

GOLETA SANITARY DISTRICT

BUDGET
FISCAL YEAR 2010-11

MEMORANDUM

TO: Members of the Governing Board

FROM: Kamil S. Azoury, P.E.
General Manager/District Engineer

DATE: June 7, 2010

SUBJECT: PROPOSED DISTRICT BUDGET FOR FISCAL YEAR 2010-2011

Enclosed please find the District's budget report for Fiscal Year (FY) 2010-11 which provides details of the District's revenues, expenditures, and designated funds.

The attached budget includes descriptions of the District's funds and their respective purposes as defined by policies established by the District's Governing Board. Of importance to note, among the funds, is the Plant Upgrading Fund established to pay for the Upgrading Project. This fund is required to stand on its own, not to track the costs of the plant upgrading project only, but to comply with the requirement of qualifying for a State Revolving Fund loan.

Details of all funds activities in the fiscal year are provided to depict the revenues and expenditures associated with each fund. Starting with Fiscal Year budget 2010-11, the budget has been modified to deposit sewer service charge revenues directly to the corresponding funds instead of depositing all such revenue in the Running Expense Fund and subsequently transfer funds as needed. The budget narrative sections include descriptions of the District's revenues and their corresponding sources, as well as the proposed expenditures with supporting backup data. Additionally, the budget contains comparisons with the previous fiscal year's revenues and expenditures.

The District's operating expenditures in the coming year are anticipated to be about two percent (2%) below last year's value. Additionally, this budget includes a proposed increase in expenditures for capital improvement projects of about fifteen percent (15%) from last year without the Plant Upgrading Project. The District is expected to realize a reduction of about 22% in its total fund balance by the end of the upcoming fiscal year mostly as a result of the proposed treatment plant upgrading project.

The budget report includes detailed budget expense data presented under several service categories. These service categories are based on the contractual customers benefiting from the District services.

***BUDGET
FOR
FISCAL YEAR
2010-2011***

***Approved by the Governing Board
Regular Board Meeting June 7, 2010***

GOLETA SANITARY DISTRICT

Budget for Fiscal Year 2010-11

INTRODUCTION

The Goleta Sanitary District (GSD) was formed in 1942 under the 1923 Sanitary District Act by petition of local residents to provide wastewater management services to the small community of Goleta in Santa Barbara County.

Throughout the past years, the District's boundaries have expanded by individual annexations of parcels to its original service area. At present, the District owns and operates approximately 127 miles of sewers that collect wastewater from its service area, which extends from the westerly boundary of the City of Santa Barbara to the City's Municipal Airport. In addition to its collection system, the District owns and operates the wastewater treatment and disposal facilities that serve the entire population of approximately 80,000 in the Goleta Valley. Approximately half of this population is served under separate contractual agreements with the following four public agencies.

- 1. Goleta West Sanitary District**
- 2. University of California at Santa Barbara**
- 3. Santa Barbara Municipal Airport**
- 4. County of Santa Barbara**

The District also owns and operates a reclamation facility that produces recycled water for distribution in the Goleta Valley. Under an agreement with the Goleta Water District, the Goleta Sanitary District can produce up to 3 million gallons of recycled water per day that are distributed by the Water District for landscape irrigation of the campus of the University of California at Santa Barbara (UCSB), as well as parks and golf courses in western Goleta.

Treated wastewater not used for irrigation is discharged in the Pacific Ocean through a pipeline (outfall) that extends over one mile off shore to a depth of approximately 93 feet below the ocean surface.

DISTRICT GOVERNANCE

A five-member Governing Board of Directors elected at-large from the District's service area for a term of four years is commissioned to establish service policies. The Governing Board holds two regular monthly meetings to attend to the District's business. These meetings are held on the first and third Monday of every month at the District's Administration Building located at One William Moffett Place in Goleta.

DISTRICT STAFF AND OPERATING DEPARTMENTS

The District employs approximately 32 regular employees that work under three closely related operating departments. These departments are 1) Administration; 2) Technical Services; and 3) Collection, Treatment, Disposal and Reclamation Facilities. Each department is managed by

one supervising employee who is responsible for the operations of, and all employees associated with, the respective department. The three departmental supervisors report to the District's General Manager, who is responsible for the District's overall operations in accordance with the service policies adopted by the Governing Board.

DISTRICT CAPITAL IMPROVEMENTS AND OPERATIONS BUDGET

The District's fiscal year (FY) is defined as a 12-month period starting on the first day of July and ending on the last day in June of the following calendar year. The District's budget is that document which defines the District's estimated expenditures and the estimated required revenues for the corresponding fiscal year. The District prepares an annual budget early each year for adoption by the Board in June of the same year. The budget is prepared by each department supervisor in conjunction with the General Manager. The draft budget is circulated for comments and input among the public agencies served by the District. The draft budget is also reviewed by the District's Finance Committee before its consideration and final adoption by the Governing Board.

The District's budget consists of three major sections for the fiscal year under consideration.

- 1. Existing District Designated Funds Activities and Balances**
- 2. Anticipated District Revenues**
- 3. Estimated District Expenditures**

Designated funds are pools of funds that the District has established for its operational needs. These funds are designated by formal Board resolutions for specific purposes, some of which are mandated by State and Federal statutes. These designated funds permit the District to mitigate extreme fluctuations in charges to its customers.

The revenue section of the District's budget contains estimated revenues that the District anticipates receiving in the upcoming fiscal year. Included in the revenues are the estimated funds to be received from users' fees, based on the existing fee structure of the District.

The expenditure section includes estimated expenditures for operations and maintenance of the District's facilities in the upcoming fiscal year. Additionally, the District includes in its budget expenditure section its planned capital improvement projects, as defined by District staff for the upcoming fiscal year.

Following the determination of the estimated expenditures and revenues for the upcoming fiscal year, the District evaluates the need to revise its user fee structure, in conjunction with supplementing the budget with funds from designated capital improvement funds.

The District anticipates the following total expenditures and revenues in fiscal year 2009-10. Withdrawals from the District's designated funds for capital improvement projects are shown separately.

| | |
|--|---------------------|
| Total Estimated Expenditures: | \$23,318,732 |
| Total Anticipated Revenues: | \$18,030,260 |
| Total Withdrawals from Designated Funds: | \$ 5,288,472 |
| Total Anticipated Revenues and Withdrawals: | \$23,318,732 |

***DISTRICT OPERATING
AND DESIGNATED FUNDS***

DISTRICT FUNDS

The District established several funds in which revenues are deposited, and are sources for District expenditures including capital improvement projects. The established funds have been designated by the Governing Board through separate resolutions, which specifically address the need and purpose of each fund. The main objective behind establishing these different funds is to address the District's service needs in a very responsible fiscal manner. A brief description of each of the current District funds follows.

Running Expense Fund - 4640

This fund was established to maintain a balance that would support eight months of operational expenses without receiving any revenue. Six of those eight months are in the new fiscal year, and the other two fall in the preceding fiscal year. As such, the Running Expense Fund at the beginning of the fiscal year must have a balance sufficient for six months of operations and maintenance activities. This fund is very important to the operations since the District does not invoice for its services monthly, and therefore does not receive monthly revenues. Under the current method of sewer service charge collection, the District contracts with Santa Barbara County to collect its fees with property taxes. The District receives its fees from the County in two lump sum payments; one in April, and the other in December of each year. The payments are forwarded to the District soon after property tax collection deadlines. Therefore, it is sound practice to maintain an operating fund that would account for about eight months of operating expenses to cover expenses between payment cycles.

As noted in the fund balance summary sheet, the Running Expense fund balance is anticipated to be \$4,137,679 as of June 30, 2010. This fund constitutes 22% of the total District funds as of that date. Using the FY 2010-11 budget, the funds required for six months of operations amount to about 3.1 million dollars, without consideration of capital improvements that are normally funded from the depreciation replacement fund. This balance is adequate to meet the operations and maintenance needs for six months as described above.

The existing Operating Reserve fund balance as of June 2011, shown on the designated fund balance summary, is broken down per department. The majority of the fund is for the treatment facilities, at 59% of the total balance, with the administration balance at 13% and collection system at 22% of the same total fund. The administration component of the fund at 13% includes outside professional services such as legal counsel and public relations consultants, among others.

Plant Reserve Fund - 4645

The District established a plant emergency reserve fund through its contractual agreement with other plant users. This fund is for addressing plant emergencies. The contracts among plant users specify that this fund must not exceed \$25,000. The balance of this fund as of June 30, 2010 is \$32,759 which includes accrued interest for the year. The anticipated value by June 2011 is anticipated to be \$33,087 (with interest) as noted in the designated fund balance summary sheet.

Capital Reserve Fund - 4650

This fund was established to hold revenues from connection and annexation fees. This reserve fund is mandated by legislation to account for capacity expansion projects of the District's

facilities. Based on the District's existing connection and annexation fee methodologies, this fund is reserved primarily for expanding the treatment facilities.

Capacity expansion reserve funds should be protected and used only for expanding the facilities' capacities to accommodate community growth. In May 2007, the Board elected to allocate \$2,700,000 from this fund to fund 4670 (plant upgrading project) to partially finance the District's share of the plant upgrading project which increases the capacity of the secondary treatment process from 3.8 million gallons per day (MGD) to 9.84 MGD. The balance of this fund at the end of June 2011 is \$1,222,637 as noted in the fund balance summary sheet.

Replacement Reserve Fund - 4655

This fund is mandated by the State Water Resources Control Board (SWRCB) in its guidelines for development of facilities' Financial Plan and Revenue Program (FPRP). This mandate requires annual funding of the facilities' depreciation. The fund, with its anticipated balance of \$4,617,829 at the end of FY 2009-10 as shown in the designated fund balance summary sheet, is designated for the basic replacement of components of the existing facilities. The fund ensures the useful life of facilities in a wholesome manner, to utilize the entire design capacity for the community planned growth. The District has been funding this fund over the past years whereby the annual depreciation funding is adjusted annually, and is \$872,000 for FY 2010-11.

The summary sheet shows a breakdown of this fund among the District's facilities.

Retiree Health Insurance Sinking Fund – 4660

In December 2004, the District's Governing Board acted to provide medical insurance coverage for District employees upon retirement. In order to mitigate the impact of such benefit, the Board directed that a sinking fund be created for future payments of medical insurance premiums of District retirees, and that such fund be annually funded in an initial amount of \$30,000 per year. In August 2006 the Board revised this action directing District staff to change its current health insurance program from Blue Shield of California to the California Public Employees Retirement System (CalPERS) health program. In doing so, the CalPERS health plan would be at a lower premium and would allow the District to offer health insurance coverage for its retirees and their respective spouses similar to the prior plan. In addition, the District and employees will fund the costs of the Medicare supplemental insurance plan in an equally shared manner. Employee's hourly wage will be reduced by \$.19 per hour over a three year period starting in July, 2007 and ending in 2009. This employee contribution along with the District's matching contribution, and the savings on the health insurance premium will be allocated to this fund. The estimated annual funding would amount to \$150,646 to the Retiree Health Insurance Sinking Fund. The District will periodically review this funding in order to make sure that such fund balance is sufficient to meet its obligation. The fund balances at the end of fiscal years 2010 and 2011 are \$485,340 and \$642,346 respectively.

Outfall Reballasting Fund – 4666

This fund does not carry any balances since its is used for management of the debt service of the State Revolving Fund (SRF) loan for the outfall re-rocking project. The revenues into this fund are disbursed within the same fiscal year, leaving no balance in the fund.

Plant Upgrading Fund – 4670

On May 7, 2007, the District's Governing Board acted to establish a separate fund designated as the "Plant Upgrading Fund" to pay for the Upgrading Project costs including but not limited to

planning, design, environmental review, permitting and construction. Partial funding of the project was provided by a transfer from the Capital Reserve Fund in the amount of \$2,700,000. Revenue from the District's users for this project in addition to any future funding sources of the project will be deposited in this fund. The balance of this fund is anticipated to be \$5,052,064 at the end of June 2011 as noted in the fund balance summary sheet.

District Emergency Fund – 4675

On May 7, 2007, the District's Governing Board established a separate fund designated as the "Emergency Fund" for the purpose of paying costs associated with emergency projects. Funding was provided by a transfer from the Replacement Reserve Fund in the amount of \$500,000. The balance of this fund at the end of June 2011 is anticipated to be \$550,037 as noted in the fund balance summary sheet.

Summary

Enclosed in this budget are a summary table and associated pie and bar charts that show fund balances and distributions at the beginning and end of FY 2009-10. The total value of the District's funds will be reduced in FY 2010-11 \$4,265,826 or 22% of its current value, mostly due to the treatment plant upgrading project.

**DESIGNATED FUND BALANCE
SUMMARY**

| Fund No. and Name | Estimated Cash Balance | |
|--|------------------------|---------------------------------|
| | 6/30/2010 | 6/30/2011 |
| <u>4640 Running Expense</u> | | |
| Administration | 551,167 | 529,284 |
| Collection System | 900,516 | 864,762 |
| Influent Pump Station | 71,670 | 68,824 |
| Industrial Waste Control Program | 113,930 | 109,407 |
| Wastewater Treatment Facilities | 2,459,829 | 2,362,164 |
| Effluent Disposal Ocean Outfall | 40,566 | 38,955 |
| Subtotal | \$4,137,679 | \$3,973,396 ^a |
| <u>4645 Plant Reserve</u> | 32,759 | 33,087 ^b |
| <u>4650 Capital Reserve</u> | | |
| Collection System | 1,617,578 | 975,736 |
| Wastewater Treatment Facilities | 197,311 | 227,311 |
| Effluent Disposal Ocean Outfall | 29,553 | 19,590 |
| Subtotal | 1,844,442 | 1,222,637 ^c |
| <u>4655 Replacement Reserve</u> | | |
| Collection System | 2,801,250 | (2,193,593) |
| Administration Facilities | 93,978 | 83,978 |
| Wastewater Treatmt. & Pumping Facilities | 1,485,023 | 1,485,023 |
| Effluent Disposal Ocean Outfall | 237,578 | 237,578 |
| Subtotal | 4,617,829 | 3,238,358 ^d |
| <u>4660 Retiree Health Insurance Fund</u> | | |
| California Employers' Retiree Benefit Trust | 252,600 | 505,200 ^e |
| Retiree Health Insurance Sinking Fund | 232,740 | 137,146 ^f |
| Subtotal | 485,340 | 642,346 |
| <u>4666 Outfall Reballasting Project</u> | 0 | 0 ^g |
| <u>4670 Plant Upgrading Project</u> | 7,315,111 | \$5,052,064 ^h |
| <u>4675 District Emergency Fund</u> | 544,591 | \$550,037 ⁱ |
| TOTALS | \$18,977,751 | \$14,711,925 |

NOTES:

^a Designated to meet half of annual operation & maintenance costs for FY 2010-2011

^b Designated for emergency repairs.

^c Designated for facilities capacity expansion.

^d Designated for facilities replacement projects. Distributed relative to the replacement value of facilities.

^e Funds are transferred to the California Employers' Retiree Benefit Trust each year per the Annual Required Contribution and are administered by CalPERS

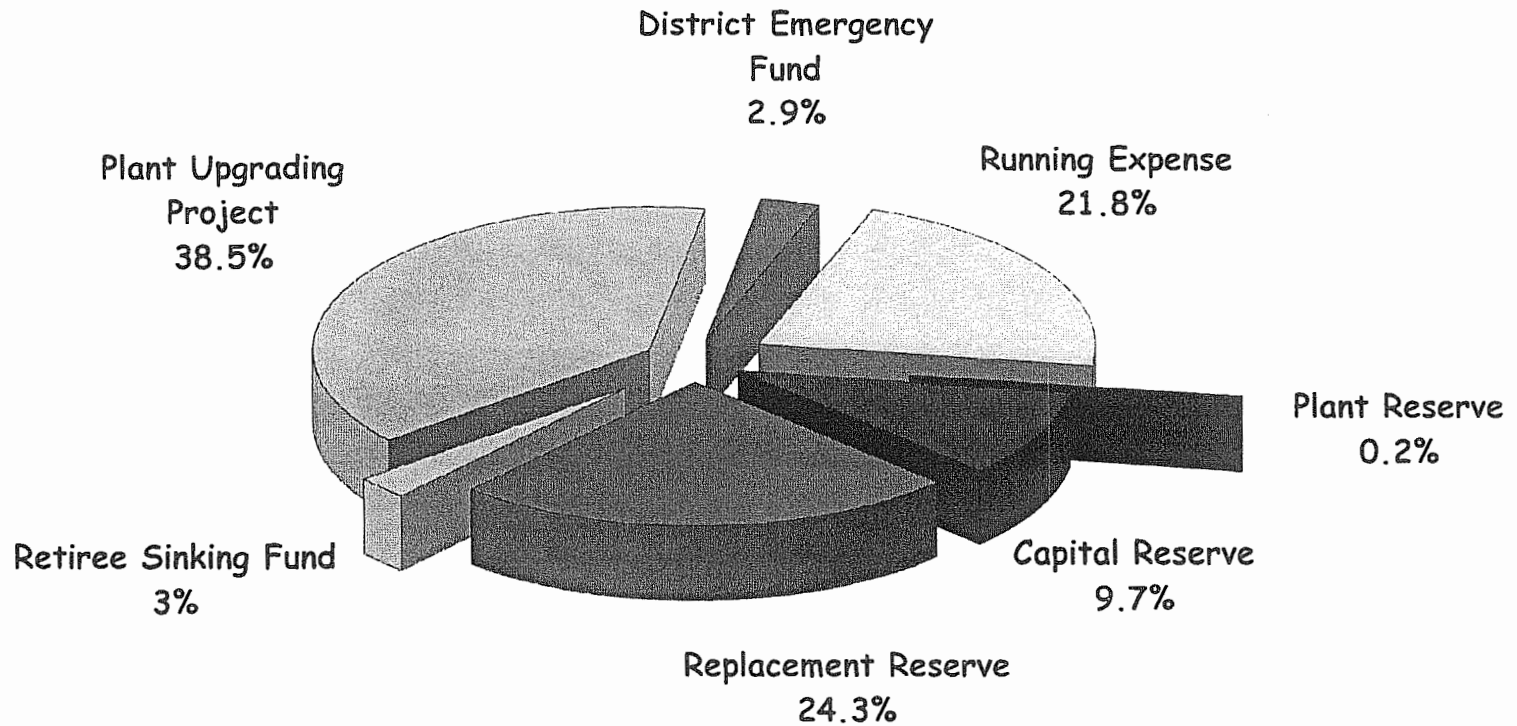
^f Designated for retiree medical insurance sinking fund.

^g This fund receives and disburses monies for the SRF loan payment for the Outfall Rerocking Project, therefore its balance is zero at the end of each fiscal year.

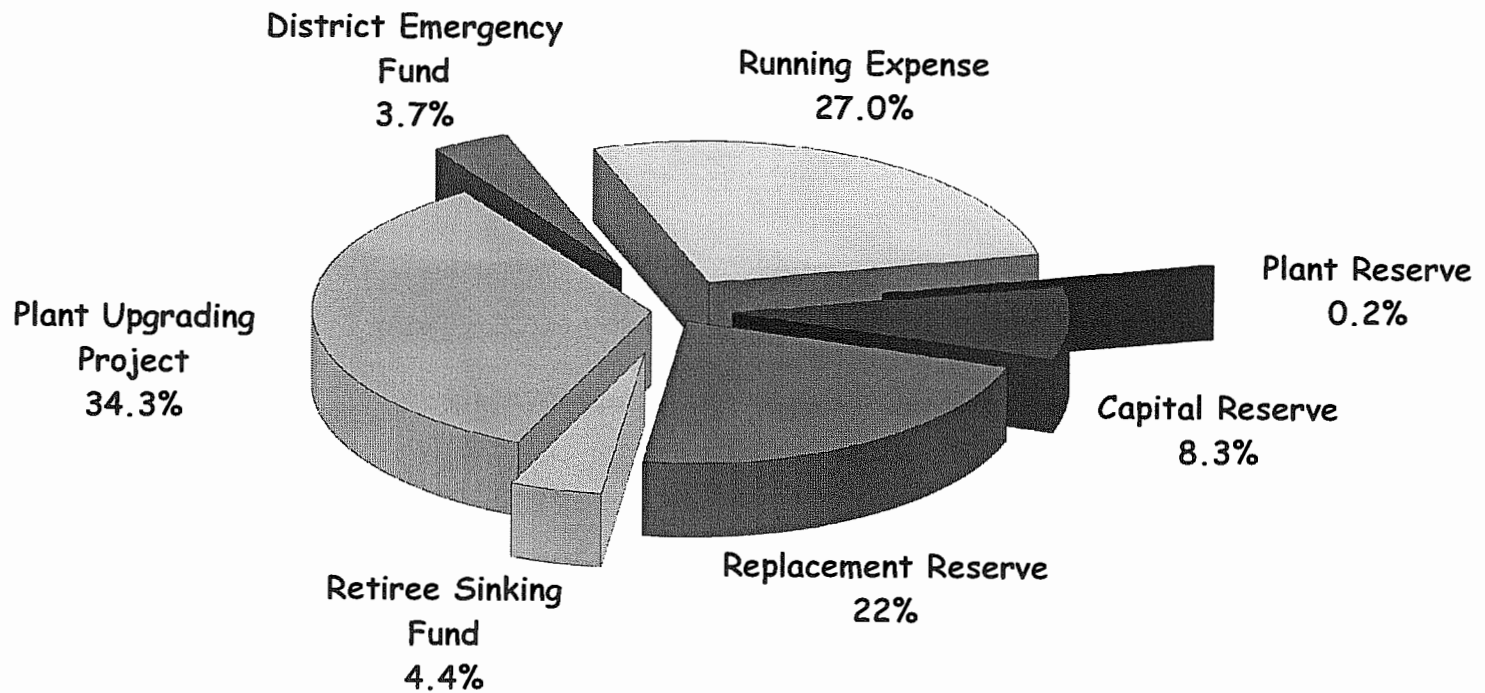
^h Designated to pay for Plant Facilities Upgrading Project costs

ⁱ Designated for costs associated with emergency projects

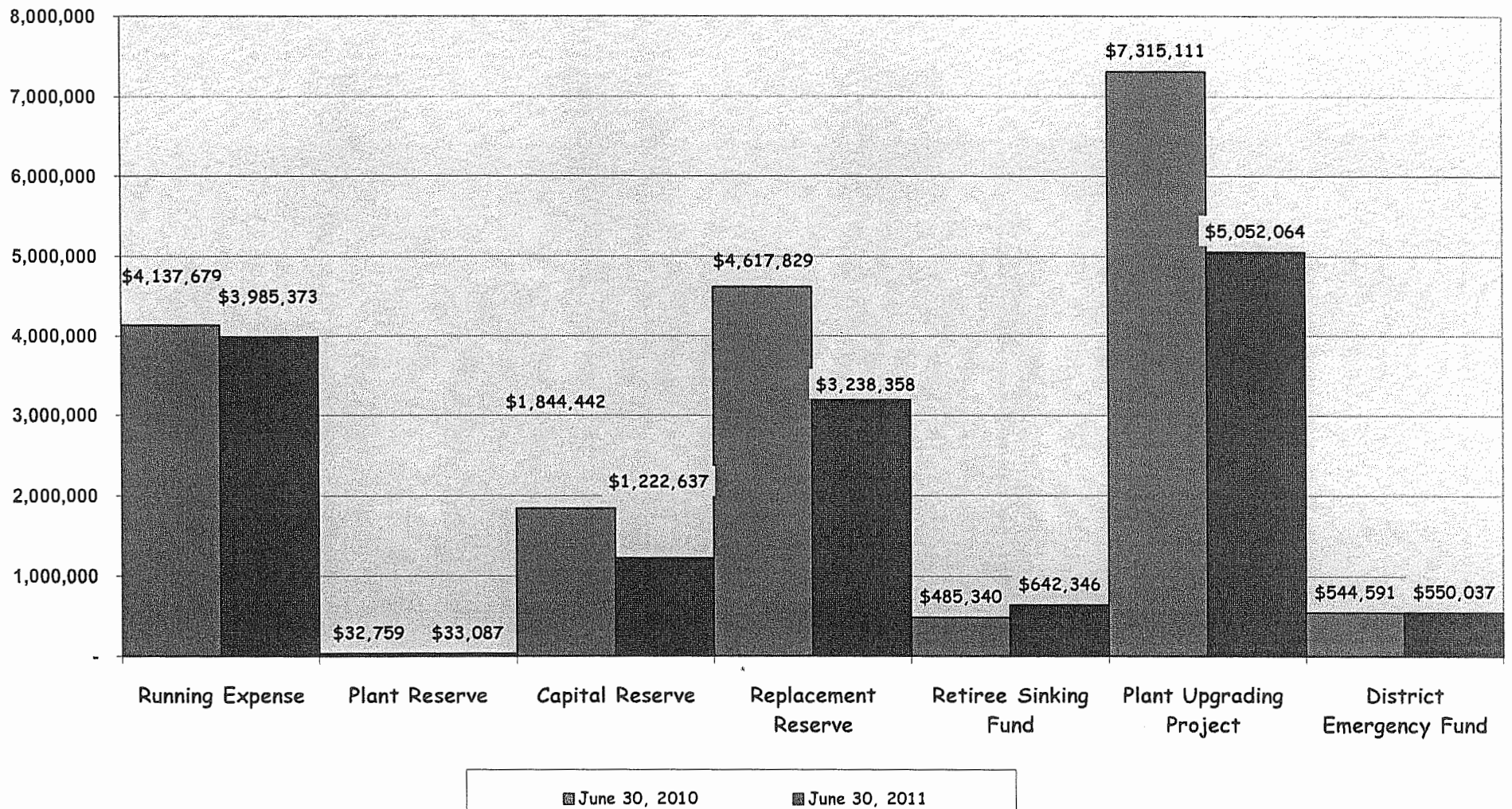
Fund Balance June 30, 2010



Fund Balance June 30, 2011



Fund Balances June 30, 2010 and June 30, 2011



ACTIVITIES OF DISTRICT FUNDS

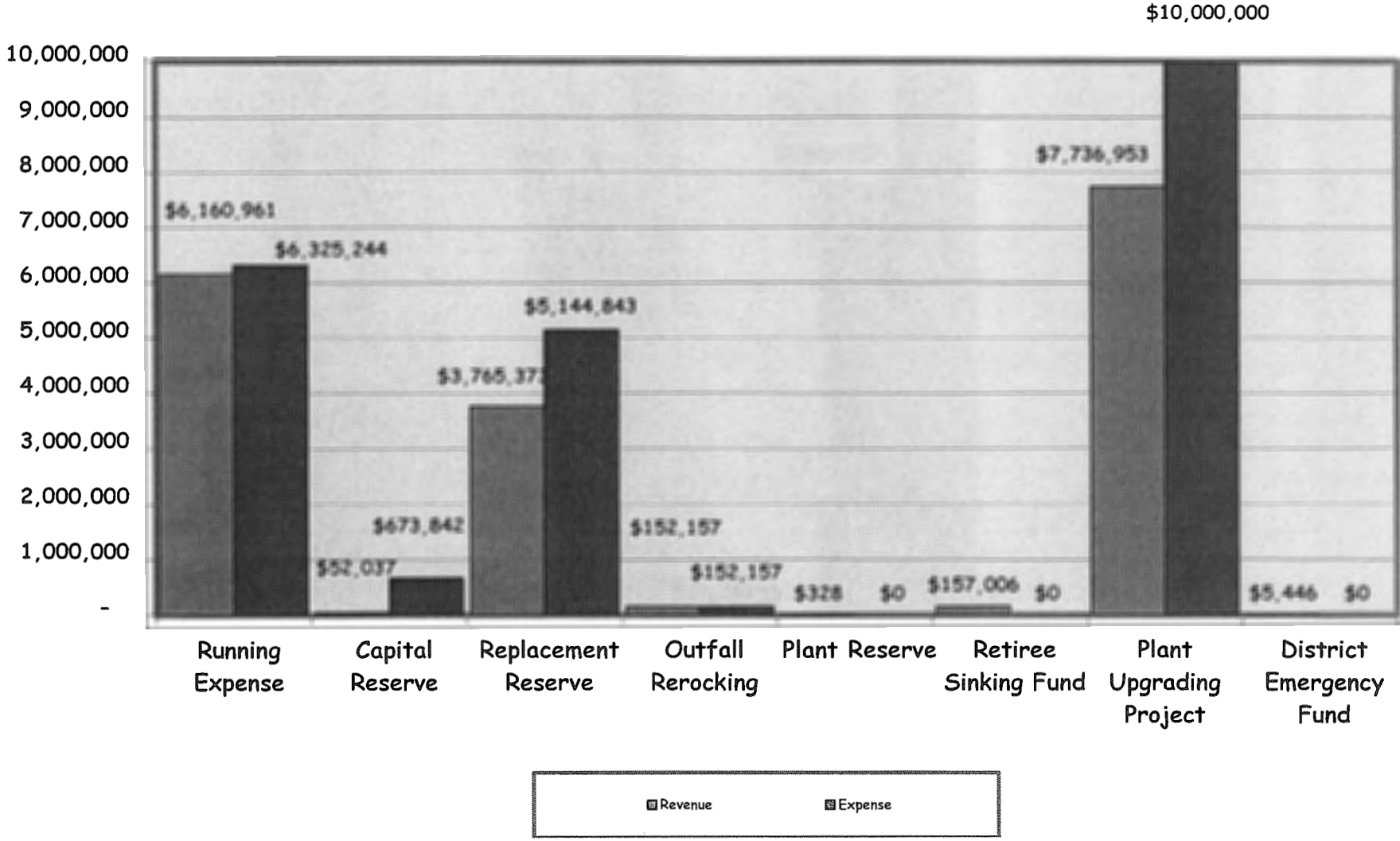
The enclosed fund activity sheet shows the District's fund balances at the beginning and end of the fiscal year, as well as the activity of each fund during the year. Each fund's name and number are shown in the extreme two left columns, followed by the cash balance of the fund at the beginning of the year in the third column. The fourth and fifth columns designate the activity in terms of revenues and expenditures for each fund as demanded by the District's budget. The last column to the right of the sheet shows the ending balance of each fund at the end of the fiscal year. The main objective of the enclosed fund activity sheet is to provide a record of allocating revenues and expenditures to meet the District's operating objectives.

For FY 2010-11, the District anticipates a reduction in its overall fund balances by \$4,265,826 mostly due to the treatment plant upgrading project. The overall balance of all of the District's funds is anticipated to be \$14,711,925 by the end of fiscal year 2010-11. Enclosed in this budget is a fund activity tabulation and associated bar chart illustrating the activities of the District's designated funds in FY 2010-11.

FUND ACTIVITY

| Fund No. and Name | | Estimated Cash Balance 6/30/2010 | Estimated Revenue 2010-2011 | Estimated Expense 2010-2011 | Estimated Cash Balance 6/30/2011 |
|-------------------|------------------------------|-------------------------------------|--|--|-------------------------------------|
| 4640 | Running Expense | \$4,137,679 | Interest Revenue \$41,080 \$5,693,513 | O & M Expense \$5,918,625 WWRec O & M Expense \$406,619 | \$3,973,396 |
| | <i>Subtotal</i> | | GWD WWRec O&M Admin Chg: WWRec \$406,619 \$19,749 <u>\$6,160,961</u> | <u>\$6,325,244</u> | |
| 4645 | Plant Reserve | \$32,759 | Interest \$328 | \$0 | \$33,087 |
| | <i>Subtotal</i> | | <u>\$328</u> | <u>\$0</u> | |
| 4650 | Capital Reserve | \$1,844,442 | Interest \$22,037 | Sewerline capacity related \$673,842 | \$1,222,637 |
| | <i>Subtotal</i> | | Connection & Annex Chgs \$30,000 <u>\$52,037</u> | <u>\$673,842</u> | |
| 4655 | Replacement Reserve | \$4,617,829 | Interest \$43,386 | Sewer Line Replacement \$4,994,843 | \$3,238,358 |
| | <i>Subtotal</i> | | Revenue \$3,721,987 <u>\$3,765,373</u> | Administration & Outfall \$10,000 Plant and Pump Projects \$140,000 <u>\$5,144,843</u> | |
| 4660 | Retiree Health Insurance | \$485,340 | Interest \$6,360 | | \$642,346 |
| | <i>Subtotal</i> | | Revenue \$150,646 <u>\$157,006</u> | <u>\$0</u> | |
| 4666 | Outfall Reballasting Project | \$0 | RFOGA SRF Outfall \$67,238 | SRF Loan Paymt \$152,157 | \$0 |
| | <i>Subtotal</i> | | Revenue \$84,919 <u>\$152,157</u> | <u>\$152,157</u> | |
| 4670 | Plant Upgrading Project | \$7,315,111 | Interest \$61,366 | \$10,000,000 | \$5,052,064 |
| | <i>Subtotal</i> | | RFOGA Plant Upgrade \$5,213,000 Revenue \$2,462,587 <u>\$7,736,953</u> | <u>\$10,000,000</u> | |
| 4675 | District Emergency Fund | \$544,591 | Interest \$5,446 | \$0 | \$550,037 |
| | <i>Subtotal</i> | | <u>\$5,446</u> | <u>\$0</u> | |
| TOTALS | | \$18,977,751 | \$18,030,260 | \$22,296,086 | \$14,711,925 |

Fund Activity June 2010-June 2011



REVENUES
FISCAL YEAR 2010-11

DISTRICT REVENUES IN FISCAL YEAR 2010-11

The District receives revenues from several sources. The District has grouped its revenues under the various funds utilized for the District's operations, as discussed earlier in previous sections of this budget. These funds may change over time, depending on the specific purpose of establishing the fund. Currently the District has allocated its various revenues to the following eight funds.

- 1. Running Expense Fund**
- 2. Plant Reserve Fund**
- 3. Capital Reserve Fund**
- 4. Replacement Reserve Fund**
- 5. Retiree Health Insurance Fund**
- 6. Outfall Reballasting Fund**
- 7. Plant Upgrading Project Fund**
- 8. District Emergency Fund**

Running Expense Fund - 4640

The running expense fund is where most of the operating revenues of the District are deposited when received. This fund has several accounts that hold the revenues from a variety of sources. The most significant revenues are the user fees or charges, as noted in this budget. Revenues from the various sources are accounted for under separate District internal accounts carrying different account numbers, in order to track these revenues by their respective sources and allocate or designate them for their required and/or intended purposes. District revenues shown in the budget are estimates, based on revenues from previous years, in addition to information associated with specific developments in the community. The running expense fund is used to fund the operations and maintenance activities of the District.

Sewer Service Charges – Account 3100

The sewer service charges may also be described as the utility charge paid by the District's users for the services rendered by the District. These charges are very similar to telephone, gas, or electric charges invoiced monthly by the utilities to their customers. The District collects its sewer service charges, also known as users' fees, through the property tax collection process of the County. The District's annual charges are placed on the tax roll, and are separately shown on property tax statements mailed by the County to the District's users. The County forwards the collected District fees to the District twice annually, immediately after tax collection in December and April of each year. Users' fees are expected to reflect the cost of operations and maintenance by the District, and are reviewed annually to ensure their appropriate values.

The sewer service charges are based on a mathematical model, which calculates rates using various parameters associated with flows and types of wastewater. The charge model is based on guidelines established by the Federal and State governments in accordance with the Clean Water Act, which applies to agencies like the District, that received Federal and State grants for construction of wastewater treatment and disposal facilities. The District has classified its users into 27 categories used in calculating the user fees.

The model takes into consideration the estimated expenditures for the upcoming fiscal year in order to calculate the required appropriate user fees. Based on the District's model, the charge for a single-family dwelling or an equivalent is \$442.32 per year or \$36.86 per month for FY 2010-2011. The sewer service charges are deposited into the individual funds of the District

based upon their intended use and in an amount determined by the Governing Board. Of the monthly \$36.86 anticipated sewer charges revenue per single-family dwelling for Fiscal Year 2010-2011 \$23.55 will be deposited in the running expense fund 4640.

Permit and Inspection Fees – Account 3120

Permit and Inspection fees are collected for issuing permits to connect to District facilities. Inspection fees are charges for the District's inspection of the construction of new developments connecting to the District's facilities. This estimated revenue is projected based on past history and knowledge of proposed developments in the upcoming year.

Administration Charges – Accounts 3140 and 3145

These revenues are charges levied on the District's contractual users for administrative costs associated with treatment, disposal and reclamation of wastewater. These charges are fixed percentages of the operating costs as defined in separate agreements with these users.

Treatment and Disposal Revenue – Account 3150

This revenue is the monthly expense charged to the District's contractual users, in accordance with an agreement with the District for treatment and disposal of their respective wastewaters. The charge to each user is based on each user's percentage of the monthly-metered flow into the plant applied to the total monthly expense of the treatment plant only. Fixed assets charged to the treatment plant are expensed to the contractual users based on their respective fixed capacity percentage allocations of the total treatment plant and outfall capacities, as defined in the agreements between the District and its users.

Goleta Water District Reclamation O&M Cost Reimbursement – Account 3155

This revenue is the total estimated annual expense invoiced to the Goleta Water District for production of reclaimed water. Fixed assets purchased for the reclamation facility are included in this estimated revenue. This revenue was estimated based on the projected demand of reclaimed water as defined by the Goleta Water District.

Industrial Waste Control (IWC) Analysis Reimbursement – Account 3160

This revenue source is projected based on historical data, and accounts for reimbursements to the District by industries for costs of re-sampling their respective discharges to the District following violations of their respective permit limits.

Homeowners Exemption – Account 3170

Homeowners' exemption revenues are the District's share of the annual revenue received by the County from the State for tax exemptions offered to homeowners. This amount is usually estimated by Santa Barbara County, and does not vary greatly from year to year.

Annexation Processing – Account 3205

This estimated revenue is the administration fee charged for processing applications for annexations submitted to the District each year. The projected amount is based on an application fee of \$200 per application, and is estimated based on past history and knowledge of any known future annexations.

Revenue From Other Government Agencies (RFOGA) – Running Expense – Account 3240

This revenue is received from the Santa Barbara Municipal Airport and Santa Barbara County for their share of the operations and maintenance of the treatment facilities' influent pump station. The value of this revenue is based on the Airport's percentages of the annual flow and expenses of the pump station only.

Other Revenue-Running Expense – Account 3260

Other revenues account for all undesignated sources. Examples of these revenues would be reimbursements for travel from agencies on which members of Governing Board serve (CSDA and CSRMA), miscellaneous invoices to other agencies, and reimbursements for miscellaneous expenses. Projections of this revenue are based on historical data and are usually conservative.

The Total revenue anticipated in the Running Expense Fund is \$6,119,881.

Capital Reserve Fund - 4650

The Capital Reserve fund is the depository of funds allocated for expansion of the District's facilities to accommodate the community's growth. Funds collected from connection and annexation fees are directed to this fund for capacity-related capital improvements.

Connection Fees – Account 3130

Connection fees are generally understood to be the costs of buying a unit of capacity in the District's facilities. The simplest form of measuring capacity for the purpose of determining connection fees is by equivalency to the capacity normally utilized by a normal single family residence. A capacity unit is expressed as one equivalent residential unit (ERU). Therefore, the connection fee is the cost of buying capacity units expressed in ERUs. The value of the connection fee is normally the price of one ERU.

Since connection fees are associated with capacity of service, they should be used for expansion of the existing facilities where capacity for serving additional growth in the community is required. In this respect, connection fees are mandated by law to be kept in a separate fund designated by the District as the Capacity Expansion Reserve.

Connection fee revenue estimates are based on historical data and estimates of growth and development anticipated in the fiscal year. The current District connection fee is \$2,058 per ERU.

Annexation Charges – Account 3200

Annexation to the District is the process of entering a land parcel into the service area of the District. The District's annexation fees were developed based on equity in maintenance of the District's facilities over a period of several years. The underlying assumption is that a new customer, when annexed to the District, would have to pay certain annexation charges to catch up with the operations and maintenance costs paid by existing customers for a certain defined period of time. These fees are clearly separate from connection fees in that there is no overlap of both fee structures.

Currently the annexation charge revenue is based on a fee of \$1,905 per acre to be annexed. The District's annual projection of this revenue is based on historical data of the anticipated number of parcels to be annexed.

The total revenue anticipated in the Capital Reserve Fund is \$30,000.

Replacement Reserve Fund – 4655

The replacement reserve fund is designated to hold and disburse funds for the District's capital improvement projects that are needed to maintain the District's facilities. This fund does not hold nor disburse funds for major projects where capacity increases are required. The District annually transfers funds from the running expense fund into this fund to account for its facilities depreciation.

Sewer Service Charges – Account 3100

Of the monthly \$36.86 anticipated sewer charges revenue per single-family dwelling for Fiscal Year 2010-2011, \$2.00 will be deposited into the replacement reserve fund 4655 for future capital improvement projects. The total amount of sewer service charges expected to be received by the District and deposited into the replacement reserve fund is \$435,471.

Property Tax – Account 3220

This revenue is the District's share of the property taxes collected by the County based on the District's percentage of property tax revenues to the County. The District's percentage is defined based on separate property tax negotiations during the process of property annexations to the District. Current annual property tax revenues to the District are predominantly based on the District's percentage in effect prior to Proposition 13. Property tax revenue is based on data submitted by Santa Barbara County. Because the District's budget is approved before the actual amount of property taxes is calculated, the amount shown is an estimate based on the previous year. The amount of property tax revenue received by the District does not vary considerably from year to year.

RFOGA – Capital Projects – Account 3260

This revenue is received from the District's contractual users' for their share of the plant capital project expenditures. Each entity pays according to its capacity percentage entitlement as defined in the agreement between the District and these users. The District is anticipating \$1.5 million from Proposition 50 Funds for the Fairview Avenue Sewer Replacement Relocation Project.

The total revenue anticipated in the Replacement Reserve Fund is \$3,721,987.

Retiree Health Insurance Fund – 4660

The Retiree Health Insurance fund was established by the District in 2004. The District will deposit approximately \$150,000 annually into this fund for medical insurance premiums for District retirees.

The total deposit into the Retiree Health Insurance Fund is \$150,646.

Outfall Reballasting Fund – 4666

This fund was established to manage the funds directed for payment of annual debt service for a loan received from the State Water Resources Control Board for placement of ballast rock over the District's outfall for the purpose of maintaining its stability. The loan was received under the State Revolving Fund (SRF) Loan Program. This fund has one account only.

Sewer Service Charges – Account 3100

The amount of sewer service charges expected to be received by the District and deposited into the outfall reballasting fund is \$84,919.

The RFOGA-Outfall SRF Loan – Account 3245

To maintain an audit trail, the District's contractual users' contributions are placed in this account to pay the annual debt service of the State Revolving Fund loan. Each entity pays according to its percentage entitlement in the outfall capacity as defined in the agreement between the District and these users.

The total revenue anticipated in the Outfall Reballasting Fund is \$152,157.

Facilities Upgrading Fund – 4670

The fund is used to manage expenditures for the plant upgrading project consisting of a planning study and associated environmental review documents, preparation of design documents and the actual construction of the upgrading facilities. The expenditures for this project are anticipated to occur through the year 2014 at which time the upgrading project is anticipated to be completed.

Sewer Service Charges – Account 3100

Of the monthly \$36.86 anticipated sewer charges revenue per single-family dwelling for Fiscal Year 2010-2011, \$11.31 will be deposited into the facilities upgrading fund 4670. The total amount of sewer service charges expected to be received by the District and deposited into the facilities upgrading fund is \$2,462,587.

Revenue – Treatment Plant Facilities Upgrade – Account 3250

This revenue is received from the District's contractual users' for their share of the plant upgrading project expenditures. Each entity pays according to its capacity percentage entitlement as defined in the agreement between the District and these users.

Revenues from other sources such as the State Revolving Loan Fund and/or that portion of the revenue from sewer service charges attributable to this project will be deposited in this fund.

The total revenue anticipated in the Facilities Upgrading Fund in FY 2010-11 is anticipated to be \$7,675,587.

Interest Earnings Account - 3230

This account receives the interest earnings of all District funds. Interest accrued per fund is also transferred from this account as revenue to each of the District funds. The interest for each fund for this year is calculated based on a conservative percentage of 1.0%.

The total interest anticipated in FY 2010-11 is \$180,002.

THE TOTAL DISTRICT REVENUE ANTICIPATED IN FY 2010-11 IS \$18,030,260

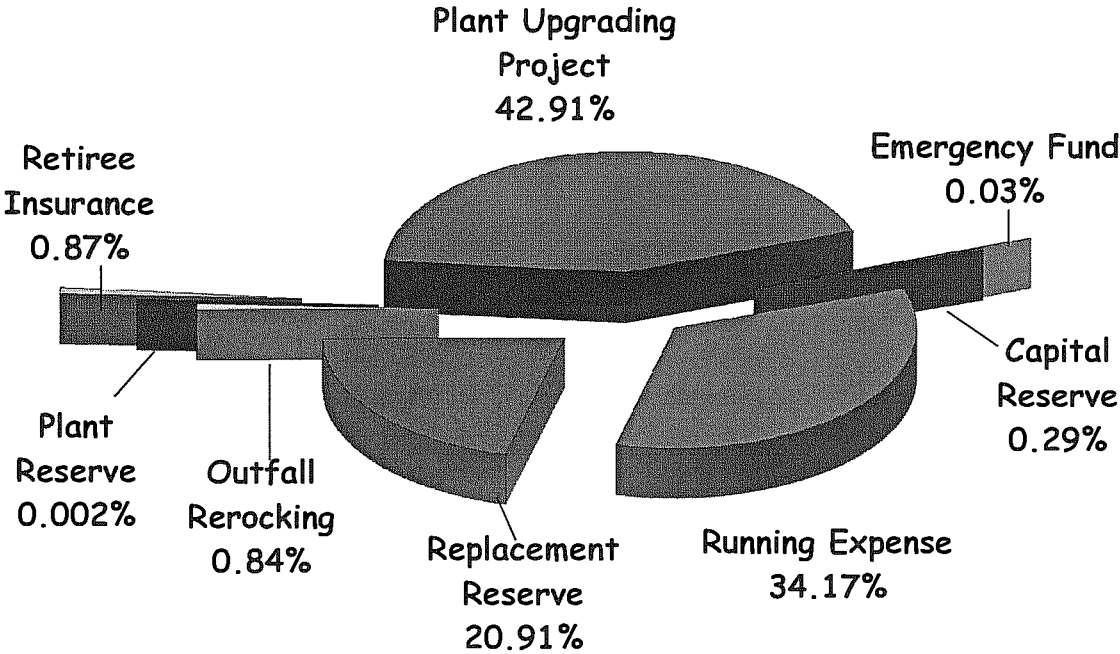
**Fiscal Year 2010-2011
REVENUE**

| Fund Name and Number | Acct | Revenue Classification | 2009-10 Revenue Estimate | Revenue to date 03/31/10 | 2009-10 Projected Actual | 2009-10 Over(Under) Budget | 2010-11 Revenue Projection |
|----------------------------------|------|------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| 4640 Running Expense | 3100 | Sewer Service Charges | \$4,042,201 | \$2,559,004 | \$4,042,201 | (\$0) | \$4,020,101 |
| | 3120 | Permits and Inspections | \$26,465 | \$24,755 | \$33,007 | \$6,542 | \$33,007 |
| | 3140 | Admin Chgs - Treatment | \$84,576 | \$56,694 | \$85,041 | \$465 | \$85,170 |
| | 3145 | Admin Chgs - Reclamation | \$21,681 | \$21,751 | \$32,626 | \$10,945 | \$19,749 |
| | 3150 | Treatment, Disposal & Equip | \$1,535,334 | \$979,068 | \$1,468,601 | (\$66,733) | \$1,490,136 |
| | 3155 | GWD WWRec O&M Cost Reimb. | \$405,148 | \$226,552 | \$339,827 | (\$65,321) | \$406,619 |
| | 3160 | IWC Analysis Reimbursement | \$500 | \$0 | \$500 | \$0 | \$500 |
| | 3170 | Homeowners Exemption | \$500 | \$292 | \$500 | \$0 | \$500 |
| | 3205 | Annexation Processing Fee | \$1,600 | \$0 | \$0 | (\$1,600) | \$1,600 |
| | 3240 | **RFOGA - Running Expense | \$2,500 | \$1,620 | \$1,620 | (\$880) | \$2,500 |
| | 3260 | Other Revenue - Running Exp. | \$25,000 | \$63,654 | \$63,654 | \$38,654 | \$60,000 |
| | | Subtotal | \$6,145,505 | \$3,933,389 | \$6,067,577 | -\$77,928 | \$6,119,881 |
| 4650 Capital Reserve | 3130 | Connection Fees | \$50,000 | 23,360 | \$23,360 | (\$26,641) | \$25,000 |
| | 3200 | Annexation Charges | \$10,000 | \$200 | \$200 | (\$9,800) | \$5,000 |
| | | Subtotal | \$60,000 | \$23,560 | \$23,560 | -\$36,441 | \$30,000 |
| 4655 Replacement Reserve | 3100 | *Sewer Service Charges | \$1,285,371 | \$674,646 | \$1,285,371 | (\$0) | \$1,307,471 |
| | 3220 | Property Tax Revenue | \$134,994 | \$66,827 | \$133,654 | (\$1,340) | \$133,654 |
| | 3260 | **RFOGA - Capital Projects | \$406,547 | \$1,050,218 | \$1,775,818 | \$1,369,271 | \$2,280,862 |
| | | Subtotal | \$1,826,912 | \$1,791,691 | \$3,194,843 | \$1,367,931 | \$3,721,987 |
| 4660 Retiree Ins | 3100 | *Sewer Service Charges | \$150,646 | \$150,646 | \$150,646 | \$0 | \$150,646 |
| | | Subtotal | \$150,646 | \$150,646 | \$150,646 | \$0 | \$150,646 |
| 4666 Outfall Project Fund | 3100 | *Sewer Service Charges | \$84,919 | \$84,919 | \$84,919 | \$0 | \$84,919 |
| | 3245 | **RFOGA - Outfall SRF Loan | \$67,238 | \$67,238 | \$67,238 | \$0 | \$67,238 |
| | | Subtotal | \$152,157 | \$152,157 | \$152,157 | \$0 | \$152,157 |
| 4670 Facilities Upgrade | 3100 | *Sewer Service Charges | \$2,462,587 | \$1,412,032 | \$2,462,587 | (\$0) | \$2,462,587 |
| | 3250 | **RFOGA-Wastewater Plant Upgradin | \$3,127,800 | \$547,819 | \$770,127 | (\$2,357,673) | \$5,213,000 |
| | | Subtotal | \$5,590,387 | \$1,959,852 | \$3,232,714 | -\$2,357,673 | \$7,675,587 |
| All Funds | | Interest Earnings | | | | | |
| | 4640 | 3230 Running Expense Fund | \$109,847 | \$17,653 | \$35,305 | (\$74,542) | \$41,080 |
| | 4645 | 3230 Plant Reserve Fund | \$878 | \$120 | \$240 | (\$638) | \$328 |
| | 4650 | 3230 Capital Reserve Fund | \$49,594 | \$6,703 | \$13,406 | (\$36,188) | \$22,037 |
| | 4655 | 3230 Replacement Reserve Fund | \$88,979 | \$15,867 | \$31,734 | (\$57,245) | \$43,386 |
| | 4660 | 3230 Retiree Health Insurance Fund | \$13,516 | \$1,222 | \$2,443 | (\$11,073) | \$6,360 |
| | 4670 | 3230 Plant Upgrading Fund | \$121,054 | \$19,364 | \$38,727 | (\$82,327) | \$61,366 |
| | 4675 | 3230 District Emergency Fund | \$14,594 | \$1,991 | \$3,982 | (\$10,612) | \$5,446 |
| | | Subtotal | \$398,462 | \$62,918 | \$125,837 | -\$272,625 | \$180,002 |
| | | Total Revenue | \$14,324,069 | \$7,923,567 | \$12,796,687 | -\$1,376,736 | \$18,030,260 |

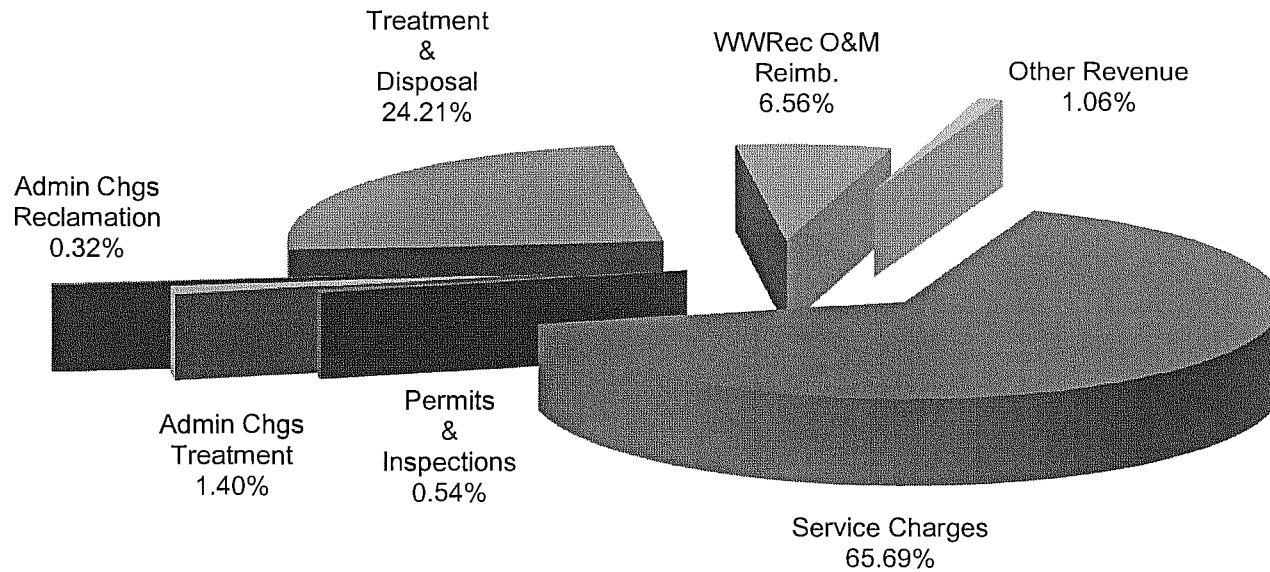
*Sewer Service Charges are deposited directly to the respective funds and no longer shown as a transfer from the 4640 Running Expense Fund. Values shown under 2009-10 Revenue Estimate have been pro-rated accordingly.

**RFOGA = Revenue From Other Gov't Agencies

Revenues by Fund



Running Expense Revenues



***EXPENDITURES
FISCAL YEAR 2010-11***

DISTRICT COMBINED EXPENDITURES IN FISCAL YEAR 2010-11

The combined expenditures for the District's operating departments are shown in a combined expenditure sheet with comparisons to the previous fiscal year's expenditures. The budget expenditures are shown under various categories such as personnel expenses, depreciation reserves funding, debt service and capital outlay. The total operating and personnel expenses proposed for FY 2010-11 are anticipated to be 2.0% less than last year's budget and the capital outlay projects are anticipated to be about 31% more than last year's expenditures.

The main categories of expenditures in the combined budget are as follows:

| <u>DESCRIPTION</u> | <u>EXPENDITURES</u> | <u>% OF TOTAL EXPENDITURES</u> |
|-----------------------|---------------------|--------------------------------|
| Personnel Cost: | \$ 3,777,450 | 16% |
| Operating Expenses: | \$ 2,466,940 | 11% |
| Sub-Total: | \$ 6,244,390 | 27% |
| Depreciation Funding: | \$ 872,000 | 4% |
| Annual Debt Service: | \$ 152,157 | 1% |
| Capital Outlay: | \$16,050,185 | 68% |
| TOTAL EXPENDITURES: | \$23,318,732 | 100% |

The enclosed graph shows the above distribution of expenditures for FY 2010-11.

The District has separated accounting of its expenses under seven separate service categories. These categories are mostly associated with specific service programs and/or facilities shared by separate groups of users. The main purpose of segregating expenses is to appropriately charge the customer base served by each program and/or facility. The District's seven service categories and corresponding customer base are described below.

Administration Expenses

All District users share these expenses. The District's contractual users pay, as administrative costs, a fixed percentage of their respective operating costs in the treatment and disposal facilities.

Collection System

All users in the Goleta Sanitary District's service area share the expenses associated with the collection system. The District's contractual users do not share in the cost of the collection system.

Influent Pump Station

All users in GSD's service area share the expenses associated with the pump station. The Santa Barbara Municipal Airport and the County of Santa Barbara are the only contractual users of the District that share in this cost. All other contractual users do not use the pump station.

Industrial Waste Control Program

Similar to the collection system, the expenses associated with the Industrial Waste Control program are shared by all users in the Goleta Sanitary District's service area. The District's contractual users do not share in the cost of this program.

Wastewater Treatment Facilities

All District users share in the cost of the treatment of wastewater, including all contractual users. The contractual users share in the operating costs based on a corresponding percentage of their flows compared to the total flow into the treatment facilities. Fixed assets are charged based on the respective percentage of the treatment facilities' capacity allocation to each contractual user.

Wastewater Disposal Outfall

All District users share in the cost of wastewater disposal including all contractual users. The contractual users share in the operating costs and fixed assets based on the corresponding percentage of their outfall capacity allocation to each contractual user.

Reclamation Facilities

The operating costs, including a 10% administration cost, are invoiced to the Goleta Water District monthly. Fixed assets are invoiced without the administrative charge.

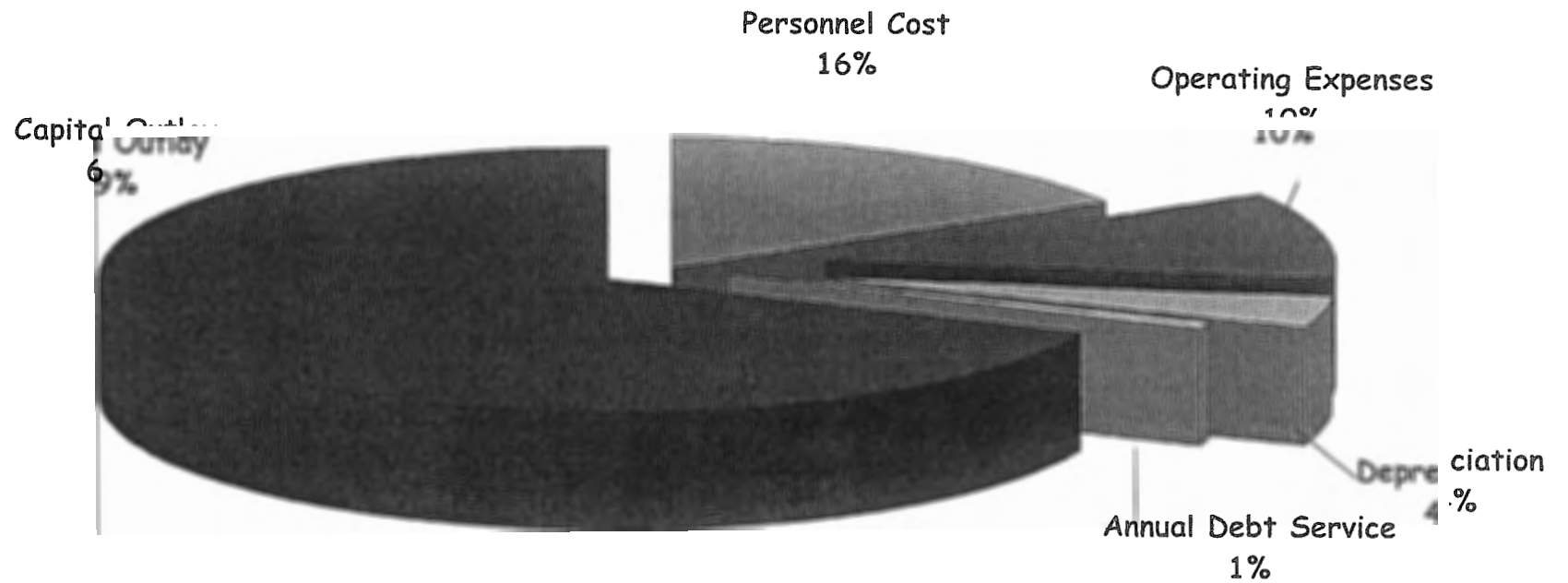
Summary

Enclosed in the budget is a graph showing the distribution of the expenditures by each service category described above. Details of each category's proposed expenditures are also included in this budget with a narrative explanation of the purposes of these expenditures.

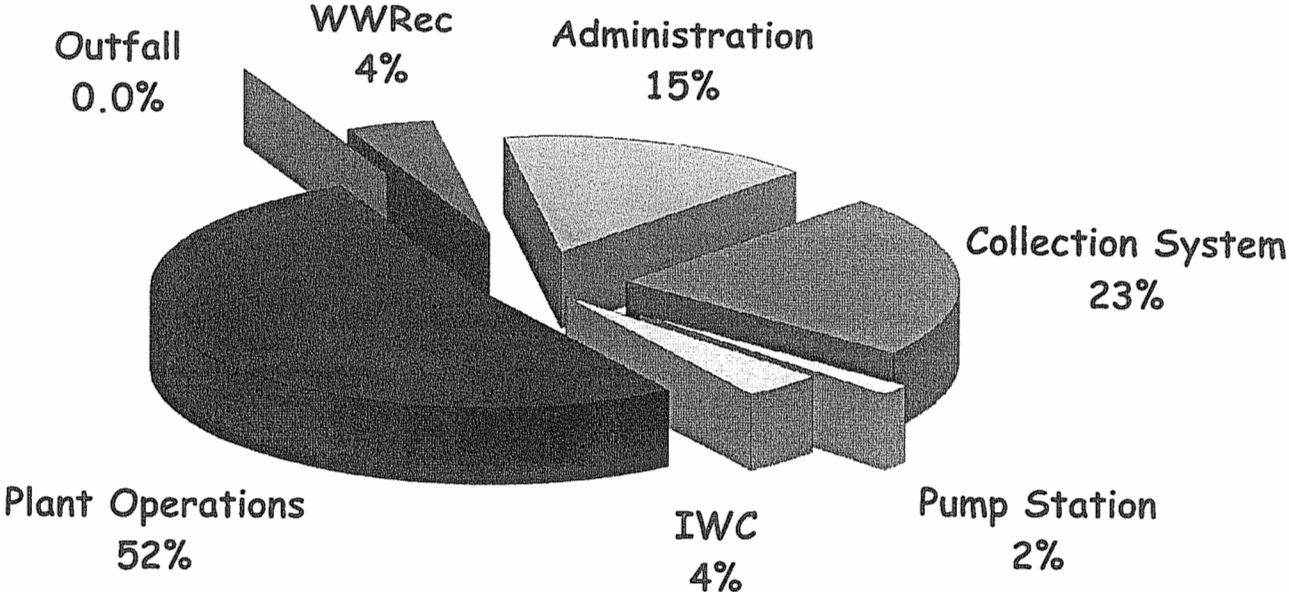
**Fiscal Year 2010-2011
EXPENDITURES**

| Description | Budgeted 2009-10 | To Date 03/31/10 | Projected Actual 2009-10 | Under(Over) Budget 2009-10 | Proposed Budget 2010-11 | Percent Change 09-10 |
|---|-----------------------------|-----------------------------|---|---|--|-------------------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 2,245,231 | 1,484,717 | 1,979,618 | 265,613 | 2,324,422 | 4% |
| Overtime | 65,100 | 21,810 | 30,877 | 34,223 | 38,600 | -41% |
| Temporary | 64,896 | 29,497 | 39,599 | 25,297 | 30,233 | -53% |
| Directors Fees | 75,000 | 40,705 | 54,273 | 20,727 | 75,000 | 0% |
| Worker's Compensation | 70,885 | 16,133 | 68,000 | 54,752 | 57,432 | -19% |
| Retirement | 412,563 | 328,764 | 438,348 | (25,785) | 430,590 | 4% |
| Active Employee Health Insurance | 457,196 | 377,564 | 503,415 | (46,219) | 489,017 | 7% |
| Retiree Health Insurance Sinking Fund | 150,646 | 150,646 | 150,646 | 0 | 150,646 | 0% |
| FICA | 139,468 | 94,143 | 134,080 | 5,388 | 140,172 | 1% |
| Medicare | 34,440 | 23,397 | 31,192 | 3,248 | 34,702 | 1% |
| Unemployment Insurance | 6,300 | 7,881 | 10,504 | (4,204) | 6,636 | 5% |
| <i>Subtotal</i> | 3,721,725 | 2,575,258 | 3,440,551 | 333,040 | 3,777,450 | 1% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 28,683 | 24,242 | 31,026 | (2,343) | 26,358 | -8% |
| Janitorial Service | 23,201 | 16,842 | 22,676 | 525 | 24,103 | 4% |
| Uniforms | 10,136 | 8,463 | 11,294 | (1,158) | 12,100 | 19% |
| Licenses & Permits | 18,400 | 20,246 | 29,240 | (10,840) | 32,000 | 74% |
| Freight & Postage | 4,270 | 799 | 1,159 | 3,111 | 2,110 | -51% |
| Subscriptions | 1,202 | 829 | 1,106 | 96 | 1,284 | 7% |
| Vehicle Repairs & Maintenance | 54,724 | 28,647 | 51,073 | 3,651 | 48,576 | -11% |
| Liability & Property Insurance | 166,209 | 186,039 | 188,422 | (22,213) | 153,154 | -8% |
| Dues & Memberships | 35,150 | 26,245 | 29,839 | 5,311 | 33,450 | -5% |
| Office Supplies | 18,900 | 9,088 | 14,853 | 4,047 | 17,650 | -7% |
| Analysis & Monitoring | 170,000 | 107,002 | 163,800 | 6,200 | 166,500 | -2% |
| Operating Supplies | 749,650 | 422,769 | 603,608 | 146,042 | 714,250 | -5% |
| Attorney Fees | 196,000 | 85,116 | 112,138 | 83,862 | 136,500 | -30% |
| Printing & Publications | 6,175 | 547 | 1,125 | 5,050 | 4,675 | -24% |
| Repairs and Maintenance | 309,000 | 195,243 | 279,950 | 29,050 | 293,700 | -5% |
| Travel | 79,600 | 41,416 | 59,186 | 20,414 | 67,900 | -15% |
| Seminar & Conference Registration | 20,000 | 12,457 | 16,144 | 3,856 | 19,000 | -5% |
| Utilities | 440,250 | 234,310 | 318,703 | 121,547 | 374,850 | -15% |
| Computer Service & Maintenance | 99,500 | 35,131 | 65,502 | 33,998 | 100,500 | 1% |
| Lease/Rentals | 6,994 | 5,823 | 7,722 | (728) | 7,080 | 1% |
| Consulting Services | 4,000 | 4,941 | 6,585 | (2,585) | 7,100 | 78% |
| Biosolids Hauling | 160,000 | 122,167 | 160,000 | 0 | 160,000 | 0% |
| Other Professional Services | 58,050 | 28,484 | 38,939 | 19,111 | 48,600 | -16% |
| Other Expense | 13,500 | 8,934 | 12,374 | 1,126 | 15,500 | 15% |
| <i>Subtotal</i> | 2,673,594 | 1,625,779 | 2,226,465 | 447,129 | 2,466,940 | -8% |
| Total Personnel and Operating Expenses | 6,395,319 | 4,201,037 | 5,667,016 | 780,170 | 6,244,390 | -2% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 849,900 | 1,278,459 | 1,704,609 | (854,709) | 872,000 | 3% |
| <i>Subtotal</i> | 849,900 | 1,278,459 | 1,704,609 | (854,709) | 872,000 | 3% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 84,919 | 84,919 | 84,919 | 0 | 84,919 | 0% |
| RFOGA SRF Payment | 67,238 | 67,238 | 67,238 | 0 | 67,238 | 0% |
| <i>Subtotal</i> | 152,157 | 152,157 | 152,157 | 0 | 152,157 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 328,400 | 143,864 | 166,923 | 161,477 | 231,500 | -30% |
| Capital Projects | 5,079,664 | 3,505,319 | 3,705,318 | 1,374,346 | 5,818,685 | 15% |
| Plant Upgrading Project | 6,000,000 | 1,085,231 | 1,085,231 | 4,914,769 | 10,000,000 | 67% |
| <i>Subtotal</i> | 11,408,064 | 4,734,414 | 4,957,472 | 6,450,592 | 16,050,185 | 41% |
| Total Operating & Non-Operating Expenses | 18,805,440 | 10,366,067 | 12,481,254 | 6,376,053 | 23,318,732 | 24% |

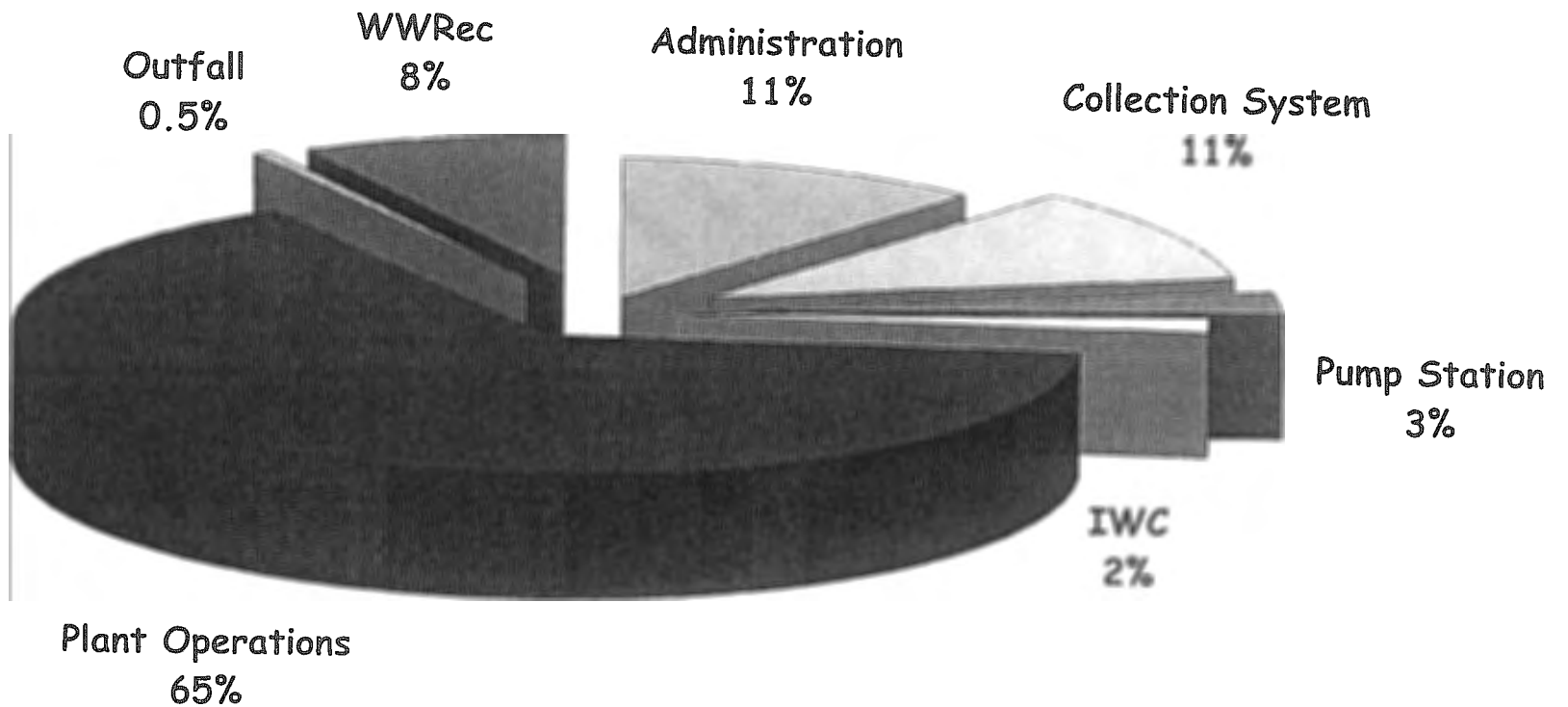
District's Combined Expenditures



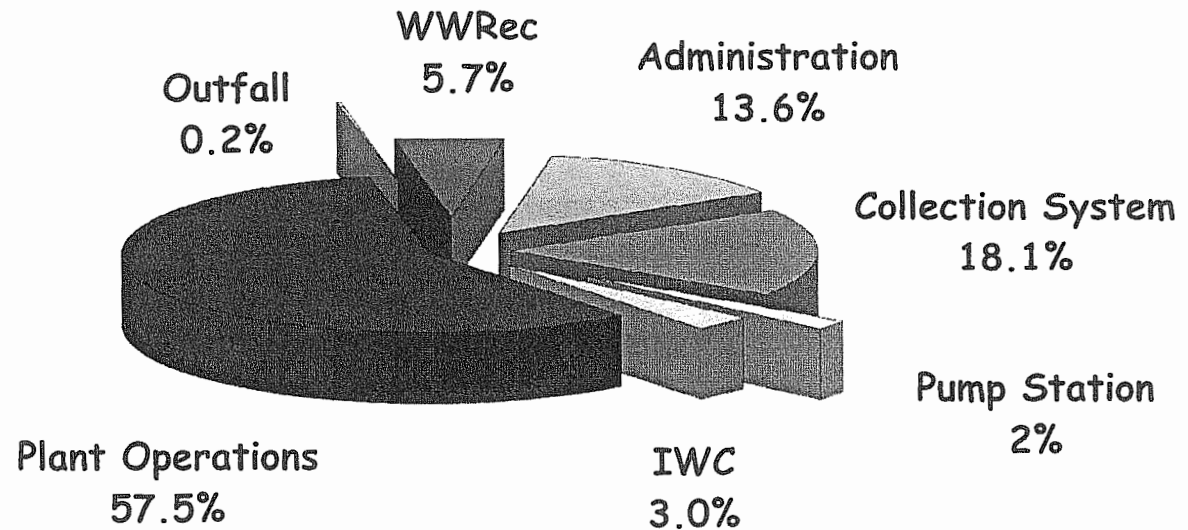
Distribution of Personnel Cost



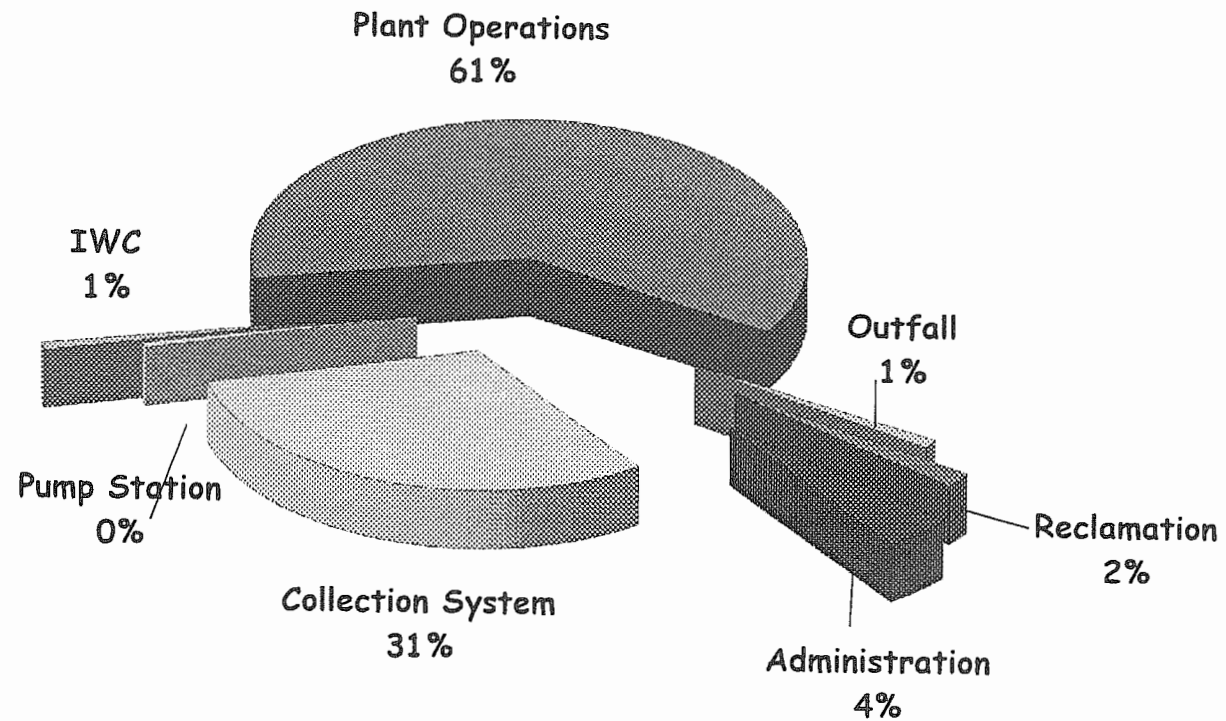
Distribution of Operating Costs



Distribution of Personnel & Operating Costs



Distribution of Total Expenditures by Service Category



***COMPARISON SUMMARY
OF EXPENSES AND REVENUES***

COMPARISON SUMMARY OF EXPENSES AND REVENUES

The budget contains a summary of the anticipated expenses and revenues for fiscal year 2010-11. This summary explains the relationship between expenses and revenues in such a manner that defines the sources of revenues to meet budgeted expenditures. The categories discussed below have been selected on the basis of where proposed expenditures are anticipated to occur.

- ◆ **Running Expenses and Revenues**
- ◆ **Reclamation Facilities Expenses and Revenues**
- ◆ **Debt Service Expenses and Revenues**
- ◆ **Capital Improvements Expenses and Revenues**

Running Expense Fund - 4640

The summary reflects the expected expenditures to operate the District.

The total anticipated running expense expenditures in FY 2010-11 are \$5,918,625

On the revenue side the total revenue projected for this fund includes most revenue sources described under the running expense revenue discussion with the exception of revenues associated with the reclamation facilities. The revenues shown in this category are considered new funds collected annually from the District's users. As noted below, the expenses in this fund are projected to be higher than the anticipated revenues.

The total anticipated running expense revenue in FY 2010-11 is \$5,734,593

Reclamation Facilities

The reclamation facilities are accounted for separately in this summary comparison, since the associated operations and maintenance costs are paid for separately by the Goleta Water District. As noted in the budget, the amount of revenue anticipated is higher than the anticipated expenses due to the 10 percent administration charge, which is charged to the Goleta Water District per an agreement between the two agencies.

The total anticipated expenses for the reclamation facilities in FY 2010-11 \$406,619

The total anticipated revenues for the reclamation facilities in FY 2010-11 are \$426,368

Debt Service

The summary shows the expense and revenue associated with the annual debt service of the SRF Loan for the outfall reballasting project. The revenue in this category includes the District's share of the SRF loan payment that is derived from sewer service charges.

The total expenses anticipated for debt service in FY 2010-11 \$152,157

The total revenue anticipated for debt service in FY 2010-11 \$152,157

Capital Improvements

This summary includes all the expenditures projected for capital improvements of the treatment plant (including the plant upgrading project) and collection system. Depending on the type of

project, the funds are segregated to reflect whether the capital improvement under consideration is a replacement project, a capacity expansion project, or both. On the revenue side sewer services charges are included which fund the District's replacement reserve fund as well as the facilities upgrading project fund. This annual funding is defined by the District's sewer service charge model.

The total anticipated expenses for capital improvements in FY 2010-11 \$15,818,685

The total anticipated revenue for capital improvements in FY 2010-11 is \$11,560,136

THE TOTAL EXPENDITURES FOR FY 2010-11 ARE \$23,318,732

THE TOTAL REVENUE FOR FY 2010-11 IS \$18,030,260

**COMPARISON SUMMARY OF
EXPENSES AND REVENUES
Fiscal Year 2010-2011**

| EXPENDITURES | | REVENUES | |
|---|---------------------|---|---------------------|
| <u>RUNNING EXPENSE</u> | | <u>RUNNING EXPENSE</u> | |
| Personnel | \$3,467,172 | Service Charges | \$4,020,101 |
| Operating Expense | 2,269,453 | Permit and Inspection Fees | 33,007 |
| Machinery and Equipment | 182,000 | Administration Charges - Treatment | 85,170 |
| Total | 5,918,625 | Treatment and Disposal | 1,490,136 |
| | | IWC Analysis Reimbursement | 500 |
| | | Homeowners Property Tax Relief | 500 |
| | | Annexation Processing Fee | 1,600 |
| | | Payments from Other Governmental Agencies | 2,500 |
| | | Other Revenue | 60,000 |
| | | Interest | 41,080 |
| | | Total | \$5,734,593 |
| <u>RECLAMATION FACILITIES</u> | | <u>RECLAMATION FACILITIES</u> | |
| Personnel | 159,632 | GWD Reimb. of O&M Expenses | \$406,619 |
| Operating Expense | 197,488 | Administration Charges - Reclamation | 19,749 |
| Machinery and Equipment | 49,500 | Total | \$426,368 |
| Total | \$406,619 | | |
| <u>DEBT SERVICE</u> | | <u>DEBT SERVICE</u> | |
| <u>Outfall Reballasting Project Fund (4666)</u> | | RFOGA - Outfall SRF Loan | 67,238 |
| SRF Loan Outfall | \$152,157 | Service Charges | 84,919 |
| Total | \$152,157 | Total | \$152,157 |
| <u>CAPITAL IMPROVEMENT</u> | | <u>CAPITAL IMPROVEMENT</u> | |
| <u>Capacity Reserve Fund (4650)</u> | | <u>Capacity Reserve Fund (4650)</u> | |
| Sewerlines capacity related projects | \$673,842 | Connection/Annexation Fees | \$30,000 |
| | | Interest | \$22,037 |
| | | Sub-total | \$52,037 |
| Sub-total | \$673,842 | | |
| <u>Replacement Reserve Fund (4655):</u> | | <u>Replacement Reserve Fund (4655)</u> | |
| Administration | \$10,000 | Service Charges | 1,307,471 |
| Pump Station Projects | \$0 | RFOGA - Capital Projects | 2,280,862 |
| Plant Projects | \$140,000 | | |
| Sewerline Projects | \$4,994,843 | Property Tax Revenue | 133,654 |
| Outfall Projects | \$0 | Interest | 43,386 |
| Sub-total | \$5,144,843 | Sub-total | \$3,765,373 |
| <u>Wastewater Plant Upgrading Project Fund (4670)</u> | | <u>Wastewater Plant Upgrading Project Fund (4670)</u> | |
| Design and Environmental Documents | \$10,000,000 | Payments from Other Contract Users | \$5,213,000 |
| Sub-total | \$10,000,000 | Service Charges | \$2,462,587 |
| | | Interest | \$61,366 |
| | | Sub-total | \$7,736,953 |
| <u>District Plant Reserve Fund (4645)</u> | | <u>District Plant Reserve Fund (4645)</u> | |
| | \$0 | Interest | \$328 |
| Sub-total | \$0 | Sub-total | \$328 |
| <u>District Emergency Fund (4675)</u> | | <u>District Emergency Fund (4675)</u> | |
| | \$0 | Interest | \$5,446 |
| Sub-total | \$0 | Sub-total | \$5,446 |
| Total | \$15,818,685 | Total | \$11,560,136 |
| <u>Retiree Medical Insurance Retirement Fund</u> | | <u>Retiree Medical Insurance Retirement Fund</u> | |
| <u>Retiree Insurance Sinking Fund (4660)</u> | | <u>Retiree Insurance Sinking Fund (4660)</u> | |
| District Retiree Disbursements | \$0 | Service Charges | \$150,646 |
| | | Interest | \$6,360 |
| Total | \$0 | Total | \$157,006 |

SERVICE CATEGORY EXPENSE DATA

ADMINISTRATION

| Description | Budgeted 2009-10 | To Date 03/31/10 | Projected Actual 2009-10 | Under(Over) Budget 2009-10 | Proposed Budget 2010-11 | Percent Change 09-10 |
|---|---------------------|---------------------|--------------------------------|----------------------------------|-------------------------------|----------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 370,138 | 220,952 | 294,603 | 75,535 | 320,504 | -13% |
| Overtime | 2,500 | 641 | 854 | 1,646 | 1,000 | -60% |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0% |
| Directors Compensation | 75,000 | 40,705 | 54,273 | 20,727 | 75,000 | 0% |
| Workers' Compensation | 11,686 | 2,259 | 2,259 | 9,427 | 7,919 | -32% |
| Retirement | 68,013 | 49,376 | 65,835 | 2,178 | 59,372 | -13% |
| Active Employee Health Insurance | 75,371 | 37,646 | 50,195 | 25,176 | 67,428 | -11% |
| Retiree Health Insurance Sinking Fund | 24,835 | 24,835 | 24,835 | 0 | 20,772 | -16% |
| FICA | 18,589 | 15,377 | 20,503 | (1,914) | 17,120 | -8% |
| Medicare | 5,403 | 4,469 | 5,959 | (556) | 4,662 | -14% |
| Unemployment Insurance | 894 | 1,385 | 1,846 | (952) | 898 | 0% |
| <i>Subtotal</i> | 652,429 | 397,645 | 521,162 | 131,267 | 574,674 | -12% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 5,000 | 3,697 | 4,929 | 71 | 5,000 | 0% |
| Janitorial Service | 4,200 | 2,374 | 3,166 | 1,034 | 3,293 | -22% |
| Uniforms | 0 | 0 | 0 | 0 | 0 | 0% |
| Licenses & Permits | 0 | 0 | 0 | 0 | 0 | 0% |
| Freight & Postage | 1,000 | 112 | 149 | 851 | 500 | -50% |
| Subscriptions | 652 | 530 | 706 | (54) | 734 | 13% |
| Vehicle Repairs & Maintenance | 3,574 | 1,930 | 2,573 | 1,001 | 2,676 | -25% |
| Liability & Property Insurance | 27,400 | 26,458 | 26,458 | 942 | 21,118 | -23% |
| Dues & Memberships | 15,000 | 19,614 | 19,614 | (4,614) | 20,000 | 33% |
| Office Supplies | 8,000 | 3,996 | 5,328 | 2,672 | 7,500 | -6% |
| Analysis & Monitoring | 0 | 0 | 0 | 0 | 0 | 0% |
| Operating Supplies | 200 | 269 | 358 | (158) | 500 | 150% |
| Attorney Fees | 75,000 | 52,345 | 69,793 | 5,207 | 75,000 | 0% |
| Printing & Publications | 1,000 | 300 | 400 | 600 | 1,000 | 0% |
| Repairs and Maintenance | 3,500 | 2,302 | 3,069 | 431 | 3,500 | 0% |
| Travel | 60,000 | 31,135 | 41,514 | 18,486 | 50,000 | -17% |
| Seminar & Conference Registration | 11,000 | 7,344 | 7,344 | 3,656 | 10,000 | -9% |
| Utilities | 13,000 | 7,441 | 9,922 | 3,078 | 12,000 | -8% |
| Computer Service & Maintenance | 20,000 | 13,427 | 17,902 | 2,098 | 20,000 | 0% |
| Lease/Rentals | 944 | 815 | 1,087 | (143) | 1,130 | 20% |
| Consulting Services | 4,000 | 4,185 | 5,580 | (1,580) | 6,000 | 50% |
| Biosolids Hauling | 0 | 0 | 0 | 0 | 0 | 0% |
| Other Professional Services | 20,000 | 12,566 | 16,755 | 3,245 | 20,000 | 0% |
| Other Expense | 11,000 | 8,905 | 11,874 | (874) | 13,000 | 18% |
| <i>Subtotal</i> | 284,470 | 199,746 | 248,522 | 35,948 | 272,951 | -4% |
| Total Personnel and Operating Expenses | 936,899 | 597,391 | 769,683 | 167,216 | 847,625 | -10% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 67,000 | 50,175 | 66,900 | 100 | 67,000 | 0% |
| <i>Subtotal</i> | 67,000 | 50,175 | 66,900 | 100 | 67,000 | 0% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 10,000 | 13,288 | 15,000 | (5,000) | 10,000 | 0% |
| Capital Projects | 10,000 | 0 | 0 | 10,000 | 10,000 | 0% |
| <i>Subtotal</i> | 20,000 | 13,288 | 15,000 | 5,000 | 20,000 | 0% |
| Total Operating & Non-Operating Expenses | 1,023,899 | 660,853 | 851,583 | 172,316 | 934,625 | -9% |

ADMINISTRATION

I. **Personnel:**

This account has been based on projected labor needs that are anticipated for administrative duties, which provides for four positions.

- 1 - General Manager/District Engineer
- 1 - Office Manager
- 2 - Accounting Secretaries

II. **Operating Expenses:**

- A. Public Education
This account provides for expenses incurred in order to inform the public about the District.
- B. Vehicle Repairs and maintenanceExpense
This account provides for fuel and the maintenance and operation of the vehicles used for administration.
- C. Liability & Property Insurance
This account provides for allocation of the insurance coverage applicable to the administration department.
- D Dues and Memberships
This account provides for memberships in various organizations such as CASA, CSDA, SBCSDA, WEF, CWEA, SCAP, etc.
- E. Office Supplies
This account provides for office supplies such as letterhead, copy paper, postage, office machine and computer supplies, etc.
- F Attorney Fees
This account provides for legal counsel to handle the District's legal matters as well as to research, prepare for and attend Governing Board meetings.
- G. Printing and Publication
This account provides for various publications of legal notices and recruitment ads.
- H. Repairs and Maintenance
This account provides for general repair and maintenance of the administration building.
- I. Travel

This account provides for travel by administrative staff and Board Members to attend meetings and conventions on behalf of the District.

J. Seminar and Conference Registration

This account provides for fees paid in order for District staff and Board Members to attend seminars and conventions such as CASA, CWEA, CSDA, SWRCB, and Regional Board hearings, as well as any training that may be required.

K. Utilities

This account provides for utilities used in the administration building, such as telephone, electricity, and water.

L. Computer Service and Maintenance

This account provides for installation, repairs, and service on the administrative staff's computers, servers and software.

M. Lease/Rentals

This account provides for a leased copier.

K. Other Professional Services

This account provides for other miscellaneous professional services not mentioned above such as audit services.

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for purchase of equipment for use in the administration department.

Machinery and Equipment funded from Sewer Service Charge Revenue for FY 2010-2011

| | |
|----------------------------|--------|
| Misc. Furniture & Fixtures | 10,000 |
|----------------------------|--------|

| | |
|--------------------------------------|-----------------|
| Total Machinery and Equipment | \$10,000 |
|--------------------------------------|-----------------|

B. Capital Projects

This account provides for the construction of capital improvement projects for the administrative facilities.

| | |
|--------------------------------------|--------|
| Administration Building Improvements | 10,000 |
|--------------------------------------|--------|

| | |
|-------------------------------|-----------------|
| Total Capital Projects | \$10,000 |
|-------------------------------|-----------------|

COLLECTION SYSTEM

| <u>Description</u> | <u>Budgeted</u> <u>2009-10</u> | <u>To Date</u> <u>03/31/10</u> | <u>Projected</u> <u>Actual</u> <u>2009-10</u> | <u>Under(Over)</u> <u>Budget</u> <u>2009-10</u> | <u>Proposed</u> <u>Budget</u> <u>2010-11</u> | <u>Percent</u> <u>Change</u> <u>09-10</u> |
|---|-----------------------------------|-----------------------------------|---|---|--|---|
| PERSONNEL | | | | | | |
| Basic Salaries | 471,215 | 340,265 | 453,686 | 17,529 | 547,751 | 16% |
| Overtime | 15,000 | 2,537 | 3,383 | 11,617 | 5,000 | -67% |
| Temporary | 25,958 | 5,232 | 6,976 | 18,982 | 0 | -100% |
| Directors Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Workers' Compensation | 14,877 | 4,388 | 4,388 | 10,489 | 13,534 | -9% |
| Retirement | 86,586 | 74,400 | 99,200 | (12,614) | 101,469 | 17% |
| Active Employee Health Insurance | 95,953 | 97,038 | 129,384 | (33,431) | 115,237 | 20% |
| Retiree Health Insurance Sinking Fund | 31,616 | 31,616 | 31,616 | 0 | 35,500 | 12% |
| FICA | 31,023 | 16,243 | 21,657 | 9,366 | 32,954 | 6% |
| Medicare | 7,427 | 3,889 | 5,185 | 2,242 | 8,015 | 8% |
| Unemployment Insurance | 1,489 | 1,819 | 2,426 | (937) | 1,534 | 3% |
| <i>Subtotal</i> | 781,144 | 577,426 | 757,901 | 23,243 | 860,994 | 10% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 5,500 | 6,934 | 7,000 | (1,500) | 5,500 | 0% |
| Janitorial Service | 6,000 | 4,746 | 6,328 | (328) | 6,500 | 8% |
| Uniforms | 3,200 | 2,512 | 3,349 | (149) | 3,600 | 13% |
| Licenses & Permits | 3,000 | 191 | 2,500 | 500 | 6,000 | 100% |
| Freight & Postage | 1,100 | 217 | 290 | 810 | 500 | -55% |
| Subscriptions | 0 | 0 | 0 | 0 | 0 | 0% |
| Vehicle Repairs & Maintenance | 31,000 | 21,982 | 31,000 | 0 | 31,000 | 0% |
| Liability & Property Insurance | 34,883 | 53,931 | 53,931 | (19,048) | 36,091 | 3% |
| Dues & Memberships | 5,500 | 1,239 | 2,000 | 3,500 | 2,000 | -64% |
| Office Supplies | 3,650 | 1,638 | 3,000 | 650 | 3,000 | -18% |
| Analysis & Monitoring | 0 | 0 | 0 | 0 | 0 | 0% |
| Operating Supplies | 18,000 | 9,190 | 15,000 | 3,000 | 15,000 | -17% |
| Attorney Fees | 50,000 | 9,841 | 13,121 | 36,879 | 20,000 | -60% |
| Printing & Publications | 2,500 | 108 | 500 | 2,000 | 1,000 | -60% |
| Repairs and Maintenance | 80,000 | 31,035 | 50,000 | 30,000 | 60,000 | -25% |
| Travel | 8,200 | 2,383 | 5,800 | 2,400 | 6,000 | -27% |
| Seminar & Conference Registration | 3,000 | 1,905 | 3,000 | 0 | 3,000 | 0% |
| Utilities | 8,900 | 9,525 | 13,100 | (4,200) | 13,500 | 52% |
| Computer Service & Maintenance | 50,000 | 18,142 | 30,000 | 20,000 | 30,000 | -40% |
| Lease/Rentals | 2,000 | 1,584 | 2,112 | (112) | 2,000 | 0% |
| Consulting Services | 0 | 0 | 0 | 0 | 0 | 0% |
| Biosolids Hauling | 0 | 0 | 0 | 0 | 0 | 0% |
| Other Professional Services | 30,000 | 15,288 | 20,384 | 9,616 | 21,000 | -30% |
| Other Expense | 1,000 | 0 | 0 | 1,000 | 1,000 | 0% |
| <i>Subtotal</i> | 347,433 | 192,389 | 262,415 | 85,018 | 266,691 | -23% |
| Total Personnel and Operating Expenses | 1,128,577 | 769,815 | 1,020,317 | 108,260 | 1,127,685 | 0% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 306,000 | 260,303 | 347,071 | (41,071) | 348,000 | 14% |
| <i>Subtotal</i> | 306,000 | 260,303 | 347,071 | (41,071) | 348,000 | 14% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 30,200 | 30,301 | 30,301 | (101) | 35,000 | 16% |
| Capital Projects | 3,932,000 | 88,088 | 288,088 | 3,643,912 | 5,668,685 | 44% |
| <i>Subtotal</i> | 3,962,200 | 118,389 | 318,389 | 3,643,811 | 5,703,685 | 44% |
| Total Operating & Non-Operating Expenses | 5,396,777 | 1,148,507 | 1,685,776 | 3,711,001 | 7,179,370 | 33% |

COLLECTION SYSTEM

I. Personnel:

This account has been based on projected labor needs that are anticipated for proper and efficient sewer line maintenance. The projections for labor requirements have been based on past experience and modified for projected efforts. The following are the personnel included in this area.

- 1 - Maintenance Supervisor
- 2 - Maintenance Technician II
- 5 - Maintenance Technician I
- 1 - Collection System Secretary (½ Administration, ½ Collection)

Projections for overtime have been made to provide for emergency response required during non-working hours and holidays.

Provisions have been made to include temporary help in the collection system personnel budget to support manhole raising activity generated by the road overlay program of Santa Barbara County Roads Department, traffic control, the goal of increasing lines repair and excavation, and landscaping and special project construction.

II. Operating Expenses:

A. Public Education

This account provides for the collection system share of expenses incurred in order to inform the public about the District.

B. Vehicle Repairs and Maintenance

This account provides for fuel and the maintenance and operation of the vehicles used to maintain the sewer collection system. This includes the large commercial trucks.

C. Liability & Property Insurance

This account provides for the allocation of insurance costs that are associated with the collection system department.

D. Dues and Memberships

This account provides for costs associated with certifications, CWEA/WEF membership, and Class B licenses.

E. Office Supplies

This account provides for codebooks and office, computer, and map room supplies.

- F. Operating Supplies
This account provides for the purchase of chemicals, safety equipment, calibration supplies, employee boot allowances, employee uniforms and supplies for special events.
- G. Attorney Fees
This account provides for legal counsel for matters pertaining specifically to the collection system such as legal research or personnel matters.
- H. Printing and Publication
This account provides for miscellaneous legal notices as required.
- I. Repair and Maintenance
This account provides for routine repair and maintenance of the sewerline system and related facilities, including manhole raising relative to the Santa Barbara County chip seal and overlay program. This account also provides for numerous repairs of various sewerlines and rental of necessary equipment.
- J. Travel
This account provides for travel to attend traffic safety/defensive driving courses, and relative education courses.
- K. Seminar and Conference Registration
This account provides for fees paid in order for collection system staff to attend conferences and seminars such as those hosted by CWEA.
- L. Utilities
This account provides for power costs associated with the two lift stations within the sewage collection system, in addition to other proportionate costs for telephone service, mobile radios, pager service and drinking water.
- M. Computer Service and Maintenance
This account provides for computer software assistance, GIS, Hansen and Parcel Data Base system maintenance.
- N. Other Professional Services
This account provides for other miscellaneous professional services not mentioned above such as Collection System Master Plan updates and CPR/first aid training.
- O. Replacement Reserve
As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$348,000 will be added to the replacement reserve fund for adequate replacement of the collection system facilities.

III. Capital Outlay:

A. Machinery and Equipment

Machinery and Equipment funded from Sewer Service Charge Revenue
FY 2010-2011:

| | |
|--------------------------------------|-----------------|
| Pick-up Truck | 25,000 |
| Manhole Cover Frames | 10,000 |
| Total Machinery and Equipment | \$35,000 |

B. Capital Projects

This account provides for the construction of capital improvement projects
for the collection system facilities.

1. The following projects are budgeted for FY 2010-2011 and funded
from depreciation replacement reserve fund #4655.

| | |
|---------------------------------------|------------------|
| Cathedral Oaks Rd. Bridge Realignment | 525,000 |
| La Ramada Dr. & Cocopah Dr. | 150,000 |
| Subtotal | \$675,000 |

2. The following projects are budgeted for FY 2009-2010 and funded
from depreciation replacement reserve fund #4655.

| | |
|-----------------------------|-----------------|
| Via Regina Sewer Relocation | 30,000 |
| Subtotal | \$30,000 |

3. The following projects are budgeted for FY 2007-2008 and funded
from depreciation replacement reserve fund #4655.

| | |
|---|--------------------|
| Creek Crossing Repair Project | 75,000 |
| Fairview Ave. Sewer Replacement Relocation Construction and Management | 2,905,065 |
| Subtotal | \$2,980,065 |

4. The following projects were budgeted for FY 2006-2007 and are to be
funded from depreciation replacement reserve fund #4655.

| | |
|-----------------------------|--------------------|
| Firestone Road Lift Station | 1,983,620 |
| Subtotal | \$1,983,620 |

Total Capital Projects **\$5,668,685**

PUMP STATION

| <u>Description</u> | <u>Budgeted 2009-10</u> | <u>To Date 03/31/10</u> | <u>Projected Actual 2009-10</u> | <u>Under(Over) Budget 2009-10</u> | <u>Proposed Budget 2010-11</u> | <u>Percent Change 09-10</u> |
|---|-----------------------------|-----------------------------|---|---|--|-------------------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 35,853 | 36,593 | 48,790 | (12,937) | 36,290 | 1% |
| Overtime | 1,000 | 1,491 | 1,500 | (500) | 1,000 | 0% |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0% |
| Directors Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Workers' Compensation | 1,132 | 452 | 452 | 680 | 897 | -21% |
| Retirement | 6,588 | 7,356 | 9,807 | (3,219) | 6,723 | 2% |
| Active Employee Health Insurance | 7,301 | 2,121 | 2,827 | 4,474 | 7,635 | 5% |
| Retiree Health Insurance Sinking Fund | 2,406 | 2,406 | 2,406 | 0 | 2,352 | -2% |
| FICA | 2,197 | 2,429 | 3,237 | (1,040) | 2,302 | 5% |
| Medicare | 534 | 590 | 786 | (252) | 541 | 1% |
| Unemployment Insurance | 87 | 121 | 160 | (73) | 102 | 17% |
| <i>Subtotal</i> | 57,098 | 53,558 | 69,965 | (12,867) | 57,840 | 1% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 600 | 198 | 264 | 336 | 600 | 0% |
| Janitorial Service | 200 | 92 | 122 | 78 | 200 | 0% |
| Uniforms | 0 | 0 | 0 | 0 | 0 | 0% |
| Licenses & Permits | 0 | 0 | 0 | 0 | 0 | 0% |
| Freight & Postage | 100 | 22 | 29 | 71 | 100 | 0% |
| Subscriptions | 0 | 0 | 0 | 0 | 0 | 0% |
| Vehicle Repairs & Maintenance | 200 | 0 | 100 | 100 | 200 | 0% |
| Liability & Property Insurance | 2,654 | 3,542 | 5,925 | (3,271) | 2,391 | -10% |
| Dues & Memberships | 300 | 0 | 100 | 200 | 200 | -33% |
| Office Supplies | 200 | 52 | 200 | 0 | 200 | 0% |
| Analysis & Monitoring | 0 | 0 | 0 | 0 | 0 | 0% |
| Operating Supplies | 250 | 47 | 250 | 0 | 250 | 0% |
| Attorney Fees | 1,000 | 0 | 0 | 1,000 | 500 | -50% |
| Printing & Publications | 50 | 0 | 0 | 50 | 50 | 0% |
| Repairs and Maintenance | 9,000 | 2,426 | 6,200 | 2,800 | 7,200 | -20% |
| Travel | 100 | 111 | 147 | (47) | 100 | 0% |
| Seminar & Conference Registration | 0 | 0 | 0 | 0 | 0 | 0% |
| Utilities | 58,000 | 33,437 | 45,500 | 12,500 | 48,000 | -17% |
| Computer Service & Maintenance | 400 | 0 | 400 | 0 | 2,000 | 400% |
| Lease/Rentals | 200 | 163 | 216 | (16) | 200 | 0% |
| Consulting Services | 0 | 77 | 101 | (101) | 100 | 0% |
| Biosolids Hauling | 0 | 0 | 0 | 0 | 0 | 0% |
| Other Professional Services | 100 | 0 | 100 | 0 | 100 | 0% |
| Other Expense | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 73,354 | 40,167 | 59,654 | 13,700 | 62,391 | -15% |
| Total Personnel and Operating Expenses | 130,452 | 93,726 | 129,619 | 833 | 120,231 | -8% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 0 | 0 | 0 | 0 | 0 | 0% |
| Capital Projects | 357,792 | 1,405,738 | 1,405,738 | (1,047,946) | 0 | -100% |
| <i>Subtotal</i> | 357,792 | 1,405,738 | 1,405,738 | (1,047,946) | 0 | -100% |
| Total Operating & Non-Operating Expenses | \$ 488,244 | \$ 1,499,463 | \$ 1,535,357 | \$ (1,047,113) | \$ 120,231 | -75% |

PUMP STATION

I. **Personnel:**

This account has been projected based on labor requirements anticipated for the operation of the District's pump station. This budget projection and allocation of personnel will be closely monitored and adjusted as necessary.

II. **Operating Expenses:**

The major operating expenses which are budgeted in this area provide for the utilities account and the repair and maintenance account.

A. Utilities

This account provides for power costs associated with the plant pump station.

B. Repair and Maintenance

This account provides for the purchase of spare parts and continual work required in the repair and maintenance of the facility and the regeneration of the odor reduction tower (ORT).

III. **Replacement Reserve**

As a result of the revenue program, which has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation for the pump station is included in the Wastewater Treatment Facilities replacement reserve fund. This will provide adequate funding for replacement of the pump station facilities

IV. **Capital Outlay:**

A. Machinery and Equipment

This account provides for the purchase of equipment for the plant pump station.

No equipment was specified for this operation.

B. Capital Projects

This account provides for the construction of capital improvement projects for the plant pump station facilities.

No projects are budgeted for this operation.

INDUSTRIAL WASTE CONTROL

| Description | Budgeted 2009-10 | To Date 03/31/10 | Projected Actual 2009-10 | Under(Over) Budget 2009-10 | Proposed Budget 2010-11 | Percent Change 09-10 |
|---|---------------------|---------------------|--------------------------------|----------------------------------|-------------------------------|----------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 79,011 | 51,300 | 68,399 | 10,612 | 85,192 | 8% |
| Overtime | 2,300 | 856 | 1,140 | 1,160 | 2,300 | 0% |
| Temporary | 12,980 | 2,797 | 4,000 | 8,980 | 10,078 | -22% |
| Directors Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Workers' Compensation | 2,494 | 597 | 597 | 1,897 | 2,105 | -16% |
| Retirement | 14,518 | 11,797 | 15,728 | (1,210) | 15,782 | 9% |
| Active Employee Health Insurance | 16,089 | 10,711 | 14,281 | 1,808 | 17,923 | 11% |
| Retiree Health Insurance Sinking Fund | 5,301 | 5,301 | 5,301 | 0 | 5,521 | 4% |
| FICA | 5,778 | 3,966 | 5,286 | 492 | 5,833 | 1% |
| Medicare | 1,367 | 938 | 1,250 | 117 | 1,415 | 3% |
| Unemployment Insurance | 366 | 286 | 380 | (14) | 365 | 0% |
| <i>Subtotal</i> | 140,204 | 88,548 | 116,362 | 23,842 | 146,513 | 5% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 4000 | 782 | 1,780 | 2,220 | 2,000 | -50% |
| Janitorial Service | 700 | 517 | 700 | 0 | 750 | 7% |
| Uniforms | 500 | 217 | 300 | 200 | 500 | 0% |
| Licenses & Permits | 0 | 0 | 0 | 0 | 0 | 0% |
| Freight & Postage | 175 | 30 | 50 | 125 | 150 | -14% |
| Subscriptions | 450 | 299 | 400 | 50 | 450 | 0% |
| Vehicle Repairs & Maintenance | 1300 | 76 | 800 | 500 | 1,000 | -23% |
| Liability & Property Insurance | 5849 | 8,535 | 8,535 | (2,686) | 5,613 | -4% |
| Dues & Memberships | 3,000 | 206 | 275 | 2,725 | 3,000 | 0% |
| Office Supplies | 700 | 798 | 1,000 | (300) | 1,100 | 57% |
| Analysis & Monitoring | 8,000 | 1,960 | 3,300 | 4,700 | 4,500 | -44% |
| Operating Supplies | 1,300 | 397 | 900 | 400 | 1,000 | -23% |
| Attorney Fees | 4,000 | 4,386 | 4,400 | (400) | 15,000 | 275% |
| Printing & Publications | 500 | 139 | 200 | 300 | 500 | 0% |
| Repairs and Maintenance | 1,500 | 530 | 1,100 | 400 | 3,000 | 100% |
| Travel | 1,000 | 1,029 | 1,500 | (500) | 1,500 | 50% |
| Seminar & Conference Registration | 1,000 | 585 | 1,000 | 0 | 1,000 | 0% |
| Utilities | 250 | 159 | 250 | 0 | 250 | 0% |
| Computer Service & Maintenance | 2,500 | 0 | 500 | 2,000 | 1,000 | -60% |
| Lease/Rentals | 250 | 215 | 250 | 0 | 300 | 20% |
| Consulting Services | 0 | 0 | 0 | 0 | 0 | 0% |
| Biosolids Hauling | 0 | 0 | 0 | 0 | 0 | 0% |
| Other Professional Services | 700 | 0 | 0 | 700 | 500 | -29% |
| Other Expense | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 37,674 | 20,861 | 27,240 | 10,434 | 43,113 | 14% |
| Total Personnel and Operating Expenses | 177,878 | 109,410 | 143,602 | 34,276 | 189,627 | 7% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 0 | 0 | 0 | 0 | 1,500 | 0% |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 1,500 | 0% |
| Total Operating & Non-Operating Expenses | 177,878 | 109,410 | 143,602 | 34,276 | 191,127 | 7% |

INDUSTRIAL WASTE CONTROL

I. Personnel:

This account has been based on projected labor needs that are anticipated for implementation of the expanded Industrial Waste Control Program, which now includes permitting, inspecting, and monitoring restaurants.

This account provides for two positions as follows:

- 1 - Industrial Waste Control Officer
- 1 - Intern for field assistance (4-month temporary position)
- 1 - Treatment Operator I (half time)

II. Operating Expenses:

A. Vehicle Repairs and maintenance

This account provides for fuel and the maintenance and operation of the vehicles used for Industrial Waste Control Program operations.

B. Dues and Memberships

This account provides for CWEA membership and for fees associated with the CWEA technical certification program.

C. Office Supplies

This account provides for office supplies such as folders, binders, pens, paper, etc. It also provides for purchase of necessary regulatory books, manuals, handbooks, subscriptions, etc.

D. Operating Supplies

This account provides for the purchase of equipment and supplies necessary for program implementation.

E. Attorney Fees

This account provides for District counsel legal services. New IWC ordinances will be prepared by legal counsel.

F. Printing and Publication

This account provides for publication of legal notices for significant noncompliance, in addition to outside printing of Industrial Waste Control Program material such as educational newsletters.

G. Repair and Maintenance

This account provides for general repair and maintenance of Industrial Waste Control Program equipment, and for the purchase of tools and materials for in-house maintenance.

H. Travel

This account provides for travel to seminars and conventions related to the Industrial Waste Control Program.

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for purchase of equipment used for the IWC program.

Machinery and Equipment funded from Sewer Service Charge Revenue
FY 2009-2010:

| | |
|--------------------------------|-------|
| Dishwasher for Sampler Bottles | 1,500 |
|--------------------------------|-------|

| | |
|--------------------------------------|----------------|
| Total Machinery and Equipment | \$1,500 |
|--------------------------------------|----------------|

TREATMENT FACILITIES

| Description | Budgeted 2009-10 | To Date 03/31/10 | Projected Actual 2009-10 | Under(Over) Budget 2009-10 | Proposed Budget 2010-11 | Percent Change 09-10 |
|---|---------------------|---------------------|--------------------------------|----------------------------------|-------------------------------|----------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 1,198,243 | 762,754 | 1,017,005 | 181,238 | 1,234,694 | 3% |
| Overtime | 40,000 | 13,576 | 20,000 | 20,000 | 25,000 | -38% |
| Temporary | 25,958 | 21,468 | 28,623 | (2,665) | 20,155 | -22% |
| Directors Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Workers' Compensation | 37,830 | 7,905 | 7,905 | 29,925 | 30,507 | -19% |
| Retirement | 220,178 | 171,952 | 229,268 | (9,090) | 228,722 | 4% |
| Active Employee Health Insurance | 243,998 | 218,312 | 291,082 | (47,084) | 259,758 | 6% |
| Retiree Health Insurance Sinking Fund | 80,397 | 80,397 | 80,397 | 0 | 80,021 | 0% |
| FICA | 76,142 | 51,364 | 77,045 | (903) | 75,718 | -1% |
| Medicare | 18,331 | 12,366 | 16,487 | 1,844 | 18,558 | 1% |
| Unemployment Insurance | 3,245 | 4,023 | 5,363 | (2,118) | 3,458 | 7% |
| <i>Subtotal</i> | 1,944,322 | 1,344,117 | 1,773,175 | 171,147 | 1,976,590 | 2% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 12,358 | 12,397 | 16,528 | (4,170) | 12,358 | 0% |
| Janitorial Service | 10,741 | 8,165 | 11,000 | (259) | 12,000 | 12% |
| Uniforms | 6,436 | 5,735 | 7,645 | (1,209) | 8,000 | 24% |
| Licenses & Permits | 15,400 | 20,056 | 26,740 | (11,340) | 26,000 | 69% |
| Freight & Postage | 1,775 | 392 | 600 | 1,175 | 750 | -58% |
| Subscriptions | 100 | - | - | 100 | 100 | 0% |
| Vehicle Repairs & Maintenance | 18,450 | 4,627 | 13,500 | 4,950 | 13,500 | -27% |
| Liability & Property Insurance | 88,703 | 84,298 | 84,298 | 4,405 | 81,353 | -8% |
| Dues & Memberships | 11,000 | 5,186 | 7,700 | 3,300 | 8,000 | -27% |
| Office Supplies | 6,000 | 2,445 | 5,000 | 1,000 | 5,500 | -8% |
| Analysis & Monitoring | 147,000 | 97,695 | 147,000 | 0 | 147,000 | 0% |
| Operating Supplies | 652,500 | 369,330 | 525,000 | 127,500 | 622,100 | -5% |
| Attorney Fees | 65,000 | 18,544 | 24,724 | 40,276 | 25,000 | -62% |
| Printing & Publications | 2,000 | - | - | 2,000 | 2,000 | 0% |
| Repairs and Maintenance | 180,000 | 138,436 | 184,581 | (4,581) | 185,000 | 3% |
| Travel | 10,000 | 6,628 | 10,000 | 0 | 10,000 | 0% |
| Seminar & Conference Registration | 5,000 | 2,623 | 4,800 | 200 | 5,000 | 0% |
| Utilities | 272,000 | 138,809 | 190,000 | 82,000 | 230,000 | -15% |
| Computer Service & Maintenance | 25,000 | 2,905 | 15,200 | 9,800 | 46,000 | 84% |
| Lease/Rentals | 3,300 | 2,853 | 3,803 | (503) | 3,300 | 0% |
| Consulting Services | 0 | 679 | 904 | (904) | 1,000 | 0% |
| Biosolids Hauling | 160,000 | 122,167 | 160,000 | 0 | 160,000 | 0% |
| Other Professional Services | 6,200 | 630 | 1,200 | 5,000 | 6,000 | -3% |
| Other Expense | 1,500 | 28 | 500 | 1,000 | 1,500 | 0% |
| <i>Subtotal</i> | 1,700,463 | 1,044,628 | 1,440,723 | 259,740 | 1,611,461 | -5% |
| Total Personnel and Operating Expenses | 3,644,785 | 2,388,745 | 3,213,898 | 430,887 | 3,588,051 | -2% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 422,900 | 604,494 | 805,991 | (383,091) | 403,000 | -5% |
| <i>Subtotal</i> | 422,900 | 604,494 | 805,991 | (383,091) | 403,000 | -5% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 241,200 | 81,654 | 89,000 | 152,200 | 135,500 | -44% |
| Capital Projects | 779,872 | 2,011,493 | 2,011,493 | (1,231,621) | 140,000 | -82% |
| Plant Upgrading Project | 6,000,000 | 1,085,231 | 1,085,231 | 4,914,769 | 10,000,000 | 67% |
| <i>Subtotal</i> | 7,021,072 | 3,178,378 | 3,185,723 | 3,835,349 | 10,275,500 | 46% |
| Total Operating & Non-Operating Expenses | 11,088,757 | 6,171,617 | 7,205,612 | 3,883,145 | 14,266,551 | 29% |

Wastewater Treatment Facilities

I. Personnel:

This account has been based on projected labor needs that are anticipated for proper plant operations and reporting program requirements. The following are the personnel included in this area.

- 1 - Operations Manager
- 1 - Treatment Plant Operations Supervisor
- 4 - Treatment Plant Operator Grade III
- 1 - Treatment Plant Operator Grade II
- 3 - Treatment Plant Operator Grade I
- 1 - Technical Services/Lab Director Supervisor
- 1 - Lab Tech II
- 1 - Instrumentation Technician
- 1 - Facility Maintenance Supervisor
- 1 - Maintenance Technician II
- 1 - Maintenance Technician I
- 2 - Maintenance Workers
- 1 – Assistant Maintenance Supervisor (8 Months)

Projections for overtime have been made to provide for emergency response required during non-working hours and holidays. In addition, temporary help has been budgeted to implement approved maintenance and repair programs.

II. Operating Expense:

A. Vehicle Repairs and Maintenance

This account provides for fuel and the maintenance and operation of vehicles used for plant operations.

B. Liability & Property Insurance

This account provides for the allocation of the insurance coverage applicable to the treatment facilities.

C. Analysis & Monitoring

This account provides for outside professional services such as laboratory analysis and ocean monitoring.

| | |
|---------------------------|---------|
| Outside Laboratories | 37,000 |
| NPDES Monitoring Contract | 110,000 |

Total Analysis & Monitoring **\$147,000**

D. Operating Supplies

This account provides for the purchase of chemicals for the plant operations, uniforms, laboratory supplies, and other related items as follows.

| | |
|--|---------|
| Sodium Hypochlorite | 280,700 |
| Sodium Bisulfite | 121,000 |
| Ferrous Chloride | 127,800 |
| Polymer for Sludge Dewatering | 71,600 |
| Solvents/Degreasers/Make-up Water Inhibitors | 600 |
| Deodorizer/HW | 1,000 |
| Generator/Tractor Diesel Fuel/Dredge | 1,400 |
| Lab DI Water (Puretec & Arrowhead) | 2,000 |
| Flow Charts | 1,000 |
| Welding Gases | 1,000 |
| Activated Carbon | 14,000 |

Total Operating Supplies **\$622,100**

E. Printing and Publication

This account provides for miscellaneous legal notices as required.

F. Repairs and Maintenance

This account provides for the general repair and maintenance of the plant facilities.

G. Seminar and Conference Registration

This account provides for registration and attendance at training conferences and seminars such as those hosted by CWEA for assigned plant personnel.

H. Utilities

This account provides for utilities used in the treatment facilities, with electric power being the major cost factor.

I. Biosolids Hauling

This account provides for biosolids disposal **\$160,000**

J. Other Professional Services

This account provides for employee physical exams and miscellaneous services as follows:

| | |
|--|----------------|
| Drug/Alcohol Testing | 200 |
| Engineering Services | 3,300 |
| Flow Meter Calibration | 2,500 |
| Total Other Professional Services | \$6,000 |

K. Replacement Reserve

As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$453,400 will be added to the replacement reserve fund for adequate replacement of all the wastewater treatment facilities.

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for the purchase of equipment for use in the Treatment Plant.

1. Machinery and Equipment funded from Sewer Service Charge Revenue FY 2010-2011:

| | |
|--------------------------------------|----------------|
| Rebuild (2) Flash Mixers on CCC | 25,000 |
| (2) 2500 Gal. Ferrous Chloride Tanks | 15,000 |
| (2) Chlorine/ORP Analyzer Package | 80,000 |
| Tool Boxes for Shop/Utility Carts | 2,000 |
| Refrigerated Sampler | 6,000 |
| Biofilter Flow Meter | 3,000 |
| Laboratory Scale | 4,500 |
| Subtotal | 135,500 |

Total Machinery and Equipment **135,500**

B. Capital Projects

This account provides for the construction of capital improvement projects for the treatment facilities.

1. The following projects are budgeted for FY 2010-2011 and funded from depreciation replacement reserve fund #4655.

| | |
|---------------------|-----------------|
| (2) Rebuilt Boilers | 60,000 |
| Subtotal | \$60,000 |

2. The following projects are budgeted for FY 2009-2010 and funded from depreciation replacement reserve fund #4655.

| | |
|----------------|--------|
| Equipment Barn | 80,000 |
|----------------|--------|

Subtotal **\$80,000**

3. The following projects are budgeted for FY 2009-2010 and funded from depreciation replacement reserve fund #4670.

Treatment Plant Upgrade Project –
Design and Construction 10,000,000

Subtotal **\$10,000,000**

Total Capital Projects **\$10,140,000**

OUTFALL

| <u>Description</u> | <u>Budgeted</u> <u>2009-10</u> | <u>To Date</u> <u>03/31/10</u> | <u>Projected</u> <u>Actual</u> <u>2009-10</u> | <u>Under(Over)</u> <u>Budget</u> <u>2009-10</u> | <u>Proposed</u> <u>Budget</u> <u>2010-11</u> | <u>Percent</u> <u>Change</u> <u>09-10</u> |
|---|-----------------------------------|-----------------------------------|---|---|--|---|
| PERSONNEL | | | | | | |
| Basic Salaries | 3,318 | 743 | 991 | 2,327 | 771 | -77% |
| Overtime | 0 | 0 | 0 | 0 | 0 | 0% |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0% |
| Directors Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Workers' Compensation | 105 | 32 | 32 | 73 | 19 | -82% |
| Retirement | 610 | 130 | 173 | 437 | 143 | -77% |
| Active Employee Health Insurance | 676 | 328 | 437 | 239 | 162 | -76% |
| Retiree Health Insurance Sinking Fund | 223 | 223 | 223 | 0 | 50 | -78% |
| FICA | 206 | 47 | 63 | 143 | 48 | -77% |
| Medicare | 48 | 11 | 15 | 33 | 11 | -77% |
| Unemployment Insurance | 8 | 2 | 3 | 5 | 2 | -73% |
| <i>Subtotal</i> | 5,194 | 1,516 | 1,937 | 3,257 | 1,207 | -77% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 245 | 14 | 25 | 220 | 100 | -59% |
| Janitorial Service | 10 | 7 | 10 | 0 | 10 | 0% |
| Uniforms | 0 | 0 | 0 | 0 | 0 | 0% |
| Licenses & Permits | 0 | 0 | 0 | 0 | 0 | 0% |
| Freight & Postage | 10 | 2 | 10 | 0 | 10 | 0% |
| Subscriptions | 0 | 0 | 0 | 0 | 0 | 0% |
| Vehicle Repairs & Maintenance | 100 | 0 | 100 | 0 | 100 | 0% |
| Liability & Property Insurance | 246 | 357 | 357 | (111) | 51 | -79% |
| Dues & Memberships | 100 | 0 | 50 | 50 | 100 | 0% |
| Office Supplies | 100 | 4 | 75 | 25 | 100 | 0% |
| Analysis & Monitoring | 10,000 | 4,827 | 10,000 | 0 | 10,000 | 0% |
| Operating Supplies | 100 | 3 | 100 | 0 | 100 | 0% |
| Attorney Fees | 0 | 0 | 0 | 0 | 0 | 0% |
| Printing & Publications | 25 | 0 | 25 | 0 | 25 | 0% |
| Repairs and Maintenance | 2,000 | 0 | 2,000 | 0 | 2,000 | 0% |
| Travel | 100 | 8 | 25 | 75 | 100 | 0% |
| Seminar & Conference Registration | 0 | 0 | 0 | 0 | 0 | 0% |
| Utilities | 100 | 7 | 25 | 75 | 100 | 0% |
| Computer Service & Maintenance | 100 | 0 | 0 | 100 | 0 | -100% |
| Lease/Rentals | 100 | 12 | 15 | 85 | 50 | -50% |
| Consulting Services | 0 | 0 | 0 | 0 | 0 | 0% |
| Biosolids Hauling | 0 | 0 | 0 | 0 | 0 | 0% |
| Other Professional Services | 50 | 0 | 0 | 50 | 0 | -100% |
| Other Expense | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 13,386 | 5,239 | 12,817 | 569 | 12,846 | -4% |
| Total Personnel and Operating Expenses | 18,580 | 6,756 | 14,754 | 3,826 | 14,052 | -24% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 54,000 | 80,066 | 106,755 | (52,755) | 54,000 | 0% |
| <i>Subtotal</i> | 54,000 | 80,066 | 106,755 | (52,755) | 54,000 | 0% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 84,919 | 84,919 | 84,919 | 0 | 84,919 | 0% |
| RFOGA SRF Payment | 67,238 | 67,238 | 67,238 | 0 | 67,238 | 0% |
| <i>Subtotal</i> | 152,157 | 152,157 | 152,157 | 0 | 152,157 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 0 | 0 | 0 | 0 | 0 | 0% |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| Total Operating & Non-Operating Expenses | 224,737 | 238,979 | 273,666 | (48,929) | 220,209 | -2% |

OUTFALL

Goleta West Sanitary District, University of California, Santa Barbara Municipal Airport, and the County of Santa Barbara all share in the costs associated with the maintenance of the outfall facility based on their contractual outfall capacity percentage. The following is a summary of the costs associated with the maintenance of the outfall facility:

I. Personnel:

This account has been projected based on labor requirements anticipated for the maintenance of the District's outfall. This budget projection and allocation of personnel will be closely monitored and adjusted as necessary.

II. Operating Expenses:

A. Analysis and Monitoring

This account provides for ongoing revegetation plan monitoring of the outfall repair site (conducted by SAIC), impressed current cathodic protection and underwater inspection.

B. Repair and Maintenance

This account provides for revegetation site materials and coatings for the beach access manhole.

III. Replacement Reserve

As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$54,000 will be added to the replacement reserve fund for adequate replacement of the outfall facility.

IV. Debt Service

This account provides for payment of the Outfall Armor Rock Protection Replacement Project State Revolving Fund Loan.

Each agency (GSD, GWSD, UCSB, Santa Barbara County, and the City of Santa Barbara Municipal Airport) will pay their share of the debt service, based on the respective outfall contractual capacity percentages as follows:

Goleta Sanitary District (55.81%)

84,919

| | |
|---|------------------|
| Goleta West Sanitary District (35.00%) | 53,254 |
| UC Santa Barbara (4.70%) | 7,152 |
| Santa Barbara Municipal Airport (2.60%) | 3,956 |
| Santa Barbara County (1.89%) | 2,876 |
| Total | \$152,157 |

V. Capital Outlay

A. Machinery and Equipment

This account provides for purchase of equipment for use in the ocean outfall facilities.

No equipment was specified for this operation.

RECLAMATION OPERATIONS

| Description | Budgeted 2009-10 | To Date 03/31/10 | Projected Actual 2009-10 | Under(Over) Budget 2009-10 | Proposed Budget 2010-11 | Percent Change 09-10 |
|---|---------------------|---------------------|--------------------------------|----------------------------------|-------------------------------|----------------------------|
| PERSONNEL | | | | | | |
| Basic Salaries | 87,453 | 72,109 | 96,144 | (8,691) | 99,220 | 13% |
| Overtime | 4,300 | 2,709 | 4,000 | 300 | 4,300 | 0% |
| Temporary | 0 | - | 0 | 0 | 0 | 0% |
| Directors Fees | 0 | - | 0 | 0 | 0 | 0% |
| Workers' Compensation | 2,761 | 500 | 500 | 2,261 | 2,452 | -11% |
| Retirement | 16,070 | 13,754 | 18,337 | (2,267) | 18,380 | 14% |
| Active Employee Health Insurance | 17,808 | 11,408 | 15,209 | 2,599 | 20,874 | 17% |
| Retiree Health Insurance Sinking Fund | 5,868 | 5,868 | 5,868 | 0 | 6,430 | 10% |
| FICA | 5,533 | 4,718 | 6,289 | (756) | 6,197 | 12% |
| Medicare | 1,330 | 1,134 | 1,510 | (180) | 1,501 | 13% |
| Unemployment Insurance | 211 | 246 | 326 | (115) | 278 | 32% |
| <i>Subtotal</i> | 141,334 | 112,447 | 148,183 | (6,849) | 159,632 | 13% |
| OPERATING EXPENSES | | | | | | |
| Public Education | 980 | 220 | 500 | 480 | 800 | -18% |
| Janitorial Service | 1350 | 940 | 1,350 | 0 | 1,350 | 0% |
| Uniforms | 0 | - | 0 | 0 | 0 | 0% |
| Licenses & Permits | 0 | - | 0 | 0 | 0 | 0% |
| Freight & Postage | 110 | 25 | 31 | 79 | 100 | -9% |
| Subscriptions | 0 | - | 0 | 0 | 0 | 0% |
| Vehicle Repairs & Maintenance | 100 | 32 | 3,000 | (2,900) | 100 | 0% |
| Liability & Property Insurance | 6474 | 8,918 | 8,918 | (2,444) | 6,538 | 1% |
| Dues & Memberships | 250 | - | 100 | 150 | 150 | -40% |
| Office Supplies | 250 | 156 | 250 | 0 | 250 | 0% |
| Analysis & Monitoring | 5,000 | 2,520 | 3,500 | 1,500 | 5,000 | 0% |
| Operating Supplies | 77,300 | 43,534 | 62,000 | 15,300 | 75,300 | -3% |
| Attorney Fees | 1,000 | - | 100 | 900 | 1,000 | 0% |
| Printing & Publications | 100 | - | 0 | 100 | 100 | 0% |
| Repairs and Maintenance | 33,000 | 20,513 | 33,000 | 0 | 33,000 | 0% |
| Travel | 200 | 123 | 200 | 0 | 200 | 0% |
| Seminar & Conference Registration | 0 | - | 0 | 0 | 0 | 0% |
| Utilities | 88,000 | 44,931 | 59,906 | 28,094 | 71,000 | -19% |
| Computer Service & Maintenance | 1,500 | 657 | 1,500 | 0 | 1,500 | 0% |
| Lease/Rentals | 200 | 181 | 239 | (39) | 100 | -50% |
| Consulting Services | 0 | - | 0 | 0 | 0 | 0% |
| Biosolids Hauling | 0 | - | 0 | 0 | 0 | 0% |
| Other Professional Services | 1,000 | - | 500 | 500 | 1,000 | 0% |
| Other Expense | 0 | - | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 216,814 | 122,748 | 175,094 | 41,720 | 197,488 | -9% |
| Total Personnel and Operating Expenses | 358,148 | 235,196 | 323,277 | 34,871 | 357,119 | 0% |
| DEPRECIATION FUNDING | | | | | | |
| Replacement Reserve | 0 | 283,420 | 377,892 | (377,892) | 0 | 0% |
| <i>Subtotal</i> | 0 | 283,420 | 377,892 | (377,892) | 0 | 0% |
| DEBT SERVICE | | | | | | |
| GSD SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| RFOGA SRF Payment | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 0 | 0 | 0 | 0 | 0 | 0% |
| CAPITAL OUTLAY | | | | | | |
| Machinery and Equipment | 47,000 | 18,622 | 32,622 | 14,378 | 49,500 | 5% |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0% |
| <i>Subtotal</i> | 47,000 | 18622 | 32622 | 14,378 | 49,500 | 5% |
| Total Operating & Non-Operating Expenses | 405,148 | 537,238 | 733,791 | (328,643) | 406,619 | 0% |

RECLAMATION FACILITIES

All costs associated with the operation and maintenance of the wastewater reclamation facilities are reimbursed by the Goleta Water District as per the agreement for construction and operation of the wastewater reclamation facilities between the Goleta Sanitary District and the Goleta Water District. The following is a summary of the costs associated with the operation and maintenance of the reclamation facilities:

I. Personnel:

This account has been projected based on labor requirements anticipated for the operation of the reclamation facilities. This budget projection and allocation of personnel was based on full operation of the facilities to reclaim the production volume projected by the Goleta Water District.

| | |
|------------------------|-----|
| Facilities Management | 4% |
| Facilities Maintenance | 20% |
| Facilities Operations | 78% |
| Lab Tech | 12% |

II. Operating Expenses:

The major operating expenses that are budgeted in this area provide for the following accounts based on full operation as projected by the Goleta Water District.

A. Office Supplies

This account provides for office supplies such as manuals.

| | |
|-----------------------|---------------------|
| Flow Charts, log book | Total \$ 250 |
|-----------------------|---------------------|

B. Operating Supplies

This account provides for the purchase of chemicals and lab supplies for the reclamation facilities.

Estimated Reclaimed Water Use for Fiscal Year 2010-2011 **1325 acre Feet**

| | |
|--|--------|
| Alum: | 42,000 |
| Polymer | 24,400 |
| Sodium Hypochlorite: | |
| Free to GWD in exchange for Irrigation water (3W) | |
| Bacteriological | 2,700 |

| | |
|----------------------------|-------|
| R&M Samplers | 200 |
| General Lab Supplies | 400 |
| Contract Lab Work | 4,300 |
| Chlorine Analyzer Reagents | 500 |
| Polymer Solvents/Cleaners | 5,100 |

Total \$75,300

C. Repair and Maintenance

This account provides for the general repair and maintenance of the reclamation facilities.

| | |
|---------------------------------|--------|
| Electrical Parts/Circuit Boards | 9,000 |
| Mechanical Parts | 7,300 |
| Lubricants & Misc. | 500 |
| Paint | 700 |
| Anthracite Media | 5,500 |
| Miscellaneous | 10,000 |

Total \$33,000

D. Utilities

This account provides for utilities used in the reclamation facilities, including water, electricity, etc. This includes electricity for distribution system pumps.

| | |
|-------------------|-----------------------|
| Electricity (SCE) | Total \$71,000 |
|-------------------|-----------------------|

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for the purchase of equipment for use in the reclamation plant:

| | |
|-------------------------------|--------|
| Micro 2000 Chlorine Analyzer | 10,000 |
| (3) Turbidity Conrollers | 5,000 |
| (4) Motorized Valve Actuators | 28,000 |
| Chlorine Flash Mixer | 6,500 |

Total Machinery and Equipment \$49,500

**CAPITAL PROJECTS SUMMARY
FISCAL YEAR
2010-2011**

The following projects will be funded from the replacement reserve fund #4655 and #4670.

Administration:

Capital Improvement Projects Budgeted for FY 2010-2011

| | |
|--|---------------|
| Administration Building Rehabilitation | 10,000 |
| Total | 10,000 |

Collection System:

Capital Improvement Projects Budgeted for FY 2010-2011

| | |
|---------------------------------------|----------------|
| Cathedral Oaks Rd. Bridge realignment | 525,000 |
| La Ramada Dr. & Cocopah Dr. | 150,000 |
| Subtotal | 675,000 |

Capital Improvement Projects Budgeted for FY 2009-2010

| | |
|-----------------------------|---------------|
| Via Regina Sewer Relocation | 30,000 |
| Subtotal | 30,000 |

Capital Improvement Projects Budgeted for FY 2007-2008

| | |
|--|------------------|
| Creek Crossing Repair Project | 75,000 |
| Fairview Ave. Sewer Replacement Relocation Project Construction | 2,905,065 |
| Subtotal | 2,980,065 |

Capital Improvement Projects Budgeted in FY 2006-2007

| | |
|-----------------------------|------------------|
| Firestone Road Lift Station | 1,983,620 |
| Subtotal | 1,983,620 |

| | |
|--------------|---------------------|
| Total | \$ 5,668,685 |
|--------------|---------------------|

Wastewater Treatment Facilities:

Capital Improvement Projects Budgeted for FY 2010-2011

| | |
|---------------------|---------------|
| (2) Rebuilt Boilers | 60,000 |
| Subtotal | 60,000 |

Capital Improvement Projects Budgeted for FY 2009-2010

| | |
|---|-------------------|
| Equipment Barn | 80,000 |
| Treatment Plant Upgrade Project Design & Construction | 10,000,000 |
| Subtotal | 10,140,000 |

Total District Capital Projects FY 2010-2011 **\$15,818,685**