



SEWER AUTHORITY MID-COASTSIDE
Finance Committee *Regular Meeting* Agenda
11 am to 12 pm on Thursday February 17, 2022

Join Zoom Meeting

<https://us02web.zoom.us/j/81233560741?pwd=NGdlaUpkTFhZSVFaMGp4VTY5QUNoZz09>

Meeting ID: 812 3356 0741

Passcode: 370173

One tap mobile

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1. ROLL CALL

Debbie Ruddock (HMB)

Barbara Dye (GCSD)

Kathryn Slater-Carter (MWSD)

2. REGULAR BUSINESS

A. Approval of Minutes December 16, 2021

B. Discussions on Auditor for FY 21-22

C. Budget vs Actual -Q2, FY21-22

D. Any other issues

3. NEXT REGULAR MEETING

March 17, 2022

SEWER AUTHORITY MID-COASTSIDE
Finance Committee Meeting Minutes - Regular Meeting
December 16, 2021

1. CALL TO ORDER –11:05 AM

A. Roll Call – All Present

Barbara Dye (GCSD) – Present
Debbie Ruddock (HMB) – Present (11:15 am)
Kathryn Slater-Carter (MWSD) – Present

2. REGULAR BUSINESS

A. Approval of Minutes December 21, 2021 – Approved by All

B. Any Other Issues – FY2020-2021 Audit Draft – Conditional Approved by All

Kishen presented an overview of the history and significance of the ACFR (Formerly CAFR) via PowerPoint while advising the Finance Committee that the Finance Team was pursuing an ACFR on behalf of SAM for the first time since 2011.

John Cropper presented the First Draft of the FY2020-2021 Audit in ACFR format while noting the accomplishments of the Finance Team in regards to achieving another clean and timely audit result as well as the effort required to have SAM in a position to apply for the ACFR.

The Committee Members were pleased with the continued improvement of the Finance Team's performance in regards to the audit as well as supporting the attempt to apply for the ACFR on behalf of SAM. It was agreed that 7:00 pm Thursday, December 29th was the most preferred date to convene a Special Board Meeting to acquire Board Approval of the ACFR submission thus allowing the Finance Team to submit prior to the deadline of December 31st, 2021.

Best wishes for the Holiday Season were offered by and to all.

SAM Staff would like to extend its appreciation to the Finance Committee for another year of consistent support and guidance in our goal of continually improving our performance and reporting of accounting functions at SAM. Thank you very much.

3. Meeting Adjourned 11:55 AM

NEXT SCHEDULED REGULAR MEETING: January 20, 2022 11:00 am



Quarterly Budget Review

Sewer Authority Mid-Coastside

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

" 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%
Total operating revenue	2,402,689	2,450,090	4,900,226	(47,401)		
OPERATING EXPENSES						
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%
Total operating expense	3,080,148	3,697,782	7,398,546	617,634		
OPERATING SURPLUS (LOSS)	(677,459)	(1,247,692)	(2,498,320)	(570,234)	46%	
NON-OPERATING REVENUES (EXPENSES)						
Interest and dividend income	5,875	9,996	20,000	(4,121)	-41%	29%
Total non-operating revenues (expenses)	5,875	9,996	20,000	(4,121)		
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%
CHANGE IN NET POSITION	567,576	1,464	1	566,113		

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	-	-
Total operating revenue	481,981	436,806	873,613	45,175		
OPERATING EXPENSES						
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)	-	-
Total operating expense	333,719	464,619	873,613	130,899		
OPERATING SURPLUS (LOSS)	148,262	(27,812)	-	176,074	-633%	
CHANGE IN NET POSITION	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.