



SEWER AUTHORITY MID-COASTSIDE
Finance Committee *Regular Meeting* Agenda
11 am to 12 noon on Thursday January 18, 2024

This meeting will be held in-person and via zoom for public participation.
Access to this meeting will be available to the public via in person attendance, or by either
computer, web-link, or telephone audio as noted below:

Join Zoom Meeting

<https://us02web.zoom.us/j/81436595842?pwd=MkRKZTI5U0sya1puSGRQQmJiNHdpZz09>

Meeting ID: 814 3659 5842

Passcode: 66

1 669 900 6833 US (San Jose)

1. ROLL CALL

Debbie Ruddock (HMB)

Barbara Dye (GCSD)

Peter Dekker (MWSD)

2. REGULAR BUSINESS

A. Minutes of December 21, 2023, Meeting ([Attachment](#))

B. Discussion on low priority CIP projects and transfer funding for approved projects which are short of funds ([Attachment](#))

C. Review Bank Accounts Policy ([Attachment](#))

D. Review Investment Policy and Guidelines ([Attachment](#))

E. Any other issues

3. NEXT REGULAR MEETING

February 15, 2024

SEWER AUTHORITY MID-COASTSIDE
Finance Committee Meeting Minutes - Regular Meeting
December 21, 2023

1. CALL TO ORDER 10:08 AM

A. Roll Call:

Barbara Dye (GCSD) – Present
Debbie Ruddock (HMB) – Present
Peter Dekker MWSD) – Present

Present Staff:

Kishen Prathivadi – General Manager
George Evans – Finance Officer
Peter Medina – Accountant
Callie Pacheco – Accounting Technician
Jeremy King – CAMP
Bob Shull – Class

2. REGULAR BUSINESS

A. Approval of November 16, 2023 FC Meeting Minutes - Approval by All

B. Treasury Investments – Potential Transition from LAIF

a) Jeremy King filled in for Kyle Tanaka (who had to tend to a family emergency) and presented a summary of the benefits of investing with CAMP. It is based in California and has no minimum amount required to be in the account. CAMP provides two investment options (1) CAMP Portfolio and (2) CAMP Term.

Committee Members stated that CAMP has been around longer than Class, therefore has more mature investments that tend to produce at a lower rate of return than Class. Jeremy King explained that the CAMP portfolio is made up of shorter term investments than LAIF which allows us to take advantage of rate changes. Furthermore, Investments that are made in CAMP are all investments that are allowable by California state code.

b) Bob Shull then presented a summary of investing with Class. Bob explained that Class is a JPA local governmental investment pool. SAM would have access to its funds at any time. Bob stated that CAMP and Class are very similar so it just depends on what type of investments in which SAM would prefer to invest.

Committee Members asked why we can't just put all SAM funds into a LAIF or other account. Peter Medina explains that it would make it far more complex to execute day to day operations such as Accounts Payable, Payroll and GL Reconciliations. Logistically there would be far more manual steps involved increasing the potential for human error while the increase in revenue would be minimal.

Committee Members agreed to seek SAM Board approval to use CAMP or Class as an alternative to LAIF.

C. Any Other Issues

N/A

3. Meeting Adjourned 10:52 AM

NEXT SCHEDULED REGULAR MEETING: January 18, 2023



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Finance Committee Members

FROM: Kishen Prathivadi, General Manager

BY: Kishen Prathivadi, General Manager

SUBJECT: **Discussion on Low Priority CIP Projects and Transfer Funding for Approved Projects Which are Short of Funds**

Executive Summary

The purpose of this report is to discuss and recommend taking to Board for final approval on transfer funding for approved projects which are short of funds.

Fiscal Impact

The fiscal impact is not to exceed \$392,181.

Strategic Plan Compliance

The recommendation complies with Goal 5 of the SAM Strategic Plan, “**Infrastructure, Operations, and Maintenance,**” Goal 5.3 – “**Develop a longest-term reasonable perspective in concrete spending terms of potential alternative approaches to managing the system with the objective of decreasing long term costs and environmental impacts and increasing safety.**”

Background and Discussion/Report

There are currently four (4) CIP Projects which were approved and adopted in the past budget and are on low priority and/or not required to be done:

1. MPS - Install Grit Removal System (21MP02)

This project is currently not required as the Montara wet well cleaning is done regularly on an annual basis and does not warrant requirement of this system

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	

immediately.

Budgeted Amount - \$208,000

Remaining Amount - \$198,440

2. Rehabilitate/Replace SAM Vehicle Fleet (21OT02)

As vehicles have been routinely serviced, we do not have a requirement to purchase any vehicles immediately.

Budgeted Amount - \$78,000

Remaining Amount - \$77,878

3. Fix Chlorine Injection Issues at Clarifier 2 (21TP07)

Staff have carried out certain modifications and this project is not required immediately.

Budgeted Amount - \$52,000

Remaining Amount - \$51,598

4. Replace Primary Scum Pump & Motor (22TP05)

The Primary Scum Pump & Motor are in good condition and does not need replacement immediately.

Budgeted Amount - \$70,304

Remaining Amount - \$64,267

If we remove the above four projects from the Adopted CIP list, funding of \$392,181 will be available for approved projects which are short of funds.

Details are in Attachment A.

It is proposed to use these funds for the following projects:

1. 22TP04 – Replace Chain & Flights, Collectors Gear reducer, and Weirs in Primary Clarifier

Budgeted Amount - \$225,000

Proposed Amount - \$304,500

2. 22TP08 – Secondary Treatment – Replace/Rehabilitate Secondary Clarifier Drive Mechanism

Budgeted \$220,000

Proposed \$566,526

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	

A portion of the funding of \$392,181 could be used to cover the additional proposed costs for the above two projects.

Supporting Documents

Attachment A: Project Activity Report

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	

2024-0109 Project Activity Report-Kishen List

Project Activity Report		Report Dates: 07/01/2017 - 01/09/2024		
Project Number	Project Name	Original Budget Amount	Expenditures to Date	Remaining Budget Amount

<u>21MP02</u>	MPS - Install Grit Removal System	208,000	9,560	198,440
<u>21OT02</u>	Rehabilitate/Replace SAM Vehicle Fleet	78,000	123	77,878
<u>21TP07</u>	Clarifier 2 Chlorine Injection Repairs	52,000	403	51,598
<u>22TP05</u>	Replace Primary Scum Pump & Motor	70,304	6,038	64,267

Project Totals:	408,304	16,123		392,181
------------------------	----------------	---------------	--	----------------

2024-0109 Project Activity Report-Kishen List

2024-0109 Project Activity Report-Kishen List



BANK ACCOUNTS POLICY

Adopted: 12/10/18

Amended:

Formatted: Highlight

I. **PURPOSE**

It is in the public's best interest to establish procedures for managing bank accounts and related transactions (payments, deposits, signing checks, direct deposits, inter-account balance transfers, electronic fund transfers, and bank drafts).

II. **POLICY**

It is SAM's policy that no bank transactions will be performed without the proper review and authorization.

Formatted: Justified

III. **PROCEDURES**

The General Manager, or her/his designee, will review and approve all bank account transactions as they occur. The General Manager, or her/his designee, will reconcile all bank accounts as part of the regular monthly bank reconciliation process.

Formatted: Justified

A. Payments

All purchases for services, supplies, benefits, and other expenses shall be made in compliance with the Purchasing Policy. In addition to the purchasing requirements, staff will observe the following requirements in processing payments on behalf of SAM.

Formatted: Justified

1. The General Manager, or his/her designee, will review and approve all payments.
2. No check shall be signed until the Board of Directors has approved the expenditure for which the check is issued, pursuant to an agenda item at a meeting of the Board, except as outlined below.
3. Two authorized individuals (the General Manager and one SAM Director or two SAM Directors) must sign all SAM checks.
4. Payments made by direct deposit, electronic fund transfers (EFT), and bank drafts must be authorized by the General Manager. These payments must be reported to the Board of Directors along with check payments at a Board

**Sewer Authority Mid-Coastside
Bank Accounts Policy
Page 2**

meeting.

5. Checks requiring emergency attention prior to the next Board of Directors meeting may be processed, signed, and distributed without prior Board approval. These checks must be included in the regular check approval process at the subsequent Board of Directors meeting. Examples of checks requiring emergency attention are:

- emergency project retainer or materials purchase;
- fees for employee benefits; and
- registration for training or seminars received with short notice.

B. Deposits

The General Manager, or his/her designee, will review and approve all deposits.

C. Inter-Account Balance Transfers

SAM maintains ~~two three~~ separate bank accounts: checking, payroll, ~~money market~~. This section of the Policy establishes how funds will be managed within and between these accounts. Bank account balances will be reported to the Board every month as part of the regular revenue and expense reports.

1. Money Market Account:

~~This account will have a minimum balance of \$250,000 and a maximum balance of \$500,000. This account will accrue interest to help offset the bank fees charged for the other accounts. If the balance falls below the minimum, funds will be transferred from SAM's account held by the Local Agency Investment Fund (LAIF) or other investment type. If the balance in the Money Market account exceeds the maximum, funds will be transferred to SAM's account held by LAIF or other investment.~~

2.1. Checking Account

This account will have a minimum balance of \$100,000 and a maximum balance of ~~\$250,000~~ \$1,000,000. All expenses, except for payroll, will be processed through this account. All deposits will be made into this account. If the balance falls below the minimum, funds will be transferred from the ~~Money Market-Reserve Account (LAIF)~~ account. If the balance exceeds the maximum, funds will be transferred to the ~~Money Market-Reserve~~ Money Market-Reserve account.

Formatted: Justified

Formatted: Justified, Indent: Hanging: 0.25"

Formatted: Justified

Formatted: Justified, Indent: Hanging: 0.25"

Formatted: Justified

Formatted: Justified

Formatted: Justified

**Sewer Authority Mid-Coastside
Bank Accounts Policy
Page 3**

3.2 Payroll Account

This account will have a minimum balance of \$25,000 and a maximum

Formatted: Justified

**Sewer Authority Mid-Coastside
Bank Accounts Policy
Page 4**

balance of ~~\$50,000~~ \$150,000. All payroll related expenses will be processed through this account. If the balance falls below the minimum, funds will be transferred from ~~either the Money Market or~~ Checking accounts.

Formatted: Justified, Indent: Left: 1"



BANK ACCOUNTS POLICY (Proposed Clean Version)

Adopted: 12/10/18

Amended: _____

I. PURPOSE

It is in the public's best interest to establish procedures for managing bank accounts and related transactions (payments, deposits, signing checks, direct deposits, inter-account balance transfers, electronic fund transfers, and bank drafts).

II. POLICY

It is SAM's policy that no bank transactions will be performed without the proper review and authorization.

III. PROCEDURES

The General Manager, or her/his designee, will review and approve all bank account transactions as they occur. The General Manager, or her/his designee, will reconcile all bank accounts as part of the regular monthly bank reconciliation process.

A. Payments

All purchases for services, supplies, benefits, and other expenses shall be made in compliance with the Purchasing Policy. In addition to the purchasing requirements, staff will observe the following requirements in processing payments on behalf of SAM.

1. The General Manager, or his/her designee, will review and approve all payments.
2. No check shall be signed until the Board of Directors has approved the expenditure for which the check is issued, pursuant to an agenda item at a meeting of the Board, except as outlined below.
3. Two authorized individuals (the General Manager and one SAM Director or two SAM Directors) must sign all SAM checks.
4. Payments made by direct deposit, electronic fund transfers (EFT), and bank drafts must be authorized by the General Manager. These payments must be reported to the Board of Directors along with check payments at a Board

Sewer Authority Mid-Coastside
Bank Accounts Policy
Page 2

meeting.

5. Checks requiring emergency attention prior to the next Board of Directors meeting may be processed, signed, and distributed without prior Board approval. These checks must be included in the regular check approval process at the subsequent Board of Directors meeting. Examples of checks requiring emergency attention are:

- emergency project retainer or materials purchase;
- fees for employee benefits; and
- registration for training or seminars received with short notice.

B. Deposits

The General Manager, or his/her designee, will review and approve all deposits.

C. Inter-Account Balance Transfers

SAM maintains two separate bank accounts: checking, payroll, . This section of the Policy establishes how funds will be managed within and between these accounts. Bank account balances will be reported to the Board every month as part of the regular revenue and expense reports.

1. Checking Account

This account will have a minimum balance of \$100,000 and a maximum balance of \$1,000,000. All expenses, except for payroll, will be processed through this account. All deposits will be made into this account. If the balance falls below the minimum, funds will be transferred from the Reserve Account (LAIF) account. If the balance exceeds the maximum, funds will be transferred to the Reserve account.

2. Payroll Account

This account will have a minimum balance of \$25,000 and a maximum balance of \$150,000. All payroll related expenses will be processed through this account. If the balance falls below the minimum, funds will be transferred from Checking account.

INVESTMENT POLICY AND GUIDELINES

The purpose of this investment policy is to set forth the objectives, permitted investments and practices for the investment of funds not required for day-to-day operations.

I. Investment Objectives

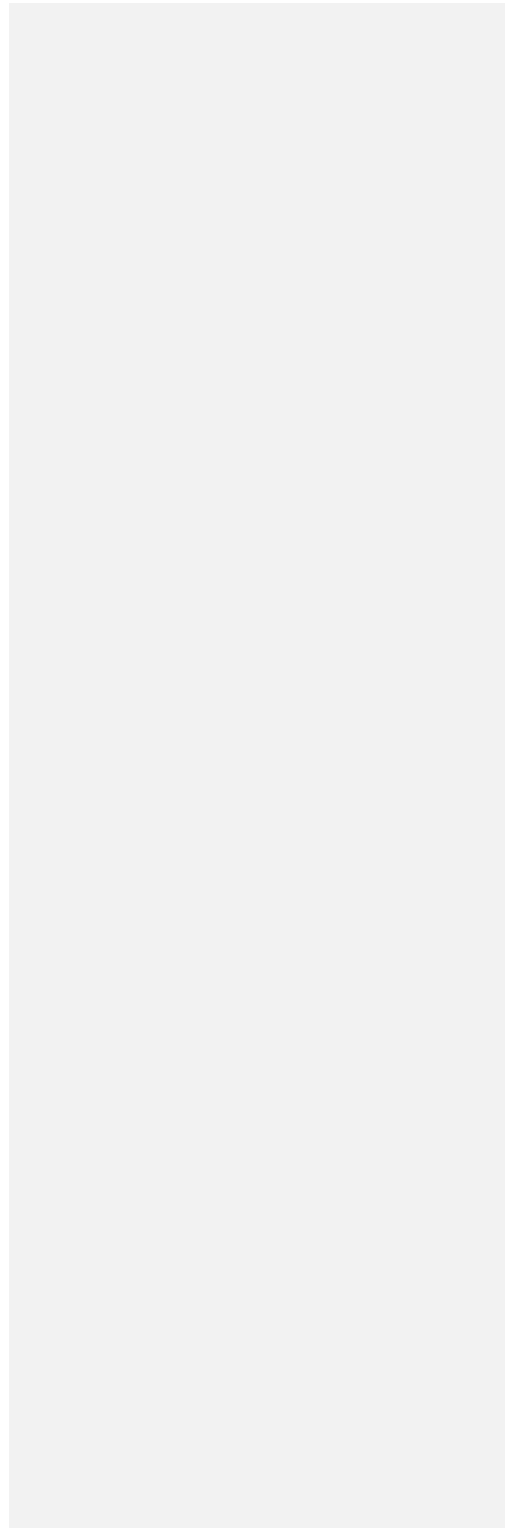
1. To assure safety of principal.
2. To retain liquidity to meet projected and unexpected cash needs of the Agency.
3. To attain the best available yield without restricting principal.

II. Investment Securities Permitted and Diversification

1. Permitted securities per California Government Code Section 53600 et seq. and 53630 et seq..
 - A. United States Treasury Securities (Bills, Notes and Bonds).
 - B. Obligations of United States Government Agencies such as Federal Home Loan Banks, Federal National Mortgage Association, and Federal Farm Credit Banks).
 - C. Local Agency Investment Fund (Authorization, Chapter 730, Statutes of 1976, Section 16429.1 of California Government Code). LAIF meets portfolio diversification as stated in II. 2.
 - D. Certificates of Deposit (in any of the 50 largest F.D.I.C. Insured US banks with which the Agency may have a credit or other business relationship. Use of Savings and Loans is discouraged.)
 - E. Passbook savings account demand deposits.
 - F. Bankers' Acceptances of the US banks as defined in (D) above.*
 - G. Negotiable Certificates of deposit of the US banks as defined in (D) above.
 - H. Repurchase Agreements executed against US Government or Agency securities. Current market value of the collateral must be greater than or equal to the principal amount invested. **

- I. **Shares in California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.**

D, E, F, G, and H above shall be insured or collateralized.



2. Portfolio Diversification and Maturities. To support the stated ~~investment objectives~~investment objectives, the portfolio must be diversified to sufficiently minimize risk as well as to assure adequate liquidity and marketability of the invested funds. Maturity criteria should be considered in light of cash flow needs to prevent forced liquidation and to keep yields at the maximum. All investments and deposits shall conform to the applicable provisions of Law, including in particular, the provision of California Government Code section 53600 et seq. and 53630 et seq.

III. Investment Practices

1. No "speculative" or "trading" activity on securities shall be permitted.
2. Within the primary objectives of safety of principal and liquidity, maximization of rate of return is desirable. The portfolio may be shifted to take best advantage of rising or falling interest rates.
3. The investment authority will be vested with the Treasurer, or his/her designee, who will be directly responsible to the Board.

A register of investment shall be kept by the Treasurer, or his/her designee. Registers of investment shall be reviewed at each Board meeting.

- * Banker's Acceptances: Short-term, no interest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value. Generally, banker's acceptances are created based on a letter of credit issued in a foreign trade transaction.
- ** Repurchase Agreement: A generic term for an agreement in which a government entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities or for different securities.

Adopted on September 26, 2005. Amended

Formatted: Highlight

Formatted: Justified, Indent: Left: 0"

~~SEWER AUTHORITY MID COASTSIDE RESOLUTION NO. 10 2005~~

~~A RESOLUTION REAFFIRMING THE INVESTMENT POLICY AND GUIDELINES~~

~~RESOLVED, by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, as follows:~~

~~WHEREAS, there has been presented to this Board an Investment Policy and Guidelines, which outlines the purpose of the policy, its objectives, permitted investment instruments and investment practices;~~

~~NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:~~

- ~~1. The above recitals are true and correct.~~
- ~~2. The Investment Policy and Guidelines, attached, is hereby reaffirmed.~~

~~* * * * *~~

~~I hereby certify that the foregoing is a full, true and correct copy of the Resolution duly passed and adopted by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, at a regular Board meeting thereof held on the 26th day of September 2005, by the following vote of its members:~~

Formatted: Normal, Justified, Space Before: 0 pt
Formatted: Justified, Indent: Left: 0"
Formatted: Justified, Right: 2.05", Space Before: 4.55 pt, Line spacing: Multiple 1.05 li, Tab stops: 3.7", Left

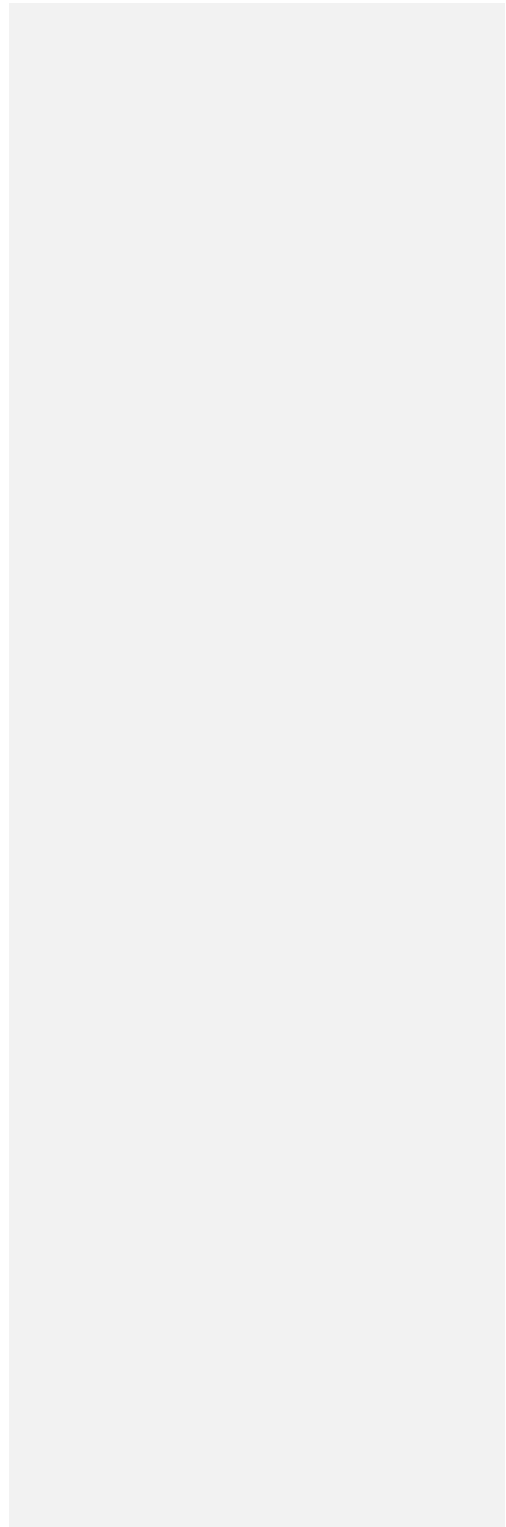
~~AYES: NOES: ABSENT: ABSTAIN:~~

Boyd, Ferreira, Corn. Ptacek and Woren none

Lohman none

Bob Ptacek

Secretary



SEWER AUTHORITY MID-COASTSIDE- **Proposed Clean Version**

INVESTMENT POLICY AND GUIDELINES

The purpose of this investment policy is to set forth the objectives, permitted investments and practices for the investment of funds not required for day-to-day operations.

I. Investment Objectives

1. To assure safety of principal.
2. To retain liquidity to meet projected and unexpected cash needs of the Agency.
3. To attain the best available yield without restricting principal.

II. Investment Securities Permitted and Diversification

1. Permitted securities per California Government Code Section 53600 etseq. and 53630 et seq..
 - A. United States Treasury Securities (Bills, Notes and Bonds).
 - B. Obligations of United States Government Agencies such as Federal Home Loan Banks, Federal National Mortgage Association, and Federal Farm Credit Banks).
 - C. Local Agency Investment Fund (Authorization, Chapter 730, Statutes of 1976, Section 16429.1 of California Government Code). LAIF meets portfolio diversification as stated in II. 2.
 - D. Certificates of Deposit (in any of the 50 largest F.D.I.C. Insured US banks with which the Agency may have a credit or other business relationship. Use of Savings and Loans is discouraged.)
 - E. Passbook savings account demand deposits.
 - F. Bankers' Acceptances of the US banks as defined in (D) above.*
 - G. Negotiable Certificates of deposit of the US banks as defined in (D) above.
 - H. Repurchase Agreements executed against US Government or Agency securities. Current market value of the collateral must be greater than or equal to the principal amount invested. **

- I. **Shares in California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.**

D, E, F, G, and H above shall be insured or collateralized.

2. Portfolio Diversification and Maturities. To support the stated investment objectives, the portfolio must be diversified to sufficiently minimize risk as well as to assure adequate liquidity and marketability of the invested funds. Maturity criteria should be considered in light of cash flow needs to prevent forced liquidation and to keep yields at the maximum. All investments and deposits shall conform to the applicable provisions of law, including in particular, the provision of California Government Code section 53600 et seq. and 53630 et seq.

III. Investment Practices

1. No "speculative" or "trading" activity on securities shall be permitted.
2. Within the primary objectives of safety of principal and liquidity, maximization of rate of return is desirable. The portfolio may be shifted to take best advantage of rising or falling interest rates.
3. The investment authority will be vested with the Treasurer, or his/her designee, who will be directly responsible to the Board.

A register of investment shall be kept by the Treasurer, or his/her designee. Registers of investment shall be reviewed at each Board meeting.

- * Banker's Acceptances: Short-term, no interest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value. Generally, banker's acceptances are created based on a letter of credit issued in a foreign trade transaction.
- ** Repurchase Agreement: A generic term for an agreement in which a government entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities or for different securities.