



GRANADA COMMUNITY SERVICES DISTRICT

AGENDA

BOARD OF DIRECTORS

SPECIAL MEETING at 6:30 p.m.

REGULAR MEETING at 7:30 p.m.

Thursday, June 18, 2020

**BECAUSE OF THE SAN MATEO COUNTY SHELTER
IN PLACE ORDER IN RESPONSE TO COVID-19,
THIS MEETING WILL BE HELD VIA TELECONFERENCE
AS PERMITTED BY GOVERNOR'S EXECUTIVE ORDER N-29-20.**

Members of the Public may participate via ZOOM online or by telephone:

Online - Log onto website below:
<https://dudek.zoom.us/j/97285214738>

Meeting ID#: **972 8521 4738**
Password: **GCSD**

By Telephone - Dial (669) 900-6833 or (929) 205-6099
and enter the meeting ID# above.

CALL SPECIAL MEETING TO ORDER AT 6:30 p.m.

| | | | |
|-------------------------|------------|--------------------|------------------|
| <u>ROLL CALL</u> | Directors: | President: | Barbara Dye |
| | | Vice-President: | Matthew Clark |
| | | Director: | Jim Blanchard |
| | | Director: | David Seaton |
| | | Director: | Eric Suchomel |
| | Staff: | General Manager: | Chuck Duffy |
| | | Legal Counsel: | Bill Parkin |
| | | Assistant Manager: | Delia Comito |
| | | Parks & Rec.: | Claudia Marshall |

The Board has the right to take action on any of the items listed on the Agenda. The Board reserves the right to change the order of the agenda items, to postpone agenda items to a later date, or to table items indefinitely.

GENERAL PUBLIC PARTICIPATION

Members of the Public may participate via ZOOM online or by telephone. (See instructions on the first page).

ADJOURN TO CLOSED SESSION

(Board members will convene to a separate conference line for closed session)

- 1. Conference with Legal Counsel – Existing Litigation (Government Code Section §54956.9(d)(1)).**
City of Half Moon Bay v. Granada Community Services District and Montara Water and Sanitary District (RPI, Sewer Authority Mid-Coastside) – Santa Clara County Superior Court Case No. 17CV316927.
- 2. Conference with Legal Counsel—Existing Litigation (Government Code §54956.9(d)(1)).**
Saxton v. Granada Community Services District (EEOC No. 550-2020-00699).

RECONVENE TO OPEN SESSION

Report any reportable action taken in Closed Session.

ADJOURN SPECIAL MEETING

CALL REGULAR MEETING TO ORDER AT 7:30 p.m.

ROLL CALL

GENERAL PUBLIC PARTICIPATION

Members of the Public may participate via ZOOM online or by telephone. (See instructions on the first page).

ACTION AGENDA

- 1. Consideration to Approve Audited Financial Statements for the Period Ending June 30, 2019.**
Recommendation: To be made by the Board.
- 2. Consideration of Burnham Park Preliminary Landscape Plan.**
Recommendation: To be made by the Board.
- 3. Report on Parks and Recreation Activities.**
Recommendation: For Board Information.
- 4. Consideration to Approve Sewer Authority Mid-Coastside General Budget for Fiscal Year 2020/21 and Related Resolution.**
Recommendation: To be made by the Board.
- 5. Consideration to Approve Sewer Authority Mid-Coastside Contract Collection Services Budget for Fiscal Year 2020/21 and Related Resolution.**
Recommendation: To be made by the Board.

6. Public Hearing: Consideration to Approve Granada Community Services District Fiscal Year 2020/21 Budget.

1. Open the public hearing, and receive public comment.
2. Close the public hearing.
3. Approve the Fiscal Year 2020/21 Budget.

Recommendation: To be made by the Board.

7. Consideration to Approve Assessment District Administrative Budget and Cost Recovery Levy for Fiscal Year 2020/21.

Recommendation: Approve the budget and levy as presented.

8. Consideration of Sewer Authority Mid-Coastside Report.

Recommendation: For Board Information.

CONSENT AGENDA

9. Approve May 21, 2020 Special and Regular Meeting Minutes.
10. Approve June 2020 Warrants.
11. Approve April 2020 Financial Statements.
12. Approve Assessment District Distribution #11-19/20.

COMMITTEE REPORTS

13. Report on seminars, conferences, or committee meetings.

INFORMATION CALENDAR

14. Attorney's Report. (Parkin)
15. General Manager's Report. (Duffy)
16. Administrative Staff Report. (Comito)
17. Engineer's Report. (Kennedy Jenks)
18. Future Agenda Items.

This meeting is accessible to people with disabilities. If you have a disability and require special assistance related to participating in this teleconference meeting, please contact the District at least two working days in advance of the meeting at (650) 726-7093 or via email at dcomito@granada.ca.gov.

Except for records exempt from disclosure under section 6254 of the Public Records Act, all materials distributed for the discussion or consideration of items on the Agenda are disclosable to the public upon request, and shall be made available without delay or at the time of distribution to the Board. Please contact Delia Comito at (650) 726-7093 to request copies of Agenda materials.

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA NOTICE

There are no documents for Closed Session.

ITEM #1

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager (dc)
Subject: Consideration of Audited Financial Statements for the Period Ending June 30, 2019
Date: June 18, 2020

Attached for your Board's consideration are the Audited Financial Statements for the period ending on June 30, 2019. The first part of the audit contains the Management's Discussion and Analysis of the District's financial statements, which highlights some of the significant changes in the District's year over year financial operations. The second part, the Annual Financial Statement and Supplemental Information, which provides the detailed financial position of the District, will be reviewed at the meeting. The District's auditor of Fechter & Company, will be available at the meeting to answer questions from the Board.

**GRANADA COMMUNITY
SERVICES DISTRICT**

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2019

GRANADA COMMUNITY SERVICES DISTRICT

Management Report
For the Year Ended June 30, 2019

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Board of Directors of the
Granada Community Services District
Granada, California

In planning and performing our audit of the financial statements of the Granada Community Services District for the year ended June 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing any changes you may make. We thank the District's staff for its cooperation on this audit.

Fechter & Company,
Certified Public Accountants



June 11, 2020
Sacramento, California

GRANADA COMMUNITY SERVICES DISTRICT

Required Communication
For the Year Ended June 30, 2019

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 5, 2019, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Internal Control Related Matters

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regard to the perpetuation and concealment of fraud. Even with a perfect segregation of duties, frauds can be perpetuated and concealed. The District can perform some specific control procedures to help reduce the risk of fraud, however. Some of the controls would include:

- Having someone independent of the bank reconciliation function review the bank statements on a monthly basis. At this District, it would mean someone independent of the accounting function reviewing the county reports and multitude of bank accounts and bank reconciliations.
- Examining a budget to actual report on a frequent basis.
- Comparing the financial statements on a detailed level to the prior year on a frequent basis.

GRANADA COMMUNITY SERVICES DISTRICT

Required Communication For the Year Ended June 30, 2019

- Requiring someone independent of the payroll process review payroll on a bi-weekly basis, checking for accuracy of pay rates, paid time off recorded, etc.
- Verifying that a second person is approving all disbursement activity and that an individual independent of the accounting function is signing checks and asking questions about invoices presented for payment.
- Frequently displaying “professional skepticism” when considering staff responses on District finances.

California Government Code Section 12422.5 requires the State Controller’s office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller’s Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller’s office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The objective of *control environment* is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the “tone at the top” regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District’s *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District’s applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District’s finances on a go-forward basis.

The District’s risk assessment process is an extremely important activity the board and management should undertake. Every organization, public or private, faces business risks on a day to day basis. Identifying those risks and then acting on them in a timely manner may prevent future problems from becoming completely unmanageable.

GRANADA COMMUNITY SERVICES DISTRICT

Required Communication For the Year Ended June 30, 2019

Management should consistently attempt to identify risks that exist and then present those risks to the board for action. It is impossible for us to identify every potential risk that exists but either way, management and the board should proactively attempt to identify risks that could adversely affect the District's operations.

Control Activities are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

Information and Communication are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

Monitoring involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact District auditor, their attorney, or county auditor-controller should anyone feel there is a chance of fraud or abuse.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Capital asset lives and depreciation expense
- Actuarial study to determine the District's annual required pension contribution
- Actuarial study to determine the District's net pension liability

GRANADA COMMUNITY SERVICES DISTRICT

Required Communication
For the Year Ended June 30, 2019

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of financial statements. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process. The following audit adjustments, made by us on an annual basis, indicates matters that could have a significant effect on the District's financial reporting process:

- Recorded current year depreciation expense.
- Recorded current year changes to GASB 68 pension accounts.
- Recorded current year changes in Investment in Sewer Authority Mid-Coastside (SAM) balances.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

**GRANADA COMMUNITY
SERVICES DISTRICT**

**Annual Financial Report
and Supplemental Information
With Independent Auditor's Report Thereon**

**Years Ended
June 30, 2019 and 2018**

GRANADA COMMUNITY SERVICES DISTRICT

Basic Financial Statements and Supplemental Information

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Granada Community Services District
El Granada, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Granada Community Services District (the District) as of June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Governing Board
Granada Community Services District
El Granada, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Granada Community Services District as of June 30, 2019 and 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5, and the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of Pension Contributions on page 22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
June 8, 2020

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

This section of the Granada Community Services District's (District) annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the District's financial statements which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this management discussion and analysis report, the independent auditor's report, and the basic financial statements of the District. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

BASIC FINANCIAL STATEMENTS

The District's basic financial statements include the statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows, and the statements of fiduciary net position. These statements are prepared in a manner similar to commercial enterprises. The purpose of the statement of net position is to report all assets and liabilities of the District as of the date of the statement. The difference between the assets and liabilities is net position, which represents the portion of total assets not encumbered by debt. Assets and liabilities are reported at historical cost, except for investments, which are reported at fair market value in accordance with accounting pronouncements. Long-term infrastructure assets such as pump stations and sewer lines are reduced by depreciation based upon the expected remaining life of the underlying asset. The District records assets on its books when it takes ownership and liabilities when it incurs the obligation to pay, whether or not it has actually been billed.

Proprietary Funds

The District uses an proprietary fund to account for its sewer service. The proprietary fund financial statements include statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows. These statements are accounted for on an economic resources measurement focus using the accrual basis of accounting similar to commercial enterprises.

Sewer service is provided through the sewer service area of the District, except for the area designated as rural. The basic unit of charge used to calculate sewer service and connection fees is called an Equivalent Residential Unit (ERU), which equates to an estimated 221 gallons per day of wastewater flow. Single family homes are charged 1 ERU as their sewer service charge. Commercial properties are charged a sewer service fee based upon a formula which takes into account their water usage for the year, as well as a strength of wastewater component. The charge per ERU for fiscal year ending June 30, 2019 was \$460, which was an increase from \$402 in the prior year. Sewer service charges are used to fund the ongoing operations of the District, including administration, operations, treatment, collections, and capital replacement costs.

Fiduciary Funds

The District uses an Agency Fund to account for resources held for the benefit of parties outside the government. Statements of fiduciary net position are included in the District's basic financial statements and are accounted for on an economic resources measurement focus using the accrual basis of accounting.

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

The Assessment District was formed and funded in 1996 for the purpose of providing the District's share of funds for the expansion of the Sewer Authority Mid-Coastside (SAM) Wastewater Treatment Plant. It was created under the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915 in combination with the Integrated Financing District Act. A total of \$8.1 million in bonds were originally issued, backed by an assessment on 1,618 parcels. The bonds were refinanced in 2003 at a lower interest rate. Due to the pay-down of principal, and pre-payments from some assessed parcels, \$6.1 million in bonds were re-issued in the 2003 refunding/refinancing process backed by assessments on 1,355 parcels.

STATEMENT OF NET POSITION

The following is a condensed Statement of Net Position:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|
| Assets: | | | |
| Current assets | \$ 4,520,972 | \$ 4,311,110 | \$ 4,663,100 |
| Capital assets - net of depreciation | 5,569,709 | 5,850,212 | 6,068,620 |
| Non-current assets excluding capital assets | <u>5,391,897</u> | <u>5,014,286</u> | <u>5,202,167</u> |
| Total Assets | <u>15,482,578</u> | <u>15,175,608</u> | <u>15,933,887</u> |
| Deferred Outflows of Resources: | <u>109,305</u> | <u>155,963</u> | <u>101,671</u> |
| Liabilities: | | | |
| Current liabilities | 109,914 | 190,172 | 162,818 |
| Non-current liabilities | <u>174,065</u> | <u>185,779</u> | <u>170,410</u> |
| Total Liabilities | <u>283,979</u> | <u>375,951</u> | <u>333,228</u> |
| Deferred Inflows of Resources: | <u>24,830</u> | <u>9,544</u> | <u>20,515</u> |
| Net Position: | | | |
| Net investment in capital assets | 5,569,709 | 5,850,212 | 6,068,620 |
| Unrestricted | <u>9,713,365</u> | <u>9,095,864</u> | <u>9,613,195</u> |
| Total Net Position | <u>\$ 15,283,074</u> | <u>\$ 14,946,076</u> | <u>\$ 15,681,815</u> |

The total assets of the District increased \$306,970 from June 30, 2018. Current assets increased from \$4,311,110 to \$4,520,972. The District uses its cash reserve as a set aside for short and long term replacement of capital assets. The item titled "Due from County of San Mateo" represents receivables due from the County for the annual sewer service charge. The District utilizes the County's property tax roll to collect its annual sewer service charges. The County collects these charges on the property tax bills sent to tax payers, and then sends monthly payments to the District based upon payments received.

GRANADA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

A summary of the District's statements of revenues, expenses and changes in net position is presented below, along with any changes management considers significant from the previous year.

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|----------------------|
| Revenues: | | | |
| Operating revenues | \$ 1,486,812 | \$ 1,273,413 | \$ 1,271,091 |
| Non-operating revenues | 1,959,055 | 1,079,494 | 1,044,177 |
| Total Revenues | <u>3,445,867</u> | <u>2,352,907</u> | <u>2,315,268</u> |
| Expenses: | | | |
| Operating expenses | 3,108,869 | 3,088,646 | 2,423,058 |
| Non-operating expenses | - | - | 805 |
| Total Expenses | <u>3,108,869</u> | <u>3,088,646</u> | <u>2,423,863</u> |
| Change in Net Position | 336,998 | (735,739) | (108,595) |
| Net Position, Beginning of Year, restated | <u>14,946,076</u> | <u>15,681,815</u> | <u>15,790,410</u> |
| Net Position, End of Year | <u>\$ 15,283,074</u> | <u>\$ 14,946,076</u> | <u>\$ 15,681,815</u> |

| | <u>2019</u> | <u>2018</u> | Increase (Decrease) |
|----------------------------------|--------------|--------------|------------------------|
| <u>OPERATING REVENUES</u> | | | |
| Sewer service charge | \$ 1,486,812 | \$ 1,273,413 | \$ 213,399 |

- The increase is due primarily to an increase in sewer service rates.

NON-OPERATING REVENUES

| | | | |
|-----------------|--------------|------------|------------|
| Property taxes | \$ 1,039,245 | \$ 912,788 | \$ 126,457 |
| Interest income | \$ 96,057 | \$ 58,866 | \$ 37,191 |

- Slight increase from prior year due to increased property values and a larger ERAF refund.
- Interest income increased due to an increase in interest rates for the LAIF fund.

OPERATING EXPENSES

| | <u>2019</u> | <u>2018</u> | Increase (Decrease) |
|---------------------------------|---------------------|---------------------|------------------------|
| SAM Expenses: | | | |
| Sewage administration | \$ 349,266 | \$ 270,099 | \$ 79,167 |
| Sewage treatment | 676,625 | 743,509 | (66,884) |
| Sewage environmental compliance | 35,167 | 42,461 | (7,294) |
| Sewage collection | 284,500 | 239,952 | 44,548 |
| Total SAM expenses | <u>\$ 1,345,558</u> | <u>\$ 1,296,021</u> | <u>\$ 49,537</u> |

- SAM costs are amounts paid to the Sewer Authority Mid-Coastside Joint Powers Authority (SAM) to manage and operate the SAM treatment plant and Intertie Pipeline System (IPS), as well as provide sewer cleaning, inspection, and maintenance services on a contract basis for the GCSD sewer system. These costs increased slightly from 2018.

GRANADA COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis

Years Ended June 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> | <u>Increase/ (Decrease)</u> |
|---|-------------|-------------|---------------------------------|
| GCSD Administrative and general expenses | \$904,165 | \$795,237 | \$108,928 |
| • GCSD's administration costs increased by 14% over the prior year due primarily to an increase in the GASB 68 pension adjustment of \$100,000. | | | |

| | <u>2019</u> | <u>2018</u> | <u>Increase/ (Decrease)</u> |
|--|-------------|-------------|---------------------------------|
| Infrastructure repair costs | \$578,643 | \$712,812 | \$(134,169) |
| • General infrastructure repair costs decreased by 19% due to fewer SAM Capital project costs incurred in FY 2019 compared with FY 2018. | | | |

BUDGETARY PROCESS

The District budget is presented to the Board of Directors for their comments each year at the regular May District Board Meeting, and is approved at the June meeting. The budget is basically comprised of two functions: administration, which comprises the general office work, permitting, management, legal, and financial aspects of the business; and sewer operations, which represents the District's share of the costs for the SAM wastewater treatment plant operations and maintenance, as well as the costs for maintaining the District's pipeline and pump station system. The SAM treatment, collection and administrative budget accounts for approximately \$1,266,837 of the District's \$1,963,337 annual operational expenditures for fiscal year 18-19, or 64.5% of the total budget. Capital projects are budgeted along with the operations budget.

CAPITAL ASSETS

The District's capital assets are comprised of its sewer lines, pump stations, force mains, and its share of the SAM Wastewater Treatment Plant and Intertie Pipeline System (29.5%). The District currently operates and maintains 1 pump station and 34 miles of sewer pipeline. The annual depreciation calculation is based upon the estimated useful life of the assets. Actual repairs, upgrades, or replacements to capital assets are based upon review of the assets' physical conditions as well as the expected useful life of the asset.

ECONOMIC FACTORS AFFECTING CURRENT FINANCIAL POSITION

The current economic factors which could affect the District are somewhat unknown given the current Covid-19 pandemic and its effect on property values. The unknown impact of these effects could have some impact on the District's finances, due to changes in property tax revenues. There are no other known or expected economic factors which should affect the District's financial position in the near future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Granada Community Services District at (650) 726-7093.

BASIC FINANCIAL STATEMENTS

GRANADA COMMUNITY SERVICES DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 and 2018

| ASSETS | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Current Assets: | | |
| Cash and investments | \$ 4,397,457 | \$ 4,229,859 |
| Due from County of San Mateo | 79,070 | 51,013 |
| Due from assessment district | 15,068 | - |
| Interest receivable | 26,377 | 19,791 |
| Other receivable | - | 2,580 |
| Prepaid expenses and other assets | 3,000 | 7,867 |
| Total current assets | <u>4,520,972</u> | <u>4,311,110</u> |
| Capital assets, net of accumulated depreciation | <u>5,569,709</u> | <u>5,850,212</u> |
| Non-current assets: | | |
| Investment in Sewer Authority Mid-Coastside | 4,455,480 | 3,767,869 |
| Advance to assessment district to fund bond reserve account | 369,890 | 494,890 |
| Advance to assessment district for supplemental funding | 212,834 | 282,834 |
| Advance to assessment district to fund noncontingent assessment acquisition | <u>353,693</u> | <u>468,693</u> |
| Total non-current assets | <u>5,391,897</u> | <u>5,014,286</u> |
| TOTAL ASSETS | <u>15,482,578</u> | <u>15,175,608</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>109,305</u> | <u>155,963</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 26,587 | 96,217 |
| Due to assessment district | 15,680 | 58,371 |
| Compensated absences liability | 5,571 | 5,571 |
| Deposits held for others | <u>62,076</u> | <u>30,013</u> |
| Total current liabilities | <u>109,914</u> | <u>190,172</u> |
| Non-current liabilities: | | |
| Net pension liability | <u>174,065</u> | <u>185,779</u> |
| TOTAL LIABILITIES | <u>283,979</u> | <u>375,951</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>24,830</u> | <u>9,544</u> |
| NET POSITION | | |
| Net investment in capital assets | 5,569,709 | 5,850,212 |
| Unrestricted | <u>9,713,365</u> | <u>9,095,864</u> |
| TOTAL NET POSITION | <u>\$ 15,283,074</u> | <u>\$ 14,946,076</u> |

The accompanying notes are an integral part of these financial statements.

GRANADA COMMUNITY SERVICES DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED
June 30, 2019 and 2018

| | 2019 | 2018 |
|---|---------------|---------------|
| Operating revenues: | | |
| Sewer service charges | \$ 1,486,812 | \$ 1,273,413 |
| Total operating revenues | 1,486,812 | 1,273,413 |
| Operating expenses: | | |
| SAM Expenses: | | |
| Sewage administration | 349,266 | 270,099 |
| Sewage treatment | 676,625 | 743,509 |
| Sewage environmental compliance | 35,167 | 42,461 |
| Sewage collection | 284,500 | 239,952 |
| Depreciation | 280,503 | 284,576 |
| Administration and general | 859,688 | 760,516 |
| Parks and recreation | 44,477 | 34,721 |
| Infrastructure repair costs | 578,643 | 712,812 |
| Total operating expenses | 3,108,869 | 3,088,646 |
| Operating loss | (1,622,057) | (1,815,233) |
| Non-operating revenues: | | |
| Property tax revenue - sewer | 581,621 | 478,260 |
| Property tax revenue - parks | 457,624 | 434,528 |
| Interest income | 96,057 | 58,866 |
| Equity gain | 687,611 | - |
| Other revenues | 69,402 | 70,240 |
| Capital contributions (connection fees) | 66,740 | 37,600 |
| Total non-operating revenues | 1,959,055 | 1,079,494 |
| Change in net position | 336,998 | (735,739) |
| Beginning net position | 14,946,076 | 15,681,815 |
| Ending net position | \$ 15,283,074 | \$ 14,946,076 |

The accompanying notes are an integral part of these financial statements.

GRANADA COMMUNITY SERVICES DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
JUNE 30, 2019 and 2018

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 1,493,398 | \$ 1,278,080 |
| Payments to suppliers | (2,677,953) | (2,715,457) |
| Payments to employees | (164,946) | (160,580) |
| Net cash used by operating activities | (1,349,501) | (1,597,957) |
| Cash flows from non-capital financing activities: | | |
| Receipts from property taxes and other operating income | 1,039,245 | 912,788 |
| Net cash provided by non-capital financing activities | 1,039,245 | 912,788 |
| Cash flows from capital and related financing activities: | | |
| Connection fees collected | 66,740 | 37,600 |
| Other revenues | 69,402 | 70,240 |
| Acquisition and construction of capital assets | - | (66,168) |
| Assessment district repayments on advances | 310,000 | 187,881 |
| Loan from assessment district | (57,759) | 58,371 |
| Net cash provided by capital and related financing activities | 388,383 | 287,924 |
| Cash flows from investing activities: | | |
| Interest income | 89,471 | 49,440 |
| Net cash provided by investing activities | 89,471 | 49,440 |
| Net increase (decrease) in cash and cash equivalents | 167,598 | (347,805) |
| Cash and cash equivalents, beginning of year | 4,229,859 | 4,577,664 |
| Cash and cash equivalents, end of year | \$ 4,397,457 | \$ 4,229,859 |
| Reconciliation of operating loss to net cash used by operating activities: | | |
| Operating loss | \$ (1,622,057) | \$ (1,815,233) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation | 280,503 | 284,576 |
| Decrease (increase) in accounts receivable | (25,477) | 13,861 |
| (Decrease) increase in accounts payable and accrued liabilities | (37,567) | (31,017) |
| Increase in compensated absences liabilities | - | - |
| (Decrease) in prepaid expenses | 4,867 | (250) |
| (Decrease) in net pension liability | 50,230 | (49,894) |
| Net cash used by operating activities | \$ (1,349,501) | \$ (1,597,957) |

The accompanying notes are an integral part of these financial statements.

**GRANADA COMMUNITY SERVICES DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019**

| ASSETS | <u>2019</u> | <u>2018</u> |
|--|------------------------|------------------------|
| Cash and cash equivalents | \$ 362,857 | \$ 306,419 |
| Due from District | 612 | 58,371 |
| Investments | <u>2,394,462</u> | <u>2,442,494</u> |
| Total Assets | 2,757,931 | 2,807,284 |
| LIABILITIES | | |
| Deposits held for others | 1,821,514 | 1,560,867 |
| Advance from District to fund bond reserve account | 369,890 | 494,890 |
| Advance from District to fund supplemental funding | 212,834 | 282,834 |
| Advance from District to fund noncontingent assessment acquisition | <u>353,693</u> | <u>468,693</u> |
| Total Liabilities | 2,757,931 | 2,807,284 |
| NET POSITION | | |
| Net position | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of these financial statements.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Granada Sanitary District was created in 1958 under the provisions of Section 6400 of the State of California Health and Safety Code. In October of 2014, the District was reorganized as the Granada Community Services District (District) under California Government Code 61000 et seq. The District is responsible for parks, recreation, garbage, and recycling services in the unincorporated areas of El Granada, Princeton, Princeton-by-the-Sea, Clipper Ridge, and Miramar. The District is also responsible for the sewage collection system and disposal in these same unincorporated areas as well as the northern portion of the City of Half Moon Bay.

Reporting Entity

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District's funds consist of the following:

Proprietary Fund Type – Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All assets and liabilities associated with the Enterprise Fund's activities are included in the statement of net position.

Fiduciary Fund Type – Agency Fund

The Agency Fund (Assessment District) is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other funds, and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. All assets and liabilities associated with the Assessment District's activities are included in the statement of fiduciary net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Both the Enterprise Fund and the Agency Fund are accounted for on an economic resources measurement focus using the accrual basis of accounting in accordance with generally accepted accounting principles. Under this basis of accounting, revenues are recognized when earned except property taxes which are recognized in the year they are levied and expenses are recognized when the related liability is incurred.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 1 – Organization and Summary of Significant Accounting Policies, continued

The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements and the State Controller's Minimum Audit Requirements for California Special Districts. The District has elected not to apply GASB statements and interpretations issued subsequent to November 30, 1989.

Risk Management

The District is a member of the California Sanitation Risk Management Authority (CSRMA) which provides general liability coverage. Participation in the CSRMA risk sharing pool provides the District general liability coverage up to \$750,000 and excess coverage up to \$10 million.

Capital Assets

Capital assets for the Enterprise Fund are recorded at cost to the District for purchases or at an estimated cost when assets are contributed. Depreciation is charged to expense for all capital assets and is computed using the straight-line method over the estimated useful lives of five to 50 years.

Property Tax Revenues and Sewer Service Charges

Property taxes and sewer service charges are billed and collected by the County of San Mateo through the property tax billings. Real property taxes are levied against owners of record. The taxes are due in two installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Property taxes are based on assessed values of real property. A revaluation of all real property must be made upon sale or completion of construction. Amounts due from the County of San Mateo include both property taxes and sewer service charges.

Connection Fees

Connection fees consist of charges to homes and businesses for connecting to the District's sewer system.

Operating Revenues and Expenses

The District's operating revenues are those revenues generated from the primary operation of the District's sewer service. Operating expenses are those expenses that are essential to the primary operation of its sewer system. All other revenues and expenses are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments in mutual funds and debt instruments are carried at fair value as determined in an active market. Investments in the State of California Local Agency Investment Fund are carried at cost which approximates fair value and are included in cash and cash equivalents in the statements of net position.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 2 – Cash and Cash Equivalents

The District's cash and cash equivalents are held in federally insured deposit accounts with financial institutions and an external investment pool.

External Investment Pool

The District invests in the California State Treasurer's Local Agency Investment Fund (LAIF). LAIF was established in 1977, is regulated by California Government Code Section 16429, and under the day-to-day administration of the State Treasurer. As of June 30, 2019, LAIF had approximately \$105.7 billion in investments.

LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost of best estimate for those securities where market value is not readily available. The District's investments with LAIF at June 30, 2019 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments are described as follows.

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and / or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

Investments are subject to certain types of risks, including interest rate risk, custodial credit risk, credit quality risk, and concentration of credit risk. The following describes those risks.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal policy regarding interest rate risk.

Custodial Credit Risk

Custodial credit risk is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding custodial credit risk. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. With respect to investments, custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or investment pools such as LAIF.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 2 – Cash and Cash Equivalents, continued

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not have a formal policy regarding credit risk. LAIF does not receive a rating from a nationally recognized statistical rating organization.

Concentration of Credit Risk

The District has limitations on the amount that can be invested in any one issue beyond that stipulated by the California Government Code.

The FDIC insured the bank balances up to \$250,000 for each bank, except for non-interest-bearing transaction accounts at institutions participating in the FDIC’s Temporary Liquidity Guarantee Program, which are provided with unlimited deposit guarantee.

The District’s cash and cash equivalents consist of the following at June 30, 2019:

| | Carrying Amount | Depository Balance |
|---|--------------------|-----------------------|
| Amounts insured by federal deposit insurance, or collateralized with securities held by the District in its name | \$ 268,780 | \$ 328,706 |
| Petty cash | 790 | - |
| Amounts held on deposit with the State of California Local Agency Investment Fund, collateralized by investments registered in the State's name | 4,127,887 | 4,127,887 |
| | \$4,397,457 | \$4,456,593 |

The District’s cash and cash equivalents are presented as \$4,397,457 in the statements of net position and \$2,757,319 in the statements of fiduciary net position. The difference between the carrying amount and the depository balance represents outstanding checks and deposits in transit.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 2 – Cash and Cash Equivalents, continued

The District's cash and cash equivalents consist of the following at June 30, 2018:

| | Carrying Amount | Depositary Balance |
|---|--------------------|-----------------------|
| Amounts insured by federal deposit insurance, or collateralized with securities held by the District in its name | \$ 175,952 | \$ 179,564 |
| Petty cash | 490 | - |
| Amounts held on deposit with the State of California Local Agency Investment Fund, collateralized by investments registered in the State's name | 4,053,417 | 4,053,417 |
| | \$4,229,859 | \$4,232,981 |

The District's cash and cash equivalents are presented as \$4,229,859 in the statements of net position and \$2,748,913 in the statements of fiduciary net position. The difference between the carrying amount and the depositary balance represents outstanding checks and deposits in transit.

Note 3 – Agency Fund

In 1996, Granada Community Services District established the Assessment District to finance the expansion of the sewage treatment facility owned and maintained by the Sewer Authority Mid-Coastside. Special Assessment Limited Obligation Improvement Bonds were issued through the Assessment District to generate the funds necessary to meet the District's portion of the expansion costs. The Agency Fund is used to account for the debt service transactions of the Assessment District. The District acts as an agent with respect to the collection of special assessments from property owners and the payment of principal and interest to special assessment debt holders. The only investments reported by the District are held in the Agency Fund which consist of mutual funds and debt instruments held by a trustee.

Note 4 – Capital Assets

Changes in capital assets consist of the following for the year ended June 30, 2019:

| | July 1, 2018 | Additions | Deletions | June 30, 2019 |
|---|--------------|--------------|-----------|---------------|
| Equipment | \$ 22,153 | \$ - | \$ - | \$ 22,153 |
| Collection and conveyance facilities | 11,217,871 | - | - | 11,217,871 |
| Total capital assets, depreciable, cost | 11,240,024 | - | - | 11,240,024 |
| Less accumulated depreciation | (6,453,452) | (280,503) | - | (6,733,955) |
| Total capital assets, depreciable, net | 4,786,572 | (280,503) | - | 4,506,069 |
| Land | 1,063,640 | | | 1,063,640 |
| Total capital assets, net | \$5,850,212 | \$ (280,503) | \$ - | \$ 5,569,709 |

Depreciation expense for the year-end June 30, 2019 was \$280,503.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 4 – Capital Assets, continued

Changes in capital assets consist of the following for the year ended June 30, 2018:

| | <u>July 1, 2017</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2018</u> |
|---|---------------------|---------------------|------------------|----------------------|
| Equipment | \$ 22,153 | \$ - | \$ - | \$ 22,153 |
| Collection and conveyance facilities | 11,151,703 | 66,168 | - | 11,217,871 |
| Total capital assets, depreciable, cost | <u>11,173,856</u> | <u>66,168</u> | - | <u>11,240,024</u> |
| Less accumulated depreciation | <u>(6,168,876)</u> | <u>(284,576)</u> | - | <u>(6,453,452)</u> |
| Total capital assets, depreciable, net | 5,004,980 | (218,408) | - | 4,786,572 |
| Land | 1,063,640 | - | - | 1,063,640 |
| Total capital assets, net | <u>\$6,068,620</u> | <u>\$ (218,408)</u> | <u>\$ -</u> | <u>\$ 5,850,212</u> |

Depreciation expense for the year-end June 30, 2018 was \$284,576.

Note 5 – Investment in Sewer Authority Mid-Coastside

Sewer Authority Mid-Coastside (Authority) was created by a Joint Exercise of Powers Agreement between the City of Half Moon Bay, the Granada Community Services District, and the Montara Sanitary District. The Authority was established to construct, maintain, and operate facilities for the collection, treatment, and disposal of wastewater for the benefit of the lands and inhabitants within the member agencies' respective boundaries. Audited financial statements of the Authority for the year ended June 30, 2018 are available at its office in Half Moon Bay, California. As of the date of this report, audited financial statements for the year ended June 30, 2019, were not yet available so the District has included the June 30, 2018 amount. Likewise, the District's financial statements for the year ended June 30, 2018, were based on the Authority's June 30, 2017 statements.

The following is a summary of financial information of the Authority from its June 30, 2018 and June 30, 2017 audited financial statements:

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|----------------------|
| Total assets | \$ 17,820,688 | \$ 14,984,857 |
| Total deferred outflows of resources | 939,053 | 808,862 |
| Total liabilities | 4,266,385 | 3,840,628 |
| Total deferred inflows of resources | <u>199,387</u> | <u>178,377</u> |
| Net position | <u>\$ 14,293,969</u> | <u>\$ 11,774,714</u> |
| Operating revenues | \$ 4,679,060 | \$ 4,357,799 |
| Operating expenses | <u>6,459,138</u> | <u>5,670,607</u> |
| Operating loss | (1,780,078) | (1,312,808) |
| Total non-operating revenues and capital contributions, net | <u>2,724,545</u> | <u>581,866</u> |
| Change in net position | 944,467 | (730,942) |
| Total net position, beginning | 11,774,714 | 12,505,656 |
| Prior period adjustment | 1,574,788 | - |
| Total net position, beginning, restated | <u>13,349,502</u> | <u>12,505,656</u> |
| Total net position, ending | <u>\$ 14,293,969</u> | <u>\$ 11,774,714</u> |

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 5 – Investment in Sewer Authority Mid-Coastside, continued

Each member's ownership at June 30, 2018 consists of the City of Half Moon Bay 50.5%, Granada Community Services District 29.5%, and Montara Sanitary District 20%.

The increase in the District's equity in the Authority for the year ended June 30, 2019 of \$687,611, is included in the statement of revenues, expenses, and changes in net position.

Total payments made to the Authority for operations, maintenance, collections, and capital for the years ended June 30, 2019 and 2018 were \$1,817,392 and \$1,993,109, respectively.

Note 6 – Advances to Assessment District

- 1 As part of the bond issuance financed through the Assessment District, the District was required to make two separate advances to the Agency Fund. In August 1996, the District transferred \$600,000 into the Bond Reserve Fund of the Assessment District to be used as a reserve for the payment of future bond interest and principal. This advance is entitled to interest earnings on the fund balance. Including interest earnings, the balance of the note receivable was \$494,890 at June 30, 2017. During the year ended June 30, 2018, no payments were received from the Assessment District. Repayments were \$125,000 during the year ended June 30, 2019, resulting in an ending balance of \$369,890 at June 30, 2019.
- 2 Supplemental Funding – The District advanced \$1,100,726 to the Assessment District which were the proceeds of an installment obligation of the District in the amount of \$1,145,000 payable with interest over a term of 20 years. The aggregate amount reimbursable totals \$1,987,542 including interest paid on the note. The balance of the note receivable was \$353,542 at June 30, 2017. The amounts due to the District listed above are documented in District ordinance 153 and bond resolutions 2003-008 and 2003-012. Repayments were \$70,708 during the year ended June 30, 2018, and \$70,000 during the year ended June 30, 2019, resulting in an ending balance of \$212,834 at June 30, 2019.
- 3 The District was also required to advance \$700,000 in August of 1996 into the Noncontingent Assessment Fund of the Assessment District. The advance was used to purchase noncontingent assessments for undevelopable parcels within the District. Including interest earnings, the balance of the note receivable was \$585,866 at June 30, 2017. Repayments were \$117,713 during the year ended June 30, 2018, and \$115,000 during the year ended June 30, 2019, resulting in an ending balance of \$353,693 at June 30, 2019.

Note 7 – Advance to Montara Sanitary District

As a result of financial difficulties experienced by the Montara Sanitary District (MSD) in 1996, they were unable to continue funding their portion of the plant expansion of the Authority. The District advanced \$1,085,094 of the plant expansion costs on behalf of MSD. According to the Authority funding agreement, there is no repayment schedule, and reimbursement of the advance will occur only if MSD requires additional capacity in the sewage treatment facility. The future capacity needs of MSD are unknown at this time and thus, due to the lack of a firm repayment schedule and unknown future payment requirements of MSD, the District has recorded an allowance of the full amount of initial debt (\$1,085,094) to reflect the uncertainty of future repayment.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 7 – Advance to Montara Sanitary District, continued

The District calculates interest on the advance at a rate of 7.278%. Management has determined that the likelihood of any interest payment is remote; therefore, an allowance has been placed on the full accrued interest balance of approximately \$1,549,758 and \$1,470,785 at June 30, 2019 and 2018, respectively.

Note 8 – Special Assessment Debt

During 1996, the District issued Special Assessment Limited Obligation Improvement Bonds in the amount of \$8,188,583 to finance the expansion of the sewage treatment plant owned and operated by the Authority. The Agency Fund is used to account for the debt service transactions. The District refinanced the bonds in September 2003 with an interest rate ranging from 2.25% to 6.125% payable semi-annually. The bond principal is paid annually with a final maturity date of September 2022. At June 30, 2019 and 2018, \$1,875,000 and \$2,280,000 were outstanding. The District is not obligated to repay this debt, but only acts as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and initiating foreclosure proceedings, if applicable.

Note 9 – Operating Lease Commitment

The District leases office space and a copier with monthly rents of \$4,450 and \$412, respectively, plus additional maintenance costs. Rental expense for the year ended June 30, 2019 and 2018 were \$59,863 and \$57,411, respectively.

Future minimum lease payments at June 30, 2019 consist of the following:

| <u>Year Ended June 30,</u> | <u>Minimum Payments</u> |
|--------------------------------|-----------------------------|
| 2020 | \$ 58,339 |
| 2021 | 22,662 |
| Total | <u>\$ 81,001</u> |

Note 10 – Contingent Liabilities

Contingent liabilities of an indeterminable amount include normal recurring pending claims and litigation related to the District's operations. According to outside legal counsel, none of the litigation is expected to have a material effect on the financial statements. Therefore, no provision for losses has been included in these financial statements.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 11 – Employees’ Retirement Plan

Plan Description

The District’s defined benefit pension plan (Plan) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (PERS), a cost sharing multiple-employer plan administered by PERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees’ Retirement Law.

The District selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through Board Action. PERS issues a separate annual financial report. Copies of the PERS’ annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members in the Plan are required to contribute 7% of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The District pays the employee and employer’s portion for retirement on “classic” employees. The District does not pay employee contributions for employees covered by PEPPRA. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration.

The required employer contribution rates for fiscal years ended June 30, 2019 and 2018 were 8.892% and 8.418%, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

At June 30, 2019, the District reported a liability of \$174,065 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2019, the District recognized a pension expense of \$91,720 in its financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 11 – Employees’ Retirement Plan, continued

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate/Rate of Return – 7.15%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS’ Membership Data for all Funds

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

The long-term expected rate of return on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------|-------------------|--|
| Global Equity | 50.0% | 5.98% |
| Fixed Income | 28.0% | 2.62% |
| Inflation Assets | 0.0% | 1.81% |
| Private Equity | 8.0% | 7.23% |
| Real Assets | 13.0% | 4.93% |
| Liquidity | 1.0% | (0.92)% |

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 11 – Employees’ Retirement Plan, continued

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

| | 1% Decrease 6.15% | Discount Rate 7.15% | 1% Increase 8.15% |
|--|----------------------|------------------------|----------------------|
| District's proportionate share of the net pension plan liability | \$ 251,751 | \$ 174,065 | \$ 109,936 |

Detailed information about the pension fund’s fiduciary net position is available in the separately issued CalPERS comprehensive annual financial report, which may be obtained by contacting CalPERS.

Deferred outflows of resources of \$109,305, which is reported on the Statement of Net Position, represent the District’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year-end June 30, 2019.

The District also recognized deferral inflows of resources in the financial statements. This is an acquisition of net position by the District that is applicable to a future reporting period. The District has one item related to pensions that is captured as a deferred inflow of resources. The total at year-end was \$24,830.

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Amount |
|------------------------|-----------|
| 2020 | \$ 30,474 |
| 2021 | 18,801 |
| 2022 | (4,724) |
| 2023 | (1,566) |
| Total | \$ 42,985 |

Note 12 – Reclassifications

The financial statements may not be comparable with previous years as the District may have classified certain expense line items differently from the previous years.

GRANADA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
Years Ended June 30, 2019 and 2018

Note 13 – Subsequent Events

The District has evaluated subsequent events through June 8, 2020, which is the date the basic financial statements were available to be issued. Based upon this evaluation, except for the following, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

In January 2020, the virus SARS -CoC-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent with transmission rates as yet unknown. The economic impact in the State of California and the County of San Mateo, as yet has not been determined and therefore any potential impact on the District is not yet known.

REQUIRED SUPPLEMENTARY INFORMATION

GRANADA COMMUNITY SERVICES DISTRICT

Required Supplementary Information - Pensions
Years Ended June 30, 2019 and 2018

Granada Community Services District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal years*

| Measurement Date | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| District’s proportionate share of the net pension liability | \$174,065 | \$185,779 | \$170,410 | \$152,020 | \$166,360 |
| District’s covered employee payroll | 153,756 | 137,082 | 111,600 | 110,200 | 107,294 |
| District’s proportionate share of the net pension liability as a percentage of its covered-employee payroll | 113.21% | 135.52% | 152.70% | 137.95% | 155.05% |
| Plan Fiduciary net position as a percentage of the total pension liability | 69.69% | 62.82% | 54.65% | 54.52% | 48.16% |

CALPERS - Schedule of District contributions:

Last 10 Fiscal Years*

| Measurement Date | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined contribution | \$ 41,490 | \$ 37,399 | \$ 34,626 | \$ 36,192 | \$ 26,207 |
| Total actual contributions | <u>(41,490)</u> | <u>(37,399)</u> | <u>(34,626)</u> | <u>(36,192)</u> | <u>(26,207)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District’s covered-employee payroll | \$ 153,756 | \$ 137,082 | \$ 111,600 | \$ 110,200 | \$ 107,294 |
| Contributions as a percentage of covered employee payroll | 26.98% | 27.28% | 31.03% | 32.84% | 24.43% |

* Fiscal year ended June 30, 2015 was the first year of implementation.
Additional years will be presented as they become available.

OTHER REPORT

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Governing Board
Granada Community Services District
El Granada, California

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Granada Community Services District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Governing Board
Granada Community Services District
El Granada, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in black ink and is positioned above the printed name of the firm.

Sacramento, California
June 8, 2020

ITEM #2

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Delia Comito, Assistant General Manager
Subject: Consideration of the Burnham Park Preliminary Landscape Plan
Date: June 18, 2020

Attached is a letter and the Burnham Park Preliminary Landscape Plan provided by Kikuchi & Kankel for your review. Both Steve Kikuchi and his associate Tom Conroy will be present at the meeting. Mr. Conroy has offered to provide 15"x40" sized copies of the plan, which will be delivered to you prior to the meeting.



Kikuchi + Kankel Design Group

Landscape Architecture
Environmental Design
Site Planning

June 12, 2020

Barbara Dye, President
& members of the Granada Community Services District Board
504 Avenue Alhambra
El Granada, CA 94018

RE: Burnham Park Preliminary Landscape Plan

Dear President Dye and members of the Granada Community Services District:

It has been a pleasure working through the Preliminary Design Phase with the Parks Subcommittee, and we are pleased to present the attached Preliminary Landscape Plan for your review, input, and public comment.

During the early part of this year, our office, under the guidance of the GCSD Parks Subcommittee and influenced by feedback received during last October's community outreach workshop and direction provided by the full Board at last November's GCSD meeting, developed various schematic concepts for park development on the Burnham Strip. Over the course of the this phase, we honed the concepts towards a "preferred plan" that incorporated all features desired by the majority of the community and endorsed by the Board.

On March 12 our office and the Parks Subcommittee met with Planning Director Steve Monowitz at the San Mateo County office to present this preferred plan to ensure the proposal didn't conflict with the County's general plan, zoning, or any other future plans for the area. We also wanted to be sure that there was a mutual understanding of the "next steps" through the entitlement and permitting phases, as several agencies have jurisdiction across various parts of the site.

Steve Monowitz's input was substantial and supportive, and he helpfully outlined key areas where the goals of the County's Connect The Coastside plan overlapped with the circulation and access routes proposed in the park plan. Our team had a follow-up conference call with Joe LaClair and Katie Faulkner from Connect The Coastside in early April that provided further clarity on future pedestrian and bike lane improvements in the area.

Throughout our conversations, the County encouraged us to include stormwater treatment wherever possible, as water exiting the Strip leads directly to the ocean. In early May and June we and the Parks Subcommittee held two meetings with San Mateo Resource Conservation District staff to review refined concepts for managing the stormwater that falls on and runs through the site. Improvements to on-site treatment will have a direct effect on lowering the pollutants carried in the water that flows into the ocean.

The Preliminary Landscape Plan contained herein updates many of the concepts contained in previous plan iterations you've reviewed, but have been refined through the advice of our public and private agency partners and the feedback provided by the Board and community.

730 Mill Street, Half Moon Bay | 61 East Main Street, Suite C, Los Gatos

Steven T. Kikuchi, ASLA Principal Christopher Kankel, ASLA Principal
Warren Barnes, Associate Thomas W. Conroy, Associate Robert J. Dietz, ASLA Associate
Nathan Rose, RLA Associate Jeanette T. Hill, ASLA Associate

Site Design – South

The overall site can be separated into three distinct zones. The southern third, which extends from Coronado Street to the existing gravel parking lot, is a densely vegetated area surrounding the Burnham Creek drainage. (Only a portion of this part of the site is shown on the plan.)

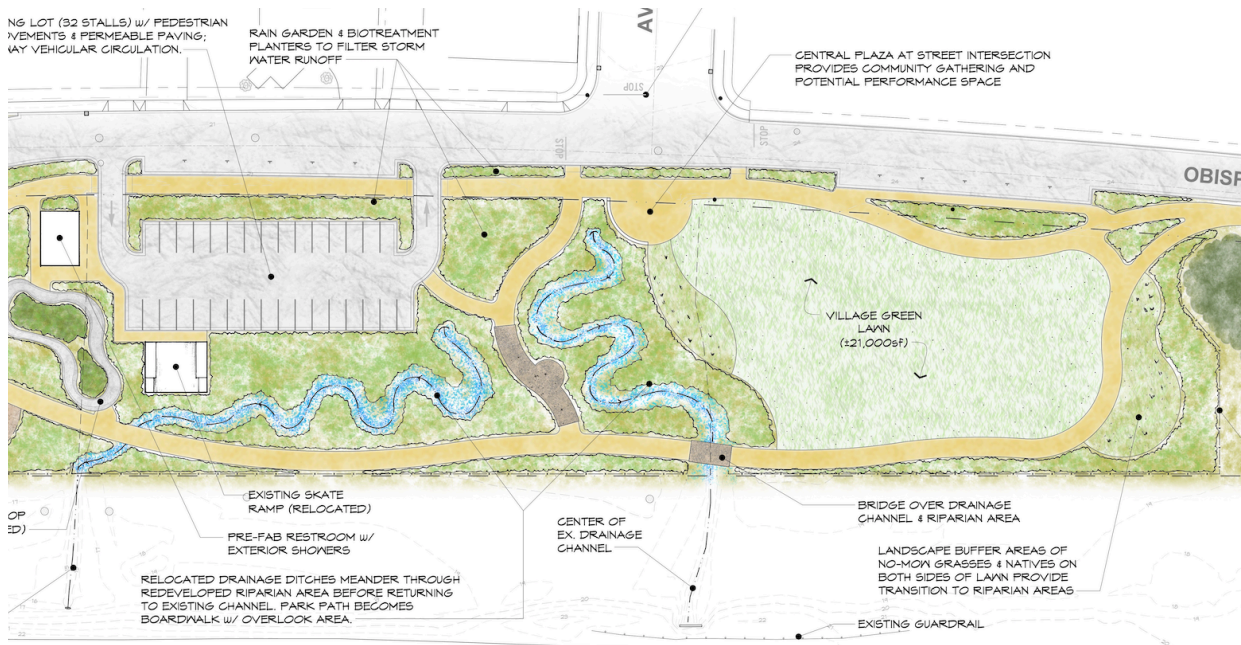
This area is largely untouched by the proposed site improvements, with the exception of a permeable trail that extends from the Coronado Street crosswalk up to Obispo Road, and along the Obispo Road shoulder until it meets the central portion of the site. A well-delineated trail will encourage beachgoers and park users to cross Highway 1 at the existing stoplight, rather than making the unsafe, informal crossings common now.



The entirety of this proposed trail is within San Mateo County’s right-of-way, but the county has expressed support for its installation, as they share the goal of improving safe crossings to the beach.

Site Design – Central

The center of the site is the most active part of the park. Just north of the Burnham Creek riparian zone, a large “Village Green” lawn, surrounded by a walking path, covers the entirety of the existing gravel parking lot. This large lawn flows north to meet a central gathering plaza located at the end of Avenue Portola. The central plaza is a multi-purpose space providing opportunities for small groups to meet, community events to be focused, and small performances to occur. A combination of built-in and moveable seating provides options for differently sized groups to feel comfortable.



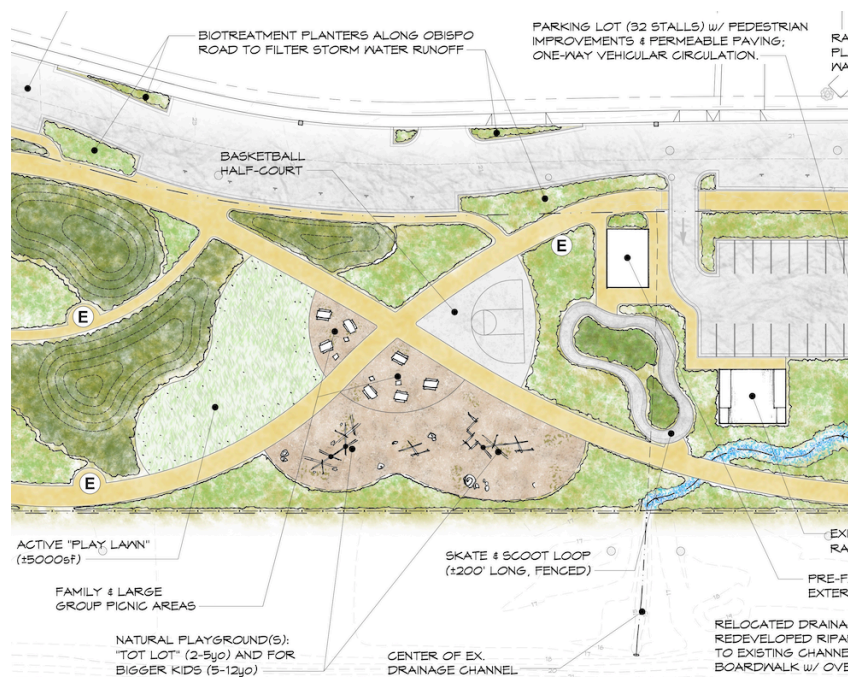
The existing, deeply-incised central drainage channel that extends from Avenue Portola is relocated from its current location slightly to the north, its channel both widened and realigned to increase sinuosity, allowing for more stormwater percolation and filtration. The area surrounding this meandering drainage will be a much more robust and dynamic riparian zone, with opportunities for educational signage and viewing/seating areas.

Further to the north, a thirty-three stall lot provides on-site parking, with another ± 30 formal street parking stalls included along Obispo Road. All parking areas are designed to be permeable, a best practice encouraged by the San Mateo County Green Infrastructure Design Guide, though road surfaces and drive aisles will likely be a more durable surface. Surrounding this parking lot and the related improvements to Obispo Road are several curbside biotreatment planters. These planters are designed to be the first opportunity for native shrubs and grasses to filter and treat runoff before water enters the expanded on-site drainage channels.

To the west of the parking lot is another new riparian zone. The northern ditch is moved from its existing deeply-incised, narrow east-west channel to become a broad, meandering drainage that increases stormwater filtration and groundwater recharge before entering the ocean. Like with the newly enhanced central drainage, the area surrounding this new channel will be a robust mix of native riparian vegetation. The pathway that separates the two new drainages is a boardwalk to allow for comfortable passage during extreme wet weather, and to allow park users to safely view the dynamic environment of a healthy riparian zone.

Adjacent to parking lot is a restroom facility, with optional exterior showers for beachgoers. Significant plating areas will occur on the east and north sides of this building in order to reduce visibility of the building from off-site. Nearby is the “skate and scoot” area, with the relocated skate ramp and a new ribbon track for younger skaters.

To the north of the parking lot the wide perimeter pathways intersect, and this crossroads is the nexus of the most active spaces in the park. A basketball half-court, group and family picnic areas, separate play structure areas for tots and bigger kids, and a large play lawn all extend from the crossing pathways. The play structures are designed to be “Nature Play” areas, with wood timbers, boulders, and natural materials rather than brightly colored plastic and metal parts.



Site Design — North

The northern part of the park is a serene, pastoral expanse of gently rolling, mounded landforms covered with a mix of native grasses and shrubs, with scattered pockets of more detailed plantings. Weaving through the mounds are a mix of wide “primary” mixed-use pathways 8-10’ wide and narrower, secondary pathways 4-5’ in width, in order to accommodate a broad mix of park users: walkers, joggers, and bikers; solo visitors and larger groups; families, friends, and strangers.



In various places along the pathways, exercise stations are located to provide outdoor fitness opportunities. At least eight of these stations could be placed in the northern part of the site, with opportunity for expansion around the Village Green to the south. These fitness stations should reflect the same use of natural materials as the kids' play structures.

Tucked into private nooks carved out of the mounds are picnic areas designed to accommodate small groups. These private picnic areas are relatively sheltered from wind due to low gabion walls that retain the adjacent landforms, and have been sited to avoid direct lines of site from one another, yet maintaining views to the ocean. A public bocce court is also central in this area, with adjacent space available for horseshoes or croquet.

At the northeastern corner of the park, a small single-use restroom facility is bunkered into the adjacent mound to reduce visibility. A satellite restroom facility in this location is far more convenient for families with small children, or those in the midst of an exercise circuit, than the larger facility by the parking lot in the center of the park.

Next Steps

If the Board approves this Preliminary Landscape Plan, the next step is to incorporate any feedback received into a final Master Plan for review and approval prior to developing a complete submittal to the County for a Coastal Development Permit, Use Permit and general review for conformance to County codes and land use requirements. During the County's review process a CEQA Initial Study will be performed to review the potential environmental (biological, cultural, etc.), noise, and traffic impacts from the project.

At the time of our meeting with County planning staff in mid-March, Steve Monowitz suggested that it was possible for their review process to take as little as six months from the time of submittal, though all agreed that was a rather optimistic projection. The adjustments proposed to the existing drainage channels will likely require further hydrological study to ensure that adequate capacity is maintained, but the goal of improved water quality resulting from the modifications was lauded by our partners at the Resources Conservation

District. Their team has been tremendously helpful in identifying potential environmental “red flags”, and we’re fortunate to have their advice.

We look forward to the opportunity to provide further insight on the development of the park concepts and upcoming regulatory process at the public meeting on June 18.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Conroy", with a long, sweeping flourish extending to the right.

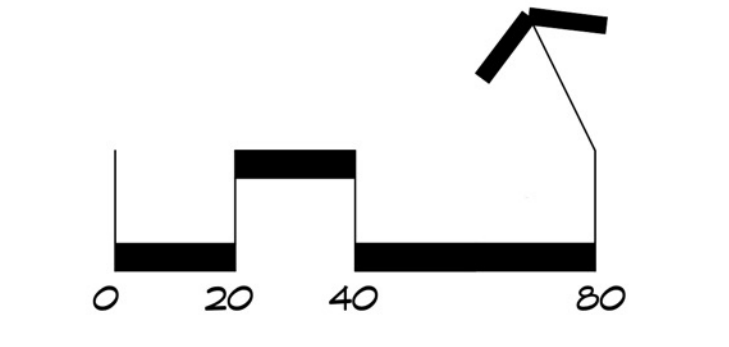
Tom Conroy
Associate

BURNHAM PARK

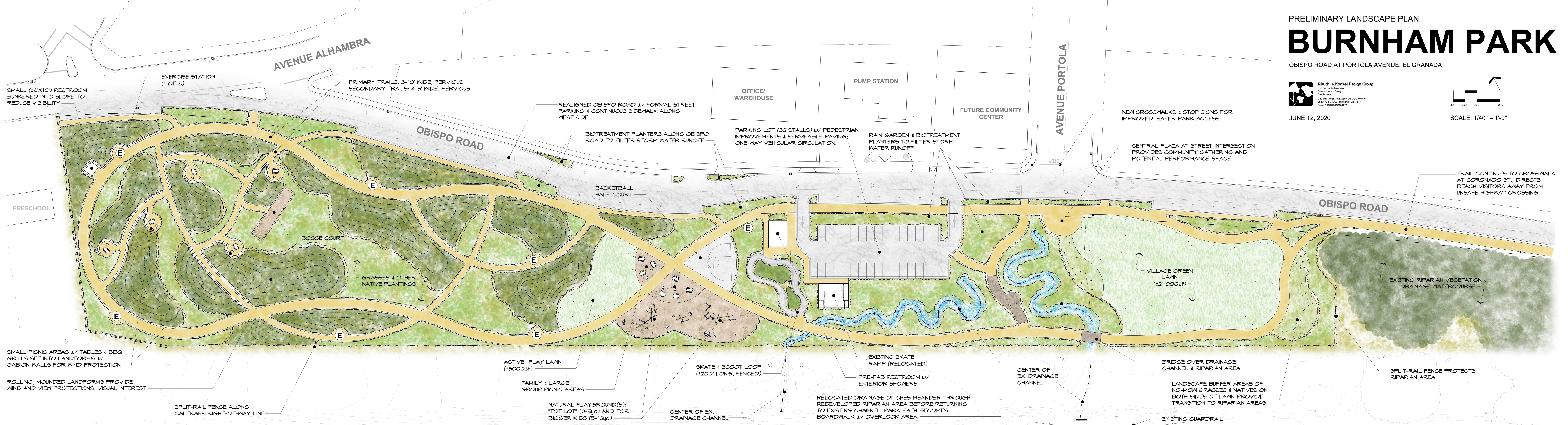
OBISPO ROAD AT PORTOLA AVENUE, EL GRANADA



JUNE 12, 2020



SCALE: 1/40" = 1'-0"



SMALL (±8'X10') RESTROOM BUNKERED INTO SLOPE TO REDUCE VISIBILITY

EXERCISE STATION (1 OF 2)

PRIMARY TRAILS: 8-10' WIDE, PERVIOUS
SECONDARY TRAILS: 4-5' WIDE, PERVIOUS

REALIGNED OBISPO ROAD W/ FORMAL STREET PARKING & CONTINUOUS SIDEWALK ALONG WEST SIDE

OFFICE/ WAREHOUSE

PUMP STATION

FUTURE COMMUNITY CENTER

AVENUE PORTOLA

NEW CROSSWALKS & STOP SIGNS FOR IMPROVED, SAFER PARK ACCESS

CENTRAL PLAZA AT STREET INTERSECTION PROVIDES COMMUNITY GATHERING AND POTENTIAL PERFORMANCE SPACE

TRAIL CONTINUES TO CROSSWALK AT CORONADO ST., DIRECTS BEACH VISITORS AWAY FROM UNSAFE HIGHWAY CROSSING

PRESCHOOL

BOCCE COURT

GRASSES & OTHER NATIVE PLANTINGS

BASKETBALL HALF-COURT

PARKING LOT (32 STALLS) W/ PEDESTRIAN IMPROVEMENTS & PERMEABLE PAVING; ONE-WAY VEHICULAR CIRCULATION.

RAIN GARDEN & BIOTREATMENT PLANTERS TO FILTER STORM WATER RUNOFF

BIOTREATMENT PLANTERS ALONG OBISPO ROAD TO FILTER STORM WATER RUNOFF

OBISPO ROAD

VILLAGE GREEN LAWN (±21,000sf)

EXISTING RIPARIAN VEGETATION & DRAINAGE WATERCOURSE

SMALL PICNIC AREAS W/ TABLES & BBQ GRILLS SET INTO LANDFORMS W/ GABION WALLS FOR WIND PROTECTION

ROLLING, MOUNDED LANDFORMS PROVIDE WIND AND VIEW PROTECTIONS, VISUAL INTEREST

SPLIT-RAIL FENCE ALONG CALTRANS RIGHT-OF-WAY LINE

ACTIVE "PLAY LAWN" (±5000sf)

FAMILY & LARGE GROUP PICNIC AREAS

NATURAL PLAYGROUND(S): "TOT LOT" (2-5yo) AND FOR BIGGER KIDS (5-12yo)

CENTER OF EX. DRAINAGE CHANNEL

SKATE & SCOOT LOOP (±200' LONG, FENCED)

EXISTING SKATE RAMP (RELOCATED)

PRE-FAB RESTROOM W/ EXTERIOR SHOWERS

RELOCATED DRAINAGE DITCHES MEANDER THROUGH REDEVELOPED RIPARIAN AREA BEFORE RETURNING TO EXISTING CHANNEL. PARK PATH BECOMES BOARDWALK W/ OVERLOOK AREA.

CENTER OF EX. DRAINAGE CHANNEL

BRIDGE OVER DRAINAGE CHANNEL & RIPARIAN AREA

LANDSCAPE BUFFER AREAS OF NO-MOW GRASSES & NATIVES ON BOTH SIDES OF LAWN PROVIDE TRANSITION TO RIPARIAN AREAS

EXISTING GUARDRAIL

SPLIT-RAIL FENCE PROTECTS RIPARIAN AREA

ITEM #3

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA NOTICE

There are no documents for this Agenda Item.

ITEM #4

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors

From: Chuck Duffy, General Manager

Subject: Sewer Authority Mid-Coastside FY 2020/21 General Budget

Date: June 18, 2020

The attached Sewer Authority Mid-Coastside General Budget was approved by the SAM board at their May 11 meeting for circulation to the member agencies for their consideration, based upon the recommendation of the SAM General Manager after discussions with the member agency managers. GCSD's share of the General Budget is slated to go down approximately \$164,000, or a 9% reduction from the prior year.



SEWER AUTHORITY MID-COASTSIDE

T0: Board of Directors

FROM: Kishen Prathivadi, General Manager

SUBJECT: **Discuss proposed General Budget for Fiscal Year 2020-21 and Authorize the General Manager to submit it to Member Agencies for Approval.**

Executive Summary

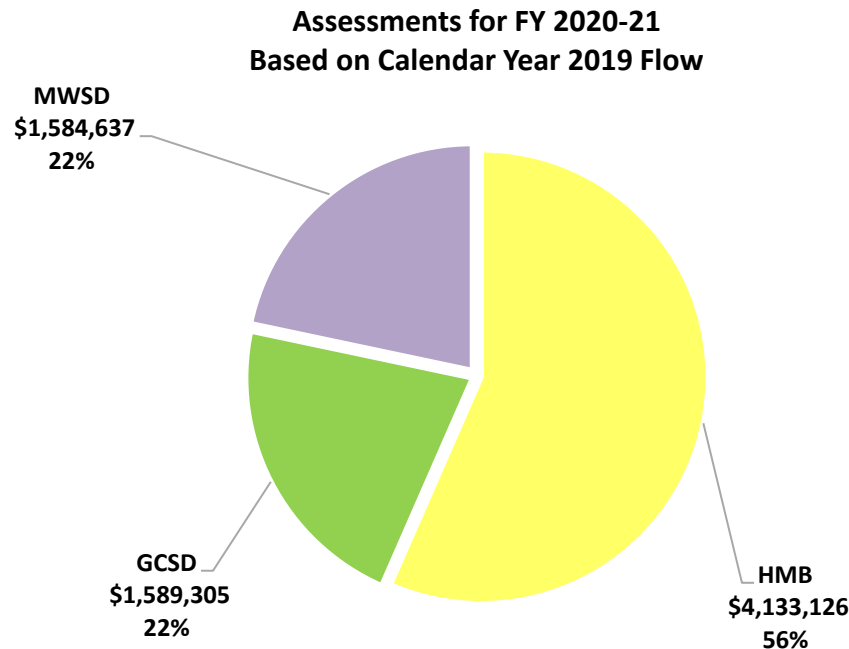
The purpose of this report is to discuss the proposed General Budget for Fiscal Year 2020-21 and Authorize the General Manager to submit it to Member Agencies for Approval.

Fiscal Impact

The operation and maintenance expenditure budget for Fiscal Year 2020/21 is \$7.4 million, including infrastructure project expenses. This is an *overall decrease* of \$190,000 from the FY 2019/20 adopted budget, which is primarily due to decreasing wages and benefits by \$250,000 and reducing the infrastructure budget by \$0.5M partly offset by increases in professional and legal services. The impact, net of miscellaneous revenues of \$138,000, to the member agency assessments is:

Assessments for Each Member Agency

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|---------------|----------------------|----------------------|-----------------------|------------------------|-----------------------------------|-------|
| Half Moon Bay | \$ 3,461,445 | \$ 3,542,142 | \$ 4,131,899 | \$ 4,133,126 | \$ 1,226 | 0% |
| Granada CSD | \$ 1,527,134 | \$ 1,532,891 | \$ 1,753,394 | \$ 1,589,305 | \$ (164,090) | -9% |
| Montara WSD | \$ 1,324,462 | \$ 1,316,715 | \$ 1,529,139 | \$ 1,584,637 | \$ 55,498 | 4% |
| | \$ 6,313,041 | \$ 6,391,748 | \$ 7,414,433 | \$ 7,307,067 | \$ (107,366) | -1.4% |



Strategic Plan Compliance

The recommendations in the proposed budget comply with SAM Strategic Plan Goal 3: *“Consider long-term costs and ensure that finances are stable and understandable by the board, member agencies, and the public.”*

Background and Discussion/Report

The General Budget includes all operation and maintenance (O&M) costs for SAM and are allocated to four divisions (Administrative Services, Treatment, Environmental Compliance, and Infrastructure). The proposed budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

Staff made the following assumptions in determining changes from the FY 2020/21 adopted budget.

- Projects in the SAM Board of Directors approved FY 2020-2021 Infrastructure Plan will be implemented, except for five projects totaling \$0.66M that are proposed to be deferred.
- The positions of Engineering & Construction Contracts Manager and Accounting Technician have been defunded.
- All applicable merit step increases will be earned per the MOU with Local No. 39.
- All authorized positions are funded. Salaries for filled positions are estimated at one step up and for currently vacant positions are estimated at mid-step.

- All services, supplies, and utilities will be increased by a 3% CPI unless specific adjustment was deemed necessary based on actual experience or known factors.
- Removed overhead charge of approximately \$180,000 to collection contract services.

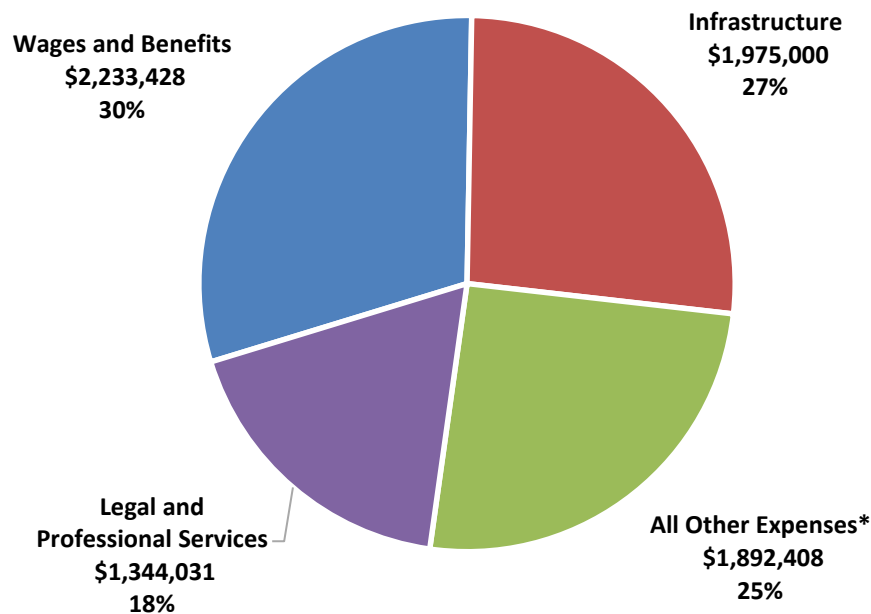
Budget Overview

The General Budget, including the proposed infrastructure projects, has been discussed by the member agency managers. The presentation today is for the Board to review and follow-up with agency staff and government leaders for comment. Approval of the proposed budget will take place later.

Of the total General Budget of \$7.44 million, \$2.233 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$1.975 million (27%). Professional, Engineering and Legal services is \$1.344 million (18%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services.

All other expenses (liability insurance, professional memberships, uniform services, conferences, training, permits, licenses, etc.) make up approximately 25% of the total budget.

**Expense by Category
Total \$7.44 million**



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

The most significant changes in the Administrative Services division budget are the defunding of the accounting technician position (\$116,000) resulting in a net reduction of \$80,000 in wages and benefits and increasing the legal and professional services (\$160,000) to respond to the recent litigation and to outsource key accounting functions.

The most significant changes in the Treatment division budget are defunding of the Engineering & Construction Contracts Manager position resulting in a net decrease of \$117,538 in wages and benefits, increases in professional services and engineering (\$363,000), building and maintenance services (\$90,000), and a reduction in equipment purchases (\$120,000).

The Infrastructure division decreased by \$0.5 million from \$2.485 million in Fiscal Year 2019/20 to \$1.993 million (conservative scenario) in FY 2020/21 to address critical and urgent projects identified in the approved FY 2020-2021 Capital Improvement Plan.

Changes in Expenses

The significant overall changes in the expense categories are as follows. The numbers are correlated to the line items on the budget spreadsheets.

1. Wages: net decrease of \$198,484 to reflect the defunding of the Accounting Technician and Engineering & Construction Contracts Manager positions, negotiated COLA, and application of step increases, where appropriate.
2. Premium Pay: increased \$775 for negotiated changes in standby pay, certification pay, and overtime pay.
3. Health Benefits: decreased \$60,673 based on the negotiated health premiums and the net decrease in staffing.
4. Retirement Contributions: increased \$24,348 primarily due to the underestimation of retirement costs related to the unfunded liability portion in the prior year's budget.
5. Retirement Medical: increased \$1,021 for contributions as negotiated in the MOU and the Unrepresented Employees.
6. Misc. Benefits: decreased \$16,629 for benefits as negotiated in the MOU and the Unrepresented Employees.
7. Personnel Subtotal: total decrease in personnel costs is \$251,684 (-10%) primarily due to defunding of two positions.
8. Legal Services: increased \$47,500 based on anticipated expenses for FY 2020/21 (does not include any expense related to the HMB lawsuit).

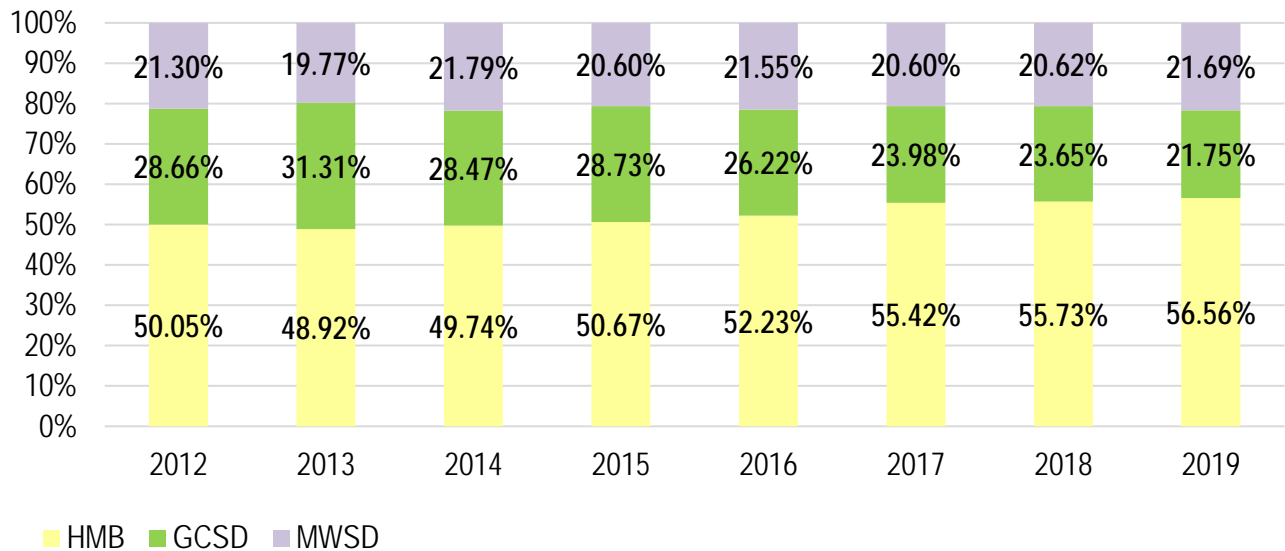
9. Engineering Services: decreased \$367,000 for design and project management services for projects identified in the Infrastructure/Capital Improvement Plan with the engineering costs reclassified into the infrastructure project budgets.
10. Professional Services: increased \$344,222 to reflect increased reliance on contractors and one-time expenses (such as GIS software hosting, electrical maintenance, safety training, etc.)
11. Professional Memberships: increased \$990 based on current year spending.
12. Insurance Premiums: increased \$42,000 to reflect anticipated increases in property, liability, pollution, and professional liability premiums.
13. Misc. Expenses: increased \$34,463 to reflect current needs year-to-date.
14. Utilities: increased \$39,965 for electricity, gas, and water to reflect current costs.
15. Travel & Training: decreased \$1,437 based on existing training needs of staff and participation in industry conferences for management team.
16. Equipment Rental: decreased \$29,685 to reflect reduced expenses to reflect actual rent experience in the current year.
17. Building & Maintenance Services: increased \$101,453 for contractors to perform necessary maintenance tasks at the treatment plant and pump stations.
18. Chemicals: increased \$5,520 based on anticipated expenses to reflect actual recent experience and expected vendor increases.
19. Permits & Licenses: decreased \$5,500 based on current spending.
20. Supplies: decreased \$833 based on current spending.
21. Equipment: decreased \$89,445 to reflect anticipated needs
22. Infrastructure: decreased \$60,000 to address the projects identified in the approved FY2020-2021 Capital Improvement Plan budget, including engineering costs.
23. Claims/Penalties: increased \$105 based on CPI increase of 3%.
24. Non-Personnel Subtotal: total increase in non-personnel costs is \$62,319 (1%).

Revenue Allocation

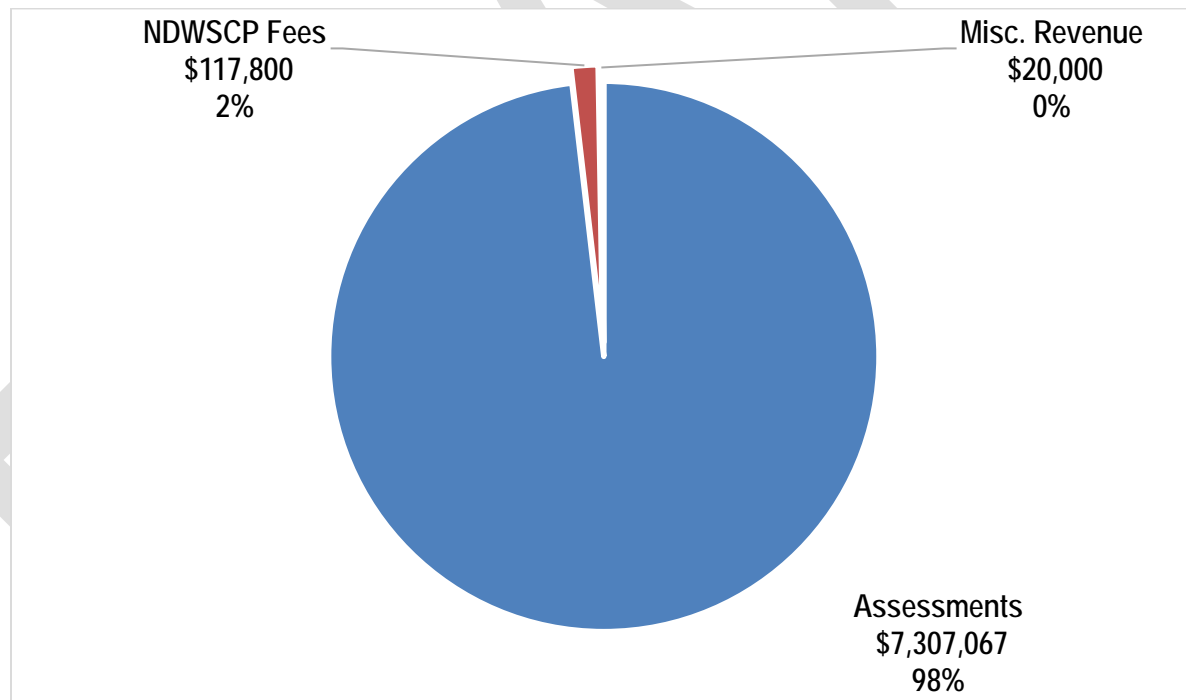
Of the total O & M revenue, the majority (98%) is from assessments paid by the JPA

member agencies. The allocation between the agencies is based on the flow from the preceding calendar year. The flow allocations fluctuate from year to year.

Historical Flow Allocations



The remaining revenue comes from the Non-Domestic Waste Source Control Program fees (2%), and miscellaneous revenue (0%).



Fiscal Reserve

The Authority has two types of reserves identified in its reserve policy – Emergency Repair Reserve) and Operating Reserve. The specific requirements for those reserves are as follows:

Emergency Repair Reserve

1. Objective: To ensure that adequate cash is available to stabilize and avoid sudden

budget impacts in a particular year from material, unplanned repairs or replacements that require immediate attention to continue operations.

Target: An emergency reserve of \$1,250,000. If and to the extent the reserve is used, a plan for replenishment will be presented by the SAM Manager to the Board within 60 days.

Uses:

- a. A repair or replacement resulting from an event causing sudden, significant failure of facilities that threatens continuation of operations.*
- b. Any repair or replacement which was scheduled to commence in a future fiscal year, but is critical to complete earlier than planned in order to insure continuation of operations, with Board approval.*

Operating Reserve

1. Objective: To ensure that adequate cash is available when needed to pay SAM's normal and recurring operating costs.

Target: An operating and cash flow reserve equal to two months of the fiscal year budgeted operating expenses.

Uses: Payment of budgeted operating expenditures.

SAM maintains their reserve in cash accounts (LAIF, Money Market and checking)

Staff Recommendation

Staff recommends that the Board of Directors review the budget with their respective staff and contemporaries and return comments to the SAM General Manager on or before May 20, 2020 for evaluation and approve a final budget before June 1, 2020.

Supporting Documents

Attachment A: SAM General Budget for FY 2020/21



General Budget
Fiscal Year 2020/21

OPERATIONS BUDGET



EXECUTIVE SUMMARY

The Joint Exercise of Powers Agreement (Agreement) that created SAM and governs its day-to-day operations specifies that “The total expenses of operation and maintenance shall be shared in a manner based on flows into the single consolidated plant. The General Budget is divided into Administrative Services, Treatment, Environmental Compliance, and Infrastructure.

The General Budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non- discretionary expenses.

JPA Income & Expenses – General Budget

| | | |
|---|-----------|---------------------|
| Operating Income | | |
| Assessments - City of Half Moon Bay | 4,133,126 | |
| Assessments - Granada Community Services District | 1,589,305 | |
| Assessments - Montara Water & Sanitary District | 1,548,637 | |
| Interest Income | 20,000 | |
| NDWSCP Fees | 117,800 | |
| Total Operating Income | | \$ 7,444,867 |
| Operating Expenses | | |
| Wages | 1,427,794 | |
| Benefits | 805,634 | |
| Legal Services | 150,000 | |
| Engineering Services | 100,000 | |
| Professional & Technical Services | 1,094,031 | |
| Professional Memberships | 34,090 | |
| Insurance Premiums | 105,000 | |
| Miscellaneous Expenses | 75,736 | |
| Utilities | 561,173 | |
| Travel & Training | 42,164 | |
| Equipment Rental/Lease | 110,815 | |

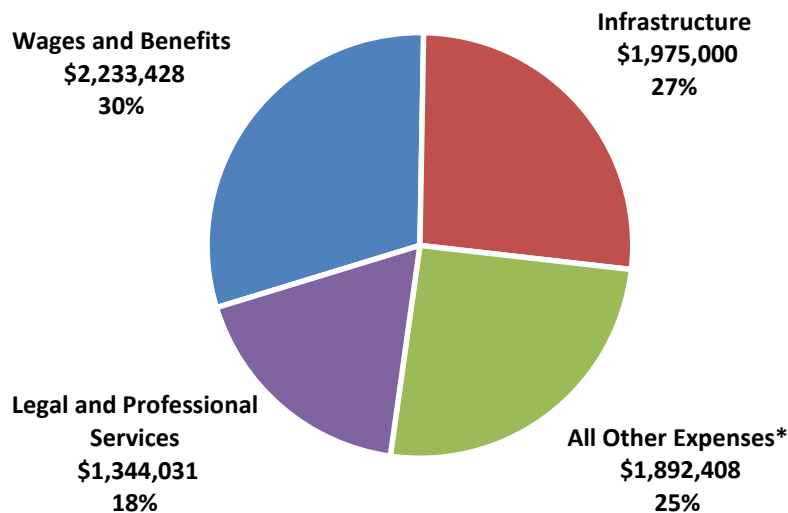
GENERAL BUDGET FISCAL YEAR 2019/20

| | | |
|---|-----------|--------------|
| Building & Maintenance Services | 329,553 | |
| Chemicals | 189,520 | |
| Permits & Licenses | 27,500 | |
| Supplies | 104,198 | |
| Equipment | 309,055 | |
| Infrastructure Projects | 1,975,000 | |
| Claims & Penalties | 3,605 | |
| Total Expenses | | \$ 7,444,867 |
| Total Operating Expenses (less Infrastructure) | | \$ 5,469,867 |
| Contribution to Reserve Funds (Revenues less Expenses) | | \$ 0 |

The overall decrease from the adopted budget for Fiscal Year 2019/20 to the proposed budget for Fiscal Year 2020/21 is \$190,000 (-2%). This is primarily due to a decrease in infrastructure and increase in professional and legal services in addition to COLA and CPI adjustments net of defunding two positions (approximately \$280,000).

Of the total General Budget, \$2.233 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$1.975 million (27%). Engineering, Legal, and Professional Services is \$1.344 million (18%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services. Other expenses (including Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims) represent 25% of the budget.

Expense by Category Total \$7.44 million



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

Division Budgets by Fiscal Year

| | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 | \$ | % |
|-----------------|---------------------|------------------|--------------------|--------------------|---------------------|---------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Adopted</u> | <u>Proposed</u> | <u>Change</u> | <u>Change</u> |
| Administration | \$1,155,846 | \$1,573,851 | \$1,249,451 | \$1,355,424 | \$ 105,973 | 8% |
| Treatment | \$2,994,735 | \$3,457,677 | \$3,678,880 | \$3,936,735 | \$ 257,856 | 7% |
| Environmental | \$ 151,643 | \$ 133,563 | \$ 220,902 | \$ 159,910 | \$ (60,993) | -28% |
| Infrastructure | <u>\$ 3,047,274</u> | <u>\$792,677</u> | <u>\$2,485,000</u> | <u>\$1,992,799</u> | <u>\$ (492,201)</u> | <u>-20%</u> |
| Total | \$7,349,498 | \$5,957,769 | \$7,634,233 | \$7,444,867 | \$(189,365) | -2% |
| Total Operating | \$4,302,224 | \$5,165,092 | \$5,149,233 | \$5,469,867 | \$320,634 | 6% |

The Administrative Services division increased \$105,973 (8%). The net increase is a result from the COLA adjustment of 4% and an overall increase in professional and legal services from the prior year and defunding of the Accounting Technician position.

The Treatment division increased \$257,856 (7%), which is mostly due to the COLA increase of 4%, shift in unfunded PERS liability from the administrative services division, and increased budget for professional services and defunding of the Engineering & Construction Contracts Manager position.

The Environmental Compliance division budget decreased \$60,993 (-28%) primarily due to reduction in professional services based on year-to-date expenditures.

The Infrastructure division decreased \$0.5 million to address the projects in the approved FY2020-2021 Capital Improvement Plan, with the exception of five non urgent projects totaling \$0.66 million. This amount is inclusive of engineering project costs.

BUDGET ALLOCATION AND ASSESSMENTS

The Joint Exercise of Powers Agreement (JEPA) stipulates that the total expenses of operation and maintenance of all of the components of the Present Project (intertie pipeline and attendant pump facilities, ocean outfall, treatment plant) shall be shared in a manner based on flows.

Flow Results for Budget Allocations*

| | HMB | GCS D | MWSD | |
|-------------------|--------------|--------------|--------------|-------------------------------|
| FY 2020/21 | 56.6% | 21.8% | 21.7% | (Based on Calendar Year 2019) |
| FY 2019/20 | <u>55.7%</u> | <u>23.6%</u> | <u>20.6%</u> | (Based on Calendar Year 2018) |
| Variance | 0.9% | -1.8% | 1.1% | |

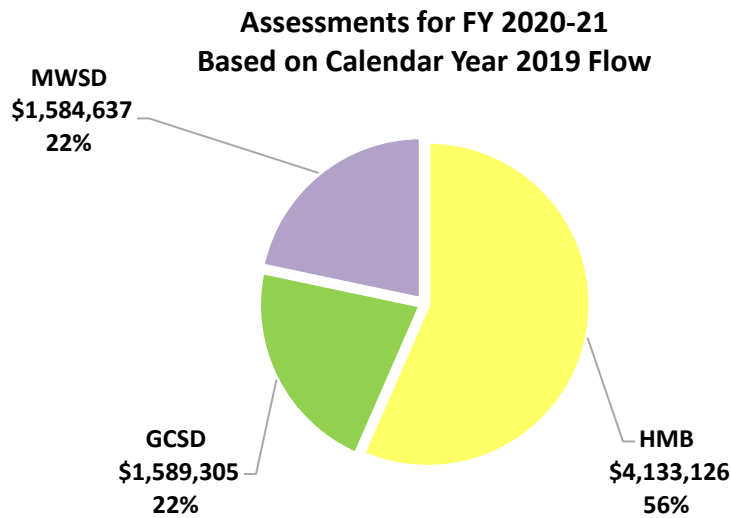
*The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

GENERAL BUDGET FISCAL YEAR 2020/21

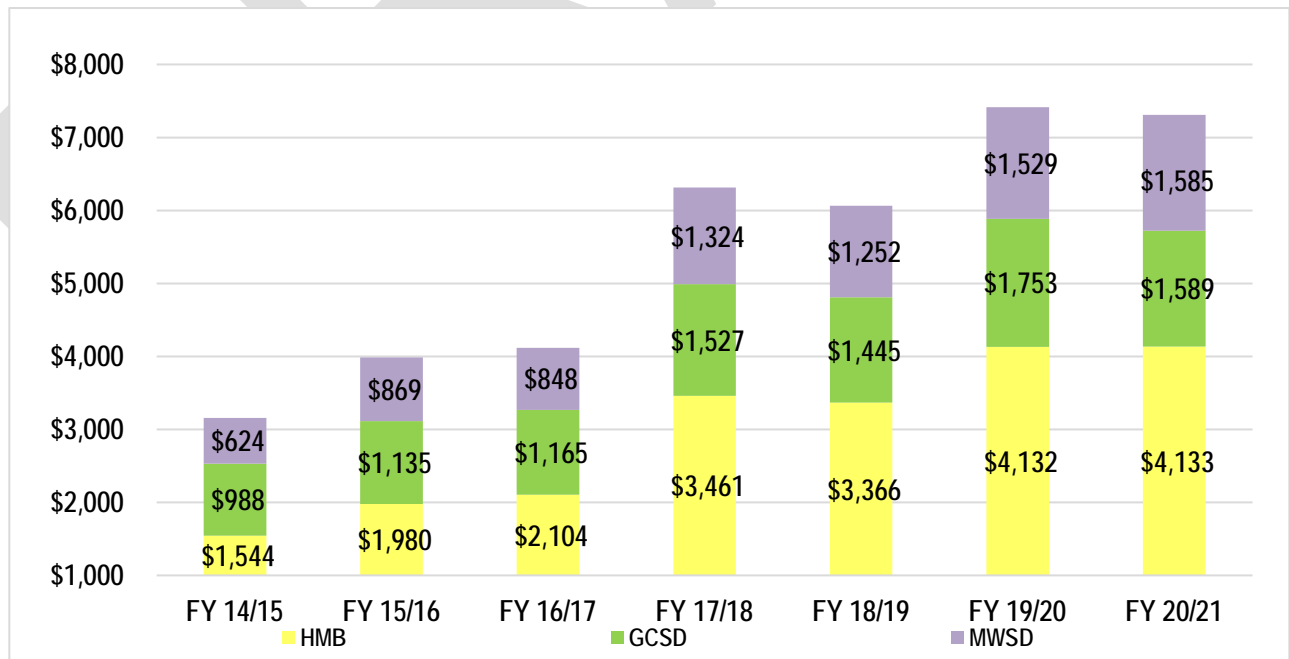
Total Assessments for Each Member Agency*

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|---------------|----------------------|----------------------|-----------------------|------------------------|-----------------------------------|-------|
| Half Moon Bay | \$ 3,461,445 | \$ 3,542,142 | \$ 4,131,899 | \$ 4,133,126 | \$ 1,226 | 0% |
| Granada CSD | \$ 1,527,134 | \$ 1,532,891 | \$ 1,753,394 | \$ 1,589,305 | \$ (164,090) | -9% |
| Montara WSD | \$ 1,324,462 | \$ 1,316,715 | \$ 1,529,139 | \$ 1,584,637 | \$ 55,498 | 4% |
| | \$ 6,313,041 | \$ 6,391,748 | \$ 7,414,433 | \$ 7,307,067 | \$ (107,366) | -1.4% |

* The assessments to the Member Agencies are rounded to nearest dollar.



Assessments History by Agency (in 1,000's)



STAFFING

SAM continues to keep staffing levels as low as possible in order to hold costs down. This results in less impact on Member Agency assessments and lower rates to the end users. SAM struggles with filling vacant positions with qualified persons due to the requirement for Operations, Maintenance and Collections staff to live within 60 minutes of the service area in order to respond to emergency callouts. The high cost of living in the bay area and on the mid-coast makes it difficult to replace retiring staff and other vacancies as new employees are often unable to find suitable housing in an area that allows them to comply with the 60 minute response requirement. SAM will continue to develop programs to retain employees that are able to start in lower level positions and grow within SAM as positions that require higher skill levels open and provides opportunity for staff to make higher wages. The development of a succession plan and staff training programs are underway and over time will help with this challenge.

The following table reflects the operating staff level for SAM over the past six years.

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----|---------|---------|---------|---------|---------|---------|-------------------|
| JPA | 8.85 | 8.525 | 10.75 | 11.00 | 13.00 | 14.00 | 12.0 ¹ |

¹FY 2020-21 staffing reflects defunded positions of Accounting Technician and Engineering & Construction Contracts Manager.

GENERAL BUDGET FISCAL YEAR 2020/21

OVERALL OPERATIONS BUDGET SUMMARY

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|-----------------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|------|
| EXPENDITURES | | | | | | | |
| <u>Personnel</u> | | | | | | | |
| 1 Wages | 1,225,723 | 1,443,587 | 1,626,278 | 1,457,296 | 1,427,794 | (198,484) | -12% |
| 2 Premium Pay | 73,243 | 62,748 | 85,700 | 112,758 | 86,475 | 775 | 1% |
| 3 Health Benefits | 255,994 | 299,804 | 343,982 | 273,344 | 283,309 | (60,673) | -18% |
| 4 Retirement Cont. | 145,698 | 294,314 | 296,658 | 278,164 | 321,006 | 24,348 | 8% |
| 5 Retiree Med/OPEB | 22,331 | 32,415 | 35,628 | 29,066 | 34,607 | (1,021) | -3% |
| 6 Misc. Benefits | 58,682 | 76,678 | 96,866 | 77,779 | 80,237 | (16,629) | -17% |
| 7 Subtotal | 1,781,671 | 2,209,545 | 2,485,113 | 2,228,407 | 2,233,428 | (251,684) | -10% |
| <u>Non-Personnel</u> | | | | | | | |
| 8 Legal Services | 98,537 | 282,251 | 102,500 | 316,210 | 150,000 | 47,500 | 46% |
| 9 Engineering Services | 292,396 | 237,689 | 467,000 | 182,235 | 100,000 | (367,000) | -79% |
| 10 Professional Services | 680,764 | 911,700 | 749,809 | 943,195 | 1,094,031 | 344,222 | 46% |
| 11 Prof. Memberships | 38,670 | 30,724 | 33,100 | 113,369 | 34,090 | 990 | 3% |
| 12 Insurance Premiums | 205,646 | 107,808 | 63,000 | 156,845 | 105,000 | 42,000 | 67% |
| 13 Misc. Expenses | 44,656 | 55,777 | 41,273 | 77,267 | 75,736 | 34,463 | 84% |
| 14 Utilities | 425,533 | 584,894 | 521,208 | 535,386 | 561,173 | 39,965 | 8% |
| 15 Travel & Training | 16,054 | 40,306 | 43,600 | 38,898 | 42,164 | (1,437) | -3% |
| 16 Equipment Rental | 169,149 | 133,766 | 140,500 | 72,435 | 110,815 | (29,685) | -21% |
| 17 Bldg & Maint Services | 281,465 | 320,185 | 228,100 | 353,244 | 329,553 | 101,453 | 44% |
| 18 Chemicals | 131,994 | 186,273 | 184,000 | 192,332 | 189,520 | 5,520 | 3% |
| 19 Permits & Licenses | 51,194 | 23,588 | 33,000 | 40,302 | 27,500 | (5,500) | -17% |
| 20 Supplies | 61,412 | 89,193 | 105,031 | 101,704 | 104,198 | (833) | -1% |
| 21 Equipment | 1,067,664 | 532,350 | 398,500 | 681,367 | 309,055 | (89,445) | -22% |
| 22 Infrastructure Projects | 1,952,693 | 208,443 | 2,035,000 | 101,974 | 1,975,000 | (60,000) | -3% |
| 23 Claims/Penalties | - | 3,275 | 3,500 | - | 3,605 | 105 | 3% |
| 24 Subtotal | 5,517,827 | 3,748,224 | 5,149,120 | 3,906,763 | 5,211,439 | 62,319 | 1% |
| 25 TOTAL | 7,299,498 | 5,957,769 | 7,634,233 | 6,135,170 | 7,444,867 | (189,365) | -2% |

Key Changes

GENERAL BUDGET FISCAL YEAR 2020/21

| | |
|--|--------------|
| Personnel costs: net decrease as a result of the eliminated two positions | \$ (251,684) |
| Engineering services: net decrease in miscellaneous engineering, accounted for in infrastructure | \$ (367,000) |
| Legal services: net increase as a result of ongoing and potential legal cases and due to underbudgeting in prior fiscal year | \$ 47,500 |
| Professional services: net increase driven by year-to-date actuals | \$ 344,222 |
| Insurance premiums: net increase due to underbudgeting in prior fiscal year | \$ 42,000 |
| All other operating expenses: net increase due to CPI and adjustments to other operating expenses | \$ 55,597 |
| Infrastructure: net decrease result of CIP (includes engineering costs, reclassified) | \$ (60,000) |

TOTAL GENERAL OPERATING EXPENDITURES BUDGET DECREASE \$ (189,365)

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|--|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|--|
|--|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|--|

REVENUE

By Type:

| | | | | | | | |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| JPA Assessments | 6,313,041 | 6,391,748 | 7,414,433 | 7,414,433 | 7,307,067 | (107,366) | -1% |
| NDWSCP Fees | 109,238 | 158,908 | 149,800 | 91,665 | 117,800 | (32,000) | -21% |
| Interest Earnings | 20,184 | 23,314 | 20,000 | 615 | 20,000 | - | 0% |
| Misc. Revenue | 66,827 | 183,200 | 176,530 | - | - | (176,530) | -100% |
| Total | 6,509,290 | 6,757,169 | 7,760,763 | 7,506,713 | 7,444,867 | (315,896) | -4.1% |

By Agency:

| | | | | | | | |
|---------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| Half Moon Bay | 3,461,445 | 3,542,142 | 4,131,899 | 4,131,899 | 4,133,126 | 1,226 | 0% |
| Granada CSD | 1,527,134 | 1,532,891 | 1,753,394 | 1,753,394 | 1,589,305 | (164,090) | -9% |
| Montara WSD | 1,324,462 | 1,316,715 | 1,529,139 | 1,529,139 | 1,584,637 | 55,498 | 4% |
| | 6,313,041 | 6,391,748 | 7,414,433 | 7,414,433 | 7,307,067 | (107,366) | -1.4% |

Key Changes

| | |
|---|------------------|
| Assessments reflect decreased funding for infrastructure projects, maintenance, staff | (107,366) |
| Reduction in FOG | (32,000) |
| Overhead revenue from Contract Services removed from General Budget | (176,530) |
| TOTAL GENERAL OPERATING BUDGET REVENUE DECREASE | (315,896) |

GENERAL BUDGET FISCAL YEAR 2020/21

FINANCIAL DETAILS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

| Budget Line # | FY 2019/20 | FY 2020/21 |
|---|--------------------|--------------------|
| 1. Wages Increased for COLA adjustments, step increases and staffing changes. | \$1,626,278 | \$1,427,794 |
| 2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times. | \$85,700 | \$86,475 |
| 3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees. | \$343,982 | \$283,309 |
| 4. Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA. | \$296,658 | \$321,006 |
| 5. Retiree Medical/OPEB Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums. | \$35,628 | \$34,607 |
| 6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan. | \$96,866 | \$80,237 |
| 7. Personnel Subtotal Subtotal of all wage and benefit costs. | \$2,485,113 | \$2,223,428 |
| 8. Legal Services Increased based on anticipated number of meetings special projects, and ongoing cases. | \$102,500 | \$150,000 |
| 9. Engineering Services Increased to provide design and project management related to treatment division. | \$17,000 | \$100,000 |

GENERAL BUDGET FISCAL YEAR 2020/21

| Budget Line # | FY 2019/20 | FY 2020/21 |
|--|-------------------|-------------------|
| 10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff. | \$749,809 | \$1,094,031 |
| 11. Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community. | \$33,100 | \$34,090 |
| 12. Insurance Premiums Property, liability, and pollution premiums based on utilization rates. | \$63,000 | \$105,000 |
| 13. Misc. Expenses Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite storage, postage, claims, copier, phone system support, etc.) not reflected in other categories. | \$41,273 | \$75,736 |
| 14. Utilities Electricity, water, telephone, solid waste, etc. | \$521,208 | \$561,173 |
| 15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices. | \$43,600 | \$42,164 |
| 16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.). | \$140,500 | \$110,815 |
| 17. Building & Maintenance Services Includes janitorial, landscaping, and other regular building maintenance services. | \$228,100 | \$329,553 |
| 18. Chemicals Includes chemicals used in the treatment of wastewater to meet regulatory standards. | \$184,000 | \$189,520 |

GENERAL BUDGET FISCAL YEAR 2020/21

| <u>Budget Line #</u> | <u>FY 2019/20</u> | <u>FY 2020/21</u> |
|---|--------------------|--------------------|
| 19. Permits & Licenses Annual costs for permits with local, regional and state agencies. | \$33,000 | \$27,500 |
| 20. Supplies Office, computer, breakroom, and safety supplies. | \$105,031 | \$104,198 |
| 21. Equipment Purchase Purchase of equipment use at SAM facilities not included in infrastructure projects. | \$398,500 | \$309,055 |
| 22. Infrastructure Projects Includes costs of projects included in 5-Year CIP. Includes engineering costs associated. Includes costs associated with projects that exceed \$50,000 each. | \$2,485,000 | \$1,975,000 |
| 23. Claims/Penalties Reflects claims expenses not covered by insurance. | \$3,500 | \$3,605 |
| 24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits. | \$5,149,120 | \$5,444,867 |
| 25. Total Total of all costs (sum of Personnel and Non-Personnel subtotals). | \$7,634,233 | \$7,444,867 |

ADMINISTRATIVE SERVICES

By Category

| | | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|----|-------------------------|----------------------|----------------------|-----------------------|------------------------|-----------------------------------|-----------|
| | EXPENDITURES | | | | | | |
| | Personnel | | | | | | |
| 1 | Wages | 481,408 | 472,383 | 522,759 | 444,357 | (78,402) | -15% |
| 2 | Premium Pay | 1,896 | 8,134 | 7,600 | 7,500 | (100) | -1% |
| 3 | Health Benefits | 87,037 | 75,085 | 98,532 | 66,623 | (31,909) | -32% |
| 4 | Retirement Cont. | 62,917 | 112,423 | 112,318 | 62,041 | (50,277) | -45% |
| 5 | Retiree Med/OPEB | 13,184 | 16,754 | 19,172 | 21,111 | 1,939 | 10% |
| 6 | Misc. Benefits | 18,812 | 20,666 | 25,207 | 14,944 | (10,263) | -41% |
| 7 | Subtotal | 665,254 | 705,447 | 785,588 | 616,576 | (169,012) | -22% |
| | Non-Personnel | | | | | - | |
| 8 | Legal Services | 93,089 | 276,663 | 102,500 | 150,000 | 47,500 | 46% |
| 9 | Engineering Services | - | - | 2,000 | - | (2,000) | -100% |
| 10 | Professional Services | 94,563 | 316,436 | 165,631 | 273,483 | 107,852 | 65% |
| 11 | Prof. Memberships | 27,586 | 25,324 | 25,000 | 25,750 | 750 | 3% |
| 12 | Insurance Premiums | 205,646 | 107,808 | 63,000 | 105,000 | 42,000 | 67% |
| 13 | Misc. Expenses | 13,034 | 26,685 | 16,751 | 46,479 | 29,728 | 177% |
| 14 | Utilities | 19,382 | 28,654 | 25,200 | 30,356 | 5,156 | 20% |
| 15 | Travel & Training | 7,444 | 16,664 | 17,500 | 18,025 | 525 | 3% |
| 16 | Equipment Rental | 13,567 | 12,475 | 10,500 | 10,815 | 315 | 3% |
| 17 | Bldg & Maint Services | 11,511 | 17,135 | 10,500 | 21,725 | 11,225 | 107% |
| 18 | Chemicals | - | - | - | - | - | |
| 19 | Permits & Licenses | - | - | - | - | - | |
| 20 | Supplies | 4,770 | 7,449 | 9,280 | 10,734 | 1,454 | 16% |
| 21 | Equipment | - | 29,836 | 12,500 | 42,875 | 30,375 | 243% |
| 22 | Infrastructure Projects | - | - | - | - | - | |
| 23 | Claims/Penalties | - | 3,275 | 3,500 | 3,605 | 105 | 3% |
| 24 | Subtotal | 490,592 | 868,405 | 463,863 | 738,848 | 274,985 | 59% |
| 25 | TOTAL | 1,155,846 | 1,573,851 | 1,249,451 | 1,355,424 | 105,973 | 8% |

Key Changes

| | |
|---|----------------|
| Wages: Result of net change of elimination of Accounting Technician | (78,402) |
| Medical, dental, vision premiums and misc. benefits: net decrease due to eliminated position benefits | (42,272) |
| Retirement: net decrease due to shift in unfunded liabilities allocation; PERS contribution rates increased by less than 1% | (50,277) |
| Professional services: increased based on actual year-to-date experience | 107,852 |
| Legal services: net increase due to continuing cases from prior year | 47,500 |
| Utilities, supplies, misc. expenses: increased by 3% CPI | 121,572 |
| TOTAL ADMINISTRATION EXPENDITURES BUDGET INCREASE | 105,973 |

GENERAL BUDGET FISCAL YEAR 2019/20

**ADMINISTRATIVE SERVICES
By Category**

| | | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|----|-------------------|----------------------|----------------------|-----------------------|------------------------|--------------------------------------|------------|
| | REVENUE | | | | | | |
| | By Type: | | | | | | |
| 26 | JPA Assessments | 816,375 | 1,799,447 | 1,249,451 | 1,335,424 | 85,973 | 7% |
| 27 | Contract Services | - | - | - | - | - | - |
| 28 | NDWSCP Fees | - | - | - | - | - | - |
| 29 | Misc. Fees | - | - | - | - | - | - |
| 30 | Interest Earnings | 20,184 | 23,314 | 20,000 | 20,000 | - | 0% |
| 31 | Misc. Revenue | 66,827 | - | 500 | - | (500) | -100% |
| 32 | (From) Reserves | - | - | - | - | - | - |
| 33 | | 903,386 | 1,822,761 | 1,269,951 | 1,355,424 | 85,473 | 7% |
| | By Agency: | | | | | | |
| 34 | Half Moon Bay | 538,137 | 997,177 | 696,291 | 755,361 | 59,070 | 8% |
| 35 | Granada CSD | 55,561 | 431,580 | 295,475 | 290,458 | (5,017) | -2% |
| 36 | Montara WSD | 222,677 | 370,690 | 257,684 | 289,605 | 31,920 | 12% |
| 37 | | 816,375 | 1,799,447 | 1,249,451 | 1,335,424 | 85,973 | 16% |

Key Changes

Assessments reflect net increase in budget for wages, benefits, and other expenses

85,973

TOTAL ADMINISTRATION REVENUE BUDGET INCREASE

85,973

ADMINISTRATIVE SERVICES DIVISION



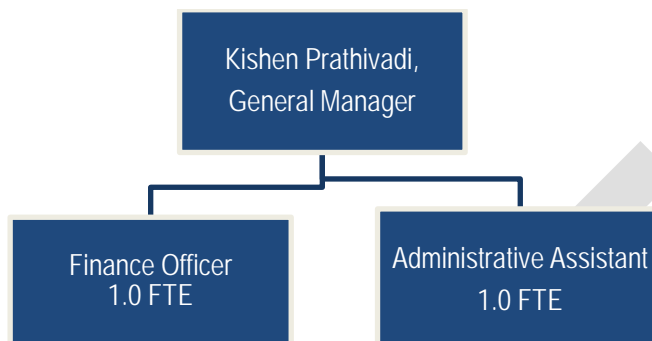
PROGRAM DESCRIPTION

The Administrative Services division provides administrative and financial support to the Board of Directors, the General Manager and all SAM divisions. Its function includes: planning and coordination of SAM activities related to the following: finance, human resources, risk management; management of SAM's information systems and web site; and Board services. Public contact by Administrative Services staff is generally the first interaction citizens have with the agency and are often related to complaints or reports of perceived problems. The ability to communicate clearly and understand the concerns of the caller is a skill demonstrated by those in the office. Contact with Member Agency staff and vendors is often first addressed via Administrative Services staff and communications and routing of information is a critical role of those in Administrative Services.

The financial staff in Administrative Services is responsible for maintaining detailed financial records; accounts payable processing; issuing, tracking and collection of accounts receivables; payroll processing including CalPERS reporting and benefits accounting; fixed asset management; financial planning; budget development; debt administration; centralized procurement; coordination of the District's audits and administration of SAM's self-insurance and loss prevention programs.

GENERAL BUDGET FISCAL YEAR 2019/20

Administrative Services operations are managed by the General Manager. The following organizational chart reflects the reporting structure for this division.



The following staffing summary reflects the historical cost allocation for this division.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| JPA | 4.00 | 3.93 | 3.98 | 4.00 | 3.50 | 4.00 | 4.00 | 3.00 |

FINANCIAL DETAILS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

| Budget Line # | | FY 2019/20 | FY 2020/21 |
|---------------|---|------------|------------------|
| 1. | Wages Increased for COLA adjustments and step increases per MOU and Unrepresented Employees and defunding of positions. | \$522,759 | <u>\$444,357</u> |
| 2. | Premium Pay Overtime paid for staff to perform tasks outside of normal work times. | \$7,600 | \$7,500 |
| 3. | Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees. | \$98,532 | <u>\$66,623</u> |
| 4. | Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA. | \$112,318 | <u>\$68,283</u> |

GENERAL BUDGET FISCAL YEAR 2019/20

| | | | |
|-----------|--|------------------|------------------|
| 5. | Retiree Medica/OPEB Includes contributions to Health Retirement Account for current retiree medical premiums and OPEB trust for future retirees. | \$19,172 | \$21,111 |
| 6. | Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan. | \$25,207 | <u>\$14,944</u> |
| 7. | <u>Personnel Subtotal</u> Subtotal of all costs associated with SAM staff wages and benefits | \$785,588 | \$616,576 |
| 8. | Legal Services Increased based on anticipated number of meetings special projects, and ongoing cases for SAM. | \$102,500 | <u>\$150,000</u> |
| 9. | Engineering Services There are no engineering services charged to Administrative Services. | \$2,000 | \$0 |
| 10. | Professional Services Includes technical/specialized services that need to be performed by consultants. | \$165,631 | <u>\$273,483</u> |
| 11. | Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community. | \$25,000 | \$25,750 |
| 12. | Insurance Premiums Insurance premiums for property and liability. | \$63,000 | <u>\$105,000</u> |
| 13. | Misc. Expenses Incidental expenses (offsite storage, postage, claims, phone system, etc.) not reflected in other categories. | \$16,751 | <u>\$46,479</u> |
| <hr/> | | | |
| 14. | Utilities Telephone, cellular service, internet connections, etc. | \$25,200 | \$30,356 |

GENERAL BUDGET FISCAL YEAR 2019/20

| | | |
|---|-------------------|--------------------|
| 15. Travel & Training | | |
| Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices. | \$17,500 | \$18,025 |
| 16. Equipment Rental | | |
| Short-term rental of equipment for less than a fiscal year and annual cost of multi-year leased equipment (copier, phones, etc.). | \$10,500 | \$10,815 |
| 17. Building & Maintenance Services | | |
| Includes janitorial, landscaping, and other regular building maintenance services. | \$10,500 | <u>\$21,725</u> |
| 18. Chemicals | | |
| There are no chemical costs charged to Administrative Services. | \$0 | \$0 |
| 19. Permits & Licenses | | |
| There are no permit and license costs charged to Administrative Services. | \$0 | \$0 |
| 20. Supplies | | |
| Office, computer, breakroom, and general supplies. | \$9,280 | \$10,734 |
| 21. Equipment | | |
| Purchase of replacement computers, small office and ergonomic equipment. | \$12,500 | <u>\$42,875</u> |
| 22. Infrastructure Projects | | |
| Project costs that exceed \$50,000 each. There are no infrastructure projects charged to Administrative Services | \$0 | \$0 |
| 23. Claims/Penalties | | |
| Costs not covered by insurance. | \$3,500 | \$3,605 |
| 24. Non-Personnel Subtotal | \$463,863 | \$738,848 |
| Subtotal of all costs not associated with wages and benefits. | | |
| 25. Total | \$1,249,45 | \$1,355,424 |
| Total of all costs for Administrative Services (sum of Personnel and Non-Personnel subtotals). | | |

GOALS

- Provide effective and efficient administrative support to the Board and other divisions.
- Maintain responsive and efficient customer service.
- Ensure that SAM is protected against loss through risk and claim management.
- Manage information systems, web site, and social media pages.
- Review administrative, financial, and personnel policies each year for compliance and relevance.

ACHIEVEMENTS

- Worked hand in hand with financial consultants to resolve past due audits and continue to do so
- Developed, posted to SAM website and distributed Board Meeting agendas twice per month.
- Worked hand in hand with Board Finance and Operations Committees to overcome significant changes in management of SAM
- Developed and delivered FY2020-2021 budget to Board and Member Agencies.

PROGRAM OBJECTIVES

- Manage the processing and review of SAM contracts.
- Maintain records of benefits, including employee leave balances, retirement contributions, and employer-provided insurance policies.
- Recruit and retain highly qualified candidates for vacant positions.
- Maintain up-to-date personnel files.
- Work with consultants to update policies and procedures and make appropriate revisions.
- Process employee payroll per employee contracts. Process accounts payable on a biweekly basis. issue, track and collect accounts receivable.
- Provide monthly budget reports each month.
- Conform with GAAP (Generally Accepted Accounting Principles).
- Work with other divisions to implement procedures that result in cost savings, increased efficiencies, and improved customer service.
- Provide general administrative support to all divisions for centralized services.
- Efficiently and effectively manage information technology and systems, including the SAM website and social media sites.

PERFORMANCE MEASURES

- Submit the Annual Financial and Salary & Compensation reports to the State Controller's Office by the deadline.
- Review and update, as necessary, administrative, financial, and personnel policies.
- Complete annual audit and present it to the Board no later than December 31.
- Present budget to Board and Member Agencies in a timely manner.

DRAFT

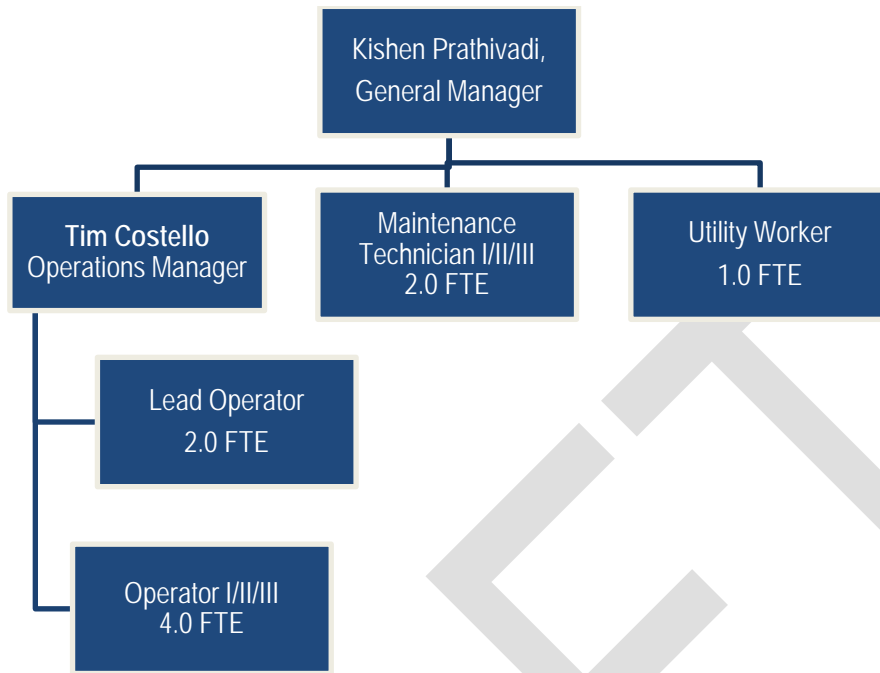
TREATMENT DIVISION



PROGRAM DESCRIPTION

The Treatment division is responsible for the safe, economical, and environmentally acceptable treatment and reclamation of all sanitary wastewater flows from the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The division is responsible for the reliability and integrity of systems and equipment at the Plant and the operation and maintenance of three SAM pump stations and the transmission pipeline. Staff performs predictive and preventive maintenance programs, corrective and rehabilitative maintenance, and in-house equipment and process improvements.

While staff is trying to keep up with the current needs of an aging system, we have had to bring in people that specialize in certain pieces of equipment as necessary. Staff finds that key pieces of equipment no longer have parts available on the primary market which can be problematic. Division services are currently supervised by the Supervisor of Treatment/Field Operations and Engineering & Construction Contracts Manager. The organizational chart on the following page reflects the reporting structure of the division.



The following staffing summary reflects the historical staffing level for the division.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| JPA | 4.60 | 4.70 | 4.275 | 5.95 | 6.25 | 8.75 | 9.75 | 8.75 |

**TREATMENT
By Category**

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|----------------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|------|
| EXPENDITURES | | | | | | | |
| Personnel | | | | | | | |
| 1 Wages | 711,375 | 937,882 | 1,063,771 | 1,023,545 | 945,359 | (118,413) | -11% |
| 2 Premium Pay | 70,432 | 54,309 | 77,500 | 83,457 | 78,375 | 875 | 1% |
| 3 Health Benefits | 163,163 | 217,792 | 240,000 | 212,263 | 210,827 | (29,173) | -12% |
| 4 Retirement Cont. | 78,267 | 173,230 | 175,000 | 205,530 | 243,921 | 68,921 | 39% |
| 5 Retiree Med/OPEB | 8,645 | 15,166 | 15,957 | 15,086 | 12,986 | (2,971) | -19% |
| 6 Misc. Benefits | 38,234 | 54,407 | 69,435 | 63,462 | 63,275 | (6,161) | -9% |
| 7 Subtotal | 1,070,116 | 1,452,786 | 1,641,663 | 1,603,344 | 1,554,741 | (86,922) | -5% |
| Non-Personnel | | | | | | | |
| 8 Legal Services | - | - | - | - | - | - | - |
| 9 Engineering Services | 129,141 | 111,457 | 15,000 | 40,081 | 100,000 | 85,000 | 567% |
| 10 Professional Services | 446,662 | 548,209 | 466,600 | 667,404 | 743,819 | 277,219 | 59% |
| 11 Prof. Memberships | 11,084 | 5,401 | 8,000 | 6,301 | 8,240 | 240 | 3% |
| 12 Insurance Premiums | - | - | - | - | - | - | - |
| 13 Misc. Expenses | 18,860 | 16,510 | 16,917 | 33,833 | 21,424 | 4,508 | 27% |
| 14 Utilities | 406,151 | 549,947 | 495,950 | 506,236 | 530,809 | 34,859 | 7% |
| 15 Travel & Training | 8,385 | 23,380 | 22,500 | 19,972 | 23,175 | 675 | 0 |
| 16 Equipment Rental | 155,582 | 121,291 | 130,000 | 61,020 | 100,000 | (30,000) | -23% |
| 17 Bldg & Maint Services | 269,954 | 303,050 | 217,600 | 341,057 | 307,828 | 90,228 | 41% |
| 18 Chemicals | 129,656 | 178,911 | 175,000 | 189,688 | 180,250 | 5,250 | 3% |
| 19 Permits & Licenses | 51,194 | 19,322 | 33,000 | 40,302 | 27,500 | (5,500) | -17% |
| 20 Supplies | 47,677 | 71,957 | 73,650 | 80,570 | 75,860 | 2,210 | 3% |
| 21 Equipment | 200,273 | 55,455 | 383,000 | 389,539 | 263,090 | (119,910) | -31% |
| 22 Infrastructure Projects | - | - | - | - | - | - | - |
| 23 Claims/Penalties | - | - | - | - | - | - | - |
| 24 Subtotal | 1,874,619 | 2,004,891 | 2,037,217 | 2,376,004 | 2,381,994 | 344,777 | 17% |
| 25 TOTAL | 2,944,735 | 3,457,677 | 3,678,880 | 3,979,347 | 3,936,735 | 257,856 | 7% |

Key Changes

Personnel: Net decrease due to defunding of Engineering & Construction Contracts Manager position and COLA increase of 4%, underbudgeting payment for unfunded PERS liability, shift in a portion of unfunded liabilities from admin, and health benefit adjustment \$ (86,922)

Professional Services: net increase based on year-to-date actuals. \$ 277,219

Increase services, supplies, chemicals, etc. by 3% CPI \$ 67,558

TOTAL TREATMENT EXPENDITURES BUDGET INCREASE \$257,856

**TREATMENT
By Category**

| | | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|--------------------------|-------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|-----------------------------------|------------|
| REVENUE | | | | | | | | |
| <u>By Type:</u> | | | | | | | | |
| 26 | JPA Assessments | 2,562,043 | 2,654,337 | 3,461,880 | 2,596,410 | 3,821,735 | 359,855 | 10% |
| 27 | Contract Services | - | - | - | - | - | - | |
| 28 | NDWSCP Fees | 91,535 | 157,622 | 147,000 | 91,665 | 115,000 | (32,000) | -22% |
| 29 | Misc. Fees | - | - | - | - | - | - | |
| 30 | Interest Earnings | - | - | - | - | - | - | |
| 31 | Misc. Revenue | - | 183,200 | 176,030 | - | - | (176,030) | -100% |
| 32 | (From) Reserves | - | - | - | - | - | - | |
| 33 | | 2,653,578 | 2,995,158 | 3,784,910 | 2,688,075 | 3,936,735 | 151,825 | 4% |
| <u>By Agency:</u> | | | | | | | | |
| 34 | Half Moon Bay | 1,364,809 | 1,470,978 | 1,929,229 | 1,446,922 | 2,161,703 | 232,474 | 12% |
| 35 | Granada CSD | 671,255 | 636,560 | 818,679 | 614,009 | 831,237 | 12,558 | 2% |
| 36 | Montara WSD | 525,979 | 546,799 | 713,972 | 535,479 | 828,795 | 114,823 | 16% |
| 37 | | 2,562,043 | 2,654,337 | 3,461,880 | 2,596,410 | 3,821,735 | 359,855 | 10% |

Key Changes

| | |
|---|--------------------|
| Assessments reflect net increased funding for wages, benefits, and other expenses | \$359,855 |
| Increased leachate deliveries per contract | (\$32,000) |
| Removed overhead revenue from Collection Contract Services | <u>(\$176,030)</u> |
| TOTAL TREATMENT REVENUE BUDGET INCREASE | \$151,825 |

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

| Budget Line # | FY 2019/20 | FY 2020/21 |
|---|--------------------|--------------------|
| 1. Wages Increased for COLA adjustments and merit step increases and defunded positions. | \$1,063,771 | <u>\$945,359</u> |
| 2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times as well as standby pay. | \$77,500 | \$78,375 |
| 3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees. | \$240,000 | <u>\$210,827</u> |
| 4. Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA. | \$175,000 | <u>\$243,827</u> |
| 5. Retiree Medical/OPEB Includes contributions to Health Retirement Account for current retiree medical premiums and OPEB trust for future retirees. | \$15,957 | \$12,986 |
| 6. Misc. Benefits Includes Medicare, long-term and short-term disability, and workers compensation. | \$69,435 | \$63,275 |
| 7. Personnel Subtotal Subtotal of all costs associated with wages and benefits. | \$1,641,663 | \$1,554,741 |
| 8. Legal Services There are no legal services budgeted to Treatment. | \$0 | \$0 |

GENERAL BUDGET FISCAL YEAR 2019/20

| Budget Line # | FY 2019/20 | FY 2020/21 |
|---|------------|------------------|
| 9. Engineering Services Specialized services related to small (<\$50,000) projects. | \$15,000 | <u>\$100,000</u> |
| 10. Professional Services Services that are specialized and need to be performed by contractors rather than staff (GIS software hosting, electrical maintenance, safety training, permit compliance assistance, SSMP audit and updates, outfall inspection, inspections, SCADA support, etc.). | \$466,600 | <u>\$743,819</u> |
| 11. Professional Membership Memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community. | \$8,000 | \$8,240 |
| 12. Insurance Premiums There are no insurance premiums charged to Treatment. | \$0 | \$0 |
| 13. Misc. Expenses Includes incidental expenses (uniform services, radio and alarm systems, etc.) not captured in other categories. | \$16,917 | \$21,424 |
| 14. Utilities Electricity, water, telephone, solid waste, etc. | \$495,950 | <u>\$530,809</u> |
| 15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices and safety training. | \$22,500 | \$23,175 |
| 16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.). | \$130,000 | \$100,000 |

GENERAL BUDGET FISCAL YEAR 2019/20

| Budget Line # | FY 2019/20 | FY 2020/21 |
|---|--------------------|--------------------|
| 17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset. Includes small (<\$50,000) repair projects. | \$217,600 | <u>\$307,828</u> |
| 18. Chemicals Includes chemicals (sodium hypochlorite, polymer, ferric chloride) used in the treatment of wastewater to meet regulatory standards. | \$175,000 | \$180,250 |
| 19. Permits & Licenses Annual costs for permits with local, regional and state agencies. | \$33,000 | \$27,500 |
| 20. Supplies Office, computer, safety, and general supplies. | \$73,650 | \$75,860 |
| 21. Equipment Purchase of equipment for repair and rehabilitation of SAM facilities not captured in infrastructure projects. | \$383,000 | <u>\$263,090</u> |
| 22. Infrastructure There are no project costs budgeted to Treatment. These costs are generally reflected in the Infrastructure division and exceed \$50,000 per project. | \$0 | \$0 |
| 23. Claims/Penalties There are no claims/penalties budgeted to Treatment. | \$0 | \$0 |
| 24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits. | \$2,037,217 | \$2,381,994 |
| 25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals). | \$3,678,880 | \$3,936,735 |

GOALS

- Operate the wastewater system for current and future customers with safe, efficient, and cost-effective treatment services.
- Achieve 100% compliance with all NPDES limits for conventional pollutants.
- Maintain appropriate capacities and effective operations and assure no spills or overflows at SAM facilities.
- Maintain and upgrade SAM facilities at a level that assures uninterrupted quality service and no process interruptions due to equipment failures.
- Promote the development and education of staff to assure the ongoing ability to operate, maintain, troubleshoot and repair all systems and equipment.
- Maintain equipment and facilities to improve reliability and reduce operating and maintenance costs.

HIGHLIGHTS

- Performed process related laboratory analysis for the Environmental Compliance division on weekends.
- Conducted all required annual safety training programs.
- Administered the Trucked Waste Acceptance Program.
- Worked to optimize processes to improve reliability.

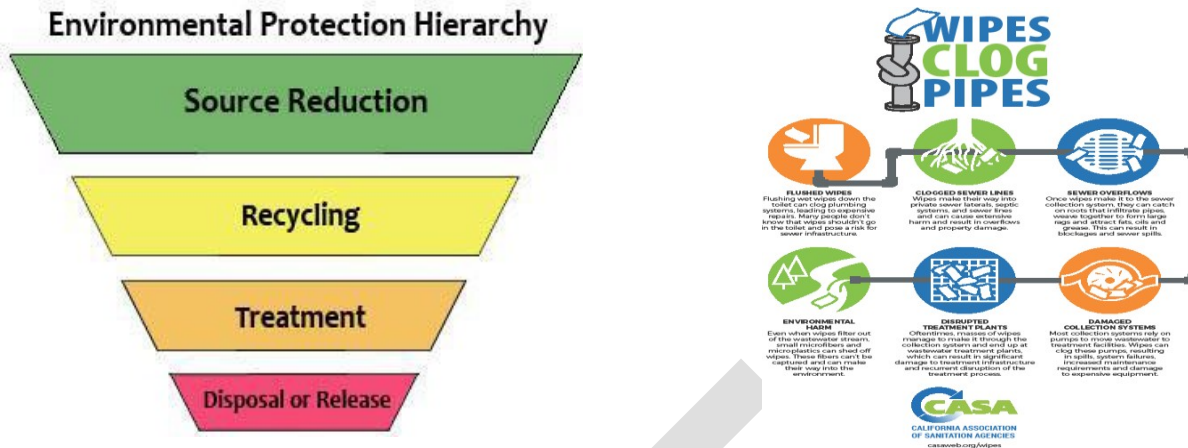
PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses, or discharge permit violations, and to minimize the possibility of equipment breakdowns
- Promote comprehensive training of division personnel.
- Continue to promote and provide a safe and healthy environment for all staff, contractors, and community.
- Develop and implement maintenance plan for routine maintenance on all equipment.

PERFORMANCE MEASURES

- Meet all effluent quality targets described in the NPDES permit.
- Perform all duties in a safe manner to avoid OSHA recordable and lost time accidents.
- Perform all routine maintenance tasks in a timely manner.

ENVIRONMENTAL COMPLIANCE DIVISION



PROGRAM DESCRIPTION

The Environmental Compliance division provides services and oversight in four areas: National Pollutant Discharge Elimination System (NPDES) permit compliance, Laboratory Operations, Non-Domestic Waste Source Control (NDWSCP) Program, and Pollution Prevention (P2) Program. NPDES permit compliance involves maintaining compliance with permit parameters, implementing investigations and additional sampling programs to address specific pollutants, developing action plans to reduce these pollutants and reporting levels of progress to the Regional Board. The in-house laboratory conducts analyses of various plant samples for process control, some NPDES permit parameters, and special projects as needed. SAM contracts with outside laboratories for NPDES requirements that the in-house lab is not certified to complete.

The NDWSC Program includes evaluating facilities and dischargers within SAM's service area that could adversely affect the SAM collection system and/or treatment plant, evaluating discharge permit applications and issuing permits, performing inspections, sampling and monitoring and conducting enforcement when needed. The P2 Program focuses on educating commercial businesses and residents on pollutants that are harmful to the collection system, treatment plant and the environment, including fats, oils, and grease (F.O.G.), and how to reduce or eliminate them. Public information, plant tours, and participation in outreach activities are significant elements.

Division functions are supervised by the Operations Superintendent. The following organizational chart reflects the reporting structure of the division.

Supervisor of Treatment & Field Operations

GENERAL BUDGET FISCAL YEAR 2020/21

The following staffing summary reflects the historical cost allocation for the division.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| JPA | 0.25 | 0.225 | 0.275 | 0.50 | 0.25 | 0.25 | 0.25 | 0.25 |

ENVIRONMENTAL COMPLIANCE

By Category

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|---------------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|------|
| EXPENDITURES | | | | | | | |
| Personnel | | | | | | | |
| 1 Wages | 32,940 | 33,321 | 39,748 | 33,344 | 38,078 | (1,669) | -4% |
| 2 Premium Pay | 915 | 305 | 600 | - | 600 | - | 0% |
| 3 Health Benefits | 5,794 | 6,927 | 5,450 | 7,898 | 5,858 | 408 | 7% |
| 4 Retirement Cont. | 4,514 | 8,660 | 9,340 | 10,536 | 15,044 | 5,704 | 61% |
| 5 Retiree Med/OPEB | 502 | 494 | 500 | 499 | 511 | 11 | 2% |
| 6 Misc. Benefits | 1,636 | 1,605 | 2,223 | 1,663 | 2,019 | (205) | -9% |
| 7 Subtotal | 46,301 | 51,313 | 57,861 | 53,940 | 62,110 | 4,249 | 7% |
| Non-Personnel | | | | | | | |
| 8 Legal Services | - | - | - | - | - | - | |
| 9 Engineering Services | - | - | - | - | - | - | |
| 10 Professional Service | 79,753 | 43,940 | 117,578 | 60,673 | 58,930 | (58,647) | -50% |
| 11 Prof. Memberships | - | - | 100 | 150 | 100 | - | 0% |
| 12 Insurance Premiums | - | - | - | - | - | - | |
| 13 Misc. Expenses | 12,474 | 12,583 | 7,605 | 7,125 | 7,833 | 228 | 3% |
| 14 Utilities | - | 6,293 | 57 | (150) | 8 | (49) | -86% |
| 15 Travel & Training | 225 | 261 | 3,600 | 267 | 964 | (2,637) | -73% |
| 16 Equipment Rental | - | - | - | - | - | - | |
| 17 Bldg & Maint Service | - | - | - | - | - | - | |
| 18 Chemicals | 2,338 | 7,362 | 9,000 | 2,644 | 9,270 | 270 | 3% |
| 19 Permits & Licenses | - | - | - | - | - | - | |
| 20 Supplies | 8,965 | 9,786 | 22,101 | 13,177 | 17,604 | (4,497) | -20% |
| 21 Equipment | 1,587 | 2,026 | 3,000 | - | 3,090 | 90 | 3% |
| 22 Infrastructure Project | - | - | - | - | - | - | |
| 23 Claims/Penalties | - | - | - | - | - | - | |
| 24 Subtotal | 105,342 | 82,251 | 163,041 | 83,885 | 97,799 | (65,242) | -40% |
| 25 TOTAL | 151,643 | 133,563 | 220,902 | 137,825 | 159,910 | (60,993) | -28% |

Key Changes

| | |
|--|--------------------|
| Professional services: net decrease due to change in services used | \$ (58,647) |
| Net decrease in utilities, services, and supplies | \$ (2,346) |
| TOTAL ENVIRONMENTAL COMPLIANCE EXPENDITURES DECREASE | \$ (60,993) |

GENERAL BUDGET FISCAL YEAR 2020/21

ENVIRONMENTAL COMPLIANCE

By Category

| | | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2018/19 ADOPTED | |
|----|-------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|------|
| | REVENUE | | | | | | | |
| | By Type: | | | | | | | |
| 26 | JPA Assessments | 162,064 | 134,423 | 218,102 | 163,577 | 157,110 | (60,993) | -28% |
| 27 | Contract Services | - | - | - | - | - | - | |
| 28 | NDWSCP Fees | 17,703 | 1,286 | 2,800 | - | 2,800 | - | 0% |
| 29 | Misc. Fees | - | - | - | - | - | - | |
| 30 | Interest Earnings | - | - | - | - | - | - | |
| 31 | Misc. Revenue | - | - | - | - | - | - | |
| 32 | (From) Reserves | - | - | - | - | - | - | |
| 33 | | 179,767 | 135,708 | 220,902 | 163,577 | 159,910 | (60,993) | -28% |
| | By Agency: | | | | | | | |
| 34 | Half Moon Bay | 84,597 | 74,495 | 121,544 | 91,158 | 88,866 | (32,677) | -27% |
| 35 | Granada CSD | 42,461 | 32,236 | 51,578 | 38,683 | 34,172 | (17,406) | -34% |
| 36 | Montara WSD | 35,006 | 27,692 | 44,981 | 33,736 | 34,071 | (10,910) | -24% |
| 37 | | 162,064 | 134,423 | 218,102 | 163,577 | 157,110 | (60,993) | -28% |

Key Changes

Assessments reflect net decreased funding for wages, benefits, and other expenses

\$ (60,993)

TOTAL ENVIRONMENT COMPLIANCE REVENUE BUDGET DECREASE

\$ (60,993)

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

| Budget Line # | | FY2019/20 | FY 2020/21 |
|---------------|--|-----------|------------|
| 1. | Wages Cost of 0.25 FTE allocated to division. | \$39,748 | \$38,078 |
| 2. | Premium Pay Special compensation for certification above that required by the position. | \$600 | \$600 |

GENERAL BUDGET FISCAL YEAR 2020/21

| | | | |
|-----|--|-----------------|-----------------|
| 3. | Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees. | \$5,450 | \$5,858 |
| 4. | Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA. | \$9,340 | \$15,044 |
| 5. | Retiree Medical/OPEB Includes contributions to Health Retirement account for current retiree medical premiums and OPEB trust for future retirees. | \$500 | \$511 |
| 6. | Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation. | \$2,223 | \$2,019 |
| 7. | Personnel Sub-total Subtotal of all wage and benefit costs. | \$57,861 | \$62,110 |
| 8. | Legal Services There are no legal services budgeted to EC. | \$0 | \$0 |
| 9. | Engineering Services There are no engineering costs budgeted to EC. | \$0 | \$0 |
| 10. | Professional Services Services that are specialized and must be performed by outside laboratories and consultants (SVCW, laboratories, SMCRCD, event registration, etc.). | \$117,578 | \$58,930 |
| 11. | Professional Membership The cost of maintaining membership in CWEA. | \$100 | \$100 |
| 12. | Insurance Premiums There are no insurance premiums budgeted to EC. | \$0 | \$0 |
| 13. | Misc. Expenses Includes incidental expenses (outreach materials, postage, etc.) not reflected in other categories. | \$7,605 | \$7,833 |
| 14. | Utilities There are no utility costs budgeted to EC. | \$57 | \$8 |

GENERAL BUDGET FISCAL YEAR 2020/21

| | | | |
|-------------------------------------|---|-------------------------|-------------------------|
| 15. Travel & Training | Training and travel related costs for attendance at industry conferences, seminars, and other related events to keep current on technical skills and industry practices and required safety training. | \$3,600 | \$964 |
| 16. Equipment Rental/Lease | Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year. | \$0 | \$0 |
| 17. Building & Maintenance Services | There are no building maintenance services budgeted to EC. | \$0 | \$0 |
| 18. Chemicals | Includes chemicals used in the laboratory. | \$9,000 | \$9,270 |
| 19. Permits & Licenses | There are no permits or licenses budgeted to EC. | \$0 | \$0 |
| 20. Supplies | Lab and general supplies including materials for biology student field trips to the plant. | \$22,101 | \$17,604 |
| 21. Equipment | Purchase of equipment and tools for the laboratory to replace noncompliant or inoperable equipment. | \$3,000 | \$3,090 |
| 22. Infrastructure Projects | There are no project costs budgeted to EC. | \$0 | \$0 |
| 23. Claims/Penalties | There are no claims or penalties budgeted to EC. | \$0 | \$0 |
| 24. Non-Personnel Subtotal | Subtotal of all costs not associated with wages and benefits. | <u>\$163,041</u> | <u>\$97,799</u> |
| 25. Total | Total of all costs for EC (sum of Personnel and Non-Personnel subtotals). | <u>\$220,902</u> | <u>\$137,825</u> |

GOALS

- Achieve and maintain 100% compliance with the District's NPDES permit requirements, including the NDWSC and Pollution Prevention (P2) programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial discharges, the operational status of the treatment plant and the quality of the bio-solids generated.
- Effectively regulate dischargers of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, staff, the public and the environment.
- Effectively implement the Pollution Prevention (P2) Program and provide public outreach to reduce and or prevent the discharge of pollutants, with emphasis on educating the public regarding "flushable wipes" and the fact they are harmful to their collection system, treatment plant and the environment
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (Green Business Program, Household Hazardous Waste/Pharmaceutical Collection, Bay Area Pollution Prevention Group, etc.)
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.

ACHIEVEMENTS

- Identified deficiencies in the necessary ELAP certification requirements and implemented necessary changes.
- Performed the annual NDWSC program inspections and sampling at commercial facilities and inspections at food service establishments (FSEs) and dentists in the SAM's service area.
- Conducted classroom tours of the treatment plant for over 280 students.
- Implemented a public awareness program regarding flushable wipes.

PROGRAM OBJECTIVES

- Perform all required sampling, inspections, studies and outreach to comply with the District's NPDES permit, NDWSCP and Pollution Prevention programs, F.O.G. program, and process control.
- Maintain compliance with all programs and requirements listed above.
- Maintain ELAP certification for laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention

GENERAL BUDGET FISCAL YEAR 2020/21

and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant and the bay.

- Participate in public outreach activities such as the Half Moon Bay Art & Pumpkin Festival and Pacific Coast Dream Machines with focus on the negative impacts of flushable wipes
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses, and public events.
- Coordinate Plant Tour program for Half Moon Bay High School biology students and the mid-coast population.

PERFORMANCE MEASURES

- Complete 100% NDWSCP inspections as required by SAM permits.
- Meet and maintain ELAP compliance requirements.
- Complete all of the necessary annual continued learning units to maintain required Environmental Compliance Inspector and Laboratory Analyst certifications from the California Water Environment Association.

INFRASTRUCTURE DIVISION



PROGRAM DESCRIPTION

The Infrastructure Division is responsible for the management and technical support necessary to develop and manage an infrastructure program and provide project management and construction inspection services of SAM facilities.

Division services are managed by the Engineer; however, none of the related personnel costs are allocated to this division. The following staffing summary reflects the historical cost allocation to this division.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| JPA | 0.00 | 0.00 | 0.00 | 0.80 | 0.50 | 0.0 | 0.0 | 0.0 |

INFRASTRUCTURE

By Category

| | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|----------------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|--------------------------------------|-------------|
| EXPENDITURES | | | | | | | |
| Personnel | | | | | | | |
| 1 Wages | - | - | - | - | - | - | - |
| 2 Premium Pay | - | - | - | - | - | - | - |
| 3 Health Benefits | - | - | - | - | - | - | - |
| 4 Retirement Cont. | - | - | - | - | - | - | - |
| 5 Retiree Med/OPEB | - | - | - | - | - | - | - |
| 6 Misc. Benefits | - | - | - | - | - | - | - |
| 7 Subtotal | - | - | - | - | - | - | - |
| Non-Personnel | | | | | | | |
| 8 Legal Services | 5,448 | 5,588 | - | - | - | - | - |
| 9 Engineering Services | 163,255 | 126,231 | 450,000 | 142,155 | - | (450,000) | -100% |
| 10 Professional Services | 59,786 | 3,115 | - | 17,799 | 17,799 | 17,799 | - |
| 11 Prof. Memberships | - | - | - | - | - | - | - |
| 12 Insurance Premiums | - | - | - | - | - | - | - |
| 13 Misc. Expenses | 288 | - | - | - | - | - | - |
| 14 Utilities | - | - | - | - | - | - | - |
| 15 Travel & Training | - | - | - | - | - | - | - |
| 16 Equipment Rental | - | - | - | - | - | - | - |
| 17 Bldg & Maint Service | - | - | - | - | - | - | - |
| 18 Chemicals | - | - | - | - | - | - | - |
| 19 Permits & Licenses | - | 4,266 | - | - | - | - | - |
| 20 Supplies | - | - | - | - | - | - | - |
| 21 Equipment | 865,804 | 445,033 | - | 291,828 | - | - | - |
| 22 Infrastructure Projects | 1,952,693 | 208,443 | 2,035,000 | 101,974 | 1,975,000 | (60,000) | -3% |
| 23 Claims/Penalties | - | - | - | - | - | - | 0% |
| 24 Subtotal | 3,047,274 | 792,677 | 2,485,000 | 553,755 | 1,992,799 | (492,201) | -20% |
| | | | | | | - | 0% |
| 25 TOTAL | 3,047,274 | 792,677 | 2,485,000 | 553,755 | 1,992,799 | (492,201) | -20% |

Key Changes

Engineering costs are included in the overall project cost on line 22 of the budget. Overall soft costs for design, permits and construction inspection and management are based on 40% of the construction cost estimate.

TOTAL INFRASTRUCTURE REVENUE BUDGET DECREASE

\$ (492,201)

INFRASTRUCTURE

By Category

| | | FY 2017/18 ACTUAL | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | FY 2019/20 ESTIMATE | FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | |
|----|--------------------|----------------------|----------------------|-----------------------|------------------------|------------------------|-----------------------------------|------|
| | REVENUE | | | | | | | |
| | By Type: | | | | | | | |
| 26 | JPA Assessments | 2,772,559 | 1,803,542 | 2,485,000 | 1,863,750 | 1,992,799 | (492,201) | -20% |
| 27 | Contract Services | - | - | - | - | - | - | 0% |
| 28 | NDWSCP Fees | - | - | - | - | - | - | 0% |
| 29 | Misc. Fees | - | - | - | - | - | - | 0% |
| 30 | Interest Earnings | - | - | - | - | - | - | 0% |
| 31 | Misc. Revenue | - | - | - | - | - | - | 0% |
| 32 | To/(From) Reserves | - | - | - | - | - | - | 0% |
| 33 | | 2,772,559 | 1,803,542 | 2,485,000 | 1,863,750 | 1,992,799 | (492,201) | -20% |
| | By Agency: | | | | | | - | 0% |
| 34 | Half Moon Bay | 1,473,902 | 999,493 | 1,384,836 | 1,038,627 | 1,127,195 | (257,641) | -19% |
| 35 | Granada CSD | 757,857 | 432,515 | 587,663 | 440,747 | 433,438 | (154,224) | -26% |
| 36 | Montara WSD | 540,800 | 371,534 | 512,502 | 384,376 | 432,166 | (80,336) | -16% |
| 37 | | 2,772,559 | 1,803,542 | 2,485,000 | 1,863,750 | 1,992,799 | (492,201) | -20% |

Key Changes

TOTAL INFRASTRUCTURE REVENUE BUDGET DECREASE \$ (492,201)

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY 2019/20 and 2020/21 budgets.

| Budget Line # | | FY2019/20 | FY 2020/21 |
|---------------|---|-----------|------------|
| 1. | Wages No personnel costs are allocated to Infrastructure. | \$0 | \$0 |
| 2. | Premium Pay No personnel costs are allocated to Infrastructure. | \$0 | \$0 |
| 3. | Health Benefits No personnel costs are allocated to Infrastructure. | \$0 | \$0 |
| 4. | Retirement Contributions No personnel costs are allocated to Infrastructure. | \$0 | \$0 |

GENERAL BUDGET FISCAL YEAR 2019/20

| Budget Line # | FY2018/19 | FY 2019/20 |
|--|------------|------------|
| 5. Retiree Medical/OPEB No personnel costs are allocated to Infrastructure. | \$0 | \$0 |
| 6. Misc. Benefits No personnel costs are allocated to Infrastructure. | \$0 | \$0 |
| 7. Personnel Subtotal Subtotal of all wage and benefit costs. | \$0 | \$0 |
| 8. Legal Services No legal services costs are allocated to Infrastructure. | \$0 | \$0 |
| 9. Engineering Services Engineering services requiring specialized certification or skills will be performed by consulting engineers. <i>Costs for 2020/21 included in infrastructure projects line.</i> | \$0 | \$0 |
| 10. Professional Services Specialized services that cannot be provided by staff. | \$0 | \$17,799 |
| 11. Professional Memberships There are no professional memberships budgeted to Infrastructure. | \$0 | \$0 |
| 12. Insurance Premiums There are no insurance premiums budgeted to Infrastructure. | \$0 | \$0 |
| 13. Misc. Expenses There are no utilities budgeted to Infrastructure. | \$0 | \$0 |
| 14. Utilities There are no utilities budgeted to Infrastructure. | \$0 | \$0 |
| 15. Travel & Training There are no costs budgeted to Infrastructure. | \$0 | \$0 |
| 16. Equipment Rental Short-term rental or lease of equipment (generators, storage tanks, etc.). | \$0 | \$0 |

GENERAL BUDGET FISCAL YEAR 2019/20

| Budget Line # | FY2018/19 | FY 2019/20 |
|---|--------------------|--------------------|
| 17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset. | \$0 | \$0 |
| 18. Chemicals There are no chemical costs budgeted to Infrastructure. | \$0 | \$0 |
| 19. Permits & Licenses Permits related to projects. | \$0 | \$0 |
| 20. Supplies There are no supply costs budgeted to Infrastructure. | \$0 | \$0 |
| 21. Equipment Equipment costs associated with projects that exceed \$50,000. | \$0 | \$0 |
| 22. Infrastructure Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each. | \$2,035,000 | \$1,975,000 |
| 23. Claims/Penalties There are no costs budgeted to Infrastructure. | \$0 | \$0 |
| 24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits. | \$2,485,000 | \$1,992,799 |
| 25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals). | \$2,485,000 | \$1,992,799 |

The projects planned for this fiscal year, as specified in the approved FY2020-2021 Capital Improvement Plan, are:

- Improve Chemical Treatment to Eliminate Issues \$125,000
- WWTP – Evaluate Electric and I&C Needs \$300,000
- WWTP – Digester 2 and Holding Tank Cleaning \$250,000
- WWTP – Digester 1 & 2, Holding Tank Structural Design \$200,000
- WWTP – Implement Digester #1 Structural Repair \$500,000

GENERAL BUDGET FISCAL YEAR 2019/20

- Administration – Replace Two Vehicles in Fleet \$75,000
- WWTP – Purchase Critical Parts for BFP/Conveyor \$100,000
- Montara PS – Repair Access Road and Erosion Control \$100,000
- IPS – Analysis/Initial Design of Upgrade or Replacement \$200,000
- Princeton PS – Analysis/Design Replacement and Bidding Support \$125,000

The following projects have been deferred from FY 2020/21 to a future year:

- WWTP – Design Screening System Replacement \$125,000
- WWTP – Evaluate WWTP Liquid and Solid Process Needs \$200,000
- WWTP – Install Metal Building for Rotary Drum Thickener \$125,000
- WWTP – Replace Flammables Material Storage Building \$75,000
- WWTP – Replace all WWTP Plant Building Ventilators \$135,000

GOALS

- To provide engineering analysis and project development for cost effective implementation of all SAM facility infrastructure projects.
- To effectively plan and implement, inspect and manage future rehabilitation and replacement of the facilities to maintain an efficient, reliable system and to provide timely response with plan review for new development.
- To maintain accurate reproducible records of facility improvements and records.
- To keep informed of all construction that may affect SAM facilities.

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all facility projects.
- Infrastructure Projects completed in FY 2019/20:
 - ✓ Portola Pump Station – Replace Pump #1
 - ✓ Portola Pump Station – Replace ATS
 - ✓ WWTP – Replace Chemical Pump System

PROGRAM OBJECTIVES

- Manage research, design, bidding and construction inspection services for infrastructure projects.
- Prioritize infrastructure projects to meet SAM needs, compliance with new regulatory requirements, and update 5-Year CIP.

Position Control List

| <u>Classifications</u> | <u>Authorized Positions</u> |
|--|-----------------------------|
| <u>Administrative Services:</u> | |
| General Manager | 1.0 |
| Finance Officer | 1.0 |
| <i>Accounting Technician (Defunded)</i> | 0.0 |
| Administrative Assistant | <u>1.0</u> |
| | 3.0 |
| | |
| <u>Operations & Maintenance:</u> | |
| <i>Engineering & Construction Contracts Manager (Defunded)</i> | 0.0 |
| Supervisor of Treatment / Field Operations | 0.75 |
| Maintenance Mechanic I/II/III | 2.0 |
| Operator I/II/III | 3.0 |
| Lead Operator | 2.0 |
| Utility Worker | <u>1.0</u> |
| | 8.75 |
| | |
| <u>Environmental Compliance:</u> | |
| Supervisor of Treatment / Field Operations | .25 |
| | |
| Total Authorized – General Budget | 12.0 |
| | |
| <u>Collection Services:</u> | |
| Collection Maintenance Worker I/II/III | 3.0 |
| Maintenance Mechanic I/II/III | <u>1.0</u> |
| Total Authorized – Collections Services | 4.0 |
| | |
| Grand Total Authorized Authority | 16.0 |

ITEM #5

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors

From: Chuck Duffy, General Manager

Subject: Sewer Authority Mid-Coastside FY 2020/21 Contract Collection Services Budget

Date: June 18, 2020

The attached Contract Collection Services Budget was approved by the SAM board at their May 11 meeting for circulation to the member agencies for their consideration, based upon the recommendation of the SAM General Manager after discussions with the member agency managers. GCSD's share of the Collections Budget is \$110,000 less this year compared to last, due to two things: a reduction in the footage cleaned in all three member agencies, and the transfer of some overhead costs from the Collections Budget to the SAM General Budget.



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors

FROM: Kishen Prathivadi, General Manager

SUBJECT: **Discuss Proposed Contract Collection Services Budget for FY 2020/21 and Authorize the General Manager to submit it to the Participating Agencies for approval**

Executive Summary

The purpose of the report is to discuss the contract collection services budget for FY 2020/21 and authorize the General Manager to submit it to the Participating Agencies for approval

Fiscal Impact

The total cost to provide the Member Agency requested services for Fiscal Year 2020/21 is \$672,373. This amount is payable to SAM as contract service fees from the served agencies. This is an overall decrease in fees of \$144,265 attributed to collection systems contract maintenance for the agencies. The following table reflects the history of fees for each agency for the past three years, the current year, and the upcoming year.

Contract Fees for Each Contracting Agency

| | FY 2016/17 | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY2020/21 | \$ | % |
|---------------|------------------|------------------|------------------|------------------|------------------|---------------|---------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Adopted</u> | <u>Proposed</u> | <u>Change</u> | <u>Change</u> |
| Half Moon Bay | \$351,881 | \$274,596 | \$310,908 | \$178,888 | \$227,439 | \$ 48,551 | 27% |
| GCSD | \$242,350 | \$239,954 | \$284,500 | \$296,201 | \$186,574 | - \$ 109,627 | - 37% |
| MWSD | <u>\$321,608</u> | <u>\$279,411</u> | <u>\$328,036</u> | <u>\$341,549</u> | <u>\$258,360</u> | - \$ 83,189 | - 24% |
| Total | \$915,839 | \$793,961 | \$923,444 | \$816,638 | \$672,373 | - \$ 144,265 | - 17% |

The proposed budget is impacted mostly by the decision to remove \$180,000 Overhead Charges. Upon review of the process with staff and accounting/budgeting consultants it was determine that the recent

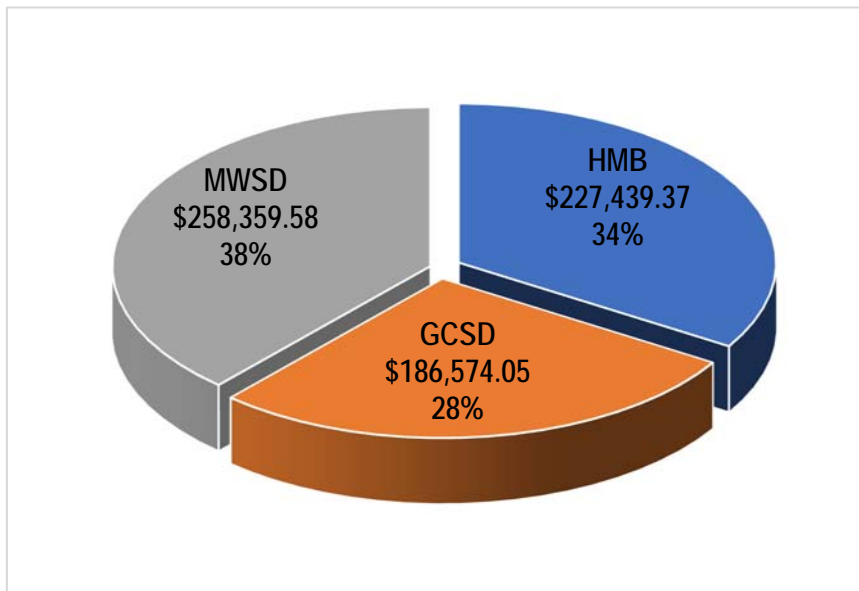
BOARD MEMBERS: J. Blanchard B. Dye R. Lohman
 D. Penrose D. Ruddock K. Slater-Carter

ALTERNATE MEMBERS: S. Boyd M. Clark A. Eisen
 J. Harvey H. Rarback

practice of allocating a portion of SAM Administrative Overhead costs to the Collection Budget should cease as it is more transparent to have those costs entirely attributed to the SAM General Budget Administrative costs. This decision is consistent with SAM's goal of simplifying the budget process going forward.

There is an increased cost to the proposed budget of approximately \$46,000 which is almost entirely attributable to costs incurred over the last year due to actual levels of "Hot Spot" cleaning required to prevent pipeline plugging and expected to continue into the future.. The removal of the misapplied funds plus the added cost of Hot Spot cleaning requirements results in a net reduction of \$144,265.00 compared to last year's approved budget for collections system maintenance services.

The pie-chart below details the allocation of the proposed budget for each Member Agency.



Strategic Plan Compliance

The recommendations in the proposed budget comply with SAM Strategic Plan Goal 5.6: *“SAM is committed to providing quality collection system maintenance service for the Coastside. It will seek to offer the type of agile and responsive service and cost that wins that business. However, SAM resources should not be used to backstop collection service without appropriate compensation and pre-planning so it does not impact SAM operations and maintenance.”*

| | | | |
|--------------------|----------------------------|------------------------|-------------------------------|
| BOARD MEMBERS: | J. Blanchard D. Penrose | B. Dye D. Ruddock | R. Lohman K. Slater-Carter |
| ALTERNATE MEMBERS: | S. Boyd J. Harvey | M. Clark H. Rarback | A. Eisen |

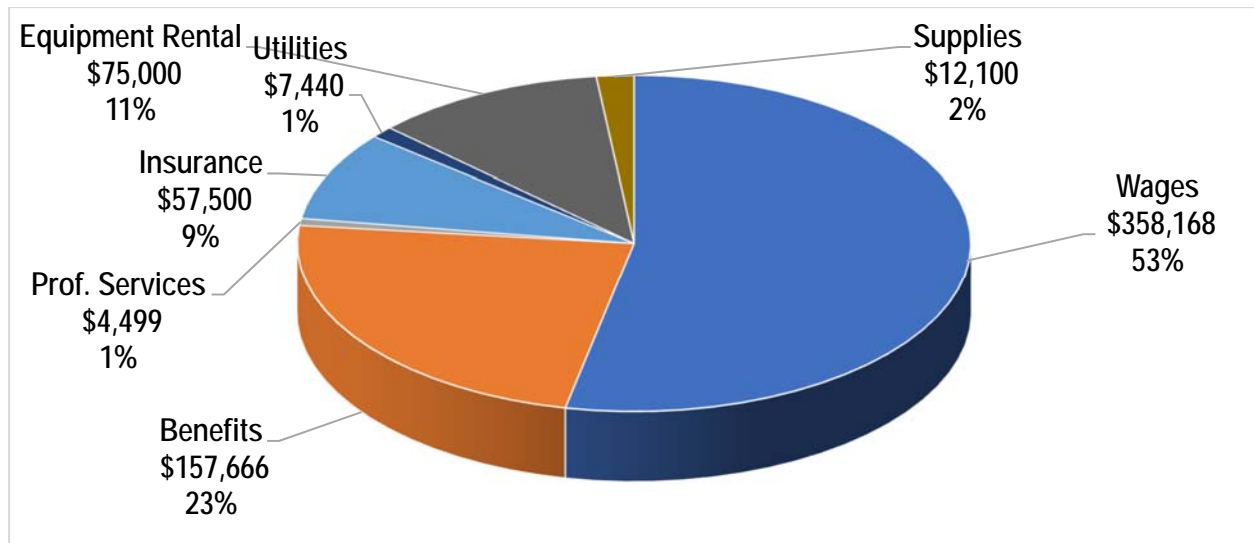
Background and Discussion/Report

SAM has provided collection system maintenance services to its member agencies since 1988. The scope of services has changed over the years to meet regulatory requirements and individual needs of the Member Agencies. While the cost allocation methodology has changed over the years, the Member Agency Managers along with the SAM Manager and consultants have worked together to develop a method of allocation, beginning this year and hoped to be used in the future, based on the needed services of each agency. The cost allocation presented reflect that method and those needs.

Beginning July 1, 2020 the minimum service level provided by SAM will entail cleaning at least fifty percent (50%) of the collection system’s pipelines, cleaning of designated Hot Spots per an agreed upon schedule, provide lift station services as defined, provide emergency response throughout the year and performance of reporting and planning as needed to ensure all needs of each Member Agency’s service area collection system is met.

The proposed budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, utilities, fuel, rental equipment, insurance and other expenses needed to perform all needed and required services.

The pie chart below details budget expenditures.



| | | | |
|--------------------|--------------|------------|------------------|
| BOARD MEMBERS: | J. Blanchard | B. Dye | R. Lohman |
| | D. Penrose | D. Ruddock | K. Slater-Carter |
| ALTERNATE MEMBERS: | S. Boyd | M. Clark | A. Eisen |
| | J. Harvey | H. Rarback | |

The performance of collection system maintenance is a very staff intensive activity and, thereby, most costs (76%) as shown above are for wages and benefits for personnel to perform the work. Other significant costs are insurance provided for the Member Agencies related to their collection systems and rental equipment needed as support for the work. All other costs combined are less than 5% of the total overall budget.

Staff Recommendation

Staff recommends that the Board of Directors authorize the General Manager to submit the Contract Collection Services Budget for Fiscal Year 2020/21 to the participating agencies for approval.

Supporting Documents

Attachment A: Contract Collection Services Budget for FY 2020/21

| | | | |
|--------------------|--------------|------------|------------------|
| BOARD MEMBERS: | J. Blanchard | B. Dye | R. Lohman |
| | D. Penrose | D. Ruddock | K. Slater-Carter |
| ALTERNATE MEMBERS: | S. Boyd | M. Clark | A. Eisen |
| | J. Harvey | H. Rarback | |

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

| | FY 2017/18 ACTUAL | FY 2018/19 ADOPTED | FY 2018/19 ACTUAL | FY 2019/20 ADOPTED | SAM FY 2020/21 PROPOSED | CHANGE FROM FY 2019/20 ADOPTED | | |
|-----------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|--|---|------------------|-------------|
| EXPENDITURES | | | | | | | | |
| <u>Personnel</u> | | | | | | | | |
| 1 | Wages | 347,149 | 401,639 | 173,534 | 246,191 | 356,029 | 109,837 | 45% |
| 2 | Premium Pay | 40,519 | 44,243 | 55,314 | 35,733 | 2,139 | (33,594) | -94% |
| 3 | Health Benefits | 95,961 | 70,298 | 55,271 | 41,204 | 97,914 | 56,710 | 138% |
| 4 | Retirement Cont. | 30,156 | 52,497 | 29,710 | 31,347 | 30,683 | (665) | -2% |
| 5 | Retiree Med/OPEB | 1,668 | 5,660 | 3,371 | 3,362 | 4,584 | 1,222 | 36% |
| 6 | Misc. Benefits | 23,027 | 31,812 | 13,354 | 18,229 | 24,486 | 6,257 | 34% |
| 7 | Subtotal | 538,480 | 606,149 | 330,555 | 376,067 | 515,834 | 139,767 | 37% |
| <u>Non-Personnel</u> | | | | | | | | |
| 8 | Legal Services | - | - | - | - | - | - | - |
| 9 | Engineering Services | - | - | - | - | - | - | - |
| 10 | Professional Services | 49,004 | - | 48,269 | 44,988 | 4,499 | (40,489) | -90% |
| 11 | Prof. Memberships | - | 175 | - | 50 | - | (50) | -100% |
| 12 | Insurance Premiums | 59,204 | 37,000 | 43,960 | 35,744 | 57,500 | 21,756 | 61% |
| 13 | Misc. Expenses | 9,211 | 175,494 | 186,865 | 176,030 | - | (176,030) | -100% |
| 14 | Utilities | 10,001 | 10,950 | 9,642 | 12,627 | 7,440 | (5,187) | -41% |
| 15 | Travel & Training | 2,180 | 1,081 | 921 | 50 | - | (50) | -100% |
| 16 | Equipment Rental | - | 52,139 | 150,373 | 148,843 | 75,000 | (73,843) | -50% |
| 17 | Bldg & Maint Services | 115,430 | - | 97,042 | - | - | - | - |
| 18 | Chemicals | 4,089 | 1,025 | 1,855 | 1,000 | - | (1,000) | -100% |
| 19 | Permits & Licenses | 1,044 | - | - | - | - | - | - |
| 20 | Supplies | 21,176 | 21,600 | 21,178 | 21,270 | 12,100 | (9,170) | -43% |
| 21 | Equipment | - | - | - | - | - | - | - |
| 22 | Infrastructure | - | - | - | - | - | - | - |
| 23 | Claims/Penalties | (38,653) | - | 1,419 | - | - | - | - |
| 24 | Subtotal | 232,686 | 299,464 | 561,525 | 440,602 | 156,539 | (284,063) | -64% |
| 25 | TOTAL | 771,166 | 905,613 | 892,080 | 816,669 | 672,373 | (144,296) | -18% |

Key Budget Points:

- Additional Hot Spot Cleanings result in approximately \$36,000 increase
- Actual headcount is budgeted and reflected vs under budgeting last year
- Removal of Other Miscellaneous Expenses and reclassified to the General Budget
- Includes required COLA per MOU and Step Increases

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

| | FY 2018/19 ADOPTED | FY 2018/19 ACTUAL | FY 2019/20 BUDGETED | FY2020/21 PROPOSED | | CHANGE FROM FY 2019/20 BUDGET | |
|--------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------------|-------------------|--|-------------|
| REVENUE | | | | | | | |
| <u>By Type:</u> | | | | | | | |
| 26 | JPA Assessments | - | - | - | | - | |
| 27 | Contract Services | 923,441 | 977,409 | 816,638 | 672,373 | (144,265) | -18% |
| 28 | NDWSCP Fees | 7,175 | 11,571 | 7,175 | | (7,175) | -100% |
| 29 | Misc. Fees | - | - | - | | - | |
| 30 | Interest Earnings | - | - | - | | - | |
| 31 | Misc. Revenue | - | - | - | | - | |
| 32 | From/(To) Reserves | - | - | - | | - | |
| 33 | | 930,616 | 988,981 | 823,813 | 672,373 | (151,440) | -18% |
| <u>By Agency:</u> | | | | | | | |
| 34 | Half Moon Bay | 310,905 | 271,906 | 178,888 | 227,439.37 | 48,551 | 27% |
| 35 | Granada CSD | 284,500 | 290,128 | 296,201 | 186,574.05 | (109,627) | -37% |
| 36 | Montara WSD | 328,036 | 415,376 | 341,549 | 258,359.58 | (83,189) | -24% |
| 37 | | 923,441 | 977,409 | 816,638 | 672,373.00 | (144,265) | -18% |
| Funded Positions: | | | | | | | |
| | | 5.00 | 5.00 | 4.00 | 4.00 | - | 0% |

ITEM #6

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
By: Delia Comito, Assistant General Manager
Subject: GCSD Fiscal Year 2020/21 Budget
Date: June 18, 2020

Attached is the proposed GCSD Budget for fiscal year 2020/21, as presented by staff at the May meeting. No changes were made by the Board in May, and staff was directed to notice a public hearing for the June 18, 2020 meeting. The notice for the public hearing was published in the Half Moon Bay Review for two consecutive weeks, on June 10 and June 17.

The Chair shall open the public hearing to receive comments from the public, and close the public hearing. Final changes to the budget may be made by the Board at this time. Withstanding any final changes, staff recommends Board approval of the GCSD Fiscal Year 2020/21 Budget.

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Draft GCSD Operations, Capital Budget, and 5 Year Budget for Fiscal Year 2020/21
Date: May 21, 2020

Attached for your Board's consideration are the Fiscal Year 2020/21 Sewer District budget and Parks and Recreation District budget. The draft budgets are presented each year at the May board meeting for discussion and input from the Board. Based on these discussions, the budgets are then finalized and presented for approval at our June meeting. Also attached is a 5 Year Projected Revenue, Expense, Capital Projects, and Reserves Level table. The annual sewer service charge increases from \$520 to \$580 per ERU for this coming fiscal year. Budget Highlights include:

- Sewer Authority Mid-Coastside (SAM) – SAM operates the treatment plant and intertie pipeline system which treats the District's sewage. Operational costs (Treatment and Admin) at SAM have increased relatively substantially over the previous 3 years, but the good news is this year's costs remain basically unchanged from last year's. The Infrastructure Budget (capital improvements) shows a \$154,000 reduction over the prior year. The Contract Collections Services Budget is \$110,000 less this year compared to last, due to two things: a reduction in the footage cleaned in all three member agencies, and the transfer of some overhead costs from the Collections Budget to the SAM General Budget.
- The District's administrative budget will be \$78,000 higher than last year. The increase is broadly attributable to:
 - CalPers Unfunded Pension Liability Payment of \$50,000. This payment and the yearly amount thereof is paid at your board's discretion. The District has an unfunded pension liability of \$185,000 according to the most recent audit.
 - Increase from \$5,000 to \$30,000 for our insurance costs. We previously held insurance through SAM, so this is offset by a decrease in the amount paid to SAM.
- District 6 Year CIP Plan – District Engineer Kennedy/Jenks is completing work on the design and specifications for phase I of the District's 6 Year CIP sewer main replacement program, which is estimated to cost \$450,000. As discussed previously, we are bundling the 6 Year plan into 3 two year phases to gain economies of scale in the bidding process.
- The Medio Creek Bridge Crossing – This project will redirect the remaining flow currently flowing over the bridge and redirect it to the Naples Beach Pump Station. We have received a Right-of-Entry permit from State Parks to allow us to begin design and environmental work on the project while awaiting an easement from State Parks for relocation of the sewer main onto State property.

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT BUDGET FISCAL YEAR 2020/21

| | FY 2020/21 |
|---|----------------------|
| <u>SEWER - OPERATING REVENUES</u> | <u>Budget</u> |
| 1 . Property Tax Allocation-Sewer (split between sewer and parks) | \$200,000 |
| 2 . Annual Sewer Service Charges | \$1,879,000 |
| 3 . Reim. from A.D. - Salary and Overhead | \$32,000 |
| 4 . Recology of the Coast Franchise Fee | \$33,000 |
| 5 . Miscellaneous | \$4,000 |
| TOTAL REVENUES | \$2,148,000 |

Budget Revenue Assumptions:

- 1 . 3,225 ERU's of sewer service charge at \$580 per ERU
- 2 . Property Tax Revenue is allocated between the Sewer District and the Parks and Recreation District

SEWER - EXPENDITURES

| | FY 2020/21 |
|--|----------------------|
| <u>SEWER - SAM OPERATING EXPENSES</u> | <u>Budget</u> |
| 1 . SAM General - Treatment | \$831,237 |
| 2 . SAM General - Administration | \$290,458 |
| 3 . SAM General - Environmental Compliance | \$34,172 |
| 4 . SAM Contract Collections Services | \$186,574 |
| Sub-Total SAM Operations Expenditures | \$1,342,441 |

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT BUDGET FISCAL YEAR 2020/21

| | FY 2020/21 |
|--|------------------------|
| <u>SEWER - GCSD ADMINISTRATIVE EXPENSES</u> | <u>Budget</u> |
| 1 . Accounting | \$32,000 |
| 2 . Auditing | \$16,000 |
| 3 . Copier Lease | \$6,000 |
| 4 . Directors' Compensation | \$11,000 |
| 5 . Education & Travel Reimbursement | \$2,000 |
| 6 . Employee Salaries | \$178,000 |
| 7 . Employee Medical, Payroll Taxes, and Retirement | \$88,000 |
| 8 . CalPers and OPEB Unfunded Pension Liability Payments | \$50,000 |
| 9 . Engineering Services (General) | \$20,000 |
| 10 . Insurance | \$30,000 |
| 11 . Legal Services - General | \$30,000 |
| 12 . Legal Services - Project/Case Related | \$50,000 |
| 13 . Memberships | \$9,000 |
| 14 . Newsletter | \$7,000 |
| 15 . Office Lease | \$57,000 |
| 16 . Office Maintenance and Repairs | \$3,000 |
| 17 . Office Supplies | \$3,000 |
| 18 . Professional Services | \$85,000 |
| 19 . Publications & Notices | \$2,000 |
| 20 . Utilities | \$12,000 |
| 21 . Video Taping of Board Meetings | \$4,000 |
| 22 . Computers | \$2,500 |
| 23 . Lateral Repairs | \$25,000 |
| 24 . CCTV | \$25,000 |
| 25 . Pet Waste Stations | \$1,200 |
| 26 . Miscellaneous | \$20,000 |
| Sub-Total GCSD Administration Expenditures | \$768,700 |
| SEWER - TOTAL OPERATING EXPENDITURES | \$2,111,141 |
| SEWER - OPERATING NET TO/(FROM) RESERVES | \$36,859 |

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT BUDGET FISCAL YEAR 2020/21

| <u>SEWER - NON-OPERATING REVENUES</u> | | FY 2020/21 |
|---|----|----------------------|
| | | <u>Budget</u> |
| 1 . Interest on Reserves | \$ | 58,000 |
| 2 . Connection Fees | | \$38,000 |
| 3 . SAM Refund from Prior Year Allocation | | \$1,000 |
| 4 . Repayment from Assessment District-Current FY | | \$310,000 |
| 5 . ERAF Refund from Prior Year | | \$350,000 |
| TOTAL NON-OPERATING REVENUES | | \$757,000 |

Budget Revenue Assumptions:

- 1 . 1.60% Interest on average yearly reserve
- 2 . 8 Connections at \$4700 per connection

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT BUDGET FISCAL YEAR 2020/21

SEWER - CAPITAL PROJECTS AND RESERVE FUND BALANCE

| | FY 2020/21 |
|---|--------------------|
| <u>SEWER - CAPITAL PROJECTS</u> | <u>Budget</u> |
| 1 . General Sewer Mainline System Repairs | \$10,000 |
| 2 . 6 Year Sewer Mainline Replacement Program | \$450,000 |
| 3 . Medio Creek Crossing Sewer Realignment | \$350,000 |
| 4 . SAM - Infrastructure Budget | \$433,438 |
| TOTAL CAPITAL IMPROVEMENT PROJECTS | \$1,243,438 |

SEWER - CAPITAL RESERVE FUND BALANCE

| | |
|--|------------------------|
| 1 . Beginning Balance on July 1 | \$4,069,000 |
| 2 . Capital Projects | (\$1,243,438) |
| 3 . Transfer (to)/from Operating Budget | \$36,859 |
| 4 . Transfer from Non-Operating Revenues | \$757,000 |
| TOTAL RESERVE AT END OF FISCAL YEAR | \$3,619,421 |

GRANADA COMMUNITY SERVICES DISTRICT

PARKS AND RECREATION DISTRICT BUDGET FISCAL YEAR 2020/21

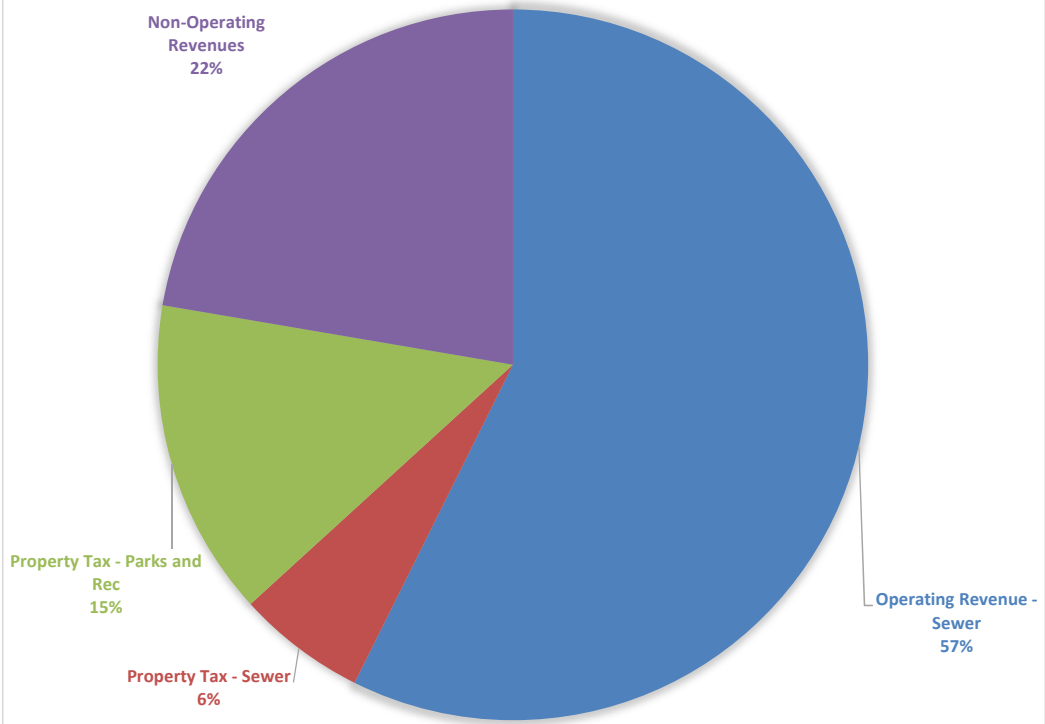
| | FY 2020/21 |
|---|----------------------|
| <u>PARKS AND RECREATION - OPERATING REVENUES</u> | <u>Budget</u> |
| 1 . Property Tax Allocation-Parks (split between sewer and parks) | \$ 491,000 |
| 2 . Miscellaneous | \$1,000 |
| TOTAL REVENUES | \$492,000 |
| | |
| <u>PARKS AND RECREATION - OPERATING EXPENDITURES</u> | |
| 1 . Projects | \$100,000 |
| 2 . RCD | \$20,000 |
| 3 . Professional Services | \$100,000 |
| 4 . Reimbursement to Half Moon Bay per Property Tax Agreement | \$40,000 |
| TOTAL EXPENDITURES | \$260,000 |
| | |
| NET TO/(FROM) PARKS AND RECREATION RESERVE | \$232,000 |
| | |
| <u>PARKS AND RECREATION - CAPITAL RESERVE FUND</u> | |
| 1 . Beginning Balance on July 1 | \$768,000 |
| 3 . Transfer (to)/from Operating Revenues | \$232,000 |
| PARKS AND RECREATION RESERVE AT FYE 2020 | \$1,000,000 |

GRANADA COMMUNITY SERVICES DISTRICT

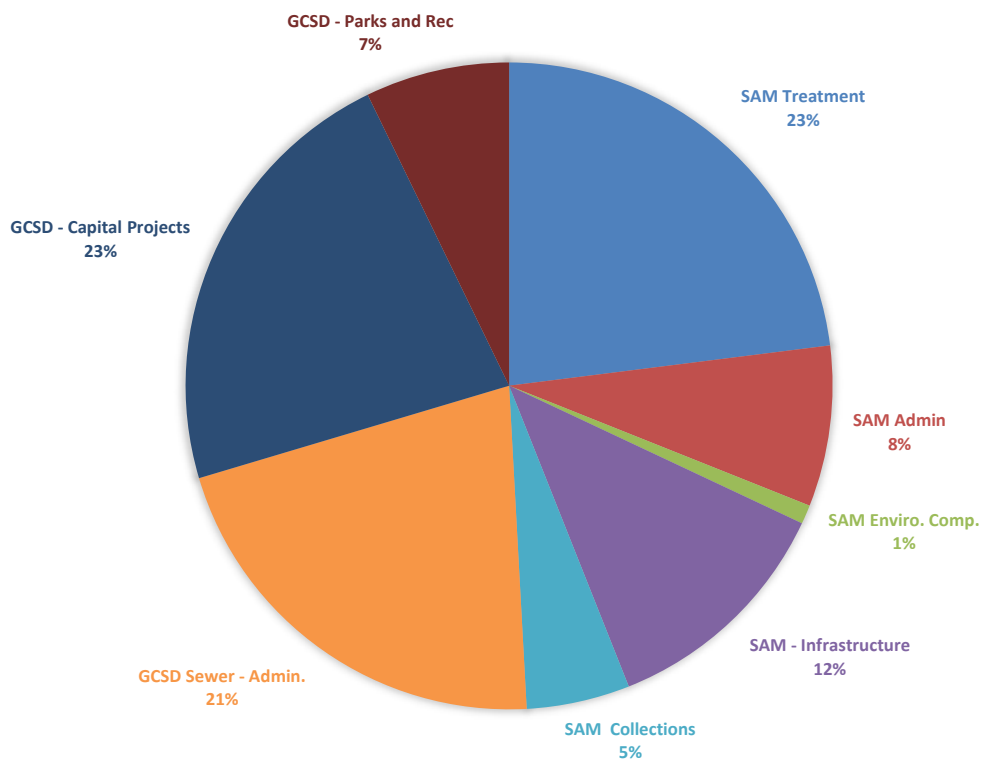
FY 2020/21 BUDGET AT A GLANCE

| | FY 2019/20 | FY 2020/21 |
|---|----------------------|----------------------|
| <u>TOTAL REVENUES</u> | <u>Budget</u> | <u>Budget</u> |
| 1 . Operating Revenues - Sewer | \$1,754,000 | \$1,948,000 |
| 2 . Property Tax - Sewer | \$200,000 | \$200,000 |
| 3 . Property Tax - Parks and Recreation | \$450,000 | \$491,000 |
| 4 . Non-Operating Revenues (interest, ERAF, AD refund) | \$757,000 | \$758,000 |
| TOTAL REVENUES | \$3,161,000 | \$3,397,000 |
| | | |
| <u>TOTAL EXPENSES</u> | | |
| 1 . SAM General - Treatment | \$818,679 | \$831,237 |
| 2 . SAM General - Administration | \$295,475 | \$290,458 |
| 3 . SAM General - Environmental Compliance | \$51,578 | \$34,172 |
| 4 . SAM - Infrastructure Budget (CIP) | \$587,663 | \$433,438 |
| 5 . SAM Contract Collections Services | \$296,201 | \$186,574 |
| 6 . GCSD Sewer - Administrative | \$690,700 | \$768,700 |
| 7 . GCSD - Capital Projects | \$260,000 | \$810,000 |
| 8 . GCSD - Parks and Recreation (projects, consultants) | \$170,000 | \$260,000 |
| TOTAL EXPENSES | \$3,170,296 | \$3,614,579 |
| NET GAIN / (LOSS) | | (\$217,579) |

REVENUES



EXPENSES



GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT

6 YEAR PROJECTED REVENUE, EXPENSE, CAPITAL PROJECTS, and RESERVE LEVEL TABLE

| | <u>FY 2020/21</u> | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>FY 2023/24</u> | <u>FY 2024/25</u> | <u>FY 2025/26</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sewer Service Charge (currently \$520 per ERU) | \$580 | \$580 | \$580 | \$580 | \$580 | \$580 |
| ERU's connected | 3242 | 3248 | 3258 | 3268 | 3278 | 3288 |

| <u>Projected Revenues</u> | <u>FY 2020/21</u> | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>FY 2023/24</u> | <u>FY 2024/25</u> | <u>FY 2025/26</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 . Annual Sewer Service Charges | \$1,879,000 | \$1,884,000 | \$1,890,000 | \$1,895,000 | \$1,901,000 | \$1,907,000 |
| 1 . Property Tax | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| 2 . Other Revenues (Inc. Non-Operating) | \$826,000 | \$842,520 | \$859,370 | \$576,558 | \$588,089 | \$599,851 |
| Total | \$2,905,000 | \$2,926,520 | \$2,949,370 | \$2,671,558 | \$2,689,089 | \$2,706,851 |

Assumptions:

- 6 New connections per year
- 2% Inflation escalator on Other Revenues

| <u>Projected Operating Expenses</u> | <u>FY 2020/21</u> | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>FY 2023/24</u> | <u>FY 2024/25</u> | <u>FY 2025/26</u> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1 . Operations | \$1,342,441 | \$1,369,290 | \$1,396,676 | \$1,424,609 | \$1,453,101 | \$1,482,163 |
| 2 . Administration | \$768,700 | \$784,074 | \$799,755 | \$815,751 | \$832,066 | \$848,707 |
| Total | \$2,111,141 | \$2,153,364 | \$2,196,431 | \$2,240,360 | \$2,285,167 | \$2,330,870 |

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Net Gain for Capital Projects Funding | \$793,859 | \$773,156 | \$752,939 | \$431,198 | \$403,922 | \$375,980 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|

Assumptions:

- 2% Inflation escalator on costs

GRANADA COMMUNITY SERVICES DISTRICT

SEWER DISTRICT

6 YEAR PROJECTED REVENUE, EXPENSE, CAPITAL PROJECTS, and RESERVE LEVEL TABLE

| <u>CAPITAL PROJECTS</u> | <u>FY 2020/21</u> | <u>FY 2021/22</u> | <u>FY 2022/23</u> | <u>FY 2023/24</u> | <u>FY 2024/25</u> | <u>FY 2025/26</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 . General Mainline System Repairs | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| 1 . 6 Year Sewer Mainline Replacement Program | \$450,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| 2 . Medio Creek Bridge Crossing Sewer Realignment | \$350,000 | \$100,000 | | | | |
| 3 . SAM - Capital Maintenance/Infrastructure Budget | \$433,438 | \$600,000 | \$600,000 | \$600,000 | \$600,000 | \$600,000 |
| TOTAL CAPITAL IMPROVEMENT PROJECTS | \$1,243,438 | \$910,000 | \$810,000 | \$810,000 | \$810,000 | \$810,000 |

RESERVE FUND

| | | | | | | |
|---|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Reserve Fund at Beginning of Fiscal Year | \$4,069,000 | \$3,619,421 | \$3,482,577 | \$3,425,516 | \$3,046,715 | \$2,640,637 |
| Transfer From Operating Budget | \$793,859 | \$773,156 | \$752,939 | \$431,198 | \$403,922 | \$375,980 |
| Total Capital Improvement Projects | (\$1,243,438) | (\$910,000) | (\$810,000) | (\$810,000) | (\$810,000) | (\$810,000) |
| Reserve Fund at End of Fiscal Year | \$3,619,421 | \$3,482,577 | \$3,425,516 | \$3,046,715 | \$2,640,637 | \$2,206,617 |

ITEM #7

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA MEMORANDUM

To: Board of Directors
From: Delia Comito, Assistant General Manager
Subject: Consideration of Assessment District Administrative Budget and Cost Recovery Levy for FY 2020/21
Date: June 18, 2020

Attached is the Annual Assessment spreadsheet for the cost recovery levy for fiscal year 2020/21, which is presented to the Board for approval. The amounts on the spreadsheet represent known and anticipated costs of the Granada Sanitary District 2003 Refunding Sewage Treatment Facility Improvements Assessment District, including debt service principal and interest, administrative costs, and overhead. Overhead costs include the cost of the office lease, supplies, salaries, and other general office expenses of the District. The Assessment District pays 10% of those costs to the GCSD. Once approved, all costs will be allocated to the parcels within the Assessment District, and levied for collection on the 20/21 fiscal year San Mateo County tax roll.

In addition to the assessment spreadsheet, I am providing a copy of the overhead calculation, which includes a six-year history of overhead cost calculations. This coming year, GCSD will receive \$2,167 per month, or \$26,000 annually, from the Assessment District for reimbursement of overhead costs.

Staff recommends Board approval of the Fiscal Year 2020/21 Annual Assessment cost recovery levy.

**FISCAL YEAR 2020-2021 ANNUAL ASSESSMENT
GRANADA SANITARY DISTRICT
2003 REFUNDING SEWER TREATMENT FACILITY**

| Description | 2019-20 FY Budget | Proposed 2020-21 FY Budget | Difference |
|-------------------------------------|----------------------|----------------------------------|-------------------|
| <u>DEBT SERVICE:</u> | | | |
| Bond Principal | 455,000 | 480,000 | 25,000 |
| Bond Interest | 88,506 | 60,638 | (27,869) |
| DEBT SERVICE SUBTOTAL: | \$ 543,506 | \$ 540,638 | \$ (2,869) |
| <u>ADMINISTRATIVE COSTS:</u> | | | |
| Agency Administrative Costs | 25,200 | \$ 26,000 | 800 |
| Trustee/Paying Agent Costs | 4,655 | \$ 4,405 | (250) |
| County Collection Fees | 1,833 | \$ 1,833 | 0 |
| Arbitrage Calculation Costs | | | |
| Continuing Disclosure Costs | 1,500 | \$ 1,500 | 0 |
| Dissemination Costs | | | |
| Legal Fees: | 20,000 | \$ 20,000 | 0 |
| Accounting Fees: | | | |
| <u>TAUSSIG FEES:</u> | | | |
| Administrative Expenses | 8,000 | \$ 8,000 | 0 |
| Other Adjustments | | | |
| ADMIN COSTS SUBTOTAL: | \$ 61,188 | \$ 61,738 | \$ 550 |
| <u>OTHER</u> | | | |
| Delinquency Management Chrgs | | | |
| Manual Adjustments | | | |
| Contingent Fund Credit | | | |
| Revenue Fund Credit | | | |
| Redeption Fund Credit | | | |
| Prior Year Credit/Debt | 0 | \$ - | |
| OTHER SUBTOTAL: | \$ - | \$ - | \$ - |
| ASSESSMENT TOTAL: | \$ 604,694 | \$ 602,376 | \$ (2,319) |
| Parcels Levied | 1,288 | 1,288 ^[1] | |

[1] Please note the number of parcels is yet to be confirmed.

The Assessment District Levy has been reviewed and approved by the District Board of Directors.

DELIA COMITO, Asst. General Manager

**AD OVERHEAD CALCULATION FOR 2020/21 FY
And Prior Year Calculations**

| ACCOUNT CODE | 20/21 | 19/20 | 18/19 | 17/18 | 16/17 | 15/16 | 14/15 |
|-------------------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 6030 · Copier Lease | 7,000 | 7,000 | 6,862 | 6,862 | 6,000 | 7,182 | 6,547 |
| 6050 · Directors' Compensation | | | | | 10,000 | | 11,832 |
| 6060 · Education & Travel Reimb | | | | | 1,800 | | 623 |
| 6070 · Employee Compensation | 180,000 | 170,000 | 181,597 | 181,597 | 180,000 | 159,221 | 164,000 |
| 6074 · Payroll Processing Fees | | | - | - | 500 | | 1,280 |
| 6151 · General Manager | | | | | | 82,192 | |
| 6100 · Insurance | | | - | - | 8,500 | | 11,264 |
| 6140 · Office Lease | 55,000 | 57,000 | 54,100 | 54,100 | 49,000 | 55,827 | 38,791 |
| 6150 · Office Maintenance & Repairs | 2,000 | 2,000 | 2,110 | 2,110 | 1,800 | 3,824 | 2,128 |
| 6160 · Office Supplies | 5,000 | 5,000 | 6,004 | 6,004 | 3,000 | 8,886 | 5,215 |
| 6190 · Utilities | 10,000 | 10,000 | 10,134 | 10,134 | 9,500 | 8,816 | 8,563 |
| 6200 · Video Taping | | | | | | | 2,875 |
| 6210 · Computers | 1,000 | 2,500 | 1,773 | 1,773 | 3,300 | | 490 |
| TOTALS: | 260,000 | \$ 253,500 | \$ 262,580 | \$ 262,580 | \$ 273,400 | \$ 325,949 | \$ 253,608 |
| 10% Annual Amount | 26,000 | 25,350 | 26,258 | 26,258 | 27,340 | 32,595 | 25,361 |
| 10% Monthly Amount | 2,167 | \$ 2,113 | \$ 2,188 | \$ 2,188 | \$ 2,278 | \$ 2,716 | \$ 2,113 |

2020/2021 FY: \$ 2,167 Monthly \$ 26,000 Annual

ITEM #8



SEWER AUTHORITY MID-COASTSIDE
Revised Board of Directors Meeting Agenda
Regular Board Meeting 7:00 PM, Monday, June 8, 2020

SAM Administration Building, 1000 N. Cabrillo Highway, Half Moon Bay, CA 94019
Directors will attend the meeting through teleconferencing pursuant to and as permitted by Executive Order N-29-20. Consistent with Executive Order N-29-20, the San Mateo County Health Officer shelter in place order issued on March 16, 2020, members of the public may observe the open session portions of the meeting electronically by using the following link:

Join Zoom Meeting

<https://us02web.zoom.us/j/89251690253?pwd=MIRxTVFzcjh6Zk51ZVBPSjhGb2wwQT09>

Meeting ID: 892 5169 0253

Password: 336594

One tap mobile

+16699006833,,89251690253#,,1#,336594# US (San Jose)

As of the time of posting of this Agenda electronically pursuant to Executive Order N-29-20, SAM's procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act are under development; these procedures will be posted on the SAM website as soon as they are finalized. If you have a disability and require special assistance related to participating in this teleconference meeting, please contact the Authority at least two working days in advance of the meeting at (650) 726-0124 or via email at kishen@samcleanswater.org.

1. CALL TO ORDER

| | | |
|---------------|----------------------|------------------------------|
| A. Roll Call: | Chair: | Kathryn Slater-Carter (MWSD) |
| | Vice-Chair: | Barbara Dye (GCSD) |
| | Secretary/Treasurer: | Deborah Ruddock (HMB) |
| | Director: | Jim Blanchard (GCSD) |
| | Director: | Ric Lohman (MWSD) |
| | Director: | Dr. Deborah Penrose (HMB) |

2. PUBLIC COMMENT / ORAL COMMUNICATION

Members of the public are welcome to submit comments via e-mail by sending them to kishen@samcleanswater.org. All comments so submitted prior to 6 pm on June 8, 2020 will be read out loud during the discussion of the respective item(s) identified in the e-mail; comments without such identification shall be read during this Item. Members of the public may also provide comments telephonically or electronically on individual items following recognition by the Board Chair presiding over the meeting.

3. CONSENT AGENDA *(Consent items are considered routine and will be approved/ adopted by a single motion and vote unless a request for removal for discussion or explanation is received from the public or Board.)*

- A. Approve Minutes of May11, 2020, Regular Board Meeting **(Attachment)**
- B. Approve Disbursements for June 8, 2020 **(Attachment)**
- C. Receive FY 2019-20 Revenue and Expense Report for Period Ending April 30, 2020 **(Attachment)**

4. REGULAR BUSINESS *(The Board will discuss, seek public input, and possibly take action on the following items.)*

- A. Approve a Side Letter of Agreement with Stationary Engineers, Local 39 Updating the Memorandum of Understanding to Comply with CalPERS Requirements for the Value of Uniform Allowance and Authorize the General Manager to Execute the Side Letter of Agreement. **(Attachment)**
- B. Construction of Wet Weather Storage Expansion Project **(Attachment)**
- C. Review and Approve the Updated Design Documents for the Portola Pump Replacement Project and Authorize the Bid Documents and Bid Procedure **(Attachment)**

5. GENERAL MANAGER'S REPORT

- A. Receive Manager's Report for April 2020 **(Attachment)**
- B. Receive Report from Wastewater Management Specialists on the Status of Work for Organizational Management Improvement Program. **(Attachment)**

6. ATTORNEY'S REPORT

7. DIRECTORS' REPORT

8. TOPICS FOR FUTURE BOARD CONSIDERATION **(Attachment)**

9. CONVENE IN CLOSED SESSION *(Items discussed in Closed Session comply with the Ralph M. Brown Act.)*

A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code Paragraph (2) of Subdivision (d) of Section 54956.9 (Beverli Marshall dispute)

- B. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION
Pursuant to Paragraph (4) of Subdivision (d) of Government Code Section 54956.9
(One potential case)
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Paragraph (1) of Subdivision (d) of Section 54956.9:
(Half Moon Bay v. Granada CSD, Montara WSD & Sewer Authority Mid-Coastside)
- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Paragraph (1) of Subdivision (d) of Section 54956.9:
(Ecological Rights Foundation vs. Sewer Authority Mid-Coastside)
- E. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
[Consideration of initiation of litigation pursuant to paragraph (4) of subdivision (d) of
Section 54956.9: (One potential cases)

10. CONVENE IN OPEN SESSION *(Report Out on Closed Session Items)*

11. ADJOURNMENT

- Upcoming Regular Board Meetings: June 22, 2020 and July 13, 2020

The meeting will end by 9:00 p.m. unless extended by Board vote.

INFORMATION FOR THE PUBLIC

This agenda contains a brief description of each item to be considered. Those wishing to address the Board on any matter not listed on the Agenda, but within the jurisdiction of the Board, may do so during the Public Comment section of the Agenda and will have a maximum of three minutes to discuss their item. The Board Chair will call forward those wishing to speak on a matter listed on the Agenda at the appropriate time.

Any writing that is a public record and relates to an agenda item for an open session of a regular meeting that is distributed to the Board less than 72 hours prior to the meeting, is available for public inspection, during normal business hours, at the Authority's office.

Board meetings are accessible to people with disabilities. Upon request, the Authority will make this agenda available in appropriate alternative formats to persons with a disability. In compliance with the Americans with Disabilities Act, the Authority will provide special assistance for participation in this meeting. Please submit requests for a disability-related modification or an accommodation in order to participate in the public meeting at least two working days in advance of the meeting by contacting the Authority at (650) 726-0124.



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors
THROUGH: Kishen Prathivadi, General Manager
FROM: Tim Costello, Supervisor of Technical / Field Services
SUBJECT: **Monthly Manager’s Report – April 2020**

Executive Summary

The purpose of this report is to keep the Board and public informed of SAM’s day-to-day operations.

Fiscal Impact

There is no fiscal impact from this report.

Strategic Plan Compliance

The recommendation complies with the SAM Strategic Plan Goal 5.5: *“Operations and maintenance should be proactively planned, and the Board shall be kept up to date on progress on operations and maintenance issues.”*

Background and Discussion/Report

The following data is presented for the month of April 2020.

| <i>Key Indicators of Performance</i> | | <i>Flow Report (See Attachment A)</i> | | |
|--------------------------------------|---|---------------------------------------|--------------|--------------|
| NPDES Permit Violations: | 0 | Half Moon Bay | 0.756 | 56.4% |
| Accidents, Injuries, etc.: | 0 | Granada CSD | 0.274 | 20.4% |
| Reportable Spills Cat 1: | 0 | Montara W&SD | <u>0.311</u> | <u>23.2%</u> |
| Reportable Spills Cat 2: | 0 | Total | 1.340 | 100% |
| Reportable Spills Cat 3: | 0 | | | |

| | | | |
|---------------------------|--------------|------------|------------------|
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| | D. Penrose | D. Ruddock | K. Slater-Carter |
| ALTERNATE MEMBERS: | S. Boyd | M. Clark | A. Eisen |
| | J. Harvey | H. Rarback | P. Dekker |

Administration

There were two Board Meetings in the month of April. There were zero public records request in April 2020. The Half Moon Bay Review had 1 article, "Sewer rates may rise for Coastsiders, April 1, 2020."

There has been no lost time work accidents since September 10, 2019.

There were no new hires in the month of April. There were two anniversaries in April, George Long, April 16, 1988, and George Evans, April 27, 2017. There was one promotion, George Evans to Finance Officer from Accounting Technician.

Operations & Maintenance

The following permanent flow storage installations are in place and functioning properly.

Montara Pump Station – Walker Tank, which has a capacity of 434,000 gallons.

The Portola Station – Wet Weather Facility, which has a capacity of 200,000 gallons.

The Portola Pump Station has the ability to use the Wet Weather Facility as a modified equalization basin if needed, (without mixing it is not ideal for this use) or as wet weather flow storage as originally designed.

Operations in April were good over all. The portable chopper pump on site is helping in regards to relief from the daily ragging issues we were experiencing. Also the cleaning project of the anaerobic digester at the tail end of the month is on track so that will be helpful as well.

The month started fairly routine, well as routine things can be while working within the constraints of the Covid 19 restrictions. Generally since things are closed right now and onsite staff is minimal we basically were just doing the routine day to day tasks that need to be done.

Aside from the day to day we were working to get Wastewater Solids Management, (the digester cleaning company), lined up and days pinned down for when they could start to mobilize and set up onsite. Once staff did the nitrogen purge on the digester it was opened and the work began.

We are continuing to provide samples to Stanford doing what we can to be part of the research they are doing on Covid-19.

| | | | |
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During the month of April 2020, rainfall was below normal for Half Moon Bay. The 10-year average for the area is 1.89 inches of rain in April. This year the monthly total was not tabulated yet on the climate data web site, it appears that the US climate web site is no longer supported, (US climate data HMB). Unlike the first part of the year we did get some rainfall to report for April. Rainfall totals were as follows: 1.52 inches at the treatment plant, 1.06 inches in the GCSD service are, and 1.93 inches at the MWSD weather station. Still below the 10 year average but at least we got a little. There were micro-climate variations verified by the data.

Below is a chronological summary of some of the occurrences during the month of April 2020.

- 4/1/2020 – Flowstar was in to work on outside conveyor belt for the solids handling system. The front roller needed to be replaced.
- 4/2/2020 – Brandon from Calcon in working on effluent sampler, the flow signal to the sampler was acting up so we needed to get it corrected.
- 4/3/2020 – Stanford in to pick up samples for the study they are doing on Covid-19.
- 4/4/2020 – There was a power glitch at the facility, equipment had to be reset, no other issues were found.
- 4/7/2020 – Flowstar was back to work on conveyor, when they were in last week they found that the gear box and motor had corroded together and they were unable to separate them.
- 4/9/2020 – Covid-19 webinar watched by staff.
- 4/10/2020 – Stanford in to pick up more samples.
- 4/15/2020 – Digester cleaning folks onsite to walk the area and check out the site. They will start rolling in equipment next week.
- 4/16/2020 – Airgas was onsite as a pre-inspection for the nitrogen trailer need to purge the digester.
- 4/17/2020 – Topped off diesel fuel con vault since our access will be limited once all the digester cleaning equipment is on site. Digester cleaning company starting to roll in equipment.

| | | | |
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- 4/20/2020 – Trevor from Calcon in working on ignition system (SCADA system), digester cleaning crew setting up equipment.
- 4/21/2020 – Trevor working on control valves & other issues, digester crew setting up and getting equipment ready, 55 KW generator dropped off today for belt press and mixing tank.
- 4/22/2020 – Removed overflow cap for digester #2 so that it is fully functional, moved things around so there is room for nitrogen trailer, digester cleaning crew getting prepped. Nitrogen trailer was dropped off today.
- 4/23/2020 – Staff did the nitrogen purge of digester #1, the purging began at 06:00 and by 15:30 we opened up the access hatch on the digester. Digester cleaning crew happy as they can start now.
- 4/24/2020 – Stanford in to pick up samples for study, staff removed access door to digester so the work can begin on Monday.
- 4/27/2020 – Nitrogen trailer was removed, 100 KW generator dropped off today for the bar screen and the digester pump, pumping of the digester began today.
- 4/28/2020 – Annual samples for lab certification on PH, DO, CL2 residual were done today, digester cleaning work in under way.
- 4/29/2020 – Digester cleaning continues.
- 4/30/2020 – Digester cleaning continues, flushed out recirculation lines to the digester.

Other activities are listed below;

There were 7 deliveries (approximately 4,950 gallons) of trucked waste discharged at the SAM plant for a total revenue of \$ 495.00. There were 232 leachate deliveries to the SAM IPS line in the month of April, for a total leachate volume of 1,332,411 gallons.

The NPDES data report for April 2020 is attached reference (Attachment B).

Contract Collection Services

The SAM crew cleaned 31,116 feet of sewer line and responded to 9 service calls in contract service areas. 2 were sewer related and 7 were maintenance service calls.

| | | | |
|---------------------------|---------------------|-------------------|-------------------------|
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Two of the callouts were during regular business hours and seven were after hours. One was in the HMB service area, the remaining eight were in the MWSD service area.

HMB – The service call in the HMB area was as follows, 4/5 – Responded to a call about oily substance running down the street, crew member investigated, it was determined not to be sewer related and the matter was referred to the City public works department.

There were no maintenance service calls during the month of April.

GCSD – There were no service calls in the GCSD area for April.

There were no maintenance service calls during the month of April.

MWSD – The sewer related calls in the MWSD area was as follows;
4/28 – Plumber cleared lateral and suggested that the homeowner contact us to confirm the main line was clear. Crew flushed the main finding no issues or obstruction.

There were 7 maintenance service calls in MWSD area this month, they were as follows; 4/4 - Power fail alarm at Vallemar, power was restored upon arrival, reset alarms, ran pumps for proper operation, recorded generator hrs. 4/7 - Kanoff station trouble alarm, phase monitor fault, reset alarms, ran equipment for proper operation, no issues were found, generator did not run. 4/13 - Seal cove #1, pump #2 had failed, reset it and the pump tripped out the overload again, switched pump 1 to lead, referred to Peninsula Pump due to loud bearing noise. 4/24 - Vallemar station alarm, upon arrival had power, reset alarms, tested pumps, everything worked as normal, no issues found. 4/28 - 7th street, station fail alarm, phase loss, Cleared alarms tested pumps, everything worked as normal, no other issues found. 4/28 - Vallemar station fail / trouble alarm, cleared alarms, ran pumps, everything worked properly, no other issues found. 4/30 - Distillery alarm, upon arrival found station in alarm, floats were not tripped, did a manual power cycled on station, cleared alarms, checked for proper operation after cycling power, functioned properly.

The April 2020 collection system data report is provided for the Board's information. There were no Category 1's, no Category 2's, and no Category 3's SSO during the month of April 2020.

| | | | |
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| | J. Harvey | H. Rarback | P. Dekker |

Staff Recommendation

Staff recommends that the Board receive the Manager's Report for April 2020.

Supporting Documents

- Attachment A: Monthly Flow Report April 2020
- Attachment B: Monthly NPDES Report April 2020
- Attachment C: Collection System Data April 2020
- Attachment D: Contract Collection Services Report April 2020

| | | | |
|---------------------------|--------------|------------|------------------|
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Attachment A

Flow Distribution Report Summary for April 2020

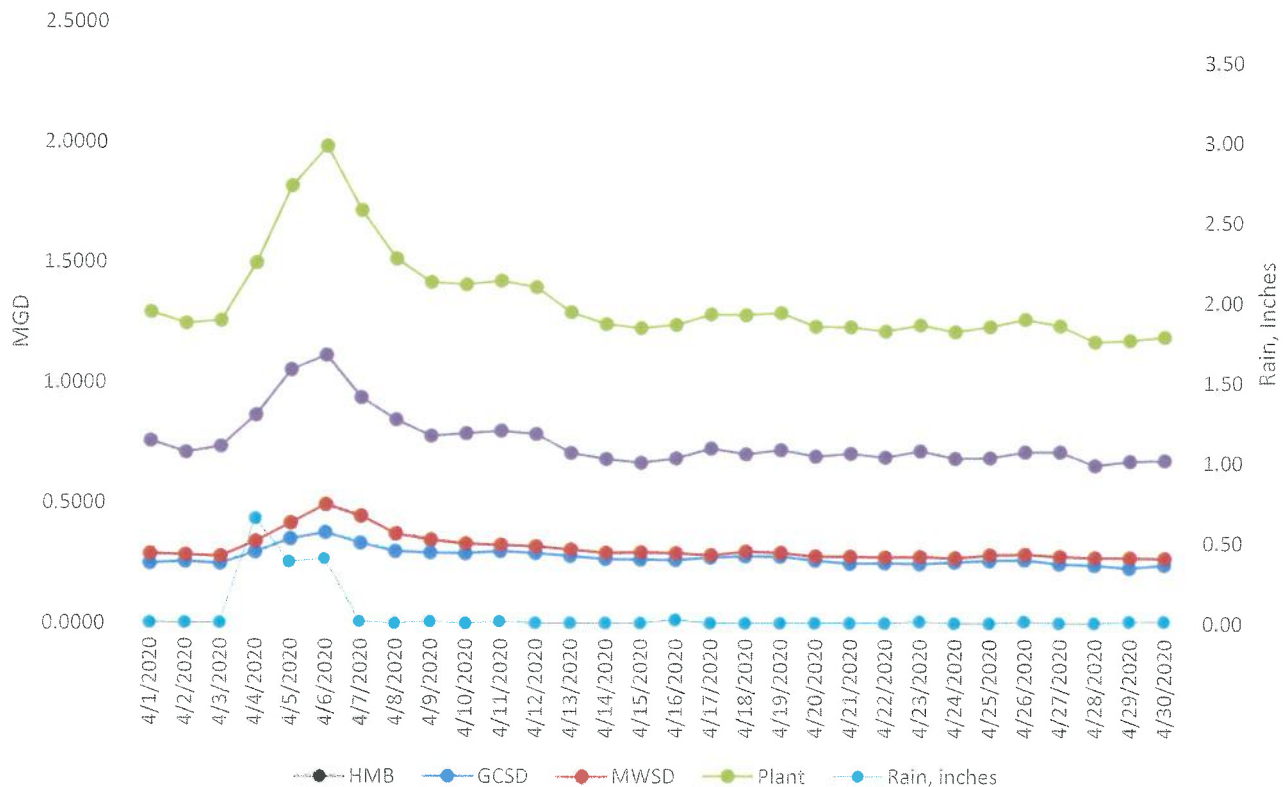
The daily flow report figures for the month of April 2020 have been converted to an Average

Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

| | <u>MGD</u> | <u>%</u> |
|-------------------------------------|--------------|--------------|
| The City of Half Moon Bay | 0.756 | 56.4% |
| Granada Community Services District | 0.274 | 20.4% |
| Montara Water and Sanitary District | <u>0.311</u> | <u>23.2%</u> |
| Total | 1.340 | 100.0% |

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, April 2020



Sewer Authority Mid-Coastside

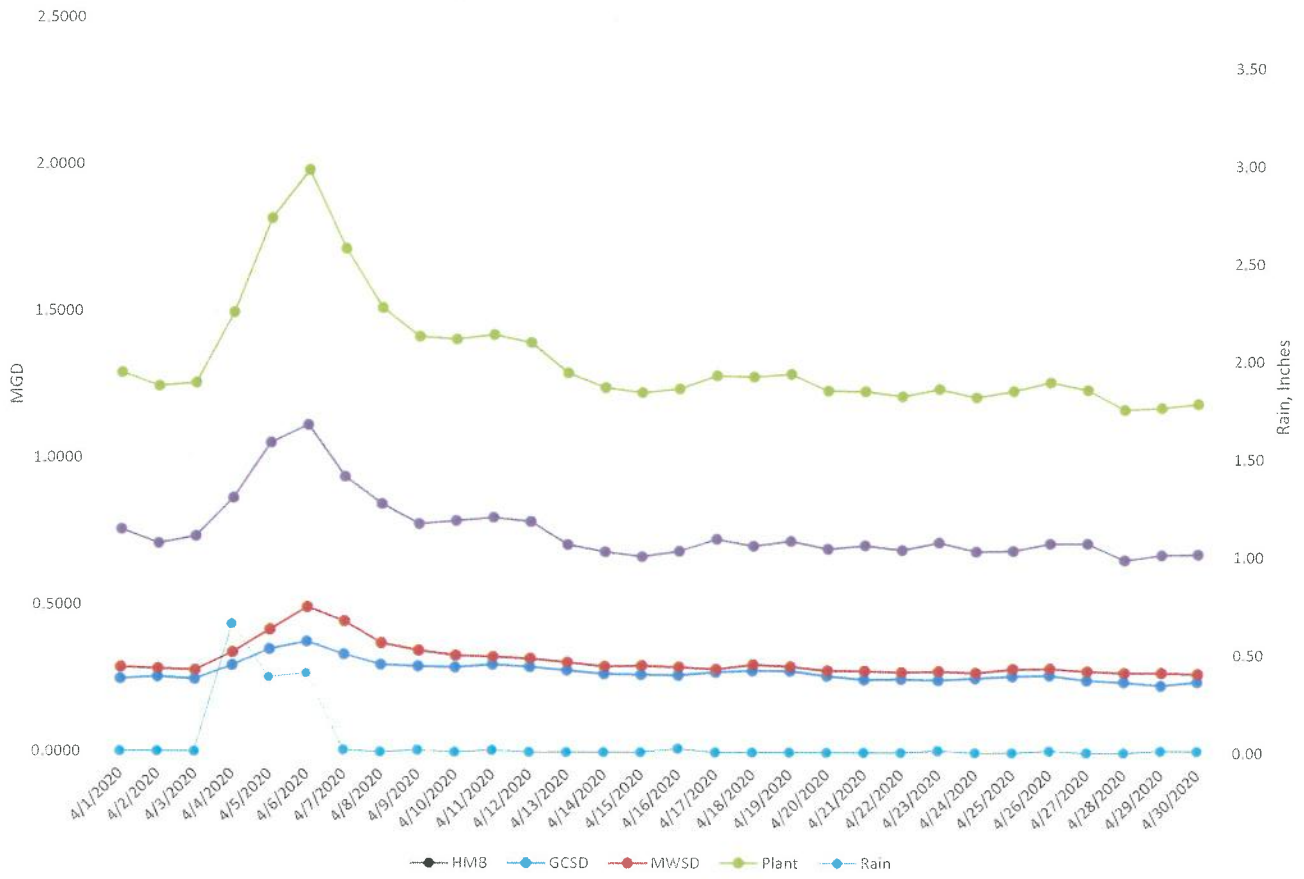
Monthly Flow Distribution Report for April 2020

| <u>Date</u> | <u>HMB</u> | <u>GCSD</u> | <u>MWSD</u> | <u>Plant</u> | <u>Rain Plant</u> | <u>Rain Portola</u> | <u>Rain Montara</u> |
|---------------|---------------|--------------|--------------|---------------|-------------------|---------------------|---------------------|
| 4/1/2020 | 0.7568 | 0.247 | 0.287 | 1.291 | 0.00 | 0.00 | 0.00 |
| 4/2/2020 | 0.7084 | 0.254 | 0.282 | 1.244 | 0.00 | 0.00 | 0.00 |
| 4/3/2020 | 0.7332 | 0.246 | 0.277 | 1.256 | 0.00 | 0.00 | 0.00 |
| 4/4/2020 | 0.8638 | 0.294 | 0.339 | 1.496 | 0.65 | 0.37 | 0.59 |
| 4/5/2020 | 1.0528 | 0.349 | 0.416 | 1.818 | 0.38 | 0.08 | 0.04 |
| 4/6/2020 | 1.1140 | 0.375 | 0.493 | 1.982 | 0.40 | 0.58 | 1.10 |
| 4/7/2020 | 0.9376 | 0.332 | 0.445 | 1.715 | 0.01 | 0.01 | 0.00 |
| 4/8/2020 | 0.8451 | 0.297 | 0.371 | 1.513 | 0.00 | 0.00 | 0.00 |
| 4/9/2020 | 0.7775 | 0.292 | 0.346 | 1.416 | 0.01 | 0.00 | 0.06 |
| 4/10/2020 | 0.7883 | 0.288 | 0.330 | 1.407 | 0.00 | 0.00 | 0.00 |
| 4/11/2020 | 0.7993 | 0.298 | 0.325 | 1.422 | 0.01 | 0.00 | 0.00 |
| 4/12/2020 | 0.7857 | 0.291 | 0.319 | 1.395 | 0.00 | 0.00 | 0.00 |
| 4/13/2020 | 0.7073 | 0.279 | 0.306 | 1.292 | 0.00 | 0.00 | 0.00 |
| 4/14/2020 | 0.6830 | 0.267 | 0.293 | 1.243 | 0.00 | 0.00 | 0.00 |
| 4/15/2020 | 0.6670 | 0.264 | 0.295 | 1.226 | 0.00 | 0.00 | 0.00 |
| 4/16/2020 | 0.6856 | 0.263 | 0.291 | 1.239 | 0.02 | 0.01 | 0.03 |
| 4/17/2020 | 0.7269 | 0.273 | 0.284 | 1.284 | 0.00 | 0.00 | 0.00 |
| 4/18/2020 | 0.7031 | 0.278 | 0.299 | 1.281 | 0.00 | 0.00 | 0.00 |
| 4/19/2020 | 0.7202 | 0.277 | 0.293 | 1.290 | 0.00 | 0.00 | 0.00 |
| 4/20/2020 | 0.6935 | 0.261 | 0.279 | 1.233 | 0.00 | 0.00 | 0.00 |
| 4/21/2020 | 0.7055 | 0.248 | 0.278 | 1.232 | 0.00 | 0.00 | 0.00 |
| 4/22/2020 | 0.6899 | 0.251 | 0.274 | 1.215 | 0.00 | 0.00 | 0.00 |
| 4/23/2020 | 0.7163 | 0.246 | 0.277 | 1.240 | 0.01 | 0.00 | 0.00 |
| 4/24/2020 | 0.6857 | 0.254 | 0.272 | 1.212 | 0.00 | 0.00 | 0.00 |
| 4/25/2020 | 0.6880 | 0.260 | 0.285 | 1.233 | 0.00 | 0.00 | 0.00 |
| 4/26/2020 | 0.7125 | 0.264 | 0.287 | 1.263 | 0.01 | 0.00 | 0.00 |
| 4/27/2020 | 0.7125 | 0.246 | 0.278 | 1.237 | 0.00 | 0.00 | 0.00 |
| 4/28/2020 | 0.6561 | 0.241 | 0.273 | 1.170 | 0.00 | 0.00 | 0.00 |
| 4/29/2020 | 0.6743 | 0.229 | 0.273 | 1.176 | 0.01 | 0.01 | 0.04 |
| 4/30/2020 | 0.6776 | 0.242 | 0.270 | 1.190 | 0.01 | 0.00 | 0.07 |
| Totals | 22.668 | 8.205 | 9.337 | 40.210 | 1.52 | 1.06 | 1.93 |

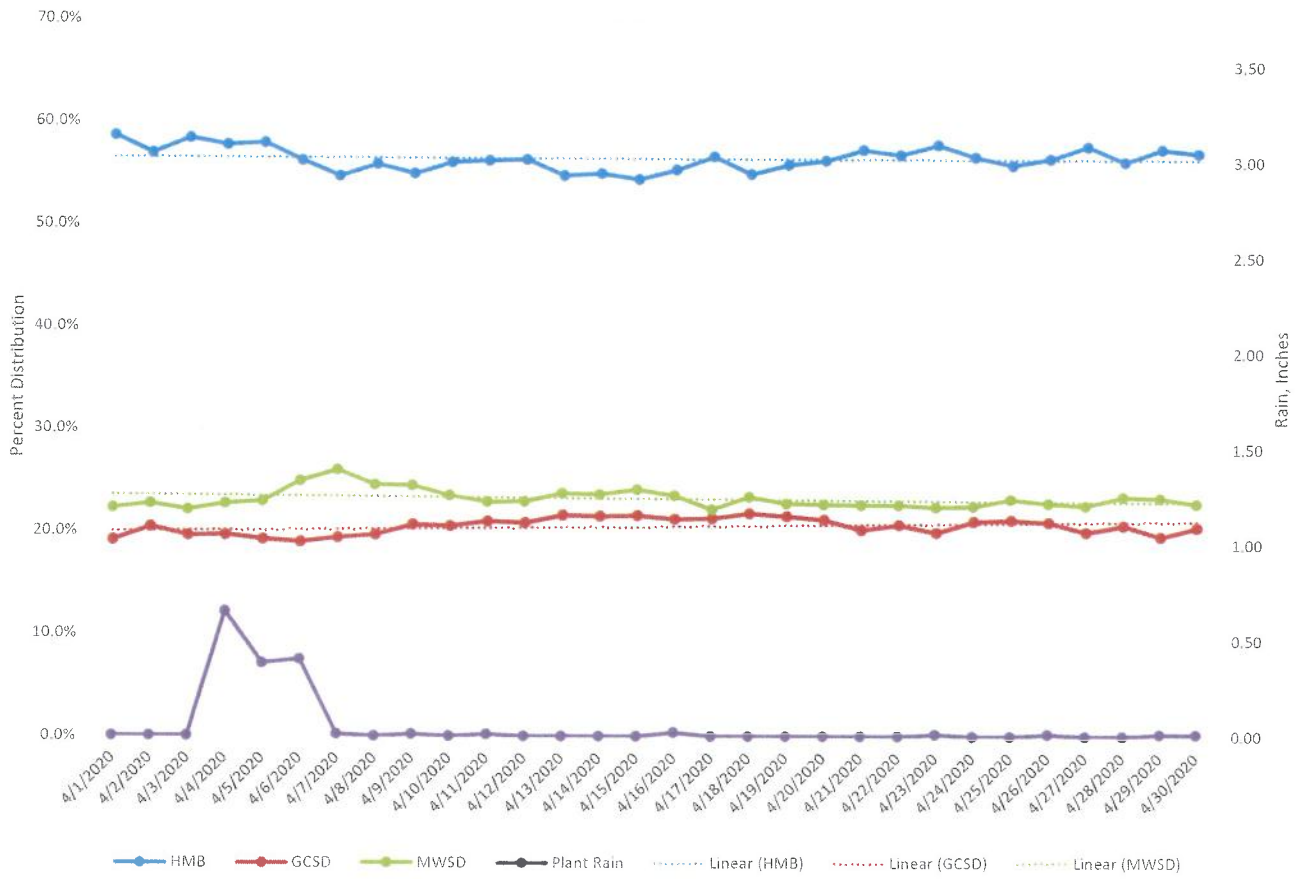
Summary

| | <u>HMB</u> | <u>GCSD</u> | <u>MWSD</u> | <u>Plant</u> |
|---------------------|--------------|--------------|--------------|---------------|
| Minimum | 0.656 | 0.229 | 0.270 | 1.170 |
| Average | 0.756 | 0.274 | 0.311 | 1.340 |
| Maximum | 1.114 | 0.375 | 0.493 | 1.982 |
| Distribution | 56.4% | 20.4% | 23.2% | 100.0% |

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, April 2020

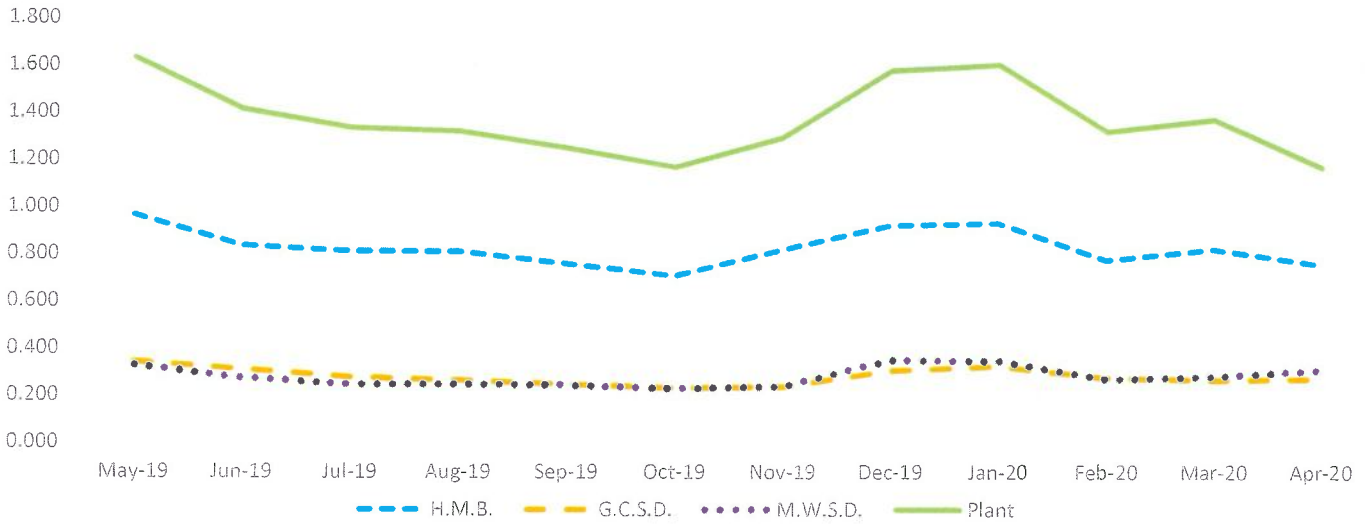


Percent Distribution April 2020

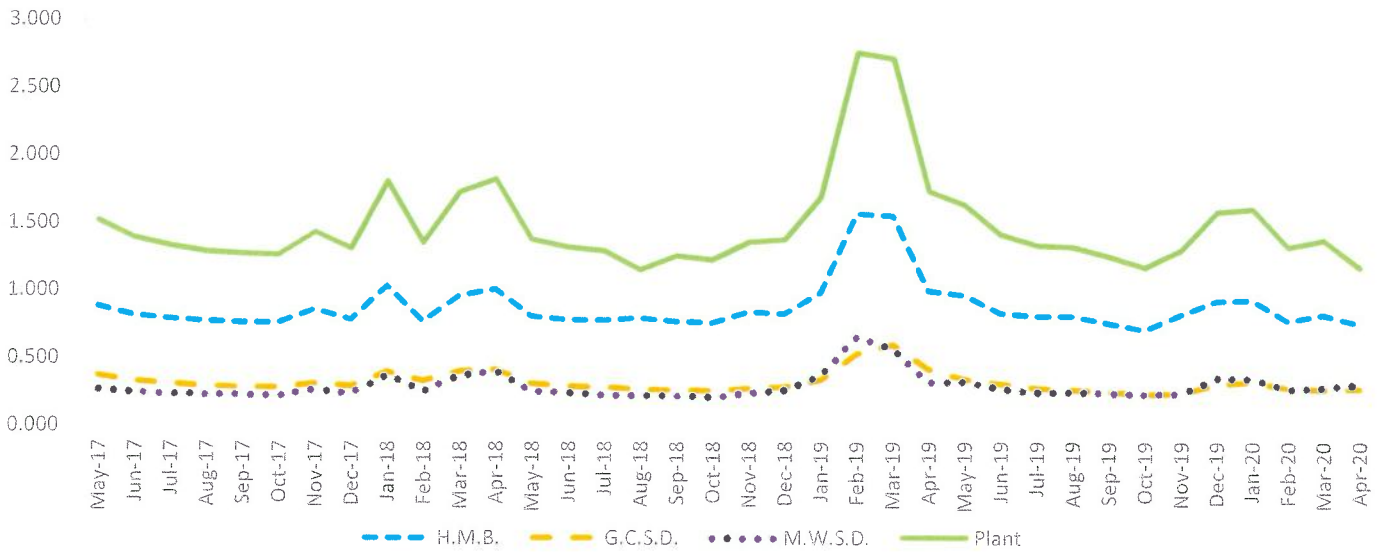


Most recent flow calibration September 2019 PS, September 2019 Plant

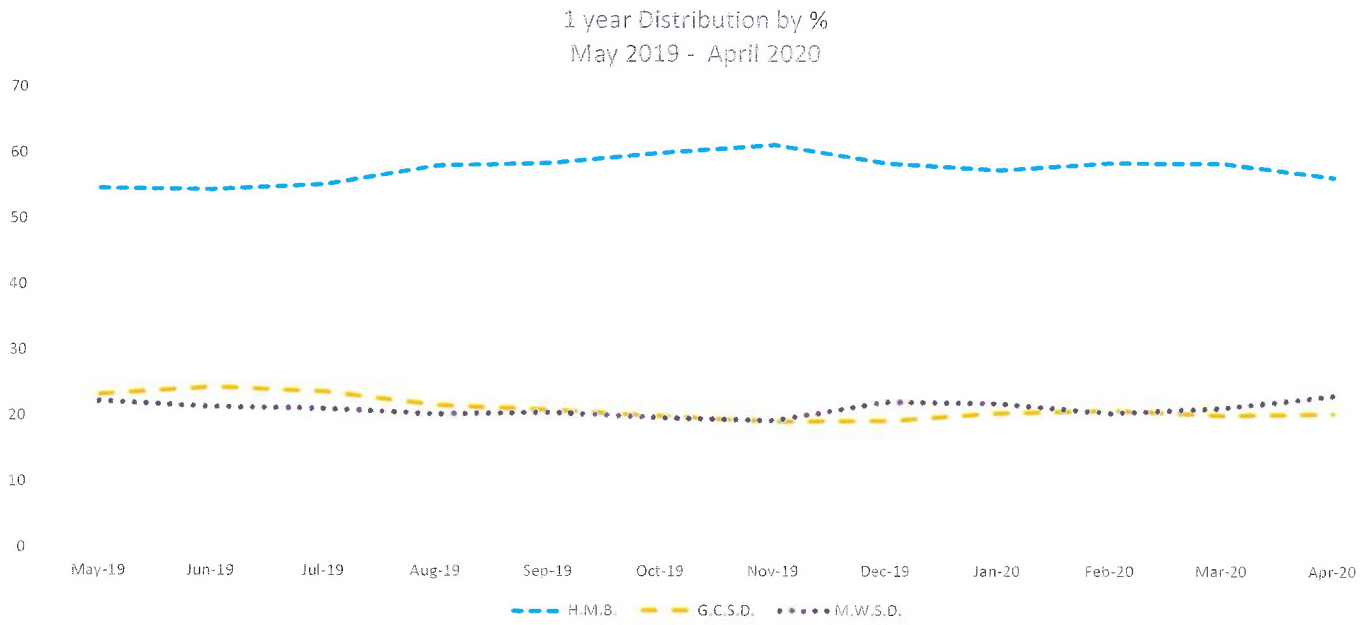
One Year Flow Chgart
May 2019 - April 2020



Three Year Flow Chart
May 2017 - April 2020



Flow based percent distribution based for past year



SAM E-001 April 2020

| Date | Inf TSS mg/l | Eff TSS mg/l | Eff TSS Weekly Avg | TSS % Removal | Inf BOD mg/l | Eff BOD mg/l | Eff BOD Weekly Avg mg/l |
|-----------------|-----------------|-----------------|--------------------------|------------------|-----------------|-----------------|-------------------------------|
| 4/1/2020 | | | | | | | |
| 4/2/2020 | | | | | | | |
| 4/3/2020 | | | | | | | |
| 4/4/2020 | | | | | | | |
| 4/5/2020 | | | | | | | |
| 4/6/2020 | | | | | | | |
| 4/7/2020 | 220 | 21.00 | | 90.5% | 270 | 23.0 | |
| 4/8/2020 | 230 | 13.00 | | 94.3% | 240 | 17 | |
| 4/9/2020 | | | | | | | |
| 4/10/2020 | | | | | | | |
| 4/11/2020 | | | 17.00 | | | | 20.00 |
| 4/12/2020 | | | | | | | |
| 4/13/2020 | | | | | | | |
| 4/14/2020 | | | | | | | |
| 4/15/2020 | 320 | 7.80 | | 97.6% | 370 | 21.0 | |
| 4/16/2020 | 320 | 8.10 | | 97.5% | 350 | 15.0 | |
| 4/17/2020 | | | | | | | |
| 4/18/2020 | | | 7.95 | | | | 18.00 |
| 4/19/2020 | 330 | 7.50 | | 97.7% | 370 | 14.0 | |
| 4/20/2020 | 320 | 7.60 | | 97.6% | 340 | 11.0 | |
| 4/21/2020 | | | | | | | |
| 4/22/2020 | | | | | | | |
| 4/23/2020 | | | | | | | |
| 4/24/2020 | | | | | | | |
| 4/25/2020 | | | 7.55 | | | | 12.50 |
| 4/26/2020 | | | | | | | |
| 4/27/2020 | 300 | 8.80 | | 97.1% | 230 | 17.0 | |
| 4/28/2020 | 370 | 8.30 | | 97.8% | 380 | 19.0 | |
| 4/29/2020 | | | | | | | |
| 4/30/2020 | | | 8.55 | | | | 18.00 |
| | | | | | | | |
| | | | | | | | |
| Count | 8 | 8 | 4 | 8 | 8 | 8 | 4 |
| Minimum | 220 | 7.50 | 7.55 | 90.5% | 230 | 11.0 | 12.5 |
| Average | 301 | 10.26 | 10.26 | 96.3% | 319 | 17.1 | 17.1 |
| Maximum | 370 | 21.00 | 17.00 | 97.8% | 380 | 23.0 | 20.0 |
| Percent Removal | | | | 85 | | | |
| 5 Sample Median | | | | | | | |
| High | | | | | | | |
| Low | | | | | | | |
| Daily Max | | | | | | | |
| Weekly Max | | | 45 | | | | 45 |
| Monthly Average | | 30 | | | | 30 | |

SAM E-001 April 2020

| Date | BOD % Removal | Eff Settleeable Matter mg/l | Eff Settleeable Matter Weekly Avg mg/l | Eff Turbidity NTU | Eff Turbidity Weekly Avg NTU | Chlorine Residual Day Max |
|-----------------|---------------|-----------------------------|--|-------------------|------------------------------|---------------------------|
| 4/1/2020 | | | | | | 0.00 |
| 4/2/2020 | | | | | | 0.00 |
| 4/3/2020 | | | | | | 0.00 |
| 4/4/2020 | | | | | | 0.00 |
| 4/5/2020 | | | | | | 0.00 |
| 4/6/2020 | | | | | | 0.00 |
| 4/7/2020 | 91.5% | 0.22 | | 25 | | 0.00 |
| 4/8/2020 | 92.9% | < 0.10 | | 3.9 | | 0.00 |
| 4/9/2020 | | | | | | 0.00 |
| 4/10/2020 | | | | | | 0.00 |
| 4/11/2020 | | | < 0.16 | | 14.45 | 0.00 |
| 4/12/2020 | | | | | | 0.00 |
| 4/13/2020 | | | | | | 0.00 |
| 4/14/2020 | | | | | | 0.00 |
| 4/15/2020 | 94.3% | < 0.1 | | 8.20 | | 0.00 |
| 4/16/2020 | 95.7% | < 0.1 | | 6.50 | | 0.00 |
| 4/17/2020 | | | | | | 0.00 |
| 4/18/2020 | | | < 0.10 | | 7.35 | 0.00 |
| 4/19/2020 | 96.2% | < 0.1 | | 5.20 | | 0.00 |
| 4/20/2020 | 96.8% | 0.5 | | 4.70 | | 0.00 |
| 4/21/2020 | | | | | | 0.00 |
| 4/22/2020 | | | | | | 0.00 |
| 4/23/2020 | | | | | | 0.00 |
| 4/24/2020 | | | | | | 0.00 |
| 4/25/2020 | | | < 0.30 | | 4.95 | 0.00 |
| 4/26/2020 | | | | | | 0.00 |
| 4/27/2020 | 92.6% | < 0.1 | | 6.60 | | 0.00 |
| 4/28/2020 | 95.0% | < 0.1 | | 8.10 | | 0.00 |
| 4/29/2020 | | | | | | 0.00 |
| 4/30/2020 | | | < 0.10 | | 7.35 | 0.00 |
| | | | | | | |
| | | | | | | |
| Count | 8 | 8 | 4 | 8 | 4 | 30 |
| Minimum | 91.5% | 0.1 | 0.10 | 3.90 | 4.95 | 0.0 |
| Average | 94.4% | 0.17 | 0.17 | 8.53 | 8.53 | 0.0 |
| Maximum | 96.8% | 0.5 | 0.3 | 25.00 | 14.45 | 0.0 |
| Percent Removal | 85 | | | | | |
| 5 Sample Median | | | | | | |
| High | | | | | | |
| Low | | | | | | |
| Daily Max | | | | 225 | | 4.8 |
| Weekly Max | | | | | 100 | |
| Monthly Average | | | | 75 | | |

SAM E-001 April 2020

| Date | Chlorine time Minutes | Ammonia Nitrogen Distilled mg/l | Eff pH | Eff Temp | Enterococci MPN | | 30 day geo mean | Eff DO mg/l | Eff DO % Saturation |
|-----------------|-----------------------|---------------------------------|--------|----------|-----------------|-------|-----------------|-------------|---------------------|
| 4/1/2020 | 0.00 | | 7.51 | 18.2 | | | | 6.98 | 74.0 |
| 4/2/2020 | 0.00 | | 7.53 | 17.7 | | | | 7.72 | 81.1 |
| 4/3/2020 | 0.00 | | 7.52 | 17.8 | | | | 7.21 | 75.9 |
| 4/4/2020 | 0.00 | | 7.48 | 17.8 | | | | 6.34 | 66.7 |
| 4/5/2020 | 0.00 | | 7.40 | 17.7 | | | | 6.41 | 67.3 |
| 4/6/2020 | 0.00 | | 7.36 | 17.1 | | | | 6.85 | 71.0 |
| 4/7/2020 | 0.00 | | 7.39 | 16.6 | | | | 7.22 | 73.7 |
| 4/8/2020 | 0.00 | 30.0 | 7.39 | 17.3 | < | 10 | | 6.76 | 70.4 |
| 4/9/2020 | 0.00 | | 7.51 | 18.0 | | | | 7.33 | 77.4 |
| 4/10/2020 | 0.00 | | 7.49 | 18.4 | | | | 7.38 | 78.5 |
| 4/11/2020 | 0.00 | | 7.52 | 18.2 | | | < 10 | 6.80 | 72.1 |
| 4/12/2020 | 0.00 | | 7.46 | 18.1 | | | | 6.47 | 68.7 |
| 4/13/2020 | 0.00 | | 7.37 | 18.1 | | | | 6.10 | 64.6 |
| 4/14/2020 | 0.00 | | 7.43 | 18.2 | | | | 6.78 | 71.9 |
| 4/15/2020 | 0.00 | | 7.47 | 18.7 | | | | 6.59 | 70.6 |
| 4/16/2020 | 0.00 | 55.0 | 7.55 | 18.7 | < | 10 | | 7.80 | 83.5 |
| 4/17/2020 | 0.00 | | 7.56 | 18.6 | | | | 7.53 | 80.6 |
| 4/18/2020 | 0.00 | | 7.37 | 18.3 | | | < 10 | 6.01 | 63.8 |
| 4/19/2020 | 0.00 | | 7.41 | 18.8 | | | | 6.52 | 70.0 |
| 4/20/2020 | 0.00 | 43.0 | 7.36 | 18.9 | | | | 6.49 | 69.8 |
| 4/21/2020 | 0.00 | | 7.46 | 19.1 | | | | 6.91 | 74.7 |
| 4/22/2020 | 0.00 | | 7.41 | 18.9 | < | 10 | | 6.91 | 74.2 |
| 4/23/2020 | 0.00 | | 7.52 | 19.3 | | | | 7.14 | 77.5 |
| 4/24/2020 | 0.00 | | 7.43 | 19.3 | | | | 7.07 | 76.7 |
| 4/25/2020 | 0.00 | | 7.52 | 19.7 | | | < 10 | 7.05 | 77.0 |
| 4/26/2020 | 0.00 | | 7.39 | 19.4 | | | | 6.23 | 68.0 |
| 4/27/2020 | 0.00 | | 7.43 | 19.2 | | | | 6.83 | 73.8 |
| 4/28/2020 | 0.00 | 58.0 | 7.48 | 19.7 | < | 10 | | 6.36 | 69.4 |
| 4/29/2020 | 0.00 | | 7.48 | 19.9 | | | | 6.56 | 71.9 |
| 4/30/2020 | 0.00 | | 7.51 | 19.6 | | | < 10 | 6.80 | 74.2 |
| | | | | | | | | | |
| | | | | | | | | | |
| Count | 30 | 4 | 30 | 30 | | 4 | 4 | 30 | 30 |
| Minimum | 0.00 | 30.0 | 7.36 | 16.6 | < | 10 | < 10 | 6.01 | 63.8 |
| Average | 0.0 | 46.5 | 7.46 | 18.5 | < | 10 | < 10 | 6.84 | 73.0 |
| Maximum | 0.00 | 58.0 | 7.56 | 19.9 | | 10 | < 10 | 7.80 | 83.5 |
| Percent Removal | | | | | | | | | |
| 5 Sample Median | | | | | | | 2,800 | | |
| High | | | 9 | | | | | | |
| Low | | | 6 | | | | | | |
| Daily Max | | | | | | 8,300 | | | |
| Weekly Max | | | | | | | | | |
| Monthly Average | | | | | | | | | |

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, April 2020

April 2020

| | Total | Number of S.S.O's | | | |
|--------------|----------|-------------------|----------|----------|----------|
| | | HMB | GCS D | MWSD | SAM |
| Roots | 0 | 0 | 0 | 0 | 0 |
| Grease | 0 | 0 | 0 | 0 | 0 |
| Mechanical | 0 | 0 | 0 | 0 | 0 |
| Wet Weather | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

12 Month Moving Total

| | Total | 12 month rolling Number | | | |
|--------------|----------|-------------------------|----------|----------|----------|
| | | HMB | GCS D | MWSD | SAM |
| Roots | 0 | 0 | 0 | 0 | 0 |
| Grease | 0 | 0 | 0 | 0 | 0 |
| Mechanical | 1 | 1 | 0 | 0 | 0 |
| Wet Weather | 0 | 0 | 0 | 0 | 0 |
| Other | 1 | 0 | 0 | 0 | 1 |
| Total | 2 | 1 | 0 | 0 | 1 |
| | | 50% | 0% | 0% | 50% |

Reportable SSOs

| | Total | Reportable Number of S.S.O.'s | | | |
|-----------------------|-------|-------------------------------|-------|------|-----|
| | | HMB | GCS D | MWSD | SAM |
| April 2020 | 0 | 0 | 0 | 0 | 0 |
| 12 Month Moving Total | 2 | 1 | 0 | 0 | 1 |

SSOs / Year / 100 Miles

| | Total | Number of S.S.O.'s /Year/100 Miles | | | |
|-----------------------|-------|------------------------------------|-------|-------|------|
| | | HMB | GCS D | MWSD | SAM |
| April 2020 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 12 Month Moving Total | 1.9 | 2.7 | 0.0 | 0.0 | 13.7 |
| Category 1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Category 2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Category 3 | 1.9 | 2.7 | 0.0 | 0.0 | 13.7 |
| Miles of Sewers | 104.5 | 37.0 | 33.2 | 27.0 | 7.3 |
| | | 35.4% | 31.8% | 25.8% | 7.0% |

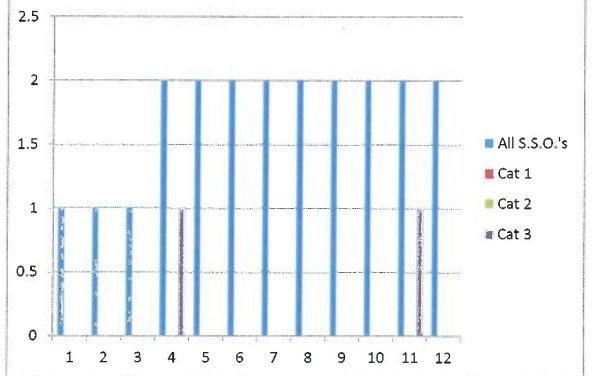
12 Month Rolling Total Sewer Cleaning Summary

| Month | HMB | GCS D | MWSD | Total Feet | Total Miles |
|-----------|--------|--------|--------|------------|-------------|
| May - 19 | 11,193 | 12,786 | 10,094 | 34,073 | 6.5 |
| June - 19 | 14,529 | 18,431 | 10,419 | 43,379 | 8.2 |
| July - 19 | 8,754 | 18,560 | 9,511 | 36,825 | 7.0 |
| Aug - 19 | 8,042 | 22,405 | 15,720 | 46,167 | 8.7 |
| Sept - 19 | 7,292 | 18,063 | 11,618 | 36,973 | 7.0 |
| Oct - 19 | 16,104 | 14,144 | 13,611 | 43,859 | 8.3 |
| Nov - 19 | 6,171 | 23,308 | 10,135 | 39,614 | 7.5 |
| Dec - 19 | 6,660 | 18,277 | 9,422 | 34,359 | 6.5 |
| Jan - 20 | 6,947 | 11,809 | 11,218 | 29,974 | 5.7 |
| Feb - 20 | 7,403 | 7,463 | 10,503 | 25,369 | 4.8 |
| Mar - 20 | 10,957 | 11,948 | 10,023 | 32,928 | 6.2 |
| Apr - 20 | 9,893 | 10,803 | 10,420 | 31,116 | 5.9 |

| | | | | | |
|-----------|---------|---------|---------|---------|--|
| Annual ft | 113,945 | 187,997 | 132,694 | 434,636 | |
|-----------|---------|---------|---------|---------|--|

| | | | | | |
|------------|------|------|------|--|------|
| Annual Mi. | 21.6 | 35.6 | 25.1 | | 82.3 |
|------------|------|------|------|--|------|

12 Month Moving SSO Totals Through April 2020



TASK SUMMARY-HMB 2019-2020

| Task | Target Total | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total to Date | % Complete |
|-------------------------------------|--------------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-----|-----|---------------|------------|
| Sewer Line Cleaning | 92,400 | 3,363 | 5,752 | 6,648 | 16,104 | 6,172 | 459 | - | 7,067 | 8,834 | 8,882 | | | 63,281 | 68% |
| Hot Spot Cleaning | 9,000 | 5,391 | 2,290 | 644 | 1,460 | - | 6,201 | 6,945 | 335 | 2,115 | 1,009 | | | 26,390 | 293% |
| Lift Station Inspection - Weekly | 52 | 5 | 5 | 5 | 5 | 5 | 4 | 5 | 4 | 4 | 5 | | | 47 | 90% |
| Lift Station Inspection - Quarterly | 4 | - | - | - | - | - | 1 | - | - | - | - | | | 1 | 25% |
| Lift Station Inspection - Annually | 1 | - | - | - | - | - | - | - | - | - | - | | | - | 0% |
| Maint. Work Orders - Completed | - | 14 | 14 | 13 | 8 | 14 | 12 | 15 | 12 | 12 | 15 | | | 129 | - |
| Maint. Work Orders - Incomplete | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Manhole Inspection | 844 | 49 | 27 | 35 | 82 | 30 | 40 | 42 | 30 | 50 | 42 | | | 427 | 51% |
| USA Markings | 852 | 88 | 61 | 60 | 82 | 84 | 90 | 68 | 42 | 46 | 43 | | | 664 | 78% |
| F.O.G. | 20 | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Customer Service Call - Reg | - | 1 | 2 | - | 1 | 2 | 2 | 2 | 1 | 1 | - | | | 12 | - |
| Customer Service Call - OT | - | - | 1 | 1 | - | 1 | 6 | 1 | 1 | 1 | 1 | | | 13 | - |
| SSO Response - Category 1 | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| SSO Response - Category 2 | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| SSO Response - Category 3 | - | - | 1 | - | - | - | - | - | - | - | - | | | 1 | - |

TASK SUMMARY- GCSD 2019-2020

| Task | Target Total | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total to Date | % Complete |
|------------------------------------|--------------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-----|-----|---------------|------------|
| Sewer Line Cleaning | 174,000 | 16,438 | 20,458 | 16,236 | 11,900 | 22,335 | 15,530 | 9,682 | 5,648 | 9,322 | 8,629 | | | 136,178 | 78% |
| Hot Spot Cleaning | 5,400 | 2,122 | 1,947 | 1,827 | 2,244 | 986 | 2,747 | 2,122 | 1,815 | 2,619 | 2,172 | | | 20,601 | 382% |
| Lift Station Inspection - Daily | 260 | 22 | 23 | 20 | 22 | 18 | 19 | 21 | 19 | 21 | 22 | | | 207 | 0% |
| Lift Station Inspection - Annually | 3 | - | - | - | - | - | - | - | - | - | - | | | - | 0% |
| Maint. Work Orders - Completed | - | 22 | 16 | 13 | 18 | 18 | 19 | 21 | 19 | 21 | 22 | | | 189 | - |
| Maint. Work Orders - Incomplete | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Manhole Inspection | 879 | 89 | 118 | 101 | 78 | 107 | 93 | 59 | 54 | 66 | 69 | | | 834 | 95% |
| USA Markings | 372 | 52 | 52 | 50 | 44 | 29 | 29 | 52 | 33 | 42 | 30 | | | 413 | 111% |
| F.O.G. Inspections Completed | 10 | - | - | - | - | - | - | - | - | - | - | | | - | 0% |
| F.O.G. Inspections Passed | 10 | - | - | - | - | - | - | - | - | - | - | | | - | 0% |
| F.O.G. Inspection Failed | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Lateral Inspections | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Customer Service Call - Reg | - | 2 | 1 | 1 | 2 | 1 | 1 | - | 3 | 1 | - | | | 12 | - |
| Customer Service Call - OT | - | 2 | 1 | 1 | 3 | 1 | 2 | 1 | 1 | - | - | | | 12 | - |
| SSO Response - Category 1 | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| SSO Response - Category 2 | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| SSO Response - Category 3 | - | - | - | - | - | - | - | - | - | - | - | | | - | - |
| Insurance Claims Filed | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | - | - |

ITEM #9



GRANADA COMMUNITY SERVICES DISTRICT

MINUTES

BOARD OF DIRECTORS

SPECIAL MEETING at 6:30 p.m.
REGULAR MEETING at 7:30 p.m.

May 21, 2020

THIS MEETING WAS HELD VIA TELE- CONFERENCE AS PERMITTED BY GOVERNOR'S EXECUTIVE ORDER N-29-20.

CALL SPECIAL MEETING TO ORDER

The Special Meeting was called to order at 6:30 pm.

ROLL CALL

President Barbara Dye, Vice President Matthew Clark, Director David Seaton, and Director Eric Suchomel. Director Jim Blanchard was absent.

Staff: General Manager Chuck Duffy, District Counsel Bill Parkin, and in Open Session only, Assistant General Manager Delia Comito, and Parks and Rec Coordinator Claudia Marshall.

ADJOURN TO CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation (Government Code Section §54956.9(d)(1)).

City of Half Moon Bay v. Granada Community Services District and Montara Water and Sanitary District (RPI, Sewer Authority Mid-Coastside) – Santa Clara County Superior Court Case No. 17CV316927.

RECONVENE TO OPEN SESSION

There was no reportable action taken in Closed Session.

ADJOURN SPECIAL MEETING

CALL REGULAR MEETING TO ORDER

The Regular Meeting was called to order at 7:32 pm.

ROLL CALL

GENERAL PUBLIC PARTICIPATION

None.

ACTION AGENDA

1. Report on Parks and Recreation Activities.

Director Dye reported that the draft plans for Burnham Park should be completed in time for the June meeting. Kikuchi & Kankel is working with the San Mateo County Resource Conservation District to incorporate a drainage plan to improve the stormwater run-off. She said that County Planning seems favorable towards the project.

Ms. Marshall, Parks and Rec Coordinator, suggested starting the recreational walk programs in July, and purchasing a microphone for the walk leaders. The Board was agreeable to the idea.

2. Consideration of Request to Open Skate Ramp.

The General Manager explained that the closing of the skate ramp was due to the County Health Officer's Order to reduce the spread of COVID-19. Due to the nature of "high touch" equipment, District Counsel said it may be difficult to meet the requirements to reopen it.

Michelle Dragony, a Parks Advisory Committee Member, said that the County was allowing skate parks to open, and she was interested in helping the District to do that.

The Board held a discussion. Despite the Board's desire to open the skate ramp, there was concern expressed about keeping users safe. It was decided to wait to see if the County Order restrictions are eased or lifted in the next couple of weeks.

3. Consideration of Draft Sewer Authority Mid-Coastside General Budget for Fiscal Year 2020/21.

Director Dye indicated that the SAM Budget was presented clearly this year, in comparison to prior years. Mr. Duffy provided a review of the budgeted capital improvements and operational costs. The Board held a brief discussion, and the item was tabled for approval at the next board meeting.

4. Consideration of Draft Sewer Authority Mid-Coastside Contract Collection Services Budget for Fiscal Year 2020/21.

Mr. Duffy reviewed the budget, and said it was a collaborative effort of the member agencies. Efficiencies have been made, and all agencies will have an equal percentage of their lines cleaned during the year.

5. Consideration of Draft Fiscal Year 2020/2021 Budget.

Mr. Duffy provided a review of the budget. He indicated that the amount of property tax revenue allocated to parks is discretionary, and suggested leaving the sewer service side allocation at \$200,000. He reviewed the administrative expenses and explained the added line item for unfunded pension liability. The Board held a discussion primarily about the expenses anticipated for parks. The budget will be brought back for approval at the next meeting.

6. Consideration of Independent Contractors Agreement for General Manager Services.

This item was tabled from the April meeting in order to provide a schedule of charges. The fee for the General Manager will increase by \$10 per hour, from \$185 three years prior to \$195 currently.

ACTION: Director Suchomel moved to approve the agreement as presented. (Suchomel/Clark). Approved 4-0.

7. Consideration of Sewer Authority Mid-Coastside Report.

Directors Clark and Dye reported on the April 27th and May 11th SAM meetings.

CONSENT AGENDA

8. Approve April 16, 2020 Special and Regular Meeting Minutes.

9. Approve May 2020 Warrants.

10. Approve March 2020 Financial Statements.

11. Approve Assessment District Distribution #10-19/20.

ACTION: Director Suchomel moved to approve the Consent Agenda. (Suchomel/Clark). Approved 4-0.

COMMITTEE REPORTS

12. Report on seminars, conferences, or committee meetings.

INFORMATION CALENDAR

13. Attorney's Report. (Parkin)

14. General Manager's Report. (Duffy)

15. Administrative Staff Report. (Comito)

Staff provided an update on trash issues at a couple of local beaches.

16. Engineer's Report. (Kennedy Jenks)

17. Future Agenda Items.

ADJOURN REGULAR MEETING

The Regular Meeting was adjourned at 9:25 pm.

ATTEST:

SUBMITTED BY:

Delia Comito, Board Secretary

Chuck Duffy, General Manager

Date Approved by Board: June 18, 2020

ITEM #10

Granada Community Services District
June 2020 Warrants
For the June 18, 2020 Board of Director's Meeting

| Date | Num | Name | Memo | Account | Amount |
|--------------|------------|-------------------------------|----------------------------------|--|-------------------|
| 06/18/20 | 8525 | Alhambra & Sierra Springs | May 2020 | 6140 · Office Supplies | 8.00 |
| 06/18/20 | 8526 | Barbara Dye | 05/21/20 GCSD, 05/11, 06/08 SAM | 6040 · Directors' Compensation | 235.00 |
| 06/18/20 | 8527 | Bell Plumbing | 506 Isabella Road-Lateral Repair | 5060 · Lateral Repairs | 8,700.00 |
| 06/18/20 | 8528 | Comcast | 06/13/20-07/12/20 Svcs | 6170 · Utilities | 235.80 |
| 06/18/20 | 8529 | David Seaton | 05/21/20 GCSD | 6040 · Directors' Compensation | 145.00 |
| 06/18/20 | 8530 | Eric Suchomel | 05/21/20 GCSD | 6040 · Directors' Compensation | 145.00 |
| 06/18/20 | 8531 | Express Plumbing | Medio Creek Maint & Mon-June | 1617-1 · Medio Creek Xing/Mirada Sewer | 975.00 |
| 06/18/20 | 8532 | Fechter & Company, CPAs | 06/30/19 Audit | 6010 · Auditing | 1,593.75 |
| 06/18/20 | 8533 | Gaetani Real Estate | Office Lease-July 2020 | 6120 · Office Lease | 4,450.00 |
| 06/18/20 | 8534 | Hue & Cry, Inc. | July 2020 Pump Stn Alarm | 6170 · Utilities | 32.65 |
| 06/18/20 | 8535 | Jim Blanchard | 06/08/20 SAM | 6040 · Directors' Compensation | 45.00 |
| 06/18/20 | 8536 | Kennedy Jenks | May 2020 Svcs, Sum 157 | 6071 · Engineering Services | 16,512.16 |
| 06/18/20 | 8537 | Kikuchi & Kankel Design Grp | Inv dtd 06/03/20 | 5130 · Parks & Rec Professional | 5,587.50 |
| 06/18/20 | 8538 | Matthew Clark | 05/21/20 GCSD, 05/11 SAM | 6040 · Directors' Compensation | 190.00 |
| 06/18/20 | 8539 | Pacifica Community TV | 05/21/20 GCSD | 6180 · Video Taping | 300.00 |
| 06/18/20 | 8540 | PG&E | Pump Stn Inv dtd 05/18/20 | 6170 · Utilities | 267.04 |
| 06/18/20 | 8541 | PGE | Office Inv dtd 05/26/20 | 6170 · Utilities | 29.28 |
| 06/18/20 | 8542 | Sewer Authority Mid-Coastside | June 2020 Asmts | 5020 · SAM-Admin/Treat/Env/Inf/Coll | 170,993.62 |
| 06/18/20 | 8543 | Tri Counties Bank | May 2020 Card Charges | 6140 · Office Supplies | 58.47 |
| 06/18/20 | 8544 | Verizon Wireless | May 2020 | 6170 · Utilities | 109.06 |
| 06/18/20 | 8545 | White Nelson Diehl Evans | May 2020 | 6152 · Accounting | 2,500.00 |
| 06/18/20 | 8546 | Wittwer & Parkin | May 2020 Svcs | 6090 · Legal-Gen/IPS/Parks/Big Wave | 5,130.00 |
| TOTAL | | | | | 218,242.33 |

ITEM #11

Granada Community Services District
Statement of Net Position (Unaudited)

As of April 30, 2020

ASSETS

| | |
|--|-------------|
| Current Assets | |
| Checking/Savings | |
| 1020 · Petty Cash | 790 |
| 1030 · Cash - LAIF | 4,060,942 |
| 1040 · Tri Counties Bank - Gen Op | 57,073 |
| 1050 · Tri Counties Bank - Deposit | 777,232 |
| 1100 · Accounts Receivable | - |
| 1500 · Due from AD | 15,068 |
| Total Current Assets | 4,911,105 |
| Fixed Assets | |
| 1600 · Land | 1,063,640 |
| 1615 · Equipment | 22,153 |
| 1620 · Collections System | 11,217,871 |
| 1630 · Accumulated Depreciation | (6,453,452) |
| Total Fixed Assets | 5,850,212 |
| Other Assets | |
| 1700 · Advance to MWSD | 1,085,094 |
| 1710 · Allowance - for Advance to MWSD | (1,085,094) |
| 1720 · Advance to AD- Bond Reserve | 369,890 |
| 1730 · Advance to AD- NCA Fund | 353,693 |
| 1735 · Advance to AD- Assesmnt Revenue | 212,834 |
| 1740 · Security Deposit Office Lease | 3,000 |
| 1750 · Investment in SAM | 3,767,869 |
| 1760 · Deferred Outflows of Resources | 155,963 |
| Total Other Assets | 4,863,249 |
| Total Assets | 15,624,565 |

LIABILITIES

| | |
|--------------------------------------|---------|
| Current Liabilities | |
| 2000 · Accounts Payable | 18,365 |
| 2001 · Accrued Vacation | 5,571 |
| 2020 · Class 3 Deposits | 19,055 |
| 2100 · Payroll Liabilities | 709 |
| 2225 · Recology-Del Garbage | 26,207 |
| 2300 · Due to AD | 8,171 |
| 2310 · Relief Refund Advance | 350 |
| Total Current Liabilities | 78,428 |
| Long Term Liabilities | |
| 2401 · Net Pension Liability | 185,779 |
| 2402 · Deferred Inflows of Resources | 9,544 |
| Total Long Term Liabilities | 195,323 |
| Total Liabilities | 273,751 |

NET POSITION

| | |
|----------------------------|---------------|
| 3000 · Net Assets | 5,330,999 |
| 3005 · Contributed Capital | 9,595,349 |
| Net Income | 424,466 |
| Total Net Position | \$ 15,350,814 |

No assurance is provided on these financial statements.

**Granada Community Services District
Revenue & Expenses (Unaudited)
July 1, 2019 through April 30, 2020**

| | Jul 1, 2019 - Apr 30, 2020 | Expected To Date | Variance Favorable/ (Unfavorable) | FY 2019/2020 Budget |
|--|-------------------------------|---------------------|---|---------------------------|
| Revenues | | | | |
| Operating Revenue | | | | |
| 4010 · Property Tax Allocation | \$ 267,229 | \$ 166,667 | \$ 100,562 | \$ 200,000 |
| 4015 · Park Tax Allocation | 542,555 | 375,000 | 167,555 | 450,000 |
| 4020 · Sewer Service Charges-SMC | 1,321,211 | 1,405,000 | (83,789) | 1,686,000 |
| 4021 · Sewer Svc Charges Pro-rated | 2,766 | - | 2,766 | - |
| 4030 · AD OH Reimbursement | 21,504 | 25,833 | (4,329) | 31,000 |
| 4040 · Recology Franchise Fee | 27,944 | 27,500 | 444 | 33,000 |
| Total Operating Revenue | 2,183,209 | 2,000,000 | 183,209 | 2,400,000 |
| Non Operating Revenue | | | | |
| 4120 · Interest on Reserves | 66,678 | 75,000 | (8,322) | 90,000 |
| 4130 · Connection Fees | 35,100 | 45,833 | (10,733) | 55,000 |
| 4140 · Repayment of Adv to AD-BRA | 5,000 | - | 5,000 | - |
| 4150 · Repayment of Adv to AD-NCA | 117,216 | 162,750 | (45,534) | 195,300 |
| 4155 · Repayment of Adv to AD-ARF | 70,000 | 95,583 | (25,583) | 114,700 |
| 4160 · SAM Refund from Prior Yr | - | 833 | (833) | 1,000 |
| 4170 · ERAF Refund | 360,868 | 250,000 | 110,868 | 300,000 |
| 4180 · Misc Income | 2,300 | 3,333 | (1,033) | 4,000 |
| Total Non Operating Revenue | 657,162 | 633,332 | 23,830 | 760,000 |
| Total Revenues | 2,840,371 | 2,633,332 | 207,039 | 3,160,000 |
| Expenses | | | | |
| Operations | | | | |
| 5010 · SAM - General | 971,443 | 971,443 | - | 1,165,732 |
| 5020 · SAM - Collections | 246,834 | 246,834 | - | 296,201 |
| 5021 · Lift Station Maint. | 1,919 | - | (1,919) | - |
| 5050 · Mainline System Repairs | - | 8,333 | 8,333 | 10,000 |
| 5060 · Lateral Repairs | 11,060 | 29,167 | 18,107 | 35,000 |
| 5065 · CCTV | - | 20,833 | 20,833 | 25,000 |
| 5070 · Pet Waste Station | 866 | 1,000 | 134 | 1,200 |
| 5110 · RCD - Parks | 472 | 4,167 | 3,695 | 5,000 |
| 5120 · Half Moon Bay Reimb - Parks | - | 20,833 | 20,833 | 25,000 |
| 5130 · Parks & Rec Professional Services | 47,565 | 33,333 | (14,232) | 40,000 |
| Total Operations | 1,280,159 | 1,335,943 | 55,784 | 1,603,133 |

No assurance is provided on these financial statements.

**Granada Community Services District
Revenue & Expenses (Unaudited)
July 1, 2019 through April 30, 2020**

| | Jul 1, 2019 - Apr 30, 2020 | Expected To Date | Variance Favorable/ (Unfavorable) | FY 2019/2020 Budget |
|--|-------------------------------|---------------------|---|---------------------------|
| Expenses (Continued) | | | | |
| Administration | | | | |
| 6010 · Auditing | \$ 11,134 | \$ 12,500 | \$ 1,366 | \$ 15,000 |
| 6020 · Copier lease | 4,224 | 5,833 | 1,609 | 7,000 |
| 6030 · County Tax Roll Charges | - | - | - | - |
| 6040 · Directors' Compensation | 8,102 | 9,167 | 1,065 | 11,000 |
| 6050 · Education & Travel Reimb | 1,538 | 1,667 | 129 | 2,000 |
| 6060 · Employee Compensation | | | | |
| 6061 · Employee Salaries | 146,687 | 141,667 | (5,020) | 170,000 |
| 6062 · Medical Ins. | 24,266 | 13,650 | (10,616) | 16,380 |
| 6063 · Employer Payroll Taxes | 11,208 | 16,250 | 5,042 | 19,500 |
| 6064 · CALPERS Contribution | 41,724 | 35,100 | (6,624) | 42,120 |
| 6060 · Employee Compensation - Other | 1,528 | - | (1,528) | - |
| 6070 · Engineering Services | 106,032 | 16,667 | (89,365) | 20,000 |
| 6080 · Insurance | 29,908 | 4,167 | (25,741) | 5,000 |
| 6090 · Legal Services | 41,169 | 91,667 | 50,498 | 60,000 |
| 6095 · Legal Services for Case Related Legal | - | - | - | 50,000 |
| 6100 · Memberships | 6,788 | 7,500 | 712 | 9,000 |
| 6110 · Newsletter | 1,635 | 8,333 | 6,698 | 10,000 |
| 6120 · Office Lease | 44,500 | 47,500 | 3,000 | 57,000 |
| 6130 · Office Maintenance & Repairs | 4,520 | 1,667 | (2,853) | 2,000 |
| 6140 · Office Supplies | 1,298 | 4,167 | 2,869 | 5,000 |
| 6150 · Professional Services | 100,685 | 79,167 | (21,518) | 95,000 |
| 6160 · Publications & Notices | 3,477 | 1,667 | (1,810) | 2,000 |
| 6170 · Utilities | 8,030 | 8,333 | 303 | 10,000 |
| 6180 · Video Taping | 3,400 | 3,333 | (67) | 4,000 |
| 6190 · Computers | 5,355 | 2,083 | (3,272) | 2,500 |
| 6220 · Miscellaneous | 10,947 | 12,498 | 1,551 | 15,000 |
| 6230 · Bank Service Charges | 594 | - | (594) | - |
| 6310 · Park Related Misc Expenses | 3,399 | - | (3,399) | - |
| Total Administration | 622,148 | 524,583 | (97,565) | 629,500 |
| Capital Projects | | | | |
| 1617-1 · Medio Creek Xing Crossing | 9,750 | 41,667 | 31,917 | 50,000 |
| 7010 · Sewer Main Replacement (CIP) | 4,044 | 166,667 | 162,623 | 200,000 |
| 7100 · SAM - Infrastructure | 489,719 | 489,719 | - | 587,663 |
| 7500 · Projects - Parks | 10,085 | 83,333 | 73,248 | 100,000 |
| Total Capital Projects | 513,598 | 781,386 | 267,788 | 937,663 |
| Total Expenses | 2,415,905 | 2,641,912 | 226,007 | 3,170,296 |
| Net Income/(Loss) | \$ 424,466 | \$ (8,580) | \$ 433,046 | \$ (10,296) |

No assurance is provided on these financial statements.

ITEM #12

DISTRIBUTION REQUEST NO.: #11-19/20
BOND ADMINISTRATION FUND
(Account Number: 94673305)

DISTRIBUTION TOTAL: \$4,221.25

\$6,100,000.00
GRANADA SANITARY DISTRICT
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS 2003
Reassessment & Refunding Project

DISTRIBUTION REQUEST
For Payment of Bond Administration Costs

The undersigned Treasurer of the Granada Sanitary District (the "District") hereby requests of the Fiscal Agent for the District the payment of Bond Administration Costs for the items and in the manner and amount stated in the attached Schedule A, and in connection herewith hereby certifies that the payment requested is for the Administrative Costs, and that funds are available in the Bond Administration Fund (Account #94673305) to make such payment, and further states that all requirements for the payment of the amount to be disbursed pursuant hereto have been met.

Dated:
June 18, 2020

Chuck Duffy, Finance Officer/Treasurer

SCHEDULE "A"

DISTRIBUTION REQUEST NO.: #11-19/20

DATE: June 18, 2020
DISTRIBUTE FROM ACCOUNT #: 94673305
ACCOUNT NAME: Bond Administration Fund
DISTRIBUTION AMOUNT: \$ 4,221.25

PAYMENT INSTRUCTIONS: Issue checks and mail as listed below.

| Payee | Mailing Address | Services Provided | Amount |
|----------------------|--|----------------------------|--------------------|
| Fechter & Company | 3445 American River Dr. #A, Sacramento, CA 95864 | Audit Services-FYE 6/30/19 | \$ 281.25 |
| dta/Asmt Engineering | 5000 Birch St. #6000, Newport Beach, CA 92660 | Continuing Disclosure | \$ 1,500.00 |
| GSD | P.O. Box 335, El Granada, CA 94018 | GSD OH Reim - June 2020 | \$ 2,440.00 |
| TOTAL: | | | \$ 4,221.25 |

ITEM #13

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA NOTICE

There are no documents for this Agenda Item.

ITEM #14

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA NOTICE

There are no documents for this Agenda Item.

ITEM #15

GRANADA COMMUNITY SERVICES DISTRICT

AGENDA NOTICE

There are no documents for this Agenda Item.

ITEM #16

GRANADA COMMUNITY SERVICES DISTRICT

Administrative Staff Report

Period: May 16, 2020 to June 12, 2020
To: Board of Directors
From: Delia Comito, Assistant General Manager
Date: June 18, 2020

REQUEST FOR PUBLIC RECORDS – There were no requests for public records this period.

APPLICATIONS RECEIVED – There was one application received this period:

Table with 7 columns: Rec'd, CI, Owner/Agent, APN, Address, Sq. Ft., Zone. Contains 13 rows of application data.

Note: Shaded information was previously reported.

PERMITS ISSUED – There was one permit issued this period:

Table with 8 columns: Permit No., CI, Issue Date, Owner or Agent, APN, Address, Sq. Ft., Zone. Contains 13 rows of permit data.

Note: Shaded information was previously reported.

June 18, 2020

SEWER HOOK-UPS - There was one sewer hook-up this period:

| Hookup Date | Type | Permit No. | Permit Issue Date | Owner | APN | Address |
|-------------|------|------------|-------------------|--------------|-------------|-----------------------------|
| 07/16/19 | 2M | 3184 | 10/11/18 | C.F.P.D. | 047-261-030 | 555 Obispo Rd EG |
| 08/28/19 | 1A | 3185 | 10/31/18 | Stebbins B | 047-218-010 | 620 Columbus EG |
| 09/10/19 | 1A | 3170 | 11/29/17 | Bettencourt | 047-234-220 | 619 The Alameda EG |
| 10/23/19 | 1A | 3174 | 07/13/18 | Kybych,S | 048-013-600 | 124 Magellan Miramar |
| 11/21/19 | 1A | 3173 | 06/26/18 | Peterson | 048-072-290 | 15 Terrace Ave Miramar |
| 01/17/20 | 1A | 3186 | 11/20/18 | O'Keefe | 047-024-070 | 354 Princeton Ave Princeton |
| 01/17/20 | 1A | 3187 | 11/20/18 | O'Keefe | 047-024-080 | 358 Princeton Ave Princeton |
| 03/24/20 | 1A | 3195 | 10/03/19 | Welch D | 047-222-290 | 535 Francisco St EG |
| 03/31/20 | 1A | 3190 | 04/30/19 | Xue F | 047-111-270 | 736 San Carlos EG |
| 05/13/20 | 1A | 3188 | 03/08/19 | Harris | 047-243-010 | 912 Columbus St EG |
| 05/13/20 | 1A | 3178 | 08/01/18 | Stenger Sean | 047-071-270 | 312 Sevilla Ave EG |
| 05/28/20 | 1A | 3192 | 06/21/19 | Perez Luis | 047-222-240 | 420/422 Ferdinand Ave EG |

Note: Shaded information was previously reported.

REPAIRS - There was one repair this period:

| Repair Date | Type | Problem | Location or Address | Cause | Cost |
|-------------|---------------------|----------|------------------------|-------|---------|
| 10/18/19 | Wye Replacement | Back-up | 555 Miramar Dr Miramar | Roots | \$7,800 |
| 06/04/20 | Lateral Replacement | Off-sets | 506 Isabella Ave EG | N/A | \$8,700 |

Note: Shaded information was previously reported.

SPECIAL NOTE – The locked chain was removed from the skate ramp on Monday, June 1, to open it up for use by the public. New signs were posted requesting compliance with the County Health Officer’s Orders to practice safe social distancing.

ITEM #17

12 June 2020

Memorandum

To: Granada Community Services District
From: John H. Rayner, District Engineer
Subject: Engineer's Report for June 2020

Medio Creek Crossing at Mirada Road

The leased temporary pumping system has been operating since January 2018. The temporary system will remain in operation until a permanent solution, either a new creek crossing or the Naples Beach Phase 2 project, a sewer to direct flows to the Naples Beach Pump Station, is constructed.

Replacement of Pedestrian Bridge over Medio Creek

The County is designing replacement of the existing pedestrian bridge over Medio Creek. The project affects the District because it includes demolition of the existing abandoned road bridge on which the District's 10" sewer and temporary 2" force main (FM) are attached. Unless Phase 2 of the Naples Beach Project is constructed first, the 2" FM will need to be rerouted to discharge into a manhole at the intersection of Mirada Rd and Alameda Ave before bridge demolition begins. The cost of the temporary relocation of the 2" force main was estimated by EPS (the contractor for the temporary pumping system) to be \$40,000 in December 2018. Fortunately, the schedule for construction of the replacement bridge has been delayed until Summer 2021 and we estimate that the Phase 2 sewer will likely be constructed before then.

Naples Beach Project - Phase 2

This project will eliminate the need for a Medio Creek sewer crossing. A portion of the new sewer alignment will be on State Parks property. Because of the emergency nature of the project, State Parks staff have recently agreed to allow construction of the sewer under a Right of Entry Permit (ROE) with formal easement documentation following. We have completed and applied for the ROE permit. We are designing the sewer and have hired an environmental consultant, WRA, to process a Coastal Development Permit from the City of Half Moon Bay. CEQA approval for both Naples Beach Phase 1& 2 was obtained in 2010. However, the city, in its review of the draft CDP application, has requested that an additional Biological Resources Evaluation be provided before formally submitting the application. The BRE is currently being prepared by WRA.

Memorandum

Granada Community Services District

12 June 2020

Page 2

Big Wave (Class 3 Permit)

The mainline extension for the project was approved and construction is expected to begin soon. The Developer is in the process of completing an application for the onsite sewers connecting the Wellness Center to the mainline extension in Airport Street. Once the application is complete, we will review the design of onsite sewers (to be designed and constructed in accordance with GCSD specifications but not dedicated to GCSD) and determine the number of capacity units needed to serve the project. Yesterday we were provided with access to the civil plans for the Wellness Center showing its onsite sewers.

6-Year CIP

The first sewer replacement project in the CIP is being designed. Construction is estimated to be completed by the end of this year.

ITEM #18

