



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 18, 2024**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2024-2025 Collections Budget.

At the SAM Board of Directors meeting on April 8, 2024, the SAM Board approved the SAM Collections Budget for Fiscal Year 2024/25 to be sent to the member agencies for consideration and approval.

The overall Collections Budget is suggested to decrease by \$151,808 or 24% over the prior Fiscal Year to a total of \$624,145. The 2024/25 assessment for MWSD for the Collections Budget is \$237,175 and would decrease by \$57,207 or 24%.

The SAM General Manager will be available to present the General Budget.

RECOMMENDATION:

Adopt Resolution, No.____, Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its Collections Budget for Fiscal Year 2024-2025.

Attachments

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2024 – 2025 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, 2024 – June 30, 2025 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 2024/25," 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

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RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2024 – 2025 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 18th day of April, 2024, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

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

FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
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EXPENDITURES

Favorable/(Unfavorable)

Personnel

1	Wages	378,899	450,674	373,710	380,729	(69,945)	(18%)
2	Premium Pay	70,780	62,170	47,272	61,213	(957)	(2%)
3	Health Benefits	110,338	124,143	102,311	111,617	(12,526)	(11%)
4	Retirement Cont.	44,452	30,163	30,130	33,272	3,109	9%
5	Retiree Med/OPEB	2,811	5,841	6,492	7,097	1,256	18%
6	Misc. Benefits	34,046	27,039	25,134	40,025	12,986	32%
7	Subtotal	641,326	700,031	585,048	633,953	(66,079)	(10%)
	<u>Non-Personnel</u>						
8	Legal Services	-	-	-	-	-	-
9	Engineering Services	-	-	-	-	-	-
10	Professional Services	-	-	-	-	-	-
11	Prof. Memberships	-	-	-	-	-	-
12	Insurance Premiums	-	25,000	43,256	25,750	750	3%
13	Misc. Expenses	3,222	3,214	3,253	3,311	96	3%
14	Utilities	6,972	7,446	5,804	7,669	223	3%
15	Travel & Training	1,357	2,002	1,200	2,062	60	3%
16	Equipment Rental	-	-	-	-	-	-
17	Bldg & Maint Services	-	-	-	-	-	-
17A	Pass Through Expenses	377,313	-	-	-	-	-
18	Chemicals	-	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-	-
20	Supplies	20,335	21,101	21,710	26,046	4,945	19%
21	Equipment	-	-	-	-	-	-
22	Infrastructure	-	-	-	-	-	-
23	Claims/Penalties	-	-	-	-	-	-
24	Repairs & Maintenance	-	50,000	-	-	(50,000)	(100%)
25	Subtotal	409,199	108,763	75,224	64,838	(43,925)	(68%)
26	TOTAL	1,050,525	808,794	660,272	698,791	(110,003)	(16%)

FY 2022/2023 ACTUAL	FY 2023/2024 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
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REVENUE

By Type:

27	JPA Assessments	1,125,171	775,953	775,953	698,791	(77,162)	(11%)
28	NDWSCP Fees	-	-	-	-	-	-
31	Interest Earnings	-	-	-	-	-	-
32	Misc. Revenue	-	-	-	-	-	-
33	From/(To) Reserves (*)	-	33,639	-	74,646		
34	REVENUE TOTAL	1,125,171	775,953	775,953	698,791	(77,162)	(11%)

JPA Assessments Less Reserve Transfer

624,145

By Agency:

35	Half Moon Bay	269,547	263,824	263,824	212,209	(51,615)	(24%)
36	Granada CSD	233,401	217,267	217,267	174,761	(42,506)	(24%)
37	Montara WSD	622,223	294,862	294,862	237,175	(57,687)	(20%)
38	TOTAL	1,125,171	775,953	775,953	624,145	(151,808)	(24%)

(*) Figure represents difference between collections assessments received from Member Agencies & Collections expenditures as noted in the FY 22-23 audited financial statements.



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors

FROM: Kishen Prathivadi, General Manager

BY: Kishen Prathivadi, General Manager

SUBJECT: **Discuss Proposed Contract Collection Services Budget for FY 2024/25 and Authorize the General Manager to Submit it to the Member Agencies for Approval**

Executive Summary

The purpose of the report is to discuss the contract collection services budget for FY 2024/25 and authorize the General Manager to submit it to the Member Agencies for approval.

Fiscal Impact

This contract is separate from the SAM operating budget, since it is a contract for SAM to provide maintenance services for the three Member Agencies' wastewater systems. The total cost to provide the Member Agency requested services for Fiscal Year 2024/25 is \$698,781. This amount is payable to SAM as contract service fees from the served Member Agencies, allocated by the percentage of work required for each agency. This is an overall decrease in fees of \$110,003 for the collection systems work. The following table shows the history of fees for each agency for the past two years, the current year, and the upcoming year.

Please note, FY 2024-2025 budgeted member agency Collections Assessment has been reduced by \$74,646. This amount represents the difference between Collections assessment revenue and Collections expenses as noted in SAM's FYE June 30, 2023 audited financial statements.

BOARD MEMBERS:	M. Clark	B. Dye	P. Dekker
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	B. Softky	J. Randal
	J. Grant	H. Rarback	

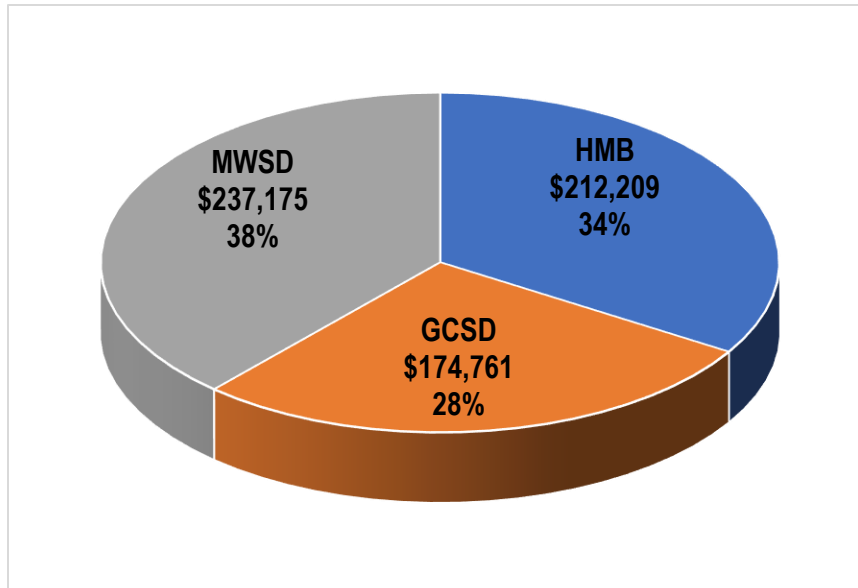
Contract Fees for Each Contracting Agency

	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	\$	%
	Actual	Actual	Adopted	Proposed	Change	Change
Half Moon Bay	\$312,625	\$254,272	\$263,824	\$212,209	(\$51,615)	(24%)
Granada CSD	\$324,221	\$209,400	\$217,767	\$174,761	(\$42,506)	(24%)
Montara WSD	\$457,131	\$284,186	\$294,862	\$237,175	(\$57,687)	(24%)
	\$1,093,977	\$747,858	\$775,953	\$624,145	(\$151,808)	(24%)

The pie-chart below details the allocation of the proposed budget for each Member Agency

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 Coastside. 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.”



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	J. Grant	H. Rarback	

Background and Discussion/Report

The Proposed Contract Collections Services Budget has been discussed by the member agency managers and by the Finance Committee. The presentation today is for the Board to review and follow-up with agency staff and respective Council/Board for comment. Approval of the proposed budget will take place later.

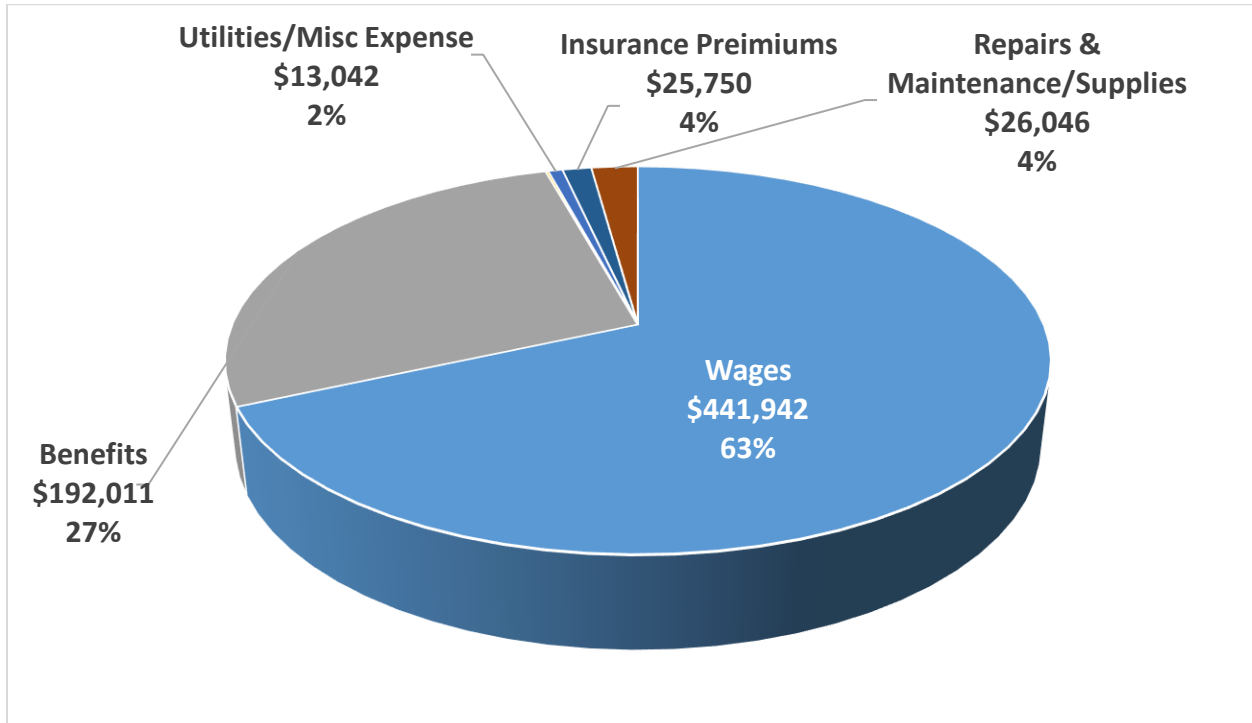
SAM has provided collection system maintenance services to its member agencies since 1988. The scope of services has changed over the years to meet regulatory requirements and individual needs of the Member Agencies. The cost allocation methodology has evolved over the years as well. Beginning last year, the Member Agency Managers, the SAM Manager, and consultants worked in concert to develop a method of allocation based on the needed services of each agency. We are confident that the cost allocation presented reflects more accurately that method and those needs.

Beginning July 1, 2020 the minimum service level provided by SAM entailed cleaning at least fifty percent (50%) of the collection system's pipelines, cleaning of designated Hot Spots per an agreed upon schedule, providing lift station services as defined, providing emergency response throughout the year, and planning, managing and reporting as needed to ensure all needs of each Member Agency's service area collection system are met.

The proposed budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts. It also includes utilities, fuel, and other expenses needed to perform all the contracted services.

The pie chart on the next page details budget expenditures.

BOARD MEMBERS:	M. Clark	B. Dye	P. Dekker
	D. Penrose	D. Ruddock	K. Slater-Carter
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The performance of collection system maintenance is a very staff-intensive activity and as a result most costs (90%) as shown above are Wages and Benefits for personnel to perform the work. Other significant costs are Insurance Premiums estimated at \$25,750. All other costs combined are around 6% of the total overall budget.

Significant Changes to the Budget:

1. Decrease of Personnel expenses by \$66,079 based on last year’s budget.
2. Decrease in Repairs & Maintenance of \$50,000.

Staff Recommendation

Staff recommends that the Board of Directors authorize the General Manager to submit the Contract Collection Services Budget for Fiscal Year 2024/25 to the participating agencies for approval.

Supporting Documents

Attachment A: Contract Collection Services Budget for FY 2024/25

BOARD MEMBERS:	M. Clark	B. Dye	P. Dekker
	D. Penrose	D. Ruddock	K. Slater-Carter
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