

Board Meeting

FY 2022-23 Operating Budget Review

March 28, 2022

Budget Points



1. All authorized positions are included in the budget
2. All applicable merit step increases at one step up are included in the budget
3. Vacant positions are budgeted at mid-step
4. Applied 3% CPI to all non-personnel costs, unless other changes were needed due to actual or anticipated events
5. Accounting Technician position will be filled
6. Utility Worker position has been defunded in favor of adding an additional Operator position

General Budget: Change from FY 2021/22

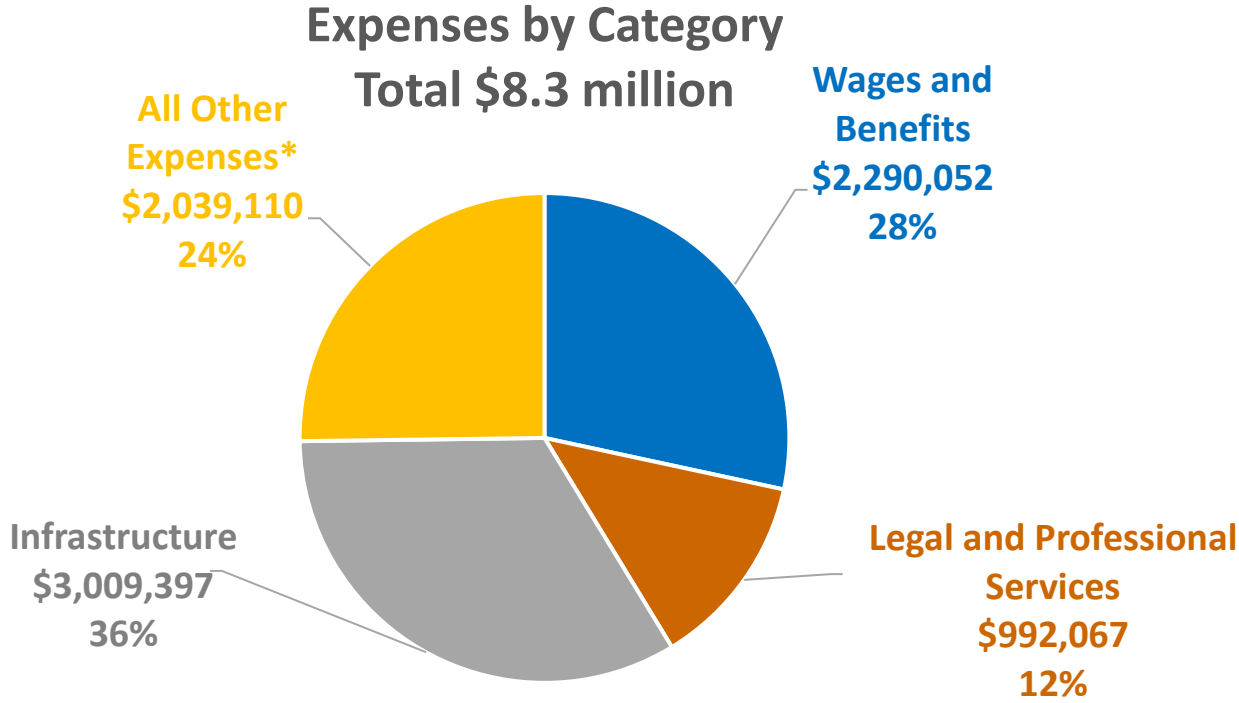
| | FY 2021/22 Adopted | FY 2022/23 Proposed | \$ Change | % Change |
|--|-------------------------------|--------------------------------|----------------------|---------------------|
| Wages and Benefits | \$2,099,481 | \$2,290,052 | \$190,571 | 9% |
| Legal and Professional Services | \$955,566 | \$992,067 | \$36,501 | 4% |
| All Other Expenses* | \$1,865,178 | \$2,039,110 | \$173,932 | 9% |
| Total Operating Budget | \$4,920,225 | \$5,321,229 | \$401,004 | 8% |
| Infrastructure | \$2,478,320 | \$3,009,397 | \$531,077 | 21% |
| Total General Budget | \$7,398,545 | \$8,330,626 | \$932,081 | 13% |

**All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.*

Chemicals: Change from FY 2021/22

| | FY 2021/22 | FY 2022/23 <u>Proposed</u> | <u>\$</u> <u>Change</u> | <u>%</u> <u>Change</u> |
|----------------------------|-------------------|---------------------------------------|------------------------------------|-----------------------------------|
| Sodium Hypochlorite | \$99,765 | \$201,366 | \$101,601 | 102% |
| Sodium Bisulfite | \$59,040 | \$70,800 | \$11,760 | 20% |
| Ferric Chloride | \$40,880 | \$42,595 | \$1,715 | 4% |
| Total | \$199,685 | \$314,761 | \$115,076 | 58% |

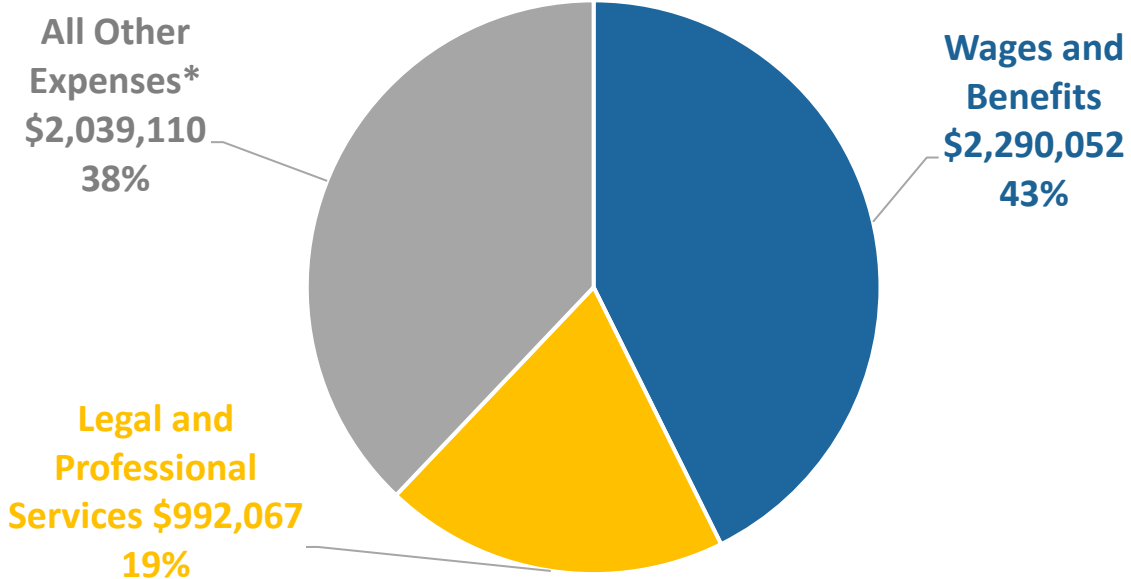
General Budget



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

Operating Budget (does not include Infrastructure)

Operating Expenses by Category Total \$5.32 million



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

Staffing Information

| <u>Classifications</u> | <u>Authorized Positions</u> |
|---|---------------------------------|
| <u>Administrative Services:</u> | |
| General Manager | 1.0 |
| Finance Officer | 1.0 |
| Accounting Tech (1.0 New / 1.0 Vacant) | 1.0 |
| Administrative Assistant | <u>1.0</u> 4.0 |
| <u>Operations & Maintenance:</u> | |
| Engineering & Construction Contracts Manager (<i>defunded</i>) | 0.0 |
| Supervisor of T/F Operations | 0.75 |
| Maintenance Mechanic I/II/III | 2.0 |
| Operator I/II/III (1.0 New / 2.0 Vacant) | 4.0 |
| Lead Operator | 2.0 |
| Utility Worker (<i>defunded</i>) | <u>0.0</u> 8.75 |
| <u>Environmental Compliance:</u> | |
| Supervisor of Treatment / Field Operations | 0.25 |
| Total Authorized (3.0 Vacant) | 13.0 |

13.0 Employees in General
Budget

3.0 Vacancy (23.1%)

3.0 Employees Scheduled
for Step Increase

5.0 Employees Currently at
Top Step

Vacant Positions Budgeted
at Mid-Step

General Budget does not include collections.

Operating Budget: Key Changes

| | |
|--|-------------------------|
| Personnel Costs: Net Increase due to Wages and Premium Pay | \$190,570 |
| Engineering Services (Treatment): Based on Year-to-Date Actuals | \$55,565 |
| Professional Services: Increased due to estimates based on Year-to-Date Actuals | \$36,501 |
| Insurance Premiums: Based on Year-to-Date Actuals | \$(60,364) |
| Chemicals: Based on Year-to-Date Actuals | \$70,103 |
| Repairs & Maintenance: Reclassified Plant Equipment from Prof. Services | \$(42,957) |
| All Other Operating Expenses: Net Increase due to CPI and Adjustments to Other Operating Expenses | <u>\$151,585</u> |
| Total Operating General Budget | \$401,003 |

Legal and Professional Services Detail

| | FY 2021/22 <u>Adopted</u> | FY 2022/23 <u>Proposed</u> | \$ <u>Change</u> | % <u>Change</u> |
|--|--------------------------------------|---------------------------------------|-----------------------------|----------------------------|
| Legal and Professional Services | \$955,566 | \$992,067 | \$36,501 | 4% |

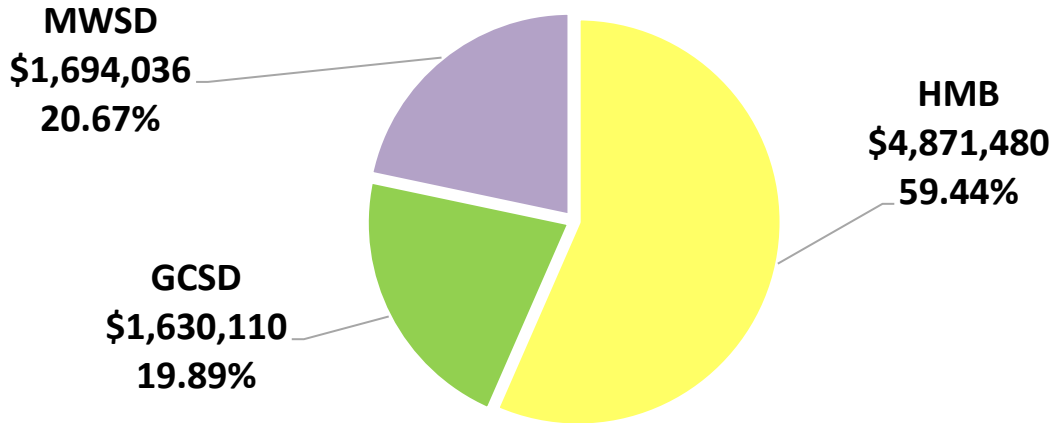
| Major Vendors | Service(s) |
|-------------------------------------|-----------------------|
| Calcon Systems, Inc. | Equipment Maintenance |
| Rutan & Tucker, LLC | General Counsel |
| Maze & Associates | Accounting Services |
| Alpha Analytical Laboratories, Inc. | Testing |
| Peninsula Pump & Equipment, Inc. | Equipment Maintenance |
| Precision IT Consulting | IT Consulting |
| Boucher Law Firm | Employment Counsel |

CalPERS Rates

| | FY 2021/22 | FY 2022/23 |
|--|------------------|------------------|
| <u>Employer Rate</u> | | |
| Classic Members | 11.60% | 11.61% |
| PEPRA Members | 7.73% | 7.76% |
| <u>Employee Rate</u> | | |
| Classic Members | 7.00% | 7.00% |
| PEPRA Members | 7.25% | 7.25% |
| <u>Unfunded Liability Payment (on \$3M)</u> | | |
| PERS - Classic | \$202,615 | \$257,329 |
| PERS - PEPRA | \$3,000 | \$7,653 |
| Total Payment for Unfunded Liability | \$205,615 | \$264,982 |

Assessments for Each Agency

Assessments for FY 2022-23 Based on Calendar Year 2021 Flow



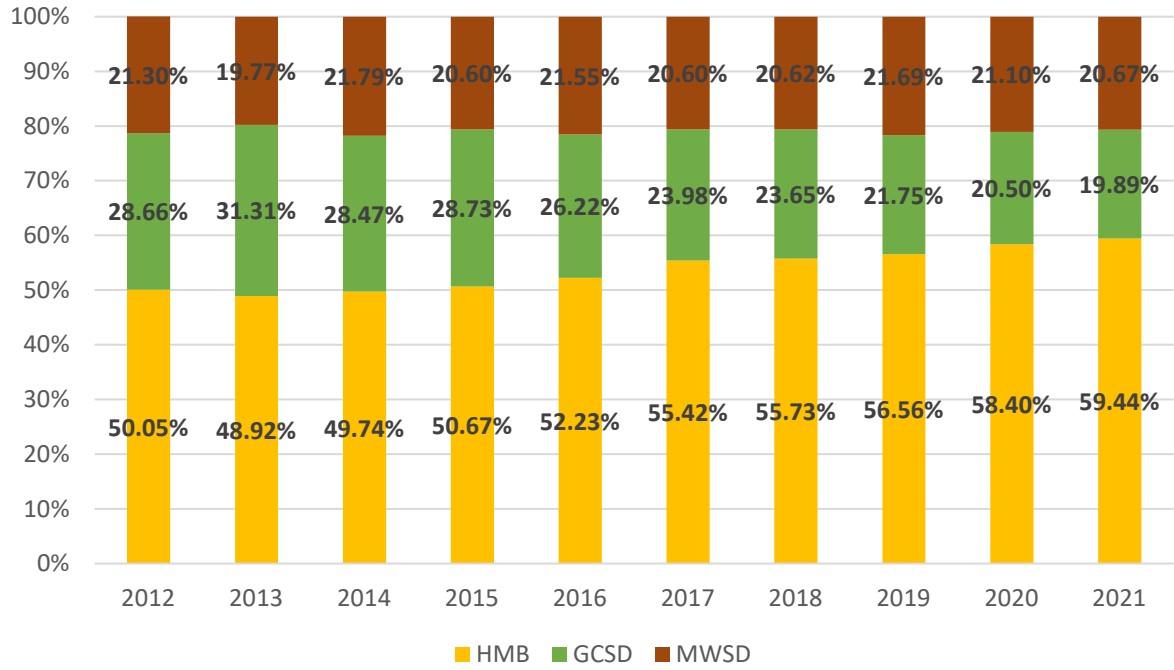
General Budget: Assessments

| | FY 2019/20 <u>Actual</u> | FY 2020/21 <u>Actual</u> | FY 2021/22 <u>Adopted</u> | FY 2022/23 <u>Proposed</u> | \$ <u>Change</u> | % <u>Change*</u> |
|----------------------|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| Half Moon Bay | \$4,131,900 | \$4,133,125 | \$4,241,911 | \$4,871,480 | \$629,569 | 15% |
| Granada CSD | \$1,753,395 | \$1,589,305 | \$1,489,027 | \$1,630,110 | \$141,083 | 9% |
| Montara WSD | \$1,529,139 | \$1,584,637 | \$1,532,608 | \$1,694,036 | \$161,428 | 11% |
| Total | \$7,414,434 | \$7,307,067 | \$7,263,546 | \$8,195,626 | \$932,080 | 13% |

**Due to changes in the flow rates, the percentage changes are not the same for the three agencies.*

Historical Flow Allocations

Historical Flow Allocations



Division Budgets by Fiscal Year

| | FY 2019/20 <u>Actual</u> | FY 2020/21 <u>Actual</u> | FY 2021/22 <u>Adopted</u> | FY 2022/23 <u>Proposed</u> | \$ <u>Change</u> | % <u>Change</u> |
|-------------------------------------|-------------------------------------|---|--------------------------------------|---------------------------------------|-----------------------------|----------------------------|
| Administration | \$1,594,923 | \$1,720,904 | \$1,279,899 | \$1,339,194 | \$59,295 | 5% |
| Treatment | \$3,699,940 | \$3,714,449 | \$3,457,059 | \$3,732,405 | \$275,346 | 8% |
| Environmental Compliance | <u>\$149,792</u> | <u>\$271,905</u> | <u>\$183,267</u> | <u>\$249,630</u> | <u>\$66,363</u> | <u>36%</u> |
| Total Operating Budget | \$5,444,655 | \$5,707,258 | \$4,920,225 | \$5,321,229 | 401,004 | 8% |
| Infrastructure | <u>\$132,550</u> | <u>\$149,562</u> | <u>\$2,478,320</u> | <u>\$3,009,397</u> | <u>\$531,077</u> | <u>21%</u> |
| Total General Budget | \$5,577,205 | \$5,856,820 | \$7,398,545 | \$8,330,626 | \$932,081 | 13% |

Questions and Discussion