



**Montara Water
and Sanitary District**
Serving the Community of Montara and Moss Beach

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To sensitively manage the natural resources entrusted to our care, to provide the people of Montara - Moss Beach with reliable, high – quality water, wastewater, and trash disposal at an equitable price, and to ensure the fiscal and environmental vitality of the district for future generations. Be open to providing other services desired by our community.

AGENDA

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

April 4, 2019 at 7:30 p.m.

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

CONSENT AGENDA

1. [Approve Minutes for March 21, 2019.](#)
2. [Approve Financial Statements for February 2019.](#)
3. Approve Warrants for April 1, 2019.
4. [SAM Flow Report for February 2019.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production for February 2019.](#)

8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for January 2019.](#)

OLD BUSINESS

1. [Review and Possible Action Concerning Consideration of In-House Sewer Collection Services.](#)

NEW BUSINESS

1. [Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2019-2020 Budget.](#)
2. [Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting April 18, 2019.](#)

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Slater-Carter).
2. MidCoast Community Council Meeting (Slater-Carter).
3. CSDA Report (Lohman).
4. Attorney's Report (Schrickler).
5. Directors' Reports.
6. [General Manager's Report \(Heldmaier\).](#)

FUTURE AGENDAS

ADJOURNMENT

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code §54956.9(d)(4))

Initiation of litigation

Number of cases: 1

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

(Government Code §54956.9(d)(1))

Case Names: *Ecological Rights Foundation v. Sewer Authority Mid-Coastside* (USDC ND Case No. 3:18-cv-04413-VC)

City of Half Moon Bay v. Granada Community Services District, et al.
(Santa Clara County Super, Crt. No. 17CV316927)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957)

Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

The District has a curfew of 11:00 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.

NOTE: In accordance with the Government Code, members of the public may address the Board on specific agenda items when the matter is discussed by the Board. Any other items of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. Upon request, this Agenda will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or accommodation in order to participate in the public meeting should be made at (650) 728-3545. Materials related to an item on this Agenda submitted to the Board after distribution of the Agenda Packet are available in the District Clerk's office during normal business hours. Such documents may also be available on the District's web site (www.mwsd.montara.org) subject to staff's ability to post the documents before the meeting.



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
March 21, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:30 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Slater-Carter, Harvey, Marshall and Lohman

Directors Absent: None

Staff Present: General Manager, Clemens Heldmaier
District Clerk, Tracy Beardsley

Others Present: District Counsel, Dave Schricker
District Counsel, Christine Fitzgerald
District Accountant, Peter Medina
District Sewer Engineer, Pippin Cavagnaro

PRESIDENT'S STATEMENT – I was going to give folks a long detailed list of all the things that are happening at the State level that our legislators would like to pass on to the Special Districts of cities as a way of changing things—the biggest change will be in the rates that people pay for sewer and water. Rather than go into detail--there is an interesting one on our Agenda later--we will keep you posted as things get closer. Letters from the public will make a difference. Be assured that your State Representatives need to hear from you in reference to keeping costs down. Otherwise, they don't care, it gets put it on us, and then you get mad at us, when the cause is what happened in Sacramento years in advance.

Director Lohman: At the LAFCo meeting, there is a list from the LAFCo Legislative committee, all the relevant laws that are currently churning for Special Districts. I could give that to the Board, if that is something you are interested in.

Director Slater-Carter: We get notes from the Special Districts Associations, etc., so rather than generating more paper, we could talk about issues that are particularly relevant for here, under Directors Reports.

ORAL COMMENTS - none

PUBLIC HEARING - none

CONSENT AGENDA

1. Approve Minutes for February 7, 2019
2. Approve Financial Statements for January 2019
3. Approve Warrants for March 1, 2019
4. SAM Flow Report for January 2019
5. Monthly Review of Current Investment Portfolio
6. Connection Permit Applications Received
7. Monthly Water Production Report for January 2019
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for December 2018

Director Boyd moved to approve the Consent Agenda and Director Lohman seconded the motion. All Directors were in favor and the motion passed unanimously 5 – 0.

OLD BUSINESS –

1. Review and Possible Action Concerning Consideration of In-House Sewer Collection Services.

General Manager Heldmaier: This was discussed during the December 6, 2018 meeting and we received direction from the Board. However, in the meantime, Director Marshall raised concerns about a potential conflict of interest problem for our District Sewer Engineer as well as the General Manager. Legal counsel advised staff to halt any work on the item until the potential conflict has been addressed. So, we have now received confirmation that staff may work on this, and no conflict of interest exists for the District Sewer Engineer as well as the General Manager. This is for Board information only. We will be able to pick the assessment up now and continue work on this. Again, this is only an informationary item.

Director Harvey: Even though that is settled...Can you hear me Dave?

District Counsel Schricker: I don't know if you had an opportunity to read the email sent out this afternoon on the subject. The concern relates to management concerns—how much time is spent on particular items. Ultimately, that is under the control of the Board, and doesn't amount to a legal conflict of interest. This is a management issue, which is, as said, ultimately under the control of the Board. So, to the extent of a financial interest, sure, but as to a compensatory interest... I appreciate the question. It was an excellent question.

Director Harvey: My question, Dave, was "Can we discuss the item itself or is that a legal issue?" Can we go on and briefly discuss the item itself of Collections for Montara?

District Counsel Schricker: Is the General Manager prepared to discuss the item?

General Manager Heldmaier: Well, sure, but we are at the status of the December 6, 2018 meeting, more or less, where we brought the item to the Board, went through, first an assessment with the District Sewer Engineer, and then an assessment from our District Financial Advisor, Bartel Wells, who sees that there is a financial advantage for the District and strongly recommended further assessment. We were tasked with the preparation of the Requests for Proposal for interim services to initiate a transition, ultimately to establish a plan how the transition could work and what services would need to be purchased from an outside vendor, and how this transition is timed. We will work on this.

Director Lohman: This was kind of talked about at SAM during the budget discussion. To make the budgets move forward, the budget is moving forward with current processes.

General Manager Heldmaier: Correct. I've let SAM know that we are not looking for any changes to the existing contract at this time, so that the budget can be prepared accordingly. I understand that the Collections budget is going to the SAM Board at the March 25, 2019 meeting.

Director Lohman: In addition to that, since Half Moon Bay has been waffling, and hasn't said what their intentions are, I don't want to move forward to aggressively looking for replacements to the SAM contract, until some of this stuff is resolved, and see what Half Moon Bay is doing. Any quotes we get now, will not be good 6-9 months from now.

Director Slater-Carter: So, you are saying we should table the project?

General Manager Heldmaier: We are not planning on getting quotes at this time. We are instructed to create a plan and Requests for Proposals together that could

be sent at the time that the Board decides. I want to caution everyone, this is not an action item tonight.

Director Slater-Carter: I understand that. I hear strong opinions about spending a lot of time on this particular item when we have a lot of different things we need be spending time on.

Director Harvey: I thought we gave direction to Clemens and staff to look at getting a new contract for Collections at SAM and not dependent on the old contract. How old is the contract that we have now?

General Manager Heldmaier: About 30 years.

Director Harvey: I thought we were looking at getting a new contract. Was that not the direction we gave at previous meetings?

Director Boyd: Clemens, what was your take away about the direction?

General Manager Heldmaier: We were supposed to initiate the Request for Proposal, and converse with SAM about any changes to the contract.

Director Marshall: Is there any reason why it has taken 3 months to get to this point without any of those happening?

General Manager Heldmaier: Yes, it was explained in the staff report. We were advised by Counsel not to pursue any work on this item or present any action items tonight.

Director Marshall: Understood for tonight. But what about prior to that time?

General Manager Heldmaier: We started work on this until were shut down.

Director Marshall: I've done some financial analysis along this, and I'm not so confident that what we saw in the meeting in November December time period is actually showing the cost benefit to the District.

Director Slater-Carter: Since this is not an action item, I suggest that we put this on the next Agenda as an Action Item, and we can discuss this then. This is for information only.

Director Boyd: Where we left it, we asked staff to take some of the notional items and reduce them to some practical terms and their work was halted, as you know. So, I would like to see that work brought back to us in the form that we asked them bring it to us. We knew at our last meeting that what we saw last fall was notional and needed to be "fleshed out." So, before we go picking on the stuff that we already told staff that we wanted better more detail information on, I'd like to make

sure that we have the more recent information properly prepared by staff using all the tools that staff has always used to model things for us, and bringing proposals, so that we can know what we are looking at...I want to make sure that we understand what the options are, so that is what I hope to see when we take up this item at the next meeting—hopefully at the next meeting. As soon as we can have that item, I want some good information so that we can walk in, and for the benefit of our rate payers, make some decisions about what has utility and efficacy for the people of this District.

Director Harvey: What work are you talking about?

Director Boyd: We asked Clemens and staff to get us some information, so that we have an apples to apples comparison, so we can make an informed decision about how we are going to spend the money. They have some work to do to flesh out the numbers on any kind of plan. We asked them to do that, and I'd like to see them finish that.

Director Harvey: Are you talking about a contract versus us getting our own collections? What comparison are you talking about?

Director Boyd: Not being real certain in what is going to be happening with Collections services at SAM because of Half Moon Bay's decision to withdraw, breaking up the team, and changing up the whole cost equation, we know that SAM management is working hard to try to come up with a way to moderate the impact of that decision on Half Moon Bay's part. It sounds like Half Moon Bay may be waffling on that—we are not sure. They never tell us things until after the fact on a lot of these things... If something happens there—suppose it costs double there, do we have an option besides just paying double? So, we have asked staff to tell us what our options are, what they might cost, so that when and if we are faced with a decision we have numbers in front of us, and a notion of what our choices are. This is about informing, about our choices. And we need to make a decision on the policy front, on which way to go with it.

Director Slater Carter: And the Collection System budget will be next Monday at SAM. People can watch it on Coastside TV or come, and we will have paperwork which will make this better. Why don't we make this an Old Business Item on every Agenda and get a report as to where we are. Folks can read the minutes from December 6th on the January 17th meeting.

Director Harvey: I have one more question. Are we going to redirect Clemens to look at the contract with SAM. In the meantime, do nothing to look at our taking over Collections, and hold off on that?

Director Slater Carter: This isn't an Action item and that's the problem. We can't give direction on it. We will put it on the agenda for the next meeting as an Action Item, and then we can give direction. We have a slip from Tim Costello.

Tim Costello: I know it's not an Action Item now on the Collections issue, but I have parents in El Granada, who are concerned about their sewer rates. There was talk of Montara working with El Granada for Collections, because where Montara goes, El Granada goes, and they (parents) had concerns about their sewer rates—if they would be stable or if there would be an increase. I live in Half Moon Bay, and it could theoretically affect me depending on what happens if Montara decides to work with Half Moon Bay. I'm just trying to get some insight as to what is going on.

Director Boyd: I'm committed to keep rates from going up. If we can find ways to avoid that...but we have to acknowledge that something has happened despite best efforts. If someone withdraws from an aspect of SAM, rates going up to some degree—seems like that could lead to that. So, we've got to take steps to try to avoid that from happening. We need to know what our options are.

Tim Costello: Yes, and I have ideas, too. I am here as a citizen.

Director Slater-Carter said she is concerned about what happens to the rate-payers as a result of the lawsuit, and it will require some re-structuring of finances.

Director Harvey: So, it will be an action item at the next meeting?

General Manager Heldmaier stated that he will report at the next meeting, but will not be able to have everything finished.

Director Slater-Carter confirmed that after the report, the Board can give direction.

Director Harvey confirmed that it will be an action item on the possible new contract or existing contract with SAM.

Director Boyd: I would like to leave ourselves with a lot of room. We have to deal with Collections. We may want to do some arrangement with individual members, something specific with SAM, or both. We don't know what our choices are. I have long been of the very firm, outspoken point of view that "together is better" so keeping the team together at SAM has been something that we have invested heavily in, and I don't want to throw that out. We have to think hard. And the kind of information that staff has long brought us has always helped us to make good decisions.

Director Slater-Carter: I received two speaker slips from Gregg Diegeuz—one on Fire preparedness and the other on capital expenditures. The Oral comment has come and gone. We can take a vote to have the oral comment at the end of the meeting or you come back in two weeks, and the capital expenditures slip we can address under the Mid-year Budget review. Moving on to New Business.

NEW BUSINESS -

1. Review and Possible Action Concerning Generator Purchase for Alta Vista Site.

General Manager Heldmaier: We planned to replace the generator at the Alta Vista plant this fiscal year. However, we didn't know that we would need it now, as the existing generator failed. It was an older unit purchased used from CAL AM. These generators don't run a lot of hours, but sit in the environment and are rusting quite a bit. The coil is burnt through, along with other issues, and it is getting too expensive to repair the unit. We were already looking and sizing generators before this. But this has triggered getting quotes and we received three quotes for new units. We are basing our choice on the lead time to get here. They are built to order, and the shortest lead time is 6 months. We are currently renting a generator, costing approximately \$3,000 dollars a month. So, the recommendation is to move to waive formal advertisement for bids for purchase of an emergency power generator from HercRentals based on the finding that its quote provides the shortest delivery time, which is a critical factor in responding to emergency power demands, and to authorize the General Manager to execute a purchase order in form approved by District Counsel for the purchase, not to exceed \$75,000 dollars.

Director Marshall asked what the process is that is being requested to waive.

General Manager Heldmaier: There is more advertising, and we are bound by the offers that come in. It is a process, and the engineers have to get involved which costs money to prepare the documents. This is just staff doing this. Staff feels comfortable with this, and purchases generators regularly. We have replaced a quite a number of generators on the Sewer side. On the water side, they are just reaching their end of life.

Director Marshall: And you've already planned to replace this?

General Manager Heldmaier: Yes, we have \$75,000 dollars in the CIP budget for this generator, and also plan to replace a smaller one for \$25,000 dollars that may come soon.

Director Boyd: These quotes are all for new equipment, correct? And they are all sized appropriate to what we need?

General Manager Heldmaier: Generators with 50 kW or more are required to be under the classification of Tier 4 under the Air Quality Board. The Tier 4 must burn cleaner, burning more fuel to save fuel, requiring more equipment.

Director Boyd: HercRentals doesn't say that. I take it you've confirmed that this is for a Tier 4? The other two quotes do.

Director Slater-Carter: Tell me about the warranties on these generators. I'm familiar with Peterson Cat. Parts are readily available, and they are sturdy well-built machines. I've never heard of Multiquip (under HercRental). Where is it from, what is the warranty, and the availability of parts?

General Manager Heldmaier: HercRental is Multiquip. We have Multiquip generators in the District. It is an established company and parts are readily available.

Director Harvey made a motion to move to waive formal advertisement for bids for purchase of an emergency power generator from HercRentals based on the finding that its quote provides the shortest delivery time, which is a critical factor in responding to emergency power demands, and to authorize the General Manager to execute a purchase order in form approved by District Counsel for the purchase. Director Marshall seconded the motion, and all Directors were in favor and the motion passed unanimously 5 – 0.

2. Review and Possible Action Concerning Nitrate Reduction System Purchase.

General Manager Heldmaier: We are in the process of adding a treatment plant to Airport Well 3 which is a State requirement to be able to continue to use the well. The well had a nitrate exceedance over 10 years ago. We have not run the well since, but take samples regularly. We would like to keep the well and keep it active. The nitrate exceedance has not happened since. However the one-time exceedance triggered the requirement for treatment.

Director Slater-Carter: For how long?

General Manager Heldmaier: For a very long time. We were able to remove a treatment plant after 30 years of non-detect on the contaminants. So it is possible...but right now, the State wants us to add a treatment plant in order to use this well. We got that authorized, and the plant is almost complete. What we need is the same system we have at the North Airport Well 2. The vessels were originally purchased under Siemens with George Irving—going back 15 years. At the time, there was no purchase option. Now, there is an opportunity to purchase the vessels for both treatment plants. The quotes are from the vendor Evoqua, still Siemens (changed name, same systems).

We would like to purchase vessels that we have been renting for the North Airport Well 2, and doing the same for Airport Well 3 from the start. Right now, the rental cost is \$1,500 dollars per month per well site. So, it would be \$3,000 dollars in rental per month we would pay going forward, plus for the new site there is a

mobilization charge of \$51,000 dollars that would apply. The vendor has to purchase the vessel, establish it, etc. So, the \$51,000 dollars was divided into 20 years and added into the calculation that way. To rent both systems over 20 years, the vessels would be \$38,000 per year. If we purchase the vessels outright, we would need to pay \$156,000 dollars now, which is not budgeted for. However, the cost would be \$7,800 dollars per year. So, there is a substantial cost savings of \$540,000 dollars over 20 years. We have the existing plant at the North, and that why we are asking to mirror the exact same system and vendor, and that is why we are recommending to move to waive formal advertisement for bids for purchase of nitrate reduction systems for North Airport Well and Airport Well 3 based on the finding that purchase from the current vendor results in efficiencies and economies not attainable under formal competitive bidding and authorize the General Manager to execute a purchase order with Evoqua Water Technologies, LLC in form approved by District Counsel for purchase of those systems.

Director Harvey: Since the testing 20 years ago was so dismal, and the well is functional, why do we have to do this on these wells? Wouldn't it be enough to keep the well functional, and if we did need to access the water, then do these things at that point? Why do we have to do this now?

General Manager Heldmaier: If you need the water, you need to have everything in place. It is a months long process. The treatment plant needs to be constructed, the vessels put in. Then there is a testing phase and a follow-up phase, to ensure the treatment plant is functional. It is not simply when we need the water, we could just buy a plant and plug it in. The plant needs to be established for us to use the well in case we need it.

Director Harvey: With Alta Vista we have other wells in the District. Are we in a situation where in an emergency we have to depend on these wells?

General Manager Heldmaier stated that water storage of this well is factored in the calculations for the District's water capacity, and MWSD is issuing permits according to this capacity. Ultimately, if MWSD doesn't implement this treatment plant, the State is going to consider it as standby—meaning it is not usable under any circumstance. That is the arrangement MWSD has with the Airport South well, which is disconnected. So, if we ever wanted to use the Airport South well, we would have to notify the public that the water is not potable.

Director Marshall: So the sense of urgency is because you don't know what the risk is from the State making that decision? Are they saying it has to be done by a certain period of time to get started?

General Manager Heldmaier: Correct. By December 31, 2018.

Director Marshall: By 2019?

General Manager Heldmaier: No, 2018.

Director Lohman: Is it better to continue to spend large amounts of money for these wells that have potential problems, or do we have future plans for seeking additional wells in good areas, so we don't have to use them?

General Manager Heldmaier: We certainly want to prioritize better quality water from the back of Montara, and we are trying to do what we can to get more sources with higher quality water. However, being an agency that produces all of our water ourselves, we do not have an intertie to any other agency. We will never give up these sources. Whether we pump that water now or later is irrelevant. It is the capacity that we can use, and if we need the water it is there.

Director Slater-Carter: How much does it cost to get a new functioning source of water?

General Manager Heldmaier: If we look at Alta Vista well, a rough estimate is that we spent close to a million dollars to establish that well.

Director Boyd: If we invest in something now, we maintain the elasticity in our water supply. In terms of keeping our available water that we can pump in case of any kind of urgent loss anywhere else in the system, this keeps our top end number, our water resources—what the State Water Department really cares about. We started out as a highly constrained system, where we had to pump everything we had all the time just to make ends meet, and now we have the standby reserves, we can afford to lose our biggest source, and will still be able to serve the community. By having the elasticity in the supply we can choose which to produce. So, this is spending to maintain that flexibility in our overall supply.

General Manager Heldmaier: We are not asking for a decision for the treatment plant. The Board already authorized this and it is built. This is really a question of whether to rent or purchase the vessels. I want to assure everyone that we have the \$160,000 dollars in the bank. Even though we didn't plan for this expense, there are some capital projects on the water side that weren't implemented.

Director Harvey: But it will save money.

General Manager Heldmaier: It will save about half a million dollars, not including cost increases over time.

Director Marshall: You hadn't thought about this at the time the treatment plant was being built, or it wasn't an option at the time?

General Manager Heldmaier: We knew about it at the time the treatment plant was being approved six months ago, but had not discussed with Evoqua yet about the specific numbers.

Director Slater-Carter: I would like to finish up by quoting Mark Twain “Whiskey is for drinking, and water is for fighting.” You just don’t give it up.

Director Boyd made a motion to move the waive formal advertisement for bids for purchase of nitrate reduction systems for North Airport Well and Airport Well 3 based on the finding that purchase from the current vendor results in efficiencies and economies not attainable under formal competitive bidding and authorize the General Manager to execute a purchase order with Evoqua Water Technologies, LLC in form approved by District Counsel for purchase of those systems. Director Marshall seconded the motion and all Directors were in favor and the motion passed unanimously 5 – 0.

3. Review and Possible Action Concerning Update of MWSD Strategic Plan

General Manager Heldmaier: We approved our first strategic plan in early 2015 and attached is what we had from 2016 when we went through a review. With the new board members, I think it is worth going through a larger update than the standard one, which really didn’t work. It was not completed. With that experience, we want our consultant to help us. I spoke with Martin Rauch about a scope which we are suggesting to the Board, which includes one Board workshop, interviews with Board and staff. It is somewhat larger, but not huge. We are not starting from scratch on this plan. The main event would be the Board workshop. We would like an agreement from the Board on the scope of services—if that is okay, or if there is anything else the Board would like to see. The second is the timing. For us we would like to see the Strategic plan in the context of our budget. So we are looking at the timeline as well. So, knowing the availability of some of you folks, we have to push it back to May 13th-24th, which is a possible window that we have identified right now. We are hoping to get a commitment from the Board to find time for the Board workshop during those two weeks, and if the scope looks acceptable, I will continue to work with Martin in preparing this.

Director Lohman: In rolling through this, and like us and SAM--they have a 5-year and 20-year capital plans. Are those merged into these in any way?

General Manager Heldmaier: We don’t have a 20-year plan. I would say it is the other way around. The CIP should be based on the Strategic Plan at least partially.

Director Lohman: How much detail? In the Strategic Plan, will we be talking about specific pieces of equipment? Or, just more big strategic stuff and not tactical equipment.

General Manager Heldmaier: It would help to look at the attached documents.

Director Boyd: Years ago when Kathryn started beating on this drum, I thought we were already a highly engaged Board and didn’t need this. It’s been a terrific thing

for the Board and staff to help focus on priorities. But even more than that, it has been a tremendous benefit for the members of the community who come and participate. We've had some of the most positive, useful interactions from members of the community. Thank you Kathryn for pushing so hard on that, even when the initial take wasn't exactly respectful. And for Clemens and Martin as well. Martin has proven to be an extraordinary resource for helping us get more out of what we do. So, I'm really supportive of this.

Director Marshall concurred.

Director Slater-Carter: I don't see a public meeting in this. It looks like all Board workshop.

General Manager Heldmaier: So, the Board workshop would be a public meeting—open to the public. It would not be like we did before--inviting the public by mailer, with announcements everywhere.

Director Slater-Carter: I would like to make sure there is a concerted effort to get the public to participate. This lawsuit, whatever happens with it, our finances are going to change. I think it's very important for this Board to hear from the community if the priorities are still there. One of the reasons the community supports this District is because we are inclusive with the District. One of the strengths of this District from day one, is that it so solidly listens to the public. That is how we got to be a Water District.

General Manager Heldmaier: I had this discussion with Martin. It is not a brand new strategic plan. We want the community to participate. The recommendation is to have the public Board workshop, in which the Board and the public can work through this. Martin did not recommend the workshop forum that was done before, where the Board did not participate, and only staff ran the meeting. That would be a different scale. We can do that, but it would increase the cost tremendously.

Director Slater-Carter: Let's make sure we do the workshop on a good day—not a soccer day, not a work day, and check sports schedule. Maybe a Saturday afternoon? How about May 18th or 25th?

Director Boyd suggested an afternoon, and the other Directors agreed.

Director Slater-Carter suggested May 18th, at 1:00 pm.

Director Harvey left his schedule at home and asked if he can get back to everyone.

4. Mid-Year Budget Review

General Manager Heldmaier: Every year we make improvements on our finances and make sure it is presented in a transparent way. Two or three years ago, we began the mid-year budget review. It is really for us, the beginning of next year's budget and looking how we are doing this year. We prepare a first draft from that. It will then be reviewed by the Finance Committee and brought to the Board in draft form. Then it will be reviewed by the Finance Committee again and brought to the Board in a final version. That is the process we have established now. Peter Medina of Maze Associates is here to talk about the budget and how we are doing.

District Account Peter Medina explained: A mid-year review is done as well as a fiscal year end budget to actual which is a compared to the audit. As Clemens said, the mid-year review takes us in through the budget process to see how we are tracking through 6 months of activity. The view you have in front of you, is really what we have grown comfortable with as far as...if you look at our budget, if you compare that through our mid-year to see how we are tracking on all major expense category as well as the revenue categories to display in a cash flow look, as opposed to strictly the P & L. On a monthly basis through the Consent Agenda you also have a couple of different views as far as our Quick Books, budget to actual for the month ending, as well as the month-by-month activities, beginning at the fiscal year, showing all accounts and how they have they have had their monthly activities. So, the first two pages, in terms of overall large variances, items I want to point out. Starting with the Sewer side, everything on the revenue side is tracking well except for fees. You will notice it is extremely high. Since the beginning of the fiscal year, they are much larger than we had anticipated. Staff can speak more to what is happening at a later time, they have been inundated with requests for remodel projects. That's the revenue side of things. On the expenditure side for the most part, it is tracking relatively well. For our investments, interest review is doing far better than we expected, LAIF is performing above our expectations. On the Capital projects, we budgeted a lot of money for them, and they are going, but not to the percentage level we expected and we are also a month behind, so we will be catching up on these. Connection fees are 33% lower than we anticipated, and are far below budget. January saw a large increase, so we are at budget at this point. And on Debt we are on track. For sewer it is cash flow negative at this point. It is customary at this point. The first roll comes in around November or December and don't get all the way there until March or April of the current calendar year. On the water side, revenues are tracking well. Personnel for water is lower, as we had anticipated bringing on a 4th operator that has yet to happen. So those anticipated costs have not been incurred yet. Engineering is the large, outlying one, and the previous discussion leads us to understand why. Those are the two line items I want to highlight. Outside of that, we are tracking well. As mentioned, capital projects haven't come off as we have anticipated at this point, but it goes hand in hand with the seasons. The next pages are comparisons to the time period being 12-31-17 and 12-31-2018, to give a side by side comparison. After that is the full GL with activities, and at the end shows the roll up of itemized categorizations. Any questions?

Director Lohman: When you were talking about the sewer fees, is that what we charge to customers when they hook up?

General Manager Heldmaier: No. It is fees for new construction or remodel projects. What we see is the State's effort to ease the second unit permitting and the streamlining of that. So we are seeing an increase in our community.

Director Slater-Carter: Gregg, you had a comment on capital expenditures.

Gregg Dieguez, Montara: I would have liked to make these comments before you voted to approve the two capital expenditures. Where I come from, a capital equipment procurement analysis which is done which shows the impact on the budget of the proposed expense. It is not merely a cash transaction where you are debiting a fixed asset and crediting the cash account. What did it do to the depreciation that was already on the books? What is it going to do with the new asset? What is the operating expense, the maintenance expense, and the labor associated with the operating maintenance? How is that changing, if at all, with this procurement? What I thought I heard on the first item approved was a piece of capital somewhere on the ledger, that was expected to be replaced, but sooner. But at the bottom of the form, and SAM did a form on the projects in their 5-year plan which was pretty good. But it also omitted a synopsis of the financial impact. Why not have a half a dozen fields down there that says depreciation changes from X to Y, maintenance costs change from P to Q, etc. The second item approved—I don't know what it was overlooked during the approval to fund the treatment plant, it sounds like a budget variance that the rate payers are going to be made aware of. We should have had an analysis of what the impact would have been. So, I am suggesting a simple form that summarizes this. It wasn't clear to me that the first item was in the budget. It just said the generator failed and we need to replace it. My view of capital plan is you have a large spreadsheet with every asset on it—some of them last forever, some roll off every few years. There shouldn't be any surprises. And when there is something changing, there should be some quantification. That's my comment.

General Manager Heldmaier: Would you like me to respond? First of all, we have a generator that is being maintained, and there is no change in staffing, maintenance or scheduled work. This is simply replacing existing equipment. The impact to the budget, cash flow, is zero. We have \$75,000 dollars planned for the capital project, and we are spending what we planned for—meaning there is no budget impact. You brought depreciation up. We are a public agency, and are not planning to sell this agency any time soon. We are not worried about what our company is worth. Depreciation is something that is considered, but as a public agency, we are not very concerned about depreciation.

Director Slater-Carter: Paul always wanted us to have an account for replacement costs, and we looked at doing that. However, at that time, due to its impact on

rates, it was decided to was a nice “to-do”, but we were trying to get a water company that had pipes that water can flow through--maybe on a future Board.

Director Boyd: We engaged in that question every August, and we have been considering it. But we came down to, which is our long standing policy, have money saved up for the expenses we know we have coming, reserves in place for the expenses we didn't, and we have reserve policies about the levels of funding for the reserves for making sure we have adequate, based on our experience and common best practice. I agree that if we have a piece of equipment that is failing and costing a lot, and we are deciding about saving money from emergency repairs or replacing the equipment, we have had historically occasions, especially when money was tight in a given year, staff brought us the proposal that rather than stick with the CIP plan for replacement of a generator we would increase the cost of additional maintenance to extend the life of it, until we could afford to buy something new. These are all things we do on a regular, consistent and public basis. This is a long standing practice for this agency—to be mindful of the cash flow, budget, reserves. Depreciation is a commercial approach for things you do when they wear out, we take it from the approach that we have to keep the infrastructure wholesome and operational, and so we focus on maintenance or replacement.

District Sewer Engineer Pippin Cavagnaro: Both those items are not capturable in depreciation. One of those has been discussed tonight, in regard to water treatment system. This often happens with generators and other aspects in our public business. That's regulatory pressure, and you can't put that on a depreciation scale. They can come in and say this generator is no longer legal, this well is no longer legal, you have to just adjust your budget and figure out how to deal with that. For best practices and long term planning, Peter carries depreciation schedules. We always look at that for the big picture for how we come up with a foundation of our capital costs and long term approach to the systems. Here in Montara, you can take those depreciation factors and divide it in half, due to the salt air and corrosion. The regulatory pressure is what I wanted to add, because it is not easy to put on to a table.

District Account Medina: The balance sheet and the overall health of the District is something we are all concerned about and that does play a big part in it. Depreciation is discussed in August and when the audit report comes up. Our statement of activities lays it out pretty well for you as our income, our expenditures, and we look to be positive. We tie in depreciation. That's for the water side, and that really shows the cost of recovery. It's been something that we have discussed. We would like to have a something that doesn't drop us into negative operations. We have made steps towards that. However, sometimes there does come a point, where something is failing, and needs to be replaced. The generator was included in the budget that was approved the previous year.

Director Marshall: While I appreciate what you were saying about depreciation, in the spirit of what Gregg was trying to say is, in my opinion, it sounds like a cost analysis of your life expectancy. Scott kind of presented it. In my mind it is more about setting a schedule of your life expectancy. Depreciation is a form in finance, but really when you are doing a cost accounting, you are trying to find out what the life expectancy is. Pippin alluded to the fact that you cut it in half in what depreciation is, but what you are really doing is trying to say “look we have certain pieces of equipment and you have life expectancy in all of these. That would be helpful. Not necessarily in the budget, per say. But it would help when you are doing these types of things—to be able to say “he look, we know we are coming up to the end of life, because we expected it to last 10 years, we have a lot of maintenance going on.” That kind of schedule would be helpful in this, and help understand how it affects the budget.

General Manager Heldmaier: Are you talking about an Asset Management Schedule?

Director Marshall: Well, to a degree. It doesn't have to be sophisticated. It is more about a simplistic type of approach so that for what may be transparent to the Board or staff that is dealing with it, it becomes easier for the public to understand... You describe it, but it doesn't look like that from a schedule perspective. That, to me, helps you with budgeting anyway, and you probably go through that, it's just not obvious when we sit down. It's just a grid so we can see—we are coming into yellow on these items, green on these item, but we are red here. And then these items are then will be associated to why we are changing the budget and doing the things we are doing. So, that is probably is in line with what you are talking about, but we really don't see it.

General Manager Heldmaier: If you are diving into the CIP, that is what we are essentially doing for the CIP, and you will find the Alta Vista generator. It just failed now; we planned for it, but now it failed. That is not the case for the treatment plant. We understand that it is an extraordinary expenditure. However, it is not impacting rates. We have reserves for cases like this. This is not going to impact rates in any way.

5. SAM Budget Process Update

General Manager Heldmaier: We received the O&M budget sent by the General Manager from SAM. We don't have the Collections Services budget, which will be brought to the SAM Board at the March 25th meeting. We anticipate to bring the full budget to the Board on April 4th. If that changes, we will have at least the O&M and Infrastructure budget.

Director Slater-Carter: We haven't gotten a definitive answer and we are still trying to figure out at SAM what is going with the Half Moon Bay contract. It's still up in the air.

Director Boyd: Do you know if they have a meeting scheduled before the SAM meeting March 25th?

Director Slater-Carter: I haven't checked their agenda. However, to be honest, Half Moon Bay seems to be a mystery.

6. Review and Possible Action Concerning CASA Outreach Opposing SB332

General Manager Heldmaier: Senate Bill 332, was introduced by Herzberg and Weiner. It requires a reduction of ocean discharge by 50% by 2030, and 95% by 2040. So, if this goes through, by the year 2030 we are supposed to reduce the treatment plant effluent that is discharged to the ocean. It is supposed to encourage recycled water. CASA (California Association of Sanitation Agencies) sees that it is a one-size fits all approach, that doesn't make sense to all agencies, and we are one of those. CASA acknowledges specifically the issue that we have here. For recycled water, you have to find a customer. You have to transport it. Somebody has to pay for it.

Director Boyd: Just imagine if we said "okay, we are going to send it all that back for use in the toilets" we can reduce a lot, but that would mean that every toilet every building would have to have a second set of pipes. That could be done, much more easily in new construction than in retrofitting. Either way, it would cost money. Retrofitting it would be most expensive, and that's why, it's like this one focused to find new uses where people can use a lot of water—put it on crops, golf courses. Daly City uses it for golf courses. For us, it is the agricultural users. Money is not going to fall from the sky. When push comes to shove, people talk about drinking this water.

Director Slater-Carter: Which they do in Orange County.

Director Boyd: But, they have a large-scale operation, which is well-funded and goes through a treatment process. I still have some questions about—they can afford to do something on that large scale. But it would be very difficult to do here on the Coastside. The only reasonable way to drink the water, would be through reverse osmosis, and that is just the most expensive way to recycle water. I appreciate CASA putting together this thoughtful response.

Director Slater-Carter: For the audience, the CASA letters says in today's dollars the cost to local water and wastewater agencies across the state would be more than 20 billion dollars. So we are talking double that by the time this gets...

Director Boyd: And that would be up-front. Then there would be operational costs. Every drop of water you produce through recycling costs money. It takes energy to do it, to pump it somewhere through the pipes you had to pay for separately. We know ways to do it. But this kind of mandate is well intentioned but it's too big and too...

Director Slater-Carter: There would also be a penalty of \$2,000 dollars per acre foot of water discharged over the proposed reduction requirement. So, I hear consensus in authorizing the General Manager to submit an opposition letter.

Director Marshall: Do we need a motion?

General Manager Heldmaier stated that he chose to bring this to the Board, although he did not need to, so it would be nice.

Director Slater-Carter thanked General Manager Heldmaier to bring it to their attention. It is important that the public is also aware of it. She stated that it appeared that the legislature and new governor doesn't seem to care about what it costs to live in this state. For everyday people, trying to make ends meet, these are going to be huge impositions. Also as mentioned in the President's statement, they pass along the costs to the local government, and we take the heat for it even though what is happening is in Sacramento.

All Directors were agreement.

Director Slater-Carter: Gregg wanted to make a public comment about fire preparedness. Would the Board have objections to giving him two or three minutes?

All Directors said they have no objections.

Gregg Dieguez, Montara Resident: Thank you. As you know I've brought up the issue of fire preparedness Coastsides last September before the Paradise fire. I brought it up at the MCC and here. Staff gave some answers to some answers that I posed. I brought it up again at the MCC in December and February and still don't see it on the Agenda. I attended a Wildfire seminar regarding climate change, held by Cal Fire and other agency. Horsley was there—it was a big. Congratulations, we are in the epicenter of San Mateo County's wildfire risk. We are it. On the map, we are dark brown spot. The mayor of Sonoma County was there, and it was alarming to hear her speak about getting a call at 1:30am. She had no idea who to call, what to do, some of the phone services weren't working. The Brown Act got in the way, as the City Council couldn't discuss things in more than a minority fashion in order to handle the emergency. Contrast that with us. We don't have a major. I don't know where those phone calls go. I talked to Don Horsley, and we did agree that it would be a good idea to have an audit of fire preparedness in the Mid-coast. I talked to a couple of Fire Chiefs, and the Deputy Fire Marshall. The surrogate for

a fire audit is the ISO Report prepared for the insurances. That report, once we see it, might tell us where we stand, that would include CCWD. The problem is trying to get a copy of the report. Horsley has two staff members that said they would help me get it if I have trouble, and I'm still trying to get the Deputy Fire Marshall to find it, and he can't even find the old one. Clemens, once I get a copy I will send a copy to you, since you were left out of the loop and didn't get a copy. This also relates to the hydrant pressure, which got me started in this. The master plan that we produced said that 39% of the nodes would fail. I'm not sure if it is accurate or not. I'm trying to get that quantified and I've asked Clemens for a list of our hydrants are. I'm going to the Deputy Fire Marshall to find out what tests were done in the last 10 years. I'll keep you updated. We need to see that report, and there may be implications. We may need more storage, especially for a Big Wave development. This is out there, I will write it up and share it with the Board and MCC when I get the details.

General Manager Heldmaier: I would like to make one brief correction. I heard that 39% of the nodes failed. That is not true—39% of the nodes were below the 2,000 gallons per minutes. This is a standard that we set ourselves, and is actually the standard for commercial, and we are applying it to the residential area. They didn't fail. For residents it is 750 gallons per minute.

Director Slater-Carter: We got that. In a huge conflagration, everything will be open and we might run out of water. But it is like building a ten lane freeway for an hour's worth of traffic, a day that you might get every 30 years. It is a concern. But there is also a Coastside Emergency Planning Committee. You might want to get involved. Bill Kehoe was on it. He got pretty disgusted with it though, when he learned that from the County and Half Moon Bay, all the emergency services and supplies were going to be directed from Half Moon Bay.

General Manager Heldmaier: The supplies are going be directed by OES.

Director Slater-Carter: The OES headquarters is going to be in Half Moon Bay at the Police Station.

General Manager Heldmaier: That's the headquarters. But there is material in the District stored at the airport.

Director Slater-Carter: You may want to look up Bill Kehoe and OES.

Director Boyd: Our communication links both wired and radio right here at the District?

General Manager Heldmaier: Yes.

Director Slater-Carter: This District has been the leader in getting those communication links. We actually have an antenna that we donated to the County for communication.

Director Harvey: During off hours, who is that community with?

Director Boyd: Clemens has authorization under State Code and would be a primary point-of-contact for OES. It is spelled out pretty well how this works.

Director Harvey: For an emergency, who would call us? How would we respond? How would we get notice of an emergency?

General Manager Heldmaier: There's several ways this can go. Usually, we are alerted to anything going on by customers—water leaks, etc. If we are talking about a scenario like a fire, or a fire storm rolling down the mountain, we would be involved. Yes, we would get a call from OES if there is time...All agencies are on call, stay on call, get updates.

Director Harvey: When OES calls, who do they call?

General Manager Heldmaier: They would call me or the Superintendent.

Director Slater-Carter: Gregg, one of the things about the Paradise fire was from what I read, a lot of the problems had to do with egress and the road conditions, and one of the things that concerns me is that our county roads in Montara or Moss Beach were not designed to handle a significant increase in population due to the increase of second units. All of these second units, plus the large projects that are scheduled, what would happen to Highway One, if we all tried to get out? That is something the community should be concerned about. The County is not going to pay to widen the road, Highway 92 and Highway One outside the urban limits are limited to two lanes by State law. All the second units should be taken into account before large projects are approved. When the LCP was proposed in 1980, it was a different situation, and maybe that needs to be looked at.

REPORTS

1. Sewer Authority Mid-Coastside Meeting (Slater-Carter & Lohman) –

Director Lohman: the big item is the fire control panel, which has failed a couple of times, and we authorized to replace that piece. There was a lot of discussion, when the Fire Department came in, and they said the entire fire system is not up to code, and SAM needed to replace the entire fire sprinkler system. So, we are going to end up in negotiation with the Fire Department about what else they are talking about and if we can negotiate out of some of things they wanted us to do.

Director Boyd: I'm curious about that, as the building was remodeled not too long ago.

Director Slater-Carter: Standards change.

Director Boyd: Standards change, but it included sign-offs from the Fire Department. So, if something is amiss, I'm curious what went wrong at that time. When we upgraded and remodeled that building, we went through all the steps. If they are trying to put that on the table, maybe we should take a look at what happened.

Director Lohman: I think that is part of the deal and as soon as they walk in anything they see that is not up to the new codes, they want you to fix everything, and they are going to present the costs at the next meeting. It's not a done deal yet. We did vote to replace the pump at the Portola pump station and it was approved. The change order was for \$18,000 in addition to what was already in the budget. Then we talked about the budgets, and then it went to closed session.

2. Mid-Coast Community Council Meeting (Slater-Carter) –

Director Slater-Carter: The last meeting was canceled. The meeting prior to that, Tamar Powell was appointed and she will be very successful. She is very serious about being involved in Government and lives in Moss Beach.

3. CSDA Report (Lohman) –

Director Lohman: There have been two meetings. There was a special for the Special Districts chapter, LAFCo approved their budget, which we will contribute to. There are several people that complain about the budget, the president called a meeting to come in and talk about it. There was a consensus that if you are required to do x number of reviews, you need x number of people to do it. We also elected a Vice President. At the formal LAFCo meeting, the people in the outlying areas request connections due to septic problems, or system failures. Those have become more automatic. They are looking at a process done at Redwood City. Redwood City now requires that you be incorporated in the city before you apply to be connected for the sewer systems. We talked about the Budget and it was approved. The total budget was roughly \$460,000, and is split three ways. The County gets a third, the city get a third, and the special district get a third. The special districts get about \$166,000 and that split between all 22 districts, split based on operations. I don't know what our actual piece on this is but we are pretty small.

General Manager Heldmaier: we have to pay twice, for sewer and water. It is roughly \$2,500 on the sewer side and \$4,500 on the water side. I don't know if Peter has the numbers, but it is roughly what we are paying.

Director Slater-Carter: It is a percentage of the budget.

Director Lohman: Yes, its on your revenue and things like that. And that is it for LAFCo.

4. Attorney's Report (Schricker) – None

5. Directors' Report – None

6. General Manager's Report (Heldmaier) –

General Manager Heldmaier: Nothing to report.

Director Slater-Carter: I see that it is attached. One of my concerns has been that for a while, I know there have been meetings with the General Manager at SAM and other general managers. Instead there have been General Manager's meetings between the three sewer agencies and I don't see them on the report. Did you have a meeting or a call with the other General Manager from Granada and/or Half Moon Bay?

General Manager Heldmaier: I am not certain what you are talking about. We had a mediation in January, where the three managers attended and that's for this current calendar year?

Director Slater-Carter: You had no other discussion with the other managers?

General Manager Heldmaier: We had a SAM managers meeting in February.

Director Slater Carter: These are the ones that I had requested be recorded or have minutes when they were happening last year and I have been told that one or more of the General managers would not consent to that. So, I was just curious if those meetings or discussions were still on-going.

General Manager Heldmaier: the SAM managers have met at irregular intervals. I'm not aware of any requests for recordings. I am aware that there was a request to SAM that those meetings be recorded, I am not aware that anything was brought to me in recording meetings. These are simple staff meetings and this is a normal communication that needs to happen. SAM in an integrated joint powers agency. We are supposed to sit together. If that comes to me, I would decline to be recorded at SAM.

Director Slater-Carter: Given the fact that we are in the midst of a lawsuit by one of those agencies, I have deep concerns about general meetings that have no records and no way to know what is being said. If any of those meetings happen I request they go on the Managers' report.

records and no way to know what is being said. If any of those meetings happen I request they go on the Managers' report.

General Manager Heldmaier: They would be included on any scheduled managers meeting from SAM of course.

Director Marshall: I would agree. It would like to hear a little more about that, because it would help us with closed session discussions and so on.

Director Slater-Carter: Since this is the Manager's report, we can take it up next time. Please put them on.

District Counsel Schricker: There is may be a distinction between the general management and the general managers of the member agencies meeting with SAM manager as opposed to the manager's meeting convene under the auspices of the mediator and part of the mediation. I might comment, the notion of recording meetings, generally, we look at from an evidentiary standpoint. When you start recording meeting, it becomes an intimidating thing and it can work to obstruct the free exchange of views because people are concerned if they are going to be confronted with something they said at a given time, and it could be very adversarial.

Director Slater-Carter: particularly in this day and age. But, I had also asked for minutes-even if they are just action minutes so I know what was discussed.

District Counsel Schricker: Action minutes are a different thing, as they tend to be a distillation of the subject matter discussed.

Director Slater-Carter: I understand. But that was also rejected by the managers. So, it has left me as a Board member on two Boards wondering what is being said, what is being discussed and what the issues are. I'm being asked to make policy in a vacuum.

District Counsel Schricker: Please explain the rejection. I'm not sure I understood that.

Director Slater-Carter: I was at a SAM Board meeting, and in personal conversations with Clemens, I asked for minutes to be made or kept and at the SAM Board it was brought up, and Half Moon Bay said they would not participate with anything if there was any kind of recording or minutes, to my recollection.

District Counsel Schricker: Then we have a problem.

Director Slater-Carter: As Board members, the more we know that is going on, we are asked to make big decisions about large amounts of money, and yet there is information missing. Please, on future manager's reports, please include those.

General Manager Heldmaier: Sure.

FUTURE AGENDAS

ADJOURNMENT

REGULAR MEETING ENDED at 9:55 P.M.

ADJOURNMENT

CONFENE IN CLOSED SESSION

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Government Code §54956.9(d)(4))
Initiation of litigation
Number of cases: 1**

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code § 54956.9(d)(1))**

Case Names: *City of Half Moon Bay v. Granada Community Services District, et al.* (Santa Clara County Super, Crt. No. 17CV316927)

***Ecological Rights Foundation v. Sewer Authority Mid-Coastside* (USDC ND Case No. 3:18-cv-04413-VC)**

REPORT OF ACTION TAKEN IN CLOSED SESSION

District General Counsel reported that no action was taken by the Board; direction was given to counsel.

ADJOURNMENT

Respectfully Submitted,

Signed _____
Secretary

Approved on the 4th, April 2019

Signed _____
President



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**SUBJECT: Unaudited Financial Statements – Executive
Summary**

Budget vs. Actual – Sewer July thru February 2019 Variances over \$2,000:

- 4400 Fees, \$38,532 above Budget – Major increase in the number of remodel fees purchased by customers.
- 4610 Property Tax Receipts, \$115,241 above Budget – District received a \$284,537 ERAF distribution in January.
- 4710 Sewer Service Charges, \$291,914 below Budget – December County distribution did not constitute half of District budget. Additional funds to be distributed in the coming months.
- 4720 Sewer Service Refunds, customer, \$2,667 below Budget – no refunds issued to date.
- **Overall Total Operating Income for the period ending February 28, 2019 was \$131,883 below budget. Total revenue received to date is \$1,800,600.**
- 5200 Board of Directors \$3,801 below Budget – Elections expense has yet to be billed and paid.
- 5300 Insurance, \$3,486 above Budget – Unexpected CSRMA bill paid in February.
- 5400 Legal, \$16,228 below Budget – Difference due to timing. Actual expense; \$90,105.
- 5640 Data Services, \$2,079 above Budget – Bill for the Parcel Management System for 2018-2019.
- 5800 Labor, \$26,158 above Budget – Employee benefits expenses are larger than expected due to the family composition of staff.
- 6170 Claims, Property Damage, \$4,681 above Budget – Payment made to the State Water Pollution Cleanup & Abatement.
- 6200 Engineering, \$24,168 below Budget – Majority of costs have been capital in nature.
- 6400 Pumping, \$5,119 below Budget – Payment of PG&E true-up bill in February.
- 6600 Collection/Transmission \$6,667 below Budget – No activity in current year.
- 6940 SAM Maintenance, Collection Sys, \$26,667 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$13,139 below Budget – One bill paid to date for capitalizable costs related to pumping expenses.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Overall Total Operating Expenses for the period ending February 28, 2019 were \$34,253 below Budget.**
- **Total overall Expenses for the period ending February 28, 2019 were \$28,122 below budget. For a net ordinary loss of \$103,761, budget vs. actual. Actual net ordinary income is \$201,194.**
- 7200 Interest Income, LAIF, \$52,478 above budget – LAIF has been out-performing projections.
- 8000 CIP, \$1,335,415 below Budget – \$32K in engineering activity paid for in February.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru February 2019 Variances over \$2,000:**
- 4610 Property Tax Receipts, \$115,241 above Budget – District received a \$284,537 ERAF distribution in January.
- 4740 Testing, Backflow, \$4,789 above Budget – additional collections in February.
- 4810 Water Sales, Domestic, \$35,221 above budget – Increase due to rate increase, increased usage, and timing differences.
- 4850 Water Sales Refunds, Customer, \$2,606 above budget – Two refunds were issued in February.
- **Overall Total Operating Income for the period ending February 28, 2019 was \$158,590 above budget. Total revenue received to date is \$1,659,288.**
- 5250 Conference Attendance, \$2,863 below Budget – Fees for ACWA and CSDA conferences paid.
- 5400 Legal, \$25,293 below Budget – Majority of resources spent on the Sewer enterprise.
- 5530 Memberships, \$13,809 above Budget – Membership dues generally paid at the beginning of the calendar year, difference will decrease as fiscal year progresses.
- 5540 Office Supplies, \$2,333 above Budget –Purchase of a washer and dryer for uniforms.
- 5550 Postage, \$2,009 above Budget – Payment for newsletter mailings.
- 5630 Consulting, \$8,683 below Budget – Budgeted projects (actuaries & rate studies) have yet to occur.
- 5720 Telephone & Internet, \$3,540 above Budget - More activity than anticipated.
- 5800 Labor, \$80,958 below Budget – Major line items to decrease are staff wages due to the District not yet employing the services of a fourth operator.
- 6170 Claims, property Damage, \$6,645 below Budget – Minimal activity in this fiscal year.
- 6180 Communications, \$5,394 above Budget – SCADA system maintenance and purchase of additional equipment.
- 6195 Education & Training, \$2,693 below Budget – Expenses have been held in check through the fiscal year.
- 6200 Engineering, \$165,666 above Budget – Water Quality engineering costs are higher than anticipated due to changes at the State Water Board.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6320 Equipment & Tools, Expensed, \$4,551 above Budget – Project taken on by District staff required the acquisition of specialty tools.
- 6400 Pumping, \$12,410 below Budget – True-up bill paid, however, it was not as much as anticipated.
- 6500 Supply, \$23,713 below Budget – Less water purchases than anticipated.
- 6600 Collection/Transmission, \$8,857 below Budget – Minimal activity in February.
- 6700 Treatment, \$12,181 below budget – Chemicals & Filtering budget and treatment analysis costs held below expectations.
- 6800 Vehicles, \$3,519 below budget – Fuel costs and repair costs have been held below expected.
- **Overall Total Operating Expenses for the period ending February 28, 2019 were \$103,787 above Budget.**
- **Total overall Expenses for the period ending February 28, 2019 were \$6,428 above budget. For a net ordinary income of \$152,162, budgeted vs. actual. Actual net ordinary income is \$541,878.**
- 7100 Connection Fees, \$53,115 above Budget – One new construction connection and one PFP connection sold in February.
- 7600 Bond Revenues, GO Bond, \$132,577 below Budget – additional funds to be provided through the fiscal year.
- 8000 CIP, \$21,771 below Budget – \$49,733 of project expenses paid for in February.
- 9100 Interest Expense – GO Bonds \$107,350 below Budget – Difference due to timing.

RECOMMENDATION:

This is for Board information only

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03/19/19

Accrual Basis

**Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through February 2019**

	Jul '18 - Feb 19	Water Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	24,369.68	23,666.64	703.04
4400 · Fees			
4410 · Administrative Fee (New Constr)	2,084.00	3,666.64	-1,582.64
4420 · Administrative Fee (Remodel)	0.00	600.00	-600.00
4430 · Inspection Fee (New Constr)	1,972.00	3,333.36	-1,361.36
4440 · Inspection Fee (Remodel)	0.00	433.36	-433.36
4450 · Mainline Extension Fees	3,119.20		
4460 · Remodel Fees	1,899.72		
Total 4400 · Fees	9,074.92	8,033.36	1,041.56
4510 · Grants	280.00		
4610 · Property Tax Receipts	298,574.19	183,333.36	115,240.83
4740 · Testing, Backflow	15,456.00	10,666.64	4,789.36
4810 · Water Sales, Domestic	1,312,218.44	1,276,997.36	35,221.08
4850 · Water Sales Refunds, Customer	-4,605.52	-2,000.00	-2,605.52
4990 · Other Revenue	3,920.02		
Total Income	1,659,287.73	1,500,697.36	158,590.37
Gross Profit	1,659,287.73	1,500,697.36	158,590.37
Expense			
5000 · Administrative			
5190 · Bank Fees	1,319.04	2,333.36	-1,014.32
5200 · Board of Directors			
5210 · Board Meetings	2,440.53	2,666.64	-226.11
5220 · Director Fees	1,425.00	2,200.00	-775.00
Total 5200 · Board of Directors	3,865.53	4,866.64	-1,001.11
5240 · CDPH Fees	10,529.50	10,333.36	196.14
5250 · Conference Attendance	1,136.63	4,000.00	-2,863.37
5270 · Information Systems	1,139.50	2,000.00	-860.50
5300 · Insurance			
5310 · Fidelity Bond	437.50	333.36	104.14
5320 · Property & Liability Insurance	2,215.00	1,800.00	415.00
Total 5300 · Insurance	2,652.50	2,133.36	519.14
5350 · LAFCO Assessment	2,520.00	1,666.64	853.36
5400 · Legal			
5420 · Meeting Attendance, Legal	13.50	5,666.64	-5,653.14
5430 · General Legal	13,575.00	40,000.00	-26,425.00
5440 · Litigation	6,785.00		
Total 5400 · Legal	20,373.50	45,666.64	-25,293.14

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2018 through February 2019

	Jul '18 - Feb 19	Water Budget	\$ Over Budget
5510 · Maintenance, Office	5,680.85	5,333.36	347.49
5520 · Meetings, Local	1,026.99		
5530 · Memberships	27,475.62	13,666.64	13,808.98
5540 · Office Supplies	6,999.50	4,666.64	2,332.86
5550 · Postage	6,675.78	4,666.64	2,009.14
5560 · Printing & Publishing	2,421.21	1,333.36	1,087.85
5600 · Professional Services			
5610 · Accounting	18,002.50	20,000.00	-1,997.50
5620 · Audit	8,000.00	8,666.64	-666.64
5630 · Consulting	14,650.15	23,333.36	-8,683.21
5650 · Labor & HR Support	1,628.00	1,666.64	-38.64
5660 · Payroll Services	646.78	666.64	-19.86
Total 5600 · Professional Services	42,927.43	54,333.28	-11,405.85
5710 · San Mateo Co. Tax Roll Charges	119.00		
5720 · Telephone & Internet	20,206.77	16,666.64	3,540.13
5730 · Mileage Reimbursement	1,188.24	1,333.36	-145.12
5740 · Reference Materials	0.00	533.36	-533.36
5790 · Other Administrative	875.51		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	26,620.52	28,686.00	-2,065.48
5820 · Employee Benefits	53,618.86	53,372.00	246.86
5830 · Disability Insurance	2,244.08	2,858.64	-614.56
5840 · Payroll Taxes	25,392.90	32,506.64	-7,113.74
5850 · PARS	20,695.66	23,822.64	-3,126.98
5900 · Wages			
5910 · Management	77,128.00	69,150.00	7,978.00
5920 · Staff	237,101.82	284,536.00	-47,434.18
5930 · Staff Certification	5,900.00	7,600.00	-1,700.00
5940 · Staff Overtime	32,573.11	46,222.64	-13,649.53
5950 · Staff Standby	16,288.33	17,415.36	-1,127.03
Total 5900 · Wages	368,991.26	424,924.00	-55,932.74
5960 · Worker's Comp Insurance	3,193.27	15,544.64	-12,351.37
Total 5800 · Labor	500,756.55	581,714.56	-80,958.01
Total 5000 · Administrative	659,889.65	757,247.84	-97,358.19
6000 · Operations			
6160 · Backflow Prevention	464.95	666.64	-201.69
6170 · Claims, Property Damage	21.75	6,666.64	-6,644.89
6180 · Communications			
6185 · SCADA Maintenance	12,060.65	6,666.64	5,394.01
Total 6180 · Communications	12,060.65	6,666.64	5,394.01
6195 · Education & Training	3,307.22	6,000.00	-2,692.78

**Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through February 2019**

	Jul '18 - Feb 19	Water Budget	\$ Over Budget
6200 - Engineering			
6210 - Meeting Attendance, Engineering	0.00	333.36	-333.36
6220 - General Engineering	14,038.05	30,000.00	-15,961.95
6230 - Water Quality Engineering	248,627.68	66,666.64	181,961.04
Total 6200 - Engineering	262,665.73	97,000.00	165,665.73
6320 - Equipment & Tools, Expensed	7,884.32	3,333.36	4,550.96
6330 - Facilities			
6335 - Alarm Services	486.06	533.36	-47.30
6337 - Landscaping	3,395.95	4,000.00	-604.05
Total 6330 - Facilities	3,882.01	4,533.36	-651.35
6370 - Lab Supplies & Equipment	1,687.44	1,333.36	354.08
6400 - Pumping			
6410 - Pumping Fuel & Electricity	51,693.04	60,000.00	-8,306.96
6420 - Pumping Maintenance, Generators	5,678.81	6,666.64	-987.83
6430 - Pumping Maintenance, General	207.57	3,333.36	-3,125.79
6440 - Pumping Equipment, Expensed	477.71	466.64	11.07
Total 6400 - Pumping	58,057.13	70,466.64	-12,409.51
6500 - Supply			
6510 - Maintenance, Raw Water Mains	1,857.02	1,400.00	457.02
6520 - Maintenance, Wells	2,381.50	6,666.64	-4,285.14
6530 - Water Purchases	6,781.42	26,666.64	-19,885.22
Total 6500 - Supply	11,019.94	34,733.28	-23,713.34
6600 - Collection/Transmission			
6610 - Hydrants	-570.00	666.64	-1,236.64
6620 - Maintenance, Water Mains	32,742.87	33,333.36	-590.49
6630 - Maintenance, Water Svc Lines	7,645.07	13,333.36	-5,688.29
6640 - Maintenance, Tanks	0.00	666.64	-666.64
6650 - Maint., Distribution General	425.82	4,666.64	-4,240.82
6660 - Maintenance, Collection System	413.98		
6670 - Meters	4,818.35	1,666.64	3,151.71
Total 6600 - Collection/Transmission	45,476.09	54,333.28	-8,857.19
6700 - Treatment			
6710 - Chemicals & Filtering	2,040.98	20,000.00	-17,959.02
6720 - Maintenance, Treatment Equip.	12,917.93	2,666.64	10,251.29
6730 - Treatment Analysis	23,526.78	28,000.00	-4,473.22
Total 6700 - Treatment	38,485.69	50,666.64	-12,180.95
6770 - Uniforms	6,649.24	8,000.00	-1,350.76

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2018 through February 2019

	Jul '18 - Feb 19	Water Budget	\$ Over Budget
6800 - Vehicles			
6810 - Fuel	4,181.69	5,333.36	-1,151.67
6820 - Truck Equipment, Expensed	103.69	666.64	-562.95
6830 - Truck Repairs	1,528.79	3,333.36	-1,804.57
Total 6800 - Vehicles	5,814.17	9,333.36	-3,519.19
6890 - Other Operations	43.48		
Total 6000 - Operations	457,519.81	353,733.20	103,786.61
Total Expense	1,117,409.46	1,110,981.04	6,428.42
Net Ordinary Income	541,878.27	389,716.32	152,161.95
Other Income/Expense			
Other Income			
7000 - Capital Account Revenues			
7100 - Connection Fees			
7110 - Connection Fees (New Constr)	109,980.00	115,346.64	-5,366.64
7130 - Conn. Fees, PFP (New Constr)	109,782.91	53,333.36	56,449.55
7140 - Conn. Fees, PFP (Remodel)	2,032.40		
Total 7100 - Connection Fees	221,795.31	168,680.00	53,115.31
7600 - Bond Revenues, G.O.	634,380.30	766,957.36	-132,577.06
Total 7000 - Capital Account Revenues	856,175.61	935,637.36	-79,461.75
Total Other Income	856,175.61	935,637.36	-79,461.75
Other Expense			
8000 - Capital Improvement Program			
8100 - Water	298,895.53	320,666.64	-21,771.11
Total 8000 - Capital Improvement Program	298,895.53	320,666.64	-21,771.11
9000 - Capital Account Expenses			
9075 - PFP Connection Expenses	6,135.00		
9100 - Interest Expense - GO Bonds	145,171.26	252,521.00	-107,349.74
9125 - PNC Equipment Lease Interest	11,389.00	11,389.01	-0.01
9150 - SRF Loan	39,938.40	39,917.44	20.96
9210 - Conservation Program/Rebates	1,500.00	1,333.36	166.64
Total 9000 - Capital Account Expenses	204,133.66	305,160.81	-101,027.15
Total Other Expense	503,029.19	625,827.45	-122,798.26
Net Other Income	353,146.42	309,809.91	43,336.51
Net Income	895,024.69	699,526.23	195,498.46

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July 2018 through February 2019

	Jul '18 - Feb 19	Sewer Budget		\$ Over Budget
Ordinary Income/Expense				
Income				
4220 - Cell Tower Lease	24,369.60	23,666.64		702.96
4400 - Fees				
4410 - Administrative Fee (New Constr)	2,605.00	2,333.36		271.64
4420 - Administrative Fee (Remodel)	0.00	1,333.36		-1,333.36
4430 - Inspection Fee (New Constr)	2,464.00	2,333.36		130.64
4440 - Inspection Fee (Remodel)	0.00	2,666.64		-2,666.64
4460 - Remodel Fees	44,796.00	2,666.64		42,129.36
Total 4400 - Fees	49,865.00	11,333.36		38,531.64
4610 - Property Tax Receipts	298,574.22	183,333.36		115,240.86
4710 - Sewer Service Charges	1,409,569.20	1,701,483.36		-291,914.16
4720 - Sewer Service Refunds, Customer	0.00	-2,666.64		2,666.64
4760 - Waste Collection Revenues	15,413.15	15,333.36		79.79
4990 - Other Revenue	2,809.01			
Total Income	1,800,600.18	1,932,483.44		-131,883.26
Gross Profit	1,800,600.18	1,932,483.44		-131,883.26
Expense				
5000 - Administrative				
5190 - Bank Fees	5,383.09	4,333.36		1,049.73
5200 - Board of Directors				
5210 - Board Meetings	2,440.57	1,666.64		773.93
5220 - Director Fees	1,425.00	2,666.64		-1,241.64
5230 - Election Expenses	0.00	3,333.36		-3,333.36
Total 5200 - Board of Directors	3,865.57	7,666.64		-3,801.07
5250 - Conference Attendance	1,136.63	2,000.00		-863.37
5270 - Information Systems	1,139.50	2,666.64		-1,527.14
5300 - Insurance				
5310 - Fidelity Bond	437.50	333.36		104.14
5320 - Property & Liability Insurance	4,715.00	1,333.36		3,381.64
Total 5300 - Insurance	5,152.50	1,666.72		3,485.78
5350 - LAFCO Assessment	1,794.00	1,333.36		460.64
5400 - Legal				
5420 - Meeting Attendance, Legal	13.50	6,333.36		-6,319.86
5430 - General Legal	15,447.00	100,000.00		-84,553.00
5440 - Litigation	74,644.57			
Total 5400 - Legal	90,105.07	106,333.36		-16,228.29

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July 2018 through February 2019

	Jul '18 - Feb 19	Sewer Budget	\$ Over Budget
5510 · Maintenance, Office	4,982.45	5,333.36	-350.91
5520 · Meetings, Local	11.00		
5540 · Office Supplies	5,436.40	5,333.36	103.04
5550 · Postage	1,721.35	1,666.64	54.71
5560 · Printing & Publishing	2,213.21	3,333.36	-1,120.15
5600 · Professional Services			
5610 · Accounting	18,002.50	20,000.00	-1,997.50
5620 · Audit	8,000.00	8,666.64	-666.64
5630 · Consulting	14,065.16	13,333.36	731.80
5640 · Data Services	6,079.02	4,000.00	2,079.02
5650 · Labor & HR Support	1,628.00	1,666.64	-38.64
5660 · Payroll Services	646.77	666.64	-19.87
Total 5600 · Professional Services	48,421.45	48,333.28	88.17
5710 · San Mateo Co. Tax Roll Charges	119.00	1,666.64	-1,547.64
5720 · Telephone & Internet	15,594.22	16,000.00	-405.78
5730 · Mileage Reimbursement	1,092.31	1,000.00	92.31
5740 · Reference Materials	87.00	133.36	-46.36
5790 · Other Administrative	518.10		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	13,700.71	10,608.00	3,092.71
5820 · Employee Benefits	36,938.24	23,756.64	13,181.60
5830 · Disability Insurance	906.88	1,022.64	-115.76
5840 · Payroll Taxes	9,705.76	11,593.36	-1,887.60
5850 · PARS	10,730.14	10,277.36	452.78
5900 · Wages			
5910 · Management	77,128.08	69,150.00	7,978.08
5920 · Staff	84,442.13	79,364.64	5,077.49
5930 · Staff Certification	1,200.00	1,200.00	0.00
5940 · Staff Overtime	1,159.56	1,829.36	-669.80
Total 5900 · Wages	163,929.77	151,544.00	12,385.77
5960 · Worker's Comp Insurance	679.73	1,631.36	-951.63
Total 5800 · Labor	236,591.23	210,433.36	26,157.87
Total 5000 · Administrative	425,364.08	419,233.44	6,130.64
6000 · Operations			
6170 · Claims, Property Damage	18,014.24	13,333.36	4,680.88
6195 · Education & Training	408.96	666.64	-257.68
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	1,333.36	-1,333.36
6220 · General Engineering	17,165.70	40,000.00	-22,834.30
Total 6200 · Engineering	17,165.70	41,333.36	-24,167.66
6320 · Equipment & Tools, Expensed	0.00	666.64	-666.64

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2018 through February 2019

	Jul '18 - Feb 19	Sewer Budget	\$ Over Budget
6330 - Facilities			
6335 - Alarm Services	3,620.46	3,800.00	-179.54
6337 - Landscaping	1,498.00	1,600.00	-102.00
Total 6330 - Facilities	5,118.46	5,400.00	-281.54
6400 - Pumping			
6410 - Pumping Fuel & Electricity	32,452.34	27,333.36	5,118.98
Total 6400 - Pumping	32,452.34	27,333.36	5,118.98
6600 - Collection/Transmission			
6660 - Maintenance, Collection System	0.00	6,666.64	-6,666.64
Total 6600 - Collection/Transmission	0.00	6,666.64	-6,666.64
6800 - Vehicles			
6810 - Fuel	737.95	666.64	71.31
6820 - Truck Equipment, Expensed	18.30	106.64	-88.34
6830 - Truck Repairs	269.79	666.64	-396.85
Total 6800 - Vehicles	1,026.04	1,439.92	-413.88
6900 - Sewer Authority Midcoastside			
6910 - SAM Collections	220,619.22	218,690.64	1,928.58
6920 - SAM Operations	832,764.64	832,764.64	0.00
6940 - SAM Maintenance, Collection Sys	0.00	26,666.64	-26,666.64
6950 - SAM Maintenance, Pumping	46,472.84	33,333.36	13,139.48
Total 6900 - Sewer Authority Midcoastside	1,099,856.70	1,111,455.28	-11,598.58
Total 6000 - Operations	1,174,042.44	1,208,295.20	-34,252.76
Total Expense	1,599,406.52	1,627,528.64	-28,122.12
Net Ordinary Income	201,193.66	304,954.80	-103,761.14
Other Income/Expense			
Other Income			
7000 - Capital Account Revenues			
7100 - Connection Fees			
7110 - Connection Fees (New Constr)	119,000.00	96,400.00	22,600.00
7120 - Connection Fees (Remodel)	10,030.00	33,333.36	-23,303.36
7130 - Conn. Fees, PFP (New Constr)	1,996.40		
Total 7100 - Connection Fees	131,026.40	129,733.36	1,293.04
7200 - Interest Income - LAIF	71,229.02	18,750.00	52,479.02
Total 7000 - Capital Account Revenues	202,255.42	148,483.36	53,772.06
Total Other Income	202,255.42	148,483.36	53,772.06

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2018 through February 2019

	Jul '18 - Feb 19	Sewer Budget	\$ Over Budget
Other Expense			
8000 - Capital Improvement Program			
8075 - Sewer	1,249,585.36	2,585,000.00	-1,335,414.64
Total 8000 - Capital Improvement Program	1,249,585.36	2,585,000.00	-1,335,414.64
9000 - Capital Account Expenses			
9125 - PNC Equipment Lease Interest	11,388.98	11,389.01	-0.03
9200 - I-Bank Loan	12,782.62	23,481.00	-10,698.38
Total 9000 - Capital Account Expenses	24,171.60	34,870.01	-10,698.41
Total Other Expense	1,273,756.96	2,619,870.01	-1,346,113.05
Net Other Income	-1,071,501.54	-2,471,386.65	1,399,885.11
Net Income	-870,307.88	-2,166,431.85	1,296,123.97

Montara Water & Sanitary District
Restricted and Non Restricted Cash Assets
July 2018 through June 2019

Assets and Reserves Information

Year to Date Cash Information	July	August	September	October	November	December	January	February	March	April	May	June	Target Reserves	\$ Over/(Under) Targets	% Over/Under Targets
Sewer - Operations															
Wells Fargo Operating - Sewer	2,527,401.70	2,272,516.58	2,196,490.71	1,364,083.77	1,531,356.14	2,510,774.87	2,079,956.56	1,948,543.50							
Sewer - Reserve Accounts															
LAIF -															
Capital Reserve	3,786,797.70	3,786,797.70	3,786,797.70	3,810,640.78	3,810,640.78	3,810,640.78	3,810,640.78	3,837,302.34					2,589,500.00	1,197,297.70	146%
Connection Fees Reserve	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00					194,600.00	-	100%
Operating Reserve	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00					406,882.00	-	100%
Sub-total	<u>4,388,279.70</u>	<u>4,388,279.70</u>	<u>4,388,279.70</u>	<u>4,412,122.78</u>	<u>4,412,122.78</u>	<u>4,412,122.78</u>	<u>4,412,122.78</u>	<u>4,438,784.34</u>	-	-	-	-			
Water - Operations															
Wells Fargo Operating - Water	886,304.60	900,197.83	915,718.26	930,168.60	945,981.14	960,107.69	974,995.09	988,257.51							
Water - Reserve Accounts															
Wells Fargo Bank-															
Capital Reserve	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00					945,817.00	(547,568.00)	42%
Connection Fees Reserve	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00					253,020.00	-	100%
SRF Reserve	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00					48,222.00	-	100%
Operating Reserve	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00					277,745.00	(231,736.00)	17%
Sub-total	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	<u>745,500.00</u>	-	-	-	-			
Water - Restricted accounts															
First Republic Bank - Water															
Acquisition & Improvement Fund	376.13	346.13	316.13	286.13	346.13	316.13	-	-							
Cost of issuance	62.94	32.94	2.94	-	-	-	-	-							
GO Bonds Fund	<u>1,514,515.09</u>	<u>939,297.05</u>	<u>940,709.77</u>	<u>940,709.77</u>	<u>940,709.77</u>	<u>959,237.50</u>	<u>1,517,717.30</u>	<u>998,775.44</u>							
Sub-total	<u>1,514,954.16</u>	<u>939,676.12</u>	<u>941,028.84</u>	<u>940,995.90</u>	<u>941,055.90</u>	<u>959,553.63</u>	<u>1,517,717.30</u>	<u>998,775.44</u>	-	-	-	-			
Total Cash and equivalents	<u><u>10,062,440.16</u></u>	<u><u>9,246,170.23</u></u>	<u><u>9,187,017.51</u></u>	<u><u>8,392,871.05</u></u>	<u><u>8,576,015.96</u></u>	<u><u>9,588,058.97</u></u>	<u><u>9,730,291.73</u></u>	<u><u>9,119,860.79</u></u>	-	-	-	-			

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL				
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense																	
Income																	
4220 · Cell Tower Lease	3,046.20	3,046.20	3,046.20	3,046.20	3,046.20	3,046.20	3,046.20	3,046.20						24,369.60	26,625.01	-2,255.41	91.53%
4400 · Fees																	
4410 · Administrative Fee (New Constr)		1,563.00			521.00		521.00							2,605.00	2,624.99	-19.99	99.24%
4420 · Administrative Fee (Remodel)															1,499.99	-1,499.99	
4430 · Inspection Fee (New Constr)		1,480.00			492.00		492.00							2,464.00	2,624.99	-160.99	93.87%
4440 · Inspection Fee (Remodel)															3,000.01	-3,000.01	
4460 · Remodel Fees	20,010.50	612.50	22,485.00	114.00	114.00	1,095.00	365.00							44,796.00	3,000.01	41,795.99	1,493.2%
Total 4400 · Fees	20,010.50	3,655.50	22,485.00	114.00	1,127.00	1,095.00	1,378.00							49,865.00	12,749.99	37,115.01	391.1%
4610 · Property Tax Receipts			635.07	227.05	24,855.28	111,582.72	143,262.88	18,011.22						298,574.22	206,249.99	92,324.23	144.76%
4710 · Sewer Service Charges		909.70				1,305,969.41		102,690.09						1,409,569.20	1,914,168.74	-504,599.54	73.64%
4720 · Sewer Service Refunds, Customer															-3,000.01	3,000.01	
4760 · Waste Collection Revenues	1,054.27	3,013.27	1,067.16	2,616.64	1,008.41	2,556.69	983.35	3,113.36						15,413.15	17,249.99	-1,836.84	89.35%
4990 · Other Revenue		512.29	1,100.00	1,000.00	139.01	13.07		44.64						2,809.01			
Total Income	24,110.97	11,136.96	28,333.43	7,003.89	30,175.90	1,424,263.09	148,670.43	126,905.51						1,800,600.18	2,174,043.71	-373,443.53	82.82%
Gross Profit	24,110.97	11,136.96	28,333.43	7,003.89	30,175.90	1,424,263.09	148,670.43	126,905.51						1,800,600.18	2,174,043.71	-373,443.53	82.82%
Expense																	
5000 · Administrative																	
5190 · Bank Fees	2,741.45	348.18	388.21	368.24	383.39	343.48	405.12	405.02						5,383.09	4,874.99	508.10	110.42%
5200 · Board of Directors																	
5210 · Board Meetings	20.92	125.00		148.73		135.64	1,715.36	294.92						2,440.57	1,875.01	565.56	130.16%
5220 · Director Fees		187.50	262.50	375.00		187.50	187.50	225.00						1,425.00	3,000.01	-1,575.01	47.5%
5230 · Election Expenses															3,749.99	-3,749.99	
Total 5200 · Board of Directors	20.92	312.50	262.50	523.73		323.14	1,902.86	519.92						3,865.57	8,625.01	-4,759.44	44.82%
5250 · Conference Attendance	111.63							1,025.00						1,136.63	2,250.00	-1,113.37	50.52%
5270 · Information Systems	1,079.50						60.00							1,139.50	3,000.01	-1,860.51	37.98%
5300 · Insurance																	
5310 · Fidelity Bond		437.50												437.50	374.99	62.51	116.67%
5320 · Property & Liability Insurance			2,215.00					2,500.00						4,715.00	1,499.99	3,215.01	314.34%
Total 5300 · Insurance		437.50	2,215.00					2,500.00						5,152.50	1,874.98	3,277.52	274.8%
5350 · LAFCO Assessment								1,794.00						1,794.00	1,499.99	294.01	119.6%
5400 · Legal																	
5420 · Meeting Attendance, Legal				13.50										13.50	7,124.99	-7,111.49	0.19%
5430 · General Legal				5,900.00		7,334.50	2,212.50							15,447.00	112,500.00	-97,053.00	13.73%
5440 · Litigation	2,450.00		24,430.00	15,995.00		19,844.57	11,925.00							74,644.57			

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2018 through June 2019

												TOTAL				
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
Total 5400 - Legal	2,450.00		24,430.00	21,908.50		27,179.07	14,137.50						90,105.07	119,624.99	-29,519.92	75.32%
5510 - Maintenance, Office		528.74	100.00	160.00		2,586.21	160.00	1,447.50					4,982.45	5,999.99	-1,017.54	83.04%
5520 - Meetings, Local								11.00					11.00			
5530 - Memberships																
5540 - Office Supplies	234.38	354.80	170.75	652.04		1,003.32	505.58	2,515.53					5,436.40	5,999.99	-563.59	90.61%
5550 - Postage	77.67	100.50	94.81	741.00	406.44	300.93							1,721.35	1,875.01	-153.66	91.81%
5560 - Printing & Publishing	86.83	45.44	549.38	53.77	834.52	545.10	42.24	55.93					2,213.21	3,749.99	-1,536.78	59.02%
5600 - Professional Services																
5610 - Accounting		2,050.00		8,400.00		2,250.00	3,700.00	1,602.50					18,002.50	22,500.00	-4,497.50	80.01%
5620 - Audit				5,000.00			3,000.00						8,000.00	9,750.01	-1,750.01	82.05%
5630 - Consulting	1,338.25	375.00		3,385.56		386.25	7,962.60	617.50					14,065.16	14,999.99	-934.83	93.77%
5640 - Data Services		6,079.02											6,079.02	4,500.00	1,579.02	135.09%
5650 - Labor & HR Support	203.50	203.50	203.50	203.50		407.00	203.50	203.50					1,628.00	1,875.01	-247.01	86.83%
5660 - Payroll Services	71.08	73.30	73.30	73.30	72.19	72.19	139.22	72.19					646.77	750.01	-103.24	86.24%
Total 5600 - Professional Services	1,612.83	8,780.82	276.80	17,062.36	72.19	3,115.44	15,005.32	2,495.69					48,421.45	54,375.02	-5,953.57	89.05%
5710 - San Mateo Co. Tax Roll Charges				119.00									119.00	1,875.01	-1,756.01	6.35%
5720 - Telephone & Internet	1,440.07	1,496.77	154.48	3,974.09	233.36	2,082.20	2,093.78	4,119.47					15,594.22	18,000.00	-2,405.78	86.64%
5730 - Mileage Reimbursement				878.91		154.02		59.38					1,092.31	1,125.00	-32.69	97.09%
5740 - Reference Materials								87.00					87.00	149.99	-62.99	58.0%
5790 - Other Administrative						448.24	69.86						518.10			
5800 - Labor																
5810 - CalPERS 457 Deferred Plan	1,293.41	1,337.49	1,235.40	1,348.41	1,315.65	1,013.60	4,892.71	1,264.04					13,700.71	11,934.00	1,766.71	114.8%
5820 - Employee Benefits	7,618.22	3,809.11	6,167.81	3,809.11	3,809.11	3,908.29	3,908.29	3,908.30					36,938.24	26,726.26	10,211.98	138.21%
5830 - Disability Insurance	113.36	113.36	113.36	113.36		113.36	113.36	226.72					906.88	1,150.51	-243.63	78.82%
5840 - Payroll Taxes	1,352.50	981.57	877.41	1,011.95	1,029.84	910.65	2,115.40	1,426.44					9,705.76	13,042.49	-3,336.73	74.42%
5850 - PARS	1,265.24	1,301.24	1,210.88	1,305.65	1,274.08	1,287.04	1,849.89	1,236.12					10,730.14	11,561.99	-831.85	92.81%
5900 - Wages																
5910 - Management	9,584.73	8,381.34	8,381.34	8,381.34	8,381.34	9,025.51	16,246.24	8,746.24					77,128.08	77,793.75	-665.67	99.14%
5920 - Staff	10,472.97	11,003.05	9,730.60	11,244.04	11,142.76	10,043.07	11,100.04	9,705.60					84,442.13	89,285.26	-4,843.13	94.58%
5930 - Staff Certification	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00					1,200.00	1,350.00	-150.00	88.89%
5940 - Staff Overtime	43.56	89.28		245.52	580.32		156.24	44.64					1,159.56	2,057.99	-898.43	56.34%
Total 5900 - Wages	20,251.26	19,623.67	18,261.94	20,020.90	20,254.42	19,218.58	27,652.52	18,646.48					163,929.77	170,487.00	-6,557.23	96.15%
5960 - Worker's Comp Insurance							679.73						679.73	1,835.24	-1,155.51	37.04%
Total 5800 - Labor	31,893.99	27,166.44	27,866.80	27,609.38	27,683.10	26,451.52	41,211.90	26,708.10					236,591.23	236,737.49	-146.26	99.94%
Total 5000 - Administrative	41,749.27	39,571.69	56,508.73	74,051.02	29,613.00	64,532.67	75,594.16	43,743.54					425,364.08	471,637.46	-46,273.38	90.19%
6000 - Operations																

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
6170 · Claims, Property Damage	339.30				16,050.00	893.72	731.22						18,014.24	14,999.99	3,014.25	120.1%
6195 · Education & Training						408.96							408.96	750.01	-341.05	54.53%
6200 · Engineering																
6210 · Meeting Attendance, Engineering														1,499.99	-1,499.99	
6220 · General Engineering		2,184.00		6,784.70		1,001.00		7,196.00					17,165.70	45,000.00	-27,834.30	38.15%
Total 6200 · Engineering		2,184.00		6,784.70		1,001.00		7,196.00					17,165.70	46,499.99	-29,334.29	36.92%
6320 · Equipment & Tools, Expensed														750.01	-750.01	
6330 · Facilities																
6335 · Alarm Services	518.82	391.80	444.30	518.82		836.10	391.80	518.82					3,620.46	4,275.00	-654.54	84.69%
6337 · Landscaping		190.00	218.00	218.00	218.00	218.00	218.00	218.00					1,498.00	1,800.00	-302.00	83.22%
Total 6330 · Facilities	518.82	581.80	662.30	736.82	218.00	1,054.10	609.80	736.82					5,118.46	6,075.00	-956.54	84.25%
6400 · Pumping																
6410 · Pumping Fuel & Electricity	3,313.73	3,759.06	5.26	6,043.52	332.02	3,126.59	3,307.90	12,564.26					32,452.34	30,749.99	1,702.35	105.54%
Total 6400 · Pumping	3,313.73	3,759.06	5.26	6,043.52	332.02	3,126.59	3,307.90	12,564.26					32,452.34	30,749.99	1,702.35	105.54%
6600 · Collection/Transmission																
6660 · Maintenance, Collection System														7,500.01	-7,500.01	
Total 6600 · Collection/Transmission														7,500.01	-7,500.01	
6800 · Vehicles																
6810 · Fuel	117.48		89.21					531.26					737.95	750.01	-12.06	98.39%
6820 · Truck Equipment, Expensed								18.30					18.30	120.01	-101.71	15.25%
6830 · Truck Repairs	31.45		207.61					30.73					269.79	750.01	-480.22	35.97%
Total 6800 · Vehicles	148.93		296.82					580.29					1,026.04	1,620.03	-593.99	63.34%
6900 · Sewer Authority Midcoastside																
6910 · SAM Collections				83,937.57		54,672.66	27,336.33	54,672.66					220,619.22	246,027.01	-25,407.79	89.67%
6920 · SAM Operations	104,095.58	104,095.58	104,095.58	104,095.58		104,095.58	104,095.58	208,191.16					832,764.64	936,860.26	-104,095.62	88.89%
6940 · SAM Maintenance, Collection Sys														30,000.01	-30,000.01	
6950 · SAM Maintenance, Pumping				12,025.16			8,024.43	26,423.25					46,472.84	37,499.99	8,972.85	123.93%
Total 6900 · Sewer Authority Midcoastside	104,095.58	104,095.58	104,095.58	200,058.31		158,768.24	139,456.34	289,287.07					1,099,856.70	1,250,387.27	-150,530.57	87.96%
Total 6000 · Operations	108,416.36	110,620.44	105,059.96	213,623.35	16,600.02	165,252.61	144,105.26	310,364.44					1,174,042.44	1,359,332.30	-185,289.86	86.37%
Total Expense	150,165.63	150,192.13	161,568.69	287,674.37	46,213.02	229,785.28	219,699.42	354,107.98					1,599,406.52	1,830,969.76	-231,563.24	87.35%
Net Ordinary Income	-126,054.66	-139,055.17	-133,235.26	-280,670.48	-16,037.12	1,194,477.81	-71,028.99	-227,202.47					201,193.66	343,073.95	-141,880.29	58.64%
Other Income/Expense																

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL				
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget	
Other Income																	
7000 - Capital Account Revenues																	
7100 - Connection Fees																	
7110 - Connection Fees (New Constr)	24,913.00	24,913.00		5,085.00			64,089.00						119,000.00	108,450.00	10,550.00	109.73%	
7120 - Connection Fees (Remodel)			6,979.00			1,017.00	1,017.00	1,017.00					10,030.00	37,499.99	-27,469.99	26.75%	
7130 - Conn. Fees, PFP (New Constr)	1,996.40												1,996.40				
Total 7100 - Connection Fees	26,909.40	24,913.00	6,979.00	5,085.00		1,017.00	65,106.00	1,017.00					131,026.40	145,949.99	-14,923.59	89.78%	
7200 - Interest Income - LAIF	20,724.38			23,843.08			26,661.56						71,229.02	18,750.00	52,479.02	379.89%	
Total 7000 - Capital Account Revenues	47,633.78	24,913.00	6,979.00	28,928.08		1,017.00	91,767.56	1,017.00					202,255.42	164,699.99	37,555.43	122.8%	
Total Other Income	47,633.78	24,913.00	6,979.00	28,928.08		1,017.00	91,767.56	1,017.00					202,255.42	164,699.99	37,555.43	122.8%	
Other Expense																	
8000 - Capital Improvement Program																	
8075 - Sewer		164,486.00		464,869.52		587,590.09		32,639.75					1,249,585.36	2,908,125.00	-1,658,539.64	42.97%	
Total 8000 - Capital Improvement Program		164,486.00		464,869.52		587,590.09		32,639.75					1,249,585.36	2,908,125.00	-1,658,539.64	42.97%	
9000 - Capital Account Expenses																	
9125 - PNC Equipment Lease Interest	1,460.18	2,890.09		2,847.57		1,407.77	1,397.05	1,386.32					11,388.98	12,731.72	-1,342.74	89.45%	
9200 - I-Bank Loan	1,263.57						11,519.05						12,782.62	23,481.00	-10,698.38	54.44%	
Total 9000 - Capital Account Expenses	2,723.75	2,890.09		2,847.57		1,407.77	12,916.10	1,386.32					24,171.60	36,212.72	-12,041.12	66.75%	
Total Other Expense	2,723.75	167,376.09		467,717.09		588,997.86	12,916.10	34,026.07					1,273,756.96	2,944,337.72	-1,670,580.76	43.26%	
Net Other Income	44,910.03	-142,463.09	6,979.00	-438,789.01		-587,980.86	78,851.46	-33,009.07					-1,071,501.54	-2,779,637.73	1,708,136.19	38.55%	
Net Income	-81,144.63	-281,518.26	-126,256.26	-719,459.49	-16,037.12	606,496.95	7,822.47	-260,211.54					-870,307.88	-2,436,563.78	1,566,255.90	35.72%	

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL				
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense																	
Income																	
4220 · Cell Tower Lease	3,046.21	3,046.21	3,046.21	3,046.21	3,046.21	3,046.21	3,046.21	3,046.21						24,369.68	26,625.01	-2,255.33	91.53%
4400 · Fees																	
4410 · Administrative Fee (New Constr)		521.00		521.00	521.00		521.00							2,084.00	4,125.01	-2,041.01	50.52%
4420 · Administrative Fee (Remodel)															675.00	-675.00	
4430 · Inspection Fee (New Constr)		496.00		492.00	492.00		492.00							1,972.00	3,749.99	-1,777.99	52.59%
4440 · Inspection Fee (Remodel)															487.49	-487.49	
4450 · Mainline Extension Fees							3,119.20							3,119.20			
4460 · Remodel Fees	354.00				1,180.72		365.00							1,899.72			
Total 4400 · Fees	354.00	1,017.00		1,013.00	2,193.72		4,497.20							9,074.92	9,037.49	37.43	100.41%
4510 · Grants		280.00												280.00			
4610 · Property Tax Receipts			635.08	227.05	24,855.26	111,582.71	143,262.88	18,011.21						298,574.19	206,249.99	92,324.20	144.76%
4740 · Testing, Backflow					3,372.00	3,990.00	3,876.00	4,218.00						15,456.00	12,000.01	3,455.99	128.8%
4760 · Waste Collection Revenues																	
4810 · Water Sales, Domestic	139,171.95	220,638.79	181,536.41	154,670.09	164,406.51	149,854.70	179,925.23	122,014.76						1,312,218.44	1,436,621.99	-124,403.55	91.34%
4850 · Water Sales Refunds, Customer		-818.04	-1,416.61				-1,027.88	-1,342.99						-4,605.52	-2,250.00	-2,355.52	204.69%
4990 · Other Revenue		512.30	1,100.00	1,570.00	139.01	13.07	570.00	15.64						3,920.02			
Total Income	142,572.16	224,676.26	184,901.09	160,526.35	198,012.71	268,486.69	334,149.64	145,962.83						1,659,287.73	1,688,284.49	-28,996.76	98.28%
Gross Profit	142,572.16	224,676.26	184,901.09	160,526.35	198,012.71	268,486.69	334,149.64	145,962.83						1,659,287.73	1,688,284.49	-28,996.76	98.28%
Expense																	
5000 · Administrative																	
5190 · Bank Fees	1,057.50	60.00	61.57	32.94	-60.00	30.00		137.03						1,319.04	2,624.99	-1,305.95	50.25%
5200 · Board of Directors																	
5210 · Board Meetings	20.92	125.00		148.71		135.63	1,715.36	294.91						2,440.53	3,000.01	-559.48	81.35%
5220 · Director Fees		187.50	262.50	375.00		187.50	187.50	225.00						1,425.00	2,475.00	-1,050.00	57.58%
Total 5200 · Board of Directors	20.92	312.50	262.50	523.71		323.13	1,902.86	519.91						3,865.53	5,475.01	-1,609.48	70.6%
5240 · CDPH Fees						2,286.00		8,243.50						10,529.50	11,624.99	-1,095.49	90.58%
5250 · Conference Attendance	111.63							1,025.00						1,136.63	4,500.00	-3,363.37	25.26%
5270 · Information Systems	1,079.50						60.00							1,139.50	2,250.00	-1,110.50	50.64%
5300 · Insurance																	
5310 · Fidelity Bond		437.50												437.50	374.99	62.51	116.67%
5320 · Property & Liability Insurance			2,215.00											2,215.00	2,025.00	190.00	109.38%
Total 5300 · Insurance		437.50	2,215.00											2,652.50	2,399.99	252.51	110.52%
5350 · LAFCO Assessment								2,520.00						2,520.00	1,875.01	644.99	134.4%
5400 · Legal																	

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through June 2019

												TOTAL				
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
5420 · Meeting Attendance, Legal				13.50									13.50	6,375.01	-6,361.51	0.21%
5430 · General Legal				3,850.00		7,312.50	2,412.50						13,575.00	45,000.00	-31,425.00	30.17%
5440 · Litigation				6,785.00									6,785.00			
Total 5400 · Legal				10,648.50		7,312.50	2,412.50						20,373.50	51,375.01	-31,001.51	39.66%
5510 · Maintenance, Office		880.60	220.85	201.51	56.63	2,713.76	160.00	1,447.50					5,680.85	5,999.99	-319.14	94.68%
5520 · Meetings, Local						689.46		337.53					1,026.99			
5530 · Memberships		269.00		6,740.00		17,118.00	815.00	2,533.62					27,475.62	15,375.01	12,100.61	178.7%
5540 · Office Supplies	234.37	979.73	170.75	1,590.24		1,003.31	505.57	2,515.53					6,999.50	5,250.01	1,749.49	133.32%
5550 · Postage	698.47	615.66	94.80	1,943.05	406.43	804.87	517.35	1,595.15					6,675.78	5,250.01	1,425.77	127.16%
5560 · Printing & Publishing	86.82	45.43	549.37	53.78	834.52	545.10	42.25	263.94					2,421.21	1,499.99	921.22	161.42%
5600 · Professional Services																
5610 · Accounting		2,050.00		8,400.00		2,250.00	3,700.00	1,602.50					18,002.50	22,500.00	-4,497.50	80.01%
5620 · Audit				5,000.00			3,000.00						8,000.00	9,750.01	-1,750.01	82.05%
5630 · Consulting	1,923.25	375.00		3,385.56		386.25	7,962.59	617.50					14,650.15	26,249.99	-11,599.84	55.81%
5650 · Labor & HR Support	203.50	203.50	203.50	203.50		407.00	203.50	203.50					1,628.00	1,875.01	-247.01	86.83%
5660 · Payroll Services	71.08	73.30	73.30	73.30	72.19	72.19	139.23	72.19					646.78	750.01	-103.23	86.24%
Total 5600 · Professional Services	2,197.83	2,701.80	276.80	17,062.36	72.19	3,115.44	15,005.32	2,495.69					42,927.43	61,125.02	-18,197.59	70.23%
5710 · San Mateo Co. Tax Roll Charges				119.00									119.00			
5720 · Telephone & Internet	2,085.07	2,637.72	154.49	4,378.96	233.35	2,488.94	2,093.78	6,134.46					20,206.77	18,750.01	1,456.76	107.77%
5730 · Mileage Reimbursement				974.85		154.01		59.38					1,188.24	1,499.99	-311.75	79.22%
5740 · Reference Materials													599.99		-599.99	
5790 · Other Administrative				176.00		448.23	251.28						875.51			
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	2,994.72	2,955.32	2,708.19	2,981.44	3,052.06	2,564.63	6,567.58	2,796.58					26,620.52	32,271.75	-5,651.23	82.49%
5820 · Employee Benefits	12,335.62	6,167.81	3,809.11	6,167.81	6,167.81	6,323.57	6,323.57	6,323.56					53,618.86	60,043.50	-6,424.64	89.3%
5830 · Disability Insurance	280.51	280.51	280.51	280.51		280.51	280.51	561.02					2,244.08	3,216.01	-971.93	69.78%
5840 · Payroll Taxes	3,386.07	2,947.62	2,695.50	3,001.50	3,108.64	2,804.33	4,114.23	3,335.01					25,392.90	36,570.01	-11,177.11	69.44%
5850 · PARS	2,499.83	2,591.96	2,333.24	2,596.38	2,560.04	2,514.60	3,194.36	2,405.25					20,695.66	26,800.51	-6,104.85	77.22%
5900 · Wages																
5910 · Management	9,584.72	8,381.32	8,381.32	8,381.32	8,381.33	9,025.51	16,246.24	8,746.24					77,128.00	77,793.75	-665.75	99.14%
5920 · Staff	29,431.49	31,019.87	27,262.39	31,063.11	30,047.42	28,826.40	31,481.20	27,969.94					237,101.82	320,103.00	-83,001.18	74.07%
5930 · Staff Certification	600.00	650.00	650.00	650.00	950.00	800.00	800.00	800.00					5,900.00	8,550.00	-2,650.00	69.01%
5940 · Staff Overtime	5,183.35	3,200.36	3,770.54	3,853.31	5,927.44	3,367.40	3,485.39	3,785.32					32,573.11	52,000.51	-19,427.40	62.64%
5950 · Staff Standby	2,034.26	2,072.54	1,964.04	2,080.21	2,122.46	1,953.37	1,767.96	2,293.49					16,288.33	19,592.24	-3,303.91	83.14%
Total 5900 · Wages	46,833.82	45,324.09	42,028.29	46,027.95	47,428.65	43,972.68	53,780.79	43,594.99					368,991.26	478,039.50	-109,048.24	77.19%
5960 · Worker's Comp Insurance							3,193.27						3,193.27	17,487.76	-14,294.49	18.26%
Total 5800 · Labor	68,330.57	60,267.31	53,854.84	61,055.59	62,317.20	58,460.32	77,454.31	59,016.41					500,756.55	654,429.04	-153,672.49	76.52%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
Total 5000 - Administrative	75,902.68	69,207.25	57,860.97	105,500.49	63,860.32	97,493.07	101,220.22	88,844.65					659,889.65	851,904.06	-192,014.41	77.46%
6000 - Operations																
6160 - Backflow Prevention							464.95						464.95	750.01	-285.06	61.99%
6170 - Claims, Property Damage		21.75											21.75	7,500.01	-7,478.26	0.29%
6180 - Communications																
6185 - SCADA Maintenance		6,300.00		2,503.19		3,257.46							12,060.65	7,500.01	4,560.64	160.81%
Total 6180 - Communications		6,300.00		2,503.19		3,257.46							12,060.65	7,500.01	4,560.64	160.81%
6195 - Education & Training	1,498.58	200.00	166.09	522.55		200.00		720.00					3,307.22	6,750.00	-3,442.78	49.0%
6200 - Engineering																
6210 - Meeting Attendance, Engineering														374.99	-374.99	
6220 - General Engineering		1,785.00	2,033.75	4,149.30		2,625.00	1,035.00	2,410.00					14,038.05	33,750.00	-19,711.95	41.59%
6230 - Water Quality Engineering		38,201.29	21,065.50	39,120.00		79,243.11	38,053.76	32,944.02					248,627.68	75,000.01	173,627.67	331.5%
Total 6200 - Engineering		39,986.29	23,099.25	43,269.30		81,868.11	39,088.76	35,354.02					262,665.73	109,125.00	153,540.73	240.7%
6320 - Equipment & Tools, Expensed	1,525.40	1,001.58	305.35	1,013.20	207.68	1,024.08	1,846.93	960.10					7,884.32	3,749.99	4,134.33	210.25%
6330 - Facilities																
6335 - Alarm Services	127.02		52.50	127.02		52.50		127.02					486.06	599.99	-113.93	81.01%
6337 - Landscaping		497.95	483.00	483.00	483.00	483.00	483.00	483.00					3,395.95	4,500.00	-1,104.05	75.47%
6330 - Facilities - Other																
Total 6330 - Facilities	127.02	497.95	535.50	610.02	483.00	535.50	483.00	610.02					3,882.01	5,099.99	-1,217.98	76.12%
6370 - Lab Supplies & Equipment		460.08		493.92		733.44							1,687.44	1,499.99	187.45	112.5%
6400 - Pumping																
6410 - Pumping Fuel & Electricity	6,089.22	6,538.30	1,571.22	10,330.63	1,937.73	5,707.95	4,472.38	15,045.61					51,693.04	67,500.00	-15,806.96	76.58%
6420 - Pumping Maintenance, Generators		185.82	428.62			4,732.49	124.31	207.57					5,678.81	7,500.01	-1,821.20	75.72%
6430 - Pumping Maintenance, General		207.57											207.57	3,749.99	-3,542.42	5.54%
6440 - Pumping Equipment, Expensed								477.71					477.71	525.01	-47.30	90.99%
6400 - Pumping - Other																
Total 6400 - Pumping	6,089.22	6,931.69	1,999.84	10,330.63	1,937.73	10,440.44	4,596.69	15,730.89					58,057.13	79,275.01	-21,217.88	73.24%
6500 - Supply																
6510 - Maintenance, Raw Water Mains				1,445.65	35.85	187.98	187.54						1,857.02	1,575.00	282.02	117.91%
6520 - Maintenance, Wells		2,189.25		192.25									2,381.50	7,500.01	-5,118.51	31.75%
6530 - Water Purchases				6,781.42									6,781.42	30,000.01	-23,218.59	22.61%
Total 6500 - Supply		2,189.25		8,419.32	35.85	187.98	187.54						11,019.94	39,075.02	-28,055.08	28.2%
6600 - Collection/Transmission																
6610 - Hydrants		-570.00											-570.00	750.01	-1,320.01	-76.0%

Montara Water & Sanitary District
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												TOTAL				
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
6620 · Maintenance, Water Mains		6,313.73	6,374.76			25.99	6,526.61	13,501.78					32,742.87	37,499.99	-4,757.12	87.31%
6630 · Maintenance, Water Svc Lines						36.87		7,608.20					7,645.07	14,999.99	-7,354.92	50.97%
6640 · Maintenance, Tanks														750.01	-750.01	
6650 · Maint., Distribution General						27.45	398.37						425.82	5,250.01	-4,824.19	8.11%
6660 · Maintenance, Collection System						413.98							413.98			
6670 · Meters			2,214.89				2,603.46						4,818.35	1,875.01	2,943.34	256.98%
Total 6600 · Collection/Transmission		5,743.73	8,589.65			504.29	9,528.44	21,109.98					45,476.09	61,125.02	-15,648.93	74.4%
6700 · Treatment																
6710 · Chemicals & Filtering		193.52	292.50	570.92		486.02	304.50	193.52					2,040.98	22,500.00	-20,459.02	9.07%
6720 · Maintenance, Treatment Equip.	7.16	10.09	9,686.80	696.40		243.21	307.43	1,966.84					12,917.93	3,000.01	9,917.92	430.6%
6730 · Treatment Analysis	61.80	374.60	6,598.10	602.60		7,787.10	5,861.80	2,240.78					23,526.78	31,500.00	-7,973.22	74.69%
Total 6700 · Treatment	68.96	578.21	16,577.40	1,869.92		8,516.33	6,473.73	4,401.14					38,485.69	57,000.01	-18,514.32	67.52%
6770 · Uniforms	1,024.15	814.00	905.15	829.35		1,618.62	716.67	741.30					6,649.24	9,000.00	-2,350.76	73.88%
6800 · Vehicles																
6810 · Fuel	665.72	594.74	-89.21	1,218.67		543.59	770.13	478.05					4,181.69	5,999.99	-1,818.30	69.7%
6820 · Truck Equipment, Expensed				108.64				-4.95					103.69	750.01	-646.32	13.83%
6830 · Truck Repairs	178.20	595.30	581.16	42.88				131.25					1,528.79	3,749.99	-2,221.20	40.77%
Total 6800 · Vehicles	843.92	1,190.04	491.95	1,370.19		543.59	770.13	604.35					5,814.17	10,499.99	-4,685.82	55.37%
6890 · Other Operations				43.48									43.48			
Total 6000 · Operations	11,177.25	65,914.57	52,670.18	71,275.07	2,664.26	109,429.84	64,156.84	80,231.80					457,519.81	397,950.05	59,569.76	114.97%
Total Expense	87,079.93	135,121.82	110,531.15	176,775.56	66,524.58	206,922.91	165,377.06	169,076.45					1,117,409.46	1,249,854.11	-132,444.65	89.4%
Net Ordinary Income	55,492.23	89,554.44	74,369.94	-16,249.21	131,488.13	61,563.78	168,772.58	-23,113.62					541,878.27	438,430.38	103,447.89	123.6%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)		17,457.00		19,203.00			55,863.00	17,457.00					109,980.00	129,765.01	-19,785.01	84.75%
7130 · Conn. Fees, PFP (New Constr)		8,706.00	11,910.73	8,706.00			66,539.31	13,920.87					109,782.91	59,999.99	49,782.92	182.97%
7140 · Conn. Fees, PFP (Remodel)		2,032.40											2,032.40			
Total 7100 · Connection Fees		28,195.40	11,910.73	27,909.00			122,402.31	31,377.87					221,795.31	189,765.00	32,030.31	116.88%
7600 · Bond Revenues, G.O.			1,412.72	1,349.22	17,178.51	556,471.28	4,256.18	53,712.39					634,380.30	862,826.99	-228,446.69	73.52%
Total 7000 · Capital Account Revenues		28,195.40	13,323.45	29,258.22	17,178.51	556,471.28	126,658.49	85,090.26					856,175.61	1,052,591.99	-196,416.38	81.34%
Total Other Income		28,195.40	13,323.45	29,258.22	17,178.51	556,471.28	126,658.49	85,090.26					856,175.61	1,052,591.99	-196,416.38	81.34%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL				
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget	
Other Expense																	
8000 - Capital Improvement Program																	
8100 - Water		5,337.50	11,684.01	34,053.37	1,260.00	46,761.10	150,066.79	49,732.76					298,895.53	360,750.01	-61,854.48	82.85%	
Total 8000 - Capital Improvement Program		5,337.50	11,684.01	34,053.37	1,260.00	46,761.10	150,066.79	49,732.76					298,895.53	360,750.01	-61,854.48	82.85%	
9000 - Capital Account Expenses																	
9075 - PFP Connection Expenses				6,135.00									6,135.00				
9100 - Interest Expense - GO Bonds		20,593.81						124,577.45					145,171.26	252,521.00	-107,349.74	57.49%	
9125 - PNC Equipment Lease Interest	1,460.19	2,890.10		2,847.56		1,407.77	1,397.06	1,386.32					11,389.00	12,731.72	-1,342.72	89.45%	
9150 - SRF Loan						39,938.40							39,938.40	78,455.00	-38,516.60	50.91%	
9210 - Conservation Program/Rebates		300.00		400.00		600.00	100.00	100.00					1,500.00	1,499.99	0.01	100.0%	
Total 9000 - Capital Account Expenses	1,460.19	23,783.91		9,382.56		41,946.17	1,497.06	126,063.77					204,133.66	345,207.71	-141,074.05	59.13%	
Total Other Expense	1,460.19	29,121.41	11,684.01	43,435.93	1,260.00	88,707.27	151,563.85	175,796.53					503,029.19	705,957.72	-202,928.53	71.26%	
Net Other Income	-1,460.19	-926.01	1,639.44	-14,177.71	15,918.51	467,764.01	-24,905.36	-90,706.27					353,146.42	346,634.27	6,512.15	101.88%	
Net Income	54,032.04	88,628.43	76,009.38	-30,426.92	147,406.64	529,327.79	143,867.22	-113,819.89					895,024.69	785,064.65	109,960.04	114.01%	

Montara Water & Sanitary District Funds Balance Sheet As of February 28, 2019

	Sewer	Water	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
Sewer - Bank Accounts			
Wells Fargo Operating - Sewer	1,948,543.50	0.00	1,948,543.50
LAIF Investment Fund			
Capital Reserve	3,837,302.34	0.00	3,837,302.34
Connection Fees Reserve	194,600.00	0.00	194,600.00
Operating Reserve	406,882.00	0.00	406,882.00
Total LAIF Investment Fund	4,438,784.34	0.00	4,438,784.34
Total Sewer - Bank Accounts	6,387,327.84	0.00	6,387,327.84
Water - Bank Accounts			
Wells Fargo Operating - Water	0.00	988,257.51	988,257.51
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	46,009.00	46,009.00
SRF Reserve	0.00	48,222.00	48,222.00
Restricted Cash			
Connection Fees Reserve	0.00	253,020.00	253,020.00
GO Bonds Fund	0.00	998,775.44	998,775.44
Total Restricted Cash	0.00	1,251,795.44	1,251,795.44
Total Water - Bank Accounts	0.00	2,732,532.95	2,732,532.95
Total Checking/Savings	6,387,327.84	2,732,532.95	9,119,860.79
Accounts Receivable			
Sewer - Accounts Receivable			
Accounts Receivable	-1,693.55	0.00	-1,693.55
Sewer - Accounts Receivable - Ot...	26,877.21	0.00	26,877.21
Total Sewer - Accounts Receivable	25,183.66	0.00	25,183.66
Water - Accounts Receivable			
Accounts Receivable	0.00	-2,727.54	-2,727.54
Accounts Rec. - Backflow	0.00	19,577.11	19,577.11
Accounts Rec. - Water Residents	0.00	183,729.86	183,729.86
Unbilled Water Receivables	0.00	259,634.72	259,634.72
Total Water - Accounts Receivable	0.00	460,214.15	460,214.15
Total Accounts Receivable	25,183.66	460,214.15	485,397.81
Other Current Assets			
Due from Kathryn Slater-Carter	232.31	382.31	614.62
Maint/Parts Inventory	0.00	42,656.32	42,656.32
Prepaid Refuse Charges	16,968.67	0.00	16,968.67
Total Other Current Assets	17,200.98	43,038.63	60,239.61
Total Current Assets	6,429,712.48	3,235,785.73	9,665,498.21
Fixed Assets			
Sewer - Fixed Assets			
General Plant	3,690,152.50	0.00	3,690,152.50
Land	5,000.00	0.00	5,000.00
Other Capital Improv.			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
Total Other Capital Improv.	3,250,409.57	0.00	3,250,409.57

Montara Water & Sanitary District Funds Balance Sheet As of February 28, 2019

Seal Cove Collection System	995,505.00	0.00	995,505.00
Sewage Collection Facility			
Collection Facility - Org. Cost	1,349,064.00	0.00	1,349,064.00
Collection Facility - Other	3,991,243.33	0.00	3,991,243.33
Total Sewage Collection Facility	<u>5,340,307.33</u>	<u>0.00</u>	<u>5,340,307.33</u>
Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-8,463,505.00	0.00	-8,463,505.00
Total Sewer - Fixed Assets	<u>5,062,409.24</u>	<u>0.00</u>	<u>5,062,409.24</u>
Water - Fixed Assets			
General Plant	0.00	26,866,754.62	26,866,754.62
Land & Easements	0.00	734,500.00	734,500.00
Surface Water Rights	0.00	300,000.00	300,000.00
Water Meters	0.00	1,058,985.00	1,058,985.00
Fixed Assets - Other	0.00	48,171.78	48,171.78
Accumulated Depreciation	0.00	-10,818,472.00	-10,818,472.00
Total Water - Fixed Assets	<u>0.00</u>	<u>18,189,939.40</u>	<u>18,189,939.40</u>
Total Fixed Assets	<u>5,062,409.24</u>	<u>18,189,939.40</u>	<u>23,252,348.64</u>
Other Assets			
Sewer - Other Assets			
Def'd Amts Related to Pensions	101,367.00	0.00	101,367.00
Due from Water Fund	-450,349.95	0.00	-450,349.95
Joint Power Authority			
SAM - Orig Collection Facility	981,592.00	0.00	981,592.00
SAM - Expansion	1,705,955.08	0.00	1,705,955.08
Total Joint Power Authority	<u>2,687,547.08</u>	<u>0.00</u>	<u>2,687,547.08</u>
Total Sewer - Other Assets	<u>2,338,564.13</u>	<u>0.00</u>	<u>2,338,564.13</u>
Water - Other Assets			
Def'd Amts Related to Pensions	0.00	190,536.00	190,536.00
Bond Acquisition Cost OID	0.00	47,864.40	47,864.40
Bond Issue Cost	0.00	51,409.55	51,409.55
Total Water - Other Assets	<u>0.00</u>	<u>289,809.95</u>	<u>289,809.95</u>
Total Other Assets	<u>2,338,564.13</u>	<u>289,809.95</u>	<u>2,628,374.08</u>
TOTAL ASSETS	<u><u>13,830,685.85</u></u>	<u><u>21,715,535.08</u></u>	<u><u>35,546,220.93</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable - Sewer	95,025.16	0.00	95,025.16
Accounts Payable - Water	0.00	281,171.49	281,171.49
Total Accounts Payable	<u>95,025.16</u>	<u>281,171.49</u>	<u>376,196.65</u>
Other Current Liabilities			
Water - Net Pension Liability	0.00	-52,155.00	-52,155.00
Sewer - Net Pension Liability	-27,826.00	0.00	-27,826.00
Sewer - Current Liabilities			
Accrued Vacations	5,532.92	0.00	5,532.92
Deposits Payable	24,624.73	0.00	24,624.73
PNC Equip. Loan - S/T	17,622.65	0.00	17,622.65
Total Sewer - Current Liabilities	<u>47,780.30</u>	<u>0.00</u>	<u>47,780.30</u>

Montara Water & Sanitary District
Funds Balance Sheet
As of February 28, 2019

Water - Current Liabilities			
Accrued Vacations	0.00	14,310.99	14,310.99
Deposits Payable	0.00	38,368.43	38,368.43
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	17,622.62	17,622.62
SRF Loan Payable X102 - Current	0.00	42,456.30	42,456.30
SRF Loan Payable X109 - Current	0.00	84,479.41	84,479.41
Total Water - Current Liabilities	0.00	201,540.25	201,540.25
Payroll Liabilities			
Employee Benefits Payable	8,050.92	0.00	8,050.92
Total Payroll Liabilities	8,050.92	0.00	8,050.92
Total Other Current Liabilities	28,005.22	149,385.25	177,390.47
Total Current Liabilities	123,030.38	430,556.74	553,587.12
Long Term Liabilities			
Sewer - Long Term Liabilities			
Accrued Vacations	8,801.76	0.00	8,801.76
I-Bank Loan	755,347.13	0.00	755,347.13
PNC Equip. Loan - L/T	541,886.32	0.00	541,886.32
Total Sewer - Long Term Liabilities	1,306,035.21	0.00	1,306,035.21
Water - Long Term Liabilities			
Accrued Vacations	0.00	10,041.80	10,041.80
Deferred on Refunding	0.00	-187,712.00	-187,712.00
Due to Sewer Fund	0.00	-450,349.95	-450,349.95
GO Bonds - L/T	0.00	9,705,129.52	9,705,129.52
PNC Equip. Loan - L/T	0.00	541,886.37	541,886.37
SRF Loan Payable - X102	0.00	42,900.63	42,900.63
SRF Loan Payable - X109	0.00	3,214,657.45	3,214,657.45
Total Water - Long Term Liabilities	0.00	12,876,553.82	12,876,553.82
Deferred Inflows (Pensions)			
Sewer	21,452.00	0.00	21,452.00
Water	0.00	40,208.00	40,208.00
Total Deferred Inflows (Pensions)	21,452.00	40,208.00	61,660.00
Total Long Term Liabilities	1,327,487.21	12,916,761.82	14,244,249.03
Total Liabilities	1,450,517.59	13,347,318.56	14,797,836.15
Equity			
Sewer - Equity Accounts			
Capital Assets Net	3,408,252.20	0.00	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87	0.00	8,646,292.87
Retained Earnings	38,094.13	0.00	38,094.13
Total Sewer - Equity Accounts	12,092,639.20	0.00	12,092,639.20
Water - Equity Accounts			
Capital Assets Net	0.00	2,868,858.70	2,868,858.70
Restricted Debt Service	0.00	1,384,997.90	1,384,997.90
Unrestricted	0.00	-1,562,801.59	-1,562,801.59
Retained Earnings	0.00	-38,094.13	-38,094.13
Total Water - Equity Accounts	0.00	2,652,960.88	2,652,960.88
Equity Adjustment Account	1,157,836.94	4,820,230.95	5,978,067.89
Net Income	-870,307.88	895,024.69	24,716.81
Total Equity	12,380,168.26	8,368,216.52	20,748,384.78
TOTAL LIABILITIES & EQUITY	13,830,685.85	21,715,535.08	35,546,220.93



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **March 21, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: SAM Flow Report for February 2019

The Sewer Authority Mid-Coastside (SAM) has prepared the following attached reports for the SAM Board of Directors and the California Regional Water Quality Control Board:

- Flow Report for February 2019.
- Collection System Monthly Overflow Report – February 2019.

The Average Daily Flow for Montara was 0.661 MGD in February 2019. There was no reportable overflow in January in the Montara System. SAM indicates there were 7.9 inches of rain in February 2019.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, February 2019

Attachment C

February 2019

	Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0

12 Month Moving Total

	12 month rolling Number				
	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	0	0	0	0	0
Wet Weather	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0

Reportable SSOs

	Reportable Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
February 2019	0	0	0	0	0
12 Month Moving Total	0	0	0	0	0

SSOs / Year / 100 Miles

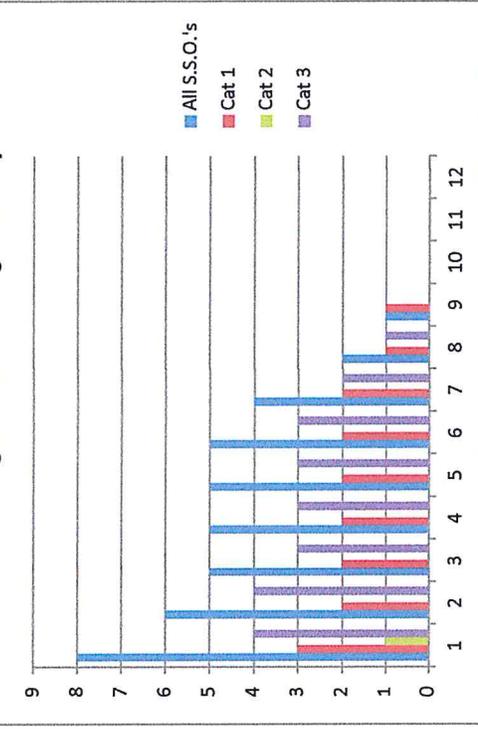
	Number of S.S.O.'s / Year / 100 Miles				
	Total	HMB	GCSD	MWSD	SAM
February 2019	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	0.0	0.0	0.0	0.0	0.0
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	0.0	0.0	0.0	0.0	0.0
Category 3	0.0	0.0	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Mar - 18	15,529	10,672	9,585	35,786	6.8
Apr - 18	13,294	11,588	11,614	36,496	6.9
May - 18	12,081	12,563	10,730	35,374	6.7
June - 18	17,720	17,272	9,086	44,078	8.3
July - 18	29,678	19,093	9,715	58,486	11.1
Aug - 18	22,610	22,232	16,155	60,997	11.6
Sep - 18	15,448	16,407	11,416	43,271	8.2
Oct - 18	21,189	10,969	14,786	46,944	8.9
Nov - 18	19,571	27,546	10,338	57,455	10.9
Dec - 18	27,756	17,357	9,422	54,535	10.3
Jan - 19	17,682	11,504	11,240	40,426	7.7
Feb - 19	10,374	9,126	11,371	30,871	5.8
Annual ft.	222,932	186,329	135,458	544,719	

Annual Mi.	42.2	35.3	25.7	103.2
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12 Month Moving SSO Totals Through February 2019



Attachment A

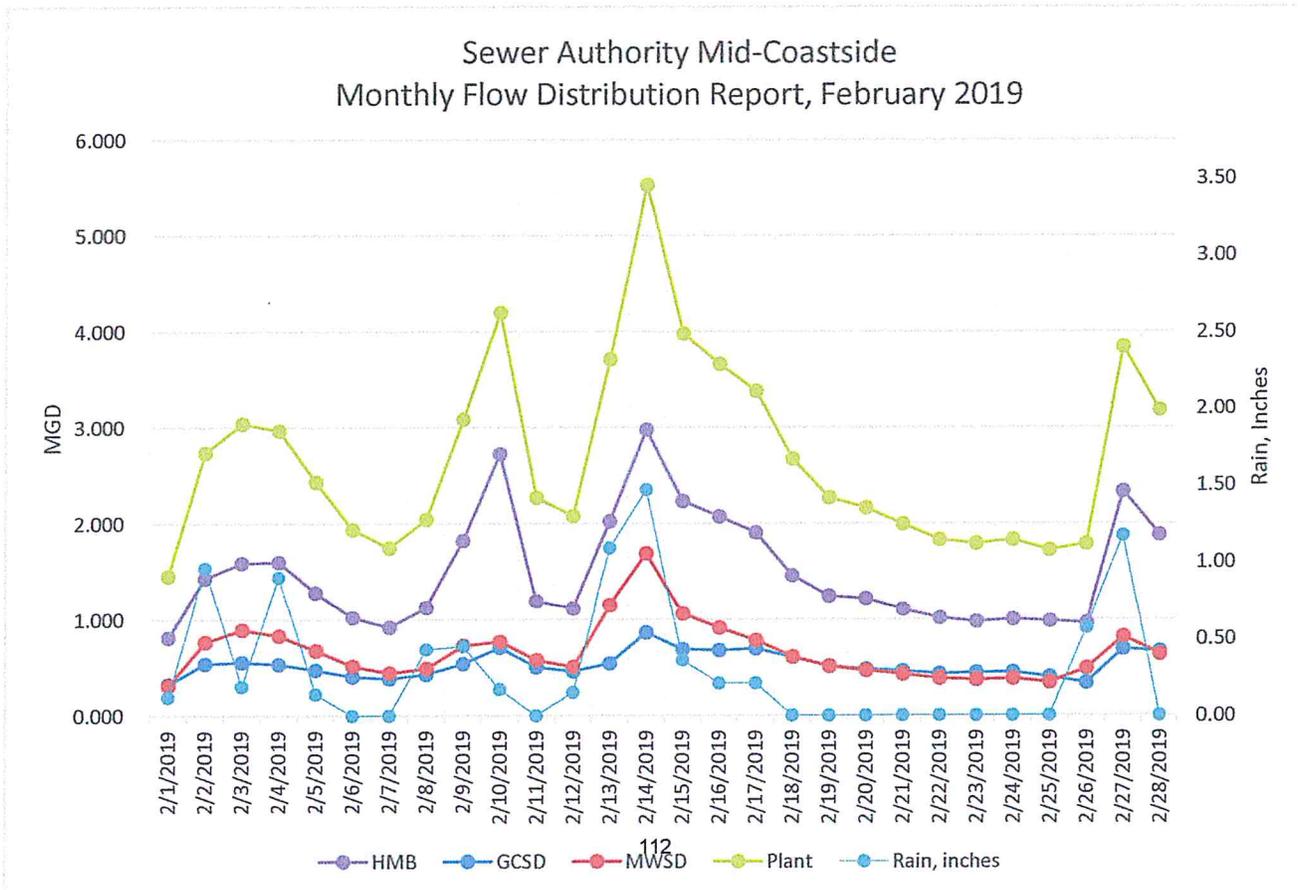
Flow Distribution Report Summary for February 2019

The daily flow report figures for the month of February 2019 have been converted to an Average

Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	1.500	55.8%
Granada Community Services District	0.529	19.7%
Montara Water and Sanitary District	<u>0.661</u>	<u>24.6%</u>
Total	2.690	100.0%



Sewer Authority Mid-Coastside

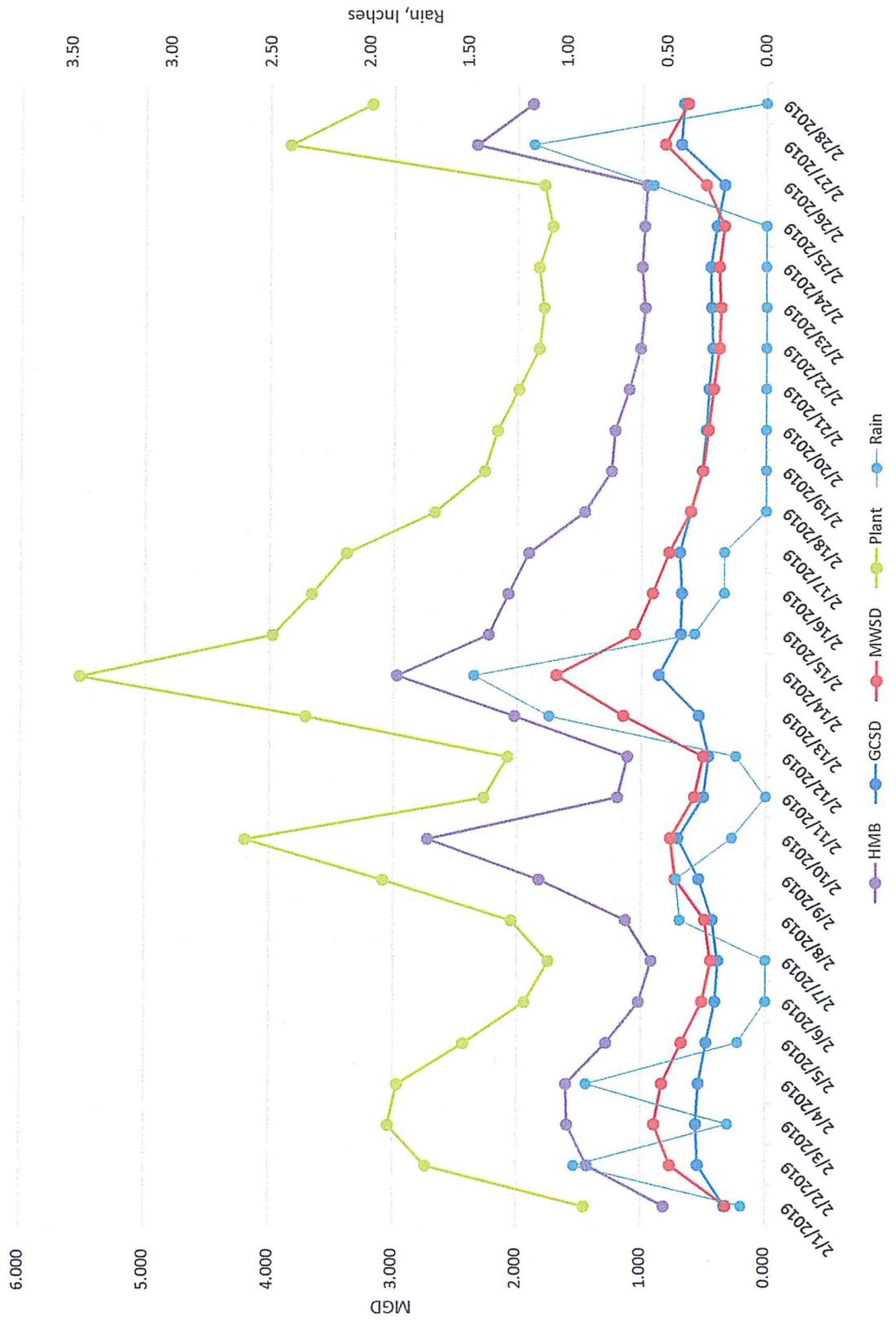
Monthly Flow Distribution Report for February 2019

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
2/1/2019	0.812	0.326	0.316	1.454	0.12	0.08	0.15
2/2/2019	1.430	0.540	0.765	2.735	0.96	1.20	1.36
2/3/2019	1.590	0.556	0.893	3.039	0.19	0.14	0.25
2/4/2019	1.600	0.535	0.831	2.966	0.90	0.41	0.62
2/5/2019	1.281	0.475	0.676	2.432	0.14	0.03	0.05
2/6/2019	1.021	0.405	0.513	1.938	0.00	0.00	0.00
2/7/2019	0.920	0.384	0.442	1.746	0.00	0.00	0.00
2/8/2019	1.126	0.429	0.489	2.043	0.43	0.61	0.49
2/9/2019	1.820	0.538	0.726	3.084	0.45	0.33	0.38
2/10/2019	2.723	0.706	0.767	4.196	0.17	0.22	0.23
2/11/2019	1.193	0.502	0.574	2.269	0.00	0.00	0.00
2/12/2019	1.113	0.459	0.504	2.076	0.15	0.14	0.18
2/13/2019	2.023	0.540	1.148	3.711	1.09	1.55	1.00
2/14/2019	2.975	0.864	1.688	5.527	1.47	0.94	1.14
2/15/2019	2.233	0.687	1.058	3.978	0.36	0.19	0.28
2/16/2019	2.072	0.678	0.912	3.662	0.21	0.16	0.17
2/17/2019	1.906	0.695	0.780	3.381	0.21	0.20	0.18
2/18/2019	1.457	0.606	0.608	2.670	0.00	0.00	0.00
2/19/2019	1.243	0.514	0.510	2.267	0.00	0.00	0.00
2/20/2019	1.215	0.480	0.466	2.162	0.00	0.00	0.00
2/21/2019	1.104	0.462	0.427	1.992	0.00	0.00	0.00
2/22/2019	1.015	0.432	0.383	1.830	0.00	0.00	0.00
2/23/2019	0.977	0.445	0.369	1.791	0.00	0.00	0.00
2/24/2019	1.000	0.448	0.381	1.830	0.00	0.00	0.00
2/25/2019	0.981	0.400	0.340	1.721	0.00	0.00	0.00
2/26/2019	0.963	0.337	0.487	1.787	0.57	0.61	0.68
2/27/2019	2.333	0.689	0.818	3.840	1.17	0.69	0.74
2/28/2019	1.881	0.666	0.634	3.180	0.00	0.00	0.00
Totals	42.005	14.798	18.505	75.308	8.59	7.50	7.90

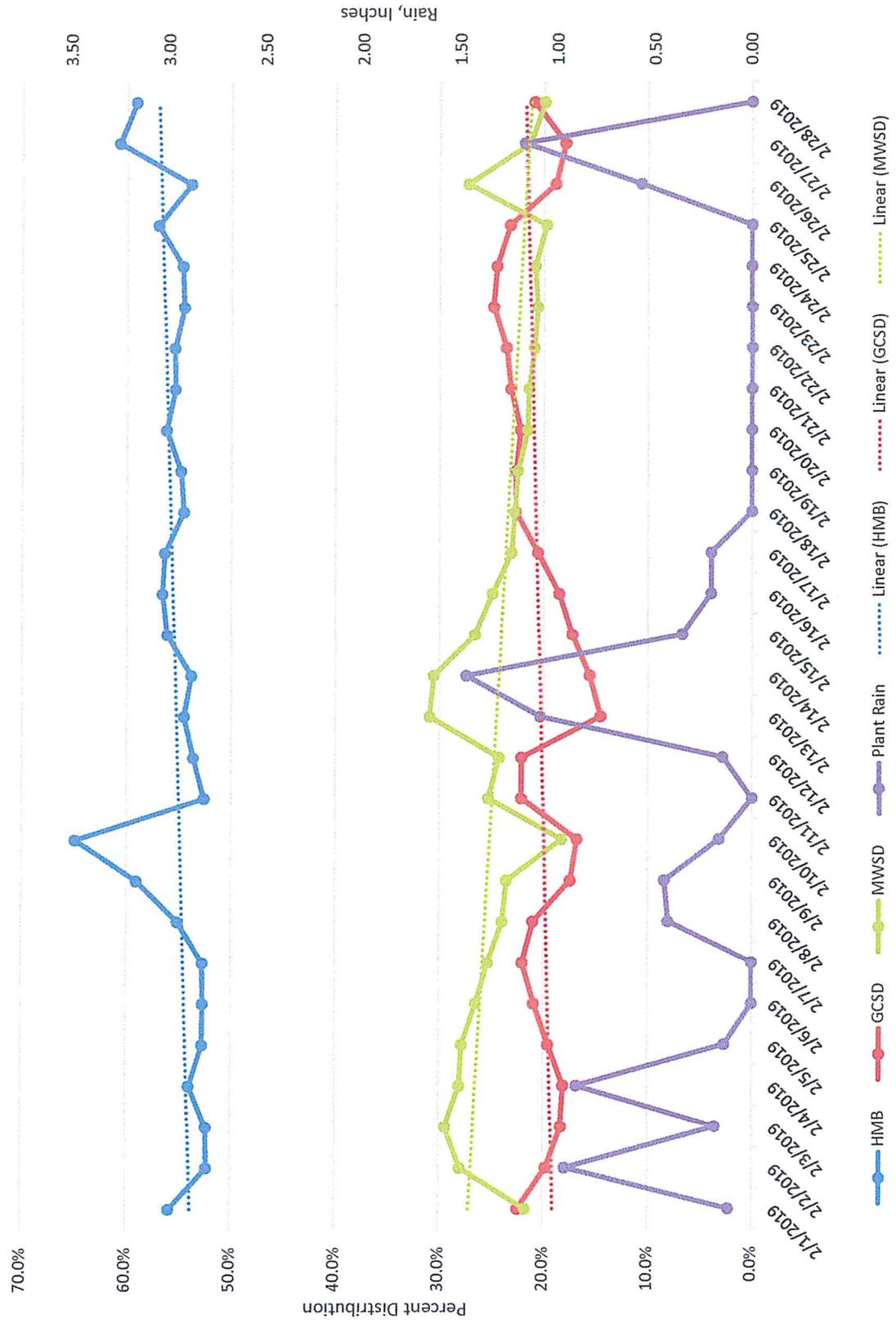
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.812	0.326	0.316	1.454
Average	1.500	0.529	0.661	2.690
Maximum	2.975	0.864	1.688	5.527
Distribution	55.8%	19.7%	24.6%	100.0%

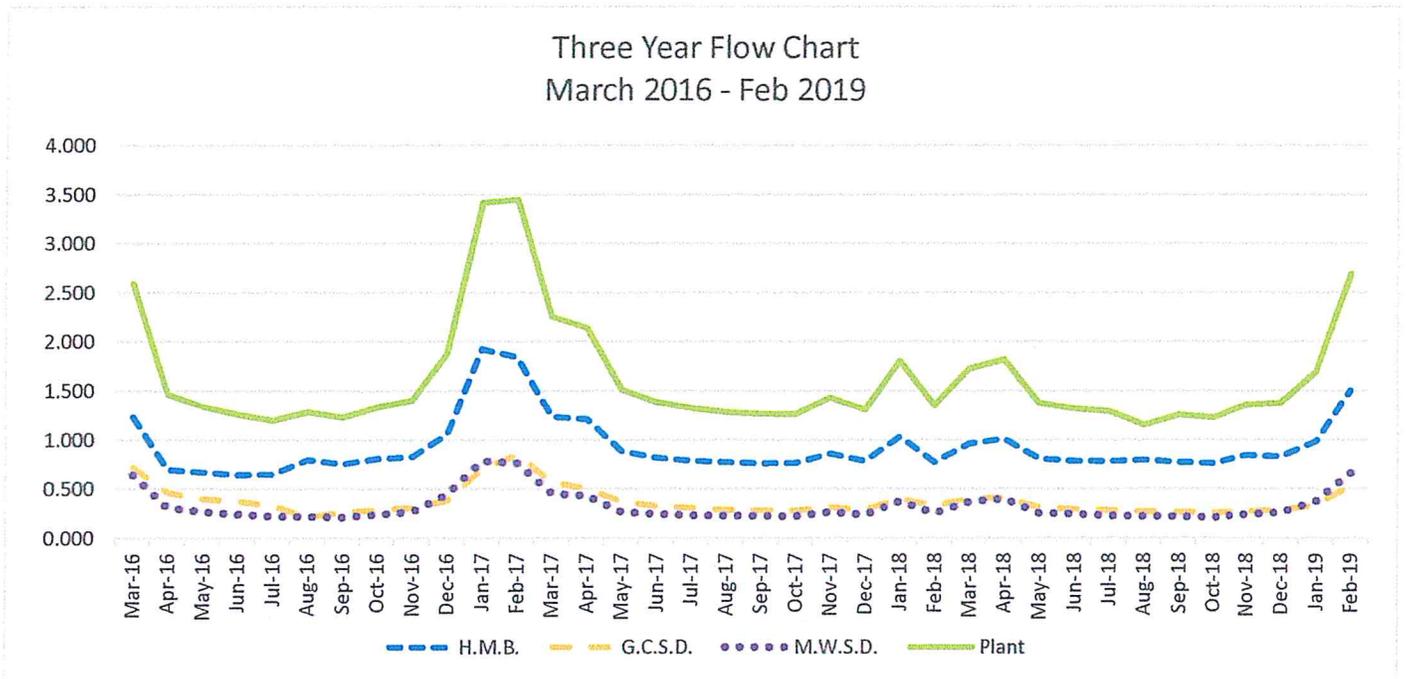
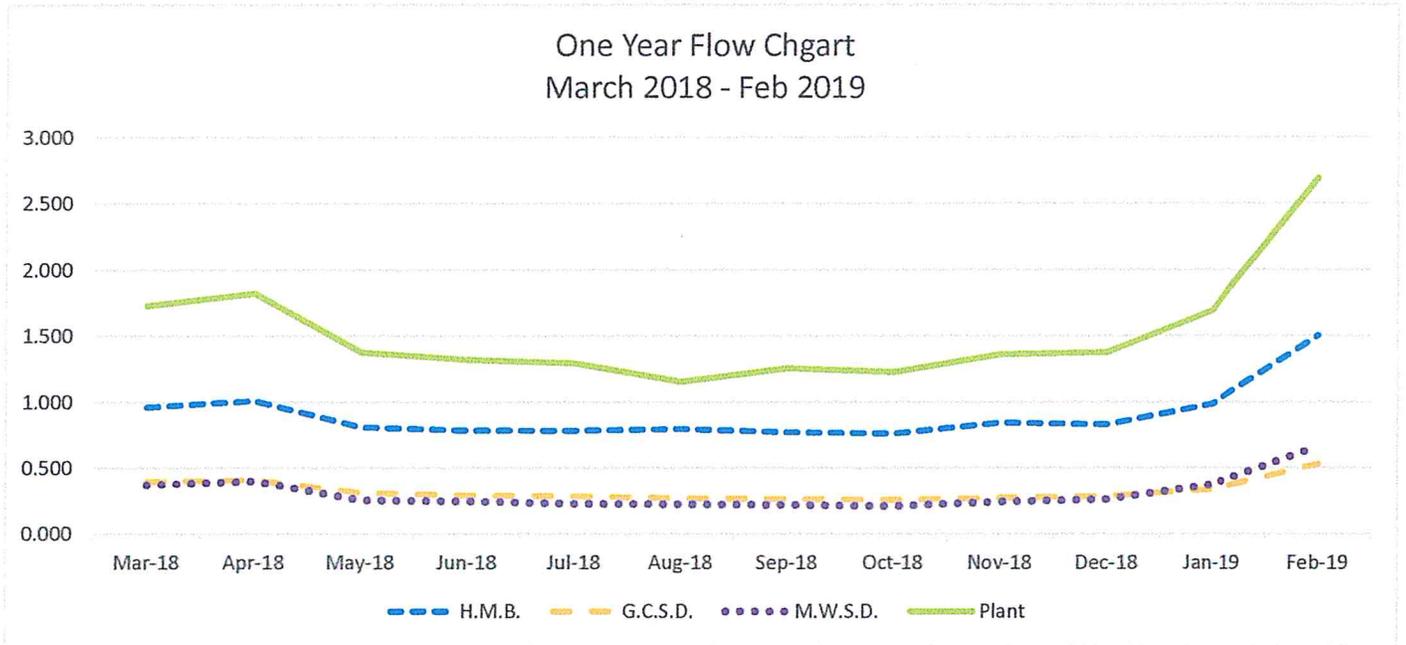
Sewer Authority Mid-Coastside Monthly Flow Distribution Report, February 2019



Percent Distribution
February 2019

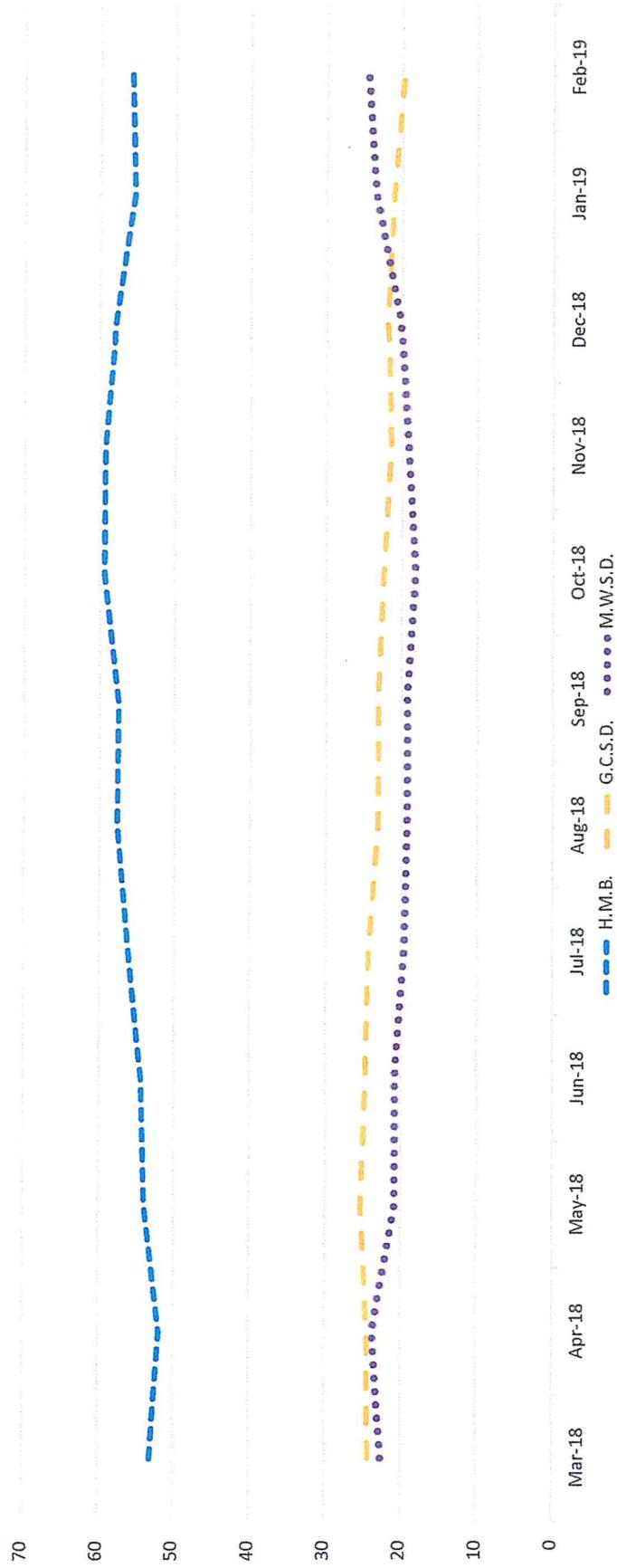


Most recent flow calibration April 2018 PS, April 2018 Plant



Flow based percent distribution based for past year

1 year Distribution by %
March 2018 - Feb 2019





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review of Current Investment Portfolio

The District's Investment Policy and Guidelines requires that the Board review the status of the current investment portfolio. The following summarizes the status of these accounts:

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for February 2019 the rate was 2.392.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

RECOMMENDATION:

District staff attempts to cash manage idle funds in LAIF as long as possible before transferring to the Wells Fargo checking accounts for disbursements.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 4, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Connection Permit Applications Received

As of April 4, 2019 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of April 4, 2019 the following new Water (Private Fire Sprinkler) Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of April 4, 2019 the following new Water Connection Permit application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection

RECOMMENDATION:

No action is required. This is for Board information only.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 4th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Monthly Water Production Report

The attached two charts summarize the monthly water production for the District.

The first shows a consolidated from all sources by month. The second shows each water source the District uses, both wells and surface water. The production is shown in gallons of water produced.

RECOMMENDATION:

No action is required. These reports are provided for the Board's information only.

Attachments: 2

TOTAL PRODUCTION 2019(GALLONS)

GALLONS

7,310,532

6,534,971

	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,310,532	6,534,971										

MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: April 4th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Rain Report

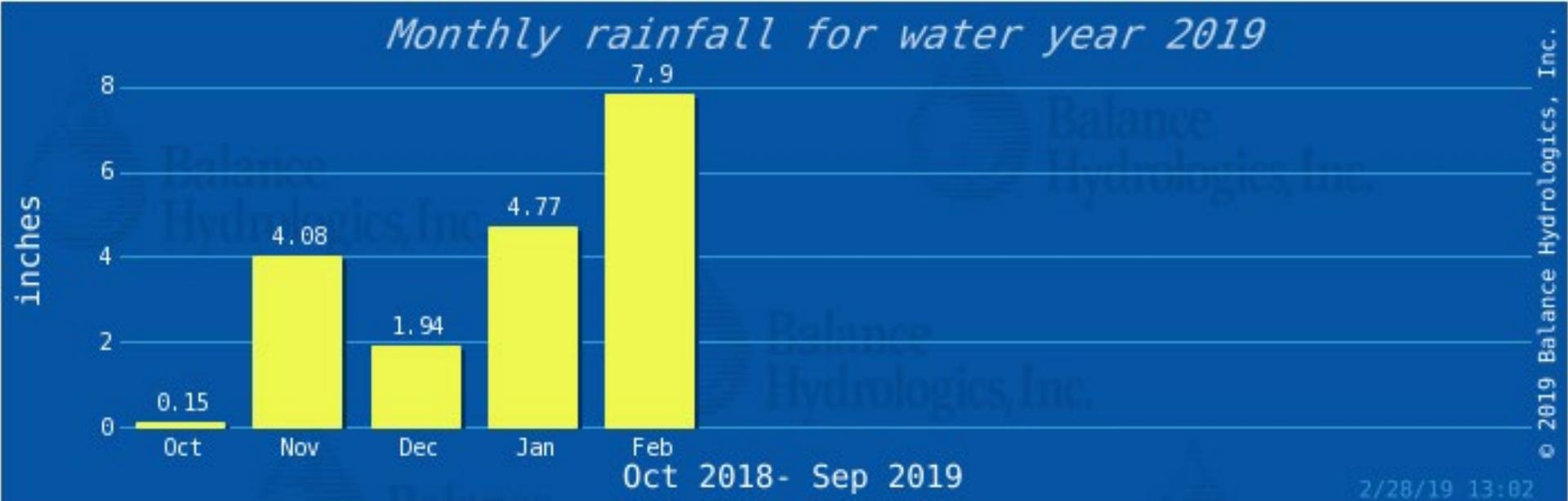
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

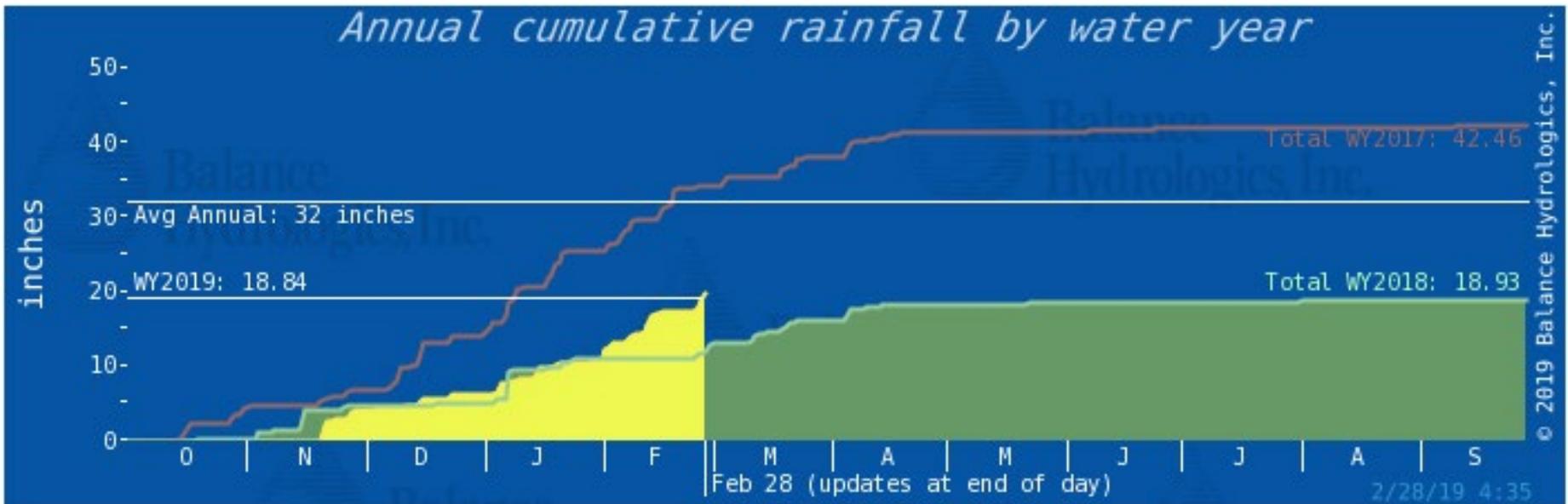
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Monthly Cumulative Rainfall



Annual Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 4th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Monthly Solar Energy Report

The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 42425 kWh and saved 72123 lbs of CO₂.

RECOMMENDATION:

No action is required. This information is provided for the Board's information only.

Attachments: 1



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Monthly Public Agency Retirement Service
Report for January 2019.**

The District has received the monthly PARS report for January 2019.

Contributions are calculated on a bi-weekly basis, and contributions are made on a monthly basis.

The following monthly reports are submitted as consent agenda items on a monthly basis.

RECOMMENDATION:

This is for Board information only.

Attachment



**Montara Water and San
Retirement Enhancement Plan**

**Monthly Account Report for the Period
1/1/2019 to 1/31/2019**

Clemens H. Heldmaier
General Manager
Montara Water and San
P.O. Box 370131
Montara, CA 94037

Plan ID: P7-REP15A

Account Summary

Source	Beginning Balance as of 1/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 1/31/2019
Contributions	\$627,364.26	\$6,662.28	\$42,377.90	\$305.66	\$1,063.36	\$0.00	\$675,035.42
TOTAL	\$627,364.26	\$6,662.28	\$42,377.90	\$305.66	\$1,063.36	\$0.00	\$675,035.42

Investment Selection

PARS Capital Appreciation INDEX PLUS

Investment Objective

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
General	6.76%	1.95%	-2.89%	-	-	-	03/08/16

Information as provided by US Bank, Trustee for PARS, Not FDIC Insured; No Bank Guarantee; May Lose Value.

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning
Consideration of In-House Sewer Collection
Services.**

Since 1988 the Sewer Authority Mid-Coastside provided most collections services for its three member agencies through a Maintenance Agreement outside of the Joint Powers Authority Agreement (JPA). SAM acted as contracting agency for performing these services for all three JPA members.

For the last three years the MWSD staff has had the following primary goals in this effort to either renew the Maintenance Agreement or bring cleaning staff in-house:

- Improve service to the public,
- More closely manage liability and SSO risk,
- Increase accountability,
- Improve State reporting accuracy.

In spring 2015 District staff compared the options internally and with other JPA members of renegotiating the existing Maintenance Agreement with SAM vs a new two person or a three person in-house sewer cleaning team at MWSD. This discussion was supported by a Memorandum by Nute Engineering on May 4, 2015 in which the costs and responsibility of different combinations of service provided by SAM and MWSD and additional support private contractors in each case, were compared. The decision by the Board at that time was to continue with negotiations with SAM and re-evaluate the District's needs at a later date. Over the past three years improvements in scheduling, communication, and work quality have been achieved. However, cost of service increased and to date no new agreement has been reached.

The City of Half Moon Bay (HMB), desiring similar changes in service decided to issued an RFP for collection services to consider outsourcing the service to maintain and manage their collection system. MWSD and the Granada Community Services District (GCSD) asked to be included in the RFP as well with the idea that SAM was again selected with a new contract and all JPA members could continue with the same cleaning team. SAM responded to the RFP along with at least three other firms, and quoted prices for the services for all three JPA members. HMB selected SAM for only part of the management and maintenance contract and has engaged SAM as contractor to provide a portion of the field services. The City has also engaged with a private party for the remainder of the services. HMB stated that it will transition away from SAM's collection services as soon as July 1, 2019, however, since revised the statement.

SAM is a public agency. Therefore, the provision of the collection services had a similar cost sharing approach as the treatment services provided under the JPA. While SAM has attempted to separate all collections cost from treatment cost, due to shared staff positions etc., a clean separation is not realistic with the current staff model. SAM responding to the



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

quote as if the services were provided by private party has future cost and service impacts to the existing collections agreements with other JPA participants. The cost sharing approach between the agencies was based on accounting all utilized and surplus labor. Unlike a private vendor, SAM is not allowed to generate a profit to cover surplus labor costs. It also has limited ability to change staffing levels or to furlough positions.

Since the HMB decision to not use SAM for sewer maintenance in the future, SAM has subsequently provided new sewer maintenance quotes and suggested contracts to the two other member agencies. However, the contracts don't provide a solution to the above mention labor issues. MWSD is interested in retaining institutional knowledge of Coastside sewer operators.

In reviewing the new proposed cost for services, with SAM having to provide a different cost structure for HMB's limited scope of services, contract costs at MWSD and GCSD increase between 40% and 89% to maintain the existing level of sewer pipe cleaning. The current proposed contract with SAM is \$329,000 for MWSD and is projected to rise to \$415,000 by 2021 including emergency response. And additionally, reduced scope of service, considering several of the points for notification feedback, scheduling and SSO liability response terms have yet not been agreed to in a new contract.

The District Sewer Engineer as well as Financial Consultant Bartle Wells provided analysis supporting the District in pursuing the potential savings and increase in quality control. MWSD staff was directed to prepare for Board review a draft RFP for transitional services, and negotiate remaining services with SAM.

Director Marshall raised concerns about a potential conflict of interest for the District Sewer Engineer and MWSD General Manager. Legal counsel advised staff to halt any work on the item until the potential conflict has been addressed.

At the March 21 meeting Legal Counsel confirmed that there is no conflict of interest for neither District Sewer Engineer nor General Manager. The Board asked for the item to be reconsidered at this meeting to straw poll the direction of the new composed Board.

Due to the delay in assessment a transition to in-house services by July 1 is not feasible. The City of Half Moon Bay further indicated interest in extending their separate Collections Contract. Additionally, this Board will focus on its strategic plan in the coming two months.

RECOMMENDATION:

Reconsider the assessment for in-house sewer collections services until the SAM Budget 2019-20 concludes.

Attachments



Date: December 3, 2018

To: Clemens Heldmaier, Montara Water & Sanitary District

From: Alex Handlers, Bartle Wells Associates

Re: Financial Analysis of In-House Sewer Collection System Operations

Background

The Sewer Authority Mid-Coastside (SAM) is a joint powers authority (JPA) formed in 1976 to provide wastewater treatment services to its member agencies who currently include the City of Half Moon Bay (HMB), the Granada Community Services District (GCSD), and the Montara Water and Sanitary District (MWSD). SAM owns and operates wastewater conveyance, treatment, and effluent disposal facilities for the joint benefit of its member agencies.

Each of the member agencies owns its own local sewer collection system. Since 1983, SAM has been providing contractual operating and maintenance services for all three member agencies' local sewer collection systems pursuant to separate agreements with each agency. This has enabled the use of a single collections system crew managed by SAM to serve all three member agencies, providing economies of scale for regional collection system operations and shared administrative and emergency response staffing. The contract collection agreements with each agency can be terminated by either party, with or without cause, by providing written notice 90 days prior to termination.

The City of Half Moon Bay is currently in the process of transitioning away from contracting with SAM to use of a private contractor for provision of sewer collection system operating and maintenance services. HMB has cut back its use of SAM for sewer collection system operations by approximately 50% in the current fiscal year and plans to completely terminate SAM's contract collection services starting at the beginning of the next fiscal year 2019/20. SAM would subsequently only provide sewer collection services GCSD and MWSD.

In-House Sewer Collection System Operations

In 2015, MWSD began evaluating the potential for providing in-house sewer collection system operations vs. continuing to contract with SAM. MWSD's primary goals have included a) improving service, b) more closely managing liability and SSO risk, c) increasing accountability, and d) improving State reporting accuracy. HMB's subsequent decision to transition to use of a private contract operator for sewer collection system operations has provided additional impetus to evaluate the potential for in-house operations as HMB plans to fully transition to private contract operations by July 1, 2019, which is only about seven months away.

MWSD provides operating and maintenance services for its water system and has the capacity to provide similar services to its sewer collection system. A memo by Nute Engineering (MWSD's sewer system engineering consultant) dated October 24, 2018 identifies a number of operational benefits for transitioning to in-house sewer collection system operations and also provides some preliminary cost estimates for providing these services.

This memo supplements Nute Engineering's analysis by a) providing an initial assessment of the financial impacts of transitioning to in-house sewer collection system operations, and b) comparing the estimated costs for continued provision of service by SAM to the costs for in-house collection system operations. The analysis is based on:

- SAM budget projections for collection system contract operations that account for the phase out of service to Half Moon Bay with subsequent cost allocations to GCSD and MWSD only.
- Cost estimates for in-house sewer collection system staffing and equipment based on input from Nute Engineering and MWSD.
- The assumption that concurrent with the potential provision of in-house collection system operations, MWSD would also provide contractual sewer collection system operating and maintenance services to GCSD as it would not make economic sense to have three separate operators providing regional service.

Projected Costs for Continued SAM Contract Collection Services

Table 1 attached shows SAM's historical, budget, and projected revenues and expenses for providing contract sewer collection system services. The revenue and expense projections were developed by SAM assuming that a) SAM would fully terminate provision of sewer collection system services to HMB by the end of the current fiscal year 2018/19 and b) SAM would continue providing GCSD and MWSD the same level of services as it currently provides.

Estimated Incremental Costs for In-House Collection System Operations

Table 2 attached shows estimated incremental expenses for providing in-house sewer collection system operations. Costs include a) salaries and benefits for 3 new full-time equivalent staff members needed for the sewer collection system including a Field Superintendent and two operators, b) estimates for an up-front cost outlay for required vehicles and equipment, although these costs could be amortized over a number years via use of a vehicle and/or equipment lease, if desired, and c) other related costs for initial training and SCADA modifications as well as ongoing expenses for insurance, utilities, contract cleaning, professional services and other miscellaneous expenses.

Table 2 also accounts for estimated revenues to MWSD for providing contract sewer collection system services to GCSD and emergency response services for both GCSD and HMB. The table provides a preliminary, good-faith estimate of future net funding requirements for MWSD to provide in-house sewer collection system operations.

Financial Comparison of In-House vs. Continue SAM Contract Collection Services

Table 3 compares MWSD's net funding requirements for in-house sewer collection system operations vs. MWSD's share of future costs for continues SAM contract collection services based on SAM budget projections. Although the analysis based on preliminary estimates at this stage, it provides indication that MWSD could achieve future cost savings by transitioning to in-house sewer collection system operations. While MWSD may need to incur a higher level of funding for initial one-time costs related to the purchase of vehicles and equipment, training, and SCADA transition, long-term savings could be achieved by transitioning to in-house operations.

In addition, establishing in-house sewer collection system operations also provides some crossover financial benefits to the water system including shared administrative costs and savings for having a single crew on call for emergency response services to both the water and sewer systems, instead of having separate crews for each service.

Summary of Findings

While the extent of potential cost savings is difficult to quantify with precision at this stage, financial analysis indicates that MWSD could achieve future cost savings by transitioning to in-house sewer collection system operations. Hence, in-house operations offer the potential to provide both operational and financial benefits to MWSD. In light of this, BWA recommends that MWSD continue pursuing the potential for providing in-house sewer collection system services.

Table 1 – Historical & Projected SAM Contract Collection System Operations

	2015/16 Actual	2016/17 Actual	2017/18 Estimated	2018/19 Budget	2019/20 Projected	2020/21 Projected
REVENUES						
Montara WSD	325,958 36.7%	321,608 35.1%	283,238 34.5%	328,036 35.2%	339,517 53.0%	351,400 53.0%
Granada CSD	242,391 27.3%	242,350 26.5%	228,750 27.9%	284,500 30.6%	294,458 45.9%	304,764 45.9%
Half Moon Bay	319,741 36.0%	351,881 38.4%	289,435 35.3%	310,908 33.4%	0 0.0%	0 0.0%
NDWSCP Fees	0	0	19,600	7,175 0.8%	7,175 1.1%	7,175 1.1%
Total	888,090	915,839	821,023	930,619	641,150	663,339
EXPENSES						
Source:	<u>SAM Contract Collection Budget FY2018/19</u>			<u>SAM Projections</u>		
<u>Staffing</u>						
Wages	430,134	317,229	350,473	446,177	288,469	299,200
Premium Pay	15,545	60,217	39,867	46,917	35,556	36,903
Benefits	225,191	145,778	153,615	229,640	145,680	148,002
Subtotal	670,870	523,224	543,955	722,734	469,705	484,105
<u>Other Expenses</u>						
Professional Services	37,454	153,956	52,314	53,214	51,238	55,858
Building & Maint Services	22	97,568	96,144	0	0	0
Equipment Rental	0	0	0	54,584	38,438	38,438
Insurance	51,718	71,996	77,761	38,342	40,115	41,622
Supplies	16,229	26,960	28,016	35,335	24,893	25,854
Other Expenses	116,381	28,154	22,832	26,410	16,761	17,462
Subtotal	221,804	378,634	277,067	207,885	171,445	179,234
Total	892,674	901,858	821,022	930,619	641,150	663,339

Source: SAM Contract Collection Services Budget FY 2018/19.

Table 2 – Estimated In-House Collection System Operations

	2018/19 Cost Basis	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected	2023/24 Projected
Cost Escalation		4.0%	4.0%	4.0%	4.0%	4.0%
New Staffing (3 FTEs)						
Field Superintendent	140,000	146,000	152,000	158,000	164,000	171,000
Sewer Operator	120,000	125,000	130,000	135,000	140,000	146,000
Sewer Operator	120,000	125,000	130,000	135,000	140,000	146,000
Subtotal	380,000	396,000	412,000	428,000	444,000	463,000
Vehicles & Equipment						
Vactor Truck (10-Year Lease, 4%)	350,000	43,000	43,000	43,000	43,000	43,000
Pick-Up Truck (Small Utility Boom)	50,000	50,000	0	0	0	0
Emergency Response Trailer/Equip	75,000	75,000	0	0	0	0
Portable CCTV Camera	15,000	15,000	0	0	0	0
Equipment Rental	25,000	26,000	27,000	28,000	29,000	30,000
Other Equipment	25,000	5,000	5,000	5,000	5,000	5,000
Subtotal	540,000	214,000	75,000	76,000	77,000	78,000
Other Expenses						
Contract Cleaning Services	20,000	21,000	22,000	23,000	24,000	25,000
CalConn Electronic	10,000	10,000	11,000	11,000	12,000	12,000
Other Professional Services	20,000	21,000	22,000	23,000	24,000	25,000
MWSD Insurance	20,000	21,000	22,000	23,000	24,000	25,000
Utilities	10,000	10,000	11,000	11,000	12,000	12,000
SCADA Modifications	60,000	70,000	15,000	16,000	17,000	18,000
Training/Transition Costs	20,000	20,000	5,000	5,000	5,000	5,000
Supplies	25,000	26,000	27,000	28,000	29,000	30,000
Other/Misc	10,000	10,000	10,000	10,000	10,000	10,000
Subtotal	195,000	209,000	145,000	150,000	157,000	162,000
Total Expenses	1,115,000	819,000	632,000	654,000	678,000	703,000
Revenue Offsets						
Granada CSD Contract Services	250,000	260,000	270,000	281,000	292,000	304,000
Half Moon Bay Emergency Services	25,000	26,000	27,000	28,000	29,000	30,000
Potential SAM Intertie Cleaning	<i>excluded</i>	-	-	-	-	-
Subtotal	275,000	286,000	297,000	309,000	321,000	334,000
Net MWSD Cost		533,000	335,000	345,000	357,000	369,000

Table 3 – Comparison of In-House vs. SAM Contract Collection

	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected	2023/24 Projected
Cost Escalation	4.0%	4.0%	4.0%	4.0%	4.0%
MWSD In-House Collection Services					
Collection Service Expenses					
New Staffing (3 FTEs)	396,000	412,000	428,000	444,000	463,000
Vehicles & Equipment	214,000	75,000	76,000	77,000	78,000
Other Expenses	209,000	145,000	150,000	157,000	162,000
SAM Costs Re-Alloc to JPA (MWSD 20%)	0	0	0	0	0
Total Expenses	819,000	632,000	654,000	678,000	703,000
Revenue Offsets					
Granada CSD Contract Service	260,000	270,000	281,000	292,000	304,000
Half Moon Bay Emergency Svcs	26,000	27,000	28,000	29,000	30,000
SAM Intertie Cleaning ?	-	-	-	-	-
Total Revenue Offsets	286,000	297,000	309,000	321,000	334,000
Net MWSD Cost	533,000	335,000	345,000	357,000	369,000
Maintain Existing SAM Contract Collections					
	<u>Budget</u>	<u>Budget</u>	<u>Projected with 4% Cost Escalation</u>		
SAM Budget Projections w/o HMB	340,000	351,000	365,000	380,000	395,000
Plus Est Additional MWSD Costs	25,000	26,000	27,000	28,000	29,000
Total Costs	365,000	377,000	392,000	408,000	424,000
MWSD In-House vs. SAM Contract Incremental Cost or Savings	168,000	(42,000)	(47,000)	(51,000)	(55,000)



October 24, 2018

Mr. Clemens Heldmaier, General Manager
Montara Water & Sanitary District
PO Box 370131
Montara, CA 94037

**MEMORANDUM: Recommendations Regarding Increased Staffing Level
For Bringing Sewer Cleaning In-house**

Dear Clemens:

We are pleased to respond to your request to summarize the findings of the District's past three years of investigation of the possibility of Montara Water & Sanitary District (MWSD) hiring additional field staff to clean and maintain the District sewer system vs the efforts over the similar time frame to re-negotiation of a new cleaning contract with the Sewer Authority Mid-Coastside (SAM). On May 4, 2015 we submitted a memorandum summarizing the existing cleaning program which relies on a long standing contract dating from 1988 with SAM (SAM Resolution 9-88), and also presented two alternative staffing levels for District in-house staffing. Now we are looking more closely at the larger staff team presented at that time. Additionally for comparison, on the 10th of this month SAM has submitted for review an alternative cleaning contract with a new pricing model for a possible new future contract between SAM and MWSD and separately between SAM and GCSD, no longer including Half Moon Bay (the City).

BACKGROUND

The MWSD collection system including about 25 miles of gravity sewers a little over two miles of Force Mains, 13 large pump stations with associated communication systems, and 27 individual house grinder pumps. In addition to cleaning and general maintenance of the collection system, MWSD is charged with and is liable for capital upgrades, spot repairs, first-responder duties and for clearing stoppages and clean-up of Sanitary Sewer Overflows (SSO's). Administratively MWSD is also responsible for reporting to the Water Boards State website called California Integrated Water Quality System (CIWQS).

Currently, SAM crews take care of the cleaning, general maintenance, perform some minor spot repairs, and act as the first responder to SSOs and site clean-up, as well as initiating the data collection and entry required by CIWQS. They also respond to many

resident complaints about sewer problems which often turn out to be private lateral issues. They also perform utility marking requests for construction projects for both force mains and gravity sewers for the State of California Underground Service Alert (USA's for short.)

The existing sewer cleaning arrangement for MWSD is a cleaning contract called the Maintenance Agreement including Attachment A and is available to view on the SAM Cleans Water website. This is an optional agreement under the SAM Joint Powers Authority (JPA) and was authorized by SAM Resolution 9-88, and under its terms can be canceled by any JPA member with a 90 day notice.

CURRENT CLEANING SERVICES

Over the past three years MWSD staff have been actively working with SAM staff in numerous staff, manager and JPA manager meetings to negotiate new descriptions for work and level of services updating and restating the contract Maintenance Agreement and its Attachment A. This would provide improved level of cleaning service, more flexible cleaning scheduling, increased diversity in types of equipment available, provide more resolution in the documentation, faster feedback of events and improved detail in regulatory reporting. While the SAM staff has been actively working to improve many of the above stated goals, a new Maintenance Agreement has not yet been reached.

In the meantime, the City of Half Moon Bay interested to effect similar changes to their sewer system maintenance program issued an RFP on January 22, 2018, requesting quotes for annual cleaning and sewer system management. Granada Community Services District (GCSD) and MWSD both requested to be part of this RFP to get a comparative perspective of costs and services available from other firms. The result of the RFP was the City engaged Mark Thomas and Associates to manage the sewer system. They also chose to use SAM staff for a transitional year for specific cleaning services, and while a three year contract was provided to them, they only signed a one year agreement.

The current SAM general manager has been receptive to the progress made with regards to the collections Maintenance Agreement negotiations, but due to the restructuring of services and pricing requested by the City, the SAM general manager is now proposing a new cost for service model and a different contract which both GCSD and MWSD are now reviewing.

While the existing maintenance agreement allows for any member agency to pull out of the agreement with a 90 day notice, it is not practical to make such a radical change without significant cause since the surplus staff hours would have to be paid for by the other two remaining agencies. To this consideration the City has given at least 9 month advance notice that they do not intend to continue with SAM in the future for sewer system collection maintenance. At this time the City plans to pull away from SAM for fiscal year 2019-2020 and beyond.

In addition to this significant upcoming change is SAM's staffing needs with the reduction of about 50% of the current field services contract by the loss of the City of HMB, SAM also rebalanced the cost of providing services from one that was evenly spread across all JPA members to one that is disproportionately more expensive for MWSD. This change shows future costs per foot for line cleaning are proposed to increase 89% for MWSD while only 40% for GCSD over the upcoming three years in the newly proposed contract proposed by SAM. Part of these projected costs may be related to the fact that unlike a private vendor, SAM is not allowed to generate a profit in other areas to cover surplus labor and it also has limited ability to lay off staff or furlough positions. These cost allocation shifts proposed by SAM along with their recommendation to reduce future costs can only be achieved with a reduced cleaning frequency. These findings have brought forward the importance for MWSD to consider more seriously the benefits of in-house sewer cleaning staff for a more self-sufficient cleaning service team, as well as explore GCSD's future needs.

BENEFITS OF IN-HOUSE SEWER STAFF

MWSD has since 2015 considered increasing its own staff to provide some level of collections services oversight and State CIWQS data entry in-house. Staff has been tasked to assess the benefits and feasibility of providing collections services in house. The consideration of benefits for building a local team of 3.5 field operations staff assigned to sewer cleaning services and related activities can be summarized in the following items.

- Increased quality insurance due to more staff time available and integrated manager/staff meetings and training.
- Feedback time between identifying issues and notification to management at MWSD will be reduced and operations goals will be more in-line with regulatory requirements and district strategic plan.
- MWSD is the only JPA member agency that currently has State certified operators to maintain technical water and pumping facilities. Sharing of staffing positions between water and sewer or other activities such as parks is a common practice for many other Districts in California and introduces cost savings for this suggested model.
- Shared staffing at MWSD allows the reduction of the on call staffing from currently two to one person and further reduces overtime expenses.
- Reduced daily travel time from MWSD offices to Montara and Moss Beach cleaning sites. Up to 40% more field time is possible.
- In case of many emergencies only one response team would be needed to address water and sewer emergencies, further reducing overtime expenses.

- Reduced emergency response time with locally stored equipment.
- Increasing the staffing positions at Montara increases MWSD's staffing flexibility on both the water and sewer side, both in operation and emergency response.
- Direct itemization of costs for improved budgetary planning.
- More efficient USA cost, only one staff person responding.
- Improved quality of life, employee morale, and employee retention could potentially be achieved by allowing more flexibility in work load and alternative work schedules to the current 8 hour work day.
- State requested collection system early warning monitoring system that will be most effectively implemented by staff who work with District's SCADA system.
- State regulators supported MWSD's interest in providing collection services for the purposes of maintaining institutional knowledge.
- CIWQS system first responder report and certification be managed by the same team. Increased communication efficiency and accuracy reporting.
- Currently MWSD carries liability for SAM managed collection crew. MWSD would continue to carry the same liability under its own control.
- Training levels offered to staff under MWSD control.
- Action taken in emergency situations under MWSD control.
- Possible Maintenance Agreement with GCSO could further reduce costs and support Coast Side jobs should SAM reduce their outside contract cleaning services further.

The plan for increasing staff and cross training of staff is supported by current MWSD staff, with the emphasis on their receptiveness to receive additional training and certification as sewer operators. MWSD currently has a cost incentive based training reward program that rewards staff for maintaining State level certifications, and this could be extended to sewer certifications as well.

PROPOSED STAFF LEVELS SEWER CLEANING FOR MWSD

Currently SAM has allowance for approximately 5.5 employee positions are spread over the cleaning of the three member agencies under the Maintenance Agreement authorized by Ordinance 9-88. For some time at least one position has been un-filled, and depending on staff allocation needs and needs in SAM's own collection system or at the plant this number can fluctuate up or down by one position. Additionally, several times

per year for the last several years SAM has subcontracted with PSI (Presidio Systems, Inc.) for additional staff cleaning and cleaning of trunk sewers and pump station maintenance and electrical technician service. These costs are then back charged to the JPA members.

For reference, SAM up until 2017 managed all collection systems and pump station maintenance and cleaning for all JPA members. For 2018 SAM is contracted for full service with MWSD and GCSD, but is providing reduced level of services for the City. The budget for SAM's current staffing proposed range between 3.5 and 5.5 staff members, with a stated goal of 5, but they occasionally contract with PSI or other firms for additional staff and equipment depending on agency internal staffing needs. In summary, currently for all three member agencies, SAM has assigned about 1.5 mechanics, 2 to 3 cleaning crew, 1 to 3 contract employees, and approximately 1.5 of a managers to clean and maintain about 16 pump stations and approximately 100 miles of sewers, many of which are in hard to access easements, and initiate state reporting duties for MWSD and GCSD.

Because MWSD and the coast side community is geographically isolated, this has giving SAM a regional monopoly over sewer cleaning for quite some time. Currently there are no private sewer cleaning companies based coast-side of the hills of a sufficient size to handle any of the collection systems. This mobilization for daily tasks and emergency response makes the private cleaning model to come in from outside the region to be too expensive and not responsive enough to meet the Regional Water Quality Board's recommended sewer spill emergency response times, and could damage public health. Relying only on a private party contract model, using an entirely private subcontracting cleaning by a firm like Roto Rooter or PSI for all cleaning and maintenance activities, and emergency response, is not considered at this time for four main reasons: 1) lack of response time leading to more SSOs, 2) less control over scheduling daily activities and risk management, 3) difficulty is building institutional knowledge continuity and 4) higher cost. There are specific activities for which it does make sense to use private firms where special requested cleaning or CCTV activities are required.

The review of the newly proposed contract from SAM is not yet complete, but the terms do not appear to be as favorable to MWSD as the past agreement has been, and would likely require the hiring of at least one in-house collections manager to oversee the new contract because it is based on a piecewise procurement of individual services rather than a management package. For this reason and for the risk management control and other aforementioned benefits, MWSD may be best suited to build an in house sewer cleaning team with between 3 and 4 persons, including a field manager, technician/mechanic, and two line workers.

CROSS TRAINING STAFFING

In order for MWSD to improve performance and increase responsiveness to each sewer call and increase cleaning effort the District is considering bringing in three new sewer positions for sewer cleaning and pump station mechanic staff in-house. This would also

allow staff to identify and implement spot repairs more quickly to reduce SSO risks. By increasing the staff level per mile, and cross training at least two employees between water and sewer, one operator and one mechanic, the District will be able to maintain the same level of service for cleaning every pipe every year plus attend to and monitor hot spots at a reduced effort at a cost similar to or possibly less than SAM's projections.

Furthermore, cross training of staff offers better hours assignment flexibility, reduced on-call reliance on any given worker, and has the benefit to improve moral as increased training and betterment programs can boost workers capabilities and compensation. Montara already has the only operations team with water and pumping systems certifications, skills that will be well served in providing a light grade of skilled response and quality assurance, and an active environment for continued education and system efficiency.

STAFF RESPONSIBILITY AND LIABILITY MANAGEMENT

Montara Water and Sanitary District currently holds the legal and regulatory liability for both water distribution and sewer connection systems. Unlike the water system where MWSD has direct control over the water related liabilities, at present MWSD has only limited control over the operations affecting the sewer related liabilities.

The in-house staffing alternative would be to take over all collection system and pump station mechanical work and use SAM as supplemental emergency response and pump station SCADA oversight. The Responsibility Matrix: MWSD three and a half person Sewer Model represents a possible shift in work responsibility as a percentage of work hours to a long term goal of 95% MWSD and 5% Sub-contractors responsibility and time.

	<p>RESPONSIBILITY MATRIX: MWSD 3.5 Person Sewer Crew Model Estimated hours percentage per work activity category, Assume 100% is total responsibly for a work category MWSD District.</p> <p>SAM currently is spending ~2,775 hours in MWSD each year.</p>		
	<p>MWSD 3.5 PERSON CREW**</p>	<p>SAM CREW and/or NEIGHBORING AGENCIES</p>	<p>PRIVATE CONTRACTS (PSI or Roto Rooter for example)***</p>
<p>Current 2018</p>	<p>MWSD: 0% No Field Crew now for sewers.</p> <p>TOTAL: 0%</p>	<p>SAM: Emergency Response, 10% SAM: Sewer Collections Cleaning, 40-45%* SAM: USA, 10% SAM: Pump Stations, 20-30%* SAM: Lateral Call outs, 2-5%</p> <p>TOTAL: 80-98%</p>	<p>SAM w/ PSI: Sewer Collections Cleaning, 2-10% SAM w/ Calcon/Pump Repair: Pump Stations , 0-10%</p> <p>TOTAL: 0-10%</p>

Transition 2019	<i>MWSD: Emergency Response, 2.5%</i> <i>MWSD: Sewer Collections 30%,</i> <i>MWSD: Cleaning/USA, 8%*</i> <i>Pump Stations, 0-20%</i> <i>Lateral Call Outs, 2-5%</i> TOTAL: 30-60.5%	<i>SAM: Emergency Response, 2.5%</i> <i>Sewer Collections Cleaning/USA, 2%</i> <i>Pump Stations, 0-5%*</i> TOTAL: 2.5-9.5%	<i>MWSD DIRECT: PSI/Roto Rooter: Emergency Response, 0-5%</i> <i>PSI/Roto Rooter Sewer Collections Cleaning/USA, 0-15%</i> <i>Calcon/Pump Repair: Pump Stations, 0-20%</i> TOTAL: 0-40%
Future, 2020 and beyond**	<i>MWSD: Emergency Response, 5%</i> <i>MWSD: Sewer Collections Cleaning, 50-60%*</i> <i>MWSD: USA, 10%*</i> <i>MWSD: Pump Stations, 25-30% *</i> TOTAL: 83-98%	<i>Possible Collaborative Agreement for Joint Emergency Response SAM, Pacifica, and/or the HMB City contractor, 0-2%</i> <i>(Assuming SAM maintains a collections system crew)</i> TOTAL: 0-2%	<i>MWSD DIRECT: PSI/Roto Rooter: Emergency Response, 0-2%</i> <i>PSI/Roto Rooter Sewer Collections Cleaning/USA, 0-5%</i> <i>Calcon/Pump Repair: Pump Stations, 0-10%</i> TOTAL: 0-15%

*Some of these hours could be privately contracted.

** The MWSD 3.5 person model will provide up to 4,725 hours dedicated towards sewer work assuming 65% efficiency of workers which allows for vacation, sick days, etc., for a similar cost to the current more limited hours available from SAM.

*** Special Services Contracts will be negotiated with firm knowledgeable in MWSD specific systems as required. Firms listed are for reference purposes only.

The SAM staff responsibility is listed in center column on the table. The goal for staff the time split would be 0-2% for SAM staff, 0-15% private contractor providers and 83-100 % for MWSD staff seems achievable. This staffing level change could make MWSD self-sufficient for sewer system management and cleaning services and provide the District with full control over liability of work responsibilities, SSO response and communication with the State.

Additionally, if MWSD has three sewer staff and at least two were cross trained allowing for 3.5 persons to be assigned to sewer, there is increased staffing flexibility over the two person model. If one or two sewer staff can be cross trained with water skills they can fill in on water duties and still have two workers to perform sewer cleaning. It is usually a requirement for sewer workers to be in pairs if performing cleaning and work where confined space entry or traffic control may be required.

Providing the best local service includes issue like keeping a close eye on Hot Spots and USA marking of sewer pipes. In addition the District changed the Code for lateral responsibility and maintenance, and has significantly increased oversight and inspection of private laterals inspections and requirements for repairs. These responses to lateral issues and the USA marking of gravity utilities are not required by the State of California. Laterals are a private utility and are the homeowner's responsibility, but if there is a District back-up causing the problem, response by the District is recommended. The only USA marking requirements are for pressure force mains. The policy of marking gravity sewer lines and providing addition lateral checks has been and will continue to be offered in an attempt to provide accessibility and help the community members during sewers problems with their private sewers to reduce risk to MWSD and to help contractors locate sewer pipes during construction projects

FISCAL IMPACT OF IN-HOUSE SEWER MAINTANCE

Equipment Upfront Costs Estimates

Functionally, the three person model would require MWSD to purchase the equipment outlined above, and additionally purchase a specialized mechanics utility truck suitable for pump station work, pulling pumps, and hauling tools around. A well outfitted mechanics truck will likely include tools and a pump lifting boom. The truck should also be sized for towing a double axel generator or portable self-priming pump. A portable self-priming pump would be needed. Another piece of equipment for emergency readiness is emergency response trailer. This trailer would be out fitted with hoses, small submersible pumps, repair fittings and other items to assist in emergency response for sewer spills. It would be preferable if at least two persons to be a truck operator with a class B license and for the possibility of driving a larger truck.

For the Two Person Model, the Vactor truck is the most expensive piece of equipment to purchase, they can range from \$75,000 to \$450,000 used depending on size and age and condition. New Vactor trucks range in price from \$175,000 to \$450,000 for small to medium sized units. In the future it may be desirable to look at portable, or small truck rodder may be desirable in future years, for a cost of about \$45,000 to \$125,000, but this is not essential in the first years since this work can be sub-contracted out to private firms as needed. A Pick-up utility boom truck is about \$35,000-\$65,000. A CCTV portable Camera is about \$15,000.

This upfront capital cost would be about \$425-475,000 if a new medium sized Vactor, mechanics small boom truck, and a portable CCTV camera were purchased. The lead time for new vectors rigs may quite long (6 to 12 month), so this should be considered in scheduling of starting up and launch of a new program from scratch.

An emergency response trailer, portable with hoses and other items to assist in emergency response may range between \$50,000 and \$75,000 could be phased in during year two. Also, some SCADA work is required to redirect some of the emergency signals from pump stations currently being sent to SAM, to send them also to the MWSD

system, expected modification will cost between \$25,000 and \$35,000 and another \$10-15,000 the subsequent years. These costs for SCADA modifications and re-programming are consistent with current annual expenditures and therefor will not significantly impact the start-up cost of in-house cleaning services.

All told a startup capital budget for the 3.5 person model would range between \$475,000 and \$525,000 the first year, depending on the final equipment selected.

Current Labor Costs

For the Fiscal Year 2015/2016, the SAM billing totaled 2,775 hours for cleaning and maintaining MWSD's collection system which represents the actual hours worked for the previous full calendar year of 2014. See 2013-2014 hours per year tables below. More recently SAM has switched to a lines cleaned per month type reporting (see attached Collection System Services Monthly Activity Reports for various months attached. The percentage break down is then placed into the Maintenance Agreement (see the current 2018 Maintenance Agreement in force, attached. The Mechanics hours in the district are still line-itemed out for each month, but their overhead is still divided up among the three JPA members in the Collections budget.

SAM collection system hour distribution for calendar years 2013 and 2014 are shown in the tables taken from the 2015/2016 SAM budget shows 2,775 hours service in the District for the year. At the time the hourly rate was shown to be increasing from \$113.11 to \$129.91 per hour, a 14.85% increase in hourly rate over the same period, which may have included some equipment overhead at that time. For fiscal years 2018/2019, the budget is constructed differently, and the total estimated to be ~\$925,000 over the entire JPA is represented at 5 positions including insurance and overhead (although it is unclear if all 5 positions in collections are or have been filled for the past year.) If this rate is over 5 staff with 2080 hours each, that equates to an average of about \$89/hr. per position, or \$185,000 per year, while if it covered by 4 staff, the hourly rate would be ~\$111/hr per position. It should be noted that this rate does include insurance and miscellaneous overhead expenses, but does not include large equipment capital outlay or major repairs for large equipment.

Looking at the costs at a per annual basis for only the wages, benefits and professional services (contracted collection system work), the SAM annual cost proposed will be \$770,000 over 5 positions, or \$154,000, and considering only SAM staff, and not contract employees, the annual overall cost per staff employee is \$144,500/year.

The included table of Hours Distribution is included for reference to level of effort SAM has spent on the collections systems. This data is not currently available in the same format, but based on budget costs, it is still representative of what the cleaning effort was at least in 2017 prior to the City's contract changes.

Hour Distribution - Calendar Year 2014							
	HMB	GCS D	MWSD	Total	% HMB	% GCS D	% MWSD
January 2014	124.87	195.45	315.67	635.99	19.63%	30.73%	49.63%
February 2014	118.97	144.40	290.62	553.99	21.48%	26.07%	52.46%
March 2014	125.17	191.62	254.21	571.00	21.92%	33.56%	44.52%
April 2014	227.23	200.42	274.26	701.91	32.37%	28.55%	39.07%
May 2014	138.38	108.53	368.10	615.01	22.50%	17.65%	59.85%
June 2014	318.83	121.22	95.20	535.25	59.57%	22.65%	17.79%
July 2014	226.91	255.61	147.98	630.50	35.99%	40.54%	23.47%
August 2014	248.62	189.21	176.82	614.65	40.45%	30.78%	28.77%
September 2014	346.46	250.39	125.41	722.26	47.97%	34.67%	17.36%
October 2014	329.51	263.24	169.75	762.50	43.21%	34.52%	22.26%
November 2014	295.86	94.09	257.91	647.86	45.67%	14.52%	39.81%
December 2014	280.15	85.19	299.91	665.25	42.11%	12.81%	45.08%
Totals	2780.96	2099.37	2775.84	7656.17	36.32%	27.42%	36.26%

Hour Distribution - Calendar Year 2013							
	HMB	GCS D	MWSD	Total	% HMB	% GCS D	% MWSD
January 2013	106.51	314.60	287.84	708.95	15.02%	44.38%	40.60%
February 2013	92.89	201.98	261.63	556.50	16.69%	36.29%	47.01%
March 2013	120.42	194.06	316.02	630.50	19.10%	30.78%	50.12%
April 2013	94.67	185.40	403.93	684.00	13.84%	27.11%	59.05%
May 2013	113.48	204.74	383.29	701.51	16.18%	29.19%	54.64%
June 2013	279.08	191.59	147.08	617.75	45.18%	31.01%	23.81%
July 2013	275.27	281.58	130.14	686.99	40.07%	40.99%	18.94%
August 2013	291.82	211.27	145.91	649.00	44.96%	32.55%	22.48%
September 2013	245.94	248.90	167.66	662.50	37.12%	37.57%	25.31%
October 2013	344.63	206.20	172.67	723.50	47.63%	28.50%	23.87%
November 2013	319.30	119.46	176.24	615.00	51.92%	19.42%	28.66%
December 2013	457.32	46.98	111.20	615.50	74.30%	7.63%	18.07%
Totals	2741.33	2406.76	2703.61	7851.70	34.91%	30.65%	34.43%

The following two tables show the 12 month rolling sewer cleaning schedule for most of 2013, 2014 and some of 2015. This represents the effort of the line cleaning crew at SAM. See attached Monthly Cleaning activity forms for current cleaning rates, but the totals are virtually unchanged for these tables below with an average of about 10,000-11,000 ft. cleaned per month, or 24 to 26 miles per year (some duplication for Hot Spots.) These totals are still relevant as of 2017, except the Hot-Spot frequency and quantity may have changed.

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GSD	MWSD	Total Feet	Total Miles
Apr-13	3,795	13,879	28,042	45,716	8.7
May-13	2,070	21,269	29,785	53,124	10.1
Jun-13	23,796	20,397	0	44,193	8.4
Jul-13	26,624	20,858	463	47,945	9.1
Aug-13	27,738	18,778	2,609	49,125	9.3
Sep-13	31,119	26,407	0	57,526	10.9
Oct-13	25,925	13,837	703	40,465	7.7
Nov-13	19,335	3,006	4,473	26,814	5.1
Dec-13	36,715	282	0	36,997	7.0
Jan-14	5,153	16,084	22,555	43,792	8.3
Feb-14	2,893	11,781	22,467	37,141	7.0
Mar-14	7,559	20,183	15,861	43,603	8.3

Annual ft	212,722	186,761	126,958	526,441	
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Annual Mi.	40	35	24		100
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12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSO	MWSD	Total Feet	Total Miles
Apr-14	4,369	16,414	22,703	43,486	8.2
May-14	5,278	26,336	36,299	67,913	12.9
Jun-14	24,683	11,422	0	36,105	6.8
Jul-14	24,195	23,571	898	48,664	9.2
Aug-14	29,987	18,644	0	48,631	9.2
Sep-14	18,330	24,438	1,545	44,313	8.4
Oct-14	36,513	2,217	379	39,109	7.4
Nov-14	24,566	1,319	3,334	29,219	5.5
Dec-14	35,635	2,604	0	38,239	7.2
Jan-15	7,981	18,083	22,222	48,286	9.1
Feb-15	4,134	14,324	21,170	39,628	7.5
Mar-15	5,127	10,476	18,072	33,675	6.4

Annual ft	220,798	169,848	126,622	517,268	
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Annual Mi.	41.8	32.2	24.0		98.0
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In 2015 we predicted costs to reach ~\$376,000 by 2020. Attached for reference are the 2018/19 Collections Budget WITH HMB Participating, showing a cost to SAM of \$328,000 projected for this year. Attached is the proposed costs for MWSD for 2019-2020 cost with SAM to increase to \$329,436, as see on the SAM Scope of Services Attachment A and B Over the three years, the costs if the level of service is kept the same will increase to over \$378,000 in the year 2021, but does not include any emergency response costs which is included now under the current Maintenance Agreement. This will add estimated additional 10-15% cost for an annual cost of services to exceed \$415,000 to \$435,000 in year 2021. Looking at this from a cost for services per hour

approach this equates to between \$150/hr and \$185/hr per worker hour spent for services received.

Future Labor Costs

Bringing this labor cost in-house will give management a more active role in managing increases. The addition of a staff for the three and a half person model at MWSD would add an additional cost of likely between \$115,000 and \$140,000 per position at current MWSD wage and benefit levels. Total compensation including benefits, retirement, and Social Security contributions (which SAM does not have) will likely provide a larger per employee take-home pay for workers at MWSD than SAM is currently providing. And with a lower cost to the rate payer, within current and projected future services budgets projected with service by SAM. Additionally, we recommend the District spend about \$20,000 in upfront training and seminar classes to help set up the program, and for a new office computer dedicated to sewer activities.

In addition to the wages, MWSD offers monthly cash benefits to employees for obtaining California State Certifications, something SAM does not appear to be offering sewer cleaning staff. These ranges look to equal or even be more competitive than similar coast-side positions at neighboring agencies. This expense would be shifted from the current SAM budget back to MWSD budget. There would be some overlap and additional sub-contractor consultant support and training likely required for the first year during the transition.

This projected budget will most likely be sufficient to cover the in-house Three Person Model. The benefit of this model to MWSD is that for a slight increase in cost, the cleaning effort and available site for sewer maintenance will increase from the current 2,775 hours per year to between 4,000 and 4,725 hours annually assuming three and a half workers are 65% efficient (accounting for vacation, sick days, etc.)

RECOMMENDATION

For purposes of this memorandum, evident potential risks with the current limited control over sewer cleaning risk liability with the existing or proposed new Maintenance Agreements with SAM, we recommend the Montara Water & Sanitary District proceed with adoption a policy to allow for in-house sewer cleaning staff to be hired. Also, if required for the manager to send out RFPs for contract sewer maintenance services to facilitate the transition. This approach will transition MWSD from the current outsourced sewer Maintenance Agreement with SAM to an in-house model that is more self-sufficient. There will be some increased administration costs and upfront equipment and capital expenses which will need to be included in the upcoming two or three budget cycles for this staffing level increase. The major benefit of this change will likely include up to 40 % increase in time for cleaning and maintenance efforts (time in the field) for either no or small financial impact to the District. The District will gain more control over sewer liability, SSO response, and state reporting. And increased flexibility for new and

existing staff will provide both increased efficiency and improved worker moral and quality of life will allow MWSD to continue to provide the highest dedication to the local community with the best sewer service possible.

ATTACHMENTS

Attached hereto are the following:

- SAM Collection Contract Services Budget (13 pgs)
- SAM Scope of Services Attachment A (Proposed 2019-2021, Received October 2018, but not dated) (6 pages)
- SAM Scope of Services Attachment B (Proposed 2019-2021, Received October 2018, but not dated) (4 pgs)
- Collection System Services Monthly Activity Report(s) Dec 2017, Jan., March, May 2018. (4 Pages.)

Additional Reference Information:

- SAM JPA RESOLUTION No. 9-88 Maintenance Agreement Authorization (2 pg)
- Agreement for Maintenance and Operation with MWSD, April-1988 (7 pg)
- Maintenance Agreement Attachment A (Pages A1-A6, 6 pg)

Very truly yours,

NUTE ENGINEERING

By 
Pippin Cavagnaro, P.E.

* * * * *



**Contract Collection Services Budget
FY 2018/19**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SEWER AUTHORITY MID-COASTSIDE**

RESOLUTION NO. 6-2018

**APPROVING AND ADOPTING THE SEWER AUTHORITY MID-COASTSIDE
CONTRACT COLLECTION SERVICES BUDGET FOR FISCAL YEAR 2018/19**

The Board finds that:

The Sewer Authority Mid-Coastside has prepared and submitted to each of the contracting agencies a proposed Contract Collection Services (CCS) Budget for Fiscal Year 2018/19.

The contracting agency governing boards have each approved the proposed budget and adopted resolutions to record their approval.

As a result, the Board of Directors of the Sewer Authority Mid-Coastside:

1. approves and adopts the Contract Collection Services (CCS) Budget for Fiscal Year 2018/19 as presented to the SAM Board of Directors on July 23, 2018; and
2. directs the Secretary to file a copy of this Resolution, along with a copy of the CCS Budget, with each contracting agency.

* * *

I **HEREBY CERTIFY** that this resolution was duly and regularly adopted by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, at a regular meeting held on the 23rd day of July 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary of the Board
Sewer Authority Mid-Coastside
San Mateo County, California

EXECUTIVE SUMMARY

The current collection system agreement (Agreement) with each agency requires that SAM submit a budget for the cost of contract services to each agency no later than March 31 each year and that the agency approves it no later than June 15. The cost for services provided by SAM shall be "in accordance with a fee schedule set forth in the budget for each fiscal year." The Contract Collection Services (CCS) Budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, utilities, fuel, and other non-discretionary expenses.

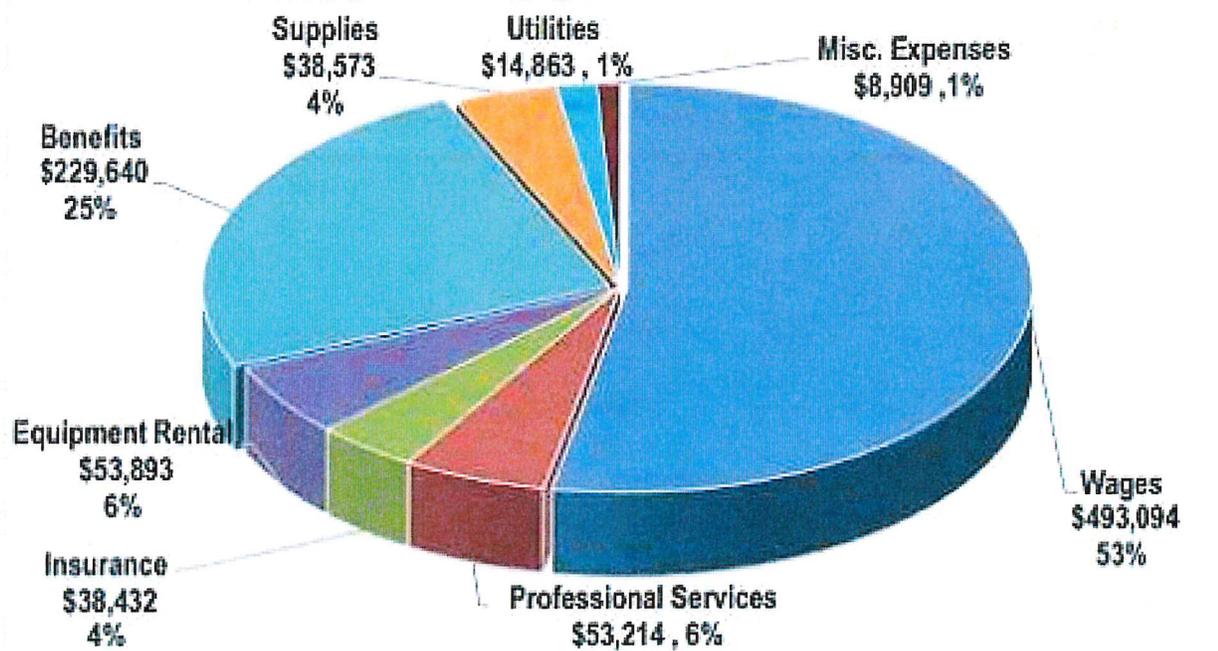
CCS Income & Expenses

Operating Income		
Contract Fees - City of Half Moon Bay	310,908	
Contract Fees - Granada Community Services District	284,500	
Contract Fees - Montara Water & Sanitary District	328,038	
NDWSCP Fees	7,175	
Miscellaneous Revenue	0	
Total Operating Income		\$ 930,619
Operating Expenses		
Wages	493,094	
Benefits	229,640	
Legal Services	0	
Engineering Services	0	
Professional & Technical Services	53,214	
Professional Memberships	802	
Insurance Premiums	38,432	
Miscellaneous Expenses	6,232	
Utilities	14,863	
Travel & Training	1,875	
Equipment Rental/Lease	53,893	
Contract Maintenance Services	0	
Chemicals	3,238	
Permits & Licenses	0	
Supplies	35,335	
Equipment	0	
Infrastructure Projects	0	
Claims & Penalties	0	
Total Operating Expenses		\$ 930,619
Net Operating Income		\$ 0
Non-Operating Income		
Interest Income	0	
Total Non-Operating Income		\$ 0
Fund Balance		\$ 0

CCS BUDGET FISCAL YEAR 2018/19

The overall change from the CCS Budget for Fiscal Year 2017/18 to Fiscal Year 2018/19 is an increase of \$117,059 (14%). Each agency will be invoiced monthly for the cost of services provided for the previous month as well as any requests for reimbursement for contract services performed by vendors in response to requests by the contracting agency.

As for most service agencies, the most significant costs are for employee wages (53%) and benefits (25%). Providing necessary equipment (6%) and professional support services (6%) required to meet the scope of services are the next largest portions of the budget. All other expenses (liability insurance, supplies, utilities, etc.) make up approximately 10% of the total budget.



The following table reflects changes in services fees year over year for each agency.

	<u>FY 2015/16</u>	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>	<u>\$ Change</u>	<u>%</u>
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Adopted</u>	<u>Change</u>
Half Moon Bay	\$ 319,741	\$ 351,881	\$ 274,596	\$ 310,908	\$ 36,312	13%
GCSD	\$ 242,391	\$ 242,350	\$ 239,954	\$ 284,500	\$ 44,546	19%
MWSD	\$ 325,958	\$ 321,608	\$ 279,411	\$ 328,036	\$ 48,625	17%
Total	\$ 888,090	\$ 915,839	\$ 793,961	\$ 923,444	\$ 129,483	16%

The primary change in the fees for FY 2018/19 is that the cost of services methodology is based on SAM's proposal to the City of Half Moon Bay in response to its Request for Proposals. The changes for GCSD and MWSD are based on the same methodology used for HMB but reflect no change in service levels. It also assumes that SAM collects the FOG inspection fees on behalf of GCSD and MWSD.

CONTRACT COLLECTION SERVICES

Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ADOPTED	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ADOPTED
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EXPENDITURES

Personnel

1	Wages	430,134	317,229	390,503	350,473	446,177	55,674	14%
2	Premium Pay	15,545	60,217	48,096	39,867	46,917	(1,179)	-2%
3	Health Benefits	129,030	93,486	117,300	96,110	128,663	11,363	10%
4	Retirement Cont.	71,986	46,635	45,043	30,210	53,499	8,456	19%
5	Retirement Medical	11,942	14,461	5,856	3,592	6,693	837	14%
6	Misc. Benefits	12,233	(8,804)	37,016	23,703	40,785	3,769	10%
7	Subtotal	670,870	523,224	643,813	543,955	722,734	78,920	12%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	37,454	153,956	36,400	52,314	53,214	16,814	46%
11	Prof. Memberships	245	1,056	259	-	802	543	210%
12	Insurance Premiums	51,718	71,996	77,761	77,761	38,432	(39,329)	-51%
13	Misc. Expenses	47,103	5,374	5,446	4,189	6,232	786	14%
14	Utilities	942	10,667	12,500	11,484	14,863	2,363	19%
15	Travel & Training	10,666	1,533	2,880	2,324	1,875	(1,005)	-35%
16	Equipment Rental	-	-	100	-	53,893	53,793	53793%
17	Bldg & Maint Services	22	97,568	-	96,144	-	-	0%
18	Chemicals	-	4,153	941	4,835	3,238	2,297	244%
19	Permits & Licenses	-	3,338	6,400	-	-	(6,400)	-100%
20	Supplies	16,229	26,960	18,118	28,016	35,335	17,217	95%
21	Equipment	57,425	2,033	8,942	-	-	(8,942)	-100%
22	Infrastructure	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	221,804	378,634	169,747	277,067	207,885	38,138	22%
25	TOTAL	892,674	901,858	813,560	821,022	930,619	117,059	14%

Key Changes

COLA and applicable step increases for field staff.	\$ 25,976
QA/QC and support services previously subsidized by JPA.	\$ 37,184
No longer providing FOG inspections and related services for HMB per RFP.	\$ (10,240)
Services to cover for employee leave, training, and technical support.	\$ 11,000
Rent/lease equipment from JPA instead of purchasing as part of CCS.	\$ 53,793
Pooled liability insurance through CSRMA for GCSD and MWSD only.	\$ (39,329)
All vehicles and equipment belong to JPA along with maintenance costs.	\$ (8,942)
Safety supplies, general supplies, and services previously allocated by % share.	\$ 32,617
Services supporting 3 SSOs per year for HMB only.	\$ 15,000
	\$ 117,059

CONTRACT COLLECTION SERVICES
 Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ADOPTED	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ADOPTED	
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REVENUE

By Type:

26 JPA Assessments	-	-	-	-	-	-	0%
27 Contract Services	888,090	915,839	793,961	801,422	923,444	129,483	16%
28 NDWSCP Fees	-	-	19,600	19,600	7,175	(12,425)	-63%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 From/(To) Reserves	-	-	-	-	-	-	0%
33	888,090	915,839	813,561	821,022	930,619	117,058	14%

By Agency:

34 Half Moon Bay	319,741	351,881	274,596	289,435	310,908	36,312	13%
35 Granada CSD	242,391	242,350	239,954	228,750	284,500	44,546	19%
36 Montara WSD	325,958	321,608	279,411	283,238	328,036	48,625	17%
37	888,090	915,839	793,961	801,422	923,444	129,483	16%

Key Changes

SAM continues to perform and invoice for FOG inspections for GCSD and MWSD.

Cost of services based on methodology used for proposal to HMB.

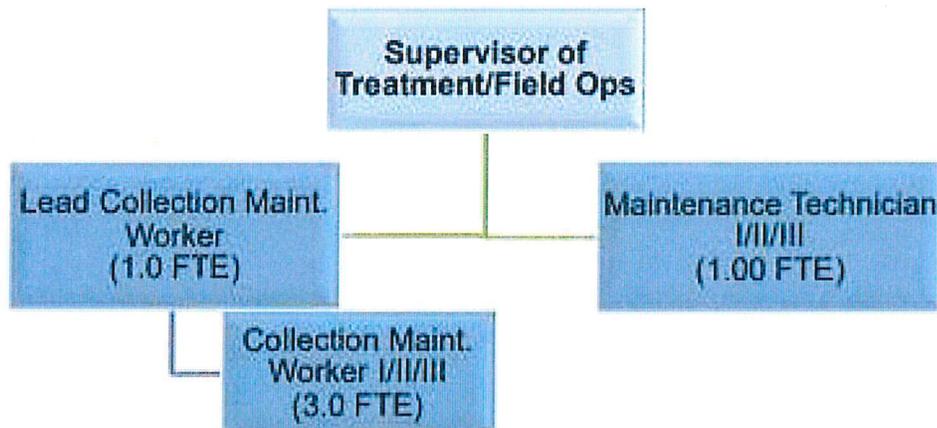
Authorized Positions	6.47	4.75	5.00	5.00	5.00	-	0%
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CONTRACT COLLECTION SERVICES

The Contract Collection Services (CCS) Budget is a discrete function at SAM and not included in the JPA agreement. This function provides preventive and corrective maintenance of the wastewater main lines and lift stations for the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The service levels are identified in the service agreements between SAM and each contracting agency. Starting with FY 2018/19, the cost for services is based on the feet of lines cleaned and the frequency of maintenance of lift stations each month.

This function is managed by the Supervisor of Treatment/Field Operations. The following chart reflects the organizational structure.



The following staffing summary reflects the historical cost allocation for this function.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Positions	6.15	6.15	6.15	6.47	4.75	5.00	5.00

The following pages provide the Contract Collection Services Budget line items.

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #		FY 2017/18	FY 2018/19
1.	Wages Increased for COLA adjustments of 3% per MOU and merit step increases, where applicable.	\$390,503	\$446,177
2.	Premium Pay Includes overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$48,096	\$46,917
3.	Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU.	\$117,300	\$128,663
4.	Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPR.	\$45,043	\$53,499
5.	Retirement Medical Reflects contributions to an OPEB fund in compliance with GASB.	\$5,856	\$6,693
6.	Misc. Benefits Includes Medicare, long-term and short-term disability, and workers compensation premiums.	\$37,016	\$40,785
7.	Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits.	\$643,813	\$722,734
8.	Legal Services There are no legal services budgeted to CCS.	\$0	\$0
9.	Engineering Services There are no engineering costs budgeted to CCS.	\$0	\$0
10.	Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$36,400	\$53,214

CCS BUDGET FISCAL YEAR 2018/19

Budget Line #	FY 2017/18	FY 2018/19
11. Professional Membership Includes memberships in professional organizations (CWEA) for SAM to keep current on industry practices and service delivery improvements.	\$259	\$802
12. Insurance Premiums The liability insurance premiums for coverage of the member agencies' collection systems are charged to this budget. Assumes that HMB is no longer covered under this pooled plan.	\$77,761	\$38,432
13. Misc. Expenses Includes incidental expenses (employee physicals, uniform laundry services, radio and alarm systems, etc.) not captured in other categories.	\$5,446	\$6,232
14. Utilities Water for cleaning the sewer lines and cell phone reimbursement for CCS staff.	\$12,500	\$14,863
15. Travel & Training Training and travel related costs for required safety and industry training.	\$2,880	\$1,875
16. Equipment Rental/Lease Rental or lease of equipment necessary to perform the identified scope of services.	\$100	\$53,893
17. Building & Maintenance Services This line reflects the maintenance work performed through 3 rd party vendors. There is no budget and expenses are billed only if approved by the agency.	\$0	\$0
18. Chemicals Chemicals are purchased to address issues at the contracting agency lift stations as needed.	\$941	\$3,238
19. Permits There are no permit fees budgeted to CCS.	\$6,400	\$0

CCS BUDGET FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
20. Supplies Safety, general, and miscellaneous supplies necessary to perform the contract services.	\$18,118	\$35,335
21. Equipment There are no equipment costs budgeted to CCS. All equipment used for the CCS program owned by SAM.	\$8,942	\$0
22. Infrastructure SAM does not perform infrastructure work as part of CCS.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to CCS. Claim recovery costs are reimbursed by the contracting agency when they occur.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$169,747	\$207,885
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$813,560	\$930,619

The significant changes in the Contract Collection Services department from FY 2017/18 included in the FY 2018/19 budget are:

1. The budget for HMB is based on the services described in the Request for Proposals issued by the City. For GCSD and MWSD, each agency's budget is based on the services currently provided by SAM (status quo) based on the same cost for service methodology used for the HMB proposal.
2. QA/QC and support services previously subsidized by the JPA function now charged to each agency based on cost for service methodology.
3. Rent or lease equipment from JPA rather than CCS purchasing it.
4. Pooled liability insurance through CSRMA for GCSD and MWSD only.
5. Safety supplies, general supplies, and services previously allocated by percentage share of total service hours.

GOALS

- Perform all scheduled and emergency maintenance at the service levels defined in the scope of service for each agency.
- Reduce sanitary sewer overflows (SSOs) through use of industry best practices.
- Provide customers with quick, knowledgeable, and complete response to calls.
- Promote the development and education of staff to assure the ongoing ability to maintain, troubleshoot and repair all systems and equipment.

HIGHLIGHTS

- Cleaned participating agency sewer lines as required in the service agreements.
- Responded to service requests as required in the service agreements.
- Responded to all emergency service requests within 60 minutes or less.
- Performed preventive maintenance at contract lift stations to maintain reliability.
- Conducted all required annual safety training programs.
- Responded to requests for USA markings.
- Performed connection inspections for GCSD as requested.
- Performed project oversight as requested by contracting agencies.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, and to minimize the possibility of equipment breakdowns
- Continue to promote and provide a safe environment for all staff.
- Develop and implement standard operating procedures (SOPs) for contract collection and maintenance functions.
- Develop and implement maintenance plan for routine equipment maintenance.
- Perform annual F.O.G. program inspections on behalf of contracting agencies.

PERFORMANCE MEASURES

- Clean segments of sewer lines based on agreed upon frequencies.
- Reduce sanitary sewer overflows (SSOs) to achieve the goal of no spills.
- No lost time due to injuries or accidents.
- Completion of 100% of required annual safety trainings.
- Respond to 100% of emergency service requests within 60 minutes.
- Achieve 100% customer satisfaction for all service calls.

RESOLUTION NO. 1637

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2018-2019

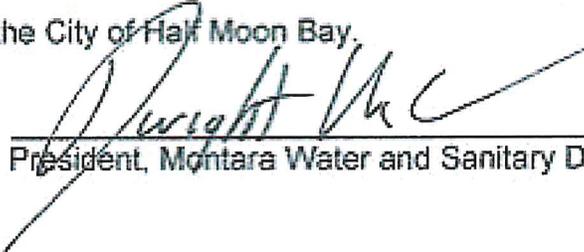
WHEREAS, Sewer Authority Mid-Coastside has, pursuant to Article III, Section (F)(3) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, submitted its General Budget for fiscal year July 1, 2018 – June 30, 2019 for the consent of this District; and

WHEREAS, this Board has reviewed the aforesaid budget and desires to signify its approval thereof;

NOW THEREFORE, be it resolved by the Board of the Montara Water and Sanitary District, a public agency in the County of San Mateo, California, as follows:

1. Consent is hereby given to the approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year July 1, 2018 – June 30, 2019 entitled, "Sewer Authority Mid-Coastside Proposed General Budget - Fiscal Year 2018/19," dated March 26, 2018, a copy of which is on file in the District's Administrative Offices to which reference is hereby made for the particulars thereof.

2. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to Sewer Authority Mid-Coastside, the Granada Community Services District and the City of Half Moon Bay.



President, Montara Water and Sanitary District

COUNTERSIGNED:



Secretary, Montara Water and Sanitary District

I HEREBY CERTIFY that the foregoing Resolution No. 1637 was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary

RESOLUTION NO. 1637

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2018-2019

District, County of San Mateo, California, at a Special Meeting thereof held on the 31st day of May, 2018, by the following vote:

AYES, Directors: Boyd, Slater-Carter, Harvey, and Wilson

NOES, Directors: Huber

ABSENT, Directors: None



Secretary, Montara Water and Sanitary District

ATTACHMENT A

SCOPE OF SERVICES

Project Management

At the District's convenience, SAM will attend a kickoff meeting and quarterly review meetings to ensure good communication and prompt attention to areas of concern. SAM will provide monthly status reports of all work performed on the collection system. Monthly reports will describe progress compared to goals, achievement of the quantity and quality of scheduled maintenance, identify problem areas needing repair or replacement, plans for the subsequent period, and describe any issues encountered and their resolution.

No later than 30 days after the end of each calendar year, SAM will provide an annual report of system maintenance activities using the monthly reports as a guideline. The annual report will include a discussion on trends in system performance and will provide the necessary information to fulfill the Monitoring, Measurement, and Modifications section of the District's SSMP.

SAM will maintain a maintenance strategy (strategy) and document cleaning and maintenance results in a CMMS and provide online access to the District and will advise the District on necessary repairs. The District will provide to SAM all equipment manufacturer records.

Review Existing Data

SAM will review existing information provided by the District, which will include the current hotspot list, system maps, computerized maintenance management system (CMMS) data, ordinances, historical SSOs, and other maintenance records, and other relevant information. A maintenance strategy, including a cleaning schedule, will be developed based on a review of existing information, the current hotspot list, system maps, CMMS data, ordinances, historical SSOs, and other relevant information provided by the District.

Maintenance Strategy

SAM proposes to provide services to the District in the following manner based on the developed strategy.

Sewer Cleaning

SAM shall provide proactive and preventive sewer main cleaning to reduce and eliminate stoppages caused by roots, grease, and debris, and to reduce sanitary sewer overflows. For year one of the contract, this includes 10,500 lf of sewer line cleaning monthly (126,000 per year) with an additional \$1,375 lf each month for designated hot spots (16,500 per year). If requested

in writing by the District, SAM will reduce the regular cleaning by 50% for subsequent years. SAM must receive the written notice no later than May 1 each year for an implementation date of July 1.

Cleaning will be performed using a high velocity truck mounted jet cleaner. The equipment is truck mounted for ease of operation. Nozzles will be capable of producing a scouring action in all designated line sizes. The equipment carries its own water tank capable of holding corrosive or caustic cleaning or sanitizing chemicals, auxiliary engines and pumps, and hydraulically driven hose reel. All controls are located so that the equipment can be operated above ground. SAM already has the necessary equipment to perform this function and included in the cost of services. If preferred, SAM will advise the District on an appropriate vactor/flusher truck, tools, and push camera for purchase by the District.

Cleaning services will remove, capture, and properly dispose of roots, debris, fats, oils, and grease. Pipes will be cleaned until the cleaning results yield "clear" as defined by the following:

- Debris: Minor or no debris is removed with one pass. If more than minor debris is removed with the first pass, then subsequent passes are required.
- FOG: Minor FOG is removed within 15 minutes or less. If "chunks" or "logs" of grease are removed, then subsequent cleaning is required.
- Roots: Minor or no roots are removed with one pass. If "stringy" or other roots are removed with the first pass, then subsequent passes are required.

Roots will be removed in the designated sections where root intrusion is a problem. Severe grease or other obstructions shall be noted and reported to the District, as necessary. If the material recurs due to an upstream issue or defect in the system, the District will be responsible for addressing the source cause.

Special attention will be used during the cleaning operation to ensure complete removal of roots from the joints for 20" diameter and smaller pipes and to ensure 90-95% removal of roots from the joints for larger pipes. Equipment used will be suitable for the type of pipe being cleaned.

The material resulting from the cleaning operation shall be removed at the downstream manhole of the reaches being cleaned, using either a filtering device or vactor truck. The material collected at the downstream manholes and shall be removed from the site by SAM in a closed container and disposed of in a legal manner. It shall not be dumped into streets, ditches,

catch basins, or storm drains. Flushing of the material from manhole reach to manhole reach is unacceptable.

SAM will flush and clean sewers with a history of stoppages (hotspots) at regular intervals as necessary, depending upon the frequency of recurring stoppages. The hotspot cleaning plan will be integrated into the strategy, and any changes to the program shall be incorporated into future revisions of the strategy.

SAM will provide information on all hotspots so the District can address the source cause of the issue. If a structural solution is necessary, the District will be responsible for the repair work. Once the source cause has been resolved, the section of pipe will be removed from the hotspot list and SAM will adjust the strategy to reflect its removal.

SAM will provide traffic control as needed and all labor, materials, and equipment to flush and clean the sewer collection system to reduce the potential for SSOs. SAM will provide a record of maintenance performed on each sewer line segment utilizing the District's manhole map numbering system.

The District shall provide a list of water meters to be accessed by SAM staff to obtain water for cleaning. SAM will pay the associated water bills.

Fats, Oils, and Grease Control

SAM does not have a requirement to prevent or control grease discharge into its system. However, it inspects food service establishments (FSEs) as part of its Non-Domestic Waste Source Control Program to identify, educate, and control grease discharge into the member agencies' sewer collection systems. Currently, four staff have Environmental Compliance Inspector certifications issued by CWEA. SAM focuses on education and corrective actions. Violations are enforced as part of each member agency's ordinance and SSMP.

The District shall be responsible for identifying FSEs within its boundaries, establishing the inspection fee each year, and enforcing any violations. SAM will inspect six FSEs each year to meet the District's F.O.G. prevention requirements. Reports and copies of the inspections will be provided to the District once each quarter. Performance of more than six inspections per year and re-inspections due to violation corrections will be provided by SAM at an additional cost to the District as identified in Attachment B.

Lift Station Inspections

SAM will provide regular inspections of the District's lift stations, to include the activities and frequencies shown in Table 1.

Table 1. Lift Station Maintenance Summary

Task	Daily	Weekly	Monthly	Annually
Perform regular maintenance and inspection of pumps per manufacturer recommended check list (provided by District).	X			
Track all lift station maintenance and repairs including date, description of work performed, and amount of time involved.	X			
Inspect motor control center to ensure proper operations	X			
Check generator batteries, fuel, oil, and coolant levels	X			
Visually inspect and check the wet well levels to ensure proper automatic pump start/stop levels.		X		
Check pumps for unusual noise or vibrations		X		
Clean and maintain pumping plant area (excludes landscape maintenance)		X		
Record pump and generator hour meter readings		X		
Exercise generator valves and check generator fluid levels.		X		
Conduct amperage test on each pump bank		X		
Vacuum and clean wet well. Utilize lift station degreaser as needed to control FOG.			X	
Exercise generator, simulating power failure to assure automatic startup			X	
Perform meg test on each pump motor to detect moisture in windings				X
Perform yearly maintenance and inspection of the sewer pumps per current pump manufacturer recommendations				X

SAM will notify the District of necessary non-emergency repairs or replacements. SAM will provide this notification as part of its monthly reports. The District will be responsible for contracting separately for these repairs or replacements. When a lift station repair or replacement is required under emergency conditions in response to or to prevent an SSO, SAM will make the repairs or replacements immediately and inform the District the next business day. The District, within 30 days of receiving an itemized invoice, shall reimburse SAM for all costs it has incurred in making such repairs or replacements.

SAM will accept a phone system automatic dial from the pump stations to a designated phone number and will provide emergency response in a manner like the sewer mainline SSO response.

Training

SAM will conduct training on the District's SSMP no less than once each year. New employees shall receive this training prior to performing sewer cleaning or response for the District's sewer collection system. Twice each year, SAM will contract with a third-party consultant to provide collection system maintenance training for its staff to remain current with SSO volume estimation methods, equipment operations, wastewater collection system best management practices, and regulatory requirement updates.

Sanitary Sewer Overflow Response and Reporting Support

SAM will perform first responder and service call response services. SAM guarantees that it will respond to SSOs notifications within 60 minutes of receiving the first notification. SAM will provide this response 24-hours a day, seven days a week, in accordance with the District's Sewer System Management Plan. Emergency SSO response services will include the following.

- Maintaining emergency contacts lists to ensure prompt SSO response.
- SSO containment and mitigation, which includes: relieving the stoppage and eliminating the immediate cause of stoppage; installing sandbags, barricades and signage, etc. to protect affected storm drainage facilities; providing traffic control when needed; containing the sewage spill; cleaning and disinfecting of the affected area of spill; water quality testing as identified in the District's SSMP.
- Notification to all applicable regulatory agencies within the required regulatory timeframes for Category 1 SSOs.
- Determining the cause of SSO by use of CCTV inspection, if necessary.
- Determining the volume of SSO in accordance with the District's SSMP and industry-recognized methods.
- Documenting SSO events by taking photos and submitting them with the written SSO report to the District upon completion of the SSO debriefing.
- Identifying corrective measures (to be implemented by District) to prevent future SSOs.
- Submitting the initial SSO report into the CIWQS system for final certification of SSOs by the District.

SAM has not included the cost of SSO responses in the Cost of Services. The cost of category 2 and 3 SSOs during normal work hours (7:30 a.m. to 3:30 p.m., Monday – Friday, excluding SAM holidays) are identified in the Cost of Services. The additional costs associated with responding

to category 1 SSOs is identified as well. SAM will respond to after-hours customer service calls and SSOS at the rates identified in the Cost of Services with a minimum 3-hour response charge.

Administrative Services

Administrative services to be performed by SAM include the following.

- SAM will bill and collect the established inspection fees from the FSEs on behalf of the District.
- Purchase and maintain professional liability coverage through CSRMA on behalf of the District and process claims for damages that are unrelated to SAM's services. The District must provide the necessary data by identified deadline each year or the coverage will be terminated for lack of compliance. SAM will bill the District for claims cost recovery as they occur.
- SAM will mark gravity and force main sewer pipelines in response to Underground Service Alert (USA) requests. The Cost of Service includes an average of 21 USA markings per month (252 annually). Performance of more than 252 inspections per year will be provided by SAM at an additional cost to the District as identified in Attachment B.

Additional services requested by the District must be submitted in writing, and agreed to by SAM, prior to SAM providing the services. The cost of such services shall be determined by SAM at the time of the request and billed to the District as they occur.

ATTACHMENT B

BUDGET

The year one project budget is based on the Scope of Services by task and sub-task. The cost of additional service hours that are not assumed and included in the budget is provided as a reference to account for unusual or unanticipated services identified throughout the year.

Table 1 reflects the cost for providing services for Year 1.

Table 2 outlines the Year 2 cost of providing reduced services. The price for Year 2 will be at the price of Year 1, with a 4% escalator applied to Year 1, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Tables 3 outlines the Year 3 cost of providing reduced services. The price for Year 3 will be at the price of Year 1, with a compounding 4% escalator applied each year to Year 1 and Year 2 rates, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Table 3. July 1, 2018 – June 30, 2019

Task	Description	Qty	Unit	Price	Total
1. Project Management	Kick-Off meeting	1	Each	\$ 1,080	\$ 1,080
	Quarterly review meeting	4	Quarter	\$ 540	\$ 2,160
	Monthly status report	12	Month	\$ 540	\$ 6,480
	Annual status report	1	Each	\$ 540	\$ 540
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,256	\$ 2,256
	Review historical SSOs and maintenance records	1	Each	\$ 2,256	\$ 2,256
	Review other relevant data	1	Each	\$ 2,256	\$ 2,256
3. Maintenance Strategy	Clean entire system (10,500 lft / month of sewer line)	126,000	Linear Foot	\$ 2.16	\$ 272,553
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.16	\$ 35,640
	F.O.G. food service inspections and documentation	6	Each	\$ 128	\$ 768
	USA marking - Avg. 21 per month	252	Each	\$ 13.75	\$ 3,465
					\$ 329,436

4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 235	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 235	
	Incident debrief per OERP	1	Per Incident	\$ 235	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 198	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 135	

Table 2. July 1, 2019 – June 30, 2020

Task	Description	Qty	Unit	Price	Total
1. Project Management	Quarterly review meeting	4	Quarter	\$ 568	\$ 2,272
	Monthly status report	12	Month	\$ 568	\$ 6,816
	Annual status report	1	Each	\$ 568	\$ 568
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,368	\$ 2,368
	Review historical SSOs and maintenance records				
	Review other relevant data				
3. Maintenance Strategy	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.43	\$ 153,090
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.43	\$ 40,095
	F.O.G. food service inspections and documentation	6	Each	\$ 134	\$ 804
	USA marking - Avg. 21 per month	252	Each	\$ 14.50	\$ 3,654
					\$ 209,667

4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 250	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 250	
	Incident debrief per OERP	1	Per Incident	\$ 250	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 208	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 142	

Table 3. July 1, 2020 – June 30, 2021

Task	Description	Qty	Unit	Price	Total
Management 1. Project	Quarterly review meeting	4	Quarter	\$ 600	\$ 2,400
	Monthly status report	12	Month	\$ 600	\$ 7,200
	Annual status report	1	Each	\$ 600	\$ 600
System Data 2. Review Existing	Review current system condition	1	Each	\$ 2,480	\$ 2,480
	Review historical SSOs and maintenance records				
	Review other relevant data				
Strategy 3. Maintenance	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.55	\$ 160,650
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.55	\$ 42,075
	F.O.G. food service inspections and documentation	6	Each	\$ 140	\$ 840
	USA marking - Avg. 21 per month	252	Each	\$ 15.25	\$ 3,843
					\$ 220,088
Response 4. Sanitary Sewer Overflow	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 263	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 263	
	Incident debrief per OERP	1	Per Incident	\$ 263	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 218	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 149	

Sewer Authority Mid-Coastside
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 (650) 726-0124
www.samcleanswater.org



A Joint Powers Authority
 Serving:
 City of Half Moon Bay
 Granada Community Services District
 Montara Water and Sanitary District

**COLLECTION SYSTEM SERVICES
 MONTHLY ACTIVITY REPORT: DECEMBER 2017**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of DECEMBER 2017

Basic Services

Feet of Sewer Line Cleaned:	<u>6450 ft</u>	Manholes Inspected:	<u>42</u>
Feet of Hot Spot Sections Cleaned:	<u>3360ft</u>	Areas Unable to be Cleaned:	<u>0</u>
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>50.47</u>	Work Orders Completed:	<u>231</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>231</u>
Annual Mechanic Hours to Date*:	<u>952.59</u>	Annual Lift Station Hours to Date	<u>952.59</u>

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	<u>15</u>
F.O.G. Inspections Completed:	<u>1</u>	F.O.G. Inspections Passed:	<u>1</u>
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	<u>0</u>

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

*- Data being collected from Sept 2016

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COLLECTION SYSTEM SERVICES MONTHLY ACTIVITY REPORT: JANUARY 2018

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of JANUARY 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>10449 ft</u>	Manholes Inspected:	53
Feet of Hot Spot Sections Cleaned:	<u>995ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>45.30</u>	Work Orders Completed:	<u>224</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>224</u>
Annual Mechanic Hours to Date*:	<u>997.89</u>	Annual Lift Station Hours to Date	997.89

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	16
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

Annual Feet of Sewer Line Cleaning by Month-Enclosed
Annual Feet of Hot Spot Cleaning by Month-Enclosed
List of Sewer Line Repairs Requested and Status-None
Sanitary Sewer Overflow Reports-None
Customer Service Call Responses and Resolution-Enclosed
Year-to-Date Budget vs. Actual Expenditures-Enclosed
Hours by Lift Station-Enclosed
List of Lift Station Repairs Requested and Status-None
Quarterly Inventory Report-None

*- Data being collected from Sept 2016

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**COLLECTION SYSTEM SERVICES
 MONTHLY ACTIVITY REPORT: MARCH 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Half Moon Bay, the following information is provided for the month of MARCH 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>9,274 ft</u>	Manholes Inspected:	89
Feet of Hot Spot Sections Cleaned:	<u>6,255 ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>16.55</u>	Work Orders Completed:	<u>51</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>51</u>
Annual Mechanic Hours to Date*:	<u>410.09</u>	Annual Lift Station Hours to Date*:	410.09

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	79
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

*- Data being collected from Sept 2016



**COLLECTION SYSTEM SERVICES
 MONTHLY ACTIVITY REPORT: MAY 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of MAY 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>8296 ft</u>	Manholes Inspected:	<u>63</u>
Feet of Hot Spot Sections Cleaned:	<u>2434ft</u>	Areas Unable to be Cleaned:	<u>0</u>
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>3</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>46.01</u>	Work Orders Completed:	<u>240</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>240</u>
Annual Mechanic Hours to Date*:	<u>1197.22</u>	Annual Lift Station Hours to Date	<u>1197.22</u>

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	<u>21</u>
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	<u>0</u>
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	<u>0</u>

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

*- Data being collected from Sept 2016



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2019-2020 Budget.

At the SAM Board of Directors meetings March 11 and 25, 2019, the SAM Board approved the SAM General Budget and SAM Collections Budget for Fiscal Year 2019/20 to be sent to the member agencies for consideration and approval.

The overall Collections Budget is suggested to decrease by \$285,691, or 31% over the prior Fiscal Year due to the City of HMB's separate Collections Services Agreement expiring this current FY. The 2018/19 assessment for MWSD for the Collections Contract Services would increase by \$48,625, or 17%.

SAM is asking for an assessment increase of the General Budget by \$1,350,686, or 22% to a total of \$7,414,433. The General Budget contains an Infrastructure Division Budget \$2,035,000. MWSD's assessment would increase by \$276,767 or 22% to \$1,529,139.

The SAM Manager, Beverli Marshall, will present the budgets and is available to answer questions.

RECOMMENDATION:

This item is for information and discussion. Staff anticipates further discussion and consideration of approval at the May 2 meeting.

Attachments



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Discuss Proposed General Budget for Fiscal Year 2019/20 and Authorize the General Manager to Submit it to the Member Agencies for Approval**

Executive Summary

The purpose of this report is to allow the Board to discuss the proposed General Budget for Fiscal Year 2019/20.

Fiscal Impact

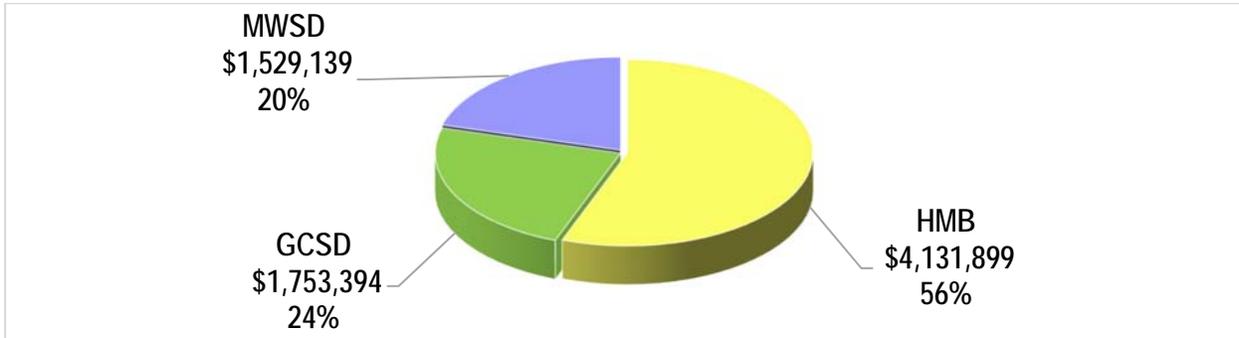
The operation and maintenance expenditure budget for Fiscal Year 2019/20 is \$7.64 million. This is an *overall increase* of \$1.69 million from the FY 2018/19 adopted budget, which is primarily due to increasing infrastructure spending and increasing staff to meet workload needs, including succession planning. The impact to the member agency assessments is:

Assessments for Each Member Agency

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$2,103,982	\$3,461,445	\$3,366,042	\$4,131,899	\$ 765,857	23%
GCSD	\$1,164,955	\$1,527,134	\$1,445,332	\$1,753,394	\$ 308,062	21%
MWSD	<u>\$ 848,240</u>	<u>\$1,324,462</u>	<u>\$1,252,372</u>	<u>\$1,529,139</u>	<u>\$ 276,767</u>	<u>22%</u>
Total	\$4,117,177	\$6,313,041	\$6,063,747	\$7,414,433	\$1,350,686	22%

BOARD MEMBERS: J. Blanchard B. Dye R. Lohman
 D. Penrose D. Ruddock K. Slater-Carter

ALTERNATE MEMBERS: S. Boyd M. Clark A. Eisen
 J. Harvey H. Rarback



Strategic Plan Compliance

The recommendations in the proposed budget comply with SAM Strategic Plan Goal 3: *“Consider long-term costs and ensure that finances are stable and understandable by the board, member agencies, and the public.”*

Background and Discussion/Report

The General Budget includes all operation and maintenance (O&M) costs for SAM and are allocated to four divisions (Administrative Services, Treatment, Environmental Compliance, and Infrastructure). The proposed budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

Not all factors were known at the time that this budget was prepared. Therefore, staff made the following assumptions in determining changes from the FY 2018/19 adopted budget.

- Projects identified in the 5-Year Infrastructure Plan will be funded.
- Adding one position to the 14 positions included in the adopted FY 2018/19 budget. All applicable merit step increases will be earned per the MOU with Local No. 39.
- All budgeted positions will be filled if vacant. There are currently no vacant positions in the JPA functions.
- All services, supplies, and utilities will be increased by a 4% CPI.

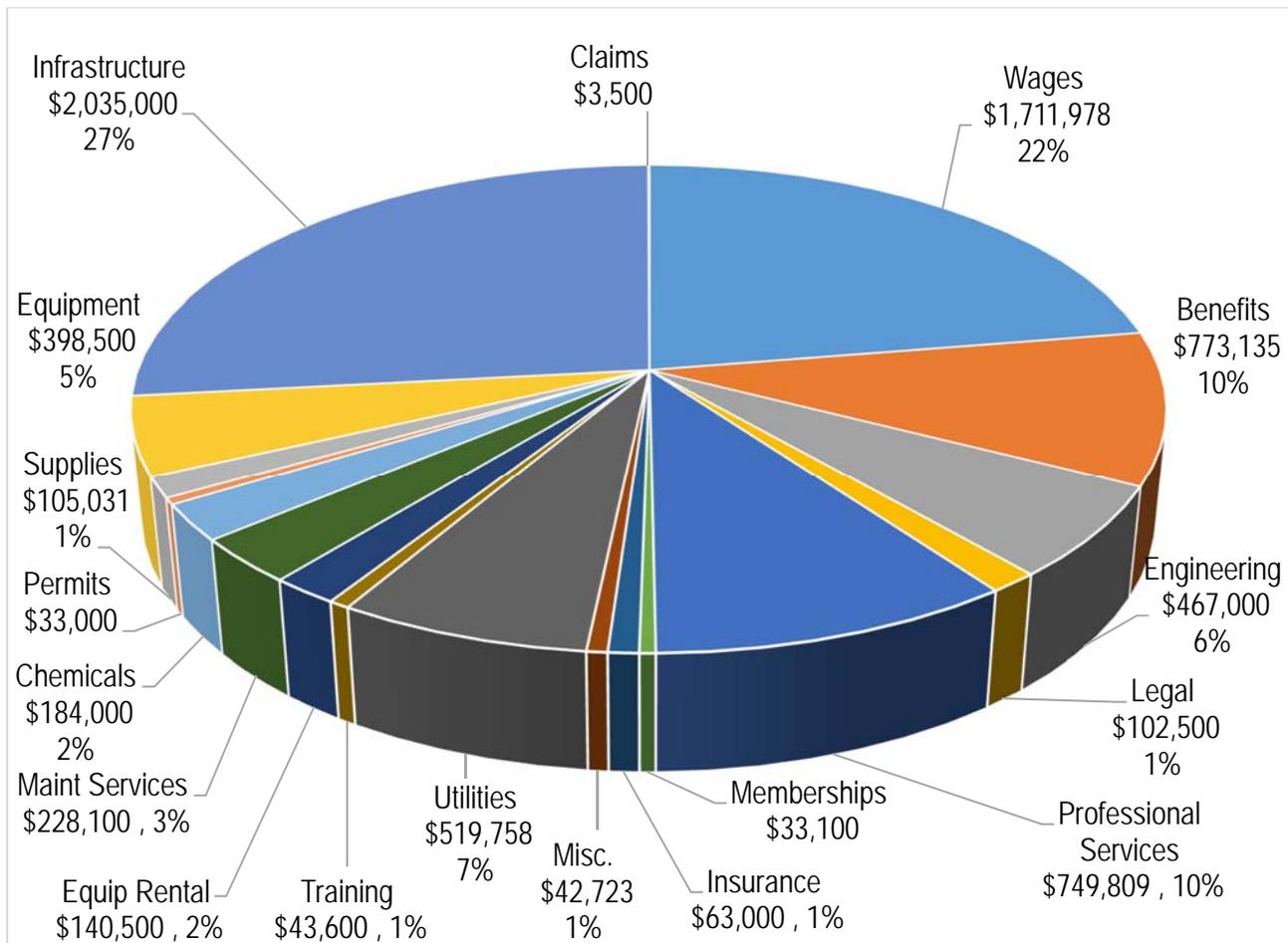
Budget Overview

The proposed Budget, including the proposed infrastructure projects, has been discussed by the member agency managers. The presentation today is for discussion and to finalize the proposed budget.

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
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	J. Harvey	H. Rarback	

Of the total General Budget, \$2.49 million (32%) is for wages and benefits. The cost of infrastructure improvements is \$2.04 million (27%). Professional services (10%) and Engineering services (6%) account for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services. Utilities and equipment purchases are significant portions (7% and 5%) of the budget as well.

All other expenses (liability insurance, professional memberships, uniform services, conferences, training, permits, licenses, etc.) make up approximately 13% of the total budget.



The most significant changes in the Administrative Services division budget are increasing the legal services (\$46,000) to respond to the recent litigation and professional services (\$60,000) to outsource key accounting functions.

The most significant changes in the Treatment division budget are increasing staff by an additional Maintenance Technician (\$112,181), cost of living adjustment (COLA) and

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other wage and benefit increases (\$164,424), increases in services and supplies based on a 4% COLA (\$152,617), and additional maintenance services for small projects (\$95,600).

Professional services is the largest portion of the Environmental Compliance division because SAM is dependent upon outsourced laboratory services. Staff anticipates that the new TNI standards for laboratories will result in a significant increase in the fees charged by the outside laboratories. In addition to the outsourced lab costs, the division budget includes the annual cost of the First Flush program.

The Infrastructure division increased from \$1.72 million in Fiscal Year 2018/19 to \$2.49 million (45%) in FY 2019/20 to address critical projects identified in the 5-Year Capital Improvement Plan.

Changes in Expenses

The significant overall changes in the expense categories are as follows. The numbers are correlated to the line items on the budget spreadsheets.

1. Wages: increased \$204,680 to include one additional position (Maintenance Technician), negotiated COLA, and application of step increases, where appropriate.
2. Premium Pay: increased \$15,590 for negotiated changes in standby pay, certification pay, and overtime pay.
3. Health Benefits: increased \$44,515 for the additional position and negotiated COLA on health premiums.
4. Retirement Contributions: increased \$38,657 due to changes in the CalPERS contribution rates for classic members and the additional position.
5. Retirement Medical: increased \$4,855 for contributions as negotiated in the successor MOU and the Unrepresented Employees Manual.
6. Misc. Benefits: increased \$9,631 for benefits as negotiated in the successor MOU and the Unrepresented Employees Manual.
7. Personnel Subtotal: total increase in personnel costs is \$317,929 (15%).
8. Legal Services: increased \$46,000 based on anticipated expenses for FY 2019/20 (does not include any expenses related to the HMB lawsuit).

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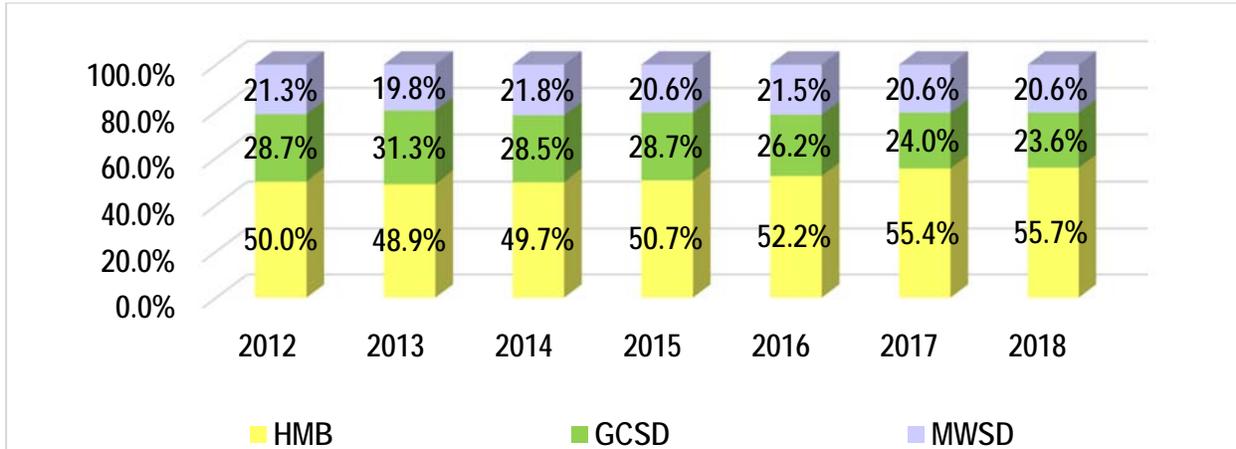
9. Engineering Services: increased \$365,000 for design and project management services for projects identified in the 5-Year CIP.
10. Professional Services: *decreased \$52,191* to reflect one-time expenses in FY 2018/19.
11. Professional Memberships: *decreased \$2,000* based on anticipated reductions.
12. Insurance Premiums: increased \$12,000 to reflect anticipated increases in property, liability, pollution, and professional liability premiums.
13. Misc. Expenses: *decreased \$36,917* to reflect one-time expenses in FY 2018/19.
14. Utilities: increased \$15,028 for electricity, gas, and water based on anticipated rate increases.
15. Travel & Training: increased \$1,150 based on anticipated training needs of staff and participation in industry conferences for management team.
16. Equipment Rental: increased \$80,500 to reflect anticipated expenses related to infrastructure projects.
17. Building & Maintenance Services: increased \$69,100 for contractors to perform necessary maintenance tasks at the treatment plant and pump stations.
18. Chemicals: increased \$50,000 based on anticipated increases in the Bay Area Chemical Consortium rates for FY 2019/20.
19. Permits & Licenses: no anticipated changes in permit fees.
20. Supplies: increased \$53,351 to reflect anticipated rate increases and needs.
21. Equipment: increased \$67,500 to reflect vehicle replacement and small project needs.
22. Infrastructure: increased \$702,500 to address the projects identified in the 5-Year CIP.
23. Claims/Penalties: decreased to reflect anticipated claims for FY 2019/20.
24. Non-Personnel Subtotal: total increase in non-personnel costs is \$1,369,520 (36%).

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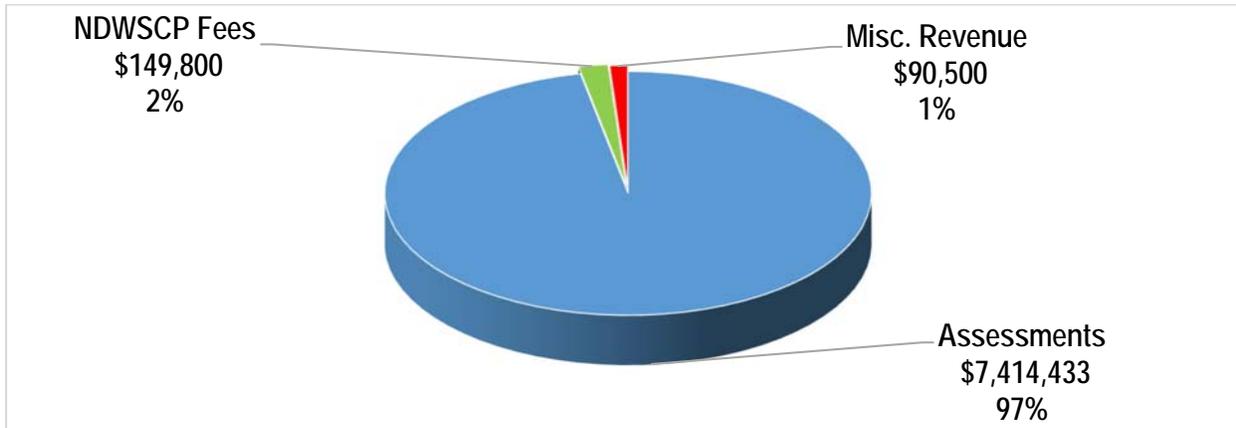
Changes in Revenue

Of the total O & M revenue, the majority (97%) is from assessments paid by the JPA member agencies. The allocation between the agencies is based on the flow from the preceding calendar year. The flow allocations fluctuate from year to year.

Historical Flow Allocations



The remaining revenue comes from the Non-Domestic Waste Source Control Program fees (2%), and miscellaneous revenue (1%).



Challenges

SAM's Reserve Policy requires a balance of two months of operating reserve (\$1.27 million) and \$1.25 million in emergency repair reserve for a total reserve of \$2.43 million. As of January 31, 2019, SAM had \$1.28 million invested with LAIF, which is the total of the Emergency Repair Reserve. The Money Market account at Tri-Counties Bank has \$500,000, which is dedicated to the Operating Reserve. To be compliant with the reserve policy, \$750,000 is needed to meet the reserve minimum in addition to the assessments needed to pay for FY 2019/20 expenses. Staff did not incorporate any

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additional funding in the proposed budget to address this issue due to the significant increase from the infrastructure projects.

Unanticipated cost increases and emergency maintenance projects continue to be an issue due to the lack of reserves and access to rate stabilization funds. Staff shifts projects and costs to accommodate these unplanned expenses and reduce the need for mid-year budget increases. Unfortunately, not all projects or maintenance costs can be adjusted to meet these unanticipated costs.

CalPERS continues to increase contribution rates, which will be a significant cost until the workforce transitions and the majority of classic employees retire.

Staff Recommendation

Staff recommends that the Board of Directors discuss the proposed budget and authorize the General Manager to submit it to the member agencies for approval.

Supporting Documents

Attachment A: Proposed General Budget for FY 2019/20

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
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General Budget
Fiscal Year 2019/20

EXECUTIVE SUMMARY

The Joint Exercise of Powers Agreement (Agreement) that created SAM and governs its day-to-day operations specifies that “The total expenses of operation and maintenance shall be shared in a manner based on flows into the single consolidated treatment plant.” The General Budget is divided into Administrative Services, Treatment, Environmental Compliance, and Infrastructure.

The budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

JPA Income & Expenses

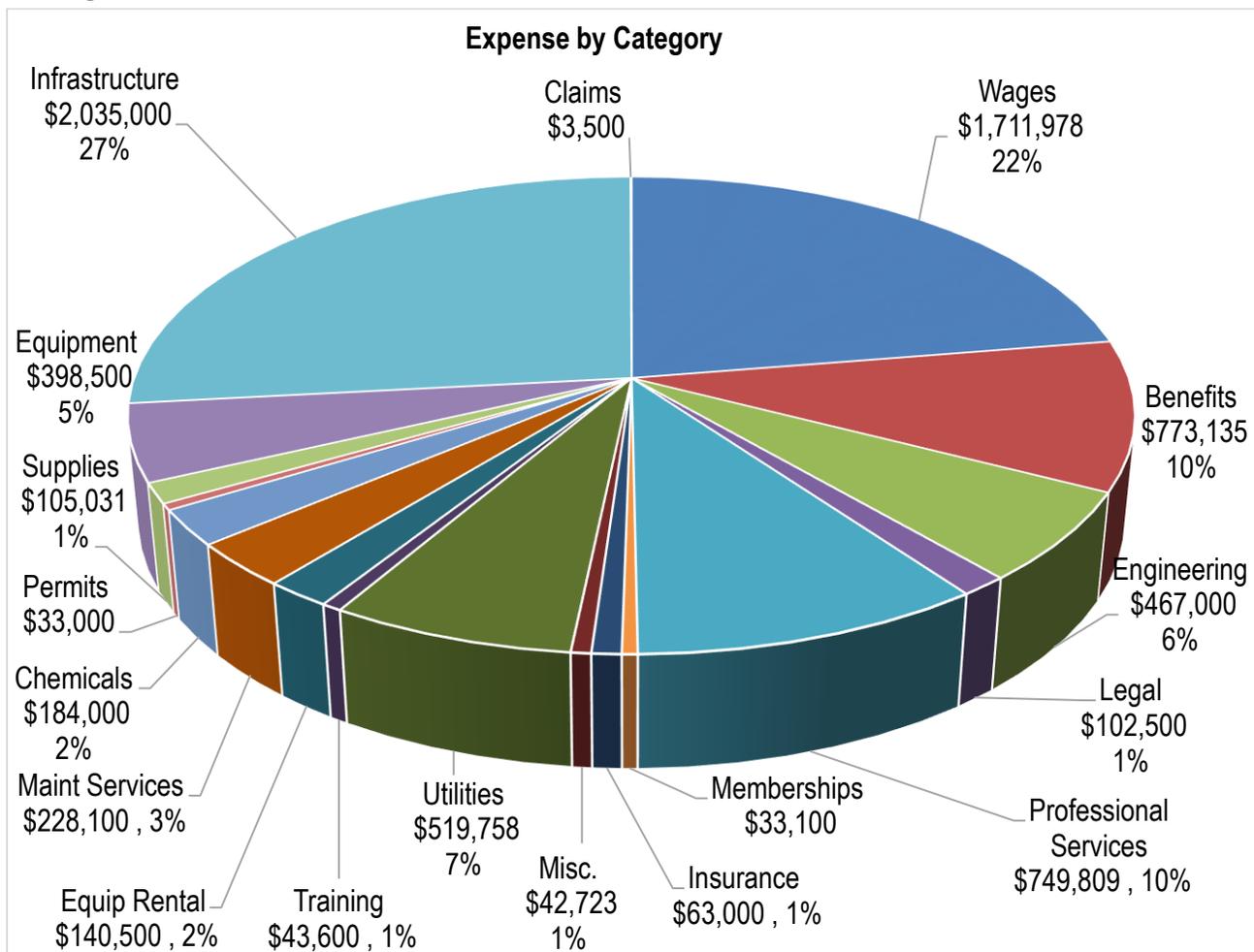
Operating Income		
Assessments - City of Half Moon Bay	4,131,899	
Assessments - Granada Community Services District	1,753,394	
Assessments - Montara Water & Sanitary District	1,529,139	
NDWSCP Fees	149,800	
Miscellaneous Revenue	70,500	
Total Operating Income		\$ 7,634,733
Operating Expenses		
Wages	1,711,978	
Benefits	773,135	
Legal Services	102,500	
Engineering Services	467,000	
Professional & Technical Services	749,809	
Professional Memberships	33,100	
Insurance Premiums	63,000	
Miscellaneous Expenses	42,723	
Utilities	519,758	
Travel & Training	43,600	
Equipment Rental/Lease	140,500	
Building & Maintenance Services	228,100	
Chemicals	184,000	
Permits & Licenses	33,000	
Supplies	105,031	
Equipment	398,500	
Infrastructure Projects	2,035,000	
Claims & Penalties	3,500	
Total Operating Expenses		\$ 7,634,233
Net Operating Income		\$ 500
Non-Operating Income		
Interest Income	20,000	
Total Non-Operating Income		\$ 20,000
Contribution to Reserve Funds		\$ 20,500

GENERAL BUDGET FISCAL YEAR 2019/20

The overall increase from the adopted budget for Fiscal Year 2018/19 to the proposed budget for Fiscal Year 2019/20 is \$1.69 million (28%). This is primarily due to increased staffing to meet service level needs, infrastructure spending, and wage and benefit adjustments.

Of the total General Budget, \$2.49 million (32%) is for wages and benefits. The cost of infrastructure improvements is \$2.04 million (27%). Professional services (10%) and Engineering services (6%) account for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services. Utilities and equipment purchases are significant portions (7% and 5%) of the budget as well.

All other expenses (liability insurance, professional memberships, uniform services, conferences, training, permits, licenses, etc.) make up approximately 13% of the total budget.



Division Budgets by Fiscal Year

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Administration	\$1,299,471	\$1,155,846	\$1,134,659	\$1,249,451	\$ 114,792	10%
Treatment	\$2,550,331	\$2,944,735	\$2,944,958	\$3,678,880	\$ 733,922	25%
Environmental	\$ 155,551	\$ 151,643	\$ 149,667	\$ 220,902	\$ 71,235	48%
Infrastructure	<u>\$ 348,721</u>	<u>\$3,047,274</u>	<u>\$1,717,500</u>	<u>\$2,485,000</u>	<u>\$ 767,500</u>	<u>45%</u>
Total	\$4,354,074	\$7,299,498	\$5,946,784	\$7,634,233	\$1,687,449	28%

The Administrative Services division increased \$114,792 (10%). The significant impacts are from COLA and benefit changes per the Local 39 MOU and increases in legal services.

The Treatment division increased \$733,922 (25%), which is mostly due to the additional Maintenance Technician position, COLA and benefit changes per the Local 39 MOU, and increased preventive maintenance at the plant.

The Environmental Compliance division budget increased \$71,235 (48%) primarily based on anticipated increases in outsourced laboratory service fees due to the implementation of new TNI standards. In FY 2017/18, SAM paid for two years of the First Flush program with the San Mateo County RCD. There were no costs budgeted in FY 2018/19 for this program, but there will be in FY 2019/20.

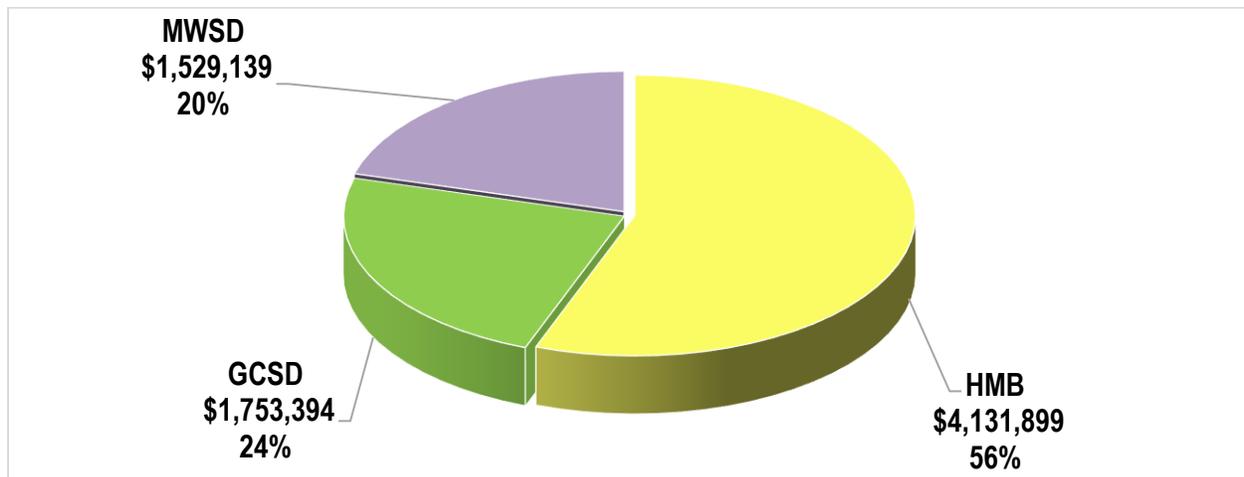
The Infrastructure division increased \$767,500 to address the projects in the 5-Year Capital Improvement Plan, including assessment of the Princeton segment of the Intertie Pipeline System (IPS) and design of the replacement for the Montara to Portola segment of the IPS.

Of the total revenue, the majority (97%) is from assessments paid by the JPA member agencies. The increase of \$1.35 million is to begin design and replacement of the remaining segments of the IPS, starting with the segments from the Montara Pump Station down to the Portola Pump Station. The assessments to the member agencies are (rounded to nearest \$):

Total Assessments for Each Member Agency

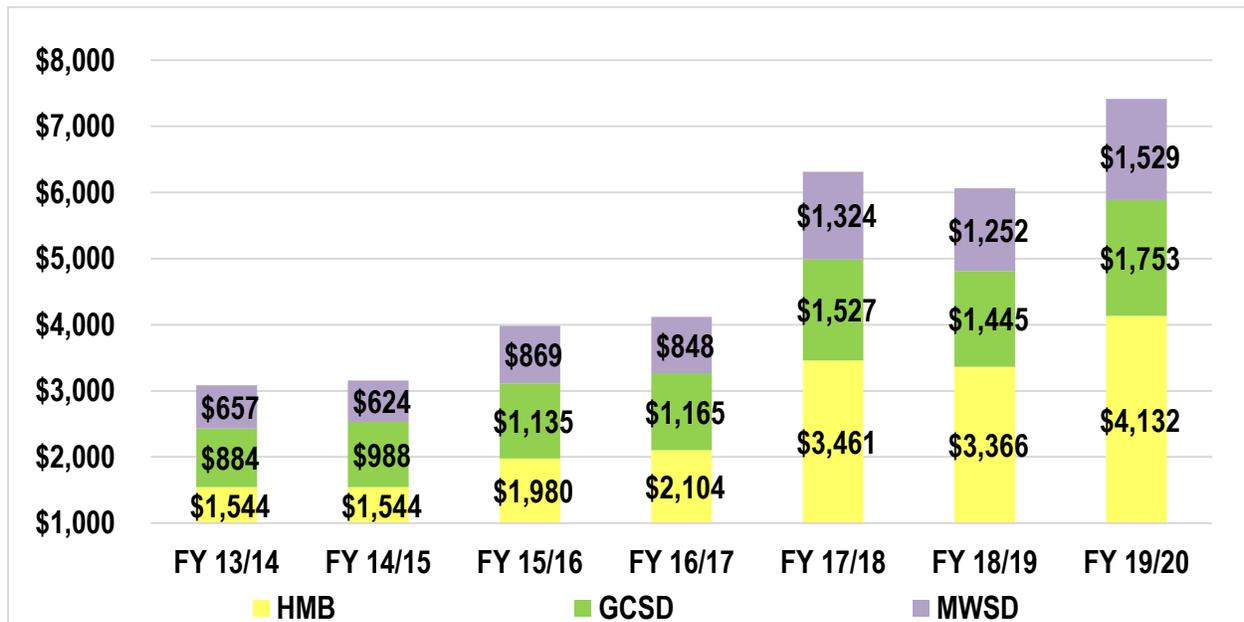
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$2,103,982	\$3,461,445	\$3,366,042	\$4,131,899	\$ 765,857	23%
GCSD	\$1,164,955	\$1,527,134	\$1,445,332	\$1,753,394	\$ 308,062	21%
MWSD	<u>\$ 848,240</u>	<u>\$1,324,462</u>	<u>\$1,252,372</u>	<u>\$1,529,139</u>	<u>\$ 276,767</u>	<u>22%</u>
Total	\$4,117,177	\$6,313,041	\$6,063,746	\$7,414,433	\$1,350,686	22%

GENERAL BUDGET FISCAL YEAR 2019/20



The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

Assessments by Agency (in 1,000's)



Staffing at SAM was kept low for many years to reduce the impact on member agency assessments. Recognizing that a significant number of employees have reached or exceeded the CalPERS plan retirement age (55), staffing has been increased as part of succession planning. In addition, the high cost of living makes it difficult for SAM to recruit and retain staff that can meet the requirement to be on standby and respond within 60 minutes. The following table reflects the staffing for SAM functions over the past six years.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	8.85	8.85	8.525	10.75	11.00	13.00	14.00

OPERATION & MAINTENANCE TOTAL

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ESTIMATE	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	1,138,705	1,225,723	1,421,598	1,351,358	1,626,278	204,680	14%
2	Premium Pay	79,043	73,243	70,110	59,348	85,700	15,590	22%
3	Health Benefits	231,008	255,994	299,467	284,802	343,982	44,515	15%
4	Retirement Cont.	164,725	145,698	258,001	268,208	296,658	38,657	15%
5	Retirement Medical	16,598	22,331	30,773	30,490	35,628	4,855	16%
6	Misc. Benefits	56,719	58,682	87,235	71,355	96,866	9,631	11%
7	Subtotal	1,686,798	1,781,671	2,167,184	2,065,562	2,485,113	317,929	15%

Non-Personnel

8	Legal Services	52,254	98,537	56,500	200,407	102,500	46,000	81%
9	Engineering Services	244,106	292,396	102,000	172,794	467,000	365,000	358%
10	Professional Services	717,325	680,764	802,000	1,037,756	749,809	(52,191)	-7%
11	Prof. Memberships	37,697	38,670	35,100	31,374	33,100	(2,000)	-6%
12	Insurance Premiums	26,251	205,646	51,000	63,071	63,000	12,000	24%
13	Misc. Expenses	107,160	44,656	79,640	37,102	42,723	(36,917)	-46%
14	Utilities	537,117	425,533	504,730	515,299	519,758	15,028	3%
15	Travel & Training	13,217	16,054	42,450	33,689	43,600	1,150	3%
16	Equipment Rental	77,655	169,149	60,000	85,464	140,500	80,500	134%
17	Bldg & Maint Services	155,141	281,465	159,000	239,775	228,100	69,100	43%
18	Chemicals	132,592	131,994	134,000	179,932	184,000	50,000	37%
19	Permits & Licenses	30,923	51,194	33,000	29,643	33,000	-	0%
20	Supplies	68,974	61,412	51,680	95,195	105,031	53,351	103%
21	Equipment	118,034	1,067,664	331,000	505,063	398,500	67,500	20%
22	Infrastructure Projects	48,500	1,952,693	1,332,500	1,192,500	2,035,000	702,500	53%
23	Claims/Penalties	300,330	-	5,000	3,256	3,500	(1,500)	-30%
24	Subtotal	2,667,276	5,517,827	3,779,600	4,422,318	5,149,120	1,369,520	36%

25	TOTAL	4,354,074	7,299,498	5,946,784	6,487,880	7,634,233	1,687,449	28%
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Key Changes

Additional Maintenance position effective 7/1/19 for succession purposes	\$ 112,181
COLA 5% effective 7/1/19 and applicable step increases	\$ 152,269
PERS unfunded liability increase effective 7/1/19	\$ 35,559
Increase contributions to medical, dental, vision premiums	\$ 17,920
Additional legal costs for on-going litigation	\$ 46,000
Increase supplies and services 4% for CPI	\$ 171,020
Engineering costs for CIP projects	\$ 450,000
CIP projects as described in 5-Year Plan (less engineering costs)	\$ 702,500
	\$ 1,687,449

OPERATION & MAINTENANCE TOTAL

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ESTIMATE	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	4,117,177	6,313,041	6,063,747	6,391,746	7,414,433	1,350,686	22%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	86,642	109,238	126,525	149,347	149,800	23,275	18%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	8,950	20,184	6,500	19,680	20,000	13,500	208%
31 Misc. Revenue	34,375	66,827	500	140,516	70,500	70,000	14000%
32 To/(From) Reserves	-	-	-	-	-	-	0%
33	4,247,144	6,509,290	6,197,272	6,701,289	7,654,733	1,457,461	24%

By Agency:

34 Half Moon Bay	2,103,982	3,461,445	3,366,042	3,547,754	4,131,899	765,857	23%
35 Granada CSD	1,164,955	1,527,134	1,445,332	1,524,052	1,753,394	308,062	21%
36 Montara WSD	848,240	1,324,462	1,252,372	1,319,940	1,529,139	276,767	22%
37	4,117,177	6,313,041	6,063,747	6,391,746	7,414,433	1,350,686	22%

Key Changes

Assessments reflect increased funding for infrastructure projects, maintenance, staff	1,350,686
Increased leachate deliveries per contract	23,275
Increase in interest earnings	13,500
Overhead revenue from Contract Services	70,000
Set aside funds for IPS projects	-
	1,457,461

Authorized Positions:

Operating Fund FTE	10.75	11.00	13.00	13.00	14.00	1.00	8%
Other Funds FTE	-	-	-	-	-	-	-
	10.75	11.00	13.00	13.00	14.00	1.00	8%

OPERATION & MAINTENANCE



PROGRAM DESCRIPTION

This section of the budget provides the service descriptions and performance metrics for the different Operation & Maintenance (O & M) functions by division. O & M (Administrative Services, Treatment, Environmental Compliance, and Infrastructure) staffing remained static until 2016/17. In FY 2016/17, the cost for staff that supervise and provide support for the contract collection services was reallocated to keep the JPA staff independent of the contract staff. This was to clearly identify which staff might be affected if the contract services were terminated. The following staffing summary reflects the historical cost allocation of staff in O & M.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	8.85	8.85	8.85	8.525	10.75	10.50	13.00	14.00

The Joint Exercise of Powers Agreement (JEPA) stipulates that the total expenses of operation and maintenance of all of the components of the Present Project (intertie pipeline and attendant pump facilities, ocean outfall, treatment plant) shall be shared in a manner based on flows.

Operation & Maintenance Flow Calculations

	HMB	GCSD	MWSD	
FY 2019/20	55.7%	23.6%	20.6%	(Based on Calendar Year 2018)
FY 2018/19	<u>55.4%</u>	<u>24.0%</u>	<u>20.6%</u>	(Based on Calendar Year 2017)
Variance	0.3%	-0.4%	0.0%	

FINANCIAL DETAILS

The following is a list of budget categories, what is included in each category, and the changes between the FY 2018/19 and 2019/20 budgets.

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
1. Wages Increased for COLA adjustments and step increases per MOU and Unrepresented Employee Manual. Includes the addition of one Maintenance Technician.	\$1,421,597	\$1,626,278
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times.	\$70,110	\$85,700
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees Manual. Includes the addition of one Maintenance Technician.	\$299,467	\$343,982
4. Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$258,026	\$296,658
5. Retirement Medical Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums.	\$30,773	\$35,628
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan. Includes the addition of one Maintenance Technician.	\$87,235	\$96,866
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$2,167,234	\$2,485,113
8. Legal Services Increased based on anticipated number of meetings and special projects. Does not include funds for defense of SAM in the lawsuit by HMB.	\$46,500	\$56,500
9. Engineering Services Increased to provide technical design and project management related to infrastructure projects.	\$102,000	\$467,000

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$802,000	\$749,809
11. Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$35,100	\$33,100
12. Insurance Premiums Property, liability, and pollution premiums based on utilization rates.	\$51,000	\$63,000
13. Misc. Expenses Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite storage, postage, claims, copier, phone system support, property taxes, etc.) not reflected in other categories.	\$79,640	\$42,723
14. Utilities Electricity, water, telephone, solid waste, etc. Increased to reflect anticipated rate changes.	\$504,730	\$519,758
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$42,450	\$43,600
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$60,000	\$140,500
17. Building & Maintenance Services Includes janitorial, landscaping, and other regular building maintenance services.	\$159,000	\$228,100
18. Chemicals Includes chemicals used in the treatment of wastewater to meet regulatory standards.	\$134,000	\$184,000

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
19. Permits & Licenses Annual costs for permits with local, regional and state agencies. Increase reflects anticipated changes in fees.	\$33,000	\$33,000
20. Supplies Office, computer, breakroom, and safety supplies.	\$51,680	\$105,031
21. Equipment Purchase Purchase of equipment for repair and rehabilitation of SAM facilities not included in infrastructure projects.	\$331,000	\$398,500
22. Infrastructure Projects Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each.	\$1,332,500	\$2,035,000
23. Claims/Penalties Decreased to reflect claim experience.	\$5,000	\$3,500
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$3,779,600	\$5,149,120
25. Total Total of all costs (sum of Personnel and Non-Personnel subtotals).	\$5,947,273	\$7,634,233

ADMINISTRATIVE SERVICES

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	459,592	481,408	506,020	395,594	522,759	16,739	3%
2	Premium Pay	-	1,896	200	9,888	7,600	7,400	3700%
3	Health Benefits	68,829	87,037	93,840	72,485	98,532	4,692	5%
4	Retirement Cont.	44,599	62,917	106,996	98,266	112,318	5,322	5%
5	Retirement Medical	13,441	13,184	17,040	15,661	19,172	2,132	13%
6	Misc. Benefits	21,295	18,812	22,364	19,295	25,207	2,843	13%
7	Subtotal	607,756	665,254	746,460	611,189	785,588	39,128	5%

Non-Personnel

8	Legal Services	52,254	93,089	56,500	195,207	102,500	46,000	81%
9	Engineering Services	7,244	-	2,000	-	2,000	-	0%
10	Professional Services	177,172	94,563	108,950	305,371	165,631	56,681	52%
11	Prof. Memberships	26,512	27,586	25,000	25,000	25,000	-	0%
12	Insurance Premiums	26,251	205,646	51,000	63,071	63,000	12,000	24%
13	Misc. Expenses	25,407	13,034	27,840	14,870	16,751	(11,089)	-40%
14	Utilities	26,043	19,382	20,180	27,466	25,200	5,020	25%
15	Travel & Training	9,081	7,444	16,500	16,689	17,500	1,000	6%
16	Equipment Rental	9,638	13,567	10,000	10,089	10,500	500	5%
17	Bldg & Maint Services	15,517	11,511	37,000	22,871	10,500	(26,500)	-72%
18	Chemicals	-	-	-	-	-	-	0%
19	Permits & Licenses	-	-	-	-	-	-	0%
20	Supplies	10,468	4,770	8,229	6,069	9,280	1,051	13%
21	Equipment	5,798	-	20,000	27,808	12,500	(7,500)	-38%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	300,330	-	5,000	3,256	3,500	(1,500)	-30%
24	Subtotal	691,715	490,592	388,199	717,768	463,863	75,664	19%

25	TOTAL	1,299,471	1,155,846	1,134,659	1,328,957	1,249,451	114,792	10%
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Key Changes

COLA 5% effective 7/1/19 and applicable step increases	16,739
Increase contributions to medical, dental, vision premiums and misc. benefits	14,935
PERS unfunded liability increase effective 7/1/19	5,322
Additional legal costs for on-going litigation	46,000
Increase professional services for outside accounting services	56,681
Increase utilities, supplies, misc. expenses by 4% CPI	21,703
Eliminate one-time expenses in FY 2018/19	(46,589)
Total	114,792

ADMINISTRATIVE SERVICES

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	991,864	816,375	1,128,147	1,388,147	1,249,451	121,304	11%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	-	-	-	-	-	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	8,950	20,184	6,500	19,680	20,000	13,500	208%
31 Misc. Revenue	34,375	66,827	500	500	500	-	0%
32 (From) Reserves	-	-	-	-	-	-	0%
33	1,035,189	903,386	1,135,147	1,408,327	1,269,951	134,804	12%

By Agency:

34 Half Moon Bay	502,565	538,137	624,994	769,034	696,291	71,297	11%
35 Granada CSD	284,951	55,561	270,755	333,155	295,475	24,720	9%
36 Montara WSD	204,348	222,677	232,398	285,958	257,684	25,286	11%
37	991,864	816,375	1,128,147	1,388,147	1,249,451	121,304	11%

Key Changes

Assessments reflect increased funding for wages, benefits, and legal services
 Increase in interest earnings

	\$ 121,304
	\$ 13,500
	134,804

Authorized Positions:

Operating Fund FTE	3.50	4.00	4.00	4.00	4.00	-	0%
Other Funds FTE	-	-	-	-	-	-	0%
	3.50	4.00	4.00	4.00	4.00	-	0%

ADMINISTRATIVE SERVICES DIVISION



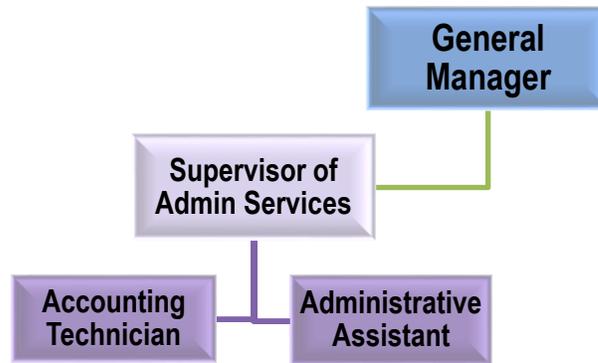
PROGRAM DESCRIPTION

The Administrative Services division provides administrative and financial support to the Board of Directors, the General Manager and all SAM divisions. Its function includes: overall planning and coordination of SAM activities, including finance, human resources, and risk management; management of SAM's information systems and web site; and Board services. There is little public contact by office staff. Contact with member agency staff and vendors is often coordinated via Administrative Services and information management is a significant role.

This division is responsible for all payroll related items including wage and benefits administration, CalPERS reporting, recruitment, employee relations, training, as well as administration of the District's self-insurance and loss prevention programs.

The financial staff in Administrative Services is responsible for maintaining detailed financial records; accounts payable processing; issuing, tracking and collection of accounts receivables; payroll processing; employee benefits accounting; fixed asset management; financial planning; budget development; debt administration; centralized procurement; coordination of the District's audits.

Administrative Services operations are managed by the Supervisor Administrative Services. The following organizational chart reflects the reporting structure for this division.



The following staffing summary reflects the historical cost allocation for this division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	4.00	4.00	3.93	3.98	4.00	3.50	4.00	4.00

FINANCIAL DETAILS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #		FY 2018/19	FY 2019/20
1.	Wages Increased for COLA adjustments and step increases per MOU and Unrepresented Employees Manual. Includes wages for staff allocated to this division and the fees paid to SAM Directors for days of service.	\$506,020	\$522,759
2.	Premium Pay Overtime paid for staff to perform tasks outside of normal work times.	\$200	\$7,600
3.	Health Benefits Increased to reflect the cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees Manual.	\$93,840	\$98,532
4.	Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$106,996	\$112,318

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
5. Retirement Medical Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums.	\$17,040	\$19,172
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$22,364	\$25,207
7. Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits	\$746,460	\$785,588
8. Legal Services Increased based on anticipated number of meetings and special projects. Does not include funds for defense of SAM in the lawsuit by HMB.	\$56,500	\$102,500
9. Engineering Services Increased to provide general support unrelated to infrastructure or maintenance projects.	\$2,000	\$2,000
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff. Assumes a 4% CPI increase to these services.	\$108,950	\$165,631
11. Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$25,000	\$25,000
12. Insurance Premiums Property, liability, and pollution premiums based on utilization rates.	\$51,000	\$63,000
13. Misc. Expenses Incidental expenses (offsite storage, postage, claims, phone system, etc.) not reflected in other categories.	\$27,840	16,751

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
14. Utilities Electricity, water, telephone, internet connections, etc. based on FY 2017/18 projections and anticipated rate changes.	\$20,180	\$25,200
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$16,500	\$17,500
16. Equipment Rental Short-term rental of equipment for less than a fiscal year and annual cost of multi-year leased equipment (copier, phones, etc.).	\$10,000	\$10,500
17. Building & Maintenance Services Includes janitorial, landscaping, and other regular building maintenance services.	\$37,000	\$10,500
18. Chemicals There are no chemical costs charged to Administrative Services.	\$0	\$0
19. Permits & Licenses There are no permit and license costs charged to Administrative Services.	\$0	\$0
20. Supplies Office, computer, breakroom, and general supplies.	\$8,229	\$9,280
21. Equipment Purchase of replacement computers, small office and ergonomic equipment.	\$20,000	\$12,500
22. Infrastructure Projects Contract construction costs for projects that exceed \$50,000 each.	\$0	\$0
23. Claims/Penalties Decreased to reflect claim experience.	\$5,000	\$3,500

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY 2017/18	FY 2018/19
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$388,688	\$463,863
25. Total Total of all costs for Administrative Services (sum of Personnel and Non-Personnel subtotals).	\$1,134,659	\$1,249,451

The significant changes in the Administrative Services division from the Adopted Budget for FY 2018/19 included in the FY 2019/20 budget are as follows.

1. Increased the retirement contributions budget to CalPERS for classic employees based on projected rate changes and blended with PEPRA rates.
2. Increased legal services to account for litigation and special projects.

GOALS

- Provide effective and efficient administrative support to the Board and other divisions.
- Maintain responsive and efficient customer service.
- Ensure that SAM is protected against loss through risk and claim management.
- Manage information systems, web site, and social media pages.
- Review administrative, financial, and personnel policies each year for compliance and relevance.

ACHIEVEMENTS

- Submitted the Annual Financial and Salary & Compensation reports to the State Controller's Office by the deadline.
- Implemented objectives identified in the SAM Strategic Plan.
- Reviewed and updated administrative, financial, and personnel policies.
- Presented budget to Board and member agencies by deadlines.

PROGRAM OBJECTIVES

- Manage the processing and review of SAM contracts.
- Maintain records of benefits, including employee leave balances, retirement contributions, and employer-provided insurance policies.
- Recruit and retain highly qualified candidates for vacant positions.
- Maintain up-to-date personnel files.
- Provide on-going clarifications of definitions and conditions of employment.

GENERAL BUDGET FISCAL YEAR 2019/20

- Evaluate personnel policies and procedures and make appropriate revisions.
- Process employee payroll per employee contracts. Process accounts payable on a weekly basis. Issue, track and collect accounts receivable.
- Maintain accounting files on Capital Improvement projects and Fixed Assets.
- Provide monthly budget reports each month.
- Conform with GAAP (Generally Accepted Accounting Principles).
- Manage and prioritize division activities on an ongoing basis.
- Work with other divisions to implement procedures that result in cost savings, increased efficiencies, and improved customer service.
- Provide general administrative support to all divisions for centralized services.
- Efficiently and effectively manage information technology and systems, including the SAM website and social media sites.

PERFORMANCE MEASURES

- Submit the Annual Financial and Salary & Compensation reports to the State Controller's Office by the deadline.
- Implement objectives identified in the SAM Strategic Plan.
- Review and update, as necessary, administrative, financial, and personnel policies.
- Complete annual audit and present it to the Board no later than December 31.
- Present budget to Board and member agencies in a timely manner.

TREATMENT
By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL	
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EXPENDITURES

Personnel

1	Wages	608,420	711,375	878,692	924,075	1,063,771	185,079	21%
2	Premium Pay	77,787	70,432	69,095	49,169	77,500	8,405	12%
3	Health Benefits	152,910	163,163	199,410	206,989	240,000	40,590	20%
4	Retirement Cont.	109,564	78,267	142,110	161,988	175,000	32,890	23%
5	Retirement Medical	2,914	8,645	13,180	14,367	15,957	2,777	21%
6	Misc. Benefits	32,627	38,234	62,571	50,513	69,435	6,864	11%
7	Subtotal	984,222	1,070,116	1,365,058	1,407,101	1,641,663	276,605	20%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	42,223	129,141	15,000	86,597	15,000	-	0%
10	Professional Services	483,086	446,662	432,500	471,511	466,600	34,100	8%
11	Prof. Memberships	11,185	11,084	10,000	6,374	8,000	(2,000)	-20%
12	Insurance Premiums	-	-	-	-	-	-	0%
13	Misc. Expenses	33,532	18,860	41,200	15,260	18,367	(22,833)	-55%
14	Utilities	511,074	406,151	484,500	487,832	494,500	10,000	2%
15	Travel & Training	4,111	8,385	22,500	16,500	22,500	-	0%
16	Equipment Rental	68,017	155,582	50,000	75,375	130,000	80,000	160%
17	Bldg & Maint Services	139,624	269,954	122,000	216,903	217,600	95,600	78%
18	Chemicals	124,950	129,656	130,000	171,074	175,000	45,000	0%
19	Permits & Licenses	30,923	51,194	33,000	25,377	33,000	-	0%
20	Supplies	52,638	47,677	31,200	68,741	73,650	42,450	136%
21	Equipment	64,746	200,273	208,000	179,711	383,000	175,000	84%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	1,566,109	1,874,619	1,579,900	1,821,255	2,037,217	457,317	29%

25 TOTAL **2,550,331** **2,944,735** **2,944,958** **3,228,356** **3,678,880** **733,922** **25%**

Key Changes

Additional Maintenance Technician	\$ 112,181
COLA, applicable step increases, CalPERS rate changes	\$ 164,424
Engineering: technical support for small repair projects	\$ -
Professional Services: preventive maintenance	\$ 34,100
Building maintenance services for small (<\$50k) projects	\$ 95,600
Replace equipment and vehicles that are beyond useful life	\$ 175,000
Increase services, supplies, chemicals, etc. by 4% CPI	\$ 152,617
Total	\$ 733,922

TREATMENT

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	2,209,193	2,562,043	2,821,458	2,821,458	3,461,880	640,422	23%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	86,643	91,535	123,500	146,775	147,000	23,500	19%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	140,016	70,000	70,000	0%
32 (From) Reserves	-	-	-	-	-	-	0%
33	2,295,836	2,653,578	2,944,958	3,108,249	3,678,880	733,922	25%

By Agency:

34 Half Moon Bay	1,138,924	1,364,809	1,566,767	1,566,767	1,929,229	362,462	23%
35 Granada CSD	645,762	671,255	671,582	671,582	818,679	147,097	22%
36 Montara WSD	424,507	525,979	583,109	583,109	713,972	130,863	22%
37	2,209,193	2,562,043	2,821,458	2,821,458	3,461,880	640,422	23%

Key Changes

Assessments reflect increased funding for wages, benefits, and small repair projects	640,422
Increased leachate deliveries per contract	23,500
Overhead revenue from Contract Services	70,000
	733,922

Authorized Positions:

Operating Fund FTE	6.25	6.50	8.75	8.75	9.75	1.00	11%
Other Funds FTE	-	-	-	-	-	-	0%
	6.25	6.50	8.75	8.75	9.75	1.00	11%

TREATMENT DIVISION

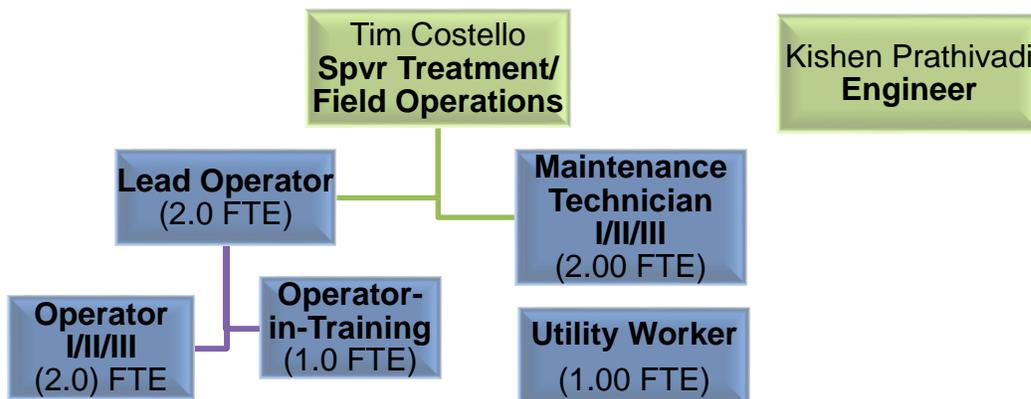


PROGRAM DESCRIPTION

The Treatment division is responsible for the safe, economical, and environmentally acceptable treatment and reclamation of all sanitary wastewater flows from the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The division is responsible for the reliability and integrity of systems and equipment at the Plant and the operation and maintenance of three SAM pump stations and the transmission pipeline. Staff performs predictive and preventive maintenance programs, corrective and rehabilitative maintenance, and in-house equipment and process improvements.

Over recent years we have lost some of the key personal and with that institutional knowledge and ability. While staff is trying to keep up with the current needs of an aging system we have had to bring in people that specialize in certain pieces of equipment as necessary. We are also finding that a growing portion of our equipment no longer has parts available on the primary market which can be problematic at best.

Division services are supervised by the Supervisor of Treatment/Field Operations. The following organizational chart reflects the reporting structure of the division.



GENERAL BUDGET FISCAL YEAR 2019/20

The following staffing summary reflects the historical cost allocation for the division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	4.60	4.60	4.70	4.275	5.95	6.25	8.75	9.75

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2018/19 and 2019/20 budgets.

Budget Line #	FY 2018/19	FY 2019/20
1. Wages Increased for COLA adjustments and merit step increases, where applicable, per MOU; addition of a new Maintenance Technician.	\$878,692	\$1,063,771
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$69,095	\$77,500
3. Health Benefits Increased to reflect new position. The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees Manual.	\$199,410	\$240,000
4. Retirement Contributions Increased to reflect new position. SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$142,110	\$175,000
5. Retirement Medical Increased to reflect new position.	\$13,180	\$15,957
6. Misc. Benefits Increased to reflect new position. Includes Medicare, long-term and short-term disability, and workers compensation.	\$62,571	\$69,435
7. Personnel Subtotal Subtotal of all costs associated with wages and benefits.	\$1,365,058	\$1,641,663
8. Legal Services There are no legal services budgeted to Treatment.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
9. Engineering Services Specialized services related to small (<\$50,000) projects.	\$15,000	\$15,000
10. Professional Services Services that are specialized and need to be performed by contractors rather than staff (GIS software hosting, electrical maintenance, safety training, permit compliance assistance, SSMP audit and updates, outfall inspection, inspections, SCADA support, etc.).	\$432,500	\$466,600
11. Professional Membership Memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$10,000	\$8,000
12. Insurance Premiums There are no insurance premiums charged to Treatment.	\$0	\$0
13. Misc. Expenses Includes incidental expenses (uniform services, radio and alarm systems, etc.) not captured in other categories. Significant decrease due to new uniform services contract.	\$41,200	\$18,367
14. Utilities Electricity, water, telephone, solid waste, etc. Increased to reflect anticipated rate changes.	\$484,500	\$494,500
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices and safety training.	\$22,500	\$22,500
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$50,000	\$130,000

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset. Includes small (<\$50,000) repair projects.	\$122,000	\$217,600
18. Chemicals Includes chemicals (sodium hypochlorite, polymer, ferric chloride) used in the treatment of wastewater to meet regulatory standards.	\$130,000	\$175,000
19. Permits & Licenses Annual costs for permits with local, regional and state agencies.	\$33,000	\$33,000
20. Supplies Office, computer, safety, and general supplies.	\$31,200	\$73,650
21. Equipment Purchase of equipment for repair and rehabilitation of SAM facilities not captured in infrastructure projects.	\$208,000	\$383,000
22. Infrastructure There are no project costs budgeted to Treatment. These costs are generally reflected in the Infrastructure division and exceed \$50,000 per project.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to Treatment.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$1,579,900	\$2,037,217
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$2,944,958	\$3,678,880

The significant changes in the Treatment division from FY 2018/19 included in the FY 2019/20 budget are:

GENERAL BUDGET FISCAL YEAR 2019/20

1. Add one new Maintenance Technician to address workload and standby needs as well as succession planning.
2. Increased the retirement contributions budget to CalPERS for classic employees based on projected rate changes and blended with PEPRA rates.
3. Small (<\$50k) repair/replace projects at plant and pump stations.
4. Increased funds for preventive maintenance on electrical, pumps, and other key equipment.

GOALS

- Operate the wastewater system for current and future customers with safe, efficient, and cost-effective treatment services.
- Achieve 100% compliance with all NPDES limits for conventional pollutants.
- Maintain appropriate capacities and effective operations and assure no spills or overflows at SAM facilities.
- Maintain SAM facilities at a level that assures uninterrupted quality service and no process interruptions due to equipment failures.
- Promote the development and education of staff to assure the ongoing ability to operate, maintain, troubleshoot and repair all systems and equipment.
- Maintain equipment and facilities to improve reliability and reduce operating and maintenance costs.

HIGHLIGHTS

- Performed process related laboratory analysis for the Environmental Compliance division on weekends.
- Conducted all required annual safety training programs.
- Administered the Trucked Waste Acceptance Program.
- Worked to optimize processes to improve reliability.
- Developed and implemented standard operating procedures (SOPs) for operations and maintenance functions.
- Purchased and implemented new computer maintenance management system to replace outdated system.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses, or discharge permit violations, and to minimize the possibility of equipment breakdowns
- Promote comprehensive training of division personnel.

GENERAL BUDGET FISCAL YEAR 2019/20

- Continue to promote and provide a safe and healthy environment for all staff, contractors, and community.
- Develop and implement maintenance plan for routine maintenance on all equipment.

PERFORMANCE MEASURES

- Meet all effluent quality targets described in the NPDES permit.
- Perform all routine maintenance tasks in a timely manner.

ENVIRONMENTAL COMPLIANCE

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	55,899	32,940	36,886	31,689	39,748	2,862	8%
2	Premium Pay	1,256	915	815	291	600	(215)	-26%
3	Health Benefits	7,281	5,794	6,217	5,328	5,450	(767)	-12%
4	Retirement Cont.	9,812	4,514	8,895	7,954	9,340	445	5%
5	Retirement Medical	227	502	553	461	500	(53)	-10%
6	Misc. Benefits	2,434	1,636	2,300	1,548	2,223	(76)	-3%
7	Subtotal	76,909	46,301	55,666	47,271	57,861	2,195	4%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	57,067	79,753	60,550	60,874	117,578	57,028	94%
11	Prof. Memberships	-	-	100	-	100	-	0%
12	Insurance Premiums	-	-	-	-	-	-	0%
13	Misc. Expenses	550	12,474	10,600	6,972	7,605	(2,995)	-28%
14	Utilities	-	-	50	0	57	7	15%
15	Travel & Training	25	225	3,450	500	3,600	150	4%
16	Equipment Rental	-	-	-	-	-	-	0%
17	Bldg & Maint Services	-	-	-	-	-	-	0%
18	Chemicals	7,642	2,338	4,000	8,858	9,000	5,000	125%
19	Permits & Licenses	-	-	-	-	-	-	0%
20	Supplies	5,868	8,965	12,251	20,384	22,101	9,850	80%
21	Equipment	7,490	1,587	3,000	-	3,000	-	0%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	78,642	105,342	94,001	97,588	163,041	69,040	73%

25	TOTAL	155,551	151,643	149,667	144,859	220,902	71,235	48%
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Key Changes

COLA, applicable step increases, CalPERS rate changes	\$ 2,195
4% CPI increase for utilities, services, and supplies	\$ 12,040
Professional Services: First Flush Annual Program and Outreach support	\$ 45,000
Pilarcitos Creek Meter Support	\$ 12,000
Total	\$ 71,235

ENVIRONMENTAL COMPLIANCE

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	170,045	162,064	146,642	146,641	218,102	71,460	49%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	(1)	17,703	3,025	2,572	2,800	(225)	-7%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 (From) Reserves	-	-	-	-	-	-	0%
33	170,044	179,767	149,667	149,213	220,902	71,235	48%

By Agency:

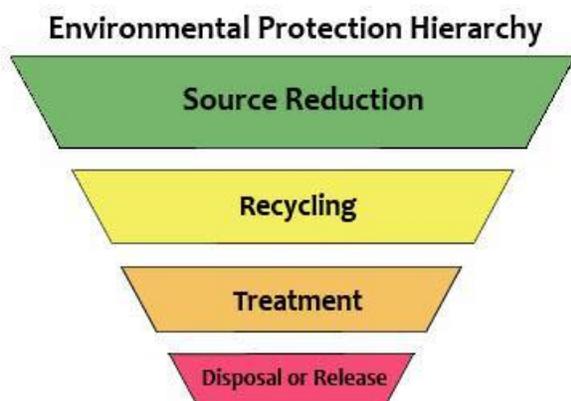
34 Half Moon Bay	66,605	84,597	81,720	81,720	121,544	39,823	49%
35 Granada CSD	37,765	42,461	34,678	34,678	51,578	16,899	49%
36 Montara WSD	65,675	35,006	30,243	30,243	44,981	14,738	49%
37	170,045	162,064	146,642	146,641	218,102	142,696	97%

Key Changes

Authorized Positions:

<i>Operating Fund FTE</i>	0.50	0.25	0.25	0.25	0.25	-	0%
<i>Other Funds FTE</i>	-	-	-	-	-	-	0%
	0.50	0.25	0.25	0.25	0.25	-	0%

ENVIRONMENTAL COMPLIANCE DIVISION



PROGRAM DESCRIPTION

The Environmental Compliance division provides services and oversight in four areas: National Pollutant Discharge Elimination System (NPDES) permit compliance, Laboratory Operations, Non-Domestic Waste Source Control (NDWSCP) Program, and Pollution Prevention (P2) Program. NPDES permit compliance involves maintaining compliance with permit parameters, implementing investigations and additional sampling programs to address specific pollutants, developing action plans to reduce these pollutants and reporting levels of progress to the Regional Board. The in-house laboratory conducts analyses of various plant samples for process control, some NPDES permit parameters, and special projects as needed. We do contract with outside lab analysis for NPDES requirements that our in-house lab is not certified to do to be in compliance with ELPA, (Environmental Lab Accreditation Program).

The NDWSC Program includes evaluating facilities and dischargers within SAM's service area that could adversely affect the SAM collection system and/or treatment plant, evaluating discharge permit applications and issuing permits, performing inspections, sampling and monitoring and conducting enforcement when needed. The P2 Program focuses on educating commercial businesses and residents on pollutants that are harmful to the collection system, treatment plant and the environment, including fats, oils, and grease (F.O.G.), and how to reduce or eliminate them. Public information, plant tours, and participation in outreach activities are significant elements.

Division functions are supervised by the Operations Superintendent. The following organizational chart reflects the reporting structure of the division.

**Supervisor of
Treatment/Field
Operations**

GENERAL BUDGET FISCAL YEAR 2019/20

The following staffing summary reflects the historical cost allocation for the division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	0.25	0.25	0.225	0.275	0.50	0.25	0.25	0.25

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #		FY2018/19	FY 2019/20
1.	Wages Increased for COLA adjustments.	\$36,886	\$39,748
2.	Premium Pay Special compensation for certification above that required by the position.	\$815	\$600
3.	Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees Manual.	\$6,217	\$5,450
4.	Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$8,895	\$9,340
5.	Retirement Medical Increased to reflect contributions in compliance with GASB.	\$553	\$500
6.	Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation.	\$2,300	\$2,223
7.	Personnel Sub-total Subtotal of all wage and benefit costs.	\$55,666	\$57,861
8.	Legal Services There are no legal services budgeted to EC.	\$0	\$0
9.	Engineering Services There are no engineering costs budgeted to EC.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY2018/19</u>	<u>FY 2019/20</u>
10. Professional Services Services that are specialized and must be performed by outside laboratories and consultants (SVCW, laboratories, SMCRCD, event registration, etc.). Change reflects anticipated fee increases based on new TNI standards.	\$60,550	\$117,578
11. Professional Membership The cost of maintaining membership in CWEA.	\$100	\$100
12. Insurance Premiums There are no insurance premiums budgeted to EC.	\$0	\$0
13. Misc. Expenses Includes incidental expenses (outreach materials, postage, etc.) not reflected in other categories.	\$10,600	\$7,605
14. Utilities There are no utility costs budgeted to EC.	\$0	\$0
15. Travel & Training Training and travel related costs for attendance at industry conferences, seminars, and other related events to keep current on technical skills and industry practices and required safety training.	\$3,450	\$3,600
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year.	\$0	\$0
17. Building & Maintenance Services There are no building maintenance services budgeted to EC.	\$0	\$0
18. Chemicals Includes chemicals used in the laboratory.	\$4,000	\$9,000
19. Permits & Licenses There are no permits or licenses budgeted to EC.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY2018/19	FY 2019/20
20. Supplies Lab and general supplies including materials for biology student field trips to the plant.	\$12,251	\$22,101
21. Equipment Purchase of equipment and tools for the laboratory to replace noncompliant or inoperable equipment.	\$3,000	\$3,000
22. Infrastructure Projects There are no project costs budgeted to EC.	\$0	\$0
23. Claims/Penalties There are no claims or penalties budgeted to EC.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$94,001	\$163,041
25. Total Total of all costs for EC (sum of Personnel and Non-Personnel subtotals).	\$149,667	\$220,902

The significant changes in the Environmental Compliance division from the Adopted Budget for FY 2018/19 included in the FY 2019/20 budget are:

1. Increased retirement contributions to CalPERS for classic employees based on projected rate changes.
2. Increased professional services to reflect costs associated with pollution prevention and outreach requirements in new NPDES permit and TNI standards.

GOALS

- Achieve and maintain 100 % compliance with the District's NPDES permit requirements, including the NDWSC and Pollution Prevention (P2) programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial discharges, the operational status of the treatment plant and the quality of the bio-solids generated.

GENERAL BUDGET FISCAL YEAR 2019/20

- Effectively regulate dischargers of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, staff, the public and the environment.
- Effectively implement the Pollution Prevention (P2) Program and provide public outreach to reduce and or prevent the discharge of pollutants to the collection system, treatment plant and the environment; this includes implementing tools to measure the progress of these efforts.
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (Green Business Program, Household Hazardous Waste/Pharmaceutical Collection, Bay Area Pollution Prevention Group, etc.)
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.

ACHIEVEMENTS

- Identified deficiencies in the necessary ELAP certification requirements and implemented necessary changes.
- Performed the annual NDWSC program inspections and sampling at commercial facilities and inspections at food service establishments (FSEs) and dentists in the SAM's service area.
- Conducted classroom tours of the treatment plant for over 280 students.

PROGRAM OBJECTIVES

- Perform all required sampling, inspections, studies and outreach to comply with the District's NPDES permit, NDWSCP and Pollution Prevention programs, F.O.G. program, and process control.
- Maintain compliance with all programs and requirements listed above.
- Maintain ELAP certification for laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant and the bay.
- Participate in public outreach activities such as the Half Moon Bay Art & Pumpkin Festival and Pacific Coast Dream Machines.
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses, and public events.
- Coordinate Plant Tour program for Half Moon Bay High School biology students.

PERFORMANCE MEASURES

- Complete 100% NDWSCP inspections as required by SAM permits.

GENERAL BUDGET FISCAL YEAR 2019/20

- Meet and maintain ELAP compliance requirements.
- Complete all of the necessary annual continued learning units to maintain required Environmental Compliance Inspector and Laboratory Analyst certifications from the California Water Environment Association.

INFRASTRUCTURE

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	14,794	-	-	-	-	0%
2	Premium Pay	-	-	-	-	-	0%
3	Health Benefits	1,988	-	-	-	-	0%
4	Retirement Cont.	750	-	-	-	-	0%
5	Retirement Medical	16	-	-	-	-	0%
6	Misc. Benefits	363	-	-	-	-	0%
7	Subtotal	17,911	-	-	-	-	0%

Non-Personnel

8	Legal Services	-	5,448	-	5,200	-	0%
9	Engineering Services	194,639	163,255	85,000	86,197	450,000	429%
10	Professional Services	-	59,786	200,000	200,000	(200,000)	-100%
11	Prof. Memberships	-	-	-	-	-	0%
12	Insurance Premiums	-	-	-	-	-	0%
13	Misc. Expenses	47,671	288	-	-	-	0%
14	Utilities	-	-	-	-	-	0%
15	Travel & Training	-	-	-	-	-	0%
16	Equipment Rental	-	-	-	-	-	0%
17	Bldg & Maint Services	-	-	-	-	-	0%
18	Chemicals	-	-	-	-	-	0%
19	Permits & Licenses	-	-	-	4,266	-	0%
20	Supplies	-	-	-	-	-	0%
21	Equipment	40,000	865,804	100,000	297,544	(100,000)	-100%
22	Infrastructure Projects	48,500	1,952,693	1,332,500	1,192,500	2,035,000	53%
23	Claims/Penalties	-	-	-	-	-	0%
24	Subtotal	330,810	3,047,274	1,717,500	1,785,707	2,485,000	45%
25	TOTAL	348,721	3,047,274	1,717,500	1,785,707	2,485,000	45%

Key Changes

Assess and plan for replacement of remaining IPS sections

\$ 767,500

INFRASTRUCTURE

By Category

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	746,075	2,772,559	1,967,500	2,035,500	2,485,000	517,500	26%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	-	-	-	-	-	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 To/(From) Reserves	-	-	-	-	-	-	0%
33	746,075	2,772,559	1,967,500	2,035,500	2,485,000	517,500	26%

By Agency:

34 Half Moon Bay	395,888	1,473,902	1,092,561	1,130,233	1,384,836	292,275	0%
35 Granada CSD	196,477	757,857	468,317	484,637	587,663	119,346	0%
36 Montara WSD	153,710	540,800	406,622	420,630	512,502	105,880	0%
37	746,075	2,772,559	1,967,500	2,035,500	2,485,000	517,500	26%

Key Changes

Assessments allocated based on CY 2018 flow calculation

Authorized Positions:

Operating Fund FTE	0.50	0.25	-	-	-	-	0%
Other Funds FTE	-	-	-	-	-	-	0%
	0.50	0.25	-	-	-	-	0%

INFRASTRUCTURE DIVISION



PROGRAM DESCRIPTION

The Infrastructure Division is responsible for the management and technical support necessary to develop and manage an infrastructure program and provide project management and construction inspection services of SAM facilities.

Division services are managed by the Engineer; however, none of the related personnel costs are allocated to this division. The following staffing summary reflects the historical cost allocation to this division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
JPA	0.00	0.00	0.00	0.00	0.80	0.50	0.0	0.0

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2018/19 and 2019/20 budgets.

Budget Line #	FY2018/19	FY 2019/20
1. Wages All personnel costs have been reallocated to Treatment.	\$0	\$0
2. Premium Pay All personnel costs have been reallocated to Treatment.	\$0	\$0
3. Health Benefits All personnel costs have been reallocated to Treatment.	\$0	\$0
4. Retirement Contributions All personnel costs have been reallocated to Treatment.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY2018/19</u>	<u>FY 2019/20</u>
5. Retirement Medical All personnel costs have been reallocated to Treatment.	\$0	\$0
6. Misc. Benefits All personnel costs have been reallocated to Treatment.	\$0	\$0
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$0	\$0
8. Legal Services Costs associated with general contract review reallocated to Administration.	\$0	\$0
9. Engineering Services Engineering services requiring specialized certification or skills will be performed by consulting engineers.	\$85,000	\$450,000
10. Professional Services Specialized services that cannot be provided by staff.	\$200,000	\$0
11. Professional Memberships There are no professional memberships budgeted to Infrastructure.	\$0	\$0
12. Insurance Premiums There are no insurance premiums budgeted to Infrastructure.	\$0	\$0
13. Misc. Expenses There are no utilities budgeted to Infrastructure.	\$0	\$0
14. Utilities There are no utilities budgeted to Infrastructure.	\$0	\$0
15. Travel & Training There are no costs budgeted to Infrastructure.	\$0	\$0
16. Equipment Rental Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY2018/19	FY 2019/20
17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset.	\$0	\$0
18. Chemicals There are no chemical costs budgeted to Infrastructure.	\$0	\$0
19. Permits & Licenses Permits related to projects.	\$0	\$0
20. Supplies There are no supply costs budgeted to Infrastructure.	\$0	\$0
21. Equipment Equipment costs associated with projects that exceed \$50,000.	\$100,000	\$
22. Infrastructure Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each.	\$1,332,500	\$2,035,000
23. Claims/Penalties There are no costs budgeted to Infrastructure.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$1,717,500	\$2,485,000
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$1,717,500	\$2,485,000

The Infrastructure division budget increased from \$1.72 million to \$2.49 million in FY 2019/20. The significant changes in the Infrastructure division are:

1. Increased to fund projects identified in the 5-Year CIP. The projects planned for this fiscal year are:
 - Intertie Pipeline System – Princeton Segment \$100,000
 - Intertie Pipeline System – Montara to Portola Segment \$1,300,000
 - Montara Pump Station – Repair Electrical Conduits \$120,000

GENERAL BUDGET FISCAL YEAR 2019/20

➤ Princeton Pump Station – Pump Station Bypass	\$100,000
➤ WWTP – Influent Pump Electrical Conduit	\$110,000
➤ WWTP – Shade Canopy for Chemical Storage & Pump	\$55,000
➤ WWTP – Anaerobic Digester Heat Exchanger & Shell	\$100,000
➤ WWTP – Install WAS Gravity Thickener & Storage	\$300,000
➤ WWTP – Replace Digester Gas Flare System	\$300,000

GOALS

- To provide engineering analysis and project development for cost effective implementation of all SAM facility infrastructure projects.
- To effectively plan and implement future rehabilitation and replacement of the facilities to maintain an efficient, reliable system and to provide timely response with plan review for new development.
- To maintain accurate reproducible records of facility improvements and records.
- To keep informed of all construction that may affect SAM facilities.

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all facility projects.
- Infrastructure Projects completed in FY 2018/19:
 - ✓ Portola Pump Station – Replace Pump #1
 - ✓ Portola Pump Station – Replace ATS
 - ✓ WWTP – Replace Chemical Pump System

PROGRAM OBJECTIVES

- Provide research, design, bidding and construction inspection services for infrastructure projects.
- Prioritize infrastructure projects to meet SAM needs, compliance with new regulatory requirements, and update 5-Year CIP.

FORCE MAIN: PRINCETON SECTION REPAIR/REPLACE

PROJECT REASONING:

The Intertie Pipeline System has demonstrated a vulnerability to breaks, resulting in regulatory violations and human health risks as well as environmental damage. This section needs to be assessed and then design and construction will be prioritized based on the outcome.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	350,000	-	-	100,000	250,000
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	-	-	-	-	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	350,000	-	-	100,000	250,000

25	TOTAL	350,000	-	-	100,000	250,000	-
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PROJECT DESCRIPTION:

This section of the Intertie Pipeline System has never been assessed for its condition. Once the assessment has been completed, staff will have a better idea of when this project should be completed within the 5-Year Capital Improvement Plan. Staff estimates that the design documents, drawings, specifications, and cost estimates will be completed in FY 2020/21.

FORCE MAIN: PRINCETON SECTION REPAIR/REPLACE

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	350,000	-	-	100,000	250,000	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	350,000	-	-	100,000	250,000	-

By Agency:

34 Half Moon Bay	195,047	-	-	55,728	139,319.47	-
35 Granada CSD	82,769	-	-	23,648	59,120.98	-
36 Montara WSD	72,183	-	-	20,624	51,559.55	-
37	350,000	-	-	100,000	250,000	-

FORCE MAIN: MONTARA TO PORTOLA SECTION REPAIR/REPLACE

PROJECT REASONING:

The Intertie Pipeline System has demonstrated a vulnerability to breaks, resulting in regulatory violations and human health risks as well as environmental damage. This section needs to be repaired to prevent sanitary sewer overflows.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	350,000	-	-	350,000	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	1,625,000	-	-	950,000	675,000
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	1,975,000	-	-	1,300,000	675,000
25	TOTAL	1,975,000	-	-	1,300,000	675,000

PROJECT DESCRIPTION:

This section of the Intertie Pipeline System is original and has never been assessed for its condition. It is similar in age and material to the section repaired between the Portola Pump Station and the gravity section of the IPS. The design documents, drawings, specifications, and cost estimates will be completed in FY 2019/20 and construction will begin at the end of that year and continue into FY 2020/21.

FORCE MAIN: MONTARA TO PORTOLA SECTION REPAIR/REPLACE

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	1,975,000	-	-	1,300,000	675,000	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	1,975,000	-	-	1,300,000	675,000	-

By Agency:

34 Half Moon Bay	1,100,624	-	-	724,461	376,162.57	-
35 Granada CSD	467,056	-	-	307,429	159,626.65	-
36 Montara WSD	407,320	-	-	268,110	139,210.78	-
37	1,975,000	-	-	1,300,000	675,000	-

MONTARA PUMP STATION: EXTERIOR ELECTRICAL CONDUITS

PROJECT REASONING:

Ranked Priority Level 1 based on a risk for loss of total radio communication and complete power outage as well as a safety risk.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	-	-	-	-	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	120,000	-	-	120,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	120,000	-	-	120,000	-
25	TOTAL	120,000	-	-	120,000	-

PROJECT DESCRIPTION:

The project involves replacing degraded conduits and exposed wiring and installing new stainless steel junction boxes.

MONTARA PUMP STATION: EXTERIOR ELECTRICAL CONDUITS

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	120,000	-	-	120,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	120,000	-	-	120,000	-	-

By Agency:

34 Half Moon Bay	66,873	-	-	66,873	-	-
35 Granada CSD	28,378	-	-	28,378	-	-
36 Montara WSD	24,749	-	-	24,749	-	-
37	120,000	-	-	120,000	-	-

PRINCETON PUMP STATION: REHABILITATE BYPASS SYSTEM

PROJECT REASONING:

Ranked Priority Level 1 based on a risk for complete power outage as well as a safety risk.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	-	-	-	-	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	100,000	-	-	100,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	100,000	-	-	100,000	-
25	TOTAL	100,000	-	-	100,000	-

PROJECT DESCRIPTION:

In the case of a pump station system failure, there is no method for bypassing the pumps. This functionality is critical to emergency operation and routine maintenance.

PRINCETON PUMP STATION: REHABILITATE BYPASS SYSTEM

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	100,000	-	-	100,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	100,000	-	-	100,000	-	-

By Agency:

34 Half Moon Bay	55,728	-	-	55,728	-	-
35 Granada CSD	23,648	-	-	23,648	-	-
36 Montara WSD	20,624	-	-	20,624	-	-
37	100,000	-	-	100,000	-	-

WWTP: INFLUENT PUMP ELECTRICAL CONDUITS

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	110,000	-	-	110,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	110,000	-	-	110,000	-	-

By Agency:

34 Half Moon Bay	61,301	-	-	61,301	-	-
35 Granada CSD	26,013	-	-	26,013	-	-
36 Montara WSD	22,686	-	-	22,686	-	-
37	110,000	-	-	110,000	-	-

WWTP: CHEMICAL STORAGE SHADE CANOPY

PROJECT REASONING:

The previous chemical storage tank and pumps were exposed to the elements. This created a hostile environment for this equipment, which required replacement sooner than expected useful life.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	-	-	-	-	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	55,000	-	-	55,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	55,000	-	-	55,000	-
25	TOTAL	55,000	-	-	55,000	-

PROJECT DESCRIPTION:

Creates a canopy over the new equipment to extend its useful life by minimizing exposure to sun and the elements.

WWTP: CHEMICAL STORAGE SHADE CANOPY

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	55,000	-	-	55,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	55,000	-	-	55,000	-	-

By Agency:

34 Half Moon Bay	30,650	-	-	30,650	-	-
35 Granada CSD	13,007	-	-	13,007	-	-
36 Montara WSD	11,343	-	-	11,343	-	-
37	55,000	-	-	55,000	-	-

WWTP: ANAEROBIC DIGESTER HEAT EXCHANGER

PROJECT REASONING:

The existing equipment is past its useful life, outdated, and is a known vulnerability. The shell and tube bundle have been degraded by corrosive liquid.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1 Wages	-	-	-	-	-	-
2 Premium Pay	-	-	-	-	-	-
3 Health Benefits	-	-	-	-	-	-
4 Retirement Cont.	-	-	-	-	-	-
5 Retirement Medical	-	-	-	-	-	-
6 Misc. Benefits	-	-	-	-	-	-
7 Subtotal	-	-	-	-	-	-

Non-Personnel

8 Legal Services	-	-	-	-	-	-
9 Engineering Services	-	-	-	-	-	-
10 Professional Services	-	-	-	-	-	-
11 Prof. Memberships	-	-	-	-	-	-
12 Insurance Premiums	-	-	-	-	-	-
13 Misc. Expenses	-	-	-	-	-	-
14 Utilities	-	-	-	-	-	-
15 Travel & Training	-	-	-	-	-	-
16 Equipment Rental	-	-	-	-	-	-
17 Bldg & Maint Services	-	-	-	-	-	-
18 Chemicals	-	-	-	-	-	-
19 Permits & Licenses	-	-	-	-	-	-
20 Supplies	-	-	-	-	-	-
21 Equipment	-	-	-	-	-	-
22 Infrastructure Projects	100,000	-	-	100,000	-	-
23 Claims/Penalties	-	-	-	-	-	-
24 Subtotal	100,000	-	-	100,000	-	-
25 TOTAL	100,000	-	-	100,000	-	-

PROJECT DESCRIPTION:

Install a stainless steel heat exchanger and shell to replace the outdated equipment and avoid corrosion.

WWTP: ANAEROBIC DIGESTER HEAT EXCHANGER

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	100,000	-	-	100,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	100,000	-	-	100,000	-	-

By Agency:

34 Half Moon Bay	55,728	-	-	55,728	-	-
35 Granada CSD	23,648	-	-	23,648	-	-
36 Montara WSD	20,624	-	-	20,624	-	-
37	100,000	-	-	100,000	-	-

WWTP: WASTE ACTIVATED SLUDGE GRAVITY THICKENER

PROJECT REASONING:

Existing equipment allows for effective thickening of the sludge, thereby improving primary clarifier performance, less belt press time, and lower sludge hauling costs.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	-	-	-	-	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	300,000	-	-	300,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	300,000	-	-	300,000	-

25 TOTAL		300,000	-	-	300,000	-	-
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PROJECT DESCRIPTION:

Install waste activated sludge gravity thickener to reduce sludge hauling costs, address storage shortage, and prolong the useful life of other sludge dewatering assets.

WWTP: WASTE ACTIVATED SLUDGE GRAVITY THICKENER

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	300,000	-	-	300,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	300,000	-	-	300,000	-	-

By Agency:

34 Half Moon Bay	167,183	-	-	167,183	-	-
35 Granada CSD	70,945	-	-	70,945	-	-
36 Montara WSD	61,871	-	-	61,871	-	-
37	300,000	-	-	300,000	-	-

WWTP: DIGESTER GAS FLARE SYSTEM REPLACEMENT

PROJECT REASONING:

Asset is past its useful life and is a known vulnerability if system failed. The proposed combined heat and power system will provide both a reduction in greenhouse gas emissions and a reduction in PG&E purchased power costs for the plant. It will also result in an improvement on existing flare system, for which parts are no longer available.



PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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EXPENDITURES

Personnel

1	Wages	-	-	-	-	-
2	Premium Pay	-	-	-	-	-
3	Health Benefits	-	-	-	-	-
4	Retirement Cont.	-	-	-	-	-
5	Retirement Medical	-	-	-	-	-
6	Misc. Benefits	-	-	-	-	-
7	Subtotal	-	-	-	-	-

Non-Personnel

8	Legal Services	-	-	-	-	-
9	Engineering Services	-	-	-	-	-
10	Professional Services	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-
12	Insurance Premiums	-	-	-	-	-
13	Misc. Expenses	-	-	-	-	-
14	Utilities	-	-	-	-	-
15	Travel & Training	-	-	-	-	-
16	Equipment Rental	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-
18	Chemicals	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-
20	Supplies	-	-	-	-	-
21	Equipment	-	-	-	-	-
22	Infrastructure Projects	300,000	-	-	300,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	300,000	-	-	300,000	-
25	TOTAL	300,000	-	-	300,000	-

PROJECT DESCRIPTION:

Replace digester gas flare and accessories and install combined heat and power system.

WWTP: DIGESTER GAS FLARE SYSTEM REPLACEMENT

PROJECT TOTAL	EXPENSED PRIOR YEARS	ACTUAL FY 2018/19	PROPOSED FY 2019/20	PROPOSED FY 2020/21	PROPOSED FY 2021/22
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REVENUE

By Type:

26 JPA Assessments	300,000	-	-	300,000	-	-
27 Contract Services	-	-	-	-	-	-
28 NDWSCP Fees	-	-	-	-	-	-
29 Misc. Fees	-	-	-	-	-	-
30 Interest Earnings	-	-	-	-	-	-
31 Misc. Revenue	-	-	-	-	-	-
32 (From) Reserves	-	-	-	-	-	-
33	300,000	-	-	300,000	-	-

By Agency:

34 Half Moon Bay	167,183	-	-	167,183	-	-
35 Granada CSD	70,945	-	-	70,945	-	-
36 Montara WSD	61,871	-	-	61,871	-	-
37	300,000	-	-	300,000	-	-



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Discuss Proposed Contract Collection Services Budget for Fiscal Year 2019/20 and Authorize General Manager to Submit it to the Participating Agencies for Approval**

Executive Summary

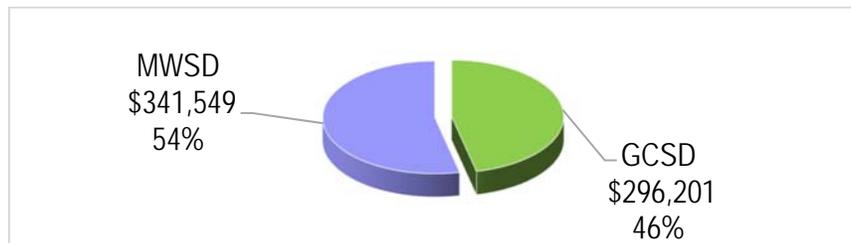
The purpose of this report is to allow the Board to discuss the proposed Contract Collection Services Budget for Fiscal Year 2019/20.

Fiscal Impact

The total expenditures proposed for Fiscal Year 2019/20 is \$0.64 million. This is an overall **decrease** of \$0.26 million from the FY 2018/19 adopted budget. The decrease is primarily due to the contract termination between SAM and the City of Half Moon Bay. There is no change in service levels proposed for GCSD and MWSD.

Contract Fees for Each Agency

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$ 351,881	\$ 303,060	\$ 310,905	\$ -	(\$ 310,905)	(100%)
GCSD	\$ 242,350	\$ 241,134	\$ 284,500	\$ 296,201	\$ 11,701	4%
MWSD	\$ <u>321,608</u>	\$ <u>391,476</u>	\$ <u>328,036</u>	\$ <u>341,549</u>	\$ <u>13,513</u>	<u>4%</u>
Total	\$ 915,839	\$ 935,670	\$ 923,441	\$ 637,750	\$ 285,691	(31%)



BOARD MEMBERS: J. Blanchard B. Dye R. Lohman
 D. Penrose D. Ruddock K. Slater-Carter

ALTERNATE MEMBERS: S. Boyd M. Clark A. Eisen
 J. Harvey H. Rarback

Strategic Plan Compliance

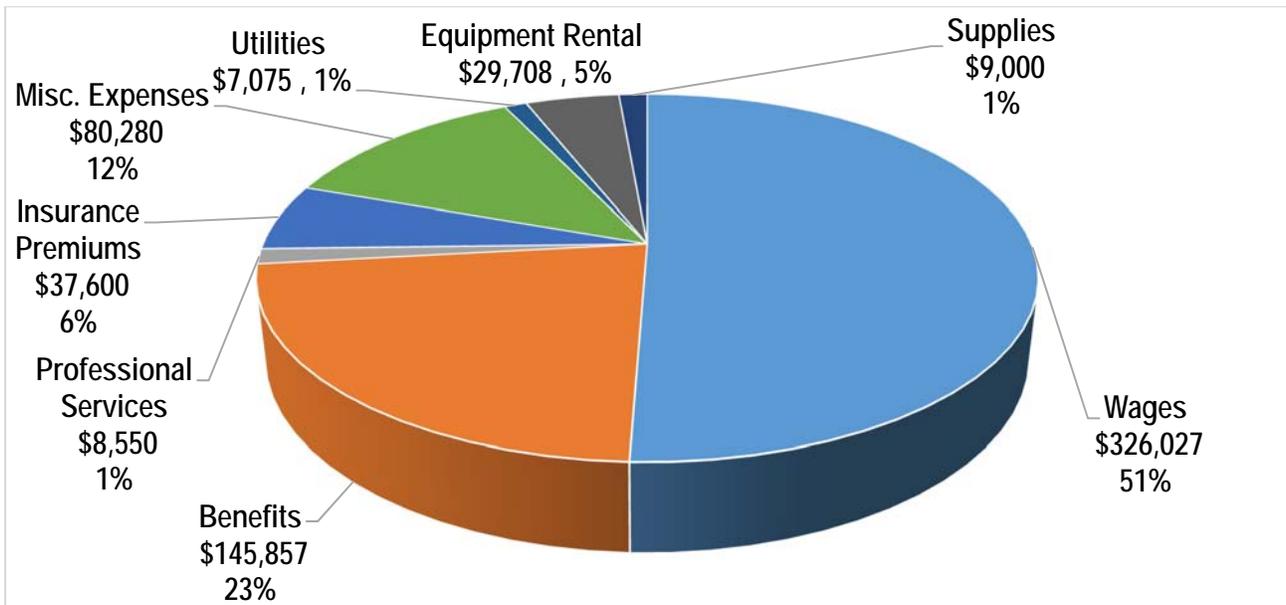
The recommendations in the proposed budget comply with SAM Strategic Plan Goal 5.6: “SAM is committed to providing quality collection system maintenance service for the Coastsides. It will seek to offer the type of agile and responsive service and cost that wins that business. However, SAM resources should not be used to backstop collection service without appropriate compensation and pre-planning so it does not impact SAM operations and maintenance.”

Background and Discussion/Report

The Half Moon Bay (HMB) City Council authorized a 1-year contract for services, which terminates on 6/30/19. SAM received e-mails from both GCSD and MWSD to maintain current service levels.

The budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, utilities, fuel, and other non-discretionary expenses. As for most service agencies, the most significant expenditures are for wages (51%) and benefits (23%). Providing necessary equipment (5%) and support services (12%) required to meet the scope of services are the next largest portions of the budget.

The overall change in the Contract Collection Services Budget from Fiscal Year 2018/19 to Fiscal Year 2019/20 is a **decrease** of \$285,835 (-31%) due to the termination of services to HMB.



The significant overall changes in the budget line items are detailed in the budget narrative (Attachment B).

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	J. Harvey	H. Rarback	

The current contract language with GCSD and MWSD requires that the budget be submitted to each agency no later than March 31 for the succeeding fiscal year. The agreements also require that each agency review and approve the service budget no later than June 15. The agreements stipulate that if either party does not comply with the deadlines, the other party may issue a written notice of termination for 120 days from the missed deadline. Unless the Board schedules a special meeting prior to March 31, this is the last opportunity to meet the deadline.

Staff Recommendation

Staff recommends that the Board of Directors discuss the proposed Contract Collection Services Budget for Fiscal Year 2019/20 and authorize the General Manager to submit it to the participating agencies for approval.

Supporting Documents

Attachment A: Proposed Contract Collection Services Budget for FY 2019/20

Attachment B: Contract Collection Services Narrative

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	J. Harvey	H. Rarback	



Contract Collection Services Budget
Fiscal Year 2019/20

CONTRACT COLLECTION SERVICES BUDGET

SAM has provided some form of collection system services to its member agencies through separate agreements since 1988. The scope of services has grown and changed over the past 30 years. The current collection system agreements with the Granada Community Services District (GCSD) and the Montara Water & Sanitary District (MWSD) require that SAM submit budgets for the cost of contract services no later than March 31 each year. The cost for services provided by SAM shall be “in accordance with a fee schedule set forth in the budget for each fiscal year.”

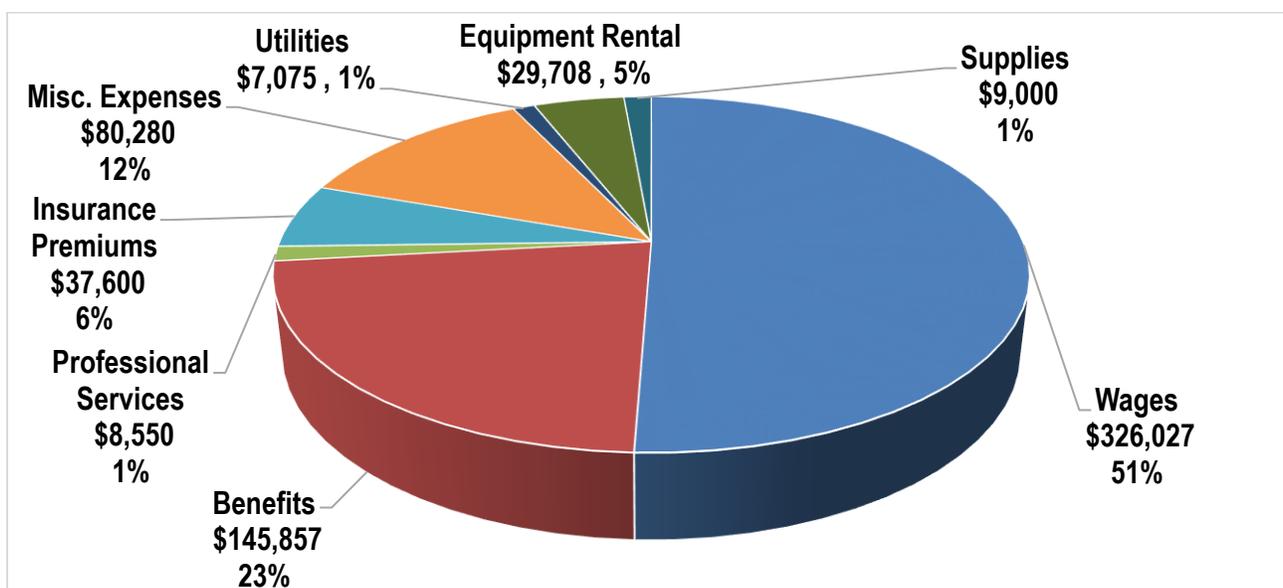
CCS Income & Expenses

Operating Income		
Contract Fees - City of Half Moon Bay	0	
Contract Fees - Granada Community Services District	296,201	
Contract Fees - Montara Water & Sanitary District	341,549	
NDWSCP Fees	7,175	
Miscellaneous Revenue	0	
Total Operating Income		\$ 644,925
Operating Expenses		
Wages	326,027	
Benefits	145,857	
Legal Services	0	
Engineering Services	0	
Professional & Technical Services	8,550	
Professional Memberships	100	
Insurance Premiums	37,600	
Miscellaneous Expenses	80,280	
Utilities	7,075	
Travel & Training	100	
Equipment Rental/Lease	29,708	
Contract Maintenance Services	0	
Chemicals	0	
Permits & Licenses	0	
Supplies	9,000	
Equipment	0	
Infrastructure Projects	0	
Claims & Penalties	0	
Total Operating Expenses		\$ 644,297
Net Operating Income		\$ 628
Non-Operating Income		
Interest Income	0	
Total Non-Operating Income		\$ 0
Fund Balance		\$ 628

CCS BUDGET FISCAL YEAR 2019/20

The Contract Collection Services (CCS) Budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, utilities, fuel, and other non-discretionary expenses. The overall change from Fiscal Year 2018/19 to Fiscal Year 2019/20 is a *decrease* of \$285,835 (-31%). This is primarily due to the City of Half Moon Bay terminating contract services on June 30, 2019.

As for most service agencies, the most significant expenditures are for wages (51%) and benefits (23%). Providing support services (12%) and the necessary equipment (5%) required to meet the scope of services are the next largest portions of the budget. The significant overall changes in the budget line items are detailed in the budget narrative.



The following table reflects changes in service fees year over year for each agency.

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$ 351,881	\$ 303,060	\$ 310,905	\$ -	(\$ 310,905)	(100%)
GCSD	\$ 242,350	\$ 241,134	\$ 284,500	\$ 296,201	\$ 11,701	4%
MWSD	\$ 321,608	\$ 391,476	\$ 328,036	\$ 341,549	\$ 13,513	4%
Total	\$ 915,839	\$ 935,670	\$ 923,441	\$ 637,750	\$ 285,691	(31%)

Each agency will be invoiced monthly for the cost of services as well as any reimbursements for repair services performed by vendors in response to requests by the contracting agency.

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL	
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EXPENDITURES

Personnel

1	Wages	311,166	347,149	411,712	184,108	294,355	(117,357)	-29%
2	Premium Pay	60,217	40,519	49,000	50,894	31,672	(17,328)	-35%
3	Health Benefits	93,486	95,961	114,338	56,963	71,181	(43,157)	-38%
4	Retirement Cont.	3,815	30,156	53,750	28,667	47,097	(6,653)	-12%
5	Retirement Medical	1,592	1,668	6,693	3,392	4,415	(2,278)	-34%
6	Misc. Benefits	21,301	23,027	40,187	13,171	23,164	(17,023)	-42%
7	Subtotal	491,577	538,480	675,680	337,196	471,884	(203,796)	-30%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	158,831	49,004	46,383	82,161	8,550	(37,833)	-82%
11	Prof. Memberships	1,056	-	802	-	100	(702)	-88%
12	Insurance Premiums	71,996	59,204	38,433	43,961	37,600	(833)	-2%
13	Misc. Expenses	5,718	9,211	58,273	143,925	80,280	22,007	38%
14	Utilities	11,175	10,001	14,920	11,993	7,075	(7,845)	-53%
15	Travel & Training	1,533	2,180	1,863	1,114	100	(1,763)	-95%
16	Equipment Rental	-	-	53,893	53,894	29,708	(24,185)	-45%
17	Bldg & Maint Services	44,006	115,430	-	64,065	-	-	0%
18	Chemicals	4,153	4,089	3,788	-	-	(3,788)	-100%
19	Permits & Licenses	3,338	1,044	-	-	-	-	0%
20	Supplies	27,828	21,176	36,097	25,737	9,000	(27,097)	-75%
21	Equipment	2,033	-	-	-	-	-	0%
22	Infrastructure	-	-	-	-	-	-	0%
23	Claims/Penalties	-	(38,653)	-	1,419	-	-	0%
24	Subtotal	331,667	232,686	254,452	428,269	172,413	(82,039)	-32%

25 TOTAL **823,244** **771,166** **930,132** **765,464** **644,297** **(285,835)** **-31%**

Key Changes

No services provided to HMB effective 7/1/19	\$ (310,905)
COLA, applicable step increases, CalPERS rate changes	\$ 14,000
Temporary staffing to cover for vacations, training, etc.	\$ 3,500
4% CPI increase for utilities, services, and supplies	\$ 7,570
	<hr/>
	\$ (285,835)

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 PROPOSED	CHANGE FROM FY 2018/19 ORIGINAL	
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REVENUE

By Type:

26 JPA Assessments	-	-	-	-	-	-	0%
27 Contract Services	915,839	935,670	923,441	985,186	637,750	(285,691)	-31%
28 NDWSCP Fees	-	59,292	7,175	7,175	7,175	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 From/(To) Reserves	-	-	-	-	-	-	0%
33	915,839	994,962	930,616	992,361	644,925	(285,691)	-31%

By Agency:

34 Half Moon Bay	351,881	303,060	310,905	310,905	-	(310,905)	-100%
35 Granada CSD	242,350	241,134	284,500	287,857	296,201	11,700.89	4%
36 Montara WSD	321,608	391,476	328,036	386,424	341,549	13,512.88	4%
37	915,839	935,670	923,441	985,186	637,750	(285,691)	-31%

Key Changes

No services provided to HMB effective 7/1/19

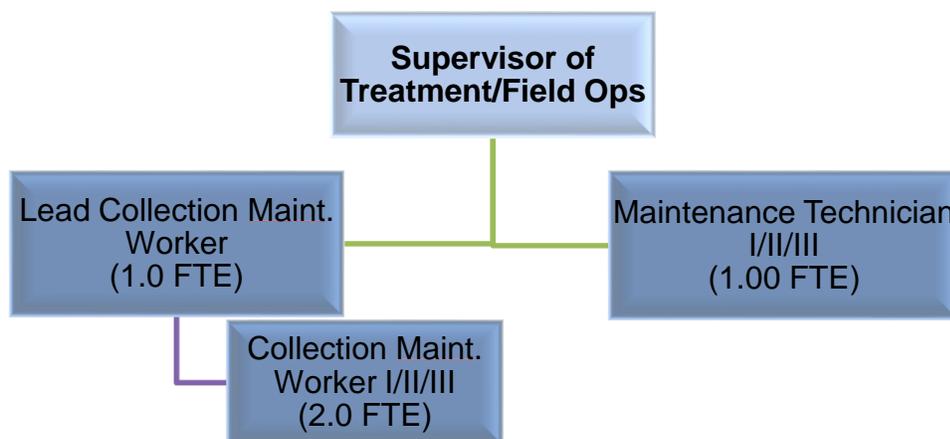
Funded Positions:	4.75	5.00	5.00	5.00	4.00	(1.00)	-20%
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CONTRACT COLLECTION SERVICES

The Contract Collection Services (CCS) Budget is a discrete function at SAM and not included in the JPA agreement. This function provides preventive and corrective maintenance of the wastewater main lines and lift stations for the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The service levels are identified in the service agreements between SAM and each contracting agency. Starting with FY 2018/19, the cost for services was based on the feet of lines cleaned and the frequency of maintenance of lift stations each month.

This function is managed by the Supervisor of Treatment/Field Operations. The following chart reflects the organizational structure.



The following staffing summary reflects the historical cost allocation for this function.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Positions	6.15	6.15	6.15	6.47	4.75	5.00	5.00	4.00

The following pages provide the Contract Collection Services Budget line items.

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2018/19 and 2019/20 budgets.

Budget Line #	FY 2018/19	FY 2019/20
1. Wages Increased for COLA adjustments per MOU and merit step increases, where applicable.	\$411,712	\$294,355
2. Premium Pay Includes overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$49,000	\$31,672
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU.	\$114,338	\$71,181
4. Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$53,750	\$47,097
5. Retirement Medical Reflects contributions to an OPEB fund in compliance with GASB.	\$6,693	\$4,415
6. Misc. Benefits Includes Medicare, long-term and short-term disability, and workers compensation premiums.	\$40,187	\$23,164
7. Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits.	\$675,680	\$471,884
8. Legal Services There are no legal services budgeted to CCS.	\$0	\$0
9. Engineering Services There are no engineering costs budgeted to CCS.	\$0	\$0
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$46,383	\$8,550

CCS BUDGET FISCAL YEAR 2019/20

<u>Budget Line #</u>	<u>FY 2018/19</u>	<u>FY 2019/20</u>
11. Professional Membership Includes memberships in professional organizations (CWEA) for SAM to keep current on industry practices and service delivery improvements.	\$802	\$100
12. Insurance Premiums The liability insurance premiums for coverage of the member agencies' collection systems are charged to this budget.	\$38,433	\$37,600
13. Misc. Expenses Includes incidental expenses (contract overhead, employee physicals, uniform laundry services, etc.) not captured in other categories.	\$58,273	\$80,280
14. Utilities Water for cleaning the sewer lines and cell phone reimbursement for CCS staff.	\$14,920	\$7,075
15. Travel & Training Training and travel related costs for required safety and industry training.	\$1,863	\$100
16. Equipment Rental/Lease Rental or lease of equipment necessary to perform the identified scope of services.	\$53,893	\$29,708
17. Building & Maintenance Services This line reflects the maintenance work performed through 3 rd party vendors. There is no budget and expenses are billed only if approved by the agency.	\$0	\$0
18. Chemicals Chemicals are purchased to address issues at the contracting agency lift stations as needed.	\$3,788	\$0
19. Permits There are no permit fees budgeted to CCS.	\$0	\$0
20. Supplies Safety, general, and miscellaneous supplies necessary to perform the contract services.	\$36,097	\$9,000

CCS BUDGET FISCAL YEAR 2019/20

Budget Line #	FY 2018/19	FY 2019/20
21. Equipment There are no equipment costs budgeted to CCS. All equipment used for the CCS program owned by SAM.	\$0	\$0
22. Infrastructure There are no infrastructure casts budgeted to CCS.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to CCS. Claim recovery costs are reimbursed by the contracting agency when they occur.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$254,452	\$172,413
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$930,132	\$644,297

The significant changes in the Contract Collection Services department from FY 2018/19 included in the FY 2019/20 budget are:

1. The contract with HMB terminates as of June 30, 2019.
2. Rent or lease equipment from JPA rather than CCS purchasing it.
3. Pooled liability insurance through CSRMA for GCSD and MWSD.

GOALS

- Perform all scheduled and emergency maintenance at the service levels defined in the scope of services for each agency.
- Eliminate sanitary sewer overflows (SSOs) through use of industry best practices.
- Provide customers with quick, knowledgeable, and complete response to calls.
- Promote the development and education of staff to assure the ongoing ability to maintain, troubleshoot and repair all systems and equipment.

HIGHLIGHTS

- Cleaned sewer lines as required in the service agreements and within industry best management practices.

CCS BUDGET FISCAL YEAR 2019/20

- Responded to service requests as required in the service agreements.
- Responded to all emergency service requests within 45 minutes or less.
- Performed preventive maintenance at contract lift stations to maintain reliability.
- Conducted all required annual safety training programs.
- Responded to requests for USA markings.
- Performed connection inspections for GCSD as requested.
- Performed project oversight as requested by contracting agencies.
- No lost time due to industrial injury or illness.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, and to minimize the possibility of equipment breakdowns
- Continue to promote and provide a safe environment for all staff.
- Develop and implement standard operating procedures (SOPs) for contract collection and maintenance functions.
- Develop and implement maintenance plan for routine equipment maintenance.
- Perform annual F.O.G. program inspections on behalf of contracting agencies.

PERFORMANCE MEASURES

- Clean segments of sewer lines based on agreed upon frequencies.
- Eliminate sanitary sewer overflows (SSOs) to achieve the goal of no spills.
- No lost time due to injuries or accidents.
- Completion of 100% of required annual safety trainings.
- Respond to 100% of emergency service requests within 60 minutes or less.
- Achieve 100% customer satisfaction for all service calls.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning
Cancellation of Next Regular Scheduled Meeting
April 18.**

At this time staff does not anticipate an urgent need for the second meeting in February. The General Manager will be out of the office from April 10-19.

RECOMMENDATION:

Cancel the Next Regular Scheduled meeting April 18, 2019.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 4, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Water Operations: The General Manager participated in the supervision of the water operations and training of new employees. On March 25, the General Manager participated in the assessment of a water leak on Beach Way.

Projects: Construction of the new Airport 3 Treatment Plant is close to completion.

The 2018 Sewer Main Replacement Project is also close to completion.

The Highway 1 crossing Sewer Project has also not been completed at this time. The contractor is currently addressing compaction issues on MWSD property. The affected section of road was temporarily repaired to accommodate a SAM Truck delivery.

The Wagner Well site and pipeline replacement project is advertised for bid.

Conferences: The General Manager attended the American Water Works Association Spring Conference in Sacramento from March 25 – 28. A presentation by the District Engineer's office compared the operations and management of three small water systems in California, highlighting MWSD as success model.

The General Manager will be attending the Association of California Water Agencies Spring Conference in Monterey with Director Lohman from May 7-10.

Manager Leave: The Manager will be out of the office April 10-19.

RECOMMENDATION:

This is for Board information only.

Attachment

The Challenge of Staying Local How Small Water Systems Maintain Control and Increase Reliability

AWWA CA-NV SPRING CONFERENCE
MARCH 28, 2019
SACRAMENTO, CA
JAMIE LEFKOWITZ & LISA PEZZINO



Summary

- Overview of small water systems in California
- Case studies
 - Central Valley
 - Southern California
 - Bay Area Coastside

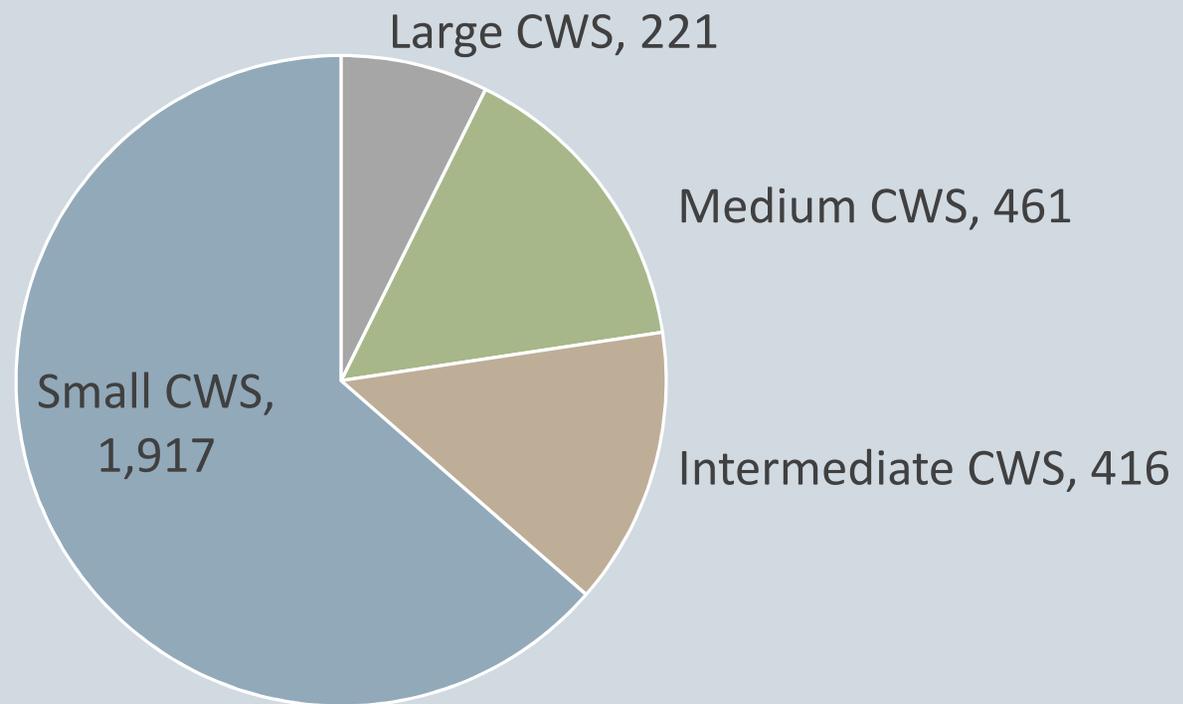


Community Water Systems in California

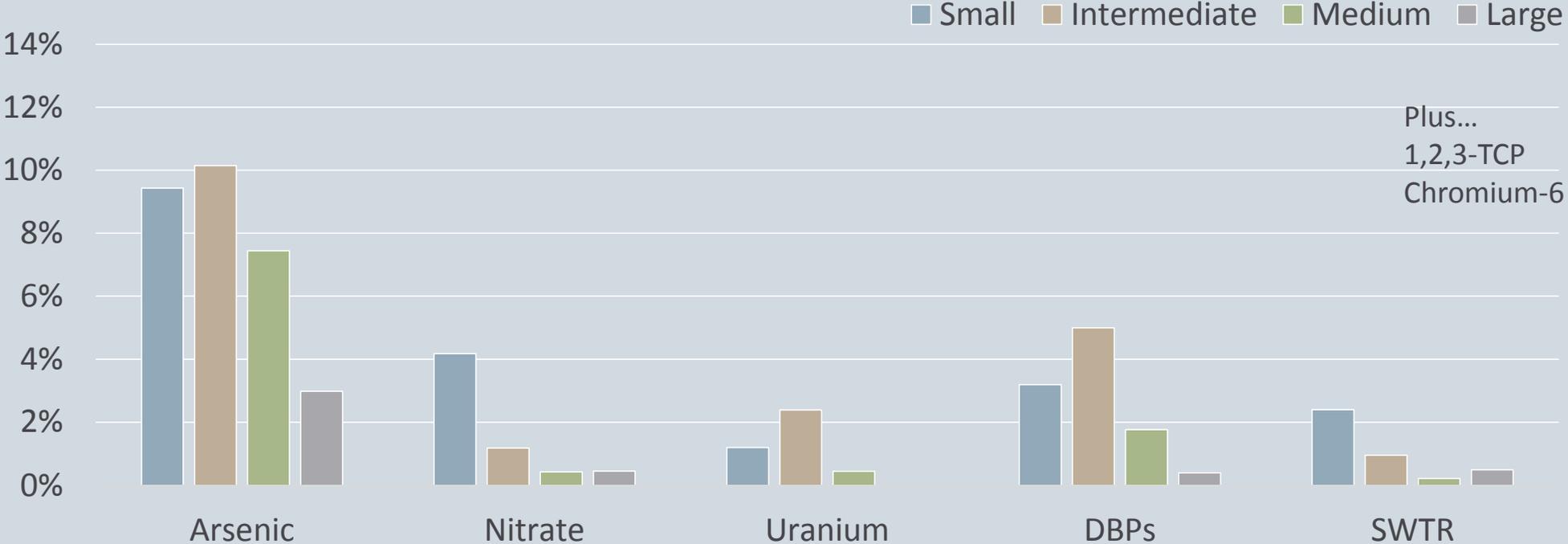
Public Water System Type	Service Connections	Number of Systems in CA
Large CWS	10,000+	221
Medium CWS	1,000 – 9,999	461
Intermediate CWS	200 – 999	416
Small CWS	< 200	1,917

Safe Drinking Water Plan for California (2014)

Community Water Systems in California



MCL Violations Normalized by # Systems



Safe Drinking Water Plan for California (2014)

SWRCB Recommendations

- Track and report status
- Promote consolidation
- Funding for disadvantaged communities to repair systems
- Responsible parties pay for mitigation of contamination
- Funding for disadvantaged communities to develop sustainable operating model

Case studies of real small water systems

1. Small disadvantaged farming community in Central Valley
2. Small disadvantaged rural community in Southern California
3. Medium community in Bay Area coast



Disadvantaged Community Water System #1

CENTRAL VALLEY



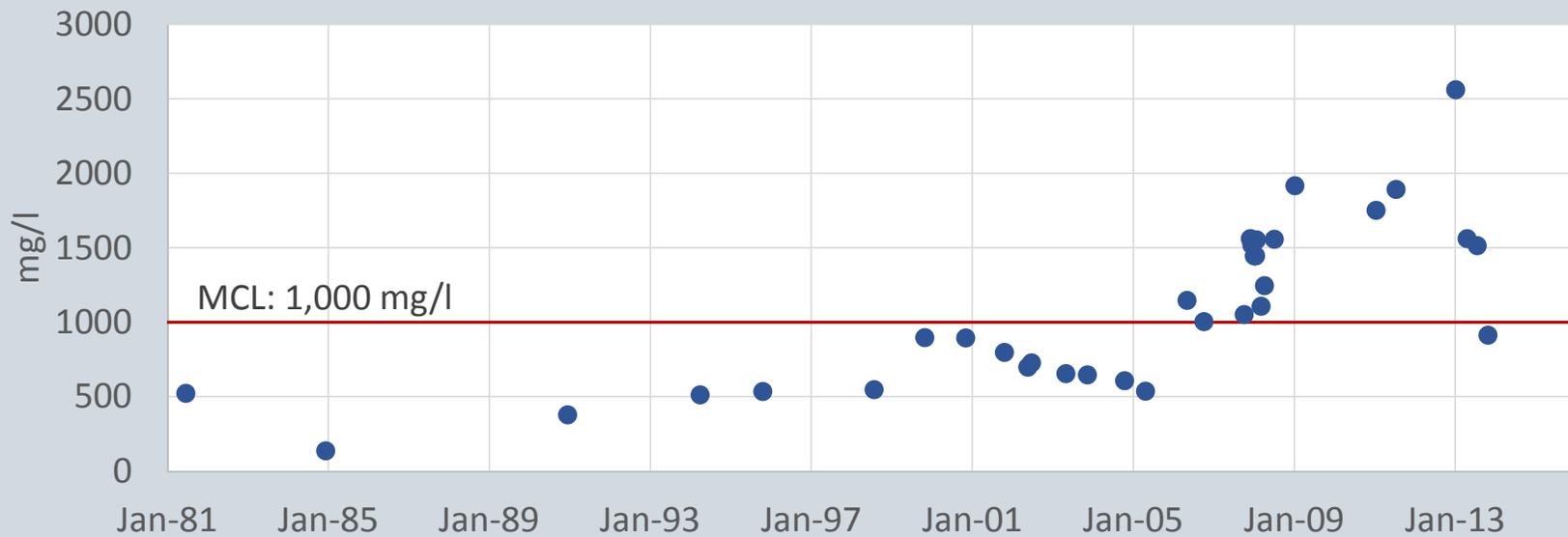
Disadvantaged Community Water System (DCWS1)

- Central Valley agricultural worker community
- ~100 connections
- Single well source with iron and manganese treatment, on farm property
- Water quality violations, nitrates and TDS, Do Not Drink order
- Farmer found liable for nitrate contamination, providing bottled water
- Single steel tank in good condition
- Distribution system in good condition, some configuration challenges



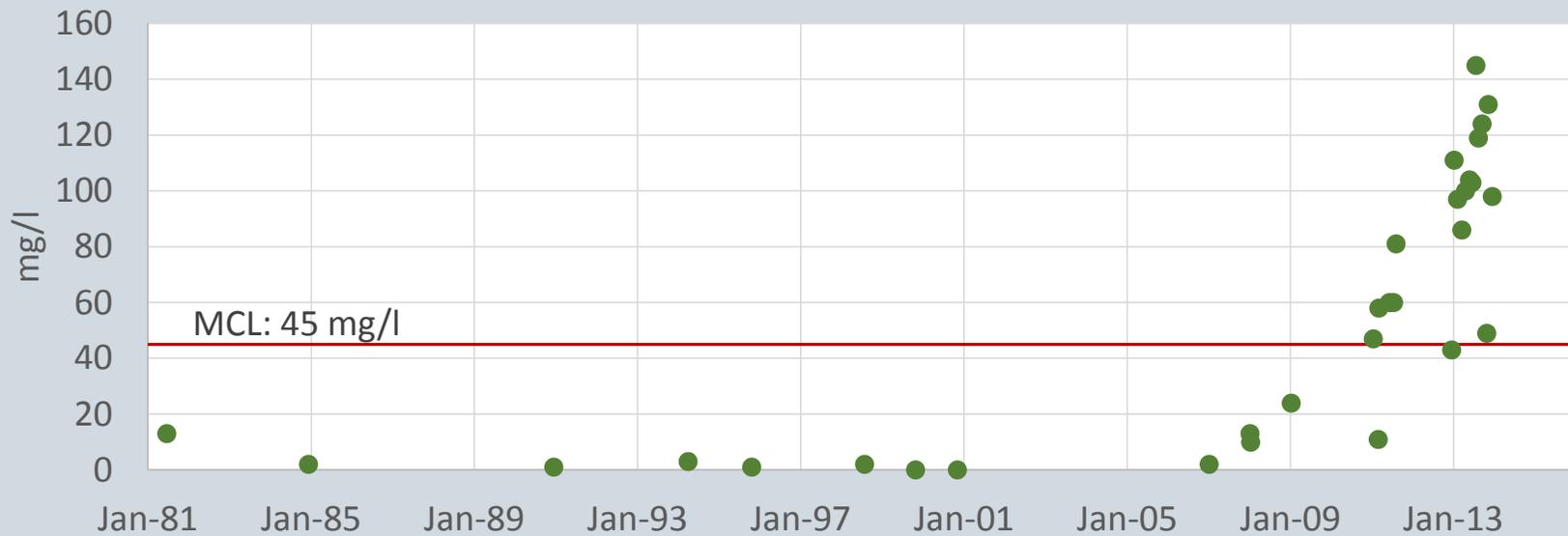
Source Water Quality - TDS

Observed TDS in Source Well



Source Water Quality - Nitrate

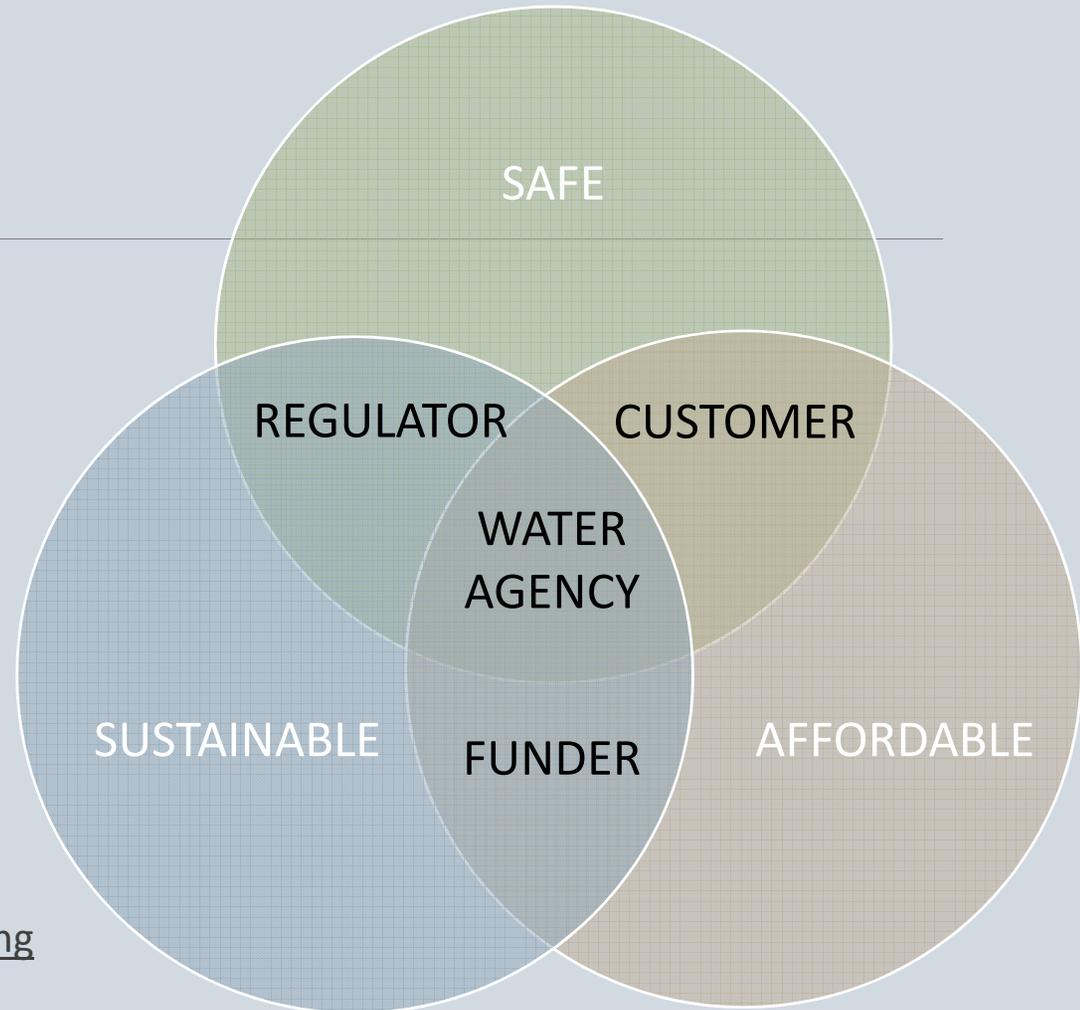
Observed Nitrate in Source Well



Stakeholders

- Water Agency: Represented by elected board, improvements overseen by County Engineering
- Regulator: County Department of Health
- Funder: SWRCB
- Customer: Disadvantaged community, largely employed by Landowner

- Responsible Party: Landowner
- Engineering services procured by County Engineering



Alternatives

Alternative	Relative Cost	Acceptable to...
Treatment of Existing Source	\$\$	<u>No one</u> - too expensive, uncertain future water quality, need additional land on farm, high operational cost with challenging waste disposal
New Groundwater Source (known source)	\$	Funder (SWRCB), Regulator, Engineering Alternatives Analysis
New Groundwater Under the Influence of Surface Water Source (unknown source)	\$	DCWS1, Landowner - very uncertain whether this source exists and is viable
Importation from Large Utility	\$\$\$\$	DCWS1, Landowner, Regulator
Consolidation with (unwilling) Large Utility	\$\$\$	Regulator, Landowner

Status

CHALLENGES

- Lack of funding
- Water quality issues
- Competing priorities
- Consolidation/import option is far away

APPROACHES

- County applied for State funding
- Hired engineers to assess condition
- Develop alternatives
- DCWS1 Board voted against recommended alternative
- SWRCB would not fund approved alternative (too expensive)
- Waiting for additional State funding to revisit other alternatives

Disadvantaged Community Water System #2

SOUTHERN CALIFORNIA



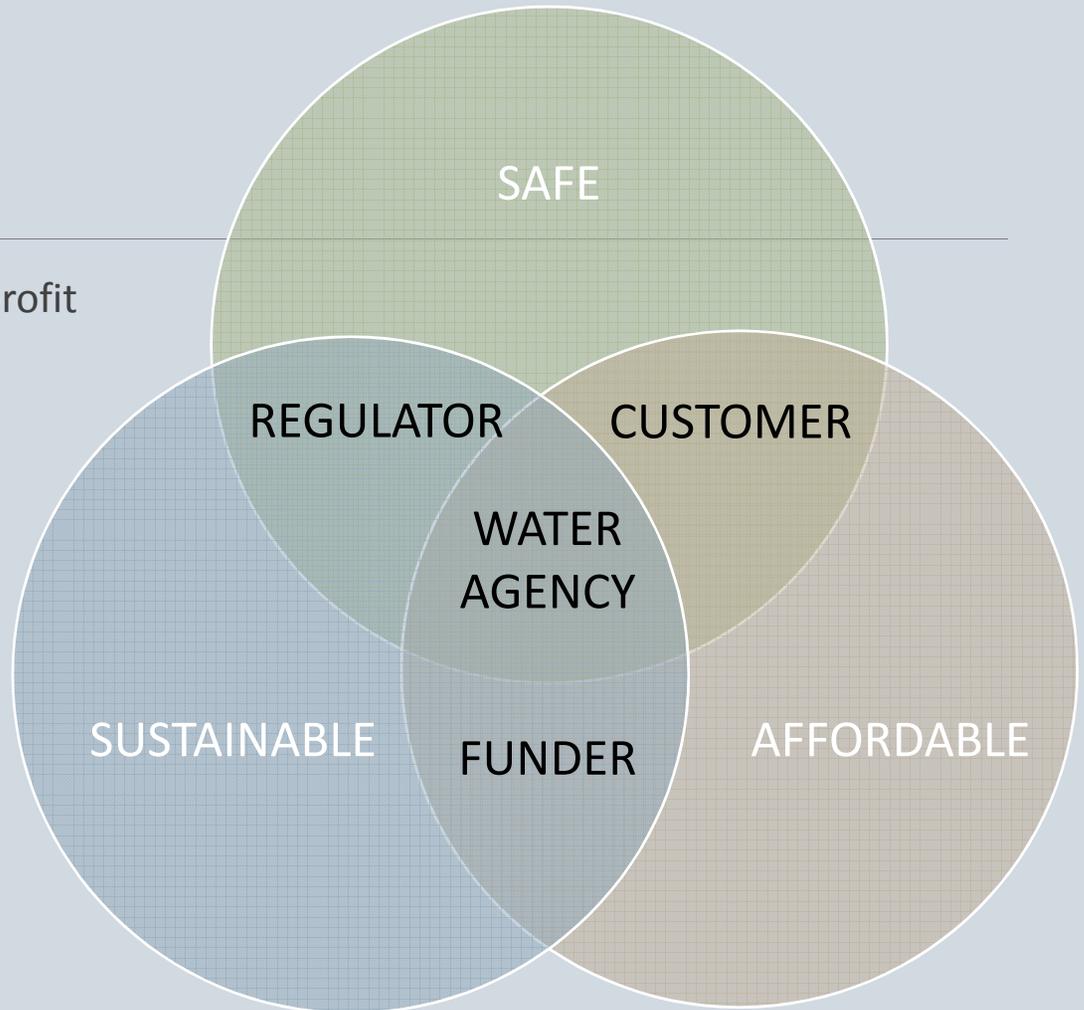
Disadvantaged Community Water System (DCWS2)

- Approximately 100 connections
- Southern California
- Out of compliance and nonfunctional
- Hyper-local approach and very close coordination with State



Stakeholders

- Water Agency: Represented by local 503b Nonprofit
- Regulator: State DDW
- Funder: SWRCB
- Customer: Disadvantaged Community
- Engineering services procured by Nonprofit



Water System Description

- Primarily residential; some agricultural uses
- Groundwater sources, poor water quality, limited storage facilities
- Distribution system mostly 2-3 inch pipes in poor condition
- Elevation differential is challenging, high pressures responsible for system deterioration
- Bottled water distributed by DCWS2



Facilities



Name	Status	Active
Well #1	Good water quality, damaged distribution infrastructure	
Well #2	Nitrates and radiation	●
Well #3	Radiation	●
Well #4	Low quantity, low quality	●
Well #5	Good quality	●
Well #6	Not operating	
Well #7	Not operating	
Additional Well	Good quality, not owned by DCWS2	●
Tank #1	Fed by Additional Well	●
Tank #2	Strategic location, in disrepair	

Design Assumptions

- Well #1 will be primary source with wellhead treatment
- Upgrade transmission main and distribution system piping with 6-in PVC or ductile iron, depending on location
- Six pressure zones to handle elevation differential
- 115,000 gallons of storage
- Combination of storage tanks carefully selected to accomplish gravity fed system

Status

CHALLENGES

- Lack of funding
- System in disrepair
- Staff resources for operations and maintenance
- Knowledge gap

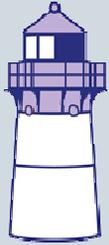
APPROACHES

- Acquired by 503b nonprofit
- Applied for State funding
- Hired engineers to assess condition
- Develop alternatives
- Involve stakeholders, including State
- Refine solution to match funding
 - \$30k per connection, break rebuild into smaller pieces
- Develop water sharing partnership with neighboring farmer for sustainable supply

Montara Water and Sanitary District

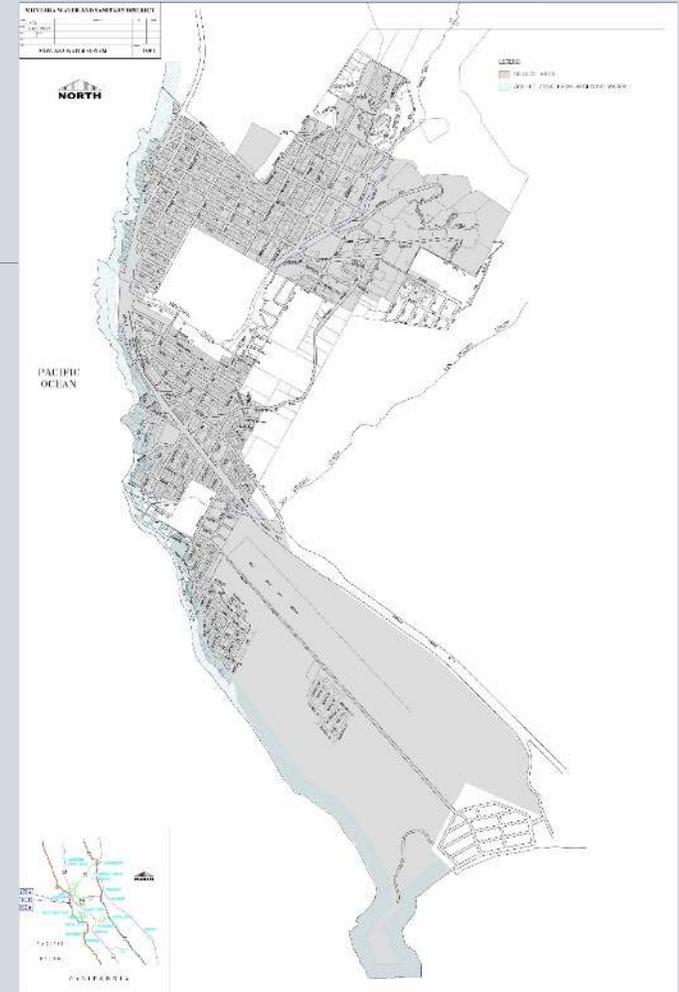
BAY AREA COASTSIDE





Montara Water and Sanitary District

- 1,650 connections (Medium CWS)
- Coastal aquifer groundwater wells
- Montara Creek
- Acquired by Sanitary District from large private utility in 2003



2003: System in Disrepair



Portola II Well



Portola III

2003: System in Disrepair



Alta Vista WTP Backwash Tank



Drake Well

2003: System in Disrepair



**Raw Water Supply Line,
Repair Clamp**



History

- 80% voted for general obligation bond (property tax)
- \$11M system purchase + \$8.5M improvements + SRF loans
- Sanitary District acquired water powers
- Hired team of hydrogeologists + engineers
- Sustainability in the Coastal Zone?
 - Source at risk of overpumping
 - Need to maintain revenue



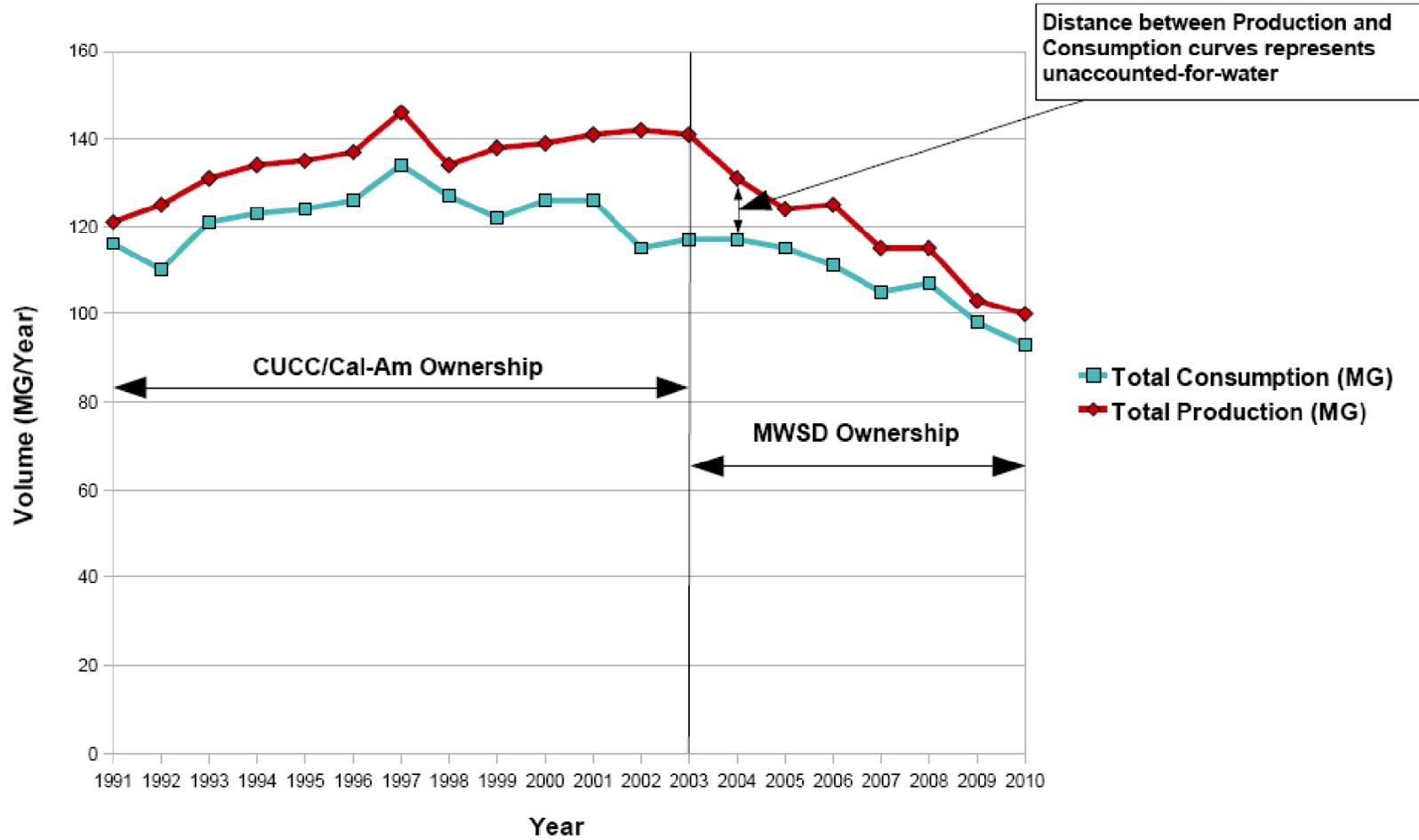
Improvements...

- Raw water pipeline
- Distribution system flow
- Water main replacement
- Storage seismic and safety
- Treatment plant
- Well rehab
- Access road rehab
- Pumping and power efficiency
- Treatment installations
- SCADA and control
- Conservation program



...ongoing

Production and Consumption Trend 1991 - 2010



Coastal Zone Limitations

- Local Coastal Program
- Moratorium on new connections in 1980s
- Individual wells adjacent to service area compromise groundwater sustainability (315 wells)
- MWSD needed to grow to maintain
- 2011-2013 lifted moratorium on new connections, on historic mains + fire protection



Summary

- Is consolidation an option?
 - Proximity
 - Cost
 - Timeline
 - Incentives (lack of)
- Who advocates for the water system?
 - Connection to community
 - Access to funding
 - Reduce bureaucracy
 - Reduce conflicts of interest
- Engineering
 - Prefer simple solutions
 - Consider long term O&M
 - Understand regulatory requirements

Acknowledgements

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Lisa Pezzino

SRT Consultants

Clemens Heldmaier

Montara Water and Sanitary District

Unnamed Small Water Systems

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Jamie@SRTConsultants.com

