

Summerland Sanitary District

Proposed Fiscal Year 2020/21 Budget

May 28, 2020

Board of Directors

David Novis - President
James Witmer – Vice-President
Jolene Colomy - Secretary
John Franklin - Director
Martin Tucker - Director

District Staff

Michael Sullivan – Interim General Manager
Marjon Souza – District Administrative Manager
Noe Aguilar Vega – TP Operations Supervisor





Board of Directors

May 22, 2020

President:

David Novis

Board of Directors

Vice- President:

James Witmer

Summerland, CA

Secretary:

Jolene Colomy

Subject: Letter of Transmittal – FY2020-21 Annual Budget

Director:

John Franklin

Director:

Martin Tucker

Submitted for your review is the proposed FY2020-21 Annual Budget for the Summerland Sanitary District. The 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 FY2017/18 the District conducted a comprehensive Wastewater Rates & Fees Study. The study included a comprehensive review of the District's financial plan, user classifications, and rate structure. 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 3.5 % annual rate increases beginning in FY2018/19 and continuing for the following four fiscal years. This is the third year of the 3.5% serial rate increase.

For FY2020/21, the sewer service charge for a single-family residential unit will increase from \$1,098 to \$1,137. Non-residential rates will increase proportionally. The Capital Recovery Fee is estimated to increase 2.5% from \$12,083 to \$12,385 based on the ENR-CCI- Los Angeles Index.

Operation Fund 5215 Revenue Projection

Overall, in FY2020-21 we modestly expect revenues to increase to \$1,274.826 which is an increase of \$39,338 or 3.2% from the prior year. Revenues in excess of the projected operating and capital expenditures for FY2020-21 will continue to fund the Capital Replacement and Repair fund to serve as fiscal reserves as set by Resolution 2017-06.

Operating Fund 5215 Operating Expenses

Overall operating expenses for 5215 are projected to be \$1,026,431, a two percent increase from the previous fiscal year.

Non-Operating Expenses

Proposed Capital Improvement Project for FY2020-21 is \$60,000 covering the cost projected for Golden Gate Avenue Mainline Repair and \$6,000 for the treatment for termite removal of six district buildings.

Cash Positions

The Cash Balances for July 1, 2020 is estimated as follows:

Fund 5215 \$976,172

Fund 5216 \$351,350

Fund 5217 \$808,838

For FY2020/21 staff will continue to control cost and strive to stay within the budget, make appropriate investments in maintenance and equipment to ensure the community of Summerland has a reliable collection system and wastewater treatment facility. We thank Interim Manager M. Sullivan for his guidance with compiling the FY2020-21 budget.

On behalf of the Summerland Sanitary District

N. Aguilar Vega, Treatment Plant Operations Supervisor
M. Souza, District Administrative Manager

Attachments:

Resolution No. 2020-01

Exhibit A- Budget Snapshot

Detailed Explanation Budget FY2020-21

RESOLUTION NO. 2020-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUMMERLAND SANITARY DISTRICT ADOPTING OPERATING BUDGET FUND 5215, CAPITAL FACILITIES BUDGET FUND 5216 AND CAPITAL REPLACEMENT AND REPAIR BUDGET FUND 5217

WHEREAS, the Board of Directors of Summerland Sanitary District has reviewed the proposed budget for Fiscal Year 2020-21.

NOW, THEREFORE, the Board of Directors of the Summerland Sanitary District hereby resolves as follows:

1. That the Budget that is on file with the Clerk of the Board, a summary of which is attached hereto as Exhibit A – Budget Snapshot, is adopted as the final Operating Budget Fund 5215, Capital Facilities Budget Fund 5216 and Capital Replacement and Repair Budget Fund 5217.
2. That the amount designated in the Financial Year 2020-21 Operating budget is hereby appropriated and may be expended for which they are designated, and such appropriation shall neither increase, nor decrease, except as provided herein.
3. The following controls are hereby place on the use and transfer of budgeted funds:
 - a) The District Administrative Manager is responsible to keep expenditure within budget allocations for salaries, benefits and administrative expenses and the Treatment Plant Operations Supervisor is responsible to keep expenditure within budget allocations for operational expenses and capital acquisitions. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board.
 - b) The District Administrative Manager and Treatment Plant Operations Supervisor may exercise discretion in administration of the budget to respond to changed circumstances, provided any modification in excess of \$5,000 shall require approval of the Board.
 - c) The Board must approve any increase in the overall operating budget, capital budget, salary budget above the level identified in the final operating and capital budgets.
 - d) Authorization is made for any carry over or continuing appropriation from Operational Fund 5215 to the Capital Replacement and Repair Fund 5217

PASSED AND ADOPTED at the regular board meeting of the Board of Directors of the Summerland Sanitary District held May 28, 2020, carried by the following roll call vote:

AYES : J. Colomy, John Franklin, M. Tucker, J. Witmer
NAYS : D. Novis
ABSENT : /
ABSTENTIONS : /



ATTEST:

A handwritten signature in black ink, appearing to read "David Novis".

DAVID NOVIS, President
Board of Directors
SUMMERLAND SANITARY DISTRICT

A handwritten signature in black ink, appearing to read "Jolene Colomy".

JOLENE COLOMY, Secretary
Board of Directors
SUMMERLAND SANITARY DISTRICT

THE UNIVERSITY OF CHICAGO
LIBRARY

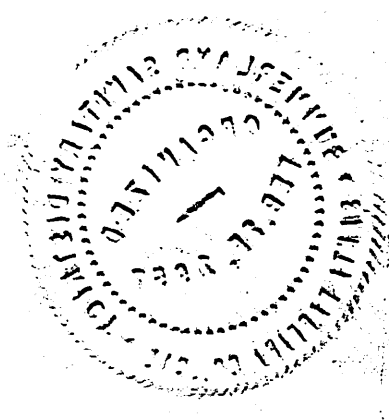


EXHIBIT A
Budget Snapshot

Fund 5215 --- Proposed Summerland Sanitary District Operations Budget FY2020/21

Revenues		Adopted FY 2018/19	Actuals 30-Jun 2019	% < >	Adopted FY 2019/20	Actuals 30-Apr 2019	% < > 82%	Proposed FY 2020/21	% < >
	Revenues								
3010	Property Tax-Current Secured*	220,000	223,789	102%	226,000	225,985	100%	230,000	102%
3011	Property Tax-Unitary	0	3,115			1,804			
3015	PT PY Corr/Escapes Secured	0	-1,102			-215			
3020	Property Tax-Current Unsecd	9,500	8,051	85%	9,500	8,974	94%	9,500	100%
3023	Property Tax- PY Corr	0	-31			155			
3040	Property Tax-Prior Secured	0	-33			11			
3050	Property Tax-Prior Unsecured	0	282			1,188			
3054	Supplemental Pty Tax-Current	3,500	4,261	122%	3,500	1,787	51%	3,500	100%
3056	Supplemental Pty Tax-Prior	0	129			33			
3057	Property Tax-506 Int. 480 CLOS	0	-41			0			
3380	Interest Income	9,000	17,895	199%	15,000	10,811	72%	15,000	100%
3381	Unrealized Gain/Loss Inv.	1,178	10,011	850%	5,488	4,487	82%	2,000	36%
4160	State Aid for Disaster	0	548						
4220	Homeowners Prop. Tax Relief	1,000	1,101	110%	1,000	542	54%	1,000	100%
5091	Plan Check Fee	0	1,570		1,000	1,884	188%	1,200	120%
5430	Total Service Charges	925,000	936,347	101%	969,000	953,612	98%	1,006,726	104%
5433	Inspection Fees	2,000	3,573	179%	2,500	3,696	148%	2,700	108%
5746	Administrative Rev	0	2,416		2,000	4,904	245%	2,700	135%
	Total Revenues	1,171,178	1,211,880	103%	1,234,988	1,219,659	98.8%	1,274,326	103%

Fund 5215 Expenses		Adopted Budget 2018/19	Actuals 30-Jun 2019	% < > 75%	Adopted FY 2019/20	Actuals 31-Mar 2020	% < > 75%	Proposed FY 2020/21	% < >
INCLUDING 3% COLA									
	Salaries and Employee Benefits								
6100	Regular Salaries	428,800	420,784	98%	443,489	342,431	77%	409,214	92%
6270	Standby	10,000	10,471	105%	17,546	13,201	75%	12,500	71%
6300	Overtime	5,500	4,908	89%	5,600	4,885	87%	4,200	75%
6400	Retirement	151,000	162,340	108%	159,797	132,357	83%	145,889	91%
6475	Retirement Healthcare Contr.	4,900	4,694	96%	4,900	3,474	71%	9,800	200%
6500	District Contr. (Fica & Med)	30,700	32,664	106%	32,205	22,906	71%	31,305	97%
6600	Health & Dental, L.I. Contrib	86,900	76,547	88%	82,610	60,046	73%	72,812	88%
6900	Workers' Comp.	9,900	10,391	105%	12,281	10,987	89%	16,866	137%
	Total Salaries & Empl. Benefits	727,700	722,799	99%	758,428	590,286	78%	702,586	93%

Fund 5215 Expenses		Adopted Budget 2018/19	Actuals 30-Jun 2019	% < > 75%	Adopted FY 2019/20	Actuals 31-Mar 2020	% < > 75%	Proposed FY 2020/21	% < >
Operating, Maintenance & Supplies									
7030	Uniforms/ Boots	2,000	1,991	100%	2,000	1,469	73%	2,100	105%
7053	Telephone/Internet	8,000	9,357	117%	8,500	7,396	87%	9,000	106%
7090	Liability Insurance	19,000	18,944	100%	25,000	24,525	98%	36,800	147%
7110	Directors Fees	12,000	11,830	99%	12,000	9,450	79%	15,000	125%
7121	Operating Supplies	25,000	27,332	109%	25,000	18,648	75%	26,700	107%
7324	Audit & Acct's	21,000	19,352	92%	23,000	23,365	102%	25,000	109%
7362	Maint. Buildings & Grounds	8,000	6,641	83%	8,000	3,723	47%	8,000	100%
7363	Maintenance Equipment	12,000	10,493	87%	14,000	14,296	102%	14,000	100%
7404	Lab Services	22,000	20,737	94%	23,000	19,313	84%	23,200	101%
7430	Memberships	6,200	6,626	107%	6,625	6,898	104%	8,490	128%
7450	Office Expense	4,000	4,159	104%	4,000	3,476	87%	4,000	100%
7454	Books & Subscrip.	300	221	74%	240	272	113%	290	121%
7459	IT Profesional Serv./Hardware	5,000	2,308	46%	4,000	6,613	165%	4,000	100%
7460	Prof. & Special Service	4,000	9,846	246%	4,000	6,857	171%	12,350	309%
7508	Legal Fees	12,000	68,995	575%	30,000	15,244	51%	45,000	150%
7510	Contract Services	5,000	4,997	100%	6,000	7,276	121%	12,940	216%
7516	Permitting Services	7,100	6,759	95%	7,200	7,976	111%	9,600	133%
7530	Publications & Legal Notices	300	246	82%	300	134	45%	300	100%
7546	Administration Expense	3,300	3,421	104%	3,300	0	0%	3,600	109%
7630	Small Tools & Instruments	300	640	213%	300	732	244%	500	167%
7653	Training Fees & Supplies	1,500	1,215	81%	1,200	710	59%	7,175	598%
7671	Special Projects	5,500	5,320	97%	5,500	7,719	140%	11,900	216%
7730	Transportation & Travel	250	301	121%	350	384	110%	1,000	286%
7731	Gas-Oil-Fuel	1,500	1,240	83%	1,500	2,486	166%	2,400	160%
7761	Electricity	31,000	31,983	103%	29,000	27,518	95%	34,500	119%
7763	Water	1,800	1,089	60%	1,600	1,217	76%	2,000	125%
7764	Trash/Marborg Disposal	3,000	3,123	104%	3,400	3,053	90%	4,000	118%
Total Operating, Maint. & Supplies		221,050	279,164	126%	249,015	220,751	89%	323,845	130%
Total Expenses		948,750	1,001,963	106%	1,007,443	811,037	81%	1,026,431	102%

FY2019/20

Projected Revenues FY19/20	1,234,988
Projected Expenses FY19/20	1,007,443
Projected surplus allocation to 5217	227,545

FY2020/21 Based on 3% COLA

Projected Revenues FY20/21	1,274,326
Projected Expenses FY20/21	1,026,431
Projected surplus allocation to 5217	247,895

Fund 5215 Cash Balance at 05/01/20 \$ 1,289,336

Fund 5216 --- Capital Facilities Fund Proposed Budget FY2020/21

Revenues		Adopted FY 2019-20	Actuals 30-Apr 2019	% < > 83%	Proposed FY 2020-21	% < >
3380	INTEREST INCOME	6,300	4,245	67%	6,300	100%
3381	UNREALIZED GAIN/LOSS INV	2,013	2,013	100%	2,013	
Charges for services						
5432	CONNECTION FEES (CRF FEE)	12,202	60,057	492%	12,385	101%
Total Revenues		20,515	66,315	323.3%	20,698	100.9%
Expenses		Adopted Budget 2019-20	Actuals 30-Apr 2020	% < > 83%	Proposed FY 2020-21	% < >
Capital Assets						
8200	Structures & Improvements	14,000	0	0%	10,000	71%
8300	Equipment	26,000	19,548	75%	20,000	77%
8400	Infrastructure	35,000	-4,061	-12%	60,000	171%
Total Capital Assets		75,000	15,487	21%	90,000	100%
Total Expenses		75,000	30,974	41%	90,000	120%

Budget notes:

All expenses from Fund 5216 are used for Treatment Plant and Infrastructure Improvements.

Fund 5216 Cash Balance 5/01/2020 \$351,350

Fund 5217 --- Capital Replacement and Repair Fund Proposed Budget FY2020/21

Revenues		Adopted FY 2019/20	Actuals 30-Apr 2020	% < > 75	Proposed FY 2020/21	% < >
3380	INTEREST INCOME	8,500	8,551	101%	8,500	100%
3381	UNREALIZED GAIN/LOSS INV	6,529	3,529	54%	6,529	100%
Total Revenues		15,029	12,079	80.4%	15,029	

Expenses		Actual Budget 2019/20	Actuals 30-Apr 2020	% < > 75%	Proposed Budget 2020/21	% < >
Capital Assets						
8200	Structures & Improvements	10,000	0		6,000	60%
8300	Equipment	45,000	39,506	88%	45,000	100%
8400	Infrastructure	100,000	0		100,000	100%
Total Expenses		155,000	39,506		151,000	

Budget notes:

All expenses from Fund 5217 are used for capital expenditures and emergency funding

Fund 5217 Cash Balance 05/01/2020 \$655,674

Detailed Explanation of FY2020-21 Budget

Index

Budget Message	Page 2
Revenues	Page 3
Cost of Living Adjustments (COLA) Information	Page 4
Total Personnel Expenses Schedule 1 & 2	Page 5, 6
Salaries & Benefits Overview Schedules	Page 7
Operating Expense Budget – Worksheet	Page 8, 9, 10
Explanation of Operating, Maintenance and Supplies Expense	Page 11, 12, 13
Capital Expenditures	Page 14, 15

BUDGET MESSAGE

This section provides the Board of Directors with a comprehensive overview of the District's proposed annual budget for the 2020/21 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.

Summerland Sanitary District Mission

"We provide a community service committed to protect public health and safety; we are committed to preserving the natural environment through responsible collection, treatment and disposal of wastewater in the most cost-effective way possible."

Revenues:

Revenues	Adopted FY 2018/19	Actuals 30-Jun 2019	% <>	Adopted FY 2019/20	Actuals 30-Apr 2019	% <> 82%	Proposed FY 2020/21	% <>
Revenues								
3010 Property Tax-Current Secured*	220,000	223,789	102%	226,000	225,985	100%	230,000	102%
3011 Property Tax-Unitary	0	3,115			1,804			
3015 PT PY Corr/Escapes Secured	0	-1,102			-215			
3020 Property Tax-Current Unsecd	9,500	8,051	85%	9,500	8,974	94%	9,500	100%
3023 Property Tax- PY Corr	0	-31			155			
3040 Property Tax-Prior Secured	0	-33			11			
3050 Property Tax-Prior Unsecured	0	282			1,188			
3054 Supplemental Pty Tax-Current	3,500	4,261	122%	3,500	1,787	51%	3,500	100%
3056 Supplemental Pty Tax-Prior	0	129			33			
3057 Property Tax-506 Int. 480 CIDS	0	-41			0			
3380 Interest Income	9,000	17,895	199%	15,000	10,811	72%	15,000	100%
3381 Unrealized Gain/Loss Inv.	1,178	10,011	850%	5,488	4,487	82%	2,000	36%
4160 State Aid for Disaster	0	548						
4220 Homeowners Prop. Tax Relief	1,000	1,101	110%	1,000	542	54%	1,000	100%
5091 Plan Check Fee	0	1,570		1,000	1,884	188%	1,200	120%
5430 Total Service Charges	925,000	936,347	101%	969,000	953,612	98%	1,006,726	104%
5433 Inspection Fees	2,000	3,573	179%	2,500	3,696	148%	2,700	108%
5746 Administrative Rev	0	2,416		2,000	4,904	245%	2,700	135%
Total Revenues	1,171,178	1,211,880	103%	1,234,988	1,219,659	98.8%	1,274,326	103.2%

Property Taxes, Secured and Unsecured

Due to uncertain outcome to the Covid-19 effects a modest increase in property taxes secured has been estimated at 2% and a decrease in unrealize Gain/Loss of 64%.

Total Service Charges

The 3.5% rate increase has been implemented for the annual service charges.

Other Fees

Plan Check Fee, Inspection Fees and Administrative Fees revenues have come in historically much higher than the budgeted amounts in the past several years. An adjustment in projected revenues in this category has been made.

Cost of Living Adjustment (COLA) information

The following Consumer Price Index information reflects the status of the CPI from Bureau of Labor Statistics BLS.gov

March 2019

261.278

March 2020

266.964

Formula for Calculating the Percent Change

Index Point Change

- CPI 266.964
- Less previous Index 261.278
- Equals Index point change 5.686

Percent Change

- Equals Index point change 5.686
- Divided by Previous Index % 261.278
- Times 100 = equals percent change 2.2%

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

Original Data Value

Series Id: CWURS49ASAO

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

Area: Los Angeles-Long Beach-Anaheim, CA

Item: All items

Base Period: 1982-84=100

Years: 2010 to 2020

Year	Mar
2017	244.932
2018	254.451
2019	261.278
2020	266.964

COLA proposals other Districts:

Montecito Water	2.9%,
Goleta Sanitary	3.1%
Carp Sanitary	3.2%
Montecito Sanitary	3.0%
Ojai Sanitary District	3.5%

NOTE:

The Finance Committee requested to include a salary schedule based on 2.2% COLA and 3% COLA .

Total Personnel Expenses

Schedule 1. Including 2.2% COLA

5215 - SSD EMPLOYEE SALARY AND BENEFITS COST PROJECTION FY 2020-21 - Including 2.2% COLA												
Salaries and Benefits												
Job Title	6100	6200	6270	6300	6400	6475	6500		6900	6600		Total
	Base Pay	Extra Help	Standby	O.T	Retirement	Retirement Healthcare	Social Security	Medicare	Work. Comp.	Medical Ins.	Dental Vision & LI	
District Admin. Manager	102,200				41,687		6,336	1,482	450	19,371	1,237	172,763
TP Operations Supervisor	102,200				32,357		6,336	1,482	5,478	9,723	768	158,344
Lead Collections/Op. II	68,939		6,400	1,400	21,826		4,274	1,000	3,695	9,723	768	118,025
TP Operator II (Vacancy)	65,000		6,100	1,400	20,579		4,030	943	3,484	9,723	768	112,027
TP Sr. Operator I	68,797			1,400	28,661		4,265	998	3,687	19,371	1,360	128,539
Total	407,136	0	12,500	4,200	145,110	9,800	25,242	5,903	16,794	67,911	4,901	699,498
							Total 6500	31,146			Total 6600	72,812

Personnel Cost make up 68.3% of the Plant/Collections Operating Budget Fund 5215. This budget account funds all the department wages, benefits, overtime, and standby duty cost, plus the retired employee's health insurance contribution cost (OPEB). Overall Personnel Cost FY2020-21 is estimated at \$699,498 a decrease of 8.5% compared to the FY2019-20 budgeted personnel cost of \$758,428. This decrease is attributable to the restructuring of the District's work force.

All salaries are adjusted to a COLA (2.2%), except for the Lead Collections/Operator II (See page 6 for further information regarding the cost of living adjustment.). The Lead Collections/Operator II will be placed from Step E, to Step F in the adopted March 26, 2020 Operator II Salary Scale (a step increase of 2.8%).

Schedule 2. Including 3% COLA

5215 - SSD EMPLOYEE SALARY AND BENEFITS COST PROJECTION FY 2020-21 - Including 3% COLA												
Salaries and Benefits												
Job Title	6100	6200	6270	6300	6400	6475	6500		6900	6600		Total
	Base Pay	Extra Help	Standby	O.T	Retirement	Retirement Healthcare	Social Security	Medicare	Work. Comp.	Medical Ins.	Dental Vision & LI	
District Admin. Manager	103,000				42,014		6,386	1,494	453	19,371	1,237	173,954
TP Operations Supervisor	103,000				32,610		6,386	1,494	5,521	9,723	768	159,501
Lead Collections/Op. II	68,939		6,400	1,400	21,826		4,274	1,000	3,695	9,723	768	118,025
TP Operator II (Vacancy)	65,000		6,100	1,400	20,579		4,030	943	3,484	9,723	768	112,027
TP Sr. Operator I	69,275			1,400	28,860		4,295	1,004	3,713	19,371	1,360	129,279
Total	409,214	0	12,500	4,200	145,889	9,800	25,371	5,934	16,866	67,911	4,901	702,586
							Total 6500	31,305			Total 6600	72,812

Personnel Cost make up 68.5% of the Plant/Collections Operating Budget Fund 5215. This budget account funds all the department wages, benefits, overtime, and standby duty cost, plus the retired employee's health insurance contribution cost (OPEB).

Overall Personnel Cost FY2020-21 is estimated at \$702,586 a decrease of 7.9% compared to the FY2019-20 budgeted personnel cost of \$758,428. This decrease is attributable to the restructuring of the District's work force.

All salaries are adjusted to a COLA (3%), except for the Lead Collections/Operator II (See page 4 for further information regarding the cost of living adjustment.). The Lead Collections/Operator II will be placed from Step E, to Step F in the adopted March 26, 2020 Operator II Salary Scale (a step increase of 2.8%).

For Schedule 1 & 2 the following note:

Benefits are adjusted to projected increases in Health Insurance and Dental per January 2021 (5%). Retirement rates are adjusted with 9% for employees in Plan 5A and with 6.2% for employees in Plan 8.

Healthcare cost for District retirees went up with 100% to from \$4,900 in FY2019/20 to \$9,800 and is attributable to entering of an additional District retiree into the system.

Salaries and Benefits Overview Schedule

With 2.2% COLA

Expenses		Adopted Budget 2018/19	Actuals 30-Jun 2019	% < > 75%	Adopted FY 2019/20	Actuals 31-Mar 2020	% < > 75%	Proposed FY 2020/21	% < >
Salaries and Employee Benefits									
6100	Regular Salaries	428,800	420,784	98%	443,489	342,431	77%	407,136	92%
6270	Standby	10,000	10,471	105%	17,546	13,201	75%	12,500	71%
6300	Overtime	5,500	4,908	89%	5,600	4,885	87%	4,200	75%
6400	Retirement	151,000	162,340	108%	159,797	132,357	83%	145,110	91%
6475	Retirement Healthcare Contr.	4,900	4,694	96%	4,900	3,474	71%	9,800	200%
6500	District Contr. (Fica & Med)	30,700	32,664	106%	32,205	22,906	71%	31,146	97%
6600	Health & Dental, L.I. Contrib	86,900	76,547	88%	82,610	60,046	73%	72,812	88%
6900	Workers' Comp.	9,900	10,391	105%	12,281	10,987	89%	16,794	137%
Total Salaries & Empl. Benefits		727,700	722,799	99%	758,428	590,286	78%	699,498	92%

With 3% COLA

Expenses		Adopted Budget 2018/19	Actuals 30-Jun 2019	% < > 75%	Adopted FY 2019/20	Actuals 31-Mar 2020	% < > 75%	Proposed FY 2020/21	% < >
Salaries and Employee Benefits									
6100	Regular Salaries	428,800	420,784	98%	443,489	342,431	77%	409,214	92%
6270	Standby	10,000	10,471	105%	17,546	13,201	75%	12,500	71%
6300	Overtime	5,500	4,908	89%	5,600	4,885	87%	4,200	75%
6400	Retirement	151,000	162,340	108%	159,797	132,357	83%	145,889	91%
6475	Retirement Healthcare Contr.	4,900	4,694	96%	4,900	3,474	71%	9,800	200%
6500	District Contr. (Fica & Med)	30,700	32,664	106%	32,205	22,906	71%	31,305	97%
6600	Health & Dental, L.I. Contrib	86,900	76,547	88%	82,610	60,046	73%	72,812	88%
6900	Workers' Comp.	9,900	10,391	105%	12,281	10,987	89%	16,866	137%
Total Salaries & Empl. Benefits		727,700	722,799	99%	758,428	590,286	78%	702,586	93%

Standby cost reduced with \$5,046 due to placement of the TP Operations Supervisor on Salary and Overtime reduced with \$1,400 due to placement of TP Operations Supervisor and District Administrative Manager on salary.

A substantial increase in Worker's Compensation is attributable to a higher risk factor modification experience rate for TP Operations Supervisor (GM position had a lower modification rate).

Operating Expenses Budget – (See for explanation of the increased budgets pages 11,12,13)

Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	
Acct No.	Description	Budget 2019-20	Budget 2019-20	Elapsed 31-Mar	Budget 2020-21	%
7030	Uniforms/ Boots	2,000	1,469	73.4%	2,100	105%
7053	Telephone /Internet	8,500	7,396	87%	9,000	106%
	Cox Phone Service/ Internet				4,466	
	Frontier LS Alarm Phone Lines				1,950	
	Verizon Mobile Phone Service				2,584	
7090	Liability Insurance	25,000	24,525	98%	36,800	147%
7110	Directors Fees	12,000	9,450	79%	15,000	125%
7121	Operation Supplies	25,000	18,648	75%	26,700	107%
	Sodium Bisulfite	9,000	6,978	78%	9,500	106%
	Sodium Hypochlorite	11,000	9,275	84%	12,000	109%
	Polymer	1,700	0	0%	1,700	100%
	Lab Supplies/Gloves	3,300	2,395	73%	3,500	106%
7324	Audit & Acct's	23,000	23,365	102%	25,000	109%
	Accounting BP&W	3,000	6,182	206%	4,500	150%
	Audit BP&W	14,500	15,869	109%	15,000	103%
	Fin Accounting fees	5,500	1,315	24%	5,500	100%
7362	Maint. Build. & Grounds	8,000	3,723	47%	8,000	100%
	Buildings	5,000	2,205	44%	5,000	100%
	Grounds	3,000	1,519	51%	3,000	100%
7363	Maint. Equipment	14,000	14,296	102%	14,000	100%
	Plant Equipment	7,000	10,448	149%	7,000	100%
	Mobile Equipment	7,000	3,848	55%	7,000	100%
7404	Lab Services	23,000	19,313	84%	23,200	101%
	FGL	19,000	15,498	82%	19,000	100%
	Annual Sampling ABC/SD	4,000	3,815	95%	4,200	105%
7430	Memberships	6,625	6,898	104%	8,490	128%
	CASA	1,700	1,671	98%	1,700	100%
	SWRCB-Cert. operators	150	0	0%	450	300%
	CSDA	2,800	3,767	135%	4,000	143%
	SAMA lunch meeting	400	0	0%	0	0%
	CWEA- Cert. Ops Collection System	400	178	0%	390	98%
	CWEA Membership/ Tri-Counties				600	
	LAFCO	850	682	80%	750	88%
	Summerland Citizen Memb	40	140	0%	140	350%
	AAA Membership	135	160	119%	160	119%
	SBCSDA	150	300	200%	300	200%
7450	Office Expense	4,000	3,476	87%	4,000	100%
	Stationary & Newsletters (2)	1,000	57	6%	1,000	100%
	Office & Household Supplies	2,500	2,883	115%	2,500	100%
	Bottled water	500	536	107%	500	100%
7454	Books & Subscrip.	240	272	113%	290	121%
	SB NewsPress	200	233	117%	250	125%
	Subscription ENR	40	39	98%	40	100%

Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	
Acct No.	Description	Budget 2019-20	Budget 2019-20	Elapsed 31-Mar	Budget 2020-21	%
7459	IT Profesional Serv.	4,000	6,613	165%	4,000	100%
	Computer Consultant	2,000	3,893	195%	2,000	100%
	Software & Computer (equip.)	2,000	2,720	136%	2,000	100%
7460	Prof & Special Serv.	4,000	6,857	171%	12,350	309%
	Annual Instrument Calibrations	3,800	3,900	103%	3,900	103%
	Electrical Troubleshoot/ Repairs		2,862		3,000	
	Backflow testing	100	0	0%	100	100%
	Website	0	0		850	
	Salary Analysis				2,500	
	County Roads Dep.	100	95	95%	Moved to LI	7516
	GIS/ Atlas Updates	0	0		2,000	
7508	Legal Fees	30,000	15,244	51%	45,000	150%
7510	Contract Services	6,000	7,276	121%	12,940	216%
	Rate Calculation Consulting	0	0		5,000	
	Payroll Prog. + email relays	500	800	160%	840	168%
	Fire Ext. Service	500	299	60%	500	100%
	Central Communications	460	369	80%	600	130%
	Sludge Hauling	4,540	5,809	128%	6,000	132%
7516	Permitting Services	7,200	7,976	111%	9,600	133%
	NPDES Permit	6,100	6,561	108%	6,800	111%
	Air Polution Control District	900	919	102%	2,000	222%
	Underground Service Alert	200	32	16%	200	100%
	County Roads Dep.				100	
7530	SB Hazardous Permit	0	464		500	
7546	Public. & Legal Notices	300	134	45%	300	100%
7546	Administration Expense	3,300	0	0%	3,600	109%
	County of SB Adm Exp		0		3,600	
7630	Small Tools & Instr.	300	732	244%	500	167%
	Gen. Tools	300	732		500	167%
7653	Training Fees & Supplies	1,200	710	59%	7,175	598%
	Staff Educational Classes/ Seminar	800	0	0%	2,500	313%
	Board Members Training/ Seminars				2,000	
	BM Ethics Training				875	
	Manuals/ Books	150	357	238%	500	333%
	Safety training	250	0	0%	600	240%
	other training (FIT, CPR)		353		700	
7671	Special Projects	5,500	7,719	140%	11,900	216%
	Outfall Maintenance				6,300	
	Outfall Inspection	5,500	7,719	140%	5,600	102%
7730	Transportation & Travel	350	384	110%	1,000	286%
	Mileage, lodging & Meals	350	384	110%	1,000	286%
7731	Gas-Oil-Fuel	1,500	2,486	166%	2,400	160%
	Gasoline	1,000	1,055	105%	1,600	160%
	Diesel	500	1,432	286%	800	160%

Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	
Acct No.	Description	Budget 2019-20	Budget 2019-20	Elapsed 31-Mar	Budget 2020-21	- %
7761	Electricity	29,000	27,518	95%	34,500	119%
7763	Water	1,600	1,217	76%	2,000	125%
	Montecito Water District	1,400	1,131	81%	1,700	121%
	Water Usage Line Cleaning	200	86	43%	300	150%
7764	Trash Services	3,400	3,053	90%	4,000	118%
	Totals	249,015	220,751	89%	323,845	130%

Explanation of Operating, Maintenance and Supplies Expenses

Explanation of proposed expenses that increase more than 100% than prior Fiscal Year.

Line item 7053 Telephone and Internet

The total budget for this category is \$9,000 with an increase in 6% from the prior year. The estimated additional increase is \$500 due to rate increase and a phone line for on call service.

Line item 7090 Liability Insurance

The total budget for this category is \$36,800 with an increase of 47% from the prior year (24,525) due to an increase of 46% in general liability and 1% is attributable to the additional insurance for the new Ford 250 company truck. SDRMA has sent out information regarding the unprecedented increase and attributes it to the catastrophic natural events that occurred in California during the last several years. Other districts have been experiencing an increase in their liability insurance as well ranging between 10-20% and the Board might want to consider researching other liability insurance companies for next fiscal year since the opt-out period has been passed for FY2020-21.

Line item 7110 Director's Fees

The total budget for this category is \$15,000 with an increase of 25% from the prior year. The estimated additional increase is for expected extra meetings scheduled by the Board of Directors.

Line item 7121 Operating Supplies

The total budget for this category is \$26,700 with an increase of 7% from the prior year. The estimated additional increase is \$500 for Sodium Bisulfite and \$1,000 for Sodium Hypochlorite due to rising cost of providers supplier and \$200 in Lab Supplies/Gloves due to an increase in mainline cleaning projected for FY 2020/21 that will lead to increased glove usage.

Line item 7324 Audit & Accounting Fees

The total budget for this category is \$25,000 with an increase of 9% from the prior year. The estimated additional accounting services with \$1,500 and an additional increase of \$500 for Audit Services provided by our CPA needed to be adjusted accordingly.

Line item 7430 Memberships

The total budget for this category is \$8,490 with an increase of 28% from the prior year. The estimated additional cost is due to a price increase in annual membership fees and Operator Certifications that are valid for a period of three years resulting in renewal fee to be due in FY 2020/21. The additional increase amounts are \$300 for three SWRCB Operator Certificate tri-annual renewal fees, \$1,200 for CSDA annual membership, \$600 for three CWEA annual membership, \$100 for Summerland Citizen annual membership, \$25 for AAA annual membership and \$150 for SBCSDA annual membership.

Line item 7454 Books & Subscriptions

The total budget for this category is \$290 with an increase of 21% from the prior year. The estimated additional increase of \$50 is due to a price increase in the Santa Barbara News Press annual subscription fee.

Line item 7460 Prof & Special Services

The total budget for this category is \$12,350 with an increase of 209% from the prior year. The estimated additional increase is \$100 for Annual Instrument Calibrations due to price increase, \$3,000 for Electrical Troubleshoot/Repairs of treatment plant equipment, \$850 for District Website updates, \$2,500 for Salary Analysis for the positions of District Administrative Manager and TP Operations Supervisor, \$2,000 for GIS/Atlas updates for the completion of the Ortega Ridge Road mainline extension and other updates.

Line item 7508 Legal Fees

The total budget for this category is \$45,000 with an increase of 50% from the prior year. The estimated additional legal service fees are to examine ordinance and rate calculations, plus service fees from Musick, Peeler & Garret, LLC.

Line item 7510 Contract Services

The total budget for this category is \$12,940 with an increase of 116% from the prior year. This increase is attributable to an expected service cost of \$5,000 from a Rate Study Consulting Firm, an increase in payroll program cost of \$340 annually. An increase in Outside Office Emergency Phone assistance of \$140 annually and an increase in cost for Sludge Hauling twice per fiscal year of \$1,460.

Line item 7516 Permitting Services

The total budget for this category is \$9,600 with an increase of 33% of the prior year. The estimated additional increase is due to NPDES Permit annual fee increase of \$700, an increase of \$1,100 for Air Pollution Control District since the tri-annual permit fee for the treatment plant and lift station number three generator is due in FY 2020/21. Allocated County Roads Department Encroachment permit from Line item 7460 to 75165 and \$500 for new Annual Hazardous Material Permit required by the County of Santa Barbara.

Line item 7546 Administrative Expense

The total budget for this category is \$3,600 with an increase of 9% from the prior year. FY2019/20 County Administrative Expense is expected to come in at \$3,450. Budget Expense has been adjusted accordingly.

Line item 7630 Small Tools & Instruments

The total budget for this category is \$500 with an increase of 67% from the prior year. The estimated additional increase is \$200 for the replacement of worn tools, restocking of nuts and bolts and purchase of new hand drill with level indicator.

Line item 7653 Training Fees & Supplies

The total budget for this category is \$7,175 with an increase of 498% from the prior year. The estimated additional increase is due to the objective of staff attending more educational classes and training for FY 2020/21 including \$1,700 for Staff Educational Classes/ Seminars, \$2,000 for Board Member Workshop, Training or Seminars, \$875 for Board Members Ethnic Training due in November 2020, \$350 for Manuals/ Books needed for educational classes including Operations Supervisor business classes, \$350 for staff Safety Training including bi-annual fire training and \$700 for operators annual fit test and bi-annual CPR training which is due in May of 2021.

Line item 7671 Special Projects

The total budget for this category is \$11,900 with an increase of 116% from the prior year. the budget expense has been adjusted accordingly to the fiscal year 2020/21 proposal provided by Salty Dog Diving Services for the annual ocean outfall inspection cost of \$5,586 and the possible unclogging of the outfall diffusers cost of \$6,289.

Line item 7730 Transportation and Travel

The total budget for this category is \$1,000 with an increase of 186% from the prior year. The estimated additional increase is \$650 for the expense of transportation for the projected increase in educational classes and training.

Line item 7731 Gas-Oil-Fuel

The total budget for this category is \$2,400 with an increase of 60 % from the prior year. The estimated additional increase is \$600 for gasoline that is projected to increase due to more mainline cleaning for FY 2020/21 and \$300 for diesel due to new District policy to top off diesel storage tank when reaching 50% capacity.

Line item 7761 Electricity

The total budget for this category is \$34,500 with an increase of 19% from the prior year. The estimated additional cost is \$5,500 due to increasing rates.

Line item 7763 Water

The total budget for this category is \$2,000 with an increase of 25% from the prior year. The estimated additional increase is \$300 for treatment plant water usage due to rate increase for fiscal year 2020/21 of 2.8% and \$100 for mainline cleaning due to projected increase in mainline cleaning for FY 2020/21.

Line item 7764 Trash

The total budget for this category is \$4,000 with an increase of 18% from prior the year. The estimated additional increase is \$600 due to a rate increase for the cost to maintain a new recycling facility.

Capital Expenditures:

PROJECT TITLE: Golden Gate Avenue Mainline Repair

DESCRIPTION: This extensive project involves the repair of a pipe offset in the Districts collection system that is located 18 feet underground between manhole R9024 and R9025. A new section of PVC pipe will be installed to replace the old section.

BUDGET COST: \$60,000

FUND SOURCE: Capital Facilities Fund 5216- Line item 8400 infrastructure

JUSTIFICATION: Over the years the district strives to perform preventative maintenance in the collection system to protect the residents of Summerland by preventing sanitary sewer overflows. To provide the residents of Summerland with a reliable collection system the district proposes to repair the pipe offset that can lead to a blockage in the pipe and eventually a sanitary sewer overflow.



PROJECT TITLE: Termite Control

DESCRIPTION: This project involves the treatment for termite removal of six district buildings including the blower-, workshop-, effluent-, belt press-, operations-, and emergency generator building.

BUDGET COST: \$6,000

FUND SOURCE: Capital Replacement and Repair Fund 5217- Line item 8200 Structures & Improvements

JUSTIFICATION: Over the years the district strives to perform preventative maintenance on treatment plant buildings and equipment to ensure they meet their full life expectancy. The district is proposing to treat six district buildings for termite removal which will expand the life of the buildings that enclose stationary plant equipment.

