



**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.

NOTICE OF REVISION TO CLARIFY PUBLIC HEARING

AGENDA

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

April 18, 2024 at 7:30 p.m.

The meeting will take place in the District offices located at the above address. Seating is limited and social distancing will be practiced due to ongoing public health and safety concerns. Simultaneous public access and participation is also available remotely, via telephone or the ZOOM application:

ZOOM MEETING INFORMATION:

WEBSITE: <https://us02web.zoom.us/j/87380089067?pwd=RDl1NitDOWI4VkVvU0kvejdVM1RZdz09>

MEETING ID: 873 8008 9067

Password: 344571

CALL IN PHONE NUMBER: +1 669 900 9128

INSTRUCTIONS for remote access are available at <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>. You also may view video during the meeting via live stream or after the meeting at <https://videoplayer.telvue.com/player/wuZKb9gwEY7sMACIIsr7VSJgIB35kNZA/stream/159?fullscreen=true&showtabssearch=false&autostart=false>. If you experience technical difficulties or have technical questions prior to or during the meeting, please contact MWSD's IT support at (650) 728-7843.

Note: Public participation is not permitted during closed session discussion items.

Public Comment

In accordance with the Government Code, members of the public may address the Board on specific agenda items when the matter is announced by the Board President. Any other item of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. For participants attending the meeting virtually, a "raise hand" button is available for every Zoom user wishing to speak and should be used to alert the President of the intent to comment.

Upon request, this Agenda and written agenda materials 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 emailed to info@mwsd.net or submitted by phone at 650-728-3545 at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility. 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.

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

1. [Review and Consideration of Ordinance Prohibiting Water Theft and Establishing Administrative Penalties for Water Theft](#)

CONSENT AGENDA

OLD BUSINESS

NEW BUSINESS

1. [Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2024-2025 General Budget.](#)

2. [Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2024-2025 Collections Budget.](#)

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Slater-Carter).
2. Mid-Coast Community Council Meeting (Slater-Carter).
3. CSDA Report (Slater-Carter).
4. LAFCo Report (Slater-Carter).
5. Attorney's Report (Fitzgerald).
6. Directors' Reports.
7. General Manager's Report (Heldmaier).

FUTURE AGENDAS

MWSD Hydrants

CONVENE IN CLOSED SESSION

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

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

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

The District has a curfew of 10:30 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.



MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, District General Manager

**SUBJECT: Review and Consideration of Ordinance Prohibiting Water Theft
And Establishing Administrative Penalties for Water Theft**

Last year, Governor Newsom signed into law SB 427 that gives California water agencies the authority to adopt enhanced penalties for water theft, providing a stronger deterrent to help protect the public's valuable and vital resource. The bill allows fines for the first violation to be 10 times larger than what previously existed. In addition to posing health risks, water theft makes it more difficult for water agencies to accurately account for the water being used by their ratepayers. The revenue lost from water theft can be passed on to paying customers, having a negative impact on water affordability.

SB 427, which added Section 53069.45 to the Government Code, authorizes this Board to adopt an ordinance prohibiting water theft and making a violation of said ordinance punishable by an administrative fine or penalty. Water theft is defined as an action to divert, tamper, or reconnect water utility services. Allowable fines vary based on the form of water theft used, distinguishing between theft committed via meter tampering or by any other method. Maximum fines range from \$130 to \$1,300 for thefts via meter tampering, or from \$1,000 to \$3,000 for all other methods. The bill further requires that the agency adopt administrative procedures governing the imposition, enforcement, collection, and review of the administrative fines or penalties for water theft and to establish a process for granting a hardship waiver to reduce the amount of the fine.

Attached is the proposed Ordinance, along with Exhibit A setting forth the proposed administrative procedures and penalties that staff recommends the Board adopt and be made part of the District's Code. Note the proposed fines for violations are listed on page 7 and represent the maximum permissible amounts under Government Code Section 53069.45.

RECOMMENDATION

Move adoption of ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ADDING ARTICLE 8 TO CHAPTER V OF THE DISTRICT'S CODE OF REGULATIONS PROHIBITING WATER THEFT AND ESTABLISHING ADMINISTRATIVE PENALTIES FOR THE THEFT OF WATER

Attachments.

ORDINANCE NO. ___

AN ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ADDING ARTICLE 8 TO CHAPTER V OF THE DISTRICT'S CODE OF REGULATIONS PROHIBITING WATER THEFT AND ESTABLISHING ADMINISTRATIVE PENALTIES FOR THE THEFT OF WATER

WHEREAS, California Penal Code Section 498 prohibits the theft of utility services, including water; and

WHEREAS, California Penal Code Section 624 prohibits every person from willfully damaging, tampering with or digging up water pipes or waterworks; and

WHEREAS, California Penal Code Section 625 prohibits every person who, with intent to defraud or injure, opens or causes to be opened, or draws water from any disconnected District connection after having been notified that the same has been closed or shut for specific cause, by order of competent authority; and

WHEREAS, California Civil Code Section 1882 et seq. authorizes the Montara Water and Sanitary District ("District") to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts any of the following acts:

- (a) Diverts, or causes to be diverted, water services by any means whatsoever.
- (b) Makes, or causes to be made, any connection or reconnection with property owned or used by the District to provide water service without the authorization or consent of the District.
- (c) Prevents any District meter, or other device used in determining the charge for water services, from accurately performing its measuring function by tampering or by any other means.
- (d) Tampers with any property owned or used by the District to provide water services.
- (e) Uses or receives the direct benefit of all, or a portion, of the water service with knowledge of, or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of the use, or that the use or receipt, was without the authorization or consent of the District.

WHEREAS, pursuant to California Civil Code Section 1882 et seq., the District may bring a civil action for the unauthorized use of District water; and

WHEREAS, pursuant to California Government Code Section 53069.45, the District may, by ordinance, make the violation of any ordinance enacted by its Board of Directors subject to a civil administrative fine or penalty; and

WHEREAS, pursuant to SB 427, which added Section 53069.45 to the California Government Code, the District may adopt an ordinance that prohibits water theft, subject to an administrative fine or penalty for violation of that ordinance; and

WHEREAS, because water is a vital resource, the District has determined that it is appropriate to impose civil administrative fines for the theft of water to protect this vital resource.

BE IT ORDAINED by the Board of Directors of the Montara Water and Sanitary District as follows:

Section 1. Recitals. The District hereby finds and determines that the above recitals are true and correct and are incorporated herein.

Section 2. Adoption of Water Theft Regulations and Administrative Penalties. The Board of Directors hereby amends the Montara Water and Sanitary District Code ("Code") to add Article 8 to Chapter 5 to read as set forth in Exhibit A, attached hereto and incorporated herein.

Section 3. Conflicting Provisions. If provisions of this Ordinance are in conflict with each other, other provisions of the District's Code, regulations or policies, any other resolution or ordinance of the District, or any state law or regulation, the more restrictive provisions shall apply.

Section 4. Severability. If any provision, section, subsection, sentence, clause or phrase or sections of this ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the invalidity of the remaining portions of this Ordinance shall not be affected, it being the intent of the Board of Directors in adopting this Ordinance that no portions, provisions or regulations contained herein shall become inoperative, or fail by reason of the unconstitutionality of any other provision hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 5. Notice was published twice in the San Mateo County Daily Journal and the San Mateo County Times/Mercury News, newspapers of general circulation within the District, giving notice of a public hearing to take place on April 18, 2024 to consider adoption of this Ordinance making certain amendments to the District's Code.

Section 6. All ordinances or Code provisions or portions thereof in conflict herewith shall be, and hereby are repealed to the extent of such conflict.

Section 7. Effective Date. Upon adoption, this Ordinance shall be entered in the minutes of the Board and posted for one week in three (3) public places in the District and shall become effective immediately upon expiration of one week following said posting.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * *

I HEREBY CERTIFY that the foregoing Ordinance 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

EXHIBIT A

ARTICLE 8 to Chapter V of the District's Code of Regulations is hereby added as follows:

Article 8. Theft and Unauthorized Use of Water

Division 1. Authority, Purpose

5-8.100. Authority, Purpose. Water shall be distributed only to those parties with authorization for its use. No unauthorized use of water shall be allowed. Because water is a vital resource, the District has determined that it is appropriate to adopt a District prohibition on water theft and impose civil administrative penalties for the theft of water. This Article 8 shall only be amended by an Ordinance of the District.

Division 2. Definitions

5-8.200 Definitions: General. The following definitions shall be used to interpret the provisions of this Article in addition to the definitions set forth in Article 2 of Chapter V, to the extent applicable.

5-8.201. "Divert" is to change the intended course or path of water without the authorization or consent of the district.

5-8.202. "Meter Tampering" is the act of tampering with a District meter.

5-8.203. "Reconnect" is the reconnection of water service by a customer or other person after service has been lawfully disconnected by the District.

5-8.204. "Tamper" is to rearrange, injure, alter, interfere with, or otherwise prevent any District property or infrastructure from performing a normal or customary function.

5-8.205. "Unauthorized Use" is the taking of water without authorization from the District. This includes usage through locked meters, connections to nonapproved meters and usage through fire hydrants and other District facilities.

5-8.206. "Water Theft" is any act to divert, tamper or reconnect water service.

Division 3. Procedures

5-8.300. Related Procedures. See Division 1 of Article 3. *Commencement of Service*; Division 2 of Article 3. *Fees and Deposits*; Division 1 of Article 5 *Rates: Time and Manner of Payment*; and Division 2 of Article 5 *Usage*.

5-8.301. Procedures.

(a) Unauthorized Usage Through Locked Meters

(1) Unlocking the meter without authorization or tampering with a District lock is a violation of state law and shall be considered stealing water. If a meter is locked for nonpayment, a tag advising the customer of this information shall be placed in the meter box (California Penal Code Sections 498 and 625).

If there is no response from the customer after the initial lock placement, an investigation shall be made within seven calendar days to verify that the meter remains locked. Meters which indicate water usage upon investigation, will receive a flow blocker or be removed and the curb stop locked. The party requesting service may be required to pay the following charges: meter reinstatement fee, past due charges, unpaid water charges for usage which has registered since the meter was locked, charges for damages to District property including but not limited to broken locks, a deposit fee, other fees in accordance with this Chapter and any applicable penalties.

(2) Any meters which are inactive accounts noted as locked on District records and which show water usage shall be relocked. If this prompts a call from a customer to establish service, they may be required to pay the following charges: unpaid water charges for usage which has registered since the meter was locked, charges for damages to District property including broken locks, a deposit fee, other fees in accordance with this Chapter and any applicable penalties.

If items 1 or 2 above apply, payment must be made by cash, money order or cashier's check only.

(b) Unauthorized Usage Through Laterals Without Meters

Upon discovery of unauthorized use through a direct connection from a lateral, service shall be discontinued immediately. Within five business days, District investigators will verify that unauthorized use has not been continued.

(c) Unauthorized Usage Through Fire Hydrants and Other District Facilities

No water is to be taken from a District fire hydrant, blow off or other such facility unless it is for fire protection, metered by the District or preauthorized by the District.

(d) Charges for Unauthorized Water Usage

(1) Unauthorized usage shall be billed to the responsible party. Water use charges shall be based on meter readings, estimation or a fee charged.

(2) Drawing water from a fire hydrant, dedicated fire line, direct hook upon a meter lateral, backflow prevention assembly or any source not authorized by the District, is a violation of the District's rules and constitutes a misdemeanor. If water is drawn from a fire hydrant, dedicated fire line, direct hookup on a meter lateral, backflow prevention assembly or any source not authorized by the District, an administrative penalty of \$1,000 shall apply. If such action constitutes water theft, the District may alternatively use the administrative

penalties set forth in (i) Prohibition of Water Theft; Administrative Penalties; Enforcement, infra.

(3) All other charges that would have accrued if authorization for such use had been secured will be applied, including bimonthly or monthly service, installation, removal and any other applicable charges.

(4) Additional charges shall be made as necessary to recover the costs of any damage to District property.

(e) Resale of Water. No person or business inside or outside the boundaries of the District may resell any portion of the water delivered to them by the District.

(f) Unauthorized Use or Waste of Water. No consumer shall use water upon any land other than that covered by their application for service, nor shall knowingly permit leaks or waste of water.

(g) Unauthorized Regulation of Water. No person, except duly authorized employees of the District, shall be permitted to operate any District facility.

(h) State Laws. Offenses related to drinking water may result in criminal prosecution. These include, but are not limited to the following:

Section 498, Penal Code

Section 625, Penal Code

Section 592, Penal Code

Stealing water, taking water without authority or making unauthorized connections.

Taking water after works have been closed or meter sealed.

Taking water without authorization.

Section 607, Penal Code Damaging tanks, flumes, reservoirs. etc.

Section 624, Penal Code Breaking, cutting or obstructing pipes. etc.

Section 4455, Health and Safety Code Bathing(swimming) in reservoirs, etc.

(i) Prohibition of Water Theft; Administrative Penalties; Enforcement

(1) Water theft is prohibited. Each act of water theft constitutes a misdemeanor. The District may report any water theft to the appropriate prosecuting agency and press for prosecution of said activity pursuant to the penal code. In addition to pursuing criminal penalties, the District may, upon discovering water theft, also pursue the following remedies or other remedies available at law or equity:

If water theft is committed by meter tampering, the customer or perpetrator will be charged an administrative penalty of:

\$130 for the first violation.

\$700 for the second violation within a one-year period of the first violation.

\$1,300 for each violation thereafter within a one-year period of the first violation.

If water theft is committed by any means other than meter tampering, the customer or perpetrator will be charged an administrative penalty of:

\$1,000 for the first violation.

\$2,000 for the second violation within a one-year period of the first violation.

\$3,000 for each violation thereafter within a one-year period of the first violation.

The above penalties are the maximum amounts allowed under Government Code Section 53069.45, as may be amended, and shall be revised to correspond thereunder without further adoption by ordinance. Further, the above penalties constitute the amounts referenced in Section 5-3.210, subd. (d) and (e) of this Code.

(2) In addition to any other remedies provided in this Section or available under applicable law, the District may also seek injunctive relief in the Superior Court or take enforcement action. All remedies provided herein shall be cumulative and not exclusive.

(j) Payment and Appeal Procedures

(1) The District shall calculate the amount of damages and penalty(ies) to be imposed, and shall send a bill to the customer, water user or recipient, or if the offender is not a customer of record, an invoice, for payment of the damages and/or penalty(ies).

(2) All costs relating to the District's processing and handling of the water theft, and investigation and enforcement thereof, shall be borne by the party having responsibility for the water account at the time of the water theft. Charges related to the handling of the water theft and/or reestablishment of the service shall be borne by the party requesting service in amounts adopted by the District or based on actual costs incurred by the

District on a time and materials basis. These charges include, but are not limited to, service call charges, water charges, turnoff of service, plug and/or termination fees. Before the meter will be replaced and service reestablished, the party requesting service shall deposit twice the average monthly water bill, the cost of a new water meter and installation (if required), any increase in capacity fees between the date of

removal of the meter and the date service was resumed, in addition to all service call charges, all charges that were delinquent at the time of removal, and an amount representing any damage to District property. The District may enforce payment of any unpaid amounts through any available legal means, which may include, but not be limited to, placement with an authorized collection agency, transfer of delinquent balances to other active accounts, requiring full payment before establishing future accounts with the district, termination of water service to the account, and/or filing a lien for unpaid amounts.

(3) When water theft has occurred, and the party committing the theft is not a District customer, all charges relating to the District's processing and handling of the water theft, and investigation and enforcement thereof, shall be borne by the party taking the water, including, but not limited to, the cost of any water used outside the District's service area, charges for any damage to District facilities and equipment and costs of investigation and enforcement. Such charges shall be in amounts established by the District or based on actual costs incurred by the district on a time and materials basis. The District may enforce payment of any unpaid amounts through any available legal means, which may include, but not be limited to, placement with an authorized collection agency, transfer of delinquent balances to active accounts, requiring full payment before establishing any account with the District, and/or filing a lien for unpaid amounts.

(4) Any person (appellant) who wishes to appeal the imposition of an administrative penalty imposed by the District pursuant to this Section shall comply with the following procedures:

The appellant shall submit a written appeal request to the District's General Manager no later than 20 calendar days from the date of the bill or in voice sent to the customer or offender.

A response to the appeal request shall be provided by the District within 30 calendar days from receipt of the appeal request form.

If the appeal to the District's General Manager is denied, the appellant may resubmit the appeal request form for reconsideration by the District's General Manager. The request form shall be resubmitted no later than 15 calendar days from the date of the denial of the appeal. The appellant may request to provide evidence in writing or in person in support of the appellant's appeal to the District's General Manager.

If the appeal is denied, the appellant may resubmit the appeal request form for review by the District's Board of Directors. The request form shall be resubmitted no later than 15 calendar days from the date of the denial of the appeal by the General Manager or the

date of denial of reconsideration of the appeal. The appellant may request to provide evidence in writing or in person in support of the appellant's appeal to the District's Board of Directors. The decision by the District's Board of Directors shall be final.

If an appeal is denied in whole or in part, then within 20 days after the denial of the appeal is deemed final, the appellant shall pay any disputed penalty(ies) imposed by the District. If an appeal is granted, the District shall refund any penalties paid and cease to impose the outstanding penalties relating to the appeal.

The provisions of Section 1094.6 of the Code of Civil Procedure of the state of California shall be applicable to judicial review of the District's decision.

(k) Hardship Waiver

(1) When a customer or perpetrator has been charged with an administrative penalty for water theft under this Article and all appeals procedures have concluded or the time for submission of an appeals request has expired, the customer or perpetrator may request a hardship waiver to reduce the amount of the final administrative penalty for water theft and/or establish a payment plan for the administrative penalty amount. The customer or perpetrator shall submit a written request for a hardship waiver to the District's General Manager, indicating the amount of the administrative penalty for water theft requested to be waived or reduced or subject to a payment plan, within 20 days from the date that all appeals procedures have concluded and a final decision is rendered (if appeals' requests are timely submitted) or from the date on which submission of an appeals' request has expired. The timing requirement for payment of the administrative penalty shall be stayed until the General Manager makes a determination on the hardship waiver request.

The General Manager may grant the hardship waiver and waive, reduce or allow a payment plan to tender the administrative penalties, in whole or in part, only if the requesting party submits to the General Manager a sworn declaration, together with any supporting documents or materials, demonstrating to the satisfaction of the General Manager that the amount of the penalty imposed for water theft would impose an undue financial burden on the requesting party. The General Manager shall consider the requesting party's ability to pay in coming to a decision. The requesting party shall include their mailing address in the hardship waiver request.

The General Manager shall issue and mail a written decision to the person who applied for the hardship waiver. The written decision shall list the reasons for the General Manager's decision. The written decision of the General Manager shall be final.

Upon issuance of the General Manager's decision, the timing requirement for payment of any outstanding administrative penalty amount (if any) shall resume, and the customer or perpetrator shall pay any outstanding administrative penalties (if any) imposed by the District within the required time period.



MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in black ink, appearing to be 'C Heldmaier'.

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

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

The overall General Budget is suggested to increase by \$607,694 or 7% over the prior Fiscal Year to a total of \$9,276,973. The 2024/25 assessment for MWSD for the General Budget is \$1,868,382 and would increase by \$182,207 or 11%.

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 General Budget for Fiscal Year 2024-2025.

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 2024-2025

WHEREAS, Sewer Authority Mid-Coastside (SAM) 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, 2024 – June 30, 2025 for the consent of this District; and

WHEREAS, the aforesaid budget includes infrastructure funds related to SAM’s Intertie Pipeline System, namely the Montara Force Main Rehabilitation Project, funding for which was previously approved in the infrastructure portion of SAM’s General Budget for FY 22/23 as an essential and priority project, as mandated by the consent decree, approved by SAM by and through its member agencies, issued in the case of *Ecological Rights Foundation v. Sewer Authority Mid-Coastside* (United States District Court Case No. 3:18-CV-04413) for the purpose of complying with the requirements of SAM’s National Pollutant Discharge Elimination System Permit and the Clean Water Act; and

WHEREAS, at all times mentioned herein, the Montara Water and Sanitary District (“District”) was and is ready, willing and able to timely contribute its share of funding to design and construct the Montara Force Main Rehabilitation Project, and it is the intent of this Board that the District comply with all of its legal and contractual responsibilities and obligations as a member agency of SAM, for the continued vital funding of SAM operations benefitting the entire Coastside, and the District is committed to keeping SAM funded and operational at all times; 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:

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 2024-2025

1. Consent is hereby given to the approval by Sewer Authority Mid-Coastside of its General Budget for fiscal year 2024-2025 entitled, "General Budget – Fiscal Year 2024/25," a copy of which is on file in the District's Administrative Offices to which reference is hereby made for the particulars thereof.

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

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ 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 18th day of April, 2024, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



**General Budget
Fiscal Year 2024/25**

OPERATIONS BUDGET



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 plant. The General Budget is divided into Administrative Services, Treatment, Environmental Compliance, and Infrastructure.

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

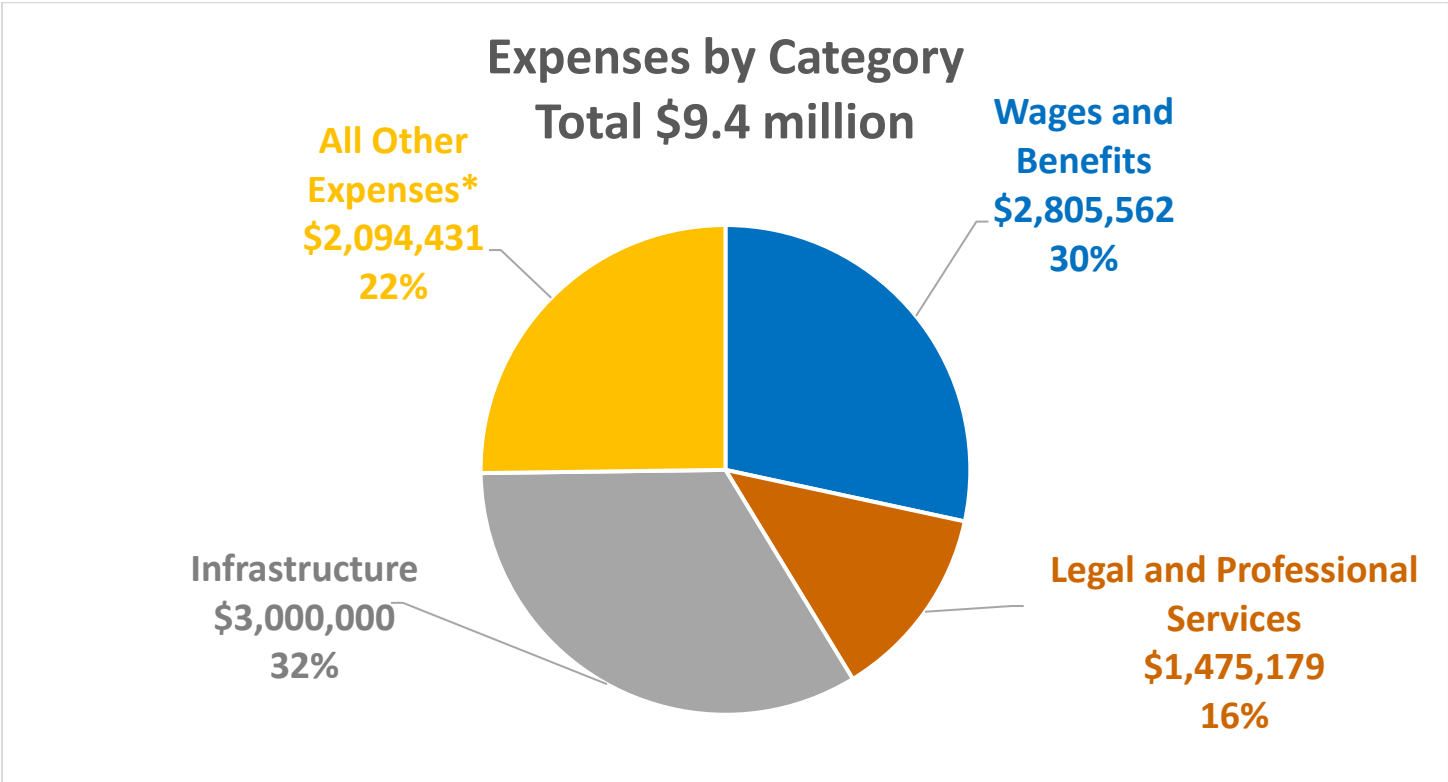
JPA Income & Expenses – General Budget

Operating Income		
Assessments - City of Half Moon Bay	5,642,255	
Assessments - Granada Community Services District	1,766,336	
Assessments - Montara Water & Sanitary District	1,868,382	
Interest Income	51,500	
NDWSCP Fees	46,700	
Total Operating Income		\$ 9,375,173
Operating Expenses		
Wages	2,052,524	
Benefits	753,038	
Legal Services	376,666	
Engineering Services	132,613	
Professional & Technical Services	965,901	
Professional Memberships	57,144	
Insurance Premiums	223,792	
Miscellaneous Expenses	71,313	
Utilities	775,799	
Travel & Training	37,058	
Equipment Rental/Lease	42,427	
Building & Maintenance Services	210,595	
Chemicals	424,478	
Permits & Licenses	53,331	
Supplies	106,360	

Equipment	12,134
Infrastructure Projects	3,000,000
Claims & Penalties	80,000
Total Expenses	\$ 9,375,173
Total Operating Expenses (less Infrastructure)	\$ 6,375,173
Contribution to Reserve Funds (Revenues less Expenses)	\$ 0

The overall increase from the adopted budget for Fiscal Year 2023/24 to the proposed budget for Fiscal Year 2024/25 is \$610,554 (7%). This is primarily due to an increase in budget related to wages, professional services, and insurance premiums.

Of the total General Budget, \$2.81 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$3.0 million (32%). Legal, Engineering and Professional Services is \$1.48 million (16%) and accounts for a significant percentage of the budget due to SAM’s dependency on contractors and consultants for technical and specialized services. Other expenses (including Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims) represent 22% of the budget.



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

Division Budgets by Fiscal Year

	FY 2021/22 <u>Actual</u>	FY 2022/23 <u>Actual</u>	FY 2023/24 <u>Adopted</u>	FY 2024/25 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Administration	\$1,465,910	\$1,444,707	\$1,582,520	\$1,890,712	\$308,192	16%
Treatment	\$3,662,645	\$3,933,256	\$3,885,111	\$4,232,565	\$347,454	8%
Environmental Compliance	<u>\$308,206</u>	<u>\$166,946</u>	<u>\$237,396</u>	<u>\$251,896</u>	<u>\$14,500</u>	<u>6%</u>
Total Operating Budget	\$5,436,761	\$5,544,909	\$5,705,027	\$6,375,173	\$670,146	15%
Infrastructure	<u>\$1,412,419</u>	<u>\$4,656,907</u>	<u>\$3,059,592</u>	<u>\$3,000,000</u>	<u>\$(59,592)</u>	<u>(2%)</u>
Total General Budget	\$6,849,180	\$10,201,816	\$8,764,619	\$9,375,173	\$610,554	7%

The Administrative Services division increased \$308,192 (16%). The net increase is a result from COLA increase of 3% and related merit increase. The Authority also approved a long term agreement with General Counsel which established a three year not to exceed amount.

The Treatment division increased \$347,454 (8%), which is due to the known COLA increase of 3% as well as budgeting for the unknown portion of labor negotiations with Local No. 39 and an increase in professional services and chemicals. Other costs have decreased over the prior year.

The Environmental Compliance division budget increased \$14,500 (6%) primarily due to projected increase in personnel costs.

The Infrastructure division decreased \$59,592 to address various projects in the Authority Capital Improvement Plan.

BUDGET ALLOCATION AND ASSESSMENTS

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.

Flow Results for Budget Allocations*

	HMB	GCSD	MWSD	
FY 2024/25	60.82%	19.04%	20.14%	(Based on Calendar Year 2023)
FY 2022/23	<u>61.5%</u>	<u>19.05%</u>	<u>19.45%</u>	(Based on Calendar Year 2022)
Variance	-0.68%	-0.01%	0.69%	

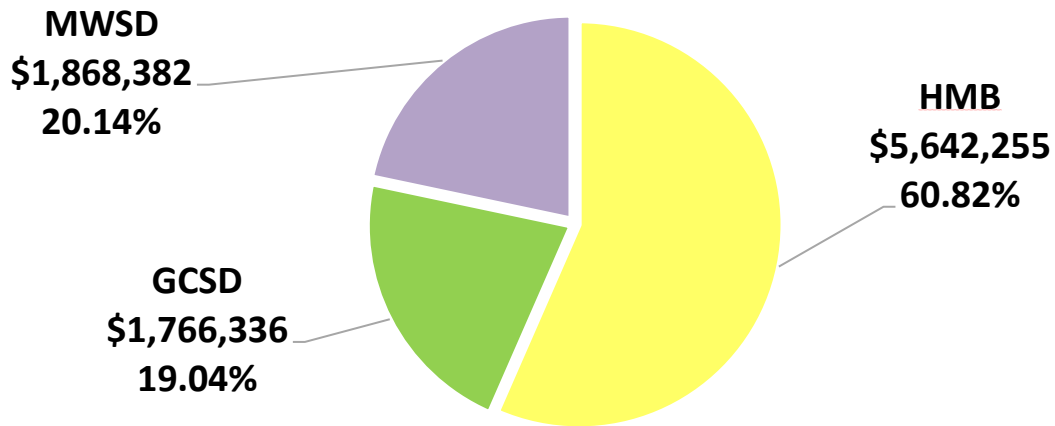
* The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

Total Assessments for Each Member Agency*

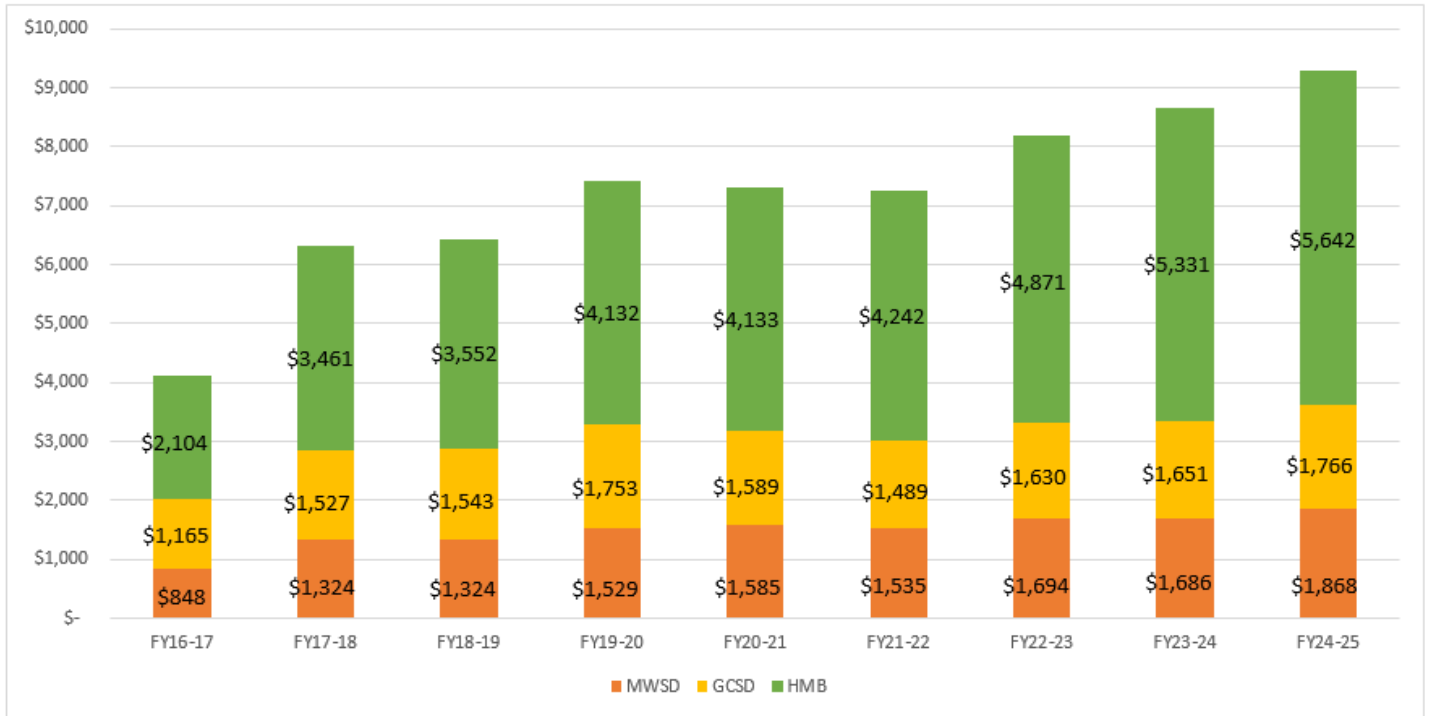
	FY 2021/22 <u>Actual</u>	FY 2022/23 <u>Adopted</u>	FY 2023/24 <u>Adopted</u>	FY 2024/25 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Half Moon Bay	\$4,241,911	\$4,871,480	\$5,331,606	\$5,642,255	\$310,648	6%
Granada CSD	\$1,489,027	\$1,630,110	\$1,651,497	\$1,766,336	\$114,838	7%
Montara WSD	\$1,532,608	\$1,694,036	\$1,686,175	\$1,868,382	\$182,207	11%
Total	\$7,307,067	\$8,195,626	\$8,669,279	\$9,276,973	\$607,694	7%

* The assessments to the Member Agencies are rounded to nearest dollar.

**Assessments for FY 2024-25
Based on Calendar Year 2023 Flow**



Assessments History by Agency (in 1,000's)



OVERALL OPERATIONS BUDGET SUMMARY

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

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)

<u>Personnel</u>						
1	Wages	1,653,795	1,718,216	1,691,787	1,917,813	199,597 10%
2	Premium Pay	117,204	104,482	133,940	134,711	30,229 22%
3	Health Benefits	262,979	289,472	250,777	266,521	(22,951) (9%)
4	Retirement Cont.	177,268	282,760	332,285	316,205	33,445 11%
5	Retiree Med/OPEB	53,147	33,057	43,579	47,946	14,889 31%
6	Misc. Benefits	114,072	90,469	103,196	122,366	31,897 26%
7	Subtotal	2,378,464	2,518,457	2,555,565	2,805,562	287,105 10%
<u>Non-Personnel</u>						
8	Legal Services	187,258	356,666	146,841	376,666	20,000 5%
9	Engineering Services	108,381	128,750	156,264	132,613	3,863 3%
10	Professional Services	893,667	740,714	956,654	965,901	225,187 23%
11	Prof. Memberships	55,464	57,421	72,461	57,144	(277) (0%)
12	Insurance Premiums	180,181	112,053	217,274	223,792	111,740 50%
13	Misc. Expenses	70,707	58,556	79,847	71,313	12,757 18%
14	Utilities	738,103	707,831	753,777	775,799	67,968 9%
15	Travel & Training	39,956	16,397	43,276	37,058	20,661 56%
16	Equipment Rental	9,845	7,281	41,436	42,427	35,146 83%
17	Bldg & Maint Services	122,327	187,890	126,098	210,595	22,705 11%
18	Chemicals	384,077	412,114	564,997	424,478	12,363 3%
19	Permits & Licenses	49,257	51,777	56,246	53,331	1,553 3%
20	Supplies	104,555	101,018	99,914	106,360	5,342 5%
21	Equipment	14,670	9,343	31,103	12,134	2,791 23%
22	Infrastructure	4,784,145	3,218,011	2,843,377	3,000,000	(218,011) (7%)
23	Claims/Penalties	80,759	80,340	18,706	80,000	(340) (0%)
25	Subtotal	7,823,352	6,246,162	6,208,270	6,569,611	323,448 5%
26	TOTAL	10,201,815	8,764,619	8,763,835	9,375,173	610,554 7%

Key Changes

Personnel costs: net increase due COLA and merit increases and labor negotiations	\$ 287,105
Legal Services:	\$ 20,000
Professional services: Increase due to estimates based on Year-to-Date Actuals	\$ 229,049
Claims/Penalties	\$ (340)
Utilities:	\$ 67,968
Equipment Rental:	\$ 35,146
Chemicals: Based on Year-to-Date Actuals	\$ 12,363
Insurance Premiums:	\$ 111,740
All other operating expenses: net increase due to CPI and adjustments to other operating expenses	\$ 65,534
TOTAL GENERAL OPERATING EXPENDITURES BUDGET INCREASE	\$ 828,565
Infrastructure: net increase result of CIP (includes engineering costs, reclassified)	\$ (218,011)
TOTAL GENERAL OPERATING EXPENDITURES BUDGET INCREASE	\$ 610,554

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

By Type:

27 JPA Assessments	8,195,626	8,669,279	8,669,279	9,276,973	607,694	7%
28 NDWSCP Fees	32,810	45,340	64,297	46,700	1,360	3%
31 Interest Earnings	61,567	50,000	-	51,500	1,500	3%
32 Misc. Revenue	-	-	-	-	-	
34 REVENUE TOTAL	8,290,003	8,764,619	8,733,576	9,375,173	610,554	7%

By Agency:

35 Half Moon Bay	4,871,480	5,331,606	5,331,606	5,642,255	310,648	6%
36 Granada CSD	1,630,110	1,651,497	1,651,497	1,766,336	114,838	7%
37 Montara WSD	1,694,036	1,686,175	1,686,175	1,868,382	182,207	11%
38 TOTAL	8,195,626	8,669,279	8,669,279	9,276,973	607,694	7%

Key Changes

Assessments reflect increased funding for infrastructure projects, maintenance, staff

	\$ 610,554
TOTAL GENERAL OPERATING REVENUE BUDGET INCREASE	\$ 610,554

FINANCIAL DETAILS

The following is a list of key budget lines for FY2023/24 and 2024/25 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

<u>Budget Line #</u>	<u>FY 2023/24</u>	<u>FY 2024/25</u>
1. <u>Wages</u> Increase as results of COLA & Merit increase and expected increase from labor negotiations.	\$1,718,216	\$1,917,813
2. <u>Premium Pay</u> Overtime paid for staff to perform tasks outside of normal work times.	\$104,482	\$134,711
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees.	\$289,472	\$266,521
4. <u>Retirement Contributions</u> SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$282,760	\$316,205
5. <u>Retiree Medical/OPEB</u> Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums.	\$33,057	\$47,946
6. <u>Misc. Benefits</u> Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$90,740	\$122,366
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$2,518,457	\$2,805,562
8. <u>Legal Services</u> Includes general counsel and employment legal fees	\$356,666	\$376,666
9. Engineering Services Increased to provide design and project management related to treatment division.	\$128,750	\$132,613

Budget Line #	FY 2023/24	FY 2024/25
10. <u>Professional Services</u> Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$740,714	\$965,901
11. <u>Professional Memberships</u> Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$57,421	\$57,144
12. <u>Insurance Premiums</u> Property, liability, and pollution premiums based on utilization rates.	\$112,053	\$223,792
13. <u>Misc. Expenses</u> Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite storage, postage, claims, copier, phone system support, etc.) not reflected in other categories.	\$58,556	\$71,313
14. <u>Utilities</u> Electricity, water, telephone, solid waste, etc.	\$707,831	\$775,799
15. <u>Travel & Training</u> 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.	\$16,397	\$37,058
16. <u>Equipment Rental/Lease</u> Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$7,281	\$42,427
17. <u>Building & Maintenance Services</u> Includes janitorial, landscaping, and other regular building maintenance services.	\$187,890	\$210,595
18. <u>Chemicals</u> Includes chemicals used in the treatment of wastewater to meet regulatory standards.	\$412,114	\$424,478

Budget Line #	FY 2023/24	FY 2024/25
19. Permits & Licenses Annual costs for permits with local, regional and state agencies.	\$51,777	\$53,331
20. Supplies Office, computer, breakroom, and safety supplies.	\$101,018	\$106,360
21. Equipment Purchase Purchase of equipment use at SAM facilities not included in infrastructure projects.	\$9,343	\$12,134
22. Infrastructure Projects Includes costs of projects included in 5-Year CIP. Includes engineering costs associated. Includes costs associated with projects that exceed \$50,000 each.	\$3,218,011	\$3,000,000
23. Claims/Penalties Reflects claims expenses not covered by insurance.	\$80,340	\$80,000
25. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$6,246,162	\$6,569,611
26. Total Total of all costs (sum of Personnel and Non-Personnel subtotals).	\$8,764,619	\$9,375,173

ADMINISTRATIVE SERVICES

By Category

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)

		FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED		
<u>Personnel</u>							
1	Wages	631,580	587,126	618,398	605,638	18,511	3%
2	Premium Pay	11,184	5,815	15,337	13,169	7,354	56%
3	Health Benefits	65,254	62,308	59,240	52,918	(9,390)	(18%)
4	Retirement Cont.	(126,391)	60,158	100,162	83,976	23,818	28%
5	Retiree Med/OPEB	46,098	16,728	17,357	16,500	(228)	(1%)
6	Misc. Benefits	27,860	18,642	23,966	24,896	6,254	25%
7	Subtotal	655,585	750,777	834,460	797,097	46,319	6%
<u>Non-Personnel</u>							
8	Legal Services	187,258	356,666	146,841	376,666	20,000	5%
9	Engineering Services	-	-	-	-	-	-
10	Professional Services	227,844	192,280	250,966	220,009	27,729	13%
11	Prof. Memberships	45,300	43,009	60,083	44,300	1,290	3%
12	Insurance Premiums	180,181	112,053	217,274	223,792	111,740	50%
13	Misc. Expenses	52,209	40,132	59,763	51,336	11,204	22%
14	Utilities	39,055	38,624	40,155	40,516	1,892	5%
15	Travel & Training	3,932	3,191	5,123	5,081	1,889	37%
16	Equipment Rental	7,668	7,281	7,526	7,500	218	3%
17	Bldg & Maint Services	31,982	29,112	31,905	102,053	72,941	71%
18	Chemicals	-	-	-	-	-	-
19	Permits & Licenses	-	-	-	-	-	-
20	Supplies	10,739	9,394	15,816	9,851	457	5%
21	Equipment	2,195	-	22,438	2,511	2,511	100%
22	Infrastructure	-	-	-	-	-	-
23	Claims/Penalties	759	-	18,706	10,000	10,000	100%
25	Subtotal	789,122	831,743	876,596	1,093,615	261,872	24%
26	TOTAL	1,444,707	1,582,520	1,711,057	1,890,712	308,192	16%

ADMINISTRATIVE SERVICES

By Category

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

By Type:

27 JPA Assessments	1,319,194	1,532,520	1,532,520	1,890,712	358,192	19%
28 NDWSCP Fees	-	-	-	-	-	-
31 Interest Earnings	61,567	-	-	-	-	-
32 Misc. Revenue	-	50,000	-	-	(50,000)	
34 REVENUE TOTAL	1,380,761	1,582,520	1,532,520	1,890,712	308,192	16%

By Agency:

35 Half Moon Bay	784,129	942,500	942,500	1,149,931	207,431	18%
36 Granada CSD	262,388	291,945	291,945	359,992	68,046	19%
37 Montara WSD	272,677	298,075	298,075	380,789	82,714	28%
38 TOTAL	1,319,194	1,532,520	1,532,520	1,890,712	358,192	19%

Key Changes

Personnel costs: net increase due COLA and merit increases. Amount also includes Board stipend and Holiday pay which had been omitted in previous years.

Personnel costs: net increase due COLA and merit increases. Amount also includes Board stipend and Holiday pay which had been omitted in previous years.	\$ 46,319
Legal Services	\$ 20,000
Professional Services	\$ 27,729
Insurance Premiums: Decreased based on year-to-date actuals	\$ 111,740
Claims/Penalties	\$ 10,000
All other operating expenses: net increase due to CPI and adjustments to other operating expenses	\$ 5,909
TOTAL ADMINISTRATION EXPENDITURES BUDGET INCREASE	\$ 243,326

Key Changes

Assessments reflect net increase in budget for wages, benefits, and other expenses	\$ 358,192
TOTAL ADMINISTRATION REVENUE BUDGET INCREASE	\$ 358,192

TREATMENT By Category

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
EXPENDITURES					Favorable/(Unfavorable)	
<u>Personnel</u>						
1 Wages	983,622	1,092,399	1,034,657	1,268,300	175,901	14%
2 Premium Pay	104,119	96,746	116,726	119,550	22,804	19%
3 Health Benefits	192,107	221,245	186,164	207,742	(13,503)	(7%)
4 Retirement Cont.	286,219	209,980	203,657	210,925	945	0%
5 Retiree Med/OPEB	6,808	15,743	25,609	30,785	15,042	49%
6 Misc. Benefits	83,519	69,336	76,897	94,173	24,837	26%
7 Subtotal	1,656,396	1,705,450	1,643,710	1,931,475	226,026	12%
<u>Non-Personnel</u>						
8 Legal Services	-	-	-	-	-	-
9 Engineering Services	108,381	128,750	156,264	132,613	3,863	3%
10 Professional Services	591,333	398,434	583,514	590,836	192,402	33%
11 Prof. Memberships	10,164	14,412	12,378	12,844	(1,568)	(12%)
12 Insurance Premiums	-	-	-	-	-	-
13 Misc. Expenses	18,498	18,424	20,084	19,977	1,553	8%
14 Utilities	699,048	669,206	713,622	735,283	66,076	9%
15 Travel & Training	35,694	13,010	37,686	31,496	18,486	59%
16 Equipment Rental	2,177	-	33,910	34,928	34,928	100%
17 Bldg & Maint Services	90,345	158,778	94,193	108,542	(50,237)	(46%)
18 Chemicals	381,518	409,027	560,454	421,298	12,271	3%
19 Permits & Licenses	49,257	51,777	56,246	53,331	1,553	3%
20 Supplies	77,712	77,981	61,474	80,320	2,339	3%
21 Equipment	12,475	9,343	8,665	9,623	280	3%
22 Infrastructure	120,258	150,179	244,696	0	(150,179)	(100%)
23 Claims/Penalties	80,000	80,340	-	70,000	(10,340)	(15%)
25 Subtotal	2,276,860	2,179,661	2,583,184	2,301,089	121,428	5%
26 TOTAL	3,933,256	3,885,111	4,226,894	4,232,565	347,454	8%

Key Changes

Personnel costs: net increase due COLA and merit increases and anticipated labor negotiation increase.	\$ 226,026
Utilities	\$ 66,076
Professional Services	\$ 192,402
Equipment Rental	\$ 34,928
Chemicals	\$ 12,271
All other operating expenses: net increase due to CPI and adjustments to other operating expenses	\$(184,249)
TOTAL TREATMENT EXPENDITURES BUDGET INCREASE	\$ 347,454

**TREATMENT
By Category**

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
REVENUE						
By Type:						
27 JPA Assessments	3,617,405	3,839,771	3,839,771	4,232,565	392,794	9%
28 NDWSCP Fees	32,810	-	64,297	-	-	-
31 Interest Earnings	-	45,340	-	-	(45,340)	(100%)
32 Misc. Revenue	-	-	-	-	-	
34 REVENUE TOTAL	3,650,215	3,885,111	3,904,068	4,232,565	347,454	8%
By Agency:						
35 Half Moon Bay	2,150,185	2,361,459	2,361,459	2,574,246	212,787	8%
36 Granada CSD	719,502	731,476	731,476	805,880	74,404	9%
37 Montara WSD	747,718	746,835	746,835	852,439	105,603	14%
38 TOTAL	3,617,405	3,839,771	3,839,771	4,232,565	392,794	9%

Key Changes

Assessments reflect net increased funding for wages, benefits, and other expenses

	\$ 392,794
TOTAL TREATMENT REVENUE BUDGET INCREASE	\$ 392,794

ENVIRONMENTAL COMPLIANCE By Category

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
EXPENDITURES						
<u>Personnel</u>						Favorable/(Unfavorable)
1 Wages	38,592	38,690	38,732	43,875	5,185	12%
2 Premium Pay	1,900	1,922	1,877	1,992	70	4%
3 Health Benefits	5,617	5,919	5,373	5,861	(58)	(1%)
4 Retirement Cont.	17,440	12,622	28,466	21,304	8,682	41%
5 Retiree Med/OPEB	241	586	614	661	75	11%
6 Misc. Benefits	2,693	2,491	2,333	3,297	806	24%
7 Subtotal	66,484	62,230	77,394	76,990	14,760	19%
<u>Non-Personnel</u>						
8 Legal Services	-	-	-	-	-	-
9 Engineering Services	-	-	-	-	-	-
10 Professional Services	74,489	150,000	122,175	155,056	5,056	3%
11 Prof. Memberships	-	-	-	-	-	-
12 Insurance Premiums	-	-	-	-	-	-
13 Misc. Expenses	-	-	-	-	-	-
14 Utilities	-	-	-	-	-	-
15 Travel & Training	330	196	468	481	286	59%
16 Equipment Rental	-	-	-	-	-	-
17 Bldg & Maint Services	-	-	-	-	-	-
18 Chemicals	2,559	3,087	4,543	3,180	93	3%
19 Permits & Licenses	-	-	-	-	-	-
20 Supplies	16,103	13,643	22,624	16,189	2,546	16%
21 Equipment	-	-	-	-	-	-
22 Infrastructure	6,980	8,240	-	-	(8,240)	-
23 Claims/Penalties	-	-	-	-	-	-
25 Subtotal	100,462	175,166	149,809	174,906	(260)	(0%)
26 TOTAL	166,946	237,396	227,203	251,896	14,500	6%

Key Changes

Personnel costs: net increase due COLA and merit increases and anticipated labor negotiation increase.

Personnel costs: net increase due COLA and merit increases and anticipated labor negotiation increase.	\$ 14,760
Professional services: increase based on year-to-date actual	\$ 5,056
Net increase in wages, utilities, services, and supplies	\$ (5,576)
TOTAL ENVIRONMENTAL COMPLIANCE EXPENDITURES BUDGET	\$ 14,500

ENVIRONMENTAL COMPLIANCE By Category

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
REVENUE						
By Type:						
27 JPA Assessments	249,630	237,396	237,396	251,896	14,500	6%
28 NDWSCP Fees	-	-	-	-	-	-
31 Interest Earnings	-	-	-	-	-	-
32 Misc. Revenue	-	-	-	-	-	-
34 REVENUE TOTAL	249,630	237,396	237,396	251,896	14,500	6%
By Agency:						
35 Half Moon Bay	148,380	145,998	145,998	153,203	7,205	5%
36 Granada CSD	49,651	45,224	45,224	47,961	2,737	6%
37 Montara WSD	51,599	46,173	46,173	50,732	4,558	10%
38 TOTAL	249,630	237,396	237,396	251,896	14,500	6%

Key Changes

Assessments reflect net decreased funding for wages, benefits, and other expenses

TOTAL ENVIRONMENT COMPLIANCE REVENUE BUDGET DECREASE	\$ 14,500
	\$ 14,500

INFRASTRUCTURE

By Category

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24
EXPENDITURES					
<u>Personnel</u>					Favorable/(Unfavorable)
1 Wages		-	-	-	-
2 Premium Pay		-	-	-	-
3 Health Benefits		-	-	-	-
4 Retirement Cont.		-	-	-	-
5 Retiree Med/OPEB		-	-	-	-
6 Misc. Benefits		-	-	-	-
7 Subtotal	-	-	-	-	-
<u>Non-Personnel</u>					
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	4,656,907	3,059,592	2,598,681	3,000,000	(59,592) (2%)
23 Claims/Penalties		-	-	-	-
25 Subtotal	4,656,907	3,059,592	2,598,681	3,000,000	(59,592) (2%)
26 TOTAL	4,656,907	3,059,592	2,598,681	3,000,000	(59,592) (2%)

Key Changes

Increased to address the projects identified in the approved
FY2024-25 capital improvement plan budget, including engineering costs

TOTAL INFRASTRUCTURE EXPENDITURES BUDGET INCREASE \$ (59,592)

**INFRASTRUCTURE
By Category**

	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2023/24 PROJECTED	FY 2024/25 PROPOSED	VARIANCE FY24/25 versus FY23/24	
REVENUE						
By Type:						
27 JPA Assessments	3,009,397	3,059,592	3,059,592	3,000,000	(59,592)	(2%)
28 NDWSCP Fees	-	-	-	-	-	-
31 Interest Earnings	-	-	-	-	-	-
32 Misc. Revenue	-	-	-	-	-	-
34 REVENUE TOTAL	3,009,397	3,059,592	3,059,592	3,000,000	(59,592)	(2%)
By Agency:						
35 Half Moon Bay	1,788,786	1,881,649	1,881,649	1,824,600	(57,049)	(3%)
36 Granada CSD	598,569	582,852	582,852	571,200	(11,652)	(2%)
37 Montara WSD	622,042	595,091	595,091	604,200	9,109	2%
38 TOTAL	3,009,397	3,059,592	3,059,592	3,000,000	(59,592)	(2%)

Key Changes

Increased to address the projects identified in the approved
FY2024-25 capital improvement plan budget, including engineering costs

TOTAL INFRASTRUCTURE REVENUE BUDGET INCREASE \$ (59,592)

HIGHLIGHTS

- Infrastructure Projects in progress in FY 2021/22:
 - ✓ Montara PS - Replace Pump 1- Awaiting Install
 - ✓ Montara PS - Install Grit Removal- Project cancelled.
 - ✓ Rehabilitate/Replace Vehicle Fleet- In progress.
 - ✓ Portola PS - Replace Pump 1 with Grinder Pump- Awaiting shipment.
 - ✓ Replace Bar Screen Drives and Screens- Project completed.
 - ✓ Replace Influent Pump and Motors 1 – 5- Project completed.
 - ✓ Electrical Improvements for Influent Pumps 1 – 8 Project completed.
 - ✓ Install Shade Canopy at Chemical Feed Pumps- Awaiting equipment.
 - ✓ Replace Effluent Pumps 1 and 2- Awaiting install.
 - ✓ Replace Sludge Mixing Pumps 1 and 2 with Chopper Pumps- Awaiting install.

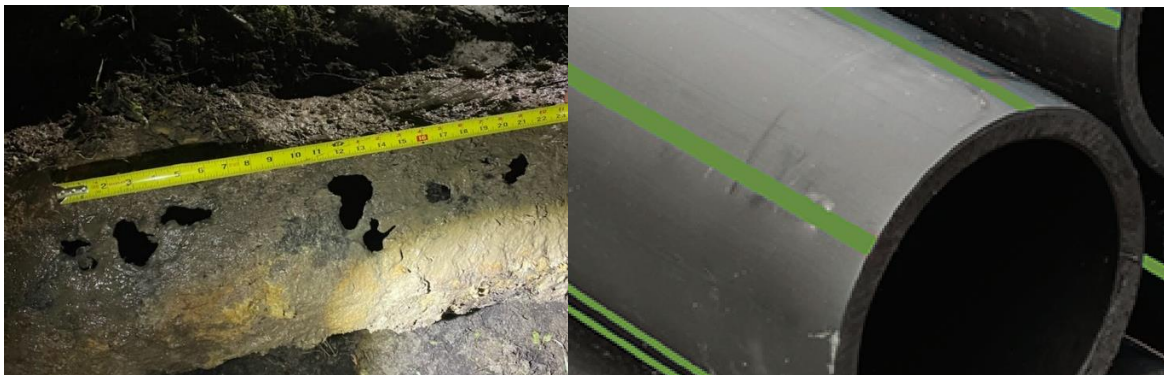
- Infrastructure Projects in progress in FY 2022/23:
 - ✓ Princeton PS - Replace w/Package PS and Rehabilitate Bypass System- In progress.
 - ✓ Replace Effluent Pumps 1, 2 & 3- Awaiting Install
 - ✓ Plant and Cyber Security Measures Implementation- In progress.
 - ✓ Replace Chain & Flights, Collectors Gear Reducer, and Weirs in Primary Clarifier- Awaiting Equipment
 - ✓ Replace Primary Scum Pump and Motor- Project cancelled.
 - ✓ Replace Grit Pumps 1 & 2 and Appurtenances- Awaiting Equipment
 - ✓ Replace Primary Sludge Pumps and Motors 1, 2 & 3- Awaiting Equipment
 - ✓ Secondary Treatment - Replace/Rehabilitate Secondary Clarifier Drive Mechanism- Awaiting Equipment
 - ✓ Water Supply and Piping - Replace No. 3 Water Pumps- Awaiting Install

- Infrastructure Projects in progress in FY 2023/24:
 - ✓ SAM Force Main situated in Montara pre-design- Project on hold due to funding.
 - ✓ Replace /Rehab Treatment Plant Boilers- Awaiting Equipment
 - ✓ Replace treatment Plant Emergency Generator- In progress.

Project: Rehabilitation of SAM Force Main situated in Montara
Priority: Rehabilitation/Replacement/Safety

The SAM Force Main situated in Montara Rehabilitation (SMFM) Project addresses aging, at-risk pipeline within the Intertie Pipeline System. The SMFM conveys wastewater from the Montara and Moss Beach communities to SAM’s Wastewater Treatment Plant in Half Moon Bay. The MFM is approximately 16,750 feet in length, ranging from 12 to 14-inches in diameter and was constructed of ductile iron pipe (DIP) in the early 1980s.

A 2017 project replaced the first 2,500 feet of MFM from Montara Pump Station to the end of Vallemar Street with high-density polyethylene (HDPE) pipe and replaced the associated air/vacuum relief valves. A 12-inch-diameter DIP portion of the SMFM experienced failure during the atmospheric river storm that started on December 31, 2022, which was declared as a disaster at both the State and Federal levels. SAM’s emergency response included replacement of an 850-ft portion of the impacted force main with HDPE. It is proposed to replace the remaining 13,400 feet of the SMFM project before June 30, 2026.



CIP Total Cost: \$10,000,000

Project Funding: This project will be funded by SAM’s Infrastructure Program

Basis of Priority: This priority project continues the best practice of rehabilitating aging force main to mitigate sanitary sewer overflows, human health risks, environmental damages, and other regulatory violations.

Annual Cost Distribution and Schedule

CIP Total	FY2024/25	FY2025/26			
	3.0M	7.0M			

Position Control List

<u>Classifications</u>	<u>Authorized Positions</u>
<u>Administrative Services:</u>	
General Manager	1.0
Finance Officer	1.0
Accounting Technician	1.0
Administrative Assistant	<u>1.0</u>
	4.0
<u>Operations & Maintenance:</u>	
<i>Engineering & Construction Contracts Manager (Defunded)</i>	0.0
Plant Superintendent	0.75
Maintenance Mechanic I/II/III	2.0
Operator I/II/III	2.0
Lead Operator	4.0
<i>Utility Worker (Defunded)</i>	<u>0.0</u>
	8.75
<u>Environmental Compliance:</u>	
Plant Superintendent	.25
Total Authorized – General Budget	13.0
<u>Collection Services:</u>	
Collection Maintenance Worker I/II/III	3.0
Maintenance Mechanic I/II/III	<u>1.0</u>
Total Authorized – Collections Services	4.0
Grand Total Authorized Authority	17.0



SEWER AUTHORITY MID-COASTSIDE
Staff Report

TO: Honorable Board of Directors
FROM: Kishen Prathivadi, General Manager
BY: Kishen Prathivadi, General Manager
SUBJECT: **Discuss Proposed General Budget for FY 2024/25 and Authorize the General Manager to Submit it to Member Agencies for Approval.**

Executive Summary

The purpose of this report is to discuss the proposed General Budget for FY 2024/25 and authorize the General Manager to submit it to Member Agencies for approval.

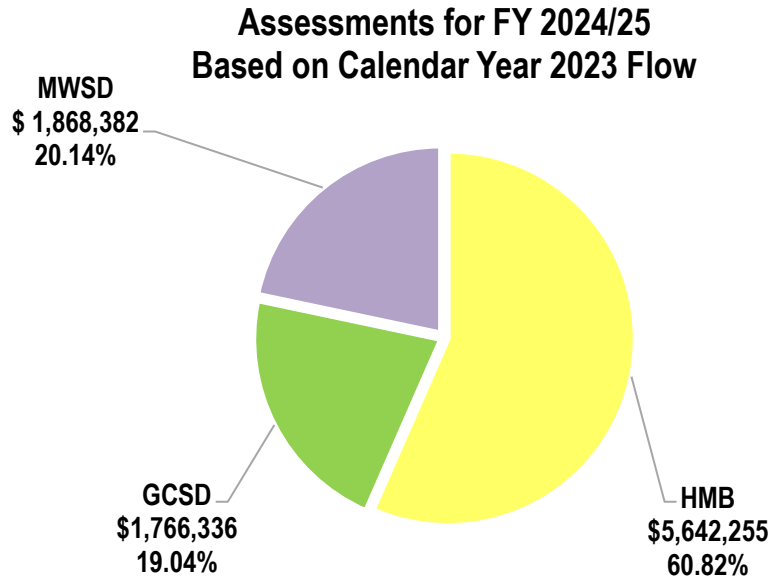
Fiscal Impact

The operation and maintenance expenditure budget for FY 2024/25 is \$9.4 million, including infrastructure project expenses. This is an *overall increase* of \$610,554 from the FY 2023/24 adopted budget. The impact to the member agency assessments is:

Assessments for Each Member Agency

	FY 2021/22 ACTUAL	FY 2022/23 ACTUAL	FY 2023/24 ADOPTED	FY 2024/25 PROPOSED	CHANGE FROM FY 23/24 ADOPTED
Half Moon Bay	\$4,241,911	\$4,871,480	\$5,331,606	\$5,642,255	\$310,648 6%
Granada CSD	\$1,489,027	\$1,630,110	\$1,651,497	\$1,766,336	\$114,838 7%
Montara WSD	\$1,532,608	\$1,694,036	\$1,686,175	\$1,868,382	\$182,207 11%
	\$7,263,546	\$8,195,626	\$8,669,279	\$9,276,973	\$607,694 7%

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

Staff made the following assumptions in determining changes from the FY 2024/25 adopted budget.

- The position of Engineering & Construction Contracts Manager continues to be defunded.
- All applicable merit step increases will be earned per the MOU with Local No. 39.
- All authorized positions are funded. Salaries for filled positions are estimated at one step up. Salaries for currently vacant positions are estimated at mid-step. There are a total of 14 positions:
 - 8 employees are scheduled for a step increase.
 - 7 employees are currently at the top step.
 - One is the General Manager who is on a contract.
- All services, supplies, and utilities will be increased by a 3% CPI unless specific adjustment was deemed necessary based on actual experience or known factors.

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

Budget Overview

The General Budget, including the proposed infrastructure projects, 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/Boards for comment. Final approval of the proposed budget will take place later in the process.

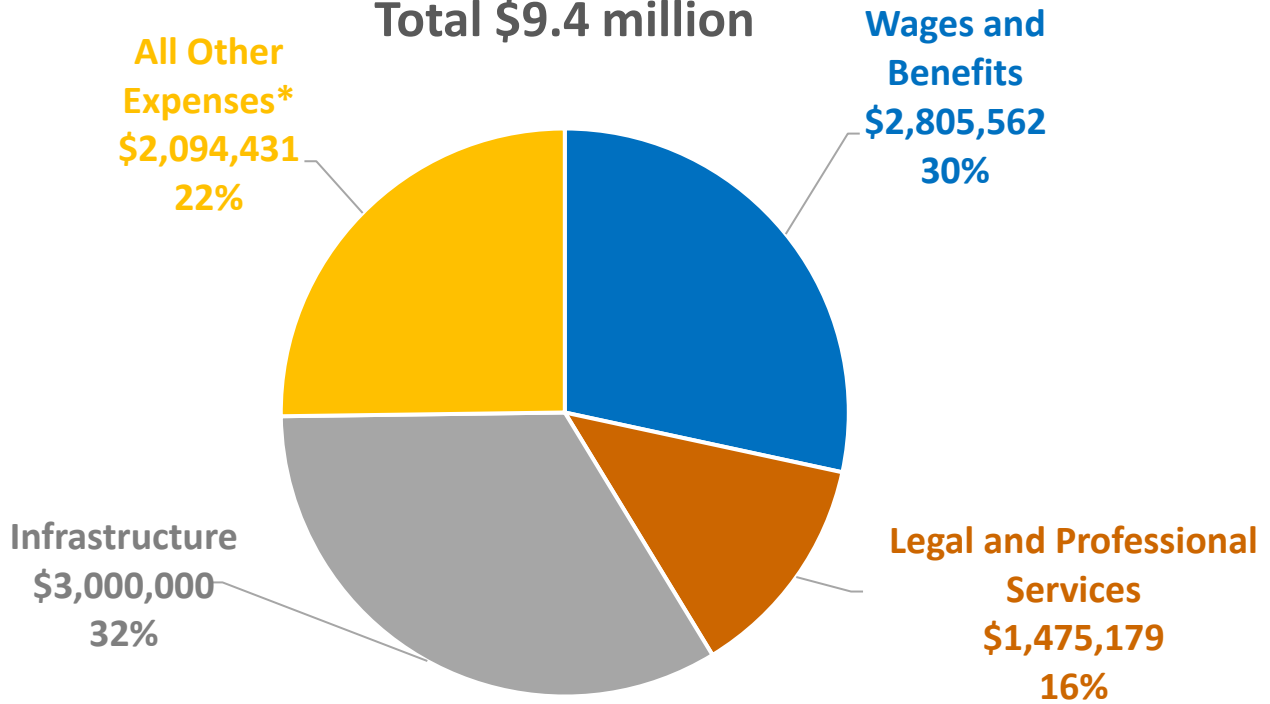
The overall increase from the adopted budget for Fiscal Year 2023/24 to the proposed budget for Fiscal Year 2024/25 is \$610,554 (7%). This is primarily due to an increase in personnel costs, professional services and insurance premiums.

Of the total General Budget, \$2.81 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$3.0 million (32%). Legal, Engineering and Professional Services is \$1.48 million (16%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services.

All other expenses (including Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims) represent the remaining \$2.09 million (22%) of the budget.

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

Expenses by Category
Total \$9.4 million



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

Significant Budget Changes

The Administrative Services division increased \$308,192 (16%). The net increase is a result from COLA increase of 3% and related merit increase. The Authority also approved a long term agreement with General Counsel which established a three year not to exceed amount.

The Treatment division increased \$347,454 (8%), which is due to the known COLA increase of 3% as well as budgeting for the unknown portion of labor negotiations with Local No. 39 and an increase in professional services and chemicals. Other costs have decreased over the prior year.

The Environmental Compliance division budget increased \$14,500 (6%) primarily due to projected increase in personnel costs.

The Infrastructure division decreased \$59,592 (2%) to address various projects in the Authority Capital Improvement Plan.

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

Detail 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: Increase of \$199,597 due to expected increase of labor negotiations.
2. Premium Pay: Increase of \$30,229 due to standby pay, certification pay, and overtime pay associated with changes in staffing resulting.
3. Health Benefits: Decrease of \$22,951 due to certain employees electing out of Authority Coverage.
4. Retirement Contributions: Increase of \$33,445 primarily due to the estimation of retirement costs related to the unfunded liability portion in the prior year's budget. (Every year this amount is estimated but the actual amount is not in our control and is not known until we are officially notified by CalPERS after the year is over).
5. Retirement Medical: Increase of \$14,889 for contributions as negotiated in the MOU and the Unrepresented Employees.
6. Misc. Benefits: Increase of \$31,897 for benefits as negotiated in the MOU and the Unrepresented Employees.
7. Personnel Subtotal: Increase of \$287,105 in personnel costs primarily due to anticipated increase in wages.
8. Legal Services: Increase of \$20,000 due to anticipated labor negotiations with Local No. 39.
9. Engineering Services: Minimal increase budgeted.
10. Professional Services: Increase of \$225,187.

The major contracting firms and the status of their contracts, if applicable, are as follows:

- Calcon Systems, electrical services: Existing contract not to exceed \$350,000.
 - RVE Accounting, financial & accounting services: As Needed.
 - Alpha Analytical Laboratories, essential lab services: As Needed.
 - Peninsula Pump, handles pump repair, generally an emergency repair: As Needed.
11. Precision IT, computer equipment maintenance: IT support as and when needed.
 12. Professional Memberships: Minimal decrease.
 13. Insurance Premiums: Increase of \$111,740 due to new policies and prior year claims.
 14. Misc. Expenses: Increase of \$12,757 anticipated based on detailed review of current year expenditures.

BOARD MEMBERS:

M. Clark
D. Penrose
S. Boyd
J. Grant

B. Dye
D. Ruddock
B. Softky
H. Rarback

P. Dekker
K. Slater-Carter
J. Randle

15. Utilities: Increase of \$67,968 for electricity, gas, and water consistent with current costs.
16. Travel & Training: Increase of \$20,661 based on expectation that conference attendance will continue to increase.
17. Equipment Rental: Increase of \$35,146 consistent with actual rent experiences in the current year.
18. Building & Maintenance Services: Increase of \$22,705 based on current year expenditures.
19. Chemicals: Increase of \$12,363 based on anticipated expenses consistent with recent experience and expected industry increases.
20. Permits & Licenses: Increase of \$1,553 based on current year expenditures.
21. Supplies: Increase of \$5,342 based on current year expenditures.
22. Equipment: Increase of \$2,791 based on current year expenditures.
23. Infrastructure: Decrease of \$218,011 to address the projects identified.
24. Claims/Penalties: Decrease of \$340 as a holdover of potential penalties stemming from the flooding in January 2023.
25. Non-Personnel Subtotal: Total Increase of \$323,448 (5%).

BOARD MEMBERS:

M. Clark

B. Dye

P. Dekker

D. Penrose

D. Ruddock

K. Slater-Carter

ALTERNATE MEMBERS:

S. Boyd

B. Softky

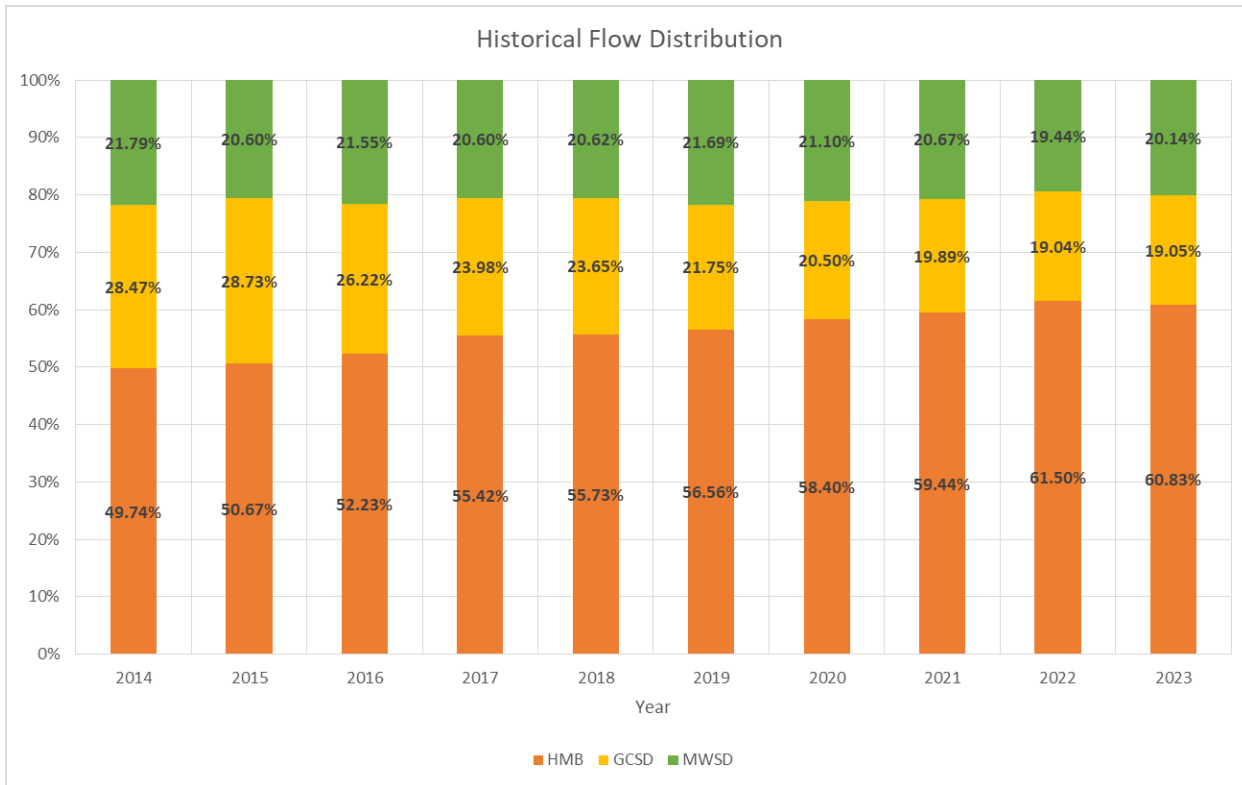
J. Randle

J. Grant

H. Rarback

Revenue Allocation

Of the total O&M revenue, the majority (98.95%) 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.



The remaining revenue comes from Waste Processing Services that are currently classified in the Non-Domestic Waste Source Control Program Fees category of our AR System (0.5%), and interest earnings (0.5%).

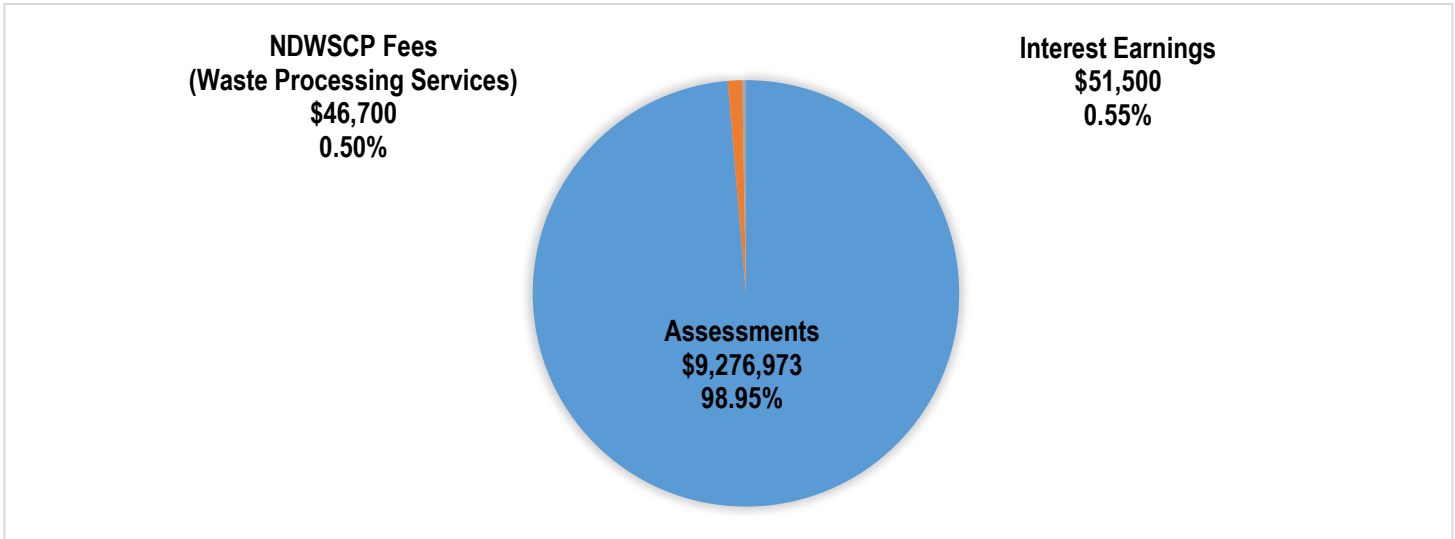
BOARD MEMBERS:

**M. Clark
 D. Penrose
 S. Boyd
 J. Grant**

**B. Dye
 D. Ruddock
 B. Softky
 H. Rarback**

**P. Dekker
 K. Slater-Carter
 J. Randle**

ALTERNATE MEMBERS:



Staff Recommendation

Staff recommends that the Board of Directors review the budget with their respective staff and contemporaries and return comments to the SAM General Manager on or before May 31, 2024, for evaluation and approve a final budget before June 24, 2024.

Supporting Documents

Attachment A: SAM General Budget for FY 2024/25

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



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

* * * *

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	

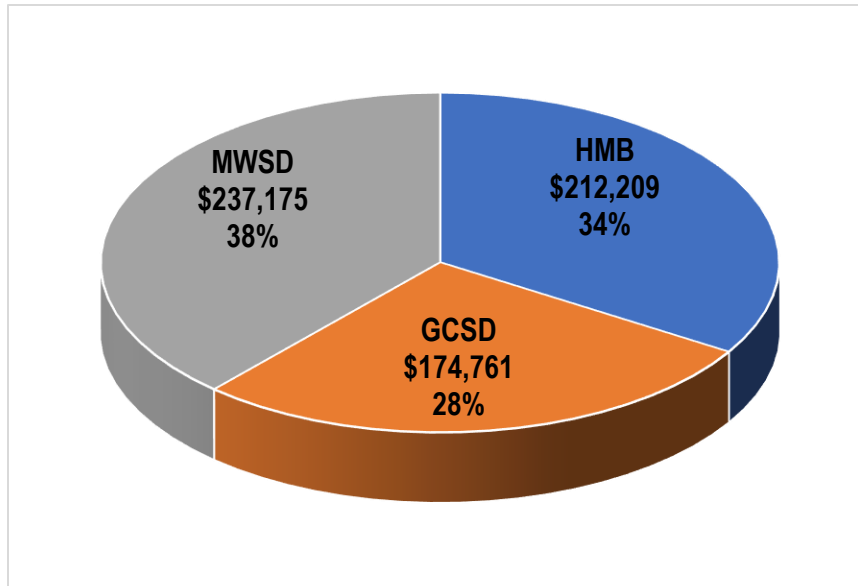
Contract Fees for Each Contracting Agency

	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 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.”*



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	

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.

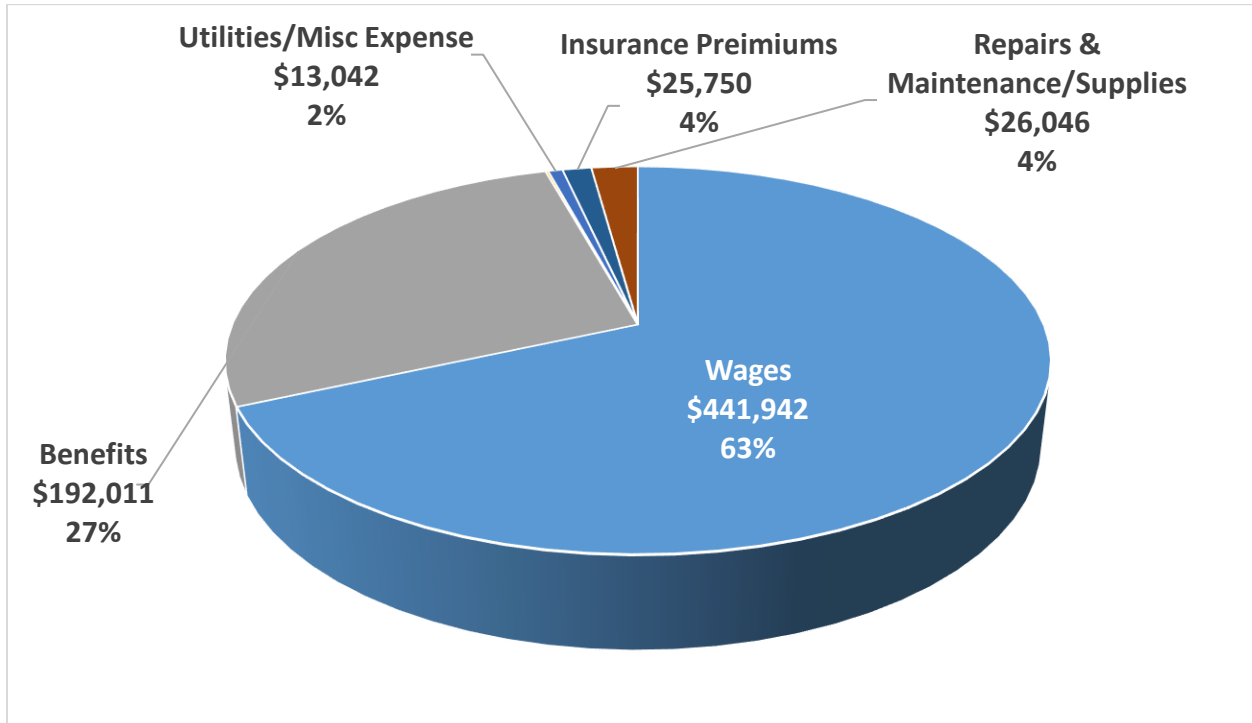
SAM has provided collection system maintenance services to its member agencies since 1988. The scope of services has changed over the years to meet regulatory requirements and individual needs of the Member Agencies. The cost allocation methodology has evolved over the years as well. Beginning last year, 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
ALTERNATE MEMBERS:	S. Boyd	B. Softky	J. Randal
	J. Grant	H. Rarback	



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
ALTERNATE MEMBERS:	S. Boyd	B. Softky	J. Randal
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