



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

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

FINANCE COMMITTEE PACKET

For the Special Finance Committee Meeting of

Tuesday, June 1, 2021

1. Agenda	www.montsan.org/.../Finance+Committee+Agenda+2021-06-01.pdf
2. EXHIBIT A – Staff Report: Q&A from Finance Committee Mtg 5/4/2021	2
3. EXHIBIT B - DRAFT PROPOSED BUDGET FOR FY2021-22.....	3
4. EXHIBIT C – Staff Report: Q&A for Finance Committee Mtg 6/1/2021	6
5. EXHIBIT D – Manhole raising and lowering costs over last 4 years	7
6. EXHIBIT E – Connection Fee Repayment Program	8
7. EXHIBIT F – Current Sewer Main Extension Deferrals.....	9



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: Tuesday, June 1, 2021

TO: FINANCE COMMITTEE – Agenda Item 3A

FROM: Tony Wong, P.E., Interim General Manager

PREPARED BY: Betsy Byrne, District Administrator

SUBJECT: Answers to questions posed at the May 4, Finance Committee Meeting

SUMMARY:

A. Emergency Permit status with County for Trailers

Awaiting response from County Planning Dept.

B. Copies of completed plans from Cearnal

They already issued us signed, stamped electronic copies. If we want to have those copies printed, we can do so with a third party printer at a cost of \$185.41 for one full size plan set.

C. Annualized Rate of return on each account

LAIF	0.800%
County	0.709%
MBT	0.539%

D. Restrictions on non-operating revenue

Only restriction is that it cannot be used as operating revenue, as it could be reduced for unforeseen circumstances or offset by other reductions. However, if we have specific uses in mind, we should consult legal counsel. This information was provided by County of SB Auditor Controller Department, Property Tax Division Chief Trevor Lysek in response to the same question from Finance Committee in April of 2019.

E. Expenses related to CCTV Truck

In Fiscal Year 2020-21 through April 30, 2021: \$12,636

DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2021-22

BASED ON ACTUAL EXPENSES THROUGH 4/30/2021

A/C No	DESCRIPTION	Approved Amount	Actual Expense	Balance Remaining	Projected Year End	Proposed 2021-22	Comments
6100	Regular Salaries	2,053,829	1,473,338	580,491	1,768,006	1,939,000	Calculated on fully staffed including a 1.6% COLA
6105	Board Salaries	30,000	22,375	7,625	26,850	32,000	Including Increase to \$220 per meeting
6108	Auto Allowance - GM	3,600	1,197	2,403	1,436	3,600	
6270	Standby Pay	33,000	26,595	6,405	31,914	33,000	
6300	Overtime	20,000	11,006	8,994	13,207	30,000	
6400	CalPERS Contribution	500,000	309,187	190,813	371,024	500,000	
6500	FICA / Social Security Contribution	126,000	88,553	37,447	106,264	125,000	
6510	Medicare Contribution	30,000	27,824	2,176	33,389	29,000	
6520	Unemployment Tax - SUI	4,000	4,748	(748)	5,698	3,000	
6600	Group Medical Insurance	360,000	246,602	113,398	295,922	367,200	calculated at assumed 2% increase
6605	Retirement Medical Benefits	12,000	8,555	3,445	10,266	25,000	Includes Active Retiree OPEB
6610	Life Insurance	7,000	4,520	2,480	5,424	7,140	calculated at assumed 2% increase
6615	Short / Long Term Disability	25,000	18,049	6,951	21,659	25,500	calculated at assumed 2% increase
6620	Worker's Compensation	50,000	37,118	12,882	37,118	50,000	
6640	Dental Insurance	20,000	12,510	7,490	15,012	20,400	calculated at assumed 2% increase
6650	Uniform Allowance	7,000	6,743	257	9,000	7,000	
7090	Pooled Liability Insurance	60,000	38,790	21,210	40,000	60,000	
7091	Property Insurance	13,000	14,523	(1,523)	17,428	15,000	
7093	Crime Policy	1,000	770	230	770	1,000	
7094	Public Entity Physical Damage	9,000	7,830	1,170	7,830	10,000	
7110	New Employee Physicals/Expenses	2,500	2,172	328	2,500	2,500	
7121	Property Maintenance						Pre-COVID Fiscal year 2019-20 Budget was 45,000
		30,000	32,880	(2,880)	40,000	45,000	landscaping & Big Green Cleaning Services, prior budget \$60,000
7122	Vehicle Maintenance	13,000	23,071	(10,071)	25,000	13,000	Over due to Vehicle Damage from Burglary
7126	Coll - Equipment Rental	1,000	66	934	66	1,000	varies depending on renting tools for collections in the field
7127	Coll - Safety Equipment	8,000	211	7,789	500	8,000	
7129	Lift Station Parts	25,000	15,325	9,675	20,000	25,000	Fiscal year 2019-20 Budget was 30,000
7133	VacCon Equipment / Repairs	15,000	10,678	4,322	15,000	15,000	
7134	CCTV Equipment / Repairs	10,000	12,636	(2,636)	15,000	15,000	Aging equipment
7135	Private Lateral Replacement Incentive	50,000	22,961	27,039	30,000	50,000	A lot of Lateral Replacement Rebates Pending
7136	Miscellaneous Collection Tools/Supplies	8,000	14,673	(6,673)	17,000	8,000	Budget over due to stolen tools from burglary not covered by insurance
7138	Jetter Truck Equipment / Repairs	0	0	-	0	10,000	New Acct FY21-22 / Please estimate annual costs
7150	Mechanical Maintenance	5,000	2,147	2,853	3,000	5,000	
7200	General Operating Supplies	8,000	7,493	507	10,000	10,000	spent \$10k last 2 fiscal years.
7201	Drinking, Bottled Water	1,750	852	898	1,750	2,000	
7202	Gloves	5,000	3,382	1,618	5,000	6,000	
7205	Community & Employee Goodwill						Fiscal year 2019-20 Budget was 6,000
		3,000	1,419	1,581	2,000	4,000	Montecito Beautification Day & New GM
7220	Mailing / Shipping Expenses	3,000	1,407	1,593	2,500	5,000	
7430	Memberships	40,000	39,655	345	42,000	45,000	
7440	Miscellaneous Expenses	2,500	0	2,500	0	2,500	
7450	Office Expenses	10,000	10,912	(912)	14,000	15,000	Fiscal year 2019-20 Budget was 15,000
7452	Scanning & Shredding	0	0	-	0	10,000	New Acct FY21-22 / Annual Project proposed between \$5,000 - \$10,000
7454	Books / Subscriptions / Study Guides	1,000	521	479	1,000	1,000	
7456	Computer Hardware/Software/Licensing	30,000	13,191	16,809	25,000	30,000	
7461	Prof Services - Legal	30,000	45,216	(15,216)	90,000	50,000	
7462	Prof Services - Accounting	40,000	27,378	12,622	35,000	40,000	
7463	Prof Services - Engineering	25,000	57,104	(32,104)	100,000	50,000	Engineering /Design should go here instead of Special Projects
7464	Prof Services - Computer	60,000	41,328	18,672	50,000	60,000	
7466	Prof Services - Human Resources						Melissa Fasset with Price Postel Parma
		6,000	25,257	(19,257)	30,000	15,000	& Paychex payroll services
7500	Customer Relations Expense	50,000	24,341	25,659	25,000	10,000	Fiscal year 2019-20 Budget was 5,000

DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2021-22

BASED ON ACTUAL EXPENSES THROUGH 4/30/2021

A/C No	DESCRIPTION	Approved Amount	Actual Expense	Balance Remaining	Projected Year End	Proposed 2021-22	Comments
7506	Administrative Fees	22,000	19,135	2,865	25,000	30,000	Fiscal year 2019-20 Budget was 25,000
7508	Collection/Treatment Fines	0	0	-	0	10,000	APCD Lift station permit fees increase (newly permitted) \$0 for past 5 years; \$8,000 in FY15-16 for private residence backups RWQCB fines and insurance deductible
7510	Contracted Services/Labor	120,000	66,963	53,037	100,000	110,000	Docuproducts; Taft; gate co.; Underground Svc Alert; HVAC co.; Boyd
7530	Notices / Ads for Publication	2,000	2,422	(422)	3,000	3,000	
7610	Furniture & Fixtures	10,000	0	10,000	500	10,000	Fiscal year 2019-20 Budget was 10,000
7641	NPDES Permit Requirements - Lab	20,000	10,738	9,262	12,000	15,000	ERA \$1,592 can come out of Lab budget instead of here. Every 5 year will be more expensive: expected in FY22-23 Benthic study was \$30,500 in FY18-19
7645	NPDES Permit Requirements - Operations	27,000	35,023	(8,023)	35,023	30,000	
7650	Election Expenses	5,000	6,762	(1,762)	6,762	0	
7651	Analyzer Chemicals	5,000	4,419	581	5,000	5,000	
7652	Biosolids Disposal	50,000	41,630	8,370	55,000	55,000	projected cost increase by Engel & Gray
7653	Chemicals for Plant	200,000	133,380	66,620	200,000	215,000	projected 8% cost increase by Univar
7654	Generator Servicing - Plant	10,000	2,056	7,944	3,000	10,000	
7655	Hazardous Materials Disposal	1,000	424	576	600	2,000	waste oil & lots of chemicals to dispose
7656	Plant Equipment Rental	10,000	7,579	2,421	8,000	5,000	depending on forklift replacement
7657	Plant Maintenance Materials	50,000	39,820	10,180	50,000	75,000	Fiscal year 2019-20 Budget was 75,000
7658	Plant Maintenance Projects	5,000	0	5,000	0	5,000	
7659	Plant Safety Expenses	5,000	1,860	3,140	3,000	5,000	
7661	Polymer	10,000	1,988	8,012	4,000	10,000	
7662	Small Tools/ Equipment - Plant	4,000	3,689	311	4,000	4,000	
7670	Special Projects	100,000	101,740	(1,740)	101,740	100,000	-studies or designs before a CIP project come out of here -still need work on the CDP and emergency permitting (not in CIP) -if we couldn't capitalize, it falls here -sewer model will come out of this account
7700	Laboratory Consumables & Small Equipment	28,000	15,583	12,417	18,700	28,000	
7702	Laboratory Equipment Maintenance	10,000	4,130	5,870	4,956	10,000	
7703	Contract Laboratory Analyses	6,000	8,886	(2,886)	10,663	6,000	
7722	Board Training/Conf. Registration	1,000	0	1,000	0	1,000	
7723	Board Meetings/Travel Expenses	1,000	0	1,000	0	1,000	
7724	Staff Training/Conf. Registration	3,000	997	2,003	2,000	5,000	Fiscal year 2019-20 Budget was 15,000
7725	Staff Travel Expenses	1,000	0	1,000	0	5,000	Fiscal year 2019-20 Budget was 15,000
7726	Staff Certifications/Licenses	10,000	3,119	6,881	5,000	8,000	
7727	OSHA Required Training	7,000	2,190	4,810	3,000	5,000	
7728	Safety Boot Allowance	4,000	2,836	1,164	3,500	4,000	
7731	Local Meeting Expenses	1,000	60	940	60	1,000	Fiscal year 2019-20 Budget was 2,500
7740	Fuel and Oil	30,000	14,845	15,155	20,000	25,000	never met \$20,000 but McCormix planning a 5% increase
7761	Water	12,000	8,871	3,129	11,000	15,000	MWD rate increase per hydrant truck fill
7762	Natural Gas	3,000	2,176	824	3,000	3,000	
7763	Electricity	160,000	121,009	38,991	160,000	175,000	HVAC on admin will increase electricity Electrical rehab project, aeration basin blowers may cause a decrease also SCE rate Increase
7766	Trash & Recycling Service	13,000	8,627	4,373	11,000	14,500	
7767	Telephone - Local & Long Distance	10,000	7,753	2,247	10,000	15,000	New lines with RingCentral / Frontier Increase in fees
7768	Telephone - Cellular	12,000	9,050	2,950	12,000	12,000	
		4,815,179	3,486,869	1,328,310	4,311,036	4,868,340	

101.1%



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: Tuesday, June 1, 2021

TO: FINANCE COMMITTEE – Agenda Item 4

FROM: Tony Wong, P.E., Interim General Manager

PREPARED BY: District Staff

SUBJECT: Answers to questions for the June 1, Finance Committee Meeting

SUMMARY:

- A. **Manhole raising and lowering costs over last 4 years**
Exhibit A
- B. **Connection Fee Repayment Program**
Exhibit B
Adopted on October 31, 2019 see Agenda item G
<https://www.montsan.org/files/c6229a866/10.31.19+signed+minutes.pdf>
- C. **Current Sewer Main Extension Deferrals**
Inception dates and total amount(s) owed with interest
Exhibit C
- D. **Septic Tank parcels within the MSD District Boundary**
There are 83 properties on septic with sewer available.
There are 351 properties on septic with sewer not available
- E. **Deferred construction costs effect on the District's bond rating**
No effect on Bond obligations etc.: Sewer Main Extension construction costs are paid for by Capital Improvement Projects Budget (CIP) and Debt Service obligations are out of Operating and Maintenance Budget.
- F. **Interest rate charged on Sewer Main Extension deferral**
Discuss the possibility of tying the interest rate paid by deferrals to the Federal Rate plus 1% or 2% like banks do in lieu of the current practice.

Year	Contractor	Project Description	No. of Manholes	Total Cost	Unit Cost per Manhole	Notes
2017	R. Burke	Lower and Raise Manholes on Highway 192 (Caltrans Project No. 05-1H420)	12	\$ 37,284.00	\$ 3,107.00	Caltrans permit required. Traffic control required with flaggers.
2018	Clearwater Engineering	Raise manholes and replace Frames and Covers in Birnam Wood	7	\$ 7,950.00	\$ 1,135.71	No traffic control.
2018	Clearwater Engineering	Raise to grade 6 Manholes	6	\$ 9,127.51	\$ 1,521.25	Raise only. No traffic control.
2018	Clearwater Engineering	Remove, Replace and Lower Manholes 1715-6D and 1718-6D located in Ennisbrook Trail	2	\$ 3,943.00	\$ 1,971.50	No traffic control. Not in roadway, difficult access.
2018	CalPortland	Lower and Raise Manholes on Highway 192 (Caltrans Project No. 05-1H420)	16	\$ 42,000.00	\$ 2,625.00	Caltrans permit required. Traffic control required with flaggers.
2019	Clearwater Engineering	Raise manholes to grade after street overlay on East Valley Lane	4	\$ 4,600.00	\$ 1,150.00	No traffic control.
2019	Clearwater Engineering	Raise Lift Station 4 force main valve manholes covers	2	\$ 4,800.00	\$ 2,400.00	36" MHs compared to standard 24". Traffic control not included.
2019	Clearwater Engineering	Raise manholes on Glen Oaks Drive	2 MH, 1 CO	\$ 3,050.00	\$ 1,150.00	cleanout was \$750. No traffic control.
2020	Paid to County of Santa Barbara- R. Burke	Lower and raise District manholes as part of a repaving project on Olive Mill Road (County Project No. 820683)	10	\$ 24,000.00	\$ 2,400.00	included in County Bid
2020	Paid to County of Santa Barbara- CalPortland	Lower and raise District manholes as part of a repaving project (County Project No. 820736)	17	\$ 15,436.00	\$ 908.00	included in County Bid
2020	Paid to County of Santa Barbara- Granite	Only Raise District manholes as part of a repaving project (County Project No. 820764)	14	\$ 14,000.00	\$ 1,000.00	included in County Bid
2020	Paid to County of Santa Barbara- Granite	Lower and raise District manholes as part of a repaving project (County Project No. 820764)	80	\$ 100,000.00	\$ 1,250.00	included in County Bid
2021	Tierra Contracting	Lower and raise District manholes for a repaving project on Hot Spring Road (County Project No. 18115P)	11	\$ 26,565.00	\$ 2,415.00	Not included in County Bid. Traffic control required

Montecito Sanitary District

Helping Customers Connect to Sewer

The public sanitary sewer pipeline system is constructed and readily accessible to numerous properties within the Montecito Sanitary District (MSD) service area who have elected to remain on septic systems. Rather than pass a mandatory connection policy, requiring all properties to connect to the public sewer system when it is available, the MSD Board of Directors has instead voted to help customers cover their sewer connection costs.

The Septic to Sewer Connection Fee Installment Payment Program helping customers connect to the public sewer system is available to all property owners converting from private septic to sewer, regardless of income. The program enables owners of properties served by septic systems pay their sewer connection fee over time. The property owner pays the connection fee in annual assessments, including interest, which appear on the Santa Barbara County property tax bill.

Septic to Sewer Connection Fee Installment Payment Program

- **Interest Rate.** The interest rate is determined at the time of permit application for septic to sewer conversion. The interest rate will be equal to the interest the County of Santa Barbara is receiving on its investment funds.
- **1-10 year term.** Connection fees can be paid over a period of time not to exceed 10 years.
- **Collected via Santa Barbara County property tax bill.** Annual assessment, including interest, appears on the tax bill.
- **Assessment may travel with the property.** Sellers do not have to satisfy outstanding balance of assessment at sale of the property. Buyers can assume the assessment if both parties agree at closing.
- **Early payoff allowed.** Customers can pay off the assessment balance at any time.

FOR MORE INFORMATION

Call Montecito Sanitary District

805-969-4200

Monday – Friday 8 a.m. – 4:30 p.m.

**Deferred Properties from Sewer Main Extensions
Pending Reimbursement**

NO.	APN	ADDRESS	COST PER PROPERTY	INTEREST	INTEREST	CURRENT
				June 30, 2019	June 30, 2020	OUTSTANDING
Parra Grande Sewer Extension Completed 05/2003						
1	011-120-014	605 Parra Grande Lane	10,476.22	13,717.19	13,965.33	13,965.33
2	011-120-041	621 Parra Grande Lane	11,538.10	15,107.56	15,380.86	15,380.86
Orchard Avenue Sewer Extension Completed 07/2005						
3	007-162-017	628 Orchard Avenue	13,585.13	17,074.10	17,382.97	17,382.97
4	007-161-002	641 Orchard Avenue	13,260.13	16,565.15	16,864.81	16,864.81
Tabor Lane Sewer Extension Completed 12/2006						
5	007-161-016	618 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
6	007-161-017	622 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
7	007-140-035	625 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
8	007-161-001	634 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
9	007-151-012	636 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
10	007-140-052	649 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
11	007-151-021	670 Tabor Lane	18,118.00	21,462.95	21,851.21	21,851.21
12	007-161-013	2158 East Valley Road	18,118.00	21,462.95	21,851.21	21,851.21
Riven Rock Sewer Extension Completed 10/2012						
13	011-090-001	800 Riven Rock Rock	46,127.00	48,350.64	49,225.30	49,225.30
14	011-260-020	Vacant Lot on Riven Rock	32,248.00	33,806.64	34,418.20	34,418.20
Sierra Vista Avenue Sewer Extension Completed 11/2017						
15	013-165-010	100 Sierra Vista Road	50,984.00	51,230.09	52,156.84	52,156.84
16	013-165-009	Vacant Lot on Sierra Vista	55,073.00	56,321.89	57,340.75	57,340.75
Romero Canyon Sewer Extension Completed 04/2018						
17	155-060-006	618 Romero Canyon Road	31,939.00	32,423.51	33,010.05	33,010.05
18	155-060-070	628 Romero Canyon Road	31,939.00	32,423.51	33,010.05	33,010.05
Olive Road Sewer Extension Completed 04/2019						
19	007-140-044	624 Olive Road	42,479.06	N/A	43,247.50	43,247.50
20	007-130-017	695 Olive Road	42,479.06	N/A	43,247.50	43,247.50
21	007-110-005	1956 Tollis Avenue	46,880.04	N/A	47,728.10	47,728.10
22	007-110-014	1975 Tollis Avenue	42,479.06	N/A	43,247.50	43,247.50
Riven Rock Sewer Extension Completed (Notice of Completion has not been issued yet)						
23	011-080-004	787 Riven Rock Road	40,848.19		N/A	43,094.62
24	011-040-038	800 Rockbridge Road	40,848.19		N/A	43,094.62
25	011-040-049	825 Rockbridge Road	40,848.19		N/A	43,094.62
26	011-040-039	830 Rockbridge Road	43,094.62		N/A	43,094.62
27	011-040-035	848 Rockbridge Road	43,094.62		N/A	43,094.62
28	011-040-047	855 Rockbridge Road	43,094.62		N/A	43,094.62
29	011-040-031	870 Rockbridge Road	43,094.62		N/A	43,094.62
Romero Canyon Sewer Extension (Notice of Completion has not been issued)						
30	007-162-004	633 Romero Canyon Road	30,413.00		N/A	30,413.00
31	155-060-008	636 Romero Canyon Road	30,413.00		N/A	30,413.00
32	007-162-003	639 Romero Canyon Road	30,413.00		N/A	30,413.00
33	007-162-002	641 Romero Canyon Road	30,413.00		N/A	30,413.00
34	007-152-007	645 Romero Canyon Road	30,413.00	Signed Agreement		-
35	155-060-009	646 Romero Canyon Road	30,413.00	Signed Agreement		-
36	007-152-016	651 Romero Canyon Road	30,413.00		N/A	30,413.00
37	007-152-017	653 Romero Canyon Road	30,413.00		N/A	30,413.00
38	007-152-005	655 Romero Canyon Road	30,413.00		N/A	30,413.00
39	155-060-010	656 Romero Canyon Road	30,413.00		N/A	30,413.00
40	007-152-004	657 Romero Canyon Road	30,413.00		N/A	30,413.00
		TOTALS	1,245,896.85	488,723.88	675,035.49	1,250,414.83