



Regular Board of Directors Meeting

Thursday, January 9, 2025, at 3:00 p.m.

2435 Wallace Avenue, Summerland CA 93067

NOTES

This meeting will be held at the District's office at 2435 Wallace Avenue in Summerland. The public may listen to the meeting telephonically by calling +1 669 900 6833 (San Jose) Meeting Code ID: 983 226 8568, **Passcode 123** or through the internet at

<https://us02web.zoom.us/j/9832268568?pwd=nlt8jNgA5D0kwx950nKL4h0nmahQbj.1&omn=86049252946>

The public may also attend the meeting in person. Should you wish to participate by offering comments on either non-agenda or agenda-related items, please follow the instructions set forth in Item IV of the agenda.

Materials related to an item on this agenda, which are part of the agenda packet, are available for public inspection on the District's website at www.summerlandsd.org, or during normal business hours (8:00 a.m. - 4:00 p.m. weekdays) in the District's office.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (805) 969-4344. Notification 24 hours prior to the meeting will help the Clerk make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

- I. **CALL TO ORDER/ROLL CALL**
- II. **PLEDGE OF ALLEGIANCE**
- III. **APPROVAL OF THE AGENDA** [Action Item]
The Board President will ask the Board, public, and staff if there are any additions or modifications to the Agenda.
- IV. **PUBLIC COMMENT** [Non-Agenda Items]
The public may address the Governing Board on items of interest to the public that are not already on the agenda and are within the subject matter jurisdiction of the Board.
The three-minute time limit is pursuant to District regulation.
- V. **APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING AND ORGANIZATIONAL MEETING OF DECEMBER 12, 2024**
[Action Item]
- VI. **APPROVAL OF THE MONTHLY EXPENDITURES FOR DECEMBER 2024, INCLUDING PAYROLL AND PETTY CASH** [Action Item]
- VII. **COMMITTEE REPORTS**
 - A. Finance Committee Report
 - B. Administrative, Operations & Personnel Committee Report
 - C. Ad-Hoc Strategic Committee Report
 - D. Ad-Hoc Rate Study Committee Report

SUMMERLAND SANITARY DISTRICT
Regular Board of Directors Meeting
AGENDA

VIII. NEW BUSINESS ITEMS

A. Financial Statements FY2023-24 and Management Report June 30, 2024 [Action Item]

Description: The Board will receive a presentation of the Annual Financial Report and Management Report FY 2023-24 presented by Tracey Solomon, CPA of Bartlett, Pringle & Wolf, LLP. The Board will be requested to accept the Financial Statements and Management Report as presented.

Staff Recommendation: To accept the Financial Statements FY2023-24 and MT Report as presented.

B. Study Report: Montecito Sanitary District Collection System and Flow Equalization Analysis for Montecito Water District [Action-Item]

Description: SSD, MSD, MWD, and the SB County Water Agency contracted with Carollo Engineering to perform a connection/flow equalization analysis between SSD-MSD. This study was completed in October 2024. The Board received a presentation of this Study report on December 12th. A copy of the final connection/flow equalization analysis SSD-MSD study will be provided to the board for acceptance.

Staff Recommendation: To accept the Study Report as presented.

IX. FINANCIAL STATUS REPORT DECEMBER 2024 [Action Item]

The Board will receive Financial Status and Cash Balance Reports for Funds 5215, 5216, and 5217 and may ask staff for explanations. The Board will be asked to accept the reports as presented.

X. OPERATIONS MANAGER REPORT

The Operations Manager will provide a written report on operations, facility, collection system maintenance, and regulatory affairs and will provide explanations as requested.

XI. ADMINISTRATIVE MANAGER REPORT

The Administrative Manager will provide a written report on the District's administrative and financial affairs and will provide explanations as requested.

XII. BOARD COMMUNICATIONS

- A. Board Communications
- B. Items for future Board meetings
- C. Next Board meeting date

XIII. ADJOURNMENT



Minutes of the Regular Board of Directors Meeting

Thursday, December 12, 2024, at 3:00 p.m.

These are the minutes of the Summerland Sanitary District Governing Board meeting held at the District’s office at 2435 Wallace Avenue, Summerland, California.

The public was able to listen to the meeting telephonically by calling +1 669 900 6833 (San Jose), code 983 226 8568, or through the internet at <https://us02web.zoom.us/j/9832268568>. The public was also invited to attend the meeting in person.

The agenda notice for this meeting, including instructions for the public to provide comments and/or participate in the electronic meeting, was posted on the district’s website and bulletin board and at the Post Office at least 72 hours in advance of the meeting.

PRESIDENT J. COLOMY CALLED THE REGULAR BOARD MEETING TO ORDER AT 3:00 P.M.

I. CALL TO ORDER/ROLL CALL

DIRECTORS PRESENT	JOLENE COLOMY JOHN FRANKLIN TRICIA PRICE GARY ROBINSON JAMES WITMER	
ABSENT	-	
OTHERS PRESENT	DAVID LEWIS MARJON (MAR) SOUZA	Operations Manager Administrative Manager

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE AGENDA

President J. Witmer asked if there were any other modifications and/or changes. Director J. Franklin made a motion to move up “New Business Item A” before item “VI Approval of the Minutes” to accommodate our guest speakers. The motion was seconded by Director G. Robinson and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

IV. PUBLIC COMMENT [Non-Agenda Items]

Members of the public were present via Zoom, but no public comments were offered.

V. ANNUAL ORGANIZATIONAL MEETING

1. Certificates of Appointment and Oath of Offices

The Summerland Sanitary District received the Certificates of Appointments for the following candidates:

Summerland Sanitary District
Minutes Regular Board Meeting 12/12/2024

John W. Franklin - 4-year term: December 6, 2024, through December 1, 2028
Tricia T. Price - 4-year term: December 6, 2024, through December 1, 2028
Gary W. Robinson - 4-year term: December 6, 2024, through December 1, 2028
The Clerk of the Board administered the Oath of Office.

2. Annual Organization and Nominations:

President J. Witmer said that Board Officers will be elected by the Board for one-year terms.

3. Board President J. Witmer asked the Clerk of the Board M. Souza to verify the following:

- a. That the Oath(s) of Office have been taken pursuant to the requirements of the California Constitution, Elections Code §10554, and Government Code §1360, and;
- b. Compliance with the Political Reform Act (Statement of Economic Interest Report, Form 700) for all newly elected or appointed officials, and those leaving office (Government Code § 87202 and §87203).

Clerk of the Board M. Souza verified that items “a” and “b” were completed.

3. Board President J. Witmer announced that:

"Pursuant to law, this is the time and place for the meeting to organize the members as a Governing Board."

4. Election of Board President:

Nominee: Gary Robinson
Motion: Jim Witmer
Seconded By: John Franklin

Motion passed with the following roll call:

AYES:	5	J. Colomy, J. Franklin, Tricia Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

Newly elected President G. Robinson presided

5. Election of the Following Officers

a) Vice President

Nomination: John Franklin
Motion: Gary Robinson
Seconded By: Jolene Colomy

b) Secretary

Nomination: Jolene Colomy
Motion: Gary Robinson
Seconded By: John Franklin

c) Secretary Pro Tempore

Nomination: Tricia Price
Motion: Gary Robinson
Seconded By: Jolene Colomy

Motions passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
-------	---	--

Summerland Sanitary District
Minutes Regular Board Meeting 12/12/2024

NOES: 0 None
ABSENT: 0 None
ABSTAIN: 0 None

Appointment of Committee members by the newly elected President:

Finance Committee

Appointees: John Franklin and Tricia Price

Administration & Operations & Personnel Committee

Appointees: Jim Witmer and Gary Robinson

6. Other Organizational Decisions to be made by the Board

Designate the dates, time, and place for holding regular meetings, pursuant to the requirements of Government Code section 54954(a) and Health and Safety Code section 6488

Dates: Second Thursday of the Month

Time: 3:00 p.m.

Place: District's Office, 2435 Wallace Avenue, Summerland CA 93067

7. Newly Elected President G. Robinson Announced:

"The organizational procedures are complete. The Statement of Facts shall be filed with the Secretary of State and the Santa Barbara County Clerk, pursuant to Government Code section 53051(a) and (b). "The Board will now proceed with the regular meeting for District business as outlined in the agenda."

New Business - Item A

Presentation by Carollo Engineering, Re Study Results of the Summerland Sanitary District – Montecito Sanitary District Collection System and Flow Equalization Analysis for Montecito Water District.

SSD, MSD, MWD, and the SB County Water Agency contracted with Carollo Engineering to perform a connection/flow equalization analysis between SSD-MSD. This study was completed in October 2024, and it was presented to the Board by Carollo Engineering.

Presenters of the Study introduced themselves: Andrew Salveson, Ali Ahmadi (Carollo), and Michael Gomerac (WCS). A PowerPoint presentation with the Study Results was given via Zoom, followed by a short discussion.

Montecito Sanitary District General Manager J. Weigold was present and advised that MSD is currently working on deferred plant maintenance, including a structural analysis, and that there is a potential need to build new basins. MSD is also addressing inflow and Infiltration issues. This plant work could help future water recycling efforts. The MSD Board has not received the Study Results PowerPoint presentation yet.

It was agreed that the SSD Board and MSD Board representatives will meet soon to discuss the Study Results.

President G. Robinson thanked the Carollo team for the Study Report and presentation.

VI. APPROVAL OF THE MINUTES FOR THE REGULAR BOARD MEETING OF OCTOBER 9, 2024 [Action-Item]

Director J. Franklin made a motion to approve the minutes of the Regular Board Meeting of

Summerland Sanitary District
Minutes Regular Board Meeting 12/12/2024

October 9, 2024. The motion was seconded by Director J. Witmer and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

VI. APPROVAL OF THE MONTHLY EXPENDITURES FOR OCTOBER AND NOVEMBER 2024, INCLUDING PAYROLL AND PETTY CASH [Action Item]

District Management answered the Board's questions and clarified information about the payout of bills. Director J. Colomy made a motion to approve the monthly expenditures, including payroll and petty cash totaling \$171,389 for Fund 5215. The motion was seconded by Director J. Franklin, and was carried by the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

VII. COMMITTEE REPORTS

A. Finance Committee Report

Did not meet.

B. Administration, Operations & Personnel (AOP) Committee

Did not meet.

C. Ad-Hoc Strategic Committee

The Ad-Hoc Committee met December 10, 2024, and MPM representative, Steve Simpson, joined part of this meeting. They discussed the option to replace the Ocean Outfall Pipeline and another option to rehabilitate the Outfall Pipeline. The work might be done in phases, first cleaning and then installing a new liner. No decision can be made before the District completes the Coastal Hazard Monitoring Plan, which is required by SWRCB and by the NPDES plant operation permit. No earlier approval of a rehabilitation project of replacement will be given by SWRCB.

In addition, the Ad Hoc Committee expressed that they would like the District to explore pursuing becoming a satellite District. This option could be discussed with Montecito Sanitary District.

The Board needs to approve the Coastal Hazard Analysis and the Life Expectancy Analysis which is on today's agenda and understand expected bluff erosion and the predicted plant life expectancy. Thereafter, the Board may make a better-informed decision about the District's future.

D. Ad-Hoc Rate Study Committee

The Ad-Hoc Rate Study Committee is scheduled to meet on December 19, 2024.

VIII. OLD BUSINESS ITEM

- A. Ordinance No. 21: An Ordinance and Order of the Governing Board of the Summerland Sanitary District Adopting an Administrative Remedies Procedure for Challenges to Fees, Charges, and Assessments. [Action-Item]

The Board was requested to consider adopting Ordinance No. 21 - An Ordinance and Order of the Governing Board of the Summerland Sanitary District Adopting an Administrative Remedies Procedure for Challenges to Fees, Charges, and Assessments.

The first reading of Ordinance No. 21 was at the Regular Board meeting of October 9, 2024.

Director J. Colomy made a motion to adopt Resolution No. 21 - An Ordinance and Order of the Governing Board of the Summerland Sanitary District Adopting an Administrative Remedies Procedure for Challenges to Fees, Charges, and Assessments. The motion was seconded by Director J. Franklin and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

Ordinance No 21. will be published in the local newspaper in accordance with Section 6490 of the Health and Safety Code.

IX. NEW BUSINESS ITEMS

- B. Proposal from ESA for conducting a Summerland Sanitary District Climate Change Adaptation Plan, Phase 1: Coastal Hazards Monitoring Plan \$49,893, and Phase 2: Life Expectancy Analysis \$17,673 [Action-Item]

The District is required by its NPDES operating license to conduct a Coastal Hazards Monitoring Plan by May 1, 2025, and a Life Expectancy Analysis by May 1, 2026. The Board considered approving the presented proposal with a total of \$67,566.

Mr. Nick Garrity, ESA, was present via Zoom and Amber Inggs, ESA, attended the meeting in person. Questions about the plan were answered by the ESA team.

Director J. Franklin moved to approve the ESA Coastal Hazards Monitoring Plan and the Life Expectancy Analysis for a total of \$67,566 and authorized the District Administrative Manager to enter a Professional Agreement Contract with ESA, which will be reviewed by the District's legal counsel. The motion was seconded by Director J. Witmer and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

X. FINANCIAL STATUS REPORT OCTOBER AND NOVEMBER 2024 [Action Item]

The Board received Financial Status and Cash Balance Reports for Funds 5215, 5216, and 5217 and held a discussion with staff.

Summerland Sanitary District
Minutes Regular Board Meeting 12/12/2024

Director J. Colomy moved to accept the Financial Status report as presented. The motion was seconded by Director J. Franklin and passed with the following roll call vote:

AYES:	5	J. Colomy, J. Franklin, T. Price, G. Robinson, J. Witmer
NOES:	0	None
ABSENT:	0	None
ABSTAIN:	0	None

XI. OPERATIONS MANAGER REPORT

The Operations Manager reported on operations, facility, collection system maintenance, and regulatory affairs and provided explanations as requested.

XII. ADMINISTRATIVE MANAGER REPORT

The Administrative Manager reported on the District's administrative and financial affairs and provided explanations as requested.

XIII. BOARD COMMUNICATIONS

- A. Holiday Luncheon was announced for Wednesday December 18th at Thario's Kitchen at Noon.
- B. Items for future Board meetings:
Presentation by Tracey Solomon: June 30, 2024, Financial Statements.
SSD-MSD Connection and Reuse Study Report
- C. Next Board meeting date:
Thursday, January 9, 2025

XIV. ADJOURNMENT

President G. Robinson adjourned the meeting at 4:40 p.m.

Respectfully submitted:

Jolene Colomy
Secretary

Date: January 9, 2025

Minutes prepared by M. Souza

Expenditure Transactions

From December 1-31, 2024

From 12/1/2024 to 12/31/2024

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
JE - 0275033	12/2/2024		6475	HRA Administrative Fee - NOV 2024	13.50		
CLM - 0813137	12/4/2024		7510	Call Center Service - December 2024	74.20	106048	CENTRAL COMMUNICATIONS
CLM - 0813119	12/5/2024		7121	450 Gallons of Sodium Bisulfite	2,126.17	214614	UNIVAR SOLUTIONS USA INC
CLM - 0813123	12/5/2024		7121	800 Gallons of Sodium Hypochlorite	3,228.01	214614	UNIVAR SOLUTIONS USA INC
CLM - 0813125	12/5/2024		7516	Dig Alert Ticket Charges/Service Nov 2024	15.55	828128	UNDERGROUND SERVICE ALERT
CLM - 0813126	12/5/2024		7053	Monthly Charge Plant/Office Phone 11/13-12/12	265.82	075391	FRONTIER
CLM - 0813131	12/5/2024		7053	Monthly Charge LS Alarm Phones 11/13-12/12	313.95	075391	FRONTIER
CLM - 0813134	12/5/2024		7763	Drinking water November 2024	40.46	067307	CULLIGAN OF VENTURA COUNTY
CLM - 0813138	12/5/2024		7508	Rate Making Legal Advice Nov 2024	324.00	062817	COLANTUONO HIGHSMITH & WHATLEY PC
CLM - 0813158	12/5/2024		7362	Exterior Lights, Electrical Boxes, Tape Measure	186.77	151096	CARPINTERIA VALLEY LUMBER CO
DJE - 0185215	12/5/2024		7508	UCSB Codor- Reimb.Legal Review Cost for Agreement	-300.00		
CLM - 0814210	12/11/2024		7763	Water November 2024	157.97	556712	MONTECITO WATER DISTRICT
CLM - 0814271	12/11/2024		7362	Tree Removal and Stump Grind (2)	950.00	214584	DELGADO TREE CARE INC
CLM - 0814144	12/12/2024		7363	Wind Shield Wipers for CCTV Van	32.68	178358	COAST AUTO PARTS
CLM - 0814146	12/12/2024		7110	Comp. Ad-Hoc Strategic Comm. Meeting 12/10/2024	175.00	167410	GARY W ROBINSON
CLM - 0814148	12/12/2024		7110	Comp. Ad-Hoc Strategic Comm. Meeting 12/10/2024	175.00	765907	John Franklin
CLM - 0814149	12/12/2024		7460	Rate Study 2025 Inv. #1	1,260.00	169424	LECHOWICZ & TSENG MUNICIPAL CONSULTANTS
CLM - 0814150	12/12/2024		7764	Trash Service November 2024	385.11	509950	MARBORG INDUSTRIES
CLM - 0814153	12/12/2024		7053	Phone Wireless November 2024	164.44	297454	VERIZON WIRELESS
CLM - 0814156	12/12/2024		7516	SWRCB Collection System Permit FY24-25	3,945.00	795330	SWRCB/AFRS FEES
CLM - 0814159	12/12/2024		7516	SWRCB WWTP Annual Permit FY24/25	5,555.00	795330	SWRCB/AFRS FEES
CLM - 0814162	12/12/2024		7053	Internet Nov 27 through Dec 26, 2024	107.54	776537	COX COMMUNICATIONS - BUSINESS
CLM - 0814165	12/12/2024		7731	Diesel Fuel 237Gallons for Plant and LS Generators	1,349.26	522736	McCormix Corporation
CLM - 0814167	12/12/2024		7110	Comp. Agenda Setting Meeting 12/5/2024	175.00	091927	JAMES WITMER
CLM - 0815424	12/12/2024		7110	Comp. Regular Board Meeting 12/12/2024	175.00	009934	JOLENE M COLOMY
CLM - 0814395	12/13/2024		6100	Regular Salaries December 1-15, 2024	16,971.32	790178	Summerland Sanitary District
CLM - 0814395	12/13/2024		6270	Standby December 1-15, 2024	949.05	790178	Summerland Sanitary District
CLM - 0814395	12/13/2024		6500	Medicare and Fica December 1-15, 2024	1,454.83	790178	Summerland Sanitary District
CLM - 0814395	12/13/2024		6600	Healthcare Contr. D.L. December 1-15, 2024	300.00	790178	Summerland Sanitary District

Handwritten mark

Expenditure Transactions

From 12/1/2024 to 12/31/2024

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

Fund 5215 -- SummerInd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
JE - 0275563	12/15/2024		6400	Retirement Contr. Employer & EE Payroll 12-15-2024	5,944.17		
JE - 0275563	12/15/2024		6475	Healthcare Contr. 401(h) Retirees 12-15-2024	300.19		
CLM - 0815246	12/18/2024		7070	Household Supplies	28.79	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7362	Lantern Lights for Pathway	76.06	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	Battery Charger + Batteries	108.16	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	Tool Chart for Workshop	140.06	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	3 Work Headlamps for after hours call outs	194.43	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	Smog Service Charge for CCTV-Van	73.65	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	Flood Light Replacement CCTV-Van	76.06	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7363	Warning Lights Installation Company Truck	549.51	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7450	Certified Mailing	9.20	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7454	Monthly Subscription Zoom and MS Office	24.24	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7460	11 Bounded Copies of District GIS Atlas	342.50	790180	Summerland Sanitary District
CLM - 0815246	12/18/2024		7763	Vending Machine Water -5 gallons	2.60	790180	Summerland Sanitary District
CLM - 0815515	12/19/2024		6600	Medical Benefits January 2025	6,247.79	002073	SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
CLM - 0815418	12/20/2024		7761	Electric Bill Oct 31-Dec 2, 2024	5,079.29	767200	SOUTHERN CALIFORNIA EDISON
CLM - 0815421	12/20/2024		7731	Gasoline December 2024	181.08	522736	McCormix Corporation
CLM - 0815423	12/20/2024		7121	Towel Rags 25Lbs	71.65	252171	Burbank Supply Co
CLM - 0815425	12/20/2024		7110	Comp. Regular Board Meeting 12/12/2024	175.00	765907	John Franklin
CLM - 0815428	12/20/2024		7110	Comp. Regular Board Meeting 12/12/2024	175.00	091927	JAMES WITMER
CLM - 0815430	12/20/2024		7110	Comp. Regular Board Meeting 12/12/2024	175.00	167410	GARY W ROBINSON
CLM - 0815431	12/20/2024		7362	Reimb. Home Depot Cleaning Material for Plant	82.36	790180	Summerland Sanitary District
CLM - 0815431	12/20/2024		7430	WWTP Operator Certificate Renewal C.B.	149.00	790180	Summerland Sanitary District
CLM - 0815431	12/20/2024		7510	Payroll Program October 2024	75.00	790180	Summerland Sanitary District
CLM - 0815431	12/20/2024		7653	CWEA Annual Membership D.L.	239.00	790180	Summerland Sanitary District
CLM - 0815431	12/20/2024		7510	Payroll Program November 2024 (price incr)	80.00	790180	Summerland Sanitary District
CLM - 0816159	12/24/2024		7110	Comp. Ad Hoc Rate Study Com. Meeting 12/19	175.00	009934	JOLENE M COLOMY
CLM - 0816160	12/24/2024		7110	Comp. Ad Hoc Rate Study Com. Meeting 12/19	175.00	765907	John Franklin
CLM - 0816190	12/24/2024		7110	Compensation Regular Board Meeting 12/12/2024	175.00	215753	TRICIA THORSELL PRICE
CLM - 0816522	12/31/2024		6100	Regular Salaries December 16-31, 2024	18,183.03	790178	Summerland Sanitary District

Credit Card Exp.

Petty Cash Exp.

Expenditure Transactions

From 12/1/2024 to 12/31/2024

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

Fund 5215 -- Summerlnd San Dist Running Exp

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0816522	12/31/2024		6270	Standby December 16-31, 2024	1,022.50	790178	Summerland Sanitary District
CLM - 0816522	12/31/2024		6300	Overtime December 16-31, 2024	320.24	790178	Summerland Sanitary District
CLM - 0816522	12/31/2024		6500	Medicare and Fica December 16-31, 2024	1,582.88	790178	Summerland Sanitary District
CLM - 0816522	12/31/2024		6600	Healthcare Contr. D.L. December 16-31. 2024	300.00	790178	Summerland Sanitary District
CLM - 0816528	12/31/2024		7363	Mat. for plumbing repair on EQ line	188.92	094089	GRAINGER
CLM - 0816529	12/31/2024		7460	Electr. Tech labor Annual Calibrations	910.00	226497	ELECTRICAL INSTRUMENTATION SERVICES
CLM - 0816532	12/31/2024		7121	Cap Kit for Probe & SpeckCheck HR Dpd	718.24	835122	USA BLUEBOOK
CLM - 0816534	12/31/2024		7053	Monthly Charge Plant/Office Phone 12/13-01/12	265.82	075391	FRONTIER
CLM - 0816535	12/31/2024		7053	Monthly Charge LS Alarm Phones 12/13-01/12	314.83	075391	FRONTIER
CLM - 0816538	12/31/2024		7110	Comp. Ad Hoc Rate Study Committee 12/31/2024	175.00	765907	John Franklin
CLM - 0816539	12/31/2024		7110	Comp. Ad Hoc Rate Study Committee 12/31/2024	175.00	009934	JOLENE M COLOMY
JE - 0276315	12/31/2024		6100	Relocate EE Contr. SBCERS 2nd Q to 6100 Payroll	4,829.03		
JE - 0276315	12/31/2024		6400	Relocate EE Contr. SBCERS 2nd Q to 6100 Payroll	-4,829.03		
Total Summerlnd San Dist Running Exp					85,851.88		

Expenditure Transactions

From 12/1/2024 to 12/31/2024

Selection Criteria: Fund = 5215, 5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund; Columns = Vendor

Fund 5217 -- SummerInd San Dist-Capital Rep

Document	Post On	Dept	LIAcct	Description	Amount	Vendor	Vendor Name
CLM - 0815412	12/20/2024		8400	Dive Service: Outfall Chain, Swivel & Shackles	4,164.00	694225	Salty Dog Dive Service
Total SummerInd San Dist-Capital Rep					<u>4,164.00</u>		



VII
D.

Board of Directors Meeting REPORT

TO : Board of Directors

FROM : Strategic Committee -MT

DATE : RBM January 9, 2025

RE : **Update on Outfall Pipeline Rehabilitation and Replacement Information Gathering**

Background: The District started an Emergency Rehabilitation Project for the Ocean Outfall Pipeline in June of 2022, to remove internal corrosion and to slipline the pipeline with an 8-inch liner. The rehabilitation project included a replacement of the heavily corroded diffusers. The rehabilitation efforts were halted due to thick-scale corrosion inside the pipeline, in combination with the cleaning and flushing inability. Pipeline spot repair and the diffuser replacement were successful. The life of the Ocean Outfall Pipeline was, in July 2022, estimated at min. 5 to 10 years. A Rough Order of Magnitude (ROM) for the Ocean Outfall Pipeline Replacement was provided by Marine Project Management (MPM) in January of 2023 with an estimated 3.19M.

In December 2022 the District was invited to participate in a County of SB Reuse Study to discover if connecting the collection facilities to Carpinteria Sanitary District would be feasible. This study was paid for by the County of Santa Barbara Water Agency and was completed in October 2023. A second study was conducted to discover the connection cost and reuse of water opportunities SSD to the Montecito Sanitary District. This study was financed by the County of SB Water Agency, MWD, MSD, and SSD. This study is completed and results were shared at the regular board meeting on December 12th. Alongside the two connection studies the Board has directed management to research if the Ocean Outfall Pipeline could be rehabilitated instead of replaced, due to high cost and foreseen regulatory obstacles.

Outfall Rehabilitation: A proposal for the ocean outfall pipeline cleaning from Subsea Global Solutions was received in August 2024. Efforts to complete this proposal with the slip lining portion by Brady Group were stalled due to a requested \$10,000 engineering proposal cost. A second completed ROM for pipeline rehabilitation was received by Aqueos on October 31st (2.33M) A third ROM proposal was received by MPM on November 5th (2.54M)

Outfall Replacement: An updated ROM for the Outfall Replacement (3.24M) was received on November 5th by MPM.

Strategic Committee Meeting December 10, 2024: The Strategic Committee met December 10th and reviewed the ROMs for pipeline rehabilitation and Pipeline replacement. Mr. Steve Simpson from MPM joined this meeting. Mr. Stimpson submitted ROMs for the replacement and rehabilitation project and explained the ROMs. The Committee discussed breaking up the rehabilitation of the ocean outfall pipeline into two steps. Cleaning the pipeline first and thereafter slip lining it.

Mr. Simpson offered to provide his services as a consultant to create the specs and bidding requirement package for either the replacement or rehabilitation. Public Contract Code sections (20161 and 20162) mandate competitive bidding for public works projects. Mr. Simpson said that

he could provide his services to guide this process from start to end. If the Board decides to hire Mr. Simpson, then MPM is unable to participate in the bidding process to replace or rehabilitate the Ocean Outfall Pipeline.

Permit/Regulatory Compliance: Management has met several times with Mrs. Sarah Bragg-Flavan, State Water Resources Control/NPDES permit caseworker. For replacement and rehabilitation, a Dilution Study will be required. Management also met with Tom Luster from the Coastal Commission and a Dilution Study and a completed Coastal Hazard Monitoring Plan and Life Expectancy Analysis will be requested at the time of the permit application. The Coastal Hazard Monitoring Study and Life Expectancy Analysis was approved to commence by the Board during the December 12, 2024 Board meeting. The Dilution Study can be started a couple of months before the Replacement/Rehab Project and is expected to cost between \$10,000-\$15,000. District staff met with the State Lands Commission (SLC). SLC provides the Lease of the "ocean land" to the District and a rehabilitation project will be easily approved by the SLC, a lengthy process will be in place for the replacement of the ocean pipeline.

Recommendations: As communicated previously, Staff and the Strategic Committee, recommends at this time to wait until the Board meeting of May 2025, or shortly thereafter, to decide on moving forward, or not, with the Rehabilitation or Replacement of the Ocean Outfall Pipeline. After May 1, 2025, the study results are in from the required Coastal Hazard Monitoring Plan and Life Expectancy Analysis by ESA. Thereafter, a more balanced opinion can be made based on this received information from ESA and by taking the two SSD facility connection studies, that were completed towards Carpinteria Sanitary District and Montecito Sanitary District, into account as well.

The expectation is that if the SSD Board decides to move forward with the Outfall Replacement, or Rehabilitation project the District will need at least one year of preparation time. Preparation and completion of the bidding package and process will take about five months and organization of financial arrangements will need to be in place as well. The project is expected to be scheduled during May, June, or July since this has been historically the best months of the year to be working out on the ocean.

Requested Action items at this time: None.

DRAFT

VIII
A/11

January 9, 2025

Board of Directors
Summerland Sanitary District
P.O. Box 417
Summerland, CA 93067

This letter is to inform the Board of Directors of Summerland Sanitary District (the District) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2024, so that it can appropriately discharge its oversight responsibility, and we can comply with professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 24, 2024. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 16, 2024 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's financial statements:

Useful Lives of Capitalized Assets and Depreciation

The District assigns useful lives to capital assets of between 5 and 50 years. The District depreciates the assets on a straight-line basis. The actual useful lives of these assets could differ from the assigned lives.

Other Postemployment Benefits

In accordance with GASB Statement No. 75, each participating cost-sharing employer is required to report its proportionate share of the collective net OPEB liability, OPEB expense, and deferred outflows/inflows of resources. SBCERS actuaries calculated these amounts in accordance with the parameters of GASB 75.

Net Pension Liability

In accordance with GASB Statement No. 68, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/inflows of resources. SBCERS actuaries calculated these amounts in accordance with the parameters of GASB 68.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the District are noted below. Audit adjustments for this purpose, do not include those adjustments resulting from bookkeeping assistance that management has requested we provide in connection with the audit.

The following adjustments were recorded after the initial trial balance was provided:

- \$40,150 to include cash accounts not recorded by the County.
- \$18,576 to accrue accounts payable at year end.
- \$11,000 to correct cash transferred to District's cash accounts which was recorded as an expense.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Bartlett, Pringle and Wolf, LLP (BPW) to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and BPW each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. BPW is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The District's Responsibilities

- Timely inform BPW, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the District and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with BPW.
- Not entering into relationships resulting in close family members of BPW covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the District.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the District, including the draft representation letter to be dated January 9, 2025 and provided to us by management.

Board of Directors, Summerland Sanitary District
January 9, 2025
Page 5

Conclusion

This letter is intended solely for the information and use of the Board of Directors and management it is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Summerland Sanitary District.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

DRAFT

VIII B
A/2

**SUMMERLAND
SANITARY DISTRICT
June 30, 2024 and 2023
FINANCIAL STATEMENTS**



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

SUMMERLAND SANITARY DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1 - 2
Management's Discussion and Analysis (Unaudited).....	3 - 9
Basic Financial Statements:	
Statement of Net Position.....	10
Statement of Revenues, Expenses and Changes in Net Position.....	11
Statement of Cash Flows.....	12
Notes to Financial Statements.....	13 - 32
Required Supplementary Information (Unaudited):	
Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Proportionate Share of the Net Pension Liability.....	33
Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Contributions.....	34
Other Post-Employment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios.....	35

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Summerland Sanitary District:**

Opinion

We have audited the accompanying financial statements of Summerland Sanitary District (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, the Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Proportionate Share of the Net Pension Liability on page 33, the Santa Barbara County Employees' Retirement System – Schedule of Summerland Sanitary District's Contributions on page 34, and the Other Postemployment Benefits (OPEB) Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios on page 35, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Santa Barbara, California
January 9, 2025

SUMMERLAND SANITARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Summerland Sanitary District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements and related notes, which follow this section.

Financial Statements

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The statement of net position includes all the District's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Net position may be displayed in the categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The statement of net position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The statement of revenues, expenses and changes in net position presents information which shows how the District's net position changed during the year. All of the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Non-capital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses and changes in net position because the statement of cash flows accounts only for transactions that result in cash receipts or cash disbursements.

SUMMERLAND SANITARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements (Continued)

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes to the basic financial statements can be found on pages 13 through 32.

Financial Highlights

- The District's net position increased by 9.1% or \$335,090 to \$4,003,699 in fiscal year 2024 as a result of operating loss of \$76,319 and non-operating income of \$411,409. In the prior year, the District's net position increased by 8% or \$271,523 to \$3,668,609 in fiscal year 2023 as a result of operating loss of \$83,361 and non-operating loss of \$354,884.
- The District's operating revenues increased by 0.7% or \$8,020 in fiscal year 2024. In the prior year, operating revenues decreased by 4.7% or \$48,564.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position reports information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Statement of Net Position

One can think of the District's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources – as a way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State wastewater standards.

The District has an Operations Fund, a Restricted Capital Facilities Fund, and an Unrestricted Board Designated Fund for Capital Replacement and Repair (respectively fund 5215, 5216 and 5217).

The District's net position at June 30, 2024 totaled \$4,003,699 compared to \$3,668,609 at June 30, 2023. The activity attributable to the changes in net position can be found on the statement of revenues, expenses and changes in net position.

SUMMERLAND SANITARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Net Position

The following is a summary of the District's statement of net position as of June 30, 2024 compared to June 30, 2023:

	2024	2023	Change
Assets:			
Current assets	\$ 2,569,335	\$ 2,218,347	\$ 350,988
Restricted assets	234,431	216,337	18,094
Capital assets, net	2,478,619	2,621,457	(142,838)
Total assets	5,282,385	5,056,141	226,244
Deferred Outflows of Resources:			
Deferred pensions	226,053	228,584	(2,531)
Deferred other post-employment benefits	18,611	25,071	(6,460)
Total deferred outflows of resources	244,664	253,655	(8,991)
Liabilities:			
Current liabilities	66,878	64,848	2,030
Long-term liabilities	1,292,848	1,452,048	(159,200)
Total liabilities	1,359,726	1,516,896	(157,170)
Deferred Inflows of Resources:			
Deferred pensions	126,362	75,727	50,635
Deferred other post-employment benefits	37,262	48,564	(11,302)
Total deferred inflows of resources	163,624	124,291	39,333
Net Position:			
Net investment in capital assets	2,478,619	2,621,457	(142,838)
Restricted	234,430	216,339	18,091
Unrestricted	1,290,650	830,813	459,837
Total net position	\$ 4,003,699	\$ 3,668,609	\$ 335,090

Assets and deferred outflows of resources of the District exceed liabilities and deferred inflows of resources by \$4,003,699 as of June 30, 2024 and \$3,668,609 as of June 30, 2023.

A large portion of the District's net position (62% and 71% as of June 30, 2024 and June 30, 2023, respectively) reflects its net investment in capital assets net of related debt used to acquire those assets that is still outstanding. Net investment in capital assets excludes unspent debt proceeds. The District uses these capital assets to provide sewer service to customers within the District's service area; consequently, these assets are *not* available for future spending.

Total liabilities had an overall decrease of \$157,170 as of June 30, 2024 compared to June 30, 2023. During 2024, payments of \$44,760 were made on the long-term debt to finance the 2022 outfall repair efforts project, bringing the debt balance to \$411,825 at June 30, 2024. Additionally, the net pension liability as of June 30, 2024 decreased by \$99,875 compared to June 30, 2023, as reflected in the actuarial valuation.

**SUMMERLAND SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Statement of Net Position (Continued)

Total liabilities had an overall decrease of \$114,683 as of June 30, 2023 compared to June 30, 2022. During 2023, payments of \$43,415 were made on the \$500,000 debt to finance the 2022 outfall repair efforts project, bringing the debt balance to \$456,585 at June 30, 2023. Additionally, current liabilities decreased due to the payment made in 2023 of \$343,541 that was accrued for costs related to the 2022 outfall repair efforts project at June 30, 2022. The decrease related to the ocean outfall project accrual was offset by an increase in the net pension liability as of June 30, 2023, as reflected in the actuarial valuation.

Restricted net position as of June 30, 2023 and June 30, 2022 was \$216,339 and \$228,518, respectively, and is restricted for capital outlay. At the end of the fiscal years 2023 and 2022, the District shows a positive balance in its unrestricted net position of \$830,813 and \$580,512, respectively, which may be utilized in future years. As of June 30, 2023, and June 30, 2022, \$941,469 and \$784,779, respectively, was included in fund 5217 designated by the board for capital replacement and repair.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal year. Net position increased by \$335,090 for the fiscal year ended June 30, 2024 and increased by \$271,523 for the fiscal year ended June 30, 2023. Following is a summary of the District's statement of revenues, expenses and changes in net position for the year ending June 30, 2024 compared to June 30, 2023:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 1,093,123	\$ 1,085,103	\$ 8,020
Non-operating revenues	415,728	354,884	60,844
Total revenues	<u>1,508,851</u>	<u>1,439,987</u>	<u>68,864</u>
Expenses:			
Operating expenses	1,006,124	1,004,148	1,976
Non-operating expenses	4,319	-	4,319
Depreciation	163,318	164,316	(998)
Total expenses	<u>1,173,761</u>	<u>1,168,464</u>	<u>5,297</u>
Change in net position	335,090	271,523	63,567
Net position, beginning of year	<u>3,668,609</u>	<u>3,397,086</u>	<u>271,523</u>
Net position, end of year	<u>\$ 4,003,699</u>	<u>\$ 3,668,609</u>	<u>\$ 335,090</u>

In 2024 the District's operating revenues increased by \$8,020 and non-operating revenues increased by \$60,844 primarily from increased property taxes and investment earnings. Total expenses increased by \$5,297.

**SUMMERLAND SANITARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Statement of Revenues, Expenses and Changes in Net Position (Continued)

Following is a summary of the District's statement of revenues, expenses and changes in net position for the year ending June 30, 2023 compared to June 30, 2022:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 1,085,103	\$ 1,036,539	\$ 48,564
Non-operating revenues	354,884	297,208	57,676
Total revenues	<u>1,439,987</u>	<u>1,333,747</u>	<u>106,240</u>
Expenses:			
Operating expenses	1,004,148	951,272	52,876
Non-operating expenses	-	616,071	(616,071)
Depreciation	164,316	169,973	(5,657)
Total expenses	<u>1,168,464</u>	<u>1,737,316</u>	<u>(568,852)</u>
Change in net position	271,523	(403,569)	675,092
Net position, beginning of year	<u>3,397,086</u>	<u>3,800,655</u>	<u>(403,569)</u>
Net position, end of year	<u>\$ 3,668,609</u>	<u>\$ 3,397,086</u>	<u>\$ 271,523</u>

In 2023 the District's total revenues increased by \$48,564 primarily from increased service charges and property taxes. Total expenses decreased by \$568,852 primarily due to a legal settlement of \$202,080 in 2022 and a loss on disposal of capital assets of \$413,990 in 2022, which was offset by an increase in salaries and benefits expenses and professional services and supplies expenses.

Property and Equipment

Changes in property and equipment for fiscal year ending June 30, 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets	\$ 2,525	\$ -	\$ -	\$ 2,525
Depreciable assets	5,234,287	24,799	(422,872)	4,836,214
Accumulated depreciation	<u>(2,615,355)</u>	<u>(163,318)</u>	<u>418,553</u>	<u>(2,360,120)</u>
Total property and equipment, net	<u>\$ 2,621,457</u>	<u>\$ (138,519)</u>	<u>\$ (4,319)</u>	<u>\$ 2,478,619</u>

**SUMMERLAND SANITARY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Property and Equipment (Continued)

Changes in property and equipment for fiscal year ending June 30, 2023 were as follows:

	Balance 2022	Additions/ Transfers	Deletions/ Transfers	Balance 2023
Non-depreciable assets	\$ 2,525	\$ -	\$ -	\$ 2,525
Depreciable assets	5,578,788	201,163	(545,664)	5,234,287
Accumulated depreciation	(2,993,257)	(164,316)	542,218	(2,615,355)
Total property and equipment, net	\$ 2,588,056	\$ 36,847	\$ (3,446)	\$ 2,621,457

At the end of fiscal years 2024 and 2023, the District’s investment in capital assets net of accumulated depreciation amounted to \$2,478,619 and \$2,621,457, respectively. This investment in capital assets includes land, sewage treatment facilities, subsurface lines, ocean outfall lines and equipment. Capital assets additions during 2024 include \$24,799 for equipment additions. Additionally, capital assets deletions during 2024 include \$353,710 for sewage treatment facilities, \$8,208 for subsurface lines, \$5,990 for ocean outfall lines, and \$54,964 for equipment, with accumulated depreciation amounted to \$418,553. The disposals resulted in a net loss of \$4,319. Capital assets additions during 2023 include \$935 for sewage treatment facilities, \$7,644 for subsurface lines and \$192,584 for equipment additions. Additionally, capital assets deletions during 2023 include \$375,417 for sewage treatment facilities, \$5,383 for subsurface lines, \$7,998 for ocean outfall lines, and \$156,866 for equipment, with accumulated depreciation amounted to \$542,218. The disposals resulted in a net loss of \$3,446.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District’s current financial position, net position or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the District’s funding sources, customers, stakeholders and other interested parties with an overview of the District’s financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District’s Administrative Manager at 2435 Wallace Avenue, Summerland, CA 93067.

SUMMERLAND SANITARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 2,551,429	\$ 2,206,639
Interest receivable	17,906	11,708
Total current assets	<u>2,569,335</u>	<u>2,218,347</u>
Restricted assets:		
Cash and cash equivalents, restricted (Note 2)	232,772	215,190
Interest receivable, restricted	1,659	1,147
Total restricted assets	<u>234,431</u>	<u>216,337</u>
Property and equipment:		
Total property and equipment	4,838,739	5,236,812
Accumulated depreciation	<u>(2,360,120)</u>	<u>(2,615,355)</u>
Net property and equipment (Notes 1 and 3)	<u>2,478,619</u>	<u>2,621,457</u>
Total assets	<u>5,282,385</u>	<u>5,056,141</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions (Note 5)	226,053	228,584
Deferred other post-employment benefits (Note 6)	<u>18,611</u>	<u>25,071</u>
Total deferred outflows of resources	<u>244,664</u>	<u>253,655</u>
LIABILITIES		
Current liabilities:		
Accounts payable	20,730	20,087
Current portion of long-term debt (Note 4)	<u>46,148</u>	<u>44,761</u>
Total current liabilities	<u>66,878</u>	<u>64,848</u>
Long-term liabilities:		
Accrued compensated absences (Note 1)	23,124	20,913
Long-term debt (Note 4)	365,677	411,824
Other accrued expenses (Note 8)	153,000	153,000
Net pension liability (Note 5)	610,986	710,861
Other post-employment benefits liability (Note 6)	<u>140,061</u>	<u>155,450</u>
Total long-term liabilities	<u>1,292,848</u>	<u>1,452,048</u>
Total liabilities	<u>1,359,726</u>	<u>1,516,896</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions (Note 5)	126,362	75,727
Deferred other post-employment benefits (Note 6)	<u>37,262</u>	<u>48,564</u>
Total deferred inflows of resources	<u>163,624</u>	<u>124,291</u>
NET POSITION		
Net investment in capital assets	2,478,619	2,621,457
Restricted	234,430	216,339
Unrestricted	<u>1,290,650</u>	<u>830,813</u>
Total net position	<u>\$ 4,003,699</u>	<u>\$ 3,668,609</u>

See accompanying notes

SUMMERLAND SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Service charges	\$ 1,068,130	\$ 1,065,794
Connection fees	12,385	12,083
Inspection fees	4,132	1,971
Administrative revenue	8,476	5,255
Total operating revenues	<u>1,093,123</u>	<u>1,085,103</u>
Operating expenses:		
Salaries and benefits	653,201	662,472
Facilities	179,432	139,080
Services and supplies	173,491	202,596
Depreciation	163,318	164,316
Total operating expenses	<u>1,169,442</u>	<u>1,168,464</u>
Operating loss	<u>(76,319)</u>	<u>(83,361)</u>
Non-operating revenues (expenses):		
Property taxes	367,410	319,187
Gain (loss) on disposal of assets	(4,319)	16,554
Investment earnings	48,318	19,143
Net non-operating income	<u>411,409</u>	<u>354,884</u>
Change in net position	335,090	271,523
Net position, beginning of year	<u>3,668,609</u>	<u>3,397,086</u>
Net position, end of year	<u>\$ 4,003,699</u>	<u>\$ 3,668,609</u>

See accompanying notes

**SUMMERLAND SANITARY DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 1,093,123	\$ 1,085,103
Cash payments to suppliers for goods and services	(352,280)	(668,273)
Cash payments to employees for services	(717,930)	(720,961)
Net cash provided (used) by operating activities	<u>22,913</u>	<u>(304,131)</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from property taxes	<u>367,410</u>	<u>319,187</u>
Net cash provided by noncapital financing activities	<u>367,410</u>	<u>319,187</u>
Cash Flows from Capital and Related Financing Activities:		
Additions-equipment	(24,799)	(192,584)
Additions-subsurface lines	-	(7,644)
Additions-disposal plant	-	(935)
Payments on debt	(44,760)	(43,415)
Net cash used by capital and related financing activities	<u>(69,559)</u>	<u>(244,578)</u>
Cash Flows from Investing Activities:		
Investment earnings	41,608	10,494
Proceeds from sale of long-term asset	-	20,000
Net cash provided by investing activities	<u>41,608</u>	<u>30,494</u>
Net change in cash	362,372	(199,028)
Cash and restricted cash and equivalents at beginning of period	<u>2,421,829</u>	<u>2,620,857</u>
Cash and restricted cash and equivalents at end of period	<u>\$ 2,784,201</u>	<u>\$ 2,421,829</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (76,319)	\$ (83,361)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	163,318	164,316
Decrease (increase) in:		
Deferred outflows	8,991	49,668
Increase (decrease) in:		
Accounts payable	643	(326,597)
Net pension liability	(99,875)	281,675
Other post-employment benefits	(15,389)	(25,709)
Deferred inflows	39,333	(363,486)
Accrued compensated absences	2,211	(637)
Net cash provided (used) by operating activities	<u>\$ 22,913</u>	<u>\$ (304,131)</u>

See accompanying notes

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

A) Organization and Operations of the Reporting Entity

Summerland Sanitary District (District) was formed in 1957, under the provisions of the Sanitary District Act of 1923 Health and Safety Code, State of California, Section 6400, et seq. The District is located in an area generally known as Summerland in Santa Barbara, California. The District was organized to provide sewage collection and treatment for residents within the District's geographical boundaries.

The District is governed by a Board of Directors consisting of five members elected at large. The Directors serve with minimal compensation for attendance at official board meetings or services as adopted through resolution 2015-01. The Board employs and is assisted by an Operations Manager, Administrative Manager, and such other personnel as are required to operate the District.

B) Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through use charges for sewer services and connection fees. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for sewer services and connection fees. Operating expenses of the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District is responsible for funding all of its expenses, regardless of the operating or non-operating classification.

The financial statements of the District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

D) Budgetary Policies

The District prepares an annual budget which estimates major sources of revenue to be received during the fiscal year, as well as estimated expenditures needed for operation of District facilities.

E) Property Taxes and Sewer Service Charges

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Secured property taxes are levied on July 1 and become delinquent on December 10 and April 10, for the first and second installments, respectively. Unsecured personal property taxes are collected in one installment and become delinquent August 31.

Property taxes and sewer service charges are allocated on the County of Santa Barbara's annual tax bills to property owners who receive sewer service by the District. The County of Santa Barbara Tax Collector's Office collects the property taxes and sewer charge payments from the property owners and transfers the collection to the District's operating fund held with the County Treasurer's Office. During fiscal year 1994, the District adopted the *Teeter Plan* as defined under California Revenue and Taxation Code. Under the Teeter Plan, the District receives from the County 99.5% of the annual assessed secured and unsecured property taxes and 100% of its annual sewer service charges for the year, with the County responsible for the collection of any delinquent property taxes and sewer service charges. Therefore, the County receives the benefits of collecting all penalty and interest charges on the delinquent property taxes and sewer service charges; hence, no accrual for uncollected property taxes and sewer service charges is recorded at year-end.

F) Compensated Absences

Vacation Accrual

Employees are encouraged to use their accrued vacation benefits each calendar year. Full and part-time employees may accrue up to a maximum of two times their annual accrual amount as indicated below based upon full-time employment.

<u>Years of Service Completed</u>	<u>Maximum Vacation Accrual</u>
Up to 4 years	160 hours
5 to 9 years	240 hours
10 to 14 years	320 hours
15+ years	400 hours

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

F) Compensated Absences (Continued)

In the event an employee's earned but unused vacation benefit reaches the maximum accrual that is allowed, vacation benefits will cease to accrue until the employee takes enough vacation to lower the maximum accrual entitlement. Vacation benefit accruals will then resume up to the maximum time allowed.

Sick Leave Pay Out

Upon retirement from the District through the County Retirement System, all accrued unused sick leave up to a maximum of 80 (eighty) hours shall be paid to the employee in accordance with the following schedule:

<u>Years of Service Completed</u>	<u>Sick Leave Pay Out</u>
Up to 10 years	50%
10 to 20 years	75%
20+ years	100%

Sick leave pay will be calculated based on the employee's current regular hourly rate of pay. Accumulated sick leave over 80 (eighty) hours will be rolled over to the retirement system for service time credit.

Employees who voluntarily resign before retirement through the County Retirement System or are discharged from District service are not eligible for sick leave pay-out of any accrued and unused sick leave hours. If the employee is rehired within one year of the initial separation due to voluntary resignation before retirement through the County Retirement System or discharge from District service, all previously unused sick leave will be reinstated.

As of June 30, 2024 and 2023 compensated absences were \$23,124 and \$20,913, respectively.

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

G) Property and Equipment

Property and equipment acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Sewage treatment facilities – 5 to 50 years
- Subsurface lines – 5 to 50 years
- Ocean outfall lines – 8 to 20 years
- Equipment – 3 to 30 years

H) Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and is classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of assets which are legally restricted by outside parties for use for a specific purpose.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Board designated net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the District's policy to apply restricted assets first, then unrestricted resources.

I) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Summerland Sanitary District's proportionate share of the Santa Barbara County Employees' Retirement System (Retirement System) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

J) Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total OPEB liability of the District and additions to/deductions from the District’s OPEB liability have been determined on the same basis. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms.

K) Future Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements if applicable. These statements will be evaluated by the District to determine if they will have a material impact to the financial statements once effective.

Statement No. 101 *"Compensated Absences"*

The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

Note 2 – Cash and Cash Equivalents

Substantially all of the District’s cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Authorized Deposits and Investments

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the Santa Barbara County Pooled Investment Fund (SBCPIF).

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon liquidation or sale of investments.

Cash and cash equivalents are classified in the statement of net position as of June 30, as follows:

	2024	2023
Cash and cash equivalents, unrestricted	\$ 2,551,429	\$ 2,206,639
Cash and cash equivalents, restricted capacity fees	232,772	215,190
Total	\$ 2,784,201	\$ 2,421,829

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 2 – Cash and Cash Equivalents (Continued)

Cash and cash equivalents as of June 30, consist of the following:

	2024	2023
Deposits held with financial institutions	\$ 40,150	\$ 29,198
Deposits held with Santa Barbara County Pooled Investment Fund (SBCPIF)	2,744,051	2,392,631
Total	\$ 2,784,201	\$ 2,421,829

Santa Barbara County Pooled Investment Fund

The cash with the County of Santa Barbara is managed by the County Treasurer’s Office. Sewer service charges and property taxes collected for the District are deposited in the District’s operating account (fund). The majority of expenses of the District are processed through this account. The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like Pool. California Government Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow. All participants in the Pool are allocated their proportionate share of the net realized earnings on investments quarterly based upon each participant’s average daily cash balance. Unrealized gains and losses are also apportioned quarterly to participants based upon the participant’s ending cash balance. Credit and market risk is unknown for the District’s Pool share. The fair value of the Pool is based on the value of the Pool shares.

The County of Santa Barbara’s bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Santa Barbara’s Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Santa Barbara Auditor-Controller’s Office – 105 E. Anapamu Street, Santa Barbara, CA 93101.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depositor financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The District had deposits with bank balances of \$40,150 as of June 30, 2024. Of the bank balance, up to \$250,000 is federally insured, any balance over \$250,000 is collateralized in accordance with the Code; however, the collateralized securities are not held in the District’s name.

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 2 – Cash and Cash Equivalents (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District’s investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as SBCPIF).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value is sensitive to changes in market interest rates. The District’s investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The SBCPIF is considered to have a maturity of less than 12 months.

Note 3 – Property and Equipment

Property and equipment additions during 2024 include \$24,799 for equipment additions. Additionally, property and equipment deletions during 2024 include \$353,710 for sewage treatment facilities, \$8,208 for subsurface lines, \$5,990 for ocean outfall lines and \$54,964 for equipment.

Changes in capital assets during 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:					
Land	\$ 2,525	\$ -	\$ -	\$ -	\$ 2,525
Total non-depreciable assets	<u>2,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,525</u>
Depreciable assets:					
Sewage treatment facilities	1,642,743	-	(353,710)	-	1,289,033
Subsurface lines	2,689,776	-	(8,208)	-	2,681,568
Ocean outfall lines	85,205	-	(5,990)	-	79,215
Equipment	816,563	24,799	(54,964)	-	786,398
Total depreciable assets	<u>5,234,287</u>	<u>24,799</u>	<u>(422,872)</u>	<u>-</u>	<u>4,836,214</u>
Accumulated depreciation	<u>(2,615,355)</u>	<u>(163,318)</u>	<u>418,553</u>	<u>-</u>	<u>(2,360,120)</u>
Total depreciable assets, net	<u>2,618,932</u>	<u>(138,519)</u>	<u>(4,319)</u>	<u>-</u>	<u>2,476,094</u>
Total capital assets, net	<u>\$ 2,621,457</u>	<u>\$ (138,519)</u>	<u>\$ (4,319)</u>	<u>\$ -</u>	<u>\$ 2,478,619</u>

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 3 – Property and Equipment (Continued)

Property and equipment additions during 2023 include \$935 for sewage treatment facilities, \$7,644 for subsurface lines and \$192,584 for equipment additions. Additionally, property and equipment deletions during 2023 include \$375,417 for sewage treatment facilities, \$5,383 for subsurface lines, \$7,998 for ocean outfall lines and \$156,866 for equipment.

Changes in capital assets during 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:					
Land	\$ 2,525	\$ -	\$ -	\$ -	\$ 2,525
Total non-depreciable assets	<u>2,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,525</u>
Depreciable assets:					
Sewage treatment facilities	2,017,225	935	(375,417)	-	1,642,743
Subsurface lines	2,687,515	7,644	(5,383)	-	2,689,776
Ocean outfall lines	93,203	-	(7,998)	-	85,205
Equipment	780,845	192,584	(156,866)	-	816,563
Total depreciable assets	5,578,788	201,163	(545,664)	-	5,234,287
Accumulated depreciation	<u>(2,993,257)</u>	<u>(164,316)</u>	<u>542,218</u>	<u>-</u>	<u>(2,615,355)</u>
Total depreciable assets, net	<u>2,585,531</u>	<u>36,847</u>	<u>(3,446)</u>	<u>-</u>	<u>2,618,932</u>
Total capital assets, net	<u>\$ 2,588,056</u>	<u>\$ 36,847</u>	<u>\$ (3,446)</u>	<u>\$ -</u>	<u>\$ 2,621,457</u>

Note 4 – Long-Term Debt

On April 19, 2022, the District entered into a loan agreement with Municipal Finance Corporation in the amount of \$500,000, with repayment in ten annual payments of \$58,915, with a 3.1% fixed interest rate. The outstanding balance was \$411,825 and \$456,585 at June 30, 2024 and 2023, respectively. The loan is secured by a pledge of Net Revenues. Total annual requirements to amortize the debt are as follows:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,148	\$ 12,767	\$ 58,915
2026	47,579	11,336	58,915
2027	49,054	9,861	58,915
2028	50,574	8,340	58,915
2029	52,142	6,773	58,915
2030 - 2032	166,327	10,417	176,744
	<u>\$ 411,825</u>	<u>\$ 59,494</u>	<u>\$ 471,318</u>

SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 5 – Retirement Plan

General Information about the Pension Plans

Plan Descriptions –The District is a member of Santa Barbara County’s cost sharing multiple-employer defined benefit pension plan, which is administered by the Santa Barbara County Employees’ Retirement System (Retirement System). On April 28, 1994, the Board of Directors approved and adopted Resolution No. 1984-01, allowing the employees of the District to join the Santa Barbara County Employees’ Retirement System. The Retirement System was organized under the provision of the 1937 County Employees Retirement Act on January 1, 1944.

The District currently participates in General Plan 5B for employees who started prior to January 1, 2013, and PEPR Plan 8 for employees who started on or after January 1, 2013. All plans provide benefits as defined by law upon retirement, death or disability of members based upon a combination of age, years of service, final average salary (generally the 12 highest paid consecutive months), and the benefit options selected. Cost-of-living adjustments after retirement are provided in these plans.

Fiduciary Responsibility –The Retirement System is controlled by its own Retirement Board, which acts as a fiduciary agent for the accounting and control of the member and employee contributions and investment income. The Retirement System issues its own Comprehensive Annual Financial Report which includes note disclosures and required supplementary information for the pension plan. This may be obtained online at www.sbcers.org or by writing to the Santa Barbara County Employees’ Retirement System at 3916 State Street, Suite 210, Santa Barbara, CA 93105.

Benefits Provided –All pension plans provide benefits, in accordance with CERL regulations, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing 5 years of retirement service credit (5 year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based on 1) years of service and final average compensation or 2) retirement benefits (if eligible). Death benefits are based upon a variety of factors including whether the participant was retired or not. Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to eligible retired members each April based upon the Bureau of Labor Statistics Average Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Riverside-Orange County area as of the preceding January 1 and is subject to an annual maximum dependent upon the provisions of the plans. Specific details for the retirement, disability or death benefit calculations and COLA maximums for each of the pension plans are available in the separately issued SBCERS’ Annual Comprehensive Financial Report (ACFR).

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 5 – Retirement Plan (Continued)

Contributions – Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the SBCERS Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percent of their annual pay. For each of the plans, the District’s contractually required contribution rate for the years ended June 30, 2024 and 2023, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

The employer and employee contribution rates in effect at June 30, 2024 (measurement date June 30, 2023), are summarized as follows:

	<u>General Plan 5B</u>	<u>PEPRA Plan 8</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 57	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-62	52-67
Monthly benefits, as a % of eligible compensation	0.6681% to 1.3093%	0.0100% to 0.0250%
Required employee contribution rates	6.03% - 12.25%	8.48% - 9.35%
Required employer contribution rates	37.01%	31.83% - 32.69%

The Plans’ provisions and benefits in effect at June 30, 2023 (measurement date June 30, 2022), are summarized as follows:

	<u>General Plan 5B</u>	<u>PEPRA Plan 8</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 57	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-62	52-67
Monthly benefits, as a % of eligible compensation	0.6681% to 1.3093%	0.0100% to 0.0250%
Required employee contribution rates	6.03% - 12.23%	8.40% - 9.51%
Required employer contribution rates	37.52%	31.36% - 32.47%

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 5 – Retirement Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 and 2023, the Summerland Sanitary District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	June 30, 2024	June 30, 2023	
Net Pension Liability	\$ 610,986	\$ 710,861	

For the year ended June 30, 2024, the net pension liability of all of the Plans is measured as of June 30, 2023, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, updated to June 30, 2023.

For the year ended June 30, 2023, the net pension liability of all of the Plans is measured as of June 30, 2022, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, updated to June 30, 2022.

The District’s proportion of the net pension liability was based on a projection of their long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for all Plans with actuarial valuation dates of June 30, 2022 and 2021 (measurement dates June 30, 2023 and 2022, respectively) were as follows:

For the Year Ended June 30, 2024 (Measurement Date June 30, 2023)		For the Year Ended June 30, 2023 (Measurement Date June 30, 2022)	
Proportion - June 30, 2022	0.0955%	Proportion - June 30, 2021	0.0909%
Proportion - June 30, 2023	0.0801%	Proportion - June 30, 2022	0.0955%
Change - Increase (Decrease)	-0.0154%	Change - Increase (Decrease)	0.0046%

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 5 – Retirement Plan (Continued)

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$76,743 and \$87,785, respectively.

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 123,452	\$ -	\$ 133,736	\$ -
Differences between actual and expected experience	-	(3,561)	-	(1,684)
Changes in assumptions	52,056	(1,194)	10,958	(2,848)
Investment return	3,115	-	-	(4,430)
Changes in employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions	31,212	(121,607)	46,642	(66,765)
Net differences between projected and actual earnings on plan investments	16,218	-	37,248	-
	<u>\$ 226,053</u>	<u>\$ (126,362)</u>	<u>\$ 228,584</u>	<u>\$ (75,727)</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Employer contributions of \$123,452 reported at June 30, 2024 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30:	Amount
2024	\$ (25,085)
2025	(49,902)
2026	52,263
2027	(1,037)
2028	-
Thereafter	-
	<u>\$ (23,761)</u>

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 5 – Retirement Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>For the Year Ended June 30, 2024</u>	<u>For the Year Ended June 30, 2023</u>
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actual Cost Method	Entry Age	Entry Age
Actuarial Assumptions		
Administrative expenses	Plan expenses base of \$6.4 million for the fiscal year ending June 30, 2023, to be split between employees and employers based on their share of the overall contributions, with wage inflation increases of 3.00% each year.	Plan expenses base of \$5.6 million for the fiscal year ending June 30, 2022, to be split between employees and employers based on their share of the overall contributions, with wage inflation increases of 3.00% each year.
Discount rate	7.00%	7.00%
Inflation	3.00%	3.00%
COLA Increases:		
Basic COLA	2.75%	2.75%
Post-Retirement COLA	2.90%	2.60%
Projected Salary Increase	3.30% plus merit component	3.00% plus merit component
Investment Rate of Return	7.00% (1)	7.00% (1)
Post-Retirement Mortality	Sex distinct Public 2010 General Above-Median Income and sex distinct Public Safety 2010 Healthy Annuity Mortality Tables, with generational mortality improvements projected from 2010 using Projections Scale MP-2019, without adjustment.	Sex distinct Public 2010 General Above-Median Income and Safety Healthy Annuity Mortality Tables, with generational mortality improvements projected from 2010 using Projections Scale MP-2019, without adjustment.

(1) Net of pension plan investment expense

The actuarial assumptions used in the June 30, 2022, updated to the June 30, 2023 valuation, were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2019.

The long-term expected rate of return on pension plan investments (7.0 percent) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 5 – Retirement Plan (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the years ended June 30, 2024 and 2023 in the following table:

Asset Class	For the Year Ended June 30, 2024		For the Year Ended June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Emerging markets equity	7%	8.75%	7%	7.75%
Developed market non-U.S. equity	11%	6.00%	11%	5.00%
Private equity	10%	7.50%	10%	6.50%
Broad US equity	19%	4.30%	19%	3.30%
Core fixed income	17%	1.50%	17%	0.00%
Custom non-core fixed income	11%	4.35%	11%	3.13%
Custom real return	15%	4.18%	15%	3.73%
Custom real estate	10%	4.04%	10%	4.50%
Total	100%		100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for all Plans, calculated using the discount rate for all Plans, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

For the Year Ended June 30, 2024		For the Year Ended June 30, 2023	
1% Decrease	6.0%	1% Decrease	6.0%
Net Pension Liability	\$ 1,147,929	Net Pension Liability	\$ 1,327,427
Current Discount Rate	7.0%	Current Discount Rate	7.0%
Net Pension Liability	\$ 610,986	Net Pension Liability	\$ 710,861
1% Increase	8.0%	1% Increase	8.0%
Net Pension Liability	\$ 170,311	Net Pension Liability (Asset)	\$ 206,450

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued SBCERS ACFR.

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 6 – Other Post-Employment Benefits (OPEB)

Plan Description – The District is a member of Santa Barbara County’s cost sharing multiple-employer defined benefit postemployment healthcare plan (OPEB Plan), which is administered by the Santa Barbara County Employees’ Retirement System (Retirement System). The OPEB Plan provides medical benefits to eligible retired employees, as well as to their eligible dependents, pursuant to California Government Code Section 31694 et. seq.

The Retirement System issues its own Annual Comprehensive Financial Report which includes note disclosures and required supplementary information for the OPEB Plan. This may be obtained online at www.sbcers.org or by writing to the Santa Barbara County Employees’ Retirement System at 3916 State Street, Suite 210, Santa Barbara, CA 93105.

Plan Benefits – The District participates in the Santa Barbara County Employees’ Retirement System (SBCERS) which negotiates health care contracts with providers for its participating retired members of the Retirement System. Retirees are offered the same health plans as active employees, as well as enhanced senior plans for retirees on Medicare. Retiree premiums are rated separately from active employees; as such, the District does not have a retiree premium implicit rate subsidy.

Pursuant to the OPEB Plan, the District has determined to provide a monthly insurance premium subsidy of \$15 (whole dollars) per year of credited service from the 401(h) account for Eligible Retired Participants participating in the health insurance plan. The monthly insurance premium subsidy is applied directly by the Retirement System to pay the premium and is not paid to the retiree or other party. The maximum amount paid in any month does not exceed the premium; any amount in excess of the premium is forfeited. If an Eligible Retired Participant does not participate in the health insurance plan, then the Retirement System reimburses the Eligible Retired Participant for other medical care expenses. The maximum monthly amount paid is \$4 (whole dollars) per year of credited service.

If a member is eligible for a disability retirement benefit, the member can receive a monthly health plan subsidy of \$187 (whole dollars) per month or a subsidy of \$15 (whole dollars) per month per year of service, whichever is greater. This subsidy is treated as a nontaxable amount to the disabled recipient.

Survivors of Eligible Retired Participants (spouses and dependents) continue to receive a subsidy proportionate to their percentage of the retiree’s pension benefit (if any).

Funding Policy – The contribution requirements of plan members and the District are established and may be amended by the District and its board of directors. The required contribution is based on projected pay-as-you-go financing requirements. The District pays 100% of costs on behalf of the eligible participants.

Net OPEB Liability – As of June 30, 2024, the District reported a net OPEB liability of \$140,061. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022, updated to June 30, 2023.

SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 6 – Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions – The total OPEB liability measured as of June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3% plus an additional longevity and promotion increase compounded based on years of service.
Investment rate of return	7.0%, net of investment expense.
Healthcare cost trend rates	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Future retiree plan election	40% - monthly subsidy of \$15 per year of service; 60% - \$4 cash benefit option.
Mortality rates	Mortality rates are based on the sex distinct CalPERS Healthy Annuitant Mortality Tables or CalPERS Disable Annuitant Mortality Tables (as applicable), with generational improvements projected from 2017 using 80% of Projection Scale MP-2020.

The actuarial assumptions used in the valuation as of June 30, 2022, updated to June 30, 2023, were based on 1) the demographic assumptions determined in the actuarial experience study of July 1, 2019 – June 30, 2022 for the Pension Plan, 2) implementation of the OPEB Funding Policy, and 3) current experience for OPEB Plan election by retirees. As the benefit for the OPEB plan is a fixed payment per year of service that is currently lower than the premiums paid for coverage, and is expected to remain so into the future, no age related costs are required to be developed.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65 percent. The discount rate used at the June 30, 2023 measurement date assumed that contributions will continue based upon the current OPEB Funding Policy. The OPEB plan’s long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Note 6 – Other Post-Employment Benefits (OPEB) (Continued)

Changes in the Net OPEB Liability – The table below shows the changes in the total OPEB liability, the plan fiduciary net position (i.e. fair value of plan assets), and the net OPEB liability during the measurement period ending on June 30, 2023 for the District’s proportionate share.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2023 <i>(Measurement Date June 30, 2022)</i>	\$ 155,450	\$ -	\$ 155,450
Changes Recognized for the Measurement Period:			
Service cost	3,199	-	3,199
Interest	5,441	-	5,441
Difference between expected and actual experience	(754)	-	(754)
Changes of assumptions	(16,539)	-	(16,539)
Contributions - employer	-	7,065	(7,065)
Benefit payments	(6,736)	(6,736)	-
Administrative expense	-	(329)	329
Net Changes	(15,389)	-	(15,389)
Balance at June 30, 2024 <i>(Measurement Date June 30, 2023)</i>	\$ 140,061	\$ -	\$ 140,061

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023.

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 156,703	\$ 140,061	\$ 126,015
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 156,703	\$ 140,061	\$ 126,015

For the measurement period ended June 30, 2022.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 175,399	\$ 155,450	\$ 138,794
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	\$ 175,399	\$ 155,450	\$ 138,794

SUMMERLAND SANITARY DISTRICT NOTES TO FINANCIAL STATEMENTS

Note 6 – Other Post-Employment Benefits (OPEB) (Continued)

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued SBCERS financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the fiscal year ended June 30, 2024, the District recognized OPEB income of \$12,636. OPEB income /expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 7,500	\$ -	\$ 6,043	\$ -
Differences between expected and actual experience	-	(13,415)	-	(23,215)
Changes in assumptions	11,111	(23,847)	19,028	(25,349)
	\$ 18,611	\$ (37,262)	\$ 25,071	\$ (48,564)

Employer contributions of \$7,500 reported at June 30, 2024 as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Amount
2025	\$ (18,320)
2026	(6,280)
2027	(517)
2028	(517)
2029	(517)
Thereafter	-
	\$ (26,151)

SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 7 – Risk Management

Insurance and Claims

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2024, the District participated in the liability and property programs of the SDRMA.

Settled claims have not exceeded any of the coverage amounts in any of the last two fiscal years and there were no reductions in the District's insurance coverage during the year ending June 30, 2024. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include amounts for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2024.

Note 8 – Commitments and Contingencies

In the ordinary course of conducting business, various legal matters may be pending, however, in the opinion of the District's management, the ultimate disposition of these matters will have no significant impact on the financial position of the District.

The District has been notified by the U.S. Environmental Protection Agency (EPA) that it is considered a Potentially Responsible Party to the Casmalia Disposal Site (Site), an inactive commercial hazardous waste treatment, storage, and disposal facility. The District is one among thousands of waste generators that contributed waste to the Site.

On January 2, 2000, the EPA made a *de minimis* settlement offer to the District and other former customers of the Site. The settlement is being offered to waste contributors of the minimal amounts of waste in comparison to the other waste at the Site, and of the minimal amounts of toxic or other hazardous effects of the waste in comparison to other waste at the Site. The EPA has offered the *de minimis* parties the opportunity to fully resolve their liability in exchange for cash payments based on the volume of waste sent to the Site each year.

The District, along with the other members represented in the *de minimis* settlement offer, has not yet accepted the EPA's offer. The *de minimis* group has uncovered numerous deficiencies in the proposed settlement offer that need to be addressed. Consequently, the *de minimis* group has proposed a counter settlement offer, which the District believes the EPA will accept. This liability for the District was estimated not to exceed \$153,000 which was accrued and recorded by the District.

SUMMERLAND SANITARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 9 – Subsequent Events

Subsequent events have been evaluated through January 9, 2025 the date that the financial statements were available to be issued.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

**SUMMERLAND SANITARY DISTRICT
SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF SUMMERLAND SANITARY DISTRICT'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.0801%	0.0955%	0.0909%	0.0988%	0.1062%	0.0982%	0.0865%	0.0880%	0.0881%	0.0935%
Proportionate share of the net pension liability	\$ 610,986	\$ 710,861	\$ 429,186	\$ 1,043,070	\$ 906,106	\$ 848,594	\$ 813,766	\$ 739,828	\$ 641,040	\$ 570,666
Covered payroll	\$ 420,228	\$ 397,580	\$ 398,183	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798	\$ 337,744	\$ 328,613	\$ 338,923
Proportionate share of the net pension liability as percentage of covered payroll	145.4%	178.8%	107.8%	249.3%	209.2%	218.6%	234.0%	219.0%	195.1%	168.4%
Plan fiduciary net position as a percentage of the total pension liability	84.4%	84.0%	89.4%	75.2%	78.9%	77.6%	74.9%	75.2%	77.7%	80.5%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2023 measurement date.

Net pension liability as a percentage of covered payroll demonstrates the relative size of the unfunded liability by expressing it in terms of current personnel expenditures.

**SUMMERLAND SANITARY DISTRICT
SANTA BARBARA COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF SUMMERLAND SANITARY DISTRICT'S CONTRIBUTIONS
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 123,452	\$ 133,736	\$ 160,009	\$ 135,385	\$ 146,781	\$ 141,649	\$ 121,519	\$ 108,337	\$ 103,582	\$ 98,716
Contributions in relation to the actuarially determined contribution:	\$ 123,452	\$ 133,736	\$ 160,009	\$ 135,385	\$ 146,781	\$ 141,649	\$ 121,519	\$ 108,337	\$ 103,582	\$ 98,716
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 372,425	\$ 420,228	\$ 397,580	\$ 398,183	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798	\$ 337,744	\$ 328,613
Contributions as a percentage of covered payroll	33.15%	31.82%	40.25%	34.00%	35.08%	32.70%	31.31%	31.15%	30.67%	30.04%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023-24 were derived from the June 30, 2021 valuation report.

**SUMMERLAND SANITARY DISTRICT
OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 3,199	\$ 4,963	\$ 4,791	\$ 5,410	\$ 5,741	\$ 5,464	\$ 6,437
Interest on the total OPEB liability	5,441	3,904	4,566	6,161	6,281	5,937	5,013
Difference between expected and actual experience	(754)	(253)	(30,662)	(9,505)	(1,439)	(4,575)	-
Changes of assumptions	(16,539)	(28,523)	1,168	34,134	7,982	(5,964)	(16,507)
Benefit payments	(6,736)	(5,800)	(5,800)	(4,835)	(4,513)	(4,513)	(4,614)
Net change in the total OPEB liability	(15,389)	(25,709)	(25,937)	31,365	14,052	(3,651)	(9,671)
Total OPEB liability - beginning	155,450	181,159	207,096	175,731	161,679	165,330	175,001
Total OPEB liability - ending (a)	<u>\$ 140,061</u>	<u>\$ 155,450</u>	<u>\$ 181,159</u>	<u>\$ 207,096</u>	<u>\$ 175,731</u>	<u>\$ 161,679</u>	<u>\$ 165,330</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 7,065	\$ 6,072	\$ 6,045	\$ 5,000	\$ 4,688	\$ 4,731	\$ 4,847
Net investment income	-	-	-	-	-	-	-
Benefit payments	(6,736)	(5,800)	(5,800)	(4,835)	(4,513)	(4,513)	(4,614)
Administrative expenses	(329)	(272)	(245)	(165)	(175)	(218)	(233)
Net change in the plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 140,061</u>	<u>\$ 155,450</u>	<u>\$ 181,159</u>	<u>\$ 207,096</u>	<u>\$ 175,731</u>	<u>\$ 161,679</u>	<u>\$ 165,330</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 121,195	\$ 181,770	\$ 176,136	\$ 418,370	\$ 433,121	\$ 388,149	\$ 347,798
Net OPEB liability as a percentage of covered-employee payroll	115.57%	85.52%	102.85%	49.50%	40.57%	41.65%	47.54%
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

Notes to Schedule.

- * Historical information is required only for measurement periods for which GASB 75 is applicable.
- Future years' information will be displayed up to 10 years as information becomes available.



VIII
B/1

**Board of Directors Meeting
STAFF REPORT**

TO : Board of Directors

FROM : Management

DATE : January 9, 2025

RE : **SSD-MSD Collection System and Flow Equalization Analysis for MWD Reuse**

Background: The Summerland Sanitary District's approved in June 2024 to participate in the SSD-MSD Collection System and Fow Equalization Analysis for Montecito Water District (MWD) Reuse. This study was financed by the County of SB Water Agency, MWD, Montecito Sanitary District, and Summerland Sanitary District (SSD). SSD's contribution level is \$30,000.

Study Report: Attached you will find the Summary Report which was completed in October 2024. The results of this Summary Reports were shared at the regular board meeting on December 12th by the Carollo Team via a Power Point Pesentation.

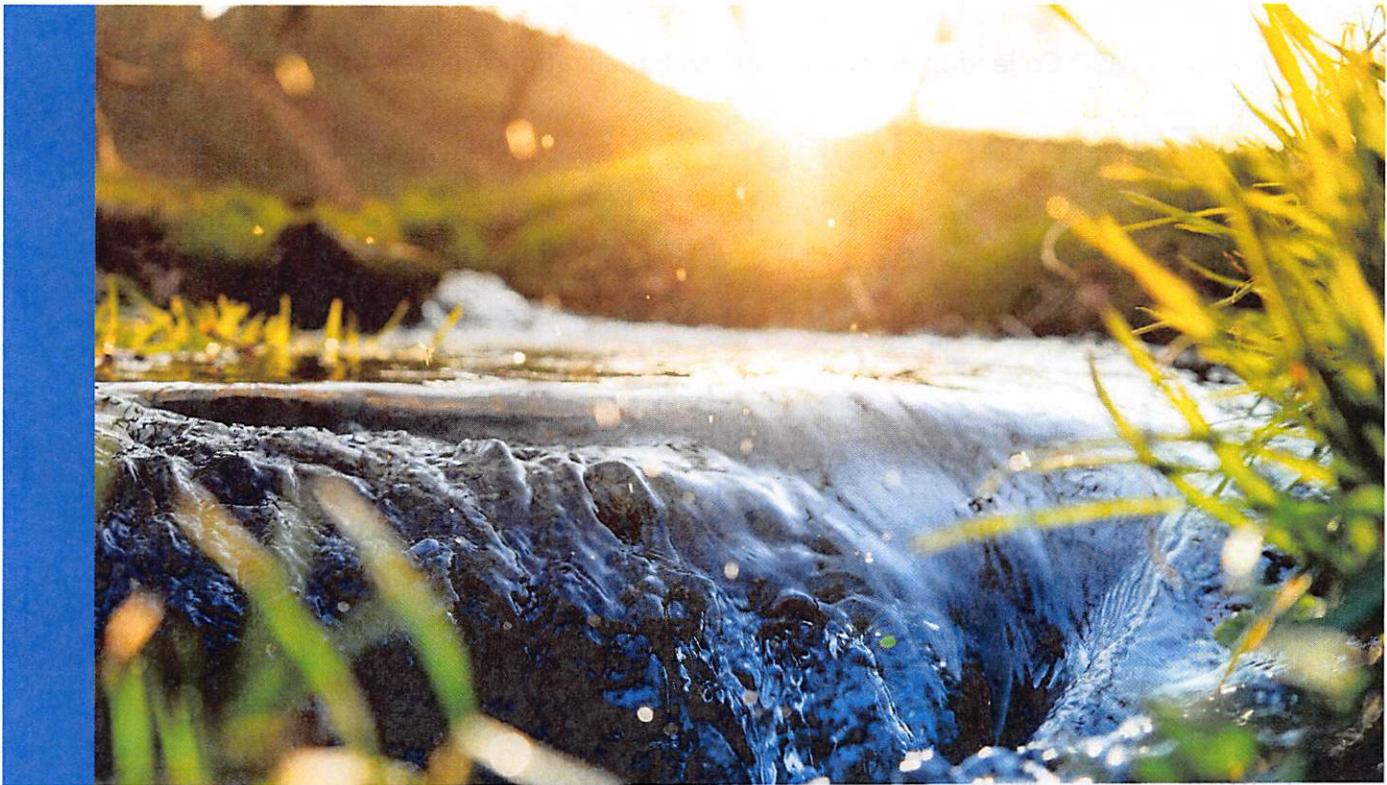
Recommendation: The report and Power Point presentation will be provided to the Montecito Sanitary District's Board. Thereafter, a SSD board delegation is scheduled to discuss the study results with the MSD.

Requested Action: File Summery Report for Acceptance.

VIII
B/2



SSD MSD Collection System and Flow Equalization Analysis for MWD Reuse



Summary Report

FINAL / October 2024



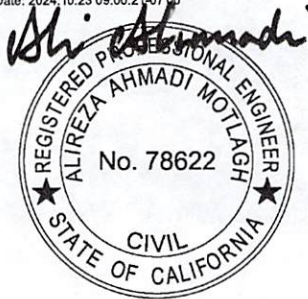


SSD MSD Collection System and Flow Equalization Analysis for MWD Reuse

Summary Report

FINAL / October 2024

Digitally signed by Alireza Ahmadi Motlagh
Contact Info: Carollo Engineers, Inc.
Date: 2024.10.23 09:00:21-07'00'



Contents

EXECUTIVE SUMMARY	1
ES.1 Introduction	1
ES.2 Flow Analysis	1
ES.3 Collection System Analysis	1
ES.4 Montecito Sanitary District Wastewater Treatment Plant Analysis	2
ES.5 Advanced Water Purification Facility Analysis	2
SECTION 1 INTRODUCTION	2
1.1 Report Organization	2
1.2 Background and Purpose	3
1.3 Evaluation Study Area	3
SECTION 2 FLOW ANALYSIS	4
2.1 Purpose	4
2.2 Montecito Sanitary District Flow Analysis	5
2.2.1 Montecito Sanitary District Dry Weather Flow Analysis	5
2.2.2 Montecito Sanitary District Wet Weather Flow Analysis	7
2.3 Summerland Sanitary District Flow Analysis	7
2.3.1 Summerland Sanitary District Dry Weather Flow Analysis	7
2.3.2 Summerland Sanitary District Wet Weather Flow Analysis	9
SECTION 3 COLLECTION SYSTEM ANALYSIS	10
3.1 Background	10
3.2 Wastewater Flows	11
3.2.1 Summerland Sanitary District Flows	11
3.2.2 Montecito Sanitary District Flows	12
3.3 Collection System Analysis	13
3.3.1 Potential Connection Points	13
3.3.2 Alternative 1	15
3.3.3 Alternative 2	15
3.3.4 Alternative 3	16
3.3.5 Alternative 4	17
3.4 Infrastructure Analysis	17
3.4.1 Infrastructure Criteria	17
3.5 Cost Estimating Methodology	21
3.6 Common Infrastructure Components	23
3.6.1 Summerland Sanitary District Wastewater Treatment Plant Impacts	23
3.6.2 Common Pipeline Alignment	24
3.7 Alternative 1 - Nearest Montecito Sanitary District System Connection	25
3.8 Alternative 2 - Nearest Montecito Sanitary District Lift Station Connection	27

3.9	Alternative 3 - Nearest Montecito Sanitary District Gravity Connection	30
3.10	Alternative 4 - Direct Montecito Sanitary District Wastewater Treatment Plant Connection	31
3.11	Alternatives Comparison and Recommendations	33
SECTION 4 MONTECITO SANITARY DISTRICT WASTEWATER TREATMENT PLANT ANALYSIS		34
4.1	Combined Flow Analysis to Montecito Sanitary District Wastewater Treatment Plant	34
4.2	Combined Flow Impact on Montecito Sanitary District Wastewater Treatment Plant Existing Unit Processes	34
4.3	Equalization Basin Analysis	35
4.4	Odor Control Analysis	37
4.5	Site Layout	38
4.6	Cost Estimate	39
4.7	Future Considerations	40
SECTION 5 ADVANCED WATER PURIFICATION FACILITY ANALYSIS		40
5.1	Advanced Water Purification Facility Footprint Impact	40
5.2	Advanced Water Purification Facility Cost Impact	41

Appendices

APPENDIX A COST ESTIMATE

Tables

Table 1	Cost Estimate for the Four Alternatives	1
Table 2	MSD Flow Summary	5
Table 3	SSD Flow Summary	7
Table 4	Flow Injection Alternatives	13
Table 5	Cost Estimate Assumptions	22
Table 6	Posilipo LS Capacity Requirements	26
Table 7	Alternative 1 Benefits and Constraints Summary	27
Table 8	Alternative 1 Costs	27
Table 9	Alternative 2 Benefits and Constraints Summary	29
Table 10	Alternative 2 Costs	29
Table 11	Alternative 3 Benefits and Constraints Summary	31
Table 12	Alternative 3 Costs	31
Table 13	Alternative 4 Benefits and Constraints Summary	32
Table 14	Alternative 4 Costs	33
Table 15	Alternatives Cost Comparison	33
Table 16	Current MSD Flows, SSD Flows, and Combined MSD and SSD Flows	34
Table 17	MSD Unit Process Capacity Ratings	35
Table 18	Odor Control Design Criteria	38
Table 19	Cost Estimates for EQ Basins and OCS	39

Figures

Figure 1	MWD District Boundary Map	4
Figure 2	MSD Dry Weather Average Hourly Diurnal Flow Curve Between March 1, 2022, and February 29, 2024	5
Figure 3	MSD Normalized Dry Weather Average Hourly Diurnal Flow Curve Between March 1, 2022, and February 29, 2024	6
Figure 4	MSD Peak Wet Weather Hourly Flow Between February 18, 2024, and February 24, 2024	7
Figure 5	SSD Dry Weather Hourly Diurnal Flow Curve Between January 6, 2024, and March 4, 2024	8
Figure 6	SSD Normalized Dry Weather Hourly Diurnal Flow Curve Between January 6, 2024, and March 4, 2024	9
Figure 7	SSD Peak Wet Weather Hourly Flow Between February 18, 2024, and February 24, 2024	10
Figure 8	Project Extent and Service Areas	11
Figure 9	MSD PWWF (Figure 4 From Section 2)	12
Figure 10	Potential Injection Points for Flow From SSD Into MSD Collection System	14
Figure 11	Hydraulic Profile at Peak Flow From Manhole 1252-7B to Posilipo LS (Alternative 1)	15
Figure 12	Hydraulic Profile at Peak Flow From Miramar LS to MSD WWTP (Alternative 2)	16
Figure 13	Hydraulic Profile at Peak Flow From Manhole 1980-O8 to MSD WWTP (Alternative 3)	17
Figure 14	Required Creek Crossings	20
Figure 15	SSD WWTP Photos	23
Figure 16	SSD Pumping Facility Conceptual Layout	24
Figure 17	Common Pipeline Alignment	25
Figure 18	Alternative 1 Infrastructure	26
Figure 19	Alternative 2 Infrastructure	28
Figure 20	Alternative 3 Infrastructure	30
Figure 21	Alternative 4 Infrastructure	32
Figure 22	MSD Flows, SSD Flows (Estimated), and Combined MSD and SSD Flows During the Largest Rainfall Between February 18, 2024 and February 24, 2024	36
Figure 23	EQ Process Flow Schematic	37
Figure 24	OCS Process Flow Schematic	37
Figure 25	Conceptual Site Layout	38

Abbreviations

\$M	million dollars
ADWF	average dry weather flow
AWPF	advanced water purification facility
BTF	biotrickling filter
cfm	cubic feet per minute
CT	contact time
DAF	dissolved air flotation
EQ	equalization
gpm	gallons per minute
H ₂ S	hydrogen sulfide
hp	horsepower
IPR	indirect potable reuse
IPS	influent pump station
LS	lift station
mgd	million gallons per day
MSD	Montecito Sanitary District
MWD	Montecito Water District
O&M	operation and maintenance
OCS	odor control system
ppmv	parts per million by volume
PWWF	peak wet weather flow
ROW	right-of-way
RWQCB	Regional Water Quality Control Board
SSD	Summerland Sanitary District
TM	technical memorandum
UPRR	Union Pacific Railroad
US 101	US Highway 101
USACE	US Army Corps of Engineers
WSC	Water Systems Consulting, Inc.
WWTP	wastewater treatment plant

EXECUTIVE SUMMARY

The Santa Barbara County Water Agency Board of Directors, Summerland Sanitary District (SSD), Montecito Sanitary District (MSD), and Montecito Water District (MWD) have tasked the engineering team with evaluating a collaborative water reuse project between SSD, MSD, and MWD. This report is an extension of a broader potable water reuse evaluation within Santa Barbara County (Countywide Potable Reuse Evaluation, October 2023). The work presented herein focuses upon the addition of 100 percent of SSD raw wastewater flows to the MSD system raw wastewater flows, thereby resulting in more water that could be reclaimed in a potential indirect potable reuse (IPR) project led by the MWD. The report is organized into five key sections: introduction, flow analysis, collection system analysis, MSD wastewater treatment plant (WWTP) analysis, and advanced water purification facility (AWPF) analysis. Each section outlines critical findings and infrastructure recommendations.

ES.1 Introduction

The project explores the potential for connecting SSD’s wastewater collection system to MSD’s infrastructure to increase water available for reclamation by MWD. The study area encompasses the SSD, MSD, and MWD service regions, covering approximately 9,888 acres and a population of 11,440 residents. This integration would also result in the cessation of operations of the SSD WWTP and the transfer of all SSD wastewater to the MSD.

ES.2 Flow Analysis

The flow analysis examines both dry and wet weather flow conditions for SSD and MSD raw wastewater. The average dry weather flow (ADWF) for MSD is 0.634 million gallons per day (mgd), while SSD’s ADWF is 0.084 mgd. Peak wet weather flows (PWWFs) for MSD reached 3.77 mgd, and SSD’s peak flow is estimated at 0.6 mgd. This data is essential for evaluating the impact of combined flows on MSD’s collection system and WWTP.

ES.3 Collection System Analysis

The analysis identifies four alternatives for connecting SSD flows to MSD’s system, each considering the impacts on MSD’s collection system, potential infrastructure upgrades, and cost implications. The preferred option, Alternative 2, suggests routing SSD flows through the Miramar Lift Station (LS), which has adequate capacity for the additional flow. This alternative minimizes infrastructure upgrades and reduces the total project cost, while Alternative 4, which proposes a direct connection to the MSD WWTP, is the most expensive and disruptive as shown in Table 1.

Table 1 Cost Estimate for the Four Alternatives

Alternative	Construction Cost (\$M)	Engineering Cost (\$M)	Other Owner Cost (\$M)	Contingency (\$M)	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
1 ⁽¹⁾	\$15.5	\$2.3	\$3.7	\$3.2	\$21.6	\$333,800	\$1,433,800
2 ⁽²⁾	\$11.2	\$1.7	\$2.7	\$2.3	\$15.6	\$144,600	\$937,600

Alternative	Construction Cost (\$M)	Engineering Cost (\$M)	Other Owner Cost (\$M)	Contingency (\$M)	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
3 ⁽³⁾	\$11.3	\$1.7	\$2.7	\$2.3	\$15.8	\$126,500	\$929,500
4 ⁽⁴⁾	\$16.3	\$2.4	\$3.9	\$3.3	\$22.7	\$143,800	\$1,298,800

Notes:

\$M - million dollars; O&M - operations and maintenance

- (1) Alternative 1: Pumped to nearest MSD system connection (impacts Posilipo LS).
- (2) Alternative 2: Pumped to nearest MSD LSs (impacts Miramar LS).
- (3) Alternative 3: Pumped to nearest MSD system gravity connection (does not impact any LSs).
- (4) Alternative 4: Pumped directly to MSD WWTP (does not impact collection system).

ES.4 Montecito Sanitary District Wastewater Treatment Plant Analysis

The integration of SSD and MSD flows into the MSD WWTP was analyzed to determine its impact on the existing treatment processes. With a combined future projected ADWF of 0.784 mgd, estimated based on inputs from MSD (0.7 mgd) and SSD (0.084 mgd), the WWTP has enough capacity to handle the additional load. However, certain processes, such as the influent grinders, may require upgrades. The report proposes constructing an equalization (EQ) basin, 0.88 million gallons in capacity, to store PWWFs exceeding 3 mgd, and an optional odor control system (OCS) to manage the foul air from the headworks and EQ basin. The Class 5 total project cost is estimated at \$23.9 million, which could be lower depending on the selection of odor control technology.

ES.5 Advanced Water Purification Facility Analysis

The AWPf footprint and cost impacts are discussed in relation to the increased flow from SSD. In the previous study (Technical Memorandum [TM] 8 - Recycled Water Treatment Options at MSD, January 2023), the AWPf footprint was developed for an inflow of 0.7 mgd. The proposed AWPf would treat 0.784 mgd, requiring a facility footprint of 16,800 square feet. The total reuse treatment cost, adjusted for flow increases and inflation, is projected at \$24.4 million, with annual O&M costs of \$2.5 million.

SECTION 1 INTRODUCTION

1.1 Report Organization

This report is organized as follows:

- **Executive Summary:**
 - » Summary of each report section, including key findings.
- **Section 1 - Introduction:**
 - » Summary of report organization, project background, purpose, and study area.
- **Section 2 - Flow Analysis:**
 - » Analysis of flows at SSD and MSD WWTPs.

- **Section 3 - Collection System Analysis:**
 - » Development of alternatives for SSD flow injection location, analysis of impacts on MSD sewer system, and development of cost estimates.
- **Section 4 - Montecito Sanitary District Wastewater Treatment Plant Analysis:**
 - » Analysis of combined SSD and MSD flows, determination of impact on MSD WWTP unit processes, analysis of EQ basin and OCS, and development of cost estimate.
- **Section 5 - Advanced Water Purification Facility Analysis:**
 - » Footprint and cost impact of SSD flows in addition to previously designed AWPf located at MSD WWTP.

1.2 Background and Purpose

The Santa Barbara County Water Agency Board of Directors, SSD, MSD, and MWD have tasked the engineering team with evaluating a collaborative water reuse project between SSD, MSD, and MWD. This report is an extension of a broader potable water reuse evaluation within Santa Barbara County (Countywide Potable Reuse Evaluation, October 2023). The project detailed herein considers how to connect the SSD wastewater collection system to the MSD collection system, providing more available water for reclamation and reuse by MWD. This evaluation documents and summarizes the integration of raw and unequalized wastewater flows from SSD into the MSD collection system. It will also determine the necessary level of EQ at MSD to minimize the impact of additional PWWF from SSD. Additionally, the evaluation includes considerations for new preliminary treatment odor control measures. Finally, the evaluation documents any impacts/changes to the costs for water reclamation for potable water reuse.

1.3 Evaluation Study Area

The project encompasses the service areas of the SSD, MSD, and MWD. The end goal of this project is to document the cost and impact of converting SSD and MSD effluent into new water for use by MWD. MWD serves the Montecito and Summerland areas, covering approximately 9,888 acres, shown on Figure 1 and supporting a population of around 11,440 residents.



Figure 1 MWD District Boundary Map

SECTION 2 FLOW ANALYSIS

2.1 Purpose

Flow in the SSD collection system feeds the SSD WWTP. This project starts with redirecting that flow to the MSD collection system or directly to the MSD WWTP. This Section reviews the MSD and SSD flows as they pertain to EQ at MSD. Review of SSD impacts to the MSD collection system, and connection points to the MSD collection system, are discussed in Section 3.

SSD and MSD dry and wet weather flow information was gathered. This data was intended to facilitate an analysis of the impacts on the MSD collection system and WWTP and to serve as a basis for reassessing the requirements for EQ and the capacity of the MSD WWTP.

2.2 Montecito Sanitary District Flow Analysis

2.2.1 Montecito Sanitary District Dry Weather Flow Analysis

An examination of the MSD WWTP effluent flow data, which MSD recommends as being more representative of inflow to the plant, was conducted for the period spanning from March 2022 through February 2024, with the average, minimum, and maximum effluent flow shown in Table 2. The ADWF was calculated to be 0.634 mgd through analysis of two-year flow data excluding days with rainfall records.

Table 2 MSD Flow Summary

Constituents	Units	Average Annual Daily Flow	Dry Weather Flow		
			Annual Average	Average Daily Minimum	Average Daily Maximum
Flow	mgd	0.646	0.634	0.153	1.371

The analysis of the same two-year dry weather hourly effluent flow data was conducted, with the average diurnal flow curve shown on Figure 2 and normalized average diurnal flow curve shown on Figure 3. The average dry weather hourly diurnal flow curve has been computed by taking the average of hourly flow rate dataset between hour 0 and hour 23 over the two years, excluding any hours with rainfall records. The normalized dry weather effluent flow was calculated by dividing each hour's effluent flow with ADWF.

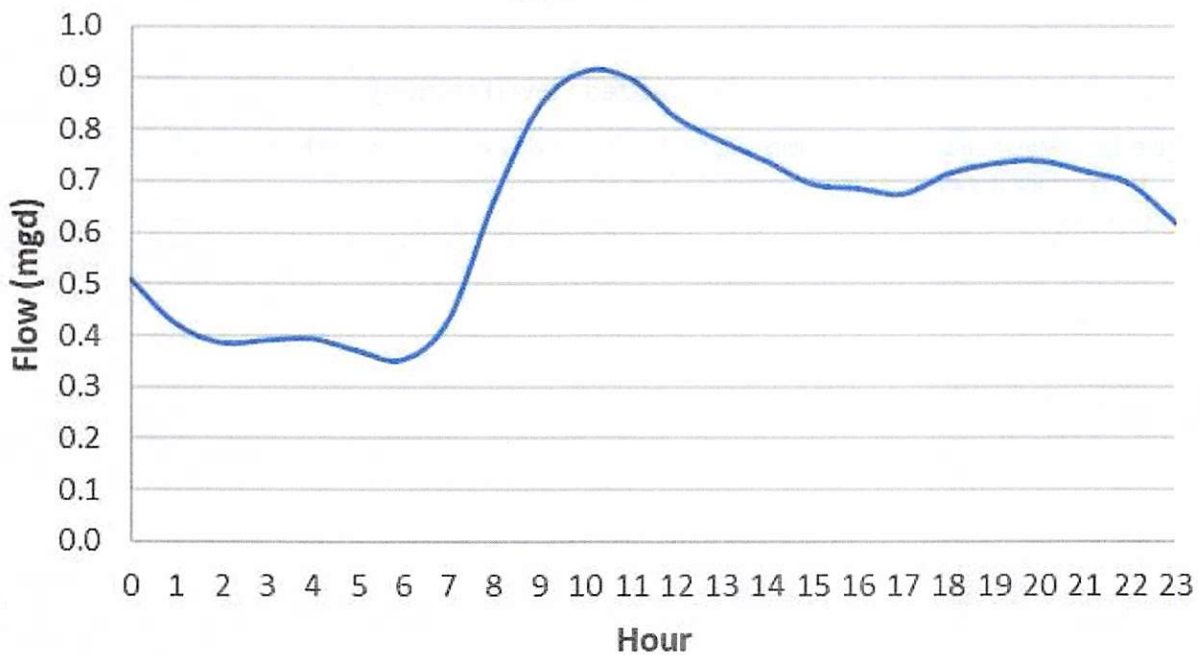


Figure 2 MSD Dry Weather Average Hourly Diurnal Flow Curve Between March 1, 2022, and February 29, 2024

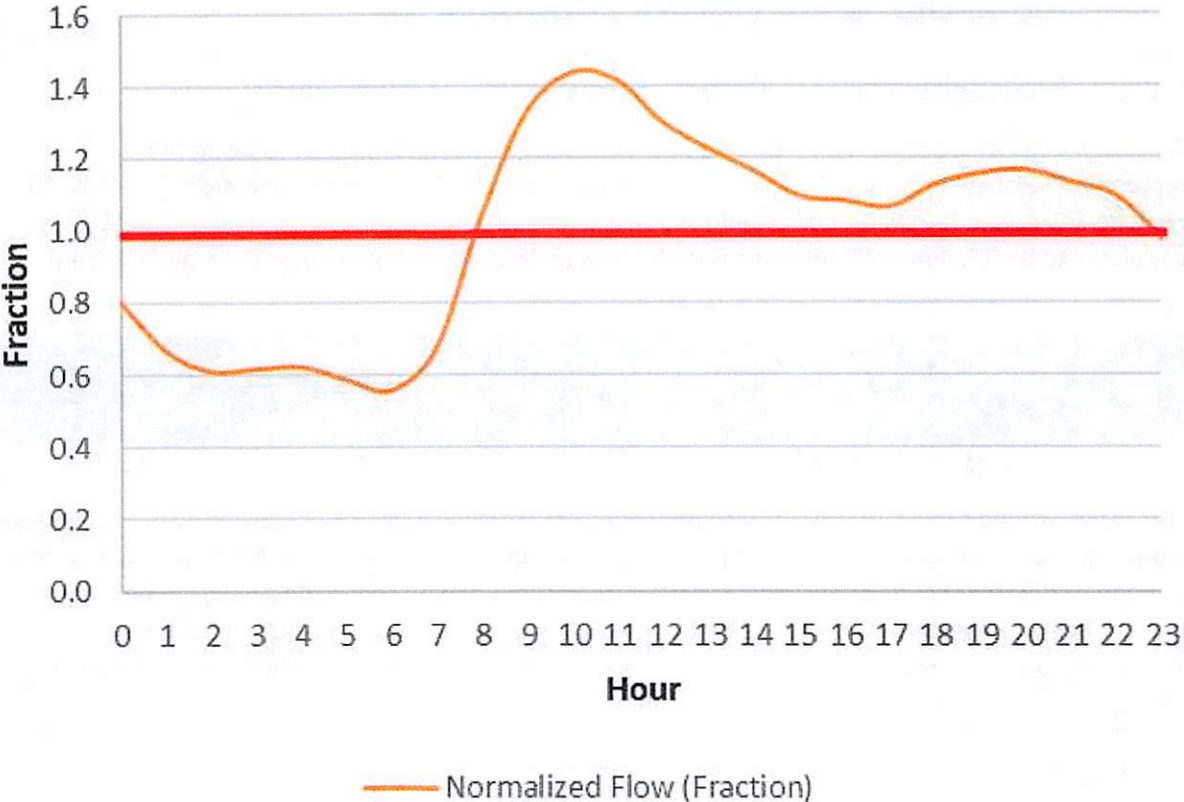


Figure 3 MSD Normalized Dry Weather Average Hourly Diurnal Flow Curve Between March 1, 2022, and February 29, 2024

2.2.2 Montecito Sanitary District Wet Weather Flow Analysis

During the designated two-year period spanning from March 2022 to February 2024, the highest hourly effluent flow recorded at 6 a.m. on February 19, 2024, peaked at 3.77 mgd. The wet weather hourly flows are depicted on Figure 4 spanning from 5 p.m. on February 18, 2024, to 2 a.m. on February 24, 2024.

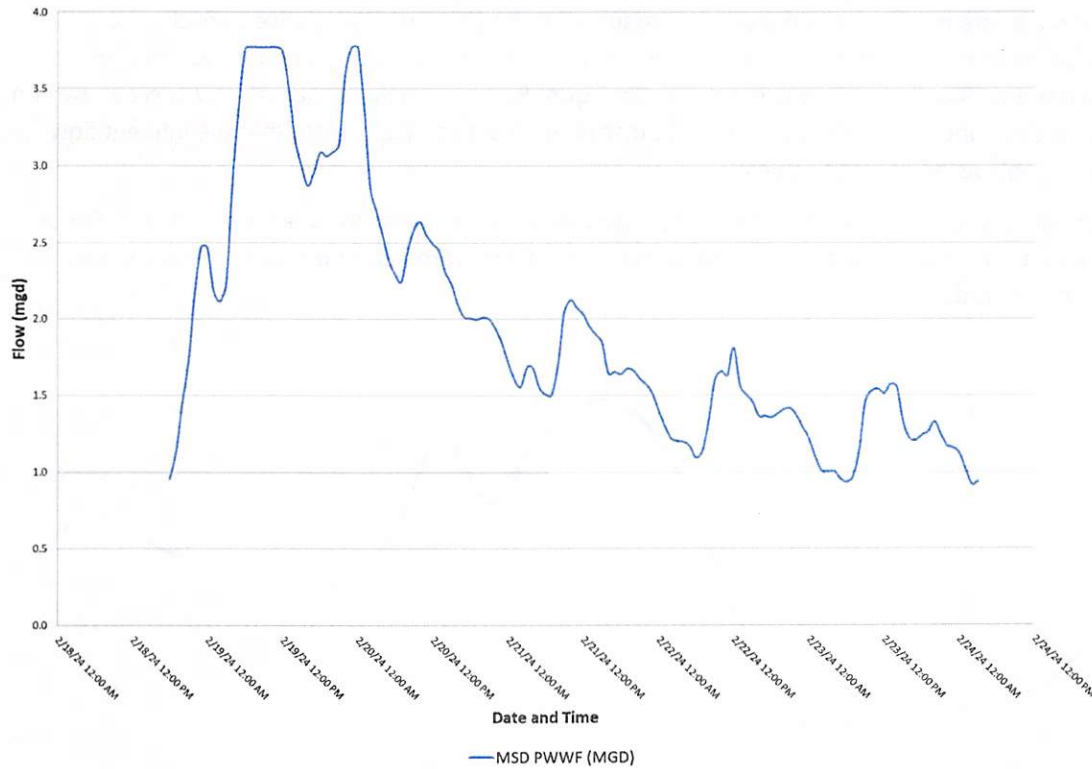


Figure 4 MSD Peak Wet Weather Hourly Flow Between February 18, 2024, and February 24, 2024

2.3 Summerland Sanitary District Flow Analysis

2.3.1 Summerland Sanitary District Dry Weather Flow Analysis

A study was carried out to analyze the SSD flow data for the duration ranging from March 2022 to February 2024 with a summary in Table 3.

Due to the inaccuracy of influent flowmeter during this period, SSD recommended using effluent flow data to represent influent flow. The ADWF was determined to be 0.084 mgd.

Table 3 SSD Flow Summary

Constituents	Units	Average Annual Daily Flow	Dry Weather Flow		
			Annual Average	Average Daily Minimum	Average Daily Maximum
Flow	mgd	0.092	0.084	0.042	0.239 ⁽¹⁾

Notes:

(1) The average daily flow on February 3, 2023, and February 4, 2023, are excluded from the analysis due to incorrect flow data.

The effluent data noted above, however, pose some limitations for determining the diurnal flow pattern. This is due to the EQ occurring within the SSD WWTP and occurrence of some intermittent return flows that need to be accounted for. For these reasons, the analysis of the dry weather hourly influent flow data was conducted, spanning from January 6, 2024, to March 4, 2024, which is the only period where 3-minute interval readings were available at the time of this analysis. Although the individual readings provided by the influent meter are not accurate, the data are assumed to be proportional relative to each other (as confirmed by the flowmeter manufacturer’s representative), and therefore they can be used to develop the diurnal pattern. The diurnal flow curve shown on Figure 5 and normalized diurnal flow curve shown on Figure 6 were developed using the same method discussed in Section 2.2.1. Note that the influent flow data were available as percentage values.

SSD is in the process of installing and calibrating a new influent flowmeter to obtain reliable data. For any future studies, it is recommended that the new data be obtained from SSD and a new flow analysis be performed, if required.

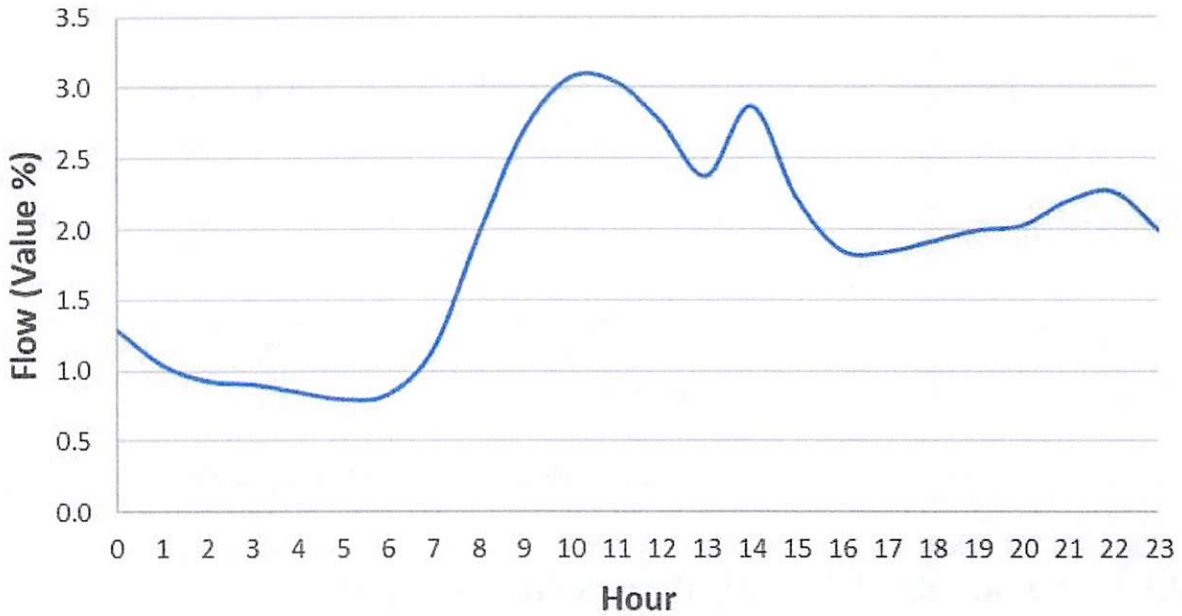


Figure 5 SSD Dry Weather Hourly Diurnal Flow Curve Between January 6, 2024, and March 4, 2024

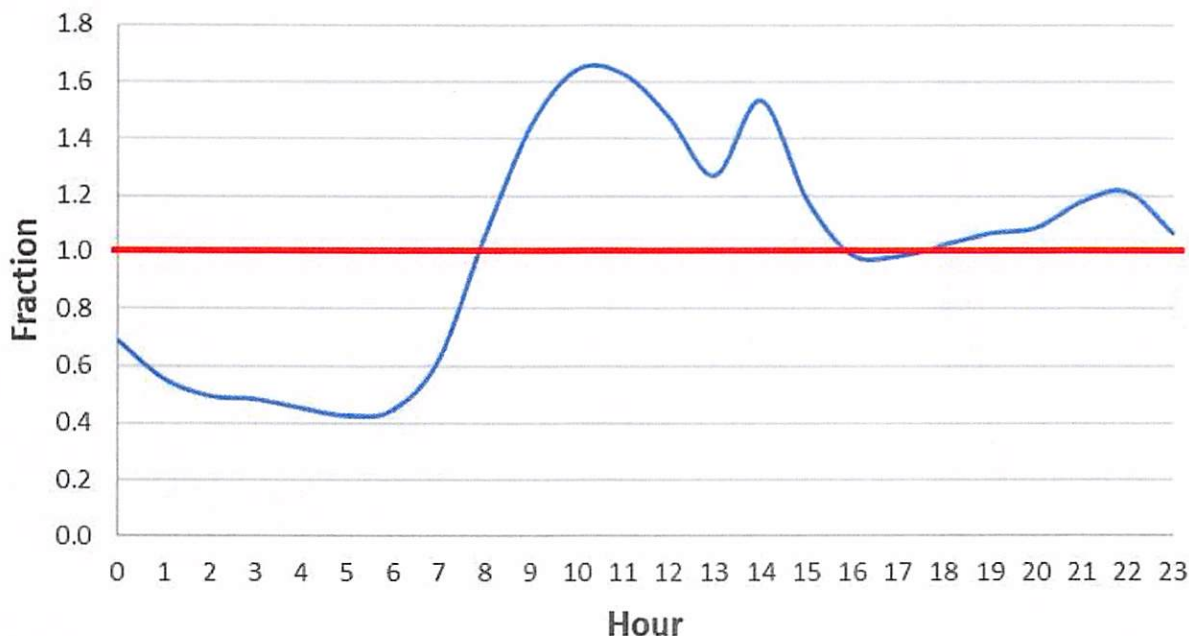


Figure 6 SSD Normalized Dry Weather Hourly Diurnal Flow Curve Between January 6, 2024, and March 4, 2024

2.3.2 Summerland Sanitary District Wet Weather Flow Analysis

Given that the hourly flow data for SSD influent was exclusively available as percentage values without a known conversion factor to mgd, and also as noted above that the individual flow values were inaccurate, the decision was made to utilize MSD PWWF patterns as a proxy to estimate SSD peak wet weather hourly flow. This estimation relied on the assumption that the hourly flow patterns of SSD were proportionally similar to those of MSD, as determined by the ratio of their respective ADWFs.

Analysis of SSD rainfall records between January 6, 2024, and March 4, 2024, revealed that the highest precipitation, amounting to 4.5 inches, occurred on February 19, 2024, coinciding with the day registering the highest average daily flow at 30.37 percent. This alignment also corresponded with the day exhibiting PWWF at MSD. As a result, the hourly flow data for MSD during the period from February 18, 2024, to February 24, 2024, was selected to simulate SSD PWWFs.

Considering the uncertainties associated with the SSD flow data as noted above and to allow for a margin of safety, a 20 percent safety factor was applied to the calculated SSD peak wet weather hourly flow data. The resultant hourly flow diagram is presented on Figure 7. When contemplating future WWTP designs, the design team should make a formal request from SSD for the most recent flow data.

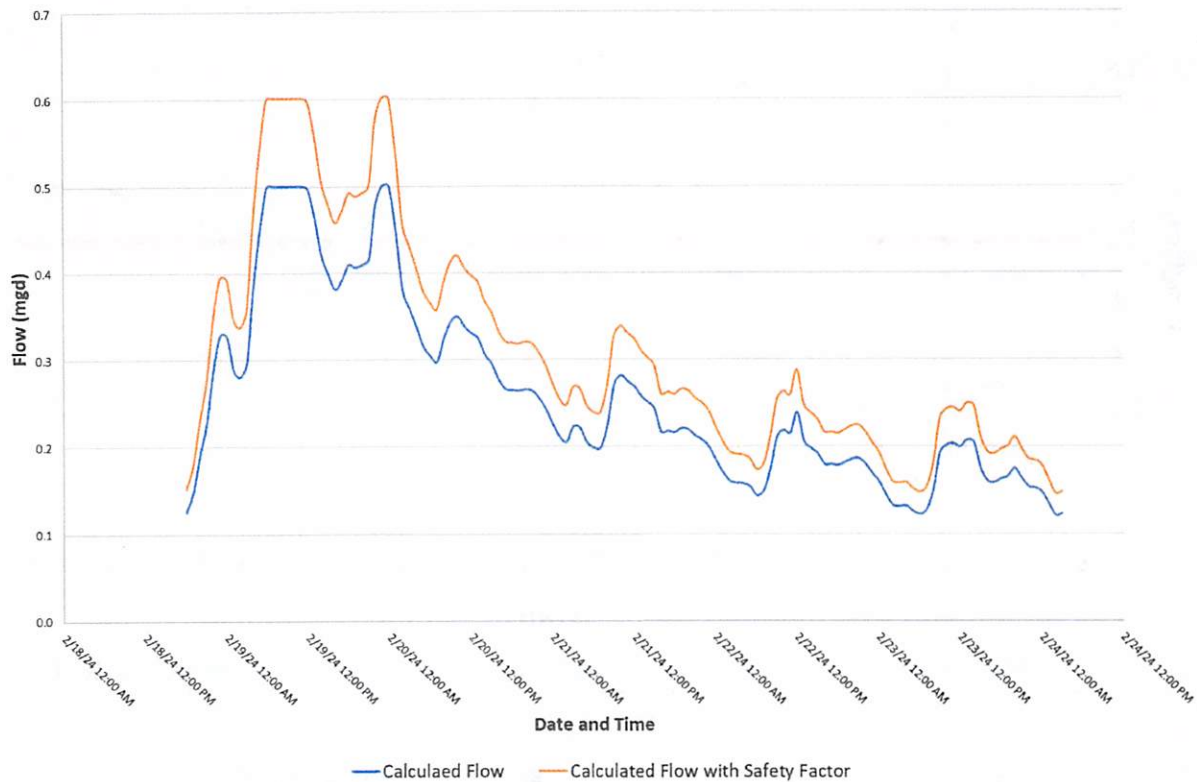


Figure 7 SSD Peak Wet Weather Hourly Flow Between February 18, 2024, and February 24, 2024

SECTION 3 COLLECTION SYSTEM ANALYSIS

3.1 Background

SSD operates a WWTP and collection system in Summerland, California. MSD serves an area immediately west of the SSD service area. MSD operates a WWTP and a collection system. Both Summerland and Montecito are census designated places within the County of Santa Barbara. MSD and SSD service areas and facilities are shown on Figure 8. SSD is evaluating potential options for future management of its wastewater, which includes abandonment of the WWTP. Water Systems Consulting, Inc. (WSC), as part of the consulting team led by Carollo Engineers, prepared this evaluation of alternatives for the conveyance of SSD’s wastewater to MSD. The purpose of this section is to evaluate SSD and MSD flows and evaluate alternatives for connecting the two systems. Specifically, this section focuses on the hydraulic and collection system infrastructure (e.g., pipelines, LSS) associated with conveyance of SSD flows to the MSD system.

The SSD WWTP treats wastewater conveyed from SSD customers through the collection system, and the treated effluent is discharged to the Pacific Ocean. The WWTP site is located adjacent to the Pacific Ocean and is potentially threatened by rising sea levels. One potential future strategy is for SSD to abandon its WWTP and convey its wastewater to MSD for treatment. This approach would relieve SSD of the need to

find a new site for a new WWTP. It would also direct more raw wastewater to the MSD WWTP. MSD is currently involved in regional planning efforts around production and use of recycled water. Increasing the raw wastewater flow to the MSD WWTP would increase the potential supply of recycled water that could be produced at this facility.

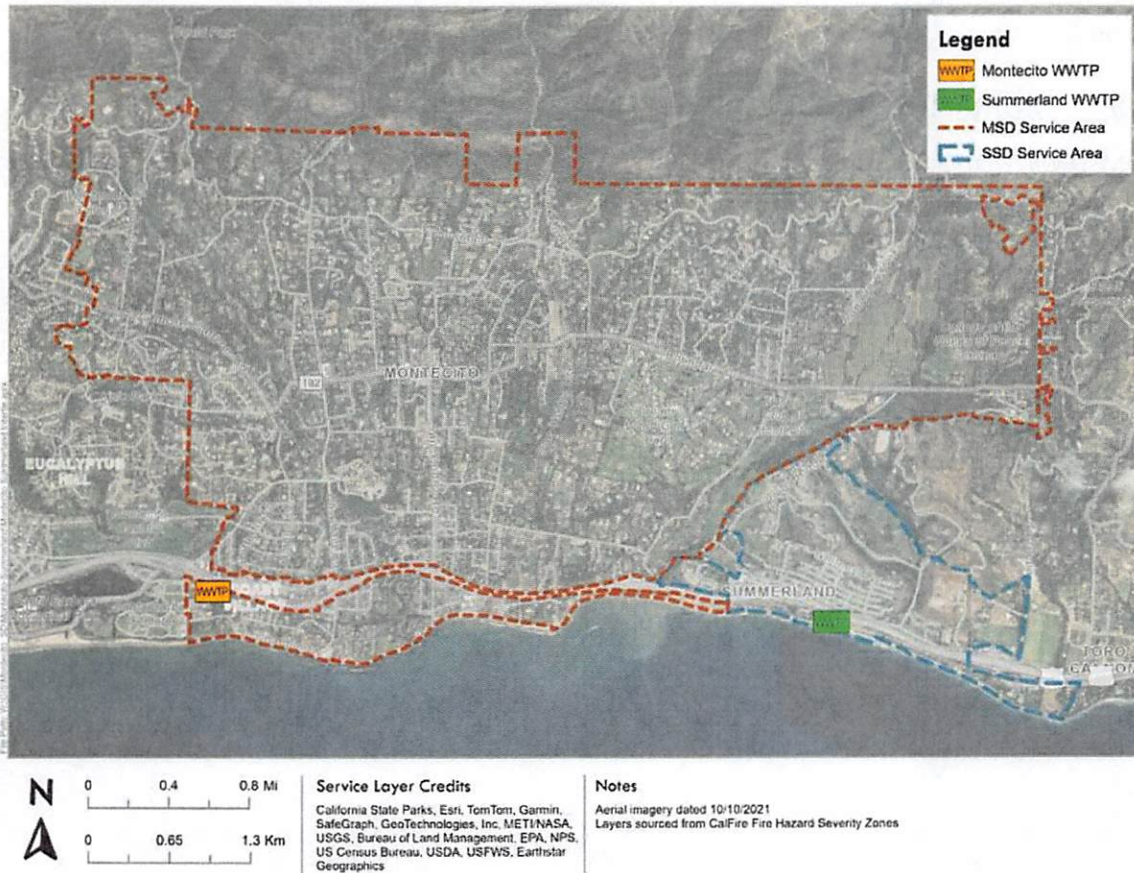


Figure 8 Project Extent and Service Areas

3.2 Wastewater Flows

The evaluation of wastewater flows was presented in Section 2. Those results are summarized here.

3.2.1 Summerland Sanitary District Flows

The SSD WWTP treats an annual average flow of 0.084 mgd and has a design capacity of 0.3 mgd. During storm events, infiltration and inflow in the SSD collection system increases the flow that reaches the WWTP. SSD has historically experienced some issues with its influent flowmeter that have affected the reliability of influent flow measurements. After review of historical data and discussions with SSD, the project team identified a planning value of 0.5 mgd for the peak wet weather influent to the SSD WWTP. Because of the uncertainty around the metering data, a safety factor of 20 percent was applied to this value. Therefore, the PWWF from SSD that would be conveyed to MSD was assumed to be 0.6 mgd.

It was assumed that the SSD WWTP site would be re-purposed after the facility was abandoned. A pump station at the SSD WWTP site would convey wastewater to the MSD collection system, where it would continue to the MSD WWTP. It was assumed that no storage would be provided at the SSD WWTP site. Therefore, the pump station at the SSD WWTP site would need to convey the unequalized 0.6 mgd flow to the MSD collection system. The evaluation of MSD equalization and facility upgrades is presented in Section 4.

3.2.2 Montecito Sanitary District Flows

The MSD WWTP treats an annual average flow of 0.634 mgd and has a design capacity of 1.5 mgd. During storm events, infiltration and inflow in the MSD collection system increases the flow that reaches the WWTP. MSD’s influent flowmeter measures flow entering the WWTP, but it also measures some flow that has been returned to the headworks as part of the treatment process. After review of historical data and discussions with MSD, the project team elected to use flow data from the effluent meter to represent wastewater flows from MSD. A storm that occurred in February of 2024 was used as a representative wet weather storm event. Section 2 includes a figure (Figure 4) showing the MSD wastewater flow during this event, reproduced here as Figure 9.

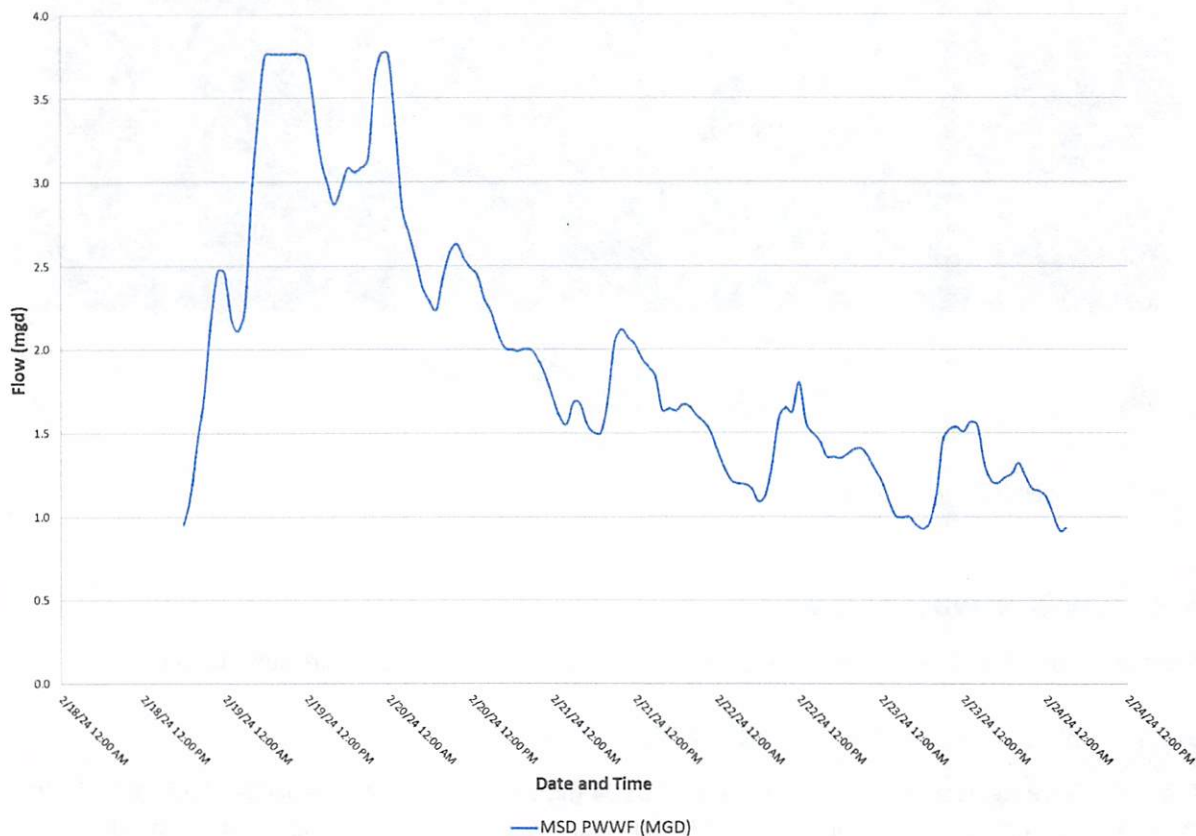


Figure 9 MSD PWWF (Figure 4 From Section 2)

Based on review of the hydrograph shown on Figure 9, the PWWF to the MSD WWTP under current conditions (before any flow contribution from SSD) was assumed to be 3.77 mgd.

3.3 Collection System Analysis

This section describes the evaluation of conveying flow from SSD to the MSD collection system for conveyance to the MSD WWTP. As part of a separate project, WSC prepared a computer hydraulic model of the MSD collection system. This model was used to evaluate potential impacts to the MSD collection system due to the addition of flow from SSD. The model was used to simulate the system at peak weather flow (3.77 mgd generated within the MSD collection system and 0.6 mgd conveyed from SSD).

3.3.1 Potential Connection Points

Through discussion with MSD staff, three potential connection points were identified for the injection of flow from SSD. These locations are shown on Figure 10.

In addition to the points shown on Figure 10, a fourth baseline alternative was created to evaluate the potential of conveying SSD flows directly to the MSD WWTP, without impacting any of MSD’s existing collection system. The four alternatives are summarized in Table 4.

Table 4 Flow Injection Alternatives

Alternative	Receiving Point
1	Manhole in Sheffield Drive on 12-inch gravity sewer
2	Miramar LS
3	Manhole in North Jameson Lane on 18-inch gravity sewer
4	MSD WWTP headworks

Descriptions of the alternatives are presented on the following pages.

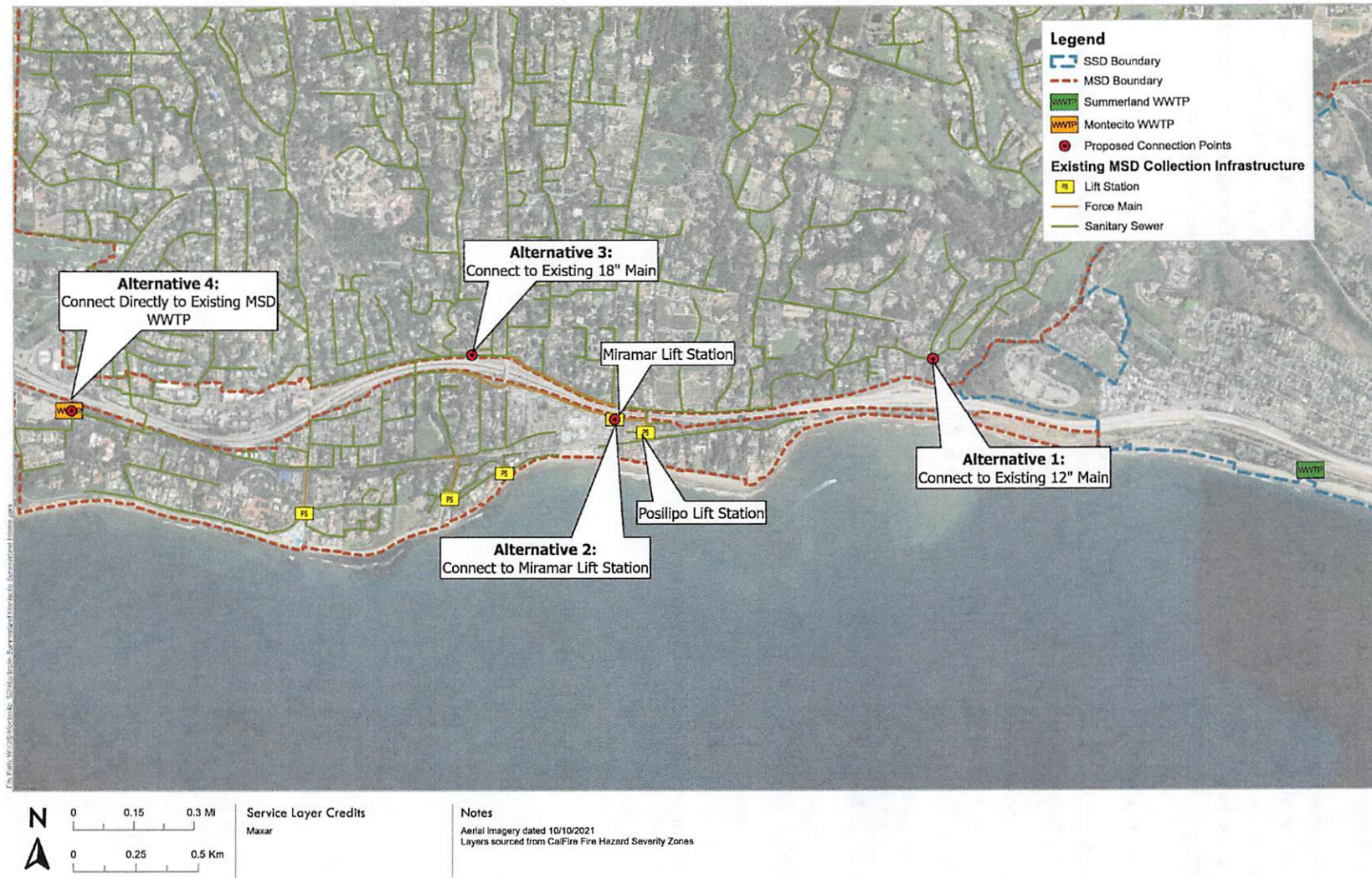


Figure 10 Potential Injection Points for Flow From SSD Into MSD Collection System

3.3.2 Alternative 1

Alternative 1 represents the nearest potential connection point in the MSD system. The flow from SSD was assumed to be introduced at MSD manhole 1252-7B. A hydraulic profile of the gravity system during peak flow from this point downstream to the Posilipo LS is shown on Figure 11.

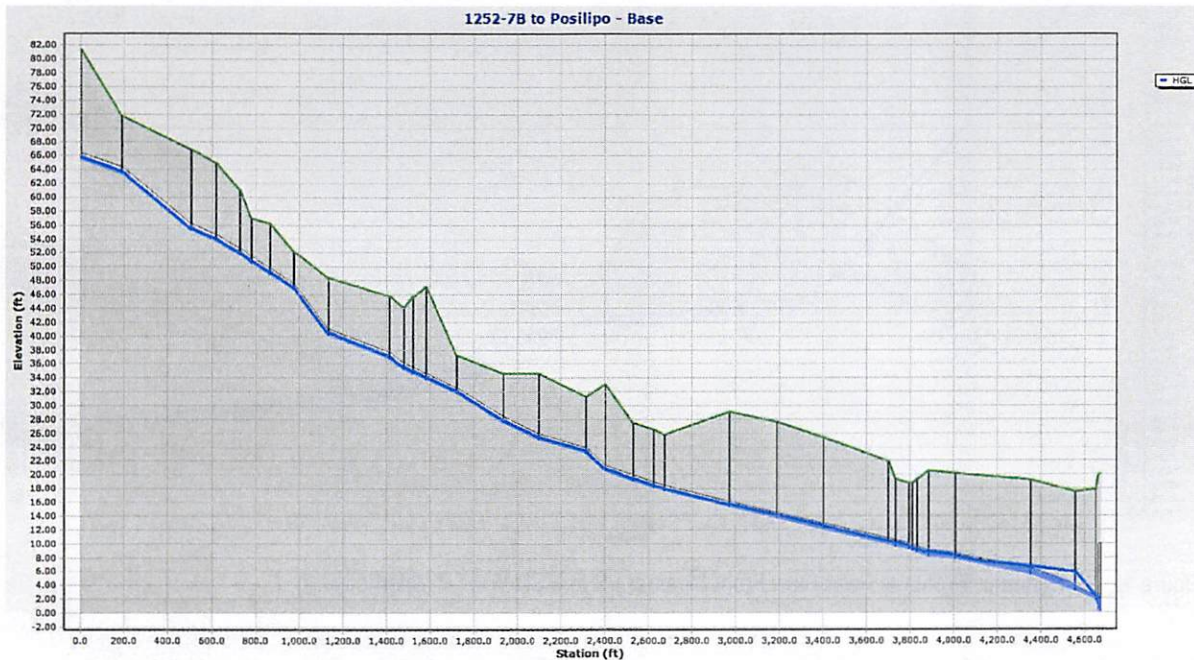


Figure 11 Hydraulic Profile at Peak Flow From Manhole 1252-7B to Posilipo LS (Alternative 1)

The gravity system is not expected to experience any significant surcharging due to the additional flow from SSD. Some surcharging is expected to occur at the downstream end of the reach near the Posilipo LS, but this is because flows are expected to exceed the capacity of the Posilipo LS.

After being pumped through the Posilipo LS, flow would continue through the gravity collection system to the MSD WWTP. WSC evaluated the gravity collection system downstream of both sets of force mains from Posilipo: the dual 6-inch force mains that go on the north side of US Highway 101 (US 101), and the dual 8-inch force mains that stay on the south side of US 101. The additional flow from SSD is not expected to produce significant surcharging in either alignment.

3.3.3 Alternative 2

Under this alternative, the flow from SSD would be pumped through a dedicated force main and would be injected into the wet well at the Miramar LS. This facility is relatively new and currently has excess capacity available. It pumps through a dedicated 6-inch force main in South Jameson Lane.

It appears that the Miramar LS has adequate capacity to convey the peak flow from SSD, in addition to current flows from the hotel. The collection system model was used to evaluate the gravity system downstream of the force main from the Miramar LS, and the additional flow from SSD is not expected to

produce significant surcharging in the system. A hydraulic profile of the system from the Miramar LS downstream to the MWD WWTP is shown on Figure 12.

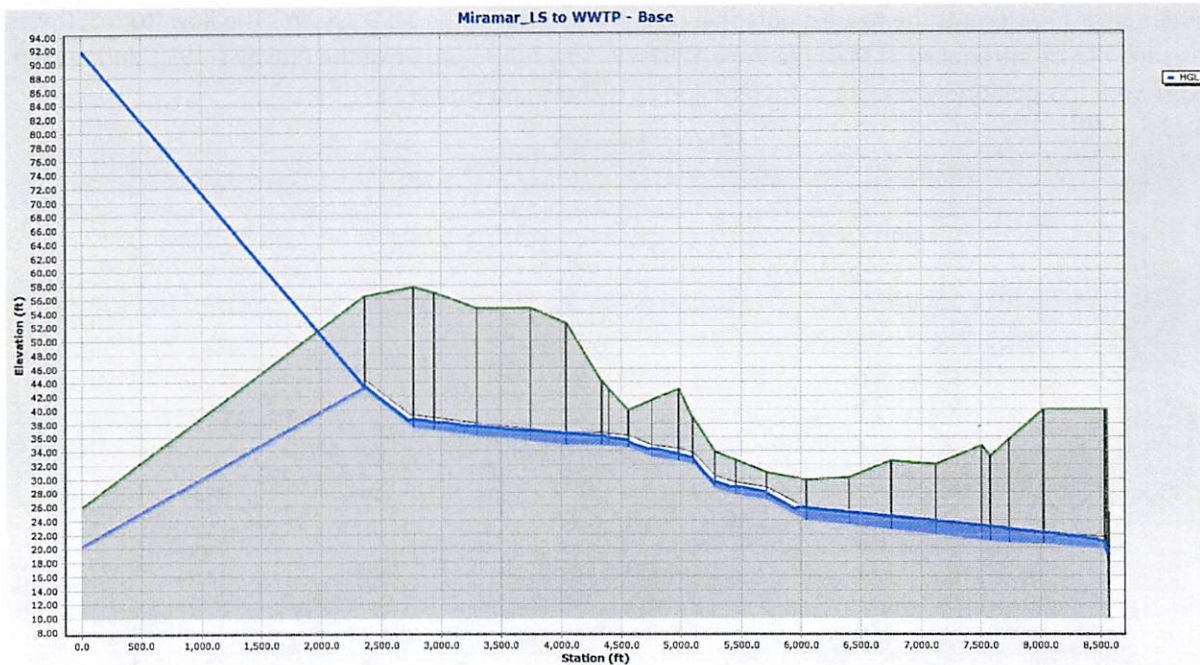


Figure 12 Hydraulic Profile at Peak Flow From Miramar LS to MSD WWTP (Alternative 2)

The gravity system is not expected to experience any significant surcharging due to the additional flow from SSD.

3.3.4 Alternative 3

Under this alternative the flow from SSD would be pumped through a dedicated force main and would be injected into the MSD system near the intersection of North Jameson Lane and San Ysidro Road. The manhole at this intersection, 1045-5B, is relatively shallow and is the discharge manhole for the existing dual 6-inch force mains from the Posilipo LS. Therefore, the recommended injection point is the next downstream manhole on the 18-inch pipe in North Jameson Lane, which is manhole 1980-O8. A hydraulic profile of the gravity system during peak flow from this point downstream to the MSD WWTP is shown on Figure 13.

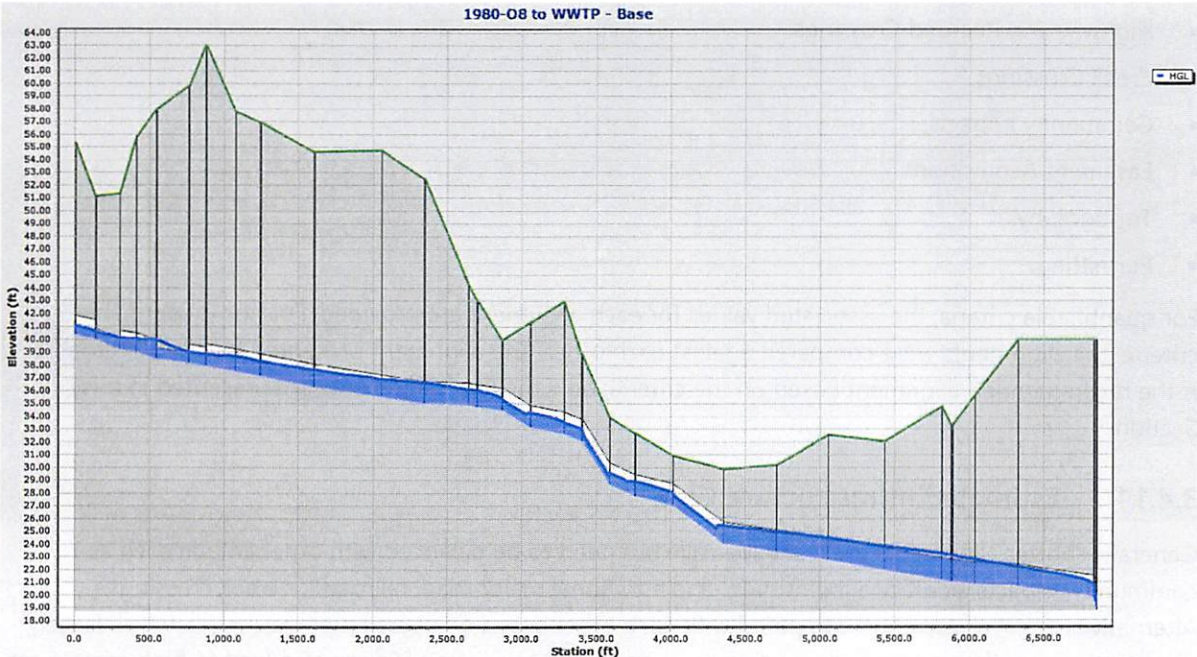


Figure 13 Hydraulic Profile at Peak Flow From Manhole 1980-08 to MSD WWTP (Alternative 3)

The gravity system is not expected to experience any significant surcharging due to the additional flow from SSD.

3.3.5 Alternative 4

Under this alternative, flow from SSD would be pumped through a dedicated force main to the headworks of the MSD WWTP. This alternative bypasses the MSD collection system entirely and therefore no modeling was performed.

3.4 Infrastructure Analysis

The proposed alternatives require infrastructure to convey the SSD flows to the MSD WWTP. The following sections describe the required infrastructure necessary to implement each alternative. The pipeline infrastructure alignment was determined for each alternative based on a set of criteria, which will be described in the following section. The purpose of analyzing the required infrastructure is to develop costs and inform the selection of a preferred alternative.

3.4.1 Infrastructure Criteria

WSC identified and delineated potentially feasible pipeline alignments to deliver SSD flow to the proposed connection points identified on Figure 10. As part of the alignment refinement and comparison process, criteria were identified to evaluate and select a preferred alignment for each pipeline segment. The desirability of each alternative pipeline was determined by a set of criteria which will be discussed in this section. The infrastructure alignment criteria include the following:

- Estimated Infrastructure Cost.

- Highway and Railroad Crossings.
- Creek Crossings.
- Community Impacts.
- Easement Acquisition.
- Topography.
- Permitting.

For quantifiable criteria, the associated values for each alignment are provided. For non-quantifiable criteria, the alignments were compared against each other. The alignment presented for each alternative is the recommended alignment based on the criteria; only the final alignments are presented in this Section.

3.4.1.1 Estimated Infrastructure Cost

Generally shorter alignments are less expensive but need to be balanced with other criteria such as community impacts, additional permitting, and additional major road, railroad, or creek crossings. Alternatives are evaluated and compared with each other based on overall pipeline length, which largely dictates the overall cost. However, infrastructure upgrades to existing LSs can also lead to high costs. Cost estimates were developed for each alternative to compare the benefits of each alternative with overall cost.

Capital costs include costs for construction, contractor overhead, property acquisition, contingency for unknown conditions, engineering administration, and environmental permitting. Construction costs were broken into major components and were developed using cost indexes, recent bids for similar projects, recent engineering estimates, and industry planning-level unit costs. Quantities were estimated using field measurements taken during site visits, scaled record drawings, and through online mapping programs. Unit costs were equivalent across alternatives to support a comparative analysis. O&M costs were incorporated as percentages of applicable components of construction (pump stations, pipelines etc.) and estimated pump station energy costs. See Section 3.6 for an overview of the cost estimating methodology used.

Alignment alternatives were routed along existing roadways to minimize construction in steep terrain, avoid easement acquisitions, and avert other impacts to property owners. Alignments were compared based on available width of right-of-way (ROW), presence of other utilities, levels of anticipated traffic, and potential restoration. Alignments within Montecito and Summerland would comply with County of Santa Barbara requirements for road restoration.

3.4.1.2 Highway and Railroad Crossings

Due to the location of the SSD WWTP, all alternatives will need to cross US 101 and the railroad at least once. Where possible, crossings were located at existing overpasses to reduce the need for trenchless installation methods. Several alternatives require secondary US 101 and railroad crossings in Montecito. US 101 crossings will require permitting from the California Department of Transportation. The process of obtaining approval would be through their encroachment permit and may involve several rounds of review and approval. It is not assumed at this time that variances would be required or justified, and all permits would follow applicable state standards and specifications.

Railroads typically grant ROW permits allowing utilities to locate pipelines within their properties. Railroads have strict requirements and well-documented permitting processes for submitting crossing requests. Specific requirements for pipelines within railroad corridors include:

- All pipelines crossing underneath tracks shall be encased in steel by jack and bore, and generally should cross at a right angle to the track, although variances to crossing angles can be obtained.
- Pipelines under pressure shall utilize leakproof mechanical or welded joints.
- Casing pipe shall have an internal diameter of 4 inches or greater than the carrier pipe outside diameter. Cathodic protection or coating is not required, but a thicker pipe is required if no protection is used. Casings must extend 25 feet from center of track when terminated below ground. Casing must be 5.5 feet below base of rail.
- Shutoff valves must be included within effective distances of each side of railway.

Alignment alternatives will be compared on the number of railroad crossings which are required for the alignment. Alignments with less railroad crossings can save costs but must be weighed with the other criteria. All alignments require at least one railroad crossing near the SSD WWTP. Only Alternative 4 requires an additional crossing near the MSD WWTP.

3.4.1.3 Creek Crossings and Environmental Impacts

Montecito and Summerland are located along the Santa Ynez Mountain range to the north and the Pacific Ocean to the South. There are multiple creeks within this region that flow from north to south and piping alignments will require crossings typically at existing County of Santa Barbara bridges. Creek crossings at existing bridges were observed during a field evaluation of alignments, see Figure 14. It appears at this time all pipeline crossings could be installed along the side of existing bridges unless otherwise noted in the following sections. However, there are plans for telecommunications infrastructure in the near term which may impact available space along the bridges. For creek crossings not located at bridges, or that require installation below the bridge, permits will be required through the California Department of Fish and Wildlife, US Army Corps of Engineers (USACE), and the Regional Water Quality Control Board (RWQCB). Creek crossings will also include environmental considerations and mitigation measures through the eventual California Environmental Quality Act plans. The following permits shall be evaluated on a case-by-case basis for non-bridge creek crossings or where crossings at bridges may require pipelines to be installed within the normal high-water level:

- California Department of Fish and Wildlife Section 1602 Permit.
- USACE Section 404 Permit for creek crossings within the Waters of the US jurisdiction.
- RWQCB Section 401 Permit within the Waters of the State jurisdiction.

To the extent practical, alignments will avoid creek crossings. Alignments with less crossings will be evaluated more favorably due to lower cost and less permitting complexity.



Figure 14 Required Creek Crossings

3.4.1.4 Community Impacts

The Montecito community is largely residential. Alignment alternatives were compared with community impacts in mind, such as disruption to localized traffic, access to homes, businesses, and other community resources such as schools, churches, and emergency service centers. The alignment alternatives that are routed in close proximity to homes have a higher potential for these impacts.

The SSD WWTP is also located just across US 101 from downtown Summerland, a commercial zone including boutique shopping, restaurants, and surrounding residential housing. The proposed alignment is expected to largely impact the commercial area on route to the MSD connection point. Any

improvements at the SSD WWTP may require odor control to offset impacts from converting the SSD wet well to a LS. See Section 3.7 for additional discussion related to odor control.

Alignments with lesser impacts to the surrounding communities were favored to those that had greater impacts.

3.4.1.5 Permitting

Project permitting can impact the project due to delays and the expense of obtaining and complying with the permit requirements. Specific permits required by the alternatives may include:

- California Coastal Commission Coastal Development Permit.
- County Department of Transportation Encroachment Permit for county roads.
- California Department of Transportation Encroachment Permit for highways.
- Union Pacific Railroad (UPRR) Encroachment Permit for railroad.

Individual alternatives are evaluated on the overall number of permits required, relative perceived difficulty of obtaining permits, and resulting permit requirements and mitigation measures which may add project complexity and cost.

3.4.1.6 Collection System Feasibility

Alternatives have varying degrees of impacts to MSD's collection system. Several alternatives impact existing LSs which may or may not require physical capacity upgrades, adding cost and complexity. Other alternatives impact only the gravity system or bypass MSD's collection system altogether. These criteria will consider potential impacts and feasibility of the upgrades.

3.5 Cost Estimating Methodology

The estimated costs summarized in this Section are based on an AACE International Class 5 cost estimate. Class 5 construction cost estimates are generally prepared based on limited information and subsequently have a relatively wide accuracy range. They are typically used along with other considerations for concept screening. Design definition and engineering associated with a Class 5 estimate is typically from 0 percent to 2 percent complete.

The costs and assumptions used were developed from the information available at the time that this opinion was prepared. There are numerous design related criteria, decisions, and assumptions that will need to be vetted and evaluated, including input from project owners, operators, and customers as well as additional surveys, modeling, permit conditions, and unforeseen circumstances that could impact the cost of the project as the design progresses.

Capital costs include costs for construction, contractor overhead, property acquisition, contingency for unknown conditions, engineering administration, and environmental permitting. Construction costs were broken into major components and were developed using cost indexes, recent bids for similar projects, recent engineering estimates, and industry planning-level unit costs. Quantities were estimated using field measurements taken during site visits, scaled record drawings, and through online mapping programs. Unit costs were equivalent across alternatives to support a comparative analysis. O&M costs were

incorporated as percentages of applicable components of construction (pump stations, pipelines, etc.) and estimated pump station energy costs.

The cost opinions were built on unit prices derived from recent public works bids and databases based on public works bid unit prices. Since these unit prices are based on public works projects, they include prevailing wage rates. A Class 5 cost estimate represents an accuracy range from low of minus 50 percent to high of plus 100 percent. To account for this level of accuracy, the project estimate includes a 40 percent estimating contingency to account for uncertainties that could impact the project costs.

A summary of construction, soft cost and escalation assumptions is provided in Table 5. Percentages are sequentially applied in the order they fall on the table.

Table 5 Cost Estimate Assumptions

Description	Value	Applied To
Contingency for Unknown Conditions	40%	Subtotaled raw construction costs
Escalation	16%	Assumes mid-point is August 2027, applied to raw construction costs
General Conditions	10%	Applied to escalated construction costs
Contractor Overhead, Profit, Bonds, and Insurance	15%	Applied to escalated construction costs
Design Services	10%	Applied to total construction costs (contingency, escalation, and overhead)
Engineering Services During Construction	5%	Applied to total construction costs (contingency, escalation, and overhead)
Owner's Administration and Legal	5%	Applied to total construction and engineering costs
Owner's Advisor and Construction Manager Costs	6%	Applied to total construction and engineering costs
Owner's Allowance	10%	Applied to total construction and engineering costs
Debt Service Rate	3%	Total project costs, represents State Revolving Fund Loan typical rate
Project Debt Life	30 Years	Used along with rate in annualizing total project costs

The Engineering News-Record cost indices predict construction cost escalation to historically run approximately 3 to 4 percent. However, due to the escalation conditions experienced in the construction industry over the last few years and higher than normal inflation in materials and labor expected in the foreseeable future, it is recommended that a 5 percent escalation rate is used for the project cost estimate. The escalation rate is calculated to the midpoint of construction (estimated as August 2027) and is applied to all estimated costs.

It is assumed that the project will be delivered through a design-build or a progressive design-build approach. These project delivery approaches appear to be the current trend in the industry. The final costs of the project will depend on actual labor and material costs and competitive market conditions at the time of bidding, actual site conditions, final design scope, implementation schedule, continuity of personnel and engineering, and other variable factors.

3.6 Common Infrastructure Components

Across all alternatives there are common infrastructure improvements required regardless of alternative selection. The following list of infrastructure improvements are applicable to all subsequent alternatives:

- Conversion of the SSD WWTP's influent wet well to a pump station for pumping flows from the SSD collection system to the MSD collection system.
 - » Additional odor control infrastructure will be constructed to reduce any potential community impact near the SSD WWTP.
- Common piping infrastructure to carry SSD flow over Ortega Hill and into the MSD collection system.

3.6.1 Summerland Sanitary District Wastewater Treatment Plant Impacts

SSD's WWTP will require modifications to be converted to a pump station to transfer unequalized flow to MSD's system. WSC performed a site visit led by SSD operations staff to investigate locations within the facility which could be repurposed into a pump station. The most feasible location is likely the existing EQ basin which could be retrofitted with submersible pumps or dry-pit style pumps (utilizing the existing adjacent dry pit vault, pictured below). Photos of the existing EQ basin and dry pit vault are provided on Figure 15.

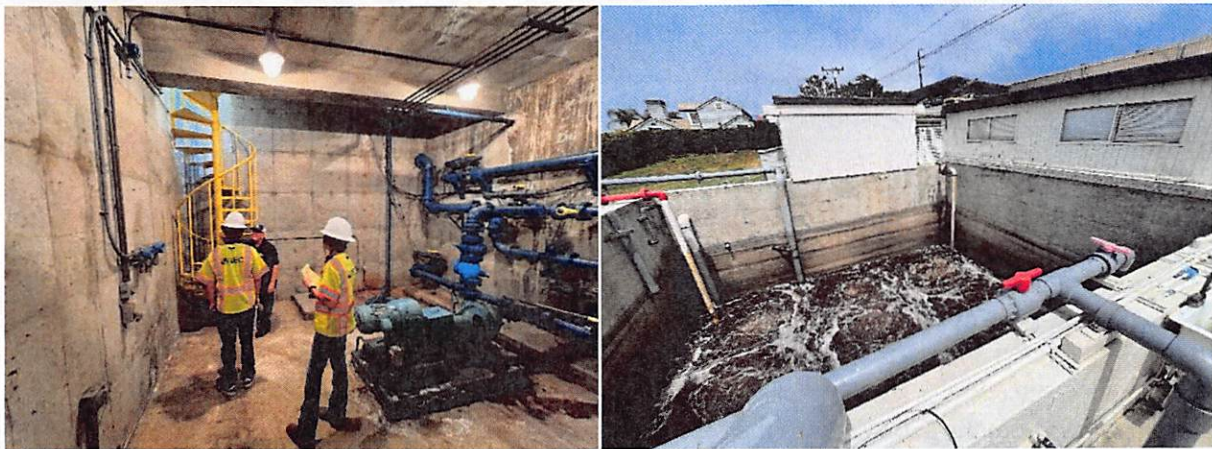


Figure 15 SSD WWTP Photos

A conceptual layout showing a reduced facility including only pumping infrastructure is provided on Figure 16. The existing basin would also require odor control, which was included in the cost estimates. The OCS would include corrosion resistant fiber reinforced polymer covers, air distribution system, fiber reinforced polymer grating to support the media, and treatment system.



Figure 16 SSD Pumping Facility Conceptual Layout

3.6.2 Common Pipeline Alignment

To transfer flows from the SSD WWTP to the MSD collection system, a new pressurized pipeline must carry the flow over, or around, Ortega Hill. Note that SSD existing infrastructure includes a pipeline crossing the UPRR and US 101. However, for this analysis it was assumed that new infrastructure would be required. Facility changes to SSD impact all alternatives equally. Two alternatives were developed to transfer flows from the SSD WWTP to the MSD collection system. Both alternatives begin at the SSD WWTP, where the new pump station will be constructed, and travel west along Wallace Avenue before crossing under US 101 and turning left onto Ortega Hill Road. The alternative pipeline alignments then split and are described below:

- Alignment A - Ortega Hill Road:
 - » The alignment follows Ortega Hill Road over Ortega Hill before reaching the intersection of Ortega Hill Road, North Jameson Lane, and Sheffield Drive.
 - » The total length of new pipe for this alignment is approximately 5,840 feet.
- Alignment B - US 101 Bike Path:
 - » The alignment turns left from Ortega Hill Road just west of the US 101 North onramp where a new bike path has been constructed. The alignment follows the bike path to the same intersection as Alignment A.
 - » The total length of new pipe for this alignment is approximately 5,500 feet.

This section of pipeline terminates at the Ortega Hill Road, North Jameson Lane, and the Sheffield Drive intersection where the alternative alignments begin. Alignment B, or the bike path route, saves approximately 340 feet in pipeline length and reduces the size of required pumps. However, due to the uncertainty of utilizing the bike path as a pipeline corridor, Alignment A is the recommended alignment.

The alternative alignments proposed for transferring SSD flows to the boundary of the MSD collection system are shown on Figure 17.

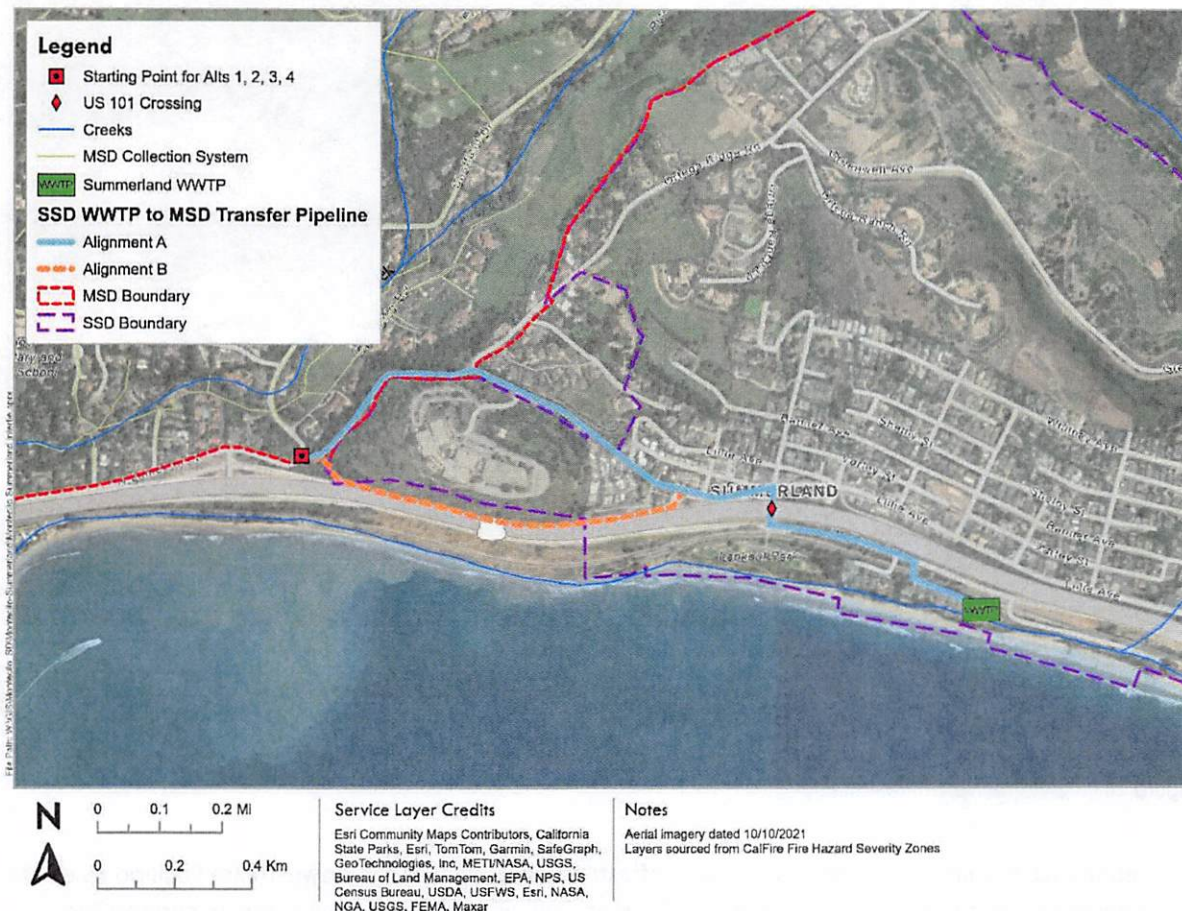


Figure 17 Common Pipeline Alignment

3.7 Alternative 1 - Nearest Montecito Sanitary District System Connection

Alternative 1 proposes constructing approximately 380 feet of new pipeline starting at the intersection of Ortega Hill Road, North Jameson Lane, and Sheffield Drive, where Alignment A, discussed above, terminates. The proposed pipeline travels north along Sheffield Drive before reaching the first proposed connection manhole, shown on Figure 18. The SSD flows would then travel by gravity through MSD’s existing collection system before reaching Posilipo LS and being pumped to the MSD WWTP. The total

length of new pipeline infrastructure required for Alternative 1 is approximately 6,300 feet, including Alignment A (Ortega Hill Road).

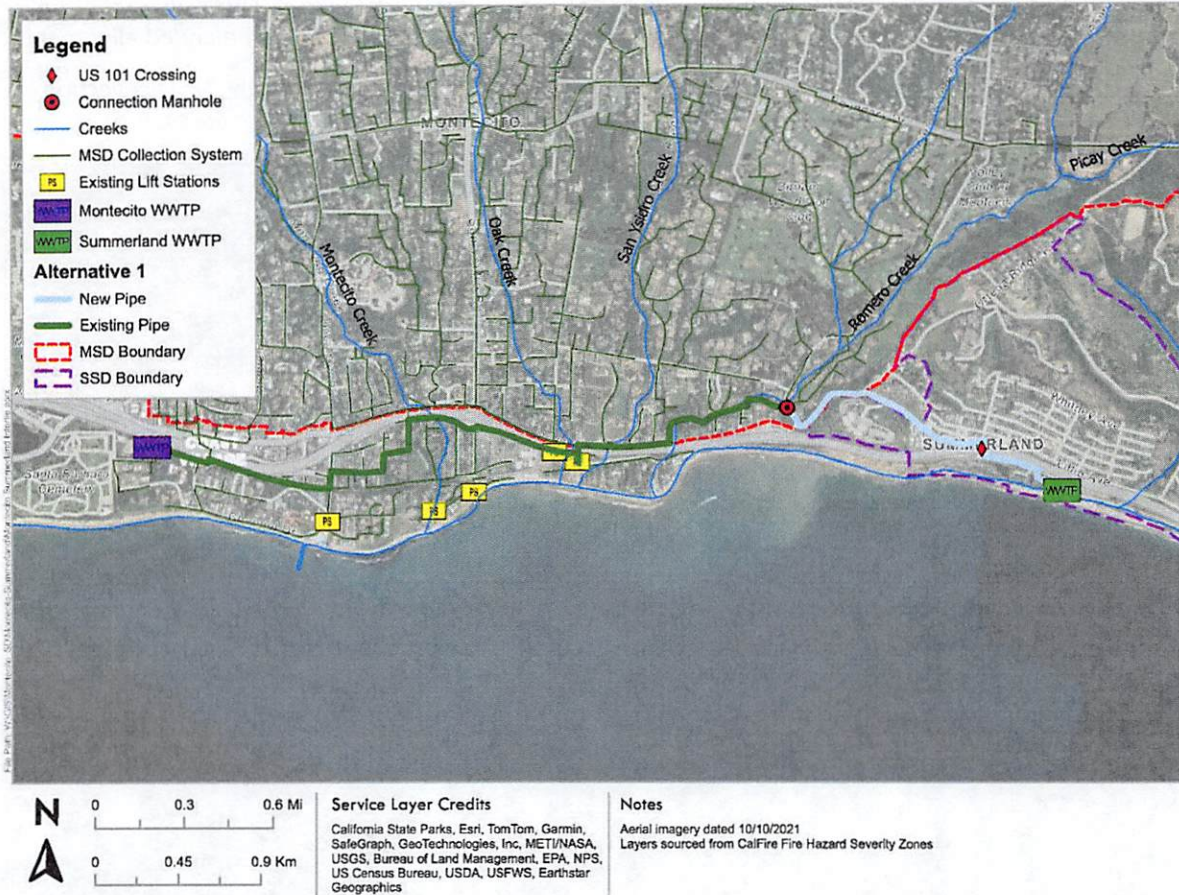


Figure 18 Alternative 1 Infrastructure

This alternative requires the least new pipeline infrastructure. However, the downstream Posilipo LS does not have the capacity to handle an increase in flows and would require improvements to support the additional inflow from SSD. Currently, the Posilipo LS operates with two pumps in parallel and a backup pump for redundancy. The current capacity, new required capacity, and increase in required power is presented in Table 6. Operation of the LS would remain the same, but the power of each pump would need to be increased by 5 horsepower (hp). Note that the proposed pumps are the same model as existing pumps, but with a different impeller trim and head setting.

Table 6 Posilipo LS Capacity Requirements

Current Capacity, gpm	Additional Flow from SSD, gpm	New, Required Capacity, gpm	Increase in Pump Power, hp
1,100	420	1,520	5

Notes:
 gpm - gallons per minute

The Posilipo LS site is located mostly underground in a two-level subterranean circular concrete precast structure. Existing electrical infrastructure is located above ground, pump control systems are located at

the first belowground level, and the dry pit pumps are located at the lowest level. It is expected that removal of the existing pumps and installation of new pumps would be limited to a small access hatch. Given the compact size of the LS and location of existing pumps, any upgrades to the facility would carry potential considerations regarding design complexity, constructability, and schedule, impacting the overall timeline and cost of the upgrade associated with this alternative. A summary of the benefits and constraints for this alternative are presented in Table 7.

Table 7 Alternative 1 Benefits and Constraints Summary

Criteria	Impact
Estimated Infrastructure Cost	Shortest route reduces pipeline costs (more pumping and LS upgrade costs). However, high cost in upgrading LS to increase capacity. LS may be difficult to upgrade given current configuration.
Highway/Railroad Crossing	Only one US 101 and one railroad crossing to negotiate.
Creek Crossings and Environmental Impacts	No creek crossings required, however, connection manhole is adjacent to Romero Creek.
Community Impacts	Higher acceptance due to less community impact from shorter overall pipeline.
Permitting	No creek crossings, minimal highway and railroad crossings will reduce permitting effort.
Collection System Feasibility	Downstream LS (Posilipo) is at capacity and cannot accept additional flow. LS building is also near space capacity. Posilipo LS constructed in small footprint partially in ROW, difficult and expensive to upgrade.

The total project and annual O&M costs are presented for Alternative 1 in Table 8.

Table 8 Alternative 1 Costs

Construction Cost	Contingency	Engineering, Administration, and Legal	Total Project Cost	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
\$15,492,500	\$3,178,000	\$6,065,300	\$21,557,800	\$21.6	\$333,800	\$1,433,800

3.8 Alternative 2 - Nearest Montecito Sanitary District Lift Station Connection

Alternative 2 initiates at the same location as Alternative 1, the intersection of Ortega Hill Road, North Jameson Lane, and Sheffield Drive. The new pipeline turns left from the intersection onto North Jameson Lane and travels west along North Jameson Lane for approximately 4,200 feet along North Jameson Lane. The new pipeline crosses three creeks (Romero, San Ysidro, and Oak); each crossing would be located at an existing bridge, see Figure 14. The alignment then crosses US 101 to the Miramar LS, resulting in an additional 500 feet of new pipeline where the SSD flows are introduced to the MSD collection system through the Miramar wet well. The total length of new pipeline required for this alignment is approximately 10,400 feet, assuming that the Ortega Hill transfer alignment is used. The proposed alignment for Alternative 2 is shown on Figure 19.

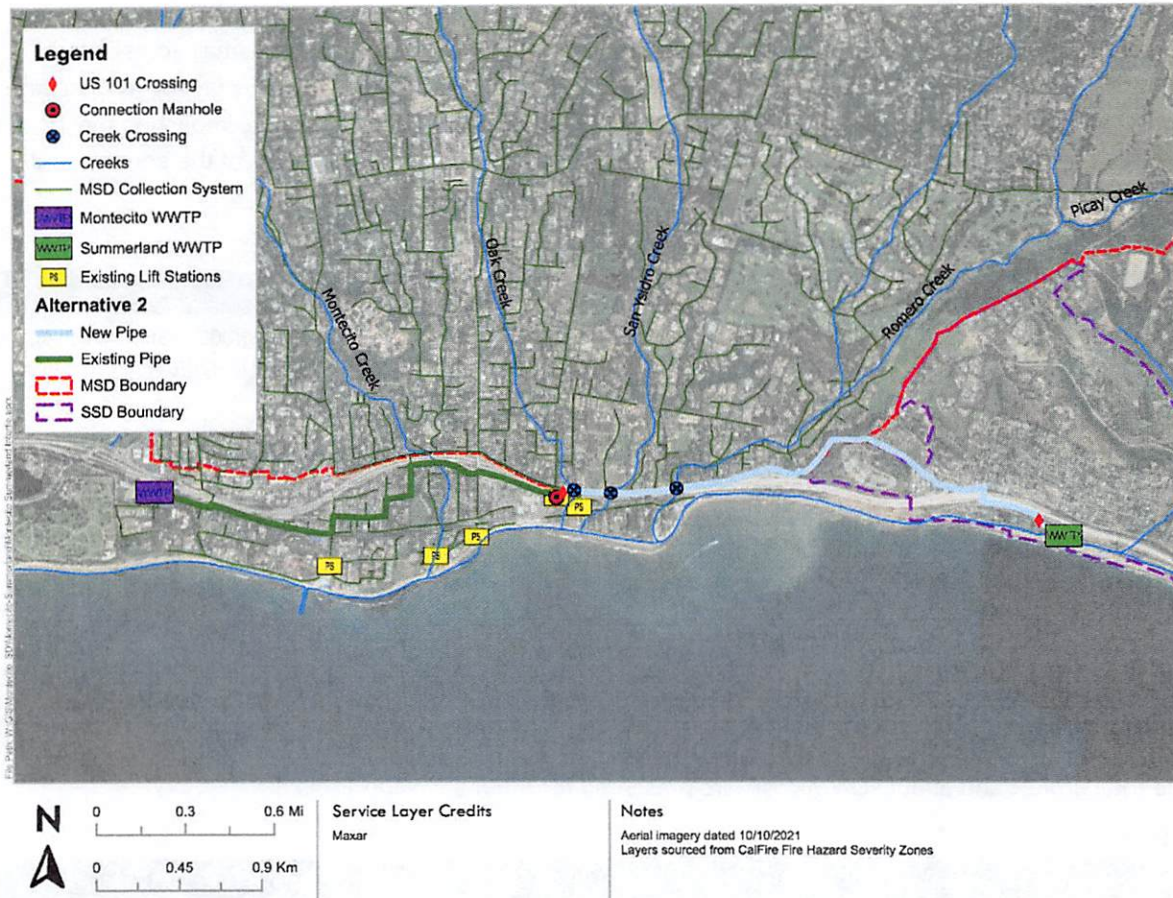


Figure 19 Alternative 2 Infrastructure

The Miramar LS is currently underutilized with an average peak daily flow of 35 gpm and a single pump capacity capable of supplying 625 gpm at 65 feet of head. The underutilization has led to undesirable operation with increased pump cycling necessary to reduce hydrogen sulfide (H₂S) odor problems. The required design capacity with the addition of the SSD flows is approximately 920 gpm, where 500 gpm is expected from the hotel and 420 gpm is expected from SSD. By operating the Miramar LS pumps in parallel, it is expected that the LS will not require infrastructure upgrades. The increase in flows could also resolve operation constraints and decrease pump cycling. Note that any additional flows to the Miramar LS will require an agreement with the adjacent resort (Rosewood Miramar Beach).

A summary of the benefits and constraints associated with Alternative 2 is presented in Table 9.

Table 9 **Alternative 2 Benefits and Constraints Summary**

Criteria	Impact
Estimated Infrastructure Cost	Lower costs due to no LS upgrades at Miramar. This alternative requires significantly more piping than Alternative 1 but similar in total length to Alternative 3.
Highway/Railroad Crossing	Two US 101 and one railroad crossing to negotiate.
Creek Crossings and Environmental Impacts	Three creek crossings required.
Community Impacts	Slightly more community impacts from longer pipeline. Will require planning and notifications with community and Miramar resort.
Permitting	Several creek, highway, and railroad crossings will all add to permitting effort.
Collection System Feasibility	Miramar LS is underutilized with available flow capacity and building space for future upgrades. Increased flows could reduce H ₂ S problems and reduce pump cycling occurring due to low flows. However, relationship with hotel could impact ease of ongoing operation and potential future upgrades. Hotel is currently planning an employee housing project, additional flows from project are estimated at 100 gpm.

The total project and annual O&M costs for Alternative 2 are presented in Table 10.

Table 10 **Alternative 2 Costs**

Const. Cost	Contingency	Engineering, Administration, and Legal	Total Project Cost	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
\$11,172,500	\$2,292,000	\$4,374,000	\$15,546,500	\$15.6	\$144,600	\$937,600

3.9 Alternative 3 - Nearest Montecito Sanitary District Gravity Connection

The third alternative proposes pumping the SSD flows to the nearest connection manhole, which allows for gravity flow to the MSD WWTP. The alignment is identical to Alternative 2. However, instead of crossing the US 101 to the Miramar LS, the new pipe continues west on North Jameson Lane for an additional 2,275 feet before discharging flow to the connection manhole just west of San Ysidro Road. From the connection manhole, the SSD and MSD combined flows travel via existing gravity sanitary sewer pipes to the MSD WWTP. Figure 20 shows the proposed infrastructure for Alternative 3.

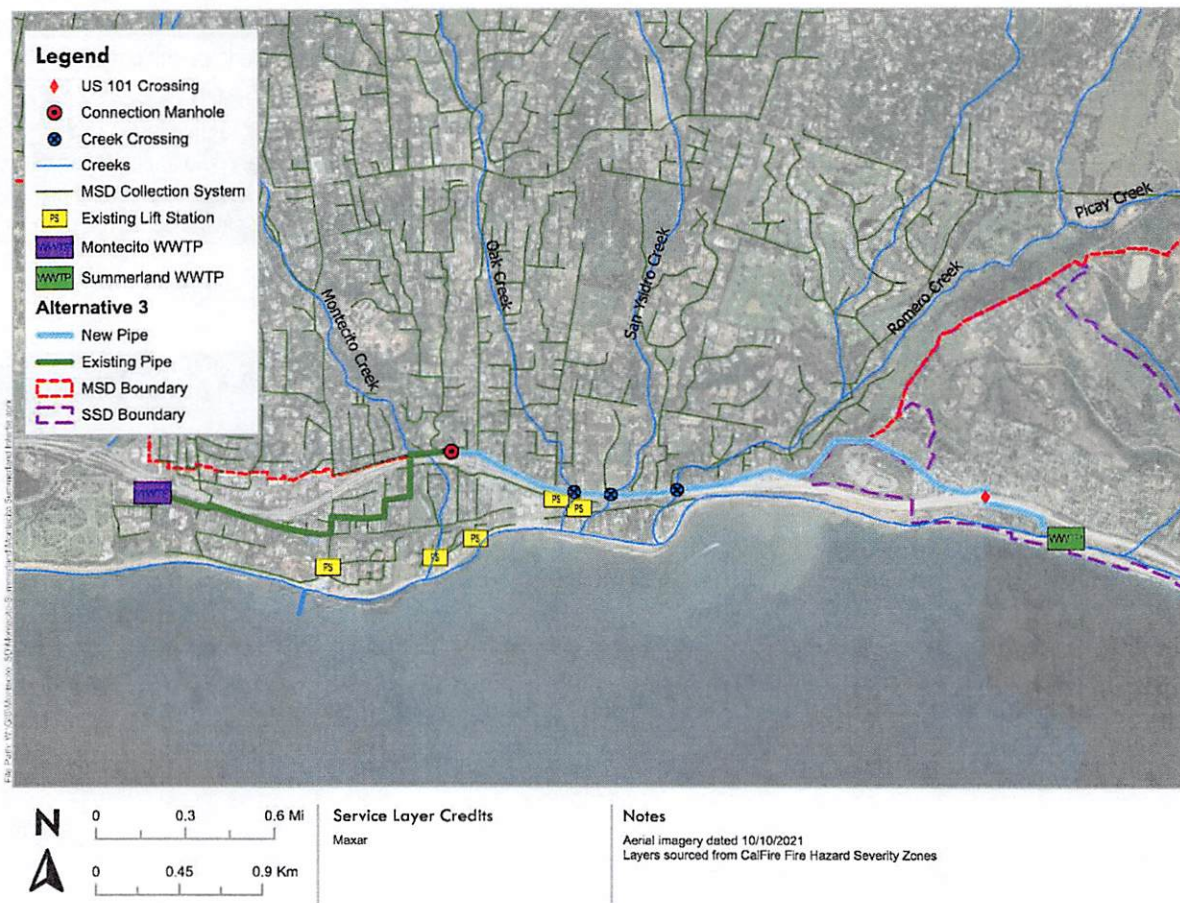


Figure 20 Alternative 3 Infrastructure

Similarly to Alternative 2, the pipeline crosses three creeks (see Figure 14) but does not need to cross US 101 or impact any LS in the system. This alignment also alleviates impacts to any LS in the MSD

collection system, not requiring any pump upgrades. A summary of the benefits and constraints for Alternative 3 is presented in Table 11.

Table 11 Alternative 3 Benefits and Constraints Summary

Criteria	Impact
Estimated Infrastructure Cost	No LS impacts or costs are associated with this alternative. The total pipeline length is similar to Alternative 2 but requires one less US 101 trenchless crossing.
Highway/Railroad Crossing	One US 101 and one railroad crossing to negotiate.
Creek Crossings and Environmental Impacts	Three creek crossings required.
Community Impacts	Slightly more community impacts from longer pipeline. May require planning and notifications with community.
Permitting	Several creek, highway, and railroad crossings will all add to permitting effort.
Collection System Feasibility	The originally proposed connection manhole is approximately 2 feet below ground surface and could lead to surcharging problems. However, during a site visit another nearby manhole location was noted. No LS capacity constraints simplifies this alternative and reduces cost.

Total project cost and annual O&M costs are presented in Table 12.

Table 12 Alternative 3 Costs

Construction Cost	Contingency	Engineering, Administrative, and Legal	Total Project Cost	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
\$11,305,000	\$2,319,000	\$4,425,900	\$15,730,900	\$15.8	\$126,500	\$929,500

3.10 Alternative 4 - Direct Montecito Sanitary District Wastewater Treatment Plant Connection

The final alternative considered proposes delivering the SSD flows directly to the MSD WWTP via a new force main and does not utilize any existing infrastructure in the MSD collection system. The alignment is identical to Alternative 3, except the pipeline alignment continues all the way to the MSD WWTP. The pipeline continues to the end of North Jameson Lane before briefly turning left on Olive Mill Road and then turning right onto Coast Village Road. The pipeline travels on Coast Village Road for approximately 2,400 feet before crossing the US 101 via the Butterfly Lane Underpass and then travels west to the MSD

WWTP. The total length of new pipeline infrastructure required for Alternative 4 is approximately 18,050 feet. Figure 21 shows the infrastructure for Alternative 4.

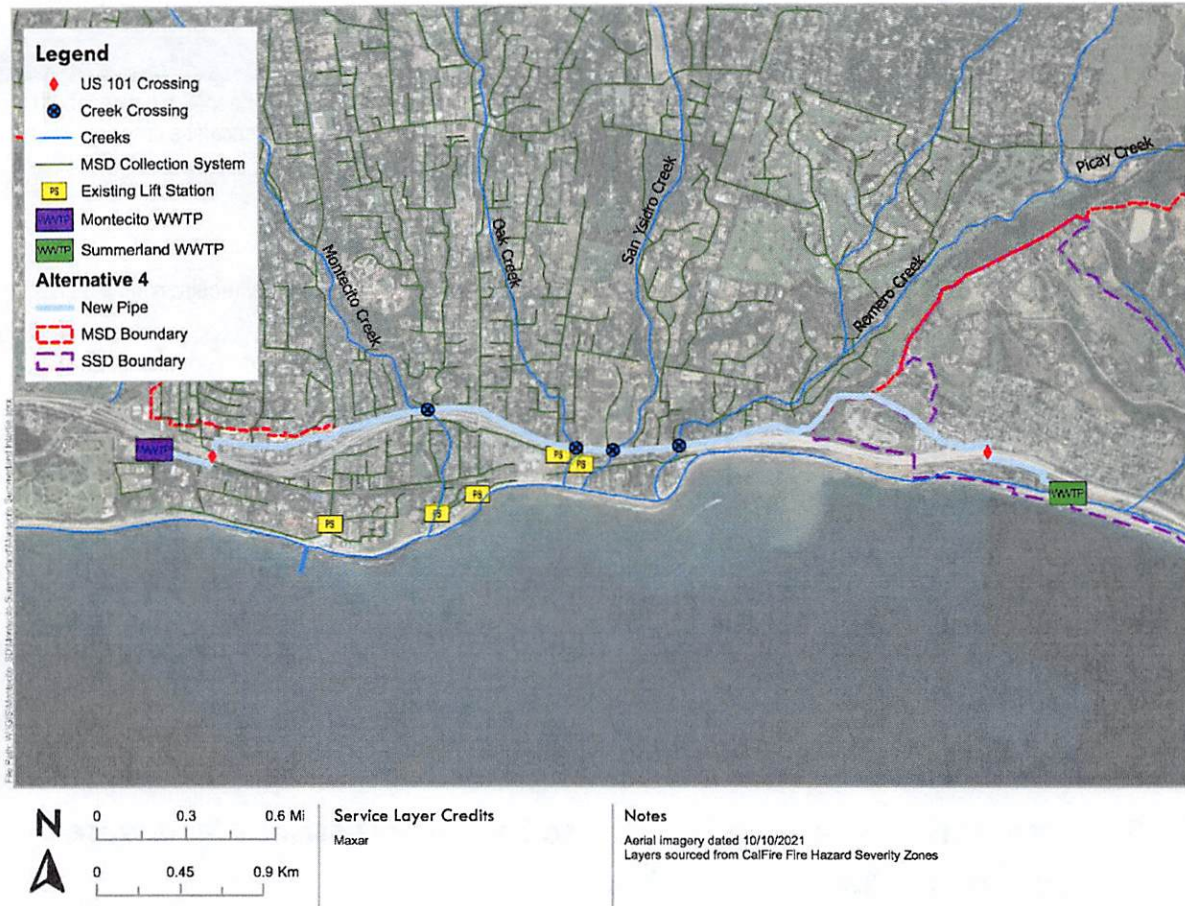


Figure 21 Alternative 4 Infrastructure

There is no impact to MSD’s collection system in this alternative. The new force main bypasses the MSD collection system, therefore maintaining the collection system capacity and not impacting any LS. The alignment crosses four creeks in total; an existing bridge is located at each proposed crossing. The alignment also crosses the US 101 and UPRR tracks. The extensive new infrastructure for this alternative increases costs greatly. In addition, substantial amounts of roadwork for pipeline installation could have a potentially large impact on the surrounding community. A summary of the benefits and constraints of this alternative are presented in Table 13.

Table 13 Alternative 4 Benefits and Constraints Summary

Criteria	Impact
Estimated Infrastructure Cost	No LS impacts or costs are associated with this alternative. The alternative requires the longest route to connect with MSD WWTP.
Highway/Railroad Crossing	Two US 101 and two railroad crossings to negotiate.
Creek Crossings and Environmental Impacts	Four creek crossings required.

Criteria	Impact
Community Impacts	Significant community impacts from longest pipeline. May require large planning and notification efforts with community.
Permitting	Several creek, highway, and railroad crossings will all add to permitting effort.
Collection System Feasibility	Alternative provides the greatest collection system benefit as it bypasses the collection system altogether.

Table 14 shows the total project and annual O&M costs for Alternative 4.

Table 14 Alternative 4 Costs

Construction Cost	Contingency	Engineering, Administrative, and Legal	Total Project Cost	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
\$16,263,800	\$3,336,000	\$6,367,300	\$22,631,000	\$22.7	\$143,800	\$1,298,800

3.11 Alternatives Comparison and Recommendations

A summary of the cost estimates for each alternative is presented in Table 15. Based on the infrastructure analysis, Alternative 2 is the recommended project to intertie the SSD flows with the MSD collection system. By implementing Alternative 2, the Miramar LS would not exceed capacity and require no upgrades to existing infrastructure. While Alternative 2 does require more new piping infrastructure than Alternative 1, the length of pipe is slightly less than Alternative 3 and significantly less than Alternative 4. Because Alternative 2 does not require LS upgrades and is the second least quantity of new pipe, it is expected to be the lowest cost project.

Table 15 Alternatives Cost Comparison

Alternative	Construction Cost (\$M)	Engineering Cost (\$M)	Other Owner Cost (\$M)	Contingency (\$M)	Total Project Cost (\$M)	Annual O&M	Total Annual Cost
1	\$15.5	\$2.3	\$3.7	\$3.2	\$21.6	\$333,800	\$1,433,800
2	\$11.2	\$1.7	\$2.7	\$2.3	\$15.6	\$144,600	\$937,600
3	\$11.3	\$1.7	\$2.7	\$2.3	\$15.8	\$126,500	\$929,500
4	\$16.3	\$2.4	\$3.9	\$3.3	\$22.7	\$143,800	\$1,298,800

Alternative 3 follows as the next recommended alternative if collaboration with the Rosewood Hotel becomes a constraint for Alternative 2. Although there is slightly more piping than Alternative 2, the cost is balanced due to only a single US 101 crossing.

Alternatives 1 and 4 are not recommended for this project. Alternative 1 requires extensive upgrades to the Posilipo LS to prevent surcharging in the MSD collection system. Alternative 4 does provide benefits, as there is no impact on the MSD collection system. However, the extensive piping would be too expensive, and the community impacts would be considerable.

SECTION 4 MONTECITO SANITARY DISTRICT WASTEWATER TREATMENT PLANT ANALYSIS

4.1 Combined Flow Analysis to Montecito Sanitary District Wastewater Treatment Plant

As discussed in Section 2, the current ADWF is ~0.08 mgd at SSD and ~0.64 mgd at MSD, resulting in a projected combined ADWF of 0.72 mgd flowing into MSD WWTP, shown in Table 16. Maximum monthly and hourly flows are also noted in Table 16. The highest combined average hourly flow was calculated at 4.37 mgd for wet weather flow in February 2024, based on the sum of MSD and SSD peaks determined in Section 2. These results are shown in Table 16.

Table 16 Current MSD Flows, SSD Flows, and Combined MSD and SSD Flows

Parameter	Unit	MSD	SSD	Combined
Average Annual Daily Dry Weather Flow	mgd	0.634	0.084	0.72
Average Annual Daily Flow	mgd	0.646	0.092	0.74
Maximum Average Monthly Dry Weather Flow	mgd	0.97	0.14	1.11
Maximum Average Monthly Flow	mgd	1.15	0.18	1.33
Maximum Hourly Dry Weather Flow	mgd	1.39	0.24 ⁽¹⁾	1.63
Maximum Hourly Wet Weather Flow	mgd	3.77	0.6*	4.37

Notes:

(1) Estimated value.

As part of TM 4 - Evaluation of MSD WWTP Performance and Capacity, January 2023, a future average flow projection of 0.7 mgd was assumed for the MSD WWTP. Additionally, after discussing current and future flows with SSD, it was determined that the current average of 0.084 mgd should serve as a reliable estimate for future projections. Therefore, a combined ADWF of 0.784 mgd was assumed for the impact analysis, as discussed below.

4.2 Combined Flow Impact on Montecito Sanitary District Wastewater Treatment Plant Existing Unit Processes

The MSD WWTP has a permitted capacity of 1.5 mgd (monthly ADWF) and the existing treatment processes include:

- Grinding and influent pump station (IPS).
- Biological treatment, consisting of aeration basins and secondary clarifiers.
- Chlorination and dechlorination.
- Solid processing, consisting of dissolved air flotation (DAF), aerobic digestion, and belt press for dewatering (and drying beds for backup to the mechanical process).

As part of TM 4 - Evaluation of MSD WWTP Performance and Capacity, January 2023, the above unit processes were assessed for their available capacity. Table 4.3 from TM 4, summarizing the results of analysis, is reproduced in Table 17 for reference.

Table 17 MSD Unit Process Capacity Ratings

Process	Maximum Day Capacity (mgd)	Annual Average Flow Capacity (mgd)
IPS (mgd)	4.6	0.8 ⁽¹⁾
Muffin Monster Grinders	3.5	0.6 ⁽¹⁾
Secondary Processes ⁽²⁾	4	0.7
Chlorine Disinfection ⁽³⁾	4.5	0.8
DAF	-	0.8
Digesters ⁽⁴⁾	-	1.2
Dewatering ⁽⁵⁾	-	2.1

Notes:

- (1) Average annual flow capacity is 1.6 and 2.1 mgd for IPS and 1.2 and 1.6 mgd for Muffin Monster grinders at peak flow of 2.9 and 2.2, respectively.
- (2) Secondary processes include aeration tanks and secondary clarifiers.
- (3) Chlorination capacity based upon chlorine contact time (CT) minimum of 10 minutes. Disinfection to National Pollutant Discharge Elimination System standards is possible at lesser CTs, but demonstration testing is recommended for very short CTs.
- (4) Digester capacity is based on providing sufficient storage for maintaining the dewatering equipment (two weeks). If time and temperature requirements must be met for land application, 40 to 60 days of storage will be required, which will reduce the rated average annual flow capacity.
- (5) Based on operating 18 hours per week. If operating hours are increased or decreased, rated capacity will change.

As listed in the table, there are two unit processes with average capacities below the combined flow of MSD and SSD (0.784 mgd): the Muffin Monster grinders and the Secondary Process. The grinders could be replaced as part of a new headworks facility at the plant, which was previously recommended. In the case of the Secondary Process, based on the input received from MSD, it is anticipated that the exceedance flow (0.084 mgd above the assessed capacity of 0.7 mgd) could be accommodated by the MSD WWTP.

4.3 Equalization Basin Analysis

The purpose of the EQ basin was to capture the combined PWWF from MSD and SSD during short duration events (so as to not overwhelm the WWTP) and be used for secondary effluent storage and EQ for the dry weather periods (this latter use will be beneficial for maximizing water reuse). For calculating the EQ basin volume, based on the input received from MSD, it was assumed that any wet weather flows up to 3 mgd will be processed through the WWTP without EQ, while any flows above 3 mgd will be diverted to the EQ basin. Said another way, EQ would be used to maintain a maximum flow to the MSD WWTP during wet weather periods.

According to the historical flow data between January 1, 2022, and April 10, 2024, the largest rainfall occurred between February 18, 2024, and February 24, 2024, shown on Figure 22. As noted above, the volume of combined MSD and SSD flows exceeding 3 mgd was used to calculate the EQ basin volume and was determined to be 881,000 gallons.

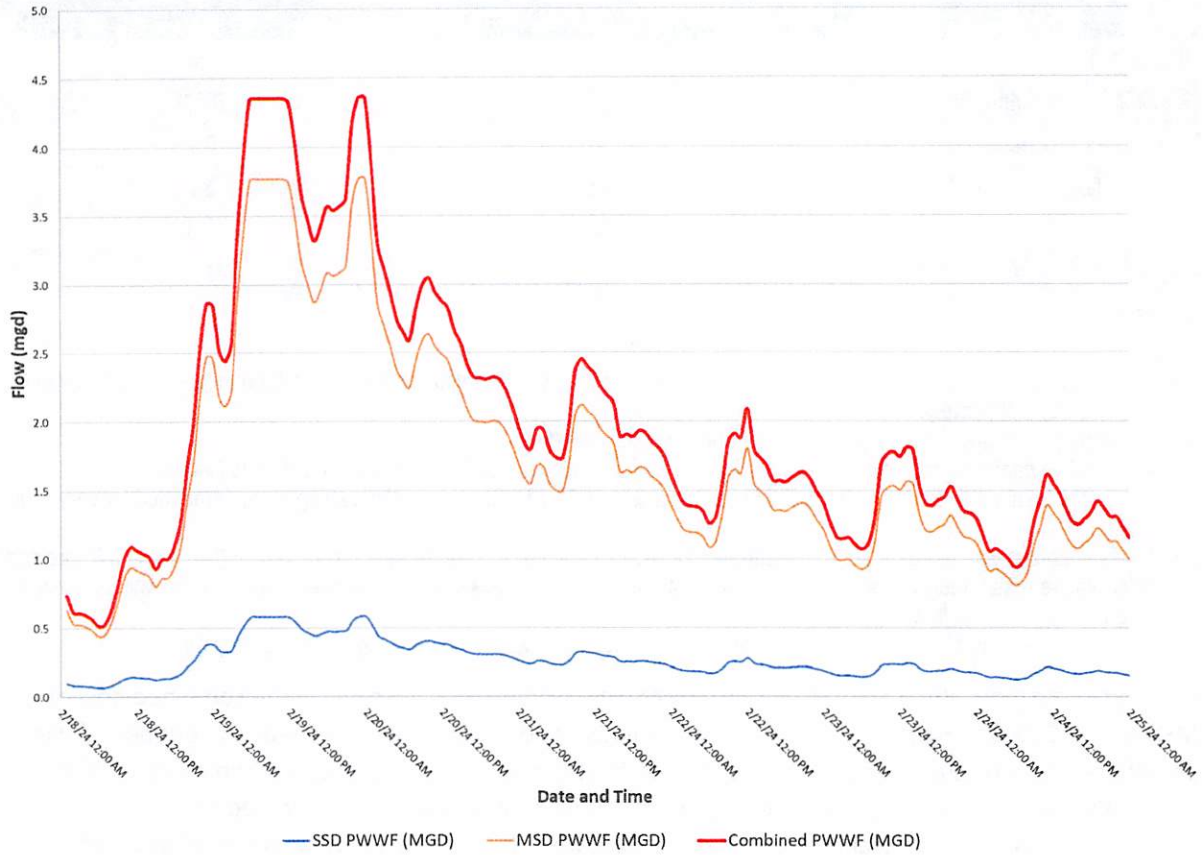


Figure 22 MSD Flows, SSD Flows (Estimated), and Combined MSD and SSD Flows During the Largest Rainfall Between February 18, 2024 and February 24, 2024

Considering the available footprint at MSD WWTP (see Section 4.5) and possible height restriction, the overall inside dimensions of EQ basin was calculated to be 140 feet in length by 70 feet wide by 15 feet high, including 3 feet of freeboard. The EQ basin was assumed to be above-ground and divided into two compartments for O&M flexibility. Figure 23 shows a schematic flow diagram for the flow EQ system.

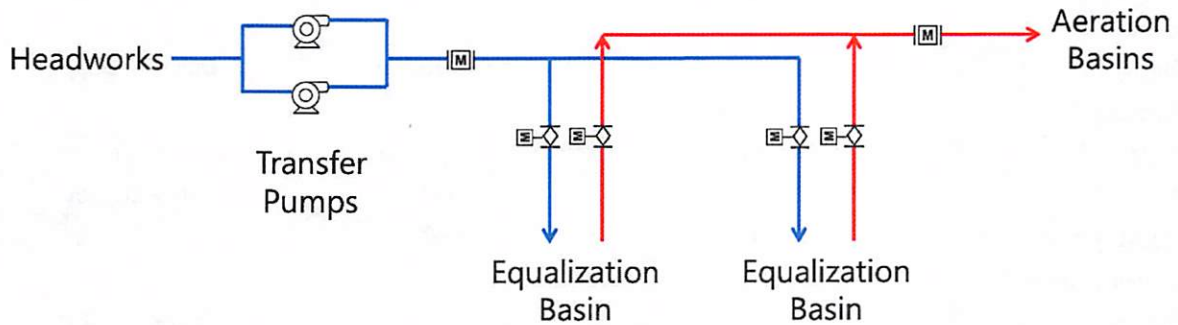


Figure 23 EQ Process Flow Schematic

4.4 Odor Control Analysis

For odor control analysis, it was assumed that the foul air from the coarse screens, grit chamber, and EQ basin will be captured and treated by the OCS. Using a six-air change per hour for ventilating the headspace of the above unit processes, the total airflow rate was approximated at 4,000 cubic feet per minute (cfm), including about 3,000 cfm airflow for the EQ basin. For treating foul air, a two-stage system biotrickling filter (BTF) followed by carbon scrubber, was considered. This system has proved to be effective in removing odor causing constituents from similar unit processes at other WWTPs. A schematic flow diagram and design criteria for OCS are shown on Figure 24 and Table 18, respectively.

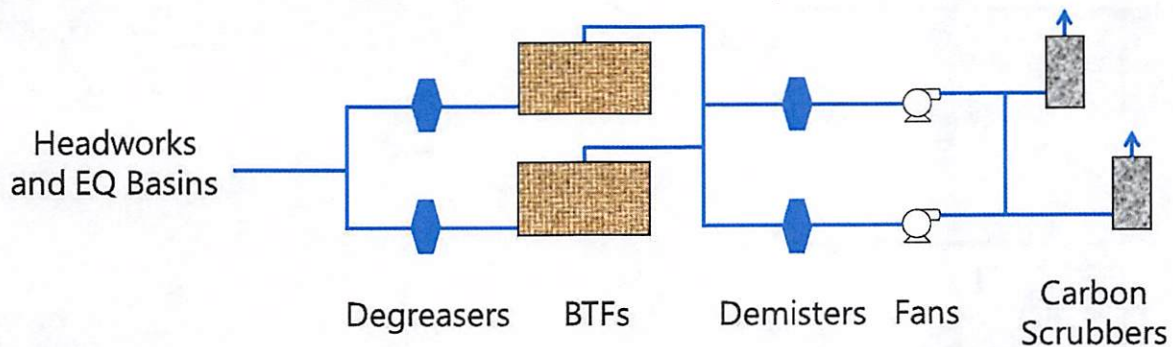


Figure 24 OCS Process Flow Schematic

It should be noted that instead of BTF and carbon scrubbers, MSD may consider a less expensive odor control technology or treatment train. This is especially pertinent if the EQ basins are solely used for wet weather EQ and considering that the existing WWTP currently does not capture and treat odor.

Table 18 Odor Control Design Criteria

Description	Unit	Value	Remarks
Average/Peak Inlet H ₂ S	ppmv	35/100	Assumed
Outlet H ₂ S	ppmv	< 0.2	
BTFs			
No.	-	2+0	Duty + Standby
Capacity, each	cfm	2,000	
Fans			
No.	-	1+1	Duty + Standby
Capacity, each	cfm	4,000	
Carbon Scrubbers			
No.	-	1+1	Duty + Standby
Capacity, each	cfm	4,000	

Notes:

ppmv - parts per million by volume

4.5 Site Layout

Based on the criteria discussed above, a conceptual facility layout was developed as shown on Figure 25. The future facilities were all located on the empty lot on the west side to minimize the impact on existing facilities. The future AWPf is also shown in this figure to provide a complete picture of the facility layout.



Figure 25 Conceptual Site Layout

4.6 Cost Estimate

The estimated costs summarized in this section are based on an AACE International Class 5 cost estimate. Class 5 construction cost estimates are generally prepared based on limited information and subsequently have a relatively wide accuracy range. They are typically used along with other considerations for concept screening. Design definition and engineering associated with a Class 5 estimate is typically from 0 percent to 2 percent complete.

A Class 5 cost estimate represents an accuracy range from low of minus 50 percent to high of plus 100 percent. To account for this level of accuracy, the project estimate includes a 40 percent estimating contingency to account for uncertainties that could impact the project costs.

The Engineering News-Record cost indices predict construction cost escalation to historically run approximately 3 to 4 percent. However, due to the escalation conditions experienced in the construction industry over the last few years and higher than normal inflation in materials and labor expected in the foreseeable future, it is recommended that a 5 percent escalation rate be used for the project cost estimate. The escalation rate is calculated to the midpoint of construction (estimated as August 2027) and is applied to all estimated costs.

It is assumed that the project will be delivered through a design-build or a progressive design-build approach. These project delivery approaches appear to be the current trend in the industry.

Estimated project costs are summarized in Table 19.

Table 19 Cost Estimates for EQ Basins and OCS

Category	Percent	Amount
Construction Costs		
EQ Basins (Basins, Transfer Pumps, and Associated Components)	-	\$10,593,000
OCS (BTFs, Fans, Carbon Scrubbers, and Associated Components)	-	\$5,507,000
Site Work (Civil and Electrical Site Work)	-	\$1,110,000
<i>Subtotal (Construction Costs)</i>		\$17,210,000
Engineering Costs		
Design Services	10	\$1,721,000
Engineering Services During Construction	5	\$861,000
<i>Subtotal (Engineering Costs)</i>		\$2,582,000
<i>Subtotal (Engineering and Construction Costs)</i>		\$19,792,000
Other Owner Costs		
Owner's Administration and Legal	5	\$990,000
Owner's Advisor and Construction Manager Costs	6	\$1,188,000
Owner's Allowance	10	\$1,979,000
<i>Subtotal (Other Owner Costs)</i>		\$4,156,000
Total Project Costs		\$23,948,000

4.7 Future Considerations

While the analysis for the EQ basin is based on the best available information, additional data may become available in the future:

- MSD notes plans to address inflow and infiltration, which will help reduce wet weather flows.
- SSD has recently corrected issues with the influent and effluent flowmeters.
- MSD is in the process of designing WWTP upgrades, and there may be opportunities to utilize existing basin infrastructure as an EQ basin.

Pending the implementation of the processes noted above and the timeline for SSD's integration into MSD, should the integration move forward, it is recommended to refine the EQ analysis using new data from MSD and SSD. A new flow analysis would be performed to assist in determining the appropriate size of the EQ basin. The potential repurposing of MSD's existing basin infrastructure for EQ would also be considered.

SECTION 5 ADVANCED WATER PURIFICATION FACILITY ANALYSIS

5.1 Advanced Water Purification Facility Footprint Impact

In TM 8 - Recycled Water Treatment Options at MSD, January 2023, AWPf footprint at MSD WWTP was established at 15,000 square feet for an inflow of 0.7 mgd. By increasing the footprint proportionally to the combined SSD/MSD inflow of 0.784 mgd, an estimated footprint of 16,800 square feet is required.

The conceptual site layout showing the AWPf, 155 feet by 108 feet in dimensions, was presented on Figure 25. The AWPf is located on the empty lot west of the MSD WWTP, north of the new EQ basin and its associated OCS.

5.2 Advanced Water Purification Facility Cost Impact

As part of TM 8, several treatment trains and the corresponding cost estimates were developed to reflect the options for non-potable reuse, IPR, or direct potable reuse. Executive Summary - Enhanced Recycled Water Feasibility Analysis, January 2023, ranked the potential projects, and Project 2 (IPR in Carpinteria via groundwater storage) received the highest score from the scoring process. Two options under Project 2 are relevant for the purpose of this report as they considered AWPf at MSD WWTP:

- Option 2A (Membrane bioreactor + AWPf).
- Option 2B (Conventional advanced sludge + DAF + AWPf).

Option 2A was not given consideration for this report per discussion with MSD staff. Therefore, Option 2B was selected for cost impact analysis.

In TM 8, the Total Reuse Treatment Cost was estimated at \$16,890,000, and the Total Annual O&M Cost at \$2,002,000, based on a 2022 assessment for an AWPf flow of 0.7 mgd, without accounting for cost escalation.

For the Total Reuse Treatment Cost, the previous figure was proportionally increased to account for the new inflow of 0.784 mgd and an escalation factor of 5 percent was applied to the midpoint of construction (August 2027). This resulted in an updated cost value of \$24,439,000.

For the Total O&M Cost, the previous figure was proportionally increased to account for the new inflow of 0.784 mgd and an escalation factor of 5 percent was applied to the current date (September 2024). This resulted in an updated cost value of \$2,512,000.

APPENDIX A **COST ESTIMATE**



Preliminary Design Opinion of Probable Cost Computation



Project:	SSD MSD Collection System and Flow Equalization Analysis for MSD Reuse	By:	MG
Alternative:	Alternative 1	Reviewed by:	RM, JO
Task:	Task 2.2 & 2.3 / AACE Class V Cost Estimate	Date:	10/17/2024

DESCRIPTION	QUANTITY	UNITS	UNIT COST	TOTAL COST
CONSTRUCTION COSTS				
<i>General Construction</i>				
Sheeting and shoring protection	6,300	LF	\$5	\$31,500
Private property, driveway, sidewalk, landscape repair allowance	63	100 LF	\$125	\$7,875
Traffic control for piping project	6,300	LF	\$25	\$157,500
<i>Piping and Appurtenances</i>				
Piping, 6", PVC	6,300	LF	\$265	\$1,669,500
Cleanouts, flushing stations	3	EA	\$16,500	\$49,500
Blow off valve, 3"	1	EA	\$8,900	\$8,900
Air release and vacuum valve, 2" inlet	1	EA	\$9,800	\$9,800
PRV Station	1	EA	\$75,000	\$75,000
New manhole or manhole connection work	1	LS	\$15,000	\$15,000
<i>Pump Station</i>				
Pumps (40HP)	2	EA	\$88,700	\$177,400
Discharge head, piping, valves, and mechanical	1	LS	\$90,000	\$90,000
PS site work	1	LS	\$117,400	\$117,400
Effluent wet well structure improvements	1	LS	\$90,000	\$90,000
Electrical and Controls	1	LS	\$415,100	\$415,100
Odor Control - FRP, Ductings, and Fittings	1	LS	\$61,300	\$61,300
Odor Control - Treatment Equipment	1	LS	\$140,300	\$140,300
<i>Posilipo Lift Station Upgrades</i>				
Lift station upgrades ('08 upgrades escalated)	1	LS	\$4,442,000	\$4,442,000
<i>Crossings</i>				
6" conductor (16" Casing) trenchless	100	LF	\$1,500	\$150,000
Trenchless entrance shaft	1	EA	\$140,000	\$140,000
Trenchless exit shaft	1	EA	\$75,000	\$75,000
Creek crossings	0	EA	\$132,000	\$0
Creek protections, environmental and permitting	0	EA	\$10,000	\$0
<i>Environmental and Other</i>				
Environmental protection, permit compliance, and BMPs	1	LS	\$20,000	\$20,000
Construction Costs Subtotal				\$7,944,000
Contingency for unknown conditions	40%	PERCENT		\$3,178,000
Escalation (to mid-point of construction = August 2027)	16%	PERCENT		\$1,272,000
Escalated Construction Subtotal				\$12,394,000
<i>Contractor Overhead Costs</i>				
General Conditions	10.00%	PERCENT		\$1,239,400
Contractor Overhead & Profit, Bonds, and Insurance	15.00%	PERCENT		\$1,859,100
Contractor Overhead Subtotal				\$3,098,500
Total Construction Costs				\$15,492,500
<i>Engineering Costs</i>				
Design Services	10%	PERCENT		\$1,549,250
ESDC Services	5%	PERCENT		\$774,625
Subtotal Engineering Costs				\$2,323,875
<i>Other Owner Costs</i>				
Owner's Administration and Legal	5%	PERCENT		\$890,819
Owner's Advisor Costs	6%	PERCENT		\$1,068,983
Owner's Allowance	10%	PERCENT		\$1,781,838
Subtotal Other Owner Costs				\$3,741,439
Total Project Cost				\$21,557,814
Annualized Project Cost				\$1,100,000
Annualized O&M Cost (see below)				\$333,800
Total Annual Cost				\$1,433,800
ANNUAL OPERATIONS & MAINTENANCE COSTS				
Pump Station Energy Costs	\$0.18	\$/kW-HR	220,466	\$39,684
Pump Station Annual Maintenance	5%	PERCENT	\$5,533,500	\$276,675
Pipeline Annual Maintenance	1%	PERCENT	\$1,737,700	\$17,377
Total Annual O&M Cost				\$333,800



Preliminary Design Opinion of Probable Cost Computation

Project: SSD MSD Collection System and Flow Equalization Analysis for MSD Reuse	By: MG
Alternative: Alternative 2	Reviewed by: RM, JO
Task: Task 2.2 & 2.3 / AACE Class V Cost Estimate	Date: 10/17/2024

DESCRIPTION	QUANTITY	UNITS	UNIT COST	TOTAL COST
CONSTRUCTION COSTS				
<i>General Construction</i>				
Sheeting and shoring protection	10,500	LF	\$5	\$52,500
Private property, driveway, sidewalk, landscape repair allowance	105	100 LF	\$125	\$13,125
Traffic control for piping project	10,500	LF	\$25	\$262,500
<i>Piping and Appurtenances</i>				
Piping, 6", PVC	10,500	LF	\$265	\$2,782,500
Cleanouts, flushing stations	5	EA	\$16,500	\$82,500
Blow off valve, 3"	2	EA	\$8,900	\$17,800
Air release and vacuum valve, 2" inlet	1	EA	\$9,800	\$9,800
New manhole or manhole connection work	1	LS	\$15,000	\$15,000
<i>Pump Station</i>				
Pumps (40HP)	2	EA	\$88,700	\$177,400
Discharge head, piping, valves, and mechanical	1	LS	\$90,000	\$90,000
PS site work	1	LS	\$117,400	\$117,400
Effluent wet well structure improvements	1	LS	\$90,000	\$90,000
Electrical and Controls	1	LS	\$415,100	\$415,100
PRV Station	1	EA	\$75,000	\$75,000
Odor Control - FRP, Ductings, and Fittings	1	LS	\$61,300	\$61,300
Odor Control - Treatment Equipment	1	LS	\$140,300	\$140,300
<i>Miramar Lift Station Upgrades</i>				
Minor lift station upgrades	1	LS	\$30,000	\$30,000
Minor site work	1	LS	\$15,000	\$15,000
<i>Crossings</i>				
6" conductor (16" Casing) trenchless	270	LF	\$1,500	\$405,000
Trenchless entrance shaft	2	EA	\$140,000	\$280,000
Trenchless exit shaft	2	EA	\$75,000	\$150,000
Creek crossings	3	EA	\$132,000	\$396,000
Creek protections, environmental and permitting	3	EA	\$10,000	\$30,000
<i>Environmental and Other</i>				
Environmental protection, permit compliance, and BMPs	1	LS	\$20,000	\$20,000
Construction Costs Subtotal				\$5,729,000
Contingency for unknown conditions 40% PERCENT				\$2,292,000
Escalation (to mid-point of construction = August 2027) 16% PERCENT				\$917,000
Escalated Construction Subtotal				\$8,938,000
Contractor Overhead Costs				
General Conditions 10.00% PERCENT				\$893,800
Contractor Overhead & Profit, Bonds, and Insurance 15.00% PERCENT				\$1,340,700
Contractor Overhead Subtotal				\$2,234,500
Total Construction Costs				\$11,172,500
Engineering Costs				
Design Services 10% PERCENT				\$1,117,250
ESDC Services 5% PERCENT				\$558,625
Subtotal Engineering Costs				\$1,675,875
Other Owner Costs				
Owner's Administration and Legal 5% PERCENT				\$642,419
Owner's Advisor Costs 6% PERCENT				\$770,903
Owner's Allowance 10% PERCENT				\$1,284,838
Subtotal Other Owner Costs				\$2,698,159
Total Project Cost				\$15,546,534
Annualized Project Cost				\$793,000
Annualized O&M Cost (see below)				\$144,600
Total Annual Cost				\$937,600
ANNUAL OPERATIONS & MAINTENANCE COSTS				
Pump Station Energy Costs	\$0.18	\$/KW-HR	318,451	\$57,321
Pump Station Annual Maintenance	5%	PERCENT	\$1,166,500	\$58,325
Pipeline Annual Maintenance	1%	PERCENT	\$2,892,600	\$28,926
Total Annual O&M Cost				\$144,600



Preliminary Design Opinion of Probable Cost Computation

Project: SSD MSD Collection System and Flow Equalization Analysis for MSD Reuse	By: MG
Alternative: Alternative 3	RM, JO
Task: Task 2.2 & 2.3 / AAGE Class V Cost Estimate	Date: 10/17/2024

DESCRIPTION	QUANTITY	UNITS	UNIT COST	TOTAL COST
CONSTRUCTION COSTS				
General Construction				
Sheeting and shoring protection	11,900	LF	\$5	\$59,500
Private property, driveway, sidewalk, landscape repair allowance	119	100 LF	\$125	\$14,875
Traffic control for piping project	11,900	LF	\$25	\$297,500
Piping and Appurtenances				
Piping, 6", PVC	11,900	LF	\$265	\$3,153,500
Cleanouts, flushing stations	6	EA	\$16,500	\$99,000
Blow off valve, 3"	2	EA	\$8,900	\$17,800
Air release and vacuum valve, 2" inlet	2	EA	\$9,800	\$19,600
New manhole or manhole connection work	1	LS	\$15,000	\$15,000
Pump Station				
Pumps (40HP)	2	EA	\$88,700	\$177,400
Discharge head, piping, valves, and mechanical	1	LS	\$90,000	\$90,000
PS site work	1	LS	\$117,400	\$117,400
Effluent wet well structure improvements	1	LS	\$90,000	\$90,000
Electrical and Controls	1	LS	\$415,100	\$415,100
PRV Station	1	EA	\$75,000	\$75,000
Odor Control - FRP, Ductings, and Fillings	1	LS	\$61,300	\$61,300
Odor Control - Treatment Equipment	1	LS	\$140,300	\$140,300
Crossings				
6" conductor (16" Casing) trenchless	100	LF	\$1,500	\$150,000
Trenchless entrance shaft	1	EA	\$140,000	\$140,000
Trenchless exit shaft	1	EA	\$75,000	\$75,000
Creek crossings	4	EA	\$132,000	\$528,000
Creek protections, environmental and permitting	4	EA	\$10,000	\$40,000
Environmental and Other				
Environmental protection, permit compliance, and BMPs	1	LS	\$20,000	\$20,000
Construction Costs Subtotal				
Contingency for unknown conditions	40%	PERCENT		\$5,797,000
Escalation (to mid-point of construction = August 2027)	16%	PERCENT		\$2,319,000
Escalated Construction Subtotal				
Contractor Overhead Costs				
General Conditions	10.00%	PERCENT		\$904,400
Contractor Overhead & Profit, Bonds, and Insurance	15.00%	PERCENT		\$1,356,600
Contractor Overhead Subtotal				
Total Construction Costs				
Engineering Costs				
Design Services	10%	PERCENT		\$1,130,500
ESDC Services	5%	PERCENT		\$565,250
Subtotal Engineering Costs				
Other Owner Costs				
Owner's Administration and Legal	5%	PERCENT		\$650,038
Owner's Advisor Costs	6%	PERCENT		\$780,045
Owner's Allowance	10%	PERCENT		\$1,300,075
Subtotal Other Owner Costs				
Total Project Cost				
Annualized Project Cost				
Annualized O&M Cost (see below)				\$603,000
Total Annual Cost				
Annualized O&M Cost (see below)				
Total Annual Cost				

ANNUAL OPERATIONS & MAINTENANCE COSTS				
Pump Station Energy Costs	\$0.18	\$/KW-HR	195,970	\$35,275
Pump Station Annual Maintenance	5%	PERCENT	\$1,166,500	\$58,325
Pipeline Annual Maintenance	1%	PERCENT	\$3,289,900	\$32,899
Total Annual O&M Cost				
\$126,500				



Preliminary Design Opinion of Probable Cost Computation

Project: SSD MSD Collection System and Flow Equalization Analysis for MSD Reuse	By: MG
Alternative: Alternative 4	Reviewed by: RM, JO
Task: Task 2.2 & 2.3 / AACE Class V Cost Estimate	Date: 10/17/2024

DESCRIPTION	QUANTITY	UNITS	UNIT COST	TOTAL COST
CONSTRUCTION COSTS				
<i>General Construction</i>				
Sheeting and shoring protection	18,100	LF	\$5	\$90,500
Private property, driveway, sidewalk, landscape repair allowance	181	100 LF	\$125	\$22,625
Traffic control for piping project	18,100	LF	\$25	\$452,500
<i>Piping and Appurtenances</i>				
Piping, 6", PVC	18,100	LF	\$265	\$4,796,500
Cleanouts, flushing stations	9	EA	\$16,500	\$148,500
Blow off valve, 3"	4	EA	\$8,900	\$35,600
Air release and vacuum valve, 2" inlet	4	EA	\$9,800	\$39,200
<i>Pump Station</i>				
Pumps (40HP)	2	EA	\$88,700	\$177,400
Discharge head, piping, valves, and mechanical	1	LS	\$90,000	\$90,000
PS site work	1	LS	\$117,400	\$117,400
Effluent wet well structure improvements	1	LS	\$90,000	\$90,000
Electrical and Controls	1	LS	\$415,100	\$415,100
PRV Station	1	EA	\$75,000	\$75,000
Odor Control - FRP, Ductings, and Fittings	1	LS	\$61,300	\$61,300
Odor Control - Treatment Equipment	1	LS	\$140,300	\$140,300
<i>Crossings</i>				
6" conductor (16" Casing) trenchless	380	LF	\$1,500	\$570,000
Trenchless entrance shaft	2	EA	\$140,000	\$280,000
Trenchless exit shaft	2	EA	\$75,000	\$150,000
Creek crossings	4	EA	\$132,000	\$528,000
Creek protections, environmental and permitting	4	EA	\$10,000	\$40,000
<i>Environmental and Other</i>				
Environmental protection, permit compliance, and BMPs	1	LS	\$20,000	\$20,000
Construction Costs Subtotal				\$8,340,000
Contingency for unknown conditions	40%	PERCENT		\$3,336,000
Escalation (to mid-point of construction = August 2027)	16%	PERCENT		\$1,335,000
Escalated Construction Subtotal				\$13,011,000
Contractor Overhead Costs				
General Conditions	10.00%	PERCENT		\$1,301,100
Contractor Overhead & Profit, Bonds, and Insurance	15.00%	PERCENT		\$1,951,650
Contractor Overhead Subtotal				\$3,252,750
Total Construction Costs				\$16,263,750
Engineering Costs				
Design Services	10%	PERCENT		\$1,626,375
ESDC Services	5%	PERCENT		\$813,188
Subtotal Engineering Costs				\$2,439,563
Other Owner Costs				
Owner's Administration and Legal	5%	PERCENT		\$935,166
Owner's Advisor Costs	6%	PERCENT		\$1,122,199
Owner's Allowance	10%	PERCENT		\$1,870,331
Subtotal Other Owner Costs				\$3,927,696
Total Project Cost				\$22,631,008
Annualized Project Cost				\$1,155,000
Annualized O&M Cost (see below)				\$143,800
Total Annual Cost				\$1,298,800
ANNUAL OPERATIONS & MAINTENANCE COSTS				
Pump Station Energy Costs	\$0.18	\$/KW-HR	195,970	\$35,275
Pump Station Annual Maintenance	5%	PERCENT	\$1,166,500	\$58,325
Pipeline Annual Maintenance	1%	PERCENT	\$5,019,800	\$50,198
Total Annual O&M Cost				\$143,800



PROJECT : SSD MSD Collection System and Flow Equalization Analysis for MWD Reuse
 3.0 MGD Baseline Flow
JOB # : 202944
ELEMENT : Equalization Basin

DATE: Aug-24
BY : Ali Ahmadi

DIVISION	DESCRIPTION	QTY.	UNIT	UNIT PRICE	INSTALL	TOTAL
2	Excavation (including over-excavation)	1283	CY	\$55	1.00	\$70,547
2	Compacted fill	855	CY	\$100	1.00	\$85,511
3	Structurally Reinforced Concrete (slab-on-grade)	855	CY	\$1,200	1.00	\$1,026,133
3	Structurally Reinforced Concrete	1,338	CY	\$1,750	1.00	\$2,341,889
3	Grout	219	CY	\$160	1.00	\$35,093
5	Metals (stairs)	2	EA	\$20,000	1.00	\$40,000
5	Handrails	1	EA	\$20,000	1.00	\$20,000
5	Hatches	4	EA	\$10,000	1.00	\$40,000
9	Concrete coating	18,440	SF	\$25	1.00	\$461,000
11	Transfer pumps	2	EA	\$20,000	1.10	\$44,000
15	Piping (2-inch average)	100	LF	\$450	1.20	\$54,000
15	Valves (2-inch average)	10	EA	\$1,100	1.20	\$13,200
15	Valves (8-inch or larger)	10	EA	\$5,000	1.20	\$60,000
15	Washdown assembly	2	EA	\$100,000	1.10	\$220,000
16	Transfer pumps VFD	2	EA	\$5,000	1.10	\$11,000
17	Flowmeters	2	EA	\$5,000	1.20	\$12,000
	BASE DIRECT COST					\$4,534,373
	Mechanical allowance (percent of Base Direct Cost)	10	%			\$453,437
	E&IC allowance (percent of Base Direct Cost)	10	%			\$453,437
	SUBTOTAL DIRECT COST					\$5,441,248
	Estimating contingency	40	%			\$2,176,000
	Escalation (to mid-point of construction = August 2027)	16	%			\$857,680
	SUBTOTAL					\$8,474,928
	CONSTRUCTION ALLOWANCES					
	General Conditions	10	%			\$847,000
	Contractor overhead & profit, bonds, and insurance	15	%			\$1,271,000
	TOTAL CONSTRUCTION COST					\$10,592,928



PROJECT : SSD MSD Collection System and Flow Equalization Analysis for MWD
 3.0 MGD Baseline Flow
JOB # : 202944
ELEMENT : Odor Control

DATE: Aug-24
BY : Ali Ahmadi

DIVISION	DESCRIPTION	QTY.	UNIT	UNIT PRICE	INSTALL	TOTAL
2	Excavation (including over-excavation)	233	CY	\$55	1.00	\$12,833
2	Compacted fill	156	CY	\$100	1.00	\$15,556
3	Structurally Reinforced Concrete (slab-on-grade)	156	CY	\$1,200	1.00	\$186,667
13/15	Odor Control Equipment	1	EA	\$1,616,250	1.10	\$1,777,875
15	Piping (2-inch average)	50	LF	\$450	1.20	\$27,000
15	Valves (2-inch average)	10	EA	\$1,100	1.20	\$13,200
15	Ductwork	600	LF	\$450	1.20	\$324,000
	BASE DIRECT COST					\$2,357,131
	Mechanical allowance (percent of Base Direct Cost)	10	%			\$235,713
	E&IC allowance (percent of Base Direct Cost)	10	%			\$235,713
	SUBTOTAL DIRECT COST					\$2,828,557
	Estimating contingency	40	%			\$1,131,000
	Escalation (to mid-point of construction = August 2027)	16	%			\$445,850
	SUBTOTAL					\$4,405,407
	CONSTRUCTION ALLOWANCES					
	General Conditions	10	%			\$441,000
	Contractor overhead & profit, bonds, and insurance	15	%			\$661,000
	TOTAL CONSTRUCTION COST					\$5,507,407



PROJECT : SSD MSD Collection System and Flow Equalization Analysis for MWD
 3.0 MGD Baseline Flow
JOB # : 202944
ELEMENT : Site Work

DATE: Aug-24
BY : Ali Ahmadi

DIVISION	DESCRIPTION	QTY.	UNIT	UNIT PRICE	INSTALL	TOTAL
2	Earthwork (final grading, paving, and landscaping)	1	LS	\$100,000	1.00	\$100,000
2	Site Clearing / Demo	1	LS	\$50,000	1.00	\$50,000
2/15	Yard Piping (12-inch and smaller)	500	LF	\$450	1.00	\$225,000
2/16	Site electrical (ductbanks and lighting)	1	LS	\$100,000	1.00	\$100,000
	BASE DIRECT COST					\$475,000
	Mechanical allowance (percent of Base Direct Cost)	10	%			\$47,500
	E&I allowance (percent of Base Direct Cost)	10	%			\$47,500
	SUBTOTAL DIRECT COST					\$570,000
	Estimating contingency	40	%			\$228,000
	Escalation (to mid-point of construction = August 2027)	16	%			\$89,850
	SUBTOTAL					\$887,850
	CONSTRUCTION ALLOWANCES					
	General Conditions	10	%			\$89,000
	Contractor overhead & profit, bonds, and insurance	15	%			\$133,000
	TOTAL CONSTRUCTION COST					\$1,109,850

Financial Status (Real-Time)

As of December 31, 2024

As of: 12/31/2024 (50% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	12/31/2024 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
Revenues				
Taxes				
3010 -- Property Tax-Current Secured	350,012.00	203,198.73	-146,813.27	58.05 %
3011 -- Property Tax-Unitary	4,299.00	0.03	-4,298.97	0.00 %
3015 -- PT PY Corr/Escapes Secured	0.00	586.32	586.32	--
3020 -- Property Tax-Current Unsecd	12,950.00	13,164.59	214.59	101.66 %
3023 -- PT PY Corr/Escapes Unsecured	0.00	191.59	191.59	--
3040 -- Property Tax-Prior Secured	0.00	26.23	26.23	--
3050 -- Property Tax-Prior Unsecured	0.00	148.81	148.81	--
3054 -- Supplemental Pty Tax-Current	4,275.00	987.80	-3,287.20	23.11 %
3056 -- Supplemental Pty Tax-Prior	0.00	5.54	5.54	--
Taxes	371,536.00	218,309.64	-153,226.36	58.76 %
Fines, Forfeitures, and Penalties				
3057 -- PT-506 Int, 480 CIOS/CIC Pen	0.00	28.04	28.04	--
Fines, Forfeitures, and Penalties	0.00	28.04	28.04	--
Use of Money and Property				
3380 -- Interest Income	11,000.00	4,591.55	-6,408.45	41.74 %
Use of Money and Property	11,000.00	4,591.55	-6,408.45	41.74 %
Intergovernmental Revenue-State				
4220 -- Homeowners Property Tax Relief	1,181.00	183.86	-997.14	15.57 %
Intergovernmental Revenue-State	1,181.00	183.86	-997.14	15.57 %
Charges for Services				
5091 -- Planning & Engrng-Plan Ck Fes	2,100.00	1,258.00	-842.00	59.90 %
5430 -- Sanitation Services	1,067,017.00	588,374.00	-478,643.00	55.14 %
5433 -- Inspection Fees	2,500.00	2,382.00	-118.00	95.28 %
5746 -- Administrative Revenue	3,700.00	2,184.00	-1,516.00	59.03 %



Financial Status (Real-Time)

As of: 12/31/2024 (50% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	12/31/2024 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
Charges for Services	1,075,317.00	594,198.00	-481,119.00	55.26 %
Revenues	1,459,034.00	817,311.09	-641,722.91	56.02 %
Expenditures				
Salaries and Employee Benefits				
6100 -- Regular Salaries	451,481.00	221,519.75	229,961.25	49.07 %
6270 -- Stand-by Pay	22,000.00	13,499.15	8,500.85	61.36 %
6300 -- Overtime	7,500.00	2,691.72	4,808.28	35.89 %
6400 -- Retirement Contribution	129,301.00	61,186.30	68,114.70	47.32 %
6475 -- Retiree Medical OPEB	9,000.00	3,683.28	5,316.72	40.93 %
6500 -- FICA Contribution	36,285.00	18,460.28	17,824.72	50.88 %
6600 -- Health Insurance Contrib	79,157.00	45,833.99	33,323.01	57.90 %
6900 -- Workers Compensation	17,101.00	18,194.37	-1,093.37	106.39 %
Salaries and Employee Benefits	751,825.00	385,068.84	366,756.16	51.22 %
Services and Supplies				
7030 -- Clothing and Personal	3,860.00	2,991.01	868.99	77.49 %
7053 -- Telephone Service Local	10,271.00	4,892.61	5,378.39	47.64 %
7070 -- Household Supplies	1,300.00	898.10	401.90	69.08 %
7090 -- Insurance	67,000.00	64,977.58	2,022.42	96.98 %
7110 -- Directors Fees	22,050.00	8,167.50	13,882.50	37.04 %
7121 -- Operating Supplies	43,626.00	26,003.62	17,622.38	59.61 %
7324 -- Audit and Accounting Fees	29,000.00	15,758.50	13,241.50	54.34 %
7362 -- Building Maintenance	10,500.00	5,475.95	5,024.05	52.15 %
7363 -- Equipment Maintenance	16,375.00	12,942.72	3,432.28	79.04 %
7404 -- Public Health Lab Serv	27,425.00	18,903.00	8,522.00	68.93 %
7430 -- Memberships	8,660.00	7,663.00	997.00	88.49 %
7450 -- Office Expense	3,300.00	1,792.53	1,507.47	54.32 %
7454 -- Books & Subscriptions	460.00	285.42	174.58	62.05 %



Financial Status (Real-Time)

As of: 12/31/2024 (50% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 5215 -- SummerInd San Dist Running Exp

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	12/31/2024 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
7459 -- IT Professional Services	4,000.00	1,435.82	2,564.18	35.90 %
7460 -- Professional & Special Service	59,572.00	5,806.85	53,765.15	9.75 %
7508 -- Legal Fees	35,000.00	5,250.70	29,749.30	15.00 %
7510 -- Contractual Services	9,825.00	876.07	8,948.93	8.92 %
7516 -- Permitting Services	12,403.00	10,138.80	2,264.20	81.74 %
7530 -- Publications & Legal Notices	600.00	0.00	600.00	0.00 %
7546 -- Administrative Expense	3,200.00	0.00	3,200.00	0.00 %
7630 -- Small Tools & Instruments	500.00	457.83	42.17	91.57 %
7653 -- Training Fees & Supplies	4,850.00	3,003.02	1,846.98	61.92 %
7671 -- Special Projects	7,220.00	7,220.00	0.00	100.00 %
7730 -- Transportation and Travel	750.00	844.71	-94.71	112.63 %
7731 -- Gasoline-Oil-Fuel	3,500.00	2,619.61	880.39	74.85 %
7761 -- Electricity	68,440.00	31,709.88	36,730.12	46.33 %
7763 -- Water	2,720.00	1,204.50	1,515.50	44.28 %
7764 -- Refuse	4,525.00	2,288.16	2,236.84	50.57 %
Services and Supplies	460,932.00	243,607.49	217,324.51	52.85 %
Expenditures	1,212,757.00	628,676.33	584,080.67	51.84 %
Other Financing Sources & Uses				
Other Financing Uses				
7901 -- Oper Trf (Out)	0.00	2,052.73	-2,052.73	--
Other Financing Uses	0.00	2,052.73	-2,052.73	--
Other Financing Sources & Uses	0.00	-2,052.73	-2,052.73	--
SummerInd San Dist Running Exp	246,277.00	186,582.03	-59,694.97	75.76 %
Fund Revenues minus Expenses				

Financial Status (Real-Time)

As of: 12/31/2024 (50% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 5216 -- Summerland San Cap Facilities

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	12/31/2024 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	4,000.00	1,795.50	-2,204.50	44.89 %
Use of Money and Property	4,000.00	1,795.50	-2,204.50	44.89 %
Charges for Services				
5432 -- Connection Fees	12,385.00	14,460.00	2,075.00	116.75 %
Charges for Services	12,385.00	14,460.00	2,075.00	116.75 %
	Revenues	16,255.50	-129.50	99.21 %
Summerland San Cap Facilities	16,385.00	16,255.50	-129.50	99.21 %

Financial Status (Real-Time)

As of: 12/31/2024 (50% Elapsed)
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund, LineItemAccount; Page Break At = Fund

Fund 5217 -- SummerInd San Dist-Capital Rep

Line Item Account	6/30/2025 Fiscal Year Adjusted Budget	12/31/2024 Year-To-Date Actual	6/30/2025 Fiscal Year Variance	6/30/2025 Fiscal Year Pct of Budget
Revenues				
Use of Money and Property				
3380 -- Interest Income	25,000.00	12,591.29	-12,408.71	50.37 %
Use of Money and Property	25,000.00	12,591.29	-12,408.71	50.37 %
Revenues	25,000.00	12,591.29	-12,408.71	50.37 %
Expenditures				
Services and Supplies				
7671 -- Special Projects	58,915.00	0.00	58,915.00	0.00 %
Services and Supplies	58,915.00	0.00	58,915.00	0.00 %
Capital Assets				
8200 -- Structures&Struct Improvements	15,000.00	0.00	15,000.00	0.00 %
8300 -- Equipment	20,000.00	8,828.94	11,171.06	44.14 %
8400 -- Infrastructure	45,000.00	4,164.00	40,836.00	9.25 %
Capital Assets	80,000.00	12,992.94	67,007.06	16.24 %
Expenditures	138,915.00	12,992.94	125,922.06	9.35 %
Other Financing Sources & Uses				
Other Financing Sources				
5910 -- Oper Trf (In)-General Fund	0.00	2,052.73	2,052.73	--
Other Financing Sources	0.00	2,052.73	2,052.73	--
Other Financing Sources & Uses	0.00	2,052.73	2,052.73	--
SummerInd San Dist-Capital Rep	-113,915.00*	1,651.08	115,566.08	-1.45 %
Net Financial Impact	148,747.00	204,488.61	55,741.61	137.47 %

*Revenues minus Expenses

Cash Balances (Real-Time)

As of: 12/31/2024
Accounting Period: OPEN

Selection Criteria: Fund = 5215,5216, 5217

Layout Options: Summarized By = Fund; Page Break At = Fund

Fund	12/1/2024 Beginning Balance	Month-To-Date Cash Receipts (+)	Month-To-Date Treasury Credits (+)	Month-To-Date Warrants and Wire Transfers (-)	Month-To-Date Treasury Debits (-)	12/31/2024 Ending Balance
5215 -- SummerInd San Dist Running Exp	399,108.54	737.00	733,377.89	0.00	89,004.08	1,044,219.35
5216 -- Summerland San Cap Facilities	250,686.57	0.00	0.00	0.00	0.00	250,686.57
5217 -- SummerInd San Dist-Capital Rep	1,699,365.28	0.00	0.00	0.00	4,164.00	1,695,201.28
Total Report	2,349,160.39	737.00	733,377.89	0.00	93,168.08	2,990,107.20

SUMMERLAND SANITARY DISTRICT

Regular Board of Directors Meeting January 9, 2025

Operations Manager Report

OPERATIONS AND FACILITY MAINTENANCE:

- Staff completed weekly ground maintenance and landscape work including mowing, weed whacking, blowing, edging, and raking.
- Annual instrument calibrations were performed on the Influent and Effluent flow meters as well as each of the online DO and Cl₂ probes.
- The laboratory Ph, DO, and Cl₂ meters were also calibrated.
- Beltpress was operated on 12/19, 12/31/2024, and 1/2/2025.
- The Chlorine Contact Chamber was cleaned on 12/17/2024
- The outfall marker bouy anchor chain was replaced. (before the high surf)
- An A-frame lifting gantry was purchased and assembled in the blower room for the replacement of the blower #2 compressor. The blower repairs are covered by the Aerzan warranty.
- The annual tool inventory was completed.
- County of SB staff cleaning the storm drain on Wallace Ave. and preparing for repairs.
- The filter drain valve was removed, rebuilt, and reinstalled.

COLLECTION SYSTEM / LIFT STATIONS:

- Staff made periodic rounds of the collection system to check for any problems, primarily checking the hot spot manholes to ensure proper flow
- Each of the three lift stations was checked and tested daily.
- The restaurant grease traps were inspected. A small sewer overflow was discovered during the inspections. A plumber was called in to clean the lateral line and CCTV the line. Staff reviewed the video.
- Lift Station #1, and pump #2 stopped pumping due to a pugged discharge check valve, caused by a defective air relief valve. The pump was cleared and the air relief valve was removed, repaired, and reinstalled.

REGULATORY COMPLIANCE:

- Daily meter readings and sample collection are being performed by staff for regulatory compliance and process control.
- The Monthly Discharge Monitoring Report for November was submitted to CWIQS on 11/16/2024. The "No Spill Report" for November was submitted as well.
- Dates have been scheduled for the EPA Free Climate Change Risk Assessment Technical Assistance Program. A scoping call will be followed by three working sessions and an on-site visit. The final report will be done in mid-March 2025.

SUMMERLAND SANITARY DISTRICT

Regular Board of Directors Meeting January 9, 2025

District Administrative Manager Report

The District received building plans and requests for will-serve letters from the following properties:

-

Administrative and financial items completed in December outside the regular scope of work:

- Reviewed the Draft Financial Statements. The Financial Statements are on today's agenda for acceptance by the Board.
- Prepared and sent the Professional Agreement for ESA. Agreement was reviewed by all legal parties and completed.
- Provided information, input and assistance to the rate study.
- Completed year end accounting tasks.
- Completed filling of the Statement of Facts to the Secretary of State - Registry of Public Agencies (Government Code section 53051).
- Attached to the report is a letter from legal counsel sent to the property owners of 121 Hollister St. and 2294 Lillie Ave. A faulty sewer lateral belonging to the property 121 Hollister St. was discovered on August 30, 2024. Efforts have been made to first repair the lateral, which runs through the adjacent property of 2294 Lillie Ave (Summerland Beach Café). Currently construction of a new sewer lateral is proposed to connect to the District main sewer on Hollister St. The sewer lateral has to be located on the 2294 Lillie Ave property and progress has halted due to a disagreement over validation of the blanket easement that exist on the 2294 Lillie Ave. property. Two Notices of Violations have been sent over the last months and legal counsel sent the additional Correction of Violation. If property owners do not follow the requested steps, then the District will take over the project.

Scheduled Days Off: -

Law Office of
Janet K. McGinnis

January 3, 2025
Via Electronic Transmission Only

john.stawiecki@gmail.com
Rstawiecki120@gmail.com
Elenaradosa@gmail.com
HBraly@pooleshaffery.com

Re: Correction of Violation - Sewer Lateral for 121 Hollister Street

Dear Property Owners:

As Summerland Sanitary District counsel, I have reviewed the e-mail correspondence among yourselves and the District concerning an imminent project to install a new sewer lateral for 121 Hollister Street and to abandon its existing disconnected sewer lateral across 2294 Lillie Avenue.

First, in my opinion, there is no need for another easement, because the recorded utilities easement is sufficient for this project. Ms. Radosavcev transmitted this easement, supporting the inference that it still burdens 2294 Lillie Avenue and benefits 121 Hollister Street.

Her request for a written agreement is reasonable: the parties need a memorandum of understanding (MOU) -- an enforceable written agreement that specifies your terms of agreement concerning the project.

The MOU will advise Santa Barbara County that 2294 Lillie Avenue's owners allow access and it will specify the parties' respective tasks, obligations, and rights. In my opinion, comprehensive, standard, and reasonable terms were stated in Ms. Radosavcev's December 20, 2024 e-mail. This MOU might refer to and mark the easement as exhibit 1, the site plan for the proposed new sewer lateral as exhibit 2, and a scope of work and project conditions specified in an exhibit 3. After all owners sign the MOU, project work may begin.

Mr. and Mrs. Stawiecki may prepare this MOU and take all related steps without my help. However, if requested, I will draft and circulate the document, and after its execution, they will reimburse the District for my associated legal fees.

**The District must receive a copy of a fully signed MOU by no later than January 17th .
This project should be completed by no later than February 28, 2025.**

The owners of 121 Hollister Street have long been on notice that this corrective action is needed and have the duty to timely perform corrective action to avoid the District taking over this project and accomplishing the needed work, billing them for its full cost, including attorney fees.

Thank you for advising if you have questions or if I may assist with the MOU. The District requires and appreciates your timely cooperation.

Very truly yours,


Janet K. McGinnis
Attorney at Law

cc: Ms. Mar Souza
Mr. David Lewis
Mr. Pancho Lopez
Mr. Jesse Jimenez