



**SEWER AUTHORITY MID-COASTSIDE**  
**Finance Committee *Special Meeting* Agenda**  
**3 pm to 4 pm on Friday February 25, 2022**

Join Zoom Meeting

<https://us02web.zoom.us/j/83335320515?pwd=Q1VkbWtqK2ZkUk5CRkx3K3piTFZsdz09>

Meeting ID: 833 3532 0515

Passcode: 597787

One tap mobile

+16699006833,,83335320515#,,,,\*597787# US (San Jose)

**1. ROLL CALL**

Debbie Ruddock (HMB)

Barbara Dye (GCSD)

Kathryn Slater-Carter (MWSD)

**2. REGULAR BUSINESS**

A. Approval of Minutes February 17, 2022

B. Discussions on Auditor for FY 21-22

C. Budget vs Actual -Q2, FY21-22

D. CIP Project Status – 2022

E. Any other issues

**3. NEXT REGULAR MEETING**

March 17, 2022

**SEWER AUTHORITY MID-COASTSIDE**  
**Finance Committee Meeting Minutes - Regular Meeting**  
*February 17, 2022*

**1. CALL TO ORDER –11:04 AM**

**A. Roll Call – All Present**

Barbara Dye (GCSD) – Present

Debbie Ruddock (HMB) – Present

Kathryn Slater-Carter (MWSD) – Present

**2. REGULAR BUSINESS**

**A. Approval of Minutes December 16, 2021 – Approved by All**

**B. Discussions on Auditor for FY2021-2022 Audit – Request for Further Specific Details by All**

As required by Government Code, the Audit Partner and Lead can work the audit for no more than 6 audits. Since the last audit was the sixth completed by John Cropper as the Partner, George presented a PowerPoint overview of the Pros and Cons of SAM sourcing a new Audit Firm compared to staying with the Cropper Accountancy availing ourselves of another Partner and Lead. The Finance Team recommended that we stay with Cropper Accountancy for the upcoming audit.

While the Committee Members were pleased with the continued improvement of the Finance Team’s performance in regards to the audit as well as understanding the reasoning behind the staff recommendation, concerns regarding the Cropper option sufficiently addressing the Government Code were raised. Since staff did not have the information required to address those concerns on hand, it was decided that SAM staff will follow up with John Cropper as well as Legal Counsel.

Due to the implications of potentially having to source another Audit Firm if the concerns cannot be addressed satisfactorily, SAM staff will get back to the Finance Committee members as soon as possible and schedule a special meeting to finalize this decision.

**C. Budget vs Actual FY2021-2022 Quarter 2 – Request to Push to Next Meeting & Add Updated CIP by All**

Due to the length of the discussion of (B), Peter presented a limited overview of the prepared report. While it was quickly reviewed, the Committee requested that we take the time to review the report in detail during the next Finance Committee meeting. In response to a Committee Member request, staff will add the updated CIP report to this and future Quarterly Reports.

**D. Any other Issues**

Kishen notified the Committee that Montara’s HMGP NOI application for the “**Wastewater Treatment Plant Electric Power Distribution System Flooding Protection Project**” was deemed eligible to continue the process.

**3. Meeting Adjourned 11:56 AM**

**NEXT SCHEDULED REGULAR MEETING: March 17, 2022 11:00 am**



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# Quarterly Budget Review

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Sewer Authority Mid-Coastside

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2nd Quarter of Fiscal Year 2021/2022 - Unaudited Financial Statements

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*" HELPING OUR CLIENTS SUCCEED "*

# Sewer Authority Mid-Coastside Budget Analysis

*Budget vs. Actual: Revenue and Expense Category*  
07/01/2021 - 12/31/2021



## BUDGET BY REVENUE AND EXPENSES CATEGORY - O&M

<Statement of Revenues, Expenses, and Changes in Net Position>

OPERATING REVENUE	July 1, 2021 - December 31, 2021	YTD Budget	Total Budget	Variance \$ to YTD budget	Variance % to YTD Budget	% of Total Budget
Operating and maintenance assessments	2,392,613	2,392,613	4,785,226	-	0%	50%
Other income	10,076	57,477	115,000	(47,401)	-82%	9%
<b>Total operating revenue</b>	<b>2,402,689</b>	<b>2,450,090</b>	<b>4,900,226</b>	<b>(47,401)</b>		
<b>OPERATING EXPENSES</b>						
Treatment	2,028,925	1,727,829	3,457,060	(301,096)	-17%	59%
Environmental Compliance [Lab]	216,929	91,596	183,267	(125,333)	-137%	118%
Administration	777,760	639,692	1,279,899	(138,068)	-22%	61%
Infrastructure	56,533	1,238,664	2,478,320	1,182,131	95%	2%
<b>Total operating expense</b>	<b>3,080,148</b>	<b>3,697,782</b>	<b>7,398,546</b>	<b>617,634</b>		
<b>OPERATING SURPLUS (LOSS)</b>	<b>(677,459)</b>	<b>(1,247,692)</b>	<b>(2,498,320)</b>	<b>(570,234)</b>	<b>46%</b>	
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest and dividend income	5,875	9,996	20,000	(4,121)	-41%	29%
<b>Total non-operating revenues (expenses)</b>	<b>5,875</b>	<b>9,996</b>	<b>20,000</b>	<b>(4,121)</b>		
Increase before contributions	(671,584)	(1,237,696)	(2,478,320)	566,113	-46%	
Capital contributions	1,239,160	1,239,160	2,478,321	-	0%	50%
<b>CHANGE IN NET POSITION</b>	<b>567,576</b>	<b>1,464</b>	<b>1</b>	<b>566,113</b>		

# Sewer Authority Mid-Coastside

## Budget Analysis

*Budget vs. Actual: Revenue and Expense Category*  
07/01/2021 - 12/31/2021



### NARRATIVES

**Other Income:** Total revenue of \$10,076 generated; \$47,401 or 82% under budget.

- During October of 2020, we halted accepting trucked leachate from Browning Ferris Industries (Ox Mountain/Republic).
  - Prior to that time, they averaged about \$7K per month in other income. \$40K was budgeted to date.
- Permit Fee revenues are also \$6.5K below expected

**Environmental Compliance Expenses:** Total expense of \$216,929 incurred; \$125,333 or 137% over budget. Notable budget over runs include:

- 100-2022-5330 Misc. Professional Services (Over by \$118,036 - YTD \$164,855)
  - Related to the need for additional testing from EBS BioStar and Alpha Labs due to heightened BOD levels experienced in the plant

**Treatment Expenses:** Total expense of \$2,028,925 incurred; \$301,096 or 17% over budget. Notable budget over runs and significant expenditures include the following:

- 100-2021-5330 Misc. Professional Services (Over by \$155,174 - YTD \$178,599)
  - \$94,415 has been spent on WWTP capacity and treatment process review study
- 100-2021-5318 Engineering & Architectural Services (Over by \$56,781 - YTD \$93,358)
  - \$90,469 has been spent on Engineering Support
- 100-2021-5326 Equipment Maintenance (Over by \$45,725 - YTD \$338,725)
  - \$262,895 has been spent on Main Plant service calls
- 100-2021-5817 Chemicals (Over by \$32,681 - YTD \$140,032)
- 100-2021-6121 Machinery and equipment (Over by \$39,532 - YTD \$39,532) **Capitalize at fiscal year-end**
  - \$14,250 has been spent on WAS Flow Meters
  - \$20,240 has been spent on the Hypo Tank for the Montara Pump Station
- 100-2021-6016 Portola Pump Station (Over by \$23,500 - YTD \$23,500) **Capitalize at fiscal year-end**
  - \$23,500 has been spent on repairs for the Portola Pump Station

# Sewer Authority Mid-Coastside

## Budget Analysis

*Budget vs. Actual: Revenue and Expense Category*

07/01/2021 - 12/31/2021



**Administration Expenses:** Total expense of \$777,760 incurred; \$138,068 or 22% over budget. Notable budget over runs include the following:

- 100-1010-5412 Insurance Premiums (Over by \$29,839 - YTD \$123,676)
  - \$123,676 has been spent on insurance premiums for the full fiscal year, approximately \$23,000 is prepaid for 2022-23
- 100-1010-5330 Misc. Professional Services (Over by \$21,892 - YTD \$69,345)
- 100-1010-5410 Professional dues and fees (Over by \$20,435 - YTD \$38,358)
  - \$34,952 has been spent on annual membership renewals, apporiximately \$8,000 is prepaid for 2022-23

**Infrastructure Expenses:** Total expense of \$56,533 incurred; \$1,182,131 or 95% under budget

- \$861,815 budgeted for Misc. Professional Services, for which no expenses have yet been incurred
- 100-4041-6016 Portola Pump Station (Under by \$95,339 - YTD \$8,620) **Capitalize at fiscal year-end**

# Sewer Authority Mid-Coastside Budget Analysis

*Budget vs. Actual: Revenue and Expense Category*  
07/01/2021 - 12/31/2021



## BUDGET BY REVENUE AND EXPENSES CATEGORY - Collections

<Statement of Revenues, Expenses, and Changes in Net Position>

OPERATING REVENUE	July 1, 2021 - December 31, 2021	YTD Budget	Total Budget	Variance \$ to YTD budget	Variance % to YTD Budget	% of Total Budget
Collection assessments	436,806	436,806	873,613	-	0%	50%
Pass-through	45,175	-	-	45,175	-	-
<b>Total operating revenue</b>	<b>481,981</b>	<b>436,806</b>	<b>873,613</b>	<b>45,175</b>		
<b>OPERATING EXPENSES</b>						
Administration	280,369	325,917	596,099	45,548	14%	47%
Utilities	3,591	4,126	8,256	535	13%	43%
Equipment & Supplies	9,286	134,575	269,258	125,289	93%	3%
CS Repair: Pass-through	40,473	-	-	(40,473)	-	-
<b>Total operating expense</b>	<b>333,719</b>	<b>464,619</b>	<b>873,613</b>	<b>130,899</b>		
<b>OPERATING SURPLUS (LOSS)</b>	148,262	(27,812)	-	176,074	-633%	
<b>CHANGE IN NET POSITION</b>	148,262	(27,812)	-	176,074		

# Sewer Authority Mid-Coastside

## Budget Analysis

*Budget vs. Actual: Revenue and Expense Category*

07/01/2021 - 12/31/2021



### NARRATIVES

**Administration Expenses:** Total expense of \$280,369 incurred; \$45,548 or 14% under budget

- Major variance is from wages and insurance premiums

**Equipment & Supplies Expenses:** Total expense of \$9,286 incurred; \$97,301 or 91% under budget

- Major variance is from mechanical related supplies, for which \$87,465 has been budgeted to date but no expenditures have been incurred
- The budget accounts for the purchase of a new truck which was received in February 2022. Payment will be made and reflected in Q3.



	Project ID	Project Name	FY21 Budgeted	Expended	Upcoming Expenditure	Total Estimated Project Cost	Status
1	2.02	Montara PS - Replace Pump 1	\$208,000.00	\$192.50	\$108,884.00	\$109,076.50	Received Vaughan Quote exclusive of delivery, install and witness testing
2	2.03	Montara PS - Install Grit Removal	\$208,000.00	\$122.50	\$0.00	\$122.50	Researching technologies
3	2.07	Montara PS - Install Hatches	\$52,000.00	\$245.00		\$10,573.56	Received Quote only for materials
4	3.01	Portola PS - Replace Door, Grating, and Hatch	\$52,000.00	\$1,087.50	\$10,328.56	\$1,087.50	Received Quote only for materials exclusive of door
5	3.03	Portola PS - Replace Pump 1 with Grinder Pump	\$156,000.00	\$5,195.00		\$5,195.00	Low priority as Pump 2 and 3 being worked on
6	5.01	Rehabilitate/Replace Vehicle Fleet	\$78,000.00	\$122.50		\$122.50	Low priority
7	8.01	Replace Bar Screen Drives and Screens	\$216,320.00	\$1,242.50		\$1,242.50	Received quote from Duperon, waiting on Schloss and MISCO
8	9.01	Replace Influent Pump and Motors 1 - 5	\$260,000.00	\$2,097.50	\$103,807.00	\$105,904.50	PO placed for pumps
9	9.03	Electrical Improvements for Influent Pumps 1 - 8	\$208,000.00	\$122.50		\$122.50	Will work on it after Pumps are finalized
10	11.01	Rehabilitate Aer. Basin No. 3 and Install Diffusers No. 3	\$416,000.00	\$612.50	\$219,400.00	\$220,012.50	Submittal drawings under review
11	11.03	Relocate WAS Pump for RDT to Basement of MB2	\$104,000.00	\$332.50	\$60,000.00	\$60,332.50	Contractor on board- awaiting parts
12	12.01	Install Shade Canopy at Chemical Feed Pumps	\$52,000.00	\$122.50		\$122.50	Checking out Vendors
13	12.02	Fix Chlorine Injection Issues at Clarifier 2	\$52,000.00	\$402.50		\$402.50	Staff has done modifications and this project may not be required
14	13.01	Replace Effluent Pumps 1 and 2	\$104,000.00	\$662.50	\$103,644.00	\$104,306.50	PO placed for pumps
15	14.01	Install VFDs on Sludge Transfer Pumps 1 and 2 and Add Mag Meter	\$104,000.00	\$437.50	\$18,750.00	\$19,187.50	Ordered VFD's and flow meter
16	14.02	Install SST Heat Exchanger and Shell	\$104,000.00	\$122.50		\$122.50	Vendor to get back
17	14.03	Replace sludge Mixing Pumps 1 and 2 with Chopper Pumps	\$104,000.00	\$192.50		\$192.50	Checking out vendors
			<b>\$2,478,320.00</b>	<b>\$13,312.50</b>	<b>\$624,813.56</b>	<b>\$638,126.06</b>	