



# CAYUCOS SANITARY DISTRICT

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## **BOARD OF DIRECTORS BUDGET COMMITTEE MEETING AGENDA THURSDAY, MAY 7, 2026 AT 10:00AM 200 ASH AVE. CAYUCOS, CA 93430**

### **1. ESTABLISH QUORUM AND CALL TO ORDER**

### **2. PUBLIC COMMENT**

At this time the public may address the Committee on items other than those scheduled on this agenda that are within the jurisdiction of the Committee (persons wishing to speak on any item scheduled on this agenda will be given the opportunity at the time that agenda item is being considered). When recognized by the Committee, please state your name for the record (though not required). While the Committee encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Committee reserves the right to limit individual comments to three minutes. By conditions of the Brown Act, the Committee is prohibited from discussing issues not posted on this agenda, but may set items for future agendas.

### **3. DISCUSSION AND REVIEW OF THE PROPOSED DRAFT BUDGETS FOR FISCAL YEAR 2026-2027**

#### **A. OPERATING BUDGET**

#### **B. CAPITAL IMPROVEMENT BUDGET**

### **4. ADJOURNMENT**

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All staff reports or other documentation relating to each item of business referred to on the agenda are also on file at the District office, available for public inspection or reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at (805) 995-3290 as soon as possible and at least 48 hours prior to the meeting date.



# CAYUCOS SANITARY DISTRICT STAFF REPORT

AGENDA ITEM:

3

**TO: BOARD OF DIRECTORS**

**FROM: DAVID ATHEY, DISTRICT MANAGER**

**DATE: MAY 7, 2026**

**SUBJECT: DISCUSSION AND REVIEW OF THE PROPOSED DRAFT BUDGETS FOR FISCAL YEAR 2026-2027**

## BACKGROUND

District staff have prepared the draft Fiscal Year 2026-2027 (FY26/27) Annual Budgets for Operations and Capital Improvement Projects. The draft FY26/27 Operating Budget line items were individually scrutinized to ensure that expenditures are not under- or over-budgeted. Staff used actual current year expenditures and anticipated increases where available. The draft FY26/27 Operating Budget maintains existing service levels while minimizing budget increases.

The Draft FY26/27 Capital Improvement Project budget was developed to prioritize projects, studies, and equipment purchases that will reduce ongoing workload, offer operational efficiencies, enhance safety and position the District for continued success. For example, collections projects were prioritized to reduce ongoing maintenance activities in areas with re-occurring maintenance. An example would be main repairs in areas where line cleaning is frequently needed to deal with root intrusion or grease buildup. The idea is to free up staff time and resources to work on other routine work in the collection system.

The District has adequate resources available for the continuing operations, proposed expenditures, and loan obligations based upon projected revenues and anticipated expenditures. Inflationary effects and staffing needs have been carefully considered to carry out the District's budgetary goals and objectives. A Budget Comparison Summary is included in Attachment 1 and a Detailed Budget Summary is included in Attachment 2.

2026-2027 Budget at a Glance:

Category	2026-2027 (No Cola or Standby Pay Increase)	2026-2027 (w/ 3% COLA and Standby Pay increases)	2025-2026 (Included COLA)
Projected Income	\$4,957,300	\$4,957,300	\$4,854,500
Projected Expenses	\$4,328,300	\$4,378,800	\$4,412,250
Capital Improvement Costs	\$480,000	\$480,000	\$330,000
<b>Net Revenue</b>	<b>\$149,000</b>	<b>\$98,500</b>	<b>\$112,250</b>

## ANALYSIS

### Revenue Projections

**Sewer Income:** Sewer income remains steady and sufficient and will increase slightly by 0.6%.

**Will-Serve Income:** Projections for local construction projects remain the same.

**Rental Income:** Rental income is expected to drop significantly should the sale of the Morro Bay WWTP site be completed. The remaining rental income will come from the Duke Energy Solar Field lease. Rental income will drop to just \$3,600 per year.

**Solid Waste Income:** Franchisee's increased rates will modestly increase our income by about 5%.

**Property Tax:** The County projects that the District's share of property tax will increase by approximately 9% next fiscal year.

**Interest Income:** Interest income is expected to increase slightly in the coming year based on the District's managed investment portfolio. A modest increase in investment income of 12.5% is expected based on the portfolio's year-to-date return.

**One-Time Income:** It is expected that the sale of the Morro Bay property will bring a one-time income of 3.8 million to the District in FY26/27. This anticipated income is not included in the draft Annual Budget. Staff will be returning to the Board for direction later in the year on how to treat this income.

### Expense Projections

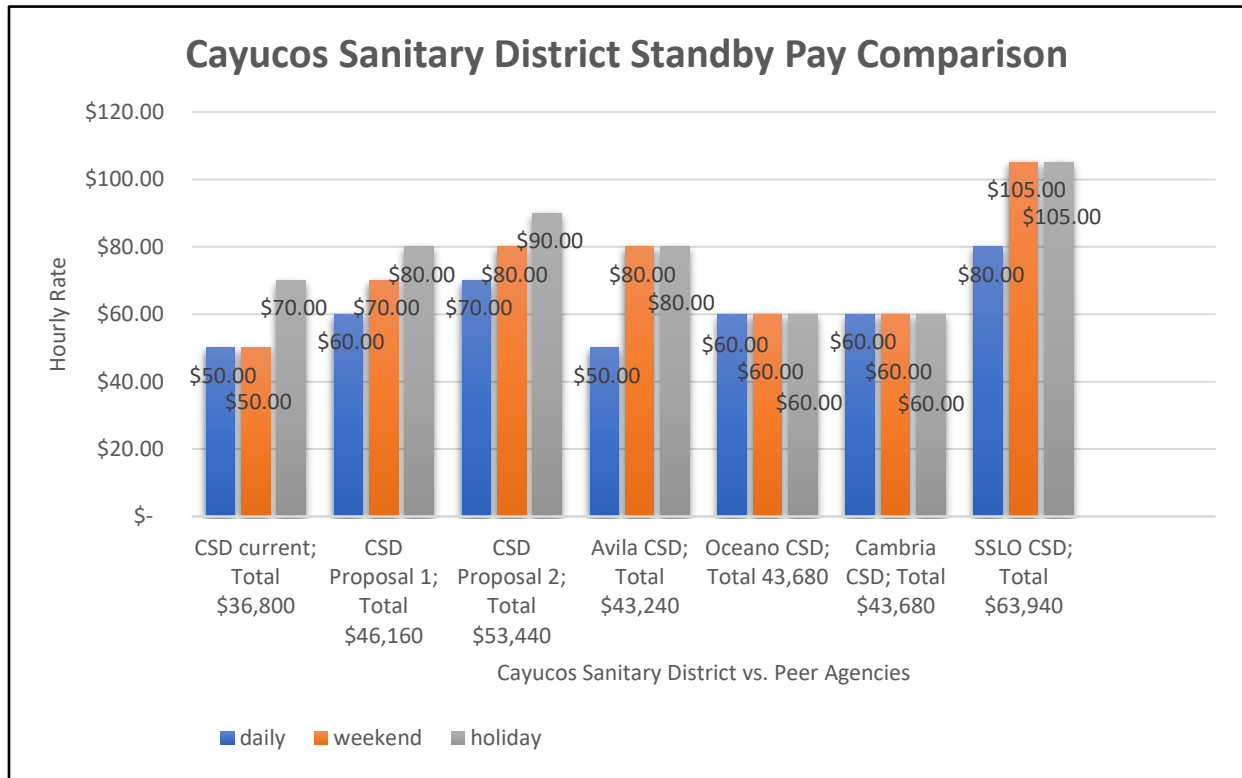
#### Payroll:

Consumer Price Index (CPI) Adjustment - Staff is seeking input on the Board's preference for a potential CPI adjustment. As part of our annual salary review, a comparison was made between the (CPI), Social Security Cost of Living Allowance (COLA) increases and CSD COLA history. During the period covering 2020-2026, CPI increased 27.15%, Social Security COLA increased 26.0% and CSD COLA increased 24%. The Board has maintained wages just under the CPI over the last five years. The Board has the option to continue to maintain a competitive salary base and keep up with inflation and may want to consider approving a 2026-2027 COLA. This draft budget does not include a COLA. Staff have prepared a separate table in Attachment 3 showing the impact of 3% and 5%, as well as a flat rate for all employees for your consideration. A 3% COLA will increase District labor costs by approximately \$37,676 next fiscal year.

Standby Pay - Staff is seeking input on potentially raising the current standby pay daily reimbursement to maintain staff pay competitiveness. A survey of the District's peer agencies determined that the District's standby pay is on average lower than the four area Districts surveyed. The District pays a lump sum for being on call after hours during the week (\$50), weekend (\$50), and holidays (\$70). This District's next nearest peer agency pays approximately \$10 per weekday more than the District. The Board has several options including keeping the reimbursement level the same, increasing reimbursement to about the middle range of its peer agencies, or paying near the top range. The graph shown below outlines existing on-call reimbursements for the District and its peers. Staff has prepared two scenarios which are shown on Chart 1, below. Staff recommends that the standby pay rate be adjusted to be slightly more competitive than our peer agencies by raising standby pay match to Proposal 1; weekday (\$60),

weekend (\$70), and holiday (\$80). The proposed standby pay increase will increase District labor costs by approximately \$9,360 next fiscal year.

**Chart 1 – Standby Pay Comparison**



**Operating Expenses:**

**Administration:** Expenses are anticipated to minimally decrease by approximately 1%. This is the second year Administration expenses will decrease. Notable changes include:

- There is a 50% decrease in the “Professional Services – Other” line item as the line item was increased for a special project in 2025.
- A new \$10,000 supplemental grant is proposed for the District to provide extra waste containers and waste services for special community events. This line item will utilize Solid Waste Franchise Fees paid to the District.
- A new \$5,000 expense for the Mutt Mitt program is proposed. This line item will utilize Solid Waste Franchise Fees paid to the District.
- The “Professional Services – Accounting” line item is increasing by \$7,500 due to a new three-year contract with the District’s auditor.

**Collections:** Overall expenses are projected to increase by 8.7%. The increase is due to the following:

- Utilities are projected to increase, most significantly PGE.
- Fuel prices have increased and are expected to remain elevated for some time.

**WRRF:** Repairs, equipment replacement and proactive maintenance along with annual increases in permits and services are all expected to increase. The overall category is higher than last year because of an increase in facility maintenance including corrosion control coatings and base material maintenance around the plant.

**Reserves:** Staff is proposing to set aside \$200,000 in reserves for Long Range Planning. The amount saved in the 2025-2026 actual budget has exceeded expectation by almost \$300,000. Therefore, to fund ongoing Capital Improvement Projects and potentially provide a COLA and standby pay increases, the amount was reduced. Staff is proposing to bring back a Reserves Policy for Board consideration during the 2026-2027 budget year.

#### **Debt Service/Loan Interest:**

**USDA Loan:** Payments on the USDA loan (40 years @ 1.75%) began February 1, 2022. Principal and interest for FY26/27 will be \$845,774. In addition, pursuant to the terms of their Letter of Conditions, the District will continue to save \$85,052.64 annually until a balance equal to one annual loan payment (approximately 10 years) has accumulated.

#### **CIP Budget:**

The District's proposed Capital Improvement Project Budget is \$480,000 for 2026-2027. A draft CIP Budget is included in Attachment 4. The proposed Capital Improvement Project Budget includes the following:

- Continued sewer main repair funding – Staff is proposing to repair two priority sewer mains that require ongoing maintenance on a consistent basis.
- Capital Improvement Plan and Rate Study - This project entails development of a 5–15-year Capital Improvement Plan (Capital Plan) and an updated Sewer Rate Study (Rate Study). The Capital Plan will detail projects needed to maintain the District's 70-year-old collection system and maintain WRRF operations. The Capital Plan will look at priority infrastructure and issues such as trunk mains and infiltration and inflow into the collections system along with WRRF projects such as equipment and filter replacement. The Capital Plan will include costs and proposed project timelines and will be used with the previously developed operations and staffing financial models in a proposed Rate Study to determine the minimum rates needed to support ongoing operations and capital projects.
- Toro to Chaney Main Line Replacement – The project is now at 100% design and ready for implementation. This will enable the project to get underway while financing for the \$3M project is finalized.
- Spare Pump for Lift Station 2 – This project will provide operational redundancy at Lift Station 2. The spare pump will be kept on the shelf and will be deployed upon a pump failure at Lift Station 2. This will reduce the risks of a Sanitary Sewer Overflow during high flow conditions and a pump failure.
- Vehicle Purchase – The District's trucks are all 10 years old or older. This purchase is to replace the 2009 Ford Ranger at the WRRF. The proposed vehicle will be a Ford F-150 or equivalent truck, set up for WRRF operations including a portable fuel tank, equipment boxes, and tow hitch. The portable fuel tank will be used to fuel the CAT Skid Steer Loader. The tow hitch will be used to support the recently purchased confined space entry equipment during use at the plant.
- WRRF Asphalt Slurry Sealing – This project is proposed as a maintenance item for the WRRF's asphalt paving. This project will prolong the asphalt's life by providing a new wearing surface and rejuvenating the asphalt emulsion. Slurry sealing is typically completed every 2-5 years to maintain the 30-year asphalt life.

## FISCAL IMPACT

There is no fiscal impact associated with this draft Fiscal Year 2026-2027 Budget.

## CEQA

Staff finds that this action is not a project under the California Environmental Quality Act pursuant to State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

## RECOMMENDATION

Staff recommends that the Committee review, discuss, and provide staff with feedback on the proposed Operating and Capital Improvement Project budgets for FY 26/27.

## ATTACHMENTS

1. Budget Comparison Summary
2. Detailed Comparison Budget
3. COLA Projection
4. CIP Budget Recommendations



# Cayucos Sanitary District

## Proposed Budget Summary FY 26/27

	Current FY 25/26	Proposed 26/27 w/ No COLA	Proposed 26/27 w/3% COLA & Standby Incr.
<b>Income:</b>			
Sewer Income	\$ 3,214,300	\$ 3,235,900	\$ 3,235,900
Will Serve Income	\$ 88,200	\$ 88,200	\$ 88,200
Rental Income	\$ 39,800	\$ 3,600	\$ 3,600
Solid Waste Income	\$ 161,500	\$ 169,500	\$ 169,500
SLOCO Tax Assessments	\$ 1,256,500	\$ 1,367,600	\$ 1,367,600
Banking Interest Income	\$ 9,600	\$ 2,500	\$ 2,500
Investment Interest Income	\$ 80,000	\$ 90,000	\$ 90,000
Other Misc. Income	\$ 4,600	\$ -	\$ -
<b>Category Total</b>	<b>\$ 4,854,500</b>	<b>\$ 4,957,300</b>	<b>\$ 4,957,300</b>
<b>Payroll:</b>			
Admin. Gross Wages	\$ 396,600	\$ 415,400	\$ 421,800
Collections Gross Wages	\$ 220,700	\$ 234,800	\$ 249,600
Treatment Gross Wages	\$ 478,100	\$ 521,900	\$ 545,300
Director Payroll	\$ 8,000	\$ 8,000	\$ 8,000
Vested Payroll Benefits	\$ 4,000	\$ 4,400	\$ 4,400
Admin. Payroll Taxes/Benefits	\$ 163,600	\$ 193,600	\$ 194,600
Collections Payroll Taxes/Benefits	\$ 135,500	\$ 152,900	\$ 154,600
Treatment Payroll Taxes/Benefits	\$ 216,300	\$ 238,900	\$ 242,300
Director Payroll Taxes	\$ 600	\$ 700	\$ 700
<b>Category Total</b>	<b>\$ 1,623,400</b>	<b>\$ 1,770,600</b>	<b>\$ 1,821,300</b>
<b>Operating Expenses:</b>			
Special Projects	\$ 12,500	\$ 15,000	\$ 15,000
Admin Operating Expenses	\$ 764,000	\$ 755,300	\$ 755,300
Collections Operating Expenses	\$ 273,650	\$ 296,300	\$ 296,100
Treatment Operating Expenses	\$ 706,700	\$ 751,100	\$ 751,100
Debt Service - Principal	\$ 532,000	\$ 540,000	\$ 540,000
Reserves for Long-Range Planning	\$ 500,000	\$ 200,000	\$ 200,000
<b>Category Total</b>	<b>\$ 2,788,850</b>	<b>\$ 2,557,700</b>	<b>\$ 2,557,500</b>
<b>Total Income</b>	\$ 4,854,500	\$ 4,957,300	\$ 4,957,300
<b>Less Total Expenses</b>	\$ 4,412,250	\$ 4,328,300	\$ 4,378,800
<b>Net Income</b>	<b>\$ 442,250</b>	<b>\$ 629,000</b>	<b>\$ 578,500</b>
<b>Less Capital Improvement Projects Budget</b>	<b>\$ 330,000</b>	<b>\$ 480,000</b>	<b>\$ 480,000</b>
<b>Final Net Income</b>	<b>\$ 112,250</b>	<b>\$ 149,000</b>	<b>\$ 98,500</b>



# Cayucos Sanitary District

## Proposed Budget FY 26/27 w/no COLA

	Inc/Exp to Date 4/01/26	FY 25/26 Budget	Target 75% of Budget	FY 26/27 Proposed	Notes
Ordinary Income/Expense					
<b>INCOME</b>					
4000 · SEWER INCOME					
4010 · Sewer Use Fees	2,413,212	3,182,500	75.83%	3,203,000	
4020 · Sewer Late Fees	9,647	13,500	71.46%	13,000	
4030 · Sewer Bank Fees	435	500	87.0%	500	
4050 · Lot Fees	17,504	16,650	105.13%	16,600	
4060 · Lot Late Fees	56	150	37.15%	100	
4090 · Interrupted Service Fees	1,357	1,000	135.75%	2,700	
<b>Total 4000 · SEWER INCOME</b>	<b>2,442,211</b>	<b>3,214,300</b>	<b>75.98%</b>	<b>3,235,900</b>	
4100 · WILL SERVE INCOME					
4110 · Will Serve Fee	3,025	6,000	50.42%	6,000	
4120 · Connection Fee	16,100	80,500	20.0%	80,500	
4130 · Inspection Fee	250	1,300	19.23%	1,300	
4140 · Grant of License Fee	200	400	50.0%	400	
<b>Total 4100 · WILL SERVE INCOME</b>	<b>19,575</b>	<b>88,200</b>	<b>22.19%</b>	<b>88,200</b>	
4200 · RENTAL INCOME					
4210 · Morro Dunes Rent		32,000	0.0%		
4220 · Hanson Rent		1,000	0.0%		
4230 · CMB Corp. Yard Lease	3,214	3,200	100.45%		
4260 · Duke Energy Solar Lease	3,600	3,600	100.0%	3,600	
<b>Total 4200 · RENTAL INCOME</b>	<b>6,814</b>	<b>39,800</b>	<b>17.12%</b>	<b>3,600</b>	
4300 · SOLID WASTE INCOME					
4310 · Solid Waste Franchise Fee	104,219	148,800	70.04%	156,000	
4320 · AB939 Recycle Program Fee	9,661	12,700	76.07%	13,500	
<b>Total 4300 · SOLID WASTE INCOME</b>	<b>113,880</b>	<b>161,500</b>	<b>70.51%</b>	<b>169,500</b>	
4400 · SLOCO TAX ASSESSMENTS					
4410 · Current Year Secured/Unsecured	898,626	1,235,000	72.76%	1,360,000	
4420 · Delinquent Sewer Prior Year	11,386	21,500	52.96%	7,600	
<b>Total 4400 · SLOCO TAX ASSESSMENTS</b>	<b>910,012</b>	<b>1,256,500</b>	<b>72.42%</b>	<b>1,367,600</b>	
4500 · BANKING INTEREST INCOME					
4510 - Checking Interest	2,694	9,600	28.06%	2,500	
4520 · Savings Interest			0.0%	-	
<b>Total 4500 · BANKING INTEREST INCOME</b>	<b>2,694</b>	<b>9,600</b>	<b>28.06%</b>	<b>2,500</b>	
4600 · INVESTMENT INTEREST					
4600 · INVESTMENT INTEREST - Other	81,735	80,000	102.17%	90,000	
<b>Total 4600 · INVESTMENT INTEREST</b>	<b>81,735</b>	<b>80,000</b>	<b>102.17%</b>	<b>90,000</b>	
4700 · OTHER INCOME					
4750 · COUNTY OF SLO ESMF / EDF funds	4,534	4,600	98.56%	-	
<b>Total 4700 · OTHER INCOME</b>	<b>4,534</b>	<b>4,600</b>	<b>98.56%</b>	<b>-</b>	
<b>Total Income</b>	<b>3,581,456</b>	<b>4,854,500</b>	<b>73.78%</b>	<b>4,957,300</b>	
<b>EXPENSE</b>					
5000 · PAYROLL EXPENSES					
5100 · ADMINISTRATIVE PAYROLL					



# Cayucos Sanitary District

## Proposed Budget FY 26/27 w/no COLA

	Inc/Exp to Date 4/01/26	FY 25/26 Budget	Target 75% of Budget	FY 26/27 Proposed	Notes
5110 · Admin. Gross Wages Regular	231,962	331,400	70.0%	337,603	
5130 · Admin Gross Wages Vacation	10,682	28,500	37.48%	29,136	
5145 Admin Bereavement Leave	486				
5150 · Admin Gross Wages Sick Payout	7,910	18,300	43.23%	18,648	
5180 · Admin Personal Holiday	1,965	3,100	63.38%	3,108	
5185 · Admin Holiday Pay	8,615	15,300	56.31%	15,540	
5192 - Admin Car Allowance	1,100			5,200	
5140 - Admin Leave				3,692	
5195 - Admin Jury Duty	381				
Admin Payout - Other				2,500	longevity
<b>Total 5100 · ADMINISTRATIVE PAYROLL</b>	<b>263,102</b>	<b>396,600</b>	<b>66.34%</b>	<b>415,428</b>	
<b>5200 · COLLECTIONS PAYROLL</b>					
5210 · Coll Gross Wages Regular	117,693	171,000	68.83%	182,850	
5220 · Coll Gross Wages Overtime	852	1,500	56.78%	1,549	est 10 hrs/employee/yr
5230 · Coll Gross Wages Vacation	10,169	11,300	89.99%	12,162	
5250 · Coll Gross Wages Sick Payout	6,811	9,300	73.23%	9,916	
5260 · Coll Gross Wages Standby Pay	13,350	17,800	75.0%	12,500	250 days @ 50
5262 - Coll Gross Wages Standby Weekend Pay				5,200	104 days @ 50
5265 - Coll Gross Wages Standby Holiday Pay	630	700	90.0%	700	10 days @ 70
5280 · Coll Personal Holiday	1,299	1,500	86.58%	1,653	
5285 · Coll Holiday Pay	7,478	7,600	98.4%	8,263	
5295 - Coll Payout - Other				-	
<b>Total 5200 · COLLECTIONS PAYROLL</b>	<b>158,281</b>	<b>220,700</b>	<b>71.72%</b>	<b>234,793</b>	
<b>5300 · TREATMENT PAYROLL</b>					
5310 · Treat Gross Wages Regular	266,985	373,000	71.58%	394,084	
5320 · Treat Gross Wages Overtime	7,433	17,000	43.72%	17,974	est 80 hrs/employee/yr
5325 - Treat Gross Wages Mandatory Overtime				18,202	68 hrs/employee/yr
5330 · Treat Gross Wages Vacation	13,940	27,400	50.88%	28,961	
5350 · Treat Gross Wages Sick Payout	6,691	21,700	30.84%	22,701	
5360 · Treat Gross Wages Standby Pay	13,500	17,800	75.84%	12,500	250 days @ 50
5362 - Treat Gross Wages Standby Weekend Pay				5,200	104 days @ 50
5365 - Treat Gross Wages Standby Holiday Pay	630	700	90.0%	700	10 days @ 70
5380 · Treat Personal Holiday	3,140	3,400	92.35%	3,595	
5385 · Treat Holiday Pay	12,559	17,100	73.45%	17,974	
5300 - Treat Payout - Other				-	
<b>Total 5300 · TREATMENT PAYROLL</b>	<b>324,878</b>	<b>478,100</b>	<b>67.95%</b>	<b>521,889</b>	
<b>5400 · DIRECTOR PAYROLL</b>					
5410 · Director Gross Wages	6,550	8,000	81.88%	8,000	
<b>Total 5400 · DIRECTOR PAYROLL</b>	<b>6,550</b>	<b>8,000</b>	<b>81.88%</b>	<b>8,000</b>	
<b>5500 · VESTED PAYROLL BENEFITS</b>					
5550 · Vested PERS Health	2,868	4,000	71.7%	4,400	
<b>Total 5500 · VESTED PAYROLL BENEFITS</b>	<b>2,868</b>	<b>4,000</b>	<b>71.7%</b>	<b>4,400</b>	
<b>5600 · ADMIN PAYROLL TAXES &amp; BENEFITS</b>					
5610 · Admin FICA	16,312	24,500	66.58%	25,602	
5620 · Admin Medicare	3,815	5,700	66.93%	5,987	
5650 · Admin PERS Health	39,203	72,000	54.45%	83,100	
5660 · Admin PERS Retirement	45,026	57,300	78.58%	74,804	



# Cayucos Sanitary District

## Proposed Budget FY 26/27 w/no COLA

	Inc/Exp to Date 4/01/26	FY 25/26 Budget	Target 75% of Budget	FY 26/27 Proposed	Notes
5670 · Admin Dental	1,902	3,300	57.63%	3,300	
5680 · Admin Vision	434	800	54.29%	800	
<b>Total 5600 · ADMIN PAYROLL TAXES &amp; BENEFITS</b>	<b>106,693</b>	<b>163,600</b>	<b>65.22%</b>	<b>193,593</b>	
<b>5700 · COLL PAYROLL TAXES &amp; BENEFITS</b>					
5710 · Coll FICA	10,921	13,700	79.72%	14,557	
5720 · Coll Medicare	2,554	3,200	79.82%	3,404	
5750 · Coll PERS Health	53,099	72,000	73.75%	83,100	
5760 · Coll PERS Retirement	40,093	42,500	94.34%	47,802	
5770 · Coll Dental	2,445	3,300	74.09%	3,300	
5780 · Coll Vision	565	800	70.65%	800	
<b>Total 5700 · COLL PAYROLL TAXES &amp; BENEFITS</b>	<b>109,678</b>	<b>135,500</b>	<b>80.94%</b>	<b>152,963</b>	
<b>5800 · TREAT PAYROLL TAXES &amp; BENEFITS</b>					
5810 · Treat FICA	18,399	29,700	61.95%	31,229	
5820 · Treat Medicare	4,303	7,000	61.47%	7,303	
5850 · Treat PERS Health	44,249	96,000	46.09%	110,800	
5860 · Treat PERS Retirement	61,121	78,200	78.16%	84,190	
5870 · Treat Dental	2,536	4,400	57.63%	4,400	
5880 · Treat Vision	579	1,000	57.9%	1,000	
<b>Total 5800 · TREAT PAYROLL TAXES &amp; BENEFITS</b>	<b>131,187</b>	<b>216,300</b>	<b>60.65%</b>	<b>238,922</b>	
<b>5900 · DIRECTOR PAYROLL TAXES &amp; BENEFITS</b>					
5910 · Directors FICA	406	500	81.22%	500	
5920 · Directors Medicare	95	100	94.99%	150	
<b>Total 5900 · DIRECTOR PAYROLL TAXES &amp; BENEFITS</b>	<b>501</b>	<b>600</b>	<b>83.52%</b>	<b>650</b>	
<b>Total 5000 · PAYROLL EXPENSES</b>	<b>1,103,738</b>	<b>1,623,400</b>	<b>67.99%</b>	<b>1,770,637</b>	
<b>6050 · SPECIAL PROJECTS</b>					
6051 · Manhole Reconditioning	0	12,500	0.0%	15,000	
<b>Total 6050 · SPECIAL PROJECTS</b>	<b>0</b>	<b>12,500</b>	<b>0.0%</b>	<b>15,000</b>	
<b>6100 · ADMIN OPERATING EXPENSES</b>					
6120 · Copy & Dup	562	600	93.66%	750	
6130 · Equipment Lease	1,472	2,400	61.33%	2,300	
6150 · Equipment Repair/Maint	430	1,000	43.0%	1,000	
6160 · Janitorial/Building Maint.	4,560	6,500	70.16%	8,800	
6170 · Postage	7,719	12,000	64.33%	12,000	
6180 · Printing/Advertising	2,346	1,500	156.39%	1,500	
6190 · Office Supplies	10,699	3,000	356.63%	3,000	
6200 · Bank Service Charges	42	100	42.42%	100	
6201 · Administrative(Admin) Fees/Chgs	1,225	1,900	64.45%	1,900	
6205 · Recycling Expenses	494	750	65.84%	500	
**new line - Mutt Mitt Program		0	0.0%	5,000	
**new line - Supplemental Solid Waste Grant		0	0.0%	10,000	
6210 · Misc. Business Expense	1,060	1,000	105.98%	3,000	
6211 · Grant of License Expenses		400	0.0%	400	
6220 · Prof. Services -Accounting	6,600	11,000	60.0%	18,500	
6225 · Prof. Services-Engineering	1,672	15,000	11.15%	10,000	
6230 · Prof. Services-Legal	30,588	30,000	101.96%	30,000	
6240 · Prof. Services- Tech Supp	20,690	27,000	76.63%	27,000	



# Cayucos Sanitary District

## Proposed Budget FY 26/27 w/no COLA

	Inc/Exp to Date 4/01/26	FY 25/26 Budget	Target 75% of Budget	FY 26/27 Proposed	Notes
6255 · Prof. Services -Other	11,918	100,000	11.92%	50,000	
6260 · Meeting Supplies	464	1,200	38.66%	1,500	
6270 · Bus License & Permits	3,945	4,600	85.76%	4,400	
6280 · Admin Dues & Sub.	10,397	10,000	103.97%	10,500	
6290 Taxes & Assessments	0	100	0.0%	-	
6291 · LAFCO	14,479	13,500	107.25%	15,400	
6292 · Election Fees	0	0	0.0%	7,500	
6293 · Fire Tax	142	150	94.33%	150	
6300 · Professional Development Admin	2,787	4,000	69.67%	3,000	
6301 · Professional Development Board	0	1,500	0.0%	4,000	
6310 · Rent - Venue	0	1,000	0.0%	1,000	
6315 Tuition Reimbursement Program	4,880	10,000	48.8%	10,000	
6320 · Utilities - Electrical	3,386	3,700	91.52%	4,000	
6340 · Utilities - Gas	313	500	62.61%	500	
6360 · Utilities - Water	808	1,200	67.33%	1,200	
6380 · Utilities - Internet	1,400	1,800	77.77%	1,800	
6390 · Utilities - Telephone	1,798	2,600	69.14%	2,600	
6410 · Loan Interest Paid	398,417	399,000	99.85%	391,000	
6420 · Insurance-Worker's Comp	31,264	40,000	78.16%	46,000	
6430 · Insurance-Commercial Policy	60,300	55,000	109.64%	65,000	
<b>Total 6100 · ADMIN OPERATING EXPENSES</b>	<b>636,856</b>	<b>764,000</b>	<b>83.36%</b>	<b>755,300</b>	
<b>6500 · COLLECTIONS OPERATING EXPENSES</b>					
6510 · Contract Labor	0	50,000	0.0%	50,000	
6520 · Employee Training	998	1,500	66.53%	2,000	
6521 · License Renewal	243	1,500	16.2%	1,500	
6522 · Dues & Subscriptions	2,080	1,400	148.6%	2,300	
6523 · Professional Development - Coll	355	1,000	35.5%	2,000	
6530 · Equipment Rental	700	5,000	14.0%	5,000	
6535 · Equipment (Critical Parts)	273	5,000	5.45%	5,000	
6540 · Equipment Repair/Maint	822	8,500	9.67%	8,500	
6560 · Pump Repair	5,445	25,000	21.78%	25,000	
6570 · Generator Fuel	906	1,800	50.34%	1,800	
6571 · Trucks Gas/Oil	5,286	9,500	55.64%	13,000	
6572 · Trucks (Repairs)	7,104	10,000	71.04%	10,000	
6573 · Mileage Reimbursement	63	500	12.51%	500	
6580 · Hardware & Supplies	478	4,000	11.95%	4,000	
6590 · Janitorial Supplies	740	1,000	74.01%	1,000	
6600 · Laundry/Boot Allowance	3,429	4,000	85.71%	4,000	
6610 · Line Cleaning Water/Jetting	0	1,000	0.0%	1,000	
6611 · Line Cleaning - Contracted	0	10,000	0.0%	10,000	
**new line item - Preventative Maintenance				10,000	
6620 · Safety Supplies/Materials	1,648	2,000	82.4%	2,000	
6630 Chemicals	0	1,000	0.0%	-	
6640 · Small Tools	689	2,000	34.45%	2,000	
6650 · USA Alert	602	2,000	30.09%	2,000	
6670 · Cell Phones	1,626	2,500	65.06%	2,500	
6680 · Operating Contingency Reserve	0	10,000	0.0%	10,000	



# Cayucos Sanitary District

## Proposed Budget FY 26/27 w/no COLA

	Inc/Exp to Date 4/01/26	FY 25/26 Budget	Target 75% of Budget	FY 26/27 Proposed	Notes
6700 · Utilities - Lift Station #1					
6710 · Electricity LS#1	6,154	9,500	64.78%	10,000	
6720 · Telephone LS#1	527	650	81.15%	700	
6730 · Water LS#1	574	800	71.71%	800	
6745 · Repairs/Maint./Permits LS#1	3,522	5,000	70.44%	5,000	
<b>Total 6700 · Utilities - Lift Station #1</b>	<b>10,778</b>	<b>15,950</b>	<b>67.57%</b>	<b>16,500</b>	
6750 · Utilities - Lift Station #2					
6760 · Electricity LS#2	13,428	18,500	72.58%	20,300	
6770 · Telephone LS#2	491	650	75.58%	700	
6780 · Water LS#2	560	800	70.04%	800	
6795 · Repairs/Maint./Permits LS#2	1,382	5,000	27.64%	5,000	
<b>Total 6750 · Utilities - Lift Station #2</b>	<b>15,862</b>	<b>24,950</b>	<b>63.57%</b>	<b>26,800</b>	
6800 · Utilities - Lift Station #3					
6810 · Electricity LS#3	2,280	3,500	65.15%	3,800	
6820 · Telephone LS#3	519	650	79.83%	700	
6830 · Water LS#3	871	1,400	62.23%	1,400	
6845 · Repairs/Maint./Permits LS#3	950	5,000	18.99%	5,000	
<b>Total 6800 · Utilities - Lift Station #3</b>	<b>4,620</b>	<b>10,550</b>	<b>43.79%</b>	<b>10,900</b>	
6850 · Utilities - Lift Station #4					
6860 · Electricity LS#4	5,501	7,500	73.35%	8,200	
6870 · Telephone LS#4	515	650	79.26%	700	
6880 · Water LS#4	871	1,200	72.6%	1,200	
6895 · Repairs/Maint./Permits LS#4	2,680	5,000	53.59%	5,000	
<b>Total 6850 · Utilities - Lift Station #4</b>	<b>9,567</b>	<b>14,350</b>	<b>66.67%</b>	<b>15,100</b>	
6900 · Utilities - Lift Station #5					
6910 · Electricity LS#5	30,916	42,000	73.61%	46,000	
6920 · Telephone LS#5	788	650	121.3%	900	
6945 · Repairs/Maint./Permits LS#5	3,042	5,000	60.85%	5,000	
<b>Total 6900 · Utilities - Lift Station #5</b>	<b>34,747</b>	<b>47,650</b>	<b>72.92%</b>	<b>51,900</b>	
<b>Total 6500 · COLLECTIONS OPERATING EXPENSES</b>	<b>109,060</b>	<b>273,650</b>	<b>39.85%</b>	<b>296,300</b>	
7000 · TREATMENT OPERATING EXPENSES					
7105 · Bldg & Grounds Rep/Maint	5,271	6,000	87.84%	22,000	
7110 · Cell Phones	2,353	3,200	73.53%	4,300	
7120 · Chemicals	17,353	47,000	36.92%	45,000	
7130 · Contract Labor	1,200	15,000	8.0%	15,000	
7140 · Dues & Subscriptions	753	1,000	75.3%	1,000	
7150 · Employee Training	0	1,500	0.0%	2,000	
7170 · Equipment Lease	1,411	2,500	56.45%	2,500	
7180 · Equipment Rental	0	5,000	0.0%	5,000	
7190 · Equipment (Critical Parts)	6,256	25,000	25.03%	25,000	
7200 · Equipment Repair/Maintenance	26,781	40,000	66.95%	40,000	
7210 · Generator Fuel	0	2,000	0.0%	2,000	
7220 · Operational Hardware & Supplies	1,708	15,000	11.39%	15,000	
7230 · IT Support	29,833	50,000	59.67%	40,000	
7240 · Insurance	73,103	99,000	73.84%	91,000	
7250 · Janitorial Supplies	349	1,500	23.25%	1,500	
7260 · Laundry/Boot Allowance	3,762	4,500	83.59%	5,000	





# Proposed Cost of Living Adjustment

## FY 26/27

	Salaries	Standby Pay	Taxes & PERS	Combined	Overall FY Impact
26/27 Salaries w/o COLA	\$ 1,109,594	\$ 36,800	\$ 202,114	\$ 1,348,508	
3% increase, no Standby adj.	\$ 1,136,966	\$ 36,800	\$ 206,825	\$ 1,380,591	\$ 32,083
3% increase, add Standby	\$ 1,136,966	\$ 53,440	\$ 208,098	\$ 1,398,503	\$ 49,995
5% increase	\$ 1,155,214	\$ 53,440	\$ 211,238	\$ 1,419,892	\$ 71,384
Alternative: \$1.5/hour across the board	\$ 1,138,133	\$ 53,440	\$ 208,186	\$ 1,399,759	\$ 51,251
Alternative: \$2/hour across the board	\$ 1,147,646	\$ 53,440	\$ 209,785	\$ 1,410,871	\$ 62,363

### CSD COLA History

7/1/2021	3.00%
7/1/2022	6.00%
7/1/2023	5.00%
7/1/2024	6.00%
7/1/2025	\$2.00/hour

### CPI - West Urban, not seasonally adjusted

2020 Average	1.75%
2021 Average	4.50%
2022 Average	8.00%
2023 Average	4.30%
2024 3 Month Avg	3.30%
2025 3 Month Avg	2.40%
2026 3 Month Avg	2.90%

SSA 2026 increase - 2.80%



# Cayucos Sanitary District

## Capital Improvement Projects FY 26/27

Approved May xx, 2026

### **Sewer Main Repairs**

**\$ 50,000**

These are sewer mains that our camera has identified as in need of repair. The projects consist of multiple point repairs, offsets or other anomalies. The budgeted amount is intended to allow for two priority repairs.

### **Capital Improvements Plan and Rate Study**

**\$ 200,000**

This project entails development of a 5-15 year capital improvement plan and an updated sewer rate study. The Capital Improvement Plan will detail projects needed to maintain the District's 70 year old collection system and maintain WRRF operations. The 5-15 year Capital Improvement Plan will be used with the previously developed Operations and Staffing Models to determine the rates needed to support ongoing operations.

### **Toro to Chaney Main Line Replacement**

**\$ 100,000**

The project has been 100% designed and is ready for implementation. This will enable the project to get underway while financing for the \$3M project is finalized.

### **Spare Pump**

**\$ 50,000**

A spare pump is needed for Lift Station 2. This pump will provide operational redundancy when a pump fails.

## **WRRF Projects**

### **Slurry Seal Asphalt Road**

**\$ 15,000**

### **Replacement Vehicle**

**\$ 65,000**

The District's trucks are aging, and in order to maintain a healthy fleet, it is time to purchase a replacement. Tool boxes, receiver and equipment will also be required.

**Total CIP Budget**

**\$ 480,000**