



# Summerland Sanitary District

**FISCAL YEAR  
2022-23 BUDGET**



## **Board of Directors**

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

## **District Staff**

Mar Souza – Administrative Manager  
Noe Aguilar Vega – Operations Manager





**Board of Directors**

June 9, 2022

President:

David Novis

Governing Board of Directors  
Summerland Sanitary District

Vice- President:

Jolene Colomy

Secretary:

James Witmer

**Subject: Letter of Transmittal – Proposed FY2022-23 Annual Budget**

Director:

John Franklin

Submitted for your review is the proposed FY2022-23 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.

Director:

Martin Tucker

During FY2017-18 the District conducted a 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 with a total of five rate increases. This is the fifth and final year of the 3.5% serial rate increase.

For FY2022-23, the sewer service charge for a single-family residential unit will increase from \$1,177 to \$1,219. Non-residential rates will increase proportionally.

Operations Fund 5215 Revenue Projection

Overall, in FY2022-23 we expect revenues to increase to \$1,346,338 which is an increase of \$24,317 or 2% from the prior year. Revenues in excess of the projected operating and capital expenditures for FY2022-23 with a projected \$209,605 will continue to fund the Capital Replacement and Repair fund 5217 as set by Resolution 2017-06.

#### Operations Fund 5215 Operating Expenses

Overall Operating expenses for fund 5215 are projected to modestly increase to \$1,136,77 which is an increase of \$15,794 or 1% from the prior year. For the upcoming fiscal year, a wastewater rates & fee study is included in the budget.

#### Non-Operating Expenses

Proposed Capital Improvement Projects for FY2022-23 is \$928,300 covering the cost for the two Blower Units replacement with a projected \$128,300, and \$800,000 for the Emergency Outfall Pipeline Rehabilitation Project.

#### Long-Term Loan Principal and Interest Payment

In March 2022 the Board entered into an agreement with CSDA financing to purchase a loan for \$500,000, with a 10-year term and a 3.1% interest rate. The principal and interest payments for this fiscal year are budgeted at \$58,915.

#### Cash Positions

The Cash position on July 1, 2021, was \$2,309,877.

The Cash position for July 1, 2022, is estimated as follows:

Fund 5215   \$ 757,822 (8 months of operating expenses)

Fund 5216   \$ 227,096

Fund 5217   \$1,836,598 (includes a \$500,000 long term loan)

Total Projected Cash Position per July 1, 2022: \$2,821,516

For FY2022-23 staff will continue to control costs 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.

On behalf of the Summerland Sanitary District

N. Aguilar Vega, Operations Manager

M. Souza, Administrative Manager

Attachments:

Resolution No. 2022-03

Exhibit A- Budget Snapshot

Detailed Explanation Budget FY2022-23

**RESOLUTION NO. 2022-03**

**A RESOLUTION OF THE GOVERNING BOARD OF  
SUMMERLAND SANITARY DISTRICT ADOPTING OPERATIONS 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 the Fiscal Year 2022-23.

**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 Operations Budget Fund 5215, Capital Facilities Budget Fund 5216, and Capital Replacement and Repair Budget Fund 5217.
2. That the amount designated in the Fiscal Year 2022-23 Operations 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 in place on the use and transfer of budgeted funds:
  - a) The Administrative Manager is responsible for keeping expenditures within budget allocations for salaries, benefits, and administrative expenses and the Operations Manager is responsible for keeping expenditures within budget allocations for operating expenses and capital acquisitions. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board.
  - b) The Administrative Manager and Operations Manager may exercise discretion in the administration of the budget to respond to changed circumstances, provided any modification of more than \$10,000 shall require approval of the Board.
  - c) The Board must approve any increase in the overall operations budget, capital budget, and salary budget above the level identified in the final operating and capital budgets.
  - d) Authorization is made for any carryover, or continuing appropriation from Operations 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 June 9, 2022, carried by the following roll call vote:

AYES : J. Colomy, J. Franklin, D. Novis, M. Tucker, J. Witmer

NAYS : X

ABSENT : X

ABSTENTIONS : X



ATTEST:

A handwritten signature in blue ink, appearing to read "David Novis", written over a horizontal line.

DAVID NOVIS, President  
Board of Directors

A handwritten signature in blue ink, appearing to read "James Witmer", written over a horizontal line.

JAMES WITMER, Secretary  
Board of Directors

**EXHIBIT A**  
**Budget Snapshot**

**Fund 5215 -- Operations Fund Budget FY2022-23 Revenues**

Revenues		Adopted FY 2020/21	Actuals 30-Jun 2021	% < >	Adopted FY 2021/22	Actuals 11-May 2022	% < > 82%	Proposed FY 2022/23	% < >
<b>Property Tax Allocations</b>									
3010	Property Tax-Current Secured*	230,000	244,798	106%	240,000	255,333	106%	260,000	108%
3011	Property Tax-Unitary		3,611			1,857			
3015	PT PY Corr/Escapes Secured		1,218			-22			
3020	Property Tax-Current Unsecd	9,500	5,581	59%	9,500	9,046	95%	10,000	105%
3023	Property Tax- PY Corr		109			221			
3040	Property Tax-Prior Secured		-30			-77			
3050	Property Tax-Prior Unsecured		187			137			
3054	Supplemental Pty Tax-Current	3,500	4,804	137%	3,500	3,127	89%		0%
3056	Supplemental Pty Tax-Prior		-1			-104			
3057	Property Tax-506 Int. 480 CIOS		11			3			
4160	State Aid for Disaster								
4220	Homeowners Prop. Tax Relief	1,000	1,069	107%	1,000	923	92%	1,000	100%
<b>Total Property Tax Allocations</b>		<b>244,000</b>	<b>261,359</b>	<b>107%</b>	<b>254,000</b>	<b>270,444</b>	<b>106%</b>	<b>271,000</b>	<b>107%</b>
<b>Interest</b>									
3380	Interest Income	15,000	4,899	33%	7,500	1,883	25%	2,000	27%
3381	Unrealized Gain/Loss Inv.	2,000	694	35%	1,000	-17,753	-1775%	0	0%
<b>Total Interest Revenues</b>		<b>17,000</b>	<b>5,593</b>	<b>33%</b>	<b>8,500</b>	<b>-15,870</b>	<b>-187%</b>	<b>2,000</b>	<b>24%</b>
<b>District Administrative Fees</b>									
5091	Plan Check Fee 5091	1,200	3,372	281%	2,800	314	11%	1,960	70%
5433	Inspection Fees 5433	2,700	5,371	199%	4,800	780	16%	3,360	70%
5746	Administrative Rev 5746	2,700	4,928	183%	4,200	1,160	28%	2,940	70%
<b>Total District Admin Fees</b>		<b>6,600</b>	<b>13,671</b>	<b>207%</b>	<b>11,800</b>	<b>2,254</b>	<b>19%</b>	<b>8,260</b>	<b>70%</b>
<b>Annual Sewer Service Charges</b>									
5430	Sewer Service Charges	1,006,726	1,012,298	101%	1,047,721	1,006,823	96%	1,065,078	102%
<b>Total Sewer Service Charges</b>		<b>1,006,726</b>	<b>1,012,298</b>	<b>101%</b>	<b>1,047,721</b>	<b>1,006,823</b>	<b>96%</b>	<b>1,065,078</b>	<b>102%</b>
<b>Total Revenues</b>		<b>1,274,326</b>	<b>1,292,921</b>	<b>101.5%</b>	<b>1,322,021</b>	<b>1,263,651</b>	<b>95.6%</b>	<b>1,346,338</b>	<b>102%</b>



**Fund 5215 -- Operations Fund Budget FY2022-23 Expenses**

Expenses		Adopted Budget 2020/21	Actuals 30-Jun 2021	% < >	Adopted Budget 2021/22	Actuals 31-Mar 2022	% < > 75%	Proposed Budget 2022/23	% < >
<b>Salaries and Employee Benefits</b>								<b>3.5% COLA</b>	
6100	Regular Salaries	409,214	397,633	97%	423,718	314,735	74%	441,950	104%
6200	Extra Help/Labor	0	2,704		0			0	
6270	Standby	12,500	9,594	77%	12,500	8,345	67%	19,000	152%
6300	Overtime	4,200	3,425	82%	4,200	2,727	65%	4,500	107%
6400	Retirement	145,889	142,260	98%	161,254	119,768	74%	160,358	99%
6475	Retirement Healthcare Contr.	9,800	5,978	61%	6,000	4,512	75%	6,000	100%
6500	District Contr. (Fica & Med)	31,305	31,154	100%	33,371	24,902	75%	35,263	106%
6600	Health & Dental, LI. Contrib	72,812	71,878	99%	80,095	63,706	80%	82,563	103%
6900	Workers' Comp.	16,866	16,051	95%	17,304	12,662	73%	16,264	94%
<b>Total Salaries &amp; Empl. Benefits</b>		<b>702,586</b>	<b>680,677</b>	<b>97%</b>	<b>738,442</b>	<b>551,357</b>	<b>75%</b>	<b>765,898</b>	<b>103.7%</b>
<b>Services and Supplies</b>									
7030	Uniforms/ Boots	2,100	2,141	102%	2,100	2,218	106%	2,550	121%
7053	Telephone/Internet	9,000	8,973	100%	8,440	7,035	83%	8,420	100%
7090	Liability Insurance	36,800	37,502	102%	42,554	42,481	100%	54,000	127%
7110	Directors Fees	15,000	15,925	106%	15,000	14,875	99%	15,000	100%
7121	Operating Supplies	26,700	30,393	114%	32,800	24,513	75%	35,400	108%
7324	Audit & Acct's	25,000	22,569	90%	24,000	20,978	87%	25,200	105%
7362	Maint. Buildings & Grounds	8,000	4,722	59%	8,000	6,044	76%	8,000	100%
7363	Maintenance Equipment	14,000	10,252	73%	30,000	14,501	48%	15,500	52%
7404	Lab Services	23,200	21,205	91%	24,200	15,092	62%	24,370	101%
7430	Memberships	8,490	7,711	91%	8,530	7,258	85%	8,675	102%
7450	Office Expense	4,000	5,082	127%	4,000	2,926	73%	3,800	95%
7454	Books & Subscrip.	290	48	17%	213	246	115%	530	249%
7459	IT Prof. Serv./Hardware	4,000	3,420	86%	4,000	885	22%	4,000	100%
7460	Prof. & Special Service	12,350	10,313	84%	44,400	26,997	61%	44,005	99%
7508	Legal Fees	45,000	57,363	127%	45,000	24,507	54%	35,000	78%
7510	Contract Services	12,940	5,712	44%	8,240	1,347	16%	9,475	115%
7516	Permitting Services	9,600	9,694	101%	9,560	10,076	105%	9,740	102%
7530	Publications & Legal Notices	300	206	69%	600	268	45%	600	100%
7546	Administration Expense	3,600	2,766	77%	3,600	0	0%	3,600	100%
7630	Small Tools & Instruments	500	374	75%	500	242	48%	500	100%
7653	Training Fees & Supplies	7,175	2,827	39%	6,300	789	13%	7,700	122%
7671	Special Projects	11,900	13,073	110%	8,800	8,800	100%	400	5%
7730	Transportation & Travel	1,000	403	40%	1,000	389	39%	1,000	100%
7731	Gas-Oil-Fuel	2,400	2,994	125%	2,900	1,547	53%	3,500	121%
7761	Electricity	34,500	41,105	119%	41,000	33,742	82%	43,000	105%
7763	Water	2,000	1,853	93%	2,560	1,739	68%	2,620	102%
7764	Trash/Marborg Disposal	4,000	3,370	84%	4,200	3,072	73%	4,250	101%
<b>Total Services &amp; Supplies</b>		<b>323,845</b>	<b>321,993</b>	<b>99%</b>	<b>382,497</b>	<b>272,567</b>	<b>71%</b>	<b>370,835</b>	<b>97%</b>
<b>Total Expenses</b>		<b>1,026,431</b>	<b>1,002,670</b>	<b>98%</b>	<b>1,120,939</b>	<b>823,924</b>	<b>74%</b>	<b>1,136,733</b>	<b>101%</b>

Projected Revenues FY 2022-23  
 Projected Expenses FY 2022-23  
**Projected allocation to Fund 5217**

\$1,346,338  
 \$1,136,733  
**\$209,605**

**Fund 5216 -- Capital Facilities Fund Budget FY2022-23**

<b>Revenues</b>		<b>Adopted FY 2021/22</b>	<b>Actuals 27-Apr 2022</b>	<b>% &lt; &gt; 83%</b>	<b>Proposed FY 2022/23</b>	<b>% &lt; &gt;</b>
3380	Interest Income	6,300	1,107	18%	1,500	24%
3381	Unrealized Gain/Loss Inv.	2,013	0	0%	0	
<b>Charges for services</b>						
5432	Connection Fees	12,385	4,170	34%	12,385	100%
<b>Total Revenues</b>		<b>20,698</b>	<b>5,277</b>	<b>25.5%</b>	<b>13,885</b>	<b>67.1%</b>

<b>Expenses</b>		<b>Adopted Budget 2021/22</b>	<b>Actuals 31-Mar 2022</b>	<b>% &lt; &gt; 75%</b>	<b>Proposed Budget 2022/23</b>	<b>% &lt; &gt;</b>
<b>Capital Assets</b>						
8200	Structures & Improvements	10,000	3,500	35%	0	0%
8300	Equipment	20,000	20,275	101%	25,000	125%
8400	Infrastructure	0	0		0	
<b>Total Capital Assets</b>		<b>30,000</b>	<b>23,775</b>	<b>79%</b>	<b>25,000</b>	<b>83%</b>
<b>Total Expenses</b>		<b>30,000</b>	<b>23,775</b>	<b>79%</b>	<b>25,000</b>	<b>83%</b>



**Fund 5217 -- Capital Replacement and Repair Budget FY2022-23**

<b>Revenues</b>		<b>Adopted FY 2021-22</b>	<b>Actuals 20-May 2022</b>	<b>% &lt; &gt; 83</b>	<b>Proposed FY 2022-23</b>	<b>% &lt; &gt;</b>
3380	INTEREST INCOME	8,500	3,663	43%	3,000	35%
3381	UNREALIZED GAIN/LOSS INV	6,529	-34,571		0	
	<b>Total Revenues</b>	<b>15,029</b>	<b>-30,908</b>		<b>3,000</b>	
<b>Other Financing Sources</b>						
5921	Long Term Debt Bond/Notes	0	500,000			

<b>Expenses</b>		<b>Actual Budget 2021/22</b>	<b>Actuals 31-Mar 2022</b>	<b>% &lt; &gt; 75%</b>	<b>Proposed Budget 2022/23</b>	<b>% &lt; &gt;</b>
<b>Capital Assets</b>						
8200	Structures & Improvements	10,000	9,598	96%	0	0%
8300	Equipment	120,000	89,731	75%	128,300	107%
8400	Infrastructure	15,000	79,795	532%	800,000	5333%
5921	Long Term Debt Bond/Notes-Principal				43,415	
5920	Interest Payment				15,500	
	<b>Total Expenses</b>	<b>145,000</b>	<b>179,125</b>	<b>124%</b>	<b>928,300</b>	<b>640%</b>

# **Detailed Explanation of FY2022-23 Budget**

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## **BUDGET MESSAGE**

This section provides the Board of Directors with a comprehensive overview of the District's proposed annual budget for the 2022-23 fiscal year. The budget has been developed to uphold the main tenet of providing the users of the wastewater system with 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 a 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:

### Fund 5215 —Summerland Sanitary District Operations Fund Budget FY 2022/23

Revenues		Adopted FY 2020/21	Actuals 30-Jun 2021	Adopted FY 2021/22	Actuals 11-May 2022	% <> 82%	Proposed FY 2022/23	%
<b>Property Tax Allocations</b>							<b>3.5% Sewer Service Charge</b>	
3010	Property Tax-Current Secured*	230,000	244,798	240,000	255,333	106%	260,000	108%
3011	Property Tax-Unitary		3,611		1,857			
3015	PT PY Corr/Escapes Secured		1,218		-22			
3020	Property Tax-Current Unsec'd	9,500	5,581	9,500	9,046	95%	10,000	105%
3023	Property Tax- PY Corr		109		221			
3040	Property Tax-Prior Secured		-30		-77			
3050	Property Tax-Prior Unsecured		187		137			
3054	Supplemental Pty Tax-Current	3,500	4,804	3,500	3,127	89%		0%
3056	Supplemental Pty Tax-Prior		-1		-104			
3057	Property Tax-506 Int. 480 CLOS		11		3			
4160	State Aid for Disaster							
4220	Homeowners Prop. Tax Relief	1,000	1,069	1,000	923	92%	1,000	100%
<b>Total Property Tax Allocations</b>		<b>244,000</b>	<b>261,359</b>	<b>254,000</b>	<b>270,444</b>	<b>106%</b>	<b>271,000</b>	<b>107%</b>
<b>Interest</b>								
3380	Interest Income	15,000	4,899	7,500	1,883	25%	2,000	27%
3381	Unrealized Gain/Loss Inv.	2,000	694	1,000	-17,753	-1775%	0	0%
<b>Total Interest Revenues</b>		<b>17,000</b>	<b>5,593</b>	<b>8,500</b>	<b>-15,870</b>	<b>-187%</b>	<b>2,000</b>	<b>24%</b>
<b>District Administrative Fees</b>								
5091	Plan Check Fee	1,200	3,372	2,800	314	11%	1,960	70%
5433	Inspection Fees	2,700	5,371	4,800	780	16%	3,360	70%
5746	Administrative Rev	2,700	4,928	4,200	1,160	28%	2,940	70%
<b>Total District Admin Fees</b>		<b>6,600</b>	<b>13,671</b>	<b>11,800</b>	<b>2,254</b>	<b>19%</b>	<b>8,260</b>	<b>70%</b>
<b>Annual Sewer Service Charges</b>								
5430	Sewer Service Charges	1,006,726	1,012,298	1,047,721	1,006,823	96%	1,065,078	102%
<b>Total Sewer Service Charges</b>		<b>1,006,726</b>	<b>1,012,298</b>	<b>1,047,721</b>	<b>1,006,823</b>	<b>96%</b>	<b>1,065,078</b>	<b>102%</b>
<b>Total Revenues</b>		<b>1,274,326</b>	<b>1,292,921</b>	<b>1,322,021</b>	<b>1,263,651</b>	<b>95.6%</b>	<b>1,346,338</b>	<b>102%</b>

#### Total Property Tax Allocations

The 5% increase has been proposed due to the previous year revenues and the rise in property values and sales during the last fiscal year.

#### Total Interest Revenues

A decrease of 76% is projected due to the FY2021-22 actual revenue information.

#### Total District Administration Fees

A decrease of 30% for Plan Check Fee, Inspection Fees, and Administrative Fees revenue have come in lower than anticipated. Therefore, an adjustment in projected revenues in this category has been made.

#### Total Sewer Service Charges

An increase of 2% is projected. A 3.5% sewer fee rate increase has been implemented for the annual sewer service charges. New classifications, credit, and sewer connections are included in the calculation.



## Cost of Living Adjustment (COLA) information

### **CONSUMER PRICE INDEX COST OF LIVING ADJUSTMENT FY 2022-23**

The Board of Directors shall consider cost-of-living pay adjustments on an annual basis.

The award of any pay adjustment is at the discretion of the Board, considering such pertinent factors as the District's financial status and the rise in the Consumer Price Index.

The Consumer Price Index is calculated from the following resource:

- Bureau of Labor Statistics: All Urban Wage Earners and Clerical Workers
- Los Angeles-Long Beach-Anaheim, CA
- From April of the previous year to April of the current year.

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

<u>April 2021</u>	<u>April 2022</u>
277.126	299.436

#### The formula for Calculating the Percent Change

##### Index Point Change

- |                                  |                |
|----------------------------------|----------------|
| • CPI April 2022                 | 299.436        |
| • Less previous Index April 2021 | <u>277.126</u> |
| • Equals Index point change      | 22.31          |

##### Percent Change

- |  |             |
|--|-------------|
| • Index point change                   | 22.31       |
| • Divided by Previous Index April 2021 | 277.126     |
| • Times 100 = equals percent change    | 8.05 (8.1%) |

#### **COLA proposals surrounding Sanitary Districts**

	<u>FY21/22</u>	<u>Proposed FY22/23</u>
Carp Sanitary	1.7%	4.3% (BLS info calendar year 2021)
Goleta Sanitary	1.3%	5.5% (Adopted)
Goleta West Sanitary	2.2%	8.5%
Montecito Sanitary	1.6%	3.5%
Ojai Sanitary District	3.8%	3.5%

**The Finance Committee met on May 26, 2022, and reviewed the COLA calculation and other pertinent information. The Finance Committee proposed to include a 3.5% COLA in the FY 2022-23 budget for the Board's consideration.**

## **Personnel Expenses**

<b>5215 - SSD EMPLOYEE SALARY AND BENEFITS COST PROJECTION FY2022-23 - Including 3.5% COLA</b>										
<b>Salaries and Benefits</b>	<b>LI 6100</b>	<b>LI 6270</b>	<b>LI 6300</b>		<b>LI 6400</b>	<b>LI 6475</b>	<b>LI 6500</b>	<b>LI 6900</b>	<b>LI 6600</b>	
	<b>Base Pay</b>	<b>Standby</b>	<b>O.T</b>	<b>Salary plus Stand-by</b>	<b>Retirement Contr.</b>	<b>Current Retirees OBEP</b>	<b>FICA</b>	<b>Work. Comp.</b>	<b>Medical, Dental, Vision, LK</b>	<b>Total</b>
<b>Job Title</b>										
Administrative Manager	113,747				46,955		8,702	432	23,384	193,219
Operations Manager	113,747				36,934		8,702	5,487	11,887	176,756
Lead Collections/Operations II	75,107	10,000	1,500	85,107	24,387		6,511	3,623	11,887	133,015
Treatment Plant Operator II	64,394	9,000	1,500	73,394	20,909		5,615	3,106	11,901	116,425
Treatment Plant Sr. Operator I	74,955		1,500		31,174		5,734	3,616	23,504	140,483
<b>Total</b>	<b>441,950</b>	<b>19,000</b>	<b>4,500</b>		<b>160,358</b>	<b>6,000</b>	<b>35,263</b>	<b>16,264</b>	<b>82,563</b>	<b>765,898</b>

Personnel Expenses make up 67.3% of the 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 FY2022-23 is estimated at \$765,898 an increase of 3.6% compared to the previous year's budgeted personnel cost of \$738,442.

The following District Staff will receive a salary increase on July 1, 2022:

Lead Collections/Treatment Plant Operator II will receive a 2.6% Salary Scale Step increase and a 3.5% COLA: from \$70,797 to \$75,107 (6.1% increase).

Treatment Plant Operator II will receive a 2.6% Salary Scale Step increase and a 3.5% COLA: from \$60,699 to \$64,699 (6.1% increase).

Treatment Plant Sr. Operator I will receive a 3.5% COLA increase from \$72,349 to \$74,955.

District Management positions will receive a 3.5% COLA increase from \$109,900 to \$113,747.

Standby includes an estimated increase of 52% from \$12,500 to \$19,000. The newly hired Treatment Plant Operator II started to participate in the rotation of the stand-by shifts in May of 2022.

Employee Healthcare Benefits expenses for the upcoming year include an estimated increase of 3% for the anticipated 6% insurance increase per January 2023.

Retirement rates are adjusted to the new salaries and include a 1.73% contribution rate decrease for employees in Plan 5A and a 1.75% contribution rate decrease for employees in Plan 8-3.



## FY2022-23 Operations Fund Budget 5215 – Expenses

Expenses		Adopted Budget 2020/21	Actuals 30-Jun 2021	% < > 75%	Adopted Budget 2021/22	Actuals 31-Mar 2022	% < > 75%	Proposed Budget 2022/23	%
Salaries and Employee Benefits								3.5% COLA	
6100	Regular Salaries	409,214	397,633	97%	423,718	314,735	74%	441,950	104%
6200	Extra Help/Labor	0	2,704		0			0	
6270	Standby	12,500	9,594	77%	12,500	8,345	67%	19,000	152%
6300	Overtime	4,200	3,425	82%	4,200	2,727	65%	4,500	107%
6400	Retirement	145,889	142,260	98%	161,254	119,768	74%	160,358	99%
6475	Retirement Healthcare Contr.	9,800	5,978	61%	6,000	4,512	75%	6,000	100%
6500	District Contr. (Fica & Med)	31,305	31,154	100%	33,371	24,902	75%	35,263	106%
6600	Health & Dental, LI. Contrib	72,812	71,878	99%	80,095	63,706	80%	82,563	103%
6900	Workers' Comp.	16,866	16,051	95%	17,304	12,662	73%	16,264	94%
<b>Total Salaries &amp; Empl. Benefits</b>		<b>702,586</b>	<b>680,677</b>	<b>97%</b>	<b>738,442</b>	<b>551,357</b>	<b>75%</b>	<b>765,898</b>	<b>103.7%</b>
Services and Supplies									
7030	Uniforms/ Boots	2,100	2,141	102%	2,100	2,218	106%	2,550	121%
7053	Telephone/Internet	9,000	8,973	100%	8,440	7,035	83%	8,420	100%
7090	Liability Insurance	36,800	37,502	102%	42,554	42,481	100%	54,000	127%
7110	Directors Fees	15,000	15,925	106%	15,000	14,875	99%	15,000	100%
7121	Operating Supplies	26,700	30,393	114%	32,800	24,513	75%	35,400	108%
7324	Audit & Acct's	25,000	22,569	90%	24,000	20,978	87%	25,200	105%
7362	Maint. Buildings & Grounds	8,000	4,722	59%	8,000	6,044	76%	8,000	100%
7363	Maintenance Equipment	14,000	10,252	73%	30,000	14,501	48%	15,500	52%
7404	Lab Services	23,200	21,205	91%	24,200	15,092	62%	24,370	101%
7430	Memberships	8,490	7,711	91%	8,530	7,258	85%	8,675	102%
7450	Office Expense	4,000	5,082	127%	4,000	2,926	73%	3,800	95%
7454	Books & Subscrip.	290	48	17%	213	246	115%	530	249%
7459	IT Prof. Serv./Hardware	4,000	3,420	86%	4,000	885	22%	4,000	100%
7460	Prof. & Special Service	12,350	10,313	84%	44,400	26,997	61%	44,005	99%
7508	Legal Fees	45,000	57,363	127%	45,000	24,507	54%	35,000	78%
7510	Contract Services	12,940	5,712	44%	8,240	1,347	16%	9,475	115%
7516	Permitting Services	9,600	9,694	101%	9,560	10,076	105%	9,740	102%
7530	Publications & Legal Notices	300	206	69%	600	268	45%	600	100%
7546	Administration Expense	3,600	2,766	77%	3,600	0	0%	3,600	100%
7630	Small Tools & Instruments	500	374	75%	500	242	48%	500	100%
7653	Training Fees & Supplies	7,175	2,827	39%	6,300	789	13%	7,700	122%
7671	Special Projects	11,900	13,073	110%	8,800	8,800	100%	400	5%
7730	Transportation & Travel	1,000	403	40%	1,000	389	39%	1,000	100%
7731	Gas-Oil-Fuel	2,400	2,994	125%	2,900	1,547	53%	3,500	121%
7761	Electricity	34,500	41,105	119%	41,000	33,742	82%	43,000	105%
7763	Water	2,000	1,853	93%	2,560	1,739	68%	2,620	102%
7764	Trash/Marborg Disposal	4,000	3,370	84%	4,200	3,072	73%	4,250	101%
<b>Total Services &amp; Supplies</b>		<b>323,845</b>	<b>321,993</b>	<b>99%</b>	<b>382,497</b>	<b>272,567</b>	<b>71%</b>	<b>370,835</b>	<b>97%</b>
<b>Total Expenses</b>		<b>1,026,431</b>	<b>1,002,670</b>	<b>98%</b>	<b>1,120,939</b>	<b>823,924</b>	<b>74%</b>	<b>1,136,733</b>	<b>101%</b>

**Operations Expense Detailed Budget – (See for an explanation of the increased budgets on pages 10 & 11)**

Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	< >
Acct No.	Description	Budget 2021-22	Budget 2021-22	Elapsed 31-Mar	Budget 2022-23	%
7030	Uniforms/ Boots	2,100	2,218	105.6%	2,550	121%
7053	Telephone /Internet	8,440	7,035	83%	8,420	100%
	Cox Internet	1,440	1,722	120%	1,240	86%
	Frontier Landline Plant/Office	2,300	1,816	79%	2,480	108%
	Frontier LS Alarm Phone Lines	2,000	1,577	79%	2,200	110%
	Verizon Mobile Phone Service	2,700	1,920	71%	2,500	93%
7090	Liability Insurance	42,554	42,481	100%	54,000	127%
7110	Directors Fees	15,000	14,875	99%	15,000	100%
7121	Operation Supplies	32,800	24,513	75%	35,400	108%
	Sodium Bisulfite	13,000	9,696	75%	15,100	116%
	Sodium Hypochlorite	14,500	12,162	84%	16,700	115%
	Polymer	1,800	0	0%	0	0%
	Lab Supplies/Gloves	3,500	2,654	76%	3,600	103%
7324	Audit & Acct's	24,000	20,978	87%	25,200	105%
	Accounting BP&W	4,500	4,500	100%	4,500	100%
	Audit BP&W	15,000	15,654	104%	16,200	108%
	SBCounty FIN User Fees	4,500	825	18%	4,500	100%
7362	Maint. Build. & Grounds	8,000	6,044	76%	8,000	100%
	Buildings	5,000	2,198	44%	5,000	100%
	Grounds	3,000	3,846	128%	3,000	100%
7363	Maint. Equipment	30,000	14,501	48%	15,500	52%
	Plant Equipment	9,000	8,115	90%	9,000	100%
	Mobile Equipment	15,800	6,386	40%	6,500	41%
	TP, LS 1,2,3 Transfer Switch	5,200	0	0%	0	0%
7404	Lab Services	24,200	15,092	62%	24,370	101%
	FGL	20,000	15,092	75%	20,350	102%
	Annual Sampling ABC/SD	4,200	0	0%	4,020	96%
7430	Memberships	8,530	7,258	85%	8,675	102%
	CASA	2,500	1,700	68%	1,800	72%
	SWRCB-Cert. operators	150	170	113%	600	400%
	CSDA	4,000	4,054	101%	4,100	103%
	SAMA lunch meet (skip due to COVID)	0	0	0%	0	0%
	CWEA- Cert. Ops Collection Sys	390	187	0%	285	73%
	CWEA Membership/ Tri-County	600	0	0%	600	100%
	LAFCO	600	997	166%	1,000	167%
	Summerland Citizen Membersh	140	0	0%	140	100%
	SBCSDA	150	150	100%	150	100%
7450	Office Expense	4,000	2,926	73%	3,800	95%
	Stationary & Newsletters (2)	300	69	23%	300	100%
	Office & Household Supplies	3,500	2,858	82%	3,500	100%
	Outdoor Canopy	200	0	0%	0	0%



Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	< >
Acct No.	Description	Budget 2021-22	Budget 2021-22	Elapsed 31-Mar	Budget 2022-23	%
7454	<b>Books &amp; Subscrip.</b>	<b>213</b>	<b>246</b>	<b>116%</b>	<b>530</b>	<b>249%</b>
	Live Web Camera Annual Subscr.	165	198	120%	200	121%
	ENR Annual Subscr.	48	48	100%	50	104%
	MS Office & Zoom Monthly Subscr.				280	
7459	<b>IT Profesional Serv.</b>	<b>4,000</b>	<b>885</b>	<b>22%</b>	<b>4,000</b>	<b>100%</b>
	Computer Consultant	2,000	165	8%	2,000	100%
	Software & Computer (equip.)	2,000	720	36%	2,000	100%
7460	<b>Prof &amp; Special Serv.</b>	<b>44,400</b>	<b>26,997</b>	<b>61%</b>	<b>44,005</b>	<b>99%</b>
	Annual Instrument Calibrations	2,500	1,415	57%	1,500	60%
	Electrical Troubleshoot/ Repair	4,400	3,182	72%	5,000	114%
	Backflow testing	100	95	95%	105	105%
	Website Domain/Security Rene	400	335	84%	400	100%
	Salary Analysis	0	0		0	
	Rate Study	35,000	21,970	63%	35,000	100%
	GIS/ Atlas Updates	2,000	0	0%	2,000	100%
7508	<b>Legal Fees</b>	<b>45,000</b>	<b>24,507</b>	<b>54%</b>	<b>35,000</b>	<b>78%</b>
7510	<b>Contract Services</b>	<b>8,240</b>	<b>1,347</b>	<b>16%</b>	<b>9,475</b>	<b>115%</b>
	Payroll Program Monthly Subscrip	840	577	69%	800	95%
	Fire Ext. Service	500	363	73%	175	35%
	Central Communications	650	407	63%	650	100%
	Sludge Hauling	6,000	0	0%	7,600	127%
	Cal PERS Old Age Ins. Adm. Fee	250	0	0%	250	100%
7516	<b>Permitting Services</b>	<b>9,560</b>	<b>10,076</b>	<b>105%</b>	<b>9,740</b>	<b>102%</b>
	NPDES Permit	7,510	8,141	108%	8,500	113%
	Air Polution Control District	1,050	943	90%	0	0%
	Underground Service Alert	200	102	51%	200	100%
	County Roads Dep. Permit	100	391	391%	100	100%
	SB Hazardous Permit	500	499	100%	500	100%
	CA DIR Pressure Vessel Permit	200	0	0%	440	220%
7530	<b>Public. &amp; Legal Notices</b>	<b>600</b>	<b>268</b>	<b>45%</b>	<b>600</b>	<b>100%</b>
7546	<b>Administration Expense</b>	<b>3,600</b>	<b>0</b>	<b>0%</b>	<b>3,600</b>	<b>100%</b>
	County of SB Adm Exp	3,600	0	0%	3,600	100%
7630	<b>Small Tools &amp; Instr.</b>	<b>500</b>	<b>242</b>	<b>48%</b>	<b>500</b>	<b>100%</b>
	Gen. Tools	500	242	48%	500	100%
7653	<b>Training Fees &amp; Supplies</b>	<b>6,300</b>	<b>789</b>	<b>13%</b>	<b>7,700</b>	<b>122%</b>
	Staff Educational Classes/ Semi	2,500	100	4%	2,500	100%
	Board Members Training/ Semi	2,000	0	0%	2,000	100%
	Biennial Ethics Training/Anti-Ha	0	0		1,750	
	Manuals/ Books	500	0	0%	500	100%
	Safety training	600	0	0%	600	100%
	Other training (FIT, CPR)	700	689	98%	350	50%



Operating, Maintenance & Supplies		Adopted	Actual 3/31	75%	Proposed	< >
Acct No.	Description	Budget 2021-22	Budget 2021-22	Elapsed 31-Mar	Budget 2022-23	%
7671	Special Projects	8,800	8,800	100%	400	5%
	Outfall Inspection/Maintenance	8,420	8,420	100%	0	0%
	Ocean Water Sampling	380	380	100%	400	105%
7730	Transportation & Travel	1,000	389	39%	1,000	100%
	Mileage, lodging & Meals	1,000	389	39%	1,000	100%
7731	Gas-Oil-Fuel	2,900	1,547	53%	3,500	121%
	Gasoline	2,100	1,547	74%	2,500	119%
	Diesel	800	0	0%	1,000	125%
7761	Electricity	41,000	33,742	82%	43,000	105%
		41,000	33,742	82%	43,000	105%
7763	Water	2,560	1,739	68%	2,620	102%
	Montecito Water District	1,750	1,322	76%	1,800	103%
	Water Usage Line Cleaning	310	237	76%	320	103%
	Bottled Water	500	180	0%	500	100%
7764	Trash Services	4,200	3,072	73%	4,250	101%
	Totals	382,497	272,568	71%	370,835	97%

## **Explanation of Operating, Maintenance, and Supplies Expenses**

Explanation of proposed expenses that increase more than 100% of the prior year's Fiscal Year.

### **Line item 7030 Uniforms/Boots**

The total budget for this category is \$2,550 with an increase of 21% from the prior year (\$2,100). The estimated additional increase is \$450 for staff uniforms due to increasing the allowance for the purchasing of staff boots.

### **Line item 7090 Liability Insurance**

The total budget for this category is \$54,000 with an increase of 27% from the prior year (\$42,554). The estimated increase of \$11,446 is due to the following explanation received from SDRMA: A 5% increase in the operating budget from the previous fiscal year. SSD's current exposures and losses on record with SDRMA, a 19.72% increase in the value of scheduled buildings and a 14.17% increase in the value of scheduled contents. Pool reinsurance rate increases from 12.5% to 25% based on early estimates from the reinsurance brokers.

### **Line item 7121 Operation Supplies**

The total budget for this category is \$35,400 with an increase of 8% from the prior year (\$32,800). The estimated additional increase is \$2,100 for Sodium Bisulfite and \$2,200 for Sodium Hypochlorite due to an increase in fuel cost that directly affects transportation costs. There is also an increase of \$100 for lab supplies due to an increased cost of raw materials.

### **Line item 7324 Audit & Acct's**

The total budget for this category is \$25,200 with an increase of 5% from the prior year (\$24,000). The estimated additional increase of \$1,200 is for the Annual Audit BP&W fee. This fee will be increased by 8% this year, from \$15,000 to \$16,200.

### **Line item 7404 Lab Services**

The total budget for this category is \$24,370 with an increase of 1% from the prior year (\$24,200). The estimated additional increase is \$350 for Fruit Growers Laboratory services due to an increase in fuel cost directly affecting transportation costs.

### **Line item 7430 Memberships**

The total budget for this category is \$8,675 with an increase of 2% from the prior year (\$8,530). The estimated additional increase is \$450 for the renewal fee of two CWEA Operator certifications, \$100 for the annual CSDA membership fee, \$100 for the annual CASA membership fee, and \$400 for the annual LAFCO membership fee.

### **Line item 7454 Books & Subscriptions**

The total budget for this category is \$530 with an increase of 149% from the prior year (\$213). The estimated additional increase is \$35 for the district's live webcam annual subscription fee and \$280 for the Microsoft Office & Zoom monthly subscription fee that was previously booked under line item 7450 Office Expense.

**Line item 7510 Contract Services**

The total budget for this category is \$9,475 with an increase of 15% from the previous year (\$8,240). The estimated additional increase is \$1,600 for the sludge hauling fee due to an increase in fuel cost that directly impacts transportation costs.

**Line item 7516 Permitting Services**

The total budget for this category is \$9,740 with an increase of 2% from the previous year (\$9,560). The estimated additional increase is \$990 for the annual wastewater treatment plant & collections system National Pollution Discharge Elimination System Permit fee and \$240 for the permit renewal fee of three of the district's air compressors.

**Line item 7653 Training Fees & Supplies**

The total budget for this category is \$7,700 with an increase of 22% from the previous year (\$6,300). The estimated additional increase is \$1,750 for Director's compensation for completing the required Ethics and Anti-harassment training.

**Line item 7731 Gas-Oil-Fuel**

The total budget for this category is \$3,500 with an increase of 21% from the prior year (\$2,900). The estimated additional increase is \$600 for gasoline which is projected to increase due to gas prices significantly increasing for FY22/23.

**Line item 7761 Electricity**

The total budget for this category is \$43,000 with an increase of 5% from the prior year (\$41,000). The estimated additional cost of \$2,000 is due to an increase in energy rates.

**Line item 7763 Water**

The total budget for this category is \$2,620 with an increase of 2% from the prior year (\$2,560). The estimated additional increase is \$60 for water usage due to an increase in water rates for F/Y 22/23.

**Line item 7764 Trash**

The total budget for this category is \$4,250 with an increase of 1% from the prior year (\$4,200). The estimated additional increase of \$50 for trash services is due to a rate increase for FY22/23.



## Fund 5216 Capital Facilities –Budget FY2022-23

Revenues		Adopted FY 2021-22	Actuals 27-Apr 2022	% < > 83%	Proposed FY 2022-23	% < >
3380	Interest Income	6,300	1,107	18%	1,500	24%
3381	Unrealized gain/loss inv.	2,013	0	0%	0	
Charges for services						
5432	CONNECTION FEES	12,385	4,170	34%	12,385	100%
<b>Total Revenues</b>		<b>20,698</b>	<b>5,277</b>	<b>25.5%</b>	<b>13,885</b>	<b>67.1%</b>

Expenses		Adopted Budget 2021-22	Actuals 31-Mar 2022	% < > 75%	Proposed Budget 2022-23	% < >
Capital Assets						
8200	Structures & Improvements	10,000	3,500	35%	0	0%
8300	Equipment	20,000	20,275	101%	25,000	125%
8400	Infrastructure	0	0		0	
<b>Total Capital Assets</b>		<b>30,000</b>	<b>23,775</b>	<b>79%</b>	<b>25,000</b>	<b>83%</b>
<b>Total Expenses</b>		<b>30,000</b>	<b>23,775</b>	<b>79%</b>	<b>25,000</b>	<b>83%</b>

### Budget Notes:

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

Fund 5216 Cash Balance as of May 31, 2022: \$ 227,096

### Proposed Capital Facilities Projects

None

## Fund 5217 Capital Replacement and Repair –Budget FY2022-23

Revenues		Adopted FY 2021-22	Actuals 20-May 2022	% < > 83	Proposed FY 2022-23	% < >
3380	Interest Income	8,500	3,663	43%	3,000	35%
3381	Unrealized Gain/Loss Inv.	6,529	-34,571		0	
	<b>Total Revenues</b>	<b>15,029</b>	<b>-30,908</b>		<b>3,000</b>	
<b>Other Financing Sources</b>						
5921	Long Term Debt Bond/Notes	0	500,000			

Expenses		Actual Budget 2021/22	Actuals 31-Mar 2022	% < > 75%	Proposed Budget 2022/23	% < >
<b>Capital Assets</b>						
8200	Structures & Improvements	10,000	9,598	96%	0	0%
8300	Equipment	120,000	89,731	75%	128,300	107%
8400	Infrastructure	15,000	79,795	532%	800,000	5333%
5921	Long Term Debt Bond/Notes-Principal				43,415	
5920	Interest Payment				15,500	
	<b>Total Expenses</b>	<b>145,000</b>	<b>179,125</b>	<b>124%</b>	<b>928,300</b>	<b>640%</b>

### Budget Notes:

Funds from Fund 5217 are used for capital expenditures and emergency funding and long-term debt principal and interest payments.

Fund 5217 Cash Balance as of May 31, 2022: \$ 1,620,285

### Proposed Capital Facilities Projects

8300 Equipment - \$128,300 (see page 13)

8400 Infrastructure - \$800,000 (see page 14)

## Fund 5217- Capital Replacement Project

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**PROJECT TITLE:** EMERGENCY REPLACEMENT OF THE TREATMENT PLANT'S BLOWERS #1 & 2

**DESCRIPTION:** Replacement of the district's non-operational Aerzen blower #1 and the faulty blower #2. The current blowers will be removed and replaced with the newest Aerzen blower model that meets the same specifications as the current blowers.

**BUDGET COST:** \$128,300

**FUND SOURCE:** Capital Replacement & Repair Fund 5217 - Line item 8300 Equipment

### **INFORMATION:**

On November 10, 2021, the Board declared an emergency, by adopting Resolution 2021-08, for the replacement of two of the district's faulty blowers.

The order for the two new blowers was placed. Originally Cushman Contracting was expecting to receive the blowers in April of 2022. Due to a delay in parts production, Cushman Contracting is now expecting to receive the blowers by July 2022 and plans to start the blower replacement within that month or the following month of August 2022.





## Fund 5217- Capital Replacement Project

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**PROJECT TITLE:** EMERGENCY OUTFALL REHABILITATION

**DESCRIPTION:** Rehabilitation of the District's Ocean Outfall Pipeline

**BUDGET COST:** \$800,000

**FUND SOURCE:** Capital Replacement & Repair Fund 5217 - Line item 8400 Infrastructure

**INFORMATION:**

On November 16, 2021, the Board declared an emergency, by adopting Resolution 2021-09, requiring maintenance to be performed on the district's ocean outfall due to heavy internal corrosion that is restricting the effluent from flowing through the pipeline. The internal corrosion was discovered by an internal video inspection of the outfall.

On January 14, 2022, the Board was informed that the emergency outfall maintenance was deferred from January 2022 to June 15, 2022. The maintenance was deferred per MPM's recommendation that winter and spring are not good seasons to perform marine work in the designated area due to oceanic conditions that can negatively impact the outfall maintenance operation. This was recommended due to the following possible conditions: poor underwater visibility, sand erosion/diffuser burial, and storms/sea state. The outfall maintenance will commence around June 15, 2022, when a better oceanic state has been observed to exist by MPM for a better project outcome. If the outfall maintenance is successful, a linear will be installed inside the existing outfall to remedy its poor condition.

Snapshot of corrosion inside the outfall pipeline

