



May 18, 2022

TO: Utilities Advisory Committee

FROM: Ron Munds, General Manager
Julian Metcalf, Administrative Services Manager

SUBJECT: **Agenda Item 3–05/18/2022 UAC Meeting**
Preliminary Budget Review for Funds 500 & 800 for Fiscal Year 2022-2023.

President
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Vice President
Charles L. Cesena

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DESCRIPTION

This report summarizes updates to Funds 500 and 800 budgets for Fiscal Year 2022-23 from the Board’s May 5th meeting. The final budget will be presented at the June 2nd Board meeting.

STAFF RECOMMENDATION

Review the updates and provide any comments and/or recommend changes to the Board for their consideration for Funds 500 and 800.

DISCUSSION

Staff provided the preliminary Fiscal Year (FY) 2022-23 budgets for Funds 500 and 800 at the April 27th meeting. After Board review, the following updates or changes were made to those budgets.

Fund 500 – Water

The Board approved a Zone A property tax allocation of \$49,989.76 per recommendation in the Water Rate Study and direction by the Board at the May 5th, 2022 meeting. The table below shows the Board approved allocation of Zone A revenues.

Final - Proposed 2022-23		
Zone A Property Tax Allocation	Estimated Tax Revenue	
	\$282,428.00	
	% Allocation	\$ Allocation
Fund 301 - Fire	67.3%	\$190,074.04
Fund 500 - Water	17.7%	\$49,989.76
Fund 900 - Parks & Rec	15.0%	\$42,364.20
Total	100.0%	\$282,428.00

The Board approved a 5.25% cost-of-living salary increase for the District’s general employees pursuant to the Side-Letter to the Memorandum of

Understanding (MOU) between Los Osos Community Services District (District) and the San Luis Obispo County Employees' Association (SLOCEA) for "economic issues" for the Miscellaneous Employees Bargaining Unit through June 30, 2024, as approved by the Board at the May 5th meeting.

The following table summarizes the budget for Fund 500. More detailed information is available in the attached Preliminary Budget worksheets.

Fund 500 Budget Category	2021-2022 Budget	2022-2023 Budget	Increase/ (Decrease)
Revenue	\$2,953,383.40	\$3,124,636.00	\$171,242.36
Expenditures			
Total Personnel	\$780,181.50	\$856,333.00	\$76,151.50
Services & Supplies	\$630,758.00	\$578,352.00	-\$52,406.00
Capital Outlay	\$1,607,225.00	\$1,918,000.00	\$310,775.00
Debt Service	\$275,556.50	\$264,949.19	-\$10,607.31
Reserves	\$57,000.00	\$57,000.00	\$0.00
Transfers	\$565,249.50	\$541,847.70	-\$23,401.80
TOTAL Expenditures	\$3,915,970.50	\$4,216,481.89	\$300,511.39
TOTAL Revenue	\$2,953,383.40	\$3,124,636.00	\$171,242.36

Fund 800 – Drainage

The proposed budget for Fund 800 is unchanged from when it was presented at the Utilities Advisory Committee meeting on April 27th, 2022. The following table summarizes the budget for Fund 800. More detailed information is available in the attached Preliminary Budget worksheets.

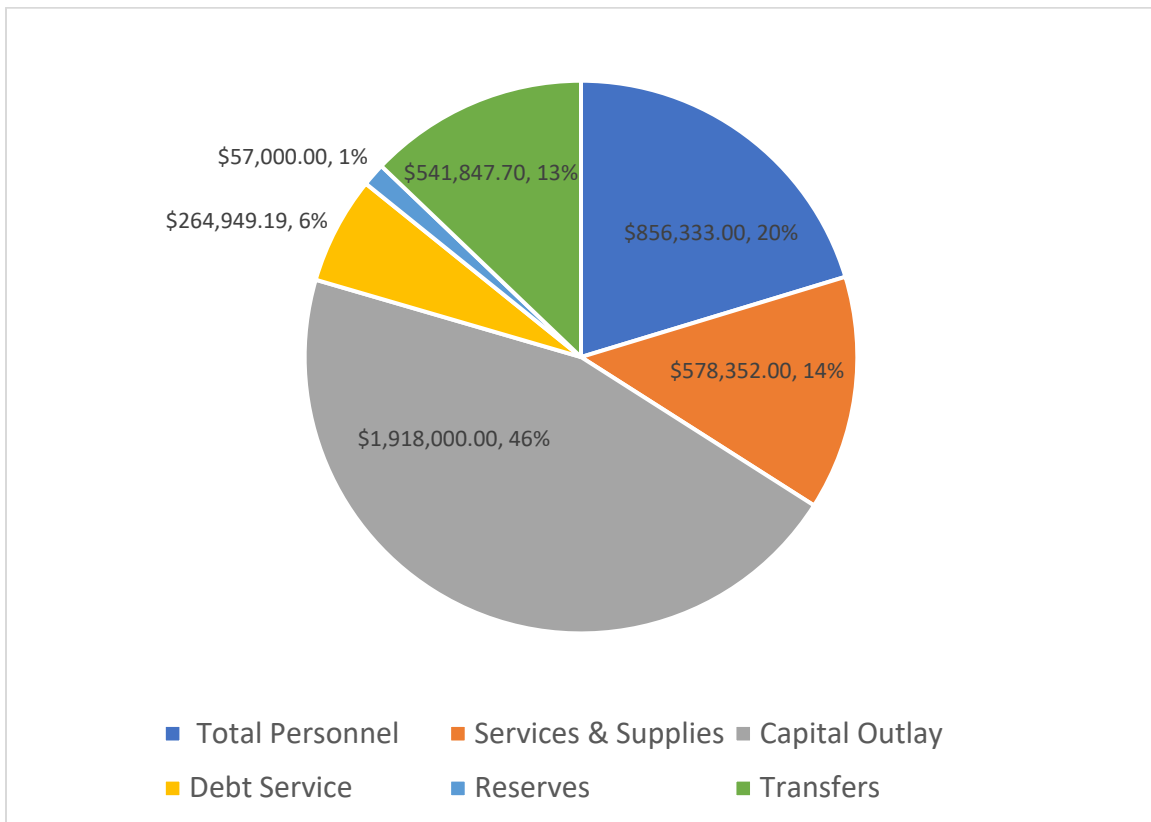
Fund 800 Budget Category	2021-2022 Budget	2022-2023 Budget	Increase/ (Decrease)
Revenue	\$133,539.00	\$135,154.00	\$1,615.00
Expenditures			
Total Personnel	\$9,200.00	\$11,200.00	\$2,000.00
Services & Supplies	\$29,934.24	\$30,450.00	\$515.76
Capital Outlay	\$15,000.00	\$15,000.00	\$0.00
Reserves	\$0.00	\$0.00	\$0.00
Transfers	\$13,299.37	\$14,259.15	\$959.78
TOTAL Expenditures	\$67,433.61	\$70,909.15	\$3,475.54
TOTAL Revenue	\$133,539.00	\$135,154.00	\$1,615.00

Attachments

Line item details for Funds 500 & 800

500 - Water

Fund 500 Budget Category	2021-2022 Budget	2022-2023 Budget	Increase/ (Decrease)
Revenue	\$2,953,383.40	\$3,124,625.76	\$171,242.36
Expenditures			
Total Personnel	\$780,181.50	\$856,333.00	\$76,151.50
Services & Supplies	\$630,758.00	\$578,352.00	-\$52,406.00
Capital Outlay	\$1,607,225.00	\$1,918,000.00	\$310,775.00
Debt Service	\$275,556.50	\$264,949.19	-\$10,607.31
Reserves	\$57,000.00	\$57,000.00	\$0.00
Transfers	\$565,249.50	\$541,847.70	-\$23,401.80
TOTAL Expenditures	\$3,915,970.50	\$4,216,481.89	\$300,511.39
TOTAL Revenue	\$2,953,383.40	\$3,124,625.76	\$171,242.36



500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
REVENUES					
Property Taxes					
4035	Zone A Property Tax Revenue	19,179.81	108,798.40	49,989.76	Allocation directed by Board at May 5, 2022 meeting
Total Property Taxes		19,179.81	108,798.40	49,989.76	
Grant Revenue					
4957	Govt Aid-Other Federal Aid & Reimbursements	3,080.00	0.00	0.00	
Total Grant Revenue		3,080.00	0.00	0.00	
Service Charges & Fees					
4030	Residential Single Family	1,624,363.95	2,214,930.00	2,402,240.00	
4102	Residential- Multi - Family-Water Sales	176,529.75	228,159.00	246,640.00	
4103	Commercial, Home Care, Retail-Water Sales	236,286.00	306,030.00	339,693.00	
4104	Irrigation- Water Sales	33,893.25	33,330.00	33,663.00	
4114	Water Other Service Revenues	55.00	1,000.00	1,000.00	
4931	Water Activation Fees	6,900.00	5,000.00	6,000.00	
4932	Penalties	20,926.23	20,000.00	21,000.00	
4933	Door Hangers/Lockout Notices	0.00	12,000.00	12,000.00	Lockouts starting in April 2022
4937	NSF Fees	305.00	400.00	400.00	
Total Service Charges & Fees		2,099,259.18	2,820,849.00	3,062,636.00	
Other Revenues					
4105	Recycled Water Revenue	0.00	0.00	0.00	
4930	Other Revenue	4,715.28	11,736.00	6,000.00	Service upgrades, Surplus sales

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
4936	Water Delinquencies via Tax Roll	0.00	0.00	0.00	
Total Other Revenues		4,715.28	11,736.00	6,000.00	
Use of Money & Property					
4504	Interest Income	0.00	0.00	0.00	
4505	HO Prop Tax Relief	0.00	0.00	0.00	
4510	Investment Income on funds	4,567.51	12,000.00	6,000.00	Based on current trends and starting to pay for CIP projects
Total Use of Money & Property		4,567.51	12,000.00	6,000.00	
Total Revenues		2,130,801.78	2,953,383.40	3,124,625.76	
<u>EXPENDITURES</u>					
Personnel					
Salaries/Wages					
8018	Holiday Pay	20,535.96	27,567.00	25,325.00	
8045	Overtime Pay	3,651.07	3,000.00	4,000.00	
8050	Administrative Leave Pay	737.52	2,550.00	2,050.00	
8051	Floating Holiday Pay	2,021.82	6,330.00	6,500.00	
8054	Salaries & Wages - Regular	309,261.87	442,650.00	489,000.00	
8056	Retroactive Pay	151.20	1,000.00	1,000.00	
8060	Sick Leave Pay	22,144.74	10,000.00	10,000.00	
8063	Standby Pay	14,824.55	20,830.00	25,500.00	
8066	Comp Time Used	11,357.97	18,000.00	18,000.00	
8081	Vacation Pay	18,177.34	20,000.00	20,000.00	
Total Salaries/Wages		402,864.04	551,927.00	601,375.00	
Payroll Taxes & Benefits					
5030	Life Insurance - ER	1,442.53	1,950.00	1,950.00	
5031	Disability Insurance	615.54	725.00	850.00	
5035	AD & D Insurance	292.57	440.00	440.00	
5040	LTD Insurance	2,941.37	4,050.00	4,200.00	

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
5050	Medicare - ER	6,101.83	9,000.00	9,000.00	
5060	Cafeteria Plan - ER	48,112.57	70,020.00	75,000.00	
5070	Retirement ER - Regular	78,494.21	109,533.50	131,151.00	UAL will be 80,413 plus 11.610% of regular salaries for Classic
5075	Retirees Medical - ER	1,316.58	1,776.00	2,000.00	CalPERS fees went up slightly
5102	CA Training Tax - ER	48.99	50.00	50.00	
5120	Workers Comp Insurance - ER	11,073.60	13,000.00	12,000.00	Based off prelim # from SDRMA
		10,217.13	13,550.00	14,157.00	
5124	Retirement - ER - Tier 2				
Total Payroll Taxes & Benefits		160,656.92	224,094.50	250,798.00	
Employment Services					
5100	Unemployment Insurance - ER	2,100.02	4,000.00	4,000.00	
6200	Hiring, Advertising & Other Costs	0.00	0.00	0.00	
6230	Medical Exam	0.00	160.00	160.00	
Total Employment Services		2,100.02	4,160.00	4,160.00	
Total Personnel		565,620.98	780,181.50	856,333.00	
Services & Supplies					
Clothing & Uniform					
7246	Uniform & Gear	665.78	2,600.00	2,600.00	
7248	Uniform Safety Boots	839.88	1,000.00	1,000.00	
Total Clothing & Uniform		1,505.66	3,600.00	3,600.00	
Contract Services					
6100	Labor & Support-IT Services	2,730.83	5,000.00	5,000.00	Diamond Maps
6110	IT Purchased Services	4,272.05	5,400.00	5,400.00	Team Viewer, spectrum internet, AT&T

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
7250	Water Quality Testing	23,139.40	28,000.00	34,000.00	8th St upper going online & Prog C well
7255	Security Services	13,669.21	8,000.00	5,500.00	Integrity Security and Mace
7301	Contract Maint Services	0.00	0.00	0.00	
7321	Janitorial Cleaning & Supplies	605.56	850.00	850.00	
Total Contract Services		44,417.05	47,250.00	50,750.00	
Equipment & Tools					
6438	Disinfection Feed Pumps	1,034.30	2,700.00	2,700.00	
7242	Minor Tools, Accessories & Field Machines	3,975.79	8,400.00	8,000.00	
7253	Rent - Equipment	0.00	500.00	500.00	
7256	Meter Purchases & Replacements	8,261.33	9,000.00	3,000.00	
Total Equipment & Tools		13,271.42	20,600.00	14,200.00	
Financial Services					
7309	Late Fees	76.44	50.00	50.00	
7310	Bank Service Charges	24.00	300.00	300.00	
9153	Bad Debt Expense	(107.61)	0.00	0.00	
Total Financial Services		(7.17)	350.00	350.00	
Ins., Lic. & Regulatory Fees					
6120	Computer Licenses	0.00	200.00	0.00	
		873.81	900.00	900.00	
6340	Misc Fees				
		21,517.64	19,470.00	22,000.00	
6342	Fees - Regulatory				
6345	Property Taxes & Assess. Costs	3,792.12	7,000.00	7,500.00	Actual FY 20/21 \$7130.36

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
7325	Insurance	62,964.76	62,686.00	64,250.00	Based off prelim # from SDRMA
Total Ins., Lic. & Regulatory Fees		89,148.33	90,256.00	94,650.00	
Legal & Professional					
7318	Professional & Consulting BMC	71,634.79	120,000.00	120,000.00	
7320	Professional & Consulting Services	11,430.92	25,000.00	20,000.00	
7326	Legal Services	875.00	16,000.00	8,000.00	
7340	Legal Notifications	0.00	1,000.00	1,000.00	
Total Legal & Professional		83,940.71	162,000.00	149,000.00	
Office/Operations					
		787.18	3,000.00	6,000.00	
6130	Computer Hardware				
6140	Computer Software	4,889.99	5,000.00	5,000.00	
		634.68	1,000.00	1,000.00	
7140	General Supplies & Minor Equipment				
7160	Postage, Shipping & Mail Supplies	5,761.17	8,000.00	9,000.00	Postage increase in Feb 2022
7180	Billing Supplies, Forms & Printing	13,290.94	18,750.00	18,750.00	Recycled paper
7226	Membership & Dues	2,300.94	3,000.00	3,000.00	USA, CWEP
7230	Misc Small Parts & Supplies	939.35	5,000.00	3,000.00	
7237	Process Control & Treatment Supplies	8,099.19	12,500.00	10,000.00	
7239	Water Treatment Chemicals	7,874.82	13,000.00	13,000.00	
7249	Safety Supplies	464.28	1,000.00	1,000.00	
Total Office/Operations		45,042.54	70,250.00	69,750.00	

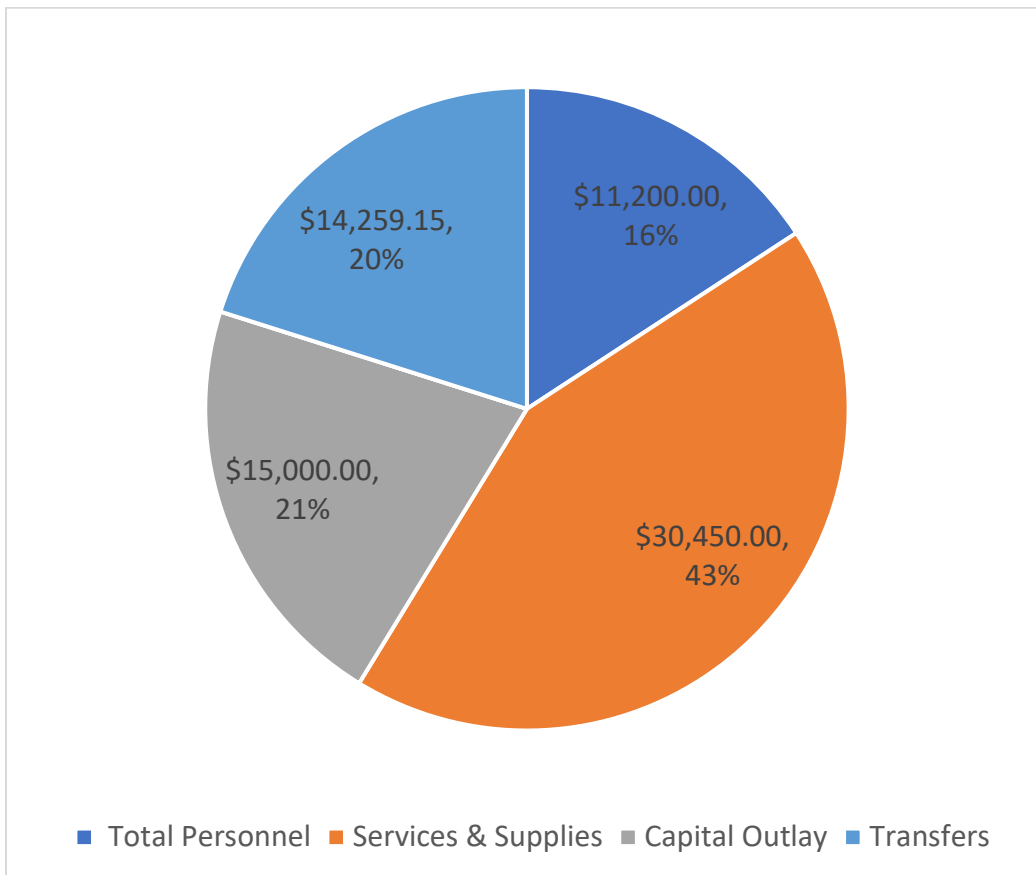
500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
Other Expenses					
7330	Misc Operating Expenses	238.26	250.00	250.00	
		4,021.80	10,000.00	10,000.00	
7348	Water Conservation Program				
Total Other Expense		4,260.06	10,250.00	10,250.00	
Rent & Utilities					
6000	Cell Phones	1,907.68	3,500.00	3,500.00	
6025	Telephone	6,353.82	10,000.00	10,000.00	
7352	Rent - Offices & Other Structures	0.00	0.00	0.00	
8610	Electric	71,741.36	100,000.00	100,000.00	
8620	Gas Service	303.13	250.00	250.00	
8630	Trash Services	1,347.48	2,000.00	2,000.00	
		3,974.00	18,000.00	9,000.00	
8644	Disposal Services				
8670	Street Lighting	335.15	432.00	432.00	
Total Rent & Utilities		85,962.62	134,182.00	125,182.00	
Repairs & Maintenance					
6405	R & M - Extinguishers	383.61	400.00	400.00	
6422	R & M - Hydrants	1,247.34	1,300.00	1,300.00	
		4,458.36	16,700.00	5,000.00	Brine tank budgeted for 21/22
6640	R & M - Equip & Other Non-Structural Fixed Assets				
6641	R & M - Wells	9,755.67	22,300.00	3,000.00	\$20K for vfd FY21/22 (8th St Lower)
6750	R & M - Minor Tools & Equipment	176.40	2,400.00	2,400.00	
		279.97	600.00	600.00	
6800	R & M - Grounds & Collection Systems				
6830	Paving & Concrete	1,650.00	5,000.00	4,000.00	

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
6900	R & M - Buildings & Structures	12,350.93	15,000.00	15,000.00	
7241	R & M - Water Distribution System	5,230.53	8,000.00	8,000.00	
Total Repairs & Maintenance		35,532.81	71,700.00	39,700.00	
Travel & Training					
7323	Books, Publications & Subscriptions	0.00	250.00	250.00	
7324	Education & Training Fees	525.00	3,000.00	3,000.00	
8410	Certifications	320.00	500.00	500.00	
8510	Lodging & Meals - Local	467.99	0.00	0.00	
8539	Meals	60.00	0.00	0.00	
8550	Mileage Reimbursement & Parking	354.51	370.00	370.00	
Total Travel & Training		1,727.50	4,120.00	4,120.00	
Vehicle Maintenance & Repairs					
7006	Tuneup/Oil/Maintenance	427.27	1,600.00	1,600.00	
7211	Misc Fuel & Diesel	2,608.40	2,400.00	4,000.00	Cost went up
7220	Gasoline	4,705.58	6,000.00	6,000.00	
7228	Markings & Other Misc Services	0.00	200.00	200.00	
7232	Vehicle Repairs - Parts, Tires & Lubricants	1,267.03	6,000.00	5,000.00	
Total Vehicle Maintenance & Repairs		9,008.28	16,200.00	16,800.00	
Total Services & Supplies		413,809.81	630,758.00	578,352.00	
Capital Outlay					
9006	Infrastructure CIP	384,916.37	1,573,519.00	1,918,000.00	

500 - WATER		Fiscal YTD 03/31/2022	FY 2021- 2022 Budget	FY 2022-2023 Budget	Notes
9059	Vehicles, Equipment, & Fixtures	33,716.15	33,706.00	0.00	nothing until FY24/25
Total Capital Outlay		418,632.52	1,607,225.00	1,918,000.00	
Debt Service					
9022	Debt Service - Principal	176,043.98	170,833.56	187,716.54	
9023	Debt Service - Interest & Annual Fee	84,158.53	94,658.94	68,706.32	
9024	Loan Administration Fee	23,265.02	10,064.00	8,526.33	
Total Debt Service		283,467.53	275,556.50	264,949.19	
Reserves					
9571	*Capital Outlay Reserve	0.00	0.00	0.00	
9572	*General Contingency (Operations) Reserve	0.00	57,000.00	57,000.00	
Total Reserves		0.00	57,000.00	57,000.00	
<u>TRANSFERS</u>					
9511	Interfund Transfer Out	423,937.17	565,249.50	541,847.70	
Total Transfers		423,937.17	565,249.50	541,847.70	
Total Expenditures		2,105,468.01	3,915,970.50	4,216,481.89	
Net Revenues over Expenditures			(962,587.10)	(1,091,856.13)	

800 - Drainage

Fund 800 Budget Category	2021-2022 Budget	2022-2023 Budget	Increase/ (Decrease)
Revenue	\$133,539.00	\$135,154.00	\$1,615.00
Expenditures			
Total Personnel	\$9,200.00	\$11,200.00	\$2,000.00
Services & Supplies	\$29,934.24	\$30,450.00	\$515.76
Capital Outlay	\$15,000.00	\$15,000.00	\$0.00
Debt Service	\$0.00	\$0.00	\$0.00
Reserves	\$13,299.37	\$14,259.15	\$959.78
Transfers	\$9,200.00	\$11,200.00	\$2,000.00
TOTAL Expenditures	\$67,433.61	\$70,909.15	\$3,475.54
TOTAL Revenue	\$133,539.00	\$135,154.00	\$1,615.00



800 - DRAINAGE		Fiscal YTD 03/31/2022	FY 2021-22 Budget	FY 2022- 2023 Budget	Notes
<u>REVENUES</u>					
Property Taxes					
4034	Zone A Property Tax Revenue	0.00	0.00	0.00	
4035	Zone D & F Property Taxes	25,405.76	37,575.00	39,290.00	Based on County Estimate
Total Property Taxes		25,405.76	37,575.00	39,290.00	
Special Taxes & Assessments					
4400	Drainage Assessments	66,367.00	95,264.00	95,264.00	Waiting for Estimate
Total Special Taxes & Assessments		66,367.00	95,264.00	95,264.00	
Other Revenues					
4935	Sale-Specs/Plans & Non-Capital Items	45.00	0.00	0.00	
Total Other Revenues		45.00	0.00	0.00	
Use of Money & Property					
4505	HO Prop Tax Relief	0.00	0.00	0.00	
4510	Investment Income on funds	476.84	700.00	600.00	
Total Use of Money & Property		476.84	700.00	600.00	
Total Revenues		92,294.60	133,539.00	135,154.00	
<u>EXPENDITURES</u>					
Personnel					
Salaries/Wages					
8045	Overtime Pay	0.00	200.00	200.00	
8054	Salaries & Wages - Regular	8,994.02	9,000.00	11,000.00	COLA, salaries increase, no increase in FY2021-22
Total Salaries/Wages		8,994.02	9,200.00	11,200.00	
Total Personnel		8,994.02	9,200.00	11,200.00	
Services & Supplies					
Equipment & Tools					
6390	Equipment	0.00	300.00	300.00	
7242	Minor Tools, Accessories & Field Machines	0.00	300.00	300.00	
Total Equipment & Tools		0.00	600.00	600.00	

800 - DRAINAGE		Fiscal YTD 03/31/2022	FY 2021-22 Budget	FY 2022- 2023 Budget	Notes
Insurance, Licenses & Regulatory Fees					
6342	Fees - Regulatory	7,067.00	7,200.00	7,200.00	MS4 permit
6345	Property Taxes & Assessments Costs	589.80	600.00	600.00	
7325	Insurance	470.25	391.24	450.00	Based off prelim # from SDRMA
Total Insurance, Licenses & Regulatory Fees		8,127.05	8,191.24	8,250.00	
Legal & Professional					
7320	Professional & Consulting Services	0.00	3,000.00	3,000.00	
7326	Legal Services	0.00	500.00	500.00	
7340	Legal Notifications & Mandated Advertising	0.00	0.00	0.00	
Total Legal & Professional		0.00	3,500.00	3,500.00	
Office/Operations					
7230	Misc Small Parts & Supplies	239.66	550.00	550.00	
7249	Safety Supplies	0.00	100.00	100.00	
Total Office/Operations		239.66	650.00	650.00	
Other Expense					
7346	Promotional Expenses - Event	250.00	300.00	300.00	
Total Other Expense		250.00	300.00	300.00	
Rent & Utilities					
6000	Cell Phones	1,035.76	1,700.00	1,700.00	
6025	Telephone	183.70	250.00	250.00	
8610	Electric	1,168.46	2,200.00	2,200.00	
8670	Street Lighting	670.72	1,000.00	1,000.00	
Total Rent & Utilities		3,058.64	5,150.00	5,150.00	
Repairs & Maintenance					
6405	R & M - Extinguishers	36.54	50.00	50.00	
6640	R & M - Equip & Other Non-Structural Fixed Assets	0.00	1,000.00	1,000.00	
6750	R & M - Minor Tools & Equipment	46.75	500.00	500.00	

800 - DRAINAGE		Fiscal YTD 03/31/2022	FY 2021-22 Budget	FY 2022- 2023 Budget	Notes
6800	R & M - Grounds & Collection Systems	2,919.11	5,500.00	5,500.00	
6900	R & M - Buildings & Structures	0.00	1,500.00	1,500.00	
	Total Repairs & Maintenance	3,002.40	8,550.00	8,550.00	
Travel & Training					
7324	Education & Training Fees	0.00	500.00	500.00	
8410	Certifications	0.00	0.00	0.00	
8475	Training Materials	0.00	250.00	250.00	
8550	Mileage Reimbursement & Parking	0.00	0.00	0.00	
	Total Travel & Training	0.00	750.00	750.00	
Vehicle Maintenance & Repairs					
7211	Misc Fuel & Diesel	721.26	967.00	1,200.00	
7220	Gasoline	1,176.40	1,276.00	1,500.00	
	Total Vehicle Maintenance & Repairs	1,897.66	2,243.00	2,700.00	
	Total Services & Supplies	16,575.41	29,934.24	30,450.00	
Capital Outlay					
9006	Infrastructure CIP	0.00	15,000.00	15,000.00	
	Total Capital Outlay	0.00	15,000.00	15,000.00	
Reserves					
9571	*Capital Outlay Reserve	0.00	0.00	0.00	
	Total Reserves		0.00	0.00	
TRANSFERS					
9511	Interfund Transfer Out	9,916.65	13,222.21	14,259.15	
	Total Transfers	9,916.65	13,299.37	14,259.15	
	Total Expenditures	35,486.08	67,433.61	70,909.15	
Net Revenues over Expenditures		56,808.52	66,105.39	64,244.85	