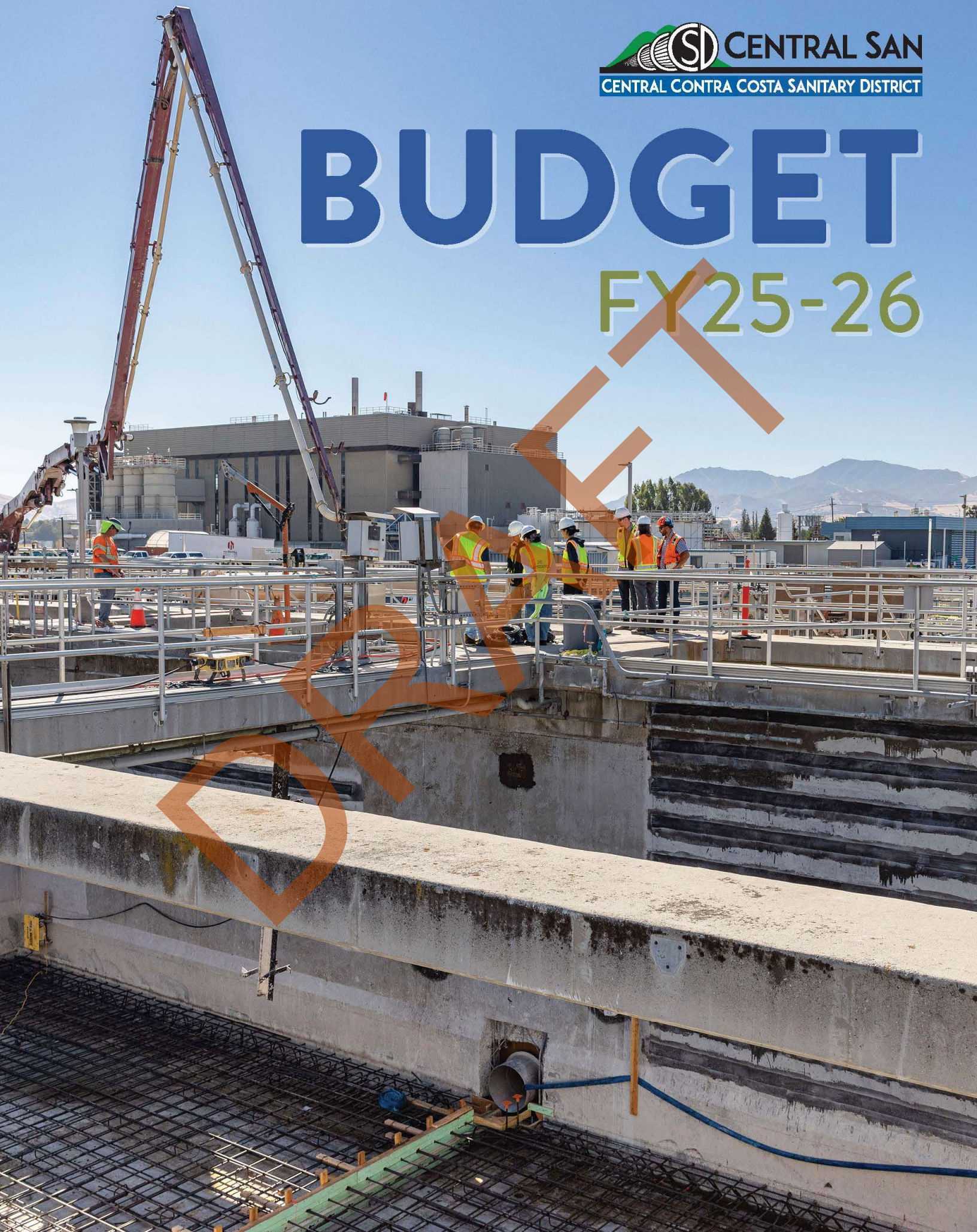


BUDGET

FY25-26



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FY 2025 – 26 BUDGET

BOARD OF DIRECTORS



Top Row: **Michael R. McGill** (Board President), **Florence T. Wedington**, **Barbara D. Hockett**
Bottom Row: **Jean F. Kuznik**, **Tad J. Pilecki**

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.centralsan.org>



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MISSION, VISION, & 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

Our core values guide our daily decisions and how we fulfill our mission, vision, and goals.

- **CUSTOMER SERVICE**
We are responsive to our customers, and we deliver on our commitment to provide safe, reliable, and cost-efficient services.
- **EMPLOYEES**
We empower our employees to do their best work.
- **INTEGRITY**
We hold ourselves accountable to a high standard of honesty, reliability, and transparency.
- **INNOVATION**
We continuously improve and optimize our operations.
- **ENVIRONMENTAL SUSTAINABILITY**
We conduct our business to safeguard and improve our planet.
- **DIVERSITY, EQUITY, & INCLUSION**
We value people of all backgrounds, cultures, and perspectives, and believe that diversity, equity, and inclusion are a source of strength, creativity, and innovation and thus central to how we do business and how we engage with each other at work.

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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, 2024

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, 2024 (FY 2024-25). 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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Table of Contents

Introduction

General Manager's Message	11
About Central San	17
Organizational Structure	26
Budgeting Calendar and Process	27
Strategic Plan Summary	30

Financial Overview

Financial Overview	37
--------------------------	----

Financial Planning Policies

Fiscal Planning Policies	41
Fiscal Reserves Policy	41
Basis for Budgeting	42
Debt Management and Continuing Disclosure Policy	47
Investment Policy	48
Current Financial Plan	49
Operations and Maintenance	50
Capital	50

Financial Summary

Financial Summary	51
Sources of Funds	52
Sewer Service Charge	59
Use of Funds	62
Operations and Maintenance Budget Overview	63
Variances in Operations and Maintenance Budget	66
Operations and Maintenance Budget by Operating Department	72
Historical Variances in the Operations and Maintenance Spending	73
Staffing, Salaries, and Benefits	74
Budgeted Full-Time Equivalents	75
Staffing Changes	76
Capital Improvement Budget	78
Impact of Capital Improvement Budget on Ongoing Operations and Maintenance Budget	80
Reserve Projections	80
Debt Service	85
Historical Long-Term Spending Trends	86
Long-Range Financial Planning	88

Operating Departments

Operating Departments	93
Administration Department	94
Engineering and Technical Services Department	141
Operations Department	164

Self-Insurance Program

Self-Insurance Program	199
------------------------------	-----

Capital Improvement Program

Capital Improvement Program	207
-----------------------------------	-----

Ten-Year Capital Improvement Plan

Ten-Year Capital Improvement Plan	319
---	-----

Debt Program

Debt Program	333
--------------------	-----

Supplemental Financial Information

Supplemental Financial Information	341
--	-----

Benchmarking Information

Benchmarking Information	349
--------------------------------	-----

Glossary and Acronyms

Terms, Definitions, Acronyms, and Abbreviations Used in Budget Document	369
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General Manager's Message

Honorable Members of the Board of Directors:

I am pleased to present Central Contra Costa Sanitary District's (Central San's) Fiscal Year (FY) 2025-26 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 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 13.7 billion gallons of wastewater in 2024. Recently, we marked 27 consecutive years of 100% compliance with our National Pollutant Discharge Elimination System permit—more than a quarter century without a single permit violation—ranking Central San as one of the top wastewater treatment facilities in the nation.

Central San will celebrate its 80th anniversary in 2026. As we reflect on our history, we're also preparing for the future. With sound planning, industry-leading innovation, and our skilled and dedicated workforce, we've built a robust foundation that will allow us to meet the challenges of tomorrow with efficiency and foresight.

Innovation and Environmental Stewardship

By embracing innovation and adaptability, we are working to ensure that our system is reliable, resilient, and sustainable for years to come. This past year, the San Francisco Bay Regional Water Quality Control Board introduced new regulations requiring all Bay Area wastewater agencies to reduce nitrogen discharges to the Bay by 40% within a decade. Central San is exploring innovative solutions to help us meet the new requirements, including pilot testing state-of-the-art Membrane Aerated Biofilm Reactor (MABR) technology, which could help achieve the mandated reductions at a lower cost than conventional technologies. We are also exploring opportunities to expand our recycled water system and implement new multi-benefit regional recycled water projects that would reduce nutrient impacts to the Bay while conserving precious drinking water supplies.

In tandem with our focus on environmental protection and resource recovery, we're committed to reducing our climate footprint. Last summer, we flipped the switch on a new solar array project that will save an estimated \$6 million in energy costs over the next 25 years. This year, we are set to implement our Fleet Electrification Strategic Plan to reduce emissions, comply with California's new Advanced Clean Fleets regulation, and advance our broader sustainability goals. We are also working on an energy efficiency roadmap to assess current and future energy needs and develop a comprehensive and sustainable energy strategy for powering our operations while minimizing costs and climate impacts.

Maximizing Value for Our Customers

Through our asset management and proactive maintenance programs, 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; 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 of our solids handling facilities, aeration basins, electrical and steam systems, wet weather basins, and ultraviolet (UV) disinfection facilities. We have also been investing in upgrading our pumping stations and replacing aging neighborhood sewer pipes for decades to ensure reliable, trouble-free service. Additionally, we will continue condition assessments of our large sewers and force mains to plan for future repairs.

Central San takes pride in the level of service we provide. Our innovative recycled water, household hazardous waste, public outreach, and student educational programs help us 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 recognizing the economic realities and challenges many of our customers face.

Recently, we completed a cost-of-service study that served as the basis for moderate rate adjustments that reflect the costs of providing sewer service to all customer classes. The rate adjustments, adopted in May 2025, will increase total sewer service charge (SSC) revenue by 2.5% in FY 2025-26 and 4% in FY 2026-27. Our single-family residential customers will see up to 4% increases each fiscal year. Even with these increases, 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. Among our recent financial accomplishments, we secured low-cost state financing to save \$20 million in interest costs on large-scale projects. We also maintained AAA (S&P) and Aa1 (Moody's) credit ratings to keep borrowing costs low, and we are focused on having a fully funded pension, saving millions in ongoing interest costs. We also recovered \$1.8 million in COVID-19 response costs from State and Federal funds. Additionally, we benchmark annual performance to ensure efficient, cost-effective operations.

Acknowledging our Accomplishments

As we strive to provide exceptional service at reasonable rates, our FY 2024-26 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 4.0 out of 4.0 average customer service rating for collection system emergency calls (as of Q2).
- Oversaw approximately 49,000 visits to the Household Hazardous Waste Collection Facility (HHWCF) and the Residential Recycled Water Fill Station by residents, small businesses, retail partners, and fill station users.
- Continued the three-year Recreational Vehicle (RV) Wastewater Receiving Station pilot program at no charge for customers.
- Created a full-scale outreach campaign on nutrients to inform, educate, and engage stakeholders about the San Francisco Bay Regional Water Quality Control Board's proposed nutrient order and public hearing process.
- Hosted the seventh citizens' academy, Central San Academy, with 43 participants in 2024.
- Hosted membrane aerated biofilm reactor (MABR) pilot tours for California Water Environment Association (CWEA), sister agencies, consultants, Bay Area Clean Water Agencies (BACWA), regulators, and internal staff.
- Received awards from industry organizations, including but not limited to:
 - California Water Environment Association (CWEA) Large System of the Year Award, Research Achievement Award for Membrane Aerated Biofilm Reactor Pilot, and Mechanical Technician of the Year (Brian Walters).
 - Uptime Elements Award for Best Leadership for Reliability Program.
 - Esri Special Achievement in Geographic Information System (GIS) Award.

**GOAL TWO****ENVIRONMENTAL STEWARDSHIP**

- Achieved the lowest recorded number of sanitary sewer spills.
- Received 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.
- Began operation of a 2.16-megawatt solar energy project that offsets Central San's grid power purchases for the Treatment Plant and three major Pumping Stations.
- Launched the Nutrient Management Plan to develop the most effective strategy for meeting regulatory nutrient limits while minimizing financial impact on ratepayers.
- Successfully completed MABR pilot testing and initiated planning for full-scale demonstration, presenting a cost-effective solution for meeting nutrient regulatory requirements by utilizing existing infrastructure.

- Selected a consultant for the Energy Management Planning and Pre-design Project, which will evaluate greenhouse gas reduction scenarios to enable Central San's Board to properly consider a Net Zero commitment.
- Secured approval of PG&E funding for Electric Vehicle (EV) chargers.
- Continued discussions with potential partner agencies to further recycled water use and develop regional water supply.
- Distributed 138.7 million gallons of recycled water to external customers (as of Q2).



WORKFORCE DIVERSITY AND DEVELOPMENT

- Launched a one-year pilot with Pryor Learning to offer all employees unlimited access to live in-person or virtual seminars and 5,000+ online courses.
- Interviewed and selected a new wellness-at-work vendor to help continue the Wellness Program.
- Hosted the fourth Supervisory Academy with 25 graduates.
- Rolled out new and improved performance appraisal forms with more clearly defined competencies and a self-assessment section.
- Offered quarterly wellness webinars on an array of physical and mental health topics.
- Expanded the fifth Externship Program to include a tour of Contra Costa Water District, introducing 35 externs to both water and wastewater industries, and promoting employment opportunities at both agencies.
- Implemented an internal Diversity, Equity, and Inclusion (DEI) communications campaign, including employee newsletter, intranet features, and resources.



GOVERNANCE AND FISCAL RESPONSIBILITY

- Implemented new live streaming/video recording program for all Board Meetings to allow for greater public participation.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting Award for the 24th consecutive year for the FY 2024-25 ACFR.
- Received the GFOA Distinguished Budget Presentation Award for the seventh consecutive year for the FY 2024-25 Budget, including a special recognition for receiving the highest possible score in the "strategic goals and strategies" section.
- Engaged a consultant to conduct a feasibility study to evaluate a potential consolidation with Mt. View Sanitary District.
- Fully funded the Other Post-Employment Benefits (OPEB) actuarially determined contribution (ADC) of \$2.1 million, with a portion of that amount going towards paying down the plan's unfunded actuarial accrued liability (UAAL).
- Recovered \$768,104 from FEMA for emergency expenses arising from COVID-19.
- Joined the American Water Works Association (AWWA) Utility Benchmarking Advisory Committee and presented on benchmarking program at the AWWA Water Quality Technology Conference.



SAFETY AND SECURITY

- Began implementation of a new District-wide emergency notification system.

- Worked with a consultant to review and enhance the security program and develop project scopes to expand access control systems and harden certain facilities.
- Completed a major update of the Emergency Operations Plan.
- Completed a network cybersecurity analysis, began remediation of identified gaps, and continued cybersecurity awareness campaigns and phishing simulations. Central San's risk score has dropped 7 points since Q4 of 2023.



INFRASTRUCTURE RELIABILITY

- Completed high-value, critical facility improvements at the treatment plant, including the Electric Blower Improvements and Treatment Plant Piping Renovations - Phase 10, and Fire Protection System, Phase 3.
- Continued major construction at three pumping stations in Martinez, with two consisting of new replacement facilities.
- Replaced or rehabilitated up to five miles of pipes in Martinez, Walnut Creek, Pleasant Hill, and Lafayette.
- Completed the first year of construction for the Solids Handling Facility Improvements - Phase 1A – the single largest capital project for Central San in over 40 years – to address dewatering, furnace, and air pollution control improvements, and seismic improvements.
- Onboarded a consultant and researched three vendors for asset health and condition monitoring framework.
- Worked with Contra Costa Flood Control District to complete the 100% final design package and obtained critical permitting and environmental approvals for the Grayson and Walnut Creek Levee Improvement Project.
- Managed consultant efforts to complete the design for the 39-inch Main Trunk No. 1 Abandonment, which will also install 3,300 lineal feet of 8-inch sewer to reroute flow.



INNOVATION AND AGILITY

- Transitioned to an in-house treasury function, using automated bank reconciliation features, expanded electronic payment methods, process efficiencies, and automated internal controls.
- Constructed a collection system training vault that displays the performance of various pipeline-cleaning tools.
- Initiated the implementation of ProCore for construction and contract management. This will standardize documents and records, review invoices, and be more cost-effective than existing practices.
- Completed Laboratory Cityworks implementation for work order management.
- Piloted the Aquasight Apollo program to assess the delivery of real-time performance insights using machine learning and artificial intelligence.
- Installed over 35 units for a SmartCover real-time level monitoring program.
- Kicked off two SmartCover-related, multi-year projects: 1) Rainfall Dependent Inflow/Infiltration Reduction Investigations; and 2) Wet Weather Capacity Deficiency Validations.

The Road Ahead

As we look ahead, our key priorities include developing our skilled and diverse workforce, 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 nearly 80-year history.

The priorities identified in this FY 2025-26 Budget will allow us to build upon our successes and achieve the goals outlined in our Strategic Plan. I would like to express my gratitude to our staff for their collaborative efforts in creating a budget that ensures the reliability and resiliency of our operations and Central San's sound financial footing. I also want to thank our Board of Directors for providing the vision and resources necessary to address our current and future challenges.

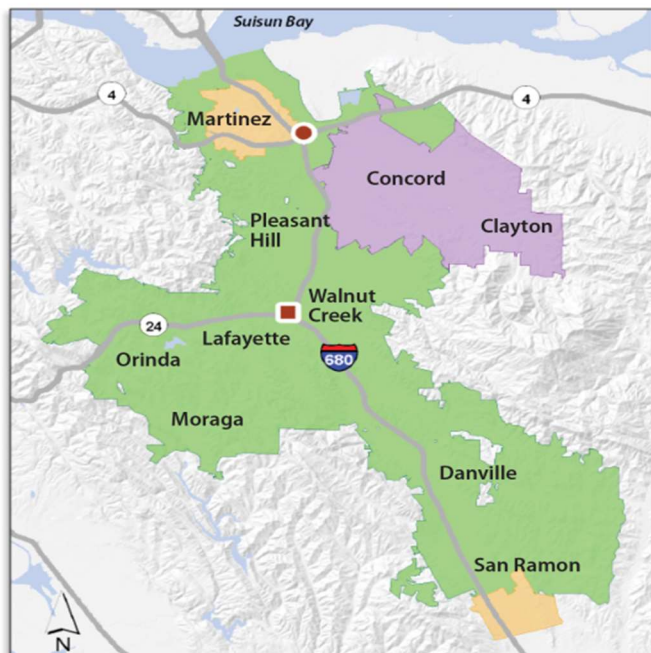
As we strive to meet our various priorities, we remain deeply committed to our customers, who depend on us to fulfill our mission while delivering outstanding services. This proposed budget reflects our determination to serve with excellence and to provide the highest value for our customers, now and 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 **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 of 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 nearly 80 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 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 area is notable for its preserved historic buildings, including the John Muir National Historic Site. A short distance away, the Cities of Concord, Walnut Creek, Pleasant Hill, 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, including 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 service area's population 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 which this agency is honored to provide its core services, including educational messaging to instill the foundational environmental values of Central San as an organization.

Service Area Population - Growth Since 2012

As of January 1	Inside District	Concord / Clayton	Total Served	% Change
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%
2023	352,183	133,489	485,672	-0.3%
2024	351,379	132,196	483,575	-0.4%

Population by Community (2020 and three most recent years with published data)

Community*	As of January 1, 2020	As of January 1, 2022	As of January 1, 2023	As of January 1, 2024
Danville	43,876	43,352	42,823	42,567
Lafayette	25,604	25,064	25,004	24,808
Martinez ¹	20,913	22,008	21,838	21,897
Moraga	16,946	17,105	16,893	16,784
Orinda	19,009	19,478	19,225	19,191
Pleasant Hill	34,267	34,026	33,397	33,352
San Ramon ²	68,824	69,479	68,730	67,680
Walnut Creek	70,860	69,891	69,245	69,433
Unincorporated ³	41,850	52,429	55,028	55,667
Subtotal: Inside District Boundaries	342,149	352,832	352,183	351,379
Concord ⁴	130,143	123,634	122,823	121,513
Clayton ⁴	11,337	10,863	10,666	10,683
Subtotal: Concord/Clayton Area⁴	141,480	134,497	133,489	132,196
TOTAL SERVICE AREA POPULATION	483,629	487,329	485,672	483,575

Source: E-5 Population and Housing Estimates for Cities, Counties, and the State

¹ Portions of Martinez are in service territory for collection and treatment, and all of Martinez is provided with HHW services.

² Data from DSRSD, customer count of south San Ramon.

³ Includes Alamo, Clyde, and Pacheco. Methodology for 2024: Balance of County times % of County population Inside District Boundaries.

⁴ Not included in service territory, Central San provides wastewater treatment and HHW services through a wholesale contract.

Household Income by Community (Calendar Year 2020 and two most recent years with published data)

Community	2020	2022	2023
Danville	\$167,827	\$209,518	\$223,206
Lafayette	188,140	219,250	222,393
Martinez ¹	109,994	124,699	125,436
Moraga	152,788	193,707	199,800
Orinda ²	231,230	250,000	250,000
Pleasant Hill	125,573	137,685	144,513
San Ramon	167,345	192,291	197,358
Walnut Creek	108,689	106,141	135,665
Unincorporated ⁴	131,486	144,457	152,831
Subtotal: Inside District Boundaries	147,568	165,922	176,711
Concord ³	92,706	104,523	109,195
Clayton ³	153,607	164,899	172,226
Subtotal: Concord/Clayton Area³	97,586	109,399	114,231
MEDIAN HOUSEHOLD INCOME (Weighted by Community Size)	\$132,947	\$150,323	\$159,538

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

¹ Portions of Martinez are in service territory for collection and treatment, and all of Martinez is provided with HHW services.

² Income shown as \$250,000 plus in data source for 2022, 2023

³ Not included in service territory, Central San provides wastewater treatment and HHW services through a wholesale contract.

⁴ Unincorporated Contra Costa County population line item in previous table, includes Alamo, Pacheco, Clyde. Income for these communities is assumed at average of listed towns & cities above as an "unincorporated county" figure is not available.

Ten Largest Customers by Sewer Service Charge (FY 2023-24)

Customer	Operating Revenue	Rank	% of Operating Revenue
City of Concord ¹	\$17,882,586	1	12.12%
San Ramon Unified School District	\$1,856,000	2	1.26%
Contra Costa County General Services	\$1,518,877	3	1.03%
John Muir Health	\$612,924	4	0.42%
First Walnut Creek Mutual	\$590,900	5	0.40%
Park Regency Apartments	\$554,824	6	0.38%
Second Walnut Creek Mutual Apartments	\$466,500	7	0.32%
Sun Valley Mall ²	\$279,929	8	0.19%
Branch Creek Vista Apartments	\$248,800	9	0.17%
Kaiser Foundation Hospital	\$241,655	10	0.16%
Total	\$24,261,994		16.45%

¹ Contract with the City of Concord to treat and dispose of wastewater for Concord and Clayton

² Located in Concord, but in the Central San service territory for wastewater collection and treatment

Sewer Service Charge Billings by Type (FY 2023-24)

User Group	Parcels*	Residential Unit Equivalents*	2023-24 Sewer Service Charge Billings	% of Total
Residential	116,062	139,395	\$97,158,537	83%
Mixed Use	217	3,533	2,462,705	2%
Office	1,075	4,700	3,276,215	3%
Food Service	220	3,685	2,568,760	2%
Hotel/Motel	24	1,868	1,301,696	1%
Industrial/Permitted	14	1,401	976,826	1%
Skilled Nursing	44	1,135	790,830	1%
Schools	158	1,690	1,177,746	1%
Businesses **	439	1,587	1,106,135	1%
Recreation/Entertainment	218	1,308	911,584	1%
Automotive/Car Wash	250	1,282	893,768	1%
Market/Supermarket	44	1,442	1,004,945	1%
All Other User Groups	584	5,615	3,913,439	3%
Total County and Direct Bills	119,349			100%
Partial Year Charges			\$559,068	
Prior Year Adjustments			(25,337)	
Total	119,349	168,641	\$118,076,918	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 (2024)

Employers	Estimated Employees	2024 % of Total County Employment
Chevron Corporation	10,000+	1.89%
Kaiser Permanente	10,000+	1.89%
Bio-Rad Laboratories	1,000-4,999	0.57%
John Muir Medical Center	1,000-4,999	0.57%
La Raza Market	1,000-4,999	0.57%
USS-POSCO Industries	1,000-4,999	0.57%
All Others	500,100	93.94%
Total	532,100	100%

Source: County of Contra Costa, California, California Annual Financial Report for June 30, 2024, Statistical Section, principal employers excluding government employers

Contra Costa County Employment by Industry	
Educational & Health Services	21.75%
Trade, Transportation & Utilities	17.35%
Professional & Business Services	14.26%
Government	13.3%
Leisure & Hospitality	10.79%
Mining, Logging & Construction	7.34%
Financial Activities	6.09%
Manufacturing	3.68%
Other Services	3.71%
Information	1.44%
Farm	0.29%
Total	100%

Source: County of Contra Costa, California, California Annual Financial Report for June 30, 2024, Statistical Section/ State of California Employment Development Department, December 2023.

Economic Statistics for Contra Costa County (Since 2012)

FY Ended June 30	Population*	Personal Income*	Per Capita Personal Income*	Average Annual Unemployment Rate**
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	\$94,437	6.4%
2022	1,156,555	\$109,965,993	\$97,061	3.5%
2023	1,145,274	\$119,219,394	\$103,218	4.1%
2024	1,146,626	Not Available	Not Available	4.7%

* 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>

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.bea.gov%2Fsites%2Fdefault%2Ffiles%2F2024-11%2Fapi1124.xlsx&wdOrigin=BROWSELINK>

**Source: State of California Employment Development Department, as of June.

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

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Flabormarketinfo.edd.ca.gov%2Ffile%2Ffhist%2Fcontrhlf.xls&wdOrigin=BROWSELINK>

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 region will select one representative to serve on the Board.

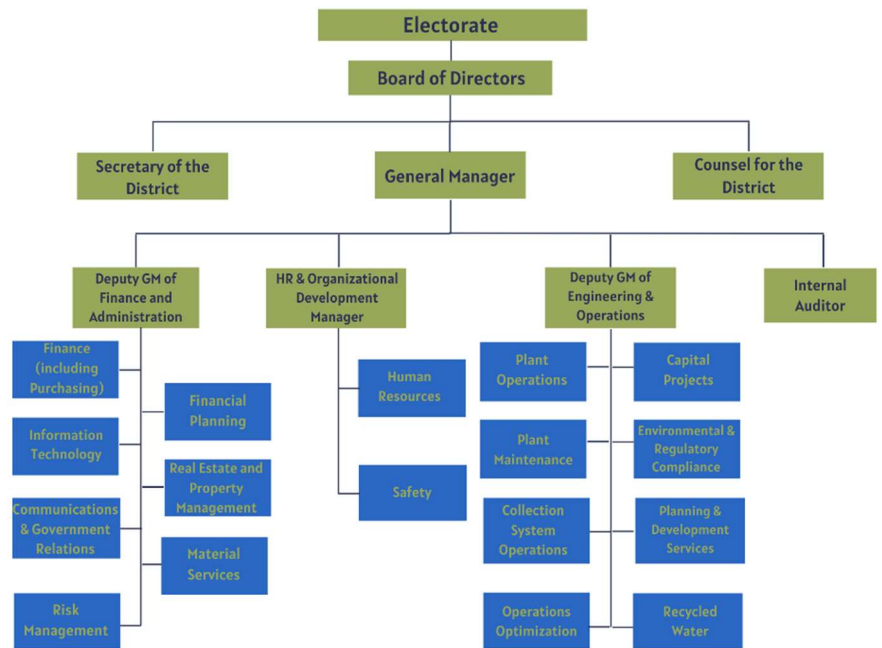
The Board appoints the General Manager, the Counsel for the District, and the Secretary of the District.

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

Central San currently has 302 budgeted full-time employees. The budget for FY 2025-26 is proposed at 303 positions.

This team of employees is led by a General Manager, two Deputy General Managers, 11 Division Managers, and an Internal Auditor.

The chart to the right depicts the operating divisions and programs funded in the budget.



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



Budgeting Calendar and Process

The budget development process for FY 2025-26 started midway through FY 2024-25.

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 Board Finance Committee reviewed the Operations and Maintenance sections, and the Board Engineering & Operations Committee reviewed the Capital budget before the 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 2025-26 will be the second year of a new two-year Strategic Plan cycle. The strategic goals, strategies, initiatives, key success measures, and metrics of that plan guide funding activities in the budget. The budget proposes a level of funding that will enable the achievement of the goals outlined in the FY 2024-26 Strategic Plan. To commence the rate-setting process, two financial workshops were held in December 2024 and January 2025, where the Board considered alternatives for rate adjustments based on a draft cost-of-service study. The staff provided guidance to prepare the steps necessary to proceed with a two-year rate adjustment. The cost-of-service report was finalized in February, Proposition 218 notifications were issued, and public hearings on rates were held in April and May 2025. At the May 22 Board meeting, the Board considered the adoption of a new two-year rate schedule, subject to a check-in for the second-year adjustment. This budget document presumes the revenues generated by the two-year SSC rate change.

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



Below is a calendar of key intersecting events during the FY 2025-26 budget process, comprised of activities from three critical business areas of the planning process.

Key Strategic Plan, Budget, and Rate Setting Events for FY 2025-26 Budget

Date	Budget	Strategic Planning	Rate Setting
February 2025	Departments/divisions develop and submit operating budget proposals	Administration Committee reviews second quarter Strategic Plan tracker Operating Divisions update strategic sections of the budget book to show their FY 2024-25 accomplishments and FY 2025-26 objectives	N/A
March 2025	General Manager reviews operating budget with departments/divisions		N/A
April 2025	Draft operating budget finalized with departments/divisions Draft Ten-Year Capital Improvement Plan (CIP) finalized by Department of Engineering and Technical Services	Administration Committee reviews third quarter Strategic Plan tracker	Financial Planning Workshop: Check-In on 2 nd year of Rate Schedule Public Hearing commenced to consider FY 2025-26 and FY 2026-27 SSC <u>rate adjustments</u>
May 2025	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		Public Hearing to consider FY 2025-26 and FY 2026-27 SSC <u>rate adjustments</u>
June 2025	Public Hearing and Board Meeting to adopt FY 2025-26 budget.	Preparation of FY 2024-25 Strategic Plan Annual Report, with delivery to Board in late summer to fall 2026	Public Hearing on adoption of Capacity and Developer-Related Fees, Rates and Charges
July 2025	Implementation of adopted budget priorities into operations. Monitoring of budget objectives commences utilizing integrated Oracle Enterprise Resource Planning (ERP) system.		1st 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, and 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-037*).

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

Spending is monitored monthly by staff and 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 spending more than the overall Operations and Maintenance, Capital, Debt Service, or Self-Insurance budget become necessary, formal Board action would be required to adopt an amended budget.

Project budgets are set annually for the Capital Improvement Program. 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.

Board Policies (BP) 035 Procurement and BP 037 [Delegation of Authority to General Manager](#) specify the General Manager's and the Board's roles in administering financial limits related to expenditures and procurement matters.

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 second year in the FYs 2024-26 Strategic Plan and reports FY 2024-25 strategic accomplishments and performance (based on information available during the compilation of this book in February to March 2025), as well as objectives for FY 2025-26.

The FYs 2024-26 Strategic Plan development 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 achieving its goals, overcoming its challenges, accomplishing its mission, and meeting the community's needs most efficiently and effectively. 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.centralsan.org.

Starting with the development of the FY 2016-18 Strategic Plan, staff have 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 initially 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 were as follows at the time the FY 2024-26 Strategic Plan was drafted:



The Ten Attributes to an Effectively Managed Utility and Five Keys to Management Success






Source: U.S. Environmental Protection Agency, Effective Utility Management, A Primer for Water Sector Utilities.
<https://www.epa.gov/system/files/documents/2024-08/eum-primer.pdf>, page 11



Key Budget Priorities: Responding to Challenges

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

Key Budget Priority	Primary Response	FY 2025-26 Budgeted Project(s)
GOAL ONE  CUSTOMER SATISFACTION AND STAKEHOLDER ENGAGEMENT Provide value and reliability to our customers and cultivate relationships within our community and industry		
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.	<p>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.</p> <p>Search for the most cost-effective approaches to meeting new regulatory requirements for removing nutrients from Central San's wastewater.</p> <p>Continue to educate and receive input from businesses and the public during outreach meetings during design and construction projects.</p>
GOAL TWO  ENVIRONMENTAL STEWARDSHIP Meet regulatory requirements, promote sustainability, and implement measures to reduce contributions to climate change and mitigate its impacts		
Evolving regulatory requirements	<p>Anticipate changing regulations and plan for alternatives to maintain reliability and meet requirements.</p> <p>Respond to new nutrient removal regulations.</p>	<p>Implement the first phase of the Electric Vehicle (EV) Charging Infrastructure design-build project.</p> <p>The Energy Management Planning and Pre-Design Project will evaluate various greenhouse gas reduction scenarios (including Net Zero) for consideration by Central San's Board.</p> <p>Implement the Nutrients Project planning phase.</p> <p>Revised scopes and budgets for the Aeration Basins Project and the Secondary Clarifiers Project to integrate with nutrient treatment and compliance strategy.</p> <p>Contract with consultant to develop per- and polyfluoroalkyl (PFAS) adaptive</p>

Key Budget Priority	Primary Response	FY 2025-26 Budgeted Project(s)
		<p>management strategies to meet future regulatory requirements.</p> <p>Leadership in PFAS outreach and support of legislative efforts to address PFAS.</p> <p>Build infrastructure resilient to sea level rise and intense weather in the Pump Station Upgrades Phase 2 and the Grayson and Walnut Creek Levee Improvements.</p> <p>Install District-furnished air pollution control equipment in the Solids Conditioning Building.</p>
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.	<p>Continue exploring partnerships with Contra Costa Water District (CCWD) and Santa Clara Valley Water District (Valley Water) 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.</p> <p>Collaborate with East Bay Municipal Utility District (EBMUD) and Dublin San Ramon Services District (DSRSD) to develop and execute an agreement for the long-term diversion of raw wastewater from Central San to DSRSD to produce recycled water via the DSRSD-EBMUD Recycled Water Authority for delivery to landscape irrigation customers in Central San's service areas.</p>
<div>  GOAL THREE </div> WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE Recruit, empower, and retain a workforce from diverse backgrounds and foster their trust		
Driving employee performance and rewarding excellence	Develop, retain, and equip highly skilled employees with the tools needed to succeed, so Central San remains a preferred employer.	<p>Expand and codify the employee appreciation and recognition program.</p> <p>Invest in training and development programs, certifications, outside conferences, and professional association memberships to inspire continuous education and improvement.</p> <p>Procure a new Wellness Program provider.</p>

Key Budget Priority	Primary Response	FY 2025-26 Budgeted Project(s)
Fostering a culture of diversity, equity, and inclusion (DEI)	Continue investing in the development of Central San's DEI initiative.	Utilize Pryor online training and in-house led trainings , while incorporating external consultant resources where deemed necessary. Implement prioritized recommendations of the DEI Action Plan . Continue ongoing leadership of DEI effort through supplementary responsibilities for existing staff.
<div>  GOVERNANCE AND FISCAL RESPONSIBILITY Operate a well-run, responsible, and ethical organization emphasizing integrity and transparency </div>		
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, while looking for opportunities to fund capital projects at lowest available costs through responsible rates, other revenue sources, cost management, and financing (i.e., bonds, SRF loans and federal funding). Feasibility study to determine the benefits and barriers to a consolidation with Mt. View Sanitary District . Issue relevant and reliable financial reports while maintaining a robust internal control framework and perform benchmarking to ensure alignment with industry "best practices". Adopt and manage budget to maintain minimum working capital reserve requirements and strong AAA credit rating.
<div>  SAFETY AND SECURITY Provide a safe, secure, and healthful workplace that foresees and addresses risks </div>		
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.	Enhance and construct safety upgrades, including planning for a new emergency notification system . Continue developing cybersecurity program , including training and anti-phishing campaigns. Improve physical and electronic security systems and standardize security practices and procedures .

Key Budget Priority	Primary Response	FY 2025-26 Budgeted Project(s)
		<p>Substantial completion of seismic improvements of the Solids Conditioning Building.</p> <p>Planning and design to upgrade the treatment plant potable water system for long-term reliability of the safety wash stations.</p>
<div>  GOAL SIX </div> INFRASTRUCTURE RELIABILITY Maintain facilities and equipment to be dependable, resilient, and long lasting		
Aging infrastructure and climate resiliency	<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, new aeration diffusers, new ultraviolet lamps, the Large Diameter Inspection Program, Pump Stations Modernization, and the Grayson and Walnut Creek Levee Improvement Project.</p> <p>Implement Procore software for effective and transparent financial and project management during design and construction phase of capital projects.</p> <p>Continue implementation of the Asset Health Monitoring and Asset Onboarding initiatives.</p> <p>Continue Limited Duration Position Program to assist with project-based peak workloads.</p> <p>Continue the Odor Control Facility Plan to address aging infrastructure and evaluate ways to further reduce odors across the treatment plant fence line.</p>
<div>  GOAL SEVEN </div> INNOVATION AND AGILITY Optimize operations for continuous improvement and remain flexible and adaptable		
Optimization of Central San-wide business and treatment processes, and project workflow and delivery through technology	<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</p>	<p>Implement a comprehensive approach to data governance with a data lake house, including developing an enterprise data architecture and acquiring business intelligence tools to facilitate creation and maintenance of information repositories, dashboards, and reports.</p> <p>Utilize Artificial Intelligence (AI) to boost efficiency and service through predictive maintenance, process optimization, and</p>

Key Budget Priority	Primary Response	FY 2025-26 Budgeted Project(s)
	Department to improve existing operations.	<p>business analysis tools, with data security and privacy in mind.</p> <p>Modernize Oracle ERP, Supply Chain Management (SCM), and Human Capital Management (HCM) reporting with an advanced cloud platform. Use pre-built administrative business analytics and dashboards to reduce manual efforts, improve data accuracy, enable real-time insights, and enhance decision-making.</p> <p>Modernize Supervisory Control and Data Acquisition (SCADA) system for treatment plant and Pump Stations.</p> <p>Proceed with the design and initiate construction of the full-scale Membrane Aerated Biofilm Reactor (MABR) demonstration test to evaluate the feasibility and cost-effectiveness of using MABR to enhance the secondary treatment process by removing nutrients within existing basins.</p> <p>Continue the Pump and Blower Building Building Information Modeling (BIM)-based Digital Twin pilot.</p> <p>Continue work with internal stakeholders to develop the long-term plan for the Solids Phase-2 project and regional biosolids handling study.</p> <p>ERP enhancements to optimize financial reporting and related processes (i.e., dashboards, fund restructuring, streamlined workflows, etc.).</p>

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. They 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 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 2025-26, the Capital Projects budget will be funded through a combination of revenue (i.e., SSC rates, other current revenue sources), debt (i.e., 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) and reserves. 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 tracks self-insurance reserves, related investment earnings, and 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 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 (COPs, a type of borrowing) 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 available 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** – The Board established This irrevocable trust 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 of 10 years, scheduled to be fully paid off in FY 2034-35. Any UAAL determined thereafter has a remaining closed amortization period of 15 years. The trust holds assets 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 as a fiduciary fund in Central San’s annual comprehensive financial report. However, the OPEB Trust Fund will continue to be tracked separately for budgetary purposes 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 the 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 an additional contribution of \$1.5 million in FY 2023-24 favorable budgetary variance was approved by the Board during FY 2024-25. Additionally, the Board authorized a planned draw from this reserve of \$6 million during FY 2025-26 to help offset increased SSC revenue requirements in FY 2025-26.

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Financial Planning Policies

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

Fiscal Reserves Policy

A strong emphasis is 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. The Board reviewed and updated this policy 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, 2025, and June 30, 2026.

- **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 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 COP required the establishment and maintenance of a debt service reserve fund defined in the loan documents. In September 2018, that debt was refinanced with 2018 revenue bonds, eliminating the Debt Service Reserve Fund. 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, \$3.2 million, and \$1.5 million of favorable budgetary variance from FY 2019-20, FY 2020-21, FY 2022-23, and FY 2023-24, respectively. As of June 30, 2025, the fund is projected to have a balance of \$12.2 million. During FY 2025-26, a drawdown of the Rate Stabilization Account for \$6 million is anticipated to fund a portion of the FY 2025-26 revenue requirement. Favorable variances from FY 2024-25 is now anticipated to offset a portion of this \$6 million drawdown. 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 recognizing 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 and 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 and 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

Funds are appropriated to each sub-fund through this budget and its adoption by the Board. Each sub-fund presents a budget in the form of revenues, expenses, and an overall contribution to or drawn 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

During FY 2024-25, the Board authorized a transfer of \$1,000,000 of prior year favorable budgetary variance to the Pension Pre-funding trust to respond to a slight decline in Central San’s pension plan funded position. Additionally, following the close of FY 2023-24, lower than budgeted spending in the capital improvement program resulted in carryforward of unspent capital project appropriations into FY 2024-25 consistent with the normal protocols specified in the Board-adopted budget policy. To facilitate these actions, budget amendments were authorized to increase appropriations of the O&M and Sewer Construction funds. The following table provides a comparison of the FY 2024-25 adopted versus amended budgets:

Table 1a – FY 2024-25 Adopted Versus Amended Budget

Fund	FY 2024-25 Budget		\$ Change	% Change
	Adopted	Amended		
Operations and Maintenance (O&M)	\$95,987,159	\$96,987,159	\$1,000,000	1.0%
Sewer Construction	80,712,000	131,032,228	50,320,228	62.3%
Debt Service	8,815,875	8,815,875	-	-
Self-Insurance	2,420,500	2,420,500	-	-
Total Budget	\$187,935,534	\$239,255,762	\$51,320,228	27.3%

The FY 2024-25 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 where certain expenditures connected with programs that will benefit 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 transparency by requiring that items to be so treated be disclosed to the Board, with an assessment of the rate impact. The table below shows the status of past, or current-year budget expenditures approved or proposed for regulatory accounting treatment.

Item	Fiscal Year	Accounting Treatment Absent Regulatory Accounting	Accounting Treatment with Regulatory Accounting
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.	The capital budget for DP 8240 included expenditures of \$1,137,700. The PTO Strategic Plan project commenced in March 2022 and will be funded by 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 2025-26.	<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 2025-26.</p> <p>Rate impact will depend on the ultimate funding source for this project during FY 2021-22.</p> <p>Currently, the budget anticipates the 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 have 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.
7. Project Managers for Technology Roadmap Initiatives	FY 2024-25	Project Management costs for initiatives during the 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.
8. 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 Ten-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.

Two of the three expenditures proposed in 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 and FY 2024-25 budgeted items, as shown in the table above, were also adopted for regulatory accounting treatment.

There are no new FY 2025-26 budget items that are proposed for regulatory accounting treatment.

Debt Management and Continuing Disclosure Policy

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

Currently, Central San is paying debt service on two financing sources: the 2018 Revenue Refunding Bonds and 2021 Certificates of Participation. As of June 30, 2024, the total outstanding debt associated with infrastructure improvements was \$37.8 million, to be reduced to \$30.8 million by June 30, 2025, through regularly scheduled debt service principal payments. As noted in the “Debt” section of this document, drawings on the SRF loan began in FY 2022-23 for Phase 1 of the Solids Handling Facilities Improvements Project, with debt service to commence one year following the project’s “substantial completion” currently expected in FY 2027-28, resulting in the corresponding debt service payments commencing FY 2028-29. Accordingly, no SRF loan repayments are planned for FY 2025-26.

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 2024, 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*. Until November 2024, Central San was a voluntary pooled participant with the Contra Costa County Treasury, allowing them to act as Central San's Treasurer. In this role, the County invested all of Central San's funds, with securities, excluding LAIF investments, held in a custodial account separate from the County. Central San transitioned out of the County Treasury pool in November 2024 as part of an initiative to implement an in-house treasury structure. Consistent with prior Board direction, the Deputy General Manager of Administration began serving as Central San's Treasurer, with an investment advisor/management firm assisting in managing Central San's investment portfolio. Central San also implemented 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 approved by the Board. 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 2025, the OPEB Trust had a balance of \$94.3 million, an increase from \$87.2 million in February 2024.

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 directing any extra payment(s) to CCCERA, giving Central San greater retirement payment flexibility in the future, while 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 \$12.8 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, resulting in a balance of \$1.8 million as of February 2025.

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 ten years are the primary focus. See further assumptions about the long-term financial plan at the end of the Financial Summary section.

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, and as impacted by other key developments. Most recently, the Nutrients decision of the San Francisco Water Board in July 2024 led to a reassessment of Central San's capital spending to accommodate the significant additional cost of compliance with that decision. The updated financial plan was presented at the January 16, 2025 Board Financial Planning Workshop. The financial plan for FY 2024-25 adopted in January 2023 and presented again to the board in April 2024 served as the basis for FY 2023-24 and FY 2024-25 rates. The current financial plan estimated FY 2025-26 O&M spending at \$101.2 million and capital spending at approximately \$1,265 million. The financial plan was based on the following assumptions:

The updated financial plan reflecting the FY 2025-26 assumptions for the O&M budget is provided in the Financial Summary section of this budget book, illustrated in Table 15. The O&M budget assumption for FY 2025-26 was \$101.2 million, consistent with this budget document. The approved FY 2025-26 budget will be a baseline for future years' planning.

Operations and Maintenance

- O&M costs projected based on the FY 2024-25 budget, updated for anticipated inflation and other cost-growth factors, including labor costs per assumptions in the Memorandum 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 January 16, 2025 Board Financial Planning Workshop presentation available on the Central San website.

Capital

The Ten-Year CIP was rolled forward one year, resulting in anticipated expenses of \$1,265 million (2025 dollars) for the CIP. This is an increase of \$262 million from the previous Ten-Year CIP. The primary reason for the increase is the need to meet additional project expenses associated with the nutrients order. Central San added \$420 million of funding to the \$79 million for nutrients-related projects in the previous Ten-Year CIP and simultaneously delayed or reduced funding for other projects by \$158 million for a net increase of \$262 million.

An updated ten-year plan was presented to the Board at a public meeting on January 16, 2025, 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 2025-26 capital budget and the Ten-Year CIP.

Financial Summary

The FY 2025-26 budget provides the resources necessary to advance the Strategic Plan and meet Central San's challenges as it continues to provide high-quality services while replacing aging infrastructure, optimizing capacity, and complying with regulatory requirements. The FY 2025-26 budget also complies with the Financial Policies discussed in the previous section. While this year's budget focuses on next year's needs and strategic priorities, the budget also discloses the latest long-range financial forecast. As disclosed in the Capital Improvement Program section of the budget book, total capital outlays of approximately \$1.27 billion are projected over the next 10 years to address an aging utility infrastructure, increased capacity needs, growing regulatory demands, and enhance sustainability.

Central San's total budget for FY 2025-26 is \$237.3 million, excluding net contributions to reserves, representing an increase of \$48.4 million (25.6%) compared to the prior year's budget of \$188.9 million. Changes by individual spending category are summarized as follows:

- The O&M fund budget is \$101.0 million, an increase of \$4.0 million (4.2%) over the prior year's budget of \$97.0 million. Table 7 illustrates the drivers for this change by expense type category. 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 \$124.4 million (inclusive of a \$5 million contingency), an increase of \$43.7 million (54.1%) from the prior year's budget of \$80.7 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 \$9.1 million, an increase of \$0.2 million (2.7%) 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 \$2.9 million, a modest increase of \$0.4 million (18.3%) 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 2025-26 Total Budget

Fund	Expenditures Trend					
	FY 2023-24 Budget*	FY 2023-24 Actual	FY 2024-25 Budget*	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Operations and Maintenance (O&M)	\$91,446,671	\$86,763,362	\$96,987,159	\$101,034,805	\$4,047,646	4.2%
Sewer Construction**	71,202,000	92,430,226	80,712,000	124,395,000	43,683,000	54.1%
Debt Service	9,160,142	6,584,799	8,815,875	9,051,000	235,125	2.7%
Self-Insurance	2,585,000	2,513,068	2,420,500	2,862,500	442,000	18.3%
Total Appropriations	174,393,813	188,291,455	188,935,534	237,343,305	48,407,771	25.6%
Contribution to Reserves	20,132,487	2,939,659	42,178,464	1,975,395	(40,203,069)	-95.3%
Total Funding Uses	\$194,526,300	\$191,231,114	\$231,113,998	\$239,318,700	\$8,204,701	3.6%

*As amended.

**Given the multi-year nature of the capital budget, excluding amendments for carryforward in this table.

Sources of Funds

The sources of funds (revenues) for FY 2025-26 are shown in Figure 1. A comparison of the major revenue sources for FY 2025-26 and two prior years is shown in Figure 2.

Figure 1 – Total Funding Sources – FY 2025-26 Proposed Budget

FY 2025-26 Total Budgeted Funding Sources of \$239,318,700

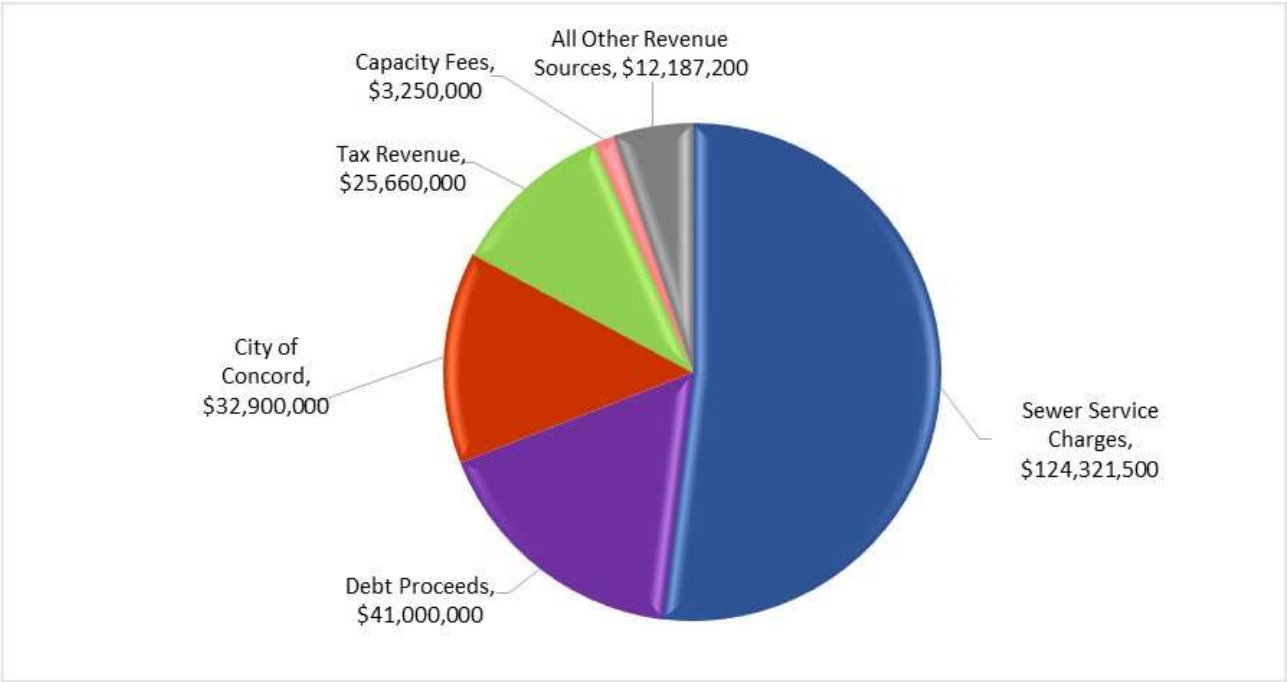
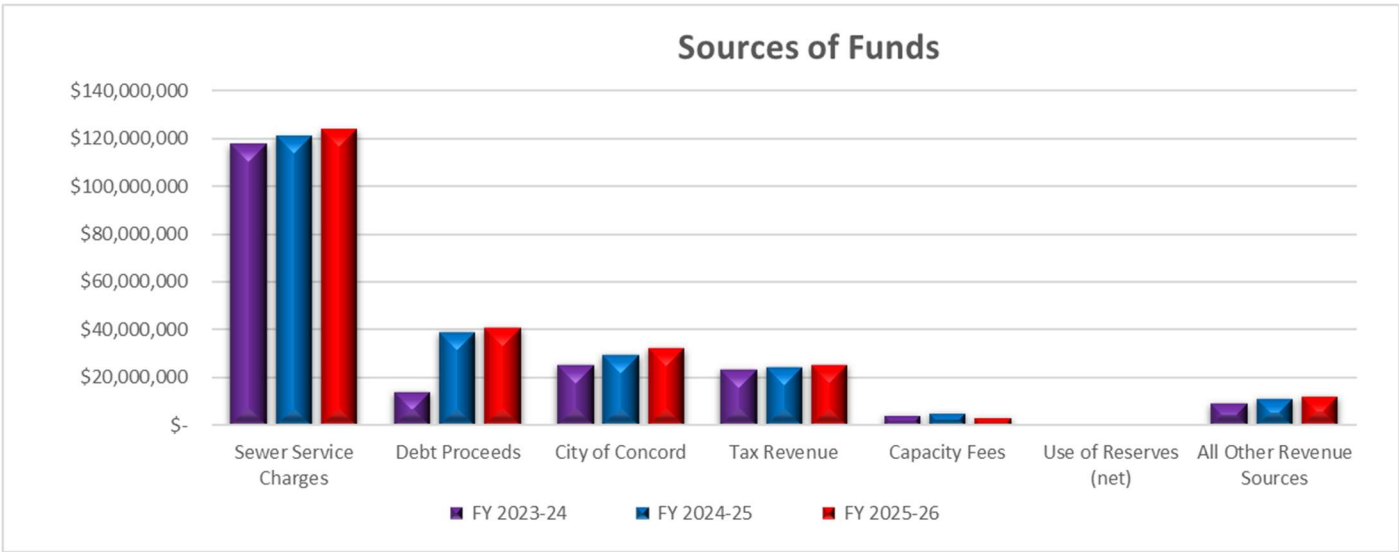


Figure 2 – Total Funding Sources – Three-Year Budget Comparison

<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
\$194,526,300	\$231,113,998	\$239,318,700



The SSC is the largest source of revenue for FY 2025-26 at \$124.3 million, followed by the City of Concord cost-sharing revenue at \$32.9 million, ad valorem property taxes at \$25.7 million, Investment Income at \$6.5 million, and Capacity Fees at \$3.3 million. All other sources of revenue, excluding draws on reserves and debt proceeds, are \$5.7 million. Non-revenue sources of funds for FY 2025-26 include expected borrowing of \$41.0 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 on 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 and capital spending costs or associated debt service for Central San's treatment plant. The revenue amount is forecasted 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 forecasted by reviewing historic property tax revenue and adjusting for anticipated changes in assessed property values and anticipated development in Central San's service territory. The FY 2025-26 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 that 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 Finance Division invoices the amounts due in August for the prior fiscal year. The budgeted amounts are based on the projected total costs of the facility, which are 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 uses of recycled water are 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 reviews, 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. The 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. Central San’s Environmental Compliance Group provides these services under contract with the Contra Costa Clean Water Program. The Finance Division invoices amounts 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 took 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, and began reducing interest rates in September 2024, where they are currently at the level of 4.25-4.5%. As a large portion of Central San’s investment portfolio comprises governmental fixed-income instruments, it is expected to be significantly impacted by Fed rate actions. The budget anticipates a slight reduction in the Fed rate by approximately 0.25-0.50% by the close of calendar year 2025. Also reducing investment income slightly, the Sewer Construction fund is anticipated to draw down on reserves in FY 2025-26, making progress on the significant capital expenditure carryforward that has been accumulating over the past few 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 \$41.0 million to fund the Capital Improvement Budget for FY 2025-26 is shown in Table 13.

Tables 2a, 2b, 2c, and 2d show Central San's overall funding sources and how those funding sources are applied to each sub-fund for the proposed FY 2025-26 budget, the FY 2024-25 budget, projected FY 2024-25 actuals, and actual FY 2023-24 results.

Table 2a – Allocation of Funds – FY 2025-26 Budget

Funding Sources FY 2025-26 Budgeted	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$67,753,994	\$55,974,678	\$592,828	\$-	\$124,321,500
City of Concord	19,400,000	13,500,000	-	-	32,900,000
Property Tax Revenue	-	16,609,000	-	9,051,000	25,660,000
Capacity Fees*	-	3,250,000	-	-	3,250,000
HHW Reimbursement	1,136,000	-	-	-	1,136,000
Recycled Water	545,000	-	-	-	545,000
Total Primary Revenue Sources	88,834,994	89,333,678	592,828	9,051,000	187,812,500
Other Revenue Sources Including:					
Permit & Inspection Fees	1,817,000	-	-	-	1,817,000
Lease Rental Income	1,000,000	-	-	-	1,000,000
Stormwater/Pollution Prevention	511,000	-	-	-	511,000
Investment Income	1,049,000	5,043,000	401,000	-	6,493,000
Developer Fees	-	301,000	-	-	301,000
Other	358,200	1,000	25,000	-	384,200
Total Other Revenue Sources	4,735,200	5,345,000	426,000	-	10,506,200
Subtotal Funding Sources prior to Debt Proceeds	93,570,194	94,678,678	1,018,828	9,051,000	198,318,700
Debt Proceeds (SRF Loan)	-	41,000,000	-	-	41,000,000
Subtotal Funding Sources prior to Draws of Reserves	93,570,194	135,678,678	1,018,828	9,051,000	239,318,700
Use of / (Contribution to) Reserves	7,464,611	(11,283,678)	1,843,672	-	(1,975,395)
Total Funding Sources**	\$101,034,805	\$124,395,000	\$2,862,500	\$9,051,000	\$237,343,305

* 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 seven years. This will likely result in additional capacity fee revenue. However, the timing and mix of housing units (such as single-family, multi-family, and ADUs) are 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 \$2.0 million, total funding sources budgeted for FY 2025-26 are \$239.3 million, which is the amount presented in Table 1b, and Figure 2.

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

Funding Sources FY 2024-25 Budget	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	(1,191,570)	(41,074,306)	87,412	-	(42,178,464)
Total Funding Sources*	\$96,987,159	\$80,712,000	\$2,420,500	\$8,815,875	\$188,935,534

*Excluding net contributions to reserves of \$42.2 million, total funding sources budgeted for FY 2024-25 were \$231.1 million.

Table 2c – Allocation of Funds – FY 2024-25 Projected

Funding Sources FY 2024-25 Projected	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$74,065,903	\$46,234,428	\$1,858,965	\$-	\$122,159,296
City of Concord	18,700,000	9,700,000	-	-	28,400,000
Property Tax Revenue	-	15,574,453	-	8,815,875	24,390,328
Capacity Fees	-	3,250,000	-	-	3,250,000
HHW Reimbursement	1,095,000	-	-	-	1,095,000
Recycled Water	530,000	-	-	-	530,000
Total Primary Revenue Sources	94,390,903	74,758,881	1,858,965	8,815,875	179,824,624
Other Revenue Sources Including:					
Permit & Inspection Fees	1,835,789	-	-	-	1,835,789
Lease Rental Income	980,000	-	-	-	980,000
Stormwater/Pollution Prevention	496,000	-	-	-	496,000
Investment Income	900,000	6,500,000	397,000	-	7,797,000
Developer Fees	-	301,000	-	-	301,000
Other	604,500	154,882	1,438,800	-	2,198,182
Total Other Revenue Sources	4,816,289	6,955,882	1,835,800	-	13,607,971
Subtotal Funding Sources prior to Debt Proceeds	99,207,192	81,714,763	3,694,765	8,815,875	193,432,595
Debt Proceeds (SRF Loan)	-	45,000,000	-	-	45,000,000
Subtotal Funding Sources prior to Draws of Reserves	99,207,192	126,714,763	3,694,765	8,815,875	238,432,595
Use of / (Contribution to) Reserves	(5,817,040)	(19,314,763)	(1,675,853)	-	(26,807,656)
Total Funding Sources	\$93,390,152	\$107,400,000	\$2,018,912	\$8,815,875	\$211,624,939

Table 2d – Allocation of Funds – FY 2023-24 Actual

Funding Sources FY 2023-24 Actual	O&M	Capital	Self- Insurance	Debt Service	Total Funds
Primary Revenue Sources:					
Sewer Service Charge	\$66,125,898	\$50,274,268	\$1,676,752	\$-	\$118,076,918
City of Concord	17,828,345	11,581,690	-	-	29,410,035
Property Tax Revenue	-	16,211,143	-	7,874,500	24,085,642
Capacity Fees	-	4,760,517	-	-	4,760,517
HHW Reimbursement	1,058,389	-	-	-	1,058,389
Recycled Water	549,390	-	-	-	549,390
Total Primary Revenue Sources	85,562,022	82,827,618	1,676,752	7,874,500	177,940,892
Other Revenue Sources:					
Permit & Inspection Fees	1,952,699	-	-	-	1,952,699
Lease Rental Income	742,546	-	-	-	742,546
Stormwater/Pollution Prevention	462,201	-	-	-	462,201
Investment Income	1,125,503	6,290,414	391,238	-	7,807,154
Developer Fees	-	209,120	-	-	209,120
Other	479,603	537,814	18,494	-	1,035,912
Total Other Revenue Sources	4,762,552	7,037,348	409,732	-	12,209,632
Subtotal Funding Sources prior to Debt Proceeds & Transfers	90,324,574	89,864,966	2,086,484	7,874,500	190,150,523
Debt Proceeds (SRF Loan)	-	580,591	-	-	580,591
Transfers-in (from O&M Fund)	-	-	500,000	-	500,000
Subtotal Funding Sources prior to Draws of Reserves	90,324,574	90,445,557	2,586,484	7,874,500	191,231,114
Use of / (Contribution to) Reserves	(3,561,211)	1,984,669	(73,416)	(1,289,701)	(2,939,659)
Total Funding Sources	\$86,763,363	\$92,430,226	\$2,513,068	\$6,584,799	\$188,291,455

Sewer Service Charge

Tables 3 and 4 show the SSC for FY 2025-26 compared to the prior two fiscal years’ rates for residential and non-residential customers. The Board adopted in June of 2023 a two-year rate for FY 2023-24 and FY 2024-25. This included an initial rate increase of 1% for FY 2023-24 for Single Family Residences (SFR), followed by a 4% rate increase in FY 2024-25. Other rate classes saw first-year adjustments (up or down) in differing amounts, followed by a 4% increase in the second year. An 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.

Central San’s financial plan indicated that new rates would be required for FY 2025-26 and beyond. To commence this process, two financial workshops were held with the Board in December 2024 and January 2025, where alternatives for rate adjustments based on a draft cost of service study were considered by the Central San Board, and guidance was provided to staff to prepare the steps necessary to proceed with a two-year rate adjustment. The cost-of-service report was finalized in February, Proposition 218 notifications were issued, and public hearings on rates were held in April and May 2025. At the May 22 Board meeting, the Board considered adopting a new two-year rate schedule, subject to check-in for the second-year adjustment.

A table illustrating residential and nonresidential rates for a four-year timeframe (last year, current year, and next two years) is shown below:

Table 3 – Approved Annual SSC-Residential

Customer Type	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Single Family Residence (SFR)	\$697	\$725	\$754	\$784
Other Residences – Apartments, Condominiums, Duplexes, Second Living Units, Mobile Homes	\$622	\$647	\$625	\$650
Accessory Dwelling Units (ADU)	\$339	\$353	\$335	\$348
Effective Date	07/01/23	07/01/24	07/01/25	07/01/26

Table 4 – Approved Annual SSC-Non-Residential

User Group	Description	Combined Strength Limits	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Low	Non-residential uses not listed below (no food service)	Up to 350 mg/l	\$7.63	\$7.94	\$8.12	\$8.44
Medium-Low	Food service without Type 1 hood, shared water meter with less than 50% food service	351 to 700 mg/l	\$9.32	\$9.69	\$10.38	\$10.80
Medium	Shared water meter with 50% or greater food service	701 to 1,000 mg/l	\$10.99	\$11.43	\$12.30	\$12.79
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	\$12.04	\$12.52	\$13.54	\$14.08
High	Mortuaries, bakeries, restaurants with grinders or emulsifiers, breweries with Best Management Practices permits	Greater than 1,300 mg/l	\$14.48	\$15.06	\$16.70	\$17.37
Minimum Annual Charge			\$622.00	\$647.00	\$625.00	\$650.00

Customer Type	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Schools				
Schools – Daycare, Preschool, University (per hundred cubic feet)	\$7.63	\$7.94	See “Low” category above	See “Low” category above
Schools – Elementary (per student)	\$8.94	\$9.30	\$9.94	\$10.34
Schools – Intermediate School (per student)	\$17.89	\$18.61	\$19.63	\$20.42
Schools –High School (per student)	\$17.89	\$18.61	\$19.57	\$20.35
Industrial Permit (including food processing)				
Wastewater Flow (per hundred cubic feet)	\$7.28	\$7.57	\$7.15	\$7.44
Biological Oxygen Demand (BOD) (per 1,000 pounds)	\$1,268.00	\$1,338.00	\$1,586.76	\$1,650.23
Total Suspended Solids (TSS) (per 1,000 pounds)	\$644.00	\$670.00	\$788.93	\$820.49
Fixed	\$248.00	\$258.00	\$260.27	\$270.68
Special Discharge Permits and Contractual Agreements	Determined Individually	Determined Individually	Determined Individually	Determined Individually

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

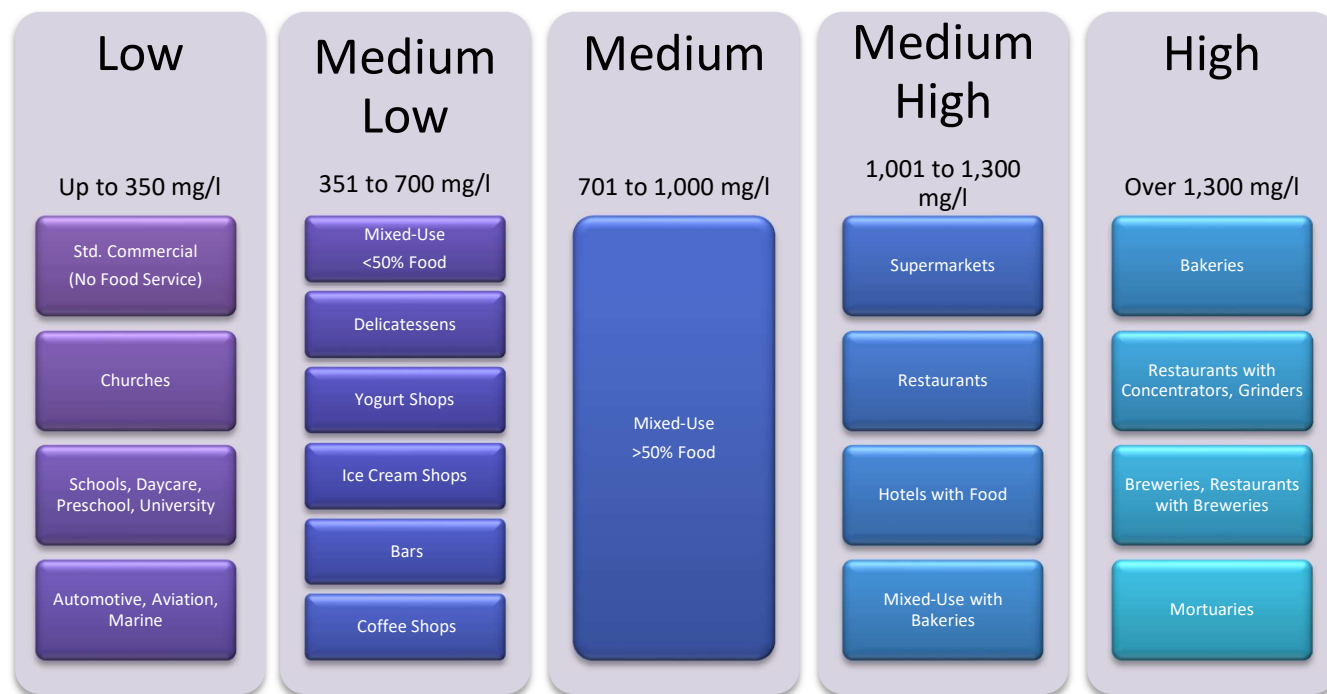


Table 5 indicates the total collected SSC and how such funds are allocated to the sub-funds. The O&M fund's SSC allocation in FY 2025-26 was budgeted to be 58.5%, representing a slight decrease from the 60.6% allocation rate budgeted in the prior year. Conversely, the allocation of SSC to Capital is increasing slightly from 37.9% in FY 2024-25 to 41.0% in FY 2025-26. As illustrated in Table 14, this modest allocation change is largely attributable to favorable year-end O&M fund budgetary variances anticipated in FY 2024-25. The table below summarizes the allocation of SSC across each of Central San's operational funds (excluding the Debt Service fund, which does not receive SSC):

Table 5 – Allocation of Sewer Service Charges

	FY 2023-24 Budget	%	FY 2023-24 Actual	%	FY 2024-25 Budget	%	FY 2025-26 Budget	%	Budget to Budget \$ Change
To O&M	\$66,051,443	56.0%	\$66,125,898	56.0%	\$73,532,729	60.6%	\$67,753,994	54.5%	(\$5,778,735)
To Capital	50,251,805	42.6%	50,274,268	42.6%	45,918,306	37.9%	55,974,678	45.0%	10,056,372
To Self-Insurance	1,676,752	1.4%	1,676,752	1.4%	1,858,965	1.5%	592,828	0.5%	(1,266,137)
Total Collected	\$117,980,000	100.0%	\$118,076,918	100.0%	\$121,310,000	100.0%	\$124,321,500	100.0%	3,011,500

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 inter-fund transfers can cause.

Uses of Funds

The uses of funds (expenditures and contributions to reserves) for FY 2025-26 are shown in Figure 3. The two expenditure categories, O&M and Sewer Construction, account for 94.2% of the total uses. In FY 2025-26, contribution to reserves comprises 0.8% 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 2025-26 Budget

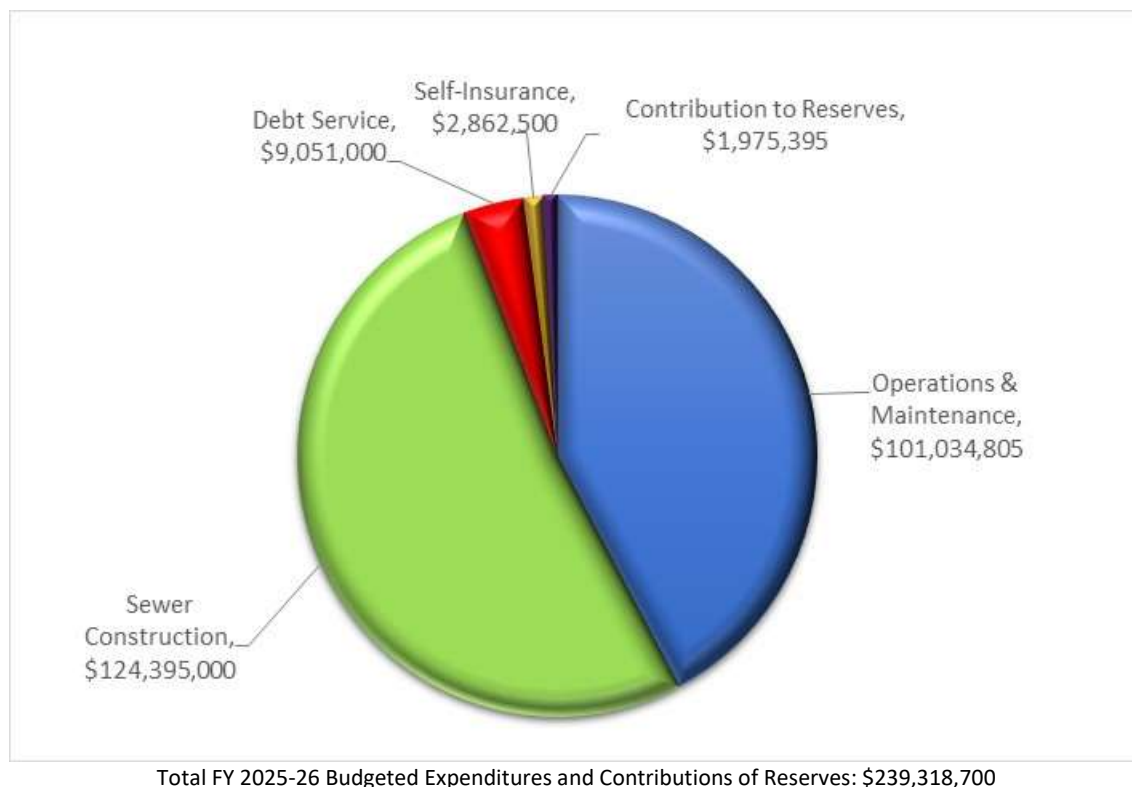
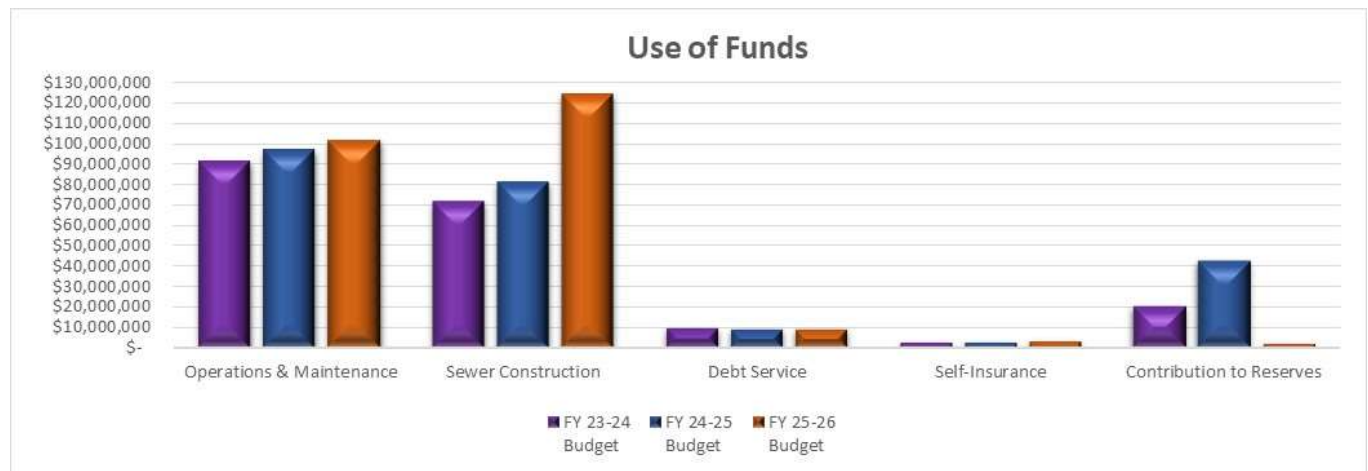


Figure 4 – Where the Money Goes

<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
\$194,526,300	\$231,113,998	\$239,318,700



Operations & Maintenance Budget Overview

Excluding the draw from reserves above minimum working capital levels, total O&M revenue for FY 2025-26 is projected to be \$93.6 million, compared to the FY 2024-25 budget amount of \$98.2 million, as shown in Table 6.

Table 6 – FY 2025-26 Budgeted O&M Revenues

Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Revenue							
Sewer Service Charge	\$66,051,443	\$66,125,898	\$73,532,729	\$74,065,903	\$67,753,994	(\$5,778,735)	-7.9%
Concord SSC	17,900,000	17,828,345	18,800,000	18,700,000	19,400,000	600,000	3.2%
Permit & Inspection Fees	1,827,500	1,952,699	1,828,000	1,835,789	1,817,000	(11,000)	-0.6%
HHW Reimbursement	1,009,000	1,058,389	1,094,000	1,095,000	1,136,000	42,000	3.8%
Lease Rental Income	822,000	742,546	880,000	980,000	1,000,000	120,000	13.6%
Recycled Water	515,000	549,390	530,000	530,000	545,000	15,000	2.8%
Stormwater / Pollution Prevention	420,000	462,201	496,000	496,000	511,000	15,000	3.0%
Investment Income	860,000	1,125,503	653,000	900,000	1,049,000	396,000	60.6%
Other	318,000	479,603	365,000	604,500	358,200	(6,800)	-1.9%
Total Revenue	\$89,722,943	\$90,324,574	\$98,178,729	\$99,207,192	\$93,570,194	(\$4,608,535)	-4.7%

O&M revenue is budgeted to decrease slightly overall by \$4.6 million, or 4.7% from the prior year's budget, due primarily to the following:

- Utilization of \$5.0 million of the O&M rate stabilization reserve account to offset SSC rate increases in FY 2025-26. This resulted in an equal increase to unrestricted working capital O&M reserves and an offsetting \$5.0 million decrease in the O&M fund's SSC revenue allocation requirement for FY 2025-26.
- A slightly offsetting increase in the reimbursement from the City of Concord by approximately \$0.6 million or 3.2% for its proportional share of wastewater treatment costs anticipated in FY 2025-26.
- An additional slightly offsetting increase in investment income of approximately \$0.4 million or 60.6%, reflective of the current interest rate environment and budget projections that were slightly too conservative in the prior year. This also assumes a more active investment strategy following Central San's transition to an in-house treasury utilizing an investment management firm (PFMAM) during FY 2024-25.
- An additional slightly offsetting reduction in SSC by approximately \$0.8 million or -1.1%, allowing the O&M fund to close FY 2025-26 with the minimum working capital reserves specified in the Board-approved Fiscal Reserves Policy after incorporating all other budgeted revenue sources and projected expenditures in FY 2024-25 and FY 2025-26.

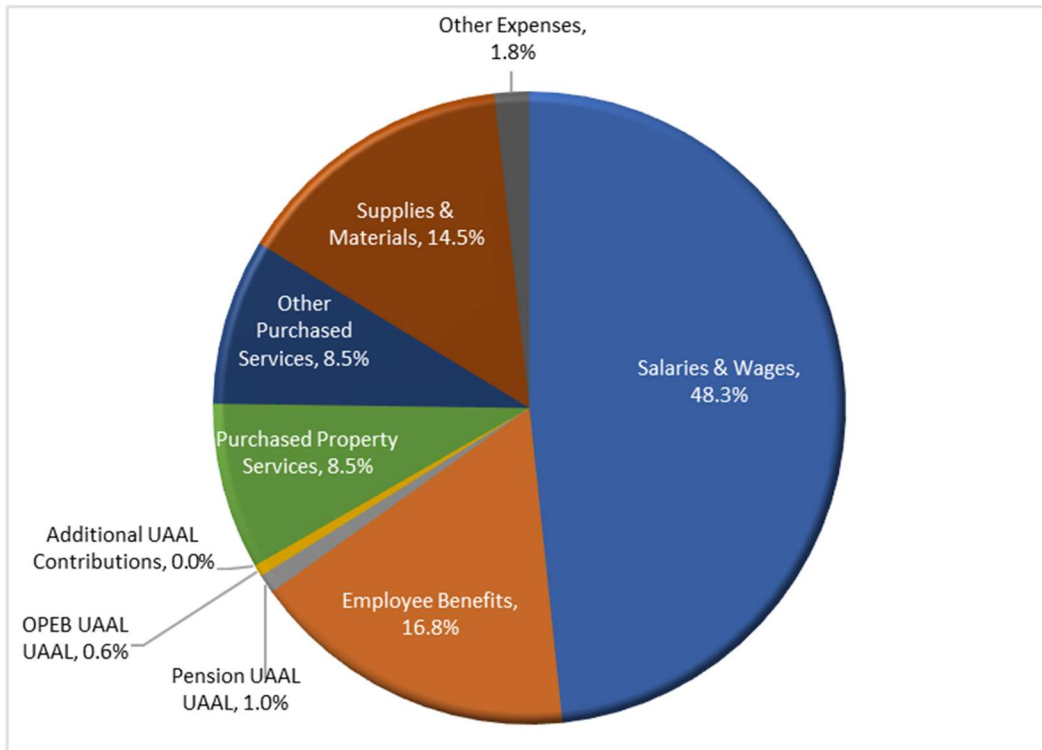
As shown in Table 7, total O&M expenses are projected to be \$101.0 million in FY 2025-26, an increase of \$4.0 million over the \$97.0 million FY 2024-25 budget, as amended. This figure includes the costs for Central San to provide essential services, including wastewater collection, wastewater treatment, 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 2025-26 O&M Budget by expense category.

Table 7 – FY 2025-26 Budgeted O&M Expenditures and Contribution to / (Draw from) Reserve

Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)	FY 2025-26 Percent of Total
A. Salaries & Wages								
A. Salaries & Wages	\$45,144,569	\$42,846,307	\$47,486,627	\$46,251,986	\$48,830,667	\$1,344,040	2.8%	48.3%
B. Benefits								
B. Benefits*	13,654,823	14,014,873	14,921,532	15,063,111	16,971,017	2,049,485	13.7%	16.8%
Total Salaries & Benefits	58,799,392	56,861,179	62,408,159	61,315,097	65,801,684	3,393,525	5.4%	65.1%
C. OPEB and Pension UAAL and Additional Contributions								
C. Pension UAAL	59,503	63,462	372,404	408,517	985,090	612,686	164.5%	1.0%
C. OPEB UAAL	141,000	141,000	225,000	225,000	609,000	384,000	170.7%	0.6%
C. Additional UAAL Contributions	1,000,000	-	1,000,000	1,000,000	-	(1,000,000)	-100.0%	0.0%
Total UAAL Costs	1,200,503	204,462	1,597,404	1,633,517	1,594,090	(3,314)	-0.2%	1.6%
Total Labor-Related Costs (A+B+C)	59,999,895	57,065,642	64,005,563	62,948,614	67,395,774	3,390,211	5.3%	66.7%
D. Other O&M Expenses								
D. Purchased Property Services	7,697,774	7,571,207	8,266,110	7,996,573	8,601,140	335,030	4.1%	8.5%
D. Other Purchased Services	7,246,295	4,995,860	8,086,042	6,622,133	8,579,666	493,624	6.1%	8.5%
D. Supplies & Materials	14,298,822	14,393,436	14,967,135	14,526,960	14,656,710	(310,425)	-2.1%	14.5%
D. Other Expenses	1,703,885	1,237,219	1,662,309	1,295,872	1,801,515	139,206	8.4%	1.8%
Total Other O&M	30,946,776	28,197,721	32,981,596	30,441,538	33,639,031	657,435	2.0%	33.3%
Total Expenditures Before Transfers	90,946,671	85,263,363	96,987,159	93,390,152	101,034,805	4,047,646	4.2%	100.0%
Pre-funding Pension Trust Contribution	-	1,000,000	-	-	-	-		
Interfund Transfer (Self-Insurance)	500,000	500,000	-	-	-	-		
Total O&M Expenditures	\$91,446,671	\$86,763,363	\$96,987,159	\$93,390,152	\$101,034,085	\$4,047,646	4.2%	100.0%

*Net of administrative overhead credit for capitalized labor.

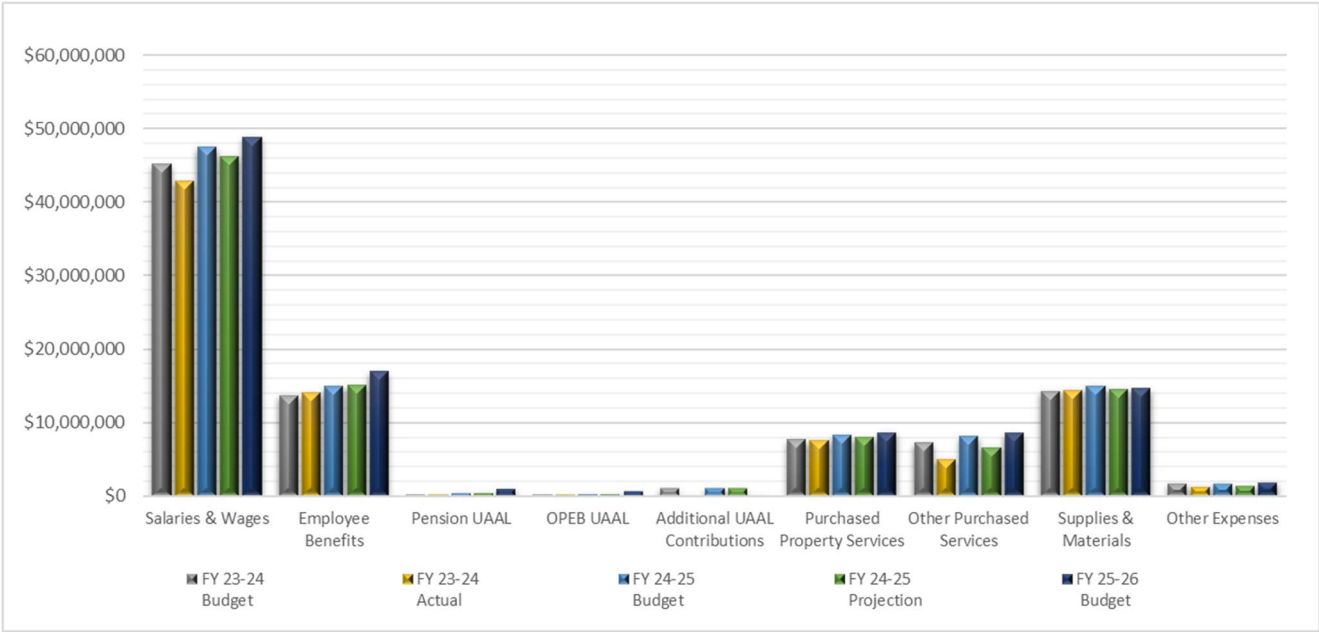
Figure 5 – FY 2025-26 Budgeted O&M Expenditures by Category



Variances in the Operations & Maintenance Budget

As noted previously, in FY 2025-26, O&M costs overall are budgeted to increase by \$4.0 million or 4.2% over the prior year, which is slightly less than the \$5.5 million or 6.1% O&M budget increase in the prior year, as amended. 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 \$48.8 million in FY 2025-26, compared to \$47.5 million in FY 2024-25, representing an increase of \$1.3 million, or 2.8%. This expense category makes up 48.3% of the overall FY 2025-26 O&M Budget, slightly lower than the prior year's budget (49.5%). The budget assumes a 2.7% cost of living adjustment (COLA) for full-time permanent employee salaries effective April 2025, reflecting the February 2024 to February 2025 Bay Area consumer price index (CPI) in accordance with employee labor agreements.

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 and anticipated new hires. The budget also assumes a vacancy factor of 4%, an increase from the prior year's assumed vacancy rate factor of 3% to better reflect actual vacancy experiences over the past few 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 \$14.9 million in the prior year to \$17.0 million in FY 2025-26, an increase of 13.7%. 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 of employee benefits before reductions for capitalized administrative overhead:

Table 7a – Benefits and Capitalized Overhead Detail

	FY 2023-24 Budget	FY 2024-25 Budget	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Benefits for Active Employees	\$19,377,572	\$21,262,767	\$22,991,768	\$1,729,001	8.1%
Capitalized Admin Overhead	(5,722,749)	(6,341,235)	(6,020,751)	320,484	-5.1%
Total Employee Benefits, net of Capitalized Admin Overhead	\$13,654,823	\$14,921,532	\$16,971,017	\$2,049,485	13.7%

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 \$21.3 million in the FY 2024-25 budget and rise to \$23.0 million in the FY 2025-26 budget, representing an 8.1% increase.

Given the timing of the budget development process, certain assumptions must be made on benefit program/premium costs before 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 the calendar year 2025, the budget incorporates an 8% base plan premium increase for the second half of FY 2025-26.
- **Pension (Normal Cost)** – The pension plan normal cost contribution rate, paid to CCCERA, is decreasing slightly by 0.08% for legacy employees to 17.37% effective July 1, 2025. The normal cost rate is decreasing slightly by 0.08% for Public Employees' Pension Reform Act (PEPRA) employees to 11.52% effective July 1, 2025. 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 the calendar year 2025, the budget incorporates a 2% premium increase for the second half of FY 2025-26.
- **Vision** – Using known vision rates in effect for calendar year 2025, the budget incorporates a 2% premium increase for the second half of FY 2025-26.
- **Life Insurance** – No rate increases are being assumed for this benefit category since rates are guaranteed through December 2027.
- **Long-Term Disability** – No rate increases are being assumed for this benefit category since rates are guaranteed through December 2027.
- **Employee Assistance Program** – No rate increase is anticipated for FY 2025-26.
- **Workers' Compensation** – A 15% rate increase was assumed for budget purposes as the actual rates have not been finalized.

- **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 typical cost component of OPEB, which is considered an active employee cost (not UAAL), is projected to be approximately \$2.1 million in FY 2025-26, increasing by approximately 10.7% over the prior year. Refer to 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 decrease by -5.1% to \$6.0 million in FY 2025-26. This was largely driven by a reduction in the Board-approved Administrative Overhead and Benefits Rate for FY 2025-26, which incorporated a reduction in the administrative overhead sub-component of 4.0% (from 79.6% to 75.8%). Several divisions, including Capital Projects, Planning & Development Services, and Plant Maintenance, are expected to charge time to capital projects in FY 2025-26.

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 2025-26, the total estimated pay-go cost of retiree health premiums and Medicare reimbursements is projected to be \$5.2 million. Consistent with prior years, OPEB costs for budgeting purposes are capped at the actuarially determined contribution (ADC), which is approximately \$2.7 million in FY 2025-26, 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 the 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 2025-26. Reimbursing excess OPEB A “pay-go” cost above the ADC ceiling will not eliminate Central San’s gradual contributions to paying down the UAAL, as the OPEB ADC is comprised of both a normal cost and a 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 \$1.9 million higher than the ADC in FY 2025-26. Accordingly, there is no mandatory OPEB trust payment to fully satisfy the ADC in FY 2025-26. In consideration of favorable results in the latest funding actuarial report (projecting a funded status of 94.2% as of July 1, 2025) as well as favorable investment gains reported by the OPEB trust to close out the calendar year 2024 (annual return of

9.4%), conflicting budget priorities, no additional OPEB trust contributions have been incorporated in the budget for FY 2025-26. To the extent that budget savings are available with the completion of FY 2024-25, the Board may choose to direct part of the savings toward the pension or OPEB trust as they have done in the prior year (most recently directing an additional \$1.0 million in prior year favorable budgetary variance to the pension prefunding trust following the close of FY 2023-24).

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 approximately 0.4%, 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 the negative market returns reported in 2022, subsequent actuarial valuations published by CCCERA have reported a slight resurfacing of Central San's pension UAAL. The UAAL pension contribution rate is 2.6% in FY 2025-26, which results in a pension UAAL contribution of approximately \$1.1 million (net of a vacancy factor credit) budgeted for FY 2025-26. With CCCERA again reporting favorable market returns in 2024 (annual return on a market valuation of assets basis of 8.5%), it is possible the UAAL contribution may remain steady if not decrease slightly in FY 2026-27.

D. All Other O&M Expenses

The remaining O&M non-labor expenses total \$33.6 million in FY 2025-26, reflecting an increase of 2.0% over the prior year's budget. Additional information is included in the individual operational 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 \$0.3 million or 4.1%. The bulk of this is attributable to budgeted increases for repairs and maintenance costs in the Information Technology division for cloud-based Software-as-a-Service (SaaS) subscription service, including increases for cloud-based software for construction contract administration (ProCore), the ERP system (Oracle Cloud Fusion), and Board agenda management (OneMeeting).
- **Other Purchased Services** – This expense category, which includes professional, technical, and administrative services is increasing by approximately \$0.5 million or 6.1%. This variance is primarily attributable to the Regulatory & Environmental Compliance division which is anticipating increases in various professional and technical services including legal advice, air/odor consulting, the National Pollutant Discharge Elimination System (NPDES) permit renewal, and per- and polyfluoroalkyl (PFAS) emissions testing.
- **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 (e.g., lime, polymer, hypochlorite, etc.) and general supplies. This line item is decreasing by \$0.3 million, or -2.1%,

primarily attributable to anticipated reductions in cost for natural gas, polymer, and hypochlorite within the Treatment Plant Operations division.

- **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, increasing by \$0.1 million, or 8.4%. The main driver for is change is an anticipated increase in the Bay Area Clean Water Agencies (BACWA) membership fees and a modest overall increase in training/conference costs across several operational divisions.

The following table summarizes budgeted costs for training, conferences, and meetings for FY 2025-26, as well as the previous two fiscal years. The increase in budget is largely attributable to increases in the Office of the General Manager and Plant Maintenance divisions. The General Manager has taken on a more active role on the National Association of Clean Water Agencies (NACWA) and WaterReuse Board, which necessitates more budget for travel than in prior years to support the organizations while serving Central San’s interests adequately. The increase in the Plant Maintenance division is largely attributable to a high level of staff turnover in recent years, necessitating expanded training, certification, coaching, and skills development efforts, particularly for the electrical training program and the implementation of formal root cause analysis standards.

Table 8 – Technical Training, Conferences, & Meetings *

Department	FY 2023-24 Budget	FY 2024-25 Budget	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Executive Governance**	\$113,088	\$136,500	\$176,720	\$40,220	29.5%
Administration Department	210,750	280,154	292,095	11,941	4.3%
Engineering and Technical Services Department	166,225	189,950	201,751	11,801	6.2%
Operations Department	254,250	262,150	321,899	59,749	22.8%
Total	\$744,313	\$868,754	\$992,465	\$123,711	14.2%

* Includes tuition and professional expense reimbursements.

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

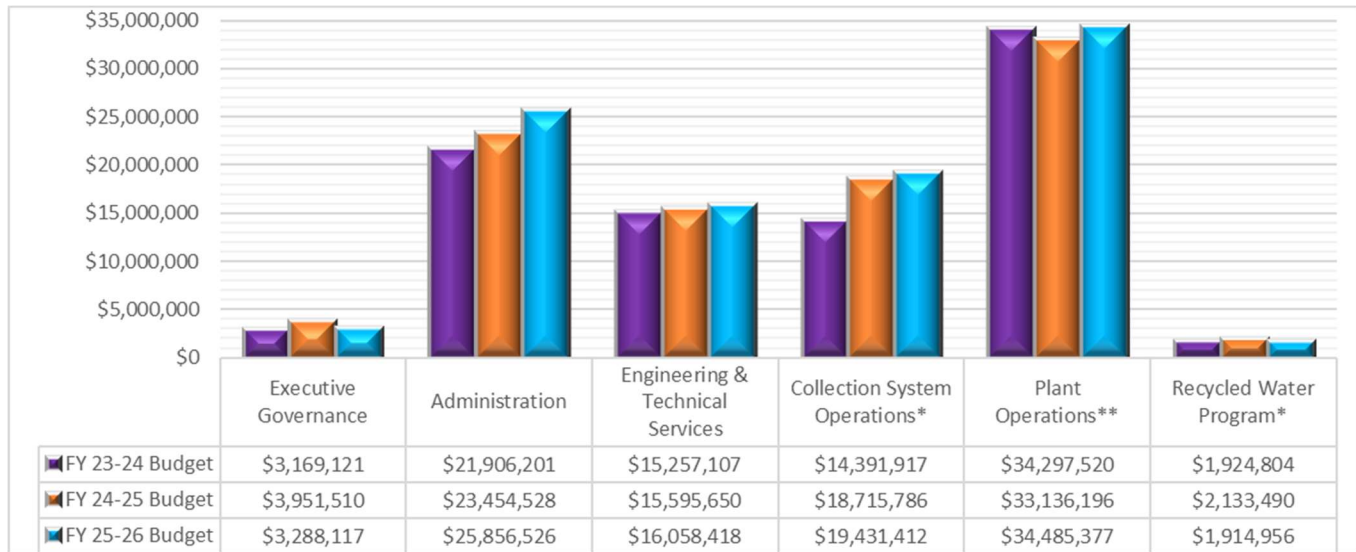
Operations & Maintenance Budget by Operating Department

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

Table 9 – O&M Budget by Department

Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Executive Governance							
Office of the General Manager	\$1,852,510	\$1,009,953	\$1,882,901	\$1,114,814	\$1,817,755	(\$65,146)	-3.5%
Office of the Secretary of the District	938,800	814,068	1,727,191	1,042,831	1,042,531	(684,661)	-39.6%
Board of Directors	377,811	194,895	341,417	332,125	427,831	86,414	25.3%
Subtotal	3,169,121	2,018,916	3,951,510	2,489,769	3,288,117	(663,393)	-16.8%
Administration							
Office of the Deputy General Manager of Administration	1,631,751	1,532,127	1,756,886	1,766,836	3,357,159	1,600,272	91.1%
Finance	3,358,940	3,001,256	3,615,073	3,423,549	3,975,748	360,675	10.0%
Human Resources & Organizational Development	6,930,837	5,273,059	7,014,379	7,094,738	6,729,349	(285,030)	-4.1%
Risk Management	1,514,204	1,414,642	1,745,299	1,531,432	1,745,672	373	0.0%
Communication Services and Intergovernmental Relations	2,176,322	1,972,779	2,546,290	2,442,217	2,712,445	166,155	6.5%
Information Technology	6,294,147	5,809,229	6,776,601	6,716,546	7,336,153	559,552	8.3%
Subtotal	21,906,201	19,003,092	23,454,528	22,975,318	25,856,526	2,401,998	10.2%
Engineering and Technical Services							
Office of the Director of Engineering & Technical Services	1,003,642	344,603	386,466	163,560	634,183	247,717	64.1%
Planning and Development Services	5,385,263	5,058,631	5,981,049	5,446,754	4,860,809	(1,120,240)	-18.7%
Capital Projects	(423,339)	(14,497)	(444,468)	(308,900)	(150,517)	293,951	-66.1%
Environmental and Regulatory Compliance	9,291,541	8,290,879	9,672,604	9,874,619	10,713,943	1,041,340	10.8%
Subtotal	15,257,107	13,679,615	15,595,650	15,176,033	16,058,418	462,768	3.0%
Operations							
Office of the Deputy General Manager of Operations & Engineering	989,020	865,731	1,286,966	978,323	1,392,568	105,602	8.2%
Collection System Operations	14,391,917	14,290,219	18,715,786	18,843,522	19,431,412	715,626	3.8%
Plant Operations	16,610,137	17,164,932	17,755,940	17,170,715	17,684,618	(71,322)	-0.4%
Plant Maintenance	14,892,814	15,170,894	12,385,099	12,200,949	13,412,889	1,027,790	8.3%
Operations Optimization	1,805,549	1,647,702	1,708,191	1,733,334	1,995,301	287,110	16.8%
Recycled Water Program	1,924,804	1,422,261	2,133,490	1,822,189	1,914,956	(218,534)	-10.2%
Subtotal	50,614,241	50,561,740	53,985,472	52,749,031	55,831,745	1,846,273	3.4%
Total Departmental Expenses Before Interfund Transfers	90,946,671	85,263,363	96,987,159	93,390,152	101,034,805	4,047,646	4.2%
Pre-funding Pension Trust Contribution	-	1,000,000	-	-	-	-	
Transfers to Self-Insurance Fund	500,000	500,000	-	-	-	-	
Total O&M Expenses	\$91,446,671	\$86,763,363	\$96,987,159	\$93,390,152	\$101,034,805	\$4,047,646	4.2%

Figure 7 – O&M Budget by Function



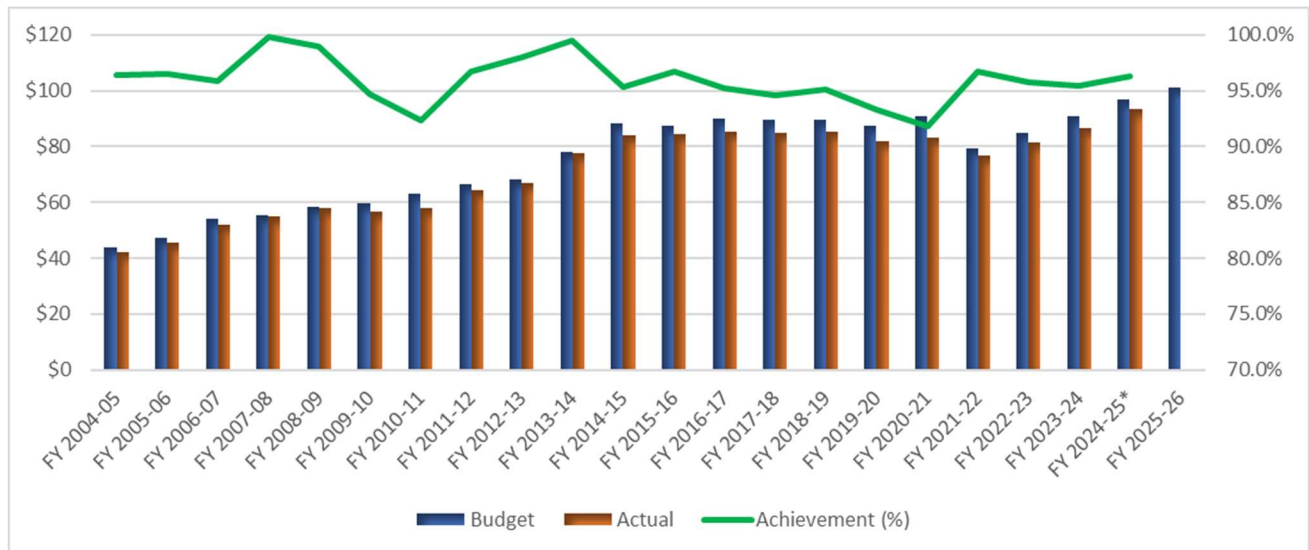
*Function shown separately given the significance of service and for comparability with prior year budgets.

**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. Over the last five years, variances have averaged 4.8% (spending was 95.2% of budget), and they have averaged 4.0% since FY 2004-05 (the last 20 years).

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



*Using projected actuals for FY 2024-25 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 \$3.1 million, or 4.0%, from \$79.1 million in FY 2024-25 to \$82.2 million in FY 2025-26. 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 \$80.5 million in FY 2025-26, including both the O&M Fund and the Sewer Construction Fund, compared to \$77.4.1 million in FY 2024-25, a \$3.1 million, or a 4.0% increase. UAAL costs for pensions and OPEB (which relate to active employees and retirees) are \$1.7 million, up slightly from \$1.6 million in FY 2024-25.

Major factors affecting overall salaries and benefits include the following:

- Cost-of-living adjustments effective April 2025 based on provisions per MOUs/personnel resolutions with each bargaining unit of 2.7% and an estimated placeholder of 3.75% for April 2026.
- Step (5%) and longevity (2.5%) increase for all eligible full-time permanent 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 4%, increasing from an assumed rate of 3% in the prior year's budget.
- 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 2025-26 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	269.0	34.0	303.0
Budgeted Salaries & Wages	\$48,830,667	\$6,173,562	\$55,004,229
Budgeted Benefits	22,991,768	2,490,338	25,482,106
Capitalized Admin Overhead **	(6,020,751)	6,020,751	-
Benefits After Capitalized Administrative Overhead	16,971,017	8,511,089	25,482,106
Total Costs Active Employees	65,801,684	14,684,651	80,486,335
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	609,000	-	609,000
Pension UAAL	985,090	131,622	1,116,712
Total Unfunded Liabilities	1,594,090	131,622	1,725,712
Total Labor Related Costs	\$67,395,774	\$14,816,273	\$82,212,048

Table 10 – Total Labor Costs Summary

FY 2024-25 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	267.6	35.4	303.0
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	1,372,404	49,857	1,422,261
Total Unfunded Liabilities	1,597,404	49,857	1,647,261
Total Labor Related Costs	\$64,005,563	\$15,069,500	\$79,075,063

*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 periods indicated. In addition to 303 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 (which assumes a 60% non-use factor in FY 2025-26) 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 2023-24 Year-End Actual	FY 2024-25 Budget	FY 2025-26 Budget
Regular Employees (Excluding Recycled Water Employees)	280.0	302.0	303.0
Temporary Employees			
District Temporary Employees	17.0	17.0	17.0
GM Specials	-	5.0	2.0
Limited Duration Employees	-	8.0	7.0
Fill Station Attendants	2.0	5.0	2.0
Summer Students	6.0	18.0	16.0
Interns	13.0	19.0	13.0
Total Temporary Employees	38.0	72.0	57.0

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

	Administration	Engineering	Operations	Total
Local One	23.0	37.0	108.0	168.0
Management Support/Confidential Group	30.0	47.0	40.0	117.0
Management	3.0	4.0	4.0	11.0
Unrepresented	5.0	1.0	1.0	7.0
Total by Department	61.0	89.0	153.0	303.0

Staffing Changes

As outlined in the adopted FY 2024-25 budget, Central San’s FTE headcount was 302, which was an increase from 298 in the FY 2023-24 adopted budget. After the FY 2024-25 budget was adopted, the Board approved the conversion of one Limited Duration Senior Engineer position to an FTE, which increased the budgeted and authorized FTE headcount to 303.

During the FY 2025-26 budgeting process, proposals for two new FTEs and five new LDE positions were proposed for consideration. These included:

1. One Administrative Services Assistant FTE position requested by the Deputy General Manager of Engineering and Operations.
2. One Instrument Technician FTE position requested by the Plant Maintenance Division.
3. One Management Analyst Limited Duration position requested by the Capital Projects Division. This request was revised to reclassify a vacant Engineering Assistant position to a Management Analyst.
4. One Chemist Limited Duration position requested by the Environmental and Regulatory Compliance Division. This request was canceled, and a Temporary Chemist was requested as an alternative.
5. One Utility Systems Engineer Limited Duration position requested by the Plant Maintenance Division.
6. One Oracle Support Technician Limited Duration position requested by the Finance Division. This request was revised to utilize an agency to hire a temporary position.
7. One Oracle Support Technician Limited Duration position requested by the Human Resources Division. This request was revised to utilize an agency to hire a temporary position.

Following an extensive consideration period involving Central San’s Executive and Management teams, no new FTE or LDE positions were ultimately recommended to be included in the proposed budget due to several factors. Operational, financial, and strategic constraints that were considered include the following: (1) the pending outcome of a review and reorganization of the Planning & Development Services Division; (2) the additions to staffing made in the prior two fiscal years; (3) the need to remain competitive and comparable with staffing levels as specified in the American Water Works Association (AWWA) benchmarking survey (See overview in Section 17-Supplemental Financial Information); (4) the pending results of the Central San-Mt. View Sanitary District Consolidation Study; (5) continued efforts to optimize operations including training in Lean/Six-Sigma techniques and the need to prioritize programs in light of resource constraints; (6) the need to emphasize cost control in operations given the heightened cost pressure Central San faces in complying with the 2034 regulatory requirements regarding nutrients discharges; (7) consideration of overall cost growth in comparison to households served in the service territory over a period of time; (8) continued ability to apply other

techniques to ensure essential functions are maintained; (9) external economic uncertainty; (10) an emphasis in considering the possibilities for the deployment of artificial intelligence (AI) and other advanced software tools across Central San to leverage employee productivity; (11) programs under development to incentivize employee engagement, productivity and creativity in providing cost-effective customer service.

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 Administration:*
 - Consolidated the Materials Services and Financial Planning functions, including its FTEs, with the Deputy General Manager of Administration for consistency with the latest revised organizational chart.
 - *Materials Services Division:*
 - Consolidated this function, including its four FTE positions, to the Deputy General Manager of Administration for consistency with the latest revised organizational chart.
- **Engineering & Technical Services Department**
 - *Office of the Director of Engineering and Technical Services:*
 - One Administrative Services Supervisor transferred from the Deputy General Manager of Engineering and Operations.
 - *Capital Projects Division:*
 - One vacant Engineering Assistant position reclassified to a Management Analyst.
 - One Project Safety Officer Limited Duration position was reclassified to a Maintenance Planner Limited Duration position and transferred to the Plant Maintenance Division.
 - *Planning & Development Services Division:*
 - Transferred four positions (two Engineering Assistants, one Management Analyst, and one Senior Engineer) from Financial Planning to the Deputy General Manager of Administration.
 - Transferred one Administrative Assistant to the Deputy General Manager of Engineering and Operations.
 - Reclassified one Engineering Assistant to a Construction Inspector.
- **Operations Department**
 - *Office of the Deputy General Manager of Engineering and Operations:*
 - One Administrative Assistant transferred from the Planning & Development Services Division.
 - Transferred one Administrative Services Supervisor to the Director of Engineering and Technical Services.
 - *Plant Maintenance Division:*
 - One Maintenance Planner Limited Duration position transferred from the Capital Projects Division.
 - *Operations Optimization Division:*
 - As noted previously, one Limited Duration Senior Engineer position is included in the FY 2024-25 adopted budget was converted to a Senior Engineer FTE position during FY 2024-25 and transferred from the Capital Projects Division to the Operations Optimization Division. This increased the budgeted headcount by one FTE.

Capital Improvement Budget

As shown in Table 13, Sewer Construction Fund total sources (including debt proceeds) are projected to increase by \$13.9 million (11.4%), from \$121.8 million in FY 2024-25 to \$135.7 million in FY 2025-26. This increase is largely attributable to three sources: an increase in the sewer construction fund's share of sewer service charges (SSC), increased capital reimbursements from the City of Concord, and increased SRF loan proceeds. The budgeted increase in SSC is attributable to a Board authorized draw on the rate stabilization reserve account in FY 2025-26 to help offset SSC revenue requirements as well as a smaller portion being allocated to the Self-Insurance fund following the receipt of large unbudgeted proceeds during FY 2024-25 for a favorable legal settlement as well as federal grant proceeds, which conversely increased the amount available for allocation to the capital program. 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 2024-25 to FY 2025-26. Lastly, the slight increase in SRF loan proceeds aligns with an increase in anticipated spending on the large Solids Handling Facilities Improvement Phase 1A Project in FY 2025-26.

The City of Concord's capital budget cost-sharing 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 2025-26 is projected to be \$13.5 million, which is a noteworthy increase of \$2.7 million or 25.5% from the prior year's budget of \$10.8 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 2025-26. In total, \$41.0 million of borrowing from the SRF is anticipated to finance this project in FY 2025-26.

The \$124.4 million capital improvement budget does not include anticipated carryforward from FY 2024-25, which will be finalized and communicated to the Board after the close of the current fiscal year. The FY 2025-26 capital budget, excluding carryforward, is increasing by \$43.7 million (54.1%) from the prior year's budget of \$80.7 million.

Central San is projected to contribute \$11.3 million to capital reserves in FY 2025-26 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 \$23.6 million anticipated to roll into FY 2025-26. 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 \$144.9 million, unadjusted for cash flow carryforward of inflation, in FY 2030-31 (see Ten-Year plan in CIP section).

Table 13 provides a summary of the projected FY 2025-26 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 2023-24 Budget	FY 202-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Revenue							
Sewer Service Charges	\$50,251,805	\$50,274,268	\$45,918,306	\$46,234,428	\$55,974,678	\$10,056,372	21.9%
Property Taxes	14,433,358	16,211,143	15,896,000	15,574,453	16,609,000	713,000	4.5%
Capacity Fees	4,175,000	4,760,517	5,000,000	3,250,000	3,250,000	(1,750,000)	-35.0%
Investment Income	2,250,000	6,290,414	4,785,000	6,500,000	5,043,000	258,000	5.4%
Reimbursements							
City of Concord	7,570,000	11,581,690	10,760,000	9,700,000	13,500,000	2,740,000	25.5%
Developer Fees & Charges	445,000	209,120	426,000	301,000	301,000	(125,000)	-29.3%
Other	1,000	537,814	1,000	154,882	1,000	-	0.0%
Total Revenue	79,126,163	89,864,966	82,786,306	81,714,763	94,678,678	11,892,372	14.4%
Loan & Bond Proceeds							
SRF Loan Reimbursements	14,000,000	580,591	39,000,000	45,000,000	41,000,000	2,000,000	5.1%
Total Revenue and Debt Proceeds	93,126,163	90,445,557	121,786,306	126,714,763	135,678,678	13,892,372	11.4%
Expenditures							
Collection System Program	35,734,000	34,889,170	23,327,000	29,700,000	34,202,000	10,875,000	46.6%
Treatment Plant Program	31,300,000	49,437,638	46,900,000	67,500,000	75,250,000	28,350,000	60.4%
General Improvements Program	3,350,000	4,135,937	5,235,000	7,400,000	7,625,000	2,390,000	45.7%
Recycled Water Program	818,000	3,967,481	250,000	2,800,000	2,318,000	2,068,000	827.2%
Contingency	-	-	5,000,000	-	5,000,000	-	0.0%
Total Expenditures*	71,202,000	92,430,226	80,712,000	107,400,000	124,395,000	43,683,000	54.1%
Carryforward**	71,548,454	-	50,320,228	23,632,228	-	-	-
Total Spend Authority	\$142,750,454	\$92,430,226	\$131,032,228	\$131,032,228	\$124,395,000	(\$6,637,228)	-5.1%

Sewer Construction Funds Available							
Projected Revenue and Debt Proceeds	\$93,126,163	\$90,445,557	\$121,786,306	\$126,714,763	\$135,678,678		
Capital Expenditures	\$71,202,000	\$92,430,226	\$80,712,000	\$107,400,000	\$124,395,000		
Contribution to Reserves	\$29,044,363	(\$1,984,669)	\$41,074,306	\$19,314,763	\$11,283,678		
Anticipated Cash Funded Capital Expenditures	\$50,081,800	\$-	\$41,712,000	\$62,400,000	\$83,395,000		

* The FY 2025-26 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.

** The Reserve calculation assumes that the difference between the FY 2024-25 budget and projected spending will be spent in FY 2025-26 or beyond.

Impact of Capital Improvement Budget on Ongoing Operations & Maintenance Budget

Central San's Capital Improvement Budget and the extent to which FY 2025-26 non-recurring 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 2025-26 Capital Improvement Budget, these effects are largely expected to be minimal, with one exception. The project most likely to have a significant impact 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

Board Policy (BP) 017 – Fiscal Reserves sets targets for 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 2025-26 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 2025-26 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 (CIB) 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 *BP 017 – Fiscal Reserves* targets. The O&M, Sewer Construction, and SIF are all projected to close FY 2025-26 with reserve levels at or above the 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 year. 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 2025-26 budget:

- **O&M Fund** - By June 30, 2025, O&M reserves are expected to exceed required minimum reserve levels by approximately \$4.7 million, attributable to favorable year-end revenue and expenditure variances in FY 2024-25. Pursuant to the Fiscal Reserves Policy, O&M reserves in excess of policy-required levels as of June 30, 2025, will be systematically reduced through the SSC split in the following fiscal year (FY 2025-26). As such, as outlined in Table 14, the O&M fund is projected to close FY 2025-26 with a working capital reserve of \$44.4 million, precisely the minimum policy-level amount.
- **Sewer Construction Fund** - Given the amount of unspent CIB appropriations carried over into FY 2024-25, Sewer Construction fund working capital reserves are expected to be well over the policy-specified minimum levels as of June 30, 2025. Accordingly, there is a planned decrease in Sewer Construction reserves in FY 2025-26 as progress is made on unspent budgetary carryforward appropriations from the prior year. The Sewer Construction fund is projected to close FY 2025-26 with a working capital reserve of \$142.5 million, exceeding minimum working capital reserves by \$78.3 million.
- **Self-Insurance Fund** – This fund is projected to close FY 2025-26 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 in 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 \$2.2 million, \$2.7 million, \$3.2 million, and \$1.5 million from favorable budgetary variances from FY 2019-20, FY 2020-21, FY 2022-23, and FY 2023-24, respectively. Accordingly, absent further action taken by the Board, the Rate Stabilization Fund Reserve Account is projected to close FY 2024-25 with a balance of \$12.2 million. By directing the funds to the Rate Stabilization fund, the Board will have greater flexibility for future use of the funds 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

At its January 2025 financial planning workshop, the Board authorized the utilization of \$6M of the rate stabilization reserve account in FY 2025-26 to offset SSC rate increases necessary for both capital and O&M purposes, resulting in a planned reserve balance of approximately \$6.2 million on June 30, 2026. To utilize the most restricted balances first, this draw resulted in the liquidation of the capital portion of the rate stabilization reserve account (\$1M) and an offsetting increase in the unrestricted portion of Sewer Construction Fund's working capital reserve.

- **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. Despite favorable investment returns reported by CCCERA in 2023, poor investment returns in 2022 (loss of -11.25% on a market value basis) have resulted in the resurfacing of a relatively small pension UAAL for Central San.

CCCERA's latest actuarial report as of December 31, 2023, identified a pension UAAL for Central San of approximately \$13.4 million and a funded status of approximately 97.4% (down from 99% a year prior) and resulting pension UAAL contribution rate of 2.6% applicable for FY 2025-26 (up from approximately 1.0% a year prior). Despite Central San's pension plan still being in a relatively strong financial position, given the resurfacing of a pension UAAL and the availability of budgetary variance funds, the Board took action to direct \$1.0 to the pension prefunding trust in FY 2023-24 as well as FY 2024-25. Projected reserves of the pension prefunding trust of approximately \$2.2 million as of June 30, 2026, assumes the fund's targeted return of 5.14% and that the additional Board-authorized trust contributions in FY 2024-25 are made on a dollar cost average basis over the remainder of the fiscal year.

- **OPEB Trust Fund** – This trust is projected to close FY 2024-25 with a reserve of \$93.0 million. This estimate is inclusive of investment returns, no new trust contributions, and an anticipated OPEB reimbursement to Central San of \$1.8 million in FY 2024-25. The trust and most recent OPEB actuarial report assumes 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 is projected to be 98.8% funded (on a market valuation basis) as of July 1, 2025, budgeting for an additional trust contribution is not considered a top priority for Central San, and therefore, none are planned for FY 2025-26. 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 2025-26 with a reserve of approximately \$95.4 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, 2024*	\$42,505,879	\$134,538,733	\$9,167,819	\$186,212,431
Projected Balance as of June 30, 2025	46,822,919	153,853,496	10,843,672	211,520,087
Projected Balance as of June 30, 2026**	\$44,358,308	\$142,504,946	\$9,000,000	\$195,863,254
Change year over year	(2,464,611)	(11,348,550)	(1,843,672)	(15,656,833)
<i>Reference:</i>	Table 7	Table 13	Self-Insurance Table 1	See Figure 3
Percentage change year over year	-5.3%	-7.4%	-17.0%	-7.4%
Explanation	Ending balance at 6/30/25 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	Three times annual deductible of \$500,000 plus \$7.5 million	
Reserve Policy Target end of June 30, 2025	42,097,836	37,856,000	9,000,000	88,953,836
Amount Over/(Under) Minimum Reserve Target at June 30, 2025	4,725,083	115,997,496	1,843,672	122,566,251
Comparison to Policy Target-End of Budget Year				
Reserve Policy Target end of June 30, 2026	44,358,308	64,187,500	9,000,000	117,545,808
Amount Over/(Under) Minimum Reserve Target at June 30, 2026**	\$ -	\$78,317,446	\$ -	\$78,317,446

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

** Net of FY 2024-25 CIB carryforward of \$23.6 million. Projected reserves at June 30, 2026, would be this amount higher when including the carryforward.

Table 14 – Reserve Projections (continued)

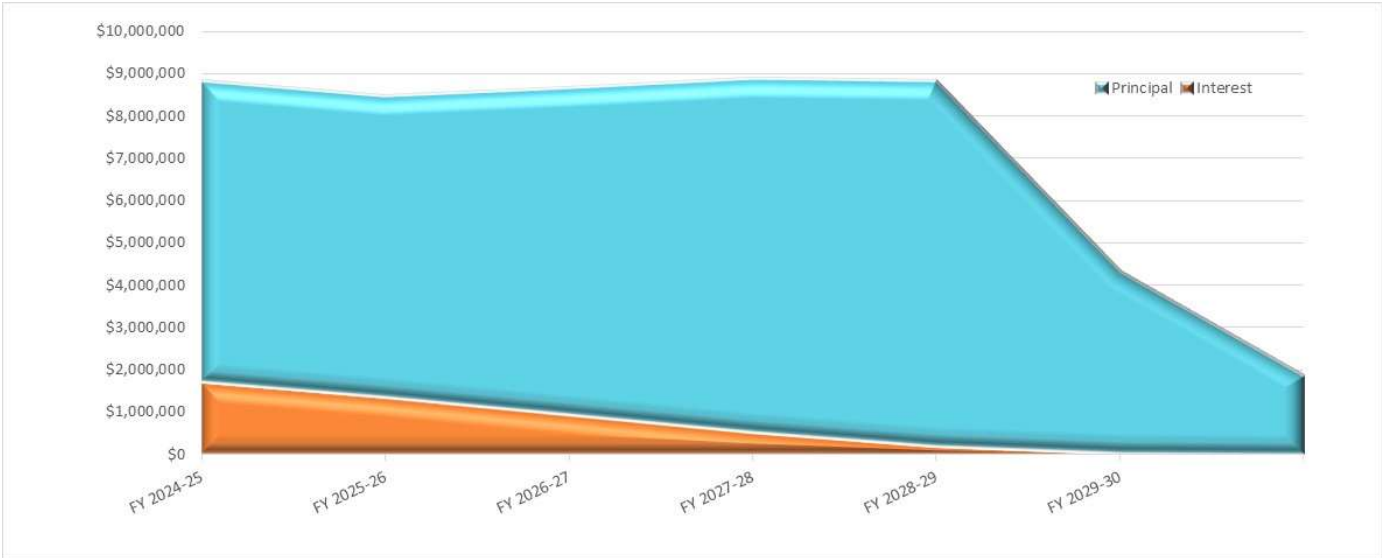
	Rate Stabilization Account *	Pension Trust Fund	OPEB Trust Fund
Actual Balance as of June 30, 2024	\$10,660,000	\$1,076,737	\$90,117,182
Projected Balance as of June 30, 2025	12,160,000	2,128,655	92,999,799
Projected Balance as of June 30, 2026	6,160,000	2,171,229	95,382,288
Change Year Over Year	-	42,573	2,382,489
<i>Reference:</i>			
Percentage Change Year Over Year	-49.3%	2.0%	2.6%
Explanation	No Additional Transfers from O&M.	Includes trust contribution of \$1 million during FY 2024-25	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, 2025	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2025	12,160,000	2,128,655	92,999,799
Comparison to Policy Target-End of Budget Year			
Reserve Policy Target end of June 30, 2026	N/A	N/A	N/A
Projected Balance less Reserve Policy Target at June 30, 2026	\$6,160,000	\$2,171,229	\$95,382,288

* 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 the 2018 Revenue Refunding Bonds and the 2021 COPs. Central San’s total principal debt service for FY 2025-26 is \$7.7 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)



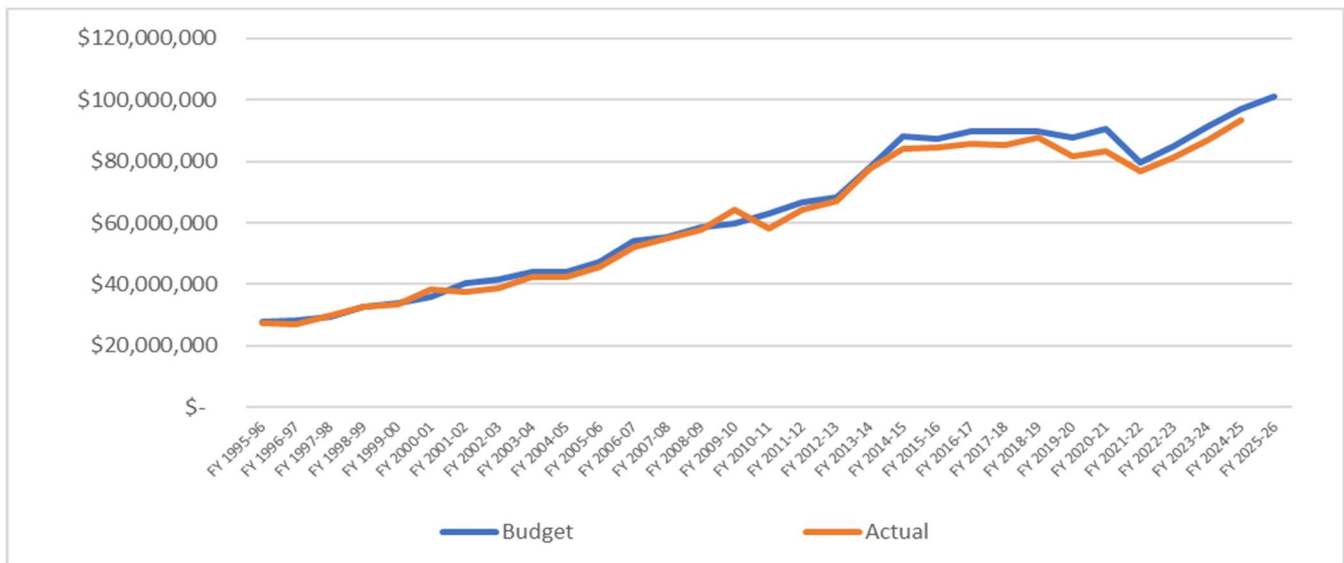
Phase 1a of the Solids Handling Facilities Improvements Project is being financed primarily by SRF loan proceeds. An SRF loan in the amount of \$173.1 million was finalized in 2021. This SRF loan has a term of 30 years, an interest rate of 0.90%, and payback is assumed to commence around FY 2028-29 following the substantial completion of the project. 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 the Nutrient Management Project. This additional financing may be in the form of either SRF loans, revenue bonds, or certificates of participation. These future loans or debt issuances, if any, would add to the above debt profile.

Historical Long-Term Spending Trends

Operations & Maintenance

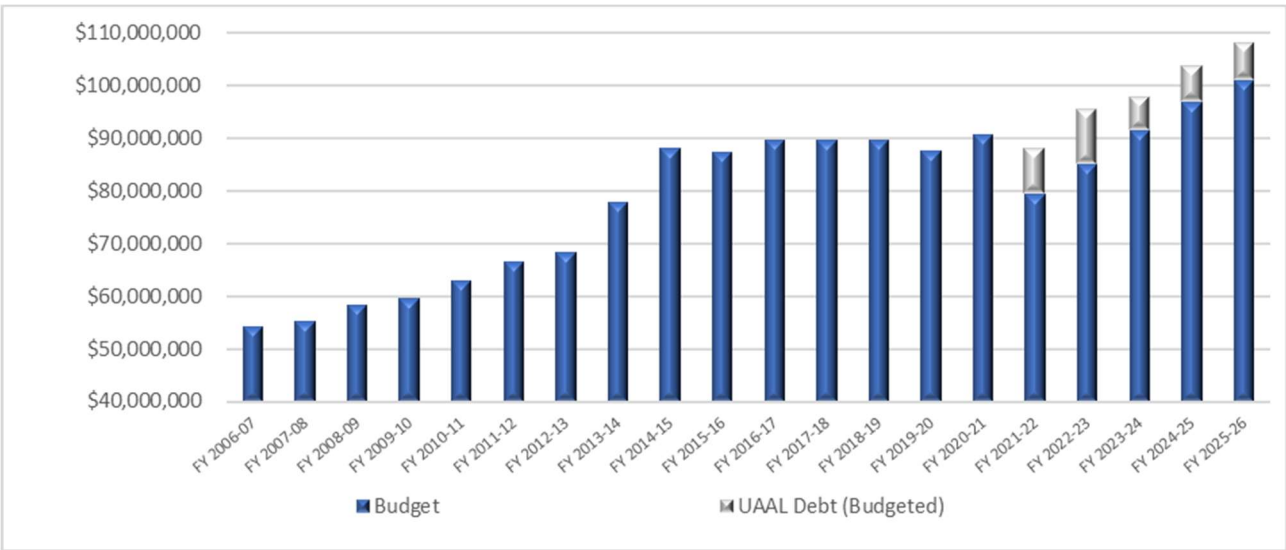
Figures 10a and 10b show a long-term trend line of past O&M expenditures over the past thirty years, while Figure 11 shows a long-term trend line of past capital expenditures. The O&M Budget was held essentially flat for a total of seven years (from FY 2014-15 to FY 2020-21). As illustrated below, the payoff of the pension UAAL in June 2021 resulted in a noteworthy decline (of 12.3%) 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 years, including 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.

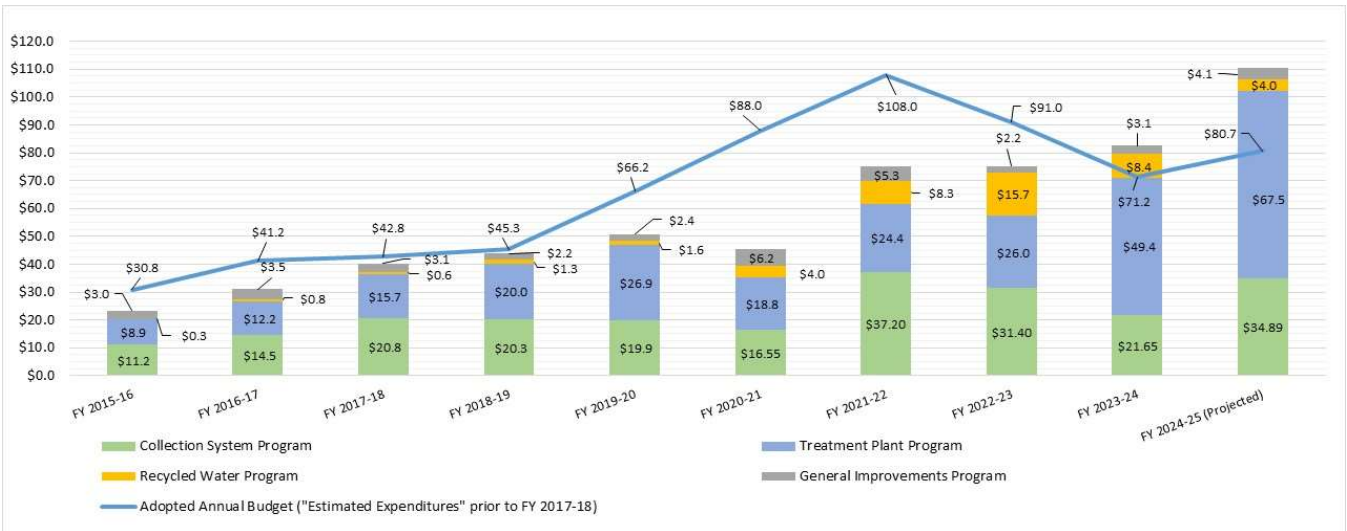
Figure 10b – Long-Term Budgeted O&M Spending Trend (with 2021 COPs Debt Service)



Sewer Construction (Capital)

Capital spending has been ramping up significantly since FY 2016-17, with spending projected to average \$126.6 million per year over the next decade (in 2025 dollars). Over the past 10 years, actual spending (including projected spending for FY 2024-25) has been \$626.8 million, while budgeted spending (called “estimated expenditures” prior to FY 2017-18) was \$690.3 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 2025-26 is the first year of a two-year rate proposal approved by Central San's Board of Directors in March 2025. The Proposition 218 notification was mailed to property owners in March 2025. The rate proposal was based on an updated Cost-of-Service study completed in February 2025. The projected sewer service revenues shown in the Ten-Year Financial Plan are also based on estimated future years' 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, resulting 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 increase in the relative share of Concord's flow compared to Central San's total inflows. 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's 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 pursuing additional debt financing for major capital projects impacting the long-term capital improvement program, such as the UV Disinfection Replacement project and Nutrient Management initiatives, though the precise financing source has not yet been determined (i.e., revenue bonds, certificates of participation, additional SRF funding, etc.).

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 in 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 11.8% in FY 2025-26, with the growth rate dropping to 6.0% by the end of the planning period. Pension costs are approximately 15.5% of the payroll.

- Assumed annual 3.0% inflation for general expenses for FY 2025-26 and through the end of the ten-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. The Board authorized the use of \$6 million from the rate stabilization fund in FY 2025-26 to keep the projected rates consistent with the previous financial plan adopted in 2023.
- Actual expenses and revenues will match projected amounts (i.e., no year-end surplus or deficit).
- Any year-end remaining fund balance 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 compiled 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										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total for 10 years
Beginning Reserves¹	\$138.4	\$136.6	\$132.2	\$135.5	\$142.7	\$122.9	\$150.7	\$156.3	\$168.2	\$164.0	
Revenues and Other Financing Sources											
Sewer Service charges	\$124.1	\$129.6	\$136.6	\$144.0	\$150.4	\$157.0	\$163.9	\$171.2	\$178.7	\$186.6	\$1,542.0
Debt Proceeds ²	39.0	42.6	40.4	34.2	5.2	85.9	85.9	85.9	67.7	67.7	554.5
Other Operating & Capital	39.3	46.2	49.4	60.6	67.5	47.1	60.5	59.6	73.3	63.2	566.6
Non-Operating Revenues	32.8	33.7	34.6	35.7	36.7	37.8	39.0	40.2	41.4	42.7	\$374.6
Total Revenues	\$235.2	\$252.1	\$261.0	\$274.4	\$259.6	\$327.8	\$349.3	\$357.0	\$361.1	\$360.2	\$3,037.7
Expenses											
Operating Expenses:											
(a) Operations	\$54.8	\$57.7	\$60.6	\$63.7	\$66.9	\$70.2	\$73.7	\$77.4	\$81.3	\$85.3	\$691.5
(b) Recycled Water Program	2.3	2.4	2.5	2.6	2.8	2.9	3.1	3.2	3.4	3.5	\$28.7
(c) Engineering & Technical Services	16.3	17.1	17.9	18.8	19.7	20.7	21.7	22.7	23.9	25.0	\$203.7
(d) Administrative and General	27.9	29.4	30.9	32.4	34.1	35.8	37.5	39.4	41.3	43.4	\$352.0
(e) Self-Insurance	2.5	2.6	2.6	2.7	2.8	2.9	3.0	3.1	3.2	3.3	\$28.6
Total Operating Expenses (O&M Budget items a-d and Self-Insurance Budget item e.)	\$103.7	\$109.0	\$114.5	\$120.3	\$126.2	\$132.5	\$139.0	\$145.8	\$153.0	\$160.5	\$1,304.5
Capital Expenses*											
Treatment Plant	\$75.3	\$86.8	\$86.2	\$89.0	\$92.1	\$97.3	\$116.8	\$108.3	\$108.8	\$72.4	\$932.6
Collection System	35.5	32.2	27.3	28.5	24.4	24.4	24.5	24.5	25.0	30.7	\$277.0
Recycled Water	2.3	3.3	3.3	3.1	2.3	0.3	0.3	0.3	0.3	0.9	\$16.6
General & Other	6.3	6.0	3.6	3.6	3.3	3.3	3.3	3.3	3.3	3.3	\$39.4
Total Capital Expenses (Gross)	\$119.4	\$128.4	\$120.3	\$124.2	\$122.1	\$125.3	\$144.9	\$136.4	\$137.4	\$107.3	\$1,265.6
Net Cash Flow Adjustments ³	4.8	9.8	13.7	18.3	22.2	27.2	36.8	39.8	45.4	39.7	257.7
Total Adjusted Capital Expenses	\$124.2	\$138.2	\$134.0	\$142.5	\$144.3	\$152.5	\$181.7	\$176.2	\$182.8	\$146.9	\$1,523.3
Debt Service:											
Existing (Revenue Bonds, COPs)	\$9.0	\$9.3	\$9.1	\$4.5	\$1.9	-	-	-	-	-	\$33.8
New/Planned (including 2021 SRF)	-	-	-	-	7.0	15.1	23.1	23.1	29.4	35.7	133.4
Total Debt Service	\$9.0	\$9.3	\$9.1	\$4.5	\$8.9	\$15.1	\$23.1	\$23.1	\$29.4	\$35.7	\$167.2
Total Expenses	\$236.9	\$256.5	\$257.7	\$267.2	\$279.4	\$300.0	\$343.8	\$345.1	\$365.2	\$343.2	\$2,995.1
Reserves											
Year Ending Reserve Requirements ⁴	\$131.7	\$131.8	\$133.7	\$141.5	\$111.3	\$136.6	\$136.7	\$158.4	\$149.9	\$150.7	
Ending Funds Available	136.6	132.2	135.5	142.7	122.9	150.7	156.3	168.2	164.0	181.0	
Funds Available Over/(Under) Requirement	\$4.9	\$0.4	\$1.8	\$1.2	\$11.6	\$14.1	\$19.6	\$9.8	\$14.1	\$30.3	

¹ These amounts are as of the January 2025 workshop. These may differ slightly from the numbers in the CIP section, but not significantly.

² SRF Proceeds from FY 2026 through FY 2030; \$258 million in bond proceeds from FY 2031 through FY 2033 as part of a \$258 million bond issuance in FY 2031; \$135 million in bonds proceeds from FY 2034 through FY 2035 as part of a \$203 million bond issuance in FY 2034.

³ 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.

⁴ Reserves differ from reserve projections shown in Table 14 as the long-term cash flow assumes full spending of the FY 2024-25 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 operating 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 General Manager, and specific direct reports (two Deputy General Managers and Human Resources & Organizational Development Manager) form Central San's Executive Team. Each executive worked closely with their division managers to create a prudent and cost-effective budget, utilizing efficiency and effectiveness to execute the Strategic Plan initiatives and targets while minimizing costs.

The following sections describe the responsibilities of each department and division; strategic accomplishments in FY 2024-25, performance against the FYs 2024-26 Strategic Plan key metrics in FY 2024-25 as of Q2; and operating budget needs. For final FY 2024-25 strategic performance data, please refer to the FY 2024-25 Strategic Plan Annual Report after its publication in fall 2025. The total operating budget for FY 2025-26 is \$101.0 million, a \$4.0 million or 4.2% increase over the \$97.0 million budget for FY 2024-25, as amended.

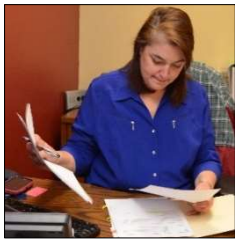


Administration Department

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 Central San's organizational units 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 of Directors 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 completing the Strategic Plan goals.

This office also provides direction, support, and resources to internal departments so they may effectively and efficiently accomplish Central San's Vision, Mission, and Goals. The accomplishments below represent tasks completed by staff and major overarching accomplishments of Central San directly overseen by the General Manager. The District-wide FY 2024-25 accomplishments and performance and FY 2025-26 objectives are embodied in each division and program section.

The General Manager's office staffing budget includes the Executive Assistant to the General Manager and the Internal Auditor/Diversity, Equity, and Inclusion (DEI) Officer.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Served on the boards of the National Association of Clean Water Agencies (NACWA), California Association of Sanitation Agencies (CASA), WaterReuse (as President), John Muir Health (as Vice-Chair), and serves as the Lead Outside Director for Recology Corporation to strengthen ties to the water sector and the community Central San serves.
- Participated in the Global Water Summit efforts.
- Member of Water Wastewater Utility CEO Forum.
- Met with city and town officials to ensure open lines of communication and interagency relations.
- Presented FY 2023-24 Strategic Plan Annual Report to the Board.
- Hosted the seventh citizens' academy, Central San Academy, with 43 participants in 2024.
- Hosted WaterReuse Northern California meetings.
- Executive Assistant to the General Manager chairs a quarterly meeting of sister agency assistants to General Managers.
- Presented to the Contra Costa Taxpayers Association.

GOAL TWO**ENVIRONMENTAL STEWARDSHIP**

- Coordinated Central San's response and strategy to the new Bay Area Nutrients Watershed Permit.
- Drafted a term sheet for long-term wastewater diversion and circulated it to Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and the DSRSD-EBMUD Recycled Water Authority (DERWA) representatives for review.
- Continued discussions with Contra Costa Water District (CCWD) and Valley Water regarding the Refinery Recycled Water Exchange Project.
- Continued to work with East Bay Municipal Utility District regarding the MOU for recycled water

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.
- Managed and facilitated online Employee Suggestion Program
- Met with bargaining unit representatives frequently to maintain open communication and resolve issues early.
- DEI Officer continued to meet with the Executive Team to make sure the focus of the newly formed committee is on track and to brief the team on efforts and timelines.
- Completed recruitment efforts for the new DEI Committee with a commitment to strengthen communication, collaboration, and inclusivity across the organization.

GOAL FOUR**GOVERNANCE AND FISCAL RESPONSIBILITY**

- Ensured that the Internal Auditor maintains membership in the Institute of Internal Auditors and attends conferences to ensure consistency of new practices and ensure that ratepayer fees are used effectively and within legal guidelines.
- Completed and issued 2023 Miscellaneous Assets Review, Phase II, and 2023 Capital Projects Design-only internal audits.
- Partnered with Internal Auditor on the Annual Internal Audit Workshop presentation and formed the 2025 Audit Plan framework, including procurement and treasury functions.
- Worked on a 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.
- Staff presented Central San's benchmarking program at the AWWA Water Quality Technology Conference in November 2024.
- Met the Goals and Performance Metrics in the FY 2024-25 Strategic Plan.

GOAL FIVE**SAFETY AND SECURITY**

- Continued to support Enterprise Risk Management (ERP) and Cybersecurity program efforts.
- Met with staff to address any safety concerns.



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 the FYs 2022-24 Optimizations Program Annual Report to the Board.

FYs 2023-25 Strategic Targets and Performance






This office supported the overall Strategic Plan Goals and Strategies as documented in the other Divisional write-ups. Areas of particular emphasis included:

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Participants in Central San Academy	≥35 per Session	43		2025 Session Not Yet Held	
	Awards or Recognitions Received	≥10	10		5	
	Completed Optimizations	≥20	34 (including 23 Don't Just Fix It; Improve It Work Orders)		4 Completed 24 in Progress 25 DJFI Work Orders Completed	

FY 2025-26 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 2025-26
 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.
 Engage with Our Customers, Community, and Industry	Represent Central San's best interests in involvement with industry associations and advocacy groups regionwide, statewide, nationwide, and worldwide.

<p>GOAL TWO</p>  <p>Be a Partner in Regional Development of Local Water Supply</p>	<p>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.</p>
<p>GOAL THREE</p>  <p>Engage Employees and Conduct Labor Relations in a Transparent and Collaborative Environment</p>	<p>Continue to meet regularly with labor bargaining unit representatives and division workgroups to maintain an open communication channel and promptly address workplace issues.</p>
<p>GOAL THREE</p>  <p>Invest in Equitable Talent Management Practices</p>	<p>Continue to gauge ways and means to make Central San a preferred employer, including supporting DEI initiatives.</p>
<p>GOAL FOUR</p>  <p>Promote and Uphold Ethical Behavior, Openness, and Accessibility</p> <p>Maintain Financial Stability and Sustainability</p>	<p>Continue developing the internal audit function, with work plans presented annually and internal audit reports presented to the Board.</p>
<p>GOAL SEVEN</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 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,208,553	\$694,272	\$1,207,193	\$783,157	\$1,088,879	(\$118,314)	-9.8%
Employee Benefits	467,762	242,265	473,592	272,629	472,270	(1,322)	-0.3%
Unfunded Liability Contributions	1,040	947	6,665	7,199	19,045	12,380	185.7%
Purchased Professional, Technical & Other Services	50,000	(15,281)	65,000	8,000	70,000	5,000	7.7%
Professional Services	50,000	(15,300)	65,000	8,000	65,000	-	0.0%
Technical Services	-	12	-	-	5,000	5,000	-
Other Purchased Services	-	7	-	-	-	-	-
Supplies & Materials	11,000	6,191	8,500	670	9,500	1,000	11.8%
General Supplies	11,000	6,191	8,500	670	9,500	1,000	11.8%
Other Expenses	114,155	81,560	121,950	43,159	158,060	36,110	29.6%
Memberships	52,175	38,446	47,150	12,821	50,840	3,690	7.8%
Training & Meetings	47,988	36,121	60,800	19,599	85,020	24,220	39.8%
Miscellaneous Other	13,992	6,993	14,000	10,739	22,200	8,200	58.6%
Total Expenses	\$1,852,510	\$1,009,953	\$1,882,901	\$1,114,814	\$1,817,755	(\$65,146)	-3.5%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
GM Transitional Positions *	-	5.0	2.0
Total	-	5.0	2.0

* The GM Transitional positions for FY 2025-26 are not currently allocated to individual work groups and would be assigned as needed with the approval of the GM and Human Resources division.

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 2025-26 is \$1.8 million, decreasing approximately 3.5% from the prior year's budget. The budget includes funding for three regular staff, commencing in FY 2023-24, and funding for General Manager (GM) Special positions. Per District policy, the General Manager can hire up to five GM Transitional positions at any time. GM Transitional positions are limited in terms of 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. The reduction in this budget is largely attributable to the implementation of a "non-use factor" for GM transitional positions. While the prior year's budget included an estimated budget for up to five GM transitional positions, next year's budget incorporates a 60% non-use credit based on a historical use analysis. The budgeted increase in the Other Expenses category is attributable to additional travel for training and conferences, and outside organization memberships. With the Internal Auditor continuing in a key role, an additional conference was added for educational purposes. Moreover, with the General Manager's new role as President of WateReuse and expanding role in the National Association of Clean Water Agencies, more conference attendance/training is required. There was also an increase in Outside Organization fees.

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 preparing and distributing agendas and minutes and publishing legal notices, including 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 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION AND COMMUNITY ENGAGEMENT

- Coordinated Board Self-Evaluation Workshop, Financial Planning Workshop, Audit Workshop, and annual Board Member compensation and benefits review.
- Coordinated meetings for Board Liaisons with representative cities and agencies.
- Provided Records Program services to all departments, including indexing over 118 new records boxes transferred to storage, creating and printing over 733 new file folder labels, and delivering or returning 125 boxes requested from storage.
- 1,328 boxes and 65 files that have met retention were securely destroyed. The destruction of another 400 boxes is scheduled to be completed before the end of the current fiscal year.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Implemented electronic filing of Statements of Economic Interest (Form 700) for all designated filers under the Conflict-of-Interest Code.
- Coordinated a biennial review of 28 existing Board policies and facilitated the creation of one new policy and amendments to 16 Board policies.
- Transitioned all Board Members from paper versions of agenda packets to completely digital receipts.
- Enacted a small-scale initiative to digitize District-wide critical permanent records, including Board Agendas and Minutes, Resolutions, some District Project documents, and Risk Management archives to improve accessibility for District staff and the public.

GOAL THREE



WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE

- 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

- Implemented a new live streaming/video recording program for all Board Meetings to allow for greater public participation.



- Expanded the use of the NextRequest Public Records Act (PRA) Request program to include more staff members to streamline and expedite response to public requests.
- Obtained an electronic posting system for agendas and legal notices, including public hearings.

FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 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%		Not a metric in the FY 2024-26 Strategic Plan	

FY 2025-26 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 2025-26
 GOAL FOUR Encourage and Facilitate Public Participation	Obtain the Special District Leadership Foundation's District Transparency Certificate of Excellence .
	Facilitate Board Member attendance at California Special Districts Association Leadership Academy focusing on Governance Foundations.
 GOAL SEVEN Implement Organization-Wide Optimization	Finalize implementation of new agenda management system program, update procedures, and provide staff training to improve processes and promote more efficient and effective publication of Board and Committee agenda packets.
	Update and simplify Central San's Records Retention Schedule .

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$560,833	\$469,142	\$575,749	\$572,641	\$614,828	\$39,079	6.8%
Employee Benefits	190,363	163,624	213,636	219,593	251,099	37,463	17.5%
Unfunded Liability Contributions	805	715	4,606	5,702	14,503	9,898	214.9%
Purchased Property Services	21,000	17,188	20,000	20,000	20,000	-	0.0%
Repairs & Maintenance	1,000	-	-	-	-	-	-
Rentals	20,000	17,188	20,000	20,000	20,000	-	0.0%
Purchased Professional, Technical & Other Services	120,200	135,054	864,000	198,624	90,000	(774,000)	-89.6%
Professional Services	40,000	83,425	-	35,000	20,000	20,000	-
Technical Services	14,000	1,460	9,000	3,400	2,000	(7,000)	-77.8%
Other Purchased Services	66,200	50,168	855,000	160,224	68,000	(787,000)	-92.0%
Supplies & Materials	12,600	8,113	7,000	4,715	4,700	(2,300)	-32.9%
Utilities & Fuel	-	15	-	-	-	-	-
General Supplies	12,600	8,098	7,000	4,715	4,700	(2,300)	-32.9%
Other Expenses	33,000	20,232	42,200	21,557	47,400	5,200	12.3%
Memberships	5,900	1,973	4,500	1,670	2,700	(1,800)	-40.0%
Training & Meetings	25,100	18,259	35,700	16,120	41,700	6,000	16.8%
Miscellaneous Other	2,000	-	2,000	3,767	3,000	1,000	50.0%
Total Expenses	\$938,800	\$814,068	\$1,727,191	\$1,042,831	\$1,042,531	(\$684,661)	-39.6%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Administrative Services Assistant	2.0	2.0	2.0
Deputy Secretary of the District	1.0	1.0	1.0
Secretary of the District	1.0	1.0	1.0
Total	4.0	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 2025-26 is approximately \$1.0 million, decreasing by 39.6% compared to the prior year budget. This reduction is attributable to the division not needing to budget for election services costs as an election is not anticipated in FY 2025-26. During FY 2024-25, expenditures for election services were significantly under budget, as there was only one contested race out of the four Board positions that were up for election in November 2024.

Board of Directors

OVERVIEW

The Board of Directors (Board) is a five-member governing body that represents the needs and interests of Central San’s customers. It oversees 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 liaise with specific agencies and cities served by Central San, meeting with officials and presenting to town and city councils to provide customer service and represent Central San and its ratepayers.

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$66,600	\$49,800	\$66,600	\$62,000	\$66,600	\$ -	0.0%
Employee Benefits	86,661	77,456	111,267	102,634	116,681	5,414	4.9%
Purchased Professional, Technical & Other Services	178,000	33,138	115,000	113,000	168,000	53,000	46.1%
Professional Services	110,000	33,138	47,000	103,000	118,000	71,000	151.1%
Other Purchased Services	68,000	-	68,000	10,000	50,000	(18,000)	-26.5%
Supplies & Materials	2,150	140	4,150	10,291	12,150	8,000	192.8%
General Supplies	2,150	140	4,150	10,291	12,150	8,000	192.8%
Other Expenses	44,400	34,360	44,400	44,200	64,400	20,000	45.0%
Memberships	400	65	400	200	400	-	0.0%
Training & Meetings	40,000	34,070	40,000	40,000	50,000	10,000	25.0%
Miscellaneous Other	4,000	225	4,000	4,000	14,000	10,000	250.0%
Total Expenses	\$377,811	\$194,895	\$341,417	\$332,125	\$427,831	\$86,414	25.3%

Budget Modifications and Contributions to Key Priorities

The Board of Directors’ Operating Budget for FY 2025-26 is approximately \$0.4 million, reflecting an increase of just under \$0.1 million (25.3%) from the prior year’s budget. Burke, Williams & Sorensen (BWS) was selected to serve as Central San’s legal counsel (i.e., District Counsel) in the Fall of 2023. Following the first full fiscal year of services provided by the new District Counsel in FY 2024-25, monthly legal retainer costs have been reassessed and revised, resulting in a larger proportion of the total cost being allocated to the Board in FY 2025-26. As circumstances change, this new allocation method will continue to be reassessed and revised in future years.

Human Resources and Organizational Development

OVERVIEW

This division manages employee and labor relations; recruitment, testing, and selection; classification and compensation; benefits administration; agency-wide training; wellness programming; workforce and organizational development; engagement efforts; and all payroll functions. The Human Resources and Organizational Development Division also oversees the Safety function, which aims to keep employees safe and reduce injuries, accidents, and environmental impacts while ensuring compliance.

FY 2024-25 Strategic Accomplishments



WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE

- Launched a one-year pilot with Pryor Learning to offer all employees unlimited access to live in-person or virtual seminars and 5,000+ online courses through the Pryor+ learning management system platform.
- Launched quarterly wellness webinars on various physical and mental health topics.
- Hosted the fourth Supervisory Academy with 25 graduates.
- Continued the fifth cycle of the BOOST Mentorship Program with three mentee and mentor pairings.
- Solicited interest for the fifth Management Academy, which will bring together participants from Central San and sister agencies to promote interagency learning and development.
- Continued the Job Shadowing Program to offer employees career coaching and job shadowing.
- Continued to offer bi-monthly HR @ Your Service training on various topics, including Conducting Effective Performance Evaluations, Explaining Pension Benefits, and District Retiree Health Benefits.
- Continued the Clarifier Speaker Series to engage employees in Central San's activities and achievements, including a tour of the Membrane Aerated Biofilm Reactor (MABR) pilot and a talk on How to Sort Solid Waste Properly.
- Continued the biannual Supervisors' Summit to discuss items of interest and receive brief refreshers on policies and procedures.
- Negotiated and implemented the benefit levels for part-time positions, which have historically not been utilized in the District.
- Launched new and improved performance appraisal forms with clearly defined competencies and a self-assessment section.
- Worked with a consultant to update performance appraisals for the management team.
- Configured and piloted Oracle Celebrate module as a peer-to-peer recognition platform.
- Explored ideas to expand and codify an Employee Appreciation and Recognition Program, including researching employee experience software.

- Continued the Employee Recognition Events program to allow managers to acknowledge extraordinary achievements.
- Supported the efforts of the DEI initiative, including working with the DEI consultant and internal task force and assisting with the appointment of Central San's DEI Officer.
- Interviewed and selected a new wellness-at-work vendor to help continue the Wellness Program.
- Helped facilitate the Wellness Committee's biannual Cake Walks, a social event encouraging employees to be active at work.
- Continued to meet with Local 1 and Management Support / Confidential Group Labor Management Committees quarterly and tracked action items for completion.
- Held ongoing HR and union representative/employee meetings.
- Implemented an e-Skill online testing platform to do online and secure testing for recruitment.
- Held an onsite Benefits Fair for active employees and an onsite Open Enrollment Fair for retirees.
- Implemented voluntary Pet Insurance through Spot for Central San staff.
- Expanded the fifth Externship Program to include a Contra Costa Water District tour, introduced 35 externs to wastewater and potable water, and promoted internship, summer student, and temporary employment opportunities at both agencies. Fairfield Suisun Sewer Agency shadowed the program.
- Continued coordinating with other agencies and BAYWORK to support regional workforce development.
- Joined a new Employee and Organizational Development Professionals community of practice group hosted by BAYWORK.

GOAL FIVE



SAFETY AND SECURITY

- Continued to manage Central San's COVID-19 response to the pandemic, which includes administering the COVID-19 Exposure Prevention Plan.
- Reintegrated in-person training sessions, including Confined Space Entry Procedures, First Aid/CPR/AED, Trenching & Shoring, Boom Truck Operator, Driver Safety, and Hearing Conservation.
- Administration and Engineering Departments went the entire calendar year 2024 with zero lost workdays and have not incurred a lost time incident since February 12, 2016.
- Plant Operations Division went 293 days with zero lost workdays from January 18, 2024, to November 6, 2024.
- Collection Systems Operations Division went 314 days with zero lost workdays from December 20, 2023, to October 28, 2024.
- Maintained Hazardous Materials Program/DTSC/EPA for Treatment Plant and Collection System Facilities with no violations.















INNOVATION AND AGILITY

- Administered the Optimizations Program, including tracking achievements for the next Innovations Fair.
- Produced and presented the FY 2022-24 Optimizations Program Annual Report to the Board.
- Held an Innovations Fair as part of the Employee Appreciation event to celebrate and award employee ingenuity and innovative thinking.
- Staff and Deputy General Manager – Administration joined the American Water Works Association (AWWA) Utility Benchmarking Advisory Committee.
- Staff presented Central San’s benchmarking program at the AWWA Water Quality Technology Conference in November 2024.
- 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 for potential use in carrying out performance appraisals.
- Hired staff for Limited Duration Positions to assist with project-based peak workloads.

FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Average Time to Fill Vacancy (From Request to Hire)	≤60 Days	48 Days		46 Days	
	Completion of Annual Performance Evaluations	100% Completion of Annual Performance Evaluations	92.4%		55.14% (as of Feb. 2025)	
	Average Annual Training Hours per Employee (External and Internal Training)	≥15 Hours	23.51*		7.71*	
	Internal Promotions (Excludes Entry-Level Positions)	≥25%	42.3%		56.3% (average of both quarters)	
	Turnover Rate (Including Retirements)	≤7.8% in FY 2023-24 ≤6.5% in FY 2024-25	1.1% (Incl. Retirements) 0.7% (Excl. Retirements)		0.68% (Average of Both Quarters) (Incl. Retirements) 0.71% (Average of Both Quarters) (Excl. Retirements)	
	Formal Grievances Processed	Zero (0)	Zero (0)		Zero (0)	




	Participation in Annual Wellness Expo	Increase by 10% Each Year	**		**	
	Temporary Modified Duty Provided (Return to Work Program)	≥95% of recordable injuries	100%		100%	
	Employee Injury and Illness Lost Time Incident Rate	≤4.0	1.5		1.4 in Q1 3.07 in Q2	
	Days to Implement Approved Safety Suggestions	≤60	All Safety Suggestions are Acted on in <45 Days		≤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 has interviewed for replacement vendors. Employees can engage in other Wellness events throughout the year.

FY 2025-26 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 2025-26
 Recruit from a Diverse Pool of Qualified Applicants	Examine recruitment practices from a DEI lens and adjust as needed.
	Explore options to leverage technology tools (e.g., NeoGov Attract) to automate outreach to top talent and engage with candidates.
 Invest in Equitable Talent Management Practices	Conclude Cycle 5 of the Mentorship Program .
	Continue offering the Job Shadowing Program and supporting employees enrolled in the program.
	Continue supporting the one-year pilot for the Pryor+ learning management system .
 Engage Employees and Conduct Labor Relations in a Transparent and Collaborative Environment	Offer refresher supervisory training to District supervisors based on feedback received from staff.
	Continue to work collaboratively with bargaining units to resolve workplace issues in their early stages and prevent formal grievances.

<div><div>GOAL THREE</div><div></div></div> <div>Accept the Diversity, Equity, and Inclusion Framework and Strategic Plan and Uphold its Pillars</div>	Implement prioritized recommendations from the DEI Committee.
<div><div>GOAL FIVE</div><div></div></div> <div>Sustain a Safe and Healthful Workplace</div>	Maximize employee safety by continuously updating a minimum of six Safety Directives .
	Work closely with management and staff to encourage employee participation in District Safety Teams and Committee.
	Manage Return-to-Work utilizing the interactive process for industrial and non-industrial injuries.
	Maintain visibility in job worksite, facility inspections, and contractor project oversight/design reviews.
	Continue monitoring safety metrics , including both leading and lagging indicators, to identify trends (incident reports, first aid only, near misses, inspection findings, etc.).
	Continue involvement in the design, planning, and safety oversight of construction projects and work with the Specification Committee to review and approve new Front End safety requirements.
	Assist in the implementation of the public address system (Singlewire <i>InformaCast</i> ®) in the Treatment Plant and Collection Systems Operations for effective communication during emergencies.
<div><div>GOAL SEVEN</div><div></div></div> <div>Implement Organization-Wide Optimization</div>	Continue to evaluate the Career and Performance module in the ERP and its potential use to facilitate the new performance appraisal process .

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

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,422,644	\$1,750,903	\$2,177,890	\$2,349,012	\$2,120,800	(\$57,091)	-2.6%
Employee Benefits	2,386,975	2,503,520	2,460,095	2,549,909	2,643,190	183,095	7.4%
Unfunded Liability Contributions	1,143,067	143,206	238,643	1,240,027	611,909	373,266	156.4%
Purchased Property Services	125,750	70,561	125,750	126,750	126,750	1,000	0.8%
Repairs & Maintenance	92,000	41,752	92,000	93,000	93,000	1,000	1.1%
Hauling & Disposal	30,000	26,325	30,000	30,000	30,000	-	0.0%
Security	3,500	1,484	3,500	3,500	3,500	-	0.0%
Cleaning	250	1,000	250	250	250	-	0.0%
Purchased Professional, Technical & Other Services	674,900	559,274	798,900	598,840	976,000	177,100	22.2%
Professional Services	152,500	39,795	127,500	78,840	104,000	(23,500)	-18.4%
Technical Services	50,000	11,388	35,000	20,000	35,000	-	0.0%
Other Purchased Services	472,400	508,091	636,400	500,000	837,000	200,600	31.5%
Supplies & Materials	125,500	201,577	150,600	173,000	186,500	35,900	23.8%
General Supplies	125,500	201,577	150,600	173,000	186,500	35,900	23.8%
Other Expenses	52,000	44,018	62,500	57,200	64,200	1,700	2.7%
Memberships	10,950	3,732	10,950	10,950	11,950	1,000	9.1%
Training & Meetings	37,550	37,100	48,050	42,750	48,750	700	1.5%
Miscellaneous Other	3,500	3,187	3,500	3,500	3,500	-	0.0%
Total Expenses	\$6,930,837	\$5,273,059	\$6,014,379	\$7,094,738	\$6,729,349	\$714,970	11.9%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Summer Student	-	1.0	1.0
Total	-	1.0	1.0

Budget Modifications and Contributions to Key Priorities

Human Resources plays a vital 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 benefits 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 2025-26 is \$6.7 million compared to \$6.0 million in the prior year, reflecting an increase of approximately 11.9%. This increase is attributable to an increase in the normal and UAAL cost components of the actuarially determined contribution (ADC) into Central San's OPEB plan by approximately \$0.2 million and \$0.4 million, respectively. The reduction in Salaries & Wages is attributable to an increase in the vacancy factor by one percent (to four percent) in FY 2025-26. The increase in the vacancy factor is noteworthy as the Human Resources & Organizational Development division holds the vacancy factor for the entire administration department.

Some costs regarding all Central San employees or retirees are centrally budgeted in the Human Resources & Organizational Development Division. The following are items budgeted here but are not specific to the division:

- Salaries & Wages includes approximately \$0.5 million for accrued compensated absences expenses and \$0.6 million for in-service cash outs of accrued compensated absences for employees during employment.
- Employee Benefits includes less than \$0.1 million Unemployment insurance expenses.
- The "Normal Cost" and 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 regular cost and UAAL components in accordance with the independently calculated ADC. In FY 2025-26, the total estimated cost of retiree health premiums is estimated to be approximately \$5.2 million, reflecting a 13.0% increase from the \$4.6 million anticipated in FY 2024-25. However, given the continued 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 \$2.7 million in FY 2025-26. 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. Following Central San’s transition to CalPERS Health in FY 2019-20, the funded status of its OPEB plan increased tremendously, to the point where the retiree health premiums (i.e., the “pay-as-you-go” costs) are expected to exceed the ADC by \$2.5 million in FY 2025-26. Accordingly, there is no required OPEB trust payment to fully satisfy the ADC in FY 2025-26.
- Despite the strong funded status of the OPEB plan, the ADC still increased in FY 2025-26, with the plan’s unfunded actuarially accrued liability increasing by \$4.3 million as of July 1, 2024, decreasing the funded percentage to 92.3% (from 96.3% previously) on an actuarial value of assets (AVA) basis per the latest OPEB Funding Valuation Report.

Office of the Deputy General Manager of Administration (Including Materials Services, Financial Planning, and Real Property Management)

OVERVIEW

The Deputy General Manager of Administration oversees Communication Services and Governmental Relations, Finance (including Purchasing), Financial Planning, Materials Services, Real Property Management, Information Technology, and Risk Management.

In FY 2024-25, Finance/Purchasing (Finance) and Information Technology (IT) continued implementing additional modules of the Oracle ERP system initially implemented in 2020. This included further enhancement of the Oracle-based budgeting and financial management tool for Capital Projects and the Oracle changes connected with the move to an in-house Treasury function, which was completed in November 2024.

In FY 2023-24, IT and Engineering staff completed implementing the Oracle permitting system, which went live in February 2024. Significant work continued on this system into 2025. IT continued work on the Technology Roadmap initially presented to the Board in the fall of 2023. Planning and work on key systems, including network security, Geographical Information Systems (GIS), Enterprise Asset Management (EAM), Business Intelligence (BI), and SCADA systems, took place throughout FY 2024-25.

In connection with the organizational changes related to the Planning & Development Division in the spring of 2025, the Financial Planning group was transferred to Administration, along with the responsibility for property management. Changes in additional work responsibilities remain under consideration in connection with this reorganization. Effective FY 2025-26, the Financial Planning group operates directly within the budget of the Office of the Deputy General Manager of Administration. This function 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.

Effective with the FY 2025-26 budget, Materials Services (Warehouse) operates directly within the budget of the Office of the Deputy General Manager of Administration. 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 offers delivery services for these items as well as interoffice mail and is responsible for surplus disposition.

This office also coordinates strategic planning efforts and benchmarking studies. Staff rolled out the Strategic Plan for FY 2024-26 in July 2024. Benchmarking efforts included participating in the AWWA water and wastewater agency benchmarking study and obtaining data from comparable California agencies. Staff and the Deputy General Manager of Administration joined the American Water Works Association (AWWA)'s Utility Benchmarking Committee this past fiscal year, and staff presented Central San's benchmarking program at an AWWA Water Quality Technology Conference.

The Deputy General Manager of Administration also participated in and advanced Central San's 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 advance over FY 2024-2026. Additionally, FY 2024-25 saw work on the feasibility study for a potential consolidation with Mt. View Sanitary District, with the consultant gathering the necessary information to determine the implications and benefits of such a consolidation.

To avoid duplicative material, the FY 2024-25 Strategic Accomplishments and performance against the key metrics, as well as the FY 2025-26 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, aside from the Warehouse and Financial Planning functions, which are listed within this section since the programs operate directly within the budget of the Office of the Deputy General Manager of Administration.

This office's staffing budget includes the administrative staff supporting the Deputy General Manager of Administration, Communication and Governmental Relations, Finance, Information Technology divisions, the Risk Management Program, Materials Services, and Financial Planning.

FY 2024-25 Strategic Accomplishments – Materials Services



CUSTOMER AND COMMUNITY

- Maintained consistent and timely deliveries throughout Central San for needed supplies and mail delivery services.
- Continued providing Maintenance staff with inventory usage reports to aid in budgeting and planning.



ENVIRONMENTAL STEWARDSHIP

- Procured several products that meet the Green Team-qualified standards.
- 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 equipment spares and supplies inventory.
- Procured requests 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.



SAFETY AND SECURITY






- Performed FOCUS trailer supply audit and restock.



INNOVATION AND AGILITY




- Implemented barcode Warehouse inventory program to fully automate all issues, receipts, and inventory cycle counts.
- Successfully piloted the barcoding of fixed plant assets with Plant Maintenance.
- Implemented the Oracle Warehouse Management System, including updating Warehouse labels with the latest barcode symbology QR codes. The barcode inventory program fully automates all issues, receipts, and inventory cycle counts.

FYs 2023-25 Strategic Targets and Performance – Materials Services

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Actual inventory count value to book value error rate	≤3%	Not a Metric in the FY 2022-24 Strategic Plan		<1% in Q1 2% in Q2	
	Approved Request-to-stock Items Entered in Databases within 5 Business Days	100%	100%		100%	

FY 2025-26 Strategic Objectives – Materials Services

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 2025-26
 Deliver High-Quality Customer Service	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.
 Maintain Financial Stability and Sustainability	Maintain a physical inventory accuracy count rate of 95% on all inventory class items (A, B, and C), supplies, and equipment.
 Execute Long-Term Capital Renewal and Replacement Program	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.



FY 2024-25 Strategic Accomplishments – Financial Planning



GOVERNANCE AND FISCAL RESPONSIBILITY

- Submitted a State Revolving Fund (SRF) loan application for the Ultraviolet (UV) Replacement Project.
- Developed alternative rate scenarios that reduced the Ten-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 a \$173.1 million State Revolving Fund (SRF) loan for the 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.

FYs 2023-25 Strategic Targets and Performance - Financial Planning

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
GOAL ONE 	Sewer Service Charge Affordability (Environmental Protection Agency Lowest Quintile Residential Indicator)	<2% (or Lower than High impact)	<2%		<2%	

Budget Overview by Expense Category (including Materials Services, Financial Planning, and Real Property Management)

Account Description	FY 23-24 Budget*	FY 23-24 Actual*	FY 24-25 Budget*	FY 24-25 Projection*	FY 25-26 Budget (Proposed) **	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,133,364	\$1,107,751	\$1,221,913	\$1,260,233	\$2,012,656	\$790,743	64.7%
Employee Benefits	416,316	345,930	460,514	470,763	769,557	309,043	67.1%
Unfunded Liability Contributions	1,372	1,324	7,459	10,466	39,346	31,887	427.5%
Purchased Property Services	6,300	93	3,500	3,571	56,000	52,500	1500.0%
Repairs & Maintenance	2,500	93	2,500	2,571	52,500	50,000	2000.0%
Rentals	500	-	1,000	1,000	3,500	2,500	250.0%
Cleaning	3,300	-	-	-	-	-	-
Purchased Professional, Technical & Other Services	51,000	33,906	30,000	30,000	259,500	229,500	765.0%
Professional Services	43,000	33,906	20,000	20,000	142,000	122,000	610.0%
Technical Services	7,500	-	10,000	10,000	10,000	-	0.0%
Other Purchased Services	500	-	-	-	107,500	107,500	-
Supplies & Materials	8,750	23,107	15,500	18,630	185,300	169,800	1095.5%
Utilities & Fuel	-	-	-	-	166,600	166,600	-
General Supplies	8,750	23,107	15,500	18,630	18,700	3,200	20.6%
Other Expenses	14,650	20,016	18,000	(26,827)	34,800	16,800	93.3%
Memberships	3,050	4,715	3,450	2,125	4,050	600	17.4%
Training & Meetings	10,750	12,651	11,050	12,590	25,250	14,200	128.5%
Miscellaneous Other	850	2,650	3,500	(41,542)	5,500	2,000	57.1%
Total Expenses	\$1,631,751	\$1,532,127	\$1,756,886	\$1,766,836	\$3,357,159	\$2,589,617	147.4%

* This column was restated to include the Materials Services function for improved comparability. The FY 2023-24 and 2024-25 adopted budgets presented Material Services as a separate and distinct budgetary unit. To more accurately reflect the current organizational chart, this unit has been consolidated with the Office of the Deputy General Manager of Administration.

** Effective FY 2025-26, the Office of the Deputy General Manager's budgetary unit includes the Financial Planning & Real Property Management functions previously reported and budgeted in the Planning & Development Services Division. This change was made in the budget book to more accurately reflect the current organizational chart.

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual*	FY 2024-25*	FY 2025-26
Administrative Services Assistant	1.0	1.0	1.0
Administrative Services Supervisor	1.0	1.0	1.0
Deputy General Manager Administration	1.0	1.0	1.0
Engineering Assistant	2.0	2.0	2.0
Management Analyst	1.0	1.0	1.0
Materials Coordinator	1.0	1.0	1.0
Materials Services Supervisor	1.0	1.0	1.0
Materials Specialist	2.0	2.0	2.0
Senior Engineer	1.0	1.0	1.0
Total	11.0	11.0	11.0

* As noted previously, this column was restated to include the Financial Planning and Materials Services workgroups to improve consistency with the current organizational chart.

Temporary Employees	FY 2023-24 Year-End Actual*	FY 2024-25*	FY 2025-26
Summer Student	-	1.0	-
Temporary Administrative Assistant	-	-	1.0
Temporary Engineering Assistant	-	-	1.0
Temporary Materials Coordinator	-	1.0	-
Total	0.0	2.0	2.0

* As noted previously, this column was restated to include the Financial Planning and Materials Services workgroups to improve consistency with the current organizational chart.

Budget Modifications and Contributions to Key Priorities

The Office of the Deputy General Manager of Administration's FY 2025-26 budget is \$3.4 million, reflecting a 147.4% increase over the prior year's budget, as restated. This increase is primarily attributable to the Financial Planning and Real Property Management functions transferring from the Planning & Development Services Division into the Office of the Deputy General Manager of Administration in FY 2025-26 to reflect Central San's current organizational chart better. Beyond contracted services, supplies, and other miscellaneous costs, this transfer increased this division's headcount by four FTEs and one District Temporary position.

Communication and Government Relations

OVERVIEW

This division facilitates communication with employees, customers, stakeholders, agencies, legislators, and elected officials, encompassing 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 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Created a full-scale outreach campaign on nutrients to inform, educate, and engage cities, counties, chambers, media, non-governmental organizations, communities, and customers about the San Francisco Bay Regional Water Quality Control Board's proposed nutrient order and public hearing process.
- Division Manager served on California Association of Sanitation Agencies (CASA) Communications and Legislative Committee, California Special Districts Association (CSDA), California Association of Public Information Officials (CAPIO) conferences Bay Area Clean Water Agencies (BACWA) Communications Committee, Consumer Product Safety Commission (CPSC) legislative committee, National Stewardship Action Council (NSAC) legislative committee, CSDA appointed member legislative (by-laws) committee, Conference speaker.
- Received two Excellence in Public Information & Communications Awards from CAPIO.
- Launched "Go with the Flow" public outreach bike tours with an interactive website map that educates the community about Central San's wastewater system and held two bike tours (as of Q2). The program was recognized with California Water Environment Association regional and state awards for Community Engagement and Outreach Project of the Year.
- Supported our seventh citizens' academy, Central San Academy, which welcomed 43 members of the public.
- Promoted the new RV Waste Disposal Station.
- Promoted the Maintenance Access Covers Beautification Project.
- Provided community outreach for 12 construction projects throughout the service area.
- Held community meetings with residents before Lafayette and Pleasant Hill renovation projects.
- Continued to increase followers and impressions on YouTube, Facebook, Instagram, LinkedIn, and Nextdoor.
- Produced and distributed two issues of the Pipeline newsletter to inform customers about significant infrastructure projects and share pollution prevention information.
- Maintained the Central San Virtual Experience for ongoing, accessible treatment plant tours.

- Managed Central San's drone program to capture photographs and videos of facilities for education, outreach, and operational assessments.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Conducted social media outreach on wipes; fats, oils and grease (FOG); pharmaceuticals; and household hazardous waste.
- Aired FOG campaign on TV, airing 1,269 commercials, reaching 54.9% of our audience with a 2.2x frequency rate.
- Aired Wipes Clog Pipes campaign on TV, airing 1,241 commercials, reaching 61.8% of our audience with a 2.3x frequency rate.
- 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 with Central San's Pipe Protectors program, a hands-on, science-based curriculum for elementary schools, and Next Gen Sewer Science, a hands-on, science-based curriculum for high schools.
- Served thousands of students on the Delta Discovery Voyage, an expedition aboard a 90-foot research vessel, where students learn about Delta wildlife and the importance of pollution prevention.
- Assisted with planning for Sustainable Contra Costa's 16th Annual Leadership in Sustainability Awards Gala and recognition of Central San's 2024 Pollution Prevention Award Winners.
- Promoted Pollution Prevention (P2) Week via social media and public service announcements aired on Contra Costa TV (CCTV) and Rossmoor TV.
- Shared holiday-themed fats, oils, and grease (FOG) tips via the Pipeline newsletter and social media. Over 1,300 commercials appeared on cable TV, Rossmoor TV, and CCTV channels.
- Led Central San's federal, state, and local advocacy efforts.
- 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 to pursue policy efforts at the state and federal level that addressed per- and polyfluoroalkyl substances (PFAS) and microplastics and promoted pollution prevention, producer responsibility, and proper wipes labeling.
- Provided outreach and government relations efforts on proposed PFAS legislation, including SB 903.
- Developed statewide PFAS outreach campaign, including videos, social media graphics, infographics, and newsletter content to educate and inform consumers about PFAS sources and impacts on health and the environment.
- Delivered regular legislative reports and a final legislative advocacy report.
- Coordinated advocacy priorities for the 2024 legislative session with CSDA, CASA, and regional water advocacy leads.

- Promoted Household Hazardous Waste Collection Facility, Residential Recycled Water Fill Station, and RV Waste Disposal services to customers to help prevent pollution and conserve local drinking water supplies.



WORKFORCE DIVERSITY AND DEVELOPMENT

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



GOVERNANCE AND FISCAL RESPONSIBILITY







- Produced and distributed the Notice of Proposed Rate Changes to educate customers about the proposed changes in compliance with Proposition 218.
- Promoted voter registration via social media and employee outreach before Election Day.



INNOVATION AND AGILITY


- Continued to provide 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 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
GOAL ONE 	Participants in Public Tours and Presentations	≥500	1,106		436	
GOAL TWO 	Students Served by Educational Programs	≥6,000	24,101		10,024	

FY 2025-26 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 2025-26
 <p>Engage with Our Customers, Community, and Industry</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.
	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 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$932,835	\$986,495	\$1,040,689	\$1,060,450	\$1,081,667	\$40,978	3.9%
Employee Benefits	225,396	303,610	316,680	325,290	363,283	46,603	14.7%
Unfunded Liability Contributions	1,261	1,418	8,616	9,599	23,551	14,935	173.3%
Purchased Property Services	1,000	-	600	-	-	(600)	-100.0%
Repairs & Maintenance	600	-	600	-	-	(600)	-100.0%
Hauling & Disposal	400	-	-	-	-	-	-
Purchased Professional, Technical & Other Services	874,500	581,123	1,028,952	932,980	1,103,100	74,148	7.2%
Professional Services	6,500	11,711	14,952	13,044	14,100	(852)	-5.7%
Technical Services	280,000	130,296	280,000	279,886	336,000	56,000	20.0%
Other Purchased Services	588,000	439,116	734,000	640,050	753,000	19,000	2.6%
Supplies & Materials	67,930	49,375	67,700	60,951	67,700	-	0.0%
General Supplies	67,930	49,375	67,700	60,951	67,700	-	0.0%
Other Expenses	73,400	50,758	83,054	52,948	73,145	(9,909)	-11.9%
Memberships	24,200	19,315	20,500	16,201	17,000	(3,500)	-17.1%
Training & Meetings	45,200	22,417	58,554	35,569	53,145	(5,409)	-9.2%
Miscellaneous Other	4,000	9,026	4,000	1,177	3,000	(1,000)	-25.0%
Total Expenses	\$2,176,322	\$1,972,779	\$2,546,290	\$2,442,217	\$2,712,445	\$166,155	6.5%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Graphic Design Summer Student	1.0	1.0	1.0
Intern	1.0	1.0	1.0
Total	2.0	2.0	2.0

Budget Modifications and Contributions to Key Priorities

Communication 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's Operating Budget for FY 2025-26 is \$2.7 million, reflecting an increase of approximately 6.5% over the prior year's budget of \$2.5 million. The bulk of this increase is attributable to increases in labor costs and technical services. While there are no FTE headcount changes proposed next year, increases in budgeted labor costs incorporate step increases for any eligible employees as well as increases for the District-wide cost-of-living adjustments and benefit premiums. The increase in budgeted technical services reflects anticipated rate increases associated with a new reprographic services contract. Next year's budget also includes funds for the 2026 Central San Academy, which is planned to be held in the Lamorinda area in a rented facility.

Finance

OVERVIEW

This division manages Central San’s finances and is broadly responsible for the budget, financial reporting, as well as operational accounting and procurement services. 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, employee expenses (i.e., procurement card and travel), payroll/benefits, and capital assets. It is also responsible for developing and monitoring 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) following internal policies, best practices, and prevailing laws/regulations.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION AND STAKEHOLDER ENGAGEMENT

- Received GFOA’s Certificate of Achievement for Excellence in Financial Reporting Award for the 24th consecutive year for the FY 2022-23 ACFR.
- Received the GFOA Distinguished Budget Presentation Award for the seventh consecutive year for the FY 2024-25 Budget, including a special recognition for receiving the highest possible score in the “strategic goals and strategies” section.
- Completed the second “Finance @ Your Service” training series for internal customers on key business processes overseen by the Finance Division (i.e., procurement, budget monitoring, procurement cards, travel, etc.)
- The Low-Income Household Water Assistance Program (LIHWAP) is underway and will be expanded to provide funding for low-income customers' current bills and arrearages.
- Issued 43 non-construction contracts totaling \$17.3 million.
- Issued 556 non-construction Purchase Orders totaling \$26.5 million.
- Executed all contract renewals on time, ensuring uninterrupted service and reducing risk.



WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE

- Offered financial webinars educating employees on budgeting, investment, retirement, and other topics related to retirement planning in conjunction with deferred compensation plan administration duties.
- Purchasing staff implemented business process changes, cross-training, and redistribution of work to ensure that procurement resources are being utilized efficiently and strategically.
- Sent divisional leadership to conferences to foster professional development, grow their professional network, and identify potential improvement/optimization opportunities for Central San's finance division.



GOVERNANCE AND FISCAL RESPONSIBILITY

- Presented scenarios with various financing options to utilize debt prudently in financing the Ten-Year Capital Improvement Plan.
- Presented the FY 2023-24 pre-audit year-end variances to the Board, authorizing a \$1.0 million and \$1.5 million contribution to the pension prefunding trust and rate stabilization fund account in November 2024 utilizing prior year favorable variances. Trust contributions will be made on a dollar cost average throughout the remainder of FY 2024-25.
- Fully funded the Other Post-Employment Benefits (OPEB) actuarially determined contribution (ADC) of \$2.1 million, with a portion of that amount going towards paying down the plan's unfunded actuarial accrued liability (UAAL). Per the latest Funding Actuarial Report dated July 1, 2024, the OPEB plan reported a funded status of 93.9% as of July 1, 2024, on a market value of assets (MVA) basis, up from 90.4% two years prior. The same report projected an MVA-funded status of 98.8% as of July 1, 2025.
- Issued accurate and timely interim monthly financial reports and quarterly financial reviews, allowing for diligent monitoring of the budget and accountability, with FY 2024-25 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.
- Implemented legal's updated contract and agreement templates, ensuring current laws and regulations are adhered to and reducing risk.
- Transitioned to new online bidding software, increasing functionality and a user-friendly interface for staff and prospective vendors.
- Procurement Card (P-Card) refresher training completed so that all cardholders have completed the required training every three years, reducing risk to Central San.

- Received the state's final budget approval for the construction phase of the Solids Handling Facilities improvement project, allowing large construction phase reimbursement requests to commence, with an initial construction phase claim of \$31.0 million (with \$156.9 million remaining on the low-interest loan).



































INNOVATION AND AGILITY

- Successfully transitioned to an in-house treasury function in November 2024, implementing innovative automated bank reconciliation features, expanded electronic payment methods, process efficiencies, and enhanced system-based automated internal controls.
- Designed and rolled out a general Purchase Order (PO) balance report to accompany capital PO and multi-year agreement reports.
- Made significant progress on ERP integrated contracts drafting enhancements.
- Designed and announced creation of new "self-service reports" page on San Central for internal customers. This included a few new reports, one being a new "general PO" report for O&M divisional use.
- Led the effort to implement a new post Q1 current year projected spend submissions process for capital project managers using Enterprise Performance Management (EPM) technology and made progress on phase 2 of EPM capital budgeting tool providing for project lifetime projections, streamlined CIP updates and other enhancements.

FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Sewer Service Charge affordability (Environmental Protection Agency Lowest Quintile Residential Indicator)	<2% (or lower than High impact)	<2%		<2%	
	Dissemination of interim financial reports	100%	100%		100%	
	Reported Material Weaknesses or Significant Deficiencies in Internal Controls as Part of Annual Financial Audit	Zero (0)	Zero (0)		Zero (0)	
	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	12.1		This is a year-end calculation only, to be calculated in Q4	





	Debt as a percentage of total assets	≤60%	12.5%		This is a year-end calculation only, to be calculated in Q4	
	Debt financing of prior 10 years' CIP spending	≤60%	10.9%		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	23.1%*		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	44.6%		This is a year-end calculation only, to be calculated in Q4	
	Sewer Construction Reserves	≥50% of next year's budget (non-debt financed)	322.4%		This is a year-end calculation only, to be calculated in Q4	
	Operating Expenditures as a Percentage of Board-Approved Operating Budget	90-100%	94.1%		88.4% in Q1 94.3% in Q2	
	Electricity Produced by Co-Generation Using Natural Gas	≥18 million kWh per Year (Reported as a Rolling Average)	22.0 million kWh		19 million kWh	
Purchasing Function						
	Purchasing Requisitions Completed within Standard Processing Time	≥80% for FY 2023-24 ≥85% for FY 2024-25	90%		88% in Q1 93% in Q2	


	Contractors (excluding construction contractors)/ consultants in Compliance with Insurance Requirements	≥70% for FY 2023-24 ≥80% for FY 2024-25	77%		79% in Q1 78% in Q2	
	Average Time to Execute Engineering Agreements from Complete Package Submittal	≤2 Weeks	5.51 Business Days		10.25 Business Days in Q1 3.88 Business Days in Q2	
	Contract Renewals Executed on Time for Uninterrupted Service	100%	100%		100%	

* Subject to change based on nutrient plan.

FY 2025-26 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 2025-26
 Deliver High-Quality Customer Service	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.
 Engage with Our Customers, Community, and Industry	Apply for and receive awards for budget and financial reporting from the GFOA.
 Engage Employees and Conduct Labor Relations in a Transparent and Collaborative Environment	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. Seek feedback from staff on improvement of long-standing accounting and administrative protocols to align with new streamlined paperless processes and ERP capabilities.
 Promote and Uphold Ethical Behavior, Openness, and Accessibility	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. 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>Implement Organization-Wide Optimization</p>	<p>Design and implement financial dashboards allowing key stakeholders to quickly identify trends, anomalies, and opportunities, enabling them to make informed business decisions based on real-time insights into their respective financial performance at a glance.</p>
	<p>Collaborate with the IT division and consulting partners to ensure a smooth transition to Oracle Redwood, the next generation user experience designed to optimize intelligent search and machine learning ERP capabilities.</p>
	<p>Assess how modifications to Central San's accounting fund structure can enhance the efficiency of financial reporting and investment management processes.</p>
	<p>Implement ERP system and process changes where appropriate, onboarding full-time temporary ERP specialists to support permanent staff with this initiative.</p>

Budget Overview by Expense Category

Account Description	FY 23-24 Budget*	FY 23-24 Actual*	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,981,043	\$1,774,527	\$2,100,512	\$1,982,581	\$2,119,640	\$19,128	0.9%
Employee Benefits	769,589	691,100	819,981	857,415	968,771	148,790	18.1%
Unfunded Liability Contributions	2,608	2,510	15,204	18,954	46,262	31,057	204.3%
Purchased Property Services	7,300	93	3,500	3,500	3,500	-	0.0%
Repairs & Maintenance	7,300	93	3,500	3,500	3,500	-	0.0%
Purchased Professional, Technical & Other Services	417,900	418,917	515,225	433,900	689,525	174,300	33.8%
Professional Services	243,900	200,990	343,225	264,900	362,525	19,300	5.6%
Technical Services	7,500	-	5,000	5,000	5,000	-	0.0%
Other Purchased Services	166,500	217,927	167,000	164,000	322,000	155,000	92.8%
Supplies & Materials	11,950	26,565	9,200	11,983	15,200	6,000	65.2%
General Supplies	11,950	26,565	9,200	11,983	15,200	6,000	65.2%
Other Expenses	168,550	87,546	151,450	115,217	132,850	(18,600)	-12.3%
Memberships	4,450	2,874	5,350	6,595	5,350	-	0.0%
Training & Meetings	41,750	21,176	53,750	40,747	54,950	1,200	2.2%
Miscellaneous Other	122,350	63,496	92,350	67,874	72,550	(19,800)	-21.4%
Total Expenses	\$3,358,940	\$3,001,256	\$3,615,073	\$3,423,549	\$3,975,748	\$360,675	10.0%

* This column was restated to include the purchasing function for improved comparability purposes. While the purchasing component of the former Purchasing & Materials Services Division was consolidated with the Finance Division in the Fall of 2022, the FY 2023-24 adopted budget still presented a Purchasing & Materials Service Division.

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Accountant	2.0	2.0	2.0
Accounting Supervisor	1.0	2.0	2.0
Accounting Technician	3.0	3.0	3.0
Contracts and Procurement Administrator	1.0	1.0	1.0
Contracts and Procurement Specialist	3.0	3.0	3.0
Finance Manager	1.0	1.0	1.0
Management Analyst	1.0	1.0	1.0
Total	12.0	13.0	13.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Intern	-	1.0	-
Summer Student	-	-	1.0
Total	-	1.0	1.0

Budget Modifications and Contributions to Key Priorities

The Finance Division supports Central San by providing accounting, financial reporting, budget, treasury, procurement, 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 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. During FY 2024-25, the Finance Division completed the implementation to an in-house treasury function, successfully transitioning out of the County Treasury as a voluntary pool participant and implementing various ERP enhancements such as integrated positive pay processing, ACH payment integration, system-based payment and transfer approval workflows, and automated bank reconciliation features. Costs for new banking and investment advisory services have been incorporated into the FY 2025-26 budget with relatively minimal increases over the prior year.

The Finance Division Operating Budget for FY 2025-26 is \$4.0 million, an increase of 10.0% over the prior year's budget. Budgeted increases for ordinary labor-related costs were the 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 other purchased services is attributable to the contracting of a temporary Oracle specialist to assist with several post-go-live system enhancements and bug-fixes related to procurement and financial functionalities. This project is expected to take approximately 24 to 36 months, focusing on procurement and "P2P" (procure to pay), financial dashboards and other ERP needs not addressed in the initial implementation.

Information Technology

OVERVIEW

The Information Technology (IT) Division supports all Central San's computer hardware, software, and telecommunications needs. IT is also tasked with Central San's cybersecurity and helps lead the District-wide improvement and automation of business processes.

FY 2024-25 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 in IT Practices award for the seventh time.
- Attended Project Management Institute (PMI) events.
- Collaborated with sister agencies for strategic planning.

GOAL THREE



WORKFORCE DIVERSITY AND DEVELOPMENT

- Staff pursued and received cyber security certifications.
- Staff participated in and completed Supervisory Academy and managerial training programs.
- Fostered interdepartmental cooperation through cross-functional projects.
- Participated in technical and personal self-improvement training.

GOAL THREE



GOVERNANCE AND FISCAL RESPONSIBILITY

- Continued to optimize and improve the use of Oracle ERP.
- Improved Oracle with the release of the Treasury and Cash Management module.
- Conducted DB Inventory and remediation of findings.
- Completed Oracle Fusion Analytics Pilot for improved reporting and data visibility.

GOAL FIVE



SAFETY AND SECURITY

- Improved cybersecurity with Advanced Threat Protection tools.
- Began implementation of a new District-wide emergency notification system.
- Corrected critical and high-level vulnerabilities.
- Completed a network cybersecurity analysis and began remediation of identified gaps.
- Implemented intrusion prevention and detection.
- Conducted training and phishing campaigns to test and engage users in best practices.
- Conducted an email campaign during Cybersecurity Awareness Month to offer instruction and staff engagement through quizzes and contests.
- Performed continuous scans for network vulnerability in technology and physical assets with the Security Operations Center (SOC).
- Continued cybersecurity awareness campaigns and phishing simulations. Central San's risk score dropped seven points since Q4 of 2023.
- Distributed 2024 Cybersecurity Report.










GOAL SIX**INFRASTRUCTURE RELIABILITY**

- Began planning for Software-Defined Wide Area Network to improve connectivity, security, and cost-effectiveness.
- Completed Operational Technology inventory with enhanced visibility.
- Conducted tabletop exercises to help IT improve responses to outages.
- Replaced and upgraded major data storage systems in data centers.
- Upgraded network and equipment to create redundant paths.
- Replaced and upgraded switching equipment at CSO.
- Deployed new virtual servers on the operational technology network.
- Completed IT asset inventory of devices and equipment to more efficiently manage and secure our IT resources.

GOAL SEVEN**INNOVATION AND AGILITY**

- Continued troubleshooting Oracle Permitting and Licensing (OPAL).
- Supported the launch of the Oracle Celebrate module.
- Continued work on the contract management module.
- Continued 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)
- Conducted database inventory in preparation for the Data Lake project.
- Prepared for SCADA upgrade:
 - Stabilized the current SCADA server/storage/networking infrastructure in preparation for the RFP and charter to upgrade.
 - Installed and configured hyperconverged system (storage, networking, servers).
 - Updated production SCADA Historian server.
 - Virtualized the redundant application server.







FYs 2023-25 Strategic Targets and Performance






Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL FIVE	Employees trained in cybersecurity awareness	100%	68%		* 81.3% as of January 2025	
 GOAL SIX	Information System Outages Affecting Normal Business Operations	100% Uptime	98% Uptime		99% Uptime in Q1 99% Uptime in Q2	
 GOAL SIX	Data Backup and Recovery	Zero (0) Lost Data	Zero (0) Lost Data		Zero (0) Lost Data	

* Phishing simulations run monthly. Training is being evaluated for new, relevant content.

FY 2025-26 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 2025-26
 GOAL ONE Engage with Our Customers, Community, and Industry	Participate in industry organizations and forums and collaborate with sister agencies to share industry-leading work.
 GOAL THREE Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment	Relay important initiatives to increase staff's understanding of IT operations and their role in our success.
 GOAL THREE Invest in Equitable Talent Management Practices	Encourage staff to obtain professional or technical certifications .
 GOAL THREE Accept the DEI Framework and Strategic Plan and Uphold its Pillars	Foster a Culture of Diversity, Equity, and Inclusion through interdepartmental projects and communications.
 GOAL FOUR Encourage and Facilitate Public Participation	Implement a second streaming service for the Multi-Purpose Room (MPR).
 GOAL FOUR Promote and Uphold Ethical Behavior, Openness, and Accessibility	Develop document management strategy.

 Sustain a Safe and Healthful Workplace	Complete new Emergency Notification system implementation.
	Implement hazmat reporting application and Security Information and Event Management (SIEM) software.
 Identify, Evaluate, and Mitigate Risks	Test the Disaster Recovery Plan .
 Understand and Reduce Impacts of Cybersecurity Attacks	Continued implementation of the IT Cybersecurity Roadmap .
	Conduct third-party cybersecurity assessments focusing on people, technology, and physical assets.
	Complete the Cybersecurity Policies Manual and revision of the Disaster Recovery Plan .
	Continue to conduct tabletop exercises to help IT improve responses to outages.
	Continue to train staff to increase levels of cybersecurity awareness.
 Infrastructure Reliability	Conduct Wireless Access Point upgrade and Endpoint Switch Replacement .
 Implement Organization-Wide Optimization	Implement Construction Management software.
	Begin SCADA upgrade project.
	Standardize software and hardware purchase process.
	Implement Windows 11 PC upgrades.
	Improve Oracle with Redwood update.
	Explore options to replace the billing system and support implementation.
	Optimize financial reports to support the 10-year Capital Improvement Plan (CIP) .
	Continue optimization of Oracle Permitting and Licensing (OPAL) module, complete the implementation of the Contracts Management module.
	Implement business analytics reporting for Oracle ERP, SCM and HCM.
	Start Data Lake implementation.
	Partner with Operations Optimizations in the implementation of the five strategic roadmaps .

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,480,096	\$2,361,046	\$2,557,611	\$2,607,647	\$2,494,099	(\$63,513)	-2.5%
Employee Benefits	891,852	855,029	966,191	940,066	1,042,728	76,537	7.9%
Unfunded Liability Contributions	3,182	3,137	19,579	22,168	53,566	33,987	173.6%
Purchased Property Services	1,987,324	1,930,869	2,200,710	2,255,363	2,605,250	404,540	18.4%
Repairs & Maintenance	1,987,324	1,930,869	2,200,710	2,255,363	2,605,250	404,540	18.4%
Purchased Professional, Technical & Other Services	538,160	289,076	575,500	548,396	671,000	95,500	16.6%
Professional Services	396,164	289,076	575,500	548,396	521,000	(54,500)	-9.5%
Technical Services	141,996	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	150,000	150,000	-
Supplies & Materials	286,532	297,581	365,410	243,646	385,910	20,500	5.6%
Utilities & Fuel	177,432	141,769	139,200	125,049	134,700	(4,500)	-3.2%
General Supplies	109,100	155,812	226,210	118,596	251,210	25,000	11.1%
Other Expenses	107,000	72,491	91,600	99,260	83,600	(8,000)	-8.7%
Memberships	50,000	48,063	2,600	64,137	1,600	(1,000)	-38.5%
Training & Meetings	55,500	23,146	87,000	35,123	82,000	(5,000)	-5.7%
Miscellaneous Other	1,500	1,282	2,000	-	-	(2,000)	-100.0%
Total Expenses	\$6,294,147	\$5,809,229	\$6,776,601	\$6,716,546	\$7,336,153	\$559,552	8.3%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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	1.0
Project Manager/Business Analyst	2.0	2.0	2.0
System Administrator	3.0	3.0	3.0
Total	13.0	13.0	13.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Intern	2.0	1.0	1.0
Temporary Information Technology Project Manager	1.0	1.0	-
Total	3.0	2.0	1.0

Budget Modifications and Contributions to Key Priorities

The Information Technology Division's Operating budget for FY 2025-26 is \$7.3 million, reflecting an increase of 8.3% over the prior year's budget. The largest contributor to this change was an increase in purchased property services for cloud-based Software-as-a-Service (SaaS) contractual costs, such as the Oracle Cloud Fusion ERP, ProCore construction contract management, and Novus Board agenda administration software systems. The budgeted increase in other purchased services is attributable to the contracting of a temporary Oracle specialist to assist with several post-go-live system enhancements and bug fixes related to Human Capital Management (HCM) functionalities. This project is expected to take approximately 24 to 36 months, focusing on employee benefits, payroll reporting/dashboards, the new Oracle Redwood user interface implementation, and other HCM needs not addressed in the initial implementation.

Risk Management

OVERVIEW

This function 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 2024-25 Strategic Accomplishments

GOAL FOUR



GOVERNANCE AND FISCAL RESPONSIBILITY

- Recovered \$768,104 from FEMA for emergency expenses arising from COVID-19.
- Monitored development on Central San's 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.
- Updated insurance requirements for both Capital and CUPCCAA projects.
- Continued to debrief after losses to identify and implement preventive measures.
- Coordinated the Enterprise Risk Management program, updated the strategic risk inventory, and provided semi-annual reports to the Board.









GOAL FIVE



SAFETY AND SECURITY

- Presented on Enterprise Risk Management Program and risk inventory to Finance Committee and Board in November 2024.
- Completed a major update of the Emergency Operations Plan.
- 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.
- Hired a Security Analyst to implement key program elements of the Security Master Plan.
- 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.
- Installed and integrated additional access control devices and cameras.
- Optimized camera software for functionality.
- Increased access to live camera views for Operations.
- Maintained increased security guard presence on the main campus.



FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL FOUR	Average cost per overflow claim	≤\$25,000	\$44,304		\$5,327* (cumulative)	
 GOAL FIVE	Workers' Compensation Experience Modifier	≤1.0	0.76		0.67	
 GOAL FIVE	Emergency Response Supplies and Equipment in Stock	100%	Not a Metric in the FY 2022-24 Strategic Plan		100%	

* \$5,151 without one claim costing >\$150,000.

FY 2025-26 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 2025-26
 GOAL FOUR Maintain Financial Stability and Sustainability	Actively seek opportunities to reduce risk in extant and developing business processes.
 GOAL FIVE Identify, Evaluate, and Mitigate Risks	Incorporate emergency response activities into Emergency Operations Plan and Continuity of Operations where applicable.
	Finalize security system design criteria for use in upcoming capital projects.
	Perform assessments after key legal case resolutions for process updates.
	Finalize the Security Master Plan and begin implementation of priority projects.
	Implement planned updates to security program operations, training and procedures.

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$426,928	\$456,401	\$614,698	\$451,630	\$536,788	(\$77,910)	-12.7%
Employee Benefits	142,042	146,603	219,085	169,950	232,603	13,519	6.2%
Unfunded Liability Contributions	483	523	4,517	3,897	12,030	7,513	166.4%
Purchased Property Services	754,000	709,105	778,250	772,222	829,240	50,990	6.6%
Repairs & Maintenance	30,000	20,619	40,000	35,000	40,000	-	0.0%
Security	724,000	686,850	736,250	734,822	786,640	50,390	6.8%
Rentals	-	1,637	2,000	2,400	2,600	600	30.0%
Purchased Professional, Technical & Other Services	127,500	65,208	84,500	96,101	86,011	1,511	1.8%
Professional Services	80,000	40,397	48,500	52,500	36,000	(12,500)	-25.8%
Technical Services	7,500	6,511	-	7,561	6,511	6,511	-
Other Purchased Services	40,000	18,300	36,000	36,040	43,500	7,500	20.8%
Supplies & Materials	37,500	24,081	17,500	16,337	16,750	(750)	-4.3%
Utilities & Fuel	24,000	5,613	7,000	5,000	7,000	-	0.0%
General Supplies	13,500	18,468	10,500	11,337	9,750	(750)	-7.1%
Other Expenses	25,750	12,720	26,750	21,295	32,250	5,500	20.6%
Memberships	3,000	1,762	2,250	1,000	1,500	(750)	-33.3%
Training & Meetings	20,000	10,619	21,750	20,195	28,000	6,250	28.7%
Miscellaneous Other	2,750	339	2,750	100	2,750	-	0.0%
Total Expenses	\$1,514,204	\$1,414,642	\$1,745,299	\$1,531,432	\$1,745,672	\$373	0.0%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Management Analyst-Limited Duration	-	-	1.0
Project Coordinator-Security-Limited Duration	-	1.0	-
Summer Student	-	-	1.0
Temporary Administrative Assistant	1.0	-	-
Temporary Administrative Services Assistant	-	1.0	-
Total	1.0	2.0	2.0

Budget Modifications and Contributions to Key Priorities

The Risk Management function's budget for FY 2025-26 is \$1.7 million, which is in line with the prior year budget. Increases in labor costs reflect terms specified in employee labor agreements such as the District-wide cost-of-living adjustment, step advancements for eligible employees, health benefit premium growth rates, and retirement contributions. The budgeted decrease in Salaries & Wages is attributable to the discontinuation of a Temporary Administrative Services Assistant in FY 2025-26.

Engineering and Technical Services Department

The Engineering and Technical Services Department comprises three divisions, and the Resource Recovery Program 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 planning, designing, constructing, and/or rehabilitating the treatment plant, collection system, and recycled water infrastructure. The Environmental and Regulatory Compliance Division monitors industrial businesses for environmental compliance, conducts regulatory activities and permit monitoring, performs laboratory analyses, and manages the Household Hazardous Waste Collection Facility (HHWCF). The Planning and Development Services Division handles development services, including right-of-way, inspection and mainline plan review, planning and pre-design for special projects (including planning, piloting, and applied research). The Resource Recovery Program oversees projects that enable Central San to help augment the region's water supply, cost-effectively reduce reliance on non-renewable energy, 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, including the Capital Projects Delivery, Environmental and Regulatory Compliance, Planning and Development Services Divisions, and the Resource Recovery Program. Staff from these divisions also make significant contributions to the Recycled Water Program, which is 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 permit 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 by designing and constructing 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, sustainable practices, and the transition 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 within each division and acting in cross-divisional matrixed work teams. In collaboration with the Collection System Operations (CSO) Division, the Planning team launched a SmartCover pilot program to gather data on the amount of rain-derived inflow and infiltration entering certain areas of the collection system to help inform future pipeline replacement priorities. The HHWCF team continued to provide exceptional customer service through properly diversifying, reusing, and disposing 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 2024-25 Strategic Accomplishments and performance against the key metrics, as well as the FY 2025-26 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 Manager, in collaboration with the Environmental Compliance Administrator, 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 supports the existing recycled water system, planned expansions, and other related projects found in the Recycled Water Program section of this document.

FY 2024-25 Strategic Accomplishments – Resource Recovery Program





GOAL TWO



ENVIRONMENTAL STEWARDSHIP




- Executed final one-year extension of Temporary Diversion Agreement with Dublin San Ramon Services District (DSRSD), East Bay Municipal Utility District (EBMUD), and the DSRSD-EBMUD Recycled Water Authority (DERWA) to divert raw wastewater to produce recycled water to meet their peak summer irrigation demand.
- Drafted a term sheet for long-term diversion and circulated to DERWA, DSRSD, and EBMUD representatives for review.
- Continued discussions with Contra Costa Water District (CCWD) and Santa Clara Valley Water District (Valley Water) regarding the Refinery Recycled Water Exchange Project.
- Began operation of a 2.16-megawatt solar energy project under a Power Purchase Agreement with REC Solar, LLC., that offsets Central San's grid power purchases for the Treatment Plant and three major Pumping Stations.
- Assisted with selecting a consultant for the Energy Management Planning and Pre-Design Project, which will evaluate greenhouse gas reduction scenarios to enable Central San's Board to properly consider a Net Zero commitment.
- 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.
- Collaborated with our Buildings and Grounds Supervisor to ensure proper disposal of sorted solid waste at Central San's Martinez campus.

FYs 2023-25 Strategic Targets and Performance – Resource Recovery Program

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Solar Power Produced at Collection System Operations and HHW Collection Facility	≥220,000 kWh per Year (Reported as a Rolling Average)	283,000 kWh		281,000 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)	Array began operation on January 15, 2025		Awaiting Permission to Operate from PG&E	

FY 2025-26 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 2025-26
 Be a Partner in Regional Development of Water Supply	Develop and execute an agreement with the DERWA partners for a long-term diversion of wastewater from Central San's San Ramon Pumping Station to DSRSD to produce recycled water for distribution in Central San's service area.
 Optimize Energy Usage and Reduce Greenhouse Gas Emissions	Support the Energy Project planning phase work that will be evaluating Central San's current energy profile and infrastructure, and developing long term options for new energy generation, storage and greenhouse gas reduction.
 Promote Pollution Prevention and Environmental Protection	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.

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

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$678,820	\$273,036	\$247,991	\$107,027	\$400,389	\$152,398	61.5%
Employee Benefits	177,084	38,171	22,487	4,809	117,031	94,543	420.4%
Unfunded Liability Contributions	1,206	518	3,687	2,291	9,913	6,226	168.8%
Purchased Professional, Technical & Other Services	106,000	17,335	65,300	27,800	65,300	-	0.0%
Technical Services	100,000	17,335	65,000	27,500	65,000	-	0.0%
Other Purchased Services	6,000	-	300	300	300	-	0.0%
Supplies & Materials	10,750	6,275	16,550	11,259	16,250	(300)	-1.8%
General Supplies	10,750	6,275	16,550	11,259	16,250	(300)	-1.8%
Other Expenses	29,782	9,267	30,450	10,375	25,300	(5,150)	-16.9%
Memberships	2,082	361	1,850	350	1,500	(350)	-18.9%
Training & Meetings	27,500	8,906	28,400	10,025	23,650	(4,750)	-16.7%
Miscellaneous Other	200	-	200	-	150	(50)	-25.0%
Total Expenses	\$1,003,642	\$344,603	\$386,466	\$163,560	\$634,183	\$247,717	64.1%

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

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Administrative Services Supervisor	-	-	1.0
Director of Engineering & Technical Services	-	1.0	1.0
Total	0.0	1.0	2.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Summer Student	-	1.0	-
Total	0.0	1.0	-

Personnel Requirements - Resource Recovery Program

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Program Manager	0.4	0.4	0.4
Total	0.4	0.4	0.4

Budget Modifications and Contributions to Key Priorities

The Office of the Director of Engineering and Technical Services budget for FY 2025-26 is approximately \$0.6 million, reflecting a significant increase of approximately 64.1% over the prior year's budget. This budgeted increase is attributable to transferring an existing FTE position (Administrative Services Supervisor) to this department from the Office of the Deputy General Manager of Engineering and Operations.

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. This division conducts all informal and formal public works design and construction projects.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Continued coordinating construction projects with local jurisdictions and other agencies to lessen construction impacts on the community, including projects in Lafayette, Concord, and Pleasant Hill.
- Continued to hold public outreach and individual homeowner meetings to educate the public and receive feedback.
- Held meetings with businesses and the Buchanan Airport ahead of the Buchanan Lift Stations Abandonment and Sewer Project.
- Initiated and completed urgent sewer replacements to lessen impacts to the public and residents during wet weather events with the Collections System Operations Division.
- Responded to and evaluated several sites relating to impacts from major storm events within the service area.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Submitted 60% of the plans and specifications for review for Filter Plant rehabilitation and electrical improvements.
- Developed Request for Proposal for the first phase of the Electric Vehicle Charging Infrastructure - Phase 1 design-build project.
- Continued construction of replacement for the existing diffusers and associated control system, with projected completion in 2025.
- Continued coordinating the Solids Handling Facility Improvements – Phase 1A 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 soil or hazardous materials.
- Continued to design and build projects focusing on energy savings, resource recovery, and other environmental-related improvements.
- Nearing completion of the Filter Plant and Clearwell Improvements – Phase 1A Project, which will provide reliable storage and distribution of recycled water.

- Continued 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.



GOVERNANCE AND FISCAL RESPONSIBILITY

- Continued use of the California Uniform Public Construction Cost Accounting Act (CUPCCAA) 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 outside services.
- Continued to improve Oracle software for project budgeting and reporting.
- Initiated the implementation of ProCore for construction and contract management. This new system will standardize documents and records, review invoices, and more while being more cost-effective than the existing practices.
- Continued to reduce the carry-forward budgets to closely match spending requirements.
- Developed quarterly reports for the Board focused on program-level reporting and major projects displaying the progress of the Capital Program.
- Completed FY 2023-24 internal audit recommendations and began the second phase.



INFRASTRUCTURE RELIABILITY

- Completed contract template with legal review. Routine updates are performed under the Capital Projects Specification Coordination Committee.
- Completed the first year of construction for the Solids Handling Facility Improvements - Phase 1A Project to address dewatering, furnace, air pollution control improvements, and seismic improvements.
- Initiated the construction of the new aeration diffuser project at the plant.
- Finalized the design for the Steam Renovations – Phase 1 Project, which will improve the safety and reliability of the steam system.
- Completed 30% of the final design of a new ultraviolet (UV) light disinfection facility at the plant using the latest technology provided by Trojan UV. Also, planned the Electrical Facilities Plan and Centralized Substation 55 Project to be combined during construction.
- Replaced or rehabilitated up to five miles of pipes in Martinez, Walnut Creek, Pleasant Hill, and Lafayette.
- Continued major construction at 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 Electric Blower Improvements and Treatment Plant Piping Renovations – Phase 10, and Fire Protection System, Phase 3.












- Started design for the wet weather storage basins and near-term safety and operational improvements.
- Continued to improve the new 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.



INNOVATION AND AGILITY

- Selected a consultant for the Substation 55 Project to optimize the treatment plant distribution system, with work projected to start in FY 2024-25.
- Completed post-Q1 projected spend submissions using Enterprise Performance Management (EPM) technology and worked on Phase 2 of EPM capital budgeting tool.
- Reviewed FY 2023-24 Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment and Capital Improvement Plan (CIP) under a series of workshops.
- Performed high-level forward-looking delivery capacity review under the Annual CIP Assessment.
- Continued to work toward a single-platform application for project details and shutdown processes.
- Implemented Enterprise Performance Management (EPM) capital projects budgeting solution, including a tool to collect current-year capital project projection data used to develop the FY 2024-25 Capital Improvement Budget.
- Continued to improve Oracle projects for financial 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 2023-25 Strategic Targets and Performance


Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL ONE	Average Customer Satisfaction Rating on Construction Projects	≥95%	85%*		92%	
 GOAL TWO	Sanitary Sewer Overflows Resulting from Construction Work	0	0		Not a metric in the FYs 2024-26 Strategic Plan	
 GOAL SIX	Miles of Sewers Replaced or Rehabilitated (focused on deteriorated small diameter pipelines)	≥6.0	3.5 miles		0.4 Miles (and awarded two projects for 3.6 miles)	
 GOAL SIX	Capital Expenditures as a Percentage of Capital Budgeted Cashflow, Including Carry-forward	≥90%	61.7%		86.4% in Q1 98.7% in Q2	

* While short of annual spend target of 90%, total FY 2023-24 spend of \$92.4M (draft/unaudited) exceeded year-end projected spend as predicted during FY 2024-25 Capital Improvement Budget development process, supporting capital spending plan assumptions used for latest Capital Improvement Plan development.

FY 2025-26 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 2025-26
 GOAL TWO Comply with All Environmental Regulations	Safely construct the Solids Handling Facility Improvements - Phase 1A 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 increasing reliability at recycled water storage facilities.
 GOAL FOUR Maintain Financial Stability and Sustainability	Continue to use the CUPCAA to help streamline infrastructure replacement projects using informal bidding and maintain a contractors list for projects under \$220,000.
	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>Execute the Approved Capital Program</p>	Complete the construction of the Treatment Plant Piping Renovations—Phase 10 Project, which will provide reliable hypochlorite use in the secondary process and new improvements to the treatment plant's potable water system.
	Continue to replace sewers in poor condition and respond to urgent or emergency sewer repairs throughout the service area in a timely manner.
	Replace sewers needing difficult or frequent maintenance to allow the Collection System Operations Division to focus on other sewers and reduce sanitary sewer overflows.
	Deliver projects on time and on budget using new construction management software, Procore, and Oracle.

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$2,105,869	\$2,271,384	\$2,325,696	\$2,127,626	\$2,430,595	\$104,899	4.5%
Employee Benefits	(2,664,470)	(2,385,231)	(2,919,243)	(2,552,848)	(2,760,387)	158,856	5.4%
Unfunded Liability Contributions	3,032	3,788	20,479	22,470	52,876	32,397	158.2%
Purchased Property Services	3,600	-	2,500	2,970	3,000	500	20.0%
Repairs & Maintenance	2,500	-	2,500	2,970	3,000	500	20.0%
Security	-	-	-	-	-	-	-
Rentals	1,100	-	-	-	-	-	-
Purchased Professional, Technical & Other Services	18,100	14,936	15,600	14,325	14,900	(700)	-4.5%
Technical Services	17,700	14,893	15,200	14,325	14,500	(700)	-4.6%
Other Purchased Services	400	43	400	-	400	-	0.0%
Supplies & Materials	54,430	47,896	50,500	41,609	48,500	(2,000)	-4.0%
Utilities & Fuel	24,430	17,284	22,000	19,500	21,000	(1,000)	-4.5%
General Supplies	30,000	30,612	28,500	22,109	27,500	(1,000)	-3.5%
Other Expenses	56,100	32,729	60,000	34,948	60,000	-	0.0%
Memberships	10,600	7,486	8,000	6,400	8,000	-	0.0%
Training & Meetings	44,500	25,208	52,000	28,584	52,000	-	0.0%
Miscellaneous Other	1,000	36	-	(36)	-	-	-
Total Expenses	(\$423,339)	(\$14,497)	(\$444,468)	(\$308,900)	(\$150,517)	\$293,951	66.1%

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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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	8.0	9.0	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	3.0
Land Surveyor	1.0	1.0	1.0
Management Analyst	-	-	1.0
Senior Engineer	3.0	3.0	3.0
Utility Systems Engineer	1.0	1.0	1.0
Total	29.0	30.0	30.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Associate Engineer-Limited Duration	-	1.0	1.0
Project Safety Officer-Limited Duration	-	1.0	-
Senior Engineer-Limited Duration	-	2.0	2.0
Utility Systems Engineer-Limited Duration	-	1.0	1.0
Intern	4.0	4.0	4.0
Summer Student	1.0	2.0	2.0
Temporary Assistant Engineer (Staff Engineer)	1.0	2.0	2.0
Temporary Engineering Assistant	-	1.0	1.0
Temporary Utility Systems Engineer	-	1.0	1.0
Total	6.0	15.0	14.0

Budget Modifications and Contributions to Key Priorities

The Capital Projects Division leads Central San's efforts in maintaining and upgrading aging infrastructure and 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 Capital Improvement Program (CIP) that is growing rapidly and is already significantly larger than historical averages. 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, the lion's share of labor costs in this division are charged to the various capital projects that the group oversees and manages. The Capital Projects Division budget for FY 2025-26 is (\$0.2) million, reflecting a 66.1% increase over the prior year. The primary contributor to this division's overall budget increase is the administrative overhead sub-component of the Board-adopted benefits and administrative overhead rate decreasing by 4.0% (from 79.6% to 75.8%). This resulted in a smaller administrative overhead credit to the division than the prior year. Salaries & Wages include the District-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. Four limited duration positions have been budgeted in this division as the CIP expands and work continues to ramp up. Two Senior Engineers, one Associate Engineer, and one Utility Systems Engineer positions will be limited in duration in conjunction with large projects. In addition, one vacant Engineering Assistant position will be reclassified to a Management Analyst in FY 2025-26 to help manage the greater administrative demands associated with a rapidly expanding and complex CIP. The Project Safety Officer Limited Duration position, originally approved in the FY 2024-25 budget, was reclassified to a Limited Duration Maintenance Planner and transferred to the Plant Maintenance Division during FY 2024-25 and is no longer included in this division's budget.

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 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

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

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Achieved 27th 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.
- Division Manager served as Bay Area Clean Water Agencies (BACWA) Executive Board Member, Co-Chair of California Association of Sanitation Agencies (CASA) Regulatory Water Committee, participant on CASA State Legislative Committee, participant in NACWA and CASA conferences, member of San Francisco Estuary Institute Board of Directors, and Regional Nutrient Management Steering Committee alternate.
- Division staff served in leadership roles on BACWA subject matter committees and California Water Environment Association committees.
- Completed 100% of Environmental Compliance inspections: over 1,100 pretreatment inspections and over 900 stormwater inspections.
- Conducted an Industrial User Academy.
- Applied for and received approval with US EPA's Cross Media Electronic Reporting Rule.
- Collected ~1,800,000 pounds of hazardous waste (calendar year 2024), with over 88% toward beneficial use.
- Gave away over 268,000 pounds of reusable products in calendar year 2024.
- Collected ~1,500 pounds of pharmaceuticals in calendar year 2024.
- Gave away ~2,300,000 gallons of recycled water at the residential fill station in 2024.

- Maintained 2024 anthropogenic greenhouse gas (GHG) emissions below the Cap-and-Trade inclusion threshold.
- Secured approval of PG&E funding for EV chargers.
- Replaced the Cogen NOx emissions monitoring system.
- Hosted Cogen emissions verification training for BAAD inspector.
- Environmental Laboratory performed ~17,000 sample analyses in calendar year 2024.
- Reviewed and commented on proposed regulations to ensure they are practical and protective.
- Participated in wastewater-based epidemiology surveillance studies.
- Participated in the Region 2 PFAS Study coordinated through BACWA and managed by the San Francisco Estuary Institute (SFEI).
- Amended the Laboratory's Environmental Laboratory Accreditation Program to add new methods to support spill response.
- Completed all laboratory proficiency testing in 2024 without any failures.
- Environmental Laboratory met new certification standards and achieved renewal of accreditation.

GOAL SIX



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.













GOAL SEVEN



INNOVATION AND AGILITY



- Participated in sample collection to advance the wastewater-based epidemiology model for COVID-19 and other pathogens of interest.
- Utilized the new environmental management system, Klir, to optimize the tracking of permits, regulatory requirements, and deadlines.
- Developed a nutrient data dashboard.

FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	NPDES Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
	Title V Compliance	Zero (0) Violations	Zero (0) Violation		Zero (0) Violations	
	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
	Anthropogenic GHG Emissions	<25,000 Metric Tons (MT) CO ₂ e	24,137 MT CO ₂ e for Calendar Year 2024		Met Calendar Year 2024 Target	

FY 2025-26 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 2025-26
 <p>Comply with All Environmental Regulations</p>	<p>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).</p>
	<p>Strive to meet all wastewater-related permit requirements (NPDES Treatment Plant Permit, Nutrients Watershed Permit, Mercury, and PCBs Watershed Permit).</p>
 <p>Optimize Energy Usage and Reduce Greenhouse Gas Emissions</p>	<p>Implement the Fleet Electrification Strategic Plan.</p>

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,651,639	\$4,257,613	\$4,867,955	\$4,928,229	\$5,004,767	\$136,812	2.8%
Employee Benefits	1,672,000	1,630,267	1,924,285	1,978,171	2,170,627	246,341	12.8%
Unfunded Liability Contributions	6,619	6,167	39,953	46,971	114,299	74,346	186.1%
Purchased Property Services	984,000	741,272	1,004,600	835,014	882,500	(122,100)	-12.2%
Repairs & Maintenance	104,500	68,803	114,000	120,714	114,000	-	0.0%
Hauling & Disposal	801,500	617,024	801,500	651,100	701,200	(100,300)	-12.5%
Security	3,000	3,985	3,600	4,000	4,500	900	25.0%
Rentals	6,800	4,002	6,100	4,900	5,200	(900)	-14.8%
Cleaning	68,200	47,459	79,400	54,300	57,600	(21,800)	-27.5%
Purchased Professional, Technical & Other Services	930,700	752,660	837,700	1,081,650	1,453,830	616,130	73.6%
Professional Services	10,400	17,394	48,100	211,000	149,000	100,900	209.8%
Technical Services	894,000	713,092	756,000	837,050	1,269,130	513,130	67.9%
Other Purchased Services	26,300	22,173	33,600	33,600	35,700	2,100	6.3%
Supplies & Materials	485,200	468,291	513,875	510,187	555,750	41,875	8.1%
Utilities & Fuel	13,500	18,329	23,000	22,500	25,000	2,000	8.7%
Chemicals	-	-	-	-	-	-	-
General Supplies	471,700	449,962	490,875	487,687	530,750	39,875	8.1%
Other Expenses	561,383	434,609	484,235	494,398	532,170	47,935	9.9%
Memberships	509,708	407,228	422,335	432,188	453,220	30,885	7.3%
Training & Meetings	48,025	24,672	58,350	58,660	75,400	17,050	29.2%
Miscellaneous Other	3,650	2,709	3,550	3,550	3,550	-	0.0%
Total Expenses	\$9,291,541	\$8,290,879	\$9,672,604	\$9,874,619	\$10,713,943	\$1,041,340	10.8%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Administrative Assistant	2.0	2.0	2.0
Assistant Engineer (Staff Engineer)	-	2.0	2.0
Associate Engineer	1.0	1.0	1.0
Chemist	7.0	7.0	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	1.0
Household Hazardous Waste Program Administrator	1.0	1.0	1.0
Household Hazardous Waste Technician	4.0	4.0	4.0
Laboratory Program Administrator	1.0	1.0	1.0
Supervising Chemist	-	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Senior Environmental Compliance Inspector	2.0	2.0	2.0
Senior Household Hazardous Waste Technician	2.0	2.0	2.0
Total	29.0	32.0	32.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Intern	1.0	1.0	-
Laboratory Assistant Summer Student	1.0	1.0	-
Temporary Chemist	1.0	1.0	1.0
Temporary Household Hazardous Waste Technician	-	1.0	-
Total	3.0	4.0	1.0

Budget Modifications and Contributions to Key Priorities

The Environmental and Regulatory Compliance Division is leading 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. This division's FY 2025-26 budget is \$10.7 million, an increase of 10.8% over the prior year's budget. The largest contributor to this increase is an increase in contracted professional and technical services related to the NPDES permit renewal requirements and PFAS emissions testing. Budgeted labor costs include the District-wide cost-of-living adjustment, increases due to step advancements for eligible employees, as well as benefit premium and pension contribution increases. The Other Expenses categories increased due to outside organization fees, including NACWA, CASA, and BACWA, covered by this division.

Planning and Development Services

OVERVIEW

This division provides various services to support new development and tenant improvements in Central San's service area, including a public-facing Permit Counter, mainline plan review, construction inspection, and right-of-way support. This division also leads a variety of planning efforts, including infrastructure plans, risk and resiliency initiatives, condition assessment projects, capital project collaborations with external agencies, pilot studies to evaluate the benefits of new technology and solutions for Central San's infrastructure projects and programs, manages collection system hydraulic modeling services, administers the Zone 1 Recycled Water Program, and leads the planning and pre-design of special projects.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION AND STAKEHOLDER ENGAGEMENT

- Continued providing excellent customer service in responding to phone calls and email inquiries at the Permit Counter regarding Central San services and records.
- Continued the Pilot Program to operate a Recreational Vehicle (RV) Wastewater Receiving Station for three years at no charge to customers.
- Continued to work with the City of Concord and their master developer in plans to provide sewer service to the Concord Community Reuse Project.
- Collaborated with John Muir Land Trust on constructing the Pacheco Marsh Public Access Improvements Project, adjacent to Central San's outfall.

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Co-led a major update to the Sewer System Management Plan (SSMP) with the Collection System Operations Division (CSO).
- Completed a dry season nutrient characterization initiative at the San Ramon Pump Station to estimate benefits of wastewater diversion and inform long-term nutrient reduction planning efforts.

GOAL FOUR



GOVERNANCE AND FISCAL RESPONSIBILITY

- Engaged a consultant to conduct a feasibility study to evaluate a potential consolidation with Mt. View Sanitary District (MVSD).

GOAL FIVE



SAFETY AND SECURITY

- Submitted and received CalOES/FEMA approval for the Local Hazard Mitigation Plan.
- Partnered with Central San's Internal Auditor in conducting a Permitting Resource Management Review to examine the permit counter operations' business structure, identify gaps, and guide prudent decision-making by District leadership.

GOAL SIX



INFRASTRUCTURE RELIABILITY

- Prepared National Plant Services inspection contract package for large-diameter, force main condition, and risk assessment. Siphon cleaning and inspection began in January, and multi-sensor inspection on large-diameter pipes began in March.
- Managed consultant efforts to complete the 95% design for the A-Line Sewer Relocation for CCTA, District Project 100050. This project collaborated with Contra Costa Transportation Authority (CCTA), initiating a joint project to relocate a

half-mile section of the 84-inch A-Line Sewer to expand the Interstate 680/Highway 4 freeway interchange.















- Managed consultant efforts to complete the 39-inch Main Trunk No. 1 Abandonment design. This project will install 3,300 lineal feet of 8-inch sewer to reroute flow, which will allow abandonment of 6,600 lineal feet of the 39-inch Trunk Main No. 1, which has reached the end of its lifespan and has numerous encroachments of mobile homes, rendering renovation-in-place infeasible.
- Worked collaboratively with Contra Costa Flood Control District to complete the 100% final design package and obtained critical permitting and environmental approvals for the Grayson and Walnut Creek Levee Improvement Project.
- Coordinated with Contra Costa Water District on a project triggered by the Levee Improvement Project to relocate CCWD's alum sludge pipeline.
- Continued maintaining in-house collection system modeling service, processing over 40 modeling requests as of February 2025; and kicked off the *InfoWorks*® ICM Model Update Project.
- Completed Pump Station condition assessments and draft reports as part of the Sewer System Infrastructure Plan.
- Drafted Force Main Asset Inventory planning tool template as part of the Sewer System Infrastructure Plan and expect to complete planning tools for six priority force mains by the end of FY 2024-25.
- Initiated *InfoAsset*® Planner risk and renovation model update expected to be complete in FY 2024-25 as part of the Sewer System Infrastructure Plan.



INNOVATION AND AGILITY

- Went live internally with Oracle's Community Development (permitting) module in February 2024 and continued to troubleshoot the system.
- Launched SmartCover real-time level monitoring program, installing over 35 units in collaboration with CSO.
- Kicked off two SmartCover-related, multi-year projects: 1) Rainfall Dependent Inflow/Infiltration Reduction Investigations; and 2) Wet Weather Capacity Deficiency Validations.
- Met with ADS and Subterra to evaluate the untethered visual inspection pilot for Dougherty and Orinda sewer tunnels, working with CSO to conduct inspections in 2025.
- Completed draft business case evaluation of Tertiary Membrane Filter Pilot with final evaluation projected before the end of the fiscal year.
- 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 2023-25 Strategic Targets and Performance



Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL ONE	Average Customer Satisfaction Rating on Permit Counter Interactions	≥95.0%	100%		100%	
 GOAL SIX	Large Diameter and Force Main Condition Assessment	≥3 Miles Per Year	0.6 Miles*		Not a Metric in the FY 2024-26 Strategic Plan	
 GOAL SIX	All large diameter gravity sewers inspected within 5 years	≥11 miles per year in FY 2024-25 ≥15 miles per year in FY 2025-26	Not a Metric in the FY 2022-24 Strategic Plan		Contract executed for inspections services with National Plant Services and held kick-off meeting*	
 GOAL SIX	All large diameter siphons cleaned and inspected within 3 years	≥3 siphons per year	Not a Metric in the FY 2022-24 Strategic Plan		See above; additionally, workplan submitted for siphon schedule*	
 GOAL SEVEN	Reviews or Pilot Tests of New and Promising Technology	≥3	4		2 in Progress 1 in Development	
 GOAL SEVEN	Research Papers and Findings Presented	≥3	3 Papers or Presentations of Findings		Not a metric in the FY 2024-26 Strategic Plan	

* Contract awarded for five-year inspection program to include Large Diameter, Siphon, and Force Mains to comprehensively inspect all three of these asset classes.

FY 2025-26 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 2025-26
 GOAL ONE Deliver High-Quality Customer Service	Update and publish additional “Applicant Guides” to assist Development Applicants, including some focused on the new Oracle web portal for online applications/permitting.
 GOAL ONE Build Neighborhood and Industry Relationships	Host a Sewer Summit Workshop for partner Cities and Contra Costa County.
 GOAL FOUR Conduct Long-Range Planning	Receive award for the FEMA Building Resilient Infrastructure and Communities (BRIC) grant for the Grayson and Walnut Creek Levee Improvement Project.
 GOAL SIX Manage Assets for Optimal Lifecycle Value	Complete the Sewer System Infrastructure Plan (SSIP) Project , including a recommended Capital Improvement Plan.

 <p>GOAL SIX Execute the Approved Capital Program</p>	Begin construction of the Grayson and Walnut Creek Levee Improvement Project and CCWD Alum Sludge Pipeline Relocation Project .
	Complete update to the <i>InfoWorks®</i> collection system model.
 <p>GOAL SEVEN Implement Organization-Wide Optimization</p>	Continue SmartCover Program and multi-year related RDII Investigations and Wet Weather Capacity Deficiency Validations , and complete annual report updates.

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$3,983,935	\$3,640,568	\$4,238,676	\$4,224,405	\$3,552,894	(\$685,782)	-16.2%
Employee Benefits	364,007	535,933	550,083	768,477	576,413	26,330	4.8%
Unfunded Liability Contributions	5,731	7,473	40,449	39,091	78,661	38,211	94.5%
Purchased Property Services	71,500	15,603	62,500	16,408	-	(62,500)	-100.0%
Repairs & Maintenance	60,000	8,867	50,000	10,128	-	(50,000)	-100.0%
Security	-	626	-	572	-	-	-
Rentals	10,000	4,400	10,000	4,958	-	(10,000)	-100.0%
Cleaning	-	-	-	-	-	-	-
Construction	1,500	1,710	2,500	750	-	(2,500)	-100.0%
Purchased Professional, Technical & Other Services	658,500	530,650	710,500	247,081	497,500	(213,000)	-30.0%
Professional Services	272,000	173,338	305,500	72,078	175,000	(130,500)	-42.7%
Technical Services	60,000	63,593	60,000	30,167	-	(60,000)	-100.0%
Other Purchased Services	326,500	293,719	345,000	144,836	322,500	(22,500)	-6.5%
Supplies & Materials	229,100	279,954	301,500	126,199	78,500	(223,000)	-74.0%
Utilities & Fuel	185,700	244,856	263,200	113,468	40,000	(223,200)	-84.8%
General Supplies	43,400	35,098	38,300	12,731	38,500	200	0.5%
Other Expenses	72,490	48,449	77,340	25,093	76,841	(499)	-0.6%
Memberships	20,290	18,772	21,140	15,635	21,140	-	0.0%
Training & Meetings	46,200	29,678	51,200	8,914	50,701	(499)	-1.0%
Miscellaneous Other	6,000	-	5,000	544	5,000	-	0.0%
Total Expenses	\$5,385,263	\$5,058,631	\$5,981,049	\$5,446,754	\$4,860,809	(\$1,120,240)	-18.7%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Administrative Assistant	2.0	2.0	1.0
Assistant Engineer	1.0	1.0	1.0
Assistant Real Property Agent	1.0	-	1.0
Associate Engineer	4.0	4.0	4.0
Construction Inspector	3.0	4.0	5.0
Development Services Supervisor	2.0	2.0	2.0
Engineering Assistant	4.0	5.0	4.0
Lead Engineering Assistant	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	1.0
Senior Engineer	3.0	3.0	3.0
Total	23.0	25.0	24.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Staff Engineer-Limited Duration	-	1.0	1.0
Intern	3.0	4.0	1.0
Summer Student Intern	1.0	1.0	-
Temporary Administrative Assistant	-	1.0	-
Temporary Administrative Services Assistant	1.0	-	-
Temporary Engineering Assistant	4.0	1.0	3.0
Temporary Staff Engineer	1.0	-	-
Total	10.0	8.0	5.0

Budget Modifications and Contributions to Key Priorities

The Planning and Development Services Division's FY 2025-26 budget is approximately \$4.9 million, reflecting a decrease of approximately 18.7% from the prior year's budget. This reduction is attributable to the financial planning and real property functions being transferred to the Deputy General Manager of Administration in FY 2025-26 to improve operational cohesion by bringing all finance administrative functions under the Administration Department. This resulted in a total of four FTEs and one temporary employee being transferred out of this division. Additionally, another Administrative Assistant FTE position was transferred to the Deputy General Manager of Engineering and Operations in FY 2025-26. Budgeted labor costs for the remaining twenty-four FTEs and temporary staff of this division include the District-wide cost-of-living adjustment, step advancements for eligible employees, as well as growth in health premium and pension contribution rates.

Operations Department

The Operations Department consists of four divisions, as well as 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, as well as 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, 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 2024-25 include achievement of the lowest recorded number of sanitary sewer spills (SSS); 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 receiving three California Water Environment Association (CWEA) awards recognizing excellence in the CSO Division (Large System of the Year Award), Optimization Division (Research Achievement Award for Membrane Aerated Biofilm Reactor Pilot), and Plant Maintenance Division (Mechanical Technician of the Year).

In addition to the lowest number of SSS recorded, CSO began two major initiatives in FY 2024-25. The combined Large Diameter Gravity Sewer, Force Mains, and Siphons condition assessment effort is the first. This five-year project uses an outside service team to clean, inspect, and provide condition assessment findings on this group of critical assets, helping determine the need for capital investments in these assets over the next 10 to 20 years. The second initiative is deploying 35 SmartCover monitoring stations to assess wet weather infiltration and inflow (I&I) loading for sewer sheds with the highest estimated rates of I&I based on the 2017 Collection Systems Master Plan findings. The monitoring network will help identify the most beneficial impact areas for investing in gravity sewer system replacement and, in turn, help reduce future peak wet weather flows to the wastewater treatment plant (WWTP). The units will also help confirm whether previously identified capacity improvements are needed for several existing large sewer sections. This will better inform Central San's capital spending in the next 10 years.

In support of Plant Operations' efforts in achieving the 27th NACWA Platinum Award, the Plant Maintenance Division continues to promote training and certifications for staff and to implement improved asset condition monitoring tools and processes. These efforts ensure that the more than 6,200 treatment plant assets are reliable and operating at peak performance. The Plant Maintenance Division also continues to advance the Asset Management Program by implementing the Asset Onboarding Initiative and the Asset Health Monitoring Initiative. Together with investment in the skills and knowledge of the staff, these initiatives are helping ensure Central San's customers will receive the maximum lifecycle value from the over \$1 billion in new infrastructure systems being delivered over the next decade. Finally, the Plant Maintenance Division was again recognized by its industry peers at the International Maintenance Conference (IMC), receiving its fourth Uptime Award, this one for Excellence in Management Support. The IMC is the premier national forum for asset management systems across major industries, including aerospace, manufacturing, and pharmaceuticals, making this a notable achievement for a public wastewater agency.

The Plant Operations Division has continued to provide excellent day-to-day operations of the treatment plant while supporting the large and growing number of capital projects across the facility. Each capital project requires the Operations staff to provide input during planning, review, and feedback on designs and daily support for the complex construction activities that impact the operating systems. The Solids Handling Facility Improvement, Phase 1A construction ramped up in FY 2024-25, impacting the entire Solids Conditioning Building with a complex and varying mix of construction, even as staff operate and work in the facility 24 hours a day. Balancing baseline operational duties with capital program support has required strong communication, planning, and collaboration across both internal divisions and the external project delivery teams.

The Operations Optimization Division combines the core asset management information systems platforms (Esri Geographic Information System (GIS), Cityworks, Autodesk Revit, etc.), plant process controls expertise, and integrated capital planning for the treatment plant. The value of this combined-systems thinking is reflected in the sequencing and prioritization of projects such as the combined aeration-steam-electrical road map, Nutrients Management Project, Energy Project, and Supervisory Control and Data Acquisition (SCADA) Modernization Project. The Division's GIS team was also recognized for their excellent work in applying GIS technologies to collection systems management at the Esri Users Conference, where they were recognized along with only six other organizations globally, receiving the Esri Special Achievement Award.

The FY 2024-25 Strategic Accomplishments and performance against the key metrics, as well as the FY 2025-26 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 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$545,621	\$542,328	\$735,481	\$555,195	\$815,243	\$79,761	10.8%
Employee Benefits	228,360	223,716	330,737	212,831	346,595	15,859	4.8%
Unfunded Liability Contributions	790	809	6,498	5,147	18,230	11,732	180.5%
Purchased Professional, Technical & Other Services	53,600	-	51,600	50,000	51,000	(600)	-1.2%
Technical Services	50,000	-	50,000	50,000	50,000	-	0.0%
Other Purchased Services	3,600	-	1,600	-	1,000	(600)	-37.5%
Supplies & Materials	133,100	83,789	135,100	129,500	134,900	(200)	-0.1%
Utilities & Fuel	70,000	61,881	72,000	67,000	77,000	5,000	6.9%
General Supplies	63,100	21,908	63,100	62,500	57,900	(5,200)	-8.2%
Other Expenses	27,550	15,089	27,550	25,650	26,600	(950)	-3.4%
Memberships	1,900	455	1,900	1,500	1,900	-	0.0%
Training & Meetings	24,700	14,634	24,700	23,200	24,700	-	0.0%
Miscellaneous Other	950	-	950	950	-	(950)	-100.0%
Total Expenses	\$989,020	\$865,731	\$1,286,966	\$978,323	\$1,392,568	\$105,602	8.2%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Administrative Assistant	1.0	1.0	2.0
Administrative Services Supervisor	1.0	2.0	1.0
Deputy General Manager of Engineering and Operations (Director of Operations)	1.0	1.0	1.0
Total	3.0	4.0	4.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Summer Student (Administrative Assistant)	-	1.0	1.0
Temporary Administrative Services Assistant	1.0	-	1.0
Total	1.0	1.0	2.0

Budget Modifications and Contributions to Key Priorities

The Office of the Deputy General Manager of Engineering and Operations budget for FY 2025-26 is approximately \$1.4 million, increasing by approximately 8.2% over the prior year's budget. Key priorities for this function are mostly reflected in the specific Division-level budget sections, along with the related budget modifications. Budgeted labor costs include the District-wide cost-of-living adjustment, increases due to step advancements for eligible employees, as well as benefit premium and pension contribution increases. While there were no net increases to FTE positions within this function, one previously budgeted Administrative Services Supervisor was transferred to the Director of Engineering & Technical Services function, offset by the transferring of an Administrative Assistant from the Planning & Development Services division to better address the administrative support needs of this and other functions.

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. This division also maintains the recycled water distribution system. In addition, CSO has an in-house vehicle shop responsible for maintaining all Central San vehicles.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER AND COMMUNITY

- Responded to 149 customer service phone calls. *
- Received and cleared over 16,328 USA locating requests on time. *

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Responded to nine sanitary sewer spills. *
- Cleaned 421 miles of sewers. *
- Completed 9,543 work orders on schedule 99.4% of the time. *
- Performed 16% of all cleaning work on "hotspots." *
- Closed circuit televised 92 miles of sewers. *
- Completed the update of the Sewer System Management Plan (SSMP).

GOAL SIX



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 spills.
- Started cleaning siphons larger than 18 inches in diameter.
- Started large-diameter pipeline assessment using a high-definition CCTV system.

GOAL SEVEN















INNOVATION AND OPTIMIZATION

- Constructed a training vault where maintenance crew members can observe the performance of various pipeline-cleaning tools.

* (as of Q2)






FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL ONE	Average Customer Service Rating for Emergency Calls	≥3.8 out of 4.0	3.94 out of 4.0		4.0 out of 4.0	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, During Working Hours	≤30.0 Minutes	27 Minutes		27.5Minutes	
 GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, After Hours	≤40.0 Minutes	33 Minutes		35.5 Minutes	
 GOAL TWO	Sanitary Sewer Spills	FY 2023-24: ≤2.0 spills per 100 Miles of Pipeline FY 2024-25: ≤1.3 Spills per 100 Miles of Pipeline	0.58 Spills per 100 Miles of Pipeline		0.45 Spills per 100 Miles of Pipeline	
 GOAL TWO	Spills to Public Water	≤1	1		3	
 GOAL TWO	Spills Greater Than 500 Gallons	≤3	1		2	
 GOAL TWO	Sanitary Sewer Spills Resulting from Construction Work	0	0		Not a metric in the FY 2024-26 Strategic Plan	
 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%	99.53%		99.245% in Q1 99.32% in Q2	
 GOAL SIX	Pipeline Cleaning QA/QC	FY 2023-24: On ≥4% of Pipelines Cleaned on an Annual Basis FY 2024-25: On ≥3% of Pipelines Cleaned on an Annual Basis	3.35%		3.56% in Q1 3.50% in Q2	

	Pipeline Cleaning QA/QC Passing Rate	≥98%	96.61%		99.39% in Q1 98.50% in Q2	
	Pipeline Inspected Through Closed Circuit Television Program	10% inspected (150 miles)	11.47% (176 miles)		4.85% (74.4 miles)	
	Uptime for Vehicles and Equipment	100%	100%		100%	

FY 2025-26 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 2025-26
 <p>Deliver High-Quality Customer Service</p>	Continue to respond quickly to emergency calls both during and after work hours.
	Continue to send customer surveys for all emergency calls.
 <p>Comply with all Environmental Regulations</p>	Continue to clean sewers proactively and optimally to prevent spills.
	Review & update Sewer Emergency Response Plan/Procedures as needed to protect the District from litigation.
	Optimize cleaning schedule frequencies & location of work orders.
 <p>Optimize Energy Usage and Reduce Greenhouse Gas Emissions</p>	Continue to use alternative diesel fuels for CSO vehicles, resulting in cleaner emissions, reduced maintenance, and improved reliability.
 <p>Maintain Financial Stability and Sustainability</p>	Work toward constructing electric vehicles charging infrastructure to accommodate future Electric Vehicle Fleet implementation (currently in the design phase).
 <p>Manage Assets for Optimal Lifecycle Value</p>	To determine their remaining functioning life, perform a condition assessment (clean and assess) of all siphons over 18 inches in diameter.
	Begin large-diameter pipeline assessment using high-definition CCTV to perform a condition assessment and determine remaining functional life.

Budget Overview by Expense Category

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$7,659,032	\$7,934,631	\$9,380,005	\$9,603,890	\$9,660,546	\$280,542	3.0%
Employee Benefits	3,440,554	3,606,455	4,366,345	4,267,898	4,565,194	198,848	4.6%
Unfunded Liability Contributions	10,851	11,254	80,121	87,284	217,272	137,151	171.2%
Purchased Property Services	679,900	648,512	1,204,100	1,118,800	1,122,800	(81,300)	-6.8%
Repairs & Maintenance	467,000	448,743	924,000	833,500	825,500	(98,500)	-10.7%
Hauling & Disposal	30,300	21,801	66,300	77,500	77,500	11,200	16.9%
Security	4,100	3,985	4,100	4,100	4,100	-	0.0%
Rentals	78,500	80,205	84,500	84,500	86,500	2,000	2.4%
Cleaning	100,000	93,779	125,200	119,200	129,200	4,000	3.2%
Purchased Professional, Technical & Other Services	1,240,080	792,020	1,269,865	1,273,500	1,291,500	21,635	1.7%
Professional Services	7,500	11,433	19,100	24,000	25,000	5,900	30.9%
Technical Services	1,165,080	708,811	1,186,080	1,178,000	1,184,000	(2,080)	-0.2%
Other Purchased Services	67,500	71,777	64,685	71,500	82,500	17,815	27.5%
Supplies & Materials	1,303,000	1,247,436	2,339,600	2,422,600	2,496,700	157,100	6.7%
Utilities & Fuel	767,000	703,598	1,541,000	1,544,000	1,544,000	3,000	0.2%
Chemicals	-	-	175,000	210,000	210,000	35,000	20.0%
General Supplies	536,000	543,838	623,600	668,600	742,700	119,100	19.1%
Other Expenses	58,500	49,913	75,750	69,550	77,400	1,650	2.2%
Memberships	15,900	17,070	19,000	22,000	24,000	5,000	26.3%
Training & Meetings	39,600	32,101	51,750	42,550	48,400	(3,350)	-6.5%
Miscellaneous Other	3,000	742	5,000	5,000	5,000	-	0.0%
Total Expenses	\$14,391,917	\$14,290,219	\$18,715,786	\$18,843,522	\$19,431,412	\$715,626	3.8%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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	17.0	18.0	18.0
Maintenance Crew Member	19.0	20.0	20.0
Maintenance Planner	1.0	1.0	1.0
Maintenance Supervisor	5.0	5.0	5.0
Pumping Stations Operator	5.0	7.0	7.0
Senior Engineer	1.0	1.0	1.0
Superintendent, Operations and Maintenance	2.0	2.0	2.0
Utility Worker	1.0	-	-
Vehicle and Equipment Mechanic	3.0	3.0	3.0
Total	61.0	64.0	64.0

Temporary Employees	FY 2024-24 Year-End Actual	FY 2024-25	FY 2025-26
Summer Student	-	1.0	1.0
Temporary Pumping Stations Operator	1.0	1.0	1.0
Total	1.0	2.0	2.0

Budget Modifications and Contributions to Key Priorities

The Collection System Operations Division budget for FY 2025-26 is \$19.4 million, reflecting an increase of 3.8% over the prior year's budget. The main drivers for this modest increase were related to budgeted labor costs, including the District-wide cost-of-living adjustment, step advancements for all eligible employees, as well as pension and benefit premium rate increases. The decrease in Repairs & Maintenance services is largely offset by an increase in general supplies with the intent of taking a larger portion of patch paving services in-house in FY 2025-26.

Plant Maintenance

OVERVIEW

We aim 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 are the key roles of the RE staff. The strategy includes the planning and scheduling of daily work for all the shops and the major turnaround and overhaul work for the plant systems and process equipment. The RE team also manages the treatment plant energy portfolio and several service contracts and oversees the Asset Condition Management (ACM) Program. The Plant Maintenance Division aims 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 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION AND COMMUNITY ENGAGEMENT

- Received Uptime Elements Award for Best Leadership for Reliability Program.
- Multiple staff panelists presented on industry-leading asset management practices, reliability, and work execution processes at the International Maintenance Conference.
- Participated in Central San Academy and Externship programs.
- California Water Environment Association (CWEA) awards Mechanical Technician of the Year.

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 27th consecutive year.
- Continued ongoing tracking of energy usage.
- Began working with Pacific Gas and Electric (PG&E) on RAPIDS (Risk Assessment, Process Improvement, Decision Support) energy efficiency program.
- Worked with EcoGreen and PG&E to retrofit lighting to LEDs.
- Continued replacing lighting, heating, ventilation, and air conditioning with newer, more efficient fixtures and equipment at the Martinez campus.



WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE

- Staff regularly attended job fairs and collaborated with schools (e.g., Los Medanos College and UC Merced) and BAYWORK to promote internship and career opportunities in Maintenance.
- Associate Engineer in Reliability Engineering served as a panelist for a freshman engineering course at University of California Merced in fall 2025 and agreed to serve again in fall 2026.
- 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 the 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.
- Hosted Certified Reliability Leader training for both Lawrence Livermore Laboratories and Central San staff.
- Seven staff members obtained Certified Reliability Leader certification.
- Added Management Analyst position to focus on improving the asset handover process from Capital Projects to Maintenance.

GOAL FIVE**SAFETY AND SECURITY**

- Completed 19 safety Work Orders (WOs) as of March 2024.
- Implemented a new fall protection equipment inspection program.

GOAL SIX**INFRASTRUCTURE RELIABILITY**

- Onboarded a consultant and researched three vendors for asset health and condition monitoring framework. Worked with a consultant on the development of Asset Health Indicator Requirements. Consultant to provide services to engage stakeholders, develop needs assessment, and provide industry research and solution evaluation. A kickoff meeting was held.
- Applied reliability-centered design to Ultraviolet Disinfection Upgrade Project.
- Continued transferring Pumping Stations operations PM WOs to Cityworks computerized maintenance management system (CMMS), with estimated completion at the end of 2025. Continued CMMS 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.
- Assisted with selecting a consultant for the Substation 55 project to optimize the treatment plant distribution system.
- Selected a consultant for asset onboarding technical data flow, including a tracking system, and work is scheduled to begin in Q3.
- Completed 4,991 work orders (WOs).
- Maintained Reactive WOs 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 WOs.
- Maintained a flat Operations & Maintenance (O&M) Budget for eight 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 25 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 the 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 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.
- 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




- Looked at several individual asset condition monitoring solutions with artificial intelligence and machine learning; these technologies are also being evaluated as part of the asset health initiative.
- Continued implementation of barcoding of plant assets to create legacy IDs.
- Expanded the pilot barcoding system to all fixed assets.
- Continued pilot testing *InfoAsset*® to replace *InfoMaster*® to assist in developing the prioritization model for vertical assets.
- Toured the University of California San Diego's steam turbine generator to explore the viability of a 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 plays a significant role in lowering equipment downtime costs, increasing the reliability of equipment, increasing the 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 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 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL TWO	Regulatory Title V Work Orders Completed on Time	100%	99%		100% in Q1 97% in Q2	
 GOAL FIVE	Safety-Prioritized Work Orders Completed on Time	100%	99%		100%	
 GOAL SIX	Planner Updates (Work Orders Improved)	≥24	Not a metric in the FY 2022-24 Strategic Plan		68	
 GOAL SIX	Planned Treatment Plant Preventative Maintenance Completed on Time	≥90%	98%		98% in Q1 100% in Q2	
 GOAL SEVEN	DJFI Work Orders Completed	≥25	23		25	

FY 2025-26 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 2025-26
 GOAL THREE Invest in Equitable Talent Management Practices	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.
 GOAL FIVE Identify, Evaluate, and Mitigate Risks	Continue to apply the latest arc-resistant switchgear with arc-quenching devices to make it safer for staff to operate and service electrical equipment.
 GOAL SIX Manage Assets for Optimal Lifecycle Value	Actively participate in all phases of asset lifecycles , including design, installation, operation, maintenance, and replacement planning.
	Commit to consistently perform the most effective maintenance tasks on equipment at the optimal frequency.
	Utilize a repeatable and comprehensive approach to maintenance that optimizes asset lifecycle based on reliability, cost, and criticality, including continuing to perform additional Reliability Centered Maintenance, Root Cause Analysis, Preventative Maintenance Optimization Analysis, and Defect Elimination initiatives on critical equipment and systems.

	<p>Drive the development of the Asset Condition Management 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>
<div data-bbox="393 898 503 976" data-label="Image"> </div> <p>Implement Organization-Wide Optimization</p>	<p>Continue to work on Process and Technology Optimization 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, reliability engineering 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 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$7,132,314	\$7,173,087	\$6,459,990	\$6,100,232	\$6,795,887	\$335,898	5.2%
Employee Benefits	2,437,953	2,724,256	2,200,118	2,189,367	2,493,483	293,365	13.3%
Unfunded Liability Contributions	9,513	9,707	45,092	52,602	133,019	87,927	195.0%
Purchased Property Services	2,596,100	2,926,713	2,338,100	2,316,975	2,351,100	13,000	0.6%
Repairs & Maintenance	2,316,500	2,369,603	1,873,500	1,842,368	1,867,000	(6,500)	-0.3%
Hauling & Disposal	100	2,917	1,100	-	1,100	-	0.0%
Security	-	-	-	381	-	-	-
Rentals	26,500	248,022	186,500	179,016	204,500	18,000	9.7%
Cleaning	253,000	306,170	277,000	295,211	278,500	1,500	0.5%
Purchased Professional, Technical & Other Services	299,385	65,543	132,800	142,936	147,500	14,700	11.1%
Professional Services	54,000	37,174	50,500	26,520	70,500	20,000	39.6%
Technical Services	221,500	16,402	82,000	107,759	77,000	(5,000)	-6.1%
Other Purchased Services	23,885	11,967	300	8,657	-	(300)	-100.0%
Supplies & Materials	2,254,700	2,123,810	1,053,100	1,275,777	1,304,700	251,600	23.9%
Utilities & Fuel	611,000	849,734	-	286	-	-	-
Chemicals	200,000	120,713	-	-	-	-	-
General Supplies	1,443,700	1,153,362	1,053,100	1,275,491	1,304,700	251,600	23.9%
Other Expenses	162,850	147,780	155,900	123,061	187,200	31,300	20.1%
Memberships	13,200	13,564	16,200	27,509	18,600	2,400	14.8%
Training & Meetings	125,650	128,715	116,700	97,005	166,600	49,900	42.8%
Miscellaneous Other	24,000	5,501	23,000	(1,454)	2,000	(21,000)	-91.3%
Total Expenses	\$14,892,814	\$15,170,894	\$12,385,099	\$12,200,949	\$13,412,889	\$1,027,790	8.3%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Associate Engineer	1.0	1.0	1.0
Buildings and Grounds Supervisor	-	1.0	1.0
Electrical Shop Supervisor	-	1.0	1.0
Electrical Technician	5.0	5.0	5.0
Instrument Shop Supervisor	1.0	1.0	1.0
Instrument Technician	2.0	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	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	1.0	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Assistant Engineer (Staff Engineer)	1.0	1.0	1.0
Utility Systems Engineer	1.0	1.0	1.0
Utility Worker	5.0	6.0	6.0
Total	36.0	42.0	42.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Maintenance Planner-Limited Duration	-	-	1.0
Intern	1.0	4.0	4.0
Summer Student (Laborer)	1.0	7.0	7.0
Temporary Engineering Assistant	1.0	-	-
Temporary Maintenance Technician (Utility Worker)	3.0	3.0	1.0
Total	6.0	14.0	13.0

Budget Modifications and Contributions to Key Priorities

The Plant Maintenance Division's budget for FY 2025-26 is \$13.4 million, reflecting an increase of 8.3% over the prior year's budget. Salaries & Wages increased due to the addition of a full-time Management Analyst and one Limited Duration position for a Maintenance Planner to handle the increase in capital expenditure project work as an integral part of the success in identifying, designing, and delivering on all capital projects which will maximize the Treatment Plant reliability and maintenance management efforts.

Other drivers include the Supplies & Materials and Repair & Maintenance budgets, which are slightly increasing due to the rising cost of materials (i.e., Cal Gas Direct Incorporated) and supplies, as well as more frequent repairs for assets operating beyond their useful life. Professional, Technical, & Other Services show an increase in cathodic surveys. Training increased slightly because of the influx of new staff, including additional training in electrical maintenance and safety. Also included is formal training on root cause analysis.

Last year, the Maintenance Division maintained reactive work orders at 3%, completed 32 "Don't Just Fix It: Improve It" initiatives, and completed 111 Maintenance Planner updates to improve work efficiency and effectiveness, which helped to control and even reduce 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 treats an average dry weather flow of 37.4 MGD. 2.5 MGD of this is further treated into recycled water for use within the treatment plant and distributed to customers for non-potable uses.

FY 2024-25 Strategic Accomplishments

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Maintained eligibility for the National Association of Clean Water Agencies (NACWA) Peak Performance Award Platinum status for the 27th consecutive year, recognizing 100% compliance with the wastewater discharge permit.

GOAL SIX



INFRASTRUCTURE RELIABILITY

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













GOAL SEVEN



INNOVATION AND AGILITY




- Toured the City of Stockton's UV (TrojanUV) Disinfection facility to gather ideas (likes/don't likes) to incorporate into Central San's UV facility design. Continued pilot testing of the Aquasight machine learning technology for real time optimization of the plant headworks pump station and the centrifuge chemical feed systems. Supported the successful pilot testing of MABR treatment technology for nutrients removal.

FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
 GOAL TWO	NPDES Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
 GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
 GOAL TWO	Title V Compliance	Zero (0) Violations	One (1) Violation		Zero (0) Violations	
 GOAL TWO	Anthropogenic GHG Emissions (Per Calendar Year)	<25,000 Metric Tons (MT) CO ₂ e	24,577 MT CO ₂ e in Calendar Year 2023		Met Calendar Year 2024 Target	

FY 2025-26 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 2025-26
 <p>GOAL TWO</p> <p>Comply with All Environmental Regulations</p>	Maintain eligibility for the NACWA Peak Performance Award Platinum status.
 <p>GOAL THREE</p> <p>Recruit from a Diverse Pool of Qualified Applicants</p> <p>Invest in Equitable Talent Management Practices</p>	Perform succession planning successfully and appropriately staff the division to meet the challenges of any upcoming departures.
 <p>GOAL SIX</p> <p>Manage Assets for Optimal Lifecycle Value</p>	Continue to work with Engineering in the design, coordination, and construction of projects affecting the treatment plant.

Budget Overview by Expense

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$4,835,981	\$4,946,197	\$5,052,347	\$5,073,624	\$5,416,852	\$364,504	7.2%
Employee Benefits	1,837,509	1,945,250	2,096,643	1,878,610	2,235,376	138,733	6.6%
Unfunded Liability Contributions	6,948	5,936	45,600	46,593	119,691	74,091	162.5%
Purchased Property Services	456,500	503,227	517,000	515,000	591,000	74,000	14.3%
Repairs & Maintenance	-	-	-	-	-	-	-
Hauling & Disposal	356,000	401,613	416,000	396,000	470,000	54,000	13.0%
Rentals	5,500	8,661	6,000	6,000	6,000	-	0.0%
Cleaning	95,000	92,952	95,000	113,000	115,000	20,000	21.1%
Purchased Professional, Technical & Other Services	671,500	705,095	770,600	788,500	798,500	27,900	3.6%
Professional Services	1,000	6,609	11,100	8,000	8,000	(3,100)	-27.9%
Technical Services	-	8,110	-	-	-	-	-
Other Purchased Services	670,500	690,375	759,500	780,500	790,500	31,000	4.1%
Supplies & Materials	8,772,000	9,042,264	9,241,750	8,853,856	8,492,700	(749,050)	-8.1%
Utilities & Fuel	6,255,000	6,630,622	6,450,000	6,409,000	6,015,000	(435,000)	-6.7%
Chemicals	2,478,000	2,362,478	2,760,000	2,408,000	2,436,000	(324,000)	-11.7%
General Supplies	39,000	49,164	31,750	36,856	41,700	9,950	31.3%
Other Expenses	29,700	16,964	32,000	14,531	30,500	(1,500)	-4.7%
Memberships	8,000	9,101	10,000	9,200	10,000	-	0.0%
Training & Meetings	18,700	7,372	19,000	5,750	20,500	1,500	7.9%
Miscellaneous Other	3,000	491	3,000	(419)	-	(3,000)	-100.0%
Total Expenses	\$16,610,137	\$17,164,932	\$17,755,940	\$17,170,715	\$17,684,618	(\$71,322)	-0.4%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
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	11.0	11.0
Senior Plant Operator	10.0	10.0	10.0
Shift Supervisor	6.0	8.0	8.0
Total	29.0	32.0	32.0

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 division's FY 2025-26 budget is \$17.7 million, reflecting a slight reduction of -0.4% from the prior year. Despite budgeted increases in labor costs for the District-wide cost of living adjustment, step increases for all eligible employees, as well as benefit premium and pension contribution rates, reductions in Supplies & Materials offset these increases. Within the Supplies & Materials category, utilities and fuel reductions are anticipated based on recent trends suggesting volatility in energy and gas prices leveling out. Additionally, next year's budget incorporates lower prices in bids for centrifuge and filter plant polymer driven by an easing of supply chain restrictions experienced in recent years.

Operations Optimization

OVERVIEW

The Optimization Division is responsible for developing robust roadmaps for strategic projects, ensuring that Central San continuously enhances efficiency, innovation, and long-term sustainability. With a broad scope across the entire organization, the division leads business process optimization efforts and streamlines project workflows, operational processes, and decision support systems to drive measurable performance improvements. A key focus of this division is optimizing existing operations and developing new, forward-thinking programs, projects, and training initiatives. These efforts significantly enhance the performance and efficiency of Central San's treatment plant, wastewater collection system, pumping stations, and water reuse distribution system.

The Optimization Division oversees several specialized groups that support its mission of operational excellence, including Process Control/Control Systems, responsible for designing and managing the Supervisory Control and Data Acquisition (SCADA) and Programmable Logic Controller (PLC) systems, ensuring seamless automation and control across treatment facilities and pump stations; Innovations and Efficiency, leveraging real-time data analytics, process intensification, and emerging technologies to drive efficiency and reliability; and Asset Management that manages the Geographic Information Systems (GIS) and Computerized Maintenance Management Systems (CMMS) to enhance asset tracking, maintenance planning, and data-driven resource allocation. Through strategic planning, cutting-edge technology, and a commitment to continuous improvement, the Optimization Division ensures Central San remains at the forefront of operational excellence, maximizing resources, reducing costs, and achieving long-term sustainability goals.

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION AND STAKEHOLDER ENGAGEMENT

- Received Esri Special Achievement in GIS award and presented at the User Conference Plenary.
- Hosted membrane aerated biofilm reactor (MABR) pilot tours for the California Water Environment Association (CWEA) with 85 attendees, including operators from other treatment plants and consultants; Bay Area Clean Water Agencies (BACWA) including San Francisco Bay Regional Water Quality Control Board Staff; and Central San staff as part of Clarifier Speaker series open to all departments.
- Received Dr. Jenkins Research Achievement Award for the MABR Pilot from the CWEA San Francisco Bay Section.
- Presented at the Feature Manipulation Engine (FME) User Group Meeting: "FME Keeps Central San Ahead of the Flow."

GOAL TWO



ENVIRONMENTAL STEWARDSHIP

- Initiated the Energy Management Plan under the Process Optimization and Efficiency, District Project (DP) 100055, establishing a strategic framework for sustainable energy planning at Central San. This plan will serve as a long-term guide to developing and maintaining a reliable, cost-effective, and sustainable energy portfolio, ensuring operational resilience over the next

20 years. The strategy aligns with Central San's sustainability goals and long-term planning objectives, optimizing energy efficiency while securing stable and diversified energy sources to support future operational needs.

- Launched the Nutrient Management Plan, DP 100078, to develop the most effective strategy for meeting regulatory nutrient limits while minimizing financial impact on ratepayers. The plan prioritizes cost-effective compliance solutions and explores opportunities to integrate multi-benefit projects, such as recycled water initiatives, to enhance sustainability and operational efficiency.
- Successfully completed MABR pilot testing in November 2024 and initiated planning for full-scale demonstration in Aeration Tank 2. This technology presents a cost-effective solution for meeting nutrient regulatory requirements by utilizing existing infrastructure, thereby avoiding significant capital expenditures and minimizing environmental impact associated with new construction.



GOAL THREE WORKFORCE DIVERSITY, EQUITY, AND DEVELOPMENT IN AN INCLUSIVE WORKPLACE CULTURE

- Cross-trained staff in creating FME to develop automation procedures for business application integration; certifications awarded in FME Certified Professional (2) and FME Flow Certified Professional (1).
- Achieved Adobe Certified Professional certification in ColdFusion, enhancing expertise in web application development and system integration.
- Staff presented at various state and national conferences including FME World Tour, CWEA, American Water Summit, and the International Maintenance Conference. Staff also presented MABR results at a Water Environment Federation webinar with over 300 registered attendees.



GOAL FOUR GOVERNANCE AND FISCAL RESPONSIBILITY

- Continued refinement and utilization of a project prioritization scoring system to effectively rank and evaluate treatment plant, collection system, recycled water, and general improvement projects. This process is conducted in collaboration with key stakeholders, ensuring data-driven decision-making and the strategic allocation of resources to maximize operational efficiency and project impact.
- Completed CAD/BIM Standards with AutoCAD and Revit templates.



GOAL FIVE SAFETY AND SECURITY

- Advanced Phase 4 of the Sewer Structure Inventory to expand assessments to easement areas and private parcels for a more comprehensive infrastructure evaluation. Completed a review of accessible structures in the public right-of-way, assessing maintenance access holes, cleanout conditions, bike lane locations, road types, and identifying structural issues requiring immediate attention. Recommendations were made to the Collection System Operations Division (CSO) for further review and action.

GOAL SIX**INFRASTRUCTURE RELIABILITY**









- Advanced the design phase of the Secondary Clarifier and Channel Improvements, DP 100047 to extend equipment lifespan and explore capacity expansion and performance enhancements in preparation for secondary process modifications aimed at nutrient reduction. Developed a site-specific calibrated clarifier model and completed a condition assessment of the clarifier influent, return activated sludge (RAS) center column, and below-tank piping, ensuring data-driven decision-making for future improvements.
- Ongoing implementation of key elements of the Asset Management Plan, including the Treatment Plant Piping Underground Utility initiative, to enhance infrastructure reliability, maintenance planning, and long-term asset sustainability.
- Continued evaluation of the costs and benefits of a future new solids handling infrastructure regional facility to share capital and operations and maintenance costs with participating agencies. Completed calls with a few agencies across the United States that have successfully implemented regional solids handling facilities for incineration and composting.
- Continued Odor Control Facility Plan update to address existing equipment aging infrastructure and evaluate ways to further reduce odors across the treatment plant fence line. Completed odor control sampling and developed a site-specific calibrated model for alternatives evaluation.
- Initiated the Electrical Facilities Plan and Centralized Substation 55 Final Design Project to assess the treatment plant's 12 kilovolt (kV) electrical system and develop a phased improvement program for each plant substation. The first pre-design task focuses on a new central 12 kV distribution substation.
- Continued development of a 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.
- Completed the Post-Bid Device List and Drawing, and reviewed Drawings and Specifications for Solids Handling Facility Improvements, Phase 1A, DP 7348.
- Replaced antiquated Standby Effluent Pump 1 control system.
- Began the migration of Geocortex web application to VertiGIS web studio applications

GOAL SEVEN**INNOVATION AND AGILITY**

- Reviewed asset condition monitoring solutions with artificial intelligence and machine learning; these technologies are also being evaluated as part of the asset health initiative.
- Considering upgrades to improve capacity and performance to assist with nutrient management goals as part of an alternatives analysis.




- Selected a consultant for the asset onboarding technical data flow, including a tracking system.
- Completed Laboratory Cityworks implementation and the addition of all supporting equipment - including pipettes and instruments - into Cityworks rather than managing the assets/equipment in spreadsheets.
- Continued implementation of barcoding of plant assets to create legacy IDs.
- Continued evaluation of potential chemical dosing optimizations as part of the Odor Control Facility Plan Update.
- Continued evaluation of secondary clarifier hydraulics capacity/process improvements as part of the Secondary Clarifier and Channel Improvements, DP 100047 while considering operational changes needed for nutrient removal.
- Continued evaluation of split treatment within the existing secondary process to remove nutrients during summer months. This effort is now part of the Nutrient Management Plan.
- Provided secondary process support for operations and capital project staff during construction and successful start-up of Aeration Basin 1 diffuser upgrades. Assisted with optimizing dissolved oxygen set points within all aeration tanks.
- Improved the treatment plant wi-fi network. Operations and Maintenance staff can now view real-time data while in the field.
- Refined 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 the Aquasight pilot to test the APOLLO program on two existing treatment plant processes: solids dewatering and influent pumping. The project assessed the program's capability to deliver real-time performance insights for operations and maintenance staff using machine learning and artificial intelligence.
- Began mapping Household Hazardous Waste (HHW) data for community outreach.
- Supported the installation of Smart Covers on maintenance holes for Infiltration and Intrusion (I&I) monitoring and capacity issue studies by creating assets and Utility Network subnetworks to visualize the sewer sheds flowing into these maintenance holes.


FYs 2023-25 Strategic Targets and Performance

Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Reviews or Pilot Tests of New and Promising Technology	≥3	4		2 completed 1 in Progress 1 in Development	
	Research Papers and Findings Presented	≥3	3 Papers or Presentations of Findings		Not a Metric in the FY 2024-26 Strategic Plan	
	Completed Optimizations	≥20	34 (including 23 Don't Just Fix It; Improve It Work Orders)		4 Completed 24 in Progress 25 DJFI Work Orders Completed	

FY 2025-26 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 2025-26
 Maintain Financial Stability and Sustainability	Further refine the capital improvement project prioritization process by incorporating stakeholder comments through one or more workshops.
 Execute the Approved Capital Program	Continued evaluation of the costs and benefits of developing future solids handling infrastructure as a regional facility, sharing capital and operations and maintenance costs through collaboration with participating agencies.
	Finalize the Nutrient Management Plan that will identify the projects and costs to ensure compliance with limits by the current 2034 deadline.
	Finalize the Electrical Facilities Plan and Centralized Substation 55 for the new central 12 kV substation.
 Apply Data Analytics to Identify Efficiencies	Advance the development of an Energy Management Plan to assess long-term energy demands and explore generation options, establishing a strategic framework for sustainable energy planning at Central San.
	Complete the Laboratory Cityworks implementation to streamline maintenance and repair record-keeping for laboratory equipment, schedule routine maintenance and calibration, receive automated notifications for due tasks, generate annual maintenance reports for each instrument, and 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.

 <p>Implement Organization-Wide Optimization</p>	<p>Finalize the odor control facility plan to assess options for enhancing equipment reliability and performance while identifying long-term, cost-saving opportunities for operations and maintenance. Upgrades will be implemented in phases through future capital projects.</p>
	<p>Assess and enhance the secondary clarifier's hydraulic capacity, process performance, and equipment efficiency to improve operations and maintainability through the Secondary Clarifier and Channel Improvements, DP 100047.</p>
	<p>Proceed with the design and initiate construction of the full-scale MABR demonstration test to evaluate the feasibility and cost-effectiveness of using this technology to enhance the secondary treatment process by removing nutrients within existing basins.</p>
	<p>Initiate the next phase of asset barcoding, focusing on Secondary Treatment and UV systems, to improve asset tracking, maintenance efficiency, and data accuracy.</p>
	<p>Begin developing the Asset Registry for Treatment Plant Piping Underground Utility.</p>
	<p>Finalize the selection of an Asset Health/Condition Monitoring Technology Tool.</p>
	<p>Finalize the Asset Handoff Tracking and Monitoring Project.</p>
	<p>Select a SCADA system to be deployed over the next 10 years at the Treatment Plant and Pumping Stations.</p>
	<p>Replace waste heat boiler (WHB) control systems with a stand-alone, PLC-based controller.</p>
	<p>Finalize the design for the 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 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$1,592,765	\$1,552,827	\$1,765,030	\$1,707,808	\$1,898,637	\$133,607	7.6%
Employee Benefits	133,235	24,883	(137,356)	(29,188)	(5,553)	131,803	-
Unfunded Liability Contributions	1,994	5,031	10,236	13,057	29,918	19,681	192.3%
Purchased Property Services	2,000	-	-	-	-	-	-
Repairs & Maintenance	2,000	-	-	-	-	-	-
Other Purchased Services	13,000	7,687	5,000	-	10,000	5,000	100.0%
Technical Services	13,000	7,687	5,000	-	10,000	5,000	100.0%
Supplies & Materials	23,130	24,966	19,600	5,542	7,000	(12,600)	-64.3%
General Supplies	23,130	24,966	19,600	5,542	7,000	(12,600)	-64.3%
Other Expenses	39,425	32,308	45,680	36,114	55,299	9,619	21.1%
Memberships	4,425	2,817	3,680	1,150	2,100	(1,580)	-42.9%
Trainings & Meetings	34,500	29,273	40,500	34,291	52,199	11,699	28.9%
Miscellaneous Other	500	218	1,500	673	1,000	(500)	-33.3%
Total Expenses	\$1,805,549	\$1,647,702	\$1,708,191	\$1,733,334	\$1,995,301	\$287,110	16.8%

Personnel Requirements

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Asset Management Program Administrator	1.0	1.0	1.0
Associate Engineer	1.0	1.0	1.0
GIS Analyst	3.0	3.0	3.0
Operations Optimization Manager	1.0	1.0	1.0
Senior Engineer	1.0	1.0	2.0
Utility Systems Engineer	2.0	3.0	3.0
Total	9.0	10.0	11.0

Temporary Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Senior Engineer-Limited Duration	-	1.0	-
Intern	1.0	3.0	2.0
Summer Student	1.0	1.0	1.0
Temporary Field Technician	-	1.0	-
Temporary Staff Engineer	1.0	1.0	1.0
Total	3.0	7.0	4.0

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. This division's FY 2025-26 budget is \$2.0 million, reflecting a 16.8% increase over the prior year. This increase is primarily attributable to increased labor costs, including a reduced administrative overhead credit attributable to employee time spent on capital projects. Budgeted labor costs incorporate the District-wide cost-of-living adjustment, step increases for all eligible employees, and benefit premium and pension contribution rates. Additionally, one previously approved Senior Engineer Limited Duration position was converted to an additional Senior Engineer FTE during FY 2024-25, increasing the budgeted FTE headcount of this division. The reduction in the capitalized administrative overhead credit is attributable to a decrease in the Board-approved Benefits & Administrative Overhead rate and a slight reduction in this division's total work hours expected to be charged to the capital program in FY 2025-26 by 2.1%.

Recycled Water Program

OVERVIEW

The Recycled Water Program reflects Central San's continued vision of leveraging of treated wastewater to augment the region's water supply. 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 an automated 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 Title 22 monitoring and reporting compliance, the Refinery Recycled Water Exchange Project, continued discussions with other water supply agencies (including CCWD, EBMUD, and Valley Water), a Satellite Water Recycling Facility, and the Concord Community Reuse Project (the redevelopment of the Concord Naval Weapons Station).

FY 2024-25 Strategic Accomplishments

GOAL ONE



CUSTOMER SATISFACTION & STAKEHOLDER ENGAGEMENT

- Continued the online recycled water Customer Quarterly Self-Monitoring reporting program, processing over 170 customer reports as of February 2025.
- Completed training for two new site supervisors in the Zone 1 program as of February 2025.
- Onboarded eight new commercial recycled water truck fill customers as of February 2025.

GOAL TWO









ENVIRONMENTAL STEWARDSHIP

- Executed final one-year extension of Temporary Diversion Agreement with Dublin San Ramon Services District (DSRSD) – East Bay Municipal Utility District (EBMUD) Recycled Water Authority (DERWA) to divert raw wastewater to produce recycled water to meet their peak summer irrigation demand.
- Drafted term sheet for long-term diversion and circulated to DERWA, DSRSD, and EBMUD representatives for review.
- 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 working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project.
- Continued to provide daily program administration for Central San's Zone 1 and Commercial Truck Fill recycled water programs.
- Coordinated and submitted Title 22 reporting for recycled water leaks (one reportable event as of February 2025) and developed Recycled Water standard operating procedure (SOP) for recycled water spill response.
- Completed annual recycled water reports and other recycled water quality reporting to the San Francisco Bay Regional Water Quality Control Board, State Water Resources Control Board, and Division of Drinking Water.

- Completed updates to Central San's Title 22 Recycled Water Engineering Report and Recycled Water Customer Use Guide in preparation for regulatory approvals required for a new disinfection system and tanks.
- Distributed approximately 147.6 million gallons of recycled water to Zone 1 as of Q2.
- Distributed approximately 0.6 million gallons of recycled water through the Commercial Truck Fill Program as of Q2.
- Distributed approximately 1.7 million gallons of recycled water through the Residential Fill Station as of Q2.

FYs 2023-25 Strategic Targets and Performance



Goal	Metric	Target	FY 2023-24 Performance		FY 2024-25 Performance as of Q2	
	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	
	Recycled Water Distributed to External Customers	≥240 Million Gallons (MG)	217.6* MG		138.7**	


* The wet winter may have contributed to lower recycled water demands from customers.

**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 2025-26 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 2025-26
 <p>Deliver High-Quality Customer Service</p>	Continue Title 22 Customer Quarterly Self-Monitoring Program and provide training to new customers and site supervisors.
 <p>Be a Partner in Regional Development of Water Supply</p>	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 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 develop and execute a long-term agreement to divert Central San's raw wastewater to produce recycled water for distribution in Central San's service area.

	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 .
	Continue to administer Zone 1, commercial, and residential recycled water programs and comply with Title 22 monitoring and reporting requirements.
	Coordinate Title 22 requirements and submit documentation for regulatory approvals of the new disinfection system and tanks under the Filter Plant Project.
 <p>Execute the Approved Capital Program</p>	Initiate Recycled Water Distribution Systems Improvement Project to replace valves and appurtenances at the end of their useful lives and add new valves and appurtenances to improve system resiliency.

Budget Overview by Program and Expense Category

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

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$362,700	\$344,574	\$378,900	\$378,900	\$396,600	\$17,700	4.7%
Employee Benefits	245,200	234,417	246,000	246,000	246,000	-	-
Purchased Property Services	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-
Other Purchased Services	109,000	9,520	100,000	25,000	100,000	-	-
Professional Services	8,000	-	-	-	-	-	-
Technical Services	101,000	9,520	100,000	25,000	100,000	-	-
Supplies & Materials	455,800	431,218	645,000	605,208	633,000	(12,000)	-1.9%
Utilities & Fuel	171,800	189,583	300,000	330,000	360,000	60,000	20.0%
Chemicals	282,000	241,635	345,000	275,000	273,000	(72,000)	-20.9%
General Supplies	2,000	-	-	208	-	-	-
Other Expenses	28,200	26,409	27,500	31,144	35,500	8,000	29.1%
Memberships	21,600	24,193	22,000	23,670	30,000	8,000	36.4%
Trainings & Meetings	6,600	2,216	5,500	7,474	5,500	-	-
Total	\$1,200,900	\$1,046,138	\$1,397,400	\$1,286,252	\$1,411,100	\$13,700	1.0%

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

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Salaries & Wages	\$383,000	\$259,725	\$471,700	\$315,700	\$322,300	(\$149,400)	-31.7%
Employee Benefits	206,434	107,618	200,390	190,736	126,056	(74,334)	-37.1%
Purchased Property Services	1,500	7,971	5,000	10,000	10,000	5,000	100.0%
Repairs & Maintenance	1,500	7,971	5,000	10,000	10,000	5,000	100.0%
Purchased Professional, Technical & Other Services	114,270	-	50,000	11,500	36,500	(13,500)	-27.0%
Professional Services	82,570	-	50,000	10,000	35,000	(15,000)	-30.0%
Technical Services	30,000	-	-	-	-	-	-
Other Purchased Services	1,700	-	-	1,500	1,500	1,500	-
Supplies & Materials	13,700	808	5,000	5,000	5,000	-	-
General Supplies	13,700	808	5,000	5,000	5,000	-	-
Other Expenses	5,000	-	4,000	3,000	4,000	-	-
Trainings & Meetings	4,500	-	4,000	3,000	4,000	-	-
Miscellaneous Other	500	-	-	-	-	-	-
Total	\$723,904	\$376,122	\$736,090	\$535,936	\$503,856	(\$232,234)	-31.5%

Total Recycled Water

Account Description	FY 23-24 Budget	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projection	FY 25-26 Budget (Proposed)	Budget to Budget Variance (\$)	Budget to Budget Variance (%)
Total	\$1,924,804	\$1,422,260	\$2,133,490	\$1,822,188	\$1,914,956	(\$218,534)	-10.2%

Personnel Requirements

Several divisions support the Recycled Water Program. Personnel for the Program are shown in their respective divisions plus 3.6 full-time equivalents, as shown below. 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.

Regular Status Employees	FY 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Engineering and Technical Services*	1.0	1.0	1.0
Operations Department*	1.3	2.0	2.0
Program Manager	0.6	0.6	0.6
Total	2.9	3.6	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 2023-24 Year-End Actual	FY 2024-25	FY 2025-26
Fill Station (Seasonal) Temporary	2.0	5.0	2.0
Intern*	-	-	1.0
Total	2.0	5.0	3.0

*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 Table 11 for budgetary position control purposes.

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 2025-26 is \$1.9 million compared to FY 2024-25 \$2.1 million, reflecting a decrease of 10.2% from the prior year. For FY 2025-26, labor cost changes reflect a decrease in seasonal Fill Station employees and split Recycled Water percentages across the organization; Professional Services costs were adjusted to align with historical usage; and the Chemicals budget decreased due to a projected fall in hypochlorite costs.

Financial Summary for Recycled Water Program

Recycled Water Expense Summary	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance	% Variance
O&M						
Filter Plant	\$1,046,138	\$1,397,400	\$1,286,253	\$1,411,100	\$13,700	1.0%
Distribution System	376,123	736,090	535,936	503,856	(232,234)	-31.5%
O&M Subtotal	1,422,261	2,133,490	1,822,189	1,914,956	(218,534)	-10.2%
Capital						
Filter Plant	3,811,809	2,058,308	2,254,329	2,000,000	(58,308)	-2.8%
Distribution System	155,672	782,868	533,051	318,000	(464,868)	-59.4%
Capital Subtotal	3,967,481	2,841,176	2,787,380	2,318,000	(523,176)	-18.4%
Grand Total	\$5,389,742	\$4,974,666	\$4,609,569	\$4,232,956	(\$741,710)	-14.9%

Recycled Water Revenue Summary	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget	Budget to Budget Variance	% Variance
Zone 1 Revenue	\$549,390	\$530,000	\$530,000	\$545,000	\$15,000	2.8%
Concord Reimbursement	739,286	786,552	1,366,262	1,726,875	940,324	119.6%
Revenue Received Subtotal	1,288,676	1,316,552	1,896,262	2,271,875	955,324	72.6%
Value of Plant Utility Water ¹ (Central San Share)	1,014,809	1,110,067	1,110,067	1,065,261	(44,805)	-4.0%
Additional Funding from Annual SSC	3,086,257	2,548,048	1,603,240	895,819	(1,652,229)	-64.8%
Implied Revenue Subtotal	4,101,066	3,658,114	2,713,306	1,961,080	(1,697,034)	-46.4%
Total Combined Revenue	\$5,389,742	\$4,974,666	\$4,609,569	\$4,232,956	(\$741,710)	-14.9%

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 2025-26.

The \$1.7 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 is used to show the remaining implied revenue necessary to fully fund the recycled water program. Overall, the Recycled Water Program revenues will decrease in FY 2025-26.

Self-Insurance Program

Central San has self-insured some 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.

Currently, Central San does not purchase insurance coverage for earthquake or flood losses because insurance programs available in California are very expensive in terms of scope and coverage limits. 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 sub-fund 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 SIF financial history and projection and shows the FY 2025-26 SIF Budget. The SIF revenue for FY 2025-26 is projected to be \$1.0 million. Expenses are projected to be \$2.9 million, resulting in the planned use of reserves of approximately \$1.8 million, which will be drawn down from the closing projected reserve balance available as of June 30, 2025, resulting in a projected closing net SIF reserve of \$9,000,000 on June 30, 2026. The budgeted revenues include a direct allocation of approximately \$0.6 million in Sewer Service Charge (SSC) Revenue. Prior to FY 2022-23, allocations of revenue were routed via a transfer from 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 SIF avoids this issue.

Sub-Fund A: Actuarially-Based Risks

Sub-Fund A pays 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 GASB-10 requirements, risks that can be actuarially studied must be funded based on an actuarial study performed at least every two years. General 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 2024, with losses through June 30, 2024. The next actuarial report will be performed in August 2026 using loss data through June 30, 2026. This review will also consider coverage limits, adequacy, and potential gaps.

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 2025-26 of just under \$0.1 million with expenses of approximately \$0.6 million, 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 2025-26 of approximately \$1.0 million with total expenses of \$2.3 million, resulting in expenses exceeding revenue by approximately \$1.3 million. FY 2025-26 budgeted revenues assume an allocation of SSC of \$0.6 million, which is the amount necessary to close FY 2025-26 with the minimum policy-specified level of reserves of \$7.5 million.

Table 1 – SIF Summary Overview

Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget
Revenues					
Sewer Service Charge	\$1,676,752	\$1,676,752	\$1,858,965	\$1,858,965	\$592,828
Federal Grants (FEMA)	-	-	-	768,104	-
Insurance Allocation from Household Hazardous Waste	24,000	14,195	25,000	25,000	25,000
Subrogation Recovery	-	4,300	-	645,696	-
Investment Income	316,300	391,238	449,123	397,000	401,000
Total Revenue	2,017,052	2,086,484	2,333,088	3,694,765	1,018,828
Expenses					
Claims Adjusting	5,000	166	10,000	-	10,000
Insurance Consulting	-	-	10,000	14,700	7,500
Loss Payments	175,000	247,477	250,000	100,000	250,000
Legal Services	800,000	776,866	365,000	175,000	365,000
Technical and Other Services	55,000	78,840	130,500	70,000	130,500
Insurance Premiums	1,550,000	1,409,720	1,655,000	1,659,212	2,100,000
Total Expenses	2,585,000	2,513,068	2,420,500	2,018,912	2,862,500
Revenue Over/(Under) Expenses	(567,948)	(426,584)	(87,412)	1,675,853	(1,843,672)
Projected Reserves *					
Beginning of Year	9,067,948	9,094,403	9,087,412	9,167,819	10,843,672
Reserves Transfer (O&M variance)	500,000	500,000	-	-	-
End of Year Projected Reserves	9,000,000	9,167,819	9,000,000	10,843,672	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	7,667,819	7,500,000	9,343,672	7,500,000
Total Allocated Reserves	\$9,000,000	\$9,167,819	\$9,000,000	\$10,843,672	\$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 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget
Revenues					
Investment Income	\$52,700	\$65,207	\$74,868	\$67,000	\$66,800
Subrogation Recovery	-	4,300	-	-	-
Total Revenue	52,700	69,507	74,868	67,000	66,800
Expenses					
Claims Adjusting	5,000	166	10,000	-	10,000
Loss Payments	100,000	243,177	100,000	100,000	100,000
Legal Services	775,000	776,866	350,000	175,000	350,000
Technical & Other Services	50,000	78,840	125,500	70,000	125,500
Total Expenses	930,000	1,099,049	585,500	345,000	585,500
Revenue Over/(Under) Expense	(877,300)	(1,029,542)	(510,632)	(278,000)	(518,200)
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	377,300	529,542	510,632	278,000	518,200
O&M Fund Transfer (budget variance)	500,000	500,000	-	-	-
Total Reserves <i>Projected</i> 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 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projected	FY 2025-26 Budget
Revenues					
Sewer Service Charge	\$1,676,752	\$1,676,752	\$1,858,965	\$1,858,965	\$592,828
Federal Grants (FEMA)	-	-	-	768,104	-
Insurance Recovery from Household Hazardous Waste Partners	24,000	14,195	25,000	25,000	25,000
Subrogation Recovery	-	-	-	645,696	-
Investment Income	263,600	326,031	374,255	330,000	334,200
Total Revenue	1,964,352	2,016,978	2,258,220	3,627,765	952,028
Expenses					
Insurance Premiums	1,550,000	1,409,720	1,655,000	1,659,212	2,100,000
Insurance Consulting	-	-	10,000	14,700	7,500
Loss Payments	75,000	4,300	150,000	-	150,000
Legal Services	25,000	-	15,000	-	15,000
Technical & Other Services	5,000	-	5,000	-	5,000
Total Expenses	1,655,000	1,414,020	1,835,000	1,673,912	2,277,500
Revenue Over (Under) Expense	309,352	602,958	423,220	1,953,853	(1,325,472)
Projected Reserves*					
Beginning Reserves	7,567,948	7,594,403	7,587,412	7,667,819	9,343,672
Transfer (to) Sub-Fund A	(377,300)	(529,542)	(510,632)	(278,000)	(518,200)
Total Reserves <i>Projected</i> End of Year	\$7,500,000	\$7,667,819	\$7,500,000	\$9,343,672	\$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

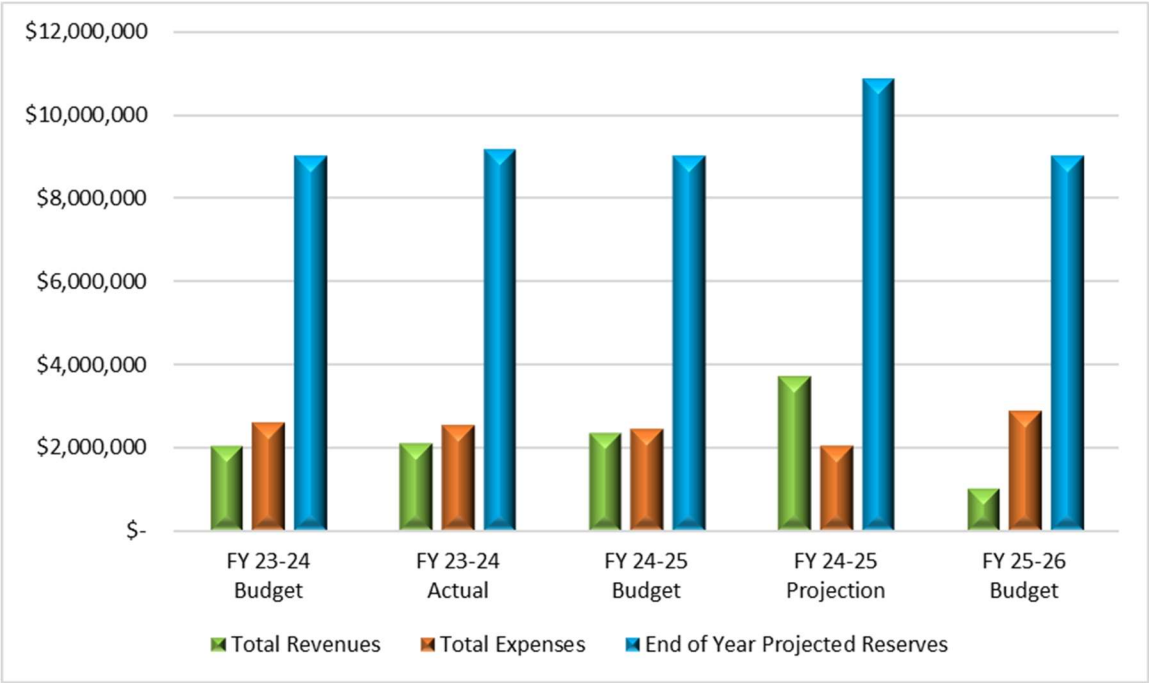


Figure 2 – History of Loss Payment and Insurance Premiums

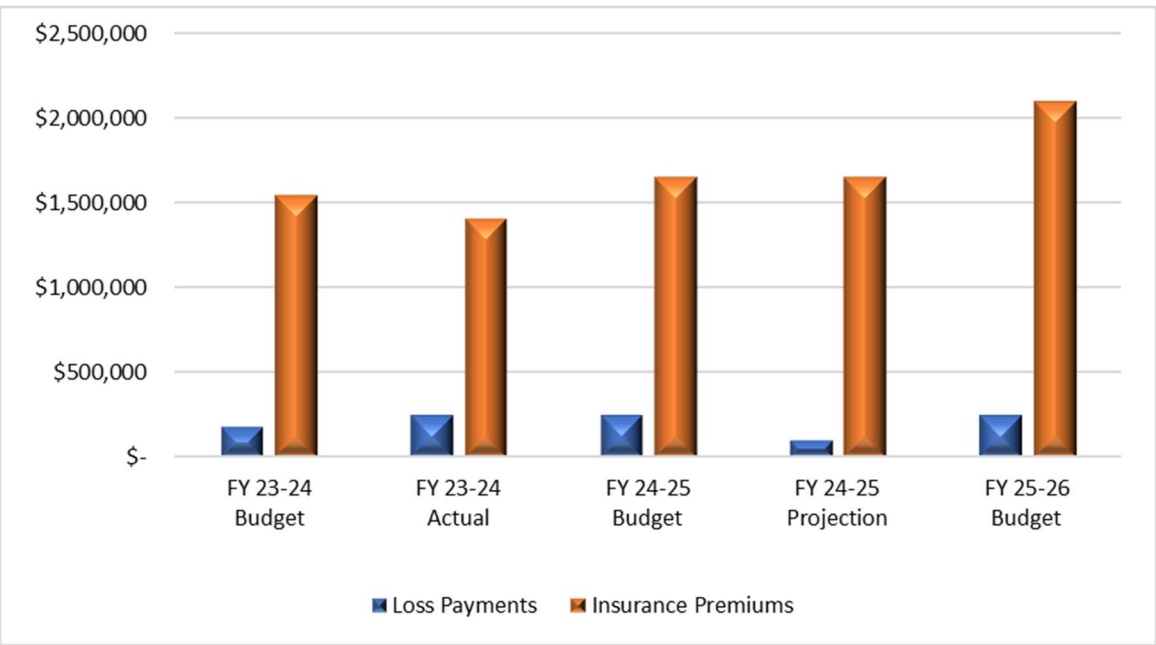
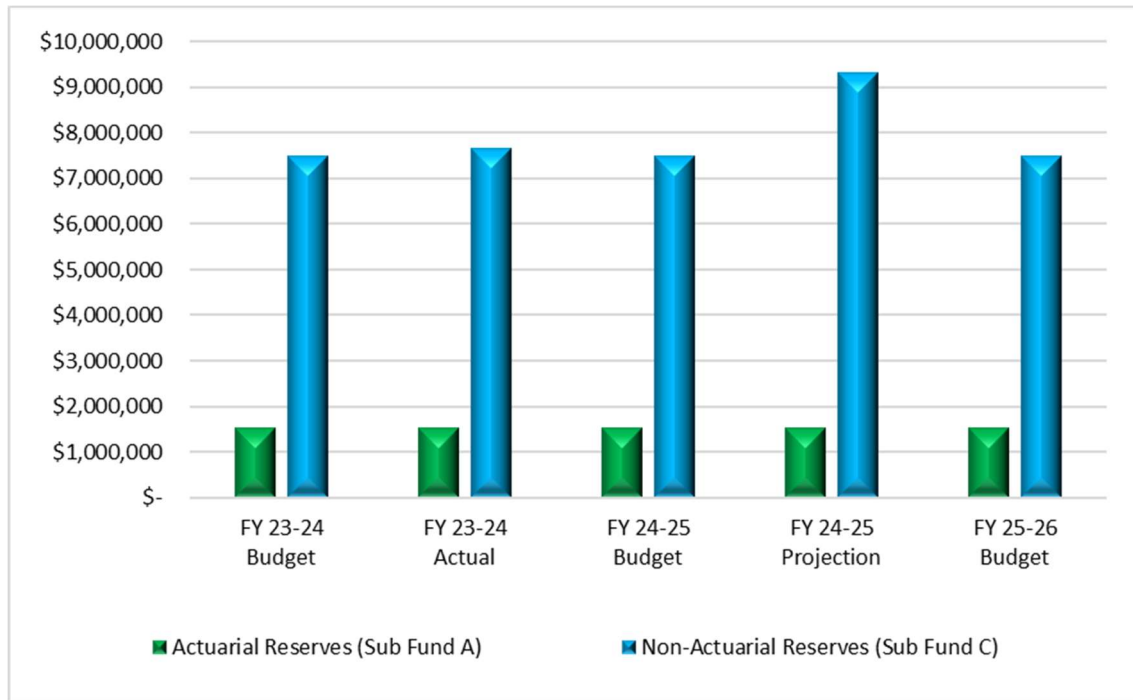


Figure 3 – Reserves by Sub-Fund



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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. To address an aging utility infrastructure, increased capacity needs, growing regulatory demands, and enhance sustainability, the Capital Improvement Program anticipates total capital outlays of approximately \$1.27 billion over the next 10 years.

Capital Expenditures Definition

Capital expenditures are cash outlays by Central San that result in acquiring or constructing a capital asset. A capital asset is any asset of significant value, over \$5,000, with a useful life expectancy of one year or more. 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 deemed 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 called 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, is referred to as a fiscal year. Since most capital projects take over 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 planning, designing, and constructing 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 consists of two types of contingency funding for capital projects. The first, project contingency, is determined at the time of project award. The second, CIB contingency, can be used in any program 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 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 using bonds or low-interest options such as federal loans from the Clean Water State Revolving Fund Program. This program offers low-cost financing for various water quality projects to spread the payment over time. This is planned for FY 2025-26 and continues through FY 2027-28.

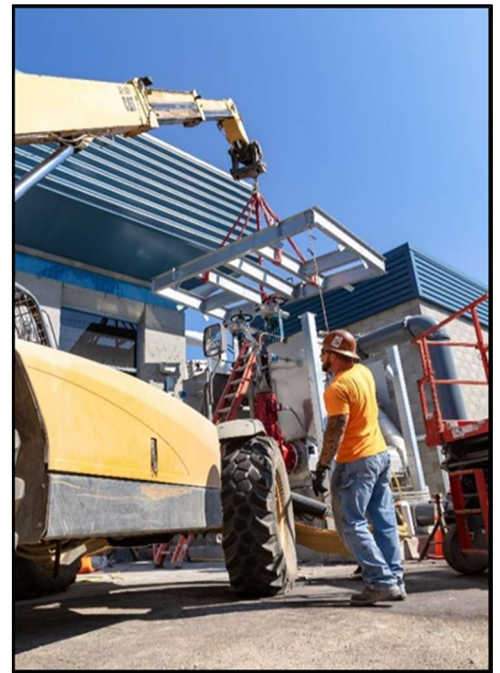


Capital Improvement Budget Project Prioritization

The FY 2025-26 CIB projects 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 Research Foundation and prioritization procedures from the National Association of Clean Water Agencies' member agencies. Scoring for each project used weighted criteria, emphasizing projects currently under construction, those associated with asset management, regulatory requirements, commitments, and simplified this fiscal year, as all projects were 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 FY 2025-26 projects have been listed in order of priority based on the criteria described above, along with other factors that include the consequences 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 increases and results in a ranking change. It should also be noted that the priority ranking does not reflect the order in which the project is started. The score and ranking are more a reflection of the importance factor than timing or priority in which the project is delivered. The project ranking, number, name, program, and score (maximum score is 100) as of April 1, 2025, is shown below:

Project Ranking	Project Number	Project	Program	Score
1	7348	Solids Handling Facility Improvements – Phase 1 A	TP	90
1	100011	Plant Electrical Replacement and Rehabilitation	TP	90
3	8457	Pumping Station Upgrades – Phase 2A	CS	87
3	100042	Pumping Station Upgrade – Phase 2B	CS	87
5	100070	Cedar Lane Sewer Modifications	CS	82
6	7361	Filter Plant and Clearwell Improvements – Phase 1A	RW	80
6	100019	Aeration Basins Diffuser Replacement – Phase 1	TP	80
8	100072	Lake Cascade Sewer Relocation	CS	77
9	8517	Vehicle Replacement Program	GI	76
10	100025	Lafayette Sewer Renovation – Phase 15	CS	72
10	100068	Pleasant Hill Sewer Renovation – Phase 3	CS	72
10	100063	IT Development FY 2023+	GI	72
13	100041	Buchanan Lift Stations Abandonment and Sewer	CS	71
14	100022	Wet Weather Basin Improvements	TP	70
15	100080	Equipment Acquisition FY 2024+	GI	69
16	100007	39-Inch Main Trunk No. 1 Renovation	CS	68
17	100032	Steam Renovations – Phase 1	TP	67
18	100002	Filter Plant and Clearwell Improvements – Phase 1B	RW	65
19	100060	Pumping Station Equipment & Piping Replacement 2023+	CS	63
19	100031	Community Development System Replacement (Software)	GI	63
21	100083	Storm Damage Repair	CS	62
21	100010	Air Conditioning and Lighting Renovations	TP	62
23	7341	Walnut Creek/Grayson Creek Levee Rehab	TP	61
23	100034	Treatment Plant Safety Enhancement Program	TP	61
25	100012	UV Disinfection Replacement	TP	60
26	100047	Secondary Clarifier and Channel Improvements	TP	59
27	100024	South Orinda Sewer Renovation – Phase 9	CS	57
27	100039	Collection System Sewer Renovation – Phase 2	CS	57
27	100052	North Orinda Sewer Renovation – Phase 9	CS	57
27	100075	Pleasant Hill Sewer Renovation - Phase 4	CS	57
27	100076	Walnut Creek Sewer Renovation – Phase 17	CS	57
27	100077	Lafayette Sewer Renovation – Phase 16	CS	57
27	100085	Danville Sewer Renovation – Phase 5	CS	57
34	8447	Pump Station Security Improvements	CS	56
35	100035	Technology Strategic Plan	GI	54

Project Ranking	Project Number	Project	Program	Score
35	100073	Piping Renovation – Phase 11	TP	54
37	100046	Controls System Upgrades	TP	53
37	100057	Plant Control System I/O Replacement - Phase 3 (P&B Bldg.)	TP	53
39	100036	Zone 1 Recycled Water (2021+)	RW	52
40	100003	Property Repairs and Improvements	GI	51
40	100004	HOB Exterior Repairs	GI	51
40	100033	Security Improvements FY 2021+	GI	51
40	100067	POD Parking Lot Improvements	GI	51
44	100061	Maintenance Access Cover Modifications	CS	50
45	100040	Electrical Facilities Plan and Centralized Sub 55	TP	48
46	8252	EV Charging Infrastructure – Phase 1	GI	45
47	100055	Process Optimization and Efficiency	TP	43
48	100044	Collection System Modeling Support	CS	40
48	100069	Treatment Plant Odor Control Facilities Improvements	TP	40
50	100045	Fire Protection System – Phase 4	TP	39
51	100014	MRC Building Modifications	TP	38
52	7368	Water Exchange Project	RW	37
53	100078	Nutrient Management	TP	34
54	100030	Solids Handling Facility Improvements – Phase 2	TP	31
55	100037	Orinda – Moraga PS Architectural Improvements	CS	29
55	100027	Furnishings Replacement	GI	29
55	100048	Warehouse Seismic Upgrades	TP	29
55	100074	Central Chilled Water Evaluation	TP	29
59	100079	MVSD Feasibility Study	GI	28
59	7366	Recycled Water Distribution Systems Renovations Program	RW	28
61	100028	System Sewer Infrastructure Plan	CS	26
61	100071	Long Term Wet Weather Resiliency	GI	26
61	100087	4737 Imhoff Remodel - Bay 1	GI	26
64	8443	Large Diameter Pipeline Inspection Program – Phase 1	CS	23
64	8444	Force Main Inspection Program – Phase 1	CS	23
N/A	7370	Annual Infrastructure Replacement	TP	-
NA	8251	Capital Improvement Program and Budget Improvement	GI	-
NA	8450	Development Sewerage Support	CS	-
NA	100006	Contractual Assessment District Project Financing	CS	-
NA	100064	Capital Legal Services 2023+	GI	-
NA	100050	CCTA A-Line Relocation	CS	-
NA	100081	Willow Drive CAD	CS	-
NA	100082	Charles Hill Road CAD	CS	-
NA	100084	Concord West Metering Station Restoration	CS	-
NA	100086	Record Drawings	TP	-
TBD	100088	South Orinda Sewer Renovation – Phase 10	CS	-

Project Ranking	Project Number	Project	Program	Score
TBD	TBD	Digital Vertical Asset Migration	TP	-
TBD	TBD	Treatment Plant Dynac Replacement	TP	-
TBD	TBD	Regulatory Adaptive Management	TP	-
TBD	TBD	Solids Facility Improvements – Ash System Repairs	TP	-
TBD	TBD	Board Room Rejuvenation	GI	-

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 of 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 or prior. 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 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 possible 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 spills. Occasionally, improvements are also required to improve the reliability of existing facilities to ensure 100% compliance with regulatory permits and the protection of human health and the environment.

- **Capacity:** This project driver describes projects required to increase the capacity of existing facilities. Capacity drivers that may trigger capital improvement projects include potential upgrades required to mitigate hydraulic bottlenecks and increase the capacity of existing facilities to accommodate wastewater flows and loads. Projects 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 towards net zero energy, recycled water projects to ensure the reliable supply of recycled water for use at Central San and used by Central San’s customers, and upgrades to improve the resiliency of Central San facilities. Improvements towards net zero energy or energy self-sufficiency include energy efficiency measures such as installing more energy-efficient equipment or treatment processes and renewable energy projects such as solar or wind.

Example of Project Driver(s)

Each project is described on the following pages. Each project summary includes the 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) highlighted in green background color and **bold** text. Driver(s) that is (are) not as significant or not relevant are displayed in gray.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Capital Improvement Budget FY 2024-25 Accomplishments

Collection System Sewer Replacement: Several projects have replaced or rehabilitated up to 4.0 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 for the 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 Central San's major regulatory challenges 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 FY 2023-24.

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

- Aeration Basins Diffuser Replacement – Phase 1 and Phase 2
- Secondary Clarifier and Channel Improvements
- Electrical Facilities Plan and Centralized Substation 55
- Membrane Aerated Biofilm Reactor (MABR) piloting and full demonstration
- 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, understanding that the science will drive future regulations and discharge limits for Suisun Bay. The Nutrient Management project will make significant

progress this fiscal year to continue the science-based work funding the piloting efforts for new technology and continue using the existing facilities for research, engineering planning for future treatment plant modifications, and possible alternatives for implementation, including project(s) roadmap.

Major Infrastructure Replacement: Several major projects were under construction last fiscal year and made significant progress. These include the following:

- **Pumping Station Upgrades – Phase 2:** Project 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, which includes replacing the deteriorated electrical infrastructure at the Clearwell, new pumps, recycled water storage improvements, and filter system modifications, is well underway and expected to be completed before this fiscal year. This year's main emphasis will be the overall project start-up and commissioning of the Title 22 water and compliance acceptance testing.
- **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 contract was awarded and started construction in FY 2023-24: Progress continues, as several major items were completed this fiscal year, including the sludge blending tank cover and repairs, the concrete seismic buttresses, and the concrete infill slab. The new wet scrubbers and structural steel framing were also erected.
- **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 the activated sludge process has been optimized. Other air control, instrumentation, and electrical improvements will also help with process performance. Phase 1 of this project has been successfully awarded, and construction is expected to be completed by 2026. Aeration Basin 1 was successfully completed before the winter with better than anticipated results in process settleability and air reduction.

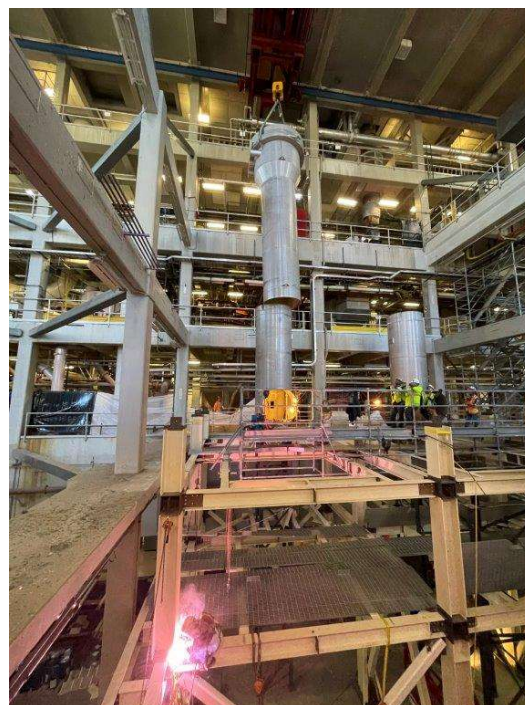
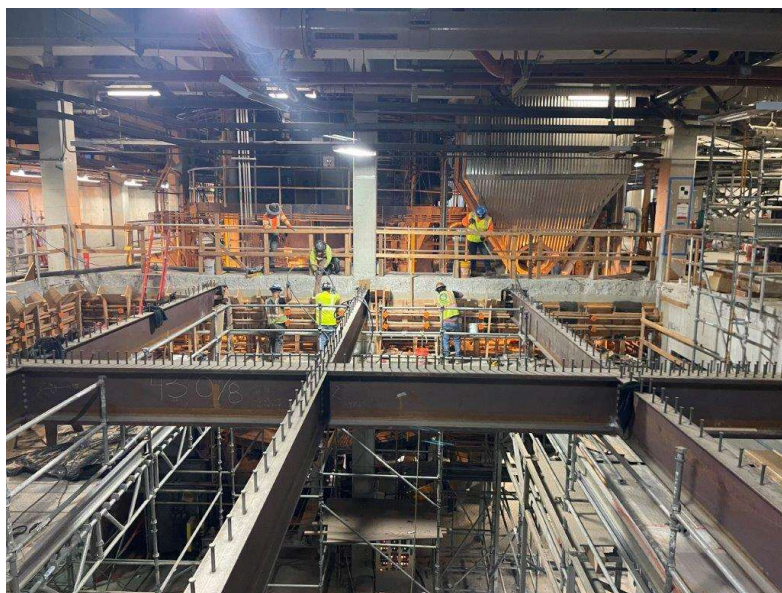
FY 2025-26 Capital Improvement Budget

The CIB budget to date is approximately \$284.3 million, with an anticipated \$25.0 million carryforward budget into FY 2025-26. The budget allocation needed for all ongoing and new projects in FY 2025-26 is \$119.4 million. The budget for these projects in future years totals \$852.0 million. The total estimated budget for the identified projects is \$1,255.7 million.

Table 1 – FY 2025-26 CIB per Program (Active and New Projects)

Program	Budget-to-Date (1)	Estimated Carry Forward*	FY 2025-26 (2)	Future FYs (3)	Total Estimated Project Budgets (1)+(2)+(3)
Collection System	\$79,635,256	\$25,000,000	\$34,202,000	\$40,443,000	\$154,280,256
Treatment Plant	138,048,000	(3,000,000)	75,250,000	779,244,000	992,542,000
General Improvements	21,358,000	2,000,000	7,625,000	20,825,000	49,808,000
Recycled Water	45,237,000	1,000,000	2,318,000	11,480,000	59,035,000
Total	\$284,278,256	\$25,000,000	\$119,395,000	\$851,992,000	\$1,255,665,256
CIB Contingency	\$5,000,000	-	-	-	-

*The Budget to Date (1) above includes approximately 93% of the budget already spent for on-going projects, not including contingency.



Construction progress for the new infill floor slab and air pollution control equipment (wet scrubbers) installed under the Solids Handling Facility Improvements – Phase 1A, District Project No. 7348.

FY 2025-26 Capital Improvement Budget Major Project Emphasis

Although the CIB comprises budgets for many individual projects, several major projects account for most of the total capital budget. In FY 2025-26, the emphasis will be on nine large projects (over \$2.0 million), which account for \$92.7 million or 77% of the total new CIB allocation for the year. Each major project budget is shown below:

1. Solids Handling Facility Improvements – Phase 1A		
FY 2025-26 Budget: \$41,000,000	Estimated total project cost:	\$199,964,000
	Estimated completion date:	FY 2027-28
2. Collection System Sewer Renovation - Phase 2		
FY 2025-26 Budget: \$20,419,000	Estimated total project cost:	\$45,364,000
	Estimated completion date:	FY 2026-27
3. Nutrient Management		
FY 2025-26 Budget: \$9,000,000	Estimated total project cost:	\$499,300,000
	Estimated completion date:	FY 2035-36
4. Aeration Basins Diffuser Replacement - Phase 1		
FY 2025-26 Budget: \$7,100,000	Estimated total project cost:	\$26,479,000
	Estimated completion date:	FY 2025-26
5. Pumping Station Upgrades – Phase 2A		
FY 2025-26 Budget: \$5,000,000	Estimated total project cost:	\$38,000,000
	Estimated completion date:	FY 2026-27
6. Large Diameter Pipeline Inspection Program – Phase 1		
FY 2025-26 Budget: \$3,000,000	Estimated total project cost:	\$12,392,000
	Estimated completion date:	FY 2028-29
7. Steam Renovations – Phase 1		
FY 2025-26 Budget: \$2,500,000	Estimated total project cost:	\$17,500,000
	Estimated completion date:	FY 2027-28
8. Process Optimization and Efficiency		
FY 2025-26 Budget: \$2,400,000	Estimated total project cost:	\$5,000,000
	Estimated completion date:	FY 2027-28
9. Pump Station Upgrades – Phase 2B		
FY 2025-26 Budget: \$2,331,000	Estimated total project cost:	\$10,531,000
	Estimated completion date:	FY 2026-27

Capital Improvement Budget Modifications

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

Consolidation or Phasing of Existing Projects:

- The Collection System Sewer Renovation – Phase 2 was used to fund the construction of the Buchanan Lift Stations Abandonment and Sewer, and the Pleasant Hill Sewer Renovation – Phase 3 and Lafayette Sewer Renovation – Phase 15. In FY 2025-26, it will be used to fund the construction of the Orinda Sewer Renovation – Phase 9, 39-inch Main Trunk No. 1 Renovation, North Orinda Sewer Renovation – Phase 9, as well as future design and construction budgets moving to FY 2026-27.

Change of Project Name:

- The Electrical Infrastructure Sub 90, DP No. 100040 has been renamed to the “Electrical Facilities Plan and Centralized Substation 55.”

Modification of Scope and Budget:

The following project budgets (greater than \$500k) were changed from last fiscal year, as shown below:

Projects	FY 2024-25 Total Budget	FY 2025-26 Total Budget	Description
Steam Renovations – Phase 1	12,500,000	17,500,000	Increased due to adding feedwater system improvements and splitting of projects between facility locations.
Annual Infrastructure Replacement	4,305,000	7,155,000	Increase by moving planned funds for UPCCAA project and identified replacement items.
Air Conditioning and Lighting Renovations	450,000	1,625,000	Increased due to in-house replacement of lighting for electrical savings and replacement of Headworks Chiller.
UV Disinfection Replacement	70,000,000	96,000,000	Revised estimates based on 60% Design review and construction costs.
MRC Building Modifications and Maintenance Shops Improvements	3,700,000	5,600,000	Based on final design and construction estimate, included men and women’s locker room remodel.
Aeration Basins Diffuser Replacement – Phase 1	20,879,000	26,479,000	Budget is increasing due to impacts related to nutrients and MABR demonstration.
Process Optimization and Efficiency	3,200,000	5,000,000	Increased scope of the Energy Roadmap and other optimizations planned in the project.
Piping Renovation – Phase 11	8,550,000	11,700,000	Increased scope due to service air and other critical piping systems and condition assessment services.
Nutrient Management	60,000,000	499,300,000	Draft order issued to lower nutrient levels significantly in 10 years. This pending regulatory requirement requires major planning, design, and construction at the treatment plant.
Capital Improvements Program and Budget Improvements	690,000	1,990,000	Increased to include contract and construction management software to the Capital Program.

Security Improvements	1,800,000	7,100,000	Increased security funding and projects based on the Security Master Plan and upcoming projects such as high security perimeter fencing and camera security systems.
IT Development	6,400,000	10,350,000	Increased funding due to Strategic Plan and upcoming projects such as Emergency notification and Data Lake.
Total	\$ 192,474,000	\$ 689,799,000	Overall increase to the CIB and Ten-Year Plan by almost \$497.3 Million.

Projects not included in FY 2024-25 CIB and initiated as contingency projects:

- Collection System Program:
 - Storm Damage Repair
 - Concord West Metering Station Restoration
- Treatment Plant Program:
 - Record Drawings
- General Improvements (GI) Program:
 - 4737 Imhoff Remodel – Bay 1

Projects closing or completed: Several projects 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).

- Pleasant Hill Sewer Renovation – Phase 2, District Project (DP) No. 5991
- San Ramon Electrical Upgrades, DP No. 100017
- Walnut Creek Sewer Renovation – Phase 16, DP No. 100023
- Downtown Walnut Creek Sewer Renovation – Locust, DP No. 100049
- Collection System and Treatment Plant Planning, DP No. 100059 and 100058
- Tappan Terrace Sewer Replacement – DP No. 100065
- Martinez Urgent Force Main Replacement, DP No. 100066
- Applied Research and Innovations, DP No. 7315
- Steam and Aeration Blower Systems Renovations, DP No. 7349
- Plant Wide Instrumentation Upgrades, DP No. 7357
- Piping Renovation – Phase 10, DP No. 7369
- UPCCAA Urgent Projects, DP No. 100001
- Electric Blower Improvements, DP No. 100015
- Solar Project on Lagiss Property, DP100029

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 requests authorization of Sewer Construction Funds. The anticipated types of CEQA documentation required for each project are listed below:

- *Exemption:* If appropriate, staff will recommend an Exemption Finding when each project is approved and considered at a future Board meeting.
- *Negative Declaration:* Staff will prepare a Negative Declaration for the project. The Board's consideration of approval of the project would follow its approval of the Negative Declaration.
- *Environmental Impact Report:* Staff will direct the preparation of an Environmental Impact Report. Following certification of the environmental impact report, the Board will consider the project's approval.
- *CEQA Documents Completed:* For these projects, CEQA compliance has already been achieved through documents previously prepared and approved.

CEQA Compliance Summary for FY 2025-26 by Program:

COLLECTION SYSTEM PROGRAM			
Project No	Project Name	Exemption	CEQA Document Required
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	
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.
100037	Orinda-Moraga Pumping Stations Architectural Improvements	X	
100039	Collection System Sewer Renovation – Phase 2	X	
100041	Buchanan Lift Stations Abandonment and Sewer	X	
100042	Pumping Station Upgrades – Phase 2B	X	
100044	Collection System Modeling Support	X	

COLLECTION SYSTEM PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
100050	CCTA A-Line Relocation	X	
100052	North Orinda Sewer Renovation – Phase 9	X	
100060	Pumping Station Equipment and Piping Replacement 2023+	X	
100061	Maintenance Access Cover Modifications	X	
100068	Pleasant Hill Sewer Renovation – Phase 3	X	
100070	Cedar Lane Sewer Modifications	X	
100072	Lake Cascade Sewer Relocation	X	
100075	Pleasant Hill Sewer Renovation – Phase 4	X	
100076	Walnut Creek Sewer Renovation – Phase 17	X	
100077	Lafayette Sewer Renovation – Phase 16	X	
100081	Willow Drive Contractual Assessment District	X	
100082	Charles Hill Road Contractual Assessment District	X	
100083	Storm Damage Repair	X	
100084	Concord West Metering Station Restoration	X	
100085	Danville Sewer Renovation – Phase 5	X	
100088	South Orinda Sewer Renovation – Phase 10	X	

TREATMENT PLANT PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
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	
7370	Annual Infrastructure Replacement	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	
100019	Aeration Basins Diffuser Replacement – Phase 1	X	
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 Facilities Plan and Centralized Substation 55	X	
100045	Fire Protection System – Phase 4	X	
100046	Control System Upgrades	X	

TREATMENT PLANT PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
100047	Secondary Clarifier and Channel Improvements	X	
100048	Warehouse Seismic Upgrades	X	
100055	Process Optimization and Efficiency	X	
100057	Plant Control System I/O Replacement – Phase 3 (P&B Building)	X	
100069	Treatment Plant Odor Control Facilities Improvements	X	
100073	Piping Renovation – Phase 11	X	
100074	Central Chilled Water Evaluation	X	
100078	Nutrient Management	X	
100086	Record Drawings	X	
TBD	Digital Vertical Asset Migration	X	
TBD	Regulatory Adaptive Management	X	
TBD	Treatment Plant DYNAC Replacement	X	
TBD	Solids Facility Improvements – Ash System Repairs	X	

GENERAL IMPROVEMENTS PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
8251	Capital Improvement Program and Budget Improvements	X	
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	
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.
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	
100079	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.
100080	Equipment Acquisition FY 2024+	X	
100087	4737 Imhoff Remodel - Bay 1	X	
TBD	Board Room Rejuvenation	X	

TBD	Property Repairs and Improvements FY 2025+	X	
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RECYCLED WATER PROGRAM			
Project No.	Project Name	Exemption	CEQA Document Required
7361	Filter Plant and Clearwell Improvements – Phase 1A	X	
7366	Recycled Water Distribution System Renovations Program	X	
7368	Water Exchange Project	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
100002	Filter Plant and Clearwell Improvements – Phase 1B	X	
100036	Zone 1 Recycled Water	X	



Construction progress for the new aeration diffusers and seismic improvements under the Aeration Basin Diffuser Replacement – Phase 1, District Project No. 100019.

Capital Improvement Budget – Collection System Program

The following are the major points of emphasis for the FY 2025-26 Collection System Program:

- Renovate sewers as they reach the end of their useful lives to avoid structural failure, spills, and sewer service disruptions and to control maintenance costs.
- Improve the pumping stations' electrical safety, reliability, and operations.
- 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.
- Coordinate major relocation of large-diameter sewers impacted by state agencies and their projects.

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*®, 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 needing rehabilitation or replacement.
- Collection System Operations maintenance records, including spills and stoppages.
- The Pumping Station Inventory Update, which identifies necessary reliability improvements.
- Preliminary Design Report for renovating and upgrading 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 system elements 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.

Central San implemented a sewer renovation program in 1991 to replace small-diameter sewers, control future maintenance requirements and costs, minimize the number of spills, limit the quantity of rainfall entering the collection system, and provide the highest level of service to customers and the public. The program continues to improve and aims to replace at least six miles of sewers annually.

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

CIB Table 2 – FY 2025-26 Collection System Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2025-26	Future FYs	Total by Project
8443	Large Diameter Pipeline Inspection Program – Phase 1	\$3,492,000	\$3,000,000	\$5,900,000	\$12,392,000
8444	Force Main Inspection Program – Phase 1	28,000	-	1,250,000	1,278,000
8447	Pumping Station Security Improvements	621,000	-	-	621,000
8450	Development Sewerage Support	6,813,316	927,000	927,000	8,667,316
8457	Pumping Station Upgrades – Phase 2A	29,150,000	5,000,000	3,850,000	38,000,000
100006	Central San Sewer Financing Programs	139,584	100,000	500,000	739,584
100007	39-inch Main Trunk No. 1 Renovation*	2,500,000	-	-	2,500,000
100024	South Orinda Sewer Renovation – Phase 9*	750,000	-	-	750,000
100025	Lafayette Sewer Renovation – Phase 15	6,404,000	-	-	6,404,000
100028	Sewer System Infrastructure Plan	1,600,000	-	-	1,600,000
100037	Orinda-Moraga Pumping Stations Architectural Improvements	450,000	800,000	300,000	1,550,000
100039	Collection System Sewer Renovation – Phase 2 Program	2,114,000	16,445,000	22,831,000	41,390,000
100041	Buchanan Lift Stations Abandonment and Sewer*	3,050,000	3,974,000	-	7,024,000
100042	Pumping Station Upgrades – Phase 2B	8,200,000	2,331,000	-	10,531,000
100044	Collection System Modeling Support	245,000	125,000	885,000	1,255,000
100050	CCTA A-Line Relocation	1,600,000	-	-	1,600,000
100052	North Orinda Sewer Renovation – Phase 9*	650,000	-	-	650,000
100060	Pumping Station Equipment & Piping Replacement 2023+	200,000	1,200,000	1,600,000	3,000,000
100061	Maintenance Access Cover Modifications	700,000	300,000	2,400,000	3,400,000
100068	Pleasant Hill Sewer Renovation – Phase 3	6,885,000	-	-	6,885,000
100070	Cedar Lane Sewer Modifications	1,200,000	-	-	1,200,000
100072	Lake Cascade Sewer Relocation*	600,000	-	-	600,000
100075	Pleasant Hill Sewer Renovation – Phase 4*	450,000	-	-	450,000
100076	Walnut Creek Sewer Renovation – Phase 17*	250,000	-	-	250,000
100077	Lafayette Sewer Renovation – Phase 16*	250,000	-	-	250,000
100081	Willow Drive CAD	211,570	-	-	211,570
100082	Charles Hill Road CAD	281,786	-	-	281,786
100083	Storm Damage Repair*	200,000	-	-	200,000
100084	Concord West Metering Station Restoration	200,000	-	-	200,000
100085	Danville Sewer Renovation – Phase 5*	200,000	-	-	200,000
100088	South Orinda Sewer Renovation – Phase 10*	200,000	-	-	200,000
	Collection System Program Total:	\$79,635,256	\$34,202,000	\$40,443,000	\$154,280,256

*Funding from the Collection System Sewer Renovation-Phase 2 Program

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	64	23

Purpose:

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

Drivers:

Central San has 88 miles of large-diameter pipes (>18 inches), which include approximately 3,800 LF with a siphon configuration and 1,200 maintenance access holes. Approximately 50% of these are over 50 years old, so a comprehensive condition assessment at this point in their lifecycle is appropriate to proactively identify early failure that can be addressed through spot repairs, provide an estimate of the assets' remaining life to better inform future replacement in the Capital Improvement Program, and to develop a reasonable re-inspection program based on the deterioration rates identified.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This five-year program will inspect all large-diameter pipes using multi-sensor technologies to provide comprehensive condition assessment. The CCTV inspection will use high-definition cameras that are also equipped with sonar. Depending on the initial assessment, 3D LiDar scanning may also be deployed. While all siphons will be dewatered and cleaned as part of the inspection effort, sonar will be used on all other pipes to identify and quantify debris build-up and determine if a cleaning project needs to be undertaken for those as well. LiDar will be used to identify corrosion or loss of wall thickness, which will help inform deterioration rates that can be extrapolated to determine the remaining life of the assets and, subsequently, the future replacement of the assets for the Capital Improvement Program. The consultant will produce an annual report summarizing the inspection findings and provide potential repair recommendations if needed. The final annual report will also include recommendations for a re-inspection program.

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$3,492,000	\$3,000,000	\$1,900,000	\$4,000,000	\$12,392,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$ 3,492,000	\$3,000,000	\$1,900,000	\$4,000,000	\$12,392,000

Force Main Inspection Program – Phase 1 – District Project 8444

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	64	23

Purpose:

Assess the condition of the force mains and confirm the timing of the 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 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 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:

Initial assessment by CCTV inspection using high-definition cameras will be undertaken to the extent the force mains are accessible, which will be limited by length of cable runs and access points (estimated at 48,000 LF). In addition to prioritizing based on age and consequence of failure, this baseline visual inspection will enable staff to prioritize where more extensive condition assessment is warranted, determine where other multi-sensor technologies are warranted, and determine if/where additional access points may be needed for these efforts.

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$28,000	\$-	\$500,000	\$750,000	\$1,278,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$28,000	\$-	\$500,000	\$750,000	\$1,278,000

Pumping Station Security Improvements – District Project 8447

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	34	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 by Capital Revenues.

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

Location(s): Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	131,000	-	-	-	131,000
Construction	490,000	-	-	-	490,000
FY Total	\$621,000	\$-	\$-	\$-	\$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, designing, and constructing system sewer extensions.

Drivers:

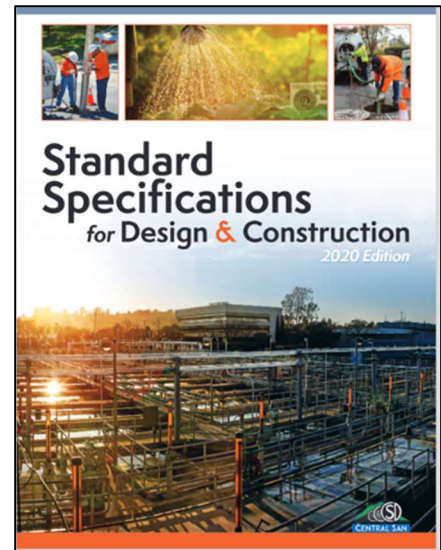
Central San requires property owners to pay for the main sewer extensions needed to serve their property. Where sewers are designed and installed by developers or other private parties, Central San planning, plan review, right-of-way, inspection, and record drawing/mapping efforts are required to ensure 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 funds consultant and staff costs for developer-installed sewer facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	6,813,316	927,000	927,000	-	8,667,316
FY Total	\$6,813,316	\$927,000	\$927,000	\$-	\$8,667,316

Pumping Station Upgrades – Phase 2A - District Project 8457

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

Purpose:

Address the needs for aging infrastructure and reliability at the Fairview and Maltby pumping stations.

Drivers:

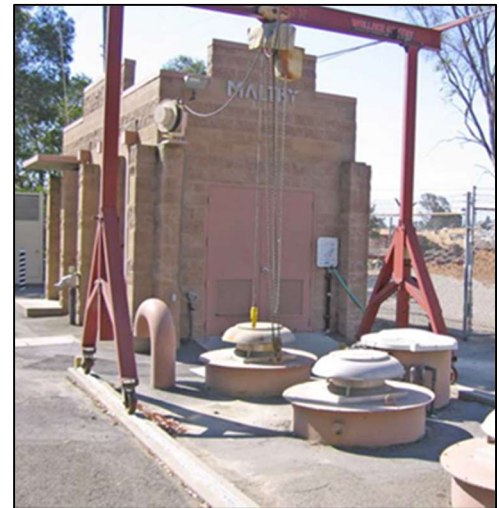
A comprehensive condition assessment of the pumping stations has identified several structural, mechanical, electrical, and instrumentation improvements. An Arc Flash Study has also identified several improvements required at these stations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following are major elements included in the project:

- Replace corroded steel dry pits with new wet wells at the Fairview and Maltby Pumping Stations.
- Replace backup generators and instrumentation.
- Rehabilitate or replace flow meters.
- 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 replacing 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 by Capital Revenues.

Location(s): Fairview and Maltby Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$150,000	\$-	\$-	\$-	\$150,000
Design	3,900,000	-	-	-	3,900,000
Construction	25,100,000	5,000,000	3,850,000	-	33,950,000
FY Total	\$29,150,000	\$5,000,000	\$3,850,000	\$-	\$38,000,000

Central San Sewer Financing Programs – District Project 100006

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

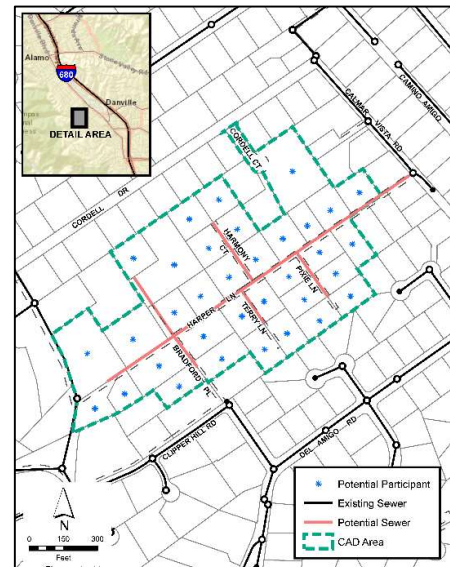
Purpose:

To provide a financing mechanism for the extension of public sewers and sewer service 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.

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 sewer improvements over time at a fixed interest rate. The CAD assessments are placed on the customers' property tax bills yearly 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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

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

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	139,584	100,000	100,000	400,000	739,584
FY Total	\$139,584	\$100,000	\$100,000	\$400,000	\$739,584

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	16	68

Purpose:

To abandon approximately 6,600 LF of the oldest trunk sewer, Main Trunk No. 1, which brought sewage to the wastewater treatment plant when it was first constructed in the late 1940s.

Drivers:

Central San has 88 miles of large-diameter pipes (>18 inches), which have a typical lifespan of 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 their condition will be assessed under District Project 8443 to evaluate remaining life and renovation priorities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This is the first phase of the large-diameter piping renovation program. This project will install approximately 4,000 LF of 8-inch main sewers to redirect flow to the A-Line and Relief Interceptors. Construction activities will include open-trench and pipe burst methods within public rights-of-way and some private easements (primarily private roadways within mobile home parks). The project is expected to be constructed during the summer and fall of 2025.

A portion of Main Trunk No. 1, upstream of Berry / Second Ave South, will be abandoned under this project. The downstream portion will remain intact for bypassing when the A-Line is relocated under DP 100050 (CCTA A-Line Sewer Relocation). At the conclusion of these projects, a total of 6,600 LF of the Main Trunk No. 1 will be abandoned.

Operating Department Impact and Funding Source:

The impacts on the operating budgets have not yet been determined. Project expenditure is funded by Capital Revenues. Construction funding will be from the Collection System Sewer Renovation Phase 2 Program, District Project No. 100039.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	800,000	-	-	-	800,000
Construction	1,500,000	-	-	-	1,500,000
FY Total	\$2,500,000	\$-	\$-	\$-	\$2,500,000

South Orinda Sewer Renovation – Phase 9 – District Project 100024

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	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 1,540+ 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 spills. Central San implemented a sewer renovation program in 1991 to replace small-diameter sewers, control future maintenance requirements and costs, minimize the number of spills, 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 9,300 feet of small-diameter sewers in 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 impact the operating budgets. Project expenditures are funded from Capital Revenues. The construction budget will be transferred from the Phase 2 Collection System Renovation Program at the time of award.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	Construction	10	72

Purpose:

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

Drivers:

Central San’s 1,540+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some 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 before 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 spills.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Lafayette Sewer Renovation – Phase 15 Project will replace or rehabilitate up to approximately 9,400 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 by Capital Revenues. Construction budget will be transferred from the Phase 2 Collection System Renovation Program at the time of the award.

Location(s): Lafayette

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	700,000	-	-	-	700,000
Construction	5,654,000	-	-	-	5,654,000
FY Total	\$6,404,000	\$-	\$-	\$-	\$6,404,000

Sewer System Infrastructure Plan – District Project 100028

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	61	26

Purpose:

To update the collection system portion of the 2017 Comprehensive Wastewater Management Plan (CWMP) that determines the future direction, capital improvement needs, and priorities for Central San's collection system's needs. This CWMP update is referred to as the Sewer System Infrastructure Plan (SSIP).

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San maintains 1,540+ miles of gravity sewers, 31 force mains with a combined length of approximately 23 miles, and 18 pumping stations. This infrastructure is critical for wastewater conveyance, and planning for future rehabilitation or replacement is essential.

Description:

The following are major elements of the SSIP project:

- Update the CIP to address the needs identified for the collection system gravity sewers, large diameter pipelines, pump stations, force mains, and other collection system assets for the next 20-year planning horizon that provides the descriptions, rationale, and estimated costs for Central San's collection system. The CIP will also be updated to reflect findings from *InfoAsset*® Planner and *InfoWorks*® modeling work completed under other projects.
- Develop a multi-year strategy and request proposals for an inspection contract for large-diameter pipelines, force mains, and large-diameter siphon cleaning and inspection.
- Complete desktop condition assessment for 10 Pumping Stations and field condition assessment for five Pumping Stations.
- Develop force main asset management desktop planning tools for six priority force mains.
- Identify and consider evaluation of other collection system infrastructure needs and optimization opportunities.



Operating Department Impact and Funding Source:

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

Location(s): Collection System and Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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/Construction	55	29

Purpose:

To provide architectural improvements to the Moraga, Orinda Crossroads, and Flush Kleen Pumping Stations.

Drivers:

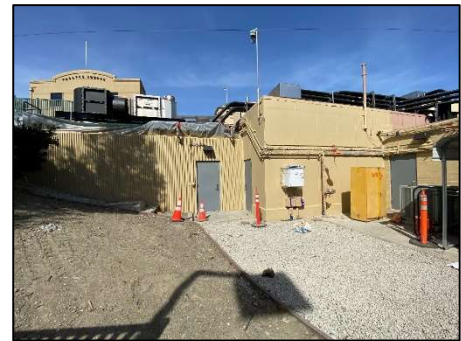
These newly upgraded pumping stations are in both residential and highly visible commercial areas. These architectural improvements will help Central San’s infrastructure blend in with the surrounding neighborhoods.

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 by Capital Revenues.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	27	57

Purpose:

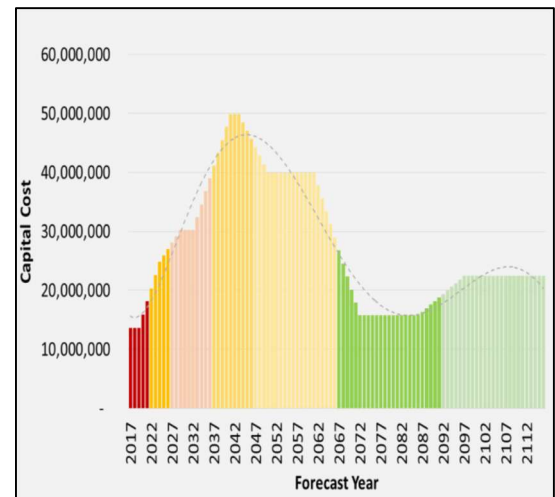
To plan and initiate design for additional sewer replacement projects for collection system sewers that are near the end of their useful lives.

Drivers:

Central San's collection system includes 1,540+ miles of gravity sewers and over 37,000 maintenance access structures. Pipeline sizes range from 4 to 102 inches in diameter, and pipe materials vary throughout the system.

Continual replacement will provide the best possible protection against spills. 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 decrease to approximately 6.0-7.0 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 involves pipeline selection planning and some preliminary design work for new sewer replacement projects. Additional sewer replacement projects will be developed, and they may be split into individual projects for final design and construction.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Project expenditures are funded from Capital Revenues. This program will fund all sewer renovation projects until FY 2026-27.

Location(s): Entire Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$600,000	\$600,000	\$-	\$1,200,000
Design	-	2,500,000	2,000,000	-	4,500,000
Construction	2,114,000	13,345,000	20,231,000	-	35,690,000
FY Total	\$2,114,000	\$16,445,000	\$22,831,000	\$-	\$41,390,000

Buchanan Lift Stations Abandonment and Sewer – District Project 100041

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	13	71

Purpose:

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

Drivers:

This project will address the poor condition of aging equipment at the South and 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 Buchanan Field Airport runway.
- Reroute approximately 5,100 feet of sewer mains near Buchanan Field Airport.



Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Project expenditures are funded by Capital Revenues. At the time of the award, the construction budget will be transferred from the Collection System Sewer Renovation Phase 2, District Project No. 100039.

Location(s): Concord

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$150,000	\$-	\$-	\$-	\$150,000
Design	800,000	-	-	-	800,000
Construction	2,100,000	3,974,000	-	-	6,074,000
FY Total	\$3,050,000	\$3,974,000	\$-	\$-	\$7,024,000

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:

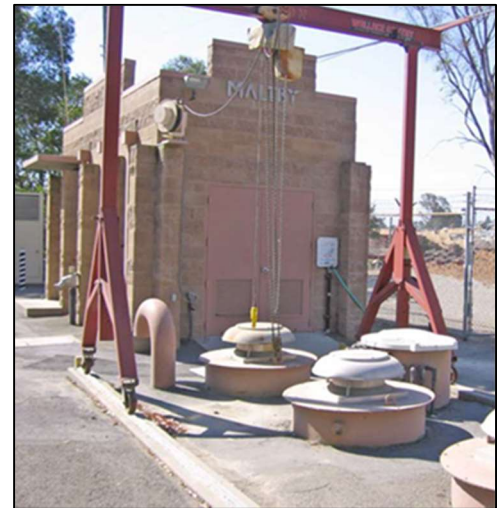
A comprehensive condition assessment of this pumping station has identified several structural, mechanical, electrical, and instrumentation improvements. An Arc Flash Study has also identified several improvements required at this station.

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 by Capital Revenues.

Location(s): Martinez Pumping Station

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	65,000	-	-	-	65,000
Construction	8,135,000	2,331,000	-	-	10,466,000
FY Total	\$8,200,000	\$2,331,000	\$-	\$-	\$10,531,000

Collection System Modeling Support – District Project 100044

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	48	40

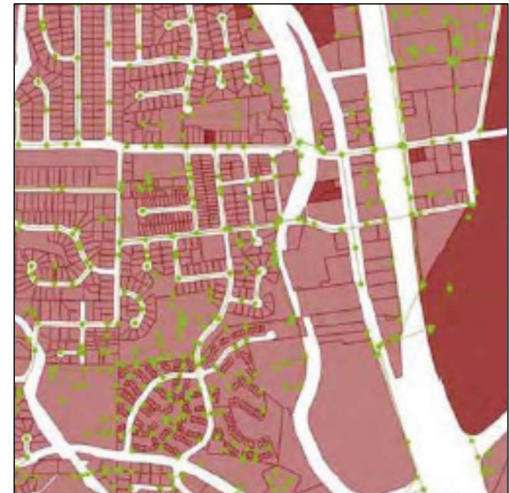
Purpose:

To maintain and update the *InfoWorks*® hydrodynamic collection system model.

Drivers:

The new *InfoWorks*® ICM hydrodynamic collection system model (Model) was configured and calibrated for 190 miles of the trunk sewer system. The 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 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 elements included in the project:

- Update the Model to reflect current wastewater loading, changes in the sewer network, and the latest understanding of future developments.
- Update evaluation of sewer system capacity improvement needs.
- Continue to support development and capital project modeling requests.

Operating Department Impact and Funding Source:

Due to software costs, this project will have a minor impact on the operating budget. Project expenditures are funded from Capital Revenues, and some costs are reimbursed through permit fees.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$245,000	\$125,000	\$125,000	\$760,000	\$1,255,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$245,000	\$125,000	\$125,000	\$760,000	\$1,255,000

CCTA A-Line Relocation – District Project 100050

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	NA	-

Purpose:

To design the relocation of a portion of the A-Line and sewer mains for the State Route 4 / Interstate 680 improvement 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:

On June 15, 2023, the Board approved a Utility Relocation Agreement with CCTA to reimburse all costs for the design phase for this project for which Central San is required to prepare engineering plans. The design plans are substantially complete for the relocation of the A-Line along the east side of Interstate 680 from approximately Eagles Landing RV Park to the Headworks of the wastewater treatment plant. The design is significantly longer than initially anticipated to obtain clearance under the eroded low-flow channel of Grayson Creek, as required by respective permitting agencies. In addition, a portion of the 8-inch main on the west side of Interstate 680 flowing into a 12-inch main across the freeway was also designed for relocation to clear future interchange improvements.



Operating Department Impact and Funding Source:

There will be no net impact to the CIB or CIP since the design costs are being reimbursed quarterly by CCTA as outlined in the Utility Relocation Agreement since the sewer pipelines are lawfully maintained in their present locations under 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. No agreement is in place yet regarding the construction, and the timing will be subject to CCTA obtaining sufficient funding for Phases 2A and 1 while also obtaining new right-of-way for both Central San's relocations as well as the interchange improvements.

Location(s): Pacheco

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	1,400,000	-	-	-	1,400,000
Construction	-	-	-	-	-
FY Total	\$1,600,000	\$-	\$-	\$-	\$1,600,000

North Orinda Sewer Renovation – Phase 9 – District Project 100052

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	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 1,540+ 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 spills.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



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

Location(s): Orinda

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	-	-	-	-	-
FY Total	\$650,000	\$-	\$-	\$-	\$650,000

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	19	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.

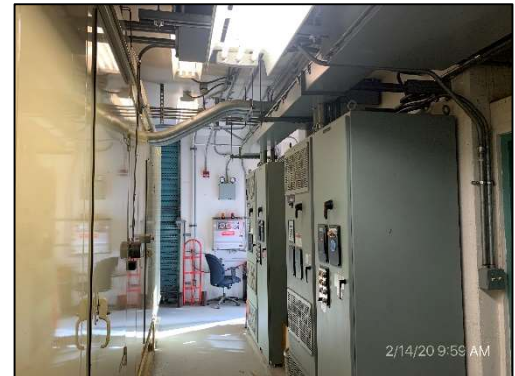
Drivers:

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 emergencies, 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 replacement portable bypass pump for the Moraga Pumping Station.
- Reconditioning 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 by Capital Revenues.

Location(s): Pumping Stations

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	200,000	1,200,000	200,000	1,400,000	3,000,000
FY Total	\$200,000	\$1,200,000	\$200,000	\$1,400,000	\$3,000,000

Maintenance Access Cover Modifications – District Project 100061

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	44	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 and the roadways are rebuilt.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project will fund replacing or raising maintenance access covers and repairing top blocks 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 by Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	700,000	300,000	300,000	2,100,000	3,400,000
FY Total	\$700,000	\$300,000	\$300,000	\$2,100,000	\$3,400,000

Pleasant Hill Sewer Renovation – Phase 3 – District Project 100068

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	10	72

Purpose:

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

Drivers:

Central San's 1,540+ 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 spills. 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 spills, 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 by Capital Revenues.

Location(s): Pleasant Hill

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	600,000	-	-	-	600,000
Construction	6,235,000	-	-	-	6,235,000
FY Total	\$6,885,000	\$-	\$-	\$-	\$6,885,000

Cedar Lane Sewer Modifications – District Project 100070

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	5	82

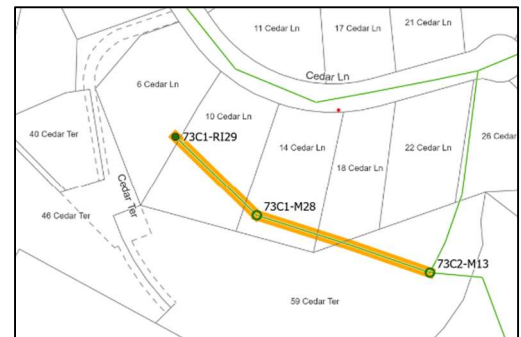
Purpose:

Coordinate and facilitate permanent sewer service with three properties to allow for the abandonment of Central San's public sewer damaged by a landslide.

Drivers:

On December 21, 2023, the Board authorized this project in response to storm events that caused major flooding and damage through the San Francisco Bay Area. These storms occurred during late December 2023 and January of 2024. Several properties in the Cedar Lane subdivision in Orinda were impacted due to a landslide from the storm events. Central San owns and operates a 6-inch public sewer within sewer easements for Cedar Lane and Cedar Terrace, which were granted by the subdivision developer in 1962. The landslide damaged the existing public sewer and stopped the ability of Central San to provide sewer service by gravity pipelines. Thus, temporary sewage pumping systems have been installed for three properties. Central San has applied for FEMA recovery funding for this project in the amount of \$1,200,000 under the Public Assistance program. FEMA is awaiting Central San's more detailed cost estimates before taking further action on the application.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Cedar Lane Sewer Modifications Project will find alternatives to provide permanent solutions for sewer services for the impacted properties as soon as possible. This includes abandoning the easement public sewer by Central San and working with the property owners to switch to private pumping systems in lieu of gravity side sewers.

Operating Department Impact and Funding Source:

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

Location(s): Orinda

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	1,000,000	-	-	-	1,000,000
FY Total	\$1,200,000	\$-	\$-	\$-	\$1,200,000

Lake Cascade Sewer Relocation – District Project 100072

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	8	77

Purpose:

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

Drivers:

Central San's 1,540+ 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 spills. 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 spills, 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. The abandonment of the aerial sewer crossing requires additional permitting and will be done once the new sewer is in service and permits have been obtained.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is funded by Capital Revenues. Additional funding will be required to abandon the aerial sewer and will require a budget transfer from the Collection Sewer Renovation Phase 2 Program, District Project No. 100039.

Location(s): Orinda

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	38,000	-	-	-	38,000
Construction	562,000	-	-	-	562,000
FY Total	\$600,000	\$-	\$-	\$-	\$600,000

Pleasant Hill Sewer Renovation – Phase 4 – District Project 100075

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	57

Purpose:

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

Drivers:

Central San's 1,540+ mile collection system has pipe segments ranging from new to over 100 years old. Some 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 before 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 spills. 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 spills, 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 4 Project will replace or rehabilitate 10,600 feet of small-diameter sewers in 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 impact the operating budgets. Project expenditures are funded by Capital Revenues. As the project progresses, additional budget will be transferred from the Phase 2 Collection System Renovation Program.

Location(s): Pleasant Hill

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	400,000	-	-	-	400,000
Construction	-	-	-	-	-
FY Total	\$450,000	\$-	\$-	\$-	\$450,000

Walnut Creek Sewer Renovation – Phase 17 – District Project 100076

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	57

Purpose:

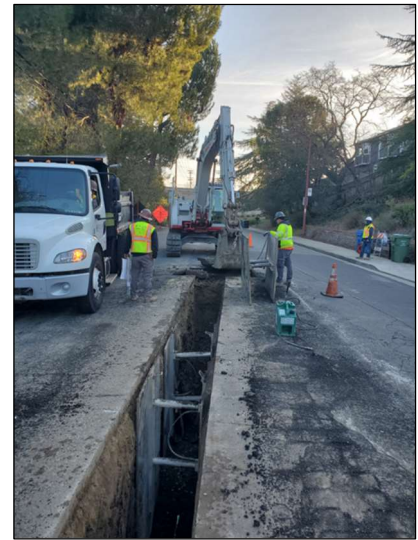
To replace and renovate small-diameter sewers within the City of Walnut Creek and unincorporated Walnut Creek.

Drivers:

Central San’s 1,540+ 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 before 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 spills. Central San implemented a sewer renovation program in 1991 to replace small-diameter sewers, control future maintenance requirements and costs, minimize the number of spills, 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 17 Project will replace or rehabilitate up to approximately 10,000 feet of small-diameter sewers located in public right-of-way and easements.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Project expenditures are funded from Capital Revenues. As the project progresses, additional budget will be transferred from the Phase 2 Collection System Renovation Program.

Location(s): Walnut Creek

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$	\$-	\$-	\$-	\$
Design	250,000	-	-	-	250,000
Construction	-	-	-	-	-
FY Total	\$250,000	\$-	\$-	\$-	\$250,000

Lafayette Sewer Renovation – Phase 16 – District Project 100077

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	57

Purpose:

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

Drivers:

Central San's 1,540+ 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 spills.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Lafayette Sewer Renovation – Phase 16 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 by Capital Revenues. Additional budget will be transferred from the Phase 2 Collection System Renovation Program as the project progresses.

Location(s): Lafayette

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	250,000	-	-	-	250,000
Construction	-	-	-	-	-
FY Total	\$250,000	\$-	\$-	\$-	\$250,000

Willow Drive Contractual Assessment District – District Project 100081

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

Purpose:

To provide a financing mechanism for the extension of the public sewer into an area currently served by septic tanks through the Contractual Assessment District or CAD program.

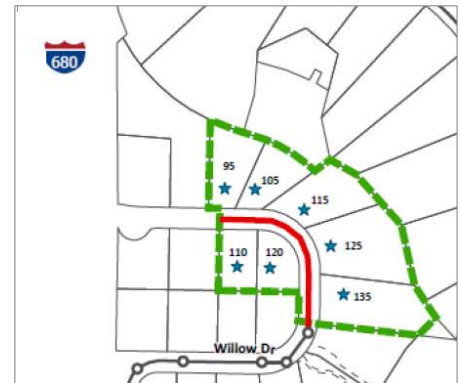
Drivers:

Central San developed the CAD program to allow groups of residential property owners to extend the public sewer to serve their parcels. 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 individual CAD is presented to the Board of Directors for approval.

Description:

The Willow Drive CAD will install approximately 400 linear feet of 8-inch sewer main to serve seven residential parcels on Willow Drive in the Town of Danville.

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 expenditures are funded from Capital Revenues and repaid by the CAD participants.

Location(s):

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	37,570	-	-	-	37,570
Construction	174,000	-	-	-	174,000
FY Total	\$211,570	\$-	\$-	\$-	\$211,570

Charles Hill Road Contractual Assessment District – District Project 100082

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

Purpose:

To provide a financing mechanism for the extension of the public sewer into an area currently served by septic tanks through the Contractual Assessment District or CAD program.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San developed the CAD program to allow groups of residential property owners to extend the public sewer to serve their parcels. 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 individual CAD is presented to the Board for approval.

Description:

The Charles Hill Road CAD will install approximately 340 linear feet of 8-inch sewer main to serve three residential parcels on and around Charles Hill Road in the City of Orinda.

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 repaid by the CAD participants.

Location(s):

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	75,770	-	-	-	75,770
Construction	206,016	-	-	-	206,016
FY Total	\$281,786	\$-	\$-	\$-	\$281,786

Storm Damage Repair – District Project 100083

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	21	62

Purpose: To evaluate, plan, and design repairs needed due to severe weather-related causes, such as erosion, flooding, landslides, etc. throughout the entire collection system.

Drivers: Central San’s 1,540+ 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 before 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 spills. Central San implemented a sewer renovation program in 1991 to replace small-diameter sewers, control future maintenance requirements and costs, minimize the number of spills, 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 Storm Damage Repair Project will be used for the evaluation, planning, and design of repairs required due to severe weather-related causes. The collection system has many mains along hillsides, creek banks, creek crossings, and other waterways and drainage areas. Severe weather and rainstorms can cause water runoff, flooding, erosion, landslides, and other conditions that pose a threat or damage underground and/or aerial structures throughout the entire collection system. This project is for urgent evaluation, planning, and design of repairs. Construction will be funded through other collection system renovation projects.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Project expenditures are funded from Capital Revenues. As the project progresses, additional budget will be transferred from the Phase 2 Collection System Renovation Program.

Location(s): Entire Collection System

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	-	-	-	-	-
FY Total	\$200,000	\$-	\$-	\$-	\$200,000

Concord West Metering Station Restoration – District Project 100084

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	NA	-

Purpose:

To restore electrical power to the Concord West Metering Station to enable calibration and monitoring of the flow metering data to the treatment plant.

Drivers:

The City of Concord has three metering locations to measure wastewater discharge to Central San's treatment plant system. The Concord West Metering Station is a small flow delivery site that accounts for approximately 1% to 2% of the total Concord flow contributions, which has an approximate 0.3% impact on the overall Concord flow percentage received by the treatment plant.

The electrical power to the Concord West Metering Station was originally delivered via a CalTrans power light pole, which was disconnected during a recent project by others. The flow meter has been idle without power since then. Central San has jurisdiction of the flow meter, which is located within the parking lot of Future Automotive Group.

Reinstating electrical power to the flow meter will allow Central San to measure the flow rate from the west side of the City of Concord. The data collected will allow for better determination of service charges to the City of Concord and planning for future sewer improvement projects in the area.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project will be constructed by the Future Automotive Group in the interest of expediency and cost efficiency. In compliance with Central San requirements, Future Automotive Group will hire a qualified electrical contractor to install a new electric service from its store to the metering station. Central San will reimburse Future Automotive Group for the installation cost and future energy usage by the meter. Central San staff will monitor and inspect the construction progress and perform necessary maintenance, repair, and calibration of the station.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. The City of Concord funds project expenditures.

Location(s): Concord

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	70,000	-	-	-	70,000
Construction	130,000	-	-	-	130,000
FY Total	\$200,000	\$-	\$-	\$-	\$200,000

Danville Sewer Renovation – Phase 5 – District Project 100085

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	27	57

Purpose:

To replace and renovate small diameter sewers within the Town of Danville, the City of San Ramon, and unincorporated areas of Contra Costa County.

Drivers:

Central San's 1,540+ mile collection system has pipe segments that range in age from new to more than 100 years old. Some 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 before 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 spills.

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The Danville Sewer Renovation — Phase 5 Project will replace or rehabilitate up to approximately 9,000 feet of small-diameter sewers located in public right-of-way and easements.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Project expenditures are funded from Capital Revenues. As the project progresses, additional budget will be transferred from the Phase 2 Collection System Renovation Program.

Location(s): Danville

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	-	-	-	-	-
FY Total	\$200,000	\$	\$	\$	\$200,000

South Orinda Sewer Renovation – Phase 10 – District Project 100088

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	TBD	TBD

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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



More than 300 miles of small-diameter sewers in the collection system were constructed before 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 spills. Central San implemented a sewer renovation program in 1991 to replace small-diameter sewers, control future maintenance requirements and costs, minimize the number of spills, limit the quantity of rainfall entering the collection system, and improve the level of service provided to customers.

Description:

The South Orinda Sewer Renovation – Phase 10 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 southern portion of the City of Orinda, south of Highway 24, and the Town of Moraga

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is funded by Capital Revenues. Additional budget will be transferred from the Phase 2 Collection System Renovation Program as the project progresses.

Location(s): Orinda and Moraga

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	200,000	-	-	-	200,000
Construction	-	-	-	-	-
FY Total	\$200,000	\$-	\$-	\$-	\$200,000

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Capital Improvement Budget – Treatment Plant Program

The following are the major points of emphasis for the FY 2025-26 Treatment Plant Program:

- Replace equipment at the end of its useful life to avoid structural and mechanical failures, reduce downtime, and control maintenance costs.
- Rehabilitate aging infrastructure and ensure process systems are reliable.
- Meet or exceed safety standards for employees, contractors, and visitors.
- Respond to regulatory requirements related to nutrients and air emissions regulations.
- Increase sustainability and energy-related projects for future sustainability.

Aging Infrastructure (Asset Rehabilitation and Replacement Projects)

Projects in this subprogram target asset preservation, rehabilitation, and replacement. The main projects in this program are Aeration Basin Diffuser Replacement, Maintenance Reliability Center (MRC) Building Modifications, and Steam Renovations—Phase 1, 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 replacing solids dewatering equipment (feed pumps, centrifuges, cake pumps) and a wet scrubber, as well as improving electrical, instrumentation, and incinerator controls. This project is expected to be completed by 2028.

The final design of the Ultraviolet (UV) Disinfection Replacement is underway. It includes improved process hydraulics, coordination with the new proposed Sub 55 electrical infrastructure, disinfection to 140 MGD, potential bypass improvements, and a design that meets Reliability-Centered Maintenance (RCM) criteria.

The treatment plant odor control facilities and clarifiers will undergo condition assessments, and the design of needed near-term replacements or optimization improvements will start. Other aging infrastructure projects include the Piping Renovation — Phase 11, Annual Infrastructure Replacement, and California Uniform Public Construction Cost Accounting Act (CUPCAA) 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 of various new technologies. Work will be implemented to comply with pending new air permitting requirements and the installation of incinerator emissions improvements, which are included in the Solids Handling Facility Improvements – Phase 1A.

In addition, safety and security improvements will continue under this subprogram. The design of the UV Disinfection Replacement will be implemented to ensure 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 for 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 Secondary Clarifier and Channel Improvements Project and other related projects.

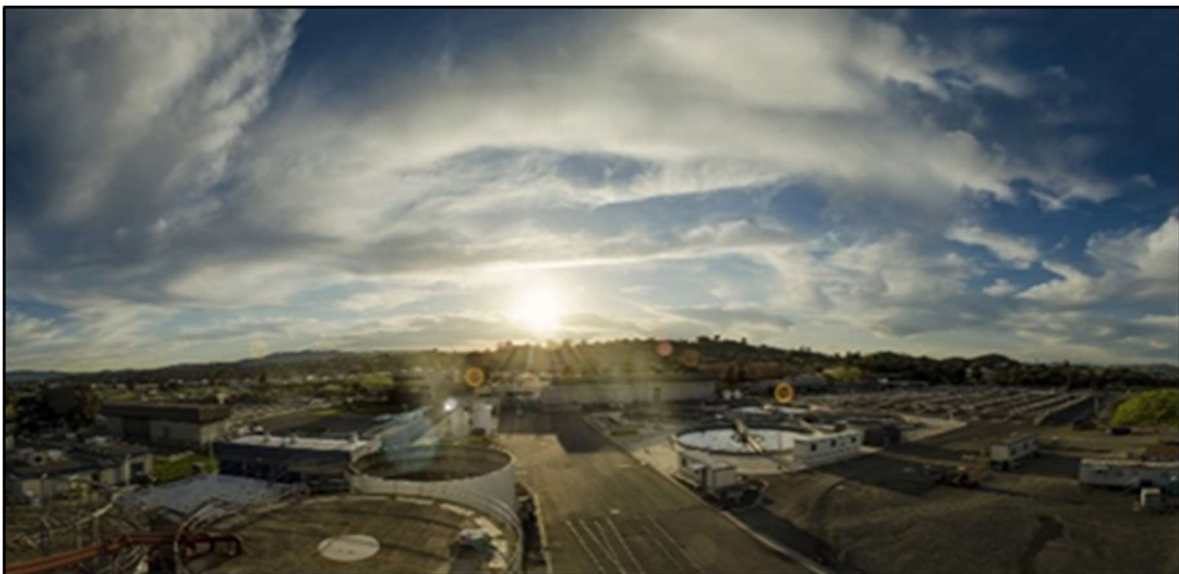
Nutrient Management will be underway to study and pilot new technology such as the Membrane Aerated Biofilm Reactor (MABR) within the existing secondary process and help evaluate all the ongoing process improvements to help manage nutrients within the existing facilities. Planning will continue based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

Capacity (Expansion Projects)

No projects in FY 2025-26 include expanding the treatment plant. However, projects such as the UV Disinfection Replacement, Hydraulic Improvements, and the Aeration Basins Diffuser Replacement will address internal bottlenecks and degrading systems to reach design capacities. Projects like the Wet Weather Basin Improvements will increase 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. At the same time, the Air Conditioning and Lighting Renovations 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 essential 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 Table 3:

CIB Table 3 – FY 2025-26 Treatment Plant Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2025-26	Future FYs	Total by Project
7341	Walnut Creek/Grayson Creek Levee Rehab	\$2,350,000	\$-	\$4,500,000	\$6,850,000
7348	Solids Handling Facility Improvements – Phase 1A	80,519,000	41,000,000	78,445,000	199,964,000
7370	Annual Infrastructure Replacement	4,805,000	700,000	1,650,000	7,155,000
100010	Air Conditioning and Lighting Renovations	1,525,000	100,000	-	1,625,000
100011	Plant Electrical Replacement and Rehabilitation	1,059,000	-	-	1,059,000
100012	UV Disinfection Replacement	6,000,000	-	90,000,000	96,000,000
100014	MRC Building Modifications and Maintenance Shops Improvements	2,200,000	1,200,000	2,200,000	5,600,000
100019	Aeration Basins Diffuser Repl. – Phase 1	16,880,000	7,100,000	2,499,000	26,479,000
100022	Wet Weather Basin Improvements	2,100,000	2,000,000	6,800,000	10,900,000
100030	Solids Handling Facility Improvements – Phase 2	2,800,000	-	-	2,800,000
100032	Steam Renovations – Phase 1	7,000,000	2,500,000	8,000,000	17,500,000
100034	Treatment Plant Safety Enhancement Program	400,000	400,000	1,550,000	2,350,000
100040	Electrical Facilities Plan & Centralized Sub 55	1,500,000	2,000,000	28,000,000	31,500,000
100045	Fire Protection System – Phase 4	860,000	-	-	860,000
100046	Control System Upgrades	500,000	200,000	400,000	1,100,000
100047	Secondary Clarifier and Channel Improvements	2,000,000	1,500,000	14,000,000	17,500,000
100048	Warehouse Seismic Upgrades	500,000	-	2,000,000	2,500,000
100055	Process Optimization and Efficiency	1,000,000	2,400,000	1,600,000	5,000,000
100057	Plant Control System I/O Replacement – Phase 3	1,000,000	1,000,000	400,000	2,400,000
100069	TP Odor Control Facilities Improvements	1,450,000	500,000	15,500,000	17,450,000
100073	Piping Renovation – Phase 11	500,000	1,500,000	9,700,000	11,700,000
100074	Central Chilled Water Evaluation	600,000	-	-	600,000
100078	Nutrient Management	300,000	9,000,000	490,000,000	499,300,000
100086	Record Drawings	200,000	150,000	150,000	500,000

Project Number	Project Name	Budget-to-Date	FY 2025-26	Future FYs	Total by Project
TBD*	Digital Vertical Asset Migration	-	500,000	1,200,000	1,700,000
TBD*	Regulatory Adaptive Management	-	400,000	1,500,000	1,900,000
TBD*	Treatment Plant DYNAC Replacement	-	600,000	8,000,000	8,600,000
TBD*	Solids Facility Improvements – Ash System Repairs	-	500,000	11,150,000	11,650,000
	Treatment Plant Program Total:	\$138,048,000	\$75,250,000	\$779,244,000	\$992,542,000

*New project in FY 2025-26 and number to be determined (TBD)

Walnut Creek/Grayson Creek Levee Rehab – District Project 7341

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	23	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, resulting in hundreds of millions of dollars in damage, negatively impacting the environment due to the discharge of untreated sewage, and impairing 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 protection for a 500-year flood with at least three feet of freeboard. The FCD will be the lead agency, and Central San will support design review and construction coordination. Both agencies have agreed to share the estimated project costs equally. The estimated project cost is \$13.6M, with Central San's share being approximately \$6.81M. Central San and the FCD applied for Building Resilient Infrastructure and Communities (BRIC) program grant funds available for public agencies undertaking hazard mitigation projects. The Federal Emergency Management Agency selected the project to receive up to \$2.5M of BRIC funds, which is expected to reduce the project's cost for 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 by Capital Revenues.

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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 and 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 comply with current and future air regulations reliably.

Seismic upgrades previously known as Solids Phase 1B, will be implemented to address the Solids Conditioning Building, which houses the furnaces, cogeneration unit, and other critical equipment that does not meet current seismic standards. The electrical and control systems associated with this equipment will not need to be replaced during the project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The following are major elements included in the project:

- Replace the wet scrubber with a new Venturi scrubber capable of waste heat boiler bypass.
- Replace centrifuges and cake pumps.
- Upgrade furnace burners.
- Replace/ upgrade electrical and control systems to accommodate the new systems.
- Major interior structural retrofit of the SCB and exterior concrete buttresses for safety concerns.

Operating Department Impact and Funding Source:

This project will significantly impact the operating costs based on staff time, energy, and disposal. Expenditures are funded from Capital Revenues and a Clean Water State Revolving Fund loan.

Location(s): Solids Conditioning Building

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$1,000,000	\$-	\$-	\$-	\$1,000,000
Design	24,000,000	-	-	-	24,000,000
Construction	55,519,000	41,000,000	41,000,000	37,445,000	174,964,000
FY Total	\$80,519,000	\$41,000,000	\$41,000,000	\$37,445,000	\$199,964,000

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 that vary considerably in age. The majority of existing treatment plant equipment was installed approximately 40 years ago. Over time, structures, equipment, piping systems, and other assets require rehabilitation or replacement to continue with Central San's high level of service, reliability, and wastewater treatment. Some 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 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 pumps, piping valves, and other equipment.
- Actuators, control panels, and other instrumentation and electrical replacements.
- Refurbishment of coating and cathodic protection systems and other miscellaneous items.
- Pre-purchase of urgent equipment not included in other 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	450,000	-	-	-	450,000
Construction	4,255,000	700,000	900,000	750,000	6,605,000
FY Total	\$4,805,000	\$700,000	\$900,000	\$750,000	\$7,155,000

Air Conditioning and Lighting Renovations – District Project 100010

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	21	62

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. The Headworks Chiller was bid under this project number and will commence this fiscal year.

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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	50,000	-	-	-	50,000
Construction	1,475,000	100,000	-	-	1,575,000
FY Total	\$1,525,000	\$100,000	\$-	\$-	\$1,625,000

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's electrical system assets and refurbish electrical motor control centers and switchgear, maintaining the reliability of critical electrical infrastructure at the treatment plant.

Drivers:

The treatment plant consists of thousands of electrical assets that vary considerably in age. 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, reliability, and wastewater treatment. Some improvements to be funded from this project were identified as part of condition assessments. 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 equipment throughout the treatment plant was installed in the 1970s-1990s. It has been well maintained using preventive techniques, such as thermographic imaging, to identify and correct potential problems before 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, 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	1,059,000	-	-	-	1,059,000
FY Total	\$1,059,000	\$-	\$-	\$-	\$1,059,000

UV Disinfection Replacement – District Project 100012

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	25	60

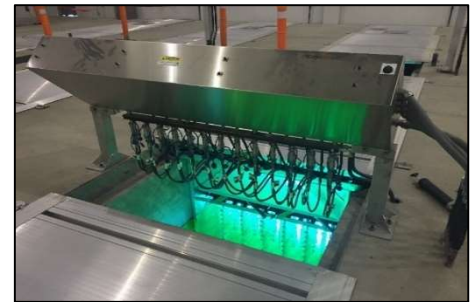
Purpose:

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 the existing UV disinfection system, including an assessment of the existing system and the support facilities.
- Power new UV facility from a location that will allow for safe and reliable service (coordinated with the Sub 55 project).
- Procure new electrical equipment to power the new UV facility.
- Hydraulic Evaluation – Confirm UV and final effluent hydraulics. Include Hydraulic Improvements.
- Dose Validation Testing – Confirm the disinfection capacity of the UV disinfection system using the 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 by Capital Revenues.

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$600,000	\$-	\$-	\$-	\$600,000
Design	5,400,000	-	-	-	5,400,000
Construction	-	-	1,000,000	89,000,000	90,000,000
FY Total	\$6,000,000	\$-	\$1,000,000	\$89,000,000	\$96,000,000

MRC Building Modifications and Maintenance Shops Improvements – DP 100014

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	51	38

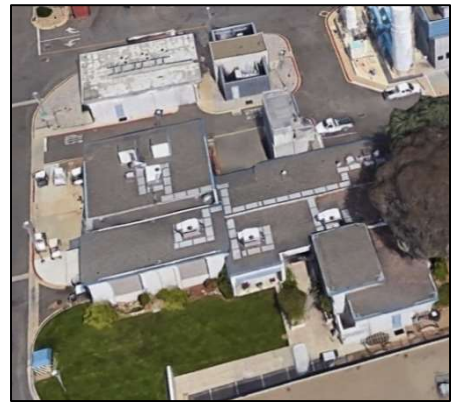
Purpose:

The updating of 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 Maintenance Shops. The MRC building was originally a pump building and laboratory in 1948 and was remodeled in 1957, 1972, and 1997. These investments and excellent maintenance practices have contributed to the recommendation to continue use of the buildings. Central San plans to improve security and reconfigure the office space to consolidate more staff into the building. Any floor plan 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 Modifications' scope of work will include:

- Evaluate seismic retrofit and fire protection required to meet the current Building Code. The MRC complex facility 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, 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	300,000	-	-	-	300,000
Construction	1,900,000	1,200,000	2,200,000	-	5,300,000
FY Total	\$2,200,000	\$1,200,000	\$2,200,000	\$-	\$5,600,000

Aeration Basins Diffuser Replacement – Phase 1 – District Project 100019

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	6	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 included as well as major change order for preparation for nutrient removal as authorized by the Board.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant – Aeration Basins

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	2,150,000	-	-	-	2,150,000
Construction	14,530,000	7,100,000	2,499,000	-	24,129,000
FY Total	\$16,880,000	\$7,100,000	\$2,499,000	\$-	\$26,479,000

Wet Weather Basin Improvements – Phase 1 – District Project 100022

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design /Construction	14	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, or when flow exceeds the treatment hydraulic capacity of downstream processes, it must be diverted to these wet weather holding basins. These basins must remain in good and safe 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 basin system is crucial 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. The improvements needed include:

- Holding Basin Improvements: Improve holding basin grading and drainage, and better utilize existing capacity. Replace sump pumps, control structures, and electrical and control infrastructure.
- 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.
- Safety improvements to allow reliable basin operations in poor weather conditions.
- Include berm improvements identified during the Filter Plant & Clearwell Improvements - Phase 1A Project.

Operating Department Impact and Funding Source:

This project will not impact the operating budgets. Its expenditures are funded from Capital Revenues. The project will be coordinated with the Walnut Creek — Grayson Creek Levee project.

Location(s): Wet Weather Basins

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	600,000	-	-	-	600,000
Construction	1,500,000	2,000,000	3,500,000	3,300,000	10,300,000
FY Total	\$2,100,000	\$2,000,000	3,500,000	\$3,300,000	\$10,900,000

Solids Handling Facility Improvements – Phase 2 – District Project 100030

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	54	31

Purpose:

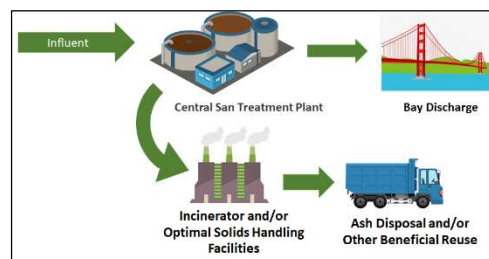
To develop long term plans for solids handling and disposal at the treatment plant, including evaluating a potential regional facility, after Multiple Hearth Furnaces reach the end of their useful life.

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 by Capital Revenues.

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	Construction	17	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 heat recovery and steam systems are critical processes that are required to be reliable and in service 24 hours a day, every day of the week. Overall, these systems are in good shape; however, some equipment and system components require replacement and upgrades based on findings of a recent condition assessment and evaluation conducted under the Steam and Aeration Blower Systems Renovations Project, District Project No. 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.
- Replace the boiler with chemical storage tanks and piping.
- Replace deaerator feedwater pumps and waste steam exchangers.
- Replace boiler feedwater piping, pumps, valves, electrical, and control systems.
- Piping modifications and replacing valves, steam traps, and other system components.
- Preliminary feasibility evaluation of the steam turbine power generation system.
- Steam 1A (Pump and Blower Building) bid separately from the SCB (Steam 1B). Due to operational and safety concerns, Steam 1B was integrated into District Project No. 7348 for implementation and will be charged to this project.

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	3,000,000	-	-	-	3,000,000
Construction	4,000,000	2,500,000	5,000,000	3,000,000	14,500,000
FY Total	\$7,000,000	\$2,500,000	\$5,000,000	\$3,000,000	\$17,500,000

Treatment Plant Safety Enhancement Program – District Project 100034

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	23	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 the Central San safety committees. The committees are 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 safety improvements to the treatment plant facility. Once projects are identified and designed, phases will be released. The program will also fund safety-related assets and equipment. Examples of safety improvements include fall protection systems, guardrails, and equipment upgrades. Some projects may be executed using the CUPCAA Informal process or by implementing safety suggestions from the District Safety Committee.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	150,000	-	-	-	150,000
Construction	250,000	400,000	300,000	1,250,000	2,200,000
FY Total	\$400,000	\$400,000	\$300,000	\$1,250,000	\$2,350,000

Electrical Facilities Plan and Centralized Substation 55 – District Project 100040

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	45	48

Purpose:

This project will produce a Facilities Plan to identify the scope, budget and schedule for future capital projects for replacement of electrical equipment. The first project to be designed and constructed will be a new central substation and replacement of 12kV feeders.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

The treatment plant consists of thousands of electrical assets. Previous condition assessments have identified equipment nearing or beyond their remaining useful life. This equipment typically has long lead times (recent experience is transformers take 3 years to deliver). The existing 12kV system feeder is the backbone of the plant (12kV is medium voltage). The 12kV feeder system is complex due to the switching configuration and other system configurations created over the years since the original installation in the mid-1970s. This complexity creates risks to the reliability of the system and can lead to safety issues.



Description:

A new central substation (Sub 55) will be constructed south of Imhoff Drive that will bring together all power generation sources, and replace the 12kV feeders to the process area substations and from Substation 82. Sub 55 will provide 12kV redundancy via dedicated A and B side feeds, improved isolation, reliability and safety. This project will serve the plant's current and future electrical loads for projects like the UV Disinfection Replacement, Solids Project Phase 2, and future substation replacements. This project will also coordinate with the concurrent Energy Management Project to provide adequate space for future energy generation facilities.

This project will also establish the scope and timing for future substation improvements to replace electrical equipment in follow-up capital projects and update the CIP.

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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$500,000	\$500,000	\$-	\$-	\$1,000,000
Design	1,000,000	1,500,000	2,500,000	-	5,000,000
Construction	-	-	-	25,500,000	25,500,000
FY Total	\$1,500,000	\$2,000,000	\$2,500,000	\$25,500,000	\$31,500,000

Fire Protection System – Phase 4 – District Project 100045

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	50	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, completed in 2024, included upgrades to HOB and the laboratory fire panels and other fire protection improvements.
- Phase 4 includes replacement of fire alarm and sprinkler alarm 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 by Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	37	53

Purpose:

To upgrade programmable logic control (PLC) systems to current technology for increased performance and improved compatibility to develop and maintain programming standards.

Drivers:

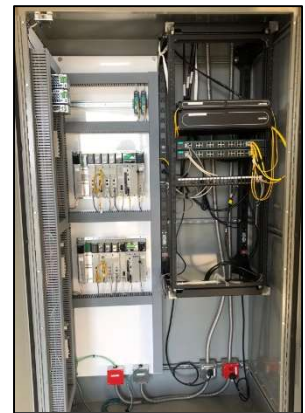
The first PLCs were installed at the treatment plant in the mid-1980s. The number of PLCs has increased from the original two PLCs to more than 30 PLCs. Programming software for the newer PLCs no longer runs efficiently on the older programming units.

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 by Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	500,000	200,000	200,000	200,000	1,100,000
FY Total	\$500,000	\$200,000	\$200,000	\$200,000	\$1,100,000

Secondary Clarifier and Channel Improvements – District Project 100047

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	26	59

Purpose:

To rehabilitate and upgrade secondary clarifier to improve performance and capacity to address ageing infrastructure and comply with seasonal TIN limits that begin in 2034. Rebuild clarifier feed and effluent channels and complete flow split improvements.

Drivers:

The secondary clarifiers were installed over 40 years ago. Staff performs annual maintenance to extend the useful life of these facilities. The most recent condition assessment confirms a rehabilitation improvements project is required. Evaluations and process modeling conclude that upgrades to the clarifier equipment are required to maximize performance under nutrient removal operating conditions-where the concentration of mixed liquor will be two to three times higher than existing.

Description:

This project includes the following major elements:

- Address immediate needs, such as coating spot repairs, to improve reliability through multiple years needed for extensive upgrades.
- Replace center column, clarifier drives, and sludge collector mechanisms. Upgrade center column foundation and eliminate seismic protection panels.
- Rehabilitate underground mixed liquor and RAS piping. Replace piping, gates, valves, and pumps as required.
- Replace secondary scum removal and repair piping systems.
- Replace the electrical support infrastructure as required.

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 by Capital Revenues.

Location(s): Secondary Clarifiers

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	2,000,000	1,500,000	-	-	3,500,000
Construction	-	-	2,000,000	12,000,000	14,000,000
FY Total	\$2,000,000	\$1,500,000	\$2,000,000	\$12,000,000	\$17,500,000

Warehouse Seismic Upgrades – District Project 100048

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	55	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 by 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$50,000	\$-	\$-	\$-	\$50,000
Design	450,000	-	-	-	450,000
Construction	-	-	1,000,000	1,000,000	2,000,000
FY Total	\$500,000	\$-	\$1,000,000	\$1,000,000	\$2,500,000

Process Optimization and Efficiency – District Project 100055

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	47	43

Purpose:

This project will evaluate the business processes optimization in all departments including optimization of processes, project workflow, and delivery in the Operations and Engineering Departments. This broad 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 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 Nutrient Management, Secondary Clarifier and Channel Improvements, and Energy Management Projects.

Description:

Review and identify organization-wide opportunities for optimization. Complete comprehensive asset evaluations and condition assessments and identify relevant optimization opportunities. Current efforts include Asset Handover. The primary focus for optimization will be the Energy Management Plan. Other potential future evaluations include secondary scum and foam control, PFAS, and potential water exchange impacts.



Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$1,000,000	\$2,400,000	\$800,000	\$800,000	\$5,000,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$1,000,000	\$2,400,000	\$800,000	\$800,000	\$5,000,000

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

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	37	53

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 replace units as they fail reactively.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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 upgrade 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.



Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$
Design	600,000	-	-	-	600,000
Construction	400,000	1,000,000	400,000	-	1,800,000
FY Total	\$1,000,000	\$1,000,000	\$400,000	\$-	\$2,400,000

Treatment Plant Odor Control Facilities Improvements – District Project 100069

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	48	40

Purpose:

Rehabilitate, replace, and optimize treatment plant odor control facilities with design criteria from the 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 first developed in 1998 and updated in 2006. 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 the 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 organic strength of wastewater 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 conduct condition assessments, field sampling, and comprehensive asset evaluations based on aging infrastructure, capacity, regulatory, and sustainability/optimization drivers. It will also evaluate the performance of odor control facilities and modify design criteria for new equipment based on future conditions or other projects.

Any rehabilitation or replacement of existing odor control facilities, including optimizations to improve safety and chemical dosing, will be completed. During design, proposed improvements will include facility modifications to protect from any impacts of highway expansion.

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): Headworks, Primary Clarifiers, Solids Conditioning Building, and Aeration Tanks

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$950,000	\$-	\$-	\$-	\$950,000
Design	500,000	500,000	1,000,000	-	2,000,000
Construction	-	-	-	14,500,000	14,500,000
FY Total	\$1,450,000	\$500,000	\$1,000,000	\$14,500,000	\$17,450,000

Piping Renovation – Phase 11 – District Project 100073

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	35	54

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 equipment such as VFDs and other equipment identified as at or near the end of its useful life.
- Service air compressors and related infrastructure.
- Assess and replace 1W piping, eyewashes, and safety showers, as needed.



Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$200,000	\$-	\$-	\$-	\$200,000
Design	300,000	1,500,000	-	-	1,800,000
Construction	-	-	4,000,000	5,700,000	9,700,000
FY Total	\$500,000	\$1,500,000	\$4,000,000	\$5,700,000	\$11,700,000

Central Chilled Water Evaluation – District Project 100074

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	55	29

Purpose:

To replace, consolidate, and improve the efficiency 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$300,000	\$-	\$-	\$-	\$300,000
Design	300,000	-	-	-	300,000
Construction	-	-	-	-	-
FY Total	\$600,000	\$-	\$-	\$-	\$600,000

Nutrient Management – District Project 100078

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	53	34

Purpose:

Comply with treatment plant TIN regulatory requirements on schedule. Ideally, pair nutrient removal with multi-benefit projects, such as recycled water and nature-based solutions, to deliver the best value solution for Central San’s rate payers.

Drivers:

Regulatory permit limits issued by the San Francisco Bay Regional Water Quality Control Board in the third Bay Area Nutrient Watershed Permit. A seasonal average 40% TIN reduction compared to 2022 loads will be enforced starting in October 2034 and Central San would need to begin complying with the new load limits by the start of the 2035 dry season (May 1 - September 30).

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The project will develop an adaptable nutrient management strategy. Key variables include any changes to regulatory limits, the performance of full-scale testing of innovative process intensification technologies such as MABR, and population growth projections. Important considerations include potential recycled water opportunities, maximizing the value of existing assets, and developing an optimal project phasing, schedule, and delivery plan. This Project is expected to reshape Central San’s Capital Improvement Plan (CIP) over the next 10 to 20 years, influencing the prioritization of future projects and impacting customer rates. The project is expected to be designed and constructed in multiple phases.

In the near term, the project will install MABR in Aeration Tank No. 2 for full-scale testing. This will confirm pilot testing results and inform the design of retrofits to the other three existing aeration tanks to maximize the nutrient reduction capabilities and value of existing infrastructure.

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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$300,000	\$2,700,000	\$2,000,000	\$1,000,000	\$6,000,000
Design	-	-	1,000,000	40,000,000	41,000,000
Construction	-	6,300,000	4,000,000	442,000,000	452,300,000
FY Total	\$300,000	\$9,000,000	\$7,000,000	\$483,000,000	\$499,300,000

Record Drawings – District Project 100086

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	NA	-

Purpose:

Input completed project record information into the District’s GIS system for future use.

Drivers:

Archiving record documents allows streamlined access to important data throughout the life cycle of the assets.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

When capital projects are completed the record information (as-built drawings, specifications, operation and maintenance manuals, startup and testing results, and project documentation) is submitted by contractors, consultants, inspectors, and staff. The record information is archived for future reference, use, and integration into future Building Information Management systems.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	200,000	\$150,000	\$150,000	-	\$500,000
FY Total	\$200,000	\$150,000	\$150,000	\$-	\$500,000

Digital Vertical Asset Migration – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	TBD	TBD

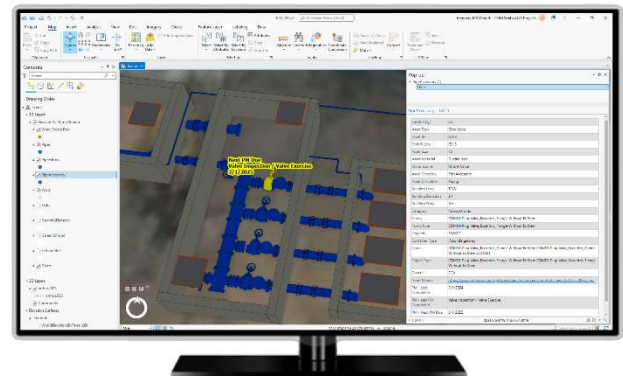
Purpose:

To develop 2D and 3D digital asset information for long term use of planning, design and construction of Treatment Plant projects. There are numerous capital projects for the Treatment Plant, Collection System and General Improvements Programs that have been completed, and this project will develop the workflows and digital assets to capture as-is conditions of these facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

This project will address Aging Infrastructure and Sustainability goals by developing digital as-builts from completed capital project improvements. This has the potential to offset future costs of design and construction by utilizing these digital assets as the basis for design.



Description:

The following are elements included in the project:

- Develop vertical assets for the Pump and Blower Building, Aeration Basin, upcoming capital projects, and the rest of the Treatment Plant.
- Leverage Esri's Indoors with floor plans, integrate with SCADA for plant assets, and display the data in a 2D/3D web application of vertical assets.
- Develop digital As-Builts.
- Develop yard piping data model, developing the layer for accurate yard piping layer with field verification of pipe assets.
- Migrate the Treatment Plant geodatabase to ArcGIS Enterprise to comply with industry standards, first with asset consolidation, exploring alternative schema structure, and analyzing the Treatment Plant/Fleet Asset Registry to optimize it for web applications and database structures.
- Install ArcGIS Monitor to monitor our current ArcGIS Enterprise infrastructure.

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$500,000	\$400,000	\$800,000	\$1,700,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$-	\$500,000	\$400,000	\$800,000	\$1,700,000

Regulatory Adaptive Management – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	TBD	TBD

Purpose:

To complete planning evaluations and pilot studies to address upcoming regulatory requirements and reduce environmental risks.

Drivers:

As environmental regulations become more stringent, it is crucial to develop long-term strategies to proactively adapt to evolving regulatory and environmental standards. This project will involve technical evaluations and pilot studies of emerging treatment technologies to ensure future compliance for the treatment plant.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project will include the following key activities:

- Assist in ensuring compliance with the Nutrient Watershed Permit.
- Support Bay Area Clean Water Agencies' and Central San's efforts in nutrient evaluation, management, and reduction strategies for the San Francisco Bay.
- Evaluate contaminants of emerging concerns, including PFAS (Per- and Polyfluoroalkyl Substances).
- Evaluate air toxics emissions and support monitoring in collaboration with the California Association of Sanitation Agencies.
- Evaluate issues related to wastewater, biosolids, air, and contaminated soil and corresponding treatment technologies.



Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$400,000	\$500,000	\$1,000,000	\$1,900,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$-	\$400,000	\$500,000	\$1,000,000	\$1,900,000

Treatment Plant DYNAC Replacement – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	TBD	TBD

Purpose:

Replace the Treatment Plant SCADA system, DYNAC.

Drivers:

The existing DYNAC system, installed in 2004, is over 20 years old. Due to its age, finding qualified technical support has become increasingly difficult. Additionally, since DYNAC's parent company was acquired by a Swiss traffic company, its use in the Water/Wastewater industry is declining.

DYNAC has several technical limitations, including outdated development tools, inadequate ad-hoc trending, excessive nuisance alarms, and inefficient data export and reporting features. A software upgrade and deploying a new SCADA system will address these issues.

Replacing DYNAC also presents an opportunity to restructure the backend of the SCADA system, enabling better integration with the upcoming Data Lake project. This integration will allow staff to leverage plant data for analysis and visualization fully.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

The project will develop standards and system architecture for the new SCADA platform. Standards development will build on existing standards.

With standards in place, a new SCADA application for the Solids building, including Furnaces, Wet Scrubbers, Centrifuges, Cake Pumps, DAF, Polymer, and other miscellaneous systems, will be developed. Once the Solids building is complete, the remainder of the treatment plant will be migrated to the new SCADA system.

Operating Department Impact and Funding Source:

The impact on the operating budget will be insignificant. Project expenditure is funded by Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	600,000	400,000	-	1,000,000
Construction	-	-	1,000,000	6,600,000	7,600,000
FY Total	\$-	\$600,000	\$1,400,000	\$6,600,000	\$8,600,000

Solids Facility Improvements – Ash System Repairs – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	TBD	TBD

Purpose:

To rehabilitate and repair the ash handling facilities within the Solids Conditioning Building (SCB) for increased reliability.

Drivers:

The existing furnaces have significant remaining useful life; however, other solids handling equipment require repairs or replacement. The ash handling system collects the ash from the bottom of the furnaces and conveys it to storage bins. A conveyance system takes the ash from the storage bins to load outside the SCB for truck hauling. The ash system must provide continual uninterrupted removal of ash from the furnaces to prevent upsets and potential furnace permit violations. Several critical items such as the screw conveyor on the loading facility has been identified for repair or replacement soon along with conveyance piping from the furnaces. The current disposal method is only available by using trucks, the ash is mixed with water before loading the trucks. If mixing or the loading conveyor is non-operable then the loading system is shut down.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description: This project will start with a detailed condition assessment of the ash system from the furnace to the loading facility. All priority and critical items found will be addressed in this project to allow for a reliable and operable ash system. The budget and timeline for this project will be updated after the condition assessment and planning efforts have concluded this fiscal year.

Operating Department Impact and Funding Source:

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

Location(s): SCB

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$500,000	\$-	\$-	\$500,000
Design	-	-	1,650,000	-	1,650,000
Construction	-	-	-	9,500,000	9,500,000
FY Total	\$-	\$500,000	\$1,650,000	\$9,500,000	\$11,650,000

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 yearly as approved through the annual budget process. This year, the annual budget for electric vehicles has been increased by 30% under the new Fleet Electrical regulations proposed by the State.
- **Equipment Acquisition** – New equipment items are purchased and approved yearly.
- **Management Information Systems** — This subprogram reflects the importance of Information Technology (IT) in Central San's daily operations. Staff will implement the IT Strategic Plan, which envisions specific improvements and extends several years into the future.
- **General Projects**—Projects include improvements to properties, legal expenses, and security systems. Central San has invested significant resources in its assets and is optimizing its lifecycle to sustainably deliver high-quality and reliable services for staff and the public.

All projects in the General Improvements Program are summarized, including past, current, and future budgets required for each project's completion, as shown in Table 4 below:

CIB Table 4 – FY 2025-26 General Improvements (GI) Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY 2025-26	Future FYs	Total by Project
8251	Capital Improvements Program & Budget Improvements	\$1,990,000	\$-	\$-	\$1,990,000
8252	EV Charging Infrastructure – Phase 1	2,290,000	1,500,000	1,500,000	5,290,000
8517	Vehicle Replacement Program	8,218,000	1,200,000	-	9,418,000
100003	Property Repairs and Improvements	1,800,000	-	-	1,800,000
100004	HOB Exterior Repairs	400,000	-	-	400,000
100027	Furnishings Replacement	200,000	-	-	200,000
100031	Community Development System Replacement	1,160,000	-	-	1,160,000
100033	Security Improvements FY 2021+	1,000,000	1,500,000	4,600,000	7,100,000
100035	Technology Strategic Plan	800,000	-	-	800,000
100063	IT Development FY 2023+	1,450,000	1,600,000	7,300,000	10,350,000
100064	Capital Legal Services FY 2023+	100,000	120,000	1,080,000	1,300,000
100067	POD Parking Lot Improvements	350,000	-	-	350,000
100071	Long Term Wet Weather Resiliency	700,000	250,000	750,000	1,700,000
100079	Mt. View Sanitary District Feasibility Study	400,000	250,000	100,000	750,000
100080	Equipment Acquisition FY 2024+	300,000	500,000	3,200,000	4,000,000
100087	4737 Imhoff Remodel – Bay 1	200,000	300,000	200,000	700,000
TBD	Board Room Rejuvenation	-	300,000	700,000	1,000,000
TBD	Property Repairs and Improvements FY 2025+	-	105,000	1,395,000	1,500,000
	GI Program Total:	\$21,358,000	\$7,625,000	\$20,825,000	\$49,808,000

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 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 continued 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, ProCore construction and management software implementation, 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:

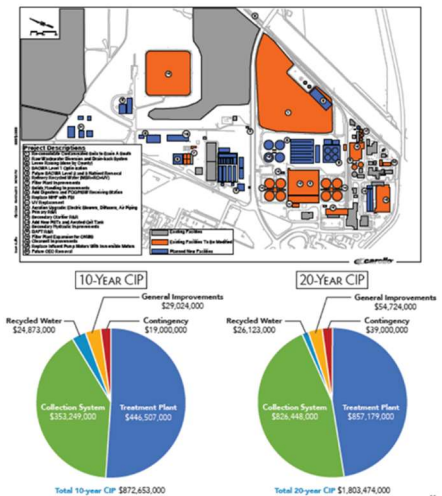
This project will not have an impact on operating budgets. Project expenditure is funded by Capital Revenues.

Location(s): Central San-wide

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

CAPITAL IMPROVEMENT PLAN

The Comprehensive Wastewater Master Plan encompasses a \$1.8 billion (2016 dollars) 20-year capital improvement program (CIP) for the collection system and treatment plant, with \$873 million of capital improvements within the first ten years. These short-term and long-term investments in our systems align with our mission to always protect public health and the environment and maintain the excellent service levels our customers expect from Central San.



Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$100,000
Design	-	-	-	-	-
Construction	1,890,000	-	-	-	1,890,000
FY Total	\$1,990,000	\$-	\$-	\$-	\$1,990,000

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

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	46	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, Collection System Operations, and the Moraga and San Ramon Pumping Stations.

Operating Department Impact and Funding Source:

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



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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$90,000	\$-	\$-	\$-	\$90,000
Design	450,000	-	-	-	450,000
Construction	1,750,000	1,500,000	1,500,000	-	4,750,000
FY Total	\$2,290,000	\$1,500,000	\$1,500,000	\$-	\$5,290,000

Vehicle Replacement Program – District Project 8517

Program:	Phase:	Priority Rank:	Ranking Score
General Improvements	Construction	9	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, have 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 carryforward 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 2025-26:

- ½ Ton 4x2 Truck (4)
- ½ Ton 4x4 Truck (3)
- Mid-size 4x2 Truck (7)
- 4-Door Sedan (2)
- 4-Door (7-seat) SUV (1)
- Excavator (1)
- ¾ Trucks if CARB regulations allow

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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	8,218,000	1,200,000	-	-	9,418,000
FY Total	\$8,218,000	\$1,200,000	\$-	\$-	\$9,418,000

Property Repairs and Improvements – District Project 100003

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	40	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 by Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	50,000	-	-	-	50,000
Construction	1,750,000	-	-	-	1,750,000
FY Total	\$1,800,000	\$-	\$-	\$-	\$1,800,000

Headquarters Office Building Exterior Repairs – District Project 100004

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	40	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, Information Technology, Finance, Human Resources, Purchasing, and other groups. The building has exterior paint, caulking, roof parapet, coatings on steel awnings, and other items are beyond their useful life and in poor condition.

Description:

This project will recoat the exterior stucco and perform other repairs so that the building will be watertight for years to come. It 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 by Capital Revenues.

Location(s): Headquarters Office Building

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	55	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 FY 2021-22 to capitalize the multi-purpose room table and chair replacements and the second-floor conference room in the Headquarters Office Building. Any carryforward budget will continue in future years as staff evaluates and plans and justifies any 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 by Capital Revenues.

Location(s): Central San wide

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	200,000	-	-	-	200,000
FY Total	\$200,000	\$-	\$-	\$-	\$200,000

Community Development System Replacement – District Project 100031

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	19	63

Purpose:

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

Drivers:

Implement a public-facing, 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 being corrected, and the level of reconfiguration is determined and scheduled. This project will continue exploring the implementation of functional permitting software that meets staff's needs and provides a high level of customer service to the public.



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 consultancy services for the administration of the system. Project expenditure is funded by Capital Revenues.

Location(s):

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	1,160,000	-	-	-	1,160,000
FY Total	\$1,160,000	\$-	\$-	\$-	\$1,160,000

Security Improvements FY 2021+ – District Project 100033

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	40	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.
- Evaluate the Imhoff Place campus and provide security recommendations.
- Security Fencing and perimeter cameras.

Operating Department Impact and Funding Source:

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

Location(s): Martinez campus

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	100,000	-	-	-	100,000
Construction	900,000	1,500,000	1,400,000	3,200,000	7,000,000
FY Total	\$1,000,000	\$1,500,000	\$1,400,000	\$3,200,000	\$7,100,000

Technology Strategic Plan – District Project 100035

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	35	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 Budget and the Ten-Year Capital Improvement Plan.

Description:

This project was created from the IT Strategic Plan which includes the following major elements:

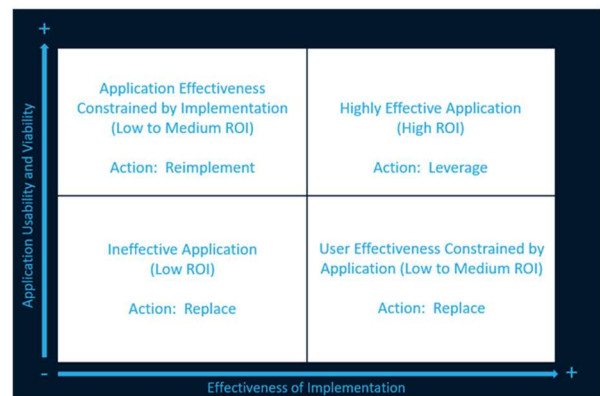
- Smart Utility Initiatives
- Business Intelligence & Analytics
- Supervisory Control and Data Acquisition (SCADA) roadmap
- Enterprise Asset Management (EAM) – Asset reliability, condition, and health monitoring
- Electronic Document Management
- Enterprise Systems and Architecture
- Geographic Information 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 by Capital Revenues.

Location(s): Central San-wide

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$800,000	\$-	\$-	\$-	\$800,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$800,000	\$-	\$-	\$-	\$800,000

Information Technology Development FY 2023+ – District Project 100063

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	10	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.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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 2024-25 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 systems



Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	1,450,000	1,600,000	1,300,000	6,000,000	10,350,000
FY Total	\$1,450,000	\$1,600,000	\$1,300,000	\$6,000,000	\$10,350,000

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 requires 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. The annual rate has increased since 2024 due to the larger capital program and update or focus on construction contracts.



Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	100,000	120,000	120,000	960,000	1,300,000
FY Total	\$100,000	\$120,000	\$120,000	\$960,000	\$1,300,000

Plant Operations Division Parking Lot Improvements – District Project 100067

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	40	51

Purpose:

To inspect, replace, and improve the Plant Operations Division (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, 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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	50,000	-	-	-	50,000
Construction	300,000	-	-	-	300,000
FY Total	\$350,000	\$-	\$-	\$-	\$350,000

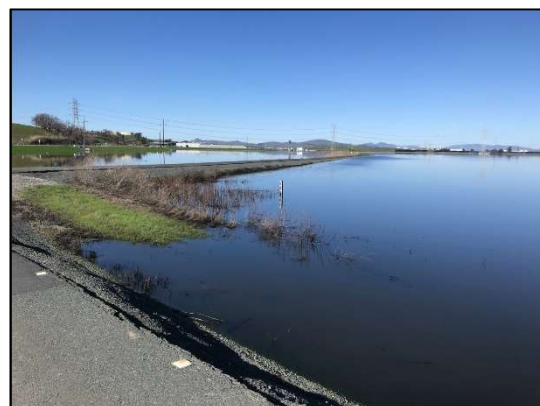
Long-Term Wet Weather Resiliency – District Project 100071

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	61	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. 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.
- Continue with ongoing SmartCover level monitoring efforts including the Rainfall Derived Inflow/Infiltration Reduction Investigation and Capacity Deficiency Validation 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 by Capital Revenues.

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

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$200,000	\$250,000	\$-	\$250,000	\$700,000
Design	-	-	-	-	-
Construction	500,000	-	250,000	250,000	1,000,000
FY Total	\$700,000	\$250,000	\$250,000	\$500,000	\$1,700,000

Mt. View Sanitary District Feasibility Study – District Project 100079

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	59	28

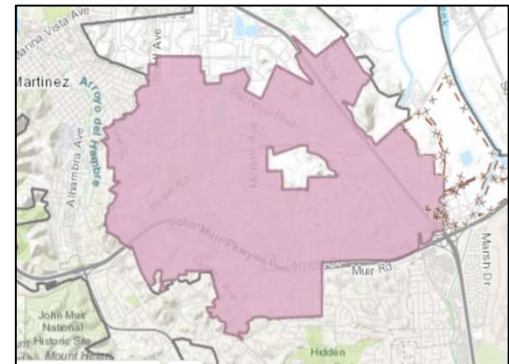
Purpose: To consider the feasibility of consolidation with Mt. View Sanitary District (MVSD).

Drivers: The Municipal Service Review on Wastewater from the Contra Costa County Local Agency Formation Commission (LAFCO) is expected to recommend that a study be conducted and completed by January 1, 2027, to evaluate the feasibility of a consolidation with MVSD. There may be opportunities in Martinez for a consolidated sanitary district that benefits both customer bases, financially and environmentally.

Description: Central San’s Board entered a Memorandum of Understanding with MVSD to jointly consider the feasibility of consolidation in October 2023. A consultant was engaged in October 2024 to complete the study by June 2026. 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.
- The consolidated district would absorb both agencies’ employees and ensure compensation and benefits are maintained for all employees of both agencies.
- 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 it is mutually beneficial and both agencies agree to consolidation, then a transition plan for consolidation and preliminary engineering for any needed infrastructure improvements would follow.

Operating Department Impact and Funding Source:

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

Location(s): MVSD in Martinez

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2025-26	Future FYs	Total
Planning	\$400,000	\$250,000	\$100,000	\$-	\$750,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$400,000	\$250,000	\$100,000	\$-	\$750,000

Equipment Acquisition 2024+ – District Project 100080

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	15	69

Purpose:

To provide new, safe, and cost-effective equipment for the operations and maintenance of Central San facilities.

Drivers:

This project is developed as a multi-year program to procure new equipment required for the operations and maintenance of assets throughout Central San.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

This project is a multi-year program, ten 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 by Capital Revenues.

Location(s): Central San-wide

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	300,000	500,000	400,000	2,800,000	4,000,000
FY Total	\$300,000	\$500,000	\$400,000	\$2,800,000	\$4,000,000

4737 Imhoff Remodel - Bay 1 – District Project 100087

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	61	26

Purpose:

To improve the existing work area for Central San’s Environmental Compliance workgroup in 4737 Imhoff Place.

Drivers:

Bay 1 is located inside the 4737 Imhoff Place Warehouse and was constructed in 1979 with seismic upgrades completed in 2012. Central San’s Environmental Compliance office, file storage, laboratory, inspection vehicle parking, and twelve staff are in Bay 1.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

Improvements to Bay 1 have been requested by staff due to deteriorating conditions and to better accommodate office and warehouse needs, optimize space utilization, increase safety and security. This project will evaluate, design, and construct renovations to the office spaces, conference room, break room, plan review area, restrooms, file storage, vehicle storage, laboratory, HVAC, fire protection, and required ADA compliance.



Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is funded by Capital Revenues. Security or IT improvements will be funded and coordinated with other projects in this Program.

Location(s): Bay 1 of the 4737 Imhoff Place Warehouse

Project Budget					
Phase	Budget-to-Date	FY 2024-25	FY 2025-26	Future FYs	Total
Planning	\$100,000	\$-	\$-	\$-	\$150,000
Design	100,000	50,000	-	-	150,000
Construction	-	250,000	200,000	-	450,000
FY Total	\$200,000	\$300,000	\$200,000	\$-	\$700,000

Board Room Rejuvenation – District Project TBD

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning/ Design	TBD	TBD

Purpose: To update and make interior improvements to the Board room for the public and staff meetings.

Drivers: Technology and audience seating have changed throughout the years for public meetings along with lighting, energy, and ADA requirements. The Board room will be assessed and updated with the latest building requirements focused on providing an accessible public meeting area with improved video and communications technology.

Description: This project will evaluate and recommend improvements related to the restrooms, security, information technology (IT), presentations, audience seating, lighting, heating and cooling controls, public access/ADA requirements, and include the caucus room for privacy concerns.

Operating Department Impact and Funding Source:

This project will not have an impact on the operating budgets. Project expenditure is funded by Capital Revenues. Depending on the IT requirements, some or all the equipment funding may be funded by the IT Development Project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Location(s): Board Room

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$	\$100,000	\$-	\$-	\$100,000
Design	-	200,000	-	-	200,000
Construction	-	-	500,000	200,000	700,000
FY Total	\$-	\$300,000	\$500,000	\$200,000	\$1,000,000

Property Repairs and Improvements FY 2025 – District Project TBD

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

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 (HHWCF), 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. The HHWCF along with other Central San properties are being evaluated.

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 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	-	105,000	155,000	1,240,000	1,500,000
FY Total	\$-	\$105,000	\$155,000	\$1,240,000	\$1,500,000

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Capital Improvement Budget – Recycled Water Program

Central San provides landscape irrigation water that meets all the requirements of the State Water Resources Control Board's Division of Drinking Water and the San Francisco Regional Water Quality Control Board for unrestricted landscape irrigation. Recycling water means less water is diverted from the Delta environment. Recycled water is a valuable resource, especially during drought years when water for landscape irrigation is less available because of water rationing.

In 1996, Central San and the Contra Costa Water District (CCWD) reached an agreement allowing Central San to supply recycled water to specific Concord and Pleasant Hill areas. 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 daily for irrigation use in Zone 1. Central San will continue collaborating 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 various 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 primary emphasis of the Recycled Water Program for the next fiscal year will be to finalize the 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 for customers and use at Central San’s treatment plant. In addition, the Filter Plant & Clearwell – Phase 1B will finish the design for critical electrical replacement at the Filter Plant building and the 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 in Table 5:

CIB Table 5 – FY 2025-26 Recycled Water Program Budget/Project Summary

Project Number	Project	Budget-to-Date	FY 2025-26	Future FYs	Total Project Cost
7361	Filter Plant & Clearwell Improvements – Phase 1A	\$41,689,000	\$-	\$-	\$41,689,000
7366	Recycled Water Distribution System Renovations Program	745,000	215,000	215,000	1,175,000
7368	Water Exchange Project	400,000	-	-	400,000
100002	Filter Plant & Clearwell Improvements – Phase 1B	2,200,000	2,000,000	10,750,000	14,950,000
100036	Zone 1 Recycled Water	203,000	103,000	515,000	821,000
	Recycled Water Program Total:	\$45,237,000	\$2,318,000	\$11,480,000	\$59,035,000

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

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	6	80

Purpose:

Rehabilitating and replacing 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 original, showing signs of significant wear, and requires replacement to ensure operational reliability. The rehabilitation project will include opportunities to minimize energy demand and reduce chemical dosing requirements. Additional improvements will be incorporated in the 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, improvements to chemical addition, 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 by Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$1,130,000	\$-	\$-	\$-	\$1,130,000
Design	2,870,000	-	-	-	2,870,000
Construction	37,689,000	-	-	-	37,689,000
FY Total	\$41,689,000	\$-	\$-	\$-	\$41,689,000

Recycled Water Distribution System Renovations Program – District Project 7366

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	59	28

Purpose:

To renovate existing recycled water distribution system facilities.

Drivers:

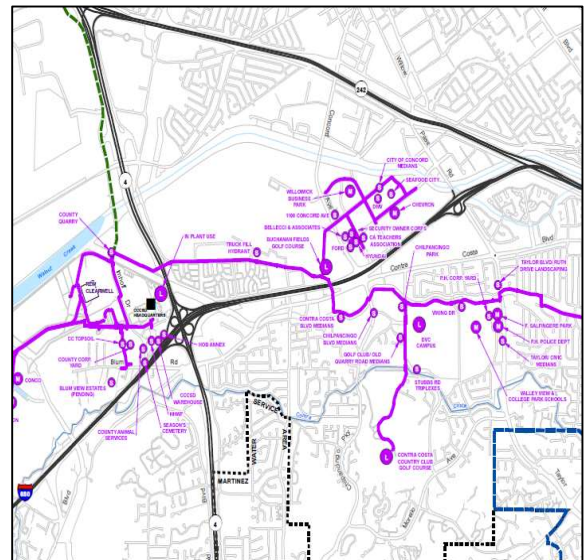
Central San's recycled water distribution system consists of approximately 13 miles of recycled water distribution piping, which includes isolation valves, air relief valves, hydrants, flow meters, and other connections and appurtenances. The recycled water distribution system includes pressured pipes and appurtenances installed over various years ranging from the mid-1990s to 2015 and now serves over 50 customers. Project funds will be utilized to renovate infrastructure at the end of its useful life to maintain reliable service to Central San's recycled water customers.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Description:

The following recycled water assets being evaluated for renovation include:

- Isolation valves
- Air relief valves
- Other valves and appurtenances to improve system reliability



Operating Department Impact and Funding Source:

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

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, Martinez

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	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	52	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.

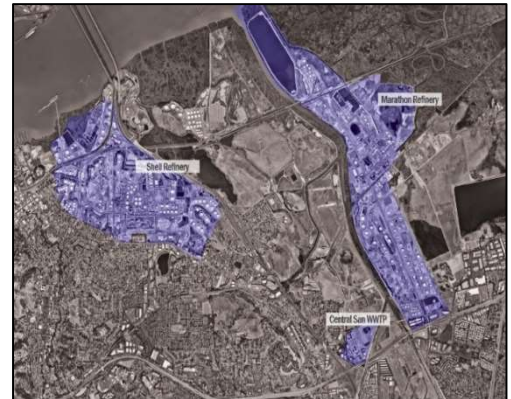
Drivers:

TIN discharge regulations will soon require Central San to invest in treatment plant upgrades. This project seeks to leverage Central San's investment by collaborating 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 a 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 by Capital Revenues.

Location(s): Treatment Plant and City of Martinez

Project Budget					
Phase:	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$400,000	\$-	\$-	\$-	\$400,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	\$400,000	\$-	\$-	\$-	\$400,000

Filter Plant and Clearwell Improvements – Phase 1B – District Project 100002

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Design/Construction	18	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 routinely 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 primarily original, showing signs of significant wear, and requires replacement to ensure operational reliability. Preliminary work 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 into a separate project.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	1,950,000	-	-	-	1,950,000
Construction	250,000	2,000,000	3,000,000	7,750,000	13,000,000
FY Total	\$2,200,000	\$2,000,000	\$3,000,000	\$7,750,000	\$14,950,000

Zone 1 Recycled Water – District Project 100036

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	39	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 the Cities of Concord and Martinez.

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 CCWD. 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 the system's connection options.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability



Description:

This project includes preparing standard specifications and details for recycled water mainline extensions 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 by Capital Revenues.

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, and Martinez

Project Budget					
Phase	Budget-to-Date	FY 2025-26	FY 2026-27	Future FYs	Total
Planning	\$-	\$-	\$-	\$-	\$-
Design	-	-	-	-	-
Construction	203,000	103,000	103,000	412,000	821,000
FY Total	\$203,000	\$103,000	\$103,000	\$412,000	\$821,000

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Ten-Year Capital Improvement Plan (FY 2025 – FY 2035)

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 from July 1, 2025, ending June 30, 2035. It incorporates the recommendations from the June 2017 Comprehensive Wastewater Master Plan (CWMP). The Ten-Year CIP is updated every year. Specifically, the plan identifies and prioritizes capital projects needed to accomplish Central San’s Vision, Mission, Values, and Goals. It also includes planning-level cost estimates for proposed projects and projections for the various sources of revenue needed to meet the cash flow requirements. The principal purpose of the Ten-Year CIP is to provide the Board of Directors (Board) with the information needed to formulate a long-range policy regarding:

- **Priority and Schedule** – Identify, prioritize, and schedule the projects necessary to accomplish Central San’s Vision, Mission, Values, and Goals.
- **Financing** – Plan for sufficient financial resources to complete the proposed projects.

The CWMP was a critical tool used by Central San to implement the following strategies from Central San’s Strategic Plan (FYs 2022-2024):

- **Achieve 100% Compliance with All Regulations** by meeting all air, water, land, and other requirements and by striving to minimize spills by implementing 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 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 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 four programs (Treatment Plant, Collection System, General Improvements, and Recycled Water), as shown in the Capital Improvement Budget (CIB).

The Capital Improvement Plan sections for each program provide a brief description of each program and a list of major projects for the Ten-Year CIP. The estimated costs for all the projects listed in the Ten-Year CIP are approximately \$1.3 billion.

Major Changes to the Ten-Year Capital Improvement Plan

Last year, the total estimated costs for the Ten-Year CIP were approximately \$1.0 billion. The increase of over \$260 million to the CIP is due to increased project costs to meet increased limits for nutrient reduction at the wastewater treatment plant. These increased project costs are so impactful that over \$200 million of existing treatment plant projects have been pushed back, and the scope and scheduling of several additional electrical and process modification projects are being re-evaluated. These projects

include Cogen replacement, Solids Handling Facility Improvements – MACT, Wet Weather Flow Management- Phase 2, Steam Renovations – Phase 2, Primary Expansion, and Filter Plant – Phase 1C.

The Nutrient Management project and efforts under the Process Optimization and Efficiency projects will assist Central San by developing a roadmap for nutrient and energy projects within the Ten-Year Plan. The Nutrient Management project started last 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. This information will guide future upgrades or facilities based on potential regulations to protect the bay. The budget was updated this fiscal year and developed using the existing plant facilities and MABR technology, and other methods to reduce nutrients; however, if this is not feasible, then the approach would be to expand the secondary treatment facilities to accommodate the reduction as stated below (Traditional Nutrient Removal facilities) and is currently underfunded in the Ten-Year Plan.

Central San's long-term solids handling has been re-evaluated and significantly impacts 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 depend on the final recommendation of the ongoing planning efforts and the Solids Phase 1C (Solids Facility Improvements – Ash Systems Repairs) project that starts this fiscal year.

Ten-Year Capital Improvement Plan Budget Process

The Ten-Year Financial Plan contains adequate revenues to meet the Ten-Year CIP. Revenue sources include additional proceeds from the 2021 State Revolving Fund (SRF) loan used to fund the Solids Handling Facility Improvements Project. The current financial plan assumes two new debt offerings. While these are assumed to be revenue bonds, some or all of the bonds could be replaced with lower-interest SRF loans if Central San successfully applies for and receives additional SRF funding.

Each year, the Board formally authorizes the next year of capital spending as the CIB. Before submitting the annual CIB to the Board, Staff reviews projects within the proposed CIB and the rest of the CIP. The scope and scheduling of projects may be adjusted during this review.

2017 Comprehensive Wastewater Master Plan

The CWMP was completed in June 2017. A key deliverable 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 by implementing the Asset Management Plan and confirmed long-term repair and replacement strategies.

Potential New and Unbudgeted Projects

The CWMP focused on the current needs of Central San, which are shown in the current Ten-Year CIP. However, the potential future projects identified based on evolving regulatory requirements or potential growth opportunities 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 \$800.0 million, most of which may be within the next twenty years. These unbudgeted projects include the following:

- Traditional Nutrient Removal Facilities, if needed
- 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 plans 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 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 update the existing infrastructure's condition and confirm the timing and cost of rehabilitating or replacing large-diameter sewers and force mains. Overall, these projects aim to reduce the risk of spills 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 to alleviate capacity deficiencies and determine sewer replacement needs.

The *InfoMaster*® was updated to the *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 the 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 groups 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 2035	Collection System	This program will fund maintenance access cover modifications and replacements 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 area 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 the 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.
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

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, which is scheduled to be completed by 2025.

Ten-Year CIP – Collection System Program Projects

Capacity and Regulatory Compliance

Project Title	Year(s)	Location	Description
Collection System Modeling Support	Present through 2035	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.

Ten-Year CIP – Collection System Program Projects

Contractual Assessment Districts and Development Sewerage

Project Title	Year(s)	Location	Description
Development of 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, PFAS, 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 Ten-Year CIP – Treatment Plant Program projects. 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 2030	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 the replacement of large underground aeration piping and valves.
Steam Renovations – Phase 1	Present through 2028	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 2031	UV Channel, Final Effluent Channel	Replace the existing aging 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 2035	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 the outfall pipe and make necessary repairs. This project will require complicated shutdowns and temporary bypass pumping and piping.
Primary Expansion	2035+	Pre-Aeration, Primaries	Construct one additional primary sedimentation tank and a corresponding new pre-aeration (grit removal) tank, improve wet weather grit handling, and replace primary sludge pumps.
Wet Weather Flow Management – Phase 2	2035+	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	2025 to 2035+	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. This project has been split to near term repairs under the Solids Facilities Improvements – Ash Handling Repairs and any future project based on condition assessments will be completed under Solids Phase 2 below or a separate future project.
Solids Handling Facility Improvements – Phase 2	2035+	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	TBD	Solids Conditioning Facilities	Rehabilitate and renovate the DAFT Tanks used for waste activated sludge thickening. This project has been integrated to the Nutrient Management project.

Ten-Year CIP – Treatment Plant Program Projects

General Treatment Plant and Safety Improvements

Project Title	Year(s)	Location	Description
Surcharge Soil Pile Relocation	TBD	Surcharge Pile, Basin A South	Excavate and relocate surcharge pile soils to Basin A South and replace soil cap. This project has been integrated with the Nutrient Management Project
Warehouse Seismic Upgrades	Present to 2029	Warehouse	Implement upgrades to the Warehouse building to meet current seismic design standards and improve overall seismic safety. Project has been delayed a minimum of two years due to the construction activities impacting the surrounding areas.
Treatment Plant Safety Enhancements – Phases 5 through 8	Present to 2035	Treatment Plant	Continue implementing safety-related enhancements around the treatment plant to address safety concerns proactively.
Aging Infrastructure Replacement Program	Present to 2035	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 upgrading and replacing 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, improve sustainability, or help meet sustainability-related goals. This includes implementing property and building improvements, addressing equipment needs, acquiring new properties if required, completing the development of the Asset Management Program, upgrading information management systems and data management systems, enhancing general security improvements, and cybersecurity. Many of Central San’s buildings are over 25 years old. They 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 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 2035	Central San-wide	Acquisition of new equipment for operation and maintenance of Central San assets.
Vehicle Replacement Program	Present to 2035	Central San-wide	Continued replacement and acquisition of new Central San vehicles. Additional funding for EV in the fleet has been included in future replacement budgets.

Ten-Year CIP – General Improvements Program Projects

Buildings and District Property

Project Title	Year(s)	Location	Description
Property Repairs and Improvements	Present to 2035	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 2035	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 2035	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 and PFAS, 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 the 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 a 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 wholesale recycled water distribution 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 2035	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 2025	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including two large storage tanks and related electrical, instrumentation 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 and electrical systems in need of replacement.
Filter Plant & Clearwell Improvements – Phase 1C	2035+	Treatment Plant	Complete the rehabilitation and replacement of the forebays, applied water pumps, new chlorine contact basin, and related electrical, instrumentation and control system upgrades. Project has been rescheduled due to the progress of the Phase- 1A project. New chlorine contact basins are recommended for 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. It also serves as the capital improvement expenditure basis for performing the fee analysis.

This plan includes projected expenditures totaling \$1,265,620,000 (in 2025 dollars) from FY 2025-26 through FY 2034-35. A summary of the planned expenditures by program, without future inflation, for the Ten-Year CIP is included in Tables 1-5.

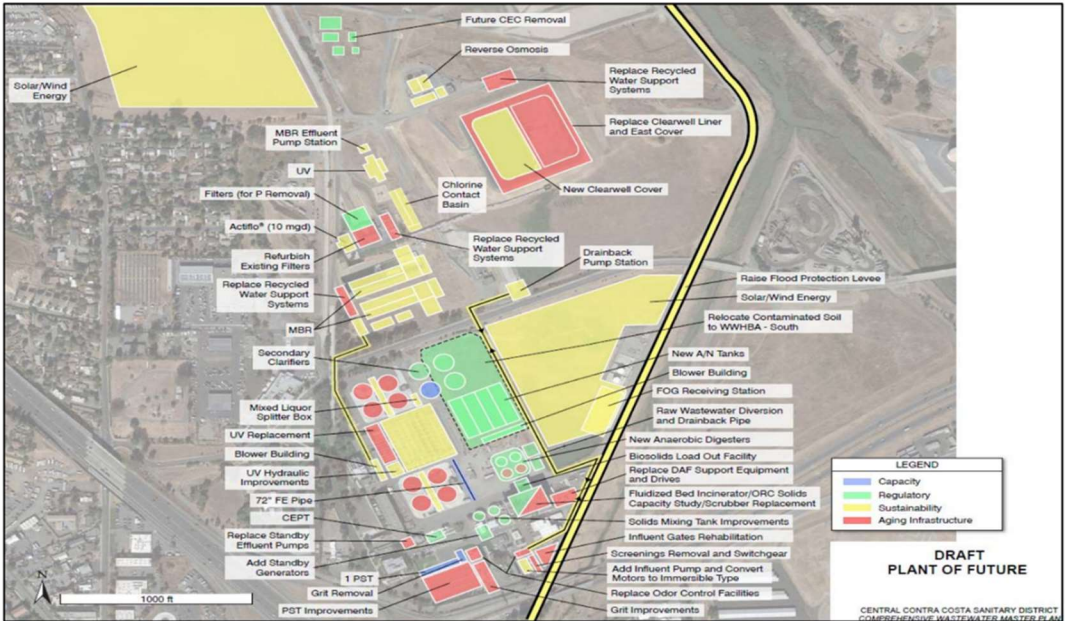


Illustration of a Potential Central San Treatment Plant of the Future

Table 1 - Ten-Year Program: Collection System		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project #	Project Name	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
8443	Large Diameter Pipeline Inspection Program - Phase 1	8,900,000	3,000,000	1,900,000	1,900,000	2,100,000	-	-	-	-	-	-
8444	Force Main Inspection Program - Phase 1	1,250,000	-	500,000	500,000	250,000	-	-	-	-	-	-
8447	Pumping Station Security Improvements	-	-	-	-	-	-	-	-	-	-	-
8450	Development Sewerage Support	1,854,000	927,000	927,000	-	-	-	-	-	-	-	-
8457	Pumping Station Upgrades - Phase 2A	8,850,000	5,000,000	3,850,000	-	-	-	-	-	-	-	-
100006	Central San Sewer Financing Programs	600,000	100,000	100,000	100,000	100,000	100,000	100,000	-	-	-	-
100007	39-Inch Main Trunk No. 1 Renovation	-	-	-	-	-	-	-	-	-	-	-
100037	Orinda-Moraga PS Arch. Improvements	1,100,000	800,000	300,000	-	-	-	-	-	-	-	-
100039	Collection System Sewer Renovation - Phase 2	39,276,000	16,445,000	22,831,000	-	-	-	-	-	-	-	-
100041	Buchanan Lift Stations Abandonment & Sewer	3,974,000	3,974,000	-	-	-	-	-	-	-	-	-
100042	Pump Station Upgrades - Phase 2B	2,331,000	2,331,000	-	-	-	-	-	-	-	-	-
100044	Collection System Modeling Support	1,010,000	125,000	125,000	125,000	125,000	125,000	125,000	130,000	130,000	-	-
100060	Pump Station Equipment & Piping Replacement 2023+	2,800,000	1,200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-
100061	Maintenance Access Cover Modifications	2,700,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	-
100070	Cedar Lane Sewer Modifications	-	-	-	-	-	-	-	-	-	-	-
CS-TBD12	Collection System Renovation Program - All Pipelines	186,950,000	-	-	22,500,000	22,700,000	22,700,000	22,700,000	22,700,000	22,700,000	22,700,000	28,250,000
CS-TBD13	Development Sewerage Support 2027+	7,650,000	-	-	950,000	950,000	950,000	950,000	950,000	950,000	950,000	1,000,000
100062	Pumping Station SCADA & PLC Upgrades	2,300,000	-	-	500,000	1,800,000	-	-	-	-	-	-
TBD	Future Collection System Modeling Support	280,000	-	-	-	-	-	-	-	-	130,000	150,000
CS-TBD10	Collection System Master Plan (Update)	1,000,000	-	-	-	-	-	-	-	-	500,000	500,000
CS-TBD14	Contractual Assesment District Project	1,000,000	-	-	-	-	-	-	250,000	250,000	250,000	250,000
TBD	Maintenance Access Cover Modifications 2034+	300,000	-	-	-	-	-	-	-	-	-	300,000
TBD	Pump Station Equipment & Piping Replacement 2034+	200,000	-	-	-	-	-	-	-	-	-	200,000
Collection System Total:		\$ 274,325,000	\$ 34,202,000	\$ 31,033,000	\$ 27,075,000	\$ 28,525,000	\$ 24,375,000	\$ 24,375,000	\$ 24,530,000	\$ 24,530,000	\$ 25,030,000	\$ 30,650,000

Table 2 - Ten-Year Program: Treatment Plant		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project #	Project Name	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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	119,445,000	41,000,000	41,000,000	35,300,000	2,145,000	-	-	-	-	-	-
7370	Annual Infrastructure Replacement	2,350,000	700,000	900,000	400,000	350,000	-	-	-	-	-	-
100010	Air Conditioning and Lighting Renovations	100,000	100,000	-	-	-	-	-	-	-	-	-
100012	UV Disinfection Replacement	90,000,000	-	1,000,000	7,000,000	23,000,000	25,000,000	25,000,000	9,000,000	-	-	-
100014	MRC Building Modifications and Maintenance Shops Improvements	3,400,000	1,200,000	2,200,000	-	-	-	-	-	-	-	-
100019	Aeration Basin Diffusers Replacement - Phase 1	9,599,000	7,100,000	2,499,000	-	-	-	-	-	-	-	-
100022	Wet Weather Basin Improvements	8,800,000	2,000,000	3,500,000	3,300,000	-	-	-	-	-	-	-
100032	Steam Renovations - Phase 1	10,500,000	2,500,000	5,000,000	3,000,000	-	-	-	-	-	-	-
100034	TP Safety Enhancement Program	1,950,000	400,000	300,000	300,000	200,000	150,000	150,000	150,000	150,000	150,000	-
100040	Electrical Facilities Plan & Centralized Sub 55	30,000,000	2,000,000	2,500,000	-	4,500,000	7,000,000	7,300,000	3,600,000	3,100,000	-	-
100046	Control System Upgrades	600,000	200,000	200,000	200,000	-	-	-	-	-	-	-
100047	Secondary Clarifier and Channel Improvements	15,500,000	1,500,000	2,000,000	5,000,000	5,000,000	2,000,000	-	-	-	-	-
100048	Warehouse Seismic Upgrades	2,000,000	-	1,000,000	1,000,000	-	-	-	-	-	-	-
100055	Process Optimization and Efficiency	4,000,000	2,400,000	800,000	800,000	-	-	-	-	-	-	-
100057	Plant Control System I/O Replacement - Phase 3	1,400,000	1,000,000	400,000	-	-	-	-	-	-	-	-
100069	TP Odor Control Facilities Improvements (w/ SCB Repairs)	16,000,000	500,000	1,000,000	3,000,000	3,600,000	3,400,000	3,500,000	1,000,000	-	-	-
100073	Piping Renovation - Phase 11	11,200,000	1,500,000	4,000,000	4,000,000	1,700,000	-	-	-	-	-	-
100078	Nutrient Management	499,000,000	9,000,000	7,000,000	8,000,000	26,000,000	35,000,000	53,000,000	97,000,000	99,000,000	102,000,000	63,000,000
100086	Record Drawings	300,000	150,000	100,000	50,000	-	-	-	-	-	-	-
TBD	Digital Vertical Assets	1,700,000	500,000	400,000	400,000	400,000	-	-	-	-	-	-
TBD	Regulatory Adaptive Management	1,900,000	400,000	500,000	500,000	500,000	-	-	-	-	-	-
TP-TBD30	Treatment Plant Dynac Replacement	8,600,000	600,000	1,400,000	-	3,600,000	3,000,000	-	-	-	-	-
TP-TBD31	Solids Facility Improvements - Ash System Repairs	11,650,000	500,000	1,650,000	1,500,000	3,500,000	4,500,000	-	-	-	-	-
Treatment Plant Sub Total:		854,494,000	75,250,000	80,849,000	75,250,000	75,995,000	80,050,000	88,950,000	110,750,000	102,250,000	102,150,000	63,000,000

Table 2 - Ten-Year Program: Treatment Plant (Continued)		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project #	Project Name	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TBD	Cogen Network Controls Upgrade	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-
TBD	Aeration Basin Diffusers and Seismic Improvements - Phase2	28,500,000	-	5,000,000	10,000,000	11,000,000	2,500,000	-	-	-	-	-
TP-TBD33	Plant Control System I/O Replacement Phase 4	2,400,000	-	-	400,000	1,000,000	1,000,000	-	-	-	-	-
TP-TBD15	Outfall Improvements - Phase 8	7,500,000	-	-	500,000	1,000,000	3,500,000	2,500,000	-	-	-	-
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-TBD11	Annual Infrastructure Replacement FY 2030+	4,800,000	-	-	-	-	-	800,000	1,000,000	1,000,000	1,000,000	1,000,000
TP-TBD17	WWTP Master Plan (Update)	600,000	-	-	-	-	-	-	-	-	600,000	-
TP-TBD10	Cogen Replacement	500,000	-	-	-	-	-	-	-	-	-	500,000
TBD	Solids Handling Facility Improvements - MACT	500,000	-	-	-	-	-	-	-	-	-	500,000
TP-TBD23	Wet Weather Flow Management - Phase 2	500,000	-	-	-	-	-	-	-	-	-	500,000
TP-TBD18	Steam Renovations - Phase 2	500,000	-	-	-	-	-	-	-	-	-	500,000
TBD	Future Safety Enhancement Program	500,000	-	-	-	-	-	-	-	-	-	500,000
TP-TBD25	Primary Expansion (Tank 5)	500,000	-	-	-	-	-	-	-	-	-	500,000
TP-TBD32	Solids Handling Facility Improvements - Phase 2	350,000	-	-	-	-	-	-	-	-	-	350,000
Treatment Plant Total:		\$ 932,644,000	\$ 75,250,000	\$ 86,849,000	\$ 86,150,000	\$ 88,995,000	\$ 92,050,000	\$ 97,250,000	\$ 116,750,000	\$ 108,250,000	\$ 108,750,000	\$ 72,350,000

Table 3 - Ten-Year Program: General Improvements		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project #	Project Name	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
8252	EV Charging Infrastructure - Phase 1	3,000,000	1,500,000	1,500,000	-	-	-	-	-	-	-	-
8517	Vehicle Replacement Program	1,200,000	1,200,000	-	-	-	-	-	-	-	-	-
100031	Community Dev. System Replacement	-	-	-	-	-	-	-	-	-	-	-
100033	Security Improvements	6,100,000	1,500,000	1,400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
100063	IT Development FY 2023+	8,900,000	1,600,000	1,300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-
100064	Capital Legal Services 2023+	1,200,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
100071	Long Term Wet Weather Resiliency	1,000,000	250,000	250,000	250,000	250,000	-	-	-	-	-	-
100079	Mt. View Sanitary District Feasibility Study	350,000	250,000	100,000	-	-	-	-	-	-	-	-
100080	Equipment Acquisition FY 2024+	3,700,000	500,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	-
TBD	Property Repairs and Improvements FY 2025+	1,500,000	105,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
100087	4737 Imhoff Remodel - Bay 1	500,000	300,000	200,000	-	-	-	-	-	-	-	-
TBD	Board Room Rejuvenation	1,000,000	300,000	500,000	200,000	-	-	-	-	-	-	-
TBD	IT Development FY 2033+	2,000,000	-	-	-	-	-	-	-	-	1,000,000	1,000,000
TBD	Equipment Acquisition FY 2034+	400,000	-	-	-	-	-	-	-	-	-	400,000
GI-TBD06	Vehicle Replacement Program FY 2026+	11,250,000	-	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Improvements Total:		\$ 42,100,000	\$ 7,625,000	\$ 7,175,000	\$ 3,775,000	\$ 3,575,000	\$ 3,325,000	\$ 3,325,000	\$ 3,325,000	\$ 3,325,000	\$ 3,325,000	\$ 3,325,000

Table 4 - Ten-Year Program: Recycled Water		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Project #	Project Name	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
7366	Recycled Water Distribution Systems Renovations Program	430,000	215,000	215,000	-	-	-	-	-	-	-	-
100002	Filter Plant and Clearwell Improvements - Phase 1B	12,750,000	2,000,000	3,000,000	3,000,000	2,750,000	2,000,000	-	-	-	-	-
100036	Zone 1 Recycled Water 2021+	618,000	103,000	103,000	103,000	103,000	103,000	103,000	-	-	-	-
TBD	Recycled Water Distribution Systems Renovations Program	1,720,000	-	-	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000
TBD	Zone 1 Recycled Water 2031+	433,000	-	-	-	-	-	-	103,000	110,000	110,000	110,000
TBD	Filter Plant and Clearwell Improvements - Phase 1C	600,000	-	-	-	-	-	-	-	-	-	600,000
Recycled Water Total:		\$ 16,551,000	\$ 2,318,000	\$ 3,318,000	\$ 3,318,000	\$ 3,068,000	\$ 2,318,000	\$ 318,000	\$ 318,000	\$ 325,000	\$ 325,000	\$ 925,000

Table 5 - Ten-Year Program: Totals by Program		Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Programs	10 Year Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Collection System	274,325,000	34,202,000	31,033,000	27,075,000	28,525,000	24,375,000	24,375,000	24,530,000	24,530,000	25,030,000	30,650,000
	Treatment Plant	932,644,000	75,250,000	86,849,000	86,150,000	88,995,000	92,050,000	97,250,000	116,750,000	108,250,000	108,750,000	72,350,000
	General Improvements	42,100,000	7,625,000	7,175,000	3,775,000	3,575,000	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000	3,325,000
	Recycled Water	16,551,000	2,318,000	3,318,000	3,318,000	3,068,000	2,318,000	318,000	318,000	325,000	325,000	925,000
	Total:	\$ 1,265,620,000	\$ 119,395,000	\$ 128,375,000	\$ 120,318,000	\$ 124,163,000	\$ 122,068,000	\$ 125,268,000	\$ 144,923,000	\$ 136,430,000	\$ 137,430,000	\$ 107,250,000

Debt Program

Central San used debt minimally for a 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 to fund new capital expenditures and refinance existing debt. In 2018, Central San refinanced its 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 finalized a loan agreement with the State Revolving Fund (SRF) for a loan of 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 the revised Phase 1a Solids Handling Facility Improvements Project. The Finance Division works with the Capital Projects Division to submit quarterly SRF claims to the state. Through FY 2024-25, it is anticipated that inception-to-date SRF claims will be \$85.9 million, of which \$16.2 million has been received as of March 2025. Next year, an additional \$41.0 million in project costs is anticipated to be eligible for reimbursement. 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 and Figure 2 in this section.

Property taxes presently fund Central San's debt service. Debt service-related costs are projected to be \$9.1 million in FY 2025-26, an increase of \$0.2 million from the prior year's budget of \$8.8 million. Table 1 summarizes the debt service sub-fund budget.

Table 1 – Debt Service Sub-Fund Budget Summary

Debt Service Sub-Fund	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget
Debt Service Revenue:				
Property Taxes (Portion Allocated to Debt Service)	\$7,874,500	\$8,815,875	\$8,815,875	\$9,051,000
Investment Income	-	-	-	-
Total Revenue	7,874,500	8,815,875	8,815,875	9,051,000
Debt Service Expense:				
2018 Bond Interest Payments	539,267	458,875	458,875	383,875
2021 Certificates of Participation Interest Payments	1,524,875	1,256,000	1,256,000	961,125
Year-end accruals and amortization	(1,291,243)	-	-	-
Trustee / Issuance Costs	5,800	6,000	6,000	6,000
Total Interest and Other Costs	778,700	1,720,875	1,720,875	1,351,000
2018 Bond Principal Payment	1,965,000	1,465,000	1,465,000	1,535,000
2021 Certificates of Participation Principal Payment	5,125,000	5,630,000	5,630,000	6,165,000
Total Principal Payments	7,090,000	7,095,000	7,095,000	7,700,000
Total Debt Service Expenditures	\$7,868,700	\$8,815,875	\$8,815,875	\$9,051,000

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 the 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 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 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 and \$12.8 million in the pension prefunding trust, were used to pay down the \$70.8 million pension liability. This transaction was initially 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; the most recent analysis conducted in 2024 indicated approximately \$3 million in anticipated savings). The 2021 COPs provide the same Net Revenues and Gross Revenues pledge noted above for the 2018 Revenue Bonds.

State Revolving Fund (SRF) Loan

A Debt Management and Continuing Disclosure Policy was first adopted during FY 2017-18. This policy 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 from the \$173.1 million loan facility. Phase 1a, which includes 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 of the SRF loan will occur 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.

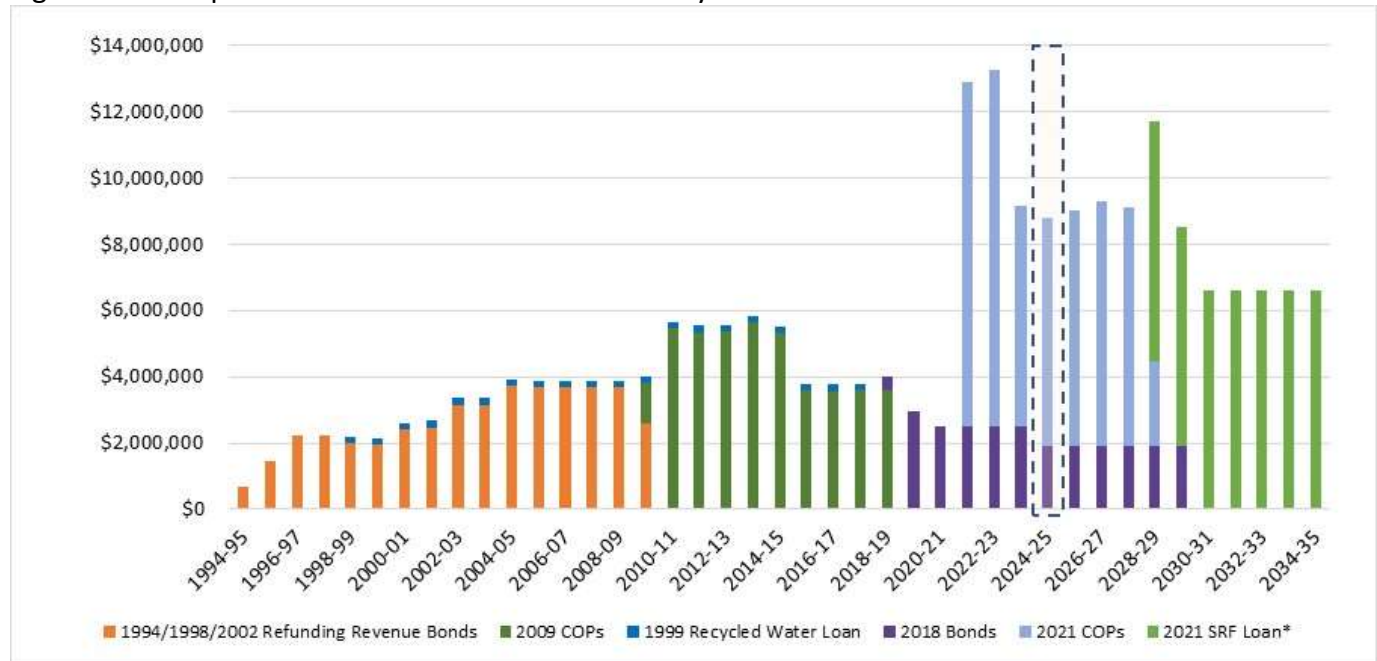
Additional Debt Issuance Considerations

In January 2023, the Board approved the execution of a Joint Powers Authority (JPA) agreement with Sacramento Regional County Sanitation District, creating the Northern California Sanitation Agencies Financing Authority. Participating in JPA can facilitate the issuance of revenue bonds as a form of financing, which may (under some market conditions) provide a lower cost of financing than certificates of participation, which can be issued through Central San’s Financing Authority.

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 past and future annual debt service by instrument.



* Debt service amounts presented in this graph reflect the District's expectation to receive reimbursements for the full amount of the loan (\$173.1 million) with payments commencing in FY '29.

Table 2 – Debt Summary

Below are the debt service requirements for the currently outstanding 2018 Series A and Series B bonds, 2021 COPs, and the anticipated debt service requirements for the 2021 SRF Loan.

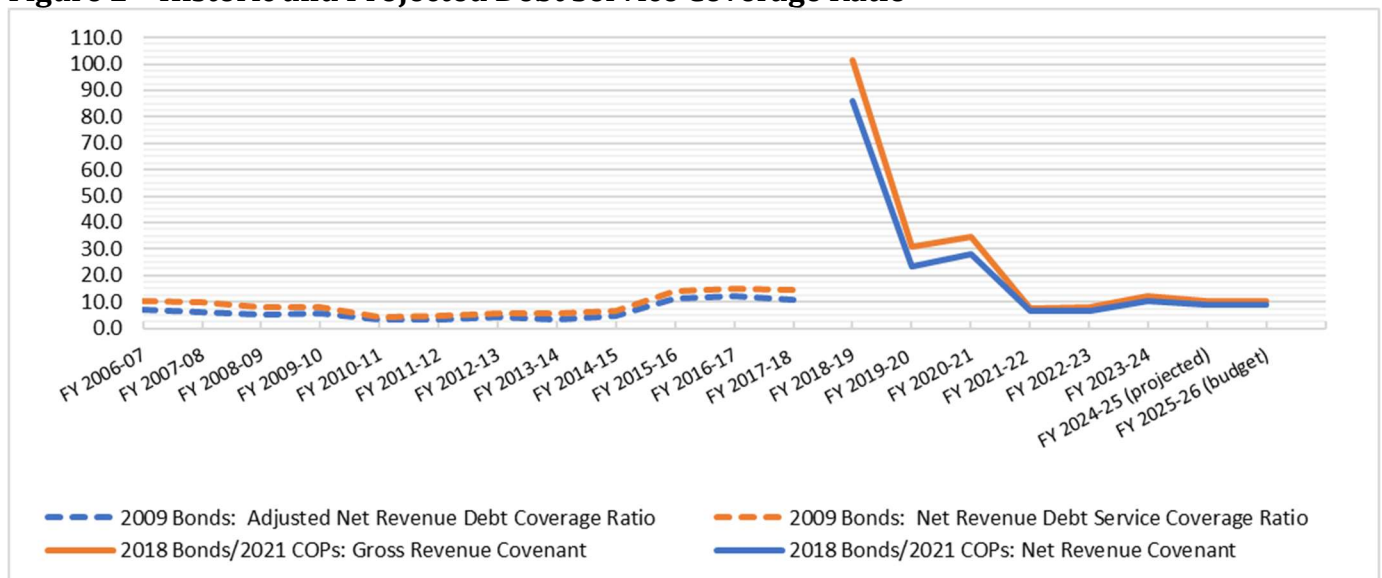
2018 Revenue Bonds			2021 COPs		2021 SRF Loan		All Debt
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Total Debt Service
2025-26	\$1,535,000	\$383,875	\$6,165,000	\$961,125	-	-	\$9,045,000
2026-27	\$1,610,000	\$305,250	\$6,740,000	\$638,500	-	-	\$9,294,020
2027-28	\$1,685,000	\$222,875	\$6,905,000	\$297,375	-	-	\$9,110,250
2028-29	\$1,765,000	\$136,625	\$2,495,000	\$62,375	\$5,051,976	\$2,229,318	\$11,740,294
2029-30	\$1,850,000	\$46,250	-	-	\$5,097,444	\$1,512,477	\$8,506,171
2030-31	-	-	-	-	\$5,143,321	\$1,466,600	\$6,609,921
2031-32	-	-	-	-	\$5,189,611	\$1,420,310	\$6,609,921
2032-33	-	-	-	-	\$5,236,317	\$1,373,604	\$6,609,921
2033-34	-	-	-	-	\$5,283,444	\$1,326,477	\$6,609,921
2034-35	-	-	-	-	\$5,330,995	\$1,278,926	\$6,609,921
All Future Years	-	-	-	-	\$136,771,891	\$15,256,295	\$152,028,187

Debt Related Covenants

An important financial performance metric is the Debt Service Coverage Ratio, which measures Central San's ability to meet its debt service obligations from its existing revenue sources. This metric is expressed as a ratio dividing revenues by debt service requirements. 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 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 8.9 and 9.0 for FY 2024-25 and FY 2025-26, 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 exceed 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 outstanding bonds subject to this limitation. Refunding bonds is not subject to limitations or election requirements. 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 ten-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.

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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 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Salaries	\$48,947,932	\$44,386,484	\$52,094,898	\$48,093,891	\$53,891,019	\$1,796,121
Salary Vacancy	(1,571,000)	31,988	(1,647,000)	9,633	(2,222,000)	(575,000)
Overtime	1,701,009	1,713,511	1,879,377	1,864,558	1,790,131	(89,245)
Standby	426,000	402,695	440,000	448,148	505,079	65,079
Compensated Absences Payout	1,300,000	831,584	1,000,000	1,089,005	1,040,000	40,000
Total Salaries	50,803,940	47,366,261	53,767,275	51,505,237	55,004,229	1,236,954
Current Employee Benefits	21,874,162	20,741,984	24,255,527	22,230,487	26,302,106	2,046,579
Benefit Vacancy	(539,000)	-	(595,000)	-	(820,000)	(225,000)
Total Benefits	21,335,162	20,741,984	23,660,527	22,230,487	25,482,106	1,821,579
Total Salaries and Benefits (Active Employees)	72,139,103	68,108,246	77,427,802	73,735,724	80,486,335	3,058,533
Capitalized Administrative O/H	-	-	-	-	-	-
Total Salaries & Benefits after Capitalized Admin O/H	72,139,103	68,108,246	77,427,802	73,735,724	80,486,335	3,058,533
Pension UAAL	67,207	69,207	422,261	453,934	1,181,712	759,451
OPEB UAAL	141,000	141,000	225,000	225,000	609,000	384,000
UAAL Vacancy	-	-	-	-	(65,000)	(65,000)
Additional Trust Contributions	1,000,000	-	1,000,000	1,000,000	-	(1,000,000)
Total UAAL	1,208,207	210,207	1,647,261	1,678,934	1,725,712	78,451
Total Salaries, Benefits & UAAL	\$73,347,310	\$68,318,452	\$79,075,063	\$75,414,657	\$82,212,048	\$3,136,984

**Table 2 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Operations & Maintenance Sub-Fund**

O&M Sub-Fund						
	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Salaries	\$43,166,900	\$40,043,510	\$45,694,410	\$42,960,365	\$47,512,554	\$1,818,144
Salary Vacancy	(1,395,000)	31,988	(1,457,000)	9,633	(1,970,000)	(513,000)
Overtime	1,646,669	1,536,531	1,809,217	1,744,834	1,743,035	(66,183)
Standby	426,000	402,695	440,000	448,148	505,079	65,079
Compensated Absences Payout	1,300,000	831,584	1,000,000	1,089,005	1,040,000	40,000
Total Salaries	45,144,569	42,846,307	47,486,627	46,251,986	48,830,667	1,344,040
Current Employee Benefits	19,916,572	19,284,976	21,857,767	20,454,156	23,811,768	1,954,001
Benefit Vacancy	(539,000)	-	(595,000)	-	(820,000)	(225,000)
Total Benefits	19,377,572	19,284,976	21,262,767	20,454,156	22,991,768	1,729,001
Total Salaries and Benefits (Active Employees)	64,522,141	62,131,282	68,749,394	66,706,142	71,822,436	3,073,042
Capitalized Administrative O/H	(5,722,749)	(5,270,103)	(6,341,235)	(5,391,045)	(6,020,751)	320,484
Total Salaries & Benefits after Capitalized Admin O/H	58,799,392	56,861,179	62,408,159	61,315,097	65,801,684	3,393,525
Pension UAAL	59,503	63,462	372,404	408,517	1,047,090	674,686
OPEB UAAL	141,000	141,000	225,000	225,000	609,000	384,000
UAAL Vacancy	-	-	-	-	(62,000)	(62,000)
Additional Trust Contributions	1,000,000	-	1,000,000	1,000,000	-	(1,000,000)
Total UAAL	1,200,503	204,462	1,597,404	1,633,517	1,594,090	(3,314)
Total Salaries, Benefits & UAAL	\$59,999,895	\$57,065,641	\$64,005,563	\$62,948,614	\$67,395,774	\$3,390,211

**Table 3 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Sewer Construction Sub-Fund**

Sewer Construction Sub-Fund						
	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Salaries	\$5,781,032	\$4,342,974	\$6,400,489	\$5,133,527	\$6,378,465	(\$22,023)
Salary Vacancy	(176,000)	-	(190,000)	-	(252,000)	(62,000)
Overtime	54,340	176,980	70,159	119,724	47,096	(23,063)
Total Salaries	5,659,371	4,519,955	6,280,648	5,253,251	6,173,562	(107,086)
Current Employee Benefits	1,957,591	1,457,008	2,397,760	1,776,331	2,490,338	92,578
Total Benefits	1,957,591	1,457,008	2,397,760	1,776,331	2,490,338	92,578
Total Salaries and Benefits (Active Employees)	7,616,962	5,976,963	8,678,408	7,029,582	8,663,900	(14,508)
Capitalized Administrative O/H	5,722,749	5,270,103	6,341,235	5,391,045	6,020,751	(320,484)
Total Salaries & Benefits after Capitalized Admin O/H	13,339,711	11,247,067	15,019,643	12,420,627	14,684,651	(334,992)
Pension UAAL	7,704	5,744	49,857	45,417	134,622	84,765
UAAL Vacancy	-	-	-	-	(3,000)	-
Total UAAL	7,704	5,744	49,857	45,417	131,622	81,765
Total Salaries, Benefits & UAAL	\$13,347,415	\$11,252,811	\$15,069,500	\$12,466,044	\$14,816,273	(\$253,227)

Tables 4 - 6 show additional detail on total employee benefit costs for Central San, 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 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Insurance Premiums:						
Medical	\$7,968,329	\$7,410,680	\$9,083,313	\$8,467,019	\$9,969,280	\$885,967
Dental	572,293	510,407	576,569	508,401	535,398	(41,171)
Long-Term Disability	99,666	44,110	112,596	78,202	118,055	5,459
Life / AD&D	90,808	92,430	91,201	90,540	91,751	550
Workers' Compensation	966,597	673,179	1,021,049	764,113	980,226	(40,822)
Vision	53,594	48,202	54,343	49,731	53,375	(968)
Total Insurance Premiums	9,751,288	8,779,007	10,939,071	9,958,005	11,748,085	809,015
Employer Taxes:						
State Unemployment Insurance	132,732	26,439	146,723	68,577	126,337	(20,386)
Federal Medicare	610,013	682,718	647,192	674,640	676,456	29,264
Total Employer Taxes	742,744	709,157	793,915	743,217	802,793	8,878
Employer Retirement Contributions:						
Pension (Normal Cost)	6,933,828	6,407,969	7,500,850	6,578,102	8,409,405	908,555
Deferred Compensation (401a)	2,626,302	2,965,851	2,778,420	2,672,970	2,882,306	103,887
Health Reimbursement Arrangement (HRA)	-	-	428,273	393,193	472,517	44,244
Total Employer Retirement Contributions	9,560,130	9,373,820	10,707,542	9,644,265	11,764,228	1,056,686
OPEB ADC (Normal Cost):						
Medical & Vision	1,724,000	1,724,000	1,728,000	1,728,000	1,923,000	195,000
Dental	142,000	142,000	142,000	142,000	152,000	10,000
Life	14,000	14,000	15,000	15,000	12,000	(3,000)
Total OPEB ADC (Normal Cost)	1,880,000	1,880,000	1,885,000	1,885,000	2,087,000	202,000
Benefit Adjustments:						
Capitalized Admin Overhead	-	-	-	-	-	-
Benefit Vacancy	(599,000)	-	(665,000)	-	(920,000)	(255,000)
Total Benefit Adjustments:	(599,000)	-	(665,000)	-	(920,000)	(255,000)
Central San as a Whole	\$21,335,162	\$20,741,984	\$23,660,527	\$22,230,487	\$25,482,106	\$1,821,579

Table 5 – Benefit Cost Detail, O&M Sub-Fund

O&M Sub-Fund						
Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Insurance Premiums:						
Medical	\$7,228,645	\$6,873,327	\$8,129,703	\$7,775,496	\$8,977,312	\$847,609
Dental	518,219	471,575	516,322	467,231	482,547	(33,775)
Long-Term Disability	87,121	40,374	98,436	70,349	103,899	5,462
Life / AD&D	81,409	84,112	80,396	86,217	81,689	1,293
Workers' Compensation	922,016	648,359	976,247	734,366	933,532	(42,714)
Vision	48,509	44,532	48,637	45,688	48,084	(553)
Total Insurance Premiums	8,885,919	8,162,279	9,849,740	9,179,346	10,627,063	777,322
Employer Taxes:						
State Unemployment Insurance	50,000	26,439	55,000	30,502	35,000	(20,000)
Federal Medicare	610,013	682,718	647,192	674,640	676,456	29,264
Total Employer Taxes	660,013	709,157	702,192	705,142	711,456	9,264
Employer Retirement Contributions:						
Pension (Normal Cost)	6,161,740	5,832,846	6,616,184	5,898,581	7,431,074	814,890
Deferred Compensation (401a)	2,328,900	2,700,693	2,434,602	2,415,623	2,541,370	106,768
Health Reimbursement Arrangement (HRA)	-	-	370,049	370,464	413,805	43,756
Total Employer Retirement Contributions	8,490,640	8,533,539	9,420,835	8,684,668	10,386,249	965,414
OPEB (Normal Cost):						
Medical & Vision	1,724,000	1,724,000	1,728,000	1,728,000	1,923,000	195,000
Dental	142,000	142,000	142,000	142,000	152,000	10,000
Life / AD&D	14,000	14,000	15,000	15,000	12,000	(3,000)
Total OPEB (Normal Cost)	1,880,000	1,880,000	1,885,000	1,885,000	2,087,000	202,000
Benefit Adjustments:						
Capitalized Admin Overhead	(5,722,749)	(5,270,103)	(6,341,235)	(5,391,045)	(6,020,751)	320,484
Benefit Vacancy	(539,000)	-	(595,000)	-	(820,000)	(225,000)
Total Benefit Adjustments:	(6,261,749)	(5,270,103)	(6,936,235)	(5,391,045)	(6,840,751)	95,484
Total O&M Fund Benefits	\$13,654,823	\$14,014,873	\$14,921,532	\$15,063,111	\$16,971,017	\$2,049,485

Table 6 – Benefit Cost Detail, Sewer Construction Sub-Fund

Sewer Construction Sub-Fund						
Account Description	FY 2023-24 Budget	FY 2023-24 Actual	FY 2024-25 Budget	FY 2024-25 Projection	FY 2025-26 Budget	Budget-to- Budget variance
Insurance Premiums:						
Medical	\$739,684	\$537,353	\$953,611	\$691,523	\$991,968	\$38,357
Dental	54,074	38,832	60,247	41,170	52,851	(7,396)
Long-Term Disability	12,545	3,736	14,159	7,854	14,156	(3)
Life / AD&D	9,400	8,318	10,805	4,323	10,063	(743)
Workers' Compensation	44,581	24,820	44,802	29,747	46,694	1,892
Vision	5,085	3,670	5,706	4,044	5,291	(416)
Total Insurance Premiums	865,369	616,728	1,089,330	778,659	1,121,022	31,692
Employer Taxes (Medicare)	82,732	-	91,723	38,075	91,337	(386)
Employer Retirement Contributions:						
Pension (Normal Cost)	772,088	575,122	884,666	679,521	978,331	93,665
Deferred Compensation (401a)	297,402	265,158	343,818	257,347	340,936	(2,882)
Health Reimbursement Arrangement (HRA)	-	-	58,223	22,729	58,712	488
Total Employer Retirement Contributions	1,069,490	840,280	1,286,707	959,597	1,377,979	91,272
Benefit Adjustments:						
Capitalized Admin Overhead	5,722,749	5,270,103	6,341,235	5,391,045	6,020,751	(320,484)
Benefit Vacancy	(60,000)	-	(70,000)	-	(100,000)	(30,000)
Total Benefit Adjustments:	5,662,749	5,270,103	6,271,235	5,391,045	5,920,751	(350,484)
Total Sewer Construction Fund Benefits	\$7,680,339	\$6,727,112	\$8,738,995	\$7,167,376	\$8,511,089	(\$227,906)

Table 7 – Changes in Net Position and Fund Equity

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Projected	FY 2025-26 Projected
Total Operating Revenue	\$69,991,294	\$87,830,769	\$96,249,868	\$94,427,822
Total Non-Operating Revenues	30,304,727	35,688,737	37,998,299	36,166,200
Total Revenues	100,296,021	123,519,506	134,248,167	130,594,022
Total Operating Expenses	112,153,447	119,044,383	121,409,064	129,897,305
Non-Operating Expense - Interest	1,177,471	938,783	1,720,875	1,351,000
Total Expenses	113,330,918	119,983,166	123,129,939	131,248,305
Net income/(loss) Before Capital Contributions	(13,034,897)	3,536,340	11,118,228	(5,654,283)
Total Capital Contributions	85,805,636	68,818,446	59,184,428	72,724,678
Change in Net Position	72,770,739	72,354,786	70,302,656	67,070,395
Beginning Net Position	890,244,841	963,015,580	1,035,370,366	1,105,673,022
Ending Net Position	963,015,580	1,035,370,366	1,105,673,022	1,172,743,417
Net Investment in Capital Assets	780,344,143	857,800,710	939,200,710	1,025,156,210
Restricted for Debt Service	197,102	7,570,428	-	-
Unrestricted	182,474,335	169,999,228	166,472,312	147,587,207
Total Net Position	\$963,015,580	\$1,035,370,366	\$1,105,673,022	\$1,172,743,417

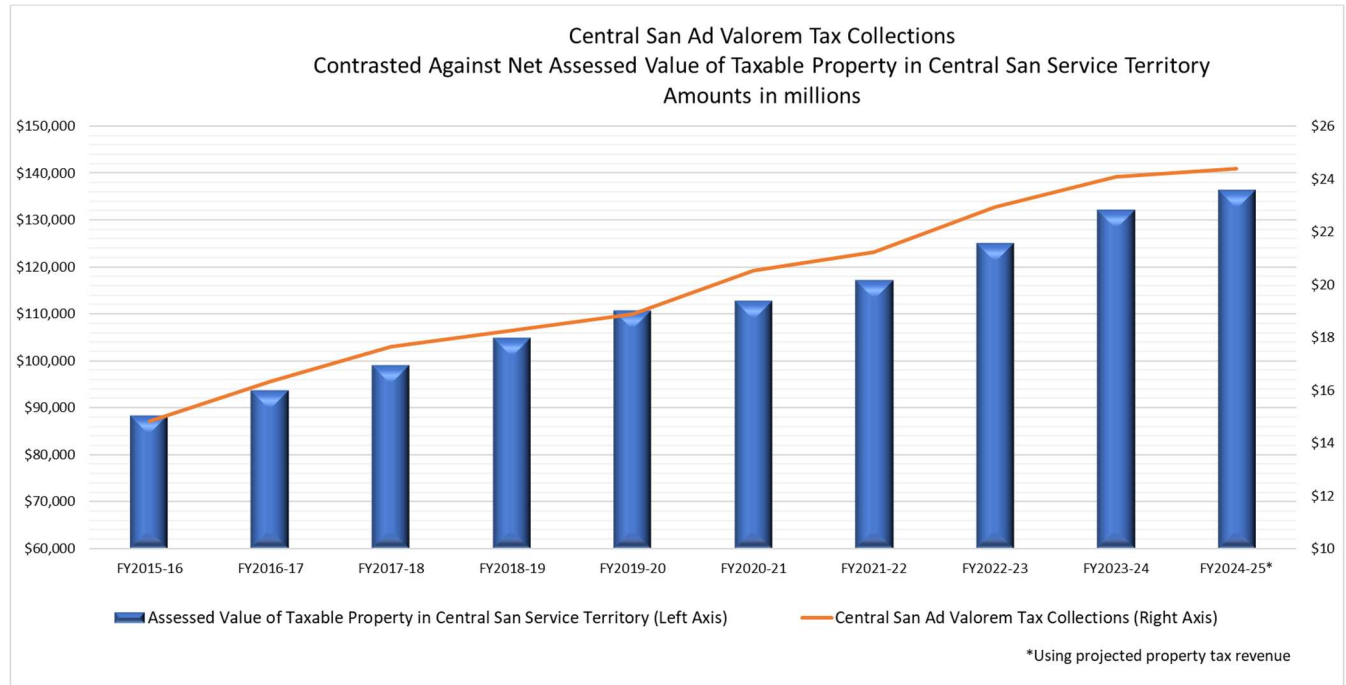
Net Position is classified into three categories: Net Investment in Capital Assets, Restricted for Debt Service, and Unrestricted. The classification is based on availability or accessibility of the resource, rather than its origin. Net position is a measure of the overall financial condition of Central 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.

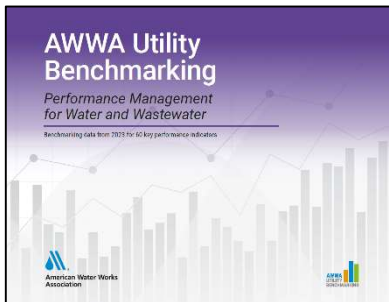
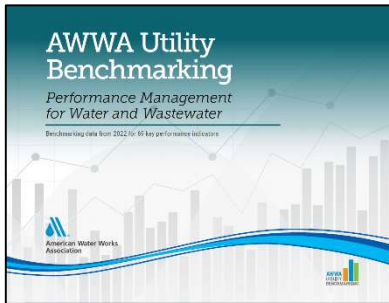
Figure 2 – Central San Property Tax Collections



Benchmarking Information

This section contains useful benchmarking information considering the reasonableness of Central San’s cost structure compared to peer agencies.

Benchmarking Data



Benchmarking is an ongoing, cyclical process rooted in sound data collection and analysis, which can help an agency understand how it is performing against itself and similar entities across the state and country. Central San recognizes this “fitness check” exercise as a useful tool in performance measurement to help gauge current performance, understand differences from peer water sector utilities, and set reasonable targets for the future, so Central San conducts periodic benchmarking studies to assess our performance against sister agencies’.

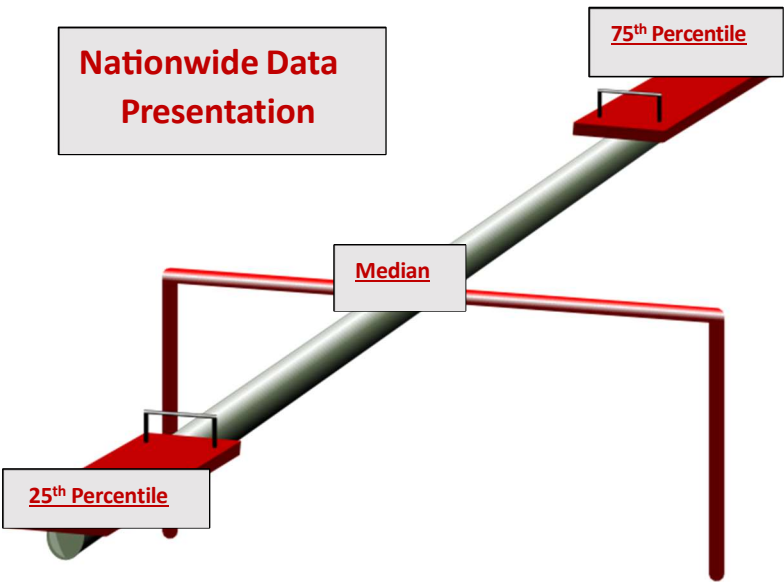
Central San bases these benchmarking efforts off the American Water Works Association (AWWA) Utility Benchmarking Program and its findings. The data can provide a window into potential opportunities that may save costs; support Central San’s commitment to its customers and affordability of service; and serve Central San’s culture of continuous improvement, innovation, optimization, and transparency. Central San has participated in the AWWA’s Utility Benchmarking Survey every year since 2019 and is committed to benchmarking on an annual basis.

The charts in this section show Central San’s trending performance over the past three fiscal years (FY 2021-22, 2022-23, and 2023-24) against FY 2021-22 and 2022-23 nationwide aggregated performance in key utility management benchmarks. All data, methodologies, and definitions come from the 2023 and 2024 AWWA Utility Benchmarking books (<https://www.awwa.org/programs/benchmarking/#reports>).

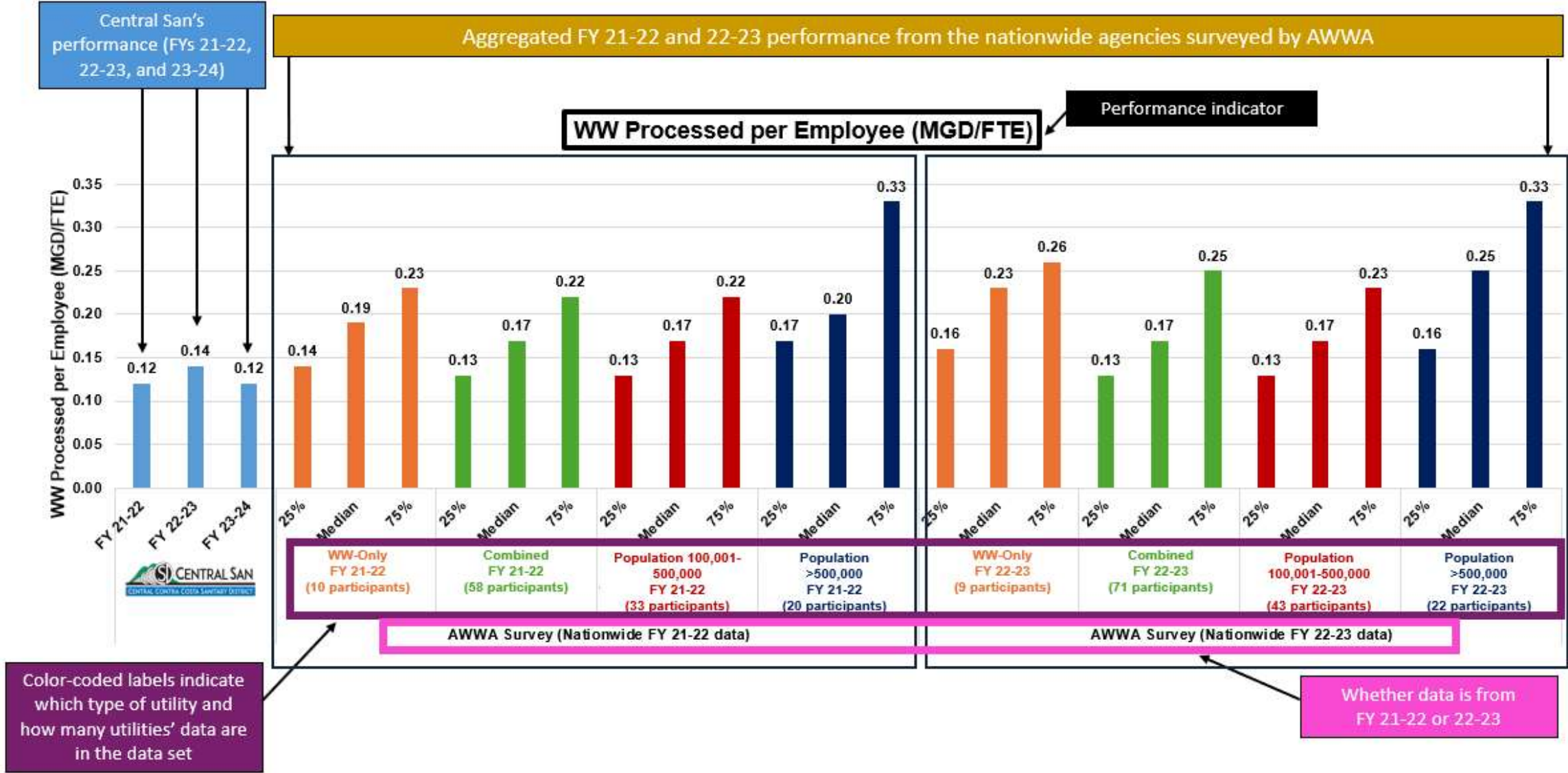
There are four sets of nationwide data presented within each of the two FYs: *wastewater (WW)-only* utilities (most comparable to Central San but often a relatively small data set), *Combined* utilities, utilities with a *Population of 100,001-500,000*, and utilities with a *Population of >500,000* (Central San’s total population including both retail and wholesale customers was 487,329, 485,672, and 483,575 in FYs 2021-22, 2022-23, and 2023-24 respectively). For O&M cost charts, benchmarking results from a statewide survey conducted by Central San are included, since other California agencies provide a more comparable data set.

The **nationwide aggregated data** is presented within each FY by quartiles, as listed below and represented by the figure below on the right:

- **25th Percentile** =
the worst-performing 25% of agencies reported performance at or below that value
- **Median** =
the median performance value for all agencies
- **75th Percentile** =
the best-performing 25% of agencies reported performance at or above that value



Below is a guide to interpreting the charts presented in this section:



Below is a list of the performance indicators included in this section, representing our performance in the following key effective utility management benchmarks:

- CUSTOMER ACCOUNTS PER EMPLOYEE
- WASTEWATER PROCESSED PER EMPLOYEE
- SERVICE AFFORDABILITY
- OPERATIONS & MAINTENANCE (O&M) COSTS FOR WASTEWATER SERVICES
 - TOTAL O&M COST PER ACCOUNT
 - TOTAL O&M COST PER MILLION GALLONS (MG)
 - TOTAL O&M COST PER 100 MILES OF PIPE
- STAFFING LEVELS BY CATEGORY (% OF TOTAL FULL-TIME EMPLOYEES (FTEs))
- TOTAL # OF FTES
- % OF TOTAL FTES – OPERATIONS AND MAINTENANCE
- % OF TOTAL FTES – MANAGEMENT, ENGINEERING, CUSTOMER SERVICE, OTHER

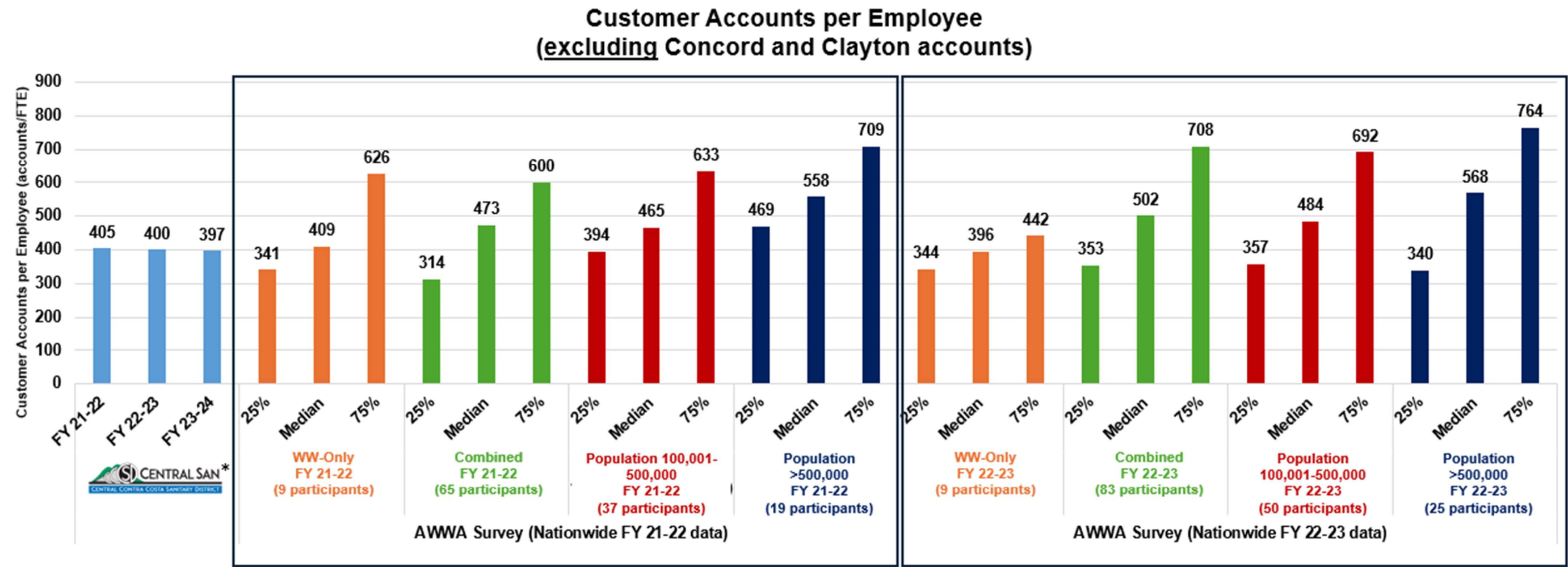
For more benchmarking data, please see Central San's forthcoming FY 2022-24 Benchmarking Study, which will be uploaded to <https://www.centrialsan.org/post/benchmarking-studies>.

CUSTOMER ACCOUNTS PER EMPLOYEE

This indicator measures employee efficiency in the form of the total number of active accounts serviced by utility employees (FTEs) per year, calculated as follows:

Customer accounts per employee
=
$$\frac{\text{Number of active residential accounts} + \text{number of active nonresidential accounts}}{\text{Total number of FTEs}}$$

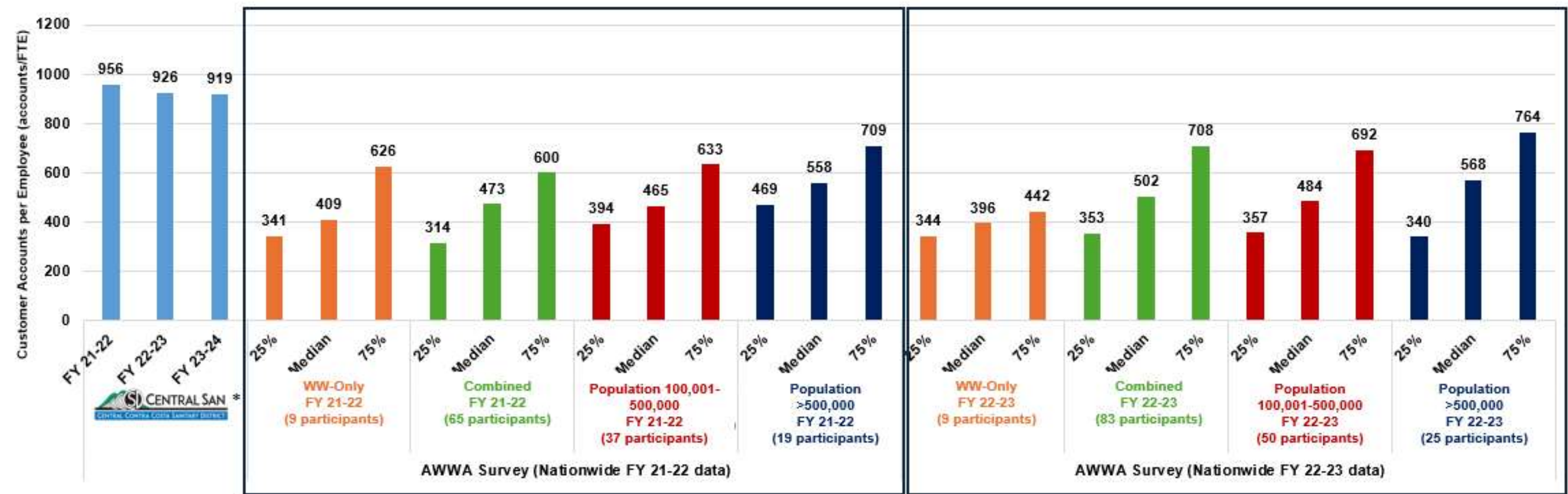
An FTE is defined as an allocation of employee time equal to 2,080 hours per year based on 40 hours/week and 52 weeks/year. Part-time, temporary, and seasonal employees were converted to FTEs and included. Household Hazardous Waste (HHW) and Recycled Water staff were excluded, as most other agencies do not have similar services. Central San used numbers of residential parcels and nonresidential parcels as the “active residential accounts” and “active nonresidential accounts” respectively to best fit the AWWA methodology. Central San provides WW treatment and trunk sewer service to the cities of Concord and Clayton by contract, so two sets of data have been presented to exclude and include these customer accounts.



* Central San’s performance figures in this chart exclude the customer accounts serviced in the contracted cities of Concord and Clayton.

It should be noted that AWWA does not benchmark retail versus wholesale agencies separately. Wholesale agencies do not maintain their collection system, so the number of FTEs reported by those agencies may be undercounted as they may not be including the FTEs of other agencies that maintain the collection system that feeds their treatment plant.

**Customer Accounts per Employee
(including Concord and Clayton accounts)**



* Central San's performance figures in this chart include the customer accounts serviced in the contracted cities of Concord and Clayton, as well as the employees budgeted by the City of Concord dedicated to sewer maintenance.

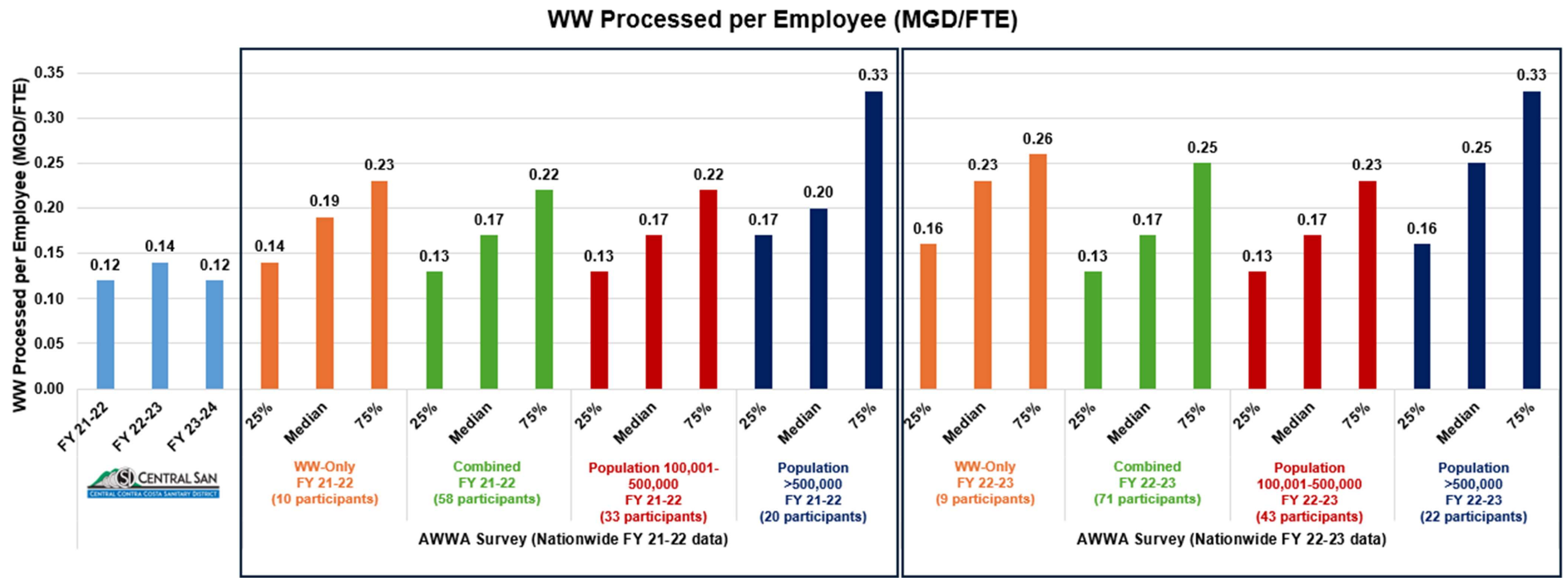
It should be noted that AWWA does not benchmark retail versus wholesale agencies separately. Wholesale agencies do not maintain their collection system, so the number of FTEs reported by those agencies may be undercounted as they may not be including the FTEs of other agencies that maintain the collection system that feeds their treatment plant.

WASTEWATER PROCESSED PER EMPLOYEE

This indicator provides a measure of employee efficiency as expressed by the amount of WW processed (in MGD) by utility employees (as FTEs) per year, calculated as follows:

MGD wastewater processed per employee =
$$\frac{\text{Average MGD of wastewater processed}}{\text{Total number of FTEs}}$$

Average MGD of WW processed is the average sum of final effluent and applied water treated daily. Central San’s FTE count excludes Household Hazardous Waste (HHW) and Recycled Water staff, as most other agencies do not have similar services.



It should be noted that AWWA does not benchmark retail versus wholesale agencies separately. Wholesale agencies do not maintain their collection system, so the number of FTEs reported by those agencies may be undercounted as they may not be including the FTEs of other agencies that maintain the collection system that feeds their treatment plant. Similarly, agencies who operate their sewer enterprise as part of a larger agency may be undercounting or overcounting their employees. It should also be noted that because efficiency is directly tied to the amount of WW processed, agencies may seem less efficient because of circumstances out of the agencies’ control, such as drought or water conservation efforts.

SERVICE AFFORDABILITY

This indicator measures the affordability of WW services as a percentage of local median household income (MHI) and is calculated as follows:

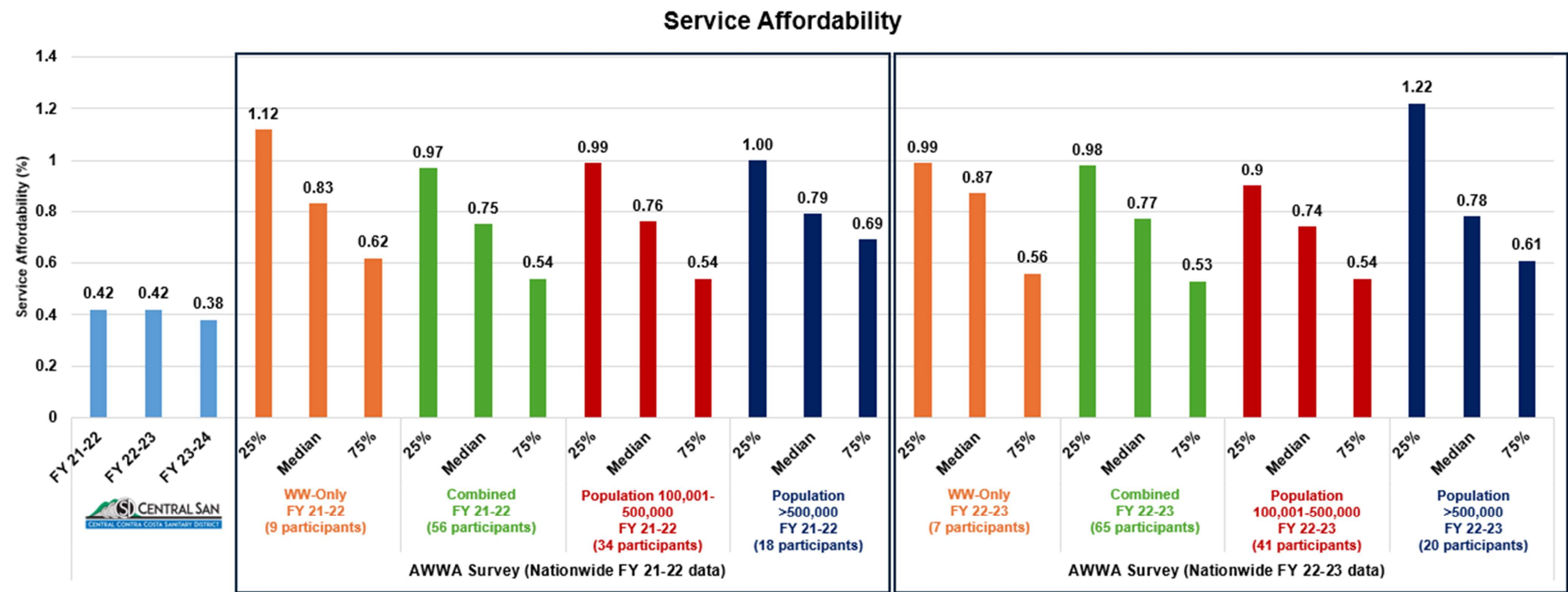
Service affordability (% of MHI)

=

Average residential monthly wastewater bill x 12

Real median annual household income

The real median annual household income used was the weighted average of annual household incomes of the cities in the service area, including Concord and Clayton, according to the American Community Survey (census) for Contra Costa County.



It should be noted that the AWWA survey does not make a distinction between agencies that are wholesale or retail agencies or are agencies that are part of a larger operation. These differences could all have an impact on rates.

OPERATIONS & MAINTENANCE COSTS FOR WASTEWATER SERVICES

This family of indicators measures O&M costs in various forms. O&M costs can be compared between utilities once normalized by WW processed rate, number of accounts served, or the length of collection system pipe. For utilities following GASB or FASB practices, the required total O&M cost information was instructed to be found on the audited financial statements, and depreciation was not to be included in the total O&M cost.

Total O&M cost includes salaries, direct benefits, and all costs necessary to support utility services. They include pumping costs associated with treatment and distribution or collection. They also include supporting functions, such as any related portion of centralized HR services, call center, health and safety, etc.

Central San provides WW treatment to customers in the cities of Concord and Clayton by contract but does not own, operate, or maintain their collection system. The City of Concord reimburses Central San with flow proportional share costs for treatment, based on the percentage of the Central San net influent flow volume every year. Central San adjusted for this in calculating performance data by factoring in the following for Concord and Clayton:

- Their treatment cost (the amount reimbursed by City of Concord)
- Their collection cost (the amount they spend in owning, operating, and maintaining their collection system)
- Their support services cost (WW O&M costs not attributable to collection or treatment – these figures were estimated)
- The number of residential and non-residential accounts served by Central San

Factoring this data allows Central San to present performance data that includes Concord and Clayton in all the O&M Costs for WW Services indicators.

It should be noted that, among the limitations noted under the charts in this section, the nationwide performance figures partially represent some agencies that may operate in an area with lower cost-of-living. Thus, benchmarking results from a statewide survey conducted by Central San are included for these cost-related performance indicators, since other California agencies provide a more comparable data set. The responding agencies included wastewater-only and combined agencies, some of whom provide wholesale treatment services.

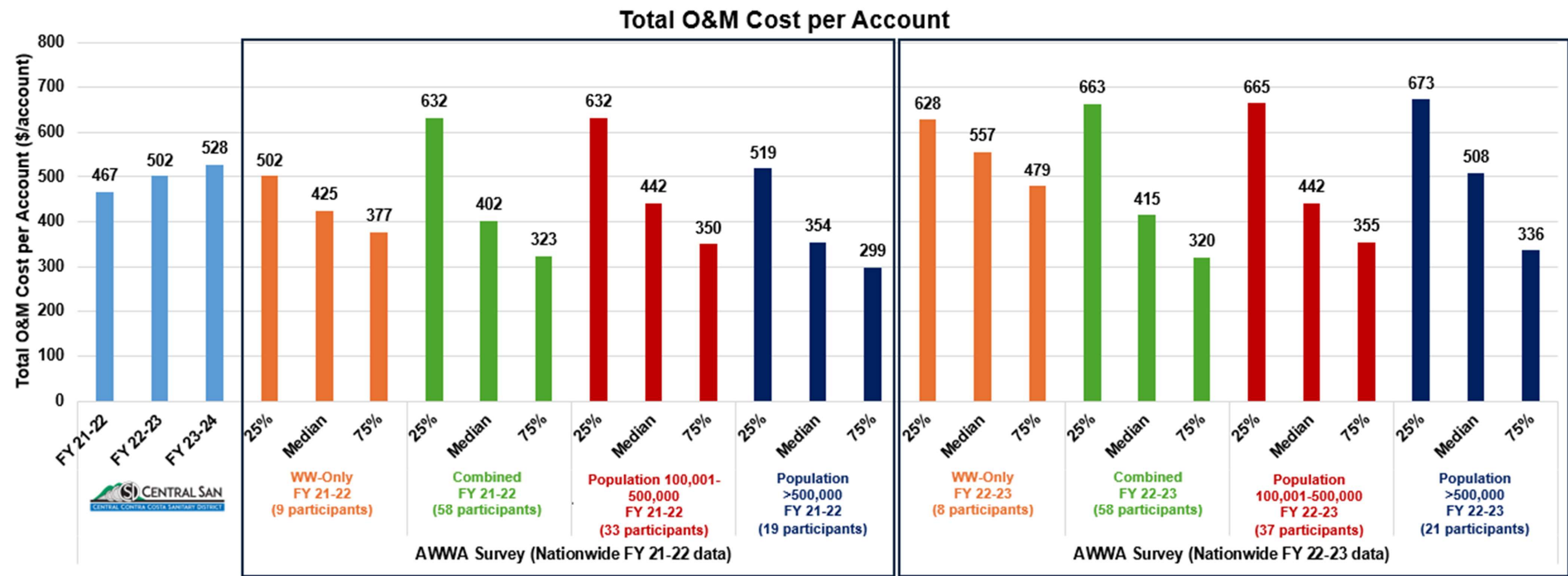
In addition, it is possible that agencies who perform WW operations as part of a larger enterprise may have submitted data to the survey for their total O&M costs that may not be comparable to Central San’s. For example, an agency may inadvertently exclude support service costs which come from a centralized administrative office that does not provide exclusive support to WW operations, leading to deflated O&M costs, whereas Central San has counted all support service costs that support WW operations. Conversely, a responding agency may be reporting the total O&M costs including all their operations beyond WW, resulting in inflated O&M costs.

TOTAL O&M COST PER ACCOUNT

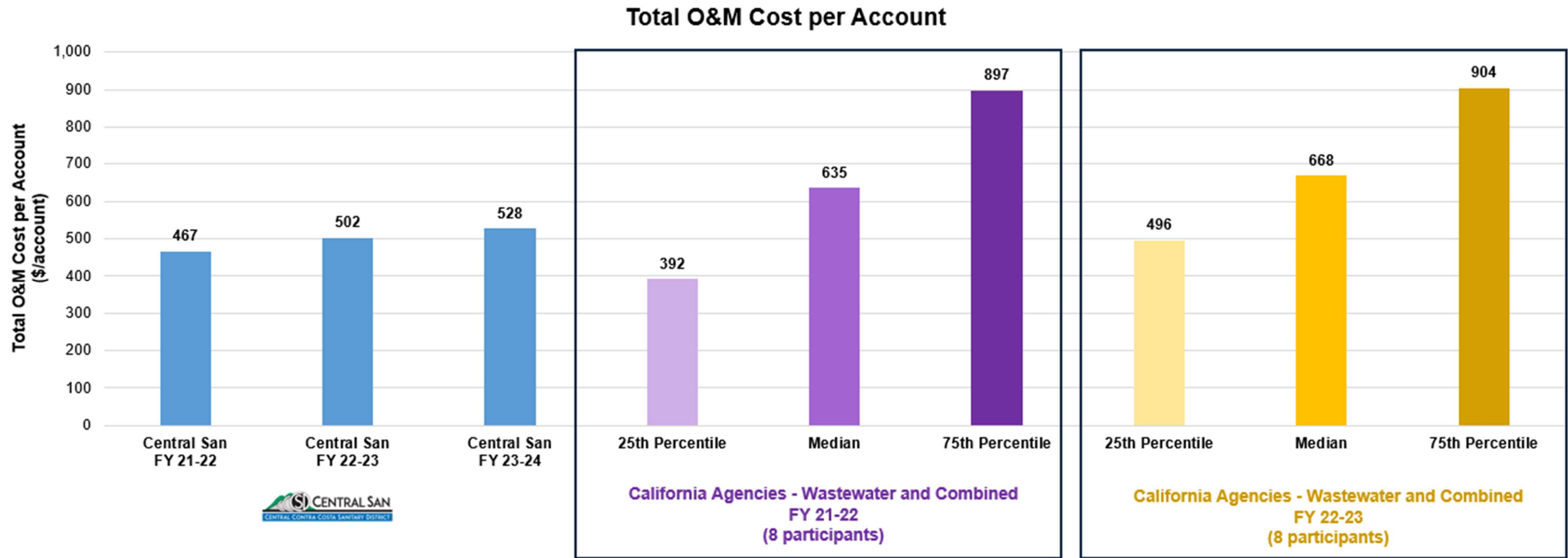
Performance in this indicator is calculated as follows:

$$\text{Total O\&M cost of wastewater services} \left(\frac{\$}{\text{account}} \right) = \frac{\text{Total O\&M cost}}{\text{Number of residential accounts} + \text{number of nonresidential accounts}}$$

The total O&M cost is the cost of treating WW from the service area, including Concord and Clayton (i.e., it includes the O&M cost for treatment which is reimbursed by the City of Concord), as well as Concord and Clayton’s collection and estimated support services costs. The accounts served by Central San in Concord and Clayton are included in the number of accounts.



Below is the statewide comparison showing Central San’s performance against 8 California wastewater and combined agencies who participated in our statewide survey:



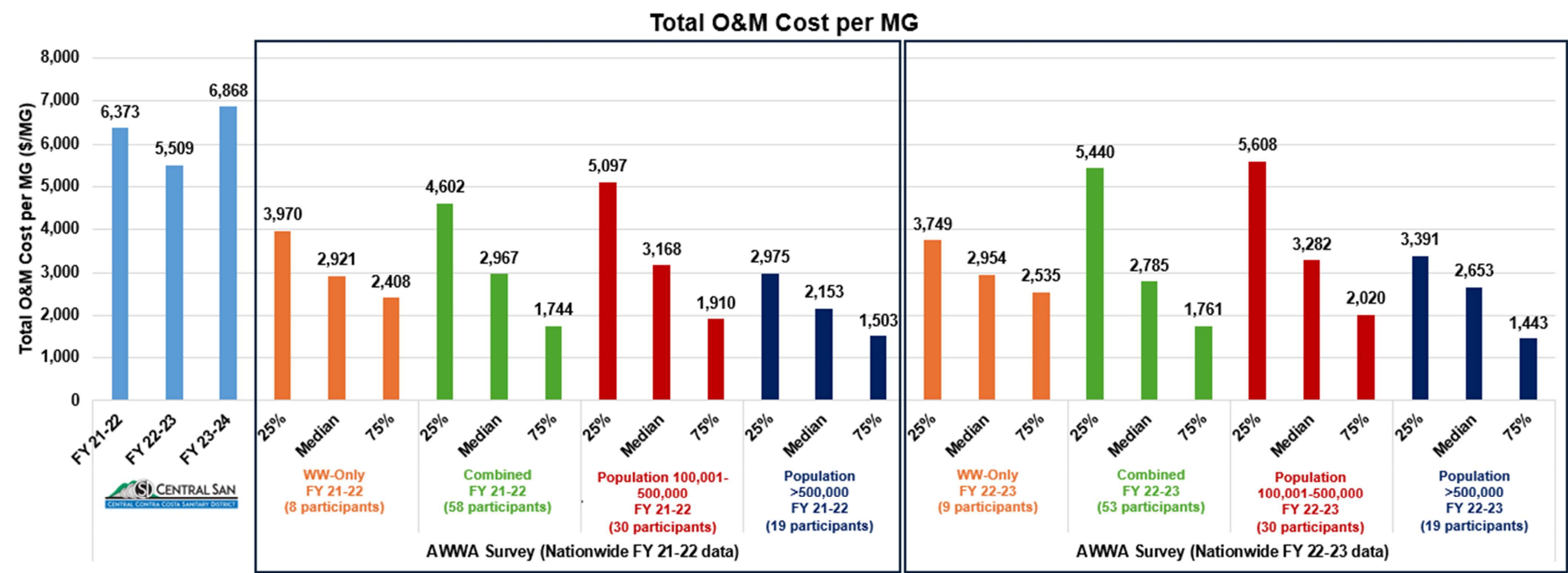
It should be noted that because efficiency is directly tied to the amount of WW processed, agencies may seem less efficient because of circumstances out of the agencies’ control, such as drought or water conservation efforts.

TOTAL O&M COST PER MG

Performance in this indicator is calculated as follows:

$$\text{Total O\&M cost of wastewater services } \left(\frac{\$}{\text{MG}} \right) = \frac{\text{Total O\&M cost}}{\text{Average daily production} \times 365 \text{ days}}$$

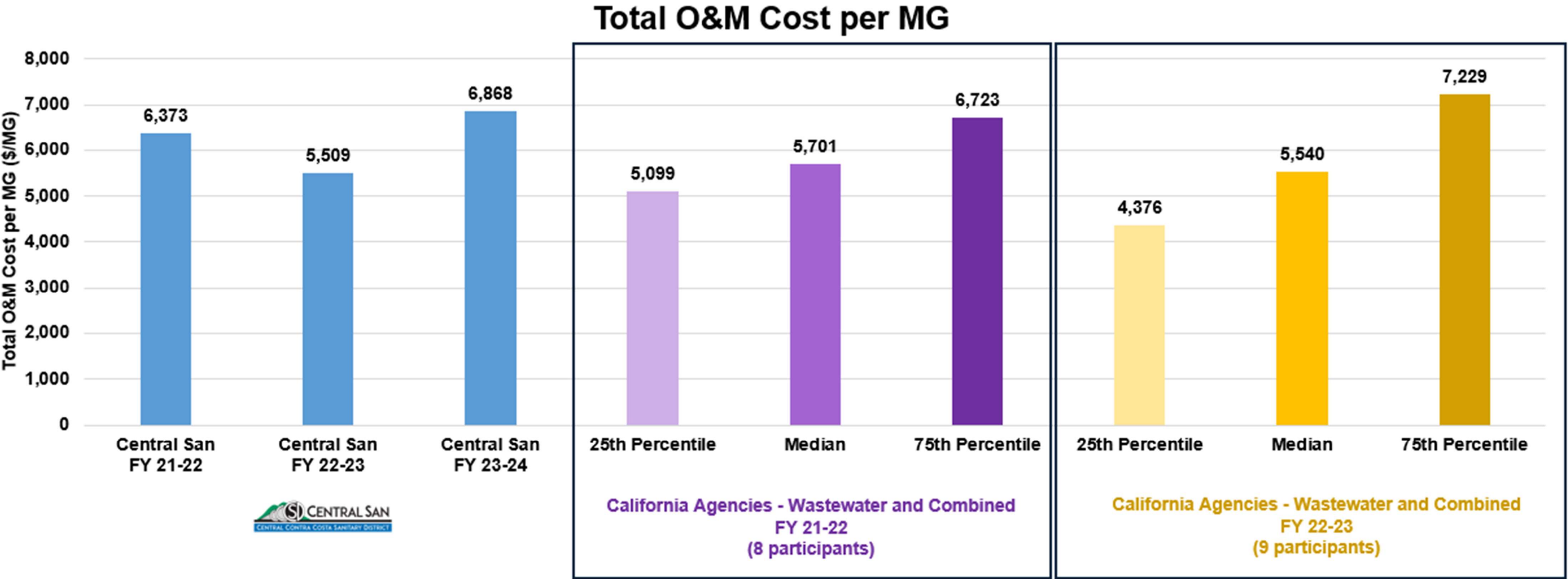
The total O&M cost is the cost of treating WW from the service area, including Concord and Clayton (i.e., it includes the O&M cost for treatment which is reimbursed by the City of Concord), as well as Concord and Clayton’s collection and estimated support services costs. No adjustments were made to the average daily production figure, which includes the WW from Concord and Clayton. The formula, which uses 365 days, was adjusted to use 366 days in calculating the FY 23-24 data, since 2024 was a leap year.



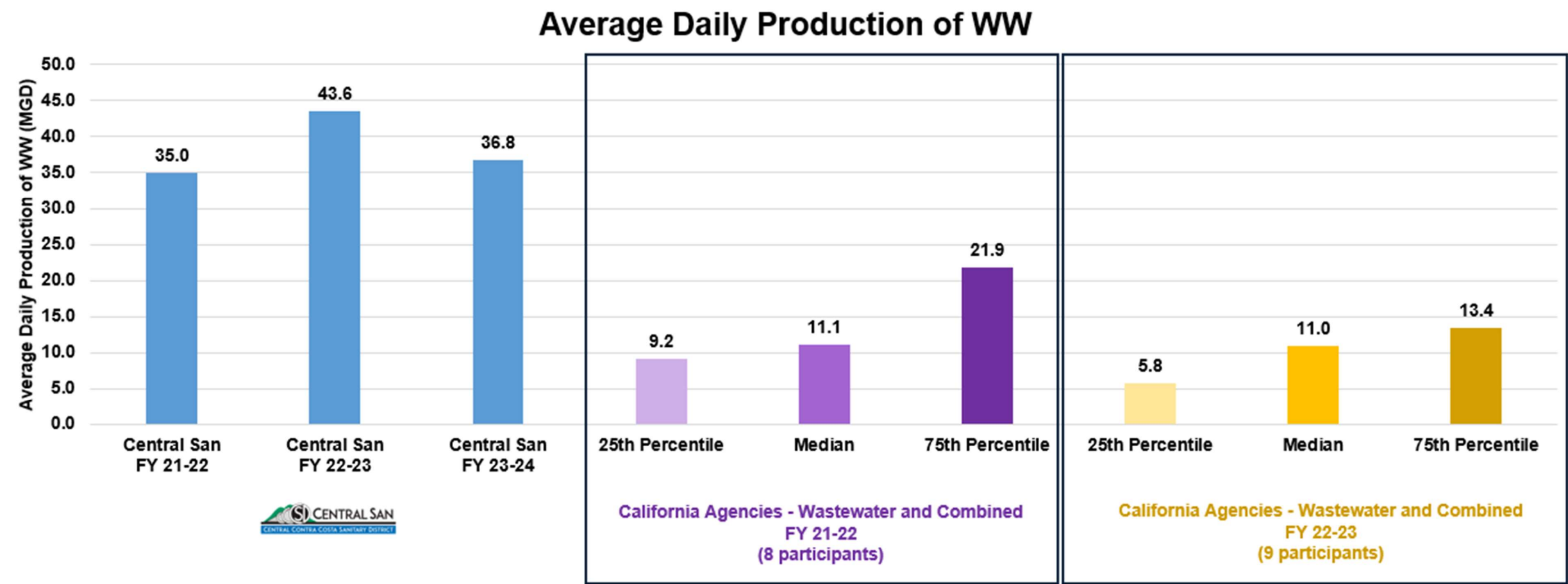
It should be noted that because efficiency is directly tied to the amount of WW processed, agencies may seem less efficient because of circumstances out of the agencies’ control, such as drought or water conservation efforts.

Also, AWWA does not benchmark combined stormwater/WW treatment systems in a separate category from systems only treating WW. Collecting treatment plant influent organic loading would be a helpful performance metric alongside flow, and treatment plants in regions where water conservation measures have been implemented would likely have a lower amount of flow per unit of organic loading.

Below is the statewide comparison showing Central San’s performance against California wastewater and combined agencies who participated in our statewide survey:



To help interpret the preceding chart, the chart below compares Central San’s wastewater production figures to that of the agencies in the survey:

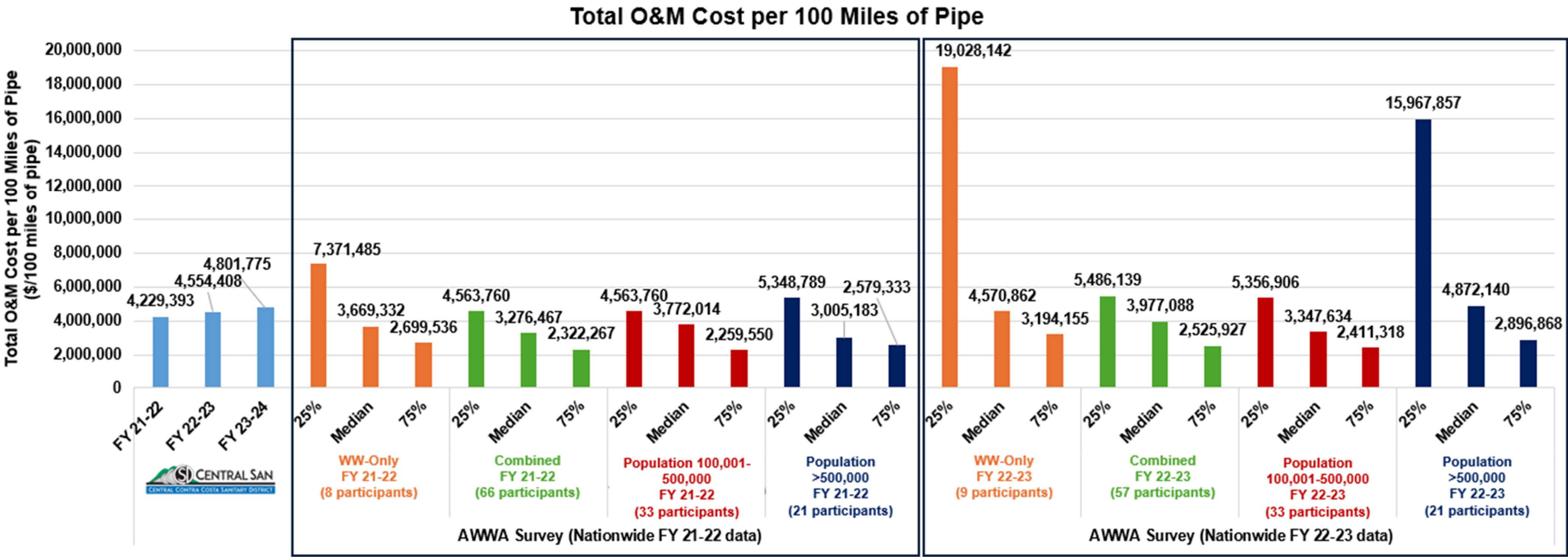


TOTAL O&M COST PER 100 MILES OF PIPE

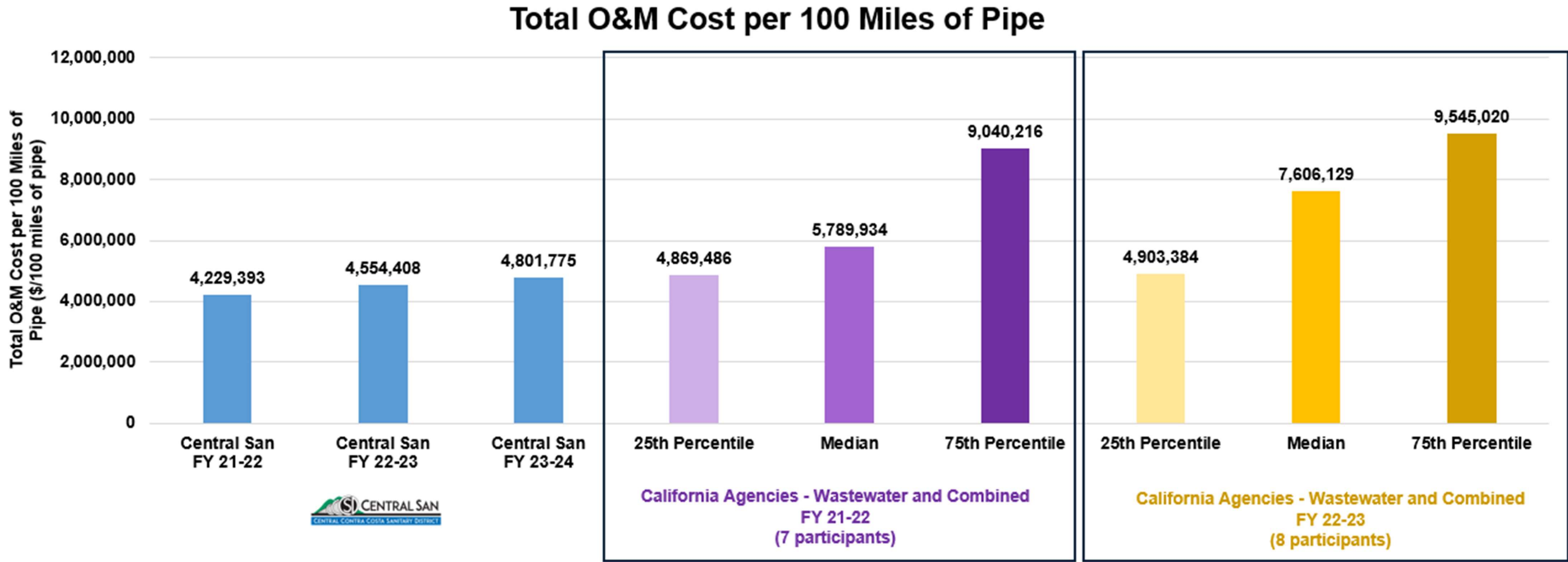
Performance in this indicator is calculated as follows:

$$\text{Total O\&M cost of wastewater services} \left(\frac{\$}{100 \text{ miles of pipe}} \right) = \frac{\text{Total O\&M cost} \times 100}{\text{Total miles of collection system piping}}$$

The total O&M cost is the cost of treating WW from the service area, including Concord and Clayton (i.e., it includes the O&M cost for treatment which is reimbursed by the City of Concord), as well as Concord and Clayton’s collection and estimated support services costs. The total miles of collection system piping comprise of piping owned, operated, and maintained by Central San and by Concord and Clayton.



Below is the statewide comparison showing Central San’s performance against the California wastewater and combined agencies who participated in our statewide survey:



It should be noted that AWWA does not benchmark retail versus wholesale agencies separately. Wholesale agencies do not maintain their collection system, so the number of miles of pipe reported by those agencies may be miscounted as they may not be reporting the miles of pipe that corresponds to the O&M cost spent on those miles of pipe.

STAFFING LEVELS BY CATEGORY (% OF TOTAL FTEs)


The charts in this section show how Central San’s employees were categorized in FY 2021-22, 2022-23, and 2023-24 compared to the nationwide AWWA aggregate data for FY 2021-22 and 2022-23. Central San staffing counts were categorized and tallied per the Organization Chart and includes non-District employees – calculated by converting temporary employee, student, and intern hours worked per payroll records to FTE equivalents. The counts do not include FTEs or temps associated with Recycled Water or Household Hazardous Waste Collection Facility (HHWCF). The counts also do not include general counsel, which is a contracted service.

It should be noted that AWWA does not benchmark retail versus wholesale agencies separately. Wholesale agencies do not maintain their collection system, so the number of FTEs reported by those agencies may be undercounted as they may not be including the FTEs of other agencies that maintain the collection system that feeds their treatment plant. Similarly, agencies who operate their sewer enterprise as part of a larger agency may be undercounting or overcounting their employees.

When reviewing the staffing counts, please note that agencies may have interpreted the AWWA methodology differently and categorized employees differently from Central San. Some percentages for Central San staffing categories may appear higher than other agencies due to the fact that agencies may have categorized their employees differently (e.g., 4 Warehouse employees at Central San were categorized as "Finance", whereas other agencies may classify them as "Other"). Central San worked closely with AWWA to ensure all employees were categorized; therefore, our counts may appear higher across the board, as is apparent in the fact we have zero employees categorized as "Other". Further using the Finance staffing counts as an example, the Finance function for Central San includes staff beyond the 13 staff in the Finance organization unit, such as the aforementioned four Materials Services staff, one Capital Projects staff, one FTE from Financial Planning, and hours for three temporary staff.


STAFFING LEVELS BY CATEGORY (% OF TOTAL FTEs)

This chart shows how Central San’s employees were categorized in FY 2021-22, 2022-23, and 2023-24 compared to the nationwide AWWA aggregate data for ***FY 2021-22***.

FTE Category and Subcategory	<div>CENTRAL SAN CENTRAL CONTRA COSTA SANITARY DISTRICT*</div>			Nationwide AWWA Survey (FY 2021-22 Data)											
	FY 2021-22	FY 2022-23	FY 2023-24	WW-only (3-10 participants)			Combined (19-74 participants)			Population of 100,001- 500,000 (8-40 participants)			Population of >500,000 (9-23 participants)		
				25%	Median	75%	25%	Median	75%	25%	Median	75%	25%	Median	75%
Total FTEs (#)	299	304	307	186	230	293	51	120	238	69	127	194	299	470	596
FTEs – O&M (% of Total FTEs)	45.1	45.2	44.5	46.1	50.5	56.3	34.1	55.4	73.3	34.5	62.7	76.6	14.0	50.7	56.0
WW Collection (%)	19.2	19.4	18.8	18.5	23.5	24.6	20.2	27.2	39.5	20.9	25.3	39.2	17.6	29.0	32.0
WW Treatment (%)	25.8	25.8	25.6	12.3	29.5	33.9	22.4	28.0	38.4	24.3	29.3	41.6	23.2	26.4	32.2
FTEs – Management, Engineering, Customer Service, Other (% of Total FTEs)	54.9	54.8	55.5	37.0	49.1	52.8	9.8	34.4	51.9	9.8	32.7	48.9	1.5	46.5	55.2
Pretreatment Programs (%)	3.0	3.5	3.4	1.2	1.7	3.7	1.3	3.2	6.8	1.1	4.7	7.3	0.9	3.2	4.4
Engineering (%)	14.1	13.2	14.9	9.1	11.5	13.9	4.2	7.5	11.4	3.9	7.6	11.4	5.2	9.0	11.4
Utility Planning (%)	6.4	6.9	5.1	2.6	4.2	6.0	1.2	3.6	5.9	2.0	3.6	4.9	1.2	2.0	4.0
Lab service / Compliance (%)	5.1	5.2	5.4	5.5	7.4	8.7	3.5	4.4	6.2	3.6	4.2	5.8	3.9	5.3	6.9
Customer Service / Call Center (%)	2.0	2.2	2.3	2.1	2.6	3.1	3.7	6.3	10.0	2.2	3.7	6.7	3.6	5.9	10.4
Customer Billing (%)	0.7	0.4	0.5	0.5	0.6	0.7	1.4	2.1	3.8	1.3	1.9	2.2	1.1	1.4	2.1
Public Relations (%)	2.1	1.7	2.1	0.9	1.4	1.8	0.6	0.8	1.2	0.4	0.8	1.0	0.6	0.9	1.3
Finance (%)	6.6	7.3	6.8	3.3	3.9	4.8	2.2	3.3	4.5	2.0	2.9	3.8	2.2	3.2	4.5
Human Resources (%)	2.2	2.1	2.2	1.7	2.5	2.7	0.8	1.6	2.2	0.8	1.4	1.8	1.0	2.2	2.5
Information Technology (%)	3.8	4.0	4.6	3.8	4.3	4.5	1.7	3.1	4.5	1.3	2.3	3.3	2.7	4.1	4.5
Facilities (%)	2.5	1.6	1.7	1.5	7.0	12.9	0.9	3.3	8.3	0.8	1.4	5.4	0.6	1.1	8.3
Fleet (%)	1.3	1.5	1.3	1.3	1.8	2.2	1.0	1.8	3.9	1.0	1.9	3.8	0.6	1.3	1.8
Legal / Administration (%)	3.4	3.3	3.3	1.5	2.1	2.8	1.5	3.1	6.5	1.4	2.6	8.1	1.1	1.7	3.0
Safety (%)	0.8	0.9	0.9	0.5	0.8	1.1	0.4	0.7	0.9	0.3	0.5	0.7	0.4	0.6	0.8
Risks / Claims (%)	0.8	0.8	0.9	0.6	0.7	7.6	0.1	0.3	0.7	0.0	0.4	0.7	0.1	0.2	0.3
Security (%)	0.2	0.2	0.2	0.4	0.9	2.0	0.2	0.4	0.8	0.0	0.2	0.3	0.3	0.7	0.9
Other (%)	0.0	0.0	0.0	3.6	7.5	11.5	2.9	7.5	9.1	2.0	5.1	7.6	3.4	7.5	10.9

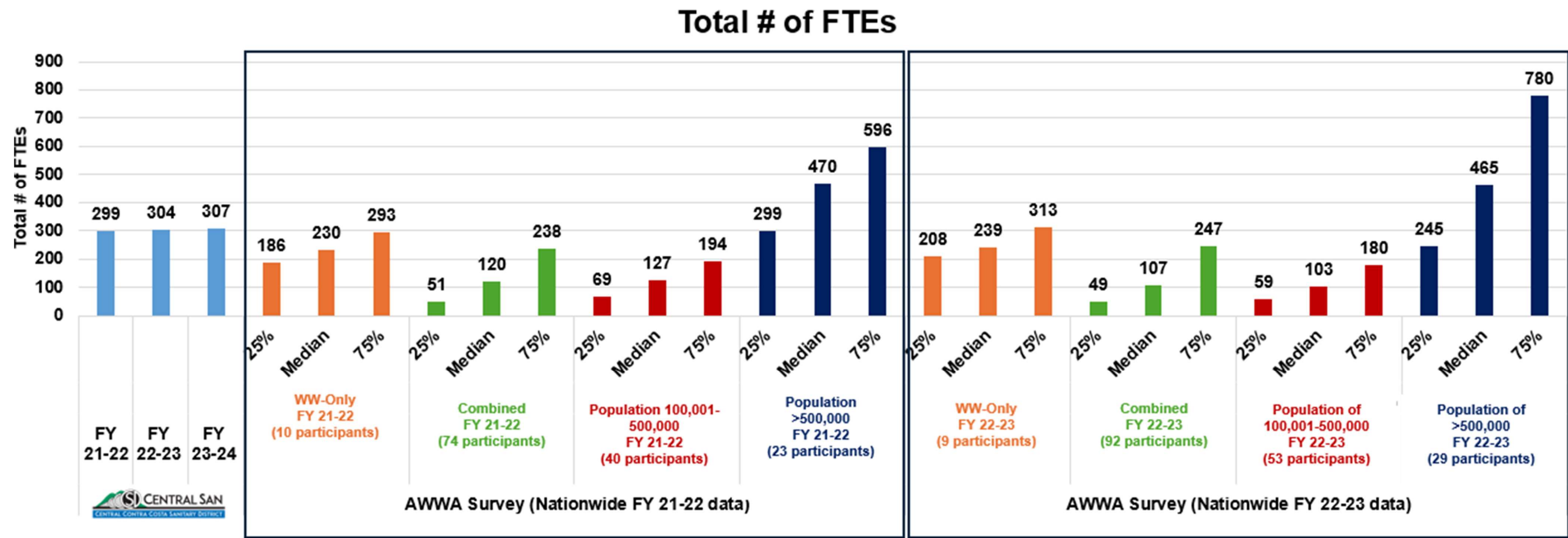
STAFFING LEVELS BY CATEGORY (% OF TOTAL FTEs)

This chart shows how Central San’s employees were categorized in ***FYs 2021-22, 2022-23, and 2023-24*** compared to the nationwide AWWA aggregate data for ***FY 2022-23***.

FTE Category and Subcategory				Nationwide AWWA Survey (FY 2022-23 Data)											
				WW-only (2-9 participants)			Combined (24-92 participants)			Population of 100,001- 500,000 (16-53 participants)			Population of >500,000 (7-29 participants)		
	FY 2021-22	FY 2022-23	FY 2023-24	25%	Median	75%	25%	Median	75%	25%	Median	75%	25%	Median	75%
Total FTEs (#)	299	304	307	208	239	313	49	107	247	59	103	180	245	465	780
FTEs – O&M (% of Total FTEs)	45.1	45.2	44.5	46.0	49.7	64.9	34.1	55.4	73.3	40.4	62.5	71.2	0.0	46.0	54.2
WW Collection (%)	19.2	19.4	18.8	11.6	21.5	33.9	34.0	50.4	68.3	21.9	29.2	39.1	13.3	22.0	28.6
WW Treatment (%)	25.8	25.8	25.6	23.9	31.1	36.0	19.3	26.7	37.5	21.4	29.2	40.4	19.2	27.3	38.1
FTEs – Management, Engineering, Customer Service, Other (% of Total FTEs)	54.9	54.8	55.5	34.7	43.5	51.1	2.8	4.9	8.4	10.6	33.1	49.5	0.0	44.0	51.2
Pretreatment Programs (%)	3.0	3.5	3.4	1.4	1.9	3.1	8.5	34.0	53.0	1.1	3.0	6.6	6.7	3.5	1.7
Engineering (%)	14.1	13.2	14.9	4.1	9.3	15.7	1.4	3.3	6.6	3.0	7.7	11.8	5.0	9.0	13.0
Utility Planning (%)	6.4	6.9	5.1	11.7	18.8	25.8	4.9	8.0	11.4	0.9	2.8	4.0	0.8	1.9	4.6
Lab service / Compliance (%)	5.1	5.2	5.4	4.9	6.1	8.6	0.9	2.8	4.6	2.8	4.2	5.7	3.0	4.1	6.5
Customer Service / Call Center (%)	2.0	2.2	2.3	2.0	3.1	3.8	2.6	4.4	6.7	2.0	5.6	9.4	3.3	6.0	9.1
Customer Billing (%)	0.7	0.4	0.5	0.6	1.0	1.4	1.3	2.2	3.4	1.1	1.9	3.0	1.1	1.5	2.2
Public Relations (%)	2.1	1.7	2.1	0.6	1.2	1.6	0.5	0.9	1.5	0.5	0.7	1.1	0.6	0.9	1.8
Finance (%)	6.6	7.3	6.8	2.9	4.1	4.8	1.5	3.4	4.1	1.4	2.6	3.7	2.2	3.3	4.1
Human Resources (%)	2.2	2.1	2.2	1.5	1.9	2.2	1.0	1.9	2.5	0.7	1.6	2.2	1.4	1.9	2.6
Information Technology (%)	3.8	4.0	4.6	1.9	2.9	4.0	2.0	2.7	4.6	1.4	2.2	3.5	2.3	4.4	5.5
Facilities (%)	2.5	1.6	1.7	1.5	1.8	4.8	0.7	1.4	4.7	0.6	1.1	3.5	0.5	1.0	2.9
Fleet (%)	1.3	1.5	1.3	0.9	1.2	1.6	0.7	2.3	3.4	0.7	1.8	3.6	0.6	1.1	2.3
Legal / Administration (%)	3.4	3.3	3.3	1.4	1.6	2.2	1.4	3.4	6.4	1.5	3.3	7.6	1.0	1.5	3.7
Safety (%)	0.8	0.9	0.9	0.5	0.8	0.9	0.5	0.7	1.1	0.3	0.6	0.9	0.5	0.7	0.8
Risks / Claims (%)	0.8	0.8	0.9	0.7	0.8	0.8	0.1	0.4	1.3	0.0	0.3	0.9	0.1	0.4	0.5
Security (%)	0.2	0.2	0.2	0.3	0.5	2.6	0.2	0.6	2.3	0.0	0.2	0.5	0.3	0.8	2.4
Other (%)	0.0	0.0	0.0	4.7	7.0	11.7	2.6	5.6	10.9	3.8	5.6	10.1	1.9	5.2	10.2

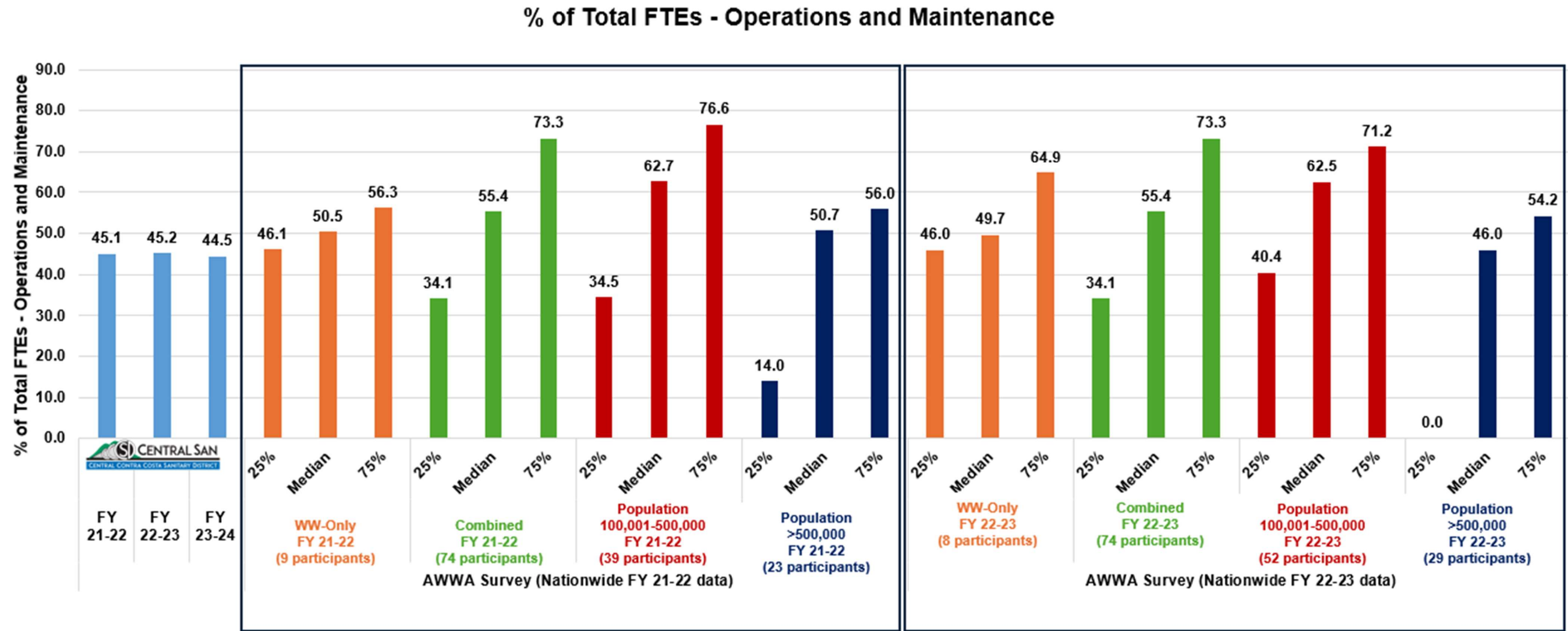
TOTAL NUMBER OF FTEs

This indicator measures the number of employees in the utility. To reduce bias in utility-to-utility comparisons, part-time, temporary, and seasonal employees were included and converted to FTEs based on their total number of compensated hours divided by 2,080 hours. Central San’s FTE count comprises of budgeted District employees and temporary employees, student, and interns, and does not include employees dedicated to Household Hazardous Waste or Recycled Water.



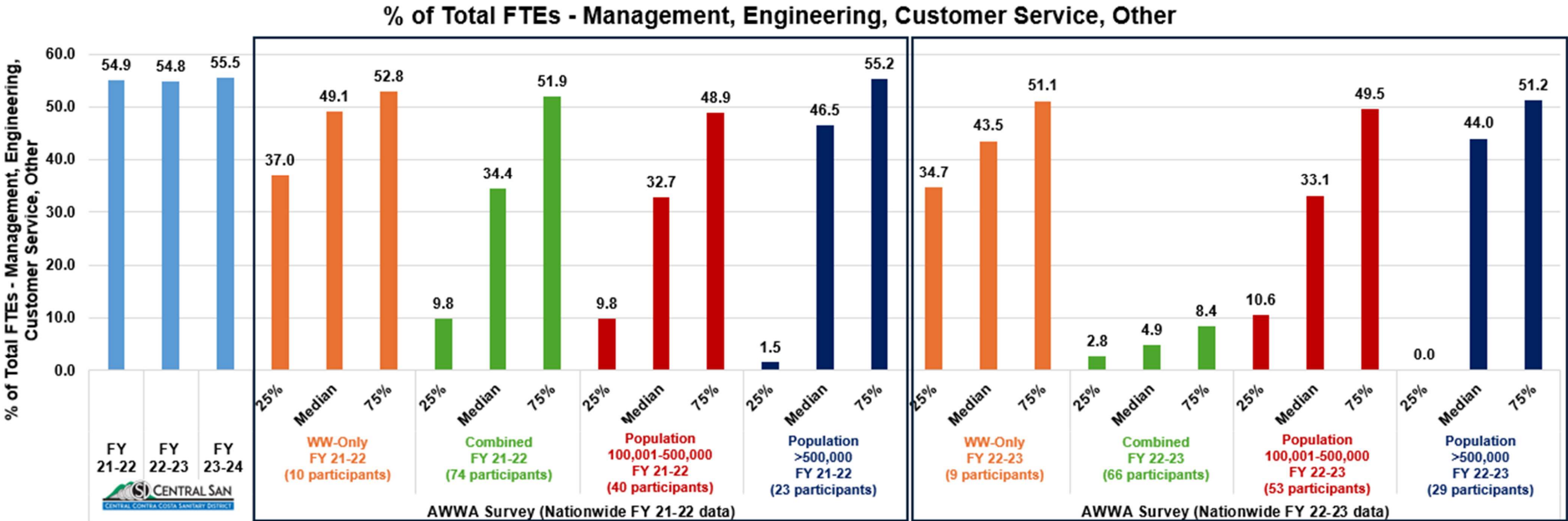
PERCENTAGE OF TOTAL FTES – OPERATIONS AND MAINTENANCE

The chart below shows the percentage of FTEs dedicated to O&M, as opposed to the other category of Management, Engineering, Customer Service, and Other.



PERCENTAGE OF TOTAL FTES – MANAGEMENT, ENGINEERING, CUSTOMER SERVICE, OTHER

The chart below compares the percentage of FTEs dedicated to Management, Engineering, Customer Service, Other, as opposed to the other category of O&M.



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	<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>

Terms and Definitions Used in the Budget Document	
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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.
InfoMaster®	GIS-based Asset Integrity Management and Capital Planning Tool
InfoWorks®	New Sewer System Hydrodynamic Model
Joint Power Authority (JPA)	A public entity created by an agreement of two or more public agencies with the purpose of forming workers' compensation liability pooling arrangements.
Key Performance Indicators (KPI)	Indicators with specific targets that measure how well Central San is progressing in achieving its goals under the Key Metrics of the Strategic Plan.
Liability	A debt of the business; an amount owed to creditors, employees, government bodies, and others; a claim against assets.

Terms and Definitions Used in the Budget Document	
Modified Accrual Basis of Accounting	The accrual basis of accounting adapted to the government fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.
Modified Cash Flow Basis	Income and expense accounting method that records revenue when cash is received and records expenses when cash is paid.
Net Assets	See <i>Fund Balance</i> .
Nutrients	Wastewater contains nitrogen and phosphorus compounds from human waste, food waste, and various soaps/detergents. While nutrients are essential to sustain life, excess nutrients in wastewater can contribute to a cycle that can lead to consume oxygen in water, contributing to impacts across aquatic ecosystems.
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.

Terms and Definitions Used in the Budget Document	
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.
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).

Terms and Definitions Used in the Budget Document	
Self-Insurance Fund	One of four sub-funds of the enterprise fund used to account for Central San's operations. This fund covers the cost of claims not covered by Central San's insurance coverage, the cost of insurance premiums, interest earnings on the fund, and other associated costs.
Sewer Construction (Capital) Fund (S/C)	One of four sub-funds of the enterprise fund used to account for Central San's operations. This sub-fund provides for the treatment plant and collection system renewal and replacement expenditures, as well as office facilities renewal, vehicle and equipment replacement, information systems replacement, and miscellaneous capital expansion needs.
San Francisco Bay Regional Water Quality Control Board (Regional Board)	One of nine regional water quality control boards in California. The nine regional boards are semi-autonomous and are comprised of seven part-time Board members appointed by the Governor and confirmed by the Senate. The five member State Water Resources Control Board was created by the State Legislature in 1967 to protect water quality by setting statewide policy, coordinating and supporting the Regional Board efforts, and reviewing petitions that contest Regional Board actions. Together with the regional boards, the State Board is authorized to implement the federal Clean Water Act in California. The Water Boards are housed within state government and are part of the California Environmental Protection Agency (CalEPA).
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.
Spills	Sanitary Sewer Overflows
Staffing Plan	The classes and positions that have been authorized by the Board and have been determined necessary to carry out Central San functions. Central San's current staffing level is based on a 2015 Organization and Staffing Plan, which resulted from a study conducted by Raftelis Financial Consultants, recommending 290 FTE positions.
State Revolving Fund (SRF)	A state revolving fund (SRF) is a fund administered by a U.S. state for the purpose of providing low-interest loans for investments in water and sanitation infrastructure (e.g., sewage treatment, stormwater management facilities, drinking water treatment), as well as for the implementation of nonpoint source pollution control and estuary protection projects. The SRF in California is administered by the State Water Resources Control Board.
Strategic Plan	The document that provides a blueprint for how Central San will respond to future challenges and changing priorities over a two-year period. It outlines specific goals, strategies, and objectives to guide Central San and establishes criteria to measure progress.
Strategy	Highest level of capital improvement activities, generally a grouping of related programs. Represents key capital objectives as defined in the Mission Statement, Strategic Plan, and Board policies and directives.
Statement of Net Assets (Balance Sheet prior to GASB 34)	A statement reporting the present financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date. Assets minus liabilities equal fund balance (also called Net Assets).
Sub-Funds	<p>As noted previously, Central San is considered one enterprise fund with four "sub-funds" to facilitate improved internal budgeting and accounting. The sub-funds used and included in this budget document are as follows:</p> <ul style="list-style-type: none"> • Running Expense Sub-Fund - (also referred to as Operations and Maintenance, O&M, or R/E) accounts for the general operations of Central San. Substantially accounts for all operating revenues and expenses. • Sewer Construction Sub-Fund - (also referred to as Capital or S/C) accounts for non-operating revenues that are to be used for acquisition or construction of plant, property, and equipment. • Self-Insurance Sub-Fund - (also referred to as S/I) accounts for interest earnings on cash balances and cash allocations from other funds, temporary investments, and costs of insurance premiums and claims not covered by Central San's insurance policies. <p>Debt Service Sub-Fund - A sub-fund that accounts for activity associated with the payment of Central San's long-term bonds and loans.</p>

Terms and Definitions Used in the Budget Document	
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.
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>

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Acronyms and Abbreviations Used in the Budget Document	
ACFR	Annual Comprehensive Financial Report
ACM	Asset Condition Management Program
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
DJFI	Don't Just Fix It; Improve It
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
PdM	Predictive Maintenance Tasks
PLC	Programmable Logic Controller
POB	Plant Operations Building
PTO	Process and Technology Optimization
PY	Prior Year
RAMPCAP J100	Risk Analysis and Management for Critical Asset Protection
RCA	Root Cause Analysis
RCM	Reliability-Centered Maintenance
RE	Reliability Engineering
ReW	Recycled Water
RSA	Rate Stabilization Account
SBITA	Subscription-based Information Technology Arrangement
SCB	Solids Conditioning Building
SIF	Self-Insurance Fund

Acronyms and Abbreviations Used in the Budget Document	
SRF	State Revolving Fund (Loan)
SSC	Sewer Service Charge
SSO	Sanitary Sewer Overflow/Spills
Ten-Year CIP	Ten-Year Capital Improvement Plan
UAAL	Unfunded Actuarially Accrued Liability
UV	Ultraviolet
VFD	Variable Frequency Drives