



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

P.O. Box 370131
8888 Cabrillo Hwy
Montara, CA 94037-0131
t: 650.728.3545 • f: 650.728.8556

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

May 16, 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

OLD BUSINESS

1. [Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2019-2020 Budgets.](#)
2. [Review and Possible Action Concerning Draft Water and Sewer Budget.](#)
3. [Review and Possible Action Concerning Change of Regular Scheduled Meeting Time to 7:00 pm](#)

NEW BUSINESS

1. [Review and Possible Action Concerning District's Proposed Water System Capital Improvement Program.](#)

REPORTS

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

FUTURE AGENDAS

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))

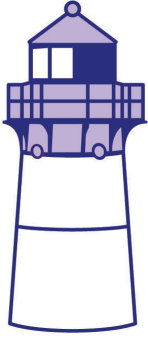
Case Names: *Ecological Rights Foundation v. Sewer Authority Mid-Coastside* (USDC ND Case No. 3:18-cv-04413-VC)

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 AND SANITARY DISTRICT AGENDA

For Meeting Of: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

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 General and Collections Budget were presented and discussed at the April 4 meeting. On May 2 the item was deferred to today's Board Meeting.

RECOMMENDATION:

Adopt Resolution, No. ____, Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year 2019-2020, and adopt Resolution No. ____, Resolution of the Montara Water and Sanitary District Approving and Adopting Fiscal Year 2019-2020 Sewer Authority Mid-Coastside Wastewater Collection System Contract Services Budget.

Attachments

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2019-2020

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, 2019 – June 30, 2020 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 2019-2020 entitled, “General Budget – Fiscal Year 2019/20,” 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

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2019-2020

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 16th day of May, 2019, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND ADOPTING FISCAL YEAR 2019 – 2020 SEWER AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM CONTRACT SERVICES BUDGET

WHEREAS, pursuant to Section V of that certain Agreement entitled, "Agreement for Maintenance and Operation Services Between the Montara Sanitary District and Sewer Authority Mid-Coastside," [said District subsequently renamed] dated April 7, 1988, for wastewater collection system maintenance and operation services, the Authority has submitted its Fiscal Year July 1, 2019– June 30, 2020 budget for such services; and

WHEREAS, this Board has reviewed the 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. That certain budget entitled, "Contract Collection Services Budget – Fiscal Year 2019/20," for collection system maintenance and operation services to be provided by Sewer Authority Mid-Coastside to the Montara Water and Sanitary District for said fiscal year, a copy of which is on file in the District Administrative Offices to which reference is hereby made for the particulars thereof, is hereby approved.

2. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to Sewer Authority Mid-Coastside.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2019 – 2020 SEWER
AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM
CONTRACT SERVICES BUDGET**

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____
was duly and regularly adopted and passed by the Board of the Montara Water
and Sanitary District, San Mateo County, California, at a Regular Meeting thereof
held on the 16nd day of May, 2019, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



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

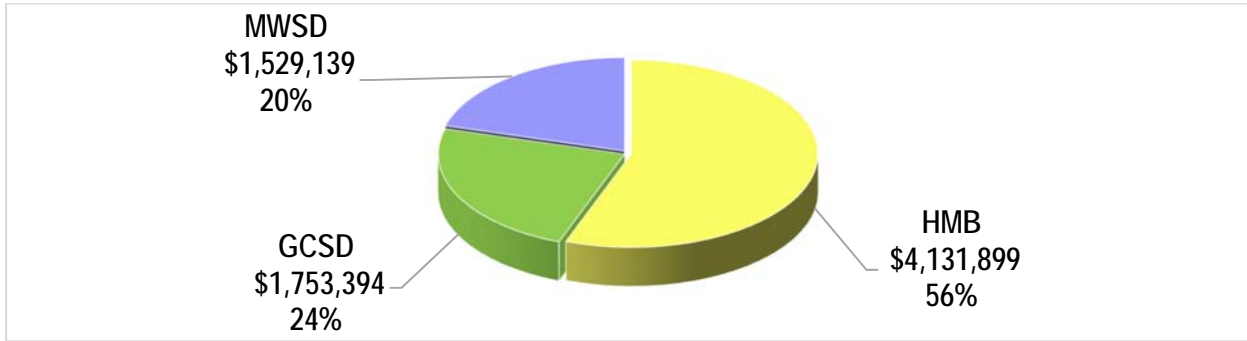
The operation and maintenance expenditure budget for Fiscal Year 2019/20 is \$7.64 million. This is an *overall increase* of \$1.69 million from the FY 2018/19 adopted budget, which is primarily due to increasing infrastructure spending and increasing staff to meet workload needs, including succession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

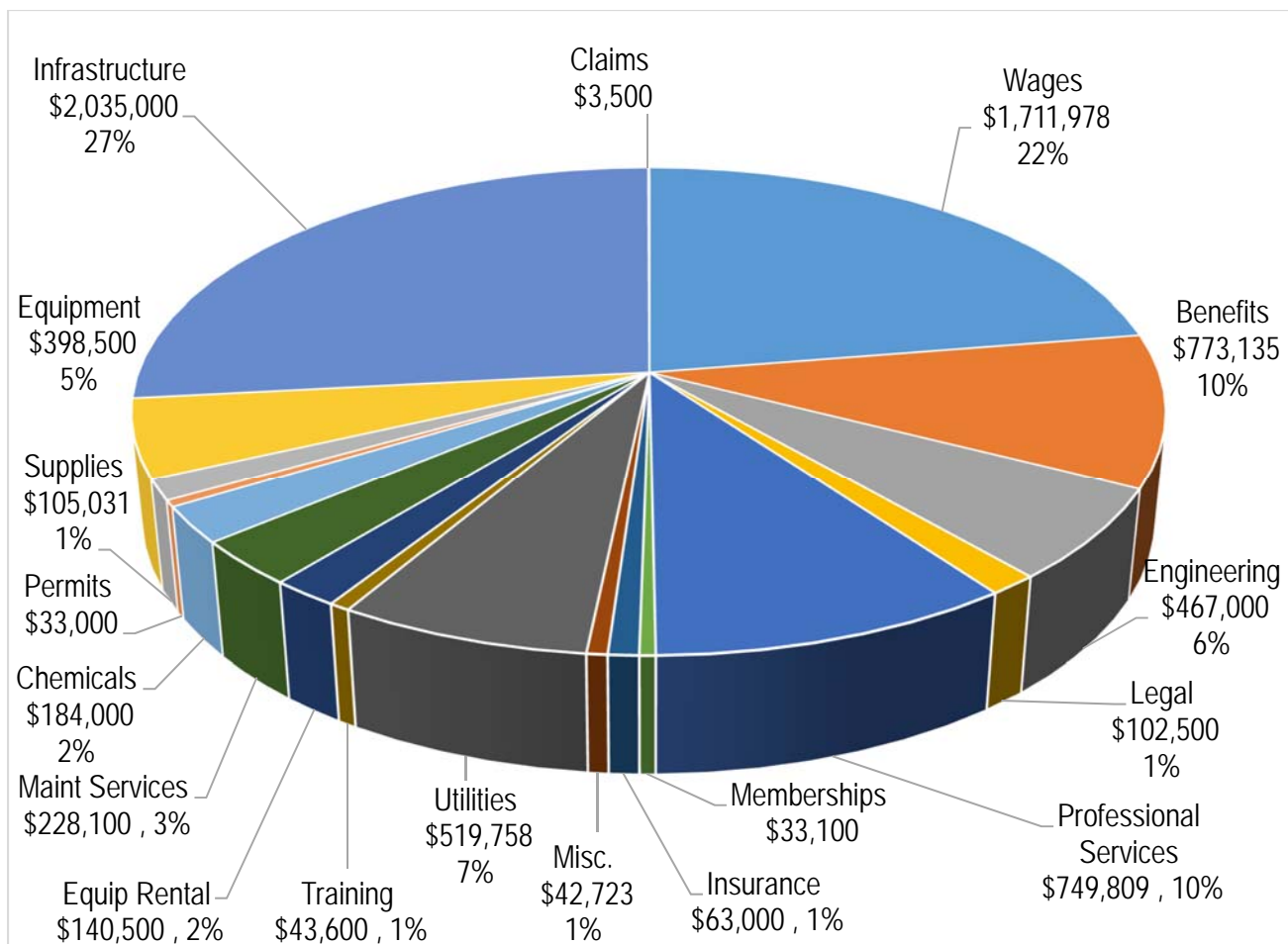
Budget Overview

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.

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	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	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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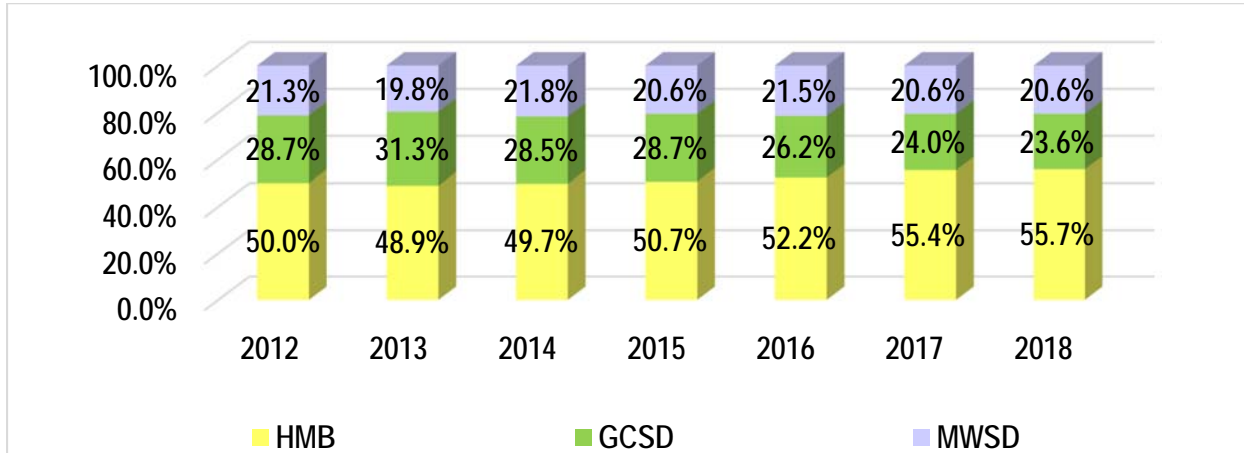
9. Engineering Services: increased \$365,000 for design and project management services for projects identified in the 5-Year CIP.
10. Professional Services: *decreased \$52,191* to reflect one-time expenses in FY 2018/19.
11. Professional Memberships: *decreased \$2,000* based on anticipated reductions.
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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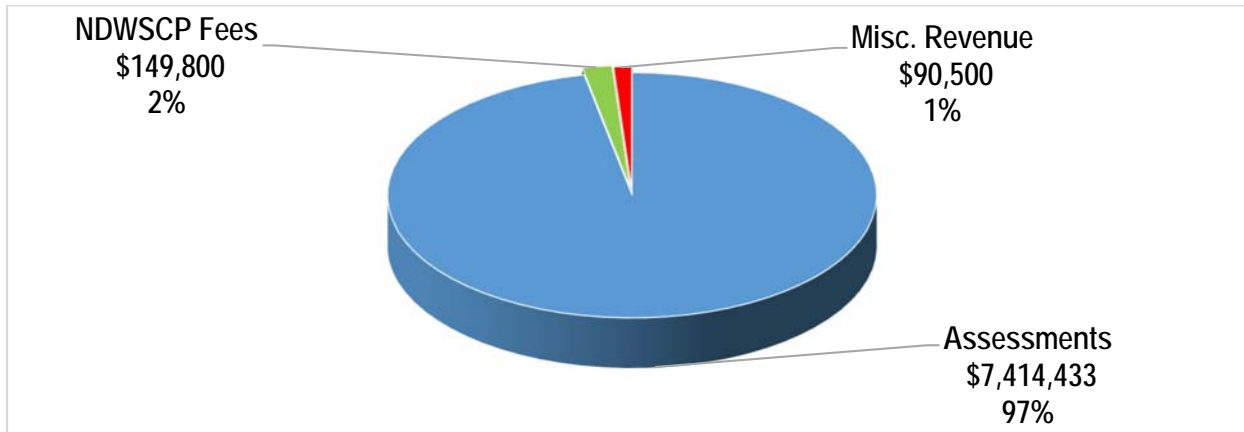
Changes in Revenue

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

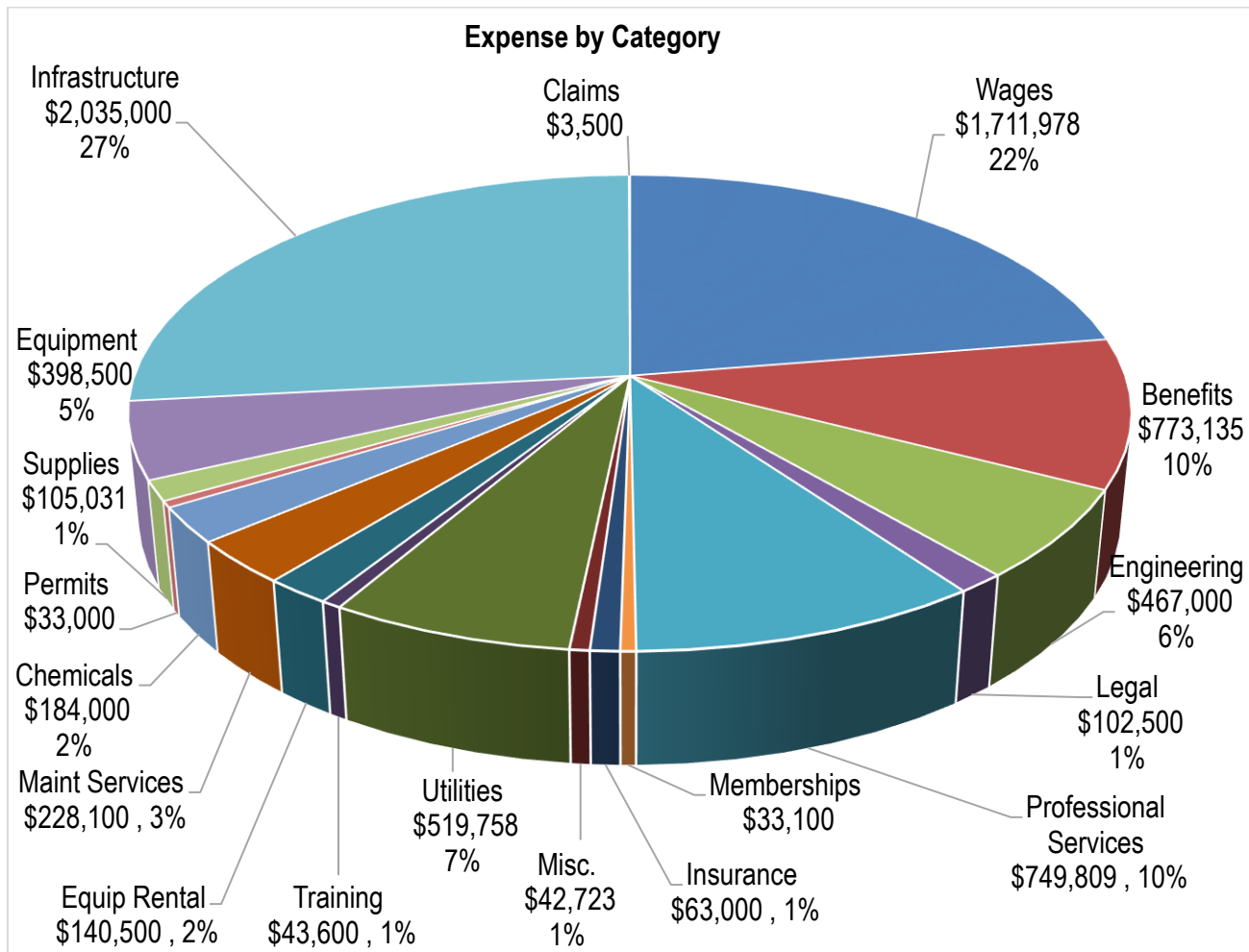
Operating Income		
Assessments - City of Half Moon Bay	4,131,899	
Assessments - Granada Community Services District	1,753,394	
Assessments - Montara Water & Sanitary District	1,529,139	
NDWSCP Fees	149,800	
Miscellaneous Revenue	70,500	
Total Operating Income		\$ 7,634,733
Operating Expenses		
Wages	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.

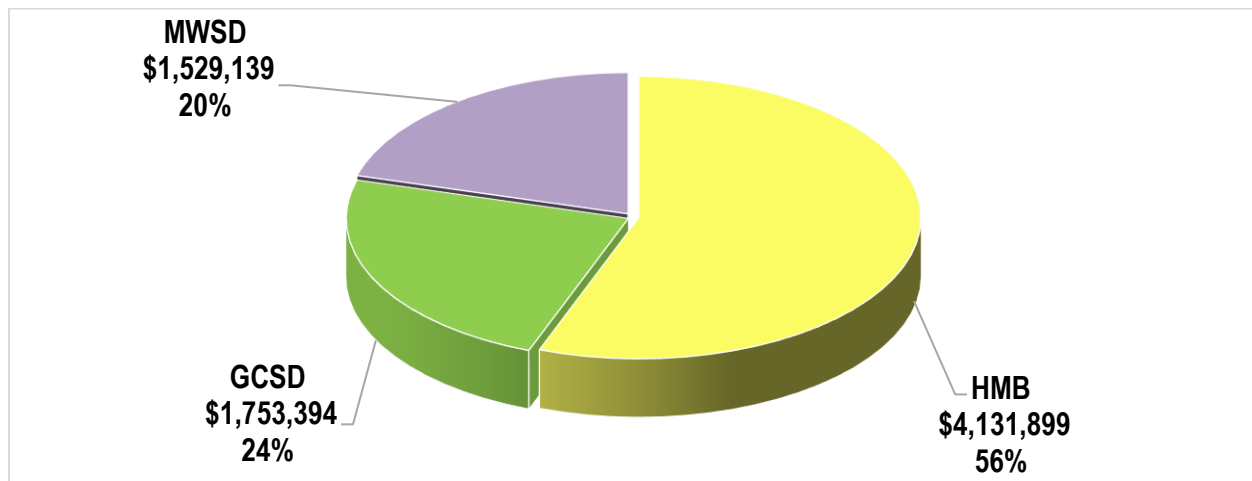
The Infrastructure division increased \$767,500 to address the projects in the 5-Year Capital Improvement Plan, including assessment of the Princeton segment of the Intertie Pipeline System (IPS) and design of the replacement for the Montara to Portola segment of the IPS.

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

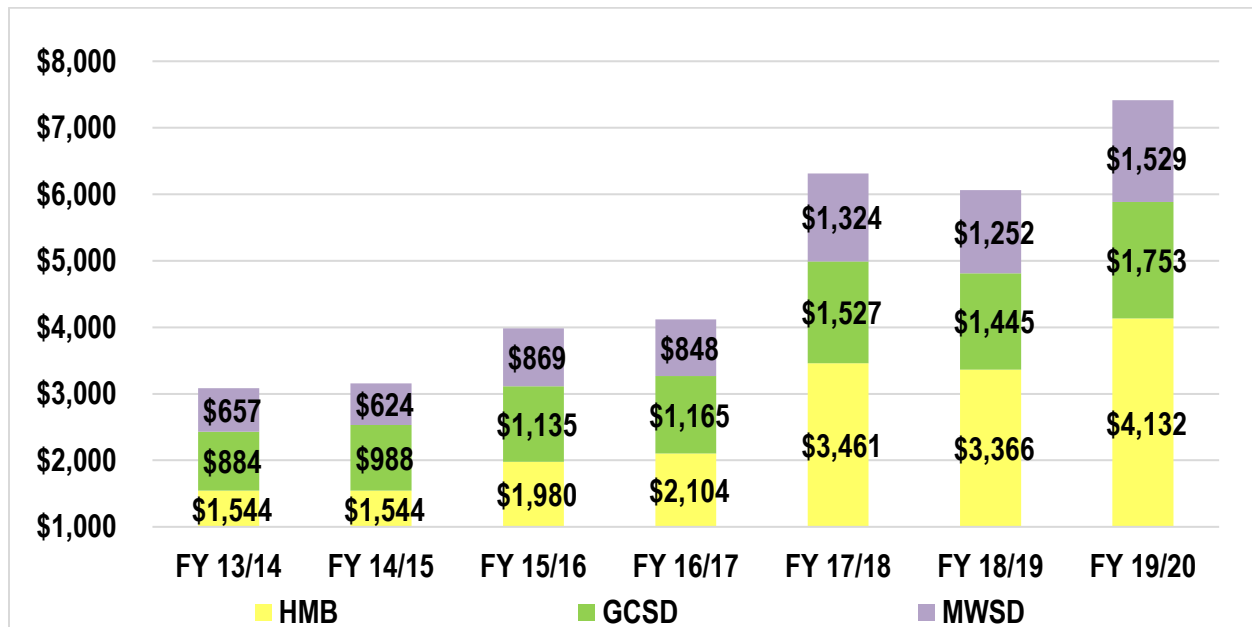
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$2,103,982	\$3,461,445	\$3,366,042	\$4,131,899	\$ 765,857	23%
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Total	\$4,117,177	\$6,313,041	\$6,063,746	\$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



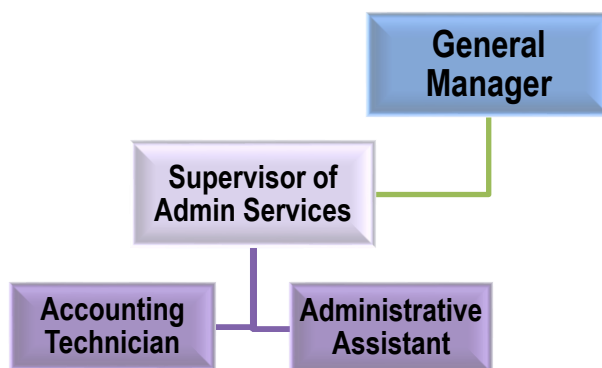
PROGRAM DESCRIPTION

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

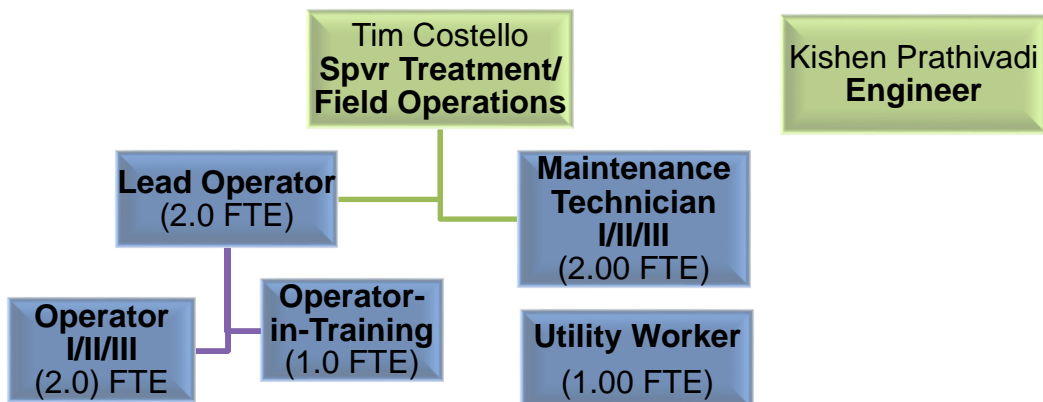


PROGRAM DESCRIPTION

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:

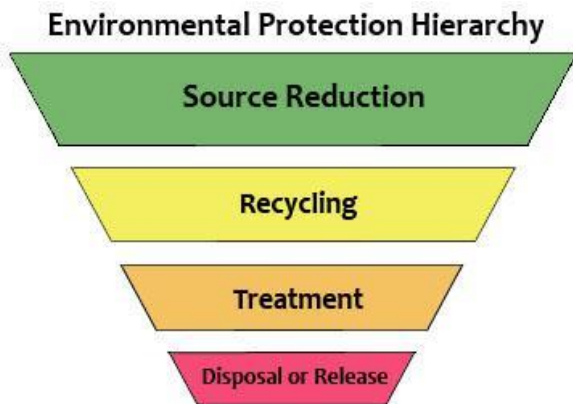
34 Half Moon Bay	66,605	84,597	81,720	81,720	121,544	39,823	49%
35 Granada CSD	37,765	42,461	34,678	34,678	51,578	16,899	49%
36 Montara WSD	65,675	35,006	30,243	30,243	44,981	14,738	49%
37	170,045	162,064	146,642	146,641	218,102	142,696	97%

Key Changes

Authorized Positions:

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

Replace all damaged electrical wires and conduits leading to the influent pumps. These are exposed and are a safety hazard.



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	110,000	-	-	110,000	-
23	Claims/Penalties	-	-	-	-	-
24	Subtotal	110,000	-	-	110,000	-
25	TOTAL	110,000	-	-	110,000	-

PROJECT DESCRIPTION:

Replaces critical electrical wires and conduits to all influent pumps. These are damaged and vulnerable to further degradation. If the electrical wires should fail, there would not be a method for continuing to pump into the plant as well as a safety hazard.

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 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

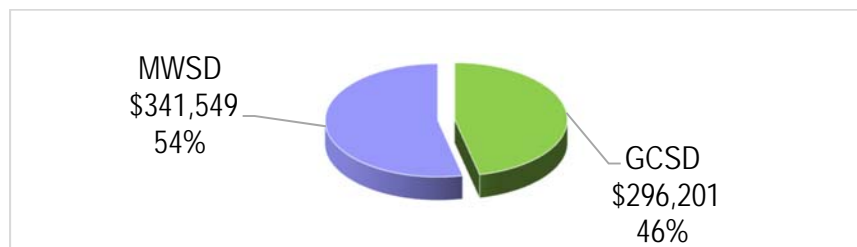
The purpose of this report is to allow the Board to discuss the proposed Contract Collection Services Budget for Fiscal Year 2019/20.

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

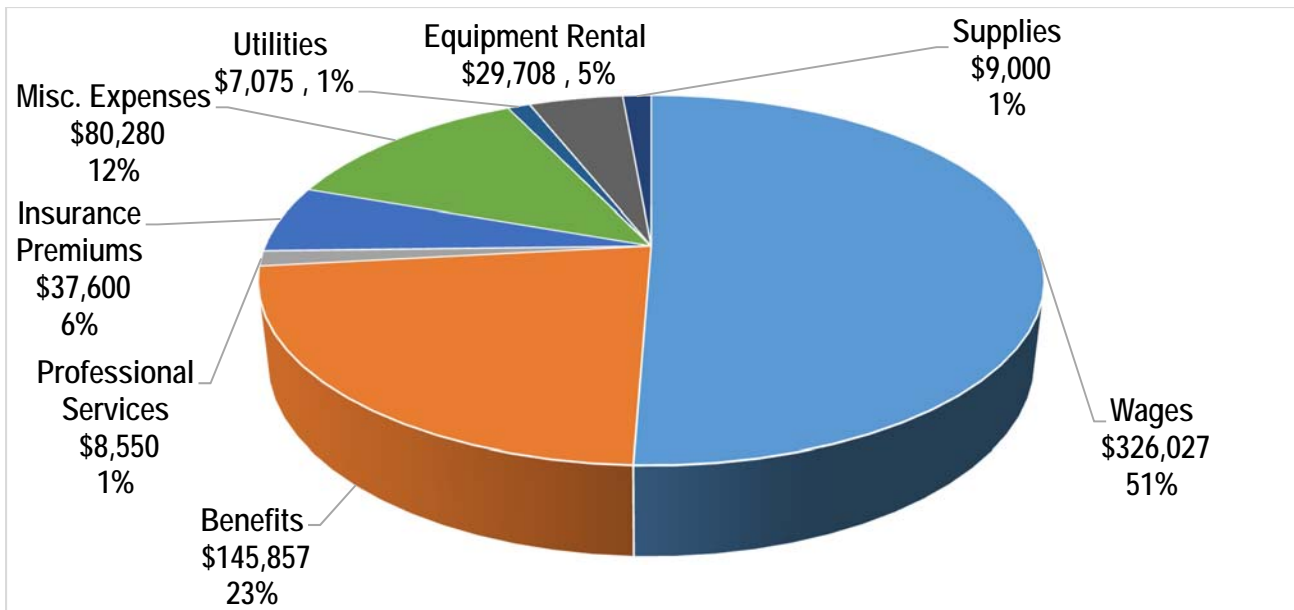
The recommendations in the proposed budget comply with SAM Strategic Plan Goal 5.6: “SAM is committed to providing quality collection system maintenance service for the Coastsides. It will seek to offer the type of agile and responsive service and cost that wins that business. However, SAM resources 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.”

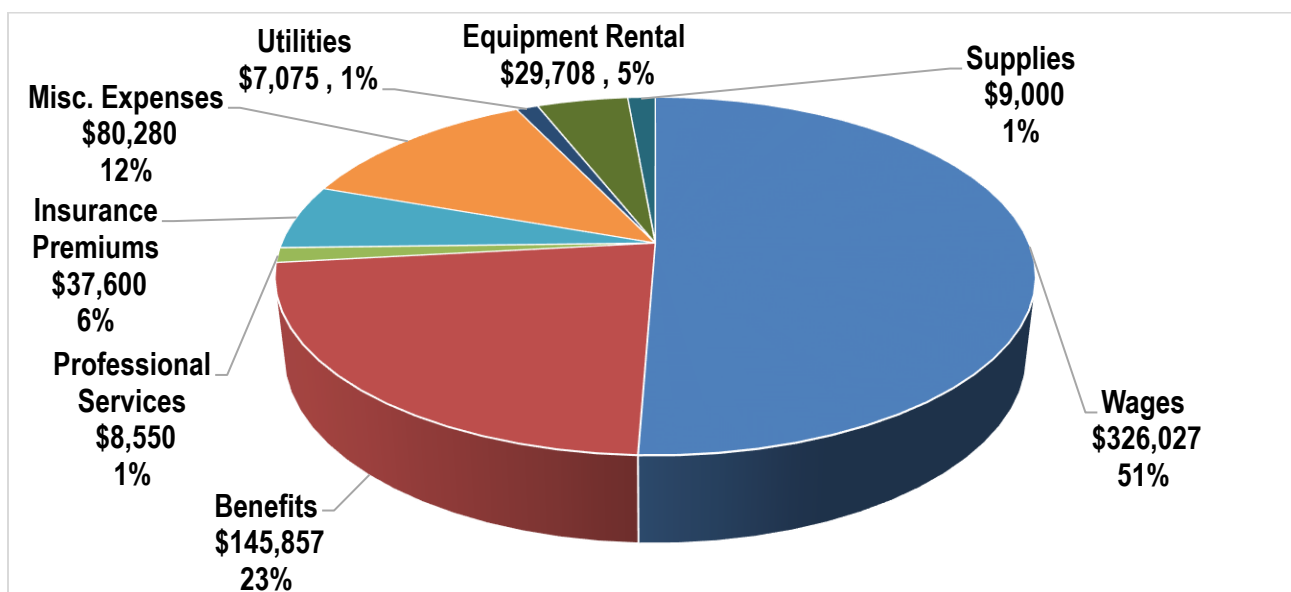
CCS Income & Expenses

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

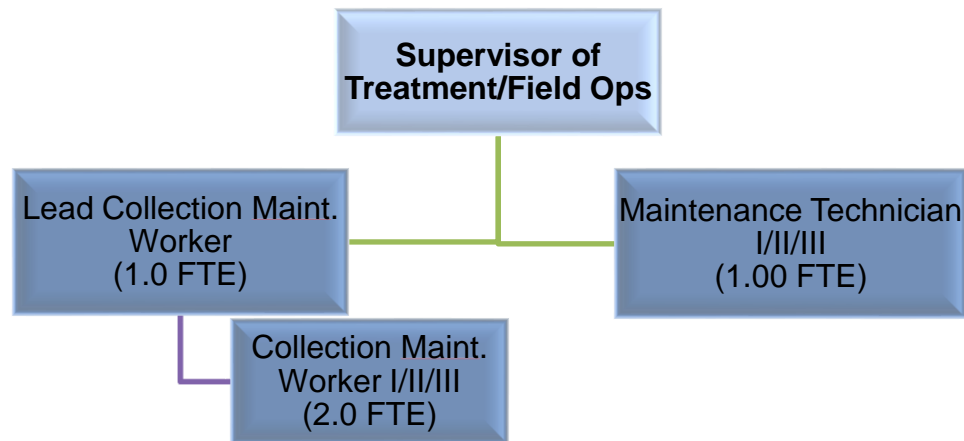
Funded Positions:	4.75	5.00	5.00	5.00	4.00	(1.00)	-20%
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CONTRACT COLLECTION SERVICES

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

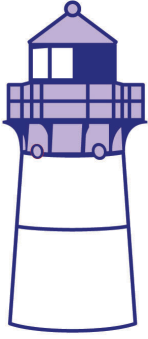
- Responded to service requests as required in the service agreements.
- Responded to all emergency service requests within 45 minutes or less.
- Performed preventive maintenance at contract lift stations to maintain reliability.
- Conducted all required annual safety training programs.
- Responded to 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: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Draft
Water and Sewer Budget.**

Every year the Board reviews MWSD's budgets in draft form to provide input to staff. At this time sewer flows are still being assessed by the consultant and sewer revenue unknown. Water and sewer CIP's are also in need to be refined and are still reviewed by staff.

This item was deferred from the May 2 meeting.

RECOMMENDATION:

This item is for Board review and referral to the finance committee. The finalized budgets will be presented for adoption at a subsequent meeting.

Attachments



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2019-2020

Cash flow summary
Operating cash flow

Operating income	FY 2018-2019	FY 2019-2020	Variance (%)	Variance (\$)
Sewer Service Charges	\$ 2,548,225	\$ -	-100.00%	\$ (2,548,225)
Cell Tower Lease	\$ 35,500	\$ -	-100.00%	\$ (35,500)
Fees & Other	\$ 17,000	\$ -	-100.00%	\$ (17,000)
Property Tax	\$ 275,000	\$ -	-100.00%	\$ (275,000)
Waste Collection Revenues	\$ 23,000	\$ -	-100.00%	\$ (23,000)
Total operating income	\$ 2,898,725	\$ -		
Operating expenses				
Personnel	\$ (315,649)	\$ -	-100.00%	\$ (315,649)
Professional Services	\$ (232,000)	\$ (150,000)	-35.34%	\$ (82,000)
Facilities & Administration	\$ (55,600)	\$ -	-100.00%	\$ (55,600)
Engineering	\$ (62,000)	\$ -	-100.00%	\$ (62,000)
Pumping	\$ (41,000)	\$ -	-100.00%	\$ (41,000)
Sewer Authority Mid-Coastside	\$ (1,667,183)	\$ -	-100.00%	\$ (1,667,183)
All other Accounts	\$ (67,860)	\$ -	-100.00%	\$ (67,860)
Total operating expenses	\$ (2,441,292)	\$ (150,000)		
Net Cash Flow Provided by Operations	\$ 457,433	\$ (150,000)		
Investment cash flow				
Investment income				
Interest Revenue	\$ 25,000	\$ -	-100.00%	\$ (25,000)
Total investment income	\$ 25,000	\$ -		
Investment expenses				
Capital Improvement Program	\$ (3,877,500)	\$ -	-100.00%	\$ (3,877,500)
Total investment expenses	\$ (3,877,500)	\$ -		
Net Cash Flow Used by Investments	\$ (3,852,500)	\$ -		
Financing cash flow				
Financing income				
Connection Fees	\$ 194,600	\$ -	-100.00%	\$ (194,600)
Total financing income	\$ 194,600	\$ -		
Financing expenses				
Loan Interest Expense	\$ (40,307)	\$ -	-100.00%	\$ (40,307)
Loan Principal Payment	\$ (81,092)	\$ -	-100.00%	\$ (81,092)
Total financing expenses	\$ (121,399)	\$ -		
Net Cash Flow Provided by Financing Activities	\$ 73,201	\$ -		
Overall projected cash flow	\$ (3,321,867)	\$ (150,000)		
Transfer from Sewer Reserves	\$ 3,321,867	\$ 150,000 *		
Net cash flow	\$ -	\$ -		

* Please see discussion of Sewer reserve funds on page 23. In addition, please review the Sewer CIP project summary list on page 17.



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2019-2020

Cash flow summary

Operating cash flow

Operating income	FY 2018-2019	FY 2019-2020	Variance (%)	Variance (\$)
Water Sales	\$ 1,912,496	\$ -	-100.00%	\$ (1,912,496)
Cell Tower Lease	\$ 35,500	\$ -	-100.00%	\$ (35,500)
Fees & Other	\$ 12,050	\$ -	-100.00%	\$ (12,050)
Property Tax	\$ 275,000	\$ -	-100.00%	\$ (275,000)
Backflow Testing & Other	\$ 16,000	\$ -	-100.00%	\$ (16,000)
Total operating income	\$ 2,251,046	\$ -		
Operating expenses				
Personnel	\$ (872,572)	\$ -	-100.00%	\$ (872,572)
Professional Services	\$ (150,000)	\$ -	-100.00%	\$ (150,000)
Facilities & Administration	\$ (58,500)	\$ -	-100.00%	\$ (58,500)
Engineering	\$ (145,500)	\$ (120,000)	-17.53%	\$ (25,500)
Pumping	\$ (105,700)	\$ -	-100.00%	\$ (105,700)
Supply	\$ (52,100)	\$ -	-100.00%	\$ (52,100)
Collection/Transmission	\$ (81,500)	\$ -	-100.00%	\$ (81,500)
Treatment	\$ (76,000)	\$ -	-100.00%	\$ (76,000)
All Other Accounts	\$ (124,600)	\$ -	-100.00%	\$ (124,600)
Total operating expenses	\$ (1,666,472)	\$ (120,000)		
Net Cash Flow Provided by Operations	\$ 584,574	\$ (120,000)		
Investment cash flow				
Investment income				
GO Bonds, Assessment Receipts	\$ 1,150,436	\$ -	-100.00%	\$ (1,150,436)
Total investment income	\$ 1,150,436	\$ -		
Investment expenses				
Capital Improvement Program	\$ (481,000)	\$ -	-100.00%	\$ (481,000)
Total investment expenses	\$ (481,000)	\$ -		
Net Cash Flow Used by Investments	\$ 669,436	\$ -		
Financing cash flow				
Financing income				
Connection Fees	\$ 253,020	\$ -	-100.00%	\$ (253,020)
Total financing income	\$ 253,020	\$ -		
Financing expenses				
Long Term Debt - Interest Expense	\$ (347,802)	\$ -	-100.00%	\$ (347,802)
Long Term Debt - Principal Payment	\$ (1,200,079)	\$ -	-100.00%	\$ (1,200,079)
Total financing expenses	\$ (1,547,881)	\$ -		
Net Cash Flow Provided by Financing Activities	\$ (1,294,861)	\$ -		
Overall projected cash flow	\$ (40,851)	\$ (120,000)		
Transfer from Water Reserves	\$ (40,851)	\$ (120,000)	*	
Net cash flow	\$ -	\$ -		

* Please see discussion of Water reserve funds on page 22.

MWSD — Fiscal Year 2019-20 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2016-17	2017-18	Approved	Income/Exp	% To date	Projected	Projected as	Proposed	Increase/(Decrease) from 2018-2019 \$	Increase/(decrease) %
		Actual	Actual	Budget 2018-19	enditures as of March 31, 2019			% of Budget	amounts 2019-20		
Cell Tower Lease:	4220	34,427	35,632	35,500	27,416	77.23%	41,124	115.84%		(35,500)	-100.00%
Administrative Fees (New Construction):	4410	3,409	4,040	3,500	2,605	74.43%	3,908	111.64%		(3,500)	-100.00%
Administrative Fees (Remodel):	4420	1,448	0	2,000	0	0.00%	0	0.00%		(2,000)	-100.00%
Inspection Fees (New Construction):	4430	3,220	3,339	3,500	2,464	70.40%	3,696	105.60%		(3,500)	-100.00%
Inspection Fees (Remodel):	4440	3,748	0	4,000	0	0.00%	0	0.00%		(4,000)	-100.00%
Mainline Extension Fees:	4450		1,500		0	0.00%	0	0.00%		0	#DIV/0!
Remodel Fees:	4460	15,844	10,278	4,000	44,796	1119.90%	67,194	1679.85%		(4,000)	-100.00%
Grants:	4510		0			0.00%	0	0.00%		0	#DIV/0!
Property Tax Receipts:	4610	340,018	367,805	275,000	299,164	108.79%	448,746	163.18%		(275,000)	-100.00%
Sewer Service Charges:	4710	1,975,325	2,053,963	2,552,225	1,409,569	55.23%	2,114,354	82.84%		(2,552,225)	-100.00%
Sewer Service Refunds, Customer:	4720	(10,530)	(2,343)	(4,000)	0	0.00%	0	0.00%		4,000	-100.00%
Waste Collection Revenues:	4760	23,130	21,677	23,000	16,275	70.76%	24,413	106.14%		(23,000)	-100.00%
Other Revenue:	4990	433	3,378		2,809	100.00%	4,214	100.00%			
Total Operating Revenue:		2,390,473	2,499,269	2,898,725	1,805,098	62.27%	2,707,647	93.41%	0	(2,898,725)	-100.00%
Operating Expenses											
Bank Fees:	5190	6,692	6,654	6,500	5,765	88.69%	8,648	133.04%		(6,500)	-100.00%
Board Meetings:	5210	4,169	1,836	2,500	2,566	102.64%	3,849	153.96%		(2,500)	-100.00%
Director Fees:	5220	2,665	3,900	4,000	1,425	35.63%	2,138	53.44%		(4,000)	-100.00%
Election Expenses:	5230	4,860	0	5,000	0	0.00%	0	0.00%		(5,000)	-100.00%
Conference Attendance:	5250	147	3,131	3,000	1,137	37.89%	1,705	56.83%		(3,000)	-100.00%
Information Systems:	5270	1,667	1,224	4,000	1,140	28.49%	1,709	42.73%		(4,000)	-100.00%
Fidelity Bond:	5310		0	500	438	87.50%	656	131.25%		(500)	-100.00%
Property & Liability Insurance:	5320	3,758	2,161	2,000	2,215	110.75%	3,323	166.13%		(2,000)	-100.00%
LAFCO Assessment:	5350	1,526	1,601	2,000	1,794	89.70%	2,691	134.55%		(2,000)	-100.00%
Meeting Attendance, Legal:	5420	6,483	6,951	9,500	14	0.14%	20	0.21%		(9,500)	-100.00%
General Legal:	5430	32,775	209,412	150,000	103,635	69.09%	155,453	103.64%	150,000	0	0.00%
Maintenance, Office:	5510	6,933	4,020	8,000	6,155	76.94%	9,233	115.41%		(8,000)	-100.00%
Meetings, Local:	5520		0		26	100.00%	39	100.00%		0	
Memberships:	5530		0		579	100.00%	869	100.00%		0	
Office Supplies:	5540	7,755	6,243	8,000	4,733	59.16%	7,100	88.74%		(8,000)	-100.00%
Postage:	5550	1,143	277	2,500	1,799	71.96%	2,699	107.94%		(2,500)	-100.00%
Printing & Publishing:	5560	1,135	2,909	5,000	2,213	44.26%	3,320	66.39%		(5,000)	-100.00%
Accounting:	5610	38,950	31,276	30,000	20,153	67.18%	30,230	100.77%		(30,000)	-100.00%
Audit:	5620	13,000	18,000	13,000	8,000	61.54%	12,000	92.31%		(13,000)	-100.00%
Consulting:	5630	19,894	35,859	20,000	17,224	86.12%	25,836	129.18%		(20,000)	-100.00%
Data Services:	5640		5,851	6,000	6,079	101.32%	9,119	151.98%		(6,000)	-100.00%
Labor & HR Support:	5650	2,250	2,484	2,500	1,831	73.24%	2,747	109.86%		(2,500)	-100.00%
Payroll Services:	5660	942	940	1,000	720	72.00%	1,080	108.00%		(1,000)	-100.00%
Other Professional Services:	5690	132	0		0	0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	119	0	2,500	119	4.76%	179	7.14%		(2,500)	-100.00%
Telephone & Internet:	5720	16,380	18,961	24,000	15,760	65.67%	23,640	98.50%		(24,000)	-100.00%
Mileage Reimbursement:	5730	1,063	564	1,500	1,092	72.80%	1,638	109.20%		(1,500)	-100.00%
Reference Materials:	5740	23	0	200	87	43.50%	131	65.25%		(200)	-100.00%
Other Administrative:	5790		0		518	100.00%	777	100.00%		0	
CalPERS 457 Deferred Plan:	5810	18,637	18,386	15,912	15,013	94.35%	22,520	141.52%		(15,912)	-100.00%
Employee Benefits:	5820	37,701	39,107	35,635	40,847	114.63%	61,271	171.94%		(35,635)	-100.00%
Disability Insurance:	5830	1,360	1,360	1,534	907	59.12%	1,360	88.68%		(1,534)	-100.00%

MWSD — Fiscal Year 2019-20 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2016-17	2017-18	Approved	Income/Exp	% To date	Projected	Projected as	Proposed	Increase/(Decrease) from 2018-2019 \$	Increase/(decrease) %
		Actual	Actual	Budget 2018-19	enditures as of March 31, 2019			% of Budget	amounts 2019-20		
Payroll Taxes:	5840	14,552	16,063	17,390	11,174	64.26%	16,761	96.39%		(17,390)	-100.00%
Worker's Compensation Insurance:	5960	2,120	4,082	2,447	680	27.79%	1,020	41.68%		(2,447)	-100.00%
Management:	5910	99,561	114,908	103,725	85,874	82.79%	128,811	124.19%		(103,725)	-100.00%
Staff :	5920	119,299	127,015	119,047	94,460	79.35%	141,690	119.02%		(119,047)	-100.00%
Staff Certification:	5930	1,800	1,800	1,800	1,350	75.00%	2,025	112.50%		(1,800)	-100.00%
Staff Overtime:	5940	3,879	918	2,744	1,435	52.30%	2,153	78.46%		(2,744)	-100.00%
Staff Standby:	5950		32			0.00%	0	0.00%		0	
PARS:	5850	(80,974)	16,909	15,416	11,998	77.83%	17,997			(15,416)	-100.00%
Claims, Property Damage:	6170		12,811	20,000	20,514	102.57%	30,771	153.86%		(20,000)	-100.00%
Education & Training:	6195		717	1,000	409	40.90%	613	61.34%		(1,000)	-100.00%
Meeting Attendance, Engineering:	6210		0	2,000	0	0.00%	0	0.00%		(2,000)	-100.00%
General Engineering:	6220	44,122	68,682	60,000	17,166	28.61%	25,749	42.91%		(60,000)	-100.00%
Equipment & Tools, Expensed:	6320		0	1,000	0	0.00%	0	0.00%		(1,000)	-100.00%
Alarm Services:	6335	6,738	5,146	5,700	4,065	71.32%	6,098	106.97%		(5,700)	-100.00%
Landscaping:	6337	4,080	2,280	2,400	1,716	71.50%	2,574	107.25%		(2,400)	-100.00%
Pumping Fuel & Electricity:	6410	36,043	39,312	41,000	32,463	79.18%	48,695	118.77%		(41,000)	-100.00%
Pumping Maintenance, General:	6430				0	0.00%	0	0.00%			
Maintenance, Collection System:	6660			10,000	0	0.00%	0	0.00%		(10,000)	-100.00%
Fuel:	6810	878	988	1,000	738	73.80%	1,107	110.69%		(1,000)	-100.00%
Truck Equipment, Expensed:	6820	71	2	160	18	11.44%	27	17.16%		(160)	-100.00%
Truck Repairs:	6830	331	780	1,000	266	26.60%	399	39.90%		(1,000)	-100.00%
Total Other Operations:	6890	550	0			0.00%	0	0.00%		0	
SAM Collections:	6910	321,608	232,841	328,036	247,956	75.59%	371,934	113.38%		(328,036)	-100.00%
SAM Operations:	6920	677,904	1,625,331	1,249,147	936,860	75.00%	1,405,290	112.50%		(1,249,147)	-100.00%
SAM Prior-Year Adjustment:	6930		0		0	0.00%	0	0.00%		0	
SAM Maintenance, Collection System:	6940		0	40,000	0	0.00%	0	0.00%		(40,000)	-100.00%
SAM Maintenance, Pumping:	6950	0	0	50,000	49,008	98.02%	73,512	147.02%		(50,000)	-100.00%
Total Operations Expense:		1,484,721	2,693,723	2,441,292	1,782,132	73.00%	2,673,198	109.50%	150,000	(2,291,292)	-93.86%
Net Change in position from Operations:		905,751	(194,455)	457,433	22,966	5.02%	34,449	7.53%	(150,000)	(607,433)	-132.79%



MWSD — Fiscal Year 2019-2020 Non-Operating Budget - SEWER ENTERPRISE

	GL Codes	2016-17 Actual	2017-18 Actual	Approved Budget 2018-19	Income/Expenditure s as of March 31, 2019	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2019-20	Increase/(Decrease) from 2018-2019 \$	Increase/(decrease) %
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	140,090	221,658	144,600	152,570	105.51%	228,855	158.27%		(50,000)	-100.00%
Connection Fees, Residential Remodel:	7120	35,740	7,605	50,000	12,026	24.05%	18,040	36.08%		0	#DIV/0!
LAIF, Interest:	7200	32,034	41,070	25,000	71,229	284.92%	106,844	427.37%		(219,600)	-100.00%
Total Non Operating Revenue:		207,864	270,333	219,600	235,825	107.39%	353,738	161.08%	0	(294,600)	#DIV/0!
Non Operating Expense											
PNC Equipment Lease:	9125	19,545	18,222	16,826	12,765	75.86%	19,148	113.80%		0	#DIV/0!
Capital Assessment, SAM:	9175	113,432	121,345		0	0.00%	0	0.00%		(23,481)	-100.00%
I-Bank Loan:	9200	24,853	23,996	23,481	12,783	54.44%	19,174	81.66%		(40,307)	-100.00%
Total Non Operating Expense:		157,830	163,563	40,307	25,548	63.38%	38,321	95.07%	0	(63,788)	#REF!
Net Change in position from Non Operating		50,034	106,770	179,293	210,278		315,417			(230,812)	

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MWSD – Fiscal Year 2019-2020 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2016-17	2017-18	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2018-19	as of March 31, 2019			of Budget	amounts 2019-20	from 2017-18 \$	%
Cell Tower Lease:	4220	34,427	35,632	35,500	27,416	77.23%	41,124	115.84%		(35,500)	-100.00%
Administrative Fees (New Construction):	4410	7,292	4,545	5,500	2,084	37.89%	3,126	56.84%		(5,500)	-100.00%
Administrative Fees (Remodel):	4420	0	1,679	900	0	0.00%	0	0.00%		(900)	-100.00%
Inspection Fees (New Construction):	4430	6,888	4,293	5,000	1,972	39.44%	2,958	59.16%		(5,000)	-100.00%
Inspection Fees (Remodel):	4440	460	1,908	650	0	0.00%	0	0.00%		(650)	-100.00%
Mainline Extension Fees:	4450		0		3,119	100.00%	4,679	100.00%		0	
Grants:	4510				280	100.00%	420	100.00%		0	#DIV/0!
Remodel Fees:	4460	9,732	4,425		1,900	100.00%	2,850	100.00%			
Property Tax Receipts:	4610	340,018	367,805	275,000	299,164	108.79%	448,746	163.18%		(275,000)	-100.00%
Testing, Backflow:	4740	14,816	17,858	16,000	15,456	96.60%	23,184	144.90%		(16,000)	-100.00%
Water Sales:	4810	1,771,239	1,922,677	1,915,496	1,451,563	75.78%	2,177,345	113.67%		(1,915,496)	-100.00%
Water Sales Refunds, Customer:	4850	(2,993)	(1,488)	(3,000)	(4,670)	155.67%	(7,005)	233.50%		3,000	-100.00%
Other Revenue:	4990	10,820	1,180	0	3,920	100.00%	5,880	100.00%		0	
Total Operating Revenue:		2,192,699	2,360,513	2,251,046	1,802,204	80.06%	2,703,306	120.09%	0	(2,251,046)	-100.00%
Operating Expenses											
Bank Fees:	5190	6,743	1,618	3,500	2,317	66.20%	3,476	99.30%		(3,500)	-100.00%
Board Meetings:	5210	4,169	1,836	4,000	2,566	64.15%	3,849	96.23%		(4,000)	-100.00%
Director Fees:	5220	2,665	3,900	3,300	1,425	43.18%	2,138	64.77%		(3,300)	-100.00%
Election Expenses:	5230	4,860	0		0	0.00%	0	0.00%		0	
CDPH Fees:	5240		10,832	15,500	10,530	67.93%	15,794	101.90%		(15,500)	-100.00%
Conference Attendance:	5250	850	5,697	6,000	1,137	18.94%	1,705	28.42%		(6,000)	-100.00%
Information Systems:	5270	2,973	9,488	3,000	1,140	37.98%	1,709	56.98%		(3,000)	-100.00%
Fidelity Bond:	5310		0	500	438	87.50%	656	131.25%		(500)	-100.00%
Property & Liability Insurance:	5320	3,758		2,700	2,215	82.04%	3,323	123.06%		(2,700)	-100.00%
LAFCO Assessment:	5350	2,048	2,208	2,500	2,520	100.80%	3,780	151.20%		(2,500)	-100.00%
Meeting Attendance, Legal:	5420	6,480	3,211	8,500	14	0.16%	20	0.24%		(8,500)	-100.00%
General Legal:	5430	57,788	24,643	60,000	15,188	25.31%	22,782	37.97%		(60,000)	-100.00%
Maintenance, Office:	5510	8,678	5,561	8,000	6,853	85.66%	10,280	128.49%		(8,000)	-100.00%
Meetings, Local:	5520		0		1,042	100.00%	1,563	100.00%		0	
Memberships:	5530	17,679	20,298	20,500	27,504	134.17%	41,256	201.25%		(20,500)	-100.00%
Office Supplies:	5540	7,638	8,452	7,000	6,296	89.94%	9,444	134.91%		(7,000)	-100.00%
Postage:	5550	7,168	6,379	7,000	6,753	96.47%	10,130	144.71%		(7,000)	-100.00%
Printing & Publishing:	5560	1,356	1,739	2,000	2,421	121.06%	3,632	181.59%		(2,000)	-100.00%
Accounting:	5610	38,950	31,276	30,000	20,153	67.18%	30,230	100.77%		(30,000)	-100.00%
Audit:	5620	13,000	18,000	13,000	8,000	61.54%	12,000	92.31%		(13,000)	-100.00%
Consulting:	5630	36,600	19,678	35,000	17,809	50.88%	26,714	76.32%		(35,000)	-100.00%
Data Services:	5640		0		0	0.00%	0	0.00%		0	
Labor & HR Support:	5650	2,349	2,484	2,500	1,831	73.24%	2,747	109.86%		(2,500)	-100.00%
Payroll Services:	5660	942	940	1,000	720	72.00%	1,080	108.00%		(1,000)	-100.00%
Other Professional Services:	5690	132	0		0	0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	119	0		119	100.00%	179	100.00%			
Telephone & Internet:	5720	22,304	22,460	25,000	20,372	81.49%	30,558	122.23%		(25,000)	-100.00%
Mileage Reimbursement:	5730	1,648	564	2,000	1,188	59.41%	1,782	89.12%		(2,000)	-100.00%
Reference Materials:	5740	23	0	800	0	0.00%	0	0.00%		(800)	-100.00%
Other Administrative:	5790	2,147	615		876	100.00%	1,313	100.00%		0	
CalPERS 457 Deferred Plan:	5810	36,418	37,021	43,029	29,512	68.59%	44,268	102.88%		(43,029)	-100.00%
Employee Benefits:	5820	76,378	74,878	80,058	59,942	74.87%	89,913	112.31%		(80,058)	-100.00%
Disability Insurance:	5830	3,366	3,366	4,288	2,244	52.33%	3,366	78.50%		(4,288)	-100.00%
Payroll Taxes:	5840	38,090	39,499	48,760	28,811	59.09%	43,217	88.63%		(48,760)	-100.00%
Worker's Compensation Insurance:	5960	14,423	19,208		3,193	13.70%	4,790	20.54%		(23,317)	-100.00%
Management:	5910	99,563	114,908	103,725	85,874	82.79%	128,811	124.19%		(103,725)	-100.00%
Staff :	5920	347,037	360,388	426,804	266,500	62.44%	399,750	93.66%		(426,804)	-100.00%
Staff Certification:	5930	9,125	10,042	11,400	6,725	58.99%	10,088	88.49%		(11,400)	-100.00%
Staff Overtime:	5940	52,690	42,425	69,334	36,136	52.12%	54,204	78.18%		(69,334)	-100.00%
Staff Standby:	5950	23,830	25,125	26,123	18,438	70.58%	27,657	105.87%		(26,123)	-100.00%
PARS:	5850	(150,932)	31,691	35,734	23,202	64.93%	34,803	97.40%		(35,734)	-100.00%
Backflow Prevention:	6160	892	473	1,000	576	57.60%	864	86.40%		(1,000)	-100.00%

MWSD — Fiscal Year 2019-2020 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2016-17	2017-18	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2018-19	as of March 31, 2019			of Budget	amounts 2019-20	from 2017-18 \$	%
Claims, Property Damage:	6170	175	0	10,000	22	0.22%	33	0.33%		(10,000)	-100.00%
SCADA Maintenance:	6185	20,505	9,802	10,000	12,061	120.61%	18,091	180.91%		(10,000)	-100.00%
Internet & Telephone, Communications:	6187				0	0.00%	0	0.00%		0	
Education & Training:	6195	8,131	9,911	9,000	3,307	36.75%	4,961	55.12%		(9,000)	-100.00%
Meeting Attendance, Engineering:	6210		16	500	0	0.00%	0	0.00%		(500)	-100.00%
General Engineering:	6220	4,029	8,503	45,000	16,166	35.92%	24,249	53.89%		(45,000)	-100.00%
Water Quality Engineering:	6230	138,939	178,764	100,000	270,688	270.69%	406,032	406.03%	120,000	20,000	20.00%
Equipment & Tools, Expensed:	6320	2,962	7,441	5,000	8,221	164.42%	12,332	246.63%		(5,000)	-100.00%
Alarm Services:	6335	777	671	800	539	67.38%	809	101.06%		(800)	-100.00%
Landscaping:	6337	7,102	5,947	6,000	3,879	64.65%	5,819	96.98%		(6,000)	-100.00%
Lab Supplies & Equipment:	6370	178	3,698	2,000	2,112	105.60%	3,168	158.40%		(2,000)	-100.00%
Meter Reading:	6380	119	21		0	0.00%	0	0.00%		0	
Pumping Fuel & Electricity:	6410	82,730	68,177	90,000	54,103	60.11%	81,155	90.17%		(90,000)	-100.00%
Pumping Maintenance, Generators:	6420	12,118	7,777	10,000	5,679	56.79%	8,518	85.18%		(10,000)	-100.00%
Pumping Maintenance, General:	6430	4,969	4,137	5,000	208	4.15%	311	6.23%		(5,000)	-100.00%
Pumping Equipment, Expensed:	6440		210	700	478	68.24%	717	102.37%		(700)	-100.00%
Maintenance, Raw Water Mains:	6510	1,421	1,474	2,100	1,857	88.43%	2,786	132.64%		(2,100)	-100.00%
Maintenance, Wells:	6520	1,466	16,851	10,000	2,382	23.82%	3,572	35.72%		(10,000)	-100.00%
Water Purchases:	6530	34,292	25,508	40,000	6,781	16.95%	10,172	25.43%		(40,000)	-100.00%
Hydrants:	6610	3,819	375	1,000	(570)	-57.00%	(855)	-85.50%		(1,000)	-100.00%
Maintenance, Water Mains:	6620	75,576	39,633	50,000	32,743	65.49%	49,114	98.23%		(50,000)	-100.00%
Maintenance, Water Service Lines:	6630	4,206	12,389	20,000	8,546	42.73%	12,819	64.10%		(20,000)	-100.00%
Maintenance, Tanks:	6640	71	741	1,000	0	0.00%	0	0.00%		(1,000)	-100.00%
Maintenance, Distribution General:	6650	5,196	273	7,000	7,311	104.44%	10,967	156.66%		(7,000)	-100.00%
Maintenance, Collection System:	6660	24	33		414	100.00%	621	100.00%			
Meters:	6670	10,719	2,373	2,500	8,177	327.08%	12,266	490.62%		(2,500)	-100.00%
Chemicals & Filtering:	6710	11,660	18,681	30,000	2,351	7.84%	3,527	11.76%		(30,000)	-100.00%
Maintenance, Treatment Equipment:	6720	4,724	10,508	4,000	14,978	374.45%	22,467	561.68%		(4,000)	-100.00%
Treatment Analysis:	6730	24,653	35,504	42,000	33,455	79.66%	50,183	119.48%		(42,000)	-100.00%
Uniforms:	6770	10,560	11,166	12,000	7,338	61.15%	11,007	91.73%		(12,000)	-100.00%
Fuel:	6810	6,143	5,598	8,000	4,182	52.27%	6,273	78.41%		(8,000)	-100.00%
Truck Equipment, Expensed:	6820	496	12	1,000	104	10.37%	156	15.55%		(1,000)	-100.00%
Truck Repairs:	6830	2,316	4,422	5,000	1,529	30.58%	2,293	45.86%		(5,000)	-100.00%
Other Operations:	6890	18,301	238		43	100.00%	65	100.00%		0	
Total Operations Expense:		1,302,322	1,451,758	1,666,472	1,231,660	73.91%	1,847,490	110.86%	120,000	(1,546,472)	-92.80%
Net Change in position from Operations:		890,378	908,754	584,574	570,544	97.60%	855,816	146.40%	(120,000)	(704,574)	-120.53%

MWSD — Fiscal Year 2019-20 Non-Operating Budget - WATER ENTERPRISE

GL Codes	2016-17 Actual	2017-18 Actual	Approved Budget 2018-19	Income/Expendi- tures as of March 31, 2019	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2019-20	Increase/(Decrease) from 2017-18 \$	Increase/(de- crease) %	
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	130,171	145,168	173,020	112,692	65.13%	169,038	97.70%	(173,020)	-100.00%	
Connection Fees, Residential Remodel:	7120	25,921				0.00%	0	0.00%	0	#DIV/0!	
Connection Fees, Residential Fire:	7130	52,693	118,691	80,000	127,140	158.93%	190,710	238.39%	(80,000)	-100.00%	
Connection Fees, Residential Remodel Fire:	7140		12,893		2,032	100.00%	3,049	100.00%	0		
Connection Fees, Well Conversion:	7150		7,800			0.00%	0	0.00%	0		
General Obligation Bonds, Assessment Receipts:	7600	1,253,111	1,226,216	1,150,436	635,252	55.22%	952,878	82.83%	(1,150,436)	-100.00%	
Total Non Operating Revenue:		1,461,897	1,510,768	1,403,456	877,116	62.50%	1,315,675	93.75%	0	(1,403,456)	-100.00%
Non Operating Expense											
General Obligation Bonds:	9100	286,455	265,164	252,521	145,171	57.49%	217,757	86.23%	(252,521)	-100.00%	
PNC Equipment Lease:	9125	19,545	18,222	16,826	12,765	75.86%	19,148	113.80%	(16,826)	-100.00%	
State Revolving Fund Loan:	9150	90,816	83,943	78,455	39,938	50.91%	59,907	76.36%	(78,455)	-100.00%	
Water Rebates :	9210	1,129	1,400	2,000	1,500	75.00%	2,250	112.50%	(2,000)	-100.00%	
Total Non Operating Expense:		397,944	368,730	349,802	199,374	57.00%	299,061	85.49%	0	(347,802)	-99.43%
Net Change in position from Non Operating activities:		1,063,952	1,142,038	1,053,654	677,742		1,016,614		0	(1,055,654)	-100.19%

DRAFT
4/24/2019

SALARY RANGE
MONTARA WATER AND SANITARY DISTRICT
July 1, 2019

Position	Salary Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Operations Manager	\$145,809 \$96,000	\$116,753 \$56.13	\$119,672 \$57.53	\$122,664 \$58.97	\$125,730 \$60.45	\$128,874 \$61.96	\$132,096 \$63.51	\$135,398 \$65.10	\$138,783 \$66.72	\$142,252 \$68.39	\$145,809 \$70.10
Superintendent	\$136,648 \$109,418	\$109,418 \$52.60	\$112,154 \$53.92	\$114,957 \$55.27	\$117,831 \$56.65	\$120,777 \$58.07	\$123,797 \$59.52	\$126,892 \$61.01	\$130,064 \$62.53	\$133,315 \$64.09	\$136,648 \$65.70
Water System Operator	\$83,342 \$66,734	\$66,734 \$32.08	\$68,403 \$32.89	\$70,113 \$33.71	\$71,866 \$34.55	\$73,662 \$35.41	\$75,504 \$36.30	\$77,391 \$37.21	\$79,326 \$38.14	\$81,309 \$39.09	\$83,342 \$40.07
Maintenance Worker I	\$72,361 \$57,941	\$57,941 \$27.86	\$59,390 \$28.55	\$60,874 \$29.27	\$62,396 \$30.00	\$63,956 \$30.75	\$65,555 \$31.52	\$67,194 \$32.30	\$68,874 \$33.11	\$70,596 \$33.94	\$72,361 \$34.79
Account Specialist	\$69,184 \$55,397	\$55,397 \$26.63	\$56,782 \$27.30	\$58,202 \$27.98	\$59,657 \$28.68	\$61,148 \$29.40	\$62,677 \$30.13	\$64,244 \$30.89	\$65,850 \$31.66	\$67,496 \$32.45	\$69,184 \$33.26
District Clerk	\$69,184 \$55,397	\$55,397 \$26.63	\$56,782 \$27.30	\$58,202 \$27.98	\$59,657 \$28.68	\$61,148 \$29.40	\$62,677 \$30.13	\$64,244 \$30.89	\$65,850 \$31.66	\$67,496 \$32.45	\$69,184 \$33.26

2.5 % step increases

	Increase 2.50%	1-Jul-14	Increase 8.25%	1-Jul-15	Increase 2.70%	1-Jul-16	Increase 3.79%	1-Jul-17	Increase 2.83%	1-Jul-18
Operations Manager	1.025	\$98,400	1.0825	\$106,518	1.027	\$109,394	1.0379	\$113,540	1.0283	\$116,753
Superintendent	1.025	\$92,218	1.0825	\$99,826	1.027	\$102,521	1.0379	\$106,407	1.0283	\$109,418
Water System Operator	1.025	\$56,244	1.0825	\$60,884	1.027	\$62,528	1.0379	\$64,898	1.0283	\$66,734
Maintenance Worker	1.025	\$48,833	1.0825	\$52,862	1.027	\$54,289	1.0379	\$56,347	1.0283	\$57,941
Account Specialist	1.025	\$46,689	1.0825	\$50,541	1.027	\$51,905	1.0379	\$53,873	1.0283	\$55,397
District Clerk	1.025	\$46,689	1.0825	\$50,541	1.027	\$51,905	1.0379	\$53,873	1.0283	\$55,397

Operator in Training \$18 per hour
Temporary Worker \$18 per hour

Payroll	Water	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Water
										7%	6.92%	1.45%	6.20%	
GM	\$ 103,725.00					\$ 103,725.00	\$ 12,453.00	\$ 731.00	\$ 1,224.00	\$ 7,260.75	\$ 7,177.77	\$ 1,504.01	\$ 6,430.95	\$ 140,506.48
Superintendent	\$ 63,650.02	\$ 1,652.45	\$ 734.42		\$ 1,800.00	\$ 67,836.90	\$ 6,483.00	\$ 541.00	\$ 4,423.00	\$ 4,748.58	\$ 4,404.58	\$ 983.64	\$ 4,205.89	\$ 93,626.59
Account Specialist	\$ 58,389.13					\$ 58,389.13	\$ 24,906.00	\$ 384.00	\$ 521.00	\$ 4,087.24	\$ 4,040.53	\$ 846.64	\$ 3,620.13	\$ 96,794.66
Water Operator	\$ 81,571.19	\$ 8,470.85	\$ 9,412.06	\$ 4,828.39	\$ 2,400.00	\$ 106,682.49	\$ 9,054.00	\$ 676.00	\$ 4,260.00	\$ 7,467.77	\$ 5,644.73	\$ 1,546.90	\$ 6,614.31	\$ 141,946.20
Water Operator	\$ 77,640.63	\$ 10,078.35	\$ 8,062.68	\$ 5,361.68	\$ 2,400.00	\$ 103,543.35	\$ 9,054.00	\$ 654.00	\$ 4,180.00	\$ 7,248.03	\$ 5,372.73	\$ 1,501.38	\$ 6,419.69	\$ 137,973.18
Water Operator	\$ 61,070.41	\$ 7,398.91	\$ 5,989.60	\$ 4,418.21	\$ 2,400.00	\$ 81,277.13	\$ 9,054.00	\$ 651.00	\$ 4,132.00	\$ 5,689.40	\$ 4,226.07	\$ 1,178.52	\$ 5,039.18	\$ 111,247.30
Water Operator	\$ 70,338.58	\$ 8,521.79	\$ 6,898.59	\$ 5,088.73	\$ 2,400.00	\$ 93,247.69	\$ 9,054.00	\$ 651.00	\$ 4,132.00	\$ 6,527.34	\$ 4,867.43	\$ 1,352.09	\$ 5,781.36	\$ 125,612.90
Temp. Operator	\$ 10,569.88	\$ 2,113.98	\$ -	\$ 6,426.49		\$ 19,110.34			\$ 379.00			\$ 277.10	\$ 1,184.84	\$ 20,951.28
Part Time Admin	\$ 2,584.00					\$ 2,584.00			\$ 47.00			\$ 37.47	\$ 160.21	\$ 2,828.68
Part Time Admin	\$ 990.00					\$ 990.00			\$ 19.00			\$ 14.36	\$ 61.38	\$ 1,084.74
Totals	\$ 530,528.83	\$ 38,236.34	\$ 31,097.35	\$ 26,123.49	\$ 11,400.00	\$ 637,386.01	\$ 80,058.00	\$ 4,288.00	\$ 23,317.00	\$ 43,029.12	\$ 35,733.84	\$ 9,242.10	\$ 39,517.93	\$ 872,572.00
Payroll	Sewer	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Sewer
GM	\$ 103,725.00					\$ 103,725.00	\$ 12,453.00	\$ 731.00	\$ 1,224.00	\$ 7,260.75	\$ 7,177.77	\$ 1,504.01	\$ 6,430.95	\$ 140,506.48
Superintendent	\$ 63,650.02	\$ 2,009.20	\$ 734.42		\$ 1,800.00	\$ 68,193.65	\$ 6,483.00	\$ 419.00	\$ 702.00	\$ 4,773.56	\$ 4,404.58	\$ 988.81	\$ 4,228.01	\$ 90,192.60
District Clerk	\$ 55,397.26					\$ 55,397.26	\$ 16,698.60	\$ 384.00	\$ 521.00	\$ 3,877.81	\$ 3,833.49	\$ 803.26	\$ 3,434.63	\$ 84,950.05
Totals	\$ 222,772.28	\$ 2,009.20	\$ 734.42	\$ -	\$ 1,800.00	\$ 227,315.91	\$ 35,634.60	\$ 1,534.00	\$ 2,447.00	\$ 15,912.11	\$ 15,415.84	\$ 3,296.08	\$ 14,093.59	\$ 315,649.13

DRAFT
 4/24/2019



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Change
of Regular Scheduled Meeting Time to 7:00 pm.**

Director Harvey requested that the Board consider changing the commencement of Regular Scheduled Board Meetings from currently 7:30 pm to 7:00 pm.

A permanent change in starting time would require a MWSD Code Amendment at a subsequent meeting of this Board.

This item was discussed at the May2 meeting. Director Lohman was not present. The Board deferred any action until the item can be discussed with all directors present.

RECOMMENDATION:

Discuss and direct staff.

MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review and Possible Action Concerning District's Proposed Water System Capital Improvements Program

The Montara Water and Sanitary District's (MWSD or District) updates its five-year Water System Capital Improvements Program (CIP) annually to reflect the changing needs of the Water System for capital improvements and the District's cash flow. The District's water system requires improvements to address system renewal and replacement needs, maintain and continue to improve water supply reliability, and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions. These potential improvements make up the District's Water System CIP and include the rehabilitation of the existing infrastructure, addition of new facilities, development of new sources of supply, implementation of repair and replacement, and preventive maintenance programs.

In 2003, the Board established the CIP prioritization criteria that serve as the foundation for the District's capital improvements decision-making process. The criteria provide a method to rate the relative importance of a particular project based upon factors such as protection of public health, employee safety, legal and regulatory requirements, and funding constraints. These criteria established which projects should be implemented in any given year and over the CIP planning horizon. The prioritization criteria used by MWSD are presented in Table 1, below.

Table 1. Prioritization Criteria		
Priority Level	Description	Examples
Level One <i>Mandatory Projects</i>	<i>"Must do" – highest priority.</i> District has little or no control to defer.	<ol style="list-style-type: none"> 1. Projects required by law/legislation, regulations; 2. Projects protecting health and safety of employees and the public; and 3. Project funded by others.
Level Two <i>Necessary Projects</i>	<i>Must be done.</i> District has moderate level of control over the timing of implementation.	<ol style="list-style-type: none"> 1. Projects required for providing adequate emergency storage and meeting fire flow requirements; 2. Projects reducing water system losses and reducing pipeline leaks.

Additionally, following introduction of new domestic connections to the water system in 2011 by the Board, the District has started developing a two-part CIP that includes projects designed exclusively for or shared by the new customers connecting to the water system. This category

MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

is funded through the Water Capacity Charge (WCC). The second category of projects is needed for the existing customers and designed to provide appropriate levels of renewal and replacement for the current water system. The water rate revenues fund these projects.

The planning-level cost estimates included in this CIP are total project costs with the +50%/-30% estimating accuracy and include the following elements:

1. Engineer's opinion of probable construction cost
2. Planning, permitting, legal, and administrative costs 40 percent of probable construction cost (item 1)
3. Planning-level contingency 25 percent of the subtotal of items 1 and 2

While the CIP projects and programs include long-range and short-term projects for the Water System, the summary presented in the CIP's Project Cost Distribution and Fiscal Year Schedule, only includes capital projects and portions of the capital programs that the District anticipates completing the next five (5) fiscal years. Project descriptions that follow include the cost of the entire project or program that may extend beyond the initial five years of the CIP. The actual timing of implementing the project would depend on various factors, including but not limited to the number of customers requesting water connections, regulatory climate, etc.

The State Water Resources Control Board Division of Drinking Water (DDW) is the State agency that regulates drinking water provides in the California. The DDW staff conducts annual inspections of each water system and issues letters summarizing the inspection findings. The findings require a response and/or action from the Water System. Last year, on July 10, DDW has issued a letter to the District outlining twelve (12) items requiring corrections, some of which were operational and maintenance items, while others lead to the need to implement capital projects. Staff reviewed the letter and responded to it, as required, by October 15, 2018. On November 14, 2018, DDW has followed up with another letter in response to the District's submission. The items listed in the second letter required immediate action by staff. Most maintenance and operational issues have been addressed by staff, however, the letter also requires a number of projects that are now included in the Fiscal Year 2019/20-2023/24 Water System CIP under Priority Level 1, Mandatory Projects.

RECOMMENDATION:

Receive staff report and comment.

MWSD
Five Year Capital Improvement Program
WATER SYSTEM

DRAFT Existing Customer CIP - WATER	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23	5-Year CIP Total
Misc. Repair&Replacement	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 52,040
Water Meters	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 130,101
Water Lateral Services	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 130,101
Water Main Replacements	\$ 100,000	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 306,080
Fire Hydrants Replacements	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367	\$ 6,495	\$ 31,224
Distribution System Renewal and Replacement Program	\$ 200,000	\$ 210,000	\$ 220,500	\$ 231,525	\$ 243,101	\$ 1,105,126
Water Conservation Program	\$ 8,500	\$ 8,755	\$ 9,018	\$ 9,288	\$ 9,567	\$ 45,128
Storage Tank Rehabilitation Program			\$ 250,000	\$ 300,000		\$ 550,000
Emergency Generator Replacement Program	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000
Vehicle Replacement Fund		\$ 40,000	\$ 40,000			\$ 80,000
EXISTING CUSTOMER CIP TOTAL	\$ 358,500	\$ 333,755	\$ 594,518	\$ 615,813	\$ 327,668	\$ 2,230,254
DRAFT New Customer CIP - WATER	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23	5-Year CIP Total
Water Main Upgrade Program	\$ 200,000	\$ 400,000	\$ 412,000	\$ 424,360	\$ 437,091	\$ 1,873,451
Existing Well Upgrade Program	\$ 250,000	\$ 250,000	\$ 280,000			\$ 780,000
New and Upgraded PRV Stations' Program		\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 1,045,907
Emergency Generator Upgrade Program	\$ 75,000	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 702,544
Schoolhouse Booster Pump Station Upgrade					\$ 350,000	\$ 350,000
Portola Tank Telemetry Upgrade				\$ 250,000		\$ 250,000
Develop Additional Supply Reliability	\$ 250,000	\$ 100,000		\$ 350,000	\$ 1,000,000	\$ 1,700,000
Big Wave NPA Water Main Extension		\$ 2,500,000				\$ 2,500,000
NEW CUSTOMER CIP TOTAL	\$ 775,000	\$ 3,650,000	\$ 1,104,000	\$ 1,448,720	\$ 2,224,182	\$ 9,201,902
Total Annual Capital Cost	\$ 1,133,500	\$ 3,983,755	\$ 1,698,518	\$ 2,064,533	\$ 2,551,850	\$ 11,432,156
CAPITAL FUND BALANCE						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Capital Fund TOTAL:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less CIP	\$ (1,133,500)	\$ (3,983,755)	\$ (1,698,518)	\$ (2,064,533)	\$ (2,551,850)	\$ (11,432,156)
Total	\$ (1,133,500)	\$ (3,983,755)	\$ (1,698,518)	\$ (2,064,533)	\$ (2,551,850)	\$ (11,432,156)

Montara Water and Sanitary District

Water System Capital Improvement Program

Update FY2019/20 – FY2023/24

May 2019

Board of Directors

Kathryn Slater-Carter, President

Jim Harvey, President Pro Tem

Ric Lohman, Secretary

Eric Marshall, Treasurer

Scott Boyd, Director

Clemens Heldmaier, General Manager

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

The District’s water system requires improvements to address system renewal and replacement needs, continue to improve water supply reliability, and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions. These potential improvements make up the District's Capital Improvement Program (CIP) and include the rehabilitation of the existing infrastructure, addition of new facilities, development of new sources of supply, implementation of repair and replacement, and preventive maintenance programs.

In 2003, the Board established the CIP prioritization criteria that serve as the foundation for the District's capital improvements decision-making process to ensure a relevant implementation schedule and adequate funding for the improvements. The criteria provide a method to rate the relative importance of a particular project based upon factors such as protection of public health, employee safety, legal and regulatory requirements, and funding constraints. These criteria established which projects should be implemented in any given year and over the CIP planning horizon. The prioritization criteria used by MWSD are presented in Table 1, below, categorized into three priority levels, listed from most to least critical for implementation.

Table 1. Prioritization Criteria		
Priority Level	Description	Examples
Level One <i>Mandatory Projects</i>	<i>“Must do” – highest priority.</i> District has little or no control to defer.	<ol style="list-style-type: none"> 1. Projects required by law/legislation, regulations; 2. Projects protecting health and safety of employees and the public; and 3. Project funded by others.
Level Two <i>Necessary Projects</i>	<i>Must be done.</i> District has moderate level of control over the timing of implementation.	<ol style="list-style-type: none"> 1. Projects required for providing adequate emergency storage and meeting fire flow requirements; 2. Projects reducing water system losses and reducing pipeline leaks.
Level Three <i>Discretionary Projects</i>	<i>Should be done.</i> District has significant level of control over the timing of implementation.	Projects that are required but can be deferred to a later date. Level Three Projects can be completed as needed, if Level One or Level Two Projects are postponed.

In addition, following introduction of new domestic connections to the water system in 2011 by the Board, the District has started developing a two-part CIP that includes projects designed exclusively for or shared by the new customers connecting to the water system. This category is funded through the Water Capacity Charge (WCC). The second category of projects is needed for the existing customers and designed to provide appropriate levels of renewal and replacement for the current water system. The water rate revenues fund these projects.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

The planning-level cost estimates included in this CIP are total project costs with the +50%/-30% estimating accuracy and include the following elements:

1. Engineer's opinion of probable construction cost
2. Planning, permitting, legal, and administrative costs 40 percent
3. Planning-level contingency 25 percent

While the CIP projects and programs included in the following sections include long-range and short-term projects for the water system, the summary presented in Table 2, Project Cost Distribution and Fiscal Year Schedule, only includes capital projects and portions of the capital programs that the District anticipates completing the next five (5) fiscal years. Project descriptions that follow include the cost of the entire project or program that may extend beyond the initial five years of the CIP. The actual timing of implementing the project would depend on various factors, including but not limited to the number of customers requesting water connections, regulatory climate, etc.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2017/18 – FY2021/22)

Table 2. Total Project Cost Distribution and Fiscal Year Schedule – Water System CIP

SEE ATTACHED DRAFT

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Priority Level One projects almost exclusively address the projected system deficiencies related to adding new customers to the system. Most of the anticipated system deficiencies are due to adding new connections to the system and increasing water demands.

Priority Level One – These are the highest priority, “must do” capital projects. The District has little or no control to defer these projects. Examples of such projects include: (1) Projects required by law/legislation, regulations; (2) Projects protecting health and safety of employees and the public; and (3) Project funded by others.

The projects and actions described below are designed to allow the District addressing system deficiencies while continue to operate an efficient and reliable water system. The proposed *Priority Level One* near-term improvements continue the District’s progress toward sustainability through investments that:

- (1) Diversify water supply sources,
- (2) Improve water quality,
- (3) Encourage water and energy conservation of water and energy, and
- (4) Meet current and future infrastructure needs.

Table 3 below, contains *Priority Level One* projects and programs that have been formulated to provide benefit to, and be paid for by, new District customers. A detailed discussion of the projects follows.

Table 3. Priority Level One – Mandatory Projects
1. Water Main Upgrade Program
2. Existing Well Upgrade Program
3. New and Upgraded PRV Stations’ Program
4. Emergency Generator Upgrade Program
5. Schoolhouse Booster Pump Station Upgrade
6. Portola Tank Telemetry Upgrade
7. Develop Additional Supply Reliability
8. Big Wave Main Extension Project

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Water Main Upgrade Program

Priority: Level One

Under the water main upgrade program, the District will undertake the effort of designing and constructing upsizing of the existing distribution system mains to accommodate increasing demands due to the addition of new water customers. This program includes an estimated 12,800 linear feet of 8-inch- and 10-inch-diameter mains installed in the water system replacing existing 2-inch, 4-inch, and 6-inch-diameter mains.

Upsizing of existing water mains and isolation and control valves will be required to accommodate new water customers.

The Water Main Upgrade Program will involve the strategic upgrade of existing water mains to incorporate “arterial distribution loops” throughout the system. These arterial loops will provide added redundancy and reinforcement to handle the addition of new customers or potential leaks and pipe failures. The loops will be designed utilizing the existing distribution system and the installation of short spans of new pipelines. Isolation and control valves will also be installed in critical locations as part of the loop design. As a whole, the arterial loops will provide the District’s Operations Staff the ability to isolate and repair critical sections of the distribution system while still conveying water throughout the system. Additionally, this program includes upsizing of the existing mains that would become deficient due to added new customer demands.

Project: Water Main Upgrade Program

CIP Total Cost: \$7,484,500

Project Funding: This program will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures redundancy and reinforcement of the distribution system to handle the addition of new customers or potential leaks and pipe failures.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Existing Well Upgrade Program

Priority: Level One

The existing District's wells operate within their design parameters in the existing water system. Hydraulic analysis demonstrates, however, that with increased demands due to new water customers, existing wells' pumps and motors would need to be upsized to pump into the system. The pump and motor replacement and piping modifications are required to accommodate new customers. This program would involve replacement of all existing motor control centers (MCCs) and associated power supply improvements.

Project: Existing Well Upgrade Program

CIP Total Cost: \$3,389,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it is required to accommodate new customers

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: New and Upgraded Pressure-Regulating Stations Program

Priority: Level One

Due to the District's water system configuration and the terrain of the service area, the District operates over 20 existing pressure-regulating stations (PRVs). With the addition of new customers throughout the service area, this project will install up to 5 new PRV stations and increase the capacity of 13 existing PRV stations.

Project: New and Upgraded Pressure-Regulating Stations Program

CIP Total Cost: \$1,856,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures efficient water distribution under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Emergency Generator Upgrade Program

Priority: Level One

Existing generators at the District’s pumping and treatment facilities will become undersized following upgrades of the existing pumps and motors and would require replacement. This program would secure safe and reliable emergency power to the District’s critical water treatment and delivery facilities and provide safe operation by staff under the increased demand conditions due to new customers. The associated appurtenances, including automatic transfer switches (ATS) would also have to be replaced due to the increased generator and system capacities.

Project: Emergency Generator Upgrade Program

CIP Total Cost: \$889,500

Project Funding: This project will be funded by new customers WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures efficiency of operations under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Schoolhouse Booster Pump Station Upgrade

Priority: Level One

The District owns and operates the existing Schoolhouse Booster Pump Station. The addition of new water customers throughout the service area necessitates installation of a new set of booster pumps to accommodate the distribution system expansion for new customers and a new set of parameters under which the system would operate when demand increases. This project will include an addition of a new set of pumps and replacement of the existing pumps with larger pumps and motors.

Project: Schoolhouse Booster Pump Station Upgrade

CIP Total Cost: \$1,545,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures water deliveries to new customers with increased flows in the distribution system.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Portola Tank Telemetry Upgrade

Priority: Level One

The existing Portola Tank currently operates with no telemetry link to the District's SCADA system. While this arrangement works to serve existing water customers, addition of new customers throughout the District's service area will require adding the tank to SCADA to ensure operational optimization of the tank under new demand conditions.

Project: Portola Tank Telemetry Upgrade

CIP Total Cost: \$250,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures operational optimization of the Portola Tank under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Develop Additional Supply Reliability

Priority: Level One

This project provides for planning, permitting, and implementation of water supply augmentation to ensure that the water system's reliability remains intact with the addition of the new water customers to the system. Currently, the District has over 20 percent reliability and redundancy in its water supply portfolio achieved by existing District's customers through adding new sources, implementing water system improvements, securing the existing Airport Wells for its water supply portfolio, and through conservation. This portion of the water supply portfolio will initially be utilized to add new customers to the system; however, the supply reliability needs to be replenished and paid for by the new customers to ensure consistent continued reliability of the water system. The project includes new groundwater source planning, permitting, and development.

Project: Develop Additional Supply Reliability

CIP Total Cost: \$1,984,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures consistent continued reliability of the District's water system

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Big Wave NPA Water Main Extension

Priority: Level One

This project provides for the installation of a new 12-inch-diameter, 4,400-foot-long water main extension required to serve the Big Wave NPA development with 2,000 gallons-per-minute fire flow for 2 hours with the residual pressure at the hydrant on the Bog Wave NPA property of 20 pounds per square inch. The developer will fund this project in its entirety.

Project: Big Wave NPA Water Main Extension

CIP Total Cost: \$2,500,000

Project Funding: This project will be funded entirely by the developer

Basis of Priority: This project is ranked as Priority Level 1 because it paid for by others

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

The District's water system requires improvements to address system renewal and replacement needs and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions. These necessary improvements make up the District's Priority Level Two, Necessary Projects, which include the rehabilitation of the existing infrastructure, repair and replacement, and preventative maintenance programs.

Priority Level Two – These projects provide measurable progress in achieving the District's goals, but over which the District has a moderate level of control over the timing of implementation. Examples of such projects include projects reducing water system losses and reducing pipeline leaks.

Table 4 below provides a list of the Priority Two Level projects. These projects serve existing District's customers and are funded by the water rate revenues.

Table 4. Priority Level Two – Necessary Projects
1. Distribution System Renewal and Replacement Program
2. Water Conservation Program
3. Storage Tank Rehabilitation Program
4. Generator Replacement Program
5. Vehicle Replacement Fund

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Distribution System Renewal and Replacement Program

Priority: Level Two

This program is an on-going annual rehabilitation program that includes the following projects:

- Mechanical systems replacement
 - Water meter replacement
 - Water lateral replacement
 - Water main replacement
 - Fire hydrant replacement
-

Project: Distribution System Renewal and Replacement Program

CIP Total Cost: \$646,945

Project Funding: This program will be funded by existing customers through water rate revenues

Basis of Priority: This program is ranked as Priority Level Two because it addresses system renewal and replacement needs and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Water Conservation Program

Priority: Level Two

The District continues its multi-year rebate program to encourage customers to replace their fixtures and appliances with water-efficient units.

Project: Water Conservation Program

CIP Total Cost: \$45,128

Project Funding: This program will be funded by existing customers through water rate revenues.

Basis of Priority: This program is ranked as Priority Level Two because it continues to promote water conservation.

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Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Storage Tank Rehabilitation Program

Priority: Level Two

The existing Alta Vista Tank 1 (AVT 1) was inspected in 2016 and found needing to be taken off line for rehabilitation. It was determined that the tank floor and areas on the wall of the AVT 1 shows signs of significant corrosion. AVT 1 will be rehabilitated, including: cleaning, recoating and corrosion spot repair. Some areas, such as the tank floor, may require more extension corrosion repair.

Project: Storage Tank Rehabilitation Program

CIP Total Cost: \$275,000

Project Funding: This program will be funded by existing customers through water rate revenues

Basis of Priority: This program is ranked as Priority Level Two because it ensures continued operation of the existing water supply sources

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Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Project: Emergency Generator Replacement

Priority: Level Two

This project will replace one of the existing emergency generators that reached the end of its useful life.

Project: Emergency Generator Replacement

CIP Total Cost: \$250,000

Project Funding: This project will be funded by existing customers through water rate revenues

Basis of Priority: This project is ranked as Priority Level Two because it ensures efficiency of water operations.

DRAFT

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Project: Vehicle Replacement Fund

Priority: Level Two

This funding is targeted to a renewal of the District fleet of trucks and started in FY 15/16 with a \$30,000 purchase of a heavy truck followed by replacing one light truck annually in the following two years of the CIP.

Project: Vehicle Replacement Fund

CIP Total Cost: \$86,000

Project Funding: This project will be funded by existing customers through water rate revenues

Basis of Priority: This project is ranked as Priority Level Two because it ensures efficiency of water operations.

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Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20 – FY2023/24)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

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Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2019/20-FY2023/24)

PRIORITY LEVEL THREE – DISCRETIONARY PROJECTS

Projects not meeting the criteria for Priority Level One or Two are ranked as Priority Level Three. These projects are needed, albeit may not yet have defined scopes, schedules, or funding sources. Many factors exist that may promote Level Three projects to Level One or Two such as the release of new regulations and legislation or the availability of funding.

Priority Level Three – Projects that are required but can be deferred to a later date. Level Three Projects can be completed as needed, if Level One or Level Two Projects are postponed. District has significant level of control over the timing of implementation.

Table 20 below provides a list of the Priority Level Three projects. Funding for these projects is not currently included as part of this CIP.

Table 20. Priority Level Three – Discretionary Projects
1. Portola Tank Road Repair
2. Alta Vista Water Treatment Plant Replacement
3. District Office Remodel
4. New Large Service Connections



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **May 16, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Projects: Construction of the new Airport 3 Treatment Plant is close to completion. Some outstanding plumbing items were completed by MWSD. We are preparing the purchase and delivery of the treatment vessels before operations commence.

The 2018 Sewer Main Replacement Project is also close to completion. We are in the process of reviewing paving requirements on Hawthorne Street.

The Highway 1 crossing Sewer Project has also not been completed at this time. The contractor is currently addressing compaction issues on MWSD property. Work crews are fixing the road and related compaction issues permanently. Drainage and extension of the road pavement towards SAM facilities may require a change order.

The Wagner Well site and pipeline replacement project has been authorized to proceed.

Conferences: The General Manager attended the Association of California Water Agencies Spring Conference in Monterey with Director Lohman from May 7-10. New governance in California and the proposed water tax were main topics at the conference.

Open Operator Position: The position was advertised once more. Interviews are expected for late June with qualified applicants. Interviews with unqualified local applicants are planned for later in March with prospect of adding or replacing a temporary position.

RECOMMENDATION:

This is for Board information only.

Attachment