level of revenue adjustments to maintain financial sufficiency and rate stability. Based on their findings, the consultant recommended that the District implement a series of 3% increases to the SSC annually for a five-year period, commencing in FY 2022/23.

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

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

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




**<u>Residential Sewer Service Charges</u>**

Residential SSCs will continue to be based on a flat rate per dwelling unit. In FY 2025/26, the annual charge per unit will be $824.73 per year, reflecting a 3.0% increase over the prior year SSC. This rate is based on an average water use of 142 gallons per day per dwelling unit.

Total residential SSC revenue is projected to be about $5,288,402 or 79.4% of the total SSC revenue. This represents an increase of approximately $155,000 from FY 2024/25 projections. Currently, the total number of residential dwelling units being served by the District is 6,412.

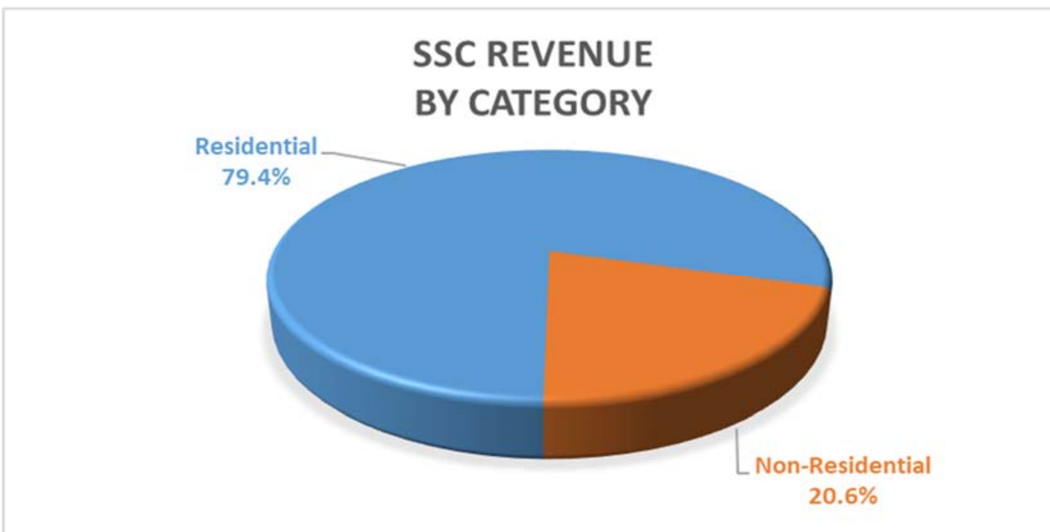
**<u>Non-Residential Sewer Service Charges</u>**

District Ordinance No. 17 groups non-residential customers into six classifications, based on wastewater strength, ranging from low to very high strength. For each classification, charges are determined based on a unit cost per 1,000 gallons of water used (based on a 3-year annual average). The unit rates uniformly assume that 90% of water used is returned to the sanitary sewer system. Additionally, the non-residential rate structure includes a minimum charge per parcel (or account) that is equivalent to one residential unit charge, or $824.73 in the current year.

The District annually updates non-residential user information by performing a survey of commercial and industrial connections within its service area in February of each year. The survey also records changes in occupancy during the year, particularly those that have an impact on wastewater strength or projected flow rates. The District maintains and updates assessors' parcel number (APN) information each year to reflect any changes, including lot splits or property owners name and mailing addresses.

The total non-residential revenue for FY 2025/26 is projected to be $1,375,402 or 20.6% of the District's total SSC revenue. This represents a revenue increase of 1.6%, despite the base rate increase of 3.0%.

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




**<u>Sewer Service Charge (SSC) Billings and Collections</u>**

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 $850,000, which reflects an approximate increase of 6.9% over the prior year projection for this revenue category. This estimate is based on actual property tax revenue received in FY 2024/25.

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

## Appropriation Limit

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

| | Appropriation Limit Calculation | FY 2024/25 | FY 2025/26 |
|---|---|---|---|
| A | Prior Year Appropriation Limit | $5,195,940 | $4,866,517 |
| B | Change in Calif. Per Capita Income | 0.948 | 1.044 |
| C | Change in District's Population | 0.9880 | 0.9710 |
| C1 | Change in County Population | 0.976 | 0.9920 |
| D | Multiplying Factor<br>(Larger of C or C1 times B) | 0.9366 | 1.0137 |
| E | New Appropriation Limit | $4,866,517 | $4,933,189 |
| F | Property Tax Collected/ Estimate | $765,000 | $815,000 |
| G | Under Limit | $4,804,017 | $4,118,189 |

## Interest Income

This source of income comes from interest earned at the State of California Local Agency Investment Fund (LAIF), California Cooperative Liquid Assets Securities System (CLASS) and the Santa Barbara County Treasurer's pool. The interest income for Fiscal Year 2025/26 is projected to be $450,000. This is an increase of $200,000 from the previous fiscal year projection and in line with actual interest income over the past twelve month period. Short term interest rates have remained fairly static and no major deviations are anticipated in 2025/26.

## Development Impact Fees (DIF)

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

The 2022 Wastewater Rates and Fees Study, prepared by Raftelis Financial Consultants, established a new baseline DIF that reflected the applicable capital cost recovery amount of $6,230 per new equivalent dwelling unit (EDU). This new baseline DIF, authorized by Ordinance No. 18, escalates annually on July 1st of each year based on the Engineering News Record Construction Cost Index (ENR-CCI, 20 City Index). The DIF amount per EDU in FY 2025/26 will be increased to $6,806.

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

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

| Description | | Amount |
|---|---|---|
| Development Impact Fee, Fiscal Year 2024/25 | | $6,746 |
| **ENR-CCI, 20 City Index** | | |
| ENR-CCI, 20 City Index, December Year 2024 | 13,636 | |
| ENR-CCI, 20 City Index, December Year 2023 | 13,515 | |
| Changes | 121 | |
| Changes in Percentage | 0.90% | |
| Increase (Decrease) | | $60 |
| **DIF Amount Effective July 1, 2025** | | **$6,806** |

## 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 2025/26 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.

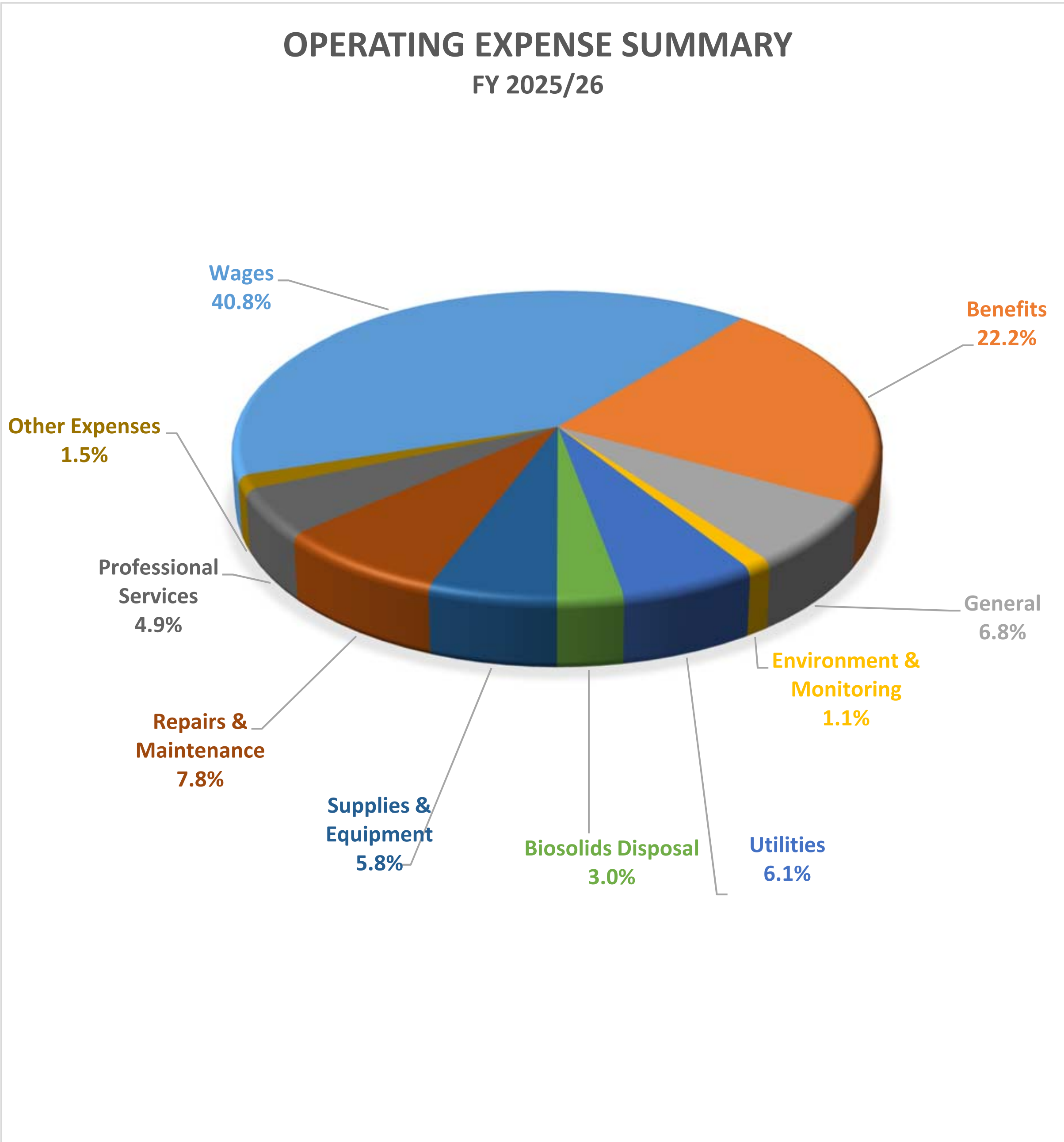
## Other Sources of Cash/Grants & Dedications

No grant income or other sources of cash are expected in FY 2025/26.

# EXPENSE OVERVIEW

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

The chart below provides a graphical overview of the District's overall operating budget for FY 2025/26.



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

The Administration section includes the projected expenses associated with the administration of the District including employee salaries and benefits, auditing, legal, engineering, professional services, permitting fees, Board of Directors' expenses, and insurance. The projected Administration department operating budget for FY 2025/26 is $1,664,836 or 30% of the overall budget.

The Plant/Collection section includes the projected expenses associated with the operation and maintenance of the wastewater treatment plant, the collection system, and associated lift stations. Expenses include employee salaries and benefits, utilities, chemicals, equipment maintenance, biosolids disposal and general operating expenses. The projected Plant/Collection department operating budget for FY 2025/26 is $3,918,380 or 70% of the overall budget.

## Summary Data

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

- **All Department Operating Expenses**
- **Expense Account Detail**
- **CPI Cost Escalation Factor Summary**
- **FY 2025/26 Salary Matrix**

| CARPINTERIA SANITARY DISTRICT | | | | | | | |
|---|---|---|---|---|---|---|---|
| All Departments | | | | | | | |
| | | BUDGET 2024/25 | ACTUAL (11 mo) 2024/25 | EXPENDED % | BUDGET 2025/26 | Increase (Decrease) | CHANGE % |
| 5010 | Regular Salaries | 2,095,000 | 1,810,803 | 86.4% | 2,140,000 | 45,000 | 2.1% |
| 5015 | Vacation Buy-back | 25,000 | 1,998 | 8.0% | 25,000 | 0 | 0.0% |
| 5030 | Overtime | 12,500 | 8,870 | 71.0% | 12,500 | 0 | 0.0% |
| 5040 | Special Duty Pay | 80,000 | 68,712 | 85.9% | 82,480 | 2,480 | 3.1% |
| 5050 | Directors' Fees | 15,000 | 8,300 | 55.3% | 20,000 | 5,000 | 33.3% |
| | Total Wages | 2,227,500 | 1,898,683 | 85.2% | 2,279,980 | 52,480 | 2.4% |
| | | | | | | | |
| 5110 | CalPERS UAL | 285,000 | 277,148 | 97.2% | 335,436 | 50,436 | 18.2% |
| 5111 | PERS | 305,000 | 252,860 | 82.9% | 290,000 | (15,000) | (4.9%) |
| 5112 | Social Security | 158,000 | 135,125 | 85.5% | 160,000 | 2,000 | 1.3% |
| 5120 | Medical Insurance | 306,000 | 267,335 | 87.4% | 313,000 | 7,000 | 2.3% |
| 5121 | Employee Wellness Program | 3,600 | 800 | 22.2% | 3,600 | 0 | 0.0% |
| 5122 | Unemployment Ins/Training Tax | 3,800 | 2,644 | 69.6% | 3,800 | 0 | 0.0% |
| 5123 | Certification Incentive Program | 13,500 | 7,250 | 53.7% | 13,500 | 0 | 0.0% |
| 5124 | Long Term Disability | 18,300 | 17,567 | 96.0% | 18,300 | 0 | 0.0% |
| 5126 | Life Insurance | 5,100 | 3,328 | 65.3% | 5,100 | 0 | 0.0% |
| 5127 | Dental / Vision Plan | 45,000 | 31,828 | 70.7% | 45,000 | 0 | 0.0% |
| 5128 | Workers' Comp | 51,500 | 48,360 | 93.9% | 51,500 | 0 | 0.0% |
| 5132 | Employee Medical - Physical | 2,400 | 1,833 | 76.4% | 2,400 | 0 | 0.0% |
| | Total Benefits | 1,197,200 | 1,046,079 | 87.4% | 1,241,636 | 44,436 | 3.7% |
| | Total Wages & Benefits | 3,424,700 | 2,944,762 | 86.0% | 3,521,616 | 96,916 | 2.8% |
| | | | | | | | |
| 5210 | Departmental Expense | 13,500 | 7,755 | 57.4% | 13,500 | 0 | 0.0% |
| 5215 | Office Supplies | 5,000 | 5,676 | 113.5% | 5,000 | 0 | 0.0% |
| 5222 | Directors' Conference | 9,000 | 6,066 | 67.4% | 9,000 | 0 | 0.0% |
| 5226 | Directors' Election Exp. | 15,000 | 0 | 0.0% | 0 | (15,000) | 100.0% |
| 5228 | Directors' Dental / Vision | 12,500 | 13,584 | 108.7% | 12,500 | 0 | 0.0% |
| 5231 | Insurance - Liability | 150,000 | 145,269 | 96.8% | 175,000 | 25,000 | 16.7% |
| 5241 | Uniform Expense | 17,500 | 15,988 | 91.4% | 17,500 | 0 | 0.0% |
| 5242 | Membership and Dues | 32,500 | 31,215 | 96.0% | 33,000 | 500 | 1.5% |
| 5244 | Conference and Training | 24,000 | 27,107 | 112.9% | 30,000 | 6,000 | 25.0% |
| 5246 | Education Reimbursement | 1,500 | 0 | 0.0% | 1,500 | 0 | 0.0% |
| 5260 | Vehicle Fuel Expense | 28,000 | 16,065 | 57.4% | 23,000 | (5,000) | (17.9%) |
| 5265 | Mileage Reimbursement | 600 | 301 | 50.2% | 600 | 0 | 0.0% |
| 5270 | Rent & Leases | 6,000 | 560 | 9.3% | 1,700 | (4,300) | (71.7%) |
| 5290 | Licenses and Permits | 50,000 | 35,340 | 70.7% | 56,000 | 6,000 | 12.0% |
| | Total General | 365,100 | 304,927 | 83.5% | 378,300 | 13,200 | 3.6% |
| | | | | | | | |
| 5310 | Monitoring Equipment | 20,000 | 27,123 | 135.6% | 31,500 | 11,500 | 57.5% |
| 5320 | Monitoring Lab Work | 21,000 | 17,053 | 81.2% | 21,000 | 0 | 0.0% |
| 5330 | Spill Response | 10,000 | 0 | 0.0% | 10,000 | 0 | 0.0% |
| | Total Environ & Monitoring | 51,000 | 44,176 | 86.6% | 62,500 | 11,500 | 22.5% |

| | CARPINTERIA SANITARY DISTRICT<br>All Departments - Continued | | | | | | |
|---|---|---|---|---|---|---|---|
| | | BUDGET 2024/25 | ACTUAL (11 mo) 2024/25 | EXPENDED % | BUDGET 2025/26 | Increase (Decrease) | CHANGE % |
| 5410 | Southern California Gas | 2,500 | 1,680 | 67.2% | 2,500 | 0 | 0.0% |
| 5420 | Southern California Electric | 301,000 | 280,127 | 93.1% | 300,000 | (1,000) | (0.3%) |
| 5430 | Telephone | 17,500 | 15,604 | 89.2% | 15,000 | (2,500) | (14.3%) |
| 5540 | Water | 11,500 | 9,558 | 83.1% | 11,500 | 0 | 0.0% |
| 5450 | Rubbish | 6,000 | 5,578 | 93.0% | 7,000 | 1,000 | 16.7% |
| 5480 | Underground Service Alert | 2,300 | 1,733 | 75.3% | 2,300 | 0 | 0.0% |
| 5490 | Building Alarm System | 3,000 | 3,176 | 105.9% | 3,000 | 0 | 0.0% |
| | Total Utilities | 343,800 | 317,456 | 92.3% | 341,300 | (2,500) | (0.7%) |
| | | | | | | | |
| 5470 | Biosolids Disposal | 165,000 | 138,178 | 83.7% | 165,000 | 0 | 0.0% |
| | | | | | | | |
| 5510 | General Supplies | 15,000 | 15,505 | 103.4% | 20,000 | 5,000 | 33.3% |
| 5521 | Odor Control Chemicals | 51,000 | 13,115 | 25.7% | 51,000 | 0 | 0.0% |
| 5522 | Disinfection Chemicals | 185,000 | 169,159 | 91.4% | 200,000 | 15,000 | 8.1% |
| 5524 | Polymers | 32,000 | 6,035 | 18.9% | 32,000 | 0 | 0.0% |
| 5525 | Tool / Small Parts | 6,000 | 2,799 | 46.7% | 6,000 | 0 | 0.0% |
| 5526 | Fuel, Diesel, Lubricants | 7,500 | 1,756 | 23.4% | 7,500 | 0 | 0.0% |
| 5527 | Safety Equipment | 6,000 | 5,731 | 95.5% | 6,500 | 500 | 8.3% |
| | Total Supplies & Equipment | 302,500 | 214,101 | 70.8% | 323,000 | 20,500 | 6.8% |
| | | | | | | | |
| 5610 | Equipment Maintenance | 25,200 | 15,339 | 60.9% | 29,500 | 4,300 | 17.1% |
| 5620 | Building Maintenance | 30,000 | 11,726 | 39.1% | 28,000 | (2,000) | (6.7%) |
| 5630 | Grounds Maintenance | 38,000 | 27,109 | 71.3% | 35,000 | (3,000) | (7.9%) |
| 5640 | Vehicles Maintenance | 20,000 | 25,665 | 128.3% | 27,000 | 7,000 | 35.0% |
| 5650 | Treatment Plant Maintenance | 125,000 | 82,954 | 66.4% | 150,000 | 25,000 | 20.0% |
| 5680 | Pump Station Maintenance | 40,000 | 38,062 | 95.2% | 40,000 | 0 | 0.0% |
| 5690 | Collection System Maintenance | 110,000 | 108,948 | 99.0% | 125,000 | 15,000 | 13.6% |
| | Total Repair & Maintenance | 388,200 | 309,803 | 79.8% | 434,500 | 46,300 | 11.9% |
| | | | | | | | |
| 5821 | Accounting (Annual Audit) | 16,500 | 21,085 | 127.8% | 30,500 | 14,000 | 84.8% |
| 5831 | Legal Counsel | 25,000 | 7,238 | 29.0% | 25,000 | 0 | 0.0% |
| 5835 | Safety Program | 25,000 | 4,074 | 16.3% | 25,000 | 0 | 0.0% |
| 5843 | Computer Expenses | 58,000 | 58,117 | 100.2% | 68,000 | 10,000 | 17.2% |
| 5844 | SCADA Related Exp. | 35,000 | 22,439 | 64.1% | 35,000 | 0 | 0.0% |
| 5847 | Public Relations | 15,000 | 10,679 | 71.2% | 17,000 | 2,000 | 13.3% |
| 5849 | Professional Services | 45,000 | 18,005 | 40.0% | 45,000 | 0 | 0.0% |
| 5851 | Accounting Services | 30,000 | 22,724 | 75.7% | 30,000 | 0 | 0.0% |
| 5855 | IDP Monitoring Services | 500 | 0 | 0.0% | 500 | 0 | 0.0% |
| | Total Professional Services | 250,000 | 164,362 | 65.7% | 276,000 | 26,000 | 10.4% |
| | | | | | | | |
| 6020 | Admin Charges-SB County | 10,000 | 0 | 0.0% | 10,000 | 0 | 0.0% |
| 6030 | Debt Services Admin Fee | 3,100 | 3,190 | 102.9% | 3,500 | 400 | 12.9% |
| 6031 | LAFCO Pro-Rata Costs | 6,000 | 5,742 | 95.7% | 6,000 | 0 | 0.0% |
| 6032 | Regional Grant Planning | 1,500 | 448 | 29.9% | 11,500 | 10,000 | 666.7% |
| 6033 | Recycled Water System Develop | 50,000 | 8,700 | 17.4% | 50,000 | 0 | 0.0% |
| | Total Other Expenses | 70,600 | 18,080 | 25.6% | 81,000 | 10,400 | 14.7% |
| | | | | | | | |
| | Total Expenses | 5,360,900 | 4,455,845 | 83.1% | 5,583,216 | 222,316 | 4.1% |

# CARPINTERIA SANITARY DISTRICT
## EXPENSE ACCOUNT DETAIL

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

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

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

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

## CPI Cost Escalation Factor

In 2010, the Board of Directors adopted a formal Cost of Living Adjustment (COLA) policy as a supplement to the District's Personnel Rules and Regulations. The COLA was adopted as an annual modification based on the Consumer Price Index for Urban Wage Earners and Clerical Workers as determined by the Bureau of Labor Statistics (BLS). Effective in 2018, the BLS made changes to its geographic area structure which would affect our policy. The applicable Core Based Statistical Area (CBSA) is the Los Angeles - Long Beach – Anaheim region. The COLA is the basis for modifying the District's salary schedule during the annual budget adoption process, however, the Board retains full discretion to deviate from the indicated adjustment factor. The COLA for FY 2025/26, based on the index value for calendar year 2024, is 3.1%

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2014 | 0.8 | 0.4 | 1.0 | 1.6 | 1.8 | 1.9 | 2.1 | 1.8 | 1.6 | 1.4 | 1.0 | 0.3 | 1.3 | 1.3 | 1.4 |
| 2015 | -0.7 | -0.4 | 0.2 | 0.0 | 0.9 | 0.4 | 1.2 | 1.0 | 0.4 | 0.7 | 1.4 | 1.9 | 0.6 | 0.1 | 1.1 |
| 2016 | 3.3 | 2.3 | 1.3 | 1.6 | 0.6 | 1.1 | 0.3 | 0.6 | 1.5 | 1.9 | 1.5 | 1.7 | 1.5 | 1.7 | 1.3 |
| 2017 | 1.7 | 2.5 | 2.4 | 2.5 | 2.4 | 2.2 | 2.5 | 2.9 | 3.2 | 3.0 | 3.7 | 3.7 | 2.7 | 2.3 | 3.2 |
| 2018 | 3.7 | 3.7 | 3.9 | 4.1 | 4.3 | 4.2 | 4.0 | 4.1 | 3.9 | 4.3 | 3.8 | 3.3 | 3.9 | 4.0 | 3.9 |
| 2019 | 2.9 | 2.6 | 2.7 | 3.6 | 3.4 | 3.3 | 3.3 | 2.9 | 3.2 | 3.6 | 3.5 | 3.2 | 3.2 | 3.1 | 3.3 |
| 2020 | 3.5 | 3.5 | 2.2 | 0.6 | 0.6 | 1.3 | 1.9 | 2.2 | 1.4 | 0.6 | 1.0 | 1.5 | 1.7 | 1.9 | 1.4 |
| 2021 | 1.1 | 1.4 | 2.7 | 4.2 | 4.5 | 4.7 | 4.5 | 4.5 | 4.8 | 5.6 | 6.4 | 6.9 | 4.3 | 3.1 | 5.4 |
| 2022 | 7.6 | 7.3 | 8.7 | 8.1 | 8.2 | 8.9 | 7.9 | 7.6 | 7.8 | 7.6 | 5.9 | 4.6 | 7.5 | 8.1 | 6.9 |
| 2023 | 5.4 | 4.7 | 2.8 | 3.0 | 2.4 | 1.6 | 2.0 | 2.7 | 2.6 | 1.8 | 2.2 | 3.0 | 2.8 | 3.3 | 2.4 |
| 2024 | 2.0 | 3.0 | 3.9 | 3.9 | 3.7 | 2.9 | 3.1 | 2.6 | 2.6 | 2.7 | 3.1 | 3.4 | 3.1 | 3.2 | 2.9 |

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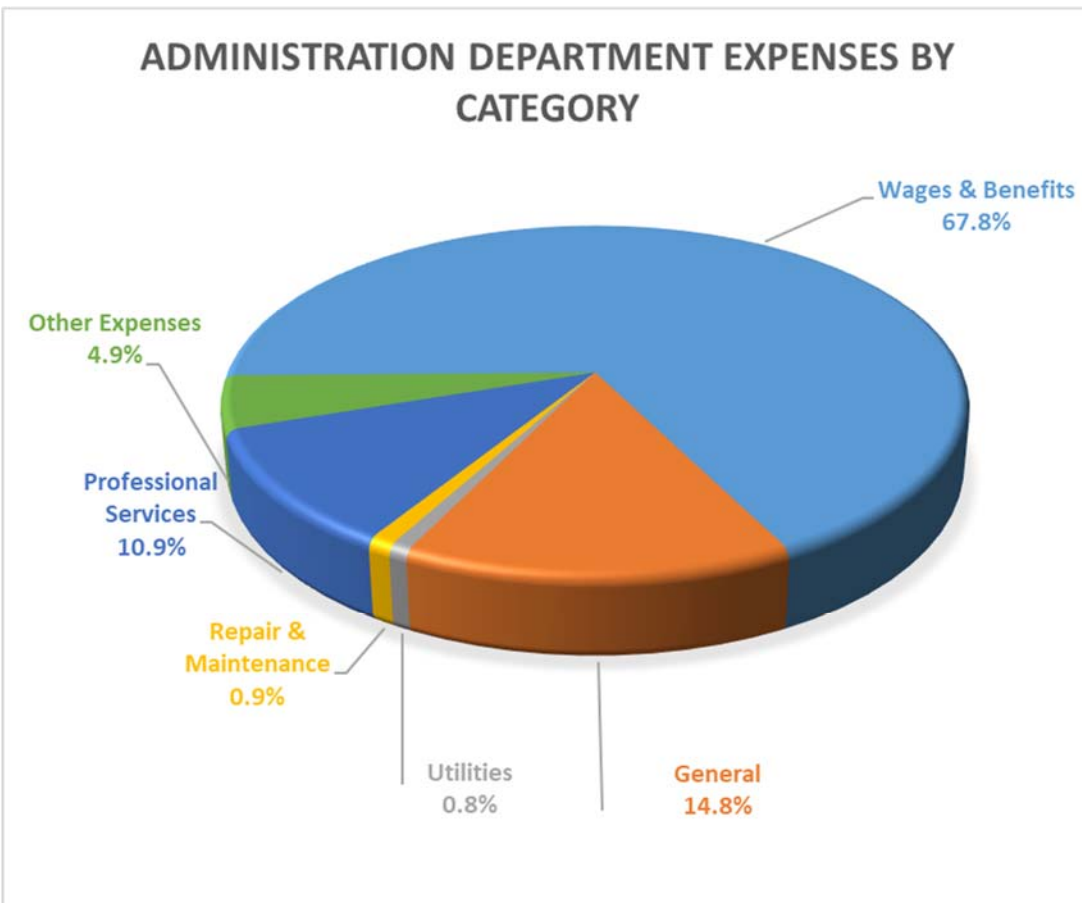
| CARPINTERIA SANITARY DISTRICT | | | | | | |
|---|---|---|---|---|---|---|
| SALARY MATRIX - MONTHLY | | | | | | |
| FY 2025/26 | | | | | | |
| **POSITION** | | **A** | **B** | **C** | **D** | **E** |
| General Manager | | | | | | $ 21,781 |
| District Administrator | | $11,935 | $12,531 | $13,158 | $13,816 | $14,507 |
| Administrative Assistant | | $6,610 | $6,940 | $7,287 | $7,651 | $8,034 |
| Engineering Technician | | $7,342 | $7,709 | $8,094 | $8,499 | $8,924 |
| Operations Manager | 1 | $14,407 | $15,127 | $15,883 | $16,678 | $17,512 |
| Treatment Supervisor | 1 | $9,611 | $10,092 | $10,597 | $11,126 | $11,683 |
| Operator in Training | 1 | $5,464 | $5,737 | $6,024 | $6,325 | $6,642 |
| Operator 1 | 1 | $6,172 | $6,481 | $6,805 | $7,145 | $7,502 |
| Operator 2 | 1 | $6,758 | $7,096 | $7,451 | $7,823 | $8,215 |
| Operator 3 | 1 | $7,949 | $8,346 | $8,764 | $9,202 | $9,662 |
| Operator 4 | 1 | $8,532 | $8,959 | $9,406 | $9,877 | $10,371 |
| Lab Supervisor | 1 | $9,386 | $9,855 | $10,348 | $10,865 | $11,408 |
| Collection System Supervisor | 1 | $10,405 | $10,925 | $11,472 | $12,045 | $12,648 |
| Collection System Operator 1 | 1 | $5,613 | $5,893 | $6,188 | $6,497 | $6,822 |
| Collection System Operator 2 | 1 | $6,443 | $6,765 | $7,104 | $7,459 | $7,832 |
| Collection System Operator 3 | 1 | $6,926 | $7,272 | $7,636 | $8,017 | $8,418 |
| Collection System Operator 4 | 1 | $7,445 | $7,817 | $8,208 | $8,619 | $9,049 |
| Maintenance Technician | 1 | $4,338 | $4,554 | $4,782 | $5,021 | $5,272 |
| The above matrix includes a 3.1% annual escalation factor (Los Angeles) starting 7/1/25 | | | | | | |
| 1) CalPERS uniform allowance for Classic members. Not to exceed $416 annually. | | | | | | |

# ADMINISTRATION DEPARTMENT EXPENSES

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

The Administration Department operating budget for FY 2025/26 is projected to be $1,664,836, which represents a modest increase of 8.0%, or $132,836, over the prior fiscal year. A description of changes to each account category is provided below.

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



## Administration Budget Account Highlights

**Personnel Expenses**

The personnel section represents the largest portion of the administration department budget. This account funds all wages, salaries, and benefits for the department's employees as well as the five elected officials. The total projected expense is estimated to be $1,128,436 or 67.8% of the administration budget.

Budget adjustments in this category result from a policy directed cost of living adjustment for non-contract employees, and associated increase in CalPERS pension and social security costs. The bulk of the overall increase is associated with a required contribution to CalPERS for the District's share of the pool's unfunded actuarial liability (UAL). Certain other payroll related expenses have changed proportional to higher wages. While we anticipated double digit increases in health insurance premiums based on renewal quotes, changes in our staff makeup over the past year and election of a base plan with more limited provider options have reduced the aggregate cost of coverage. The combined effect is a fairly minor increase in annual costs.

The net result of the adjustments in this category is a budget increase for personnel expenses of $99,436, or 9.7% over the prior year.

**General Expenses**

The projected budget for general administrative expenses is $245,900, or 14.8% of the total administration budget. This represents an increase of $3,700 or 1.5% over the previous fiscal year. Within this category there is notable decrease in the Board of Directors election expense attributed to this being a non-election year. Cost reductions are also expected in the Conference and Training and Rent and Leases accounts. However, these savings will be offset by a significant escalation in the cost of general liability and property insurance coverages. Premium increases are primarily resulting from ongoing property market impacts and loss history in the pool.

**Utilities**

Utility costs include those for electricity, water, telephone, and the security system for the administration building. The budgeted amount for the 2025/26 fiscal year is $12,500 or 0.8% of the overall administration budget. Budgeted costs in this category are projected to be unchanged from the previous fiscal year. The rooftop solar system continues to result essentially net zero energy use at the Administration building.

**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 $15,500 or 0.9% of the administration budget. Costs are lower in two accounts – Building Maintenance and Grounds Maintenance – based on scheduling of routine activities. Major safety pruning of large trees is currently done on a bi-annual basis. In increase in annual equipment maintenance costs results from shifting copier maintenance and lease costs to this account. The net change is a 14.8 percent decrease for this category.

**Professional Services**

The projected budget for professional services is $181,500 or 10.9% of the overall administration budget. This represents an increase of $22,000 or 13.8% from the previous fiscal year budget. Audit expense projections are expected to be higher based on new contract pricing for independent audit services for the year. A budget increase for computer expenses is also projected, as the Microsoft Windows 10 operating system will no longer be supported as of October 2025 and replacement of several workstations will be necessary to ensure network security going forward. Consultant costs for public outreach support have also increased slightly in 2025.

**Other Expenses**

The budget for other expenses is $81,000, or 4.9% of the total administration budget. An increase of $10,400, or 14.7%, in this category for FY 2025/26. This increase is almost entirely attributed to an expected contribution of funds to a collaborative planning study related to ocean outfalls in the Southern California Bight and their relative contribution of nutrients to the ocean.

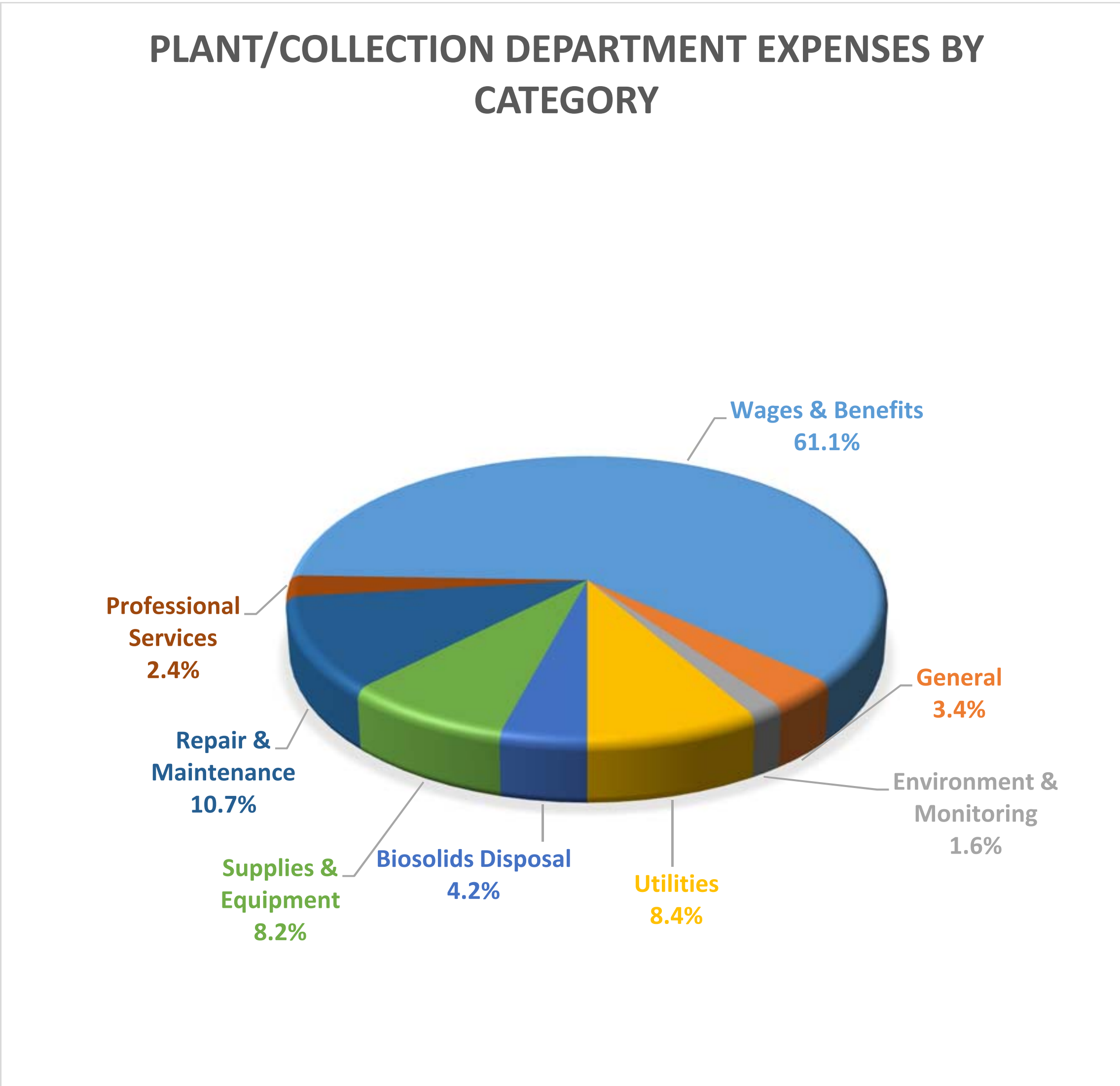
The remainder of this section presents detailed budget spreadsheets for the Administration Department.

| CARPINTERIA SANITARY DISTRICT | | | | | | | |
|---|---|---|---|---|---|---|---|
| Administration Department | | | | | | | |
| | | BUDGET 2024/25 | ACTUAL (11 mo) 2024/25 | EXPENDED % | BUDGET 2025/26 | Increase (Decrease) | CHANGE % |
| 5010 | Regular Salaries | 625,000 | 562,550 | 90.0% | 640,000 | 15,000 | 2.4% |
| 5015 | Vacation Buy-back | 10,000 | 1,998 | 20.0% | 10,000 | 0 | 0.0% |
| 5030 | Overtime | 500 | 55 | 11.1% | 500 | 0 | 0.0% |
| 5050 | Director's Fee | 15,000 | 8,300 | 55.3% | 20,000 | 5,000 | 33.3% |
| | Total Wages | 650,500 | 572,903 | 88.1% | 670,500 | 20,000 | 3.1% |
| | | | | | | | |
| 5110 | CalPERS UAL | 110,000 | 104,097 | 94.6% | 180,436 | 70,436 | 64.0% |
| 5111 | PERS | 115,000 | 100,542 | 87.4% | 120,000 | 5,000 | 4.3% |
| 5112 | Social Security | 43,000 | 36,940 | 85.9% | 45,000 | 2,000 | 4.7% |
| 5120 | Medical Insurance | 81,000 | 71,038 | 87.7% | 83,000 | 2,000 | 2.5% |
| 5121 | Employee Wellness Program | 800 | 200 | 25.0% | 800 | 0 | 0.0% |
| 5122 | Unemployment Ins/Training Tax | 1,300 | 740 | 56.9% | 1,300 | 0 | 0.0% |
| 5123 | Certification Incentive Program | 1,500 | - | 0.0% | 1,500 | 0 | 0.0% |
| 5124 | Long Term Disability | 5,300 | 7,286 | 137.5% | 5,300 | 0 | 0.0% |
| 5126 | Life Insurance | 1,400 | 1,336 | 95.4% | 1,400 | 0 | 0.0% |
| 5127 | Dental / Vision Plan | 12,500 | 5,389 | 43.1% | 12,500 | 0 | 0.0% |
| 5128 | Workers' Comp | 6,500 | 3,360 | 51.7% | 6,500 | 0 | 0.0% |
| 5132 | Employee Med - Physical | 200 | - | 0.0% | 200 | 0 | 0.0% |
| | Total Benefits | 378,500 | 330,927 | 87.4% | 457,936 | 79,436 | 21.0% |
| | Total Wages & Benefits | 1,029,000 | 903,830 | 87.8% | 1,128,436 | 99,436 | 9.7% |
| | | | | | | | |
| 5210 | Departmental Expense | 11,000 | 6,140 | 55.8% | 11,000 | 0 | 0.0% |
| 5215 | Office Supplies | 3,000 | 2,403 | 80.1% | 3,000 | 0 | 0.0% |
| 5222 | Directors' Conference | 9,000 | 6,066 | 67.4% | 9,000 | 0 | 0.0% |
| 5226 | Directors' Election Exp. | 15,000 | - | 0.0% | - | (15,000) | 100.0% |
| 5228 | Directors' Dental / Vision | 12,500 | 13,584 | 108.7% | 12,500 | 0 | 0.0% |
| 5231 | Insurance - Liability | 150,000 | 145,269 | 96.8% | 175,000 | 25,000 | 16.7% |
| 5242 | Membership and Dues | 24,000 | 24,353 | 101.5% | 24,000 | 0 | 0.0% |
| 5244 | Conference and Training | 12,000 | 10,444 | 87.0% | 10,000 | (2,000) | (16.7%) |
| 5246 | Education Reimbursement | 1,000 | - | 0.0% | 1,000 | 0 | 0.0% |
| 5265 | Mileage Reimbursement | 200 | - | 0.0% | 200 | 0 | 0.0% |
| 5270 | Rent & Leases | 4,500 | 560 | 12.4% | 200 | (4,300) | (95.6%) |
| | Total General | 242,200 | 208,819 | 86.2% | 245,900 | 3,700 | 1.5% |

| | | BUDGET 2024/25 | ACTUAL (11 mo) 2024/25 | EXPENDED % | BUDGET 2025/26 | Increase (Decrease) | CHANGE % |
|---|---|---|---|---|---|---|---|
| **CARPINTERIA SANITARY DISTRICT** | | | | | | | |
| **Administration Department - Continued** | | | | | | | |
| 5420 | Southern California Electric | 1,000 | 991 | 99.1% | 1,000 | 0 | 0.0% |
| 5430 | Telephone | 5,000 | 3,893 | 77.9% | 5,000 | 0 | 0.0% |
| 5440 | Water | 3,500 | 2,978 | 85.1% | 3,500 | 0 | 0.0% |
| 5490 | District Alarm System | 3,000 | 3,176 | 105.9% | 3,000 | 0 | 0.0% |
| | Total Utilities | 12,500 | 11,038 | 88.3% | 12,500 | 0 | 0.0% |
| 5610 | Equipment Maintenance | 200 | 3,262 | 1631.1% | 4,500 | 4,300 | 2150.0% |
| 5620 | Building Maintenance | 5,000 | 10,079 | 201.6% | 3,000 | (2,000) | (40.0%) |
| 5630 | Grounds Maintenance | 13,000 | 11,547 | 88.8% | 8,000 | (5,000) | (38.5%) |
| | Total Repair & Maintenance | 18,200 | 24,889 | 136.8% | 15,500 | (2,700) | (14.8%) |
| 5821 | Accounting & Audit | 16,500 | 21,085 | 127.8% | 30,500 | 14,000 | 84.8% |
| 5831 | Legal Counsel | 25,000 | 7,238 | 29.0% | 25,000 | 0 | 0.0% |
| 5835 | Safety Program | 5,000 | - | 0.0% | 5,000 | 0 | 0.0% |
| 5843 | Computer Expense | 23,000 | 24,652 | 107.2% | 29,000 | 6,000 | 26.1% |
| 5847 | Public Relations | 15,000 | 10,679 | 71.2% | 17,000 | 2,000 | 13.3% |
| 5849 | Professional Services | 45,000 | 18,005 | 40.0% | 45,000 | 0 | 0.0% |
| 5851 | Accounting Services | 30,000 | 22,724 | 75.7% | 30,000 | 0 | 0.0% |
| | Total Professional Services | 159,500 | 104,384 | 65.4% | 181,500 | 22,000 | 13.8% |
| 6020 | Admin Charges-SB County | 10,000 | - | 0.0% | 10,000 | 0 | 0.0% |
| 6030 | Debt Services Admin Fee | 3,100 | 3,190 | 102.9% | 3,500 | 400 | 12.9% |
| 6031 | LAFCO Pro-Rata Costs | 6,000 | 5,742 | 95.7% | 6,000 | 0 | 0.0% |
| 6032 | Regional Grant Planning | 1,500 | 448 | 29.9% | 11,500 | 10,000 | 666.7% |
| 6033 | Recycled Water System Develop | 50,000 | 8,700 | 17.4% | 50,000 | 0 | 0.0% |
| | Total Other Expenses | 70,600 | 18,080 | 25.6% | 81,000 | 10,400 | 14.7% |
| | Total Administration Expenses | 1,532,000 | 1,271,040 | 83.0% | 1,664,836 | 132,836 | 8.0% |

# 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 2025/26 budget for this department is $3,918,380, which represents an increase of $89,480 or 2.3% more than the prior fiscal year.



## Plant/Collection Budget Account Highlights

**Total Personnel Expenses**

Personnel costs make up 61.1% of the Plant/Collection Department's operating budget. This budget account funds all of the department wages, benefits, overtime, and standby duty costs. Increases to total personal costs are attributable to a policy directed cost of living adjustment, merit-based wage increases and increases in related payroll expenses. Decreases in CalPERS pension contributions based on the ratio of PEPRA versus Classic member contributions and higher healthcare insurance premiums are other factors affecting the budget in this category. Overall, expenditures in the wages and benefits category are projected to decrease by $2,520, or 0.1%, from the prior fiscal year.

**General Expenses**

The total budget for this category is $132,400, or 3.4% of the Plant/Collection Department budget. This reflects an increase of $9,500 over the previous fiscal year. Costs for training and conference attendance are being ramped up to account for a higher level of interest amongst operations staff to pursue technical certifications and to seek out training opportunities ahead of the CAPP project. Annual costs for State issued permits are also increasing, affecting this category.

**Environmental Monitoring**

The projected budget for environmental monitoring is $62,500, or 1.6% of the department budget. Costs are expected to increase for in-house laboratory equipment and materials in the coming year, resulting in a 22.5 % increase in spending for this combined category. Expenses for deionized water system and third party proficiency testing were moved this account to better reflect lab specific costs. Recurring material costs have also risen sharply.

**Utilities**

The cost for utilities, which include water, electricity, natural gas, trash service, and USA (Underground Service Alert) is projected to be $328,800, or 8.4% of the departmental budget. With minor adjustments, the overall Utilities budget is 0.8% lower than the prior year estimate.

**Biosolids Disposal**

The District contracts with Engel & Gray, Inc. for biosolids hauling and composting. The cost for biosolids transport and off-site composting is currently $55.26 per ton plus a variable fuel surcharge as set forth in the agreement. The budget for this account remains unchanged from the previous fiscal year.

**Supplies and Equipment**

This budget category includes the supply of chemicals, fuel, safety equipment and tools needed to operate the treatment plant and collection system. The major costs in this category are for polymer, odor control chemicals, and disinfection chemicals. The proposed budget for this category is $323,000. Within this category, an increase in general supply cost is necessary to address inflationary effects. The annual cost for disinfection chemicals is also adjusted upward to reflect current usage rates and bid pricing from our May 2025 procurement solicitation. Overall, expenditures are expected to increase by 6.7% or $20,500 in the coming year.

## Repairs and Maintenance

The total projected budget for repairs and maintenance is $419,000, or 10.7% of the department budget. This is a net increase of $49,000, or 13.2% from the prior fiscal year. Modest increases in the line item accounts for treatment plant, collection system a vehicle maintenance are the result of very significant inflation on parts, materials and primarily outside services.

## Professional Services

The projected budget for this category is $94,500, or 2.4% of the overall department budget. Computer related expenses are projected to be higher as a result of a replacement/upgrade needs associated with the retirement of Windows 10 workstations. We are also anticipating SCADA maintenance costs to trend upward slightly as we continue to improve our internal plant monitoring systems with outside consultant support. Overall, professional services costs are projected to increase by a nominal amount.

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

| CARPINTERIA SANITARY DISTRICT | | | | | | | |
|---|---|---|---|---|---|---|---|
| Plant/Collection Department | | | | | | | |
| | | BUDGET 2024/25 | ACTUAL (11 mo) 2024/25 | EXPENDED % | BUDGET 2025/26 | Increase (Decrease) | CHANGE % |
| 5010 | Regular Salaries | 1,470,000 | 1,248,253 | 84.9% | 1,500,000 | 30,000 | 2.0% |
| 5015 | Vacation Buy-back | 15,000 | - | 0.0% | 15,000 | 0 | 0.0% |
| 5030 | Overtime | 12,000 | 8,815 | 73.5% | 12,000 | 0 | 0.0% |
| 5040 | Special Duty Pay | 80,000 | 68,712 | 85.9% | 82,480 | 2,480 | 3.1% |
| | Total Wages | 1,577,000 | 1,325,779 | 84.1% | 1,609,480 | 32,480 | 2.1% |
| | | | | | | | |
| 5110 | CalPERS UAL | 175,000 | 173,051 | 98.9% | 155,000 | (20,000) | (11.4%) |
| 5111 | CalPERS | 190,000 | 152,317 | 80.2% | 170,000 | (20,000) | (10.5%) |
| 5112 | Social Security | 115,000 | 98,186 | 85.4% | 115,000 | 0 | 0.0% |
| 5120 | Medical Insurance | 225,000 | 196,298 | 87.2% | 230,000 | 5,000 | 2.2% |
| 5121 | Employee Wellness Program | 2,800 | 600 | 21.4% | 2,800 | 0 | 0.0% |
| 5122 | Unemployment Ins/Training Tax | 2,500 | 1,904 | 76.2% | 2,500 | 0 | 0.0% |
| 5123 | Certification Incentive Program | 12,000 | 7,250 | 60.4% | 12,000 | 0 | 0.0% |
| 5124 | Long Term Disability | 13,000 | 10,281 | 79.1% | 13,000 | 0 | 0.0% |
| 5126 | Life Insurance | 3,700 | 1,993 | 53.9% | 3,700 | 0 | 0.0% |
| 5127 | Dental / Vision Plan | 32,500 | 26,439 | 81.4% | 32,500 | 0 | 0.0% |
| 5128 | Workers' Comp | 45,000 | 45,000 | 100.0% | 45,000 | 0 | 0.0% |
| 5132 | Employee Medical - Physical | 2,200 | 1,833 | 83.3% | 2,200 | 0 | 0.0% |
| | Total Benefits | 818,700 | 715,152 | 87.4% | 783,700 | (35,000) | (4.3%) |
| | Total Wages & Benefits | 2,395,700 | 2,040,932 | 85.2% | 2,393,180 | (2,520) | (0.1%) |
| | | | | | | | |
| 5210 | Departmental Expense | 2,500 | 1,615 | 64.6% | 2,500 | 0 | 0.0% |
| 5215 | Office Supplies | 2,000 | 3,274 | 163.7% | 2,000 | 0 | 0.0% |
| 5241 | Uniform Expense | 17,500 | 15,988 | 91.4% | 17,500 | 0 | 0.0% |
| 5242 | Membership and Dues | 8,500 | 6,862 | 80.7% | 9,000 | 500 | 5.9% |
| 5244 | Conference and Training | 12,000 | 16,663 | 138.9% | 20,000 | 8,000 | 66.7% |
| 5246 | Education Reimbursement | 500 | - | 0.0% | 500 | 0 | 0.0% |
| 5260 | Vehicle Fuel Expense | 28,000 | 16,065 | 57.4% | 23,000 | (5,000) | (17.9%) |
| 5265 | Mileage Reimbursement | 400 | 301 | 75.3% | 400 | 0 | 0.0% |
| 5270 | Rent & Leases | 1,500 | - | 0.0% | 1,500 | 0 | 0.0% |
| 5290 | Licenses and Permits | 50,000 | 35,340 | 70.7% | 56,000 | 6,000 | 12.0% |
| | Total General | 122,900 | 96,108 | 78.2% | 132,400 | 9,500 | 7.7% |
| | | | | | | | |
| 5310 | Monitoring Equipment | 20,000 | 27,123 | 135.6% | 31,500 | 11,500 | 57.5% |
| 5320 | Monitoring Lab Work | 21,000 | 17,053 | 81.2% | 21,000 | 0 | 0.0% |
| 5330 | Spill Response | 10,000 | - | 0.0% | 10,000 | 0 | 0.0% |
| | Total Environment & Monitoring | 51,000 | 44,176 | 86.6% | 62,500 | 11,500 | 22.5% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **CARPINTERIA SANITARY DISTRICT** | | | | | | |
| | **Plant/Collection Department - Continued** | | | | | | |
| | | **BUDGET 2024/25** | **ACTUAL (11 mo) 2024/25** | **EXPENDED %** | **BUDGET 2025/26** | **Increase (Decrease)** | **CHANGE %** |
| 5410 | Southern California Gas | 2,500 | 1,680 | 67.2% | 2,500 | 0 | 0.0% |
| 5420 | Southern California Electric | 300,000 | 279,136 | 93.0% | 299,000 | (1,000) | (0.3%) |
| 5430 | Telephone | 12,500 | 11,711 | 93.7% | 10,000 | (2,500) | (20.0%) |
| 5440 | Water | 8,000 | 6,580 | 82.3% | 8,000 | 0 | 0.0% |
| 5450 | Rubbish | 6,000 | 5,578 | 93.0% | 7,000 | 1,000 | 16.7% |
| 5480 | Underground Service Alert | 2,300 | 1,733 | 75.3% | 2,300 | 0 | 0.0% |
| | Total Utilities | 331,300 | 306,418 | 92.5% | 328,800 | (2,500) | (0.8%) |
| | | | | | | | |
| 5470 | Biosolids Disposal | 165,000 | 138,178 | 83.7% | 165,000 | 0 | 0.0% |
| | | | | | | | |
| 5510 | General Supplies | 15,000 | 15,505 | 103.4% | 20,000 | 5,000 | 33.3% |
| 5521 | Odor Control Chemicals | 51,000 | 13,115 | 25.7% | 51,000 | 0 | 0.0% |
| 5522 | Disinfection Chemicals | 185,000 | 169,159 | 91.4% | 200,000 | 15,000 | 8.1% |
| 5524 | Polymers | 32,000 | 6,035 | 18.9% | 32,000 | 0 | 0.0% |
| 5525 | Tool / Small Parts | 6,000 | 2,799 | 46.7% | 6,000 | 0 | 0.0% |
| 5526 | Fuel, Diesel, Lubricants | 7,500 | 1,756 | 23.4% | 7,500 | 0 | 0.0% |
| 5527 | Safety Equipment | 6,000 | 5,731 | 95.5% | 6,500 | 500 | 8.3% |
| | Total Supplies & Equipment | 302,500 | 214,101 | 70.8% | 323,000 | 20,500 | 6.8% |
| | | | | | | | |
| 5610 | Equipment Maintenance | 25,000 | 12,077 | 48.3% | 25,000 | 0 | 0.0% |
| 5620 | Building Maintenance | 25,000 | 1,646 | 6.6% | 25,000 | 0 | 0.0% |
| 5630 | Grounds Maintenance | 25,000 | 15,562 | 62.2% | 27,000 | 2,000 | 8.0% |
| 5640 | Vehicles Maintenance | 20,000 | 25,665 | 128.3% | 27,000 | 7,000 | 35.0% |
| 5650 | Treatment Plant Maintenance | 125,000 | 82,954 | 66.4% | 150,000 | 25,000 | 20.0% |
| 5680 | Pump Station Maintenance | 40,000 | 38,062 | 95.2% | 40,000 | 0 | 0.0% |
| 5690 | Collection System Maintenance | 110,000 | 108,948 | 99.0% | 125,000 | 15,000 | 13.6% |
| | Total Repair & Maintenance | 370,000 | 284,914 | 77.0% | 419,000 | 49,000 | 13.2% |
| | | | | | | | |
| 5835 | Safety Program | 20,000 | 4,074 | 20.4% | 20,000 | 0 | 0.0% |
| 5843 | Computer Expenses | 35,000 | 33,465 | 95.6% | 39,000 | 4,000 | 11.4% |
| 5844 | SCADA Related Exp. | 35,000 | 22,439 | 64.1% | 35,000 | 0 | 0.0% |
| 5855 | IDP Monitoring Services | 500 | - | 0.0% | 500 | 0 | 0.0% |
| | Total Professional Services | 90,500 | 59,979 | 66.3% | 94,500 | 4,000 | 4.4% |
| | | | | | | | |
| | Total Plant/Collection Expenses | 3,828,900 | 3,184,805 | 83.2% | 3,918,380 | 89,480 | 2.3% |

# CAPITAL IMPROVEMENT PROJECTS

A portion of the District's projected overall budget for the 2025/26 fiscal year is allocated to capital improvement program (CIP) projects. These projects have been developed through long term planning efforts and through ongoing condition assessment of key infrastructure and equipment. They are complementary to several ongoing capital upgrades within the collection system, authorized in prior fiscal years, and are critical elements of the District's overall quality improvement plan.

## Planning Assumptions

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

- The proposed CIP projects consist of projects from the District's long range Capital Improvement Program (2023-2032) and other necessary projects and equipment acquisitions.

- The District will fund the approved projects through a direct appropriation of operating revenue and dedicated reserves held in the General Fund into the Capital Improvement Fund.

- The overall funding goal of the District's long term CIP is a "pay-as-you-go" scenario, which avoids the need to incur additional long-term debt.

- Certain capacity related projects will be funded or partially funded with Development Impact Fees (DIF) collected by the District for new service connections. DIF monies are strictly accounted for to comply with state law.

## CIP Budget Components

The CIP section of the proposed budget for the 2025/26 fiscal year (Capitalized Expenditures) is a component of the Non-Operating Expense section as illustrated in the Budget Snapshot. The CIP budget includes the projected expenses for purchase of fixed assets/equipment as well as those expenses associated with infrastructure repair and replacement projects undertaken by the District.

The combined budgets for newly proposed and carry over CIP projects for the 2025/26 fiscal year is **$5,140,000**. The list of projects and their funding source is provided below for ongoing and new capital projects.

**Deleted Project**

One CIP project, the Sawyer Avenue Sewer Realignment Project authorized in FY 2023/24, will be removed from list of authorized CIP projects. Preliminary engineering assessment efforts determined that a limited scope fix was not feasible. The nominal funds spent on this project will be expensed in FY 2024/25 and the necessary reconstruction/repair work will incorporated into a larger, future project to replace the main sewer in Holly Avenue south of Sawyer Avenue.

## Existing/Carryover CIP Projects

The District is currently implementing a number of capital improvement projects that have been authorized and funded by the Board of Directors in prior years. Each of these projects are expected to continue into the 2025/26 fiscal year. A list of ongoing or carryover CIP projects is presented in the following table.

| CARPINTERIA SANITARY DISTRICT<br>CAPITAL IMPROVEMENT PROJECT (CIP)<br>Previously Authorized CIP Projects | | | | |
|---|---|---|---|---|
| CIP NO. | FUNDING SOURCE | DESCRIPTION | TOTAL PROJECT BUDGET | FY 2025/26 ALLOCATION |
| P-188 | CIP | Carpinteria Avenue Inverted Siphon Relocation | $ 500,000 | |
| P-208 | CIP | Accounting Management Software | $ 100,000 | |
| P-209 | CIP | Lift Station No. 2 Force Main Realignment | $ 700,000 | |
| P-220 | CIP | Belt Filter Press Replacement | $ 1,300,000 | |
| P-224 | CIP | Garage Building | $ 250,000 | |
| | CIP | Lift Station No. 3 Wetwell Rehabilitation | $ 240,000 | $ 100,000 |
| | CIP | Active Harmonic Filter Replacement | $ 30,000 | |
| | CIP | Battery Energy Storage Project | $ 1,000,000 | |
| | | **Total CIP Carryover** | **$ 4,120,000** | **$ 100,000** |

The Lift Station No. 3 wetwell rehabilitation project authorized in FY 2024/25 has not yet been implemented, as informal bids received exceeded the anticipated project cost. For the current year, this project has been modified to include installation of an upstream manhole that will facilitate bypass pumping. Additionally, the amended scope includes replacement of one of the three submersible pumps with a larger capacity pump. This will provide additional operational flexibility, particularly when the belt press is operating and conveying wash water to this pump station. An augmentation of $100,000 to the authorized project budget is proposed for FY 2025/26.

The Battery Energy Storage Project was authorized by the Board in April 2025 and added to the CIP schedule at that time. This new project involves design and construction of an integrated battery energy storage system at the wastewater treatment facility to provide approximately four hours of stored energy to run the entire treatment facility during planned electrical outages, provide backup power during unplanned outages avoiding diesel generator usage, and allow for energy arbitrage and peak demand minimization in order to reduce overall electricity costs. This project is intended to improve operational reliability during short duration power outages and to reduce energy consumption, peak demand and associated electricity costs. The project would result in measurable cost savings for the District and grid benefits for Southern California Edison (SCE). The benefits to SCE are reflected in the availability of incentive funding through the Public Utility Commission’s Self Generation Incentive Program (SGIP). This project is expected to qualify for up to 85% reimbursement through SGIP, with a portion of that paid upon completion and the remainder paid on a performance basis over the following four years.

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

**New CIP Projects**

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

| CARPINTERIA SANITARY DISTRICT<br>CAPITAL IMPROVEMENT PROJECT (CIP)<br>New CIP Projects<br>FY 2025/26 | | | | |
|---|---|---|---|---|
| CIP NO. | FUNDING SOURCE | DESCRIPTION | TOTAL PROJECT BUDGET | BUDGET 2025/26 |
| | CIP | SCADA Network Improvement Project | $ 50,000 | $ 50,000 |
| | CIP | HVAC Efficiency Upgrades | $ 60,000 | $ 60,000 |
| | CIP | Vehicle Replacement | $ 60,000 | $ 60,000 |
| | CIP | Collection System Rehabilitation Program - Phase 4 | $ 500,000 | $ 500,000 |
| | CIP | Plant Entry Flood Proofing Modifications | $ 250,000 | $ 250,000 |
| | | | | |
| | | **Total New CIP Budget** | **$ 920,000** | **$ 920,000** |

## CIP Program Funding

**Current Year CIP Funding Allocation**

Allocation of capital improvement funds for FY 2025/26 will occur once the recommended CIP projects are authorized by the District's Board of Directors. Projects outlined in this section will be funded through a combination of current year operating revenue and existing cash reserves. The funding breakdown is detailed in the Pro-Forma worksheet.

A reconciliation of the restricted CIP fund will be completed concurrent with the FY 2025/26 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.

The Plant Entry Flood Proofing Modifications project is currently planned as part of the CAPP potable reuse project scheduled to commence in late 2025. The budget reflects a cost sharing arrangement between the District and Carpinteria Valley Water District.

**Future CIP Project Funding**

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

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

CARPINTERIA SANITARY DISTRICT
FY 2025/26 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

**PROJECT TITLE:** **SCADA Network Improvement Project**

**DESCRIPTION:** This project involves installation and programming of hardware necessary to provide a secure means of communication to the District's primary SCADA network. Other networking upgrades would improve reliability of the internal fiber optic connections throughout the treatment plant.

**BUDGET COST**: $50,000

**FUND SOURCE:** CIP

**JUSTIFICATION:** The SCADA system and connected alarm software system for the District's treatment plant and remote pump stations are critical to the overall reliability of our facilities. A higher level of functionality and access to continuous monitoring and control systems will enhance operator response to alarm conditions and other abnormal conditions.

CARPINTERIA SANITARY DISTRICT
FY 2025/26 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

**PROJECT TITLE:** **HVAC Efficiency Upgrades**

**DESCRIPTION:** This project involves replacement of existing HVAC package equipment used for conditioning the office spaces and laboratory at the wastewater treatment facility. Work includes incorporation of modern systems to optimize temperature control and efficiency.

**BUDGET COST:** $60,000

**FUND SOURCE:** CIP

**JUSTIFICATION**: The existing convention HVAC package units are nearing the end of their useful service life and are requiring frequent repair and service. Temperature control in the District's certified laboratory is crucial, making system reliability a high priority. Additionally, the existing system does not allow for individual temperature control in the office spaces. Replacing the units with modern heat pump based HVAC packages will improve efficiency and reliability. Adding modern controls and making necessary ducting and delivery system changes will further improve energy efficiency.

CARPINTERIA SANITARY DISTRICT
FY 2025/26 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

**PROJECT TITLE:** **Vehicle Replacement – 2007 Toyota Prius**

**DESCRIPTION:** This project includes replacement of a 2007Toyota Prius that was formerly used by the Engineering Technician and has recently served as a pool vehicle. In that capacity, this small sedan has limited utility for operational needs. It would be replaced with new model year Ford F-150 Lightning or similar all-electric ½ ton pickup truck available through the State of California CMAS Contract. The existing vehicle will be sold at public auction.

**BUDGET COST:** $60,000

**FUND SOURCE:** CIP

**JUSTIFICATION**: The District's 2007 Toyota Prius has been in service for 18 years. This small sedan has limited utility for current operational needs, but its hybrid platform still retains modest resale value for its age. The proposed, scheduled replacement is intended to ensure reliability and availability of our fleet at all times. Replacement with the specified vehicle will enhance operations and expand the number of zero emission vehicles within our fleet.

CARPINTERIA SANITARY DISTRICT
FY 2025/26 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

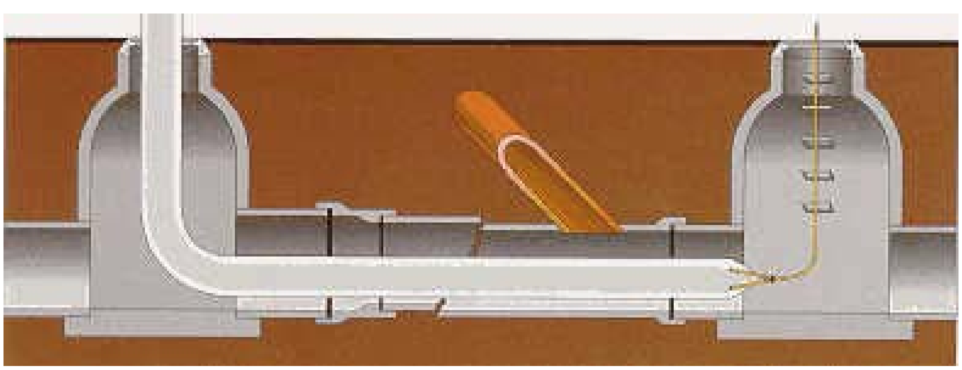
**PROJECT TITLE: Collection System Rehabilitation Program – Phase 4**

**DESCRIPTION:** This project involves rehabilitation and/or replacement of existing buried sewer pipelines that have been identified as defective through a comprehensive condition assessment program. The work may include cured in place pipe (CIPP) lining or other trenchless rehabilitation methods, in combination with open cut spot repairs and linear replacement projects. This represents the fourth phase of a multi-phase program intended to continually improve system performance and reliability.

**BUDGET COST:** $500,000

**FUND SOURCE:** CIP

**JUSTIFICATION**: Much of the District's wastewater collection system was constructed during the 1950's and earlier. An ongoing condition assessment effort and a strategic, phased pipeline rehabilitation program has resulted in renewal of a significant portion of the collection system. This has resulted in a low incidence of sewer spills and a reduction in groundwater infiltration. Despite these successes, continued focus on pipeline rehabilitation is an important part of our Sewer System Management Plan. Recent CCTV inspection has identified main sewers with structural defects requiring remedial action. We anticipate the focus in this phase to be generally on pipelines that require frequent maintenance or ongoing root control. The scope of this project is relatively modest compared to prior phases.



CARPINTERIA SANITARY DISTRICT
FY 2025/26 CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

**PROJECT TITLE: Plant Entry Flood Proofing Modifications**

**DESCRIPTION:** This project involves reconfiguration of the existing floodwall surrounding the wastewater treatment plant to enclose and protect the existing SCE transformer and main electrical switchgear from a 100-year storm flooding event. The project also includes installation of a passive flood gate at the treatment plant entry that would automatically activate in the event of a significant flood event. This project has been added to the final design for the Carpinteria Advanced Purification Project (CAPP) as it will provide mutual benefit for future CAPP facilities. The Carpinteria Valley Water District has agreed to share equally in the cost of this element of work which is expected to be a separate bid item in the CAPP bid form.

**BUDGET COST:** $250,000

**FUND SOURCE:** CIP

**JUSTIFICATION**: The District's wastewater treatment plant is protected by a perimeter floodwall that was constructed in the early 1990's. Although the plant site is within the 100-year floodplain boundary, the existing floodwall is well above the base flood elevation. There are two vulnerabilities, both of which have been highlighted in recent climate change assessments. First, the main electrical service, transformer and switchgear for the facility are located outside of the floodwall; and second, the plant entry itself is not protected and would allow floodwaters to enter as currently configured. Extending the floodwall around the electrical equipment and installing a flood gate to raise the entry barrier to the same elevation as the floodwall would offer a much higher level of protection during a future extreme flooding event.