



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 3, 2025**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2025-26 Collections Budget.**

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At the SAM Board of Directors meeting on May 24, 2025, the SAM Board approved the SAM General Budget for Fiscal Year 2025-26 to be sent to the member agencies for consideration and approval.

The overall General Budget is suggested to increase by \$64,765 or 8% over the prior Fiscal Year to a total of \$698,791 which brings total budgeted expenditures to \$763,556. FY 2025-26 assessment for MWSD for the collections budget is \$261,155 which represents an increase of \$23,980 or 10%.

The SAM General Manager will be available to present the proposed FY 2025-26 Collections 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 2025-2026.

Attachments

## RESOLUTION NO. \_\_\_\_\_

### **RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND ADOPTING FISCAL YEAR 2025 – 2026 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, 2025 – June 30, 2026 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 2025/26," 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 2025 – 2026 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 3rd day of April 2025, 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 2023/24 ACTUAL	FY 2024/25 ADOPTED	FY 2024/25 PROJECTED	FY 25/26 PROPOSED	VARIANCE FY25/26 versus FY24/25
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**EXPENDITURES**

Favorable/(Unfavorable)

Personnel

1 Wages	396,874	380,729	400,049	411,474	30,745	7%
2 Premium Pay	57,053	61,213	57,393	62,809	1,596	3%
3 Health Benefits	115,702	111,617	114,668	147,525	35,908	24%
4 Retirement Cont.	32,045	33,272	33,001	35,250	1,978	6%
5 Retiree Med/OPEB	1,774	7,097	7,010	7,300	203	3%
6 Misc. Benefits	24,332	40,025	26,568	30,921	(9,104)	(29%)
7 Subtotal	627,781	633,953	638,689	695,279	61,326	9%
<u>Non-Personnel</u>						
8 Legal Services	-	-	-	-	-	-
9 Engineering Services	-	-	-	-	-	-
10 Professional Services	-	-	-	-	-	-
11 Prof. Memberships	-	-	-	-	-	-
12 Insurance Premiums	21,628	25,750	23,072	26,038	288	1%
13 Misc. Expenses	3,626	3,311	4,362	5,926	2,616	44%
14 Utilities	5,346	7,669	6,226	7,151	(519)	(7%)
15 Travel & Training	7,112	2,062	2,368	2,815	753	27%
16 Equipment Rental	-	-	-	-	-	-
17 Bldg & Maint Services	-	-	-	-	-	-
17A Pass Through Expenses	-	-	-	-	-	-
18 Chemicals	-	-	-	-	-	-
19 Permits & Licenses	-	-	-	-	-	-
20 Supplies	20,984	26,046	17,946	26,348	302	1%
21 Equipment	-	-	-	-	-	-
22 Infrastructure	-	-	-	-	-	-
23 Claims/Penalties	-	-	-	-	-	-
24 Repairs & Maintenance	9,817	-	-	-	-	-
25 Subtotal	68,513	64,838	53,974	68,278	3,440	5%
26 TOTAL	696,294	698,791	692,662	763,556	64,765	8%

FY 2023/24 ACTUAL	FY 2024/25 ADOPTED	FY 2024/25 PROJECTED	FY 25/26 PROPOSED	VARIANCE FY25/26 versus FY24/25
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**REVENUE**

By Type:

27 JPA Assessments	775,953	698,791	624,145	763,556	64,765	8%
28 NDWSCP Fees	-	-	-	-	-	-
31 Interest Earnings	-	-	-	-	-	-
32 Misc. Revenue	-	-	-	-	-	-
33 From/(To) Reserves (*)	-	74,646	-	76,305	1,659	2%
34 REVENUE TOTAL	775,953	624,145	624,145	687,251	64,765	9%

By Agency:

35 Half Moon Bay	263,824	212,209	212,209	233,665	21,456	9%
36 Granada CSD	217,267	174,761	174,761	192,431	17,670	9%
37 Montara WSD	294,862	237,175	237,175	261,155	23,980	10%
38 TOTAL	775,953	624,145	624,145	687,251	63,106	9%

(\*) Figure represents difference between collections assessments received from Member Agencies & Collections expenditures as noted in the FY 23-24 audited financial statements and deducted from the budgeted expense.



## SEWER AUTHORITY MID-COASTSIDE

### Staff Report

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**TO:** Honorable Board of Directors

**FROM:** Kishen Prathivadi, General Manager

**SUBJECT:** **Discuss Proposed Contract Collection Services Budget for FY 2025/26 and Authorize the General Manager to Submit it to the Member Agencies for Approval**

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#### **Executive Summary**

The purpose of the report is to discuss the contract collection services budget for FY 2025/26 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 2025/26 is \$763,556. 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 increase in fees of \$64,765 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 2025-2026 budgeted member agency Collections Assessment has been reduced by \$76,305. This amount represents the difference between Collections assessment revenue and Collections expenses as noted in SAM's FYE June 30, 2024, audited financial statements.

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<b>BOARD MEMBERS:</b>	<b>P. Nagengast</b>	<b>B. Dye</b>	<b>N. Marsh</b>
	<b>S. Boyd</b>	<b>D. Ruddock</b>	<b>K. Slater-Carter</b>
<b>ALTERNATE MEMBERS:</b>	<b>B. Softky</b>	<b>J. Randle</b>	<b>J. Grant</b>

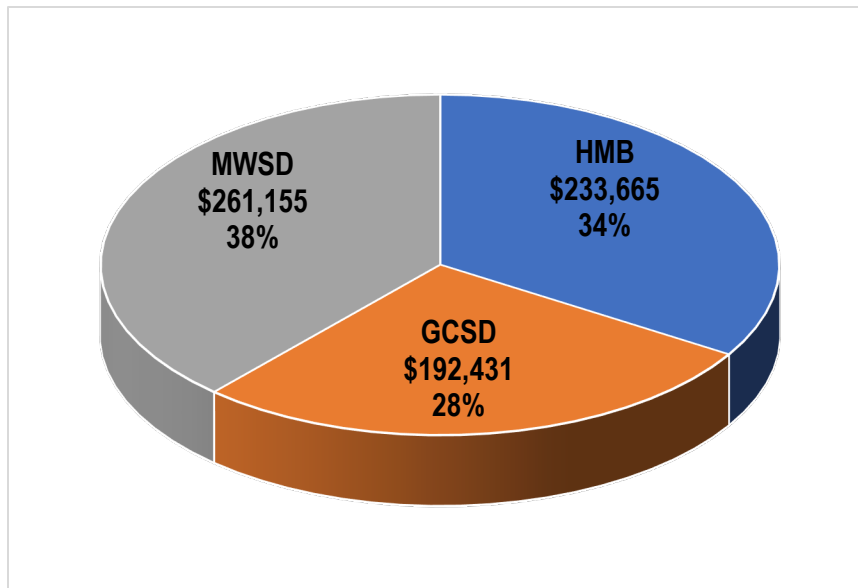
### Contract Fees for Each Contracting Agency

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Adopted	FY 2025/26 Proposed	\$ Change	% Change
Half Moon Bay	\$254,272	\$263,824	\$212,209	\$233,665	\$21,456	9%
Granada CSD	\$209,400	\$217,267	\$174,761	\$192,431	\$17,670	9%
Montara WSD	\$284,186	\$294,862	\$237,175	\$261,155	\$23,980	10%
	\$747,858	\$775,953	\$624,145	\$687,251	\$63,106	9%

*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:**

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B. Dye

N. Marsh

S. Boyd

D. Ruddock

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#### **ALTERNATE MEMBERS:**

B. Softky

J. Randle

J. Grant

**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 previous years, 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.

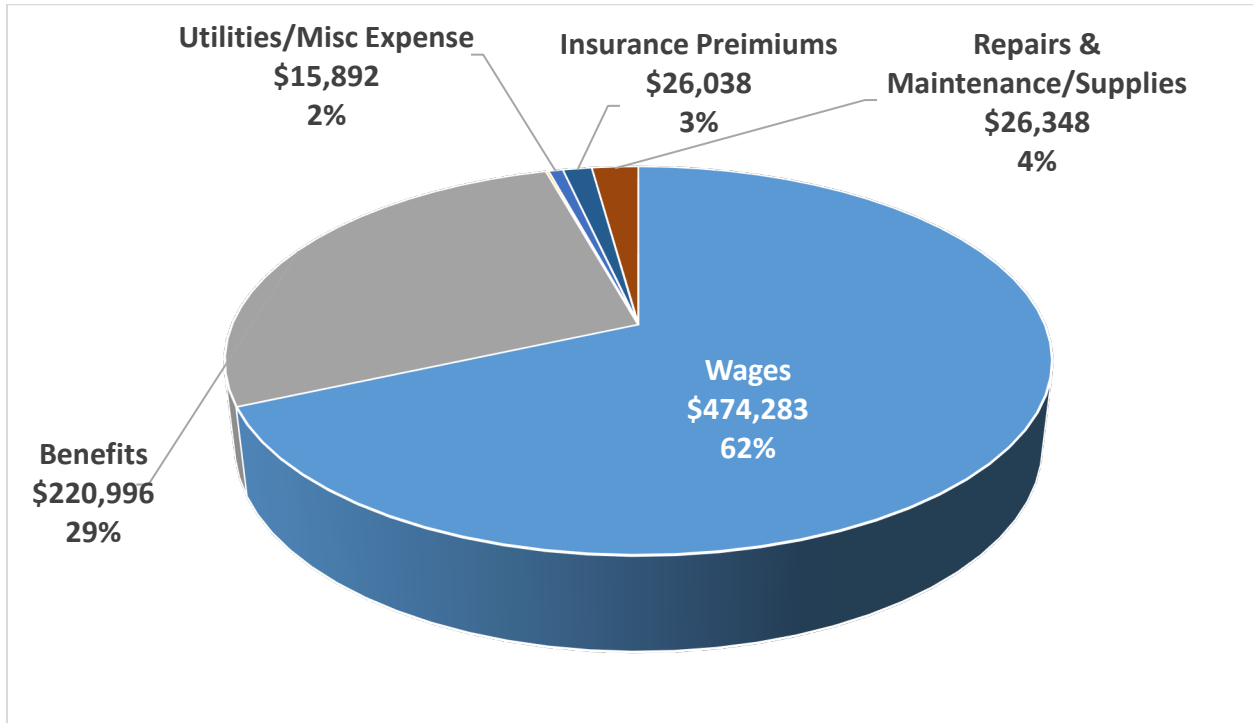
Beginning July 1, 2020 the minimum service level provided by SAM entailed cleaning at least fifty percent (50%) of the collection system's pipelines, cleaning of designated Hot Spots per an agreed upon schedule, providing lift station services as defined, providing emergency response throughout the year, 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.*

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BOARD MEMBERS:	P. Nagengast	B. Dye	N. Marsh
	S. Boyd	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	B. Softky	J. Randle	J. Grant



The performance of collection system maintenance is a very staff-intensive activity and as a result most costs (91%) as shown above are Wages and Benefits for personnel to perform the work. Other significant costs are Insurance Premiums & the cost of supplies estimated at \$26,038 and \$26,348 respectively. All other costs combined are around (2%) of the total overall budget.

**Significant Changes to the Budget:**

1. Increase of Personnel expenses by \$61,326 based on last year's budget.

**Staff Recommendation**

Staff recommends that the Board of Directors authorize the General Manager to submit the Contract Collection Services Budget for Fiscal Year 2025/26 to the participating agencies for approval.

**Supporting Documents**

Attachment A: Contract Collection Services Budget for FY 2025/26

BOARD MEMBERS:	P. Nagengast	B. Dye	N. Marsh
	S. Boyd	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	B. Softky	J. Randle	J. Grant