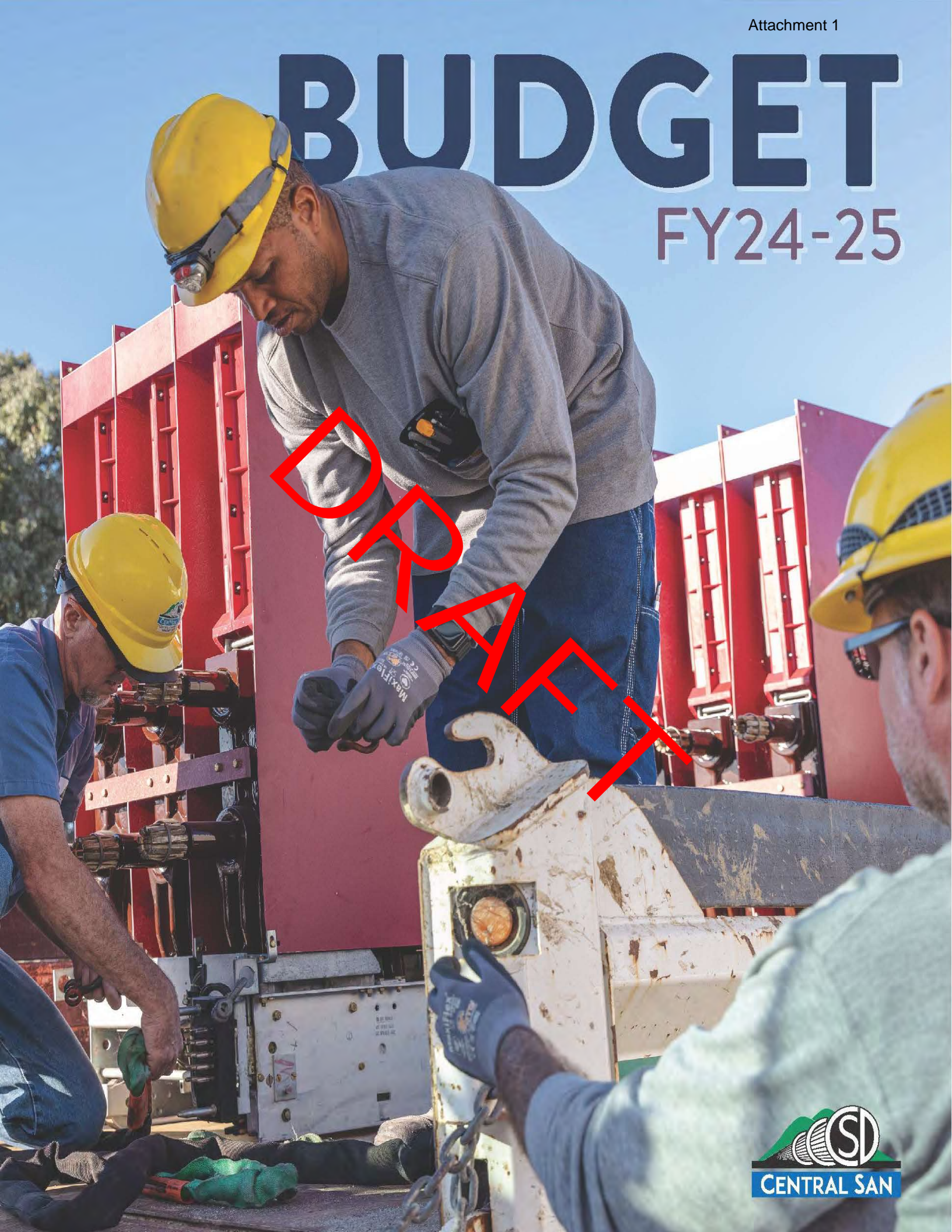


BUDGET

FY24-25



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FY 2024 – 25 BUDGET

BOARD OF DIRECTORS



Top Row: **Mariah N. Lauritzen** (Board President), **Michael R. McGill** (President Pro Tem), **Barbara D. Hockett**; Bottom Row: **Tad J. Pilecki**, **Florence T. Wedington**

EXECUTIVE MANAGEMENT

Roger S. Bailey, General Manager

Philip Leiber, Deputy General Manager, Administration

Greg Norby, Deputy General Manager, Engineering and Operations

Vacant, Director of Engineering and Technical Services

Leah Castella, 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, 2023

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, 2023. 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) 2024-25 combined Operations and Maintenance (O&M), and Capital Improvement Project (CIP) budgets. This budget serves as a financial plan as well as a policy document to guide our work in the year ahead. It reflects our unwavering commitment to protecting public health and the environment in a fiscally responsible and customer-focused manner.

Since our founding in 1946, Central San has grown along with the communities we serve. Today, we collect and clean wastewater for nearly half a million residents and more than 15,000 businesses over 3,000 parcels in central Contra Costa County. We maintain over 1,500 miles of pipes and 18 pumping stations to carry wastewater to our treatment plant in Martinez, where we cleaned nearly 16 billion gallons of wastewater in 2023. Recently, we marked 26 consecutive years of 100% compliance with our National Pollutant Discharge Elimination System permit—more than a quarter century without a single permit violation.

Through prudent planning, industry-leading innovation, and the dedication of our employees, Central San has remained resilient in the face of adversity. In recent years, we have weathered major storms, wildfires, the global pandemic, and economic uncertainty. Throughout, we've risen to the challenge of providing essential services without interruption, supporting health, safety, economic vitality, and quality of life in central Contra Costa County.

Maximizing Value for Our Customers

Through our asset management program and proactive maintenance, we've optimized our operations and extended the lifespan of our facilities, making every dollar work harder for our customers. However, parts of our system have reached the end of their useful lives. Significant capital investments are needed to ensure we can continue providing reliable service for our customers, ensure resilience in the event of storms, earthquakes, or other disasters; and meet new and evolving environmental regulations. This budget reflects these critical infrastructure needs, including renovations to our solids handling facilities, aeration basins, steam system, and ultraviolet (UV) disinfection 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.

Central San takes pride in the level of service we provide. Our innovative recycled water and household hazardous waste (HHW) programs, award-winning public outreach and student educational programs, and newly opened recreational vehicle waste disposal station are helping us to better fulfill our mission and meet the needs of our diverse community. These value-added services will continue to receive the support they need in this budget.

Ensuring Fair and Reasonable Rates

In developing this budget, we strove to balance two imperatives: Provide the necessary resources for round-the-clock operations, maintenance, and critical infrastructure investments, while also recognizing the economic realities and challenges many of our customers face. In spring 2023, we completed a cost-of-service study to guide our rate setting for the subsequent two fiscal years. Under the rate proposal adopted last year, our customers will see a modest increase of 4% in the Sewer Service Charge for FY 2024-25. Even with this increase, our rates remain below average compared with other wastewater utilities across the Bay Area.

Before seeking additional funds from our customers, we make every effort to control costs and ensure we're wisely managing the monies entrusted to us. We annually benchmark performance to ensure efficient, cost-effective operations. As one example of Central San's ongoing efforts to enhance our efficiency, this year we will flip the switch on a new solar array project that will reduce our climate impacts as well as save an estimated \$6 million in energy costs over the next 25 years.

Among our recent financial accomplishments, we kept operation and maintenance costs nearly flat for eight years through FY 2021-22, with modest increases in the past two years due to inflationary pressures. We paid off pension liabilities—projected to save millions in interest payments through 2029—and secured low-cost state financing to save \$20 million in interest costs on the Solids Handling Improvement Project over the next 30 years. Additionally, we have fully funded our operations & maintenance and sewer construction reserves and invested over \$10 million in our rate stabilization fund to help weather turbulent times and smooth rate increases over time.

Acknowledging our Accomplishments

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. Significant accomplishments under each of the seven goals in the Strategic Plan include:



GOAL ONE CUSTOMER AND COMMUNITY

- Received a 3.95 out of 4.0 average customer service rating for collection system emergency calls (as of Q2).
- Launched “Go with the Flow” bike tours to accompany the interactive map and website which educates the community about Central San’s wastewater system.
- Continued offering the Low-Income Household Water Assistance Program (LIHWAP).
- Oversaw approximately 49,000 visits to the HHW Collection Facility and Residential Recycled Water Fill Station by residents, small businesses, reuse customers, retail partners, and fill station users.



- Received the California Water Environment Association Community Engagement and Outreach Program of the Year – Beauty Without Waste: Maintenance Access Cover Beautification Project.
- Received the Municipal Information Systems Association of California (MISAC) Excellence Award for the sixth time.
- Participated in a “Microplastics - Removal Across the Treatment Plant” study in collaboration with the Southern California Coastal Water Research Project Authority (SCCWRP) and the Ocean Protection Council to advance the science of microplastics in wastewater.



ENVIRONMENTAL STEWARDSHIP

- Achieved 26th 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.
- Experienced record low spills of 13 in calendar year 2023 (0.84 per 100 mi). As of Q2 in FY 2023-24, experienced 6 spills (0.4 spills per 100 miles).
- Collected approximately 1,800,000 pounds of hazardous waste. (Quantities estimated from quantities received through February 2024.)
- Gave away over 231,000 pounds of reusable products via our Reuse Room.
- Collected approximately 3,500 pounds of pharmaceuticals.
- Worked with the Board of Directors to pursue policy efforts at the state and federal level that addressed PFAS; fats, oils, and grease; and microplastics; and promoted pollution prevention, producer responsibility, and proper wipes labeling.
- Began Membrane Aerated Biofilm Reactor (MABR) pilot, to evaluate MABR and help Central San meet potential future nutrient regulatory limits while reducing capital investments for new treatment tankage and equipment.
- Developed a Fleet Electrification Strategic Plan to ensure compliance with California’s Advanced Clean Fleets Regulation.
- Began operation of a 1.75-megawatt solar energy project which will offset 3.5 million kilowatt hours per year of grid use and reduce greenhouse gas emissions by 7%.
- Continued to collaborate with Contra Costa Water District (CCWD), Santa Clara Valley Water District (Valley Water), San Francisco Public Utilities Commission (SFPUC), and East Bay Municipal Utility District (EBMUD) in various potential projects to help augment the region’s water supply.
- Distributed approximately 224 million gallons of recycled water to Zone 1 (as of Q2).



WORKFORCE DIVERSITY AND DEVELOPMENT

- Negotiated and implemented a 3.75% cost of living adjustment for employees, effective April 18, 2024, reflective of FY 2022-23 and FY 2023-24 inflation.
- Added the Juneteenth holiday to Central San's calendar.
- Supported the work of Central San's Diversity, Equity, and Inclusion (DEI) consultant and Central San's DEI Task Force and Coordination Team, including the DEI Framework and Strategic Plan.
- Updated the Intern and Summer Student Program to offer competitive wages and lower the minimum age for eligibility.
- Launched the fifth cycle of the BOOST Mentorship Program with four mentees and mentors pairings.
- Launched the fourth Supervisory Academy with 25 participants.
- Hosted the fourth Management Academy, with 22 graduates from both Central San and sister agencies to promote interagency learning and development.



GOVERNANCE AND FISCAL RESPONSIBILITY

- Completed a wastewater cost of service study and recommended a new rate class for accessory dwelling units for Board consideration.
- Upgraded Board meeting streaming services.
- Received the GFOA's Certificate of Achievement for Excellence in Financial Reporting Award for the 23rd consecutive year for the FY 2023-24 Annual Comprehensive Financial Report.
- Received the GFOA Distinguished Budget Presentation Award for the sixth consecutive year for the FY 2023-24 Budget.



SAFETY AND SECURITY

- Offered in-person training, including Harassment Prevention, Fentanyl/Narcan, First Aid/CPR/AED, and Workplace Violence.
- Worked with a consultant to review and enhance the security program and develop project scopes to expand access control systems and harden certain facilities.
- Hired a Cybersecurity Analyst to create and implement a complete cybersecurity program.
- Deployed intrusion protection for increased network security.



INFRASTRUCTURE RELIABILITY

- Replaced or rehabilitated up to five miles of pipes in Alamo, Walnut Creek, Lafayette, Pleasant Hill, and Orinda.
- Initiated the construction of the Solids Handling Facility Improvements - Phase 1A to address dewatering, furnace, and air pollution control improvements.
- Continue to replace critical infrastructure and equipment at the wastewater treatment plant and pumping stations.
- Developed a long-term solids management strategy to identify drivers for beginning design and construction of a greenfield solids handling facility.
- Cleaned 361 miles of sewers (as of Q2).

- Completed 8,188 work orders for sewer system maintenance on schedule 99.6% of the time (as of Q2).
- Completed 4,991 work orders for plant maintenance, with 3% of those work orders being reactive maintenance (as of March 2024).
- Developed and implemented Limited Duration Position Program (LDPP) to assist with project-based peak workloads.



INNOVATION AND AGILITY

- Hired a manager for the Operations Optimizations Division to improve efficiencies and effectiveness in all dimensions of performance at Central San.
- Began evaluating potential chemical dosing optimizations as part of Odor Control Facility Plan Update.
- Began evaluating secondary clarifier hydraulics capacity/process improvements as part of Secondary Clarifier and Channel Improvements Project.
- Administered an Optimizations Program and held an Innovations Fair to celebrate and award employee ingenuity and innovative thinking.
- Continued to optimize and improve the use of Oracle ERP.
- Went live with Phase 1 of utilizing Enterprise Performance Management (EPM) for capital project budgeting and monitoring.
- Implemented Journeys, Permitting and Licensing, and Warehouse Management System.

Preparing for the Future

As we look ahead, our key priorities include developing our workforce to better serve our customers, replacing aging infrastructure, meeting emerging regulatory requirements, providing exceptional service, and ensuring environmental stewardship and sustainability in everything we do. We are prepared to meet these challenges with the same unwavering dedication and innovative spirit that have defined our 78-year history.

The priorities identified in this FY 2024-25 Budget will allow us to build upon our successes and achieve the goals outlined in our two-year Strategic Plan. I would like to extend my gratitude to our staff for their collaborative efforts in creating a budget that ensures the reliability and resiliency of our operations, as well as the sound financial footing of Central San. I also want to thank our Board members for providing the vision, resources, and support necessary to address our current and future challenges.

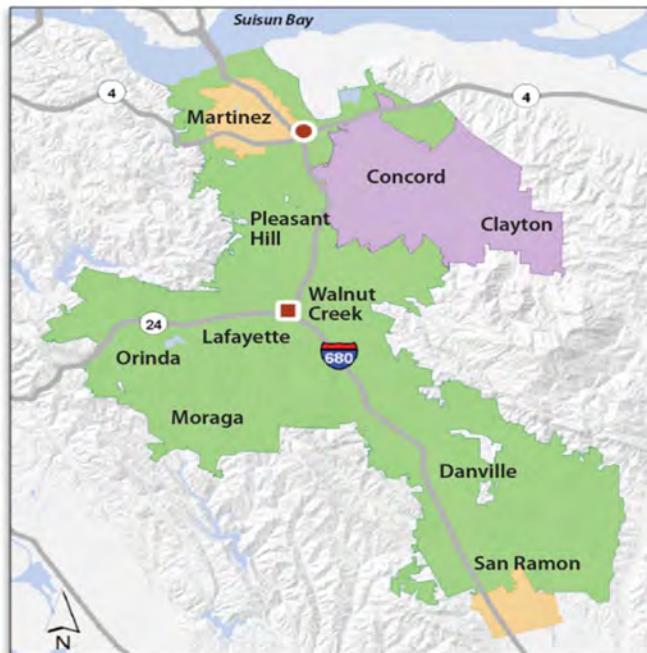
While meeting our many priorities and challenges, we recognize that, at the core, our customers rely on us to fulfill our mission while providing exceptional services. Accordingly, this proposed budget represents our commitment to serve with excellence while delivering the highest value, now and in the future.

Roger S. Bailey
General Manager



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 15,000 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 15,000** businesses in central Contra Costa County
- Maintains **over 1,500** miles of sewer pipelines and **18** pumping stations which carry wastewater to Central San's regional treatment plant in Martinez
- Cleans about 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 about **2 million pounds** of household hazardous waste per year, and strives to reuse or recycle about **90%** of those materials
- Collects about **3,500 pounds** of unwanted medications per year
- Achieves an average 3.95 out of 4.0 customer satisfaction rating for sewer emergency response (as of Q2 in FY 2023-24)
- Serves about **20,000 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 stayed relatively steady, after continuing growth in prior years, 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 - Growth Since 2010

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%
2022	352,832	134,497	487,329	0.52%

Population by Community (2010 and three recent years)

Community*	As of January 1, 2010	As of January 1, 2020	As of January 1, 2021	As of January 1, 2022
Clayton	10,936	11,337	11,268	10,863
Concord	124,442	130,143	129,273	123,634
Danville	43,110	43,876	43,906	43,352
Lafayette	24,206	25,604	25,358	25,064
Martinez *	21,078	20,913	21,834	22,008
Moraga	14,701	16,946	16,820	17,105
Orinda	17,799	19,009	19,078	19,478
Pleasant Hill	33,384	34,267	34,133	34,026
San Ramon *	51,099	68,824	63,659	69,479
Walnut Creek	65,443	70,860	71,317	69,891
Unincorporated Contra Costa County**	48,557	41,850	48,149	52,429
Total Service Area	454,755	483,629	484,795	487,329
Contra Costa County Total	1,073,055	1,156,530	1,153,854	1,156,555

*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 (Calendar Years 2020 and 2021)

Community	Average Household Income 2020	Average Household Income 2021
Alamo *, ^	\$312,473	\$332,932
Clyde *, ^	\$83,077	\$92,801
Clayton **	\$153,607	\$150,948
Concord **	\$92,706	\$100,011
Danville	\$167,827	\$181,453
Lafayette	\$188,140	\$192,546
Martinez ***	\$109,994	\$114,390
Moraga	\$152,788	\$167,784
Orinda	\$231,230	\$248,984
Pacheco *, ^	\$106,046	\$110,664
Pleasant Hill	\$125,573	\$131,012
San Ramon	\$167,345	\$173,519
Walnut Creek	\$108,689	\$121,205
Service Area Total (Excluding Concord** & Clayton**), Weighted by Population	\$155,638	\$166,093

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

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

^ from American Community Survey, S1901 at <https://data.census.gov/>

** 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 2021-22)

Customer	Operating Revenue	Rank	% of Operating Revenue
City of Concord*	\$16,134,761	1	11.97%
First Walnut Creek Mutual	\$593,750	2	0.44%
Park Regency Apartments	557,500	3	0.41%
Second Walnut Creek Mutual Apartments	468,750	4	0.35%
John Muir Health	404,989	5	0.30%
Branch Creek Vista Apartments	\$250,000	6	0.19%
Bay Landing Apartments	\$225,000	7	0.17%
Kaiser Foundation Hospital	\$222,277	8	0.16%
Muirland @ Windemere Apartments	\$218,750	9	0.16%
Archstone Apartments	\$198,876	10	0.15%
Total	\$19,274,654		14.30%

* 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 (FY 2021-22)

User Group	Parcels*	Residential Unit Equivalents • *	2020-21 Sewer Service Charge Billings	% of Total
Residential	115,512	141,183	\$93,180,965	84%
Mixed Use	232	3,668	2,420,806	2%
Office	1,076	4,513	2,978,664	3%
Food Service	259	3,407	2,248,513	2%
Hotel/Motel	23	1,612	1,063,997	1%
Industrial/Permitted	14	1,367	902,026	1%
Skilled Nursing	44	1,021	673,628	1%
Schools	160	1,115	735,915	1%
Businesses **	414	1,537	1,014,399	1%
Recreation/Entertainment	211	990	653,335	1%
Automotive/Car Wash	252	1,183	780,511	1%
Market/Supermarket	53	1,579	1,042,407	1%
All Other User Groups	532	3,990	2,580,047	2%
Total County and Direct Bills	118,782	167,084	110,275,211	100%
Partial Year Charges			\$421,920	
Prior Year Adjustments			251,282	
Total	118,782		\$110,948,413	100%

* Parcels are the primary basis for billing the Sewer Service Charge. Other terms such as the number of "customer accounts" may be used to roughly approximate parcels. Additionally, the term "Residential Unit Equivalents" (RUEs) is used to normalize flow volumes of different customer types by translating volumes into a standard measurement based on the volumes of a typical residential customer.

** Business user group includes: retail sales, barbers/beauty salons/pet grooming, dry cleaners, nurseries/lumberyards, contractors, and equipment repair

Largest Employers in Contra Costa County (2022)

Employers	Estimated Employees	2022 % of Total County Employment
Chevron Corporation	10,000+	1.89%
Kaiser Permanente	10,000+	1.89%
Bio-Rad Laboratories	1,000-4,999	0.56%
John Muir Medical Center	1,000-4,999	0.56%
La Raza Market	1,000-4,999	0.56%
USS-POSCO Industries	1,000-4,999	0.56%
All Others	499,600	93.98%
Total	531,600	100%

Source: County of Contra Costa, California, California Annual Financial Report for June 30, 2022, Statistical Section, principal employers exclude 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	\$54,030	11.3%
2011	1,066,126	\$61,498,902	\$57,681	11.0%
2012	1,079,093	\$66,772,041	\$61,878	9.4%
2013	1,096,310	\$67,290,115	\$61,435	7.3%
2014	1,110,971	\$71,164,468	\$64,056	6.0%
2015	1,126,027	\$77,914,957	\$69,195	4.9%
2016	1,138,645	\$82,204,425	\$72,195	4.9%
2017	1,147,439	\$87,810,279	\$76,527	4.1%
2018	1,150,215	\$94,900,003	\$82,506	3.5%
2019	1,155,879	\$97,550,344	\$81,782	3.2%
2020	1,165,927	\$106,318,748	\$86,359	13.4%
2021	1,161,413	\$110,320,394***	\$94,834	6.4%
2022	1,156,555 ***	\$109,965,993***	\$95,047	3.5%

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

*** Source: <https://www.contracosta.ca.gov/5342/Demographics>

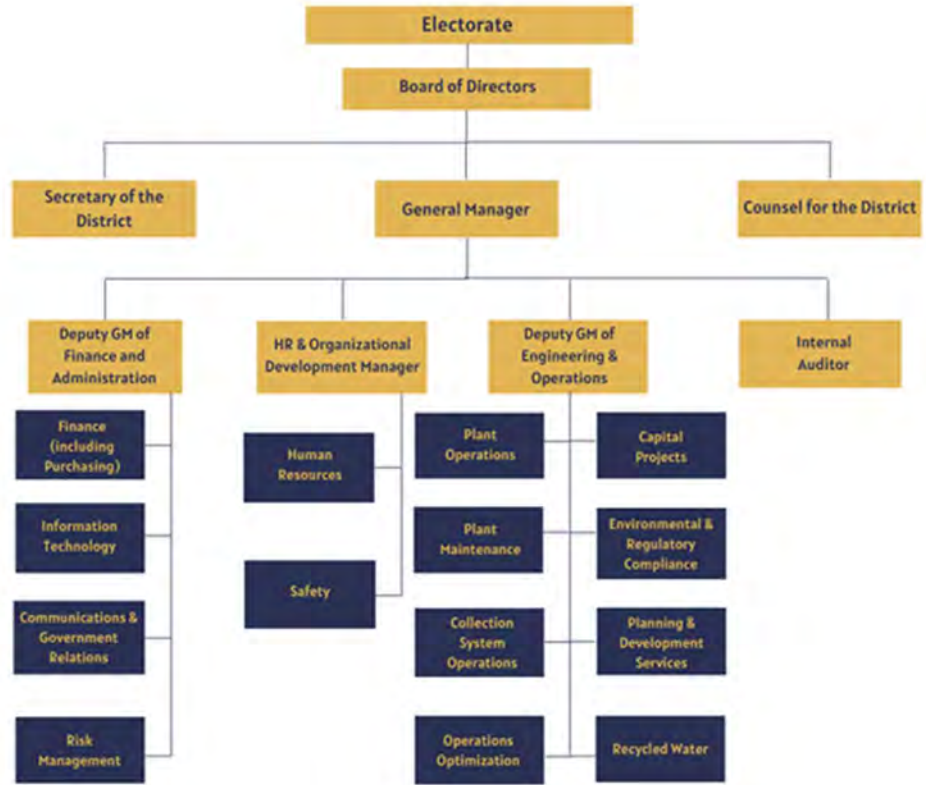
Organizational Structure

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, Central San transitioned to area-based elections. Under area-based elections, Central San 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 298 budgeted full-time employees. The budget for FY 2024-25 is proposed at 302 positions.



This team of employees is led by a General Manager, two Deputy General Managers, 10 Division Managers and an Internal Auditor.

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 2024-25 started midway through FY 2023-24

The budget was developed through an iterative process. Initial budget proposals were input into the Oracle budgeting module and the results were then reviewed by the General Manager and discussed with the relevant Directors and division managers. 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 is typically aligned with two other key planning processes: strategic planning, which covers a two-year window, and rate setting.

FY 2024-25 will be the first year of a new two-year Strategic Plan cycle. The strategic goals, strategies, initiatives, key success measures, and metrics of that plan were established during FY 2023-24 and provide guidance for funding activities in the budget. The budget proposes a level of funding that will enable the achievement of the goals set forth in the FYs 2024-26 Strategic Plan.

FY 2024-25 comprised the second year of a two-year rate schedule adopted in 2023. Accordingly, the overall financial parameters were in place to provide the boundaries for budget development. A check-in on the financial plan – and whether to continue with the second-year scheduled Sewer Service Charge (SSC) rate adjustment for FY 2024-25 – was conducted in early April 2024, where the Board validated the need to continue the path established by the two-year rate plan. The current two-year rate plan commenced in the fall of 2022 with a cost-of-service study to develop SSC rates. The results of the draft cost-of-service study, and an updated Ten-Year Financial Plan were discussed at a January 12, 2023 Financial Planning workshop. Staff presented and the Board expressed preliminary support for a two-year rate adjustment that forecast modest overall rate increases to address operational and capital improvement program needs. The cost-of-service report was finalized in May, the Proposition 218 notifications were issued in May, and a public hearing on rates was held on June 21, 2023. At that meeting the Board considered public comments and voted to adopt the two-year rate schedule, subject to the check-in noted above regarding the second-year adjustment. This budget document presumes the revenues generated by that second-year SSC rate change.

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



A calendar of key intersecting events during the process for the FY 2024-25 budget is provided below, comprised of activities from three critical business areas of the planning process.

Key Strategic Plan, Budget, and Rate Setting Events for FY 2024-25 Budget

Date	Budget	Strategic Planning	Rate Setting
September 2023		Board review of Mission, Vision, Values and Goals	
October 2023		Administration Committee review of Mission, Vision, Values and Goals for FYs 2024-26 Strategic Plan	
December 2023		Board review and adoption of Mission, Vision, Values, and Goals for FYs 2024-26 Strategic Plan	
February 2024	Departments/divisions develop and submit operating budget proposals		N/A
March 2024	General Manager reviews operating budget with departments/divisions	Administration Committee review of Strategic Plan for FYs 2024-26	N/A

Date	Budget	Strategic Planning	Rate Setting
April 2024	Draft operating budget finalized with departments/divisions Draft Ten-Year Capital Improvement Plan (CIP) finalized by Department of Engineering and Technical Services		Financial Planning Workshop: Check-In on 2 nd year of Rate Schedule Public Hearing to consider previously approved FY 2024-25 SSC <u>4% increase</u>
May 2024	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 2024	Public Hearing and Board Meeting to adopt FY 2024-25 budget.	Board receipt of Strategic Plan for FYs 2024-26	Public Hearing on adoption of Capacity and Developer-Related Fees, Rates and Charges
July 2024			2nd Year of Adopted SSC Rates effective

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.

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 or the creation of a new unbudgeted capital project 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.

The 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	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 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 2024-26 Strategic Plan and reports FY 2023-24 strategic accomplishments and performance (based on information available during the publication of this book in spring 2024), as well as objectives for FY 2024-25.

The development of the FYs 2024-26 Strategic Plan started with the Board's re-adoption of Central San's Mission and adoption of revised Vision, Values, and Goals in the fall of 2023. 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.


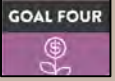





Stakeholder Understanding and Support - Engenders understanding and support from stakeholders, including customers, oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions.

Key Budget Priorities: Responding to Challenges

The Budget and Strategic Plan, as key planning documents, provides 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 Strategic Plan goals, as follows:

Key Budget Priority	Primary Response	FY 2024-25 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, bike tours , <i>Pipeline</i> community newsletter, and social media engagement. Feasibility study to determine the benefits and barriers to a consolidation with Mt. View Sanitary District.
 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.	Implement the Fleet Electrification Strategic Plan to meet new state requirements for zero-emission vehicles. Continue negotiating the regional Nutrient Watershed Permit with the SF Bay Area Regional Water Board. One additional staff position to address heightened regulatory compliance requirements.
Maintaining a sustainable water supply	Partner with drinking water agencies to find creative regional water supply solutions 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 region. Collaborate with East Bay Municipal Utility District (EBMUD) and Dublin San Ramon Services District (DSRSD) to evaluate the feasibility of permanently

Key Budget Priority	Primary Response	FY 2024-25 Budgeted Project(s)
		diverting raw wastewater from Central San to DSRSD to produce recycled water via the DSRSD-EBMUD Recycled Water Authority for delivery to new landscape irrigation customers in Central San's and EBMUD's overlapping service areas.
 WORKFORCE DIVERSITY AND DEVELOPMENT Recruit, educate, empower, and retain a workforce from diverse backgrounds		
Driving employee performance and rewarding excellence	Develop, retain, and equip highly skilled employees with the tools needed to succeed, so Central San may be a preferred employer.	Employee recognition, training and development programs, certifications, outside conferences, and professional association memberships to inspire continuous education and improvement.
Fostering a culture of diversity, equity, and inclusion (DEI)	Continue investing in the development of Central San's DEI initiative.	Retention of the services of DEI consultants and trainers to help guide and realize the efforts of Central San's Task Force. Implementation of prioritized recommendations of the DEI Action Plan. Establishment of ongoing leadership of DEI effort through supplementary responsibilities for existing staff.
 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. Optimize ERP system to issue relevant and reliable financial reports and to facilitate improved capital project budgeting and monitoring. Commencement of a cost-of-service study for FY 2025-26 rates with adoption of a new multi-year rate schedule.
 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 continue to develop cybersecurity efforts.	Projects to construct and provide safety upgrades, including planning for a new emergency notification system.

Key Budget Priority	Primary Response	FY 2024-25 Budgeted Project(s)
		<p>Continued development of cybersecurity program, including training and anti-phishing campaigns.</p> <p>Implementation of physical security standards for facility-based projects.</p>
<div style="display: flex; align-items: center;">  <div> <p>GOAL SIX</p> <p>INFRASTRUCTURE RELIABILITY</p> <p>Maintain facilities and equipment to be dependable, resilient, and long lasting</p> </div> </div>		
<p>Aging infrastructure and climate resiliency</p>	<p>Make investments in capital improvements and internal resources to deliver on increased levels of capital spending, including staff development and regular reviews to ensure proper capital delivery capacity.</p>	<p>Major projects include the Solids Handling Facilities Improvements Phase-1A, Phase-1 Steam Renovations, electrical renovations at Headworks and the Pump and Blower Building, new aeration diffusers, new ultraviolet lamps, the Large Diameter Inspection Program, and the Grayson and Walnut Creek Levee Improvement Project.</p> <p>Continuation of the Limited Duration Position Program to assist with project-based peak workloads.</p>
<div style="display: flex; align-items: center;">  <div> <p>GOAL SEVEN</p> <p>INNOVATION AND AGILITY</p> <p>Optimize operations for continuous improvement, and remain flexible and adaptable</p> </div> </div>		
<p>Optimization of Central San-wide business and treatment processes, and project workflow and delivery through technology</p>	<p>Continue to champion and initiate projects through the Information Technology / Operational Technology (IT/OT) Strategic Plan.</p> <p>Advance overall business and decision support processes to improve efficiencies and effectiveness in all dimensions of performance at Central San.</p> <p>Focused effort on the Operations Department to improve existing operations.</p>	<p>Execution of the IT/OT Strategic Plan, including five roadmaps for key programs.</p> <p>Identification and implementation of process, chemical, and energy efficiency improvements.</p> <p>Continued work with internal stakeholders to develop the long-term plan for the Solids Phase-2 project and regional biosolids handling research.</p> <p>Implementation of in-house treasury function eliminating manual and/or inefficient processes and optimizing modern banking-ERP integration technology.</p>

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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 of Concord has contracted with Central San to provide, proportional to flow. Property tax (property taxes) and a portion of 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 three installments in December, April, and June 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 2024-25, 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 1a 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 unfunded actuarially accrued liability (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 Foster & Foster). As of July 1, 2024, the OPEB UAAL had a remaining closed amortization period for 11 years, scheduled to be fully paid off in FY 2034-35. 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 policy specified target sizes, but an assessment of the adequacy of funds, and a recommendation to increase the balance with a contribution of \$3.2 million in FY 2022-23 favorable budgetary variance was approved by the Board in the financial workshop in April 2024.

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 for June 30, 2024, and June 30, 2025.

- **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 (COP, 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. Thereafter the Board directed contributions of \$2.15 million, \$2.7 million, and \$3.2 million of favorable budgetary variance from FY 2019-20, FY 2020-21, and FY 2022-23 respectively. As of June 30, 2024, the fund is projected to have a balance of \$10.66 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 annual comprehensive financial report (ACFR) 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 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 ACFR 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. The following 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 (GASB 68 and 75)
Pension / OPEB plan contributions	Included	Excluded
Debt issuance premiums/discounts and interest expense accruals	Excluded	Included
Debt service principal payments	Included	Excluded
Debt proceeds	Included	Excluded
Lease and SBITA expense	Excluded	Included (GASB 87 and 96)
Lease and SBITA payments	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 November 2023, the Board adopted amendments to the O&M and Self-Insurance budgets to address higher than anticipated costs related to a litigated matter. To address this matter, the Board authorized a transfer of \$500,000 of O&M prior year budgetary variance to the Self-Insurance fund. In conjunction with this change to the O&M budget, a budget amendment in the Self-Insurance fund was authorized, increasing the expenditure by \$425,000. The following table provides a comparison of FY 2023-24 adopted versus amended budgets:

Table 1a – FY 2023-24 Adopted Versus Amended Budget

Fund	FY 2023-24 Budget		\$ Change	% Change
	Adopted	Amended		
Operations and Maintenance (O&M)	\$90,946,671	\$91,446,671	\$500,000	0.5%
Sewer Construction	71,202,000	71,202,000	-	-
Debt Service	9,160,142	9,160,142	-	-
Self-Insurance	2,160,000	2,585,000	425,000	19.6%
Total Budget	\$173,468,813	\$174,393,813	\$925,000	0.5%

The FY 2023-24 budget figures presented in this budget book reflect the amended budget, as shown previously.

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.

1. Extraordinary waste hauling costs during the construction of the Solids Handling Facility Improvements Project (District Project (DP) 7348)	FY 2021-22	This item was 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 Process and Technology Optimization (PTO) 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 PTO Strategic Plan project commenced in March 2022. The project will be funded in FY 2021-22 and subsequent years' 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>
4. ERP post-go live support costs	FY 2023-24	Support of the Oracle ERP system has been provided by Emtec (the system integrator who installed the system) since go-live in 2020-21. Emtec has been involved in work that constitutes "maintenance" as well as building new functionality. In FY 2021-22 and FY 2022-23, all Emtec support costs were charged to the O&M budget. Standard accounting would allow for apportionment between O&M and capital costs for maintenance and new functionality.	For FY 2023-24, anticipated Emtec support costs will be apportioned between the O&M budget and the capital budget. An estimate for work related to maintenance will be budgeted in O&M and is to be approximated by the "ongoing"/fixed Emtec support amount of approximately \$144,000 per year (extending for five years). An allowance for billings above that amount anticipated at \$96,000 per year is included in the capital budget (project 8240) to represent work related to new functionality.

5. Licensing costs for software	FY 2023-24	Central San's IT group has budgeted for most software as an O&M cost, regardless of licensing terms (perpetual or for a fixed period) in the year of acquisition.	Costs related to perpetual license acquisition in the amount of \$396,000 will be funded from the capital budget for FY 2023-24 in project 8240. This does not represent a departure of accounting standard practice under generally accepted accounting principles, but this changed approach is being highlighted here.
6. Costs for extension of environmental permits and licenses	FY 2023-24	Central San is required to obtain licenses to discharge treated wastewater (NPDES) and air permits (BAAQMD) for incinerator exhaust. Historically the costs to prepare for and obtain these licenses has been charged to O&M in the year the work was conducted rather than capitalized and amortized over the license period.	For FY 2023-24, costs related to long-term environmental discharge licenses will be capitalized and amortized over time. These amounts are to be funded in the capital budget from various projects, including the Outfall Monitoring Improvements (100018), Pumping Station Upgrades - Phase2 (8457), Solids Handling Facility Improvements -Phase 1a (7348) and others. The amount of such costs funded from the capital budget is \$150,000.

Two of the three expenditures proposed as part of the FY 2021-22 budget proceeded with regulatory accounting treatment. No additional regulatory accounting expenditures were proposed in the FY 2022-23 budget. The FY 2023-24 budgeted items as shown in the table above were also adopted for regulatory accounting treatment.

The FY 2024-25 budget includes two additional items as shown in the table below which are proposed for regulatory accounting treatment.

Expenditure	Budget Year Initially Proposed	Budgetary Treatment Absent BP 046	Budgetary Treatment with BP 046
Project Managers for Technology Roadmap Initiatives	FY 2024-25	Project Management costs for initiatives during planning phase while alternatives are being identified would be treated as O&M expenditures.	The entire cost of project managers leading the Technology Roadmap projects will be funded from the Capital Budget, under IT Development (Project 100063). An estimated \$900,000 of project management expenses for five information technology roadmap projects (including Business Intelligence, Enterprise Asset Management, Supervisory Control and Data Acquisition (SCADA), and two others) would therefore be funded from Capital rather than the O&M budget.

Capital program-level planning and legal costs	FY 2024-25	Generally, capitalization is limited to costs incurred after 1. the specific objective of a project has been determined, 2. The nature of the service capacity to be provided has been determined, 3. The feasibility of successfully completing the project has been demonstrated, and 4. The government has demonstrated that it intends, is able to, and is making an effort to develop and complete the project. Accordingly, costs associated with general non-projects specific planning, legal services, and research and development (R&D) are expensed as incurred.	Certain planning and legal efforts benefit entire capital programs (e.g., collection system and/or treatment plant) where it is difficult, if not impossible, to isolate the benefit to specific projects individually. Accordingly, treatment plant capital program planning, collection system capital program planning, and sewer construction legal support efforts shall be capitalized in project numbers 100058, 100059, and 100064, respectively. As shown in the 10-year CIP by project schedule, annual capitalized costs for the treatment plant planning, collection system planning, and capital legal services projects are expected to be \$250,000, \$200,000, and \$75,000 respectively.
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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, 2023, total outstanding debt associated with infrastructure improvements was \$44.9 million, to be reduced to \$37.8 million by June 30, 2024, through regularly scheduled debt service principal payments. As noted in the “Debt” section of this document, borrowings under the SRF loan began in FY 2022-23 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 expected in FY 2028-29. No repayments will be due in FY 2024-25.

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 2023, 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, excluding LAIF investments, are held in a custodial account separate from the County. As part of an initiative to implement an in-house treasury structure, Central San anticipates transitioning out of the County Treasury pool in September 2024. Consistent with prior Board direction, it is anticipated that the Deputy General Manager of Administration will serve as Central San's Treasurer and that an investment advisor/management firm will be selected to assist with managing Central San's investment portfolio on a non-discretionary basis. Central San also anticipates implementing an independent third-party custodial safekeeping arrangement, consistent with best practice advisory publications issued by the GFOA.

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, PFM Asset Management (previously "HighMark Capital") is the Investment Manager, and Public Agency Retirement Services (PARS) is the Trust Administrator and Consultant. As of February 2024, the OPEB Trust had a balance of \$87.2 million, an increase from \$81.3 million on June 30, 2023.

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 \$12.8T 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. A residual balance of less than \$0.1 million remained until FY 2023-24, when the Board directed an additional \$1.0 million to the trust.

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 typically presented to the Board during financial planning and rate-setting workshops. The financial plan covers a period of 20 years, although the assumptions for projecting rates for the first 10 years are the primary focus. See further assumptions about the long-term financial plan at the end of the Financial Summary, pages 88-91.

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 April 4, 2024 Board Financial Planning Workshop. The financial plan for FY 2024-25 adopted in January 2023 and served as the basis for FY 2023-24 and FY 2024-25 rates, and it estimated FY 2024-25 O&M spending at \$96.2 million and capital spending at approximately \$109.3 million. The financial plan was based on the following assumptions:

Operations and Maintenance

- O&M costs projected based on the FY 2023-24 budget, updated for anticipated inflation and other cost-growth factors, including labor costs per assumptions in the Memoranda of Understanding (MOUs) with the bargaining units and agreements with unrepresented employees.
- Funding for the initiatives addressed in the two-year Strategic Plan. Accordingly, Central San's various planning documents are integrated and consistent.
- Other key assumptions were summarized in the April 4, 2024 Board Financial Planning Workshop presentation available on the Central San website.

The updated financial plan reflecting the FY 2024-25 assumptions for the O&M budget that was still pending completion and not available at the time of the April 4 Board Financial Planning Workshop is provided in the Financial Summary section of this budget book, illustrated in Table 15. The updated O&M budget assumption for FY 2024-25 was \$96 million, consistent with this budget document. The approved FY 2024-25 budget will be used as a baseline for future years' planning.

Capital

The Ten-Year CIP was rolled forward one year, increasing from \$980.2 million to \$1,003.1 million over this updated ten-year timeframe. The revised plan is stated in current (2024) 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.

An updated ten-year plan was presented to the Board at a public meeting on April 4, 2024, 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 details about the FY 2024-25 capital budget and the Ten-Year CIP.

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Financial Summary

The FY 2024-25 budget provides the resources necessary to advance the Strategic Plan and meet the challenges Central San faces as it continues to provide high quality services while replacing aging infrastructure, optimizing capacity, and complying with regulatory requirements. The FY 2024-25 budget also complies with the Financial Policies discussed in the previous section.

Central San's total budget for FY 2024-25 is \$187.9 million, excluding net contributions to reserves, representing an increase of \$13.5 million (7.8%), compared to the prior year's budget of \$174.4 million. Changes by individual spending category are summarized as follows:

- The O&M fund budget is \$96.0 million, an increase of \$4.5 million (5.0%) over the prior year's budget of \$91.5 million. Table 8a provides a summary of drivers for this change. Budgeted expenditures for this fund include those necessary to provide collection, treatment, household hazardous waste disposal, and recycled water services to the service territory, as well as engineering and administrative services necessary to support these functions.
- The Sewer Construction fund budget is \$80.7 million (inclusive of a \$5 million contingency), an increase of \$9.5 million (13.4%) from the prior year budget of \$71.2 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 \$8.8 million, a decrease of \$0.3 million (-3.8%) from the prior year's budget. 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 \$2.4 million, a modest decrease of \$0.2 million (-6.4%) from the prior year's budget. Budgeted expenditures for this fund include the costs of premiums and estimated losses based on historical actual experiences.

Table 1b – FY 2024-25 Total Budget

Fund	Expenditures Trend					
	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget*	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Operations and Maintenance (O&M)	\$85,019,046	\$81,395,191	\$91,446,671	\$95,987,159	\$4,540,488	5.0%
Sewer Construction	90,976,000	59,097,479	71,202,000	80,712,000	9,510,000	13.4%
Debt Service	13,251,922	10,554,972	9,160,142	8,815,875	(344,267)	-3.8%
Self-Insurance	2,170,000	1,961,374	2,585,000	2,420,500	(164,500)	-6.4%
Total Appropriations	191,416,968	153,009,016	174,393,813	187,935,534	13,541,721	7.8%
Contribution to Reserves	22,119,932	47,237,763	20,132,487	43,178,464	23,045,977	114.5%
Total Funding Uses	\$213,536,900	\$200,246,780	\$194,526,300	\$231,113,998	\$36,587,699	18.8%

*As amended by the Board in November 2023.

Sources of Funds

The sources of funds (revenues) for FY 2024-25 are shown in Figure 1. A comparison of the major revenue sources for FY 2024-25 and two prior years is shown in Figure 2.

Figure 1 – Total Funding Sources – FY 2024-25 Proposed Budget

FY 2024-25 Total Budgeted Funding Sources of \$231,113,998

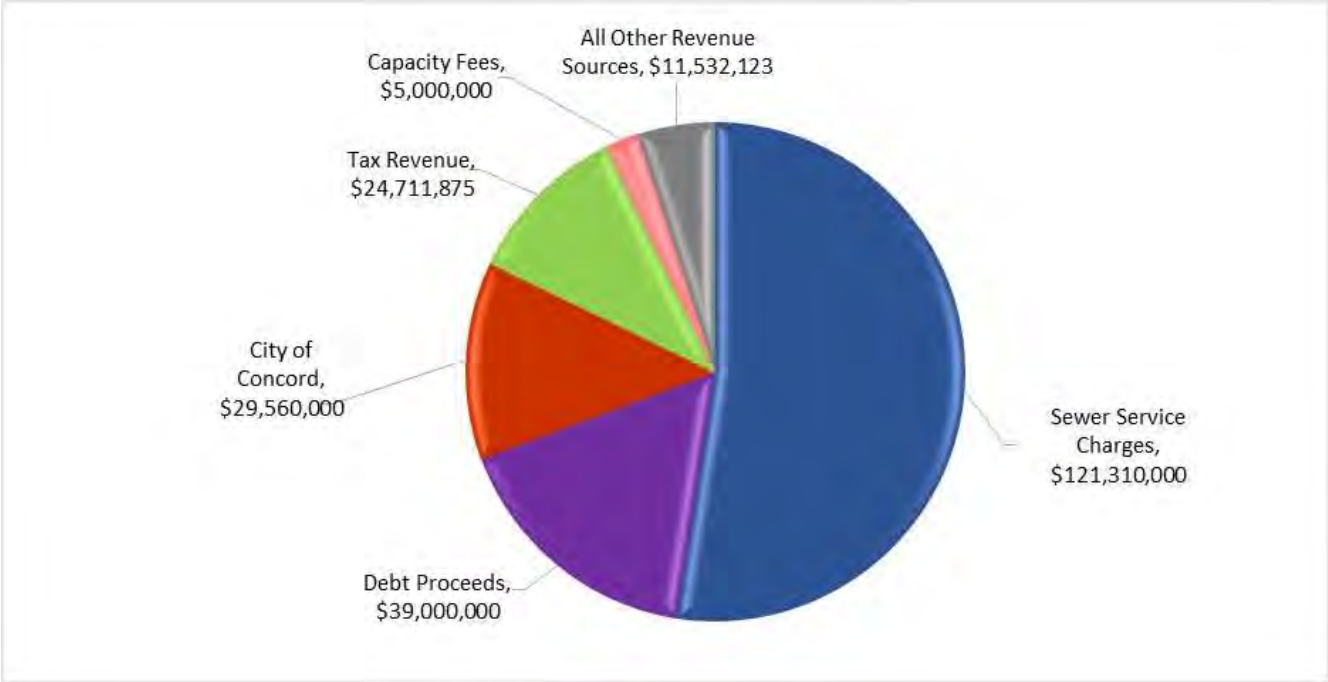
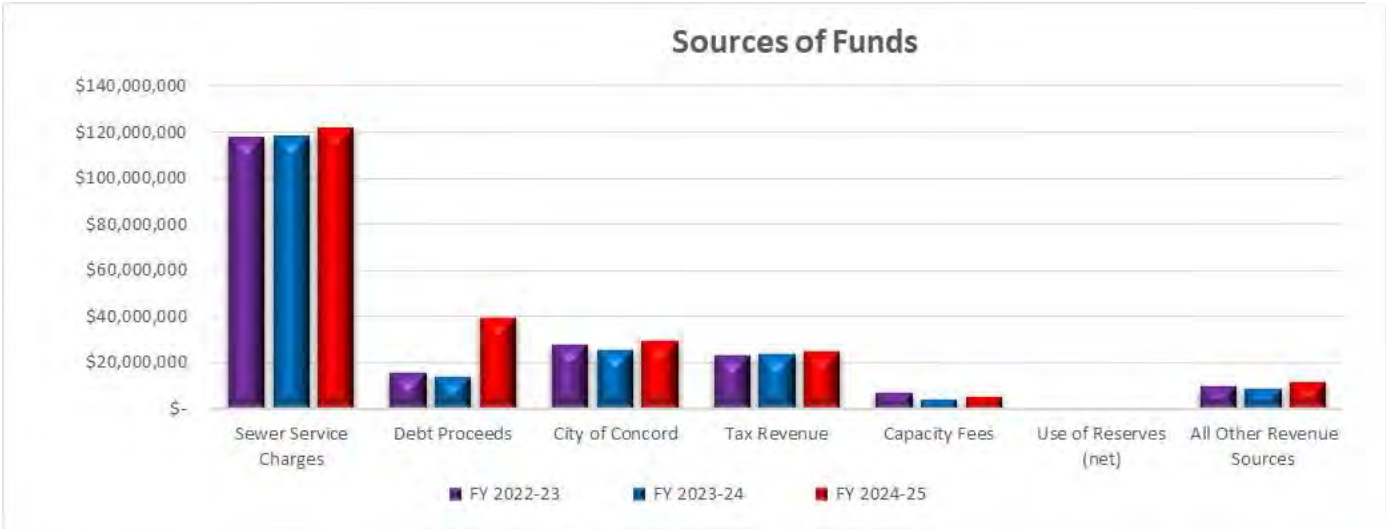


Figure 2 – Total Funding Sources – Three-Year Budget Comparison

<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
\$213,536,900	\$194,526,300	\$231,113,998



The SSC is the largest source of revenue for FY 2024-25 at \$121.3 million, followed by City of Concord cost-sharing revenue at \$29.6 million, ad valorem property taxes at \$24.7 million, Investment Income at \$5.9 million, and Capacity Fees at \$5.0 million. All other sources of revenue, excluding draws on reserves and debt proceeds, are \$5.6 million. Non-revenue sources of funds for FY 2024-25 include expected borrowing of \$39.0 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 territory pays an SSC. It is assessed annually on customers' property tax bills, 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. SSC 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, multi-family residences, and accessory dwelling units (ADUs). 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, anticipated changes to the SSC rate schedule, and predicted changes in non-residential water consumption.
- **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 other 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 District boundary. These taxes are prioritized 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 adjusted for anticipated changes in assessed property values and anticipated development in Central San's service territory. The FY 2024-25 budget assumes property tax growth of 3.5% over the prior year's projected actual revenue.
- **Capacity Fees** – Capacity Fees are collected from new construction and expansion of non-residential facilities which result in an added wastewater burden. The fee is calculated using the equity buy-in methodology. 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 budgeted amount is estimated by the Planning & Development Services Division based on trend analysis and anticipated construction activity for the upcoming year.

- **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 using 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 based on historical collections and 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 cashflow projections paired with estimated investment portfolio yields anticipated over the course of the fiscal year. Commencing in March 2022, the Fed has taken action to increase the targeted interest rate several times to curb inflation, bringing the rate from near zero to a peak of 5.25-5.50% in July 2023, which has remained in place to the time of this budget’s development. As Central San’s investment portfolio is comprised almost exclusively of governmental fixed income instruments, it is expected to be impacted by Fed rate actions significantly. The budget anticipates a slight reduction in the Fed rate by approximately 1.0% by the close of calendar year 2024. Also reducing investment income slightly, the Sewer Construction fund is anticipated to draw down on reserves in FY 2024-25, making progress on the significant capital expenditure carryforward that has been accumulating over the past three fiscal years.
 - **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 \$39.0 million to fund the Capital Improvement Budget for FY 2024-25 is shown in Table 13.

Tables 2a, 2b, 2c, and 2d show the overall funding sources of Central San and how those funding sources are applied to each sub-fund for the proposed FY 2024-25 budget, the FY 2023-24 budget, projected actuals for FY 2023-24 and actual FY 2022-23 results.

Table 2a – Allocation of Funds – FY 2024-25 Budget

Funding Sources FY 2024-25 Budgeted	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$73,532,729	\$45,918,306	\$1,858,965	-	\$121,310,000
City of Concord	18,800,000	10,760,000	-	-	29,560,000
Property Tax Revenue	-	15,896,000	-	8,815,875	24,711,875
Capacity Fees*	-	5,000,000	-	-	5,000,000
HHW Reimbursement	1,094,000	-	-	-	1,094,000
Recycled Water	530,000	-	-	-	530,000
Total Primary Revenue Sources	93,956,729	77,574,306	1,858,965	8,815,875	182,205,875
Other Revenue Sources Including:					
Permit & Inspection Fees	1,828,000	-	-	-	1,828,000
Lease Rental Income	880,000	-	-	-	880,000
Stormwater/Pollution Prevention	496,000	-	-	-	496,000
Investment Income	653,000	4,785,000	449,123	-	5,887,123
Developer Fees	-	426,000	-	-	426,000
Other	365,000	1,000	25,000	-	391,000
Total Other Revenue Sources	4,222,000	5,212,000	474,123	-	9,908,123
Subtotal Funding Sources prior to Debt Proceeds	98,178,729	82,786,306	2,333,088	8,815,875	192,113,998
Debt Proceeds (SRF Loan)	-	39,000,000	-	-	39,000,000
Subtotal Funding Sources prior to Draws of Reserves	98,178,729	121,786,306	2,333,088	8,815,875	231,113,998
Use of / (Contribution to) Reserves	(2,191,570)	(41,074,306)	87,412	-	(43,178,464)
Total Funding Sources**	\$95,987,159	\$80,712,000	\$2,420,500	\$8,815,875	\$187,935,534

* The Regional Housing Needs Assessment (RHNA) mandated by State Housing Law for the land contained within the Central San District Boundary would require an average of 3,500-4,000 new homes per year for the next eight years. This will likely result in additional capacity fee revenue. However, the timing and the mix of housing units (such as single family, multi-family, and ADUs) is difficult to predict as is the timing of the anticipated additional capacity fee revenue that may be received.

**Excluding total net contributions to reserves of \$43.2 million, total funding sources budgeted for FY 2024-25 are \$231.1 million, which is the amount presented in Table 1b, and Figure 2.

Table 2b – Allocation of Funds – FY 2023-24 Budget

Funding Sources FY 2023-24 Budget	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$66,051,443	\$50,251,805	\$1,676,752	-	\$117,980,000
City of Concord	17,900,000	7,570,000	-	-	25,470,000
Property Tax Revenue	-	14,433,358	-	9,160,142	23,593,500
Capacity Fees	-	4,175,000	-	-	4,175,000
HHW Reimbursement	1,009,000	-	-	-	1,009,000
Recycled Water	515,000	-	-	-	515,000
Total Primary Revenue Sources	85,475,443	76,430,163	1,676,752	9,160,142	172,742,500
Other Revenue Sources Including:					
Permit & Inspection Fees	1,827,500	-	-	-	1,827,500
Lease Rental Income	822,000	-	-	-	822,000
Stormwater/Pollution Prevention	420,000	-	-	-	420,000
Investment Income	860,000	2,250,000	316,300	-	3,426,300
Developer Fees	-	445,000	-	-	445,000
Other	318,000	1,000	24,000	-	343,000
Total Other Revenue Sources	4,247,500	2,696,000	340,300	-	7,283,800
Subtotal Funding Sources prior to Debt Proceeds	89,722,943	79,126,163	2,017,052	9,160,142	180,026,300
Debt Proceeds (SRF Loan)	-	14,000,000	-	-	14,000,000
Transfers-in (from O&M)	-	-	500,000	-	500,000
Subtotal Funding Sources prior to Draws of Reserves	89,722,943	93,126,163	2,517,052	9,160,142	194,526,300
Use of / (Contribution to) Reserves	1,723,728	(21,924,163)	67,948	-	(20,132,487)
Total Funding Sources*	\$91,446,671	\$71,202,000	\$2,585,000	\$9,160,142	\$174,393,813

*Excluding net contributions to reserves of \$20.1 million, total funding sources budgeted for FY 2023-24 were \$194.5 million, which is the amount presented in Table 1b, and Figure 2.

Table 2c – Allocation of Funds – FY 2023-24 Projected

Funding Sources FY 2023-24 Projected	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$66,021,690	\$50,232,305	\$1,676,752	-	\$117,930,747
City of Concord	17,500,000	9,000,000	-	-	26,500,000
Property Tax Revenue	-	14,718,849	-	9,160,142	23,878,991
Capacity Fees	-	5,159,362	-	-	5,159,362
HHW Reimbursement	1,057,000	-	-	-	1,057,000
Recycled Water	515,000	-	-	-	515,000
Total Primary Revenue Sources	85,093,690	79,110,516	1,676,752	9,160,142	175,041,100
Other Revenue Sources Including:					
Permit & Inspection Fees	1,888,000	-	-	-	1,888,000
Lease Rental Income	870,000	-	-	-	870,000
Stormwater/Pollution Prevention	482,000	-	-	-	482,000
Investment Income	860,000	5,500,000	381,590	-	6,741,590
Developer Fees	-	326,000	-	-	326,000
Other	396,000	559	24,000	-	420,559
Total Other Revenue Sources	4,496,000	5,826,559	405,590	-	10,728,149
Subtotal Funding Sources prior to Debt Proceeds	89,589,690	84,937,075	2,082,342	9,160,142	185,769,249
Transfers-in (from O&M Fund)	-	-	500,000	-	500,000
Debt Proceeds (SRF Loan)	-	23,000,000	-	-	23,000,000
Subtotal Funding Sources prior to Draws of Reserves	89,589,690	107,937,075	2,582,342	9,160,142	209,269,249
Use of / (Contribution to) Reserves	(148,471)	(15,794,575)	7,384	-	(15,935,662)
Total Funding Sources	\$89,441,219	\$92,142,500	\$2,589,726	\$9,160,142	\$193,333,587

Table 2d – Allocation of Funds – FY 2022-23 Actual

Funding Sources FY 2022-23 Actual	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$48,447,114	\$67,227,158	\$1,662,101	-	\$117,336,373
City of Concord	17,649,002	9,956,648	-	-	27,605,650
Property Tax Revenue	-	11,028,136	-	11,905,088	22,933,224
Capacity Fees	-	7,129,145	-	-	7,129,145
HHW Reimbursement	1,005,595	-	-	-	1,005,595
Recycled Water	475,452	-	-	-	475,452
Total Primary Revenue Sources	67,577,163	95,341,086	1,662,101	11,905,088	176,485,438
Other Revenue Sources Including:					
Permit & Inspection Fees	1,706,192	-	-	-	1,706,192
Lease Rental Income	689,097	-	-	-	689,097
Stormwater/Pollution Prevention	423,247	-	-	-	423,247
Investment Income	958,187	2,940,938	224,642	-	4,123,767
Developer Fees	-	372,482	-	-	372,482
Other	711,837	122,136	23,878	-	857,851
Total Other Revenue Sources	4,488,559	3,435,556	248,520	-	8,172,635
Subtotal Funding Sources prior to Debt Proceeds &Transfers	72,065,722	98,776,643	1,910,621	11,905,088	184,658,074
Debt Proceeds (SRF Loan)	-	15,588,706	-	-	15,588,706
Subtotal Funding Sources prior to Draws of Reserves	72,065,722	114,365,349	1,910,621	11,905,088	200,246,780
Use of / (Contribution to) Reserves	9,329,469	(55,267,869)	50,753	(1,350,116)	(47,237,763)
Total Funding Sources	\$81,395,192	\$59,097,480	\$1,961,374	\$10,554,972	\$153,009,017

Sewer Service Charge

Tables 3 and 4 show the SSC for FY 2024-25 compared to the prior four fiscal years' 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. During that timeframe, the Board held multiple financial workshops (November 4, 2019; March 12, 2020; December 17, 2020; March 25, 2021; and March 24, 2022) to discuss Central San's financial outlook, assess the appropriateness of the rates in the 4-year schedule, and to receive Board direction on key financial planning matters.

The Board held a financial workshop in January 2023 to consider a two-year rate proposal for FY 2023-24 and FY 2024-25. Based on the results of an updated Cost of Service study, this proposal incorporated an initial rate increase of only 1% for FY 2023-24 for Single Family Residences (SFR), followed by a 4% rate increase in FY 2024-25 for SFRs. Other rate classes saw first year adjustments (up or down) of differing amounts followed by a 4% increase in the second year. An Accessory Dwelling Unit (ADU) rate of approximately half the SFR rate was also new for FY 2023-24. Following the requirements of Proposition 218, property owners were notified of the two-year rate proposal and the Board approved the rates following a public hearing on June 21, 2023. A table illustrating residential and nonresidential rates for a five-year timeframe is shown below:

Table 3 – Approved Annual SSC-Residential

Customer Type	FY 2020-21*	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Single Family Residence (SFR)	\$629 legal rate, while \$598 collected	\$660	\$690	\$697	\$725
Other Residences – Apartments, Condominiums, Duplexes, Second Living Units, Mobile Homes	\$596 legal rate, while \$566 collected	\$625	\$654	\$622	\$647
Accessory Dwelling Units (ADU)	\$-	\$-	\$-	\$339	\$353
Effective Date	7/01/20	07/01/21	07/01/22	07/01/23	07/01/24

* 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.

Table 4 – Approved Annual SSC-Non-Residential

User Group	Description	Combined Strength Limits	FY 2020-21*	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Low	Non-residential uses not listed below (no food service)	Up to 350 mg/l	\$6.56	\$6.87	\$7.20	\$7.63	\$7.94
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	\$9.32	\$9.69
Medium	Shared water meter with 50% or greater food service	701 to 1,000 mg/l	\$10.09	\$10.57	\$11.07	\$10.99	\$11.43
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	\$12.04	\$12.52
High	Mortuaries, bakeries, restaurants with grinders or emulsifiers, breweries with Best Management Practices permits	Greater than 1,300 mg/l	\$14.92	\$15.63	\$16.37	\$14.48	\$15.06
Minimum Annual Charge			\$596.00	\$625.00	\$654.00	\$622.00	\$647

* 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	FY 2023-24	FY 2024-25
Schools					
Schools – Daycare, Preschool, University (per hundred cubic feet)	\$6.56	\$6.87	\$7.20	\$7.63	\$7.94
Schools – Elementary (per student)	\$7.82	\$8.19	\$8.58	\$8.94	\$9.30
Schools – Intermediate and High School (per student)	\$15.45	\$16.18	\$16.95	\$17.89	\$18.61
Industrial Permit (including food processing)					
Wastewater Flow (per hundred cubic feet)	\$5.08	\$5.32	\$5.57	\$7.28	\$7.57
Biological Oxygen Demand (BOD) (per 1,000 pounds)	\$1,342.00	\$1,406.00	\$1,473.00	\$1,268.00	\$1,338.00
Total Suspended Solids (TSS) (per 1,000 pounds)	\$701.00	\$734.00	\$769.00	\$644.00	\$670.00
Fixed	\$98.61	\$103.29	\$108.20	\$248.00	\$258.00
Special Discharge Permits and Contractual Agreements	Determined Individually	Determined Individually	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:

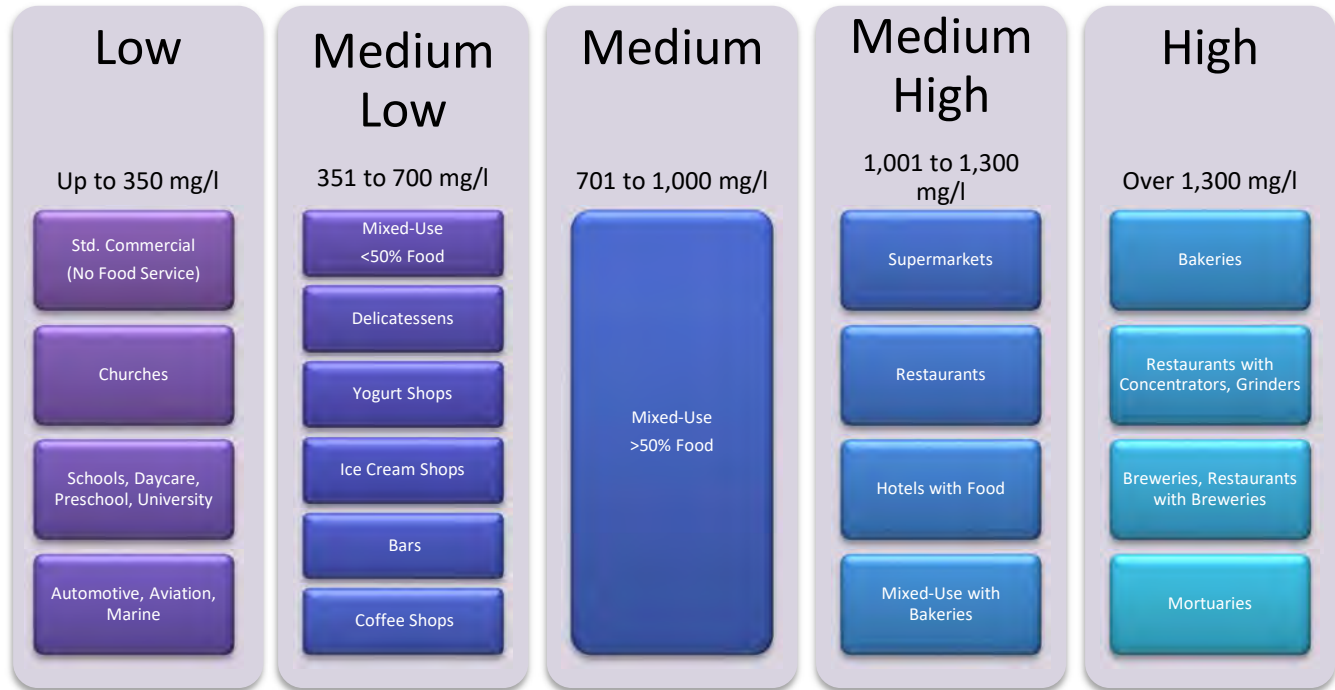


Table 5 indicates the total collected SSC and how such funds are allocated to the sub-funds. The allocation of SSC to Capital decreases from 42.6% in FY 2023-24 to 37.9% in FY 2024-25. The FY 2022-23 allocation of SSC to Capital was temporarily higher than typical due to the payoff of the pension UAAL 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. Those higher than ordinary SSC split estimates led to higher than required O&M working capital reserves as of June 30, 2022. Accordingly, the allocation of the SSC to the O&M fund was reduced in FY 2022-23 to normalize O&M working capital reserve back to policy-required levels. Following this correction, the allocation of SSC to O&M was largely normalized for the FY 2023-24 budget and onward. For FY 2024-25, the O&M fund's SSC allocation is budgeted to be 60.6%, more in line with FY 2023-24 budgeted allocation of 56.0%.

Table 5 – Allocation of Sewer Service Charges

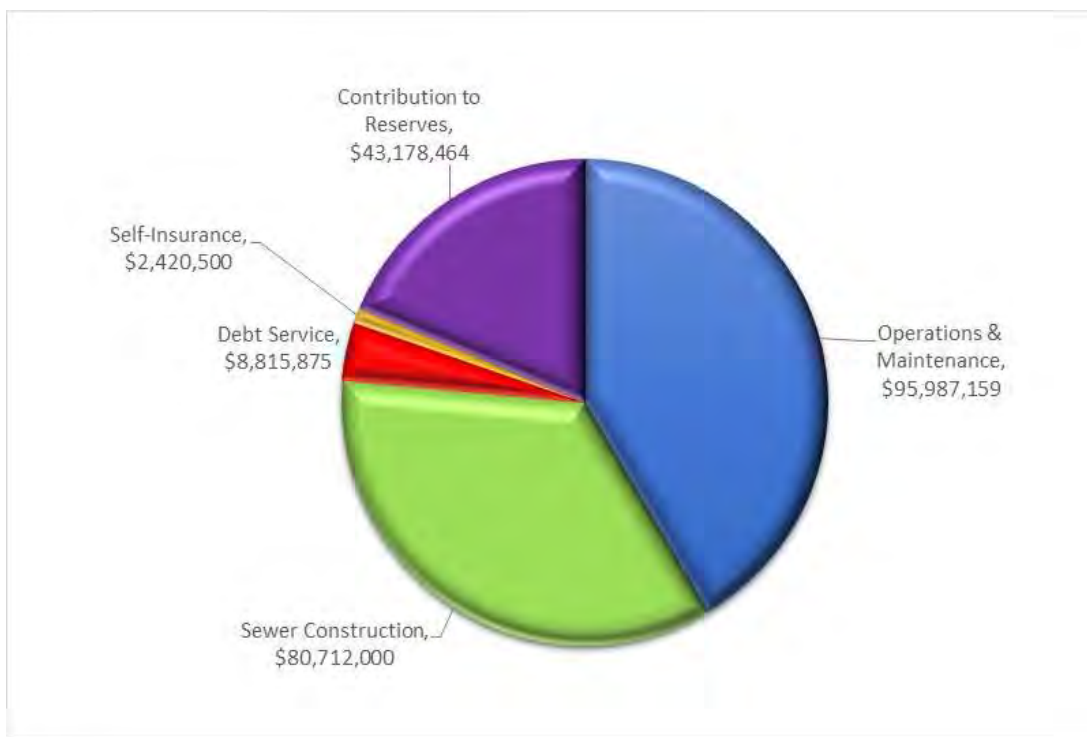
	FY 2022-23 Budget	%	FY 2022-23 Actual	%	FY 2023-24 Budget	%	FY 2024-25 Budget	%	Budget to Budget \$ Change
To O&M	\$47,162,407	41.1%	\$48,447,114	41.3%	\$66,051,443	56.0%	\$73,532,729	60.6%	\$7,481,286
To Capital	65,832,492	57.4%	67,227,158	57.3%	50,251,805	42.6%	45,918,306	37.9%	(4,333,499)
To Self-Insurance	1,662,101	1.4%	1,662,101	1.4%	1,676,752	1.4%	1,858,965	1.5%	182,213
Total Collected	\$114,657,000	100.0%	\$117,336,373	100.0%	\$117,980,000	100.0%	\$121,310,000	100.0%	3,330,000

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. 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. A direct allocation of SSC to the Self-Insurance fund was implemented in FY 2021-22, with the replenishment in years prior to that being accomplished through an inter-fund transfer from the O&M fund. The direct allocation of SSC 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 2024-25 are shown in Figure 3. Two expenditure categories, O&M and Sewer Construction, account for 76.5% of the total uses. In FY 2024-25, contribution to reserves comprises 18.7% of the total use of funds. These funds will largely be applied to the Sewer Construction Fund (Capital Improvement Program) to help stabilize customer SSC rates and address a sustained increase in capital spending projected for the next several years.

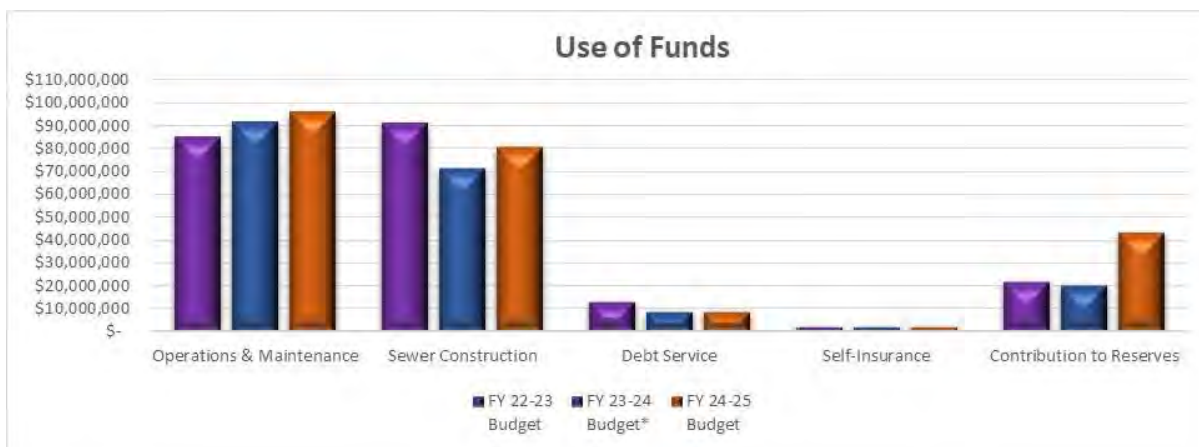
Figure 3 – Total Funding Uses – FY 2024-25 Budget



Total FY 2024-25 Budgeted Expenditures and Contributions of Reserves: \$231,113,998

Figure 4 – Where the Money Goes

<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
\$213,536,900	\$194,526,300	\$231,113,998



Operations & Maintenance Budget Overview

Excluding the draw from reserves above minimum working capital levels, total O&M revenue for FY 2024-25 is projected to be \$98.2 million, compared to the FY 2023-24 budget amount of \$89.7 million, as shown in Table 6.

Table 6 – FY 2024-25 Budgeted O&M Revenues

Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Revenue							
Sewer Service Charge	\$47,162,407	\$48,447,114	\$66,051,443	\$66,021,690	\$73,532,729	\$7,481,286	11.3%
Concord SSC	17,600,000	17,649,002	17,900,000	17,500,000	18,800,000	900,000	5.0%
Permit & Inspection Fees	1,799,500	1,706,192	1,827,500	1,888,000	1,828,000	500	0.0%
HHW Reimbursement	1,048,000	1,005,595	1,009,000	1,057,000	1,094,000	85,000	8.4%
Lease Rental Income	740,000	689,097	822,000	870,000	880,000	58,000	7.1%
Recycled Water	445,000	475,452	515,000	515,000	530,000	15,000	2.9%
Stormwater / Pollution Prevention	415,000	423,247	420,000	482,000	496,000	76,000	18.1%
Investment Income	262,000	958,187	860,000	860,000	653,000	(207,000)	-24.1%
Other	291,000	711,836	318,000	396,000	365,000	47,000	14.8%
Total Revenue	\$69,762,907	\$72,065,722	\$89,722,943	\$89,589,690	\$98,178,729	\$8,455,786	9.4%

O&M revenue is increasing by \$8.5 million, or 9.4% over the prior year budget, due primarily to the following:

- An increase in SSC revenue of approximately \$7.5 million or 11.3% is necessary to address the increase in budgeted O&M expenditures attributable to various cost pressures described in detail later, as well as meet reserve requirements as specified in Table 14.
- An increase in the reimbursement from the City of Concord by approximately \$0.9 million or 5.0% for its proportional share of wastewater treatment costs anticipated in FY 2024-25.

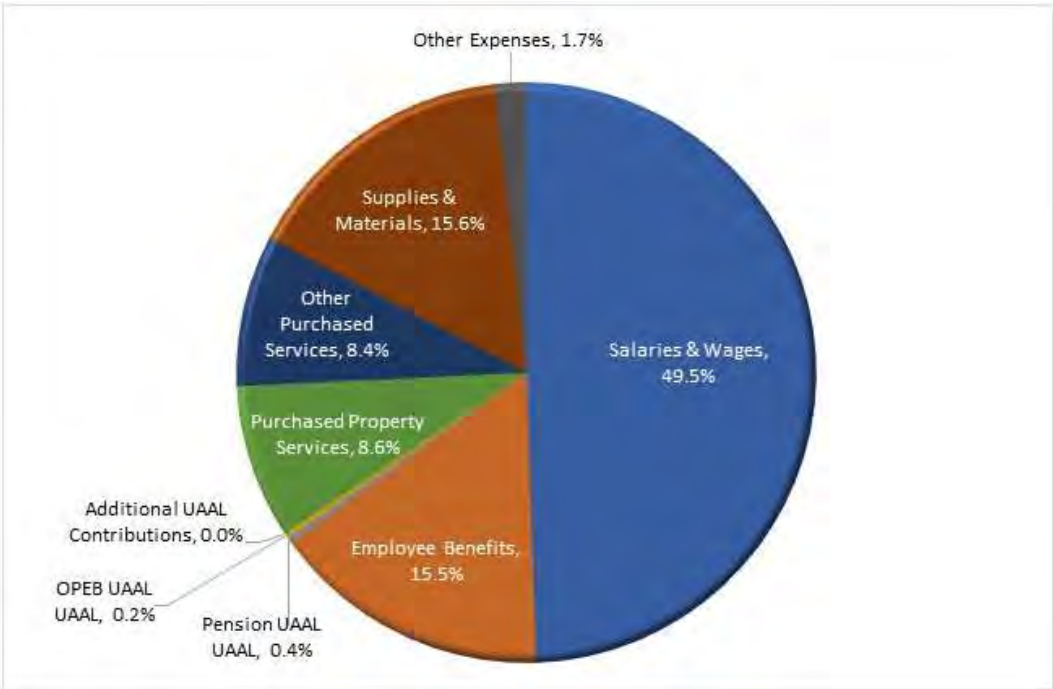
As shown in Table 7, total O&M expenses are projected to be \$96.0 million in FY 2024-25, an increase of \$4.5 million over the \$91.4 million FY 2023-24 budget, as amended. This figure includes the costs for Central San to provide essential services including wastewater collection, wastewater treatment, 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 illustrate the FY 2024-25 O&M Budget by expense category.

Table 7 – FY 2024-25 Budgeted O&M Expenditures and Contribution to / (Draw from) Reserve

Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)	FY 2024-25 Percent of Total
A. Salaries & Wages								
A. Salaries & Wages	\$42,748,849	\$40,434,775	\$45,144,569	\$44,040,286	\$47,486,627	\$2,342,058	5.2%	49.5%
B. Benefits								
B. Benefits*	12,312,215	13,189,199	13,654,823	14,345,422	14,921,532	1,266,709	9.3%	15.5%
Total Salaries & Benefits	55,061,063	53,623,974	58,799,392	58,385,708	62,408,159	3,608,767	6.1%	65.0%
C. OPEB and Pension UAAL and Additional Contributions								
C. Pension UAAL	59,784	58,946	59,503	57,396	372,404	312,901	525.9%	0.4%
C. OPEB UAAL	1,320,000	1,320,000	141,000	141,000	225,000	84,000	59.6%	0.2%
C. Additional UAAL Contributions	-	1,000,000	1,000,000	1,000,000	-	(1,000,000)	-100.0%	0.0%
Total UAAL Costs	1,379,784	2,378,946	1,200,503	1,198,396	597,404	(603,099)	-50.2%	0.6%
Total Labor-Related Costs (A+B+C)	56,440,847	56,002,920	59,999,895	59,584,103	63,005,563	3,005,668	5.0%	65.6%
D. Other O&M Expenses								
D. Purchased Property Services	6,850,450	6,695,940	7,697,774	7,744,105	8,266,110	568,336	7.4%	8.6%
D. Other Purchased Services	7,893,758	4,451,018	7,246,295	6,585,005	8,086,042	839,747	11.6%	8.4%
D. Supplies & Materials	12,406,002	13,024,609	14,298,822	13,729,586	14,967,135	668,313	4.7%	15.6%
D. Other Expenses	1,427,990	1,220,704	1,703,885	1,298,421	1,662,309	(41,576)	-2.4%	1.7%
Total Other O&M	28,578,199	25,392,272	30,946,776	29,357,115	32,981,596	2,034,820	6.6%	34.4%
Total Expenditures Before Transfers	85,019,046	81,395,192	90,946,671	88,941,219	95,987,159	5,040,488	5.5%	100.0%
Interfund Transfer (Self-Insurance)	-	-	500,000	500,000	-	(500,000)	-100.0%	0.0%
Total O&M Expenditures	\$85,019,046	\$81,395,192	\$91,446,671	\$89,441,219	\$95,987,159	\$4,540,488	5.0%	100.0%

*Net of administrative overhead credit for capitalized labor.

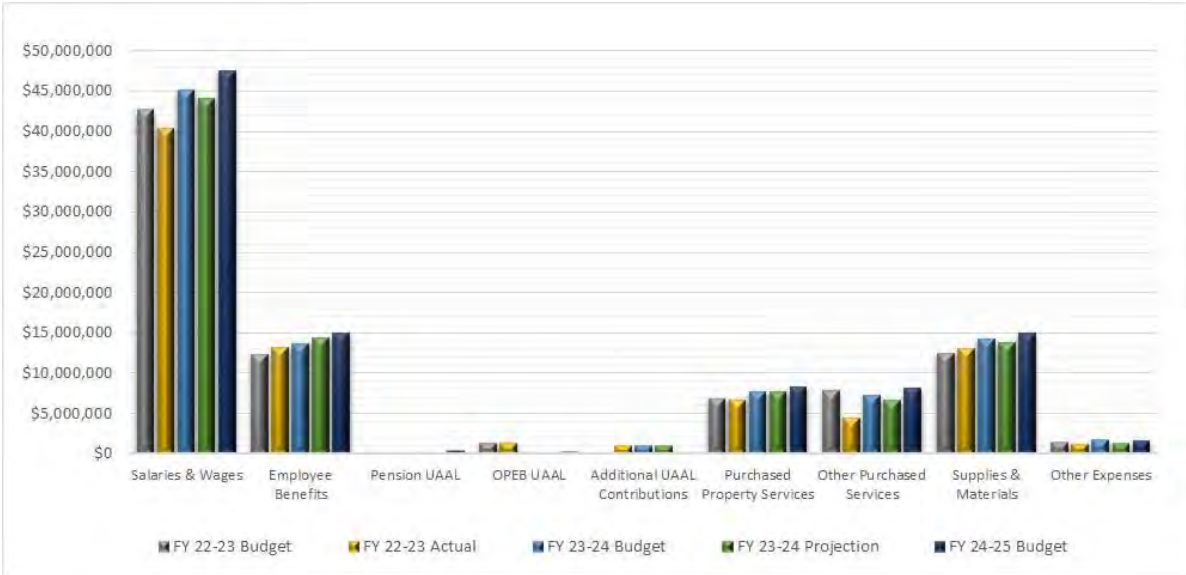
Figure 5 – FY 2024-25 Budgeted O&M Expenditures by Category



Variations in the Operations & Maintenance Budget

As noted previously, in FY 2024-25 O&M costs overall are budgeted to increase by \$4.5 million or 5.0% over the prior year, which is slightly less than the \$6.4 million or 7.6% O&M budget increase in the prior year. Figure 6 illustrates the historical trend of each of 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 \$47.5 million in FY 2024-25, compared to \$45.1 million in FY 2023-24, representing an increase of \$2.3 million, or 5.2%. This expense category makes up 49.5% of the overall FY 2024-25 O&M Budget, largely consistent with the prior year budget (49.6%). The budget assumes a 3.75% cost of living adjustment (COLA) for full-time permanent employee salaries effective April 2024 reflecting the February 2023 to February 2024 Bay Area consumer price index (CPI) in accordance with employee labor agreements of 2.4%, plus an additional adjustment factor of 1.35%. This additional adjustment factor was authorized by the Board in March 2024, and brought the COLA adjustment factor to the ceiling rate allowable per the labor agreements currently in place (3.75%). Bargaining units had requested that the COLA mechanism be adjusted in some manner prospectively given that in the prior year, the actual CPI rate exceeded the labor agreement COLA ceiling by 1.55%.

Beyond a COLA adjustment factor, the Salaries & Wages budget also incorporates step increases and longevity pay increases for eligible employees, including those currently on payroll as well as anticipated new hires. The budget also assumes a vacancy factor of 3%, which is consistent with the prior year and generally in-line (albeit slightly conservative) with actual vacancy experiences over the past several years. Details of full-time employee headcount changes are more thoroughly described in the forthcoming “Staffing, Salaries, and Benefits” section.

B. Employee Benefits

Employee benefits are projected to increase slightly from \$13.7 million in the prior year to \$14.9 million in FY 2024-25, an increase of 9.3%. The employee benefits expense category is reported net of a capitalized administrative overhead credit attributable to capitalized labor. The following table 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 2022-23 Budget	FY 2023-24 Budget	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Benefits for Active Employees	\$17,930,895	\$19,377,572	\$21,262,767	\$1,885,196	9.7%
Capitalized Admin Overhead	(5,618,681)	(5,722,749)	(6,341,235)	(618,487)	10.8%
Total Employee Benefits, net of Capitalized Admin Overhead	\$12,312,215	\$13,654,823	\$14,921,532	\$1,266,709	9.3%

Excluding the capitalized administrative overhead credit, benefits for active employees are comprised of healthcare costs, workers’ compensation costs, payroll taxes, normal cost contributions for pension and OPEB, and a benefit vacancy factor estimate. These costs were \$19.4 million in the FY 2023-24 budget and rise to \$21.3 million in the FY 2024-25 budget, which represents a 9.7% increase.

Given the timing of the budget development process, certain assumptions must be made on benefit program/premium costs prior to the availability of actual announced changes by providers. Assumed as well as known inflation factors for each major benefit category are described separately as follows:

- **Health (CalPERS Medical)** – Using known premium rates in effect for calendar year 2024, the budget incorporates a 6.25% base plan premium increase for the second half of FY 2024-25.
- **Pension (Normal Cost)** – The pension plan normal cost contribution rate, paid to CCCERA, is increasing slightly by 0.09% for legacy employees to 17.45% effective July 1, 2024. The normal cost rate is increasing slightly by 0.08% for Public Employees’ Pension Reform Act (PEPRA) employees to 11.60% effective July 1, 2024. 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 2024, the budget incorporates a 3.75% premium increase for the last six months of FY 2024-25 ending June 2025.
- **Vision** – Using known vision rates in effect for calendar year 2024, the budget does not assume a rate increase since the vision rates are guaranteed through the end of FY 2024-25.
- **Life Insurance** – No rate increases are being assumed for this benefit category, which is in alignment with rates over the past two years.
- **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 FY 2024-25.
- **Workers’ Compensation** – A 10% 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 2022-23 growth assumptions for workers’ compensation were proven to be slightly too conservative. Accordingly, the FY 2024-25 growth rate uses the actual FY 2022-23 rate as a base which was lower than projected in the budget. This has resulted in some modest budgetary savings in this expense category.
- **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, Foster & Foster. The normal cost component of OPEB, which is considered an active employee cost (not UAAL), is projected to be approximately \$1.9 million in FY 2024-25, consistent with the prior year’s budget. 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 (e.g., vacation, sick, holidays, etc.), is budgeted to increase by 10.8% to \$6.3 million in FY 2024-25. Despite a slight reduction in the Board-approved Administrative Overhead and Benefits Rate for FY 2024-25 by 1.0%, the proportion of labor expected to be charged to capital projects is increasing by 1.1% to an assumed total capital labor proportion of 19.3%. Several divisions, including Capital Projects, Planning & Development Services and Plant Maintenance, are expected to charge time to capital projects in FY 2024-25.

C. Unfunded Liabilities

Central San has negotiated agreements with its employees to provide pension and post-employment healthcare benefits. Central San prefunds its pension/benefits in accordance with actuarial calculations that make certain economic and demographic assumptions. The goal is to grow these prefunded amounts into sufficient assets to cover the liabilities arising from the promised pension/benefits. An unfunded liability may occur when assumed economic or demographic assumptions are not met, when those assumptions are changed, and benefit levels are adjusted.

In FY 2024-25, the total estimated pay-go cost of retiree health premiums and Medicare reimbursements is projected to be \$4.6 million. Consistent with prior years, OPEB costs for budgeting purposes are capped at the actuarially determined contribution (ADC), which is approximately \$2.1 million in FY 2024-25 pursuant to the latest independent actuarial report. OPEB “pay-go” costs in excess of this ADC ceiling are eligible for reimbursement from the OPEB trust, as outlined in the Board-adopted Fiscal Reserves policy which states: *“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 of up to approximately \$2.5 million from the OPEB trust is anticipated immediately following the close of FY 2024-25. 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.

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 (e.g., “pay-go” costs) are over \$2.5 million higher than the ADC in FY 2024-25. Accordingly, there is no mandatory OPEB trust payment to fully satisfy the ADC in FY 2024-25. In consideration of favorable results in the latest funding actuarial report (projecting a funded status of 98.6% as of July 1, 2023) as well as significant investment gains reported by the OPEB trust to close out calendar year 2023 (annual return of 13.3%), no additional OPEB trust contributions have been incorporated in the budget for FY 2024-25. To the extent that budget savings are available with the completion of FY 2023-24, the Board may choose to direct part of the savings toward the pension or OPEB trust.

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 the 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 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 non-existent for FY 2021-22 through FY 2023-24, except for a small administrative recovery component of 0.15% of covered payroll. Given negative market returns reported in 2022, CCCERA’s latest actuarial valuation determined Central San had a pension UAAL contribution obligation rate of 1.06%, resulting in a modest pension UAAL contribution of approximately \$0.4 million budgeted for FY 2024-25. With positive market returns in 2023, this is likely to be reversed in the subsequent actuarial valuation.

D. All Other O&M Expenses

The remaining O&M non-labor expenses total \$33.0 million in FY 2024-25, reflecting an increase of 6.6% over the prior year's budget. Additional information is included in the individual division budgets. The following is a synopsis of each of the major non-labor expense categories:

- **Purchased Property Services** – This expense category, which includes purchased services attributable to property that is owned or used by Central San (e.g., repairs & maintenance, hauling, security, cleaning, etc.) is reporting an increase of \$0.6 million or 7.4%. The bulk of this increase is attributable budgeted increases for repairs and maintenance costs in the Information Technology and Plant Maintenance divisions. Within the Information Technology division, the budget anticipates increases for both cloud and on-premises support costs for services such as the Oracle Cloud Fusion ERP, KLIR water compliance management software, Darktrace email security software, and other critical technologies used in operations. Within the Plant Maintenance division, the budget anticipates increases for various buildings and grounds purposes (e.g., landscaping, tree trimming, janitorial, pest control, etc.) as well as an increase in rents and leases in the mechanical shop for service air compressor and HVAC equipment for the treatment plant until the underlying repairs or replacements are completed.
- **Other Purchased Services** – This expense category, which includes professional, technical, and administrative services is increasing by approximately \$0.8 million or 11.6%. This variance is primarily attributable to the Office of the Secretary of the District division for budgeted election services paid to Contra Costa County to administer four district elections anticipated in November 2024.
- **Supplies & Materials** – This expense category includes supplies and materials consumed in operations necessary to provide services including but not limited to utilities & fuel (e.g., electricity, natural gas, landfill gas, water, gasoline, etc.), chemicals (i.e., lime, polymer, hypochlorite, etc.) and general supplies. This line item is increasing by \$0.7 million, or 4.7%. This change is primarily attributable to budgeted increases in the Plant Operations and Recycled Water Program for electricity (PG&E) and hypochlorite used in the wastewater treatment and recycled water production process.
- **Other Expenses** – This expense category reports other less-significant expense types than those listed and described previously. The Other Expense category includes costs such as training & meetings, employee memberships, and other miscellaneous costs. Overall, this expense category remains largely steady, decreasing by less than \$0.1 million, or -2.4%. The main driver for the reduction is in the Environmental & Regulatory Compliance Division where it was determined that an outside organizational fee for Central San's contribution to CASA's Two-Step Process Pooled Emission Testing Program previously budgeted will not be required until FY 2025-26.

The following table summarizes budgeted costs for training, conferences, and meetings for FY 2024-25 as well as the previous two fiscal years. While not the only driver, the increase in the Administration Department is partially attributable to expanding Central San’s training resources for Oracle ERP more broadly amongst power user staff in the Finance, Information Technology and Human Resources & Organizational Development divisions. This investment is expected to enhance both the competency and satisfaction of staff that work with the ERP system regularly as Central San continues to master and expand system functionalities.

Table 8 – Technical Training, Conferences, & Meetings *

Department	FY 2022-23 Budget	FY 2023-24 Budget	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Executive Governance**	\$95,350	\$113,088	\$136,500	\$23,412	20.7%
Administration Department	160,200	210,750	280,154	69,404	32.9%
Engineering and Technical Services Department	162,225	166,225	189,950	23,725	14.3%
Operations Department	245,350	254,250	262,150	7,900	3.1%
Total	\$663,125	\$744,313	\$868,754	\$124,441	16.7%

* 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.

Table 8a – Summary of O&M Changes

A summary table of changes in the O&M budget follows (\$ in millions)

Budgeted Expense Category		\$	%
Salaries & Wages		\$2.34	5.20%
COLA (3.75%), and other step related increases	1.74		
Overtime	0.20		
Compensated Absences Payout	-0.30		
2 New Term Limited Employees (Optimizations, Risk)	0.20		
4 New Employees (Capital-Associate Engineer, Regulatory-Asst. Engineer, Operations Shift Supervisor, Plant Maintenance-Management Analyst)	0.50		
Benefits		\$1.27	9.30%
Medical plan premium increase of 6.25%	0.84		
Pension Normal Contribution	0.37		
Deferred compensation (401a)	0.10		
Medicare tax	0.04		
Benefits related to 4 new staff	0.21		
HRA (didn't budget in prior year)	0.37		
Workers Compensation	0.05		
Capitalized Admin Overhead	(0.71)		
UAAL		(\$0.60)	-50.20%
Pension UAAL	0.31		
OPEB UAAL	0.08		
Additional Trust Contribution (in FY 2023-24, not in FY 2024-25)	-1.00		
Non-Labor Related Costs		\$1.53	4.88%
Purchased Property Services (IT Costs, Buildings & Grounds)	0.57		
Other Purchased Services (SOD-Election costs)	0.84		
Supplies & Materials (Electricity, Hypochlorite)	0.67		
Other	-0.04		
Self-Insurance (Interfund Transfer from FY 2023-24, not in FY 2024-25)	-0.50		
Total		\$4.54	5.00%

Operations & Maintenance Budget by Operating Department

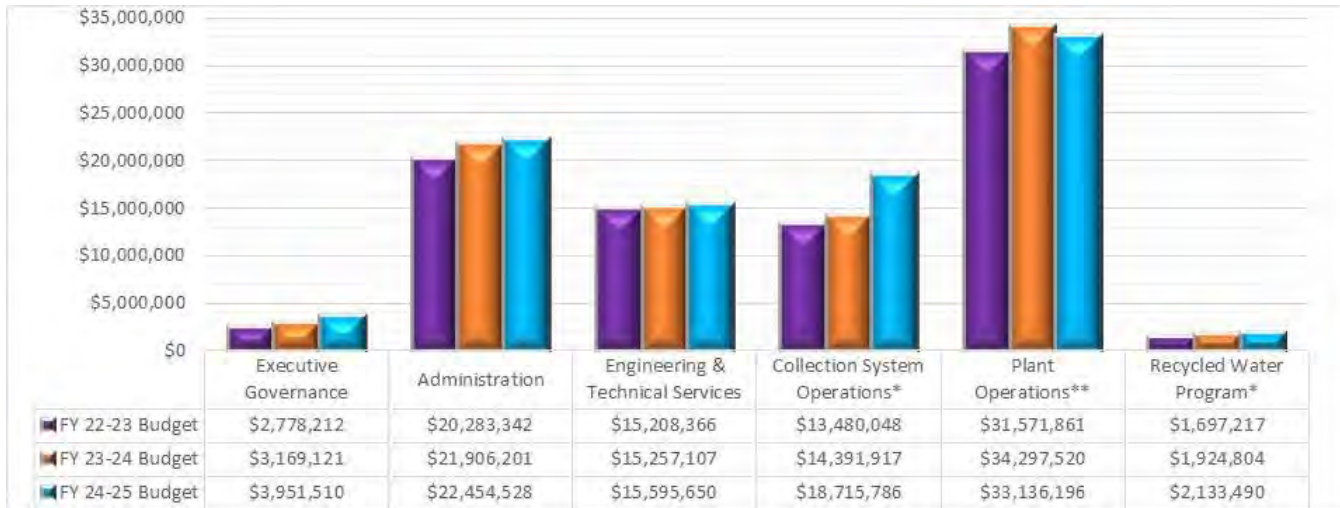
Table 9 and Figure 7 provide a summary of the operating budgets by department. Further details are included in the Operating Departments Section.

Table 9 – O&M Budget by Department+

Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Executive Governance							
Office of the General Manager	\$1,070,246	\$1,003,244	\$1,852,510	\$1,001,445	\$1,882,901	\$30,391	1.6%
Office of the Secretary of the District	1,242,671	798,794	938,800	750,390	1,727,191	788,391	84.0%
Board of Directors	465,295	213,905	377,811	188,270	341,417	(36,393)	-9.6%
Subtotal	2,778,212	2,015,943	3,169,121	1,940,106	3,951,510	782,388	24.7%
Administration							
Office of the Deputy General Manager of Administration	649,271	520,160	688,243	680,335	767,541	79,298	11.5%
Finance*	2,008,642	1,965,172	2,415,433	2,272,868	3,615,073	1,199,640	49.7%
Human Resources & Organizational Development	7,131,543	7,264,251	6,930,837	6,882,493	6,014,379	(916,458)	-13.2%
Materials Services*	1,861,104	1,643,384	1,887,015	1,791,848	989,345	(897,670)	-47.6%
Risk Management	1,274,845	1,235,995	1,514,204	1,471,632	1,745,299	231,095	15.3%
Communication Services and Intergovernmental Relations	2,155,358	1,931,638	2,176,322	2,233,428	2,546,290	369,968	17.0%
Information Technology	5,202,579	4,566,800	6,294,147	5,962,338	6,776,601	482,454	7.7%
Subtotal	20,283,342	19,127,400	21,906,201	21,294,942	22,454,528	548,327	2.5%
Engineering and Technical Services							
Office of the Director of Engineering & Technical Services	890,095	502,411	1,003,642	252,128	386,466	(617,176)	-61.5%
Planning and Development Services	6,241,012	5,505,183	5,385,263	5,832,686	5,981,049	595,785	11.1%
Capital Projects	(831,774)	(100,596)	(423,339)	379,970	(444,468)	(21,129)	5.0%
Environmental and Regulatory Compliance	8,909,033	8,317,647	9,291,541	8,506,511	9,672,604	381,062	4.1%
Subtotal	15,208,366	14,224,645	15,257,107	14,971,295	15,595,650	338,542	2.2%
Operations							
Office of the Deputy General Manager of Operations & Engineering	1,232,151	653,588	989,020	958,559	1,286,966	297,946	30.1%
Collection System Operations	13,480,048	13,342,915	14,391,917	14,707,923	18,715,786	4,323,869	30.0%
Plant Operations	14,871,590	16,669,565	16,610,137	16,853,675	17,755,940	1,145,803	6.9%
Plant Maintenance	15,468,121	14,217,806	14,892,814	15,067,918	12,385,099	(2,507,715)	-16.8%
Operations Optimization	-	-	1,805,549	1,440,339	1,708,191	(97,359)	-
Recycled Water Program	1,697,217	1,143,329	1,924,804	1,706,462	2,133,490	208,686	10.8%
Subtotal	46,749,126	46,027,203	50,614,241	50,734,877	53,985,472	3,371,230	6.7%
Total Departmental Expenses Before Interfund Transfers	85,019,046	81,395,192	90,946,671	88,941,219	95,987,159	5,040,488	5.5%
Transfers to Self-Insurance Fund	-	-	500,000	500,000	-	(500,000)	-100.0%
Total O&M Expenses	\$85,019,046	\$81,395,192	\$91,446,671	\$89,441,219	\$95,987,159	\$4,540,488	5.0%

*Effective FY 2024-25, the procurement function of the former Purchasing & Materials Services was consolidated with the Finance Division for budgeting purposes to better reflect organizational restructuring done in late 2022.

Figure 7 – O&M Budget by Function



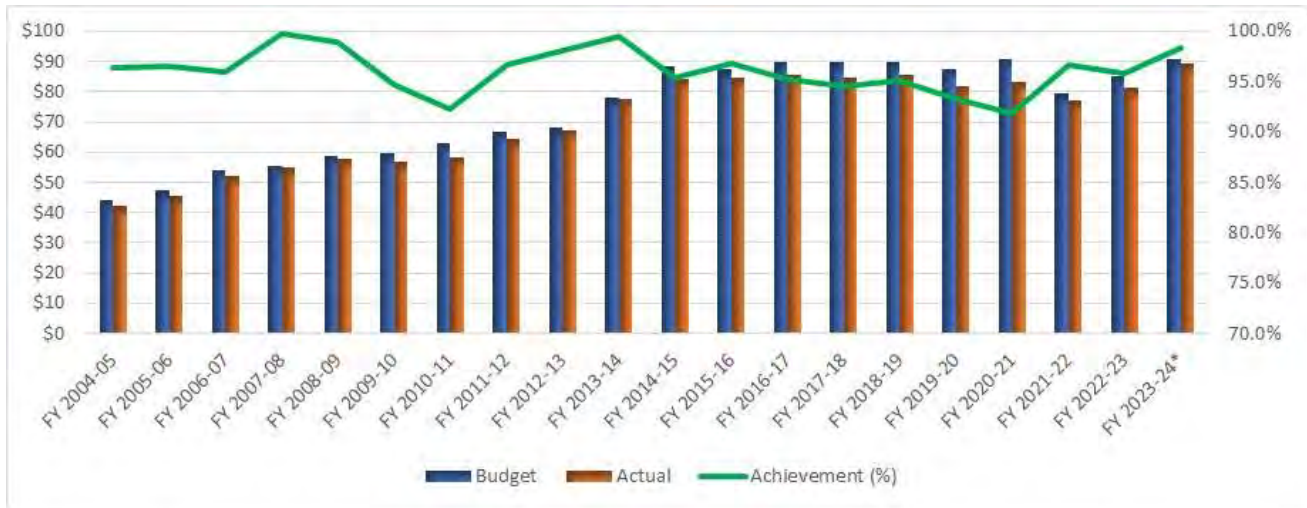
*Function shown separately given significance of service and for comparability with prior year budgets.

**Includes Office of the Deputy General Manager of Operations & Engineering, 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 4.8% (spending was 95.2% of budget) over the last five years with variances averaging 3.9% since FY 2004-05 (last 20 years).

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



*Using projected actuals for FY 2023-24 as year as not yet concluded.

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 \$4.7 million, or 6.5%, from \$73.3 million in FY 2023-24 to \$78.1 million in FY 2024-25. 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 \$77.4 million in FY 2024-25, including both the O&M Fund and the Sewer Construction Fund, compared to \$72.1 million in FY 2023-24, a \$5.3 million, or 7.3% increase. UAAL costs for pension and OPEB (which relate to both active employees and retirees) are \$0.6 million, down from \$1.2 million in FY 2023-24. This reduction is largely attributable to the absence of an additional OPEB or pension prefunding trust contribution in FY 2024-25, which was budgeted at \$1.0 million in the prior year.

Major factors affecting overall salaries and benefits include the following:

- Cost-of-living adjustments effective April 2024 based on provisions per MOUs / personnel resolutions with each bargaining unit of 3.75%, and an estimated placeholder of 3.75% for April 2025.
- Step (5%) and longevity (2.5%) increases for applicable full-time permanent employees.
- The addition of four new permanent FTE positions, resulting in an increase of the permanent headcount from 298 to 302 (see “Staffing Changes” section).
- Attrition of approximately 5.0% of the workforce, with some tenured workers being replaced by lower step level and non-longevity eligible PEPRAs tier employees.
- Capping the budgeted OPEB expense at the ADC, which is approximately \$2.5 million lower than estimated pay-as-you-go retiree premiums in FY 2024-25.
- A projected FTE vacancy factor of 3%.
- Increase in health and other benefit premiums.

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 details about salary and benefit costs.

Table 10 – Total Labor Costs Summary

FY 2024-25 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	266.7	35.3	302.0
Budgeted Salaries & Wages	\$47,486,627	\$6,280,648	\$53,767,275
Budgeted Benefits	21,262,767	2,397,760	23,660,527
Capitalized Admin Overhead **	(6,341,235)	6,341,235	-
Benefits After Capitalized Administrative Overhead	14,921,532	8,738,995	23,660,527
Total Costs Active Employees	62,408,159	15,019,643	77,427,802
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	225,000	-	225,000
Pension UAAL	372,404	49,857	422,261
Total Unfunded Liabilities	597,404	49,857	647,261
Total Labor Related Costs	\$63,005,563	\$15,069,500	\$78,075,063

FY 2023-24 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	264.8	33.2	298.0
Budgeted Salaries & Wages	\$45,144,569	\$5,659,371	\$50,803,940
Budgeted Benefits	19,377,572	1,957,591	21,335,162
Capitalized Admin Overhead **	(5,722,749)	5,722,749	-
Benefits After Capitalized Administrative Overhead	\$13,654,823	\$7,680,339	\$21,335,162
Total Costs Active Employees	\$58,799,392	\$13,339,711	\$72,139,103
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	\$1,141,000	\$ -	\$1,141,000
Pension UAAL	59,503	7,704	67,207
Total Unfunded Liabilities	\$1,200,503	\$7,704	\$1,208,207
Total Labor Related Costs	\$59,999,895	\$13,347,415	\$73,347,310

* 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. In addition to 302 budgeted full-time equivalent (FTE) positions, the General Manager can 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 have been budgeted in the Office of the General Manager division to be used for the appropriate division in need as directed by the General Manager during the year. Table 12 shows the positions by bargaining unit and division.

Table 11 – Budgeted Full-Time Equivalents

	FY 2022-23 Year-End Actual	FY 2023-24 Budget	FY 2024-25 Budget
Regular Employees (Excluding Recycled Water Employees)	278.0	298.0	302.0
Temporary Employees			
District Temporary Employees	18.0	18.0	14.0
GM Specials	1.0	5.0	5.0
Limited Duration Employees	-	6.0	8.0
Fill Station Attendants	1.0	5.0	5.0
Summer Students	7.0	15.0	18.0
Interns	7.0	19.0	19.0
Total Temporary Employees	34.0	68.0	69.0

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

	Administration	Engineering	Operations	Total
Local One	21.0	41.0	107.0	169.0
Management Support/Confidential Group	28.0	47.0	40.0	115.0
Management	3.0	4.0	4.0	11.0
Unrepresented	5.0	1.0	1.0	7.0
Total by Department	57.0	93.0	152.0	302.0

Staffing Changes

During fiscal year 2023-24, Central San’s FTE headcount was 298, which was an increase from 294 in the FY 2022-23 budget. During the FY 2024-25 budget development process, a review of staffing needs by division was conducted and involved detailed consideration of alternatives, cost-benefit analyses, and reviews by the Executive team. This assessment resulted in the recommended approval of four new positions, increasing the budgeted headcount from 298 in FY 2023-24 to a recommended 302 in FY 2024-25. In addition to the 302 permanent FTE headcount, eight limited duration employees (LDEs) have been budgeted Central San as begins to ramp up the CIP program, the underlying costs of which are largely being charged to the sewer construction budget. This is an increase from the six budgeted in FY 2023-24.

There are four new FTE positions included in the FY 2024-25 Budget, with the following summary business case. Capital Projects Division is adding one Associate Engineer for delivery of the annual gravity sewer replacement program, which has seen a drop in annual mileage due to previously moving an existing Associate Engineer to the ongoing pumping station upgrade projects. The new Associate Engineer will allow both capital program elements to progress at the scheduled annual rate of progress. Within the Regulatory and Environmental Compliance Division, there is an addition of one Assistant Engineer to cover the steady increase in the baseline workload for the Regulatory Compliance group, which also saw a net reduction of one FTE in FY 2023-24 due to the repurposing of a then-vacant Assistant Engineer position to the Laboratory group. For the Plant Operations Division, the addition of a Shift Supervisor will support maintaining and improving the extensive training needs for Operators necessitated by the steady implementation of new equipment and systems under the capital program. This position will also help develop a uniform training program and materials for the Maintenance teams, which have a similar need to learn and train on the many new systems coming into operation over the next 5 to 10 years. For the Plant Maintenance Division, the addition of one Management Analyst will support development, implementation, and ongoing support for all phases of asset onboard information flow during commissioning and handoff from the construction. For both the Shift Supervisor and Management Analyst positions, the fundamental purpose is to ensure the maximum lifecycle value for treatment plant assets delivered under the capital program. Position changes within and between departments and/or divisions from the prior year’s budget are summarized as follows:

- **Administration Department**
 - *Office of the Deputy General Manager of Finance and Administration:*
 - Reclassified the position Administrative Services Assistant to Administrative Services Supervisor
 - *Finance Division:*
 - Procurement staff consolidated with Finance Division
 - *Materials Services Division:*
 - Purchasing & Materials Services Division reclassified to Materials Services
 - Transferred four positions (Contracts & Procurement Administrator and three Contracts & Procurement Specialists) to Finance Division
 - *Risk Management Division*
 - Added one Projects Coordinator- Security, limited duration employee

- **Engineering & Technical Services Department**
 - *Capital Projects Division:*
 - Added one new FTE Associate Engineer (increasing budgeted headcount)
 - Added five limited duration employees (one Senior Engineer, two Assistant Engineer positions, one Utility Systems Engineer, and one Associate Engineer)
 - *Environmental & Regulatory Compliance Division:*
 - Added one new FTE Associate Engineer (increasing budgeted headcount)
 - *Planning & Development Services Division:*
 - Added one Staff Engineer position, limited duration employee
 - Transferred Engineering Assistant position from Resource Recovery to Financial Planning Department

- **Operations Department**
 - *Collection System Operations Division:*
 - Pumping Stations consolidated with Collection System Operations
 - *Plant Maintenance Division:*
 - Added one new FTE Management Analyst (increasing budgeted headcount)
 - Transferred Pumping Stations to Collection System Operations Division
 - *Plant Operations Division:*
 - Added one new FTE Shift Supervisor (increasing budgeted headcount)
 - *Operations Optimization Division:*
 - Added one Senior Engineer, limited duration employee

Capital Improvement Budget

As shown in Table 13, Sewer Construction Fund total sources (including debt proceeds) are projected to increase by \$28.7 million (30.8%), from \$93.1 million in FY 2023-24 to \$121.8 million in FY 2024-25. This increase is largely attributable to three sources: an increase in anticipated SRF loan reimbursement proceeds, an increase in the capital reimbursement from the City of Concord, and an increase in investment income. The budgeted increase in the SRF loan reimbursement proceeds is directly linked to the increase in capital outlays planned for the Solids Handling Facility Improvements – Phase 1A Project in FY 2024-25. The budgeted increase in capital cost sharing reimbursement revenue from the City of Concord is attributable to an anticipated increase in capital spending in reimbursement eligible projects, including anticipated unspent budgetary carryforward from FY 2023-24 to FY 2024-25. Lastly, the increase in investment income reflects current interest rates (which were underbudgeted in the prior year) as well as an increase in capital reserves over the past year caused by unspent budgetary carryforward.

The City of Concord's capital budget responsibility is based on its flow proportionate share of treatment plant, recycled water, and certain general improvement components of the capital budget. The City of Concord's capital reimbursement to Central San in FY 2024-25 is projected to be \$10.8 million, which is a noteworthy increase of \$3.2 million or 42.1% from the prior year budget of \$7.6 million. While the City of Concord will repay a proportionate share of debt used to finance the Solids Handling Facilities Improvements Phase 1A Project, debt service will not be due in FY 2024-25. In total, \$39.0 million of borrowing from the SRF is anticipated to finance this project in FY 2024-25.

The \$80.7 million capital improvement budget does not include anticipated carryforward from FY 2023-24, which will be finalized and communicated to the Board after the close of the current fiscal year. The FY 2024-25 capital budget, excluding carryforward, is increasing by \$9.5 million (13.4%) from the prior year budget of \$71.2 million. For FY 2024-25, 100% of the capital improvement budget was assumed to be funded in the financial plan consistent with the prior year's budget. This differs from FY 2022-23 where 90% of the budgeted capital spending authority was assumed to be funded from current rates and loan proceeds in the financial plan, with the difference between capital spending authority and the funding amount assumed to be spent in the outer years of the 10-Year Financial Plan.

Central San is projected to contribute \$41.1 million to capital reserves in FY 2024-25 with revenues and debt 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. This contribution to reserves will be essential to funding the unspent budgetary carryforward of approximately \$49.2 million anticipated to roll into FY 2024-25. Additionally, this higher than policy minimum Sewer Construction Reserve allows 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 \$108.4 million, unadjusted for cash flow carryforward of inflation, in FY 2027-28 (see 10-year plan in CIP section).

Table 13 provides a summary of the projected FY 2024-25 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 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Revenue							
Sewer Service Charges	\$65,832,492	\$67,227,158	\$50,251,805	\$50,232,305	\$45,918,306	(\$4,333,499)	-8.6%
Property Taxes	8,332,078	11,028,136	14,433,358	14,718,849	15,896,000	1,462,642	10.1%
Capacity Fees	4,579,000	7,129,145	4,175,000	5,159,362	5,000,000	825,000	19.8%
Investment Income	140,000	2,940,938	2,250,000	5,500,000	4,785,000	2,535,000	112.7%
Reimbursements							
City of Concord	7,500,000	9,956,648	7,570,000	9,000,000	10,760,000	3,190,000	42.1%
Developer Fees & Charges	403,000	372,482	445,000	326,000	426,000	(19,000)	-4.3%
Other	1,000	122,136	1,000	559	1,000	-	0.0%
Total Revenue	86,787,570	98,776,643	79,126,163	84,937,075	82,786,306	3,660,143	4.6%
Loan & Bond Proceeds							
SRF Loan Reimbursements	42,000,000	15,588,706	14,000,000	23,000,000	39,000,000	25,000,000	178.6%
Total Revenue and Debt Proceeds	128,787,570	114,365,349	93,126,163	107,937,075	121,786,306	28,660,143	30.8%
Expenditures							
Collection System Program	36,635,000	21,653,217	35,734,000	37,130,875	23,327,000	(12,407,000)	-34.7%
Treatment Plant Program	39,981,000	25,953,891	31,300,000	44,758,376	46,900,000	15,600,000	49.8%
General Improvements Program	3,645,000	3,099,336	3,350,000	5,760,165	5,235,000	1,885,000	56.3%
Recycled Water Program	8,715,000	8,391,035	818,000	4,493,084	250,000	(568,000)	-69.4%
Contingency	2,000,000	-	-	-	5,000,000	5,000,000	
Total Expenditures*	90,976,000	59,097,479	71,202,000	92,142,500	80,712,000	9,510,000	13.4%
Carryforward**	38,097,000	-	78,363,971	49,228,171	-		
Total Spend Authority	\$129,073,000	\$59,097,479	\$149,565,971	\$141,370,671	\$80,712,000	(\$68,853,671)	-46.0%

Sewer Construction Funds Available							
Projected Revenue and Debt Proceeds	128,787,570	114,365,349	93,126,163	107,937,075	121,786,306		
Capital Expenditures	90,976,000	59,097,479	71,202,000	92,142,500	80,712,000		
Less: Adjustment for 90% Spending Factor	(9,097,600)	-	-	-	-		
Contribution to Reserves	46,909,170	55,267,870	21,924,163	15,794,575	41,074,306		
Anticipated Cash Funded Capital Expenditures	39,878,400	-	57,202,000	69,142,500	41,712,000		

* The FY 2024-25 proposed sewer construction fund expenditure 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 2023-24 budget and projected spending will be spent in FY 2024-25 or beyond.

Impact of Capital Improvement Budget on Ongoing Operations & Maintenance Budget

Central San's Capital Improvement Budget and the extent to which FY 2024-25 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 2024-25 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. The technology to be utilized in Phase 2 of this project is tentatively proposed to be fluidized bed incineration, a more modern and efficient approach to the existing multiple hearth furnaces. The lifecycle cost of the project, including O&M impacts, is expected to be lower than continuing with the existing technology. 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 2024-25 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 set in the FY 2024-25 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 SIF are all projected to close FY 2024-25 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 2024-25 budget:

- **O&M Fund** - By June 30, 2024, O&M reserves are expected to be near policy required minimum reserve levels, falling just short by approximately \$0.2 million, attributable to a Board authorized contribution of \$3.2 million in prior year favorable budgetary variance to the rate stabilization reserve account. Pursuant to the Fiscal Reserves Policy, O&M reserves short of policy-required levels as of June 30, 2024, will be systematically built back up through the SSC split in the following fiscal year (FY 2024-25). As such, as outlined in Table 14, the O&M fund is projected to close FY 2024-25 with a working capital reserve of \$42.1 million, precisely the minimum policy-level amount.
- **Sewer Construction Fund** - Given higher than anticipated unspent CIB appropriations carrying over into FY 2023-24, Sewer Construction fund working capital reserves are expected to be well over the policy-specified minimum levels as of June 30, 2024. Accordingly, there is a planned decrease in Sewer Construction reserves in FY 2024-25 as progress is made on unspent budgetary carryforward appropriations from the prior year. The Sewer Construction fund is projected to close FY 2024-25 with a working capital reserve of \$145.4 million, exceeding minimum working capital reserves by \$91.9 million. To the extent that grant funding for capital projects is received during FY 2024-25, this would result in an increase in the Sewer Construction fund reserve balance, providing the ability to reduce future borrowing and reduce future rate adjustments.
- **Self-Insurance Fund** – This fund is projected to close FY 2024-25 with a reserve of \$9.0 million, equal to the minimum working capital reserves set by Board policy. This incorporates an additional Board-approved transfer of O&M reserves of \$0.5 million during FY 2023-24 from favorable prior year budget variances.

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 a transfer of \$2.61 million in favorable budgetary variance from the close of FY 2018-19. Thereafter, the Board directed an additional \$2.15 million, \$2.7 million, and \$3.2 million from favorable budgetary variances from FY 2019-20, FY 2020-21, and FY 2022-23 respectively. Accordingly, absent further action taken by the Board, the Rate Stabilization Fund Reserve Account is projected to close FY 2023-24 with a balance of \$10.66 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 the following:
 - Contributions towards pension or OPEB unfunded liabilities
 - Funding billing adjustments or other Board specified uses for mitigating rate impacts
 - Drawdowns to meet targeted debt service coverage levels as necessary
- **Pension Prefunding Trust Fund** – Following the pension UAAL payoff in June 2021, this trust had a minor residual balance of less than \$0.1 million as of June 30, 2023. As reported in CCCERA's latest actuarial report as of December 31, 2022, poor investment returns by in 2022 (loss of -11.25% on a market value basis) resulted in the resurfacing of a relatively small pension UAAL for Central San. The actuarial report identified a pension UAAL for Central San of \$0.4 million and a resulting pension UAAL contribution rate of 1.06% applicable for FY 2024-25. Despite Central San's pension plan still being in a strong financial position (December 31, 2022, estimated funded status of

99.0%), given the resurfacing of a pension UAAL and the availability of budgetary variance funds, the Board took action to direct \$1.0 in already budgeted trust contributions to the pension prefunding trust in FY 2023-24. Projected reserves of the pension prefunding trust of approximately \$1.1 million as of June 30, 2025, assumes the fund's targeted return of 5.14% and that the additional Board-authorized trust contributions in FY 2023-24 are made on dollar cost average basis over the remainder of the fiscal year.

- **OPEB Trust Fund** – This trust is projected to close FY 2023-24 with a reserve of \$83.4 million. This estimate is inclusive of investment returns, no new trust contributions, and an anticipated OPEB reimbursement to Central San of \$2.2 million in FY 2023-24. The trust and most recent OPEB actuarial report currently assume a long-term average target return of 5.25 %. The ADC assumptions incorporate a long-term perspective with smoothing as well as a provision to amortize the UAAL over time. Additionally, since the OPEB plan was projected to be 98.6% funded (on an actuarial valuation basis) as of July 1, 2023, budgeting for an additional trust contribution is not considered a top priority for Central San and therefore none are planned for FY 2024-25. Assuming no additional trust contribution, an actuarial discount rate of 5.25%, and an OPEB premium cost reimbursement of \$2.5 million, the trust is projected to close FY 2024-25 with a reserve of approximately \$85.3 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, 2023*	\$42,962,677	\$137,797,098	\$9,094,795	\$189,854,570
Projected Balance as of June 30, 2024	39,911,148	153,591,673	9,087,411	202,590,232
Projected Balance as of June 30, 2025**	42,102,718	145,437,808	9,000,000	196,540,526
Change year over year	2,191,570	(8,153,865)	(87,412)	(6,049,707)
<i>Reference:</i>	Table 7	Table 13	Self-Insurance Table 1	See Figure 3
Percentage change year over year	5.5%	-5.3%	-1.0%	-3.0%
Explanation	Ending balance at 6/30/24 is projected to be slightly below policy-required levels	Funds set aside in prior 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-bond funded Capital Budget	3 times annual deductible of \$500,000 plus \$7.5 million	
Reserve Policy Target end of June 30, 2024	40,076,336	47,791,500	9,000,000	96,867,836
Amount Over/(Under) Minimum Reserve Target at June 30, 2024	(165,188)	105,800,173	87,411	105,722,396
Comparison to Policy Target-End of Budget Year				
Reserve Policy Target end of June 30, 2025	42,102,718	53,572,500	9,000,000	104,675,218
Amount Over/(Under) Minimum Reserve Target at June 30, 2025**	-	\$91,865,308	-	\$91,865,308

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

** Net for FY 2023-24 CIB carryforward of \$49.2 million. Projected reserves at June 30, 2025, would be this amount higher when including the carryforward.

Table 14 – Reserve Projections (continued)

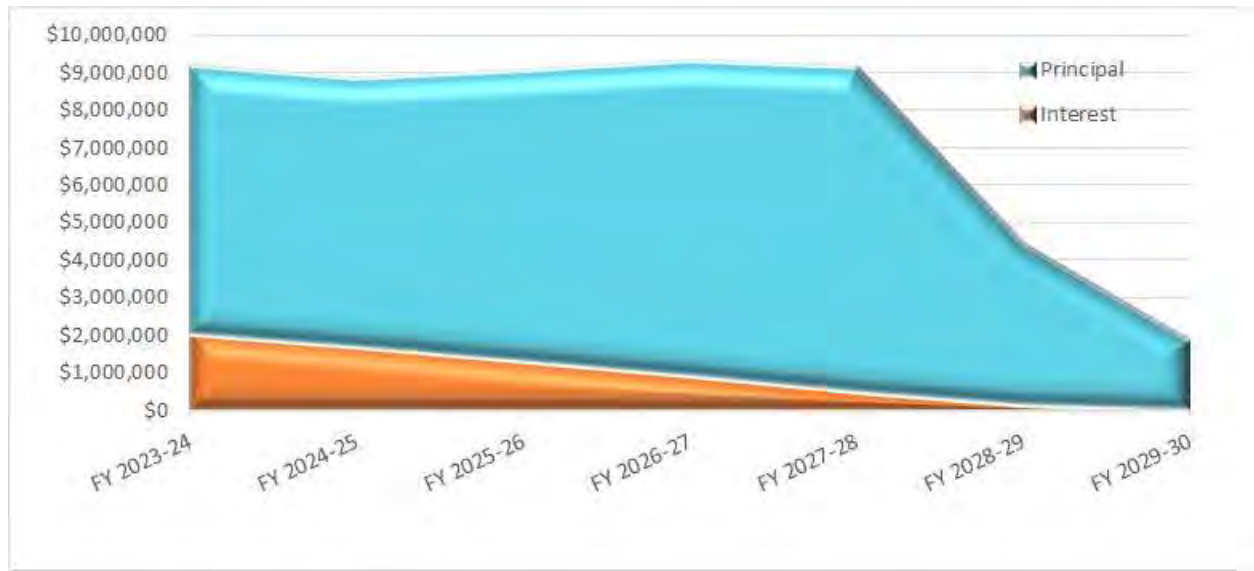
	Rate Stabilization Account *	Pension Trust Fund	OPEB Trust Fund
Actual Balance as of June 30, 2023	\$7,460,000	\$43,662	\$81,342,131
Projected Balance as of June 30, 2024	10,660,000	1,069,754	83,412,593
Projected Balance as of June 30, 2025	10,660,000	1,091,149	85,291,754
Change Year Over Year	-	21,395	1,879,161
<i>Reference:</i>			
Percentage Change Year Over Year	0.0%	2.0%	2.3%
Explanation	No Additional Transfers from O&M.	Includes trust contribution of \$1 million during FY 2023-24	Assumes long-term return of 5.25% 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, 2024	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2024	10,660,000	1,069,754	83,412,593
Comparison to Policy Target-End of Budget Year			
Reserve Policy Target end of June 30, 2025	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2025	\$10,660,000	\$1,091,149	\$85,291,754

* This fund is a book entry to the O&M and Sewer Construction funds. Interest earnings from those funds are not separately assigned to the Rate Stabilization Account.

Debt Service

As noted previously, current debt service expenditures include outstanding payments on 2018 Revenue Refunding Bonds and the 2021 COPs. Central San's total principal debt service for FY 2024-25 is \$7.1 million, compared to \$7.1 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)



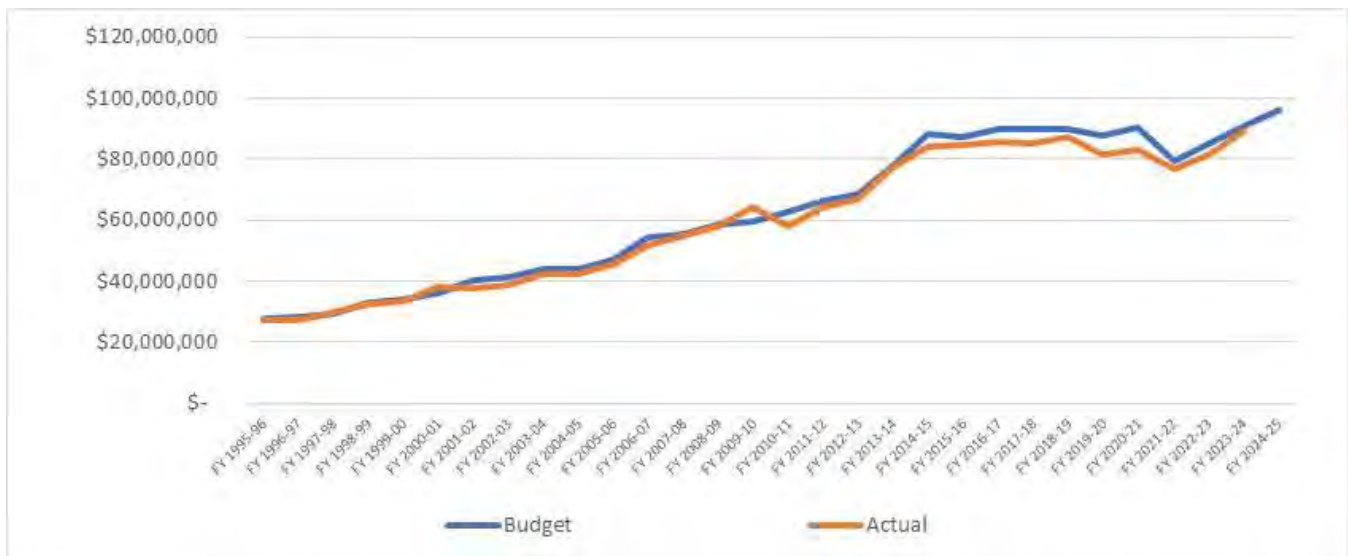
Phase 1a of the Solids Handling Facilities Improvements Project is being financed primarily by SRF loan proceeds. An SRF loan in the amount of \$173.1 million was finalized in 2021. This SRF loan has a term of 30 years, an interest rate of 0.90%, and payback is assumed to commence around FY 2028-29. The construction contract for this project was awarded by the Board in the Fall of 2023 in the amount of \$121.7 million (excluding other non-construction project costs) and Central San was pending final budget approval with the State Water Board as of the finalization of this budget. The financial plan assumes additional external financing will be required in future years, potentially for the UV Disinfectant facility upgrade, and Solids Handling Facility Phase 2 project later in the decade. These loans may be in the form of either SRF loans or revenue bonds. These future loans or debt issuances, if any, would add to the above debt profile.

Historical Long-Term Spending Trends

Operations & Maintenance

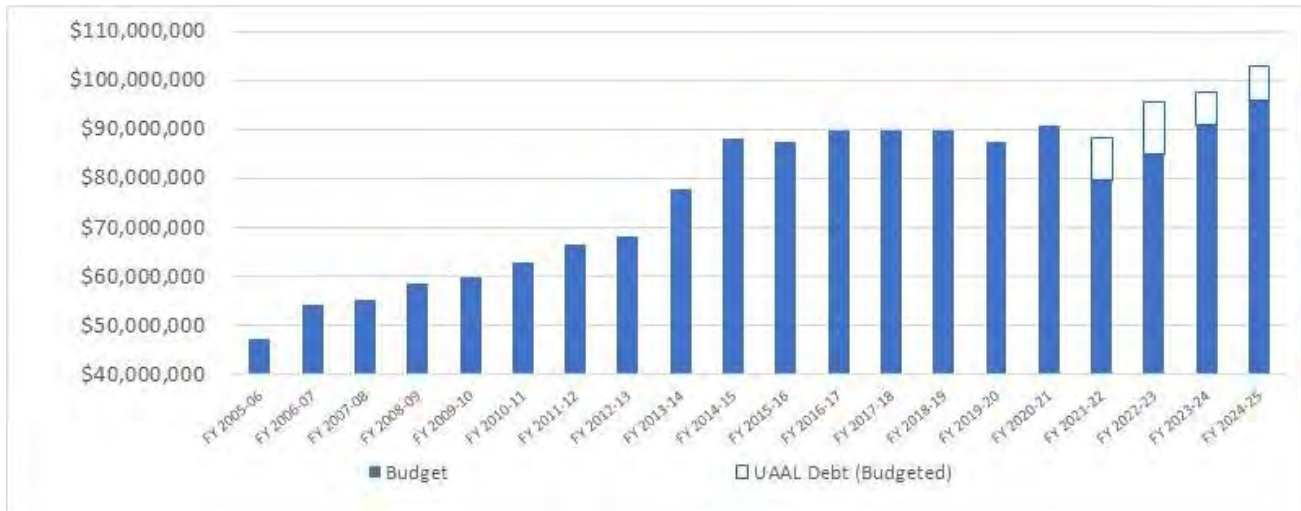
Figure 10 shows a long-term trend line of past O&M expenditures over the past thirty (30) years, while Figure 11 shows a long-term trend line of past capital expenditures. The O&M Budget was held essentially flat for a total of seven years (from FY 2014-15 to FY 2020-21). As illustrated commences below, the payoff of the pension UAAL in June 2021 resulted in a 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 over the past twenty (20) years 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 overall comparison of historical O&M spending.

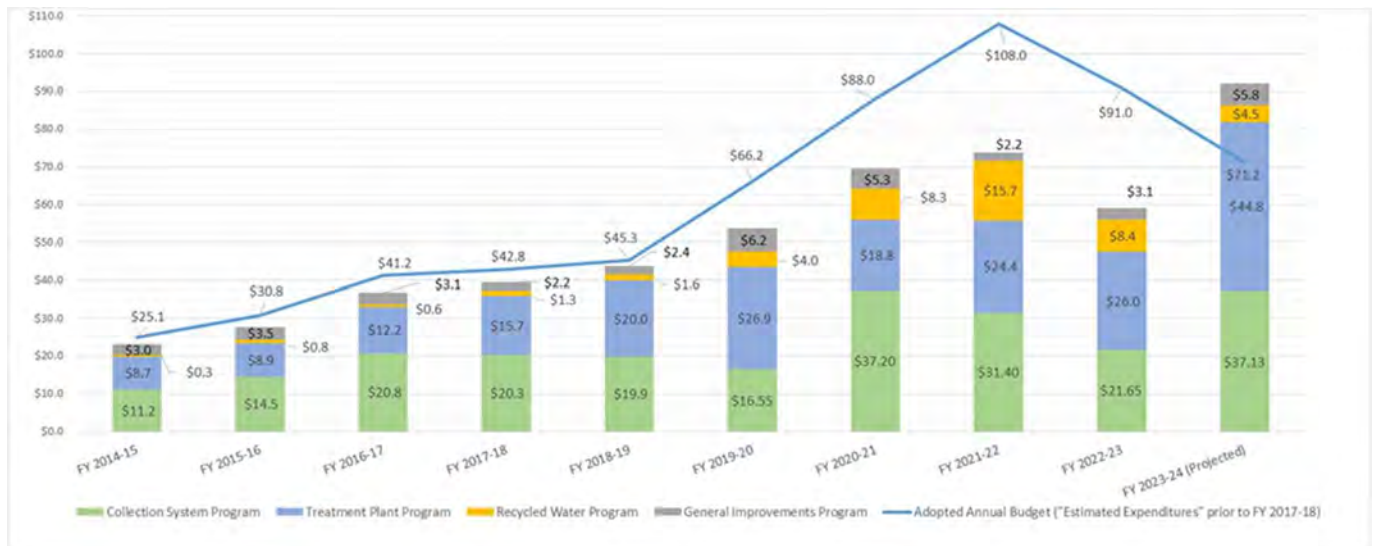
Figure 10b – Long-Term Budgeted O&M Spending Trend (with 2021 COPs Debt Service)



Sewer Construction (Capital)

Capital spending has been ramping up significantly since FY 2016-17, with spending projected to average \$108.0 million per year over the next decade (in 2024 dollars). Over the past 10 years, actual spending (including projected spending for FY 2023-24) has been \$519.1 million, while budgeted spending (called “estimated expenditures” prior to FY 2017-18) was \$609.5 million.

Figure 11 – Infrastructure Investments Over Past Ten Years



Long-Range Financial Plans

Central San's annual 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 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 2024-25 is the second year of a two-year rate proposal approved by Central San's Board of Directors in April 2023. A Proposition 218 notification was mailed to property owners in March 2023. The rate proposal was based on an updated Cost-of-Service study completed in 2023. 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 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-19 pandemic, property values (i.e., home values) and sales rates in the Contra Costa region have increased dramatically in recent years. This resulted in annual increases of more than 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**—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. 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 Proceeds 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. As noted earlier, Central San has applied for and received low-interest State Revolving Fund or SRF loans for the Solids Handling Project. Central San anticipates applying for SRF loans for the UV Disinfection Replacement and Hydraulics Improvements projects, though this potential funding source has not yet been included in the financial projections for the subsequent projects due to uncertainty as to whether such low-interest SRF loans will ultimately be available for those projects.

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. Inflation factors for increases to O&M costs in the next ten years vary by category. Forecasts for these expenses are based on the following assumptions:
 - Salaries & Wages expenses will increase at the maximum level provided for in the current labor agreements (MOUs) and at 4.75%-5.5% inclusive of cost-of-living adjustments and step increases thereafter.
 - 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/UAAAL-related expenses). Total employee benefit costs for Health insurance are projected to

increase by 9.3% in FY 2024-25, with the growth rate dropping to 5.05% by the end of the decade. Pension costs are approximately 15.5% of the payroll.

- Assumed annual 3.0% inflation for general expenses for FY 2024-25 and through the end of the 10-year planning period.
 - 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 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 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 are projected based on a detailed assessment of capital needs and past spending achievements.

The rate 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 within 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 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										Total for 10 years
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Beginning Reserves*	\$103.9	\$110.4	\$119.2	\$131.4	\$142.4	\$163.9	\$181.2	\$196.0	\$209.7	\$198.5	
Revenues											
Sewer Service charges	122.8	128.1	133.4	138.7	144.7	152.0	159.2	166.6	174.0	181.4	
Other Operating & Capital	37.4	78.3	83.7	86.3	90.7	88.9	82.0	84.7	65.9	82.9	
Non-Operating Revenues	33.0	32.0	33.0	34.1	35.3	36.5	37.7	38.9	40.0	41.1	
Total Revenues	\$193.3	\$238.4	\$250.1	\$259.1	\$270.7	\$277.3	\$278.9	\$290.1	\$279.9	\$305.5	\$2,643.4
Expenses											
Operating Expenses:											
(a) Operations	51.9	54.7	57.3	59.9	62.5	65.2	68.0	71.0	74.0	77.2	
(b) Recycled Water Program	2.1	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.1	3.2	
(c) Engineering & Technical Services	15.6	16.3	17.0	17.8	18.5	19.3	20.1	21.0	21.9	22.8	
(d) Administrative and General	26.4	27.9	29.3	30.6	32.0	33.4	34.9	36.5	38.1	39.8	
(e) Self-Insurance	2.4	2.5	2.6	2.6	2.7	2.8	2.9	3.0	3.1	3.2	
Total Operating Expenses (O&M Budget items a-d and Self-Insurance Budget item e.)	\$98.4	\$103.5	\$108.6	\$113.3	\$118.3	\$123.4	\$128.8	\$134.3	\$140.2	\$146.2	\$1,215.1
Capital Expenses*											
Treatment Plant	46.9	65.8	67.6	70.8	67.5	65.9	61.4	65.0	62.8	60.3	
Collection System	23.3	34.0	31.3	31.6	32.7	29.9	29.9	30.0	30.5	30.5	
Recycled Water	0.3	2.3	3.3	3.3	3.1	2.9	2.7	1.3	6.8	6.8	
General & Other	5.2	5.1	4.5	2.7	2.7	2.5	2.5	2.5	2.5	2.5	
Total Capital Expenses (Gross)	\$75.7	\$107.1	\$106.8	\$108.4	\$106.0	\$101.2	\$96.5	\$98.8	\$102.6	\$100.1	\$1,003.1
Net Cash Flow Adjustments**	3.8	9.9	13.3	17.2	20.5	23.2	25.7	30.0	35.2	38.4	
Total Adjusted Capital Expenses	\$79.5	\$117.0	\$120.1	\$125.6	\$126.4	\$124.3	\$122.1	\$128.8	\$137.8	\$138.5	\$1,220.1
Debt Service:											
Existing (Revenue Bonds, COPs)	8.8	9.0	9.3	9.1	4.5	1.9	-	-	-	-	
New/Planned (including 2021 SRF)	-	-	-	-	-	10.4	13.2	13.2	13.2	15.2	
Total Debt Service	\$8.8	\$9.0	\$9.3	\$9.1	\$4.5	\$12.3	\$13.2	\$13.2	\$13.2	\$15.2	\$107.9
Total Expenses	\$186.7	\$229.6	\$238.0	\$248.1	\$249.2	\$260.1	\$264.1	\$276.4	\$291.2	\$299.9	\$2,543.2
Reserves											
Year Ending Reserve Requirements***	96.3	100.6	107.9	121.0	117.7	119.7	125.3	148.2	141.8	148.6	
Ending Funds Available	110.4	119.2	131.4	142.4	163.9	181.2	196.0	209.7	198.5	204.1	
Funds Available Over/(Under) Requirement	\$14.1	\$18.6	\$23.4	\$21.4	\$46.3	\$61.5	\$70.6	\$61.5	\$56.7	\$55.5	

* These amounts are as of the April 2024 workshop. These may differ slightly than the numbers in the CIP section, but not significantly.

**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.

*** Reserves differ from reserve projections shown in Table 14 as the long-term cash flow assumes full spending of the FY 2023-24 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.

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 two Deputy General Managers and the General Manager form Central San's Executive Team. Each executive 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 2023-24; performance against the FYs 2022-24 Strategic Plan key metrics in FYs 2022-23 and in FY 2023-24 as of Q2; and operating budget needs. For final FY 2023-24 strategic performance data, please refer to the FY 2023-24 Strategic Plan Annual Report after its publication in fall 2024. The total operating budget for FY 2024-25 is \$96.0 million, a \$4.5 million or 5.0% increase over the \$91.4 million budget for FY 2023-24.



Administration Department

The Administration Department's primary function is to provide services that support the efficient operation of Central San, including the General Manager; financial management (including purchasing); human resources (HR) and organizational development; materials services; information technology (IT); 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 Deputy General Manager of Administration.

The budgeting 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 Deputy General Manager of Administration
- Communication Services and Intergovernmental Relations
- Finance (including the Purchasing function)
- IT
- 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 of 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. Included in those Vision, Mission, and Goals is employee engagement and making sure managers are in line with the General Manager's vision. 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 2023-24 accomplishments and performance, as well as the FY 2024-25 objectives, are embodied in each of the individual division and program sections.

The General Manager's office's staffing budget includes the Executive Assistant to the General Manager and the Internal Auditor.

FY 2023-24 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Served on the boards of National Association of Clean Water Agencies (NACWA), California Association of Sanitation Agencies (CASA), WateReuse (as Vice-President), and John Muir Health (as Vice-Chair) to strengthen ties to the water sector and the community Central San serves.
- Participated in the Global Water Summit efforts.
- Member of newly formed Water Wastewater Utility CEO Forum.
- 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 2024 citizens' academy, Central San Academy.
- Hosted WateReuse Northern California meetings.
- Executive Assistant to the General Manager chairs a quarterly meeting of sister agency assistants to General Managers.

GOAL TWO**ENVIRONMENTAL STEWARDSHIP**

- Continued to collaborate with Contra Costa Water District (CCWD) and Valley Water in advancing the water transfer policy discussions with the United States Bureau of Reclamation (USBR) regarding the Refinery Recycled Water Exchange Project, including meeting with CCWD and USBR staff to discuss the project's yield in critically dry years and several policy issues that can impact the project.
- Continued discussions to exchange recycled water with other agencies in the region with potential collaborators such as East Bay Municipal Utility District (EBMUD), San Francisco Public Utilities Commission (SFPUC), and CCWD.
- Continued to support and provide feedback to EBMUD's efforts to complete the feasibility evaluation of an array of potential recycled water projects with Central San, including potable reuse. This effort fed into EBMUD's Recycled Water Strategic Plan Update.
- Continued to work with CCWD and the City of Concord to supply recycled water to the Concord Community Reuse Project.
- Continued to divert raw wastewater to produce recycled water to meet Dublin San Ramon Services District – EBMUD Recycled Water Authority (DERWA)'s peak summer irrigation demand.

GOAL THREE**WORKFORCE DIVERSITY AND DEVELOPMENT**

- Hosted lunches with workgroups to update employees on current issues and receive feedback.
- Conducted General Manager State of the District meetings.
- Met frequently with bargaining unit representatives to maintain open communication and resolve issues early.
- Supported the Diversity, Equity, and Inclusion (DEI) efforts through meetings with Central San's DEI consultant and support for the activities of the Task Force.

GOAL FOUR**GOVERNANCE AND FISCAL RESPONSIBILITY**

- Worked with internal auditor to improve internal controls and processes by providing input on the annual Audit Plan and overseeing timely audit completion and finding remediation efforts.
- Completed and issued 2023 Miscellaneous Assets Review, Phase II, and 2023 Capital Projects Design-only internal audits.
- Partnered with internal auditor to identify ways to maximize resource allocation surrounding the permitting function and issued results to key stakeholders.
- Worked on Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework, solicited data from California agencies to perform statewide comparisons, and submitted Central San data to AWWA's annual Utility Benchmarking survey.
- Met the Goals and Performance Metrics in the FY 2023-24 Strategic Plan.

GOAL FIVE**SAFETY AND SECURITY**

- Continue to support the Enterprise Risk Management and Cybersecurity program efforts.
- Worked with Risk Management on safer access controls in and out of the building for visitors.



INNOVATION AND AGILITY

- Helped develop initiatives for the Operations Optimization Division.
- Supported the Information Technology/Operational Technology (IT/OT) Strategic Plan efforts.
- 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.

FYs 2022-24 Strategic Targets and Performance



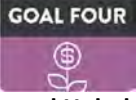

Goal	Metric	Target	FY 2022-23 Performance	FY 2023-24 Performance as of Q2
GOAL ONE	Participants in Central San Academy	≥35 per Session	20	2024 Session Not Yet Held
GOAL ONE	Awards or Recognitions Received	≥10	11	6
GOAL SEVEN	Completed Optimizations	≥20	45*	15 in progress (not including DJFIs)

* Including 21 Plant Maintenance optimizations and 11 Don't Just Fix It (DJFI) Plant Maintenance Improvements – count does not include 141 Planner Updates.

FY 2024-25 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 2024-25
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 , including having regular one-on-one meetings with each member.
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, CCWD, and Valley Water to supply recycled water to neighboring refineries, or other potential users such as EBMUD or SFPUC.

Goal/Strategy	Objective for FY 2024-25
 <p>Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment</p>	<p>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.</p>
 <p>Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive</p>	<p>Continue to gauge ways and means to make Central San a preferred employer, including supporting the DEI initiative.</p>
 <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, Operations Optimization Division, fulfillment of the Strategic Plan, and an employee recognition program.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$641,609	\$657,005	\$1,208,553	\$684,483	\$1,207,193	(\$1,360)	-0.1%
Employee Benefits	234,246	230,609	467,762	244,706	473,592	5,831	1.2%
Unfunded Liability Contributions	1,000	930	1,040	921	6,665	5,625	540.8%
Purchased Property Services	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Purchased Professional, Technical & Other Services	81,200	29,277	50,000	12	65,000	15,000	30.0%
Professional Services	69,200	26,800	50,000	-	65,000	15,000	30.0%
Technical Services	12,000	2,477	-	12	-	-	-
Supplies & Materials	11,000	2,691	11,000	4,201	8,500	(2,500)	-22.7%
General Supplies	11,000	2,691	11,000	4,201	8,500	(2,500)	-22.7%
Other Expenses	101,190	82,732	114,155	67,122	121,950	7,795	6.8%
Memberships	49,390	43,042	52,175	47,996	47,150	(5,025)	-9.6%
Training & Meetings	39,800	26,906	47,988	8,246	60,800	12,812	26.7%
Miscellaneous Other	12,000	12,784	13,992	10,881	14,000	8	0.1%
Total Expenses	\$1,070,246	\$1,003,244	\$1,852,510	\$1,001,445	\$1,882,901	\$30,391	1.6%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Executive Assistant	1.0	1.0	1.0
General Manager	1.0	1.0	1.0
Internal Auditor	1.0	1.0	1.0
Total	3.0	3.0	3.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
GM Transitional Positions	-	4.0	5.0
Total	-	4.0	5.0

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 2024-25 is \$1.9 million, an overall increase of 1.6% from the prior year's budget. The budget includes funding for three regular staff, and commencing in FY 2023-24, also included funding for GM Special positions. The Salaries and Wages and Employee Benefits categories include funding for up to five potential GM Transitional positions that the General Manager can add during the fiscal year at his discretion. GM Transitional positions are limited in duration to two years, and are intended primarily for succession planning purposes, to be used on a temporary basis to ensure continuity and knowledge transfer from outgoing and incoming staff. Purchased Property Services and Professional, Technical, and Other Services increased due to a portion of the legal services retainer costs being budgeted in this organization unit for FY 2024-25. Other Expenses is increasing for additional travel for trainings and conferences.

Office of the Secretary of the District

OVERVIEW

The Secretary of the District reports to the Board 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 2023-24 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Coordinated Board Self-Evaluation Workshop, Financial Planning Workshop, Audit Workshop and annual review of Board Member compensation and benefits.
- Coordinated meetings for Board Liaisons with representative cities and agencies.
- Provided Records Program services to all departments, including indexing over 72 new records boxes transferred to storage, creating and printing over 712 new file folder labels, and delivering or returning over 195 boxes requested from storage.
- 76 boxes that have met retention and are being securely destroyed.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- 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 14 Board policies.

GOAL THREE



WORKFORCE DIVERSITY AND 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.




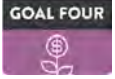


GOAL SEVEN



INNOVATION AND AGILITY



- Conducted all Board meetings and committee meetings virtually to allow for more public participation in meetings.
- Implemented a new Public Records Act Request (PRA) program to simplify and easily track PRA through Next Request.

FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
 GOAL FOUR	Compliance with Public Records Act requests on time	100%	100%		100%	
 GOAL FOUR	Board meeting videos posted online	100%	100%		100%	

FY 2024-25 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 2024-25
 Encourage and Facilitate Public Participation	Obtain electronic posting system for agendas and public hearing notices.
	Implement new live streaming/video recording program for all Board Meetings.
 Implement Organization-Wide Optimization	Update agenda management system program and procedures to improve processes and more efficient and effective Board and Committee agenda packets.
	Update and simplify Central San's Records Retention Schedule .

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$525,443	\$472,190	\$560,833	\$470,693	\$575,749	\$14,916	2.7%
Employee Benefits	192,692	159,445	190,363	159,499	213,636	23,274	12.2%
Unfunded Liability Contributions	786	1,169	805	690	4,606	3,801	472.2%
Purchased Property Services	18,000	15,321	21,000	20,433	20,000	(1,000)	-4.8%
Repairs & Maintenance	2,000	699	1,000	-	-	(1,000)	-100.0%
Rentals	16,000	14,622	20,000	20,433	20,000	-	0.0%
Purchased Professional, Technical & Other Services	468,200	128,273	120,200	71,282	864,000	743,800	618.8%
Professional Services	48,000	46,658	40,000	18,000	-	(40,000)	-100.0%
Technical Services	4,000	29,523	14,000	3,160	9,000	(5,000)	-35.7%
Other Purchased Services	416,200	52,092	66,200	50,122	855,000	788,800	1191.5%
Supplies & Materials	15,000	5,512	12,600	4,458	7,000	(5,600)	-44.4%
General Supplies	15,000	5,512	12,600	4,458	7,000	(5,600)	-44.4%
Other Expenses	22,550	16,885	33,000	23,335	42,200	9,200	27.9%
Memberships	5,000	3,339	5,900	1,858	4,500	(1,400)	-23.7%
Training & Meetings	15,550	11,163	25,100	20,236	35,700	10,600	42.2%
Miscellaneous Other	2,000	2,383	2,000	1,241	2,000	-	0.0%
Total Expenses	\$1,242,671	\$798,794	\$938,800	\$750,390	\$1,727,191	\$788,391	84.0%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Services Assistant	1.0	1.0	2.0
Assistant to the Secretary of the District	-	1.0	-
Deputy Secretary of the District	-	-	1.0
Records Program Administrator	1.0	1.0	-
Secretary of the District	1.0	1.0	1.0
Total	3.0	4.0	4.0

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 2024-25 is \$1.7 million compared to the prior year's budget of \$0.9 million, 84.0% increase. The increase is attributable to election services that are needed in FY 2024-25 for the Board of Directors 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 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 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$66,600	\$49,940	\$66,600	\$60,000	\$66,600	-	0.0%
Employee Benefits	83,045	70,719	86,661	57,484	111,267	24,607	28.4%
Purchased Professional, Technical & Other Services	266,000	71,659	178,000	45,000	115,000	(63,000)	-35.4%
Professional Services	250,000	63,859	110,000	35,000	47,000	(63,000)	-57.3%
Other Purchased Services	16,000	7,800	68,000	10,000	68,000	-	0.0%
Supplies & Materials	5,150	255	2,150	1,174	4,150	2,000	93.0%
General Supplies	5,150	255	2,150	1,174	4,150	2,000	93.0%
Other Expenses	44,500	21,333	44,400	24,612	44,400	-	0.0%
Memberships	500	-	400	-	400	-	0.0%
Training & Meetings	40,000	19,382	40,000	21,767	40,000	-	0.0%
Miscellaneous Other	4,000	1,950	4,000	2,844	4,000	-	0.0%
Total Expenses	\$465,295	\$213,905	\$377,811	\$188,270	\$341,417	\$(36,393)	-9.6%

Budget Modifications and Contributions to Key Priorities

The Board of Directors’ Operating Budget for FY 2024-25 is approximately \$0.3 million, reflecting a decrease of less than \$0.1 million (9.6%) from the prior year’s budget. This decrease is primarily attributable to reducing legal services by 63% compared to FY 2023-24. With the selection of attorneys from the firm Burke, Williams & Sorensen (BWS) to serve as Central San’s legal counsel in the Fall of 2023, the allocation of monthly legal retainer costs was reassessed, resulting in a smaller proportion of the total cost being allocated to the Board in FY 2024-25. This new allocation method will continue to be reassessed and revised in future years as circumstances change.

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; agency-wide training; organizational development; engagement efforts; project management of the Diversity, Equity, and Inclusion (DEI) initiative; and all payroll functions.

The Safety workgroup is overseen by the Human Resources and Organizational Development Manager and administers Central San's Safety Program. The primary objective of the program is to reduce injuries, accidents, and environmental impacts 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 2023-24 Strategic Accomplishments



WORKFORCE DIVERSITY AND DEVELOPMENT

- Negotiated and implemented 3.75% cost of living adjustment effective April 18, 2024, reflective of FY 2022-23 and FY 2023-24 inflation.
- Helped coordinate the efforts of the DEI consultant and Central San's DEI Task Force and Coordination Team, including advising on the launch of the Central San-wide assessment.
- Supported the work of the DEI Task Force, including providing comments on the Action Plan and implementation template.
- Promoted staff development programs with a half-hour information session, featuring testimonials from past program participants.
- Launched the fifth cycle of the BOOST Mentorship Program with 4 mentees and mentor pairings.
- Launched the fourth Supervisory Academy with 25 participants.
- Hosted the fourth Management Academy, with 22 graduates (plus 2 honorary graduates – support staff who attended all sessions) from both Central San and sister agencies to promote interagency learning and development.
- Performed a salary adjustment for the Intern and Summer Student Programs and lowered the minimum age for summer students from 18 to 16 to remain competitive and attract the brightest young talent.
- Supported the recruitment and selection process for new District Counsel.
- Completed the Leadership Speaker Series on various topics to the leadership team.
- Continued the Job Shadowing Program to offer career coaching and job shadowing to employees.
- Continued to offer bi-monthly HR @ Your Service training with various topics.
- Continued the Clarifier Speaker Series as needed to engage employees on Central San's activities and achievements.
- Continued the biannual Supervisors' Summit to discuss items of interest and receive brief refreshers on policies and procedures.

- Transitioned to new “core” health plans, supported employees during the change, troubleshooted issues, and provided status updates to the bargaining units.
- Made several revisions to the Teleworking Policy to allow employees more flexibility to telework and to help make Central San a preferred employer of choice, including soliciting feedback from employees and updating the plan to respond to input.
- Held virtual Q&As on Central San-wide policies and procedures, including the change to the “core” health plans.
- Held an Employee Appreciation Picnic and Innovations Fair to recognize employees.
- Continued the Employee Recognition Events program to allow managers to acknowledge extraordinary achievements.
- Worked with a consultant to update performance appraisals for the management team.
- Began the search for a new wellness-at-work vendor to help continue the Wellness Program.
- Offered financial webinars educating employees on budgeting, investment, retirement, and other topics related to managing money.
- 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.
- Continued coordinating with other agencies and BAYWORK to support development of the regional workforce.
- Continued support of Bay Area Consortium for Water & Wastewater Education (BACWWE).



SAFETY AND SECURITY

- Continued to manage Central San’s response to the COVID-19 pandemic, including administering the COVID-19 Exposure Prevention Plan and contact tracing; education on plan changes; and ensuring the continuity of services and return to office procedures while protecting staff and the public.
- Maintained regular and ongoing communication with bargaining unit representatives and employees on changes, updates, and general information related to COVID-19.
- The District Safety Committee received Safety Suggestions with the goal of acting on them in less than 60 days.
- Reintegrated in person training sessions including Fentanyl/Narcan, First Aid/CPR/AED, and Workplace Violence.
- The Administration and Engineering Departments went the entire calendar year (CY) 2023 with zero lost workdays and has not incurred a lost time incident since February 12, 2016.
- Plant Operations Division went 261 days with zero lost workdays in 2023 from January 1, 2023, to October 6, 2023.
- The Collection System Operations Division has gone 519 days with zero lost workdays from January 21, 2022, to June 23, 2023.



INNOVATION AND AGILITY

- Administered the Optimizations Program, including tracking achievements for the next Innovations Fair.
- Held an Innovations Fair to celebrate and award employee ingenuity and innovative thinking.
- Produced and presented the Optimizations Program Annual Report to the Board.
- Continued to refine the ERP payroll system and troubleshoot issues quickly and communicatively.
- Continued to test and configure the new ERP Career and Performance module.
- Explored options for learning management system.
- Developed, negotiated, and implemented the Limited Duration Position Program to assist with project-based peak workloads.

FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
	Average Time to Fill Vacancy (From Request to Hire)	≤60 Days	48.8 Days		50 Days	
	Turnover Rate at or Below Industry Average	≤7.8%	5.4% (including retirements)		1.6% (average of both quarters) (incl. retirees) 0.9% (average of both quarters) (excl. retirees)	
	Average Annual Training Hours (External and Internal Training)	≥15 Hours Per Full-Time Equivalent Employee (FTE)	17.7 Hours/FTE*		10.91 Hours/FTE*	
	Participation in Annual Wellness Expo	Increase by 10% Each Year	54 participants for a 15% increase		Expo not yet held**	
	Internal Promotions (Excludes Entry-Level Positions)	≥25%	57.9%		56.3% (average of both quarters)	
	Formal Grievances Processed	Zero (0)	1		Zero (0)	
	Performance Evaluations Completed on Time	100% Completion of Annual Performance Evaluations	84%		73% (average of monthly progress in both quarters)	
	Temporary Modified Duty Provided (Return to Work Program)	≥95% of recordable injuries	100%		100%	
	Employee Injury and Illness Lost Time Incident Rate	≤4.0	2.6		2.7 (average of both quarters)	
	Days to Implement Approved Safety Suggestions	≤60	<60		***	






* Hours reported may not reflect all training hours. A centralized learning management system will improve reporting capability in the future.


** Wellness-at-work facilitator terminated services effective December 2023. The Wellness Committee is exploring options for moving forward. Employees can engage in other Wellness events throughout the year.

*** Safety Committee did not have a quorum to vote for Safety Suggestion implementation during the first or second quarters of FY 2023-24. Safety suggestions are received, evaluated, and acted upon by Safety staff.

FY 2024-25 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 2024-25
 <p>GOAL THREE</p> <p>Recruit from a Diverse Pool of Qualified Applicants</p>	<p>Examine recruitment practices from a DEI lens and adjust as needed.</p> <p>Explore options to leverage technology tools (e.g., NeoGov Attract) to automate outreach to top talent and engage with candidates.</p>
 <p>GOAL THREE</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>GOAL THREE</p> <p>Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive</p>	<p>Continue to hold the fourth Supervisory Academy and cycle 5 of the Mentorship Program.</p> <p>Continue offering the Job Shadowing Program and supporting employees enrolled in the program.</p> <p>Investigate additional cost-effective benefits to offer to employees.</p>
 <p>GOAL THREE</p> <p>Foster a Culture of Diversity, Equity, and Inclusion</p>	<p>Implement prioritized recommendations from the DEI Task Force.</p>
 <p>GOAL FIVE</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>Maintain 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>

Goal/Strategy	Objective for FY 2024-25
 Implement Organization-Wide Optimization	Implement a learning management system .
	Launch the Career and Performance module in the ERP and the new performance appraisal process .

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

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,398,961	\$1,255,983	\$2,422,644	\$2,234,448	\$2,177,890	\$(244,754)	-10.1%
Employee Benefits	2,489,635	2,648,068	2,386,975	2,525,787	2,460,095	73,119	3.1%
Unfunded Liability Contributions	1,322,187	2,322,249	1,143,067	1,143,108	238,643	(904,424)	-79.1%
Purchased Property Services	109,450	83,165	125,750	125,750	125,750	-	0.0%
Repairs & Maintenance	80,700	61,281	92,000	92,000	92,000	-	0.0%
Hauling & Disposal	25,000	19,148	30,000	30,000	30,000	-	0.0%
Security	3,500	2,736	3,500	3,500	3,500	-	0.0%
Cleaning	250	-	250	250	250	-	0.0%
Purchased Professional, Technical & Other Services	650,960	729,447	674,900	646,900	798,900	124,000	18.4%
Professional Services	178,500	93,477	152,500	102,500	127,500	(25,000)	-16.4%
Technical Services	75,000	82,451	50,000	35,000	35,000	(15,000)	-30.0%
Other Purchased Services	397,460	553,519	472,400	509,400	636,400	164,000	34.7%
Supplies & Materials	113,000	158,921	125,500	149,000	150,600	25,100	20.0%
General Supplies	113,000	158,921	125,500	149,000	150,600	25,100	20.0%
Other Expenses	47,350	66,418	52,000	57,500	62,500	10,500	20.2%
Memberships	9,950	13,979	10,950	10,950	10,950	-	0.0%
Training & Meetings	31,550	47,272	37,550	43,050	48,050	10,500	28.0%
Miscellaneous Other	5,850	5,168	3,500	3,500	3,500	-	0.0%
Total Expenses	\$7,131,543	\$7,264,251	\$6,930,837	\$6,882,493	\$6,014,379	\$(916,458)	-13.2%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Services Assistant	2.0	2.0	2.0
Environment, Health, and Safety Program Administrator	1.0	1.0	1.0
Environment, Health, and Safety Specialist	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0
Human Resources Analyst	3.0	3.0	3.0
Human Resources & Organizational Development Manager	1.0	1.0	1.0
Total	9.0	9.0	9.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Summer Student	-	-	1.0
Temporary Administrative Services Assistant	-	1.0	-
Temporary Human Resources Analyst	1.0	-	-
Total	1.0	1.0	1.0

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 Memorandums of Understanding (MOUs); 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 2024-25 is \$6.0 million compared to FY 2023-24 \$6.9 million, reflecting a 13.2% decrease from the 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 2022-23. Budgeted Salaries & Wages reflect a slight increase due to agency-wide cost-of-living adjustment and step increases for eligible employees.

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 include \$500,000 for Accrued Compensated Absences Expenses and \$500,000 for Payouts of Accrued Compensated Absence at retirement or termination otherwise of employment.
- Employee Benefits include \$55,000 for Unemployment insurance expenses.
- The "Normal Cost" as well as 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 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 2024-25, the total estimated cost of retiree health premiums is approximately \$4.6 million, reflecting a 9.5% decrease from the approximate \$4.2 million estimated in FY 2023-24. 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 \$2.1 million in FY 2024-25. 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. Central San transitioned to CalPERS Health in FY 2019-20, the funded status of the OPEB plan has increased tremendously, to the point where the retiree health premiums (i.e., the "pay-as-you-go" costs) are over \$2.5 million higher than the ADC in FY 2024-25. Accordingly, there is no required OPEB trust payment to fully satisfy the ADC in FY 2024-25.
- The ADC increased from the prior valuation primarily due to the decrease in the UAAL. The unfunded liability dropped from \$3.1 million as of July 1, 2022, to \$1.2 million projected as of July 1, 2023 per the OPEB Funding Valuation Report. Accordingly, this caused the UAAL amortization piece of the ADC to drop slightly.

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 2024-25 budget assumes a 3.0% vacancy factor, consistent with the prior year.

Office of the Deputy General Manager of Administration

OVERVIEW

The Deputy General Manager of Administration oversees Communication Services and Intergovernmental Relations, Finance (including Purchasing), Materials Services, Information Technology, and Risk Management.

In FY 2023-24, Finance/Purchasing (Finance) and Information Technology (IT) implemented additional functionality of the Oracle ERP system initially implemented in 2020, including the contract management modules. Finance and IT also deployed the Oracle-based budgeting and financial management tool for Capital Projects. Finance advanced the initiative to build an in-house Treasury function, including conducting an RFP process for banking and investment management services. The transition to an in-house Treasury function is expected in the first quarter of FY 2024-25.

In FY 2023-24, IT and Engineering staff completed the implementation of the Oracle permitting system, which went live in February 2024. IT presented the Technology Roadmap to the Board in the fall of 2023 and began work on the prioritized list of significant IT projects to be completed in the coming years. Plans for network security, geographical information systems (GIS), Enterprise Asset Management (EAM), Business Intelligence (BI) and SCADA systems, were key elements of the plan.

This office also oversees the coordination of Strategic Planning efforts as well as the Benchmarking Study. The process for the Strategic Plan for FY 2024-26 included sessions with the Board on the high-level elements of mission, vision, values, and goals, and presentation of the draft plan to the Administration Committee in March 2024, prior to Board approval of the plan in May 2024. Benchmarking efforts included participating in the AWWA water & wastewater agency benchmarking study, with the related effort to obtain data from comparable California agencies. The Deputy General Manager of Administration also participated in and advanced Central San's Diversity, Equity & Inclusion (DEI) initiative leading to the presentation of the DEI Framework and Strategic Plan to the Board in March 2024. The plan contained key initiatives to be advanced over the 2024-2026 period. Additionally, FY 2023-24 saw the start of work on a study to investigate the feasibility of a consolidation with a nearby sanitary agency for cost savings and other benefits.

To avoid duplicative material, the FY 2023-24 Strategic Accomplishments and performance against the key metrics, as well as the FY 2024-25 Strategic Objectives, for the Deputy General Manager of Administration are embedded within the sections of the individual divisions and programs overseen by the Deputy General Manager of Administration.

This office's staffing budget includes the administrative staff person supporting Communication and Governmental Relations, Finance, and Information Technology divisions as well as the Risk Management Program.

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$512,703	\$429,526	\$533,935	\$555,613	\$588,106	\$54,171	10.1%
Employee Benefits	133,170	87,525	149,023	114,373	167,637	18,614	12.5%
Unfunded Liability Contributions	797	448	585	558	3,398	2,813	481.0%
Supplies & Materials	1,050	2,069	1,000	2,098	2,000	1,000	100.0%
General Supplies	1,050	2,069	1,000	2,098	2,000	1,000	100.0%
Other Expenses	1,550	591	3,700	7,693	6,400	2,700	73.0%
Memberships	550	515	1,200	1,521	1,600	400	33.3%
Training & Meetings	500	-	2,500	4,844	3,300	800	32.0%
Miscellaneous Other	500	76	-	1,328	1,500	1,500	-
Total Expenses	\$649,271	\$520,160	\$688,243	\$680,335	\$767,541	\$79,298	11.5%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Services Assistant	1.0	2.0	1.0
Administrative Services Supervisor	-	-	1.0
Deputy General Manager Administration	1.0	1.0	1.0
Total	2.0	3.0	3.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Summer Student	-	-	1.0
Total	0.0	0.0	1.0

Budget Modifications and Contributions to Key Priorities

The Office of the Deputy General Manager of Administration's Operating Budget for FY 2024-25 is \$0.77 million, reflecting an 11.5% increase over the prior year's budget. The increase is primarily attributable to Salaries & Wages from the agency-wide cost-of-living adjustment, and the Administrative Services Supervisor position replacing a budgeted Administrative Services Assistant. The budgeted Other Expenses category has increased due to relatively minor increases in training and meetings.

Communication and Government 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 used by all Central San departments.

FY 2023-24 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Launched “Go with the Flow” public outreach bike tours with an interactive website map which educates the community about Central San’s wastewater system.
- Promoted the Low-Income Household Water Assistance Program (LIHWAP) via customer newsletters, social media, and Central San’s website.
- Promoted the new RV Waste Disposal Station.
- Promoted the updated Maintenance Access Covers Beautification Project.
- Provided community outreach for 11 construction projects throughout the service area.
- Held community meetings with businesses prior to Walnut Creek Locust Street project in conjunction with Business Association.
- Continued to increase followers and impressions on YouTube, Facebook, Twitter, Instagram, LinkedIn, and Nextdoor.
- Produced and distributed two issues of the *Pipeline* newsletter to inform customers about major infrastructure projects and share pollution prevention information.
- Mailed *Central San Home Guide* to approximately 154,000 customers and promoted the guide via website, social media, and community events.
- Maintained the Central San Virtual Experience for ongoing, accessible treatment plant tour.
- Managed Central San’s drone program to capture photographs and videos of facilities for education, outreach, and operational assessments.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Provided strategic outreach coordination with sister agencies to increase customer engagement, including partnering with Contra Costa Water District (CCWD) on student education programming.
- 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.
- Assisted with planning for Sustainable Contra Costa’s 15th Annual Leadership in Sustainability Awards Gala and recognition of Central San’s 2023 Pollution Prevention Award Winners.
- Promoted Pollution Prevention (P2) Week via social media and public service announcements aired on CCTV and Rossmoor TV.

- Shared holiday-themed fats, oils, and grease (FOG) tips via *Pipeline* newsletter and social media. Aired over 800 commercials on cable TV, Rossmoor TV, and CCTV channels.
- Led Central San's advocacy efforts at the federal, state, and local levels.
- Worked on new legislative efforts for the upcoming session with associations, peer agencies, and non-governmental organizations supporting transparency and pollution prevention.
- Worked with the Board of Directors to pursue policy efforts at the state and federal level that addressed PFAS; fats, oils, and grease; and microplastics; and promoted pollution prevention, producer responsibility, and proper wipes labeling.
- Provided outreach on proposed PFAS legislation including SB 903.
- Delivered bi-monthly legislative reports and a final legislative advocacy report.
- Communications and Government 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.
- Coordinated on advocacy for 2024 legislative session with CSDA, California Association of Sanitation Agencies (CASA), and regional water advocacy leads.
- Promoted Household Hazardous Waste Collection Facility and Residential Recycled Water Fill Station services to customers to help prevent pollution and conserve local drinking water supplies.

**GOAL THREE****WORKFORCE DIVERSITY AND DEVELOPMENT**

- Supported communications for the Diversity, Equity, and Inclusion (DEI) Task Force to help foster a culture of inclusion at Central San. Staff also served on the Task Force.
- Launched internal DEI communications campaign including employee newsletter and intranet features and resources.









**GOAL FOUR****GOVERNANCE AND FISCAL RESPONSIBILITY**

- Promoted voter registration via social media and employee outreach in advance of primary elections.

**GOAL SEVEN****INNOVATION AND AGILITY**



- Continued to provide virtual treatment plant tours, speakers bureaus, and student education programs, maintaining Central San's levels of outreach and education to provide flexibility and accessibility for customers.
- Produced monthly digital *Lateral Connection* employee newsletter to keep employees informed and engaged, whether onsite, in the field, or teleworking.

FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
	Participants in Public Tours and Presentations	≥500	722		521	
	Participants in Central San Academy	≥35 per Session	20		2024 Session not yet held	
	Students Served by Educational Programs	≥6,000	19,531		13,128	

FY 2024-25 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 2024-25
 <p>Promote Initiatives to Advance Affordable and Equitable Access to Services</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.
	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>Build Neighborhood and Industry Relationships</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.

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$885,235	\$891,621	\$932,835	\$988,803	\$1,040,689	\$107,854	11.6%
Employee Benefits	205,514	261,949	225,396	297,943	316,680	91,283	40.5%
Unfunded Liability Contributions	1,269	1,352	1,261	1,347	8,616	7,354	583.0%
Purchased Property Services	1,000	732	1,000	-	600	(400)	-40.0%
Repairs & Maintenance	600	732	600	-	600	-	0.0%
Hauling & Disposal	400	-	400	-	-	(400)	-100.0%
Purchased Professional, Technical & Other Services	925,500	682,644	874,500	817,396	1,028,952	154,452	17.7%
Professional Services	6,500	6,221	6,500	13,932	14,952	8,452	130.0%
Technical Services	280,000	236,522	280,000	264,838	280,000	-	0.0%
Other Purchased Services	639,000	439,900	588,000	538,625	734,000	146,000	24.8%
Supplies & Materials	68,160	46,200	67,930	62,712	67,700	(230)	-0.3%
General Supplies	68,160	46,200	67,930	62,712	67,700	(230)	-0.3%
Other Expenses	68,680	47,141	73,400	65,227	83,054	9,654	13.2%
Memberships	21,980	11,983	24,200	22,368	20,500	(3,700)	-15.3%
Training & Meetings	42,700	33,389	45,200	38,421	58,554	13,354	29.5%
Miscellaneous Other	4,000	1,769	4,000	4,438	4,000	-	0.0%
Total Expenses	\$2,155,358	\$1,931,638	\$2,176,322	\$2,233,428	\$2,546,290	\$369,968	17.0%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Communications and Government Relations Manager	1.0	1.0	1.0
Community Affairs Representative	2.0	2.0	2.0
Digital Media Content Specialist	1.0	1.0	1.0
Graphics Specialist	1.0	1.0	1.0
Senior Community Affairs Representative	1.0	1.0	1.0
Total	6.0	6.0	6.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Graphic Design Summer Student	1.0	2.0	1.0
Intern		1.0	1.0
Total	1.0	3.0	2.0

Budget Modifications and Contributions to Key Priorities

Communication and Government 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 and Government Relations Division Operating Budget for FY 2024-25 is \$2.55 million, reflecting an increase of approximately 17.0% over the prior year's budget of \$2.18 million. Changes contributing to this budget are increases in expenses related to Proposition 218 customer notices, Pipeline customer newsletter costs, translation services, and the Central San Academy. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to step advancements.

Finance

OVERVIEW

This division is responsible for managing Central San’s finances, broadly responsible for the budget, financial reporting, operational accounting services, and procurement functions. As a steward of public dollars, Finance is also responsible for designing, implementing, and maintaining fiscal policies and 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 to aid with informed decision making and for budget monitoring and accountability tracking 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. This division is also responsible for the procurement function, entailing the sourcing, purchasing, and contracting for goods and services (excluding public works/construction procurements handled by the Capital Projects Division) in accordance with internal policies, best practices, and prevailing laws/regulations. The Finance function began overseeing the Purchasing function during FY 2023-24; however, the costs for the Purchasing and Materials Services function are reported separately in this document.

FY 2023-24 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Received GFOA’s Certificate of Achievement for Excellence in Financial Reporting Award for the 23rd consecutive year for the FY 2021-22 ACFR.
- Received the GFOA Distinguished Budget Presentation Award for the sixth consecutive year for the FY 2023-24 Budget.
- Completed first “Finance @ Your Service” training series for internal customers on key business processes overseen by the Finance Division (i.e., procurement, budget and project monitoring, procurement cards, etc.)
- The Low-Income Household Water Assistance Program (LIHWAP) program is underway and will be expanded to provide funding for low-income customers for current bills in addition to arrearages. Issued 64 non-construction contracts totaling \$15.6 million.
- Issued 1,061 non-construction Purchase Orders totaling \$29.5 million.
- Executed all contract renewals on time, ensuring uninterrupted service and reducing risk.



WORKFORCE DIVERSITY AND DEVELOPMENT

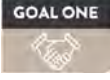



















- Purchasing staff implemented business process changes, cross-training, and redistribution of work to strategically ensure that procurement resources are being utilized efficiently.



GOVERNANCE AND FISCAL RESPONSIBILITY

- Held discussions with Regional San on forming a joint powers authority (JPA) allowing Central San to issue revenue bonds (lower interest than certificates of participation (COPs)) not needing the additional cost and time constraints associated with an election to approve said bonds.
- Fully funded the Other Post-Employment Benefits (OPEB) actuarially determined contribution (ADC) of \$2.0 million, with a portion of that amount going towards paying down the plan's unfunded actuarial accrued liability (UAAL). Per the latest GASB 75 Actuarial Report, the OPEB plan reported a funded status of 100.2% as of the fiscal year ended June 30, 2023, up from 85.4% in the prior year (on a market valuation basis).
- Began plans to finance new scope of Solids Handling Facility Improvements.
- Presented FY 2022-23 pre-audit year-end variances to the Board, authorizing an additional \$1.0 million contribution to the pension prefunding trust.
- Issued accurate and timely interim monthly financial reports and quarterly financial reviews, allowing for diligent monitoring of the budget and accountability, with FY 2023-24 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. 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.

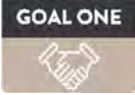



FYs 2022-24 Strategic Targets and Performance




Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
	Sewer Service Charge affordability (Environmental Protection Agency Lowest Quintile Residential Indicator)	<2% (or lower than High impact)	<2%		<2%	
	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	7.2		This is a year-end calculation only, to be calculated in Q4	
	Debt as a percentage of total assets	≤60%	6.4%		This is a year-end calculation only, to be calculated in Q4	
	Debt financing of prior 10 years' CIP spending	≤60%	15.0%		This is a year-end calculation only, to be calculated in Q4	
	Debt financing as a percentage of projected 10-year CIP	30% for FY	31.5%		This is a year-end calculation only, to be calculated in Q4	
	Total revenue funded collection system CIP spending in past 10 years	≥100%	100%		This is a year-end calculation only, to be calculated in Q4	
	Total revenue funded collection system spending in 10-year CIP (projection)	≥100%	100%		This is a year-end calculation only, to be calculated in Q4	
	O&M reserves	≥41.7% of next year's budget	47.2%		This is a year-end calculation only, to be calculated in Q4	

Goal	Metric	Target	FY 2021-22 Performance		FY 2022-23 Performance as of Q2	
	Sewer Construction Reserves	≥50% of next year's budget (non-debt financed)	240.9%		This is a year-end calculation only, to be calculated in Q4	
	Operating Expenditures as a Percentage of Board-Approved Operating Budget	90-100%	95.7%		88.7% in Q1 93.8% in Q2	
	Financial Reports Disseminated Every Month (Summary) And Quarter (Full)	100%	100%		100%	
	Reported Material Weaknesses or Significant Deficiencies in Internal Controls as Part of Annual Financial Audit	Zero (0)	Zero (0)		Pending receipt of audit opinion letter for FY 23-24 ACFR	
Purchasing Function						
	Purchasing Requisitions Completed within Standard Processing Time	≥80%	85%		92% in Q1 85% in Q2	
	Contractors/consultants in Compliance with Insurance Requirements	≥70%	80%		83% in Q1 76% in Q2	
	Average Time to Execute Engineering Agreements from Complete Package Submittal	≤2 weeks	7.8 business days		5.47 business days in Q1 5.59 business days in Q2	
	Contract Renewals Executed on Time for Uninterrupted Service	100%	100%		100%	

FY 2023-24 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 2024-25
 <p>Deliver High-Quality Customer Service</p>	<p>With the collaboration of customer divisions/departments, develop and execute customized Finance/Purchasing Service Level Agreements (SLAs) establishing agreed-upon expectations for the nature, extent, and timing of services to be provided. Implement monitoring and reporting tools to measure and communicate results.</p>
 <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>Invest in staff training on ERP and EPM system functionalities and other technical skills as well as other “soft skills” to foster ongoing professional development of staff and ultimately improve results for the accounting, budgeting, financial reporting, and procurement functions.</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>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>

Goal/Strategy	Objective for FY 2024-25
 <p>GOAL FOUR</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>
 <p>GOAL SEVEN</p> <p>Be Adaptable, Resilient, and Responsive</p>	<p>Successfully implement the in-house treasury transition project. Implement new and/or changes to policies, processes, and systems to accommodate in-house treasury function optimizing ERP system functionalities and eliminating any unnecessary and/or redundant processes.</p>
 <p>GOAL SEVEN</p> <p>Implement Organization-wide Optimization</p>	<p>Continue to enhance functionalities of newly implemented EPM capital project planning system, specifically focusing on solutions to better manage and predict capital budget carryforward from year to year.</p> <p>Finalize implementation of integrated contracts module of the ERP system, including associated change management efforts. Implement optimizations where feasible utilizing module to improve the efficiency of contract development and the approval process, reducing risk associated with deviations from Central San Counsel-approved templates.</p> <p>Solicit feedback from executive team and customer divisions on process and system revisions proposed by third party specialists based on their review of status quo processes and ERP system configurations as benchmarked to industry best practices. Implement optimizations where feasible, placing particular emphasis on the merits of encumbrance tracking/reporting (currently not in place).</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,180,906	\$1,198,842	\$1,381,615	\$1,225,234	\$2,100,512	\$718,898	52.0%
Employee Benefits	411,483	391,162	502,297	450,579	819,981	317,685	63.2%
Unfunded Liability Contributions	1,553	1,646	1,821	1,655	15,204	13,383	734.7%
Purchased Property Services	1,000	613	1,000	750	3,500	2,500	250.0%
Repairs & Maintenance	1,000	613	1,000	750	3,500	2,500	250.0%
Purchased Professional, Technical & Other Services	278,500	283,480	366,900	485,900	515,225	148,325	40.4%
Professional Services	127,500	149,645	200,900	210,900	343,225	142,325	70.8%
Technical Services	-	-	-	-	5,000	5,000	-
Other Purchased Services	151,000	133,835	166,000	275,000	167,000	1,000	0.6%
Supplies & Materials	4,200	2,689	4,200	3,150	9,200	5,000	119.0%
General Supplies	4,200	2,689	4,200	3,150	9,200	5,000	119.0%
Other Expenses	131,000	86,740	157,600	105,600	151,450	(6,150)	-3.9%
Memberships	2,000	2,242	2,600	3,100	5,350	2,750	105.8%
Training & Meetings	17,500	6,738	33,500	21,250	53,750	20,250	60.4%
Miscellaneous Other	111,500	77,760	121,500	81,250	92,350	(29,150)	-24.0%
Total Expenses	\$2,008,642	\$1,965,172	\$2,415,433	\$2,272,868	\$3,615,073	\$1,199,640	49.7%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Accountant	2.0	2.0	2.0
Accounting Supervisor	2.0	2.0	2.0
Accounting Technician	3.0	3.0	3.0
Contracts and Procurement Administrator	-	-	1.0
Contracts and Procurement Specialist	-	-	3.0
Finance Manager	1.0	1.0	1.0
Management Analyst	-	1.0	1.0
Total	8.0	9.0	13.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Intern	-	1.0	1.0
Temporary Accountant	1.0	-	-
Total	1.0	1.0	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 as described previously. 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 division collaborates with the financial planning workgroup of 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 critical role in identifying and managing the costs of Central San's functions, assessing how those costs drive the need for rate adjustments, and developing financial alternatives to keep rates moderated over the long term through alternative 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 2024-25 is \$3.6 million, an increase of \$1.2 million (49.7%) over the prior year's budget. This noteworthy increase is primarily attributable to the procurement workgroup (comprised of four FTEs), being reflected in the Finance Division's budget for the first-time effective FY 2024-25. Previously, the procurement workgroup was overseen by a Purchasing & Materials Services Manager and was reported as a separate division within the Administration Department. Effective FY 2022-23, the Purchasing & Materials Services Manager position was reclassified to a Contracts & Procurement Administrator reporting directly to the Finance Manager. The procurement workgroup's share of the Finance Division budget is approximately \$1.0 million, explaining the bulk (83.3%) of the budgetary increase.

Budgeted increases for ordinary labor-related costs were the second largest driver of the Finance Division's budget increase. Increases in labor costs reflected terms specified in employee labor agreements such as the Central San-wide cost-of-living adjustment, step advancements for eligible employees, health benefit premium growth rates, and retirement contributions. The budgeted increase in professional services is largely attributable to procurement consulting services related to an ongoing ERP process reassessment as staff considers the merits of "encumbrance tracking/reporting" for Central San utilizing Oracle functionalities, as well as investment management and advisory services associated with Central San transitioning to an in-house treasury function anticipated sometime in FY 2024-25. While difficult to predict with certainty, it is projected that the additional costs associated with investment management services and advisory services will be accompanied by a slight increase in investment yields, resulting from transitioning from a largely passive to a more active approach to investing excess liquidity.

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 helps lead the improvement and automation of business processes agency-wide using technology.

FY 2023-24 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Participated in conferences with the Municipal Information Systems Association of California (MISAC) and collaborated with sister agencies.
- Received the MISAC Excellence award for the sixth time.
- Attended Project Management Institute (PMI) events.



GOAL THREE

WORKFORCE DIVERSITY AND DEVELOPMENT

- Staff pursued and received cyber security certifications.
- Staff participated in and completed supervisory and managerial training programs.
- Fostered interdepartmental cooperation through cross-functional projects.



GOAL FOUR

GOVERNANCE AND FISCAL RESPONSABILITY

- Upgraded the board meeting streaming services.
- Continued to optimize and improve the use of Oracle ERP.
- Kicked off IT/OT Steering Committee.
- Distributed and began use of project charters and progress reports.
- Implemented Oracle's Journeys module for tracking assigned employee keys, badges, P-Cards, and mobile devices.



GOAL FIVE

SAFETY AND SECURITY

- Improved cybersecurity with Advanced Threat Protection tools.
- Began implementation of new emergency notification system.
- Hired a Cybersecurity Analyst to create and implement a complete cybersecurity program.
- Completed a Network Penetration Test and began remediation of identified cybersecurity gaps.
- Implemented intrusion prevention and detection.
- Conducted training and phishing campaigns to test and engage users in best practices.
- Conducted email campaign during Cybersecurity Awareness Month to offer instruction and staff engagement through quizzes and contests.



INFRASTRUCTURE RELIABILITY

- Replaced and upgraded major data storage systems in data centers.
- Completed high-speed fiber implementation at pumping stations.
- Upgraded network and equipment to create redundant paths.
- Replaced and upgraded switching equipment at CSO.
- Deployed new virtual servers on the operational technology network.



INNOVATION AND AGILITY

- Implemented Oracle Permitting and Licensing (OPAL).
- Continued work on contract management module.
- Completed Oracle Supportability Assessment review.
- Implemented barcoding of plant assets.
- Implemented electronic scanning to track visitors to HHW.
- Began execution of strategic roadmaps:
 - Geographical Information Systems (GIS)
 - Enterprise Asset Management (EAM)
 - Cyber Security
 - Business Intelligence and Data Governance (BI)
 - Supervisory Control and Data Acquisition (SCADA)




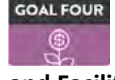


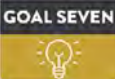
FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
GOAL FIVE	Information System Outages Affecting Normal Business Operations	100% Uptime	98.5% Uptime		98% Uptime in Q1 98% Uptime in Q2	
GOAL FIVE	Data Backup and Recovery	Zero (0) Lost Data	Zero (0) Lost Data		Zero (0) Lost Data	
GOAL FIVE	Employees trained in cybersecurity awareness	100%	65%		65% reported in Q1. No update in Q2.	

FY 2024-25 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 2024-25
<p>Build Neighborhood and Industry Relationships</p>	<p>Participate in industry organizations and forums and collaborate with sister agencies to share industry-leading work.</p>

Goal/Strategy	Objective for FY 2024-25
 <p>Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment</p>	<p>Relay important initiatives to increase staff's understanding of IT operations and their role in our success.</p>
 <p>Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive</p>	<p>Encourage staff to obtain professional or technical certifications.</p>
 <p>Foster a Culture of Diversity, Equity, and Inclusion</p>	<p>Foster a Culture of Diversity, Equity and Inclusion through interdepartmental projects and communications.</p>
 <p>Encourage and Facilitate Public Participation</p>	<p>Implement a second streaming service for the Multi-Purpose Room (MPR).</p>
 <p>Protect Personnel and Assets from Threats and Emergencies</p>	<p>Complete new Emergency Notification system implementation.</p> <p>Test the Disaster Recovery Plan.</p>
 <p>Understand and Reduce Impacts of Cybersecurity Attacks</p>	<p>Continued implementation of the IT Cybersecurity Roadmap.</p> <p>Conduct third-party cybersecurity assessments focusing on people, technology, and physical assets.</p> <p>Continue to train staff to increase levels of cyber security awareness.</p>
 <p>Implement Organization-Wide Optimization</p>	<p>Standardize software and hardware purchase process.</p> <p>Explore options to replace the billing system and support implementation.</p> <p>Optimize financial reports to support the 10-year Capital Improvement Plan (CIP).</p> <p>Continue optimization of Oracle and Licensing (OPAL) system, work with HR on the launch of the Goals and Performance module, implement the Contracts Management module.</p> <p>Partner with Operations Optimizations in the implementation of the five strategic roadmaps.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,862,029	\$1,858,123	\$2,480,096	\$2,359,218	\$2,557,611	\$77,515	3.1%
Employee Benefits	709,136	664,666	891,852	848,305	966,191	74,338	8.3%
Unfunded Liability Contributions	2,638	2,551	3,182	3,005	19,579	16,397	515.3%
Purchased Property Services	895,720	1,591,732	1,987,324	2,163,093	2,200,710	213,386	10.7%
Repairs & Maintenance	895,720	1,591,732	1,987,324	2,163,093	2,200,710	213,386	10.7%
Purchased Professional, Technical & Other Services	841,265	6,221	538,160	285,035	575,500	37,340	6.9%
Professional Services	6,500	6,221	396,164	285,035	575,500	179,336	45.3%
Technical Services	834,765	-	141,996	-	-	(141,996)	-100.0%
Supplies & Materials	843,692	353,662	286,532	236,340	365,410	78,878	27.5%
Utilities & Fuel	142,000	138,901	177,432	100,612	139,200	(38,232)	-21.5%
General Supplies	701,692	214,761	109,100	135,728	226,210	117,110	107.3%
Other Expenses	48,100	89,843	107,000	67,342	91,600	(15,400)	-14.4%
Memberships	1,650	47,789	50,000	48,000	2,600	(47,400)	-94.8%
Training & Meetings	44,950	33,774	55,500	18,060	87,000	31,500	56.8%
Miscellaneous Other	1,500	8,281	1,500	1,282	2,000	500	33.3%
Total Expenses	\$5,202,579	\$4,566,800	\$6,294,147	\$5,962,338	\$6,776,601	\$482,454	7.7%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Cybersecurity Analyst (Information Technology Supervisor)	1.0	1.0	1.0
Information Technology Analyst	2.0	2.0	2.0
Information Technology Manager	1.0	1.0	1.0
Information Technology Technician	3.0	3.0	3.0
Management Analyst	-	1.0	1.0
Project Manager/Business Analyst	2.0	2.0	2.0
System Administrator	1.0	3.0	3.0
Total	10.0	13.0	13.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Intern	-	-	1.0
Temporary Information Technology Project Manager	1.0	1.0	1.0
Total	1.0	1.0	2.0

Budget Modifications and Contributions to Key Priorities

The Information Technology Division Operating Budget for FY 2024-25 is \$6.7 million, reflecting an increase of 7.7% over the prior year's budget. The professional services category increased slightly to accommodate the additional projects generated by the IT/OT strategic plan and the various tactical roadmaps. Process and system optimization will continue the recently implemented integrated permit-tracking system, expanded scanning services, as well as other new information technology-related contracted services. The Information Technology division budget anticipates increases for both cloud and on-premises support costs for services such as the Oracle Cloud Fusion ERP, KLIR water compliance management software, email security software, and other critical technologies.

Materials Services

OVERVIEW

This function provides necessary materials, supplies, equipment, and information to support Central San's operations. 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. During FY 2023-24, the Purchasing function was consolidated with the Finance Division, receiving oversight and direction from the Finance Manager. Consistent with this change, commencing in FY 2024-25, only the Materials Services' function is reported here.

FY 2023-24 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- 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.



ENVIRONMENTAL STEWARDSHIP

- Through coordination with Resource Recovery and the Green Team, green janitorial and maintenance reliability operations supplies are now part of the Materials Services Inventory.



GOVERNANCE AND FISCAL RESPONSIBILITY




- 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 staff 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.



INNOVATION AND AGILITY




- Implemented barcode Warehouse inventory program to fully automate all issues, receipts, and inventory cycle counts.
- Successfully piloted the bar coding of fixed plant assets with Plant Maintenance.
- 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.

FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
	Approved Request-to-stock Items Entered in Databases within 5 Business Days	100%	100%		100%	

FY 2024-25 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 2024-25
 <p>Deliver High-Quality Customer Service</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.
	Ensure that all “request to stock” submittals are reviewed and decided upon within three business days .
	Ensure all request to stock submissions from Maintenance and CSO are monitored and communicated to the respective divisions for tracking and planning purposes.
 <p>Maintain Financial Stability and Sustainability</p>	Maintain a physical inventory accuracy count rate of 95% on all inventory class items (A, B, and C), supplies, and equipment.
 <p>Execute Long-Term Capital Renewal and Replacement Program</p>	Assist in relocating the Solids Building inventory to the new location. Implement and solidify a formal process with Public Surplus for Central San’s reinvestment program.

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,275,227	\$1,120,559	\$1,198,857	\$1,157,747	\$633,807	(\$565,050)	-47.1%
Employee Benefits	479,493	454,465	534,585	473,164	292,877	(241,707)	-45.2%
Unfunded Liability Contributions	1,485	1,503	1,574	1,450	4,061	2,487	158.0%
Purchased Property Services	6,000	3,076	12,600	6,000	3,500	(9,100)	-72.2%
Repairs & Maintenance	5,000	-	5,000	5,000	2,500	(2,500)	-50.0%
Hauling & Disposal	-	368	-	-	-	-	-
Rentals	1,000	-	1,000	1,000	1,000	-	0.0%
Cleaning	-	2,708	6,600	-	-	(6,600)	-100.0%
Purchased Professional, Technical & Other Services	67,000	35,103	102,000	114,000	30,000	(72,000)	-70.6%
Professional Services	36,000	35,103	86,000	98,000	20,000	(66,000)	-76.7%
Technical Services	30,000	-	15,000	15,000	10,000	(5,000)	-33.3%
Other Purchased Services	1,000	-	1,000	1,000	-	(1,000)	-100.0%
Supplies & Materials	17,000	12,241	15,500	16,000	13,500	(2,000)	-12.9%
General Supplies	17,000	12,241	15,500	16,000	13,500	(2,000)	-12.9%
Other Expenses	14,900	16,437	21,900	23,487	11,600	(10,300)	-47.0%
Memberships	3,700	780	3,700	3,700	1,850	(1,850)	-50.0%
Training & Meetings	10,500	13,632	16,500	18,087	7,750	(8,750)	-53.0%
Miscellaneous Other	700	2,025	1,700	1,700	2,000	300	17.6%
Total Expenses	\$1,861,104	\$1,643,384	\$1,887,015	\$1,791,848	\$989,345	(\$897,670)	-47.6%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Contracts and Procurement Administrator	1.0	1.0	-
Contracts and Procurement Specialist	3.0	3.0	-
Materials Coordinator	-	-	1.0
Materials Services Supervisor	1.0	1.0	1.0
Materials Specialist	3.0	3.0	2.0
Total	8.0	8.0	4.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Temporary Administrative Services Assistant	1.0	-	-
Temporary Inventory Specialist	-	-	-
Temporary Materials Coordinator	1.0	1.0	1.0
Total	2.0	1.0	1.0

Budget Modifications and Contributions to Key Priorities

The Materials Services Division provides the necessary materials, supplies, and equipment to support Central San's operations. The Materials Services Division Operating Budget for FY 2024-25 is approximately \$1.0 million; a significant decrease of 47.6% over the prior year budget. This reduction is primarily attributable to the Procurement workgroup consolidating with the Finance Division. All costs, including labor for four full-time employees, will be reflected in the Finance Division starting FY2024-25. Salaries & Wages for Materials Services include the agency-wide cost-of-living adjustment as well as assumed merit increases for any eligible employees.

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 2023-24 Strategic Accomplishments



GOAL FOUR

GOVERNANCE AND FISCAL RESPONSIBILITY

- Monitoring responses to the FEMA claim for emergency expenses arising from COVID-19.
- Submitted FEMA claims for 2023 Wet Weather Emergency Protective Measures.
- Managed claims aggressively to reduce costs and facilitate resolution, resulting in an average cost per overflow claim of \$5,547 excluding one large claim which cost over \$100,000 and skewed the average cost.
- Continued to debrief after losses to identify and implement preventive measures.
- Coordinated the Enterprise Risk Management program, maintained the strategic risk inventory, and provided semi-annual reports to the Board.



GOAL FIVE

SAFETY AND SECURITY

- Conducted one Emergency Operations Center (EOC) activation exercise.
- Worked with a consultant to review and enhance the security program and develop project scopes to expand access control systems and harden certain facilities.
- Scoped high priority Security Master Plan items into capital projects for implementation.
- Presented an Emergency Management Program report to the Board.
- Participated in the Operational Area Council to contribute to creating an effective and multijurisdictional approach to disaster preparedness and planning.
- Replaced employee, temp, intern, and onsite contractor badges with improved security capability and new design.
- Installed additional access control devices and cameras.
- Maintained increased security guard presence on main campus.









GOAL SEVEN

INNOVATION AND AGILITY

- Reviewed and updated the Continuity of Operations Plan.



FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
 GOAL FIVE	Workers' Compensation Experience Modifier	≤1.0	0.82		0.76	
 GOAL FOUR	Average cost per overflow claim	≤\$25,000	\$9,343		\$5,547*	

* One claim in Q2 cost over \$100,000, which skewed the average cost.

FY 2024-25 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 2024-25
 GOAL FOUR Maintain Financial Stability and Sustainability	Actively seek opportunities to reduce risk in extant and developing business processes.
	Review and update insurance requirements for capital projects .
 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 Emergency Operations Plan .

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$330,885	\$393,032	\$426,928	\$461,009	\$614,698	\$187,769	44.0%
Employee Benefits	138,813	134,122	142,042	145,536	219,085	77,042	54.2%
Unfunded Liability Contributions	497	520	483	501	4,517	4,033	834.3%
Purchased Property Services	629,000	634,445	754,000	751,790	778,250	24,250	3.2%
Repairs & Maintenance	10,000	57,083	30,000	35,000	40,000	10,000	33.3%
Security	619,000	575,867	724,000	714,990	736,250	12,250	1.7%
Rentals	-	1,495	-	1,800	2,000	2,000	-
Purchased Professional, Technical & Other Services	73,000	44,340	127,500	71,258	84,500	(43,000)	-33.7%
Professional Services	21,500	26,776	80,000	45,000	48,500	(31,500)	-39.4%
Technical Services	6,500	6,764	7,500	258	-	(7,500)	-100.0%
Other Purchased Services	45,000	10,800	40,000	26,000	36,000	(4,000)	-10.0%
Supplies & Materials	83,650	14,588	37,500	25,041	17,500	(20,000)	-53.3%
Utilities & Fuel	67,000	4,552	24,000	6,000	7,000	(17,000)	-70.8%
General Supplies	16,650	10,037	13,500	19,041	10,500	(3,000)	-22.2%
Other Expenses	19,000	14,947	25,750	16,498	26,750	1,000	3.9%
Memberships	3,500	581	3,000	2,000	2,250	(750)	-25.0%
Training & Meetings	12,500	13,273	20,000	11,748	21,750	1,750	8.7%
Miscellaneous Other	3,000	1,094	2,750	2,750	2,750	-	0.0%
Total Expenses	\$1,274,845	\$1,235,995	\$1,514,204	\$1,471,632	\$1,745,299	\$231,095	15.3%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
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

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Project Coordinator-Security-Limited Duration	-	-	1.0
Temporary Administrative Services Assistant	1.0	1.0	1.0
Total	1.0	1.0	2.0

Budget Modifications and Contributions to Key Priorities

The Risk Management Division's Operating Budget for FY 2024-25 is \$1.7 million, reflecting an increase of 15.3% from the prior year's budget of \$1.5 million. The increase in Salaries and Wages is attributable to funding one limited duration position for a Projects Coordinator-Security. The offset for this position is a reduction in Professional Services of 39.4%. In Purchased Property Services, the increase is due to increasing costs of security system maintenance, repairs, and security guard services to address security concerns along Central San's treatment plant perimeter.

Engineering and Technical Services Department

The Engineering and Technical Services Department consists of three divisions and the Resource Recovery Program that reports 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. This is done by 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 analyses; 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 and pre-design for special projects; and planning, piloting, and applied research. 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 become more sustainable.

The budgeting 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 Engineering and Technical Services Department which includes the Capital Projects, Environmental and Regulatory Compliance, and Planning and Development Services Divisions, along with 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.

The Engineering and Technical Services Department provides a wide range of customer-focused retail services including permits issuance, private development-related wastewater assets construction inspection, Household Hazardous Waste Collection Facility (HHWCF) services, and our annual customer billing. The Department provides long-term value for the community through the design and construction of Central San's infrastructure renewal and replacement projects. The divisions ensure consistent and reliable compliance with the state and federal regulatory requirements that govern Central San's air emissions, treated wastewater discharge, Title 22 recycled water quality, and emerging pollutants such as per- and polyfluoroalkyl substances (PFAS). Finally, the Resource Recovery Program is planning and laying the groundwork for Central San's realization of the One Water vision for Contra Costa County and the transition away from carbon-intensive energy sources.

Major accomplishments of the Engineering and Technical Services Department in the past year reflect the complex mix of services provided by the teams, both within each division and acting in cross-divisional matrixed work teams. Notable examples include the following: The Oracle enterprise risk management (ERM) system for permit issuance was implemented, along with supporting systems financial integration and inspection field work tracking. The HHWCF team continued to provide exceptional customer service through the proper diversion, reuse, and disposal of hazardous waste generated within our service area. The Capital Projects team has continued to deliver the targeted pace of gravity sewer pipeline replacements, keep the major pumping stations repair and replacement (R&R) work on track, continued critical upgrades to the treatment plant and recycled water plant, and begun construction for the Solids Handling Facilities Improvement - Phase 1A project, which represents the single largest capital project for Central San in over 40 years.

The FY 2023-24 Strategic Accomplishments and performance against the key metrics, as well as the FY 2024-25 Strategic Objectives, for the Director of Engineering and Technical Services are embedded within the sections of the individual divisions and programs overseen by the Deputy General Manager of Engineering and Operations. Aside from the Resource Recovery Program, the accomplishments, performance, and objectives are listed within this section since the program operates directly within the budget of the Office of the Director of Engineering and Technical Services.

The Office of the Director of Engineering and Technical Services staffing budget includes administrative staff and one staff member in the Resource Recovery Program.

The Resource Recovery Program operates directly within the budget of the Office of the Director of Engineering and Technical Services and manages the development of recycled water projects that aim to use Central San's treated wastewater to help augment the region's water supply through partnering opportunities with drinking water agencies and energy projects that aim to reduce reliance on non-renewable energy through cost-effective alternative methods, such as the Solar Energy Project on the Lagiss Property. The Resource Recovery Program, in collaboration with the Regulatory Compliance team, also leads Central San's sustainability efforts. Initiatives include considering Net Zero greenhouse gas emissions and how it may apply at Central San and planning electrification of Central San's vehicle fleet. This program also provides support for the existing recycled water system, planned expansions, and other related projects that can be found in the Recycled Water Program section of this document.








FY 2023-24 Strategic Accomplishments – Resource Recovery Program



ENVIRONMENTAL STEWARDSHIP


- Continued to collaborate with Contra Costa Water District (CCWD) and Valley Water in advancing the water transfer policy discussions with the United States Bureau of Reclamation (USBR) regarding the Refinery Recycled Water Exchange Project, including meeting with CCWD and USBR staff to discuss the project's yield in critically dry years and other policy issues that could impact the project.
- Continued discussions with San Francisco Public Utilities Commission (SFPU) as a potential partner in the Refinery Recycled Water Exchange Project.
- Supported EBMUD's efforts to complete the feasibility evaluation of an array of potential recycled water projects with Central San, including potable reuse. This effort fed into EBMUD's Recycled Water Strategic Plan Update.
- Continued discussions with Diablo Country Club for a Satellite Water Recycling Facility (SWRF) Project.
- Completed a competitive procurement, completed contracting with the winning consultant team, and completed the development of a Fleet Electrification Strategic Plan.
- Co-chaired Central San's Green Team, held monthly meetings, sponsored Central San Swap Meets, completed Green Business Recertification for Central San's Vehicle Maintenance Shop, worked with Central San's warehouse to make greener purchases, and installed new waste bins in various locations to facilitate proper disposal and achieve higher solid waste recycling rates within Central San's operation.
- Finished construction and began operation of a 1.75-megawatt solar energy project, under a power purchase agreement with REC Solar, LLC., that exceeds the cost-effectiveness criteria in Central San's Energy Policy.
- Engaged a consultant to develop a baseline greenhouse gas emissions inventory and prepare information for use by Central San's Board in determining if a commitment to Net Zero greenhouse gas emissions is appropriate for Central San.

FYs 2022-24 Strategic Targets and Performance – Resource Recovery Program

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
	Electricity Produced by Co-Generation Using Natural Gas	≥18 million kWh per Year (Reported as a Rolling Average)	22.2 million kWh		22.1 million kWh	
	Solar Power Produced at Collection System Operations and HHW Collection Facility	≥220,000 kWh per Year (Reported as a Rolling Average)	285,000 kWh		280,000 kWh	
	kWh of Solar Power Produced by a New Solar Array Near the Treatment Plant Campus	≥3.5 million kWh (Reported as a Rolling Average)	Construction and start-up of the solar array are anticipated by the end of FY 23-24			

FY 2024-25 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	Objectives for FY 2024-25
 <p>Identify and Advance Sustainability Initiatives, Including Reducing Energy Usage and Emissions</p>	<p>Follow up, as necessary, on any Net Zero/greenhouse gas reduction commitments by Central San’s Board, including updating the Board’s Energy and Climate Change policies.</p> <p>Continue identifying and implementing sustainability initiatives within Central San’s operation via the Green Team, including completion of the Green Business Recertification for the Martinez campus through the Contra Costa County Green Business Program.</p>

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

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$640,633	\$375,063	\$678,820	\$190,580	\$247,991	(\$430,829)	-63.5%
Employee Benefits	137,170	86,663	177,084	(6,257)	22,487	(154,597)	-87.3%
Unfunded Liability Contributions	1,210	737	1,206	472	3,687	2,481	205.8%
Purchased Professional, Technical & Other Services	86,000	26,031	106,000	46,610	65,300	(40,700)	-38.4%
Technical Services	80,000	25,631	100,000	46,610	65,000	(35,000)	-35.0%
Other Purchased Services	6,000	400	6,000	-	300	(5,700)	-95.0%
Supplies & Materials	1,050	1,572	10,750	13,593	16,550	5,800	54.0%
General Supplies	1,050	1,572	10,750	13,593	16,550	5,800	54.0%
Other Expenses	24,032	12,345	29,782	7,130	30,450	668	2.2%
Memberships	1,932	1,376	2,082	342	1,850	(232)	-11.1%
Training & Meetings	22,000	10,120	27,500	6,788	28,400	900	3.3%
Miscellaneous Other	100	849	200	-	200	-	0.0%
Total Expenses	\$890,095	\$502,411	\$1,003,642	\$252,128	\$386,466	(\$617,176)	-61.5%

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

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Services Supervisor	-	1.0	-
Director of Engineering & Technical Services	-	1.0	1.0
Total	0.0	2.0	1.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Summer Student	-	-	1.0
Total	0.0	0.0	1.0

Personnel Requirements - Resource Recovery Program

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Engineering Assistant III	1.0	0.9	-
Program Manager	0.4	0.4	0.4
Total	1.4	1.3	0.4

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 2024-25 is approximately \$0.4 million, reflecting a significant reduction from the prior year's budget of approximately 61.5%. The decrease is primarily attributable to an Administrative Services Supervisor and Engineering Assistant position transferring to the Office of the Deputy General Manager of Engineering & Operations and Financial Planning Department, respectively. Supplies and Materials increased to support the green team initiatives, green business recertifications, and solid waste containers.

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 for the Capital Projects Division, but also for the entire organization. All informal and formal public works design and construction projects are conducted under this division.

FY 2023-24 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Continued to coordinate construction projects with local jurisdictions and other agencies to lessen construction impacts to the community, including projects in downtown Walnut Creek and Pleasant Hill.
- Continued to hold public outreach meetings and individual homeowner meetings to educate the public and receive feedback.
- Held a meeting with businesses ahead of Walnut Creek Locust Street project in conjunction with the Business Association.
- Initiated and completed urgent sewer replacements to lessen impacts to the public and residents, including Lake Cascade in Orinda.
- Responded to and evaluated several sites relating to impacts resulting from the major storm events within the Service Area.



GOAL TWO

ENVIRONMENTAL STEWARDSHIP

- Continued to coordinate the Solids Handling Facility Improvements construction project with the Treatment Plant staff to facilitate maximum use of landfill gas.
- Continued to work with the Contra Costa Flood Control District on a joint project to raise the Walnut Creek levee at the Treatment Plant.
- Continued to work with local jurisdictions and agencies on projects to safely handle and manage contaminated soils or hazardous materials.
- Continued to design and build projects with a focus on energy savings, resource recovery, and other environmental-related improvements.
- Nearing completion of the Filter Plant and Clearwell Improvements Project, which will provide reliable storage and distribution of recycled water.
- Continuing to raise the levee roads to meet climate change and sea level rise around the plant and for wet weather resiliency of the storage basins at the treatment plant.

GOAL FOUR**GOVERNANCE AND 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 smaller and informal type 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 using outside services.
- Continued to improve Oracle software for project budgeting and reporting.
- Due to the construction market and impacts on project delivery, existing budgets and forecasted spending have been updated to meet current schedules.
- Continue to reduce the carry-forward budgets to closely match spending requirements.

GOAL SIX**INFRASTRUCTURE RELIABILITY**













- Initiated the construction of the Solids Handling Facility Improvements - Phase 1A to address dewatering, furnace, and air pollution control improvements.
- Initiated the construction of the new aeration diffuser project at the plant.
- Finalized the design for the Phase 1 Steam Renovations, which will improve the safety and reliability of the steam system.
- Completed 30-percent final design of new ultraviolet light disinfection facility at the plant using the latest technology provided by Trojan UV. Also, planning the Sub 90 Electrical project to be combined during construction.
- Replaced or rehabilitated up to five miles of pipes in Martinez, Walnut Creek, Pleasant Hill, and Orinda.
- Initiated construction for three pumping stations in Martinez, with two consisting of new replacement facilities.
- Completed high-value and critical facility improvements at the treatment plant, including the Influent Pump Electrical Improvements, Electric Blower Improvements, and RAS Piping Renovations.
- Completed studies of the wet weather storage basins and initiated near term safety and operational improvements for design.
- 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.

GOAL SEVEN**INNOVATION AND AGILITY**

- Implemented Enterprise Performance Management (EPM) capital projects budgeting solution, including tool to collect current year capital project projection data used to develop the FY 2024-25 Capital Improvement Budget.
- Used ProCore construction management software and initiated evaluation for use with other core management functions.

- Continued improving Oracle projects for financial management and contracts/agreements management.
- Continued with the Treatment Plant Asset Handover Process Optimization project to improve communication and record keeping in the completion of capital projects.
- Continued to improve contract compliance and enforced strict safety guidelines within all contracts in accordance with federal, state, and local requirements.

FYs 2022-24 Strategic Targets and Performance


Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
 GOAL ONE	Average Customer Satisfaction Rating on Construction Projects	≥95%	84.5%*		74%	
 GOAL TWO	Sanitary Sewer Overflows Resulting from Construction Work	0	1		0	
 GOAL SIX	Miles of Sewers Replaced or Rehabilitated (focused on deteriorated small diameter pipelines)	≥6.0	4.3 miles		1.2 Miles	
 GOAL SIX	Capital Expenditures as a Percentage of Capital Budgeted Cashflow, Including Carryforward	≥90%	43%**		61%	



* Surveys sent for two projects: North Orinda Phase 8 received an average rating of 94%; Walnut Creek Phase 15 received average rating of 75%.


** Future capital spending adjusted to reflect backlog. FY 2024-25 capital budget reduced.

FY 2024-25 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 2024-25
 <p>Achieve Compliance in All Regulations</p>	Safely construct the Solids Handling Facility Improvements Project on time, which will include air pollution control equipment needed to reliably comply with current air regulations. Other improvements include seismic upgrades and critical equipment replacement.
	Successfully permit the new recycled water storage facilities to meet Title 22 requirements.

 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	<p>Continue to use the UPCCAA to help streamline infrastructure replacement projects using informal bidding and maintain a contractors list for projects under \$200,000.</p> <p>Process and management of payments for the Financing Agreement under the California State Revolving Fund (SRF) loan to help supplement the construction costs of the Solids Handling Facility Improvements.</p>

Goal/Strategy	Objective for FY 2024-25
 GOAL SIX Execute Long-Term Capital Renewal and Replacement Program	<p>Complete the construction of the Treatment Plant Piping Renovations Phase 10 Project, which will provide for reliable hypochlorite use at the secondary process and new improvements to the potable water system at the treatment plant.</p> <p>Continue to replace sewers in poor condition and respond to urgent or emergency sewer repairs throughout the service area in a timely manner.</p> <p>Replace sewers needing difficult or frequent maintenance to allow the Collection System Operations Division to focus on other sewers and reduce sanitary sewer overflows.</p> <p>Deliver projects on time and on budget using new construction management software, Procore and Oracle.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,010,990	\$2,092,726	\$2,105,869	\$2,417,188	\$2,325,696	\$219,827	10.4%
Employee Benefits	(2,991,108)	(2,273,987)	(2,664,470)	(2,131,089)	(2,919,243)	(254,773)	9.6%
Unfunded Liability Contributions	3,004	3,452	3,032	3,482	20,479	17,447	575.4%
Purchased Property Services	4,400	6,886	3,600	-	2,500	(1,100)	-30.6%
Repairs & Maintenance	3,300	6,886	2,500	-	2,500	-	0.0%
Security	-	-	-	-	-	-	-
Rentals	1,100	-	1,100	-	-	(1,100)	-100.0%
Purchased Professional, Technical & Other Services	31,100	12,104	18,100	20,000	15,600	(2,500)	-13.8%
Technical Services	30,000	12,104	17,700	19,600	15,200	(2,500)	-14.1%
Other Purchased Services	1,100	-	400	400	400	-	0.0%
Supplies & Materials	55,500	37,472	54,430	45,663	50,500	(3,930)	-7.2%
Utilities & Fuel	22,300	19,890	24,430	24,156	22,000	(2,430)	-9.9%
General Supplies	33,200	17,583	30,000	21,507	28,500	(1,500)	-5.0%
Other Expenses	54,340	20,750	56,100	24,726	60,000	3,900	7.0%
Memberships	10,340	5,502	10,600	7,325	8,000	(2,600)	-24.5%
Training & Meetings	43,000	15,351	44,500	17,049	52,000	7,500	16.9%
Miscellaneous Other	1,000	(103)	1,000	353	-	(1,000)	-100.0%
Total Expenses	(\$831,774)	(\$100,596)	(\$423,339)	\$379,970	(\$444,468)	(\$21,129)	5.0%

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 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Assistant	2.0	2.0	2.0
Assistant Engineer (Staff Engineer)	6.0	6.0	6.0
Assistant Land Surveyor	2.0	2.0	2.0
Associate Engineer	7.0	8.0	9.0
Capital Projects Division Manager	1.0	1.0	1.0
Contracts Specialist	1.0	1.0	1.0
Engineering Assistant	4.0	4.0	4.0
Land Surveyor	1.0	1.0	1.0
Senior Engineer	3.0	3.0	3.0
Utility Systems Engineer	1.0	1.0	1.0
Total	28.0	29.0	30.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Assistant Engineer-Limited Duration	-	2.0	-
Senior Engineer-Limited Duration	-	1.0	2.0
Project Safety Officer-Limited Duration		1.0	1.0
Associate Engineer-Limited Duration	-	-	1.0
Utility Systems Engineer-Limited Duration		-	1.0
Temporary Assistant Engineer	2.0	2.0	2.0
Temporary Engineering Assistant	1.0	1.0	1.0
Temporary Utility Systems Engineer	1.0	2.0	1.0
Summer Student	2.0	2.0	2.0
Intern	1.0	.0	4.0
Total	7.0	11.0	15.0

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 2024-25 is (\$0.4) million, reflecting a 5.0% increase from the prior year. The primary contributor for this division's overall budget increase is the Board adopted Benefits and Administrative Overhead rate decreasing from 163.7% in FY 2023-24 to 162.6% in 2024-25. Salaries & Wages include the agency-wide cost-of-living adjustment as well as any anticipated increases due to step advancements, largely offset by the additional staff time being charged to work for capital projects. Five positions for limited duration employees have been budgeted as the CIP expands and work begins to ramp up. The two Senior Engineers, one Project Safety Officer, and two other Engineer positions will be limited in duration in conjunction with large projects.

Environmental and Regulatory Compliance

OVERVIEW

This division ensures Central San complies 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 the 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 2023-24 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Oversaw approximately 49,000 visits to the HHWCF and the Residential Recycled Water Fill Station by residents, small businesses, retail partners, and fill station users.



ENVIRONMENTAL STEWARDSHIP

- Achieved 26th 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.
- Developed a Fleet Electrification Strategic Plan to ensure compliance with California's Advanced Clean Fleets Regulation. Completed approximately 1,100 pretreatment inspections and 900 stormwater inspections, meeting all inspection goals.
- Collected approximately 1,800,000 pounds of hazardous waste. (Quantities estimated from quantities received through February 2023.) This is about the same as the total collected last fiscal year, which was an average of 1,840,000 pounds.
- Gave away over 231,000 pounds of reusable products.
- Collected approximately 3,500 pounds of pharmaceuticals.
- Maintained 2022 anthropogenic greenhouse gas (GHG) emissions below the Cap-and-Trade inclusion threshold.
- Environmental Laboratory performed ~18,500 sample analyses in calendar year 2023.
- 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 the California Association of Sanitation Agencies (CASA)'s Water Regulatory Workgroup and as BACWA's liaison to CASA's State Legislative Committee.
- Division Manager served on the San Francisco Estuary Institute Aquatic Science Center (SFEI-ASC) Board of Directors.
- Complied with the State Investigative Order for PFAS by participating in the Region 2 PFAS Study coordinated through BACWA and managed by the San Francisco Estuary Institute (SFEI).
- Participated in SARS-CoV2 wastewater studies in collaboration with the California Department of Public Health, Verily Life Sciences, LLC, through the WastewaterSCAN program and the National Wastewater Surveillance System (NWSS).
- Completed the "Microplastics - Removal Across the Treatment Plant" sampling project.
- Environmental Laboratory met new certification standards.



INFRASTRUCTURE RELIABILITY













- Completed annual Basin A South soil cap seep repairs.
- Submitted Authority-to-Construct applications to Bay Area Air Quality Management District (BAAQMD) for the Solids Handling Facility Improvements Project and the Pumping Stations Improvements Project.



INNOVATION AND AGILITY

- Participated in sample collection to advance the wastewater-based epidemiology model for COVID-19 and other pathogens of interest.
- Participated in a "Microplastics - Removal Across the Treatment Plant" study in collaboration with the Southern California Coastal Water Research Project Authority (SCCWRP) and the Ocean Protection Council to advance the science of microplastics in wastewater.
- Implemented the new environmental management system Klir to optimize tracking of permits as well as regulatory requirements and deadlines.


FYs 2022-24 Strategic Targets and Performance


Goal	Metric	Target	FY 2022-23 Performance	FY 2023-24 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	Zero (0) Violations* 	* One (1) Violation* 
 GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations 	Zero (0) Violations 
 GOAL TWO	Anthropogenic GHG Emissions	<25,000 Metric Tons (MT) CO ₂ e	23,842 MT CO ₂ e in Calendar Year 2022 Met Calendar Year 2022 Target 	24,577 MT CO ₂ e in Calendar Year 2023 Met Calendar Year 2023 Target 

* Q1: Violation issued for Furnace emergency bypass damper opening: 9/13/23.

FY 2024-25 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 2024-25
 GOAL TWO Achieve Compliance in All Regulations	Strive to meet all air permit requirements (Title V Major Facility Review Permit, Clean Air Act Section 129 Sewage Sludge Incinerator standards, and Bay Area Air Quality Management District's Permit to Operate).
	Strive to meet all wastewater-related permit requirements (NPDES Treatment Plant Permit, Nutrients Watershed Permit, Mercury, and PCBs Watershed Permit).

Goal/Strategy	Objective for FY 2024-25
 <p>GOAL TWO</p> <p>Achieve Compliance in All Regulations</p> <p>Identify and Advance Sustainability Initiatives, Including Reducing Energy Usage and Emissions</p>	<p>Implement the Fleet Electrification Strategic Plan.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,370,444	\$4,235,628	\$4,651,639	\$4,306,459	\$4,867,955	\$216,316	4.7%
Employee Benefits	1,647,986	1,658,292	1,672,000	1,645,543	1,924,285	252,285	15.1%
Unfunded Liability Contributions	6,440	6,572	6,619	6,065	39,953	33,334	503.6%
Purchased Property Services	975,930	740,765	984,000	832,202	1,004,600	20,600	2.1%
Repairs & Maintenance	102,000	66,064	104,500	106,000	114,000	9,500	9.1%
Hauling & Disposal	801,500	605,018	801,500	651,098	801,500	-	0.0%
Security	3,000	2,699	3,000	3,600	3,600	600	20.0%
Rentals	8,800	2,745	6,800	5,900	6,100	(700)	-10.3%
Cleaning	60,630	64,238	68,200	65,605	79,400	11,200	16.4%
Purchased Professional, Technical & Other Services	1,025,700	786,409	930,700	823,770	837,700	(93,000)	-10.0%
Professional Services	10,000	7,369	10,400	43,600	48,100	37,700	362.5%
Technical Services	991,900	756,362	894,000	748,000	756,000	(138,000)	-15.4%
Other Purchased Services	23,800	22,677	26,300	32,170	33,600	7,300	27.8%
Supplies & Materials	450,700	466,148	485,200	474,203	513,875	28,675	5.9%
Utilities & Fuel	17,200	18,724	13,500	23,000	23,000	9,500	70.4%
Chemicals	-	-	-	-	-	-	-
General Supplies	433,500	447,425	471,700	451,203	490,875	19,175	4.1%
Other Expenses	431,833	423,833	561,383	418,268	484,235	(77,148)	-13.7%
Memberships	381,658	374,510	509,708	367,573	422,335	(87,373)	-17.1%
Training & Meetings	46,525	45,314	48,025	47,840	58,350	10,325	21.5%
Miscellaneous Other	3,650	4,009	3,650	2,855	3,550	(100)	-2.7%
Total Expenses	\$8,909,033	\$8,317,647	\$9,291,541	\$8,506,511	\$9,672,604	\$381,062	4.1%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Assistant	2.0	2.0	2.0
Assistant Engineer (Staff Engineer)	1.0	2.0	2.0
Associate Engineer	1.0	1.0	1.0
Chemist	6.0	6.0	7.0
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
Household Hazardous Waste Program Administrator	1.0	1.0	1.0
Household Hazardous Waste Technician	3.0	4.0	4.0
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	28.0	31.0	32.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Intern	-	4.0	1.0
Laboratory Assistant Summer Student	1.0	1.0	1.0
Temporary Chemist	-	1.0	1.0
Temporary Household Hazardous Waste Technician	-	-	1.0
Temporary Residential Fill Station Technician	-	1.0	-
Temporary Laboratory Assistant	1.0	-	-
Total	2.0	7.0	4.0

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 2024-25 is \$9.7 million, an increase of 4.1% over the prior year's budget. Salaries and Wages include the agency-wide cost-of-living adjustment, increases due to step advancements, and one additional full-time Household Hazardous Waste Technician position, increasing the headcount by one. Offsets for this position will be a reduction in contracted services. The Purchased Property Services category decreased due to the additional FTE in HHW in technical services. Other Expenses categories increased due to outside organization fees that include NACWA, CASA, and BACWA paid through Regulatory.

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 also 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; 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 2023-24 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Continued offering the federal Low Income Household Water Assistance Program (LIHWAP).
- Operated a Pilot Program to operate a new Recreational Vehicle (RV) Wastewater Receiving Station for three years at no-charge for customers.
- Extended pilot for an additional three years on the Septic to Sewer (S2S) Financing Program, to encourage existing single-family houses to connect to nearby sewer mains.
- Created a Sewer Lateral Replacement Financing Program, as a three-year pilot, to encourage both commercial and residential customers to reduce inflow and infiltration through single family houses connected to sewer mains.
- Initiated the formation of three Contractual Assessment Districts (CADs) to extend sewer mains to residents in neighborhoods.
- Continued the online recycled water customer quarterly self-monitoring reporting program.
- Updated and provided new content for the Permitting and Fees pages on the Central San's website.
- Held two Sewer Summit Workshops for water and wastewater sister agencies in Contra Costa County.



GOAL TWO

ENVIRONMENTAL STEWARDSHIP

- Continued to work with Contra Costa Water District (CCWD) and the City of Concord in plans to supply recycled water to the Concord Community Reuse Project.
- Provided support to further the Refinery Recycled Water Exchange Project with CCWD and Valley Water.
- Executed one-year extension for raw wastewater diversion to Dublin San Ramon Services District (DSRSD) using the DSRSD-EBMUD Recycled Water Authority (DERWA) Diversion Facility in San Ramon.
- 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, Nutrient Data Analysis Steering Committee, Recycled Water Committee, and Sea Level Rise Roundtable.

GOAL FOUR**GOVERNANCE AND FISCAL RESPONSIBILITY**

- Developed rate alternative scenarios that reduced 10-year Capital Improvement Plan (CIP) cash flow and Central San's reliance on debt by \$150 million.
- Completed a wastewater cost of service study and recommended a new rate class for accessory dwelling units for Board consideration.
- Presented alternatives for Board input consistent with debt management policy, fiscal reserve policy, CIP, and general ratemaking principles at the January 12, 2023, Financial Workshop and at a Public Hearing on June 21, 2023.
- Administered \$173.1 million State Revolving Fund (SRF) loan for Solids Phase 1A project.
- 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.

GOAL SIX**INFRASTRUCTURE RELIABILITY**

- Completed draft business case evaluation of Tertiary Membrane Filter Pilot.
- Worked collaboratively with Contra Costa Flood Control District to complete 95% of final design packages for the Grayson and Walnut Creek Levee Improvement Project, which will ensure protection of the wastewater treatment plant.
- Developed Recycled Water Inspection mobile application to conduct inventory of meter, valve, hydrant, and sampling station locations with photos.
- Issued Request for Proposal for Large Diameter Pipeline and Siphon Inspection Program with award of a 5-year contract anticipated by next fiscal year.
- Kicked off preliminary design for the Recycled Water Distribution System Renovation Project and conducted field inspections of valves and flow meters.
- Collaborated with Contra Costa Transportation Authority (CCTA) to initiate a joint project to relocate a ½ mile section of the 84-inch A-Line Sewer to expand the Interstate 680/Highway 4 freeway interchange.
- Kicked off design of 3,300 lineal feet of 8-inch sewer to reroute flow to abandon 6,600 lineal feet of the 39-inch Trunk Main No. 1, which has reached the end of its lifespan as part of the Large Diameter Renovation Program.

- Continued work on the Sewer System Infrastructure Plan which includes evaluation of pumping stations, corrosion engineering, development of a rainfall derived inflow and infiltration reduction plan and new Condition Assessment Scoring/Risk Systems.



INNOVATION AND AGILITY

- Implemented the Permitting and Community Development ERP module in February 2024.
- Completed the pilot report and draft alternatives evaluation report for the 2022 pilot project which tested new tertiary membrane filtration with three pressurized membranes to improve recycled water production in lieu of renovating three existing filters.
- Drafted membrane/filters business case evaluation.
- Presented “Sustainable Membrane Performance for Refinery Reuse of Non-Nitrified Wastewater” at WEFTEC.
- Continued participation with California Department of Public Health, UC Berkeley, Verily, and Biobot Analytics, and Contra Costa County Health Services wastewater-based epidemiology studies, collaborating with the Laboratory which leads sampling efforts.

FYs 2023-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
GOAL ONE	Average Customer Satisfaction Rating on Permit Counter Interactions	≥95.0%	92.3%*		100%	
GOAL ONE	Sewer Service Charge Affordability (Environmental Protection Agency Lowest Quintile Residential Indicator)	<2% (or Lower than High impact)	<2%		<2%	
GOAL TWO	Gallons of Recycled Water Distributed to External Customers	≥240 Million Gallons (MG)	181.5*		133.3**	
GOAL SIX	Large Diameter and Force Main Condition Assessment	≥3 Miles Per Year	<0.33***		0.6	
GOAL SEVEN	Reviews or Pilot Tests of New and Promising Technology	≥3	4		3	
GOAL SEVEN	Research Papers and Findings Presented	≥3	7		3	

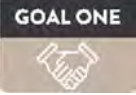


* Recycled water usage was lower than normal due to wet and cool weather.







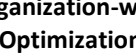
**The irrigation season typically grows in April and peaks in July, so this reported figure not only omits future Q3 usage but also omits a potentially significant amount of future Q4 usage (April to June).

*** Working to develop a new proposal for inspection scope and approach.

FY 2023-24 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 2024-25
 <p>GOAL ONE Deliver High-Quality Customer Service</p>	<p>Update and publish additional “Applicant Guides” to assist Development Applicants, including some focused on the new Oracle web portal for online applications/permitting.</p>
 <p>GOAL ONE Build Neighborhood and Industry Relationships</p>	<p>Host a Sewer Summit Workshop for partner Cities and County.</p>
 <p>GOAL TWO Educate on Pollution Prevention and Environmental Protection</p>	<p>Develop an interactive web map for educational outreach programs.</p> <p>Work with CCWD and the City of Concord to supply recycled water to the Concord Community Reuse Project.</p>

Goal/Strategy	Objective for FY 2024-25
 <p>GOAL TWO Identify and Advance Sustainability Initiatives, including Reducing Energy Usage and Emissions</p>	<p>Implement a pilot Envision initiative and submit a capital project to verify its level of sustainability.</p>
 <p>GOAL FOUR Maintain Financial Stability and Sustainability</p>	<p>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.</p>
 <p>GOAL SIX Manage Assets Optimally</p>	<p>Develop prioritization model for vertical assets and update InfoAsset Planner.</p>
 <p>GOAL SIX Execute Long-Term Capital Renewal and Replacement Program</p>	<p>Implement the Large Diameter Pipe and Force Main Inspection and condition assessment programs.</p>
 <p>GOAL SEVEN Implement Organization-wide Optimization</p>	<p>Continue working on the 5-Year Sewer System Infrastructure Plan.</p>
 <p>GOAL SEVEN Implement Organization-wide Optimization</p>	<p>Update Sewer System Management Plan (<i>required by Regional Board, compliance with Water Discharge Requirements</i>).</p>
 <p>GOAL SEVEN Implement Organization-wide Optimization</p>	<p>Implement and train staff on the new Oracle permitting software.</p>
<p>GOAL SEVEN Implement Organization-wide Optimization</p>	<p>Implement a public portal for Development applications with the Oracle permitting software.</p>
<p>GOAL SEVEN Implement Organization-wide Optimization</p>	<p>Evaluate and review new Sewer Service Billing software to replace SunGard.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,704,522	\$4,337,037	\$3,983,935	\$4,052,277	\$4,238,676	\$254,741	6.4%
Employee Benefits	544,421	404,001	364,007	636,379	550,083	186,077	51.1%
Unfunded Liability Contributions	7,099	6,246	5,731	5,625	40,449	34,718	605.7%
Purchased Property Services	70,000	20,488	71,500	39,286	62,500	(9,000)	-12.6%
Repairs & Maintenance	60,000	15,570	60,000	28,540	50,000	(10,000)	-16.7%
Rentals	-	-	-	286	-	-	-
Cleaning	10,000	4,168	10,000	7,500	10,000	-	0.0%
Construction	-	750	1,500	2,960	2,500	1,000	66.7%
Purchased Professional, Technical & Other Services	611,200	421,802	658,500	709,793	710,500	52,000	7.9%
Professional Services	269,900	51,725	272,000	185,790	305,500	33,500	12.3%
Technical Services	140,800	93,192	60,000	73,328	60,000	-	0.0%
Other Purchased Services	200,500	276,885	326,500	450,675	345,000	18,500	5.7%
Supplies & Materials	226,400	259,131	229,100	326,204	301,500	72,400	31.6%
Utilities & Fuel	183,200	230,036	185,700	280,109	263,200	77,500	41.7%
General Supplies	43,200	29,096	43,400	46,095	38,300	(5,100)	-11.8%
Other Expenses	77,370	56,478	72,490	63,122	77,340	4,850	6.7%
Memberships	20,170	16,844	20,290	20,517	21,140	850	4.2%
Training & Meetings	50,700	39,413	46,200	40,605	51,200	5,000	10.8%
Miscellaneous Other	6,500	221	6,000	2,000	5,000	(1,000)	-16.7%
Total Expenses	\$6,241,012	\$5,505,183	\$5,385,263	\$5,832,686	\$5,981,049	\$595,785	11.1%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Assistant	2.0	2.0	2.0
Asset Management Program Administrator	1.0	-	-
Assistant Engineer	1.0	1.0	1.0
Associate Engineer	5.0	4.0	4.0
Construction Inspector	4.0	4.0	4.0
Development Services Supervisor	2.0	2.0	2.0
Engineering Assistant	6.0	6.0	7.0
GIS Analyst	2.0	-	-
Lead Engineering Assistant	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0
Planning and Development Services Division Manager	1.0	1.0	1.0
Real Property Agent	1.0	2.0	2.0
Senior Engineer	3.0	4.0	4.0
Total	30.0	28.0	29.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
GIS Analyst-GM Special	1.0	-	-
Intern	3.0	4.0	4.0
Summer Student Intern	2.0	2.0	1.0
Staff Engineer-Limited Duration	-	2.0	1.0
Temporary Engineering Assistant	3.0	3.0	1.0
Temporary Administrative Assistant	1.0	1.0	1.0
Temporary Field Technician	1.0	-	-
Temporary Staff Engineer	1.0	-	-
Total	12.0	12.0	8.0

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 and 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 2024-25 is approximately \$6.0 million, reflecting an increase of approximately 11.1% from the prior year's budget. The overall increase is primarily attributable to an Engineering Assistant position being transferred from the Resource Recovery Department. Salaries and Wages include the agency-wide cost-of-living adjustment and increases due to step advancements for eligible employees. Purchased Professional, Technical & Other Services increased by 7.9% due to a portion of the legal services retainer being budgeted in this organization unit for FY 2024-25. This also includes an increase of 5.7% for Real Estate Consulting Services to address property management of buffer properties and rentals. Utilities & Fuel budget increased by 41.7% due to the energy prices driven by inflation.

Operations Department

The Operations Department consists of four 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 or 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; operational optimization; and managing computerized control equipment and systems.

The budgeting divisions that comprise this Department include the following:

- Office of the Deputy General Manager of Engineering and Operations
- Collection System Operations
- Plant Maintenance
- Plant Operations
- Operations Optimization
- Recycled Water Program



Office of the Deputy General Manager of Engineering and Operations

OVERVIEW

The Office of the Deputy General Manager of Engineering and Operations oversees the following divisions: Collection System Operations (CSO), Operations Optimization, 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 2023-24 include achievement of the lowest recorded number of sanitary sewer overflows (SSOs); the 26th consecutive annual National Association of Clean Water Agencies (NACWA) Platinum Peak Award, recognizing 100% compliance with Central San's federal National Pollutant Discharge Elimination System (NPDES) permit; and the launch of the Operations Optimization Division.

In addition to the lowest number of SSOs ever recorded, the CSO Division cleaned 748 miles of sewers, inspected 191 miles of sewers, and completed 16,906 cleaning work orders using optimized schedules and methods. The CSO Division has achieved and is maintaining a level of business planning and process maturity that raises the bar for Central San and produces outstanding service and value to customers as a result.

In support of Plant Operations' efforts in achieving the 26th NACWA Platinum Award, the Plant Maintenance Division continues to promote training and certifications for staff, and to implement testing programs and new technology tools. These efforts 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 (asset onboarding). Improved asset onboarding will set the foundation for reliability centered maintenance and related efforts towards optimal asset life cycle value. The teams in Plant Maintenance are maintaining and improving the skills, technology, and data-driven work approaches that provide the maximum life-cycle value for the treatment plant equipment, systems, and facilities.

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 cohesive performing units capable of making sound critical judgments to adjust and adapt to ever-evolving challenges. This division is piloting Central San's first use of Artificial Intelligence/Machine Learning tools for real time operations decision support and facility health monitoring.

The recently formed Operations Optimization Division brings together the core asset management information systems platforms (geographic information system, City Works, etc.), plant process controls expertise, and integrated capital planning for the entire Wastewater Treatment Plant. The value of this combined system's thinking is already being demonstrated in the updated sequencing and prioritization of plant systems such as the combined aeration-steam-electrical road map, the transition to a fully digital-network-based operations and maintenance data infrastructure, and the integration of asset management information systems to support the digital-twin vision for facility lifecycle optimization.

The FY 2023-24 Strategic Accomplishments and performance against the key metrics, as well as the FY 2024-25 Strategic Objectives, for the Office of the Deputy General Manager of Engineering and Operations are embedded within the sections of the individual divisions and programs overseen by the Deputy General Manager of Engineering and Operations.

This office's staffing budget includes the administrative staff supporting the Office of the Deputy General Manager of Engineering and Operations.

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$667,757	\$463,951	\$545,621	\$565,414	\$735,481	\$189,861	34.8%
Employee Benefits	257,167	91,136	228,360	231,679	330,737	102,377	44.8%
Unfunded Liability Contributions	1,026	716	790	794	6,498	5,708	722.7%
Purchased Professional, Technical & Other Services	153,600	-	53,600	-	51,600	(2,000)	-3.7%
Technical Services	150,000	-	50,000	-	50,000	-	0.0%
Other Purchased Services	3,600	-	3,600	-	1,600	(2,000)	-55.6%
Supplies & Materials	133,100	86,819	133,100	140,847	135,100	2,000	1.5%
Utilities & Fuel	70,000	69,281	70,000	78,047	72,000	2,000	2.9%
General Supplies	63,100	17,538	63,100	62,800	63,100	-	0.0%
Other Expenses	19,500	10,967	27,550	19,825	27,550	-	0.0%
Memberships	1,400	202	1,900	1,550	1,900	-	0.0%
Training & Meetings	17,150	10,765	24,700	17,326	24,700	-	0.0%
Miscellaneous Other	950	-	950	950	950	-	0.0%
Total Expenses	\$1,232,151	\$653,588	\$989,020	\$958,559	\$1,286,966	\$297,946	30.1%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Assistant	1.0	1.0	1.0
Administrative Services Supervisor	1.0	1.0	2.0
Operations Optimization Manager	1.0	-	-
Deputy General Manager of Engineering and Operations (Director of Operations)	1.0	1.0	1.0
Total	4.0	3.0	4.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Summer Student (Administrative Assistant)	-	1.0	1.0
Total	0.0	1.0	1.0

Budget Modifications and Contributions to Key Priorities

The Office of the Deputy General Manager of Engineering and Operations budget for FY 2024-25 is approximately \$1.3 million compared to the prior year of approximately \$1 million, reflecting a 30% increase from the prior year's budget. This increase is primarily attributable to the transfer of one Administrative Services Supervisor position from the Office of the Director of Engineering and Technical Services, to align directly under the Deputy General Manager. Key priorities for this Office are mostly reflected in the specific Division-level budget sections, along with the related budget modifications. Within the Office of the Deputy General Manager, the budget modification reflects the change in reporting alignment for the Administrative Services Supervisor. This reporting alignment is intended to support the priority of improving workload balance and coordination across the administrative teams in each Division. Salaries and Wages include one temporary position being budgeted for a Summer Student.

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 2023-24 Strategic Accomplishments



CUSTOMER AND COMMUNITY

- Responded to 135 customer service phone calls. *
- Received and cleared over 16,341 USA locating requests on time. *



ENVIRONMENTAL STEWARDSHIP

- Responded to six sanitary sewer overflows. *
- Cleaned 361 miles of sewers. *
- Completed 8,188 work orders on schedule 99.6% of the time. *
- Performed 18% of all cleaning work on “hotspots.” *
- Closed circuit televised 116 miles of sewers. *



INFRASTRUCTURE RELIABILITY

- Completed 474 services on vehicles and equipment to maintain 100% uptime. *
- Optimized 1-, 2-, 3-, and 6-month cleaning schedules to dispatch staff more efficiently and clean sewers as needed to best prevent overflows.
- Converted cleaning schedules from routine to scheduled maintenance to ensure each line has a scheduled cleaning date.



INNOVATION AND OPTIMIZATION

- Constructed a training vault, where maintenance crew members can observe various pipeline-cleaning tools in action.

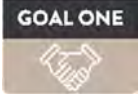



* (as of Q2)

FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, During Working Hours	≤30.0 Minutes	19 Minutes		23 Minutes	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, After Hours	≤40.0 Minutes	34 Minutes		39 Minutes	
 GOAL ONE	Average Customer Service Rating for Emergency Calls	≥3.8 out of 4.0	3.97 out of 4.0		3.95 out of 4.0	
 GOAL TWO	Sanitary Sewer Overflows	≤2.0 Spills per 100 Miles of Pipeline	1.23 Spills per 100 Miles of Pipeline		0.4 Spills per 100 Miles of Pipeline	
 GOAL TWO	Spills to Public Water	≤1	2		0	
 GOAL TWO	Spills Greater Than 500 Gallons	≤3	4		0	
 GOAL TWO	Sanitary Sewer Overflows Resulting from Construction Work	0	1		0	
 GOAL SIX	Planned Recycled Water Distribution Preventative Maintenance Completed on Time	≥98%	100%		100%	
 GOAL SIX	Planned Collection System Preventative Maintenance Completed on Time	≥98%	99.4%		99.75% in Q1 99.40% in Q2	
 GOAL SIX	Pipeline Cleaning QA/QC	On ≥4% of Pipelines Cleaned on an Annual Basis	3.21%		3.50% in Q1 3.98% in Q2	
 GOAL SIX	Pipeline Cleaning QA/QC Passing Rate	≥98%	96.4%		98.06% in Q1 96.00% in Q2	
 GOAL SIX	Pipeline Inspected Through Closed Circuit Television Program	10% inspected (150 miles)	8.3% (124 miles)		7.7% (116 miles)	
 GOAL SIX	Uptime for Vehicles and Equipment	100%	100%		100%	

FY 2024-25 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 2024-25
 <p>GOAL ONE Deliver High-Quality Customer Service</p>	<p>Continue to respond quickly to emergency calls both during and after work hours.</p>
 <p>GOAL TWO Achieve Compliance in All Regulations</p>	<p>Continue to proactively and optimally clean sewers to prevent overflows.</p> <p>Optimize cleaning schedule frequencies and location of work orders.</p>
 <p>GOAL TWO Identify and Advance Sustainability Initiatives, Including Reducing Energy Usage and Emissions</p>	<p>Continue to use alternative diesel fuels for CSO vehicles, resulting in cleaner emissions, reduced maintenance, and improved reliability.</p>
 <p>GOAL FOUR Maintain Financial Stability and Sustainability</p>	<p>Work toward construction of electric vehicles charging infrastructure to accommodate future Electric Vehicle Fleet implementation (currently in the design phase).</p>

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$7,474,111	\$7,612,004	\$7,659,032	\$7,842,214	\$9,380,005	\$1,720,973	22.5%
Employee Benefits	3,189,221	3,352,449	3,440,554	3,578,065	4,366,345	925,791	26.9%
Unfunded Liability Contributions	10,787	11,171	10,851	10,849	80,121	69,270	638.4%
Purchased Property Services	660,400	644,589	679,900	674,900	1,204,100	524,200	77.1%
Repairs & Maintenance	449,000	435,236	467,000	453,000	924,000	457,000	97.9%
Hauling & Disposal	29,800	30,433	30,300	31,300	66,300	36,000	118.8%
Security	4,100	3,270	4,100	4,100	4,100	-	0.0%
Rentals	78,500	83,578	78,500	82,500	84,500	6,000	7.6%
Cleaning	99,000	92,072	100,000	104,000	125,200	25,200	25.2%
Purchased Professional, Technical & Other Services	989,780	397,282	1,240,080	1,206,245	1,269,865	29,785	2.4%
Professional Services	7,700	9,819	7,500	10,080	19,100	11,600	154.7%
Technical Services	912,080	331,067	1,165,080	1,159,580	1,186,080	21,000	1.8%
Other Purchased Services	70,000	56,397	67,500	36,585	64,685	(2,815)	-4.2%
Supplies & Materials	1,105,450	1,283,958	1,303,000	1,339,750	2,339,600	1,036,600	79.6%
Utilities & Fuel	500,700	700,178	767,000	790,000	1,541,000	774,000	100.9%
Chemicals	-	-	-	-	175,000	175,000	-
General Supplies	604,750	583,780	536,000	549,750	623,600	87,600	16.3%
Other Expenses	50,300	41,462	58,500	55,900	75,750	17,250	29.5%
Memberships	15,700	13,668	15,900	15,900	19,000	3,100	19.5%
Training & Meetings	31,600	21,057	39,600	38,000	51,750	12,150	30.7%
Miscellaneous Other	3,000	6,737	3,000	2,000	5,000	2,000	66.7%
Total Expenses	\$13,480,048	\$13,342,915	\$14,391,917	\$14,707,923	\$18,715,786	\$4,323,869	30.0%

Budget Overview by Expense Category

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Administrative Assistant	3.0	3.0	3.0
Administrative Services Assistant	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
Lead Maintenance Crew Member	18.0	18.0	18.0
Maintenance Crew Member	18.0	20.0	20.0
Maintenance Planner	1.0	1.0	1.0
Maintenance Supervisor	5.0	5.0	5.0
Senior Engineer	1.0	1.0	1.0
Superintendent, Operations and Maintenance	1.0	1.0	2.0
Vehicle and Equipment Mechanic	3.0	3.0	3.0
Pumping Stations Operator	-	-	7.0
Total	54.0	56.0	64.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Temporary Pumping Stations Operator	-	-	1.0
Summer Student	-	-	1.0
Total	0.0	0.0	2.0

Budget Modifications and Contributions to Key Priorities

The Collection System Operations Division budget for FY 2024-25 is \$18.7 million, reflecting an increase of 30.0% over the prior year's budget. The main driver for this increase was due to the transfer of the Pumping Station workgroup from the Plant Maintenance Division to the Collection System Operations Division. The Collection System division's budget largely remained steady excluding the transfer of Pumping Stations workgroup, 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. Supplies and Materials increased due to known Utilities and Fuel higher rates rising in California. Price increases have been driven by higher demand and tighter supplies within the region. Other Expenses category increased as employees return to in-person trainings and conferences.

Plant Maintenance

OVERVIEW

Our goal is to ensure that maintenance is employed in a strategy of proactive, predictive, preventive, and corrective maintenance in a combination that yields optimum process reliability and maximum economic performance, thereby contributing to Central San's vision. This division is divided into two main areas: Treatment Plant Maintenance shops and Reliability Engineering (RE). 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. The shops are also responsible for supporting the Pumping Stations operations. The five shops include Mechanical Maintenance, Machine, Electrical, Instrumentation, and Buildings & Grounds. The Plant Maintenance Division's reliability strategy development and execution is the key role of the RE staff. The strategy includes the planning and scheduling of daily work for all the shops and the major turnaround work for the plant systems and process equipment. The RE team also manages several service contracts and oversees the Asset Condition Management (ACM) Program. 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 2023-24 Strategic Accomplishments



GOAL ONE

CUSTOMER AND COMMUNITY

- Multiple staff panelists presented on industry leading asset management practices, reliability, and work execution processes at the International Maintenance Conference.



GOAL TWO

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 26th consecutive year.
- Continued ongoing tracking of energy usage.
- Began working with Pacific Gas and Electric (PG&E) on RAPIDS energy efficiency program.
- Worked with EcoGreen and PG&E to retrofit lighting to LEDs.
- Continued to replace lighting and heating, ventilation, and air conditioning with newer, more efficient fixtures and equipment at the Martinez campus.



GOAL THREE

WORKFORCE DIVERSITY AND 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 for the division staff (e.g., Electrical Technician content).
- Completed refresher and facilitator training on reliability-centered maintenance (RCM) and Maintenance Optimization.

- Activated safety, quality, and effectiveness (SQE) and Risk Threshold Investigation (RTI) process. SQE evaluation is an internal process to routinely review PM program based on physical observation and audit of the PM or predictive maintenance (PdM) task. RTI is an assessment process with the basic goal to qualitatively identify potential problems or failures that could realistically occur and produce or affect one or more of the seven consequence areas (safety, environment, downtime, operations, regulatory requirement, single point failure, and economics) and cross a threshold that is judged to be sufficiently severe to warrant special attention to mitigate or eliminate risk.
- 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 and Level II certifications in areas of ACM techniques, such as Machinery Lubrication Technician and Infrared Thermography.
- Improved Mechanical Maintenance Technician Trainee Program by updating the training material and modifying the curriculum to better suit learning and development in the subject matter and added online third-party certifications to the program.
- Seven staff members obtained Certified Reliability Leader certification.



GOAL FIVE SAFETY AND SECURITY

- Completed 15 safety Work Orders (WOs) as of March 2024.



GOAL SIX INFRASTRUCTURE RELIABILITY

- Completed 4,991 WO's.
- Maintained Reactive WO's to 3%.
- Completed 183 Quality Assurance / Control Maintenance Planner updates to improve work efficiency and effectiveness by incorporating Maintenance staff's suggestions.
- Completed 15 safety WO's.
- Maintained a flat Operations & Maintenance (O&M) Budget for 8 years.
- Developed inspection templates for ACM program's condition-based and predictive-based technologies.
- Began identifying vulnerable assets related to climate change and developing mitigation measures.
- Completed 24 Don't Just Fix It; Improve It (DJFI) initiatives to increase maintenance effectiveness, lower costs, and increase equipment reliability as of Q2.
- Completed 183 Planner updates which include improvements to PM program such as updated asset information, improved standard operating procedures, and improvements to PM task effectiveness or efficiency as of Q2.
- Began RCM studies and training on the aeration system.
- Began Planned Maintenance Optimization (PMO) training on the auxiliary boilers.
- Successfully maintained operation of all 18 pumping stations during operational events such as wildfires, extreme wet weather, and PG&E Public Safety Power Shutoff events.

- Completed a root cause analysis (RCA) on the hypochlorite system and continued work on an RCA on the Pump and Blower Building supply fan issues.
- Completed deployment of condition-based and predictive-based technologies across asset classes, including use of vibration monitoring, machine lubrication, fluid analysis, infrared imaging, and ultrasound testing.
- Worked with consultant on development of Asset Health Indicator Requirements. Consultant to provide services to engage stakeholders, develop needs assessment, and provide industry research and solution evaluation. Kickoff meeting was held.
- Continued computerized maintenance management system setup for Pumping Stations operations, piloted the system at the San Ramon Pumping Station, and plan to roll out to small pumping stations and other sites.
- 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 AGILITY




- Expanded the pilot bar coding system to all fixed assets.
- Continued pilot testing InfoAsset to replace InfoMaster to assist in the development of the prioritization model for vertical assets.
- Toured University of California San Diego's steam turbine generator to explore the viability of steam turbine generator to convert incineration waste-heat steam into electricity for plant use.
- Piloted air tags to track plant assets.
- Obtained new ACM/maintenance tools and equipment to increase work efficiency (e.g., motion amplification tool and ultrasound tools).
- 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 (e.g., Ultraviolet and Furnace blower dashboards).


FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
GOAL TWO	Regulatory Title V Work Orders Completed on Time	100%	100%		98% in Q1 99% in Q2	
GOAL FIVE	Safety-Prioritized Work Orders Completed on Time	100%	97.5%		100% in Q1 97% in Q2	
GOAL SIX	Planned Treatment Plant Preventative Maintenance Completed on Time	≥90%	96.25%		97% in Q1 97% in Q2	
GOAL SEVEN	DJFI Work Orders Completed	≥25	11		19	

FY 2024-25 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 2024-25
 <p>GOAL THREE Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive</p>	<p>Staff development can be especially challenging when it comes to recruiting and retaining skilled technicians who can operate and maintain an industrial complex. To address this issue, the division has committed itself to ensuring staff are given the knowledge, skills, and leadership needed to achieve the highest standard of quality and reliability. Current efforts include improving our learning management system, trade internship program, and training and development program.</p>
 <p>GOAL FIVE Reduce and Eliminate Risks of Injury or Illness</p>	<p>Continue to apply the latest arc-resistant switchgear with arc-quenching devices to make it safer for staff to operate and service electrical equipment.</p>
 <p>GOAL SIX Manage Assets Optimally</p>	<p>Actively participate in all phases of asset lifecycles, including design, installation, operation, maintenance, and replacement planning.</p> <p>Commit to consistently perform the most effective maintenance tasks on equipment at the optimal frequency.</p> <p>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.</p> <p>Drive the development of the Asset Condition Management (ACM) Program and integrate with analytics for earliest warning of equipment degradation. Asset condition information is stored in many different locations and is not easily viewed based on type of asset, process, or sub-process. Having the information in one easy to access location will help make better decisions on the repair, replacement, and overhaul of critical assets. It will also help with the planning and scheduling of work.</p> <p>Implement Asset Handoff Process Tracker. A major component of maintenance involvement in Capital Projects was formulating a comprehensive asset handoff protocol. This ensures asset documentation including assets records, O&M manuals, drawings, and spare parts documentation are properly transferred from Capital Projects to the appropriate O&M teams once work is completed. Current efforts are to automate the Handover Process and track completion of key points along the workflow.</p>

Goal/Strategy	Objective for FY 2024-25
 <p>Implement Organization-Wide Optimization</p>	<p>Continue to work on Process and Technology Optimization (PTO) Strategic 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.</p> <p>Enhance Dashboards and Analytics: Develop new reporting dashboards and analytics to track strategic, tactical, and operational performance metrics. O&M staff make it a regular practice to not just perform PM or repair, but also to ask what more can be done. Current efforts are focused on development of dashboards and analytics for work execution, reliability engineering, and asset health/condition monitoring.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$7,186,980	\$6,929,904	\$7,132,314	\$7,331,027	\$ 6,459,990	(\$672,324)	-9.4%
Employee Benefits	2,379,038	2,547,194	2,437,953	2,639,613	2,200,118	(237,835)	-9.8%
Unfunded Liability Contributions	9,723	9,477	9,513	9,257	45,092	35,579	374.0%
Purchased Property Services	2,868,050	2,458,383	2,596,100	2,658,283	2,338,100	(258,000)	-9.9%
Repairs & Maintenance	2,502,450	1,943,652	2,316,500	2,184,716	1,873,500	(443,000)	-19.1%
Hauling & Disposal	-	3,433	100	281	1,100	1,000	1000.0%
Security	-	313	-	-	-	-	-
Rentals	122,600	223,975	26,500	160,572	186,500	160,000	603.8%
Cleaning	243,000	287,009	253,000	312,714	277,000	24,000	9.5%
Purchased Professional, Technical & Other Services	351,035	171,994	299,385	189,953	132,800	(166,585)	-55.6%
Professional Services	101,000	46,564	54,000	88,650	50,500	(3,500)	-6.5%
Technical Services	216,150	65,516	221,500	76,000	82,000	(139,500)	-63.0%
Other Purchased Services	33,885	59,914	23,885	25,303	300	(23,585)	-98.7%
Supplies & Materials	2,479,700	1,934,263	2,254,700	2,068,809	1,053,100	(1,201,600)	-53.3%
Utilities & Fuel	611,000	739,854	611,000	810,787	-	(611,000)	-100.0%
Chemicals	200,000	102,191	200,000	150,000	-	(200,000)	-100.0%
General Supplies	1,668,700	1,092,218	1,443,700	1,108,022	1,053,100	(390,600)	-27.1%
Other Expenses	193,595	166,592	162,850	170,976	155,900	(6,950)	-4.3%
Memberships	16,595	12,592	13,200	17,247	16,200	3,000	22.7%
Training & Meetings	153,000	77,540	125,650	85,361	116,700	(8,950)	-7.1%
Miscellaneous Other	24,000	76,461	24,000	68,367	23,000	(1,000)	-4.2%
Total Expenses	\$15,468,121	\$14,217,806	\$14,892,814	\$15,067,918	\$12,385,100	(\$2,507,715)	-16.8%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Associate Engineer	1.0	1.0	1.0
Buildings and Grounds Supervisor	1.0	1.0	1.0
Electrical Shop Supervisor	1.0	1.0	1.0
Electrical Technician	5.0	5.0	5.0
Instrument Shop Supervisor	1.0	1.0	1.0
Instrument Technician	3.0	3.0	3.0
Lead Maintenance Crew Member	2.0	2.0	2.0
Machine Shop Supervisor	1.0	1.0	1.0
Machinist	2.0	2.0	2.0
Maintenance Planner	2.0	2.0	2.0
Maintenance Technician, Mechanical	8.0	9.0	9.0
Management Analyst	-	-	1.0
Mechanical Supervisor	1.0	1.0	1.0
Painter	1.0	1.0	1.0
Plant Maintenance Division Manager	1.0	1.0	1.0
Plant Maintenance Superintendent	2.0	2.0	1.0
Pumping Stations Operator	6.0	7.0	-
Senior Engineer	1.0	1.0	1.0
Staff Engineer	1.0	1.0	1.0
Utility Systems Engineer	1.0	1.0	1.0
Utility Worker	6.0	6.0	6.0
Total	47.0	49.0	42.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Intern	3.0	5.0	4.0
Summer Student (Laborer)	-	6.0	7.0
Temporary Engineering Assistant	1.0	1.0	-
Temporary Maintenance Technician (Utility Worker)	1.0	1.0	3.0
Temporary Pumping Stations Operator	1.0	1.0	-
Total	6.0	14.0	14.0

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 2024-25 is \$12.4 million, reflecting a decrease of 16.8% over the prior year's budget. Salaries and Wages decreased due to the Pumping Stations department transferring to the Collection System Operations Division. This budget category also includes the addition of a full-time Management Analyst, which will maximize the Treatment Plant reliability and maintenance management efforts. Even with this addition, the total labor budget is lower than previous year's budget due to retirements and the transfer of Pumping Stations. Other budget categories that were largely impacted by the Pumping Stations transfer are the Supplies & Materials and Repair & Maintenance budgets, which decreased by \$1.2 million and \$0.4 million, respectively, from FY 2023-24.

The other driver for the decrease in the budget is that the Plant Maintenance Division continues to make improvements in work execution, effectiveness, and efficiency. These include several preventative maintenance plan optimizations, Don't Just Fix It, Improvement It, and implementation of planner updates. Last year, TPMD was down by 3% reactive work which helped to control and even reduce costs. Better management of supply change challenges and improvements to our Asset Condition Management program have also helped lower costs.

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 43.6 MGD, 2.5 MGD of which is further treated into recycled water to be reused within the treatment plant and distributed to customers for non-potable uses.

FY 2023-24 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Hosted delegations from Denver Metro Water and Orange County Sanitation District for treatment plant/equipment system tours.
- Participated in and hosted an industry group completing a Wipes Collection Study. The group consisted of Kennedy Jenks, California Association of Sanitation Agencies (CASA), Association of Nonwoven Fabrics Industry (INDA), and Responsible Flushing Alliance (RFA) personnel as well as representatives from Proctor & Gamble and Kimberly-Clark.
- Was the host site for a group from the Environmental Protection Agency (EPA) and inspectors from the state of California and other U.S. states as part of the EPA's Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) National Technical Inspector Workshop.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Maintained eligibility for the National Association of Clean Water Agencies (NACWA) Peak Performance Award Platinum status for the 26th consecutive year, recognizing 100% compliance with the wastewater discharge permit.

GOAL SIX



INFRASTRUCTURE RELIABILITY

- Assisted Engineering in the design, coordination, and construction of the Filter Plant and Clearwell Improvements, Phase 1A; Steam Aeration and Blower Systems Renovations; Aeration Basins Diffuser Replacement and Seismic Upgrades; Ultraviolet (UV) Disinfection Replacement and Hydraulic Improvements; Wet Weather Basin Improvements; and Solids Handling Facilities Improvements, Phase 1A.













GOAL SEVEN



INNOVATION AND AGILITY

- Toured UC San Diego's steam turbine generator to explore the viability of steam turbine generator to convert incineration waste-heat steam into electricity for plant use.




FYs 2022-24 Strategic Targets and Performance

Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 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	Zero (0) Violations		One (1) Violation*	
 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	23,842 MT CO ₂ e in Calendar Year 2022 Met Calendar Year 2022 Target		24,577 MT CO ₂ e in Calendar Year 2023 Met Calendar Year 2023 Target	

* Q1: Violation issued for Furnace emergency bypass damper opening: 9/13/23.

FY 2024-25 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 2024-25
 GOAL TWO Achieve Compliance in All Regulations	Maintain eligibility for the NACWA 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 FIVE Manage Assets Optimally	Continue to work with Engineering in the design, coordination, and construction of projects effecting the treatment plant.

Budget Overview by Expense Plant Operations

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	5,384,694	5,564,557	4,835,981	5,003,102	5,052,347	216,367	4.5%
Employee Benefits	1,705,612	1,942,295	1,837,509	2,001,538	2,096,643	259,134	14.1%
Unfunded Liability Contributions	8,283	8,207	6,948	6,934	45,600	38,652	556.3%
Purchased Property Services	608,500	493,480	456,500	467,278	517,000	60,500	13.3%
Repairs & Maintenance	3,000	-	-	-	-	-	-
Hauling & Disposal	510,000	400,835	356,000	370,000	416,000	60,000	16.9%
Rentals	3,500	5,896	5,500	4,909	6,000	500	9.1%
Cleaning	92,000	86,749	95,000	92,369	95,000	-	0.0%
Purchased Professional, Technical & Other Services	766,000	590,603	671,500	1,044,164	770,600	99,100	14.8%
Professional Services	6,000	4,977	1,000	10,080	11,100	10,100	1010.0%
Technical Services	5,000	-	-	8,110	-	-	-
Other Purchased Services	755,000	585,626	670,500	1,025,974	759,500	89,000	13.3%
Supplies & Materials	6,353,500	8,051,587	8,772,000	8,313,534	9,241,750	469,750	5.4%
Utilities & Fuel	4,320,000	6,077,770	6,255,000	5,746,000	6,450,000	195,000	3.1%
Chemicals	1,894,000	1,944,269	2,478,000	2,538,778	2,760,000	282,000	11.4%
General Supplies	139,500	29,547	39,000	28,756	31,750	(7,250)	-18.6%
Other Expenses	45,000	18,837	29,700	17,124	32,000	2,300	7.7%
Memberships	11,000	7,559	8,000	9,243	10,000	2,000	25.0%
Training & Meetings	32,500	6,051	18,700	4,592	19,000	300	1.6%
Miscellaneous Other	1,500	5,227	3,000	3,288	3,000	-	0.0%
Total Expenses	\$14,871,590	\$16,669,565	\$16,610,137	\$16,853,675	\$17,755,940	\$1,145,803	6.9%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
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	10.0	10.0	11.0
Senior Engineer	1.0	-	-
Senior Plant Operator	11.0	11.0	10.0
Shift Supervisor	7.0	7.0	8.0
Utility Systems Engineer	2.0	-	-
Total	34.0	31.0	32.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Plant Operations Superintendent-GM Special	-	1.0	-
Summer Student	1.0	-	-
Total	1.0	1.0	0.0

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 2024-25 is \$17.8 million, reflecting a significant increase of \$1.1 million or 6.9% increase over the \$16.6 million budgeted in FY 2023-24.

This increase is largely attributable to increases in the Salaries and Wages, Other Purchased Services, Utilities & Fuel, and Chemicals categories. The budgeted increase in Salaries and Wages is due to the addition of one Shift Supervisor position. The budgeted increase in Other Purchased services is due to a projected increase in Public Agency Fees paid to our regulators. The budgeted increase in Utilities & Fuel pertains to volatility in energy and gas prices driven primarily by inflation. The budgeted increase in Chemicals is attributable to further price increases in bids for hypochlorite driven by the increase in energy costs related to chlorine production.

Operations Optimization

OVERVIEW

This division has broad responsibilities for all Central San-wide optimization efforts. This includes business process optimization in all departments, including the optimization of processes, project workflow and delivery in the Administration and Engineering Departments. This broader scope is targeted to advance the overall business and decision support processes to improve efficiencies and effectiveness in all dimensions of performance across Central San. The second focus area is within the Operations Department. This effort is focused on the improvement of existing operations and the development of new and innovative programs, projects, and training activities that significantly improve operating performance and efficiencies of Central San’s treatment plant, wastewater collection system, pumping stations, and water reuse distribution system. This division oversees the Process Control/Control Systems group that designs and manages Supervisory Control and Data Acquisition (SCADA) and Program Logic Controller (PLC) systems across the treatment plant and pumping stations, Process Innovations and Efficiency group with initiatives such as real-time data analytics and process intensification, and Asset Management Group that manages the geographic information systems (GIS) and computerized maintenance management systems (CMMS) used by staff and the public.

FY 2023-24 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Hosted 2023 Esri Northern CA Water User Group Meeting and presented on Central San’s Utility Network Journey.
- Presented “Building Central San’s Next Generation Web GIS & Asset Management Systems with Adobe ColdFusion” at Adobe ColdFusion Summit.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Completed Membrane Aerated Biofilm Reactor (MABR) pilot equipment installation and began pilot testing (to be completed in fall 2024). MABR could help Central San meet potential future nutrient regulatory limits while reducing capital investments for new treatment tankage and equipment.
- Began Odor Control Facility Plan update to further reduce odors across treatment plant fence line. The updated plan will determine remaining useful life of existing equipment, evaluate alternatives to improve performance and reduce chemical costs, and consider future conditions such as traffic moving closer to plant with State Route 4/Interstate 680 highway interchange improvements, population growth, higher wastewater organic concentrations due to water conservations, etc.



GOAL THREE WORKFORCE DIVERSITY AND DEVELOPMENT

- Cross trained staff with creating feature manipulation engine (FME) to develop automation procedures for business application integration.
- Staff received Adobe Certified Professional with ColdFusion certification.
- Staff presented at various state and national conferences: FME World Tour, California Water Environment Association (CWEA), American Water Summit, and International Maintenance Conferences.



GOAL FOUR GOVERNANCE AND FISCAL RESPONSIBILITY

- Continue using and refining a project prioritization scoring system to rank treatment plant, collection systems, recycled water, and general improvement projects collaboratively with key project stakeholders.



GOAL FIVE SAFETY AND SECURITY

- Continue Phase 4 of the Sewer Structure Inventory to include easement areas and private parcels. Previously completed review of accessible structures in public right of way for maintenance access hole and cleanout conditions, locations in bike lane, road type, and whether there are any structural issues needing immediate attention and recommending to Collection System Operations (CSO) for review.



GOAL SIX INFRASTRUCTURE RELIABILITY

- Began design for Secondary Clarifier and Channel Improvements Project, to prolong equipment remaining useful life through coatings and concrete repairs, evaluate alternatives to increase capacity and improve performance, and consider role of clarifier tanks (to avoid stranded investments) if Central San were required to reduce nutrients.
- Toured UC San Diego's steam turbine generator to understand the reliability and explore the viability of steam turbine generator to convert incineration and natural gas cogeneration waste-heat steam into electricity for treatment plant use.
- Continued implementing elements of the Asset Management Plan such as the Treatment Plant Piping Underground Utility.
- Continued review/cleanup/import of previous contractor ProPipe's data from 2021 and completed ITpipes contractor portal services/synching for new contractor.
- Developed a long-term solids management strategy to identify drivers for beginning design and construction of a greenfield solids handling facility after existing multiple hearth furnaces reach the end of their useful life in approximately 20 to 30 years.
- Began evaluation to consider the costs and benefits of making the new solids handling infrastructure a regional facility to potentially reduce capital and operations/maintenance costs.
- Continued ongoing development of detailed control system design document resulting in standard wiring, documentation, and SCADA screens across all capital projects. Historical lack of standards has resulted in

disparate installations which have made maintenance and troubleshooting significantly more challenging.

- Continued Laboratory Cityworks implementation getting all supporting equipment -- including pipettes and instruments -- into Cityworks rather than managing them in spreadsheets.
- Developed Post-Bid Device List and Drawing and reviewed Drawings and Specifications for Solids Handling Facility Improvements, Phase 1A.
- Virtualized Treatment Plant SCADA servers to simplify backup and recovery.
- Replaced antiquated Final Effluent Pump 3 vibration monitoring system.






INNOVATION AND AGILITY

- Began MABR Pilot Testing to assess effectiveness in removing nutrients in existing tankage.
- Continued evaluating potential chemical dosing optimizations as part of Odor Control Facility Plan Update.
- Continued evaluating secondary clarifier hydraulics capacity/process improvements as part of Secondary Clarifier and Channel Improvements Project. This could potentially increase wet weather capacity and improve treatment plant effluent turbidity (i.e., clarity) to reduce UV and recycled water filtration costs, etc.
- Began evaluating split treatment within existing secondary process to remove nitrogen in part of flow during summer months. This could help Central San comply with potential future nutrient limits within existing process tankage.
- Completed planning phase of Substation 90 Project to optimize the treatment plant 12,000-volt distribution system switching to improve redundancy/reliability and replace existing electrical transformers and switchgear beyond useful life.
- Upgraded Aeration Turbine and Pump and Blower building PLC programs from 1980s-era software to modern software.
- Expanded Treatment Plant Wi-Fi network. Operations and Maintenance staff can now view real-time data while in the field.
- Developed Smart interfaces for new Eaton variable frequency drives (VFDs) and new Schneider smart motor control centers (MCCs).
- Continued to develop dashboards for Treatment Plant Maintenance decision making.
- Completed landing page for Treatment Plant Maintenance related to Asset Condition Management, Work Execution Management, Reliability Engineering Management, and Asset Management.
- Continued Aquasight pilot to test their Apollo program for two existing treatment plant processes: solids dewatering and influent pumping. The project will evaluate the program's ability to provide real time performance insights for operations and maintenance staff using machine learning artificial intelligence.




- Completed the migration of sewer and recycled water asset registry into Esri's Utility Network due to current software deprecation, phase out with support ending March 1, 2026. The new data model, which accurately model real-world assets with greater detail and building in data rules for real-time enforcement of data quality, is now in production.


FYs 2022-24 Strategic Targets and Performance


Goal	Metric	Target	FY 2022-23 Performance	FY 2023-24 Performance as of Q2
 GOAL SEVEN	Completed Optimizations	≥20	45* 	15 in progress (not including DJFIs) 

FY 2024-25 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 2024-25
 Maintain Financial Stability and Sustainability	Further refine capital improvements project prioritization process by incorporating stakeholder comments through one or more workshops.
 Execute Long-term Capital Renewal and Replacement Program	Expand long-term solids management strategy to include considering treating solids from regional partners in the new facility that will replace the existing furnaces when they reach the end of useful life.
 Leverage Data Analytics to Become a More Efficient Utility	Finish Laboratory Cityworks implementation to place records of maintenance and repair for laboratory equipment, schedule routine maintenance and calibration and receive notification when something is due, automatically run an annual maintenance report for each piece of equipment/instrument, link equipment manuals from Laserfiche.
	Work with HHW and IT to visualize data collected for HHW and Recycled Water Fill Station for location-based analytics.
	Migrate parcel fabric due to software deprecation.
	Complete Aquasight Apollo pilot to understand the value of real-time data analytics (supported by machine learning and artificial intelligence) process advisor for operations and maintenance staff. Overall potential benefits include electricity/chemical savings with consistent equipment performance.

Goal/Strategy	Objective for FY 2024-25
 <p data-bbox="228 879 561 936">Implement Organization-Wide Optimization</p>	Develop odor control facility plan to evaluate options for improving equipment reliability and performance while identifying long-term operations and maintenance cost savings opportunities.
	Develop program to improve cross-training across work groups to provide staff the opportunity to develop new skill sets to support long-term succession planning.
	Identify and evaluate improvements to the secondary clarifier hydraulic capacity and process performance, as well as equipment optimizations to improve operations and maintainability, through the Secondary Clarifier and Channel Improvements Project design .
	Complete MABR pilot testing to determine feasibility and costs for using this technology to intensify secondary process by removing nutrients within existing tankage.
	Begin scum and foam management evaluation on existing secondary process to estimate capital costs for better preparing for occasional foaming events with existing operations and mitigate expected issues inherent to transitioning to biological nutrient removal if Central San.
	Develop Cityworks training checklist to add to Plant Maintenance Division's Training and Development Checklists for crafts, such as for Maintenance Technical or Machinist Training.
	Begin another round of asset barcodes , this time, in Secondaries and UV.
	Begin developing the Asset Registry for Treatment Plant Piping Underground Utility .
	Evaluate Asset Health/Condition Monitoring Technology Tool .
	Begin Asset Handoff Tracking and Monitoring Tool .
	Select SCADA system to be deployed over the next 10 years at the Treatment Plant and Pumping Stations.
	Replace waste heat boiler (WHB) control systems with a stand-alone PLC based controller.
	Complete design for obsolete PLC hardware and software replacement in the Pump and Blower Building.
Work with IT to virtualize SCADA servers to simplify backup and restoration and ease future hardware related upgrades.	

Goal/Strategy	Objective for FY 2024-25
 <p>Implement Organization-Wide Optimization</p>	<p>Complete design for obsolete PLC hardware and software replacement in the Pump and Blower Building.</p> <p>Work with IT to virtualize SCADA servers to simplify backup and restoration and ease future hardware related upgrades.</p>

Budget Overview by Expense Category

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	-	-	\$1,592,765	\$1,399,676	\$1,765,030	\$172,265	10.8%
Employee Benefits	-	-	133,235	(23,527)	(137,356)	(270,591)	-203.1%
Unfunded Liability Contributions	-	-	1,994	1,684	10,236	8,242	413.3%
Purchased Property Services	-	-	2,000	-	-	(2,000)	-100.0%
Repairs & Maintenance	-	-	2,000	-	-	(2,000)	-100.0%
Other Purchased Services	-	-	13,000	7,687	5,000	(8,000)	-61.5%
Technical Services	-	-	13,000	7,687	5,000	(8,000)	-61.5%
Supplies & Materials	-	-	23,130	22,808	19,600	(3,530)	-15.3%
General Supplies	-	-	23,130	22,808	19,600	(3,530)	-15.3%
Other Expenses	-	-	39,425	32,012	45,680	6,255	15.9%
Memberships	-	-	4,425	2,841	3,680	(745)	-16.8%
Trainings & Meetings	-	-	34,500	28,800	40,500	6,000	17.4%
Miscellaneous Other	-	-	500	371	1,500	1,000	200.0%
Total	-	-	\$1,805,549	\$1,440,339	\$1,708,191	(\$97,359)	-5.4%

Personnel Requirements

Regular Status Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Asset Management Program Administrator	-	1.0	1.0
Associate Engineer	-	1.0	1.0
Engineering Assistant	-	1.0	
GIS Analyst	-	2.0	3.0
Operations Optimization Manager	-	1.0	1.0
Senior Engineer	-	1.0	1.0
Utility Systems Engineer	-	3.0	3.0
Total	0.0	10.0	10.0

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Intern	-	4.0	3.0
Senior Engineer-Limited Duration	-	-	1.0
Summer Student	-	1.0	1.0
Temporary Field Technician	-	1.0	1.0
Temporary Staff Engineer	-	1.0	1.0
Total	0.0	7.0	7.0

Budget Modifications and Contributions to Key Priorities

The Operations Optimization Division provides Central San staff with the resources and support to efficiently optimize operations to work cost-effectively. The Operations Optimization Division Budget for FY 2024-25 is \$1.7 million. The 5.4% decrease from FY 2023-24 to FY 2024-25 for the overall Division is primarily driven by the increase in capitalized cost for staff time on capital projects and initiatives. The Salaries & Wages category increased by 10.8% from FY 2023-24 due to the addition of a new limited duration position for a Senior Engineer, increases for cost-of-living adjustment and step increases for eligible employees.

Recycled Water Program

OVERVIEW

The Recycled Water Program reflects Central San's continued efforts to leverage Central San's treated wastewater to augment 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 Central San's wastewater treatment plant and Zone 1 commercial and municipal customers through pipelines, construction contractors through hydrants and a commercial 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 CCWD, EBMUD and SFPUC), a Satellite Water Recycling Facility and the Concord Community Reuse Project (the redevelopment of the Concord Naval Weapons Station).

FY 2023-24 Strategic Accomplishments








ENVIRONMENTAL STEWARDSHIP

- Continued supporting Contra Costa Water District (CCWD) and Valley Water in evaluating the feasibility of the Refinery Recycled Water Exchange Project with a focus on water transfer and allocation policy issues with the United States Bureau of Reclamation.
- Continued discussions with San Francisco Public Utilities Commission (SFPUC) as a potential partner in advanced recycled water projects.
- Collaborated on a feasibility evaluation by East Bay Municipal Utility District (EBMUD) on an array of potential recycled water projects, in accordance with our executed Memorandum of Understanding (MOU) and resulting Work Plan.
- Continued collaborating with Dublin San Ramon Services District (DSRSD) and EBMUD to allow the temporary diversion of wastewater from Central San to DSRSD to produce recycled water to meet the DSRSD-EBMUD Recycled Water Authority (DERWA) peak summer irrigation demand and supply recycled water to the southern portion of Central San's service area, in accordance with our existing temporary agreement.
- Continued working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project.
- Met with City of Concord and the Concord First Group to continue moving forward the Concord Community Reuse Project.
- Continued discussions with Diablo Country Club regarding a potential satellite water recycling facility on their site.
- Distributed approximately 133.4 million gallons of recycled water to Zone 1 as of Q2. This is similar to the Q2 totals in fiscal year 2022-2023.
- Distributed approximately 0.4 million gallons of recycled water through the Commercial Truck Fill Program as of Q2.

- Distributed approximately 1.9 million gallons of recycled water through the Residential Fill Station as of Q2.

FYs 2024-26 Strategic Targets and Performance


Goal	Metric	Target	FY 2022-23 Performance		FY 2023-24 Performance as of Q2	
 GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
 GOAL TWO	Gallons of Recycled Water Distributed to External Customers	≥240 Million Gallons (MG)	180.7		133.4**	

* Recycled water usage was lower than normal due to wet and cool weather.

**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).

FY 2024-25 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 2024-25
 GOAL TWO Support Regional Development of Local Water Supply	Continue working with Bay Area water agencies to advance the development of large, recycled water projects, such as the Refinery Recycled Water Exchange Project and/or a Potable Reuse Project .
	Continue collaborating with DSRSD and EBMUD to allow the temporary diversion of 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, in accordance with our existing temporary agreement.
	Collaborate with the DERWA agencies to evaluate the feasibility of making the DERWA raw wastewater diversion a permanent project and develop and execute a long-term agreement, if the institutional and technical issues can be resolved.
	Continue to support the development of a Satellite Water Recycling Facility at Diablo Country Club , as needed.
	Continue working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project .

Budget Overview by Program and Expense Category Treatment (including Residential Fill Station, Satellite Water Recycling Facility)

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$250,500	\$256,826	\$362,700	\$356,900	\$378,900	\$16,200	4.5%
Employee Benefits	170,500	174,834	245,200	235,600	246,000	800	0.3%
Purchased Property Services	3,000	-	-	-	-	-	-
Repairs & Maintenance	3,000	-	-	-	-	-	-
Other Purchased Services	109,018	1,483	109,000	-	100,000	(9,000)	-8.3%
Professional Services	8,018	1,483	8,000	-	-	(8,000)	-100.0%
Technical Services	101,000	-	101,000	-	100,000	(1,000)	-1.0%
Supplies & Materials	429,000	303,581	455,800	475,000	645,000	189,200	41.5%
Utilities & Fuel							
Chemicals							
General Supplies							
Other Expenses	28,200	26,373	28,200	26,920	27,500	(700)	-2.5%
Memberships	21,600	22,127	21,600	21,655	22,000	400	1.9%
Trainings & Meetings	6,600	4,245	6,600	5,265	5,500	(1,100)	-16.7%
Total	\$990,218	\$763,096	\$1,200,900	\$1,094,420	\$1,397,400	\$196,500	16.4%

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

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$378,620	\$240,258	\$383,000	\$378,200	\$471,700	\$88,700	23.2%
Employee Benefits	194,979	103,593	206,434	220,502	200,390	(6,044)	-2.9%
Purchased Property Services	-	2,264	1,500	4,340	5,000	3,500	233.3%
Repairs & Maintenance	-	2,264	1,500	4,340	5,000	3,500	233.3%
Purchased Professional, Technical & Other Services	118,700	32,868	114,270	-	50,000	(64,270)	-56.2%
Professional Services	72,000	32,868	82,570	-	50,000	(32,570)	-39.4%
Technical Services	45,000	-	30,000	-	-	(30,000)	-100.0%
Other Purchased Services	1,700	-	1,700	-	-	(1,700)	-100.0%
Supplies & Materials	9,700	1,249	13,700	5,000	5,000	(8,700)	-63.5%
Other Expenses	5,000	-	5,000	4,000	4,000	(1,000)	-20.0%
Trainings & Meetings	4,500	-	4,500	4,000	4,000	(500)	-11.1%
Miscellaneous Other	500	-	500	-	-	(500)	-100.0%
Total	\$706,999	\$380,233	\$723,904	\$612,042	\$736,090	\$12,186	1.7%

Total Recycled Water

Account Description	FY 22-23 Budget	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projection	FY 24-25 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Total	\$1,697,217	\$1,143,329	\$1,924,804	\$1,706,462	\$2,133,490	\$208,686	10.8%

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 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Engineering and Technical Services*	0.9	1.0	1.0
Operations Department*	1.3	1.3	2.0
Program Manager	0.6	0.6	0.6
Total	2.8	2.9	3.6

*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.

Temporary Employees	FY 2022-23 Year-End Actual	FY 2023-24	FY 2024-25
Fill Station (Seasonal)Temporary	1.0	5.0	5.0
Intern	-	-	-
Total	1.0	5.0	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 2024-25 is \$2.1 million compared to FY 2023-24 \$1.9 million, reflecting an increase of 10.8% over the prior year. The increase is primarily driven by labor-related costs for Temporary Fill Station employees. The Chemicals budget increase is attributable to a projected increase in hypochlorite costs.

Financial Summary for Recycled Water Program

Recycled Water Expense Summary	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance	% Variance
O&M						
Filter Plant	\$763,096	\$1,200,900	\$1,094,365	\$1,397,400	\$196,500	16.4%
Distribution System	380,233	723,904	612,042	736,090	12,186	1.7%
O&M Subtotal	1,143,329	1,924,804	1,706,407	2,133,490	208,686	10.8%
Capital						
Filter Plant	8,391,035	500,000	4,169,387	250,000	(250,000)	-50.0%
Distribution System	221,749	318,000	323,697	0	(318,000)	-100.0%
Capital Subtotal	8,612,784	818,000	4,493,084	250,000	(568,000)	-69.4%
Grand Total	9,756,113	\$2,742,804	\$6,199,491	\$2,383,490	(\$359,314)	-13.1%

Recycled Water Revenue Summary	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Budget to Budget Variance	% Variance
Zone 1 Revenue	\$445,000	\$515,000	\$515,000	\$530,000	\$15,000	2.9%
Concord Reimbursement	4,324,952	810,350	806,590	786,554	(23,796)	-2.9%
Revenue Received Subtotal	4,769,952	1,325,350	1,321,590	1,316,554	(8,796)	-0.7%
Value of Plant Utility Water ¹ (Central San Share)	986,290	1,014,809	1,014,809	1,110,067	95,257	9.4%
Additional Funding from Annual SSC	3,999,871	402,645	3,863,092	(43,131)	(445,775)	-110.7%
Implied Revenue Subtotal	4,986,161	1,417,454	4,877,901	1,066,936	(350,518)	-24.7%
Total Combined Revenue	\$9,756,113	\$2,742,804	\$6,199,491	\$2,383,490	(\$359,314)	-13.1%

¹ Considered a wastewater cost and funded by Central San SSC value based on Zone 1 (class 1) rate.

Recycled water rates charged to Zone 1 have a proposed 3% rate increase for FY 2024-25. The budget decrease in FY 2024-25 is primarily attributable to the wind-down of the large Filter Plant project, resulting in both a reduction in budgeted capital outlays, as well as a corresponding decrease in estimated reimbursement revenue from the City of Concord for its proportional share.

The \$0.8 million reimbursement from the City of Concord and the \$0.5 million from Zone 1 are the only actual revenues for recycled water. The revenue table has been revised to showcase the value of the utility water, which is used in lieu of purchasing potable water, to facilitate treatment operation processes. Central San does not charge itself for this utility water, but tracks consumption. Additional funding from sewer service charges are used to show the remaining implied revenue necessary to fully fund the recycled water program. Overall, the Recycled Water Program revenues have decreased in FY 2024-25, in conjunction with the decrease in program costs.

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 2024-25 SIF Budget. The SIF revenue for FY 2024-25 is projected to be \$2.3 million and expenses are projected to be \$2.4 million, a difference of approximately \$0.1 million, which will be drawn down from the closing projected reserve balance on June 30, 2024, to result in a projected closing net SIF reserve of \$9,000,000 on June 30, 2025. The budgeted revenues include a direct allocation of approximately \$1.9 million of Sewer Service Charge (SSC) Revenue. Prior to FY 2022-23, 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 SSC directly to the SIF avoids this issue.

Sub-Fund A: Actuarially-Based Risks

Sub-Fund A is used to pay general liability and automobile 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 2022, with losses through June 30, 2022. The next actuarial report will be performed in August 2024 using loss data through June 30, 2024.

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 2024-25 of just under \$0.1 million with expenses of approximately \$0.6 million, resulting in expenses exceeding revenues by \$0.5 million. 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.

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 2024-25 of \$2.3 million with total expenses of \$1.8 million, resulting in revenues exceeding expenses by approximately \$0.4 million. FY 2024-25 budgeted revenues assume an allocation of SSC of \$1.9 million which is the amount necessary to close FY 2024-25 with the minimum policy-specified level of reserves of \$7.5 million.

Table 1 – SIF Summary Overview

Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
Revenues					
Sewer Service Charge	\$1,662,101	\$1,662,101	\$1,676,752	\$1,676,752	\$1,858,965
Insurance Allocation from Household Hazardous Waste	25,000	23,878	24,000	24,000	25,000
Investment Income	47,400	224,642	316,300	381,590	449,123
Total Revenue	1,734,501	1,910,621	2,017,052	2,082,342	2,333,088
Expenses					
Claims Adjusting	5,000	6,840	5,000	-	10,000
Insurance Consulting	5,000	7,000	-	-	10,000
Loss Payments	425,000	300,716	175,000	416,732	250,000
Legal Services	375,000	418,485	800,000	601,666	365,000
Technical and Other Services	60,000	33,791	55,000	161,607	130,500
Insurance Premiums	1,300,000	1,194,541	1,550,000	1,409,720	1,655,000
Total Expenses	2,170,000	1,961,374	2,585,000	2,589,726	2,420,500
Revenue Over/(Under) Expenses	(435,499)	(50,753)	(567,948)	(507,384)	(87,412)
Projected Reserves *					
Beginning of Year	9,435,499	9,145,548	9,142,948	9,094,795	9,087,411
Reserves Transfer (O&M variance)	-	-	500,000	500,000	-
End of Year Projected Reserves	9,000,000	9,094,795	9,075,000	9,087,411	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)	7,500,000	7,594,795	7,575,000	7,587,412	7,500,000
Total Allocated Reserves	\$9,000,000	\$9,094,795	\$9,075,000	\$9,087,411	\$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 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
Revenues					
Investment Income	\$9,400	\$37,506	\$52,700	\$63,602	\$74,868
O&M Fund Transfer (budget variance)	-	-	500,000	500,000	-
Subrogation Recovery	-	-	-	-	-
Total Revenue	9,400	37,506	552,700	563,602	74,868
Expenses					
Claims Adjusting	5,000	6,840	5,000	-	10,000
Loss Payments	350,000	288,814	100,000	216,732	100,000
Legal Services	350,000	418,485	775,000	601,666	350,000
Technical & Other Services	50,000	33,791	50,000	159,107	125,500
Total Expenses	755,000	747,931	930,000	977,506	585,500
Revenue Over/(Under) Expense	(745,600)	(710,425)	(377,300)	(413,903)	(510,632)
Projected Reserves *					
Projected Reserves- Beginning of Year	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Transfer from Sub-Fund C	745,600	710,425	377,300	413,903	510,632
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 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
Revenues					
Sewer Service Charge	\$1,662,101	\$1,662,101	\$1,676,752	\$1,676,752	\$1,858,965
Insurance Recovery from Household Hazardous Waste Partners	25,000	23,878	24,000	24,000	25,000
Investment Income	38,000	187,136	263,600	317,988	374,255
Total Revenue	1,725,101	1,873,115	1,964,352	2,018,740	2,258,220
Expenses					
Insurance Premiums	1,300,000	1,194,541	1,550,000	1,409,720	1,655,000
Claims Adjusting	-	-	-	-	-
Insurance Consulting	5,000	7,000	-	-	10,000
Loss Payments	75,000	11,902	75,000	200,000	150,000
Legal Services	25,000	-	25,000	-	15,000
Technical & Other Services	10,000	-	5,000	2,500	5,000
Total Expenses	1,415,000	1,213,443	1,655,000	1,612,220	1,835,000
Revenue Over (Under) Expense	310,101	659,672	309,352	406,520	423,220
Projected Reserves					
Beginning Reserves	7,935,499	7,645,548	7,642,948	7,594,795	7,587,412
Transfer (to) Sub-Fund A	(745,600)	(710,425)	(377,300)	(413,903)	(510,632)
Reserves Transfer (O&M)	-	-	-	-	-
Total Reserves Projected End of Year	\$7,500,000	\$7,594,795	\$7,575,000	\$7,587,412	\$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

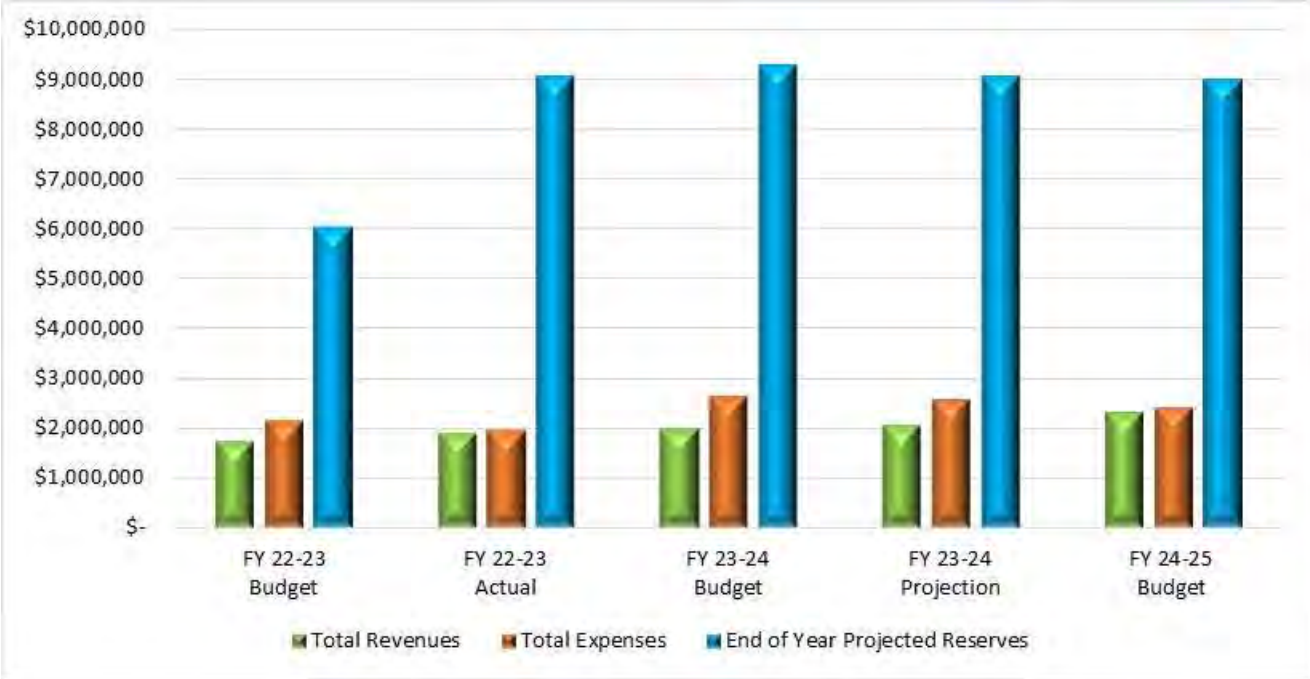
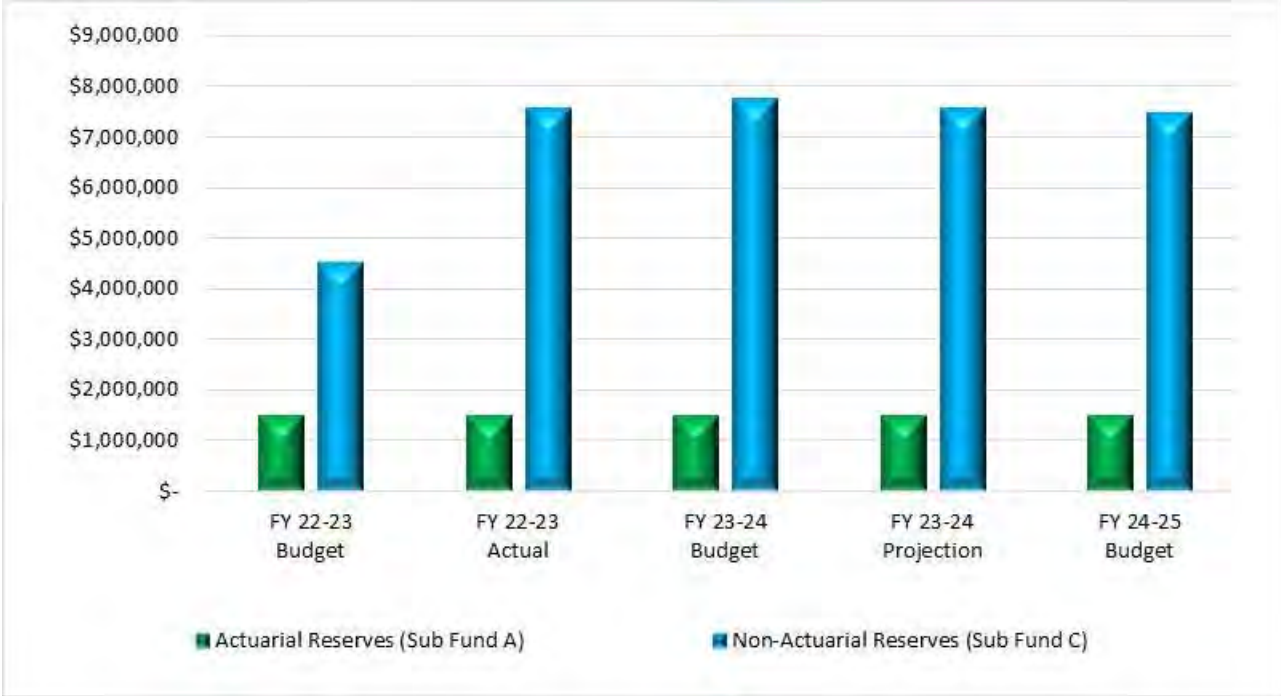


Figure 2 - History of Loss Payment and Insurance Premiums



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.

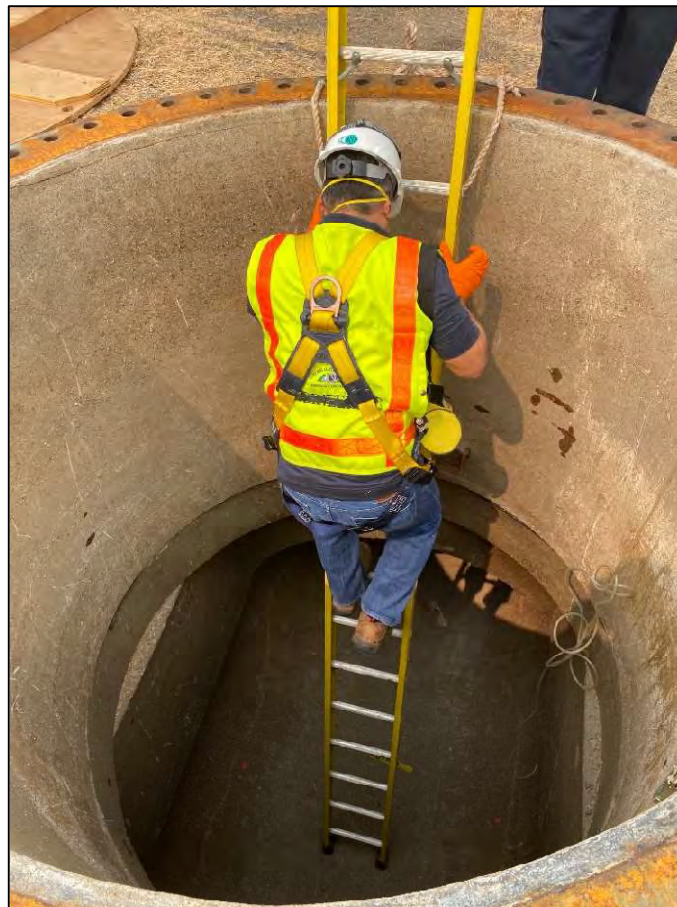
The CIB provides a detailed presentation of the estimated budget needed for the first year of the Ten-Year CIP beginning on July 1 and ending on June 30, referred to as a fiscal year. Since most capital projects take longer than a year to complete, future years are presented and estimated to predict the potential budget appropriation for the current projects. The CIB includes expenditures for the planning, design, and construction of capital projects and is categorized into 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 be carried 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
- Potential Federal Grant Funding

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 2024-25. Additionally, Central San is exploring a debt issuance which may be used to fund a portion of the FY 2024-25 CIB. If this debt issuance proceeds, a budget amendment would be anticipated.



Capital Improvement Budget Project Prioritization

The projects included in the FY 2024-25 CIB have been prioritized to ensure the best use of Central San 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 past scoring methods using the Water Environment & Reuse Foundation and prioritization procedures from the National Association of Clean Water Agencies' member agencies. Scoring for each project used weighted criteria, with emphasis on projects currently under construction, those associated with asset management, regulatory requirements, commitments, and simplified this fiscal year and all projects re-prioritized.

The criteria used to develop the scores take into consideration six weighted criteria: aging infrastructure - reliability, capacity - redundancy, regulatory compliance, safety, sustainability - optimization, and project phase (near-term planning, final design, or construction) as summarized below:

Aging Infrastructure – Reliability (Max. 20 points)
Key Asset Replacement
Consistent with Asset Management Program
Improves Reliability and System Performance
Capacity – Redundancy (Max. 10 points)
Increases Capacity to Meet Projected Build-out
Improves Facility-Wide Resiliency
Regulatory Compliance (Max. 10 points)
Driven or Complies with Regulatory Requirements and Mandates
Impacts or Needed Improvements to Continue Meeting Regulatory
Safety (Max. 20 points)
Required for Safe & Reliable Operations
Reduces Potential Health or Safety Hazards
Sustainability – Optimization (Max. 10 points)
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
Project Phase and commitments (Max. 30 points)
Meets Commitment with Outside Agency or Existing Contract
Implements Board of Directors' Policy/Priority
Impacts Phasing or Implementation Schedule for Other Projects



All projects for FY 2024-25 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 the importance factor, than timing or a priority in which the project is delivered. The project ranking, number, name, program, and score (maximum score is 100) as of April 5, 2024, are shown below:

Project Ranking	Project Number	Project	Program	Score
1	7348	Solids Handling Facility Improvements - Phase 1A	TP	90
1	100011	Plant Electrical Replacement and Rehabilitation	TP	90
3	8457	Pumping Station Upgrades - Phase 2A	CS	87
3	100042	Pumping Station Upgrades - Phase 2B	CS	87
5	100065	Tappan Terrace Sewer Replacement	CS	84
5	100066	Martinez Urgent Force Main Replacement	CS	84
7	100017	San Ramon Electrical Upgrades	CS	82
8	7361	Filter Plant & Clearwell Improvements - Phase 1A	RW	80
8	100019	Aeration Basins Diffuser Replacement - Phase 1	TP	80
10	100072	Lake Cascade Sewer Relocation	CS	77
11	8517	Vehicle Replacement Program FY 2016-26	GI	76
12	100051	RAS Piping Renovations	TP	74
13	5991	Pleasant Hill Sewer Renovation - Phase 2	CS	72
13	100023	WC Sewer Renovation - Phase 16	CS	72
13	100049	Downtown Walnut Creek Sewer Renovation - Locust	CS	72
13	100063	IT Development FY 2023+	GI	72
17	100022	Wet Weather Basins Improvements	TP	70
18	TBD	Equipment Acquisition FY 2024+	GI	69
19	100032	Steam Aeration Renovations - Phase 1	TP	67
19	100070	Cedar Lane Sewer Modifications	CS	67
21	100002	Filter Plant and Clearwell Improvements - Phase 1B	RW	65
22	7369	Piping Renovation - Phase 10	TP	63
22	100015	Electric Blower Improvements/Piping Phase 10	TP	63
22	100031	Community Development System Replacement (Software)	GI	63
22	100046	Controls System Upgrades - Phase 2 next 5 years	TP	63
22	100060	Pumping Station Equipment & Piping Replacement 2023+	CS	63
27	7341	Walnut Creek/Grayson Creek Levee Rehab	TP	61
27	100034	Treatment Plant Safety Enhancement Program	TP	61
29	100012	UV Disinfection Replacement	TP	60
30	100047	Secondary Clarifier and Channel Improvements	TP	59
31	100039	Collection System Sewer Renovation - Phase 2	CS	57
31	100025	Lafayette Sewer Renovation – Phase 15	CS	57
31	100052	No. Orinda Sewer Renovation - Phase 9	CS	57

Project Ranking	Project Number	Project	Program	Score
31	100024	So. Orinda Sewer Renovation – Phase 9	CS	57
31	100068	Pleasant Hill Sewer Renovations - Phase 3	CS	57
36	8447	Pumping Station Security Improvements	CS	56
36	100041	Buchanan Lift Stations Abandonment and Sewer	CS	56
38	100035	Technology Strategic Plan	GI	54
39	100010	Air Conditioning and Lighting Renovations	TP	53
40	100029	Solar Project on Lagiss Property	GI	52
40	100036	Zone 1 Recycled Water (2021+)	RW	52
42	100003	Property Repairs and Improvements	GI	51
42	100004	HOB Exterior Repairs	GI	51
42	100033	Security Improvements (5-Year)	GI	51
42	100067	POB Parking Lot Improvements	GI	51
46	100061	Maintenance Access Cover Modifications	CS	50
47	100040	Electrical Infrastructure Sub 90	TP	48
47	100057	Plant Control System I/O Replacement - Phase 3 (P&B Bldg.)	TP	48
49	8252	E.V. Charging Infrastructure -Phase 1	GI	45
50	100055	Process Optimization and Efficiency	TP	43
51	7357	Plant-Wide Instrumentation Upgrades	TP	42
52	100044	Collection System Modeling Support	CS	40
52	100069	Odor Control Facilities Improvements	TP	40
54	8443	Large Diameter Pipeline Inspection Program - Phase 1	CS	39
54	8444	Force Main Inspection Program - Phase 1	CS	39
54	100007	39-inch Main Trunk No. 1 Renovation	CS	39
54	100045	Fire Protection System - Phase 4	TP	39
58	100014	MRC Building Modifications and Maintenance Shop Improv.	TP	38
59	7368	Water Exchange Project	RW	37
60	7315	Applied Research & Innovations	TP	31
60	100030	Solids Handling Facility Improvements - Phase 2	TP	31
62	100027	Furnishings Replacement	GI	29
62	100037	Orinda -Moraga PS Architectural Improvements	CS	29
62	100048	Warehouse Seismic Upgrades	TP	29
62	100050	CCTA A-Line Relocation	CS	29
66	7366	Recycled Water Distribution Systems Renovations Program	RW	28
66	100056	Net Zero Study	GI	28
68	100028	Sewer System Infrastructure Plan	CS	26
68	100058	Treatment Plant Planning	TP	26
68	100059	Collection System Planning	CS	26
68	100071	Long Term Wet Weather Resiliency	GI	26
TBD	TBD	Mt. View Sanitary District Feasibility Study	GI	-
TBD	100073	Piping Renovation – Phase 11	TP	-
TBD	100074	Central Chilled Water Evaluation	TP	-

Project Ranking	Project Number	Project	Program	Score
NA	7370	Annual Infrastructure Replacement	TP	-
NA	8251	Capital Improvement Program & Budget Improvement	GI	-
NA	8450	Development Sewerage Support	CS	-
NA	100001	UPCCAA Urgent Projects FY2020-25	TP	-
NA	100006	Central San Sewer Financing Programs	CS	-
NA	100064	Capital Legal Services FY 2023+	GI	-
NA	TBD	Nutrient Management	TP	-

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 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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.



Capital Improvement Budget FY 2023-24 Accomplishments

Collection System Sewer Replacement: Several projects have replaced or rehabilitated up to 4.5 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 6.0 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 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 was awarded and started construction in 2023-24.

Nutrient Management Roadmap: Several process improvements are underway at the treatment plant that have impacts on how nutrients are handled and managed, including the following major projects:

- Aeration Basins Diffuser Replacement – Phase 1
- Clarifier Improvements
- Return Activated Sludge (RAS) Improvements and Blower Improvements
- Membrane Aerated Biofilm Reactor (MABR) piloting
- Recycled Water Projects and Program

These projects are underway in design and construction for several process facilities that require needed infrastructure rehabilitation while optimizing the process and making improvements. This work will help identify the optimized design parameters and help with future improvements or facilities to manage nutrients. Central San has been proactive with the understanding that the science will drive future regulations and discharge limits for the Suisun Bay. A new project will start this fiscal year to continue the science-based work and fund the piloting efforts for new technology and continue using

the existing facilities research and engineering planning for future modifications of the treatment plant.

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:

- **Pumping Station Upgrades – Phase 2:** This phase consists of construction for needed electrical and mechanical equipment replacement at the Martinez, Maltby, and Fairview Pumping Stations. Construction began in FY 2022-23. New pumping stations for Maltby and Fairview will be completed under Phase 2A, while the renovation of Martinez will be under Phase 2B.
- **Filter Plant and Clearwell Improvements – Phase 1A:** Construction of this large project 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.
- **Solids Handling Facility Improvements:** Three related solids projects were constructed before the main project, including construction of the Emergency Sludge Loadout Facility Upgrades, Treatment Plant Safety Enhancements - Phase 5, and the Contractor Staging Improvements. The Solids Handling Facility Improvements - Phase 1A Project construction contract was awarded and started construction in FY 2023-24 as the original project, Phase 1, was downsized to only include the most critical items (seismic, air pollution control equipment, and solids handling).
- **Aeration Basins Diffuser Replacement – Phase 1:** The four aeration basins require rehabilitation of the mechanical equipment, diffuser replacement, concrete repairs, and other improvements to prolong the remaining useful life of the system. Structural upgrades for seismic have been included and optimization of the activated sludge process. Other improvements for air control, instrumentation, and electrical will also help with process performance. Phase 1 of this project and the RAS improvements have been successfully awarded and construction has started. Phase 2 will be bid in FY 2025-26.
- **Projects completed:** Several projects are completed and will be closed this Fiscal Year and will no longer be represented in the CIB. Any unused or project savings shall be reported to the Board and returned to Fund 20 (Sewer Construction Fund). 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:
 - Pumping Station Upgrades – Phase 1, DP No. 8436
 - Collection System Modeling Support, DP No. 8449
 - COVID-19 Response, DP No. 8253
 - Martinez Sewer Renovation – Phase 7, DP No. 8464
 - Laboratory Roof & Seismic Upgrades, DP No. 100008
 - Hearth Replacements, DP No. 100009
 - San Pablo Watershed Improvements, DP No. 100038

- Easement Acquisition, DP No. 100043
- Houston Court CAD, DP No. 100053
- Aeration Unit 1 Steam Turbine Overhaul, DP 100054
- Influent Pump Electrical Improvements, DP No. 7328
- Fire Protection System – Phase 3, DP No. 7373 (in process)

FY 2024-25 Capital Improvement Budget

The CIB budget to date is approximately \$264.22 million. The budget needed for all ongoing and new projects in FY 2024-25 is \$75.71 million. The estimated budget for these projects in future years totals \$452.37 million. Combined, the total estimated budget for the identified projects is \$792.30 million. In comparison, the 2024 Ten-Year Plan is projected to be \$1,003.08 million as shown below in Table 1:

Table 1 – FY-2024-25 CIB per Program

Program	Budget-to-Date (1)	FY 2024-25 (2)	Future FYs (3)	Total Estimated Project Budgets (1)+(2)+(3)	FY 2024 Ten Year CIP
Collection System	\$87,099,256	\$23,327,000	\$73,775,000	\$184,201,256	\$303,802,000
Treatment Plant	118,610,332	46,900,000	349,694,000	515,204,332	633,744,000
General Improvements	14,823,000	5,235,000	14,775,000	34,833,000	32,660,000
Recycled Water	43,687,000	250,000	14,121,000	58,058,000	32,876,000
Total	\$264,219,588	\$75,712,000	\$452,365,000	\$792,296,588	\$1,003,082,000
CIB Contingency	\$5,000,000	-	-	-	-

The Budget to Date (1) above includes approximately 81% of the budget already spent for on-going projects, not including contingency.



Construction progress for the new electric blowers and transformer facility under the Electric Blower Improvements – District Project No. 100015

FY 2024-25 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 2024-25, the emphasis will be on eight large projects (those projects over \$1.0 million), which together account for \$64.60 million or 85% of the total CIB for the year. Each major project budget is shown below:

1. Solids Handling Facility Improvements – Phase 1A		
FY 2024-25 Budget: \$39,000,000	Estimated total project cost:	\$199,963,687
	Estimated completion date:	FY 2027-28
2. Collection System Sewer Renovation - Phase 2		
FY 2024-25 Budget: \$10,400,000	Estimated total project cost:	\$61,553,000
	Estimated completion date:	FY 2027-28
3. Pumping Station Upgrades – Phase 2A		
FY 2024-25 Budget: \$4,500,000	Estimated total project cost:	\$38,000,000
	Estimated completion date:	FY 2025-26
4. Pumping Station Upgrades – Phase 2B		
FY 2024-25 Budget: \$2,500,000	Estimated total project cost:	\$10,531,000
	Estimated completion date:	FY 2025-26
5. Buchanan Lift Stations Abandonment & Sewer		
FY 2024-25 Budget: \$2,000,000	Estimated total project cost:	\$6,400,000
	Estimated completion date:	FY 2026-27
6. Aeration Basins Diffuser Replacement - Phase 1		
FY 2024-25 Budget: \$1,500,000	Estimated total project cost:	\$20,879,000
	Estimated completion date:	FY 2025-26
7. 39-inch Main Trunk No. 1 Renovation		
FY 2024-25 Budget: \$1,500,000	Estimated total project cost:	\$4,500,000
	Estimated completion date:	FY 2026-27
8. Vehicle Replacement Program FY 2016-26		
FY 2024-25 Budget: \$1,200,000	Estimated total project cost:	\$9,518,000
	Estimated completion date:	FY 2025-26
9. EV Charging Infrastructure – Phase 1		
FY 2024-25 Budget: \$1,000,000	Estimated total project cost:	\$5,290,000
	Estimated completion date:	FY 2026-27
10. Treatment Plant Odor Control Facilities Improvements		
FY 2024-25 Budget: \$1,000,000	Estimated total project cost:	\$17,450,000
	Estimated completion date:	FY 2030-31

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, including:

Consolidation or Phasing of Existing Projects:

- The Collection System Sewer Renovation – Phase 2 will be used to fund the construction of the South Orinda Sewer Renovation – Phase 9, North Orinda Sewer Renovation – Phase 9, as well as future design and construction budgets for Fiscal Year 2026-27.

Change of Project Name:

- The Large Diameter Piping Renovation Program, DP No. 100007 has been renamed to the “39-Inch Main Trunk No. 1 Renovation.”
- The Collection System Master Plan Five Year Update, DP No. 100028 has been renamed to the “Sewer System Infrastructure Plan.”
- The Buchanan Lift Station Replacements & Improvements, DP No. 100041 has been renamed to the “Buchanan Lift Stations Abandonment & Sewer.”
- The Secondary Clarifier Improvements – Phase 1, DP No. 100047 has been renamed to the “Secondary Clarifier and Channel Improvements.”

Modification of Scope or Budget:

Major project budgets were changed from last fiscal year, as shown below:

Projects	FY 2023-24 Total Budget	FY 2024-25 Total Budget	Description
Steam Renovations - Phase 1	16,000,000	12,500,000	Decrease of \$3.5 million; estimate lowered in detailed design.
Solids Handling Facility Improvements - Phase 1A	195,518,687	199,963,687	Increase of over \$4 million to include additive bid prices at award.
Wet Weather Basin Improvements	1,900,000	10,900,000	Increase of \$9 million based on near term safety improvements and reliability for intense storm weather and raising basin levee roadways.
Aeration Basins Diffuser Replacement - Phase 1	59,480,000	20,879,000	Received bids and project split with Phase 2 to bid later in CIP, deferring \$38.6 million.
Secondary Clarifier and Channel Improvements	10,000,000	17,500,000	Increase of \$7.5 million for optimization and flow improvements and channel rehabilitation.
MRC Building Modifications and Maintenance Shops Improvements	2,100,000	3,700,000	Increase of \$1.6 million for expansion of facility and remodel.
Total	\$ 284,998,687	\$ 265,442,687	Overall decrease of approx. \$19.56 million

In addition, staff continues to perform a detailed investigation and evaluation of the carryforward budgets in the CIB. Carryforward is unspent budget from past or budget-to-date allocations for projects. Based on this effort, the following modifications were made to following projects and budgets:

DP No.	Description	FY 2023-24 Budget to Date	FY 2023-24 Adjusted Budget	Description
100012	UV Disinfection Replacement	\$ 7,980,000	\$ 5,500,000	\$2M moved to Future years and \$480k returned to Fund 20.
100030	Solids Handling Facility Improvements Phase 2	5,700,000	2,800,000	Savings of \$2.9M and returned to Fund 20. Predesign was not needed.
100032	Steam Renovations - Phase 1	8,500,000	7,000,000	Estimate has been reduced by \$1.5M.
100037	Orinda-Moraga Pumping Stations Architectural Improvements	1,450,000	450,000	\$1M reallocated to future years.
100062	PS SCADA & PLC Upgrades	350,000	-	Postponed aligning with other work at the treatment plant and Dynac replacement.
	Total:	\$23,980,000	\$15,750,000	\$8.2M decrease in carryforward budget, not including closed project variances.

Projects not included in FY 2023-24 CIB and initiated as contingency projects:

- Collection System Program:
 - Tappan Terrace Sewer Replacement
 - Martinez Urgent Force Main Replacement
 - Cedar Lane Sewer Modifications
 - Lake Cascade Sewer Relocation
- Treatment Plant Program:
 - Odor Control Facilities Improvements
 - Piping Renovation – Phase 11
 - Central Chilled Water Evaluation
- General Improvements (GI) Program:
 - POB Parking Lot Improvements
 - Long Term Wet Weather Resiliency

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 – Phase 1, UV Disinfection Replacement, and potentially other significant projects.

Moving forward, staffing for large projects will be supplemented by consultants and/or a combination with project-based employees (up to a five-year term). Since the Collection System Program uses in-house engineering and construction management, the planned sewer replacement is continual with potential increases based on condition assessments or increase replacement due to the intense storms from the past two winters.

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 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 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 2024-25 by Program:

COLLECTION SYSTEM PROGRAM			
Project No	Project Name	Exemption	CEQA Document Required
5991	Pleasant Hill Sewer Renovation – 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	
8450	Development Sewerage Support	X	
8457	Pumping Station Upgrades – Phase 2A	X	
100006	Central San Sewer Financing Programs	X	
100007	39-Inch Main Trunk No. 1 Renovation	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	Sewer System Infrastructure Plan	X	Planning is exempt; more information is needed on future aspects to determine appropriate CEQA documentation.

COLLECTION SYSTEM PROGRAM			
Project No	Project Name	Exemption	CEQA Document Required
100037	Orinda-Moraga Pumping Stations Architectural Improvements	X	
100039	Collection System Sewer Renovation – Phase 2	X	
100041	Buchanan Lift Stations Abandonment & Sewer	X	
100042	Pumping Station Upgrades – Phase 2B	X	
100044	Collection System Modeling Support	X	
100049	Downtown Walnut Creek Sewer Renovation – Locust	X	
100050	CCTA A-Line Relocation	X	
100052	North Orinda Sewer Renovation – Phase 9	X	
100059	Collection System Planning	X	
100060	Pumping Station Equipment and Piping Replacement 2023+	X	
100061	Maintenance Access Cover Modifications	X	
100062	Pumping Station SCADA & PLC Upgrades	X	
100065	Tappan Terrace Sewer Replacement	X	
100066	Martinez Urgent Force Main Replacement	X	
100068	Pleasant Hill Sewer Renovation – Phase 3	X	
100070	Cedar Lane Sewer Modifications	X	
100072	Lake Cascade Sewer Relocation	X	

TREATMENT PLANT PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
7315	Applied Research and Innovations	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 CEQA documentation.
7348	Solids Handling Facility Improvements - Phase 1A	X	
7349	Steam and Aeration Blower Systems Renovations	X	
7357	Plant-Wide Instrumentation Upgrades	X	
7369	Piping Renovation – Phase 10	X	
7370	Annual Infrastructure Replacement	X	
100001	UPCCAA Urgent Projects FY 2020-25	X	
100010	Air Conditioning and Lighting Renovations	X	
100011	Plant Electrical Replacement and Rehabilitation	X	
100012	UV Disinfection Replacement	X	
100014	MRC Building Modifications and Maintenance Shops Improvements	X	
100015	Electric Blower Improvements	X	
100019	Aeration Basins Diffuser Replacement – Phase 1	X	

TREATMENT PLANT PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
100022	Wet Weather Basin Improvements	X	
100030	Solids Handling Facility Improvements – Phase 2	X	
100032	Steam Renovations – Phase 1	X	
100034	TP Safety Enhancement Program	X	
100040	Electrical Infrastructure Sub 90	X	
100045	Fire Protection System – Phase 4	X	
100046	Control System Upgrades	X	
100047	Secondary Clarifier and Channel Improvements	X	
100048	Warehouse Seismic Upgrades	X	
100051	RAS Piping Renovations	X	
100055	Process Optimization and Efficiency	X	
100057	Plant Control System I/O Replacement – Phase 3	X	
100058	Treatment Plant Planning	X	
100069	Treatment Plant Odor Control Facilities Improvements	X	
100073	Piping Renovation – Phase 11	X	
100074	Central Chilled Water Evaluation	X	
TBD	Nutrient Management	X	

GENERAL IMPROVEMENTS PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
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	EV Charging Infrastructure – Phase 1	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	
100031	Community Development System Replacement	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.
100056	NetZero Study	X	
100063	IT Development FY 2023+	X	
100064	Capital Legal Services FY 2023+	X	
100067	POD Parking Lot Improvements	X	
100071	Long Term Wet Weather Resiliency	X	
TBD	Equipment Acquisition FY 2024+	X	
TBD	Mt. View Sanitary District Feasibility Study	X	Planning or study is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.

RECYCLED WATER PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
7361	Filter Plant & 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 & Clearwell Improvements – Phase 1B	X	
100036	Zone 1 Recycled Water	X	

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Capital Improvement Budget – Collection System Program

The following are the major points of emphasis for the FY 2024-25 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.
- 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 2024-25 Collection System Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2024-25	Future FYs	Total by Project
5991	Pleasant Hill Sewer Renovation – Phase 2	\$8,252,000	\$-	\$-	\$8,252,000
8443	Large Diameter Pipeline Inspection Program – Phase 1	1,295,000	400,000	4,000,000	5,695,000
8444	Force Main Inspection Program – Phase 1	625,000	-	1,250,000	1,875,000
8447	Pumping Station Security Improvements	521,000	100,000	-	621,000
8450	Development Sewerage Support	5,886,316	927,000	1,854,000	8,667,316
8457	Pumping Station Upgrades – Phase 2A	24,650,000	4,500,000	8,850,000	38,000,000
100006	Central San Sewer Financing Programs	532,940	100,000	600,000	1,232,940
100007	39-Inch Main Trunk No. 1 Renovation	1,000,000	1,500,000	2,000,000	4,500,000
100017	San Ramon Electrical Upgrades	1,913,000	-	-	1,913,000
100023	Walnut Creek Sewer Renovation – Phase 16	6,379,000	-	-	6,379,000
100024	South Orinda Sewer Renovation – Phase 9	750,000	-	-	750,000
100025	Lafayette Sewer Renovation – Phase 15	750,000	-	-	750,000
100028	Sewer System Infrastructure Plan	1,600,000	-	-	1,600,000
100037	Orinda-Moraga Pumping Stations Architectural Improvements	450,000	-	1,100,000	1,550,000
100039	Collection System Sewer Renovation – Phase 2	10,153,000	10,400,000	41,000,000	61,553,000
100041	Buchanan Lift Stations Abandonment & Sewer	1,050,000	2,000,000	3,350,000	6,400,000
100042	Pumping Station Upgrades – Phase 2B	5,700,000	2,500,000	2,331,000	10,531,000
100044	Collection System Modeling Support	245,000	-	1,140,000	1,385,000
100049	Downtown Walnut Creek Sewer Renovation – Locust	6,335,000	-	-	6,335,000
100050	CCTA A-Line Relocation	1,100,000	-	-	1,100,000
100052	North Orinda Sewer Renovation – Phase 9	650,000	-	-	650,000
100059	Collection System Planning	200,000	-	1,800,000	2,000,000
100060	Pumping Station Equipment & Piping Replacement 2023+	200,000	-	1,800,000	2,000,000
100061	Maintenance Access Cover Modifications	400,000	300,000	2,700,000	3,400,000
100065	Tappan Terrace Sewer Replacement	650,000	-	-	650,000
100066	Martinez Urgent Force Main Replacement	3,962,000	-	-	3,962,000
100068	Pleasant Hill Sewer Renovation – Phase 3	650,000	-	-	650,000
100070	Cedar Lane Sewer Modifications	600,000	600,000	-	1,200,000
100072	Lake Cascade Sewer Relocation	600,000	-	-	600,000
	Collection System Program Total:	\$87,099,256	\$23,327,000	\$73,775,000	\$184,201,256

Pleasant Hill Sewer Renovation – Phase 2 – District Project 5991

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	13	72

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.

More than 300 miles of 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Pleasant Hill Sewer Renovation – Phase 2 Project will replace or rehabilitate 6,600 feet of small diameter sewers located in both public right-of-way and easements within the City of Pleasant Hill. This project will be focused on the Gregory Gardens area and coordinated with other utilities and paving plans as a joint effort to rehabilitate the impacted community.

Operating Department Impact and Funding Source:

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

Location(s): Pleasant Hill

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$183,000	\$-	\$-	\$-	\$183,000
Design	587,000	-	-	-	587,000
Construction	7,482,000	-	-	-	7,482,000
FY Total	\$8,252,000	\$	\$-	\$-	\$8,252,000

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	54	39

Purpose:

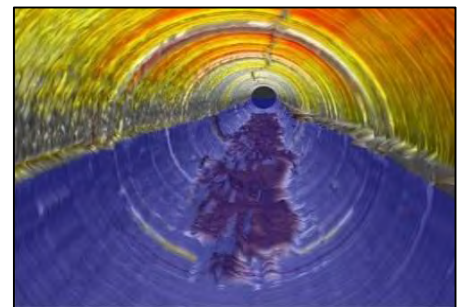
To assess the condition of large diameter trunks and interceptors and confirm the timing for renovation needs.

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 expenditure is funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$1,295,000	\$400,000	\$1,000,000	\$3,000,000	\$5,695,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$ 1,295,000	\$400,000	\$1,000,000	\$3,000,000	\$5,695,000

Force Main Inspection Program – Phase 1 – District Project 8444

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	54	39

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 45 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 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 were evaluated under the Pumping Station Upgrades – Phase 2 Project).
- 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 expenditure is funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$625,000	\$-	\$500,000	\$750,000	\$1,875,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$ 625,000	\$-	\$500,000	\$750,000	\$1,875,000

Pumping Station Security Improvements – District Project 8447

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	36	56

Purpose:

To improve physical security at the pumping 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 expenditure is 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	131,000	-	-	-	131,000
Construction	390,000	100,000	-	-	490,000
FY Total	\$521,000	\$100,000	\$-	\$-	\$621,000

Development Sewerage Support – District Project 8450

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	N/A	-

Purpose:

To capitalize Central San force main 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.

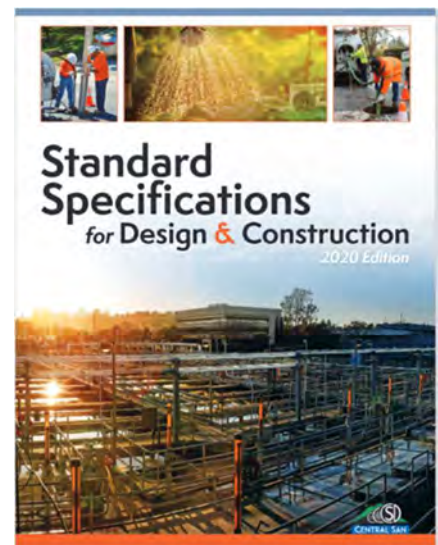
Operating Department Impact and Funding Source:

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 Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	5,886,316	927,000	927,000	927,000	8,667,316
FY Total	\$5,886,316	\$927,000	\$927,000	\$927,000	\$8,667,316

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Pumping Station Upgrades – Phase 2A - District Project 8457

Program	Phase	Priority Rank:	Ranking Score
Collection System	Construction	3	87

Purpose:

To address aging infrastructure and reliability needs at the 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.

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.
- Replace pumps, valves, and gates.
- Replace all 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

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

Location(s): Fairview and Maltby Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$150,000	\$-	\$-	\$-	\$150,000
Design	3,900,000	-	-	-	3,900,000
Construction	20,600,000	4,500,000	5,850,000	3,000,000	33,950,000
FY Total	\$24,650,000	\$4,500,000	\$5,850,000	\$3,000,000	\$38,000,000

Central San Sewer Financing Programs – District Project 100006

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	N/A	-

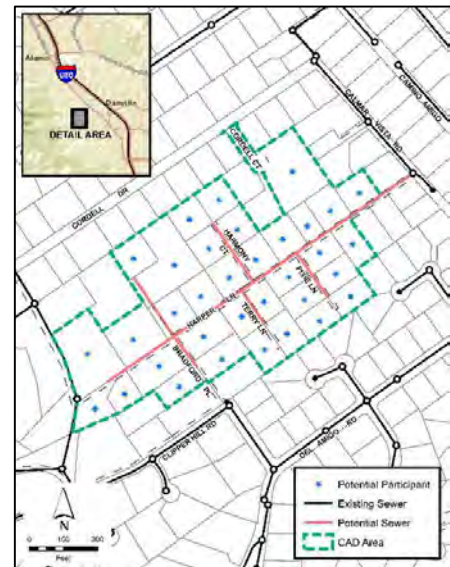
Purpose:

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), Septic to Sewer (S2S), Lateral Replacement Financing, or other financing authorized by the Board of Directors.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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. Additionally, the S2S and Lateral Replacement Financing Programs were authorized by the Board for three years.



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

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	532,940	100,000	100,000	500,000	1,232,940
FY Total	\$532,940	\$100,000	\$100,000	\$500,000	\$1,232,940

39-Inch Main Trunk No. 1 Renovation – District Project 100007

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	54	39

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 – Phase 1 Project will span the next five fiscal years (FYs 2022-27).



Description:

This is the first phase of the large diameter piping renovation program. It will install approximately 3,300 linear feet (LF) of 8-inch main sewers to re-route flow from 5 points-of-connection on Main Trunk No. 1 to the A-line Relief Interceptor in Marsh Drive and 3-points-of-connection to the 78-inch portion of the

A-Line in Berry Drive and south of Center Avenue to the golf course. After the new sewer mains are in-service and the 84-inch portion of the A-line has been relocated, then approximately 6,600 LF of the Main Trunk No. 1 can be abandoned in-place by filling with controlled low strength material (CLSM) while the stretch across Grayson Creek will be removed (unless otherwise directed).

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	800,000	-	-	-	800,000
Construction	-	1,500,000	1,500,000	500,000	3,500,000
FY Total	\$1,000,000	\$1,500,000	\$1,500,000	\$500,000	\$4,500,000

San Ramon Electrical Upgrades – District Project 100017

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	7	82

Purpose:

Replace and or upgrade electrical equipment which is 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 treatment plant and the pumping stations.



Operating Department Impact and Funding Source:

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

Location(s): San Ramon

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	1,713,000	-	-	-	1,713,000
FY Total	\$1,913,000	\$-	\$-	\$-	\$1,913,000

Walnut Creek Sewer Renovation – Phase 16 – District Project 100023

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	13	72

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 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 expenditure is funded from Capital Revenues.

Location(s): Walnut Creek

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	5,879,000	-	-	-	5,879,000
FY Total	\$6,379,000	\$-	\$-	\$-	\$6,379,000

South Orinda Sewer Renovation – Phase 9 – District Project 100024

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	31	57

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 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 expenditure is funded from Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at the time of award.

Location(s): Orinda and Moraga

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	700,000	-	-	-	700,000
Construction	-	-	-	-	-
FY Total	\$750,000	\$-	\$-	\$-	\$750,000

Lafayette Sewer Renovation – Phase 15 – District Project 100025

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	31	57

Purpose:

To replace and renovate small diameter sewers within the City of Lafayette 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 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.

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 expenditure is funded from Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at the time of award.

Location(s): Lafayette

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	700,000	-	-	-	700,000
Construction	-				-
FY Total	\$750,000	\$	\$	\$	\$750,000

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Sewer System Infrastructure Plan – District Project 100028

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	68	26

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.

Drivers:

Central San maintains 1,500+ 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 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 pumping stations including Bates Boulevard, San Ramon, Clyde, Concord Industrial, Acacia, and Wagner Ranch.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$1,600,000	\$-	\$-	\$-	\$1,600,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,600,000	\$-	\$-	\$-	\$1,600,000

Orinda – Moraga Pumping Stations Architectural Improvements – District Project 100037

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	62	29

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 expenditure is funded from Capital Revenues.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	250,000	-	-	-	250,000
Construction	100,000	-	800,000	300,000	1,200,000
FY Total	\$450,000	\$-	\$800,000	\$300,000	\$1,550,000

Collection System Sewer Renovation –Phase 2 – District Project 100039

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning/Design/Construction	31	57

Purpose:

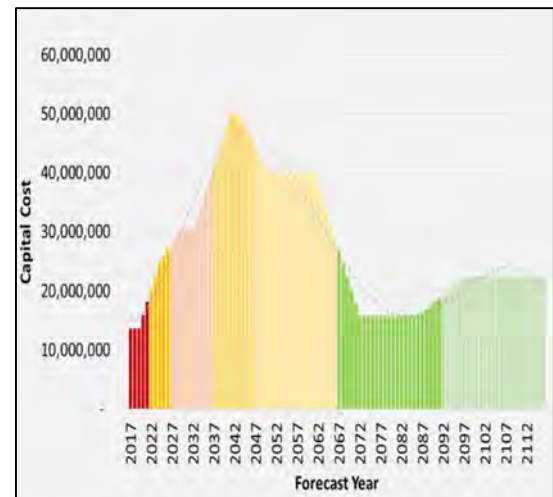
To plan and initiate design for additional sewer replacement projects for collection system sewers that are near the end of their useful lives.

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.

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 increased replacement rates in the years 20-50, this program ramps up the replacement rate. In the first five years, Phase 1 replaced up to 35 miles, an average of 7.0 miles per year. Phase 2 will continue at a similar pace with a slight increase to approximately 8.0 miles per year for the next five years. Replacement for years 10 through 20, Phase 3 in the CIP will be re-evaluated under the Collection System Master Plan update.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



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 expenditure is 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$200,000	\$200,000	\$200,000	\$600,000
Design	-	2,000,000	2,000,000	2,800,000	6,800,000
Construction	10,153,000	8,200,000	15,800,000	20,000,000	54,153,000
FY Total	\$10,153,000	\$10,400,000	\$18,000,000	\$23,000,000	\$61,553,000

Buchanan Lift Stations Abandonment & Sewer – District Project 100041

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	36	56

Purpose:

To address deficient infrastructure and reliability needs at the Buchanan Lift Stations.

Drivers:

This project will replace and remove aging equipment in poor condition at the South & North Buchanan Lift Stations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- Abandon the South Buchanan and North Buchanan air ejector lift stations and the sewer main under the runway of Buchanan Field Airport.
- Reroute approximately 4,800 feet of sewer mains near the Buchanan Field Airport.

**Operating Department Impact and Funding Source:**

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

Location(s): Concord

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	300,000	-	-	-	300,000
Construction	650,000	2,000,000	2,169,000	1,181,000	6,000,000
FY Total	\$1,050,000	\$2,000,000	\$2,169,000	\$1,181,000	\$6,400,000

Pumping Station Upgrades – Phase 2B - District Project 100042

Program	Phase	Priority Rank:	Ranking Score
Collection System	Construction	3	87

Purpose:

To address aging infrastructure and reliability needs at the Martinez Pumping Station.

Drivers:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- Replace critical 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.



Operating Department Impact and Funding Source:

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

Location(s): Martinez Pumping Station

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	65,000	-	-	-	65,000
Construction	5,635,000	2,500,000	2,331,000	-	10,466,000
FY Total	\$5,700,000	\$2,500,000	\$2,331,000	\$-	\$10,531,000

Collection System Modeling Support – District Project 100044

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	52	40

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 maintenance access 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 expenditure is funded from Capital Revenues and some costs are reimbursed through permit fees.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$245,000	\$-	\$125,000	\$1,015,000	\$1,385,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$245,000	\$-	\$125,000	\$1,015,000	\$1,385,000

Downtown Walnut Creek Sewer Renovation – Locust – District Project 100049

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	13	72

Purpose:

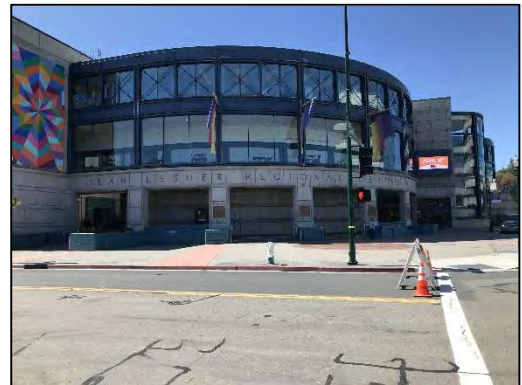
To replace and renovate small diameter sewers within the commercial downtown of the City of Walnut Creek.

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 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 Downtown Walnut Creek Sewer Renovation – Locust Project will replace approximately 4,500 feet of small diameter sewers located in the public right-of-way, primarily on Locust Street. The project is being closely coordinated with the City of Walnut Creek’s downtown improvements project and East Bay Municipal Utility District’s water main replacement project. Based on a business case to reduce maintenance needs, the private sewers within the public right of way were replaced on a case-to-case basis.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is funded from Capital Revenues. Construction budget was transferred from the Phase 2 Collection System Renovation Program.

Location(s): Walnut Creek

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	5,835,000	-	-	-	5,835,000
FY Total	\$6,335,000	\$-	\$-	\$-	\$6,335,000

CCTA A-Line Relocation – District Project 100050

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	62	29

Purpose:

To relocate a portion the A-Line and sewer mains for the State Route 4 / Interstate 680 interchange project.

Drivers:

Contra Costa Transit Authority (CCTA), in cooperation with the California Department of Transportation, is planning to construct additional improvements to the State Route 4 / Interstate 680 interchange, which requires relocation of Central San facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

Central San is required to prepare engineering plans and relocate Central San’s 84-inch reinforced concrete pipe commonly referred to as the A-Line along the east side of Interstate 680, as well as a portion of the 8-inch main on the west side of Interstate 680 flowing into a 12-inch main across the freeway. Approximately 2,000 LF of the A-Line must be relocated along Berry Drive in unincorporated Contra Costa County and the existing facilities will be abandoned in-place. On June 15, 2023, the Board approved a Utility Relocation Agreement with CCTA to reimburse all costs for the design phase for this project; a subsequent agreement will be executed for the construction costs prior to that phase of the project.

**Operating Department Impact and Funding Source:**

There will be no net impact to the CIB or CIP since the costs will be reimbursed by CCTA as outlined in the Utility Relocation Agreement. The design phase will be fully reimbursed under the current agreement and a subsequent agreement will be executed for the construction costs since the existing 84-inch, 12-inch, and 8-inch sewer pipelines are lawfully maintained in their present locations pursuant to rights superior to those of CCTA and, per California Streets and Highways Code Section 705, no credit is allowed due to age for publicly owned sewers.

Location(s): Pacheco

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	900,000	-	-	-	900,000
Construction	-	-	-	-	-
FY Total	\$1,100,000	\$-	\$-	\$-	\$1,100,000

North Orinda Sewer Renovation – Phase 9 – District Project 100052

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	31	57

Purpose:

To replace and renovate small diameter sewers within the northern portion of the City of Orinda and unincorporated Orinda.

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 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.

Description:

The North Orinda Sewer Renovation – Phase 9 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, and north of Highway 24.

Operating Department Impact and Funding Source:

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

Location(s): Orinda

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	-	-	-	-	-
FY Total	\$650,000	\$-	\$-	\$-	\$650,000

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Collection System Planning – District Project 100059

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	68	26

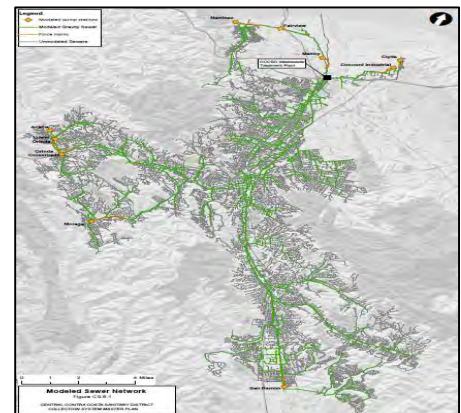
Purpose:

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 1,500+ miles of sewers 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 expenditure is funded from Capital Revenues.

Location(s): Collection System and Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$-	\$200,000	\$1,600,000	\$2,000,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$200,000	\$-	\$200,000	\$1,600,000	\$2,000,000

Pumping Station Equipment and Piping Replacement 2023+ – District Project 100060

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	22	63

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.

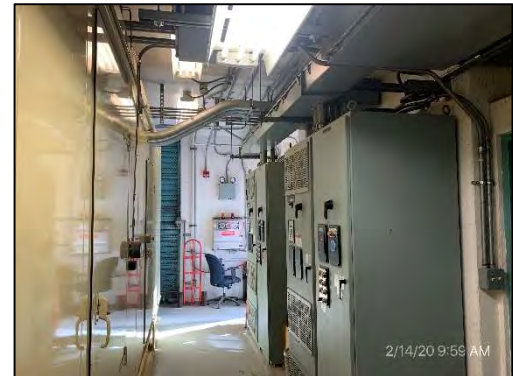
Drivers:

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

Additionally, emergency response equipment and critical spare parts have been 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 expenditure is funded from Capital Revenues.

Location(s): Pumping Stations

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	200,000	-	200,000	1,600,000	2,000,000
FY Total	\$200,000	\$-	\$200,000	\$1,600,000	\$2,000,000

Maintenance Access Cover Modifications – District Project 100061

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	46	50

Purpose:

To replace, repair, or raise maintenance access 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 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 expenditure is funded from Capital Revenues.

Location(s): Collection System

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	400,000	300,000	300,000	2,400,000	3,400,000
FY Total	\$400,000	\$300,000	\$300,000	\$2,400,000	\$3,400,000

Tappan Terrace Sewer Replacement – District Project 100065

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	5	84

Purpose:

To replace small diameter sewers within the City of Orinda.

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 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Tappan Terrace Sewer Replacement Project will replace 280 feet of small diameter sewers located in easements along Tappan Terrace within the City of Orinda. This project will be focused on replacement of the sewer damaged by a landslide on the properties along Tappan Terrace and coordinated with other utilities plans as a joint effort to rehabilitate the impacted community.

Operating Department Impact and Funding Source:

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

Location(s): Orinda

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$-	\$-	\$-	\$-	\$-
Design	17,000	-	-	-	17,000
Construction	633,000	-	-	-	633,000
FY Total	\$650,000	\$-	\$	\$	\$650,000

Martinez Urgent Force Main Replacement – District Project 100066

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	5	84

Purpose:

To replace aging and failing infrastructure.

Drivers:

Central San maintains and operates 18 pumping stations and their associated force mains. In 2023, the force mains from Martinez Pumping Station were leaking and temporary repairs were completed. Reliability of these force mains is imperative as the majority of the City of Martinez depend on them for sewer service. This project will replace the severely corroded sections of the Martinez force mains within an industrial site.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This critical and urgent project will replace 650 LF of twin 20" corroded force mains from the Martinez Pumping Station, including the aerial crossings at the Martinez Refinery adjacent to the railroad. Existing structures will have to be modified and the specialty work will need to be closely coordinated with the utility agencies and the Refinery.



Operating Department Impact and Funding Source:

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

Location(s): Martinez Pumping Station

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	380,000	-	-	-	380,000
Construction	3,582,000	-	-	-	3,582,000
FY Total	\$3,962,000	\$-	\$-	\$-	\$3,962,000

Pleasant Hill Sewer Renovation – Phase 3 – District Project 100068

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	31	57

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.

More than 300 miles of 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Pleasant Hill Sewer Renovation – Phase 3 Project will replace or rehabilitate 7,300 feet of small diameter sewers located in both public right-of-way and easements within the City of Pleasant Hill. This project will be focused on the Gregory Gardens area and coordinated with other utilities and paving plans as a joint effort to rehabilitate the impacted community.

Operating Department Impact and Funding Source:

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

Location(s): Pleasant Hill

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	-	-	-	-	
FY Total	\$650,000	\$-	\$-	\$-	\$650,000

Cedar Lane Sewer Modifications – District Project 100070

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	19	67

Purpose:

To replace and renovate small diameter sewers within the City of Orinda.

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 percent 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Cedar Lane Sewer Modifications Project will replace 310 feet of small diameter sewers located in easements along Cedar Lane within the City of Orinda. This project will be focused on installation of private pumps and force laterals to abandon the sewer damaged by a landslide on the properties along Cedar Lane.

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

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	-	-	-	100,000
Construction	500,000	600,000	-	-	1,100,000
FY Total	\$600,000	\$600,000	\$-	\$-	\$1,200,000

Lake Cascade Sewer Relocation – District Project 100072

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	77

Purpose:

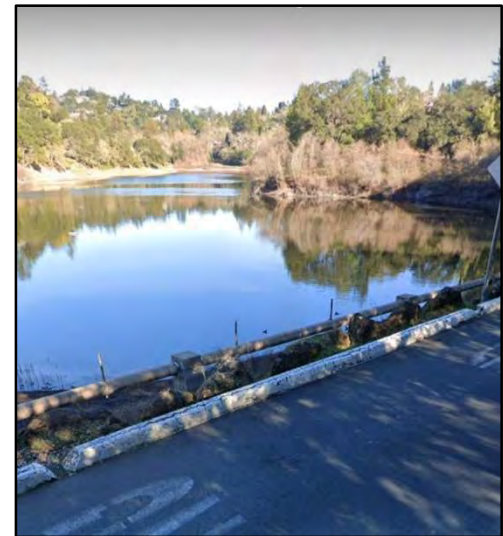
To replace and renovate small diameter sewers within the City of Orinda.

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 percent 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Lake Cascade Sewer Relocation Project will replace 570 feet of small diameter sewers located in easements along Camino Sobrante within the City of Orinda. This project will be focused on relocation of the sewer main along the side of Lake Cascade into a new easement away from the lake.

Operating Department Impact and Funding Source:

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

Location(s): Orinda

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$-	\$-	\$-	\$-	\$-
Design	38,000	-	-	-	38,000
Construction	562,000	-	-	-	562,000
FY Total	\$600,000	\$-	\$-	\$-	\$600,000

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Capital Improvement Budget – Treatment Plant Program

The following are the major points of emphasis for the FY 2024-25 Treatment Plant Program:

- Replace equipment as it reaches the end of its useful life 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 Electric Blower Improvements, Piping Renovation – Phase 10, Return Activation Sludge (RAS) Piping Renovations, and the Aeration Basin Diffuser Replacement which will extend the useful life of existing equipment and/or facilities and replace critical infrastructure like the Steam Improvements.

The largest and most significant project will be the construction 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. This project is expected to be completed by 2027.

The final design of the Ultraviolet (UV) Disinfection Replacement is underway and includes improved process hydraulics, coordination with Sub 90 electrical infrastructure, disinfection to 140 MGD, potential bypass improvements, and design that meets Reliability Centered Maintenance (RCM) criteria.

The treatment plant odor control facilities and clarifiers will be under condition assessments and will start design of needed near-term replacements or optimization improvements. Other aging infrastructure projects include the Laboratory Roof and Seismic Upgrades Project, Annual Infrastructure Replacement 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 which is included in the Solids Handling Facility Improvements – Phase 1A Project.

Safety and security improvements will continue under this subprogram. 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. Similar process improvements and assessments will be conducted under the Clarifier Improvements Project and other related projects.

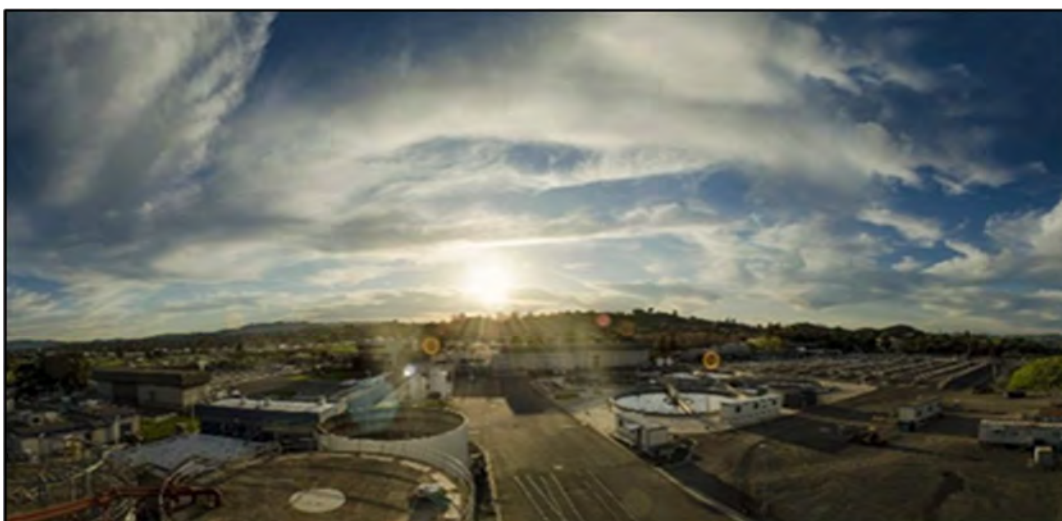
The Nutrient Management Project will be underway to study and pilot new technology such as the Membrane Aerated Biofilm Reactor (MABR) within the existing secondary process and help evaluate all the ongoing process improvements to help manage nutrients within the existing facilities. Planning will continue based on scientific research while potential regulations are forthcoming by the State Water Resources Board.

Capacity (Expansion Projects)

There are no projects in FY 2024-25 that include expansion of the treatment plant. However, there are projects such as the UV Disinfection Replacement, Hydraulic Improvements, and the Aeration Basins Diffuser Replacement that will address internal bottlenecks and degrading systems to reach design capacities. Projects like the Influent Pump Electrical Improvements 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 Renovations Project will replace equipment in poor condition with high efficiency models to save energy. However, most projects within CIB are evaluated for improvements related to this subprogram. Reducing energy consumption, improving power efficiencies, lowering emissions, and other important sustainability factors are routinely achieved through small and significant changes developed in the Capital Program.



All projects in the treatment plant program are summarized, including past and planned expenditures, in the following Table 3:

CIB Table 3 – FY 2024-25 Treatment Plant Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2024-25	Future FYs	Total by Project
7315	Applied Research & Innovations	\$2,157,274	\$-	\$-	\$2,157,274
7341	Walnut Creek/Grayson Creek Levee Rehab	2,350,000	-	4,500,000	6,850,000
7348	Solids Handling Facility Improvements – Phase 1A	41,518,687	39,000,000	119,445,000	199,963,687
7349	Steam and Aeration Blower Systems Renovations	4,850,000	-	-	4,850,000
7357	Plant-Wide Instrumentation Upgrades	521,000	-	-	521,000
7369	Piping Renovation – Phase 10	5,645,000	-	-	5,645,000
7370	Annual Infrastructure Replacement	4,105,000	200,000	-	4,305,000
100001	UPCCAA Urgent Projects FY 2020-25	1,200,000	200,000	-	1,400,000
100010	Air Conditioning and Lighting Renovations	450,000	-	-	450,000
100011	Plant Electrical Replacement and Rehabilitation	1,058,371	-	500,000	1,558,371
100012	UV Disinfection Replacement	5,500,000	500,000	64,000,000	70,000,000
100014	MRC Building Modifications and Maintenance Shops Improvements	1,400,000	800,000	1,500,000	3,700,000
100015	Electric Blower Improvements	14,095,000	-	-	14,095,000
100019	Aeration Basins Diffuser Repl. – Phase 1	13,480,000	1,500,000	5,899,000	20,879,000
100022	Wet Weather Basin Improvements	1,900,000	200,000	8,800,000	10,900,000
100030	Solids Handling Facility Improvements – Phase 2	2,800,000	-	-	2,800,000
100032	Steam Renovations – Phase 1	7,000,000	-	5,500,000	12,500,000
100034	Treatment Plant Safety Enhancement Program	100,000	-	1,950,000	2,050,000

Project Number	Project Name	Budget-to-Date	FY 2024-25	Future FYs	Total by Project
100040	Electrical Infrastructure Sub 90	1,000,000	500,000	30,000,000	31,500,000
100045	Fire Protection System – Phase 4	860,000	-	-	860,000
100046	Control System Upgrades	400,000	100,000	600,000	1,100,000
100047	Secondary Clarifier and Channel Improvements	1,500,000	500,000	15,500,000	17,500,000
100048	Warehouse Seismic Upgrades	500,000	500,000	1,500,000	2,500,000
100051	RAS Piping Renovations	2,020,000	-	-	2,020,000
100055	Process Optimization and Efficiency	500,000	500,000	2,200,000	3,200,000
100057	Plant Control System I/O Replacement – Phase 3	600,000	400,000	1,800,000	2,800,000
100058	Treatment Plant Planning	250,000	-	2,250,000	2,500,000
100069	TP Odor Control Facilities Improvements	450,000	1,000,000	16,000,000	17,450,000
100073	Piping Renovation – Phase 11	200,000	300,000	8,050,000	8,550,000
100074	Central Chilled Water Evaluation	200,000	400,000	-	600,000
TBD*	Nutrient Management	-	300,000	59,700,000	60,000,000
	Treatment Plant Program Total:	\$118,610,332	\$46,900,000	\$349,694,000	\$515,204,332

*New project in FY 2024-25 and number to be determined (TBD)

Applied Research & Innovations – District Project 7315

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	60	31

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 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.

Operating Department Impact and Funding Source:

The impacts on operating budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$2,157,274	\$-	\$-	\$-	\$2,157,274
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$2,157,274	\$-	\$-	\$-	\$2,157,274

Walnut Creek/Grayson Creek Levee Rehab – District Project 7341

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	27	61

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 built by the FCD and US Army Corps of Engineers, which are currently owned and maintained by the FCD. Overtopping of the levees could catastrophically disable treatment plant operations, result in hundreds of millions of dollars in damage, negatively impact the environment due to discharge of untreated sewage, and impair the local economy. In 2007, the FCD implemented interim flood control measures 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 flood. The

current California Department of Water Resources standard is to provide protection against at least a 200-year flood with three feet of freeboard, and to consider sea level rise 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 500-year flood with at least three feet of 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. The total estimated project cost is \$11.5M, with Central San's share being approximately \$5.75M. Central San and the FCD applied for Building Resilient Infrastructure and Communities (BRIC) program grant funds that are available for public agencies undertaking hazard mitigation projects. The project was selected by the Federal Emergency Management Agency to receive up to \$2.5M of BRIC funds, which is expected to reduce the cost of the project for both Central San and the FCD.

Operating Department Impact and Funding Source:

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

Location(s): Along the Walnut Creek and Grayson Creek Levees, Kiewit Buffer Property

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	400,000	-	-	-	400,000
Construction	1,850,000	-	1,500,000	3,000,000	6,350,000
FY Total	\$2,350,000	\$-	\$1,500,000	\$3,000,000	\$6,850,000

Solids Handling Facility Improvements – Phase 1A – District Project 7348

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	1	90

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 does 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.

Description:

The following are major elements included in the project:

- 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.
- Seismic upgrades (Solids Phase 1B).

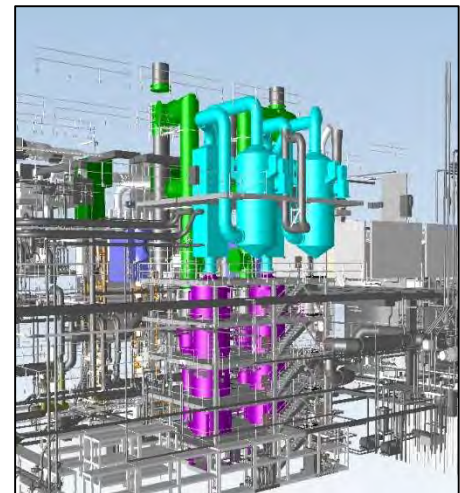
Operating Department Impact and Funding Source:

This project will have a 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$1,000,000	\$-	\$-	\$-	\$1,000,000
Design	24,000,000	-	-	-	24,000,000
Construction	16,518,687	39,000,000	41,000,000	78,445,000	174,963,687
FY Total	\$41,518,687	\$39,000,000	\$41,000,000	\$78,445,000	\$199,963,687

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Steam and Aeration Blower Systems Renovations – District Project 7349

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	NA	Closing

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 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 100015).
- Evaluate the modifications to existing aeration tanks and the activated sludge system, including the hydraulics (currently in design under new project DP 100019).
- Evaluate the modifications to existing secondary clarifiers and associated return-activated sludge and waste-activated sludge feed systems (new project this year).
- Determine the impact from the 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 expenditure is funded from Capital Revenues. This project’s original total budget was approx. \$63M 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$3,000,000	\$-	\$-	\$-	\$3,000,000
Design	1,850,000	-	-	-	1,850,000
Construction	-	-	-	-	-
FY Total	\$4,850,000	\$-	\$-	\$-	\$4,850,000

Plant-Wide Instrumentation Upgrades – District Project 7357

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	51	42

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 on the operating budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	100,000	-	-	-	100,000
Construction	321,000	-	-	-	321,000
FY Total	\$521,000	\$-	\$-	\$-	\$521,000

Piping Renovation – Phase 10 – District Project 7369

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	22	63

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, 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 variable frequency drives (VFDs).

Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	4,995,000	-	-	-	4,995,000
FY Total	\$5,645,000	\$-	\$-	\$-	\$5,645,000

Annual Infrastructure Replacement – District Project 7370

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	NA	-

Purpose:

To fund ongoing rehabilitation and replacement of treatment plant assets. This program will be continued until FY 2024-25. A new project will be set up 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 approximately 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 an insignificant impact on the operating budgets. Project expenditure will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	450,000	-	-	-	450,000
Construction	3,555,000	200,000	-	-	3,755,000
FY Total	\$4,105,000	\$200,000	\$-	\$-	\$4,305,000

UPCCAA Urgent Projects FY 2020-25 – District Project 100001

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	NA	-

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. Most 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 on 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 are 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 an insignificant impact on the operating budgets. Project expenditure will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	1,000,000	200,000	-	-	1,200,000
FY Total	\$1,200,000	\$200,000	\$-	\$-	\$1,400,000

Air Conditioning and Lighting Renovations – District Project 100010

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	39	53

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 expenditure 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 in utility costs.

Location(s): Treatment Plant campus, including Headquarters Office Building and Plant Operations Buildings

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	50,000	-	-	-	50,000
Construction	400,000	-	-	-	400,000
FY Total	\$450,000	\$-	\$-	\$-	\$450,000

Plant Electrical Replacement and Rehabilitation – District Project 100011

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	1	90

Purpose:

To fund ongoing rehabilitation and replacement of the treatment plant electrical system 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 approximately 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.

Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure will be funded from Capital Revenues.

Location(s): Treatment Plant Electrical Substations

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	1,058,371	-	250,000	250,000	1,558,371
FY Total	\$1,058,371	\$-	\$250,000	\$250,000	\$1,558,371

UV Disinfection Replacement – District Project 100012

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	29	60

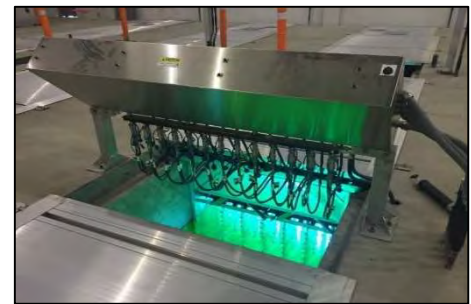
Purpose:

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:

- Replace existing UV disinfection system, including assessment of existing system and the support facilities.
- Power new UV facility from new location to allow simultaneous operation of the UV system for consistency.
- Hydraulic Evaluation – Confirm UV and final effluent hydraulics. Include Hydraulic Improvements.
- Dose Validation Testing – Confirm disinfection capacity of UV disinfection system using latest disinfection criteria.
- Procure new Trojan UV equipment, VFDs, and controls package.
- Construct a new UV facility to meet 140 MGD.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant - UV System, Final Effluent Channel and Final Effluent Pipe

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$600,000	\$-	\$-	\$-	\$600,000
Design	4,900,000	500,000	-	-	5,400,000
Construction	-	-	1,000,000	63,000,000	64,000,000
FY Total	\$5,500,000	\$500,000	\$1,000,000	\$63,000,000	\$70,000,000

MRC Building Modifications and Maintenance Shops Improvements – DP 100014

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	58	38

Purpose:

Update the Maintenance Reliability Center (MRC) building for improved space planning, replace outdated facilities, and increase Maintenance Shops' storage requirements.

Drivers:

The MRC building is in the center of the treatment plant and is currently occupied by the Plant Maintenance Superintendent, Maintenance Planners, and three of the 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 and fire protection 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 and fire protection 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 Associate Engineer and Utility Systems Engineers, including space for an updated training room.
- Improve and increase Maintenance Shops' storage requirements.
- Replace and consolidate aging HVAC 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): Maintenance Buildings

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	1,200,000	800,000	1,000,000	500,000	3,500,000
FY Total	\$1,400,000	\$800,000	\$1,000,000	\$500,000	\$3,700,000

Electric Blower Improvements – District Project 100015

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	22	63

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, 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 expenditure is funded from Capital Revenues.

Location(s): Treatment Plant – Pump and Blower Building

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	1,300,000	-	-	-	1,300,000
Construction	12,695,000	-	-	-	12,695,000
FY Total	\$14,095,000	\$-	\$-	\$-	\$14,095,000

Aeration Basins Diffuser Replacement, Phase 1 – District Project 100019

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	8	80

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 in sludge volume index (SVI), which is a key secondary process operational parameter for activated sludge settleability. The SVI increase has 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. Condition assessments have verified that the diffuser systems are at the end of their useful lives.

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 and will include a concrete structure to allow for access and maintenance. Phase 1 will replace the diffuser systems within two aeration basins, and the other two basins will be replaced under Phase 2. Seismic upgrades were bid on as an alternative and included for Phase 1.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant – Aeration Basins

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	2,150,000	-	-	-	2,150,000
Construction	11,130,000	1,500,000	3,000,000	2,899,000	18,529,000
FY Total	\$13,480,000	\$1,500,000	\$3,000,000	\$2,899,000	\$20,879,000

Wet Weather Basin Improvements – District Project 100022

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design /Construction	17	70

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 sewage 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. Needed improvements include:

- 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.
- Include levee improvements identified during the Filter Plant & Clearwell Improvements, Phase 1A Project.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	600,000	-	-	-	600,000
Construction	1,300,000	200,000	3,000,000	5,800,000	10,300,000
FY Total	\$1,900,000	\$200,000	3,000,000	\$5,800,000	\$10,900,000

Solids Handling Facility Improvements – Phase 2 – District Project 100030

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	60	31

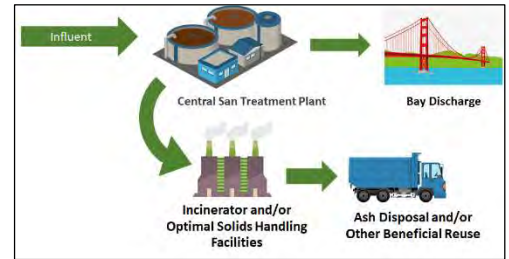
Purpose:

To develop long term plans for solids handling and disposal at the treatment plant, including evaluating a potential regional facility, after Multiple Hearth Furnaces reach the end of their useful life.

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. Due to the higher than anticipated costs for the Solids Handling Facility Improvements Project, planning for Phase 2 has commenced sooner to make sure that Central San’s plan on solids handling is the most optimal and cost effective for the needs of the treatment plant facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



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 cogeneration system, fluidized bed incinerators, or other thermal treatment technologies. To offset future facility capital, operations, and maintenance costs, the project will evaluate a regional new facility where other treatment plants could bring solids for processing.

Operating Department Impact and Funding Source:

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

Location(s): Solids Conditioning Building and treatment plant.

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$2,500,000	\$-	\$-	\$-	\$2,500,000
Design	300,000	-	-	-	300,000
Construction	-	-	-	-	-
FY Total	\$2,800,000	\$-	\$-	\$-	\$2,800,000

Steam Renovations – Phase 1 – District Project 100032

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	19	67

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 are required to be reliable and to be in service 24 hours a day, every day of the week. Overall, these systems 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. To continue reliable and safe operations of these 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:

- Address safety-related improvements for the boiler feedwater and blowdown sampling equipment.
- Modify the boiler chemical system.
- Replace deaerator feedwater pumps and waste steam exchangers.
- Replace boiler feedwater piping and pumps.
- Piping modifications and replacement of piping, valves, steam traps, and other system components.
- Preliminary feasibility evaluation of steam turbine power generation system.

Operating Department Impact and Funding Source:

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

Location(s): Solids Conditioning Building, Tunnels, and Pump and Blower Building.

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	3,000,000	-	-	-	3,000,000
Construction	4,000,000	-	3,000,000	2,500,000	9,500,000
FY Total	\$7,000,000	\$-	\$3,000,000	\$2,500,000	\$12,500,000

Treatment Plant Safety Enhancement Program – District Project 100034

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	27	61

Purpose:

To enhance treatment plant safety through identification of safety concerns, repairs, and capital improvements.

Drivers:

The treatment plant has a proactive safety program that is administered by a committee. The committee is responsible for addressing safety concerns at the treatment plant as identified by staff and responding 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 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 expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	150,000	150,000
Construction	100,000	-	300,000	1,500,000	1,900,000
FY Total	\$100,000	\$-	\$300,000	\$1,650,000	\$2,050,000

Electrical Infrastructure Sub 90 – District Project 100040

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	47	48

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 or for emergencies. Due to the high energies involved, failures have the potential to be wide-reaching, and recovery takes longer due to the limited availability of replacement equipment and the specialized nature of the work. While the existing 12kV 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/maintenance access covers. 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.

The first phase of the project will construct the substation building and associated electrical equipment, new feeders from Substation 82 to Substation 90, and replace most, if not all, 12kV feeders to each substation. The predesign phase will confirm the scope of work. It is anticipated that this work will be constructed in conjunction with the UV Disinfection Replacement Project.

This project will also establish the scope and timing for any follow-up projects to ensure a thoughtful and staged progression to meet the project goals for the treatment plant’s medium-voltage systems.

Operating Department Impact and Funding Source:

The impacts on the operating budgets have not yet been determined. Project expenditure will be funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$500,000	\$-	\$-	\$-	\$500,000
Design	500,000	500,000	1,500,000	1,000,000	3,500,000
Construction	-	-	-	27,500,000	27,500,000
FY Total	\$1,000,000	\$500,000	\$1,500,000	\$28,500,000	\$31,500,000

Fire Protection System – Phase 4 – District Project 100045

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	54	39

Purpose:

To upgrade or replace treatment plant fire alarm systems.

Drivers:

Most of the fire alarm systems were 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 are 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, SCB, Tunnels, and Emergency Sludge Loadout Building.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	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 100046

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	22	63

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.

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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

This project will have minor savings for the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	400,000	100,000	200,000	400,000	1,100,000
FY Total	\$400,000	\$100,000	\$200,000	\$400,000	\$1,100,000

Secondary Clarifier and Channel Improvements – District Project 100047

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	30	59

Purpose:

To replace/rebuild aging equipment while rehabilitating secondary clarifier tanks and associated feed and effluent channels and identify opportunities for improvements and optimizations that would also avoid stranded assets if Central San were required to remove nutrients.

Drivers:

The secondary clarifiers were installed over 40 years ago. Central San continues to perform annual routine maintenance on the secondary clarifiers and return activated sludge (RAS) systems and equipment to extend the useful life of these facilities.

The most recent condition assessment of these facilities confirms a rehabilitation improvements project 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.
- Evaluate hydraulic, process, equipment, and resiliency optimizations to existing clarifiers. Evaluate the clarifier role if Central San were required to remove nutrients (i.e., with split treatment) to avoid stranded assets.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

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

Location(s): Secondary Clarifiers

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	1,500,000	500,000	-	-	2,000,000
Construction	-	-	1,500,000	14,000,000	15,500,000
FY Total	\$1,500,000	\$500,000	\$1,500,000	\$14,000,000	\$17,500,000

Warehouse Seismic Upgrades – District Project 100048

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	62	29

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 was added 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 Building or increase security measures.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is 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 2024-25	FY 2025-26	Future Fys	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	-	500,000	1,500,000	-	2,000,000
FY Total	\$500,000	\$500,000	\$1,500,000	\$-	\$2,500,000

Return Activated Sludge Piping Renovations – District Project 100051

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	12	74

Purpose:

To replace a portion of the existing return activated sludge (RAS) pipeline that crosses over the final effluent (FE) channel and to prepare the south selector channel for future use.

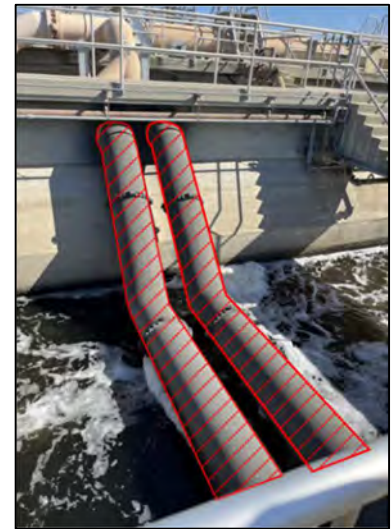
Drivers:

Over the years, portions of the RAS piping have been replaced in the aeration basin systems to maintain reliability. RAS is settled activated sludge in the clarifiers that is returned to the aeration basins and mixed, allowing for a concentrated number of microorganisms back to the system. Staff identified the RAS piping being replaced over the FE channel as an urgent concern since any type of failure could contaminate the final effluent quality.

Description:

This project will include a temporary bypass, mechanical rehabilitation/replacement, concrete repairs, and structural improvements to prolong the remaining useful life of the RAS piping system. The south selector channel work includes demolition of abandoned piping and coarse bubble diffusers and removal of deteriorated spray piping. In addition, the aeration basin deck will be cleaned up by removing abandoned coarse bubbler piping and valves, concrete repairs, replacement of guardrails, and removal of obsolete crossover stairs.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Phase	Project Budget				Total
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	
Planning	\$-	\$-	\$	\$-	\$-
Design	180,000	-	-	-	180,000
Construction	1,840,000	-	-	-	1,840,000
FY Total	\$2,020,000	\$-	\$-	\$-	\$2,020,000

Process Optimization and Efficiency – District Project 100055

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	50	43

Purpose:

This project will evaluate the business processes optimization in all departments including optimization of processes, project workflow, and delivery in the Administration and Engineering Departments. This broader scope is targeted to advance the overall business and decision support processes to improve Central San efficiencies and effectiveness in all dimensions of performance. This project will specifically evaluate optimization opportunities within Central San’s treatment plant and collection system and complete preliminary design work to implement improvements as part of this or other capital improvement projects.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

This project directly ties into the Capital Improvement Program (CIP) Sustainability & Optimization goal by evaluating opportunities to reduce energy and chemical demands while carefully considering impacts to downstream processes. The other CIP drivers – Aging Infrastructure, Regulatory, and Capacity – are also included in the scopes of upcoming work such as the Membrane Aerated Biofilm Intensification Pilot Testing and Energy Optimization Roadmap.

Description:

Review and identify organization-wide opportunities for optimization. Complete comprehensive asset evaluations and condition assessments and identify relevant optimization opportunities. Current efforts include the MABR Pilot and Secondary Projects Optimization. Future evaluations include secondary scum and foam control, nutrient reduction roadmap, and energy optimization roadmap.



Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$500,000	\$500,000	\$800,000	\$1,400,000	\$3,200,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$500,000	\$500,000	\$800,000	\$1,400,000	\$3,200,000

Plant Control System Input and Output Replacement – Phase 3 – District Project 100057

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	47	48

Purpose:

To upgrade obsolete Programmable Logic Controller (PLC) input and output (I/O) cards and associated systems with current technology to maintain reliable operation and vendor support.

Drivers:

PLC I/O cards are critical for equipment and instrumentation communication to the treatment plant control system for process control and monitoring. The first treatment plant PLC I/O card was installed in the mid-1980s. The number of I/O cards in use has increased from only a few to nearly 1,800 cards. Approximately 750 of these I/O cards are currently obsolete. Replacement units cannot be purchased from the manufacturer. Central San maintains an inventory of over 100 spare I/O cards to reactively replace units as they fail.

Description:

Between 2019 and 2022, a past Plant Control System Input and Output Replacement Project upgraded about 350 of the obsolete I/O cards. This multi-phase effort will replace the remaining I/O cards and upgraded related control systems components.

The following are major elements included in the project:

- Replace obsolete remote I/O drops control panels with
 - Modern Schneider x80 I/O cards.
 - Upgraded communication including network switches, modules, components, and fiber optic cable.
 - Uninterruptible power system (UPS) power.
- Upgrade outdated VFDs, vendor PLCs, field wiring, and hardwired controls for systems that interface with the upgraded I/O control panels.
- Provide as-built documentation for the updated system.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$
Design	600,000	-	-	-	600,000
Construction	-	400,000	900,000	900,000	2,200,000
FY Total	\$600,000	\$400,000	\$900,000	\$900,000	\$2,800,000

Treatment Plant Planning – District Project 100058

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	68	26

Purpose:

To complete evaluations for upcoming regulatory requirements, assess aging infrastructure, evaluate capacity requirements, and investigate opportunities to optimize the 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 on operational budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$250,000	\$-	\$250,000	\$2,000,000	\$2,500,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$250,000	\$-	\$250,000	\$2,000,000	\$2,500,000

Treatment Plant Odor Control Facilities Improvements – District Project 100069

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Construction	52	40

Purpose:

Rehabilitate, replace, and optimize treatment plant odor control facilities with design criteria from updated Odor Control Facility Plan. In addition, this project will fund repairs to the Solids Conditioning Building (SCB) Odor Control Facilities.

Drivers:

The Plant Odor Control Facilities Plan was originally developed in 1998 and updated in 2006. By now most of the current facilities have been in service for over 25 years and some of the equipment shows signs of deterioration. The performance of existing equipment needs to be reevaluated compared to future anticipated conditions. The State Highway 4/Interstate 680 Interchange Improvements project by Caltrans and Contra Costa Transportation Authority will bring vehicle traffic closer to the plant fence line. Population growth and increased wastewater organic strength due to water conservation could also increase odor.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

Central San reduces plant odors using chemical towers that spray sodium hypochlorite against foul air at headworks, SCB, and primary clarifiers. Other facilities include a biofilter for dissolved air flotation tanks, activated carbon filters at emergency sludge load out, and foggers along primary and secondary tanks.

This project will update the Odor Control Facilities through condition assessments, field sampling, and comprehensive asset evaluations based on aging infrastructure, capacity, regulatory, and sustainability/optimization drivers. The project will evaluate the performance of odor control facilities and modify design criteria for new equipment based on future conditions or other projects.

Then rehabilitation or replacement of existing odor control facilities, including optimizations to improve safety and chemical dosing, will be completed.

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): Treatment Plant Headworks, Primary Clarifiers, Solids Conditioning Building, Fence Line and Aeration Tanks

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$450,000	\$	\$	\$	\$450,000
Design	-	500,000	2,000,000	-	2,500,000
Construction	-	500,000	500,000	13,500,000	14,500,000
FY Total	\$450,000	\$1,000,000	\$2,500,000	\$13,500,000	\$17,450,000

Piping Renovation – Phase 11 – District Project 100073

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	TBD	TBD

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.
- Ash system (piping, conveyors, and bag houses).
- Replace equipment such as VFDs and other equipment identified as at or near the end of its useful life.
- Service air compressors and related infrastructure.

Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Phase	Project Budget				
	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	-	300,000	300,000	-	600,000
Construction	-	-	450,000	7,300,000	7,750,000
FY Total	\$200,000	\$300,000	\$750,000	\$7,300,000	\$8,550,000

Central Chilled Water Evaluation – District Project 100074

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	TBD	TBD

Purpose:

To replace, consolidate, and improve the efficiencies and reliability of large air conditioning equipment at the treatment plant campus.

Drivers:

The drivers for this project include aging infrastructure, reduced project delivery costs, energy efficiencies, improved HVAC reliability, and reduced carbon footprint. The office building controls, as well as several large air conditioning units, including the HOB chiller, at the treatment plant campus have reached the end of their useful lives. This project will replace those units in phases with more efficient versions, upgraded controls, and more environmentally friendly refrigerants, as well as rehabilitating the Heat Reservoir (HR) system piping and appurtenances. Energy efficiency investments will be made in accordance with the payback criteria in Central San’s Energy Policy.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project will complete an evaluation of new central plant cooling/existing HR system heating versus distributed cooling/HR system heating and develop an implementation plan ranging between a single project or phased approach. Design will then commence for the selected project.

Operating Department Impact and Funding Source:

Project expenditure will be funded from Capital Revenues. The recommended efficiency improvements will save Central San in utility costs.

Location(s): Treatment Plant campus, including Headquarters Office Building and Plant Operations Buildings

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$400,000	\$-	\$-	\$600,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$200,000	\$400,000	\$-	\$-	\$600,000

Nutrient Management – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	TBD	TBD

Purpose:

This project will develop a Nutrient Roadmap strategy to identify budget and schedule for future potential capital projects based on Central San’s total inorganic nitrogen (TIN) load limits and compliance schedule from the San Francisco Bay Nutrient Watershed Permit.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San has been provided with draft seasonal (May to October) TIN load limits. The Nutrient Roadmap will help develop a strategy, budget, and schedule for meeting permit requirements to update the Capital Improvement Plan. Ideally, the strategy will provide as much opportunity as possible to achieve compliance through existing facility optimization (i.e. intensification or split treatment) or multi-benefit recycled water projects (i.e. water exchange). However, expanding existing infrastructure with a proven treatment process such as modified Ludzack Ettinger (MLE) may be required to meet a compliance schedule.

Description:

Previous evaluations developed preliminary estimates TIN load reduction which could be achieved through existing facility optimization (intensification/splits treatment), various recycled water projects which would reduce TIN before advanced treatment and off set regional potable water demands as multi-benefit projects, and secondary process expansion in a proven process configuration. This project will summarize the results of on-going evaluations existing facility optimizations being completed by other projects (membrane aerated biofilm reactor intensification testing pilot technology, split treatment and scum/foam management are in progress), initiate new evaluations as needed, and develop a strategy summarized in a report. The project budget will be updated as the planning efforts continue and detailed estimates are developed.

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): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$0	\$300,000	\$750,000	\$300,000	\$1,350,000
Design	-	-	-	4,500,000	4,500,000
Construction	-	-	-	54,150,000	54,150,000
FY Total	\$0	\$300,000	\$750,000	\$58,950,000	\$60,000,000

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Capital Improvement Budget (CIB) – General Improvements Program

The General Improvements Program is primarily concerned with property, administrative buildings, and management information systems including information technologies, asset management, and new equipment and vehicle needs as described in more detail below:

- **Vehicle Replacement Program** – Specific vehicles are replaced each year as approved through the annual budget process. This year, the annual budgets have been increased 30-percent for electric vehicles under the new Fleet Electrical regulations proposed by the State.
- **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 implement the IT Strategic Plan that envisions specific improvements and extends several years into the future. An allowance to meet future technology needs has been included in the Ten-Year CIP along with a new IT Strategic Plan.
- **General Projects** – Projects include improvements to properties, legal expenses, and increased budget and improvements to security systems. Central San has invested significant resources in its assets; 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 staff and the public.

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 2024-25 General Improvements (GI) Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2024-25	Future FYs	Total by Project
8251	Capital Improvements Program & Budget Improvements	\$590,000	\$100,000	\$-	\$690,000
8252	EV Charging Infrastructure – Phase 1	1,290,000	1,000,000	3,000,000	5,290,000
8517	Vehicle Replacement Program	7,018,000	1,200,000	1,300,000	9,518,000
100003	Property Repairs and Improvements	1,300,000	-	-	1,300,000
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 Development System Replacement	800,000	360,000	-	1,160,000
100033	Security Improvements FY 2021-25	400,000	600,000	800,000	1,800,000
100035	Technology Strategic Plan	800,000	-	-	800,000
100056	NetZero Study	200,000	250,000	-	450,000
100063	IT Development FY 2023+	900,000	550,000	4,950,000	6,400,000
100064	Capital Legal Services FY 2023+	25,000	75,000	675,000	775,000
100067	POD Parking Lot Improvements	200,000	150,000	-	350,000
100071	Long Term Wet Weather Resiliency	200,000	250,000	1,000,000	1,450,000
TBD*	Equipment Acquisition FY 2024+	-	300,000	2,700,000	3,000,000
TBD*	Mt. View Sanitary District Feasibility Study	-	400,000	350,000	750,000
	GI Program Total:	\$14,823,000	\$5,235,000	\$14,775,000	\$34,833,000

*New project in FY 2024-25 and number To Be Determined (TBD)

Capital Improvement Program and Budget Improvements – District Project 8251

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	N/A	-

Purpose:

Provide for the capitalization of the staff time necessary for the data gathering and production of the CIB and CIP, and for ERP 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 modernized its program and continues to improve the project management software system to be more effective in delivering projects with the implementation of the CIP.

Description:

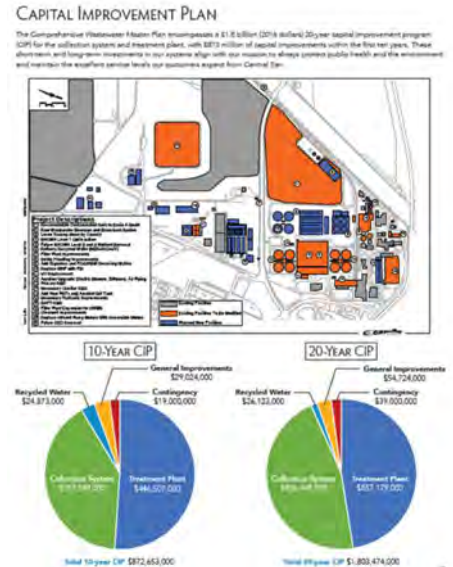
Upgrades of additional processes, such as master commitments upgrades, and other project management and reporting tools will be evaluated or included in this project. In addition, an annual budget will be included in this project to account for the yearly CIB and CIP. This project will also fund efforts 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 expenditure is funded from Capital Revenues.

Location(s): Central San-wide

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	-	-	-	-	-
Construction	490,000	100,000	-	-	590,000
FY Total	\$590,000	\$100,000	\$-	\$-	\$690,000

Electric Vehicles (EV) Charging Infrastructure, Phase 1 – District Project 8252

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	49	45

Purpose:

To install electric vehicle charging stations (EVCS) infrastructure at Central San's facilities.

Drivers:

In late 2020, the Governor's Executive Order N-79-20 stipulated ending sales of new internal combustion passenger vehicles and trucks by 2035. Additionally, the California Air Resource Board's (CARB) Advanced Clean Fleets Regulation aims to accelerate the adoption of medium- and heavy-duty vehicle purchases and transition to zero-emission vehicles (ZEVs) in California. To comply with this new regulation and support Central San's net zero initiative, Central San will need to install EVCS infrastructure to support future procurement of ZEVs.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project is the first of three phases to construct and/or extend the appropriate electrical infrastructure at Central San's Collection System Operations (CSO), Martinez campus, and Pumping Stations. The subsequent phases are planned for 2030 and 2035. This phase will install charging stations at the Laboratory, Annex Building, Warehouse, and the Collection System Operations. Moraga and San Ramon Pumping Stations may be included in this phase if funds are available.



Operating Department Impact and Funding Source:

This project will not have an impact on operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Martinez Campus, CSO, and Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$40,000	\$50,000	\$-	\$-	\$90,000
Design	250,000	200,000	-	-	450,000
Construction	1,000,000	750,000	1,500,000	1,500,000	4,750,000
FY Total	\$1,290,000	\$1,000,000	\$1,500,000	\$1,500,000	\$5,290,000

Vehicle Replacement Program – District Project 8517

Program:	Phase:	Priority Rank:	Ranking Score
General Improvements	Construction	11	76

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 2023-24:

- ½ Ton 4x2 Truck (2)
- ½ Ton 4x2 Truck (6)
- ¾ Ton 4x2 Truck (1)
- Vactor Hydro-Vac and Water Recycler Unit (1)
- Midsize 4x2 Truck (1)
- Electric Vehicle upgrades as available

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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	7,018,000	1,200,000	1,300,000	-	9,518,000
FY Total	\$7,018,000	\$1,200,000	\$1,300,000	\$-	\$9,518,000

Property Repairs and Improvements – District Project 100003

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	42	51

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 repairing, resealing, and stripping asphalt parking lots and roadways, replacing broken concrete walkways, and repairing or upgrading interior work areas. Construction of the Annex Storage Building is included in this project.

Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	50,000	-	-	-	50,000
Construction	1,250,000	-	-	-	1,250,000
FY Total	\$1,300,000	\$-	\$-	\$-	\$1,300,000

Headquarters Office Building Exterior Repairs – District Project 100004

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	42	51

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 1980s 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 expenditure is funded from Capital Revenues.

Location(s): Headquarters Office Building

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	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	62	29

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 costs effectively and ensure they 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 the 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 expenditure is funded from Capital Revenues.

Location(s): Central San wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	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	40	52

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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



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.

Operating Department Impact and Funding Source:

Central San’s Board Energy Policy requires PPAs to be cashflow positive within five years. Even with Central San cash-funding the PG&E interconnection and CEQA mitigation costs for the project, the project’s PPA is anticipated to comply with the financial criteria in the Board’s Energy Policy and provide nearly \$6 million in savings over its 25-year term.

Location(s): Lagiss Property (west of the Treatment Plant’s overflow basins)

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	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	22	63

Purpose:

To replace the community development system (e.g., permitting system).

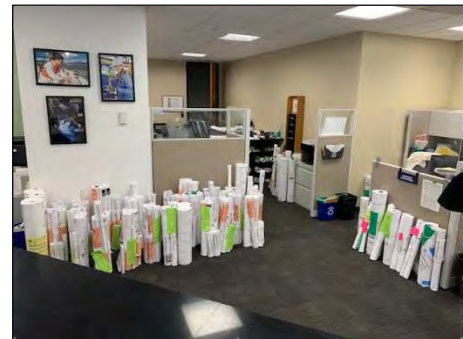
Drivers:

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 is determined and scheduled.



Central San's goal is to have a user-friendly system with a self-service public portal to submit applications and 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 expenditure is funded from Capital Revenues.

Location(s):

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	800,000	360,000	-	-	1,160,000
FY Total	\$800,000	\$360,000	\$-	\$-	\$1,160,000

Security Improvements (FY 2021-25) – District Project 100033

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	42	51

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 expenditure is funded from Capital Revenues.

Location(s): Martinez campus

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	-	-	-	100,000
Construction	300,000	600,000	600,000	200,000	1,700,000
FY Total	\$400,000	\$600,000	\$600,000	\$200,000	\$1,800,000

Technology Strategic Plan – District Project 100035

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	38	54

Purpose:

The activities performed during the Technology Strategic Plan project will include and invite participation from all Central San Departments and Divisions.

Drivers:

Update the 2015 Information Technology (IT) Strategic 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 Strategic 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 Strategic 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

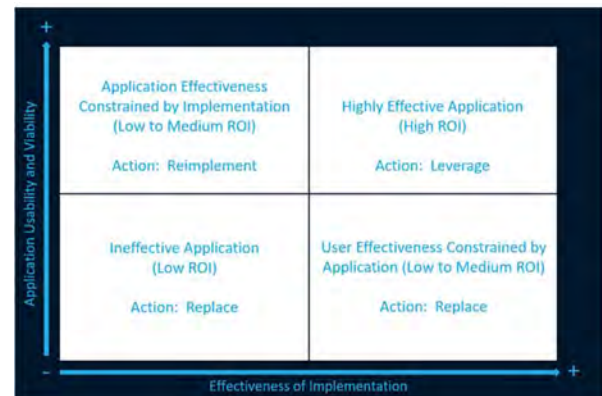
Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$800,000	\$-	\$-	\$-	\$800,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$800,000	\$-	\$-	\$-	\$800,000

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Net Zero Study – District Project 100056

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	66	28

Purpose:

To gather information on Central San’s current and future greenhouse gas footprint to support the Board in determining if a potential Net Zero commitment is appropriate.

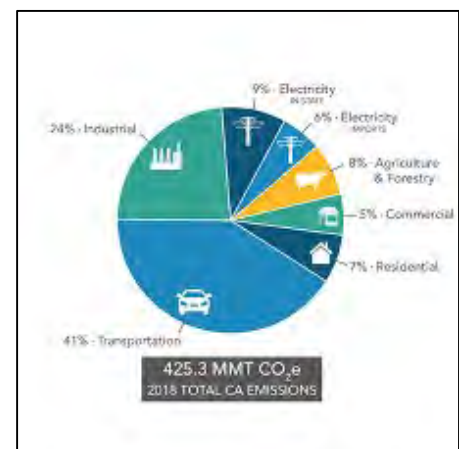
Drivers:

With the state’s commitment to reaching carbon neutrality by 2045, Central San’s Board has directed staff to perform an evaluation and bring back relevant information for the Board’s future consideration of a greenhouse gas (GHG) reduction commitment.

Description:

With the completion of an initial study to assess Central San’s baseline GHG emissions inventory across the organization, additional planning-level efforts will include further refining the baseline information, measuring certain treatment plant process emissions, and developing a menu of options for reducing Central San’s GHG footprint in the future (via capital investment and operational changes).

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

This project will not have an impact on any operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): All Central San Facilities

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$250,000	\$-	\$-	\$450,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$200,000	\$250,000	\$-	\$-	\$450,000

Information Technology Development FY 2023+ – District Project 100063

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	13	72

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.

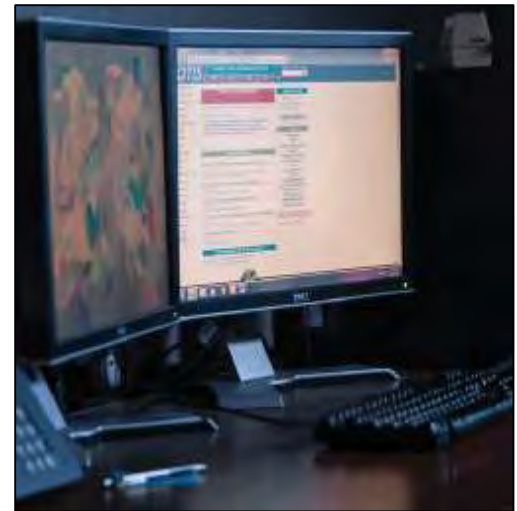
The IT Strategic Plan was last approved in 2015 and a new plan will be developed for implementation within the next Ten-Year CIP starting in FY 2024 under the IT Strategic Plan. This project is a placeholder based on previous experience and equipment needs that will be updated.

Description:

This project 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
- Informacast System – District notification system

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	900,000	550,000	550,000	4,400,000	6,400,000
FY Total	\$900,000	\$550,000	\$550,000	\$4,400,000	\$6,400,000

Capital Legal Services FY 2023+ – District Project 100064

Program	Phase	Priority Rank	Ranking Score
General Improvements	All	N/A	-

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 expenditure is funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	25,000	75,000	75,000	600,000	775,000
FY Total	\$25,000	\$75,000	\$75,000	\$600,000	\$775,000

POD Parking Lot Improvements – District Project 100067

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	42	51

Purpose:

To inspect, replace and improve the POD parking lot area's condition and security.

Drivers:

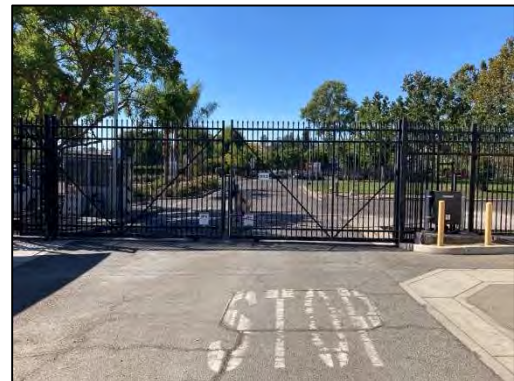
The drivers for this project include aging infrastructure of the entrance gate, paving that has reached the end of its useful life, and security and access improvements. Much of this infrastructure has been in use for 15 years or longer.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The POD Parking Lot scope of work will include:

- Replacement of the vehicle and pedestrian entrance gates.
- Improve security access with badges, cameras, new guard enclosure, and information technology improvements.
- Evaluation, modifications, and replacement of paving throughout the POD parking lot, laboratory parking lot, and gate entrance area.
- This project will be coordinated and funded with the Security Improvements identified in DP No. 100033.



Operating Department Impact and Funding Source:

This project will have an insignificant impact on the operating budgets. Project expenditure will be funded from Capital Revenues.

Location(s): Treatment – Plant Laboratory, POD Parking Lot, Pump & Blower Building

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$	\$	\$	\$
Design	50,000	-	-	-	50,000
Construction	150,000	150,000	-	-	300,000
FY Total	\$200,000	\$150,000	\$	\$	\$350,000

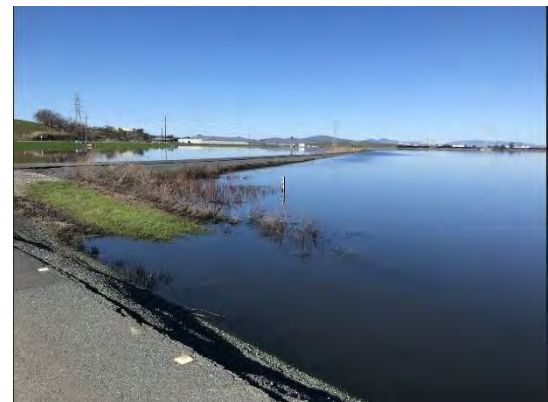
Long Term Wet Weather Resiliency – District Project 100071

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	68	26

Purpose: To provide a cohesive plan to address wet weather needs and goals in the collection system and treatment plant.

Drivers: As climate change progresses, storms are expected to be more intense, longer, and more frequent. It was seen from the multiple back-to-back storms in January 2023 that it is critical to revisit how Central San manages wet weather flows and volumes, its wastewater collection system capacity, treatment plant and storage basins' integrated capacity, and the outfall system. Wet weather management elements are included in multiple projects and effort is needed to coordinate status, timing, and priority. Proactive and coordinated decision-making is needed to develop a holistic long-term wet weather management strategy. This is an ongoing program that will span multiple fiscal years to assess and track wet weather needs.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Review and update capacity criteria of collection systems, treatment plant and storage basins, and the outfall system.
- Identify and review wet weather elements of short-term and long-term projects.
- Identify needs and opportunities to meet wet weather resiliency efforts/goals.
- Identify data opportunities such as flow metering, level measurement and monitoring, and other possible technology pilots.
- Regular review of needs, goals, and projects with stakeholder group that includes engineering, regulatory, operations and maintenance, and management to prioritize opportunities.
- Provide a central location where goals, needs, projects, and opportunities are identified, tracked, and carried forward.

Operating Department Impact and Funding Source: The impacts on operational budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Various locations in the collection system and the treatment plant.

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$200,000	\$250,000	\$250,000	\$750,000	\$1,450,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$200,000	\$250,000	\$250,000	\$750,000	\$1,450,000

Equipment Acquisition 2024+ – District Project TBD

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	18	69

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, 10 years, to procure new equipment such as:

- Electric carts for the Treatment Plant;
- Opacity Analyzer for the Instrument Shop;
- Lift gates for new Building and Grounds truck;
- Two portable light towers; and
- Other related instrument shop equipment.

**Operating Department Impact and Funding Source:**

This project will have an insignificant impact on the operating budgets. Project expenditure is funded from Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	-	300,000	300,000	2,400,000	3,000,000
FY Total	\$-	\$300,000	\$300,000	\$2,400,000	\$3,000,000

Mt. View Sanitary District Feasibility Study – District Project TBD

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	TBD	-

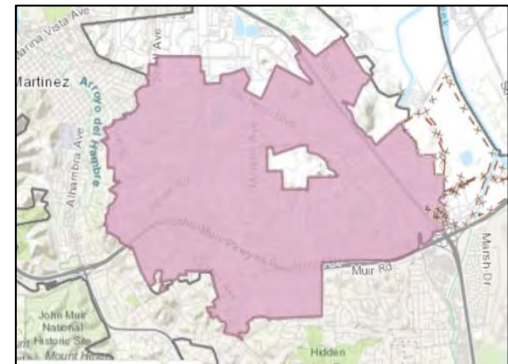
Purpose: To consider the feasibility of consolidation with Mt. View Sanitary District (MVSD).

Drivers: A pending report from the Contra Costa County Local Agency Formation Commission (LAFCO) is recommending that a study of this nature be conducted and completed by January 1, 2027. There are opportunities in a consolidated District in Martinez that will benefit the customers, both financially and for the environment in which they live.

Description: Central San’s Board entered a Memorandum of Understanding with MVSD to jointly consider the feasibility of consolidation. The initial effort on this project is to hire a consultant to conduct a feasibility study to investigate all benefits, costs, issues, challenges, and barriers related to a potential consolidation for both agencies’ interests. All work shall be performed assuming these guiding principles:

- MVSD Moorhen Marsh would remain intact and operational. A consolidation between the two Districts would not diminish the quality of the marsh.
- Central San would absorb MVSD employees into the consolidated District.
- Central San would ensure equitable terms of employment for MVSD employees to those of Central San employees.
- A consolidation must benefit each of the two customer bases.
- Central San and MVSD are undertaking a Consolidation Feasibility Study, where “consolidation” is defined pursuant to Government Code section 56030.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



If both agencies agree to the consolidation, then a transition plan for consolidation and preliminary engineering for any needed infrastructure improvements will commence.

Operating Department Impact and Funding Source:

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

Location(s): MVSD in Martinez

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2024-25	Future FYs	Total
Planning	\$-	\$400,000	\$250,000	\$100,000	\$750,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$-	\$400,000	\$250,000	\$100,000	\$750,000

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 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. 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 Pleasant Hill, 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 & Clearwell Improvements – Phase 1A Project and permit the facilities. 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. In addition, the Filter Plant & Clearwell Phase 1B will finish design for critical electrical replacement at the Filter Plant building and replacement of filters. 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 2024-25 Recycled Water Program Budget/Project Summary

Project Number	Project	Budget-to-Date	FY 2024-25	Future FYs	Total Project Cost
7361	Filter Plant & Clearwell Improvements – Phase 1A	\$40,389,000	\$-	\$-	\$40,389,000
7366	Recycled Water Distribution System Renovations Program	745,000	-	430,000	1,175,000
7368	Water Exchange Project	400,000	-	-	400,000
100002	Filter Plant & Clearwell Improvements – Phase 1B	1,950,000	250,000	12,750,000	14,950,000
100036	Zone 1 Recycled Water	203,000	-	941,000	1,144,000
	Recycled Water Program Total:	\$43,687,000	\$250,000	\$14,121,000	\$58,058,000

Filter Plant & Clearwell Improvements – Phase 1A – District Project 7361

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	8	80

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 on the operating budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$1,130,000	\$-	\$-	\$-	\$1,130,000
Design	2,870,000	-	-	-	2,870,000
Construction	36,389,000	-	-	-	36,389,000
FY Total	\$40,389,000	\$-	\$-	\$-	\$40,389,000

Recycled Water Distribution System Renovations Program – District Project 7366

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	66	28

Purpose:

To renovate existing recycled water distribution system facilities.

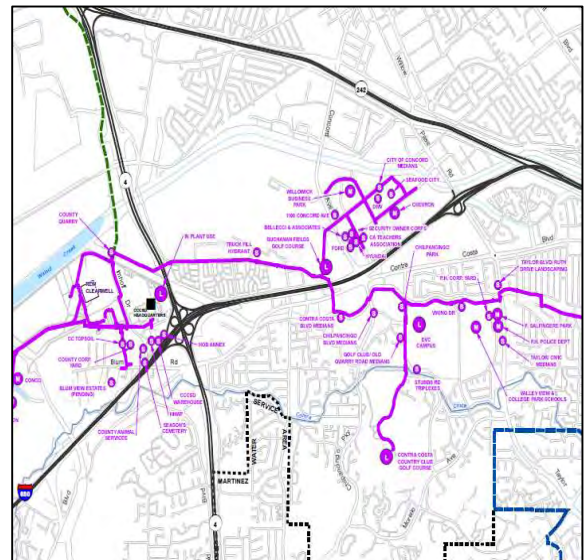
Drivers:

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 on operational budgets have not yet been determined. Project expenditure is 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	200,000	-	-	-	200,000
Construction	445,000	-	215,000	215,000	875,000
FY Total	\$745,000	\$-	\$215,000	\$215,000	\$1,175,000

Water Exchange Project – District Project 7368

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	59	37

Purpose:

To develop a multi-benefit project that will reduce Central San’s discharge of total inorganic nitrogen (TIN) and produce high-quality recycled water to augment the region’s water supply.

Drivers:

TIN discharge regulations will soon require Central San to invest in treatment plant upgrades. This project seeks to leverage Central San’s investment by working in collaboration with Contra Costa Water District (CCWD) and Santa Clara Valley Water District (Valley Water) to develop a large-scale recycled water project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The project would entail Central San producing recycled water and providing it to CCWD to serve to their existing Martinez refinery customers. In exchange for their investment in the project, Valley Water would receive the transferable portion of the raw water supply, currently being used by the refineries, via an exchange with CCWD. Planning and pre-design efforts will move forward on the project and may include a water quality sampling and analysis campaign within Central San’s treatment plant to establish more accurate design parameters.



Operating Department Impact and Funding Source:

The impacts on operational budgets have not yet been determined. Project expenditure is funded from Capital Revenues.

Location(s): Treatment Plant and City of Martinez

Project Budget					
Phase:	Budget-to-Date	FY 2024-25	FY 2025-26	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	21	65

Purpose:

To rehabilitate and replace filters and electrical 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 on a routine basis over the years. One of the four filter cells was replaced under the earlier phase, Filter Plant & Clearwell Improvements – Phase 1A, District Project 7361. The Phase 1A project is scheduled to complete construction this fiscal year. The recycled water facilities' electrical and instrumentation infrastructure is mostly original, showing signs of significant wear, and requires replacement to ensure operational reliability.

Preliminary work on this started under Filter Plant & Clearwell Improvements – Phase 1A, District Project 7361.

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. This scope may be split out into a separate project.
- Evaluate replacement of the remaining three filters (pending result of the tertiary membrane pilot study).

Operating Department Impact and Funding Source:

The impacts on the operating budgets have not yet been determined. Project expenditure is 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 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$
Design	1,950,000	-	-	-	1,950,000
Construction	-	250,000	2,000,000	10,750,000	13,000,000
FY Total	\$1,950,000	\$250,000	\$2,000,000	\$10,750,000	\$14,950,000

Zone 1 Recycled Water – District Project 100036

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	40	52

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 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.

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 expenditure is funded from Capital Revenues.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, and Martinez

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$	\$-	\$-	\$-	\$
Design	-	-	-	-	-
Construction	203,000	-	103,000	838,000	1,144,000
FY Total	\$203,000	\$-	\$103,000	\$838,000	\$1,144,000

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Ten-Year Capital Improvement Plan (FY 2024 – FY 2034)

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, 2024, and ending June 30, 2034. 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 principle 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 (FYs 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) 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 are \$1,003,082,000.

Changes to the Ten-Year Capital Improvement Plan

Last year, the total estimated costs for the Ten-Year CIP were approximately \$0.98 billion. The increase to the CIP is due to two main factors, including market rate adjustments and a higher estimate for Nutrient management at the wastewater treatment plant.

Central San's long-term solids handling has been re-evaluated and has significant impacts to the costs within the Treatment Plant Program. Staff continues to finalize the long-term plan and does not anticipate starting any major work on the Solids Handling Facility Improvements – Phase 2 until closer to the end of the Ten-Year Plan. The solids handling process continues to be under evaluation to define the Phase 2 timeline, however the costs for Phase 2 will be dependent on the final recommendation of the ongoing planning efforts and with the Solids Phase 1C project that starts in 2026.

The Nutrient Management project starts this Fiscal Year and is intended to fund research and pilot testing of new technology to reduce nutrients at the wastewater treatment plant. The project will also fund engineering planning and scientific studies of the ongoing efforts within the secondary process (aeration basin and clarifier improvements) to help manage nutrients and use this information to guide future upgrades or facilities based on potential regulations aimed to protect the bay. The budget for this project was developed using the existing plant facilities, however, if this is not feasible then the approach would be to expand the secondary treatment facilities to accommodate the reduction as stated below (New Nutrient Removal facilities) and is currently under funded in the Ten-Year Plan.

Ten-Year Capital Improvement Plan Budget Process

The Ten-Year CIP assumes that funds will be available to support the plan. For FY 2024-25, these funds come from sources 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 2027-28.

Two other debt offerings are currently assumed in the ten-year financial plan. These external financings may take the form of the issuance of revenue bonds, or the application of new SRF loans. There is also an expectation that Central San will apply for additional SRF loans, but the lower interest rates related to SRF loans are not assumed in the financial plan as no assurance is currently available that this competitive funding will be available. If the SRF loan applications are successful, Central San's financial plan will be revised accordingly.

The Ten-Year CIP is currently budgeted on a year-by-year basis when the CIB for the upcoming fiscal year is formally authorized and adopted by the Board. Changes in capital revenue forecasts or changes in recommended expenditure might 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.

The CWMP focused on the current needs of Central San, which are shown in the current Ten-Year CIP. However, the potential future projects that were identified based on evolving regulatory requirements or potential opportunities in growth are not included or budgeted in the Ten-Year Plan. The Ten-Year CIP will be updated annually as projects are clarified. The future projects not included in the CIP potentially amount to \$900.0 million, of which approximately \$470.0 million may be within the next twenty years. These unbudgeted projects include the following:

- New Nutrient Removal Facilities (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 was 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 2034	Collection System	This program will fund maintenance access cover modifications and replacement throughout the collection system.
Collection System Sewer Renovation – Phase 2	Present to 2027	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.
Collection System Sewer Renovation – Phase 3 (All pipelines)	2028 to 2038	Collection System	This program will fund rehabilitation and replacement of aging sewers (small through large) and force mains 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.

Ten-Year CIP – Collection System Program Projects

Pumping Stations

Project Title	Year(s)	Location	Description
Pumping Station Upgrades – Phase 2	Present through 2026	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 SCADA and Programmable Logic Controller (PLC) Upgrades	2027 to 2029	Miscellaneous Pumping Stations	Upgrade outdated PLC software language for all pumping stations. This project was moved from 2024 to start in 2027 to align with the SCADA work at the treatment plant.
Pumping Station Improvements	2023 to 2027	Buchanan North and South	Implement major pumping station upgrades to address structural, mechanical, electrical, instrumentation, and other improvements. Other pumping stations will be identified under the Collection System Infrastructure plan update scheduled to be completed by 2025.

Ten-Year CIP – Collection System Program Projects

Regulatory Compliance

Project Title	Year(s)	Location	Description
Collection System Planning	Present through 2034	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, include five-and ten-year updates to Master Plan.
Collection System Modeling Support	Present through 2034	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	Present through 2029	Collection System	Phased inspection program for large-diameter trunks and interceptors to update condition and prioritize rehabilitation and replacement needs. Pipelines identified for rehabilitation or replacement will be performed under the Collection System Sewer Renovation – Phase 3.
Force Main Inspection Program – Phase 1	Present through 2028	Collection System	Phased inspection program for force mains to update condition and prioritize rehabilitation and replacement needs. Pipelines identified for rehabilitation or replacement will be performed under the Collection System Sewer Renovation – Phase 3.

Ten-Year CIP – Collection System Program Projects

Contractual Assessment Districts and Development Sewerage

Project Title	Year(s)	Location	Description
Development Sewerage Support	Present through 2034	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 – Phase 1	Present to 2026	A/N Tanks	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.
Aeration Basins Diffuser Replacement and Seismic Upgrades – Phase 2	2026 to 2029	A/N Tanks	Rehabilitate and replace aeration diffusers, air piping, structural upgrades, and seismic improvements to reconfigure the 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. This will also include replacement of large underground aeration piping and valves.
Steam Renovations – Phase 1	Present through 2031	Treatment Plant	Replace, rehabilitate, and/or improve the steam system, and coordinate with the existing steam system and heat recovery in the Solids Conditioning Building.
UV Disinfection Replacement (Includes UV Hydraulic Improvement)	Present to 2030	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 up to 140 MGD during peak weather events. This project is being coordinated with Sub 90 and is scheduled to be constructed together.
Nutrient Management	2024 to 2034	Treatment Plant	This project will plan and provide funding requirements for the potential future addition of nutrient reduction facilities to meet regulatory limits when the limits are determined. Funding for piloting new technology and planning efforts are included.
Outfall Improvements – Phase 8	2027 to 2030	Treatment Plant	Inspect outfall pipe and make necessary repairs. This project will require complicated shutdowns and temporary bypass pumping and piping.
Primary Expansion	2031 to 2034+	Pre-Aeration, Primaries	Construct one 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	Present to 2034+	Wet Weather Holding Basins	Implement improvements for wet weather flow management and holding basin operation, such as drain back improvements, basin distribution, managing debris, safety and lighting improvements, instrumentation, and improved basin grading and overall use for major storms.

Ten-Year CIP – Treatment Plant Program Projects

Solids Handling Process

Project Title	Year(s)	Location	Description
Solids Handling Facility Improvements – Phase 1A	Present to 2028	Solids Conditioning Facilities	Rehabilitate and replace the sludge dewatering, sludge handling, furnace air pollution control equipment, and structural seismic upgrades for the Solids Conditioning Building (Phase 1B).
Solids Handling Facility Improvements – Phase 1C	2026 to 2034+	Solids Conditioning Facilities	Replace or rehabilitate the sludge storage facilities, sludge blending, chemical systems, ash handling and storage, and associated electrical and control systems needing replacement.
Solids Handling Facility Improvements – Phase 2	2033+	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 on how to best transition from current solids handling and disposal methods.
Dissolved Air Flotation Thickeners (DAFT) Tanks Improvements	2030 to 2034+	Solids Conditioning Facilities	Rehabilitate and renovate the DAFT Tanks used for waste activated sludge thickening.

Ten-Year CIP – Treatment Plant Program Projects

General Treatment Plant and Safety Improvements

Project Title	Year(s)	Location	Description
Treatment Plant Planning	Present to 2034	Treatment Plant	Continue 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 to 2034	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 2034	Surcharge Pile, Basin A South	Excavate and relocate surcharge pile soils to Basin A South and replace soil cap.
Warehouse Seismic Upgrades	Present to 2026	Warehouse	Implement upgrades to the Warehouse building to meet current seismic design standards and improve overall seismic safety.
Treatment Plant Safety Enhancements – Phases 5 through 8	Present to 2034	Treatment Plant	Continue to implement safety-related enhancements around the treatment plant to proactively address safety concerns.
Aging Infrastructure Replacement Program	Present to 2034	Treatment Plant	This program will fund infrastructure projects around the treatment plant. Aging infrastructure needs will continue to be packaged together and implemented as spinoff capital projects (e.g., piping replacement projects, equipment replacement, and electrical rehabilitation). The program is performed in five-year cycles.
Treatment Plant Dynac Replacement	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 to 2034	Central San-wide	Acquisition of new equipment for operation and maintenance of Central San assets.
Vehicle Replacement Program	Present to 2034	Central San-wide	Continued replacement and acquisition of new Central San vehicles. Additional funding for EV in the fleet has been included to future replacement budgets.

Ten-Year CIP – General Improvements Program Projects

Buildings and District Property

Project Title	Year(s)	Location	Description
Future Property Repairs and Improvements	2025 to 2034	Central San-wide	Improvements to Central San’s buildings, buffer properties, rental properties, and the surrounding parking lots and grounds.
Security Study and Improvements	Present to 2034	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 2034	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 2034	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 to 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 2024	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 2029	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including the remaining filters (pending the outcome of the tertiary membrane pilot study), and electrical systems in need of replacement.
Filter Plant & Clearwell Improvements – Phase 1C	2030 to 2034+	Treatment Plant	Complete the rehabilitation and replacement of the forebays, applied water pumps, new chlorine contact basin, and related electrical, instrumentations and control system upgrades. Project has been rescheduled due to the progress of the Phase- 1A project. New chlorine contact basins are recommended a minimum of ten years after the completion of the Phase-1A.

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 \$1,003,082,000 (in 2024 dollars) over the period from FY 2024-25 through FY 2033-34. 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	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Project #	Project Name	10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
8443	Large Diameter Pipeline Inspection Program - Phase 1	4,400,000	400,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-
8444	Force Main Inspection Program - Phase 1	1,250,000	-	500,000	500,000	250,000	-	-	-	-	-	-
8447	Pump Station Security Improvements	100,000	100,000	-	-	-	-	-	-	-	-	-
8450	Development Sewerage Support	2,781,000	927,000	927,000	927,000	-	-	-	-	-	-	-
8457	Pump Station Upgrades - Phase 2A	13,350,000	4,500,000	5,850,000	3,000,000	-	-	-	-	-	-	-
100006	Central San Sewer Financing Programs	700,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	-	-	-
100007	39-Inch Main Trunk No. 1 Renovation	3,500,000	1,500,000	1,500,000	500,000	0	-	-	-	-	-	-
100037	Orinda-Moraga PS Arch. Improvements	1,100,000	-	800,000	300,000	-	-	-	-	-	-	-
100039	Collection System Sewer Renovation - Phase 2	51,400,000	10,400,000	18,000,000	23,000,000	-	-	-	-	-	-	-
100041	Buchanan Lift Stations Abandonment & Sewer	5,350,000	2,000,000	2,169,000	1,181,000	-	-	-	-	-	-	-
100042	Pump Station Upgrades - Phase 2B	4,831,000	2,500,000	2,331,000	-	-	-	-	-	-	-	-
100044	Collection System Modeling Support	1,140,000	-	125,000	125,000	125,000	125,000	125,000	125,000	130,000	130,000	130,000
100059	Collection System Planning	1,800,000	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
100060	Pump Station Equipment & Piping Replacement 2023+	1,800,000	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
100061	Maintenance Access Cover Modifications	3,000,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
100070	Cedar Lane Sewer Modifications	600,000	600,000	-	-	-	-	-	-	-	-	-
CS-TBD12	Collection System Renovation Program - All Pipelines	196,000,000	-	-	-	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
CS-TBD13	Development Sewerage Support 2027+	6,650,000	-	-	-	950,000	950,000	950,000	950,000	950,000	950,000	950,000
100062	Pumping Station SCADA & PLC Upgrades	2,300,000	-	-	-	500,000	1,800,000	-	-	-	-	-
CS-TBD10	Collection System Master Plan (Update)	1,000,000	-	-	-	-	-	0	-	-	500,000	500,000
CS-TBD14	Contractual Assesment District Project	750,000	-	-	-	-	-	-	-	250,000	250,000	250,000
Collection System Total:		\$ 303,802,000	\$ 23,327,000	\$ 34,002,000	\$ 31,333,000	\$ 31,625,000	\$ 32,675,000	\$ 29,875,000	\$ 29,875,000	\$ 30,030,000	\$ 30,530,000	\$ 30,530,000

Table 2 - Ten-Year Program: Treatment Plant		Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Project #	Project Name	10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
7341	Walnut Creek/Grayson Creek Levee Rehab	4,500,000	-	1,500,000	1,500,000	1,500,000	-	-	-	-	-	-
7348	Solids Handling Facility Improvements - Phase 1A	158,445,000	39,000,000	41,000,000	39,000,000	33,000,000	6,445,000	-	-	-	-	-
7370	Annual Infrastructure Replacement FY 2019-25+	200,000	200,000	-	-	-	-	-	-	-	-	-
100001	UPCCAA Urgent Projects FY 2020-25+	200,000	200,000	-	-	-	-	-	-	-	-	-
100011	Plant Electrical Replacement and Rehabilitaton	500,000	-	250,000	250,000	-	-	-	-	-	-	-
100012	UV Disinfection Replacement	64,500,000	500,000	1,000,000	-	4,500,000	17,000,000	20,000,000	17,500,000	4,000,000	-	-
100014	MRC Building and Maintenance Shops Improvements	2,300,000	800,000	1,000,000	500,000	-	-	-	-	-	-	-
100019	Aeration Basin Diffusers Replacement - Phase 1	7,399,000	1,500,000	3,000,000	2,899,000	-	-	-	-	-	-	-
100022	Wet Weather Basin Improvements	9,000,000	200,000	3,000,000	3,000,000	2,800,000	-	-	-	-	-	-
100032	Steam Renovations - Phase 1	5,500,000	-	3,000,000	2,500,000	-	-	-	-	-	-	-
100034	TP Safety Enhancements Program	1,950,000	-	300,000	300,000	300,000	300,000	150,000	150,000	150,000	150,000	150,000
100040	Electrical Infrastructure Sub 90	30,500,000	500,000	1,500,000	1,000,000	1,000,000	5,500,000	8,000,000	8,000,000	5,000,000	-	-
100046	Controls System Upgrades	700,000	100,000	200,000	200,000	200,000	-	-	-	-	-	-
100047	Secondary Clarifier and Channel Improvements	16,000,000	500,000	1,500,000	5,000,000	5,000,000	2,000,000	2,000,000	-	-	-	-
100048	Warehouse Seismic Upgrades	2,000,000	500,000	750,000	750,000	-	-	-	-	-	-	-
100055	Process Optimization and Efficiency	2,700,000	500,000	800,000	800,000	300,000	300,000	-	-	-	-	-
100057	Plant Control System I/O Replacement - Phase 3	2,200,000	400,000	900,000	900,000	-	-	-	-	-	-	-
100058	Treatment Plant Planning	2,250,000	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
100069	TP Odor Control Facilities Improvements (w/ SCB Repairs)	17,000,000	1,000,000	2,500,000	-	3,000,000	3,500,000	3,500,000	3,500,000	-	-	-
TP-TBD07	Nutrient Management	60,000,000	300,000	500,000	1,200,000	4,000,000	4,000,000	7,000,000	7,000,000	12,000,000	12,000,000	12,000,000
100074	Central Chilled Water Evaluation	400,000	400,000	-	-	-	-	-	-	-	-	-
100073	Piping Renovation - Phase 11	8,350,000	300,000	750,000	1,300,000	2,000,000	2,000,000	2,000,000	-	-	-	-
TP-TBD05	Applied Research & Innovations 2024+	3,600,000	-	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TBD	Aeration Basin Diffusers and Seismic Improvements - Phase2	28,500,000	-	750,000	3,400,000	8,000,000	10,000,000	6,350,000	-	-	-	-
TP-TBD30	Treatment Plant Dynac Replacement	8,500,000	-	500,000	1,000,000	400,000	3,300,000	3,300,000	-	-	-	-
TP-TBD11	UPCCAA Urgent Projects FY 2025+	4,300,000	-	400,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Treatment Plant Sub Total:		441,494,000	46,900,000	65,750,000	66,549,000	67,150,000	55,495,000	53,450,000	37,300,000	22,300,000	13,300,000	13,300,000

Table 2 - Ten-Year Program: Treatment Plant (Continued)		Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Project #	Project Name	10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
TP-TBD14	Plant Electrical Replacement and Rehabilitation 2025+	2,000,000	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TP-TBD33	Plant Control System I/O Replacement Phase 4	2,500,000	-	-	400,000	1,050,000	1,050,000	-	-	-	-	-
TP-TBD31	Solids Handling Facility Improvements - Phase 1C	62,000,000	-	-	400,000	1,600,000	4,000,000	-	10,000,000	18,000,000	18,000,000	10,000,000
TP-TBD15	Outfall Improvements - Phase 8	7,500,000	-	-	-	500,000	1,000,000	3,500,000	2,500,000	-	-	-
TP-TBD20	Controls System Upgrades - Phase 3	1,400,000	-	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000
TP-TBD19	Electrical Infrastructure- Substations	30,000,000	-	-	-	-	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
TP-TBD18	Steam Renovations - Phase 2	24,000,000	-	-	-	-	500,000	2,500,000	-	8,000,000	8,000,000	5,000,000
TP-TBD23	Wet Weather Flow Management	15,500,000	-	-	-	-	-	500,000	2,000,000	-	6,500,000	6,500,000
TP-TBD22	Surcharge Soil Pile Relocation	19,000,000	-	-	-	-	-	500,000	2,500,000	6,000,000	7,000,000	3,000,000
TP-TBD24	Daft Tank Improvements	6,350,000	-	-	-	-	-	-	350,000	1,000,000	-	5,000,000
TP-TBD16	Standby Generator Expansion	6,500,000	-	-	-	-	-	-	300,000	2,200,000	-	4,000,000
TP-TBD11	Annual Infrastructure Replacement FY 2030+	4,000,000	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
TP-TBD25	Primary Expansion (Tank 5)	5,000,000	-	-	-	-	-	-	-	500,000	1,500,000	3,000,000
TP-TBD10	Cogen Replacement	5,000,000	-	-	-	-	-	-	-	500,000	1,500,000	3,000,000
TP-TBD17	WWTP Master Plan (Update)	1,000,000	-	-	-	-	-	-	-	-	500,000	500,000
TP-TBD32	Solids Handling Facility Improvements - Phase 2	500,000	-	-	-	-	-	-	-	-	-	500,000
Treatment Plant Total:		\$ 633,744,000	\$ 46,900,000	\$ 65,750,000	\$ 67,599,000	\$ 70,750,000	\$ 67,495,000	\$ 65,900,000	\$ 61,400,000	\$ 64,950,000	\$ 62,750,000	\$ 60,250,000

Table 3 - Ten-Year Program: General Improvements		Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Project #	Project Name	10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
8251	Capital Improvement Program & Budget Improvements	100,000	100,000	-	-	-	-	-	-	-	-	-
8252	EV Charging Infrastructure - Phase 1	4,000,000	1,000,000	1,500,000	1,500,000	-	-	-	-	-	-	-
8517	Vehicle Replacement Program	2,500,000	1,200,000	1,300,000	-	-	-	-	-	-	-	-
100031	Community Dev. System Replacement	360,000	360,000	-	-	-	-	-	-	-	-	-
100033	Security Improvements	1,400,000	600,000	600,000	200,000	-	-	-	-	-	-	-
100056	NetZero Study	250,000	250,000	-	-	-	-	-	-	-	-	-
100063	IT Development FY 2023+	5,500,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
100064	Capital Legal Services 2023+	750,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
100067	POD Parking Lot Improvements	150,000	150,000	-	-	-	-	-	-	-	-	-
GI-TBD03	Equipment Acquisition FY 2024+	3,000,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
NEW	Long Term Wet Weather Resiliency	1,250,000	250,000	250,000	250,000	250,000	250,000	-	-	-	-	-
NEW	Mt. View Sanitary District Feasibility Study	750,000	400,000	250,000	100,000	-	-	-	-	-	-	-
GI-TBD04	Security Improvements Study (10-Year)	900,000	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
GI-TBD05	Property Repairs and Improvements FY 2025+	1,350,000	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
GI-TBD06	Vehicle Replacement Program FY 2026+	10,400,000	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
General Improvements Total:		\$ 32,660,000	\$ 5,235,000	\$ 5,075,000	\$ 4,525,000	\$ 2,725,000	\$ 2,725,000	\$ 2,475,000	\$ 2,475,000	\$ 2,475,000	\$ 2,475,000	\$ 2,475,000

Table 4 - Ten-Year Program: Recycled Water		Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Project #	Project Name	10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
7366	Recycled Water Distribution Systems Renovations Program	430,000	-	215,000	215,000	-	-	-	-	-	-	-
100002	Filter Plant and Clearwell Improvements - Phase 1B	13,000,000	250,000	2,000,000	3,000,000	3,000,000	2,750,000	2,000,000	-	-	-	-
100036	Zone 1 Recycled Water 2021+	941,000	-	103,000	103,000	103,000	103,000	103,000	103,000	103,000	110,000	110,000
TBD	Filter Plant and Clearwell Improvements - Phase 1C	17,000,000	-	-	-	-	-	600,000	2,400,000	1,000,000	6,500,000	6,500,000
TBD	Recycled Water Distribution Systems Renovations Program	1,505,000	-	-	-	215,000	215,000	215,000	215,000	215,000	215,000	215,000
Recycled Water Total:		\$ 32,876,000	\$ 250,000	\$ 2,318,000	\$ 3,318,000	\$ 3,318,000	\$ 3,068,000	\$ 2,918,000	\$ 2,718,000	\$ 1,318,000	\$ 6,825,000	\$ 6,825,000

Table 5 - Ten-Year Program: Totals by Program		Fiscal Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Programs		10 Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Collection System		303,802,000	23,327,000	34,002,000	31,333,000	31,625,000	32,675,000	29,875,000	29,875,000	30,030,000	30,530,000	30,530,000
Treatment Plant		633,744,000	46,900,000	65,750,000	67,599,000	70,750,000	67,495,000	65,900,000	61,400,000	64,950,000	62,750,000	60,250,000
General Improvements		32,660,000	5,235,000	5,075,000	4,525,000	2,725,000	2,725,000	2,475,000	2,475,000	2,475,000	2,475,000	2,475,000
Recycled Water		32,876,000	250,000	2,318,000	3,318,000	3,318,000	3,068,000	2,918,000	2,718,000	1,318,000	6,825,000	6,825,000
Subtotal		1,003,082,000	75,712,000	107,145,000	106,775,000	108,418,000	105,963,000	101,168,000	96,468,000	98,773,000	102,580,000	100,080,000

Debt Program

Central San used debt minimally for the long-period of time when the capital program was stable, primarily utilizing a pay-as-you-go strategy for capital expenditures. Debt issuances were conducted through the Central Contra Costa Sanitary District Facilities Financing Authority. In 2009, Certificates of Participation (COPs) 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 \$50.6 million of par value in COPs 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 \$173.1 million for Phase 1 of the Solids Handling Facility Improvements Project. In FY 2022-23, funds began to be drawn under this facility for updated Phase 1a Solids Handling Facility Improvements Project. During FY 2022-23, \$15.6 was reimbursed from SRF and it is projected that an additional \$23.0 million will be reimbursable to Central San by the close of FY 2023-24. Repayment will not commence until the completion of the project. Accordingly, debt service related to the SRF loan is not yet included in the Debt Service Fund's budget but is shown commencing in FY 2028-29 in Figure 1 in this section.

Central San's debt service is presently funded by property taxes and investment income. Debt service-related costs are projected to be \$8.8 million in FY 2024-25, a decrease of \$0.3 million from the prior year's budget of \$9.2 million. Table 1 summarizes the debt service sub-fund budget.

Table 1 – Debt Service Sub-Fund Budget Summary

Debt Service Sub-Fund	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget
Debt Service Revenue:				
Property Taxes (Portion Allocated to Debt Service)	\$11,905,088	\$9,160,142	\$9,160,142	\$8,815,875
Investment Income	-	-	-	-
Total Revenue	11,905,088	9,160,142	9,160,142	8,815,875
Debt Service Expense:				
2018 Bond Interest Payments	624,797	539,267	539,267	458,875
2021 Certificates of Participation Interest Payments	1,874,625	1,524,875	1,524,875	1,256,000
Year-end accruals and amortization	(1,350,134)	-	-	-
Trustee / Issuance Costs	5,800	6,000	6,000	6,000
Total Interest and Other Costs	1,155,088	2,070,142	2,070,142	1,720,875
2018 Bond Principal Payment	1,885,000	1,965,000	1,965,000	1,465,000
2021 Certificates of Participation Principal Payment	8,865,000	5,125,000	5,125,000	5,630,000
Total Principal Payments	10,750,000	7,090,000	7,090,000	7,095,000
Total Debt Service Expenditures	\$11,905,088	\$9,160,142	\$9,160,142	\$8,815,875

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) \$50.6 million of par value COPs, 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. This bond provided additional funding so that existing funds on hand that previously had been planned to fund the capital program along with \$12.8 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 (actual savings will be dependent upon pension returns through the end of the decade). 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. The 2021 COPs 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 first 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 \$173.1 million to reflect higher than anticipated project costs, and the revised loan application was accepted by the SWRCB. The SRF 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, Phase 1a of the Solids Handling Project was adopted, with funding to be provided for the \$173.1 million loan facility. Phase 1a, which includes a reduced a modified scope of work on the existing solids handling process was posted for bids during FY 2022-23 with a construction contractor selected early in FY 2023-24, and work commencing in 2024. Repayment on the SRF loan will take place in the year following project completion, so Figure 1 shows debt service commencing in FY 2028-29. Funding for the remaining Solids Handling Project work outside of that scope, entitled Phase 2, will be scoped in the coming years, and funded from other sources, including future potential SRF loans or revenue bond issuances. Refer to Table 15 – Ten Year Financial Plan Summary for the forecasted debt covered by Central San’s financial plan, additional SRF borrowing applications for the UV process and the Solids Handling Phase II are anticipated.

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.

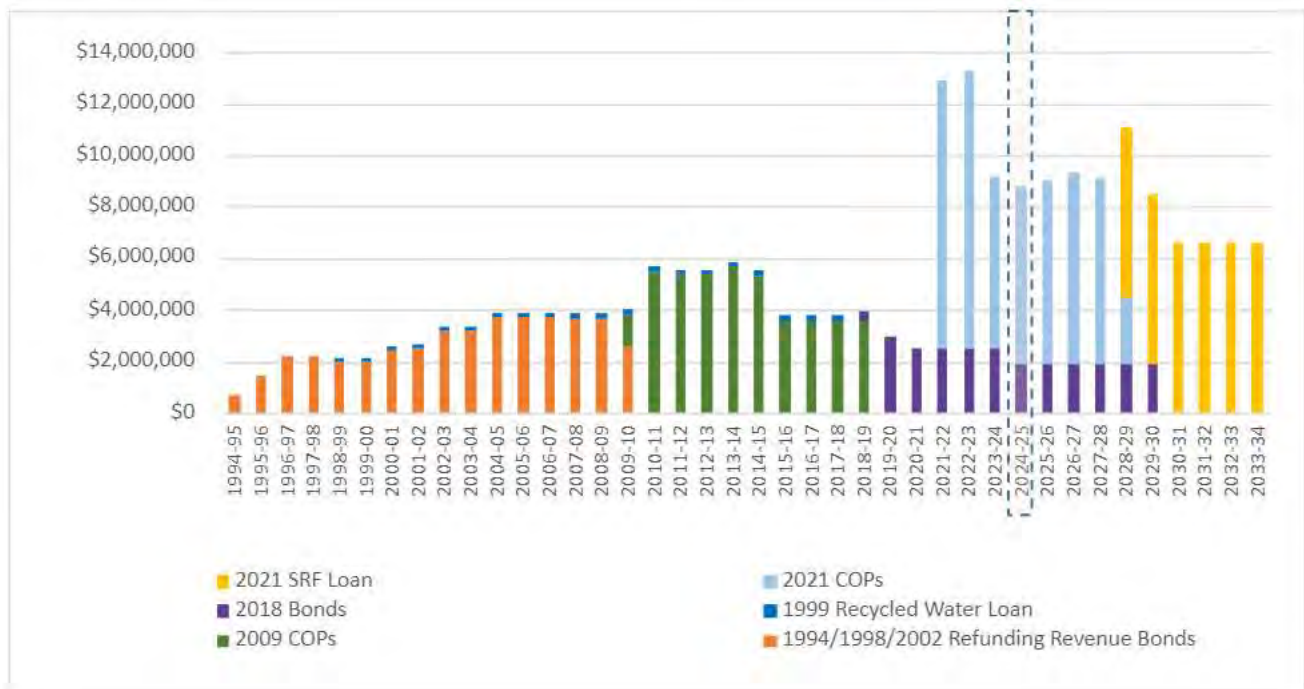


Table 2 – Debt Summary (Currently Outstanding Debt)

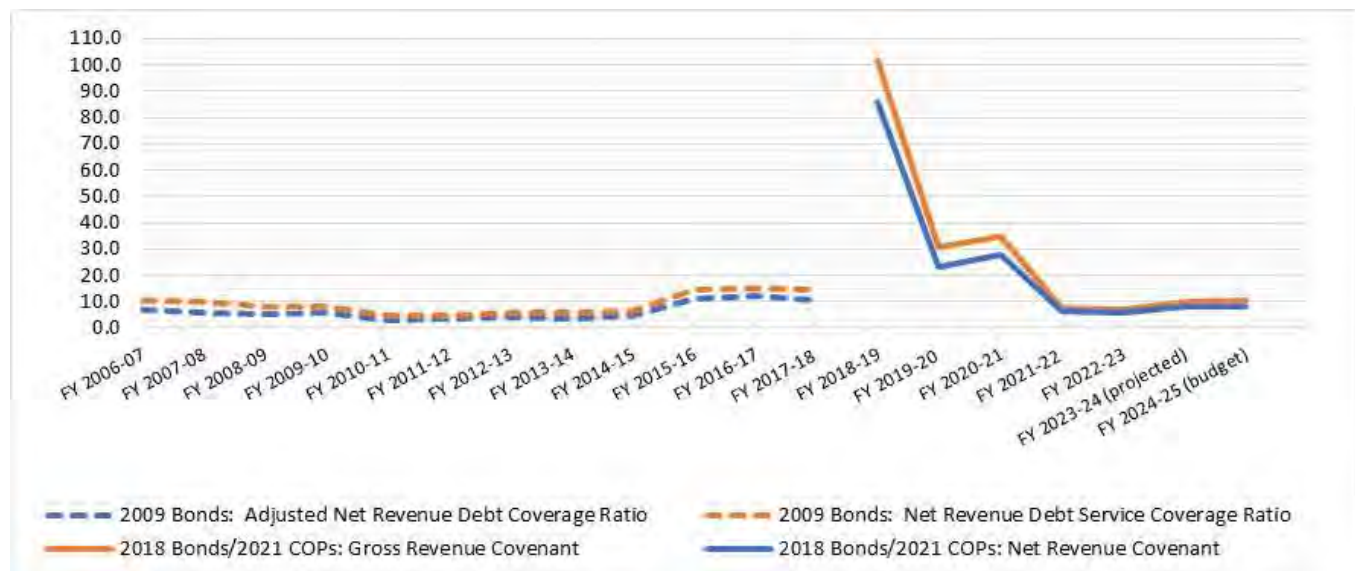
Debt service related to the currently outstanding 2018 Series A and Series B bonds and 2021 COPs is shown below.

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
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 8.2 and 8.4 for FY 2023-24 and FY 2024-25 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 commenced in FY 2022-23 through the finalized loan from the California SWRCB for Phase 1a 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 biennially) 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 that 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 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Salaries	\$46,463,223	\$42,186,858	\$48,947,932	\$45,364,146	\$52,094,898	\$3,146,967
Salary Vacancy	(1,482,000)	21,947	(1,571,000)	13,253	(1,647,000)	(76,000)
Overtime	1,618,676	1,738,388	1,701,009	1,649,659	1,879,377	178,368
Standby	447,000	417,712	426,000	394,000	440,000	14,000
Compensated Absences Payout	1,100,000	262,570	1,300,000	1,100,000	1,000,000	(300,000)
Total Salaries	48,146,899	44,627,474	50,803,940	48,521,058	53,767,275	2,963,335
Current Employee Benefits	20,210,822	19,340,801	21,874,162	20,759,407	24,255,527	2,381,365
Benefit Vacancy	(663,000)	-	(539,000)	-	(595,000)	(56,000)
Total Benefits	19,547,822	19,340,801	21,335,162	20,759,407	23,660,527	2,325,365
Total Salaries and Benefits (Active Employees)	67,694,721	63,968,275	72,139,103	69,280,464	77,427,802	5,288,700
Capitalized Administrative O/H	-	-	-	-	-	-
Total Salaries & Benefits after Capitalized Admin O/H	67,694,721	63,968,275	72,139,103	69,280,464	77,427,802	5,288,700
Pension UAAL	66,220	64,505	67,207	63,461	422,261	355,054
OPEB UAAL	1,320,000	1,320,000	141,000	141,000	225,000	84,000
Additional Trust Contributions	-	1,000,000	1,000,000	1,000,000	-	(1,000,000)
Total UAAL	1,386,220	2,384,505	1,208,207	1,204,461	647,261	(560,946)
Total Salaries, Benefits & UAAL	\$69,080,941	\$66,352,781	\$73,347,310	\$70,484,925	\$78,075,063	\$4,727,753

**Table 2 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Operations & Maintenance Sub-Fund**

O&M Sub-Fund						
	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Salaries	\$40,933,130	\$38,141,192	\$43,166,900	\$40,949,846	\$45,694,410	\$2,527,510
Salary Vacancy	(1,317,000)	21,947	(1,395,000)	13,253	(1,457,000)	(62,000)
Overtime	1,585,718	1,591,354	1,646,669	1,583,187	1,809,217	162,548
Standby	447,000	417,712	426,000	394,000	440,000	14,000
Compensated Absences Payout	1,100,000	262,570	1,300,000	1,100,000	1,000,000	(300,000)
Total Salaries	42,748,849	40,434,775	45,144,569	44,040,286	47,486,627	2,342,058
Current Employee Benefits	18,593,895	18,037,719	19,916,572	19,197,959	21,857,767	1,941,196
Benefit Vacancy	(663,000)	-	(539,000)	-	(595,000)	(56,000)
Total Benefits	17,930,895	18,037,719	19,377,572	19,197,959	21,262,767	1,885,196
Total Salaries and Benefits (Active Employees)	60,679,744	58,472,494	64,522,141	63,238,245	68,749,394	4,227,253
Capitalized Administrative O/H	(5,618,681)	(4,848,519)	(5,722,749)	(4,852,537)	(6,341,235)	(618,487)
Total Salaries & Benefits after Capitalized Admin O/H	55,061,063	53,623,974	58,799,392	58,385,708	62,408,159	3,608,767
Pension UAAL	59,784	58,946	59,503	57,396	372,404	312,901
OPEB UAAL	1,320,000	1,320,000	141,000	141,000	225,000	84,000
Additional Trust Contributions	-	1,000,000	1,000,000	1,000,000	-	(1,000,000)
Total UAAL	1,379,784	2,378,946	1,200,503	1,198,396	597,404	(603,099)
Total Salaries, Benefits & UAAL	\$56,440,847	\$56,002,920	\$59,999,895	\$59,584,103	\$63,005,563	\$3,005,668

**Table 3 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Sewer Construction Sub-Fund**

Sewer Construction Sub-Fund						
	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Salaries	\$5,530,093	\$4,045,666	\$5,781,032	\$4,414,301	\$6,400,489	\$619,457
Salary Vacancy	(165,000)	-	(176,000)	-	(190,000)	(14,000)
Overtime	32,958	147,033	54,340	66,471	70,159	15,820
Total Salaries	5,398,050	4,192,699	5,659,371	4,480,772	6,280,648	621,277
Current Employee Benefits	1,616,927	1,303,083	1,957,591	1,561,447	2,397,760	440,169
Total Benefits	1,616,927	1,303,083	1,957,591	1,561,447	2,397,760	440,169
Total Salaries and Benefits (Active Employees)	7,014,977	5,495,782	7,616,962	6,042,219	8,678,408	1,061,446
Capitalized Administrative O/H	5,618,681	4,848,519	5,722,749	4,852,537	6,341,235	618,487
Total Salaries & Benefits after Capitalized Admin O/H	12,633,658	10,344,301	13,339,711	10,894,756	15,019,643	1,679,933
Pension UAAL	6,436	5,560	7,704	6,065	49,857	42,153
Total UAAL	6,436	5,560	7,704	6,065	49,857	42,153
Total Salaries, Benefits & UAAL	\$12,640,094	\$10,349,861	\$13,347,415	\$10,900,821	\$15,069,500	\$1,722,086

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 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$7,239,177	\$6,829,244	\$7,968,329	\$7,402,744	\$9,083,313	\$1,114,984
Dental	572,177	522,470	572,293	519,573	576,569	4,276
Long-Term Disability	92,951	95,864	99,666	74,670	112,596	12,929
Life / AD&D	89,328	60,013	90,808	88,139	91,201	393
Workers' Compensation	849,332	552,266	966,597	828,376	1,021,049	54,451
Vision	53,221	48,621	53,594	49,082	54,343	749
Total Insurance Premiums	8,896,186	8,108,478	9,751,288	8,962,584	10,939,071	1,187,783
Employer Taxes:						
State Unemployment Insurance	129,273	51,063	132,732	85,313	146,723	13,991
Federal Medicare	584,803	645,890	610,013	637,518	647,192	37,179
Total Employer Taxes	714,076	696,953	742,744	722,831	793,915	51,170
Employer Retirement Contributions:						
Pension (Normal Cost)	6,219,267	5,747,641	6,933,828	6,312,476	7,500,850	567,021
Deferred Compensation (401a)	2,370,293	2,776,729	2,626,302	2,697,973	2,778,420	152,118
Health Reimbursement Arrangement (HRA)	-	-	-	183,542	428,273	428,273
Total Employer Retirement Contributions	8,589,560	8,524,370	9,560,130	9,193,992	10,707,542	1,147,412
OPEB ADC (Normal Cost):						
Medical & Vision	1,845,000	1,845,000	1,724,000	1,724,000	1,728,000	4,000
Dental	153,000	153,000	142,000	142,000	142,000	-
Life	13,000	13,000	14,000	14,000	15,000	1,000
Total OPEB ADC (Normal Cost)	2,011,000	2,011,000	1,880,000	1,880,000	1,885,000	5,000
Benefit Adjustments:						
Capitalized Admin Overhead	-	-	-	-	-	-
Benefit Vacancy	(663,000)	-	(599,000)	-	(665,000)	(66,000)
Other	-	-	-	-	-	-
Total Benefit Adjustments:	(663,000)	-	(599,000)	-	(665,000)	(66,000)
Central San as a Whole	\$19,547,822	\$19,340,801	\$21,335,162	\$20,759,407	\$23,660,527	\$2,325,365

Table 5 – Benefit Cost Detail, O&M Sub-Fund

O&M Sub-Fund						
Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$6,636,610	\$6,344,334	\$7,228,645	\$6,826,743	\$8,129,703	\$901,057
Dental	523,844	484,672	518,219	478,931	516,322	(1,897)
Long-Term Disability	82,706	92,232	87,121	67,552	98,436	11,315
Life / AD&D	81,571	59,931	81,409	83,814	80,396	(1,013)
Workers' Compensation	813,785	530,526	922,016	801,905	976,247	54,230
Vision	48,654	45,072	48,509	45,237	48,637	128
Total Insurance Premiums	8,187,170	7,556,767	8,885,919	8,304,182	9,849,740	963,822
Employer Taxes:						
State Unemployment Insurance	50,000	51,063	50,000	52,000	55,000	5,000
Federal Medicare	584,803	645,890	610,013	637,518	647,192	37,179
Total Employer Taxes	634,803	696,953	660,013	689,518	702,192	42,179
Employer Retirement Contributions:						
Pension (Normal Cost)	5,613,906	5,231,637	6,161,740	5,711,660	6,616,184	454,443
Deferred Compensation (401a)	2,147,016	2,541,362	2,328,900	2,447,640	2,434,602	105,702
Health Reimbursement Arrangement (HRA)	-	-	-	164,959	370,049	370,049
Total Employer Retirement Contributions	7,760,922	7,772,999	8,490,640	8,324,259	9,420,835	930,195
OPEB (Normal Cost):						
Medical & Vision	1,845,000	1,845,000	1,724,000	1,724,000	1,728,000	4,000
Dental	153,000	153,000	142,000	142,000	142,000	-
Life / AD&D	13,000	13,000	14,000	14,000	15,000	1,000
Total OPEB (Normal Cost)	2,011,000	2,011,000	1,880,000	1,880,000	1,885,000	5,000
Benefit Adjustments:						
Capitalized Admin Overhead	(5,618,681)	(4,848,519)	(5,722,749)	(4,852,537)	(6,341,235)	(618,487)
Benefit Vacancy	(663,000)	-	(539,000)	-	(595,000)	(56,000)
Other	-	-	-	-	-	-
Total Benefit Adjustments:	(6,281,681)	(4,848,519)	(6,261,749)	(4,852,537)	(6,936,235)	(674,487)
Total O&M Fund Benefits	\$12,312,215	\$13,189,199	\$13,654,823	\$14,345,422	\$14,921,532	\$1,266,709

Table 6 – Benefit Cost Detail, Sewer Construction Sub-Fund

Sewer Construction Sub-Fund						
Account Description	FY 2022-23 Budget	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projection	FY 2024-25 Budget	Budget to Budget Variance
Insurance Premiums:						
Medical	\$602,567	\$484,909	\$739,684	\$576,002	\$953,611	\$213,927
Dental	48,333	37,798	54,074	40,641	60,247	6,173
Long-Term Disability	10,245	3,633	12,545	7,118	14,159	1,614
Life / AD&D	7,756	82	9,400	4,325	10,805	1,406
Workers' Compensation	35,547	21,740	44,581	26,471	44,802	221
Vision	4,567	3,549	5,085	3,845	5,706	621
Total Insurance Premiums	709,016	551,711	865,369	658,402	1,089,330	223,961
Employer Taxes (Medicare)	79,273	-	82,732	33,313	91,723	8,991
Employer Retirement Contributions:						
Pension (Normal Cost)	605,361	516,005	772,088	600,816	884,666	112,578
Deferred Compensation (401a)	223,276	235,367	297,402	250,333	343,818	46,415
Health Reimbursement Arrangement (HRA)	-	-	-	18,583	58,223	58,223
Total Employer Retirement Contributions	828,638	751,371	1,069,490	869,733	1,286,707	217,217
Benefit Adjustments:						
Capitalized Admin Overhead	5,618,681	4,848,519	5,722,749	4,852,537	6,341,235	618,487
Benefit Vacancy	-	-	(60,000)	-	(70,000)	(10,000)
Total Benefit Adjustments:	5,618,681	4,848,519	5,662,749	4,852,537	6,271,235	608,487
Total Sewer Construction Fund Benefits	\$7,235,608	\$6,151,602	\$7,680,339	\$6,413,985	\$8,738,995	\$1,058,656

Table 7 – Changes in Net Position and Fund Equity

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Projected
Total Operating Revenue	\$118,931,684	\$69,991,294	\$86,770,442	\$95,815,694
Total Non-Operating Revenues	26,374,055	30,304,727	34,607,140	34,619,998
Total Revenues	145,305,739	100,296,021	121,377,582	130,435,692
Total Operating Expenses	102,747,739	112,153,447	114,530,944	121,907,659
Non-Operating Expense - Interest	1,950,841	1,177,471	2,070,142	1,720,875
Total Expenses	104,698,580	113,330,918	116,601,086	123,628,534
Net income/(loss) Before Capital Contributions	40,607,159	(13,034,897)	4,776,495	6,807,158
Total Capital Contributions	24,148,455	85,805,636	64,391,667	61,678,306
Change in Net Position	64,755,614	72,770,739	69,168,162	68,485,464
Beginning Net Position	825,489,227	890,244,841	963,015,580	1,032,183,742
Ending Net Position	890,244,841	963,015,580	1,032,183,742	1,100,669,206
Net Investment in Capital Assets	747,646,783	781,637,137	816,789,283	865,930,083
Restricted for Debt Service	14	1,527	-	-
Unrestricted	142,598,044	181,376,916	215,394,459	234,739,123
Total Net Position	890,244,841	963,015,580	1,032,183,742	1,100,669,206

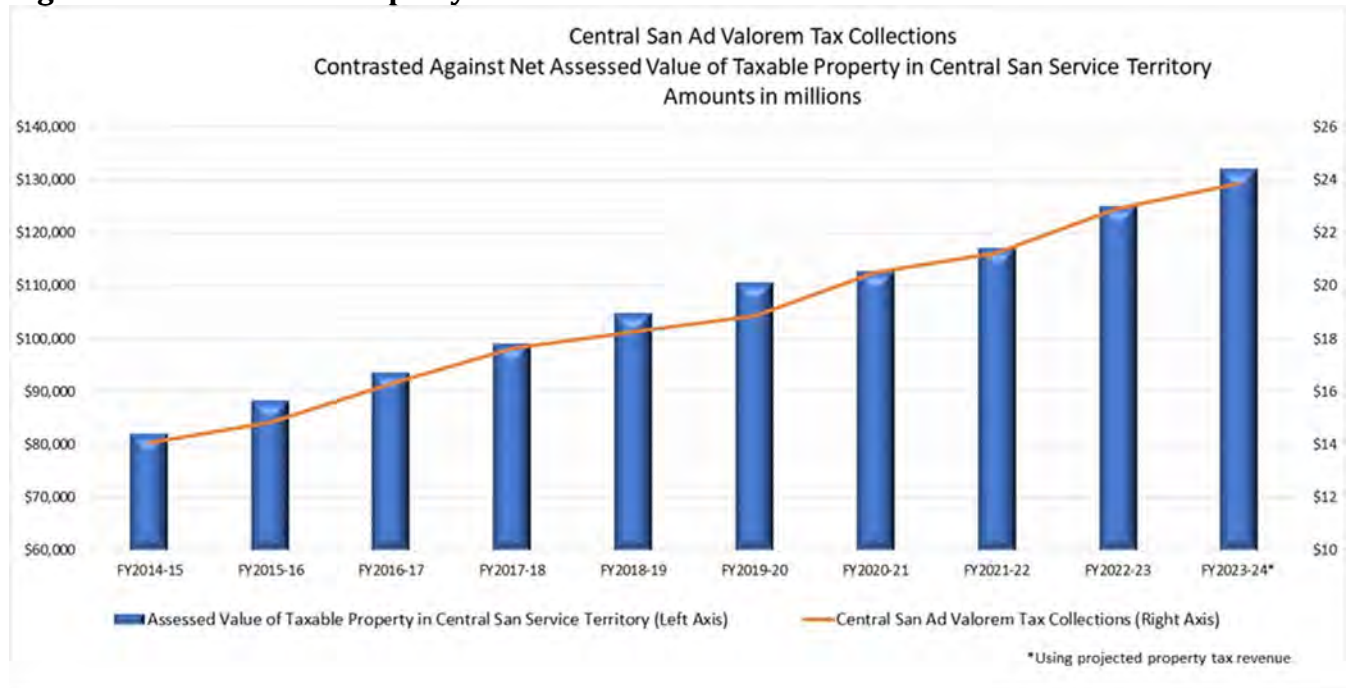
Net Position is classified into three categories: Net Investment in Capital Assets, Restricted for Debt Service, and Unrestricted. The classification is based on availability or accessibility of the resource, rather than its origin. Net position is a measure of the overall financial condition of Central 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



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. Previously referred to as the Comprehensive Annual Financial Report.
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.
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.

Terms and Definitions Used in the Budget Document	
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.
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.

Terms and Definitions Used in the Budget Document	
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 one 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)	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)	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)	An association that 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.
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.

Terms and Definitions Used in the Budget Document	
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.
Proposed Budget	The recommended balanced financial plan for one fiscal year submitted for consideration to the Board prior to adoption.

Terms and Definitions Used in the Budget Document	
Proprietary Fund	Funds 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 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) 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. 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 in Central San's service area. (Also called Service Territory).
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.

Terms and Definitions Used in the Budget Document	
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	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: <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. Debt Service Sub-Fund - A sub-fund that accounts for activity associated with the payment of Central San's long-term bonds and loans.
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.
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.

Terms and Definitions Used in the Budget Document	
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 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
CASA	California Association of Sanitary Agencies
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