



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

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

AGENDA

For the Special Meeting of the Finance Committee on:

Friday, January 31, 2025

The special meeting of the Finance Committee will begin at **1:30 p.m. on January 31, 2025** in the District's Board Room at 1042 Monte Cristo Lane.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/84064299945>

Or by calling: 1-669-900-6833

Meeting ID: 840 6429 9945

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT

Public comment is **limited to 3 minutes**, can only be on agendized topics, and is at the discretion of the Committee Chair. For further instructions, please see [Instructions for Public Comment](#) on the District's website.

3. NEW BUSINESS

A. JANUARY PAYABLES (PAGE 3)

The Committee will review the payables for the period January 1, 2025 through January 31, 2025.

B. FISCAL YEAR 2024-25 UNAUDITED QUARTERLY FINANCIAL REPORTS (PAGE 8)

The Committee will review and discuss the following unaudited FY 2024-25 financial reports for the quarter ended December 31, 2024:

- i) Quarterly Financial Summary Memo
- ii) Quarterly Cash and Investments Holdings
- iii) Quarterly Operations and Maintenance Expenditure Status Report
- iv) Quarterly Capital Improvement Projects Expenditure Status Report
- v) Quarterly Investment Certification

C. ROLES AND RESPONSIBILITIES OF THE FINANCE COMMITTEE (PAGE 20)

The Committee will review and discuss the roles and responsibilities of the Finance Committee.

D. ROLE AND RESPONSIBILITIES OF THE TREASURER

The Committee will review and discuss the role and responsibilities of the Treasurer.

E. SCHEDULING OF STANDING MONTHLY MEETINGS

The Committee will discuss setting a standing day and time for Finance Committee meetings.

F. DISCUSSION ON BOARD STIPENDS

The Committee will discuss the process for payment of Board stipends.

G. DISCUSSION OF QUARTERLY REVIEWS AND REQUIREMENTS

The Committee will discuss the dates for quarterly reviews and government code requirements.

H. AUDIT TIMELINE REVIEW (PAGE 21)

The Committee will review the audit timeline.

I. DISCUSSION ON INDEPENDENT AUDITOR FIRMS

The Committee will discuss the process of changing independent auditors.

4. ITEMS FOR THE NEXT COMMITTEE AGENDA

5. ADJOURNMENT

The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the Districts' programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 805-969-4200. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act.

Attested by:



Stephen Williams
Business and Administrative Manager/Clerk of the Board



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BOARD LIST OF PAYABLES – JANUARY 2025

<u>CHECK DATE</u>	<u>SUMMARY & TYPE</u>	<u>BATCH TOTAL</u>
01/03/2025	ACCOUNTS PAYABLE	178,518.16
01/24/2025	ACCOUNTS PAYABLE	169,590.87
	Subtotal	\$ 348,109.03
01/03/2025	CAPITAL IMPROVEMENT PROJECTS	119,117.76
01/24/2025	CAPITAL IMPROVEMENT PROJECTS	176,125.77
	Subtotal	\$ 295,243.53
01/09/2025	PAYROLL	103,476.31
01/23/2025	PAYROLL	103,516.28
	Subtotal	\$ 206,992.59
	<u>TOTAL</u>	<u>\$ 850,345.15</u>

*All Invoices were reviewed and approved by Department Managers

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

***Board Treasurer, Dorinne Johnson, approved all payables prior to check mailing

Check History Report

MONTECITO SANITARY DISTRICT (MSD)

Sorted By Check Number

Activity From: 01/01/2025 to 01/31/2025

Bank				
Code: B				
OPERATING CASH (MBT)				
Check Number	Check Date	Vendor Name	Check Amount	Payment Description

29846	1/3/2025	AMAZON CAPITAL SERVICES	1,544.50	Pens, Weekly Planners, Calendars, Coffee, Tea, Honey Sticks, Silverware, Lift Station Cleaner/Degreaser, Flashlight
29847	1/3/2025	AT&T MOBILITY	46.48	Office Data Port-December
29848	1/3/2025	DAVID BERNSTEIN	1,558.00	Deposit Refund - 247 Olive Mill Road
29849	1/3/2025	BIG GREEN CLEANING COMPANY	133.66	Janitorial Supplies
29850	1/3/2025	COMPUVISION COMMUNICATIONS	765.00	Semi Annual Spam Filtering
29851	1/3/2025	CORT	44.00	Deed Report-December
29852	1/3/2025	COX BUSINESS	176.04	Wireless Internet Services-December
29853	1/3/2025	CSRMA	109,370.00	Pooled Liability Insurance Renewal 12/31/24-12/31/25
29854	1/3/2025	DOCU PRODUCTS	21.67	Copier Maintenance Agreement-December
29855	1/3/2025	ENVIRONMENTAL SCIENCE ASSOC.	6,934.48	Coast Hazards Monitoring Plan Progress Payment
29856	1/3/2025	FRONTIER	792.82	Phone Service for Lift Stations 1, 2, 4 & WWTP-December
29857	1/3/2025	GLS COMPANIES	780.00	Landscape Services-December
29858	1/3/2025	GRAINGER	190.98	Cable Ties, Extension Box, Lift Station Cleaner/Degreaser
29859	1/3/2025	ERIC (or) LAUREN GROSSMAN	2,708.00	Deposit Refund - 1379 Oak Creek Canyon
29860	1/3/2025	HACH COMPANY	180.00	Lab Testing Supplies
29861	1/3/2025	HADRONEX, INC	457.94	Smart Cover Battery Pack Replacement
29862	1/3/2025	IBS OF SIERRA MADRE	544.15	Electric Cart Batteries
29863	1/3/2025	MCCORMIX CORP	465.23	Vehicle Fuel 12/01-12/15/2024
29864	1/3/2025	THE NELAC INSTITUTE	600.00	2025 Forum Environmental Accreditation Registration
29865	1/3/2025	OUTSIDE OPEN, LLC	988.20	Office/Maintenance Building Camera's 3-yr Service Renewal
29866	1/3/2025	PHOENIX CIVIL ENGINEERING	682.50	On-Call Engineering Services for RFP Support and WSC Modeling
29867	1/3/2025	PLUMBERS DEPOT, INC	284.55	Jetter Trucker Equipment
29868	1/3/2025	PURETEC INDUSTRIAL WATER	65.02	Water Softener Sodium Tank Exchange
29869	1/3/2025	RINGCENTRAL, INC.	722.95	Phone Service-December
29870	1/3/2025	SAFEGUARD BUSINESS SYSTEMS	111.79	Business Cards for Directors Glaser and Newquist
29871	1/3/2025	CHRISTINE SMITH	2,300.00	Deposit Refund - 462 Cota Lane
29872	1/3/2025	STREAMLINE	466.00	Website Hosting Services - January
29873	1/3/2025	SWRCB-DWOCP	149.00	Operator Grade 5 Renewal - Keen
29874	1/3/2025	TRI-CO REPROGRAPHICS	7.50	Large Format Scanning
29875	1/3/2025	UNIVAR SOLUTIONS	21,476.87	Sodium Bisulfite and Hypochlorite Chemicals
29876	1/3/2025	UNDERGROUND SERVICE ALERT	113.60	53 Dig Alert Tickets for December
29877	1/3/2025	USA BLUE BOOK	1,531.43	LBOD Probe for Operations

29878	1/3/2025	VENTURA AIR CONDITIONING CO.	1,237.80	Office and Trailers Biannual HVAC Preventative Maintenance
29879	1/3/2025	ZWORLD GIS	2,280.00	GIS Development and Support Services-January
29880	1/3/2025	BOYD & ASSOCIATES	750.00	Quarterly Security/Fire Alarm Monitoring Services
29881	1/3/2025	MONTECITO JOURNAL	540.00	Manhole Rehabilitation Project Publication
29882	1/3/2025	MOUNTAIN SPRING WATER	161.10	Bottled Drinking Water, Cooler Rental-December
29883	1/3/2025	O'CONNOR PEST CONTROL	1,156.08	Pest, Rodent, Gopher Control at Lift Stations 1, 2, 4 & WWTP
29884	1/3/2025	SOUTHERN CALIFORNIA EDISON CO	16,180.82	Electric Services 11/22-12/22/2024
29890	1/24/2025	ACWA/JPIA	33,565.61	Medical/Dental/Life Insurance Premium - January
29891	1/24/2025	AIRLINE HIGHWAY FUND, LLC	2,831.00	Deposit Refund - 1437 S Jameson Lane
29892	1/24/2025	STANTON ANDERSON	2,300.00	Deposit Refund - 462 Crocker Sperry Drive
29893	1/24/2025	AT&T MOBILITY	144.61	Office Data Port, Lift Station 4 Wireless, Standby Cellphone-January
29894	1/24/2025	ATLANTA PERCH, LLC	1,681.00	Deposit Refund - 1496 San Leandro Lane
29895	1/24/2025	BARTLETT, PRINGLE & WOLF, LLP	1,467.00	Accounting Consulting Services-November
29896	1/24/2025	DIANA BASEHART	2,831.00	Deposit Refund - 651 Romero Canyon Road
29897	1/24/2025	BBH INVESTMENTS 3, LLC	531.00	Deposit Refund - 240 Oak Road
29898	1/24/2025	BRITTANY BESSE	51.10	Reimbursement for Printer Ink Cartridges
29899	1/24/2025	BIG GREEN CLEANING COMPANY	2,754.00	Janitorial Services - January
29900	1/24/2025	CANON FINANCIAL SERVICES INC	371.74	Canon Copier Lease Payment - January
29901	1/24/2025	CINTAS CORPORATION #684	1,348.46	Uniforms, Towels, Floor Mats-Cleaning/Rental, Disposable Gloves
29902	1/24/2025	COLANTUONO, HIGHSMTIH & WHATLEY	7,469.31	Legal Counsel Services - December
29903	1/24/2025	COMPUVISION COMMUNICATIONS	18,009.36	Office 365 GCC, Dell Power Edge Server, Printer, IT Services, New PC for Caroline, 3-yr Dual Authentication Renewal
29904	1/24/2025	CORT	44.00	Deed Report - December
29905	1/24/2025	COX BUSINESS	176.04	Wireless Internet Services - January
29906	1/24/2025	CSRMA	5,633.90	1516 Sinaloa Drive Cleanup/Repairs for Sewer Main Overflow
29907	1/24/2025	CALIFORNIA WATER ENVIRONMENT	355.00	Annual Membership-Martinez, Collection System Tech 3-Ortiz
29908	1/24/2025	DATCO SERVICES CORPORATION	161.25	Quarterly DATCO Services (Class B Drivers Required Drug Testing)
29909	1/24/2025	DOCU PRODUCTS	50.09	Copier Maintenance Agreement - January
29910	1/24/2025	ENGEL & GRAY, INC	7,245.06	Biosolids Hauling, Bin Rental - December
29911	1/24/2025	ERIK EPPINK	1,681.00	Deposit Refund - 1711 East Valley Road
29912	1/24/2025	FILIPPIN ENGINEERING	4,981.25	Inspection Services for 2500 Private Sewer Main Extension Project
29913	1/24/2025	FISHER SCIENTIFIC	1,202.20	Lab Testing Supplies
29914	1/24/2025	FRONTIER	795.11	Lift Station 1, 2, 4 & WWTP Phone Services - January
29915	1/24/2025	GLS COMPANIES	14,500.00	Tree Trimming along Monte Cristo Lane
29916	1/24/2025	GRAINGER	47.73	Property Maintenance Materials
29917	1/24/2025	BETSY HEAFITZ	2,831.00	Deposit Refund - 1374 East Valley Road
29918	1/24/2025	KIMBALL MIDWEST	302.16	Restock Plant Maintenance Materials
29919	1/24/2025	ARTHUR LAVINE (or) LAUREN LEICHTMAN	3,160.00	Deposit Refund - 801 San Ysidro Lane
29920	1/24/2025	MARBORG INDUSTRIES	1,015.47	Refuse Disposal, Recycling, Portable Restroom Rental-December
29921	1/24/2025	DANIEL MARTINEZ	209.00	Environmental Compliance Inspector Exam Fee Reimbursement

29922	1/24/2025	MONTECITO BANK & TRUST (CREDIT CARD)	2,790.35	Employee Holiday Luncheon, Janitorial Supplies, Collection Tools, Board Snacks, Drinks & Lunches, CASA Conference Registration, Loud Speaker for Holiday Parade, Montecito Association Membership
29923	1/24/2025	MCCORMIX CORP	1,404.82	Vehicle Fuel 12/15-01/15/24
29924	1/24/2025	MOTION INDUSTRIES, INC	994.39	Electric Motor For Lift Station
29925	1/24/2025	MONTECITO WATER DISTRICT	1,866.76	Water Service - December/January
29926	1/24/2025	MONTECITO WATER DISTRICT	1,947.17	Water Truck Usage July-December
29927	1/24/2025	GASPER OBANDO (or) VANESSA RINGEL	2,010.00	Deposit Refund - 220 Hot Springs Road
29928	1/24/2025	CHRISTOPHER (or) MARISA PARKER	2,300.00	Deposit Refund - 792 Hot Springs Road
29929	1/24/2025	PITNEY BOWES GLOBAL FINANCIAL	143.84	Quarterly Postage Meter Lease Payment
29930	1/24/2025	PLUMBERS DEPOT, INC	122.66	Nozzle Extension for Jetter Truck
29931	1/24/2025	EDWARD (or) LYNN PRESTON	2,212.00	Deposit Refund - 630/634 Tabor Lane
29932	1/24/2025	PURETEC INDUSTRIAL WATER	15.80	Fuel Surcharge for Sodium Tank Exchange
29933	1/24/2025	QUINN COMPANY	614.00	Generator Preventative Maintenance
29934	1/24/2025	ELAINE SAMSON	6,740.00	Deposit Refund, Sewer Service Charge Refund - 163 Santo Tomas
29935	1/24/2025	S B HOME IMPROVEMENT CENTER	106.74	X-Mas Decorations for Holiday Parade
29936	1/24/2025	SEIU LOCAL 620	2,095.20	Employee Union Dues for Payrolls 11/24, 12/08, 12/22, 01/05, 01/19
29937	1/24/2025	SEWER EQUIPMENT COMPANY	68.59	Toggle Switch
29938	1/24/2025	SOCAL GAS	477.60	Gas Service - December
29939	1/24/2025	PATRICK (or) ERIN SPENCE	3,510.00	Deposit Refund - 122 Olive Mill Road
29940	1/24/2025	STANDARD INSURANCE COMPANY	1,863.84	Short/Long Term Disability Insurance Premium - January
29941	1/24/2025	STAPLES	356.92	Office/Kitchen Supplies
29942	1/24/2025	UNIVAR SOLUTIONS	10,444.74	Sodium Bisulfite & Hypochlorite Chemicals
29943	1/24/2025	VAN WOLFSWINKEL, RANDALL	3,450.00	Deposit Refund - 1491 Edgecliff Lane
29944	1/24/2025	KRISTEN WALTERS	2,300.00	Deposit Refund - 1823 E Mountain Drive
29945	1/24/2025	LINDA WOOD	2,010.00	Deposit Refund - 2000 Sandy Place
			348,109.03	

Check History Report

MONTECITO SANITARY DISTRICT (MSD)

Sorted By Check Number

Activity From: 1/01/2025 to 1/31/2025

Bank				
Code: G				
CAPITAL				
IMPROVE				
MENT				
CASH				
(MBT)				
Check	Check		Check	
Number	Date	Vendor Name	Amount	Payment Description

1520	1/3/2025	ASPECT ENGINEERING GROUP	6,761.00	CIP No. TSCA; SCADA Programming and Modifications for Services provided 10/01/24-12/09/24
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1521	1/3/2025	MOTION INDUSTRIES	3,699.44	CIP No. C009; Hoses and Fittings for Emergency By-Pass Pumper
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1522	1/3/2025	PHOENIX CIVIL ENGINEERING	1,462.50	CIP C003; Project Management for the Sewer Main CIPP Lining Project CIP L001; Project Management of the Channel Force Main Improvements
1523	1/3/2025	CUSHMAN CONTRACTING	107,194.82	C010; Construction Project Payment for the Protect-In-Place of District Facilities
1524	1/24/2025	CUSHMAN CONTRACTING CORP	39,938.49	CIP No. C010; Final Retention Payment for the construction of Protect-In-Place District Facilities
1525	1/24/2025	PLUMBERS DEPOT, INC	5,587.31	CIP No. T018/PO 4893; Gas Monitor and Charging Docking Station for the Aeration Basin Swingfuser Header Replacement Project
1526	1/24/2025	SSG STRUCTURAL ENGINEERS, LLP	92,141.55	CIP No. F007; Seismic Risk Assessment & Materials Study of Treatment Plant
1527	1/24/2025	STANTEC CONSULTING SERVICES INC.	38,458.42	CIP No. C010; Design & Permitting Services for Protective Measures of District Facilities - December (FEMA Project)
			295,243.53	



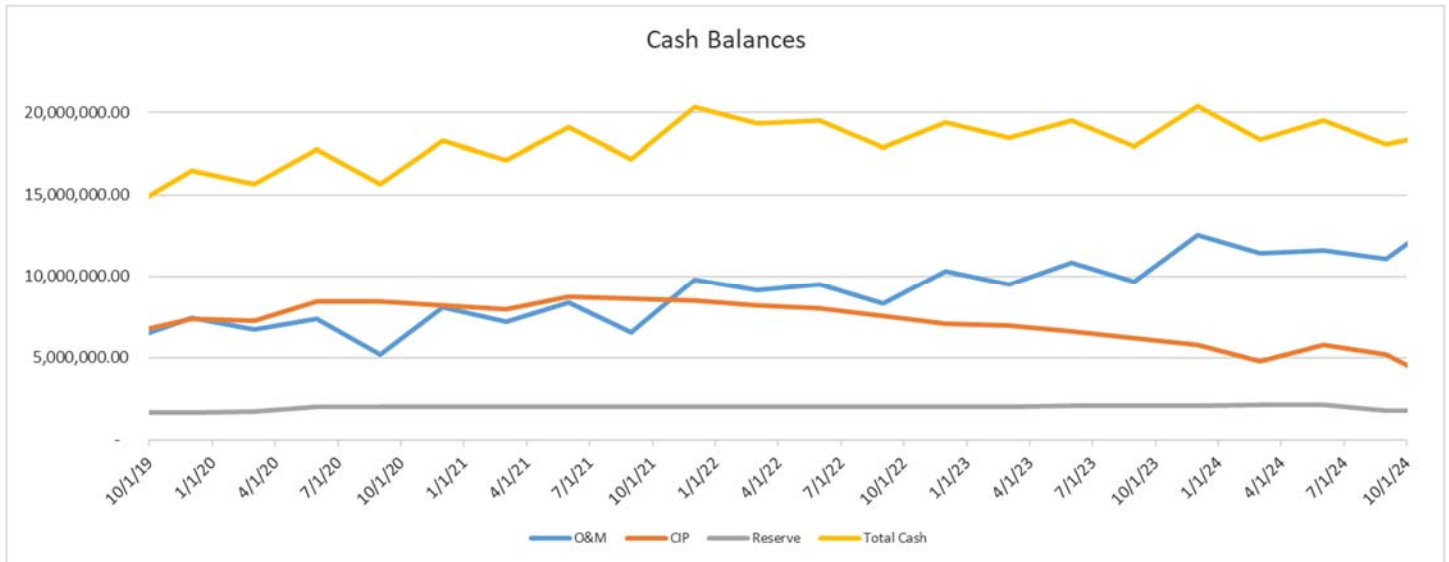
Fiscal Year 2024-25 Unaudited Quarterly Financial Summary Memo

For the Quarter Ended 12/31/2024

FINANCIAL HEALTH AND CASH POSITIONS

As of **December 31, 2024** the District is in a sound financial position. It maintains a healthy cash balance sufficient to cover its short term and long term obligations. The District also maintains a balance in excess of **\$2.25M** in Reserve funds, which is equal to approximately **5** months of Operations & Maintenance (O&M) expenditures (approximately **\$450,00** per month). Typical business practice is to hold at least 3-6 months of cash on hand for emergencies, along with adequate insurance holdings, and based on this metric the District is within that range with its operating reserves.

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



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

	Balance at 9/30/2024	Balance at 12/31/2024	Difference
Operations & Maintenance	\$ 11,069,324	\$ 13,843,607	\$ 2,774,283
Capital Improvement Projects	5,198,895	3,252,858	(1,946,037)
Reserve	1,767,982	1,808,460	40,478
Total Available Cash	<u>\$ 18,036,201</u>	<u>\$ 18,904,925</u>	<u>\$ 868,724</u>

Table 1. Fiscal Year 2024-25 Cash Comparison – Current Quarter vs. Prior Quarter

REVENUES

For **Fiscal Year 2024-25**, the District anticipated approximately **\$7.8M** in revenues between its two main revenue types: Operating and Non-operating revenue. The District receives approximately 96% of its revenues through two allocations from the County of Santa Barbara’s Property Tax apportionment, which occurs in December and April of each year. As a result, revenues look much lower for the current quarter as the District has yet to receive an allocation of its Sewer Service charges. This is to be expected and is inconsequential, the District has plenty of funds on hand to meet its obligations.

Table 2 below shows the breakdown of revenue received for the period ending **December 31, 2024**.

OPERATIONS & MAINTENANCE BUDGET TO ACTUAL SUMMARY

OPERATING AND NONOPERATING REVENUES

	2024-25 Budget	2024-25 Actuals	Difference
Operating Revenues			
Service Charges	\$ 6,500,000	\$ 3,681,765	\$ (2,818,235)
Connection Fees	125,000	215,313	90,313
Other Services	55,000	148,868	93,868
Total Operating Revenues	\$ 6,680,000	\$ 4,045,946	\$ (2,634,054)
Nonoperating Revenues			
Property Taxes	\$ 795,000	\$ 454,319	\$ (340,681)
Interest Income	350,000	283,402	(66,598)
Total Nonoperating Revenues	\$ 1,145,000	\$ 737,721	\$ (407,279)
Total Revenues	\$ 7,825,000	\$ 4,783,668	\$ (3,041,332)

Table 2. Fiscal Year 2024-25 Budget to Actuals - Revenue

Operating and Non-operating Revenue Noteworthy Items:

- **Sewer Service Charges - The District’s primary source of revenues comes from Sewer Service Charges.** The District submitted all Sewer Service Charges to the County for inclusion on connected properties Property Tax bills in early July. This method saves a substantial amount of administrative time having to bill, collect, and reconcile over 3,000 sewer service bills to customers. Total amount reported to the Auditor-Controller’s Office was **\$6,580,918.25**.
- **Connection Fees –** The District has seen a higher number of connection fees in the current fiscal year, with increased activity for Accessory Dwelling Unit connections. Properties that connect this year will have their current fiscal year sewer service charges prorated and will be subsequently placed on the next fiscal years’ tax roll.
- **Other Services –** The District collects various fees as it relates to inspection services, sewer availability inquiries, engineering review services, agreements, and administrative certifications. These fees appear higher than anticipated for the **second quarter** due to a large inspection fee for 2500 East Valley Road (\$100,000), however a good amount of that will be paid out to Filippin during the life of the project. Staff does not anticipate any material overage in this revenue source.
- **Property Tax –** The District’s ½ of 1% Property Tax Revenue is collected in the same manner as the Sewer Service Charges. The County released an estimated property tax revenue figures in September and the District is expected to receive **\$816,646**, which is **\$21,646** higher than budgeted for **Fiscal Year 2024-25**. The District received its first allocation in the **second quarter** of **\$454,319**.
- **Interest Income –**The Fiscal Year 2024-25 budget was developed with the current high interest rate environment in mind coupled with dwindling cash balances as a result of CIP projects being worked on. Interest earnings are higher than anticipated, and staff expects to realize a much greater amount than budgeted.

OPERATING EXPENDITURES

	2024-25 Budget	2024-25 Actuals	Difference	% of Budget
Operating Expenditures				
Salaries and Benefits	\$ 3,459,700	\$ 1,775,515	\$ 1,684,185	51%
Insurance	145,200	49,401	95,799	34%
Maintenance & Repairs	218,000	62,281	155,719	29%
Goods & Supplies	136,000	71,989	64,011	53%
Professional Services	297,000	101,990	195,010	34%
Administrative Costs	378,000	117,147	260,853	31%
Plant & Lab Operating Costs	735,300	247,506	487,794	34%
Safety, Training, & Travel	57,500	14,795	42,705	26%
Utilities	321,500	126,145	195,355	39%
Total Operating Expenditures	\$ 5,748,200	\$ 2,566,771	\$ 3,181,429	45%

Table 3. Fiscal Year 2024-25 Budget to Actuals - Expenditures

The District’s Operations and Maintenance expenditure budget is lower than what the District anticipated for the **second quarter**. Almost all categories are currently sitting well below than the 50% of the fiscal year that has passed. Some notable items are detailed below:

Operating Expenditures Noteworthy Items:

- **6400 – CalPERS Contribution** – Every year the District elects to prepay its UAL in July rather than paying in monthly installments which saves the District approximately 3% of its total UAL costs. This large expenditure early in the year is causing the percentage of budget utilized to be high, however, based on the UAL payment and estimated contributions for the rest of the fiscal year the District expects to be slightly under budget at year end. Total UAL payments were made in July of **\$244,826**.
- **6620 – Workers’ Compensation** – Every July the District pays its expected Workers’ Compensation premium for the fiscal year with very minor payments made throughout the rest of the fiscal year. Based on the figures staff expects to be slightly under budget for **Fiscal Year 2024-25**.
- **7090 – Insurance-General Liability** - Two payments are made during the Fiscal Year for general liability insurance, the first coming in July and the second in the **third quarter**. Staff expects to come roughly in line with what was budgeted for the fiscal year with no material increases or decreases.
- **7094 – Insurance-Mobile Equipment** - Two payments are made during the Fiscal Year for general liability insurance, the first coming in July and the second in December. Staff expects to come roughly in line with what was budgeted for the fiscal year with no material increases or decreases.
- **7430 – Memberships** – This line item has spent its fiscal year budget but was anticipated to do so as all major District memberships have been accounted for. The District does not at this time anticipate any future material memberships to be entered into.
- **7464 – Professional Fees – Computer/GIS** – In the first quarter the District pays several annual software fees that utilize a good amount of the budget for the fiscal year, and as such is pushing the

percentage utilization much higher than the 25% of the year that has elapsed. Based on current estimates staff does not anticipate any material overages in this account.

- **7510 - Contracted Services/Labor** - The District paid its annual Smartcover System Service Warranty in September totaling **\$33,840**. This expenditure early in the year is causing the percentage of budget utilization to be high, however, this was planned for during the budget process and the remaining transactions are expected to be within the budgeted amount.
- **7653 – Chemicals** – Staff finalized a new contract at the end of the fiscal year for one of its chemical suppliers that will save 5% compared to the prior vendor. As such chemical costs are currently under budget for the current fiscal year.
- **7763 – Electricity** – The Board has expressed concern about electricity bills in the past. In **Fiscal Year 2023-24** the District was within **3%** of its budget, and is currently sitting slightly lower than expected in the current fiscal year at **42%**.

CAPITAL IMPROVEMENTS PROJECTS

The District maintains separate Capital Improvement Project (CIP) accounts from its Operations and Maintenance funds. As of the end of the period the balance held in CIP accounts totals **\$3,326,207**, which is **\$1,872,688** less than the prior quarter. This is largely due to construction work done on the Districts’ FEMA/CalOES project sites.

The budget passed for **Fiscal Year 2024-25** utilizes estimates for the anticipated expenditures for CIP work including permitting, design, construction management, and all other costs associated with projects. The CIP budget passed by the Board this Fiscal Year totals **\$6,858,720**. The following table shows total budget and amount expended through the quarter by program.

Program	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
Collections	\$ 5,186,155	\$ 1,985,510
Lift Stations	\$ 610,000	\$ -
Treatment & Lab Facilities	\$ 1,701,720	\$ 293,092
Sewer Main Extens	\$ 260,000	\$ -
Sewer Main Extens	\$ 150,000	\$ -
Total	\$ 7,907,875	\$ 2,278,602

Table 4. Fiscal Year 2024-25 Budget to Actuals – Capital Improvement Program

The following highlights noteworthy capital expenditures for **Q4** and **Attachment C** provides includes all CIP activity through the period ending **June 30, 2024**.

- **C009 – Emergency Bypass Pumper** – The District purchased an emergency bypass pumper for use in the Wastewater Treatment Plant as well as out in the field. The pumper came in slightly less than staff anticipated with a total cost of **\$54,305.39**.

- **C010 – FEMA Rehabilitation – Design/Permitting** - The District substantially completed work on its 2023 Winter Storm FEMA projects and spent **\$1,566,674.03** during the quarter. Staff continues to engage with FEMA/CalOES on getting final FEMA approval and will continue to update the Board in the monthly General Manager’s report.
- **C011** – The District acquired a new tractor (**\$128,326.98**) and came in below what staff estimated during the budget process.
- **T018 – Clarifier Maintenance (Rollover)** – The District started work on its Swingfuser Headers replacement project and spent **\$48,800** on materials.

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

In May 2017 the District refunded its 2007 Certificates of Participation (COP). The District will make two payments on its bond during Fiscal Year 2024-25 totaling **\$919,900**. Of this total **\$710,000** will be applied to principal and **\$209,900** to interest. After all payments are made in Fiscal Year 2024-25 the remaining bond debt will be **\$4,970,000** and is expected to be paid off by July 1, 2030. The current interest rate paid is **5%**.

ANNUAL DEPRECIATION FUNDING

Annually, District’s Operations & Maintenance accounts contribute to the Capital Replacement Fund. Typically, this contribution has been based on the prior fiscal year’s annual depreciation expense. The current year contribution based on the Fiscal Year 2023-24 Financial Audit, and that figure is approximately **\$1,285,000**. Staff will complete the transfer in the County’s Financial System at the end of the Fiscal Year.

Attachments:

- Attachment A – Quarterly Cash and Investments Holdings as of **12/31/2024**
- Attachment B – Quarterly Operations & Maintenance Expenditure Status Report as of **12/31/2024**
- Attachment C – Quarterly Capital Improvement Projects Expenditure Status Report as of **12/31/2024**
- Attachment D – Quarterly Investment Certification

**FY2024-25 Quarterly Cash and Investment Activity
Quarter 2**

	<u>9/30/2024</u>	<u>Income</u>	<u>Interest</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Withdrawals</u>	<u>12/31/2024</u>	<u>Net Change</u>	<u>Comments</u>
Investment Accounts									
Cash with LAIF	16,378		166				16,544	166	
Charles Schwab	1,767,982	23,933					1,791,916	23,933	Investment Earnings: \$23,933
Cash with County-Operating	10,131,651	4,096,641	79,826		(750,000)	(97,850)	13,460,268	3,328,617	Property Tax/SSCs: \$4,096,641 Quarterly Interest: \$79,826 Transfer to MBT O&M (10/16/24): \$750,000 Debt Service Payment: \$97,850
Cash with County - Capital Replacement	4,012,622		29,919		(1,950,000)		2,092,541	(1,920,081)	Quarterly Interest: \$29,919 Transfer to MBT CIP (11/4/2024): \$1,250,000 Transfer to MBT CIP (11/22/2024): \$350,000 Transfer to MBT CIP (12/19/2024): \$350,000
Cash with County-Retiree Medical	192,571		1,435				194,006	1,435	Quarterly Interest: \$1,435
Cash Accounts									
MBT Operating account	612,474	386,898		750,000		(1,676,762)	72,610	(539,864)	Income: connection, permit, & other fees Transfers From County Oper: \$1,750,000 Transfers to MBT CIP (12/19/24): \$300,000 Withdrawals: O&M Expenses (A/P, Payroll)
MBT Capital Improvement account	187,141			2,250,000		(1,980,145)	456,996	269,855	Withdrawals: pmts on Capital Projects Transfers From County CIP: \$1,950,000 Transfers From MBT RW (County Closure): \$300,000
MBT Revolving fund account	211						211	-	Withdrawals: payments on O&M expenses for checks needed immediately
MBT Insurance Reimbursement Acct	115,789		473				116,262	473	Monthly Interest: \$482
MBT Recycled Water account	999,132		4,189		(300,000)		703,321	(295,811)	Monthly Interest: \$4,426 Transfer to MBT CIP (County Closure): \$300,000
District Petty Cash	250						250	-	
Total Cash & Investment accounts	18,036,201	4,507,472	116,009	3,000,000	(3,000,000)	(3,754,757)	18,904,926	868,724	

MONTECITO SANITARY DISTRICT OPERATIONS AND MAINTENANCE EXPENDITURE STATUS REPORT

FOR THE PERIOD ENDED 12/31/2024

		2024-25 BUDGET	2024-25 ACTUALS	VARIANCE	% OF BUDGET
OPERATING EXPENDITURES					
SALARIES AND BENEFITS					
6100	STAFF SALARIES	\$ 2,230,000.00	\$ 1,052,193.28	\$ 1,177,806.72	47%
6105	BOARD SALARIES	45,000.00	20,328.00	24,672.00	45%
6108	AUTO ALLOWANCE - GM	3,600.00	1,580.00	2,020.00	44%
6270	STANDBY PAY	54,600.00	25,500.00	29,100.00	47%
6300	OVERTIME	30,000.00	8,766.46	21,233.54	29%
6400	PERS CONTRIBUTION	430,000.00	347,060.01	82,939.99	81%
6410	EMPLOYEE BENEFITS	65,000.00	31,332.94	33,667.06	48%
6500	FICA CONTRIBUTION	145,000.00	65,390.59	79,609.41	45%
6510	MEDICARE	34,000.00	15,745.82	18,254.18	46%
6520	UNEMPLOYMENT TAX - STATE	3,500.00	361.31	3,138.69	10%
6600	GROUP MEDICAL - ACWA	275,000.00	132,562.13	142,437.87	48%
6605	RETIREE MEDICAL BENEFITS	23,000.00	6,444.80	16,555.20	28%
6610	LIFE INSURANCE - ACWA	6,500.00	2,600.00	3,900.00	40%
6615	DISABILITY INS - STANDARD	26,000.00	10,441.82	15,558.18	40%
6620	WORKER'S COMPENSATION	58,000.00	46,655.00	11,345.00	80%
6640	DENTAL INSURANCE - ACWA	19,000.00	5,472.08	13,527.92	29%
6650	UNIFORM SERVICE - MISSION	11,500.00	3,080.69	8,419.31	27%
TOTAL SALARIES AND BENEFITS		\$ 3,459,700.00	\$ 1,775,514.93	\$ 1,684,185.07	51%
SERVICES AND SUPPLIES					
7090	INS (GEN LIAB/AUTO/E&O) - CSRMA	\$ 88,000.00	\$ 39,323.49	\$ 48,676.51	45%
7091	PROPERTY INSURANCE	42,000.00	-	42,000.00	0%
7093	INS (EMP DISHONESTY BOND) - CSRMA	1,200.00	936.00	264.00	78%
7094	INS (MOBILE EQUIP) - CSRMA	14,000.00	9,142.00	4,858.00	65%
7110	EMPLOYEE PHYSICALS	2,500.00	700.00	1,800.00	28%
7121	PROPERTY MAINTENANCE	101,000.00	24,764.76	76,235.24	25%
7122	VEHICLE MAINTENANCE	15,000.00	7,761.00	7,239.00	52%
7126	COLL - EQUIPMENT RENTAL	1,000.00	-	1,000.00	0%
7127	COLL - SAFETY EQUIPMENT/SUPPLIES	8,000.00	1,544.90	6,455.10	19%
7129	LIFT STATION PARTS	32,000.00	8,928.32	23,071.68	28%
7133	VACCON EQUIPMENT & REPAIRS	15,000.00	7,274.68	7,725.32	48%
7134	CCTV EQUIPMENT/REPAIRS	15,000.00	5,669.42	9,330.58	38%
7136	COLL - MISC COLLECTION TOOLS	10,000.00	4,141.25	5,858.75	41%
7138	JETTER TRUCK EQUIP / REPAIRS	6,000.00	1,693.91	4,306.09	28%
7150	MECHANICAL MAINTENANCE	5,000.00	-	5,000.00	0%
7200	GENERAL OPERATING SUPPLIES	10,000.00	7,297.96	2,702.04	73%
7201	DRINKING WATER	2,500.00	984.64	1,515.36	39%
7202	GLOVES	8,000.00	1,814.07	6,185.93	23%
7205	COMMUNITY & EMPLOYEE GOODWILL	6,000.00	1,002.02	4,997.98	17%
7220	MAILING/SHIPPING EXPENSES	5,000.00	650.31	4,349.69	13%
7430	MEMBERSHIPS	40,000.00	40,622.00	(622.00)	102%
7440	MISCELLANEOUS EXPENSES	2,500.00	-	2,500.00	0%
7450	OFFICE EXPENSES	15,000.00	5,238.73	9,761.27	35%
7452	SCANNING & SHREDDING	10,000.00	-	10,000.00	0%
7454	BOOKS/SUBSCRIPTIONS/STUDY GUIDES	2,000.00	409.45	1,590.55	20%
7456	COMPUTER HARDWARE/SOFTWARE/LICENSING	45,000.00	13,970.10	31,029.90	31%
7461	PROFESSIONAL SERVICES/FEEES - LEGAL	75,000.00	26,929.40	48,070.60	36%
7462	PROFESSIONAL FEES - ACCOUNTING	40,000.00	6,570.50	33,429.50	16%
7463	PROF SERVICES - ENGINEERING	100,000.00	12,512.50	87,487.50	13%
7464	PROFESSIONAL FEES - COMPUTER/GIS	60,000.00	49,242.27	10,757.73	82%
7466	PROF SERVICES - HUMAN RESOURCES	12,000.00	5,939.48	6,060.52	49%
7500	PUBLIC OUTREACH	10,000.00	795.75	9,204.25	8%
7506	ADMINISTRATIVE FEES	30,000.00	11,009.79	18,990.21	37%
7508	COLLECTION/TREATMENT FINES	10,000.00	-	10,000.00	0%
7510	CONTRACTED SERVICES/LABOR	95,000.00	59,265.38	35,734.62	62%
7530	ADS/NOTICES FOR PUBLICATION	3,000.00	895.70	2,104.30	30%
7610	FURNITURE/FIXTURES	15,000.00	1,881.53	13,118.47	13%
7641	NPDES PERMIT EXPENSES-LAB	17,000.00	20,773.12	(3,773.12)	122%
7645	NPDES PERMIT REQUIREMENTS - OPERATIONS	100,000.00	19,566.92	80,433.08	20%
7650	ELECTION EXPENSES	8,000.00	29.00	7,971.00	0%

7651	ANALYZER CHEMICALS	-	-	-	0%
7652	BIOSOLIDS DISPOSAL	70,000.00	30,868.57	39,131.43	44%
7653	CHEMICALS	300,000.00	129,234.80	170,765.20	43%
7654	GENERATOR SERVICE	10,000.00	1,487.06	8,512.94	15%
7655	HAZARDOUS MATERIALS DISPOSAL	2,000.00	261.40	1,738.60	13%
7656	PLANT EQUIPMENT RENTAL	5,000.00	-	5,000.00	0%
7657	PLANT MAINTENANCE MATERIALS	90,000.00	12,824.66	77,175.34	14%
7658	PLANT MAINTENANCE PROJECTS	5,000.00	-	5,000.00	0%
7659	PLANT SAFETY EXPENSES	5,000.00	502.92	4,497.08	10%
7661	POLYMER	10,000.00	-	10,000.00	0%
7662	SMALL TOOLS/EQUIP	4,000.00	2,209.58	1,790.42	55%
7670	SPECIAL PROJECTS	85,000.00	1,875.00	83,125.00	2%
7671	ASSET MANAGEMENT	186,800.00	40,900.00	145,900.00	22%
7675	COVID-19 EXPENSES	-	966.13	(966.13)	100%
7681	2023 WINTER STORM	-	-	-	100%
7700	LAB CONSUMABLES-SMALL EQUIPMENT	35,500.00	16,845.52	18,654.48	47%
7702	LAB EQUIPMENT MAINTENANCE	12,000.00	11,035.85	964.15	92%
7703	CONTRACT LAB ANALYSES	10,000.00	1,839.00	8,161.00	18%
7722	BOARD TRAINING/CONF REGISTRATION	2,500.00	460.00	2,040.00	18%
7723	BOARD MEETINGS/TRAVEL EXPENSES	5,000.00	2,289.35	2,710.65	46%
7724	STAFF TRAINING/CONF REGISTRN	15,000.00	2,988.82	12,011.18	20%
7725	STAFF TRAVEL EXPENSES	15,000.00	6,732.65	8,267.35	45%
7726	STAFF CERTIFICATIONS/LICENSES	8,000.00	1,329.00	6,671.00	17%
7727	OSHA REQUIRED TRAINING	5,000.00	-	5,000.00	0%
7728	SAFETY BOOT ALLOWANCE	4,500.00	878.35	3,621.65	20%
7729	APPAREL AND UNIFORMS	2,500.00	184.69	2,315.31	7%
7731	LOCAL MEETING EXPENSES	2,500.00	117.27	2,382.73	5%
7740	FUEL AND OIL	25,000.00	7,560.10	17,439.90	30%
7761	WATER	15,000.00	6,058.02	8,941.98	40%
7762	NATURAL GAS	5,500.00	967.52	4,532.48	18%
7763	ELECTRICITY	225,000.00	94,688.88	130,311.12	42%
7766	TRASH / RECYCLING	17,000.00	4,167.40	12,832.60	25%
7767	TELEPHONE - LOCAL/LD	22,000.00	6,456.25	15,543.75	29%
7768	TELEPHONE CELLULAR	12,000.00	6,246.69	5,753.31	52%
	TOTAL SERVICES AND SUPPLIES	<u>\$ 2,288,500.00</u>	<u>\$ 791,255.83</u>	<u>\$ 1,497,244.17</u>	<u>35%</u>
	TOTAL OPERATING EXPENDITURES	<u><u>\$ 5,748,200.00</u></u>	<u><u>\$ 2,566,770.76</u></u>	<u><u>\$ 3,181,429.24</u></u>	<u><u>45%</u></u>

Fiscal Year 2023-24 Capital Improvement Program (CIP)

Adopted by the Board on June 22, 2023

Collections:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
C001	Collection System Master Plan	\$ 175,000	\$ 175,000	\$ -
C003	2025 Sewermain CIPP Lining - Design	\$ 150,000	\$ 150,000	30,401
C005	Large Diameter Sewer Main Rehabilitation	\$ 1,500,000	\$ 2,549,155	26,254
C009	Emergency Bypass Pumper	\$ 60,000	\$ 60,000	54,305
C010	FEMA Rehabilitation - Design/Permitting	\$ 125,000	\$ 125,000	314,643
C010	FEMA Rehabilitation - Construction	\$ 1,100,000	\$ 1,100,000	1,399,931
C011	Tractor	\$ 150,000	\$ 150,000	128,327
C012	CCTV Camera and Transporter	\$ 65,000	\$ 65,000	-
C013	Combination Cleaner - Rollover	\$ 662,000	\$ 662,000	-
CMAN	Manhole Adjustments	\$ 75,000	\$ 75,000	22,743
CEME	Collection O/M Emergencies	Unknown	\$ 75,000	8,905
			\$ 5,186,155	\$ 1,985,510

Lift Stations:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
L001	Channel Lift Station Improvement	\$ 400,000	\$ 400,000	\$ -
L004	Bonnymede Lift Station Electrical Controls Upgrade	\$ 75,000	\$ 75,000	-
L005	Posilipo Lift Station Improvement	\$ 39,000	\$ 39,000	-
L007	Smartcover Upgrades	\$ 21,000	\$ 21,000	-
LEME	Lift Station Emergency Repairs	Unknown	\$ 75,000	-
			\$ 610,000	\$ -

Treatment & Laboratory:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
T001	Wastewater Treatment Plant Project - Design and Eng.	\$ 1,000,000	\$ 1,000,000	\$ 3,572
T012	Clarifier Maintenance - Rollover	\$ 220,000	\$ 160,000	163,441
T014	Laboratory Dishwasher	\$ 11,000	\$ 11,000	-
T015	Diffusers	\$ 43,000	\$ 43,000	41,986
T016	Ras-Was Program Logic (PLC) Upgrade	\$ 70,000	\$ 70,000	-
T017	Flow Meters	\$ 40,000	\$ 40,000	-
T018	Swingfuser Headers*	\$ 177,720	\$ 177,720	48,800
TEQU	Treatment Equipment	\$ 50,000	\$ 50,000	-
TSCA	SCADA Maintenance	\$ 50,000	\$ 50,000	15,981
TEME	Treatment O/M Emergencies	\$ 100,000	\$ 100,000	19,311
			\$ 1,701,720	\$ 293,092

Facilities:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
F004	Administration Building Improvements	\$ 30,000	\$ 30,000	\$ -
F007	Seismic and Materials Study	\$ 233,497	\$ 205,000	-
F008	Electric Vehicle Charging Station	\$ 25,000	\$ 25,000	-
Facilities Subtotal			\$ 260,000	\$ -

Sewer Main Extensions:

Project No.	Description	Estimated Project Cost	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
S001	Septic to Sewer Strategic Plan	\$ 150,000	\$ 150,000	\$ -
Sewer Main Extensions Subtotal		\$	150,000	\$ -

Budget Adjustments

Project **T018 - Swingfuser Headers** budget of \$177,720 was approved at the 11/12/2024 Board Meeting

Project **C005 - Large Diameter Sewer Main Rehabilitation** budget increase of \$1,049,155 was approved at the 11/20/2024 Board Meeting

Program	2024-25 Approved Budget	Project Expenditures Through 12/31/2024
Collections	\$ 5,186,155	\$ 1,985,510
Lift Stations	\$ 610,000	\$ -
Treatment & Lab Facilities	\$ 1,701,720	\$ 293,092
Sewer Main Extensions	\$ 260,000	\$ -
Sewer Main Extensions	\$ 150,000	\$ -
Total	\$ 7,907,875	\$ 2,278,602

1.6.1 The Finance Committee shall:

- (a) Provide review for transparent budget processes and financial management that promote fiscal stability and instill public trust;
- (b) Support and work directly with the District General Manager and District Administrator in enhancing financial integrity and monetary discipline;
- (c) Discuss and receive public input during committee meetings and advise the Board of Directors on financial matters;
- (d) Provide financial review, assessment, and recommendation to District Board of Directors regarding potential funding sources available to the District from private, public, County, State or federal entities;
- (e) Support other standing committees' fiscal review needs.

DRAFT

**Montecito Sanitary District
Proposed Audit Timeline
FYE 6/30/2024**

MSD to provide Year End Adjusted Trial Balance	1/17/2025 - Completed
MSD to prepare and send confirmations to BPW for mailing (emailing)	1/29/2025 - Completed
MSD to complete uploading all Year End Audit Request List Schedules and Documentation	2/7/2025 - Substantially Complete
Time reserved for Fieldwork	3/5 - 3/6/2025 (W/TH on-site)
Time reserved for Fieldwork follow-up	3/12 - 3/13/2025 (W/TH on-site)
MSD to provide all pending open item requests	3/21/2025
BPW to provide Audit Trial Balance to MSD	4/4/2025
MSD to provide Introductory and MD&A related Sections to BPW	4/11/2025
BPW to provide Draft Audited FS and Letters for Stephen's review	4/25/2025
Stephen to provide feedback/changes to Draft Audited FS and Letters to BPW	4/30/2025
BPW to provide updated Draft Audited FS and Letters	5/9/2025
Present draft FS at Finance Committee Meeting	TBD
Present draft FS at MSD Board Meeting	TBD