



Montecito Sanitary District

1042 Monte Cristo Lane *A Public Service Agency*
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

BOARD PACKET

For the Board Meeting of

Thursday, November 10, 2022

- 1. AGENDA.....[Agenda+2022-11-10.pdf \(montsan.org\)](#)
- 2. PAYABLES REPORT - SEPTEMBER 1, 2022 – SEPTEMBER 30, 2022 2
- 3. MEETING MINUTES FROM SPECIAL BOARD MEETING OF OCTOBER 12, 2022..... 6
- 4. MEETING MINUTES FROM REGULAR BOARD MEETING OF OCTOBER 13, 2022 9
- 5. MEETING MINUTES FROM SPECIAL BOARD MEETING OF OCTOBER 26, 2022..... 12
- 6. RESOLUTION 2022-958: REMOTE MEETINGS ADOPTION 14
- 7. FY22-23 UNAUDITED QUARTERLY FINANCIALS - PERIOD ENDED 9-30-22..... 17
- 8. RESERVES OVERVIEW 30
- 9. PREVIOUSRATE STUDY PRESENTATION FROM MEMBER OF PUBLIC..... 37
- 10. SEWER RATE STUDY PROPOSAL – ROBERT D. NIEHAUS, INC..... 59
- 11. STAFF REPORT – PLANT CHEMICALS 93
- 12. STAFF REPORT – 720 E MOUNTAIN DRIVE ANNEXATION..... 95
- 13. MANAGERS REPORT – SEPTEMBER THROUGH OCTOBER 2022..... 117



Montecito Sanitary District

1042 Monte Cristo Lane *A Public Service Agency*
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

BOARD LIST OF PAYABLES

<u>CHECK DATE</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTAL</u>
09/16/2022	ACCOUNTS PAYABLE	142,676.45
	Subtotal	\$ 142,676.45
09/16/22	CAPITAL IMPROVEMENT PROJECTS	549.50
	Subtotal	\$ 549.50
09/08/2022	PAYROLL	91,750.77
09/22/2022	PAYROLL	86,411.20
	Subtotal	\$ 178,161.97
	<u>TOTAL</u>	<u>\$ 320,838.42</u>

All Invoices were reviewed and approved by Department Managers

All Invoices and Payments were reviewed and approved and checks signed by the General Manager

Interim Board Treasurer, Dana Newquist approved all payables by email prior to check mailing

Check History Report
Sorted By Check Number
Activity From: 9/16/2022 to 9/16/2022
MONTECITO SANITARY DISTRICT (MSD)

Bank Code: B OPERATING CASH (MBT)

Check Number	Check Date	Name	Check	Description
0000027790	9/16/2022	805 INDUSTRIAL SUPPLY, LLC	756.84	Disposable Gloves for Operations
0000027791	9/16/2022	ACWA/JPIA	25,123.83	Medical/Dental/Life Insurance Premium-September
0000027792	9/16/2022	AMAZON CAPITAL SERVICES	2,099.00	Tri-Pods, Extension Cords, Office Supplies, COVID Rapid Tests, Owl Pro Camera, Weekly Planners
0000027793	9/16/2022	ARCE, MICHAEL J	952.60	Tri-State Seminar Travel Expense Reimbursement, Boot Allowance Reimbursement
0000027794	9/16/2022	BECKER STUDIOS, INC	3,450.00	Deposit Refund-788 San Ysidro Lane
0000027795	9/16/2022	BIG GREEN CLEANING COMPANY	2,321.00	Janitorial Services-September
0000027796	9/16/2022	CANON FINANCIAL SERVICES INC	272.61	Canon Copier Lease Payment-August
0000027797	9/16/2022	CINTAS CORPORATION #684	925.68	Uniforms, Towels, Floor Mats-Cleaning/Rental-August
0000027798	9/16/2022	COMPUVISION COMMUNICATIONS	4,253.15	Datto Cloud Backup, NetAlert Managed Services-October PO 4724-New Board Room Desktop Computer
0000027799	9/16/2022	CORT	44.00	Deed Report-August
0000027800	9/16/2022	COX BUSINESS	160.39	Internet Wireless Service-September
0000027801	9/16/2022	DAVMAR	167.40	Plant Air Compressor Check Valve
0000027802	9/16/2022	ENGEL & GRAY, INC	8,003.73	Biosolids Hauling/Bin Rental-August
0000027803	9/16/2022	FAMCON PIPE & SUPPLY, INC	674.25	PO 4707-Piping for Wasting Pump Replacement / Collection Pipe Fittings
0000027804	9/16/2022	FASTENAL COMPANY	1,053.96	Plant Maintenance Materials
0000027805	9/16/2022	FEDERAL LICENSING INCORPORATED	120.00	FCC License Data Grid Update
0000027806	9/16/2022	FISHER SCIENTIFIC	104.75	Lab Testing Supplies
0000027807	9/16/2022	FRONTIER	779.29	Phone Services - August and September
0000027808	9/16/2022	GLS COMPANIES	750.00	Landscape Services - August
0000027809	9/16/2022	GRAINGER	119.49	Miscellaneous Collections Supplies
0000027810	9/16/2022	HADRONEX, INC	31,560.00	Annual Smartcover Service
0000027811	9/16/2022	HARRINGTON INDUSTRIAL PLASTICS	612.55	Valves and Bushings for Sample Pumps
0000027812	9/16/2022	AUSTIN HERLIHY	3,450.00	Deposit Refund-1385 School House Lane
0000027813	9/16/2022	ROBERT KEEN	727.60	Tri-State Seminar Travel Expense Reimbursement
0000027814	9/16/2022	LIEBERT CASSIDY WHITMORE	3,527.50	Legal Services-SEIU Negotiations - June and July
0000027815	9/16/2022	MARBORG INDUSTRIES	754.28	Refuse Disposal and Recycling - August
0000027816	9/16/2022	MCCORMIX CORP	880.74	Vehicle Fule - 8/15 - 8/31/22
0000027817	9/16/2022	MOUNTAIN SPRING WATER	155.15	Drinking Water - August
0000027818	9/16/2022	MONTECITO WATER DISTRICT	852.18	Water Services - August
0000027819	9/16/2022	NIXON-EGLI EQUIPMENT CO.	128.59	Small Jetter Parts
0000027820	9/16/2022	NOEE ORTIZ	727.60	Tri-State Seminar Travel Expense Reimbursement
0000027821	9/16/2022	PAYCHEX OF NEW YORK, LLC	514.00	Payroll Services - August
0000027822	9/16/2022	PLUMBERS DEPOT, INC	896.70	CCTV Camera Repair
0000027823	9/16/2022	PRICE POSTEL & PARMA	684.00	Legal Services - HR - August
0000027824	9/16/2022	PURETEC INDUSTRIAL WATER	72.03	Water Softener Sodium Tank Exchange
0000027825	9/16/2022	SANSUM CLINIC	160.00	Medical Examination - Perez
0000027826	9/16/2022	S B HOME IMPROVEMENT CENTER	154.20	General Operating Supplies
0000027827	9/16/2022	SANTA BARBARA NEWS-PRESS	186.25	Notice to Contractors Publication - HWY 101 Sewer Reloc.
0000027828	9/16/2022	SOUTHERN CALIFORNIA EDISON CO	16,481.81	Electric Service - August
0000027829	9/16/2022	SMARDAN-HATCHER COMPANY	292.24	Operations Bathroom Repair
0000027830	9/16/2022	SOCAL GAS	222.77	Gas Services - August
0000027831	9/16/2022	STREAMLINE	310.00	Website Hosting Sevices - September
0000027832	9/16/2022	UNIVAR SOLUTIONS	19,186.36	Plant Chemicals
0000027833	9/16/2022	UNDERGROUND SERVICE ALERT	132.50	70 Dig Alert Tickets for August
0000027834	9/16/2022	MIGUEL VILLAFANA	171.32	Safety Boot Allowance

0000027835	9/16/2022	WORLD WATER WORKS, INC	7,704.11	DAFT Sludge Pump Materials
Bank B Total:			<u>142,676.45</u>	
Report Total:			<u><u>142,676.45</u></u>	

Check History Report
Sorted By Check Number
Activity From: 9/16/2022 to 9/16/2022
MONTECITO SANITARY DISTRICT (MSD)

Bank Code: G CIP CASH (MBT)

Check Number	Check Date	Name	Check Amount	Description
0000001355	9/16/2022	RINCON CONSULTANTS, INC	549.50	CIP 9 - Consulting Services to obtain permits for the HWY 101 Sewer Main Relocation Project - August
			<u>549.50</u>	
			<u>549.50</u>	



Montecito Sanitary District

1042 Monte Cristo Lane A Public Service Agency
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Special Meeting of the Board on:

October 12, 2022

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District (MSD) convened a regular meeting at 2:01 pm on Wednesday October 12, 2022. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Director Newquist, Director Martin, Vice President Woody Barrett, and President Dorinne Lee Johnson

Board Members Absent:

Director Hogan

Also Present and Participating:

Bradley Rahrer, PE, MSD General Manager
Stephen Williams, MSD District Administrator
Aleks Giragosian, Colantuono, Highsmith & Whatley, PC
Melissa Fassett, Price, Postel & Parma
Nicholas Turner, MWD General Manager
Amanda Antonelli, Raftelis
Kiernan Brtalk, Raftelis
Ken Coates, MWD Vice President of the Board
Walt Wendelstein, Member of the Public

2. DISTRICT BUSINESS ITEMS

A. GROUNDWATER MONITORING WELL PROJECT

It is recommended that the Board consider:

- i) Discussing the potential groundwater monitoring well proposed by the Montecito Groundwater Sustainability Agency (GSA); and
- ii) Authorizing the General Manager to sign as Owner for the purposes of submitting and processing associated applications.

The Board extensively discussed various aspects of the Groundwater Monitoring Well agreement including the term of the agreement, the need to be additional insured for the life of the agreement, and the operational impacts of the wells' location on District grounds, and the potential for Montecito Water District to investigate the ability to construct a separate access point for the well. The Board directed Legal Counsel to incorporate the following adjustments on the agreement:

- A. Strike the provisions in Section 3 and Section 4 pertaining to the six month notice for termination.
- B. Amending Section 4 to have 4 five-year options to extend the term of the agreement and strike the automatic renewal component of the Section, which would require Board Action to extend in the future.
- C. Include a provision regarding insurance and have the MSD listed as an additional insured.
- D. Strike the provision regarding compensation.
- E. Add the President of the MSD Board to the signature page of the agreement.
- F. Add an additional clause to allow the GSA to potentially create an alternative access point for the monitoring well, if feasible and approved by the General Manager.

PUBLIC COMMENT: Montecito Water District Vice President Ken Coates addressed the Board and thanked them for moving forward with the Monitoring Well Project and stressed the importance of the project to the GSA. He also advised the Board that this small and simple project has consumed an enormous amount of staff, legal counsel, and Board time. He cautioned that if the MSD Boards go through this much effort on every aspect of the Recycling Project than that process will take forever to complete. He communicated the need to streamline the process and put more energy into letting the general managers, legal counsel, and staff figure out the nuts and bolts and then allow the Board to vote yes or no. For the Boards to spend hours and hours of really expensive peoples time on simple items is in his opinion a mistake and could preclude us from getting the big picture job done of Recycled Water. He expressed that he doesn't believe we can go through this level of detail, to this extent, for every single piece of the recycling project, let alone consolidation.

Director Johnson responded to the comment that this was the second time the MSD Board has heard about this project, and that the Board needed the time in order to accommodate the MWDs request. Also Recycled Water is a separate project and the Board moves as quickly as necessary to put the interest of the rate payers first.

ON MOTION by Director Newquist, seconded by Director Barrett, the Board voted to approve the agreement between GSA and MWD with the aforementioned adjustments made to the agreement.

AYES: Directors Barrett, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: Director Hogan

3. **CLOSED SESSION**

A. **REAL PROPERTY NEGOTIATIONS BETWEEN MONTECITO GROUNDWATER SUSTAINABILITY AGENCY AND MONTECITO SANITARY DISTRICT (GOVERNMENT CODE § 54956.8)**

ON MOTION by Director Newquist, seconded by Director Barrett, the Board voted to authorize the General Manager to sign as Owner for the purposes of submitting and processing associated applications.

AYES: Directors Barrett, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: Director Hogan

**B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(GOVERNMENT CODE § 54956.9(d)(2))**

A point has been reached where, in the opinion of the District Board of Directors on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the District:

Number of Potential Cases: 1

Reportable Action: None

ON MOTION by Director Johnson, seconded by Director Barrett, the Board voted to authorize the District’s legal counsel to respond to the attorneys with a Resolution and Final Agreement letter in order to protect the District.

AYES: Directors Barrett, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: Director Hogan

4. ITEMS FOR THE NEXT AGENDA

The next Board meeting will be a General Board Meeting on October 13, 2022. Director Martin handed Director Johnson a list of six possible future agenda items to include at future meetings. No items were discussed for future agendas.

5. ADJOURNMENT

The meeting adjourned at 4:54 p.m. ON MOTION by Director Newquist, seconded by Director Barrett.

These minutes were presented for approval at the General Board Meeting on November 10, 2022.

Dorinne Lee Johnson, President

Minutes taken and prepared by:

Stephen Williams
District Administrator/Clerk of the Board



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Regular Meeting of the Board on:

October 13, 2022

1. **CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a regular meeting at 2:02 pm on Thursday October 13, 2022. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Director Newquist, Director Martin, Director Hogan, Vice President Woody Barrett, and President Dorinne Lee Johnson

Board Members Absent:

None

Also Present and Participating:

Bradley Rahrer, MSD General Manager
Stephen Williams, MSD District Administrator
Carole Rollins, MSD Laboratory Manager
Marco Felix, MSD Treatment Superintendent/Chief Plant Operator
MB, Member of the Public

2. **PUBLIC COMMENT**

No members of the public addressed the board.

3. **CONSENT CALENDAR**

ON MOTION by Director Barrett, Seconded by Director Newquist, the consent calendar containing the following items was approved:

- A. Board Meeting Minutes of September 8, 2022
- B. Board Meeting Minutes of September 16, 2022
- C. Board Meeting Minutes of September 22, 2022

AYES: Directors Barrett, Hogan, Newquist, and Johnson
 NAYS: None
 ABSTAIN: Director Martin
 ABSENT: None

4. RESOLUTION 2022-955; REMOTE MEETINGS ADOPTION

ON MOTION by Director Newquist, Second by Director Hogan, the Board voted to adopt Resolution 2022-957 continuing remote meetings.

AYES: Directors Barrett, Hogan, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: None

5. DISTRICT BUSINESS ITEMS

A. PUBLIC HEARING ON ADOPTION OF ORDINANCE NO. 20 – DIRECTOR COMPENSATION

ON MOTION by Director Newquist, Second by Director Hogan, the Board voted to adopt Ordinance No. 20 amending the compensation of Directors and repealing Ordinance No. 17.

AYES: Directors Barrett, Hogan, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: None

PUBLIC COMMENT: Joseph Panino, a member of the public, inquired of the MSD Board if a sewer line extension from Lower Ashely/ E Mountain Drive has been considered. General Manager Rahrer informed Joseph that an extension in that area has been considered and that there will be an RFP issued to hire an engineer to explore the feasibility and estimated cost of that sewer main extension project. Joseph also had a question regarding the potential consolidation between MSD and MWD and was informed that a feasibility study is underway and will be discussed at a future Joint Strategic Planning meeting between the two districts.

B. ROUNABOUT SEWER RELOCATION PROJECT UPDATE

The Board received an update from the General Manager on the ongoing roundabout sewer relocation project currently under consideration. No actions were taken.

C. HIGHWAY 101 SEWER CROSSING PROJECT

ON MOTION by Director Barrett, Seconded by Director Newquist, the Board voted to authorize the rejection of all bids received for the Highway 101 Sewer Crossing Relocation Project.

AYES: Directors Barrett, Hogan, Martin, Newquist, and Johnson
NAYS: None
ABSTAIN: None
ABSENT: None

6. **ITEMS FOR THE NEXT AGENDA**

The next Board meeting will be a General Board Meeting on October 27, 2022. Items for the next meeting may include, but are not limited, to the following:

- Organizational Decisions
- Merit Raises
- Discuss formalizing a reserve policy

7. **ADJOURNMENT**

The meeting adjourned at 3:34 p.m. ON MOTION by Director Newquist, seconded by Director Hogan.

These minutes were presented for approval at the General Board Meeting on November 10, 2022.

Dorinne Lee Johnson, President

Minutes taken and prepared by:

Stephen Williams
District Administrator/Clerk of the Board



Montecito Sanitary District

1042 Monte Cristo Lane A Public Service Agency
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Special Meeting of the Board on:

October 26, 2022

1. **CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a special meeting at 2:00 p.m. on Wednesday, October 26, 2022. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

President Dorinne Lee Johnson, Vice President Woody Barrett, Director Martin, and Director Dana Newquist

Board Members Absent:

Director Hogan

Also Present and Participating:

Stephen Williams, MSD District Administrator

2. **PUBLIC COMMENT**

No members of the public were present at the Special Meeting.

3. **CLOSED SESSION**

A. **PUBLIC EMPLOYMENT – GOVERNMENT CODE §54954.5(e)**

Title: General Manager

Reportable Action: The Board voted to create a sub-committee for recruitment purposes and that vote was unanimous.

4. **ITEMS FOR THE NEXT AGENDA**

The next Board meeting will be a regularly scheduled board meeting on November 10, 2022. Items may include, but are not limited to, the following:

- Director Martin commented that he had provided a list of certain proposed policy provisions to be included at the next reasonably available time.
- Director Newquist would like to include a Board Organization item to transition to a new Treasurer.

5. **ADJOURNMENT**

The meeting adjourned at 3:34 p.m. ON MOTION by Director Newquist, seconded by Director Barrett.

These minutes were presented for approval at the General Board Meeting on November 10, 2022.

Dorinne Lee Johnson, President

Minutes taken and prepared by:

Stephen Williams
District Administrator/Clerk of the Board

RESOLUTION NO. 2022-958

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO SANITARY DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF THE MONTECITO SANITARY DISTRICT FOR THE PERIOD OF 30 DAYS PURSUANT TO THE BROWN ACT PROVISIONS.

WHEREAS, the Montecito Sanitary District (“District”) is a sanitary district duly organized and existing pursuant to the Sanitary District Act of 1923 codified in Health & Safety Code section 6400 et seq.; and

WHEREAS, the District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District’s governing body are open and public, as required by the Ralph M. Brown Act, codified in California Government Code section 54950 et seq. (“Brown Act”), so that any member of the public may attend, participate, and watch the District’s governing body conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted Resolution No. 2021-935, on September 30, 2021, finding that the requisite conditions exist for the Board of Directors of the District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District’s jurisdiction, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the jurisdiction of the District, specifically, a State of Emergency remains active as proclaimed by Governor Gavin Newsom’s Proclamation of a State of Emergency dated March 4, 2020; and

WHEREAS, State and Local Officials have imposed and recommended social distancing measures and allowing legislative bodies to meet via teleconferencing to avoid risks to the health and safety of members of the public who would like to participate in meetings of the legislative bodies; and

WHEREAS, the Board of Directors does hereby find that Governor Gavin Newsom's Proclamation of State of Emergency and Social Distancing Orders and other conditions causing imminent risk to attendees has caused, and will continue to cause, conditions of peril to the safety of persons within the jurisdiction of the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and ratify the proclamation of state of emergency by the Governor of the State of California and ratify State and Local orders for social distancing; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's governing body shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District shall continue to provide notice as otherwise required by the Brown Act of all public meetings.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MONTECITO SANITARY DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the jurisdiction of the District and proclaims that a local emergency persists throughout the jurisdiction of the District and allowing remote access and participation in the District's board meetings will reduce health and safety risks to attendees.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The General Manager or designee and the Board of Directors of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) December 10, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors of the Montecito Sanitary District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of the Montecito Sanitary District this 10th day of November 2022, by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

(SEAL)



Board President
Dorinne Lee Johnson

ATTEST:

Clerk of the Board
Stephen Williams



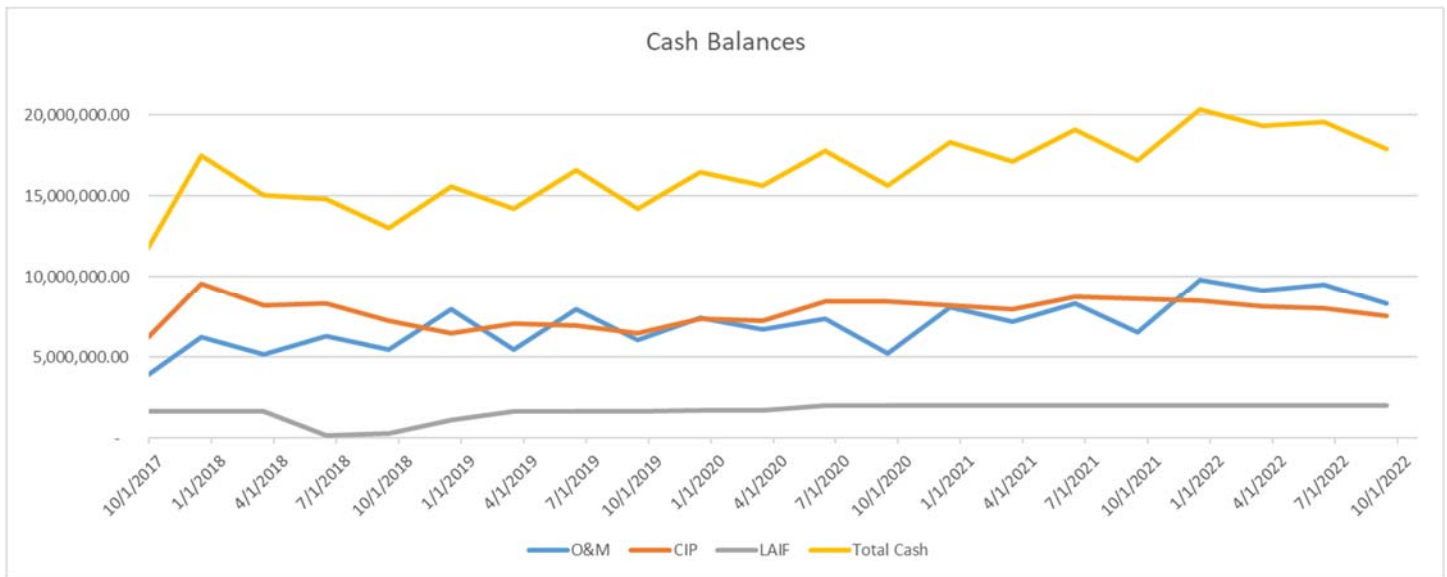
Fiscal Year 2022-23 Unaudited First Quarter Financial Summary Memo

For the Period Ended 9/30/2022

FINANCIAL HEALTH AND CASH POSITIONS

As of September 30, 2022, the District is in a sound financial position. It maintains a healthy cash balance sufficient to cover its short term and long term obligations. The District also maintains an unofficial reserve balance of approximately **\$2M** in its LAIF account, which is equal to approximately **4.65** months of Operations & Maintenance (O&M) expenditures (currently **\$430,063** per month). Typical business practice is to hold at least 3-6 months of cash on hand for emergencies, along with adequate insurance holdings. Based on this metric the District is within that range with its LAIF account.

Below is a chart detailing the District’s cash positions over the past five years:



Below is a chart detailing the current cash balances the District maintains compared to last quarter:

	Balance at 6/30/2022	Balance at 9/30/2022	Difference
Operations & Maintenance	\$ 9,500,348	\$ 8,306,833	\$ (1,193,515)
Capital Improvement Projects	8,025,990	7,562,507	(463,483)
LAIF (Reserve)	2,021,996	2,025,781	3,785
Total Available Cash	\$ 19,548,334	\$ 17,895,121	\$ (1,653,213)

REVENUES

For Fiscal Year 2022-23, the District expects approximately \$7.4M in revenues between its two main revenue types: Operating and Non-operating revenue. The District receives 96% of its revenues through two allocations from the County of Santa Barbara’s Property Tax apportionment, in December and April. As such, the District has not received its expected **\$3.6M** in the first apportionments from the County. The District has sufficient cash on hand to handle the timing of revenues, so no temporary borrowing is necessary for the District to meet its obligations.

Table 1 below shows the breakdown of revenue received for the period ending September 30, 2022.

OPERATIONS & MAINTENANCE BUDGET TO ACTUAL SUMMARY

OPERATING AND NONOPERATING REVENUES

	2022-23 Budget	2022-23 Actuals	Difference
Operating Revenues			
Service Charges	\$ 6,600,000	\$ 144,754	\$ (6,455,246)
Connection Fees	100,000	60,948	(39,052)
Other Services	75,000	16,310	(58,690)
Total Operating Revenues	\$ 6,775,000	\$ 222,012	\$ (6,552,988)
Nonoperating Revenues			
Property Taxes	\$ 665,000	\$ 26,114	\$ (638,886)
Interest Income	-	29,986	29,986
Total Nonoperating Revenues	\$ 665,000	\$ 26,114	\$ (638,886)
Total Revenues	\$ 7,440,000	\$ 248,125	\$ (7,191,875)

Table 1. Fiscal Year 2022-23 Budget to Actuals for Revenue

Below is a deeper analysis or estimated versus actual revenues collected:

Operating and Non-operating Revenue Noteworthy Items:

- Sewer Service Charges - The District's primary source of revenues comes from Sewer Service Charges.**
 The District submitted all Sewer Service Charges to the County for inclusion on connected properties Property Tax bills in early July. This method saves a substantial amount of administrative time having to bill, collect, and reconcile over 3,000 sewer service bills to customers. Total amount reported to the Auditor was **\$6,717,577**, so Staff anticipates Sewer Service Charges revenue coming in higher than budgeted for Fiscal Year 2022-23. This increase is mostly attributed to our Commercial account holders as a result of increasing water usage.
- Connection Fees** – The District has seen a higher number of connection fees processed in the first quarter of the fiscal year than anticipated. These properties have paid for their connection fees through the permitting process and will be included in the Property Tax Roll in the next fiscal year. The District also completed a sewer main extension project in Q1 to serve an additional 23 homes and once the project is accepted by the Board, it is expected the District will begin receiving a portion of the connection fees for the project.
- Other Services** – The District collects various fees as it relates to inspection services, sewer availability inquiries, engineering review services, agreements, and administrative certifications. The District is in line with the projected budgeted figure for the Other Services fees revenue category. As of the end of Q1, Staff does not anticipate any material overages or underages in this revenue source.

- **Property Tax** – The District’s ½ of 1% Property Tax Revenue is collected in the same manner as the Sewer Service Charges. On September 30th, 2022, the County released updated property tax revenue estimates and the District is expected to receive **\$720,423**, which is **\$55,423** higher than budgeted for Fiscal Year 2022-23.

OPERATING EXPENDITURES

	2022-23 Budget		2022-23 Actuals		Difference	% of Budget
Operating Expenditures						
Salaries and Benefits	\$	3,154,263	\$	816,937	\$ 2,337,326	26%
Insurance		86,000		9,165	76,835	11%
Maintenance & Repairs		180,000		18,646	161,355	10%
Goods & Supplies		148,500		11,089	137,412	7%
Professional Services		360,000		19,336	340,664	5%
Administrative Costs		385,000		58,614	326,386	15%
Plant & Lab Operating Costs		538,000		103,959	434,041	19%
Safety, Training, & Travel		53,500		7,987	45,513	15%
Utilities		266,000		55,065	210,935	21%
Total Operating Expenditures	\$	5,171,263	\$	1,100,797	\$ 4,070,466	21%

The District’s Operations and Maintenance expenditure budget is in alignment with what the District anticipated for end of Q1. Salaries and Benefits expenditures are sitting at approximately **26%** of utilization, even with a large Unfunded Actuarial Liability (UAL) payment being made during the first quarter. Services and Supplies budget has utilized approximately **14%** of the anticipated budget at the end of the first quarter, and we expect that percentage to increase as some of the larger projects begin later on in the fiscal year.

Below is a deeper analysis of some of the areas the District wishes to highlight for the Board from its Operations & Maintenance budget to actuals:

Operating Expenditures Noteworthy Items:

- **6400 – CalPERS Contribution** – Every year the District elects to prepay its UAL in July rather than paying in monthly installments in order to save money. This large expenditure early in the year is causing the percentage of budget utilized to be high, however, based on the UAL payment and estimated contributions for the rest of the fiscal year the District expects to be slightly under budget at year end.
- **7461 – Professional Services – Legal** – This line item will now only track costs for the District’s General Legal Counsel (Colantuonno Highsmith & Whatley). Based on current costs realized through the first quarter and a normal utilization of our General Legal Counsel, Staff expects this to be in line with annual budgetary figures. Staff will continue to monitor this line item at future financial reports in order to provide projections on budget to actuals.

- **7466 – Professional Services – Human Resources** – This line budgets for and tracks costs for Human Resources legal support by Price, Postel and Parma for Human Resource Special under a retainer agreement. Current period costs are in alignment with what the District budgeted for the fiscal year.
- **7467 – Professional Services – Special Legal Counsel** – This new line item for Fiscal Year 2022-23 tracks costs associated with special legal counsel hired by the District for special projects. Currently, that is Liebert, Cassidy, and Whitmore for work performed on negotiations with SEIU Local 620. The District entered into a not to exceed contract for \$25,000, of which the District is currently under that budget as of the end of the first quarter. No expenditures have been made for legal review from Colantuonno, Highsmith and Whatley for any analysis performed for the Special District Consolidation Feasibility Study.
- **7510 - Contracted Services/Labor** - The District paid its annual Smartcover System Service Warranty in September totaling \$31,560. This large expenditure early in the year is causing the percentage of budget utilized to be high, however, this was planned for during the budget process and the remaining transactions are expected to be within the budgeted amount.
- **7653 – Chemicals** – Plant chemicals costs associated with the delivery of sodium hypochlorite (Hypo) and sodium bisulfate (Bisulfate) used for the disinfection process are one of the largest expenditure categories in the operation and maintenance budget. The District’s supplier, Univar, has provided both chemicals since 2010. Since then, prices have trended very closely with inflation. This fiscal year has been a period of hyper-inflation, and as such, Univar has instituted multiple price increases totaling 16% for Hypo and 14% for Bisulfate. District staff has taken notice of these increases and issued a request for quotes through Planetbids. The bid period closes on October 21, 2022 at which time the District will be able to analyze the ability to enter into a more favorable purchase order for the remainder of the Fiscal Year.

CAPITAL IMPROVEMENTS PROJECTS

The District maintains separate Capital Improvement Project band of accounts from its Operations and Maintenance funds. As of the end of the period the balance held in CIP accounts totals **\$6,582,791**.

The budget passed for Fiscal Year 2022-23 utilizes estimates for the anticipated expenditures for CIP work including permitting, design, construction management, and all other costs associated with projects. The annual budget passed by the Board this Fiscal Year totaled **\$4,991,945**. The following table shows total budget and amount expended through the quarter by program.

	2022-2023 Approved Budget	2022-23 Expenditures Through 9/30/2022
Collections	\$ 2,638,445	\$ 470,169
Lift Stations	\$ 140,000	\$ -
Treatment & Laboratory	\$ 2,026,000	\$ 3,483
Facilities	\$ 117,500	\$ -
Sewer Main Extensions	\$ 70,000	\$ -
Recycled Water	\$ -	\$ 568
Total	\$ 4,991,945	\$ 474,220

The following highlights noteworthy capital expenditures for Q1 and Attachment C provides includes all CIP activity through the period ending September 30, 2022.

- **FY 2021-22 Carryover – Lilac-Oak Grove Sewer Main Extension** –A large portion of Collections CIP expenditures for Q1 was for the Lilac-Oak Grove Sewer Main Extension project. Staff are in the process of finalizing invoicing for the project and a Notice of Completion will be brought to the Board in November. Once the Notice of Completion is issued, Staff can notify the participating property owners and begin the process of collecting reimbursements of the proportionate construction costs.
- **FY 2021-22 Carryover – Highway 101 Sewer Main Relocation – Design** – Staff continued working with MNS Engineers to finalize the design and bid the project. Design costs for work in Q1 totaled 42,263.75 leaving \$48,867.84 in the contract balance.

2017 SEWER REFUNDING REVENUE BONDS – CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) FINANCE CORPORATION

In May 2017 the District refunded its 2007 Certificates of Participation (COP). The District will make two payments on its bond during Fiscal Year 2022-23 totaling \$936,500. Of this total \$685,000 will be applied to principal and \$251,500 will be applied to interest. The next payment due date is January 1, 2023. The bond is expected to be paid off by July 1, 2030.

ANNUAL DEPRECIATION FUNDING

Annually, District’s Operations & Maintenance accounts contribute to the Capital Replacement Fund near the end of the fiscal year. Typically, this contribution has been based on the prior fiscal year’s annual depreciation expense. The current year contribution based on the Fiscal Year 2020-21 Financial Audit was **\$1,228,291**. Once the Fiscal Year 2021-22 audit is finalized in December 2022, the auditor will determine the figure used for the coming year. Staff expects it to be similar to last year’s figure as there were minor assets added to our Capital Asset inventory during Fiscal Year 2021-22.

Attachments:

- Attachment A – Quarterly Cash and Investments Holdings as of **9/30/2022**
- Attachment B – Quarterly Operations & Maintenance Expenditure Status Report as of **9/30/2022**
- Attachment C – Quarterly Capital Improvement Projects Expenditure Status Report as of **9/30/2022**
- Attachment D – Quarterly Investment Certification

**FY2022-23 Quarterly Cash and Investment Activity
Quarter 1**

	<u>7/1/2022</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>9/30/2022</u>	<u>Net Change</u>	
Investment Accounts									
Cash with LAIF	2,021,996		3,785				2,025,781	3,785	Quarterly Interest
Cash with County-Operating	8,837,552	2,366	16,295		(1,000,000)		7,856,212	(981,340)	Property Tax: \$2,366 Quarterly Interest: \$16,295 Transfers to MBT O&M: \$1,000,000
Cash with County - Capital Replacement	6,639,679		9,623		(500,000)		6,149,302	(490,377)	Quarterly Interest: \$9,623 Transfers: \$500,000 to MBT CIP
Cash with County-Retiree Medical	184,699		284				184,983	284	Quarterly Interest: \$284
Cash Accounts									
MBT Operating account	364,217	119,705		1,000,000		(1,332,221)	151,701	(212,516)	Income: connection, permit, & other fees Transfers: \$1,000,000 from County O&M Withdrawals: O&M Expenses
MBT Capital Improvement account	406,640			500,000		(473,152)	433,488	26,848	Transfers: \$500,000 from County CIP Withdrawals: pmts on Capital Projects
Revolving fund account	1,400						1,400	-	Withdrawals: payments on O&M expenses paid outside normal processing
Insurance Reimbursement Acct	112,230		57				112,287	57	Quarterly Interest: \$57
MBT Recycled Water account	979,671		614			(568)	979,717	46	Withdrawals: pmts on Recycled Water Projects
Petty Cash	250						250	-	
Total Cash & Investment accounts	19,548,335	122,071	30,657	1,500,000	(1,500,000)	(1,805,940)	17,895,122	(1,653,213)	

MONTECITO SANITARY DISTRICT OPERATIONS AND MAINTENANCE EXPENDITURE STATUS REPORT
FOR THE PERIOD ENDED 09/30/2022

	2022-23 BUDGET	2022-23 ACTUALS	VARIANCE	% OF BUDGET	
OPERATING EXPENDITURES					
SALARIES AND BENEFITS					
6100	STAFF SALARIES	\$ 1,910,563.00	\$ 423,759.91	\$ 1,486,803.09	22%
6105	BOARD SALARIES	52,800.00	11,000.00	41,800.00	21%
6108	AUTO ALLOWANCE - GM	3,600.00	900.00	2,700.00	25%
6270	STANDBY PAY	33,000.00	7,605.00	25,395.00	23%
6300	OVERTIME	30,000.00	-	30,000.00	0%
6400	PERS CONTRIBUTION	435,000.00	254,268.61	180,731.39	58%
6410	EMPLOYEE BENEFITS	65,000.00	14,071.43	50,928.57	22%
6500	FICA CONTRIBUTION	125,000.00	26,730.17	98,269.83	21%
6510	MEDICARE	29,000.00	6,251.48	22,748.52	22%
6520	UNEMPLOYMENT TAX - STATE	4,500.00	344.85	4,155.15	8%
6600	GROUP MEDICAL - ACWA	325,000.00	57,198.05	267,801.95	18%
6605	RETIREE MEDICAL BENEFITS	25,000.00	5,153.28	19,846.72	21%
6610	LIFE INSURANCE - ACWA	7,300.00	1,292.50	6,007.50	18%
6615	DISABILITY INS - STANDARD	26,000.00	4,682.02	21,317.98	18%
6620	WORKER'S COMPENSATION	50,000.00	-	50,000.00	0%
6640	DENTAL INSURANCE - ACWA	21,000.00	2,731.12	18,268.88	13%
6650	UNIFORM SERVICE - MISSION	11,500.00	948.91	10,551.09	8%
	TOTAL SALARIES AND BENEFITS	\$ 3,154,263.00	\$ 816,937.33	\$ 2,337,325.67	26%
SERVICES AND SUPPLIES					
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	\$ 60,000.00	\$ (1,092.12)	\$ 61,092.12	-2%
7091	PROPERTY INSURANCE	15,000.00	-	15,000.00	0%
7093	INS (EMP DISHONESTY BOND) - CSRMA	1,000.00	849.00	151.00	85%
7094	INS (MOBILE EQUIP) - CSRMA	10,000.00	9,408.00	592.00	94%
7110	EMPLOYEE PHYSICALS	2,500.00	627.50	1,872.50	25%
7121	PROPERTY MAINTENANCE	65,000.00	15,823.79	49,176.21	24%
7122	VEHICLE MAINTENANCE	13,000.00	423.60	12,576.40	3%
7126	COLL - EQUIPMENT RENTAL	1,000.00	-	1,000.00	0%
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	8,000.00	73.49	7,926.51	1%
7129	LIFT STATION PARTS	30,000.00	70.16	29,929.84	0%
7133	VACCON EQUIPMENT & REPAIRS	15,000.00	-	15,000.00	0%
7134	CCTV EQUIPMENT/REPAIRS	15,000.00	1,008.61	13,991.39	7%
7136	COLL - MISC COLLECTION TOOLS	10,000.00	604.78	9,395.22	6%
7138	JETTER TRUCK EQUIP / REPAIRS	8,000.00	221.17	7,778.83	3%
7150	MECHANICAL MAINTENANCE	5,000.00	143.55	4,856.45	3%
7200	GENERAL OPERATING SUPPLIES	10,000.00	1,471.23	8,528.77	15%
7201	DRINKING WATER	2,500.00	294.40	2,205.60	12%
7202	GLOVES	8,000.00	1,717.64	6,282.36	21%
7205	COMMUNITY & EMPLOYEE GOODWILL	6,000.00	-	6,000.00	0%
7220	MAILING/SHIPPING EXPENSES	5,000.00	14.00	4,986.00	0%
7430	MEMBERSHIPS	60,000.00	-	60,000.00	0%
7440	MISCELLANEOUS EXPENSES	2,500.00	-	2,500.00	0%
7450	OFFICE EXPENSES	15,000.00	1,566.19	13,433.81	10%
7452	SCANNING & SHREDDING	10,000.00	-	10,000.00	0%
7454	BOOKS/SUBSCRIPTIONS/STUDY GUIDES	2,000.00	-	2,000.00	0%
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	37,500.00	6,025.04	31,474.96	16%
7461	PROFESSIONAL SERVICES/FEEES - LEGAL	70,000.00	576.00	69,424.00	1%
7462	PROFESSIONAL FEES - ACCOUNTING	45,000.00	2,952.50	42,047.50	7%
7463	PROF SERVICES - ENGINEERING	50,000.00	-	50,000.00	0%
7464	PROFESSIONAL FEES - COMPUTER/GIS	60,000.00	10,771.06	49,228.94	18%
7466	PROF SERVICES - HUMAN RESOURCES	10,000.00	1,508.65	8,491.35	15%
7467	PROF SERVICES - SPECIAL LEGAL COUNSEL	50,000.00	3,527.50	46,472.50	7%
7500	PUBLIC OUTREACH	75,000.00	-	75,000.00	0%
7506	ADMINISTRATIVE FEES	30,000.00	8,498.00	21,502.00	28%
7508	COLLECTION/TREATMENT FINES	10,000.00	-	10,000.00	0%
7510	CONTRACTED SERVICES/LABOR	95,000.00	43,103.56	51,896.44	45%
7530	ADS/NOTICES FOR PUBLICATION	3,000.00	702.50	2,297.50	23%
7610	FURNITURE/FIXTURES	10,000.00	63.54	9,936.46	1%
7641	NPDES PERMIT EXPENSES-LAB	15,000.00	2,708.04	12,291.96	18%
7645	NPDES PERMIT REQUIREMENTS - OPERATIONS	50,000.00	-	50,000.00	0%
7650	ELECTION EXPENSES	7,000.00	-	7,000.00	0%
7652	BIOSOLIDS DISPOSAL	60,000.00	14,828.05	45,171.95	25%
7653	CHEMICALS	220,000.00	65,256.93	154,743.07	30%
7654	GENERATOR SERVICE	10,000.00	635.07	9,364.93	6%
7655	HAZARDOUS MATERIALS DISPOSAL	2,000.00	-	2,000.00	0%

7656	PLANT EQUIPMENT RENTAL	5,000.00	-	5,000.00	0%
7657	PLANT MAINTENANCE MATERIALS	75,000.00	16,327.49	58,672.51	22%
7658	PLANT MAINTENANCE PROJECTS	5,000.00	-	5,000.00	0%
7659	PLANT SAFETY EXPENSES	5,000.00	276.35	4,723.65	6%
7661	POLYMER	10,000.00	-	10,000.00	0%
7662	SMALL TOOLS/EQUIP	4,000.00	2,551.56	1,448.44	64%
7670	SPECIAL PROJECTS	115,000.00	-	115,000.00	0%
7671	ASSET MANAGEMENT	100,000.00	-	100,000.00	0%
7675	COVID-19 EXPENSES	35,000.00	2,911.03	32,088.97	8%
7700	LAB CONSUMABLES-SMALL EQUIPMENT	32,000.00	3,302.29	28,697.71	10%
7702	LAB EQUIPMENT MAINTENANCE	10,000.00	1,018.62	8,981.38	10%
7703	CONTRACT LAB ANALYSES	10,000.00	38.75	9,961.25	0%
7722	BOARD TRAINING/CONF REGISTRATION	2,500.00	-	2,500.00	0%
7723	BOARD MEETINGS/TRAVEL EXPENSES	1,000.00	-	1,000.00	0%
7724	STAFF TRAINING/CONF REGISTRN	15,000.00	3,200.00	11,800.00	21%
7725	STAFF TRAVEL EXPENSES	15,000.00	2,182.80	12,817.20	15%
7726	STAFF CERTIFICATIONS/LICENSES	8,000.00	298.00	7,702.00	4%
7727	OSHA REQUIRED TRAINING	5,000.00	1,235.00	3,765.00	25%
7728	SAFETY BOOT ALLOWANCE	4,500.00	1,071.32	3,428.68	24%
7729	APPAREL AND UNIFORMS	2,500.00	-	2,500.00	0%
7731	LOCAL MEETING EXPENSES	2,500.00	-	2,500.00	0%
7740	FUEL AND OIL	25,000.00	3,923.14	21,076.86	16%
7761	WATER	15,000.00	1,701.52	13,298.48	11%
7762	NATURAL GAS	5,000.00	446.82	4,553.18	9%
7763	ELECTRICITY	175,000.00	38,633.65	136,366.35	22%
7766	TRASH / RECYCLING	16,000.00	4,168.03	11,831.97	26%
7767	TELEPHONE - LOCAL/LD	18,000.00	3,205.86	14,794.14	18%
7768	TELEPHONE CELLULAR	12,000.00	2,986.13	9,013.87	25%
	TOTAL SERVICES AND SUPPLIES	<u>\$ 2,017,000.00</u>	<u>\$ 283,859.79</u>	<u>\$ 1,733,140.21</u>	<u>14%</u>
	TOTAL OPERATING EXPENDITURES	<u>\$ 5,171,263.00</u>	<u>\$ 1,100,797.12</u>	<u>\$ 4,070,465.88</u>	<u>21%</u>

Fiscal Year 2022-23 Capital Improvement Program (CIP) Plan

Adopted by the Board on June 23, 2022

Collections:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
FY2021-2022 Carryover	Highway 101 Sewer Main Relocation - Design	\$ 194,127	\$ -	\$ 89,445	\$ 52,975
FY2021-2022 Carryover	Lilac-Oak Grove Sewer Main Extension	\$ 2,051,473	\$ 1,564,325	\$ 750,000	\$ 381,043
C001	Collection System Condition Assessment & Prioritization Plan	\$ 40,000		\$ 40,000	
C002	Highway 101 Sewer Main Relocation - Construction	\$ 860,000		\$ 860,000	
C003	Olive Mill/San Ysidro Roundabout Relocation	\$ 250,000		\$ 250,000	
C004	Large Diameter Sewer Main Rehabilitation	\$ 875,000		\$ 75,000	
C005	Manhole Rehab lining project	\$ 25,000		\$ 25,000	
CMAN	Manhole Adjustments	\$ 60,000	\$ -	\$ 60,000	\$ 8,970
CEME	Collection System Emergency Repairs	\$ 30,000	\$ -	\$ 30,000	\$ 27,182
CEQU	Equipment Replacement	\$ 459,000		459,000	
Collections Subtotal			\$ 1,564,325	\$ 2,638,445	\$ 470,169

Lift Stations:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
L001	Lift Station Condition Assessment & Prioritization Plan	\$ 50,000		\$ 50,000	
L002	Channel Lift Station Improvement	\$ 60,000		\$ 60,000	
LEME	Lift Station Emergency Repairs	\$ 30,000		\$ 30,000	
Lift Stations Subtotal			\$ 1,564,325	\$ 140,000	\$ -

Treatment & Laboratory:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
T001	Electrical Rehabilitation & Aeration Blower Replacement Project	\$ 1,440,000		\$ 1,440,000	
T002	Skimmer troughs replacement	\$ 140,000		\$ 140,000	
T003	SCADA Implementation	\$ 100,000		\$ 75,000	
T004	Disinfection Process -Pumps Replacement	\$ 40,000		\$ 40,000	
T005	IPS Channel Improvements	\$ 141,000		\$ 141,000	
T006	Grinder No. 2 Replacement	\$ 40,000		\$ 40,000	
TEME	Treatment O/M Emergencies	\$ 100,000		\$ 100,000	
TEQU	Equipment Replacement	\$ 50,000	\$ -	\$ 50,000	\$ 3,483
Treatment Subtotal			\$ -	\$ 2,026,000	\$ 3,483

Facilities:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
F001	Roof for Admin/Operations Building	\$ 65,000		\$ 65,000	
F002	Maintenance Gate controller with new keypads	\$ 13,500		\$ 13,500	
F003	Main Gate replacement with motorized gate and keypads	\$ 24,000		\$ 24,000	
F004	Remodel Men's Restroom in Maintenance Building	\$ 15,000		\$ 15,000	
Facilities Subtotal			\$ -	\$ 117,500	\$ -

Sewer Main Extensions:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
S001	Septic to Sewer Strategic Plan (Alisos/Ashley & E Mountain 30% Design)	\$ 70,000		\$ 70,000	
Sewer Main Extensions Subtotal			\$ -	\$ 70,000	\$ -

Recycled Water:

Project No.	Description	Estimated Project Cost	Project Expenditures Through 6/30/2022	2022-23 Approved Budget	Project Expenditures Through 9/30/2022
T011	Recycled Water Final Design, Update CDP, and Title 22 Report for first phase	Unknown		\$ -	\$ 568
T012	Recycled Water Construction for first phase	Unknown		\$ -	
T008	Recycled Water Construction for remaining phases	Unknown		\$ -	
Recycled Water Subtotal			\$ -	\$ -	\$ 568

	2022-2023 Approved Budget	2022-23 Expenditures Through 9/30/2022
Collections	\$ 2,638,445	\$ 470,169
Lift Stations	\$ 140,000	\$ -
Treatment & Laboratory	\$ 2,026,000	\$ 3,483
Facilities	\$ 117,500	\$ -
Sewer Main Extensions	\$ 70,000	\$ -
Recycled Water	\$ -	\$ 568
Total	\$ 4,991,945	\$ 474,220



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

QUARTERLY CERTIFICATION STATEMENTS FOR THE MONTECITO SANITARY DISTRICT

in accordance with
RESOLUTION NO. 2013-883, MSD INVESTMENT POLICY

For the Quarter Ended

September 30, 2022

As Treasurer of the Montecito Sanitary District, I, **Dana Newquist** certify that:

- (1) All investment actions executed since the last report have been made in full compliance with the Montecito Sanitary District Investment Policy;
- (2) A complete and timely record of all investment transactions is maintained in the District office from reports supplied by LAIF and the S. B. County Treasurer's office; and
- (3) The Montecito Sanitary District is able to meet its pool's expenditure requirements for the next six months.

Dated: _____

Board Treasurer
MONTECITO SANITARY DISTRICT



Reserves Policies High Level Overview & Introduction

Objectives

- ▶ Give an introduction to reserve policies as recommended for governmental agencies:
 - ▶ Types of reserve policies
 - ▶ Sizing of reserve policies
 - ▶ Key policy elements

Why a Reserve Policy

- ▶ It is a cornerstone of financial flexibility
 - ▶ Buffers highs and lows in the economy
 - ▶ Helps manage risk
- ▶ Policy is essential and needs to:
 - ▶ Define amount(s) to hold in reserve
 - ▶ Describe purpose of reserves
 - ▶ Set rules for use of reserves

Types of Reserve Policies

▶ Operating Reserves

- ▶ An operating reserve is an unrestricted fund balance set aside to stabilize an agency's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses.

▶ Capital Assets Reserves

- ▶ A reserve created from an agency's revenues generated from its non-operating activities and is restricted to finance the company's long-term capital asset repair and replacement needs.

▶ Rate Stabilization Reserves

- ▶ An unrestricted fund balance set aside to stabilize rates charged to minimize rate, fee, or revenue increases needed in future years to provide the current level of service.

Key Reserve Considerations

- ▶ What type(s) of reserves to establish and maintain?
- ▶ What is the right level of reserves?
- ▶ What factors influence the “right” level of reserves (ie. insurance holdings, nature of revenue generation, etc.)?
- ▶ What are the most important elements of a reserve policy?
- ▶ What is the right financial strategy for using reserves for budgetary stabilization?
- ▶ How to implement and maintain reserve levels?

Reserve Level Standards

▶ Operating Reserves

- ▶ Government Finance Officers Association recommends either:
 - ▶ 16% of regular operating revenues or
 - ▶ no less than 2 months total operating expenditures
 - ▶ These are baselines and need to adjust based on local conditions (propensity for disasters, etc.)

▶ Capital Assets Reserves

- ▶ Government Finance Officers association recommends:
 - ▶ 20% of a five-year asset's replacement costs so that funding is available when replacement is necessary.
 - ▶ Note that longer term assets might require higher ratios to account for CPI increases.

▶ Rate Stabilization Fund

- ▶ No specific guidelines as is explicitly tied to an agency's revenue volatility and inflow streams

Discussion

Financial Questions

about the

Montecito Sanitary District

January 31, 2020

Montecito Sanitary District

What did I find?

- What appears to be an excessive rate hike
- An unusually high amount of cash

Montecito Sanitary District Decided to raise rates

- Commissioned rate study (2016)
 - Projected future operating expenses
 - Added 20% margin
 - Set new rates

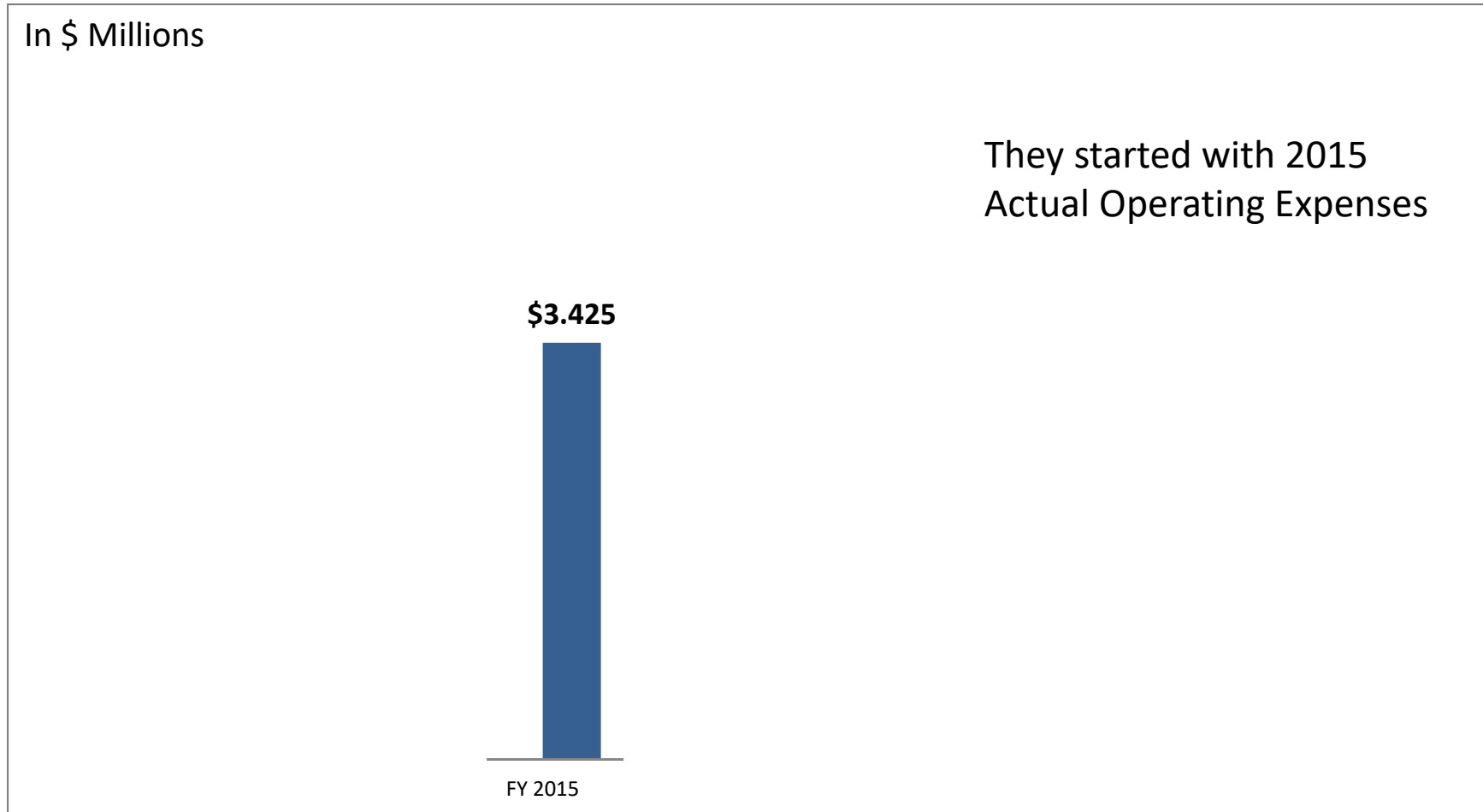
Montecito Sanitary District Unfortunately...

The operating cost projection was grossly overstated...

Resulting in an excessive rate increase and an unusual amount of cash

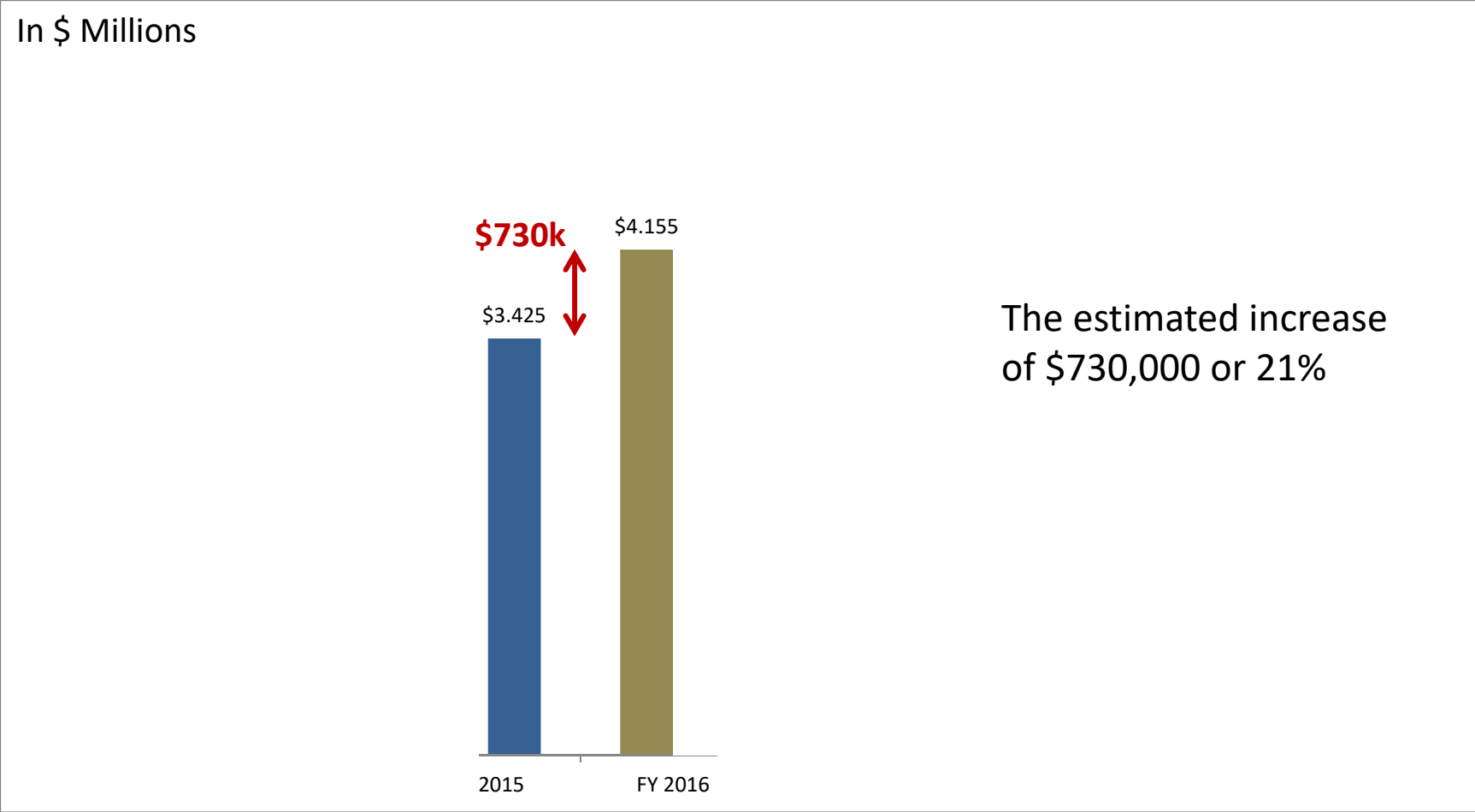
Montecito Sanitary District

When we look at their study...



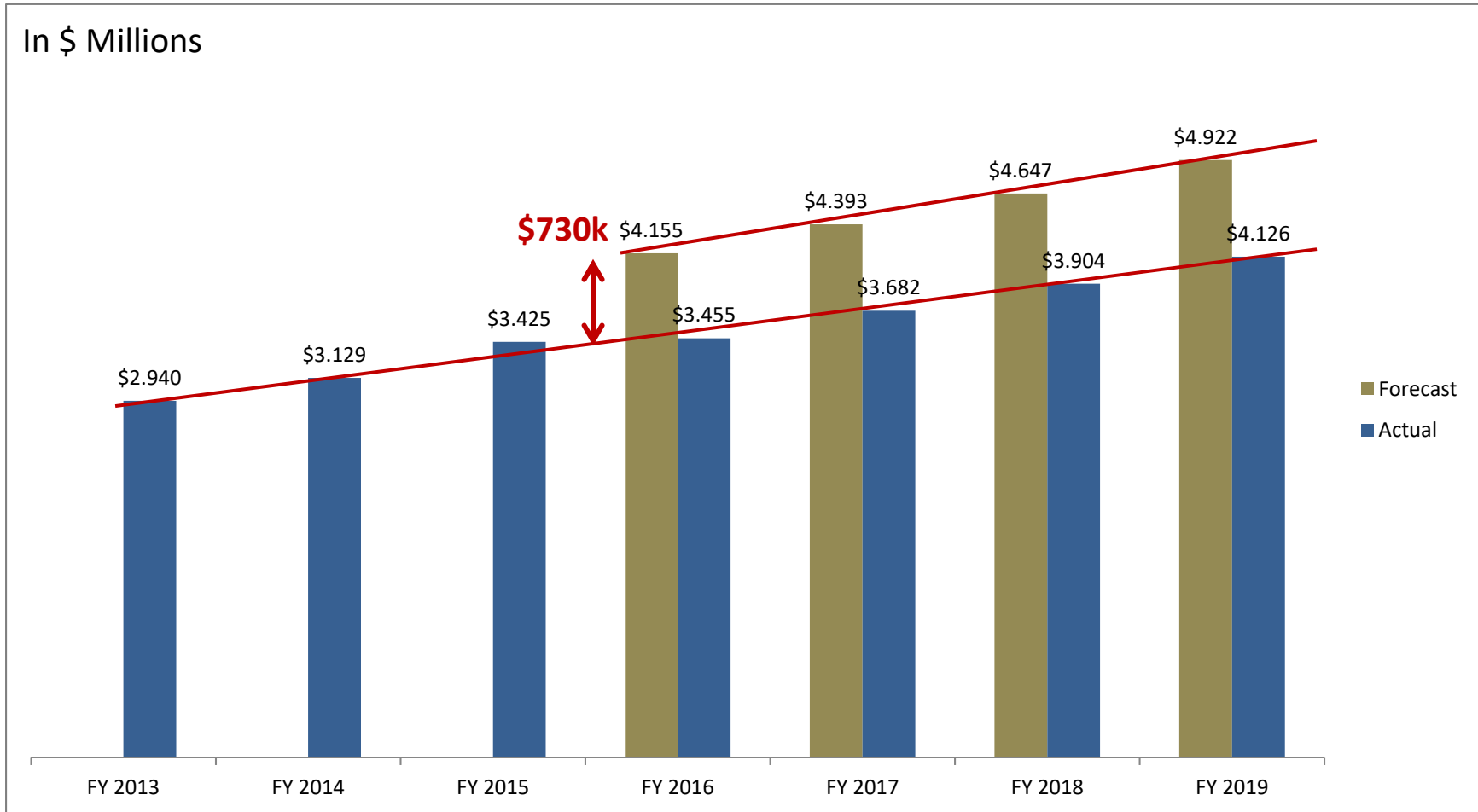
Montecito Sanitary District

We see they created an estimated 2016 base year



Montecito Sanitary District

That resulted in a forecast that is clearly too high



Montecito Sanitary District


Then what happened?

These increased operating cost forecasts drove subsequent rate increases:

Forecasted operating expenses
+
20% margin
=
new rates

Montecito Sanitary District

These exaggerated forecasts raised our single family residential rates dramatically

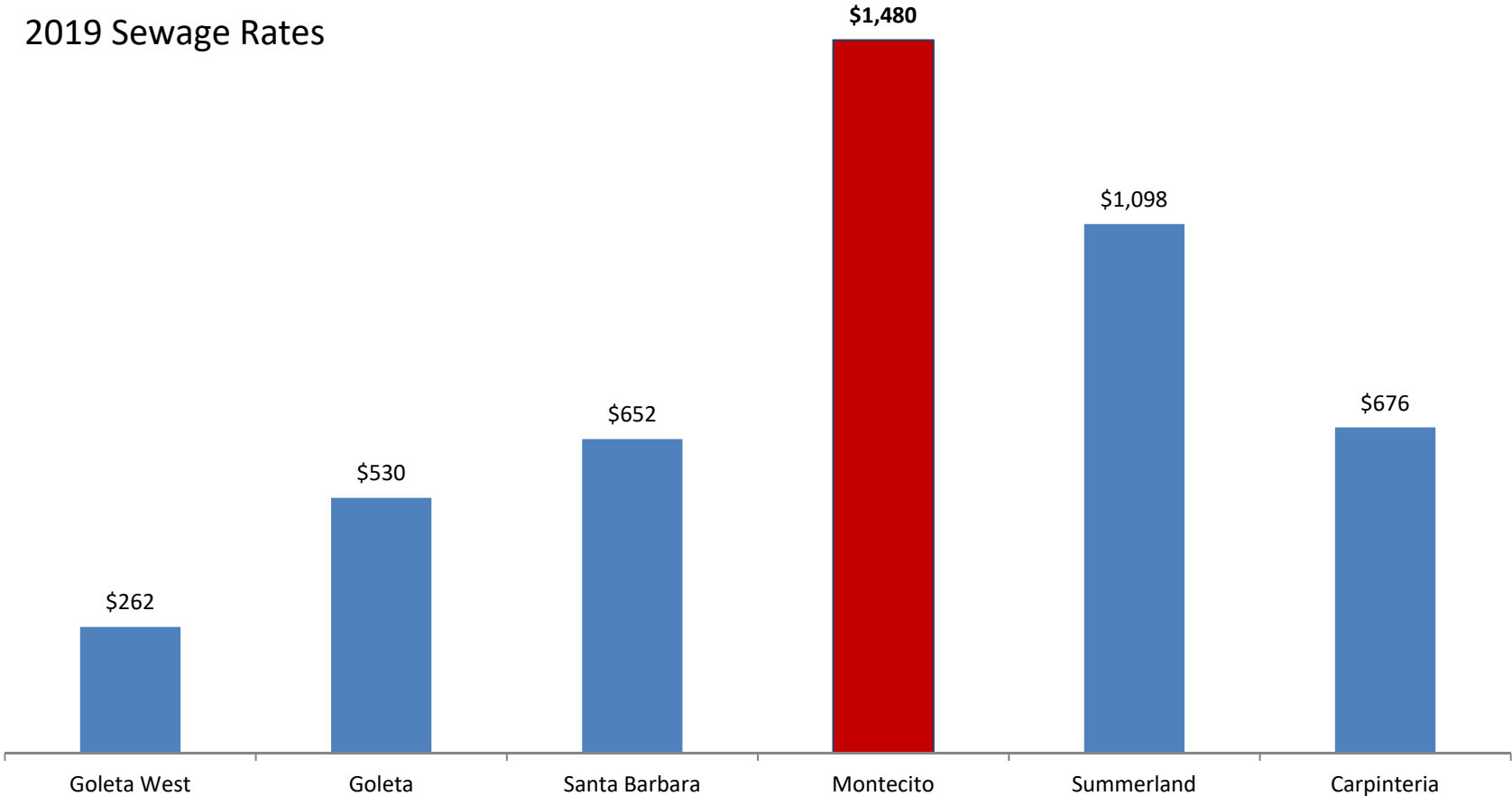


37%
Since FY 2016

Montecito Sanitary District

Leaving them significantly higher than our neighbors

2019 Sewage Rates



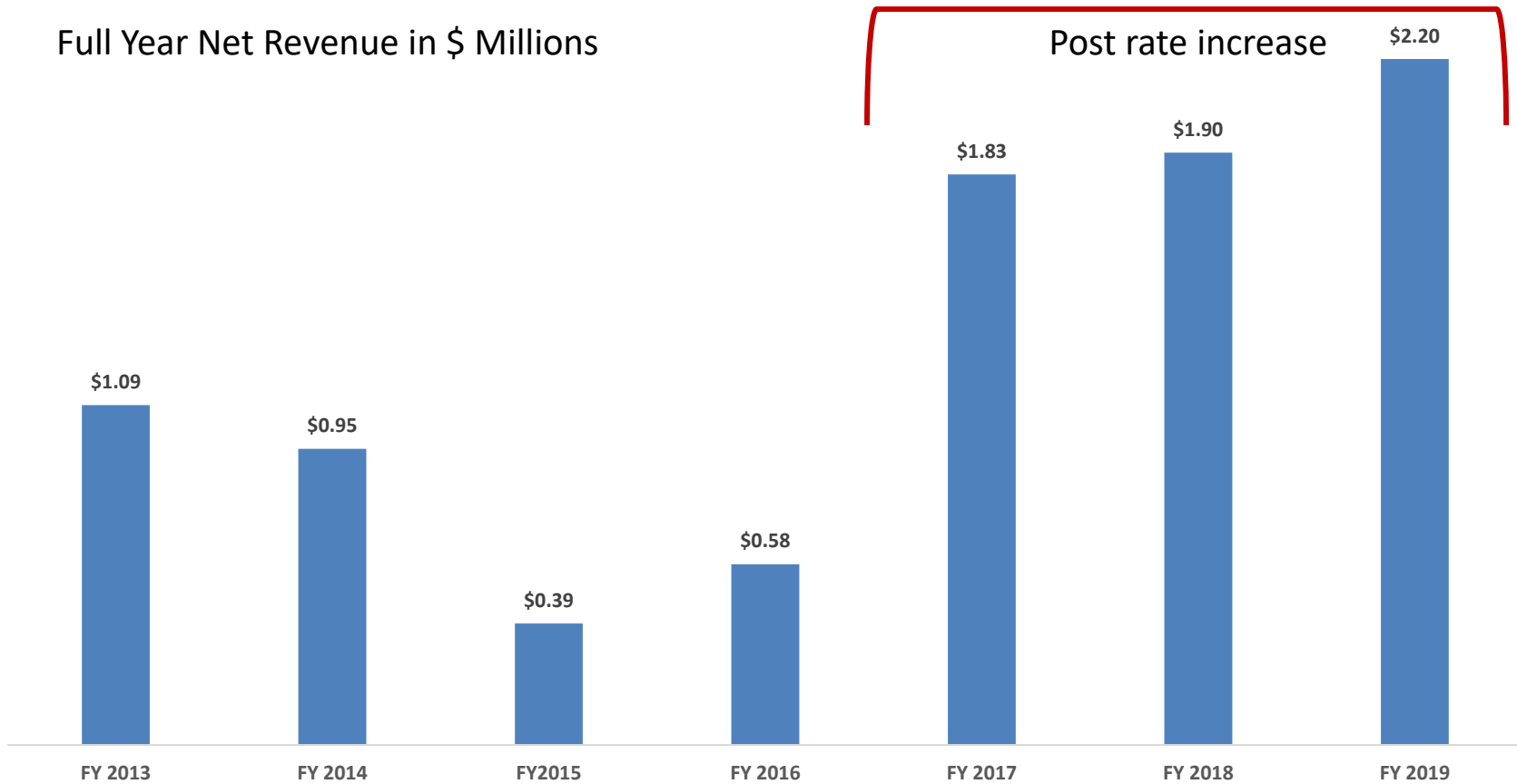
Montecito Sanitary District

So what was the impact on revenue?

Montecito Sanitary District

A substantial increase in net revenue

Full Year Net Revenue in \$ Millions



Montecito Sanitary District
How much excess net revenue?

\$2.2M

Surplus cash in 2019

Montecito Sanitary District

How much excess revenue?

\$2.2M

Surplus cash in 2019

39%

over expenses

Montecito Sanitary District
Resulting in substantial and excessive cash on hand

\$16,632,000

Cash and Cash Investments 6/30/2019

Montecito Sanitary District

Resulting in substantial and excessive cash on hand

\$16,632,000

Cash and Cash Investments 6/30/2019



\$6,000,000

Since FY 2016

Montecito Sanitary District

How are they proposing to use that cash now?

- Expensive new office building
- \$100,000/year for a PR firm
- Recycle water for S. B. Cemetery

Montecito Sanitary District

Could there be a better use for the excess cash?

- Reduce rates or offer rebate
- Installing liners in older sewer mains
- Extend sewer mains to reduce septic tanks
- Substantial recycling program w/ MWD

Montecito Sanitary District
An interesting Question...

Was this an appropriate use of
rate setting authority?

Montecito Sanitary District
An important question...

What can you do?

Montecito Sanitary District

Oppose the new building

Let the voters decide

Questions?



Montecito Sanitary District

Proposal for Sewer Rate Study

Robert D. Niehaus, Inc. | October 14, 2022
Jack Lyon 805-618-1356 | Jack@rdniehaus.com
140 East Carrillo Street, Santa Barbara, CA 93101

This Page Intentionally Left Blank

October 14, 2022

Bradley Rahrer, P.E.
General Manager
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

Anthony Elowsky, Project Manager
Robert D. Niehaus, Inc.
140 E Carrillo Street
Santa Barbara, CA 93101
Phone: (805) 962-0611
Email: Anthony@RDNiehaus.com

Subject: Proposal for Montecito Sanitary District Sewer Rate Study

Dear Mr. Rahrer,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our proposal to conduct the Sewer Rate Study (Study) for the Montecito Sanitary District (District). We are an economic and financial consulting firm that provides rate- and fee-setting consulting services to California water and wastewater utilities. RDN staff have completed over 700 projects with economic, financial, and market analysis experience across California and worldwide since the firm's founding in 1983. The proposed project team for the District's study has over 100 years of combined public-sector consulting experience. We are committed to providing the highest quality analysis for our clients, evidenced by the fact that our proposed rates have never been successfully protested or subject to successful litigation.

The District is seeking a qualified consultant to perform a comprehensive review of wastewater rates to ensure sufficient revenues are collected over the next six years. As a local consultant, RDN is eager to use our extensive regional knowledge to support the District to make the financial adjustments necessary to continue to provide safe and reliable service. The enclosed proposal details our proposed approach for this project, the qualifications and experience of our project team, and references who can speak to the quality of care and service we provide.

RDN's project team is led by Dr. Robert Niehaus as Project Director and Mr. Anthony Elowsky as Project Manager. Dr. Niehaus and Mr. Elowsky have assisted dozens of water and wastewater agencies across California. They are supported by a deep bench of financial, economic, and communications staff. **To further bolster our experience and proposed solutions to the District, RDN has partnered with Mr. Sanjay Gaur of Water Resources Economics, who will serve as a Senior Advisor and lead all public meetings.** Mr. Gaur is a leading expert in California utility financial planning and rate design and is particularly known for his outreach and public engagement experience. Mr. Gaur's local experience includes support for Montecito Water District, City of Ventura, and Carpinteria Sanitary District.

We are proud of the team and resources we can offer the District on this important project. Please coordinate with Jack Lyon, Director of Business Development, (805) 618-1356, Jack@RDNiehaus.com, if you would like to discuss our proposal, which is valid for a 120-day period. We affirm that we have carefully reviewed the RFP in its entirety, including the District standard professional services agreement, and take no exceptions. We look forward to a successful, collaborative, and productive partnership.

Respectfully submitted,

Robert D. Niehaus

Robert D. Niehaus, Ph.D.
Managing Director, Principal Economist

Anthony Elowsky

Anthony Elowsky, M.A.
Project Manager, Financial Analyst

This Page Intentionally Left Blank

TABLE OF CONTENTS

Company Qualifications	1
Firm Overview	1
Team Qualifications.....	2
Key Personnel	3
Subconsultants	4
References	5
Technical Approach.....	6
Project Understanding.....	6
Executive Summary	7
Scope of Services	8
Task 1. Project Management/Meetings	8
Task 2. Six-Year Financial Plan	10
Task 3. Cost of Service Analysis	12
Task 4. Rate Design.....	13
Task 5. Report and Model.....	15
Project Schedule	16
Labor Rates and Fee Schedule	17
Contract Requirements	19
No Conflict of Interest	19
Insurance Requirements.....	19
Professional Services Agreement	19
Appendix	19

This Page Intentionally Left Blank

COMPANY QUALIFICATIONS

FIRM OVERVIEW

RDN is a professional economic and financial consulting firm, located in the City of Santa Barbara, delivering solutions to California utilities, State/Local entities, and Federal agencies. RDN has provided consulting services for sewer, water, stormwater, housing, and energy projects throughout California and worldwide since the firm’s founding in 1983. Our staff has completed over 700 projects with economic, financial, and market analysis experience. Our proposed Project Team has decades of experience in sewer and water rate analyses, development impact fees, data management, public relations support, and econometric modeling and forecasting of demand.

RDN BY THE NUMBERS

- \$4M Annual Revenue/24 Employees
- 700+ Projects Accomplished Worldwide
- 100+ Years of Project Team Experience
- 48 States Served
- 38 Years Consulting for Utility Systems

We specialize in providing rate- and fee-setting solutions for smaller municipalities serving populations of 20,000 or fewer. Our clients appreciate that we take the lead in data collection and analysis, relieving the burden from District staff. We will also leverage our understanding of local water and sewer rate politics to help inform our recommendations, which will help increase buy-in from Montecito stakeholders. Table 1 presents a selection of our proposed project team’s recent experience with utilities of similar size, demographics, and project scope to the District.

Table 1. RDN Relevant Recent Projects

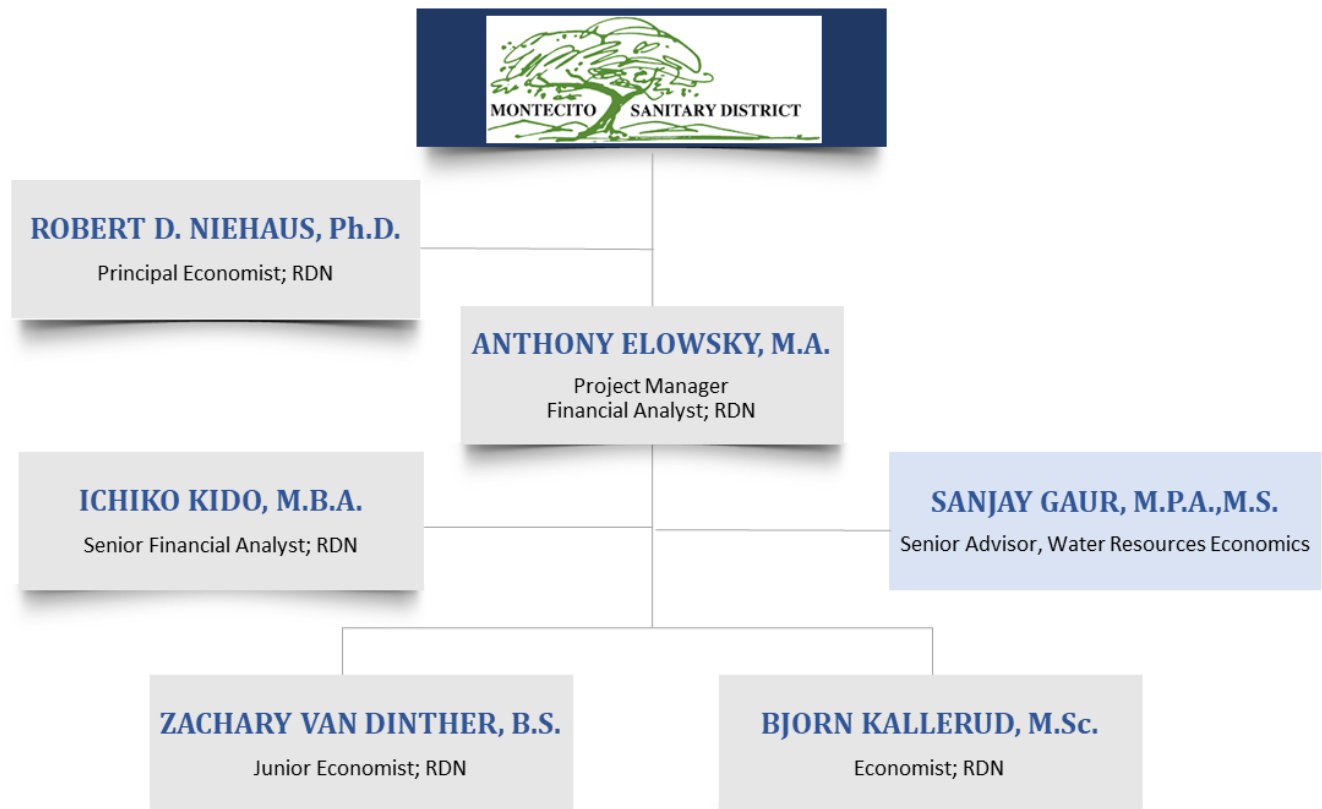
Agency	Project
City of Greenfield	Water and Wastewater Rate Study (ongoing)
California City	Water, Wastewater, Recycled Water Rate Study (ongoing)
Hilton Creek CSD	Wastewater Rate and Fee Study (ongoing)
San Simeon CSD	Wastewater Rate Study (ongoing)
California City	Water and Wastewater Capacity Fees (ongoing)
Costa Mesa Sanitary District	Wastewater Rate Study (2022)
Lake Arrowhead CSD	Water and Wastewater Rate Study (2022)
Moulton Niguel Water District	Water, Wastewater, Recycled Water Cost of Service Peer Review (2022)
Napa County (LBRID/NBRID)	Water and Wastewater Rate Studies (2020); Post-Fire Review (2021)
Mid-Peninsula Water District	Capacity Fee Study (2021)
Lost Hills Utility District	Wastewater Rate Study (2021)
West Valley Water District	Development Impact Fee Study (2021)
Rosamond CSD	Water and Wastewater Rate Study (2021)
City of Loyalton	Wastewater Rate Study (2021)

CSD - Community Services District

TEAM QUALIFICATIONS

RDN’s proposed project team is led by our principal economist, Dr. Robert Niehaus, and project manager, Anthony Elowsky. Mr. Elowsky will serve as the District’s main point of contact and lead the conduct of data collection, analysis, rate-setting, and report drafting. Brief bios and responsibilities for all team members are provided on the following pages and full resumes for key staff are appended to this proposal. We affirm that our proposed project team has adequate availability to meet project objectives as outlined in the proposed schedule and that our proposed project team will not change without prior approval from the District.

Figure 1. Team RDN Project Organization, Key Personnel



KEY PERSONNEL

Robert D. Niehaus, Ph.D.

PROJECT DIRECTOR, PRINCIPAL ECONOMIST



Project Role and Responsibilities:

- Oversee all aspects of study process
- Assure timely, high-quality, on-budget performance and complete City satisfaction with Project
- Review all deliverables for accuracy and economic rigor
- Lead major internal project meetings

Experience and Qualifications:

- 48 years of experience (38 with the firm)
- Conducted hundreds of comparable utility rate projects including California Rural Water Association, Rosamond Community Services District, and Palmdale Water District
- Received his Ph.D. in Economics from the University of Maryland

Anthony Elowsky, M.A.

PROJECT MANAGER, FINANCIAL ANALYST



Project Role and Responsibilities:

- Lead day-to-day aspects of the rate- and fee-setting process
- Serve as primary point of contact between RDN and the District
- Develop and maintain the rate and fee models for financial planning, rate and fee design, capital funding, and reserve policies

Experience and Qualifications:

- 20 years of experience (five with the firm)
- Financial/rate consulting experience with the Lake Arrowhead Community Services District, City of Loyaltan, City of Alhambra, Quartz Hill Water District, and California City
- Received MA from California State University, Fullerton

Ichiko Kido, M.B.A.

SENIOR FINANCIAL ANALYST



Project Role and Responsibilities:

- Review City finances and advise on overall rate and fee design strategy
- Guide Wastewater rate design
- Provide insight into leading Wastewater rate trends including regulatory and legal developments

Experience and Qualifications:

- 30 years of experience (15 with the firm)
- Financial, rate and fee consulting experience with Moulton Niguel Water District; Santa Clarita Valley Water Agency; Napa County
- Received MBA from California State University, Channel Islands

Bjorn Kallerud, M.Sc.

ECONOMIST



Project Role and Responsibilities:

- Employ econometric modelling on possible use scenarios and develop revenue and expense projections

Experience and Qualifications:

- Six years of experience (four with the firm)
- Specializes in data science & econometric modelling using statistical programming languages R and Python
- Financial/rate consulting experience with Quartz Hill Water District; Santa Clarita Valley Water Agency; California Rural Water Association

Zachary Van Dinther, B.S.

JUNIOR ECONOMIST



Project Role and Responsibilities:

- Work at the direction of Mr. Elowsky to organize and analyze all District data
- Support report writing and model development
- Incorporate District expense projections into financial model

Experience and Qualifications:

- Four years of experience (three with the firm)
- Financial/rate consulting experience with the Costa Mesa Sanitary District, Lake Arrowhead Community Services District, Mid-Peninsula Water District, and City of California City

SUBCONSULTANTS

Water Resources Economics

Mr. Sanjay Gaur will serve as a Senior Advisor, drawing upon his decades of expertise to drive innovative solutions throughout the District's Study. As Principal Consultant at Water Resources Economics, Mr. Gaur has over 25 years of financial and rate consulting experience in water and wastewater utility administration. He has provided consulting services to over 100 agencies throughout California. He has co-authored the AWWA's *Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition*, *AWWA's Water Rates, Fees, and the Legal Environment, 2nd Edition*, and *Water and Wastewater Finance and Pricing: The Changing Landscape*. Mr. Gaur will provide technical support, ensure Proposition 218 compliance, and support rate workshops as requested by District staff.

Sanjay Gaur, M.P.A., M.S.

SENIOR ADVISOR



Project Role and Responsibilities:

- Review District finances and advise on strategy for overall rate design process
- Provide guidance into leading water rate trends including regulatory and legal developments
- Advise and support public outreach strategy and execution

Experience and Qualifications:

- 25 years of experience
- Nationally recognized leader in policy decision analysis through quantitative analysis for water and wastewater agencies
- Co-authored several industry guidebooks including AWWA's Manual 1, the industry standard for California water rate- and fee-setting.

REFERENCES

With over 90 percent of our work resulting from repeat business, RDN prides itself on continuing relationships that we have developed over three decades of consulting. We invite you to contact our references to verify our quality of service on similar engagements. A sample of our past and current projects are highlighted below.

Costa Mesa Sanitation District

Sewer Rate Study (September 2021 – February 2022)

RDN staff: Niehaus, Elowsky, Kido, Kallerud, VanDinther

The Costa Mesa Sanitation District retained RDN to perform a Sewer Rate Study. The District operates a wastewater collection system, sending wastewater to the neighboring Orange County Sanitary District for treatment. RDN prepared a cost of service analysis that emphasized flow components. RDN also evaluated the impact of accessory dwelling units (ADUs) on the District's sewer system. To recover the additional costs that ADUs pose to the sewer system, RDN established a dedicated ADU wastewater rate, which complies with Proposition 218 and SB 13. RDN's rate recommendations were implemented by the District in February 2022.

Scott Carroll
General Manager
949-645-8400 ext. 223
scarroll@cmsdca.gov
290 Paularino Avenue
Costa Mesa, CA 92626

City of Loyalton

Wastewater Rate Study (March 2021 – September 2021)

RDN staff: Niehaus, Elowsky, Kido, VanDinther

The City of Loyalton retained RDN through the California Rural Water Associations (CRWA) to produce wastewater rates with the primary goal of increasing equitability between the City's customers and ensuring long-term financial stability. We evaluated the current rate structure and provided the City with updated system values and demand projections. RDN performed extensive analyses to ensure that the City's capital plan reflected a realistic valuation of future CIP needs. The updated rate design will allow the City to increase their reserve balances to account for any unforeseen emergencies. RDN designed and mailed Proposition 218 Notices and the Proposition 218 process was completed with zero protests. New rates were implemented in September 2021.

Kathy LeBlanc
City Clerk
530-993-6750
Ofclerk-cityofloyalton@psln.com
605 School St
Loyalton, CA 96118

Rosamond Community Services District

Water & Sewer Rate Study (November 2020 – June 2021)

RDN staff: Niehaus, Elowsky, Kido, Kallerud, VanDinther

Rosamond CSD retained RDN to produce water and sewer rates with the primary goal to improve equity between customer classes. RDN designed rates for commercial customers that reflect their unique usage characteristics, which improved the equity for all District customers. Additionally, we recommended residential water rate tier adjustments based on efficient indoor and outdoor water use to comply with new California water efficiency regulations: AB 1668 and SB 606. For sewer customers, RDN completed a detailed analysis on each individual commercial customer's flow and effluent strength before rates were presented to the Board and ratepayers. The proposed rates were approved and were implemented in July 2021.

Brad Rockabrand
Finance Director
650-591-8941
brockabrand@rosamondcsd.com
3179 35th Street W
Rosamond, CA 93560

TECHNICAL APPROACH

PROJECT UNDERSTANDING

The Montecito Sanitary District is an independent special district formed in 1947 by the residents of Montecito. The District provides wastewater collection, treatment, and disposal services for approximately 9,000 people through 3,086 service connections. The District's treatment plant has the capacity to treat 1.5 million gallons per day using 77 miles of sewer pipelines and five pumping stations. The District's collection system is predominantly vitrified clay pipe (VCP) with polyvinyl chloride pipe (PVC) in the areas where sewer service was extended after 1981. Within the District boundaries, there are approximately 300 additional parcels that are not currently connected to the wastewater system. Available funding limits the goal of adding these parcels to the system. District staff are issuing a separate RFP to develop a Septic-to-Sewer Strategic Plan (Plan) to develop a road map to prioritize projects and conceptual designs to understand the cost and timeline to deliver any future sewer main extensions. The Plan may be available to be incorporated into this Study.

The last comprehensive rate study conducted by the District was finalized in 2016 with a separate study conducted solely on the District's Connection Fee in 2017. The Board of Directors most recently adopted a rate increase on October 9th, 2017 that became effective January 1st, 2018. The Wastewater Collection System currently lacks an overall master plan or capacity model. However, a collection system and lift station condition assessment and replacement plan will be conducted in parallel with this Study. The District has four types of revenues: sewer service charges, connection fees, other services, and property tax. There are approximately \$5.2 million in operating expenses and an additional \$5 million in capital expenses budgeted for the current fiscal year. According to the District's budget, the Capital Reserve Fund will decrease by around \$4 million this year because of planned capital expenses.

The purpose of the Study is to analyze, assess, and recommend District revenue requirements in order to best address the annual Operations & Maintenance needs of the District as well as fund its long-term Capital Improvement Plan for the Collection System and Wastewater Treatment Plant. In our understanding, the major objectives of the Study include:

1. Evaluate the District's current customer classes, rate structure, and connection fees.
2. Recommend rate structure revisions that are consistent with industry standards, best management practices, and all applicable laws.
3. Develop a sewer cost of service and rate model for the District covering a six - year study period for both ongoing operations and planned capital improvements.
4. Project revenue requirements which include increasing wastewater treatment costs and maintaining debt service coverage and cash levels.
5. If available, incorporate the results of the Septic-to-Sewer Strategic Plan and collection system and lift station condition assessment and replacement plan.
6. Recommend appropriate reserve levels for operating and capital needs based on industry standards.

RDN follows industry best practices, standards, and principles of rate-setting. In coordination with District staff, our approach employs an interactive decision-making process to address the District's rate-setting goals. Our proposed scope of work is detailed on the following pages for District consideration.

EXECUTIVE SUMMARY

RDN has prepared this proposal by tailoring our rate- and fee-setting approach to meet the District's goals for this study. Major tasks are summarized below.

Task 1. Project Management/Meetings: RDN is committed to providing transparent project management that fosters collaboration and ensures study success. Our Project Management Plan will guide study administration, and our quality assurance processes will ensure an error-free Study. At the kick-off meeting, we will solidify the project timeline, priorities, and data received from our initial data request. Five public meetings will ensure community input is received, and bi-weekly staff meetings will be held to discuss project progress. To further bolster community involvement, we have added Mr. Sanjay Gaur to our project team. His 25 years of utility rate-making experience adds an additional level of assurance that the project team has access to the widest range of rate-setting knowledge.

Task 2. Six Year Financial Plan: RDN will review District data to develop a 6-year financial plan based on revenue generated from current rates, fees, and other revenue sources, budgeted and projected expenses, long-term capital expenses, potential debt service payments, and reserve contributions. To project revenue and costs, we use an econometric, data-driven approach that provides the highest level of accuracy and reliability for the District's financial plan.

Task 3. Cost of Service Analysis: RDN will allocate costs among customer classes following methodologies established in the Water Environment Federation (WEF) *Manual of Practice No. 27: Financing and Charges for Wastewater Systems* (Manual 27). We will evaluate existing customer classes and recommend changes to cost allocations, as necessary. The cost of service analysis will ensure that costs are equitably distributed to ratepayers in compliance with Proposition 218 and that established rates adequately cover the costs to provide reliable service.

Task 4. Rate Design: RDN will review and assess the appropriateness of the District's current wastewater rate structure. We will evaluate potential rate structure alternatives and provide a recommended rate structure that promotes conservation, satisfies revenue requirements, and meets all regulatory requirements including Proposition 218. We will compare the District's current and proposed rates with the rates of other local agencies, as well as wastewater system costs with appropriate benchmarks. We will assess the connection fee methods used in the most recent fee study to confirm that the connection fee collects sufficient revenue to fund necessary system expansion and recommend improvements, if necessary.

Task 5. Report and Model: We will design an Excel-based, 6-year financial planning model built to the District's specific needs. The model will include a management dashboard with graphical displays of the key economic and financial metrics used for the study. This model will be shared with the District throughout the rate study process and provided at completion so it can be used a future financial planning tool. RDN will train District staff on all aspects of the model. We will also prepare draft and final executive reports for the Sewer Rate Study. Our reports will describe the process of the rate studies in sufficient detail to meet all legal requirements including Proposition 218.

SCOPE OF SERVICES

Task 1. Project Management/Meetings

Objective: RDN is committed to providing transparent project management that fosters collaboration and ensures study success. Our Project Management Plan will guide study administration, and our quality assurance processes will ensure an error-free Study. At the kick-off meeting, we will solidify the project timeline, priorities, and data received from our initial data request. Five public meetings will ensure the community is involved, and bi-weekly staff meetings will be held to discuss project progress.

Task 1.1. Project Management

RDN incorporates best practices from the Project Management Institute's *Project Management Body of Knowledge* to establish processes that guide management procedures. For a project to be considered a success, all work must be completed on schedule, within budget, and error-free. Our project manager, Mr. Elowsky, will prepare a Project Management Plan (PMP) to document all information necessary to execute a successful project. The PMP serves as a roadmap for the project team, defining project goals and objectives, scope of work, deliverables, budgets for each task, schedule, administrative procedures, and filing requirements.

Task 1.2. Data Collection and Validation

RDN will send the District a data request. The data request will include audits, budgets, general plans, capital improvement plans, customer billing records, debt service schedule, and reserve policies. For data validation and quality assurance, RDN may request additional data throughout the study to reconcile any inconsistencies.

Task 1.3. Kick-Off Meeting/Progress Meetings

An in-person kick-off meeting will serve as a forum where District staff and the RDN team will meet to discuss project objectives, approach, work plan, schedule, and priorities. Bi-weekly progress meetings with District staff can be held via teleconference or in person. At the end of each month, RDN will provide a summary report charting the current progress on each task, data needs, current issues that need to be resolved, project schedule update, and status of action items from the previous report.

Task 1.4. Public Meetings

Throughout the Study, RDN will facilitate five in-person public meetings. During the Rate Study Analysis Phase (Phase 1), we will build consensus for the study policy objectives and present the financial plan, demonstrating District transparency. During the Final Report and Recommendation Phase (Phase 2), we will present rate and fee recommendations, help the community understand the trade-offs that were made and why, and build consensus for proposed rates and fees. In sum, we will present at three finance committee meetings, one strategic planning committee meeting, and the Board of Directors meeting in March 2023. Mr. Gaur will assist in the design and facilitation of each meeting.

Table 2. Task 1 – Project Management

Meetings	<ul style="list-style-type: none">▪ One Kickoff, Three Finance Committee, One Strategic Planning, One Board of Directors, and bi-weekly Progress Meetings
RDN Deliverables	<ul style="list-style-type: none">▪ Data request▪ Meeting agendas and minutes▪ Monthly progress reports and expenditures
District Deliverables	<ul style="list-style-type: none">▪ Respond to data request▪ Attend meetings and provide input

Task 2. Six-Year Financial Plan

Objective: RDN will review District data to develop a six-year financial plan based on revenue generated from current rates, fees, and other revenue sources, budgeted and projected expenses, potential debt service payments, and reserve contributions. To project revenue and costs, we use an econometric, data-driven approach that provides the highest level of accuracy and reliability for the District's financial plan. We will share out financial planning model throughout the Study to keep District staff apprised of each input.

Task 2.1. Growth/Revenue Analysis

RDN will conduct detailed growth projections to ensure the District's revenue forecast is accurate. Based on the growth projections, we will project revenue using the existing rates. We will also identify any changes to other revenues such as miscellaneous charges, property taxes, and investment income.

Task 2.2. Operation and Maintenance Expenses

Using the District's budgetary documents, we will project operating and maintenance (O&M) expenses and develop reasonable inflationary factors for relevant itemized expenses using recent trends in Consumer Price indices published by the Bureau of Labor Statistics and California Department of Finance, or the District's historical data. We will compare the District's current costs against benchmarks provided in the American Waterworks Association's *Utility Benchmarking, Performance Management for Water and Wastewater* and from comparable agencies. We also incorporate any known changes to personnel, level of service, or projected growth.

Task 2.3. Capital Improvement Funding

RDN will review the District's capital projects plan and explore financing options based on the timing of proposed revenue adjustments and scheduled repairs and replacements. Additionally, we will evaluate the District's collection system and lift station condition information to assess potential upcoming capital replacement needs. We will work closely with the District to ensure that current replacements reflect continuing depreciation, basically the projected ongoing needs for replacements. If the District's capital funding is not up to optimal levels, we will advise on rate adjustments to provide needed funds. We will additionally explore funding options which include expanding service to the remaining parcels within District boundaries. Funding sources may include cash reserves, grant funding, debt proceeds, or PAYGO (pay as you go), each with different rate impacts. The District may also consider changes in capital expenditure timing to mitigate short-term rate impacts and smooth revenue requirements.

Task 2.4. Reserve Funding

RDN will recommend how to best build ideal reserve targets. We will review the District's reserve policies and develop an implementation plan that maintains recommended balances for each fund that are consistent with the District's financial goals, risk tolerance, and capital improvement projects.

Task 2.5. Revenue Requirements

Total revenue requirements determined through the cash flow analysis will be offset by other sources of revenue such as property taxes, investment earnings, rental income, and other water service charges. Proposed revenue adjustments to meet the revenue requirements will also meet the required debt service coverage ratio. The objective is to achieve a healthy cash flow mechanism for the next six years while keeping rates affordable.

Table 3. Task 2. 6-Year Financial Plan Deliverables

Meetings	<ul style="list-style-type: none">▪ Progress meetings
RDN Deliverables	<ul style="list-style-type: none">▪ Growth projection summary▪ Draft financial planning model
District Deliverables	<ul style="list-style-type: none">▪ Financial information and input

Task 3. Cost of Service Analysis

Objective: RDN will perform a cost of service analysis and allocate costs to customers commensurate with their service requirements. We will evaluate existing customer classes and recommend necessary changes. The cost of service analysis will ensure that proposed rates are in compliance with Proposition 218 and that established rates adequately recover the costs to provide safe and reliable service to the District’s customers. We will employ methodologies approved by the WEF Manual 27 to ensure the analysis meets industry standards.

Task 3.1. Review Customer Classes

RDN will evaluate the District’s customer classifications and recommend any necessary changes. There are significant differences in residential customers within the District’s service area, we will assess these differences as well as between customer classes to ensure that costs are being allocated to appropriate customers. Assigning costs accurately to classes of customers based on their service requirements is critical to designing Proposition 218-compliant rates. We will explore alternative cost allocations to find which best aligns with the District’s goals.

Task 3.2. Cost Allocation to Cost Causative Components

RDN will use either the design-basis cost allocation or the functional cost allocation methodology codified in the WEF Manual 27. In these methods, functionalized costs are allocated to appropriate cost causative components for each customer class. The cost causative components include peaking components such as volume, and capacity, strength factors such as total suspended solids (TSS), bio-oxygen demand (BOD), and non-peaking components such as customer billing services.

Task 3.3. Unit Cost of Service

Based on the cost allocations determined in Task 3.2, RDN will calculate the total system units of service associated with each cost component. This allows us to estimate the total system unit costs of service for each function.

Task 3.4. Cost Allocation to Customer Classes

As a final step of the cost of service analysis, the costs of each component are allocated back to each customer class commensurate with their service requirements. This analysis permits the District to adhere to the general principle of cost proportionality (particularly relevant under Proposition 218), under which the rates paid by customer classes are directly proportional to the costs each class imposes on the District as a whole.

Table 4. Task 3. – Cost of Service Analysis Deliverables

Meetings	▪ Progress meetings via teleconference
RDN Deliverables	▪ Cost of service analysis in Excel
District Deliverables	▪ Cost of service analysis feedback

Task 4. Rate Design

Objective: RDN will design wastewater rates that follow cost of service ratemaking principles as outlined in the WEF Manual 27. We will review the District’s current rate structure and provide recommendations to ensure revenue adequacy while maintaining rate affordability. Recommended rates will have a clear connection between the costs and pricing to ensure compliance with all legal requirements.

Task 4.1. Evaluate the Current Rate Structures & Identify Rate Alternatives

We will perform a comprehensive review of the District’s current rate structures to assess the advantages and disadvantages of the existing rates. The District currently bills customers based on an Equivalent Residential Unit (ERU) basis. Under this system, each customer class’s relative contribution to sewer flows and strengths are evaluated compared to a baseline single-family residential account. Commercial customers are billed a variable portion based on the previous year’s water use. Multi-family or condominium units are billed at a rate of 0.47 of single-family residences. Based on the financial plan and cost of service analyses, we will evaluate rate adjustment alternatives designed to recover the revenue requirements identified in the financial plan. We will also assess the relative ERU differences between SFR, MFR and ADU type residential customers to ensure that the assumptions used in the previous rate study still apply.

Task 4.2. Develop Recommended Rates

Based on the evaluation of the different rate structure alternatives, RDN will recommend the rate structure that optimizes wastewater rates to meet the District’s goals. Rate recommendations will be based upon the updated cost of service analysis, which may include adjustments to customer class designations. The recommended rates will be easy to understand and administer and provide revenue adequacy. RDN’s final recommendation will fund planned capital improvement projects, be supported by statistical/econometric analyses, data, plans, and comparative examples, and be in full compliance with all legal requirements including Proposition 218. Any review, evaluation, or conclusion regarding the legality of the rate structures will be performed in cooperation with District staff, and if necessary, District legal counsel.

Task 4.3. Fees

As part of rate design process, RDN will also review the District’s current fee structure. Fees should be cost based according to the provisions of Proposition 26. If any of the District’s current fees are not compliant with this cost basis, we will provide recommendations to improve the overall cost allocation.

Task 4.4. Connection Fees

RDN will review the District’s connection fees in an Excel-based model that may include a “buy-in” to existing assets as well as a fair share of “incremental” capital improvements needed to serve new development. RDN will carefully review the District CIPs, planning documents, and other relevant data to ensure we use the method that best meets the District’s current and future financial goals. Whichever method is used, the basic formula for calculating capacity charges is:

$$\text{Connection Fee} = \frac{\text{System Value (4.1.1)}}{\text{System Capacity (4.2.2)}} \times \text{New Customer Capacity Demands}$$

The following sub-tasks describe the computation methods of each component in this formula.

4.4.1. Calculate System Value

Based on District asset records, RDN will determine the value of the capacity-related infrastructure that must be recovered from new customers. Valuation methods may include original cost, replacement cost, replacement cost less depreciation (RCLD), present value cost of future infrastructure, or a combination of methods. RDN will work with District staff to select the most appropriate valuation approach, though we typically recommend RCLD. Adjustments will be made for debt, grants, donated assets, and other deductions to avoid double-charging new development through capacity fees and again through water rates. Future capacity costs will be estimated based on the percentage of CIP costs devoted to future system capacity.

4.4.2. Determine Existing and Future System Capacity

RDN will work with District staff to accurately measure existing system capacity to determine the share of capacity available to future customers. The District’s planning documents will be reviewed to identify where system capacity is limited, and the District’s capital improvement plan will be reviewed to allocate each project between existing and future capacity needs.

4.4.3. Assess New Customer Capacity Demand

The final step in the capacity fee calculation process is to establish the level of future customer demand. System demand is defined on an Equivalent Dwelling Unit (EDU) -basis. We will econometrically evaluate the assumptions of maximum EDU values. Future EDU values will be based on sound and defensible methodologies, which may include linear regressions, Monte Carlo simulations, and/or deterministic models. RDN will recommend the solution that is best able to meet the District’s connection fee objectives.

Task 4.5. Rate Comparison Survey

We will prepare a rate comparison survey of at least five comparable agencies to benchmark the District’s current and proposed wastewater rates. We will request District input on agencies to include in the survey and summarize the results for public outreach, presentations, and the report.

Task 4.6. Evaluate Impacts

RDN developed a bill impact tool to analyze individual customer bill impacts for each customer class based on their most recent billing data. RDN uses this tool during the rate-design process to evaluate the impact of various rate alternatives on District customers. This is a value-added step of our rate design process, as it allows the District to optimize revenue stability while ensuring the proposed rates have the least impact on all customers.

Table 5. Task 4 – Rate Design Deliverables

Meetings	<ul style="list-style-type: none">▪ Progress meetings via teleconference
RDN Deliverables	<ul style="list-style-type: none">▪ Recommended rate adjustments▪ Rate model in Excel▪ Rate comparison survey
District Deliverables	<ul style="list-style-type: none">▪ Policy goals and objectives for rates▪ Rate feedback

Task 5. Report and Model

Objective: RDN will provide final executive reports and Microsoft Excel models for the rate study to District staff upon project completion. District staff will be trained on the use of the model for future sensitivity analyses and adjustments. The report will describe the process of the rate studies in sufficient detail to meet Proposition 218 and all other relevant legal requirements.

Task 5.1. Rate Models

Our easy-to-use, Excel-based models are designed to allow District staff to conduct sensitivity scenarios by testing various assumptions through an interactive dashboard. Factors that may be adjusted in the rate models include staff levels and salaries, operating expense levels, CIP spending, capital equipment funding, impacts of rate increases, and pass-through charges. The models will be introduced to District staff early in the study process. We will add worksheets gradually as we perform key analyses through the study and ask for the District's review. By the time the study is complete, District staff will be fully familiarized with the models and be able to use the models to make data-driven decisions. Any changes to the underlying models will appear instantly in a dashboard for quick executive evaluation. A sample dashboard is presented on the next page.

Task 5.2. Rate Study Reports

The draft and final rate study reports will contain an overview, study objectives, assumptions, regulatory requirements, and methodologies. The reports will discuss short- and long-term financial planning, capital planning, cost of services, rate-setting analysis, bill impacts, and comparison surveys. Key outputs of data, analysis, and rationale will be visualized in the reports. The visualizations provided in the reports will be an effective tool to communicate conclusions to the District Board, customers, and other stakeholders.

We will incorporate District feedback into the final report and clearly demonstrate the nexus between costs and recommended rates in simple terms to fulfill Proposition 218 reporting requirements.

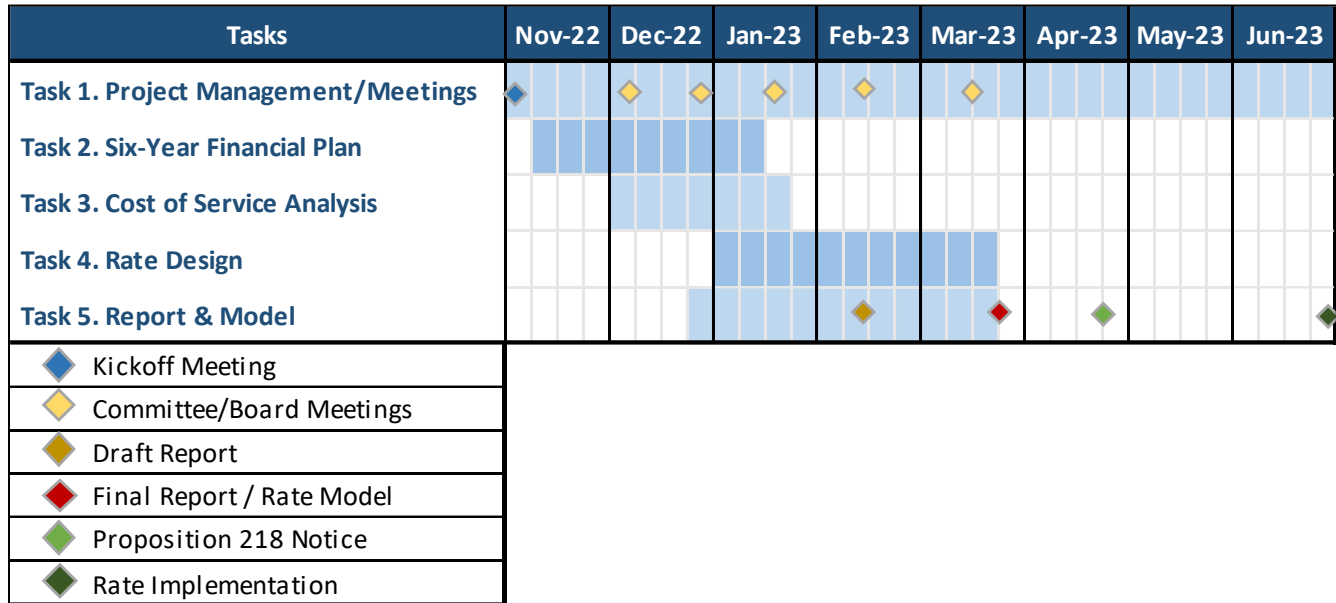
Table 6. Task 5. – Report and Model Deliverables

Meetings	<ul style="list-style-type: none">Progress meetings via teleconference
RDN Deliverables	<ul style="list-style-type: none">Final Rate models in ExcelDraft and final reports in Word and PDF formats
District Deliverables	<ul style="list-style-type: none">Comments, responses, and recommendations to draft report

PROJECT SCHEDULE

Figure 2 presents a preliminary schedule for completing the District’s study, targeting July 1, 2023 for rate implementation. The schedule assumes timely kick-off, District data, feedback, and availability for meetings. The final schedule will be discussed and agreed upon at the Kick-off Meeting.

Figure 2. Preliminary Project Schedule



LABOR RATES AND FEE SCHEDULE

The tables below present RDN’s cost proposal and compensation schedule, respectively. Our not-to-exceed proposal to provide professional consulting services to conduct the Montecito Sanitary District’s Sewer Rate Study, including other direct costs and travel expenses, is \$38,220.

Table 7. RDN Proposed Staff Hours

Tasks	Robert D. Niehaus, Inc.					Total Hours	Total Cost
	Principal	Project Manager	Senior Advisor	Senior Analyst	Associate Analyst		
Task 1. Project Management/Meetings	2	24	16	4	8	54	\$11,000
Task 2. 10-Year Financial Plan	2	12	2	2	14	32	\$5,440
Task 3. Cost of Service Analysis	2	18	2	2	4	28	\$5,160
Task 4. Rate Design	2	16	6	2	4	30	\$5,940
Task 5. Reports and Models	2	20	10	2	22	56	\$10,080
Estimated Direct Expenses							\$600
Total Hours	10	90	36	12	52	200	
Hourly Rate	\$320	\$170	\$280	\$190	\$130		
Total Base Scope Costs	\$3,200	\$15,300	\$10,080	\$2,280	\$6,760		\$38,220

Table 8. RDN Proposed Labor Rates

Analyst	Labor Category	Hourly Rate
Robert Niehaus, Ph.D.	Principal	\$320
Anthony Elowsky, M.A.	Project Manager	\$170
Sanjay Gaur, M.P.A., M.S.	Senior Advisor	\$280
Ichiko Kido, M.B.A	Senior Analyst	\$190
Bjorn Kallerud, M.Sc.	Associate Analyst	\$130
Zachary VanDinther, B.S.	Associate Analyst	\$130

This Page Intentionally Left Blank

CONTRACT REQUIREMENTS

NO CONFLICT OF INTEREST

RDN has no personal or organizational conflicts of interest.

INSURANCE REQUIREMENTS

RDN affirms our ability and intent to provide insurance per the District's insurance requirements as described in the District's professional services agreement.

PROFESSIONAL SERVICES AGREEMENT

RDN has reviewed the RFP in its entirety, including the District's standard professional services agreement, and takes no exceptions to the agreement.

APPENDIX

The appendix of this proposal includes full RDN resumes.

Robert D. Niehaus, Ph.D.

Managing Director & Principal Economist



TECHNICAL SPECIALTIES

-) Project Management
-) Regional and Resource Economics
-) Rate and Fee Comparison
-) Economic Impact Studies
-) Public Sector Water Economic and Planning Analysis
-) Technical Report Review
-) Cost of Service Rate Studies
-) Development Impact Fees
-) Resource Planning
-) Econometric Modeling
-) Survey Design and Implementation

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.
Managing Director
(1983-Present)

EDUCATION

Doctor of Philosophy in Economics (1979)
University of Maryland

Bachelor of Arts in Government (1972)
Oberlin College

PROFESSIONAL MEMBERSHIPS

-) American Water Works Association
-) American Economic Association
-) National Association for Business Economics

OVERVIEW & BIOGRAPHY

Dr. Niehaus is widely recognized for his expertise in the economics of water resources and the environment. He has broad experience managing public and private sector water and land resource economic analyses and planning efforts, with expertise in water and wastewater fee and rate analysis, cost-benefit evaluations, water demand econometric modeling and forecasting, and regional economics. His expertise extends to river basin planning, groundwater management, economic impacts of water and other resource-use projects, military base realignment, housing, energy, and global climate change. He has provided expert support to senior civilian and military decision-makers for numerous projects. Dr. Niehaus has published a wide range of applied studies in these fields and has directed the successful completion of projects at more than 200 locations worldwide, with much of this experience in Southern California.

RELEVANT PROJECT HIGHLIGHTS

Lake Arrowhead Community Services District, *Water & Wastewater Rate Study 2022*

Lake Arrowhead Community Services District provides water and sewer service for over 8,000 accounts in San Bernardino County, California. Lake Arrowhead CSD retained RDN to complete a water and sewer rate study in 2021 for \$34,300 which included a long-term financial plan and a 5-year rate proposal for four separate utilities. Dr. Niehaus, working for RDN, served as the managing director for the rate study, which was completed in 2022.

California City, *Water and & Sewer Impact Fee Study, Ongoing*

The City of California City provides water and sewer service for over 4,500 accounts in Kern County, California. California City retained RDN to complete a water and sewer rate and capacity fee study in 2021 for \$85,080 which includes a long-term financial plan and a 5-year rate proposal. Dr. Niehaus, working for RDN, serves as a managing director and principal economist for all rate and concerns. This project is ongoing.

West Valley Water District, *Development Impact Fee Study 2021*

West Valley Water District provides water service for over 22,000 accounts in San Bernardino and Riverside Counties, California. West Valley WD retained RDN to complete a water capacity fee study in 2020 for \$29,492 which included a detailed analysis of the District's capacity fee schedule and growth projections. Dr. Niehaus, working for RDN, served as the managing director for the fee study, which was completed in 2021.

City of Greenfield, *Water and Wastewater Rate Studies, Ongoing*

The City of Greenfield provides sewer and water service for over 3,500 customers in Monterey County, California. Through the CRWA, the City of Loyalton retained RDN to complete a water and sewer rate study for \$13,058 which included a 5-year rate plan and long-term financial model. Dr. Niehaus,

working for RDN, served as the managing director for the rate study. The project is ongoing.

ADDITIONAL PROJECT EXPERIENCE

-) City of Alhambra, *Water Rate Study*
-) Costa Mesa Sanitary District, *Wastewater Rate Study*
-) Rosamond Community Services District, *Water and Wastewater Rate Studies*
-) Napa County, *Water and Wastewater Rate Studies*
-) Mid-Peninsula Water District, *Capacity Fee Study*
-) Quartz Hill Water District, *Water Rate Study*
-) Palmdale Water District, *Water Rate Study*
-) Santa Clarita Valley Water District, *Water Rate Study*
-) California Rural Water Association, *Water & Sewer Rate Studies*
-) Ventura River Water District, *Cost of Service and Rate Setting Study*
-) Moulton Niguel Water District, *Cost of Service Peer Review*
-) Carpinteria Valley Water, *District Cost of Service and Rate Setting Study*
-) Manatt, Phelps, & Phillips, LLC, *Rate Comparison Study*
-) National Resources Defense Council, *LADWP Data Collection & Water Rate Analysis*
-) West Basin Municipal Water District, *Landscape Irrigation Efficiency Program*
-) Las Virgenes Water Budget Model
-) Fremont Valley Preservation Project, *Water Rate, and Revenue Analysis Study*
-) Golden State Water Company, *Comparative Water Rate Analysis*
-) Goleta Sanitary District/Goleta West Sanitary District, *Economic Analysis of Development Projections*
-) Santa Barbara County, *Economics of Groundwater Management*
-) City of Santa Barbara, *Desalination Plant Environmental Impact Report*
-) United States Army Corps of Engineers, *Flood Protection and Recreation Study*
-) City of Santa Barbara, *Long-Term Water Sales and Revenue Requirements Forecast Analysis*
-) Santa Ynez River Basin, *Planning and Cachuma Project Water Allocation Analyses*

Anthony Elowsky, M.A.

Project Manager, Financial Analyst



TECHNICAL SPECIALTIES

-) Financial Planning
-) Cost of Service Analysis
-) Rate Design
-) Database Management
-) Rate Comparison
-) Data Analysis
-) Technical Report Review

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.

Project Manager/Analyst (2018-Present)

Market Researcher (2017-2018)

Dudek Environmental, Inc.

Field Technician (2016-2017)

EDUCATION

Master of Arts in Anthropology
(2020) CSU, Fullerton

Bachelor of Arts in Anthropology
(2014) CSU, Los Angeles

PROFESSIONAL PRESENTATIONS

-) *Wastewater Rate Changes and the Journey to Acceptance*
California Rural Water Association Expo 2022, Stateline, NV. March.
-) *Incorporating Customer Use Distributions when Calculating Drought Surcharges.* Paper presented at the ACWA Virtual Fall Conference, October 27-29, 2020.

OVERVIEW & BIOGRAPHY

Mr. Elowsky manages RDN's utility financial planning projects, including water and wastewater rate- and fee-setting studies. His expertise lies in water and wastewater financial planning, cost of service analysis, rate and fee design, and applied economic research. He manages water and wastewater rate studies, capacity fee studies, and builds customized financial models to help utilities meet their financial goals. He has also conducted comparative water rate analyses and compiled and analyzed data on water rates and financial information for more than 100 purveyors throughout California. He provides rate setting expertise to professional organizations for both water and wastewater concerns. Mr. Elowsky holds a bachelor's degree from California State University, Los Angeles as well as a master's degree from California State University, Fullerton.

RELEVANT PROJECT HIGHLIGHTS

Mendocino City Community Services District, *Wastewater and GWM Rate Study 2022*

Mendocino City Community Services District provides sewer and Groundwater Management service for nearly 855 residents and 2,500 daily visitors in Mendocino County, California. Through the CRWA, Mendocino City CSD retained RDN to complete a sewer and Groundwater Management rate study for \$11,500 which included a 5-year rate plan and long-term financial model. Mr. Elowsky, working for RDN, served as the project manager and principal contact for the rate study. Work was completed and a report was presented to the District in 2022.

City of Loyalton, *Wastewater Rate Study 2021*

The City of Loyalton provides sewer and water service for over 500 customers in Sierra County, California. Through the CRWA, the City of Loyalton retained RDN to complete a sewer rate study and Proposition 218 support for \$7,635 which included a 5-year rate plan and long-term financial model as well as mailing notices and attending a rate hearing. Mr. Elowsky, working for RDN, served as the project manager and principal contact for the rate study. Work was completed and rates were approved in 2021.

Hilton Creek Community Services District, *Wastewater Rate and Connection Fee Study 2022*

Hilton Creek Community Services District provides sewer service for over 500 connections in Mono County, California. Hilton Creek CSD retained RDN to complete a sewer rate and fee study for \$29,840 which includes a 5-year rate plan, long-term financial model, and a capacity fee analysis. Mr. Elowsky, working for RDN, serves as the project manager and principal contact for the rate and fee study. This project is currently ongoing.

Lake County Sanitation District, *Wastewater Rate Study 2021*

Lake County Sanitation District provides sewer service for over 470 equivalent units in Lake County, California. Through the CRWA, Lake County retained RDN

to complete a sewer rate study for \$9,605 which included a 5-year rate plan and long-term financial model. Mr. Elowsky, working for RDN, served as the project manager and principal contact for the rate study. Work was completed and a report was presented to the District in 2021. The Proposition 218 hearing will occur in 2022.

ADDITIONAL PROJECT EXPERIENCE

City of Alhambra, *Water Rate Study*

Rosamond Community Services District, *Water and Wastewater Rate Study*

Napa County – LBRID/NBRID, *Water and Wastewater Rate Studies*

West Valley Water District, *Development Impact Fee Study*

Mid-Peninsula Water District, *Capacity Fee Study*

California City, *Water and Wastewater Capacity Fee Studies*

Manatt, Phelps, and Phillips, LLC, *Water Rate Comparison Study*

Palmdale Water District, *Water Rate Study*

Santa Clarita Valley Water, *Water Rate Review*

Apple Valley Heights County Water District, *Water Rate Study*

Daggett Community Services District, *Water Rate Study*

Mariana Ranchos County, *Water Rate Study*

Apple Valley View Mutual Water Company, *Water Rate Study*

Sheep Creek Water Company, *Water Rate Study*

Thunderbird County Water District, *Water Rate Study*

Juniper Riviera Community Water District, *Water Rate Study*

West Valley County Water District, *Water Rate Study*

Orosi Public Utility District, *Water and Wastewater Rate Study*

Sanjay Gaur, M.P.A., M.S.

Senior Advisor; Water Resources Economics



OVERVIEW & BIOGRAPHY

Mr. Gaur has over 25 years of financial and rate consulting experience in water and wastewater utility administration. He has provided consulting services to over 100 different agencies, including the Caribbean Region. He has often provided his insight into utility rate and conservation-related matters for various publications including: authoring articles in *Journal AWWA*; being quoted in various newspaper articles including the *Los Angeles Times* and the *New York Times*. He has co-authored several industry guide books including *AWWA's Manual M1 Principles of Water Rates, Fees and Charges, 7th Edition*, *AWWA's Water Rates, Fees, and the Legal Environment, Second Edition*, and *Water and Wastewater Finance and Pricing: The Changing Landscape*. He is a member of the AWWA's Rates and Charges Committee. Mr. Gaur was a Peace Corps Volunteer in Bulgaria. He has MS in Applied Economics from UC Santa Cruz and an MPA/ID from the Kennedy School of Government, Harvard University.

TECHNICAL SPECIALTIES

-) Proposition 218 Compliance
-) Financial Analysis
-) Cost of Service Studies
-) Conservation Rate Design
-) Capacity Fee Studies
-) Cost Benefit Analysis
-) Econometric Analysis

PROFESSIONAL HISTORY

Water Resources Economics, LLC
Principal Consultant
(2021-Present)

Raftelis Financial Consultants, Inc.
Vice President (2015-2021)
Senior Manager (2012-2014)
Manager (2009-2012)

Red Oak Consulting (2007-2009)
Munifinancial (2005-2006)
A&N Technical Services (1993-2003)

EDUCATION

Master of Public Administration
(2003) Kennedy School of
Government, Harvard University

*Master of Science, Applied
Economics* (1994)
University of California Santa Cruz

*Bachelor of Arts, Economics and
Environmental Studies* (1992)
University of California Santa Cruz

RELEVANT PROJECT EXPERIENCE

-) Alameda County Water District - *Financial Plan Study and Annual Updates, Conservation Tiered Rate Feasibility Analysis, Drought Rate Study, Water Cost of Service and Rate Study, and other Ad-hoc Support*
-) American Water Company - *Water Rate Study*
-) Borrego Water District - *Financial Planning Study, Groundwater Sustainability Plan, Water Rate Study, and Basin Management Evaluation*
-) City of Calexico - *Water and Sewer Rate Study*
-) City of Camarillo - *Water and Wastewater Rate Study, Financial Plan Study, and Cost of Service Study,*
-) Carpinteria Sanitary District - *Sewer Rate and Fee Study*
-) Castaic Lake Water Agency - *Wholesale Water Rate Study, Drought Rates, Rate Analysis, and Facility Capacity Fees*
-) Central Basin Municipal Water District - *Financial Plan*
-) City of Chino Hills - *Water Budget Rate Design, Financial Plan Study and Cost of Service and Rate Design*
-) City of Chowchilla - *Water and Wastewater Rate Study*
-) Coastside County Water District - *Water Rate Study*
-) Contra Costa Water District - *Financial Plan Study, Water Rate Study and Drought Rates Study*
-) City of Corona - *Water Budget Rate Study, Wastewater Capacity Fees Study*
-) Cucamonga Valley Water District - *Financial Plan, Water Conservation Rate Study, and Drought Rates*
-) East Bay Municipal Utility District - *Water and Wastewater Cost of Service and Rate Study*
-) Eastern Municipal Water District - *Water Budget Study and Financial Plan Study*
-) East Orange County Water District - *Water Budget Study, Sewer Capacity Fees Study, and Financial Plan Study*

-) Elsinore Valley Municipal Water District – *Financial Mode, Drought Rate Analysis, Water and Recycled Water Rate Study, Capacity Fee Study, and Wastewater Rate Study*
-) El Toro Water District - *Water Budget Study and Recycled Water Financial Plan Study*
-) City of Escondido - *Water and Wastewater Rate Study and Capacity Fees Study*
-) Fallbrook Public Utilities District - *Water, Wastewater and Recycled Water Rate Study*
-) City of Glendora - *Water Budget Feasibility Study*
-) City of Gridley - *Water Rate Study*
-) Helix Water District - *Water Rate and Cost of Service Study*
-) Hi-Desert Water District - *Water Rate Study*
-) City of Hollister - *Sewer Rate and Impact Fee Study, Water Rates Study, and Capacity Fee Study*
-) City of Huntington Beach - *Sewer Rate Study, Water Budget Rate Study, and Financial Plan Study*
-) - *Water and Wastewater Rate Study*
-) Indio Water Authority - *User Fee Study and Water Rate Study*
-) Inland Empire Utilities Agency - *Conservation Rate Structure Workshop and Financial Plan Study*
-) Inyo County Water Department - *Water Rate Study*
-) Irvine Ranch Water District - *Conservation Study*
-) Jurupa Community Services District - *Water Budget Study*
-) La Habra Heights County Water District - *Wheeling Rate Study and Financial Plan Study*
-) La Puente Valley County Water District - *Water Rate and Fee Study*
-) Las Virgenes Municipal Water District - *Water Budget Rate Study, Water, RW and WW Financial Plan and Rate Studies, Capacity Fees Study*
-) City of Livermore - *Water Cost of Service Study*
-) City of Livingston - *Water Rate Study*
-) City of Lomita - *Water Rate Workshop*
-) City of Long Beach - *Water, Recycled Water and Wastewater Financial Plan and Rate Studies*
-) Los Alamos Community Services District - *Water and Wastewater Rate Study*
-) Los Angeles Department of Water and Power - *Daily Demand Estimates*
-) City of Lynwood - *Cost Allocation Plan*
-) City of Malibu - *Wastewater and Recycled Water Rate Study*
-) Mammoth Community Water District - *Water Rate Study*
-) City of Merced - *Water and Sewer Rate and Impact Fee Study*
-) Mesa Consolidated Water District - *Financial Plan Study, Cost Comparison Study, Water and Recycled Water Cost of Service and Rate Design Study*
-) Metropolitan Water District of Southern California - *Drought Allocation Model, Long Range Financial Plan, and Cost of Service Evaluation*
-) Mill Valley – *Tamalpais Community Services District - Financial Plan Study*
-) Mojave Water Agency - *Financial Plan Study, Financial Impact Analysis for Water Exchange and Leasing Programs and Water Reliability Rate Development*
-) Modesto Irrigation District - *Stormwater Fee Study*
-) Monterey Peninsula Water Management District - *Water Budget Study*
-) Municipal Water District of Orange County - *Conservation Potential Study and Rate Study*
-) City of Newport Beach - *Water Rate Study*
-) City of Palo Alto - *Water Cost of Service and Rate Study*
-) Pasadena Water and Power - *Water Cost-of-Service and Rate Design Study*
-) Placer County Water Agency - *Cost of Service, Rate, and Financial Plan Study*
-) City of Pomona - *Rate Study*
-) City of Port Hueneme - *Water and Solid Waste Rate Study*
-) City of Orange - *Water and Sanitation Rate Study*

Ichiko Kido, M.B.A.

Senior Technical Advisor



TECHNICAL SPECIALTIES

-) Financial Planning
-) Cost of Service Analysis
-) Rate Design
-) Rate Comparison Analysis
-) Housing Market Analysis
-) Data Analysis
-) Technical Report Review
-) Survey Interviewing
-) Statistical Analysis

PROFESSIONAL HISTORY

Robert D. Niehaus, Inc.
Senior Technical Advisor
(2022 – Present)
Program Manager
(2005 – 2022)

EDUCATION

Master of Business Administration (2014) Martin V. Smith School of Business & Economic, California State University, Channel Islands
Bachelor of Arts in Law (1989)
Fukuoka University, Japan

PROFESSIONAL MEMBERSHIPS

-) American Water Works Association
-) Association of California Water Agencies
-) California Rural Water Association
-) Association of California Water Agencies

OVERVIEW & BIOGRAPHY

Ms. Kido has 30 years of experience in utility financial planning. Ms. Kido advises RDN as a leading expert in developing rates and fees that meet Proposition 218 requirements and other laws and regulations. She is widely recognized as a leading consultant for designing conservation-based water rates, including budget-based rate designs. She also managed capacity fee charges throughout the state, ensuring the fees are compliant despite the dynamic regulatory landscape. Her expertise is founded upon her experience working with more than 200 water utilities throughout California. Ms. Kido is a member of the American Water Works Association (AWWA) and promotes best practices in the AWWA's *Manual M1 Principles of Water Rates, Fees and Charges* and the *WEF Manual of Practice Number 27*.

RELEVANT PROJECT HIGHLIGHTS

Costa Mesa Sanitary District, *Wastewater Rate Study 2022*

Costa Mesa Sanitary District provides sewer service for nearly 27,000 connections in Orange County, California. Costa Mesa SD retained RDN to complete a sewer collection rate study for \$29,500 which included a 5-year rate plan and long-term financial model. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate study. Work was completed and the rates designed by RDN were approved in 2022.

Moulton Niguel Water District, *Cost of Service and Financial Plan Peer Review 2017 and 2022*

Moulton Niguel Water District provides water and sewer service for nearly 170,000 people in Orange County, California. Moulton Niguel WD retained RDN to complete a peer review for all of their internal rate and fee studies in 2021 for \$57,890 which included a review of the District's proposed rates for the next 5 years. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate review, which was completed in 2022. Ms. Kido currently serves as a senior consultant for the capacity fee review, currently ongoing.

Rosamond Community Services District, *Water and Wastewater Rate Study 2021*

Rosamond Community Services District provides water and sewer service for over 5,000 accounts in Kern County, California. Rosamond CSD retained RDN to complete a Water and sewer rate study in 2020 for \$89,060 which included a long-term financial plan and a 5-year rate proposal. Ms. Kido, working for RDN, served as the project manager and principal contact for the rate study, which was completed in 2021.

California City, *Water, Recycled Water, and Sanitary Sewer Rate Studies, Ongoing*

The City of California City provides water and sewer service for over 4,500 accounts in Kern County, California. California City retained RDN to complete a

water and sewer rate and capacity fee study in 2021 for \$85,080 which includes a long-term financial plan and a 5-year rate proposal. Ms. Kido, consulting for RDN, serves as a senior technical advisor for all rate and concerns. This project is ongoing.

ADDITIONAL PROJECT EXPERIENCE

-) City of Alhambra, *Water Rate Study*
-) Moulton Niguel Water District, *Capacity Fee Peer Review Study*
-) Quartz Hill Water District, *Water Rate Study*
-) California City, *Water and Wastewater Capacity Fees*
-) Lake Arrowhead Community Services District, *Water and Wastewater Study*
-) City of Loyalton, *Wastewater Rate Study*
-) Hilton Creek Community Services District, *Wastewater Rate and Connection Fee Study*
-) West Valley Water District, *Development Impact Fee Study*
-) Santa Clarita Valley Water Agency, *Water Rate Calculator Online Tool*
-) Mid-Peninsula Water District, *Capacity Fee Study*
-) Santa Clarita Valley Water Agency, *Rate Payer Advocate*
-) City of Greenfield, *Water and Wastewater Rate Studies*
-) Lake County Sanitation District, *Wastewater Rate Study*
-) San Simeon Community Services District, *Wastewater Rate Study*
-) Manatt, Phelps, and Phillips, LLC, *Water Rate Comparison Study*
-) Ventura River Water District, *Water Rate Study*
-) Palmdale Water District, *Water Rate Study*
-) California Rural Water Association, *Water Rate Studies*
-) Moulton Niguel Water District, *Cost of Service Analysis*
-) Carpinteria Valley Water District, *Cost of Service Analysis*
-) Daggett Community Services District, *Water Rate Study*
-) Mariana Ranchos County, *Water Rate Study*
-) Rand Community Water District, *Water Rate Study*
-) Sheep Creek Water Company, *Water Rate Study*
-) Lost Hills Utility District, *Wastewater Rate Study*
-) West Valley County Water District, *Water Rate Study*
-) Thunderbird County Water District, *Water Rate Study*
-) Orsi Public Utility District, *Water and Wastewater Rate Study*





Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT

DATE: Thursday, November 10, 2022
TO: Board of Directors
FROM: Bradley Rahrer, General Manager
PREPARED BY: Marco Felix, Chief Plant Operator/Treatment Superintendent
SUBJECT: Disinfection Process Chemical Procurement

RECOMMENDATION: That the Board of Directors:

1. Authorizing the General Manager to execute a purchase order with HASA Inc. in the amount of \$165,000 Inc. to provide the District sodium hypochlorite for the remainder of FY 2022-23; and
2. Authorizing the General Manager to execute a purchase order with Univar USA, Inc. in the amount not to exceed \$55,000 to provide the District sodium bisulfite for remainder of FY 2022-23.

BACKGROUND: The final stage of treatment requires the use of Sodium Hypochlorite for disinfection and Sodium Bisulfite to neutralize the Sodium Hypochlorite in the effluent flow before discharging through the outfall and into the Pacific Ocean. District annual usage of Sodium Hypochlorite and Sodium Bisulfite is on average 70,000 Gallons, and 25,000, respectively.

In the past the District has contracted directly with Univar to purchase Sodium Hypochlorite and Sodium Bisulfite. The District's current cost is \$3.32 per gallon for Sodium Hypochlorite and current cost of \$3.14 per gallon for Sodium Bisulfite. Due to significant price increases over the last 15 months, District staff utilized Planetbids to secure pricing for the remainder of the fiscal year. District requested proposals from reputable vendors that can supply chemical deliveries on a weekly basis.

Bidding Process and Results –

District staff issued a request for bids on October 6, 2022. The District received 4 prospective bids for Sodium Hypochlorite. The bids received range as follows:

	Bidder	Price per Gal	Bid Status
1	HASA INC	\$2.86	Lowest Bidder
2	Univar Solutions	\$3.32	
3	JCI Jones Chemicals	\$3.73	
4	HAMZA LLC	\$6.88	Highest Bidder

District staff issued a request for bids on October 6, 2022. The District received 1 prospective bid for Sodium Bisulfite. The bids received range as follows:

	Bidder	Bid Amount	Price per Gal	Bid Status
1	Univar Solutions	\$85,280.00	\$2.91	Lowest Bidder

Fiscal Impact – Staff has budgeted for these critical expenses on approved budget 2022/2023.

Public Notice – No notice required

Previous Related Action – N/A

Goals and Objectives – By issuing a bid, the District staff intended to control costs for chemical deliveries for the disinfection process.

Analysis – Justifications: Issuing a contract to secure pricing for chemicals helps control costs during a high time of inflation. As evident by the bids received, there are multiple vendors that are able to provide chemical and meet the District’s anticipated needs, therefore periodically testing the market is in the District’s best interest for curbing cost increases.

Departments Involved: Treatment



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT- ITEM 6E

DATE: November 10, 2022

TO: Board of Directors

FROM: Brad Rahrer, General Manager

SUBJECT: 720 E Mountain Drive – Property Annexation and Sewer Main Extension

SUMMARY: The sewer main extension to serve 720 E. Mountain Drive was constructed by the property owner group per MSD standards and dedicated to the District for ownership once construction is completed.

RECOMMENDATION: That the board of directors consider the following:

1. Accept the sewer main extension and direct staff to provide owners written notice of the District’s acceptance of the sewer main extension.

Background

710 and 720 E Mountain Drive have the same property owner who annexed her property of 720 E. Mountain Drive into the District Boundary with a completion date of November 2, 2020. The sewer extension project proposed extends the District sewer mainline within a portion of a private driveway beginning at 710 E. Mountain Drive in order to provide sewer service to 720 E. Mountain Drive. The project included installing 217.62 linear feet of 8” PVC sewer main, a manhole, and two sewer laterals per District standards.

The construction of the sewer main extension was substantially completed in September 2020 but was waiting for completion of the LAFCO Annexation prior to final signoff and acceptance by the District. The Project has been inspected by District staff and deemed complete.

Fiscal Impact: No significant impact to the District. Under the dedication agreement, the property owner was responsible to pay for all design, construction, and inspection, and District connection fees. With the completion on of the construction and District approval,

the District will return to the owner \$77,800 for the balance of the construction bond.

Previous Related Action –

October 31, 2019 – Board of Directors approved the LAFCO Annexation application and dedication agreement for sewer main extension

Goals and Objectives – To file a Notice of Completion and return the Surety Bond Deposit to close the project.

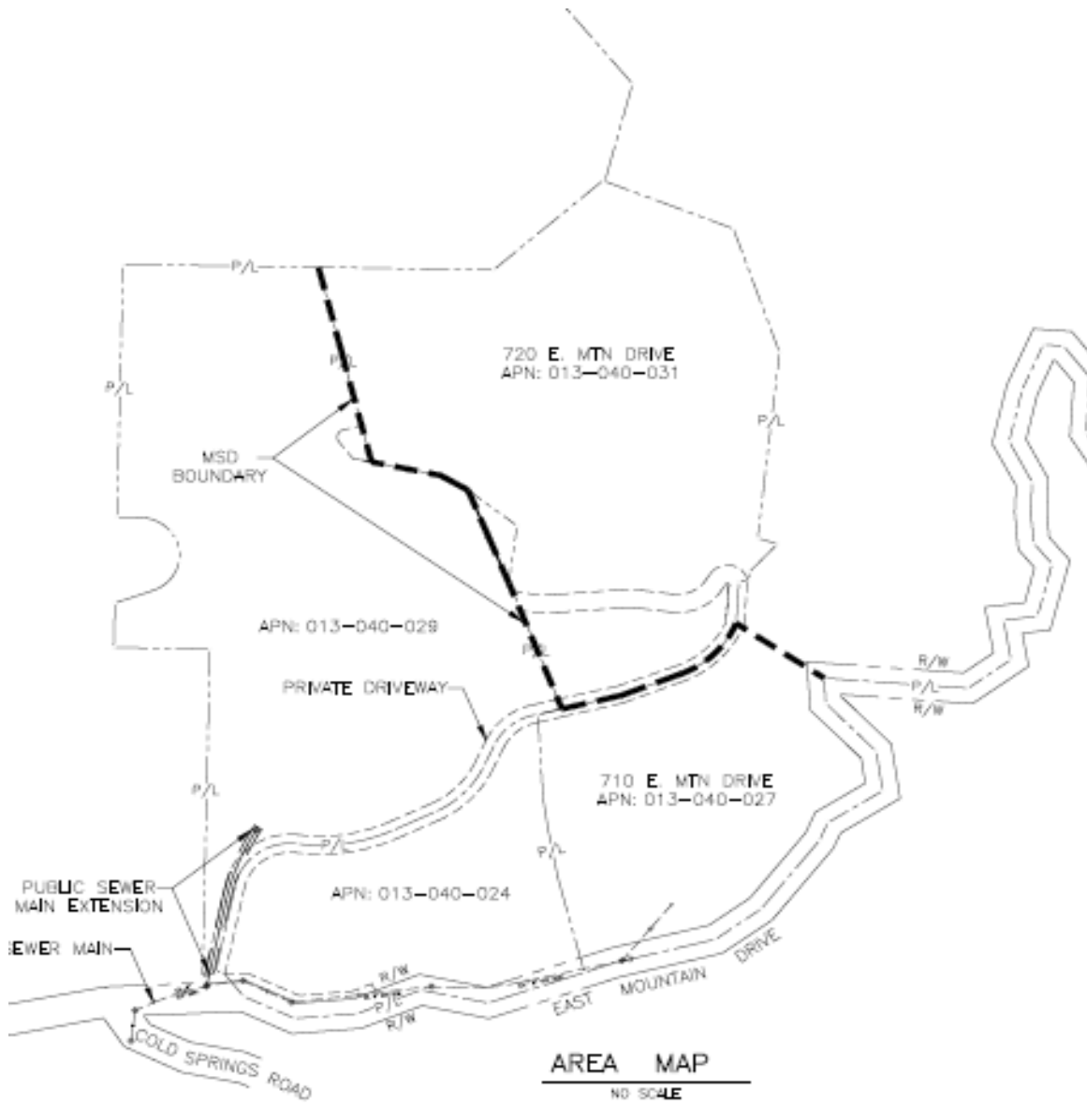
Environmental Determination – Project was categorically exempt by CEQA.

Analysis – Justifications: The construction work has been completed and the District can accept the sewer main into its inventory of assets it maintains.

OTHER DEPARTMENTS INVOLVED: Collections

ATTACHMENTS: Vicinity Map
Acceptance and Notice of Completion Letter

Vicinity Map



Properties to be served

Parcels 013-040-029 and 013-040-031

Recording requested by,
and when recorded return to:
MONTECITO SANITARY DISTRICT
1042 Monte Cristo Lane
Santa Barbara, CA 93108-2809

APN: 013-040-029 and 013-040-020

GRANT OF EASEMENT
TO
MONTECITO SANITARY DISTRICT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Judith A. Little, as Grantor, hereby GRANTS TO MONTECITO SANITARY DISTRICT, a 1923 Act Sanitary District, situated wholly in the County of Santa Barbara, State of California, as Grantee, a permanent easement for the purpose of laying main sewer lines, sewer trunk lines, collection lines and laterals, sewer manholes and other underground and surface structures appurtenant to said sewer lines, hereinafter referred to as "said facilities", together with the right of reasonable ingress and egress over and across the subject property served by said facilities to the easement described herein, and together with the right to construct, operate, maintain, inspect, repair and replace said facilities located in said easement or in any adjoining easement, and the right of ingress and egress for such purposes. Said easement is situated wholly within the County of Santa Barbara, State of California, and is more particularly described as follows:

See Exhibits A and B attached hereto and made a part hereof

PROVIDED, however, that this conveyance is made under and subject to the following conditions, which the Grantor and the Grantee, by the acceptance of said easement, agrees to keep and perform, to wit:

That the Grantee will restore and replace the surface of the ground and improvements over said easement and will repair any and all damage to the property of the Grantor above or adjoining said easement, which is injured or damaged in the construction, or maintenance of said facilities.

Together with the right to enter upon and to pass and repass over and along said easement and to deposit tools, implements, and other materials by said District, its officers, agents, and employees, and by any contractor, his agents and employees, engaged by said District whenever and wherever necessary for the purposes above set forth.

Grantor reserves the right to use said land at Grantor's own risk for any and all purposes not conflicting, interfering or inconsistent with its use for said facilities. Grantor waives any right under Civil Code Section 845, and any right to compel Grantee to grade, surface or otherwise improve or maintain said easement area as a roadway. Grantor shall not increase or decrease or permit to be increased or decreased the ground elevations of said easement existing at the time this document is executed, or construct or permit to be constructed any permanent building, structures, concrete slabs, concreted pavements, improvements, fences that restrict maintenance access or other encroachment upon said easement, without previous written consent of the Grantee. Grantee may remove

from the easement any building, structure, concrete slabs, concrete pavements, improvements or other encroachments thereon conflicting, interfering or inconsistent with its use for the purposes hereby granted.

Grantor may, at the expense of said Grantor, and subject to Grantee's written consent, relocate the above mentioned facilities in the event that they conflict with the future development of said property, provided that the Grantor does not cause the discontinuance of service to any area being served and Grantee receives, without expense to Grantee, an easement comparable to this easement for said relocated facilities. Grantee shall never be required to relocate or alter in any way any of said facilities installed pursuant to this grant of easement, or to bear any cost in connection herewith as a result of changes in the location of any of said facilities, made necessary by any reason.

Dated: _____

Grantor

By: _____
Judith A. Little

APPROVED:

As to execution:

By _____
District Legal Counsel

As to description:

By _____
General Manager/District Engineer



CERTIFICATE OF ACCEPTANCE

This is to certify that the foregoing interest in real property conveyed to the Montecito Sanitary District is hereby accepted by the undersigned officer on behalf of the Board of Directors of the Montecito Sanitary District pursuant to authority conferred by Resolution No. 1960-21 of said Board adopted on September 26, 1960, and the Grantee consents to the recordation thereof by its duly authorized officer.

Date: _____

By: _____
Dorinne Lee Johnson, Board President
MONTECITO SANITARY DISTRICT

EXHIBIT "A"
Montecito Sanitary District Easement Description
Being a portion of Assessor Parcel Numbers
013-040-029 & 013-040-020

Those portions of "Parcel 1" and Parcel 2" as described in Grant Deed to WM. BRIAN LITTLE and JUDITH ANN LITTLE, recorded December 3, 1997 in Instrument No. 97-073407 of Official Records in the Santa Barbara County Recorder's Office, State of California more specifically described as a strip being 12.00 feet in width lying 6.00 feet on each side of the following described centerline:

Commencing at a corner on the westerly line of Parcel D as depicted on Record of Survey Book 68, Page 34 filed in the Office of the Santa Barbara County Recorder's Office, State of California, said corner also being the northerly terminus of a course depicted as, " N 0° 14' 50" E – 435.31' ", thence along the westerly line of said Parcel D, South 0° 14' 50" West a distance of 435.31' to the most southwesterly corner of said Parcel D, thence North 70° 44' 40" East along the southerly line of said Parcel D a distance of 14.70 feet to the True Point of Beginning.

Thence 1st, North 3° 37' 22" West a distance of 27.20 feet:

Thence 2nd, North 11° 06' 50" East a distance of 100.00 feet;

Thence 3rd, North 29° 00' 00" East a distance of 77.00 feet;

The sidelines of said strip shall be lengthened or shortened so as to terminate on the northerly line of East Mountain Drive.

---End of Description---



A handwritten signature in blue ink that reads "Jeffery K. Prober".

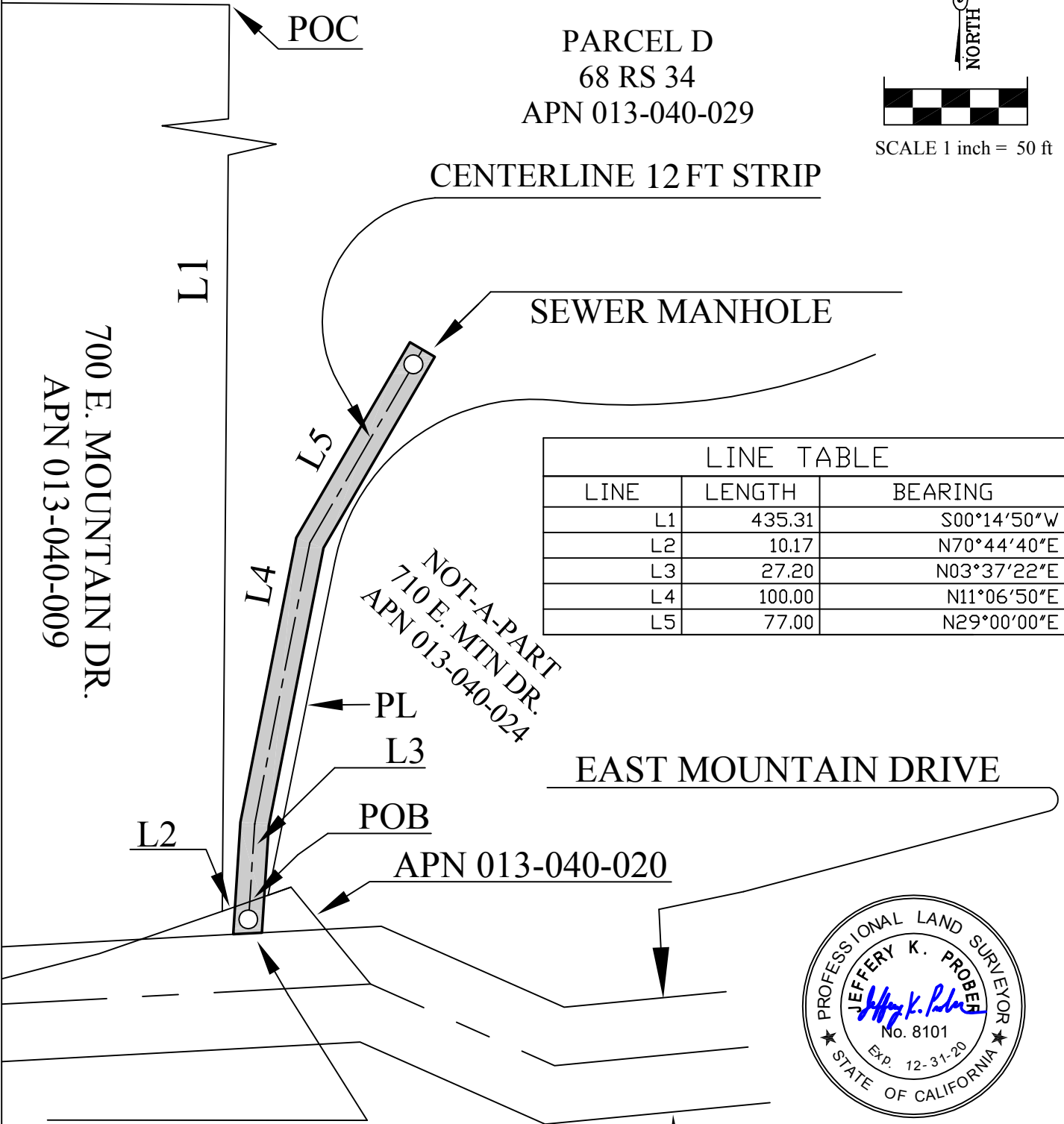
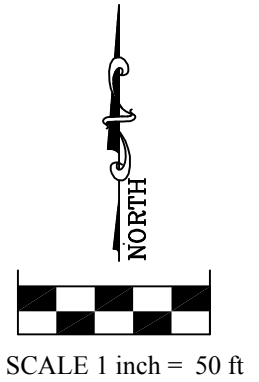
Prepare by: _____

Jeffery K. Prober, P.L.S. 8101

Date: 11-6-2020

EXHIBIT "B"
MAP SHEET
MONTECITO SANITARY EASEMENT

PARCEL D
 68 RS 34
 APN 013-040-029



LINE TABLE		
LINE	LENGTH	BEARING
L1	435.31	S00°14'50"W
L2	10.17	N70°44'40"E
L3	27.20	N03°37'22"E
L4	100.00	N11°06'50"E
L5	77.00	N29°00'00"E

LEGEND
 POB POINT OF BEGINNING
 POC POINT OF COMMENCEMENT
 PL PROJECT LIMIT



PROBER
 Land Surveying

645 Flora Vista Road, SB, CA 93109
 805-452-9690 plssb@cox.net
 www.ProberLandSurveying.com

G:\LandProject_2020\Little 720 East Mountain Drive.dwg\Exhibit MSD.dwg 11/7/2020 9:18:50 AM PST

**NOTIFICATION OF COMPLETED
DISTRICT BOUNDARY CHANGE**

February 12, 2022

TO: Distribution List

FROM: Mike Prater
Executive Officer

SUBJECT: **19-07 - Annexation No. 25 to the Montecito Sanitary District (Judith Little) –
Final Notice**

Please be advised that the proceedings for the above-referenced boundary change have been completed. Enclosed are copies of the Certificate of Completion and the State Board of Equalization acknowledgement memo. The effective date of the change is *December 30, 2020*.

Please call the LAFCO office if you have any questions.

Distribution List:

Montecito Sanitary District (Bradley Rahrer)

Applicant (Steven Buesch)

County Departments:

Assessor

Auditor - Property Tax Division

Community Services - Parks Division County Executive

GIS Manager Elections

Planning & Development

Public Works:

- Water Resources

- Transportation

- Resource Recovery and Waste Management

- Surveyor

Recording Requested By:

JOSEPH E. HOLLAND
County Clerk-Recorder
DOC # 2020-0078629

LAFCO

Santa Barbara Local Agency Formation Commission

Return to:

12/30/2020
09:13 AM
SBC
E24
Titles: 1 Pages: 11
Fees: \$0.00
Taxes: \$0.00
CA SB2 Fee: \$0.00
Total: \$0.00

LAFCO

105 East Anapamu Street
Santa Barbara CA 93101
805/568-3391 FAX 805/647-7647

No Fee Per Government Code § 6103

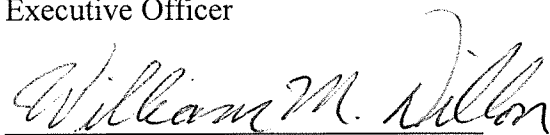
CERTIFICATE OF COMPLETION

As Executive Officer of the Santa Barbara Local Agency Formation Commission, I hereby certify that the attached documents are complete and in accordance with the boundaries, modifications and conditions specified by the Commission in its Resolution No. 20-04 approving this action.

1. The reorganization and the short-form designation of the proceeding is:

LAFCO 19-07 – “Judith Little Annexation”
2. The entire affected agency or agencies are located in Santa Barbara County.
3. The territory is uninhabited, all landowners have given written consent, all affected agencies that will gain territory as a result of the change of organization have consented and the conducting authority proceedings have been waived.
4. The Commission’s Resolution 20-04 adopted on October 1, 2020 is attached and sets forth any terms and conditions that apply. (Attachment A.) Resolution 20-04 set the description of the boundaries of the proposal, which is also attached. (Attachment B.)
5. Resolution 20-04, paragraph 11, set the effective date of the sphere of influence amendment and annexation to be November 2, 2020, unless a request for reconsideration was filed with the Executive Officer pursuant to Government Code section 56895. I have determined that no such request has been filed; therefore, the effective date of the sphere of influence amendment and annexation is and shall be November 2, 2020.

William Dillon
Executive Officer



Date: Nov. 2, 2020

ATTACHMENT A

LAFCO RESOLUTION NO. 20-04

RESOLUTION OF THE SANTA BARBARA COUNTY LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS, AMENDING THE
MONTECITO SANITARY DISTRICT'S SPHERE OF INFLUENCE AND
APPROVING THE JUDITH LITTLE ANNEXATION TO THE DISTRICT

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Santa Barbara County Local Agency Formation Commission pursuant to the Cortese Knox Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Gov. Code); and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the Commission finds the proposal to be in the best interests of the affected area and the total organization of local governmental agencies within Santa Barbara County.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Local Agency Formation Commission of Santa Barbara County as follows:

(1) The proposal has been reviewed and found to be categorically exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., pursuant to CEQA Guidelines section 15319.

(2) The subject proposal is assigned the distinctive short-form designation: "Judith Little Annexation"

(3) Said territory is found to be uninhabited.

(4) The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit B of the Executive Officer's Staff Report, which is hereby made a part hereof.

(5) The proposal is subject to the following terms and conditions: conditioned upon the annexed territory being liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the District.

(6). All affected landowners have given written consent to the annexation and the annexing agency has consented to waive conducting authority proceedings.

(7) For the amendment to the District's sphere of influence, pursuant to Government Code section 56425(e), the Commission has considered and hereby adopts the written determinations in the Staff Report regarding the (1) present and planned land uses in the area, including agricultural and open-space lands; (2) present and probable need for public facilities and services in the area; (3) present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and (4) existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(8) The conducting authority proceedings are waived and staff is directed to complete the proceedings.

(9) All subsequent proceedings in connection with this annexation shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

//

//

//

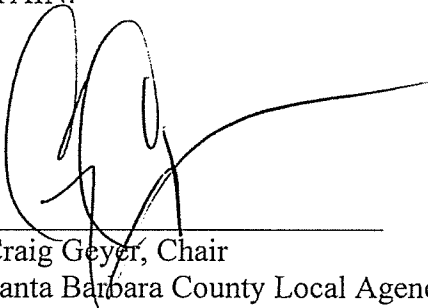
(10) The sphere of influence amendment and annexation shall be effective November 2, 2020, unless a request for reconsideration is filed with the Executive Officer in compliance with Government Code section 56895.

This Resolution is hereby approved this 1st day of October, 2020 in Santa Barbara, California.

AYES: Commissioner Aceves, Freeman, Hartmann, Waterfield, Welt, Williams, and Geyer

NOES: None

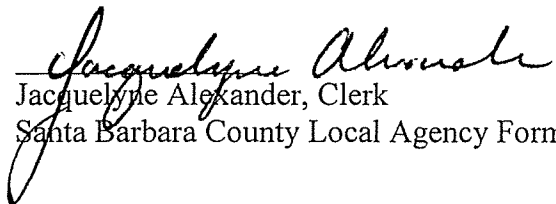
ABSTAIN: None

By: 

Craig Geyer, Chair
Santa Barbara County Local Agency Formation Commission

Date: 10/01/2020

ATTEST:



Jacquelyne Alexander, Clerk
Santa Barbara County Local Agency Formation Commission

ATTACHMENT B

COUNTY OF SANTA BARBARA
PUBLIC WORKS DEPARTMENT

123 East Anapamu Street
Santa Barbara, California 93101
(805) 568-3000



SCOTT D. MCGOLPIN

Director

June 30, 2020

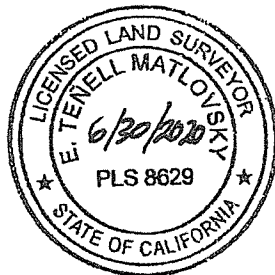
William M. Dillon
Interim Executive Officer
Santa Barbara Local Agency
Formation Commission
105 East Anapamu Street
Santa Barbara, CA 93101

RE: **19LF07 Review 3**
LAFCO 19-07: Judith Little Annexation to the Montecito Sanitary District
APNs: 013-040-028 & 013-040-031

Dear Mr. Dillon:

This office has completed its review of LAFCO 19-07 the Judith Little Annexation to the Montecito Sanitary District, and finds that the submitted Annexation Description and Exhibit Map are complete for filing with the State Board of Equalization. Enclosed are the approved originals for your use.

If you have any questions regarding this project, please feel free to call our office at 568-3020 during normal business hours.



Very truly yours,

E. Tenell Matlovsky
Deputy for:
Aleksandar Jevremovic, PLS
County Surveyor

ETM

AA/EEO Employer

19LF07_Dillon_3_ETM.doc

Thomas D. Fayram, Deputy Director

Chris Sneddon, Deputy Director

Leslie Wells, Deputy Director

Julie A. Hagen, Deputy Director

Aleksandar Jevremovic, County Surveyor

<http://countyofsb.org/pwd>

Exhibit A

Judith Little Annexation to Montecito Sanitary District LAFCO 19-07

All of Parcel "B" as shown on Parcel Map No. 11,801 recorded in Book 12, at Page 15 of Parcel Maps, filed in the Office of the County Recorder, County of Santa Barbara, State of California, described as follows:

Beginning at a point on the Northwest corner of said Parcel "B", said point also being an angle point on the existing Montecito Sanitary District boundary at the Westerly terminus of the 18th course as described in Burden Annexation per LAFO Resolution 1995-09 as recorded December 29, 1995 as Instrument No. 1995-0073291 of Official Records of Santa Barbara County, California;

Thence along the boundary of said Parcel "B" the following courses and distances;

1st, Thence South 89° 58' 20" East along the Northerly line of said Parcel "B" and said Montecito Sanitary District boundary 218.48 feet to an angle point;

2nd, Thence North 48° 03' 40" East continuing along a Northwesterly line of said Parcel "B" and said Montecito Sanitary District boundary 181.80;

3rd, Thence leaving said Montecito Sanitary boundary, and continuing along the boundary of said Parcel "B" South 69° 41' 30" East 172.03 feet;

4th, Thence South 20° 17' 20" East 174.61 feet;

5th, Thence South 05° 18' 30" West 248.16 feet;

6th, Thence South 74° 04' 30" East 26.10 feet;

7th, Thence South 42° 35' 05" West 51.33 feet;

8th, Thence South 02° 45' 00" West 10.06 feet to a point on the Northerly line of the S.C. Burden Annexation per LAFCO Resolution 1966-20 as recorded July 14, 1966 in Book 2162 of Official Records of Santa Barbara County, California at Pages 1449-1458;

9th, Thence South 72° 54' 40" West along said Montecito Sanitary District boundary 12.76 feet;

10th, Thence South 02° 45' 00" West continuing along said Montecito Sanitary District boundary 55.18 feet to the beginning of a non-tangent curve concave Northwesterly having a radial center that bears North 68° 42' 50" West and a radius of 121.26 feet;

- 11th, Thence along said non-tangent curve southwesterly through a central angle of 46° 47' 20" an arc distance of 99.02 feet;
- 12th, Thence South 68° 04' 30" West 80.11 feet;
- 13th, Thence South 75° 27' 40" West 75.69 feet to an Easterly line of said Burden Annexation per LAFCO Resolution 1995-09 as recorded December 29, 1995 as Instrument No. 1995-0073291 of Official Records of Santa Barbara County, California;
- 14th, Thence along said Easterly lines said Montecito Sanitary District boundary North 22° 23' 00" West 177.98 feet;
- 15th, Thence North 23° 19' 45" West 133.48 feet;
- 16th, Thence North 61° 10' 00" West 39.50 feet;
- 17th, Thence North 79° 11' 00" West 88.28 feet;
- 18th, North 15° 17' 50" West 267.11 feet to the Point of Beginning.

End of Legal Description

Said land described above containing 5.67 acres, more or less

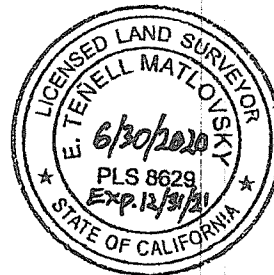


Prepare by: Jeffery K. Prober Date: 3/30/2020
 Jeffery K. Prober, PLS 8101
 License Expiration Date 12/31/2020

APPROVED AS TO FORM AND SURVEY CONTENT

E. Tenell Matlovsky, PLS 8629
 Deputy
 COUNTY SURVEYOR
 LICENSE EXP. 12/31/2021

Exhibit A, Page 2 of 2

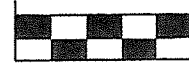


Approved as to form and surveying content.

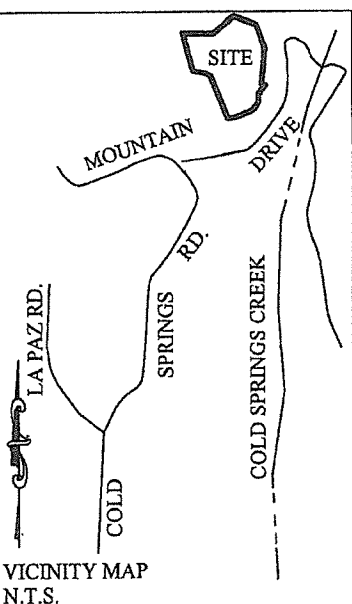
Exhibit B

Map Sheet

LAFCO 19-07 JUDITH LITTLE
Annexation to Montecito Sanitary District



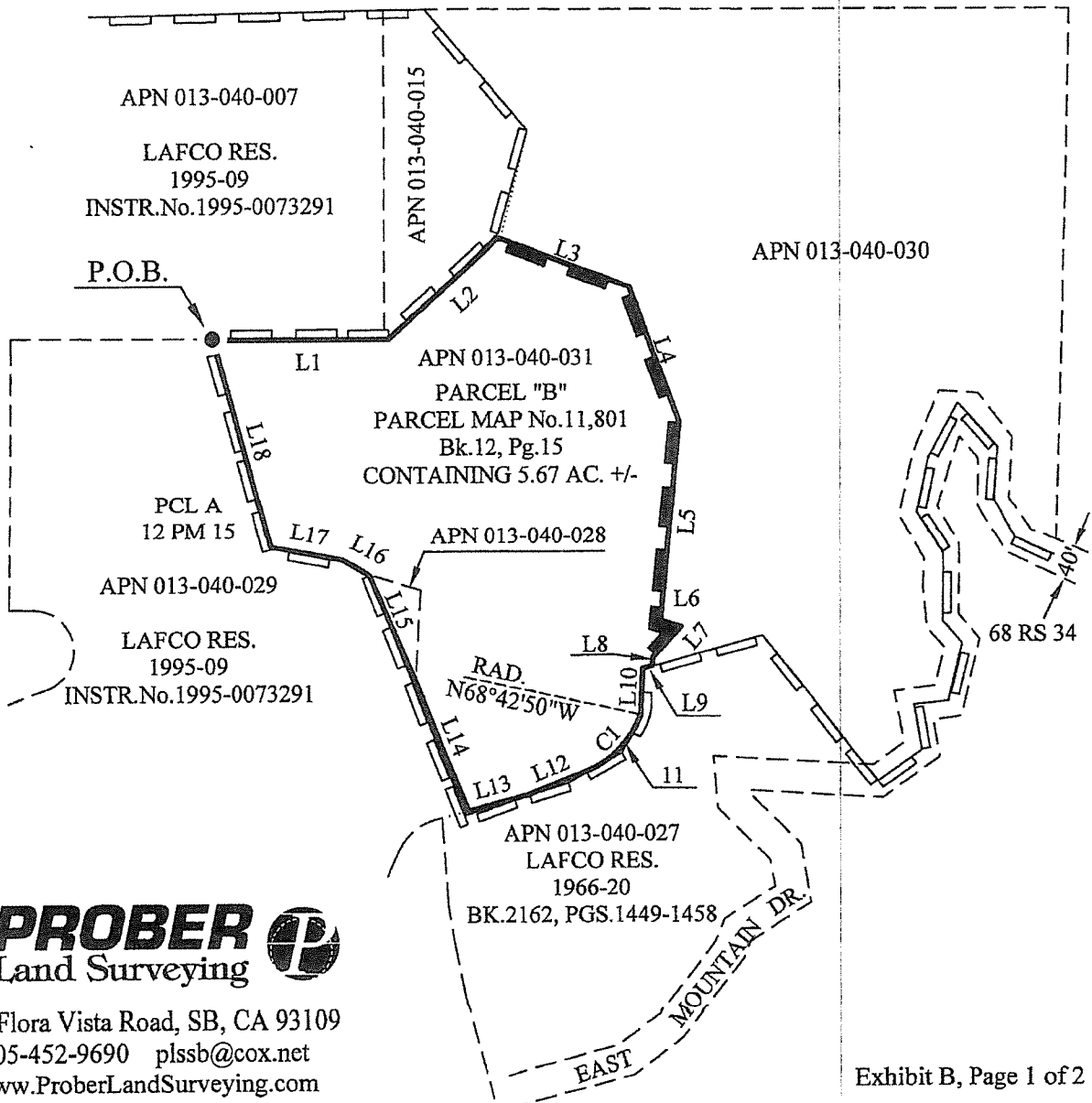
SCALE 1 inch = 200 ft



VICINITY MAP
N.T.S.

LEGEND

- EXISTING M.S.D BND. (represented by a dashed line)
- PROPOSED M.S.D ANNEXATION BND. (represented by a solid line)
- P.O.B. POINT OF BEGINNING (represented by a dot)
- M.S.D. MONTECITO SANITARY DISTRICT (represented by a thick solid line)



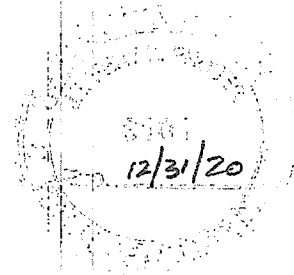
645 Flora Vista Road, SB, CA 93109
805-452-9690 plssb@cox.net
www.ProberLandSurveying.com

G:\LandProject_2020\Fronz 720 East Mountain Drive\obj\Exhibit B 1 of 2.dwg 2/14/2020 8:34:23 AM PST

Exhibit B

Map Sheet

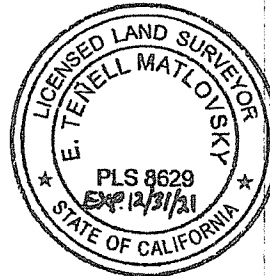
LAFCO 19-07 JUDITH LITTLE
Annexation to Montecito Sanitary District



Prepared by: Jeffery K. Prober
Jeffery K. Prober, PLS 8101
License expiration date 12-31-2020

Date: 3/30/2020

Approved as to form and surveying content:



E. Tenell Matlovsky, PLS 8629
Deputy for:
Aleksandar Jevremovic, PLS
Santa Barbara County Surveyor
License expiration date

Date: 6/30/2020

CURVE TABLE

CURVE	LENGTH	RADIUS	ANGLE
C1 (11)	99.02	121.26	46°47'20"

LINE TABLE

LINE	LENGTH	BEARING
L1	218.48	S89°58'20"E
L2	181.80	N48°03'40"E
L3	172.03	S69°41'30"E
L4	174.61	S20°17'20"E
L5	248.16	S05°18'30"W
L6	26.10	S74°04'30"E
L7	51.33	S42°35'05"W
L8	10.06	S02°45'00"W
L9	12.76	S72°54'40"W
L10	55.18	S02°45'00"W
L12	80.11	S68°04'30"W
L13	75.69	S75°27'40"W
L14	177.98	N22°23'00"W
L15	133.48	N23°19'45"W
L16	39.50	N61°10'00"W
L17	88.28	N79°11'00"W
L18	267.11	N15°17'50"W



645 Flora Vista Road, SB, CA 93109
805-452-9690 plssb@cox.net
www.ProberLandSurveying.com

Map prepared February 13, 2020

Exhibit B, Page 2 of 2



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
TAX AREA SERVICES SECTION, MIC: 59
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO CALIFORNIA, 94279-0059
1-916-274-3250, FAX 1-916-285-0130
www.boe.ca.gov
TASS@boe.ca.gov

TED GAINES
First District, Sacramento

MALIA M. COHEN
Second District, San Francisco

ANTONIO VAZQUEZ, CHAIRMAN
Third District, Santa Monica

MIKE SCHAEFER, VICE CHAIR
Fourth District, San Diego

BETTY T. YEE
State Controller

BRENDA FLEMING
Executive Director

MIKE PRATER, Executive Officer
Santa Barbara LAFCo
105 E Anapamu Street Room 407
Santa Barbara, CA 93101

This is to acknowledge receipt of the statement(s) required by Section 54900, et seq., of the Government Code for the action described below. Copies of your documents will be forwarded by us to other agencies. You are required by Section 54902 of the Government Code to file a complete set of documents, except for the processing fee, with the County Assessor and Auditor affected by this action.

Tax rate area boundaries and property tax allocations will become effective for the assesment roll indicated below.

Assessment Roll: **2022/23**
County: **42 Santa Barbara**
District: **60 [0142] SANITARY - MONTECITO**
Conducting Authority: **LAFCO**
Short Title: **JUDITH LITTLE ANNEXATION**
Type of Action: **01 District - Annexation**
Resolution/Ord. No.:
LAFCo Res. No.: **2020-04**
Effective Date: **12/30/2020**
Fee: **\$350.00**
Acreage: **5.67**

BOE File No.: **2022-004**
Received at BOE: **11/24/2021**
Date of Acknowledgment: **12/13/2021**
Distribution: **1**

City Boundary Change

Estimated Population: **0** Total assessed value of all property in subject territory: **0**

Ric Schwarting

Ric Schwarting
Research Manager (GIS)
State-Assessed Properties Division
Tax Area Services Section



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108
General Manager: Bradley Rahrer, P.E.

A Public Service Agency

PHONE: (805) 969-4200
www.montsan.org
E-MAIL: brahrer@montsan.org

October 27, 2022

720 Properties LLC
c/o Judith Little
595 Madison Avenue, #1300
New York, NY 10022

SUBJECT: ACCEPTANCE OF SEWER FACILITIES AND NOTICE OF COMPLETION
ADDRESS: 720 EAST MOUNTAIN DRIVE / APN: 013-040-031

Dear Ms. Little:

This letter is to provide you with written documentation of the District's acceptance of the sewer facilities that were extended in a private driveway in East Mountain in order to serve 720 East Mountain Drive and future construction of a vacant parcel. The project included a 217 ft. extension of an 8" sewer main, 1 manhole and 2 private sewer laterals.

At their meeting on October 27, 2022, the Board of Directors for the Montecito Sanitary District voted to accept the sewer facilities and authorized me to write you this letter documenting such.

On July 30, 2020, under Construction Permit B-261, you deposited a construction bond of \$77,800, which equaled the cost for construction of the sewer main to be refunded when the project is deemed complete.

A check in the amount of \$77,800 has been issued to you as a refund of the construction bond. Please do not hesitate to contact the District Office at (805) 969-4200 if you have any questions.

Sincerely,

Bradley Rahrer, P.E.
General Manager/District Engineer

Enclosure



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MANAGER'S REPORT

For the Regular Board Meeting of

November 10, 2022

8. DISTRICT OPERATIONS AND MAINTENANCE

A. Information Items

General Manager Brad Rahrer, P.E. will provide informational, nonactionable, updates regarding matters before the District.

Board Field Trip to Oxnard – District staff are coordinating a field trip for the Board to visit the City of Oxnard's Advanced Water Purification Facility and Pure-Tec Water Facility. Logistics are still being worked out, but most likely, the field trip will be held in November, pending the Board and each facilities' availability.

San Ysidro Roundabout Relocation Project – The District received its County of Santa Barbara encroachment permit for the San Ysidro portion of the Roundabout project on October 11, 2022. Subsequent conversations with Caltrans and County officials identified a need to comply with the terms of Caltrans Coastal Development Permit. The location of the project is within a known Chumash Native American historical site and cultural resources may be encountered during the construction work. As a result, the District hired Rincon to prepare an archaeology report and provide a County certified archaeologist to oversee the construction work. Additionally, the District was required to have a certified Chumash Native American monitor to be present during all excavation. Staff expedited the contracting work to maintain the schedule and avoid readjusting the public outreach for the project. Work began on Monday October 24 and all excavation was completed by Friday October 28.

Hwy 101 Sewer Crossing Relocation Project – Caltrans officials are still considering the feasibility of the protect-in-place option. In order to confirm the feasibility of this option, Caltrans needs the District to verify the 60" steel casing extends the length of Caltrans right-of-way through potholing. District staff is seeking proposals from contractors who specialize in potholing to finalize the scope of work and get a cost estimate to perform the work. MNS is preparing the temporary traffic control plans to expedite the County encroachment permit process so the work can be completed in late November. Given the critical path and meeting Caltrans schedule, the District will need to expedite approval of a potholing contract.

Montecito Beautification Day – The District participated in this year's Montecito Beautification Day by hosting a table. Staff were available to answer questions about the District's activities and hand out District informational materials.

General Manager Resignation – General Manager issued notice to the Board on October 24, 2022 of his intent to resign from the District effective December 23, 2022. The discussion regarding the transition plan and associated actions have been occurring at special meetings.

2022 Municipal Services Review – Municipal service reviews (MSRs) are comprehensive studies of the availability, range, and performance of governmental services provided within a defined geographic area and are typically completed by Santa Barbara County Local Agency Formation Commission (LAFCo) every five years. The primary purpose of MSRs are to evaluate the District’s spheres of influence and propose updates as necessary. This cycle, Santa Barbara LAFCO’s Executive Director decided to focus on specific industries to group them together in the same year, meaning all agencies providing sanitary, water and parks and recreation services within the County were evaluated. The District provided responses to their initial survey in April 2022 and the District received a draft, administrative version of the LAFCO Municipal Services Review for staff’s review and comments. Primarily, Staff’s comments focus on providing a current look at the District’s services, corrections to information pulled from old data sources, and quality control of the document. From speaking with the Executive Director, a final draft for public comment is expected in early 2023.

B. Operations and Maintenance Reports

For the period of **September 1 through October 31, 2022**

September 1-30, 2022

WWT PLANT STATISTICS FOR DURATION: 30 DAYS

Flows	14.45 MG	0.482 MGD avg
Hypochlorite used	7,325Gal	244 Gallons day, avg
Bisulfite used	2,594 Gal	70 Gallons day, avg.
Effluent T.S.S.		5.6 mg/L avg
Effluent CBOD ₅		3.04 mg/L avg
BAC-T		< 5.4 MPN/100mL median
Rainfall	.25 inches	

SLUDGE DISPOSAL - LOAD AND DISPOSAL BY ENGEL & GRAY

<u>Load Date</u>	<u>Total Haul (lbs)</u>	<u>Total Haul (Tons)</u>
09/06/22	41,960	20.98
09/26/22	37,080	18.54
<u>Totals:</u>	<u>79,040</u>	<u>39.52</u>

October 1-31, 2022

WWT PLANT STATISTICS FOR DURATION: 31 DAYS

Flows	15.388 MG	0.496 MGD avg
Hypochlorite used	5,118 Gal	165 Gallons day, avg
Bisulfite used	2,377 Gal	70 Gallons day, avg.
Effluent T.S.S.		5.4 mg/L avg
Effluent CBODs		3.15 mg/L avg
BAC-T		< 2.5 MPN/100mL median
Rainfall	.07 inches	

SLUDGE DISPOSAL - LOAD AND DISPOSAL BY ENGEL & GRAY

<u>Load Date</u>	<u>Total Haul (lbs)</u>	<u>Total Haul (Tons)</u>
09/06/22	41,960	20.98
09/26/22	37,080	18.54
<u>Totals:</u>	<u>79,040</u>	<u>39.52</u>
10/14/22	36,020	18.01
10/26/22	39,080	19.54
<u>Totals:</u>	<u>75,100</u>	<u>37.55</u>

PLANT OPERATIONS

- No violation of the NPDES permit during this reporting period.
- Operated the belt press for a total of 24 hours.
- 9/2/22- Taft Electric replaced WAS/RAS sump pump control panel.
- 9/8/22- Placed AB#1 in-service for wet weather season.
- 9/9/22- De-ragged AB #2.
- 9/11/22- Minor power outage caused WAS VFD fuses to fail.
- 9/12/22- WAS VFD fuses failed again; called TAFT electric to replace VFD due to failures and “low voltage” fault.
- 9/16/22- Meeting with SoCALREN consultant (Lineus Consultants) regarding electrical infrastructure efficiency audit.
- 9/22/22- Replaced blowouts in AB#2; replacing all diffusers in AB#2 header by header.
- 10/3/22- Repaired diffusers in AB # 1 header 1.
- 10/4/22- Molear unit (nano bubbles) installation.
- 10/6/22- Trained staff on DAF polymer tote install.
- 10/8/22- Minor power glitch blew fuses in WAS VFD.
- 10/14/22- Taft Electric replaced WAS VFD due to damage during power outage on 10/14

- 10/15/22- Completed the last of 6 Westmont school tours.
- 10/18/22- IPS pump #2 faulted after VFD fan replacement and further troubleshooting determined IPS pump needs replacement.
- 10/28/22- Replaced all diffusers in AB#2 header 2.
- 10/31/22- Replaced all diffusers in AB#2 header 2.

PLANT MAINTENANCE

- Performed routine inspections and maintenance of District Buildings and Equipment.
- 8/31/22 through 9/2/22 Maintenance staff assisted Taft with WAS/RAS sump pump electrical panel replacement project.
- 9/6/22 Maintenance staff repaired DAF wasting pump.
- 9/26/22 Maintenance staff replaced chlorine contact basin #2 sample pump.
- 10/04/22 Maintenance staff installed new Moleaer nanobubble system for recycled feed water.
- 10/14/22 Maintenance staff assisted Taft with WAS VFD replacement.
- 10/25/22 Maintenance staff assisted Collections & Taft with back-up float replacement at Miramar Lift Station.

COLLECTIONS

- 0 public sewer system overflows this reporting period.
- 0 private sewer system overflows this reporting period.
- Linear Feet Cleaned: 78,128 ft, 14.79 Miles.
- 48% of linear feet cleaned showed Roots & Debris.
- Linear Feet Inspected: 7,142 ft, 1.35 Miles.
- Tierra Contracting completed manhole raising project (19) located throughout the District.
- Tierra Contracting began the Olive Mill / N Jameson Roundabout Sewer Relocation Project.
- 9/11/22 Collection staff after hours call out for Pump fail alarm at Channel Lift Station.
- 9/14/22 Collection staff after hours call out for Power fail alarm at Eucalyptus Lift Station.
- 9/21/22 Collection staff received a demonstration on a Vac-Con Combination Cleaning Unit provided by Municipal Maintenance Equipment.
- 9/21/22 Collection staff after hours call out for Pump fail alarm at Miramar Lift Station.
- 10/18/22 Collection staff attended WDR compliance workshop hosted by Goleta Sanitary District.
- 10/25/22 Collection staff replaced back-up floats at Miramar Lift Station.
- 10/28/22 Tierra Contracting completed roundabout sewer relocation projects.

LABORATORY

The Laboratory Manager and Operators assigned to the Laboratory performed the following activities during the reporting period:

- Successfully completed annually-required proficiency testing (analysis of provided samples of unknown results)
- Collected 187 permit-required, process control and recycled pilot samples
- Ran 260 tests plus 80 duplicate tests on above samples
- Performed 40 calibrations on laboratory equipment and 550 quality control checks
- Continued preparation for upcoming ELAP-required on-site inspection of laboratory quality control

RECYCLED WATER

Recycled Water Monthly Summary- September

Total Power used: 302 kWh

Average Daily Power in September (UF Only): 10 kWh

Daily Average Production Range for September: 9,390 gallons (system off on the: 1st-11th)

Daily Average Production while operational: 14,827gallons

Total production for September: 281,713 gallons

Operations Water use September: 13,804 gallons

Collections Water use September: 819 gallons

Total Recycle Water Used: 14,623 gallons

Recycled Water Monthly Summary- October

Total Power used: 271 kWh

Average Daily Power in September (UF Only): 8.7 kWh

Daily Average Production Range for September: 4,629 gallons

Daily Average Production while operational: 9,568 gallons

Total production for September: 143,525 gallons

Operations Water use September: 15,953 gallons

Collections Water use September: 5,012 gallons

Total Recycle Water Used: 20,695 gallons

12-MONTH EFFLUENT FLOW / RAINFALL

