



SEWER AUTHORITY MID-COASTSIDE
Finance Committee *Regular Meeting* Agenda
11 am to 12 noon on Thursday March 21, 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/82928600455?pwd=WmJvTEI4REdmOW9XQVRZaDB3SHIxUT09>

Meeting ID: 829 2860 0455

Passcode: 716412

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 January 18, 2024, Meeting (**Attachment**)

B. Minutes of February 15, 2024, Meeting (**Attachment**)

C. Discussion on Finance Policies (**Attachment**)

D. Discussion on CIP (**Attachment**)

E. Any other issues

3. NEXT REGULAR MEETING

April 18, 2024

SEWER AUTHORITY MID-COASTSIDE
Finance Committee Meeting Minutes - Regular Meeting
11am to 12pm on Thursday January 18, 2024

1. CALL TO ORDER 11:05 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

2. REGULAR BUSINESS

A. Approval of December 21, 2023 FC Meeting Minutes - Approval by All (pending minor adjustments)

B. Discussion on Redirecting Approved Funding within the CIP Budget

Kishen explained that SAM Staff recommends redirecting the funding of four lower priority CIP projects to assist facilitating completion of two higher priority CIP projects: (22TP04) recommended repairs to the Primary Clarifier and (2TP08) recommended repairs to the Secondary Clarifier. As per the January 18th, 2024 Staff Report, the updated proposed estimates for those two projects is now approximately \$426,000 greater than the original budgeted amount and SAM would like to use the approximately \$392,000 remaining from the four lower priority CIP projects to help fund the two higher priority projects as a way to reduce the impact of the updated project costs. With the funds from the four lower priority CIP projects there would be approximately \$34,000 left for the member agencies to cover. Approved by all to present this at the next board meeting.

C. Review Bank Account Policy

Peter Dekker was concerned that when SAM transfers money from our general account to our investment account, the bank requires only one Board Member signature. Committee Members agree to change the policy to require two signatures to transfer any amount. All Approved to have the attorney review the change and bring it back to Kishen to present to the SAM Board in the next meeting.

D. Review Investment Policy and Guidelines

There was discussion about the level of SAM's funds in an investment account to maximize incoming interest. George Evans explained that our ability to promptly meet our fiscal responsibilities is a higher priority than the relatively low potential interest gains. Finally, Committee Members would like the attorney to review both CAMP and Class to ensure they qualify for SAM's Investment Policies prior to suggesting to the board that SAM transfers LAIF funds to either of these investment vehicles. Finance Committee would like to have options on putting all SAM funds in an interest-bearing account.

E. Any Other Issues

N/A

3. Meeting Adjourned 11:28 AM

NEXT SCHEDULED REGULAR MEETING: February 15, 2024

SEWER AUTHORITY MID-COASTSIDE
Finance Committee Meeting Minutes - Regular Meeting
11am to 12pm on Thursday February 15, 2024

1. CALL TO ORDER 11:17 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

2. REGULAR BUSINESS

A. Approval of January 18, 2024 FC Meeting Minutes – Adjustments Required – Return for Approval

B. Discussion on Q2

No questions were asked by the committee members.

C. Any Other Issues

Committee Members expressed concern that SAM Staff hadn't yet presented options regarding using an interest-bearing account (currently LAIF) in concert with the general fund account. Staff ensured the committee that they are researching the details related to this request.

The policy of transferring funds to between the main account and the LAIF account was revisited. Committee Members would like to have two board member signatures for any transfer of investment funds (currently LAIF). Kishen explains that we can change the policy internally. It was also suggested that money transferred out should require two signatures and money coming in should take one signature.

Barbara Dye presented a CIP chart that was included all (3) CIP Project Reports onto one sheet. Committee Members are in favor of this format noting how it shows SAM's future collective CIP obligations.

Kishen discussed Princeton Pump Station's mobilization and demobilization of equipment. Mobilization will cost \$55,000 and demobilization will cost \$20,000.

3. Meeting Adjourned 11:40 AM

NEXT SCHEDULED REGULAR MEETING: Thursday March 21, 2024



BANK ACCOUNTS POLICY

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, and that authorized transactions be undertaken consistent with SAM's Purchasing Policy and other financial policies.

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. Unless within the General Manager's Board delegated purchasing authority identified in the SAM Purchasing Policy (as such policy may be amended from time to time), 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

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Bank Accounts Policy
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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 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 could include, but are not limited to:
 - 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 or other). If the balance exceeds the maximum, funds will be transferred to the Reserve account (LAIF or other).

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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 the Checking account.

3. LAIF/CAMP/CA Class Account (Investment Accounts/Other)

Transfers from the operating account to investment account shall require the approval of two authorized Signatories.

SEWER AUTHORITY MID-COASTSIDE

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 authorized in Government Code 53601 that are executed against US Government or local 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.**
- J. Joint Powers Authority Local Government Investment Pools (LGIP).**

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.

Adopted on September 26, 2005, Amended

Combined CIP Project Status Report - FY2021-2022 / FY2022-2023 / FY2023-2024

	Project Code	Tyler Project Number	Project Name	Budgeted	Soft Costs - Paid Invoices To Date	Hard Costs - Paid Invoices To Date	Total Costs Paid Invoices To Date	PO's Issued	Remaining Project Budget	RPC %	Estimated Completion Cost	Status
FY2021-2022 Budgeted	2.02	21MP01	Montara PS - Replace Pump 1	208,000	18,640	124,492	143,132	112,484	95,516	45.9%	95,516	Awaiting Install
	2.03	21MP02	Montara PS - Install Grit Removal	208,000	9,560	0	9,560		208,000	100.0%		Project on Hold
	2.07	21MP03	Montara PS - Install Hatches	52,000	4,925	0	4,925	8,850	43,150	83.0%		Projected Completed
	5.01	21OT02	Rehabilitate/Replace Vehicle Fleet	78,000	123	0	123		78,000	100.0%		Project on Hold
	3.01	21PO01	Portola PS - Replace Door, Grating, and Hatch	52,000	2,233	13,946	16,178	13,881	38,119	73.3%	10,000	Awaiting Hatch Install
	3.03	21PO02	Portola PS - Replace Pump 1 with Grinder Pump	156,000	12,770	76,083	88,853	65,452	90,548	58.0%	90,548	Awaiting Shipment
	11.03	21TP01	Relocate WAS Pump for RDT to Basement of MB2	104,000	10,285	96,414	106,699	92,297	11,703	11.3%		Project Completed
	11.01	21TP02	Rehabilitate Aer. Basin No. 3 and Install Diffusers No. 3	416,000	33,950	656,805	690,755	685,300	(269,300)	(64.7%)		Project Completed
	8.01	21TP03	Replace Bar Screen Drives and Screens	216,320	36,270	704,306	740,576	730,414	(514,094)	(237.7%)		Project Completed
	9.01	21TP04	Replace Influent Pump and Motors 1 - 5	260,000	24,110	256,059	280,169	260,883	(883)	(0.3%)		Project Completed
	9.03	21TP05	Electrical Improvements for Influent Pumps 1 - 8	208,000	8,038	361,843	369,881	360,485	(152,485)	(73.3%)		Project Completed
	12.01	21TP06	Install Shade Canopy at Chemical Feed Pumps	52,000	17,330	60,433	77,763	57,913	(5,913)	(11.4%)		Drg Submittal in Progress
	12.02	21TP07	Fix Chlorine Injection Issues at Clarifier 2	52,000	403	0	403		52,000	100.0%		Staff has done modifications and this project may not be required
	13.01	21TP08	Replace Effluent Pumps 1 and 2	104,000	26,713	112,944	139,657	110,244	(6,244)	(6.0%)	60,000	Install in Progress
	14.01	21TP09	Install VFDs on Sludge Transfer Pumps 1 and 2 and Add Mag Meter	104,000	765	105,700	106,465	105,700	(1,700)	(1.6%)		Project Completed
14.02	21TP10	Install SST Heat Exchanger and Shell	104,000	123	51,228	51,350	47,213	56,787	54.6%		Project Completed	
14.03	21TP11	Replace sludge Mixing Pumps 1 and 2 with Chopper Pumps	104,000	30,693	79,768	110,460	171,726	(67,726)	(65.1%)		Install in Progress	
FY2022-2023 Budgeted	4.01	22PP01	Princeton PS - Replace w/Package PS and Rehabilitate Bypass System	2,602,773	322,568	306,694	629,262	2,105,054	497,719	19.1%	1,973,511	Construction in Progress
	3.01	22TP01	Replace Effluent Pumps 1, 2 & 3	210,912	25,077	120,728	145,805	110,135	100,777	47.8%	60,000	Awaiting Install
	6.01	22TP02	Plant and Cyber Security Measures Implementation	325,000	1,158		1,158		325,000	100.0%		Awaiting Proposal
	7.06	22TP03	Backup Electric Power Generator	110,000		118,927	118,927	118,927	(8,927)	(8.1%)		Project Completed
	10.01	22TP04	Replace Chain & Flights, Collectors Gear Reducer, and Weirs in Primary Clarifier	225,000	34,803		34,803		225,000	100.0%		Submittals in Progress
	10.02	22TP05	Replace Primary Scum Pump and Motor	70,304	6,038		6,038		70,304	100.0%		Deferred Project
	10.03	22TP06	Replace Grit Pumps 1 & 2 and Appurtenances	185,000	31,985		31,985	54,884	130,116	70.3%	130,116	Ordered Equipment
	10.04	22TP07	Replace Primary Sludge Pumps and Motors 1, 2 & 3	150,000	39,530		39,530	44,563	105,437	70.3%	105,437	Ordered Equipment
	11.02	22TP08	Secondary Treatment - Replace/Rehabilitate Secondary Clarifier Drive Mechanism	220,000	19,903		19,903	566,516	(346,516)	(157.5%)		Submittals in Progress
FY2023-2204	17.01	22TP09	Water Supply and Piping - Replace No. 3 Water Pumps	250,000	27,789	157,420	185,210	157,420	92,580	37.0%	92,580	Awaiting Install
		22TP12	Montara Force Main Pre-Design	220,000	126,334		126,334	224,000	(4,000)	(1.8%)		Design in Progress
		23TP01	Replace/Rehab Treatment Plant Boilers	500,000	2,658		2,658	292,482	207,518	41.5%	207,518	Order Placed
		23TP02	Replace Treatment Plant Emergency Generators	1,000,000			0		1,000,000	100.0%		Awaiting Proposals
				8,547,309	874,770	3,403,790	4,278,560	6,496,823	2,050,486	24.0%	2,825,226	
				Total Paid:		4,278,560						