

BUDGET

FY22-23



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FY 2022 – 23 BUDGET

BOARD OF DIRECTORS



Top Row: **Barbara D. Hockett, Mariah N. Lauritzen, Michael R. McGill**
Bottom Row: **Tad J. Pilecki, David R. Williams (Board President)**

EXECUTIVE MANAGEMENT

Roger S. Bailey, General Manager

Jean-Marc Petit, Director of
Engineering and Technical Services

Philip Leiber, Director of Finance and
Administration

Steve McDonald, Director of Operations

Kenton Alm, Counsel for the District

Katie Young, Secretary of the District

CONTACT FOR COPIES

Central San Finance Division, 5019 Imhoff Place, Martinez, CA 94553, 925-228-9500

To view or download an electronic version, visit <http://www.centrialsan.org>



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VISION, MISSION, & VALUES

OUR MISSION

To protect public health and the environment

OUR VISION

To be an industry-leading organization known for environmental stewardship, innovation, and delivering exceptional customer service at responsible rates

OUR VALUES

PEOPLE

- Respect customers and employees
- Work effectively and efficiently as a team
- Celebrate our successes and learn from our challenges

COMMUNITY

- Collaborate with water sector partners
- Foster community relationships
- Be open, transparent, and accessible
- Understand service level expectations

PRINCIPLES

- Be truthful and honest
- Be fair, kind, and friendly
- Take ownership and responsibility

LEADERSHIP AND COMMITMENT

- Promote a passionate and empowered workforce
- Encourage continuous growth and development
- Inspire dedication and top-quality results
- Provide a safe and healthful environment



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Contra Costa Sanitary District
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to Central San for its Annual Budget for the fiscal year beginning July 1, 2021. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. Central San believes this budget document continues to conform to program requirements.

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General Manager's Message

Honorable Members of the Board of Directors:

I am pleased to present the Central Contra Costa Sanitary District's (Central San's) Fiscal Year (FY) 2022-23 combined Operations and Maintenance (O&M) and Capital Improvement Project (CIP) budget. This budget represents our continuing commitment to protecting public health and the environment, while providing outstanding service to the people of central Contra Costa County at fair and reasonable rates.

This year, Central San celebrated 75 years of service to our community. Over the decades, Central San has seen tremendous changes, from the growing population of our service area, to advances in wastewater treatment technology, to the strengthening of environmental standards and requirements. Today, we collect and clean more than 13 billion gallons of wastewater every year and serve nearly half a million residents and more than 3,000 businesses. We also provide exceptional customer service through innovative recycled water and household hazardous waste (HHW) programs, our Permit Counter, as well as award-winning public outreach and student educational programs. These services will continue to receive the resources they need in this budget.

Through proactive maintenance, we've extended the lifespan of our facilities and equipment to make every dollar work harder for our customers. However, parts of our system have reached the end of their useful lives, and significant capital investments are needed to ensure we can continue providing the level of service for which our customers are accustomed. This budget reflects these critical infrastructure needs, including renovations to our solids handling and recycled water production and storage facilities. We, also, are investing in upgrades to our pumping stations and replacing aging neighborhood sewer pipes to ensure reliable, trouble-free service for decades to come.

Innovation and Essential Service

Over the past two years, the COVID-19 pandemic has underscored the centrality of public health to our communities, economy, and way of life. Throughout this challenging period, Central San has continued to provide essential wastewater collection and cleaning services without interruption.

Through ingenuity and innovation, we also have developed new ways to safely meet the needs of our customers. We implemented enhanced safety protocols and contactless procedures for our Permit Counter and HHW facilities, and developed virtual school education and public outreach programs, including an interactive 75th Anniversary virtual experience. Through our participation in COVID-19 regional monitoring and research efforts, we have supported the emerging science of wastewater-based epidemiology to help public health officials track and respond to the virus.



The unprecedented events of the pandemic have impacted budgets and revenues for special districts across the state, and Central San is no exception. To help recover some of the unexpected expenses related to our pandemic response, Central San applied for and received nearly \$1 million in state funding through California's Independent Special District Relief Fund. We are continuing to monitor these expenses and expect to submit a claim for additional COVID-related costs to the Federal Emergency Management Agency once the disaster declaration ends.

Acknowledging our Accomplishments

Despite the challenges, the past fiscal year has been a very successful one at Central San. We joined an elite club of public agencies that have fully funded employee pensions by successfully paying off an outstanding pension Unfunded Actuarially Accrued Liability (UAAL) of \$70.8 million, which we anticipate will save about \$15 million in interest costs through 2029. We also marked our 24th consecutive year of 100% compliance with our National Pollutant Discharge Elimination System Permit, qualifying for the Platinum Peak Performance Award from the National Association of Clean Water Agencies (NACWA)—a record achieved by fewer than 20 of the NACWA member agencies.

As we strive to provide exceptional service at reasonable rates, our two-year Strategic Plan serves as a guidepost to keep us focused on our vision and goals. Some of the significant accomplishments under each of the seven goals in the Strategic Plan include:



CUSTOMER AND COMMUNITY

- Continued providing essential services without interruption during the COVID-19 pandemic while protecting employees, the public, and the environment.
- Reopened Permit Counter to the public and implemented a scheduling system on the website for customers to book appointments with staff.
- Developed digital learning Pipe Protectors program and served 5,800 students with a hands-on, science-based curriculum that was presented via online learning formats.
- Developed an award-winning, interactive customer experience website to support the celebration of Central San’s 75th Anniversary.
- Oversaw approximately 70,000 visits to the HHW Collection Facility and Residential Recycled Water Fill Station by residents, small businesses, reuse customers, retail partners, and fill station users.





ENVIRONMENTAL STEWARDSHIP

- Maintained eligibility for the NACWA Peak Performance Award Platinum status for the 24th consecutive year, recognizing 100% compliance with Central San's wastewater discharge permit.
- Responded to 14 sanitary sewer overflows and achieved the lowest-ever recorded volume of overflows.
- Collected approximately 2,200,000 pounds of hazardous waste and gave away over 222,000 pounds of reusable products.
- Collected approximately 4,000 pounds of pharmaceuticals.
- Distributed 235 million gallons of recycled water.
- Continued efforts to augment the region's water supply through the proposed Refinery Recycled Water Exchange.
- Completed the first year of operation of the Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District Recycled Water Authority (DERWA) Temporary Wastewater Diversion, which, from June 21, 2021, through September 10, 2021, diverted approximately 58 million gallons of wastewater from Central San to DSRSD to produce recycled water to meet DERWA's peak summer irrigation demand.
- Completed the procurement process and obtained Board approval for a Power Purchase Agreement (PPA) for a 1.75-megawatt solar energy project that exceeds the cost-effectiveness criteria in Central San's Energy Policy and completed the California Environmental Quality Act (CEQA) environmental review process for the project.
- Worked with the Board of Directors to pursue policy efforts at the state and national levels that promoted pollution prevention, producer responsibility and proper wipes labeling.
- Began a new initiative to consider Net Zero Energy as it relates to greenhouse gas emissions and how it may apply at Central San.



FISCAL RESPONSIBILITY

- Paid off Central San's pension unfunded liabilities and substantially reduced the other post-employment benefits (OPEB) unfunded liabilities, achieving a projected savings of over \$15.0 million over the remaining seven-year term of the debt.
- Compiled a claim for and secured reimbursement of \$996,000 from the State Special District COVID-19 Relief fund.
- Completed execution of State Revolving Fund (SRF) loan agreement in the amount of \$173.1 million for the Solids Handling Facility Improvements Project.
- Achieved 21 consecutive years of receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- Achieved four consecutive years of receiving the GFOA Distinguished Budget Presentation Award, for the FY 2020-21 Budget.
- Completed annual Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework, soliciting involvement from 34 California agencies.

GOAL FOUR**WORKFORCE DEVELOPMENT**

- Launched Central San’s Diversity, Equity, and Inclusion (DEI) initiative.
- Kicked off the fourth cycle of the BOOST Mentorship Program and the third Supervisory Academy.
- Began offering the Career Development Program, which provides career coaching and job shadowing to employees.
- Held virtual State of the District meetings between the General Manager and each department to update employees on current issues and receive feedback.
- Adopted successor Memoranda of Understanding (MOU) with the bargaining units.
- Administration Department, Engineering Department, Plant Operations Division, and Plant Maintenance Division achieved zero lost workdays.

GOAL FIVE**INFRASTRUCTURE RELIABILITY**

- Replaced or rehabilitated over six miles of pipes in Danville, Walnut Creek, Lafayette, Martinez, Pleasant Hill, and Orinda.
- Constructed major renovations at various Pumping Stations in Orinda and Moraga and at the Recycled Water Filter Plant.
- Constructed the Outfall Renovation project and Safety Phase 5, which added external emergency exit stairs outside the four-story Solids Conditioning Building.
- Completed the Asset Management Plan.
- Conducted phishing prevention training exercises and Cybersecurity Awareness training for all staff.

GOAL SIX**INNOVATION AND OPTIMIZATION**

- Maintained Optimizations Program to commit to efficiency, effectiveness, and continuous improvement by tracking and reporting progress.
- Initiated development of the Strategic Optimization and Innovation Initiative in the Operations Department.
- Continued ongoing optimization and improvement of the new enterprise resource planning (ERP) software, including the following:
 - Launching the Career and Performance module with an improved performance evaluation process.
 - Completing the budget process utilizing the new Enterprise Performance Management (EPM) software.
 - Rolling out a user-friendly online budget monitoring tool for managers/ budgeteers to monitor their divisional detail budgets.
 - Utilizing Oracle integrated Smart-View reporting technology to develop the Annual Comprehensive Financial Report financials for first time.
- Continued development and implementation of the Central San Smart initiative.
- Kicked off Phase 1 of the Information Technology (IT) Strategic Plan.
- Began a six-month pilot project to test new tertiary membrane filtration to improve recycled water production.



AGILITY AND ADAPTABILITY


- Continued to modify operations to maintain a safe working environment, while maintaining essential services and high-quality customer service during the pandemic.
- Allowed employees to work from home when possible – based on their job duties and ability to remote work effectively – to help reduce community spread and keep essential employees safe.
- Implemented, enforced, and continued to develop a COVID-19 Exposure Prevention Plan.
- Secured COVID-19 testing resources for employees and conducted contact tracing for all positive cases.
- Procured on-site COVID-19 “peace of mind” testing for employees.
- Implemented Central San’s vaccine mandate.
- Continued participation in wastewater-based epidemiology studies with California Department of Public Health, UC Berkeley, and Contra Costa County Health Services.

Embracing the Future

As we look toward our next 75 years, we're pursuing new technologies and innovations to help us make the most of each customer dollar without compromising service. We continue to evaluate and implement projects to improve asset management, increase energy efficiency, enhance safety, and reduce operations and maintenance costs. Through prudent capital investments, we're ensuring our system remains reliable and resilient, meets new regulatory requirements, protects the environment, and is ready for the future.

The priorities identified in this FY 2022-23 Budget will allow us to build upon our successes and meet our goals as outlined in our two-year Strategic Plan—the road map for our budgeting process. I want to thank the Board for providing the vision, resources, and support necessary to achieve these goals and address current and future challenges. I also want to thank our staff for working diligently to develop this budget, ensuring we are financially well-positioned to meet our goals.

We recognize that our customers rely on us for a basic but essential service. Accordingly, this proposed budget represents our commitment to serving them with excellence while providing the highest value, now and into the future.



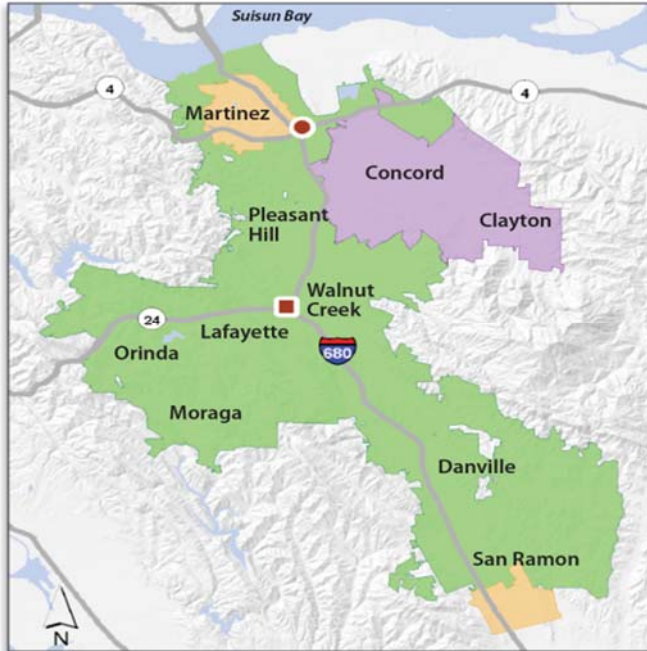
Roger S. Bailey
General Manager



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About Central San

Established in 1946, Central San is located about 30 miles northeast of San Francisco and provides wastewater services for nearly 500,000 residents and more than 3,000 businesses in central Contra Costa County. This service territory covers 146 square miles and includes Alamo, Clyde, Danville, Lafayette, Martinez, Moraga, Orinda, Pacheco, Pleasant Hill, San Ramon, Walnut Creek, and unincorporated areas within central Contra Costa County. Central San also treats wastewater from an additional 37 square miles for residents of Concord and Clayton under a 1974 contract with the City of Concord.



- Sewage collection and wastewater treatment; household hazardous waste (HHW) disposal
- Wastewater treatment and HHW disposal for residents in Concord and Clayton by contract
- HHW disposal only
- Central San headquarters, treatment plant, HHW Facility, and Residential Recycled Water Fill Station
- Collection System Operations headquarters



Central San by the numbers

- Serves **nearly 500,000** residents and **more than 3,000** businesses in central Contra Costa County
- Maintains **over 1,500** miles of sewer pipelines and **18** pumping stations to carry wastewater to our regional treatment plant in Martinez
- Cleans more than **13 billion** gallons of wastewater per year
- Produces more than **500 million gallons** of recycled water every year for irrigation and industrial uses
- Collects over **2 million pounds** of household hazardous waste per year, and strives to reuse or recycle about **90%** of those materials
- Collects more than **5,000 pounds** of unwanted medications per year
- Achieves an average 3.9 out of 4.0 customer satisfaction rating for sewer emergency response (as of Q2 in FY 2021-22)
- Serves more than 6,000 students through school education programs every year
- Welcomes more than 500 participants to treatment plant tours and speakers bureau presentations per year

Community Profile

For over 75 years, Central San has been proud to serve its customers in the San Francisco Bay Area's central Contra Costa County region. The service area is located at the foot of Mount Diablo (3,848 feet), whose state park and foothills offer hiking trails and open space preserves that are frequently used by the neighboring residents.

The cities served by Central San are also some of the most historic in California. Martinez, where the headquarters is located, was a key crossing point over the Carquinez Strait for the Pony Express, and its downtown is notable for its preserved historic buildings, including the John Muir National Historic Site. A short distance away, the Cities of Concord, Walnut Creek, and San Ramon boast revitalized shopping districts, drawing retailers and restaurants from other parts of the state to open locations there. One of Central San's largest customers, the City of Concord, is working on converting a former Naval Weapons Station into a Community Reuse Project, which will include parks, housing, office, retail, and the restoration of Mt. Diablo Creek. Central San is proud to be part of the effort to make the project as sustainable as possible by supplying recycled water for irrigation in this development.



In recent years, the population of the service area has boomed, partially due to its accessibility to San Francisco and Silicon Valley via public transit. Most of the population of Contra Costa County lies along the busy I-680 corridor that connects the North Bay to Silicon Valley. As shown in the following tables, the area in which Central San operates is a growing community to whom this agency is honored to provide its core services, including educational messaging to instill the environmental values foundational to Central San as an organization.

Service Area Population (Last Ten Years)

As of January 1	Inside District	Concord / Clayton	Total Served	% Change
2010	319,377	135,378	454,755	-0.32%
2011	321,800	133,600	455,400	0.14%
2012	326,900	134,200	461,100	1.25%
2013	332,600	134,900	467,500	1.39%
2014	335,009	135,856	470,865	0.72%
2015	339,029	137,357	476,386	1.17%
2016	340,667	140,916	481,583	1.09%
2017	344,591	139,654	484,245	0.55%
2018	348,333	140,590	488,923	0.97%
2019	352,733	151,542	494,275	1.09%
2020	342,149	141,480	483,629	-2.15%
2021	344,254	140,541	484,795	0.24%

Population by Community (2010, 2020, 2021)

Community*	As of January 1, 2010	As of January 1, 2020	As of January 1, 2021
Clayton	10,936	11,337	11,268
Concord	124,442	130,143	129,273
Danville	43,110	43,876	43,906
Lafayette	24,206	25,604	25,358
Martinez *	21,078	20,913	21,834
Moraga	14,701	16,946	16,820
Orinda	17,799	19,009	19,078
Pleasant Hill	33,384	34,267	34,133
San Ramon *	51,099	68,824	63,659
Walnut Creek	65,443	70,860	71,317
Unincorporated Contra Costa County**	48,557	41,850	48,149
Total Service Area	454,755	483,629	484,795
Contra Costa County Total	1,073,055	1,156,530	1,153,854

* Central San shares service of these communities with other agencies, and adjustments for the populations served by those other agencies have been made

**Includes Alamo, Clyde, and Pacheco

Source: California Department of Finance, Demographic Research Unit and local agency service records

Household Income by Community (2019, 2020)

Community	Average Household Income 2019	Average Household Income 2020
Alamo *	\$239,545	\$248,167
Clyde *, ^	\$82,944	\$85,854
Clayton **	\$157,768	\$153,607
Concord **	\$89,564	\$92,706
Danville	\$160,808	\$167,827
Lafayette	\$178,889	\$188,140
Martinez ***	\$107,328	\$109,994
Moraga	\$140,378	\$152,788
Orinda	\$223,217	\$231,230
Pacheco *, ^	\$72,383	\$74,922
Pleasant Hill	\$118,947	\$125,573
San Ramon	\$160,783	\$167,345
Walnut Creek	\$105,948	\$108,689
Service Area Total (Excluding Concord** & Clayton**), Weighted by Population	\$142,181	\$149,428

Source: US Census Data (<https://www.census.gov/quickfacts>)

* Included in "Unincorporated Contra Costa County" population line item in previous table.

^ Estimated using Concord income growth rate, as Census data for 2020 not available.

** Not included in service territory, Central San provides wastewater treatment and HHW services through a wholesale contract.

*** Portions of Martinez are in service territory for collection and treatment, and all of Martinez is provided with HHW services.

Ten Largest Customers by Sewer Service Charge (FY 2020-21)

Customer	Operating Revenue	Rank	% of Operating Revenue
City of Concord*	\$15,048,782	1	16.44%
Contra Costa County General Services	\$740,223	2	0.80%
First Walnut Creek Mutual	\$537,700	3	0.58%
Park Regency Apartments	\$504,872	4	0.55%
Second Walnut Creek Mutual Apartments	\$424,500	5	0.46%
John Muir Health	\$362,718	6	0.39%
Sunvalley Shopping Center **	\$339,061	7	0.37%
St. Mary's College Contract	\$242,777	8	0.26%
Branch Creek Vista Apartments	\$226,400	9	0.24%
San Ramon Unified School District	\$215,229	10	0.23%
Total	\$18,642,262		20.15%

* Contract with the City of Concord to treat and dispose of wastewater for Concord and Clayton

** Located in Concord, but in the Central San service territory for wastewater collection and treatment

Sewer Service Charge Billings by Type (2021)

User Group	Parcels*	2020-21 Sewer Service Charge Billings	% of Total
Residential	113,527	\$81,485,212	79.7%
Mixed Use	2,102	7,744,489	7.6%
Office	1,033	2,602,370	2.5%
Food Service	182	1,502,700	1.5%
Hotel/Motel	23	1,313,2115	1.3%
Industrial/Permitted	13	798,641	0.8%
Skilled Nursing	42	759,758	0.7%
Schools	147	668,595	0.7%
Businesses	384	767,428	0.8%
Recreation/Entertainment	203	857,044	0.8%
Automotive/Car Wash	246	714,510	0.7%
Market/Supermarket	40	582,635	0.6%
All Other User Groups	492	2,870,182	2.8%
Partial Year Charges		296,337	
Prior Year Adjustments		(72,682)	
Total	118,434	102,481,734	100%

Largest Employers in Contra Costa County (2021)

Employers	Estimated Employees	2021 % of Total County Employment
Chevron Corporation	10,000+	2.01%
Kaiser Permanente	10,000+	2.01%
Bio-Rad Laboratories	1,000-4,999	0.63%
John Muir Medical Center	1,000-4,999	0.63%
La Raza Market	1,000-4,999	0.64%
USS-POSCO Industries	1,000-4,999	0.64%
All Others	466,700	93.58%
Total	498,700	100%

Source: County of Contra Costa, California, California Annual Financial Report for June 30, 2021, Statistical Section, principal employers excludes government employers

Economic Statistics for Contra Costa County (Since 2010)

FY Ended June 30	Population*	Personal Income*	Per Capita Personal Income*	Average Annual Unemployment Rate**
2010	1,052,875	\$56,882,501,000	\$54,030	11.3%
2011	1,066,126	\$61,498,902,000	\$57,681	11.0%
2012	1,079,093	\$66,772,041,000	\$61,878	9.4%
2013	1,096,310	\$67,290,115,000	\$61,435	7.3%
2014	1,110,971	\$71,164,468,000	\$64,056	6.0%
2015	1,126,027	\$77,914,957,000	\$69,195	4.9%
2016	1,138,645	\$82,204,425,000	\$72,195	4.9%
2017	1,147,439	\$87,810,279,000	\$76,527	4.1%
2018	1,150,215	\$94,900,003,000	\$82,506	3.5%
2019	1,155,879	\$97,550,344	\$84,614	3.2%
2020	1,152,333	\$106,318,748	\$92,264	13.4%
2021	1,153,854 ***	N/A	N/A	6.4%

* Source: U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1" figure.

<https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=7#reqid=70&step=1&acrdn=7>

**Source: State of California Employment Development Department, annual calendar figure in 2010 future dates are as of June.

<https://data.edd.ca.gov/Labor-Force-and-Unemployment-Rates/Local-Area-Unemployment-Statistics-LAUS-Contra-Cos/2fxf-y95y>

*** Source: California Department of Finance, Demographic Research Unit and local agency service records

Organizational Structure

Central San is governed by a Board of Directors (Board) whose five members were elected at-large on a non-partisan basis and serve a four-year term. Commencing with the 2022 election, the District will transition to area-based elections.

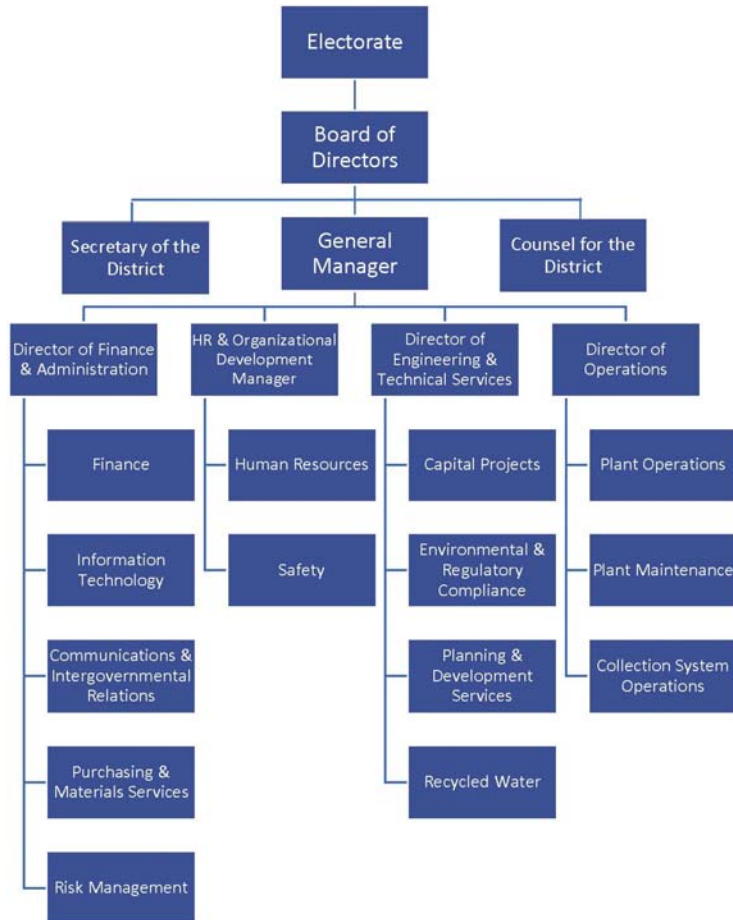
Under area-based elections, the District has been divided into five separate election areas called “divisions” and voters residing in each area will select one representative to serve on the Board.

The Board appoints the General Manager, the Counsel for the District, and the Secretary of the District.

Central San is organized into three departments: Administration (which includes HR and Secretary of the District), Engineering and Technical Services, and Operations.

Central San currently has 291 budgeted full-time employees. The budget for FY 2022-23 is proposed at 294 positions.

This team of employees is led by a General Manager, three Department Directors, and 11 Division Managers.



The chart above depicts the operating divisions and programs that are funded in the budget.

Central San's main headquarters, Board Room, and treatment plant are located at 5019 Imhoff Place in Martinez. Central San's Collection System Operations are headquartered at 1250 Springbrook Road in Walnut Creek.



Budgeting Calendar, Process, and Spending Authorities

The budget development process for FY 2022-23 started midway through FY 2021-22 with updates to the Ten-Year Financial Plan and a review of the potential impacts of the COVID-19 pandemic on Central San costs and revenues. Board discussion of these matters took place on March 24, 2022. Board guidance on these matters was used in the budget development during this period, and through the preparation of the budget book in April.

The budget was developed through an iterative process. Initial budget proposals were input into the new Oracle budgeting module and the results were then reviewed by the General Manager and discussed with the relevant Directors and division manager. After several rounds of refinement and changes, the numbers were compiled and presented in the budget book which was finalized in April and provided to the Board in early May. The Operations and Maintenance sections were reviewed by the Board Finance Committee, and the Capital budget was reviewed by the Board Engineering & Operations Committee prior to Board adoption of the final budget in June. The budget process typically is aligned with two other key planning processes: strategic planning, which covers a two-year window, and rate setting.

FY 2021-22 is the second year of a two-year Strategic Plan cycle. The strategic goals, strategies, initiatives, key success measures, and metrics of that plan were established during mid FY 2019-20 and provide guidance for funding activities in the budget. The budget proposes a level of funding that will enable and achieve the goals set forth in the FYs 2022-24 Strategic Plan.

During FY 2018-19, staff presented an update of the financial plan and commenced a discussion about the need for sewer service rate adjustments. During a financial workshop in January 2019, the Board provided staff with tentative direction to prepare a multi-year rate adjustment which would be announced through a Proposition 218 notification process in March 2019 and a public hearing on proposed rate adjustments in April 2019. At that meeting, the Board adopted a four-year schedule of adjustments, with increases of 5.5%, 5.2%, 4.9%, and 4.2% for single family residential customers, and average increases across all customer classes of 5.25%, 5.25%, 4.75%, and 4.75%. Annual public hearings were to be conducted for years two through four to determine if lesser rate adjustments are possible. Following the aforementioned financial planning workshop on March 24, 2022, a public hearing was held on whether or not to stay the course for the FY 2022-23 SSC rates, which would incorporate the 4th and final of the previously Board-approved 4-year rate increases. The Board concurred with staff and voted unanimously to leave the previously approved FY 2022-23 rates in place.

With the expiration of the currently in place four-year SSC rate schedule in July 2024, Central San intends to conduct a cost-of-service study to develop SSC rates for FY 2023-24 and beyond. Pursuant to forecasts included in the Ten-Year Financial Plan discussed at the March 24, 2024 Financial Planning workshop, it is anticipated that modest and gradual rate increases will be necessary to address future operational and capital improvement program needs. Consistent with prior year strategies, Central

San will strive to maintain the appropriate balance of funding sources between ongoing SSC revenues, reserves, and debt financing to ensure the stability of SSC rates through years where capital spending is expected to significantly ramp up. In accordance with the law, any proposed increases to future SSC rates will be preceded by public outreach, Proposition 218 hearings, and public Board financial planning workshops.

A diagram summarizing the budget and rate development process is provided below.



A calendar of key intersecting events during the process for the FY 2022-23 budget is provided below, comprised of activities from two of the three critical business areas of the planning process: Budget and Rate Setting. Strategic planning activities were limited to data collection and reporting on the approved FYs 2020-22 Strategic Plan. Development related to the FYs 2022-24 Strategic Plan will take place during early 2022.

Key Strategic Plan, Budget, and Rate Setting Events for FY 2022-23 Budget

Date	Budget	Rate Setting
January 2022	N/A	N/A
February 2022	Departments/divisions develop and submit operating budget proposals	N/A
March 2022	General Manager reviews operating budget with departments/divisions	March 24: Board Rate Workshop (Review of Financial Plan including updates to the Ten-Year CIP and CIB)
April 2022	Draft operating budget finalized with departments/divisions Draft Ten-Year Capital Improvement Plan (CIP) finalized by Department of Engineering and Technical Services	Board Meeting to review potential changes to previously adopted rates for FY 2022-23
May 2022	Draft Operating Budget presented to the Finance Committee and the Board Draft Capital Improvement Budget (CIB) and Ten-Year CIP presented to the Engineering and Operations Committee and Board	N/A
June 2022	Public Hearing on adoption of final budget	Public Hearing on adoption of Capacity and Developer-Related Fees, Rates, and Charges

Public participation has been invited throughout all aspects of these planning processes. Documents are published on the Central San website for public review. Public input is taken at Committee and Board meetings, financial workshops, and public hearings on these matters.

Once the budget is adopted, the General Manager has the authority to spend within the respective budgets. Payments are governed by the limits set in the General Manager Delegation of Authority (Board Policy No. BP-038).

Individual supervisors and managers are granted authority for purchase requisitions, approvals, and payment authorizations consistent with the signature limit matrix by position that serves as a partial delegation of some of the General Manager authority. Certain expenditures over \$200,000 require Board approval.

Spending is monitored monthly by staff and by the Board; variances of more than 10% on individual budget line-item categories are highlighted and subject to discussion by the Finance Committee. All expenditures are submitted monthly to the Finance Committee and the Board for review and approval. Monthly financial statements are issued internally and to the Board. Monthly and annual variance explanations are presented to the Board. The Board also reviews year-end variance explanations and determines how available funds from favorable variances are used.

Should it become necessary to spend more than the overall Operations and Maintenance, Capital, Debt Service, or Self-Insurance budget, formal Board action would be required to adopt an amended budget. As discussed elsewhere in this document, due to consideration of a potential debt financing transaction that may take place in the summer of June 2022 (which is not reflected in this document), a budget amendment may be proposed to reflect the effects of this transaction on funding sources, and other impacts to the Operations & Maintenance, Capital, and Debt Service budgets.

For the Capital Improvement Program, budgets for projects are set on an annual basis. The General Manager has the authority to reallocate funds up to \$500,000 between projects. Reallocations above that amount require approval by the Board. The Capital Improvement Budget also includes a \$2.5 million contingency, which is subject to the same General Manager transfer limits. Transfers above that amount, or the creation of a new, unbudgeted capital project, would require approval by the Board.

The General Manager has the authority to spend up to the budgeted amounts for Debt Service. The General Manager may also spend Self-Insurance Fund reserves to pay claims and claim expenses within the self-insured retention (\$500,000) during the fiscal year.

General Manager and Board roles in the administration of financial limits related to expenditures are summarized in the two following tables:

Capital Improvement Program Authorization Limits

Action		General Manager	Board of Directors
Approve Capital Improvement Plan and Capital Improvement Budget (CIP/CIB)		None	No Limit
Transfer Funds to Individual Project Budgets		\$500,000 or Less ¹	No Limit
Enter Into Agreements	Professional Consulting Services	\$200,000 or Less	Greater than \$200,000
	Technical Consulting Services	\$200,000 or Less	Greater than \$200,000
	Professional Engineering Services	\$200,000 or Less	Greater than \$200,000
Amend Agreements less than or equal to \$2 million		\$100,000 or Less	Greater than \$100,000
Amend Agreements greater than \$2 million		\$200,000 or Less	Greater than \$200,000
Transfer Funds from CIB Contingency Account to Projects Not Included in the CIB		\$200,000* or Less per Project ²	Greater than \$200,000*
Authorize purchase of individual equipment items		Up to Amount Specified in Equipment Budget	No limit
Authorize Supplemental Funds to Program Budgets and Contingency Account		None	No limit / Sewer Construction Fund Balance
Award Construction Contracts ³		\$200,000* or Less	Greater than \$200,000*
Authorize Construction Change Orders	Additive	\$200,000* or Less	Greater than \$200,000*
	Deductive	No Limit	No Board Authorization Required
Authorize Subcontractor Substitutions		All Substitutions Unless Protested by Subcontractor	Substitutions Protested by Subcontractor
Accept Construction Projects		All Projects	Informational Announcement to the Board
Close Out Projects		All Projects	Memo Provided to the Board at End of Fiscal Year
Acquire Easements		\$200,000 or less	Greater than \$200,000

¹ Limited by the remaining balances of the applicable program and contingency account.

² Limited by the remaining balance of the applicable contingency account.

³ Bid protests and rejection of all bids must go to the Board except for those under \$200,000 and which fall under the provisions of the California Uniform Public Construction Cost Accounting Act (UPCCAA) (§§ 22042 and 22042.5).

* These limits shall be raised concurrently with changes to the UPCCAA (California Public Contract Code §§22032(a), representing the threshold above which formal bidding is required under the UPCCAA).

Contracting Authority Limits

Value	Category of the Procurement		
	Goods and Services	Professional Consulting Services	Public Works Projects ¹
> \$0	General Manager Delegated Authority ¹		
> \$0 and ≤ \$200,000		General Manager Delegated Authority	General Manager Delegated Authority
> \$200,000		Board Authorization Required	Board Authorization Required
Amending Agreements ≤ \$2,000,000: Changes less than \$100,000		General Manager Delegated Authority	General Manager Delegated Authority
Amending Agreements > \$2,000,000: Changes less than \$200,000		General Manager Delegated Authority	General Manager Delegated Authority
Amendments Causing Agreement total to Exceed \$200,000		Board Authorization Required	

¹ The Board delegates authority to the General Manager, or their designee, to award and enter into contracts for goods and services within the Board's adopted operating budget, excluding labor, provided purchasing policy and procedures are adhered to.

Strategic Plan Summary

Central San develops its Strategic Plans on a two-year cycle, while tracking progress quarterly and producing performance reports annually. The Strategic Plans establish policy direction, outline core commitments, focus initiatives, and track performance with key performance metrics. This budget relates to the first year in the FYs 2022-24 Strategic Plan and reports FY 2021-22 strategic accomplishments and performance (based on information available during the publication of this book in spring 2022), as well as objectives for FY 2022-23. The FY 2020-21 performance against the metrics included in each of the divisions' sections is measured against the same targets for FY 2021-22, which are included in the FYs 2020-22 Strategic Plan.

The development of the FYs 2022-24 Strategic Plan began with the Board's re-adoption of Central San's Mission and adoption of revised Vision, Values, and Goals in the summer of 2021. These updates emphasized the agency's commitment to the environment, innovation, optimization, and continuous improvement.

The Strategic Plan contains five components: Goals, Strategies, Initiatives, Key Success Measures, and Metrics. The Strategies outline Central San's approach to achieve its Goals, overcome its challenges, accomplish its mission, and meet the community's needs in the most efficient and effective ways. The Initiatives describe the actions staff will take, and the Key Success Measures delineate the tasks to fulfill those Initiatives. The Key Metrics set targets, track progress, and evaluate performance. To view a complete copy of the Strategic Plan, please visit www.centrialsan.org.

Starting with the development of the FYs 2016-18 Strategic Plan, staff has used the Effective Utility Management (EUM) model as a tool to identify practices and procedures to improve operations and move toward continued sustainability across the organization. The EUM framework was originally developed in 2007 by the American Water Works Association (AWWA), U.S. Environmental Protection Agency (EPA), and nine other association partners representing the U.S. water and wastewater sector. It consists of 10 attributes that provide succinct focus areas for effectively managed utilities and what they should strive to achieve. These attributes are as follows:



Product Quality - Produces "fit for purpose" water that meets or exceeds full compliance with regulatory and reliability requirements and is consistent with customer, public health, ecological, and economic needs.



Customer Satisfaction - Provides reliable, responsive, and affordable services in line with explicit, customer-derived service levels.



Employee and Leadership Development - Recruits and retains a workforce that is competent, motivated, adaptive, and safety focused.



Operational Optimization - Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations in service to public health and environmental protection.



Financial Viability - Understands the full life-cycle cost of utility operations and the value of water resources.



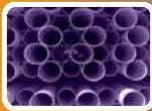
Infrastructure Strategy and Performance - Understands the condition of and costs associated with critical infrastructure assets.



Enterprise Resiliency - Ensures utility leadership and staff work together internally, and with external partners, to anticipate, respond to, and avoid problems.



Community Sustainability - Takes an active leadership role in promoting and organizing community sustainability improvements through collaboration with local partners.






Water Resource Sustainability - Ensures the availability and sustainable management of water for its community and watershed, including water resource recovery.







Stakeholder Understanding and Support - Engenders understanding and support from stakeholders, including customers, oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions.

Key Budget Priorities: Responding to Challenges

The Budget and Strategic Plan, as key planning documents, provide the resources and guidance necessary to accomplish Central San’s mission to protect public health and the environment and overcome its challenges. Central San is committed to improving the quality of services provided to its customers and will positively respond to major challenges through its key budget priorities as linked to the FYs 2022-24 Strategic Plan goals, as follows:

Key Budget Priority	Primary Response	FY 2022-23 Budgeted Project(s)
 GOAL ONE CUSTOMER AND COMMUNITY Provide exceptional service		
Balancing the need for financial resources against impacts to the customer	Continue commitment to educating customers about required revenue and resources needed to replace aging infrastructure and meet regulatory requirements	Public outreach, including the highly successful Central San Academy, student education programs, facilities tours, 75 th anniversary customer experience, <i>Pipeline</i> community newsletter, and social media engagement
 GOAL TWO ENVIRONMENTAL STEWARDSHIP Meet regulatory requirements, promote sustainability, and identify and reduce contributions to climate change		
Evolving regulatory requirements	Anticipate changing regulations and plan for alternatives to maintain reliability and meet requirements	Proactive participation with regulatory agencies as part of the Solids Handling Facilities Improvements Projects
Maintaining a sustainable water supply	Partner with agencies to find creative water solutions benefiting the region and state, and identify ways to maximize cost-effective resource recovery and sustainability	Continue exploring partnerships with Contra Costa Water District (CCWD), Santa Clara Valley Water District (Valley Water) and San Francisco Public Utilities Commission (SFPUC) to advance the Refinery Recycled Water Exchange Project to utilize recycled water at nearby refineries in place of raw Delta water to increase the amount of drinking water available to the community, and collaborate with East Bay Municipal Utility District (EBMUD) on a potable reuse study.
 GOAL THREE WORKFORCE DIVERSITY AND DEVELOPMENT Recruit, educate, empower, and retain a workforce from diverse backgrounds		
Driving employee performance and rewarding excellence	Develop, retain, and equip high quality employees with the tools needed to succeed, so Central San may become a preferred employer	Employee recognition, training and development programs, outside conferences, and professional association memberships to inspire continuous education and improvement

Key Budget Priority	Primary Response	FY 2022-23 Budgeted Project(s)
 GOAL FOUR GOVERNANCE AND FISCAL RESPONSIBILITY Uphold integrity, transparency, and wise financial management in an effective governing model		
Maintaining responsible rates at an affordable level	Balance capital spending with affordability and rate impact concerns, and offset infrastructure replacement, regulatory responses, and other expenses with cost-saving efforts, efficiencies, optimizations, and innovations	Financial planning to forecast needs and sensible spending, as well as the continued push to become a more cost-effective and efficient operation
 GOAL FIVE SAFETY AND SECURITY Provide a safe, secure, and healthful workplace that foresees and addresses threats		
Protecting the safety and security of both people and assets	Increase security at the treatment plant to address increased contractor and construction activity, and implement an Information Technology (IT) Master Plan with cybersecurity in mind	Projects to construct and provide safety upgrades and to contract with a consultant to help develop and implement the IT Master Plan
 GOAL SIX INFRASTRUCTURE RELIABILITY Maintain facilities and equipment to be dependable, resilient, and long lasting		
Aging infrastructure and climate resiliency	Make investments in capital improvements and internal resources to deliver on increased levels of capital spending	Major projects include the Solids Handling Facilities Improvements and Filter Plant and Clearwell Improvements
 GOAL SEVEN INNOVATION AND AGILITY Optimize operations for continuous improvement, and remain flexible and adaptable		
System optimization and utilization of Big Data	Continue to champion and initiate projects through the Central San Smart initiative to optimize operations, improve asset management, increase energy efficiency and safety, and reduce facility management costs	<p>Continued launch of the Treatment Plant Strategic Innovation and Optimization Initiative. Other optimizations include the Steam and Aeration Blower Systems Project to evaluate efficiency options for one of the major energy sources of the treatment process.</p> <p>Smart initiative projects include optimization of treatment plant asset handover process and development of an asset health indicator tool.</p>
The COVID-19 pandemic	Continue to maintain a safe working environment for employees and the public while providing essential services	Continue to update and enforce the COVID-19 Exposure Prevention Plan

Financial Overview

Central San uses an enterprise fund to account for its operations. The primary activities of the aggregate enterprise fund are further segmented into four funds and three other ancillary funds and accounts as described below:

Primary Internal Sub-Funds

- **Operations and Maintenance (O&M) Running Expense Fund** – This fund provides for the general operations, maintenance, and administration of Central San. Sewer Service Charge (SSC) revenues are collected by the Contra Costa County Tax Collector's Office and are remitted to Central San in two installments in April and December of each year. Central San provides several services, including wastewater treatment, to its customers and, by contract, to the cities of Concord and Clayton. Central San is reimbursed annually for the treatment services provided to Concord and Clayton residents. Central San reserves five months (41.7%) of its gross operating expenditures at the start of each fiscal year to pay its ongoing expenses throughout the year.
- **Sewer Construction Fund (Capital Fund)** – This fund provides for treatment plant and collection system asset renewal and replacement expenditures, as well as office facilities renewal, vehicle and equipment replacement, information systems replacement, and miscellaneous capital expansion needs. The City of Concord reimburses Central San for its share of expenses related to projects impacting the services the City has contracted with Central San to provide, proportional to flow. Property tax (property taxes) and a portion of Sewer Service Charge (SSC) revenues, which comprise a significant portion of annual capital project revenues, are collected by the Contra Costa County Tax Collector's Office and remitted to Central San in two installments in April and December of each year. In addition, Capacity Fees received from permits are allocated to this capital fund. To meet the cash flow needs of the Capital Projects program, Central San reserves 50% of the annual cash-funded portion of the Capital Projects budget at the start of each fiscal year. In FY 2022-23, the Capital Projects budget will be funded through current year rate collections (cash funded), and State of California Revolving Fund (SRF) loan proceeds for Phase 1 of the Solids Handling Facilities Improvements Project. The Capital Projects section of this document provides a table showing the various sources of revenue funding for each type of capital project.
- **Self-Insurance Fund (SIF)** – This fund is used to track self-insurance reserves and related investment earnings as well as costs of insurance premiums and claims not covered by Central San's insurance policies. Central San has self-insured a portion of its liability and property risks since July 1, 1986, when the Board approved the establishment of the SIF. As outlined in detail in the Self-Insurance Program section, the SIF contains two "sub-funds" for budgeting and tracking different types of self-insured losses. Sub-Fund A (\$1.5 million targeted level) tracks general and automobile liability losses, while Sub-Fund C (\$7.5 million targeted level) tracks losses related to emergencies or catastrophic events. Maintaining self-insured retentions and reserves helps to reduce Central San's insurance premium expense.
- **Debt Service Fund** – This fund accounts for activity associated with the payment of Central San's long-term debt. Central San's current debt includes Revenue Refunding bonds issued in September 2018 to refund previously existing 2009 bonds, and Certificates of Participation issued in 2021 to finance a portion of capital program expenditures for FY 2020-21 and FY 2021-22 and help facilitate

the payoff of Central San's outstanding pension UAAL. Central San's property tax revenue is the primary funding source for the Debt Service Fund.

Other Funds and Accounts

Other tracking mechanisms to segregate funds restricted for specific purposes include:

- **Pension Prefunding Trust Fund** – This Section 115 secondary pension trust was established by the Board in 2017. Deposits into or withdrawals from the trust require Board approval. The trust does not have a specified target size. The trust holds assets that would be available for use to meet pension obligations to the Contra Costa County Employees' Retirement Association (CCCERA). For financial reporting purposes, this budgetary "other fund" is consolidated into Central San's single entity enterprise fund pursuant to generally accepted accounting principles (GAAP). However, for budgetary purposes, the Pension Prefunding Trust Fund is tracked separately due to its significance for long-term financial planning and debt management. This fund was largely liquidated in June 2021, with nearly \$12.8 million being used to help finance the payoff of the outstanding balance of Central San's pension UAAL totaling approximately \$70.8 million.
- **Other Post-Employment Benefits (OPEB) Trust Fund** – This irrevocable trust was established by the Board in 2009. Deposits into the trust require Board approval. The Board adopted an OPEB Funding Policy (BP 042) in September 2020 establishing a target to achieve full funding (100% funded level) by meeting the actuarially determined contributions (ADC) contribution requirements specified by an independent actuary (currently Bartel & Associates). As of July 1, 2021, the OPEB UAAL had a remaining closed amortization period for 14 years, scheduled to be fully paid off in FY 2033-34. The trust holds assets that are specified for meeting employee-related post-employment benefits – primarily retiree healthcare coverage. For financial reporting purposes pursuant to GASB 84, commencing with FY 2021-22, this budgetary "other fund" is no longer reported in Central San's annual comprehensive financial report as a fiduciary fund. However, for budgetary purposes, the OPEB Trust Fund will continue to be tracked separately due to its significance for long-term financial planning and debt management.
- **Rate Stabilization Fund Reserve Account** – This restricted-use account was authorized by the 2018 Revenue Bonds and established by the Board in 2019. Deposits into the Rate Stabilization Fund Reserve Account would reduce the revenues specified for calculating the debt service coverage ratio metric, while withdrawals would increase revenues for calculating that metric. Rate Stabilization Fund Reserve Accounts were created in both the O&M Sub-Fund and the Sewer Construction Sub-Fund and use of proceeds held in the accounts requires specific Board action. The accounts do not have specified target sizes.

Financial Planning Policies

The significant policies that play a role in managing Central San's finances are summarized below:

Fiscal Reserves Policy

There is a strong emphasis placed on maintaining adequate reserves, and having a reserve policy ensures long-term financial stability. In 2015, the Board adopted Board Policy (BP) 017 – Fiscal Reserves, which set targets for each of Central San's reserve funds. This policy was reviewed and updated by the Board during FY 2021-22 to increase the Self-Insurance Catastrophic Loss/Emergency Reserves level from \$5.0 million to \$7.5 million. Fiscal reserves provide working capital for O&M activities; funding for long-term capital improvement requirements; fulfillment of legal, regulatory, and contractual obligations; mitigation of risk and liability exposures; and cash flow emergencies. Table 14 shows projected reserve balances as of June 30, 2022, and June 30, 2023.

- **O&M Fund** – Working capital reserves, the Board has set a target of five months (5/12 or approximately 41.7%) of gross operating expenses at the start of each fiscal year.
- **Sewer Construction Fund (Capital Improvement)** – Working capital reserves, the Board has set a target of 50% of the annual Capital Projects budget at the start of each fiscal year, excluding capital projects that are to be financed with debt.
- **SIF Reserves** – The Board has set a target of three times the annual retention (\$500,000), for a total of \$1.5 million for its auto and general liability risk program. In addition, as noted previously, to help mitigate the financial impacts and maintain uninterrupted service in the event of an emergency or catastrophic event, Central San maintains an additional Emergency Fund Reserve balance of \$7.5 million.
- **Debt Service Reserve (Bond Reserve)** – The previously outstanding 2009 Certificates of Participation (a type of borrowing) required the establishment and maintenance of a debt service reserve fund defined in the loan documents. With the refinancing of that debt with 2018 revenue bonds, the Debt Service Reserve Fund was eliminated in September 2018. No debt service reserve fund is now outstanding.

Other Significant Financial Accounts

- **Rate Stabilization Fund Reserve Account** – The 2018 Revenue Bond documents provided that Central San could establish and fund a discretionary rate stability fund reserve account. During FY 2019-20, the Board established a Rate Stabilization Fund Reserve account and made an initial contribution of \$2.61 million from available monies remaining from the financial close of FY 2018-19, an addition contribution of \$2.15 million of available monies from the FY 2019-20 financial close, and an additional contribution of \$2.7 million from the FY 2020-21 financial close. As of June 30, 2022, the fund is projected to have a balance of \$7.46 million. Rate Stabilization Fund Reserve accounts were created within the O&M Sub-Fund and the Sewer Construction Sub-Fund.
- **Pension Prefunding Trust** and **OPEB Trust** fund provisions are also described in the Financial Reserves Policy. Investment Guideline documents also specify investment parameters to be followed by the external investment manager.

Basis for Budgeting

The basis for budgeting refers to the method of recognition of revenue and expenses in budgetary reporting, which differs from the basis of accounting used in financial reporting. Central San’s comprehensive annual financial report employs proprietary fund accounting, reporting actual expenses and revenues on a “full-accrual” basis of accounting. In contrast, Central San’s budgets are prepared on a “modified cash flow” basis which projects the District’s cash inflow and outflow over the course of a fiscal year (July 1 through June 30), excluding physical and intangible assets such as depreciation expense. Also, while the annual budget emphasizes sub-fund budgetary projections and results, the annual comprehensive financial report emphasizes actual financial results reported in a consolidated enterprise fund format.

Central San’s accounts and transactions are tracked on a full accrual basis for year-end financial reporting, which is the basis of accounting under GAAP. Under this method, all assets and liabilities associated with operations are included on the balance sheet and revenues are recorded when earnings and expenses are recorded at the time the commitments are incurred.

Depreciation and amortization are handled differently in budgetary reporting versus financial reporting. In budgetary reporting, depreciation and amortization are excluded, and capital outlays as well as the repayment of debt used to finance capital assets are included and reported as expenses. In financial reporting such as the annual comprehensive financial report, depreciation and amortization are included, and capital outlays as well as the repayment of debt used to finance said capital assets are excluded for income statement reporting purposes.

Pension and OPEB are also handled differently in budgetary reporting versus financial reporting. In budgetary reporting, pension and OPEB expense adjustments as determined by actuarial reports are excluded, and employer contributions to the underlying irrevocable plan trusts are included and reported as expenses. In financial reporting such as the annual comprehensive financial report, pension and OPEB expense adjustments are included, and employer contributions to the underlying irrevocable plan trusts are excluded for income statement reporting purposes.

This table illustrates the differences between the budget and accounting basis as reflected on the income statement as described previously:

	BUDGETARY Modified Cash Flow Basis	ACCOUNTING Accrual Basis
Revenues	Recognized when earned and both measurable and available.	Recognized when earned and measurable
Expenses	Recognized when liability has been incurred, with some exceptions	Recognized when liability has been incurred
Depreciation and amortization	Excluded	Included
Capital outlays	Included	Excluded
Pension / OPEB expense	Excluded	Included
Pension / OPEB plan contributions	Included	Excluded
Debt issuance premiums/discounts	Excluded	Included
Debt service principal payments	Included	Excluded
Debt proceeds	Included	Excluded

Through this budget and its adoption by the Board, funds are appropriated to each of the sub-funds. Each of the sub-funds presents a budget in the form of revenues, expenses, and an overall contribution to or draw from reserves.

Central San presents a “balanced budget” each year, defined as a budget in which:

Budgeted revenues and planned draws from the applicable reserve meet or exceed budgeted expenditures, and where any planned draws from the reserve will leave the reserve at or above the policy targeted level.

Budget Amendments

In August 2021, the Board adopted amendments to the O&M and debt service budgets to reflect the pay-off of the CCCERA pension plan UAAL. A borrowing transaction in June 2021 produced funding for the capital program and freed up funds that were used to pay off the pension plan UAAL. As a result, O&M spending for FY 2021-22 and future years was to be reduced, while debt service was increased. The budget amendment reflected this reallocation and change in spending authorization in these funds. The following table provides a comparison of FY 2021-22 adopted versus amended budgets:

Table 1a – FY 2021-22 Adopted Versus Amended Budget

Fund	FY 2021-22 Budget		\$ Change	% Change
	Adopted	Amended		
Operations and Maintenance (O&M)	\$90,974,103	\$79,520,131	(\$11,453,972)	-12.6%
Sewer Construction	107,955,000	108,000,000	-	-
Debt Service	2,511,227	12,891,059	10,379,832	413.3%
Self-Insurance	1,285,000	1,285,000	-	-
Total Budget	\$202,725,330	\$201,651,190	(\$1,074,140)	-0.5%

Given the significance of this change, the remainder of this budget document shows the FY 2021-22 budget, as amended in comparison to FY 2022-23 for a more useful apples-to-apples comparison of budgeted line items.

Regulatory Accounting

In April 2021, the Board adopted BP 046 – *Regulatory Accounting*, which, in accordance with GASB 62, allows for the treatment of specified expenditures as either operating or capitalizable expenditures. The policy addresses the situation where certain expenditures connected with programs that will provide benefits to Central San customers over a multi-year period may be amortized or recovered through rates over a multi-year period, rather than as O&M expenditures recognized in a single period. The policy provides for transparency in requiring that items to be so treated are disclosed to the Board, with an assessment of the rate impact. The table below shows the status of past or current year budget expenditures that were approved or are proposed for regulatory accounting treatment. No additional items are proposed for regulatory accounting expenditures beyond two years which were proposed in the FY 2021-22, and which continue to be budgeted for in the proposed budget, while the first item in the table is no longer needed.

Expenditure	Budget Year Initially Proposed	Budgetary Treatment Absent BP 046	Budgetary Treatment with BP 046
1. Extraordinary waste hauling costs during the construction of the Solids Handling Facility Improvements Project (District Project (DP) 7348)	FY 2021-22	This item is withdrawn. The revised Solids Handling Facility Improvements Project does not anticipate the need for temporary solids hauling related to a furnace shutdown. Accordingly, no extraordinary hauling costs are anticipated, and regulatory accounting treatment is no longer relevant.	
2. Development of a five-year IT Strategic Plan (DP 8240, part of IT Development)	FY 2021-22	Recovered through O&M costs in the years incurred, FY 2021-22 and FY 2022-23.	Expenditures of \$1,137,700 were budgeted in the capital budget for DP 8240. The IT Strategic Plan project commenced in March 2022. The project will be funded in FY 2021-22 with rate revenues.
3. Enhanced security staffing while significant Capital Projects are underway (DP 7348 and others)	FY 2021-22	Recovered through O&M costs in the years incurred, FY 2021-22 through FY 2025-2026.	<p>Expenditures of \$100,000 per year growing at 3% annually over the next five FYs are budgeted in the capital budget for DP 7354 – Treatment Plant Security Improvements. These costs were included in the CIP for years FY 2021-22 through FY 2025-2026.</p> <p>Rate impact will depend on the ultimate funding source for this project during FY 2021-22.</p> <p>Currently, the budget anticipates use of SSC or property taxes collected in FY 2021-22. However, staff is also pursuing a bond issuance that would replace SSC funding for FY 2021-22 capital projects with debt. If debt is used, debt service amortization over an approximately 7 to 9-year period is anticipated.</p>

No additional regulatory accounting expenditures are contemplated for the FY 2022-23 budget. Two of the three expenditures proposed as part of the FY 2021-22 budget are contemplated to still be needed and warrant regulatory accounting treatment. The table below shows the status of past or current year budget expenditures that were approved or are proposed for regulatory accounting treatment.

Debt Management and Continuing Disclosure Policy

In August 2017, the Board adopted BP 029 – *Debt Management and Continuing Disclosure*, which sets the parameters for the responsible, prudent, and limited use of debt to finance Central San’s capital improvement program. Central San has primarily applied a pay-as-you-go philosophy while capital expenditures were stable from year to year but has occasionally (including in 1994 and 2009) used debt financing for large capital improvements brought about by regulatory changes or other unforeseen factors. The Debt Management Policy provides for the conservative use of debt, with the goal that over a ten-year period the amount of funding needed for ongoing pipeline replacement is to generally be collected through SSC rates, capacity fees, and/or property taxes, while debt may be used to cover the level of funding needed for the remaining portion of the capital program.

Currently, Central San is repaying 2018 Revenue Bonds and 2021 Certificates of Participation. As of June 30, 2021, total outstanding debt associated with infrastructure improvements was \$66.1 million, to be reduced to \$55.7 million by June 30, 2022, through regularly scheduled debt service principal payments. As noted in the “Debt” section of this document, borrowings under a SRF loan are anticipated to begin in FY 2021-22 for Phase 1 of the Solids Handling Facilities Improvements Project. Debt service for this loan will commence when the project is finalized, and accordingly, amortization of this loan is not yet projected in this document. However, no repayments will be due in FY 2022-23. Staff is also working on a potential 2022 bond offering which may fund a portion of FY 2022-23’s capital expenditures. A budget amendment to reflect the impact of this offering may be proposed if the issuance proceeds.

Debt restrictions currently include the following:

- **Revenue Pledge and Covenant** – Central San pledges property tax revenue, along with its net revenues consisting of gross revenues less the cost of operating the wastewater system.
- **Debt Service Coverage Ratios** of at least 1.0x (gross revenues including capacity fees and after payment of O&M, plus tax revenues / total debt service) and 1.25x (gross revenues excluding capacity fees and after payment of O&M plus tax revenues / total debt service) are adhered to.

Central San’s Debt Service Coverage Ratio is strong, attributable to minimal current debt service obligations following a mostly pay-as-you-go capital financing philosophy. This favorable coverage ratio is a factor in Central San’s very strong AAA and Aa1 credit ratings issued by Standard & Poor’s and Moody’s, respectively.

Investment Policy

Central San’s investment policy, BP No. 005 – *Statement of Investment Policy*, last revised in October 2021, is based on state law and prudent money management principles. All investments are in accordance with this policy and Sections 53646 and 53601 of the *California Government Code*. Through a formal agreement, Central San is currently a voluntary pooled participant with the Contra Costa County Treasury, allowing them to act as Central San’s Treasurer. The County invests all Central San’s funds. Securities are held in a custodial account separate from the County. The investment policy applies to all Central San funds and investment activities, apart from the OPEB and Pension Prefunding Trusts, which are governed by separate specific investment guidelines also approved by the

Board of Directors. The investment policy is reviewed by the Board annually, and its priorities, in order of importance, are safety, liquidity, and yield. The policy addresses issues such as permitted investments, banks and dealers, maturities, diversification, risk, delegation of authority, prudence, controls, reporting, and performance evaluation.

The OPEB Trust and Pension Prefunding Trust Investment Guidelines are also presented to the Board annually. The investments of these trusts are longer-term investments, with the OPEB Trust adopting a “moderate” investment strategy, and the Pension Prefunding Trust adopting a “moderately conservative” investment strategy. With respect to both trusts, U.S. Bank is the Trustee, HighMark Capital is the Investment Manager, and Public Agency Retirement Services is the Trust Administrator and Consultant. As of February 28, 2022, the OPEB Trust had a balance of \$83.3 million, a decrease from \$84.6 million on June 30, 2021. This reduction is largely attributable to market turmoil stemming from heavy international sanctions imposed on Russia following the invasion of Ukraine in February 2022. The impact to Central San’s OPEB Trust was both sudden and significant, demonstrated by the fact that the Trust reported a market value of \$87.8 million on December 31, 2021. At this point, it is still unclear what long-term implications, if any, this crisis will have on the OPEB Trust or Central San’s investment strategy moving forward. Staff is continuing to monitor the situation and confer with investment advisors, who at the moment still urge a long-term investment strategy avoiding any sudden overreactions to circumstances that may ultimately be short-term volatility.

The IRS Section 115 Pension Prefunding Trust was adopted during FY 2017-18 and was initially funded with \$3.4 million. With the adoption of this trust, Central San had the option of making payments to the Pension Prefunding Trust rather than direct any extra payment(s) to CCCERA, giving Central San greater retirement payment flexibility in the future, while still reducing overall pension liability. As an example of this flexibility, Central San could elect to draw down the Pension Prefunding Trust to meet its payment obligations to CCCERA to smooth payment obligations and mitigate rate volatility. Since its inception, additional payments to the Section 115 Pension Prefunding Trust were made through budgeted contributions, or supplemental contributions following the publication of unexpected favorable year-end budget variances. These supplemental contributions in addition to initial seed monies resulted in the Pension Trust growing to a balance of approximately \$12.7 million as of May 31, 2021. In June 2021, the bulk of the Pension Prefunding Trust balance was liquidated to assist in the full pay-down of the outstanding pension UAAL liability reported by CCCERA. While a residual balance of less than \$0.1 million currently remains, the trust is still open and can be utilized in the future at the discretion of the Board.

Current Financial Plan

Central San has a ten-year financial plan that projects anticipated spending, debt issuances, customer data, tax collections, and resulting rate increases. Factors considered in the long-range forecast include the impact of state legislation and mandates, regulatory compliance, GASB requirements, negotiated or forecasted salary increases and employee benefit changes (including anticipated changes in healthcare and retirement costs), energy costs, development in the service area, and infrastructure renewal and replacement needs.

The financial plan undergoes substantial development and review by staff, and various scenarios are presented to the Board during financial planning and rate-setting workshops. The financial plan covers

a period of twenty years, although the assumptions for projecting rates for the first ten years are the primary focus.

The current financial plan reflects the proposed Ten-Year Capital Improvement Plan (CIP) spending levels identified in the Comprehensive Wastewater Master Plan, as updated during periodic reviews of the spending plan. The most recent review was presented at the March 24, 2022 Board Financial Planning Workshop. The updated financial plan for FY 2022-23, reflecting results prior to the completion of the FY 2022-23 proposed budget, estimated O&M spending at \$84.1 million and capital spending at \$108.0 million. The original financial plan adopted as the basis for the four-year rate increase estimated FY 2022-23 O&M spending at \$101.2 million and capital spending at \$116.3 million. The updated financial plan was based on the following assumptions:

Operations and Maintenance

- Funding for the initiatives addressed in the two-year Strategic Plan. Accordingly, Central San's various planning documents are integrated and consistent.
- Updated O&M costs based on inflation and other cost-growth factors, including labor costs per assumptions in the memoranda of understanding with the bargaining units and agreements with unrepresented employees.
- Other key assumptions were summarized in the March 24, 2022 Board Financial Planning Workshop presentation available on the Central San website.

A revised summary financial plan reflecting the FY 2022-23 assumptions for the O&M budget not available at the time of the March 24 Board Financial Planning Workshop is provided in the Financial Summary section of this budget book, illustrated in Table 15. The approved FY 2022-23 budget will be used as a baseline for future years' planning.

Capital

The Ten-Year CIP was rolled forward one year, increasing from \$926.8 million to \$1,080.8 million over this ten-year timeframe. The revised plan is stated in current (2022) dollars and attempts to address capital improvement needs stemming from major drivers including: (1) increasing capacity demands driven by new development, (2) existing as well as new regulatory requirements, (3) replacement of aging infrastructure, and (4) ongoing sustainability. This updated ten-year plan was presented to the Board at a public meeting on March 24, 2022, and reflects a detailed assessment of Central San's latest needs, expected project timing, and a careful balance between revenues, reserves and debt to limit volatility and ensure stability of customer rates. The Capital Improvement program section of this budget book provides detail about the FY 2022-23 capital budget and the Ten-Year CIP.

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Financial Summary

The FY 2022-23 Budget provides the resources necessary to advance the Strategic Plan and meet the challenges Central San faces as it continues to provide high quality service while replacing aging infrastructure, optimizing capacity, and complying with regulatory requirements. The FY 2022-23 budget also complies with the Financial Policies discussed in the previous section.

Central San’s total budget for FY 2022-23 is \$213.5 million, including net contributions to reserve, representing an increase of \$11.9 million (5.9%), compared to the prior year’s budget of \$201.7 million. Changes by individual spending category are summarized as follows:

- The O&M fund budget is \$85.0 million, an increase of \$5.5 million (6.9%) over the prior year budget of \$79.5 million, as amended. The FY 2021-22 O&M budget was initially adopted by the Board in June 2021 with a budget of \$91.0 million. As described in the Financial Planning Policies section previously, the Board subsequently approved a FY 2021-22 budget amendment in September 2021 to reflect the payoff of the pension plan’s unfunded actuarially accrued liability (UAAL) in June 2021, a financing transaction executed after the adoption of the FY 2021-22 budget. Given the significance of this change, FY 2021-22 O&M budgeted expenditures throughout this budget book reflect the amended, rather than adopted, budget.
- The Sewer Construction fund budget is \$91.0 million, a decrease of \$17.0 million (-15.7%) from the prior year budget of \$108.0 million. Budgeted expenditures for this fund include capital outlays for the treatment plant, collection system, recycled water, and general improvements capital programs of the multi-year Capital Improvement Program.
- The Debt Service fund budget is \$13.3 million, an increase of \$0.4 million (2.8%) over the prior year budget, as amended. Budgeted expenditures for this fund include debt service associated with the 2018 Revenue Refunding Bonds as well as the 2021 Certificates of Participation.
- The Self-Insurance Fund (SIF) budget is \$2.2 million, an increase of \$0.9 million (68.9%) over the prior year budget. Budget expenditures for this fund include the costs of premiums and estimated losses based on historical actual experiences.

Table 1b – FY 2022-23 Total Budget

Fund	Expenditures Trend				Budget to Budget Variance	Percent Variance
	FY 2020-21 Budget	FY 2020-21 Actual*	FY 2021-22 Budget**	FY 2022-23 Budget		
Operations and Maintenance (O&M)	\$90,666,338	\$83,283,099	\$79,520,131	\$85,019,046	\$5,498,915	6.9%
Sewer Construction	88,024,000	69,610,843	107,955,000	90,976,000	(16,979,000)	-15.7%
Debt Service	2,517,605	2,522,405	12,891,059	13,251,922	360,863	2.8%
Self-Insurance	1,153,500	1,395,142	1,285,000	2,170,000	885,000	68.9%
Total Appropriations	182,361,443	156,811,488	201,651,190	191,416,968	(10,234,222)	-5.1%
Contribution to Reserves	-	62,013,846	-	\$22,119,932		
Total Funding Uses	\$182,361,443	\$218,825,334	\$201,651,190	\$213,536,900	\$11,885,710	5.9%

*Actuals for the O&M fund exclude the pension UAAL payoff totaling \$70,763,669, which is considered an extraordinary item. This has been backed out of this table and reported separately in other O&M budget tables as its inclusion would distort the comparability between fiscal years. Total FY 2020-21 expenditures including this extraordinary item were \$227,575,157.

**As amended by the Board in September 2021.

Sources of Funds

The sources of funds (revenues) for FY 2022-23 are shown in Figure 1. A comparison of the major revenue sources for FY 2022-23 and two prior years is shown in Figure 2.

Figure 1 – Total Funding Sources – FY 2022-23 Proposed Budget

FY 2022-23 Total Budgeted Funding Sources of \$213,536,900

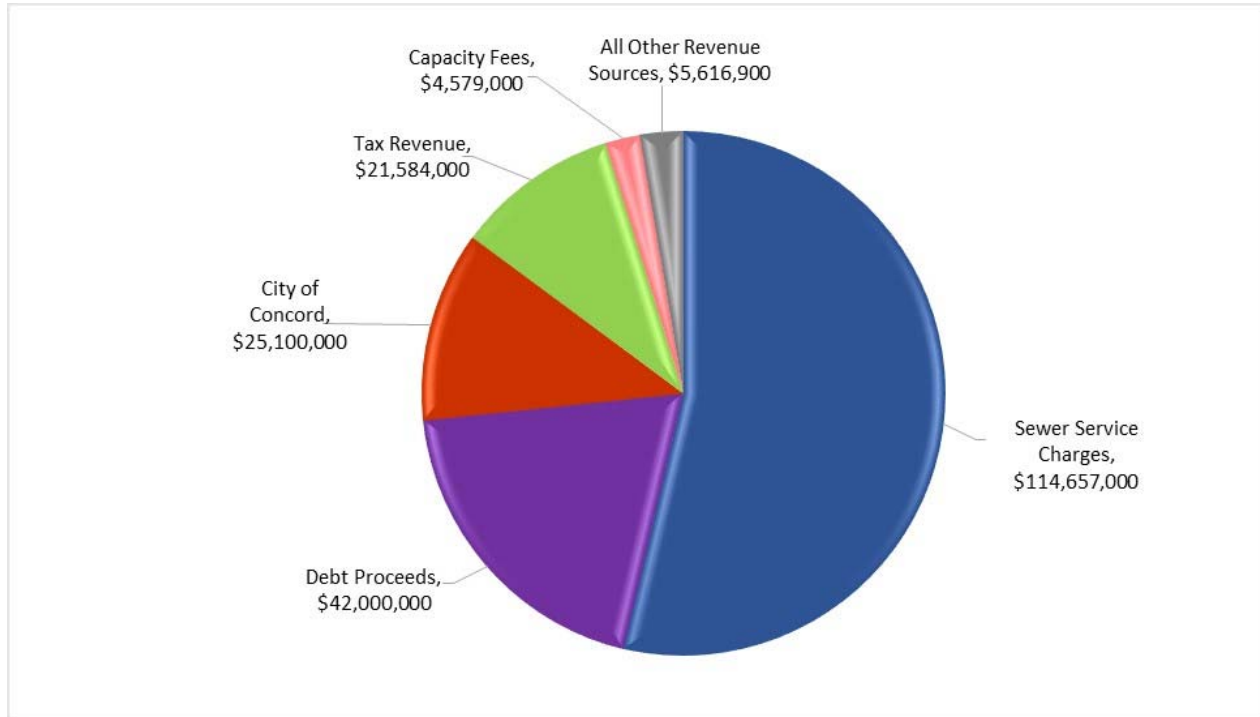
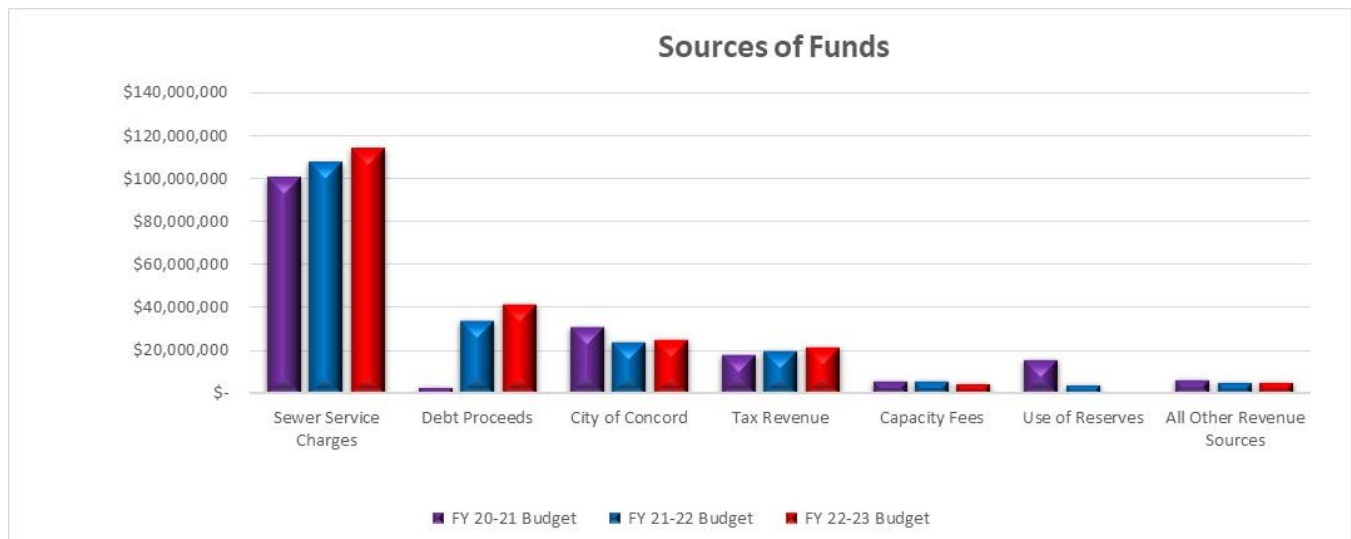


Figure 2 – Total Funding Sources – Three-Year Budget Comparison

<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
\$182,361,443	\$201,651,190	\$213,536,900



The SSC is the largest source of revenue for FY 2022-23 at \$114.7 million, followed by City of Concord cost-sharing revenue at \$25.1 million, property taxes at \$21.6 million, and Capacity Fees at \$4.6 million. All other sources of revenue, excluding draws on reserves and debt proceeds, are \$5.6 million. Non-revenue sources of funds for FY 2022-23 include expected borrowing of \$42.0 million, described elsewhere in this section.

A brief description of Central San's revenue sources and how they are forecasted follows:

- **Sewer Service Charge (SSC)** – Each residential and non-residential customer in Central San's service area pays an SSC. It is assessed annually on the customer's property tax bill, or, for those customers who do not receive a property tax bill, billed directly by Central San, to pay for the collection and treatment of wastewater. The basis for the charge is the strength and volume of the wastewater discharged, and customers are assigned to various classes for billing purposes. SSCs rates vary by customer class and have been developed to ensure that each class pays its proportionate share of operating, maintaining, repairing, and upgrading the sewer collection and treatment system. Periodic cost-of-service studies review and adjust the allocation of costs to individual customer classes based on their burden to the sewer system. For residential customers, separate rates are charged to single family and multi-family residences. Non-residential customers are typically billed based on their water consumption and business type. For budgetary purposes, the forecast for the SSC is based on prior year revenue, estimated growth derived from anticipated residential construction, and predicted changes in non-residential water consumption. Water consumption volumes for non-residential customers were down in 2021 due to pandemic impacts. As 2021 water consumption is the basis for commercial SSC charges, this is projected to translate to a reduction in commercial SSC revenues by approximately \$0.9 million.
- **City of Concord** – Central San receives revenues from the City of Concord which are calculated and billed in accordance with the terms of a contractual agreement for the treatment of wastewater from both the City of Concord and the City of Clayton. The cities are responsible for paying their flow-proportional share of the operating and maintenance costs for Central San's treatment plant. The amount of revenue is forecast annually for budgeting purposes by multiplying the City of Concord's estimated flow percentage by the budgeted treatment plant and associated costs. Under the current arrangement, the City of Concord reimburses Central San once a year on a fiscal year basis. Following the close of the fiscal year, the Finance Division submits an invoice to the City of Concord which is generally paid by August/September.
- **Property Tax Revenue** – Central San receives a share of the ad valorem property taxes collected by Contra Costa County on properties within the service area. These taxes are used to pay debt service requirements, and the remaining funds are allocated to the Capital Improvement Program. This revenue is forecast by reviewing historic property tax revenue and adjusting for anticipated changes in property value. The FY 2022-23 budget assumes property tax growth of 3.0% over FY 2021-22 projected actual revenue.
- **Capacity Fees (Gravity and Pumped Zone)** – Gravity and Pumped Zone Capacity Fees are collected from new construction and expansion of non-residential facilities which result in an added wastewater burden. The fee is calculated as an equity buy-in. Residential parcels are charged a flat per-unit fee, and non-residential parcels are typically charged based on the business type and building square footage, which represents their anticipated wastewater burden. The amounts due are collected before plans are approved. The budgeted amount is estimated by the Planning & Development Services Division based on trend analysis and anticipated construction activity for the

upcoming year. Pumped Zone Fees are collected specifically to cover pumping infrastructure costs for new developments or expansion in areas where pump stations are required to move wastewater to the Central San treatment plant. These fees are budgeted by multiplying the incremental Pumped Zone Fee times the number of residential unit equivalents anticipated to be subject to such fees.

- **Household Hazardous Waste (HHW) Reimbursement** – Central San provides a facility where residents and businesses within the service area may dispose of specified hazardous wastes. Additionally, residents from specified cities (Concord, Clayton, San Ramon, and parts of Martinez served by the Mt. View Sanitary District) also have the right to use the facility, and these Cities pay a contractually agreed amount for this service. The amounts due are invoiced by the Finance Division in August for the prior fiscal year. The budgeted amounts are based on projected total costs of the facility, to be shared pro rata by all users within the service area.
- **Recycled Water** – This represents revenue from the sale of recycled water to customers in Central San’s service area who have recycled water meters. The amounts due are invoiced by the Finance Division bi-monthly based on monthly meter readings. The Planning & Development Services Division forecasts the revenue from recycled water based on projected changes in recycled water consumption. Other internal use of recycled water is not included in reported revenues, but a calculated ascribed value of this water based on production costs is shown in the Operating Departments section of this document under the Recycled Water Program discussion.
- **All Other Revenue Sources** – This includes the following:
 - **Permit and Inspection Fees** – These are fees for sewer permits, plan review, inspections, and related activities, including environmental compliance fees. The amounts are forecast by the Development Services Supervisor based on anticipated construction activity for the upcoming year.
 - **Lease Rental Income** – This represents rental income from buffer properties (buildings and undeveloped land) owned by Central San and rented to third parties through multi-year agreements. Leases are reviewed by the Finance and Right-of-Way Divisions to identify any changes to multi-year lease rates. Budgeted lease revenue is based on the terms of those leases.
 - **Stormwater/Pollution Prevention** – These are fees collected from Contra Costa County and certain cities for performing stormwater inspections as required by Contra Costa County’s National Pollutant Discharge Elimination System (NPDES) permit. These services are provided by Central San’s Environmental Compliance group under contract with the Contra Costa Clean Water Program. Amounts are invoiced by the Finance Division based on the number of inspections completed. The budgeted amount is based on a targeted number of inspections to be performed during the fiscal year.
 - **Investment Income** – This is based on forecast cash levels multiplied by estimated interest rates over the course of the fiscal year. Interest rates are anticipated to remain low in FY 2022-23.
 - **Developer Fees** – These are charges for plan review and inspection of mainline extension projects by developers and other property owners. The amounts are collected by the Permit Counter and are budgeted based on estimates by the Planning & Development Services Division based on trend analysis and anticipated construction activity for the upcoming fiscal year.

- **Other** – This includes annexation fees, other service charges, and miscellaneous fee revenue. Amounts are collected by various departments depending on the source of revenue
- **Use of Reserves** – Use of, or contribution to, reserves is calculated separately by sub-fund. A contribution to reserves results from budget year revenues exceeding budget year expenditures. A draw from reserves results if the reverse is true. Table 14 shows the reserve status by sub-fund and overall status of the Central San Enterprise Fund.
- **Loan Proceeds** – Use of anticipated borrowing proceeds of \$42.0 million to fund the Capital Improvement Budget for FY 2022-23 is shown in Table 13.

Tables 2a, 2b, 2c, 2d show the overall funding sources of Central San and how those funding sources are applied to each sub-fund for the proposed FY 2022-23 budget, the FY 2021-22 budget, projected actuals for FY 2021-22 and actual FY 2020-21 results.

Table 2a – Allocation of Funds – FY 2022-23 Budget

Funding Sources FY 2022-23 Budget	O&M	Capital	Self- Insurance	Debt Service	FY 2022-23 Budget
Sewer Service Charge	\$47,162,407	\$65,832,492	\$1,662,101	\$ -	\$114,657,000
City of Concord	17,600,000	7,500,000	-	-	25,100,000
Property Tax Revenue	-	8,332,078	-	13,251,922	21,584,000
Capacity Fees-Gravity	-	4,445,000	-	-	4,445,000
Capacity Fees- Pumped Zone	-	134,000	-	-	134,000
HHW Reimbursement	1,048,000	-	-	-	1,048,000
Recycled Water	445,000	-	-	-	445,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,799,500	-	-	-	1,799,500
Lease Rental Income	740,000	-	-	-	740,000
Stormwater/Pollution Prevention	415,000	-	-	-	415,000
Investment Income	262,000	140,000	47,400	-	449,400
Developer Fees	-	403,000	-	-	403,000
Other	291,000	1,000	25,000	-	317,000
Total Other Revenue Sources	3,507,500	544,000	72,400	-	4,123,900
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	69,762,907	86,787,570	1,734,501	13,251,922	171,536,900
Debt Proceeds	-	-	-	42,000,000	42,000,000
Interfund Transfer (Capital Reimbursement)	-	42,000,000	-	(42,000,000)	-
Use of/(Contribution to) Reserves	15,256,139	(37,811,570)	435,499	-	(22,119,932)
Total Funding Sources*	\$85,019,046	\$90,976,000	\$2,170,000	\$13,251,922	\$191,416,968

*Excluding total net contributions to reserves of \$22.1 million, total funding sources budgeted for FY 2022-23 are \$213.5 million, which is the amount presented in Table 1b, Figure 1, and Figure 2.

Table 2b – Allocation of Funds – FY 2021-22 Budget

Funding Sources FY 2021-22 Budget	O&M	Capital	Self- Insurance	Debt Service	FY 2021-22 Budget
Sewer Service Charge	\$96,331,829	\$10,035,739	\$1,576,419	\$-	\$107,943,987
City of Concord	15,445,534	8,700,914	-	-	24,146,448
Tax Revenue	-	6,940,168	-	12,891,059	19,831,227
Capacity Fees-Gravity	-	5,799,000	-	-	5,799,000
Capacity Fees-Pumped Zone	-	151,000	-	-	151,000
HHW Reimbursement	977,000	-	-	-	977,000
Recycled Water	432,000	-	-	-	432,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,894,400	-	-	-	1,894,400
Lease Rental Income	715,000	-	-	-	715,000
Stormwater/Pollution Prevention	390,000	-	-	-	390,000
Investment Income	180,000	319,000	50,000	-	549,000
Developer Fees	-	296,000	-	-	296,000
Other	316,000	1,600	25,000	-	342,600
Total Other Revenue Sources	3,495,400	616,600	75,000	-	4,187,000
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	116,681,763	32,243,421	1,651,419	12,891,059	163,467,662
Debt Proceeds	-	-	-	34,120,000	34,120,000
Interfund Transfer (Capital Reimbursement)	-	68,572,325	-	(68,572,325)	-
Use of (or Contribution to) Reserves	(37,161,632)	7,139,254	(366,419)	34,452,325	4,063,528
Total Funding Sources	\$79,520,131	\$107,955,000	\$1,285,000	\$12,891,059	\$201,651,190

Table 2c – Allocation of Funds – FY 2021-22 Projected

Funding Sources FY 2021-22 Projected	O&M	Capital	Self- Insurance	Debt Service	FY 2021-22 Projected
Sewer Service Charge	\$98,870,433	\$10,279,620	\$1,576,419	\$-	\$110,726,472
City of Concord	15,900,000	8,700,000	-	-	24,600,000
Tax Revenue	-	8,082,740	-	12,873,260	20,956,000
Capacity Fees-Gravity	-	4,316,000	-	-	4,316,000
Capacity Fees-Pumped Zone		130,000			130,000
HHW Reimbursement	1,018,000	-	-	-	1,018,000
Recycled Water	432,000	-	-	-	432,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,820,700	-	-	-	1,820,700
State COVID Special District Relief	996,096	-	-	-	996,096
Lease Rental Income	743,000	-	-	-	743,000
Stormwater/Pollution Prevention	410,000	-	-	-	410,000
Investment Income	114,000	136,000	19,200	20,000	289,200
Developer Fees	-	391,000	-	-	391,000
Other	288,579	99,742	25,000	-	413,321
Total Other Revenue Sources	4,372,375	626,742	44,200	20,000	5,063,317
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	120,592,808	32,135,102	1,620,619	12,893,260	167,241,789
Debt Proceeds	-	-	-	14,500,000	14,500,000
Interfund Transfer (Capital Reimbursement)	-	49,880,443	-	(49,880,443)	-
Use of (or Contribution to) Reserves	(43,309,267)	984,455	(261,598)	35,380,443	(3,889,067)
Total Funding Sources	\$77,283,541	\$83,000,000	\$1,359,021	\$12,893,260	\$177,852,722

Table 2d – Allocation of Funds – FY 2020-21 Actual

Funding Sources FY 2020-21 Actual	O&M	Capital	Self- Insurance	Debt Service	FY 2020-21 Actual
Sewer Service Charge	\$72,325,341	\$30,156,394	\$-	\$-	\$102,481,734
City of Concord	15,002,567	10,064,155	-	-	25,066,722
Tax Revenue	-	17,697,471	-	2,511,211	20,208,682
Capacity Fees-Gravity	-	5,223,516	-	-	5,223,516
Capacity Fees-Pumped Zone		219,733			219,733
HHW Reimbursement	1,054,840	-	-	-	1,054,840
Recycled Water	538,943	-	-	-	538,943
Other Revenue Sources Including:					
Permit & Inspection Fees	2,176,156	-	-	-	2,176,156
Lease Rental Income	742,726	-	-	-	742,726
Stormwater/Pollution Prevention	415,115	-	-	-	415,115
Investment Income	143,256	245,740	42,203	11,194	442,392
Developer Fees		321,099			321,099
Other	1,316,988	29,816	586,872	-	1,933,676
Total Other Revenue Sources	4,794,240	596,655	629,075	11,194	6,031,163
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	93,715,931	63,957,923	629,075	2,522,405	160,825,334
Debt Proceeds	-	-	-	58,000,000	58,000,000
Interfund Transfer (Capital Reimbursement)	-	23,467,951	-	(23,467,951)	-
Use of (or Contribution to) Reserves	(10,432,832)	(17,815,032)	766,067	(34,532,049)	(62,013,846)
Total Funding Sources	\$83,283,099	\$69,610,842	\$1,395,142	\$2,522,405	\$156,811,488

Sewer Service Charge

Tables 3 and 4 show the SSC for FY 2022-23 compared to the prior four fiscal year’s rates for residential and non-residential customers. Rates for FY 2019-20 to FY 2022-23 were approved by the Board after a public hearing on April 18, 2019, through the adoption of a four-year rate ordinance. Since then, multiple financial workshops have been held (November 4, 2019; March 12, 2020; December 17, 2020; March 25, 2021; and March 24, 2022) to discuss Central San’s financial outlook and to receive Board direction on key financial planning matters. As committed to in the adoption of the four-year rate ordinance, on April 21, 2022, the Board deliberated on whether to adjust the previously adopted rates for FY 2022-23. The Board did not adopt changes, allowing the rates to go into effect for July 2022.

Table 3 – Approved Annual SSC-Residential

Customer Type	FY 2018-19	FY 2019-20	FY 2020-21*	FY 2021-22	FY 2022-23
Single Family Residence	\$567	\$598	\$629 legal rate, while \$598 collected	\$660	\$690
Other Residences – Apartments, Condominiums, Duplexes, Second Living Units, Mobile Homes	\$549	\$566	\$596 legal rate, while \$566 collected	\$625	\$654
Effective Date	07/01/18	7/01/19	7/01/20	07/01/21	07/01/22

* On May 7, 2020, the Board voted to not collect the incremental rate increase for FY 2020-21, while leaving in place the entire rate structure adopted by Ordinance No. 304, effectively creating a rate increase holiday for FY 2020-21.

In April 2019, the Board approved the consolidation of most of Central San’s prior non-residential customer classes into five classes (shown below) based on combined strength limits, defined as the sum of biochemical oxygen demand and total suspended solids. These customer classes are now “Low,” “Medium-Low,” “Medium,” “Medium-High,” and “High,” and fairly charge those customers for the proportionate cost of collecting and treating their wastewater, based on an updated cost-of-service study completed in FY 2018-19. The change was effective July 1, 2019. In FY 2020-21, only the rates from the prior year were collected, providing a rate increase holiday for FY 2020-21.

Table 4 – Approved Annual SSC-Non-Residential

User Group	Description	Combined Strength Limits	FY 2020-21*	FY 2021-22	FY 2022-23
Low	Non-residential uses not listed below (no food service)	Up to 350 mg/l	\$6.56	\$6.87	\$7.20
Medium-Low	Food service without Type 1 hood, shared water meter with less than 50% food service	351 to 700 mg/l	\$8.05	\$8.43	\$8.83
Medium	Shared water meter with 50% or greater food service	701 to 1,000 mg/l	\$10.09	\$10.57	\$11.07
Medium-High	Food service with Type 1 hood, supermarkets, hotels and motels with food service, shared water meters with bakery	1,001 to 1,300 mg/l	\$11.26	\$11.79	\$12.35
High	Mortuaries, bakeries, restaurants with grinders or emulsifiers, breweries with Best Management Practices permit	Greater than 1,300 mg/l	\$14.92	\$15.63	\$16.37
Minimum Annual Charge			\$596.00	\$625.00	\$654.00

* On May 7, 2020, the Board voted to not collect the incremental rate increase for Fiscal Year 2020-21, while leaving in place the entire rate structure adopted by Ordinance No. 304, effectively creating a rate increase holiday for FY 2020-21.

Customer Type	FY 2020-21*	FY 2021-22*	FY 2022-23
Schools			
Schools – Daycare, Preschool, University (per hundred cubic feet)	\$6.56	\$6.87	\$7.20
Schools – Elementary (per student)	\$7.82	\$8.19	\$8.58
Schools – Intermediate and High School (per student)	\$15.45	\$16.18	\$16.95
Industrial Permit (including food processing)			
Wastewater Flow (per hundred cubic feet)	\$5.08	\$5.32	\$5.57
Biological Oxygen Demand (BOD) (per 1,000 pounds)	\$1,342.00	\$1,406.00	\$1,473.00
Total Suspended Solids (TSS) (per 1,000 pounds)	\$701.00	\$734.00	\$769.00
Fixed	\$98.61	\$103.29	\$108.20
Special Discharge Permits and Contractual Agreements	Determined Individually	Determined Individually	Determined Individually

* On May 7, 2020, the Board voted to not collect the incremental rate increase for Fiscal Year 2020-21, while leaving in place the entire rate structure adopted by Ordinance No. 304, effectively creating a rate increase holiday for FY 2020-21.

Below is a diagram of the five customer classes showing the combined strength limits and the representative businesses that are contained within each category:

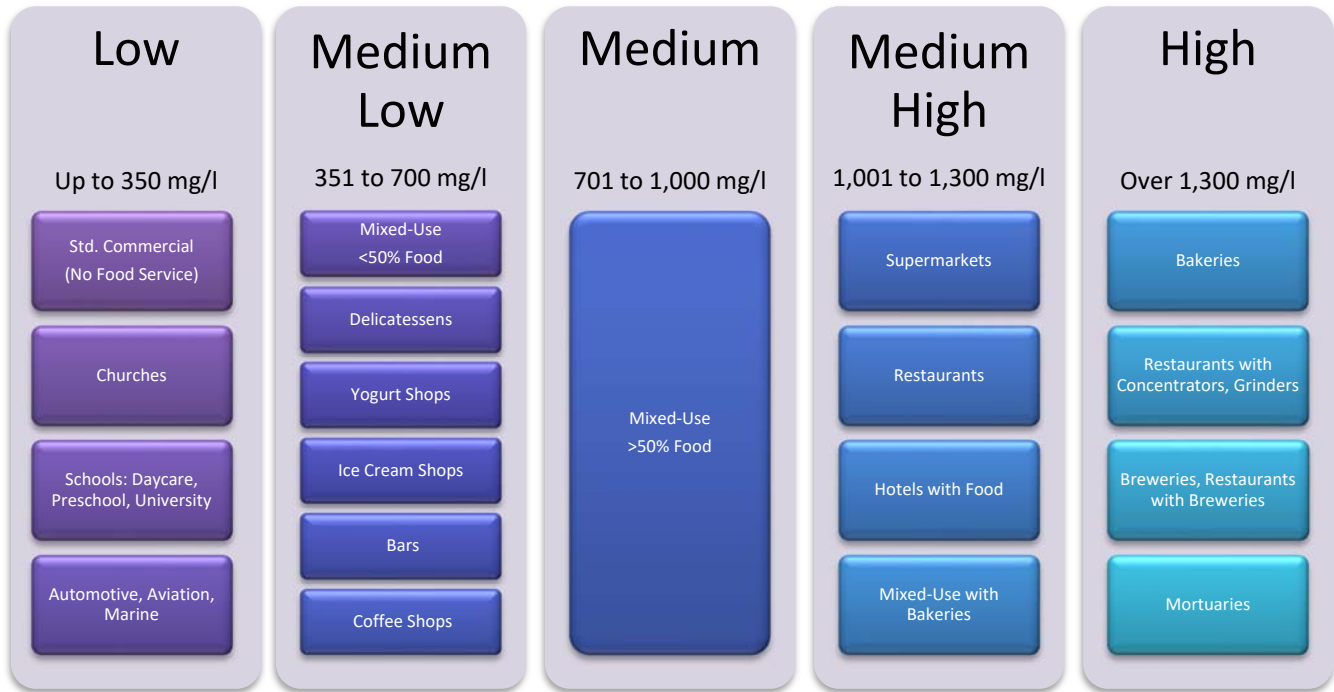


Table 5 indicates the total collected SSC and how such funds are allocated to the sub-funds. The allocation of the SSC to Capital increases from 31.6% in FY 2021-22 to 57.4% in FY 2022-23. The FY 2021-22 allocation of SSC to Capital was temporarily lower than typical due to the payoff of the pension UAAL balance in June 2021 necessitating a higher-than-normal allocation of SSC to the O&M fund in FY 2020-21 and FY 2021-22. Accordingly, the allocation of the SSC to the O&M fund decreases from 66.9% in FY 2021-22 to 41.1% in FY 2022-23, which is more in line with the historical O&M to Capital fund split.

Table 5 – Allocation of Sewer Service Charges

	FY 2020-21 Budget	%	FY 2020-21 Actual	%	FY 2021-22 Budget	%	FY 2022-23 Budget	%	\$ Change
To O&M	\$44,527,762	44.0%	72,325,341	70.6%	\$72,259,337	66.9%	\$47,162,407	41.1%	(\$49,169,422)
To Capital	56,673,402	56.0%	30,156,394	29.4%	34,108,232	31.6%	65,832,492	57.4%	55,796,753
To Self-Insurance	-	-	-	-	1,576,419	1.5%	1,662,101	1.4%	85,682
Total Collected	\$101,201,164	100.0%	\$102,481,734	100.0%	\$107,943,987	100.0%	\$114,657,000	100.0%	\$6,713,013

The allocation of SSC between the sub-funds fluctuates each year and is based on spending levels, other revenue sources, and reserve requirements and balances in each fund. The above allocation is based on the overall budget assumptions as specified in this document. As the District is currently exploring a bond offering that may be used to fund a portion of FY 2022-23 and FY 2023-24 capital expenditures, the allocation of SSC to O&M and Capital sub-funds may be revised through a budget amendment if this bond offering proceeds.

Table 5 also shows a direct allocation of SSC to the self-insurance fund to restore the self-insurance fund balance to the required \$9.0 million level. This change in the Self-Insurance funding in

methodology was implemented in FY 2021-22, with the replenishment in years prior to that being accomplished through the O&M fund as an inter-fund expenditure. The direct allocation of SSC is the preferred ongoing method as it is more transparent and avoids the perception of double-counted expenditures that can be caused by inter-fund transfers.

Uses of Funds

The uses of funds (expenditures and contributions to reserves) for FY 2022-23 are shown in Figure 3. Sewer construction funding is anticipated at 90% of the budgeted level, consistent with the assumption in the financial plan that was the basis for the FY 2022-23 financial workshop on March 24, 2022.

Figure 3 – Total Funding Uses – FY 2022-23 Budget

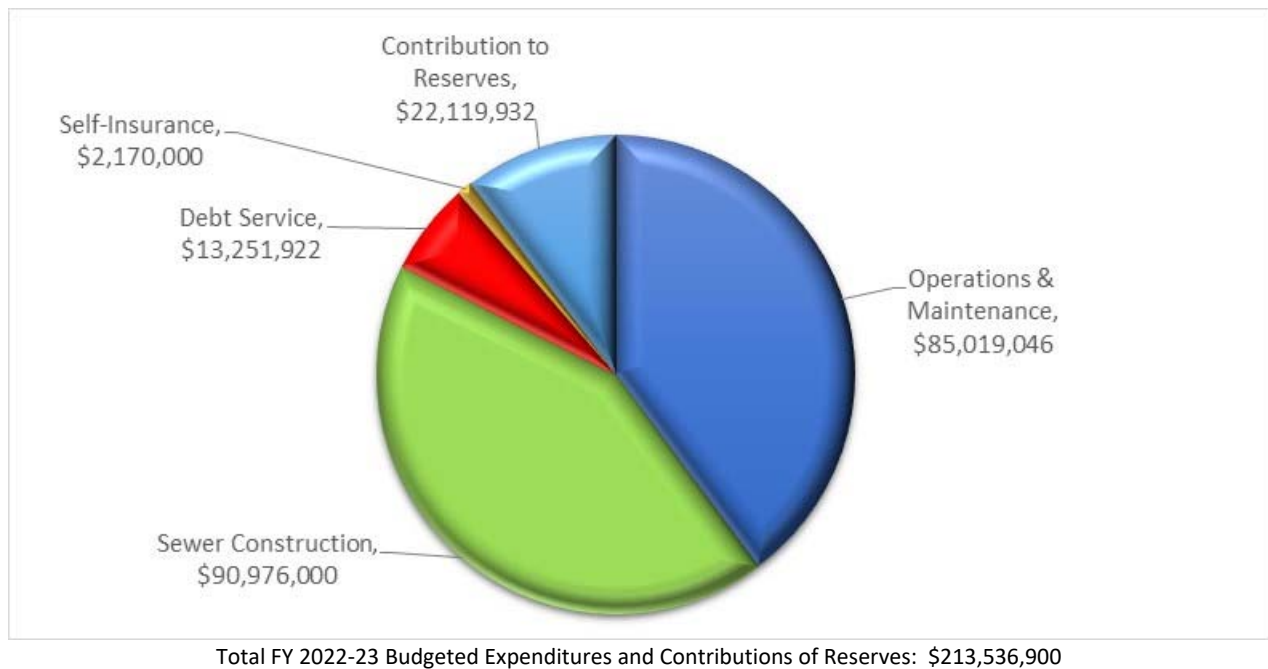
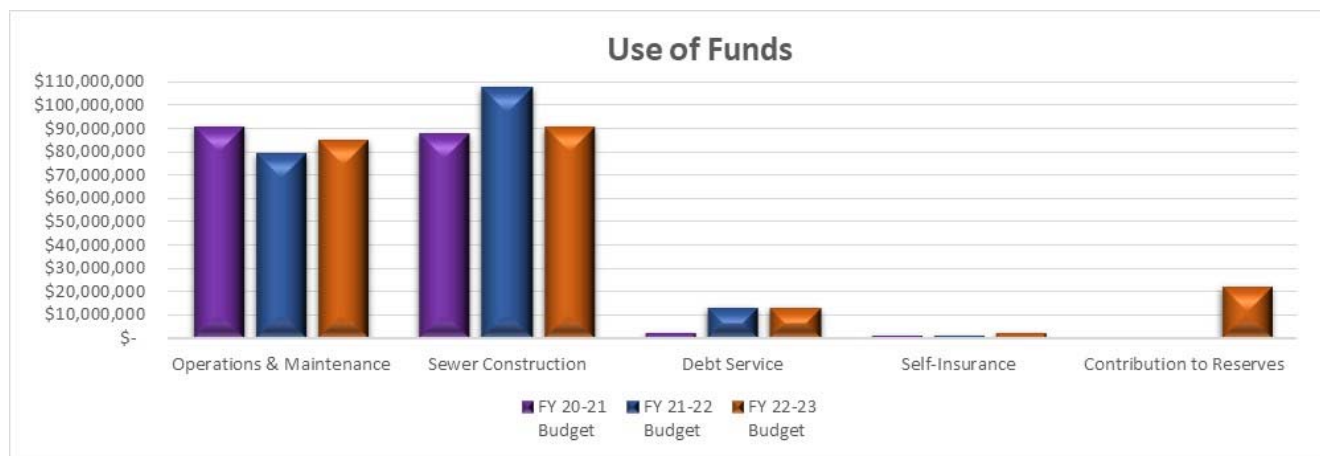


Figure 4 – Where the Money Goes

<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
\$182,361,443	\$201,651,190	\$213,536,900



Operations & Maintenance Budget Overview

Excluding the draw from reserves, total O&M revenue for FY 2022-23 is projected to be \$69.8 million, compared to the FY 2021-22 amended budget amount of \$116.7 million, as shown in Table 6.

Table 6 – FY 2022-23 Budgeted O&M Revenues

Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance	Percent Variance
Revenue							
Sewer Service Charge	\$44,527,762	\$72,325,341	\$96,331,829	\$98,870,433	\$47,162,407	(\$49,169,422)	-51.0%
Concord SSC	15,760,000	15,002,567	15,445,534	15,900,000	17,600,000	2,154,466	13.9%
Permit & Inspection Fees	2,022,400	2,176,156	1,894,400	1,820,700	1,799,500	(94,900)	-5.0%
HHW Reimbursement	1,064,000	1,054,840	977,000	1,018,000	1,048,000	71,000	7.3%
Lease Rental Income	719,000	742,726	715,000	743,000	740,000	25,000	3.5%
Recycled Water	482,000	564,699	432,000	432,000	445,000	13,000	3.0%
Stormwater / Pollution Prevention	390,000	415,115	390,000	410,000	415,000	25,000	6.4%
Investment Income	190,000	143,256	180,000	114,000	262,000	82,000	45.6%
State Funding	-	-	-	996,096	-	-	-
Other	277,000	1,291,232	316,000	288,579	291,000	(25,000)	-7.9%
Total Revenue	\$65,432,162	\$93,715,931	\$116,681,763	\$120,592,808	\$69,762,907	(\$46,918,856)	-40.2%

O&M revenue decreased by \$46.9 million, or 40.2%, due primarily to the following:

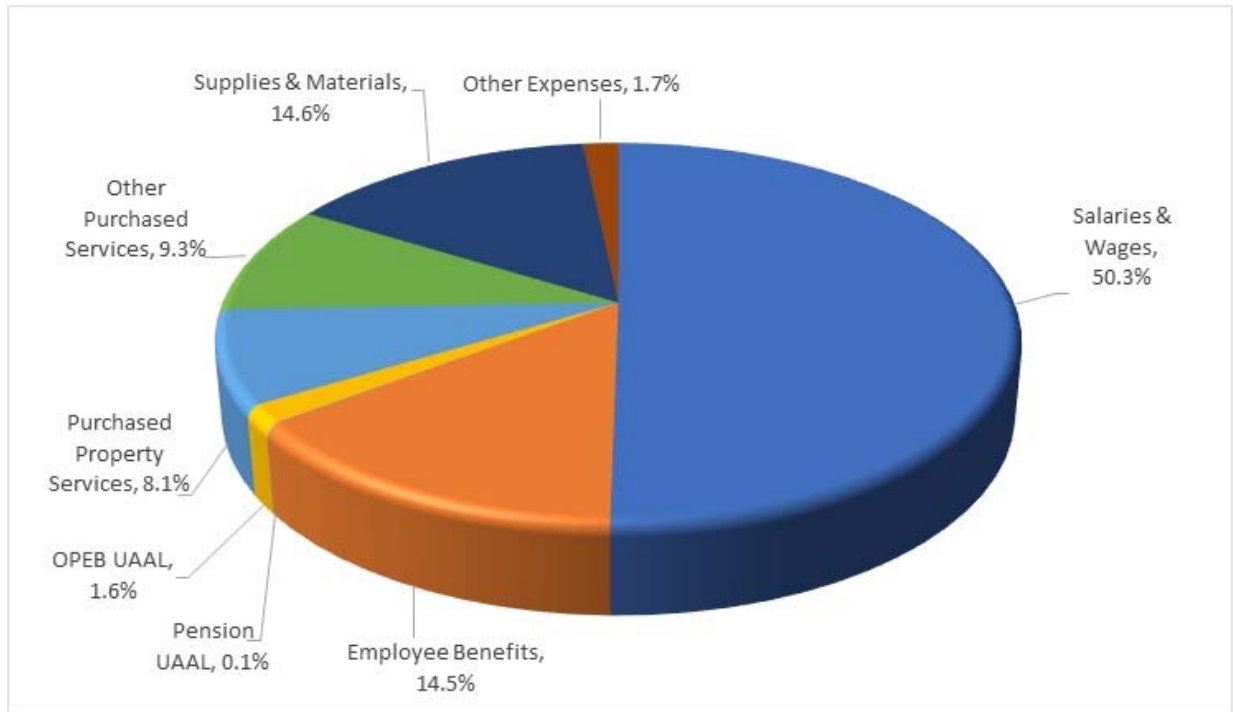
- For FY 2021-22, the allocation of SSC to O&M was significantly increased to finance the Board-approved payoff of the outstanding balance of the pension plan UAAL in June 2021 totaling \$70.8 million. The accompanying significant reduction in SSC allocated to the Sewer Construction fund in FY 2021-22 was offset by the issuance of Certificates of Participation yielding \$58 million in proceeds with a true interest cost of 0.38% compared to the 7.0% discount rate charged on the pension UAAL by Central San’s pension administrator.
- The City of Concord is allocated a share proportional to their flow to the treatment plant and environmental and regulatory compliance expenses and is billed for administrative overhead and a finance charge. City of Concord revenue toward O&M costs is expected to be \$17.6 million in FY 2022-23, increasing in correlation with to the increase in budgeted treatment and other operating costs eligible for reimbursement.

As shown in Table 7, total O&M expenses are projected to be \$85.0 million in FY 2022-23, an increase of \$5.5 million from the \$79.5 million FY 2021-22 budget, as amended. This figure includes the costs for Central San to deliver essential services including wastewater collection, wastewater treatment, HHW collection, and recycled water production and distribution. The budget continues to provide funding for strategic initiatives and key activities. Table 7 and Figure 5 show the FY 2022-23 O&M Budget by expense category.

Table 7 – FY 2022-23 Budgeted O&M Expenditures and Contribution to / (Draw from) Reserve

Account Description	FY 2020-21 Budget **	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance	Percent Variance	FY 2022-23 Percent of Total
A. Salaries & Wages								
A. Salaries & Wages	\$39,543,191	\$37,072,780	\$39,711,391	\$39,394,948	\$42,748,849	\$3,037,457	7.6%	50.3%
B. Benefits								
B. Benefits & Cap O/H Credit	11,545,173	10,754,822	12,688,724	12,389,994	12,312,215	(376,509)	-3.0%	14.5%
Salary & Benefits (Active Employees)	\$51,088,364	\$47,827,602	\$52,400,115	\$51,784,942	\$55,061,063	\$2,660,948	5.1%	64.8%
C. OPEB and Pension UAAL and Additional Contributions								
C. Pension UAAL	\$12,126,016	\$11,787,320	\$56,845	101,817	59,784	2,938	5.2%	0.1%
C. OPEB UAAL	2,451,000	2,479,231	1,260,000	1,260,000	1,320,000	60,000	4.8%	1.6%
C. Additional UAAL Contributions	1,250,000	1,250,000	1,250,000	1,250,000	-	(1,250,000)	-100.0%	0.0%
Total UAAL Costs	\$15,827,016	\$15,516,551	\$2,566,845	\$2,611,817	\$1,379,784	(\$1,187,062)	-46.2%	1.6%
Total Labor-Related Costs (A+B+C)	\$ 66,915,380	\$63,344,153	\$54,966,960	\$54,396,759	\$56,440,847	\$1,473,887	2.7%	66.4%
D. Other O&M Expenses								
D. Purchased Property Services	6,334,577	5,751,355	5,926,840	6,054,253	6,850,450	923,610	15.6%	8.1%
D. Other Purchased Services	6,305,477	4,160,807	6,934,841	4,575,485	7,893,758	958,917	13.8%	9.3%
D. Supplies & Materials	9,466,300	8,738,404	10,512,734	11,072,643	12,406,002	1,893,268	18.0%	14.6%
D. Other Expenses	1,644,604	1,188,379	1,178,756	984,400	1,427,990	249,234	21.1%	1.7%
**Total Other O&M	\$23,750,958	\$19,838,946	\$24,553,171	\$22,686,781	\$28,578,199	\$4,025,029	16.4%	33.6%
Total Expenditures Before Transfers & Extraordinary Items	\$90,666,338	\$83,183,099	\$79,520,131	\$77,083,541	\$85,019,046	\$5,498,915	6.9%	100.0%
Pension UAAL Payoff	-	70,763,669	-	-	-	-		
Interfund Transfer (Self Insurance)	-	100,000	-	200,000	-	-		
Total O&M Expenditures	\$90,666,338	\$154,046,768	\$79,520,131	\$77,283,541	\$85,019,046	\$5,498,915	6.9%	
Contribution to/(Draw From) Reserves	(25,234,176)	(60,330,837)	37,161,632	43,309,267	(15,911,021)			

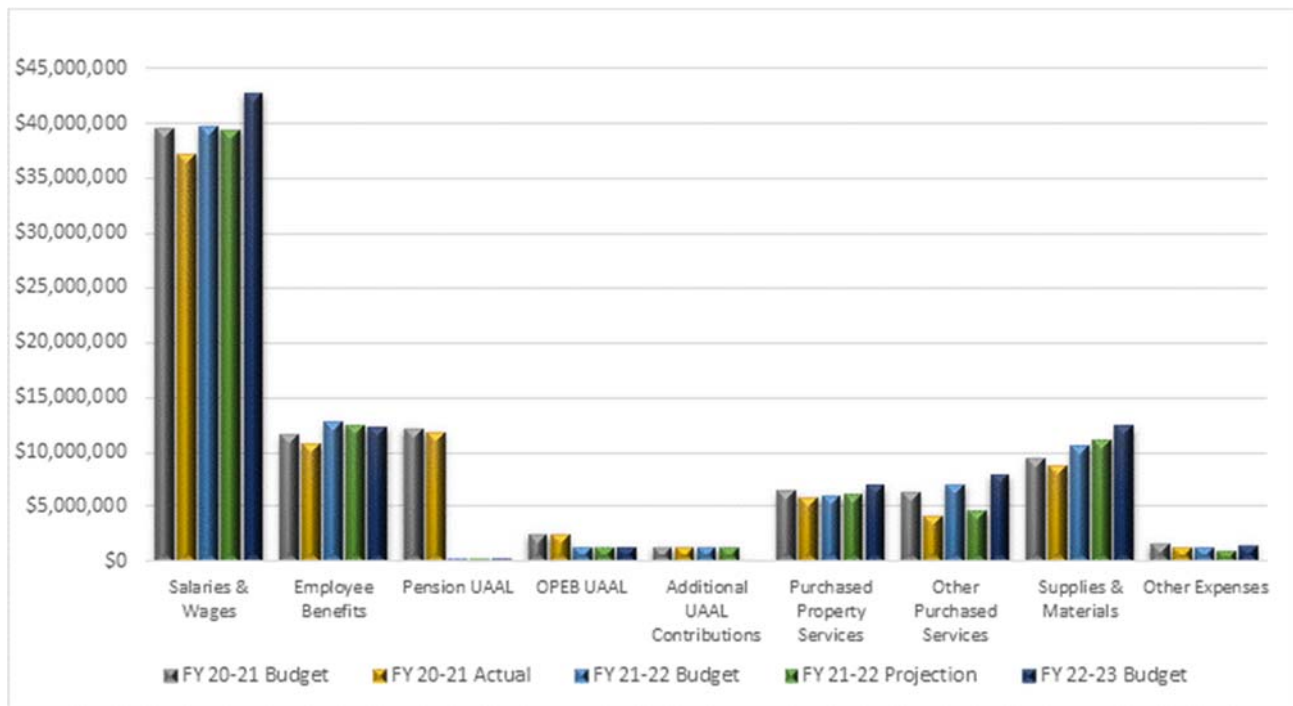
Figure 5 – FY 2022-23 Budgeted O&M Expenditures by Category



Variations in the Operations & Maintenance Budget

O&M costs overall increase from FY 2021-22 to FY 2022-23 by \$5.5 million or 6.9%. Figure 6 illustrates the historical trend of each the major budgetary expense categories.

Figure 6 – O&M Cost Comparison by Year



The following provides an analysis of each of the major O&M Budget expense categories shown in Table 7 and illustrated in Figures 5 and 6 previously. The labels (A-D) correspond to the assigned letters shown in Table 7.

A. Salaries & Wages

Budgeted salaries & wages are \$42.7 million in FY 2022-23, compared to \$39.7 million in FY 2021-22, representing an increase of \$3.0 million, or 7.6%. This expense category makes up 50.3% of the overall FY 2022-23 O&M Budget, a slight uptick from 49.9% in the prior year budget. This incorporates a 5.0% cost of living adjustment (COLA) for full-time permanent employee salaries effective April 2022 reflecting the February 2021 to February 2022 Bay Area consumer price index (CPI) in accordance with employee labor agreements. The budget also assumes a COLA of 3.75% for April 2023, which is the ceiling CPI rate allowable per the labor agreements currently in place. This growth figure also incorporates step increases and longevity pay increases for eligible employees, including those currently on payroll as well as anticipated new hires. Lastly, projected Salaries & Wages assumes a vacancy factor of 3%, which is consistent with the prior year and generally in-line with trends over the past 1-2 years.

B. Employee Benefits

Employee benefits decreased slightly from \$12.7 million in FY 2021-22 to \$12.3 million in FY 2022-23. The employee benefits expense category is reported net of capitalized administrative overhead. The table below provides additional details on employee benefits showing the gross amount employee benefits prior to reductions for capitalized administrative overhead:

Table 7a – Benefits and Capitalized Overhead Detail

	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Benefits for Active Employees	\$16,628,569	\$17,208,723	\$17,930,895	\$722,172	4.2%
Capitalized Admin Overhead	(5,083,396)	(4,520,000)	(5,618,681)	(1,098,681)	24.3%
Total Employee Benefits, Net of Capitalized Admin Overhead	\$11,545,173	\$12,688,724	\$12,312,215	(\$376,509)	-3.0%

Excluding the capitalized administrative overhead credit, benefits for active employees is comprised of healthcare costs, workers’ compensation costs, payroll taxes, normal costs for pension and OPEB, and a benefit vacancy factor estimate. These costs were \$17.2 million in the FY 2021-22 budget and rise to \$17.9 million in the FY 2022-23 budget, which represents a 4.2% increase.

Changes in benefit cost assumptions are listed below. Given the timing of the budget process, assumptions were made on program/premium costs pending the availability of actual announced changes by the providers. These assumed cost changes for budget purposes, and the actual cost changes subsequently announced by the carriers, are discussed in the bullet points below.

- **Health (CalPERS Medical)** – Using known premium rates in effect for calendar year 2022, the budget incorporates a 5.3% base plan premium increase for the first half of FY 2022-23 ending December 2022. This same growth rate is assumed for second half of FY 2022-23.

- **Pension (Normal Cost)** – The pension plan normal cost contribution rate, paid to CCCERA, is decreasing slightly by 0.08% for legacy employees to 16.88% effective July 1, 2022. The normal cost rate is increasing slightly by 0.22% for Public Employees’ Pension Reform Act (PEPRA) employees to 11.46% effective July 1, 2022. The defined pension normal cost contribution rate changes incorporate numerous factors pertaining to participant demographics, actuarial assumptions, and investment performance.
- **Dental** – Using known dental rates in effect for calendar year 2022, the budget incorporates a 3.8% premium increase for the first six months of FY 2022-23 ending December 2022. This same growth rate is assumed for the next six months of FY 2022-23 ending June 2023.
- **Vision** – Using known dental rates in effect for calendar year 2022, the budget incorporates a 3.8% premium increase for the first six months of FY 2022-23 ending December 2022. No rate increase is assumed for the following six months ending June 2023.
- **Long-Term Disability** – No rate increases are being assumed for this benefit category, which is in alignment with rates over the past two years.
- **Employee Assistance Program** – No rate increase is anticipated for this benefit category in FY 2022-23.
- **Workers' Compensation** – A 5% rate increase was assumed for budget purposes as the actual rates have not been finalized. Following adjustments for the prior year experience modification factor, the FY 2021-22 growth assumptions for workers’ compensation were proven to be slightly too conservative. Accordingly, the FY 2022-23 growth rate uses the actual FY 2021-22 rate as a base which was lower than projected in the budget. This has resulted in some modest budgetary savings in this expense category.
- **Life Insurance** – No rate increases are being assumed for this benefit category, which is in alignment with rates over the past two years.
- **OPEB (Normal Cost)** - For improved financial planning and transparency purposes, the total budgeted cost for retiree health, dental, life and vision premiums are split between its “normal cost” and “UAAL” components of the actuarially determined contribution (ADC) calculated by Central San’s independent OPEB actuary, Bartel & Associates. The normal cost component of OPEB, which is considered an active employee cost (not UAAL), is projected to decrease slightly from \$2.1 million in FY 2021-22 to \$2.0 million in FY 2022-23. See Tables 4-6 in the Supplemental Financial Information for additional disclosures on OPEB.

The Capitalized Administrative Overhead rate (shown in Table 7A), a credit given for capital work to the O&M Budget for administrative overhead and non-productive work hours (i.e., vacation, sick, holidays, etc.), is increasing from \$4.5 million to \$5.6 million in FY 2022-23. Despite a reduction in the Board-approved Administrative Overhead and Benefits Rate for FY 2022-23, an increase in employee time expected to be charged to capital projects (18.3% of total labor overall, compared to 15.7% in the prior year) has resulted in an increase to the capitalized administrative overhead component of benefits. Several divisions, including Capital Projects, Planning & Development Services and Plant Maintenance, anticipate increases in time spent on capital projects in FY 2022-23.

C. Unfunded Liabilities

Central San has agreements with its employees to provide pension and post-employment healthcare benefits. Central San prefunds the pension/benefits in accordance with actuarial

calculations that make certain economic and demographic assumptions. The goal is to grow these prefunded amounts into enough assets to cover the liabilities arising from the promised pension/benefits. An unfunded liability may occur when those economic/demographic assumptions are not met, those assumptions are changed, and/or the level of pension/benefits is adjusted.

In FY 2022-23, the total estimated cost of retiree health premiums is \$4.6 million, reflecting a 7.4% increase from the \$4.3 million budgeted in the prior year. However, given the strong funded position of Central San's OPEB Plan, budgeted OPEB costs are capped at the ADC, which is again \$3.3 million in FY 2022-23. OPEB costs are "capped" as any costs above the ADC ceiling are eligible for reimbursement from the OPEB trust. Per the *Fiscal Reserves Board Policy (BP 017)*, "A planned draw from the OPEB Trust may be included in a Board adopted budget and executed by the GM." Accordingly, with adoption of this budget, a draw or reimbursement up to approximately \$1.3 million from the OPEB trust for the pay-as-you-go cost more than the ADC is anticipated immediately following the close of FY 2022-23. It should be noted that reimbursing excess OPEB "pay-go" cost above the ADC ceiling will not eliminate Central San's gradual contributions towards paying down the UAAL as the OPEB ADC is comprised of both a normal cost and UAAL component. The UAAL cost component of OPEB is remaining steady at \$1.3 million in FY 2022-23.

Prior to FY 2019-20, supplemental OPEB trust payments were needed to meet the annual ADC as retiree benefit premiums fell short of the independently calculated ADC. With the transition to CalPERS Health in FY 2019-20, the funded status of Central San's OPEB plan has increased tremendously, to the point where the retiree health premiums (i.e. the "pay-as-you-go" costs) are over \$1.3 million higher than the ADC in FY 2022-23. Accordingly, there is no required OPEB trust payment to fully satisfy the ADC in FY 2022-23. Despite this same condition existing in the prior year, last year's budget still included a \$1.25 million supplemental trust contribution to be directed towards either pension or OPEB at the discretion of the Board, which was subsequently directed to the OPEB trust. Given that the most recent GASB 75 OPEB actuarial report showed OPEB Plan's funded status was 99.16% (on a market value basis) as of June 30, 2021, and in consideration other budget priorities and cost pressures, an additional discretionary trust contribution is not included in the FY 2022-23 budget.

As mentioned previously, the Board authorized the payoff of Central San's outstanding pension UAAL in June 2021 totaling approximately \$70.8 million. This was financed, in part, by utilizing accumulated balance of the Pension Prefunding Trust (\$12.8 million), as well as allocating SSC that would have otherwise gone to the capital program. In lieu of SSC, given the historically low interest rate environment, Central San's Facilities Financing Authority successfully issued certificates of participation (COPs) generating proceeds of \$58 million to finance a portion of CIB expenditures in FY 2020-21 and FY 2021-22. The COPs were issued with a true interest cost of 0.38%, compared to the significantly higher discount rate of 7.0% charged on the UAAL by CCCERA. Accordingly, the pension UAAL paid to CCCERA was essentially eliminated in FY 2022-23, except for a small administrative recovery component of less than \$0.1 million.

As noted previously, next year's budget no longer includes an additional contribution toward either pension or OPEB obligations given the funded status of both plans. To the extent that budget savings are available with the completion of both FY 2021-22 and FY 2022-23, the Board may choose to direct part of the savings toward additional unfunded liabilities funding.

D. All Other O&M Expenses

The remaining O&M non-labor expenses total \$28.6 million in FY 2022-23, reflecting an increase of 16.4% over the prior year's budget. Additional information is included in the individual division budgets. The areas of most significant change include the following:

- **Purchased Property Services** – This expense category, which includes purchased services attributable to property that is owned or used by Central San (i.e., repairs & maintenance, hauling, security, cleaning, etc.) is reporting an increase of \$0.9 million or 15.6%. Nearly three-quarters of this increase stems from three divisions: Plant Maintenance, Plant Operations, and Risk Management. The increase in Plant Maintenance is attributable to pumping stations activities, with additional contracted maintenance costs associated with new grinders at the Moraga pumping station as well as new generator maintenance at the Moraga and Orinda Crossroads pumping stations. The increase in Plant Operations is caused by significant increases in sludge hauling anticipated during FY 2022-23. Lastly, the increase in this expense category in the Risk Management function is caused by the division adding a second full-time 24/7 security guard to patrol Central San's treatment plant facility.
- **Other Purchased Services** – This expense category, which includes professional, technical, and administrative services, is increasing by approximately \$1.0 million or 13.8%. Over 90% of this variance is due to increases in the Office of the Secretary of the District, Information Technology, and Environmental and Regulatory Compliance divisions. The increase in the Office of the Secretary of the District is primarily driven by anticipated service from the County Elections office for the upcoming General Election in November 2022. The Information Technology division anticipates an overall increase in contracted support and training costs related to the recently implemented cloud-based ERP system. Lastly, the Environmental and Regulatory Compliance division has included new monies for an as-needed contract for a health and risk assessment and other related items required by Bay Area Air Quality Management District (BAAQMD) Rule 11-18.
- **Supplies & Materials** – This expense category includes supplies and materials consumed in operations necessary to provide services including but not limited to utilities & fuel (i.e., electricity, natural gas, landfill gas, water, gasoline, etc.), chemicals (i.e., lime, polymer, hypochlorite, etc.) and general supplies. This line item is increasing by \$1.9 million, or 18.0%. The Plant Operations division is responsible for the bulk (82%) of this increase, attributable to significant price increases in natural gas and electricity (PG&E), petroleum-based chemicals such as lime and polymer, and landfill gas. Beyond historically high national inflation levels, the Ukraine-Russia conflict is causing extreme volatility in oil prices, which impacts both the cost of producing as well as transporting certain chemicals used in the wastewater treatment process.

- **Other Expenses** – This expense category reports other less-significant expense types than those listed separately and described previously. The Other Expense category includes costs such as trainings & meetings, employee memberships, and other miscellaneous costs. Overall, this expense category is increasing by approximately \$0.2 million, or 21.1%, largely due to increases expected in training & meeting costs as well as a reporting change in how credit card fees are presented in FY 2022-23 as expenses rather than an offset to revenues.

During the COVID-19 pandemic, there was a significant increase in merchant card payment transactions from customers following the implementation of online payment capabilities. Prior to FY 2022-23 merchant card fees, being relatively immaterial (less than \$30,000 total), were reported as an offset of revenues and therefore did not appear as a budgeted annual expenditure. As customer preferences have largely shifted to this more convenient paperless payment method, it is expected that online merchant card fees will become a permanent part of ongoing operations warranting their separate disclosure as a budgeted expense. For FY 2022-23, with an estimated increase of approximately 5%, total merchant card fees are budgeted at \$110,000.

While projected costs for training & meetings are expected to fall well short of the budget in FY 2021-22, this is largely considered non-recurring as many conferences were transitioned to less expensive virtual formats or were cancelled altogether in the first half of FY 2021-22 due to precautionary measures taken to combat the spread of COVID-19. In FY 2022-23, staff largely anticipates a return to normal for many on-site trainings and conferences. The projected increase in trainings and meetings is largely attributable to training for new hires as well as succession planning efforts with existing staff, with nearly 60% of the increase pertaining to Plant Operations Department staff. The following table summarizes budgeted costs for training, conferences, and meetings for FY 2022-23 as well as the previous two fiscal years.

Table 8 – Technical Training, Conferences, & Meetings *

Department	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	Budget to Budget Variance	Percent Variance
Executive Governance**	\$75,250	\$90,200	\$95,350	\$5,150	5.7%
Administration Department	133,750	114,250	160,200	45,950	40.2%
Engineering and Technical Services Department	159,350	165,750	162,225	(3,525)	-2.1%
Operations Department	146,725	170,025	245,350	75,325	44.3%
Total	\$515,075	\$540,225	\$663,125	\$122,900	22.7%

* Includes tuition and professional expense reimbursements.

**Includes Board, Secretary of the District, and Office of the General Manager. Additional details for each of these three sub-functions is provided in the Operating Departments section of the budget book.

Operations & Maintenance Budget by Operating Department

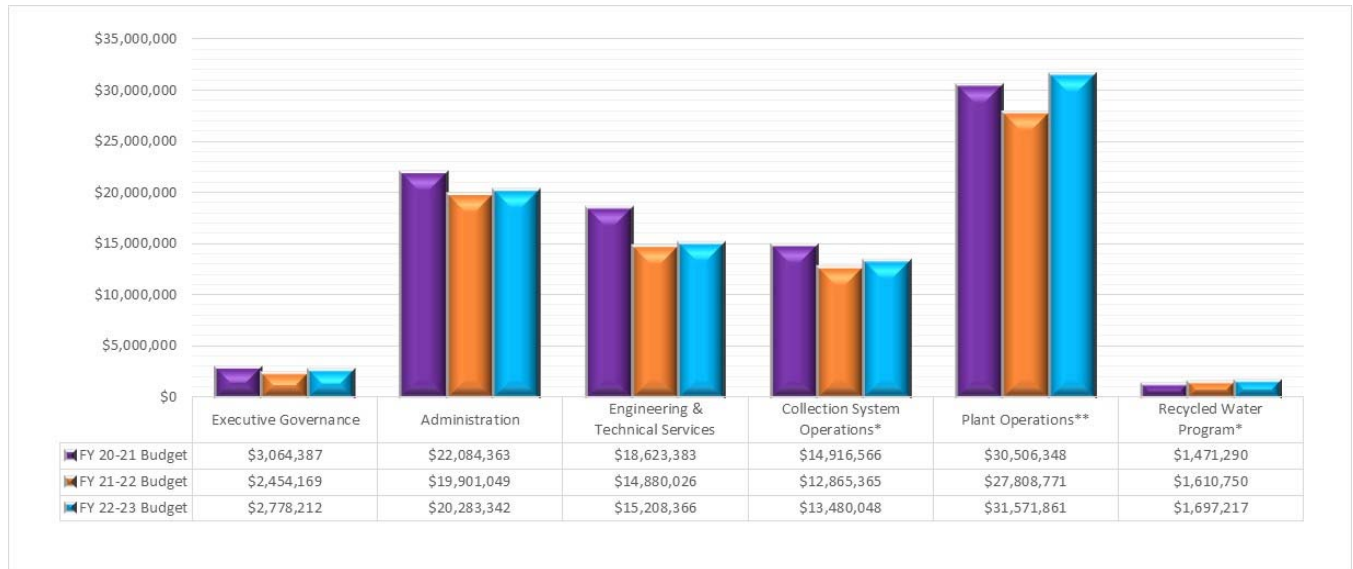
Table 9 and Figure 7 provide a summary of the operating budgets by department. Further details are included in the Operating Departments Section.

Table 9 – O&M Budget by Department

Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance	Percent Variance
Executive Governance*							
Office of the General Manager	\$1,501,579	\$916,275	\$1,171,228	\$1,045,191	\$1,070,246	(\$100,982)	-8.6%
Office of the Secretary of the District	998,779	1,410,669	846,215	662,219	1,242,671	396,456	46.9%
Board of Directors	564,029	379,830	436,726	280,177	465,295	28,569	6.5%
Subtotal	\$3,064,387	\$2,706,774	\$2,454,169	\$1,987,587	\$2,778,212	\$324,043	13.2%
Administration							
Office of the Director of Finance & Administration	\$579,032	\$677,453	\$616,754	\$616,748	\$649,271	\$32,516	5.3%
Finance	2,256,811	1,885,911	1,807,021	1,876,939	2,008,642	201,621	11.2%
Human Resources / Retirees / Safety**	8,958,488	9,083,607	7,999,453	8,602,358	7,131,543	(867,910)	-10.8%
Purchasing and Materials Services	2,006,169	1,616,487	1,748,276	1,732,376	1,861,104	112,828	6.5%
Risk Management	1,628,463	1,504,751	1,074,459	913,489	1,274,845	200,386	18.6%
Communications Services and Intergovernmental Relations	2,128,081	1,842,315	1,932,181	1,704,861	2,155,358	223,177	11.6%
Information Technology	4,527,320	4,448,653	4,722,904	4,403,474	5,202,579	479,675	10.2%
Subtotal	\$22,084,363	\$21,059,177	\$19,901,049	\$19,850,245	\$20,283,342	\$382,293	1.9%
Engineering and Technical Services							
Office of the Director of Engineering & Technical Services	\$1,132,683	\$655,572	\$905,205	\$904,416	\$890,095	(\$15,109)	-1.7%
Planning and Development Services	7,447,765	5,953,043	5,891,208	5,406,804	6,241,012	349,805	5.9%
Capital Projects	883,170	(249,712)	26,686	(781,021)	(831,774)	(858,460)	3216.9%
Environmental and Regulatory Compliance	9,159,765	8,894,178	8,056,928	7,923,212	8,909,033	852,104	10.6%
Subtotal	\$18,623,383	\$15,253,080	\$14,880,026	\$13,453,412	\$15,208,366	\$328,340	2.2%
Operations							
Office of the Director of Operations	\$1,035,340	\$468,114	\$612,429	\$796,554	\$1,232,151	\$619,722	101.2%
Collection System Operations	14,916,566	13,704,367	12,865,365	12,956,494	13,480,048	614,683	4.8%
Plant Operations	3,811,530	14,019,184	12,350,601	13,554,244	14,871,590	2,520,988	20.4%
Plant Maintenance	15,659,478	13,934,615	14,845,741	13,345,934	15,468,121	622,380	4.2%
Recycled Water Program	1,471,290	2,037,788	1,610,750	1,139,070	1,697,217	86,467	5.4%
Subtotal	\$46,894,204	\$44,164,068	\$42,284,886	\$41,792,296	\$46,749,126	\$4,464,240	10.6%
Total Departmental Expenses Before Extraordinary Item & Transfers	\$90,666,338	\$83,183,099	\$79,520,131	\$77,083,541	\$85,019,046	\$5,498,915	6.9%
Pension UAAL Payoff	-	70,763,669	-	-	-		
Transfers to Self-Insurance Fund	-	100,000	-	200,000	-		
Total O&M Expenses	\$90,666,338	\$154,046,768	\$79,520,131	\$77,283,541	\$85,019,046	\$5,498,915	6.9%

*Previously reported as part of Administration Department in prior year budgets. Updated now to better reflect the rollup structure of Central San's chart of accounts.

Figure 7 – O&M Budget by Function



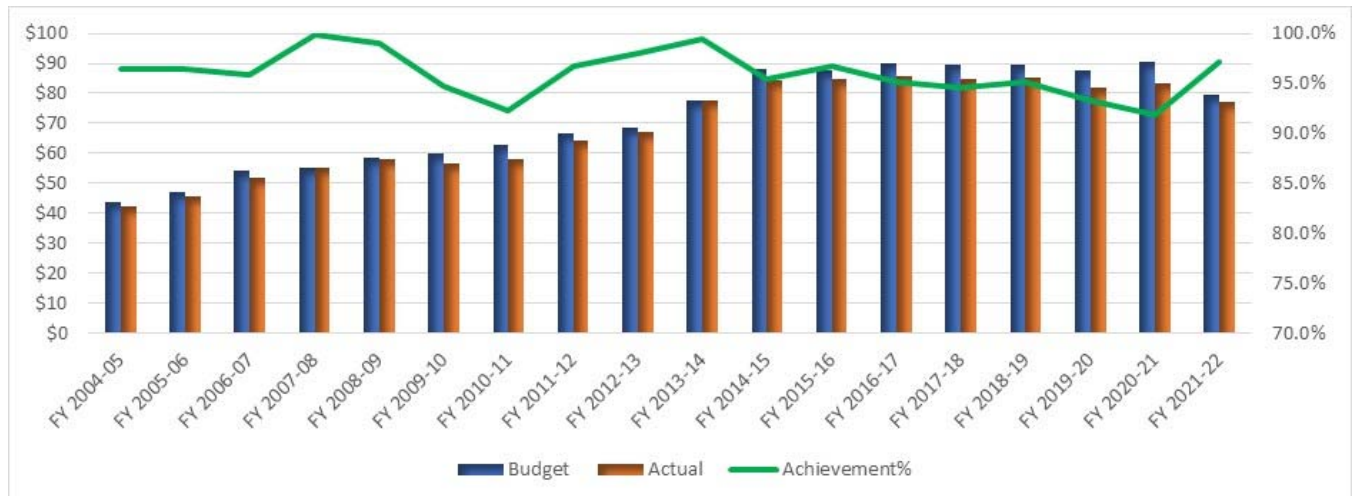
*Function shown separately given significance of service and for comparability with prior year budgets.

**Includes Office of the Director of Operations, Plant Operations, and Plant Maintenance functions.

Historical Variances in Operations & Maintenance Spending

Figure 8 shows historic O&M budgeted and actual amounts, and actual spending as a percentage of budget. There have been variances averaging 5.6% (spending was 94.4% of budget) over the last five years with variances averaging 4.0% since FY 2004-05 (last 18 years). Chart “actual” reflects projection for FY 2021-22.

Figure 8 – Historic O&M Budget versus Actual Spending, in Millions (Multi-Year Trend)



Staffing, Salaries, and Benefits (Costs included in both O&M and Sewer Construction)

As summarized in Table 10, total labor, benefit, and UAAL related costs increased by approximately \$3.9 million, or 6.0%, from \$65.2 million in FY 2021-22 to \$69.1 million in FY 2022-23. Refer to Tables 1-6 in the Supplemental Financial Information for additional budgeted labor and benefits line-item details.

Total salaries and benefits for active employees, excluding UAAL, are budgeted at \$67.7 million in FY 2022-23, including both the O&M Fund and the Sewer Construction Fund, compared to \$62.6 million in FY 2021-22, a \$5.1 million (8.1%) increase. UAAL costs for pension and OPEB (which relate to both active employees and retirees) are \$1.4 million, down from \$2.6 million in FY 2021-22. This reduction is largely attributable to there not being an additional OPEB or pension prefunding trust contribution in FY 2022-23, whereas in FY 2021-22 there was a \$1.25 million contribution budgeted.

Major factors affecting overall salaries and benefits include the following:

- Cost-of-living adjustments effective April 2022 based on provisions per memoranda of understanding (MOUs) / personnel resolutions with each bargaining unit of 5.0%, and an estimated placeholder of 3.75% for April 2023.
- Step (5%) and longevity (2.5%) increases for applicable full-time permanent employees.
- The addition of three new permanent FTE positions, resulting in an increase of the permanent headcount from 291 to 294 (see “Staffing Changes” section).
- Attrition of over 5% of the tenured workforce to be replaced by lower step level and non-longevity eligible PEPRAs tier employees.
- Capping the budgeted OPEB expense at the ADC, which is approximately \$1.3 million lower than estimated pay-as-you-go retiree premiums in FY 2022-23.
- A projected FTE vacancy factor of 3%.
- A significant reduction in the employer UAAL contribution rate paid to CCCERA following the pension UAAL payoff in June 2021 coinciding with the issuance of the 2021 COPs.

The next several tables show various levels of detail regarding labor costs. Table 10 summarizes all labor-related costs across two sub-funds. Additional tables in the Supplemental Financial Information section at the end of this budget document provide additional detail about salary and benefit costs.

Table 10 – Total Labor Costs Summary

FY 2022-23 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	261.1	32.9	294.0
Budgeted Salaries & Wages	\$42,748,849	\$5,398,050	\$48,146,899
Budgeted Benefits	17,930,895	1,616,927	19,547,822
Capitalized Admin Overhead **	(5,618,681)	5,618,681	-
Benefits After Capitalized Administrative Overhead	\$12,312,215	\$7,235,608	\$19,547,822
Total Costs Active Employees	\$55,061,063	\$12,633,658	\$67,694,721
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	\$1,320,000	\$ -	\$1,320,000
Pension UAAL	59,784	6,436	66,220
Total Unfunded Liabilities	\$1,379,784	\$6,436	\$1,386,220
Total Labor Related Costs	\$56,440,847	\$12,640,094	\$69,080,941

FY 2021-22 Budget (as Amended)	Operations & Maintenance	Sewer Construction	Total
Active Employee Costs			
Budgeted Full-Time Employee Positions*	262.8	28.2	291.0
Budgeted Salaries & Wages	\$39,711,391	\$4,264,151	\$43,975,542
Budgeted Benefits	17,208,723	1,446,927	18,655,650
Capitalized Administrative Overhead**	(4,520,000)	4,520,000	-
Benefits After Capitalized Administrative Overhead	12,688,724	5,966,927	18,655,650
Total Costs Active Employees	52,400,115	10,231,077	62,631,192
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	1,260,000	-	1,260,000
Pension UAAL / Additional Trust Contributions	1,306,845	5,925	1,312,770
Total Unfunded	2,566,845	5,925	2,572,770
Total Labor-Related Costs	\$54,966,960	\$10,237,002	\$65,203,962

* Estimated allocation of full-time employees between Sewer Construction and O&M.

** Consists of indirect costs associated with non-productive hours and Administrative Overhead.

Budgeted Full-Time Equivalents

Table 11 shows full-time equivalent employee totals for the time periods indicated. The Year-End Actual figures represent actual staffing as of June 30, 2021. In addition to 294 budgeted full-time equivalent (FTE) positions, the General Manager has the ability to hire up to five additional “transitional” positions at any given time to backfill positions vacated due to an extended leave of absence or as necessary to properly address succession planning. The costs associated with these positions are funded through vacancy savings. Table 12 shows the positions by bargaining unit and division.

Table 11 – Budgeted Full-Time Equivalents

	FY 2020-21 Year-End Actual	FY 2021-22 Budget	FY 2022-23 Budget
Regular Employees (Excluding Recycled Water Employees)	274.0	291.0	294.0
Limited Duration Employees			
District Temporary Employees	13.0	11.0	18.0
Fill Station Attendants	3.0	2.0	5.0
Summer Students	12.0	12.0	15.0
Interns	18.0	13.0	14.0

Table 12 – Full-Time Equivalent Positions by Bargaining Unit and Division

	Administration	Engineering	Operations	Total
Local One	21.0	40.0	106.0	166.0
Management Support/Confidential Group	25.0	51.0	32.0	108.0
Management	4.0	4.0	4.0	11.0
Unrepresented	5.0	1.0	1.0	7.0
Total by Department	55.0	96.0	143.0	294.0

Staffing Changes

During 2015, a staffing and organizational study^[1] was completed for Central San. The study recommended that Central San hire a consultant to conduct a classification study, which was completed in 2017, to ensure that Central San’s classification structure was appropriate, and employees were working within their job classifications. The Organization and Staffing Plan ultimately recommended the addition of four positions to the then 287 budgeted positions, resulting a headcount of 291 at that time. Commencing in FY 2020-21 and continuing through FY 2021-22, the budgets included funds for implementing changes arising from an internal classification completed by the Human Resources & Organizational Development Division. All changes arising from this classification study were implemented by the close of FY 2021-22, with any changes to titles and compensation being approved by the Board prior to implementation.

Overall, staffing is budgeted in FY 2022-23 at 294 full-time equivalent positions, which is three positions higher than the prior year’s budget. As noted previously, this budget includes funds for three additional permanent full-time employees. One of the new FTEs included in the budget is for an Engineering Assistant in the Planning & Development Services Division, which will be integral to the day-to-day administration of Central San’s RUE customer database. The second new FTE included in this budget is for an Innovation & Optimization Program Manager in the Office of the Director of Operations cost center, which will be essential for operational business process review and optimization implementations (Subject to meet and confer process). The third new FTE included in the

^[1] Report is available here: <https://www.centrsan.org/post/Organization-and-Staffing-Plan>.

budget is for an Electrical Technician in the Plant Maintenance Division that will specialize in high voltage electrical projects.

Position changes within and between departments and/or divisions from the prior year's budget are summarized as follows:

- Office of the General Manager
 - Administrative Assistant transferred to the Planning & Development Services Division
- Office of the Secretary of the District:
 - Administrative Services Supervisor position deleted, and Records Program Administrator position added
 - Senior Administrative Technician retitled to Administrative Services Assistant
- Human Resources & Organizational Development Division:
 - Safety Officer retitled to Environmental Health and Safety (EHS) Program Administrator
 - Operations Safety Specialist retitled to Environmental Health and Safety (EHS) Specialist
- Finance Division:
 - Two Finance Administrators retitled to Accounting Supervisors
- Purchasing & Materials Services Division:
 - Deletion of one Contract and Procurement Specialist and addition of a Lead Contract and Procurement Specialist
- Environmental & Regulatory Compliance Division:
 - Superintendent retitled to Environmental Compliance Program Administrator
 - Household Hazardous Waste Supervisor retitled to Household Hazardous Waste (HHW) Program Administrator
 - Laboratory Superintendent retitled to Laboratory Program Administrator
 - Senior Chemist retitled to Supervising Chemist
 - Administrative Services Assistant position transferred to the Laboratory from Plant Operations
- Planning & Development Services Division:
 - Engineering Assistant position added (increased total budgeted headcount of Central San by one FTE)
 - Administrative Services Assistant position transferred from the Office of the General Manager
 - Cancel an Engineering Assistant and add a Lead Engineering Assistant.
- Office of the Director of Operations:
 - Innovation & Optimization Program Manager position added (increased total budgeted headcount of Central San by one FTE, subject to meet and confer process.)
 - Transfer Administrative Assistant from Plant Maintenance Division
- Collection System Operations Division:
 - Vehicle Maintenance and Equipment Maintenance Supervisor reclassified to Maintenance Supervisor
 - Senior Administrative Assistant retitled to Administrative Services Assistant

- Plant Maintenance Division:
 - Vacant Utility Worker canceled, and Lead Maintenance Crew Member added
 - Electrical Technician position added (increased total budgeted headcount of Central San by one FTE)
 - Transfer Administrative Assistant to Office of the Director of Operations
- Plant Operations Division:
 - Administrative Assistant position transferred to the Environmental & Regulatory Compliance Division (Laboratory)
 - Cancel a Control Systems Technician and add a Utility Systems Engineer.
 - Cancel a Senior Plant Operator and add a Plant Operator to reflect turnover at the senior level.

Capital Improvement Budget

As shown in Table 13, Sewer Construction Fund funding sources, including debt proceeds, are projected to increase by \$28.0 million (27.7%), from \$100.8 million in FY 2021-22 to \$128.8 million in FY 2022-23. This increase is largely attributable to an increased allocation of SSC compared to the prior year. In the prior year, the O&M fund’s payoff of the pension UAAL resulted in a significant but non-recurring decrease in SSC allocated to the Sewer Construction Fund. Following the replenishment of O&M fund reserves to minimum working capital levels per the Fiscal Reserve Policy in FY 2021-22, the proportion of SSC being allocated to the Sewer Construction fund is returning to normal levels in FY 2022-23. Additionally, the City of Concord reimbursement is projected to decrease by \$1.2 million. While the budgeted capital expenditures for which the City of Concord is responsible is increasing, their overall reimbursement amount is decreasing, as much of these costs will be financed with the SRF loan. The City of Concord, accordingly, will only pay a proportionate share of debt service on the loan, which is not due in FY 2022-23. The City of Concord’s capital budget responsibility is based on its flow proportionate share of treatment plant, recycled water, and general improvement components of the capital budget. \$42.0 million of borrowing from the SRF is anticipated to fund the Solids Handling Facilities Improvements Project in FY 2022-23.

The \$91.0 million budget does not include the anticipated carryforward from FY 2021-22, which will be communicated to the Board after the close of the current fiscal year. The FY 2022-23 capital budget is decreasing by \$17.0 million (15.7%) from the prior year, largely resulting from the deferral of significant components of the large solids handling facilities improvements project to future years following the project’s Board-recently approved pivot in project scope from using incineration to digestion for solids handling over the coming years.

Consistent with the prior year, only 90% of the budgeted capital spending authority will be funded from current rates and loan proceeds. The difference between capital spending authority and the funding amount is assumed to be “caught up” in the outer years of the Ten-Year Financial Plan. This treatment is consistent with the annual goal of spending at least 90% of the budgeted sewer construction funding, as well as generally consistent with a multi-year average of actual spending as a percentage of budget.

Central San is projected to contribute approximately \$46.9 million to capital reserves during FY 2022-23 with revenues and bond proceeds exceeding expenditures by that amount. Accordingly,

the Working Capital Reserves of the Sewer Construction fund are projected to significantly exceed the minimum requirement per the Fiscal Reserves policy. These and prior year contributions to the Sewer Construction Reserve allow for smoothing of rate requirements to accommodate the significant ramp-up of expenditures that is continuing in the next several years, with peak capital spending anticipated to reach \$135.7 million, unadjusted for cash flow carryforward of inflation, in FY 2025-26 (see Table 15). The Working Capital Reserves of the Sewer Construction Fund are also elevated due to the anticipated carry forward discussed two paragraphs above.

Table 13 provides a summary of the projected FY 2022-23 Sewer Construction Fund revenues and expenditures. Further program and project-specific budget details are included in the Capital Improvement Program section.

Table 13 – Sewer Construction Fund Revenues and Expenditures

	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected *	FY 2022-23 Budget	Budget to Budget Variance	Percent Variance
Revenue							
Sewer Service Charges	\$56,673,402	\$30,156,394	\$10,035,739	\$10,279,620	\$65,832,492	\$55,796,753	556.0%
Property Taxes	15,940,000	17,697,471	6,940,168	8,082,740	8,332,078	1,391,910	20.1%
Capacity Fees	6,262,000	5,443,249	5,950,000	4,446,000	4,579,000	-1,371,000	-23.0%
Investment Income	293,500	245,740	319,000	136,000	140,000	-179,000	-56.1%
Reimbursements							
City of Concord	15,300,000	10,064,155	8,700,914	8,700,000	7,500,000	-1,200,914	-13.8%
Developer Fees & Charges	483,000	321,099	296,000	391,000	403,000	107,000	36.1%
Other	1,000	29,816	1,600	99,742	1,000	-600	-37.5%
Total Revenue	\$94,952,902	\$63,957,923	\$32,243,421	\$32,135,102	\$86,787,570	\$54,544,149	169.2%
Loan & Bond Proceeds							
2021 COPs Reimbursements	-	22,619,557	34,452,325	35,380,443	-	(34,452,325)	-100.0%
SRF Loan Reimbursements	3,000,000	-	34,120,000	14,500,000	42,000,000	7,880,000	23.1%
Total Revenue and Debt Proceeds	\$97,952,902	\$86,577,480	\$100,815,746	\$82,015,545	128,787,570	27,971,824	27.7%
Expenditures							
Treatment Plant Program	32,334,000	18,809,902	45,230,000	30,000,000	39,981,000	(5,249,000)	-11.6%
Collection System Program	40,165,000	37,195,846	39,795,000	35,000,000	36,850,000	(2,945,000)	-7.4%
General Improvements Program	3,925,000	5,305,340	3,830,000	2,500,000	3,795,000	(35,000)	-0.9%
Recycled Water Program	9,100,000	8,299,754	16,600,000	15,500,000	8,715,000	(7,885,000)	-47.5%
Contingency	2,500,000	-	2,500,000	-	1,635,000	(865,000)	-34.6%
Total Expenditures	\$88,024,000	\$69,610,842	\$107,955,000	83,000,000	90,976,000	(16,979,000)	-15.7%
Carryforward	20,571,770	-	38,984,928	63,939,928	-		
Total Expenditure Authority	\$108,595,770	\$69,610,842	\$146,939,928	\$146,939,928	\$90,976,000	(\$55,963,928)	-38.1%
Sewer Construction Funds Available							
Projected Revenue and Debt Proceeds	97,952,902	86,577,480	100,815,746	82,015,545	128,787,570		
Capital Expenditures	88,024,000	69,610,842	107,955,000	86,316,900	90,976,000		
Less: Adjustment for 90% Spending Factor	-	-	(10,795,500)	-	(9,097,600)		
Contribution to Reserves	9,928,902	16,966,638	3,656,246	(4,301,355)	46,909,170		
Anticipated Cash Funded Capital Expenditures	-	-	28,587,175	36,436,457	39,878,400		

* Projection as of March 2022.

** The FY 2022-23 budget amount does not include any carryforward from past fiscal years; the Board will be notified of any carryforward amount after the close of the current fiscal year.

*** Reserve calculation assumes difference between FY 2021-22 budget and projected spending will be spent in FY 2022-23 or future years.

Impact of Capital Improvement Budget on Ongoing Operations & Maintenance Budget

Central San's Capital Improvement Budget and the extent to which FY 2022-23 nonrecurring capital investments will affect the proposed or future years' operating budget are described later in this document. In general, given the nature and composition of the FY 2022-23 Capital Improvement Budget, these effects are largely expected to be minimal with one exception. The project most likely to have significant impacts on future O&M costs is the Solids Handling Facilities Improvement Project, as that project now contemplates transitioning away from using incinerators for solids handling to digesters. This is a significant change from Central San's long-standing treatment process and will undoubtedly change the amount and nature of in-house labor, contracted services, and materials & supplies, the extent of which is unknown at this time. The revised project is currently undergoing significant planning and design revisions, which will include an assessment of its impact to ongoing future operations. To the extent that this and other future capital projects will have O&M budgetary impacts (e.g., additional personnel costs, additional maintenance costs, or additional utility costs or, conversely, anticipated savings such as reduced utility costs or lower maintenance costs), such costs will be specified further in the year such projects are budgeted.

Reserve Projections

BP 017 - Fiscal Reserves set targets for each of Central San's reserve funds. Fiscal reserves provide working capital for O&M activities; funding for long-term capital improvement requirements; fulfillment of legal, regulatory, and contractual obligations; mitigation of risk and liability exposures; and cash flow emergencies. Fiscal reserves are adjusted annually based on changes in the targeted reserve balance calculations, and the FY 2022-23 budget incorporates the full funding of minimum required reserves by the close of the fiscal year pursuant to the Fiscal Reserves Policy. The following are the various reserve targets met in the FY 2022-23 budget:

- **O&M Fund Working Capital Reserve Target** – The Board has set a target of five months (41.7%) of gross operating expenses at the start of each fiscal year.
- **Sewer Construction Fund Working Capital Reserve Target** – The Board has set a target of 50% of the annual Capital Improvement Budget at the start of each fiscal year, excluding capital projects that are to be funded with bond proceeds.
- **Self-Insurance Fund (SIF) Reserve Target** – The Board has set a target of three times the annual deductible, \$1.5 million. In addition, to help mitigate financial impacts and maintain uninterrupted service in the event of an emergency or catastrophic event, Central San maintains an Emergency Fund Reserve balance of \$7.5 million in the SIF. In total, these two components constitute the total reserve target of \$9.0 million.

Table 14 presents a summary of Central San's current reserve balance projections compared to the Board Policy (BP) targets. The O&M, Sewer Construction, and Self-Insurance funds are all projected to close FY 2022-23 with reserve levels above minimum levels stipulated in the Fiscal Reserves Policy. The projected amounts are subject to change based on actual financial results for the current and next fiscal years. The primary impact of the status of the reserves is on the allocation of SSC, as documented in Table 5 of this Financial Summary section. Absent other actions, to the extent that the O&M fund has more reserves than are required under the policy, that sub-fund would receive a lower allocation of SSC.

The following is a summary of reserve projections for the O&M, Sewer Construction, and Self-Insurance Reserves included in the FY 2022-23 budget:

- As anticipated with the Board-authorized payoff of the pension UAAL in June 2021 and corresponding issuance of the 2021 COPs, O&M fund reserve levels were temporarily below the policy-required levels on June 30, 2021. This was rectified by the Board through a budget amendment reallocating the SSC split between the O&M and Sewer Construction funds necessary to augment O&M reserves back to normal levels. Consequently, by June 30, 2022, O&M reserves are expected to be above minimum reserve policy levels by approximately \$17.5 million. Pursuant to the Fiscal Reserves Policy, these June 30, 2022 O&M reserves above policy-required levels are systematically drawn down through the SSC split in FY 2022-23, providing additional SSC for Capital Improvement Budget. As such, as outlined in Table 14, the O&M fund is projected to close FY 2022-23 with a working capital reserve of \$37.6 million, precisely the minimum policy-level amount.
- Given higher than anticipated unspent CIB appropriations rolling over into FY 2021-22, Sewer Construction fund working capital reserves are expected to be well over the policy-specified minimum levels as of June 30, 2022. Accordingly, there is a projected decrease in Sewer Construction reserves in FY 2022-23 as progress is made on unspent project appropriations from the prior year. The Sewer Construction fund is projected to close FY 2022-23 with a working capital reserve of \$72.7 million, exceeding minimum working capital reserves by \$29.4 million.
- The Self-Insurance fund is projected to close FY 2022-23 with a reserve of \$9.0 million, equal to the minimum working capital reserves set by Board policy. This incorporates additional Board-approved transfers of O&M reserves following favorable FY 2020-21 budget variances totaling \$2.7 million during FY 2021-22.

Also provided on Table 14 is a projection of the Rate Stabilization Fund, Pension Trust Fund, and OPEB Trust Fund. Assumptions include:

- **Rate Stabilization Fund Reserve Account** - This account was initially funded with an initial deposit from the FY 2018-19 fiscal year close-out of \$2.61 million. The Board also directed \$2.15 million from the FY 2019-20 closeout to this fund in the fall of 2020. Thereafter, the Board directed an additional \$5.2 million from the FY 2020-21 closeout of this fund in the fall of 2021.

Following a FY 2021-22 Board-approved transfer of \$2.5 million in funds to the Self-Insurance fund, the Rate Stabilization Fund Reserve Account is projected to close FY 2021-22 with a balance of \$7.46 million. By directing the funds to the Rate Stabilization Fund, greater flexibility for future use of the funds by the Board is provided for than without this assumption. Future uses may include:

- Contributions towards pension or OPEB liabilities
 - Funding billing adjustments or other Board specified uses for mitigating rate impacts
 - Draw downs to meet targeted debt service coverage levels necessary
- **Pension Prefunding Trust Fund** – Following the pension UAAL payoff in June 2021, this trust is expected to have a minor residual balance of less than \$0.1 million as of June 30, 2022. While the trust assumes a long-term average target return of 5.14%, given the current interest rate

environment and significant global market uncertainty stemming from the current Russia-Ukraine crisis, the budget only projects modest returns of 2.0% in FY 2022-23 to remain conservative. While no additional contributions are budgeted in FY 2022-23 to the trust, it will remain active to allow for maximum flexibility to hedge against any unexpected, but possible, resurfacing of the pension UAAL in future years.

- **OPEB Trust Fund** – This trust is projected to close FY 2021-22 with a reserve of \$86.6 million, inclusive of investment returns and an anticipated OPEB reimbursement to Central San of approximately \$1.0 million. The trust and most recent OPEB actuarial report currently assume a long-term average target return of 5.75%. Given that Central San’s ADC amounts include payments towards the UAAL, and in consideration of the favorable funding position of the OPEB plan, no additional accelerated contributions are budgeted in FY 2022-23 to the trust. Conversely, OPEB plan pay-go retiree premium costs are expected to exceed the ADC requirement by approximately \$1.3 million, which is budgeted to be reimbursed from the trust consistent with the prior year budget. Following investment returns and this OPEB premium cost reimbursement, the trust is projected to close FY 2022-23 with a reserve of approximately \$90.2 million.

The Supplemental Financial Information section of this budget document contains a table showing changes in net position and fund equity.

Table 14 – Reserve Projections

	O&M Fund	Sewer Construction Fund (Capital)	Self-Insurance Fund	Totals
Actual Balance as of June 30, 2021*	\$14,772,986	\$90,691,699	\$6,473,901	\$111,938,586
Projected Balance as of June 30, 2022	52,882,253	89,707,244	9,435,499	152,024,996
Projected Balance as of June 30, 2023**	37,626,114	72,676,486	9,000,000	119,302,600
Change year over year	(15,256,139)	(17,030,758)	(435,499)	(32,722,396)
<i>Reference:</i>	Table 7	Table 13	Self-Insurance Table 1	See Figure 3
Percentage change year over year	-28.8%	-19.0%	-4.6%	-21.5%
Explanation	Ending balance at 6/30/21 is below policy-required level due to pension UAAL payoff.	Funds were set aside in Recent years to be used toward the funding of future year's Capital Budgets		
Comparison to Policy Target-Start of Budget Year				
Policy Target	5/12 of following year's O&M Budget	50% of following year's non-debt funded Capital Budget	3 times annual deductible of \$500,000 plus \$7.5 million	
Reserve Policy Target end of June 30, 2022	\$35,424,602	\$24,488,000	\$9,000,000	\$68,912,602
Amount Over/(Under) Minimum Reserve Target at June 30, 2022	\$17,457,651	\$65,219,244	\$435,499	\$83,112,394
Comparison to Policy Target-End of Budget Year				
Reserve Policy Target end of June 30, 2023	\$37,626,114	\$43,235,552	\$9,000,000	\$89,861,666
Amount Over/(Under) Minimum Reserve Target at June 30, 2023**	\$ -	\$29,440,934	\$ -	\$29,440,934

*Reserve calculations subject to close of financial results for the year and may differ from projection.

** Net of FY 2021-22 CIB carryforward of \$63.9 million. Projected reserves at 6/30/2023 would be this amount higher when including the carryforward.

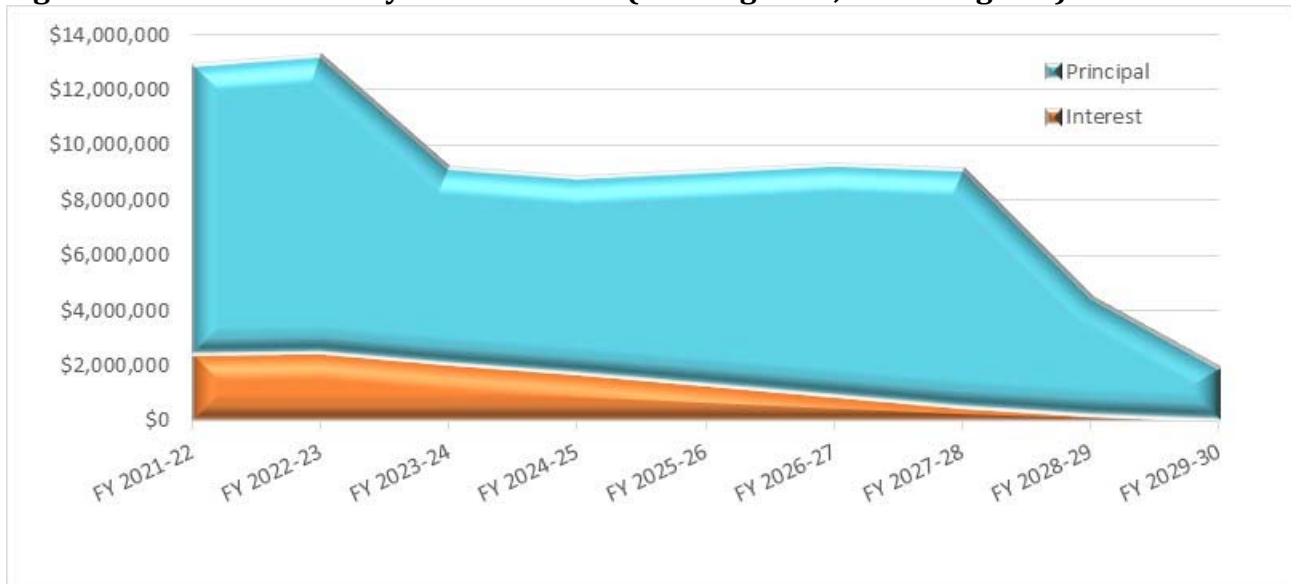
Table 14 – Reserve Projections (continued)

	Rate Stabilization Account	Pension Trust Fund	OPEB Trust Fund
Actual Balance as of June 30, 2021	\$4,760,000	\$47,121	\$84,607,283
Projected Balance as of June 30, 2022	7,460,000	48,064	86,549,429
Projected Balance as of June 30, 2023	7,460,000	49,025	90,226,021
Change Year Over Year	-	961	3,676,592
<i>Reference:</i>			
Percentage Change Year Over Year	0.0%	2.0%	4.2%
Explanation	Planned Transfer from O&M.	Trust largely liquidated in June 2021 with pension UAAL payoff	Assumes long-term return of 5.75% and reimbursements of pay-go costs in excess of ADC to O&M fund
Comparison to Policy Target-Start of Budget Year			
Policy Target	N/A	N/A	N/A
Reserve Policy Target end of June 30, 2022	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2022	\$7,460,000	\$48,064	\$86,549,429
Comparison to Policy Target-End of Budget Year			
Reserve Policy Target end of June 30, 2023	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2023	\$7,460,000	\$49,025	\$90,226,021

Debt Service

As noted previously, current debt service expenditures include outstanding payments on 2018 Revenue Refunding Bonds and the 2021 Certificates of Participation (COPs). Central San’s total principal debt service for FY 2022-23 is \$10.75 million, compared to \$10.45 million in the prior year. Additional details on budgeted debt service are included in the Debt Program Section. Figure 9 depicts all existing debt payments for Central San.

Figure 9 – Debt Service Payment Schedule (Existing Debt, Excluding SRF)



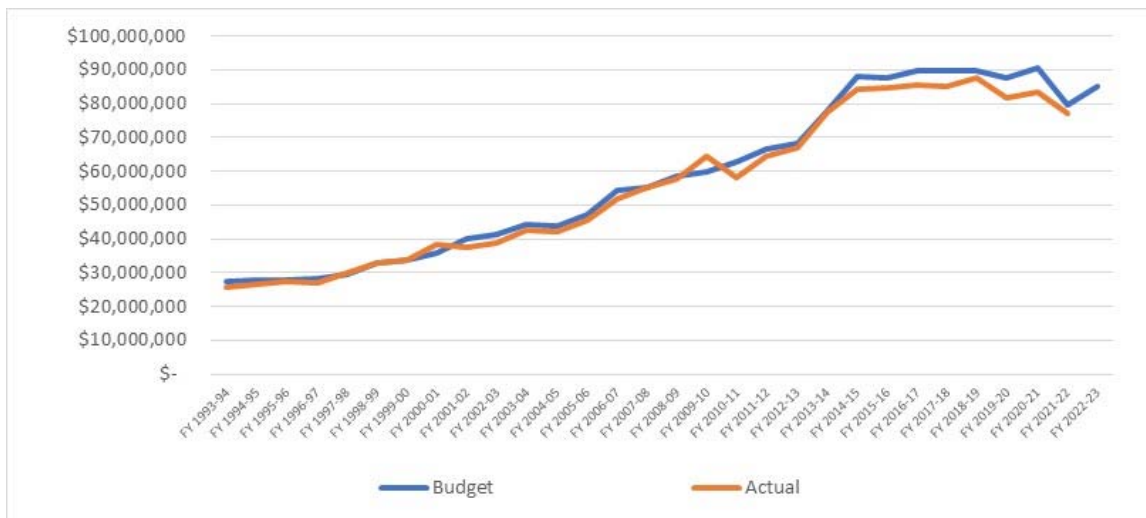
Regarding future debt issuance plans, while the large Solids Handling Facilities Improvements Project, financed primarily by SRF loan proceeds, was slated to commence construction in FY 2021-22, the pivot of this project’s scope towards digesters has affected the timeline and funding sources of this project significantly. While a portion of this project will continue to be financed with the SRF loan, the total amount assumed to be financed by SRF has been significantly reduced from \$173.4 million assumed in last year’s budget to \$98.5 million. This SRF debt will have a term of 30 years, an interest rate of 0.90%, and payback is assumed to commence in FY 2026-27. However, as the project is still in progress, the debt service schedule for the SRF loan transaction has not been finalized and is therefore not included in the chart below. The SRF loan, along with any other future debt issuances, if any, would add to this debt profile.

Historical Long-Term Spending Trends

Operations & Maintenance

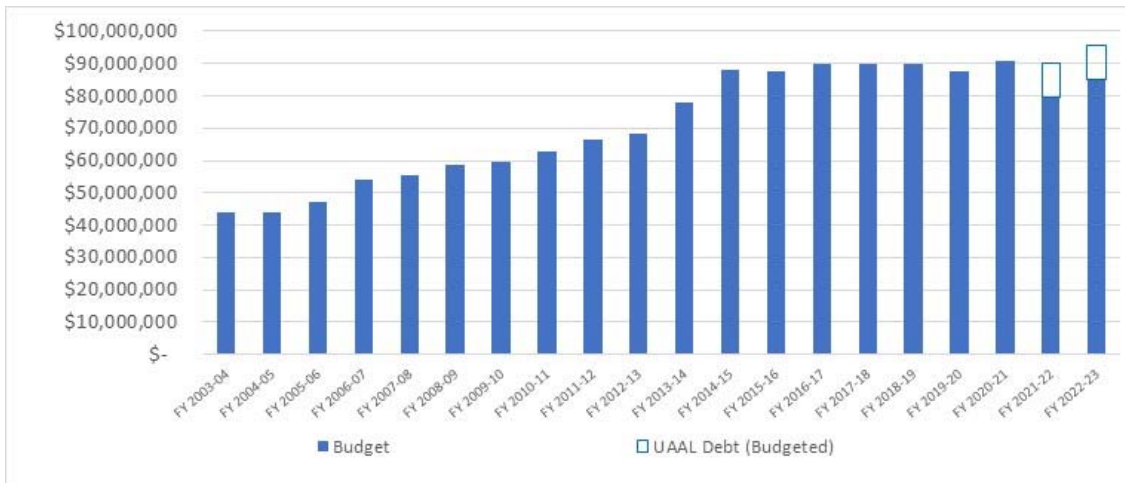
Figure 10 shows a long-term trend line of past O&M expenditures, while Figure 11 shows a long-term trend line of past capital expenditures. The O&M Budget was held essentially flat for a total of seven years (from FY 2014-15 to FY 2020-21). As illustrated in the chart below, the payoff of the pension UAAL in June 2021 resulted in a noteworthy 12.3% year-to-year decline in the O&M budget commencing in FY 2021-22. This was achieved by swapping the pension UAAL charges budgeted in the O&M fund (charged as a percentage of payroll by Central San’s pension administrator) with fixed low-interest (0.38%) debt service of the 2021 COPs budgeted in the Debt Service fund.

Figure 10a – Long-Term O&M Spending Trend



The following chart provides a long-term trend of O&M budgeted spending which includes the 2021 COPs debt service commencing in FY 2021-22. As the pension UAAL expenditures have been constructively swapped for lower interest fixed debt service, this chart provides a more accurate apples-to-apples comparison of historical O&M spending.

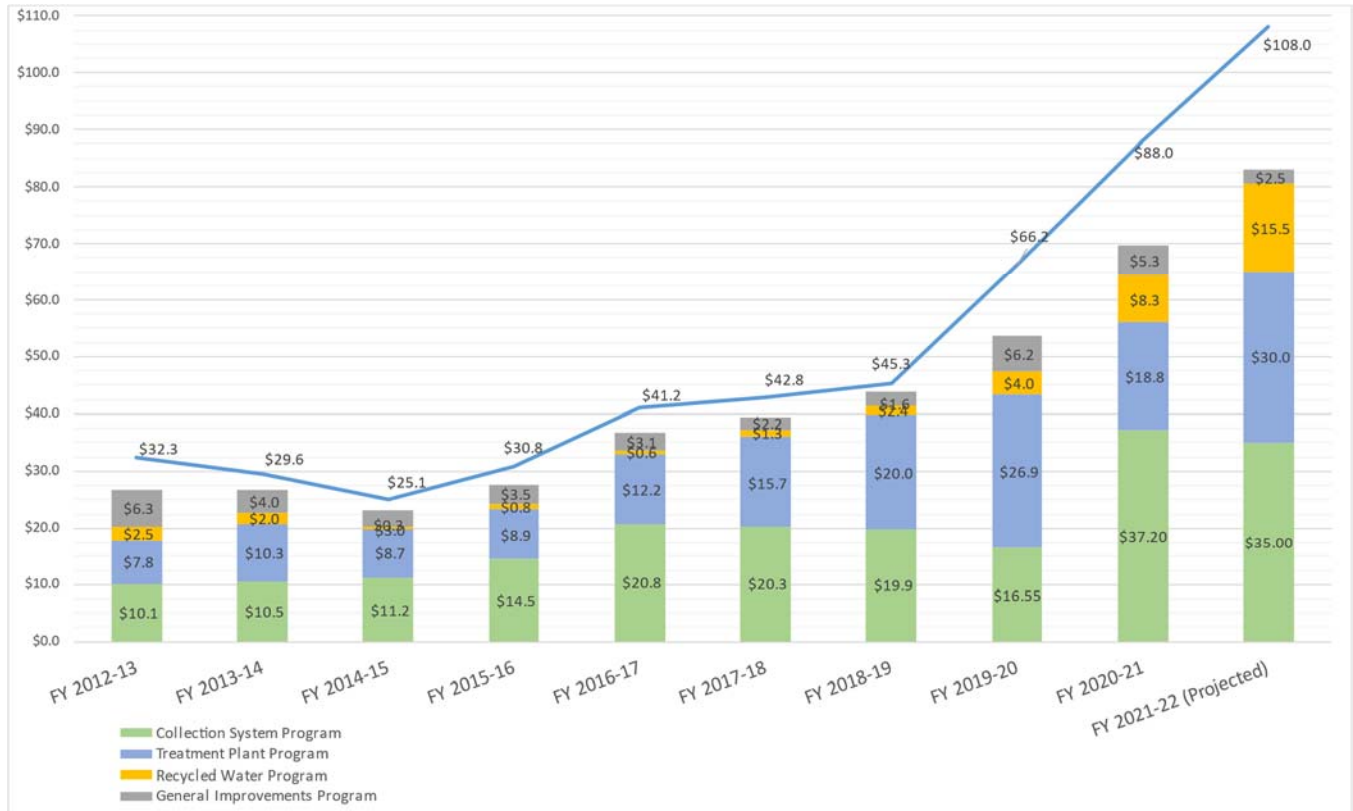
Figure 10b – Long-Term Budgeted O&M Spending Trend & Projection (with 2021 COPs Debt Service)



Sewer Construction (Capital)

Capital spending has been ramping up significantly since FY 2016-17, with spending projected to average \$113.6 million per year over the next decade (in 2022 dollars). Over the past 10 years, actual spending (including projected spending for FY 2021-22) has been \$430.7 million, while budgeted spending (called “estimated expenditures” prior to FY 2017-18) was \$509.2 million.

Figure 11 – Infrastructure Investments Over Past Ten Years: \$430.7 million



Long-Range Financial Plans

Each year of Central San’s budgeting process includes long-range financial planning covering a ten-year outlook. This section describes the assumptions used in the Ten-Year Financial Plan, including forecasts for Central San’s projected operating and capital fund revenues and expenses accounting for anticipated service area population growth, inflation, capital investment requirements, and other factors.

Strategic Plan

Central San’s Strategic Plan includes various goals, including relationships to workforce development, environmental stewardship, and infrastructure reliability, which have been considered when developing the Ten-Year Financial Plan.

Revenue Forecast

The following is a summary of key assumptions related to the most significant revenue categories included in Central San’s latest ten-year financial forecast.

- Sewer Service Charges** – FY 2022-23 is the final year of a four-year rate cycle approved by Central San’s Board of Directors at the conclusion of a Proposition 218 process in 2019. Central San anticipates completing an updated Cost of Service study prior to proposing rates for FY 2023-24 and future years. Approximately 15-20% of annual SSC revenue is earned on a consumption basis. As a result of COVID-related impacts to customers in these rate classes, Central San saw a reduction in consumption-based revenue beginning in FY 2021-22 and is projecting that consumption will

return to pre-COVID levels between FY 2023-24 and FY 2024-25. Additionally, the projected sewer service revenues shown in the Ten-Year Financial Plan are also based on estimated future year revenue requirements and rates which are not finalized until approved by the Board.

- **Property Tax Revenues** – Central San receives a share of the 1% countywide tax assessed by the County of Contra Costa on properties within its District boundary. This tax is based on the assessed value of property (net of any exemptions or other adjustments) as determined by the county Auditor-Controller’s Office. Consistent with national housing trends associated primarily with the COVID pandemic, property values (i.e., home values) and sales rates in the Contra Costa region have increased dramatically in recent years. This has resulted in annual increases in excess of 5% per year. However, Central San anticipates this growth rate will return to a more traditional 2% to 5% annual increase in future years. Property Tax Revenues are included within the Non-Operating Revenue category in Table 15.
- **Capacity Fees (Gravity and Pumped Zone)** – Gravity and Pumped Zone Capacity Fees are collected from new construction and expansion of non-residential facilities which result in an added wastewater burden. The fee is calculated as an equity buy-in. Residential parcels are charged a flat per-unit fee, and non-residential parcels are typically charged based on the business type and building square footage, which represents their anticipated wastewater burden. The amounts due are collected before plans are approved. The budgeted amount is estimated by the Planning & Development Services Division based on trend analysis and anticipated construction activity for the upcoming year. Pumped Zone Fees are collected specifically to cover pumping infrastructure costs for new developments or expansion in areas where pump stations are required to move wastewater to the Central San treatment plant. These fees are budgeted by multiplying the incremental Pumped Zone Fee times the number of residential unit equivalents anticipated to be subject to such fees. Capacity Fee revenues are included within the Capital Revenue category in Table 15.
- **Concord Cost-Sharing** – Since the 1970s, Central San has participated in a cost-sharing agreement with the City of Concord to treat the wastewater for customers in the cities of Concord and Clayton. Charges to Concord represent its flow-proportionate share of Central San’s operating and capital expenditures and debt service related to wastewater treatment. Recent years have shown a slight decrease in the relative share of Concord’s flow compared to Central San’s total inflows, a trend which is anticipated to continue. Additionally, Concord’s share of capital expenditures and any associated debt service is more directly related to expenditures in the Treatment Plant and Recycled Water capital program areas. As planned spending in these areas changes in proportion to total capital spending, Concord capital revenues are anticipated to adjust in a similar direction. Revenues from the Concord Cost-Sharing arrangement are included within both the Operating and Capital Revenues categories, as applicable, in Table 15.
- **Loan & Debt Proceeds** – In 2020, Central San received initial approval from the State Water Board for a low-interest loan in support of a capital improvement project related to its Solids Handling Facility, and the loan agreement was finalized in 2021. Loan proceeds are anticipated for Phase 1a of this project through FY 2025-26. The ten-year plan includes similar proceeds for additional capital projects at levels consistent with the corresponding project’s cash flow requirement for each fiscal year. Loan and Debt Proceed are included in the Capital Revenues category in Table 15.

- **Other Revenues** – In addition to the revenues noted above, Central San also collects a variety of miscellaneous operating and non-operating revenues related to development and inspection costs, hazardous waste collection, recycled water, stormwater/pollution prevention, leases, and other miscellaneous activities as well as interest and investment-related revenues. Although these revenues are generally anticipated to increase at a rate of 2-3% per year, since many of these fees are designed simply to recover the cost of providing the associated services, they are not expected to contribute significantly to improvements in Central San’s net position or year-end balances. Other Revenues are included in both the Non-Operating and Capital Revenues categories in Table 15 as appropriate.

Expense Forecast

The following is a summary of key assumptions related to the two major expense categories included in Central San’s latest ten-year financial forecast.

- **Operating Costs** - Central San’s operating costs include the cost of operation and maintenance expenses, self-insurance expenses, and debt service. Annual increases to O&M costs in the next ten years are estimated to range between 3.3% and 5.5% per year, depending on the cost category and spending item. Forecasts for these expenses are based on the following assumptions:
 - Salaries & Wages expenses will increase consistent with the terms of current labor agreements (Memoranda of Understanding).
 - Individual benefit expenses are each escalated in one of three general ways: based on a change on the prior year, as a percent of some other expense (such as salaries or pensionable salaries), or to some other known/projected amounts (specifically OPEB/UAIL-related expenses).
 - Assumed annual 4% inflation for general expenses for two fiscal years, dropping to 3% thereafter, with higher assumptions in the near-term for chemical and utility costs.
 - Self-insurance costs are driven primarily by insurance premium expenses.
 - Debt service for existing projects is based on existing repayment schedules; for anticipated debt issuances, interest rates and repayment terms vary by the type of financing instrument proposed and are based on current assumptions of rates in effect when the debt is likely to be issued.
- **Capital Costs** – Capital cash flows are based on an annual review of projects required to meet Central San’s operational and regulatory requirements. This review results in a multi-year Capital Improvement Plan with individual project costs determined for each fiscal year. Annual project amounts are escalated to account for inflation in future years and adjusted to match anticipated spending requirements.

Reserve Requirements

As described previously and disclosed in detail in Table 14, in addition to the expenses noted above, Central San’s Board has established year-end fund reserve policies in order to ensure that adequate cash is available to meet anticipated cash requirements. These requirements have been included in the ten-year financial plan but differ from those in Table 14 due to timing and other factors.

Ten-Year Financial Plan Summary

Combining the estimated Operating and Capital costs with reserve requirements determines each fiscal year's revenue requirement. Applying anticipated annual revenues identifies any shortfalls requiring additional revenue or overages to be reserved for future capital spending. To determine these amounts, Central San uses a sewer service rate design model that includes the following core assumptions:

- Projected fund balances available at the beginning of the fiscal year and any revenues received during the year are available for use by that fund. The main exception to this is funds held in Rate Stabilization Reserve Accounts within the Running Expense and Sewer Construction funds. The funds in these accounts are internally restricted and cannot be used without Board approval.
- Actual expenses and revenues will match projected amounts (i.e., no year-end surplus or deficit).
- Any year-end remaining fund balances outside of the Sewer Construction Fund will be reallocated to Sewer Construction for future capital requirements.
- Property tax revenues received are applied first against debt service expenses and reserve requirements with any remaining amounts restricted to fund current and future capital costs.
- Capital Projects is generally assumed to spend 90% or less of its annual cash flow requirement in any given year, with the balance deferred to the following fiscal year and escalated.

The rate design model also helps to ensure that the planning process adheres to existing fiscal policies and debt covenant requirements regarding debt issuance and coverage, as outlined in the Financial Planning Policies section previously. Core policy assumptions complied with in the ten-year financial plan include the following:

- Not more than 60% of the overall CIP shall be financed with debt (BP-029).
- Central San shall target rate or tax revenue funding of, at a minimum, the value of the collection system replacement program (specifically, pipeline replacement) component of the CIP (BP-029).
- The debt repayment period should be structured so that the weighted average maturity of the debt does not exceed 100% of the expected average useful life of the project being financed (BP-029).
- Central San shall target a debt service coverage level of at least 2.0x or greater for financial planning and ratemaking purposes (BP-029).
- Net Revenues (Gross Revenues excluding capacity fees and after payment of Operations and Maintenance (O&M) Costs) plus Tax Revenues are to be at least 125% of debt service in a fiscal year (bond covenants).
- Gross Revenues (Gross Revenues including capacity fees and after payment of O&M Costs) plus Tax Revenues are to be at least 100% of debt service in a fiscal year (2018 covenant).

Table 15 identifies estimated values for each category of revenue and expense and overall funding balances based on Central San's current budget and the assumptions noted previously.

Table 15 – Ten-Year Financial Plan Summary (in millions)

	Fiscal Year Ending June 30									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Reserves*	\$129.2	\$137.8	\$141.9	\$154.1	\$153.1	\$137.1	\$124.8	\$129.6	\$138.1	\$157.5
Revenues										
Sewer Service charges	\$114.7	\$124.7	\$133.2	\$138.9	\$144.8	\$151.1	\$157.7	\$165.5	\$174.0	\$183.3
Other Operating & Capital	73.6	72.4	90.9	106.0	67.4	86.1	85.8	87.1	95.8	91.0
Non-Operating Revenues	24.2	25.8	26.7	27.5	28.3	28.9	29.6	30.5	31.4	32.5
Total Revenues	\$212.5	\$222.9	\$250.8	\$272.4	\$240.4	\$266.1	\$273.1	\$283.1	\$301.3	\$306.8
Expenses										
Operating Expenses:										
Operations	\$45.1	\$47.9	\$50.2	\$52.6	\$55.1	\$57.5	\$60.0	\$62.6	\$65.3	\$68.0
Recycled Water Program	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4
Engineering & Technical Services	15.2	15.9	17.0	18.1	19.3	20.4	21.6	22.8	24.0	25.3
Administrative and General	23.1	24.9	25.9	27.0	28.1	29.2	30.3	31.4	32.6	32.5
Self Insurance	2.2	2.3	2.5	2.6	2.8	3.0	3.2	3.4	3.6	3.9
Total Operating Expenses	\$87.2	\$92.6	\$97.3	\$102.1	\$107.2	\$112.1	\$117.1	\$122.3	\$127.8	\$132.1
Capital Expenses:										
Treatment Plant	\$40.0	\$68.5	\$78.6	\$98.9	\$71.2	\$75.7	\$72.3	\$72.1	\$84.9	\$62.1
Collection System	36.9	43.8	40.4	30.3	30.4	28.4	28.4	28.4	28.4	28.9
Recycled Water	8.7	3.8	4.3	2.4	9.3	9.8	5.4	0.3	0.3	0.3
General & Other	5.4	4.3	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Total Capital Expenses (Gross)	\$91.0	\$120.4	\$127.3	\$135.7	\$115.0	\$118.0	\$110.2	\$104.9	\$117.7	\$95.5
Net Cash Flow Adjustments**	12.5	(3.4)	4.9	25.8	17.7	32.0	29.3	38.3	29.2	46.3
Total Adjusted Capital Expenses	\$103.5	\$117.0	\$132.2	\$161.5	\$132.7	\$150.0	\$139.5	\$143.2	\$146.9	\$141.8
Debt Service:										
Existing (Revenue Bonds, COPS)	\$13.2	\$9.2	\$8.8	\$9.0	\$9.3	\$9.1	\$4.5	\$1.9	\$-	\$-
New/Planned (including 2021 SRF)	-	-	0.4	0.7	7.2	7.2	7.2	7.2	7.2	7.2
Total Debt Service	\$13.2	\$9.2	\$9.2	\$9.7	\$16.5	\$16.3	\$11.6	\$9.1	\$7.2	\$7.2
Total Expenses	\$203.9	\$218.7	\$238.6	\$273.4	\$256.4	\$278.3	\$268.3	\$274.6	\$281.9	\$281.1
Reserves										
Year Ending Reserve Requirements*	\$99.0	\$99.1	\$114.8	\$133.7	\$134.5	\$122.9	\$124.2	\$121.4	\$123.0	\$122.8
Ending Funds Available	137.8	141.9	154.1	153.1	137.1	124.8	129.6	138.1	157.5	183.2
Funds Available Over/(Under) Requirement	\$38.8	\$42.8	\$39.2	\$19.4	\$2.6	\$2.0	\$5.4	\$16.7	\$34.4	\$60.3

*Reserves differ from reserve projections shown in Table 14 as the long-term cash flow assumes full spending of the FY 2021-22 O&M and self-insurance fund budgets and distributes unspent CIB rollover into future fiscal years differently. Additionally, targeted reserves also include the following year's debt service for cash flow purposes, which is not a mandatory policy requirement.

**Net Cash Flow Adjustments represents the amount required to escalate the present value of planned capital expenses to future years' values accounting for projected inflation and anticipated spending rates.

Operating Departments

On a day-to-day basis, the following three Operating Departments at Central San carry out the mission of protecting public health and the environment:

- Administration
- Engineering and Technical Services
- Operations

The departments work together to provide exceptional internal and external customer service in the operation of Central San's wastewater collection, treatment, recycled water, and household hazardous waste collection facilities. The departments are guided by Central San's Strategic Plan, which provides direction and initiatives to help achieve the strategic goals and objectives.

The three department directors and the General Manager form Central San's Executive Team. Each department director worked closely with the division managers to create a prudent and cost-effective budget, utilizing efficiency and effectiveness to execute the Strategic Plan initiatives and targets while keeping costs at a minimum.

The following sections describe the responsibilities of each department and division; strategic accomplishments in FY 2021-22; performance against the FYs 2020-22 Strategic Plan key metrics in FYs 2020-21 and in FY 2021-22 as of Q2; and operating budget needs. For final FY 2021-22 strategic performance data, please refer to the FY 2021-22 Strategic Plan Annual Report after its publication in fall 2022. The total operating budget for FY 2022-23 is \$85 million, a \$5.5 million or 6.9% increase over the \$79.5 million budget for FY 2021-22.

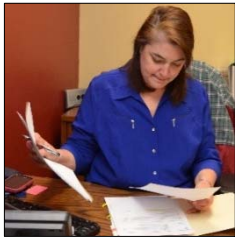


Administration Department

The key to moving water is not simply in the pipes and pumps, but also in the people who keep the business running. The Administration Department's primary function is to provide services that support the efficient operation of Central San, including the General Manager; financial management; human resources (HR) and organizational development; purchasing and materials services; information technology; and risk management. The department is also responsible for internal communications, advancing Central San's policy objectives with state and federal legislative bodies, and being responsible for interagency relations and public affairs. Central San's strategic planning and benchmarking efforts are overseen by the Director of Finance and Administration.

The divisions that comprise this department include the following:

- Executive Governance Divisions
 - Office of the General Manager
 - Office of the Secretary of the District
 - Board of Directors
- HR and Organizational Development
- Office of the Director of Finance & Administration
- Communication Services and Intergovernmental Relations
- Finance
- Information Technology (IT)
- Purchasing and Materials Services
- Risk Management



Executive/Governance Offices

This section presents the budgets for the organizational units of Central San charged with executive governance. Divisional units include the Offices of the General Manager and Secretary of the District, and the Board of Directors (Board).

Office of the General Manager

OVERVIEW

The primary mission of the Office of the General Manager is to work with the Board to establish and implement policies and procedures, as well as Central San's overall goals and Strategic Plan. The General Manager reports directly to the Board; acts as Central San's representative to other agencies; and provides oversight to all operations. This includes interagency relations, legislative activities, communications, optimization efforts, and the completion of the Strategic Plan goals.

This office also provides direction, support, and resources to internal departments so they may effectively and efficiently accomplish the Vision, Mission, and Goals of Central San. The accomplishments below represent tasks completed by the General Manager and his budgeted staff, as well as major overarching accomplishments of Central San directly overseen by the General Manager. The agencywide FY 2021-22 accomplishments and performance, as well as the FY 2022-23 targets and objectives, are embodied in each of the individual division and program sections.

The General Manager's office's staffing budget includes the administrative staff supporting the General Manager, as well as the budgeted Internal Auditor.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Oversaw the effort to continue providing essential services during the COVID-19 pandemic while protecting employees, the public, and the environment.
- Served on the boards of National Association of Clean Water Agencies (NACWA), California Association of Sanitation Agencies (CASA), WateReuse, John Muir Health, and the California African American Water Education Foundation to strengthen ties to the water sector and the community Central San serves.
- Met with city and town officials to ensure open lines of communication and interagency relations.
- Presented Strategic Plan Annual Report to the Board.
- Began planning the next in-person Central San Academy session, for which 79 applications have been received.



ENVIRONMENTAL STEWARDSHIP

- Continued efforts to augment the region’s water supply through the proposed Refinery Recycled Water Exchange and the request from the Dublin San Ramon Services District (DSRSD) - East Bay Municipal Utility District Recycled Water Authority (DERWA) to divert flow from the San Ramon Pumping Station to create recycled water.



FISCAL RESPONSIBILITY

- Worked strategically with the office of the Director of Finance and Administration and the Board to pay off Central San’s pension unfunded liabilities and substantially reduce the other post-employment benefits (OPEB) unfunded liabilities.
- Worked with full-time dedicated internal auditor to improve controls and processes, including the auditor’s design audit of the payroll system, IT security audit, and Accounts Payable audit.
- Completed annual Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework and solicited involvement from 34 California agencies.



WORKFORCE DEVELOPMENT

- Held virtual State of the District meetings with each department to update employees on current issues and receive feedback.
- Provided direction to the negotiating team which resulted in the adoption of successor memoranda of understanding with the bargaining units.
- Met frequently with bargaining unit representatives to maintain open communication and resolve issues early.



INNOVATION AND OPTIMIZATION












- Maintained Optimizations Program to commit to efficiency, effectiveness, and continuous improvement by tracking and reporting progress.
- Produced and presented Optimizations Program Annual Report to the Board.
- Initiated development of the Strategic Optimization and Innovation Initiative in the Operations Department.



AGILITY AND ADAPTABILITY






- Modified operations to maintain a safe working environment, while maintaining essential services and high-quality customer service during the pandemic.
- Allowed employees to work from home where possible – based on their job duties and ability to remote work effectively – to help reduce community spread.



FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
 GOAL ONE	Participants in citizens academy, Central San Academy	≥35 per Session	33		N/A (2022 Session Not Yet Held)	
 GOAL ONE	Awards or Recognitions Received	≥10	13		6	
 GOAL SIX	Completed Optimizations	≥20	20		5	
 GOAL SEVEN	Productivity	≥95%	>95%		>95%	

FY 2022-23 Strategic Objectives

In the coming fiscal year, this office will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 GOAL ONE Deliver High-Quality Customer Service	Continue to provide staff with resources and high-level guidance needed to maintain excellence in the industry. Maintain open and frequent communication with the individual Board Members .
 GOAL ONE Build Neighborhood and Industry Relationships	Represent Central San’s best interests in involvement with industry associations and advocacy groups regionwide, statewide, nationwide, and worldwide.
 GOAL TWO Be a Partner in Regional Development of Local Water Supply	Continue to work toward the fruition of the Refinery Recycled Water Exchange , an innovative partnership between Central San, Contra Costa Water District, and Valley Water to supply recycled water to neighboring refineries , or other potential users such as East Bay Mud (EBMUD) or San Francisco Public Utility Commission (SFPUC).
 GOAL THREE Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment	Continue to meet regularly with labor bargaining unit representatives and division workgroups to maintain an open channel of communication, and address workplace issues in a timely manner.
 GOAL THREE Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive	Continue to gauge ways and means to make Central San a preferred employer .

 <p>Promote and Uphold Ethical Behavior, Openness, and Accessibility</p> <p>Maintain Financial Stability and Sustainability</p>	<p>Continue the development of the internal audit function with workplans presented annually and internal audit reports presented to the Board.</p>
 <p>Implement Organization-Wide Optimization</p>	<p>Continue to inspire performance, efficiency, and effectiveness through the Optimizations Program, the Central San Smart initiative, fulfillment of the Strategic Plan, and an employee recognition program.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$815,472	\$569,608	\$701,216	\$663,295	\$641,609	(\$59,607)	-8.5%
Employee Benefits	270,585	156,216	260,517	318,271	234,246	(26,270)	-10.1%
Unfunded Liability Contributions	257,072	138,740	1,095	972	1,000	(95)	-8.7%
Purchased Property Services	-	1,311	600	-	-	(600)	-100.0%
Repairs & Maintenance	-	364	600	-	-	(600)	-100.0%
Rentals	-	947	-	-	-	-	-
Purchased Professional, Technical & Other Services	80,000	8,097	106,200	15,861	81,200	(25,000)	-23.5%
Professional Services	50,000	8,097	19,200	15,861	69,200	50,000	260.4%
Technical Services	30,000	-	12,000	-	12,000	-	0.0%
Other Purchased Services	-	-	75,000	-	-	(75,000)	-100.0%
Supplies & Materials	7,800	6,172	9,000	1,902	11,000	2,000	22.2%
Utilities & Fuel	-	64	-	-	-	-	-
General Supplies	7,800	6,108	9,000	1,902	11,000	2,000	22.2%
Other Expenses	70,650	36,131	92,600	44,889	101,190	8,590	9.3%
Memberships	45,900	34,376	46,900	29,190	49,390	2,490	5.3%
Training & Meetings	20,750	1,194	35,700	7,976	39,800	4,100	11.5%
Miscellaneous Other	4,000	561	10,000	7,723	12,000	2,000	20.0%
Total Expenses	\$1,501,579	\$916,275	\$1,171,228	\$1,045,191	\$1,070,246	(\$100,982)	-8.6%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
General Manager	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	-
Executive Assistant	1.0	1.0	1.0
Internal Auditor	1.0	1.0	1.0
Senior Administrative Technician	1.0	-	-
Total	5.0	4.0	3.0

Budget Modifications and Contributions to Key Priorities

The Office of the General Manager leads the effort to address all key priorities facing Central San, as described in the General Manager's Message. The Office of the General Manager's budget for FY 2022-23 is approximately \$1.1 million, an overall decrease of 8.6% from prior year's budget. This decrease is attributable to Salaries & Wages and Employee Benefits categories where one Administrative Assistant position was transferred to Planning & Development Services Division. This decrease offsets an agency-wide cost-of-living adjustment. Supplies and Materials in increasing modestly as employees return to the office as well as Other Expenses as employees return to in-person travel for trainings.

Office of the Secretary of the District

OVERVIEW

The Secretary of the District reports to the Board and General Manager and provides administrative support to the five elected Board Members. The Office of the Secretary of the District manages the Board and Committee meeting processes, including the preparation and distribution of agendas and minutes and the publication of notices of public hearings. It coordinates compliance with Fair Political Practices Commission regulations and the Brown Act, receives legal claims against Central San, coordinates elections with the Contra Costa County Elections Office, and arranges Brown Act trainings for the Board and staff. It also manages Central San's Records Management Program and responds to Public Records Act requests.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Conducted three California Voting Rights Act (CVRA) Public Hearings to update the by-area elections data with the 2020 Census data for Central San.
- Coordinated Board Self-Evaluation Workshop, Financial Planning Workshop, and annual review of Board Member compensation and benefits.
- Facilitated adoption of the following new policies: Buffer Management Properties; Board Liaison and Representatives; Board Compensation, Benefits, and Expense Reimbursement; Regulatory Accounting; and Deferred Compensation Plan.
- Coordinated meetings for Board Liaisons with representative cities and agencies.
- Provided Records Program services to all departments, including indexing over 76 new records boxes transferred to storage, creating and printing over 700 new file folder labels, and delivering over 143 boxes requested from storage.



ENVIRONMENTAL STEWARDSHIP

- Developed new policy and converted Board Compensation resolution to a new Board Policy to generate regular review.
- Facilitated the filing of Statements of Economic Interest (Form 700) for all designated filers under the Conflict-of-Interest Code.
- Coordinated biennial review of existing Board policies and facilitated amendments to nine Board policies.



WORKFORCE DEVELOPMENT

- Scheduled Board Member attendance at workshops on Ethics Compliance and Harassment Prevention.
- Staff attended California Clerks Association, California Special Districts Association, and Board Secretary Conferences.



AGILITY AND ADAPTABILITY




- Modernized the Board Meeting Room with the addition of multiple video cameras to improve transparency, upgrades to the electronic systems to accommodate mobile devices, and replacement of projector screens with monitors.
- Converted all Board meetings and committee meetings to virtual meetings.
- Held bid openings remotely and live online.

FYs 2020-22 Strategic Targets and Performance

This division is not responsible for the completion of any metrics in the FYs 2020-22 Strategic Plan.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Provide High-Quality Customer Service</p>	<p>Develop procedures for onboarding a new Board Member.</p>
 <p>Encourage and Facilitate Public Participation</p>	<p>Obtain electronic posting system for agendas and public hearing notices.</p>
 <p>Implement Organization-Wide Optimization</p>	<p>Complete project with the Information Technology Division to optimize use of electronic records to improve processes throughout Central San and develop an E-Records Master Plan.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$483,201	\$523,898	\$575,220	\$420,195	\$525,443	(\$49,777)	-8.7%
Employee Benefits	160,700	203,781	148,837	135,973	192,692	43,856	29.5%
Unfunded Liability Contributions	165,473	210,791	754	616	786	32	4.2%
Purchased Property Services	24,850	22,282	24,850	11,547	18,000	(6,850)	-27.6%
Repairs & Maintenance	9,850	10,471	9,850	1,245	2,000	(7,850)	-79.7%
Rentals	15,000	11,811	15,000	10,302	16,000	1,000	6.7%
Purchased Professional, Technical & Other Services	132,000	435,292	59,000	72,949	468,200	409,200	693.6%
Professional Services	50,000	60,656	50,000	19,406	48,000	(2,000)	-4.0%
Technical Services	6,000	2,350	6,000	1,000	4,000	(2,000)	-33.3%
Other Purchased Services	76,000	372,286	3,000	52,543	416,200	413,200	13773.3%
Supplies & Materials	11,000	5,942	16,000	6,315	15,000	(1,000)	-6.3%
General Supplies	11,000	5,942	16,000	6,315	15,000	(1,000)	-6.3%
Other Expenses	21,555	8,683	21,555	14,625	22,550	995	4.6%
Memberships	4,555	4,068	4,555	4,654	5,000	445	9.8%
Training & Meetings	14,500	2,714	14,500	7,659	15,550	1,050	7.2%
Miscellaneous Other	2,500	1,901	2,500	2,312	2,000	(500)	-20.0%
Total Expenses	\$998,779	\$1,410,669	\$846,215	\$662,219	\$1,242,671	\$396,456	46.9%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Services Assistant	-	-	1.0
Administrative Services Supervisor	1.0	1.0	-
Assistant to the Secretary of the District	1.0	1.0	1.0
Records Program Administrator	-	-	1.0
Secretary of the District	1.0	1.0	1.0
Senior Administrative Technician	1.0	1.0	-
Total	4.0	4.0	4.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Senior Administrative Technician	-	1.0	-
Total	-	1.0	-

Budget Modifications and Contributions to Key Priorities

The Office of the Secretary of the District assures the ongoing flow of information to and from the Board of Directors, facilitating policy direction and oversight. The Office of the Secretary of the District's Operating Budget for FY 2022-23 is \$1.2 million, \$0.4 million or 47% increase from last year's budget. The increase is attributable to an election year for the Board of Directors in November 2022 in the category Purchased Professional, Technical & Other Services.

Board of Directors

OVERVIEW

The Board of Directors (Board) is a five-member governing body which represents the needs and interests of Central San’s customers. It provides oversight to Central San by setting policy direction; establishing governing ordinances and rules; ensuring accountability; providing resources; bargaining collectively with unions; managing Executive Management staff; and attending to lawsuits, real estate acquisitions, and high-level Human Resources (HR) issues. Each member is elected to a four-year term. In addition to twice-monthly meetings, Board Members serve on individual committees to review matters within their purview for recommendation to the full Board. They also act as liaisons to specific agencies and cities served by Central San, meeting with officials and presenting to town and city councils as needed to provide customer service and represent Central San and its ratepayers.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$54,650	\$57,924	\$54,650	\$58,000	\$66,600	\$11,950	21.9%
Employee Benefits	106,229	66,738	82,426	76,754	83,045	619	0.8%
Purchased Professional, Technical & Other Services	350,000	245,737	250,000	104,791	266,000	16,000	6.4%
Professional Services	100,000	235,687	250,000	89,768	250,000	-	0.0%
Other Purchased Services	250,000	10,050	-	15,023	16,000	16,000	-
Supplies & Materials	5,150	-	5,150	480	5,150	-	0.0%
General Supplies	5,150	-	5,150	480	5,150	-	0.0%
Other Expenses	48,000	9,431	44,500	40,152	44,500	-	0.0%
Memberships	-	260	500	200	500	-	0.0%
Training & Meetings	40,000	9,171	40,000	38,952	40,000	-	0.0%
Miscellaneous Other	8,000	-	4,000	1,000	4,000	-	0.0%
Total Expenses	\$564,029	\$379,830	\$436,726	\$280,177	\$465,295	\$28,569	6.5%

Budget Modifications and Contributions to Key Priorities

The Board of Directors’ Operating Budget for FY 2022-23 is approximately \$0.5 million, reflecting an increase of 6.5% from prior year’s budget. This increase is attributable to the inclusion of good governance consulting services in FY 2022-23. The budget also reflects an increase in labor costs for Board members stipends due the election year.

Human Resources and Organizational Development

OVERVIEW

This division manages employee and labor relations; recruitment, testing, and selection to enhance Central San's workforce; classification and compensation; benefits administration; agencywide training; organizational development; engagement efforts; and all payroll functions.

The Safety workgroup is overseen by the Human Resources (HR) and Organizational Development Manager and administers Central San's Safety Program. The primary objective of the program is to reduce injuries, accidents, and environmental impact while ensuring compliance. This is achieved through high-quality training for staff; comprehensive workplace evaluation; incident response; hazardous materials management from acquisition to disposal; and management of regulatory information.

FY 2021-22 Strategic Accomplishments



WORKFORCE DEVELOPMENT

- Launched Central San's Diversity, Equity, and Inclusion (DEI) initiative.
- Developed and launched the Career Development Program to offer career coaching and job shadowing to employees.
- Managed the third cycle and kicked off the fourth cycle of the BOOST Mentorship Program.
- Began the third Supervisory Academy.
- Re-initiated quarterly HR @ Your Service trainings with topics on cybersecurity awareness, pension benefits, and deferred compensation.
- Developed and launched the Clarifier Speaker Series to engage employees on Central San's activities and achievements.
- Completed negotiations for successor Memoranda of Understanding for all bargaining groups.
- Continued the biannual Supervisors' Summit to discuss items of interest and receive brief refreshers on policies and procedures.
- Held virtual Q&As on Central San-wide policies and procedures, including the new performance appraisal process.
- Continued the Employee Recognition Events program to allow managers to acknowledge extraordinary achievements.
- Implemented and developed training materials for enhanced performance appraisal process, focusing on career coaching and development.
- Conducted ethics training for all employees.
- Offered financial webinars educating employees on budgeting, investment, retirement, and other topics related to managing money.
- Offered wellness seminars on topics related to physical and mental health.
- Continued to meet with Local One and Management Support / Confidential Group Labor Management Committees quarterly and tracked action items for completion.
- Held ongoing HR and union representative/employee meetings.

- Held the second Externship Program virtually for 22 college students and recent graduates nationwide, with presentations by staff from across Central San.
- Continued coordinating with other agencies and BAYWORK to support development of the regional workforce.
- District Safety Committee Safety Suggestions were acted on in less than 60 days.
- Administration and Engineering Departments had zero lost workdays.
- Plant Operations and Maintenance Division had zero lost workdays.
- Collection System Operations Division worked 280 continuous days without a lost-time incident.



INNOVATION AND OPTIMIZATION

- Administered the Optimizations Program, including tracking achievements for the next Innovations Fair.
- Produced and presented the Optimizations Program Annual Report to the Board.
- Continued to refine the new ERP payroll system.
- Configured, tested, launched, and troubleshooted the new ERP Career and Performance module.



























AGILITY AND ADAPTABILITY

- Coordinated Central San’s response to the COVID-19 pandemic, ensuring essential services remained intact while protecting staff, the public, and the environment.
- Implemented, enforced, and continued to develop a COVID-19 Exposure Prevention Plan.
- Secured COVID-19 testing resources for employees and conducted contact tracing for all positive cases.
- Procured on-site COVID-19 “peace of mind” testing for employees.
- Implemented the Central San’s vaccine mandate.
- Assisted in the development and implementation of a short- and long-term Engineering Controls Plan in conjunction with the Planning group and a consultant.
- Maintained regular and ongoing communication with bargaining unit representatives and employees on changes, updates, and general information related to COVID-19.

FYs 2020-22 Strategic Targets and Performance


Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	Average Time to Fill Vacancy (From Request to Hire)	≤60 Days	70.9		49.5 Days	
	Turnover Rate at or Below Industry Average	≤7.8%	6.8% (incl. retirees)		3.6% (incl. retirees)	
			2.2% (excl. retirees)		2.2% (excl. retirees)	





	Average Annual Training Hours (External and Internal Training)	≥15 Hours Per Full-Time Equivalent Employee (FTE)	13.7 Hours/FTE*		7.1 Hours/FTE*	
	Participation in Annual Wellness Expo	Increase by 10% Each Year	N/A (45 participants served at a Wellness Clinic offered in lieu of the Expo)		4.5% increase in participants served compared to 2021 Wellness Clinic	
	Internal Promotions (Excludes Entry-Level Positions)	≥25%	47.1%		75%	
	Formal Grievances Processed	Zero (0)	Zero (0)		Zero (0)	
	Performance Evaluations Completed on Time	100% Completion of Annual Performance Evaluations	91.3%		70%	
	Employee Injury and Illness Lost Time Incident Rate	≤4.0	0.73		2.26	
	Requested personal protective equipment (PPE) provided	100%	100%		100%	
	Requested safety improvements to the workplace fulfilled	100%	100%		100%	
	Employees trained on COVID-19 prevention	100%	100%		100%	

* Performance may have been affected by travel restrictions and event postponements due to COVID-19. Hours reported may not reflect all training hours. A centralized learning management system will improve reporting capability in the future.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Recruit from a Diverse Pool of Qualified Applicants</p>	<p>Conduct succession planning for District Counsel.</p>

 <p>Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment</p>	<p>Continue to work collaboratively with bargaining units to resolve workplace issues in their early stages and prevent formal grievances.</p>
 <p>Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive</p>	<p>Continue to hold the third Supervisory Academy and cycle 4 of the Mentorship Program.</p> <p>Continue offering the Career Development Program and supporting employees enrolled in the program.</p> <p>Investigate additional cost-effective benefits to offer to employees.</p>
 <p>Reduce and Eliminate Risks of Injury or Illness</p>	<p>Maximize employee safety by continuously updating and implementing the COVID-19 Exposure Prevention Plan to mirror changing guidelines.</p> <p>Work closely with Management and staff to ensure employee safety and continuity of operations during the pandemic.</p> <p>Ensure contractors comply with COVID-19 safety standards when working in the Treatment Plant.</p> <p>Increase visibility in job worksite and facility inspections and contractor project oversight/design reviews.</p> <p>Continue monitoring safety metrics, including both leading and lagging indicators to identify trends (incident reports, first aids only, near misses, inspection findings, etc.).</p> <p>Continue involvement in the design, planning, and safety oversight of construction projects.</p> <p>Update the public address system in the Treatment Plant and CSO for effective communication during emergencies.</p>
 <p>Implement Organization-Wide Optimization</p>	<p>Implement a learning management system.</p>

Budget Overview by Expense Category (Includes Human Resources, Retirees, Safety)

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,131,990	\$1,931,332	\$2,125,016	\$2,518,022	\$2,398,961	\$273,945	12.9%
Employee Benefits	1,903,305	2,243,645	2,378,810	2,655,408	2,489,635	110,825	4.7%
Unfunded Liability Contributions	4,116,343	74,895,431	2,511,927	2,512,095	1,322,187	(1,189,740)	-47.4%
Purchased Property Services	114,950	96,807	98,450	101,950	109,450	11,000	11.2%
Repairs & Maintenance	75,700	65,575	80,700	80,700	80,700	-	0.0%
Hauling & Disposal	12,000	19,951	17,500	17,500	25,000	7,500	42.9%
Security	27,000	11,281	-	3,500	3,500	3,500	-
Cleaning	250	-	250	250	250	-	0.0%
Purchased Professional, Technical & Other Services	536,150	563,418	737,900	678,880	650,960	(86,940)	-11.8%
Professional Services	122,500	179,677	177,500	178,500	178,500	1,000	0.6%
Technical Services	34,000	79,335	60,000	95,000	75,000	15,000	25.0%
Other Purchased Services	379,650	304,406	500,400	405,380	397,460	(102,940)	-20.6%
Supplies & Materials	101,000	99,874	107,500	100,500	113,000	5,500	5.1%
General Supplies	101,000	99,874	107,500	100,500	113,000	5,500	5.1%
Other Expenses	54,750	16,769	39,850	35,504	47,350	7,500	18.8%
Memberships	10,300	5,617	9,950	9,450	9,950	-	0.0%
Training & Meetings	37,450	7,462	21,550	21,204	31,550	10,000	46.4%
Miscellaneous Other	7,000	3,690	8,350	4,850	5,850	(2,500)	-29.9%
Total Expenses	\$8,958,488	\$79,847,276	\$7,999,453	\$8,602,358	\$7,131,543	(\$867,910)	-10.8%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Human Resources & Organizational Development Manager	1.0	1.0	1.0
Human Resources Analyst	2.0	3.0	3.0
Management Analyst	1.0	1.0	1.0
Environment, Health, and Safety Program Administrator	2.0	1.0	1.0
Environment, Health, and Safety Specialist	1.0	1.0	1.0
Administrative Services Assistant	3.0	2.0	2.0
Total	10.0	9.0	9.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Human Resources Analyst	-	-	1.0
Temporary Administrative Services Assistant	1.0	-	1.0
Total	1.0	-	2.0

Budget Modifications and Contributions to Key Priorities

Human Resources plays an important role in meeting the overall challenges that Central San is addressing by working to retain an engaged, motivated, and safe workforce. This includes administering the employee performance review and performance planning process; administering the labor memoranda of understanding; attracting and retaining talented employees through a competitive pay and benefit structure; providing training programs to ensure that Central San managers, supervisors and employees have the tools and knowledge to contribute to a high-performance organization; and providing oversight of the safety function.

The Human Resources & Organizational Development budget for FY 2022-23 is \$7.1 million, reflecting an 10.8% decrease from prior year's budget. The budget decrease is attributable to an assumed vacancy factor of 3% and the capping of other post-employment benefits (OPEB) contributions at the actuarially determined contribution (ADC) amount in FY 2021-22. Budgeted Salaries & Wages reflects an increase due to the limited duration of a Human Resources Analyst. Certain costs relating to all Central San employees or retirees are centrally budgeted in the Human Resources & Organizational Development Division. The following are items budgeted in Human Resources but not specific to that division:

- Salaries & Wages includes \$500,000 for Accrued Compensated Absences Expenses and \$600,000 for Payouts of Accrued Compensated Absence at retirement or termination otherwise of employment.
- Employee Benefits includes \$50,000 for Unemployment Expenses. The Normal Cost as well as unfunded actuarial accrued liability (UAAL) attributable to Central San's OPEB plans are reported solely within this Division in a separate cost center. OPEB benefits offered include health, dental, life, and vision benefits. Every two years management engages an actuary to calculate Central San's Actuarially Determined Contribution (ADC) to ensure adequate funding levels of the plan over the long run. The ADC is further broken down between a "Normal Cost" component (reported in "Employee Benefits"), attributable to current active employees, and a "UAAL" component (reported in "Unfunded Liability Contributions") attributable largely to unfunded retiree costs. For improved transparency and cost tracking purposes the budgeted cost of retiree health premiums is split between its normal cost and UAAL components in accordance with the independently calculated ADC. In FY 2022-23, the total estimated cost of retiree health premiums is approximately \$4.6 million, reflecting a 7.4% increase from the approximate \$4.3 million budgeted in the prior year. However, given the strong funded position of Central San's OPEB Plan, budgeted OPEB costs are once again proposed to be capped at the ADC, which has remained relatively low at \$3.3 million in FY 2022-23. OPEB costs are "capped" as any costs above the ADC ceiling are eligible for reimbursement from the OPEB trust.
- Unfunded Liability Contributions also includes the costs for supplemental pension and OPEB trust payments. Prior to FY 2019-20, supplemental OPEB trust payments were needed to meet the annual ADC as retiree benefit premiums fell short of the independently calculated ADC. With the transition to CalPERS Health in FY 2019-20, the funded status of Central San's OPEB plan has increased tremendously, to the point where the retiree health premiums (i.e., the "pay-as-you-go" costs) are over \$1.3 million higher than the ADC in FY 2022-23. Accordingly, there is no required OPEB trust payment to fully satisfy the ADC in FY 2022-23. Despite this same condition existing last year, the prior year's budget still included a \$1.25 million supplemental trust contribution to be

directed towards either pension or OPEB at the discretion of the Board, which was subsequently directed to the OPEB trust by the Board. Given that the most recent GASB 75 OPEB actuarial report showed OPEB Plan's funded status was 99.16% on a market valuation basis as of June 30, 2021, and in consideration other budget priorities and cost pressures, an additional trust contribution is not included in the FY 2022-23 budget.

The Salaries & Wages, Employee Benefits and Retiree Benefits budget line-item categories each include an estimated vacancy factor credit for the Executive Governance and Administration Departments. The FY 2022-23 budget assumes a 3.0% vacancy factor, consistent with the prior year.

Office of the Director of Finance & Administration

OVERVIEW

The Director of Finance & Administration oversees Communication Services and Intergovernmental Relations, Finance, Purchasing and Materials Services, Information Technology, and Risk Management.

During this past year, the Administration Department continued to provide its operations and services while complying with evolving County and State health orders as the COVID-19 pandemic continued into a second year. Many Administration Department staff teleworked during the pandemic continuing through FY 2021-22 to accomplish their responsibilities.

In FY 2020-21, much of the work under the Office of the Director of Finance & Administration related to completing the replacement of the enterprise resource planning (ERP) system, which has run Central San's core business processes since 1993. The Core Financial modules were implemented in the first quarter of FY 2020-21, with the Budget and Payroll modules implemented in the third quarter. During FY 2021-22, staff continued to work through the issues to optimize and make the best use of the new system. Information Technology and Engineering staff continued to support the implementation of a new permitting system, which is now scheduled to go-live during FY 2022-23. A June 2021 debt offering for capital projects allowed funds to be freed up and used to pay down the outstanding pension liability of \$70.8 million. COVID-19 related cost impacts have been tracked for applying for reimbursements from Federal and State funds. Nearly \$1 million was obtained from an October 2021 application for special district funding from the State; additional funds are expected to be received from a Federal Emergency Management Agency (FEMA) application at the end of the pandemic. This office now also oversees the coordination of Strategic Planning efforts as well as the Benchmarking Study.

To avoid duplicative material, the FY 2021-22 Strategic Accomplishments and performance against the key metrics, as well as the FY 2022-23 Strategic Objectives, for the Director of Finance & Administration are embedded within the sections of the individual divisions and programs overseen by the Director.

This office's staffing budget includes the administrative staff supporting the Director of Finance and Administration.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$382,081	\$463,341	\$483,997	\$484,416	\$512,703	\$28,706	5.9%
Employee Benefits	100,557	97,263	128,606	130,042	133,170	4,564	3.5%
Unfunded Liability Contributions	86,869	114,562	751	519	797	46	6.1%
Supplies & Materials	1,000	1,808	1,000	1,050	1,050	50	5.0%
General Supplies	1,000	1,808	1,000	1,050	1,050	50	5.0%
Other Expenses	8,525	479	2,400	721	1,550	(850)	-35.4%
Memberships	925	-	350	550	550	200	57.1%
Training & Meetings	7,100	479	1,550	149	500	(1,050)	-67.7%
Miscellaneous Other	500	-	500	22	500	-	0.0%
Total Expenses	\$579,032	\$677,453	\$616,754	\$616,748	\$649,271	\$32,516	5.3%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Director of Finance & Administration	1.0	1.0	1.0
Administrative Services Assistant	1.0	1.0	2.0
Senior Administrative Technician	-	1.0	-
Total	2.0	3.0	3.0

Budget Modifications and Contributions to Key Priorities

The Office of the Director of Finance & Administration Operating Budget for FY 2022-23 is \$0.65 million, reflecting a 5.3% increase over the prior year budget. The increase is primarily attributable to Salaries & Wages, agency-wide cost-of-living adjustment, and increases due to step advancements. Budgeted Other Expenses category has increased due membership fees.

Communication Services and Intergovernmental Relations

OVERVIEW

This division facilitates communication with employees, customers, stakeholders, agencies, legislators, and elected officials, which encompasses government relations, advocacy, community outreach, media relations, emergency communications, publications, events, and student educational programs. In addition, it oversees a contracted, full-service reprographics services center which is used by all Central San departments.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Launched and promoted an interactive 75th Anniversary Experience website.
- Created a virtual Pollution Prevention Awards presentation for Sustainable Contra Costa.
- Raised awareness for recycling cooking oil at HHW by broadcasting a public service announcement on local cable networks, which reached customers in Central San's service area over 150,000 times.
- Supported Central San's redistricting process through coordinating community outreach and promoting public workshops.
- Provided strategic outreach coordination with sister agencies to increase customer engagement, including partnering with Contra Costa Water District on student education programming and East Bay Municipal Utility District on virtual plant tours and the 75th Anniversary Experience.
- Served thousands of students, both virtually and in-person, with Central San's Pipe Protectors program, a hands-on, science-based curriculum for elementary schools.
- Produced the "Adventures with Toot: Disappearing Act" video to supplement Central San's elementary school education program.
- Continued to increase followers and impressions on YouTube, Facebook, Twitter, Instagram, and LinkedIn.
- Produced and distributed two issues of the *Pipeline* newsletter (including a special 75th Anniversary edition) to inform customers about major infrastructure projects and share pollution prevention information.
- Led Central San's advocacy efforts at the national, state, and local levels.
- Managed Central San's drone program to capture photographs and videos of facilities for education, outreach, and operational assessments.
- Received 2021 Innovation Award from the Municipal Information Systems Association of California and the 2021 Community Engagement and Outreach Project of the Year from the California Water Environment Association for the 75th Anniversary Experience.
- Received national Public Communication & Outreach Award from the Water Environment Federation for Pipe Protectors school education program.
- Designed new maintenance access cover as part of a beautification and outreach project to coincide with 75th anniversary.



ENVIRONMENTAL STEWARDSHIP

- Worked with the Board of Directors to pursue policy efforts at the state and national level that promoted pollution prevention, producer responsibility, and proper wipes labeling.
- Provided outreach on redistricting efforts in line with SB 594 and proper wipes labeling legislation AB 818.
- Delivered final legislative advocacy report as well as ongoing legislative reports.
- Communication Services and Intergovernmental Relations Manager was reappointed to California Special Districts Association (CSDA) legislative committee, which helps develop CSDA’s legislative agenda and reviews, directs, and assists with legislative and public policy issues affecting special districts throughout the state.
- Pre-started coordination on advocacy for 2022 session with CSDA, California Association of Sanitation Agencies (CASA), and regional water and wastewater advocacy leads.



AGILITY AND ADAPTABILITY



- Co-coordinated Central San’s response to the COVID-19 pandemic, ensuring essential services remained intact while protecting staff, the public, and the environment.
- Continued to provide virtual treatment plant tours, speakers bureau, and student education programs, thereby maintaining Central San’s levels of outreach and education during COVID-19 restrictions.
- Provided regular updates at Board meetings on the pandemic and its impacts on Central San.
- Produced monthly *Lateral Connection* employee newsletter in digital magazine format to keep employees informed and engaged, even while working remotely.

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	FYs 2020-22 Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
GOAL ONE	Students Served by Educational Programs	≥6,000	21,673		5,347	
GOAL ONE	Participants in Plant / HHWCF Tours and Central San Presentations	≥500	783		348	
GOAL ONE	Participants in Citizens Academy, Central San Academy	≥35	33		N/A (2022 Session Not Yet Held)	

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Promote Initiatives to Advance Affordable and Equitable Access to Services</p>	<p>Invest in programs to inform the public and students of the need to fund necessary infrastructure improvements to maintain Central San’s level of service and protect public health and the environment through the Central San Academy, student education programs, tours, publications, and more.</p> <p>Perform outreach to customers on projects that impact their communities such as construction, pumping station improvements, and sister agency interconnections promoting the use of recycled water.</p>
 <p>Build Neighborhood and Industry Relationships</p>	<p>Continue to expand outreach with residential and commercial customers, legislators, elected officials, and sister agencies to grow and maintain relationships and advocate for the interests of Central San’s customers.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$784,189	\$792,515	\$817,232	\$815,951	\$885,235	\$68,003	8.3%
Employee Benefits	194,341	231,107	216,045	230,427	205,514	(10,530)	-4.9%
Unfunded Liability Contributions	248,971	263,203	1,174	1,354	1,269	94	8.0%
Purchased Property Services	1,000	577	1,000	857	1,000	-	0.0%
Repairs & Maintenance	1,000	577	1,000	530	600	(400)	-40.0%
Hauling & Disposal	-	-	-	327	400	400	-
Purchased Professional, Technical & Other Services	786,000	494,298	777,500	574,142	925,500	148,000	19.0%
Professional Services	6,500	4,928	6,500	5,541	6,500	-	0.0%
Technical Services	263,500	247,376	263,500	263,500	280,000	16,500	6.3%
Other Purchased Services	516,000	241,994	507,500	305,101	639,000	131,500	25.9%
Supplies & Materials	62,050	51,937	67,050	52,218	68,160	1,110	1.7%
General Supplies	62,050	51,937	67,050	52,218	68,160	1,110	1.7%
Other Expenses	51,530	8,678	52,180	29,911	68,680	16,500	31.6%
Memberships	21,280	6,810	21,980	19,844	21,980	-	0.0%
Training & Meetings	26,250	1,603	26,200	6,140	42,700	16,500	63.0%
Miscellaneous Other	4,000	266	4,000	3,927	4,000	-	0.0%
Total Expenses	\$2,128,081	\$1,842,315	\$1,932,181	\$1,704,861	\$2,155,358	\$223,177	11.6%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Communication Services and Intergovernmental Relations Manager	1.0	1.0	1.0
Community Affairs Representative	3.0	3.0	3.0
Graphics Technician	1.0	1.0	1.0
Digital Content Specialist	1.0	1.0	1.0
Total	6.0	6.0	6.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Graphic Design Summer Student	1.0	1.0	1.0
Intern	1.0	1.0	1.0
Total	2.0	2.0	2.0

Budget Modifications and Contributions to Key Priorities

Communication Services and Intergovernmental Relations takes the lead role in conveying to customers and other government agencies how Central San responds to challenges facing the organization. This includes federal, state, and local advocacy; maintaining customer awareness of Central San’s services; and promoting customer behavioral changes to reduce water pollution and impacts on Central San’s infrastructure. The Communication Services and Intergovernmental Relations Division Operating Budget for FY 2022-23 is \$2.2 million, reflecting an increase of approximately 11.6% over the prior year budget of \$1.9 million. Changes contributing to this budget increase are due to an upcoming Proposition 218 customer notice and legislative advocacy assistance. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to step advancements.

Finance

OVERVIEW

This division is responsible for maintaining internal controls over the financial reporting of all Central San funds and accounts. It administers accounting/financial transactions related to cash and investments, long-term debt, accounts receivable, accounts payable, payroll/benefits, and capital assets. It is also responsible for the development and monitoring of the budget and coordinates this process with all other divisions at Central San. Various interim and annual financial reports are prepared, reviewed, and analyzed by this division and provided to the Board, Finance Committee, and management as essential information for decision making and budget monitoring purposes. Central San is subject to an annual independent audit, which is administered and coordinated by this division. The Finance Division assembles the Annual Comprehensive Financial Report (ACFR), which is submitted annually to the Board and the Government Finance Officers Association (GFOA) to be considered for the prestigious *Certificate of Achievement for Excellence in Financial Reporting Award*. The Finance Division also ensures Central San's annual budget meets the requirements of the GFOA's *Distinguished Budget Presentation Award*, for which it is submitted annually.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Received GFOA's *Certificate of Achievement for Excellence in Financial Reporting Award* for the 21st consecutive year for the FY 2019-20 ACFR.
- Received the GFOA *Distinguished Budget Presentation Award* for the 4th consecutive year for the FY 2021-22 Budget.



FISCAL RESPONSIBILITY

- Contributed an additional \$2.7 million in budgetary savings to the newly established Rate Stabilization Fund (RSF) reserve account in the Running Expense fund to help hedge against the adverse impacts of cost pressure volatility on SSC stability. The current balance of the Running Expense and Sewer Construction funds' RSF accounts is now approximately \$6.5 million and \$1.0 million respectively.
- Fully funded the Other Post-Employment Benefits (OPEB) actuarially determined contribution (ADC) of \$3.3 million, with an estimated \$1.3 million of that going towards the paying down of the unfunded actuarial accrued liability (UAAL). Per the latest GASB 75 Actuarial Report, the OPEB plan reported a healthy funded status of 99.2% as of the fiscal year ended June 30, 2021.
- With leadership and direction from the Director of Finance & Administration, designed and executed a successful refinancing of the pension plan's UAAL debt, achieving a true interest cost of approximately 0.38% versus the 7.0% discount rate assumed by the pension plan administrator. Savings to Central San are projected to be approximately \$2 million annually or \$15 million in total over the remaining 7-year term of the debt.
- Compiled claim for and secured reimbursement of \$996,000 from the State special district COVID-19 relief fund.
- Begun plans to finance new scope of Solids Handling Facility Improvements.

- Brought FY 2020-21 pre-audit year-end variances to Board, authorizing an additional \$5.2M contribution to the O&M Rate Stabilization Account (RSA), then transferred \$2.5M from the RSA to the Self-Insurance fund.
- Issued accurate and timely interim monthly financial reports allowing for diligent monitoring of the budget and accountability, with FY 2020-21 projected to close under budget.
- Received an unmodified (“clean”) audit opinion and zero reported material weaknesses or significant deficiencies in internal controls as part of the annual financial audit.
























INNOVATION AND OPTIMIZATION / AGILITY AND ADAPTABILITY

- Completed the budget process utilizing new Enterprise Performance Management (EPM) software.
- Rolled out user-friendly online budget monitoring tool through Oracle Planning Budgeting Cloud Service (PBCS) for managers/budgeteers to monitor their divisional detail budgets.
- Utilized Oracle integrated Smart-View reporting technology to develop ACFR financials for first time.
- Continued ongoing optimization and improvement of the recently implemented state-of-the art, fully integrated cloud-based enterprise resource planning (ERP) system. This system was particularly useful during Central San’s response to the COVID-19 pandemic, with the conversion of several business workflows into streamlined paperless processes (i.e., approvals for invoices, p-card reports, journal entries, timecards, etc.). The new cloud-based ERP system also facilitated the streamlined transition to a safer remote work environment for many of Central San's administrative employees.

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	Service Affordability Maintained	SSC less than average of Bay Area agencies SSC plus Ad Valorem tax less than average of Bay Area Agencies ≤0.78% of median household income	Target Met		Target Met	
	Standard and Poor’s (S&P) and Moody’s Credit Ratings	AAA (S&P) / Aa1 (Moody’s)	AAA (S&P) / Aa1 (Moody’s)		AAA (S&P) / Aa1 (Moody’s)	
	Debt Service Coverage Ratio	≥2.0	27.9		Projected to be >2.0	


	Actual Reserves as a Percentage of Target	100.0%	45.6% (O&M) 278.7% (Sewer Construction)		Projected Reserves >100%	
	Operating Expenditures as a Percentage of Operating Budget	≥95%	91.7%*		Favorable O&M Spending Variance May Exceed 5%	
	Reported Material Weaknesses or Significant Deficiencies in Internal Controls as Part of Annual Financial Audit	Zero (0)	Zero (0)		Zero (0)	
	Increase in costs to the O&M budget beyond what is approved	0%	0%		0%	
	Revenue projections met	100%	143.2%**		Target Met	
	Additional increase in unfunded liabilities	≤5%	UAAL is paid off and is at 0%		Pension funding at 100%. No increase in UAAL noted.	
	Funds granted from available state and federal reimbursement programs	100% of requested funds	Application in progress		Some funds received from State	




* Excluding the non-recurring payoff of the outstanding pension plan UAAL of \$70.8 million.

**Revenues were higher than projected in the FY 2020-21 adopted budget following the issuance of certificates of participation in June 2021 and the Board-approved augmentation of additional SSC to the O&M fund to finance the payoff of the pension plan's UAAL.

FY 2022-23 Strategic Objectives1

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Build Neighborhood and Industry Relationships</p>	<p>Apply for and receive awards for budget and financial reporting from the GFOA.</p>

 <p>Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment</p>	<p>Following post-implementation and subsequent troubleshooting and refinement of the state-of-the-art ERP and EPM systems, conduct extensive staff training to improve efficiency and usefulness of accounting, budgeting, and financial reporting function.</p> <p>Seek feedback from staff on improvement of long-standing accounting and administrative protocols to align with new streamlined paperless processes and ERP capabilities.</p>
 <p>Promote and Uphold Ethical Behavior, Openness, and Accessibility</p>	<p>Continue to deliver relevant and reliable financial reports to decision makers, including monthly financial overviews, robust quarterly financial packets, the ACFR, and the annual Budget.</p>
 <p>Maintain Financial Stability and Sustainability</p>	<p>Develop and execute a high-quality budget, and ensure costs are managed within the confines of Board-adopted budgetary constraints.</p> <p>Continue to support effort to manage unfunded liabilities by reporting on and offering alternatives for favorable variances towards these obligations or other priorities.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,144,873	\$997,313	\$1,037,047	\$1,065,833	\$1,180,906	\$143,859	13.9%
Employee Benefits	379,502	307,227	405,381	366,144	411,483	6,102	1.5%
Unfunded Liability Contributions	340,336	297,229	1,593	1,329	1,553	(39)	-2.5%
Purchased Property Services	1,000	-	1,000	500	1,000	-	0.0%
Repairs & Maintenance	1,000	-	1,000	500	1,000	-	0.0%
Purchased Professional, Technical & Other Services	361,600	274,995	334,600	322,013	278,500	(56,100)	-16.8%
Professional Services	170,500	82,433	116,600	115,600	127,500	10,900	9.3%
Technical Services	-	-	-	-	-	-	-
Other Purchased Services	191,100	192,562	218,000	206,413	151,000	(67,000)	-30.7%
Supplies & Materials	10,000	2,388	8,400	4,200	4,200	(4,200)	-50.0%
Utilities & Fuel	-	202	-	-	-	-	-
General Supplies	10,000	2,185	8,400	4,200	4,200	(4,200)	-50.0%
Other Expenses	19,500	6,760	19,000	116,920	131,000	112,000	589.5%
Memberships	2,400	3,327	2,000	1,650	2,000	-	0.0%
Training & Meetings	16,500	2,236	16,000	7,270	17,500	1,500	9.4%
Miscellaneous Other	600	1,197	1,000	108,000	111,500	110,500	11050.0%
Total Expenses	\$2,256,811	\$1,885,911	\$1,807,021	\$1,876,939	\$2,008,642	\$201,621	11.2%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Finance Manager	1.0	1.0	1.0
Accounting Supervisor	2.0	2.0	2.0
Accountant	2.0	2.0	2.0
Accounting Technician	2.0	3.0	3.0
Total	7.0	8.0	8.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Accountant	1.0	-	-
Temporary Accounting Technician	1.0	1.0	-
Temporary Senior Internal Auditor	-	-	-
Total	2.0	1.0	-

Budget Modifications and Contributions to Key Priorities

The Finance Division supports Central San by providing accounting, financial reporting, budget, treasury, and other fiscal services. The Finance Division is responsible for designing and implementing internal controls to safeguard Central San’s public assets, as well as providing relevant and reliable financial information to internal and external stakeholders. The Finance Division works closely with the Planning & Development Services Division to ensure sufficient long-term rate and debt financing is available to achieve Central San’s strategic objectives. The Finance Division plays a significant role in specifying the costs of Central San’s functions, how those costs drive the need for rate adjustments, and in developing financial alternatives to keep rates moderated over the long term through financing approaches. This data is used to document why spending is necessary and that rate levels are no more than necessary to meet essential needs, provide for long-term reliability, and ensure appropriate levels of customer service.

The Finance Division Operating Budget for FY 2022-23 is \$2.0 million, an increase of 11.2% from the prior year budget. Salaries & Wages increased includes agency-wide cost-of-living adjustment as well as any step advancements employees may be eligible for. The Other Expenses category saw a significant increase due to budgeting of credit card and online fees associated with payments. Central San saw an increased use of credit card and online payments due to the ongoing pandemic.

Information Technology

OVERVIEW

The Information Technology (IT) Division supports all computer hardware, software, and telecommunications needs at Central San. It is tasked with Central San’s cybersecurity and leads the improvement and automation of business processes agencywide using technology.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Awarded Municipal Information Systems Association of California (MISAC) Award for Quality in IT Practices.



INFRASTRUCTURE RELIABILITY

- Replaced and upgraded major data storage systems in data centers.
- Improved security with Advanced Threat Protection tools.
- Conducted phishing prevention training exercises for all staff.
- Provided Cybersecurity Awareness training to all staff.



INNOVATION AND OPTIMIZATION







- Kicked off Phase 1 of IT Master Plan.
- Completed implementation of all ERP modules and continued supporting and fine-tuning of system and staff training.
- Completed upgrades and improvements to Board Room Audio/Visual Systems.
- Implemented new RF-Smart Warehouse Barcoding and Inventory Management tools.
- Implemented new video security software used throughout Central San facilities.



AGILITY AND ADAPTABILITY





- Replaced legacy phone system with modern Microsoft Teams based system.
- Expanded technology, including adding phone-calling capability to Microsoft Teams, and swiftly acquired laptops to support teleworking during the COVID-19 pandemic.

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	Information System Outages Affecting Normal Business Operations	100% Uptime	100% Uptime		100% Uptime	
	Data Backup and Recovery	Zero (0) Lost Data	1 minor data loss incident		Zero (0) Lost Data	

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Deliver High-Quality Customer Service</p>	Continue improving and optimizing the newly implemented Oracle ERP System , which is being used by business units throughout Central San and improves financial reporting and tracking capabilities.
 <p>Maintain Financial Stability and Sustainability</p>	
 <p>Protect Personnel and Assets from Threats and Emergencies</p>	Implement new security tools to increase protection against ransomware and other threats.
 <p>Improve and Modernize Operations through Technology and Efficiency Measures</p>	Replace desk phones with new digital phones equipped with advanced mobile and collaboration features.
	Explore options to replace billing system .
	Complete District-wide IT Master Plan .

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,758,890	\$1,585,976	\$1,795,621	\$1,598,341	\$1,862,029	\$66,408	3.7%
Employee Benefits	695,355	425,443	729,608	641,788	709,136	(20,472)	-2.8%
Unfunded Liability Contributions	574,924	532,512	2,653	2,437	2,638	(15)	-0.6%
Purchased Property Services	1,294,101	1,655,116	879,530	1,387,667	895,720	16,190	1.8%
Repairs & Maintenance	1,294,101	1,655,116	879,530	1,387,667	895,720	16,190	1.8%
Purchased Professional, Technical & Other Services	56,500	7,789	576,496	5,241	841,265	264,769	45.9%
Professional Services	6,500	4,940	6,500	5,141	6,500	-	0.0%
Technical Services	50,000	2,849	569,996	100	834,765	264,769	46.5%
Supplies & Materials	121,500	229,665	711,796	747,106	843,692	131,896	18.5%
Utilities & Fuel	112,000	151,817	142,000	127,380	142,000	-	0.0%
General Supplies	9,500	77,848	569,796	619,726	701,692	131,896	23.1%
Other Expenses	26,050	12,153	27,200	20,893	48,100	20,900	76.8%
Memberships	500	1,547	1,650	230	1,650	-	0.0%
Training & Meetings	24,950	10,170	24,950	18,498	44,950	20,000	80.2%
Miscellaneous Other	600	436	600	2,165	1,500	900	150.0%
Total Expenses	\$4,527,320	\$4,448,653	\$4,722,904	\$4,403,474	\$5,202,579	\$479,675	10.2%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Information Technology Manager	1.0	1.0	1.0
Information Technology Supervisor	2.0	2.0	1.0
Project Manager/Business Analyst	1.0	1.0	2.0
System Administrator	2.0	2.0	2.0
Technical Support Analyst	3.0	3.0	3.0
Information Technology Analyst	2.0	2.0	2.0
Total	11.0	11.0	11.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Information Technology Project Manager	-	-	1.0
Total	-	-	1.0

Budget Modifications and Contributions to Key Priorities

The Information Technology Division Operating Budget for FY 2022-23 is \$5.2 million, reflecting an increase of 10.2% over the prior year's budget. The increase is mostly attributable to an expansion in technical services next year to support new initiatives. New initiatives not included in the prior year's budget, include: long-term support for the Oracle Cloud Fusion ERP system, new security services to address an environment of increasing digital threats, a new integrated permit-tracking system, expanded scanning services, as well as other new information technology-related contracted services. Other Expenses category saw an increase due to staff returning to in-person trainings and the ongoing trainings associated with the Oracle Cloud Fusion ERP system.

Purchasing and Materials Services

OVERVIEW

This division provides the necessary materials, supplies, equipment, services, and information to support Central San's operations. It is responsible for contracting and procurement for all departments (except construction contracts) and ensuring compliance with applicable federal, state, and local regulations. The warehouse maintains Central San's inventory of needed supplies, materials, equipment, and spare parts for operations, providing inventory control measures and analysis. In addition, the warehouse provides delivery services for these items, as well as interoffice mail, and is responsible for surplus disposition.

FY 2021-22 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Processed over 250 procurement requests.
- Executed all contract renewals on time, ensuring uninterrupted service and reducing risk.
- Maintained consistent and timely deliveries throughout Central San for needed supplies as well as mail delivery services.
- Continued providing Maintenance staff with inventory usage reports to aid in budgeting and planning.



GOAL THREE

FISCAL RESPONSIBILITY

- Made significant progress in reducing the number of Annual Contracts and Blanket Purchase Orders older than five years and with an annual spend greater than \$25,000 from eleven two years ago to one this year.
- Promoted open competition and equal opportunity for qualified suppliers and service providers by successfully soliciting and awarding high-level service and commodity-based contracts.
- Leveraged the buying power of public entities by utilizing sourced cooperative purchasing agreements.
- Maintained proper inventory levels to avoid depleting inventory of equipment spares and supplies.
- Procured request to stock items for Maintenance and assigned newly acquired items to the associated Plant Asset Database.
- Continued to review inventory reorder points with Maintenance to ensure proper inventory stocking levels for plant assets.
- Continued to collaborate with Maintenance Staff to identify and remove obsolete spares and equipment in a continuous effort to decrease inventory carrying costs.



GOAL FOUR

WORKFORCE DEVELOPMENT

- Implemented business process changes, cross-training, and redistribution of work to strategically ensure that procurement resources are being utilized efficiently.



INNOVATION AND OPTIMIZATION











- Began migrating contract documents into Laserfiche, providing a secure electronic storage location while also giving staff the ability to search and access contract documentation.
- Utilized electronic signature technology for all contracts and agreements, increasing functionality, visibility, and tracking; improving processing time; reducing the use of paper; and allowing for a seamless telework transition during the COVID-19 pandemic.
- Completed the first full fiscal year with the new Oracle ERP and planned for further enhancements of the new system.
- Implemented the Oracle Warehouse Management System, which also included updating Warehouse labels with the latest barcode symbology QR codes. The barcode inventory program fully automates all issues, receipts, and inventory cycle counts.



AGILITY AND ADAPTABILITY






- Continued to meet various urgent requests for procurements related to the COVID-19 pandemic such as testing and workplace modifications.
- Ensured adequate and sufficient stock levels for required personal protective equipment (PPE) supplies to accommodate all Central San staff despite the shortages and sourcing challenges during the pandemic.

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	Difference in Inventory Value in Purchasing Database vs. Value Submitted to Accounting	≤1%	0.62%		Metric no longer needed since all the data now resides in one database in Oracle, as opposed to the two databases in the previous HTE software, which required a monthly reconciliation.	
	Accuracy of Physical Inventory Count vs. Book Value	≥95%	98.9%		97%	
	Average time to Execute Engineering Agreements from Complete Package Submittal or Board Approval	≤2 weeks	Data not yet available in Oracle		6 working days	
	Requested PPE provided	100%	100%		100%	

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Deliver High-Quality Customer Service</p>	<p>Ensure that all “request to stock” submittals are reviewed and decided upon within three business days.</p> <p>Continue to be a valuable resource by assisting Maintenance and Plant staff with ad hoc inventory needs, including partnering with Maintenance on storeroom best practices and methods.</p>
 <p>Promote and Uphold Ethical Behavior, Openness, and Accessibility</p>	<p>Continue to promote open competition and equal opportunity for qualified suppliers and service providers by successfully soliciting and awarding high-level service and commodity-based contracts.</p>
 <p>Maintain Financial Stability and Sustainability</p>	<p>Maintain a physical inventory accuracy count rate of 95% on all inventory class items (A, B, and C), supplies, and equipment.</p>
 <p>Execute Long-Term Capital Renewal and Replacement Program</p>	<p>Assist in relocating the Solids Building inventory to new location.</p>
 <p>Implement Organization-Wide Optimization</p>	<p>Further improve workflow using electronic signature technology and digital transaction management services to integrate with the document management system, providing greater efficiency through workflow automation, and electronic records storage.</p> <p>Continue refining the use of the ERP software to improve procedures, align with industry best practices, and develop new administrative procedures to document the updated processes.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,108,279	\$998,751	\$1,178,139	\$1,162,781	\$1,275,227	\$97,088	8.2%
Employee Benefits	437,676	234,199	445,394	474,814	479,493	34,099	7.7%
Unfunded Liability Contributions	333,314	306,465	1,405	1,533	1,485	80	5.7%
Purchased Property Services	21,000	356	6,000	7,541	6,000	-	0.0%
Repairs & Maintenance	20,000	-	5,000	5,000	5,000	-	0.0%
Hauling & Disposal	-	-	-	150	-	-	-
Rentals	1,000	356	1,000	1,000	1,000	-	0.0%
Cleaning	-	-	-	1,391	-	-	-
Purchased Professional, Technical & Other Services	77,000	27,596	87,000	57,072	67,000	(20,000)	-23.0%
Professional Services	36,000	27,596	36,000	36,072	36,000	-	0.0%
Technical Services	40,000	-	50,000	20,000	30,000	(20,000)	-40.0%
Other Purchased Services	1,000	-	1,000	1,000	1,000	-	0.0%
Supplies & Materials	14,000	53,355	15,438	17,235	17,000	1,562	10.1%
General Supplies	14,000	53,355	15,438	17,235	17,000	1,562	10.1%
Other Expenses	14,900	(4,235)	14,900	11,400	14,900	-	0.0%
Memberships	3,700	-	3,700	3,700	3,700	-	0.0%
Training & Meetings	10,500	-	10,500	7,000	10,500	-	0.0%
Miscellaneous Other	700	(4,235)	700	700	700	-	0.0%
Total Expenses	\$2,006,169	\$1,616,487	\$1,748,276	\$1,732,376	\$1,861,104	\$112,828	6.5%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Purchasing and Materials Manager	1.0	1.0	1.0
Senior Buyer	2.0	2.0	-
Senior Materials Coordinator	2.0	2.0	2.0
Buyer	1.0	1.0	-
Lead Contract and Procurement Specialist	-	-	1.0
Contract and Procurement Specialist	-	-	2.0
Materials Services Supervisor	1.0	1.0	1.0
Materials Coordinator	1.0	1.0	1.0
Total	8.0	8.0	8.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Senior Buyer	1.0	-	-
Temporary Inventory Specialist	-	1.0	1.0
Temporary Materials Coordinator	1.0	1.0	1.0
Warehouse Summer Student	1.0	-	-
Temporary Administrative Services Assistant	-	-	1.0
Total	3.0	2.0	3.0

Budget Modifications and Contributions to Key Priorities

The Purchasing and Materials Services Division strives to address the overall challenges facing Central San by working to ensure there is sufficient procurement processing capacity in light of increased contracting for infrastructure needs. During FY 2021-22, the Purchasing and Materials Services Division continued to refine newly implemented purchasing and inventory modules of the new ERP system, which is anticipated to significantly improve contract management and automated procurement functionality, in addition to providing staff with better tools for productivity and internal customer service.

The Purchasing and Materials Services Division Operating Budget for FY 2022-23 is \$1.9 million, which represents an increase of 6.5% over the prior year budget. Salaries & Wages include the agency-wide cost-of-living adjustment as well as assumed merit increases for any eligible employees. The FY 2022-23 budget also includes two temporary workers in the inventory warehouse and an Administrative Services Assistant to help alleviate the temporary expanded workload arising from several new initiatives. Pursuant to a classification study completed in FY 2021-22, Buyers were reclassified to Contract and Procurement Specialists, better reflecting their roles and responsibilities. Additionally, in FY 2022-23 the budget incorporates the deletion of one of those positions, and the addition of a new Lead Contract and Procurement Specialist, intended to improve the operational structure and processes. New initiatives for which the additional resources are needed, include: ongoing troubleshooting and refining of the new ERP and higher volume of inventory management needs arising from the solids handling capital project.

Risk Management

OVERVIEW

This division supports Central San by enhancing its capacity to identify, evaluate, and respond to current and emerging risks. It manages workers' compensation and liability claims, security programs, insurance procurement, self-insurance funding, contract and insurance review, litigation support, emergency preparedness and response programs, and coordinates Central San's Enterprise Risk Management program.

FY 2021-22 Strategic Accomplishments



FISCAL RESPONSIBILITY

- Compiled claim for and secured reimbursement of \$996,000 from the State special district COVID-19 relief fund.
- Managed claims aggressively to reduce costs and facilitate resolution, resulting in an average cost per overflow claim of \$6,941.
- Continued to debrief after losses to identify and implement preventive measures.
- Updated insurance requirements for goods and services contracts.
- Coordinated the Enterprise Risk Management program, maintained the strategic risk inventory and provided semi-annual reports to the Board.
- Implemented EBIX, a certificate management platform to increase compliance and reduce cost.



INFRASTRUCTURE RELIABILITY










- Scoped high priority Security Master Plan items into a capital project for implementation.
- Presented an Emergency Management Program report to the Board.
- Implemented Everbridge, an emergency notification system.
- Participated in the Operational Area Council to contribute to creating an effective and multijurisdictional approach to disaster preparedness and planning.
- Installed additional access control devices.
- Increased security guard presence on main campus.



AGILITY AND ADAPTABILITY


- Maintained and Updated Pandemic Response Plan and presented to the Board.

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
 GOAL FOUR	Workers' Compensation Experience Modifier	≤1.0	1.10		1.10	
 GOAL FOUR	Temporary Modified Duty Provided (Return to Work Program)	≥95% of Recordable Injuries	100%		100%	
 GOAL SEVEN	Funds Granted from Available State and Federal Reimbursement Programs	100% of Requested Funds	COVID-19 Application in Progress		Some funding received from State	

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 GOAL FOUR Maintain Financial Stability and Sustainability	Maintain an average cost per overflow claim of ≤\$25,000.
	Actively seek opportunities to reduce risk in extant and developing business processes.
	Expand scope of Enterprise Risk Management program.
 GOAL FIVE Protect Personnel and Assets from Threats and Emergencies	Incorporate emergency response activities into Emergency Operations Plan and Continuity of Operations where applicable.
	Continue implementation of recommendations from security assessment.
	Finalize security system design criteria for use in upcoming capital projects.
	Complete review and update of the Continuity of Operations Plan.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$305,518	\$290,399	\$314,792	\$272,729	\$330,885	\$16,092	5.1%
Employee Benefits	126,307	112,971	135,496	129,399	138,813	3,318	2.4%
Unfunded Liability Contributions	101,438	100,756	472	467	497	25	5.4%
Purchased Property Services	430,000	368,459	465,000	445,000	629,000	164,000	35.3%
Repairs & Maintenance	45,000	4,355	10,000	10,000	10,000	-	0.0%
Security	385,000	360,210	455,000	434,000	619,000	164,000	36.0%
Rentals	-	3,894	-	1,000	-	-	-
Purchased Professional, Technical & Other Services	179,000	53,768	85,000	28,131	73,000	(12,000)	-14.1%
Professional Services	51,000	18,089	45,000	13,131	21,500	(23,500)	-52.2%
Technical Services	88,000	5,799	-	-	6,500	6,500	-
Other Purchased Services	40,000	29,880	40,000	15,000	45,000	5,000	12.5%
Supplies & Materials	19,000	25,387	54,000	26,564	83,650	29,650	54.9%
Utilities & Fuel	10,500	24,966	35,000	24,000	67,000	32,000	91.4%
General Supplies	8,500	421	19,000	2,564	16,650	(2,350)	-12.4%
Other Expenses	467,200	553,010	19,700	11,200	19,000	(700)	-3.6%
Insurance & Risk Management	450,000	550,000	-	-	-	-	-
Memberships	3,200	1,912	3,200	2,950	3,500	300	9.4%
Training & Meetings	11,000	-	13,500	8,000	12,500	(1,000)	-7.4%
Miscellaneous Other	3,000	1,098	3,000	250	3,000	-	0.0%
Total Expenses	\$1,628,463	\$1,504,751	\$1,074,459	\$913,489	\$1,274,845	\$200,386	18.6%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Risk Management Administrator	1.0	1.0	1.0
Risk Management Specialist	1.0	1.0	1.0
Total	2.0	2.0	2.0

Budget Modifications and Contributions to Key Priorities

The Risk Management Division assists Central San in effectively managing risks, broadly defined as anything that can impede Central San from meeting its strategic goals. Building this program's capacity will be an important tool in helping Central San mitigate risks as the agency ramps up the level of capital spending in the coming years, and in meeting evolving regulatory requirements. The Risk Management Division helps Central San meet these and other challenges of the environment in which the agency operates.

The Risk Management Division's Operating Budget for FY 2022-23 is \$1.3 million, reflecting an increase of 18.6% from the prior year's budget. The increase in Purchased Property Services is attributable to the increase in budgeted security services by adding one additional security guard and extending 24/7 security monitoring services to address heightened security concerns along Central San's Treatment Plant perimeter. The increase in Supplies and Materials is attributable to the expanding radio station system with East Bay Regional Communications System Authority.

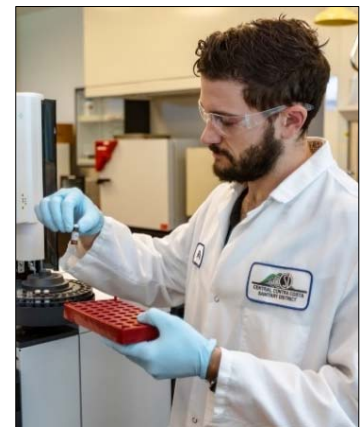
Engineering and Technical Services Department

The Engineering and Technical Services Department consists of three divisions and the Resource Recovery Program that report to the Director of Engineering and Technical Services. These divisions include Capital Projects, Environmental and Regulatory Compliance, and Planning and Development Services. The primary function of this department is to ensure Central San's infrastructure is well maintained and equipped for the future; working with development and permitting; and managing existing regulatory permits, including foreseeing potential regulatory changes, climate impacts, and the end of assets' useful lives.

The Capital Projects Division is responsible for the planning, design, construction, and/or rehabilitation of the treatment plant, collection system, and recycled water infrastructure. The Environmental and Regulatory Compliance Division is responsible for monitoring industrial businesses for environmental compliance; conducting regulatory activities and permit monitoring; performing laboratory analysis; and managing the Household Hazardous Waste Collection Facility. The Planning and Development Services Division handles development services, including right-of-way, property management, inspection, and mainline plan review; financial planning for rate-setting; planning, piloting, and applied research; and asset management and geographic information systems (GIS) data. The Resource Recovery Program oversees projects that enable Central San to help augment the region's water supply, reduce reliance on non-renewable energy in a cost-effective manner, and expand efforts to utilize data to become more efficient.

The divisions that comprise this department include the following:

- Office of the Director of Engineering and Technical Services
 - Resource Recovery Program
- Capital Projects
- Environmental and Regulatory Compliance
- Planning and Development Services



Office of the Director of Engineering and Technical Services (Including Resource Recovery Program)

OVERVIEW

The Director of Engineering and Technical Services oversees the Capital Projects, Environmental and Regulatory Compliance, Planning and Development Services Divisions and the Resource Recovery Program. Staff from these divisions also make significant contributions to the Recycled Water Program discussed in the Operations Department section of this document.

During this past challenging year with the COVID-19 pandemic, the Engineering and Technical Services Department was able to continue providing a high level of service for Central San's customers including the permit counter, development inspections, design and construction of infrastructure projects, operating the Household Hazardous Waste Collection Facility (HHWCF), operating the laboratory, and conducting environmental compliance inspections – all while complying with evolving health orders as they were updated throughout the year in response to changing risk and health guidelines.

Major accomplishments of the Office of the Director of Engineering and Technical Services span from making important infrastructure upgrades to providing exceptional customer service through innovative recycled water, household hazardous waste, and pharmaceutical collection programs. This office was responsible for replacing or rehabilitating over six miles of pipes in Danville, Walnut Creek, Lafayette, Martinez, Pleasant Hill, and Orinda with a 100% customer satisfaction rating (as of March 31, 2022); constructing major renovations at various Pumping Stations in Orinda and Moraga and Central San's Recycled Water Filter Plant; in addition to completing other projects, such as the Outfall Renovation project, and Safety Phase 5, which added external emergency exit stairs outside Central San's four-story Solids Conditioning Building at the treatment plant; and striving to prevent hazardous waste from entering local waterways through collection at the HHWCF. This year also saw the continued development and implementation of the Central San Smart initiative, which will drive system-wide optimizations to make Central San a more efficient utility. The Asset Management Program, overseen by this office, continues to develop innovative tools such as the Geographic Information System (GIS) Emergency Response Dashboard and Reliability Engineering Tools.

The FY 2021-22 Strategic Accomplishments and performance against the key metrics, as well as the FY 2022-23 Strategic Objectives, for the Director of Engineering and Technical Services are embedded within the sections of the individual divisions and programs overseen by the Director, except for the Resource Recovery Program, whose accomplishments, performance, and objectives are listed within this section, since the program operates directly within the budget of the Office of the Director.

The Office of the Director of Engineering and Technical Services' staffing budget includes the administrative staff supporting the Director of Engineering and Technical Services and the Resource Recovery Program staff.

The Resource Recovery Program operates directly within the budget of the Office of the Director of Engineering and Technical Services and manages recycled water projects which enable Central San to help augment the region's water supply through partnering opportunities and expansion of recycled water use, reducing reliance on non-renewable energy through cost-effective alternative methods

such as the Solar Energy Project on the Lagiss Property, and leveraging data to improve operations by becoming a smart utility. The Resource Recovery Program also leads Central San’s sustainability efforts, including a new initiative to consider Net Zero as it relates to greenhouse gas emissions and how it may apply at Central San. This program includes support for the existing recycled water system, planned expansions, and other related projects that can also be found in the Recycled Water Program section of this document.

FY 2021-22 Strategic Accomplishments – Resource Recovery Program



ENVIRONMENTAL STEWARDSHIP







- Completed the procurement process and obtained Board approval for a Power Purchase Agreement (PPA) for a 1.75-megawatt solar energy project that exceeds the cost-effectiveness criteria in Central San’s Energy Policy and completed the California Environmental Quality Act (CEQA) environmental review process for the project. Pending completion of CEQA mitigation measures, construction and start-up are anticipated in FY 2022-23.
- Continued leading the Refinery Recycled Water Exchange Project to augment the region’s water supply and executed Amendment No. 3 to the memorandum of understanding (MOU) to extend the expiration date to June 30, 2022.
- Developed Guiding Principles for Satellite Water Recycling Facility Projects for Board approval.
- Initiated the effort to define Net Zero and how it will apply at Central San.






INNOVATION AND OPTIMIZATION

- Held regular meetings of the Central San Smart Steering Committee to identify projects to optimize operations, improve asset management, increase energy efficiency and safety, and reduce facility management costs.
- Collaborated with IT staff to incorporate Central San Smart initiative projects into the update of the IT Master Plan to ensure integration with Central San’s existing software platforms and IT support.



FYs 2020-22 Strategic Targets and Performance – Resource Recovery Program

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	kWh (kilowatt hour) of Electricity Produced by Cogeneration Using Natural Gas	≥18 million kWh per Year (Reported as a Rolling Average)	22.7 million kWh		23.0 million kWh	
	kWh of Solar Power Produced at CSO and the HHWCF	≥220,000 kWh per Year (Reported as a Rolling Average)	272,000 kWh		271,000 kWh	

	kWh of Solar Power Produced by a New Solar Array Near the Treatment Plant Campus	≥2.5 million kWh (Reported as a Rolling Average)	Construction and start-up of the solar array are anticipated in FY 2022-23		
	Projects initiated under Central San Smart	≥3	4		On hold pending coordination with the IT Master Plan

FY 2022-23 Strategic Objectives - Resource Recovery Program

In the coming fiscal year, this program will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Identify and Advance Sustainability Initiatives, Including Reducing Energy Usage and Emissions</p>	For Central San’s solar vendor (REC Solar/Duke Energy) to complete construction of a cost-effective 1.75 MW solar energy project and for Central San to begin purchasing solar energy under its PPA.
 <p>Implement the Central San Smart Initiative</p>	Continue coordination with the IT Master Plan and commence at least three projects as part of the Central San Smart initiative .

Budget Overview by Expense Category - Office of the Director of Engineering and Technical Services (including Resource Recovery Program)

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$658,616	\$418,227	\$626,298	\$670,512	\$640,633	\$14,335	2.3%
Employee Benefits	161,191	-65,844	166,624	179,010	137,170	(29,454)	-17.7%
Unfunded Liability Contributions	204,462	205,560	1,155	974	1,210	55	4.8%
Purchased Professional, Technical & Other Services	86,000	80,400	86,100	37,120	86,000	(100)	-0.1%
Professional Services	-	86	-	-	-	-	-
Technical Services	80,000	80,314	80,100	34,472	80,000	(100)	-0.1%
Other Purchased Services	6,000	-	6,000	2,648	6,000	-	0.0%
Supplies & Materials	-	5,266	2,550	199	1,050	(1,500)	-58.8%
General Supplies	-	5,266	2,550	199	1,050	(1,500)	-58.8%
Other Expenses	22,414	11,963	22,477	16,600	24,032	1,555	6.9%
Memberships	914	3,741	847	1,949	1,932	1,085	128.1%
Training & Meetings	21,500	6,226	21,500	14,251	22,000	500	2.3%
Miscellaneous Other	-	1,996	130	400	100	(30)	-23.1%
Total Expenses	\$1,132,683	\$655,572	\$905,205	\$904,416	\$890,095	(\$15,109)	-1.7%

Personnel Requirements - Office of the Director of Engineering and Technical Services

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Services Supervisor	1.0	1.0	1.0
Director of Engineering & Technical Services	1.0	1.0	1.0
Total	2.0	2.0	2.0

Personnel Requirements - Resource Recovery Program

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Engineering Assistant III	1.0	1.0	0.9
Program Manager	0.5	0.4	0.4
Total	1.5	1.4	1.3

Budget Modifications and Contributions to Key Priorities – Office of the Director of Engineering and Technical Services (including Resource Recovery Program)

The Office of the Director of Engineering and Technical Services Budget for FY 2022-23 is \$0.9 million, reflecting a slight decrease from the prior year’s budget of approximately 1.7%. This decrease is primarily attributable to a slight increase in the wage and benefits transfer for staff efforts related to the Recycled Water Program.

Capital Projects

OVERVIEW

This division conducts and manages the preliminary design, final design, public bidding, and construction management of projects to rehabilitate or improve the treatment plant, pumping stations, collection system sewer pipelines, general facilities, safety, and recycled water infrastructure. In addition, this division works as one of the primary engineering resources at Central San, including staff that provides data and support to facilitate the work, not just of the Capital Projects Division, but also of the entire organization. All informal and formal public works design and construction projects are conducted under this division.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Received 100% customer satisfaction rating for the Walnut Creek Sewer Renovations, Phase 14 construction project.
- Received 92% customer satisfaction rating for the Lafayette Sewer Renovations, Phase 14 construction project.
- Received 100% customer satisfaction rating for the Danville Sewer Renovations, Phase 3 construction project.
- Received 91% customer satisfaction rating for the Martinez Sewer Renovations, Phase 6 construction project.
- Continued to coordinate construction projects with local jurisdictions and other agencies to lessen construction impacts to the community.
- Completed urgent sewer replacements, including near and at the new Pleasant Hill Library project to lessen impacts to the public and nearby residents.



ENVIRONMENTAL STEWARDSHIP

- Built and piloted a temporary tertiary membrane filter system and rebuilt a new filter at the Filter Plant to determine the best technology to effectively produce Title 22 recycled water.
- Redesigned and ordered new air pollution control equipment at the wastewater treatment plant to meet air regulatory requirements.
- Nearing completion of the Filter Plant and Clearwell project, which will provide reliable storage and distribution of recycled water.



FISCAL RESPONSIBILITY

- Continued the use of the Uniform Public Construction Cost Accounting Act (UPCCAA) for savings on administrative costs of bidding and streamlining the bidding process for informal projects.
- Executed blanket contracts to cover similar work shared by multiple projects to save on engineering, administration, and other costs.
- Continued to evaluate, design, and manage construction sewer renovation projects in-house at costs below the industry standards or compared to outside services.



INFRASTRUCTURE RELIABILITY

- Replaced or rehabilitated over six miles of pipes in Alamo, Walnut Creek, Lafayette, Pleasant Hill, and Orinda.
- Completed construction at various Pumping Stations in Orinda and Moraga and at the treatment plant, including the Contractors Staging Improvements.
- Initiated major renovation for electrical equipment at Headworks and the Pump and Blower Building to address reliability for pumping process flows and aeration air systems.
- Continued to design infrastructure repair, replacement and improvements for the collection system, treatment plant and other Central San facilities.
- Began re-design and bid documents for the Solids Handling Facility Improvements, Phase 1A.



INNOVATION AND OPTIMIZATION
















- Implemented online meetings and interactions to reduce travel, COVID risk and save time and consultant costs.
- Continue improving Oracle projects for financial management and using ProCore construction management software.
- Standardized Construction Inspection Reports used by outside consultants and internal engineers and inspectors for efficiency, timeliness, and consistency.
- Continued with the Treatment Plant Asset Handover Process Optimization project to improve communication and record keeping in the completion of capital projects.



AGILITY AND ADAPTABILITY

- Developed and enforced strict safety guidelines within all contracts for COVID-19 in compliance with federal, state, and local requirements.
- Continued to adapt as safety orders are revised and enforced.

FYs 2020-22 Strategic Targets and Performance





Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
 GOAL ONE	Average customer satisfaction rating on construction projects	≥95%	96.5%		90.1%	
 GOAL FIVE	Miles of sewers replaced or rehabilitated (focused on deteriorated small diameter pipelines)	≥6.0	8.7 miles		2.3 Miles	
 GOAL FIVE	Capital Expenditures as a Percentage of Capital Budgeted Cash Flow Including Carry Forward	≥90%	64.11%*		Tracking below 90% as of November 2021	
 GOAL SEVEN	Capital Expenditures as a Percentage of Capital Budgeted Cash Flow Including Carry Forward (during pandemic)	≥85%	64.11%*		Tracking below 90% as of November 2021	
 GOAL SEVEN	Customer satisfaction levels**	≥90%	94.9%		88.6%	

* Lower spending was caused by delayed spending in the Treatment Plant Program due to shortages of materials and equipment delays. Performance on the Goal 7 metrics will only be tracked in the event of a pandemic or natural disaster, in which case the target for this metric will supersede the ≥90% target of the same metric in Goal 5.

** This metric is to measure the maintenance of customer satisfaction levels during the pandemic. Performance is the average of customer satisfaction ratings collection system emergency calls, construction projects, and permit counter interactions.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 GOAL TWO Achieve Compliance in All Regulations	Successfully award and begin construction of the Solids Handling Facility Improvements Project , which will include air pollution control equipment needed to reliably comply with current air regulations.
 GOAL TWO Be a Partner in Regional Development of Local Water Supply	Complete the construction of the Filter Plant and Clearwell Improvements - Phase 1A Project , which will include replacing critical electrical gear and increase reliability at recycled water storage facilities.
 GOAL FOUR Maintain Financial Stability and Sustainability	Continue to use the UPCCAA to help streamline infrastructure replacement projects using informal bidding and maintain a contractors list for projects under \$200,000.
	Enter into a Financing Agreement for the California State Revolving Fund (SRF) loan to help supplement the construction costs of the Solids Handling Facility Improvements.
 GOAL SIX	Complete the construction of the Influent Pump Electrical Improvements Project , which will replace the variable frequency drives (VFDs) at the Headworks Facility at the treatment plant.

Execute Long-Term Capital Renewal and Replacement Program	Continue to replace sewers in poor condition and respond to urgent or emergency sewer repairs throughout the service area in a timely manner.
	Replace sewers needing difficult or frequent maintenance to allow the Collection System Operations Division to focus on other sewers and reduce sanitary sewer overflows.
	Deliver projects on time and on budget using new construction management software, Procore and Oracle.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,135,534	\$1,609,432	\$2,084,090	\$1,846,262	\$2,010,990	(\$73,100)	-3.5%
Employee Benefits	(2,310,273)	(2,528,587)	(2,209,148)	(2,715,105)	(2,991,108)	(781,960)	35.4%
Unfunded Liability Contributions	692,954	613,691	3,089	3,011	3,004	(85)	-2.8%
Purchased Property Services	223,000	3,490	4,000	4,100	4,400	400	10.0%
Repairs & Maintenance	3,000	3,490	3,000	3,000	3,300	300	10.0%
Security	219,000	-	-	-	-	-	-
Rentals	1,000	-	1,000	1,100	1,100	100	10.0%
Purchased Professional, Technical & Other Services	35,000	14,255	35,000	16,000	31,100	(3,900)	-11.1%
Technical Services	34,000	14,255	34,000	15,000	30,000	(4,000)	-11.8%
Other Purchased Services	1,000	-	1,000	1,000	1,100	100	10.0%
Supplies & Materials	54,800	28,276	55,500	29,813	55,500	-	0.0%
Utilities & Fuel	21,600	19,326	22,300	9,832	22,300	-	0.0%
General Supplies	33,200	8,950	33,200	19,981	33,200	-	0.0%
Other Expenses	52,155	9,731	54,155	34,898	54,340	185	0.3%
Memberships	10,155	6,610	10,155	8,400	10,340	185	1.8%
Training & Meetings	41,000	3,081	43,000	26,498	43,000	-	0.0%
Miscellaneous Other	1,000	40	1,000	-	1,000	-	0.0%
Total Expenses	\$883,170	(\$249,712)	\$26,686	(\$781,021)	(\$831,774)	(\$858,460)	-3216.9%

Note: The staff in this division charge times to the Capital Improvements Program. As a result, the bulk of their combined salary and benefit expenses are paid for by the projects identified in the Capital Improvement Budget. The amounts above are net of the capitalized administrative overhead transfer to the Sewer Construction Fund.

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	2.0	2.0	2.0
Assistant Engineer (Staff Engineer)	5.0	6.0	6.0
Assistant Land Surveyor	2.0	2.0	2.0
Associate Engineer	7.0	8.0	8.0
Capital Projects Division Manager	1.0	1.0	1.0
Contracts Specialist	1.0	1.0	1.0
Engineering Assistant	2.0	4.0	4.0
Engineering Technician III	3.0	-	-
Land Surveyor	1.0	1.0	1.0
Senior Engineer	3.0	3.0	3.0
Senior Engineering Assistant	1.0	-	-
Utility Systems Engineer	1.0	1.0	1.0
Total	29.0	29.0	29.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Project Safety Officer	-	1.0	1.0
Temporary Assistant Engineer	-	-	2.0
Temporary Senior Engineer	-	1.0	1.0
Temporary Staff Engineer	2.0	-	-
Temporary Utility Systems Engineer	-	1.0	1.0
Summer Student	3.0	1.0	2.0
Intern	3.0	4.0	4.0
Total	8.0	8.0	11.0

Budget Modifications and Contributions to Key Priorities

The Capital Projects Division leads Central San’s efforts in maintaining and upgrading aging infrastructure, as well as implementing projects driven by the need to meet evolving regulatory requirements. This division also oversees projects related to other strategic priorities of Central San, including playing a role in maintaining a sustainable water supply and executing projects related to resource recovery. The division is building its capacities to effectively administer a significantly larger Capital Improvement Program in future years. This includes implementing a program management information system and using outside resources to supplement Central San staff.

As noted in the footnote to the Budget Overview table, most of the costs for staff in this division are charged to the projects that the group oversees and manages. The Capital Projects Division budget for FY 2022-23 is (\$0.8 million), reflecting a 3,216.9% reduction from the prior year’s budget. Salaries & Wages include the agency-wide cost-of-living adjustment as well as any anticipated increases due to step advancements, largely offset by additional time being charged to work for capital projects. The

primary driver for this division's overall budgeting decrease is the noteworthy increase in time expected to be charged to the CIB in FY 2022-23 compared to the prior year. Overall, the projection of capitalized labor to total labor of Central San is increasing from 15.7% to 18.3% or a 2.6% increase. As the bulk of capitalized labor is attributed to the Capital Projects division and increase in the capitalized admin overhead credit results in the division's budget being negative (revenue to the O&M fund).

Environmental and Regulatory Compliance

OVERVIEW

This division ensures that Central San is compliant with applicable federal, state, and local environmental laws, regulations, and policies. It monitors Central San's permitted businesses and industrial customers for compliance with all applicable requirements to protect the environment as well as Central San's assets; manages the Household Hazardous Waste Collection Facility (HHWCF) and Residential Recycled Water Fill Station; generates, receives, and interprets laboratory data and applies their results to regulatory requirements to ensure the treatment plant's effluent meets all water quality standards; evaluates treatment plant operations to ensure compliance with all air pollution control standards; evaluates the effectiveness of regulatory compliance programs; develops and implements new programs as mandated by legislation and/or policy; monitors and analyzes legislation and new regulations that impact regulatory compliance; and represents Central San before regulatory agency staff and boards, political bodies, committees, and the general public. Through active participation in the Bay Area Clean Water Agencies (BACWA), this division works collaboratively with sister agencies to provide technical expertise, financial support, and a public utility perspective to ensure that regulations affecting the Bay Area wastewater community are well informed, thoughtful, and effective.

FY 2021-22 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Oversaw approximately 70,000 visits to the HHWCF and Residential Recycled Water Fill Station by residents, small businesses, retail partners, and fill station users.



GOAL TWO

ENVIRONMENTAL STEWARDSHIP

- Achieved 24th year of continuous compliance with all National Pollutant Discharge Elimination System (NPDES) treatment plant permit requirements governing the discharge of treated effluent to San Francisco Bay.
- Prepared and submitted renewal application for Treatment Plant NPDES permit.
- Completed pretreatment and stormwater inspections.
- Collected approximately 2,200,000 pounds of hazardous waste. (Quantities estimated from quantities received through February 2022.) This is about 19% less than the total collected last fiscal year, which was an all-time high at 2,700,000 pounds. The decrease is due to comparing last year's large spike in waste volumes after reopening the HHWCF following the COVID-related pent-up demand in FY 2020-21.
- Gave away over 222,000 pounds of reusable products. Although less than the average for normal years, this represents an increase over last year, as the Reuse Room was closed due to COVID. (Quantities estimated from quantities received through February 2022.)
- Collected approximately 4,000 pounds of pharmaceuticals.
- Maintained 2021 anthropogenic greenhouse gas (GHG) emissions below the Cap-and-Trade inclusion threshold.

- Reviewed and commented on proposed regulations to ensure they are both practical and protective.
- Division Manager served on the BACWA Executive Board and staff served in leadership roles on associated committees.
- Division Manager served as the Co-Chair of California Association of Sanitation Agencies (CASA)'s Water Regulatory Workgroup and BACWA liaison to CASA's State Legislative Committee.
- Complied with the State Investigative Order for PFAS by participating in the Region 2 PFAS Study coordinated through BACWA and managed by San Francisco Estuary Institute (SFEI).
- Participated in SARS-CoV2 wastewater studies in collaboration with Stanford University and the University of California, Berkeley.



INFRASTRUCTURE RELIABILITY

- Completed annual Basin A South soil cap seep repairs.
- Obtained regulatory permits for Outfall Monitoring Improvements Project.
- Obtained Bay Area Air Quality Management District (BAAQMD) Authority-to-Construct permits for pumping stations improvements and coordinated start-up emissions testing.



INNOVATION AND OPTIMIZATION

- With assistance from Collection System Operations, set up automatic notifications of Category One Overflows to the Lab and created a link between Cityworks and GeoPortal.












AGILITY AND ADAPTABILITY

- Participated in sample collection to advance wastewater-based epidemiology model for COVID-19.

FYs 2020-22 Strategic Targets and Performance


Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
GOAL TWO	NPDES Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
GOAL TWO	Title V Compliance	Zero (0) Violations	1 Notice of Violation (NOV)*		Zero (0) Violations	
GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
GOAL TWO	Anthropogenic GHG Emissions (Per Calendar Year)	<25,000 Metric Tons (MT) CO ₂ e	23,771 MT CO ₂ e in Calendar Year 2020		23,837 MT CO ₂ e in Calendar Year 2021. On Track to Meet Target for Calendar Year 2022.	

	Annual Environmental Compliance Inspections and Permitting Completed on Time	100%	100%		100%	
	HHW Management Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
	Permit Compliance	100%	99.97% (Air) 100% (Liquid) 98.48% (Collection System)		99.99% (Air) 100% (Liquid) 97.29% (Collection System)	

* NOV from Bay Area Air Quality Management District for emergency bypass damper opening due to PG&E power outage.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 <p>Achieve Compliance in All Regulations</p>	<p>Strive to meet all air permit requirements (Title V and Permit to Operate).</p>
	<p>Strive to meet all wastewater-related permit requirements (NPDES Treatment Plant Permit, Nutrients Watershed Permit, Polychlorinated Biphenyls, and Mercury Watershed Permit).</p>
	<p>Negotiate successful renewal of the NPDES Treatment Plant Permit.</p>

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$3,960,913	\$3,748,688	\$4,047,781	\$3,885,534	\$4,370,444	\$322,663	8.0%
Employee Benefits	1,482,826	1,323,515	1,542,924	1,554,130	1,647,986	105,062	6.8%
Unfunded Liability Contributions	1,307,155	1,321,909	6,255	5,913	6,440	185	3.0%
Purchased Property Services	841,625	1,149,342	841,010	1,055,733	975,930	134,920	16.0%
Repairs & Maintenance	94,000	68,062	87,500	88,625	102,000	14,500	16.6%
Hauling & Disposal	701,425	1,034,575	701,500	901,228	801,500	100,000	14.3%
Security	-	1,633	3,200	3,200	3,000	(200)	-6.3%
Rentals	5,200	7,412	7,650	9,836	8,800	1,150	15.0%
Cleaning	41,000	37,660	41,160	52,843	60,630	19,470	47.3%
Purchased Professional, Technical & Other Services	724,300	551,215	785,325	603,332	1,025,700	240,375	30.6%
Professional Services	6,000	23,086	9,525	7,500	10,000	475	5.0%
Technical Services	696,000	507,154	752,000	575,330	991,900	239,900	31.9%
Other Purchased Services	22,300	20,975	23,800	20,502	23,800	-	0.0%
Supplies & Materials	356,700	398,559	395,250	406,094	450,700	55,450	14.0%
Utilities & Fuel	12,700	16,335	12,700	17,200	17,200	4,500	35.4%
Chemicals	-	1,767	-	-	-	-	-
General Supplies	344,000	380,456	382,550	388,894	433,500	50,950	13.3%
Other Expenses	486,246	400,951	438,383	412,477	431,833	(6,550)	-1.5%
Memberships	434,671	381,227	389,808	384,596	381,658	(8,150)	-2.1%
Training & Meetings	47,975	16,588	44,975	25,206	46,525	1,550	3.4%
Miscellaneous Other	3,600	3,136	3,600	2,675	3,650	50	1.4%
Total Expenses	\$9,159,765	\$8,894,178	\$8,056,928	\$7,923,212	\$8,909,033	\$852,104	10.6%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	1.0	1.0	2.0
Assistant Engineer (Staff Engineer)	2.0	2.0	2.0
Associate Engineer	1.0	1.0	1.0
Chemist	6.0	6.0	6.0
Environmental and Regulatory Compliance Division Manager	1.0	1.0	1.0
Environmental Compliance Inspector	6.0	6.0	6.0
Environmental Compliance Program Administrator	1.0	1.0	1.0
Household Hazardous Waste Program Administrator	1.0	1.0	1.0
Household Hazardous Waste Technician	3.0	3.0	3.0
Laboratory Program Administrator	1.0	1.0	1.0
Supervising Chemist	1.0	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Senior Environmental Compliance Inspector	2.0	2.0	2.0
Senior Household Hazardous Waste Technician	2.0	2.0	2.0
Total	29.0	29.0	30.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Chemist	1.0	1.0	1.0
Temporary Household Hazardous Waste Customer Sorter	-	-	-
Temporary Household Hazardous Waste Technician	-	1.0	-
Laboratory Assistant Summer Student	2.0	1.0	1.0
Intern	1.0	1.0	1.0
Total	4.0	4.0	3.0

Budget Modifications and Contributions to Key Priorities

The Environmental and Regulatory Compliance Division plays the lead role in monitoring evolving regulation and environmental compliance requirements promulgated by state and federal agencies to ensure that Central San is positioned to meet these requirements.

The Environmental and Regulatory Compliance Division Operating Budget for FY 2022-23 is \$8.9 million, a 10.6% increase over the prior year's budget. Salaries and Wages include the agency-wide cost-of-living adjustment and increases due to step advancements. Purchased Property Services are projected to increase due to an increase in hazardous waste hauling and disposal following full opening of Central San's reuse room as well as an accompanying increase in cleaning services for uniform services. The increase in technical services is primarily attributable to the addition of an as needed contract for health and risk assessments and other new requirements related to the new BAAQMD rule 11-18.

Planning and Development Services

OVERVIEW

This division provides development services, including right-of-way, property management, development inspection, permit counter operations, and mainline plan review. This division leads planning and applied research efforts including pilot studies to evaluate benefits of new technology and solutions for Central San's operations and needs; manages the Zone 1 and commercial truck fill recycled water programs; leads the planning and pre-design of Special Projects; oversees asset management, geographic information systems (GIS) and computerized maintenance management systems used by staff and the public; and conducts financial planning for rates, capacity fees, permits and sewer service charges, including preparation of the rate adjustments that may be necessary to adequately fund operations, maintenance and the sewer construction budget for ever-increasing Capital Improvement Program needs.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Updated Chapters 5, 7, 9 and 11 of the District Code.
- Created the Applicant's Guide to Building Permit Review & Encroachment Verification, which was distributed to customers and posted on the website.
- Reopened Permit Counter to the public after being closed for fifteen months due to the County Health Ordinance and implemented a scheduling system on the website for customers to book appointments with the Permit Counter staff.
- Implemented first year of two-year pilot for Septic to Sewer (S2S) Financing Program to encourage single-family houses to connect to nearby sewer mains.
- Implemented an online recycled water customer quarterly self-monitoring reporting program.
- Plan Review identified proposed and existing encroachments into sanitary sewer easements. Most proposed encroachments were removed from the plans. Six were authorized by the Board through Real Property Agreements, Common Use Agreement, relinquishment, and an Encroachment Agreement. Ten were handled at the staff level with Real Property Agreements as existing class 1/2 or proposed Class 1 encroachments.



ENVIRONMENTAL STEWARDSHIP

- Provided support to further the Refinery Recycled Water Exchange Project with Contra Costa Water District (CCWD) and Valley Water.
- Provided support to complete the first dry season of raw wastewater diversion to Dublin San Ramon Services District using the Dublin San Ramon Service District {DSRSD}-EBMUD Recycled Water Authority (DERWA) Diversion Facility in San Ramon.
- Completed a visioning effort to evaluate the benefits of the Institute for Sustainable Infrastructure's Envision sustainable infrastructure framework.
- Continued to provide daily program management services for Central San's Zone 1 and Commercial Truck Fill recycled water programs.

- Completed annual recycled water reports and other recycled water quality reporting to the San Francisco Regional Water Quality Control Board, State Water Resources Control Board, and Division of Drinking Water.
- Participated in Bay Area Clean Water Agencies (BACWA) Nutrient Strategy Team, Nature-Based Solutions Steering Committee, and Nutrient Data Analysis Steering Committee.
- Completed inspection for the Lower Walnut Creek Restoration Project and coordination with Contra Costa County Flood Control to ensure protection of the outfall that runs through project area.



FISCAL RESPONSIBILITY

- Completed execution of State Revolving Fund (SRF) loan agreement in the amount of \$173.1 million for the Solids Handling Facility Improvements Project.
- Completed paperwork and addressed questions from Federal Emergency Management Agency (FEMA) for a \$3.3 million grant for the Walnut Creek/Grayson Creek Levee Project through Building Resilient Infrastructures and Communities (BRIC) program. This project is a joint project with the Contra Costa County Flood Control.
- Presented alternatives for Board input consistent with debt management policy, fiscal reserve policy, CIP, and general ratemaking principles at the March 24, 2022 Financial Workshop and a Public Hearing on April 21, 2022.
- Conducted annual reviews of the following:
 - Current rates and fees, for reasonableness and consistency.
 - Capacity fees, to ensure appropriate fees are assessed and collected.
 - Businesses, to ensure consistent use with existing permits and payment of capacity fees.



INFRASTRUCTURE RELIABILITY

- Completed Asset Management Plan.
- Began work on ITPipes multi-sensor inspection portal.
- Began identifying vulnerable assets related to climate change and developing mitigation measures.
- Completed preliminary design for the Steam and Aeration Blower Systems Renovations Project. Critical system support equipment will be replaced as part of a capital project in progress.
- Completed preliminary design for the Aeration Basin Diffuser Replacement and Seismic Upgrades Project. This project will replace diffusers which are critical to meeting the NPDES permit and rehabilitate high-value assets such as aeration tanks to prolong remaining useful life.
- Completed a comprehensive condition assessment for the Ultraviolet (UV) Disinfection Replacement Project and UV Hydraulic Improvement Project. The new UV system will be installed as part of a capital project in progress.
- Completed review of all structures in public right of way for Sewer Structure Inventory Project which collected manhole and cleanout conditions, locations in bike lane, road type, and whether there are any structural issues needing immediate attention and recommending for Collection System Operations (CSO) review.

- Started Solids Handling Improvements, Phase 2 to reevaluate the selection and phasing of biosolids facilities upgrades based on information, circumstances, policies, and goals that have changed since the completion of the Comprehensive Wastewater Master Plan in 2017.
- Completed the upgrade of existing CCTV software ITPipes desktop setup to the newer ITPipes platform, including upgrades for the server and trucks, setting up Contractor Portal services/syncing and data migration from ITPipes' existing dataset, and upgrading to ITPipes Mobile in three CCTV units.
- Developed Recycled Water Inspection mobile application to conduct inventory of meter, valve, hydrant, and sampling station locations with photos.
- Initiated Large Diameter Pipeline Inspection Project and completed maintenance access hole inspections on critical interceptors.
- Kicked off preliminary design for the Recycled Water Distribution System Renovation Project and conducted field inspections of valves and flow meters.
- Completed migration of Central San's pipeline risk and renovation model from InfoMaster into Innovyze's new InfoAsset Planner software platform.
- Expanded InfoWorks ICM dynamic model to include Headworks structures and piping and conducted scenario modeling.
- Initiated preliminary design for renovation or re-routing of a 39-inch interceptor as part of the Large Diameter Renovation Program.
- Initiated 5-Year Collection System Master Plan Update.
- Worked collaboratively with Contra Costa Flood Control District to complete 35% and 65% final design packages for the Walnut/Grayson Creeks Levee Improvements Project.



INNOVATION AND OPTIMIZATION

- Co-authored a wastewater-based epidemiology journal article with UC Berkeley, titled "Tools for interpretation of wastewater SARS-CoV-2 temporal and spatial trends demonstrated with data collected in the San Francisco Bay Area," published in *Water Research X* (Aug 2021).
- Co-authored a wastewater-based epidemiology manuscript for the American Chemical Society with Stanford University, titled "Diurnal variability of SARS-CoV-2 RNA concentrations in hourly grab samples of wastewater influent during low COVID-19 incidence".
- Completed pre-design of Steam and Aeration Blower System Improvements.
- Continued implementation of the Oracle enterprise resource planning (ERP) Permitting and Community Development module.
- Installed, initiated start-up, and led operations, maintenance, and analyses for a six-month pilot project testing new tertiary membrane filtration with three pressurized membranes to improve recycled water production in lieu of renovating three existing filters. The pilot project also includes testing a reverse osmosis membrane downstream of the tertiary membranes for evaluating a potential refinery water exchange alternative.
- Completed 12-month trial of two remote maintenance access hole monitoring technologies in collaboration with CSO.

- Initiated Asset Barcode Pilot to streamline the process of work order creation in the computerized maintenance management system (CMMS) and to easily look up asset information and its maintenance history.
- Initiated dashboard for trending information from bearing temperature and sound inspections with the Mechanical Maintenance Shop.
- Optimized access to Asset Management Documents from Cityworks CMMS by programmatically placing a hyperlink in Cityworks' work order comments which links directly to a page where staff can review and open asset management documents.
- Presented paper on "Painting the Full Picture: Condition Assessments upgraded to Comprehensive Asset Evaluations" at the 2021 WEFTEC conference for a seminar focused on Asset Management.
- Presented "Membrane filtration – Potential solution for Title 22 water reuse in low SRT applications?" at California Water Environment Association (CWEA) conference.
- Presented "Rate and Fee Structure to Support Large CIP" at CWEA conference.
- Presented at FME World Tour on "How do you get 30K photo attachments out of ArcGIS Enterprise (or ArcGIS Online)?" and "Get Hooked on Webhooks with FME Server Automation Tools for Your Enterprise."












AGILITY AND ADAPTABILITY

- Put additional controls in place for the reopening of the Lobby and Permit Counter to customers.
- Continued participation with California Department of Public Health, UC Berkeley, and Contra Costa County Health Services wastewater-based epidemiology studies, collaborating with the Laboratory which led sampling efforts.

FYs 2020-22 Strategic Targets and Performance






Goal	Metric	FYs 2020-22 Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
GOAL ONE	Average Customer Satisfaction Rating on Permit Counter Interactions	≥95.0%	94.8%		100%	
GOAL THREE	Service Affordability Maintained	Sewer Service Charge (SSC) Less Than Median of Bay Area Agencies SSC Plus Ad Valorem Tax Less Than Average of Bay Area Agencies	Target Met		Target Met	
GOAL FIVE	Large Diameter and Force Main Condition Assessment	≥3 Miles Per Year for the Next 5 Years Starting in FY 2020-21	Inspections have not yet begun but are expected to begin in FY 2022-23.			
GOAL SIX	Reviews or Pilot Tests of New and Promising Technology	≥3	6		6	




	Research Papers and Findings Presented	≥3	3		3	
	Customer Satisfaction Levels*	≥90%	94.9%		88.6%	
	Requested Safety Improvements to the Workplace Fulfilled	100%	100%		100%	

* This metric is to measure the maintenance of customer satisfaction levels during the pandemic. Performance is the average of customer satisfaction ratings collection system emergency calls, construction projects, and permit counter interactions.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 Deliver High-Quality Customer Service	Update and publish additional “ Applicant Guides ” to assist Development Applicants, including some focused on the new Oracle web portal for online applications/permitting.
 Build Neighborhood and Industry Relationships	Host a Sewer Summit Workshop for partner Cities and County.
 Educate on Pollution Prevention and Environmental Protection	Develop an interactive web map for education outreach programs .
	Work with CCWD and the City of Concord to supply recycled water to the Concord Community Reuse Project .
 Identify and Advance Sustainability Initiatives, including Reducing Energy Usage and Emissions	Implement a pilot Envision initiative and submit a capital project to verify its level of sustainability.
 Maintain Financial Stability and Sustainability	Submit SRF application for UV Disinfection Replacement Project and UV Hydraulic Improvement Project.
	Monitor financial conditions to determine if economic conditions change enough to warrant recommendation and issuance of bonds to help fully fund ten-year financial plan.

 Manage Assets Optimally	Develop prioritization model for vertical assets and update Info Asset.
	Implement the Large Diameter Pipe and Force Main Inspection and condition assessment programs .
 Execute Long-Term Capital Renewal and Replacement Program	Complete planning study for Solids Handling Improvements, Phase 2 project to reevaluate the selection and phasing of biosolids facilities upgrades.
	Complete the Sanitary Sewer Management Plan 5-Year Update .
	Complete the 5-Year Update for the Collection System Wastewater Master Plan .
 Implement Organization-wide Optimization	Implement and train staff on the new Oracle permitting software .
	Implement a public portal for Development applications with the Oracle permitting software.
	Evaluate and review new Sewer Service Billing software to replace SunGard.
	Complete Tertiary Membrane Pilot and update Business Case Evaluation.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,329,561	\$3,738,019	\$4,112,974	\$4,192,790	\$ 4,704,522	\$591,549	14.4%
Employee Benefits	573,751	290,251	640,464	397,431	544,421	(96,043)	-15.0%
Unfunded Liability Contributions	1,459,773	1,286,717	6,344	6,460	7,099	755	11.9%
Purchased Property Services	33,400	43,671	54,800	77,493	70,000	15,200	27.7%
Repairs & Maintenance	28,400	15,786	28,800	70,361	60,000	31,200	108.3%
Rentals	5,000	24,860	20,000	7,150	10,000	(10,000)	-50.0%
Cleaning	-	-	-	(18)	-	-	-
Construction	-	3,025	6,000	-	-	(6,000)	-100.0%
Purchased Professional, Technical & Other Services	760,942	391,508	771,525	475,249	611,200	(160,325)	-20.8%
Professional Services	102,500	147,885	122,525	125,578	269,900	147,375	120.3%
Technical Services	544,500	111,668	524,500	127,139	140,800	(383,700)	-73.2%
Other Purchased Services	113,942	131,954	124,500	222,532	200,500	76,000	61.0%
Supplies & Materials	211,800	186,225	220,100	216,933	226,400	6,300	2.9%
Utilities & Fuel	155,800	149,277	166,500	170,829	183,200	16,700	10.0%
General Supplies	56,000	36,948	53,600	46,104	43,200	(10,400)	-19.4%
Other Expenses	78,538	16,651	85,000	40,449	77,370	(7,630)	-9.0%
Memberships	22,813	13,616	22,225	28,521	20,170	(2,055)	-9.2%
Training & Meetings	48,875	2,943	56,275	9,623	50,700	(5,575)	-9.9%
Miscellaneous Other	6,850	92	6,500	2,305	6,500	-	0.0%
Total Expenses	\$7,447,765	\$5,953,043	\$5,891,208	\$5,406,804	\$6,241,012	\$349,805	5.9%

Note: Some staff in this division are budgeted with the Capital Improvements Program. As a result, a portion of their combined salary and benefit expenses are paid for by the projects identified in the Capital Improvement Budget. The amounts above are net of the capitalized administrative overhead transfer to the Sewer Construction Fund.

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	1.0	1.0	2.0
Asset Management Program Administrator	1.0	1.0	1.0
Assistant Engineer	2.0	1.0	1.0
Associate Engineer	4.0	5.0	5.0
Construction Inspector	4.0	4.0	4.0
Development Services Supervisor	2.0	2.0	2.0
Engineering Assistant	8.0	7.0	7.0
Engineering Technician	1.0	-	-
GIS Analyst	2.0	2.0	2.0
Lead Engineering Assistant	-	-	1.0
Management Analyst	2.0	2.0	2.0
Planning and Development Services Division Manager	1.0	1.0	1.0
Senior Engineer	4.0	4.0	4.0
Senior Right-of-Way Agent	2.0	2.0	2.0
Total	34.0	32.0	34.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Engineering Assistant	-	1.0	4.0
Summer Student Intern	4.0	5.0	2.0
Intern	4.0	4.0	5.0
Total	8.0	10.0	11.0

Budget Modifications and Contributions to Key Priorities

The Planning and Development Services Division’s budget allows Central San to meet several key challenges including maintaining customer awareness of Central San’s services, the costs involved in meeting those responsibilities, and meeting service level expectations at responsible rates. This is accomplished through the Division’s work in maintaining the financial plan and rate-setting, by balancing the objectives of setting rates to fund important priorities for Central San, while keeping rate adjustments moderated and no higher than necessary.

The Planning and Development Services Division’s budget for FY 2022-23 is \$6.2 million, reflecting an increase of approximately 5.9% from the prior year budget. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to known step advancements for those eligible. Salaries and Wages also reflects an increase due to an additional full-time employee in the permit counter and the transfer of an Administrative Assistant position from the Office of General Manager’s budget for support in the lobby and permit counter area. Other Purchased Services increased due to the implementation of new billing software for the permit counter, other software development for GIS,

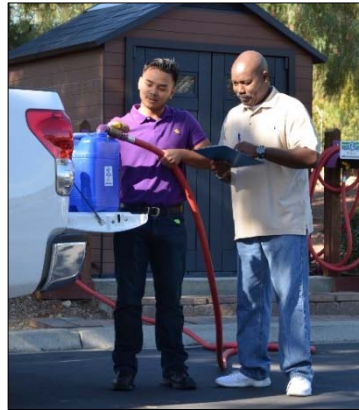
and services for the Cost-of-Service study needed with the expiration of the last year of a four-year rate schedule in FY 2022-23.

Operations Department

The Operations Department consists of three divisions and the Recycled Water Program. The Recycled Water Program consists of staff from multiple departments. The primary function of the Operations Department is to collect and treat wastewater, remove pollutants to protect public health and the environment and meet exceed regulatory requirements. A portion of the wastewater is further treated to produce recycled water that meets California Title 22 requirements. The Operations Department is responsible for the operation and maintenance of pipelines, pumping stations, and treatment facilities; oversight of power generation operations; fleet maintenance; and managing computerized control equipment and systems.

The Divisions that comprise this Department include the following:

- Director of Operations
- Collection System Operations
- Plant Maintenance
- Plant Operations
- Recycled Water Program



Office of the Director of Operations

OVERVIEW

The Director of Operations oversees the Collection System Operations, Plant Maintenance, and Plant Operations Divisions and is responsible for providing these divisions with the vision, resources and guidance needed to fulfill their missions.

Major accomplishments of the office of the Director of Operations in FY 2021-22 include achievement of the lowest recorded Collection System Operations (CSO) overflow volume ever achieved; the 24th consecutive annual National Association of Clean Water Agencies (NACWA) Platinum Peak Award, recognizing 100% compliance with Central San's wastewater discharge permit; and the launch of the Innovation and Optimization Strategic Initiative. In addition to the lowest CSO overflow volume ever recorded, the CSO Division cleaned over 750 miles of sewers through the completion of 17,112 work orders, via diligent and optimized cleaning schedules and methods. As Central San's most visible employees, CSO continues to play the role of ambassador, projecting Central San's image outward to the community while, at the same time, understanding and being sensitive to customer expectations and upholding its vision of service to protect homeowners, public facilities, and local waterways.

In support of Plant Operations' efforts in achieving the 24th NACWA Platinum Award, the Plant Maintenance Division continues to promote additional trainings and certifications for staff, and to implement testing programs and new technology tools, all to ensure that the more than 6,200 treatment plant assets are reliable and operating at their peak performance. The Plant Maintenance Division is also continuing to advance the Asset Management Program with the implementation of projects and systems to better control the capital project turnover phase of completed projects to assure that the right spare parts are tracked and available for rapid deployment when needed.

The Plant Operations Division continues to empower its team members to be self-reliant and act as an authority in their role by cultivating a supportive environment which fosters tight performing units, capable of making sound critical judgments to adjust and adapt to ever-evolving challenges.

The FY 2021-22 Strategic Accomplishments and performance against the key metrics, as well as the FY 2022-23 Strategic Objectives, for the Director of Operations are embedded within the sections of the individual divisions and programs overseen by the Director.

This office's staffing budget includes the administrative staff supporting the Director of Operations.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$584,505	\$245,883	\$371,156	\$462,418	\$667,757	\$296,60	79.9%
Employee Benefits	198,824	74,922	94,444	196,210	257,167	162,723	172.3%
Unfunded Liability Contributions	201,761	58,086	579	726	1,026	447	77.2%
Purchased Professional, Technical & Other Services	12,000	2,928	50,000	53,300	153,600	103,600	207.2%
Professional Services	5,000	-	-	-	-	-	-
Technical Services	7,000	-	50,000	50,000	150,000	100,000	200.0%
Other Purchased Services	-	2,928	-	3,300	3,600	3,600	
Supplies & Materials	20,400	82,686	80,400	77,200	133,100	52,700	65.5%
Utilities & Fuel	-	56,656	55,000	65,000	70,000	15,000	27.3%
General Supplies	20,400	26,029	25,400	12,200	63,100	37,700	148.4%
Other Expenses	17,850	3,610	15,850	6,700	19,500	3,650	23.0%
Memberships	1,200	87	1,200	700	1,400	200	16.7%
Training & Meetings	15,700	3,522	13,700	5,700	17,150	3,450	25.2%
Miscellaneous Other	950	-	950	300	950	-	0.0%
Total Expenses	\$1,035,340	\$468,114	\$612,429	\$796,554	\$1,232,151	\$619,722	101.2%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	2.0	-	1.0
Administrative Services Supervisor	1.0	1.0	1.0
Innovation & Optimization Program Manager	-	-	1.0
Director of Operations	1.0	1.0	1.0
Total	4.0	2.0	4.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Summer Student (Administrative Assistant)	-	-	1.0
Total	-	-	1.0

Budget Modifications and Contributions to Key Priorities

The Office of the Director of Operations budget for FY 2022-23 is approximately \$1.2 million, reflecting an increase of 101.2% from the prior year's budget. This increase includes one new position being budgeted in the Office of the Director of Operations for innovation and optimization projects, as well as one new Summer Student position. One Administrative Assistant was transferred from the Office of the Director of Operations to the Engineering and Technical Services Department in the Environmental and Regulatory Compliance Division in FY 2021-22. This division receives substantial support from the Administrative Assistant, justifying the transfer of the budgeted position for improved cost allocation purposes.

Collection System Operations

OVERVIEW

This division is responsible for cleaning, maintaining, and repairing over 1,500 miles of collection sewers, trunk sewers and force mains in Central San’s vast collection system, as well as maintaining the recycled water distribution system. This division also includes an in-house vehicle shop, which is responsible for the maintenance of all Central San vehicles.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Responded to 153 customer service phone calls. *
- Received and cleared over 15,718 USA locating requests on time. *
- Continued to provide essential services with no interruption during the COVID-19 pandemic.
- Hosted, in conjunction with BAYWORK, a webinar on “Our Journey from Paper to Digital and Lessons Learned.”



ENVIRONMENTAL STEWARDSHIP

- Responded to 14 sanitary sewer overflows. *
- Achieved the lowest-ever recorded volume of overflows.
- Cleaned 382 miles of sewers. *
- Completed 8,643 work orders on schedule 98.3% of the time. *
- Performed 20% of all cleaning work on “hotspots.” *
- Closed circuit televised 120 miles of sewers. *



FISCAL RESPONSIBILITY

- Optimized 1-, 2-, 3-, and 6-month cleaning schedules to dispatch staff more efficiently and clean sewers as needed to best prevent overflows.



INFRASTRUCTURE RELIABILITY

- Completed 421 services on vehicles and equipment to maintain 100% uptime. *
- Converted cleaning schedules from routine to scheduled maintenance to ensure each line has a scheduled cleaning date.


































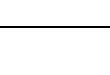




INNOVATION AND OPTIMIZATION

- Created an Easement Vehicle by re-purposing an existing field truck to accommodate rodder hoses for easement maintenance.
- Began design and construction of demonstrators to show pipeline-cleaning tools in action and to show the proper methods of turning cleaning tools in manholes.
- Sanitary sewer overflow volume estimator received the Innovation of the Year award (first place) in Central San’s Innovation Fair. The estimator allows CSO field crews to estimate the volume of an SSO more accurately.

* (as of Q2)

FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, During Working Hours	≤30.0 Minutes	34.4 Minutes		19.5 Minutes	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, After Hours	≤40.0 Minutes	34.0 Minutes		31.1 Minutes	
 GOAL ONE	Average Customer Service Rating for Emergency Calls	≥3.8 out of 4.0	3.73 out of 4.0		3.92 out of 4.0	
 GOAL TWO	Sanitary Sewer Overflows	≤2.0 Spills per 100 Miles of Pipeline	1.43 Spills per 100 Miles of Pipeline		0.91 Spills per 100 Miles of Pipeline	
 GOAL TWO	Spills to Public Water	≤3	2		2	
 GOAL TWO	Percentage of Spills <500 Gallons	≥95%	87.0%		78.57%	
 GOAL TWO	Pipeline Cleaning Schedules Completed on Time	≥98%	99.36%*		98.34%	
 GOAL TWO	Pipeline Cleaning QA/QC	On ≥4% of Pipelines Cleaned on an Annual Basis	3.68%*		3.87%*	
 GOAL TWO	Pipeline Cleaning QA/QC Passing Rate	≥98%	96.03%*		94.33%*	
 GOAL FIVE	Recycled Water Distribution System Maintenance Schedules Completed on Time	≥98%	100%		100%	
 GOAL FIVE	Uptime for Vehicles and Equipment	100%	100%		100%	
 GOAL SEVEN	Number of Sanitary Sewer Overflows (during the last five years for the same time period)	≤1 standard deviation	4.86 standard deviation (indicating reduced overflows) **		1.87 standard deviation (indicating reduced overflows) **	

	Permit Compliance	100%	98.48%		97.29%	
	Customer satisfaction levels***	≥90%	94.9%		88.6%	




* Performance may have been affected by modified working schedules to adhere to social distancing mandates due to COVID-19.

** The intent of this metric is to measure whether overflows have increased during pandemic events or natural disasters. If increased, the goal is to have a standard deviation of ≤ 1 . Because overflows have been *reduced* when compared to the same time period over the past five years, the standard deviation means the target was met and exceeded.

*** This metric is to measure the maintenance of customer satisfaction levels during the pandemic. Performance is the average of customer satisfaction ratings collection system emergency calls, construction projects, and permit counter interactions.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 Deliver High-Quality Customer Service	Continue to respond quickly to emergency calls both during and after work hours.
 Achieve Compliance in All Regulations	Continue to proactively and optimally clean sewers to prevent overflows. Optimize cleaning schedule frequencies and location of work orders.
 Maintain Financial Stability and Sustainability	Continue to use alternative diesel fuels for CSO vehicles, resulting in cleaner emissions, reduced maintenance, and improved reliability.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$6,948,805	\$6,692,518	\$7,025,730	\$7,265,104	\$7,474,111	\$448,381	6.4%
Employee Benefits	3,035,416	2,755,494	3,072,122	3,240,084	3,189,221	117,099	3.8%
Unfunded Liability Contributions	2,190,179	2,193,746	10,283	20,884	10,787	50	4.9%
Purchased Property Services	657,501	592,713	651,300	646,900	660,400	9,100	1.4%
Repairs & Maintenance	407,500	384,790	419,000	439,000	449,000	30,000	7.2%
Hauling & Disposal	40,000	39,445	50,000	29,800	29,800	(20,200)	-40.4%
Security	16,500	875	-	4,100	4,100	4,100	-
Rentals	78,501	85,481	78,500	75,000	78,500	-	0.0%
Cleaning	115,000	82,122	103,800	99,000	99,000	(4,800)	-4.6%
Purchased Professional, Technical & Other Services	951,880	317,007	957,780	631,252	989,780	32,000	3.3%
Professional Services	7,700	5,913	7,700	7,700	7,700	-	0.0%
Technical Services	907,180	286,107	912,080	554,580	912,080	-	0.0%
Other Purchased Services	37,000	24,987	38,000	68,972	70,000	32,000	84.2%
Supplies & Materials	1,092,850	1,130,826	1,095,450	1,122,643	1,105,450	10,000	0.9%
Utilities & Fuel	393,100	515,528	415,700	555,000	500,700	85,000	20.4%
General Supplies	699,750	615,298	679,750	567,643	604,750	(75,000)	-11.0%
Other Expenses	39,935	22,063	52,700	29,627	50,300	(2,400)	-4.6%
Memberships	17,235	12,866	17,200	15,200	15,700	(1,500)	-8.7%
Training & Meetings	18,800	8,280	31,600	11,820	31,600	-	0.0%
Miscellaneous Other	3,900	918	3,900	2,607	3,000	(900)	-23.1%
Total Expenses	\$14,916,566	\$13,704,367	\$12,865,365	\$12,956,494	\$13,480,048	\$614,683	4.8%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	1.0	3.0	3.0
Administrative Services Assistant	1.0	1.0	1.0
Administrative Technician	2.0	-	-
Maintenance Planner	1.0	1.0	1.0
Collection System Operations Division Manager	1.0	1.0	1.0
Construction Equipment Operator	2.0	2.0	2.0
Field Operations Superintendent	1.0	1.0	1.0
Maintenance Crew Leader	18.0	18.0	18.0
Maintenance Crew Member	18.0	20.0	20.0
Maintenance Supervisor	4.0	4.0	5.0
Senior Engineer	1.0	1.0	1.0
Utility Worker	2.0	-	-
Vehicle and Equipment Mechanic	3.0	3.0	3.0
Vehicle Maintenance and Equipment Maintenance Supervisor	1.0	1.0	-
Total	56.0	56.0	56.0

Budget Modifications and Contributions to Key Priorities

The Collection System Operations Division budget for FY 2022-23 is \$13.5 million, reflecting an increase of 4.8% over the prior year's budget. While this operational division's budget largely remained steady, the overall net increase was primarily driven by increases in known labor-related costs, including the agency-wide cost-of-living adjustment, as well as known step advancements for eligible employees. Purchased Professional, Technical and Other Services increased due to public agency fees increasing.

Plant Maintenance

OVERVIEW

This Division is divided into three main areas: the treatment plant maintenance shops, the Pumping Stations O&M staff, and the Reliability Engineering (RE) team. The treatment plant maintenance shops are responsible for maintaining all mechanical, electrical, and instrumentation equipment and systems for the treatment plant, laboratory, and all facilities at the Martinez campus as well as supporting Pumping Station operations. It consists of five shops: Mechanical Maintenance, Machine, Electrical, Instrumentation, and Buildings & Grounds. The RE team plans and schedules daily and major yearly maintenance work. It also manages several service contracts and oversees the asset condition management program. The RE team is also responsible for reliability strategy development and execution. The Pumping Stations workgroup operates and maintains the 18 pumping stations throughout the service area. The Plant Maintenance Division's aim is to be a high-performance team that maintains the treatment plant and pumping stations in an optimal state and to continuously improve overall maintenance effectiveness and asset reliability over the lifecycle of the asset.

FY 2021-22 Strategic Accomplishments



ENVIRONMENTAL STEWARDSHIP

- Monitored and managed Preventive Maintenance (PM) and Regulatory related work order schedule compliance.
- Maintained all equipment and systems to help achieve the NACWA Peak Performance Platinum Award for the 24th consecutive year.
- Continued ongoing tracking of energy usage.
- Began working with Pacific Gas and Electric (PG&E) on RAPIDS energy efficiency program.
- Continued to replace lighting and heating, ventilation, and air conditioning with newer, more efficient fixtures and equipment at the Martinez campus.



WORKFORCE DEVELOPMENT

- Improved Mechanical Maintenance Technician Trainee Program by updating the training material, modifying the curriculum to better suit learning and development in the subject matter, and adding online learning modules through the TPC training database.
- Added new technical learning libraries content.
- Continued to utilize hands-on practical exams for Mechanical Maintenance Shop recruitments.
- Engaged with community and technical colleges' recruitment and program development.
- Hosted two interns from Los Medanos College in the Mechanical Maintenance Shop as part of the Technical Trades Internship Program.
- Several staff have obtained certifications in infrared, thermography, ultrasound, and other technologies, as well as certifications as Mechanical, Electrical, and Instrument Technicians. Some gained Level I certification in areas of asset condition monitoring (ACM) techniques, such as Machinery Lubrication Technician and Infrared Thermography.
- Seven staff members obtained Certified Reliability Leader certification.



INFRASTRUCTURE RELIABILITY

- Developed inspection templates for asset condition monitoring program's condition-based and predictive-based technologies.
- Began identifying vulnerable assets related to climate change and developing mitigation measures.
- Completed 10 Don't Just Fix It; Improve It (DJFI) initiatives to increase maintenance effectiveness, lower costs, and increase equipment reliability (projected based on DJFIs completed as of 3/9/21).
- Completed 288 quality assurance / quality control (QA/QC) Maintenance Planner updates to improve work orders by incorporating Maintenance staff's suggestions (projected based on updates completed as of 3/9/21).
- Completed 115 Planner updates which include improvements to PM program such as updated asset information, improved standard operating procedures, improvements to PM task effectiveness or efficiency.
- Completed 67 safety work orders (projected based on work orders completed as of 3/9/21).
- Successfully maintained operation of all 18 pumping stations during PG&E Public Safety Power Shutoff events.
- Continuously reviewed maintenance procedures and identified opportunities for improvement as part of the overall Maintenance strategy. This includes failure reporting and corrective action process for continuous improvement.
- Worked with Engineering in the pre-design, design, and construction stages to ensure procurement and correct installment of the latest, safest, most reliable equipment and maintainable technology.
- Increased accessibility of Asset Management and RE information, including tracking DJFI initiatives, improving spares management, creating new workflows to the Cityworks maintenance system, adding job plans to GeoPortal, and creating links in GeoPortal to reliability analysis information and preventive and predictive maintenance program tasks based on asset identification.



INNOVATION AND OPTIMIZATION

- Began pilot testing InfoAsset to replace InfoMaster to assist in the development of the prioritization model for vertical assets.
- Initiated transition of digitizing Operator routes from paper to electronic process (joint Mentorship Program project with CSO and Plant Operations staff).
- Obtained new ACM/maintenance tools and equipment to increase work efficiency.
- Continued the breaker overload testing program and winding analyzer program, which play a significant role in lowering equipment downtime costs, increasing reliability of equipment, increasing effectiveness of the motor management program, and enhancing acceptance testing of new or overhauled equipment.
- Continued to use dashboards to better monitor, analyze, and act on exceptions; the Asset Health Monitoring system based on asset condition inspections and ACM program analysis; and the updated asset handoff workflow which uses new engineering standards and enhances tracking of steps along the handoff workflow.



AGILITY AND ADAPTABILITY

- Helped install engineering controls to working areas such as plexiglass barriers, hand sanitizer dispensers, touchless faucets, and directional signage.
- Spearheaded daily systematic cleaning efforts to prevent the transmission of COVID-19.
- Continued level of service throughout the pandemic by rearranging work schedules, adding temporary facilities, and using social distancing measures.

FYs 2020-22 Strategic Targets and Performance


Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
GOAL FIVE	Safety-Prioritized Work Orders Completed on Time	100%	93%		91%	
GOAL FIVE	Regulatory Title V Work Orders Completed on Time	100%	93%		90%	
GOAL FIVE	Planned Treatment Plant PM Completed on Time	≥90%	94%		92%	
GOAL SIX	DJFI work orders completed	≥35	14*		7*	
GOAL SEVEN	Twice-daily Cleaning of All Restroom Facilities	100%	100%		100%	

* Performance was affected by modified working schedules to adhere to social distancing mandates due to COVID-19.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
Reduce and Eliminate Risks of Injury or Illness	Continue to apply the latest arc-resistant switchgear with arc-quenching devices to make it safer for staff to operate and service electrical equipment.
Manage Assets Optimally	Actively participate in all phases of asset lifecycles , including design, installation, operation, maintenance, and replacement planning.
	Commit to consistently perform the most effective maintenance tasks on equipment at the optimal frequency.
	Utilize a repeatable and comprehensive approach to maintenance that optimizes asset lifecycle based on reliability, cost, and criticality, including continuing to perform additional Reliability Centered Maintenance, Root Cause Analysis, PM Optimization analysis, and Defect Elimination initiatives on critical equipment and systems.

	Drive the development of the Asset Centered Maintenance Program and integrate with analytics for earliest warning of equipment degradation.
 Implement Organization-Wide Optimization	Continue to work on IT Master Plan and develop operational technologies such as the asset health monitoring system, asset handoff process and tracking system, online condition monitoring program, analytics enhancements, RE tools, data management ecosystem, and updated asset management plan.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$6,481,112	\$6,293,708	\$6,907,153	\$6,489,773	\$7,186,980	\$279,826	4.1%
Employee Benefits	2,123,173	2,222,792	2,597,134	2,318,166	2,379,038	(218,097)	-8.4%
Unfunded Liability Contributions	1,932,312	1,904,502	9,743	44,837	9,723	(19)	-0.2%
Purchased Property Services	2,344,650	1,533,592	2,499,300	1,997,965	2,868,050	368,750	14.8%
Repairs & Maintenance	2,079,850	1,115,863	2,156,300	1,775,619	2,502,450	346,150	16.1%
Hauling & Disposal	-	268	-	-	-	-	-
Security	3,300	37	3,300	-	-	(3,300)	-100.0%
Rentals	84,500	166,822	119,700	81,995	122,600	2,900	2.4%
Cleaning	177,000	250,602	220,000	140,350	243,000	23,000	10.5%
Purchased Professional, Technical & Other Services	234,205	67,801	226,385	161,935	351,035	124,650	55.1%
Professional Services	-	7,120	-	6,300	101,000	101,000	-
Technical Services	204,900	26,444	197,000	113,750	216,150	19,150	9.7%
Other Purchased Services	29,305	34,237	29,385	41,885	33,885	4,500	15.3%
Supplies & Materials	2,453,050	1,856,676	2,512,050	2,230,814	2,479,700	(32,350)	-1.3%
Utilities & Fuel	555,150	565,096	609,150	547,600	611,000	1,850	0.3%
Chemicals	200,000	170,919	200,000	200,000	200,000	-	0.0%
General Supplies	1,697,900	1,120,661	1,702,900	1,483,214	1,668,700	(34,200)	-2.0%
Other Expenses	90,976	55,545	93,976	102,445	193,595	99,619	106.0%
Memberships	15,101	8,215	15,101	5,856	16,595	1,494	9.9%
Training & Meetings	74,075	31,226	77,075	50,589	153,000	75,925	98.5%
Miscellaneous Other	1,800	16,104	1,800	46,000	24,000	22,200	1233.3%
Total Expenses	\$15,659,478	\$13,934,615	\$14,845,741	\$13,345,934	15,468,121	\$622,380	4.2%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	-	1.0	-
Associate Engineer	-	-	1.0
Buildings and Grounds Supervisor	1.0	1.0	1.0
Electrical Shop Supervisor	1.0	1.0	1.0
Electrical Technician	4.0	4.0	5.0
Instrument Shop Supervisor	1.0	1.0	1.0
Instrument Technician	3.0	3.0	3.0
Lead Maintenance Crew Member	1.0	1.0	2.0
Machinist	2.0	2.0	2.0
Maintenance Planner	3.0	3.0	3.0
Maintenance Technician, Mechanical	9.0	9.0	9.0
Mechanical Supervisor	2.0	2.0	1.0
Painter	1.0	1.0	1.0
Plant Maintenance Division Manager	1.0	1.0	1.0
Plant Maintenance Superintendent	1.0	1.0	2.0
Pumping Stations Operator	6.0	6.0	6.0
Pumping Stations Supervisor	1.0	1.0	-
Senior Engineer	1.0	1.0	1.0
Staff Engineer	-	1.0	1.0
Utility Systems Engineer	1.0	1.0	1.0
Utility Worker	7.0	7.0	6.0
Total	46.0	48.0	48.0

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Temporary Utility Worker	1.0	2.0	3.0
Summer Student (Laborer)	10.0	5.0	7.0
Summer Student (Engineering Assistant)	1.0	-	-
Intern	3.5	3.0	3.0
Total	15.5	10.0	13.0

Budget Modifications and Contributions to Key Priorities

The Plant Maintenance Division Budget directly addresses several of the principal issues facing Central San by optimizing the Maintenance Program to ensure that equipment and system reliability meets all safety, service level, and regulatory requirements. The division strives to continuously improve overall maintenance effectiveness and reliability over the lifecycle of an asset, including active participation in all phases of design, installation, operation, maintenance, and replacement planning.

The Plant Maintenance Operating Budget for FY 2022-23 is \$15.5 million, reflecting an increase of 4.2% over the prior year's budget. Overall, labor costs remained fairly stable from prior year budget. The primary driver for the increase in the Repairs & Maintenance category is the anticipated additional

costs of two new grinders at Moraga Pumping Station and two new generators for Orinda Crossroads and Moraga Pumping Stations.

Plant Operations

OVERVIEW

This division operates and maintains Central San’s treatment plant in Martinez. The treatment plant has a permitted capacity of 53.8 million gallons per day (MGD) and cleans an average of 33.1 MGD, 2.5 MGD of which is further treated into recycled water and reused within the treatment plant and distributed to customers for non-potable uses.

FY 2021-22 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Provided wastewater treatment service with no interruptions during the COVID-19 pandemic.



ENVIRONMENTAL STEWARDSHIP

- Maintained eligibility for the National Association of Clean Water Agencies (NACWA) Peak Performance Award Platinum status for the 24th consecutive year, recognizing 100% compliance with the wastewater discharge permit.
- Improved reliability of Central San’s Solids Conditioning Building by continuing to upgrade obsolete communication equipment to address issues with the monitoring system which had been the root cause of Title V violations.



INFRASTRUCTURE RELIABILITY
















- Assisted Engineering in the design, coordination, and construction of the Pumping Station Upgrades – Phase 1; Filter Plant and Clearwell Improvements, Phase 1A; Steam and Aeration Blower Systems Renovations; Outfall Improvements, Phase 7; Ultraviolet (UV) Disinfection Upgrades; Plant Control System (I/O) Replacement; and Solids Handling Facilities Improvement Projects.
- Continued ongoing development of detailed control system design document resulting in standard wiring, documentation, and supervisory control and data acquisition (SCADA) screens across all capital projects. Historical lack of standards has resulted in disparate installations which have made maintenance and troubleshooting significantly more challenging.



INNOVATION AND OPTIMIZATION

- Continued transition of digitizing Operator routes from paper to electronic process (joint Mentorship Program project with CSO and Plant Maintenance).
- Upgraded Secondary Process, Pump & Blower, UV, Heat Recovery Steam Generator, and Service Air programmable logic control programs from 1980s-era software to modern software.




FYs 2020-22 Strategic Targets and Performance

Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
 GOAL TWO	NPDES Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
 GOAL TWO	Title V Compliance	Zero (0) Violations	1 Notice of Violation (NOV)*		Zero (0) Violations	
 GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
 GOAL TWO	Anthropogenic GHG Emissions (Per Calendar Year)	<25,000 Metric Tons (MT) CO ₂ e	23,771 MT CO ₂ e in Calendar Year 2020		23,837 MT CO ₂ e in Calendar Year 2021. On Track to Meet Target for Calendar Year 2022.	
 GOAL SEVEN	Permit Compliance	100%	99.97% (Air) 100% (Liquid)		99.99% (Air) 100% (Liquid)	

* NOV from Bay Area Air Quality Management District for emergency bypass damper opening due to PG&E power outage.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objective for FY 2022-23
 GOAL TWO Achieve Compliance in All Regulations	Maintain eligibility for the National Association of Clean Water Agencies Peak Performance Award Platinum status.
 GOAL THREE Recruit from a Diverse Pool of Qualified Applicants Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive	Perform succession planning successfully and appropriately staff the division to meet the challenges of any upcoming departures.
 GOAL SIX Manage Assets Optimally	Continue to work with Engineering in the design, coordination, and construction of projects effecting the treatment plant.

Budget Overview by Expense Category

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,984,842	\$5,154,092	\$4,921,680	\$5,045,153	\$5,384,694	\$463,014	9.4%
Employee Benefits	1,572,429	1,839,032	1,475,439	1,774,536	1,705,612	230,173	15.6%
Unfunded Liability Contributions	1,613,679	1,836,319	7,573	7,690	8,283	710	9.4%
Purchased Property Services	320,500	278,842	374,000	317,000	608,500	234,500	62.7%
Repairs & Maintenance	4,000	108	3,000	2,500	3,000	-	0.0%
Hauling & Disposal	261,000	194,752	288,000	231,000	510,000	222,000	77.1%
Rentals	500	3,707	5,000	3,500	3,500	(1,500)	-30.0%
Cleaning	55,000	80,275	78,000	80,000	92,000	14,000	17.9%
Purchased Professional, Technical & Other Services	681,700	607,765	726,829	694,500	766,000	39,171	5.4%
Professional Services	-	3,942	5,129	6,000	6,000	871	17.0%
Technical Services	6,000	-	5,000	-	5,000	-	0.0%
Other Purchased Services	675,700	603,823	716,700	688,500	755,000	38,300	5.3%
Supplies & Materials	4,597,300	4,296,834	4,800,500	5,700,375	6,353,500	1,553,000	32.4%
Utilities & Fuel	3,253,800	2,834,855	3,355,000	4,084,000	4,320,000	965,000	28.8%
Chemicals	1,202,000	1,395,257	1,326,000	1,575,000	1,894,000	568,000	42.8%
General Supplies	141,500	66,722	119,500	41,375	139,500	20,000	16.7%
Other Expenses	41,080	6,299	44,580	14,990	45,000	420	0.9%
Memberships	11,830	8,467	10,330	9,700	11,000	670	6.5%
Training & Meetings	27,500	(2,708)	32,500	3,790	32,500	-	0.0%
Miscellaneous Other	1,750	541	1,750	1,500	1,500	(250)	-14.3%
Total Expenses	\$13,811,530	\$14,019,184	\$12,350,601	\$13,554,244	\$14,871,590	\$2,520,988	20.4%

Personnel Requirements

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Administrative Assistant	-	1.0	-
Control Systems Technician	1.0	1.0	-
Plant Operations Division Manager	1.0	1.0	1.0
Plant Operations Superintendent	1.0	1.0	1.0
Plant Operations Training Coordinator	1.0	1.0	1.0
Plant Operator	5.0	8.0	9.0
Senior Engineer	1.0	1.0	1.0
Senior Plant Operator	16.0	13.0	12.0
Shift Supervisor	7.0	7.0	7.0
Utility Systems Engineer	2.0	2.0	3.0
Total	35.0	36.0	35.0

Budget Modifications and Contributions to Key Priorities

The Plant Operations Division provides Central San staff with the resources necessary to continue to meet or exceed regulatory requirements and optimize operations to work cost effectively. The Plant Operations Division Budget for FY 2022-23 is \$14.9 million, reflecting a significant increase of \$2.5 million or 20.4% increase over the \$12.4 million budgeted in FY 2021-22. This increase is largely attributable to increases in the Utilities & Fuel and Chemicals categories. The budgeted increase in Utilities & Fuel pertains to volatility in energy and gas prices driven by inflation, supply chain issues

arising from the pandemic, as well as the Russia-Ukraine crisis. The budgeted increase in Chemicals is attributable to commodity price increases in polymer, lime, and hypochlorite which are increasing for similar reasons as utilities and fuel. The Purchased Property Services category overall increased due to Hauling and Disposal services costs. Labor costs overall are largely increasing due to the cost-of-living adjustment and merit increases for eligible employees.

Recycled Water Program

OVERVIEW

The Recycled Water Program reflects Central San's continued efforts to utilize the valuable resources available in treated wastewater to supplement the region's water supply. Central San began to separately track the Recycled Water Program financials in FY 2016-17, and staff continues to work to accurately budget the anticipated expenses and revenues. This program draws resources from several divisions to provide support for the production and distribution of recycled water to Zone 1 commercial and municipal customers through pipelines, construction contractors through hydrants and a truck fill station, and residential customers through the Residential Fill Station operated out of the Household Hazardous Waste Collection Facility. This program also includes planning and regulatory support for the existing system and planned expansions, including the Refinery Recycled Water Exchange Project and discussions with other regional water districts (including EBMUD and SFPUC), a Satellite Water Recycling Facility and the Concord Community Reuse Project (the redevelopment of the Concord Naval Weapons Station).

FY 2021-22 Strategic Accomplishments









ENVIRONMENTAL STEWARDSHIP

- Continued leading the Refinery Recycled Water Exchange Project to augment the region's water supply and executed Amendment No. 3 to the Memorandum of Understanding (MOU) to extend the expiration date to June 30, 2022. Central San and Valley Water have extended the staff-level Cost-Sharing Agreement to jointly fund work by Raftelis to June 30, 2022.
- Began talks with San Francisco Public Utilities Commission (SFPUC) as a potential partner in the Refinery Recycled Water Exchange Project.
- Collaborated on the development of an MOU with East Bay Municipal Utility District (EBMUD) to complete a potable reuse study.
- Developed Guiding Principles for Satellite Water Recycling Facility Projects for Board approval.
- Continued collaborating with Contra Costa Water District (CCWD) and Valley Water to complete a Preliminary Feasibility Evaluation of the Refinery Recycled Water Exchange Project as agreed upon in the MOU between the three agencies.
- Completed the first year of operation of the Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District Recycled Water Authority (DERWA) Temporary Wastewater Diversion, which, from June 21, 2021, through September 10, 2021, diverted approximately 58 million gallons of wastewater from Central San to DSRSD to produce recycled water to meet DERWA's peak summer irrigation demand.
- In response to interest by several cities in Central San's service area, completed an evaluation to determine the most cost-effective way to provide recycled water to portions of the cities of Walnut Creek, Lafayette, Orinda, and the town of Moraga.
- Continued working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project.
- Distributed approximately 224 million gallons of recycled water to Zone 1.

- Distributed approximately 5.5 million gallons of recycled water through the Commercial Truck Fill Program.
- Distributed approximately 5.1 million gallons of recycled water through the Residential Fill Station.

FYs 2020-22 Strategic Targets and Performance


Goal	Metric	Target	FY 2020-21 Performance		FY 2021-22 Performance as of Q2	
	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
	Gallons of Recycled Water Distributed to External Customers*	≥240 Million Gallons	245 Million Gallons*		117.6 Million Gallons**	

* Performance may have been affected by the Residential Recycled Water Fill Station being closed during the FY due to COVID-19.

** The irrigation season typically grows in April and peaks in July, so this reported figure not only omits future Q3 usage but also omits a potentially significant amount of future Q4 usage (April to June), during which the FY target of ≥240 million gallons should be reached.

FY 2022-23 Strategic Objectives

In the coming fiscal year, this division will play a major part in supporting Strategic Plan Goals and Strategies through the following objectives:

Goal/Strategy	Objectives for FY 2022-23
 Support Regional Development of Local Water Supply	Continue working with CCWD, Valley Water, and SFPUC to advance the Refinery Recycled Water Exchange Project .
	Continue collaborating with DERWA to divert wastewater from Central San to DSRSD to produce recycled water to meet DERWA’s peak summer irrigation demand and supply recycled water to the southern portion of Central San’s service area.
	Continue working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project .
	Continue to support the development of a Satellite Water Recycling Facility at Diablo Country Club , as needed.
	Collaborate with EBMUD to complete a potable reuse study.

Budget Overview by Program and Expense Category

Treatment (including Residential Fill Station, Satellite Water Recycling Facility)

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$243,700	\$524,587	\$223,600	\$226,740	\$250,500	\$26,900	12.0%
Employee Benefits	185,200	428,374	158,900	160,920	170,500	11,600	7.3%
Purchased Property Services	4,000	-	3,000	-	3,000	-	0.0%
Repairs & Maintenance	4,000	-	3,000	-	3,000	-	0.0%
Other Purchased Services	100,500	7,644	102,000	8,518	109,018	7,018	6.9%
Professional Services	-	6,144	1,000	7,018	8,018	7,018	701.8%
Technical Services	100,500	1,500	101,000	1,500	101,000	-	0.0%
Supplies & Materials	310,000	275,384	333,000	327,000	429,000	96,000	28.8%
Utilities & Fuel	175,000	116,276	175,000	175,000	175,000	-	0.0%
Chemicals	132,000	159,108	156,000	152,000	252,000	96,000	61.5%
General Supplies	3,000	-	2,000	-	2,000	-	0.0%
Other Expenses	28,200	13,708	28,200	-	28,200	-	0.0%
Memberships	21,600	13,708	21,600	-	21,600	-	0.0%
Trainings & Meetings	6,600	-	6,600	-	6,600	-	0.0%
Total	\$871,600	\$1,249,697	\$848,700	\$723,178	\$990,218	\$141,518	16.7%

Distribution (including Residential Fill Station, Satellite Water Recycling Facility)

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$246,460	\$436,571	\$308,000	\$251,100	\$378,620	\$70,620	22.9%
Employee Benefits	148,080	336,282	218,700	125,593	194,979	(23,721)	-10.8%
Purchased Property Services	23,000	4,798	23,000	-	-	(23,000)	-100.0%
Repairs & Maintenance	23,000	4,798	23,000	-	-	(23,000)	-100.0%
Other Purchased Services	160,700	9,295	180,200	35,200	118,700	(61,500)	-34.1%
Professional Services	14,000	9,295	72,000	-	72,000	-	0.0%
Technical Services	145,000	-	105,000	35,000	45,000	(60,000)	-57.1%
Other Services	1,700	-	3,200	200	1,700	(1,500)	-46.9%
Supplies & Materials	16,900	1,145	22,600	4,000	9,700	(12,900)	-57.1%
General Supplies	16,900	1,145	22,600	4,000	9,700	(12,900)	-57.1%
Other Expenses	4,550	-	9,550	-	5,000	(4,550)	-47.6%
Trainings & Meetings	4,050	-	8,550	-	4,500	(4,050)	-47.4%
Miscellaneous Other	500	-	1,000	-	500	(500)	-50.0%
Total	\$599,690	\$788,091	\$762,050	\$415,893	\$706,999	(\$55,051)	-7.2%

Total Recycled Water

Account Description	FY 20-21 Budget	FY 20-21 Actual	FY 21-22 Budget	FY 21-22 Projection	FY 22-23 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Total	\$1,471,290	\$2,037,788	\$1,610,750	\$1,139,070	\$1,697,217	\$86,467	5.4%

Personnel Requirements

Several divisions support the Recycled Water Program. Personnel for the Recycled Water Program are shown in their respective divisions and total 2.0 full time equivalents. A portion of their labor costs, as appropriate to their time spent on the program, are included in the Recycled Water Budget. In addition, the budget includes funding for two temporary staff to operate the Residential Fill Station and one intern to support recycled water planning.

Regular Status Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Program Manager	0.5	0.6	0.6
Engineering and Technical Services*	0.9	0.9	1.0
Operations Department*	1.0	1.3	1.3
Total	2.4	2.8	2.9

*FTE count presented is calculated using split estimates from several employees. The estimated FTE allocation presented is for cost allocation purposes only and is not included in the total FTE counts presented in Tables 11 or 12 for budgetary position control purposes.

Limited Duration Employees	FY 2020-21 Year-End Actual	FY 2021-22	FY 2022-23
Fill Station (Seasonal)Temporary	3.0	1.0	5.0
Intern	1.0	0.5	-
Total	4.0	1.5	5.0

Budget Modifications and Contributions to Key Priorities

The Recycled Water Program helps Central San address several of the challenges presented by the environment in which it operates. These challenges include the need for all water sector agencies in the arid west to play a role in maintaining a sustainable water supply, with recent drought experiences, and the continuing effects of climate change. The program also addresses the increased focus on resource recovery in the wastewater industry.

The Recycled Water Program Operating Budget for FY 2022-23 is \$1.7 million, reflecting an increase of 5.4% or \$0.1 million over the prior year. The increase is primarily driven by labor-related costs, which are increasing pursuant to increases in time expected to be spent on recycled water initiatives and activities during FY 2022-23, specifically by the Program Manager and Plant Operations staff. The Chemicals budget increase is attributable to a projected increase in hypochlorite costs.

Financial Summary for Recycled Water Program

Recycled Water Expense Summary	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance	% Variance
Treatment Plant O&M	\$1,249,697	848,700	723,178	990,218	141,518	16.7%
Treatment Plant Capital	7,938,424	16,250,000	13,631,937	7,850,000	(8,400,000)	-51.7%
Distribution O&M	788,091	762,050	415,893	706,999	(55,051)	-7.2%
Distribution Capital	231,485	250,000	219,350	365,000	115,000	46.0%
Total	\$10,207,697	\$18,110,750	\$14,990,357	\$9,912,217	(\$8,198,533)	-45.3%

Recycled Water Revenue Summary	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance	% Variance
Treatment Plant <i>(Wastewater Cost)</i>	\$3,346,810	\$7,171,125	\$5,857,458	\$3,514,985	(\$3,656,140)	-51.0%
Zone 1 Revenue	538,943	432,000	432,000	445,000	13,000	3.0%
Distribution <i>(Wastewater Cost)</i>	2,667,061	4,234,826	3,514,018	2,527,870	(1,706,956)	-40.3%
Residential Fill <i>(Wastewater Cost)</i>	341,026	226,555	102,718	167,988	(58,567)	-25.9%
Satellite Reimbursement	25,756	103,500	-	-	(103,500)	-100.0%
Recycled Water Exchange <i>(Wastewater Cost)</i>	166,758	142,911	99,341	160,837	17,926	12.5%
City of Concord Reimbursement	3,121,343	5,799,833	4,984,822	3,095,537	(2,704,296)	-46.6%
Total Combined Revenue	\$10,207,697	\$18,110,750	\$14,990,357	\$9,912,217	(\$8,198,533)	-45.3%
Wastewater Cost per RUE	\$38.41	\$72.12	\$58.95	\$37.83	(\$34.29)	-47.5%

Recycled water rates charged to customers have not increased with budgeted costs, but instead have been inflated by 3% annually in recent years. Accordingly, the increase in budgeted costs for FY 2022-23, primarily due to capital improvements, does not mean that recycled water rates will be increased in that proportion.

The Zone 1 revenue budget estimate of \$445,000 is allocated entirely to Operations and Maintenance (O&M). Furthermore, the \$3,095,537 City of Concord Reimbursement is contained within and split between the total O&M fund City of Concord Reimbursement (see Table 5 in Financial Summary) and total Sewer Construction fund City of Concord Reimbursement (see Table 11 in Financial Summary). No Satellite Reimbursements are budgeted in FY 2022-23. The remaining costs are Wastewater Costs and included in the Sewer Service Charge.

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Self-Insurance Program

Central San has self-insured a portion of its liability and property risks since July 1, 1986, when the Board approved the establishment of the Self-Insurance Fund (SIF). Central San currently self-insures general and auto liability risks up to \$500,000 per occurrence and purchases a \$15 million excess liability insurance policy above that retention.

At this time, Central San does not purchase insurance coverage for earthquake or flood losses because insurance programs currently available in California are very expensive for the scope and limits of coverage provided. As a result, Central San self-insures these risks.

Fund Allocation

In 1994, the Government Accounting Standards Board issued statement No. 10 (GASB-10) which established requirements on how public agencies must fund their self-insured risks. To ensure compliance with GASB-10, Central San restructured the SIF into three sub-funds. Each of the three sub-funds was established to pay for specific losses and expenses. In FY 2015-16, Sub-Fund B was retired and funds for its risks were transferred to Sub-Fund C.

Table 1 presents a recent financial history and projection of the SIF and shows the FY 2022-23 SIF Budget. The SIF revenue for FY 2022-23 is projected to be just over \$1.7 million and expenses are projected to be just under \$2.2 million, a difference of approximately \$0.4 million, which will be drawn down from the closing projected reserve balance at June 30, 2022, to result in projected closing net SIF reserve of \$9,000,000 on June 30, 2023. The budgeted revenues include a direct allocation of just under \$1.7 million of Sewer Service Charge Revenue. Prior to FY 2021-22, allocations to Self-Insurance were routed through the Operations and Maintenance (O&M) Fund to the SIF. However, that approach caused the reported aggregate budgets to overcount this allocation, which was included as an “expenditure” in the O&M fund, while the SIF also showed expenditures. Allocating Sewer Service Charge directly to the SIF avoids this issue.

Sub-Fund A: Actuarially-Based Risks

Sub-Fund A is used to pay general liability and auto liability claims and expenses within Central San's self-insured retention. Claims exceeding this retention are covered by a liability excess insurance policy that renews annually on July 1.

Under the requirements of GASB-10, risks that can be actuarially studied must be funded based on an actuarial study performed at least every two years. General liability and automobile liability risks are readily studied throughout the insurance and self-insurance industry to project funding levels for future losses. Central San obtained an actuarial review of its self-insured general liability and automobile liability loss data in August 2020, with losses through June 30, 2020. The next actuarial report will be performed in August 2022 using loss data through June 30, 2022.

The Board established a policy to maintain the Sub-Fund A reserve at three times the amount of Central San's self-insured retention. Thus, the current \$500,000 retention requires a \$1.5 million reserve. This reserve is used to pay claims and expenses throughout the year and is replenished the following fiscal year.

Table 2 shows budgeted revenue for FY 2022-23 of \$9,400 with expenses of \$755,000, resulting in expenses exceeding revenues by \$745,600. This difference will be transferred from Sub-Fund C to maintain the minimum reserve at \$1.5 million.

Sub-Fund B: Non-Actuarially-Based Risks

Sub-Fund B has been retired and all reserves for these risks were transferred to Sub-Fund C in FY 2015-16.

Sub-Fund C: Non-GASB-10 Risks

Sub-Fund C has historically covered the Risk Management Program expenses including insurance premiums, self-insured property losses, potential losses from uninsurable risks, and the costs of initiating claims and lawsuits against others. As noted above, this fund now includes reserves for non-GASB-10 risks and catastrophic losses.

Until FY 2021-22, this reserve was set at \$5.0 million. During FY 2021-22, the Board increased the targeted level to \$7.5 million. This reserve is used to pay claims and expenses throughout the year and is replenished the following fiscal year. This fund also receives the allocation of SSC (previously, an annual O&M contribution) and then re-allocates funds needed to maintain the required reserve in Sub-Fund A.

Table 3 shows budgeted revenue for FY 2022-23 of \$1,725,101 with total expenses of \$1,415,000, resulting in revenues exceeding expenses by \$310,101. FY 2022-23 revenues includes an allocation of Sewer Service Charge of \$1,662,101, which the amount necessary to close FY 2022-23 with the minimum policy-specified level of reserves of \$7.5 million.

Table 1 – SIF Summary Overview

Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget
Revenues					
Sewer Service Charge	\$ -	\$ -	\$1,576,419	\$1,576,419	\$1,662,101
SIF Allocation from O&M Fund	450,000	550,000	-	-	-
Insurance Allocation from Household Hazardous Waste	20,000	21,714	25,000	25,000	25,000
Subrogation Recovery	-	15,158	-	-	-
Investment Income	112,050	42,203	50,000	19,200	47,400
Total Revenue	582,050	629,075	1,651,419	1,620,619	1,734,501
Expenses					
Claims Adjusting	2,000	-	3,000	5,000	5,000
Insurance Consulting	6,500	-	7,000	5,000	5,000
Loss Payments	275,000	362,873	225,000	150,000	425,000
Legal Services	80,000	184,358	140,000	155,000	375,000
Technical Services	90,000	80,773	60,000	110,000	60,000
Insurance Premiums	700,000	767,138	850,000	934,021	1,300,000
Total Expenses	1,153,500	1,395,142	1,285,000	1,359,021	2,170,000
Revenue Over/(Under) Expenses	(571,450)	(766,067)	366,419	261,598	(435,499)
Projected Reserves *					
Beginning of Year	7,072,565	7,139,968	6,133,581	6,473,901	9,435,499
Reserves Transfer (O&M)	-	100,000	-	2,700,000	-
End of Year Projected Reserves	6,501,115	6,473,901	6,500,000	9,435,499	9,000,000
Allocated Reserves					
Actuarial Reserves-GASB-10 (Fund A)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Non-Actuarial Reserves-GASB-10 (Fund C)	5,001,115	4,973,901	5,000,000	7,935,499	7,500,000
Total Allocated Reserves	\$6,501,115	\$6,473,900	\$6,500,000	\$9,435,498	\$9,000,000

*Projected reserves may differ from actual reserves due to entries related to the accrual method of accounting

Table 2 – SIF – Sub-Fund A

Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget
Revenues					
SIF Allocation from O&M Fund	\$ -	\$126,885	\$ -	\$ -	\$ -
Subrogation Recovery	-	1,582	-	-	-
Investment Income	24,900	9,736	10,000	4,200	9,400
Total Revenue	24,900	138,203	10,000	4,200	9,400
Expenses					
Claims Adjusting	-	-	-	5,000	5,000
Loss Payments	250,000	297,923	150,000	100,000	350,000
Legal Services	80,000	173,751	100,000	150,000	350,000
Technical Services	85,000	17,514	50,000	75,000	50,000
Total Expenses	415,000	489,189	300,000	330,000	755,000
Revenue Over Expense	(390,100)	(350,985)	(290,000)	(325,800)	(745,600)
Projected Reserves *					
Projected Reserves- Beginning of Year	1,500,000	1,500,000	1,157,797	1,500,000	1,500,000
Transfer from Sub-Fund C	390,100	350,985	632,203	325,800	745,600
Total Reserves Projected End of Year	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000

* Projected reserves may differ from actual reserves due to entries related to the accrual method of accounting.

Table 3 – SIF – Sub-Fund C

Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget
Revenues					
Sewer Service Charge	\$-	\$ -	\$1,576,419	\$1,576,419	\$1,662,101
O&M Insurance Charge	450,000	423,115	-	-	-
Insurance Recovery from Household Hazardous Waste Partners	20,000	21,714	25,000	25,000	25,000
Subrogation Recovery	-	13,575	-	-	-
Investment Income	87,150	32,466	40,000	15,000	38,000
Total Revenue	557,150	490,871	1,641,419	1,616,419	1,725,101
Expenses					
Claims Adjusting	2,000	-	3,000	-	-
Insurance Consulting	6,500	-	7,000	5,000	5,000
Loss Payments	25,000	64,950	75,000	50,000	75,000
Insurance Premiums	-	10,606	40,000	5,000	25,000
Technical Services	5,000	63,259	10,000	35,000	10,000
Insurance Premiums	700,000	767,138	850,000	934,021	1,300,000
Total Expenses	738,500	905,953	985,000	1,029,021	1,415,000
Revenue Over (Under) Expense	(181,350)	(415,082)	656,419	587,398	310,101
Projected Reserves					
Beginning Reserves	5,572,565	5,639,968	4,975,784	4,973,901	7,935,499
Transfer (to) Sub-Fund A	(390,100)	(350,985)	(632,203)	(325,800)	(745,600)
Reserves Transfer (O&M)	-	100,000	-	2,700,000	-
Total Reserves Projected End of Year	\$5,001,115	\$4,973,901	\$5,000,000	7,935,499	\$7,500,000

* Projected reserves may differ from actual reserves due to entries related to the accrual method of accounting.

Figure 1 - History of Revenue, Expense, and Reserve Balance

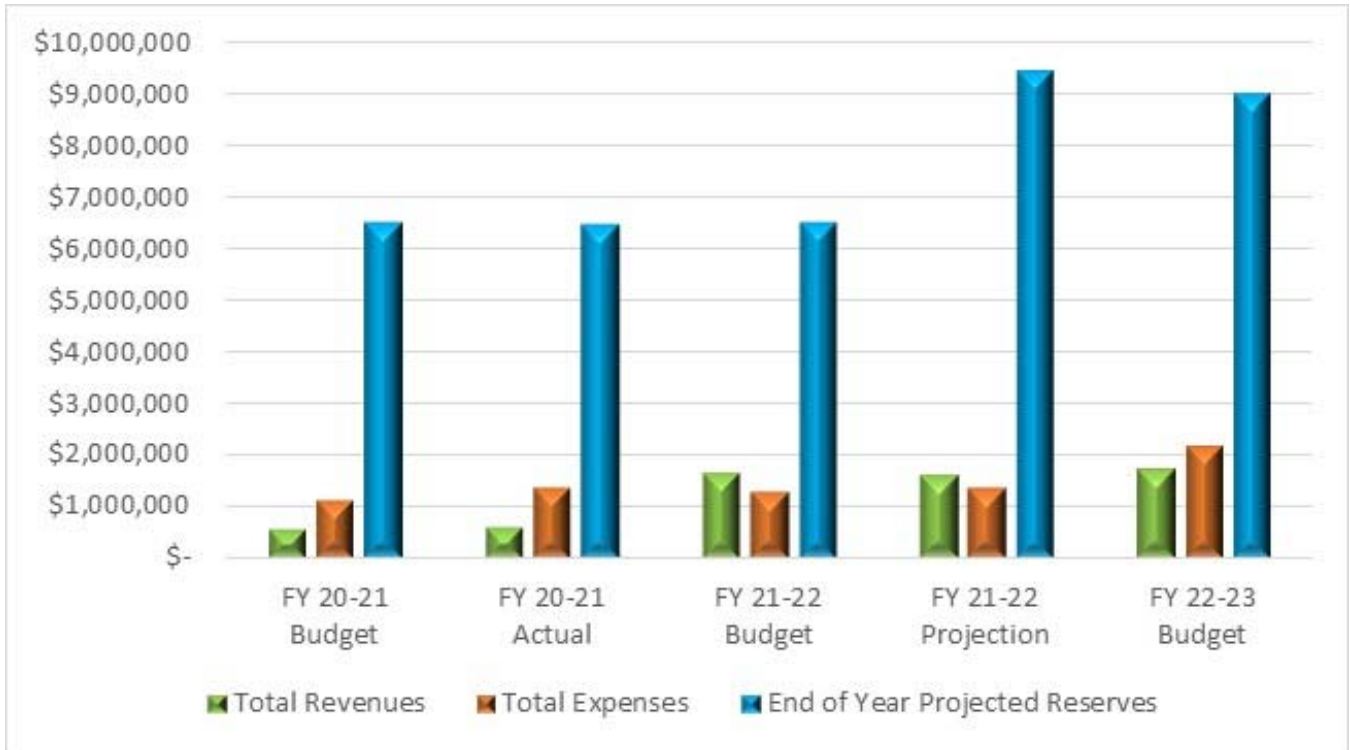


Figure 2 - History of Loss Payment and Insurance Premiums

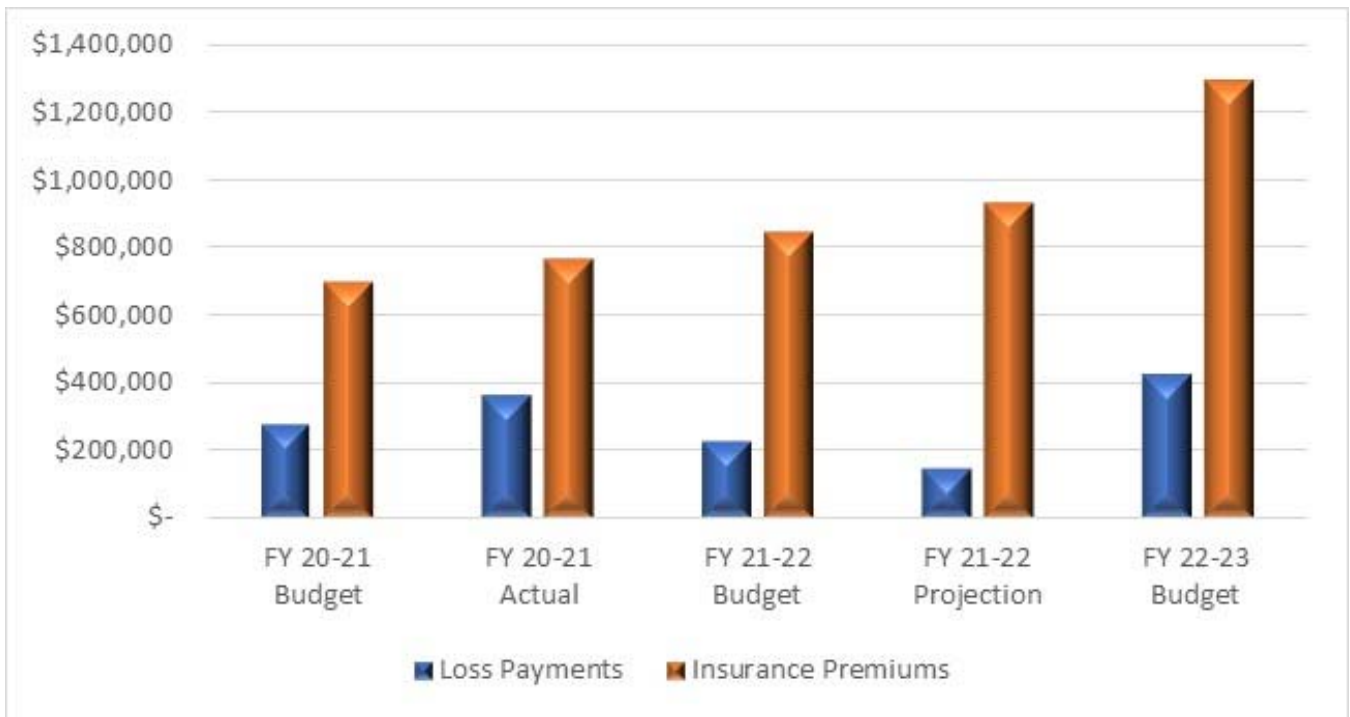
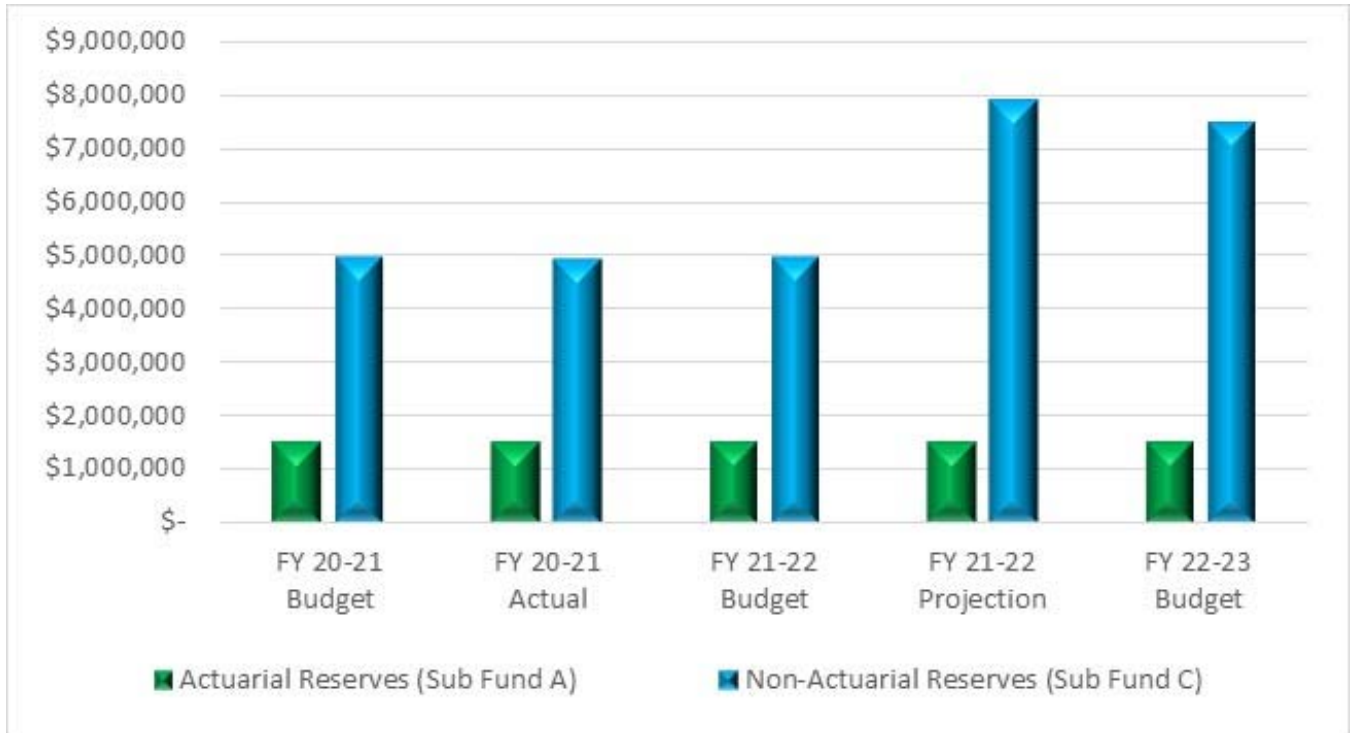


Figure 3 – Reserves by Sub-Fund



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Capital Improvement Program

OVERVIEW

Central San funds an extensive Capital Improvement Program (CIP) designed to preserve, maintain, and enhance Central San's assets; meet regulatory requirements; accommodate the community's needs; and protect public health and the environment. Capital improvements are construction or renovation activities that add value to Central San's fixed assets (pipelines, buildings, facilities, and equipment) or significantly extend their useful life.

Capital Expenditures Definition

Capital expenditures are cash outlays by Central San that result in the acquisition or construction of a capital asset. A capital asset is any asset of significant value, over \$5,000, that has a useful life expectancy of one year or more. Examples of capital assets include treatment plant renovations, collection system sewer replacements, equipment replacements, vehicle acquisitions, buildings, and land. Land is always considered a capital asset, regardless of value. All capital assets and improvements acquired or constructed are included in the CIP.

Capital Improvement Program Process

Annually, Central San updates its Ten-Year Capital Improvement Plan (Ten-Year CIP). The CIP identifies and prioritizes capital projects needed to accomplish Central San's Strategic Plan and provides the basis for project scheduling, staffing, and long-range financial planning. The CIP also serves as the framework for rate setting and decisions based on planned expenditures. The CIP undergoes several levels of review by Central San as detailed in the Ten-Year CIP section. Once a project is determined to be necessary, usually based on operational or maintenance needs or condition assessments, the project is listed in the Capital Improvement Budget (CIB). In addition, new or rescheduled projects may occur during any given year due to urgent requirements or unforeseen circumstances. These projects are referred to as new or contingency projects and are included in the CIB as needed.

The CIB provides a detailed presentation of the estimated budget needed for the first year of the Ten-Year CIP beginning on July 1 and ending on June 30, referred to as a fiscal year. Since most capital projects take longer than a year to complete, future years are presented and estimated to predict the potential budget appropriation for the current projects. The CIB includes expenditures for the planning, design, and construction of capital projects and is categorized in four programs: Collection System, Treatment Plant, General Improvements, and Recycled Water. All CIB projects are reviewed and prioritized yearly, especially as projects are refined during the predesign phase, which includes comprehensive condition assessments. The CIB also includes two types of contingency funding of capital projects. The first, project contingency, is determined at the time of award of any project. The second, CIB contingency, can be used in any program and is intended to cover contingency projects and potential budget overruns. By adopting the CIB, the Board of Directors (Board) authorizes staff to pursue work on the identified projects in all four programs with firm individual project budgets. In addition, any previously approved budget may carry forward to the current fiscal year. Staff reports to the Board the final CIB expenditures after the end of each fiscal year and updates the Board Engineering and Operations Committee on the status of the CIP.

Capital Revenue

The CIP is funded by the Sewer Construction Fund's fees and charges listed below, which are discussed in detail in the Financial Summary.

- Capacity Fees
- Pumped Zone Fees
- Property Taxes
- Interest
- Sewer Service Charges
- Reimbursement from Others

While Central San generally follows a pay-as-you-go philosophy, Sewer Service Charge rate increases can be mitigated by utilizing the Clean Water State Revolving Fund Program which offers low cost financing for a wide variety of water quality projects to spread the payment over time. This is planned for FY 2022-23. Additionally, Central San is exploring a debt issuance which may be used to fund a portion of the FY 2022-23 CIB. If this debt issuance proceeds, a budget amendment for FY 2022-23 is anticipated.



Capital Improvement Budget Project Prioritization

The projects included in the FY 2022-23 CIB have been prioritized to ensure the best use of District funds. Each project was evaluated using a prioritization scoring system that includes input from stakeholders within the Operations and Engineering Departments. The prioritization scoring system uses existing Central San prioritization strategies, including guidelines developed by the Water Environment & Reuse Foundation and prioritization procedures from the National Association of Clean Water Agencies' member agencies. Scoring for each project used twenty weighted criteria, with emphasis on projects currently under construction, those associated with asset management, regulatory requirements, prior commitments, and those supporting business functions.

The criteria used to develop the scores take into consideration the "triple bottom line plus," or social, environmental, financial, and technical benefits of the project and their applicability to Central San's Vision, Mission, and Values. Criteria falls into three categories: 1) Essential Commitments; 2) Project Benefits; and 3) Operational Reliability, as summarized below:

Criteria Category: Essential Commitments
Complies with Regulatory Requirements and Mandates
Meets Commitment with Outside Agency or Existing Contract
Reduces Potential Health or Safety Hazards
Implements Board of Directors' Policy/Priority
Increases Capacity to Meet Projected Build-out
Criteria Category: Project Benefits
Impacts Phasing or Implementation Schedule for Other Projects
Optimizes Capital and/ or Operations and Maintenance Costs
Increases Sustainable Use of Natural or Existing Resources
Reduces Social and or Environmental Impacts
Supports Timely Adoption of Technology Improvements
Criteria Category: Operational Reliability
Consistent with Asset Management Program
Improves Reliability and System Performance
Improves Facility-Wide Resiliency
Required for Safe & Reliable Operations
Key Asset Replacement
Project Criticality Ranking



In addition, all projects for FY 2022-23 have been listed in order of priority based on the criteria described above with other factors that include consequence of failure, project development, potential contract impacts, and more so that the entire capital program can be assessed. This ranking is applicable at the time the Budget is adopted. However, the score and the ranking will be continuously re-evaluated during the year as projects evolve. For example, once a construction contract is awarded and executed for a project, its score would increase and result in a ranking change. It should also be noted that the priority ranking is not reflective of the order in which the project is started. The score and ranking are more a reflection of an importance factor, than timing or a priority in which the project

is delivered. The project ranking, number, name, program, and score (maximum score is 400) as of April 11, 2022, are shown below:

Project Ranking	Project Number	Project	Program	Score
1	8253	COVID-19 Response	GI	345
2	7328	Influent Pump Electrical Improvements	TP	330
3	7348	Solids Handling Facility Improvements - Phase 1A	TP	325
	8436	Pump Station Upgrades - Phase 1	CS	325
	100017	San Ramon Electrical Upgrades	CS	325
6	7361	Filter Plant and Clearwell Improvements - Phase 1A	RW	315
7	7375	Contractor Staging Improvements	TP	305
8	100015	Electric Blower Improvements	TP	295
9	8250	Enterprise Resource Planning Replacement	GI	280
10	7369	Piping Renovation - Phase 10	TP	270
	TBD	Collection System Sewer Renovation - Phase 2	CS	270
	8463	North Orinda Sewer Renovation – Phase 8	CS	270
	8464	Martinez Sewer Renovation – Phase 7	CS	270
	8465	Walnut Creek Sewer Renovation - Phase 15	CS	270
	8466	Danville Sewer Renovation - Phase 4	CS	270
16	8443	Large Diameter Pipeline Inspection Program - Phase 1	CS	255
17	7364	Treatment Plant Safety Enhancement - Phase 5	TP	240
18	100001	UPCCAA Urgent Projects FY 2020-25	TP	235
19	TBD	Control System Upgrades	TP	230
20	7349	Steam & Aeration Blower Systems Renovations	TP	225
21	100005	Cured-In-Place Pipe Blanket Contract (FY 2020-25)	CS	215
22	100009	Hearth Replacements	TP	210
	7370	Annual Infrastructure Replacement FY 2019-25+	TP	210
	7373	Fire Protection System - Phase 3	TP	210
25	7315	Applied Research & Innovations	TP	200
	100012	UV Disinfection Repl. & Hydraulic Improvements	TP	200
	8457	Pump Station Upgrades - Phase 2	CS	200
	100032	Steam Renovations - Phase 1	TP	200
	8517	Vehicle Replacement Program FY 2016-26	GI	200
30	100007	Large Diameter Renovation Program	CS	190
	100030	Solids Handling Facility Improvements – Phase 2	TP	190
	100019	Aeration Basins Diffuser Repl. and Seismic Upgrades	TP	190
33	8442	PS Equipment & Piping Replacement - Phase 2	CS	185
	8444	Force Main Inspection Program - Phase 1	CS	185
	8448	Maintenance Access Holes Modifications	CS	185
	8240	IT Development FY 2016-25	GI	185
	TBD	Easement Acquisition FY 2022-31	GI	185
38	100034	TP Safety Enhancement Program	TP	170

	Project Number	Project	Program	Score
	100008	Laboratory Roof & Seismic Upgrades	TP	170
	100004	Headquarters Office Building Exterior Repairs	GI	170
	8516	Equipment Acquisition	GI	170
42	100023	Walnut Creek Sewer Renovation - Phase 16	CS	165
	100024	South Orinda Sewer Renovation - Phase 9	CS	165
	100025	Lafayette Sewer Renovation - Phase 15	CS	165
	100011	Plant Electrical Replacement and Rehabilitation	TP	165
	100002	Filter Plant and Clearwell Improvements - Phase 1B	RW	165
	5991	Pleasant Hill Sewer Renovation - Phase 2	CS	165
48	100028	Collection System Master Plan Five-Year Update	CS	160
	100010	Air Conditioning and Lighting Renovations	TP	160
50	100022	Wet Weather Basin Improvements	TP	155
51	7341	Walnut Creek/Grayson Creek Levee Rehab	TP	150
	7363	Treatment Plant Planning	TP	150
	7366	ReW Distribution System Renovations Program	RW	150
	7368	Water Exchange Project	RW	150
55	8450	Development Sewerage Support	CS	145
	8230	Capital Legal Services	GI	145
57	100018	Outfall Monitoring Improvements	TP	140
58	100029	Solar Project on Lagiss Property	TP	135
	100035	Technology Strategic Plan	GI	135
	100031	Community Development System Replacement	GI	135
61	7357	Plant-Wide Instrumentation Upgrades	TP	130
62	100033	Security Improvements Study FY 2021-25	GI	125
63	TBD	Collection System Modeling Support FY 22+	CS	120
	100006	Contractual Assessment District Project Financing	CS	120
65	8419	Collection System Planning	CS	115
	TBD	Orinda-Moraga PS Architectural Improvements	CS	115
	100003	Property Repairs and Improvements	GI	115
68	TBD	Fire Protection System – Phase 4	TP	110
69	100014	MRC Building Mods. and Maintenance Shops Improv.	TP	105
70	100036	Zone 1 Recycled Water 2021+	RW	100
71	7371	Condition Assessment of Buried Pipelines	TP	95
72	8447	Pumping Station Security Improvements	CS	85
	8251	Capital Improvement Program and Budget Improv.	GI	85
74	8252	POB E.V. Charging Station	GI	50
75	100027	Furnishings Replacement	GI	35
TBD	TBD	Electrical Infrastructure Sub 90	TP	TBD
TBD	TBD	Warehouse Seismic Upgrades	TP	TBD
TBD	TBD	Secondary Clarifier Improvements	TP	TBD

Individual Project Drivers

Projects included in the CIP address one or more of the four major drivers for implementing capital improvement projects: 1) Aging Infrastructure; 2) Regulatory; 3) Capacity; and 4) Sustainability. Most project scopes include several project elements that address a range of drivers. Below is a description for each of the four major drivers:

- **Aging Infrastructure:** This project driver describes projects required to maintain the performance and reliability of existing assets to ensure reliable conveyance and treatment of wastewater. Central San operates and maintains several billion dollars of assets, and several projects in each program have been initiated or are in progress to meet replacement or rehabilitation infrastructure needs. Most of the existing treatment plant facilities were constructed in the late 1970s and early 1980s following the passage of the Clean Water Act, and some of the collection system facilities and piping were constructed as early as the 1940s and 1950s. Central San recognizes the need to address aging infrastructure and has developed an Asset Management system.
- **Regulatory:** This project driver describes projects required to reliably comply with regulatory requirements that are designed to protect human health and the environment, and includes planning needed to anticipate potential future regulatory requirements. Regulatory drivers that may trigger capital improvement projects include potential changes in future state and/or federal water, air, and solids regulations. Potential regulatory drivers include: changes to existing final effluent limits to address nutrients, selenium, contaminants of emerging concern, and others; changes to California/National Toxics Rules, 303 (d) listed pollutants and micropollutants, and new virus-based disinfection criterion; reductions in greenhouse gas emission Cap and Trade Program thresholds; compliance with Federal 129 sewage sludge incineration rules, changes to air emission limits, and solids handling/management and disposal regulations; recycled water, including potential coordinated projects with water agencies on Title 22, indirect or direct potable reuse opportunities; and collection system regulatory requirements such as the reduction of sewer system overflows. Occasionally, improvements are also required to improve the reliability of existing facilities to ensure 100% compliance with regulatory permits and to ensure protection of human health and the environment.
- **Capacity:** This project driver describes projects required to increase capacity of existing facilities. Capacity drivers that may trigger capital improvement projects include potential upgrades required to mitigate hydraulic bottlenecks and increase capacity of existing facilities to accommodate wastewater flows and loads. Projects that would be required to accommodate planned growth are not included in the CIP.

- Sustainability/Energy/Optimization:** This project driver describes projects to minimize lifecycle costs, maximize benefits, and achieve economic stability through optimization, resiliency, resource recovery, and energy projects. Sustainability drivers that may trigger capital improvement projects include upgrades to strive towards net zero energy, recycled water projects to ensure the reliable supply of recycled water for use at Central San and for use by Central San’s customers, and upgrades to improve the resiliency of Central San facilities. Improvements to strive towards net zero energy or energy self-sufficiency include energy efficiency measures such as installing more energy-efficient equipment or treatment processes, and renewable energy projects such as solar or wind.

Example of Project Driver(s)

Each project is described on the following pages. Each project summary includes project name, description, prioritization, purpose, operating department impact and funding source, location, budgetary information, and drivers (i.e., the main impetus for the project). The main driver(s) for each project is (are) identified by highlighting in yellow background color and **bold** text. Driver(s) that is (are) not as significant or not relevant is (are) displayed in gray.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Capital Improvement Budget FY 2021-22 Accomplishments

Collection System Sewer Replacement: Several projects have replaced or rehabilitated up to 6.8 miles of sewers, most of which were 6-inch vitrified clay pipes in poor condition. Construction included sewer replacement, new maintenance access holes, and other infrastructure improvements in public rights-of-way and backyard easements. Trenchless technology was utilized where possible for cost effectiveness and to minimize construction impacts. Central San staff also designed and bid up to 8.0 miles of upcoming sewer replacement this fiscal year and coordinated the projects with city paving programs and other utilities throughout the service area.



Sewer Replacement in a Residential Neighborhood and Aerial Creek Crossing

Regulatory and Safety Projects: One of the major regulatory challenges facing Central San concerns the air pollution control equipment on the existing furnaces at the wastewater treatment plant. The Solids Handling Facility Improvements Phase 1A Project will replace this equipment to meet current and future regulatory needs. In addition, this project will include structural modifications to the building, furnaces, and electrical bracing to meet current seismic standards. The project is expected to be awarded in the winter of 2022-23 with construction completion in 2025.

Safety projects include construction of the emergency external stairway for the Solids Conditioning Building, which provides for employee safety for emergency egress.

Infrastructure Replacement: The main emphasis of the CIP is replacing deteriorated infrastructure. Last fiscal year, several projects were initiated in design or construction and included the following major efforts:

- **Pump Station Upgrades – Phase 1:** This construction project is focused on needed replacement of electrical, mechanical, and back-up power equipment at the Moraga and Orinda Crossroads Pumping Stations and should be completed this fiscal year. The construction for the Flush Kleen Pumping Station was completed last fiscal year.

- **Pump Station Upgrades – Phase 2:** The construction will begin for the needed electrical and mechanical equipment replacements at the Martinez, Maltby, and Fairview Pumping Stations. Construction is expected to begin in late FY 2022-23. The construction of the pumping stations may likely include additional phasing due to scope and to attract more bidders.
- **Filter Plant and Clearwell Improvements – Phase 1A:** Construction of this large project which includes replacement of deteriorated electrical infrastructure at the Clearwell, new pumps, recycled water storage improvements, and filter system modifications is well underway and is expected to be completed this fiscal year.
- **Steam and Aeration Blower Systems Renovation:** Condition assessments are completed for the steam and heat recovery systems at the treatment plant and several other areas in the aeration system, as well as the associated electrical systems. Several projects have been identified as a result and will be implemented in phases over time. The construction of the first phase, which consisted of the installation of three electric blowers, is scheduled to be completed this fiscal year. The second phase focused on the Aeration System is under design and will include the replacement of the diffusers and seismic upgrades. Third and fourth phases will address the Secondary Treatment Facilities and the Steam System Renovation, respectively.
- **Solids Handling Facility Improvements:** Three related solids projects were constructed ahead of the main project, which include construction of the Emergency Sludge Loading Facility Improvements Project (completed), Treatment Plant Safety Enhancements - Phase 5 Project (completed), and the Contractor Staging Improvements (nearing completion). The Solids Phase 1A Project construction contract is expected to be awarded in FY 2022-23 as the main project was downsized to only include the most critical items.
- **Projects completed:** Several projects are completed and will be closed this Fiscal Year and will no longer be represented in the CIB. These projects replaced or protected critical infrastructure to allow Central San to continue to effectively collect, treat, and process wastewater, and deliver recycled water in compliance with all regulatory requirements, as shown below by program:

Treatment Plant Program:

- PLC Systems Upgrades, District Project (DP) No. 7304
- Plant Control System I/O Replacement, DP No. 7339
- Ultraviolet Disinfection Upgrades, DP No. 7352
- Outfall Improvements – Phase 7, DP No. 7353
- Treatment Plant Security Improvements, DP No. 7354

Collection System Program:

- Collection System Modeling Support, DP No. 8449
- Collection System Sewer Renovation – Phase 1, DP No. 8451
- Martinez Sewer Renovation – Phase 6, DP No. 8458
- Lafayette Sewer Renovation – Phase 14, DP No. 8459
- Walnut Creek Sewer Renovation – Phase 14, DP No. 8460
- South Orinda Sewer Renovation – Phase 8, DP No. 8461

FY 2022-23 Capital Improvement Budget

The CIB Budget to date is approximately \$224.18 million. The budget needed for all ongoing and new projects in FY 2022-23 is \$90.98 million. The future year estimated budget for these projects is at \$602.35 million. Combined the total estimated budget for the identified projects in the FY 2022-23 CIB is \$917.51 million. The 2022 Ten-Year CIP is projected to be \$1,135 million as shown below in Table 1:

Table 1 – FY-2022-23 CIB per Program

Program	Budget-to-Date (1)	FY 2022-23 (2)	Future FYs (3)	Total Estimated Project Budgets (1)+(2)+(3)	FY 2022 Ten Year CIP
Collection System	\$74,864,181	\$36,850,000	\$130,941,000	\$242,655,181	\$324,141,000
Treatment Plant	96,569,332	39,981,000	414,000,000	550,550,332	724,290,000
General Improvements	19,896,459	3,795,000	5,175,000	28,866,459	23,480,000
Recycled Water	32,854,000	8,715,000	34,884,000	76,453,000	44,777,000
CIB Contingency	-	1,635,000	17,350,000	18,985,000	18,985,000
Totals:	\$224,183,972	\$90,976,000	\$602,350,000	\$917,509,972	\$1,135,673,000

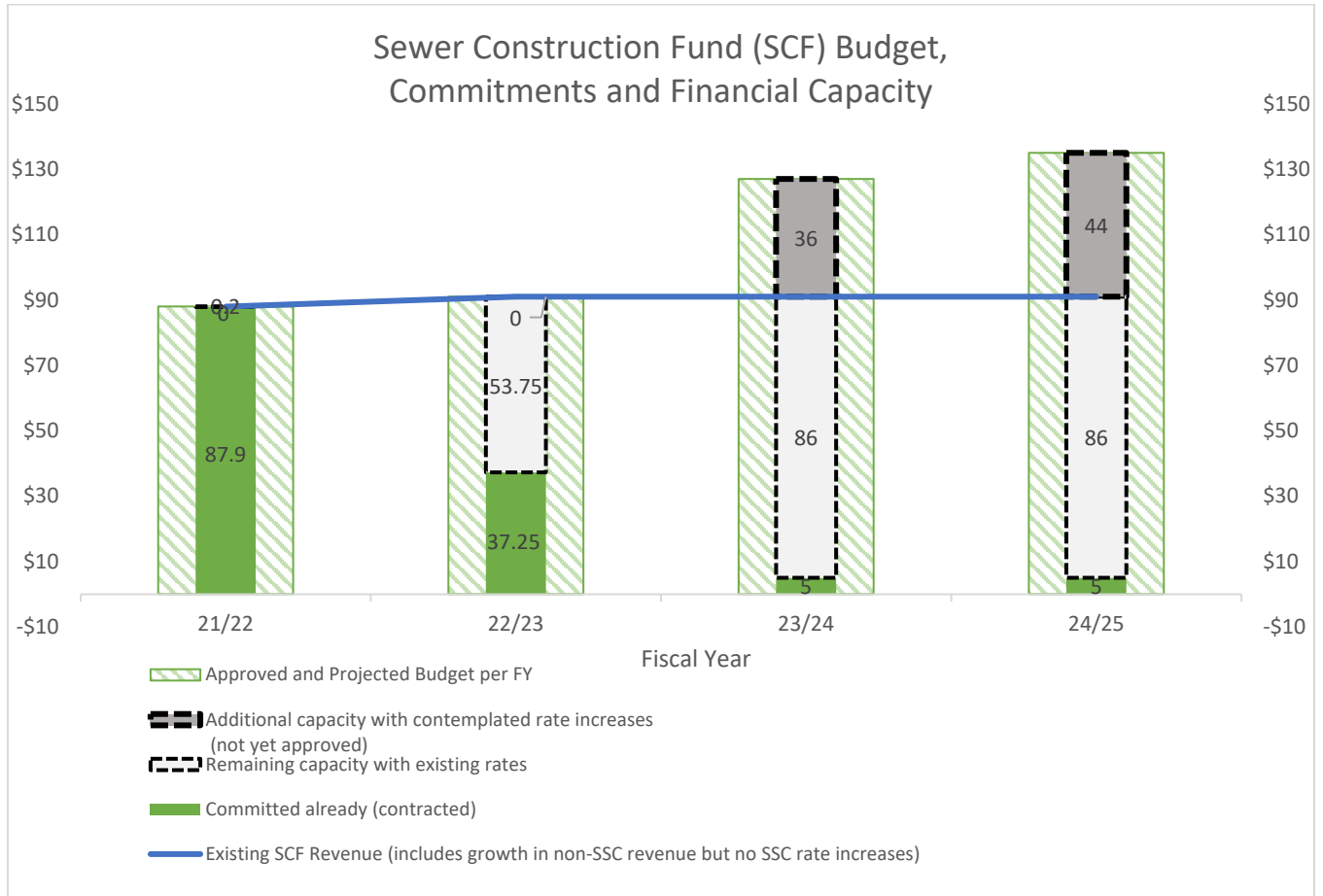
The Budget to Date (1) above includes approximately 78% budget already spent for on-going projects.



Constructing new steel storage tanks and replacing electrical gear under the Filter Plant and Clearwell Improvements – Phase 1 Project

FY 2022-23 Capital Improvement Budget Construction Commitments

As of April 30, 2022, the total construction commitments authorized by the Board in FY 2021-22 or prior is \$87.9 million and a total of \$47.25 million in future years. This includes all construction contracts, purchase orders, construction management, and supporting services to complete the construction phase within the CIB.



FY 2022-23 Capital Improvement Budget Major Project Emphasis

Although the CIB is comprised of budgets for many individual projects, there are several major projects that together account for most of the total capital budget. In FY 2022-23, the emphasis will be on thirteen large projects (those projects over \$2.0 million), which together account for \$69.20 million or 76% of the total CIB for the year. Each major project budget is shown below:

1. Pump Station Upgrades – Phase 2		
FY-2022-23 Budget: \$11,900,000	Estimated total project cost:	\$47,950,000
	Estimated completion date:	FY 2025-26
2. Collection System Sewer Renovation Program - Phase 2		
FY-2022-23 Budget: \$9,410,000	Estimated total project cost:	\$89,410,000
	Estimated completion date:	FY 2026-27
3. Filter Plant and Clearwell Improvements – Phase 1A		
FY-2022-23 Budget: \$7,600,000	Estimated total project cost:	\$38,589,000
	Estimated completion date:	FY 2022-23
4. Aeration Basin Diffusers and Seismic Upgrades		
FY-2022-23 Budget: \$7,500,000	Estimated total project cost:	\$61,300,000
	Estimated completion date:	FY 2027-28
5. Solids Handling Facility Improvements		
FY-2022-23 Budget: \$5,000,000	Estimated total project cost:	\$135,018,687
	Estimated completion date:	FY 2025-26
6. Steam Renovations – Phase 1		
FY-2022-23 Budget: \$4,500,000	Estimated total project cost:	\$17,500,000
	Estimated completion date:	FY 2024-25
7. Electric Blower Improvements		
FY-2022-23 Budget: \$4,245,000	Estimated total project cost:	\$15,750,000
	Estimated completion date:	FY 2023-24
8. Pleasant Hill Sewer Renovation – Phase 2		
FY-2022-23 Budget: \$3,740,000	Estimated total project cost:	\$5,200,000
	Estimated completion date:	FY 2023-24
9. Danville Sewer Renovation - Phase 4		
FY-2022-23 Budget: \$3,600,000	Estimated total project cost:	\$5,100,000
	Estimated completion date:	FY 2023-24
10. UV Disinfection Replacement and Hydraulic Improvements		
FY-2022-23 Budget: \$3,500,000	Estimated total project cost:	\$68,480,000
	Estimated completion date:	FY 2027-28
11. Solids Handling Facility Improvements – Phase 2		
FY-2022-23 Budget: \$3,100,000	Estimated total project cost:	\$156,200,000
	Estimated completion date:	FY 2031-32
12. Martinez Sewer Renovation – Phase 7		
FY-2022-23 Budget: \$2,500,000	Estimated total project cost:	\$5,000,000
	Estimated completion date:	FY 2022-23
13. Secondary Clarifier Improvements – Phase 1		
FY-2022-23 Budget: \$2,000,000	Estimated total project cost:	\$10,000,000
	Estimated completion date:	FY 2026-27

Capital Improvement Budget Modifications

Changes to projects do occur and include rescheduling, consolidation for bidding, phasing, modification of scope, and renaming of projects since last fiscal year and include:

Consolidation or Phasing of Existing Projects:

- The Collection System Sewer Renovation – Phase 2 has started this year and its budget will be used to fund the construction of the Walnut Creek Sewer Renovation – Phase 16, South Orinda Sewer Renovation – Phase 9, and Lafayette Sewer Renovation – Phase 15, as well as future design and construction budgets to Fiscal Year 2026-27.
- Steam and Aeration Blower Systems Renovation Project: Elements identified as part of the condition assessment and will be completed in multiple projects as follows:
 - a. Phase 1 - Electric Blower Improvements
 - b. Phase 2 - Aeration Basins Diffuser Replacement and Seismic Upgrades
 - c. Phase 3 - Secondary Clarifier Improvements
 - d. Phase 4 - Steam Renovations Phase 1 and Phase 2 Projects
- The Filter Plant & Clearwell Improvements Phase-1B in the Recycled Water Program will be phased to include the Electrical renovation required at the Filter Plant Facility as a separate project due to the urgency of replacing electrical assets.
- The Pumping Station Upgrades Phase-2 in the Collection System Program will be split or slightly phased based on the scope of work and to receive additional contractor interest. The new pumping stations for Fairview and Maltby will be packaged and bid together and the electrical renovation work at Martinez will be bid separately.

Modification of Scope or Budget:

- The Solids Handling Facility Improvements Phase-1 in the Treatment Plant Program was bid last fiscal year and the project has been re-evaluated and scope reduced to include the most critical items under the project. The project budget has decreased by approximately \$48 Million and the new scope, renamed to Phase 1A, will include new wet scrubbers, dewatering and cake pumps, incinerator burners, and associated electrical and controls to those systems.
- Major project budgets were changed from last fiscal year, as shown below

Projects	FY 2021-22	FY 2022-23
Pump Station Upgrades, Ph. 2, District Project (DP) 8457	\$ 38,950,000	\$ 47,950,000
UV Disinfection Replacement and Hydraulic Improvements, DP 100012	35,280,000	68,480,000
Aeration Basins Diffuser Replacement and Seismic Upgrades, DP 100019	25,800,000	61,300,000
Steam Renovations, DP 100032	0	17,500,000
Steam and Aeration Blower Systems Renovations, DP 7349	35,350,000	5,850,000
Solids Handling Facility Improvements, Phase 1A, DP 7348*	183,984,000	135,018,687
Totals	\$ 319,364,000	\$ 336,098,687

Renaming Projects:

- The Manhole Modification project in the Collection System Program has been renamed to “Maintenance Access Cover Modifications”.
- The Treatment Plant Safety Enhancements-Phase 5 has been renamed to the “Treatment Plant Safety Enhancement Program” to account for a yearly allowance and budget for safety improvements throughout the treatment plant.

Projects not included in FY 2021-22 CIB and initiated as contingency projects:

- Orinda – Moraga PS Architectural Improvements was initiated as a result of the Pumping Station Upgrades Phase-1 construction. Improvements to the aesthetics of the Orinda Crossroads and Moraga Pumping Stations is needed.
- The Community Development System Replacement and Solar Project on Lagiss Property were included in Fiscal Year 2021-22.

Staffing for Large Capital Projects and Program

Since 2017, the annual capital improvements budget has steadily increased and has a ten-year projection totaling over a billion dollars. The Capital Projects Division leads the efforts to implement the large program and has reached its limits to support all the projects identified in the plan. Therefore, additional support is needed especially for the larger and multi-year projects such as the Solids Handling Facility Improvements Phase 1A, Aeration Basins Diffuser Replacement and Seismic Upgrades, UV Replacement, and potentially other significant projects.

Therefore, future staffing for large projects will be supplemented by consultant engineers and or a combination with project-based employees (5-year term). As for the collection system program that uses in-house engineering and construction management, the planned sewer replacement is continual with potential increases based on condition assessments. Staffing for the collection system will be re-evaluated this fiscal year.

California Environmental Quality Act (CEQA) Compliance

The CIB is exempt from CEQA because it is a planning study (Central San CEQA Guidelines Section 15262). Some projects included in the CIB are designated as exempt under CEQA. If appropriate, a Notice of Exemption may be filed for such projects following a future action of the Board, such as an award of a construction contract. Other CIB projects are designated as needing a "Negative Declaration" or "Environmental Impact Report" to comply with CEQA. Non-exempt CEQA projects will be considered for Board approval on a case-by-case basis after preparation and certification of the appropriate CEQA documentation. The following table presents the CEQA compliance status of projects for which staff is requesting an authorization of Sewer Construction Funds. The anticipated types of CEQA documentation required for each project are listed below:

- *Exemption:* Staff will recommend an Exemption Finding, if still appropriate, when each project receives approval consideration at a future Board meeting.
- *Negative Declaration:* Staff will prepare a Negative Declaration for the project. Board consideration of approval of the project would follow its approval of the Negative Declaration.
- *Environmental Impact Report:* Staff will direct preparation of an Environmental Impact Report.

Board consideration of approval of the project would follow certification of the Environmental Impact Report.

- *CEQA Documents Completed:* For these projects, CEQA compliance has already been achieved through documents previously prepared and approved.



CEQA Compliance Summary for FY 2022-23

COLLECTION SYSTEM PROGRAM			
Project No	Project Name	Exemption	CEQA Document Required
5991	Pleasant Hill Sewer Renovation – Phase 2	X	
8419	Collection System Planning	X	
8436	Pump Station Upgrades – Phase 1	X	
8442	Pumping Station Equipment and Piping Replacement – Phase 2	X	
8443	Large Diameter Pipeline Inspection Program – Phase 1	X	
8444	Force Main Inspection Program – Phase 1	X	
8447	Pumping Station Security Improvements	X	
8448	Maintenance Access Hole Modifications	X	
8450	Development Sewerage Support	X	
8457	Pump Station Upgrades – Phase 2	X	
8463	North Orinda Sewer Renovation - Phase 8	X	
8464	Martinez Sewer Renovation - Phase 7	X	
8465	Walnut Creek Sewer Renovation - Phase 15	X	
8466	Danville Sewer Renovation - Phase 4	X	
100005	Cured-in-Place Pipe Blanket Contract FY 2020-25	X	
100006	Contractual Assessment District Project Financing	X	
100007	Large Diameter Piping Renovation Program	X	
100017	San Ramon Electrical Upgrades	X	
100023	Walnut Creek Sewer Renovation – Phase 16	X	
100024	South Orinda Sewer Renovation – Phase 9	X	
100025	Lafayette Sewer Renovation – Phase 15	X	
100028	Collection System Master Plan 5-Yr Update	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
TBD	Collection System Sewer Renovation – Phase 2	X	
TBD	Collection System Modeling Support FY 22+	X	
100037	Orinda-Moraga PS Architectural Improvements	X	

TREATMENT PLANT PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
7315	Applied Research and Innovations	X	
7328	Influent Pump Electrical Improvements	X	
7341	Walnut Creek/Grayson Creek Levee Rehab		Contra Costa County Flood Control and Water Conservation District will be the Lead Agency and will determine appropriate CEQA documentation.
7348	Solids Handling Facility Improvements	X	
7349	Steam and Aeration Blower Systems Renovations	X	
7357	Plant-Wide Instrumentation Upgrades	X	
7363	Treatment Plant Planning	X	
7364	Treatment Plant Safety Enhancements – Phase 5	X	
7369	Piping Renovation – Phase 10	X	
7370	Annual Infrastructure Replacement	X	
7371	Condition Assessment of Buried Pipelines	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
7373	Fire Protection System – Phase 3	X	
7375	Contractor Staging Improvements	X	
100001	UPCCAA Urgent Projects FY 2020-25	X	
100008	Laboratory Roof & Seismic Upgrades	X	
100009	Hearth Replacements	X	
100010	Air Conditioning and Lighting Renovations	X	
100011	Plant Electrical Replacement and Rehabilitation	X	
100012	UV Disinfection Replacement and Hydraulic Improvements	X	
100014	MRC Building Modifications and Maintenance Shops Improvements	X	
100015	Electric Blower Improvements	X	
100018	Outfall Monitoring Improvements	X	
100019	Aeration Basins Diffuser Repl. & Seismic Upg.	X	
100022	Wet Weather Basin Improvements	X	
100030	Solids Handling Facility Improvements – Ph. 2	X	
100032	Steam Renovations – Ph. 1	X	
100034	TP Safety Enhancement Program	X	
TBD	Fire Protection System – Phase 4	X	
TBD	Control System Upgrades	X	
TBD	Secondary Clarifier Improvements	X	
TBD	Warehouse Seismic Upgrades	X	
TBD	Electrical Infrastructure Sub 90	X	

GENERAL IMPROVEMENTS PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
8230	Capital Legal Services	X	
8240	IT Development	X	
8250	ERP Replacement	X	
8251	Capital Improvement Program and Budget Improvements	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
8252	POB EV Charging Station	X	
8253	COVID-19 Response	X	
8516	District Equipment Acquisition	X	
8517	Vehicle Replacement Program	X	
100003	Property Repairs and Improvements	X	
100004	HOB Exterior Repairs	X	
100027	Furnishings Replacement	X	
100029	Solar Project on Lagiss Property	X	
100033	Security Improvements FY 2021-25	X	
100035	Technology Strategic Plan	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
100031	Community Dev. System Replacement	X	
TBD	Easement Acquisition FY 2022-31	X	

RECYCLED WATER PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
7361	Filter Plant and Clearwell Improvements – Phase 1A	X	
7366	Recycled Water Distribution System Renovations Program	X	
7368	Water Exchange Project	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
100002	Filter Plant and Clearwell Improvements – Phase 1B	X	
100036	Zone 1 Recycled Water 2021+	X	

Capital Improvement Budget – Collection System Program

The following are the major points of emphasis for the FY 2022-23 Collection System Program:

- Renovate sewers as they reach the end of their useful lives to avoid structural failure, sanitary sewer overflows, sewer service disruptions, and to control maintenance costs
- Improve the electrical safety, reliability, and operations of the pumping stations
- Promote residential septic conversion by providing financing options to protect public health and the environment; and
- Investigate and plan for potential large diameter sewer and force main renovation.

The process for project identification, prioritization, and scheduling takes into consideration the following eight major components:

- Reduction of impacts to customers/residents and communities.
- Results from Central San's *InfoMaster*® model and *InfoAssets*®, which is an advanced geographic information system (GIS) integrated risk-based analytical asset management and capital planning tool.
- Results from Central San's closed-circuit TV Inspection Program that identifies lines in need of rehabilitation or replacement.
- Collection System Operations maintenance records, including overflows and stoppages.
- The Pumping Station Inventory Update, which identifies necessary reliability improvements.
- Preliminary Design Report for the renovation and upgrades at six major pumping stations.
- Collection System Master Plan, which identifies capacity limitations in the collection system.
- Coordination with Capital Improvement programs for paving and other agencies'/utilities' projects.

This process allows staff to establish priorities and schedules for the individual elements of the system that are incorporated into the Capital Improvement Budget and Plan. Assessment tools, such as *InfoMaster*® and closed-circuit TV inspection, are utilized to confirm the need for projects. After priorities and schedules are set, projects proceed to design and construction. At each step of the process, the level of accuracy in scope, schedule, and cost improves.

The Collection System Program is comprised of the following projects and planned expenditures:

CIB Table 2 – FY 2022-23 Collection System Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2022-23	Future	Total
				FYs	by Project
5991	Pleasant Hill Sewer Renovation - Phase 2	\$1,460,000	\$3,740,000	\$-	\$5,200,000
8419	Collection System Planning	1,585,000	200,000	-	1,785,000
8436	Pump Station Upgrades - Phase 1	35,451,000	-	-	35,451,000
8442	Pumping Station Equipment & Piping Replacement - Phase 2	564,000	206,000	-	770,000
8443	Large Diameter Pipeline Inspection Program - Phase 1	1,795,000	-	-	1,795,000
8444	Force Main Inspection Program - Phase 1	1,125,000	-	-	1,125,000
8447	Pumping Station Security Improvements	357,000	82,000	163,000	602,000
8448	Maintenance Access Cover Modifications	2,007,925	400,000	-	2,407,925
8450	Development Sewerage Support	4,032,316	927,000	3,708,000	8,667,316
8457	Pump Station Upgrades - Phase 2	5,950,000	11,900,000	30,100,000	47,950,000
8463	North Orinda Sewer Renovation - Phase 8	4,304,000	-	-	4,304,000
8464	Martinez Sewer Renovation - Phase 7	2,500,000	2,500,000	-	5,000,000
8465	Walnut Creek Sewer Renovation - Phase 15	5,400,000	-	-	5,400,000
8466	Danville Sewer Renovation - Phase 4	1,500,000	3,702,000	-	5,202,000
100005	Cured-In-Place Pipe Blanket Contract (FY 2021-25)	850,000	250,000	-	1,100,000
100006	CAD Project Financing	832,940	100,000	800,000	1,732,940
100007	Large Diameter Piping Renovation Program	2,000,000	-	15,000,000	17,000,000
100017	San Ramon Electrical Upgrades	700,000	1,213,000	-	1,913,000
100023	Walnut Creek Sewer Renovation - Phase 16	500,000	-	-	500,000
100024	South Orinda Sewer Renovation - Phase 9	500,000	-	-	500,000
100025	Lafayette Sewer Renovation - Phase 15	500,000	-	-	500,000
100028	Collection System Master Plan 5-Yr Update	750,000	850,000	-	1,600,000
TBD*	Collection System Sewer Renovation - Phase 2	-	9,410,000	80,000,000	89,410,000
TBD*	Collection System Modeling Support FY 22+	-	120,000	1,170,000	1,290,000
TBD*	Orinda- Moraga PS Architectural Improvements	200,000	1,250,000	-	1,450,000
Collection System Program Total:		\$74,864,181	\$36,850,000	\$130,941,000	\$242,655,181

*New project in FY 2022-23 and number to be determined (TBD)

Pleasant Hill Sewer Renovation – Phase 2 – District Project 5991

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	42	165

Purpose:

To replace and renovate small diameter sewers within the city of Pleasant Hill.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather sanitary sewer overflows (SSOs). Central San implemented a sewer renovation program in 1991 to replace small diameter sewers to control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.



Description:

The Pleasant Hill Sewer Renovation – Phase 2 Project will replace or rehabilitate 6,500 feet of small diameter sewers located in both public right-of-way and easements within the city of Pleasant Hill.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Pleasant Hill

Phase	Project Budget				
	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$183,000	\$-	\$-	\$-	\$183,000
Design	527,000	40,000	-	-	567,000
Construction	750,000	3,700,000	-	-	4,450,000
FY Total	\$1,460,000	\$3,740,000	\$-	\$-	\$5,200,000

Collection System Planning – District Project 8419

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	65	115

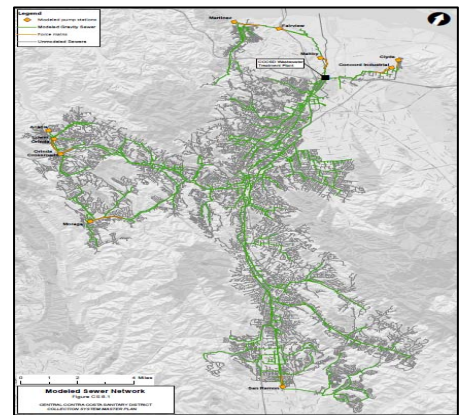
Purpose:

To complete evaluations for upcoming regulatory requirements, assess collection system renovation needs, evaluate sewer capacities, and investigate optimization and pilot opportunities.

Drivers:

Central San owns and operates 1,535 miles of sewer and 18 pumping stations. Ongoing planning and evaluations are required to proactively address aging infrastructure, capacity needs, upcoming regulations, and sustainability drivers. An *InfoMaster*® sewer replacement risk model is maintained by staff to identify and prioritize sewer renovation needs. An *InfoWorks*® hydrodynamic model is maintained by staff to identify capacity deficiencies and renovation needs. This project includes developing the *InfoAssets*® framework needed to incorporate force main and large diameter sewer inspection results into a risk-based, long-term renovation and inspection strategy.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Use *InfoWorks*® to evaluate capacity for proposed developments, special discharge requests, sewer renovation projects, and proposed construction shutdowns and bypasses
- Update the *InfoAssets*® sewer risk model and long-term sewer renovation need projections to incorporate force main and large diameter sewer inspection results to develop long-term renovation and ongoing condition assessment strategies
- Identify and evaluate promising technologies, optimizations, and pilots applicable to collection system and pumping station operations

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Collection System and Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,585,000	\$200,000	\$-	\$-	\$1,785,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,585,000	\$200,000	\$-	\$-	\$1,785,000

Pump Station Upgrades – Phase 1 – District Project 8436

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	3	325

Purpose:

To address aging infrastructure and reliability needs at the Moraga, Flush Kleen, and Orinda Crossroads Pumping Stations.

Drivers:

As part of the Comprehensive Wastewater Master Plan (CWMP), a detailed condition assessment of the pumping stations has identified several structural, mechanical, electrical, and instrumentation improvements. An Arc Flash Study has also identified several improvements that are required at these pumping stations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project, which is currently in construction:

- Add grinder(s) at the Moraga Pumping Station
- Construct a surge tank and canopy at Orinda Crossroads
- Replace wet weather diesel engine driven pumps with electric motors at Moraga and Orinda Crossroads
- Add new backup generators and automatic transfer switch improvements at all three sites
- Recondition or replace pumps, valves, and gates
- Repair/recoat piping and concrete
- Replace major electrical/controls, including Arc Flash Study recommendations
- Replace worn control panels and seismically brace control panels and electrical cabinets
- Improve safety devices such as replacement of gas detection systems and eye wash stations
- Coordinate with the City of Orinda, Town of Moraga, and others
- Update PG&E Services and entry panels



Operating Department Impact and Funding Source:

The impacts on the operating budgets are similar for labor, however, new grinders will add costs for maintenance. Project expenditures are funded from Capital Revenues.

Location(s): Moraga, Flush Kleen, and Orinda Crossroads Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$450,000	\$-	\$-	\$-	\$450,000
Design	3,200,000	-	-	-	3,200,000
Construction	31,801,000	-	-	-	31,801,000
FY Total	\$35,451,000	\$-	\$-	\$-	\$35,451,000

Pumping Station Equipment and Piping Replacement – Phase 2 – District Project 8442

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	33	185

Purpose:

To replace or recondition failed and obsolete pumps, piping, valves, and other pumping station equipment and to provide proper emergency response equipment and critical spare parts at pumping stations.

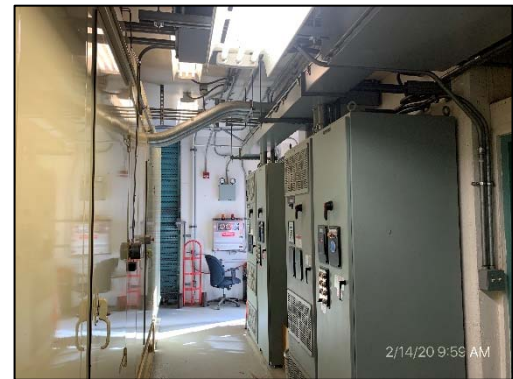
Drivers:

This ongoing project replaces aging equipment and piping in poor condition at the pumping stations.

Additionally, emergency response equipment and critical spare parts are identified to improve resiliency and reliable operations during emergency conditions, power failures, and severe wet weather.

Selection of equipment is completed by Plant Operations, Plant Maintenance, and Engineering staff in coordination with the ongoing Asset Management Program.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Install control and isolation valves for shutdown and pumping station protection
- Revise control strategies and equipment response times
- Purchase a portable bypass pump for Lower Orinda Pumping Station
- Recondition major equipment to meet original factory specifications
- Purchase critical spare parts for major pumping station equipment

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	564,000	206,000	-	-	770,000
FY Total	\$564,000	\$206,000	\$-	\$-	\$770,000

Large Diameter Pipeline Inspection Program – Phase 1 – District Project 8443

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	16	255

Purpose:

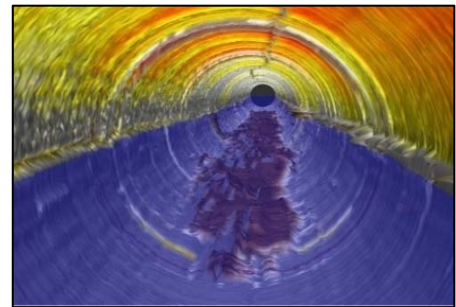
To assess the condition of large diameter trunks and interceptors and confirm the timing for renovation needs.

Drivers:

Central San owns 76 miles of wastewater trunks and interceptors ranging from 24 inches to 102 inches in diameter. The typical lifespan of large sewers ranges from 50 to 150 years depending on pipe material, hydraulic, operating, and environmental conditions. Nearly half of Central San's large sewers are over 50 years old and should be evaluated for remaining life.

Although Central San performs closed-circuit TV (CCTV) inspection of large diameter sewers, CCTV inspection is not always practical and does not always provide an accurate condition assessment. For example, CCTV cannot detect external corrosion and cannot assess the condition of the pipe invert when sediment is present. A combination of CCTV inspection, enhanced CCTV with laser profiling, sonar, hydrogen sulfide monitoring, and visual walk-over surveys are recommended to assess the condition of large diameter sewers. Inspection information can be used to ensure replacement of pipelines prior to failure and appropriate timing of replacement.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

A phased large diameter pipeline inspection program was developed and prioritized based on pipe age and consequence of failure. This project is the first of a five-year phase inspection program to perform the following:

- Review pipeline data and prioritize large diameter sewers for inspection – initial assessment will be approximately 6,000 feet of large diameter reinforced concrete sewers using enhanced CCTV
- Consider piloting and evaluating the benefits of multi-sensor inspection methods
- Consider deploying hydrogen sulfide meters for evaluating and modeling sewer conditions

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,795,000	\$-	\$-	\$-	\$1,795,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,795,000	\$-	\$-	\$-	\$1,795,000

Force Main Inspection Program – Phase 1 – District Project 8444

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	33	185

Purpose:

To assess the condition of force mains and confirm the timing for renovation needs.

Drivers:

Central San maintains 31 force mains with a combined length of approximately 23 miles. More than 65% of the force mains are made of metallic materials which are prone to corrosion. The typical lifespan of force mains ranges from 50 to 100 years. Over half of the existing force mains were installed 40 or more years ago. The remaining lifespan of individual force mains is difficult to estimate without inspection-based condition assessment results.

Force main failure methods include internal and external corrosion, mechanical failure due to high pressure and surge events or due to external loads and stresses, and material or installation defects. Recommended force main inspection methods include CCTV inspection, pressure transient monitoring, acoustic leak detection, and electromagnetic inspection.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

A phased inspection program was developed and prioritized based on age and consequence of failure:

- Initial work will be to prepare an implementation plan for the force main inspections
- Highest priority force main inspections to be evaluated in this project are at the Moraga, Orinda Crossroads, Lower Orinda, Bates Boulevard, and Wagner Ranch Pumping Stations
- Other high and medium priority force mains may be considered at the San Ramon, Clyde, Concord Industrial, and Acacia Pumping Stations (Martinez force mains will be evaluated under the Pump Station Upgrades Project – Phase 2)
- Other pumping stations have a lower risk and will be inspected in the future

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,125,000	\$-	\$-	\$-	\$1,125,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,125,000	\$-	\$-	\$-	\$1,125,000

Pumping Station Security Improvements – District Project 8447

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	72	85

Purpose:

To improve physical security at the pump stations and to protect existing critical assets.

Drivers:

In addition to worker safety, there are many critical assets that require physical security improvements to minimize risk. In FY 2016-17, a comprehensive security study was completed for major Central San facilities that utilized the principles of American Water Works Association J100 Risk Analysis and Management for Critical Asset Protection methodology (*RAMCAP® J100*). *RAMCAP® J100* is a comprehensive approach that enables the estimation of relative risks across multiple assets while considering both malevolent and natural hazards. The *RAMCAP® J100* method is a 7-step process: 1) Asset Characterization, 2) Threat Characterization, 3) Consequence Analysis, 4) Vulnerability Analysis, 5) Threat Analysis, 6) Risk/Resilience Analysis, and 7) Risk/Resilience Management.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Findings related to the pumping stations will be implemented under this project or related projects. Some improvements may be implemented in collaboration with other programs. In general, recommendations include:

- Increased surveillance and intrusion detection
- Access control improvements
- Perimeter fencing repair
- Increased signage and other miscellaneous security improvements

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Related Projects: Include Moraga, Orinda, Flush Kleen, and Martinez projects

Location(s): Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	131,000	-	-	-	131,000
Construction	226,000	82,000	82,000	81,000	471,000
FY Total	\$357,000	\$82,000	\$82,000	\$81,000	\$602,000

Maintenance Access Cover Modifications – District Project 8448

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	33	185

Purpose:

To replace, repair, or raise maintenance access hole covers and top blocks to match roadway elevations in coordination with pavement restoration plans with agencies or existing conditions.

Drivers:

Central San's collection system includes over 36,000 sewer structures. Many of these structures are maintenance access covers or rodding inlets which can be in paved roadways, public right-of-way, and private roadways throughout the entire service area. Continual replacement of maintenance access covers or repairing top blocks are needed on a yearly basis as the system ages or the roadways are rebuilt.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project will fund the replacement or raising of maintenance access hole covers and repairing top blocks either through construction projects or reimbursements with cities or other agencies under joint powers agreements.

Operating Department Impact and Funding Source:

This project does not have an impact on the operating budgets. However, if Collection System Operations were to self-perform, it would have a significant impact. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	2,007,925	400,000	-	-	2,407,925
FY Total	\$2,007,925	\$400,000	\$-	\$-	\$2,407,925

Development Sewerage Support – District Project 8450

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	55	145

Purpose:

To capitalize Central San force account labor and other expenses for planning, design, and construction of system sewer extensions.

Drivers:

Central San requires property owners to pay for main sewer extensions needed to serve their property. Where sewers are designed and installed by developers or other private parties, Central San planning, plan review, right-of-way, inspection, and record drawing/mapping efforts are required to ensure that installed sewers meet Central San’s Standard Specifications for Design and Construction. These activities are capitalized under this project.

A portion of the revenue collected for plan review and inspection is credited to the Sewer Construction Fund and offsets some of the expenditures made under this capital project.

Description:

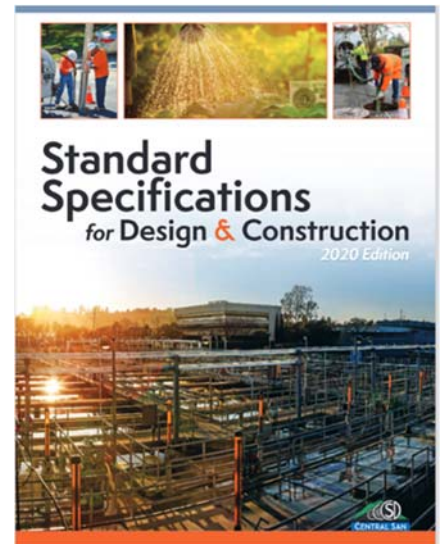
This project is used to fund consultant and staff costs for developer-installed sewer facilities.

Operating Department Impact and Funding Source:

This project will have a minor impact on the operating budgets; however, these costs are recovered under fees paid by developers. Project expenditures are funded from Capital Revenues and fees collected are credited to the Sewer Construction Fund.

Location(s): Collection System

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	4,032,316	927,000	927,000	2,781,000	8,667,316
FY Total	\$4,032,316	\$927,000	\$927,000	\$2,781,000	\$8,667,316

Pump Station Upgrades – Phase 2 - District Project 8457

Program	Phase	Priority Rank:	Ranking Score
Collection System	Construction	25	200

Purpose:

To address aging infrastructure and reliability needs at the Martinez, Fairview, and Maltby Pumping Stations.

Drivers:

A comprehensive condition assessment of the pumping stations has identified several structural, mechanical, electrical, and instrumentation improvements. An Arc Flash Study has also identified several improvements required at these stations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- Replace corroded steel dry pits with new wet wells at the Fairview and Maltby Pumping Stations
- Replace backup generators and instrumentation
- Rehabilitate or replace flow meters
- Recondition or replace pumps, valves, and gates
- Repair/recoat piping and concrete
- Replace major electrical/controls, including Arc Flash Study recommendations
- Replace worn control panels and seismically brace control panels and electrical cabinets
- Improve safety devices such as replacement of gas detection systems and eye wash stations
- Evaluate force mains at each pumping station



Operating Department Impact and Funding Source:

The impacts on the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues. Fairview and Maltby will be bid separate as Phase 2A and Martinez as Phase 2B due to the scope of the projects and to attract more bidders.

Location(s): Martinez, Fairview, and Maltby Pump Stations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$150,000	\$-	\$-	\$-	\$150,000
Design	3,900,000	-	-	-	3,900,000
Construction	1,900,000	11,900,000	17,500,000	12,600,000	43,900,000
FY Total	\$5,950,000	\$11,900,000	\$17,500,000	\$12,600,000	\$47,950,000

North Orinda Sewer Renovation – Phase 8 – District Project 8463

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	270

Purpose:

To replace and renovate small diameter sewers within the southern portion of the City of Orinda, unincorporated Orinda, and the Town of Moraga.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs. Central San implemented a sewer renovation program in 1991 to replace small diameter sewers to control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers. The construction of this project will be funded by the Collection System Sewer Renovation Project – Phase 1.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The North Orinda Sewer Renovation – Phase 8 Project will replace or rehabilitate up to approximately 10,000 feet of small diameter sewers located in both public right-of-way and easements within the northern portion of the city of Orinda, unincorporated Orinda, north of Highway 24.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	410,000	-	-	-	410,000
Construction	3,794,000	-	-	-	3,794,000
FY Total	\$4,304,000	\$-	\$-	\$-	\$4,304,000

Martinez Sewer Renovation – Phase 7 – District Project 8464

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	270

Purpose:

To replace and renovate small diameter sewers within the city and unincorporated areas of Martinez.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs.

Central San implemented a sewer renovation program in 1991 to replace small diameter sewers to control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Martinez Sewer Renovation – Phase 7 Project will replace or rehabilitate up to approximately 4,500 feet of small diameter sewers primarily along Alhambra Ave., and 1,500 feet of trunk sewers on Alhambra Ave.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Martinez

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	600,000	-	-	-	600,000
Construction	1,800,000	2,500,000	-	-	4,300,000
FY Total	\$2,500,000	\$2,500,000	\$-	\$-	\$5,000,000

Walnut Creek Sewer Renovation – Phase 15 – District Project 8465

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	270

Purpose:

To replace and renovate small diameter sewers within the city of Walnut Creek and unincorporated Walnut Creek.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs. Central San implemented a sewer renovation program in 1991 to replace small diameter sewers to control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Walnut Creek Sewer Renovation – Phase 15 Project will replace or rehabilitate up to approximately 9,800 feet of small diameter sewers located in both public right-of-way and easements. This project includes a creek crossing.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Walnut Creek

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	600,000	-	-	-	600,000
Construction	4,700,000	-	-	-	4,700,000
FY Total	\$5,400,000	\$-	\$-	\$-	\$5,400,000

Danville Sewer Renovation – Phase 4 – District Project 8466

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	270

Purpose:

To replace and renovate small diameter sewers within the town of Danville or nearby areas.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs. Central San implemented a sewer renovation program in 1991 to replace small diameter sewers to control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Danville Sewer Renovation – Phase 4 Project will replace or rehabilitate approximately up to 9,200 feet of small diameter sewers located in both public right-of-way and easements within the town of Danville.

Operating Department Impact and Funding Source:

This project approach is a cost savings to Central San’s capital program and to the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Danville

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	500,000	-	-	-	500,000
Construction	900,000	3,702,000	-	-	4,602,000
FY Total	\$1,500,000	\$3,702,000	\$-	\$-	\$5,202,000

Cured-in-Place Pipe Blanket Contract 2020-2025 – District Project 100005

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	21	215

Purpose:

Use cured-in-place pipe (CIPP) technology to repair any urgent pipelines which require immediate action.

Drivers:

Urgent pipeline projects which require immediate repairs may arise anytime during a fiscal year. Some of these repairs cannot be completed by Central San’s Collection System Operations crews and there is typically not enough time to wait for incorporation into a sewer renovation project.

Description:

This project will include bidding and executing a blanket contract that will allow Central San to use a contractor to perform urgent CIPP work.

CIPP repair work may be triggered by one of the following situations:

- Structural failure of a pipe
- Imminent threat of pipe break or collapse
- Potential for an SSO

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	150,000	-	-	-	150,000
Construction	700,000	250,000	-	-	950,000
FY Total	\$850,000	\$250,000	\$-	\$-	\$1,100,000

Contractual Assessment District Project Financing – District Project 100006

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	63	120

Purpose:

To provide a financing mechanism for the extension of public sewers into areas that are currently served by septic tanks, referred to as Contractual Assessment Districts (CADs), or other financing authorized by the Board of Directors.

Drivers:

In certain instances, the cost to extend public sewers into an area serviced by septic tanks can be an extreme financial burden for one owner or even a small group of owners. Central San developed the CAD Program to address this financial burden. The CAD process provides a means to finance the cost of sewer improvements over time at a fixed interest rate. The CAD assessments are placed on the customers' property tax bills each year until the entire amount is reimbursed to Central San. Each CAD is presented to the Board of Directors for approval.

Description:

This project will provide funding for potential CADs or other options. Items which may be financed include:

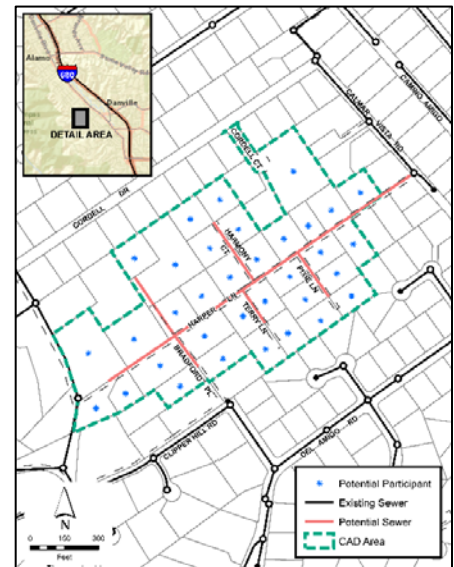
- Central San's permit application, inspection, and related fees
- Any CAD, Alhambra Valley Assessment District or reimbursement fees owed for an existing CAD or existing reimbursement
- Costs to third-party contractors for septic tank abandonment and connecting to the public sewer (TBD)
- Costs to third-party contractors or plumbers for sewer lateral or side sewer construction (TBD)

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues and will ultimately be paid back to Central San.

Location(s): Collection System

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	832,940	100,000	100,000	700,000	1,732,940
FY Total	\$832,940	\$100,000	\$100,000	\$700,000	\$1,732,940

Large Diameter Piping Renovation Program – District Project 100007

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	30	190

Purpose:

To plan for and design large diameter trunk and interceptor replacement projects for collection system sewers that are near the end of their useful lives. The implementation of the repairs and replacement will be identified as part of the condition of and the timing for renovation needs that are identified in the inspection of large diameter pipelines under District Project 8443.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San owns 76 miles of wastewater trunks and interceptors ranging from 24 inches to 102 inches in diameter. The typical lifespan of large sewers ranges from 50 to 150 years depending on pipe material, hydraulic, operating, and environmental conditions. Nearly half of Central San's large sewers are over 50 years old and will be evaluated under District Project 8443 for remaining life.



The bulk of the replacement is recommended within the Ten-Year Capital Improvement Plan. Continual replacement will provide the best possible protection against SSOs. The Large Diameter Piping Renovation Project – Phase 1 will span the next five fiscal years (FYs 2022-27).

Description:

This project is for sewer selection planning and design work for a phased large diameter pipeline replacement program that will be developed and prioritized based on pipe age and consequence of failure. This project is the first of a multi-year phase replacement program and will review pipeline data and prioritize large diameter sewers for inspection. The initial assessment will be approximately 6,000 feet of large diameter reinforced concrete sewers using enhanced CCTV.

Operating Department Impact and Funding Source:

The impacts on the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$400,000	\$-	\$-	\$-	\$400,000
Design	600,000	-	-	-	600,000
Construction	1,000,000	-	3,000,000	12,000,000	16,000,000
FY Total	\$2,000,000	\$-	\$3,000,000	\$12,000,000	\$17,000,000

San Ramon Electrical Upgrades – District Project 100017

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	3	325

Purpose:

Replace and or upgrade electrical equipment which are at the end of their useful life expectancy.

Drivers:

This project replaces aging equipment in poor condition at the San Ramon Pumping Station. Critical spare parts are identified to improve resiliency and reliable operations during emergency conditions, power failures, and severe wet weather conditions.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- The existing Automatic Transfer Switch (ATS) has significant limitations in maintainability and needs to be replaced. To deenergize the ATS or any MCCs, PG&E must be called out to shut down power to the entire station. There is no way that staff can access to shut down power for maintenance. This makes maintenance on several pieces of electrical equipment very difficult and leaves the station vulnerable if equipment malfunctions and PG&E can't respond quickly.
- The arc flash hazard is extremely high for the existing ATS and the PG&E service entrance (SE). To mitigate these issues, staff recommends replacing the existing SE with a unit that has main rack-out breakers and remote trip functionality.
- Staff also recommends replacing the three remaining Robicon Variable Frequency Drives (VFDs). Plant Maintenance has had to respond to many failed or malfunctioning Robicon VFDs throughout the plant and the pumping stations.



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): San Ramon

Phase	Project Budget				Total
	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	500,000	1,213,000	-	-	1,713,000
FY Total	\$700,000	\$1,213,000	\$-	\$-	\$1,913,000

Walnut Creek Sewer Renovation – Phase 16 – District Project 100023

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/ Construction	42	165

Purpose:

To replace and renovate small diameter sewers within the city of Walnut Creek and unincorporated Walnut Creek.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs. Central San implemented a sewer renovation program in 1991 to replace small diameter sewers, control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Walnut Creek Sewer Renovation – Phase 16 Project will replace or rehabilitate up to approximately 10,000 feet of small diameter sewers located in both public right-of-way and easements. This project includes a creek crossing.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at time of award.

Location(s): Walnut Creek

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	-	-	-	-	-
FY Total	\$500,000	\$-	\$-	\$-	\$500,000

South Orinda Sewer Renovation – Phase 9 – District Project 100024

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	42	165

Purpose:

To replace and renovate small diameter sewers within the southern portion of the City of Orinda, unincorporated Orinda, and the Town of Moraga.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs. Central San implemented a sewer renovation program in 1991 to replace small diameter sewers, control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The South Orinda Sewer Renovation – Phase 9 Project will replace or rehabilitate up to approximately 11,000 feet of small diameter sewers located in both public right-of-way and easements within the southern portion of the city of Orinda, south of Highway 24.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at time of award.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	-	-	-	-	-
FY Total	\$500,000	\$-	\$-	\$-	\$500,000

Lafayette Sewer Renovation – Phase 15 – District Project 100025

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	42	165

Purpose:

To replace and renovate small diameter sewers within the city and unincorporated areas of Lafayette.

Drivers:

Central San’s 1,500+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some of the pipe segments are at or near the end of their useful lives as evidenced by their need for frequent maintenance, high rate of infiltration, and/or threat of structural collapse.

More than 300 miles of the small diameter sewers in the collection system were constructed prior to 1956. The methods and materials of construction used at that time do not currently perform well and are the source of over 90% of the dry weather SSOs.

Central San implemented a sewer renovation program in 1991 to replace small diameter sewers, control future maintenance requirements and costs, minimize the number of overflows, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Lafayette Sewer Renovation – Phase 15 Project will replace or rehabilitate up to approximately 13,000 feet of small diameter sewers located in both public right-of-way and easements.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at time of award.

Location(s): Lafayette

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	-	-	-	-	-
FY Total	\$500,000	\$-	\$-	\$-	\$500,000

Collection System Master Plan Five - Year Update – District Project 100028

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	48	160

Purpose:

To update the 2017 Comprehensive Wastewater Master Plan (CWMP) that determines the future direction, capital improvement needs, and priorities for Central San’s collection system’s needs.

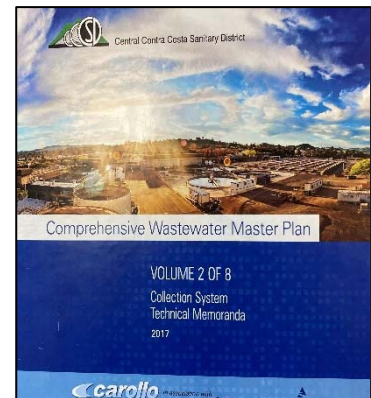
Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San maintains 1,540 miles of gravity sewers, 31 force mains with a combined length of approximately 23 miles, and 18 pumping stations. This infrastructure is critical for the conveyance of wastewater and planning for future rehabilitation or replacement is essential.

Description:

- The Collection System (CS) Master Plan was one component of the 2017 CWMP. A key deliverable of the CS Master Plan update will be the CIP for replacement of the collection system gravity sewers, large diameter pipelines, and force mains for the next 20-year planning horizon that provides the descriptions, rationale and estimated costs for Central San’s collection system. A phased inspection program was developed and prioritized based on age and consequence of failure: Capital improvement projects and ongoing programs in order to address aging infrastructure, meet existing and anticipated regulatory requirements, accommodate planned growth, or other critical collection system needs will be addressed in the update.
- The CS Master Plan update will continue to review pump stations including Bates Boulevard, San Ramon, Clyde, and Concord Industrial, Acacia, and Wagner Ranch Pump Station.



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$750,000	\$850,000	\$-	\$-	\$1,600,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$750,000	\$850,000	\$-	\$-	\$1,600,000

Collection System Sewer Renovation –Phase 2 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning/Design/Construction	10	270

Purpose:

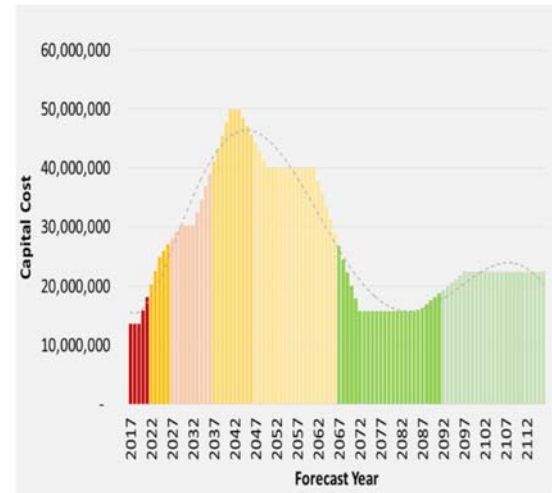
To plan and initiate design for additional sewer replacement projects for collection system sewers that are near the end of their useful life.

Drivers:

Central San's collection system includes 1,540+ miles of gravity sewers and over 37,000 maintenance access holes. Pipeline sizes range from 4 inches to 102 inches in diameter, and pipe materials vary throughout the system.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Continual replacement will provide the best possible protection against sewer service overflows (SSOs). The InfoMaster® sewer replacement risk model was developed to prioritize the timing for sewer replacement and to develop a risk-based sewer replacement program. To meet increase replacement rates in years 20-50, this program ramps up the replacement rate. The first five years, Phase 1, replaced up to 35 miles, an average of 7.0 miles per year. Phase 2 will continue a similar pace with a slight increase to approximately 8.0 miles per year for the next five years. Replacement for years ten through twenty, Phase 3, in the CIP will be re-evaluated under the Collection System Master Plan update.



Description:

This project is for pipeline selection planning and some preliminary design work for new sewer replacement projects. Additional sewer replacement projects will be developed and may be split into individual projects for final design and construction.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. This program will fund all sewer renovation projects until Fiscal Year 2026-27.

Location(s): Entire Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$200,000	\$600,000	\$800,000
Design	-	-	2,000,000	6,000,000	8,000,000
Construction	-	9,410,000	17,800,000	53,400,000	80,610,000
FY Total	\$-	\$9,410,000	\$20,000,000	\$60,000,000	\$89,410,000

Collection System Modeling Support FY 22+ – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	63	120

Purpose:

To maintain and update the InfoWorks® hydrodynamic collection system model.

Drivers:

A new InfoWorks® ICM hydrodynamic collection system model was configured and calibrated for 190 miles of the trunk sewer system. The new model replaced an old steady-state static model that was no longer supported by vendors and did not offer the same level of accuracy or useful output information that is available with new vendor- supported state-of-the-art hydrodynamic models. The model is used for several critical Central San operations such as evaluating sewer capacities, identifying capacity deficiencies, developing sewer sizing criteria, evaluating impacts from increased flows due to development and special discharges, evaluating re-routing options, and providing hydraulic grade line information that could be helpful during emergencies or for sewer renovation work.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Complete expansion of the trunk sewer model into high priority development areas where anticipated sewer capacity evaluations will be required
- Identify critical areas with model predicted surcharge conditions and install level monitors or smart manhole covers.
- Continue to support development and capital project modeling requests

Operating Department Impact and Funding Source:

This project will have a minor impact on the operating budget due to software costs. Project expenditures are funded from Capital Revenues and some costs are reimbursed through permit fees.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$120,000	\$125,000	\$1,045,000	\$1,290,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$-	\$120,000	\$125,000	\$1,045,000	\$1,290,000

Orinda – Moraga PS Architectural Improvements – District Project 100037

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/ Construction	65	115

Purpose:

To provide architectural improvements to the Moraga, Orinda Crossroads, and Flush Kleen Pumping Stations.

Drivers:

These pumping stations have just been upgraded and are in both residential and highly visible commercial areas. Making these architectural improvements will help Central San’s infrastructure blend in with the surrounding neighborhoods.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

Staff will evaluate the following:

- Improving the outside storage facility at Moraga Pumping Station
- Installing an A-frame roof at Orinda Crossroads Pumping Station
- Replacing a segment of the perimeter fence with CMU at Orinda Pumping Station
- Enclosing and building a canopy at Flush Kleen Pumping Station
- Other miscellaneous improvements to match the surrounding environment



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	50,000	-	-	250,000
Construction	-	1,200,000	-	-	1,200,000
FY Total	\$200,000	\$1,250,000	\$-	\$-	\$1,450,000

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Capital Improvement Budget – Treatment Plant Program

The following are the major points of emphasis for the FY 2022-23 Treatment Plant Program:

- Replace equipment as they reach the end of their useful lives to avoid structural and mechanical failures, reduce downtime, and control maintenance costs.
- Rehabilitate aging infrastructure and assure process systems are reliable.
- Meet or exceed safety standards for employees.
- Respond to regulatory requirements related to pending air emissions regulations.
- Increase sustainability and energy related projects for future sustainability.

Aging Infrastructure (Asset Rehabilitation and Replacement Projects)

Projects in this subprogram are targeted as asset preservation, rehabilitation, and replacement. The main projects in this program are the Influent Pump Electrical Improvements, Electric Blower Improvements, and Piping Renovation Phase 10, which will extend the useful life of existing equipment and/or facilities and replace critical infrastructure like the Headworks variable frequency drives.

The largest and most significant project will be the start of the Solids Handling Facility Improvements, Phase 1A, which includes solids dewatering equipment replacement (feed pumps, centrifuges, cake pumps), wet scrubber, as well as associated electrical, instrumentations, and incinerator controls improvements.

The final design of the Ultraviolet (UV) Disinfection Replacement will begin and has been merged with the UV Hydraulic Project.

The Steam and Aeration Blower Systems Renovations (Steam Project) has concluded its condition assessment of the steam systems, secondary treatment processes, and associated electrical distribution systems. Several of the phases that are derived from the Steam Project will be implemented. These include construction of the Electric Blower Improvements, design of the Aeration Basins Diffuser Replacement and Seismic Upgrades Project, and the final design of the Steam System Improvements.

Other aging infrastructure projects include the Laboratory Roof & Seismic Upgrades Project, Annual Infrastructure Project, and Uniform Public Construction Cost Accounting Act (UPCCAA) Urgent Projects.

Regulatory Compliance (Includes Planning and Safety Projects)

This subprogram includes projects that emphasize preparing for future regulations and treatment plant planning, including pilot testing various new technologies. Work will be implemented to comply with pending new air permitting requirements, and the installation of incinerator emissions improvements is included in the Solids Handling Facility Improvements, Phase 1A Project.

Safety and security improvements will continue under this subprogram. The Solids Conditioning Building and multiple hearth furnaces are being re-evaluated. The design of the UV Disinfection Replacement will be implemented to make sure the treatment plant can reliably meet the disinfection

National Pollutant Discharge Elimination System (NPDES) effluent permit requirements. The existing activated sludge process, which includes the aeration basins, continues to be evaluated and improvements to the aeration diffusers are planned soon. New diffuser systems will help provide oxygen to the biological system to ensure adequate oxygen transfer for a more reliable process.

Capacity (Expansion Projects)

There are no projects in FY 2022-23 that include expansion of the treatment plant. However, there are projects such as the UV Disinfection Replacement, Hydraulic Improvements, and the Aeration Diffuser Project that will address internal bottlenecks and degrading systems to reach design capacities. Projects like the Influent Pump Electrical and Electric Blower Improvements will increase back-up capacity to match current operating and wet weather scenarios for reliability.

Sustainability (Resiliency and Energy Projects)

Under this subprogram, the Walnut Creek/Grayson Creek Levee Rehab and Wet Weather Basin Improvements will address climate change and flooding concerns while the Air Conditioning and Lighting Project will replace equipment in poor condition with high efficiency models to save energy.



All projects in the treatment plant program are summarized, including past and planned expenditures, in the following Table 3:

CIB Table 3 – FY 2022-23 Treatment Plant Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY2022-23	Future FYs	Total by Project
7315	Applied Research & Innovations	\$1,657,274	\$300,000	\$400,000	\$2,357,274
7328	Influent Pump Electrical Improvements	8,160,000	1,426,000	-	9,586,000
7341	Walnut Creek/Grayson Creek Levee Rehab	1,050,000	1,500,000	1,000,000	3,550,000
7348*	Solids Handling Facility Improvements - Phase 1A	34,518,687	5,000,000	95,500,000	135,018,687
7349	Steam Aeration & Blower Systems Renovations	5,350,000	500,000	-	5,850,000
7357	Plant-Wide Instrumentation Upgrades	1,421,000	-	-	1,421,000
7363	Treatment Plant Planning	2,100,000	200,000	-	2,300,000
7364	Treatment Plant Safety Enhancement - Phase 5	1,180,000	-	-	1,180,000
7369	Piping Renovation - Phase 10	5,450,000	-	-	5,450,000
7370	Annual Infrastructure Replacement FY 2019-25	3,605,000	1,000,000	2,000,000	6,605,000
7371	Condition Assessment of Buried Pipelines	500,000	-	-	500,000
7373	Fire Protection System - Phase 3	1,100,000	-	-	1,100,000
7375	Contractor Staging Improvements	5,008,371	-	-	5,008,371
100001	UPCCAA Urgent Projects FY 2020-25	1,200,000	600,000	1,200,000	3,000,000
100008	Laboratory Roof & Seismic Upgrades	950,000	500,000	-	1,450,000
100009	Hearth Replacements	500,000	-	500,000	1,000,000
100010	Air Conditioning and Lighting Renovations	1,250,000	-	-	1,250,000
100011	Plant Electrical Replacement and Rehabilitation	600,000	400,000	1,350,000	2,350,000
100012	UV Disinfection Replacement and Hydraulic Improvements (100013)	2,980,000	3,500,000	62,000,000	68,480,000
100014	MRC Building Modifications and Maintenance Shops Improvements	750,000	750,000	600,000	2,100,000
100015	Electric Blower Improvements	9,150,000	4,245,000	-	13,395,000
100018	Outfall Monitoring Improvements	789,000	-	-	789,000
100019	Aeration Basins Diffuser Replacement and Seismic Upgrades	2,300,000	7,500,000	51,500,000	61,300,000
100034	TP Safety Enhancement Program	200,000	300,000	1,950,000	2,450,000
100022	Wet Weather Basin Improvements	700,000	600,000	600,000	1,900,000

Project Number	Project Name	Budget-to-Date	FY2022-23	Future FYs	Total by Project
100030	Solids Handling Facility Improvements – Phase 2	3,600,000	3,100,000	149,500,000	156,200,000
100032	Steam Renovations, Phase 1	500,000	4,500,000	12,500,000	17,500,000
TBD**	Fire Protection System – Phase 4	-	860,000	-	860,000
TBD**	Control System Upgrades	-	200,000	800,000	1,000,000
TBD**	Secondary Clarifier Improvements – Phase 1	-	2,000,000	8,000,000	10,000,000
TBD**	Warehouse Seismic Upgrades	-	500,000	1,500,000	2,000,000
TBD**	Electrical Infrastructure Sub 90	-	500,000	23,100,000	23,600,000
	Treatment Plant Program Total:	\$96,569,332	\$39,981,000	\$414,000,000	\$550,550,332

*Project 7348 has been revised and renamed to Phase 1A (Reduced scope project)

**New project in FY 2022-23 and number To Be Determined (TBD)

Applied Research & Innovations – District Project 7315

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Pre-Construction	25	200

Purpose:

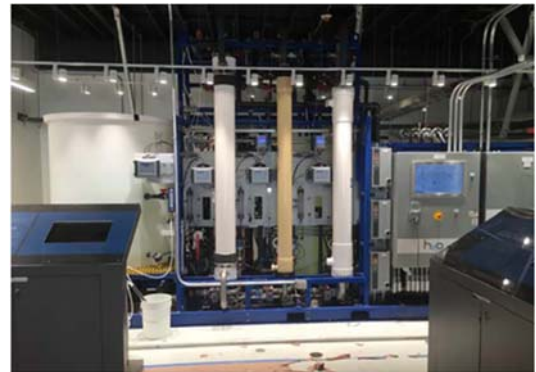
To implement applied research projects that evaluate promising technologies, processes, and innovations.

Drivers:

One of Central San’s goals is to embrace innovation and part of its vision is to be a leader in the wastewater industry. There are several emerging and innovative nutrient removal, disinfection, and solids handling technologies that may offer significant savings and reduced footprint requirements when compared to conventional technologies. Innovations in equipment and instrumentation that may be beneficial will be considered.

Prior to implementing any major renovations for nutrient removal or converting solids handling technologies, staff will evaluate the feasibility of emerging technologies and implement applied research pilots. These pilots will help verify the compatibility with wastewater and facilities, increase understanding of the technology, and help determine whether to consider the technology.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes techno-economic evaluations and possible pilot testing of tertiary membrane nutrient removal technologies such as membrane aerated bioreactors (MABR), aerobic granular sludge (AGS), and other promising technologies. This project also funds the purchase of research equipment required for on-site field evaluations, optimizations, bench and pilot tests, and includes replacement of an existing 25+ year-old trailer with a new trailer to support ongoing applied research efforts.

Operating Department Impact and Funding Source:

The impacts to operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,657,274	\$300,000	\$400,000	\$-	\$2,357,274
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,657,274	\$300,000	\$400,000	\$-	\$2,357,274

Influent Pump Electrical Improvements – District Project 7328

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	2	330

Purpose:

To address aging electrical components of the influent pumps and improve reliability.

Drivers:

The Influent Pump Facility is critical to operations. During wet weather, some of the pumps convey wastewater to the holding basins. Without the pumps, wastewater cannot be treated or stored in the basins. The influent pump motors are in a dry pit room below grade that is susceptible to flooding. A leak in the piping or flooding of the connected tunnels could potentially submerge the motors and the entire treatment plant would experience a catastrophic shutdown. Electrical improvements are recommended to improve reliability and resiliency. The influent pumps’ programmable logic controllers (PLCs) and variable frequency drives (VFDs) are outdated technology installed over 20 years ago and are becoming increasingly difficult to maintain. These VFDs have experienced multiple failures recently and are essential to managing flows, particularly during wet weather events.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Several major improvements in the influent pumping process area include:

- Replace influent pumps’ VFDs and upgrade influent pumps’ PLCs.
- Add Influent Pump No. 6 for reliability and redundancy during peak wet weather events.
- Evaluate implementation of “Smart Utility” and use of “Big Data” as part of this project.
- Adding submersible sump pump and wet well isolation gates (bid alternate) for flooding protection.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Influent Pump Station (Headworks Facility)

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	910,000	-	-	-	910,000
Construction	7,150,000	1,426,000	-	-	8,576,000
FY Total	\$8,160,000	\$1,426,000	\$-	\$-	\$9,586,000

Walnut Creek/Grayson Creek Levee Rehab – District Project 7341

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	51	150

Purpose:

To reduce the risk of flood damage to the treatment plant by raising levees through a project led by the Contra Costa County Flood Control and Water Conservation District (FCD).

Drivers:

The treatment plant site is bordered by Walnut and Grayson Creeks with levees that were built by the FCD and US Army Corps of Engineers and are currently owned and maintained by the FCD. Overtopping of the levees could catastrophically disable treatment plant operations, result in significant facility damage, negatively impact the environment due to discharge of untreated sewage, and impair the local economy. In 2007, the FCD implemented an interim flood control measure to desilt the lower Walnut Creek channel and raise the western levees of Walnut and Grayson Creeks. Based on recent modeling, the levees currently provide protection from a 30-year storm. The current flood protection standard by the California Department of Water Resources is to provide protection against at least a 200-year storm with three feet of freeboard, and to consider a rise in sea level and climate change.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Due to the critical nature of the treatment plant facilities, the levees will be raised to provide a protection level of a 200-year to 500-year storm with adequate freeboard. The FCD will be the lead agency, and Central San will provide support for design review and construction coordination. Both agencies have agreed to equally share the estimated project costs. Central San anticipates accepting and storing soil on buffer property that can be used as levee material to provide in-kind contributions. Staff will continue to evaluate in-kind financial contributions.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Along the Walnut Creek and Grayson Creek Levees, Kiewit Buffer Property

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	200,000	100,000	-	-	300,000
Construction	750,000	1,400,000	1,000,000	-	3,150,000
FY Total	\$1,050,000	\$1,500,000	\$1,000,000	\$-	\$3,550,000

Solids Handling Facility Improvements – Phase 1A – District Project 7348

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	3	325

Purpose:

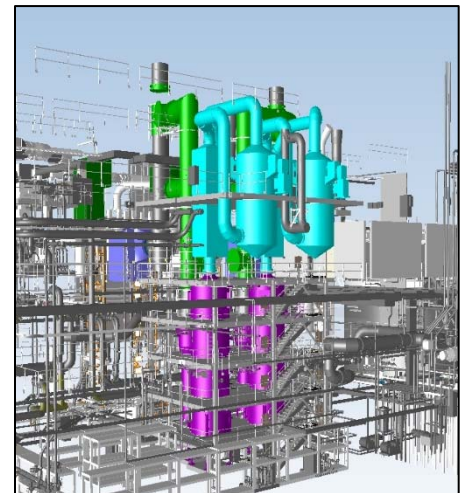
To rehabilitate and replace the sludge dewatering centrifuges, cake pumps, and furnace air pollution control equipment.

Drivers:

The existing furnaces have significant remaining useful life; however, other solids handling equipment requires replacement. The centrifuges and cake pumps have been in service for over 25 years, are costly to maintain, and spare parts are difficult to obtain. A more efficient wet scrubber and other air pollution control improvements will be needed to reliably comply with current and future air regulations.

Additional elements will be implemented in future phases to address the Solids Conditioning Building that houses the furnaces, cogeneration unit, and other critical equipment that do not meet current seismic standards, and electrical and control systems associated with this equipment will not need to be replaced during the project but under future phases.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Improvements to Emergency Sludge Loadout Facility and Blending Tanks (already constructed).
- Replace wet scrubber with a new Venturi scrubber capable of waste heat boiler bypass.
- Replace centrifuges and cake pumps.
- Upgrade furnace burners.
- Replace electrical and control systems to accommodate new equipment.

Operating Department Impact and Funding Source:

This project will have significant impact on the operating budgets based on staff time, energy, and disposal costs. Project expenditures are funded from Capital Revenues and from a Clean Water State Revolving Fund loan.

Location(s): Solids Conditioning Building

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,000,000	\$	\$	\$	\$1,000,000
Design	15,000,000	-	-	-	15,000,000
Construction	18,518,687	5,000,000	28,000,000	67,500,000	119,018,687
FY Total	\$34,518,687	\$5,000,000	\$28,000,000	\$67,500,000	\$135,018,687

Steam and Aeration Blower Systems Renovations – District Project 7349

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	20	225

Purpose:

To evaluate the existing steam system, waste heat recovery, steam turbines, electrical power distribution system, and secondary treatment systems, and to plan and preliminary design of future projects.

Drivers:

Central San’s energy recovery system uses waste heat from the incinerator and cogeneration turbine to produce steam primarily for aeration blowers and other systems. The existing aeration system is from the 1970s and is outdated, inefficient, experiences significant air leaks, and has limited turndown capabilities. The existing steam piping, valves, and related equipment require a detailed assessment. Although it is advantageous to recover waste heat for producing aeration, it also creates a complicated interconnection. Disruptions in solids and steam systems can impact reliability of the secondary process. Similarly, disruptions in blower operation can impact the boiler, steam system, and solids emission controls.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Several major steam, electrical, and secondary process modifications are included in the evaluation:

- Evaluate the condition of the existing steam generation, steam-driven systems and turbine, and more efficient options to produce power from the future waste heat recovery system.
- Evaluate and design the addition of new electric blowers to supplement and/or replace the existing electric blower (Currently in construction under DP 10015).
- Evaluate modifications to existing aeration tanks and the activated sludge system, including the hydraulics (Currently in design under new project DP 100019).
- Evaluate modifications to existing secondary clarifiers and associated return-activated sludge and waste-activated sludge feed systems (New project this year).
- Determine impact from Refinery Recycled Water Exchange Project that would produce high quality recycled water with very low/no ammonia and low total dissolved solids to feed the two local oil refineries.

Operating Department Impact and Funding Source:

Project expenditures are funded from Capital Revenues. This project’s original total budget was approx. \$63 M and had been transferred to fund projects stated above. Each project addresses impacts to the operating fund.

Location(s): Pump and Blower Building, Solids Conditioning Building, Aeration Basins, Electrical Power Distribution System, Primary/Secondary Facilities, and other Treatment Plant Areas

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$3,000,000	\$-	\$-	\$-	\$3,000,000
Design	2,350,000	500,000	-	-	2,850,000
Construction	-	-	-	-	-
FY Total	\$5,350,000	\$500,000	\$-	\$-	\$5,850,000

Plant-Wide Instrumentation Upgrades – District Project 7357

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	61	130

Purpose:

To install new instrumentation for improved monitoring, control, and optimization of Central San facilities.

Drivers:

Collecting and leveraging data is becoming increasingly useful for wastewater operations, design, and optimization. As Central San considers future equipment upgrades, potential nutrient removal, and solids handling technologies, it is important to collect data that will be useful for the evaluation and design of those facilities. There are also return streams that Central San has limited data for but could be helpful when evaluating future needs. In the meantime, there are opportunities to optimize existing processes and possibly reduce operations and maintenance costs; however, key instruments are required to evaluate these opportunities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Energy management and efficiency measures are crucial elements when striving towards net zero energy. Power meters installed at the motor control centers and key equipment can be useful for identifying optimization opportunities. The concept of “big data” is becoming increasingly popular and is aimed at leveraging data to analyze trends to predict how a given process will perform in the future and proactively adjust. This project will likely be constructed with other treatment plant projects.

Description:

The following elements are included in the project:

- Develop instrumentation upgrades strategy and phasing plan.
- Install flow meters for improved monitoring of return streams.
- Install power meters for motor control centers and key equipment.
- Install air flow meters for tracking channel aeration demands.
- Install other miscellaneous instruments for improved process monitoring, control, and optimization.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	290,000	-	-	-	290,000
Construction	1,031,000	-	-	-	1,031,000
FY Total	\$1,421,000	\$-	\$-	\$-	\$1,421,000

Treatment Plant Planning – District Project 7363

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	51	150

Purpose:

To complete evaluations for upcoming regulatory requirements, assess aging infrastructure, evaluate capacity requirements, and investigate opportunities to optimize operation of existing facilities.

Drivers:

As wastewater regulations develop and new treatment technologies become available, process modifications may be needed. This project includes technical evaluations to address regulatory initiatives and maintain permit compliance (e.g., Suisun Bay nutrient modeling work and NPDES required studies and reports).

As flows, contaminant loads, and concentrations change, capacity evaluations are needed to confirm capacity ratings of existing facilities and to identify any potential capacity improvements required to manage dry weather and wet weather flows and loads. Technical evaluations are completed to support treatment plant operations by evaluating optimization opportunities to improve the reliability and performance of existing treatment plant processes and facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Support Bay Area Clean Water Agencies nutrient evaluation, management, and reduction strategy work for the San Francisco Bay Area.
- Evaluate nutrient reduction options for Central San.
- Evaluate performance and optimization opportunities for miscellaneous equipment and processes (e.g., secondary treatment and Filter Plant optimizations).
- Evaluate energy reduction and renewable energy opportunities for the treatment plant.

Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$2,100,000	\$200,000	\$-	\$-	\$2,300,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$2,100,000	\$200,000	\$-	\$-	\$2,300,000

Treatment Plant Safety Enhancement – Phase 5 – District Project 7364

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	17	240

Purpose:

To enhance treatment plant safety through identification of safety concerns, repairs, and capital improvements.

Drivers:

Central San and the treatment plant have proactive safety programs that are administered by separate committees. These committees are responsible for addressing safety concerns at the treatment plant as identified by staff and to respond to regulatory requirements. Often this response will require construction of a capital project. The first three phases of this project addressed various safety repairs and improvements.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The project will include treatment plant facility improvements for safety, including a second emergency exit stairway for the control room in the Solids Conditioning Building.



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Related Projects and Bidding:

The project scope was coordinated with planned improvements with the Solids Handling Facility Improvements Project.

Location(s): Solids Conditioning Building

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	-	-	-	100,000
Construction	1,080,000	-	-	-	1,080,000
FY Total	\$1,180,000	\$-	\$-	\$-	\$1,180,000

Piping Renovation – Phase 10 – District Project 7369

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	10	270

Purpose:

To inspect, rehabilitate, and replace above-grade and below-grade piping and related systems at the treatment plant.

Drivers:

During the main treatment plant improvements project in the 1970s (Stage 5A Project), numerous above-grade and below-grade piping systems were installed throughout the treatment plant. These pipes convey wastewater, sludge, steam, air, and other utility services between various process areas. Many of these piping systems have been in operation for over 40 years without any major rehabilitation or replacement. Some piping systems are leaking due to corrosion and the condition of some systems is unknown because they have not been visually inspected.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Replace piping, valves, and pumps throughout the treatment plant.
- Replace the potable water pneumatic water tanks and associated controls.
- Replace water piping in the Plant Operations Building equipment gallery and several pipelines.
- Replace the plant hypochlorite chemical feed system and storage and feed pumps, and associated piping.
- Replace electrical and controls.
- Replace equipment identified by the Asset Management Program and Operations and Maintenance staff such as VFDs.

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	4,800,000	-	-	-	4,800,000
FY Total	\$5,450,000	\$-	\$-	\$-	\$5,450,000

Annual Infrastructure Replacement – District Project 7370

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	22	210

Purpose:

To fund ongoing rehabilitation and replacement of wastewater treatment plant assets. This program will be continued until FY 2024-25. A new project will be set at that time.

Drivers:

The treatment plant consists of over 4,400 assets with a range of ages. The majority of existing treatment plant equipment was installed around 40 years ago. Over time, equipment, piping systems, and other assets require rehabilitation or replacement to continue with Central San’s high level of service, reliable management, and treatment of wastewater. Some of the improvements to be funded from this project were identified as part of condition assessments. Ongoing condition assessments will be needed to confirm the timing for other rehabilitation and replacement work.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program.

Examples include:

- Roof replacement program, including the treatment plant warehouse and standby power facility.
- Replacement or rehabilitation of pumps, chemical system tanks, valves, and piping.
- Treatment plant air, process water, and fuel oil system improvements, including piping and valves.
- Actuators, control panels, and other instrumentation and electrical replacements.
- Refurbishment of coating and cathodic protection systems and other miscellaneous items.
- Pre-purchase of equipment for projects (e.g., large final effluent valves for the Outfall Project).

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	450,000	100,000	100,000	100,000	750,000
Construction	3,055,000	900,000	900,000	900,000	5,755,000
FY Total	\$3,605,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,605,000

Condition Assessment of Buried Pipelines – District Project 7371

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	71	95

Purpose:

To assess the condition and replacement needs of major buried piping systems at the treatment plant site.

Drivers:

Although several piping systems are accessible in the Central San treatment plant tunnels, there are several piping systems that are buried and difficult to access for condition assessment. In addition, there are some channels and submerged piping systems that are difficult to access. Some of these piping systems are also required for continuous operation of the treatment plant and are difficult to temporarily shut down for assessment. Despite these challenges, it is important to plan any necessary bypassing operations and perform condition assessments of these pipes, some of which are over 40 years old. These pipelines are critical for Central San operations and rehabilitation, or replacement may be required in the coming years.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes the following major elements:

- Develop a prioritized condition assessment plan for buried piping systems and difficult to access piping or channels.
- Bypass pumping and piping as required.
- Field inspection of buried or submerged piping systems and channels.
- Identify and develop recommended rehabilitation or replacement needs.

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$500,000	\$-	\$-	\$-	\$500,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$500,000	\$	\$	\$	\$500,000

Fire Protection System – Phase 3 – District Project 7373

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	22	210

Purpose:

To upgrade or replace the treatment plant fire protection systems.

Drivers:

Most of the fire protection systems were built in the late 1970s, and the fire alarm control panel was upgraded in the early 2000s. There are seven existing fire protection systems (alarm, monitoring, and suppression types) at the treatment plant. The existing fire protection systems are the primary notifications to the Control Room operators and the occupants of buildings in the event of a fire. Wiring and devices on the fire protection systems continue to be problematic and are in frequent need of repair. Repairs to the fire protection systems have become extremely complex and difficult; therefore, long-term reliable improvements to the fire protection systems are needed.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Staff anticipates the recommended improvements will be implemented over a multi-year fire protection improvement program:

- Phase 1 of the project that was completed in 2013 replaced the outdated Headquarters Office Building fire protection system and corrected limited treatment plant deficiencies.
- Phase 2 of the project includes a comprehensive evaluation and implementation of recommended improvements for life safety of occupied areas (public and staff) of all staffed and critical process areas in the treatment plant (complete).
- Phase 3 includes upgrades to HOB and the laboratory fire panels and other fire protection improvements.

Operating Department Impact and Funding Source:

This project will have insignificant impact to the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Plant Operations Buildings

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	250,000	-	-	-	250,000
Construction	850,000	-	-	-	850,000
FY Total	\$1,100,000	\$-	\$-	\$-	\$1,100,000

Contractor Staging Improvements – District Project 7375

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	7	305

Purpose:

To increase security by organizing and preparing the treatment plant for several large future projects, such as the Solids Handling Facility Improvements Phase 1A and Filter Plant and Clearwell Improvements – Phase 1A Projects.

Drivers:

Safety and security are the primary drivers for this project. The current contractor staging area is not built to secure contractor business from normal daily operations. The treatment plant’s main gate is used for all activities. This project will provide security and safety improvements so that the contractors’ activities can be separated and monitored separately from daily operations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The project elements to be evaluated, designed, and constructed include:

- Contractor main staging area for construction trailers and contractor use; site grading and paving; temporary material storage and stockpiling; concrete washout and equipment washing area; access improvements and other facilities; and increase available space and laydown areas for equipment and material storage.
- Shipping, receiving, parking, and a designated area for contractors; delivery routes to minimize traffic disruption, turnarounds, and additional parking areas.
- Construction entrance, including a new entrance on Imhoff Drive; widen existing treatment plant roads, as needed; and a new security guard facility, safety orientation, badging area, and gates.
- Improved site lighting, fencing, signage, striping, security cameras, and badging system.
- Miscellaneous elements, including demolition of abandoned infrastructure and construction of additional staging areas throughout the treatment plant and the RV Receiving Station.

Operating Department Impact and Funding Source:

No impacts to the operating budgets. Project expenditures are funded from Capital Revenues. Fees for the RV receiving station may occur in the future.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	350,000	-	-	-	350,000
Construction	4,608,371	-	-	-	4,608,371
FY Total	\$5,008,371	\$-	\$-	\$-	\$5,008,371

UPCCAA Urgent Projects FY 2020-25 – District Project 100001

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/ Construction	18	235

Purpose:

To fund ongoing rehabilitation and replacement of treatment plant infrastructure, equipment, and systems that meet the guidelines provided by the California Uniform Public Construction Cost Accounting Act (UPCCAA), adopted by Central San in late 2018.

Drivers:

The majority of existing treatment plant equipment was installed approximately 40 years ago. Over time, electrical, mechanical, instrumentation, and other systems require rehabilitation or replacement to continue with Central San’s high level of service, reliable management, and treatment of wastewater. The majority of these systems are designed and scheduled for replacement under other capital projects; however, there are cases where a project is not in place, or an asset will need to be addressed sooner than planned. These cases which are usually smaller construction contracts (under \$200,000) can be informally bid and built under the UPCCAA. This project will help fund those contracts not accounted for in other ongoing treatment plant projects.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The UPCCAA Urgent Projects FY 2020-25 is a five-year program used to fund informal projects in the treatment plant. Examples include, but not limited to:

- Critical variable frequency drives replacements.
- Pumps, piping, and critical valves replacements.
- Civil work such as site repaving and concrete repairs.
- Complete the construction of the POB Conference Room.
- Other public works type projects.

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	100,000	100,000	100,000	500,000
Construction	1,000,000	500,000	500,000	500,000	2,500,000
FY Total	\$1,200,000	\$600,000	\$600,000	\$600,000	\$3,000,000

Laboratory Roof and Seismic Upgrades – District Project 100008

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	38	170

Purpose:

Maintain a functional Laboratory building.

Drivers:

In 2009, a Central San seismic evaluation was completed for the treatment plant facilities (Wastewater Treatment Plant Seismic Vulnerability Assessment of Selected Facilities, December 2009). Included in the evaluation were recommendations to bring the Laboratory up to date with current seismic design standards.

The Laboratory building houses staff under the Environmental and Regulatory Compliance Division in Engineering. The Laboratory is located within the Martinez campus and is occupied seven days a week. Since the Laboratory building was constructed in early 2000 under the 1994 Building Code, many of the modifications needed are relatively minor. Staff is proposing to perform the seismic modification now due to the deterioration of the roof, which is in very poor condition. Any floor plan modifications will be done in a cost-effective manner.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Laboratory roof and seismic improvements will be made to meet the Damage Control Performance Level. Modifications and the new roof will likely consist of the following:

- New lateral bracing at the moment frames.
- New columns at existing brace locations (two or more) and other modifications as needed.
- Replace the existing roof membrane with a roof system that is more suited for the building.
- Relocate an existing air-cooled unit in the office area and evaluate the Laboratory flooring.
- Evaluate need for additional space.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Laboratory

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	150,000	50,000	-	-	200,000
Construction	800,000	450,000	-	-	1,250,000
FY Total	\$950,000	\$500,000	\$	\$	\$1,450,000

Hearth Replacements – District Project 100009

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	22	210

Purpose:

Continue to maintain the operable Multiple Hearth Furnaces (MHFs) inside the Solids Conditioning Building.

Drivers:

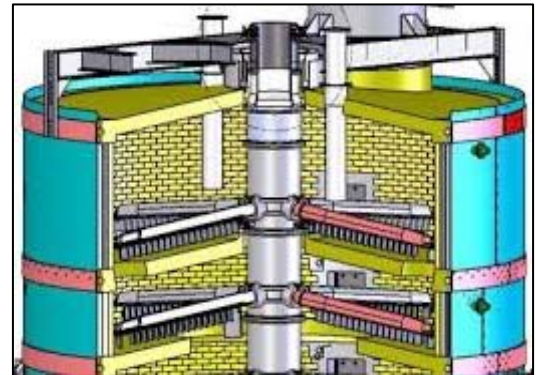
The MHFs are an essential process equipment for the handling and disposal of the solids from the treatment process. The Plant Maintenance Division for the Operations Department has been monitoring the hearths within the MHFs. Based on the most recent inspection, replacement of two hearths and possibly up to three is recommended (one hearth replacement in MHF No. 1 and possibly up to two in MHF No. 2).

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project will be performed by a specialty contractor with the experience needed to rebuild brick and masonry in an existing incinerator. Work includes, but is not limited to, the following:

- Confined space entry.
- Demolish and rebuild a hearth within MHF Nos. 1 and 2.
- Other repairs, if identified, as needed.



This project will be coordinated or completed during the Solids Handling Facility Improvements Project.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Plant Operations Building

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	500,000	-	500,000	-	1,000,000
FY Total	\$500,000	\$-	\$500,000	\$-	\$1,000,000

Air Conditioning and Lighting Renovations – District Project 100010

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	48	160

Purpose:

To replace and improve the efficiency of air conditioning and lighting equipment at the treatment plant campus.

Drivers:

The drivers for this project include aging infrastructure and energy efficiency. Several air conditioning units at the treatment plant campus have reached the end of their useful lives. This project will replace those units with more efficient versions, as well as completing a lighting retrofit to replace existing indoor and outdoor lighting with newer generation LED lighting. All energy efficiency investments will be made in accordance with the payback criteria in Central San’s Energy Policy and are recommended in advance of the implementation of Central San’s solar energy project on the Lagiss Property.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program. The most likely path forward for implementation is through a combination of procurements, possibly including the California UPCCAA for air conditioning units and a best value procurement for a lighting contractor.

Operating Department Impact and Funding Source:

Project expenditures will be funded from Capital Revenues. The recommended efficiency improvements have a simple payback period of 9.4 years based on incremental costs (the cost to invest in additional efficiency for air conditioning units at the end of their useful lives) and will save Central San approximately \$84,000 per year in utility costs. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant campus, including Headquarters Office Building and Plant Operations Buildings

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	150,000	-	-	-	150,000
Construction	1,100,000	-	-	-	1,100,000
FY Total	\$1,250,000	\$	\$	\$	\$1,250,000

Plant Electrical Replacement and Rehabilitation – District Project 100011

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	42	165

Purpose:

To fund ongoing rehabilitation and replacement of the treatment plant electrical systems assets and to refurbish electrical switchgears to maintain the reliability of critical electrical infrastructure at the treatment plant.

Drivers:

The treatment plant consists of thousands of electrical assets with a range of ages. The majority of existing treatment plant equipment was installed around 40 years ago. Over time, electrical systems and other assets require rehabilitation or replacement to continue with Central San’s high level of service, reliable management, and treatment of wastewater. Some of the improvements to be funded from this project were identified as part of a condition assessment. Ongoing condition assessments will be needed to confirm the timing of other rehabilitation and replacement work.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The electrical switchgear throughout the treatment plant was installed in the 1970s and has been well maintained using preventive techniques, such as thermographic imaging to identify potential problems and correct them prior to failure. Ongoing inspections show that several trip units on the circuit breakers require replacement. Treatment plant electrical rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program. Examples include the following: electrical gears replacement program for the treatment plant and standby power facility; replacement or rehabilitation of motor control centers, switchgears, and transformers; duct banks; conductors; actuators and control panels; and other instrumentation and electrical replacements.

- California UPCCAA projects that are urgent or critical.
- Pre-purchase of equipment for projects (e.g., variable frequency drives or long lead items)

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant Electrical Substations

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	50,000	50,000	100,000	250,000
Construction	500,000	350,000	400,000	800,000	2,100,000
FY Total	\$600,000	\$400,000	\$450,000	\$900,000	\$2,350,000

UV Disinfection Replacement and Hydraulic Improvements – District Project 100012

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	25	200

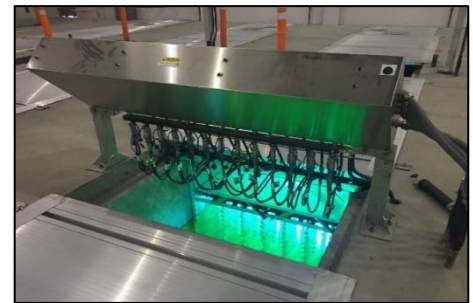
Purpose:

To replace the existing ultraviolet (UV) disinfection system and increase hydraulic capacity of the UV disinfection system.

Drivers:

The UV disinfection system was constructed in the mid-1990s to replace the use of chlorine gas. At the time, existing denitrification tanks were re-purposed for the UV channels, and some flow routing modifications were made to the secondary clarifiers. The UV disinfection system is now over 20 years old, and a full system replacement will be required soon. New UV disinfection systems are as much as 10-times more powerful, requiring less space and less energy, and are equipped with improved controls and built-in cleaning systems that can reduce maintenance needs. The current system also has hydraulic restrictions that limit the flow that can be treated under wet weather conditions.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes the evaluation of the following major elements:

- Combine the UV Replacement and Hydraulic Improvements projects scope and budgets.
- Replace existing UV disinfection system, including assessment of existing system and the support facilities.
- Expand and modify the UV electrical building and equipment to allow simultaneous construction of a new UV disinfection system while operating a portion of the existing disinfection system.
- Hydraulic Evaluation – Confirm UV and final effluent hydraulics and hydraulic improvements.
- Dose Validation Testing – Confirm disinfection capacity of UV disinfection system using latest disinfection criteria.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant - UV System, Final Effluent Channel and Final Effluent Pipe

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,800,000	\$-	\$-	\$-	\$1,800,000
Design	1,180,000	3,500,000	1,300,000	-	5,980,000
Construction	-	-	1,200,000	59,500,000	60,700,000
FY Total	\$2,980,000	\$3,500,000	\$2,500,000	\$59,500,000	\$68,480,000

MRC Building Modifications and Maintenance Shops Improvements – DP 100014

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	69	105

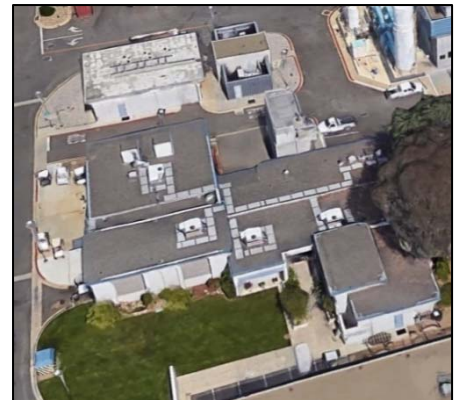
Purpose:

Update the Maintenance Reliability Center (MRC) Building for improved space planning and to replace outdated facilities as well as to increase Maintenance Shops' storage requirements.

Drivers:

The MRC building is located in the center of the treatment plant and is currently occupied by the Plant Maintenance Superintendent, three Maintenance Planners, and three of the Plant Maintenance Shops. The MRC building was originally a pump building and laboratory in 1948 and was remodeled in 1957 and 1972. The last modification was a seismic remodel in 1997. Central San plans to improve security and reconfigure the office space to consolidate staff into one building. Any floorplan modifications will be completed in a cost-effective manner. In addition, the design will evaluate past seismic recommendations and bring the building up to current code requirements.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The MRC Building Modifications' scope of work will include:

- Evaluate seismic retrofit required to meet current Building Code. The MRC is a complex facility that includes four building components with distinct structural systems.
- Upgrade showers and restrooms, including plumbing modifications to hands-free faucets, and recycled water plumbing for toilets and urinals.
- Improve security access with badges, cameras, and Information Technology improvements.
- Increase office space (possibly three additional offices) to house the Plant Maintenance Division Manager and Reliability Engineering's Senior and Utility Systems Engineers, including space for an updated conference room.
- Improve and increase Maintenance Shops' storage requirements.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Maintenance Buildings

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	150,000	50,000	-	-	200,000
Construction	600,000	700,000	600,000	-	1,900,000
FY Total	\$750,000	\$750,000	\$600,000	\$-	\$2,100,000

Electric Blower Improvements – District Project 100015

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	8	295

Purpose:

To increase reliability for aeration blower operations and increase capacity during emergency outages or planned PG&E events.

Drivers:

Three existing aeration blowers supply air to four aeration basins, the pre-aeration system, and other plant locations. Two of the blowers are steam driven. The third blower is electric and serves as a backup during maintenance shutdowns or under emergency scenarios. The findings of a recent condition assessment and capacity analysis are that the existing electric blower does not provide adequate redundancy, has uncertain reliability with the standby power generation system, has limited turndown capabilities, and cannot be operated on with the steam blowers. New electric blowers would resolve these issues and run during PG&E Shutoff events and provide the necessary air while equipment is offline during planned shutdowns during the Solids project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes the following major elements:

- Demolish the existing electric blower system.
- Procure and install three new high-efficiency electrical blowers and associated electrical, VFDs, and controls package.
- Construct installation of the blowers including piping, air intake filters, electrical, cooling systems, maintenance platforms, and other miscellaneous electrical and controls work.

Operating Department Impact and Funding Source:

Increased maintenance costs for the two additional blowers and associated equipment, including additional costs for new filters. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant – Pump and Blower Building

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	1,300,000	-	-	-	1,300,000
Construction	7,750,000	4,245,000	-	-	11,995,000
FY Total	\$9,150,000	\$4,245,000	\$-	\$-	\$13,395,000

Outfall Monitoring Improvements – District Project 100018

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	57	140

Purpose:

To repair and replace existing inclinometers and leveling monuments on the Outfall to meet regulatory requirements.

Drivers:

Central San’s NPDES Permit requires proper operation and maintenance of the outfall pipeline that discharges treated final effluent to Suisun Bay. Every five to ten years, the 3.5 mile, 72-inch reinforced concrete outfall pipeline built in 1958 is drained and inspected to verify pipeline alignment and condition of the pipeline and seals. As part of the 2019 Outfall Improvements Project, over 1,500 pipe joints were inspected, repairs were made, and a new access structure was constructed.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The last inspection of the outfall was in 2019 and this project will include elements outside of the Outfall that was not completed during the previous phase:

- Coordinate and obtain all other necessary permits.
- Repair and replacement of inclinometers and leveling monuments.

Operating Department Impact and Funding Source:

This project will not have an impact to the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant, Martinez, and Suisun Bay

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	110,000	-	-	-	110,000
Construction	679,000	-	-	-	679,000
FY Total	\$789,000	\$	\$	\$	\$789,000

Aeration Basins Diffuser Replacement and Seismic Upgrades – District Project 100019

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	30	190

Purpose:

To replace the existing aeration tanks' diffusers to increase aeration system performance and optimize the activated sludge process.

Drivers:

Recently, the existing aeration system has not been able to reliably maintain desired dissolved oxygen levels across the basins. This has contributed to a steady deterioration (increase) in sludge volume index (SVI), which is a key secondary process operational parameter for activated sludge settleability and compaction. The increase in the SVI has in turn, led to concerns over the ability to consistently meet NPDES discharge limitations. While Central San continues to meet NPDES discharge permit limits, further deterioration in performance of the aeration system will cause more challenges over time, which also leads to poor settleability in the secondary clarifiers and impacts the performance of the UV disinfection system.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project will include mechanical rehabilitation/replacement, concrete repairs, and structural seismic improvements to prolong the remaining useful life of the aeration basins and diffuser systems. Replace all diffusers and some of the air piping, reconfigure the aeration basins (A/N Tanks) to maximize the use of unused channels to optimize the activated sludge process using available volume and tankages as well as upgrading instrumentation and controls to improve air flow distribution. In addition, the large aeration underground valves will be replaced, which will allow for inspection of the aeration headers at a future time. The valve replacement will also include a concrete structure box to allow for access and maintenance.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues. Due to the limited and seasonal work anticipated, this project is likely to be phased in separate construction contracts.

Location(s): Treatment Plant – Aeration Basins

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	2,100,000	1,500,000	-	-	3,600,000
Construction	-	6,000,000	14,500,000	37,000,000	57,500,000
FY Total	\$2,300,000	\$7,500,000	\$14,500,000	\$37,000,000	\$61,300,000

Wet Weather Basin Improvements – District Project 100022

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design /Construction	50	155

Purpose:

To reduce the risk of flood damage to the treatment plant by improving the wet weather basins, berms, and levees.

Drivers:

The treatment plant uses a series of earthen basins that are used as temporary storage. During extreme wet weather events, bypassing operations are limited by a common bypass pipeline used to divert primary effluent and/or raw screened influent to the wet weather holding basins. When flow exceeds the treatment hydraulic capacity of downstream processes, it must be diverted to these basins. These basins must remain in good working order to avoid limiting the flexibility and handling of wet weather flows. There are no other options than conveying wastewater to the holding basins.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Due to the critical nature of the treatment plant facilities, a reliable wet weather basins system is critical as plant operations divert screened sewer and primary effluent when the downstream capacity is exceeded. The diverted flow that is temporarily stored in the wet weather basins is then returned to the head of the plant for treatment when the capacity is available.

- Holding Basin Improvements - improve holding basin grading, drainage, and capacity.
- Weir Structure - replace existing wood stop logs that require manual adjustment with an adjustable weir structure to provide reliable holding basin level control and maximize holding basin capacity.
- Increase basin volume and continue evaluating or predesign of future pumping station.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. Project will be coordinated with the Walnut Creek – Grayson Creek Levee project.

Location(s): Wet Weather Basins

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	500,000	600,000	600,000	-	1,700,000
FY Total	\$700,000	\$600,000	\$600,000	\$	\$1,900,000

Solids Handling Facility Improvements – Phase 2 – District Project 100030

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	30	190

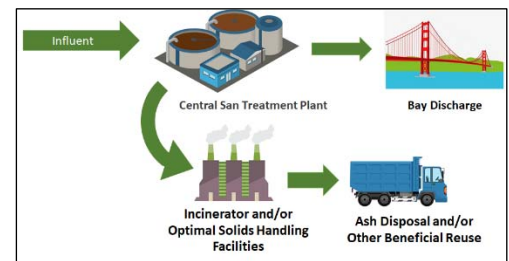
Purpose:

To determine the future approach for solids handling and disposal at the wastewater treatment plant.

Drivers:

Central San incinerates wastewater solids using one of two multiple hearth furnaces (MHFs). A condition assessment of the MHFs indicated that they have a remaining life of 20 years or more and have adequate capacity; however, improvements to support facilities would be required to keep the MHFs operational as is currently being addressed under Phase 1A. Central San also operates a natural gas cogeneration turbine to offset power demands and produce steam to energize on-site equipment. The existing turbine will eventually require replacement and, depending on power demands or regulatory requirements, would be upgraded to a more efficient turbine.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Due to the higher than anticipated costs for the Solids Handling Facility Improvements Project, planning for the Phase 2 has commenced sooner in order to make sure that Central San’s plan on solids is the most optimal and cost effective for the needs of the treatment plant facilities.

Description:

The project will evaluate and plan the optimal alternative(s) for long-term solids handling and disposal which may include, but are not limited to, new solids processing and energy recovery facilities, anaerobic digesters, new biogas cogeneration system, fluidized bed incinerators, or other thermal treatment technologies.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Solids Conditioning Building and surrounding areas

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$3,600,000	\$1,600,000	\$-	\$-	\$5,200,000
Design	-	1,500,000	2,500,000	7,000,000	11,000,000
Construction	-	-	-	140,000,000	140,000,000
FY Total	\$3,600,000	\$3,100,000	\$2,500,000	\$147,000,000	\$156,200,000

Steam Renovations – Phase 1 – District Project 100032

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	25	200

Purpose:

To repair and/or replace critical components for the existing steam system, waste heat recovery, and steam turbines as identified through detailed condition assessments.

Drivers:

Central San’s energy or heat recovery and steam systems are critical processes that require to be reliable and to be in service 24 hours a day, every day of the week. These systems overall are in good shape, however, there are some related equipment and system components that require replacement and upgrades based on findings of a recent condition assessment and evaluation conducted under the Steam and Aeration Renovations Project, District Project 7349. In order to continue reliable and safe operations of the systems, a project is needed to address all the critical and near-term items for systems relating to steam and heat recovery.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Several major scope items include the following:

- Address safety-related improvements for the boiler feedwater and blowdown sampling equipment.
- Modify the boiler chemical system.
- Replace boiler and deaerator feedwater pumps, and waste steam exchangers.
- Modify the hot water heat reservoir system.
- Piping modifications, and replacement of piping, valves, steam traps, and other system components.
- Preliminary evaluation of steam turbine power generation system.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Solids Conditioning Building, Tunnels, and Pump and Blower Building.

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	500,000	3,000,000	-	-	3,500,000
Construction	-	1,500,000	8,000,000	4,500,000	14,000,000
FY Total	\$500,000	\$4,500,000	\$8,000,000	\$4,500,000	\$17,500,000

Treatment Plant Safety Enhancement Program – District Project 100034

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	38	170

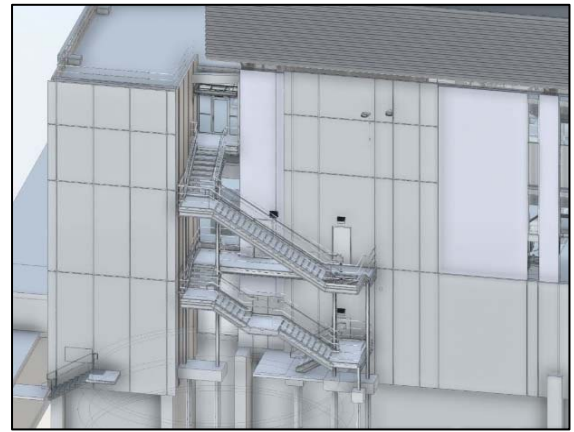
Purpose:

To enhance treatment plant safety through identification of safety concerns, repairs, and capital improvements.

Drivers:

Central San and the treatment plant have proactive safety programs that are administered by separate committees. These committees are responsible for addressing safety concerns at the treatment plant as identified by staff and to respond to regulatory requirements. Often this response will require construction of a capital project. The next phase of this project addresses various safety repairs and improvements.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This program type of project will budget an annual amount and include treatment plant facility improvements for safety. Once projects are identified and designed, phases will be released. The next phase of the program will be the sixth project. The program will also fund safety related assets and equipment.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	150,000	350,000
Construction	-	300,000	300,000	1,500,000	2,100,000
FY Total	\$200,000	\$300,000	\$300,000	\$1,650,000	\$2,450,000

Fire Protection System – Phase 4 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	68	110

Purpose:

To upgrade or replace treatment plant fire alarm systems.

Drivers:

The majority of the fire alarm system was built in the late 1970s, and the fire alarm control panel was upgraded in the early 2000s. There are seven existing fire systems (alarm, monitoring, and suppression types) at the treatment plant. The existing fire systems are the primary notification to the control room operators and occupied buildings in the event of a fire. Wiring and devices on the fire alarm system continue to be problematic and is in frequent need of repair. Repairs have become extremely complex and difficult; therefore, long-term reliable improvements to the fire alarm system are needed.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Staff anticipates the recommended improvements will be implemented over a multi-year fire improvement program:

- Phase 1 of the project, completed in 2013, replaced the outdated Headquarters Office Building (HOB) fire system and corrected limited treatment plant deficiencies.
- Phase 2, completed in 2019, included a comprehensive evaluation and implementation of recommended improvements for life safety of occupied (public and staff) areas of all staffed and critical process areas in the treatment plant such as the HOB, Plant Operations Building, Solids Conditioning Building (SCB), Standby Power Building, and Fuel Oil Storage Area.
- Phase 3, currently in construction, includes upgrades to HOB and the laboratory fire panels and other fire protection improvements.
- Phase 4 includes replacement of fire alarm and sprinkler systems at the Pump and Blower Building, Warehouse, MRC, Tunnels, and Emergency Sludge Loadout Building.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	160,000	-	-	160,000
Construction	-	700,000	-	-	700,000
FY Total	\$-	\$860,000	\$-	\$-	\$860,000

Control System Upgrades – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	19	230

Purpose:

To upgrade programmable logic control (PLC) systems to current technology for increased performance and improved compatibility to develop and maintain programming standards.

Drivers:

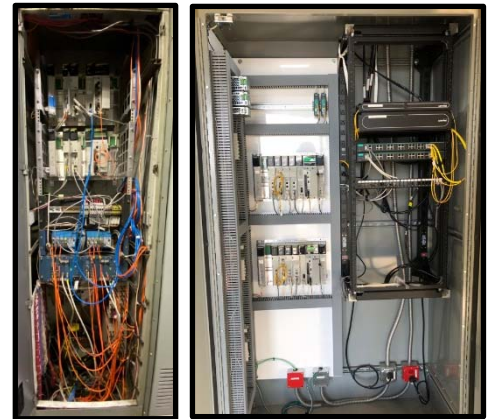
The first PLCs were installed at the treatment plant in the mid-1980s. The number of PLCs has increased from the original two PLCs to more than 30 PLCs. Programming software for the newer PLCs no longer runs efficiently on the older programming units.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- Upgrade hardware and software necessary to maintain new PLC applications.
- Replace older computers with newer computers capable of running current software.
- Upgrade older PLC models to maintain compatibility with new equipment, instrumentation, and controls.
- Develop and document programming standards for PLC and Supervisory Control and Data Acquisition.



Operating Department Impact and Funding Source:

This project will have minor savings for the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	-	200,000	200,000	600,000	1,000,000
FY Total	\$-	\$200,000	\$200,000	\$600,000	\$1,000,000

Secondary Clarifier Improvements – Phase 1 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	TBD	TBD

Purpose:

To replace aging secondary clarifier equipment and related facilities.

Drivers:

The secondary clarifiers were installed over 40 years ago. Central San continues to perform annual routine maintenance on the secondary clarifiers and related waste activated sludge (WAS) and return activated sludge (RAS) systems and equipment to extend the useful life of these facilities.

Due to the recent condition assessment of these facilities, a rehabilitation improvements project has been identified and is required.

Description:

This project includes the following major elements:

- Rehabilitate or replace secondary clarifier drives and sludge collector mechanisms.
- Replace piping, valves, and pumps as required.
- Replace secondary scum removal and piping systems.
- Replace electrical support infrastructure as required.
- Rehabilitate or replace the seismic protection panels.
- Coatings for concrete or steel.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Secondary Clarifiers

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	900,000	-	-	900,000
Construction	-	1,100,000	2,000,000	6,000,000	9,100,000
FY Total	\$-	\$2,000,000	\$2,000,000	\$6,000,000	\$10,000,000

Warehouse Seismic Upgrades – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/ Design	TBD	TBD

Purpose:

To improve the seismic safety of the Warehouse Building.

Drivers:

In January 2008, California adopted the 2007 California Building Code (2007 CBC). Among the updates in the 2007 CBC were significant changes to seismic design. In 2009, a seismic evaluation was completed of the treatment plant facilities (Martinez Wastewater Treatment Plant Seismic Vulnerability Assessment of Selected Facilities, December 2009).

The Warehouse Building is a modular (Butler) metal building constructed of a single story, and a partial mezzanine around 1986. The 2009 evaluation assessed the building's seismic performance and included recommendations to bring the Warehouse Building in line with current seismic design standards.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes seismic improvements to the Warehouse Building, such as isolation of the mezzanine lateral load resisting system and installation of knee braces at moment frames. Staff will evaluate the need to expand the mezzanine for additional storage or other alternatives to better utilize the warehouse or increase security measures.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues. This project may be combined with other security or fire protection projects.

Location(s): Warehouse, Mechanical Shop

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$50,000	\$-	\$-	\$50,000
Design	-	350,000	-	-	350,000
Construction	-	100,000	750,000	750,000	1,600,000
FY Total	\$-	\$500,000	\$750,000	\$750,000	\$2,000,000

Electrical Infrastructure Sub 90 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	TBD	TBD

Purpose:

Plant-wide electrical optimization to address resiliency, vulnerability, capacity, and future safety concerns.

Drivers:

The treatment plant consists of thousands of electrical assets. The existing 12kV system feeder is the backbone of the plant (12kV is considered “medium-voltage”). Critical medium-voltage feeders should have redundancy in protection, distribution, and transformers. Such components are typically not available off the shelf, and for emergencies. Due to the high energies involved, failures have the potential to be wide reaching, and recovery takes longer due to limited availability of replacement equipment and the specialized nature of the work. While the existing 12 kV system is functional, the overall architecture in some cases falls short of today’s industry best practices.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

A new 12kV system has been conceived, known as Substation 90 (Sub 90) that will optimize the plant’s electrical architecture. Sub 90 will provide a structure that will serve as the origin for most 12kV feeders. From a safety standpoint, Sub 90 will offer a means for true 12kV redundancy, ability to electrically isolate, and updated safety features. It will also offer a means to de-energize equipment so that workers can safely enter vaults/manholes. The Sub 90 and associated infrastructure will serve the plant’s current and future electrical loads for projects like the UV disinfection replacement, Solids Project Phase 2, and replacements of any substation.

Staff will assess industry best practices and emphasize on the following areas: 1) Redundancy – where any single component or feeder failure will not render critical systems inoperative; 2) Ability to isolate – this allows for de-energization of equipment; testing, planned maintenance and replacements, and emergency work can be done on electrically isolated and deenergized systems; 3) Protection – inclusion of appropriate circuit breakers and protective relaying; and 4) Safe switching – Interlocks are automated, and result in logical and safe switching between sources.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$500,000	\$-	\$-	\$500,000
Design	-	-	500,000	1,000,000	1,500,000
Construction	-	-	-	21,600,000	21,600,000
FY Total	\$-	\$500,000	\$500,000	\$22,600,000	\$23,600,000

Capital Improvement Budget (CIB) – General Improvements Program

The General Improvements Program is primarily concerned with property, administrative buildings, management information systems including information technologies, asset management, and new equipment and vehicle needs as described in more detail below:

- **Vehicle Replacement Program** – The CIB includes a yearly allowance for vehicle replacements. Specific vehicles are replaced each year as approved through the annual budget process.
- **Equipment Acquisition** – New Equipment items are purchased and approved on a yearly basis.
- **Management Information Systems** – This subprogram reflects the importance of Information Technology (IT) in the daily operation of Central San. Staff will develop an IT Master Plan that envisions implementing specific improvements and extends several years into the future. An allowance to meet future technology needs has been included in the Ten-Year Capital Improvement Plan along with a new Strategic IT plan.
- **General Projects** – Projects include improvements to properties, legal expenses, easement acquisitions, and security systems. Central San has invested significant resources in its assets, and the purpose of the Asset Management Program, is to optimize the lifecycle of these assets to deliver high quality and reliable services in a sustainable manner for customers with acceptable levels of risk.

All projects in the General Improvements Program are summarized, including past, current, and planned future budgets required to complete each project as shown on the following Table 4:

CIB TABLE 4 – FY 2022-23 General Improvements Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2022-23	Future FYs	Total by Project
8230	Capital Legal Services	\$228,665	\$20,000	\$-	\$248,665
8240	IT Development FY 2016-25	4,488,794	500,000	-	4,988,794
8250	Enterprise Resource Planning Replacement	5,380,000	-	-	5,380,000
8251	Capital Improvement Program & Budget Impr.	390,000	200,000	100,000	690,000
8252	POB EV Charging Station	490,000	150,000	650,000	1,290,000
8253	COVID-19 Response Plan	275,000	-	-	275,000
8516	Equipment Acquisition	1,476,000	250,000	250,000	1,976,000
8517	Vehicle Replacement Program FY 2016-25	4,718,000	900,000	2,700,000	8,318,000
100003	Property Repairs and Improvements	450,000	700,000	300,000	1,450,000
100004	HOB Exterior Repairs	400,000	-	-	400,000
100027	Furnishings Replacement	100,000	-	-	100,000
100029	Solar Project on Lagiss Property	600,000	-	-	600,000
100031	Community Dev. System Replacement	200,000	400,000	200,000	800,000
100033	Security Improvements FY 2021-25	200,000	100,000	300,000	600,000
100035	Technology Strategic Plan	500,000	500,000	-	1,000,000
*TBD	Easement Acquisition FY 2022-31	-	75,000	675,000	750,000
	General Improvements Program Total:	\$19,896,459	\$3,795,000	\$5,175,000	\$28,866,459

*New project in FY 2022-23 and number To Be Determined (TBD)

Capital Legal Services – District Project 8230

Program	Phase	Priority Rank	Ranking Score
General Improvements	All	55	145

Purpose:

To streamline the processing of legal bills.

Drivers:

In the past, legal expenses were charged to individual capital projects. This process required extra staff time each month to review legal bills and get approvals from several different project managers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

Capital legal service expenses are no longer charged to individual capital projects. The processing of legal bills has been streamlined by charging legal expenses to one capital account with four charge numbers for the four programs. This reduces the amount of time all parties must spend processing the legal bill.



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$228,665	\$20,000	\$-	\$-	\$248,665
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$228,665	\$20,000	\$-	\$-	\$248,665

Information Technology Development – District Project 8240

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	33	185

Purpose:

To replace and upgrade Information Technology (IT) infrastructure and software as needed.

Drivers:

An IT Development Plan was developed to centralize efforts and funding in the development of computer and telecommunication technology within Central San. Central San budgets IT on an annual basis.

The IT Master Plan was approved in 2015 and its implementation is within the Capital Improvement Program (CIP) and the Ten-Year Capital Improvement Plan.

Description:

This project is the implementation of the IT Master Plan which includes the following major elements:

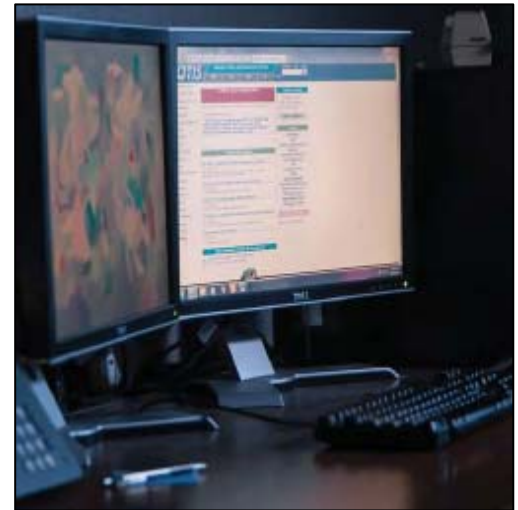
- Network infrastructure upgrades
- Disaster recovery/business continuity
- Cloud-based technology improvements
- Business application suite improvements
- Increasing mobile presence
- Desktop technology refreshment
- Web redesign and enhancement
- Cybersecurity

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	4,488,794	500,000	-	-	4,988,794
FY Total	\$4,488,794	\$500,000	\$-	\$-	\$4,988,794

Enterprise Resource Planning Replacement – District Project 8250

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	9	280

Purpose:

To replace the legacy Enterprise Resource Planning (ERP) system that manages Central San’s finances, budget, human resources, procurement, payroll, and other related resources.

Drivers:

The existing SunGard ERP system uses outdated technology that does not meet the current and future Central San business needs. The latest generation of ERP systems has been developed to implement modern best-practice processes that will help Central San to streamline and optimize many business processes.

This project will eliminate the need for staff to use many manual processes and workarounds that are currently in use to accomplish work. It will enable more organizational transparency by providing visibility into financial and business data in ways that are not currently possible and will provide the latest generation of technology to ensure full integration with future business applications.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Conversion of data from SunGard system to new ERP system
- Implementation of Human Resources, Finance, Payroll, and related systems
- Staff training
- Integration with related Central San systems

A replacement of Central San’s permitting software functionality, currently provided by the SunGard system, is not included in these costs but may be funded from IT Development or other project sources.

Operating Department Impact and Funding Source:

This project is expected to have an annual ongoing impact of approximately \$200,000 on the Operating Budget, upon the full retirement of the previous ERP system and cessation of maintenance costs for that legacy system. Other operating efficiencies may offset, in part, some of these direct costs. Project expenditures are funded from Capital Revenues.

Location(s): Martinez and Walnut Creek Campuses and Cloud

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	200,000	-	-	-	200,000
Construction	5,080,000	-	-	-	5,080,000
FY Total	\$5,380,000	\$-	\$-	\$-	\$5,380,000

Capital Improvement Program and Budget Improvements – District Project 8251

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	72	85

Purpose:

Provide for the capitalization of the staff time necessary for the data gathering and production of the CIB and CIP, and for upgrades to the current program management system software, E-builder, and to standardize specifications and drawings used for all Capital Projects.

Drivers:

Several drivers are included in the CIP; however, the main driver is aging infrastructure and replacement of critical equipment and systems at Central San. To keep up with the increase in the CIP, staff has modernized its program and project management software system to be more effective in delivering projects with the implementation of E-builder. As of July 1, 2019, E-builder was done with its pilot stage and went-live for all projects.

Description:

Upgrades of additional processes, such as master commitments upgrades, and other project management and reporting tools will be evaluated or included in E-Builder. In addition, an annual budget will be included in this project to account for the yearly CIB and CIP. This project will also fund efforts to standardize design specifications and drawings for all projects.

Operating Department Impact and Funding Source:

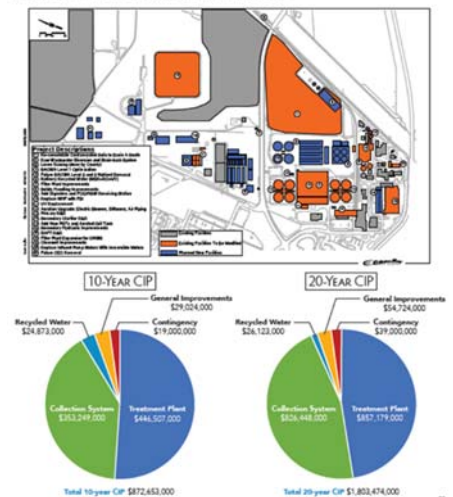
This project will not have an impact on operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

CAPITAL IMPROVEMENT PLAN

The Comprehensive Wastewater Master Plan encompasses a \$1.8 billion (2014 dollars) 20-year capital improvement program (CIP) for the collection system and treatment plant, with \$23 million of capital improvements within the first ten years. These short-term and long-term investments in our systems align with our mission to always protect public health and the environment and maintain the excellent service levels our customers expect from Central San.



Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	-	-	-	-	-
Construction	290,000	200,000	100,000		590,000
FY Total	\$390,000	\$200,000	\$100,000	\$-	\$690,000

Plant Operations Building Electric Vehicles (EV) Charging Station – District Project 8252

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	74	50

Purpose:

To install electric vehicle charging stations (EVCS) in the parking lot of the Plant Operations Building (POB).

Drivers:

In late 2020, Governor Newsom signed Executive Order N-79-20 that will end sales of internal combustion passenger vehicles and trucks by 2035. In addition, the California Air Resources Board (CARB) is developing an Advanced Clean Fleets regulation for medium- and heavy-duty vehicles to accelerate zero-emission vehicle purchases and transition to zero-emission vehicles in California. These draft regulations are scheduled for adoption in October 2022 and will apply to vehicles with greater than 8,500 pounds gross vehicle weight rating (GVWR). Starting in 2024, 50% of vehicle additions will need to be zero-emission vehicles (ZEVs). In 2027 and beyond, 100% of vehicle additions will need to be ZEVs. To ensure compliance with the Advanced Clean Fleets regulations, Central San will need to install EVCS to support future procurements of ZEVs. The installation of EVCS will also present an opportunity for Central San to reduce carbon footprint.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project will extend the appropriate electrical infrastructure from the Pump and Blower Building and install Level 3 EVCS in the POB parking lot or with the pool area within the treatment plant. This project will evaluate long-term replacement as California requirements to EV are being included. EV charging as CSO will also be included as necessary.

Operating Department Impact and Funding Source:

This project will not have an impact on operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): POB Parking Lot; CSO Parking Lot (TBD)

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$40,000	\$-	\$-	\$-	\$40,000
Design	100,000	150,000	-	-	250,000
Construction	350,000	-	650,000	-	1,000,000
FY Total	\$490,000	\$150,000	\$650,000	\$-	\$1,290,000

COVID-19 Response Plan – District Project 8253

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning/Design/Construction	1	345

Purpose:

Provide for the capitalization of a response plan to safely bring staff back to the office post-pandemic in the workplace.

Drivers:

Welcoming employees back to the post-pandemic workplace presents a challenging paradox. Traditionally, the office has functioned as a place for communal activities; often intentionally designed to bring people together to interact, solve problems, share ideas and information. In contrast, returning to the workplace now means that we need to find new ways to bring people together, while simultaneously providing the capability to keep them apart safely and responsibly. As the pandemic has turned conventional thinking on workplace design inside-out, previously normative approaches to space per person, ratios of open to enclosed space, collaboration zones, and environmental systems should be reconsidered to implement, promote, and sustain employee health and wellness at significantly different levels.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Actions in the foreseeable future will focus on preparing both the people returning to the workplace and the space itself. Decisions surrounding workplace modifications will need to be based on thorough assessment and evaluation in addition to risk / reward considerations balancing initial costs versus on-going health and wellness, employee productivity, effectiveness, and business continuity. Vital to the transition back to the office, and undoubtedly the most immediate to be addressed, is the change management process that helps enable this transition, i.e., finding effective ways to communicate the new workplace reality to the business community and their employees.

Operating Department Impact and Funding Source:

This project will not have an impact on operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): HOB, POB, and CSO, Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$10,000	\$-	\$-	\$-	\$10,000
Design	40,000	-	-	-	40,000
Construction	225,000	-	-	-	225,000
FY Total	\$275,000	\$-	\$-	\$-	\$275,000

Equipment Acquisition – District Project 8516

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	38	170

Purpose:

To provide new, safe, and cost-effective equipment for operations and maintenance of Central San facilities.

Drivers:

This project is developed as a multi-year program to procure new equipment required for operations and maintenance of assets throughout Central San.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project is a multi-year program to procure new equipment such as:

- Two (2) Conexwest Hazmat Oils Storage Containers for the Mechanical Shop.
- One (1) Megger VLF Test Set for the Electric Shop.
- Three (3) Remote Racking System for the Electric Shop.
- One (1) JIM Test Systems Instrument Test Bench for the Instruments Shop.
- One (1) Pape – Cushman Electric Shuttle Cart for Maintenance Division.
- One (1) OZII Camera Assembly and Wheeled Transporter for CSO.



Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	1,476,000	250,000	250,000	-	1,976,000
FY Total	\$1,476,000	\$250,000	\$250,000	\$-	\$1,976,000

Vehicle Replacement Program – District Project 8517

Program:	Phase:	Priority Rank:	Ranking Score
General Improvements	Construction	25	200

Purpose:

Provide safe and cost-effective vehicle replacement.

Drivers:

Central San will budget and acquire vehicles under this project and use asset management principles and historic replacement costs to provide an effective vehicle replacement strategy. Staff, comprised of Engineering and Operations, has forecasted a yearly budget (average costs from the FY 2016-2026 plan) which will be used to fund the project. Underspensing in a year will result in a carryforward to future years. This approach will also recognize that due to long lead times, especially on specialized vehicles, the budget for this program can carry forward to the next fiscal year when delivery takes place.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following vehicles are being considered in FY 2022-23:

Description
½ Ton 4x2 Truck (1)
F-550 Truck Mechanics service truck (1)
Vactor Hydro-Vac and Water Recycler Unit (1)
Planner for Sid Steer (1)
Electric Vehicles (up to 2) - Preorder

Operating Department Impact and Funding Source:

This project will not have an impact on operating budgets. Expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	4,718,000	900,000	900,000	1,800,000	8,318,000
FY Total	\$4,718,000	\$900,000	\$900,000	\$1,800,000	\$8,318,000

Property Repairs and Improvements – District Project 100003

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	65	115

Purpose:

Protect and enhance Central San's property through repairs, improvements, and needed upgrades.

Drivers:

Central San owns various properties surrounding the treatment plant that require occasional capital repairs, improvements, and upgrades, including 4737 Imhoff, the Annex, Headquarters Office Building, Household Hazardous Waste Collection Facility, and others. The Imhoff Place properties also serve as a buffer between the treatment plant and nearby neighborhoods and are used as rental property and to house some Central San work groups and equipment. Central San also owns several buildings at the Collection System Operations Building and Vehicle Maintenance Shop that houses additional staff and equipment.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project will fund needed improvements to Central San's buildings, buffer properties, rental properties, and the surrounding parking lots and grounds. Items identified include resealing and stripping the asphalt parking lots, replacing broken concrete walkways, and repairing or upgrading interior work areas. This project may be combined and or coordinated with the Headquarters Office Building Exterior Repairs Project, if needed. The Annex will be improved with a storage facility to accommodate emergency equipment and other items for the Pumping Stations group.

Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	50,000	-	-	50,000
Construction	450,000	650,000	150,000	150,000	1,400,000
FY Total	\$450,000	\$700,000	\$150,000	\$150,000	\$1,450,000

Headquarters Office Building Exterior Repairs – District Project 100004

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	38	170

Purpose:

Protect and enhance Central San’s property through repairs, improvements, and needed upgrades.

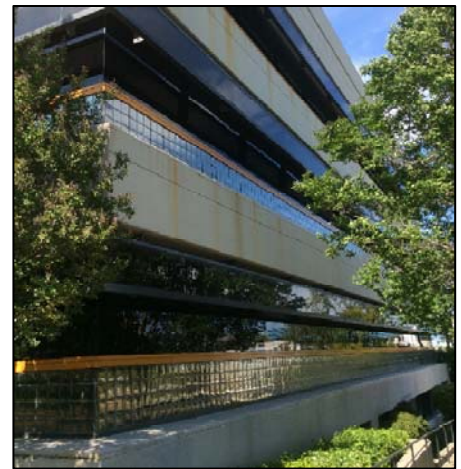
Drivers:

The Headquarters Office Building in Martinez was built in the 1980’s to serve as the main administration building for Central San and includes a permit counter open to the public, Engineering, Development Services, IT, Finance, Human Resources, Purchasing, and other groups. The building exterior paint, caulking, roof parapet, coatings on steel awnings, and other items are beyond their useful life and in poor condition.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project will re-coat the exterior stucco and perform other repairs so that the building is watertight for years to come. This project will be coordinated or combined with the Property Repairs and Improvements Project.



Operating Department Impact and Funding Source:

This project will have no impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Headquarters Office Building

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	30,000	-	-	-	30,000
Construction	370,000	-	-	-	370,000
FY Total	\$400,000	\$-	\$-	\$-	\$400,000

Furnishings Replacement – District Project 100027

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	75	125

Purpose:

Provide safe and cost-effective furnishing replacement.

Drivers:

Central San will budget and replace office furniture or modular furniture from time to time as replacement is needed for ergonomics or the assets have reached the end of their useful life. This project will replace furnishing cost effectively and are capitalizable. Underspending in a year will result in a carryforward to future years.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project was opened in fiscal year 2021 to capitalize the multi-purpose room table and chair replacements and will carry forward to future years as staff evaluates and plans for other furnishings to be replaced.



Operating Department Impact and Funding Source:

This project will have no impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	100,000	-	-	-	100,000
FY Total	\$100,000	\$-	\$-	\$-	\$100,000

Solar Project on Lagiss Property – District Project 100029

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	58	135

Purpose: To directly fund certain elements of Central San’s solar project on the Lagiss property, which is being implemented via a Power Purchase Agreement (PPA).

Drivers: The primary driver for this capital project is to maximize the economics on Central San’s solar project by directly funding the project’s PG&E interconnection, which is the only element of the project that will be owned by Central San. Another driver is funding the project’s California Environmental Quality Act (CEQA) mitigation costs.

Description: In November 2020, Central San executed a PPA with REC Solar for a 1.75 MW solar array on the Lagiss property, which will be interconnected under PG&E’s Renewable Energy Self-generation Bill Credit Transfer (RES-BCT) Program – a program only available to public agencies. Central San will pay REC Solar for the monthly production of solar energy delivered to PG&E’s electrical grid and, in return, earn PG&E energy credits, which will be applied to up to 50 of Central San’s PG&E power accounts to offset Central San’s average grid power purchases every year. In FY 21-22, this project funded the PG&E electrical grid interconnection fee of approximately \$516,000 and initial CEQA mitigation costs. At this time, the only anticipated expenses remaining on this capital project are minor CEQA mitigation costs related to potential wildlife impacts from the project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

The Board Energy Policy requires payback savings within ten years. This project is anticipated to be under ten years and bring an annual savings to the Operating Budgets. Project expenditures are funded from Capital Revenues.

Location(s): Lagiss Property (west of the Treatment Plant’s overflow basins)

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	25,000	-	-	-	25,000
Construction	\$575,000	-	-	-	575,000
FY Total	\$600,000	\$-	\$-	\$-	\$600,000

Community Development System Replacement – District Project 100031

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	58	135

Purpose:

To replace the community development system (e.g. permitting system).

Drivers:

Implement a paper-free, contactless permitting system that meets customers' modern expectations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

After selecting Oracle for the replacement Enterprise Resource Planning system, Central San executed an agreement with Oracle in July 2019 as the second participant in their Early Adopter Program for a Community Development Services module that was beginning development. The implementation has been delayed while critical functionality is designed and deployed to the test environments for Early Adopters and the level of reconfiguration determined and scheduled.



Central San's goal is to have a user-friendly system with a self-service public portal to submit applications, plans, pay fees, schedule inspections, track applications and obtain permit history; mobile access to complete inspections and access parcel information; and reduce clerical and administrative burden on staff.

Operating Department Impact and Funding Source:

This project is expected to have an ongoing impact of approximately \$100,000 per year on the Operating Budget, for direct and indirect annual licensing fees and on-going consultant services for the administration of the system. Project expenditures are funded from Capital Revenues.

Location(s):

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	200,000	400,000	200,000	-	800,000
FY Total	\$200,000	\$400,000	\$200,000	\$-	\$800,000

Security Improvements (FY 2021-25) – District Project 100033

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	62	125

Purpose:

To update security and identify improvements for the safety for employees and the public, meet safety standards, reduce exposure to liability, reduce property loss, and reduce operations and maintenance expenses.

Drivers:

Security system improvements are routinely identified and refined. Additional security measures for essential public service facilities are required. In 2016, a comprehensive security study was completed for major facilities that utilized the principles of American Water Works Association J100 Risk Analysis and Management for Critical Asset Protection methodology. This is a comprehensive approach that enables the estimation of relative risks across multiple assets while considering malevolent and natural hazards.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Findings from this study that are applicable to non-treatment plant facilities and properties will be implemented under this project. Improvements include:

- Installing security upgrades to the Headquarters Office Building’s Lobby to secure the area and clearly identify the public use of the building; cameras for surveillance, alarm system upgrades for intrusion, and associated systems will be provided.
- Access control improvements and additional card readers, perimeter fencing repair, and gates.
- Increased signage, improved lighting, and other miscellaneous security system improvements.
- Capitalize costs for enhanced security related to capital projects.

Operating Department Impact and Funding Source:

Impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Martinez campus

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	-	-	-	100,000
Construction	100,000	100,000	100,000	200,000	500,000
FY Total	\$200,000	\$100,000	\$100,000	\$200,000	\$600,000

Technology Strategic Plan – District Project 100035

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	58	135

Purpose:

The activities performed during the Technology Master Plan project will include and invite participation from all Central San Departments and Divisions.

Drivers:

Update the 2015 Information Technology (IT) Master Plan to further develop efforts and funding in the development of computer and telecommunication technology within Central San. Central San budgets IT on an annual basis.

The IT Master Plan was approved in 2015, and its implementation is within the Capital Improvement Program (CIP) and the Ten-Year Capital Improvement Plan.

Description:

This project is the implementation of the IT Master Plan which includes the following major elements:

- Smart Utility Initiatives
- Business Intelligence & Analytics
- Supervisory Control and Data Acquisition (SCADA) roadmap
- Enterprise Asset Management (EAM) – Asset reliability, condition, and health monitoring
- Electronic Document Management
- Enterprise systems and architecture
- Geographic Information System (GIS) roadmap
- Building Information Modeling (BIM) / Computer-Aided Design (CAD) standards development
- Security roadmap

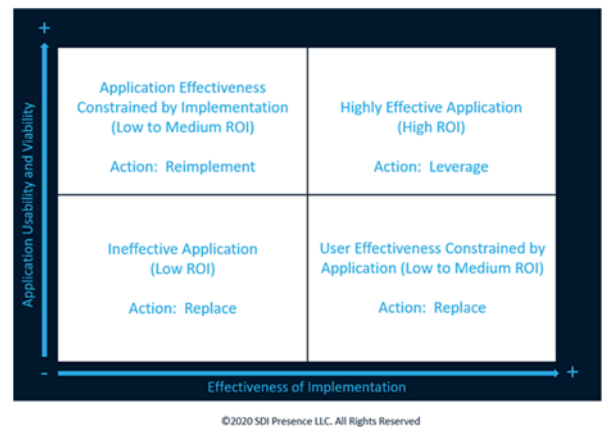
Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$500,000	\$500,000	\$-	\$-	\$1,000,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$500,000	\$500,000	\$-	\$-	\$1,000,000

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Easement Acquisition FY 2022-31 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	33	185

Purpose:

To improve or acquire new property land rights for existing or new sanitary sewers that are located on private properties and are not associated with a current capital project for sewer renovation work.

Drivers:

As capital projects are designed, sanitary sewer easements may have to be acquired for those specific projects. This project provides funds for the acquisition of easements for projects where specific funds are not identified within the sewer renovation capital improvement projects in the Capital Improvement Budget.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

Examples of easements that may be acquired through this project include:

- Easements for existing sewers where no easements currently exist.
- Easements for sewers relocated through other public agency projects.
- Upgraded easements or access rights for existing sewers.
- Upgraded easements for the District’s Outfall pipeline.
- Easements for recycled water distribution pipelines.



Operating Department Impact and Funding Source:

This project will have no impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	-	75,000	\$75,000	600,000	750,000
FY Total	\$-	\$75,000	\$75,000	\$600,000	\$750,000

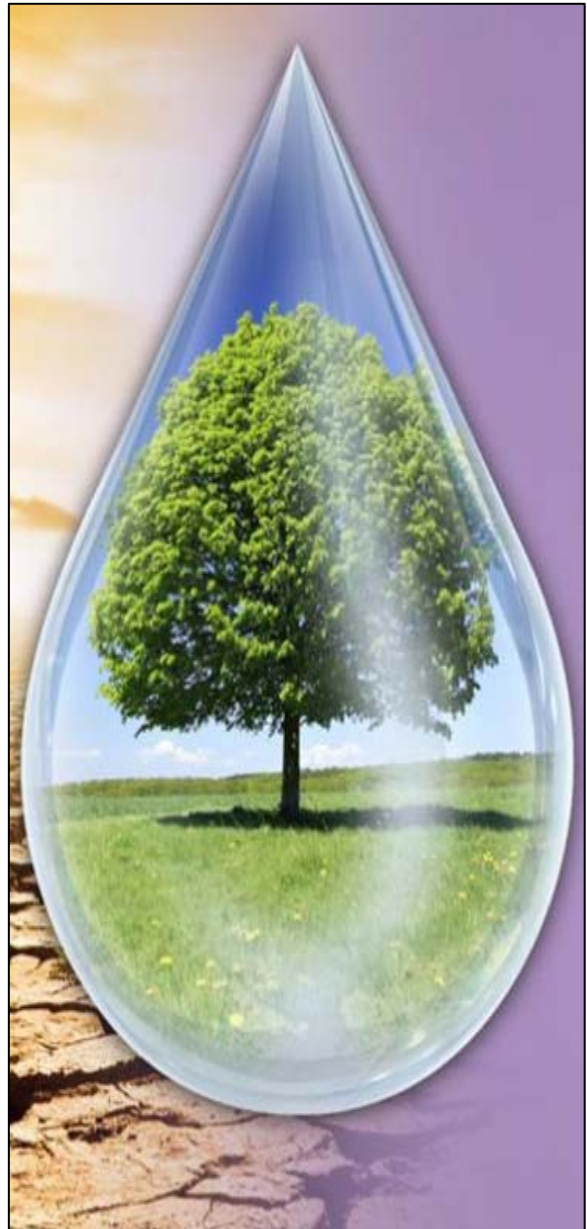
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Capital Improvement Budget – Recycled Water Program

Central San provides landscape irrigation water that meets all the requirements of the State Water Resources Control Board's Division of Drinking Water and the San Francisco Regional Water Quality Control Board for unrestricted landscape irrigation. Recycling water means less water is diverted from the Delta environment. Recycled water is a valuable resource, especially during drought years when water for landscape irrigation is less available because of water rationing.

In 1996, Central San and the Contra Costa Water District reached an agreement allowing Central San to supply recycled water to specific areas of the cities of Concord and Pleasant Hill. That area is referred to as Zone 1. About 200 million gallons of recycled water are used annually by irrigation customers, including two golf courses, parks, a community college, an elementary school, three middle schools, a high school, the Veranda shopping center, and the city of Pleasant Hill, including their new library. Ultimately, Central San will deliver 1.5 million gallons per day for irrigation use in the Zone 1 area. Central San will continue to collaborate with local water purveyors to identify cost-effective landscape irrigation and industrial recycled water projects.

Central San currently produces over 500 million gallons of recycled water per year for use at the treatment plant site, by irrigation customers, and for a range of commercial uses. Over 200 million gallons per year of recycled water is provided to a variety of customers in the city of Pleasant Hill, the city of Concord, and businesses near Central San's treatment plant in Martinez. Recycled water is used for landscape irrigation at schools, parks, playgrounds, private businesses, golf courses, street medians, industrial processes, and commercial applications such as truck washing, concrete manufacturing, dust control, and toilet and urinal flushing. Central San uses over 300 million gallons per year at the treatment plant for process water and landscape irrigation for Central San properties. Central San continues to pursue several projects as described in the following pages.



The major emphasis of the Recycled Water Program for the next fiscal year will be to finalize construction of the Filter and Clearwell Improvements Project, Phase 1A. This project will improve Central San’s existing recycled water treatment facilities, storage, and related support facilities, to address aging infrastructure needs, and maintain reliable recycled water service to customers and for use at Central San’s treatment plant. Central San will also continue efforts to add new cost-effective customers in Central San’s Zone 1 service area, pursue outside funding assistance (such as federal and state grants for all Central San recycled water projects), and work with water supply agencies to develop recycled water supply alternatives, such as the Water Exchange Project with Contra Costa Water District and Santa Clara Valley Water District and discussions with other regional water districts (including EBMUD and SFPUC).

All projects in the Recycled Water Program are summarized, including all past, current, and planned budgets required to complete each project as shown on the following Table 5:

CIB Table 5 – FY 2022-23 Recycled Water Program Budget/Project Summary

Project Number	Project	Budget-to-Date	FY 2022-23	Future FYs	Total Project Cost
7361	Filter Plant and Clearwell Improvements – Phase 1A	\$30,989,000	\$7,600,000	\$-	\$38,589,000
7366	Recycled Water Distribution System Renovations Program	715,000	215,000	860,000	1,790,000
7368	Water Exchange Project	400,000	-	-	400,000
100002	Filter Plant and Clearwell Improvements – Phase 1B	650,000	800,000	33,200,000	34,650,000
100036	Zone 1 Recycled Water 2021+	100,000	100,000	824,000	1,024,000
	Recycled Water Program Total:	\$32,854,000	\$8,715,000	\$34,884,000	\$76,453,000

Filter Plant & Clearwell Improvements – Phase 1A – District Project 7361

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	6	315

Purpose:

To rehabilitate and replace components of the existing Filter Plant recycled water facilities.

Drivers:

The recycled water facilities produce disinfected tertiary effluent that meets Title 22 recycled water requirements and is used on-site for utility water and pumped off-site for various residential and commercial recycled water uses. The Filter Plant, Clearwell structure, and related facilities were constructed in the mid-1970s. The existing Filter Plant media has been partially replaced over the years. The last partial media replacement effort was 15 years ago. The electrical and instrumentation infrastructure is mostly original, showing signs of significant wear, and requires replacement to ensure operational reliability. Opportunities to minimize energy demands and reduce chemical dosing requirements will be included in the rehabilitation project. Additional improvements will be incorporated in a future Phase 1B project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Filter Plant & Clearwell Improvements – Phase 1A Project is under construction and includes the following major elements:

- Rehabilitate and replace various electrical equipment (motor control centers, switchgear, substation) and programmable logic controls.
- Replacement of one filter (bid alternate), chemical addition improvements, and rehabilitation of coagulant flash mixing, backwash gates, and other miscellaneous equipment and valves.
- Replace sodium hypochlorite piping and pumps used for Title 22 disinfection compliance.
- Clearwell storage improvements (two new storage tanks) and related equipment.
- Replace pump motors and electrical at the Clearwell Pumping Station.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Phase	Project Budget				
	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$1,130,000	\$-	\$-	\$-	\$1,130,000
Design	2,870,000	-	-	-	2,870,000
Construction	26,989,000	7,600,000	-	-	34,589,000
FY Total	\$30,989,000	\$7,600,000	\$-	\$-	\$38,589,000

Recycled Water Distribution System Renovations Program – District Project 7366

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	51	150

Purpose:

To renovate existing recycled water distribution system facilities.

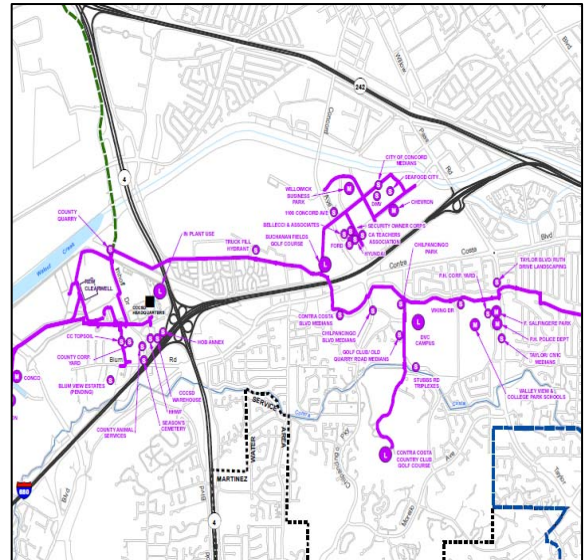
Drivers:

Central San’s recycled water distribution system consists of approximately 13 miles of recycled water distribution piping, which includes several isolation valves, pressure-reducing valves, air relief valves, hydrants, flow meters, and other connections and appurtenances. The recycled water distribution system includes pressured pipes installed over various years ranging from the mid-1990s to 2015 and now serves over 30 customers. Eventual renovations and upgrades to the distribution system components will be required to maintain reliable service to Central San’s recycled water customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project includes renovation of recycled water piping, valves, meters, and other appurtenances. In addition, this project will include upgrades to overall system reliability and continued condition assessment and inspection of various recycled water distribution system assets.



Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, Martinez

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	200,000	-	-	-	200,000
Construction	415,000	215,000	215,000	645,000	1,490,000
FY Total	\$715,000	\$215,000	\$215,000	\$645,000	\$1,790,000

Water Exchange Project – District Project 7368

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	51	150

Purpose:

To develop a project to recycle as much of Central San’s wastewater supply as possible.

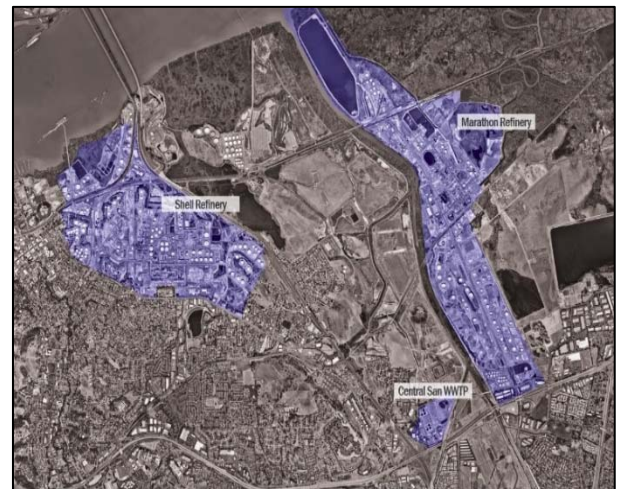
Drivers:

Central San’s Board of Directors is interested in taking advantage of Central San’s wastewater supply to augment the region’s water supply. This project seeks to produce recycled water for meeting Central San’s current and future recycled water irrigation customer demands and for meeting the recycled water quality and demands of the nearby Shell and Marathon refineries in the city of Martinez.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The planning-level effort for this project involves evaluating a cost-effective treatment train that will produce both irrigation-quality recycled water to meet Central San’s current (utility water and Zone 1) and future (Concord Community Reuse Project)



Title 22 demands, in addition to producing approximately 19 million gallons per day of industrial-quality recycled water to provide to Contra Costa Water District to serve to their City of Martinez refinery customers. The refineries’ current water supply (raw Central Valley Project water) would be freed up and exchanged through Contra Costa Water District and conveyed to Santa Clara Valley Water District via the proposed Transfer-Bethany Pipeline and the South Bay Aqueduct.

Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant and City of Martinez

Project Budget					
Phase:	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$400,000	\$-	\$-	\$-	\$400,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$400,000	\$-	\$-	\$-	\$400,000

Filter Plant & Clearwell Improvements – Phase 1B – District Project 100002

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Design	42	165

Purpose:

To rehabilitate and replace components of the existing Filter Plant recycled water facilities.

Drivers:

The recycled water facilities produce disinfected tertiary effluent that meets Title 22 recycled water requirements and is used on-site for utility water and is pumped off-site for various residential and commercial recycled water uses. The Filter Plant, Clearwell structure, and related facilities were constructed in the mid-1970s. The existing Filter Plant media has been partially replaced on a routine basis over the years. The last partial media replacement effort was 15 years ago. Some of the Filter and some of the elements associated with the Clearwell storage and recycled water pumping replacement are being implemented under the earlier phase, Filter Plant & Clearwell Improvements – Phase 1A, District Project 7361. That project is scheduled to complete construction this fiscal year. The electrical and instrumentation infrastructure is mostly original, showing signs of significant wear, and requires replacement to ensure operational reliability.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Filter Plant & Clearwell Improvements – Phase 1B Project includes the following major elements:

- Rehabilitate and replace various electrical equipment (motor control centers, switchgear, substation), and programmable logic controls at the Filter Plant.
- Replace the other three filters (pending result of the tertiary membrane pilot study).
- Add a chlorine contact tank to meet the requirements for Title 22 disinfection compliance.
- Forebays storage improvements or new storage tanks and related equipment.
- Replace pump motors and electrical at the Applied Water Pumping Station.

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues. This project may be funded using a future State Revolving Fund loan or bonds.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	650,000	800,000	-	1,550,000	3,000,000
Construction	-	-	3,500,000	28,150,000	31,650,000
FY Total	\$650,000	\$800,000	\$3,500,000	\$29,700,000	\$34,650,000

Zone 1 Recycled Water – District Project 100036

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	70	100

Purpose:

To continue providing recycled water for landscape irrigation customers within the Zone 1 distribution area, which includes the City of Pleasant Hill and portions of the cities of Concord and Martinez. This is a continuation of DP 7306.

Drivers:

In 2001, Central San completed the Zone 1 Implementation Plan that provided estimated connection costs and revenues for customers identified in the Zone 1 Project Agreement with Contra Costa Water District. Depending on the extent of use, demand for recycled water in Zone 1 for landscape irrigation and commercial uses ranges from 200 to 400 million gallons per year.

Central San staff evaluates potential new recycled water landscape irrigation sites near the existing recycled water distribution system and works with developers to evaluate options for connecting to the system.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project provides funds for the planning, design, and construction of recycled water facilities for landscape irrigation and commercial customers in the Zone 1 distribution area.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, and Martinez

Project Budget					
Phase	Budget-to-Date	FY 2022-23	FY 2023-24	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	100,000	100,000	103,000	721,000	1,024,000
FY Total	\$100,000	\$100,000	\$103,000	\$721,000	\$1,024,000

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Ten-Year Capital Improvement Plan (FY 2022 – FY 2032)

OVERVIEW

Central San has developed a Ten-Year Capital Improvement Plan (CIP) for capital facilities and financing needs. The Ten-Year CIP covers the period starting on July 1, 2022, and ending June 30, 2032. It incorporates the recommendations from the June 2017 Comprehensive Wastewater Master Plan (CWMP). The Ten-Year CIP is updated every year. Specifically, the plan identifies and prioritizes capital projects needed to accomplish Central San’s Vision, Mission, Values, and Goals. It also includes planning-level cost estimates for proposed projects and projections for the various sources of revenue needed to meet the cash flow requirements. The principal purpose of the Ten-Year CIP is to provide the Board of Directors (Board) with the information needed to formulate a long-range policy regarding:

- **Priority and Schedule** – Identify, prioritize, and schedule the projects necessary to accomplish Central San’s Vision, Mission, Values, and Goals.
- **Financing** – Plan for sufficient financial resources to complete the proposed projects.

The CWMP was a critical tool used by Central San to implement the following strategies from Central San’s Strategic Plan (FY 2022-2024):

- **Achieve 100% Compliance in All Regulations** by meeting all air, water, land, and other requirements and by striving to minimize sanitary sewer overflows through the implementation of best management practices.
- **Reduce Reliance on Non-Renewable Energy** by using sustainable practices that minimize waste, maximize resources, and improve the community.
- **Manage Assets Optimally to Prolong Their Useful Life** by facilitating long-term capital renewal and replacement and by protecting Central San personnel and assets from threats and emergencies.
- **Improve and Modernize Operations through Technology and Efficiency Measures** by streamlining workflows, leveraging data, and encouraging the review and pilot testing of new technology to optimize the way Central San works.

The following Ten-Year CIP section provides a general description of the plan and a discussion of potential, unbudgeted future capital projects. As projects develop and are prioritized, they are grouped into the four programs (Treatment Plant, Collection System, General Improvements, and Recycled Water Program) as shown in the Capital Improvement Budget (CIB).

A brief description of each program and a list of major projects for the Ten-Year CIP are provided in the Capital Improvement Plan sections for each of the four programs. In total, the estimated costs for all the projects listed in the Ten-Year CIP is \$1,135,673,000.

Ten-Year Capital Improvement Plan Budget Process

The Ten-Year CIP assumes that funds will be available to support the plan. For FY 2022-23, these funds come from sources as discussed in the Financial Summary section. The only two controllable sources are issuance of debt or adjustment of the capital component of the Sewer Service Charge. With respect to debt, the Capital Plan assumes that a 2021 State Revolving Fund (SRF) loan will be used to fund the Solids Handling Facility Improvements Project from FY 2021-22 through FY 2025-26.

Two other debt offerings are currently assumed in the ten-year financial plan. A bond offering for June 2022 may substantially fund the portion of the FY 2022-23 CIP that is currently to be funded by Sewer Service Charges. If this bond offering proceeds, a budget amendment will be made to reflect the revised funding overall funding sources. There is also an expectation that Central San will apply for additional SRF loans over the course of the Ten-Year CIP, but these are not assumed in the financial plan as no assurance is currently available that this competitive funding will be available. If successful, Central San's financial plan would be revised accordingly.

The Ten-Year CIP is currently budgeted on a year-by-year basis when the CIP for the upcoming fiscal year is formally authorized and adopted by the Board. Changes in capital revenue forecasts or changes in recommended expenditures may result in changes to the future Ten-Year CIP.

2017 Comprehensive Wastewater Master Plan

The CWMP was completed in June 2017. A key deliverable of the CWMP was an updated Capital Improvement Plan for the next 20-year planning horizon (2017-2037). The CWMP included descriptions, rationales, and estimated costs for collection system and wastewater treatment plant capital improvement projects and ongoing programs to address aging infrastructure, meet existing and anticipated regulatory requirements, accommodate planned growth, optimize energy use, and implement Central San's vision for the treatment plant that is consistent with Central San's Strategic Plan.

The CWMP was also a critical tool for maintaining a high level of service, establishing long-term fiscally responsible policies for Central San's customers, and providing a clear direction for Central San. To accomplish this, the CWMP:

- Confirmed Capital Improvement Program projects, costs, and site layouts for future facilities.
- Identified linkages among the major capital improvement projects and repair and replacement strategies such that the projects can be resorted and rescheduled as changes in planning assumptions and needs occur.
- Identified triggers for implementing applied research (if applicable), preliminary design, design, and construction of the recommended capital improvement projects to determine efficient "just-in-time" project implementation.

- Identified new or updated policies, programs, and guidelines for Board consideration to address overall program implementation including project prioritizations, implementation costs, project delivery methods, potential funding sources, and an estimated schedule for implementing plan elements.
- Confirmed and incorporated operations, maintenance, and energy management strategies.
- Accelerated and coordinated condition assessments with the implementation of the Asset Management Plan and confirmed long-term repair and replacement strategies.

Some of these potential future projects identified in the CWMP are not currently included in the Ten-Year CIP. Central San’s CIP will be updated annually as projects are clarified. These future projects are not included in the CIP and amount to about \$900.0 million, of which approximately \$470.0 million may be within the next twenty years. These projects include the following:

- Nutrient Removal (Nutrient Watershed Permit)**
- Water Exchange (Refinery Recycled Water) Project – 16-20 million gallons per day
- Advanced Treatment/Contaminants of Emerging Concern Removal **
- Renewable Energy Projects (triggered by increased power demands from nutrient removal) **
- Concord Community Reuse Project Recycled Water Facilities Improvements *
- Concord Community Reuse Project Collection System Improvements *
- Concord Community Reuse Project Recycled Water Distribution System (Central San’s plan is to wholesale recycled water to CCWD, who will oversee the new distribution system and storage) *

* Projects expected to be cost neutral to Central San

**Projects identified but not currently required by regulations

Ten-Year Capital Improvement Plan – Collection System Program

The Collection System Program includes projects that will address aging and deteriorating infrastructure needs, meet regulatory requirements, address any capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Collection System Program will be on rehabilitating and replacing deteriorating sewers, new development, and sewer expansion by developers within Central San’s service area; upgrading aging pumping stations; and implementing large diameter and force main inspection programs. The inspection programs will help to update the condition of existing infrastructure and to confirm the timing and cost of rehabilitation or replacement of large diameter sewers and force mains. Overall, these projects are targeted at reducing the risk of sewer system overflows in Central San’s collection system.

Central San staff will continue to update the new collection system hydrodynamic model (*InfoWorks*®) to confirm the need and timing for future projects required to alleviate capacity deficiencies and to determine sewer replacement needs.

The *InfoMaster*® was updated to *InfoAssets*® program which uses closed-circuit television inspection scoring results, sewer cleaning frequency data, pipe age, and other information to assign a likelihood of failure score to each pipe segment in the collection system. The consequence of failure for each pipe segment is determined using factors such as pipeline size, flow conditions, and proximity to waterways,

hospitals, schools, and roads. The overall risk of each segment is based on the likelihood of failure and consequence of failure scores, and a decision matrix developed through workshops with staff were used to prioritize the replacement of each pipe segment. *InfoAssets*® then helps to develop a long-term sewer replacement strategy or program based on the timing/prioritization, and cost for sewer replacement needs. Staff then works to group sewers of concern geographically and bid as capital projects.

The following tables identify major projects in the Ten-Year CIP – Collection System Program. The projects have been grouped into one of five project categories: 1) Collection System Rehabilitation and Replacement, 2) Pumping Stations, 3) Regulatory Compliance, 4) Collection System Expansion, and 5) Contractual Assessment Districts and Development Sewerage.

Ten-Year CIP – Collection System Program Projects
Collection System Rehabilitation and Replacement

Project Title	Year(s)	Location	Description
Maintenance Access Cover Modifications	Present through 2032	Collection System	This program will fund maintenance access cover modifications and replacement throughout the collection system.
Cured-in-Place Pipe Blanket Contract	Present through 2032	Collection System	Implement cured-in-place pipe repair projects to address pipelines that require immediate action. Projects are completed in five-year cycles.
Collection System Sewer Renovation – Phases 2 and 3	2022 to 2032	Collection System	This program will fund rehabilitation and replacement of aging small diameter sewers throughout the collection system. Aging infrastructure needs will continue to be identified, prioritized by risk, and packaged into capital projects by geographical areas throughout the collection system. This program is also coordinated with miscellaneous relief projects for sewers identified by the hydraulic model as having wet weather hydraulic capacity deficiencies and possibly large-diameter renovation.
Force Main Inspection and Replacement	Present to 2027	Collection System	Evaluation and potential force main rehabilitation or replacement for the Acacia, Bates, Maltby, and Martinez Pumping Stations.
Large Diameter Piping Renovation Program – Phase 1 and 2	Present to 2032	Collection System	Rehabilitation or replacement of large diameter sewers based on the inspection program. This program will fund rehabilitation and replacement of aging large diameter sewers throughout the collection system. Aging infrastructure needs will continue to be identified, prioritized by risk, and packaged into capital projects by priority throughout the collection system.

**Ten-Year CIP – Collection System Program Projects
Pumping Stations**

Project Title	Year(s)	Location	Description
Pump Station Upgrades – Phase 2	Present through 2025	Martinez, Fairview, and Maltby Pumping Stations	Rehabilitation and replacement of miscellaneous pumps, piping, valves, electrical systems, and other equipment identified in the field. Acquire necessary pumping station emergency response equipment and critical spare parts.
Pumping Station Programmable Logic Controller (PLC) Upgrades	2024 to 2027	Miscellaneous Pumping Stations	Upgrade outdated PLC software language for all pumping stations.
Pumping Station Improvements	2023 to 2026	Buchanan North and South, Concord Industrial, and Other Pumping Stations	Implement major pumping station upgrades to address structural, mechanical, electrical, instrumentation, and other improvements.

**Ten-Year CIP – Collection System Program Projects
Regulatory Compliance**

Project Title	Year(s)	Location	Description
Collection System Planning	Present through 2032	Collection System	Continued planning to identify potential capital improvement projects required to address aging infrastructure needs, regulatory drivers, capacity deficiencies, and sustainability and optimization opportunities. Projects are performed in five-year cycles, includes five-and ten-year updates to Master Plan.
Collection System Modeling Support	Present through 2032	Collection System	Continued build-out of the collection system modeled network to include areas of planned development, and other major upgrades and updates to the hydraulic model.
Large Diameter Pipeline Inspection Program – Phase 1 and 2	Present through 2032	Collection System	Phased inspection program for large-diameter trunks and interceptors to update condition and prioritize rehabilitation and replacement needs.
Force Main Inspection Program – Phase 1 and 2	Present through 2032	Collection System	Phased inspection program for force mains to update condition and prioritize rehabilitation and replacement needs.

**Ten-Year CIP – Collection System Program Projects
Contractual Assessment Districts and Development Sewerage**

Project Title	Year(s)	Location	Description
Development Sewerage Support	Present through 2032	Central San-wide	Capitalized staff labor and expenses for the survey, right-of-way, and inspection for construction of developer installed sewer facilities.

Ten-Year Capital Improvement Plan – Treatment Plant Program

The Treatment Plant Program includes projects that will address aging infrastructure needs, meet regulatory requirements, address any hydraulic or process capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Treatment Plant Program will be on the repair and replacement of aging treatment plant infrastructure, improving existing facilities to ensure reliable compliance with increasingly stringent regulatory requirements, improving the resiliency of existing facilities against security threats and natural hazards such as seismic and flooding events, and improving overall energy efficiency.

Central San staff will continue to evaluate treatment alternatives and applied research projects and pilots to address potential nutrient removal regulations, confirm the optimal long-term solids handling strategy, and strive to move closer to net zero energy in support of Board Policy 027 – Energy.

The following tables identify all the projects in the Ten-Year CIP – Treatment Plant Program. The projects have been grouped into one or more of three project categories: 1) Liquid Treatment Process, 2) Solids Handling Process, or 3) General Treatment Plant and Safety Improvements.

Ten-Year CIP – Treatment Plant Program Projects Liquid Treatment Process

Project Title	Year(s)	Location	Description
Aeration Basins Diffuser Replacement and Seismic Upgrades	Present to 2028	A/N Tanks	Design the replacement the existing aeration tanks diffusers to increase aeration system performance and optimize the activated sludge process. This project also includes structure improvements and repairs.
Condition Assessment of Buried Pipelines	Present to 2023	Treatment Plant	Inspect the condition of several large diameter, critical pipelines on the treatment plant site such as primary effluent, mixed liquor, secondary effluent, final effluent pipelines, and wet weather bypass pipelines. These inspections will require complicated shutdowns and temporary bypass pumping and piping.
Steam Renovations – Phase 1	Present though 2027	Treatment Plant	Replace, rehabilitate, and/or improve the steam system, and coordinated with the existing steam system and heat recovery in the Solids Conditioning Building.
UV Disinfection Replacement (Includes UV Hydraulic Improvement)	Present to 2027	UV Channel, Final Effluent Channel	Replace the aging existing UV disinfection process with a new, more energy efficient UV disinfection process. Increase wet weather hydraulic capacity through UV disinfection and final effluent channel to accommodate a 20-year wet weather storage event.
Electric Blower Improvements	Present though 2023	Treatment Plant	Replace the existing electric blower in the Pump and Blower Building. Coordinated with the Solids Handling Facility Improvements Project.

Project Title	Year(s)	Location	Description
Aeration Basins Diffuser Replacement and Seismic Upgrades	Present through 2027	Treatment Plant	Rehabilitate and replace aeration diffusers, air piping, structural upgrades, and seismic improvements to reconfigure the aeration basins (A/N Tanks) to maximize the use of unused channels to optimize the activated sludge process using available volume and tankages, as well as upgrade instrumentation and controls to improve air flow distribution.
Secondary Treatment Hydraulic Improvements	2024 to 2029	Secondary Clarifiers and Mixed Liquor Flow	Increase secondary treatment wet weather capacity to accommodate a 20-year wet weather storage event. This includes a mixed liquor flow split structure for the secondary clarifiers, up to two additional secondary clarifiers, and mixed liquor channel improvements such as new gates.
Nutrient Removal	2024 through 2032	Treatment Plant	This project will plan and provide funding requirements for the future addition of nutrient removal facilities to meet the Nutrient Watershed permit.
Outfall Improvements – Phase 8	2026 to 2028	Treatment Plant	Inspect outfall pipe and make necessary repairs. This project will require complicated shutdowns and temporary bypass pumping and piping.
Primary Expansion	2028 to 2032	Pre-Aeration, Primaries	Construct up to two additional primary sedimentation tanks and corresponding new pre-aeration (grit removal) tank, improve wet weather grit handling, and replace primary sludge pumps.
Wet Weather Flow Management	2029 to 2032	Headworks, Wet Weather Holding Basins	Implement improvements for wet weather flow management and holding basin operation such as raw wastewater diversion pipeline, drain back pumping, sixth influent pump, and improved basin grading and drainage.

Ten-Year CIP – Treatment Plant Program Projects Solids Handling Process

Project Title	Year(s)	Location	Description
Solids Handling Facility Improvements – Phase 1A	Present through 2026	Solids Conditioning Facilities	Rehabilitate and replace the sludge dewatering, sludge handling, furnace air pollution control equipment.
Solids Handling Facility Improvements – Phase 1B	Present through 2026	Solids Conditioning Facilities	Structural seismic upgrades to the Solids Conditioning Building.
Solids Handling Facility Improvements – Phase 2	Present through 2032	Solids Conditioning Facilities	Phase 2 Project will update the long-term plan for solids handling, treatment and disposal for Central San, and will determine options to how to best transition from current solids handling and disposal methods.

Dissolved Air Flotation Thickeners (DAFT) Tanks Improvements	2030 through 2033	Solids Conditioning Facilities	Rehabilitate and renovate the DAFT Tanks used for waste activated sludge thickening.
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Ten-Year CIP – Treatment Plant Program Projects General Treatment Plant and Safety Improvements

Project Title	Year(s)	Location	Description
Treatment Plant Planning	Present through 2032	Treatment Plant	Continued planning to identify potential capital improvement projects required to address aging infrastructure needs, regulatory drivers, capacity deficiencies, and sustainability and optimization opportunities. Projects performed in five-year cycles.
Applied Research and Innovations	Present through 2032	Treatment Plant	Implement applied research projects that evaluate promising and innovative technologies and processes. Projects performed in five-year cycles.
Surcharge Soil Pile Relocation	2029 to 2031	Surcharge Pile, Basin A South	Excavate and relocate surcharge pile soils to Basin A South and replace soil cap.
Warehouse Seismic Upgrades	Present to 2025	Warehouse	Implement upgrades to the Warehouse building to meet current seismic design standards and improve overall seismic safety.
Fire Protection System – Phases 4, 5 and 6	Present to 2025	Treatment Plant	Continue phased upgrades and replacement of the fire alarm systems throughout the treatment plant. Previous plan had six phases, combined to four phases this year due to criticality and safety.
Treatment Plant Safety Enhancements – Phases 5 through 8	Present to 2032	Treatment Plant	Continue to implement safety-related enhancements around the treatment plant to proactively address safety concerns.
Aging Infrastructure Replacement Program	Present through 2032	Treatment Plant	This program will fund aging infrastructure projects around the treatment plant. Aging infrastructure needs will continue to be packaged together and implemented as spinoff capital projects from this program (e.g., piping replacement projects, equipment replacement, and electrical/instrumentation/control systems rehabilitation). Program is performed in five-year cycles.
Miscellaneous Seismic Upgrades	2023 to 2025	Filter Plant, UV, Headworks, Fuel Oil, Hypo Tanks, Substations	Implement seismic upgrades to miscellaneous structures and process equipment around the treatment plant.
Treatment Plant Supervisory Control and Data Acquisition (SCADA) Improvements	2025 to 2029	Treatment Plant	Complete an evaluation and implementation plan for the upgrade and replacement of the SCADA, PLCs, and communications networks, and determine workforce planning needs.

Ten-Year Capital Improvement Plan – General Improvements Program

The General Improvements Program includes projects that will address aging infrastructure needs, meet regulatory requirements, and improve sustainability or help meet sustainability-related goals. This includes implementing property and building improvements, addressing equipment needs, acquiring new properties if required, completing development of the Asset Management Program, information management system and data management system upgrades, general security improvements enhancement, and cybersecurity. Many of Central San’s buildings are over 25 years old, and are starting to require general building upgrades to both the interiors and exteriors such as painting, replacing ceiling tiles, upgrading fixtures, replacing roofs, replacing worn furniture and other equipment, and upgrading buildings to meet current seismic standards. The emphasis of the General Improvements Program for the Ten-Year CIP will be on upgrading many of those aging buildings. In addition, Central San will continue to require routine acquisition of new equipment, vehicle replacement, security improvements, information technology improvements, and improved cybersecurity enhancements.

The following tables identify major projects in the Ten-Year CIP – General Improvements Program. The projects have been grouped into one of three project categories: 1) Vehicles and Equipment Acquisition, 2) Buildings and District Property, and 3) Information Technology Development.

Ten-Year CIP – General Improvements Program Projects

Vehicles and Equipment Acquisition

Project Title	Year(s)	Location	Description
Equipment Acquisition	Present through 2032	Central San-wide	Acquisition of new equipment for operation and maintenance of Central San assets.
Vehicle Replacement Program	Present through 2032	Central San-wide	Continued replacement and acquisition of new Central San vehicles.

Ten-Year CIP – General Improvements Program Projects

Buildings and District Property

Project Title	Year(s)	Location	Description
Future Property Repairs and Improvements	2025 to 2032	Central San-wide	Improvements to Central San’s buildings, buffer properties, rental properties, and the surrounding parking lots and grounds.
District Easement Acquisition	Present through 2032	Central San-wide	Improve or acquire new property land rights for existing or new sanitary sewers that are located on private properties.
Security Study and Improvements	Present through 2032	Central San-wide	Continued implementation of general security improvements for Central San buildings and properties.

**Ten-Year CIP – General Improvements Program Projects
Information Technology Development**

Project Title	Year(s)	Location	Description
Information Technology Development	Present through 2032	Central San-wide	Continued implementation of Central San-wide information technology improvements.

Ten-Year CIP – Recycled Water Program

The Recycled Water Program includes projects that will address aging infrastructure needs, meet regulatory requirements, address any capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Recycled Water Program will be on continued expansion of the Zone 1 Recycled Water Program in support of Board Policy 019 – Recycled Water, implementing improvements to the existing recycled water filter plant, and related support facilities to address aging infrastructure to ensure reliable supply of recycled water, replacing and installing new clearwell liner and covers, and initiating ongoing rehabilitation and replacement of recycled water distribution system assets.

Central San staff will continue to explore and plan for other potential recycled water projects and related improvements and expansions that may be required. These other projects will likely involve the wholesale of recycled water to a water purveyor. The following table identifies major projects in the Ten-Year CIP – Recycled Water Program.

Ten-Year CIP – Recycled Water Program Projects

Project Title	Year(s)	Location	Description
Zone 1 Recycled Water	Present to 2032	Zone 1 Area within the Cities of Concord, Martinez, and Pleasant Hill	Continue to expand Zone 1 Recycled Water Program, to provide cost-effective water for landscaping, irrigation at schools, parks, private businesses, golf courses, street medians, and for commercial applications such as truck washing, concrete manufacturing, dust control, and toilet and urinal flushing.
Recycled Water Distribution System Renovations	Present through 2032	Zone 1 Area within the Cities of Concord, Martinez, and Pleasant Hill	Implement a recurring rehabilitation and replacement program for recycled water distribution system assets such as the recycled water surge tank, distribution piping, valves, and flow meters.
Filter Plant & Clearwell Improvements – Phase 1A	Present to 2023	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including two large storage tanks and related electrical, instrumentations and control systems.
Filter Plant & Clearwell Improvements – Phase 1B	Present to 2028	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including the remaining three filters (pending the outcome of the tertiary membrane pilot study), forebays, applied water pumps, chlorine contact basins, and related electrical, instrumentations and control systems.

Ten-Year CIP Expenditures

The Ten-Year CIP provides a basis for policy decisions concerning Central San’s long-range CIP and management of the Sewer Construction Fund. The Ten-Year CIP also serves as the capital improvement expenditure basis for performing the fee analysis.

This plan includes projected expenditures totaling \$1,135,673,000 (in 2022 dollars) over the period from FY 2022-23 through FY 2031-32. A summary of the planned expenditures by program, without future inflation, for the Ten-Year CIP is included in Tables 1-5.

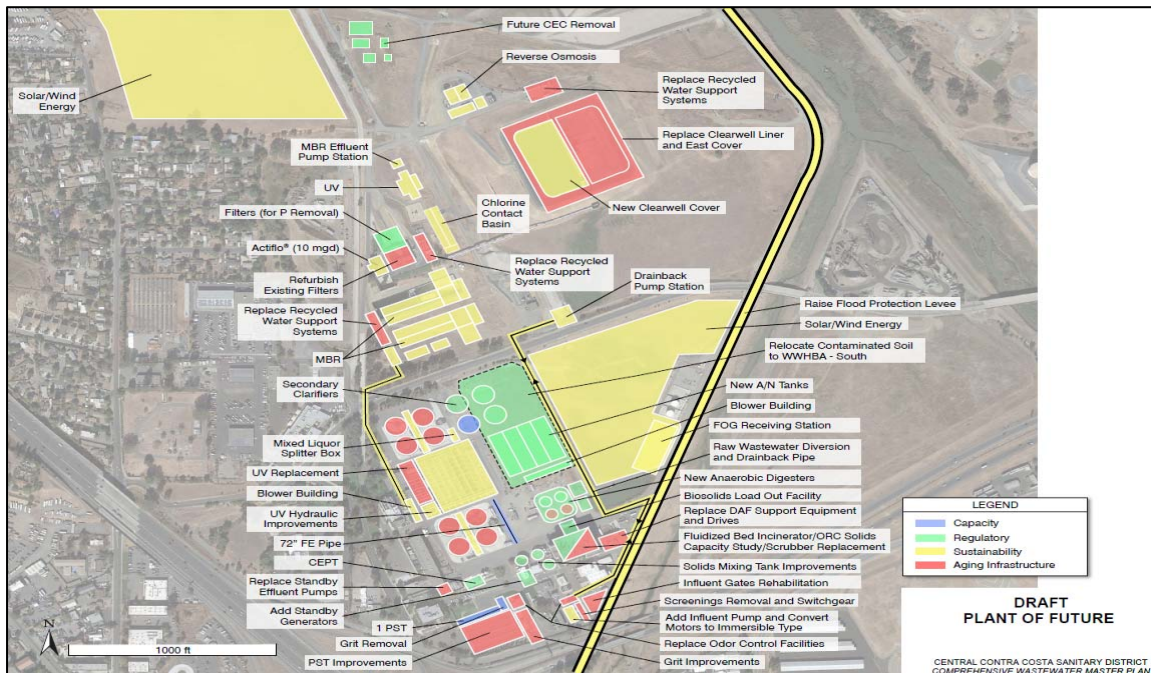


Illustration of a Potential Central San Treatment Plant of the Future

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Table 1 - Ten-Year Program: Collection System		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project #	Project Name	10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
5991	Pleasant Hill Sewer Renovation - Phase 2	3,740,000	3,740,000	-	-	-	-	-	-	-	-	-
8419	Collection System Planning	200,000	200,000	-	-	-	-	-	-	-	-	-
8436	Pump Station Upgrades - Phase 1	0	-	-	-	-	-	-	-	-	-	-
8442	Pump Station Equipment & Piping Replacement - Phase 2	206,000	206,000	-	-	-	-	-	-	-	-	-
8443	Large Diameter Pipeline Inspection Program - Phase 1	0	-	-	-	-	-	-	-	-	-	-
8444	Force Main Inspection Program - Phase 1	0	-	-	-	-	-	-	-	-	-	-
8447	Pump Station Security Improvements	246,000	82,000	82,000	82,000	-	-	-	-	-	-	-
8448	Maintenance Access Cover Modifications	400,000	400,000	-	-	-	-	-	-	-	-	-
8449	Collection System Modeling Support	0	-	-	-	-	-	-	-	-	-	-
8450	Development Sewerage Support	4,635,000	927,000	927,000	927,000	927,000	927,000	-	-	-	-	-
8457	Pump Station Upgrades - Phase 2	42,000,000	11,900,000	17,500,000	12,600,000	-	-	-	-	-	-	-
8463	North Orinda Sewer Renovation - Phase 8	0	-	-	-	-	-	-	-	-	-	-
8464	Martinez Sewer Renovation - Phase 7	2,500,000	2,500,000	-	-	-	-	-	-	-	-	-
8465	Walnut Creek Sewer Renovation - Phase 15	0	-	-	-	-	-	-	-	-	-	-
8466	Danville Sewer Renovation - Phase 4	3,702,000	3,702,000	-	-	-	-	-	-	-	-	-
100005	Cured-In-Place Pipe Blanket Contract (FY 2020-25)	250,000	250,000	-	-	-	-	-	-	-	-	-
100006	Contractual Assesment District Project	900,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	-
100007	Large Diameter Renovation Program	13,500,000	-	3,000,000	4,000,000	3,500,000	3,000,000	-	-	-	-	-
100017	San Ramon Electrical Upgrades	1,213,000	1,213,000	-	-	-	-	-	-	-	-	-
100023	Walnut Creek Sewer Renovation - Phase 16	0	-	-	-	-	-	-	-	-	-	-
100024	South Orinda Sewer Renovation - Phase 9	0	-	-	-	-	-	-	-	-	-	-
100025	Lafayette Sewer Renovation - Phase 15	0	-	-	-	-	-	-	-	-	-	-
TBD	Collection System Master Plan (5-Year Update)	250,000	250,000	-	-	-	-	-	-	-	-	-
TBD	Collection System Sewer Renovation - Phase 2	90,010,000	10,010,000	20,000,000	20,000,000	20,000,000	20,000,000	-	-	-	-	-
TBD	Collection System Modeling Support 2022+	1,120,000	120,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	-
TBD	Orinda-Moraga PS Architectural Improvements	1,250,000	1,250,000	-	-	-	-	-	-	-	-	-
TBD	Pump Station Improvements & Rehabilitations	2,390,000	-	500,000	500,000	1,390,000	-	-	-	-	-	-
TBD	Pumping Station SCADA & PLC Upgrades	2,150,000	-	350,000	500,000	1,300,000	-	-	-	-	-	-
TBD	Force Main Replacement Program	17,834,000	-	200,000	534,000	1,425,000	3,490,000	2,785,000	4,085,000	1,585,000	1,585,000	2,145,000
TBD	Collection System Planning 2023+	2,020,000	-	220,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
TBD	Pump Station Equipment & Piping Replacement 2023+	2,250,000	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TBD	2023+Maintenance Access Cover Modifications	3,300,000	-	500,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
TBD	Large Diameter Pipeline Inspection Program - Phase 2	1,000,000	-	-	200,000	400,000	400,000	-	-	-	-	-
TBD	Cured-In-Place Pipe (CIPP) Blanket Contract (FY 2024+)	2,100,000	-	-	-	300,000	300,000	300,000	300,000	300,000	300,000	300,000
TBD	Force Main Inspection Program - Phase 2	1,000,000	-	-	-	200,000	800,000	-	-	-	-	-
TBD	Collection System Master Plan (10-Year Update)	1,000,000	-	-	-	1,000,000	-	-	-	-	-	-
TBD	Large Diameter Renovation Program 2027+	18,000,000	-	-	-	-	-	2,500,000	2,000,000	4,500,000	4,500,000	4,500,000
TBD	Collection System Sewer Renovation - Phase 3	100,000,000	-	-	-	-	-	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
	Development Sewerage Support 2027+	4,750,000	-	-	-	-	-	950,000	950,000	950,000	950,000	950,000
	Contractual Assesment District Project	100,000	-	-	-	-	-	-	-	-	-	100,000
TBD	Collection System Modeling Support 2022+	125,000	-	-	-	-	-	-	-	-	-	125,000
Collection System Total:		\$ 324,141,000	\$ 36,850,000	\$ 43,754,000	\$ 40,393,000	\$ 30,292,000	\$ 30,367,000	\$ 28,385,000	\$ 28,385,000	\$ 28,385,000	\$ 28,385,000	\$ 28,945,000

Table 2 - Ten-Year Program: Treatment Plant		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project #	Project Name	10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
7315	Applied Research & Innovations	700,000	300,000	400,000	-	-	-	-	-	-	-	-
7328	Influent Pump Electrical Improvements	1,426,000	1,426,000	-	-	-	-	-	-	-	-	-
7341	Walnut Creek/Grayson Creek Levee Rehab	2,500,000	1,500,000	1,000,000	-	-	-	-	-	-	-	-
7348	Solids Handling Facility Improvements - Phase 1A	100,500,000	5,000,000	28,000,000	36,000,000	29,000,000	2,500,000	-	-	-	-	-
7349	Steam Aeration & Blower Systems Renovations	500,000	500,000	-	-	-	-	-	-	-	-	-
7357	Plant-Wide Instrumentation Upgrades	0	-	-	-	-	-	-	-	-	-	-
7363	Treatment Plant Planning	200,000	200,000	-	-	-	-	-	-	-	-	-
7369	Piping Renovation - Phase 10	0	-	-	-	-	-	-	-	-	-	-
7370	Annual Infrastructure Replacement FY 2019-25+	3,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-
7371	Condition Assessment of Buried Yard Pipelines	0	-	-	-	-	-	-	-	-	-	-
7373	Fire Protection System - Phase 3	0	-	-	-	-	-	-	-	-	-	-
7375	Contractor Staging Improvements	0	-	-	-	-	-	-	-	-	-	-
100001	UPCCAA Urgent Projects FY 2020-25+	1,800,000	600,000	600,000	600,000	-	-	-	-	-	-	-
100008	Laboratory Seismic & Roof Upgrades	500,000	500,000	-	-	-	-	-	-	-	-	-
100009	MHF Hearth Replacement	500,000	-	500,000	-	-	-	-	-	-	-	-
100010	Air Conditioning and Lighting Renovations Project	0	-	-	-	-	-	-	-	-	-	-
100011	Plant Electrical Replacement and Rehabilitaton	1,750,000	400,000	450,000	450,000	450,000	-	-	-	-	-	-
100012	UV Disinfection Replacement and Hydraulic Improvements	65,500,000	3,500,000	2,500,000	5,000,000	20,000,000	24,000,000	10,500,000	-	-	-	-
100014	MRC Building and Maintenance Shops Improvements	1,350,000	750,000	600,000	-	-	-	-	-	-	-	-
100015	Electric Blowers Improvements	4,245,000	4,245,000	-	-	-	-	-	-	-	-	-
100019	Aeration Basin Diffusers and Seismic Improvements	59,000,000	7,500,000	14,500,000	12,000,000	12,000,000	12,000,000	1,000,000	-	-	-	-
TBD	TP Safety Enhancements Program	2,100,000	300,000	300,000	300,000	300,000	300,000	150,000	150,000	150,000	150,000	-
100022	Wet Weather Basin Improvements	1,200,000	600,000	600,000	-	-	-	-	-	-	-	-
TBD	Fire Protection System - Phase 4	860,000	860,000	-	-	-	-	-	-	-	-	-
TBD	Controls System Upgrades FY 22-26	1,000,000	200,000	200,000	200,000	200,000	200,000	-	-	-	-	-
TBD	Electrical Infrastructure Sub 90	23,600,000	500,000	500,000	500,000	5,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,100,000
TBD	Steam Renovations Phase 1	17,000,000	4,500,000	8,000,000	4,500,000	-	-	-	-	-	-	-
TBD	Solids Handling Facility Improvements - Phase 2	152,600,000	3,100,000	2,500,000	2,500,000	2,500,000	9,500,000	22,500,000	30,000,000	30,000,000	40,000,000	10,000,000
TBD	Warehouse Seismic Upgrades	2,000,000	500,000	750,000	750,000	-	-	-	-	-	-	-
TBD	Secondary Clarifier Improvements Phase 1	10,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-

Table 2 - Ten-Year Program: Treatment Plant (Continued)		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project #	Project Name	10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TBD	Treatment Plant Planning 2023 +	3,780,000	-	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000	420,000
TBD	Solids Handling Facility Improvements - Phase 1B Seismic	32,950,000	-	2,950,000	10,000,000	20,000,000	-	-	-	-	-	-
TBD	Fire Protection System - Phase 5	400,000	-	400,000	-	-	-	-	-	-	-	-
TBD	Misc. Seismic Upgrades	800,000	-	300,000	500,000	-	-	-	-	-	-	-
TBD	Applied Research & Innovations 2024+	3,372,000	-	-	450,000	450,000	412,000	412,000	412,000	412,000	412,000	412,000
TBD	Fire Protection System - Phase 6	400,000	-	-	400,000	-	-	-	-	-	-	-
TBD	Nutrient Removal	55,000,000	-	-	500,000	2,000,000	2,000,000	4,000,000	5,500,000	8,000,000	8,000,000	25,000,000
TBD	Odor Control Upgrades - Phase 1B	1,242,000	-	-	515,000	727,000	-	-	-	-	-	-
TBD	Treatment Plant SCADA Upgrades	9,300,000	-	-	-	600,000	2,200,000	3,250,000	3,250,000	-	-	-
TBD	CO-Gen Replacement	25,600,000	-	-	-	500,000	1,650,000	8,500,000	8,500,000	6,450,000	-	-
TBD	Annual Infrastructure Replacement FY 2025-26+	14,000,000	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TBD	Tunnel Improvements	5,200,000	-	-	-	100,000	2,500,000	2,600,000	-	-	-	-
TBD	UPCCAA Urgent Projects FY 2025-26+	4,305,000	-	-	-	615,000	615,000	615,000	615,000	615,000	615,000	615,000
TBD	Plant Electrical Replacement and Rehabilitaton 2025+	2,700,000	-	-	-	-	450,000	450,000	450,000	450,000	450,000	450,000
TBD	Outfall Improvements - Phase 8	6,150,000	-	-	-	-	1,650,000	4,500,000	-	-	-	-
TBD	Standby Generator Expansion	5,700,000	-	-	-	-	100,000	2,800,000	2,800,000	-	-	-
TBD	WWTP Master Plan (10-Year Update)	1,180,000	-	-	-	-	625,000	555,000	-	-	-	-
TBD	Steam Renovations Phase 2	34,100,000	-	-	-	-	100,000	4,500,000	10,500,000	10,500,000	8,500,000	-
TBD	Electrical Infrastructure- Substations	17,100,000	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,100,000
TBD	Controls System Upgrades - Phase 3	750,000	-	-	-	-	-	150,000	150,000	150,000	150,000	150,000
TBD	Odor Control Upgrades - Phase 2	14,995,000	-	-	-	-	-	800,000	1,545,000	5,150,000	7,500,000	-
TBD	Surcharge Soil Pile Relocation	19,345,000	-	-	-	-	-	-	-	1,545,000	7,800,000	10,000,000
TBD	Wet Weather Flow Management	8,540,000	-	-	-	-	-	-	-	300,000	2,575,000	5,665,000
TBD	Daft Tank Improvements	2,300,000	-	-	-	-	-	-	-	-	350,000	1,950,000
TBD	Primary Expansion	100,000	-	-	-	-	-	-	-	-	-	100,000
TBD	Solids Handling Facility Improvements - Phase 3	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
TBD	TP Safety Enhancements Program FY 2031+	150,000	-	-	-	-	-	-	-	-	-	150,000
Treatment Plant Total:		\$ 724,290,000	\$ 39,981,000	\$ 68,470,000	\$ 78,585,000	\$ 98,862,000	\$ 71,222,000	\$ 75,702,000	\$ 72,292,000	\$ 72,142,000	\$ 84,922,000	\$ 62,112,000

Table 3 - Ten-Year Program: General Improvements		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project #	Project Name	10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
8230	Capital Legal Services	20,000	20,000	-	-	-	-	-	-	-	-	-
8240	IT Development FY 2016-25	500,000	500,000	-	-	-	-	-	-	-	-	-
8250	ERP Replacement	0	-	-	-	-	-	-	-	-	-	-
8251	Capital Improvement Plan & Budget (Document Management)	300,000	200,000	100,000	-	-	-	-	-	-	-	-
8252	POB E.V. Charging Station	800,000	150,000	650,000	-	-	-	-	-	-	-	-
8253	Covid Response	0	-	-	-	-	-	-	-	-	-	-
8516	District Equipment Acquisition	500,000	250,000	250,000	-	-	-	-	-	-	-	-
8517	Vehicle Replacement Program FY 2016-26	3,600,000	900,000	900,000	900,000	900,000	-	-	-	-	-	-
100003	Property Repairs and Improvements	1,000,000	700,000	150,000	150,000	-	-	-	-	-	-	-
100004	HOB Exterior Repairs	0	-	-	-	-	-	-	-	-	-	-
TBD	Security Improvements	400,000	100,000	100,000	100,000	100,000	-	-	-	-	-	-
TBD	Technology Strategic Plan	500,000	500,000	-	-	-	-	-	-	-	-	-
100031	Community Development System Replacement	600,000	400,000	200,000	-	-	-	-	-	-	-	-
TBD	Solar Project on Lagiss Property	0	-	-	-	-	-	-	-	-	-	-
TBD	District Easement Acquisition 2022+	750,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
TBD	IT Development FY 2023+	4,635,000	-	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000	515,000
TBD	Capital Legal Services 2023+	225,000	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
TBD	Equipment Acquisition FY 2024+	2,200,000	-	-	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
TBD	Security Improvements Study (10-Year)	700,000	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000
TBD	Property Repairs and Improvements FY 2025+	1,050,000	-	-	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000
TBD	Vehicle Replacement Program FY 2026+	5,700,000	-	-	-	-	950,000	950,000	950,000	950,000	950,000	950,000
General Improvements Total:		\$ 23,480,000	\$ 3,795,000	\$ 2,965,000	\$ 2,040,000	\$ 2,140,000	\$ 2,090,000	\$ 2,090,000	\$ 2,090,000	\$ 2,090,000	\$ 2,090,000	\$ 2,090,000

Table 4 - Ten-Year Program: Recycled Water		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project #	Project Name	10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
7361	Filter Plant and Clearwell Improvements - Phase 1A	7,600,000	7,600,000	-	-	-	-	-	-	-	-	-
7366	Recycled Water Distribution Systems Renovations Program	1,075,000	215,000	215,000	215,000	215,000	215,000	-	-	-	-	-
7368	Water Exchange Project	0	-	-	-	-	-	-	-	-	-	-
100002	Filter Plant and Clearwell Improvements - Phase 1B	34,000,000	800,000	3,500,000	4,000,000	2,100,000	9,000,000	9,500,000	5,100,000	-	-	-
TBD	Zone 1 Recycled Water 2021+	924,000	100,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	-
	Recycled Water Distribution Systems Renovations Program	1,075,000	-	-	-	-	-	215,000	215,000	215,000	215,000	215,000
TBD	Zone 1 Recycled Water 2031+	103,000	-	-	-	-	-	-	-	-	-	103,000
Recycled Water Total:		\$ 44,777,000	\$ 8,715,000	\$ 3,818,000	\$ 4,318,000	\$ 2,418,000	\$ 9,318,000	\$ 9,818,000	\$ 5,418,000	\$ 318,000	\$ 318,000	\$ 318,000

Table 5 - Ten-Year Program: Totals by Program		Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Programs		10 Year Total	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Collection System		324,141,000	36,850,000	43,754,000	40,393,000	30,292,000	30,367,000	28,385,000	28,385,000	28,385,000	28,385,000	28,945,000
Treatment Plant		724,290,000	39,981,000	68,470,000	78,585,000	98,862,000	71,222,000	75,702,000	72,292,000	72,142,000	84,922,000	62,112,000
General Improvements		23,480,000	3,795,000	2,965,000	2,040,000	2,140,000	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000
Recycled Water		44,777,000	8,715,000	3,818,000	4,318,000	2,418,000	9,318,000	9,818,000	5,418,000	318,000	318,000	318,000
Subtotal		1,116,688,000	89,341,000	119,007,000	125,336,000	133,712,000	112,997,000	115,995,000	108,185,000	102,935,000	115,715,000	93,465,000
Contingency		18,985,000	1,635,000	1,350,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total with Contingency		\$ 1,135,673,000	\$ 90,976,000	\$ 120,357,000	\$ 127,336,000	\$ 135,712,000	\$ 114,997,000	\$ 117,995,000	\$ 110,185,000	\$ 104,935,000	\$ 117,715,000	\$ 95,465,000

Debt Program

Since 2009, Central San has utilized a pay-as-you-go philosophy for capital expenditures. In 2009, and in some earlier years, Central San utilized long-term financing through obligations issued by the Central Contra Costa Sanitary District Facilities Financing Authority. The 2009 obligations (Certificates of Participation) were issued for the purpose of providing funding for new capital expenditures and to refinance existing debt. In 2018, Central San refinanced the 2009 obligations by issuing revenue bonds. Both types of financial obligations are referred to in this document as bonds or debt. In June 2021, Central San (through its Financing Authority) issued \$50.8 million of par value in certificates of participation to generate \$58 million in proceeds (inclusive of issuance premium) for the capital program for FY 2020-21 and FY 2021-22. This issuance freed up reserve funds that would have been used for the capital program, which instead were used to pay off the pension unfunded actuarially accrued liability. During FY 2021-22, Central San also finalized a loan agreement with the State Revolving Fund (SRF) for a loan up to \$173.4 million for Phase 1 of the Solids Handling Facility Improvements Project. Repayment would not commence until the completion of the project. Accordingly, a debt service schedule is not included in this document.

Central San’s debt service is presently funded by property taxes and investment income. Debt service is projected at \$13.3 million, an increase of \$0.4 million from the prior year’s budget of \$12.9 million, as amended. Table 1 summarizes the debt service sub-fund budget.

Table 1 – Debt Service Sub-Fund Budget Summary

Debt Service Sub-Fund	FY 2020-21 Actual	FY 2021-22 Budget	FY 2022-23 Budget
Debt Service Revenue:			
Property Taxes (Portion Allocated to Debt Service)	\$2,511,211	\$12,891,059	\$13,251,922
Investment Income	11,194	-	-
Total Revenue	2,522,405	12,891,059	13,251,922
Debt Service Expense:			
2018 Bond Interest Payment and Amortized Costs	542,226	706,227	624,797
2021 Certificates of Participation Interest and Amortized Costs	-	1,734,832	1,874,625
Trustee / Issuance Costs	240,179	-	2,500
Total Interest and Other Costs	782,405	2,441,059	2,501,922
2018 Bond Principal Payment	1,740,000	1,805,000	1,885,000
2021 Certificates of Participation Principal Payment	-	8,645,000	8,865,000
Total Principal Payments	1,740,000	10,450,000	10,750,000
Total Debt Service Expenditures	\$2,522,405	\$12,891,059	\$13,251,922

2018 Revenue Bonds

In September 2018, Central San issued \$19.5 million of Wastewater Revenue Refunding Bonds in two series (tax-exempt Series A for \$15.1 million and federally taxable Series B for \$4.3 million) to refund outstanding 2009 bonds. The transaction was undertaken to take advantage of lower interest rates and to reduce risk of reduced credits from the federal government budget related sequestration affecting the Series 2009 Build America Bonds (BABs). The transaction resulted in \$8.2 million of interest savings through FY 2029-30, from lower interest rates and reducing outstanding principal

through eliminating a debt service reserve fund that was previously held for the 2009 bonds. The 2018 Revenue Bonds have a revised rate covenant as compared to the 2009 bonds, providing for a Net Revenues Covenant and a Gross Revenues Covenant.

In short:

- Net Revenues (Gross Revenues excluding capacity fees and after payment of Operations and Maintenance (O&M) Costs) plus Tax Revenues are to be at least 125% of debt service in a fiscal year.
- Gross Revenues (Gross Revenues including capacity fees and after payment of O&M Costs) plus Tax Revenues are to be at least 100% of debt service in a fiscal year.

Figure 2 shows coverage ratios using the pre-2018 covenants and using the 2018 covenants.

2021 Certificates of Participation

In June 2021, Central San issued (through its Facilities Financing Authority) \$50.8 million of par value certificates of participation, with \$58 million in proceeds (inclusive of issuance premium) used to fund a portion of the capital program for FY 2020-21 and FY 2021-22. The transaction was undertaken in connection with a plan to pay off the pension unfunded actuarially accrued liability. Funds that were to be used to fund the capital program, with the addition of \$12 million of funds in the pension prefunding trust, were used to pay down the \$70.8 million pension liability. This transaction is anticipated to result in about \$15 million of net cost savings. As a result of this transaction, a budget amendment was adopted by the Board in August 2021 that included changes to the O&M, Debt Service, and Sewer Construction funds. These amendments have been reflected in the FY 2021-22 budget figures used in this document. The 2021 Certificates of Participation provide for the same Net Revenues and Gross Revenues pledge as noted above for the 2018 Revenue Bonds.

Additional Planned Debt Issuance

A Debt Management and Continuing Disclosure Policy was adopted during FY 2017-18, which specifies the conditions under which debt and other forms of external financing can be used.

In December 2018, Central San applied for an \$89.6 million loan through a competitive process with the California State Water Resources Control Board (SWRCB) to fund solids handling improvements to the treatment plant. Central San's project was selected as part of the Intended Use Plan for SRF funds at a public hearing on June 18, 2019. In 2020, Central San requested an increase in the funding amount from \$89.6 million to \$173.4 million to reflect higher than anticipated project costs, and the revised loan application was accepted by the SWRCB. A loan agreement was finalized in 2021. In September 2021, the Board determined that a change in direction in the Solids Handling Project was warranted given higher than anticipated costs for the project plan that had been provided for up to that point. Instead, the current plan is to conduct less extensive work on the existing solids handling process and accelerate elements of the longer-term plan for solids handling involving digestion. Planning work for this revised plan is underway. The anticipated impact of this change on the approved SRF loan is that the District will draw a lesser amount for work within that application's approved project scope. No draws have yet been made on this loan facility as of May 2022. Funding for the remaining Solids Handling Project work outside of that scope will be funded from other sources.

In the 10-year horizon covered by Central San’s financial plan, additional SRF borrowing (subject to Board approval) applications may be submitted to economically finance other projects.

Figure 1 and Table 2 summarize Central San’s historical and currently outstanding debt service obligations.

Figure 1 – Debt Service by Type

Figure 1 shows annual debt service for past and existing bonds. As described above, potential additional debt issuances could add to debt service requirements in future years.

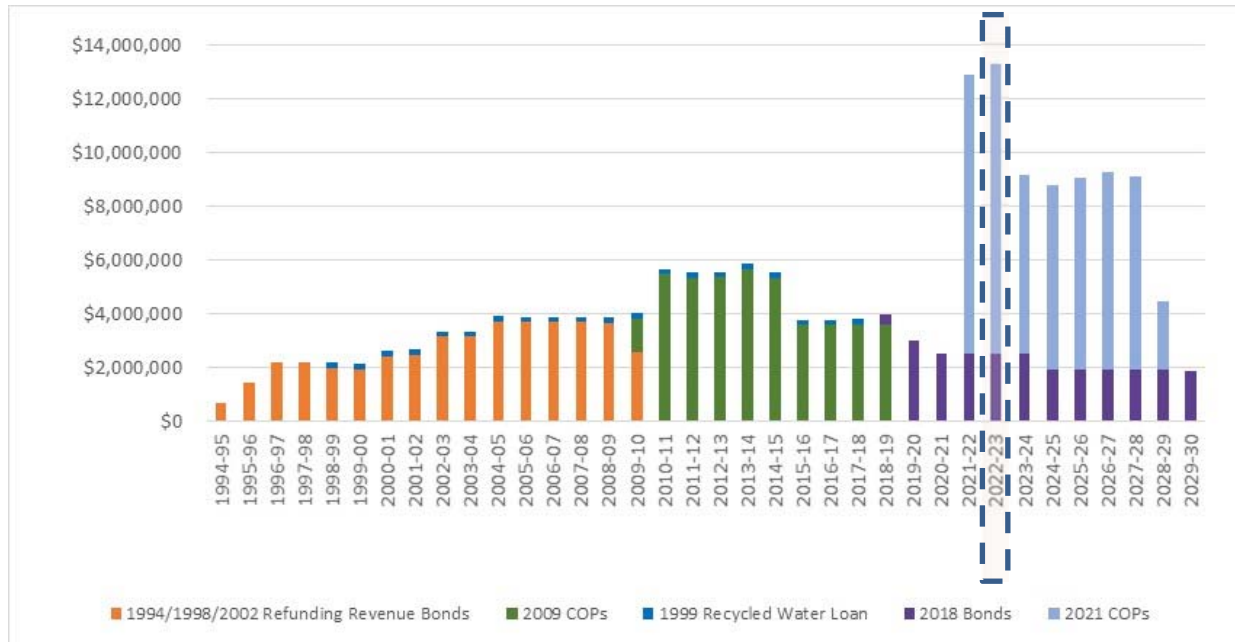


Table 2 – Debt Summary (Currently Outstanding Debt)

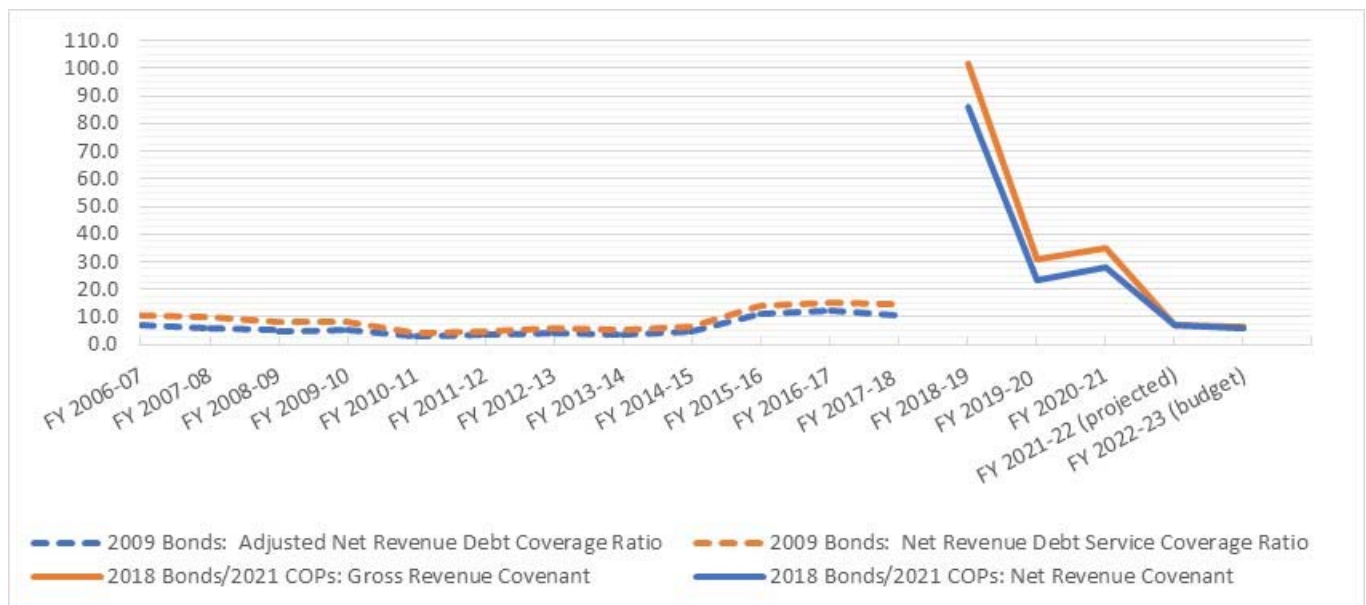
Debt service related to the currently outstanding 2018 Series A and Series B bonds and 2021 Certificates of Participation is shown below.

Fiscal Year	2018 Revenue Refunding Bonds			2021 Certificates of Participation			All Debt
	Principal	Amortization and Interest	Total Debt Service	Principal	Amortization and Interest	Total Debt Service	Grand Total Debt Service
2021-22	\$1,805,000	\$706,227	\$2,511,227	\$8,645,000	\$1,734,832	\$10,379,832	\$12,891,059
2022-23	\$1,885,000	\$624,797	\$2,509,797	\$8,865,000	\$1,874,625	\$10,739,625	\$13,249,422
2023-24	\$1,965,000	\$539,267	\$2,504,267	\$5,125,000	\$1,524,875	\$6,649,875	\$9,154,142
2024-25	\$1,465,000	\$458,875	\$1,923,875	\$5,630,000	\$1,256,000	\$6,886,000	\$8,809,875
2025-26	\$1,535,000	\$383,875	\$1,918,875	\$6,165,000	\$961,125	\$7,126,125	\$9,045,000
2026-27	\$1,610,000	\$305,520	\$1,915,520	\$6,740,000	\$638,500	\$7,378,500	\$9,294,020
2027-28	\$1,685,000	\$222,875	\$1,907,875	\$6,905,000	\$297,375	\$7,202,375	\$9,110,250
2028-29	\$1,765,000	\$136,625	\$1,901,625	\$2,495,000	\$62,375	\$2,557,375	\$4,459,000
2029-30	\$1,850,000	\$46,250	\$1,896,250	\$ -	\$ -	\$ -	\$1,896,250

Debt Related Covenants

An important financial performance metric is the Debt Service Coverage Ratio. The Board’s targeted coverage ratio is 2.0 times. As shown in Figure 2, recent measures are far above this requirement. FY 2018-19 coverage was very high due to several factors including: (1) low debt service in FY 2018-19 due to the refinancing of debt; (2) lower than typical Operating Expenses Less Depreciation due to a large other post-employment benefits (OPEB) adjustment (\$30.4 million) from the transition to the CalPERS healthcare plan. Debt coverage following the “Net Revenue Covenant” (lower of the two methods) is projected to be 6.92 and 5.97 for FY 2021-22 and FY 2022-23 respectively.

Figure 2 – Historic and Projected Debt Service Coverage Ratio



As noted previously, the calculation changed slightly in connection with the 2018 bonds. Through FY 2018-19, Bond Covenants on 2009 bonds provided for the following covenants:

- **Net Revenue:** This ratio must be above 1.00 to meet the Debt Rate Covenant (Net Revenue / Total Debt Service).
- **Adjusted Net Revenue:** Net Revenue less Capital Improvement Fees (capacity fees) and City of Concord Capital Charges. This ratio must be above 1.25 to meet the Debt Rate Covenant (Adjusted Net Revenue / Total Debt Service).

The Series 2018 A and B Revenue Refunding Bonds and 2021 Certificates of Participation have the following covenants:

- **Net Revenues Covenant:** Net revenues (gross revenues excluding capacity fees and after payment of O&M costs) plus tax revenues are to be at least 125% of debt service in a fiscal year.
- **Gross Revenues Covenant:** Gross revenues (gross revenues including capacity fees and after payment of O&M Costs) plus tax revenues are to be at least 100% of debt service in a fiscal year.

Externally Imposed Debt Limits

Central San, as a sanitary district, is subject to certain limits on the direct issuance of bonds payable from proceeds of taxes levied on taxable property in the district. Total bonds issued by Central San cannot exceed 15-20% (depending on some factors) of the assessed value of real and personal property in the district (Health and Safety Code Section 6651). Bond issuances of this nature would require an election with 2/3 voter approval (H&S Code 6644). Central San has no bonds subject to this limitation outstanding. Refunding bonds are not subject to the limitation and election requirement. In 2009 and 2021 (and previously in 1994 and 2002), Central San financed a portion of its capital improvements using a Facilities Financing Authority, a form of Joint Powers Authority (JPA), using a form of an installment sale agreement with a similar payment structure as a bond. In such an arrangement, the financing authority issues bonds or certificates of participation, with the installment sale agreement supporting the JPA bonds (payments on the installment agreement received by the JPA pay the JPA's bonds). This structure is typical for California special districts and is not subject to the bond election and debt limits described in the preceding paragraph.

External financing of part of the capital program is anticipated for FY 2022-23 through the finalized loan from the California SWRCB for Phase 1 of the Solids Handling Facility Improvements Project. This financing, and other financing currently anticipated within the 10-year financial planning horizon, is forecast to be below the limits noted above.

Agency Debt Limits

Central San's Debt Management and Continuing Disclosure Policy adopted during FY 2017-18 (and subsequently updated in FY 2019-20) specifies the conditions under which debt and other forms of external financing can be used. This policy is intended to cover both Central San and the Central Contra Costa Sanitary District Facilities Financing Authority, for "debt" in a broad sense, as well as other external financial obligations such as an Installment Sale Agreement, which is not a bond and technically is not considered a debt. This policy (Board Policy 029) provides certain guidance on the use of debt and financial obligations, as follows:

Debt Management and Continuing Disclosure Policy Standards for Use of Debt Financing

The District shall integrate its debt issuances with the goals of its Capital Improvement Program (CIP) by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes (as articulated in, inter alia, the District's mission, vision and goals) and are consistent with the rate and financial planning parameters specified in the District's long-term financial plans. The Board shall be presented with a long-term financial plan in each instance Sewer Service Charge rates are to be adjusted.

1. *The long-term financial plans will specify an expected debt issuance amount over a decade or more long-term planning horizon.*
 - a. *The District shall target rate or tax revenue funding of, at a minimum, the value of the collection system replacement program (specifically, pipeline replacement) component of the CIP.*

- b. Not more than 60% of the overall CIP shall be financed with debt.*
- 2. All projects in the CIP are eligible to use debt financing, so long as the minimum rate or tax revenues are generated as described in this section.*

This policy does not contemplate the use of debt financing to fund ongoing operating and maintenance expenditures; exceptions beyond a de-minimis amount would require approval of the Board. With respect to debt repayment and amortization, the debt repayment period should be structured so that the weighted average maturity of the debt does not exceed 100% of the expected average useful life of the project being financed.

Supplemental Financial Information

This section contains supplemental financial information regarding salaries and benefits, an additional analysis of Changes in Net Position and Fund Equity, and a chart of Central San ad valorem property tax collections compared to assessed values.

**Table 1 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Total Central San**

Central San as a Whole						
	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projection	FY 2022-23 Budget	Budget to Budget Variance
Salaries	\$41,903,773	\$38,707,998	\$42,010,642	\$40,863,399	\$46,463,223	\$4,452,581
Salary Vacancy	(1,077,800)	-	(1,248,000)	-	(1,482,000)	(234,000)
Overtime	1,695,518	1,354,174	1,640,900	1,523,891	1,618,676	(22,224)
Standby	419,000	218,985	422,000	414,000	447,000	25,000
Compensated Absences Payout	850,000	796,013	1,150,000	1,100,000	1,100,000	(50,000)
Total Salaries	43,790,491	41,077,170	43,975,542	43,901,290	48,146,899	4,171,357
Current Employee Benefits	18,751,483	16,989,719	19,371,650	18,936,636	20,210,822	839,172
Benefit Vacancy	(581,000)	-	(716,000)	-	(663,000)	53,000
Total Benefits	18,170,483	16,989,719	18,655,650	18,936,636	19,547,822	892,172
Total Salaries and Benefits (Active Employees)	61,960,974	58,066,889	62,631,192	62,837,926	67,694,721	5,063,529
Capitalized Administrative O/H	-	-	-	-	-	-
Total Salaries & Benefits after Capitalized Admin O/H	61,960,974	58,066,889	62,631,192	62,837,926	67,694,721	5,063,529
Pension UAAL	13,490,507	13,011,821	62,770	107,915	66,220	3,450
OPEB UAAL	2,451,000	2,479,231	1,260,000	1,260,000	1,320,000	60,000
Additional Trust Contributions	1,250,000	1,250,000	1,250,000	1,250,000	-	(1,250,000)
Total Benefits and UAAL	17,191,507	16,741,053	2,572,770	2,617,915	1,386,220	(1,186,550)
Total Salaries, Benefits & UAAL before Extraordinary Item	79,152,481	74,807,942	65,203,962	65,455,841	69,080,941	3,876,979
Pension UAAL Payoff	-	70,763,669	-	-	-	-
Total Salaries, Benefits & UAAL	\$79,152,481	\$145,571,611	\$65,203,962	\$65,455,841	\$69,080,941	\$3,876,979

**Table 2 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Operations & Maintenance Sub-Fund**

O&M Sub-Fund						
	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projection	FY 2022-23 Budget	Budget to Budget Variance
Salaries	\$37,749,621	\$34,876,495	\$37,784,817	\$36,440,460	\$40,933,130	\$3,148,313
Salary Vacancy	(989,800)	-	(1,248,000)	-	(1,317,000)	(69,000)
Overtime	1,514,370	1,181,287	1,602,574	1,440,488	1,585,718	(16,856)
Standby	419,000	218,985	422,000	414,000	447,000	25,000
Compensated Absences Payout	850,000	796,013	1,150,000	1,100,000	1,100,000	(50,000)
Total Salaries	39,543,191	37,072,780	39,711,391	39,394,948	42,748,849	3,037,457
Current Employee Benefits	17,209,569	15,607,102	17,924,723	17,558,146	18,593,895	669,172
Benefit Vacancy	(581,000)	-	(716,000)	-	(663,000)	53,000
Total Benefits	16,628,569	15,607,102	17,208,723	17,558,146	17,930,895	722,172
Total Salaries and Benefits (Active Employees)	56,171,760	52,679,882	56,920,115	56,953,094	60,679,744	3,759,629
Capitalized Administrative O/H	(5,083,396)	(4,852,280)	(4,520,000)	(5,168,152)	(5,618,681)	(1,098,681)
Total Salaries & Benefits after Capitalized Admin O/H	51,088,364	47,827,602	52,400,115	51,784,942	55,061,063	2,660,948
Pension UAAL	12,126,016	11,787,320	56,845	101,817	59,784	2,938
OPEB UAAL	2,451,000	2,479,231	1,260,000	1,260,000	1,320,000	60,000
Additional Trust Contributions	1,250,000	1,250,000	1,250,000	1,250,000	-	(1,250,000)
Total Benefits and UAAL	\$15,827,016	\$15,516,551	\$2,566,845	2,611,817	\$1,379,784	(\$1,187,062)
Total Salaries, Benefits & UAAL before Extraordinary Item	66,915,380	63,344,153	54,966,960	54,396,759	56,440,847	1,473,887
Pension UAAL Payoff	-	70,763,669	-	-	-	
Total Salaries, Benefits & UAAL	\$66,915,380	\$134,107,822	\$54,966,960	\$54,396,759	\$56,440,847	\$1,473,887

**Table 3 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Sewer Construction Sub-Fund**

Sewer Construction Sub-Fund						
	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projection	FY 2022-23 Budget	Budget to Budget Variance
Salaries	\$4,154,152	\$3,831,503	\$4,225,824	\$4,422,939	\$5,530,093	\$1,304,268
Salary Vacancy	(88,000)	-	-	-	(165,000)	(165,000)
Overtime	181,148	172,887	38,326	83,404	32,958	(5,369)
Total Salaries	4,247,300	4,004,390	4,264,151	4,506,342	5,398,050	1,133,900
Current Employee Benefits	1,541,914	1,382,617	1,446,927	1,378,490	1,616,927	170,000
Total Benefits	1,541,914	1,382,617	1,446,927	1,378,490	1,616,927	170,000
Total Salaries and Benefits (Active Employees)	5,789,214	5,387,007	5,711,078	5,884,832	7,014,977	1,303,900
Capitalized Administrative O/H	5,083,396	4,852,280	4,520,000	5,168,152	5,618,681	1,098,681
Total Salaries & Benefits after Capitalized Admin O/H	10,872,610	10,239,287	10,231,077	11,052,984	12,633,658	2,402,581
Pension UAAL	1,364,491	1,224,502	5,925	6,097	6,436	511
Total Benefits and UAAL	1,364,491	1,224,502	5,925	6,097	6,436	511
Total Salaries, Benefits & UAAL	\$12,237,101	\$11,463,788	\$10,237,002	\$11,059,082	\$12,640,094	\$2,403,092

Tables 4 - 6 show additional detail on employee benefit costs for Central San as a whole, the O&M Sub-Fund and the Sewer Construction Sub-Fund.

Table 4 – Benefit Cost Detail, Central San as a Whole

Central San as a Whole						
Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$6,431,143	\$5,498,310	\$6,847,400	\$6,631,743	\$7,239,177	\$391,777
Dental	529,494	414,932	537,277	528,601	572,177	34,900
Long-Term Disability	73,126	55,612	89,149	66,874	92,951	3,801
Life / AD&D	92,305	85,317	87,115	87,883	89,328	2,212
Workers' Compensation	866,625	868,002	836,443	716,060	849,332	12,889
Vision	46,323	50,954	51,106	49,987	53,221	2,116
Total Insurance Premiums	8,039,016	6,973,127	8,448,491	8,081,149	8,896,186	447,696
Employer Taxes:						
State Unemployment Insurance	84,166	85,595	110,443	83,984	129,273	18,830
Federal Medicare	543,359	550,849	539,461	571,431	584,803	45,343
Total Employer Taxes	627,525	636,444	649,903	655,415	714,076	64,173
Employer Retirement Contributions:						
Pension (Normal Cost)	5,758,044	4,956,703	5,948,365	5,741,403	6,219,267	270,903
Deferred Compensation (401a)	2,639,598	2,795,431	2,264,892	2,398,669	2,370,293	105,401
Total Employer Retirement Contributions	\$8,397,642	\$7,752,134	\$8,213,256	\$8,140,072	\$8,589,560	\$376,303
OPEB ADC (Normal Cost):						
Medical & Vision	1,504,000	1,516,376	1,863,000	1,863,000	1,845,000	(18,000)
Dental	135,000	111,279	180,000	180,000	153,000	(27,000)
Life	2,000	360	17,000	17,000	13,000	(4,000)
Total OPEB ADC (Normal Cost)	\$1,641,000	\$1,628,015	\$2,060,000	\$2,060,000	\$2,011,000	(\$49,000)
Benefit Adjustments:						
Capitalized Admin Overhead	-	-	-	-	-	-
Benefit Vacancy	(581,000)	-	(716,000)	-	(663,000)	53,000
Other	46,300	-	-	-	-	-
Total Benefit Adjustments:	(534,700)	-	(716,000)	-	(663,000)	53,000
Central San as a Whole	\$18,170,483	\$16,989,719	\$18,655,650	\$18,936,636	\$19,547,822	\$892,172

Table 5 – Benefit Cost Detail, O&M Sub-Fund

O&M Sub-Fund						
Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$5,892,246	5,001,852	\$6,319,255	\$6,115,359	\$6,636,610	\$317,355
Dental	482,595	371,477	494,600	486,155	523,844	29,244
Long-Term Disability	66,329	48,667	79,973	60,133	82,706	2,732
Life / AD&D	80,686	81,504	79,922	84,254	81,571	1,649
Workers' Compensation	826,417	845,464	804,799	692,581	813,785	8,986
Vision	46,323	46,841	47,020	45,932	48,654	1,634
Total Insurance Premiums	7,394,596	6,395,805	7,825,569	7,484,413	8,187,170	361,601
Employer Taxes:						
State Unemployment Insurance	25,000	44,893	50,000	50,000	50,000	-
Federal Medicare	543,359	550,849	539,461	571,431	584,803	45,343
Total Employer Taxes	568,359	595,742	589,461	621,431	634,803	45,343
Employer Retirement Contributions:						
Pension (Normal Cost)	5,181,105	4,443,343	5,395,262	5,209,550	5,613,906	218,644
Deferred Compensation (401a)	2,378,209	2,544,197	2,054,432	2,182,752	2,147,016	92,584
Total Employer Retirement Contributions	7,559,314	6,987,540	7,449,694	7,392,302	7,760,922	311,228
OPEB (Normal Cost):						
Medical & Vision	1,504,000	1,516,376	1,863,000	1,863,000	1,845,000	(18,000)
Dental	135,000	111,279	180,000	180,000	153,000	(27,000)
Life / AD&D	2,000	360	17,000	17,000	13,000	(4,000)
Total OPEB (Normal Cost)	1,641,000	1,628,015	2,060,000	2,060,000	2,011,000	(49,000)
Benefit Adjustments:						
Capitalized Admin Overhead	(5,083,396)	(4,852,280)	(4,520,000)	(5,168,152)	(5,618,681)	(1,098,681)
Benefit Vacancy	(581,000)	-	(716,000)	-	(663,000)	53,000
Other	46,300	-	-	-	-	-
Total Benefit Adjustments:	(5,618,096)	(4,852,280)	(5,236,000)	(5,168,152)	(6,281,681)	(1,045,681)
Total O&M Fund Benefits	\$11,545,173	\$10,754,822	\$12,688,724	\$12,389,994	\$12,312,215	(\$376,509)

Table 6 – Benefit Cost Detail, Sewer Construction Sub-Fund

Sewer Construction Sub-Fund						
Account Description	FY 2020-21 Budget	FY 2020-21 Actual	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$538,897	\$496,459	\$528,145	\$516,384	\$602,567	\$74,422
Dental	46,899	43,455	42,678	42,446	48,333	5,656
Long-Term Disability	6,797	6,945	9,176	6,741	10,245	1,069
Life / AD&D	11,619	3,813	7,193	3,630	7,756	563
Workers' Compensation	40,208	22,538	31,644	23,479	35,547	3,903
Vision	-	4,112	4,085	4,056	4,567	482
Total Insurance Premiums	644,420	577,322	622,921	596,736	709,016	86,095
Employer Taxes (Medicare)	59,166	40,701	60,443	33,984	79,273	18,830
Employer Retirement Contributions:						
Pension (Normal Cost)	576,939	513,360	553,103	531,853	605,361	52,258
Deferred Compensation (401a)	261,389	251,234	210,460	215,917	223,276	12,817
Total Employer Retirement Contributions	838,328	764,594	763,563	747,770	828,638	65,075
Capitalized Admin Overhead	5,083,396	4,852,280	4,520,000	5,168,152	5,618,681	1,098,681
Total Sewer Construction Fund Benefits	\$6,625,310	\$6,234,897	\$5,966,927	\$6,546,642	\$7,235,608	\$1,268,681

Table 6 – Changes in Net Position and Fund Equity

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Projected	FY 2022-23 Projected
Total Operating Revenue	\$87,222,779	\$89,242,561	\$117,796,852	\$67,917,508
Total Non-Operating Revenues	24,658,211	27,828,610	26,019,317	25,707,900
Total Revenues	111,880,990	117,071,171	143,816,169	93,625,408
Total Operating Expenses				
Total Operating Expenses	100,715,441	105,444,779	100,442,562	110,189,046
Non-Operating Expense - Interest	604,851	542,226	2,443,260	2,501,922
Total Expenses	101,320,292	105,987,005	102,885,822	112,690,968
Income Before Capital Contributions				
Income Before Capital Contributions	10,560,698	11,084,166	40,930,347	(19,065,560)
Total Capital Contributions	53,068,468	46,644,333	23,425,620	77,911,492
Change in Net Position	63,629,166	57,728,499	64,355,967	58,845,932
Beginning Net Position	704,131,562	767,760,728	825,489,227	889,845,194
Ending Net Position	767,760,728	825,489,227	889,845,194	948,691,126
Net Investment in Capital Assets				
Net Investment in Capital Assets	692,117,172	684,834,242	749,151,142	823,351,142
Restricted for Debt Service	2,639	34,929,105	-	-
Unrestricted	75,640,917	105,725,880	140,694,052	125,339,984
Total Net Position	\$767,760,728	\$825,489,227	\$889,845,194	\$948,691,126

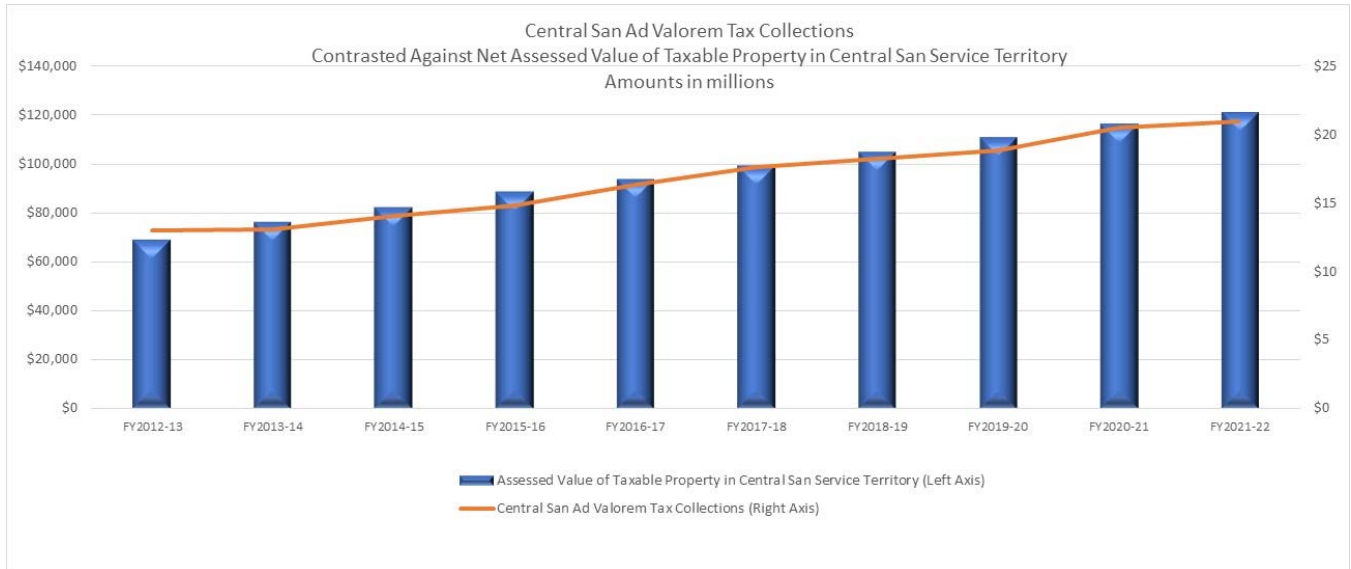
Net Position is classified into three categories: Net Investment in Capital Assets, Restricted for Debt Service, and Unrestricted. The classification is based on availability or accessibility of the resource, rather than its origin. Net position is a measure of the overall financial condition of Central San.

Over time, trends in net position provide indications of Central San's financial strength. Central San's financial condition is affected by numerous factors including financial policies, rate and spending decisions, and external factors such as overall economic trends affecting the service territory, new regulatory requirements, and accounting pronouncements.

The largest portion of Central San's net position is the investment in capital assets (e.g., land, buildings, machinery, equipment, intangible assets, and sewer line infrastructure), less any related debt used to acquire those assets that are still outstanding.

The following figure shows historical Central San ad valorem property tax collections in comparison to assessed value of taxable property in the District’s service territory. Figure 2 is provided to illustrate the general correlation between increasing property values and Central San property tax revenues.

Figure 2 – Central San Property Tax Collections



Glossary

Terms and Definitions Used in the Budget Document	
Accrual Basis of Accounting	The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. An example of accrual basis occurs when an invoice is sent out for services: a receivable is booked, and revenue is recorded even though no cash has been received at the time the invoice is mailed to the customer. (See Cash Basis of Accounting and Modified Accrual Basis of Accounting.)
Administration of Capital	Central San-wide and department operations costs incurred by administration support functions which are not directly charged to each capital project but allocated using a rate applied to direct labor dollars.
Ad Valorem Tax	Also referred to as Property Tax. A tax based on the assessed value of taxable property. Central San receives a portion of the ad valorem taxes levied by Contra Costa County on properties in the service area.
Amortization	The action or process of gradually writing off the initial cost of an asset, the action or process of reducing or paying off a debt with regular payments, or a period in which debt is reduced or paid off by regular payments.
Adopted Budget	A balanced financial plan authorized by the Board establishing maximum appropriations and projected revenues and reserves to meet those needs for a one fiscal year. The total expenditures of each fund must stay within Board-approved appropriations in the adopted budget, unless amended by the Board.
Amended Budget	The current effective budget for a fiscal year, incorporating revision(s) approved by the Board.
Annual Comprehensive Financial Report	The annual comprehensive financial report (ACFR) is prepared at the close of each fiscal year to show the actual audited condition of Central San's funds and serves as the official public record of Central San's financial status and activities.
Appointment Type	Indicates the character of a position. The following are examples of appointment types for Central San: Regular, District Temporary, and Consultant.
Arbitrage	Borrowing in one market (such as bonds) at one interest rate and investing in another market (such as certificates of deposit) at a higher interest rate. Such activities are highly restricted by the federal government, and any excess interest earned in this manner is not tax-exempt and is subject to rebate to the Federal Government.
Asset	An economic resource owned by the entity that is expected to benefit future operations. Examples of assets are cash, investments, receivables, and capital or fixed assets.
Authorized Position	A position created and established by the Board.
Balanced Budget	A budget in which approved funding sources (i.e., revenues and authorized uses of excess reserves) are equal or greater to expenditures.
Balance Sheet	See Statement of Net Position, the current term.
Board of Directors	The five public officials elected at large to represent Central San's service area. Also known as the Board.
Bonds	A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with a periodic interest amount paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements. Debt service payments are made to repay the bond holders. Central San's goal is to limit debt-funded capital to no more than 60% of the total Capital Program over a ten-year period.
Budget	A plan of financial operation, embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates).
Build America Bonds (BABs)	A type of municipal bond created under the American Recovery and Reinvestment Act of 2009. These bonds are sold at a taxable rate rather than a lower tax-exempt rate, and Central San receives cash rebates from the U.S. Treasury to offset the higher interest cost.

Terms and Definitions Used in the Budget Document	
Capacity Fee	This is a charge paid at the time of connection to compensate Central San for capital facilities that provide wastewater treatment (i.e., interceptors, primary and secondary treatment facilities, and wet weather treatment plants) to new connections.
Capital	Referring to the Sewer Construction Fund.
Capital Appropriation	Board-approved funding for capital reference projects for which relatively accurate time estimates can be made. Unspent appropriations carry forward to the next fiscal year.
Capital Assets	Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
Capital Improvement Budget (CIB)	A financial plan for providing the purchase, construction, or rehabilitation of fixed assets such as equipment, facilities, and systems. The capital budget is usually enacted as a part of the complete annual budget, which includes both operating and capital outlays. The capital budget should be based on a longer-term capital improvement program (CIP).
Capital Cash Flow	Projected cash disbursements for capital projects for a given time period. The estimated capital cash flow is used to determine the amount of revenue required and the rate impacts, or the amount and timing of borrowings to meet the projected expenditure needs for a given time period.
Capital Expenditures	Expenditures related to the purchase or construction of equipment, building structures, aqueducts, and water/sewer pipelines that have a useful life greater than one year and a cost greater than \$5,000.
Capital Improvement Plan (CIP)	A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.
Capital Labor	The portion of labor costs supporting the capital improvement program.
Cash Basis of Accounting	A basis of accounting under which transactions are recognized only when cash changes hands.
Cash Reserves	Easily liquidated cash and investments available to meet operating, capital, self-insurance, and debt service obligations. Reserves may be restricted or unrestricted. The O&M and Capital Funds Available are unrestricted cash reserves, made up of cash and investments (see <i>Funds Available</i> and <i>Funds Required</i>).
Central Contra Costa Sanitary District Facilities Financing Authority (CCCSD FFA)	A California non-profit public benefit corporation utilized historically by Central San as a long-term financing vehicle for its capital program.
Certificates of Participation (COP)	A form of financing used by municipal or government entities which allows an individual to buy a share of the lease revenue of an agreement made by these entities.
Contra Costa County Employees' Retirement Association (CCCERA)	The retirement association for 16 local agencies in Contra Costa County, including the County itself. CCCERA's retirement benefit structure is based upon the County Employees Retirement Law (CERL) of 1937, commonly referred to as the "37 Act."
CCF	One hundred cubic feet, which equals 748 gallons or one unit.
Chart of Accounts	An index of all the financial accounts in Central San's general ledger. Used as an organizational tool that helps provide a digestible breakdown of all the financial transactions Central San conducted during the fiscal year. At the highest level, the basic categories are assets, liabilities, revenues, expenses and equity.

Terms and Definitions Used in the Budget Document	
Civil Service System	The system used for the selection, examination, employment, classification, advancement, suspension, and discharge of employees. Applies only to Regular and Intermittent employees or employees who have attained civil service status but are working in a position excluded from the civil service.
Collection System	Pipelines and pumping stations that convey wastewater from customers to the treatment plant.
Commercial Paper	Short-term financing for capital projects.
Consent Decree	An agreement or settlement to resolve a dispute between two parties.
Cost of Service Study	Equitably assigns cost responsibility to customers through rates and charges developed as part of the study.
Credit Rating	A rating assigned by a nationally recognized statistical rating agency, providing an indication to creditors of the ability of Central San to meet its financial obligations when due. Central San currently has credit ratings from two firms: Standard & Poor's and Moody's. A better credit rating allows Central San to borrow at a lower cost than a less favorable credit rating.
Debt-Funded Capital	Expenditures for capital projects which are funded by bonds, state loans, or other debt.
Debt Policy	A policy adopted by the Board that discusses when and how bonds and other forms of indebtedness may be used by Central San.
Debt Service	Expenditures for interest and principal repayment on bonds or other debt.
Debt Service Coverage	The ratio of net revenues to debt service requirements, calculated in accordance with bond documents. Central San's debt policy specifies that Central San will target a debt service coverage ratio of at least 2.0x. Central San's bond covenants require at least 1.00x coverage on a "gross revenue" basis and 1.25x on a net revenue basis.
Debt Service Fund	One of four sub-funds of the enterprise fund used to account for Central San's operations. This sub-fund accounts for activity associated with the payment of Central San's long-term bonds and loans.
Defeasement	Relieving the agency of a particular liability (such as a specific bond series) by refunding the liability through an escrow or trust fund. Legally defeased liabilities do not need to be appropriated each year as the trust fund is removed from the control of the agency. (Central San defeased its 1994 debt using 1998 Revenue Refunding Bonds, and certain 2009 bonds with the 2018 Series Bonds)
Deficit	The excess of expenditures or expenses over revenues during a single accounting period.
Department	A major organizational unit with overall managerial responsibility for functional programs. Central San currently has three Departments: Administration, Engineering & Technical Services, and Operations. Each Department is overseen by a director and is comprised of several separate and distinguishable Divisions.
Depreciation	A reduction in the value of an asset with the passage of time, due to wear and tear.
Distribution System	Wastewater treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to customers.
District Code	A system of rules, which are compiled and arranged by a municipal corporation, and are adopted and used to regulate the conduct of its inhabitants and government.
District Temp	Temporary staffing positions that are restricted to working no more than 12 months, do not receive customary benefits, and do not have civil service status.
Division	A major organizational unit of a department responsible for providing different services to the public as well as other divisions of Central San.
Effective Utility Management (EUM)	A framework developed in 2007 by the Environmental Protection Agency and water industry leaders that indicates where effectively managed water/wastewater utilities should focus.

Terms and Definitions Used in the Budget Document	
Encumbrance	The obligated and unspent portion of a contingent liability established through a purchase order that is chargeable to an account. It ceases to be an encumbrance when it is paid by the recording of an invoice, or a reduction of the purchase order's outstanding balance occurs.
Enterprise Fund	Pursuant to the law and generally accepted accounting principles, Central San reports its financial activities in a consolidated enterprise fund in its annual financial statements. In governmental accounting, an enterprise fund is a type of proprietary fund used to report self-sustaining activities that derive the major portion of its revenue from user fees charged to external users for goods or services. For financial reporting purposes, Enterprise funds use the <i>economic resources</i> measurement focus and accrual basis of accounting used for private-sector business enterprises and not-for-profit organizations. This contrasts from "governmental funds" used by cities and counties, which use the <i>current financial resources</i> measurement focus and modified accrual basis of accounting. Central San uses one enterprise fund with four "sub-funds" (see below) to facilitate improved internal budgeting and accounting.
Expenditure	The payment of an obligation from Central San's cash amounts.
Facility Capacity Fees	See <i>Capacity Fee</i> above.
Fiduciary Fund	A fund in which assets are held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. There are four types of fiduciary funds: Pension (and other employee benefit), Investment, Private-Purpose and Agency.
Fiscal Reserves Policy	A document outlining minimum reserve thresholds, identifying current and potential reserves, and explaining what reserves are, or will be used for.
Fiscal Year	The 12-month period that begins on July 1 and ends on June 30 of the following year.
Full-Time Equivalent (FTE)	An employee who works full time counts as 1 FTE.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives. One type of government fund is an enterprise fund and is the only type of government fund used by Central San.
Fund Balance (Net Position)	Assets minus liabilities (also called net position).
Funded Position	Authorized position for which the Board has appropriated funding in a fiscal year.
Generally Accepted Accounting Principles (GAAP)	Generally Accepted Accounting Principles are the accounting rules that are required to be followed by organizations in the U.S. These Principles are established by two organizations: The Financial Accounting Standards Board for commercial and not-for-profit entities, and the Governmental Accounting Standards Board for governmental entities in the United States.
Governmental Accounting Standards Board (GASB)	Governmental Accounting Standards Board is the body that specifies the accounting rules for governmental agencies in the U.S. The Board issues GASB statements that can require significant changes to an agency's financial reporting.
GASB 62	An accounting pronouncement of the GASB issued in 2010 that incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Central San's Board adopted the Regulatory Accounting provisions of GASB 62 in April 2021, as described in the Financial Summary section of this budget document.

Terms and Definitions Used in the Budget Document	
GASB 62	<p>An accounting pronouncement of the GASB issued in 2010 that incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.</p> <p>Central San's Board adopted the Regulatory Accounting provisions of GASB 62 in April 2021, as described in the Financial Summary section of this budget document.</p>
GASB 68	An accounting requirement of the Governmental Accounting Standards Board effective in 2014 that addresses Accounting and Financial Reporting for defined benefit pensions, which revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits.
GASB 75	An accounting requirement of the Governmental Accounting Standards Board effective in 2017 that addresses Accounting and Financial Reporting for defined benefit Other Post Employment Benefit (OPEB) plans, which revises and establishes new financial reporting requirements for most state and local governments that provide their employees with OPEB benefits.
General Fund Reserves	An account used to record funds that are not legally restricted for specified purposes, such as those committed to repay obligations. General Fund Reserves provide for self-insurance claims, unplanned revenue changes, working capital, workers' compensation, and unanticipated contingencies.
General Manager	The Chief Executive Officer of Central San, hired by the Board.
General Obligations (GO) Bonds	When a government pledges its full faith and credit to the repayment of the bonds it issues, those bonds are general obligation (GO) bonds. Sometimes, the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.
Government Finance Officers Association (GFOA)	Government Finance Officers Association represents public finance officials throughout the U.S. and Canada; it provides best practice guidance, consulting, networking opportunities, publications, training programs, and recognition programs to its members.
Goal	The long-term continuing mission of a department, division, or program. Goals define the strategic results to be achieved and therefore indicate the relevance, permanence, scope, and effectiveness of that outcome.
Household Hazardous Waste Collection Facility (HHWCF)	The service and facility operated by Central San providing for the safe disposal of items that, in the absence of this service, could be inappropriately disposed of through the sewer system, risking pollution of the Bay.
Infrastructure	The tangible physical components that ensure delivery of reliable, high-quality wastewater service now and in the future. Typical components are reservoirs, pumping plants, pipelines, and anaerobic digesters.
Internal Control	The plan of organization and all other coordinated methods and procedures adopted to safeguard assets; check the operations data; promote operational efficiency, economy, and effectiveness; and encourage adherence to prescribed managerial policies that will accomplish the objectives of the organization.
<i>InfoMaster</i> [®]	GIS-based Asset Integrity Management and Capital Planning Tool
<i>InfoWorks</i> [®]	New Sewer System Hydrodynamic Model
Key Performance Indicators (KPI)	Indicators with specific targets that measure how well Central San is progressing in achieving its goals under the Key Metrics of the Strategic Plan.
Liability	A debt of the business; an amount owed to creditors, employees, government bodies, and others; a claim against assets.

Terms and Definitions Used in the Budget Document	
Modified Accrual Basis of Accounting	The accrual basis of accounting adapted to the government fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.
Modified Cash Flow Basis	Income and expense accounting method that records revenue when cash is received and records expenses when cash is paid.
Net Assets	See <i>Fund Balance</i> .
One-Time Revenue	A revenue that cannot reasonably be expected to continue, such as a single-purpose federal grant, an interfund transfer, or use of a reserve. Continual use of one-time revenues to balance the annual budget can indicate that the revenue base is not strong enough to support current service levels.
Operating Appropriation	Board-approved funding for operating expenses. Unspent appropriations do not rollover to the next fiscal year.
Operating Budget	A financial plan to fund ongoing operations costs incurred to operate Central San, excluding the building of capital assets, which are included in the capital budget.
Operating Deficit	When current expenditures exceed current revenues.
Operating Departments	The three units of Central San that carry out the mission of the agency: Administration, Engineering & Technical Services, and Operations.
Operating Labor	The portion of Central San's labor costs supporting day-to-day operations.
Operating & Maintenance (O&M) Fund	One of four sub-funds of the enterprise fund used to account for Central San's operations. This sub-fund provides for the general operations, maintenance, and administration of Central San. Also referred to as the "Running Expense" fund, which is the legal name of this fund pursuant to the Sanitary Act of 1923.
Organization	A group of staff organized into one unit or section working under a division or department. This is the lowest level at which operating budgets are developed.
Other Post-Employment Benefits (OPEB)	In addition to pensions, many state and local governmental employers provide other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment healthcare, as well as other forms of post-employment benefits (e.g., life insurance) when provided separately from a pension plan.
Other Purchased Services	Category of expenses at the highest "grandparent" roll-up level for financial and budgetary reporting purposes in the new chart of accounts. Includes services purchased not connected to property. Includes "parent" roll-up expense categories such as: professional services, technical services, and other services (i.e., administrative, other public agency services, etc.).
Overhead (Administrative Overhead and Non-Work Hours)	Administrative Overhead and Non-Work Hours include indirect costs and the value of time off (holidays, sick leave, vacation, etc.). These costs are expressed as a percent of salary. For Central San accounting, salaries and benefits are separate from overhead (whereas consulting firms typically view employee benefits in "overhead"). Indirect costs are costs that are incurred for a common or joint purpose benefiting more than one cost objective or task and are not readily assignable.
Pay as You Go (or pay-go)	A term used to describe paying expenses as they are incurred, as opposed to pre-paying, pre-funding, or setting money aside for future expenses. Used primarily to refer to the strategy of paying for capital projects.
Public Employees' Pension Reform Act (PEPRA)	California's Public Employees' Pension Reform Act established a new less costly retirement tier for employees newly hired or which did not have prior service with a reciprocal retirement system prior to January 1, 2013.
Performance Measures	Specific quantitative measures of work performed within an activity or program (e.g., total miles of pipes cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to a new street lighting program).
Program	Broadly defined group of related reference projects combined to facilitate planning and decision making.
Project or Reference Project	Project level identified in the CIP comprised of a discrete set of tasks that can be carried out independently but require coordination with other projects to ensure overall program success. Appropriation requests and projected cash flows are authorized at this level.

Terms and Definitions Used in the Budget Document	
Proposed Budget	The recommended balanced financial plan for one fiscal year submitted for consideration to the Board prior to adoption.
Proprietary Fund	Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: Enterprise and Internal Service.
Pumping Capacity Fees	A component of capacity fees for units that are located in areas tributary to one or more of Central San's pumping stations. (See <i>Capacity Fees</i> .)
Purchased Property Services	Category of expenses at the highest "grandparent" roll-up level for financial and budgetary reporting purposes in the new chart of accounts. Includes services purchased to operate, repair, maintain, and rent property owned or used by Central San. Includes "parent" roll-up expense categories such as: repairs & maintenance, hauling & disposal, security, rentals, cleaning, and construction.
Rate (or Cash) Funded Expenditures	Annual operations and maintenance expenses as well as the portion of the capital program that are funded from current revenues.
Rates	Charges for services to customers that cover the costs of such services while allowing Central San to remain reserve neutral.
Rate Stabilization Fund Reserve	Restricted-use reserves in the O&M and Sewer Construction Funds to help mitigate against sewer service charge increases that may otherwise be caused by unforeseen volatility in operational expenses and/or revenues. Deposits to and from this restricted-use reserve must be authorized by the Board. Amounts placed in these reserve accounts are in excess of and separately distinguishable from minimum working capital reserves of the O&M and Sewer Construction Funds specified by the Reserve Policy.
Regular Position	Full-time, civil service position.
Reserves	See <i>Cash Reserves</i> .
Residential Unit Equivalent (RUE)	A measure of sewage volume and strength equivalent to a typical residential household.
Restricted Reserves	Monies that, by action of the Board, State Law, or Bond Covenants, are required to be spent on specific programs or held for specified purposes.
Restricted Revenue	Monies that are legally earmarked for a specific use, as may be required by state law, bond covenants, or grant requirements. For instance, capacity fees must be used within the Sewer Construction Fund; the revenue cannot be transferred to O&M.
Revenue	Monies received from rates, charges, and other sources. Revenues are used to pay for expenditures.
Revenue Bonds	Bonds (instruments and indebtedness) issued by the public sector to finance a facility or equipment purchase, which, unlike general obligation bonds, are not backed by the full faith and credit of the government. Instead, their revenues are generated from the facility or equipment that they finance. Because they are state or local government bonds, their interest earnings are typically tax-exempt under the Internal Revenue Code.
Revenue-Funded Capital	Expenditures on capital projects which are funded by revenues of Central San rather than by debt, grants, or other funds.
Running Expense Fund	Legal term used by the Sanitary District Action of 1923 (<i>California Health & Safety Code</i> section 6792) to be used for ongoing running expenses of Sanitary Districts. Synonymous with Operating & Maintenance (O&M) Fund.
Service Area	The cities and areas served by Central San, including Alamo, Blackhawk, Clyde, Danville, Lafayette, Martinez, Moraga, Orinda, Pacheco and portions of San Ramon and Martinez. Concord's and Clayton's residents' and businesses' wastewater is collected by the City of Concord and treated by Central San through a contractual arrangement; therefore, Concord and Clayton are considered to be in Central San's service area. (Also called Service Territory).

Terms and Definitions Used in the Budget Document	
Self-Insurance Fund	One of four sub-funds of the enterprise fund used to account for Central San's operations. This fund covers the cost of claims not covered by Central San's insurance coverage, the cost of insurance premiums, interest earnings on the fund, and other associated costs.
Sewer Construction (Capital) Fund (S/C)	One of four sub-funds of the enterprise fund used to account for Central San's operations. This sub-fund provides for the treatment plant and collection system renewal and replacement expenditures, as well as office facilities renewal, vehicle and equipment replacement, information systems replacement, and miscellaneous capital expansion needs.
Strategies, Initiatives, Metrics (SIM)	The key components of the Strategic Plan that specify the overall goals in the coming years, consisting of the Strategies (highest level objectives), Initiatives (how the strategies will be achieved), and Metrics (measurements of progress).
Sinking Fund	A method by which a government may set aside money over time to pay for a project or obligation.
Staffing Plan	The classes and positions that have been authorized by the Board and have been determined necessary to carry out Central San functions. Central San's current staffing level is based on a 2015 Organization and Staffing Plan, which resulted from a study conducted by Raftelis Financial Consultants, recommending 290 FTE positions.
State Revolving Fund (SRF)	A state revolving fund (SRF) is a fund administered by a U.S. state for the purpose of providing low-interest loans for investments in water and sanitation infrastructure (e.g., sewage treatment, stormwater management facilities, drinking water treatment), as well as for the implementation of nonpoint source pollution control and estuary protection projects. The SRF in California is administered by the State Water Resources Control Board.
Strategic Plan	The document that provides a blueprint for how Central San will respond to future challenges and changing priorities over a two-year period. It outlines specific goals, strategies, and objectives to guide Central San and establishes criteria to measure progress.
Strategy	Highest level of capital improvement activities, generally a grouping of related programs. Represents key capital objectives as defined in the Mission Statement, Strategic Plan, and Board policies and directives.
Statement of Net Assets (Balance Sheet prior to GASB 34)	A statement reporting the present financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date. Assets minus liabilities equal fund balance (also called Net Assets).
Sub-Funds	<p>As noted previously, Central San is considered one enterprise fund with four "sub-funds" to facilitate improved internal budgeting and accounting. The sub-funds used and included in this budget document are as follows:</p> <ul style="list-style-type: none"> • Running Expense Sub-Fund - (also referred to as Operations and Maintenance, O&M, or R/E) accounts for the general operations of Central San. Substantially accounts for all operating revenues and expenses. • Sewer Construction Sub-Fund - (also referred to as Capital or S/C) accounts for non-operating revenues that are to be used for acquisition or construction of plant, property, and equipment. • Self-Insurance Sub-Fund - (also referred to as S/I) accounts for interest earnings on cash balances and cash allocations from other funds, temporary investments, and costs of insurance premiums and claims not covered by Central San's insurance policies. <p>Debt Service Sub-Fund - A sub-fund that accounts for activity associated with the payment of Central San's long-term bonds and loans.</p>
Subsidy Payment	Relating to Build America Bonds (BABs), the subsidy payment represents funds from the federal government to offset part of the interest cost paid by Central San as the issuer of bonds. The BABs were issued in 2009 in lieu of traditional tax-exempt debt. Central San pays a taxable rate of interest to investors, investors pay the Federal Government Income Tax on that interest, and the federal government remits a specified percentage of the interest payment to Central San.

Terms and Definitions Used in the Budget Document	
Supplies & Materials	Category of expenses at the highest “grandparent” roll-up level for financial and budgetary reporting purposes in the new chart of accounts. Includes amounts paid for items that are consumed or deteriorated through use or lose their identity through fabrication or incorporation into different or more complex units or substances. Includes “parent” roll-up expense categories such as: utilities & fuel, chemicals, and general supplies.
Unfunded Actuarial Accrued Liability (UAAL)	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance that obligation. This is a term used in connection with pension plans or commitments to provide other post-employment benefits (OPEB) to employees.
Unfunded Liability	Liability that has been incurred during the current or a prior year, that does not have to be paid until a future year, and for which reserves have not been set aside. This is similar to a long-term debt in that it represents a legal commitment to pay at some time in the future.
Vacancy Factor	Recognizing that not all Funded Positions will be occupied throughout a fiscal year, this allowance reduces budgeted funding to reflect such vacancies. While positions are vacant, some costs are incurred on occasion for temporary staff or consulting resources, reducing the vacancy factor.
Working Capital	The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations. Generally calculated as current assets less current liabilities, with some exceptions.
Working Capital Reserves	<p>The amount of working capital deemed to be unrestricted and liquid to meet current demands. Central San must strive to maintain “working capital reserves” in excess of the Minimum Working Capital Reserves (see definition above) specified in the Fiscal Reserves Policy.</p> <p>Unlike commonly defined “working capital,” the calculation of “working capital reserves” excludes certain current assets with strict purpose restrictions (i.e. Section 115 Prefunding Pension Trust assets, Rate Stabilization Fund Reserve Account, etc.) and other current assets that are not expected to be quickly converted to cash or consumed in operations (i.e., parts and supplies, loans receivable). Generally, the calculation of working capital reserves for the O&M, Sewer Construction, and Self-Insurance funds incorporates the following current assets and liabilities: unrestricted cash and investments, receivables, prepaid expenses, trade payables.</p>
Working Capital Reserve Target	<p>Central San’s Fiscal Reserves Policy specifies minimum working capital reserve targets for its O&M and Sewer Construction Funds. These policy targets are adjusted annually as part of the budget adoption process and are based on each fund’s respective operating budget as follows:</p> <ul style="list-style-type: none"> • O&M Fund – Five months (41.7%) of gross operating expenses at the start of each fiscal year. • Sewer Construction Fund – One half (50%) of the annual Capital Improvement Budget at the start of each fiscal year, excluding capital projects that are to be funded with debt proceeds. <p>The working capital reserve target is used in the 10-year planning process as the amount net liquidity that is needed on June 30 of any fiscal year to meet cash flow needs through mid-December, when the first sewer service charge and property tax payments are received from Contra Costa County. At the entity-wide aggregate level this includes working capital reserves of the O&M and Sewer Construction funds but excludes restricted balances held in the Self-Insurance and Debt Service funds.</p>

Acronyms and Abbreviations

Acronyms and Abbreviations Used in the Budget Document	
ACFR	Annual Comprehensive Financial Report
ADC	Actuarially Determined Contribution
Board	Board of Directors
CAD	Contractual Assessment Districts, Computer Aided Design
CalPERS	California Public Employees' Retirement System
CCCERA	Contra Costa County Employees' Retirement Association
CCCSD	Central Contra Costa Sanitary District
CCTV	Closed-Circuit TV
CCWD	Contra Costa Water District
Central San	Central Contra Costa Sanitary District
CEQA	California Environmental Quality Act
CIB	Capital Improvement Budget
CIP	Capital Improvement Program
CIPP	Cured-in-Place Pipe
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
DERWA	Dublin San Ramon Services District - East Bay Municipal Utility District Recycled Water Authority
ERP	Enterprise Resource Planning
FCD	Flood Control and Water Conservation District
FY	Fiscal Year - July 1 through June 30
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
HHW	Household Hazardous Waste
HOB	Headquarters Office Building
IT	Information Technology
MGD	Million Gallons per Day
MPR	Multi-Purpose Room
O&M	Operations & Maintenance
OPEB	Other Post-Employment Benefits
PLC	Programmable Logic Controller
POB	Plant Operations Building
PY	Prior Year
RAMPCAP J100	Risk Analysis and Management for Critical Asset Protection
ReW	Recycled Water
RSA	Rate Stabilization Account
SCB	Solids Conditioning Building
SIF	Self-Insurance Fund
SRF	State Revolving Fund (Loan)
SSC	Sewer Service Charge
SSO	Sanitary Sewer Overflow
Ten-Year CIP	Ten-Year Capital Improvement Plan
UAAL	Unfunded Actuarially Accrued Liability
UV	Ultraviolet
VFD	Variable Frequency Drives