

## CSA-7A Budget Update

### Revenue:

Fiscal Year (FY) 22/23 ended with operational revenues of \$829,678, surpassing the budgeted amount of \$777,607 by 6.9%. Several factors contribute to this outcome. An additional \$39,000 in Property Tax revenue was received due to a rise in property values within the CSA-7A area. Interest Revenue exceeded the budgeted amount by \$11,070, reflecting the rise in interest rates.

In FY 22/23 \$2,714,048 was allocated in the budget for the ARPA grant, specifically designated for wastewater infrastructure projects. These projects are fully funded, meaning no additional matching funds are needed. Reimbursement of project costs occurred in FY22/23 for \$72,257. The remaining budget amount of \$2,641,791 was carried into the FY23/24 budget and will be received on a quarterly basis against project expenditures.

As of 8/31/2023, \$318,642 has been spent on storm damage repair efforts. The Public Works department is collaborating with FEMA for reimbursement of 75% of eligible expenses. Staff is also seeking 18.75% (75% of the remaining 25%) from CAL OES for a total reimbursement percentage of 93.75%. Reimbursement will occur once the funds are 'obligated' by FEMA and CAL OES.

### Expenditures:

#### Operation and Maintenance:

In FY22/23 \$911,500 was spent on operation and maintenance (O&M) activities, which represents 89% of the budgeted amount of \$1,025,576. The deviation from the budget can be attributed to several key factors. First, Work Orders & Routine Operations (581R687135-581R687138) were \$136,000 below budget at year end. These savings will be utilized to fund anticipated O&M efforts during FY23/24. Next, \$100,000 associated with 581R687162 VIDEO OF INTERCEPTOR and 581R687165 SEWER SYSTEM MAPPING was not spent in FY22/23. These projects were postponed because of extensive storm damage and ARPA related efforts. In addition, \$264,000 was spent for debris removal (581R687181) and the culvert repair (581R687180) to address the damage caused by the winter storms. These costs were not accounted for in the budget.

Two months into FY23/24, \$184,271 of the budgeted \$1,145,386 has been spent on O&M including \$31,000 for preventative and corrective maintenance, \$21,000 in water quality analysis, and \$31,000 on routine operations. \$55,000 has also been spent on storm damage repairs. The Public Works department is collaborating with FEMA and CAL OES to seek reimbursement for eligible expenses.

#### Capital Outlay:

The staff of the Public Works department is actively working on three projects: Project 300670 - Polishing Pond & Effluent Pump, Project 300671 - Interceptor Design Development, and Project 300682 - Lift Station No. 3 Rehabilitation. All projects are funded by ARPA, eliminating the need for any additional matching funds. \$72,257 was spent on these efforts in FY22/23. The remaining budget amount of

\$2,641,791 from ARPA revenue and \$60,000 from operational revenue was carried into FY23/24. As of 8/31/23, \$21,000 has been spent in FY23/24 on Capital projects.

**Summary:**

CSA-7A ended FY22/23 with a net income of \$77,000 and working capital of approximately \$555,000 (FBA of 205K + Reserves of 350K). Current standard for desired working capital, for a wastewater type service fund, is 50% of the operational budget. CSA-7A has reserves of approximately 48% of current budgeted operational expenditures. This working capital will help alleviate some of the projected costs for any necessary capital improvements in Fiscal Year 2023/2024. Current staff work efforts are focused on ARPA projects and repairing storm damage.

**For more information:**

Ken Cardoza [kcardoza@co.slo.ca.us](mailto:kcardoza@co.slo.ca.us)

Lexi Calabrese [acalabrese@co.slo.ca.us](mailto:acalabrese@co.slo.ca.us)

**Attachments:**

Budget Summary including FY22/23 Budget and Actuals, FY23/24 Budget and Actuals YTD 8/31/2023

**BUSINESS AREA 5810**  
**County Service Area #7-A**  
**BUDGET SUMMARY**

	2020-21 Actual	2021-22 Actual	2022-23 Budgeted	Operating Actual 2022-23	Budget 2023-24
<b>Financing Sources</b>					
Fund Balance Available	27,902	229,349	198,815	198,815	205,483
Cancelled Reserves	0	0	109,154	109,154	139,435
Revenues and Other Sources	954,521	869,937	3,491,655	901,935	3,528,359
<b>Total Financing Sources</b>	<b>982,423</b>	<b>1,099,286</b>	<b>3,799,624</b>	<b>1,209,904</b>	<b>3,873,277</b>
<b>Requirements</b>					
Operations & Maintenance	604,367	710,590	1,025,576	911,504	1,145,386
Capital Outlay	74,140	44,647	2,774,048	92,917	2,727,891
Debt Service	0	0	0	0	0
<b>Total Expenditures:</b>	<b>678,507</b>	<b>755,237</b>	<b>3,799,624</b>	<b>1,004,421</b>	<b>3,873,277</b>
<b>Increase in Reserves:</b>					
Designated	74,567	145,234	0	0	0
General	0	0	0	0	0
<b>Total Increase in Reserves:</b>	<b>74,567</b>	<b>145,234</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Requirements</b>	<b>753,074</b>	<b>900,471</b>	<b>3,799,624</b>	<b>1,004,421</b>	<b>3,873,277</b>
<b>Equity Summary</b>					
Equity - Beginning of Year					
Fund Balance Available	27,902	229,349	198,815	198,815	205,483
Designated Reserves	238,671	313,238	458,472	458,472	349,318
General Reserves	0	0	0	0	0
<b>Equity Total - Beginning of Year</b>	<b>266,573</b>	<b>542,587</b>	<b>657,287</b>	<b>657,287</b>	<b>554,801</b>
Equity - End of Year					
Fund Balance Available	229,349	198,815	0	205,483	0
Designated Reserves	313,238	458,472	349,318	349,318	209,883
General Reserves	0	0	0	0	0
<b>Equity Total - End of Year</b>	<b>542,587</b>	<b>657,287</b>	<b>349,318</b>	<b>554,801</b>	<b>209,883</b>

**BUSINESS AREA 5810  
County Service Area #7-A  
REVENUE WORKSHEET**

Revenues and Other Sources:	Account Number	2020-21 Actual	2021-22 Actual	2022-23 Budgeted	Operating Actual 2022-23	Budget 2023-24	YTD @ 08/31/23
Revenues							
Property Tax Allocation	4000005/401	257,397	271,529	255,683	295,021	296,591	634
Homeowner's Prop Tax Relief	4200075	1,445	1,429	1,426	1,445	1,445	0
Sewer Service Charge	4450010	549,638	489,125	502,546	503,304	518,412	0
Sewer Availability	4500015	15,822	15,720	15,606	15,120	15,120	0
Sewer Connection Fees	4500020	4,150	4,150	0	0	0	0
Interest	4150000	4,201	3,779	2,346	13,416	5,000	0
Transfer-in from CSA 7	6000000	50,000	50,000	0	0	50,000	0
Invoice Variances	4550200	0	18	0	40	0	0
SB 1090 Proceeds	4550220	2,666	1,333	0	1,332	0	0
ARPA	6000162*	0	32,854	2,714,048	72,257	2,641,791	0
Other Revenue	4902055	69,202	0	0	0	0	0
<b>Total Revenues and Other Sources</b>		<b>954,521</b>	<b>869,937</b>	<b>3,491,655</b>	<b>901,935</b>	<b>3,528,359</b>	<b>634</b>

**BUSINESS AREA 5810  
County Service Area #7-A  
OPERATIONS AND MAINTENANCE WORKSHEET**

Operations & Maintenance:	Internal Order Number	2020-21 Actual	2021-22 Actual	2022-23 Budgeted	Operating Actual 2022-23	Budget 2023-24	YTD @ 08/31/23
Davis-EIR Costs deposit	581R687100	0	0	0	-15,693	0	0
Prelim Risk Asmt & Gran	581R687001	416	22,270	116	1,420	125,633	0
CSA-7A WASTE DISCHARGE PERMITT	581R687090	0	9,387	0	860	0	0
Work Orders	581R687135	353,111	370,133	553,135	223,711	545,908	30,731
ROUTINE OPERATIONS	581R687136	0	55,618	0	193,661	0	38,140
Hydraulic Operations & Planning	581R687150	48,680	76,248	134,066	79,548	149,333	17,063
Sewer System Management Plan	581R687155	9,198	8,964	9,618	6,780	14,358	0
Video of Interceptor	581R687162	0	0	0	0	52,385	0
Replace Chart Recorder	581R687163	0	0	49,831	0	0	0
Sewer System Mapping	581R687165	0	0	49,831	0	41,993	0
CSA-7A IMMEDIATE REPAIRS- INTERC	581R687166	0	0	0	0	38,565	0
STORM DAMAGE	581R687181	0	0	0	25,616	0	252
STORM DRAIN DAMAGE	581R687180	0	0	0	238,196	0	54,578
Utilities	581R687210	76,890	48,075	78,300	47,700	51,003	14,755
Annual Permits	581R687220	25,791	31,416	32,364	5,780	32,798	2,299
WQ Analyses (Inc's 1X for IMS)	581R687310	8,025	9,160	24,000	16,195	11,010	1,960
WQ Efforts Non-Scheduled	581R687330	703	9,981	4,489	1,117	0	0
WQ Operations Support	581R687350	36,300	21,295	39,127	38,728	26,149	19,524
Accounting & Administration	581R687602	11,000	23,155	23,184	20,897	24,521	4,969
Countywide Overhead	581R687620	10,118	13,869	15,883	15,877	20,536	0
Tax Collection Fee (SB 2557)	581R687625	3,793	4,024	4,637	4,116	4,201	0
Aerator 10 HP Surface	581R687176	13,347	0	0	0	0	0
Lease Payments	581R687900	6,995	6,995	6,995	6,995	6,995	0
Adjustment for rounding		0	0	0	0	-2	0
<b>Total Operation &amp; Maintenance</b>		<b>604,367</b>	<b>710,590</b>	<b>1,025,576</b>	<b>911,504</b>	<b>1,145,386</b>	<b>184,271</b>

**BUSINESS AREA 5810**  
**County Service Area #7-A**  
**CAPITAL OUTLAY WORKSHEET**

Capital Outlay:	WBS Number	2020-21 Actual	2021-22 Actual	2022-23 Budgeted	Operating Actual 2022-23	Budget 2023-24	YTD @ 08/31/23
<b>Capital Projects</b>							
Equipment Purchase		74,140	11,793	0	20,660	26,100	0
ARPA: POLISHING POND & EFFLUENT PUMP STATION	300670*	0	7,467	489,435	18,299	471,136	10,075
ARPA: INTERCEPTOR DESIGN DEVELOPMENT	300671*	0	25,387	1,224,613	30,202	1,194,411	10,164
NON ARPA: INTERCEPTOR DESIGN DEVELOPMENT	300671*	0	0	60,000	0	60,000	0
ARPA: LIFTSTATION 3 REHAB	300682*	0	0	1,000,000	23,756	976,244	551
<b>Total Capital Outlay</b>		<b>74,140</b>	<b>44,647</b>	<b>2,774,048</b>	<b>92,917</b>	<b>2,727,891</b>	<b>20,790</b>