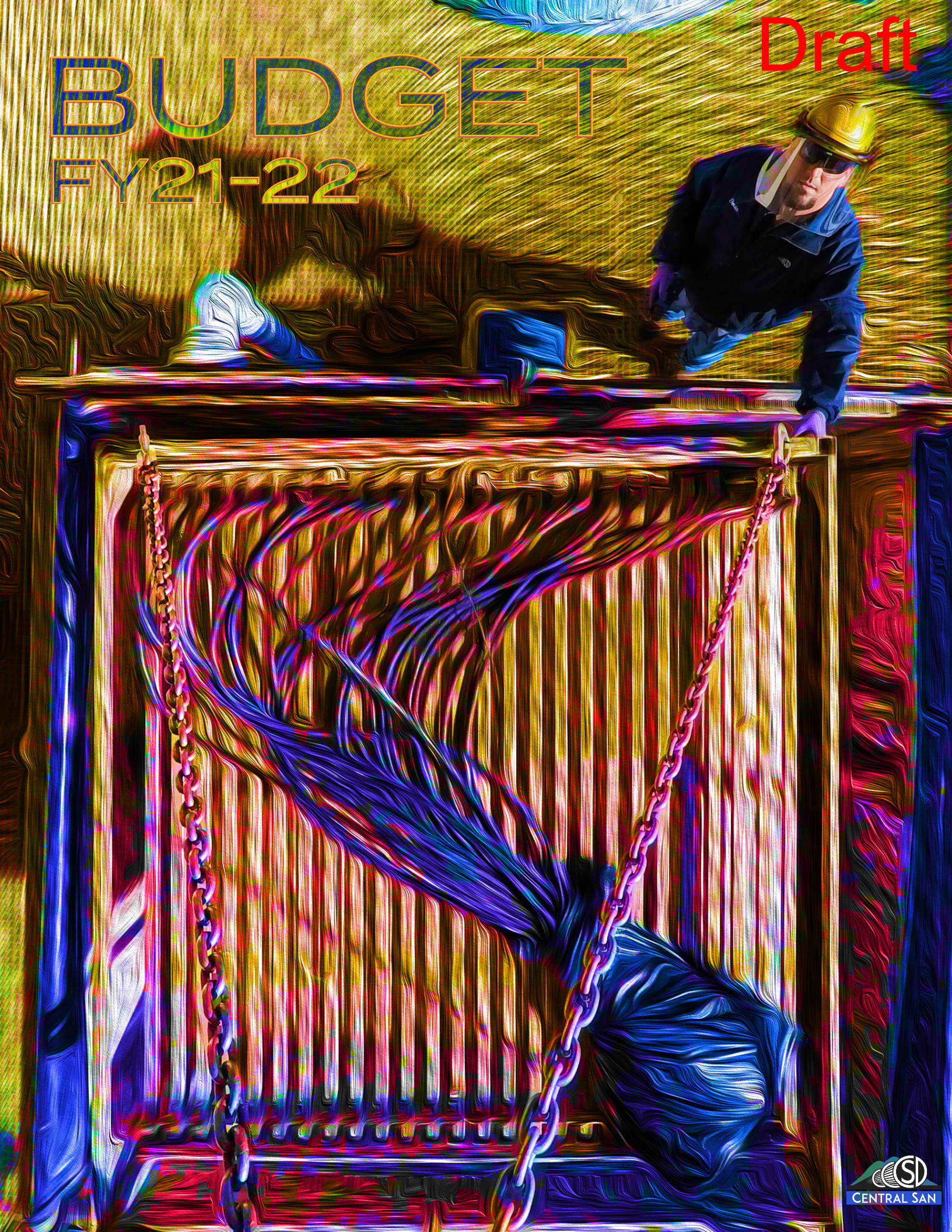
BUDGET

FY21-22

Draft



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CENTRAL SAN

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FY 2021 - 22 BUDGET

BOARD OF DIRECTORS

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

EXECUTIVE MANAGEMENT

Roger S. Bailey, General Manager

Jean-Marc Petit, Director of Engineering and Technical Services

Philip Leiber, Director of Finance and Administration

Steve McDonald, Director of Operations

Kenton Alm, Counsel for the District

Katie Young, Secretary of the District

CONTACT FOR COPIES

Central San Finance Division, 5019 Imhoff Place, Martinez, CA 94553, 925-228-9500
To view or download an electronic version, visit http://www.centralsan.org

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CENTRAL SAN
CENTRAL CONTRA COSTA SANITARY DISTRICT

VISION, MISSION, & VALUES

OUR MISSION

To protect public health and the environment

OUR VISION

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

OUR VALUES

PEOPLE

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

COMMUNITY

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

PRINCIPLES

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

LEADERSHIP AND COMMITMENT

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

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Central Contra Costa Sanitary District
California

For the Fiscal Year Beginning

July 01, 2020

Christopher P. Morrill

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, 2020. 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 24
Budgeting Calendar, Process, and Spending Authorities 25
Strategic Plan Summary 30
Financial Overview
Financial Overview 35
Financial Planning Policies
Fiscal Planning Policies 37
Fiscal Reserves Policy 37
Basis for Budgeting 38
Debt Management and Continuing Disclosure Policy 42
Investment Policy 42
Current Financial Plan 43
Operations and Maintenance 44
Capital 44
Financial Summary
Financial Summary 45
Sources of Funds 46
Sewer Service Charge 53
Use of Funds 56
Operations and Maintenance Budget Overview 57
Variances in Operations and Maintenance Budget 60
Operations and Maintenance Budget by Operating Department 65
Historical Variances in the Operations and Maintenance Spending 66
Staffing, Salaries, and Benefits 67
Budgeted Full Time Equivalents 68
Staffing Changes 69
Capital Improvement Budget 70
Impact of Capital Improvement Budget on Ongoing Operations and Maintenance Budget 73
Reserve Projections 73
Debt Service 77
Long-Term Spending Trend 78
Operating Departments
Operating Departments 81
Administration Department 82
Engineering and Technical Services Department 125
Operations Department 149
Self-Insurance Program
Self-Insurance Program 173
Capital Improvement Program
Capital Improvement Program 181
Ten-Year Capital Improvement Plan
Ten-Year Capital Improvement Plan 283
Debt Program
Debt Program 299
Supplemental Financial Information
Supplemental Financial Information 305
Glossary and Acronyms
Terms, Definitions, Acronyms, and Abbreviations Used in Budget Document 313

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General Manager's Message

Honorable Members of the Board of Directors:

I am pleased to present the Central Contra Costa Sanitary District's (Central San's) Fiscal Year (FY) 2021-22 combined budget. As we celebrate our 75th year, this budget represents our continuing commitment to protecting public health and the environment, while providing outstanding service to the people of central Contra Costa County at fair and reasonable rates.

Over the past 75 years, Central San has grown along with the communities we serve. Today we collect and clean more than 13 billion gallons of wastewater every year for nearly half a million residents and more than 3,000 businesses. We also provide exceptional customer service through innovative recycled water and household hazardous waste (HHW) programs, as well as award-winning public outreach and student educational programs. These services will continue to receive the support they need in this budget.

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

Innovation and Essential Service

This has been a year like no other in Central San's history. The COVID-19 pandemic has underscored the centrality of public health to our communities, our economy, and our way of life. We've had to make significant changes in how we work to help keep our employees and customers healthy and safe. Yet, we've risen to the challenge, providing uninterrupted wastewater collection and cleaning services for our customers throughout this critical time.

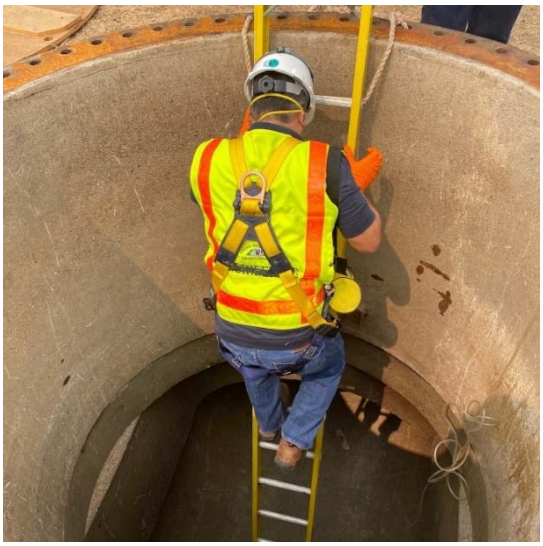
Through ingenuity and innovation, we developed new ways to meet our customers' needs, even when we can't meet them face to face. We implemented enhanced safety protocols and contactless procedures for our permit counter and HHW facilities and launched new virtual public/school education programs. Through our participation in COVID-19 regional monitoring and research efforts, we're supporting the emerging science of wastewater-based epidemiology, which is helping scientists and public health officials more effectively track and combat the virus and prepare for future pandemics.

This year's unprecedented events have impacted budgets and revenues for special districts across the state, and

Central San is no exception. We're pursuing federal relief to address the emergency expenditures necessitated by the pandemic. We also recognize the challenges many of our customers are facing, which is why we waived collecting the rate increase which went into effect July 1, 2020, for residential and commercial customers, and refunded the sewer service charge for schools for the period when they were closed. We will continue to monitor the economic impacts of the pandemic and be ready to respond.

A Year of Milestones

Despite the challenges, we continue to make headway on our strategic goals. We completed implementation of our new Enterprise Resource Planning (ERP) system, which will streamline processes, enhance functionality, and provide better reporting tools to help Central San manage our resources. We also implemented numerous infrastructure projects in alignment with our 20-year master plan, including:



- Replaced 8 miles of aging neighborhood sewer pipes
- Began work on filter plant and clearwell improvements to ensure the continued reliability of our recycled water system and advance our vision to provide expanded recycled water capacity
- Launched a pilot program using state-of-the-art technology to assess the condition of our largest sewers
- Completed a series of critical inspections and improvements to our outfall—the 6-foot diameter, 3.5-mile pipe that carries clean, treated water from our plant to Suisun Bay
- Completed upgrades to the Emergency Sludge Loadout Facility, a critical step in the planned improvements to our solids handling facility

To cap off these successes, we were again honored with a Peak Performance Platinum Award, marking 23 consecutive years of 100% compliance with our National Pollutant Discharge Elimination Permit — the longest successful streak of any wastewater agency in California and among the top 20 in the nation.

Accomplishments within our Strategic Plan Goals

As we strive to provide exceptional service at reasonable rates, our two-year Strategic Plan serves as a guidepost to keep us focused on our vision and goals. Below are some of Central San's major accomplishments under each of the seven goals in the Strategic Plan:

CUSTOMER AND COMMUNITY

- Developed digital learning Pipe Protectors program, serving 5,800 students with a hands-on, science-based curriculum that was presented via online learning formats
- Implemented a Customer Relief Program and a Non-Residential Capacity Fee Installment Payment Program for customers to address the impacts on the economy from COVID-19
- Created a Septic to Sewer (S2S) Financing Program as a two-year pilot to encourage single-family houses to connect to nearby sewer mains
- Launched a new drone program to capture photographs and videos of facilities for education, outreach, and operational assessments, including securing necessary licenses and authorizations from the Federal Aviation Administration
- Oversaw approximately 40,000 visits to the Household Hazardous Waste (HHW) Collection Facility and Residential Recycled Water Fill Station by residents, small businesses, reuse customers, retail partners, and fill station users
- Continued to provide essential wastewater treatment and collection services without interruption during the COVID-19 pandemic

ENVIRONMENTAL STEWARDSHIP

- Achieved 23 consecutive years of 100% compliance with Central San's National Pollutant Discharge Elimination System Permit (NPDES), governing wastewater discharge
- Reduced sanitary sewer overflows to a potential new record low of 18 in FY 2020-21, up to March 31
- Cleaned 478 miles and televised 81 miles of sanitary sewers, completing 10,604 sewer maintenance work orders on schedule 99.5% of the time
- Collected approximately 2,600,000 pounds of household hazardous waste
- Collected approximately 5,000 pounds of pharmaceuticals
- Actively engaged in regulatory issues through involvement with Bay Area Clean Water Agencies (BACWA) and the California Special Districts Association (CSDA) Legislative Committee
- Distributed approximately 130 million gallons of recycled water to businesses and residents
- Completed construction for the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA) temporary wastewater diversion facility in San Ramon to produce more recycled water and augment regional water supply
- Completed the procurement process and obtained Board approval for a Power Purchase Agreement (PPA) for a 1.75-megawatt solar energy project that exceeds the cost-effectiveness criteria in Central San's Energy Policy and completed the environmental review process for the project

FISCAL RESPONSIBILITY

- Achieved 20 consecutive years of receiving the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting
- Awarded the GFOA Distinguished Budget Presentation Award for the FY 2019-20 Budget for the third consecutive year after applying for the first time three years ago
- Completed annual Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework, soliciting involvement from 34 California agencies
- Rolled out a completely restructured chart of accounts based on best practice guidance issued by the GFOA, allowing for greatly improved reporting functionalities

WORKFORCE DEVELOPMENT

- Launched Employee Recognition Events program to allow managers to acknowledge extraordinary achievements
- Developed an Innovation Recognition Program, which included the first annual Innovations Fair, showcasing and celebrating innovative employees going above and beyond to improve and optimize their work
- Held virtual Q&As on Central San-wide policies and procedures such as bi-weekly pay transition and COVID-19 Exposure Prevention Plan

- Continued the third cycle of the BOOST Mentorship Program
- Had a safe year with zero recordable incidents, for an employee injury and illness lost time incident rate of 0.0

INFRASTRUCTURE RELIABILITY

- Received Best Asset Management Program 2020 award from Uptime Magazine
- Renovated sewers in Danville, Martinez, Walnut Creek, Lafayette, Orinda, and other nearby communities
- Completed several critical infrastructure improvement projects at the treatment plant, including the Treatment Plant Piping Renovations; Treatment Plant Control Systems Input/Output (I/O) Replacement, Phase 9; Outfall Improvements, Phase 7; Emergency Sludge Loading Building; and Concrete and Mechanical Renovations Project
- Completed comprehensive condition assessments for the Steam and Aeration Blower Systems Renovations Project and developed business case evaluations to scope future capital projects
- Completed migration of equipment from outdated data center to newly constructed and modern data center

INNOVATION AND OPTIMIZATION

- Implemented the new fully integrated cloud-based enterprise resource planning (ERP) system's Financials, Procurement, Contracts, Projects, Core HR, Employee Self-Service, Time & Labor, Absences, Benefits, Payroll, Budgeting, Goals & Performance, and Employee Learning modules, which converted many business workflows into streamlined paperless processes
- Held quarterly meetings of the Central San Smart Steering Committee and incorporated projects into the Technology Strategic Plan
- Implemented Central San's first Ethernet controlled variable frequency drives, resulting in simplified wiring and availability of power monitoring and diagnostic data

AGILITY AND ADAPTABILITY

- Developed, implemented, and enforced a COVID-19 Exposure Prevention Plan
- Allowed employees to work from home where possible based on their job duties and ability to remote work effectively
- Commissioned an Engineering Controls Plan, developed Return to Office Protocols, and installed all recommended improvements for a safe workplace
- Participated in and launched wastewater surveillance efforts with Stanford, UC Berkeley, Contra Costa Health Services, and Department of Human and Health Services

Embracing the Future

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

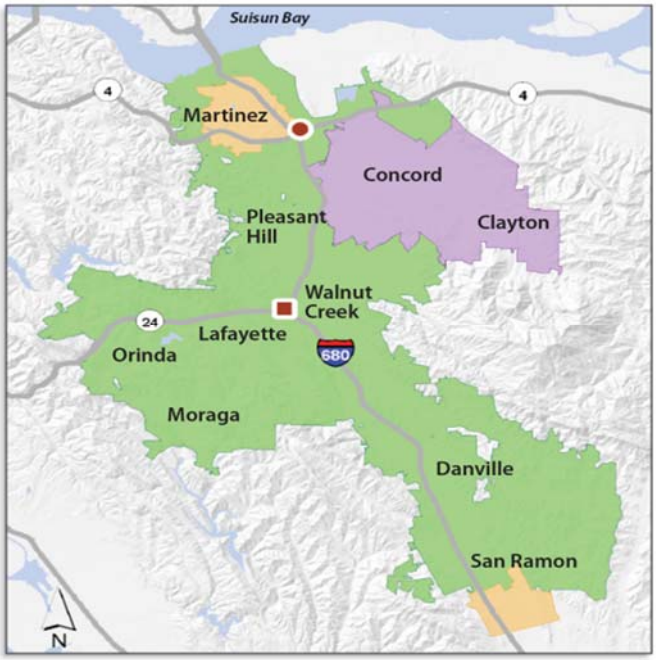
The priorities identified in this FY 2021-22 Budget will allow us to build upon our successes and meet our goals for FY 2021-22 as outlined in our two-year Strategic Plan—the guidepost for our budgeting process. I want to thank the Board of Directors (Board) for providing the vision, resources, and support necessary to achieve these goals and address current and future challenges. I also want to thank our staff for working so diligently to develop this budget, ensuring we are financially well-positioned to meet our goals.

We recognize that our customers rely on us for a basic but essential service, and we look forward to continuing to provide them with the highest levels of reliability, service, and value.

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



Sewage collection and wastewater treatment; household hazardous waste (HHW) disposal

Wastewater treatment and HHW disposal for residents in Concord and Clayton by contract

HHW disposal only

Central San headquarters, treatment plant, HHW Facility, and Residential Recycled Water Fill Station

Collection System Operations headquarters

Central San by the numbers

- Serves nearly 500,000 residents and more than 3,000 businesses in central Contra Costa County
- Maintains over 1,500 miles of sewer pipelines and 18 pumping stations to carry wastewater to our regional treatment plant in Martinez
- Cleans more than 13 billion gallons of wastewater per year
- Produces more than **500 million gallons** of recycled water every year for irrigation and industrial uses
- Collects **2.6 million pounds** of household hazardous waste per year, and reuses or recycles about **90%** of those materials
- Collects more than **5,000 pounds** of unwanted medications per year
- Achieves an average 3.7 out of 4.0 customer satisfaction rating for sewer emergency response (as of Q2 in FY 2020-21)
- Serves more than 6,000 students through school education programs every year
- Welcomes more than 500 participants to treatment plant tours and speakers bureau presentations per year

Community Profile

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

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

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

Service Area Population (Last Ten Years)

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

Population by Community (2010, 2019, 2020)

Community*	As of January 1, 2010	As of January 1, 2019	As of January 1, 2020
Clayton	10,936	11,653	11,337
Concord	124,442	129,889	130,143
Danville	43,110	45,270	43,876
Lafayette	24,206	26,327	25,604
Martinez	21,078	21,745	20,913
Moraga	14,701	16,939	16,946
Orinda	17,799	19,475	19,009
Pleasant Hill	33,384	35,055	34,267
San Ramon	51,099	69,143	68,824
Walnut Creek	65,443	70,121	70,860
Unincorporated Contra Costa County**	48,557	48,658	41,850
Total Service Area	**454,755**	**494,275**	**483,629**
Contra Costa County Total	**1,073,055**	**1,155,879**	**1,156,530**

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

**Includes Alamo, Clyde, and Pacheco

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

Household Income by Community (2019)

Community	Average Household Income
Alamo *	$239,545
Clyde *	$82,944
Clayton **	$157,768
Concord **	$89,564
Danville	$160,808
Lafayette	$178,889
Martinez	$107,328
Moraga	$140,378
Orinda	$223,217
Pacheco *	$72,383
Pleasant Hill	$118,947
San Ramon	$160,783
Walnut Creek	$105,948
Service Area Total (Excluding Concord** & Clayton**) **,Weighted by Population**	$142,181

Source: US Census Data (https://www.census.gov/quickfacts)
* Included in "Unincorporated Contra Costa County " population line item in previous table
** Not included in service territory, Central San provides wastewater treatment and HHW services through a wholesale contract.

Ten Largest Customers by Sewer Service Charge (FY 2019-20)

Customer	Operating Revenue	Rank	% of Operating Revenue
City of Concord*	$15,205,292	1	16.44%
First Walnut Creek Mutual	$521,550	2	0.56%
Park Regency Apartments	$489,708	3	0.53%
Sunvalley Shopping Center	$453,512	4	0.49%
John Muir Health**	$413,900	5	0.45%
Second Walnut Creek Mutual Apartments	$411,750	6	0.45%
Bishop Ranch City Center	$315,106	7	0.34%
San Ramon Unified School District	$266,550	8	0.29%
Branch Creek Vista Apartments	$244,180	9	0.26%
Contra Costa County General Services **	$219,600	10	0.24%
Total	**$18,541,148**		**20.05%**

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

**Contra Costa County General Services and John Muir Health are permitted industries

Active Service Accounts and FY Sewer Service Charge Billings (2020)

User Group	Accounts*	2019-20 Sewer Service Charge Billings	% of Total
Residential	114,993	$82,615,906	81%
Mixed Use	426	$6,610,852	6%
Office	712	$2,852,440	3%
Hotel/Motel	23	$1,410,709	1%
Food Service	265	$1,188,731	1%
Government	190	$1,121,289	1%
Schools	173	$1,010,889	1%
Businesses	383	$808,415	1%
Recreation/Entertainment	138	$843,247	1%
Automotive/Car Wash	244	$737,895	1%
Market/Supermarket	39	$567,290	1%
Industrial/Permitted	11	$497,443	1%
All Other User Groups	491	$2,630,906	2%
Partial Year Charges		$347,497	
Prior Year Adjustments		**($4,698)**	
Total	**117,998**	**$103,238,861**	**100%**

* Accounts are defined as dwelling units for residential customers and meters for non-residential customers

Ten Largest Employers in Contra Costa County (2020)

Employers	Estimated Employees	2020 % of Total County Employment
Chevron Corporation	10,000+	2.11%
St. Mary's College	1,000-4,999	0.63%
Bio-Rad Laboratories	1,000-4,999	0. 63%
Job Connections	1,000-4,999	0. 63%
John Muir Medical Center	1,000-4,999	0. 63%
Kaiser Permanente	1,000-4,999	0. 63%
La Raza Market	1,000-4,999	0. 64%
Martinez Medical Offices	1,000-4,999	0. 64%
USS-POSCO Industries	1,000-4,999	0. 64%
All Others	In 2020: 439,500	92.82%

Source: County of Contra Costa, California, California Annual Financial Report for June 30, 2020, Statistical Section, principal employers excludes government employers

Economic Statistics for Contra Costa County (Last Ten FYs)

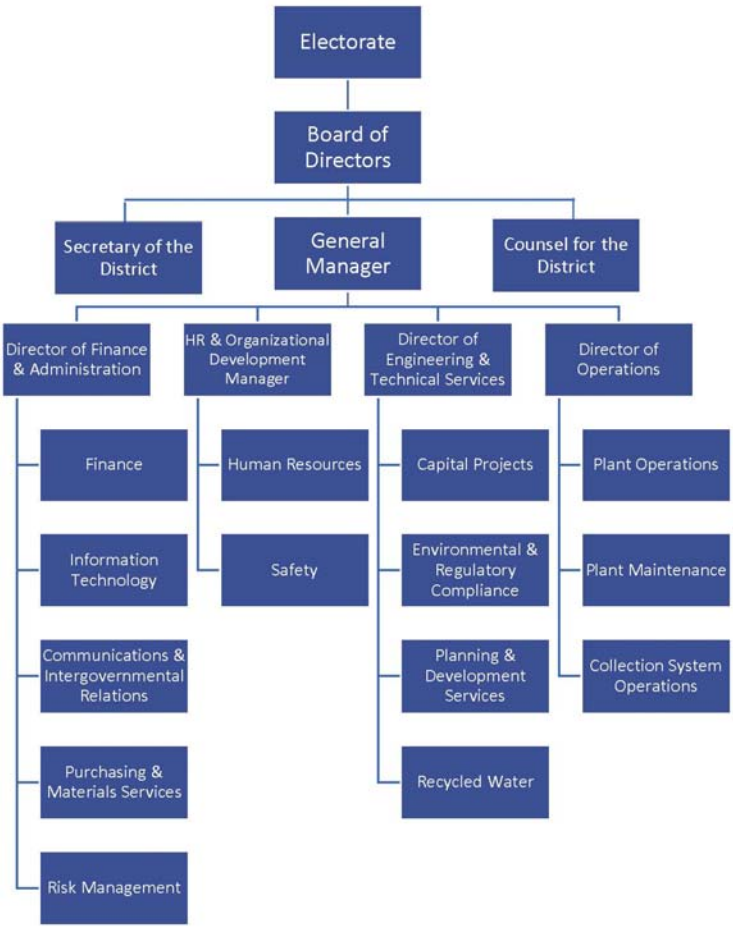
FY Ended June 30	Population*	Personal Income*	Per Capita Personal Income*	Average Annual Unemployment Rate**
2010	1,052,875	$56,882,501,000	$54,030	11.3%
2011	1,066,126	$61,498,902,000	$57,681	11%
2012	1,079,093	$66,772,041,000	$61,878	9.4%
2013	1,096,310	$67,290,115,000	$61,435	7.3%
2014	1,110,971	$71,164,468,000	$64,056	6.0%
2015	1,126,027	$77,914,957,000	$69,195	4.9%
2016	1,138,645	$82,204,425,000	$72,195	4.9%
2017	1,147,439	$87,810,279,000	$76,527	4.1%
2018	1,150,215	$94,900,003,000	$82,506	3.5%
2019	1,155,879	N/A	N/A	3.2%
2020	1,153,561	N/A	N/A	13.4%

* Source: U.S. Department of Commerce, Bureau of Economic Analysis, "CAINC1" figure. Estimates for 2010-2016 reflect county population estimates available as of March 2018

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

Organizational Structure

Central San is governed by a Board of Directors whose five members were elected at-large on a non-partisan basis and serve a four-year term. Commencing with the 2022 election the District will transition to area-based elections.
Under area-based elections, the District has been divided into five separate election areas called "divisions" and voters residing in each area will select one representative to serve on the Board.



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

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

Central San currently has 293 budgeted full-time employees. Two additional positions were authorized by the Board during FY 2019-20 which were expected to be transitional for a period of not more than two years, and both such positions have been removed as of April 2021. The budget for FY 2021-22 is proposed at 291 positions.

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

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

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

Budgeting Calendar, Process, and Spending Authorities

The budget development process for FY 2020-21 started midway through FY 2019-20 with the updated financial plan. Board review of the financial plan took place in two workshops, on November 4, 2019 and March 12, 2020. Board input was used in the budget development during this time period, and through the preparation of the budget book in April.

Initial budget proposals were input in Pass One, after which the General Manager, Director of Finance and Administration, and each division manager met to review results. Several cycles, or passes, of budget development took place thereafter. Required changes were input in Pass Two, another review session was held, and final changes were input in the Final Pass. Development of the budget was finalized in April, producing a draft which was provided to the Board in May. The Operations and Maintenance sections were reviewed by the Board Finance Committee, and the Capital budget was reviewed by the Board Engineering & Operations Committee prior to Board adoption of the final budget in June. The budget process typically is aligned with two other key planning processes: strategic planning, which covers a two-year window, and rate setting.

FY 2020-21 is the first year of a two-year Strategic Plan cycle. The strategic goals, strategies, initiatives, key success measures, and metrics of that plan were established during mid FY 2019-20 and provide guidance for funding activities in the budget. The budget proposes a level of funding that will enable and achieve the goals set forth in the FYs 2020-22 Strategic Plan.

During FY 2018-19, staff presented an update of the financial plan and commenced a discussion about the need for sewer service rate adjustments. During a financial workshop in January 2019, the Board provided staff with tentative direction to prepare a multi-year rate adjustment which would be announced through a Proposition 218 notification process in March and a public hearing on proposed rate adjustments on April 18. At that meeting, the Board adopted a four-year schedule of adjustments, with increases of 5.5%, 5.2%, 4.9%, and 4.2% for single family residential customers, and average increase across all customer classes of 5.25%, 5.25%, 4.75%, and 4.75%. Annual public hearings will be conducted for years two through four to determine if lesser rate adjustments are possible. The public hearing for FY 2020-21 was conducted on April 16, 2020, where the Board continued the approved rates for FY 2020-21; however on May 7, 2020, the Board voted to not collect the incremental portion of the rate that was scheduled for FY 2020-21, thereby continuing the FY 2019-20 rates for FY 2020-21. The public hearing for FY 2021-22 was conducted on April 15, 2021, where the Board continued the current course of the rate increase scheduled to take effect for FY 2021-22.

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

A calendar of key intersecting events during the process for the FY 2021-22 budget is provided below, comprised of activities from two of the three aforementioned critical business areas of the planning process: Budget and Rate Setting. Strategic Planning activities were limited to data collection and reporting on the approved FYs 2020-22 strategic plan. Development related to the FYs 2022-24 strategic plan will take place during early 2022.

Key Strategic Plan, Budget, and Rate Setting Events for FY 2021-22 Budget

Date	Budget	Rate Setting
January 2021	N/A	N/A
February 2021	Departments/divisions develop and submit operating budget proposals	N/A
March 2021	General Manager reviews operating budget with departments/divisions	March 25: Board Rate Workshop (Review of Financial Plan including updates to the Ten-Year CIP and CIB)
April 2021	Draft operating budget finalized with departments/divisions Draft Ten-Year Capital Improvement Plan (CIP) finalized by Department of Engineering and Technical Services	Board Meeting to review potential changes to previously adopted rates for FY 2021-22
May 2021	Draft Operating Budget presented to the Finance Committee and the Board Draft Capital Improvement Budget (CIB) and Ten-Year CIP presented to the Engineering and Operations Committee and Board	N/A
June 2021	Public Hearing on adoption of final budget	Public Hearing on adoption of Capacity and Developer-Related Fees, Rates, and Charges

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

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

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

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

Should it become necessary to spend more than the overall Operations and Maintenance, Capital, Debt Service or Self-Insurance budget, formal Board action would be required to adopt an amended budget. For the Capital Improvement Program, budgets for projects are set on an annual basis. The General Manager has the authority to reallocate funds up to $500,000 between projects. Reallocations above that amount require approval by the Board. The Capital Improvement Budget also includes a $2.5 million contingency, which is subject to the same General Manager transfer limits. Transfers above that amount, or the creation of a new, unbudgeted capital project, would require approval by the Board.

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

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

Capital Improvement Program Authorization Limits

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

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

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

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

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

Contracting Authority Limits

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

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

Strategic Plan Summary

Central San develops its Strategic Plans on a two-year cycle, while tracking progress quarterly and producing performance reports annually. The Strategic Plans establish policy direction, outline core commitments, focus initiatives, and track performance with key performance metrics. This budget relates to the first year in the FYs 2020-22 Strategic Plan and reports FY 2020-21 strategic accomplishments and performance (based on information available during the publication of this book in spring 2021), as well as objectives for FY 2021-22. The FY 2019-20 performance against the metrics included in each of the divisions' sections is measured against the targets included in the FYs 2018-20 Strategic Plan.

The development of the FYs 2020-22 Strategic Plan began with the Board's re-adoption of Central San's Mission and adoption of revised Vision, Values, and Goals in December 2019. These updates emphasized the agency's commitment to the environment, innovation, optimization, and continuous improvement. Staff held a workshop the following month to update the FYs 2018-20 Strategic Plan to reflect current priorities.

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

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

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

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

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

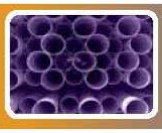
Operational Optimization - Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations in service to public health and environmental protection.

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

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

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

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



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

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

Key Budget Priorities: Responding to Challenges

The Budget and Strategic Plan, as key planning documents, provide the resources and guidance necessary to accomplish Central San's mission to protect public health and the environment and overcome its challenges. Central San is committed to improving the quality of services provided to its customers and will positively respond to major challenges through its key budget priorities as linked to the FYs 2020-22 Strategic Plan goals, as follows:

Key Budget Priority	Primary Response	FY 2021-22 Budgeted Project(s)
GOAL ONE **CUSTOMER AND COMMUNITY** **Provide exceptional customer service and maintain an excellent reputation in the community**		
Balancing the need for financial resources against impacts to the customer	Continue commitment to educating customers about required revenue and resources needed to replace aging infrastructure and meet regulatory requirements	Public outreach, including the highly successful Central San Academy, student education programs, facilities tours, *Pipeline* community newsletter, and social media engagement
GOAL TWO **ENVIRONMENTAL STEWARDSHIP** **Meet regulatory requirements and promote sustainability**		
Evolving regulatory requirements	Anticipate changing regulations and plan for alternatives to maintain reliability and meet requirements	Proactive participation with regulatory agencies and replacement of wet scrubber as part of the Solids Handing Facilities Improvement Project
Maintaining a sustainable water supply	Partner with agencies to find creative water solutions benefiting the region and state, and identify ways to maximize cost-effective resource recovery and sustainability	Continue pursuing the Refinery Recycled Water Exchange Project to utilize recycled water at nearby refineries in place of potable water to increase the amount of potable water available to the community
GOAL THREE **FISCAL RESPONSIBILITY** **Manage finances wisely and prudently**		
Maintaining responsible rates at an affordable level	Balance capital spending with affordability and rate impact concerns, and offset infrastructure replacement, regulatory responses, and other expenses with cost-saving efforts, efficiencies, optimizations, and innovations	Financial planning to forecast needs and sensible spending, as well as the continued push to become a more cost-effective and efficient operation

Key Budget Priority	Primary Response	FY 2021-22 Budgeted Project(s)
WORKFORCE DEVELOPMENT **Recruit, empower, and engage a highly trained and safe workforce**		
Driving employee performance and rewarding excellence	Develop, retain, and equip high quality employees with the tools needed to succeed	Employee recognition, training and development programs, outside conferences, and professional association memberships to inspire continuous education and improvement
INFRASTRUCTURE RELIABILITY **Maintain facilities and equipment to be dependable, resilient, and long lasting**		
Aging infrastructure and climate resiliency	Make investments in capital improvements and internal resources to deliver on increased levels of capital spending	Major projects include the Solids Handling Facility Improvements and Filter Plant and Clearwell Improvements
INNOVATION AND OPTIMIZATION **Explore new technologies for continuous improvement**		
System optimization and utilization of Big Data	Continue to champion and initiate projects through the Central San Smart initiative to optimize operations, improve asset management, increase energy efficiency and safety, and reduce facility management costs	Optimizations include the Steam and Aeration Blower Systems Project to evaluate efficiency options for one of the major energy sources of the treatment process Smart initiative projects include optimization of treatment plant asset handover process and development of an asset health indicator tool
AGILITY AND ADAPTABILITY **Preserve business continuity during pandemic events or major natural disasters**		
The COVID-19 pandemic	Continue to maintain a safe working environment for employees and the public while providing essential services	Continue to update and enforce the COVID-19 Exposure Prevention Plan

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Financial Overview

Central San uses an enterprise fund to account for its operations. The single enterprise fund is further segmented into four primary internal sub-funds and three other funds and accounts as described below:

Primary Internal Sub-Funds

- **Operations and Maintenance (O&M) Running Expense Fund** – This fund provides for the general operations, maintenance, and administration of Central San. Sewer Service Charge (SSC) revenues are collected by the Contra Costa County Tax Collector's Office and are remitted to Central San in two installments in April and December of each year. Central San provides several services, including wastewater treatment, to its customers and, by contract, to the cities of Concord and Clayton. Central San is reimbursed annually for the treatment services provided to Concord and Clayton residents. Central San reserves five months (41.7%) of its gross operating expenditures at the start of each fiscal year to pay its ongoing expenses throughout the year.
- **Sewer Construction Fund (Capital Fund)** – This fund provides for treatment plant and collection system asset renewal and replacement expenditures, as well as office facilities renewal, vehicle and equipment replacement, information systems replacement, and miscellaneous capital expansion needs. The City of Concord reimburses Central San for its share of expenses related to projects impacting the services the City has contracted with Central San to provide, proportional to flow. Property tax (ad valorem 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 two installments in April and December of each year. In addition, Capacity Fees received from permits are allocated to this capital fund. To meet the cash flow needs of the Capital Projects program, Central San reserves 50% of the annual cash-funded portion of the Capital Projects budget at the start of each fiscal year. In FY 2021-22, the Capital Projects budget will be funded through current year rate collections (cash funded), as well as a State of California Revolving Fund loan for the Solids Handling Facilities Improvements Project. The Capital Projects section of this document provides a table showing the various sources of revenue funding for each type of capital project.
- **Self-Insurance Fund (SIF)** – This fund accounts for interest earnings on cash balances in this fund and cash allocations from other funds, as well as for costs of insurance premiums and claims not covered by Central San's insurance coverage. Central San has self-insured a portion of its liability and property risks since July 1, 1986, when the Board of Directors (Board) approved the establishment of the SIF. Central San is self-insured for three events up to $500,000 per occurrence for its general and automobile liability program, for a total of $1.5 million. Maintaining a self-insured retention reduces Central San's insurance premium expense. To help mitigate the financial impacts and maintain uninterrupted service in the event of an emergency or catastrophic event, Central San maintains an Emergency Fund Reserve balance of $5 million in the SIF. Actuarial studies are performed every other year and are used to set the Governmental Accounting Standards Board (GASB) 10 liability amount.

- **Debt Service Fund** – This fund accounts for activity associated with the payment of Central San's long-term bonds and loans. Central San's total debt service for FY 2021-22 is $2.5 million, unchanged from the amount budgeted in FY 2020-21. The debt service payment is in accordance with the amortization schedule of the 2018 bonds issued in September 2018 to refund previously existing 2009 bonds. A portion of Central San's ad valorem 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 approval of the Board of Directors. The trust does not have a specified target size. The trust holds assets that would be available for use to meet pension obligations to the Contra Costa County Employees' Retirement Association (CCCERA). For financial reporting purposes, this budgetary "other fund" is consolidated into Central San's single entity enterprise fund pursuant to generally accepted accounting principles (GAAP). However, for budgetary purposes, the Pension Prefunding Trust Fund is tracked separately due to its significance for long-term financial planning and debt management.
- **Other Post-Employment Benefits (OPEB) Trust Fund** – This irrevocable trust was established by the Board in 2009. Deposits into the trust require Board approval. The trust does not have a specified target size. The trust holds assets that are specified for meeting employee-related post-employment benefits – primarily retiree healthcare coverage. For financial reporting purposes pursuant to GASB 84, commencing with FY 2021-22, this budgetary "other fund" is no longer reported in Central San's comprehensive annual financial report as a fiduciary fund. However, for budgetary purposes, the OPEB Trust Fund will continue to be tracked separately due to its significance for long-term financial planning and debt management.
- **Rate Stabilization Fund Reserve Account** – This restricted-use account was authorized by the 2018 Revenue Bonds and established by the Board in 2019. Deposits into the Rate Stabilization Fund Reserve Account would reduce the revenues specified for calculating the debt service coverage ratio metric, while withdrawals would increase revenues for calculating that metric. Rate Stabilization Fund Reserve Accounts were created in both the O&M Sub-Fund and the Sewer Construction Sub-Fund and use of proceeds held in the accounts requires specific Board action. The accounts do not have specified target sizes.

Financial Planning Policies

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

Fiscal Reserves Policy

There is a strong emphasis placed on maintaining adequate reserves, and having a reserve policy ensures long-term financial stability. In 2015, the Board adopted Board Policy (BP) 017 – Fiscal Reserves, which set targets for each of Central San's reserve funds. This policy was reviewed and updated by the Board during FY 2019-20. Key provisions remained generally unchanged, with updates primarily focusing on providing detail about the usage of the reserves and recognizing new accounts since the initial policy. Fiscal reserves provide working capital for O&M activities; funding for long-term capital improvement requirements; fulfillment of legal, regulatory, and contractual obligations; mitigation of risk and liability exposures; and cash flow emergencies. Table 14 shows projected reserve balances as of June 30, 2021 and June 30, 2022.

- **O&M Fund** – Working capital reserves, 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 (Capital Improvement)** – Working capital reserves, the Board has set a target of 50% of the annual Capital Projects budget at the start of each fiscal year, excluding capital projects that are to be funded with bond proceeds or loans.
- **SIF Reserves** – The Board has set a target of three times the annual retention, currently at $500,000. In addition, to help mitigate the financial impacts and maintain uninterrupted service in the event of an emergency or catastrophic event, Central San maintains an Emergency Fund Reserve balance of $5 million in the SIF.
- **Debt Service Reserve (Bond Reserve)** – The previously outstanding 2009 certificates of participation (a type of borrowing) required the establishment and maintenance of a debt service reserve fund defined in the loan documents. With the refinancing of that debt with 2018 revenue bonds, the Debt Service Reserve Fund was eliminated in September 2018, with the then $4.86 million balance used to reduce the required issuance amount of the refunding debt. 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, and an addition contribution of $2.15 million of available monies from the from FY 2019-20 financial close. Rate Stabilization Fund Reserve Accounts were created within the O&M Sub-Fund and the Sewer Construction Sub-Fund.
- **Pension Prefunding Trust** and **OPEB Trust** fund provisions are also described in the Financial Reserves Policy. Investment Guideline documents also specify investment parameters to be followed by the external investment manager.

Basis for Budgeting

The basis for budgeting refers to the method of recognition of revenue and expenses in budgetary reporting, which differs from the basis of accounting used in financial reporting. Central San's comprehensive annual financial report provides detail about the actual expenditures of the four sub-funds in place as of June 30, 2019, in the Central San enterprise fund reported on a full accrual basis of accounting. In contrast, Central San's budgets are prepared on a modified cash flow basis which projects the District's cash inflow and outflow over the course of a fiscal year (July 1 through June 30) excluding physical and intangible assets such as depreciation expense.

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

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

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

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

	BUDGETARY Modified Cash Flow Basis	ACCOUNTING Accrual Basis
Revenues	Recognized when earned and both measurable and available.	Recognized when earned and measurable
Expenses	Recognized when liability has been incurred, with some exceptions	Recognized when liability has been incurred
Depreciation and amortization	Excluded	Included
Capital outlays	Included	Excluded
Pension / OPEB expense	Excluded	Included
Pension / OPEB plan contributions	Included	Excluded
Debt service interest payments	Recognized when due and payable	Recognized and accrued in the period it was incurred
Debt service principal payments	Included	Excluded

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

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

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

Regulatory Accounting

In April 2021, the Board adopted BP 046 – Regulatory Accounting, which, in accordance with GASB 62, allows for the treatment of specified expenditures as either operating or capitalizable expenditures. The policy addresses the situation where certain expenditures connected with programs that will provide benefits to Central San customers over a multi-year period may be amortized or recovered through rates over a multi-year period, rather than as O&M expenditures recognized in a single period. The policy provides for transparency in requiring that items to be so treated are disclosed to the Board, with an assessment of the rate impact. Expenditures in this proposed budget which are to be subject to regulatory accounting treatment are:

Expenditure	Budgetary Treatment Absent BP 046	Budgetary Treatment with BP 046
1. Extraordinary waste hauling costs during the construction of the Solids Handling Facility Improvements Project (District Project (DP) 7348)	Recovered through O&M costs in the years incurred. The project timeline anticipates expenditures of up to $10 million over the period the furnaces are not operating, which is expected to cover FY 2023-24 and FY 2024-25 (with cost impact of $5 million in each FY).	The expenditures are budgeted in the capital budget for DP 7348. These costs are budgeted in FY 2023-24 and FY 2024-25 and will be recovered through rates over the term of the funding used for the project, which is anticipated to be State Revolving Fund (SRF) loans, amortized over 20 years upon completion of the project. If the costs were instead recovered through O&M, SSC per single family residence would need to be higher by $31.25 ($5 million / $160,000) annually for each of the two years. Instead, recovered over a 20-year bond, SSC is higher by only $3.46 per year over that period, spreading the costs over the term of the SRF loan.
2. Development of a five-year IT Master Plan (DP 8240, part of IT Development)	Recovered through O&M costs in the years incurred, FY 2021-22.	The expenditures of $1,137,700 are budgeted in the capital budget for DP 8240. Rate impact will depend on the ultimate funding source for this project during FY 2021-22. Currently the budget anticipates use of SSC or ad valorem 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.
3. Enhanced security staffing while significant Capital Projects are underway (DP 7348 and others)	Recovered through O&M costs in the years incurred, FY 2021-22 through FY 2025-2026.	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 are budgeted in FY 2021-22 through FY 2025-2026. Rate impact will depend on the ultimate funding source for this project during FY 2021-22. Currently, the budget anticipates use of SSC or ad valorem 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.

Implementation of a New Chart of Accounts

This budget, as with FY 2020-21, has been prepared to reflect the updated chart of accounts implemented as part of the Oracle Cloud ERP project which went live in FY 2020-21. The updated chart of accounts was based on the previous chart of accounts with certain modifications to improve parent-child relationship rollups and logical structure of both organizational units and accounts (i.e., expenses, revenues, etc.). The updated chart of accounts also reflects best practice guidance published by the Government Finance Officers Association (GFOA). For this reason, there may be differences in expenditure line items and groupings in this book when comparing budgeted expenditures from FY 2020-21 on to prior fiscal years (FY 2019-20 and prior). Examples of changes arising from the implementation of the new chart of accounts include the following:

Type of Change	Examples
Movement of particular expenditures from one category to another	• Board of Directors fees and benefits were previously classified as "Other Expenditures." In this budget presentation, Board fees are included in the "Salaries & Wages" parent category, and Board benefits are in the Employee Benefits category, although both continue to be tracked separately for accounting purposes. • Other Post Employment Benefit (OPEB) costs were previously reported entirely under "retiree expenditures". Commencing with the new chart of accounts budgeted OPEB costs are being split between the actuarially determined normal cost and unfunded actuarial accrued liability (UAAL) cost components. The normal cost component is reported under the "Benefits" expense category, while the UAAL cost component is reported under the "Retirees" expense category.
Changes in expenditure line items	• Professional & Legal Fees, Outside Services, and Repair & Maintenance Costs are now reallocated between two new categories reported as "Purchased Property Services" and "Other Purchased Services" pursuant to GFOA guidelines.
Changes in Organizational Units	• *Org Unit Splits* – Some organization units have been split apart to provide further detail. For example, the previously reported budgetary organization unit "Office of the General Manager & Office of the Secretary of the District" has been split into several sub-categories for improved reporting purposes. New sub-categories reported in the budget book resulting from this change include: General Manager, Secretary of the District, Board of Directors, and Director of Finance & Administration. • *Creation of New Org Units* – New organization units for Department Directors have been created for each of Central San's three departments to better reflect Central San's organizational chart and to prevent Director-related costs from being reported within one of the Departments' many child units, as was the case in prior budget books (i.e., Director of Engineering & Technical Services was reported within the Planning & Development Services Division previously). • *Consolidation of Org Units* – The Safety organizational unit reported in the prior year budget book has been consolidated into the Human Resources and Organizational Development Division.

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 and prudent use of debt to fund a part of Central San's capital spending in the coming years. Central San has primarily used a pay-as-you-go philosophy but has, occasionally, used some 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. The funding allocated toward pipeline replacement in general is to be collected through SSC rates, capacity fees, and/or taxes, while debt is permitted for the remaining portion of the capital program.

Currently, Central San is repaying 2018 Revenue Bonds. As of June 30, 2020, total outstanding debt associated with infrastructure improvements was $19.447 million, which was reduced to $17.707 million on September 1, 2020 through the annual debt service principal payment. As noted in the "Debt" section of this document, borrowings under a SRF loan are anticipated to begin in FY 2021-22 for the Solids Handling Facilities Improvements Project. The debt service schedule for this loan has not yet been finalized, so an amortization schedule is not provided in this document. However, no repayments will be due in FY 2021-22. Staff is also working on a mid-year 2021 bond offering which may fund a portion of FY 2021-22's capital expenditures. Debt service on this contemplated offering would replace other budgeted costs. A budget amendment to reflect the impact of this offering may be proposed after the issuance is complete.
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 and benefits from minimal debt service because of the District's generally practiced pay-as-you-go philosophy for funding capital expenditures. 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 updated in the fall of 2019, is based on state law and prudent money management. All investments are in accordance with this policy and Sections 53646 and 53601 of the California Government Code. Central San has formal agreements with Contra Costa County, allowing them to act as Central San's banker. The County invests all Central San funds. Securities are held in a custodial account separate from the County. The investment policy applies to all Central San funds and investment activities, apart from the OPEB Trust and Pension Prefunding Trust, which are governed by separate specific investment guidelines also approved by the Board of Directors.

The investment policy is presented to the Board annually, and its priorities 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 GASB 45 (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 GASB 45 (OPEB) Trust adopting a "moderate" investment strategy, and the Pension Prefunding Trust adopting a "moderately conservative" investment strategy. With respect to both trusts, U.S. Bank is the Trustee, HighMark Capital is the Investment Manager, and Public Agency Retirement Services is the Trust Administrator and Consultant. As of March 31, 2021, the GASB 45 (OPEB) Trust had a balance of $80.9 million, an increase from $69.8 million on June 30, 2020.

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 may make optional payments to the Pension Prefunding Trust rather than direct any extra payment(s) to CCCERA, giving Central San greater retirement payment flexibility in the future, while still reducing overall pension liability. As an example of this flexibility, Central San could elect to draw down the Pension Prefunding Trust to meet its payment obligations to CCCERA to smooth payment obligations and mitigate rate volatility. Since its inception, additional payments to the Section 115 Pension Prefunding Trust included:

Year	Amount	Source
FY 2017-18	$2,000,000	Favorable year-end variance from FY 2016-17
FY 2018-19	$2,500,000	Budgeted funds in O&M Budget
FY 2020-21	$1,250,000	Budgeted funds in O&M Budget
FY 2021-22	$1,250,000	Budgeted funds in O&M Budget

As of March 31, 2021, the Pension Prefunding Trust had a balance of $12.2 million, an increase from $10.3 million on June 30, 2020.

Current Financial Plan

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

The financial plan undergoes substantial development and review by staff, and various scenarios are presented to the Board during financial planning and rate-setting workshops. The financial plan covers a period of twenty years, although the assumptions for projecting rates for the first ten years are the primary focus.

The current financial plan reflects the proposed Ten-Year Capital Improvement Plan (CIP) spending levels identified in the Comprehensive Wastewater Master Plan, as updated during periodic reviews of the spending plan. The most recent review was presented at the March 25, 2021 Board Financial

Planning Workshop. The updated financial plan for FY 2021-22 estimated O&M spending at $94.9 million and capital spending at $106.9 million. The original financial plan adopted as the basis for the 4-year rate increase estimated FY 2021-22 O&M spending at $93.9 million and capital spending at $110.4 million. The updated financial plan was based on the following assumptions:

Operations and Maintenance

- Funding for the initiatives addressed in the two-year Strategic Plan. Accordingly, Central San's various planning documents are integrated and consistent.
- Updated O&M costs based on inflation and other cost-growth factors, including labor costs per assumptions in the memoranda of understanding with the bargaining units and agreements with unrepresented employees.
- Other key assumptions were summarized in the March 25, 2021 financial workshop presentation available on the Central San website.

Once the proposed budget is adopted, the individual line items in the O&M portion of the financial plan will be updated to reflect the final budget. The approved budget is then used as a baseline for future years' planning.

Capital

The Ten-Year CIP was rolled forward one year (changing from $907.5 million to $926.8 million), with the updated cost of the Solids Handling Facilities Improvements Project, then inflated by 3%, to $951 million, so that the total is stated in 2021 dollars. The amount was then updated by reshaping cash flows over the ten-year period to a total of $939.7 million. This update reflects a detailed assessment of Central San's latest needs and expected project timing. The Capital Improvement section of this budget book provides detail about the FY 2021-22 capital budget and the Ten-Year CIP.

Financial Summary

The FY 2021-22 Budget provides the resources necessary to advance the Strategic Plan and meet the challenges Central San faces as it continues to provide high quality service while replacing aging infrastructure. The FY 2021-22 budget also complies with the Financial Policies discussed in the previous section.

Central San's total budget for FY 2021-22 is $ 202.7 million, representing an increase of $20.4 million, or 11.2%, compared to the FY 2020-21 budget of $182.4 million, which changes by individual spending category as follows:

- The FY 2021-22 O&M Budget is $91.0 million, an increase of $0.3 million from the FY 2020-21 budget of $90.7 million.
- The main driver of the increase in the total budget is a 22.6% increase in sewer construction investment, from $88.0 million in FY 2020-21 to $108.0 million in FY 2021-22.
- Debt service is essentially unchanged at approximately $2.5 million, consistent with the 2018 bond amortization schedule.
- The Self-Insurance Fund (SIF) spending budgeted at $1.3 million for the costs of premiums and estimated losses based on historical trends and represents a slight increase from the $1.2 million funding level of the FY 2020-21 budget.

Table 1 – FY 2021-22 Total Budget

	Expenditures Trend					
Fund	**FY 2019-20 Budget**	**FY 2019-20 Actual**	**FY 2020-21 Budget**	**FY 2021-22 Budget**	**Budget to Budget Variance**	**Percent Variance**
Operations and Maintenance (O&M)	$87,584,775	$81,702,214	$90,666,338	$90,974,103	$307,765	0.3%
Sewer Construction	66,176,000	53,662,584	88,024,000	107,955,000	19,931,000	22.6%
Debt Service	2,982,415	2,749,851	2,517,605	2,511,227	(6,378)	-0.3%
Self-Insurance	1,073,700	1,153,147	1,153,500	1,285,000	131,500	11.4%
Total Budget	**$157,816,890**	**$139,267,796**	**$182,361,443**	**$202,725,330**	**$20,363,887**	**11.2%**

Other Uses of Funds:

CIB Funding Ratio at 90%	$-	$-	$-	($10,795,500)
Contribution to Reserves	1,349,926	23,549,844	-	$842,965
Contribution to Rate Stabilization	-	Included in above	-	$5,169,332
Total Funding Uses	**$159,166,815**	**$162,817,640**	**$182,361,443**	**$197,942,128**

Sources of Funds

The sources of funds (revenues) for FY 2021-22 are shown in Figure 1. A comparison of the major revenue sources for FY 2021-22, the current year, and prior years is shown in Figure 2.

Figure 1 – Total Funding Sources – FY 2021-22 Proposed Budget

FY 2021-22 Total Budgeted Funding Sources of $197,942,128

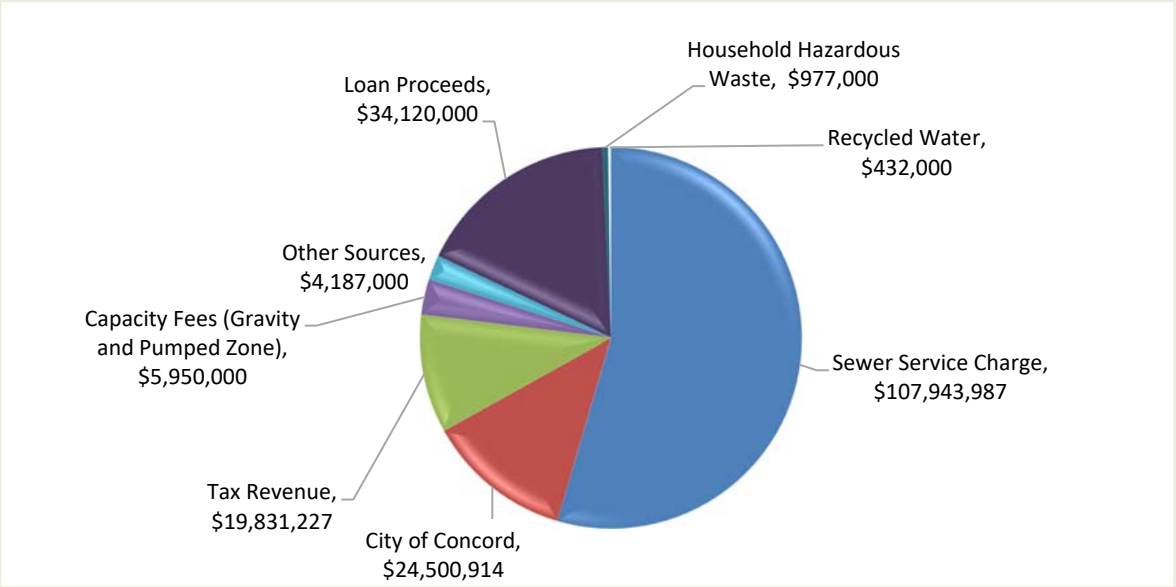
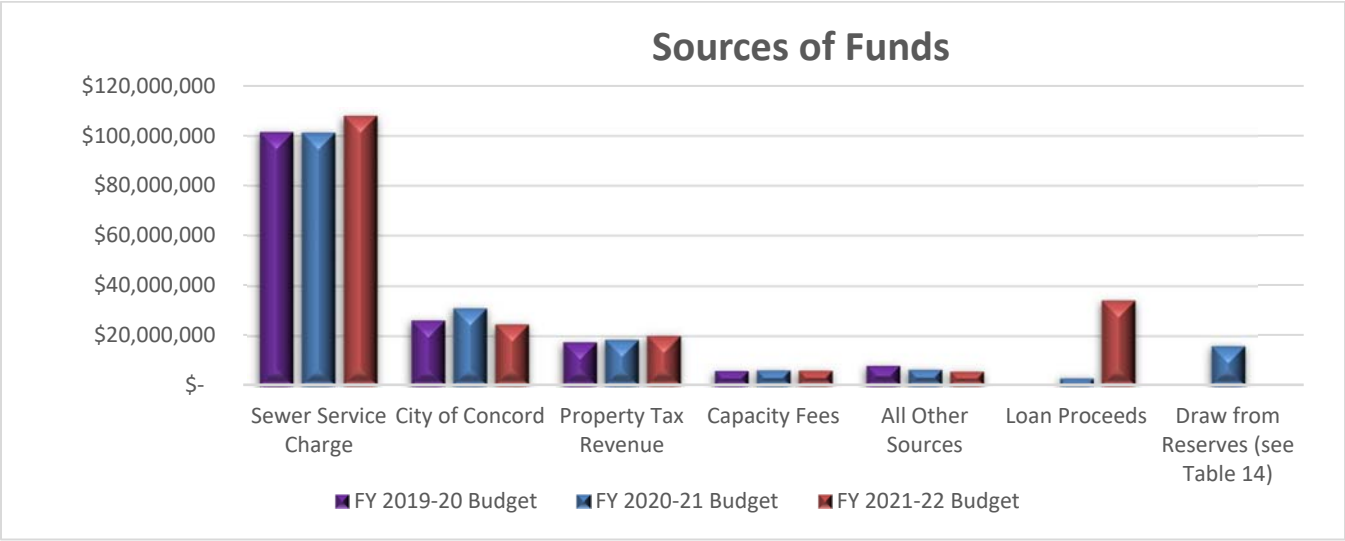


Figure 2 – Total Funding Sources – Three-Year Budget Comparison

FY 2019-20	FY 2020-21	FY 2021-22
$159,166,815	$182,361,443	$197,942,128



The SSC is the largest source of revenue for FY 2021-22 at $107.9 million, followed by the City of Concord at $24.5 million, ad valorem property tax at $19.8 million, and Capacity Fees at $6.0 million. All other sources of revenue are $5.6 million. Non-revenue sources of funds for FY 2021-22 include expected borrowing of $34.12 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 customer in Central San's service area pays an SSC, which applies to both residential and non-residential customers. It is assessed annually on the customer's property tax bill, or, for those customers who do not receive a property tax bill, billed directly by Central San, to pay for the collection and treatment of wastewater. The SSC is based on customer class. The basis for the charge is the strength and volume of the wastewater discharged, and customers are assigned to various classes for billing purposes. SSCs 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 impact to the sewer system. For residential customers, separate rates are charged to single family and multi-family residences. Non-residential customers are typically billed based on their water consumption and business type. For budgetary purposes, the forecast for the SSC is based on prior year revenue, estimated growth derived from anticipated residential construction, and predicted changes in non-residential water consumption. Water consumption volumes for commercial customers was reduced in 2020, which is the basis for FY 2021-22 SSC billing, affecting revenues by approximately $4.3 million. The financial plan assumes a recovery in water volumes over a four-year period.
- **City of Concord** – Central San receives revenues from the City of Concord which are calculated and billed in accordance with the terms of a contractual agreement for the treatment of wastewater from both the City of Concord and the City of Clayton. The Cities are responsible for paying their flow-proportional share of the operating and maintenance costs for Central San's treatment plant. The amount of revenue is forecast annually for budgeting purposes by multiplying the City of Concord's estimated flow percentage by the budgeted treatment plant and associated costs. Under the current arrangement, the City of Concord reimburses Central San once a year on a fiscal year basis. Following the close of the fiscal year, the Finance Division submits an invoice to the City of Concord which is generally paid by August/September.
- **Property Tax Revenue** – Central San receives a share of the ad valorem property taxes collected by Contra Costa County on properties within the service area. These taxes are used to pay debt service requirements, and the remaining funds are allocated to the Capital Improvement Program. This revenue is forecast by reviewing historic property tax revenue and adjusting for anticipated changes in property value.
- **Capacity Fees** (Gravity and Pumped Zone) – Gravity and Pumped Zone Capacity Fees are collected from new construction and expansion of non-residential facilities which result in an added wastewater burden. The fee is calculated as an equity buy-in. Residential parcels are charged a flat per-unit fee, and non-residential parcels are typically charged based on the business type and building square footage, which represents their anticipated wastewater burden. The amounts due are collected before plans are approved. The budgeted amount is estimated by the Planning & Development Services Division based on trend analysis and anticipated construction activity for the upcoming year. Pumped Zone Fees are collected specifically to cover pumping infrastructure costs

for new developments or expansion in areas where pump stations are required to move wastewater to the Central San treatment plant. These fees are budgeted by multiplying the incremental Pumped Zone Fee times the number of development units anticipated to be subject to such fees.

- **Household Hazardous Waste (HHW) Reimbursement** – Central San provides a facility where residents and businesses within the service area may dispose of specified hazardous wastes. Additionally, residents from specified cities (Concord, Clayton, San Ramon, and parts of Martinez served by the Mt. View Sanitary District) also have the right to use the facility, and these Cities pay a contractually agreed amount for this service. The amounts due are invoiced by the Finance Division in August for the prior fiscal year. The budgeted amounts are based on projected total costs of the facility, to be shared pro rata by all users within the service area.
- **Recycled Water** – This represents revenue from the sale of recycled water to customers in Central San's service area who have recycled water meters. The amounts due are invoiced by the Finance Division bi-monthly based on monthly meter readings. The Planning & Development Services Division forecasts the revenue from recycled water based on projected changes in recycled water consumption. Other internal use of Recycled Water is not included in reported revenues, but a calculated ascribed value of this water based on production costs is shown in the Operating Departments section of this document under the Recycled Water Program discussion.
- **All Other Revenue Sources** – This includes the following:
  - **Permit and Inspection Fees** – These are fees for sewer permits, plan review, inspections, and related activities, including environmental compliance fees. The amounts are forecast by the Development Services Supervisor based on anticipated construction activity for the upcoming year.
  - **Lease Rental Income** – This represents rental income from buffer properties (buildings and undeveloped land) owned by Central San and rented to third parties through multi-year agreements. Leases are reviewed by Accounting and Right-of-Way to identify any changes to multi-year lease rates. Budgeted lease revenue is based on the terms of those leases.
  - **Stormwater/Pollution Prevention** – These are fees collected from Contra Costa County and certain cities for performing stormwater inspections as required by Contra Costa County's National Pollutant Discharge Elimination System permit. These services are provided by Central San's Environmental Compliance group under contract with the Contra Costa Clean Water Program. Amounts are invoiced by the Finance Division based on the number of inspections completed. The budgeted amount is based on a targeted number of inspections to be performed during the fiscal year.
  - **Investment Income** – This is based on forecast cash levels multiplied by estimated interest rates over the course of the fiscal year. Interest rates are anticipated to remain low in FY 2021-22.
  - **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. For the

SIF, other revenue includes an allocation from the O&M fund in an amount necessary to replenish the SIF to the targeted level after projected expenses in the budget year.

- **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 $34.12 million to fund the Capital Improvement Budget for FY 2021-22 is shown in Table 13. Central San is currently exploring a mid-2021 bond offering which may be used to fund a large portion of FY 2021-22 (and potentially FY 2020-21) capital expenditures. If this occurs, a budget amendment to reflect this change would be adopted.

Tables 2a, 2b, 2c, 2d below show the overall funding sources of Central San and how those funding sources are applied to each sub-fund for proposed FY 2021-22 and budgeted and projected FY 2020-21 and actual FY 2019-20 respectively.

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

Funding Sources FY 2021-22 Budget	Fund 10	Fund 20	Fund 30	Fund 40	Total
	O&M	Capital	Self-Insurance	Debt Service	FY 2021-22 Budget
Sewer Service Charge	$72,259,337	$34,108,232	$1,576,419	$-	$107,943,987
City of Concord	15,800,000	8,700,914	-	-	24,500,914
Tax Revenue	-	17,320,000	-	2,511,227	19,831,227
Capacity Fees-Gravity	-	5,799,000	-	-	5,799,000
Capacity Fees- Pumped Zone	-	151,000	-	-	151,000
HHW Reimbursement	977,000	-	-	-	977,000
Recycled Water	432,000	-	-	-	432,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,882,400	-	-	-	1,882,400
Lease Rental Income	715,000	-	-	-	715,000
Stormwater/Pollution Prevention	390,000	-	-	-	390,000
Investment Income	180,000	319,000	50,000	-	549,000
Developer Fees	-	297,600	-	-	297,600
Other	328,000		25,000	-	353,000
Total Other Revenue Sources	**$3,495,400**	**$616,600**	**$75,000**	**$-**	**$4,187,000**
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	**$92,963,737**	**$66,695,746**	**$1,651,419**	**$2,511,227**	**$163,822,128**
Use of Reserves (See Table 14)	$-	$-	$-	$-	$-
State Revolving Fund (SRF) Loan Proceeds	-	34,120,000	-	-	34,120,000
Total Funding Sources	**$92,963,737**	**$100,815,746**	**$1,651,419**	**$2,511,227**	**$197,942,128**

* Fund numbers correspond to the fund designations in the new chart of accounts implemented in FY 2020-21.

Table 2b – Allocation of Funds – FY 2020-21 Budget

Funding Sources FY 2020-21 Budget	Fund 10	Fund 20	Fund 30	Fund 40	Total
	O&M	Capital	Self-Insurance	Debt Service	FY 2020-21 Budget
Sewer Service Charge	$44,527,762	$56,673,402	$-	$-	$101,201,164
City of Concord	15,760,000	15,300,000	-	-	31,060,000
Tax Revenue	-	15,940,000	-	2,517,605	18,457,605
Capacity Fees-Gravity	-	6,000,000	-	-	6,000,000
Capacity Fees-Pumped Zone	-	262,000	-	-	262,000
HHW Reimbursement	1,064,000	-	-	-	1,064,000
Recycled Water	420,000	-	-	-	420,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,952,400	-	-	-	1,952,400
Lease Rental Income	719,000	-	-	-	719,000
Stormwater/Pollution Prevention	390,000	-	-	-	390,000
Investment Income	190,000	293,500	112,050	-	595,550
Developer Fees	-	484,000	-	-	484,000
Other	409,000	-	470,000	-	879,000
Total Other Revenue Sources	**$3,660,400**	**$777,500**	**$582,050**	**$-**	**$5,019,950**
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	**$65,432,162**	**$94,952,902**	**$582,050**	**$2,517,605**	**$163,484,719**
Use of (or Contribution to) Reserves	$25,234,176	$(9,928,902)	$571,450	$-	$15,876,724
State Revolving Fund (SRF) Loan Proceeds	-	3,000,000	-	-	$3,000,000
Total Funding Sources	**$90,666,338**	**$88,024,000**	**$1,153,500**	**$2,517,605**	**$182,361,443**

* Fund numbers correspond to the fund designations in the new chart of accounts

Table 2c – Allocation of Funds – FY 2020-21 Projected

Funding Sources FY 2020-21 Projected	Fund 10	Fund 20	Fund 30	Fund 40	Total
	O&M	Capital	Self-Insurance	Debt Service	FY 2020-21 Projected
Sewer Service Charge	$44,821,000	$57,045,001	$-	$-	$101,866,001
City of Concord	15,400,000	16,000,000	-	-	31,400,000
Tax Revenue	-	16,978,000	-	2,517,605	19,495,605
Capacity Fees-Gravity	-	5,630,000	-	-	5,630,000
Capacity Fees-Pumped Zone	-	147,000	-	-	147,000
HHW Reimbursement	936,000	-	-	-	936,000
Recycled Water	420,000	-	-	-	420,000
Other Revenue Sources Including:					
Permit & Inspection Fees	1,897,400	-	-	-	1,897,400
Lease Rental Income	737,000	-	-	-	737,000
Stormwater/Pollution Prevention	325,000	-	-	-	325,000
Investment Income	160,000	310,000	50,000	-	520,000
Developer Fees	-	288,600	-	-	288,600
Other	300,472	-	-	-	300,472
Total Other Revenue Sources	**$3,419,872**	**$598,600**	**$50,000**	**$ -**	**$4,068,472**
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	**$64,996,872**	**$ 96,398,601**	**$50,000**	**$2,517,605**	**$163,963,078**
Use of (or Contribution to) Reserves	$20,064,843	$ -	$625,000	$ -	$20,689,843
State Revolving Fund (SRF) Loan Proceeds	-	-	-	-	-
Total Funding Sources	**$85,061,716**	**$ 96,398,601**	**$ 675,000**	**$ 2,517,605**	**$184,652,922**

Table 2d – Allocation of Funds – FY 2019-20 Actual

Funding Sources FY 2019-20 Actual	Fund 10	Fund 20	Fund 30	Fund 40	Total
	O&M	Capital	Self-Insurance	Debt Service	FY 2019-20 Actual
Sewer Service Charge	$70,408,903	$32,829,958	$-	$-	$103,238,861
City of Concord	14,923,591	11,393,000	-	-	26,316,591
Tax Revenue	-	16,127,444	-	2,749,442	18,876,886
Capacity Fees-Gravity	-	6,738,095	-	-	6,738,095
Capacity Fees-Pumped Zone	-	286,186	-	-	286,186
HHW Reimbursement	883,919	-	-	-	883,919
Recycled Water	503,622	-	-	-	503,622
Other Revenue Sources Including:					
Permit & Inspection Fees	1,915,184	-	-	-	1,915,184
Lease Rental Income	713,683	-	-	-	713,683
Stormwater/Pollution Prevention	356,755	-	-	-	356,755
Investment Income	636,685	996,041	141,741	-	1,774,466
Developer Fees	-	419,195	-	-	419,195
Other	628,405	-	21,035	-	649,440
Total Other Revenue Sources	**$4,250,712**	**$1,415,236**	**$162,776**	**$-**	**$5,828,723**
Subtotal Funding Sources prior to Reserve Draws and Loan Proceeds	**$90,970,747**	**$68,789,918**	**$162,776**	**$2,749,442**	**$162,672,882**
Use of Reserves	$-	$-	$144,757	$-	$144,757
State Revolving Fund (SRF) Loan Proceeds	-	-	-	-	-
Total Funding Sources	**$90,970,747**	**$68,789,918**	**$307,533**	**$2,749,442**	**$162,817,639**

Sewer Service Charge

Tables 3 and 4 show the SSC for FY 2021-22 compared to the FY 2020-21 rates for residential and non-residential customers. These rates were approved by the Board after a public hearing on April 18, 2019, through the adoption of a four-year rate ordinance. Since then, four financial workshops have been held (on November 4, 2019; March 12, 2020; December 17, 2020; and March 25, 2021) to discuss Central San's financial outlook and to receive Board direction on key financial planning matters. As committed to in the adoption of the four-year rate ordinance, on April 15, 2021, the Board deliberated on whether to adjust the previously adopted rates for FY 2021-22. The Board did not adopt changes, allowing the rates to go into effect for July 2021.

Table 3 – Approved Annual SSC-Residential

Customer Type	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21*	FY 2021-22
Single Family Residence	$503	$530	$567	$598	$629 legal rate, while $598 collected	$660
Other Residences – Apartments, Condominiums, Duplexes, Second Living Units, Mobile Homes	$487	$513	$549	$566	$596 legal rate, while $566 collected	$625
Effective Date	07/01/16	07/01/17	07/01/18	7/01/19	7/01/20	07/01/21

* On May 7, 2020 the Board voted to not collect the incremental rate increase for FY 2020-21, while leaving in place the entire rate structure adopted by Ordinance No. 304, effectively creating a rate increase holiday for FY 2021-22.

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

Table 4 – Approved Annual SSC-Non-Residential

User Group	Description	Combined Strength Limits	FY 2019-20	FY 2020-21	FY 2021-22*
Low	Non-residential uses not listed below (no food service)	Up to 350 mg/l	$6.23	$6.56	$6.87
Medium-Low	Food service without Type 1 hood, shared water meter with less than 50% food service	351 to 700 mg/l	$6.72	$8.05	$8.43
Medium	Shared water meter with 50% or greater food service	701 to 1,000 mg/l	$9.59	$10.09	$10.57
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	$10.70	$11.26	$11.79
High	Mortuaries, bakeries, restaurants with grinders or emulsifiers, breweries with Best Management Practices permit	Greater than 1,300 mg/l	$14.18	$14.92	$15.63
Minimum Annual Charge			$566.00	$596.00	$625.00

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

Customer Type	FY 2019-20	FY 2020-21	FY 2021-22*
Schools			
Schools – Daycare, Preschool, University (per hundred cubic feet)	$6.23	$6.56	$6.87
Schools – Elementary (per student)	$7.43	$7.82	$8.19
Schools – Intermediate and High School (per student)	$14.68	$15.45	$16.18
Industrial Permit (including food processing)			
Wastewater Flow (per hundred cubic feet)	$4.82	$5.08	$5.32
Biological Oxygen Demand (BOD) (per 1,000 pounds)	$1,275.00	$1,342.00	$1,406.00
Total Suspended Solids (TSS) (per 1,000 pounds)	$666.00	$701.00	$734.00
Fixed	$93.69	$98.61	$103.29
Special Discharge Permits and Contractual Agreements	Determined Individually	Determined Individually	Determined Individually

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

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

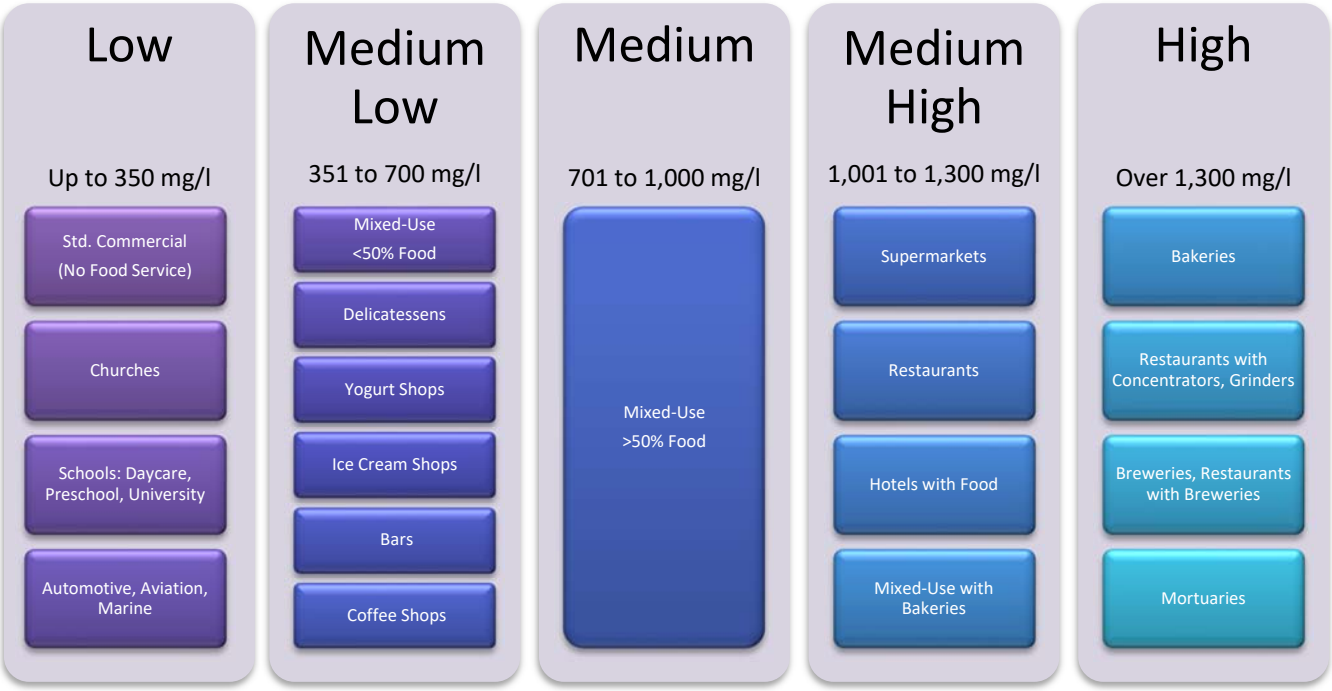


Table 5 indicates the total collected SSC and how such funds are allocated to the sub-funds. The allocation of the SSC to Capital decreases from 56.0% in FY 2020-21 to 31.6% in FY 2021-22. The FY 2020-21 allocation of SSC to Capital was temporarily higher than typical, due to the large reserve balance in the O&M fund that was drawn down in FY 2020-21 to cover O&M expenditures. The allocation of the SSC to O&M increases from 44.0% in FY 2020-21 to 66.9% in FY 2021-22, which is more in line with the historical O&M to Capital fund split. Table 5 also shows a direct allocation of SSC to the self-insurance fund to restore the self-insurance fund balance to the required $6.5 million level. This is a change in presentation, as in prior years this replenishment was routed through the O&M fund as an expenditure.

Table 5 – Allocation of SSC

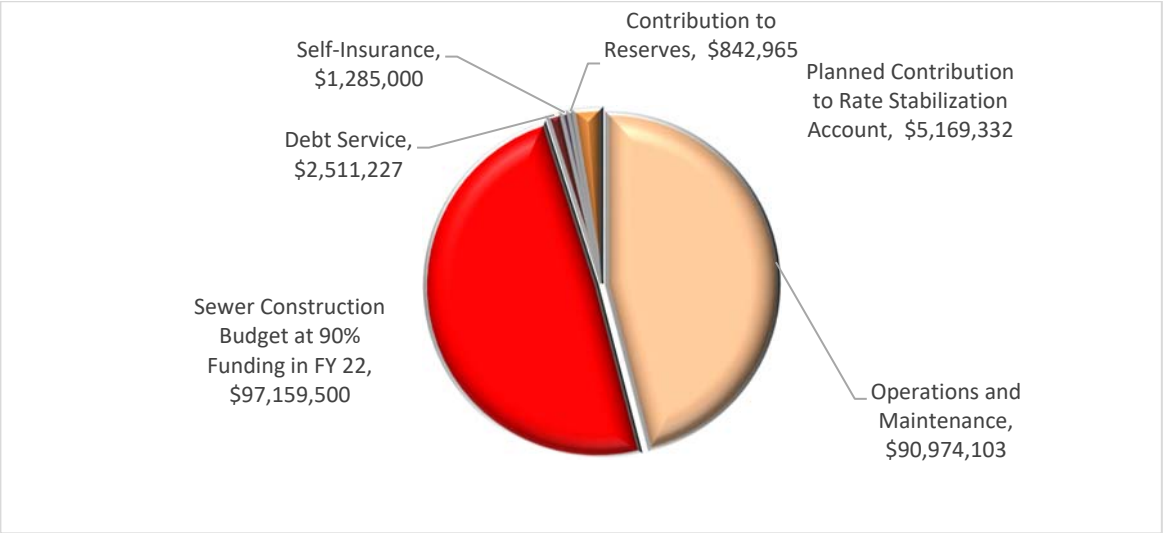
	FY 2019-20 Budget	%	FY 2019-20 Actual	%	FY 2020-21 Budget	%	FY 2021-22 Budget	%	Change
To O&M	$69,090,870	68.2%	$70,408,903	68.2%	$44,527,762	44.0%	$72,259,337	66.9%	$27,731,575
To Capital	32,219,130	31.8%	32,829,958	31.8%	56,673,402	56.0%	34,108,232	31.6%	(22,565,170)
To Self-Insurance	-	-	-	-	-	-	1,576,419	1.5%	1,576,419
Total Collected	**$101,310,000**	**100.0%**	**$103,238,861**	**100.0%**	**$101,201,164**	**100.0%**	**$107,943,987**	**100.0%**	**$6,742,823**

The allocation of SSC between the sub-funds fluctuates each year and is based on spending levels, other revenue sources, and reserve requirements and balances in each fund. The above allocation is based on the overall budget assumptions as specified in this document. As the District is currently exploring a bond offering that may be used to fund a portion of FY 2021-22 and FY 2020-21 capital expenditures, the allocation of SSC to O&M and Capital sub-funds may be revised through a budget amendment if this bond offering proceeds.

Uses of Funds

The uses of funds (expenditures and contributions to reserves) for FY 2021-22 are shown in Figure 3. Sewer construction funding is anticipated at 90% of the budgeted level, consistent with the assumption in the financial plan that was the basis for the FY 2021-22 financial workshop on March 25, 2021. The use of funds also incorporates a $6.0 million contribution to reserves. This total contribution to reserves is comprised of a $5.2 million contribution to the Rate Stabilization Account from O&M and a net contribution to reserves of $0.8 million between the O&M, Sewer Construction and Self-Insurance Funds to retain reserves at the minimum fund levels defined by the Fiscal Reserves Policy.

Figure 3 – Total Funding Uses – FY 2021-22 Budget

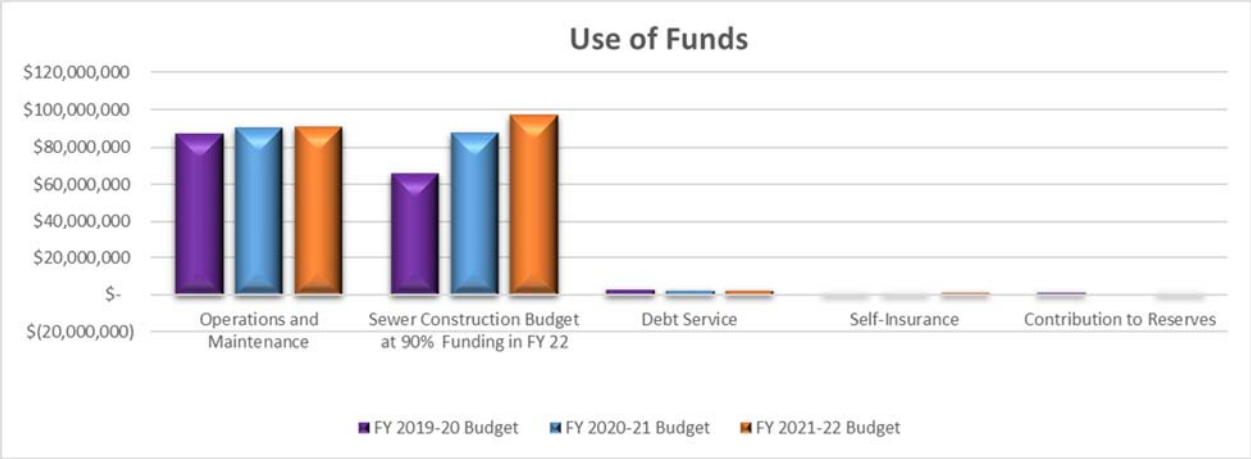


Total FY 2021-22 Budgeted Expenditures and Contributions of Reserves: $197,942,128

The uses of funds for three budgeted years are shown in Figure 4.

Figure 4 – Where the Money Goes

FY 2019-20	FY 2020-21	FY 2021-22
$159,166,815	$182,361,443	$197,942,128



Operations & Maintenance Budget Overview

Excluding the draw from reserves, total O&M revenue for FY 2021-22 is projected to be $93.0 million, compared to the FY 2020-21 budget amount of $65.4 million, as shown in Table 6.

Table 6 – FY 2021-22 Budgeted O&M Revenues

Account Description	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
Revenue							
Sewer Service Charge (SSC)	$69,090,870	$70,408,903	$44,527,762	$44,821,000	$72,259,337	$27,731,575	62.3%
Concord SSC	14,570,000	14,923,591	15,760,000	15,400,000	15,800,000	40,000	0.3%
Permit & Inspection Fees	1,870,000	1,915,184	1,952,400	1,897,400	1,882,400	(70,000)	-3.6%
Lease Rental Income	703,500	713,683	719,000	737,000	715,000	(4,000)	-0.6%
HHW Reimbursement	968,000	883,919	1,064,000	936,000	977,000	(87,000)	-8.2%
Stormwater/ Pollution Prevention	370,000	356,755	390,000	325,000	390,000	-	0.0%
Interest Income	1,231,000	636,685	190,000	160,000	180,000	(10,000)	-5.3%
Recycled Water	420,000	503,622	420,000	420,000	432,000	12,000	2.9%
Other	337,000	628,405	409,000	300,472	328,000	(81,000)	-19.8%
Total Revenue	**$89,560,370**	**$90,970,747**	**$65,432,162**	**$64,996,872**	**$92,963,737**	**$27,531,575**	**42.1%**

O&M revenue increases by $27.5 million, or 42.1%, due primarily to the following:

- For FY 2020-21, the allocation of SSC to O&M was reduced due to a higher than required beginning reserve level. This was the result of a redefinition of the elements comprising the O&M reserves. For FY 2021-22, the allocation of SSC to O&M returns to a more typical level after the one-time impact of the fiscal reserve change noted. Further, a planned transfer of the FY 2020-21 O&M variances ($5.3 million) to the Rate Stabilization Fund is assumed, so the SSC allocation to O&M is increased to provide for this and still meet the O&M reserve policy specified level.
- The City of Concord is allocated a share proportional to their flow to the treatment plant and environmental and regulatory compliance expenses and is billed for administrative overhead and a finance charge. City of Concord revenue toward O&M costs is expected to be $15.8 million in FY 2021-22, essentially unchanged from the FY 2020-21 budgeted level.

As shown in Table 7, total O&M expenses are projected to be $91.0 million in FY 2021-22, an increase of just $0.3 million from the $90.7 million budget in FY 2020-21. This figure includes the costs related to all Central San services including wastewater collection and treatment, HHW collection, and recycled water production and distribution. Central San has maintained a relatively flat O&M budget for seven years in a row (FY 2014-15 to FY 2020-21), with only modest increases above $90 million for FY 2020-21 and FY 2021-22. The budget continues to provide funding for strategic initiatives and key activities, including ongoing efforts to respond to risks associated with the COVID-19 pandemic. Table 7 and Figure 5 show the FY 2021-22 O&M Budget by expense category.

Measures which have facilitated the net result of only a relatively minor increase ($0.3 million, or 0.3%) in the O&M budget from FY 2020-21 include:

- Adoption of a regulatory accounting policy whereby certain expenditures are included in the capital budget. See "Regulatory Accounting" in section "Financial Planning Policies". For FY 2021-22, this treatment resulted in approximately $1.2 million of costs being budgeted in the Capital budget that may otherwise have been budgeted in O&M.
- Budgeting for OPEB expenditures at the actuarially determined contribution (ADC) level, rather than the pay-as-you go level in previous years. As a result, approximately $1 million of pay-as-you-go expenditures will be reimbursed from the OPEB Trust, reducing the amount that would have been budgeted as an O&M expense.
- An increase in the headcount vacancy factor from 2% in the FY 2020-21 budget to 3% in the FY 2021-22 budget. Compared to the prior year budget, this had the impact of increasing the vacancy factor credit by $0.6 million, reducing total FY 2021-22 budgeted labor costs (wages, benefits, UAAL) by a total of $2.5 million.
- Providing direct funding to the self-insurance fund from Sewer Service Charge revenue, rather than routing such funding through the O&M sub-fund. This removes $1,576,419 that would have been included in the O&M budget (compared with a budgeted $450,000 for FY 2020-21). This treatment is appropriate in order to avoid "double counting" of spending by including the transfer from O&M to self-insurance as an expenditure in the O&M fund, and the self-insurance expenditures in the Self-Insurance Fund; this affects budget summary Table 1.
- A March 2021 California Supreme Court ruling regarding the interpretation of State of California Code may increase the scope of service work for which payment of prevailing wages are to be paid. This may increase costs in certain O&M spending categories. Any such impacts have not been reflected in this budget document, as an impact assessment has not yet been completed. To the extent these are significant, budget modifications may be necessary, or spending reduced in other areas to fund these additional costs.

O&M salaries and benefits (labeled categories A and B in Table 7) comprise 57.6% of the overall O&M Budget. Contributions toward unfunded liabilities (category C) are another 15.4%. Total labor-related costs including Salary, Benefits, and Unfunded Actuarial Accrued Liabilities (UAAL) and additional contributions are 73.0% of the O&M Budget, slightly less than the 73.8% in FY 2020-21 budget. All other expenses (category D) comprise 27.0%, up from 26.2% in FY 2020-21.

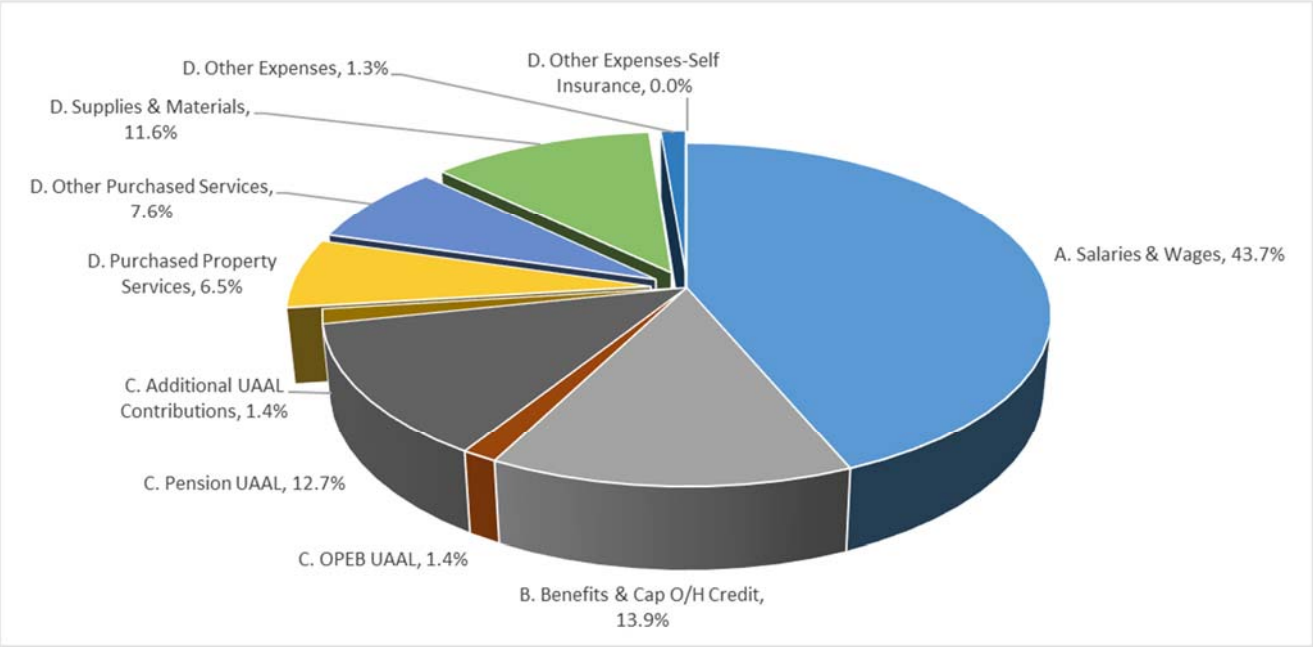
Table 7 – FY 2021-22 Budgeted O&M Expenditures and Contribution to / (Draw from) Reserve

Account Description	FY 2019-20 Budget **	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance	FY 2021-22 Percent of Total
A. Salaries & Wages								
A. Salaries & Wages	$38,565,093	$35,697,503	$39,543,191	$37,570,381	$39,711,391	$168,200	0.4%	43.7%
B. Benefits								
B. Benefits & Cap O/H Credit	$11,982,565	$12,306,285	$11,545,173	$11,201,423	$12,682,629	$1,137,456	9.9%	13.9%
Salary & Benefits (Active Employees)	**$50,547,658**	**$48,003,788**	**$51,088,364**	**$48,771,803**	**$52,394,021**	**$1,305,657**	**2.6%**	**57.6%**
C. OPEB and Pension UAAL and Additional Contributions								
C. OPEB UAAL	$2,346,076	$2,312,409	$2,451,000	$2,425,500	$1,260,000	($1,191,000)	-48.6%	1.4%
C. Pension UAAL	$11,186,841	$11,240,285	$12,126,016	$11,672,536	$11,531,912	($594,104)	-4.9%	12.7%
C. Additional UAAL Contributions	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$1,250,000	$0	0.0%	1.4%
Total UAAL and Additional Contributions	**$14,782,917**	**$14,802,694**	**$15,827,016**	**$15,348,036**	**$14,041,912**	**($1,785,104)**	**-11.3%**	**15.4%**
Total Labor-Related Costs (A+B+C)	**$65,330,575**	**$62,806,481**	**$66,915,380**	**$64,119,839**	**$66,435,933**	**($479,447)**	**-0.7%**	**73.1%**
D. Other O&M Expenses								
D. Purchased Property Services	$4,483,744	$5,706,753	$6,334,577	$5,521,051	$5,926,840	($407,737)	-6.4%	6.5%
D. Other Purchased Services	$6,418,232	$3,483,286	$6,305,477	$5,078,578	$6,935,041	$629,564	10.0%	7.6%
D. Supplies & Materials	$9,322,677	$8,088,750	$9,466,300	$9,042,918	$10,512,734	$1,046,434	11.1%	11.6%
D. Other Expenses	$1,204,547	$791,943	$1,194,604	$749,330	$1,163,556	($31,048)	-2.6%	1.3%
D. Other Expenses-Self Insurance	$825,000	$825,000	$450,000	$550,000	$0	($450,000)	-100.0%	0.0%
****Total Other O&M**	**$22,254,200**	**$18,895,732**	**$23,750,958**	**$20,941,877**	**$24,538,171**	**$787,213**	**3.3%**	**27.0%**
Total Expenditures	**$87,584,775**	**$81,702,214**	**$90,666,338**	**$85,061,716**	**$90,974,103**	**$307,765**	**0.3%**	100.0%
Contribution to (Draw From) Reserve	**$1,975,595**	**$8,674,889**	**($25,234,176)**	**($20,064,843)**	**$1,989,633**	**$27,223,809**	**-107.9%**	

* Contributions made to the Section 115 secondary pension trust ($1.25 million) are included in category C in this table, despite these contributions being excluded for financial reporting purposes in the Comprehensive Annual Financial Report, pursuant to GAAP.

** Minor differences in previous year budget amounts due to rounding issues.

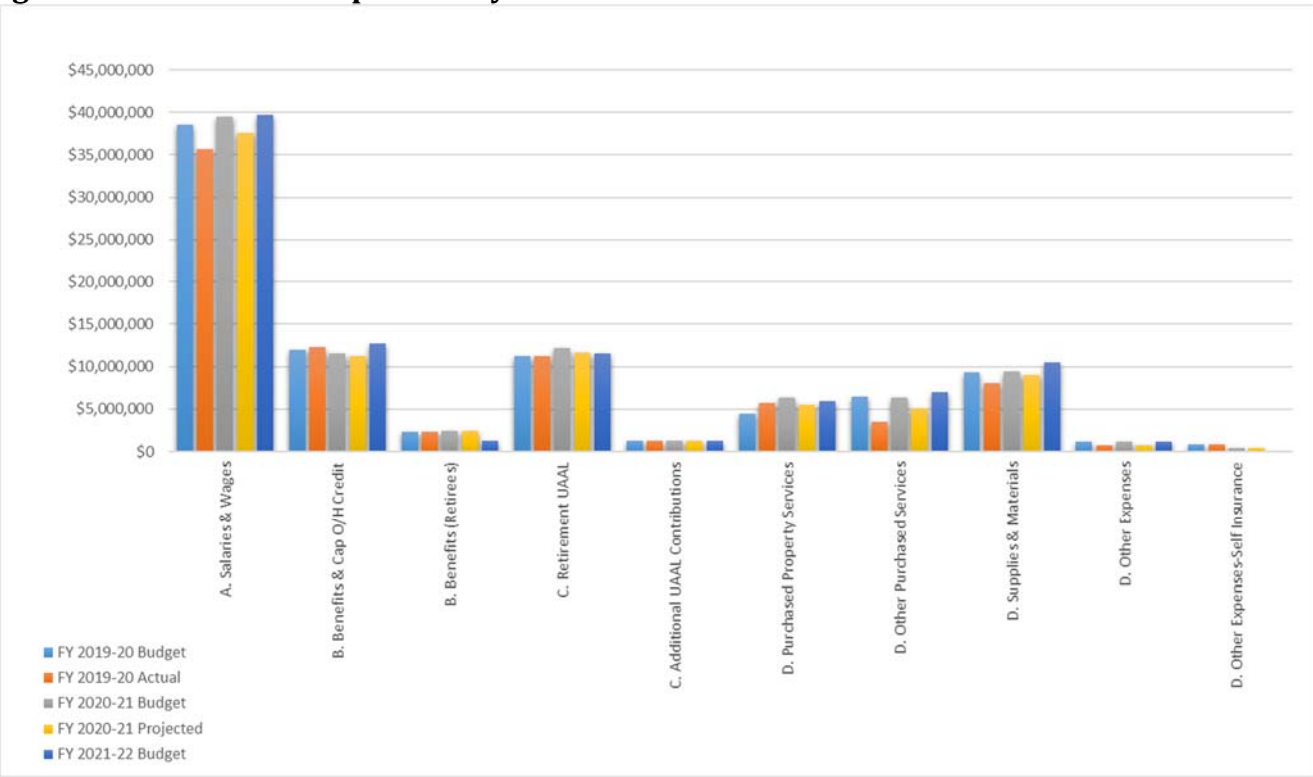
Figure 5 – FY 2021-22 Budgeted O&M Expenditures



Variances in the Operations & Maintenance Budget

O&M costs overall increase from FY 2020-21 to FY 2021-22 by only $0.3 million or 0.3%. Figure 6 illustrates the historical trend of each of each of these major budgetary expense categories.

Figure 6 – O&M Cost Comparison by Year



The lettered O&M Fund expense categories in the preceding charts (Figures 5 and 6) correspond to the descriptions below.

A. Salaries & Wages

Central San's budgeted salaries are $39.7 million in FY 2021-22, compared to $39.5 million in FY 2020-21, representing an increase of $0.2 million, or 0.4%. The increase reflects a 1.75% (Managers/Unrepresented) to 2.0% (Local One, MS/CG) salary adjustment effective April 2021, and an assumed salary adjustment effective April 2022 of 3.75% (the actual adjustment will be based on the Bay Area Consumer Price Index change from February 2021 to February 2022), and step increases for newer employees. The vacancy factor has been increased from 2% in FY 2020-21 to 3% in FY 2021-22 based on actual recent experience, which mitigates much of the growth in this expense category.

B. Benefits and Capitalized Overhead

Total benefits and capitalized labor increased from $11.5 million in FY 2020-21 to $12.7 million in FY 2021-22, which are discussed as follows:

Table 7a – Benefits and Capitalized Overhead Detail

	FY 2020-21 Budget	FY 2021-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Benefits for Active Employees	$16,628,569	$17,202,629	$574,060	3.5%
Capitalized Administrative Overhead	($5,083,396)	($4,520,000)	$563,396	-11.1%
Total, Benefits for Active Employees net of Capitalized Administrative Overhead	$11,545,173	$12,682,629	$1,137,456	9.9%

Excluding the capitalized administrative overhead credit, benefits for active employees comprise of healthcare costs, workers' compensation costs, payroll taxes, normal costs for pension and OPEB, and benefit vacancy factor. These costs were $16.6 million in the FY 2020-21 budget and rise to $17.2 million in the FY 2021-22 budget, which represents a 3.5% increase.

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

- **CalPERS Medical** – No rate increase for the six months starting July 2021 and a 7.0% rate increase is assumed for the six months starting January 2022.
- **CCCERA** – The retirement normal cost contribution rate is increasing 0.93% for legacy employees to 16.96% effective July 1, 2021. The normal cost rate is increasing 0.18% for Public Employees' Pension Reform Act (PEPRA) employees to 11.06% effective July 1, 2021. The defined pension normal cost contribution rate changes incorporate numerous factors pertaining to participant demographics, actuarial assumptions, and investment performance.
- **Delta Dental** – No rate increase for the six months starting July 2021 and a 3.75% rate increase is assumed for the six months starting January 2022.

- **Vision** – No rate increase for the six months starting July 2021 and a 3.75% rate increase is assumed for the six months starting January 2022.
- **Long-Term Disability** – Central San recently transitioned to a new provider and the rate has remained fixed from calendar year 2020 to 2021.
- **Employee Assistance Program** – No rate increase for the six months starting July 2021 and a 2.0% rate increase is assumed for the six months starting January 2022.
- **Workers' Compensation** – A 10% rate increase was assumed for budget purposes. The actual rates have not been finalized. No adjustments were made to the Experience Modification Factor that adjusts the gross rate of the collective pool to the member agency.
- **Life Insurance** – No rate increases are being assumed for this benefit category, which is in alignment with assumptions used by Central San's independent actuary in their most recent actuarial report.

The Capitalized Administrative Overhead rate, a credit given for capital work to the O&M Budget for non-work hours and overhead, changes from $5.1 million to $4.5 million in FY 2021-22, with the reduction attributable to a reduction in the Board-approved Administrative Overhead and Benefits Rate in FY 2021-22 due to savings arising from the transition to CalPERS healthcare as well as the completion of most modules of the ERP project in FY 2020-21 (with only Permitting/Community Development extending into FY 2021-22).

For improved financial planning and transparency purposes, the total budgeted cost for retiree health, dental, life and vision premiums is now split between its normal cost and UAAL components of the actuarially determined contribution (ADC) calculated by Central San's independent OPEB actuary. The normal cost component of OPEB, which is considered an active employee cost (not UAAL), is projected to increase from $1.6 million in FY 2020-21 to $2.1 million in FY 2021-22. See Table 4 in Supplemental Financial Information for additional disclosures on OPEB.

C. Unfunded Liabilities

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

In FY 2021-22, the total estimated cost of retiree health premiums is $4.3 million, reflecting a 4.9% increase from the $4.1 million budgeted in the prior year. However, given the strong funded position of Central San's OPEB Plan, budgeted OPEB costs are capped at the ADC, which is $3.3 million in FY 2021-22. OPEB costs are "capped" as any costs above the ADC ceiling are eligible for reimbursement from the OPEB trust. Per Board Policy 17 on Fiscal Reserves, "A planned draw from the OPEB Trust may be included in a Board adopted budget and executed by the GM." Accordingly, with adoption of this budget, a draw or reimbursement up to $1.3 million from the OPEB trust for the pay as you go cost in excess of the ADC is anticipated during FY 2021-22. As a result of this favorable development, the UAAL cost component of OPEB is decreasing from $3.7 million in FY 2020-21 to $1.3 million in FY 2021-22. It should be noted that reimbursing excess OPEB "pay-go"

cost above the ADC ceiling will not eliminate Central San's gradual contributions towards paying down the UAAL as the OPEB ADC is comprised of both a normal cost and UAAL component.

The pension unfunded liability expense to be paid to CCCERA is $11.5 million in FY 2021-22, which, compared to a budget of $12.1 million in FY 2020-21, is a decrease of $0.6 million, or 4.9%. This is largely reflective of the pension UAAL contribution rate decreasing from 34.81% to 34.5% in July 2021.

The budget also includes $1.25 million for additional contributions toward either pension or OPEB obligations, to be determined by the Board during or after the fiscal year (for purposes of the reserve calculation, this is shown as a contribution to OPEB). This is a continuation of the $1.25 million budgeted in FY 2020-21. To the extent that budget savings are available with the completion of both FY 2020-21 and FY 2021-22, the Board may choose to direct part of the savings toward additional unfunded liabilities funding. The amount of the FY 2020-21 budget variance as shown in the projection in Tables 6 and 7 has already been accounted for in the reserve calculation (Table 14), with a planned transfer of funds to the Rate Stabilization Account ("RSA") in FY 2021-22. By assuming a planned transfer to the RSA, this provides maximum flexibility for the Board to decide upon the disposition of the funds towards any use, which could include: (1) towards employee pension or OPEB liabilities; (2) use towards O&M of capital required reserves; (3) other purposes such as mitigating rate adjustments.

D. All Other O&M Expenses

The remaining O&M non-labor expenses increase, from $23.8 million in FY 2020-21 to $24.5 million in FY 2021-22, an increase of 3.1%. Additional information is included in the individual division budgets. The areas of most significant change include the following:

- **Purchased Property Services** – This expense category is reporting a decrease of $0.4 million or 6.4%, largely resulting from a decrease in the Repairs & Maintenance sub-category. The decrease in Repairs & Maintenance was primarily attributable to a reclassification of technology costs budgeted in the Information Technology division. The reduction in the Repairs & Maintenance expense category is largely offset by an increase in the Supplies & Materials expense category, to separate the software license from software-as-a-service (SAAS) costs for improved tracking and reporting purposes.
- **Other Purchased Services** – This expense increased by $0.6 million or 10%, largely due to cost increases in the Human Resources and Information Technology Divisions. The increase in costs in the Human Resources Division is primarily attributable to an increase in contracted labor negotiation services with the upcoming expiration of the Management, MS/CG and Local One labor agreements. The budgeted increase in the Information Technology Division for contracted technical services associated with new initiatives such as long-term support for the new state-of-the-art Oracle Cloud Fusion ERP system, new security services to address an environment of increasing digital threats, a new integrated permit-tracking system, expanded scanning services, as well as other new information technology-related contracted services.
- **Supplies & Materials** – This expense increased by $1.0 million, or 11.1%. The increase in Supplies & Materials was largely attributable to increases in the Utilities & Fuel, Chemicals and General Supplies & Materials sub-categories. The budgeted increase in Utilities & Fuel is largely within the Treatment Plant Operations Division for projected increases in natural gas costs. The

primary explanation for the increase in budgeted chemicals is attributable to budgeted increases in the Treatment Plant Operations Division for lime. Central San's long-time lime hauler went out of business after facing difficulties during the COVID-19 pandemic and new budget estimates reflect a substantial increase in lime hauling costs pursuant to the newly negotiated supplier contract. The increase in the General Supplies & Materials sub-category is largely due to a reclassification of costs in the Information Technology Division to separate software license from software-as-a-service (SAAS) costs for improved tracking and reporting purposes.

- **Other Expenses** – This expense category remained largely unchanged, decreasing by only $31,000, or 2.6% from the prior year's adopted budget. The main driver for this reduction is within the Memberships sub-category due to a reduction in costs associated with Bay Area Clean Water Agencies (BACWA) in the Environmental & Regulatory Compliance Division expected in FY 2021-22.
- **Other Expenses (self-insurance)** – This line item was reduced by $450,000 due to excluding the replenishment of self-insurance through the O&M budget, and instead providing a direct allocation of sewer service charges to the self-insurance fund. An allocation of $1,576,419 is necessary to replenish the self-insurance fund to the policy required level of $6.5 million.
- **Technical Training, Conferences, & Meetings** – These costs are an element of the Other Expenses category and are summarized in Table 8 below. They are reported separately in the Operating Departments divisional sections. The increases reflect increased technical training for both new hires and succession planning efforts with existing staff. The amounts now include tuition reimbursement and professional expense reimbursements, and prior year amounts have been restated to reflect that.

Table 8 – Technical Training, Conferences, & Meetings *

	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
Board of Directors	$40,000	$40,000	$25,000	($15,000)	-37.5%
Administration Department	$163,200	$169,000	$164,450	($4,550)	-2.7%
Engineering and Technical Services Department	$152,725	$159,350	$165,750	$6,400	4.0%
Operations Department	$126,676	$146,725	$170,025	$23,300	15.9%
Total	**$482,601**	**$515,075**	**$525,225**	**$10,150**	**2.0%**

* Includes tuition and professional expense reimbursements

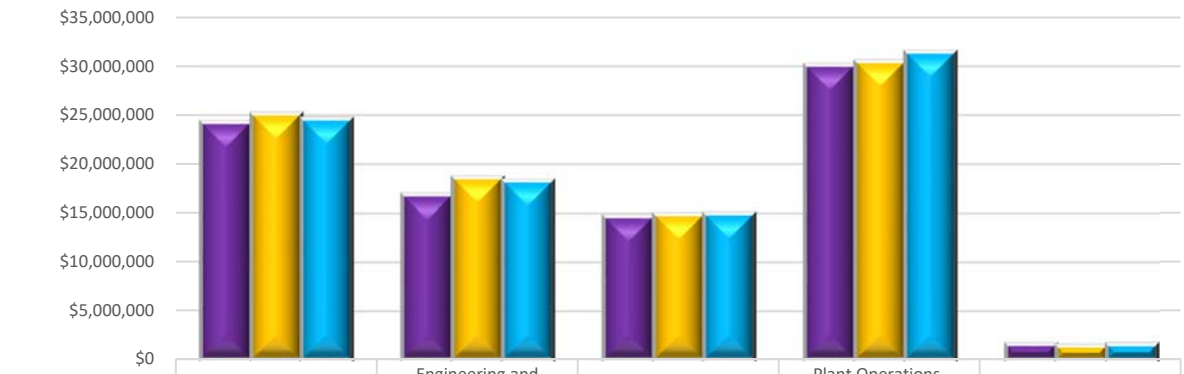
Operations & Maintenance Budget by Operating Department

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 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
Administration							
Office of the General Manager	$1,110,047	$1,068,263	$1,501,579	$875,875	$1,406,122	($95,457)	-6%
Office of the Secretary of the District	$1,501,297	$1,775,898	$998,779	$1,161,533	$1,007,942	$9,163	1%
Board of Directors	$144,650	$153,990	$564,029	$706,732	$421,601	($142,428)	-25%
Office of the Director of Finance & Administration	$-	$-	$579,032	$680,332	$737,111	$158,079	27%
Communications Services and Intergovernmental Relations	$1,980,908	$1,803,388	$2,128,081	$1,909,811	$2,184,043	$55,962	3%
Finance	$2,411,300	$1,714,913	$2,256,811	$1,966,898	$2,132,203	($124,608)	-6%
Human Resources / Retirees / Safety**	$9,046,860	$8,357,290	$8,958,488	$9,421,080	$8,212,860	($745,627)	-8%
Information Technology	$4,093,590	$3,677,401	$4,527,320	$4,558,051	$5,292,090	$764,770	17%
Purchasing and Materials Services	$2,123,488	$1,571,030	$2,006,169	$1,664,420	$2,049,622	$43,453	2%
Risk Management	$1,867,875	$1,759,250	$1,628,463	$1,505,617	$1,175,638	($452,825)	-28%
Total	**$24,280,015**	**$21,881,424**	**$25,148,751**	**$24,450,349**	**$24,619,232**	**-$529,519**	**-2%**
Engineering and Technical Services							
Office of the Director of Engineering & Technical Services	$-	$-	$1,132,683	$839,283	$1,112,194	($20,489)	-2%
Capital Projects	$455,841	$49,966	$883,170	$151,901	$661,852	($221,318)	-25%
Environmental and Regulatory Compliance	$8,628,203	$8,261,444	$9,159,765	$9,031,798	$9,344,711	$184,946	2%
Planning and Development Services	$7,779,898	$7,253,053	$7,447,765	$6,442,526	$7,175,041	($272,724)	-4%
Total	**$16,863,942**	**$15,564,463**	**$18,623,383**	**$16,465,507**	**$18,293,799**	**($329,584)**	**-2%**
Operations							
Office of the Director of Operations	$-	$-	$1,035,340	$405,687	$736,609	($298,731)	-29%
Collection System Operations	$14,701,713	$13,761,475	$14,916,566	$14,233,589	$14,982,438	$65,872	0%
Plant Operations	$15,520,408	$15,493,822	$13,811,530	$13,615,678	$13,903,316	$91,786	1%
Plant Maintenance	$14,610,349	$13,795,507	$15,659,478	$14,368,809	$16,827,960	$1,168,482	7%
Recycled Water Program	$1,608,348	$1,205,523	$1,471,290	$1,522,096	$1,610,750	$139,460	9%
Total	**$46,440,818**	**$44,256,327**	**$46,894,204**	**$44,145,859**	**$48,061,072**	**$1,166,868**	**2%**
Total All Departments	**$87,584,775**	**$81,702,214**	**$90,666,338**	**$85,061,716**	**$90,974,103**	**$307,765**	**0%**

Figure 7 – O&M Budget by Function

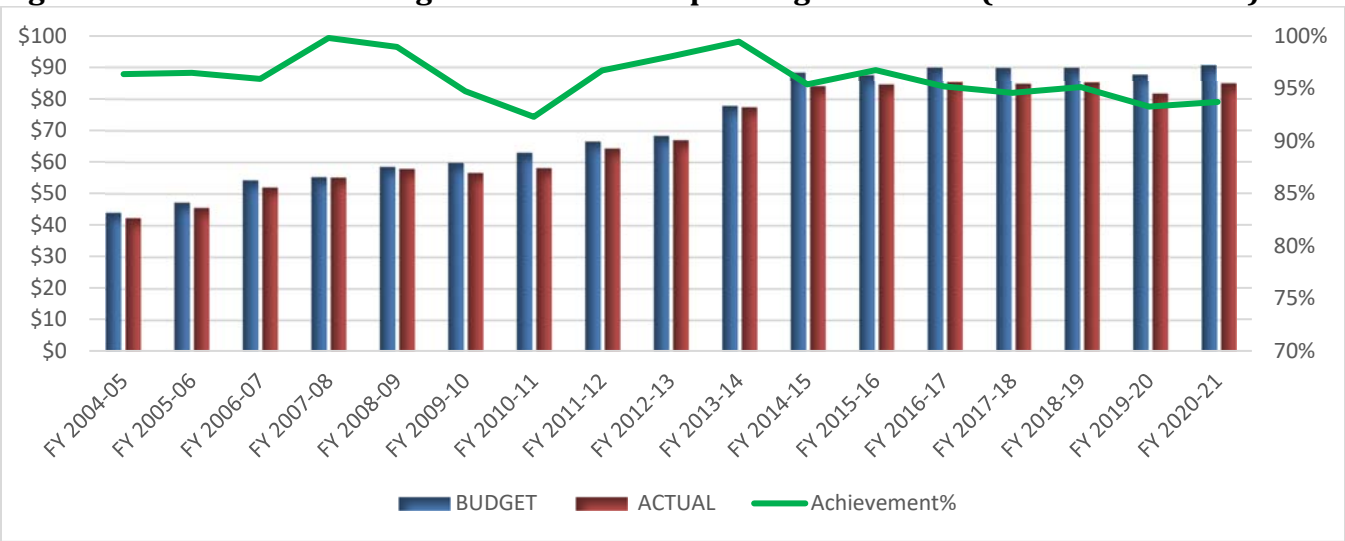


	Administration	Engineering and Technical Services Department	Collection System Operations	Plant Operations, Maintenance, Director of Ops	Recycled Water Program
FY 2019-20 Budget	$24,280,015	$16,863,942	$14,701,713	$30,130,757	$1,608,348
FY 2020-21 Budget	$25,148,751	$18,623,383	$14,916,566	$30,506,348	$1,471,290
FY 2021-22 Budget	$24,619,232	$18,293,799	$14,982,438	$31,467,884	$1,610,750

Historical Variances in Operations & Maintenance Spending

Figure 8 shows historic O&M budgeted and actual amounts, and actual spending as a percentage of budget. There have been variances averaging 3.9% (spending was 96.1% of budget) over the last five years (with variances averaging 3.4% since FY 2004-05). Chart "actual" reflects projection for FY 2020-21.

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



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

Overall, total labor, benefit, and UAAL related costs decreased by $1.2 million, or 1.5%, from $79.2 million in FY 2020-21 to $77.9 million in FY 2021-22. Refer to Table 1 in the Supplemental Financial Information for additional line item details.

Total salaries and benefits for active employees are budgeted at $62.6 million in FY 2021-22, including both the O&M Fund and the Sewer Construction Fund, compared to $62.0 million in FY 2020-21, a $0.6 million increase. UAAL costs for pension and OPEB (which relate to both active employees and retirees) are $15.3 million, down from $17.2 million in FY 2020-21.

Major factors affecting overall salaries and benefits include the following:

- Cost-of-living adjustments effective April 2021 based on provisions per memorandums of understanding (MOUs) / personnel resolutions with each bargaining unit ranging between 1.75% and 2.00%, and an estimated placeholder of 3% for April 2022.
- Attrition of approximately 6.5% of the tenured workforce to be replaced by lower step level and non-longevity eligible PEPRA tier employees.
- Capping the budgeted OPEB expense at the ADC, which is approximately $1 million lower than estimated pay-as-you-go retiree premiums in FY 2021-22.
- Increasing the projected FTE vacancy factor from 2% to 3% to more-closely reflect recent vacancy trends.
- Reduction in the employer UAAL contribution rate paid to CCCERA

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

Table 10 – Total Labor Costs Summary

FY 2021-22 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employees			
Budgeted Full-Time Employee Positions *	262.8	28.2	291.0
Budgeted Salaries & Wages	$39,711,391	$4,264,151	$43,975,542
Budgeted Benefits	$17,202,629	$1,446,384	$18,649,013
Capitalized Admin Overhead **	($4,520,000)	$4,520,000	$-
Benefits After Capitalized Administrative Overhead	$12,682,629	$5,966,384	$18,649,013
Total Costs Active Employees * **	**$52,394,021**	**$10,230,534**	**$62,624,555**
UAAL / Unfunded Liabilities & Additional Contributions			
OPEB UAAL	$1,260,000	$-	$1,260,000
UAAL / Unfunded Liabilities for Pension & Additional Contributions	$12,781,912	$1,268,942	$14,050,854
Total UAAL/ Unfunded Liabilities & Additional Contributions	**$14,041,912**	**$1,268,942**	**$15,310,854**
Total Labor Related Costs	**$66,435,933**	**$11,499,476**	**$77,935,409**

FY 2020-21 Budget	Operations & Maintenance	Sewer Construction	Total
Active Employee Costs			
Budgeted Full-Time Employee Positions*	264.60	28.40	293.00
Budgeted Salaries & Wages	$39,543,191	$4,247,300	$43,790,491
Budgeted Benefits	$16,628,569	$1,541,914	$18,170,483
Capitalized Administrative Overhead**	($5,083,396)	$5,083,396	$-
Benefits After Capitalized Administrative Overhead	$11,545,173	$6,625,310	$18,170,483
Total Costs Active Employees * **	**$51,088,364**	**$10,872,610**	**$61,960,974**
OPEB UAAL	$2,451,000	$-	$2,451,000
UAAL / Unfunded Liabilities for Pension & Additional Contributions ****	$13,376,016	$1,364,491	$14,740,507
Total UAAL/ Unfunded Liabilities & Additional Contributions	**$15,827,016**	**$1,364,491**	**$17,191,507**
Total Labor-Related Costs	**$66,915,380**	**$12,237,101**	**$79,152,481**

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

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

*** Restated to include new classification of costs; Board salaries & benefits included.

**** UAAL payments were omitted from the Sewer Construction schedule in the published budget book for FY 2020-21; this revised schedule has been corrected.

Budgeted Full-Time Equivalents

Table 11 shows full-time equivalent employee totals for the time periods indicated. The Year-End Actual figures represent actual staffing as of June 30, 2020. In addition to the 291 budgeted positions, the General Manager has the ability to add five additional "transitional" positions at any given time to backfill positions vacated due to an extended leave of absence or as necessary to properly address succession planning. The costs associated with these positions are funded through vacancy savings. Table 12 shows the positions by bargaining unit and division.

Table 11 – Budgeted Full-Time Equivalents

	FY 2019-20 Year-End Actual	FY 2020-21 Budget	FY 2021-22 Budget
Regular Employees (Excluding Recycled Water Employees)	274.0	293.0	291.0
Limited Duration Employees			
District Temporary Employees	16.0	8.0	11.0
Fill Station Attendants	2.0	2.0	2.0
Summer Students	1.0	24.0	12.0
Interns	13.0	13.5	13.0

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

	Administration	Engineering	Operations	Total
Local One	21.0	38.0	107.0	166.0
Management Support/Confidential Group	25.0	51.0	31.0	107.0
Management	4.0	4.0	3.0	11.0
Unrepresented	5.0	1.0	1.0	7.0
Total by Department	**55.0**	**94.0**	**142.0**	**291.0**

Staffing Changes

During 2015, a staffing and organizational study[1] was completed for Central San. The study recommended that Central San hire a consultant to conduct a classification study, which was completed in 2017, to ensure that Central San's classification structure was appropriate, and employees were working within their job classifications. In January 2021, the Board approved changes to six positions, based on an internal Classification Study completed by the Human Resources & Organizational Development Division. Other changes affecting the classification structure are pending implementation. The budget includes the cost of implementing the recommendations of the study, as well as other changes to the classification structure that Central San has deemed as operationally necessary.

Overall, staffing is budgeted at 291 full-time equivalent positions, which is reflective of the 2015 Organization and Staffing Plan recommendation, to add four positions to the then 287 budgeted positions. While two limited duration positions for the permit counter were approved during FY 2020-21, those positions are no longer budgeted in FY 2021-22.

Position changes within divisions are summarized below:

- Administrative Technician position was reclassified to Administrative Assistant (Office of the General Manager)
- Senior Administrative Technician transferred from the Office of the General Manager to the Director of Finance & Administration

[1] Report is available here: https://www.centralsan.org/post/Organization-and-Staffing-Plan.

- Senior Administrative Technician position reclassified to Human Resources Analyst (Human Resources & Organizational Development)
- Vacant Operations Safety Specialist position was deleted and a Staff Engineer position was created and transferred to the Plant Maintenance Division
- Vacant Senior Engineering Assistant position was deleted and an Assistant Engineer position was added (Capital Projects)
- Three Engineering Technicians were reclassified to Engineering Assistants (Capital Projects)
- Engineering Assistant position was deleted and an Associate Engineer position was added (Capital Projects)
- Vacant Deputy General Manager position was deleted and a Director of Operations was added (Office of the Director of Operations)
- Administrative Assistant position in the Office of the Director of Operations transferred to the Plant Operations Division
- Administrative Assistant position in the Office of the Director of Operations transferred to the Plant Maintenance Division
- Two Administrative Technician positions were reclassified to Administrative Assistants (Collection System Operations)
- Collection System Maintenance Scheduler position was reclassified to Maintenance Planner
- Media Production Technician position was reclassified to a Digital Media Content Specialist
- Assistant Engineer position was deleted and an Associate Engineer position was added in Planning & Development Services
- Sr. Engineering Assistant was converted to an Assistant Engineer in Capital Projects

Capital Improvement Budget

Sewer Construction Fund revenues are projected to decrease by $28.3 million, from $95 million in FY 2020-21 to $66.7 million in FY 2021-22.

This decrease is largely attributable to a reduced allocation of SSC compared to the prior year. In the prior year, revisions to the minimum working capital reserve policy resulted in a one-time increase in SSC being allocated to the Sewer Construction fund. Additionally, the City of Concord reimbursement is projected to decrease by $6.6 million. While the budgeted capital expenditures for which the City of Concord is responsible is increasing, their overall reimbursement amount is decreasing, as much of these costs will be financed with the SRF loan. The City of Concord, accordingly, will only pay a proportionate share of debt service on the loan, which is not due in FY 2021-22. The City of Concord's capital budget responsibility is based on its flow proportionate share of treatment plant, recycled water and general improvement components of the capital budget. $34.12 million of borrowing from the SRF is anticipated to fund the Solids Handling Facilities Improvements Project in FY 2021-22.

The $107.955 million budget does not include the anticipated carryforward from FY 2020-21, which will be communicated to the Board after the close of the current fiscal year. The $19.9 million increase, or 23%, in budgeted spending is a significant step toward the increased capital spending that will be taking place for the next several years as shown in the Ten-Year CIP presented later in this document.

A change for FY 2021-22 is the fact that only 90% of the budgeted capital spending will be funded, with the assumption that capital spending in the year has lagged budget authority. In the 10-Year Financial Plan, this lagged spending authority is assumed to be “caught up” in the outer years of the plan.

Central San will contribute approximately $3.66 million to capital reserves during FY 2021-22 with revenues and bond proceeds exceeding expenditures by that amount. Funding the Sewer Construction Fund (Capital Improvement) Working Capital Reserves exceeds the requirement of the aforementioned BP 017 - Fiscal Reserves. These and prior year contributions to the Sewer Construction Reserve allow for smoothing of rate requirements to accommodate the significant ramp-up of expenditures that is continuing in the next several years, with peak capital spending anticipated to reach $125.5 million in FY 2024-25.

Table 13 below is a summary of the projected FY 2021-22 Sewer Construction Fund revenues and expenditures. Further details are included in the Capital Improvement Program section.

Table 13 – Sewer Construction Fund Revenues and Expenditures

	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected *	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
Revenue							
Capacity Fees-Gravity	$5,750,000	$6,738,095	$6,000,000	$5,630,000	$5,799,000	($201,000)	-3%
Capacity Fees-Pumped Zone	291,000	$286,186	262,000	147,000	151,000	(111,000)	-42%
Interest Income	674,000	$996,041	293,500	310,000	319,000	25,500	9%
Ad Valorem Taxes	14,520,000	$16,127,444	15,940,000	16,978,000	17,320,000	1,380,000	9%
Sewer Service Charge	32,219,130	$32,829,958	56,673,402	57,045,001	34,108,232	(22,565,170)	-40%
Reimbursements							
City of Concord	$11,630,000	$11,393,000	$15,300,000	$16,000,000	$8,700,914	($6,599,086)	-43%
Recycled Water Sales	-	-	-	-	-	-	0%
Developer Fees and Charges	514,000	419,195	484,000	288,600	297,600	(186,400)	-39%
Total Revenue	**$65,598,130**	**$68,789,918**	**$94,952,902**	**$96,398,601**	**$66,695,746**	**($28,257,156)**	**-30%**
Loan & Bond Proceeds							
State Revolving Fund Loan Proceeds	-	-	$3,000,000	-	$34,120,000	$31,120,000	1037%
Total Revenue and Loan Proceeds	**$65,598,130**	**$68,789,918**	**$97,952,902**	**$96,398,601**	**$100,815,746**	**$2,862,844**	**3%**
Expenditures							
Treatment Plant Program	$28,330,000	$26,918,408	$32,334,000	$30,350,000	$45,230,000	$12,896,000	40%
Collection System Program	27,130,000	16,554,310	40,165,000	$37,399,000	39,795,000	($370,000)	-1%
General Improvements Program	4,264,000	6,227,401	3,925,000	$3,533,000	3,830,000	($95,000)	-2%
Recycled Water Program	4,452,000	3,962,465	9,100,000	$8,190,000	16,600,000	$7,500,000	82%
Contingency	2,000,000	-	2,500,000	-	2,500,000	$0	0%
Total Expenditures	**$66,176,000**	**$53,662,584**	**$88,024,000**	**$79,472,000**	**$107,955,000**	**$19,931,000**	**23%**
Carryforward	8,493,521	-	20,571,770	29,123,770	-	-	
Total Expenditure Authority	**$74,669,521**	**$-**	**$108,595,770**	**$108,595,770**	**$-**	**$-**	
Sewer Construction Funds Available							
Projected Revenue and Loan Proceeds	-	$68,789,918	$97,952,902	$96,398,601	$100,815,746	-	
Expenditures	-	53,662,584	88,024,000	79,472,000	107,955,000	-	
Less: 90% Spending Factor for FY 2021-22	-	-	-	-	(10,795,500)	-	
Contribution to Reserves	-	$15,127,334	$9,928,902	$16,926,601	$3,656,246	-	
Anticipated Cash Funded Capital Expenditures	-	-	$85,024,000	-	$66,451,500	-	

* Projection as of March 2021.

** The FY 2021-22 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. Capital Projects anticipates closing out and saving about $2 – 2.5 million from the FY 2020-21 carry-forward.

*** Reserve calculation assumes difference between FY 2020-21 budget and projected spending will be spent in FY 2021-22 or future years.

Impact of Capital Improvement Budget on Ongoing Operations & Maintenance Budget

Central San's Capital Improvement Budget and the extent to which FY 2021-22 nonrecurring capital investments will affect the proposed or future years' operating budget are described later in this document. In general, given the nature and composition of the FY 2021-22 Capital Improvement Budget, these effects are minimal. To the extent that future capital projects could have more substantial 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 would be specified further in the year such projects are budgeted.

Reserve Projections

BP 017 - Fiscal Reserves set targets for each of Central San's reserve funds. Fiscal reserves provide working capital for O&M activities; funding for long-term capital improvement requirements; fulfillment of legal, regulatory, and contractual obligations; mitigation of risk and liability exposures; and cash flow emergencies. These reserves were fully funded as of year-end FY 2019-20 but are adjusted annually based on changes in the targeted reserve balance calculation.

- **For the O&M Fund** (Working capital reserves) – The Board has set a target of five months (41.7%) of gross operating expenses at the start of each fiscal year.
- **For the Sewer Construction Fund** (Working capital reserves) – The Board has set a target of 50% of the annual Capital Improvement Budget at the start of each fiscal year, excluding capital projects that are to be funded with bond proceeds.
- **For the Self-Insurance Fund (SIF) Reserves** – 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 $5 million in the SIF.

Table 14 presents a summary of Central San's current reserve balance projections compared to the Board Policy (BP) targets. The reserve levels are projected to be above the policy-required levels on June 30, 2020 and 2021. The FY 2021-22 revenue requirement provides for a net $6.2 million increase in the reserve balances, prior to any planned transfers.

- The reduction in the O&M reserve is related to higher than policy specified funding in the reserve at June 30, 2020, including anticipated favorable variances for FY 2020-21. The savings from the favorable variance (the net revenue and spending variance of $5,169,332) is assumed to be then transferred to the Rate Stabilization Fund in FY 2021-22. With this planned transfer, the O&M reserve is projected to decrease by $3.2 million from June 30, 2021 to June 30, 2022.
- The increase in the Sewer Construction reserve of $3.66 million relates to the anticipated increase in Capital Improvement Budget spending in subsequent years, and planned use of cash in those years.
- The projected increase in the Self-Insurance Fund reserve of $0.4 million is related to lower than required funding projected to be available in the reserve at June 30, 2021, due to higher insurance premiums in the current fiscal year.

The projected amounts are subject to change based on actual financial results for the current and next fiscal years.

The primary impact of the status of the reserves is on the allocation of the Sewer Service Charge, 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.

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

- **Rate Stabilization Fund Reserve Account** - This account was initially funded with an initial deposit from the FY 2018-19 fiscal year close-out of $2.61 million. The Board also directed $2.15 from the FY 2019-20 closeout to this fund in the fall of 2020. This budget document, in the reserve projection, assumes a FY 2021-22 planned transfer of the projected O&M variance in FY 2020-21 to the Rate Stabilization Fund of $5,169,332, based on the projected O&M expenses and revenues in Tables 6, 7, and 13. By assuming this planned transfer, a higher allocation of SSC goes towards O&M in FY 2021-22 than would otherwise be the case. By directing the funds to the Rate Stabilization Fund, greater flexibility for future use of the funds by the Board is provided for than without this assumption. Future uses may include:
    - Contributions towards pension or OPEB liabilities
    - Funding billing adjustments or other Board specified uses for mitigating rate impacts

- **Pension Prefunding Trust Fund** - The projected balance as of June 30, 2020 includes earnings through March 31, 2020. No earnings on the account are projected for FY 2021-22 (although the account is anticipated to earn long-term average annual returns of 5.82%).
- **OPEB Trust Fund** - The projected balance as of June 30, 2020 includes earnings through March 31, 2020, and the $1.25 million budgeted in FY 2019-20 towards employee related liabilities is deposited here. No earnings on the account are projected for FY 2021-22 (although the account is anticipated to earn long-term average annual returns of 6.25%).

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, 2020	$65,959,541		$6,758,581	$146,520,557
Projected Balance as of June 30, 2021	$43,644,698		$6,133,581	$111,383,544
Change in Reserve balances during FY 2021-22:				
Net Increases from Revenue over Expenses:	$1,989,633	$73,802,435	$366,419	$6,012,298
Planned Transfers in FY 2021-22	($5,169,332)	$61,605,266 **	$-	($5,169,332)
Projected Balance as of June 30, 2022	**$40,464,998**		**$6,500,000**	**$112,226,509**
Change year over year	($3,179,699)	$3,656,246	$366,419	$842,965
Reference:	Table 7	Table 13	Self-Insurance Table 1	See Figure 3
Percentage change year over year	-7.3%	5.9%	6.0%	0.8%
Explanation	Ending balance at 6/30/21 is projected to be above policy required level due to projected O&M savings in FY 2020-21	Funds were set aside in Recent years to be used toward the funding of future year's Capital Budgets		
Comparison to Policy Target-Start of Budget Year				
Policy Target	5/12 of following year's O&M Budget	50% of following year's non-debt funded Capital Budget	3 times annual deductible of $500,000 plus $5 million	
Reserve Policy Target end of June 30, 2021	**$37,905,876**	**$33,225,750**	**$6,500,000**	**$77,631,626**
Projected Balance minus Reserve Policy Target at June 30, 2021	**$5,738,821**	**$28,379,516**	**($366,419)**	**$33,751,918**
Comparison to Policy Target-End of Budget Year				
Reserve Policy Target end of June 30, 2022	**$40,464,998**	**$32,506,441**	**$6,500,000**	**$79,471,439**
Projected Balance less Reserve Policy Target at June 30, 2022	**($-)**	**$32,755,070**	**($-)**	**$32,755,070**

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

** Excludes projected carryforward of $29,123,770 (also to be adjusted for any closeout savings). Projected reserves at 6/30/2021 and 6/30/2022 would be that amount higher with inclusion of the carryforward.

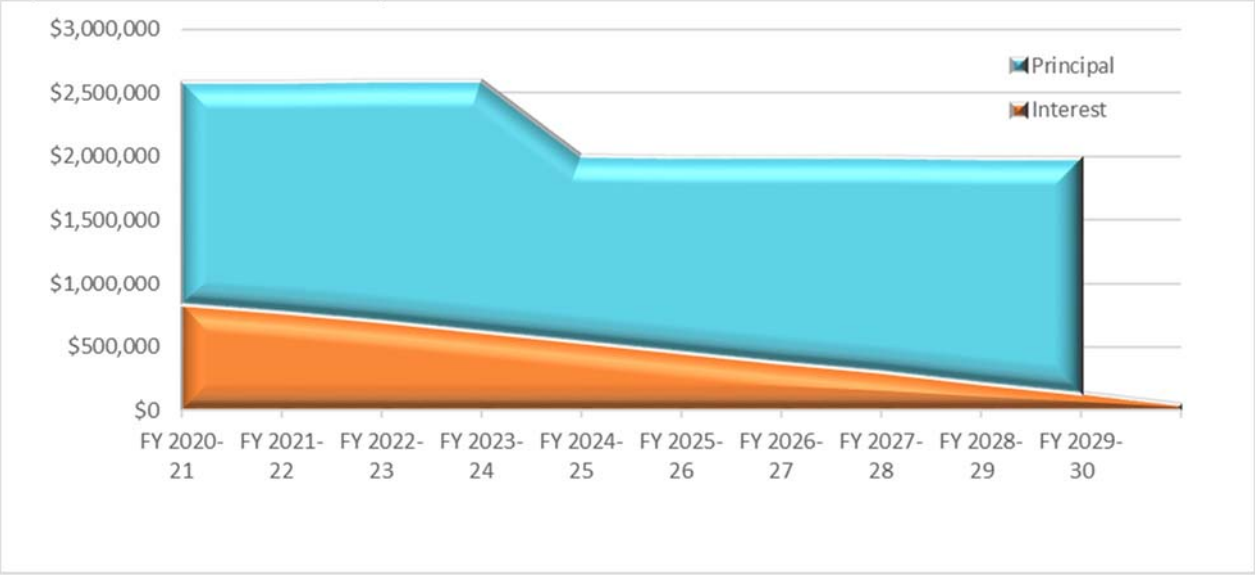
Table 14 – Reserve Projections (continued)

	Rate Stabilization Account	Pension Trust Fund	OPEB Trust Fund
Actual Balance as of June 30, 2020	$2,610,000	$10,322,954	$69,849,380
Projected Balance as of June 30, 2021	$4,760,000	$12,019,000	$80,868,359
Change in Reserve balances during FY 2021-22:			
Planned Transfers in FY 2021-22	$5,169,332	$-	$1,250,000
Projected Balance as of June 30, 2022	$9,929,332	$12,019,000	$82,118,359
Change Year Over Year	$5,169,332	$-	$1,250,000
Reference:			
Percentage Change Year Over Year	108.6%	10.4%	1.5%
Explanation	Planned Transfer from O&M.	FY 2021-22 Earnings Not Projected	$1.25 million budgeted increase assumed. FY 2021-22 Earnings Not Projected
Comparison to Policy Target-Start of Budget Year			
Policy Target	N/A	N/A	N/A
Reserve Policy Target end of June 30, 2020	N/A	N/A	N/A
Projected Balance minus Reserve Policy Target at June 30, 2021	**$4,760,000**	**$12,019,000**	**$80,868,359**
Comparison to Policy Target-End of Budget Year			
Reserve Policy Target end of June 30, 2022	N/A	N/A	N/A
Projected Balance minus Reserve Policy Target at June 30, 2022	**$9,929,332**	**$12,019,000**	**$82,118,359**

Debt Service

Current debt service expenditures include outstanding payments on 2018 Revenue Bonds. Details on the debt service are included in the Debt Program Section. Figure 9 depicts all existing debt payments for Central San. The SRF loan, when the loan agreement and repayment schedule is finalized, would also add to these debt repayment amounts. The SRF loan agreement is expected to be finalized prior to the end of FY 2020-21. Future debt issuances, if any, would add to this debt profile. As discussed elsewhere, staff are working on a June 2021 debt issuance. The debt service schedule for this transaction has not been finalized.

Figure 9 – Debt Service Payment Schedule

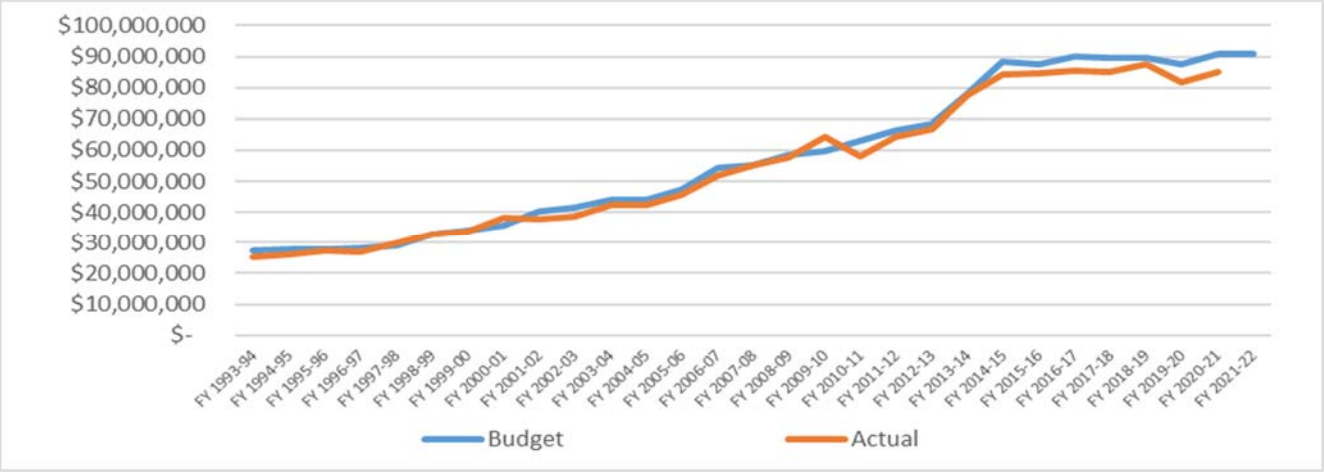


Long-Term Spending Trend

Operations & Maintenance

Figure 10 shows a long-term trend line of past O&M expenditures, while Figure 11 shows a long-term trend line of past capital expenditures. The O&M Budget was held essentially flat for a total of seven years (from FY 2014-15 to FY 2021-22). FY 2021-22 provides for an increase of just 2.1% above the six-year average ($89,160,195) of the preceding O&M budgets. Among other factors that have facilitated this have been decreasing pension UAAL rates assessed by CCCERA since 2015. These reductions have offset other cost increases in the O&M budget. Pension UAAL rates increased significantly due to actuarial losses after the great recession of 2008, and due to "depooling" (separately calculating and assigning costs to specific participating agencies or groups within CCCERA). These UAAL costs are projected further towards the end of this decade when the UAAL is scheduled to be eliminated. Central San is also working with its financial advisor on a potential bond offering that may be used to fund a portion of capital expenditures in FY 2021-22, and make funding available to pay down the CCCERA UAAL in that fiscal year, with the objective of producing cost savings over the next decade.

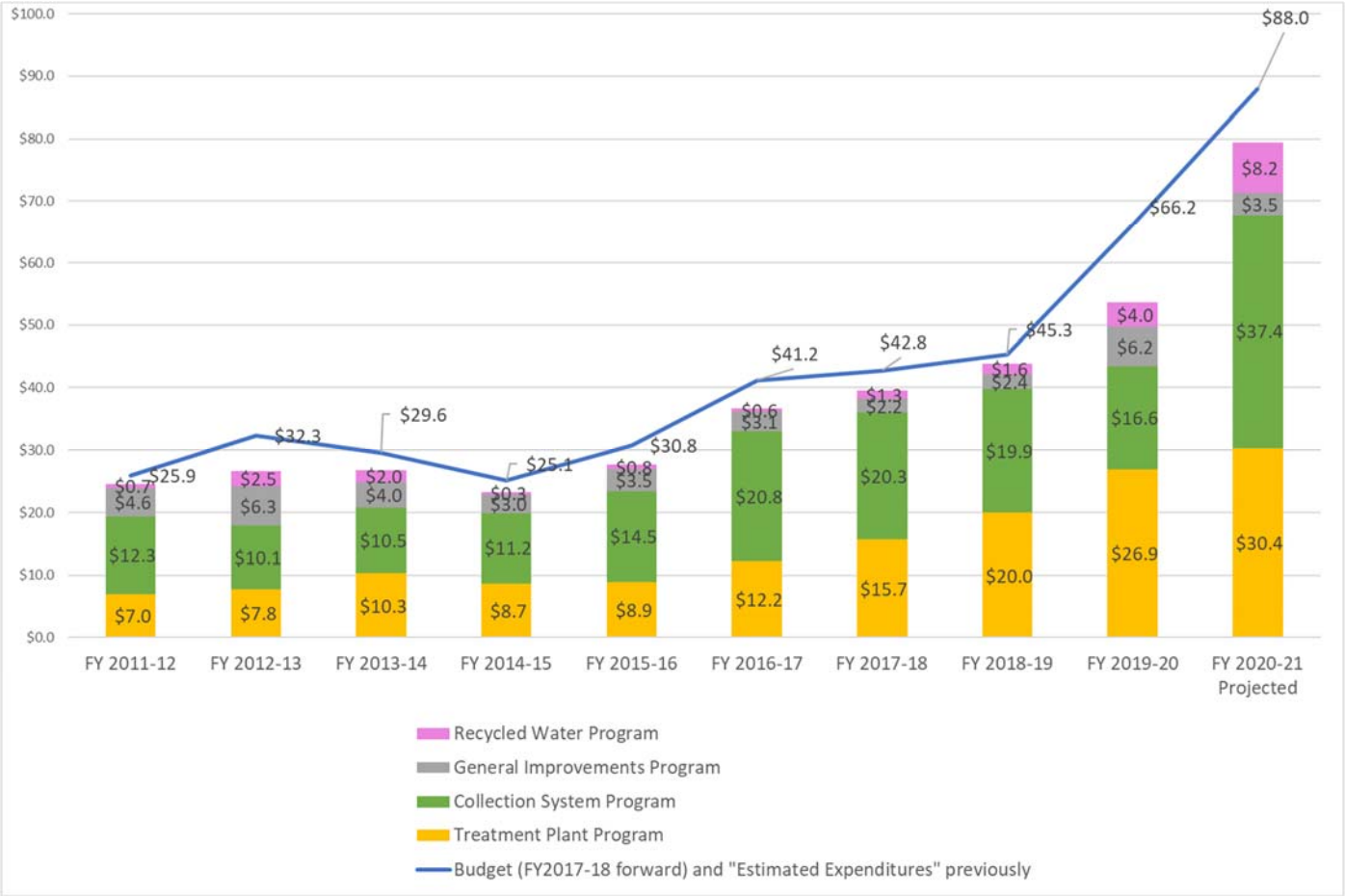
Figure 10 – Long-Term O&M Spending Trend



Sewer Construction (Capital)

Capital spending has been ramping up significantly since FY 2016-17, with spending projected to average $93.9 million per year over the next decade (in 2021 dollars). Over the past 10 years, actual spending (and projected spending for FY 2021-22) has been $382.1 million, while budgeted spending (called "estimated expenditures" prior to FY 2017-18) was $427.2 million.

Figure 11 – Infrastructure Investments Over Past Ten Years: $382.1 million (Actual)



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Operating Departments

On a day-to-day basis, the following three Operating Departments that make up 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 both exceptional internal and external customer service in the operation of Central San's wastewater collection, treatment, recycled water, and household hazardous waste collection facilities. The departments are guided by Central San's Strategic Plan, which provides direction and initiatives to help achieve the strategic goals and objectives.

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

The following sections describe the responsibilities of each department and division; the strategic accomplishments in FY 2020-21 as projected at the time this book was drafted at the end of March 2021; performance against the FYs 2018-20 Strategic Plan key metrics in FYs 2019-20 and against the FYs 2020-22 Strategic Plan key metrics in FY 2020-21 as of Q2; and operating budget needs. For final FY 2020-21 strategic performance data, please refer to the FY 2020-21 Strategic Plan Annual Report after its publication in fall 2021. The total operating budget for FY 2021-22 is $91 million, a $0.3 million or 0.3% increase over the $90.7 million budget for FY 2020-21.

Administration Department

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

The divisions that comprise this department include the following:

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

Executive/Governance Offices

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

Office of the General Manager

OVERVIEW

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

This office also provides direction, support, and resources to internal departments so they may effectively and efficiently accomplish the Vision, Mission, and Goals of Central San. The accomplishments below represent tasks completed by the General Manager and his budgeted staff, as well as major overarching accomplishments of the District directly overseen by the General Manager. The agency-wide FY 2020-21 accomplishments and performance, as well as the FY 2021-22 targets and objectives, are embodied in each of the individual division and program sections.

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Oversaw the effort to continue providing essential services during the COVID-19 pandemic while protecting employees, the public, and the environment.
- Served on the boards of National Association of Clean Water Agencies (NACWA), California Association of Sanitation Agencies (CASA), WateReuse, and John Muir Health to strengthen ties to the water sector and the community Central San serves.
- Met with city and town officials to ensure open lines of communication and interagency relations, including attendance at Contra Costa County Mayors Conferences.
- Presented Strategic Plan Annual Report to the Board.
- Received 72 applications for the next in-person Central San Academy session (the 2020 session was postponed).
- Held a Virtual Central San Academy session to reconnect with past participants and meet potential new participants.

ENVIRONMENTAL STEWARDSHIP

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

FISCAL RESPONSIBILITY

- Regularized internal audit function with hiring of full-time dedicated internal auditor.
- Completed annual Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework and solicited involvement from 34 California agencies.

WORKFORCE DEVELOPMENT

- Held virtual town halls with each department to update employees on current issues and receive feedback.
- Facilitated one-on-one meetings between each Board Member and the Executive Committee Members of the Local One and Management Support/Confidential Group bargaining units.
- Met frequently with bargaining unit representatives to maintain open communication and resolve issues early.

INNOVATION AND OPTIMIZATION

- Held the first Innovations Fair, recognizing innovative employees going above and beyond to improve and optimize their work with a virtual celebration of their projects over the past three years, and an awards ceremony commemorating their work.
- Maintained Optimizations Program to commit to efficiency, effectiveness, and continuous improvement by tracking and reporting progress.
- Produced and presented Optimizations Program Annual Report to the Board.

AGILITY AND ADAPTABILITY

- Modified operations to balance safety while maintaining essential services, including establishing drop-off and pick-up services, launching electronic payment capabilities, changing working hours, and transitioning in-person services such as education programs and recruitment testing to a virtual format.
- Allowed employees to work from home where possible based on their job duties and ability to remote work effectively.
- Completed productivity assessment during the early months of alternative working arrangements and adjusted work practices to maximize productivity and ensure continuity of services to customers to the extent practicable.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-2021 Performance as of Q2	
GOAL ONE	Participants in Citizens Academy, Central San Academy	≥30 per Session	N/A (2020 Session Postponed)		≥35	N/A (Virtual Spring 2021 Session Not Yet Held)	
GOAL ONE	Awards or Recognitions Received	≥10	16		≥10	6	
GOAL SIX	Completed Optimizations	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥20	7	
GOAL SEVEN	Productivity	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥95%	>95%	

FY 2021-22 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 2021-22
GOAL ONE **Deliver High-Quality Customer Service** **Maintain a Positive Reputation**	Continue to **provide staff with resources and high-level guidance** needed to maintain excellence in the industry.
	Represent Central San's best interests in involvement with industry associations and advocacy groups regionwide, statewide, nationwide, and worldwide.
GOAL TWO **Support Regional Development of Local Water Supply**	Continue to **work toward the fruition of the Refinery Recycled Water Exchange**, an innovative partnership between Central San, CCWD, and Valley Water to supply recycled water to neighboring refineries.
GOAL THREE **Ensure Integrity and Transparency in Financial Management**	Continue the development of the **internal audit function** with workplans presented annually and internal audit reports presented to the Board.
GOAL FOUR **Foster Relationships Across All Levels of Central San**	Continue to **meet regularly with labor bargaining unit representatives and division workgroups** to maintain an open channel of communication, address workplace issues, and assist in adoption of successor memoranda of understanding with the bargaining units in a timely manner.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	Continue to **inspire performance, efficiency, and effectiveness** through the Optimizations Program, the Central San Smart initiative, fulfillment of the Strategic Plan, and an employee recognition program.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$717,134	$709,085	$815,472	$546,565	$701,216	($114,256)	-14.0%
Employee Benefits	187,232	168,751	270,585	139,007	260,376	(10,209)	-3.8%
Retiree Costs	198,181	190,427	257,072	122,740	236,130	(20,942)	-8.1%
Purchased Property Services	-	-	-	728	600	600	-
Repairs & Maintenance	-	-	-	728	600	600	-
Rentals	-	-	-	-	-	-	-
Purchased Professional, Technical & Other Services	-	-	80,000	-	106,200	26,200	32.8%
Professional Services	-	-	50,000	-	19,200	(30,800)	-61.6%
Technical Services	-	-	30,000	-	12,000	(18,000)	-60.0%
Other Purchased Services	-	-	-	-	75,000	75,000	-
Supplies & Materials	-	-	7,800	4,388	9,000	1,200	15.4%
Utilities & Fuel	-	-	-	-	-	-	-
General Supplies	-	-	7,800	4,388	9,000	1,200	15.4%
Other Expenses	7,500	-	70,650	62,446	92,600	21,950	31.1%
Memberships	-	-	45,900	41,000	46,900	1,000	2.2%
Training & Meetings	7,500	-	20,750	20,918	35,700	14,950	72.0%
Miscellaneous Other	-	-	4,000	528	10,000	6,000	150.0%
Total Expenses	**$1,110,047**	**$1,068,263**	**$1,501,579**	**$875,875**	**$1,406,122**	**($95,457)**	**-6.4%**

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
General Manager	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Internal Auditor	-	1.0	1.0
Management Analyst	1.0	-	-
Senior Administrative Technician	1.0	1.0	0.0
Total	**5.0**	**5.0**	**4.0**

Budget Modifications and Contributions to Key Priorities

As described in the Financial Summary section of the budget book previously, as part of the implementation of a new ERP system and revised chart of accounts, new org units were established for improved reporting purposes. In prior budgets, costs associated with the Office of the General Manager functions were reported within a consolidated cost center titled "Office of the General Manager and Office of the Secretary of the District." This budgetary org unit reported costs for the Board of Directors, the Office of the General Manager, the Office of the Secretary of the District as well as the office of the Director of Finance & Administration. Beginning in FY 2020-21, each of these four previously consolidated cost centers has been separated.

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 2021-22 is $1.4 million, a $95,000 or 6.4% decrease from budget of $1.5 million in FY 2020-21. This decrease is primarily attributable to the transferring of the Senior Administrative Technician position to the Director of Finance & Administration division in the FY 2021-22 budget. Commencing in FY 2021-22 the annual contribution to Contra Costa County Local Agency Formation Commission (LAFCO) is being budgeted in Office of the General Manager org unit as the purpose of LAFCO and its activities are more closely aligned with the purpose of the Office of the General Manager. Annual LAFCO contributions were previously budgeted in the Office of the Secretary of the District.

Office of the Secretary of the District

OVERVIEW

The Secretary of the District reports to the Board and General Manager and provides administrative support to the five elected Board Members. The Office of the Secretary of the District manages the Board and Committee meeting processes, including the preparation and distribution of agendas and minutes and the publication of notices of public hearings. It coordinates compliance with Fair Political Practices Commission regulations and the Brown Act, receives legal claims against Central San, coordinates elections with the Contra Costa County Elections Office, and arranges Ethics and 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 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Conducted 6 California Voting Rights Act (CVRA) Public Hearings to transition to by-area elections for Central San.
- Coordinated Board Self-Evaluation Workshop, Financial Planning Workshop, and annual review of Board Member compensation and benefits.
- Facilitated adoption of the new Electronic Signatures policy, Pension Funding policy, and Other Post-Employment Benefits (OPEB) Policy.
- Coordinated meetings for Board Liaisons with representative cities and agencies.
- Provided Records Program services to all departments, including indexing over 15 new records boxes transferred to storage, creating and printing over 700 new file folder labels, delivering over 20 boxes requested from storage, and processing shredding services for over 12 boxes of approved destructions, non-records, copies, and transitory documents.

ENVIRONMENTAL STEWARDSHIP

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

WORKFORCE DEVELOPMENT

- Scheduled Board Member attendance at workshops on Ethics Compliance and Harassment Prevention.
- Staff attended California Clerks Association, California Special District Association Board Secretary, and Association of Records Managers and Administrators Conferences.

AGILITY AND ADAPTABILITY

- Converted all Board meetings and committee meetings to virtual meetings.
- Held bid openings remotely and live online.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2
GOAL TWO	Biennial Review of All Existing Board Policies	100%	100%		N/A (Not a Metric in the FYs 2020-22 Strategic Plan)	

FY 2021-22 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 2021-22
GOAL ONE **Provide High-Quality Customer Service**	Develop **procedures for onboarding a new Board Member**.
	Obtain **electronic posting system** for agendas and public hearing notices.
	Conduct **CVRA meetings** with updated 2020 Census Data.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	**Consider potential improvements to modernize the Board Meeting Room**, including the addition of multiple video cameras to improve transparency, upgrades to the electronic systems to accommodate mobile devices, and replacing projector screens with monitors.
	Complete project with the Information Technology Division **to optimize use of electronic records** to improve processes throughout Central San and **develop an E-Records Master Plan**.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$725,381	$882,742	$483,201	$578,515	$575,220	$92,019	19.0%
Employee Benefits	69,255	314,698	160,700	216,931	148,688	(12,012)	-7.5%
Retiree Costs	205,081	273,341	165,473	229,592	162,630	(2,843)	-1.7%
Purchased Property Services	25,000	21,520	24,850	11,317	24,850	-	0.0%
Repairs & Maintenance	10,000	7,931	9,850	1,120	9,850	-	0.0%
Rentals	15,000	13,589	15,000	10,197	15,000	-	0.0%
Purchased Professional, Technical & Other Services	346,000	198,376	132,000	111,897	59,000	(73,000)	-55.3%
Professional Services	200,000	104,150	50,000	42,031	50,000	-	0.0%
Technical Services	70,000	23,233	6,000	1,700	6,000	-	0.0%
Other Purchased Services	76,000	70,994	76,000	68,166	3,000	(73,000)	-96.1%
Supplies & Materials							
General Supplies	24,950	12,899	11,000	5,981	16,000	5,000	45.5%
Other Expenses	105,630	72,323	21,555	7,300	21,555	-	0.0%
Memberships	57,380	39,395	4,555	1,700	4,555	-	0.0%
Training & Meetings	33,250	21,156	14,500	3,199	14,500	-	0.0%
Miscellaneous Other	15,000	11,771	2,500	2,401	2,500	-	0.0%
Total Expenses	**$1,501,297**	**$1,775,898**	**$998,779**	**$1,161,533**	**$1,007,942**	**$9,163**	**0.9%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Services Supervisor	1.0	1.0	1.0
Assistant to the Secretary of the District	1.0	1.0	1.0
Secretary of the District	1.0	1.0	1.0
Senior Administrative Technician	1.0	1.0	1.0
Total	**4.0**	**4.0**	**4.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Senior Administrative Technician	1.0	-	1.0
Total	**1.0**	-	**1.0**

Budget Modifications and Contributions to Key Priorities

As described previously, as part of the implementation of a new ERP system and revised chart of accounts, new organization units (org unit(s)) were established for improved reporting purposes. In prior budgets, costs associated with the Office of the Secretary of the District were reported within a consolidated cost center titled "Office of the General Manager and Office of the Secretary of the District." This budgetary org unit reported costs for the Board of Directors, the Office of the General Manager, the Office of the Secretary of the District as well as the office of the Director of Finance &

Administration. Beginning in FY 2020-21, each of these four previously consolidated cost centers have been separated.

The Office of the Secretary of the District assures the ongoing flow of information to and from the Board, facilitating policy direction and oversight. The Office of the Secretary of the District Operating Budget for FY 2021-22 is $1.0 million, remaining relatively flat with an increase of only 0.9% over last year's budget. As noted previously, commencing in FY 2021-22 the annual contribution to Contra Costa County Local Agency Formation Commission (LAFCO) is being budgeted in Office of the General Manager org unit as the purpose of LAFCO and its activities are more closely aligned with the purpose of the Office of the General Manager. Annual LAFCO contributions were previously budgeted in the Office of the Secretary of the District. Largely offsetting this budgetary cost transfer is the inclusion of a District temporary Senior Administrative Technician to help address an expanded workload during the retirement of the Assistant to the Secretary of the District as well as ongoing work associated with the implementation of new districts during FY 2020-21 pursuant to the California Voter Rights Act (CVRA).

Board of Directors

OVERVIEW

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

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$54,650	$44,530	$54,650	$56,240	$54,650	$-	0.0%
Employee Benefits	50,000	89,847	106,229	94,538	82,301	(23,928)	-22.5%
Purchased Professional, Technical & Other Services	-	-	350,000	548,281	250,000	(100,000)	-28.6%
Professional Services	-	-	100,000	242,173	250,000	150,000	150.0%
Other Purchased Services	-	-	250,000	306,108	-	(250,000)	-100.0%
Supplies & Materials							
General Supplies	-	-	5,150	500	5,150	-	0.0%
Other Expenses	40,000	19,613	48,000	7,173	29,500	(18,500)	-38.5%
Memberships	-	-	-	260	500	500	-
Training & Meetings	40,000	19,613	40,000	5,913	25,000	(15,000)	-37.5%
Miscellaneous Other	-	-	8,000	1,000	4,000	(4,000)	-50.0%
Total Expenses	**$144,650**	**$153,990**	**$564,029**	**$706,732**	**$421,601**	**($142,428)**	**-25.3%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Budget Modifications and Contributions to Key Priorities

As described previously, as part of the implementation of a new ERP system and revised chart of accounts, new org units were established for improved reporting purposes. In prior budgets, costs associated with the Board of Directors were reported within a consolidated cost center titled "Office of the General Manager and Office of the Secretary of the District." This budgetary org unit reported costs for the Board of Directors, the Office of the General Manager, the Office of the Secretary of the District as well as the office of the Director of Finance & Administration. Beginning in FY 2020-21, each of these four previously consolidated cost centers has been separated.

The Board of Directors Operating Budget for FY 2021-22 is approximately $0.4 million, reflecting a decrease of 25.3% from a budget of $0.7 million in FY 2020-21. This decrease is nearly entirely attributable to there not being a general election in FY 2021-22. The budget also reflects fewer Board members anticipated to take health insurance next fiscal year based on the current Board makeup.

Human Resources and Organizational Development

OVERVIEW

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

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

FY 2020-21 Strategic Accomplishments

FISCAL RESPONSIBILITY

- Contracted with BCC to administer Medicare reimbursements, saving Finance staff time on processing these in house.
- Transitioned cafeteria plan benefits program administration to BCC to consolidate with newly added Medicare reimbursement third-party processing.

WORKFORCE DEVELOPMENT

- Formalized an Organizational Development and Talent Management unit within HR.
- Launched Employee Recognition Events program to allow managers to acknowledge extraordinary achievements.
- Completed and implemented the Classification Study.
- Developed pre- and post-employment testing matrix for all job classifications.
- Developed a biannual Supervisors' Summit to discuss items of interest and receive brief refreshers on safety directives, HR procedures, workers' comp practices, and other policies.
- Held virtual Q&As on Central San-wide policies and procedures such as bi-weekly pay transition and COVID-19 Exposure Prevention Plan.
- Offered financial webinars educating employees on budgeting, investment, retirement, and other topics related to managing money.
- Offered monthly wellness seminars on topics related to physical and mental health.
- Conducted harassment prevention training for all employees.
- Completed preparation activities to assist in the timely adoption of successor Memoranda of Understanding for all bargaining groups, including analysis, development of a tracking Gantt chart, and benchmarking studies.
- Developed an Innovation Recognition Program, which included the first annual Innovations Fair, showcasing and celebrating innovative employees going above and beyond to improve and optimize their work.
- Managed the third cycle of the BOOST Mentorship Program.
- Developed the Career Development Program for implementation in FY 2021-22.

- Continued to meet with Local One and Management Support / Confidential Group Labor Management Committees quarterly.
- Held ongoing HR and union representative/employee meetings.
- Prepared enhanced performance appraisal forms and training materials for implementation in FY 2021-22.
- Developed the first ever formal Central San Externship Program for college students and recent graduates nationwide.
- Worked with BAYWORK to launch a new website with training resources.
- Hosted, in conjunction with BAYWORK, The Wonders of Wastewater Workshop for Educators 2020.
- Became an active participant in the BAYWORK-sponsored Racial Equity, Diversity, and Inclusion group, including staff being certified in Diversity, Equity and Inclusion in the Workplace.
- Continued coordinating with other agencies to support development of the regional workforce.
- Responded to local wildfires of 2020 by developing Safety Directive 7.1 - Protection from Wildfire Smoke.
- District Safety Committee implemented Safety Suggestions in less than 60 days.
- Administration and Engineering Departments had zero lost workdays.
- Collection System Operations Division worked 337 continuous days without a lost-time incident (as of 3/19/21).

INNOVATION AND OPTIMIZATION

- Configured, tested, launched, and troubleshooted an ERP payroll system.
- Launched benefits module and timekeeping system within the new ERP.
- Launched employee self-service capabilities within the ERP.

AGILITY AND ADAPTABILITY

- Coordinated Central San's response to the COVID-19 pandemic, ensuring essential services remained intact while protecting staff, the public, and the environment.
- Developed, implemented, and enforced a COVID-19 Exposure Prevention Plan.
- Secured COVID-19 testing resources for employees and conducted contact tracing for all positive cases.
- Assisted in the development and implementation of a short- and long-term Engineering Controls Plan in conjunction with the Planning group and a consultant.
- Maintained regular and ongoing communication with bargaining unit representatives and employees on changes, updates, and general information related to COVID-19.
- Tracked COVID-19 vaccinations among Central San employees.
- Transitioned recruitment activities, including testing, to a virtual format.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-2021 Performance as of Q2	
GOAL ONE	Employees Attending Customer Service Training	100%	100% of Staff Due for Training (New Employees within 6 Months of Employment)		N/A (Not a Metric in the FYs 2020-22 Strategic Plan)		
GOAL FOUR	Average Time to Fill Vacancy (From Request to Hire)	≤60 Days	54 Days		≤60 Days	86 Days	
GOAL FOUR	Turnover Rate at or Below Industry Average	≤4.8% (FY 2015-16 Industry Median)	5.09%		≤7.8% (FY 2017-18 Industry Median)	2.6%	
GOAL FOUR	Average Annual Training Hours (External and Internal Training)	≥7.5 Hours Per Full-Time Equivalent Employee (FTE)	23.9 Hours/FTE		≥15 Hours Per Full-Time Equivalent Employee (FTE)	2.5 Hours/FTE	
GOAL FOUR	Actual Versus Budgeted Usage of Training Dollars	≥80.0%	64%*		N/A (Not a Metric in the FYs 2020-22 Strategic Plan)		
GOAL FOUR	Participation in Annual Wellness Expo	Increase by 10% Each Year	+14%		Increase by 10% Each Year	N/A (Expo not held)	
GOAL FOUR	Internal Promotions (Excludes Entry-Level Positions)	≥25%	69%		≥25%	67%	
GOAL FOUR	Formal Grievances Filed	Zero (0)	Zero (0)		Zero Grievances Processed	Zero Grievances Processed	
GOAL FOUR	Performance Evaluations Completed on Time	100%	100%		100% Completion of Annual Performance Evaluations	93%	
GOAL FOUR	Employee Injury and Illness Lost Time Incident Rate	≤6.8 (Bureau of Labor Statistics (BLS) California Sewage Treatment Facilities Rate)	2.57		≤4.0 (via BLS) ≤3.4 (via AWWA)	0.0	

* Performance may have been affected by travel restrictions and event postponements due to COVID-19, impacting the fourth quarter of FY 2019-20 and FY 2020-21.

FY 2021-22 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 2021-22
GOAL FOUR **Ensure Adequate Staffing and Training to Meet Current and Future Operational Levels**	**Launch third Supervisory Academy**.
	Implement the **Career Development Program**.
	Implement enhanced **performance appraisal forms and process**.
GOAL FOUR **Foster Relationships Across All Levels of Central San**	Continue to **work collaboratively** with bargaining units to resolve workplace issues in their early stages and prevent formal grievances.
	Complete negotiations for successor MOUs.
GOAL FOUR **Inspire Employee Engagement**	**Investigate additional cost-effective benefits** to offer to employees.
GOAL FOUR **Meet or Exceed Safety Standards**	**Increase visibility** in job worksite and facility inspections and contractor project oversight/design reviews.
	Continue **monitoring safety metrics**, including both leading and lagging indicators to identify trends (incident reports, first aids only, near misses, inspection findings, etc.).
	Continue involvement in the **design, planning, and safety oversight** of construction projects.
	Update the **public address system** in the Treatment Plant and CSO for effective communication during emergencies.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	Implement a **learning management system**.
GOAL SEVEN **Maintain a Safe Working Environment for Employees and the Public During the COVID-19 Pandemic**	Maximize employee safety by continuously **updating and implementing the COVID-19 Exposure Prevention Plan** to mirror changing guidelines.
	Work closely with Management and staff to ensure employee safety and continuity of operations during the pandemic.
	Ensure contractors comply with COVID-19 safety standards when working in the Treatment Plant.

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

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$1,027,648	$865,699	$2,131,990	$2,419,845	$2,125,016	($6,974)	-0.3%
Employee Benefits	5,456,423	5,373,463	1,903,305	2,120,369	2,378,548	475,243	25.0%
Retiree Costs	1,672,359	1,649,865	4,116,343	4,072,533	2,725,597	(1,390,746)	-33.8%
Purchased Property Services	131,950	69,151	114,950	87,950	98,450	(16,500)	-14.4%
Repairs & Maintenance	77,200	20,412	75,700	75,700	80,700	5,000	6.6%
Hauling & Disposal	8,000	26,219	12,000	12,000	17,500	5,500	45.8%
Security	46,500	22,520	27,000	-	-	(27,000)	-100.0%
Cleaning	250	-	250	250	250	-	0.0%
Purchased Professional, Technical & Other Services	609,950	292,091	536,150	590,921	737,900	201,750	37.6%
Professional Services	170,950	77,550	122,500	177,530	177,500	55,000	44.9%
Technical Services	341,000	188,126	34,000	71,722	60,000	26,000	76.5%
Other Purchased Services	98,000	26,415	379,650	341,669	500,400	120,750	31.8%
Supplies & Materials							
General Supplies	106,100	94,731	101,000	98,523	107,500	6,500	6.4%
Other Expenses	42,430	12,290	54,750	30,939	39,850	(14,900)	-27.2%
Memberships	9,880	3,020	10,300	9,950	9,950	(350)	-3.4%
Training & Meetings	28,550	6,952	37,450	16,050	21,550	(15,900)	-42.5%
Miscellaneous Other	4,000	2,319	7,000	4,939	8,350	1,350	19.3%
Total Expenses	**$9,046,860**	**$8,357,290**	**$8,958,488**	**$9,421,080**	**$8,212,860**	**($745,627)**	**-8.3%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Human Resources & Organizational Development Manager	1.0	1.0	1.0
Human Resources Analyst	2.0	2.0	3.0
Management Analyst	-	1.0	1.0
Operations Safety Specialist	1.0	2.0	1.0
Safety Officer	1.0	1.0	1.0
Senior Administrative Technician	3.0	3.0	2.0
Total	**8.0**	**10.0**	**9.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Human Resources Analyst	1.0	-	-
Temporary Senior Administrative Technician	1.0	1.0	-
Total	**2.0**	**1.0**	-

Budget Modifications and Contributions to Key Priorities

As described previously, as part of the implementation of a new ERP system and revised chart of accounts, certain modifications were made to budgetary org units for improved reporting purposes. Beginning in FY 2020-21, costs of the Safety division are being consolidated within the Human

Resources Division as this function is an entity-wide support service. In prior budgets, costs associated with the Safety division were reported as a Division within Central San's Operations Department.

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

The Human Resources & Organizational Development budget for FY 2021-22 is $8.2 million, reflecting an 8.3% decrease from a budget of $9.0 million in FY 2020-21. The budget decrease is largely attributable to an increase in the assumed vacancy factor from 2% to 3% and the capping of other post-employment benefits (OPEB) contributions at the actuarially determined contribution (ADC) amount in FY 2021-22. Certain costs relating to all Central San employees or retirees are centrally budgeted in the Human Resources & Organizational Development Division. The following are items budgeted in Human Resources but not specific to that division:

- Salaries & Wages includes $750,000 for Accrued Compensated Absences Expenses and $400,000 for Payouts of Accrued Compensated Absence at retirement or termination otherwise of employment.
- Employee Benefits includes $50,000 for Unemployment Expenses.
- The Normal Cost as well as unfunded actuarial accrued liability (UAAL) attributable to Central San's OPEB plans are reported solely within this Division in a separate cost center. OPEB benefits offered include health, dental, life, and vision benefits. Every two years management engages an actuary to calculate Central San's Actuarially Determined Contribution (ADC) to ensure adequate funding levels of the plan over the long run. The ADC is further broken down between a "Normal Cost" component (reported in "Employee Benefits"), attributable to current active employees, and a "UAAL" component (reported in "Retiree Costs") attributable largely to unfunded retiree costs. For improved transparency and cost tracking purposes the budgeted cost of retiree health premiums is split between its normal cost and UAAL components in accordance with the independently calculated ADC. In FY 2021-22, the total estimated cost of retiree health premiums is $4.3 million, reflecting a 4.9% increase from the $4.1 million budgeted in the prior year. However, given the strong funded position of Central San's OPEB Plan, budgeted OPEB costs are capped at the ADC, which is $3.3 million in FY 2021-22. OPEB costs are "capped" as any costs above the ADC ceiling are eligible for reimbursement from the OPEB trust.
- Retiree Costs also includes the costs for supplemental pension and OPEB trust payments. Prior to FY 2019-20, supplemental OPEB trust payments were needed to meet the annual ADC as retiree benefit premiums fell short of the independently calculated ADC. With the transition to CalPERS Health in FY 2019-20, the funded status of Central San's OPEB plan has increased tremendously, to the point where the retiree health premiums (i.e. the "pay-as-you-go" costs) are over $1 million higher than the ADC in FY 2021-22. Accordingly, there is no required OPEB trust payment to fully satisfy the ADC in FY 2020-21. The FY 2021-22 budget does include a $1.25 million supplemental trust contribution to be directed towards either pension or OPEB at the discretion of the Board

once Central San's actual financial condition is reviewed upon the acceptance of the FY 2020-21 audited financial statements in November of 2021.

- The Salaries & Wages, Employee Benefits and Retiree Benefits budget line item categories each include an estimated vacancy factor credit for the Executive Governance and Administration Departments. The FY 2021-22 budget assumes a 3.0% vacancy factor, compared to 2.0% used in the prior year.

Office of the Director of Finance & Administration

OVERVIEW

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

During this past challenging year, the Administration Department was able to continue its operations and services during the COVID-19 pandemic while complying with evolving County and State health orders as they were updated throughout the year. Many Administration Department staff teleworked to accomplish their responsibilities.

In FY 2020-21, much of the work under the Office of the Director of Finance & Administration related to the completion of the effort to replacement the ERP system, which has run Central San's core business processes since 1993. The Core Financial modules were implemented in the first quarter of FY 2020-21, with the Budget and Payroll modules implemented in the third quarter. Information Technology and Engineering staff continued the implementation of a new permitting system, with this module's go-live date deferred to FY 2021-22. Other important work included exploration of continued methods for the prudent funding of unfunded liabilities and Other Post-Employment Benefits, as well as Federal Emergency Management Agency (FEMA) reimbursement for COVID-19 related expenses. This office now also oversees the coordination of Strategic Planning efforts as well as the Benchmarking Study.

For the avoidance of duplicative material, the FY 2020-21 Strategic Accomplishments and performance against the key metrics, as well as the FY 2021-22 Strategic Objectives, for the Director of Finance & Administration are embedded within the sections of the individual divisions and programs overseen by the Director.

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

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$-	$-	$382,081	$451,708	$483,997	$101,916	26.7%
Employee Benefits	-	-	100,557	109,492	128,480	27,923	27.8%
Retiree Costs	-	-	86,869	117,803	121,234	34,364	39.6%
Supplies & Materials	-						
General Supplies	-	-	1,000	531	1,000	-	0.0%
Other Expenses	-	-	8,525	798	2,400	(6,125)	-71.8%
Memberships	-	-	925	-	350	(575)	-62.2%
Training & Meetings	-	-	7,100	798	1,550	(5,550)	-78.2%
Miscellaneous Other	-	-	500	-	500	-	0.0%
Total Expenses	**$-**	**$-**	**$579,032**	**$680,332**	**$737,111**	**$158,079**	**27.3%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

** FY 2019-20 budgeted and actual expenditures for this function were included in other Divisions for that year.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Director of Finance & Administration	1.0	1.0	1.0
Senior Administrative Assistant	1.0	1.0	1.0
Senior Administrative Technician	-	-	1.0
Total	**2.0**	**2.0**	**3.0**

Budget Modifications and Contributions to Key Priorities

As described previously in the Financial Summary section, as part of the implementation of a new ERP system and revised chart of accounts, new org units were established for Director functions overseeing each department of Central San. In prior budgets, costs associated with Department Director functions were reported within one of the child divisions of the overarching parent department. In the case of the Office of the Director of Finance & Administration, prior year budget costs associated with this function were previously reported within the Offices of the General Manager and Secretary of the District.

The Office of the Director of Finance & Administration Operating Budget for FY 2021-22 is $0.7 million, reflecting a 27.3% increase over the prior year budget. The increase is primarily attributable to a Senior Administrative Technician position being transferred from the Office of the General Manager in FY 2021-22 to better reflect the administrative divisions being served by this position. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to step advancements.

Communication Services and Intergovernmental Relations

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Developed digital learning Pipe Protectors program, serving 5,800 students with a hands-on, science-based curriculum that was presented via online learning formats.
- Developed, wrote, and filmed the "Adventures with Toot: Disappearing Act" video to supplement Central San's elementary school education program.
- Continued to increase followers and impressions on YouTube, Facebook, Twitter, Instagram, and LinkedIn.
- Produced and distributed *Pipeline* newsletter to inform customers about major infrastructure projects and share pollution prevention information.
- Received the 2020 Excellence in Public Information and Communications (EPIC) award for best newsletter from California Association of Public Information Officials.
- Led Central San's advocacy efforts at the national, state, and local levels.
- Launched a new drone program to capture photographs and videos of facilities for education, outreach, and operational assessments, including securing necessary licenses and authorizations from the Federal Aviation Administration.
- Supported Central San's transition to by-area elections through assisting with planning and promotion of public workshops and coordinating community outreach on the proposed changes.
- Received awards from California Association of Public Information Officials for Photography and Social Media Campaign.
- Awarded Community Engagement and Outreach Project of the Year from the California Water Environment Association, San Francisco Bay Section for the virtual plant tour and virtual student education programs.
- Developed virtual event website supporting the celebration of Central San's 75th Anniversary.

ENVIRONMENTAL STEWARDSHIP

- Communication Services and Intergovernmental Relations Manager was reappointed to California Special Districts Association (CSDA) legislative committee, which helps develop CSDA's legislative agenda and reviews, directs, and assists with legislative and public policy issues affecting special districts throughout the state.
- Worked with the Board of Directors to pursue policy efforts at the state and national level that promoted pollution prevention, producer responsibility and proper wipes labeling.

AGILITY AND ADAPTABILITY

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

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL ONE	Students Served by Educational Programs	≥4,000 per Year	6,189		≥6,000	9,167	
GOAL ONE	Participants in Plant / HHWCF Tours and Central San Presentations	≥500 per Year	783		≥500	463	
GOAL ONE	Participants in Citizens Academy, Central San Academy	≥30 per Session	N/A*		≥35	N/A (Virtual Spring 2021 Session Not Yet Held)	

* The 2020 Central San Academy was postponed due to the COVID-19 pandemic.

FY 2021-22 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 2021-22
GOAL ONE **Maintain a Positive Reputation**	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.
	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, 75th Anniversary year-long virtual celebration, student education programs, tours, 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.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$747,972	$752,725	$784,189	$791,245	$817,232	$33,043	4.2%
Employee Benefits	192,229	222,394	194,341	217,349	215,874	21,533	11.1%
Retiree Costs	220,602	232,427	248,971	255,001	253,207	4,236	1.7%
Purchased Property Services							
Repairs & Maintenance	1,000	-	1,000	500	1,000	-	0.0%
Purchased Professional, Technical & Other Services	705,000	521,249	786,000	555,183	777,500	(8,500)	-1.1%
Professional Services	3,500	3,278	6,500	4,475	6,500	-	0.0%
Technical Services	306,000	254,784	263,500	236,378	263,500	-	0.0%
Other Purchased Services	395,500	263,188	516,000	314,330	507,500	(8,500)	-1.6%
Supplies & Materials							
General Supplies	61,675	44,538	62,050	68,439	67,050	5,000	8.1%
Other Expenses	52,430	30,055	51,530	22,094	52,180	650	1.3%
Memberships	20,230	13,486	21,280	21,280	21,980	700	3.3%
Training & Meetings	27,200	14,645	26,250	660	26,200	(50)	-0.2%
Miscellaneous Other	5,000	1,925	4,000	154	4,000	-	0.0%
Total Expenses	**$1,980,908**	**$1,803,388**	**$2,128,081**	**$1,909,811**	**$2,184,043**	**$55,962**	**2.6%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Communication Services and Intergovernmental Relations Manager	1.0	1.0	1.0
Community Affairs Representative	3.0	3.0	3.0
Graphics Technician	1.0	1.0	1.0
Digital Content Specialist	1.0	1.0	1.0
Total	**6.0**	**6.0**	**6.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Graphic Design Summer Student	-	1.0	1.0
Intern	1.0	1.0	1.0
Total	**1.0**	**2.0**	**2.0**

Budget Modifications and Contributions to Key Priorities

Communication Services and Intergovernmental Relations takes the lead role in conveying to customers and other government agencies how Central San responds to challenges facing the organization. This includes federal, state, and local advocacy, maintaining customer awareness of Central San's services, and promoting customer behavioral changes to reduce water pollution and impacts on Central San's infrastructure. The Communication Services and Intergovernmental Relations Division Operating Budget for FY 2020-21 is $2.2 million, reflecting an increase of approximately 2.6% over the prior year budget. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to step advancements.

Finance

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

FISCAL RESPONSIBILITY

- Contributed an additional $2.15 million in budgetary savings to the newly established Rate Stabilization Fund (RSF) reserve account in the Running Expense fund to help hedge against the adverse impacts of cost pressure volatility on SSC stability. The current balance of the Running Expense and Sewer Construction funds' RSF accounts is now $3.76 million and $1.00 million respectively.
- Fully funded the Other Post-Employment Benefits (OPEB) actuarially determined contribution (ADC) with an estimated $1.95 million going towards the drawing down the unfunded actuarial accrued liability (UAAL). The OPEB plan reported a healthy funded status of 87.1% as of the fiscal year ended 6/30/20.
- Fully funded the actuarially determined contribution requirements determined by the Contra Costa County Employees' Retirement Association (CCCERA) pension administrator and paid an additional $1.25 million toward the Section 115 secondary pension trust. With the inclusion of section 115 trust assets, the pension plan reported a healthy funded status of 85.8% as of the fiscal year ended 6/30/20.
- Rolled out a completely restructured chart of accounts based on best practice guidance issued by the GFOA, implementing a more logical parent-child segment structure allowing for greatly improved reporting functionalities.
- Issued accurate and timely interim monthly financial reports allowing for diligent monitoring of the budget and accountability with FY 2020-21 projected to close under budget.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting award for the 20th consecutive year.
- Received the GFOA Distinguished Budget Presentation award for the 3rd consecutive year following Central San's first ever submission three years ago.

- Received an unmodified ("clean") audit opinion and zero reported material weaknesses or significant deficiencies in internal controls as part of the annual financial audit.

INNOVATION AND OPTIMIZATION / AGILITY AND ADAPTABILITY

- Spearheaded the implementation of a state-of-the art fully integrated cloud-based enterprise resource planning (ERP) system. This system was particularly useful during Central San's response to the COVID-19 pandemic, with the conversion of several business workflows into streamlined paperless processes (i.e., approvals for invoices, p-card reports, journal entries, timecards, etc.). The new cloud-based ERP system also facilitated the streamlined transition to a safer remote work environment for many of Central San's administrative workforce.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL THREE	Service Affordability Maintained	SSC Less Than Average of Bay Area Agencies SSC Plus Ad Valorem Tax Less Than Average of Bay Area Agencies	Target Met		SSC less than average of Bay Area agencies SSC plus Ad Valorem tax less than average of Bay Area Agencies ≤0.78% of median household income	Target Met	
GOAL THREE	Standard and Poor's (S&P) and Moddy's Credit Ratings	AAA (S&P) / Aa1 (Moody's)	AAA (S&P) / Aa1 (Moody's)		AAA (S&P) / Aa1 (Moody's)	AAA (S&P) / Aa1 (Moody's)	
GOAL THREE	Debt Service Coverage Ratio	≥2.0	40*		≥2.0	Projected to be >2.0	
GOAL THREE	Actual Reserves as a Percentage of Target	100.0%	174.6% (O&M) / 167.7% (Sewer Construction)		100.0%	Projected Reserves >100%	
GOAL THREE	Operating Expenditures as a Percentage of Operating Budget	≥90.0%	93.3%*		≥95%	Favorable O&M Spending Variance May Exceed 5%	

GOAL THREE	Reported Material Weaknesses or Significant Deficiencies in Internal Controls as Part of Annual Financial Audit	Zero (0)	Zero (0)		Zero (0)	Zero (0)	
GOAL THREE	Increase in Costs to the O&M Budget Beyond What Is Approved	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			0%	O&M Spending Is Below Budget	
GOAL THREE	Revenue Projections Met	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100%	Revenues Appear to Be on Track	
GOAL THREE	Additional Increase in Unfunded Liabilities	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≤5%	UAAL Declined Per 2019 Valuation	
GOAL THREE	Funds granted from available state and federal reimbursement programs	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100% of Requested Funds	Working to Prepare Project Documents	

* Based on pre-audit FY 2019-20 figures.

FY 2021-22 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 2021-22
GOAL ONE **Maintain a Positive Reputation**	**Apply for and receive awards** for budget and financial reporting from GFOA.
GOAL THREE **Maintain Financial Stability and Sustainability**	Develop and execute a high-quality budget, and **ensure costs are managed** within the confines of Board-adopted budgetary constraints.
	Continue to support effort to **manage unfunded liabilities** by reporting on and offering alternatives for favorable variances towards these obligations or other priorities.
GOAL THREE **Ensure Integrity and Transparency in Financial Management**	Continue to deliver **reliable and relevant financial reports** to decision makers, including monthly financial overviews, robust quarterly financial packets, the Comprehensive Annual Financial Report, and the annual Budget.

Inspire Employee Engagement	Following the successful implementation of the state-of-the-art ERP and Enterprise Performance Management (EPM) systems, **conduct extensive staff training** to improve efficiency and usefulness of accounting, budgeting, and financial reporting function.
	Seek feedback from staff on improvement of long-standing accounting and administrative protocols.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$1,232,280	$968,740	$1,144,873	$1,048,450	$1,037,047	($107,826)	-9.4%
Employee Benefits	373,193	286,161	379,502	313,699	405,178	25,676	6.8%
Retiree Costs	311,815	258,389	340,336	313,198	326,978	(13,358)	-3.9%
Purchased Property Services							
Repairs & Maintenance	1,000	-	1,000	500	1,000	-	0.0%
Purchased Professional, Technical & Other Services	447,700	188,877	361,600	277,634	334,600	(27,000)	-7.5%
Professional Services	250,500	46,484	170,500	93,163	116,600	(53,900)	-31.6%
Technical Services	42,600	3,065	-	-	-	-	-
Other Purchased Services	154,600	139,328	191,100	184,471	218,000	26,900	14.1%
Supplies & Materials							
General Supplies	10,000	7,360	10,000	5,296	8,400	(1,600)	-16.0%
Other Expenses	35,312	5,386	19,500	8,120	19,000	(500)	-2.6%
Memberships	22,365	1,666	2,400	2,350	2,000	(400)	-16.7%
Training & Meetings	10,250	3,005	16,500	4,830	16,000	(500)	-3.0%
Miscellaneous Other	2,697	715	600	940	1,000	400	66.7%
Total Expenses	**$2,411,300**	**$1,714,913**	**$2,256,811**	**$1,966,898**	**$2,132,203**	**($124,608)**	**-5.5%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Finance Manager	1.0	1.0	1.0
Accounting Supervisor	2.0	2.0	2.0
Accountant	2.0	2.0	2.0
Accounting Technician	2.0	3.0	3.0
Total	**7.0**	**8.0**	**8.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Accountant	1.0	-	-
Temporary Accounting Technician	1.0	1.0	-
Temporary Senior Internal Auditor	1.0	-	-
Total	**3.0**	**1.0**	-

Budget Modifications and Contributions to Key Priorities

The Finance Division supports Central San by providing accounting, financial reporting, budget, treasury, and other fiscal services. The Finance Division is responsible for designing and implementing internal controls to safeguard Central San's public assets, as well as providing relevant and reliable financial information to internal and external stakeholders. The Finance Division works closely with the Planning & Development Services Division to ensure sufficient long-term rate and debt financing is available achieve Central San's strategic objectives. The Finance Division plays a significant role in specifying the costs of Central San's functions, how those costs drive the need for rate adjustments, and in developing financial alternatives to keep rates moderated over the long term through financing approaches. This data is used to document why spending is necessary and that rate levels are no more than necessary to meet essential needs, provide for long-term reliability, and ensure appropriate levels of customer service. With the implementation of the new ERP system during FY 2020-21, the Finance Division will be rolling out extensive staff training to take advantage of capabilities of the modern system and strive to improve financial reporting and accounting services during FY 2021-22.

The Finance Division Operating Budget for FY 2021-22 is $2.1 million, which represents a reduction of 5.5% from the prior year budget. This reduction is primarily attributable to turnover of tenured staff and the assumption that a District temporary position will no longer be necessary for much of FY 2021-22 following the successful "go-live" of the new ERP system during FY 2020-21. Salaries & Wages also includes the agency-wide cost-of-living adjustment as well as any step advancements employees may be eligible for. With the hiring of a full-time internal auditor, budgeted in the Office of the General Manager unit, contracted internal audits included in the prior year's budget are no longer needed in the Finance Division.

Information Technology

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Awarded Municipal Information Systems Association of California (MISAC) Award for Excellence in IT Practices for the fourth year in a row. In addition, the IT Manager received the MISAC President's Award.

INFRASTRUCTURE RELIABILITY

- Completed migration of equipment from outdated Data Center to newly constructed and modern Data Center.
- Implemented backup solution for cloud-based documents and infrastructure.
- Replaced wireless access points throughout most buildings.
- Implemented redundant internet access capabilities to facilities and doubled internet connection speed.
- Improved security with Advanced Threat Protection tools.
- Conducted phishing prevention training exercises for all staff.

INNOVATION AND OPTIMIZATION

- Coordinated the implementation of the following ERP modules: Financials, Procurement, Contracts, Projects, Core HR, Employee Self-Service, Time & Labor, Absences, Benefits, Payroll, Budgeting, Goals & Performance, and Employee Learning.
- Replaced and modernized the audio/visual systems in the Board Room and Multi-Purpose Room (MPR).
- Implemented new video security software used throughout Central San facilities.
- Selected consultant for the Technology Strategic Plan.

AGILITY AND ADAPTABILITY

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

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL FIVE	Information System Outages Affecting Normal Business Operations	100% Uptime	99.9% Uptime		100% Uptime	100% Uptime	
GOAL FIVE	Data Backup and Recovery	Zero (0) Lost Data	Zero (0) Lost Data		Zero (0) Lost Data	Zero (0) Lost Data	

FY 2020-21 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 2021-22
GOAL ONE **Deliver High-Quality Customer Service**	Continue improving and optimizing the newly implemented **Oracle ERP System**, which is being used by business units throughout Central San and improves financial reporting and tracking capabilities.
GOAL THREE **Maintain Financial Stability and Sustainability**	
GOAL FIVE **Protect Personnel and Assets from Threats and Emergencies**	Implement **new security tools** to increase protection against ransomware and other threats.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	**Replace desk phones** with new digital phones equipped with advanced mobile and collaboration features.
	Explore options to **replace billing system**.
	Complete District-wide **Technology Master Plan**.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$1,661,338	$1,548,763	$1,758,890	$1,620,839	$1,795,621	$36,731	2.1%
Employee Benefits	688,200	572,525	695,355	495,966	729,350	33,995	4.9%
Retiree Costs	524,113	504,405	574,924	540,997	572,097	(2,827)	-0.5%
Purchased Property Services							
Repairs & Maintenance	957,414	884,364	1,294,101	1,586,426	879,530	(414,571)	-32.0%
Purchased Professional, Technical & Other Services	110,000	1,704	56,500	4,773	576,496	519,996	920.3%
Professional Services	-	-	6,500	4,475	6,500	-	0.0%
Technical Services	110,000	1,704	50,000	298	569,996	519,996	1040.0%
Supplies & Materials	117,000	153,347	121,500	286,180	711,796	590,296	485.8%
Utilities & Fuel	109,500	143,995	112,000	143,680	142,000	30,000	26.8%
General Supplies	7,500	9,352	9,500	142,500	569,796	560,296	5897.9%
Other Expenses	35,525	12,293	26,050	22,870	27,200	1,150	4.4%
Memberships	375	390	500	1,670	1,650	1,150	230.0%
Training & Meetings	34,950	11,265	24,950	20,500	24,950	-	0.0%
Miscellaneous Other	200	638	600	700	600	-	0.0%
Total Expenses	**$4,093,590**	**$3,677,401**	**$4,527,320**	**$4,558,051**	**$5,292,090**	**$764,770**	**16.9%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Information Technology Manager	1.0	1.0	1.0
Information Technology Supervisor	2.0	2.0	2.0
Project Manager/Business Analyst	1.0	1.0	1.0
System Administrator	2.0	2.0	2.0
Technical Support Analyst	3.0	3.0	3.0
Information Technology Analyst	2.0	2.0	2.0
Total	**11.0**	**11.0**	**11.0**

Budget Modifications and Contributions to Key Priorities

The Information Technology Division Operating Budget for FY 2021-22 is $5.3 million, reflecting an increase of 16.9% over the prior year's budget. The increase is mostly attributable to an expansion in technical services next year to support new initiatives. New initiatives not included in the prior year's budget include: long-term support for the new state-of-the-art Oracle Cloud Fusion ERP system, new security services to address an environment of increasing digital threats, a new integrated permit-tracking system, expanded scanning services, as well as other new information technology-related contracted services. The reduction in the Repairs & Maintenance line is largely offset by an increase in the Supplies & Materials line, in an attempt to separate software license from software-as-a-service (SAAS) costs for improved tracking and reporting purposes.

Purchasing and Materials Services

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Received the Achievement of Excellence in Procurement Award for the 10th consecutive year, recognizing organizational excellence in public purchasing.
- Processed over 400 procurement requests while maintaining an average five-star rating on internal customer satisfaction surveys.
- Executed all contract renewals on time, ensuring uninterrupted service and reducing risk.
- Maintained consistent and timely deliveries throughout Central San for needed supplies as well as mail delivery services.
- Formalized the process for requesting new items to stock, providing greater transparency and status updates.
- Continued providing Maintenance staff with inventory usage reports to aid in budgeting and planning.

FISCAL RESPONSIBILITY

- Leveraged spend through annual requirements contracts for 38% of the total procurement spend for goods and services, not including construction, construction-related professional services, and utility payments. This improved efficiency, shortened procurement processing time, and saved money through negotiated pricing contracts.
- Promoted open competition and equal opportunity for qualified suppliers and service providers by successfully soliciting and awarding high-level service and commodity-based contracts.
- Leveraged the buying power of public entities by utilizing sourced cooperative purchasing agreements.
- Maintained proper inventory levels to avoid depleting inventory of equipment spares and supplies.
- Continued to collaborate with Maintenance staff to identify and remove obsolete spare parts from the inventory to reduce storage costs.

WORKFORCE DEVELOPMENT

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

INNOVATION AND OPTIMIZATION

- Utilized electronic signature technology for all contracts and agreements, increasing functionality, visibility, and tracking; improving processing time; reducing the use of paper; and allowing for a seamless telework transition during COVID-19.
- Assisted the ERP implementation with critical data validation and correction for successful conversion of all open contracts, purchase orders, and inventory data from the existing SunGard system into the new Oracle ERP.
- Trained staff agency wide on utilization of the new ERP procurement module.

AGILITY AND ADAPTABILITY

- Prioritized and resolved various urgent requests for procurements related to the COVID-19 pandemic, such as critical technology, workstation alterations, disinfecting services, filters, personal protective equipment (PPE), sanitizers, and cleaning products.
- Ensured adequate and sufficient stock levels for required PPE supplies to accommodate all Central San staff despite the shortages and sourcing challenges during COVID-19.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL ONE	Purchasing Internal Customer Survey Rating of Satisfactory or Better	≥70%	100%		N/A Not a Metric in the FYs 2020-22 Strategic Plan		
GOAL THREE	Difference in Inventory Value in Purchasing Database vs. Value Submitted to Accounting	≤1%	1.23%		≤1%	0.62% in Q1*	
GOAL THREE	Accuracy of Physical Inventory Count vs. Book Value	≥95%	98.9%		≥95%	97% in Q1**	
GOAL FIVE	Average time to Execute Engineering Agreements from Complete Package Submittal or Board Approval	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≤2 weeks	Data not yet available in Oracle	

* ERP migration performed September 2020 which rendered this metric obsolete since all data now resides in one database in Oracle, as opposed to the two databases in HTE, which required a monthly reconciliation.
** Data not yet available in Oracle for Q2.

FY 2020-21 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 2021-22
GOAL ONE **Deliver High-Quality Customer Service**	Ensure that **all "request to stock" submittals are reviewed and decided upon within three business days**.
	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.
GOAL THREE **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.
GOAL THREE **Ensure Integrity and Transparency in Financial Management**	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.
GOAL FIVE **Execute Long-Term Capital Renewal and Replacement Program**	Assist in **relocating the Solids Building inventory** to new location.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	Further **improve workflow** using electronic signature technology and digital transaction management services to integrate with the document management system, providing greater efficiency through workflow automation, and electronic records storage.
	Continue refining the use of the ERP software to improve procedures, align with industry best practices, and **develop new administrative procedures** to document the updated processes.
	Implement a **barcode inventory program** to fully automate all issues, receipts, and inventory cycle counts.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$1,165,618	$915,308	$1,108,279	$1,012,941	$1,178,139	$69,860	6.3%
Employee Benefits	475,397	331,607	437,676	257,277	445,199	7,523	1.7%
Retiree Costs	345,573	267,073	333,314	287,100	302,946	(30,368)	-9.1%
Purchased Property Services	24,000	10,000	21,000	6,000	6,000	(15,000)	-71.4%
Repairs & Maintenance	23,000	10,000	20,000	5,000	5,000	(15,000)	-75.0%
Rentals	1,000	-	1,000	1,000	1,000	-	0.0%
Purchased Professional, Technical & Other Services	84,000	36,004	77,000	77,000	87,000	10,000	13.0%
Professional Services	35,000	32,213	36,000	36,000	36,000	-	0.0%
Technical Services	48,000	3,791	40,000	40,000	50,000	10,000	25.0%
Other Purchased Services	1,000	-	1,000	1,000	1,000	-	0.0%
Supplies & Materials							
General Supplies	14,000	8,026	14,000	13,438	15,438	1,438	10.3%
Other Expenses	14,900	3,013	14,900	10,665	14,900	-	0.0%
Memberships	3,800	2,432	3,700	3,700	3,700	-	0.0%
Training & Meetings	10,500	581	10,500	10,500	10,500	-	0.0%
Miscellaneous Other	600	-	700	-3,535	700	-	0.0%
Total Expenses	**$2,123,488**	**$1,571,030**	**$2,006,169**	**$1,664,420**	**$2,049,622**	**$43,453**	**2.2%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Purchasing and Materials Manager	1.0	1.0	1.0
Senior Buyer	2.0	2.0	2.0
Senior Materials Coordinator	2.0	2.0	2.0
Buyer	1.0	1.0	1.0
Materials Services Supervisor	1.0	1.0	1.0
Materials Coordinator	1.0	1.0	1.0
Total	**8.0**	**8.0**	**8.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Senior Buyer	1.0	1.0	-
Temporary Inventory Specialist	-	-	1.0
Temporary Materials Coordinator	1.0	1.0	1.0
Warehouse Summer Student	-	1.0	-
Total	**2.0**	**3.0**	**2.0**

Budget Modifications and Contributions to Key Priorities

The Purchasing and Materials Services Division strives to address the overall challenges facing Central San by working to ensure there is sufficient procurement processing capacity in light of increased contracting for infrastructure needs. During FY 2020-21, the Purchasing and Materials Services Division implemented new purchasing and inventory modules of the new ERP system, which is anticipated to significantly improve contract management and automated procurement functionality, in addition to providing staff with better tools for productivity and internal customer service.

The Purchasing and Materials Services Division Operating Budget for FY 2021-22 is $2.0 million, which represents an increase of 2.2% over the prior year budget. Salaries & Wages include the agency-wide cost-of-living adjustment as well as assumed merit increases for any eligible employees. The FY 2021-22 budget also includes two temporary workers in the inventory warehouse to help alleviate the temporary expanded workload arising from several new initiatives. New initiatives for which the additional resources are needed include: ongoing troubleshooting and refining of the new ERP inventory management sub-module, higher volume of inventory management needs arising from the solids handling capital project, as well as the implementation of an radio frequency (RF) barcode system to be integrated with the ERP system.

Risk Management

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

FISCAL RESPONSIBILITY

- Managed claims aggressively to reduce costs and facilitate resolution, resulting in an average cost per overflow claim of $7,240.
- Continued to debrief after losses to identify and implement preventive measures.
- Updated insurance requirements for goods and services contracts.
- Continued the Enterprise Risk Management program with periodic updates to the Board.
- Implemented EBIX, a certificate management platform to increase compliance and reduce cost.

INFRASTRUCTURE RELIABILITY

- Presented an Emergency Management Program report to the Board.
- Implemented Everbridge, an emergency notification system.
- Participated in the Operational Area Council to contribute to creating an effective and multijurisdictional approach to disaster preparedness and planning.
- Installed additional access control devices.
- Increased security guard presence on main campus.

AGILITY AND ADAPTABILITY

- Updated Pandemic Response Plan and presented to the Board.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL FOUR	Workers' Compensation Experience Modifier	≤1.0	1.06		≤1.0	1.10	
GOAL FOUR	Temporary Modified Duty Provided (Return to Work Program)	≥95% of Recordable Injuries	93.3%*		≥95% of Recordable Injuries	100%	
GOAL SEVEN	Funds Granted from Available State and Federal Reimbursement Programs	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100% of Requested Funds	COVID-19 Application in Progress	

* COVID-19 prevented immediate availability of temporary modified duty for one situation, but it was made available as soon as circumstances permitted, with temporary modified duty back at 100% at the end of the FY.

FY 2021-22 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 2021-22
GOAL THREE **Maintain Financial Stability and Sustainability**	**Maintain an average cost per overflow claim of ≤$25,000**.
	Actively **seek opportunities to reduce risk** in extant and developing business processes.
	Expand scope of **Enterprise Risk Management** process.
GOAL FIVE **Protect Personnel and Assets from Threats and Emergencies**	**Incorporate emergency response activities into Emergency Operations Plan and Continuity of Operations** where applicable.
	Continue implementation of **recommendations from security assessment.**
	Finalize security system design criteria for use in upcoming capital projects.
	Complete review and update of the **Continuity of Operations Plan**.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$286,980	$275,257	$305,518	$289,568	$314,792	$9,274	3.0%
Employee Benefits	122,766	112,278	126,307	122,369	135,449	9,142	7.2%
Retiree Costs	91,484	91,925	101,438	99,880	101,697	259	0.3%
Purchased Property Services	89,000	49,070	430,000	392,500	465,000	35,000	8.1%
Repairs & Maintenance	44,000	23,513	45,000	10,000	10,000	(35,000)	-77.8%
Security	40,000	21,367	385,000	382,000	455,000	70,000	18.2%
Rentals	5,000	4,189	-	500	-	-	-
Purchased Professional, Technical & Other Services	429,350	386,429	179,000	21,000	85,000	(94,000)	-52.5%
Professional Services	21,350	47,374	51,000	21,000	45,000	(6,000)	-11.8%
Technical Services	408,000	339,055	88,000	-	-	(88,000)	-100.0%
Other Purchased Services	-	-	40,000	-	40,000	-	0.0%
Supplies & Materials	6,000	6,739	19,000	26,000	54,000	35,000	184.2%
Utilities & Fuel	-	-	10,500	24,000	35,000	24,500	233.3%
General Supplies	6,000	6,739	8,500	2,000	19,000	10,500	123.5%
Other Expenses	842,295	837,553	467,200	554,300	19,700	(447,500)	-95.8%
Insurance & Risk Management	825,000	825,000	450,000	550,000	-	(450,000)	-100.0%
Memberships	3,295	2,547	3,200	2,700	3,200	-	0.0%
Training & Meetings	11,500	10,006	11,000	-	13,500	2,500	22.7%
Miscellaneous Other	2,500	-	3,000	1,600	3,000	-	0.0%
Total Expenses	**$1,867,875**	**$1,759,250**	**$1,628,463**	**$1,505,617**	**$1,175,638**	**($452,825)**	**-27.8%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Risk Management Administrator	1.0	1.0	1.0
Risk Management Specialist	1.0	1.0	1.0
Total	**2.0**	**2.0**	**2.0**

Budget Modifications and Contributions to Key Priorities

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

The Risk Management Division's Operating Budget for FY 2021-22 is $1.2 million, reflecting a decrease of 27.8% from the prior year's budget. This decrease is nearly entirely attributable to the implementation of a new method to finance the self-insurance program in FY 2021-22. In prior years, the self-insurance fund's reserves were replenished with an annual transfer/contribution from the O&M fund. As part of a re-examination of Central San's chart of accounts and the implementation of a

new ERP system during FY 2020-21, it was identified that total expenses was in effect inflated by reporting a transfer from the O&M fund to the Self-Insurance fund as well as reporting costs (i.e. self-insurance claims, insurance premiums, etc.) in the Self-Insurance fund. With each fund being self-balancing, the aggregate picture of Central San's costs became distorted and overstated. Accordingly, to prevent this "double counting" effect, commencing with FY 2021-22, staff is proposing to allocate sewer service charge revenue directly to the self-insurance fund in an amount sufficient to cover budgeted expenses and close the fiscal year with minimum reserves specified by the Board-adopted Fiscal Reserves Policy. In doing so, a transfer from the O&M fund to the Self-Insurance fund will no longer be required.

The total amount of sewer service charges budgeted to be allocated to the Self-Insurance fund in FY 2021-22 is approximately $1.6 million. This is discussed in greater detail in the Self-Insurance Fund section of the budget book.

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Engineering and Technical Services Department

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

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

The divisions that comprise this department include the following:

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

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

OVERVIEW

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

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

Major accomplishments of the Office of the Director of Engineering and Technical Services span from making important infrastructure upgrades to providing exceptional customer service through innovative recycled water, HHW, and pharmaceutical collection programs. This office was responsible for replacing or rehabilitating eight miles of pipes in Danville, Walnut Creek, Lafayette, Martinez, and Orinda with a 100% customer satisfaction rating (as of March 31, 2021); retrofitting the Emergency Sludge Hauling Facility in preparation for the Solids Handling Facilities Improvements Project; constructing major renovations at various Pumping Stations and Central San's Recycled Water Filter Plant, in addition to completing other projects, such as the Concrete and Mechanical Improvements at the treatment plant; and preventing 1,577,000 pounds of HHW (collected through January 2021) from entering local waterways through collection at the HHW Collection Facility. This year also saw the continued development and implementation of the Central San Smart initiative, which will drive system-wide optimizations to make Central San a more efficient utility. The Asset Management Program, overseen by this office, continues to develop innovative tools such as the Geographic Information System (GIS) Emergency Response Dashboard and Reliability Engineering Tools.

The FY 2020-21 Strategic Accomplishments and performance against the key metrics, as well as the FY 2021-22 Strategic Objectives, for the Director of Engineering and Technical Services are embedded within the sections of the individual divisions and programs overseen by the Director, with the exception of the Resource Recovery Program, whose accomplishments, performance, and objectives are listed within this section, since the program operates directly within the budget of the Office of the Director.

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

The Resource Recovery Program operates directly within the budget of the Office of the Director of Engineering and Technical Services and manages projects which enable Central San to help augment the region's water supply through partnering opportunities and expansion of recycled water use,

reducing reliance on non-renewable energy through cost-effective alternative methods such as the Solar Energy Project on the Lagiss Property, and leveraging data to improve operations by becoming a smart utility. This program includes support for the existing recycled water system, planned expansions, and other related projects that can also be found in the Recycled Water Program section of this document.

FY 2020-21 Strategic Accomplishments – Resource Recovery Program

ENVIRONMENTAL STEWARDSHIP

- Completed the procurement process and obtained Board approval for a Power Purchase Agreement (PPA) for a 1.75-megawatt solar energy project that exceeds the cost-effectiveness criteria in Central San's Energy Policy and completed the environmental review process for the project.
- Continued leading the Refinery Recycled Water Exchange Project to augment the region's water supply.

INNOVATION AND OPTIMIZATION

- Held quarterly meetings of the Central San Smart Steering Committee to identify projects to optimize operations, improve asset management, increase energy efficiency and safety, and reduce facility management costs.
- Collaborated with IT staff to incorporate Central San Smart initiative projects into the upcoming update of the IT Master Plan.

FYs 2018-19 and 2019-20 Strategic Performance and FY 2020-21 Targets - Resource Recovery Program

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL TWO	kWh (kilowatt hour) of Electricity Produced by Cogeneration Using Natural Gas	≥18 Million kWh per Year (Reported as a Rolling Average)	22.2 Million kWh		≥18 Million kWh per Year (Reported as a Rolling Average)	23.0 Million kWh	
GOAL TWO	kWh of Solar Power Produced at CSO and the HHWCF	≥220,000 kWh Per Year (Reported as a Rolling Average)	284,000 kWh		≥220,000 kWh Per Year (Reported as a Rolling Average)	271,000 kWh	
GOAL TWO	kWh of Solar Power Produced by a New Solar Array Near the Treatment Plant Campus	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥2.5 million kWh (reported as a rolling average)	Construction of the solar array is estimated to begin in Fall 2021	

GOAL SIX	Projects initiated under Central San Smart	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)	≥3	4	

FY 2021-22 Strategic Objectives - Resource Recovery Program

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

Goal/Strategy	Objective for FY 2021-22
GOAL TWO **Reduce Reliance on Non-Renewable Energy**	For Central San's solar vendor (REC Solar/Duke Energy) to **complete construction of a cost-effective 1.75 MW solar energy project** and for Central San to begin purchasing solar energy under its PPA.
GOAL SIX **Implement the Central San Smart Initiative**	Continue coordination with the IT Master Plan and commence at least three projects as part of the **Central San Smart initiative**.

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

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$-	$-	$658,616	$503,271	$626,298	($32,318)	-4.9%
Employee Benefits	-	-	161,191	47,477	166,428	5,237	3.2%
Retiree Costs	-	-	204,462	210,075	208,341	3,879	1.9%
Purchased Professional, Technical & Other Services	-	-	86,000	69,932	86,100	100	0.1%
Technical Services	-	-	80,000	69,932	80,100	100	0.1%
Other Purchased Services	-	-	6,000	-	6,000	-	0.0%
Supplies & Materials							
General Supplies	-	-	-	2,700	2,550	2,550	-
Other Expenses	-	-	22,414	5,828	22,477	63	0.3%
Memberships	-	-	914	1,032	847	(67)	-7.3%
Training & Meetings	-	-	21,500	4,646	21,500	-	0.0%
Miscellaneous Other	-	-	-	150	130	130	-
Total Expenses	**$-**	**$-**	**$1,132,683**	**$839,283**	**$1,112,194**	**($20,489)**	**-1.8%**

* FY 2019-20 budgeted and actual expenditures for this function were included in other Divisions for that year.

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

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Services Supervisor	1.0	1.0	1.0
Director of Engineering & Technical Services	1.0	1.0	1.0
Total	**2.0**	**2.0**	**2.0**

* The above positions were presented as part of Planning and Development Services Division budget in the FY 19-20 budget and prior.

Personnel Requirements - Resource Recovery Program

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Engineering Assistant III	1.0	1.0	1.0
Program Manager	0.5	0.5	0.4
Total	**1.5**	**1.5**	**1.4**

* The above positions were presented as part of Planning and Development Services Division budget in the FY 19-20 budget and prior.

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

As described previously in the Financial Summary section of the budget book, as part of its implementation of a new ERP system and revised chart of accounts, new organization units were established for director functions overseeing each department of Central San. Prior to the FY 2020-21 budget, costs associated with Department Director and Resource Recovery Program were reported within the Planning and Development Services Division. Accordingly, as disclosed in the divisional budget table, the FY 2019-20 budget and actual columns do not have any information to report here.

The Office of the Director of Engineering and Technical Services Budget for FY 2021-22 is $1.1 million, reflecting a slight decrease from the prior year's budget of approximately -1.8%. This decrease is primarily attributable to the assumed recycled water program wage and benefits transfer increasing by 10% for the program manager, increasing from 50% to 60%.

Capital Projects

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Received 100% customer satisfaction rating for the Walnut Creek Sewer Renovations, Phase 14 construction project.
- Received 94% customer satisfaction rating for the South Orinda Sewer Renovations, Phase 8 construction project.
- Received 93% customer satisfaction rating for the Lafayette Sewer Renovations, Phase 14 construction project.
- Received 93% customer satisfaction rating for the Danville Sewer Renovations, Phase 3 construction project.
- Continued to coordinate construction projects with local jurisdictions and other agencies to lessen construction impacts to the community.

ENVIRONMENTAL STEWARDSHIP

- Initiated design of a tertiary membrane filter plant pilot to determine the best technology to effectively produce Title 22 recycled water.
- Upgraded large standby generators to be Tier 4 Air Emissions Compliant at the Moraga and Orinda Crossroads Pumping Stations.
- Continued to construct the Filter Plant and Clearwell projects, which will provide reliable storage and distribution of recycled water.

FISCAL RESPONSIBILITY

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

INFRASTRUCTURE RELIABILITY

- Completed several critical projects at the treatment plant, including the Treatment Plant Control Systems Input/Output (I/O) Replacement; Outfall Improvements, Phase 7; Emergency Sludge Loadout Facility; and Concrete and Mechanical Renovations Project.
- Made significant construction progress on the Filter Plant and Clearwell – Phase 1A Project, and construction of the Pump Station Upgrades, Phase 1.
- Completed sewer renovation projects in Danville, Martinez, Walnut Creek, Lafayette, Orinda, and other nearby communities.
- Started several new projects including the Annual Infrastructure Replacement Project; Treatment Plant Piping Renovations, Phase 10; and Electric Blower Improvements.

INNOVATION AND OPTIMIZATION

- Completed the design and perform constructability reviews using three-dimensional modeling under the Solids Handling Facility Improvements Project.
- Implemented online meetings and interactions to reduce travel, reduce COVID risk, and save time.

AGILITY AND ADAPTABILITY

- Developed and enforced strict safety guidelines within all contracts for COVID-19 in compliance with Federal, State, and local requirements.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q3*	
GOAL ONE	Customer Satisfaction Rating on Construction Projects	≥95% Median Rating	96%		≥95% Average Rating	100%	
GOAL FIVE	Miles of Pipeline Replaced	≥0.5% of Assets (7.6 Miles Per Year)	0.35%* (5.25 miles)		≥6.0 Miles of Sewers Replaced or Rehabilitated	8.1 Miles	
GOAL FIVE	Average time to Execute Engineering Agreements from Complete Package Submittal or Board Approval	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≤2 weeks	Data not yet available in Oracle	
GOAL FIVE	Capital Expenditures as a Percentage of Capital Budgeted Cash Flow Including Carry Forward	≥90%	82%**		≥90%	89%	
GOAL SEVEN	Capital Expenditures as a Percentage of Capital Budgeted Cash Flow Including Carry Forward	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥85%		

* FY 2020-21 performance up to Q3 is included in this section since the data was readily available. In the other sections of this budget book, FY 2020-21 performance is only listed up to Q2.

FY 2021-22 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 2021-22
GOAL TWO **Achieve 100% Compliance in All Regulations**	Successfully award and begin construction of **the Solids Handling Facility Improvements Project**, which will include air pollution control equipment needed to reliably comply with current air regulations.
GOAL TWO **Support Regional Development of Local Water Supply**	Complete the construction of the **Filter Plant and Clearwell Improvements - Phase 1A Project**, which will include replacing critical electrical gear and increase reliability at recycled water storage facilities.
GOAL THREE **Maintain Financial Stability and Sustainability**	Continue to **use the Uniform Public Construction Cost Accounting Act** to help streamline infrastructure replacement projects using informal bidding and maintain a contractors list for projects under $200,000.
	Enter into a Financing Agreement for the California State Revolving Fund (SRF) loan to help supplement the construction costs of the Solids Handling Improvements Project.
GOAL FIVE **Execute Long-Term Capital Renewal and Replacement Program**	Complete the construction of the **Influent Pump Electrical Improvements Project**, which will replace the variable frequency drives (VFDs) at the Headworks Facility at the treatment plant.
	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, e-Builder and Oracle.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$1,960,752	$1,778,671	$2,135,534	$1,750,115	$2,084,090	($51,444)	-2.4%
Employee Benefits	-2,238,431	-2,465,309	-2,310,273	-2,316,565	-2,209,467	100,806	-
Retiree Costs	595,475	598,706	692,954	625,504	638,575	(54,379)	-7.8%
Purchased Property Services	4,000	4,493	223,000	4,000	4,000	(219,000)	-98.2%
Repairs & Maintenance	3,000	3,493	3,000	3,000	3,000	-	0.0%
Security	-	-	219,000	-	-	(219,000)	-100.0%
Rentals	1,000	1,000	1,000	1,000	1,000	-	0.0%
Purchased Professional, Technical & Other Services	35,325	17,950	35,000	32,000	35,000	-	0.0%
Technical Services	34,325	17,851	34,000	30,000	34,000	-	0.0%
Other Purchased Services	1,000	99	1,000	2,000	1,000	-	0.0%
Supplies & Materials	52,800	84,620	54,800	44,095	55,500	700	1.3%
Utilities & Fuel	19,200	20,311	21,600	21,600	22,300	700	3.2%
General Supplies	33,600	64,309	33,200	22,495	33,200	-	0.0%
Other Expenses	45,920	30,835	52,155	12,752	54,155	2,000	3.8%
Memberships	8,520	7,266	10,155	4,627	10,155	-	0.0%
Training & Meetings	36,600	23,464	41,000	7,624	43,000	2,000	4.9%
Miscellaneous Other	800	105	1,000	500	1,000	-	0.0%
Total Expenses	**$455,841**	**$49,966**	**$883,170**	**$151,901**	**$661,852**	**($221,318)**	**-25.1%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Note: The staff in this division are budgeted with 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 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	2.0	2.0	2.0
Assistant Engineer (Staff Engineer)	5.0	5.0	6.0
Assistant Land Surveyor	2.0	2.0	2.0
Associate Engineer	7.0	7.0	8.0
Capital Projects Division Manager	1.0	1.0	1.0
Contracts Specialist	1.0	1.0	1.0
Engineering Assistant	1.0	2.0	4.0
Engineering Technician III	3.0	3.0	-
Land Surveyor	1.0	1.0	1.0
Senior Engineer	3.0	3.0	3.0
Senior Engineering Assistant	1.0	1.0	-
Utility Systems Engineer	1.0	1.0	1.0
Total	**28.0**	**29.0**	**29.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Project Safety Officer	-	-	1.0
Temporary Senior Engineer	-	-	1.0
Temporary Staff Engineer	1.0	2.0	-
Temporary Utility Systems Engineer	1.0	-	1.0
Summer Student	1.0	3.0	1.0
Intern	3.0	3.0	4.0
Total	**6.0**	**8.0**	**8.0**

Budget Modifications and Contributions to Key Priorities

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

As noted in the footnote to the Budget Overview table, most of the cost for staff in this division are charged to the projects that the group oversees and manages. The Capital Projects Division budget for FY 2021-22 is $0.7 million, reflecting a 25.1% reduction from the prior year's budget. Salaries & Wages include the agency-wide cost-of-living adjustment as well as any anticipated increases due to step advancements, largely offset by additional time being charged to work for capital projects. The primary driver for this division's overall budgetary decrease is the elimination of expanded on-site

security services included in last year's budget. Expanded on-site security services were budgeted in the Capital Projects Division in the prior year to counteract the significant increase in non-employee foot traffic on the treatment plant premises in conjunction with large-scale treatment plant improvement projects, particularly for the Solids Handling Facility Improvements Project. While it is expected these expanded security services will continue to be needed through FY 2021-22, the adoption of a Regulatory Assets policy by the Board will allow these, and other ordinarily "O&M" non-recurring significant costs associated with capital projects to be capitalized. This year's Capital Improvement Budget has been updated to incorporate the capitalization of these expanded on-site security costs. The Financial Summary section includes a more in-depth discussion of the new Regulatory Assets policy and its fiscal impacts.

Environmental and Regulatory Compliance

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Oversaw approximately 40,000 visits to the HHW Collection Facility (HHWCF) and Residential Recycled Water Fill Station by residents, small businesses, retail partners, and fill station users.

ENVIRONMENTAL STEWARDSHIP

- Achieved 23rd 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.
- Completed Title V Authority-to-Construct permit applications for treatment plant and pumping stations improvements and obtained permit from Division of Safety of Dams for filter plant improvements.
- Completed pretreatment and stormwater inspections with some facility types excluded due to the COVID-19 pandemic (e.g. medical/dental offices, assisted living facilities).
- Collected approximately 2,600,000 pounds of hazardous waste after reopening the HHWCF at the end of the last fiscal year and during the COVID-19 pandemic. This is 35% more than the total collected last fiscal year. The increase is partly due to the COVID-related facility closure for 25% of last year and pent-up demand after reopening. No reusable products were given away during the year, due to the Reuse Room remaining closed until social distancing restrictions are lifted. (Quantities estimated from quantities received through February 2021.)
- Collected approximately 5,000 pounds of pharmaceuticals.
- Maintained 2020 anthropogenic greenhouse gas (GHG) emissions below the Cap and Trade inclusion threshold.

- Reviewed and commented on proposed regulations to ensure they are both practical and protective.
- Division Manager served on the BACWA Executive Board and staff served in leadership roles on associated committees.
- Division Manager served as the Co-Chair of California Association of Sanitation Agencies (CASA)'s Water Regulatory Workgroup and BACWA liaison to CASA's State Legislative Committee.
- Completed agency-wide Spill Prevention, Control, and Countermeasure Program revamp efforts.
- Collaborated with the Environmental Protection Agency on Clean Air Act Section 129 requirements.
- Complied with the State Investigative Order for PFAS by participating in the Region 2 PFAS Study coordinated through BACWA and managed by San Francisco Estuary Institute (SFEI).
- Participated in SARS-CoV2 wastewater studies in collaboration with Stanford University and the University of California at Berkeley.

INFRASTRUCTURE RELIABILITY

- Completed annual Basin A South soil cap seep repairs.
- Obtained permit for treatment plant 9000 valves replacement.
- Provided regulatory oversight for Outfall Improvements Project, Phase 7.
- Met monitoring requirements during the Outfall Improvement Project.

INNOVATION AND OPTIMIZATION

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

AGILITY AND ADAPTABILITY

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

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL TWO	NPDES Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Title V Compliance	Zero (0) Violations	5 Violations*		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	

GOAL TWO	Anthropogenic GHG Emissions (Per Calendar Year)	<25,000 Metric Tons (MT) CO_2e	23,038 MT CO_2e in Calendar Year 2019		<25,000 MT CO_2e	23,771 MT CO_2e in Calendar Year 2020 **On Track to Meet Target for Calendar Year 2021	
GOAL TWO	Annual Environmental Compliance Inspections and Permitting Completed on Time	100%	100%		100%	100%	
GOAL TWO	HHW Management Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	
GOAL SEVEN	Permit Compliance (Air and Liquid)	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100%	100% (Air) 100% (Liquid)	

* Will be addressed with new wet scrubber planned as part of the Solids Handling Facility Improvements Project.

** Pre-verified figures.

FY 2021-22 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 2021-22
GOAL TWO **Achieve 100% Compliance in All Regulations**	**Strive to meet all air permit requirements** (Title V and Permit to Operate).
	Strive to meet all wastewater-related permit requirements (NPDES Treatment Plant Permit, Nutrients Watershed Permit, Polychlorinated Biphenyls, and Mercury Watershed Permit).
	Negotiate **successful renewal of the NPDES Treatment Plant Permit**.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$3,831,724	$3,814,075	$3,960,913	$3,911,087	$4,047,781	$86,868	2.2%
Employee Benefits	1,416,357	1,430,363	1,482,826	1,426,093	1,542,299	59,473	4.0%
Retiree Costs	1,205,956	1,254,305	1,307,155	1,309,911	1,294,663	(12,492)	-1.0%
Purchased Property Services	693,125	675,258	841,625	976,552	841,010	(615)	-0.1%
Repairs & Maintenance	96,500	65,380	94,000	69,942	87,500	(6,500)	-6.9%
Hauling & Disposal	551,625	581,114	701,425	851,600	701,500	75	0.0%
Security	-	-	-	3,200	3,200	3,200	-
Rentals	6,500	4,866	5,200	7,650	7,650	2,450	47.1%
Cleaning	38,500	23,898	41,000	44,160	41,160	160	0.4%
Purchased Professional, Technical & Other Services	630,300	413,051	724,300	622,190	785,325	61,025	8.4%
Professional Services	6,000	5,903	6,000	7,790	9,525	3,525	58.8%
Technical Services	598,500	393,444	696,000	596,000	752,000	56,000	8.0%
Other Purchased Services	25,800	13,704	22,300	18,400	23,800	1,500	6.7%
Supplies & Materials	344,300	293,599	356,700	383,548	395,250	38,550	10.8%
Utilities & Fuel	14,300	9,222	12,700	12,311	12,700	-	0.0%
General Supplies	330,000	284,376	344,000	371,237	382,550	38,550	11.2%
Other Expenses	506,441	380,794	486,246	402,417	438,383	(47,863)	-9.8%
Memberships	455,016	359,241	434,671	380,439	389,808	(44,863)	-10.3%
Training & Meetings	47,825	20,511	47,975	20,278	44,975	(3,000)	-6.3%
Miscellaneous Other	3,600	1,042	3,600	1,700	3,600	-	0.0%
Total Expenses	**$8,628,203**	**$8,261,444**	**$9,159,765**	**$9,031,798**	**$9,344,711**	**$184,946**	**2.0%**

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	1.0	1.0	1.0
Assistant Engineer (Staff Engineer)	2.0	2.0	2.0
Associate Engineer	1.0	1.0	1.0
Chemist	4.0	6.0	6.0
Environmental and Regulatory Compliance Division Manager	1.0	1.0	1.0
Environmental Compliance Inspector	6.0	6.0	6.0
Environmental Compliance Superintendent	1.0	1.0	1.0
Household Hazardous Waste Supervisor	1.0	1.0	1.0
Household Hazardous Waste Technician	3.0	3.0	3.0
Laboratory Superintendent	1.0	1.0	1.0
Senior Chemist	1.0	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Senior Environmental Compliance Inspector	2.0	2.0	2.0
Senior Household Hazardous Waste Technician	2.0	2.0	2.0
Total	**27.0**	**29.0**	**29.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Chemist	1.0	1.0	1.0
Temporary Household Hazardous Waste Customer Sorter	1.0	-	-
Temporary Household Hazardous Waste Technician	-	-	1.0
Laboratory Assistant Summer Student	-	2.0	1.0
Intern	1.0	1.0	1.0
Total	**3.0**	**4.0**	**4.0**

Budget Modifications and Contributions to Key Priorities

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

The Environmental and Regulatory Compliance Operating Budget for FY 2021-22 is $9.3 million, a 2.0% increase over the prior year's budget. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to step advancements. The relatively flat-lined budget for hazardous waste hauling & disposal assumes Central San's reuse room will open during FY 2021-22. Should the reuse room remain closed as a precautionary measure to address the COVID-19 pandemic, this line item is projected to increase by as much as $150,000.

Planning and Development Services

OVERVIEW

This division provides development services, including right-of-way, property management, development inspection, permit counter operations, and mainline plan review. This division also leads pilot studies to provide in-depth results specific to Central San's operations and needs; leads the planning and pre-design of Special Projects; oversees asset management, geographic information systems (GIS), and computerized maintenance management systems used by staff and the public; and conducts financial planning for rates, capacity fees, permits, and sewer service charges, including preparation of the rate adjustments that may be necessary to adequately fund operations, maintenance, and the sewer construction budget for ever-increasing Capital Improvement Program needs.

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Updated Chapters 1, 5, 6, and 7 of the District Code.
- Created a pocket guide for Central San's Standard Specifications, which was published in both English and Spanish for Development Inspectors to distribute to contractors.
- Updated the Pump Review Application and Applicant Guides (Encroachments & Resource Protection Areas (RPAs), New Connection, Property Owner Permit, Reimbursement Program, Sewer Main Extension, Sewer Manhole Installation) for use at the Permit Counter.
- Created a Septic to Sewer (S2S) Financing Program as a two-year pilot to encourage single-family houses to connect to nearby sewer mains.
- For California Association of Sanitation Agencies (CASA) outreach coalition efforts, provided step-by-step process/coaching directions on creating and gathering data for a Wipes Clog Pipes map for agencies with and without GIS-enabled maintenance records.
- Created Potential Maintenance Hole (Manhole) Lid Beautification Areas Map to estimate the number of lids needing replacement in identified "walkability districts."
- Created new Non-Residential Capacity Fee Installment Payment Program to provide broader financing for businesses struggling in the current economic climate.

ENVIRONMENTAL STEWARDSHIP

- Provided support to further the Refinery Recycled Water Exchange Project with Contra Costa Water District (CCWD) and Valley Water.
- Completed construction for the Dublin San Ramon Services District-East Bay Municipal Utility District Recycled Water Authority (DERWA) temporary wastewater diversion facility in San Ramon to produce more recycled water and augment regional water supply.

FISCAL RESPONSIBILITY

- Requested an additional $89.5 million from the State Revolving Fund (SRF) for a total project amount of $173.1 million for the Solids Handling Facility Improvements Project.
- Completed all SRF paperwork for the $173.1 million loan and signed the Initial Agreements to allow the start of construction and receipt of loan proceeds.
- Completed a grant application for the Walnut Creek/Grayson Creek Levee Project through the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructures and Communities (BRIC) program.
- Implemented a Rate Collection Holiday on sewer service charge and recycled water charges for all customers to address the impacts on the economy from COVID-19.
- Presented alternatives for Board input consistent with debt management policy, fiscal reserve policy, CIP, and general ratemaking principles at two Financial Workshops and a Public Hearing on April 15, 2021.
- Developed Central San Property Management Maps and populated supplementary spreadsheets to visualize and track Central San-owned properties.
- Prepared Treatment Plant Inundation Exhibit map for a grant proposal for the Walnut Creek/Grayson Creek Levee 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.

INFRASTRUCTURE RELIABILITY

- Entered a contract with *InfoAsset*® to start review of vertical asset software for implementation and to transition from *InfoMaster*® to *InfoAsset*® for sewer renovation risk analysis and renovation projections.
- Completed comprehensive condition assessments for the Steam and Aeration Blower Systems Renovations Project and developed business case evaluations to scope future capital projects. As a result, the Electric Blower Project started design early to facilitate construction of the Solids Handling Facility Project.
- Started a comprehensive condition assessment for the Ultraviolet Disinfection Replacement Project and Ultraviolet Hydraulic Improvement Project.
- Initiated Sewer Structure Inventory Project to collect manhole and cleanout conditions, locations in bike lane, road type, and whether there are any structural issues needing immediate attention and recommending for Collection System Operations (CSO)review.
- Created a Structure Elevation Safety Project mobile app for CSO to review manholes and create work orders or locate service request tickets in Cityworks if necessary.
- Upgraded existing CCTV software ITPipes desktop setup to the newer ITPipes platform, including upgrades for the server and trucks, setting up Contractor Portal services/synching and data migration from ITPipes' existing dataset, and upgrading to ITPipes Mobile in 3 CCTV units.

- Created a Plant Maintenance Dashboard to provide work order QA/QC, which is critical for planning future maintenance work and deciding work and resource allocation.
- Initiated large diameter pipeline inspection project and completed manhole inspections on critical interceptors.

INNOVATION AND OPTIMIZATION

- Installed 10 manhole monitors for two manufacturers, Smart Cover and ADS, as a pilot project to evaluate and predict collection system flows and avoid spills.
- Continued development of Oracle Permitting module and initiated use on encroachment verification forms in November 2020.
- Initiated pilot project design for new tertiary membrane filtration with pressurized membranes to improve recycled water production in lieu of renovating three existing filters.
- Developed map services for Oracle Permitting module for public view and Central San view.
- Upgraded Permit Counter Report with new Oracle permit data and developed data extract process to import parcel and permit data exported by Oracle.
- Initiated Equipment Summary Forms for capital construction bid packages.
- Provided support for evaluation of food waste and biosolids anaerobic digestion facility in collaboration with Anaergia.
- Invited by American Council of Engineering Companies Educational Program to participate on a panel of experts regarding Sustainability of Infrastructure Projects using Envision.
- Presented paper on “An Adventurous Journey of Implementing Asset Management Program at a Public Agency” at 2020 Water Environment Federation's Technical Exhibition and Conference (WEFTEC) conference for seminar focused on Organizational Culture Change.
- Presented paper on “Wastewater Plant Condition Assessment: Methods and Results” at 2020 WEFTEC conference for seminar focused on Vertical Asset Management.
- Presented paper on “The Pressure's On! Modeling the Way for Recycled Water Purple Pipe Optimization” at the 2020 California Water Environment Association Conference. The conference was postponed to October due to COVID-19.
- Completed Data Schema update for Regulatory Compliance and updated work orders for Regulatory permits to be automatic based on the assets in Cityworks.
- Piloted Asset Barcode project to streamline work order creations and improve workflow of Operations inspection rounds from using paper method to digital using mobile tablet devices.
- Presented “Esri Facilitates and Enables Asset Management at Central San” at Esri 2020 Virtual Esri User conference on Asset Management: Beyond the Asset Registry.

AGILITY AND ADAPTABILITY

- Commissioned an Engineering Controls Plan, developed Return to Office protocols, and installed all recommended improvements for a safe workplace.

- Participated in and launched wastewater surveillance efforts with Stanford, UC Berkeley, Contra Costa Health Services, and Department of Health and Human Services in collaboration with the Dr. Mario Menesini Environmental Laboratory.
- Invited to speak and present on Central San's COVID-19 research efforts at East Bay Municipal Engineers.
- Invited to speak and present at the Headwater Institute on "Wastewater Surveillance and Research" for their Science, Technology, Engineering and Math program.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL ONE	Median Customer Satisfaction Rating on Permit Counter Interactions	≥95.0%	100%		100% (average rating)	100%	
GOAL THREE	Median Service Affordability	Sewer Service Charge (SSC) Less Than Median of Bay Area Agencies SSC Plus Ad Valorem Tax Less Than Average of Bay Area Agencies	Target Met		SSC Less Than Average of Bay Area Agencies SSC Plus Ad Valorem Tax Less Than Average of Bay Area Agencies ≤0.78% of Median Household Income	Target Met	
GOAL FIVE	Large Diameter and Force Main Condition Assessment	N/A (Not a Metric in the FY 2018-20 Strategic Plan)			≥3 Miles Per Year for the Next 5 Years Starting in FY 2020-21	0 Miles**	
GOAL SIX	Pilot Test New and Promising Technology	≥3 Pilot Tests or Reviews Per Year	8		≥3 Pilot Tests or Reviews	6 Pilot Tests or Reviews	
GOAL SIX	Research Papers and Findings Presented	≥3 Papers Per Year	7 (3 papers and 4 presentations)*		≤3 Papers or Presentations	3 Papers or Presentations	
GOAL SEVEN	Customer Satisfaction Levels	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥90%	100%	
GOAL SEVEN	Requested Safety Improvements to the Workplace Fulfilled	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100%	100%	

* 1 planned presentation was postponed to October 2020 and 1 was canceled due to COVID-19.
** Force Main Inspection Program to start in Q3.

FY 2021-22 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 2021-22
GOAL ONE **Deliver High-Quality Customer Service**	**Host a Sewer Summit Workshop** for partner Cities and County.
	Update and publish additional **"Applicant Guides"** to assist Development Applicants, including ones focused on the new Oracle web portal for online applications/permitting.
	Develop an **interactive web map for education outreach programs**.
GOAL TWO **Support Regional Development of Local Water Supply**	Work with CCWD and the City of Concord **to supply recycled water to the Concord Community Reuse Project**.
GOAL THREE **Maintain Financial Stability and Sustainability**	Successfully bid the Solids Handling Facility Improvements Project and submit all necessary SRF paperwork, including an amended budget request, to enter into the **Final Financing Agreement to receive loan proceeds**.
GOAL FIVE **Manage Assets Optimally Throughout Their Lifecycle**	Develop **prioritization model** for vertical assets.
	Develop **Asset Management Plan**.
	Implement the **Large Diameter Pipe and Force Main Inspection and condition assessment programs**.
GOAL FIVE **Execute Long-Term Capital Renewal and Replacement Program**	Complete work on **comprehensive two-year program to perform condition assessments for the Steam and Aeration Blower Systems Renovations Project**.
	Develop a **planning tool for multi-year future capital spending** which integrates with the new Oracle ERP.
	Update the Comprehensive Wastewater Master Plan Technical Memos on **Resiliency and Vulnerability**.
GOAL SIX **Improve and Modernize Operations through Technology and Efficiency Measures**	Implement and train staff on the **new Oracle permitting software**.
	Implement a **public portal for Development applications** with the Oracle permitting software
	Evaluate and review **new Sewer Service Billing software** to replace SunGard**.**
	Evaluate and review **remote manhole level monitoring solutions**.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$4,580,592	$4,407,239	$4,329,561	$3,916,189	$4,112,974	($216,587)	-5.0%
Employee Benefits	488,384	545,427	573,751	530,853	639,864	66,113	11.5%
Retiree Costs	1,434,618	1,481,581	1,459,773	1,305,972	1,290,778	(168,995)	-11.6%
Purchased Property Services	40,400	15,126	33,400	40,800	54,800	21,400	64.1%
Repairs & Maintenance	35,400	11,626	28,400	17,400	28,800	400	1.4%
Rentals	5,000	3,500	5,000	17,400	20,000	15,000	300.0%
Construction	-	-	-	6,000	6,000	6,000	0.0%
Purchased Professional, Technical & Other Services	929,542	517,763	760,942	429,500	771,525	10,583	1.4%
Professional Services	165,000	28,861	102,500	97,500	122,525	20,025	19.5%
Technical Services	650,000	366,026	544,500	200,500	524,500	(20,000)	-3.7%
Other Purchased Services	114,542	122,876	113,942	131,500	124,500	10,558	9.3%
Supplies & Materials	207,650	208,668	211,800	191,005	220,100	8,300	3.9%
Utilities & Fuel	149,800	162,143	155,800	150,505	166,500	10,700	6.9%
General Supplies	57,850	46,524	56,000	40,500	53,600	(2,400)	-4.3%
Other Expenses	98,712	77,251	78,538	28,208	85,000	6,462	8.2%
Memberships	23,562	20,579	22,813	20,820	22,225	(588)	-2.6%
Training & Meetings	68,300	54,700	48,875	6,801	56,275	7,400	15.1%
Miscellaneous Other	6,850	1,971	6,850	587	6,500	(350)	-5.1%
Total Expenses	**$7,779,898**	**$7,253,053**	**$7,447,765**	**$6,442,526**	**$7,175,041**	**($272,724)**	**-3.7%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

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

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	-	1.0	1.0
Asset Management Program Administrator	1.0	1.0	1.0
Assistant Engineer	1.0	2.0	1.0
Associate Engineer	4.0	4.0	5.0
Construction Inspector	4.0	4.0	4.0
Development Services Supervisor	2.0	2.0	2.0
Engineering Assistant	6.0	8.0	7.0
Engineering Technician	1.0	1.0	-
GIS Analyst	2.0	2.0	2.0
Management Analyst	2.0	2.0	2.0
Planning and Development Services Division Manager	1.0	1.0	1.0
Senior Engineer	4.0	4.0	4.0
Senior Right-of-Way Agent	2.0	2.0	2.0
Total	**30.0**	**34.0**	**32.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Engineering Assistant	-	-	1.0
Summer Student Intern	-	4.0	5.0
Intern	4.0	4.0	4.0
Total	**4.0**	**8.0**	**10.0**

Budget Modifications and Contributions to Key Priorities

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

The Planning and Development Services Division's budget for FY 2021-22 is $7.2 million, reflecting a decrease of approximately 3.7% from the prior year budget. Salaries & Wages include the agency-wide cost-of-living adjustment and increases due to known step advancements for those eligible. The budgetary reduction is largely the result of two transitional full-time equivalent positions approved the prior year's budget no longer being necessary in FY 2021-22 following the anticipated retirement of two full-time positions. These two transitional positions were necessary for succession planning purposes as well as to assist at the permit counter during the new ERP Implementation Project.

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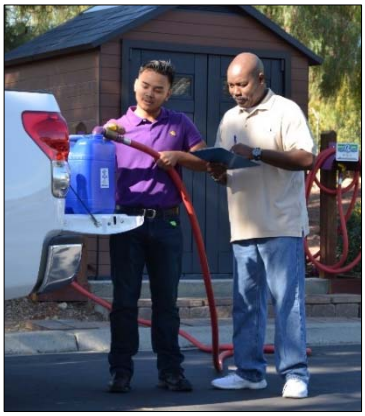
Operations Department

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

The Divisions that comprise this Department include the following:

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



Office of the Director of Operations

OVERVIEW

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

Major accomplishments of the office of the Director of Operations include achievement of a steadily decreasing sewer overflow rate; the 23rd consecutive National Association of Clean Water Agencies (NACWA) Platinum Peak Award, recognizing 100% compliance with Central San's wastewater discharge permit; and a continually growing reliability-centered maintenance program. With only 18 sanitary sewer overflows recorded as of March 31, 2021, Central San could potentially set a record low for overflows, thanks in large part to Collection System Operations' diligent and optimized cleaning schedules and methods. Plant Operations maintained its compliance record while working with Engineering to plan, design, and construct large-scale capital improvements. Plant Maintenance continues to add trainings and certifications for staff, implement testing programs to monitor equipment, and integrate data through technology tools, all to ensure that assets are optimally maintained to extend their useful life as long as possible. For these achievements, Plant Maintenance was recognized by Uptime Magazine for the second time in two years, this time with the Best Asset Management Program Award. In response to the COVID-19 pandemic, under the direction of the Director of Operations, Operations staff as a whole acted quickly to implement safety measures to protect its essential employees, comply with ever-evolving health orders and regulations, and continue its high level of uninterrupted wastewater collection and treatment services to Central San's customers.

Within the Plant Maintenance Division's focus on Asset Management is its overarching vision to build on today's technology and look toward tomorrow's possibilities, through improvement and implementation of a broader, fully adaptive, self-learning, and self-healing maintenance philosophy. The Plant Operations Division aspires to empower its team members to be self-reliant and act as an authority in their role by cultivating a supportive environment which fosters tight performing units, capable of making sound critical judgments to adjust and adapt to ever-evolving challenges. As Central San's most visible employees, the Collection System Operations Division values its role as an ambassador, projecting Central San's image outward to the community while, at the same time, understanding and being sensitive to customer expectations and upholding its vision of service to protect homeowners, public facilities, and local waterways.

The FY 2020-21 Strategic Accomplishments and performance against the key metrics, as well as the FY 2021-22 Strategic Objectives, for the Director of Operations are embedded within the sections of the individual divisions and programs overseen by the Director.

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

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$-	$-	$584,505	$223,727	$371,156	($213,349)	-36.5%
Employee Benefits	-	-	198,824	47,344	94,342	(104,482)	-52.5%
Retiree Costs	-	-	201,761	60,605	124,861	(76,900)	-38.1%
Purchased Professional, Technical & Other Services	-	-	12,000	-	50,000	38,000	316.7%
Professional Services	-	-	5,000	-	-	(5,000)	-100.0%
Technical Services	-	-	7,000	-	50,000	43,000	614.3%
Other Purchased Services	-	-	-	-	-	-	-
Supplies & Materials	-	-	20,400	73,411	80,400	60,000	294.1%
Utilities & Fuel	-	-	-	48,293	55,000	55,000	-
General Supplies	-	-	20,400	25,118	25,400	5,000	24.5%
Other Expenses	-	-	17,850	600	15,850	(2,000)	-11.2%
Memberships	-	-	1,200	-	1,200	-	0.0%
Training & Meetings	-	-	15,700	600	13,700	(2,000)	-12.7%
Miscellaneous Other	-	-	950	-	950	-	0.0%
Total Expenses	**$-**	**$-**	**$1,035,340**	**$405,687**	**$736,609**	**($298,731)**	**-28.9%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.
** FY 2019-20 budgeted and actual expenditures for this function were included in other Divisions for that year.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	2.0	2.0	-
Administrative Services Supervisor	1.0	1.0	1.0
Director of Operations	1.0	1.0	1.0
Total	**4.0**	**4.0**	**2.0**

Budget Modifications and Contributions to Key Priorities

As described previously in the Financial Summary section of the budget book, as part of its implementation of a new Enterprise Resource Planning (ERP) system and revised functions chart of accounts, new organization units were established for Director functions overseeing each department of Central San. In prior budgets, costs associated with Department Director functions were reported within one of the child divisions of the overarching parent department. In the case of the Office of the Director of Operations, prior year budget costs associated with this function were previously reported within the Plant Operations Division of the Operations Department. Accordingly, the FY 2019-20 budget and actual columns do not contain any information.

The Office of the Director of Operations budget for FY 2021-22 is approximately $0.7 million, reflecting a decrease of approximately 28.9% from the prior year's budget. This decrease is primarily attributable to one Administrative Assistant position being transferred to the Plant Operations Division and the other Administrative Assistant position being transferred to the Plant Maintenance Division. Each of those divisions, which report to the Director of Operations, receive substantial support from the Administrative Assistants, justifying the transferring of these two budgeted positions for improved cost allocation purposes. The Office of the Director of Operations will continue to retain an Administrative Services Supervisor for administrative support.

Collection System Operations

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Responded to 253 customer service phone calls.*
- Received and cleared over 20,525 USA locating requests on time.*
- Continued to provide essential services with no interruption during the COVID-19 pandemic.
- Hosted, in conjunction with BAYWORK, a webinar on "Our Journey from Paper to Digital and Lessons Learned."

ENVIRONMENTAL STEWARDSHIP

- Responded to 18 sanitary sewer overflows (as of 3/31/21).
- Cleaned 478 miles of sewers.*
- Completed 10,604 work orders on schedule 99.5% of the time.*
- Performed 20% of all cleaning work on "hotspots."*
- Closed circuit televised 80.6 miles of sewers.*

FISCAL RESPONSIBILITY

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

INFRASTRUCTURE RELIABILITY

- Completed 641 services on vehicles and equipment to maintain 100% uptime.
- Converted cleaning schedules from routine to scheduled maintenance to ensure each line has a scheduled cleaning date.

INNOVATION AND OPTIMIZATION

- Sanitary sewer overflow volume estimator received first place for Central San's innovation awards. This will allow CSO field crews to estimate the volume of an SSO more accurately.

* (as of the end of February 2021)

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, During Working Hours	≤20.0 Minutes	30.46 Minutes		≤30.0 Minutes	32.33 Minutes	
GOAL ONE	Average Onsite Response Time for Collection System Emergency Calls, After Hours	≤30.0 Minutes	34.32 Minutes		≤40.0 Minutes	34.2 Minutes	
GOAL ONE	Average Customer Service Rating for Emergency Calls	≥3.8 out of 4.0	3.84 out of 4.0		≥3.8 out of 4.0	3.69 out of 4.0	
GOAL TWO	Sanitary Sewer Overflows	≤2.5 Spills per 100 Miles of Pipeline	1.43 Spills per 100 Miles of Pipeline		≤2.0 Spills per 100 Miles of Pipeline	0.72 Spills per 100 Miles of Pipeline	
GOAL TWO	Spills to Public Water	≤3	6		≤3	2	
GOAL TWO	Percentage of Spills <500 Gallons	≥95%	80.75%		≥95%	81.82%	
GOAL TWO	Pipeline Cleaning Schedules Completed on Time	≥95%	94.43%*		≥98%	99.5%*	
GOAL TWO	Pipeline Cleaning QA/QC	On ≥3.0% of Pipelines Cleaned on an Annual Basis	2.44%*		On ≥4% of Pipelines Cleaned on an Annual Basis	3.5%*	
GOAL TWO	Pipeline Cleaning QA/QC Passing Rate	≥98.0%	96.57%*		≥98%	96.3%*	
GOAL FIVE	Recycled Water Distribution System Maintenance Schedules Completed on Time	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥98%	100%	
GOAL FIVE	Uptime for Vehicles and Equipment	100%	100%		100% (Uptime for Vehicles)	100%	

GOAL SEVEN	Number of Sanitary Sewer Overflows (during the last five years for the same time period)	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)	≤1 standard deviation	6.79 standard deviation (indicating reduced overflows)**	
GOAL SEVEN	Permit Compliance (Collection System)	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)	100%	99.8%	
GOAL SEVEN	Customer Satisfaction Levels	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)	≥90%	92%	

* Performance may have been affected by modified working schedules to adhere to social distancing mandates due to COVID-19, impacting the fourth quarter of the FY 2019-20 and FY 2020-21.
** The intent of this metric is to measure whether overflows have increased during pandemic events or natural disasters. If increased, the goal is to have a standard deviation of ≤1. Because overflows have been *reduced* in FY 2020-21 as of Q2 when compared to the same time period over the past five years, the standard deviation of 6.79 means the target was met and exceeded.

FY 2021-22 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 2021-22
GOAL ONE **Deliver High-Quality Customer Service**	**Continue to respond quickly** to emergency calls both during and after work hours.
GOAL TWO **Achieve 100% Compliance in All Regulations**	**Continue to proactively and optimally clean sewers** to prevent overflows.
	Optimize cleaning schedule frequencies and location of work orders.
GOAL THREE **Maintain Financial Stability and Sustainability**	**Begin using alternative diesel fuels** for CSO vehicles, resulting in cleaner emissions, reduced maintenance, and improved reliability**.**

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$6,911,769	$6,630,360	$6,948,805	$6,594,634	$7,025,730	$76,925	1.1%
Employee Benefits	3,046,602	2,852,126	3,035,416	2,895,466	3,071,126	35,710	1.2%
Retiree Costs	2,052,083	2,081,712	2,190,179	2,171,216	2,128,352	(61,827)	-2.8%
Purchased Property Services	1,653,104	1,197,126	657,501	554,900	651,300	(6,201)	-0.9%
Repairs & Maintenance	1,449,503	1,027,783	407,500	340,600	419,000	11,500	2.8%
Hauling & Disposal	40,000	33,497	40,000	47,000	50,000	10,000	25.0%
Security	-	-	16,500	-	-	(16,500)	-100.0%
Rentals	72,601	70,808	78,501	78,500	78,500	(1)	0.0%
Cleaning	91,000	65,039	115,000	88,800	103,800	(11,200)	-9.7%
Purchased Professional, Technical & Other Services	103,780	87,072	951,880	939,871	957,780	5,900	0.6%
Professional Services	7,000	6,959	7,700	7,000	7,700	-	0.0%
Technical Services	63,780	49,592	907,180	903,602	912,080	4,900	0.5%
Other Purchased Services	33,000	30,521	37,000	29,269	38,000	1,000	2.7%
Supplies & Materials	899,852	887,608	1,092,850	1,046,600	1,095,450	2,600	0.2%
Utilities & Fuel	393,100	399,604	393,100	414,100	415,700	22,600	5.7%
General Supplies	506,752	488,004	699,750	632,500	679,750	(20,000)	-2.9%
Other Expenses	34,523	25,472	39,935	30,903	52,700	12,765	32.0%
Memberships	14,822	15,380	17,235	14,403	17,200	(35)	-0.2%
Training & Meetings	15,801	7,107	18,800	14,000	31,600	12,800	68.1%
Miscellaneous Other	3,900	2,986	3,900	2,500	3,900	-	0.0%
Total Expenses	**$14,701,713**	**$13,761,475**	**$14,916,566**	**$14,233,589**	**$14,982,438**	**$65,872**	**0.4%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	-	1.0	3.0
Senior Administrative Assistant	1.0	1.0	1.0
Administrative Technician	2.0	2.0	-
Maintenance Planner	1.0	1.0	1.0
Collection System Operations Division Manager	1.0	1.0	1.0
Construction Equipment Operator	2.0	2.0	2.0
Field Operations Superintendent	1.0	1.0	1.0
Maintenance Crew Leader	17.0	18.0	18.0
Maintenance Crew Member	19.0	18.0	20.0
Maintenance Supervisor	4.0	4.0	4.0
Senior Engineer	1.0	1.0	1.0
Utility Worker	-	2.0	-
Vehicle and Equipment Mechanic	3.0	3.0	3.0
Vehicle Maintenance and Equipment Maintenance Supervisor	1.0	1.0	1.0
Total	**53.0**	**56.0**	**56.0**

Budget Modifications and Contributions to Key Priorities

The Collection System Operations Division budget for FY 2021-22 is $15.0 million, reflecting an increase of only 0.4% over the prior year's budget. While this operational division's budget largely remained steady, the overall net increase was primarily driven by increases in known labor-related costs, including the agency-wide cost-of-living adjustment as well as known step advancements for eligible employees. Savings are projected to be realized in retiree/unfunded liability costs pursuant to the reduction in the Unfunded Actuarial Accrued Liability contribution rate pursuant to the latest actuarial report published by Contra Costa County Employees' Retirement Association.

Plant Maintenance

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Received Best Asset Management Program 2020 award from Uptime Magazine.

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 23rd consecutive year.

WORKFORCE DEVELOPMENT

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

INFRASTRUCTURE RELIABILITY

- Completed 10 Don't Just Fix It; Improve It (DJFI) initiatives to increase maintenance effectiveness, lower costs, and increase equipment reliability (projected based on DJFIs completed as of 3/9/21).

- Completed 288 QA/QC Maintenance Planner updates to improve work orders by incorporating Maintenance staff's suggestions (projected based on updates completed as of 3/9/21).
- Completed 67 safety work orders (projected based on work orders completed as of 3/9/21).
- Successfully maintained operation of all 18 pumping stations during PG&E Public Safety Power Shutoff events.
- Continuously reviewed maintenance procedures and identified opportunities for improvement as part of the overall Maintenance strategy. This includes failure reporting and corrective action process for continuous improvement.
- Worked with Engineering in the pre-design, design, and construction stages to ensure procurement and correct installment of the latest, safest, most reliable equipment and maintainable technology.
- Completed 37 Planner updates which include improvements to PM program such as updated asset information, improved standard operating procedures, improvements to PM task effectiveness or efficiency.
- Increased accessibility of Asset Management and RE information, including tracking DJFI initiatives, improving spares management, creating new workflows to the Cityworks maintenance system, adding job plans to GeoPortal, and creating links in GeoPortal to reliability analysis information and preventive and predictive maintenance program tasks based on asset identification.

INNOVATION AND OPTIMIZATION

- Obtained new ACM/maintenance tools and equipment to increase work efficiency.
- Continued the breaker overload testing program and winding analyzer program, which play a significant role in lowering equipment downtime costs, increasing reliability of equipment, increasing effectiveness of the motor management program, and enhancing acceptance testing of new or overhauled equipment.
- Continued to use dashboards to better monitor, analyze, and act on exceptions; the Asset Health Monitoring system based on asset condition inspections and ACM program analysis; and the updated asset handoff workflow which uses new engineering standards and enhances tracking of steps along the handoff workflow.

AGILITY AND ADAPTABILITY

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

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL FIVE	Safety-Prioritized Work Orders Completed on Time	100%	93%		100%	91%	
GOAL FIVE	Regulatory Title V Work Orders Completed on Time	100%	91%		100%	90%	
GOAL FIVE	Planned Treatment Plant PM Completed on Time	≥95%	91%		≥90%	92%	
GOAL FIVE	Planned Pumping Station PM Completed on Time	≥95%	Data Unavailable*		N/A (Not a Metric in the FYs 2020-22 Strategic Plan)		
GOAL FIVE	DJFI work orders completed	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			≥35	2**	
GOAL SEVEN	Twice-daily Cleaning of All Restroom Facilities	N/A (Not a Metric in the FYs 2018-20 Strategic Plan)			100%	100%	

* Pumping Stations PM data was not yet added to the Cityworks computerized maintenance management system.
** Performance was affected by modified working schedules to adhere to social distancing mandates due to COVID-19.

FY 2021-22 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 2021-22
GOAL FOUR **Meet or Exceed Industry Safety Standards**	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 FIVE **Manage Assets Optimally to Prolong Their Useful Life**	**Actively participate in all phases of asset lifecycles**, including design, installation, operation, maintenance, and replacement planning.
	Commit to consistently **perform the most effective maintenance tasks** on equipment at the optimal frequency.
	Utilize a repeatable and comprehensive approach to maintenance that optimizes asset lifecycle based on reliability, cost, and criticality, including continuing to perform additional Reliability Centered Maintenance, Root Cause Analysis, PM Optimization analysis, and Defect Elimination initiatives on critical equipment and systems.
	Drive the **development of the Asset Centered Maintenance Program** and integrate with analytics for earliest warning of equipment degradation.

Manage Assets Optimally to Prolong Their Useful Life	Continue to work on **Technology Master Plan** and develop operational technologies such as the asset health monitoring system, asset handoff process and tracking system, online condition monitoring program, analytics enhancements, RE tools, data management ecosystem, and updated asset management plan.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$5,983,974	$5,775,043	$6,481,112	$6,405,949	$6,907,153	$426,041	6.6%
Employee Benefits	2,453,090	2,198,543	2,123,173	2,381,035	2,596,238	473,065	22.3%
Retiree Costs	1,801,074	1,819,877	1,932,312	1,943,051	1,992,858	60,546	3.1%
Purchased Property Services	2,755,250	2,517,477	2,344,650	1,607,943	2,499,300	154,650	6.6%
Repairs & Maintenance	2,511,650	2,214,446	2,079,850	1,295,995	2,156,300	76,450	3.7%
Hauling & Disposal	-	-	-	536	-	-	-
Security	3,300	408	3,300	-	3,300	-	0.0%
Rentals	76,500	129,099	84,500	97,350	119,700	-	0.0%
Cleaning	163,800	173,524	177,000	214,062	220,000	43,000	24.3%
Purchased Professional, Technical & Other Services	239,285	198,226	234,205	76,326	226,385	(7,820)	-3.3%
Professional Services	-	-	-	8,320	-	-	-
Technical Services	209,900	184,723	204,900	36,286	197,000	(7,900)	-3.9%
Other Purchased Services	29,385	13,503	29,305	31,720	29,385	80	0.3%
Supplies & Materials	1,310,750	1,233,276	2,453,050	1,896,032	2,512,050	59,000	2.4%
Utilities & Fuel	534,550	550,497	555,150	558,461	609,150	54,000	9.7%
Chemicals	200,000	123,405	200,000	190,000	200,000	(0)	0.0%
General Supplies	576,200	559,374	1,697,900	1,147,570	1,702,900	5,000	0.3%
Other Expenses	66,926	53,065	90,976	58,474	93,976	3,000	3.3%
Memberships	11,351	8,584	15,101	6,983	15,101	-	0.0%
Training & Meetings	53,775	44,482	74,075	34,662	77,075	3,000	4.0%
Miscellaneous Other	1,800	-	1,800	16,829	1,800	-	0.0%
Total Expenses	**$14,610,349**	**$13,795,507**	**$15,659,478**	**$14,368,809**	**$16,827,960**	**$1,168,482**	**7.5%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	-	-	1.0
Buildings and Grounds Supervisor	1.0	1.0	1.0
Electrical Shop Supervisor	1.0	1.0	1.0
Electrical Technician	4.0	4.0	4.0
Instrument Shop Supervisor	1.0	1.0	1.0
Instrument Technician	3.0	3.0	3.0
Machinist	2.0	2.0	2.0
Maintenance Crew Leader	1.0	1.0	1.0
Maintenance Planner	2.0	3.0	3.0
Maintenance Technician, Mechanical	9.0	9.0	9.0
Mechanical Supervisor	2.0	2.0	2.0

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
Pumping Stations Operator	6.0	6.0	6.0
Pumping Stations Supervisor	1.0	1.0	1.0
Senior Engineer	1.0	1.0	1.0
Staff Engineer	-	-	1.0
Utility Systems Engineer	-	1.0	1.0
Utility Worker	4.0	7.0	7.0
Total	**41.0**	**46.0**	**48.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Temporary Utility Worker	4.0	1.0	2.0
Summer Student (Laborer)	-	10.0	5.0
Summer Student (Engineering Assistant)	-	1.0	-
Intern	3.0	3.5	3.0
Total	**7.0**	**15.5**	**10.0**

Budget Modifications and Contributions to Key Priorities

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

The Plant Maintenance Operating Budget for FY 2021-22 is $16.8 million, reflecting an increase of 7.5% over the prior year's budget. Labor costs is the primary driver for the increase in this division. With low assumed turnover for this relatively large workgroup, the labor budget incorporates the agency-wide cost-of-living adjustment, step advancements for eligible employees, and the transfer of an Administrative Assistant position from the Office of the Director of Operations. The budgeted increase in Utilities & Fuels is primarily attributable to a projected increase in electricity consumption following the installation of four new electrical motors at the Orinda Cross Road and Moraga pumping stations. The budgeted increase in Repairs & Maintenance and Cleaning is largely attributable to efforts to respond to risks associated with the COVID-19 pandemic, including activities such as expanded cleaning and disinfection of the plant operations and headquarters office buildings as well as the implementation of various on-site engineering controls (i.e. fabrication and installation of sneeze guards, cleaning stations, touchless faucets, and other controls). Another driver for the increase in the Repairs & Maintenance category is the anticipation of rebuilding multiple return active sludge pumps next year.

Plant Operations

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

CUSTOMER AND COMMUNITY

- Provided wastewater treatment service with no interruptions during the PG&E Public Safety Power Shutoffs and the COVID-19 pandemic.

ENVIRONMENTAL STEWARDSHIP

- Maintained eligibility for the National Association of Clean Water Agencies Peak Performance Award Platinum status for the 23rd consecutive year, recognizing 100% compliance with the wastewater discharge permit.
- Improved reliability of Central San's Solids Conditioning Building by upgrading obsolete communication equipment to address issues with the monitoring system which had been the root cause of Title V violations.

INFRASTRUCTURE RELIABILITY

- Assisted Engineering in the design, coordination, and construction of the Mechanical and Concrete Renovations; Influent Pump Electrical Improvements; Piping Renovations, Phase 10; Filter Plant and Clearwell Improvements, Phase 1A; Steam and Aeration Blower Systems Renovations; Outfall Improvements, Phase 7; Ultraviolet (UV) Disinfection Upgrades; Plant Control System (I/O) Replacement; and Solids Handling Facilities Improvement Projects.
- Developed a detailed control system design document resulting in standard wiring, documentation, and supervisory control and data acquisition (SCADA) screens across all capital projects. Historical lack of standards has resulted in disparate installations which have made maintenance and troubleshooting significantly more challenging.

INNOVATION AND OPTIMIZATION

- Implemented Central San's first ethernet controlled variable frequency drives which resulted in simplified wiring and availability of power monitoring and diagnostic data.
- Installed infrastructure for mobile SCADA software (Dynac).
- Upgraded Secondary Process, Pump & Blower, UV, Heat Recovery Steam Generator, and Service Air programmable logic control programs from 1980s-era software to modern software.

FYs 2018-19 and 2019-20 Strategic Performance and FY 2020-21 Targets

* Will be addressed with new wet scrubber planned as part of the Solids Handling Facility Improvements Project.

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL TWO	National Pollutant Discharge Elimination System Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Title V Compliance	Zero (0) Violations	5 Violations		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Anthropogenic Greenhouse Gas Emissions (Per Calendar Year)	<25,000 MT CO_2e	23,038 MT CO_2e for Calendar Year 2019**		<25,000 MT CO_2e	23,771 MT CO_2e in Calendar Year 2020 ** On Track to Meet Target for Calendar Year 2021	

** Pre-verified figure.

FY 2021-22 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 2021-22
GOAL TWO **Achieve 100% Compliance in All Regulations**	Maintain eligibility for the **National Association of Clean Water Agencies Peak Performance Award Platinum status.**
GOAL FOUR **Proactively Plan for Future Operational Staffing Needs**	Perform **succession planning** successfully and appropriately **staff the division** to meet the challenges of any upcoming departures.
GOAL FIVE **Manage Assets Optimally to Prolong Their Useful Life**	Continue **to work with Engineering** in the design, coordination, and construction of projects effecting the treatment plant.

Budget Overview by Expense Category

Account Description	FY 19-20 Budget	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projection	FY 21-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$6,052,856	$5,882,708	$4,984,842	$4,821,270	$4,921,680	($63,162)	-1.3%
Employee Benefits	2,128,325	2,159,573	1,572,429	1,612,597	1,474,758	(97,671)	-6.2%
Retiree Costs	1,828,627	1,901,234	1,613,679	1,682,858	1,560,969	(52,710)	-3.3%
Purchased Property Services	297,700	263,170	320,500	249,500	374,000	53,500	16.7%
Repairs & Maintenance	4,200	2,308	4,000	500	3,000	(1,000)	-25.0%
Hauling & Disposal	243,000	197,888	261,000	175,000	288,000	27,000	10.3%
Rentals	500	-	500	4,000	5,000	4,500	900.0%
Cleaning	50,000	62,974	55,000	70,000	78,000	23,000	41.8%
Purchased Professional, Technical & Other Services	612,000	528,664	681,700	665,050	726,829	45,129	6.6%
Professional Services	1,000	4,663	-	3,580	5,129	5,129	-
Technical Services	22,000	171	6,000	-	5,000	(1,000)	-16.7%
Other Purchased Services	589,000	523,830	675,700	661,470	716,700	41,000	6.1%
Supplies & Materials	4,532,500	4,722,892	4,597,300	4,569,460	4,800,500	203,200	4.4%
Utilities & Fuel	3,077,600	3,320,442	3,253,800	3,160,000	3,355,000	101,200	3.1%
Chemicals	1,320,000	1,260,616	1,202,000	1,295,000	1,326,000	124,000	10.3%
General Supplies	134,900	141,834	141,500	114,460	119,500	(22,000)	-15.5%
Other Expenses	68,400	35,582	41,080	14,943	44,580	3,500	8.5%
Memberships	17,500	8,997	11,830	9,338	10,330	(1,500)	-12.7%
Training & Meetings	46,450	24,664	27,500	5,275	32,500	5,000	18.2%
Miscellaneous Other	4,450	1,921	1,750	330	1,750	-	0.0%
Total Expenses	**$15,520,408**	**$15,493,822**	**$13,811,530**	**$13,615,678**	**$13,903,316**	**$91,786**	**0.7%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Personnel Requirements

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Administrative Assistant	-	-	1.0
Control Systems Technician	-	1.0	1.0
Plant Operations Division Manager	1.0	1.0	1.0
Plant Operations Superintendent	1.0	1.0	1.0
Plant Operations Training Coordinator	1.0	1.0	1.0
Plant Operator	6.0	5.0	8.0
Senior Engineer	1.0	1.0	1.0
Senior Plant Operator	15.0	16.0	13.0
Shift Supervisor	7.0	7.0	7.0
Utility Systems Engineer	2.0	2.0	2.0
Total	**34.0**	**35.0**	**36.0**

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Summer Engineering Assistant	1.0	-	-
Total	**1.0**	**-**	**-**

Budget Modifications and Contributions to Key Priorities

The Plant Operations Division provides Central San staff the resources necessary to continue to meet or exceed regulatory requirements and optimize operations to work cost effectively. The Plant Operations Division Budget for FY 2021-22 is $13.9 million, reflecting an increase of $0.9 million or 0.7% increase over the $13.8 million budgeted in FY 2020-21. This modest increase is largely attributable to increases in the Utilities & Fuel and Chemicals categories, offset somewhat by savings in labor costs. The budgeted increase in Utilities & Fuel pertains to an increase in natural gas capacity held on site to address ongoing PG&E Public Safety Power Shutoff concerns. The budgeted increase in Chemicals is largely attributable to an increase for lime. Central San's long-time lime hauler went out of business after facing economic difficulties brought on by the COVID-19 pandemic. The budget estimates for lime reflect a substantial increase in hauling costs pursuant to the newly negotiated supplier contract. Despite an Administrative Assistant position being transferred to this division from the Office of the Director of Operations in FY 2021-22, labor costs overall are decreasing following the retirement of several tenured employees being replaced by lower step level PEPRA employees.

Recycled Water Program

OVERVIEW

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

FY 2020-21 Strategic Accomplishments

ENVIRONMENTAL STEWARDSHIP

- Continued collaborating with Contra Costa Water District (CCWD) and Valley Water to complete a Preliminary Feasibility Evaluation of the Refinery Recycled Water Exchange Project as agreed upon in the Memorandum of Understanding between the three agencies.
- Collaborated with Dublin San Ramon Services District (DSRSD) and East Bay Municipal Utility District Recycled Water Authority (DERWA) to support DSRSD in the construction of a Temporary Wastewater Diversion to allow DERWA to divert approximately 1.3 MGD of raw wastewater from Central San's San Ramon Pumping Station to DSRSD for the production of recycled water to meet DERWA's peak summer irrigation demand.
- Continued working with CCWD and the City of Concord to plan for recycled water usage at the Concord Community Reuse Project.
- Distributed approximately 129 million gallons of recycled water to Zone 1.
- Distributed approximately 2.5 million gallons of recycled water through the Commercial Truck Fill Program.
- Distributed approximately 1 million gallons of recycled water through the Residential Fill Station.

INFRASTRUCTURE RELIABILITY

- Began utilizing Cityworks to track the valve exercising program for the recycled water distribution system control valves.

FYs 2019-20 and 2020-21 Strategic Targets and Performance

Goal	Metric	FY 2019-20 Target	FY 2019-20 Performance		FY 2020-21 Target	FY 2020-21 Performance as of Q2	
GOAL ONE	Recycled Water Title 22 Compliance	Zero (0) Violations	Zero (0) Violations		Zero (0) Violations	Zero (0) Violations	
GOAL TWO	Gallons per Year of Recycled Water Distributed to External Customers*	≥240 Million Gallons (Goal Six)	221 Million Gallons		≥240 Million Gallons (Goal Two)	126 ** Million Gallons	

* Performance may have been affected by the Residential Recycled Water Fill Station being closed due to COVID-19, impacting the fourth quarter of FY 2019-20 and FY 2020-21.
** 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 2021-22 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 2021-22
GOAL TWO **Support Regional Development of Local Water Supply**	Continue working with CCWD and Valley Water to **advance the Refinery Recycled Water Exchange Project**.
	Continue working with DERWA and its representatives to perform the first operation of the newly constructed **diversion facilities** in the summer of 2021, which will allow the temporary diversion of approximately 1.3 MGD of raw wastewater from Central San to DSRSD for the production of recycled water to meet DERWA's peak summer irrigation demand.
	Continue working with CCWD and the City of Concord to plan for recycled water usage at the **Concord Community Reuse Project**.
	Continue to support the **development of a demonstration Satellite Water Recycling Facility at Diablo Country Club,** as needed.

Budget Overview by Expense Category
Treatment

Account Description	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$207,600	$219,153	$243,700	$328,146	$223,600	($20,100)	-8.2%
Employee Benefits	172,300	172,800	185,200	266,819	158,900	(26,300)	-14.2%
Purchased Property Services							
Repairs & Maintenance	4,000	-	4,000	1,000	3,000	$(1,000)	-25.0%
Other Purchased Services	100,500	71,241	100,500	36,000	102,000	1,500	1.5%
Professional Services	-	-	-	500	1,000	1,000	0.0%
Technical Services	$100,500	71,241	$100,500	35,500	101,000	500	0.5%
Supplies & Materials	276,000	321,502	310,000	320,500	333,000	23,000	7.4%
Utilities & Fuel	175,000	196,323	175,000	175,000	175,000	-	0.0%
Chemicals	100,000	125,179	132,000	144,000	156,000	24,000	18.2%
General Supplies	1,000	-	3,000	1,500	2,000	(1,000)	-33.3%
Other Expenses	28,200	21,299	28,200	18,500	28,200	-	0.0%
Memberships	21,600	17,508	21,600	17,500	21,600	-	0.0%
Trainings & Meetings	6,600	3,792	6,600	1,000	6,600	-	0.0%
Total	**$790,600**	**$805,996**	**$871,600**	**$970,965**	**$848,700**	**($22,900)**	**-2.6%**

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

Account Description	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Salaries & Wages	$364,900	$227,407	$246,460	$300,078	$308,000	$61,540	25.0%
Employee Benefits	246,898	138,466	148,080	223,309	218,700	70,620	47.7%
Purchased Property Services							
Repairs & Maintenance	23,000	-	23,000	434	23,000	-	0.0%
Other Purchased Services	160,500	24,589	160,700	21,019	180,200	19,500	12.1%
Professional Services	14,000	-	14,000	15,945	72,000	58,000	141.3%
Technical Services	145,000	24,589	145,000	5,074	105,000	(40,000)	-27.6%
Other Services	1,500	-	1,700	-	3,200	1,500	88.2%
Supplies & Materials							
General Supplies	17,900	8,945	16,900	6,291	22,600	5,700	33.7%
Other Expenses	4,550		4,550		9,550	5,000	109.9%
Memberships	-	-	-	-	-	-	
Trainings & Meetings	4,050	120	4,050	-	8,550	4,500	111.1%
Miscellaneous Other	500	-	500	-	1,000	500	100.0%
Total	**$817,748**	**$399,527**	**$599,690**	**$551,131**	**$762,050**	**$162,360**	**27.1%**

* As part of its implementation of a new enterprise resource planning system, Central San adopted a new chart of accounts to take effect FY 2020-21 based on GFOA best practices. Prior year information presented in this table has been reclassified to reflect the new org unit and expense account structure of the new chart of accounts for improved comparability purposes.

Total Recycled Water

Account Description	FY 2018920 Budget*	FY 2019-20 Actual*	FY 2020-21 Budget	FY 2020-21 Projected*	FY 2021-22 Budget	Budget to Budget Variance ($)	Budget to Budget Variance (%)
Total	**$1,608,348**	**$1,205,523**	**$1,471,290**	**$1,522,096**	**$1,610,750**	**$139,460**	**9.5%**

Personnel Requirements

Several divisions support the Recycled Water Program. Personnel for the Recycled Water Program are shown in their respective divisions and total 2.8 full time equivalents. A portion of their labor costs, as appropriate to their time spent on the program, are included in the Recycled Water Budget. In addition, the budget includes funding for two temporary staff to operate the Residential Fill Station and one intern to support recycled water planning.

Regular Status Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Program Manager	0.5	0.5	0.6
Engineering and Technical Services*	0.7	0.9	0.9
Operations Department*	1.2	1.0	1.3
Total	**2.4**	**2.4**	**2.8**

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

Limited Duration Employees	FY 2019-20 Year-End Actual	FY 2020-21	FY 2021-22
Fill Station Temporary	2.0	3.0	1.0
Intern	1.0	1.0	0.5
Total	**3.0**	**4.0**	**1.0**

Budget Modifications and Contributions to Key Priorities

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

The Recycled Water Program Operating Budget for FY 2021-22 is $1.6 million, reflecting an increase of 9.5% or $0.1 million over the prior year. The increase is primarily driven by labor-related costs, which are increasing pursuant to increases in time expected to be spent on recycled water initiatives and activities during FY 2021-22, specifically by the Program Manager and Plant Operations staff. The Chemicals budget increase is attributable to a projected increase in hypochlorite costs.

Financial Summary for Recycled Water Program

Recycled Water Expense Summary	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	% Variance
Treatment Plant O&M	$805,995	$871,600	$947,745	$848,700	($22,900)	-2.6%
Treatment Plant Capital	3,815,221	9,000,000	2,503,052	16,250,000	7,250,000	80.6%
Distribution O&M	399,526	599,690	612,882	762,050	162,360	27.1%
Distribution Capital	147,244	100,000	150,210	250,000	150,000	150.0%
Total Combined Expense	**$5,167,986**	**$10,571,290**	**$4,213,889**	**$18,110,750**	**$7,539,460**	**71.3%**

Recycled Water Revenue Summary	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	% Variance
Treatment Plant *(Wastewater Cost)*	$1,848,573	$4,110,713	$1,326,077	$7,171,125	$3,060,412	74.4%
Zone 1 Revenue	503,622	420,000	488,149	432,000	12,000	2.9%
Distribution *(Wastewater Cost)*	1,035,898	2,357,273	745,230	4,234,826	1,877,553	79.6%
Residential Fill *(Wastewater Cost)*	132,826	182,160	228,728	226,555	44,395	24.4%
Satellite Reimbursement	4,235	62,000	8,698	103,500	41,500	66.9%
Recycled Water Exchange *(Wastewater Cost)*	81,689	109,679	149,495	142,911	33,232	30.3%
City of Concord Reimbursement	1,561,143	3,329,465	1,267,512	5,799,833	2,470,368	74.2%
Total Combined Revenue	**$5,167,986**	**$10,571,290**	**$4,213,889**	**$18,110,750**	**$7,539,460**	**71.3%**
Wastewater Cost per RUE	**$18.05**	**$39.94**	**$14.38**	**$72.12**	**$32.18**	**80.6%**

Recycled water rates charged to customers have not increased with budgeted costs, but instead have been inflated by 3% annually in recent years. Accordingly, the large increase in budgeted costs for FY 2021-22, primarily due to capital improvements, does not mean that recycled water rates will be increased in that proportion.

The Zone 1 revenue budget estimate of $432,000 allocated entirely to Operations and Maintenance (O&M) (see Table 5 in Financial Summary). Furthermore, the $5,799,833 City of Concord Reimbursement is contained within and split between the total O&M fund City of Concord Reimbursement (see Table 5 in Financial Summary) and total Sewer Construction fund City of Concord Reimbursement (see Table 11 in Financial Summary). The $103,500 Satellite Reimbursement is contained within the Other Revenues (see Table 5 in Financial Summary). The remaining costs are Wastewater Costs and included in the Sewer Service Charge.

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Self-Insurance Program

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

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

Fund Allocation

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

Table 1 presents a recent financial history and projection of the SIF and shows the FY 2021-22 SIF Budget. The SIF revenue for FY 2021-22 is projected to be $1,651,419, and expenses are projected to be $1,285,000, resulting in closing net SIF reserves of $6,500,000. The budgeted revenues include a direct allocation of $1,576,419 of Sewer Service Charge Revenue. Previously, allocations to Self-Insurance were routed through the Operations and Maintenance (O&M) Fund to the SIF. However, that approach causes the apparent total spending to overcount this allocation, which is included as an "expenditure" in the O&M fund, while the Self-Insurance fund also shows expenditures. Allocating Sewer Service Charge directly to the Self-Insurance fund avoids this issue.

Sub-Fund A: Actuarially-Based Risks

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

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

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

Table 2 shows budgeted revenue for FY 2021-22 of $10,000 with expenses of $300,000, resulting in revenues over expenses of ($290,000). This amount will be transferred from Sub-Fund C in order 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.

The Board established a policy to maintain this reserve at $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 2020-21 of $1,641,419, which includes an allocation of Sewer Service Charge of $1,576,419. The budgeted ending balance for FY 2021-22 is projected to be at the policy specified level of $5 million.

Table 1 – SIF Summary Overview

Account Description	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget
Revenues				
Sewer Service Charge	$-	$	$-	$1,576,419
SIF Allocation from O&M Fund	825,000	450,000	550,000	-
Insurance Allocation from Household Hazardous Waste	20,614	20,000	25,000	25,000
Subrogation Recovery	21,035	-	-	-
Interest Income	141,741	129,900	50,000	50,000
Total Revenue	**$1,008,390**	**$599,900**	**$625,000**	**$1,651,419**
Expenses				
Claims Adjusting	$-	$2,000	$-	$3,000
Insurance Consulting	-	6,500	-	7,000
Loss Payments	199,659	275,000	120,000	225,000
Losses: Audit Adjustment for GASB-10	-	-	-	-
Legal Services	165,753	80,000	265,000	140,000
Technical Services	149,355	90,000	90,000	60,000
Insurance Premiums	638,380	700,000	775,000	850,000
Total Expenses	**$1,153,147**	**$1,153,500**	**$1,250,000**	**$1,285,000**
Revenue Over Expense	**($144,757)**	**($553,600)**	**($625,000)**	**$366,419**
Projected Reserves *				
Beginning of Year	$6,903,338	$7,043,316	$6,758,581	$6,133,581
Reserve Policy Transfer	-	-	-	-
Revenue over Expense	(144,757)	(553,600)	(625,000)	366,419
End of Year *Projected* Reserves	**$6,758,581**	**$6,489,716**	**$6,133,581**	**$6,500,000**
Allocated Reserves				
Actuarial Reserves-GASB-10 (Fund A)	$1,157,797	$1,500,000	$1,157,797	$1,500,000
Non-Actuarial Reserves-GASB-10 (Fund C)	5,600,784	4,989,715	4,975,784	5,000,000
Total *Allocated* Reserves	**$6,758,581**	**$6,489,716**	**$6,133,581**	**$6,500,000**

*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 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget
Projected Reserves- Beginning of Year	$1,157,797	$1,500,000	$1,157,797	$1,157,797
Revenues				
O&M	$-	$-	$-	$-
Subrogation Recovery	2,699	-	-	-
Interest	29,717	24,900	10,000	10,000
Total Revenue	**$32,416**	**$24,900**	**$10,000**	**$10,000**
Expenses				
Losses	$193,579	$250,000	$75,000	$150,000
Legal Services	165,753	80,000	250,000	100,000
Technical	137,673	85,000	15,000	50,000
Total Expenses	**$497,005**	**$415,000**	**$340,000**	**$300,000**
Revenue Over Expense	**($464,589)**	**($390,100)**	**($330,000)**	**($290,000)**
Projected Reserves *				
Transfer (to)/from Sub-Fund C	$464,589	$390,100	$330,000	$632,203
Reserve Increase Transfer from Fund C	-	-	-	-
Total Reserves Projected End of Year	**$1,157,797**	**$1,500,000**	**$1,157,797**	**$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 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget
Beginning Reserves	$5,745,541	$5,543,315	$5,600,784	$4,975,784
Revenues				
Sewer Service Charge Allocation	$-	$-	$-	$1,576,419
O&M	825,000	450,000	550,000	-
Subrogation Recovery	18,336	-	-	-
Insurance Recovery from Household Hazardous Waste Partners	20,614	20,000	25,000	25,000
Interest	112,024	105,000	40,000	40,000
Total Revenue	**$975,974**	**$575,000**	**$615,000**	**$1,641,419**
Expenses				
Losses	$6,080	$25,000	$45,000	$75,000
Legal	-	-	15,000	40,000
Technical	11,682	5,000	75,000	10,000
Insurance Premiums	638,380	700,000	775,000	850,000
Insurance Consulting Services	-	6,500	-	7,000
Claims wAdjustment	-	2,000	-	3,000
Total Expenses	**$656,142**	**$738,500**	**$910,000**	**$985,000**
Revenue Over (Under) Expense	**$319,832**	**($163,500)**	**($295,000)**	**$656,419**
Projected Reserves				
Transfer (to)/from Sub-Fund A	($464,589)	($390,100)	($330,000)	($632,203)
Transfer (to)/from Sub-Fund B	-	-	-	-
Reserve Increase to Sub-Fund A (Audit Adjustment for GASB-10)	-	-	-	-
Reserve Policy Transfers	-	-	-	-
Total Reserves Projected End of Year	**$5,600,784**	**$4,989,715**	**$4,975,784**	**$5,000,000**

* 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

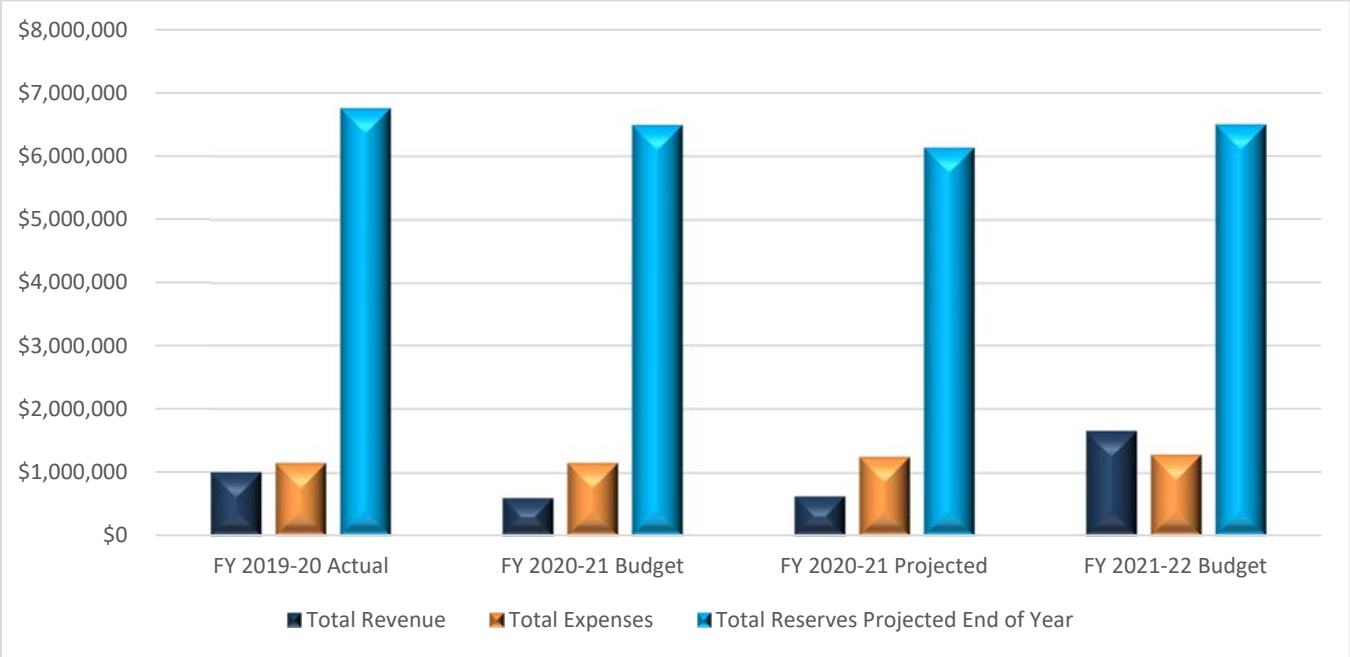


Figure 2 – History of Loss Payment and Insurance Premiums

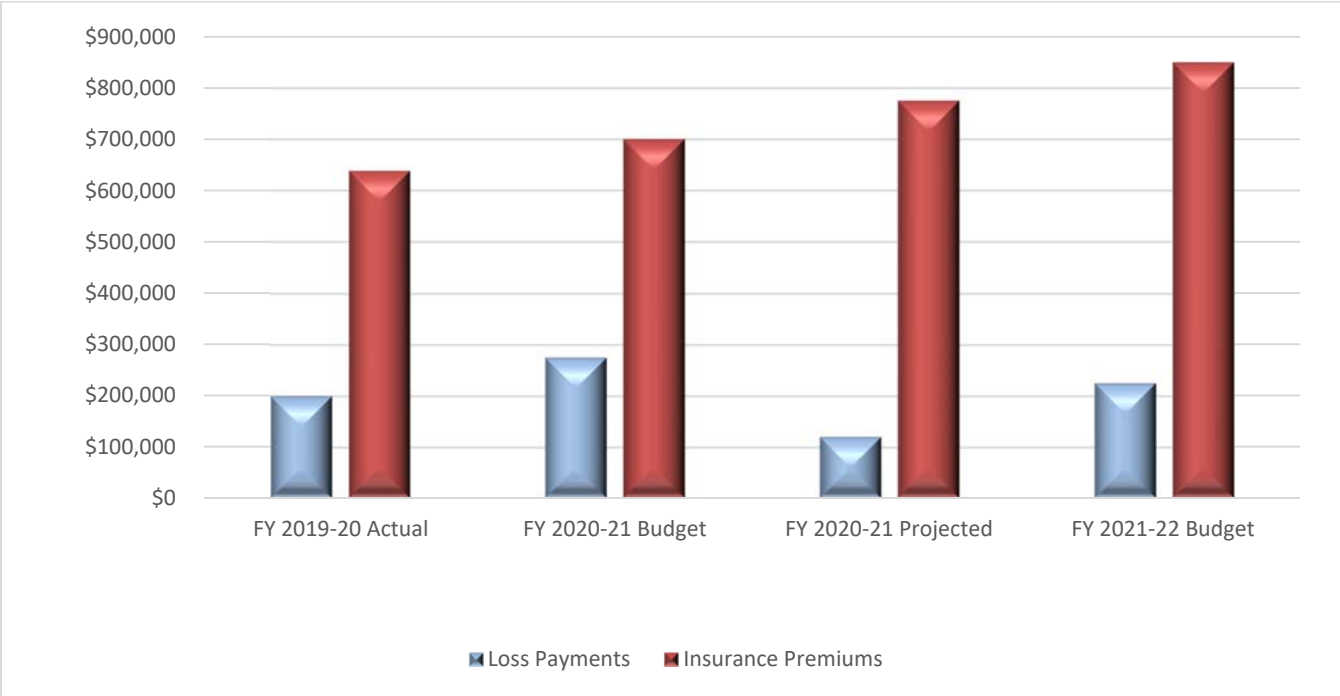


Figure 3 – Reserves by Sub-Fund

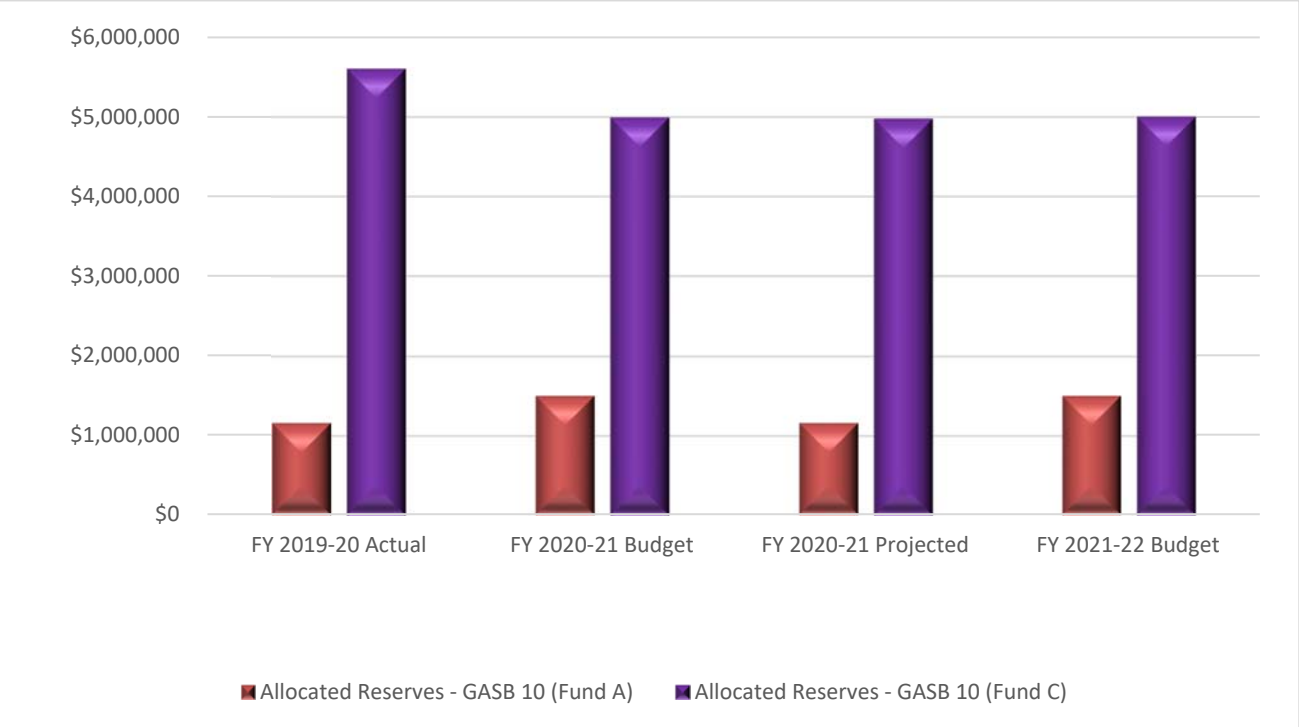
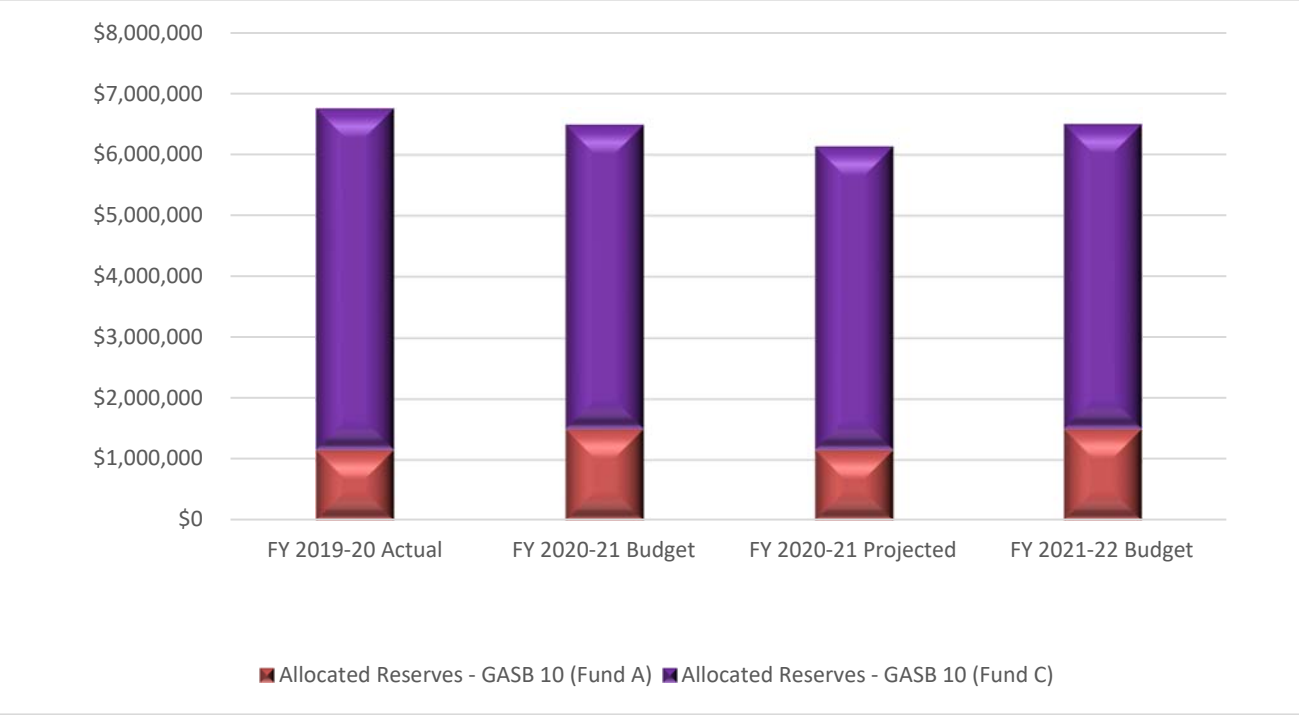


Figure 4 – History of Reserves



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Capital Improvement Program

OVERVIEW

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

Capital Expenditures Definition

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

Capital Improvement Program Process

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

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

Capital Revenue

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

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

While Central San generally follows a pay-as-you-go philosophy, Sewer Service Charge rate increases can be mitigated by utilizing the Clean Water State Revolving Fund Program which offers low cost financing for a wide variety of water quality projects to spread the payment over time. This is anticipated for FY 2021-22. Additionally, Central San is exploring a debt issuance for June 2021, which may be used to fund a substantial portion of the FY 2021-22 CIB. If this debt issuance proceeds, a budget amentment for FY 2021-22 is anticipated.

Capital Improvement Budget Project Prioritization

The projects included in the FY 2021-22 CIB have been prioritized to ensure the best use of District funds. Each project was evaluated using a prioritization scoring system that includes input from stakeholders within the Operations and Engineering Departments. The prioritization scoring system uses existing Central San prioritization strategies, including guidelines developed by the Water Environment & Reuse Foundation and prioritization procedures from the National Association of Clean Water Agencies' member agencies. Scoring for each project used twenty weighted criteria, with emphasis on projects currently under construction, those associated with asset management, regulatory requirements, prior commitments, and those supporting business functions.

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

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

In addition, all projects for FY 2021-22 have been listed in order of priority based on the criteria described above with other factors that include consequence of failure, project development, potential contract impacts, and more so that the entire capital program can be assessed. This ranking is applicable at the time the Budget is adopted. However, the score and the ranking will be continuously re-evaluated during the year as projects evolve. For example, once a construction contract is awarded and executed for a project, its score would increase and result in a ranking change. It should also be noted that the priority ranking is not reflective of the order in which the project is started. The score and ranking are more a reflection of an importance factor, than timing or a priority in which the project

is delivered. The project ranking, number, name, program, and score (maximum score is 400) as of April 23, 2021 are shown below:

Project Ranking	Project Number	Project	Program	Score
1	8253	Covid-19 Response	GI	345
2	7328	Influent Pump Electrical Improvements	TP	330
3	7348	Solids Handling Facility Improvements - Phase 1	TP	325
4	8436	Pump Station Upgrades - Phase 1	CS	325
5	7361	Filter Plant and Clearwell Improvements - Phase 1A	RW	315
6	7375	Contractor Staging Improvements	TP	305
7	100015	Electric Blower Improvements	TP	295
8	7339	Plant Control System I/O Replacement	TP	290
9	8250	ERP Replacement	GI	280
10	8451	Collection System Sewer Renovation - Phase 1	CS	270
11	8443	Large Diameter Pipeline Inspection Program - Phase 1	CS	255
12	100001	Uniform Public Construction Cost Accounting Act (UPCCAA) Urgent Projects FY 2020-25+	TP	235
13	7304	Programmable Logic Controller (PLC) Systems Upgrades	TP	230
14	7349	Steam Aeration & Blower Systems Renovations	TP	225
15	100005	Cured-In-Place Pipe Blanket Contract (FY 2021-25)	CS	215
16	P1246	Large Diameter Pipeline Inspection Program - Phase 2	CS	210
	7370	Annual Infrastructure Replacement FY 2019-25+	TP	210
17	7369	Piping Renovation - Phase 10	TP	205
18	7315	Applied Research & Innovations	TP	200
	100012	UV Disinfection Replacement	TP	200
	100013	UV Hydraulic Improvements	TP	200
	P1298	Steam Systems Renovations	TP	200
	8517	Vehicle Replacement Program FY 2016-26	GI	200
19	100007	Large Diameter Renovation Program	CS	190
	P1283	Aeration Basin Diffusers and Seismic Improvements	TP	190
20	8442	Pump Station Equipment & Piping Replacement - Phase 2	CS	185
	8444	Force Main Inspection Program - Phase 1	CS	185
	8448	Manhole Modifications	CS	185
	8240	IT Development FY 2016-25	GI	185
21	8457	Pump Station Upgrades - Phase 2	CS	175
22	100008	Laboratory Roof & Seismic Upgrades	TP	170
	8516	District Equipment Acquisition	GI	170
23	8463	North Orinda Sewer Renovation - Phase 8	CS	165
	8464	Martinez Sewer Renovation - Phase 7	CS	165
	8465	Walnut Creek Sewer Renovation - Phase 15	CS	165
	8466	Danville Sewer Renovation - Phase 4	CS	165
	100009	MHF Hearth Replacement	TP	165

Project Ranking	Project Number	Project	Program	Score
	100011	Plant Electrical Replacement and Rehabilitation	TP	165
	100002	Filter Plant and Clearwell Improvements - Phase 1B	RW	165
24	TBD	Collection System Master Plan 2021 Update	CS	160
	100010	Air Conditioning and Lighting Renovations Project	TP	160
25	5991	Pleasant Hill Sewer Renovation - Phase 2	CS	150
	7341	Walnut Creek/Grayson Creek Levee Rehab	TP	150
	7363	Treatment Plant Planning	TP	150
	7366	Recycled Water Distribution Systems Renovations Program	RW	150
	7368	Water Exchange Project	RW	150
26	8450	Development Sewerage Support	CS	145
	8230	Capital Legal Services	GI	145
27	7357	Plant-Wide Instrumentation Upgrades	TP	130
28	TBD	Security Improvements Study FY 2021 - 25	GI	125
29	8449	Collection System Modeling Support	CS	120
	100006	Contractual Assessment District Project	CS	120
30	8419	Collection System Planning	CS	115
	8236	District Easement Acquisition	GI	115
	100003	Property Repairs and Improvements	GI	115
	100004	HOB Exterior Repairs	GI	115
31	7373	Fire Protection System - Phase 3	TP	110
32	100014	MRC Building and Maintenance Shops Improvements	TP	105
33	7355	Odor Control Upgrades - Phase 1	TP	100
	TBD	Zone 1 Recycled Water 2021+	RW	100
34	7371	Condition Assessment of Buried Yard Pipelines	TP	95
	TBD	TP Safety Enhancements - Phase 6	TP	95
35	8447	Pump Station Security Improvements	CS	85
	8251	Capital Improvement Plan & Budget (Document Management)	GI	85
36	7354	Treatment Plant Security Improvements	TP	60
37	8252	POB E.V. Charging Station	GI	45

Individual Project Drivers

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

- ***Aging Infrastructure**:* This project driver describes projects required to maintain the performance and reliability of existing assets to ensure reliable conveyance and treatment of wastewater. Central San operates and maintains several billion dollars of assets, and several projects in each program have been initiated or are in progress to meet replacement or rehabilitation infrastructure needs. Most of the existing treatment plant facilities were constructed in the late 1970s and early

1980s following the passage of the Clean Water Act, and some of the collection system facilities and piping were constructed as early as the 1940s and 1950s. Central San recognizes the need to address aging infrastructure and has developed an Asset Management system.

- ***Regulatory**:* This project driver describes projects required to reliably comply with regulatory requirements that are designed to protect human health and the environment, and includes planning needed to anticipate potential future regulatory requirements. Regulatory drivers that may trigger capital improvement projects include potential changes in future state and/or federal water, air, and solids regulations. Potential regulatory drivers include: changes to existing final effluent limits to address nutrients, selenium, contaminants of emerging concern, and others; changes to California/National Toxics Rules, 303 (d) listed pollutants and micropollutants, and new virus-based disinfection criterion; reductions in greenhouse gas emission Cap and Trade Program thresholds; compliance with Federal 129 sewage sludge incineration rules, changes to air emission limits, and solids handling/management and disposal regulations; recycled water, including potential coordinated projects with water agencies on Title 22, indirect or direct potable reuse opportunities; and collection system regulatory requirements such as the reduction of sewer system overflows. Occasionally, improvements are also required to improve the reliability of existing facilities to ensure 100% compliance with regulatory permits and to ensure protection of human health and the environment.

- ***Capacity**:* This project driver describes projects required to increase capacity of existing facilities. Capacity drivers that may trigger capital improvement projects include potential upgrades required to mitigate hydraulic bottlenecks and increase capacity of existing facilities to accommodate wastewater flows and loads. Projects that would be required to accommodate planned growth are <u>not</u> included in the CIP.

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

Example of Project Driver(s)

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

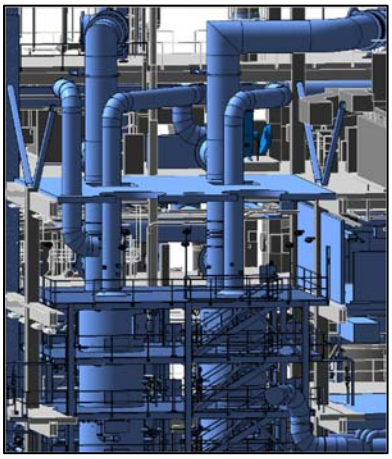
Each project is described on the following pages. Each project summary includes project name, description, prioritization, purpose, operating department impact and funding source, location, budgetary information, and drivers (i.e., the main impetus for the project). The main driver(s) for each project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

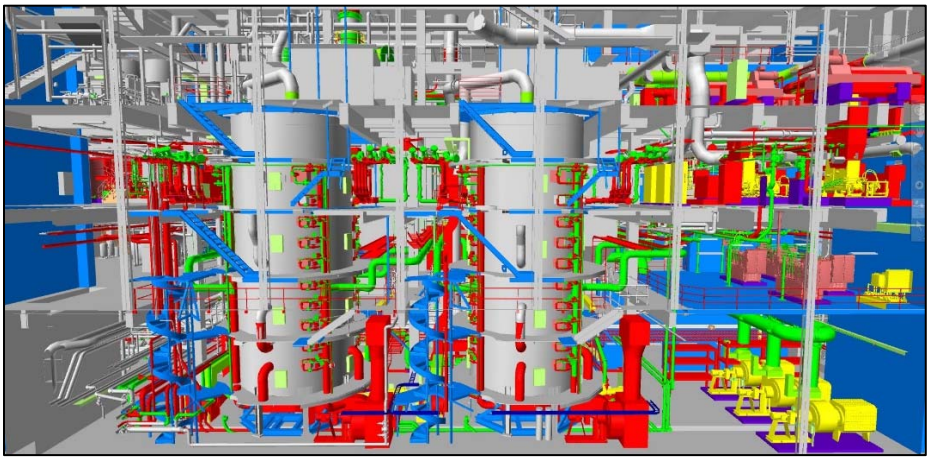
Capital Improvement Budget FY 2020-21 Accomplishments

Collection System Sewer Replacement: Several projects have replaced or rehabilitated up to 6.8 miles of sewers, most of which were 6-inch vitrified clay pipes in poor condition. Construction included sewer replacement, new manholes, 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 7.0 miles of upcoming sewer replacement this fiscal year and coordinated the projects with city paving programs and other utilities throughout the service area.

Sewer Replacement in a Residential Neighborhood and Creek Crossing

Regulatory and Safety Projects: One of the major regulatory challenges facing Central San concerns the air pollution control equipment on the existing furnaces at the wastewater treatment plant. The Solids Handling Facility Improvements Project will replace this equipment to meet current and future regulatory needs. In addition, this project will include structural modifications to the building, furnaces, and electrical bracing to meet current seismic standards. The project is expected to be awarded in the fall of 2020 with construction completion in 2025.





3-D Construction Modeling of the Solids Handling Facility Improvements Project

Safety projects include construction of the Emergency External Stairway for the Solids Conditioning Building, which provides for employee safety for emergency egress.

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

- **Pump Station Upgrades – Phase 1:** This construction project is focused on needed replacement of electrical, mechanical, and back-up power equipment at the Moraga and Orinda Crossroads Pumping Stations. The construction for the Flush Kleen Pumping Station was completed last fiscal year.
- **Pump Station Upgrades – Phase 2:** Land acquisitions and detailed design are ongoing for needed electrical and mechanical equipment replacements at the Martinez, Maltby, and Fairview Pumping Stations. Construction is expected to begin in late FY 2021-22.
- **Filter Plant and Clearwell Improvements – Phase 1A:** Started construction of this large project which includes replacement of deteriorated electrical infrastructure at the Clearwell, new pumps, recycled water storage improvements, and filter system modifications. Construction is expected to continue through FY 2021-22.
- **Steam and Aeration Blower Systems Renovation:** Condition assessments are nearing completion for the steam and heat recovery systems at the treatment plant and several other areas in the aeration system, as well as the treatment plant electrical systems. Several projects have been identified as a result and will be implemented in phases over time. The design of the first phase, which consists of the installation of three electric blowers, is nearing completion and the installation should begin this fiscal year. The second phase will focus on the Aeration System and will include the replacement of the diffusers and seismic upgrades. Third and fourth phases will address the Secondary Treatment Facilities and the Steam System, respectively.
- **Solids Handling Facility Improvements Project:** Three related solids projects were and will be constructed ahead of the main project, which include construction of the Emergency Sludge Loading Facility Improvements Project (Completed), Treatment Plant Safety Enhancements - Phase 5 Project (In Construction), and the Contractor Staging Improvements (starting construction FY 2021-22). The Solids Project construction contract is expected to be awarded in FY 2021-22.
- **Projects completed:** Several projects are either at Substantial Completion or Closed including the Mechanical and Concrete Renovations (Closed), and Recycled Water Clearwell Repairs (Closed). All of these projects replaced or protected critical infrastructure to allow Central San to continue to effectively collect, treat, and process wastewater, and deliver recycled water in compliance with all regulatory requirements.

Constructing new steel storage tanks and replacing a failed transformer under the Filter Plant and Clearwell Improvements Project – Phase 1

FY 2021-22 Capital Improvement Budget

The CIB Budget to date is approximately $159.27 million. The budget needed for all ongoing and new projects in FY 2021-22 is $107.96 million. The future year estimated budget for these projects is at $389.26 million. Combined the total estimated budget for the identified projects in the FY 2021-22 CIB is $656.48 million. The 2021 Ten-Year CIP is projected to be $939.71 million as shown below in Table 1:

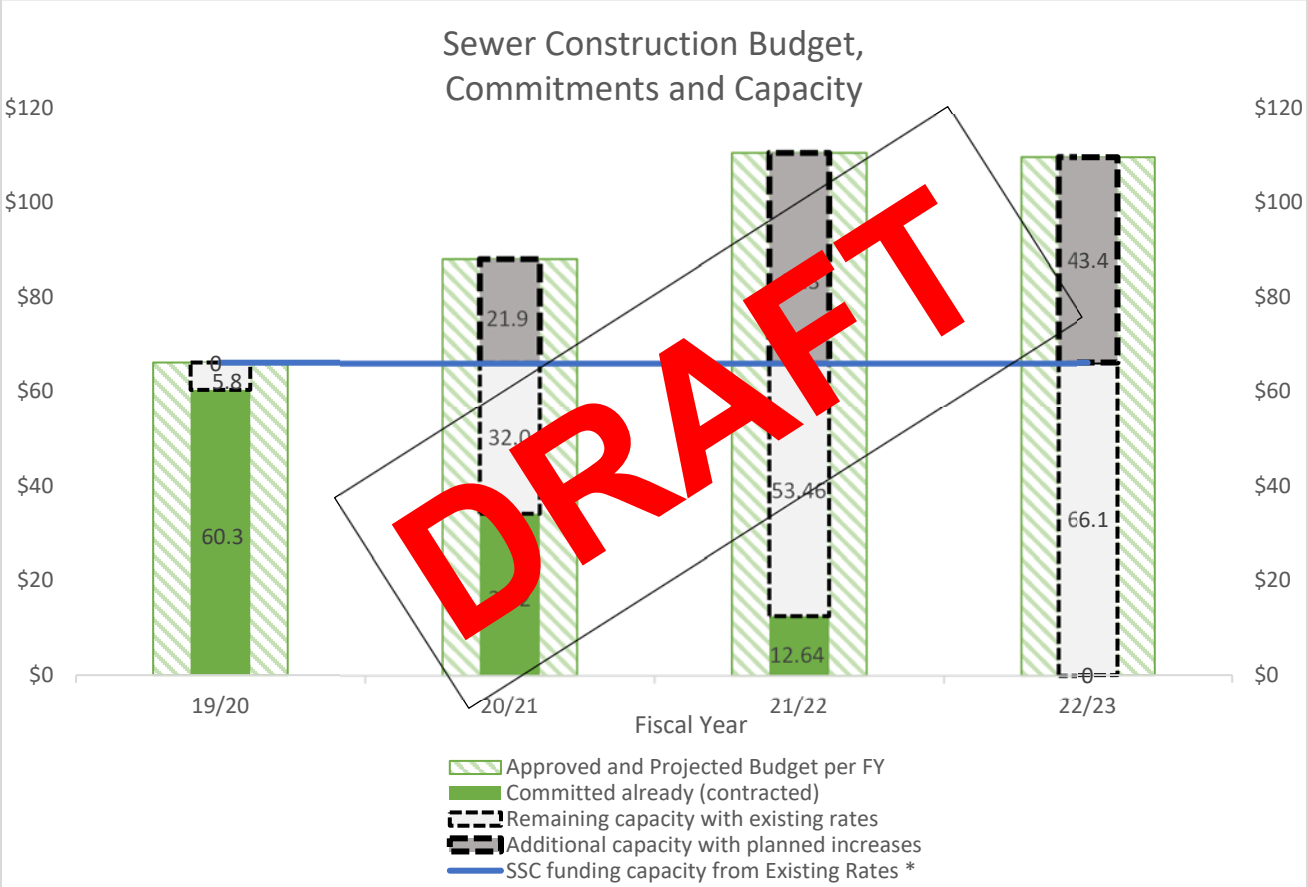
Table 1 – FY-2021-22 CIB per Program

Program	Budget-to-Date (1)	FY 2021-22 (2)	Future FYs (3)	Total Estimated Project Budgets (1)+(2)+(3)	FY 2021 Ten Year CIP
Collection System	$60,516,768	$39,795,000	$63,673,000	$163,984,768	$334,923,000
Treatment Plant	66,697,274	45,230,000	254,373,000	366,300,274	497,225,000
General Improvements	15,799,506	3,830,000	6,170,000	25,799,506	22,585,000
Recycled Water	16,254,000	16,600,000	42,345,000	75,199,000	59,781,000
CIB Contingency	-	2,500,000	22,700,000	25,200,000	25,200,000
Totals:	**$159,267,548**	**$107,955,000**	**$389,261,000**	**$656,483,548**	**$939,714,000**

The Budget to Date (1) above includes approximately 80% budget already spent for on-going projects.

FY 2021-22 Capital Improvement Budget Construction Commitments

As of April 30, 2021, the total construction commitments authorized by the Board in FY 2020-21 or prior is $60.3 million and a total of $46.8 million in future years. This includes all construction contracts, purchase orders, construction management, and supporting services to complete the construction phase within the CIB.



* Future years amounts may differ to the extent of reserve drawdowns. Additional analysis required.

"To be updated prior to budget adoption."

FY 2021-22 Capital Improvement Budget Major Project Emphasis

Although the CIB is comprised of budgets for many individual projects, there are several major projects that together account for most of the total capital budget. In FY 2021-22, the emphasis will be on thirteen large projects (those projects over $2.0 million), which together account for $85.69 million or 79% of the total CIB for the year. Each major project budget is shown below:

1. Solids Handling Facility Improvements		
FY-2021-22 Budget: $21,000,000	Estimated total project cost:	$184,984,000
	Estimated completion date:	FY 2025-26
2. Filter Plant and Clearwell Improvements – Phase 1A		
FY-2021-22 Budget: $16,000,000	Estimated total project cost:	$38,589,000
	Estimated completion date:	FY 2022-23
3. Pump Station Upgrades – Phase 1		
FY-2021-22 Budget: $12,644,000	Estimated total project cost:	$35,451,000
	Estimated completion date:	FY 2022-23
4. Electric Blower Improvements		
FY-2021-22 Budget: $7,400,000	Estimated total project cost:	$15,750,000
	Estimated completion date:	FY 2023-24
5. Walnut Creek Sewer Renovation – Phase 15		
FY-2021-22 Budget: $4,900,000	Estimated total project cost:	$5,400,000
	Estimated completion date:	FY 2021 -22
6. North Orinda Sewer Renovation – Phase 8		
FY-2021-22 Budget: $4,600,000	Estimated total project cost:	$5,300,000
	Estimated completion date:	FY 2022 -23
7. South Orinda Sewer Renovation – Phase 8		
FY-2021-22 Budget: $4,600,000	Estimated total project cost:	$6,100,000
	Estimated completion date:	FY 2021 -22
8. Influent Pump Electrical Improvements		
FY-2021-22 Budget: $3,250,000	Estimated total project cost:	$9,586,000
	Estimated completion date:	FY 2022-23
9. Pump Station Upgrades - Phase 2		
FY-2021-22 Budget: $3,000,000	Estimated total project cost:	$38,950,000
	Estimated completion date:	FY 2024-25
10. Piping Renovation – Phase 10		
FY-2021-22 Budget: $2,200,000	Estimated total project cost:	$5,950,000
	Estimated completion date:	FY 2022-23
11. Aeration Basins Diffusers and Seismic Improvements		
FY-2021-22 Budget: $2,100,000	Estimated total project cost:	$25,800,000
	Estimated completion date:	FY 2026-27
12. Martinez Sewer Renovation – Phase7		
FY-2021-22 Budget: $2,000,000	Estimated total project cost:	$5,300,000
	Estimated completion date:	FY 2022 -23
13. UV Disinfection Replacement and Hydraulic Improvements		
FY-2021-22 Budget: $2,000,000	Estimated total project cost:	$35,280,000
	Estimated completion date:	FY 2026-27

Capital Improvement Budget Modifications

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

Consolidation or Phasing of Existing Projects:

- The Collection System Sewer Renovation – Phase 1 has been or will be split to fund the construction of the Walnut Creek Sewer Renovation – Phase 15, North Orinda Sewer Renovation – Phase 8, South Orinda Sewer Renovation – Phase 8, and Martinez Sewer Renovation – Phase 7, as well as Danville Sewer Renovation – Phase 4 as planned and within budget.
- The UV Replacement and UV Hydraulic Improvement Projects will be combined into one project due to the interdependency of the design and construction.
- Steam and Aeration Improvement Project: Elements identified as part of the condition assessment and will be completed in multiple projects as follows:
    a. Phase 1 - Electrical Blower Improvements Project
    b. Phase 2 - Aeration Basins Diffusers and Seismic Renovation Project
    c. Phase 3 - Secondary Treatment Improvements Project
    d. Phase 4 - Steam System Renovation Project
    - Combined the Electric Blower Improvements and Piping Renovation- Phase 10 into one construction contract due to the similar scope and project locations.
    - Combined the Contractor Staging project and the Treatment Plant Security Improvements for bidding purposes into one construction contract.

Modification of Scope or Budget:

- The Pump Station Upgrades – Phase 1 was increased by $420,000 due to a recent and unexpected change in air regulations.
- Outfall Improvements – Phase 7 budget was transferred to initiate a new project, Outfall Monitoring improvements at $610,000 to address regulatory concerns and repairs of the existing level monitoring system.
- The Contractor Staging Improvements project budget was increased by $650,000 to address contaminated soils issues for the construction project.
- The Solids Handling Facility Improvements, Piping Phase 10, and Electrical Blower Projects budget were increased. These budgets were increased for scope items such as temporary dewatering, sludge hauling costs, and temporary electrical systems under the Solids project, additional electrical work for VFD replacements for Piping Phase 10, and increased scope to replace the blower filter houses and exterior civil improvements to accommodate the new transformers for the Electric Blower project.

Renaming Projects:

- *UV Disinfection Replacement (DP-100012) and UV Hydraulic Improvements (DP-100013) will be merged into a single project entitled "UV Disinfection Replacement (DP-100012)".*

California Environmental Quality Act (CEQA) Compliance

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

- *Exemption:* Staff will recommend an Exemption Finding, if still appropriate, when each project receives approval consideration at a future Board meeting.
- *Negative Declaration:* Staff will prepare a Negative Declaration for the project. Board consideration of approval of the project would follow its approval of the Negative Declaration.
- *Environmental Impact Report:* Staff will direct preparation of an Environmental Impact Report. Board consideration of approval of the project would follow certification of the Environmental Impact Report.
- *CEQA Documents Completed:* For these projects, CEQA compliance has already been achieved through documents previously prepared and approved.

CEQA Compliance Summary for FY 2021-22

Program/Project		Exemption	CEQA Document Required
COLLECTION SYSTEM PROGRAM			
5991	Pleasant Hill Sewer Renovation – Phase 2	X	
8419	Collection System Planning	X	
8436	Pump Station Upgrades – Phase 1	X	
8442	Pumping Station Equipment and Piping Replacement – Phase 2	X	
8443	Large Diameter Pipeline Inspection Program – Phase 1	X	
8444	Force Main Inspection Program – Phase 1	X	
8447	Pumping Station Security Improvements	X	
8448	Manhole Modification Project	X	
8449	Collection System Modeling Support	X	
8450	Development Sewerage Support	X	
8451	Collection System Sewer Renovation – Phase 1	X	
8457	Pump Station Upgrades – Phase 2	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
8458	Martinez Sewer Renovation – Phase 6	X	
8459	Lafayette Sewer Renovation – Phase 14	X	
8460	Walnut Creek Sewer Renovation – Phase 14	X	
8461	South Orinda Sewer Renovation – Phase 8	X	
8463	North Orinda Sewer Renovation - Phase 8	X	
8464	Martinez Sewer Renovation - Phase 7	X	
8465	Walnut Creek Sewer Renovation - Phase 15	X	
8466	Danville Sewer Renovation - Phase 4	X	
100005	Cured-in-Place Pipe Blanket Contract FY 2020-25	X	
100006	Contractual Assessment District Project Financing	X	
100007	Large Diameter Piping Renovation Program	X	
100017	San Ramon Electrical Improvements	X	
TBD	Collection System Master Plan 2021 Update	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.

Program/Project		Exemption	CEQA Document Required
TREATMENT PLANT PROGRAM			
7304	Programmable Logic Controller Systems Upgrades	X	
7315	Applied Research and Innovations	X	
7328	Influent Pump Electrical Improvements	X	
7339	Plant Control System I/O Replacement	X	
7341	Walnut Creek/Grayson Creek Levee Rehab		Contra Costa County Flood Control and Water Conservation District will be the Lead Agency and will determine appropriate CEQA documentation.
7348	Solids Handling Facility Improvements	X	
7349	Steam and Aeration Blower Systems Renovations	X	
7352	Ultraviolet Disinfection Upgrades	X	
7353	Outfall Improvements – Phase 7	X	
7354	Treatment Plant Security Improvements	X	
7355	Odor Control Upgrades – Phase 1	X	
7357	Plant-Wide Instrumentation Upgrades	X	
7363	Treatment Plant Planning	X	
7364	Treatment Plant Safety Enhancements – Phase 5	X	
7369	Piping Renovation – Phase 10	X	
7370	Annual Infrastructure Replacement	X	
7371	Condition Assessment of Buried Pipelines	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
7373	Fire Protection System – Phase 3	X	
7375	Contractor Staging Improvements	X	
100001	UPCCAA Urgent Projects FY 2020-25	X	
100008	Laboratory Roof and Seismic Upgrades	X	
100009	Hearth Replacement	X	
100010	Air Conditioning and Lighting Renovation	X	
100011	Plant Electrical Replacement and Rehabilitation	X	
100012	UV Disinfection Replacement and Hydraulic Improvements	X	
100014	MRC Building and Maintenance Shops Improvements	X	
100015	Electric Blower Improvements	X	
100018	Outfall Monitoring Improvements	X	
TBD	Aeration Basin Diffusers and Seismic Improvements	X	
TBD	Wet Weather Basins Improvements	X	
TBD	TP Safety Enhancements - Phase 6	X	

Program/Project		Exemption	CEQA Document Required
GENERAL IMPROVEMENTS PROGRAM			
8230	Capital Legal Services	X	
8236	District Easement Acquisition	X	
8240	IT Development	X	
8250	ERP Replacement	X	
8251	Capital Improvement Program and Budget Improvements	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
8252	POB E.V. Charging Station	X	
8253	COVID-19 Response	X	
8516	District Equipment Acquisition	X	
8517	Vehicle Replacement Program	X	
100003	Property Repairs and Improvements	X	
100004	HOB Exterior Repairs	X	
TBD	Security Improvements FY 2021-25	X	
TBD	Technology Strategic Plan	X	Planning is exempt; more information is needed on future aspects of this project to determine appropriate CEQA documentation.
RECYCLED WATER PROGRAM			
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	
TBD	Zone 1 Recycled Water 2021+	X	

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Capital Improvement Budget – Collection System Program

The following are the major points of emphasis for the FY 2021-22 Collection System Program:

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

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

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

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

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

CIB Table 2 – FY 2021-22 Collection System Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY2021-22	Future FYs	Total by Project
5991	Pleasant Hill Sewer Renovation - Phase 2	$960,000	$500,000	$-	$1,460,000
8419	Collection System Planning	1,385,000	200,000	200,000	1,785,000
8436	Pump Station Upgrades - Phase 1	22,807,000	12,644,000	-	35,451,000
8442	Pump Station Equipment & Piping Replacement - Phase 2	364,000	200,000	200,000	764,000
8443	Large Diameter Pipeline Inspection Program - Phase 1	1,295,000	500,000	-	1,795,000
8444	Force Main Inspection Program - Phase 1	625,000	500,000	-	1,125,000
8447	Pump Station Security Improvements	282,000	75,000	238,000	595,000
8448	Manhole Modifications	1,607,925	400,000	350,000	2,357,925
8449	Collection System Modeling Support	423,000	120,000	-	543,000
8450	Development Sewerage Support	3,132,316	900,000	4,635,000	8,667,316
8451	Collection System Sewer Renovation - Phase 1	4,562,527	1,136,000	-	5,698,527
8457	Pump Station Upgrades - Phase 2	2,950,000	3,000,000	33,000,000	38,950,000
8458	Martinez Sewer Renovation - Phase 6	4,470,000	-	-	4,470,000
8459	Lafayette Sewer Renovation - Phase 14	4,200,000	-	-	4,200,000
8460	Walnut Creek Sewer Renovation - Phase 14	5,173,000	-		5,173,000
8461	South Orinda Sewer Renovation - Phase 8	1,500,000	4,600,000	-	6,100,000
8463	North Orinda Sewer Renovation - Phase 8	500,000	4,600,000	200,000	5,300,000
8464	Martinez Sewer Renovation - Phase 7	500,000	2,000,000	2,800,000	5,300,000
8465	Walnut Creek Sewer Renovation - Phase 15	500,000	4,900,000	-	5,400,000
8466	Danville Sewer Renovation - Phase 4	500,000	1,000,000	3,800,000	5,300,000
100005	Cured-In-Place Pipe Blanket Contract (FY 2021-25)	600,000	250,000	750,000	1,600,000
100006	Contractual Assessment District Project	500,000	500,000	2,000,000	3,000,000
100007	Large Diameter Piping Renovation Program	1,500,000	500,000	15,000,000	17,000,000
100017	San Ramon Electrical Improvements	180,000	520,000	500,000	1,200,000
TBD *	Collection System Master Plan 2021 Update	-	750,000	-	750,000
	Collection System Total:	**$60,516,768**	**$39,795,000**	**$63,673,000**	**$163,984,768**

*New Projects in FY 2021-22

Pleasant Hill Sewer Renovation – Phase 2 – District Project 5991

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	25	150

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

The Pleasant Hill Sewer Renovation Project – Phase 2 will replace or rehabilitate small diameter sewers located in both public rights-of-way and easements within the city of Pleasant Hill. Design and construction for this project will be included and coordinated with the Collection System Sewer Renovation Project – Phase 1.

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): City of Pleasant Hill

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$183,000	$-	$-	$-	$183,000
Design	527,000	-	-	-	527,000
Construction	250,000	500,000	-	-	750,000
FY Total	**$960,000**	**$500,000**	**$-**	**$-**	**$1,460,000**

Collection System Planning – District Project 8419

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	30	115

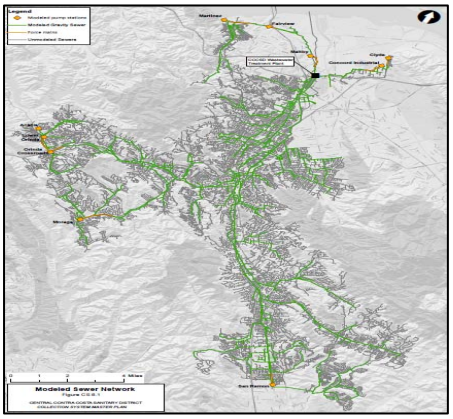
Purpose:

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

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

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



Description:

The following are major elements included in the project:

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System and Pumping Stations

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,385,000	$200,000	$200,000	$-	$1,785,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$1,385,000**	**$200,000**	**$200,000**	**$-**	**$1,785,000**

Pump Station Upgrades – Phase 1 – District Project 8436

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	4	325

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

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

Description:

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

- Add grinder(s) at the Moraga Pumping Station
- Construct a surge tank and canopy at Orinda Crossroads
- Replace wet weather diesel engine driven pumps with electric motors at Moraga and Orinda Crossroads
- New backup generators and automatic transfer switch improvements at all three sites
- Recondition or replace pumps, valves, and gates
- Repair/recoat piping and concrete
- Major electrical/controls replacement, 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
- Coordination with the City of Orinda, Town of Moraga, and others
- New PG&E Services and entry panels.

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): Moraga, Flush Kleen, and Orinda Crossroads Pumping Stations

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$450,000	$-	$-	$-	$450,000
Design	3,200,000	-	-	-	3,200,000
Construction	19,157,000	12,644,000	-	-	31,801,000
FY Total	**$22,807,000**	**$12,644,000**	**$-**	**$-**	**$35,451,000**

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	20	185

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

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

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

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

Description:

The following are major elements included in the project:

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

Operating Department Impact and Funding Source:

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

Location(s): Pumping Stations

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	364,000	200,000	200,000	-	764,000
FY Total	**$364,000**	**$200,000**	**$200,000**	**$-**	**$764,000**

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	11	255

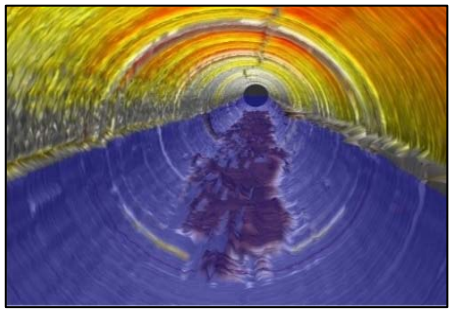
Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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



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

Description:

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

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,295,000	$500,000	$-	$-	$1,795,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$1,295,000**	**$500,000**	**$-**	**$-**	**$1,795,000**

Force Main Inspection Program – Phase 1 – District Project 8444

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	20	185

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

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

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$625,000	$500,000	$-	$-	$1,125,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$625,000**	**$500,000**	**$-**	**$-**	**$1,125,000**

Pump Station Security Improvements – District Project 8447

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	35	85

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

In addition to worker safety, there are many critical assets that require physical security improvements to minimize the 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.

Description:

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

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

Operating Department Impact and Funding Source:

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

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

Location(s): Pump Stations

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	131,000	-	-	-	131,000
Construction	151,000	75,000	82,000	156,000	464,000
FY Total	**$282,000**	**$75,000**	**$82,000**	**$156,000**	**$595,000**

Manhole Modifications – District Project 8448

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	20	185

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

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

Description:

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	1,607,925	400,000	350,000	-	2,357,925
FY Total	**$1,607,925**	**$400,000**	**$350,000**	**$-**	**$2,357,925**

Collection System Modeling Support – District Project 8449

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	29	120

Purpose:

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

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

A new *InfoWorks®* Integrated Catchment Modeling hydrodynamic collection system model was configured and calibrated for 190 miles of the trunk sewer system. The new model replaced an old steady-state static model that was no longer supported by vendors and did not offer the same level of accuracy or useful output information that is available with new vendor-supported, state-of-the-art hydrodynamic models.

The new 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 (paid by permit or plan review fees) and special discharges, evaluating re-routing options, and providing hydraulic grade line information that is helpful during emergencies or sewer renovation work.

Description:

The following are major elements included in the project:

- Coordinate and update the *InfoWorks®* model with the Geographic Information System
- Consider expansion of the trunk sewer model into high priority development areas where anticipated sewer capacity evaluations will be required
- Identify critical areas with model-predicted surcharge conditions, and install remote level monitors and/or flow monitoring equipment and rain gauges if required

Operating Department Impact and Funding Source:

This project will have a minor impact on the operating budget due to software updating and licensing costs. Project expenditures are funded from Capital Revenues.

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	423,000	120,000	-	-	543,000
FY Total	**$423,000**	**$120,000**	**$-**	**$-**	**$543,000**

Development Sewerage Support – District Project 8450

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	26	145

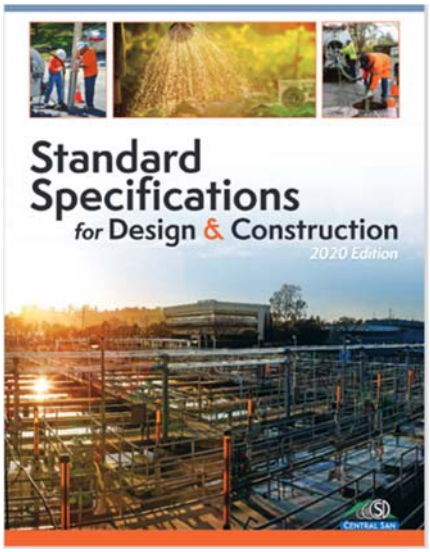
Purpose:

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

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

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



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

Description:

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	3,132,316	900,000	927,000	3,708,000	8,667,316
FY Total	**$3,132,316**	**$900,000**	**$927,000**	**$3,708,000**	**$8,667,316**

Collection System Sewer Renovation – Phase 1 – District Project 8451

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	10	270

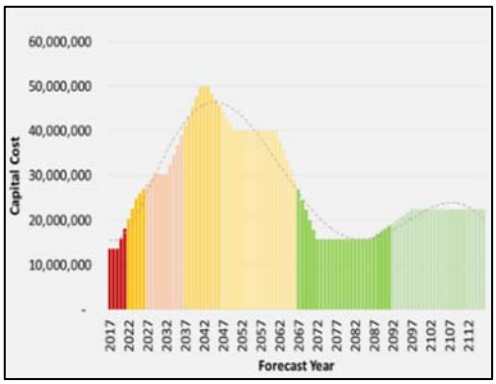
Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Nearly all of Central San's sewers will reach the end of their useful lives within the next 100 years. The bulk of the replacement is recommended beyond the Ten-Year Capital Improvement Plan. Continual replacement will provide the best possible protection against SSOs. The *InfoMaster®* sewer replacement risk model was developed to prioritize the timing for sewer replacement and to develop a risk-based sewer replacement program. The Collection System Sewer Renovation Project – Phase 1 will span the next five fiscal years (FYs 2018-23). Central San was planning to replace up to 7.6 miles per year with increasing in years 10 through 20 in the Capital Improvement Program. Phase 1's current approach is to replace approximately 6-7 miles per year.



Description:

This project is for sewer selection planning and design work for new sewer replacement projects totaling up to 14 miles of replacement. These designs will be bid and split into individual projects for construction and will span two fiscal years. Future projects in such areas include:

- Lafayette, Moraga, and Orinda;
- Walnut Creek, Alamo, and Diablo;
- Martinez, Pleasant Hill, Pacheco, Concord, and Clyde;
- Danville and San Ramon; and
- Unincorporated areas within Contra Costa County

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	1,000,000	-	-	1,000,000
Construction	4,562,527	136,000	-	-	4,698,527
FY Total	**$4,562,527**	**$1,136,000**	**$-**	**$-**	**$5,698,527**

Pump Station Upgrades – Phase 2 – District Project 8457

Program	Phase	Priority Rank:	Ranking Score
Collection System	Design	21	175

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

As part of the CWMP, 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 pump stations.

Description:

The following are major elements included in the project:

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

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$150,000	$-	$-	$-	$150,000
Design	2,800,000	1,100,000	-	-	3,900,000
Construction	-	1,900,000	10,000,000	23,000,000	34,900,000
FY Total	**$2,950,000**	**$3,000,000**	**$10,000,000**	**$23,000,000**	**$38,950,000**

Martinez Sewer Renovation – Phase 6 – District Project 8458

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

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

Description:

The Martinez Sewer Renovation Project – Phase 6 will replace or rehabilitate up to approximately 9,000 feet of small diameter sewers located in both public right-of-way and easements.

Operating Department Impact and Funding Source:

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

Location(s): Martinez

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	500,000	-	-	-	500,000
Construction	3,970,000-		-	-	3,870,000
FY Total	**$4,470,000**	**$-**	**$-**	**$-**	**$4,470,000**

Lafayette Sewer Renovation – Phase 14 – District Project 8459

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

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

Description:

The Lafayette Sewer Renovation Project – Phase 14 will replace or rehabilitate up to approximately 10,000 feet of small diameter sewers located in both public right-of-way and easements.

Operating Department Impact and Funding Source:

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

Location(s): Lafayette

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	500,000	-	-	-	500,000
Construction	3,600,000		-	-	3,600,000
FY Total	**$4,200,000**	**$-**	**$-**	**$-**	**$4,200,000**

Walnut Creek Sewer Renovation – Phase 14 – District Project 8460

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

The Walnut Creek Sewer Renovation Project – Phase 14 will replace or rehabilitate up to approximately 10,000 feet of small diameter sewers located in both public right-of-way and easements. This project includes a creek crossing.

Operating Department Impact and Funding Source:

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

Location(s): Walnut Creek

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$	$-	$-	$100,000
Design	500,000	-	-	-	500,000
Construction	4,573,000-		-	-	4,573,000
FY Total	**$5,173,000**	**$-**	**$-**	**$-**	**$5,173,000**

South Orinda Sewer Renovation – Phase 8 – District Project 8461

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

The South Orinda Sewer Renovation Project – Phase 8 will replace or rehabilitate up to approximately 5,100 feet of small diameter sewers located in both public right-of-way and easements within the southern portion of the city of Orinda, unincorporated Orinda, and the town of Moraga, south of Highway 24.

Operating Department Impact and Funding Source:

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

Location(s): Orinda and Moraga

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	500,000	-	-	-	500,000
Construction	900,000	4,600,000	-	-	5,500,000
FY Total	**$1,500,000**	**$4,600,000**	**$-**	**$-**	**$6,100,000**

North Orinda Sewer Renovation – Phase 8 – District Project 8463

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/ Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

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

Operating Department Impact and Funding Source:

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

Location(s): Orinda and Moraga

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	400,000	200,000	-	-	600,000
Construction	-	4,400,000	200,000	-	4,600,000
FY Total	**$500,000**	**$4,600,000**	**$200,000**	**$-**	**$5,300,000**

Martinez Sewer Renovation – Phase 7 – District Project 8464

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/ Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

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

Description:

The Martinez Sewer Renovation – Phase 7 Project will replace or rehabilitate up to approximately 9,000 feet of small diameter sewers located in both public right-of-way and easements.

Operating Department Impact and Funding Source:

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

Location(s): Martinez

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	400,000	200,000	-	-	600,000
Construction	-	1,800,000	2,800,000	-	4,600,000
FY Total	**$500,000**	**$2,000,000**	**$2,800,000**	**$-**	**$5,300,000**

Walnut Creek Sewer Renovation – Phase 15 – District Project 8465

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/ Construction	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

The Walnut Creek Sewer Renovation – Phase 15 Project will replace or rehabilitate up to approximately 10,000 feet of small diameter sewers located in both public right-of-way and easements. This project includes a creek crossing.

Operating Department Impact and Funding Source:

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

Location(s): Walnut Creek

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	400,000	200,000	-	-	600,000
Construction	-	4,700,000	-	-	4,700,000
FY Total	**$500,000**	**$4,900,000**	**$-**	**$-**	**$5,400,000**

Danville Sewer Renovation – Phase 4 – District Project 8466

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	23	165

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

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

Description:

The Danville Sewer Renovation – Phase 4 Project will replace or rehabilitate approximately up to 6,000 feet of small diameter sewers located in both public right-of-way and easements within the town of Danville.

Operating Department Impact and Funding Source:

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

Location(s): Town of Danville

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	400,000	100,000	-	-	500,000
Construction	-	900,000	3,800,000	-	4,700,000
FY Total	**$500,000**	**$1,000,000**	**$3,800,000**	**$-**	**$5,300,000**

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

Program	Phase	Priority Rank	Ranking Score
Collection System	Design/Construction	15	215

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

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

Description:

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

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

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	150,000	-	-	-	150,000
Construction	450,000	250,000	250,000	500,000	1,450,000
FY Total	**$600,000**	**$250,000**	**$250,000**	**$500,000**	**$1,600,000**

Contractual Assessment District Project Financing – District Project 100006

Program	Phase	Priority Rank	Ranking Score
Collection System	Construction	29	120

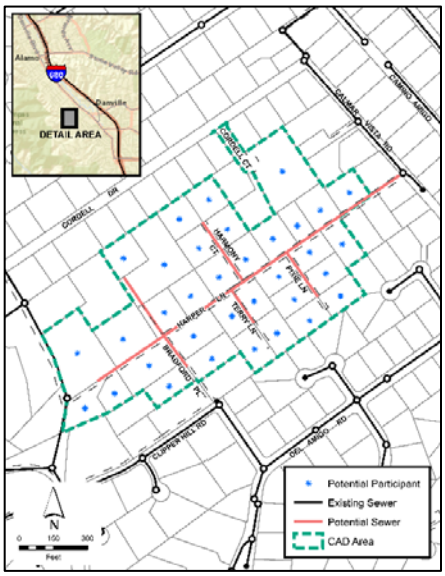
Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

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



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 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	500,000	500,000	250,000	1,750,000	3,000,000
FY Total	**$500,000**	**$500,000**	**$250,000**	**$1,750,000**	**$3,000,000**

Large Diameter Piping Renovation Program – District Project 100007

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	19	190

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San owns 76 miles of wastewater trunks and interceptors ranging from 24 inches to 102 inches in diameter. The typical lifespan of large sewers ranges from 50 to 150 years depending on pipe material, hydraulic, operating, and environmental conditions. Nearly half of Central San's large sewers are over 50 years old and will be evaluated under District Project 8443 for remaining life. The bulk of the replacement is recommended within the Ten-Year Capital Improvement Plan. Continual replacement will provide the best possible protection against SSOs. The Large Diameter Piping Renovation Project – Phase 1 will span the next five fiscal years (FYs 2020-27).

Description:

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

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$400,000	$-	$-	$-	$400,000
Design	1,100,000	500,000	-	-	1,600,000
Construction	-	-	3,000,000	12,000,000	15,000,000
FY Total	**$1,500,000**	**$500,000**	**$3,000,000**	**$12,000,000**	**$17,000,000**

San Ramon Electrical Upgrades – District Project 100017

Program	Phase	Priority Rank	Ranking Score
Collection System	Design	11	255

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

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

Description:

The following are major elements included in the project:

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

Operating Department Impact and Funding Source:

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

Location(s): San Ramon

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	180,000	20,000	-	-	200,000
Construction	-	500,000	500,000	-	1,000,000
FY Total	**$180,000**	**$520,000**	**$500,000**	**$-**	**$1,200,000**

Collection System Master Plan 2021 Update – TBD

Program	Phase	Priority Rank	Ranking Score
Collection System	Planning	24	160

Purpose:

To update the 2017 CWMP that determines the future direction, capital improvement needs, and priorities for the District's collection system's needs.

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

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

Description:

- The Collection System (CS) Master Plan was one component of the 2019 CWMP. A key deliverable of the CS Master Plan update will be the CIP for replacement of the collection system gravity sewers, large diameter pipelines, and force mains for the next 20-year planning horizon that provides the descriptions, rationale and estimated costs for Central San's collection system. A phased inspection program was developed and prioritized based on age and consequence of failure: Capital improvement projects and ongoing programs in order to address aging infrastructure, meet existing and anticipated regulatory requirements, accommodate planned growth, or other critical collection system needs will be addressed in the update.
- The CS Master Plan update will also review the remaining pump stations that were not renovated the past five years, including Bates Boulevard, San Ramon, Clyde, and Concord Industrial, and Acacia Pump Stations (Wagner Ranch Pump Stations)

Operating Department Impact and Funding Source:

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

Location(s): Collection System

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$750,000	$-	$-	$750,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$-**	**$750,000**	**$-**	**$-**	**$750,000**

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Capital Improvement Budget – Treatment Plant Program

The following are the major points of emphasis for the FY 2021-22 Treatment Plant Program:

- Replace equipment as they reach the end of their useful lives to avoid structural and mechanical failures, reduce downtime, and control maintenance costs
- Rehabilitate aging infrastructure and assure process systems are reliable
- Meet or exceed safety standards for employees
- Respond to regulatory requirements related to pending air emissions regulations
- Increase sustainability and energy related projects for future sustainability

Aging Infrastructure (Asset Rehabilitation and Replacement Projects)

Projects in this subprogram are targeted as asset preservation, rehabilitation, and replacement. The main projects in this program are the Plant-Wide Instrumentation Upgrades and the Influent Pump Electrical Improvements, which will extend the useful life of existing equipment and/or facilities and replace critical infrastructure like the Headworks variable frequency drives.

The largest and most significant project will be the start of the Solids Handling Facility Improvements, which includes sludge blending tanks, solids dewatering equipment replacement (feed pumps, centrifuges, cake pumps), wet scrubber, ash handling improvements, as well as associated electrical, instrumentations, and controls improvements.

The design of the Ultraviolet (UV) Disinfection System Improvements will begin and will be merged with the UV Hydraulic Improvement Project.

The Steam and Aeration Blower Systems Renovations (Steam project) will conclude its condition assessment of the aging steam systems, secondary treatment processes, and associated electrical distribution systems. Several of the phases that are derived from the Steam project will be implemented. These include construction of the Electric Blower Improvement, design of the Aeration Basins Diffusers Renovation and Seismic Improvement project, and the preliminary design of the Steam System Improvements.

Other aging infrastructure projects include Piping Renovation - Phase 10, Annual Infrastructure Project, and Uniform Public Construction Cost Accounting Act (UPCCAA) Urgent Projects.

Regulatory Compliance (Includes Planning and Safety Projects)

This subprogram includes projects that emphasize preparing for future regulations and treatment plant planning, including pilot testing various new technologies. Work will be implemented to comply with pending new air permitting requirements, and the installation of incinerator emissions improvements is included in the Solids Handling Facility Improvements Project.

Safety and security improvements will continue under this subprogram. The Solids Conditioning Building and multiple hearth furnaces seismic improvements design will continue under the Solids Handling Facility Improvements Project. The design of the UV Disinfection System Improvements will

be implemented to make sure the treatment plant can reliably meet the disinfection National Pollutant Discharge Elimination System (NPDES) effluent permit requirements. The existing activated sludge process, which includes the aeration basins. has been added to the CIB because the aeration diffusers which provide oxygen to the biological system are no longer able to provide adequate oxygen transfer for a reliable process and could lead to potential permit violations if not attended to in the near future

Capacity (Expansion Projects)

There are no projects in the Expansion Program in FY 2021-22.

Sustainability (Resiliency and Energy Projects)

Under this subprogram, the existing steam and aeration blower systems at the treatment plant will continue evaluation through condition assessments and the Lighting and Air Conditioning Project will replace equipment in poor condition with high efficiency models.

All projects in this program are summarized, including planned expenditures, in the following Table 3:

CIB Table 3 – FY 2021-22 Treatment Plant Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY2021-22	Future FYs	Total by Project
7304	PLC Systems Upgrades	$620,000	$120,000	$-	$740,000
7315	Applied Research & Innovations	1,357,274	300,000	700,000	2,357,274
7328	Influent Pump Electrical Improvements	4,910,000	3,250,000	1,426,000	9,586,000
7339	Plant Control System I/O Replacement	3,470,000	-	1,059,000	4,529,000
7341	Walnut Creek/Grayson Creek Levee Rehab	550,000	500,000	1,600,000	2,650,000
7348	Solids Handling Facility Improvements - Phase 1	19,984,000	21,000,000	143,000,000	183,984,000
7349	Steam Aeration & Blower Systems Renovations	5,800,000	250,000	29,300,000	35,350,000
7352	Ultraviolet Disinfection Upgrades	1,350,000	-	-	1,350,000
7353	Outfall Improvements - Phase 7	5,920,000	-	-	5,920,000
7354	Treatment Plant Security Improvements	1,255,000	445,000	-	1,700,000
7355	Odor Control Upgrades - Phase 1	300,000	-	1,000,000	1,300,000
7357	Plant-Wide Instrumentation Upgrades	1,021,000	400,000	410,000	1,831,000
7363	Treatment Plant Planning	1,800,000	300,000	300,000	2,400,000
7364	Treatment Plant Safety Enhancement - Phase 5	1,180,000	-	-	1,180,000
7369	Piping Renovation - Phase 10	3,250,000	2,200,000	500,000	5,950,000
7370	Annual Infrastructure Replacement FY 2019-25	3,000,000	1,255,000	6,500,000	10,755,000
7371	Condition Assessment of Buried Yard Pipelines	500,000	-	500,000	1,000,000
7373	Fire Protection System - Phase 3	650,000	450,000	-	1,100,000
7375	Contractor Staging Improvements	3,350,000	-	-	3,350,000
100001	UPCCAA Urgent Projects FY 2020-25	600,000	600,000	1,800,000	3,000,000
100008	Laboratory Roof & Seismic Upgrades	500,000	450,000	-	950,000
100009	MHF Hearth Replacement	500,000	-	500,000	1,000,000
100010	Air Conditioning and Lighting Renovations Project	750,000	500,000	500,000	1,750,000
100011	Plant Electrical Replacement and Rehabilitation	400,000	200,000	1,660,000	2,260,000
100012	UV Disinfection Replacement and Hydraulic Improvements	980,000	2,000,000	32,300,000	35,280,000
100014	MRC Building and Maintenance Shops Improvements	450,000	300,000	600,000	1,350,000
100015	Electric Blower Improvements	1,750,000	7,400,000	6,600,000	15,750,000
100018	Outfall Monitoring Improvements	100,000	510,000	-	610,000

Project Number	Project Name	Budget-to-Date	FY2021-22	Future FYs	Total by Project
TBD*	Aeration Basins Diffuser Replacement and Seismic Upgrades Project	200,000	2,100,000	23,500,000	25,800,000
TBD*	TP Safety Enhancements - Phase 6	-	200,000	618,000	818,000
TBD*	Wet Weather Basin Improvements	200,000	500,000	-	700,000
	Treatment Plant Total:	**$66,697,274**	**$45,230,000**	**$254,373,000**	**$366,300,274**

*New projects in FY 2021-22

Programmable Logic Control Systems Upgrades – District Project 7304

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	13	230

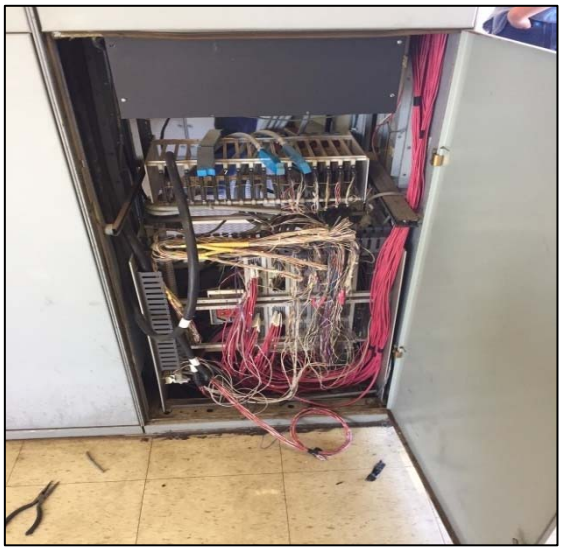
Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

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

Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	100,000	-	-	-	100,000
Construction	520,000	120,000	-	-	640,000
FY Total	**$620,000**	**$120,000**	**$-**	**$-**	**$740,000**

Applied Research & Innovations – District Project 7315

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Construction	18	200

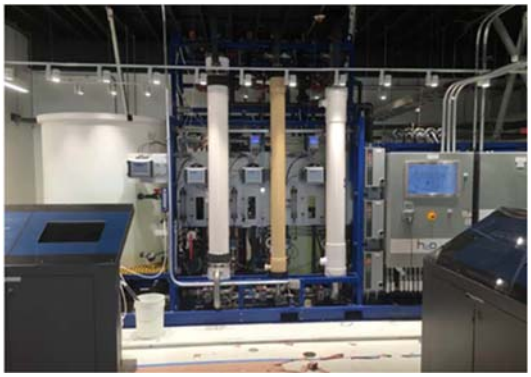
Purpose:

To implement applied research projects that evaluate promising technologies, processes, and innovations.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

One of Central San's goals is to embrace innovation and part of its vision is to be a leader in the wastewater industry. There are several emerging and innovative nutrient removal, disinfection, and solids handling technologies that may offer significant savings and reduced footprint requirements when compared to conventional technologies. Innovations in equipment and instrumentation that may be beneficial will be considered.



Prior to implementing any major renovations for nutrient removal or converting solids handling technologies, staff will evaluate the feasibility of emerging technologies and implement applied research pilots. These pilots will help verify the compatibility with wastewater and facilities, increase understanding of the technology, and help determine whether to consider the technology.

Description:

This project includes techno-economic evaluations and possible pilot testing of tertiary membrane nutrient removal technologies such as membrane aerated bioreactors, aerobic granular sludge, and other promising technologies. This project also funds the purchase of research equipment required for on-site field evaluations, optimizations, bench and pilot tests, and includes replacement of an existing 25+ year-old trailer with a new trailer to support ongoing applied research efforts.

Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,357,274	$150,000	$300,000	$400,000	$2,207,274
Design	-	-	-	-	-
Construction	-	150,000	-	-	150,000
FY Total	**$1,357,274**	**$300,000**	**$300,000**	**$400,000**	**$2,357,274**

Influent Pump Electrical Improvements – District Project 7328

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	2	330

Purpose:

To address aging electrical components of the influent pumps and improve reliability.

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

The Influent Pump Facility is critical to operations. During wet weather, some of the pumps convey wastewater to the holding basins. Without the pumps, wastewater cannot be treated or stored in the basins. The influent pump motors are in a dry pit room below grade that is susceptible to flooding. A leak in the piping or flooding of the connected tunnels could potentially submerge the motors and the entire treatment plant would experience a catastrophic shutdown. Electrical improvements are recommended to improve reliability and resiliency. The influent pumps' PLCs and variable frequency drives (VFDs) are outdated technology installed over 20 years ago and are becoming increasingly difficult to maintain. These VFDs have experienced multiple failures recently and are essential to managing flows, particularly during wet weather events.

Description:

Several major improvements in the influent pumping process area include:

- Replace influent pumps' VFDs and upgrade influent pumps' PLCs
- Add Influent Pump No. 6 for reliability and redundancy during peak wet weather events
- Evaluate implementation of "Smart Utility" and use of "Big Data" as part of this project
- Adding submersible sump pump and wetwell isolation gates (bid alternate) for flooding protection

Operating Department Impact and Funding Source:

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

Location(s): Influent Pump Station (Headworks Facility)

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	910,000	-	-	-	910,000
Construction	3,900,000	3,250,000	1,426,000	-	7,900,000
FY Total	**$4,910,000**	**$3,250,000**	**$1,426,000**	**$-**	**$9,586,000**

Plant Control System Input and Output Replacement – District Project 7339

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	8	290

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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 1,100 of these I/O cards are currently obsolete. Replacement units cannot be purchased from the manufacturer, nor are they fully supported. Central San maintains an inventory of over 100 spare I/O cards to reactively replace units as they fail.

Description:

This is a multi-phase effort to replace obsolete I/O cards and improve associated control system components. The following are major elements included in the project.

- Replace obsolete I/O cards with modern Schneider X80 I/O cards
- Retrofit I/O communication, including network cards and communication cabling
- Provide uninterruptible power system (UPS) power to I/O panels
- Upgrade field wiring and devices as necessary
- Provide as-built documentation of the updated system

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$200,000	$-	$-	$-	$200,000
Design	570,000	-		200,000	770,000
Construction	2,700,000	-		859,000	3,559,000
FY Total	**$3,470,000**	**$-**	**$-**	**$1,059,000**	**$4,529,000**

Walnut Creek/Grayson Creek Levee Rehab – District Project 7341

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design /Construction	25	150

Purpose:

To reduce the risk of flood damage to the treatment plant by raising levees through a project led by the Contra Costa County Flood Control and Water Conservation District (FCD).

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The treatment plant site is bordered by Walnut and Grayson Creeks with levees that were built by the FCD and US Army Corps of Engineers and are currently owned and maintained by the FCD. Overtopping of the levees could catastrophically disable treatment plant operations, result in significant facility damage, negatively impact the environment due to discharge of untreated sewage and impair the local economy. In 2007, the FCD implemented an interim flood control measure to desilt the lower Walnut Creek channel and raise the western levees of Walnut and Grayson Creeks. Based on recent modeling, the levees currently provide protection from a 30-year storm. The current flood protection standard by the California Department of Water Resources is to provide protection against at least a 200-year storm with three feet of freeboard, and to consider a rise in sea level and climate change.

Description:

Due to the critical nature of the treatment plant facilities, the levees will be raised to provide a protection level of a 200-year to 500-year storm with adequate freeboard. The FCD will be the lead agency, and Central San will provide support for design review and construction coordination. Both agencies have agreed to equally share the estimated project costs. Central San anticipates accepting and storing soil on buffer property that can be used as levee material to provide in-kind contributions of up to $500,000. Staff will continue to evaluate in-kind financial contributions.

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2021-22**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	200,000	-	-	-	200,000
Construction	250,00	500,000	1,250,000	350,000	2,350,000
FY Total	**$550,000**	**$500,000**	**$1,250,000**	**$350,000**	**$2,650,000**

Solids Handling Facility Improvements – District Project 7348

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	3	325

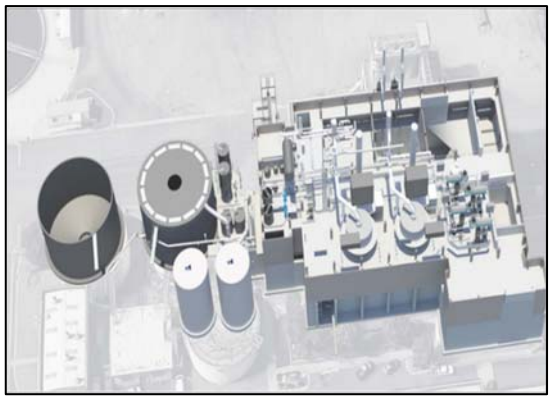
Purpose:

To rehabilitate and replace the sludge dewatering, sludge handling, sludge blending, ash handling, furnace air pollution control equipment, and structural upgrades to the building housing this equipment.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The existing furnaces have significant remaining useful life; however, other solids handling equipment requires replacement. The centrifuges and cake pumps have been in service for over 25 years, are costly to maintain, and spare parts are difficult to obtain. Mixing improvements are recommended for the sludge blending/storage tanks for reliable dewatering. The ash handling equipment is in poor condition and upgrades are recommended to reliably meet ash regulatory requirements. A more efficient wet scrubber and other air pollution control improvements will be needed to reliably comply with current and future air regulations. The Solids Conditioning Building that houses the furnaces, cogeneration unit, and other critical equipment does not meet current seismic standards and the building is close to the Concord Fault. Electrical and control systems associated with this equipment will need to be replaced during the project.



Description:

The following are major elements included in the project:

- Improvements to Emergency Sludge Loadout Facility and Blending Tanks (already constructed separately)
- Replace wet scrubber with a new Venturi scrubber capable of waste heat boiler bypass
- Replace centrifuges; cake pumps; and sludge blending, storage, and mixing systems
- Furnace burner upgrades and ash handling improvements to reduce fugitive ash emissions, improve reliability, and modify the Emergency Sludge Loadout Facility Seismic improvements for the furnaces and the Solids Conditioning Building
- Replace electrical and control systems to accommodate new equipment

Operating Department Impact and Funding Source:

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

Location(s): Solids Conditioning Building

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,000,000	$-	$-	$-	$1,000,000
Design	12,090,000	-	-	-	12,090,000
Construction	6,894,000	21,000,000	45,000,000	98,000,000	170,894,000
FY Total	**$19,984,000**	**$21,000,000**	**$45,000,000**	**$98,000,000**	**$183,894,000**

Steam and Aeration Blower Systems Renovations – District Project 7349

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/Design	14	225

Purpose:

To evaluate the existing steam system, waste heat recovery, steam turbines, electrical power distribution system, and secondary treatment systems, and to plan and preliminary design of future projects.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San's energy recovery system uses waste heat from the incinerator and cogeneration turbine to produce steam primarily for aeration blowers and other systems. The existing aeration system is from the 1970s and is outdated, inefficient, experiences significant air leaks, and has limited turndown capabilities. The existing steam piping, valves, and related equipment require a detailed assessment. Although it is advantageous to recover waste heat for producing aeration, it also creates a complicated interconnection. Disruptions in solids and steam systems can impact reliability of the secondary process. Similarly, disruptions in blower operation can impact the boiler, steam system, and solids emission controls.

Description:

Several major steam, electrical, and secondary process modifications are included in the evaluation:

- Evaluate the condition of the existing steam generation, steam-driven systems and turbine, and more efficient options to produce power from the future waste heat recovery system
- Evaluate and design the addition of new electrical blowers to supplement and/or replace the existing electric blower (Currently in design under DP 10015)
- Evaluate modifications to existing aeration tanks and the activated sludge system, including the hydraulics (Currently in design under new project TBD)
- Evaluate modifications to existing secondary clarifiers and associated return-activated sludge and waste-activated sludge feed systems.
- Determine impact from Refinery Recycled Water Exchange Project that would produce high quality recycled water with very low/no ammonia and low total dissolved solids to feed the two local oil refineries

Operating Department Impact and Funding Source:

Impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Pump and Blower Building, Solids Conditioning Building, Aeration Basins, Electrical Power Distribution System, Primary/Secondary Facilities, and other Treatment Plant Areas

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$2,500,000	$-	$-	$-	$2,500,000
Design	3,300,000	250,000	250,000	3,750,000	$7,550,000
Construction	-	-	-	25,300,000	$25,300,000
FY Total	**$5,800,000**	**$250,000**	**$250,000**	**$29,050,000**	**$35,350,000**

Outfall Improvements – Phase 7 – District Project 7353

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	5	305

Purpose:

To inspect the land and submarine portions of the outfall pipeline to maintain or repair the pipeline and meet regulatory requirements.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San's NPDES Permit requires proper operation and maintenance of the outfall pipeline that discharges treated final effluent to Suisun Bay. Every five to ten years, the 3.5 mile, 72-inch reinforced concrete outfall pipeline built in 1958 is drained and inspected to verify pipeline alignment and condition of the pipeline and seals. As part of the 2012 Outfall Improvements Project, over 1,500 pipe joints were inspected, and 368 joints were repaired with new seals. Of the over 1,500 joints, approximately 950 have been repaired.

During the project, final effluent is routed to the Wet Weather Holding Basins and temporarily discharged for several weeks through the overflow weir structure to Walnut Creek in accordance with permit requirements.

Description:

The last inspection of the outfall was in 2013 and it is due for a new inspection. This project will include many elements as completed during the previous phase:

- Coordinate inspection and temporary bypass approval with the Regional Water Quality Control Board, and obtain all other necessary permits
- Test the land portion of the outfall and install new joint seals as necessary
- Repair access manholes and inclinometers, and update pipeline survey data
- Make structural and valve modifications to Structure 9000
- Repair two pier structures over submarine section
- Install new safety access hatch
- If needed, include road improvements for safer, more efficient access to facilities

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant, Martinez, and Suisun Bay

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	500,000	-	-	-	500,000
Construction	5,320,000	-	-	-	5,320,000
FY Total	**$5,920,000**	**$-**	**$-**	**$-**	**$5,920,000**

Treatment Plant Security Improvements – District Project 7354

Program	Phase	Priority Rank	Ranking Score:
Treatment Plant	Construction	36	60

Purpose:

To improve physical security at the treatment plant and to protect existing critical assets.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

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 including 1) Asset Characterization, 2) Threat Characterization, 3) Consequence Analysis, 4) Vulnerability Analysis, 5) Threat Analysis, 6) Risk Analysis, and 7) Risk Management.

Description:

Findings from this study related to the treatment plant will be implemented under this project. Some improvements may be implemented in collaboration with the pumping station and general security improvement projects that were also identified under the same study. In general, recommendations include:

- Increased surveillance, intrusion detection, and access control improvements
- Project will be bid and constructed with DP 7375
- Perimeter fencing repair and increased signage
- Improved guard facilities, including main gate and contractor staging areas
- Other miscellaneous security improvements

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	337,000	-	-	-	337,000
Construction	918,000	445,000	-	-	1,363,000
FY Total	**$1,255,000**	**$445,000**	**$-**	**$-**	**$1,700,000**

Odor Control Upgrades – Phase 1 – District Project 7355

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	33	100

Purpose:

To replace existing odor control systems for the Solids Conditioning Building, Headworks, Pre-Aeration Tanks, and Primary Effluent Channel.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San's Odor Control Facilities Plan was last updated in 2006. The update was based on an established odor threshold of 20 dilutions to threshold. To meet this threshold goal at the treatment plant and to address aging equipment, upgrades are recommended to the Solids Conditioning Building, Headworks, and Pre-Aeration Odor Control Units. The existing odor control systems use outdated technology with corrosive sodium hypochlorite systems. The odor control towers, piping, panels, ductwork, and fans are experiencing significant wear and require replacement. In addition, nearby surfaces such as concrete pads and building roofs are experiencing significant corrosion. Alternative odor control technologies that do not use sodium hypochlorite and will minimize visible misting will be considered.

Description:

The following are major elements included in the project:

- Update the Odor Control Facilities Plan and confirm odor control threshold requirements for design
- Replace the Solids Conditioning Building's Odor Control Unit, ductwork, panels, and piping

Operating Department Impact and Funding Source:

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

Location(s): Headworks, Pre-Aeration, Primary Effluent Channel

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	200,000	-	-	-	200,000
Construction	-	-	-	1,000,000	1,000,000
FY Total	**$300,000**	**$-**	**$-**	**$1,000,000**	**$1,300,000**

Plant-Wide Instrumentation Upgrades – District Project 7357

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	27	130

Purpose:

To install new instrumentation for improved monitoring, control, and optimization of Central San facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

Collecting and leveraging data is becoming increasingly useful for wastewater operations, design, and optimization. As Central San considers future equipment upgrades, potential nutrient removal, and solids handling technologies, it is important to collect data that will be useful for the evaluation and design of those facilities. There are also return streams that Central San has limited data for but could be helpful when evaluating future needs. In the meantime, there are opportunities to optimize existing processes and possibly reduce operations and maintenance costs; however, key instruments are required to evaluate these opportunities.

Energy management and efficiency measures are crucial elements when striving towards net zero energy. Power meters installed at the motor control centers and key equipment can be useful for identifying optimization opportunities. The concept of "big data" is becoming increasingly popular and is aimed at leveraging data to analyze trends to predict how a given process will perform in the future and proactively adjust. This project will likely be constructed with other treatment plant projects.

Description:

The following elements are included in the project:

- Develop instrumentation upgrades strategy and phasing plan
- Install flow meters for improved monitoring of return streams
- Install power meters for motor control centers and key equipment
- Install air flow meters for tracking channel aeration demands
- Install other miscellaneous instruments for improved process monitoring, control, and optimization

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	290,000	-	-	-	290,000
Construction	631,000	400,000	410,000	-	1,441,000
FY Total	**$1,021,000**	**$400,000**	**$410,000**	**$-**	**$1,831,000**

Treatment Plant Planning – District Project 7363

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	25	150

Purpose:

To complete evaluations for upcoming regulatory requirements, assess aging infrastructure, evaluate capacity requirements, and investigate opportunities to optimize operation of existing facilities.

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

As wastewater regulations develop and new treatment technologies become available, process modifications may be needed. This project includes technical evaluations to address regulatory initiatives and maintain permit compliance (e.g., Suisun Bay nutrient modeling work and NPDES required studies and reports).

As flows, contaminant loads, and concentrations change, capacity evaluations are needed to confirm capacity ratings of existing facilities and to identify any potential capacity improvements required to manage dry weather and wet weather flows and loads. Technical evaluations are completed to support treatment plant operations by evaluating optimization opportunities to improve the reliability and performance of existing treatment plant processes and facilities.

Description:

The following are major elements included in the project:

- Support Bay Area Clean Water Agencies nutrient evaluation, management, and reduction strategy work for the San Francisco Bay Area
- Evaluate nutrient reduction options for Central San
- Evaluate performance and optimization opportunities for miscellaneous equipment and processes (e.g., secondary treatment and Filter Plant optimizations)
- Evaluate energy reduction and renewable energy opportunities for the treatment plant

Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,800,000	$300,000	$300,000	$-	$2,400,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$1,800,000**	**$300,000**	**$300,000**	**$-**	**$2,400,000**

Treatment Plant Safety Enhancement – Phase 5 – District Project 7364

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	9	275

Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San and the treatment plant have proactive safety programs that are administered by separate committees. These committees are responsible for addressing safety concerns at the treatment plant as identified by staff and to respond to regulatory requirements. Often this response will require construction of a capital project. The first three phases of this project addressed various safety repairs and improvements.

Description:

The project will include treatment plant facility improvements for safety, including a second emergency exit stairway for the control room in the Solids Conditioning Building.

Operating Department Impact and Funding Source:

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

Related Projects and Bidding:

The project scope was coordinated with planned improvements with the Solids Handling Facility Improvements project.

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	100,000	-	-	-	100,000
Construction	1,080,000	-	-	-	1,080,000
FY Total	**$1,180,000**	**$-**	**$-**	**$-**	**$1,180,000**

Piping Renovation – Phase 10 – District Project 7369

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	17	205

Purpose:

To inspect, rehabilitate, and replace above-grade and below-grade piping and related systems at the treatment plant.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

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.

Description:

The following are major elements included in the project:

- Replace piping, valves, and pumps throughout the treatment plant
- Replace the potable water pneumatic water tanks and associated controls
- Replace water piping in the Plant Operations Building equipment gallery and several pipelines
- Replace the plant hypochlorite chemical feed system and storage and feed pumps, and associated piping
- Replace electrical and controls
- Replace equipment identified by the Asset Management Program and Operations and Maintenance staff such as VFDs

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$50,000	$-	$-	$-	$50,000
Design	600,000	-	-	-	600,000
Construction	2,600,000	2,200,000	500,000	-	5,300,000
FY Total	**$3,250,000**	**$2,200,000**	**$500,000**	**$-**	**$5,950,000**

Annual Infrastructure Replacement – District Project 7370

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/ Construction	16	210

Purpose:

To fund ongoing rehabilitation and replacement of wastewater treatment plant assets. This program will be continued until FY 2024-25. A new project will be set at that time.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

The treatment plant consists of over 4,400 assets with a range of ages. The majority of existing treatment plant equipment was installed around 40 years ago. Over time, equipment, piping systems, and other assets require rehabilitation or replacement to continue with Central San's high level of service, reliable management, and treatment of wastewater. Some of the improvements to be funded from this project were identified as part of condition assessments. Ongoing condition assessments will be needed to confirm the timing for other rehabilitation and replacement work.

Description:

Rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program. Examples include:

- Roof replacement program, including the treatment plant warehouse and standby power facility
- Pumps: Replacement or rehabilitation of pumps, chemical system tanks, valves, and piping
- Treatment plant air, process water, and fuel oil system improvements, including piping and valves
- Actuators, control panels, and other instrumentation and electrical replacements
- Refurbish coating and cathodic protection systems and other miscellaneous items
- Pre-purchase of equipment for projects (e.g., large final effluent valves for the Outfall Project)

Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$100,000	$200,000	$200,000	$600,000
Design	450,000	200,000	400,000	500,000	1,550,000
Construction	2,450,000	955,000	1,400,000	3,300,000	8,105,000
FY Total	**$3,000,000**	**$1,255,000**	**$2,000,000**	**$4,500,000**	**$10,775,000**

Condition Assessment of Buried Pipelines – District Project 7371

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning	34	95

Purpose:

To assess the condition and replacement needs of major buried piping systems at the treatment plant site.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Although several piping systems are accessible in the Central San tunnels, there are several piping systems that are buried and difficult to access for condition assessment. In addition, there are some channels and submerged piping systems that are difficult to access. Some of these piping systems are also required for continuous operation of the treatment plant and are difficult to temporarily shut down for assessment. Despite these challenges, it is important to plan any necessary bypassing operations and perform condition assessments of these pipes, some of which are over 40 years old. These pipelines are critical for Central San operations and rehabilitation or replacement may be required in the coming years.

Description:

This project includes the following major elements:

- Develop a prioritized condition assessment plan for buried piping systems and difficult to access piping or channels
- Bypass pumping and piping as required
- Field inspection of buried or submerged piping systems and channels
- Identify and develop recommended rehabilitation or replacement needs

Operating Department Impact and Funding Source:

This project will have insignificant impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$500,000	$-	$-	$500,000	$1,000,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$500,000**	**$-**	**$-**	**$500,000**	**$1,000,000**

Fire Protection Systems – Phase 3 – District Project 7373

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	31	110

Purpose:

To upgrade or replace the treatment plant fire protection systems.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Most of the fire protection systems were built in the late 1970s, and the fire alarm control panel was upgraded in the early 2000s. There are seven existing fire protection systems (alarm, monitoring, and suppression types) at the treatment plant. The existing fire protection systems are the primary notifications to the Control Room operators and the occupants of buildings in the event of a fire. Wiring and devices on the fire protection systems continue to be problematic and are in frequent need of repair. Repairs to the fire protection systems have become extremely complex and difficult; therefore, long-term reliable improvements to the fire protection systems are needed.

Description:

Staff anticipates the recommended improvements will be implemented over a multi-year fire protection improvement program:

- Phase 1 of the project that was completed in 2013 replaced the outdated Headquarters Office Building fire protection system and corrected limited treatment plant deficiencies
- Phase 2 of the project includes a comprehensive evaluation and implementation of recommended improvements for life safety of occupied areas (public and staff) of all staffed and critical process areas in the treatment plant (substantially complete)
- Phase 3 includes upgrades to HOB and the laboratory fire panels and other fire protection improvements.

Operating Department Impact and Funding Source:

This project will have insignificant impact to the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	250,000	-	-	-	250,000
Construction	400,000	450,000	-	-	850,000
FY Total	**$650,000**	**$450,000**	**$-**	**$-**	**$1,100,000**

Contractor Staging Improvements – District Project 7375

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	6	305

Purpose:

To increase security by organizing and preparing the treatment plant for several large future projects, such as the Solids Handling Facility Improvement and Filter Plant and Clearwell Improvements – Phase 1A Projects.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

Safety and security are the primary drivers for this project. The current contractor staging area is not built to secure contractor business from normal daily operations. The treatment plant's main gate is used for all activities. This project will provide security and safety improvements so that the contractors' activities can be separated and monitored separately from daily operations.

Description:

The project elements to be evaluated, designed, and constructed include:

- Contractor main staging area for construction trailers and contractor use; site grading and paving; temporary material storage and stockpiling; concrete washout and equipment washing area; access improvements and other facilities; and increase available space and laydown areas for equipment and material storage
- Shipping, receiving, parking and a designated area for contractors; delivery routes to minimize traffic disruption, turnarounds, and additional parking areas
- Construction entrance, including a new entrance off Imhoff Drive; widen existing treatment plant roads, as needed; and a new security guard facility, safety orientation, badging area, and gates
- Improved site lighting, fencing, signage, striping, security cameras, and badging system
- Miscellaneous elements, including demolition of abandoned infrastructure and construction of additional staging areas throughout the treatment plant and the RV Receiving station.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$50,000	$-	$-	$-	$50,000
Design	350,000	-	-	-	350,000
Construction	2,950,000	-	-	-	2,950,000
FY Total	**$3,350,000**	**$-**	**$-**	**$-**	**$3,350,000**

UPCCAA Urgent Projects FY 2020-25 – District Project 100001

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/ Construction	12	235

Purpose:

To fund ongoing rehabilitation and replacement of treatment plant infrastructure, equipment, and systems that meet the guidelines provided by the California Uniform Public Construction Cost Accounting Act (UPCCAA), adopted by Central San in late 2018.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The majority of existing treatment plant equipment was installed approximately 40 years ago. Over time, electrical, mechanical, instrumentation, and other systems require rehabilitation or replacement to continue with Central San's high level of service, reliable management, and treatment of wastewater. The majority of these systems are designed and scheduled for replacement under other capital projects; however, there are cases where a project is not in place or an asset will need to be addressed sooner than planned. These cases which are usually smaller construction contracts (under $200,000) can be informally bid and built under the UPCCAA. This project will help fund those contracts not accounted for in other ongoing treatment plant projects.

Description:

The UPCCAA Urgent Projects FY 2020-25 is a five-year program used to fund informal projects in the treatment plant. Examples include, but not limited to:

- Critical variable frequency drives replacements
- Pumps, piping, and critical valves replacements
- Civil work such as site repaving and concrete repairs
- Complete the construction of the POB Conference Room
- Other public work type projects

Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	100,000	100,000	100,000	200,000	500,000
Construction	500,000	500,000	500,000	1,000,000	2,500,000
FY Total	**$600,000**	**$600,000**	**$600,000**	**$1,200,000**	**$3,000,000**

Laboratory Roof and Seismic Upgrades – District Project 100008

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	22	170

Purpose:

Maintain a functional Laboratory building.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

In 2009, a Central San seismic evaluation was completed for the treatment plant facilities (Wastewater Treatment Plant Seismic Vulnerability Assessment of Selected Facilities, December 2009). Included in the evaluation were recommendations to bring the Laboratory up to date with current seismic design standards.

The Laboratory building houses staff under the Environmental and Regulatory Compliance Division in Engineering. The Laboratory is located within the Martinez campus and is occupied seven days a week. Since the Laboratory building was constructed in early 2000 under the 1994 Building Code, many of the modifications needed are relatively minor. Staff is proposing to perform the seismic modification now due to the deterioration of the roof, which is in very poor condition. Any floor plan modifications will be done in a cost-effective manner.

Description:

The Laboratory roof and seismic improvements will be made to meet the Damage Control Performance Level. Modifications and the new roof will likely consist of the following:

- New lateral bracing at the moment frames
- New columns at existing brace locations (two or more) and other modifications as needed
- Replace the existing roof membrane with a roof system that is more suited for the building
- Relocate an existing air-cooled unit in the office area and evaluate the Laboratory flooring
- Evaluate need for additional space

Operating Department Impact and Funding Source:

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

Location(s): Laboratory

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	150,000	-	-	-	150,000
Construction	350,000	450,000	-	-	800,000
FY Total	**$500,000**	**$450,000**	**$-**	**$-**	**$950,000**

Hearth Replacements – District Project 100009

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	23	165

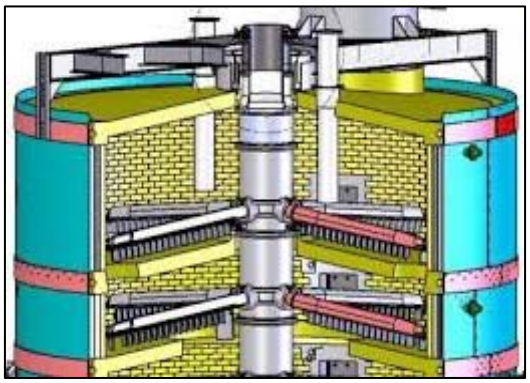
Purpose:

Continue to maintain an operable the Multiple Hearth Furnaces (MHFs) inside the Solids Conditioning Building.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

The MHFs are an essential process equipment for the handling and disposal of the solids from the treatment process. The Plant Maintenance Division for the Operations Department has been monitoring the hearths within the MHFs. Based on the most recent inspection, replacement of two hearths and possibly up to three is recommended (one hearth replacement in MHF No. 1 and possibly up to two in MHF No. 2).



Description:

This project will be performed by a specialty contractor with the experience needed to rebuild brick and masonry in an existing incinerator. Work includes, but is not limited to, the following:

- Confined space entry
- Demolish and rebuild a hearth within MHF Nos. 1 and 2
- Other repairs, if identified, as needed

This project will be coordinated or completed during the Solids Handling Facility Improvements Project

Operating Department Impact and Funding Source:

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

Location(s): Plant Operations Building

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	500,000	-	-	500,000	1,000,000
FY Total	**$500,000**	**$-**	**$-**	**$500,000**	**$1,000,000**

Air Conditioning and Lighting Renovations – District Project 100010

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	24	160

Purpose:

To replace and improve the efficiency of air conditioning and lighting equipment at the treatment plant campus.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The drivers for this project include aging infrastructure and energy efficiency. A number of air conditioning units at the Treatment Plant campus have reached the end of their useful life. 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.

Description:

- Rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program. The most likely path forward for implementation is through a combination of procurements, possibly including the California UPCCAA for air conditioning units and a best value procurement for a lighting contractor.

Operating Department Impact and Funding Source:

Project expenditures will be funded from Capital Revenues. The recommended efficiency improvements have a simple payback period of 9.4 years based on incremental costs (the cost to invest in additional efficiency for air conditioning units at the end of their useful life) and will save Central San approximately $84,000 per year in utility costs. Project expenditures will be funded from Capital Revenues.

Location(s): Treatment Plant campus, including Headquarters Office Building, Plant Operations Building, and other District buildings

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	150,000	-	-	-	150,000
Construction	600,000	500,000	500,000	-	1,600,000
FY Total	**$750,000**	**$500,000**	**$500,000**	**$-**	**$1,750,000**

Plant Electrical Replacement and Rehabilitation – District Project 100011

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	23	165

Purpose:

To fund ongoing rehabilitation and replacement of the treatment plant electrical systems assets and to refurbish electrical switchgears to maintain the reliability of critical electrical infrastructure at the treatment plant.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The treatment plant consists of thousands of electrical assets with a range of ages. The majority of existing treatment plant equipment was installed around 40 years ago. Over time, electrical systems and other assets require rehabilitation or replacement to continue with Central San's high level of service, reliable management, and treatment of wastewater. Some of the improvements to be funded from this project were identified as part of a condition assessment. Ongoing condition assessments will be needed to confirm the timing of other rehabilitation and replacement work.

Description:

The electrical switchgear throughout the treatment plant was installed in the 1970s and has been well maintained using preventive techniques, such as thermographic imaging to identify potential problems and correct them prior to failure. Ongoing inspections show that several trip units on the circuit breakers require replacement. Treatment plant electrical rehabilitation and replacement work will be packaged into projects that are scoped and funded from this program. Examples include the following: electrical gears replacement program for the treatment plant and standby power facility; replacement or rehabilitation of motor control centers, switchgears, and transformers; duct banks; conductors; actuators and control panels; and other instrumentation and electrical replacements.

- California UPCCAA projects that are urgent or critical
- Pre-purchase of equipment for projects (e.g., variable frequency drives or long lead items)

Operating Department Impact and Funding Source:

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

Location(s): Miscellaneous Areas within the Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	50,000	50,000	50,000	150,000	300,000
Construction	350,000	150,000	365,000	1,095,000	1,960,000
FY Total	**$400,000**	**$200,000**	**$415,000**	**$1,245,000**	**$2,260,000**

UV Disinfection Replacement and Hydraulic Improvements – District Project 100012

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Planning/ Design	18	200

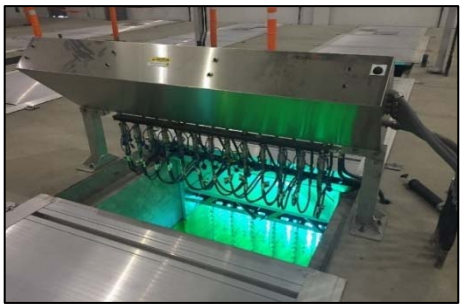
Purpose:

To replace the existing ultraviolet (UV) disinfection system and increase hydraulic capacity of the UV disinfection system.

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

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 efficient, 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 limited the flow that can be treatment under wet weather conditions.



Description:

This project includes the evaluation of the following major elements:

- Combines the UV Replacement and Hydraulic Improvements projects
- Replace existing UV disinfection system, including assessment of existing system and the support facilities
- Expand and modify the UV electrical building and equipment to allow simultaneous construction of a new UV disinfection system while operating a portion of the existing disinfection system
- Hydraulic Evaluation – Confirm UV and final effluent hydraulics and hydraulic improvements
- Dose Validation Testing – Confirm disinfection capacity of UV disinfection system using latest disinfection criteria

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$980,000	$-	$-	$-	$980,000
Design	-	1,500,000	500,000	-	2,000,000
Construction	-	500,000	1,500,000	30,300,000	32,300,000
FY Total	**$980,000**	**$2,000,000**	**$2,000,000**	**$30,300,000**	**$35,280,000**

MRC Building Modifications and Maintenance Shops Improvements – DP 100014

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	32	105

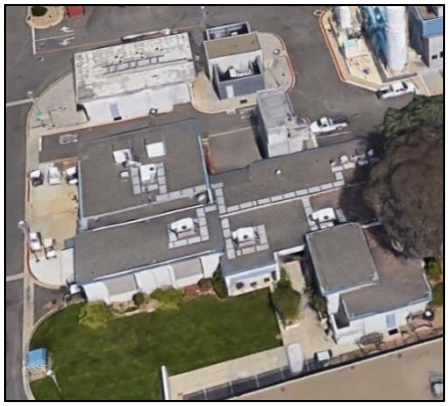
Purpose:

Update the Maintenance Reliability Center (MRC) Building for improved space planning and to replace outdated facilities as well as to increase Maintenance Shops' storage requirements.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The MRC building is located in the center of the treatment plant and is currently occupied by the Plant Maintenance Superintendent, three Maintenance Planners, and three of the Plant Maintenance Shops. The MRC building was originally a pump building and laboratory in 1948 and was remodeled in 1957 and 1972. The last modification was a seismic remodel in 1997. Central San plans to improve security and reconfigure the office space in order to consolidate staff into one building. Any floorplan modifications will be completed in a cost-effective manner. In addition, the design will evaluate past seismic recommendations and bring the building up to current code requirements.



Description:

The MRC Building Modifications' scope of work will include:

- Evaluate seismic retrofit required to meet current Building Code. The MRC is a complex facility that includes four building components with distinct structural systems
- Upgrade showers and restrooms, including plumbing modifications to hands-free faucets, and recycled water plumbing for toilets and urinals
- Improved security access with badges, cameras, and Information Technology improvements
- Increase office space (possibly three additional offices) to house the Plant Maintenance Division Manager and Reliability Engineering's Senior and Utility Systems Engineers, including space for an updated conference room
- Improve and increase Maintenance Shops' storage requirements

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	150,000	-	-	-	150,000
Construction	300,000	300,000	300,000	300,000	1,200,000
FY Total	**$450,000**	**$300,000**	**$300,000**	**$300,000**	**$1,350,000**

Electric Blower Improvements – District Project 100015

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Construction	7	295

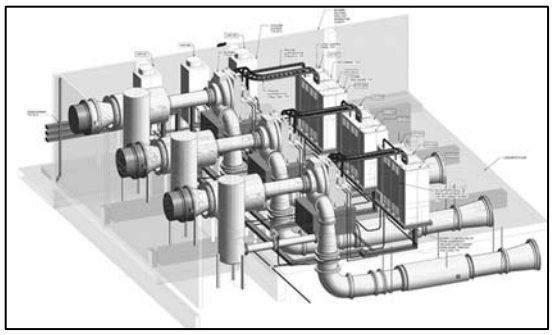
Purpose:

To increase reliability for aeration Blower operations and increase capacity during emergency outages or planned PG&E events.

Project Drivers	
Aging Infrastructure	**Capacity**
Regulatory	**Sustainability**

Drivers:

Three existing aeration blowers supply air to four aeration basins, pre-aeration system, and other plant locations. Two of the blowers are steam driven. The third blower is electric and serves as a backup during maintenance shutdowns or under emergency scenarios. The findings of a recent condition assessment and capacity analysis are that the existing electric blower does not provide adequate redundancy, has uncertain reliability with the standby power generation system, has limited turndown capabilities, and cannot be operated in with the steam blowers. New electric blowers would resolve these issues and run during PG&E Shutoff events and provide the necessary air while equipment is offline during planned shutdowns during the Solids project.



Description:

This project includes the following major elements:

- Demolition of the existing electric blower system
- Procure and install three new high-efficient electrical blowers and associated electrical, VFDs, and controls package.
- Construct installation of the blowers including piping, air intake filters, electrical, cooling systems, maintenance platforms, and other miscellaneous electrical and controls work.

Operating Department Impact and Funding Source:

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

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

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	1,300,000	-	-	-	1,300,000
Construction	350,000	7,400,000	6,600,000	-	14,3250,000
FY Total	**$1,750,000**	**$7,400,000**	**$6,600,000**	**$-**	**$15,750,000**

Outfall Monitoring Improvements – District Project 100018

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/ Construction	31	110

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Purpose:

To inspect the land and submarine portions of the outfall pipeline to maintain or repair the pipeline and meet regulatory requirements.

Drivers:

Central San's NPDES Permit requires proper operation and maintenance of the outfall pipeline that discharges treated final effluent to Suisun Bay. Every five to ten years, the 3.5 mile, 72-inch reinforced concrete outfall pipeline built in 1958 is drained and inspected to verify pipeline alignment and condition of the pipeline and seals. As part of the 2012 Outfall Improvements Project, over 1,500 pipe joints were inspected, and 368 joints were repaired with new seals. Of the over 1,500 joints, approximately 950 have been repaired.

During the project, final effluent is routed to the Wet Weather Holding Basins and temporarily discharged for several weeks through the overflow weir structure to Walnut Creek in accordance with permit requirements.

Description:

The last inspection of the outfall was in 2013 and it is due for a new inspection. This project will include many elements as completed during the previous phase:

- Coordinate inspection and temporary bypass approval with the Regional Water Quality Control Board, and obtain all other necessary permits
- Test the land portion of the outfall and install new joint seals as necessary
- Repair access manholes and inclinometers, and update pipeline survey data

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant, Martinez, and Suisun Bay

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	100,000	10,000	-	-	110,000
Construction	-	500,000	-	-	500,000
FY Total	**$100,000**	**$510,000**	**$-**	**$-**	**$610,000**

Aeration Basins Diffuser Replacement and Seismic Upgrades – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design/Construction	19	190

Purpose:

To replace the existing aeration tanks diffusers to increase aeration system performance and optimize the activated sludge process.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Recently, the existing aeration system has not able to reliably maintain a desired dissolved oxygen levels across the basins. This has contributed to a steady deterioration (increase) in sludge volume index (SVI), which is a key secondary process operational parameter for activated sludge settleability and compaction. The increase in the SVI has in turn, led to concerns over the ability to consistently meet NPDES discharge limitations. While Central San continues to meet NPDES discharge permit limits, further deterioration in performance of the aeration system will cause more challenges over time, which also leads to poor settleability in the secondary clarifiers and impacts the performance of the UV disinfection system.

Description:

Phase 2 will include mechanical rehabilitation/replacement, concrete repairs, and structural seismic improvements to prolong the remaining useful life of the aeration basins and diffuser systems. This project will also replacing all diffusers, 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.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant – Aeration Basins

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$200,000	$-	$-	$-	$200,000
Design	-	2,100,000	400,000	-	2,500,000
Construction	-	-	800,000	22,300,000	23,100,000
FY Total	**$200,000**	**$2,100,000**	**$1,200,000**	**$22,300,000**	**$25,800,000**

Treatment Plant Safety Enhancement – Phase 6 – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design	34	95

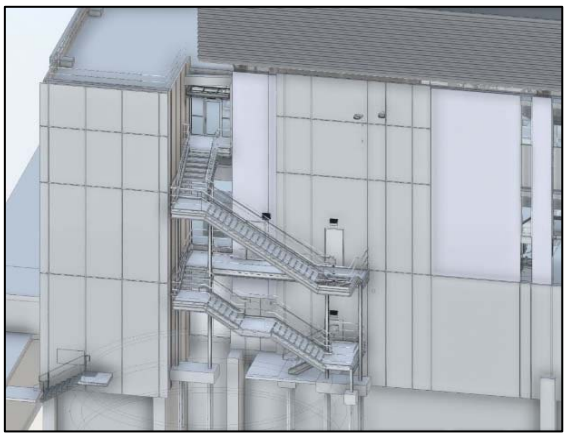
Purpose:

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

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San and the treatment plant have proactive safety programs that are administered by separate committees. These committees are responsible for addressing safety concerns at the treatment plant as identified by staff and to respond to regulatory requirements. Often this response will require construction of a capital project.
The next phase of this project addresses various safety repairs and improvements.



Description:

The project will include treatment plant facility improvements for safety.

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	200,000	-	-	200,000
Construction	-	-	618,000	-	618,000
FY Total	**$-**	**$200,000**	**$618,000**	**$-**	**$818,000**

Wet Weather Basin Improvements – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Treatment Plant	Design /Construction	32	110

Purpose:

To reduce the risk of flood damage to the treatment plant by improving the wet weather basins berms and levees through a project.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The treatment plant uses a series of earthen basins that are used as temporary storage. During extreme wet weather events, bypassing operations are limited by a common bypass pipeline used to divert primary effluent and/or raw screened influent to the wet weather holding basins. When flow exceeds the treatment hydraulic capacity of downstream processes, it must be diverted to these basins. These basins must remain in good working order to avoid limiting the flexibility and handling wet weather flows. There are no other options than conveying wastewater to the holding basins.

Description:

Due to the critical nature of the treatment plant facilities, a reliable wet weather basins system is critical as plant operations divert screened sewer and primary when the downstream capacity is exceeded. That diverted flow that is temporarily stored in the wet weather basins is then returned to the head of the plant for treatment when the capacity is available.

- Holding Basin Improvements - improve holding basin grading, drainage, drainpipes and valves
- 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

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): Wet Weather Basins

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2021-22**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	200,000	-	-	-	200,000
Construction	-	500,000	-	-	500,000
FY Total	**$200,0000**	**$500,000**	**$-**	**$-**	**$700,000**

Capital Improvement Budget (CIB) – General Improvements Program

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

- **Vehicle Replacement Program –** The CIB includes a yearly allowance for vehicle replacement. Specific vehicles are replaced each year as approved through the annual budget process.
- **Equipment Acquisition –** New Equipment items are budgeted and shown in the CIB. They are purchased and approved similar to the Vehicle Replacement Program on a yearly basis.
- **Management Information Systems –** This subprogram reflects the importance of Information Technology (IT) in the daily operation of Central San. Central San has developed an IT Master Plan that envisions implementing specific improvements and extends several years into the future. An allowance to meet anticipated future information technology needs has been included in the Ten-Year Capital Improvement Plan along with a new Strategic IT plan.
- **General Projects –** Projects include improvements to buildings or properties, legal expenses, easement acquisition, and security systems. Central San has invested significant resources in its assets, and the purpose of the Asset Management Program, which includes all CIB program assets, is to optimize the lifecycle of these assets to deliver high quality and reliable services in a sustainable manner for customers with an acceptable level of risk.

All projects in the General Improvements Program are summarized, including past, current, and planned future budgets required to complete each project as shown on the following Table 4:

CIB TABLE 4 – FY 2021-22 General Improvements Program Budget/Project Summary

Project Number	Project Name	Budget-to-Date	FY2021-22	Future FYs	Total by Project
8230	Capital Legal Services	$208,665	$20,000	$20,000	$248,665
8236	District Easement Acquisition	408,047	75,000	-	483,047
8240	IT Development FY 2016-25	3,738,794	750,000	500,000	4,988,794
8250	ERP Replacement	5,030,000	300,000	-	5,330,000
8251	Capital Improvement Plan & Budget	490,000	100,000	200,000	790,000
8252	POB E.V. Charging Station	30,000	460,000	-	490,000
8253	COVID-19 Response	200,000	75,000	-	275,000
8516	Equipment Acquisition	1,226,000	250,000	500,000	1,976,000
8517	Vehicle Replacement Program FY 2016-26	3,818,000	900,000	3,600,000	8,318,000
100003	Property Repairs and Improvements	300,000	150,000	450,000	900,000
100004	HOB Exterior Repairs	350,000	50,000	-	400,000
* TBD	Security Improvements FY 2021-25	-	200,000	400,000	600,000
*TBD	Technology Strategic Plan	-	500,000	500,000	1,000,000
	General Improvements Program Total:	**$15,799,506**	**$3,830,000**	**$6,170,000**	**$25,799,506**

*New Projects in FY 2021-22

Capital Legal Services – District Project 8230

Program	Phase	Priority Rank	Ranking Score
General Improvements	All	26	145

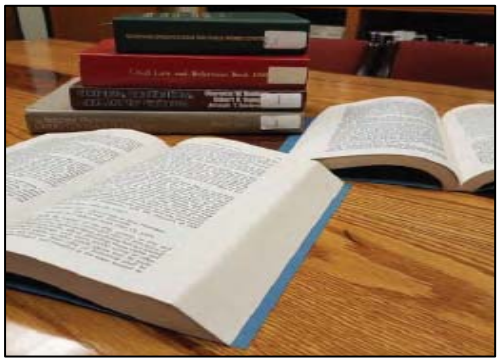
Purpose:

To streamline the processing of legal bills.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

In the past, legal expenses were charged to individual capital projects. This process required extra staff time each month to review legal bills and get approvals from several different project managers.



Description:

Capital legal service expenses are no longer charged to individual capital projects. The processing of legal bills has been streamlined by charging legal expenses to one capital account with four charge numbers for the four programs. This reduces the amount of time all parties must spend processing the legal bill.

Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$208,665	$20,000	$20,000	$-	$248,665
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$208,665**	**$20,000**	**$20,000**	**$-**	**$248,665**

District Easement Acquisition – District Project 8236

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	30	115

Purpose:

To improve or acquire new property land rights for existing or new sanitary sewers that are located on private properties and are not associated with a current capital project for sewer renovation work.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

As capital projects are designed, sanitary sewer easements may have to be acquired for those specific projects. This project provides funds for the acquisition of easements for projects where specific funds are not identified within the sewer renovation capital improvement projects in the CIB. Central San is currently evaluating and updating the status of the existing capitalized easements, perfecting easements, and rights-of-way.

Description:

Examples of easements that may be acquired through this project include:

- Easements for existing sewers where no easements currently exist
- Easements for sewers relocated through other public agency projects
- Upgraded easements or access rights for existing sewers
- Upgraded easements for Central San's outfall pipeline
- Easements for recycled water distribution pipelines

Operating Department Impact and Funding Source:

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

Location(s): Central San service area

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	408,047	75,000	-	-	483,047
FY Total	**$408,047**	**$75,000**	**$-**	**$-**	**$483,047**

Information Technology Development – District Project 8240

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	20	185

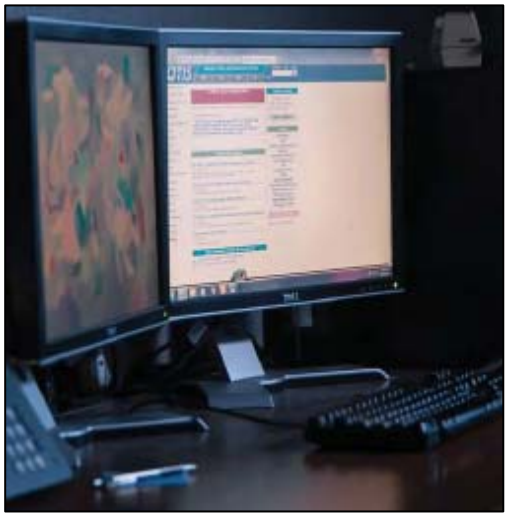
Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Purpose:

To replace and upgrade Information Technology (IT) infrastructure and software as needed.

Drivers:

An IT Development Plan was developed to centralize efforts and funding in the development of computer and telecommunication technology within Central San. Central San budgets IT on an annual basis.



The IT Master Plan was approved in 2015 and its implementation is within the Capital Improvement Program (CIP) and the Ten-Year Capital Improvement Plan.

Description:

This project is the implementation of the IT Master Plan which includes the following major elements:

- Network infrastructure upgrades
- Disaster recovery/business continuity
- Cloud-based technology improvements
- Business application suite improvements
- Increasing mobile presence
- Desktop technology refreshment
- Web redesign and enhancement
- Cybersecurity

Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	3,738,794	750,000	500,000	-	4,988,794
FY Total	**$3,738,794**	**$750,000**	**$500,000**	**$-**	**$4,988,794**

Enterprise Resource Planning Replacement – District Project 8250

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	9	280

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Purpose:

To replace the legacy Enterprise Resource Planning (ERP) system that manages Central San's finances, budget, human resources, procurement, payroll and other related resources.

Drivers:

The existing SunGard ERP system uses outdated technology that does not meet the current and future Central San business needs. The latest generation of ERP systems has been developed to implement modern best-practice processes that will help Central San to streamline and optimize many business processes.

This project will eliminate the need for staff to use many manual processes and workarounds that are currently in use to accomplish work. It will enable more organizational transparency by providing visibility into financial and business data in ways that are not currently possible and will provide the latest generation of technology to ensure full integration with future business applications.

Description:

The following are major elements included in the project:

- Conversion of data from SunGard system to new ERP system
- Implementation of Human Resources, Finance, Payroll, and related systems
- Staff training
- Integration with related Central San systems

A replacement of Central San's permitting software functionality, currently provided by the SunGard system, is not included in these costs but may be funded from IT Development or other project sources.

Operating Department Impact and Funding Source:

This project is expected to have an annual ongoing impact of approximately $200,000 on the Operating Budget, upon the full retirement of the previous ERP system and cessation of maintenance costs for that legacy system. Other operating efficiencies may offset, in part, some of these direct costs. Project expenditures are funded from Capital Revenues.

Location(s): Martinez and Walnut Creek Campuses and Cloud

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	200,000	-	-	-	200,000
Construction	4,730,000	300,000	-	-	5,030,000
FY Total	**$5,030,000**	**$300,000**	**$-**	**$-**	**$5,330,000**

Capital Improvement Program and Budget Improvements – District Project 8251

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	35	85

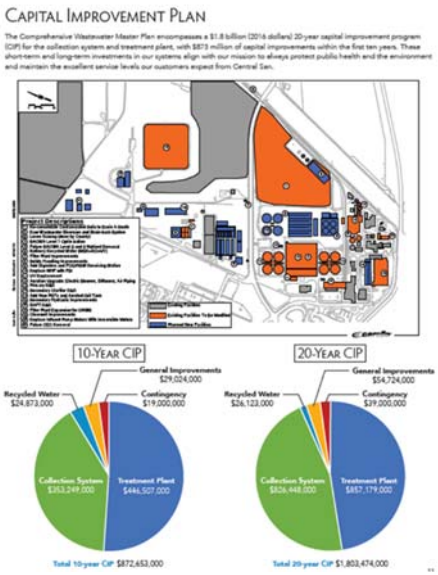
Purpose:

Provide for the capitalization of the staff time necessary for the data gathering and production of the CIB and CIP, and for upgrades to the current program management system software, E-builder, and to standardize specifications and drawings used for all Capital Projects.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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. In order to keep up with the increase in the CIP, staff has modernized its program and project management software system to be more effective in delivering project with implementation of E-builder. As of July 1, 2019, E-builder will be done with its pilot stage and go live for all projects.



Description:

Upgrades of additional processes, such as master commitments upgrades, and other project management and reporting tools will be evaluated or included in E-Builder. In addition, an annual budget will be included in this project to account for the yearly CIB and CIP. This project will also fund efforts to standardize design specifications and drawings for all projects.

Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	-	-	-	-	-
Construction	390,000	100,000	100,000	100,000	690,000
FY Total	**$490,000**	**$100,000**	**$100,000**	**$100,000**	**$790,000**

POB Electric Vehicles (EV) Charging Station – District Project 8252

Program	Phase	Priority Rank	Ranking Score
General Improvements	Design/Construction	37	45

Purpose:

To install electric vehicle charging stations (EVCS) in the parking lot of the Plant Operations Building.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The installation of EVCS provides an opportunity for Central San to demonstrate its environmental leadership. The transportation sector is the largest producer of greenhouse gas emissions in California and the state legislature has established many incentives and mandates for its electrification. In late 2020, Governor Newsom signed an order prohibiting the sale of gasoline-driven vehicles after 2035, so electric vehicles (EVs) will be the future in California. Having the ability to charge at work is a major factor in a consumer's decision to purchase an EV, so Central San can encourage and support our employees' transition to EVs by installing EVCS, in addition to providing access to EV charging to any customers and other guests visiting Central San's headquarters in Martinez.

Description:

This project will extend the appropriate electrical infrastructure from the Pump and Blower Building and install Level 3 EVCS in the POB parking lot. Any work to be included at CSO will be done under the General Improvements Program.

Operating Department Impact and Funding Source:

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

Location(s): POB Parking Lot; CSO Parking Lot (TBD)

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$30,000	$10,000	$-	$-	$40,000
Design	-	100,000	-	-	100,000
Construction	-	350,000	-	-	350,000
FY Total	**$30,000**	**$460,000**	**$-**	**$-**	**$490,000**

COVID-19 Response Plan – District Project 8253

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning/Design/Construction	1	345

Purpose:

Provide for the capitalization of a response plan to safely bring staff back to the office post-pandemic in the workplace.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

Welcoming employees back to the post-pandemic workplace presents a challenging paradox. Traditionally, the office has functioned as a place for communal activities; often intentionally designed to bring people together to interact, solve problems, share ideas and information. In contrast, returning to the workplace now means that we need to find new ways to bring people together, while simultaneously providing the capability to keep them apart safely and responsibly. As the pandemic has turned conventional thinking on workplace design inside-out, previously normative approaches to space per person, ratios of open to enclosed space, collaboration zones, and environmental systems should be reconsidered to implement, promote, and sustain employee health and wellness at significantly different levels.

Description:

Actions in the foreseeable future will focus on preparing both the people returning to the workplace and the space itself. Decisions surrounding workplace modifications will need to be based on thorough assessment and evaluation in addition to risk / reward considerations balancing initial costs versus on-going health and wellness, employee productivity, effectiveness, and business continuity. Vital to the transition back to the office, and undoubtedly the most immediate to be addressed, is the change management process that helps enable this transition, i.e., finding effective ways to communicate the new workplace reality to the business community and their employees.

Operating Department Impact and Funding Source:

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

Location(s): HOB, POB, and CSO, Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$10,000	$-	$-	$-	$10,000
Design	40,000	-	-	-	40,000
Construction	150,000	75,000	-	-	225,000
FY Total	**$200,000**	**$75,000**	**$-**	**$-**	**$275,000**

Equipment Acquisition – District Project 8516

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	22	170

Purpose:

To provide new, safe, and cost-effective equipment for operations and maintenance of Central San facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

This project is developed as a multi-year program to procure new equipment required for operations and maintenance of assets throughout Central San.

Description:

This project is a multi-year program to procure new equipment such as:

- Laboratory equipment such as: an autoclave with recording device, distilled water units (4), and a new instrument to automate sample handling for bacterial enumeration (IDEXX sealer)
- Maintenance Shop equipment such as: a hydraulic box and pan break and a thermal imaging camera
- Various carts and shuttles

Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	1,226,000	250,000	250,000	250,000	1,976,000
FY Total	**$1,226,000**	**$250,000**	**$250,000**	**$250,000**	**$1,976,000**

Vehicle Replacement Program – District Project 8517

Program:	Phase:	Priority Rank:	Ranking Score
General Improvements	Construction	18	200

Purpose:

Provide safe and cost-effective vehicle replacement.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San will budget and acquire vehicles under this project and use asset management principles and historic replacement costs to provide an effective vehicle replacement strategy. Staff, comprised of Engineering and Operations, has forecasted a yearly budget (average costs from FY 2016-2026 plan) which will be used to fund the project. Underspending in a year will result in a carryforward to future years. This approach will also recognize that due to long lead times, especially on specialized vehicles, the budget for this program can carry forward to the next fiscal year when delivery takes place.

Description:

The following vehicles are being considered in FY 2021-22:

Description	Description
Mid-Size Eight Passenger Vehicle (1)	½ Ton 4x4 Truck (1)
F-550 Truck Chassis (1)	½ Ton 4x2 Truck (1)
Lift Truck	Midsize Truck (1)
¾ Ton 4x4 Truck (1)	

Operating Department Impact and Funding Source:

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 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	3,818,000	900,000	900,000	2,700,000	8,318,000
FY Total	**$3,818,000**	**$900,000**	**$900,000**	**$2,700,000**	**$8,318,000**

Property Repairs and Improvements – District Project 100003

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	30	115

Purpose:

Protect and enhance the Central San's property through repairs, improvements, and needed upgrades.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

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.

Description:

This project will fund needed improvements to Central San's buildings, buffer properties, rental properties, and the surrounding parking lots and grounds. Items identified include resealing and stripping the asphalt parking lots, replacing broken concrete walkways, and repairing or upgrading interior work areas. This project may be combined and or coordinated with the Headquarters Office Building Exterior Repairs Project.

Operating Department Impact and Funding Source:

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

Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	300,000	150,000	150,000	300,000	900,000
FY Total	**$300,000**	**$150,000**	**$150,000**	**$300,000**	**$900,000**

HOB Exterior Repairs – District Project 100004

Program	Phase	Priority Rank	Ranking Score
General Improvements	Construction	30	115

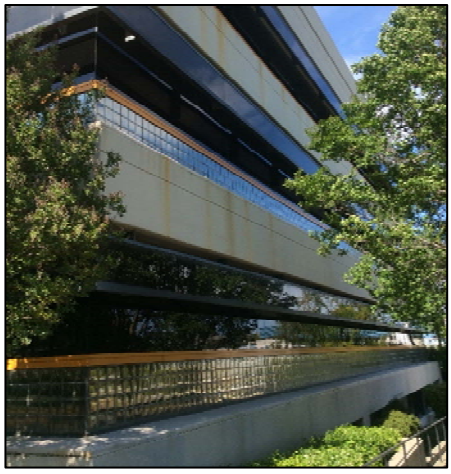
Purpose:

Protect and enhance Central San's property through repairs, improvements, and needed upgrades.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

The Headquarters Office Building in Martinez was built in the 1980's to serve as the main administration building for Central San and includes a permit counter open to the public, Engineering, Development Services, IT, Finance, Human Resources, Purchasing, and other groups. The building exterior paint, caulking, roof parapet, coatings on steel awnings, and other items are beyond their useful life and in poor condition.



Description:

This project will re-coat the exterior stucco and perform other repairs so that the building is watertight for years to come. This project will be coordinated or combined with the Property Repairs and Improvements Project.

Operating Department Impact and Funding Source:

This project will have no impact on the operating budgets. Project expenditures are funded from Capital Revenues.

Location(s): Headquarters Office Building

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	30,000	-	-	-	30,000
Construction	320,000	50,000	-	-	370,000
FY Total	**$350,000**	**$50,000**	**$-**	**$-**	**$400,000**

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

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	28	125

Purpose:

To update security and identify improvements for the safety for employees and the public, meet safety standards, reduce exposure to liability, reduce property loss, and reduce operations and maintenance expenses.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

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.

Description:

Findings from this study that are applicable to non-treatment plant facilities and properties will be implemented under this project. Improvements include:

- Installing security upgrades to the Headquarters Office Building's Lobby to secure the area and clearly identify the public use of the building; cameras for surveillance, alarm system upgrades for intrusion, and associated systems will be provided
- Access control improvements and additional card readers, perimeter fencing repair, and gates
- Increased signage, improved lighting, and other miscellaneous security system improvements
- Capitalize costs for enhanced security related to capital projects

Operating Department Impact and Funding Source:

Impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Martinez campus

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	-	200,000	100,000	300,000	600,000
FY Total	**$-**	**$200,000**	**$100,000**	**$300,000**	**$600,000**

Technology Strategic Plan – District Project TBD

Program	Phase	Priority Rank	Ranking Score
General Improvements	Planning	20	185

Purpose:

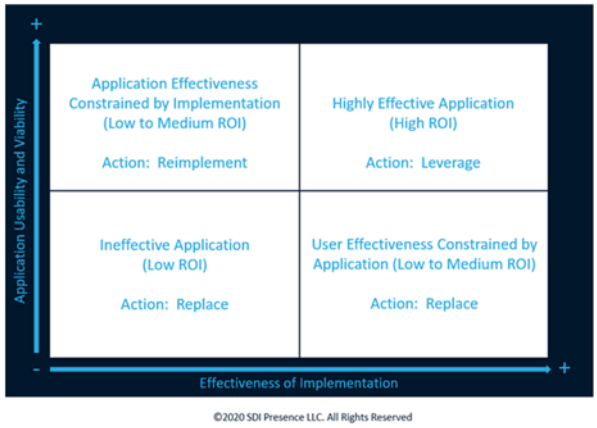
The activities performed during the Technology Master Plan project will include and invite participation from all Central San Departments and Divisions.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

Update the 2015 IT Master Plan to further develop efforts and funding in the development of computer and telecommunication technology within Central San. Central San budgets IT on an annual basis.

The IT Master Plan was approved in 2015 and its implementation is within the Capital Improvement Program (CIP) and the Ten-Year Capital Improvement Plan.



Description:

This project is the implementation of the IT Master Plan which includes the following major elements:

- Smart Utility Initiatives
- Business Intelligence & Analytics
- SCADA roadmap
- Enterprise Asset Management (EAM) – Asset reliability, condition and health monitoring
- Electronic Document Management
- Enterprise systems and architecture
- GIS roadmap
- BIM/CAD standards development
- Security roadmap

Operating Department Impact and Funding Source:

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

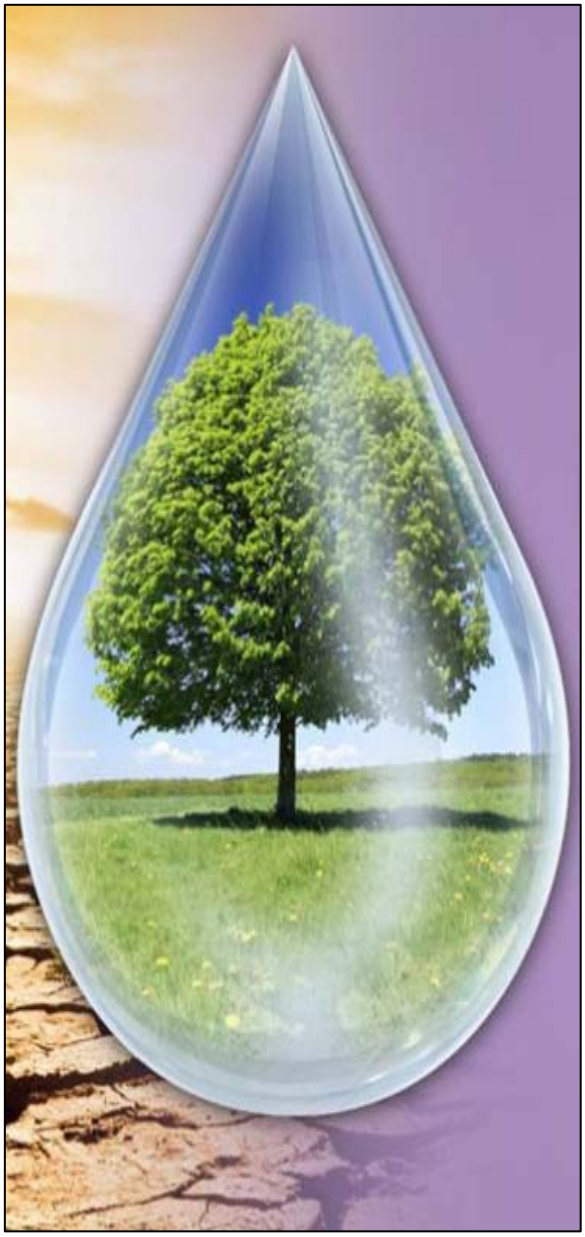
Location(s): Central San-wide

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$500,000	$500,000	$-	$1,000,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$-**	**$500,000**	**$500,000**	**$-**	**$1,000,000**

Capital Improvement Budget – Recycled Water Program

Central San provides landscape irrigation water that meets all the requirements of the State Water Resources Control Board's Division of Drinking Water and the San Francisco Regional Water Quality Control Board for unrestricted landscape irrigation. Recycling water means less water is diverted from the Delta environment. Recycled water is a valuable resource, especially during drought years when water for landscape irrigation is less available because of water rationing.

In 1996, Central San and the Contra Costa Water District reached an agreement allowing Central San to supply recycled water to specific areas of the cities of Concord and Pleasant Hill. That area is referred to as Zone 1. About 200 million gallons of recycled water are used annually by irrigation customers, including two golf courses, parks, a community college, an elementary school, three middle schools, a high school, and the city of Pleasant Hill. This project will ultimately deliver 1.5 million gallons per day for irrigation use in the City of Pleasant Hill area. Central San will continue to collaborate with local water purveyors to identify cost-effective landscape irrigation and industrial recycled water projects.



Central San currently produces over 500 million gallons of recycled water per year for use at the treatment plant site, for irrigation customers, and for a range of commercial uses. Over 200 million gallons per year of recycled water is provided to a variety of customers in the city of Pleasant Hill, the city of Concord, and businesses near Central San's treatment plant in Martinez. Recycled water is used for landscape irrigation at schools, parks, playgrounds, private businesses, golf courses, street medians, industrial processes, and commercial applications such as truck washing, concrete manufacturing, dust control, and toilet and urinal flushing. Central San uses over 300 million gallons per year at the treatment plant for process water and landscape irrigation for Central San properties. Central San continues to pursue several projects as described in the following pages.

The major emphasis of the Recycled Water Program for the next fiscal year will be to finalize construction of the Filter and Clearwell Improvements Project, Phase 1A. This project will improve Central San's existing recycled water treatment facilities, storage, and related support facilities, to address aging infrastructure needs, and maintain reliable recycled water service to customers and for use at Central San's treatment plant. Central San will also continue efforts to add new cost-effective customers in Central San's Zone 1 service area, pursue outside funding assistance (such as federal and state grants for all Central San recycled water projects), and work with water supply agencies to develop recycled water supply alternatives, such as the Water Exchange Project with Contra Costa Water District and Santa Clara Valley Water District.

All projects in the Recycled Water Program are summarized; including all past, current, and planned budgets required to complete each project as shown on the following Table 5:

CIB Table 5 – FY 2021-22 Recycled Water Program Budget/Project Summary

Project Number	Project	Budget-to-Date	FY 2021-22	Future FYs	Total Project Cost
7361	Filter Plant and Clearwell Improvements – Phase 1A	$14,989,000	$16,000,000	$7,600,000	$38,589,000
7366	Recycled Water Distribution System Renovations Program	515,000	200,000	1,045,000	1,760,000
7368	Water Exchange Project	350,000	50,000	--	400,000
100002	Filter Plant and Clearwell Improvements – Phase 1B	400,000	250,000	32,800,000	33,450,000
TBD *	Zone 1 Recycled Water 2021+	-	100,000	900,000	1,000,000
	Total Program	**$16,254,000**	**$16,600,000**	**$42,345,000**	**$75,199,000**

*New Project in FY 2021-22

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

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	5	315

Purpose:

To rehabilitate and replace components of the existing Filter Plant recycled water facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The recycled water facilities produce disinfected tertiary effluent that meets Title 22 recycled water requirements and is used on-site for utility water and pumped off-site for various residential and commercial recycled water uses. The Filter Plant, Clearwell structure, and related facilities were constructed in the mid-1970s. The existing Filter Plant media has been partially replaced over the years. The last partial media replacement effort was 15 years ago. The electrical and instrumentation infrastructure is mostly original, showing signs of significant wear, and requires replacement to ensure operational reliability. Opportunities to minimize energy demands and reduce chemical dosing requirements will be included in the rehabilitation project. Additional improvements will be incorporated in a future Phase 1B project.

Description:

The 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
- Replace one filter (bid alternate) and chemical addition improvements and rehabilitate coagulant flash mixing, backwash gates, and other miscellaneous equipment and valves
- Replace sodium hypochlorite piping and pumps used for Title 22 disinfection compliance
- Clearwell storage improvements (two new storage tanks) and related equipment
- Replace pump motors and electrical at the Clearwell Pumping Station

Operating Department Impact and Funding Source:

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

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$1,130,000	$-	$-	$-	$1,130,000
Design	2,870,000	-	-	-	2,870,000
Construction	10,989,000	16,000,000	7,600,000	-	34,589,000
FY Total	**$14,989,000**	**$16,000,000**	**$7,600,000**	**$-**	**$38,589,000**

Recycled Water Distribution System Renovations Program – District Project 7366

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	25	150

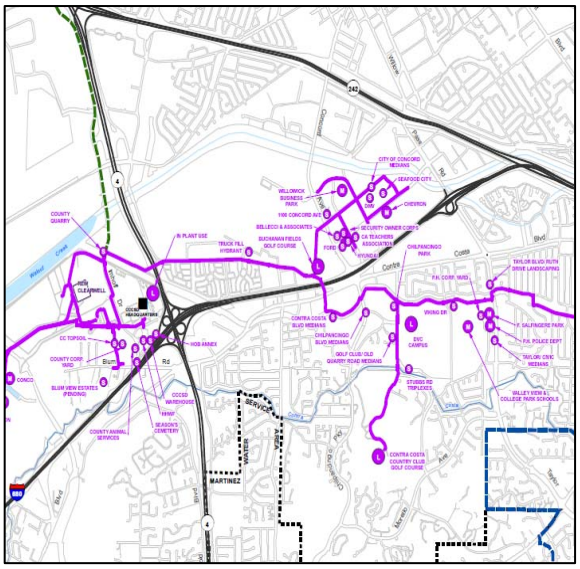
Purpose:

To renovate existing recycled water distribution system facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Drivers:

Central San's recycled water distribution system consists of approximately 13 miles of recycled water distribution piping, which includes several isolation valves, pressure-reducing valves, air relief valves, hydrants, flow meters, and other connections and appurtenances. The recycled water distribution system includes pressured pipes installed over various years ranging from the mid-1990s to 2015 and now serves over 30 customers. Eventual renovations and upgrades to the distribution system components will be required to maintain reliable service to Central San's recycled water customers.



Description:

This project includes renovation of recycled water piping, valves, meters, and other appurtenances. In addition, this project will include upgrades to overall system reliability and continued condition assessment and inspection of various recycled water distribution system assets.

Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, Martinez

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$100,000	$-	$-	$-	$100,000
Design	200,000	-	-	-	200,000
Construction	215,000	200,000	209,000	836,000	1,460,000
FY Total	**$515,000**	**$200,000**	**$209,000**	**$836,000**	**$1,760,000**

Water Exchange Project – District Project 7368

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Planning	25	150

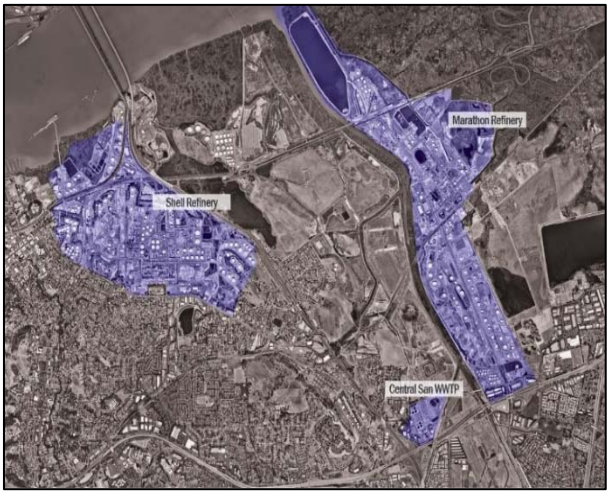
Project Drivers	
Aging Infrastructure	Capacity
Regulatory	Sustainability

Purpose:

To develop a project to recycle as much of Central San's wastewater supply as possible.

Drivers:

Central San's Board of Directors is interested in taking advantage of Central San's wastewater supply to augment the region's water supply. This project seeks to produce recycled water for meeting Central San's current and future recycled water irrigation customer demands and for meeting the recycled water quality and demands of the nearby Shell and Marathon refineries in the city of Martinez.



Description:

The planning-level effort for this project involves evaluating a cost-effective treatment train that will produce both irrigation-quality recycled water to meet Central San's current (utility water and Zone 1) and future (Concord Community Reuse Project) Title 22 demands, in addition to producing approximately 19 million gallons per day of industrial-quality recycled water to provide to Contra Costa Water District to serve to their City of Martinez refinery customers. The refineries' current water supply (raw Central Valley Project water) would be freed up and exchanged through Contra Costa Water District and conveyed to Santa Clara Valley Water District via the proposed Transfer-Bethany Pipeline and the South Bay Aqueduct.

Operating Department Impact and Funding Source:

The impacts to operational budgets have not yet been determined. Project expenditures are funded from Capital Revenues.

Location(s): Treatment Plant and City of Martinez

Project Budget					
Phase:	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$350,000	$50,000	$-	$-	$400,000
Design	-	-	-	-	-
Construction	-	-	-	-	-
FY Total	**$350,000**	**$50,000**	**$-**	**$-**	**$400,000**

Filter Plant & Clearwell Improvements – Phase 1B – District Project 100002

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Design	23	165

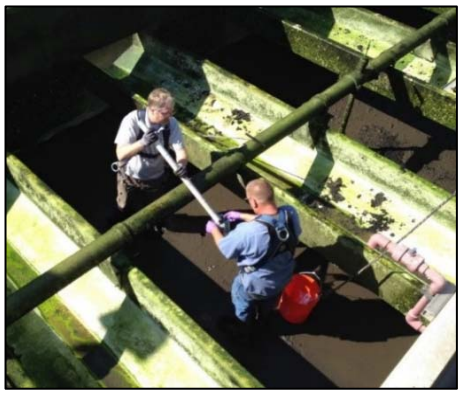
Purpose:

To rehabilitate and replace components of the existing Filter Plant recycled water facilities.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

The recycled water facilities produce disinfected tertiary effluent that meets Title 22 recycled water requirements and is used on-site for utility water and is pumped off-site for various residential and commercial recycled water uses. The Filter Plant, Clearwell structure, and related facilities were constructed in the mid-1970s. The existing Filter Plant media has been partially replaced on a routine basis over the years. The last partial media replacement effort was 15 years ago. Some of the Filter and some of the elements associated with the Clearwell storage and recycled water pumping replacement are being implemented under the earlier phase, Filter & Clearwell Improvements – Phase 1A Project, DP 7361. That project is scheduled to go in construction this fiscal year. The electrical and instrumentation infrastructure is mostly original, showing signs of significant wear, and requires replacement to ensure operational reliability.



Description:

The Phase 1B project includes the following major elements:

- Rehabilitate and replace various electrical equipment (motor control centers, switchgear, substation), and programmable logic controls at the Filter Plant
- Replace the other three filters
- Add a chlorine contact tank to meet the requirements for Title 22 disinfection compliance
- Forebays storage improvements or new storage tanks and related equipment
- Replace pump motors and electrical at the Applied Water Pumping Station

Operating Department Impact and Funding Source:

The impacts to the operating budgets have not yet been determined. Project expenditures are funded from Capital Revenues. This project may be funded using a future State Revolving Fund loan.

Location(s): Treatment Plant

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	400,000	250,000	250,000	2,100,000	3,000,000
Construction	-	-	-	30,450,000	30,450,000
FY Total	**$400,000**	**$250,000**	**$250,000**	**$32,550,000**	**$33,450,000**

Zone 1 Recycled Water – District Project TBD

Program	Phase	Priority Rank	Ranking Score
Recycled Water	Construction	33	100

Purpose:

To continue providing recycled water for landscape irrigation customers within the Zone 1 distribution area, which includes the City of Pleasant Hill and portions of the Cities of Concord and Martinez. This is a continuation of DP 7306.

Project Drivers	
Aging Infrastructure	Capacity
Regulatory	**Sustainability**

Drivers:

In 2001, Central San completed the Zone 1 Implementation Plan that provided estimated connection costs and revenues for customers identified in the Zone 1 Project Agreement with Contra Costa Water District. Depending on the extent of use, demand for recycled water in Zone 1 for landscape irrigation and commercial uses ranges from 200 to 400 million gallons per year.

Central San staff evaluates potential new recycled water landscape irrigation sites near the existing recycled water distribution system and works with developers to evaluate options for connecting to the system.

Description:

This project provides funds for the planning, design, and construction of recycled water facilities for landscape irrigation and commercial customers in the Zone 1 distribution area.

Operating Department Impact and Funding Source:

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

Location(s): Zone 1 Recycled Water Distribution System – Cities of Pleasant Hill, Concord, and Martinez

Project Budget					
Phase	**Budget-to-Date**	**FY 2021-22**	**FY 2022-23**	**Future FYs**	**Total**
Planning	$-	$-	$-	$-	$-
Design	-	-	-	-	-
Construction	-	100,000	100,000	800,000	1,000,000
FY Total	**$-**	**$100,000**	**$100,000**	**$800,000**	**$1,000,000**

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Ten-Year Capital Improvement Plan
(FY 2021 – FY 2031)

OVERVIEW

Central San has developed a Ten-Year Capital Improvement Plan (Ten-Year CIP) for capital facilities and financing needs. The Ten-Year CIP covers the period starting on July 1, 2021 and ending June 30, 2031. It incorporates the recommendations from the June 2017 Comprehensive Wastewater Master Plan (CWMP). The Ten-Year CIP is updated every year. Specifically, the plan identifies and prioritizes capital projects needed to accomplish Central San's Vision, Mission, Values, and Goals. It also includes planning-level cost estimates for proposed projects and projections for the various sources of revenue needed to meet the cash flow requirements. The principal purpose of the Ten-Year CIP is to provide the Board of Directors (Board) with the information needed to formulate a long-range policy regarding:

- **Priority and Schedule** – Identify, prioritize, and schedule the projects necessary to accomplish Central San's Vision, Mission, Values, and Goals.
- **Financing** – Plan for sufficient financial resources to complete the proposed projects.

The CWMP was a critical tool used by Central San to implement the following strategies from Central San's Strategic Plan (FY 2020-2022):

- **Achieve 100% Compliance in All Regulations** by meeting all air, water, land, and other requirements and by striving to minimize sanitary sewer overflows through the implementation of best management practices.
- **Reduce Reliance on Non-Renewable Energy** by using sustainable practices that minimize waste, maximize resources, and improve the community.
- **Manage Assets Optimally to Prolong Their Useful Life** by facilitating long-term capital renewal and replacement and by protecting Central San personnel and assets from threats and emergencies.
- **Improve and Modernize Operations through Technology and Efficiency Measures** by streamlining workflows, leveraging data, and encouraging the review and pilot testing of new technology to optimize the way Central San works.

The following Ten-Year CIP section provides a general description of the plan and a discussion of potential, unbudgeted future capital projects. As projects develop and are prioritized, they are grouped into the four programs (Treatment Plant, Collection System, General Improvements, and Recycled Water Program) as shown in the Capital Improvement Budget (CIB).

A brief description of each program and a list of major projects for the Ten-Year CIP are provided in the Capital Improvement Plan sections for each of the four programs. In total, the estimated costs for all the projects listed in the Ten-Year CIP is $939.7 million.

Ten-Year Capital Improvement Plan Budget Process

The Ten-Year CIP assumes that funds will be available to support the plan. For FY 2021-22, these funds come from sources as discussed in the Financial Summary section. The only two controllable sources are issuance of debt or adjustment of the capital component of the Sewer Service Charge. With respect to debt, the Capital Plan assumes that a 2021 State Revolving Fund (SRF) loan will be finalized and will fund the Solids Handling Facility Improvements Project from FY 2021-22 through FY 2025-26.

No other debt offerings are currently assumed in the ten-year financial plan, but others are being explored. A bond offering for June 2021 may substantially fund the portion of the FY 2021-22 CIB that is currently to be funded by Sewer Service Charges. If this bond offering proceeds, a budget amendment will be made to reflect the revised funding overall funding sources of the FY 2021-22 budget. There is also an expectation that Central San will apply for additional SRF loans over the course of the Ten-Year CIP, but these are not assumed in the financial plan as no assurance is currently available that this competitive funding will be available. If successful, Central San's financial plan would be revised accordingly.

The Ten-Year CIP is currently budgeted on a year-by-year basis when the CIB for the upcoming fiscal year is formally authorized and adopted by the Board. Changes in capital revenue forecasts or changes in recommended expenditures may result in changes to the future Ten-Year CIP.

2017 Comprehensive Wastewater Master Plan

The CWMP was completed in June 2017. A key deliverable of the CWMP was an updated Capital Improvement Plan for the next 20-year planning horizon (2017-2037). The CWMP included descriptions, rationales, and estimated costs for collection system and wastewater treatment plant capital improvement projects and ongoing programs to address aging infrastructure, meet existing and anticipated regulatory requirements, accommodate planned growth, optimize energy use, and implement Central San's vision for the treatment plant that is consistent with Central San's Strategic Plan.

The CWMP was also a critical tool for maintaining a high level of service, establishing long-term fiscally responsible policies for Central San's customers, and providing a clear direction for Central San. To accomplish this, the CWMP:

- Confirmed Capital Improvement Program projects, costs, and site layouts for future facilities
- Identified linkages among the major capital improvement projects and repair and replacement strategies such that the projects can be resorted and rescheduled as changes in planning assumptions and needs occur
- Identified triggers for implementing applied research (if applicable), preliminary design, design, and construction of the recommended capital improvement projects to determine efficient "just-in-time" project implementation

- Identified new or updated policies, programs, and guidelines for Board consideration to address overall program implementation including project prioritizations, implementation costs, project delivery methods, potential funding sources, and an estimated schedule for implementing plan elements
- Confirmed and incorporated operations, maintenance, and energy management strategies
- Accelerated and coordinated condition assessments with the implementation of the Asset Management Plan and confirmed long-term repair and replacement strategies

Some of these potential future projects identified in the CWMP are not currently included in the Ten-Year CIP. Central San's CIP will be updated annually as projects are clarified. These future projects are not included in the CIP and amount to about $920.0 million, of which approximately $510.0 million may be within the next 20 years. These projects include the following:

- Nutrient Removal (Nutrient Watershed Permit): Possibly within 10 years **
- Water Exchange (Refinery Recycled Water) Project – 16-20 million gallons per day
- Advanced Treatment/Contaminants of Emerging Concern Removal **
- Renewable Energy Projects (triggered by increased power demands from nutrient removal) **
- Concord Community Reuse Project Recycled Water Facilities Improvements *
- Concord Community Reuse Project Collection System Improvements *
- Concord Community Reuse Project Recycled Water Distribution System (Central San's plan is to wholesale recycled water to CCWD, who will oversee the new distribution system and storage) *

* Projects expected to be cost neutral to Central San
**Projects identified but not currently required by regulations

Ten-Year Capital Improvement Plan – Collection System Program

The Collection System Program includes projects that will address aging and deteriorating infrastructure needs, meet regulatory requirements, address any capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Collection System Program will be on rehabilitating and replacing deteriorating sewers, new development and sewer expansion by developers within Central San's service area, upgrading aging pumping stations, and implementing large diameter and force main inspection programs. The inspection programs will help to update the condition of existing infrastructure and to confirm the timing and cost of rehabilitation or replacement of large diameter sewers and force mains. Overall, these projects are targeted at reducing the risk of sewer system overflows in Central San's collection system.

Central San staff will continue to update the new collection system hydrodynamic model (*InfoWorks®*) to confirm the need and timing for future projects required to alleviate capacity deficiencies and to determine sewer replacement needs.

The *InfoMaster®* program 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 was determined using factors such as pipeline size, flow conditions, and proximity to waterways, hospitals, schools, and

roads. The overall risk of each segment is based on the likelihood of failure and consequence of failure scores, and a decision matrix developed through workshops with staff were used to prioritize the replacement of each pipe segment. *InfoMaster®* then helps to develop a long-term sewer replacement strategy or program based on the timing/prioritization, and cost for sewer replacement needs. Staff then works to group sewers of concern geographically and bid as capital projects.

The following tables identify major projects in the Ten-Year CIP – Collection System Program. The projects have been grouped into one of five project categories: 1) Collection System Rehabilitation and Replacement, 2) Pumping Stations, 3) Regulatory Compliance, 4) Collection System Expansion, and 5) Contractual Assessment Districts and Development Sewerage.

Ten-Year CIP – Collection System Program Projects
Collection System Rehabilitation and Replacement

Project Title	Year(s)	Location	Description
Manhole Modifications Project	Present through 2031	Collection System	This program will fund manhole modifications and replacement throughout the collection system.
Cured-in-Place Pipe Blanket Contract	Present through 2031	Collection System	Implement cured-in-place pipe repair projects to address pipelines that require immediate action. Projects are completed in 5-year cycles.
Collection System Sewer Renovation – Phases 2 and 3	2022 to 2031	Collection System	This program will fund rehabilitation and replacement of aging sewers throughout the collection system. Aging infrastructure needs will continue to be identified, prioritized by risk, and packaged into capital projects by geographical areas throughout the collection system. This program is also coordinated with miscellaneous relief projects for sewers identified by the hydraulic model as having wet weather hydraulic capacity deficiencies and large-diameter renovation.
Force Main Inspection and Replacement	Present to 2027	Collection System	Evaluation and potential force main rehabilitation or replacement for the Acacia, Bates, Maltby, and Martinez Pumping Stations.
Large Diameter Piping Renovation Program	Present to 2031	Collection System	Rehabilitation or replacement of large diameter sewers based on the inspection program. This program will fund rehabilitation and replacement of aging large diameter sewers throughout the collection system. Aging infrastructure needs will continue to be identified, prioritized by risk, and packaged into capital projects by priority throughout the collection system.

Ten-Year CIP – Collection System Program Projects
Pumping Stations

Project Title	Year(s)	Location	Description
Pump Station Upgrades – Phase 2	Present through 2025	Martinez, Fairview, and Maltby Pumping Stations	Rehabilitation and replacement of miscellaneous pumps, piping, valves, electrical systems, and other equipment identified in the field. Acquire necessary pumping station emergency response equipment and critical spare parts.
Pumping Station Programmable Logic Controller (PLC) Upgrades	2024 to 2027	Miscellaneous Pumping Stations	Upgrade outdated PLC software language for all pumping stations.
Pumping Station Improvements	2023 to 2026	Buchanan North and South, Concord Industrial, and Other Pumping Stations	Implement major pumping station upgrades to address structural, mechanical, electrical, instrumentation, and other improvements.

Ten-Year CIP – Collection System Program Projects
Regulatory Compliance

Project Title	Year(s)	Location	Description
Collection System Planning	Present through 2031	Collection System	Continued planning to identify potential capital improvement projects required to address aging infrastructure needs, regulatory drivers, capacity deficiencies, and sustainability and optimization opportunities. Projects are performed in 5-year cycles, includes 5-and 10-year updates to Master Plan.
Collection System Modeling Support	Present through 2031	Collection System	Continued build-out of the collection system modeled network to include areas of planned development, and other major upgrades and updates to the hydraulic model.
Large Diameter Pipeline Inspection Program	Present through 2031	Collection System	Phased inspection program for large-diameter trunks and interceptors to update condition and prioritize rehabilitation and replacement needs.
Force Main Inspection Program	Present through 2031	Collection System	Phased inspection program for force mains to update condition and prioritize rehabilitation and replacement needs.

Ten-Year CIP – Collection System Program Projects
Contractual Assessment Districts and Development Sewerage

Project Title	Year(s)	Location	Description
Development Sewerage Support	Present through 20310	Central San-wide	Capitalized staff labor and expenses for the survey, rights-of-way, and inspection for construction of developer installed sewer facilities.

Ten-Year Capital Improvement Plan – Treatment Plant Program

The Treatment Plant Program includes projects that will address aging infrastructure needs, meet regulatory requirements, address any hydraulic or process capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Treatment Plant Program will be on the repair and replacement of aging treatment plant infrastructure, improving existing facilities to ensure reliable compliance with increasingly stringent regulatory requirements, improving the resiliency of existing facilities against security threats and natural hazards such as seismic and flooding events, and improving overall energy efficiency.

Central San staff will continue to evaluate treatment alternatives and applied research projects and pilots to address potential nutrient removal regulations, confirm the optimal long-term solids handling strategy, and strive to move closer to net zero energy in support of Board Policy 027 – Energy.

The following tables identify all the projects in the Ten-Year CIP – Treatment Plant Program. The projects have been grouped into one or more of three project categories: 1) Liquid Treatment Process, 2) Solids Handling Process, or 3) General Treatment Plant and Safety Improvements.

Ten-Year CIP – Treatment Plant Program Projects
Liquid Treatment Process

Project Title	Year(s)	Location	Description
Wet Weather Flow Management	2028 to 2031	Headworks, Wet Weather Holding Basins	Implement improvements for wet weather flow management and holding basin operation such as raw wastewater diversion pipeline, drain back pumping, sixth influent pump, and improved basin grading and drainage.
Primary Expansion	2028 to 2031	Pre-Aeration, Primaries	Construct up to two additional primary sedimentation tanks and corresponding new pre-aeration (grit removal) tank, improve wet weather grit handling, and replace primary sludge pumps.
Aeration Basins Diffuser Replacement and Seismic Upgrades Project	2021 to 2028	A/N Tanks	Design the replacement the existing aeration tanks diffusers to increase aeration system performance and optimize the activated sludge process.
Secondary Treatment Hydraulic Improvements	2024 to 2029	Secondary Clarifiers and Mixed Liquor Flow	Increase secondary treatment wet weather capacity to accommodate a 20-year wet weather storage event. This includes a mixed liquor flow split structure for the secondary clarifiers, up to two additional secondary clarifiers, and mixed liquor channel improvements such as new gates.
UV Disinfection Replacement (Includes UV Hydraulic Improvement)	Present to 2027	UV Channel, Final Effluent Channel	Replace the aging existing UV disinfection process with a new, more energy efficient UV disinfection process. Increase wet weather hydraulic capacity through UV disinfection and final effluent channel to accommodate a 20-year wet weather storage event.

Project Title	Year(s)	Location	Description
Condition Assessment of Buried Pipelines	Present to 2023	Treatment Plant	Inspect the condition of several large diameter, critical pipelines on the treatment plant site such as primary effluent, mixed liquor, secondary effluent, final effluent pipelines, and wet weather bypass pipelines. These inspections will require complicated shutdowns and temporary bypass pumping and piping.
Outfall Improvements – Phase 8	2026 to 2028	Treatment Plant	Inspect outfall pipe and make necessary repairs. This project will require complicated shutdowns and temporary bypass pumping and piping.
Steam and Aeration Blower Systems Renovations Project	Present though 2027	Treatment Plant	Complete the condition assessment of the existing steam system and waste heat recovery in the Solids Conditioning Building, secondary process, and associated electrical equipment. Replace, rehabilitate, and/or improve the steam system, including steam turbines and associated aeration blowers, as related to aeration energy requirements, and coordinated with the existing steam system and heat recovery in the Solids Conditioning Building.
Electric Blower Improvements Project	Present though 2026	Treatment Plant	Replace the existing electric blower in the Pump and Blower Building. Coordinated with the Solids Handling Facility Improvements Project.
Aeration Basins Diffuser Replacement and Seismic Upgrades Project	Present though 2027	Treatment Plant	Rehabilitate and replace aeration diffusers, air piping, structural upgrades, and seismic improvements to reconfigure the aeration basins (a.k.a. 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 project will use the budget previously listed for the Nutrient Removal Optimization – Level 1 project identified in the prior Ten-Year CIP.

Ten-Year CIP – Treatment Plant Program Projects
Solids Handling Process

Project Title	Year(s)	Location	Description
Solids Handling Facility Improvements Project	Present though 2026	Solids Conditioning Facilities	Rehabilitate and replace the sludge dewatering, sludge handling, sludge blending, ash handling, furnace air pollution control equipment, and structural upgrades to the building housing this equipment.
Dissolved Air Flotation Thickeners Tanks (DAFT) Improvements	2028 though 2031	Solids Conditioning Facilities	Rehabilitate and renovate the DAFT used for waste activated sludge thickening.

Ten-Year CIP – Treatment Plant Program Projects
General Treatment Plant and Safety Improvements

Project Title	Year(s)	Location	Description
Treatment Plant Planning	Present through 2031	Treatment Plant	Continued planning to identify potential capital improvement projects required to address aging infrastructure needs, regulatory drivers, capacity deficiencies, and sustainability and optimization opportunities. Projects performed in five-year cycles.
Applied Research and Innovations	Present through 2031	Treatment Plant	Implement applied research projects that evaluate promising and innovative technologies and processes. Projects performed in five-year cycles.
Surcharge Soil Pile Relocation	2025 to 2028	Surcharge Pile, Basin A South	Excavate and relocate surcharge pile soils to Basin A South and replace soil cap.
Treatment Plant Supervisory Control and Data Acquisition (SCADA) Improvements	2022 to 2026	Treatment Plant	Complete an evaluation and implementation plan for the upgrade and replacement of the SCADA, PLCs, and communications networks, and determine workforce planning needs.
Treatment Plant Network Resiliency Evaluation	2024 to 2026	Treatment Plant	Complete resiliency evaluation of network system and evaluate needs for redundancy in communications, information systems, and process control systems.
Fire Protection System – Phases 4, 5 and 6	Present to 2025	Treatment Plant	Continue phased upgrades and replacement of the fire alarm systems throughout the treatment plant. Previous plan had six phases, combined to four phases this year due to criticality and safety.
Warehouse Seismic Upgrades	2022 to 2025	Warehouse	Implement upgrades to the Warehouse building to meet current seismic design standards and improve overall seismic safety.
Miscellaneous Seismic Upgrades	2022 to 2024	Filter Plant, UV, Headworks, Fuel Oil, Hypo Tanks, Substations	Implement seismic upgrades to miscellaneous structures and process equipment around the treatment plant.
Treatment Plant Safety Enhancements – Phases 5 through 8	Present to 2028	Treatment Plant	Continue to implement safety-related enhancements around the treatment plant to proactively address safety concerns.
Aging Infrastructure Replacement Program	Present through 2031	Treatment Plant	This program will fund aging infrastructure projects around the treatment plant. Aging infrastructure needs will continue to be packaged together and implemented as spinoff capital projects from this program (e.g., piping replacement projects, equipment replacement, and electrical/instrumentation/control systems rehabilitation). Program is performed in five-year cycles.

Ten-Year Capital Improvement Plan – General Improvements Program

The General Improvements Program includes projects that will address aging infrastructure needs, meet regulatory requirements, and improve sustainability or help meet sustainability-related goals. This includes implementing property and building improvements, addressing equipment needs, acquiring new properties if required, completing development of the Asset Management Program, information management system and data management system upgrades, general security improvements enhancement, and cybersecurity. Many of Central San's buildings are over 25 years of age and are starting to require general building upgrades to both the interiors and exteriors such as painting, replacing ceiling tiles, upgrading fixtures, replacing roofs, replacing worn furniture and other equipment, and upgrading buildings to meet current seismic standards. The emphasis of the General Improvements Program for the Ten-Year CIP will be on upgrading many of those aging buildings. In addition, Central San will continue to require routine acquisition of new equipment, vehicle replacement, security improvements, information technology improvements, and improved cybersecurity enhancements.

The following tables identify major projects in the Ten-Year CIP – General Improvements Program. The projects have been grouped into one of three project categories: 1) Vehicles and Equipment Acquisition, 2) Buildings and District Property, and 3) Information Technology Development.

Ten-Year CIP – General Improvements Program Projects
Vehicles and Equipment Acquisition

Project Title	Year(s)	Location	Description
Equipment Acquisition	Present through 2031	Central San-wide	Acquisition of new equipment for operation and maintenance of Central San assets.
Vehicle Replacement Program	Present through 2031	Central San-wide	Continued replacement and acquisition of new Central San vehicles.

Ten-Year CIP – General Improvements Program Projects
Buildings and District Property

Project Title	Year(s)	Location	Description
Future Property Repairs and Improvements	2025 to 2031	Central San-wide	Improvements to Central San's buildings, buffer properties, rental properties, and the surrounding parking lots and grounds.
District Easement Acquisition	Present through 2031	Central San-wide	Improve or acquire new property land rights for existing or new sanitary sewers that are located on private properties.
General Security and Access	Present through 2031	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 2031	Central San-wide	Continued implementation of Central San-wide information technology improvements.

Ten-Year CIP – Recycled Water Program

The Recycled Water Program includes projects that will address aging infrastructure needs, meet regulatory requirements, address any capacity deficiencies, and improve sustainability or help meet sustainability related goals. The emphasis of the Ten-Year CIP – Recycled Water Program will be on continued expansion of the Zone 1 Recycled Water Program in support of Board Policy 019 – Recycled Water, implementing improvements to the existing recycled water filter plant and related support facilities to address aging infrastructure to ensure reliable supply of recycled water, replacing and installing new clearwell liner and covers, and initiating ongoing rehabilitation and replacement of recycled water distribution system assets.

Central San staff will continue to explore and plan for other potential recycled water projects and related improvements and expansions that may be required. These other projects will likely involve the wholesale of recycled water to a water purveyor. The following table identifies major projects in the Ten-Year CIP – Recycled Water Program.

Ten-Year CIP – Recycled Water Program Projects

Project Title	Year(s)	Location	Description
Zone 1 Recycled Water	Present to 2031	Zone 1 Area within the Cities of Concord, Martinez, and Pleasant Hill	Continue to expand Zone 1 Recycled Water Program, where cost-effective, for landscape irrigation at schools, parks, private businesses, golf courses, street medians, and for commercial applications such as truck washing, concrete manufacturing, dust control, and toilet and urinal flushing.
Recycled Water Distribution System Renovations	Present through 2031	Zone 1 Area within the Cities of Concord, Martinez, and Pleasant Hill	Implement a recurring rehabilitation and replacement program for recycled water distribution system assets such as the recycled water surge tank, distribution piping, valves, and flow meters.
Filter Plant & Clearwell Improvements – Phase 1A	Present to 2023	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including two large storage tanks and related electrical, instrumentations and control systems.
Filter Plant & Clearwell Improvements – Phase 1B	Present to 2028	Treatment Plant	Complete the rehabilitation and replacement of the recycled water treatment facilities, including the remaining three filters, forebays, applied water pumps, chlorine contact basins, and related electrical, instrumentations and control systems.

Ten-Year CIP Expenditures

The Ten-Year CIP provides a basis for policy decisions concerning Central San's long-range CIP and management of the Sewer Construction Fund. The Ten-Year CIP also serves as the capital improvement expenditure basis for performing the fee analysis.

This plan includes projected expenditures totaling $939.71 million (in 2021 dollars) over the period from FY 2021-22 through FY 2030-31. A summary of the planned expenditures by program, without inflation, for the Ten-Year CIP is included in Tables 1-5.

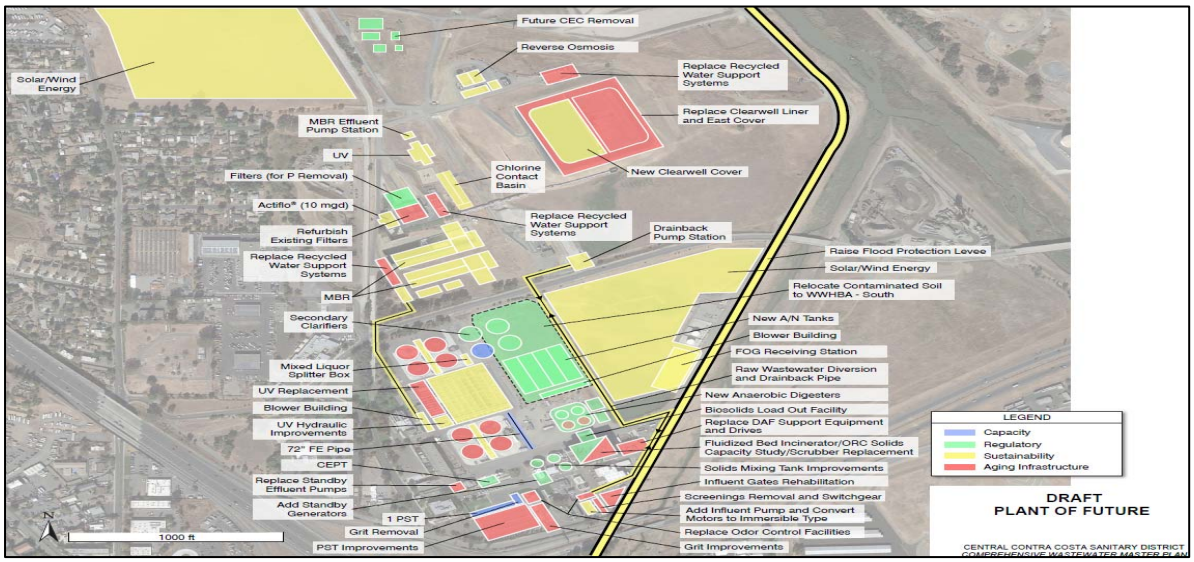

Illustration of a Potential Central San Treatment Plant of the Future

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Table 1 - Ten-Year Program: Collection System		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Project #	Project Name	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
5991	Pleasant Hill Sewer Renovation - Phase 2	500,000	500,000	-	-	-	-	-	-	-		-
8419	Collection System Planning	400,000	200,000	200,000	-	-	-	-	-	-		-
8436	Pump Station Upgrades - Phase 1	12,644,000	12,644,000	-	-	-	-	-	-	-		-
8442	Pump Station Equipment & Piping Replacement - Phase 2	406,000	200,000	206,000	-	-	-	-	-	-		-
8443	Large Diameter Pipeline Inspection Program - Phase 1	500,000	500,000	-	-	-	-	-	-	-		-
8444	Force Main Inspection Program - Phase 1	500,000	500,000	-	-	-	-	-	-	-		-
8447	Pump Station Security Improvements	313,000	75,000	82,000	78,000	78,000	-	-	-	-		-
8448	Manhole Modifications	750,000	400,000	350,000	-	-	-	-	-	-		-
8449	Collection System Modeling Support	120,000	120,000	-	-	-	-	-	-	-		-
8450	Development Sewerage Support	5,535,000	900,000	927,000	927,000	927,000	927,000	927,000	-	-		-
8451	Collection System Sewer Renovation - Phase 1	1,136,000	1,136,000	-	-	-	-	-	-	-		-
8457	Pump Station Upgrades - Phase 2	36,000,000	3,000,000	10,000,000	14,000,000	9,000,000	-	-	-	-		-
8461	South Orinda Sewer Renovation - Phase 8	4,600,000	4,600,000	-	-	-	-	-	-	-	-	-
8463	North Orinda Sewer Renovation - Phase 8	4,800,000	4,600,000	200,000	-	-	-	-	-	-	-	-
8464	Martinez Sewer Renovation - Phase 7	4,800,000	2,000,000	2,800,000	-	-	-	-	-	-	-	-
8465	Walnut Creek Sewer Renovation - Phase 15	4,900,000	4,900,000	-	-	-	-	-	-	-	-	-
8466	Danville Sewer Renovation - Phase 4	4,800,000	1,000,000	3,800,000	-	-	-	-	-	-	-	-
10005	Cured-In-Place Pipe Blanket Contract (FY 2020-25)	1,000,000	250,000	250,000	250,000	250,000		-	-	-		-
100006	Contractual Assesment District Project	3,000,000	500,000	500,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
100007	Large Diameter Renovation Program	15,500,000	500,000	3,000,000	3,000,000	4,000,000	3,500,000	1,500,000	-	-		-
100017	San Ramon Electrical Improvements	1,020,000	520,000	500,000								
TBD	Collection System Master Plan (5-Year Update)	750,000	750,000	-	-	-	-	-	-	-		-
TBD	Collection System Master Plan (10-Year Update)	1,000,000	-	-	-	-	-	1,000,000	-	-		-
TBD	Collection System Sewer Renovation - Phase 2	97,750,000	-	13,750,000	21,000,000	21,000,000	21,000,000	21,000,000	-	-		-
TBD	Large Diameter Pipeline Inspection Program - Phase 2	1,800,000	-	450,000	450,000	450,000	450,000	-	-	-		-
TBD	Collection System Modeling Support 2022+	1,110,000	-	120,000	120,000	120,000	125,000	125,000	125,000	125,000	125,000	125,000
TBD	Force Main Inspection Program - Phase 2	1,000,000	-	250,000	250,000	250,000	250,000	-	-	-	-	-
TBD	Pump Station Improvements & Rehabilitations	2,606,000	-	-	530,000	531,000	1,545,000	-	-	-	-	-
TBD	Pumping Station SCADA Upgrades	1,745,000	-	-	200,000	515,000	515,000	515,000	-	-	-	-
TBD	Force Main Replacement Program	15,174,000	-	-	206,000	721,000	1,545,000	7,916,000	2,286,000	2,500,000	-	-
TBD	Collection System Planning 2023+	1,600,000	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
TBD	Pump Station Equipment & Piping Replacement 2023+	2,076,000	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	676,000
TBD	Manhole Modifications 2023+	2,800,000	-	-	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
TBD	Pump Station PLC Upgrades	930,000	-	-	-	240,000	690,000	-	-	-	-	-
TBD	Cured-In-Place Pipe (CIPP) Blanket Contract (FY 2026+)	1,750,000	-	-	-	-	250,000	300,000	300,000	300,000	300,000	300,000
TBD	Collection System Master Plan (10-Year Update)	1,000,000	-	-	-	-	-	1,000,000	-	-	-	-
TBD	Large Diameter Renovation Program 2027+	6,000,000	-	-	-	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000
TBD	Collection System Sewer Renovation - Phase 3	85,020,000	-	-	-	-	-	-	21,000,000	21,000,000	21,020,000	22,000,000
TBD	Large Diameter Pipeline Inspection Program - Phase 3	1,800,000	-	-	-	-	-	-	450,000	450,000	450,000	450,000
TBD	Development Sewerage Support 2027+	3,708,000	-	-	-	-	-	-	927,000	927,000	927,000	927,000
TBD	Force Main Replacement - Bates	2,080,000	-	-	-	-	-	-	-	2,080,000		-
	Collection System Total:	**$ 334,923,000**	**$ 39,795,000**	**$ 37,385,000**	**$ 42,011,000**	**$ 39,082,000**	**$ 31,797,000**	**$ 35,283,000**	**$ 27,588,000**	**$ 29,882,000**	**$ 25,322,000**	**$ 26,778,000**

Table 2 - Ten-Year Program: Treatment Plant		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Project #	Project Name	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
7304	PLC Systems Upgrades	120,000	120,000	-	-	-	-	-	-	-	-	-
7315	Applied Research & Innovations	1,000,000	300,000	300,000	400,000	-	-	-	-	-	-	-
7328	Influent Pump Electrical Improvements	4,676,000	3,250,000	1,426,000	-	-	-	-	-	-	-	-
7339	Plant Control System I/O Replacement	1,059,000	-	-	-	100,000	959,000	-	-	-	-	-
7341	Walnut Creek/Grayson Creek Levee Rehab	2,100,000	500,000	1,250,000	350,000	-	-	-	-	-	-	-
7348	Solids Handling Facility Improvements - Phase 1	164,000,000	21,000,000	45,000,000	47,000,000	41,000,000	10,000,000	-	-	-		
7349	Steam Aeration & Blower Systems Renovations	29,550,000	250,000	250,000	3,500,000	2,285,000	10,920,000	10,900,000	1,445,000			-
7353	Outfall Improvements	500,000	500,000	-	-				-	-	-	-
7354	Treatment Plant Security Improvements	445,000	445,000	-	-	-	-	-	-	-	-	-
7355	Odor Control Upgrades - Phase 1	1,000,000	-	-	-	500,000	500,000	-	-	-	-	-
7357	Plant-Wide Instrumentation Upgrades	820,000	410,000	410,000	-	-	-	-	-	-	-	-
7363	Treatment Plant Planning	600,000	300,000	300,000	-	-	-	-	-	-	-	-
7369	Piping Renovation - Phase 10	2,700,000	2,200,000	500,000	-	-	-	-	-	-	-	-
7370	Annual Infrastructure Replacement FY 2019-25+	7,755,000	1,255,000	2,000,000	2,000,000	2,500,000	-	-	-	-	-	-
7371	Condition Assessment of Buried Yard Pipelines	500,000	-	-	-	250,000	250,000	-	-	-	-	-
7373	Fire Protection System - Phase 3	450,000	450,000	-	-	-	-	-	-	-	-	-
7375	Contractor Staging Improvements	0	-	-	-	-	-	-	-	-	-	-
10001	UPCCAA Urgent Projects FY 2020-25+	2,400,000	600,000	600,000	600,000	600,000	-	-	-	-	-	-
10008	Laboratory Seismic & Roof Upgrades	450,000	450,000	-	-	-	-	-	-	-	-	-
10009	MHF Hearth Replacement	500,000	-	-	500,000	-	-	-	-	-	-	-
10010	Air Conditioning and Lighting Renovations Project	750,000	500,000	250,000	-	-	-	-	-	-	-	-
10011	Plant Electrical Replacement and Rehabilitaton	1,860,000	200,000	415,000	415,000	415,000	415,000	-	-	-	-	-
10012	UV Disinfection Replacement and Hydraulic Improvements	34,300,000	2,000,000	2,000,000	3,600,000	11,200,000	9,000,000	6,500,000		-	-	-
10014	MRC Building and Maintenance Shops Improvements	900,000	300,000	300,000	300,000	-	-	-	-	-	-	-
10015	Electric Blowers Improvements	14,000,000	7,400,000	6,600,000	-	-	-	-	-	-	-	-
TBD	Aeration Basin Diffusers and Seismic Improvements	25,800,000	2,100,000	1,400,000	4,000,000	8,700,000	8,600,000	1,000,000	-	-	-	-
TBD	TP Safety Enhancements - Phase 6	818,000	200,000	618,000	-	-	-	-	-	-	-	-
TBD	Wet Weather Basin Improvements	500,000	500,000	-	-	-	-	-	-	-	-	-
TBD	Fire Protection System - Phase 4	860,000	-	860,000	-	-	-	-	-	-	-	-
TBD	Controls System Upgrades - Phase 2	620,000	-	124,000	124,000	124,000	124,000	124,000	-	-	-	-
TBD	Electrical Infrastructure	16,000,000	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TBD	Miscellaneous Seismic Upgrades	800,000	-	300,000	500,000	-	-	-	-	-	-	-
TBD	Treatment Plant SCADA Upgrades	8,933,000	-	593,000	2,060,000	3,090,000	3,190,000	-	-	-	-	-
TBD	Warehouse Seismic Upgrades	1,220,000	-	300,000	620,000	300,000	-	-	-	-	-	-
TBD	WWTP Master Plan (5-Year Update)	550,000	-	550,000	-	-	-	-	-	-	-	-
TBD	Secondary Treatment Hydraulic Improvements	29,050,000	-	-	-	1,850,000	2,000,000	12,000,000	7,200,000	6,000,000	-	-

Table 2 - Ten-Year Program: Treatment Plant (Continued)		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Project #	Project Name	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
TBD	Applied Research & Innovations 2023+	3,200,000	-	-	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TBD	Treatment Plant Planning 2023 +	3,200,000	-	-	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TBD	TP Safety Enhancements - Phase 7	867,000	-	-	-	42,000	124,000	701,000	-	-	-	-
TBD	Treatment Plant Network Resiliency Evaluation	267,000	-	-	-	54,000	213,000	-	-	-	-	-
TBD	Annual Infrastructure Replacement FY 2025-26+	14,500,000	-	-	-	-	4,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
TBD	CO-Gen Replacement	25,115,000	-	-	150,000	250,000	515,000	1,540,000	8,240,000	8,240,000	6,180,000	-
TBD	Surcharge Soil Pile Relocation	18,600,000	-	-	-	-	1,500,000	7,500,000	9,600,000	-	-	-
TBD	Treatment Plant Seismic Study	300,000	-	-	-	-	300,000	-	-	-	-	-
TBD	Tunnel Improvements	4,928,000	-	-	-	-	2,400,000	2,528,000	-	-	-	-
TBD	UPCCAA Urgent Projects FY 2025-26+	3,000,000	-	-	-	-	500,000	500,000	500,000	500,000	500,000	500,000
TBD	Plant Electrical Replacement and Rehabilitaton 2025+	2,075,000	-	-	-	-	-	415,000	415,000	415,000	415,000	415,000
TBD	Outfall Improvements - Phase 8	4,800,000	-	-	-	-	-	600,000	4,200,000	-	-	-
TBD	Primary Expansion	14,935,000	-	-	-	-	-	-	-	1,030,000	2,575,000	11,330,000
TBD	Standby Generator Expansion	5,356,000	-	-	-	-	-	2,678,000	2,678,000	-	-	-
TBD	Wet Weather Flow Management	8,250,000	-	-	-	-	-	-	-	250,000	2,500,000	5,500,000
TBD	WWTP Master Plan (10-Year Update)	1,115,000	-	-	-	-	-	600,000	515,000	-	-	-
TBD	Controls System Upgrades - Phase 3	645,000	-	-	-	-	-	129,000	129,000	129,000	129,000	129,000
TBD	Odor Control Upgrades - Phase 2	14,549,000	-	-	-	-	-	-	780,000	1,500,000	5,000,000	7,269,000
TBD	TP Safety Enhancements - Phase 8	805,000	-	-	-	-	-	-	52,000	83,000	670,000	-
TBD	Solids Handling Facility Improvements - DAFT Tanks	2,369,000	-	-	-	-	-	-	-	100,000	950,000	1,319,000
TBD	Fire Protection System - Phase 5	400,000	-	-	400,000	-	-	-	-	-		-
TBD	Fire Protection System - Phase 6	400,000	-	-	-	400,000	-	-	-	-		-
TBD	Secondary Clarifiers Improvements	9,921,000	-	-	-	-	-	-	-	618,000	2,326,000	6,977,000
TBD	TP Safety Enhancements - Phase 9	42,000	-	-	-	-	-	-	-	-	-	42,000
	Treatment Plant Total:	**$ 497,225,000**	**$ 45,230,000**	**$ 66,346,000**	**$ 69,319,000**	**$ 76,460,000**	**$ 58,810,000**	**$ 52,515,000**	**$ 40,554,000**	**$ 23,665,000**	**$ 26,045,000**	**$ 38,281,000**

Table 3 - Ten-Year Program: General Improvements		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Project #	Project Name	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
8230	Capital Legal Services	40,000	20,000	20,000	-	-	-	-	-	-	-	-
8236	District Easement Acquisition	75,000	75,000	-	-	-	-	-	-	-	-	-
8240	IT Development FY 2016-25	1,250,000	750,000	500,000	-	-	-	-	-	-	-	-
8250	ERP Replacement	300,000	300,000	-	-	-	-	-	-	-	-	-
8251	Capital Improvement Plan & Budget (Document Management)	300,000	100,000	100,000	100,000	-	-	-	-	-	-	-
8252	POB E.V. Charging Station	460,000	460,000									
8253	Covid Response	75,000	75,000	-	-	-	-	-	-	-	-	-
8516	District Equipment Acquisition	750,000	250,000	250,000	250,000	-	-	-	-	-	-	-
8517	Vehicle Replacement Program FY 2016-26	4,500,000	900,000	900,000	900,000	900,000	900,000	-	-	-	-	-
10003	Property Repairs and Improvements	600,000	150,000	150,000	150,000	150,000	-	-	-	-	-	-
10004	HOB Exterior Repairs	50,000	50,000	-	-	-	-	-	-	-	-	-
TBD	Security Improvements	600,000	200,000	100,000	100,000	100,000	100,000	-	-	-	-	-
TBD	Technology Strategic Plan	1,000,000	500,000	500,000	-	-	-	-	-	-	-	-
TBD	District Easement Acquisition 2022+	675,000	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
TBD	Equipment Acquisition FY 2024+	1,750,000	-	-	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TBD	Security Improvements Study (10-Year)	600,000	-	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000
TBD	IT Development FY 2023+	4,000,000	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
TBD	Property Repairs and Improvements FY 2025+	900,000	-	-	-	-	150,000	150,000	150,000	150,000	150,000	150,000
TBD	Capital Legal Services 2023+	160,000	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TBD	Vehicle Replacement Program FY 2026+	4,500,000	-	-	-	-	-	900,000	900,000	900,000	900,000	900,000
	General Improvements Total:	**$ 22,585,000**	**$ 3,830,000**	**$ 2,595,000**	**$ 2,095,000**	**$ 1,995,000**	**$ 2,095,000**	**$ 1,995,000**	**$ 1,995,000**	**$ 1,995,000**	**$ 1,995,000**	**$ 1,995,000**

Table 4 - Ten-Year Program: Recycled Water		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Project #	Project Name	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
7361	Filter Plant and Clearwell Improvements - Phase 1A	23,600,000	16,000,000	7,600,000	-	-	-	-	-	-	-	-
7366	Recycled Water Distribution Systems Renovations Program	1,245,000	200,000	209,000	209,000	209,000	209,000	209,000	-	-	-	-
7368	Water Exchange Project	50,000	50,000	-	-	-	-	-	-	-	-	-
10002	Filter Plant and Clearwell Improvements - Phase 1B	33,050,000	250,000	250,000	1,650,000	5,150,000	11,330,000	13,390,000	1,030,000	-	-	-
TBD	Zone 1 Recycled Water 2021+	1,000,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
TBD	Recycled Water Distribution Systems Renovations Program	836,000	-	-	-	-	-	-	209,000	209,000	209,000	209,000
	Recycled Water Total:	**$ 59,781,000**	**$ 16,600,000**	**$ 8,159,000**	**$ 1,959,000**	**$ 5,459,000**	**$ 11,639,000**	**$ 13,699,000**	**$ 1,339,000**	**$ 309,000**	**$ 309,000**	**$ 309,000**

Table 5 - Ten-Year Program: Totals by Program		Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Programs	10 Year Total	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Collection System	334,923,000	39,795,000	37,385,000	42,011,000	39,082,000	31,797,000	35,283,000	27,588,000	29,882,000	25,322,000	26,778,000
	Treatment Plant	497,225,000	45,230,000	66,346,000	69,319,000	76,460,000	58,810,000	52,515,000	40,554,000	23,665,000	26,045,000	38,281,000
	General Improvements	22,585,000	3,830,000	2,595,000	2,095,000	1,995,000	2,095,000	1,995,000	1,995,000	1,995,000	1,995,000	1,995,000
	Recycled Water	59,781,000	16,600,000	8,159,000	1,959,000	5,459,000	11,639,000	13,699,000	1,339,000	309,000	309,000	309,000
	Subtotal	**914,514,000**	**105,455,000**	**114,485,000**	**115,384,000**	**122,996,000**	**104,341,000**	**103,492,000**	**71,476,000**	**55,851,000**	**53,671,000**	**67,363,000**
	Contingency	25,200,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,700,000
	Total with Contigency	**$ 939,714,000**	**$ 107,955,000**	**$ 116,985,000**	**$ 117,884,000**	**$ 125,496,000**	**$ 106,841,000**	**$ 105,992,000**	**$ 73,976,000**	**$ 58,351,000**	**$ 56,171,000**	**$ 70,063,000**

Debt Program

Since 2009, Central San has utilized a pay-as-you-go philosophy for capital expenditures. In 2009, and in some earlier years, Central San utilized long-term financing through obligations issued by the Central Contra Costa Sanitary District Facilities Financing Authority. The 2009 obligations (certificates of participation) were issued for the purpose of providing funding for new capital expenditures and to refinance existing debt. In 2018, Central San refinanced the 2009 obligations by issuing revenue bonds. Both types of financial obligations are referred to in this document as bonds or debt. Central San expects to finalize a State Revolving Fund loan application during mid-2021 for a $173.4 million loan for the Solids Handling Facility that funds planning and construction costs for that project. Repayment would not commence until the completion of the facility; accordingly a debt service schedule is not included in this document, however a 20 year amortization is expected, with an interest rate based on a percentage of the latest State of California General Obligation bond prior to loan finalization (expected to be less than 1%).

Central San's debt service is presently funded by ad valorem tax and interest income. Debt service is projected at $2.5 million, a reduction from $3.0 million in FY 2019-20 due a reduction in the principal repayment schedule for the 2018 bonds (from $2.1 million to $1.7 million). Table 1 summarizes the debt service sub-fund budget.

Table 1 – Debt Service Sub-Fund Budget Summary

Debt Service Sub-Fund	FY 2019-20 Actual	FY 2020-21 Budget	FY 2021-22 Budget
Debt Service Revenue:			
Reserve Account Bond Interest Income	$-	$-	$-
Ad Valorem Tax (Portion Allocated to Debt Service)	2,749,442	2,517,605	2,511,227
Total Revenue	**$2,749,442**	**$2,517,605**	**$2,511,227**
Debt Service Expense:			
2018 Bond Interest Payment and Amortized Costs	$604,851	$777,605	$706,227
SRF Loan Interest Payment (information is pending finalization of loan application)	-	-	-
Total Interest Payment and Amortization Costs	**$604,851**	**$777,605**	**$706,227**
2018 Bond Principal Payment	$2,145,000	$1,740,000	$1,805,000
SRF Water Principal Payment	-	-	-
Total Principal Payments	**$2,145,000**	**$1,740,000**	**$1,805,000**
Total Debt Service Interest, Amortized Cost, and Principal Payments	**$2,749,851**	**$2,517,605**	**$2,511,227**

2018 Revenue Bonds

In September 2018, Central San issued $19.5 million of Wastewater Revenue Refunding Bonds in two series (tax-exempt Series A for $15.1 million and federally taxable Series B for $4.3 million) to refund outstanding 2009 bonds. The transaction was undertaken to take advantage of lower interest rates and to reduce risk of reduced credits from the federal government budget related sequestration affecting the Series 2009 Build America Bonds (BABs). The transaction resulted in $8.2 million of interest savings through FY 2029-30, from lower interest rates and reducing outstanding principal through eliminating a debt service reserve fund that was previously held for the 2009 bonds.

The 2018 Revenue Bonds have a revised rate covenant as compared to the 2009 bonds, providing for a Net Revenues Covenant and a Gross Revenues Covenant.

In short:

- Net Revenues (Gross Revenues excluding capacity fees and after payment of Operations and Maintenance (O&M) Costs) plus Tax Revenues are to be at least 125% of debt service in a fiscal year.
- Gross Revenues (Gross Revenues including capacity fees and after payment of O&M Costs) plus Tax Revenues are to be at least 100% of debt service in a fiscal year.

Figure 2 shows coverage ratios using the pre-2018 covenants and using the 2018 covenants.

Additional Planned Debt Issuance

A Debt Management and Continuing Disclosure Policy was adopted during FY 2017-18, which specifies the conditions under which debt and other forms of external financing can be used.

Central San anticipates utilizing long-term financing in FY 2021-22 to finance the Solids Handling Project. A $3 million draw on this facility was also anticipated in the budget for FY 2020-21, and a $34.12 million draw is budgeted in FY 2021-22.

In December 2018, Central San applied for an $89.6 million loan through a competitive process with the California SWRCB to fund solids handling improvements to the treatment plant. Central San's project was selected as part of the Intended Use Plan for State Revolving Fund (SRF) funds at a public hearing on June 18, 2019. In 2020, Central San requested an increase in the funding amount from $89.6 million to $173.4 million to reflect higher than anticipated project costs, and the revised loan application was accepted by the SWRCB. After finalization of a loan agreement, expected to be completed in mid-2021, borrowings are expected to commence.

In the 10-year horizon covered by Central San's financial plan, additional SRF borrowing (subject to Board approval) applications may be submitted to economically finance other projects.

As of April 2021, staff are also pursuing a potential debt issuance that may fund a portion of FY 2020-21's sewer construction expenditures, the majority of FY 2021-22 sewer construction spending not already funded by the SRF loan, and potentially, a portion of the following fiscal year's expenditures. The issuance amount, if it proceeds, is expected to be approximately $60 million, and is subject to final structuring, and Board approval. A debt service schedule is not included in this document, as such information is not yet available. A budget amendment would likely be adopted to reflect the budgetary effects of this transaction, if it proceeds. Anticipated changes to the budget would include:

- Allocation of Sewer Service Charge between O&M and sewer construction funds
- Revisions to tables showing sewer construction and O&M revenues
- Revisions to tables detailing overall funding sources
- Revisions to the funding sources and uses charts
- Revisions to the Reserve Calculation tables.

Figure 1 and Table 2 summarize Central San's historical and currently outstanding debt service obligations.

Figure 1 – Debt Service by Type

Figure 1 shows annual debt service for past and existing bonds. As described above, potential additional debt issuances could add to debt service requirements in future years.

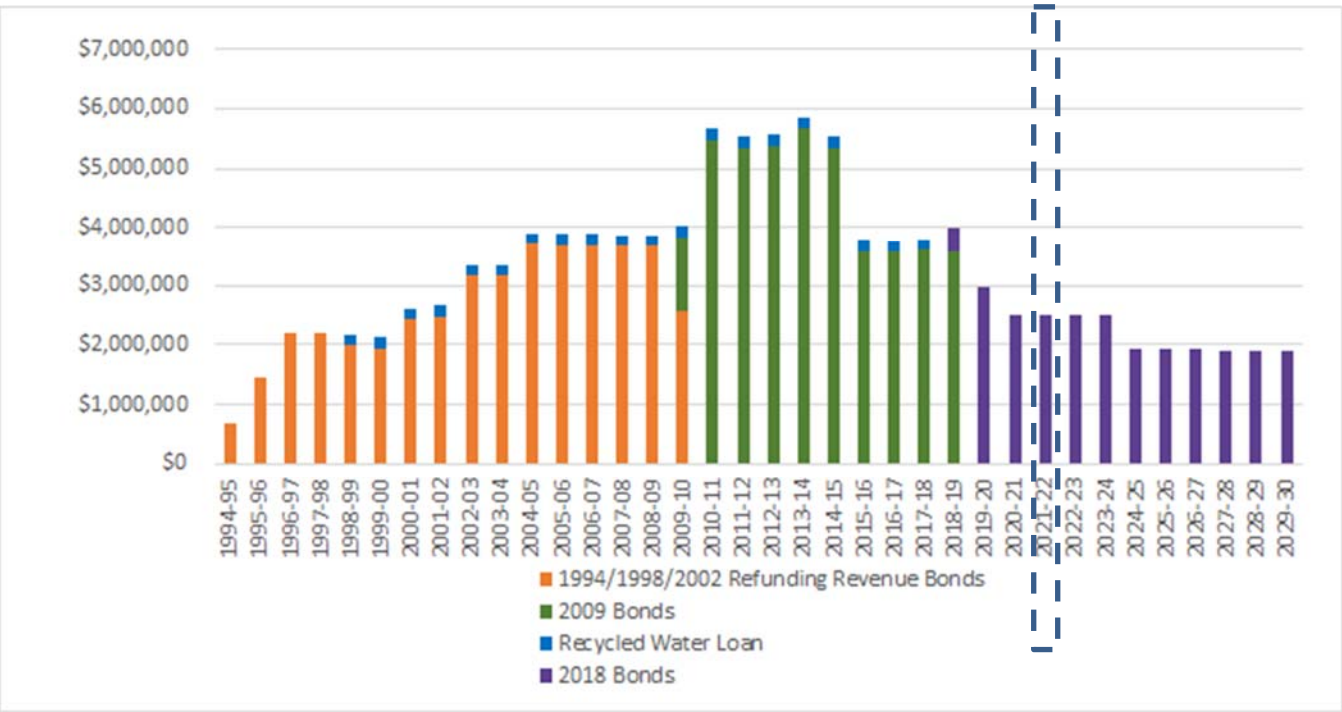


Table 2 – Debt Summary (Currently Outstanding Debt)

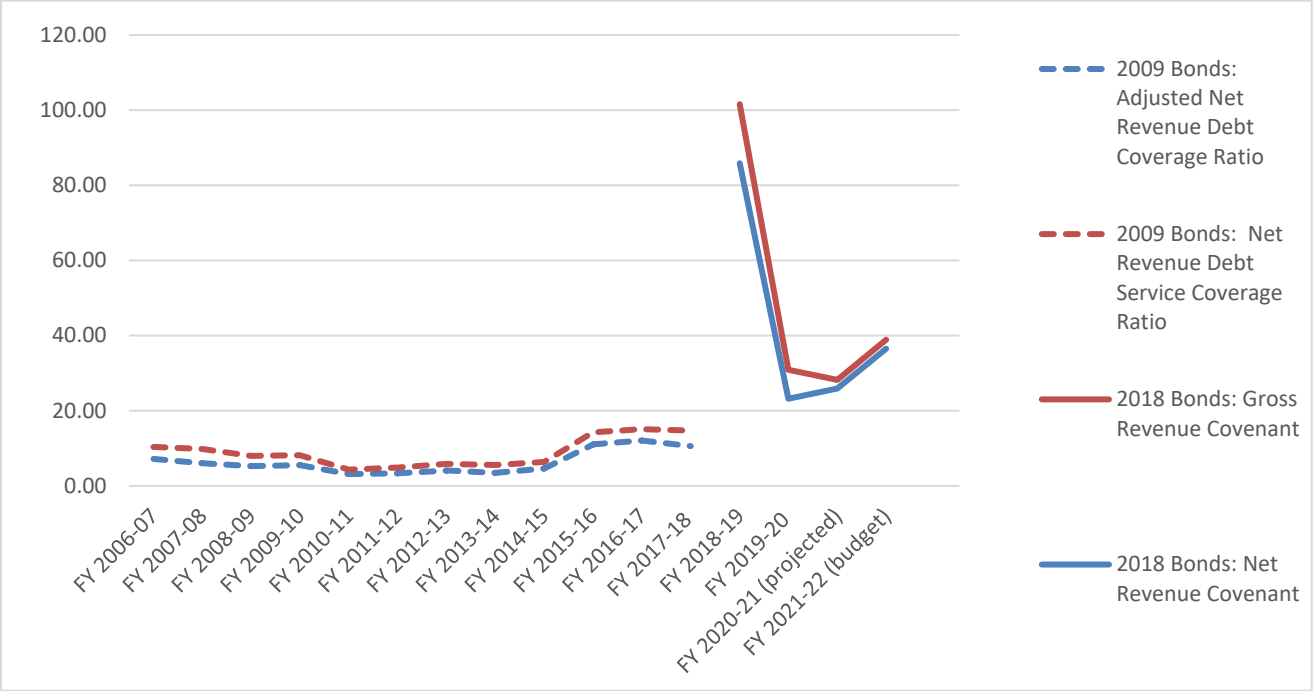
Debt service related to the currently outstanding 2018 Series A and Series B bonds is shown below.

2018 Bonds			
Fiscal Year	**Principal**	**Amortization and Interest**	**Total Debt Service**
2019-20	$2,145,000	$837,415	$2,982,415
2020-21	1,740,000	777,605	2,517,605
2021-22	**1,805,000**	**706,227**	**2,511,227**
2022-23	1,885,000	624,797	2,509,797
2023-24	1,965,000	539,267	2,504,267
2024-25	1,465,000	458,875	1,923,875
2025-26	1,535,000	383,875	1,918,875
2026-27	1,610,000	305,520	1,915,520
2027-28	1,685,000	222,875	1,907,875
2028-29	1,765,000	136,625	1,901,625
2029-30	1,850,000	46,250	1,896,250

Debt Related Covenants

An important financial performance metric is the Debt Service Coverage Ratio. The Board's targeted coverage ratio is 2.0 times. As shown in Figure 2, Central San will more than meet that target. FY 2018-19 coverage was very high due to several factors including: (1) low debt service in FY 2018-19 due to the refinancing of debt; (2) lower than typical Operating Expenses Less Depreciation due to a large OPEB adjustment ($30.4 million) from the transition to the CalPERS healthcare plan.

Figure 2 – Historic and Projected Debt Service Coverage Ratio



As noted previously, the calculation has changed slightly in connection with the 2018 bonds. Through FY 2018-19, Bond Covenants on 2009 bonds provided for the following covenants:

- **Net Revenue:** This ratio must be above 1.00 to meet the Debt Rate Covenant (Net Revenue / Total Debt Service)
- **Adjusted Net Revenue:** Net Revenue less Capital Improvement Fees (capacity fees) and City of Concord Capital Charges. This ratio must be above 1.25 to meet the Debt Rate Covenant (Adjusted Net Revenue / Total Debt Service)

The Series 2018 A and B Revenue Bonds have the following covenants:

- **Net Revenues Covenant:** Net revenues (gross revenues excluding capacity fees and after payment of O&M costs) plus tax revenues are to be at least 125% of debt service in a fiscal year.
- **Gross Revenues Covenant:** Gross revenues (gross revenues including capacity fees and after payment of O&M Costs) plus tax revenues are to be at least 100% of debt service in a fiscal year.

Externally Imposed Debt Limits

Central San, as a sanitary district, is subject to certain limits on the direct issuance of bonds payable from proceeds of taxes levied on taxable property in the district. Total bonds issued by Central San cannot exceed 15-20% (depending on some factors) of the assessed value of real and personal property in the District (Health and Safety Code Section 6651). Bond issuances of this nature would require an election with 2/3 voter approval (H&S Code 6644). Central San has no bonds subject to this limitation outstanding. Refunding bonds are not subject to the limitation and election requirement. In 2009 (and previously in 1994 and 2002), Central San financed a portion of its capital improvements through the use of a joint powers authority (JPA), using a form of an installment sale agreement with a similar payment structure as a bond. In such an arrangement, the financing authority issues bonds or certificates of participation, with the installment sale agreement supporting the JPA bonds (payments on the installment agreement received by the JPA pay the JPA's bonds). This structure is typical for California special districts and is not subject to the bond election and debt limits described in the preceding paragraph.

External financing of part of the capital program is anticipated for FY 2021-22 through a loan from the California SWRCB for the Solids Handling Facility Improvements project. This financing, and other financing currently anticipated within the 10-year financial planning horizon, is forecast to be well below the limits noted above.

Agency Debt Limits

Central San's Debt Management and Continuing Disclosure Policy adopted during FY 2017-18 (and subsequently updated in FY 2019-20) specifies the conditions under which debt and other forms of external financing can be used. This policy is intended to cover both Central San and the Central Contra Costa Sanitary District Facilities Financing Authority, for "debt" in a broad sense, as well as other external financial obligations such as an Installment Sale Agreement, which is not a bond and technically is not considered a debt. This policy (Board Policy 029) provides certain guidance on the use of debt and financial obligations, as follows:

Debt Management and Continuing Disclosure Policy
Standards for Use of Debt Financing

The District shall integrate its debt issuances with the goals of its Capital Improvement Program (CIP) by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes (as articulated in, inter alia, the District's mission, vision and goals) and are consistent with the rate and financial planning parameters specified in the District's long-term financial plans. The Board shall be presented with a long-term financial plan in each instance Sewer Service Charge rates are to be adjusted.

1. *The long-term financial plans will specify an expected debt issuance amount over a decade or more long-term planning horizon.*
   a. *The District shall target rate or tax revenue funding of, at a minimum, the value of the collection system replacement program (specifically, pipeline replacement) component of the CIP.*
   b. *Not more than 60% of the overall CIP shall be financed with debt.*
2. *All projects in the CIP are eligible to use debt financing, so long as the minimum rate or tax revenues are generated as described in this section.*

This policy does not contemplate the use of debt financing to fund ongoing operating and maintenance expenditures; exceptions beyond a de-minimis amount would require approval of the Board. With respect to debt repayment and amortization, the debt repayment period should be structured so that the weighted average maturity of the debt does not exceed 100% of the expected average useful life of the project being financed.

Supplemental Financial Information

This section contains supplemental financial information regarding salaries and benefits, an additional analysis of Changes in Net Position and Fund Equity, and a chart of Central San ad valorem property tax collections compared to assessed values.

Table 1 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Total Central San

Total Central San					
	FY 2019-20 Budget	**FY 2019-20 Actual**	**FY 2020-21 Budget**	**FY 2021-22 Budget**	**Budget to Budget Variance**
Salaries	$40,043,011	$38,005,275	$41,903,973	$42,035,642	$131,669
Salary Vacancy	(585,000)	-	(1,078,000)	(1,248,000)	(170,000)
Overtime	1,481,379	1,024,961	1,695,518	1,640,900	(54,618)
Standby	377,000	425,455	419,000	422,000	3,000
Compensated Absences Payout	850,000	-	850,000	1,125,000	275,000
Total Salaries	**$42,166,391**	**$39,455,692**	**$42,940,491**	**$42,850,542**	**($89,949)**
Current Employee Benefits	$18,790,306	$18,018,188	$18,751,483	$19,365,013	$613,530
Benefit Vacancy	(1,006,000)	-	(581,000)	(716,000)	(135,000)
Total Benefits (Active Employees)	**$17,784,306**	**$18,018,188**	**$18,170,483**	**$18,649,013**	**$478,530**
Total Salaries and Benefits (Active Employees)	**$59,950,697**	**$57,473,879**	**$61,960,974**	**$62,624,555**	**$663,581**
Capitalized Administrative O/H	-	-	-	-	-
Total Salaries and Benefits (Active Employees) after Capitalized Administrative O/H	**$59,950,697**	**$57,473,879**	**$61,960,974**	**$62,624,555**	**$663,581**
Retiree Benefit Costs	$2,346,075	$2,312,409	$2,451,000	$1,260,000	($1,191,000)
UAAL / Unfunded Liabilities	13,558,168	13,587,148	14,740,507	14,050,854	(689,653)
Total Benefits and Liabilities for Past Service	**$15,904,243**	**$15,899,557**	**$17,191,507**	**$15,310,854**	**($1,880,653)**
Total Salaries, Benefits & Liabilities for Past Service (Active and Retiree)	**$75,854,940**	**$73,373,436**	**$79,152,481**	**$77,935,409**	**($1,217,072)**

Table 2 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Operations & Maintenance Sub-Fund

Operations & Maintenance Sub-Fund					
	FY 2019-20 Budget	**FY 2019-20 Actual**	**FY 2020-21 Budget**	**FY 2021-22 Budget**	**Budget to Budget Variance**
Salaries	$36,494,440	$34,247,087	$37,749,821	$37,809,817	$59,996
Salary Vacancy	(538,000)	-	(990,000)	(1,248,000)	(258,000)
Overtime	1,381,652	1,024,961	1,514,370	1,602,574	88,204
Standby	377,000	425,455	419,000	422,000	3,000
Compensated Absences Payout	850,000	-	850,000	1,125,000	275,000
Total Salaries	**$38,565,092**	**$35,697,503**	**$39,543,191**	**$39,711,391**	**$168,200**
Current Employee Benefits	$17,436,927	$16,686,884	$17,209,569	$17,918,629	$709,060
Benefit Vacancy	(1,006,000)	-	(581,000)	(716,000)	(135,000)
Total Benefits (Active Employees)	**$16,430,927**	**$16,686,884**	**$16,628,569**	**$17,202,629**	**$574,060**
Total Salaries and Benefits (Active Employees)	**$54,996,019**	**$52,384,387**	**$56,171,760**	**$56,914,020**	**$742,260**
Capitalized Administrative O/H	(4,448,368)	(4,380,599)	(5,083,396)	(4,520,000)	563,396
Total Salaries and Benefits (Active Employees) after Capitalized Administrative O/H	**$50,547,651**	**$48,003,788**	**$51,088,364**	**$52,394,021**	**$1,305,657**
Retiree Benefit Costs	$2,346,075	$2,312,409	$2,451,000	$1,260,000	($1,191,000)
UAAL / Unfunded Liabilities	12,436,841	12,490,285	13,376,016	12,781,912	(594,104)
Total Benefits and Liabilities for Past Service	**$14,782,916**	**$14,802,694**	**$15,827,016**	**$14,041,912**	**($1,785,104)**
Total Salaries, Benefits & Liabilities for Past Service (Active and Retiree)	**$65,330,567**	**$62,806,481**	**$66,915,380**	**$66,435,933**	**($479,447)**

Table 3 – Salaries, Benefits, Retiree and Unfunded Liabilities Detail
Sewer Construction Sub-Fund

Sewer Construction Sub-Fund					
	FY 2019-20 Budget	**FY 2019-20 Actual**	**FY 2020-21 Budget**	**FY 2021-22 Budget**	**Budget to Budget Variance**
Salaries	$3,548,571	$3,758,188	$4,154,152	$4,225,824	$71,672
Salary Vacancy	(47,000)	-	(88,000)	-	88,000
Overtime	99,727	-	181,148	38,326	(142,822)
Standby	-	-	-	-	-
Compensated Absences Payout	-	-	-	-	-
Total Salaries	**$3,601,299**	**$3,758,188**	**$4,247,300**	**$4,264,151**	**$16,851**
Current Employee Benefits	$1,353,379	$1,331,304	$1,541,914	$1,446,384	($95,530)
Benefit Vacancy	-	-	-	-	-
Total Benefits (Active Employees)	**$1,353,379**	**$1,331,304**	**$1,541,914**	**$1,446,384**	**($95,530)**
Total Salaries and Benefits (Active Employees)	**$4,954,678**	**$5,089,493**	**$5,789,214**	**$5,710,535**	**($78,679)**
Capitalized Administrative Overhead	4,448,368	4,380,599	5,083,396	4,520,000	(563,396)
Total Salaries and Benefits (Active Employees) after Capitalized Administrative Overhead	**$9,403,046**	**$9,470,092**	**$10,872,610**	**$10,230,534**	**($642,075)**
Retiree Benefit Costs	$-	$-	$-	$-	$-
UAAL / Unfunded Liabilities	1,121,327	1,096,863	1,364,491	1,268,942	(95,549)
Total Benefits and Liabilities for Past Service	**$1,121,327**	**$1,096,863**	**$1,364,491**	**$1,268,942**	**($95,549)**
Total Salaries, Benefits & Liabilities for Past Service (Active and Retiree)	**$10,524,373**	**$10,566,955**	**$12,237,101**	**$11,499,476**	**($737,625)**

Table 4 shows the allocation of Central San Salaries & Benefits to the O&M Fund and the Sewer Construction Fund.

Table 4 – Salaries, Benefits (Detailed), Retiree and Unfunded Liabilities

Account Description	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
O&M Salaries & Benefits - Active Employees							
O&M Salaries	$38,565,092	$35,697,503	$39,543,191	$37,570,381	$39,711,391	$168,200	0.4%
O&M Benefits (Active Employees)							
O&M Workers' Compensation	$812,841	$822,701	$826,417	$700,452	$804,799	($21,618)	-2.6%
O&M Medical, Health, Vision	$5,951,497	$4,990,678	$5,938,569	$5,640,612	$6,366,213	$427,644	7.2%
O&M Dental	$542,665	$476,718	$482,595	$554,488	$494,600	$12,005	2.5%
O&M Retirement - Normal Cost	$5,345,727	$4,759,088	$5,181,105	$4,681,486	$5,395,262	$214,157	4.1%
O&M Deferred Comp	$1,990,653	$2,230,918	$2,378,209	$2,063,367	$2,054,432	($323,777)	-13.6%
O&M Federal Medicare Tax	$527,051	$518,608	$543,359	$520,766	$539,461	($3,898)	-0.7%
O&M Other Benefits	$241,568	$55,742	$218,315	$190,509	$203,864	($14,451)	-6.6%
O&M OPEB (Health) - Normal Cost	$1,499,089	$1,499,089	$1,504,000	$1,489,000	$1,863,000	$359,000	23.9%
O&M OPEB (Dental) - Normal Cost	$153,836	$153,836	$135,000	$132,400	$180,000	$45,000	33.3%
O&M OPEB (Life) - Normal Cost	$2,000	$2,000	$2,000	$2,000	$17,000	$15,000	750.0%
O&M Accrued Compensated Absence (now included in Salaries)	$-	$1,177,507	$-	($-)	$-	$-	0.0%
O&M Benefit Vacancy Factor	($636,000)	$-	($581,000)	$-	($716,000)	($135,000)	23.2%
O&M Benefits (Active Employees)	$16,430,927	$16,686,884	$16,628,569	$15,975,081	$17,202,629	$574,060	3.5%
O&M Capitalized Administrative Overhead Credit (indirect costs associated with non-productive hours and Admin Overhead)	($4,448,368)	($4,380,599)	($5,083,396)	($4,773,658)	($4,520,000)	$563,396	-11.1%
O&M Benefits less Cap O/H Credit (Active)	**$11,982,559**	**$12,306,285**	**$11,545,173**	**$11,201,423**	**$12,682,629**	**$1,137,456**	**9.9%**
O&M Salaries & Benefits	**$50,547,651**	**$48,003,788**	**$51,088,364**	**$48,771,803**	**$52,394,021**	**$1,305,657**	**2.6%**

Table 4 – Salaries, Benefits (Detailed), Retiree and Unfunded Liabilities (Continued)

Account Description	FY 2019-20 Budget	FY 2019-20 Actual	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Budget to Budget Variance	Percent Variance
Capital							
Capital Salary and Benefits*	$4,954,677	$5,089,493	$5,789,214	$6,708,573	$6,979,476	$1,190,262	20.6%
Portion of Capitalized Overhead from above	4,448,368	4,380,599	5,083,396	4,773,658	4,520,000	(563,396)	-11.1%
Capital Salary, Benefits and Capitalized Overhead	9,403,045	9,470,092	10,872,610	11,482,231	11,499,476	626,866	5.8%
O&M and Capital Salaries and Benefits (Active)	**$59,950,696**	**$57,473,879**	**$61,960,974**	**$60,254,035**	**$63,893,497**	**$1,932,523**	**3.1%**
Benefits - Retiree							
O&M OPEB (Health) - UAAL	$2,035,911	$2,049,927	$2,156,000	$2,134,000	$1,107,000	($1,049,000)	-48.7%
O&M OPEB (Dental) - UAAL	195,164	149,501	176,000	172,600	102,000	(74,000)	-42.0%
O&M OPEB (Life) - UAAL	115,000	112,981	119,000	118,900	51,000	(68,000)	-57.1%
O&M OPEB (Vision) - UAAL	-	-	-	-	-	-	0.0%
Total OPEB UAAL / Unfunded Liabilities	**$2,346,075**	**$2,312,409**	**$2,451,000**	**$2,425,500**	**$1,260,000**	**($1,191,000)**	**-48.6%**
Pension UAAL / Unfunded Liabilities / Additional Contributions							
Pension UAAL / Unfunded Liabilities	$11,186,841	$11,240,285	$12,126,016	$11,672,536	$11,531,912	($594,104)	-4.9%
Additional UAAL Contributions	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	-	0.0%
Total Pension UAAL / Unfunded Liabilities	**$12,436,841**	**$12,490,285**	**$13,376,016**	**$12,922,536**	**$12,781,912**	**($594,104)**	**-4.4%**
Total O&M Salaries & Benefits, Capital, Retiree Benefits, and Unfunded Liabilities	**$74,733,612**	**$72,276,573**	**$77,787,990**	**$75,602,070**	**$77,935,409**	**$147,419**	**0.2%**

* Comprised of capitalized Salaries & Benefits charged to Central San Capital projects.

Table 5 – Changes in Net Position and Fund Equity

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected	FY 2021-22 Projected
Total Operating Revenue	$85,678,166	$87,222,779	$64,836,872	$92,963,737
Total Non-Operating Revenues	24,898,986	24,658,211	23,352,505	20,893,733
Total Revenues	**$110,577,152**	**$111,880,990**	**$88,189,377**	**$113,857,470**
Total Operating Expenses	$73,278,924	$100,715,441	$106,961,716	$112,974,103
Non-Operating Expense - Interest	1,025,006	604,851	520,000	549,000
Total Expenses	**$74,303,930**	**$101,320,292**	**$107,481,716**	**$113,523,103**
Income Before Capital Contributions	$36,273,222	$10,560,698	($19,292,338)	$334,366
Total Capital Contributions	46,886,850	53,068,468	68,586,403	73,086,124
Change in Net Position	83,160,072	63,629,166	49,294,065	73,420,490
Beginning Net Position	620,971,490	704,131,562	767,760,728	817,054,793
Restatement - Governmental Accounting Standards Board 75	-	-	-	-
Ending Net Position	**$704,131,562**	**$767,760,728**	**$817,054,793**	**$890,475,283**
Net Investment in Capital Assets	$655,586,304	$692,117,172	$709,852,972	$741,302,972
Restricted for Debt Service	-	2,639	-	-
Unrestricted	48,545,258	75,640,917	107,201,821	149,172,311
Total Net Position	**$704,131,562**	**$767,760,728**	**$817,054,793**	**$890,475,283**

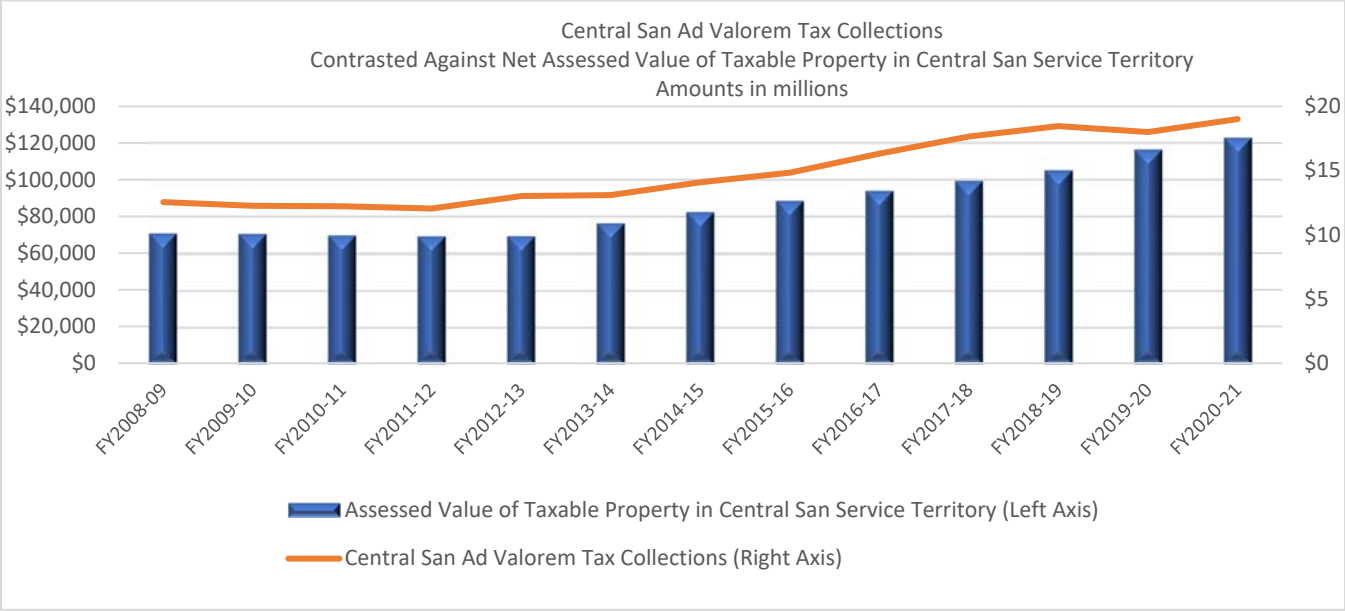
Net Position is classified into three categories: Net Investment in Capital Assets, Restricted for Debt Service, and Unrestricted. The classification is based on availability or accessibility of the resource, rather than its origin. Net position is a measure of the overall financial condition of Central 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 Ad Valorem Tax Collections



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Glossary

Terms and Definitions Used in the Budget Document	
Accrual Basis of Accounting	The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. An example of accrual basis occurs when an invoice is sent out for services: a receivable is booked, and revenue is recorded even though no cash has been received at the time the invoice is mailed to the customer. (See Cash Basis of Accounting and Modified Accrual Basis of Accounting.)
Administration of Capital	Central San-wide and department operations costs incurred by administration support functions which are not directly charged to each capital project but allocated using a rate applied to direct labor dollars.
Ad Valorem Tax	Also referred to as Property Tax. A tax based on the assessed value of taxable property. Central San receives a portion of the ad valorem taxes levied by Contra Costa County on properties in the service area.
Amortization	The action or process of gradually writing off the initial cost of an asset, the action or process of reducing or paying off a debt with regular payments, or a period in which debt is reduced or paid off by regular payments.
Adopted Budget	A balanced financial plan for a specific period authorized by the Board for expenditure or obligation.
Amended Budget	An adopted balanced financial plan reflecting budgetary transfers that occurred since adoption of the budget. The total budget amount must stay within the Board-approved appropriation limit.
Appointment Type	Indicates the character of a position. The following are examples of appointment types for Central San: Regular, District Temporary, and Consultant.
Arbitrage	Borrowing in one market (such as bonds) at one interest rate and investing in another market (such as certificates of deposit) at a higher interest rate. Such activities are highly restricted by the federal government, and any excess interest earned in this manner is not tax-exempt and is subject to rebate to the Federal Government.
Asset	An economic resource owned by the entity that is expected to benefit future operations. Examples of assets are cash, investments, receivables, and capital or fixed assets.
Authorized Position	A position created and established by the Board.
Balanced Budget	A budget in which approved funding sources (i.e. revenues and authorized uses of excess reserves) are equal or greater to expenditures.
Balance Sheet	See Statement of Net Position, the current term.
Board of Directors	The five public officials elected at large to represent Central San's service area. Also known as the Board.
Bonds	A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with a periodic interest amount paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements. Debt service payments are made to repay the bond holders. Central San's goal is to limit debt-funded capital to no more than 60% of the total Capital Program over a ten-year period.
Budget	A plan of financial operation, embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates).
Build America Bonds (BABs)	A type of municipal bond created under the American Recovery and Reinvestment Act of 2009. These bonds are sold at a taxable rate rather than a lower tax-exempt rate, and Central San receives cash rebates from the U.S. Treasury to offset the higher interest cost.

Terms and Definitions Used in the Budget Document	
Capacity Fee	Also called Facility 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. See *Connection Fees* and *Pumping Capacity Fees.*
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 Budget	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 *Funds Available* and *Funds Required*).
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.
Comprehensive Annual Financial Report	The comprehensive annual financial report 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.

Terms and Definitions Used in the Budget Document	
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.
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.
Connection Fees (Capacity Fees. Facility Capacity Fees)	A fee charged when new or additional Residential Unit Equivalents (RUE) connect to the sewer to contribute their fair share of service and facility costs. (See *Capacity Fees* and *Pumping Capacity Fees*).
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)

Terms and Definitions Used in the Budget Document	
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 in particular 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 Temporary	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.
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 *economic resources* 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 *current financial resources* 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 *Connection Fees* above.
Fiduciary Fund	A fund in which assets are held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. There are four types of fiduciary funds: Pension (and other employee benefit), Investment, Private-Purpose and Agency.
Fiscal Reserves Policy	A document outlining minimum reserve thresholds, identifying current and potential reserves, and explaining what reserves are, or will be used for.
Fiscal Year	The 12-month period that begins on July 1 and ends on June 30 of the following year.
Full-Time Equivalent (FTE)	An employee who works full time counts as 1 FTE.

Terms and Definitions Used in the Budget Document	
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives. One type of government fund is an enterprise fund and is the only type of government fund used by Central San.
Fund Balance (Net Position)	Assets minus liabilities (also called net position).
Funded Position	Authorized position for which the Board has appropriated funding in a fiscal year.
Generally Accepted Accounting Principles (GAAP)	Generally Accepted Accounting Principles are the accounting rules that are required to be followed by organizations in the U.S. These Principles are established by two organizations: The Financial Accounting Standards Board for commercial and not-for-profit entities, and the Governmental Accounting Standards Board for governmental entities in the United States.
Governmental Accounting Standards Board (GASB)	Governmental Accounting Standards Board is the body that specifies the accounting rules for governmental agencies in the U.S. The Board issues GASB statements that can require significant changes to an agency's financial reporting.
GASB 45	An accounting requirement published in 2004 by the Governmental Accounting Standards Board (GASB) that addresses how the accounting and financial reporting for post-employment benefits other than pensions (OPEB) should be performed. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.
GASB 62	An accounting pronouncement of the GASB issued in 2010 that incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Central San's Board adopted the Regulatory Accounting provisions of GASB 62 in April 2021, as described in the Financial Summary section of this budget document.
GASB 68	An accounting requirement of the Governmental Accounting Standards Board effective in 2014 that addresses Accounting and Financial Reporting for Pensions, which revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension 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.

Terms and Definitions Used in the Budget Document	
Government Finance Officers Association (GFOA)	Government Finance Officers Association represents public finance officials throughout the U.S. and Canada; it provides best practice guidance, consulting, networking opportunities, publications, training programs, and recognition programs to its members.
Goal	The long-term continuing mission of a department, division, or program. Goals define the strategic results to be achieved and therefore indicate the relevance, permanence, scope, and effectiveness of that outcome.
Household Hazardous Waste Collection Facility (HHWCF)	The service and facility operated by Central San providing for the safe disposal of items that, in the absence of this service, could be inappropriately disposed of through the sewer system, risking pollution of the Bay.
Infrastructure	The tangible physical components that ensure delivery of reliable, high-quality wastewater service now and in the future. Typical components are reservoirs, pumping plants, pipelines, and anaerobic digesters.
Internal Control	The plan of organization and all other coordinated methods and procedures adopted to safeguard assets; check the operations data; promote operational efficiency, economy, and effectiveness; and encourage adherence to prescribed managerial policies that will accomplish the objectives of the organization.
InfoMaster®	GIS-based Asset Integrity Management and Capital Planning Tool
InfoWorks®	New Sewer System Hydrodynamic Model
Key Performance Indicators (KPI)	Indicators with specific targets that measure how well Central San is progressing in achieving its goals under the Key Metrics of the Strategic Plan.
Liability	A debt of the business; an amount owed to creditors, employees, government bodies, and others; a claim against assets.
Modified Accrual Basis of Accounting	The accrual basis of accounting adapted to the government fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.
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 *Fund Balance.*
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.

Terms and Definitions Used in the Budget Document	
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 PAYGO)	A term used to describe paying expenses as they are incurred, as opposed to pre-paying, pre-funding, or setting money aside for future expenses. Used primarily to refer to the strategy of paying for capital projects.
Public Employees' Pension Reform Act (PEPRA)	California's Public Employees' Pension Reform Act established a new less costly retirement tier for employees newly hired or which did not have prior service with a reciprocal retirement system prior to January 1, 2013.
Performance Measures	Specific quantitative measures of work performed within an activity or program (e.g., total miles of pipes cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to a new street lighting program).
Program	Broadly defined group of related reference projects combined to facilitate planning and decision making.
Project or Reference Project	Project level identified in the CIP comprised of a discrete set of tasks that can be carried out independently but require coordination with other projects to ensure overall program success. Appropriation requests and projected cash flows are authorized at this level.
Proposed Budget	The recommended balanced financial plan for a specific period of time submitted for consideration to the Board prior to the start of the Proposition 218 notification process.
Proprietary Fund	Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: Enterprise and Internal Service.
Pumping Capacity Fees	A component of connection fees for units that are located in areas tributary to one or more of Central San's pumping stations. (See *Capacity Fees* and *Connection Fees*.)
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.

Terms and Definitions Used in the Budget Document	
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 *Cash Reserves.*
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 (*California Health & Safety Code* section 6792) to fund to be used for ongoing running expenses of Sanitary Districts. Synonymous with Operating & Maintenance (O&M) Fund.
Service Area	The cities and areas served by Central San, including Lafayette, Orinda, Moraga, Danville, Alamo, Walnut Creek, Pacheco, and portions of San Ramon and Martinez. Concord's and Clayton's residents' and businesses' wastewater is collected by that City and treated by Central San through a contractual arrangement; therefore, Concord and Clayton are considered to be in Central San's service area. (Also called Service Territory).
Self-Insurance Fund	One of four sub-funds of the enterprise fund used to account for Central San's operations. This fund covers the cost of claims not covered by Central San's insurance coverage, the cost of insurance premiums, interest earnings on the fund, and other associated costs.
Sewer Construction (Capital) Fund (S/C)	One of four sub-funds of the enterprise fund used to account for Central San's operations. This sub-fund provides for the treatment plant and collection system renewal and replacement expenditures, as well as office facilities renewal, vehicle and equipment replacement, information systems replacement, and miscellaneous capital expansion needs.
Strategies, Initiatives, Metrics (SIM)	The key components of the Strategic Plan that specify the overall goals in the coming years, consisting of the Strategies (highest level objectives), Initiatives (how the strategies will be achieved), and Metrics (measurements of progress).

Terms and Definitions Used in the Budget Document	
Sinking Fund	A method by which a government may set aside money over time to pay for a project or obligation.
Staffing Plan	The classes and positions that have been authorized by the Board and have been determined necessary to carry out Central San functions. Central San's current staffing level is based on a 2015 Organization and Staffing Plan, which resulted from a study conducted by Raftelis Financial Consultants, recommending 290 FTE positions.
Strategic Plan	The document that provides a blueprint for how Central San will respond to future challenges and changing priorities over a two-year period. It outlines specific goals, strategies, and objectives to guide Central San and establishes criteria to measure progress.
Strategy	Highest level of capital improvement activities, generally a grouping of related programs. Represents key capital objectives as defined in the Mission Statement, Strategic Plan, and Board policies and directives.
Statement of Net Assets (Balance Sheet prior to GASB 34)	A statement reporting the present financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date. Assets minus liabilities equal fund balance (also called Net Assets).
Sub-Funds	As noted previously, Central San is considered one enterprise fund with four "sub-funds" to facilitate improved internal budgeting and accounting. The sub-funds used and included in this budget document are as follows: • Running Expense Sub-Fund - (also referred to as Operations and Maintenance, O&M, or R/E) accounts for the general operations of Central San. Substantially accounts for all operating revenues and expenses. • Sewer Construction Sub-Fund - (also referred to as Capital or S/C) accounts for non-operating revenues that are to be used for acquisition or construction of plant, property, and equipment. • Self-Insurance Sub-Fund - (also referred to as S/I) accounts for interest earnings on cash balances and cash allocations from other funds, temporary investments, and costs of insurance premiums and claims not covered by Central San's insurance policies. • Debt Service Sub-Fund - A sub-fund that accounts for activity associated with the payment of Central San's long-term bonds and loans.
Subsidy Payment	Relating to Build America Bonds (BABs), the subsidy payment represents funds from the federal government to offset part of the interest cost paid by Central San as the issuer of bonds. The BABs were issued in 2009 in lieu of traditional tax-exempt debt. Central San pays a taxable rate of interest to investors, investors pay the Federal Government Income Tax on that interest, and the federal government remits a specified percentage of the interest payment to Central San.
Supplies & Materials	Category of expenses at the highest "grandparent" roll-up level for financial and budgetary reporting purposes in the new chart of accounts. Includes amounts paid for items that are consumed or deteriorated through use or lose their identity through fabrication or incorporation into different or more complex units or substances. Includes "parent" roll-up expense categories such as: utilities & fuel, chemicals, and general supplies.

Terms and Definitions Used in the Budget Document	
Unfunded Actuarial Accrued Liability (UAAL)	The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance that obligation. This is a term used in connection with pension plans or commitments to provide other post-employment benefits (OPEB) to employees.
Unfunded Liability	Liability that has been incurred during the current or a prior year, that does not have to be paid until a future year, and for which reserves have not been set aside. This is similar to a long-term debt in that it represents a legal commitment to pay at some time in the future.
Vacancy Factor	Recognizing that not all Funded Positions will be occupied throughout a fiscal year, this allowance reduces budgeted funding to reflect such vacancies. While positions are vacant, some costs are incurred on occasion for temporary staff or consulting resources, reducing the vacancy factor.
Working Capital	The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.
Working Capital Reserves	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. 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 incorporates the following current assets and liabilities: unrestricted cash and investments, receivables, prepaid expenses, trade payables.
Working Capital Reserve Target	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: • 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. 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.

Acronyms and Abbreviations

Acronyms and Abbreviations Used in the Budget Document	
ADC	Actuarially Determined Contribution
Board	Board of Directors
CAD	Contractual Assessment Districts, Computer Aided Design
CalPERS	California Public Employees' Retirement System
CCCERA	Contra Costa County Employees' Retirement Association
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
CPI	Consumer Price Index
DERWA	Dublin San Ramon Services District - East Bay Municipal Utility District Recycled Water Authority
ERP	Enterprise Resource Planning
FCD	Flood Control and Water Conservation District
FY	Fiscal Year - July 1 through June 30
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
HHW	Household Hazardous Waste
IT	Information Technology
MGD	Million Gallons per Day
MPR	Multi-Purpose Room
O&M	Operations & Maintenance
OPEB	Other Post-Employment Benefits
PLC	Programmable Logic Controller
POB	Plant Operations Building
RAMPCAP J100	Risk Analysis and Management for Critical Asset Protection
RSA	Rate Stabilization Account
SCB	Solids Conditioning Building
SIF	Self-Insurance Fund
SSC	Sewer Service Charge
SSO	Sanitary Sewer Overflow
Ten-Year CIP	Ten-Year Capital Improvement Plan
UV	Ultraviolet
VFD	Variable Frequency Drives