

Board Meeting

FY 2021 Operating Budget Review

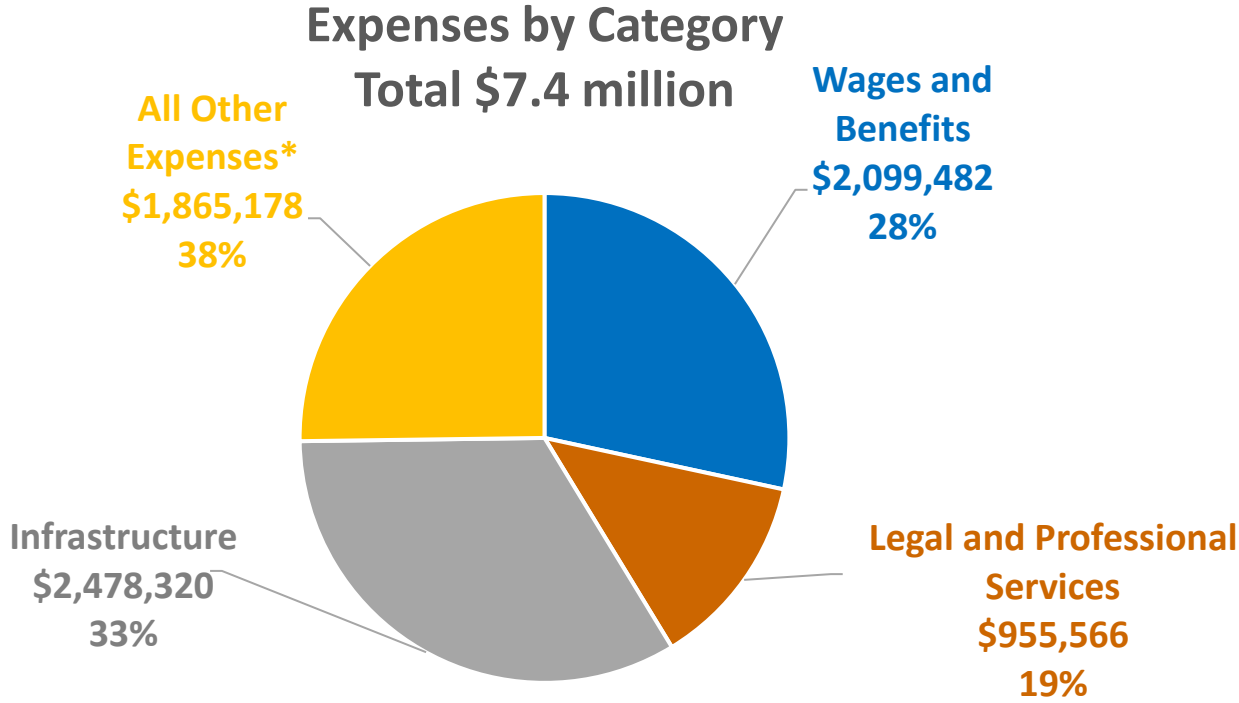
April 26, 2021

Budget Points



1. All authorized positions are included in the budget
2. All applicable merit step increases at one step up are included in the budget
3. Vacant positions are budgeted at mid-step
4. Decrease in health benefits \$18k due to allocations to the Collections budget
5. Retirement contribution decreased by \$70k mainly due to underestimation of retirement costs related to unfunded liability (CalPERS notifies at end of year)
6. Applied 3% CPI to all non-personnel costs, unless other changes were needed due to actual or anticipated events

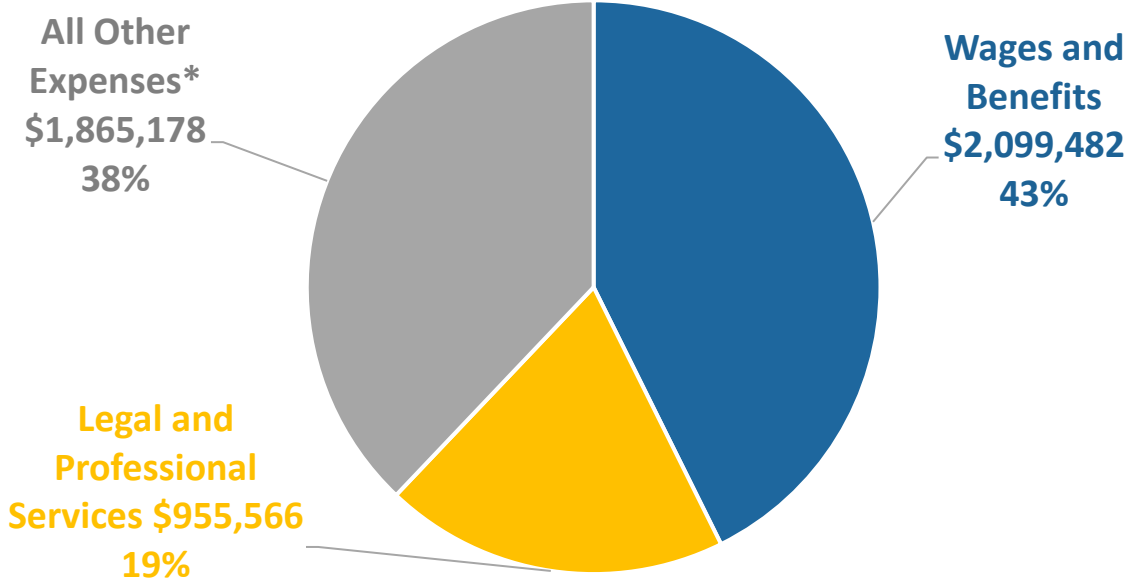
General Budget



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

Operating Budget (does not include Infrastructure)

Operating Expenses by Category Total \$4.92 million



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

Staffing Information

<u>Classifications</u>	<u>Authorized Positions</u>
<u>Administrative Services:</u>	
General Manager	1.0
Finance Officer	1.0
Accounting Technician (<i>defunded</i>)	0.0
Administrative Assistant	<u>1.0</u>
	3.0
<u>Operations & Maintenance:</u>	
Engineering & Construction Contracts Manager (<i>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 (<i>vacant</i>)	<u>1.0</u>
	8.75
<u>Environmental Compliance:</u>	
Supervisor of Treatment / Field Operations	0.25
Total Authorized (1.0 vacant)	12.0

12.0 Employees in General Budget

1.0 Vacancy (8.3%)

5.0 Employees Scheduled for Step Increase

5.0 Employees Currently at Top Step

Vacant Positions Budgeted at Mid-Step

General Budget: Change from FY 20/21

	FY 2020/21 Adopted	FY 2021/22 Proposed	\$ Change	% Change
Wages and Benefits	\$2,233,428	\$2,099,482	\$(133,946)	-6%
Legal and Professional Services	\$1,344,031	\$955,566	\$(388,465)	-29%
All Other Expenses*	\$1,892,408	\$1,865,178	\$(27,230)	-1%
Total Operating	\$5,469,867	\$4,920,226	\$(549,641)	-10%
Infrastructure	\$1,975,000	\$2,478,320	\$503,320	25%
Total General Budget	\$7,444,867	\$7,398,546	\$(46,321)	-1%

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

Operating Budget: Key Changes

Personnel Costs: Net Decrease due to retirement contribution and wages	\$(133,946)
Legal Services: Net Increase as a result of Ongoing and Potential Legal Cases	\$25,000
Engineering Services (Treatment): Based on Year-to-Date Actuals	\$(26,815)
Professional Services: Decreased due to less reliance on consultants	\$(313,465)
Insurance Premiums: Net Increase due to moving Indirect Insurance Expense from the Collections Budget	\$82,750
Building and Maintenance Services: Digester 1 Recoating Project and Fire Control Panel Projects have been done and capitalized	\$(146,541)
Equipment: Pipes Related Equipment and Machinery over \$5,000 were moved to Infrastructure Budget	\$(296,879)
Repairs & Maintenance: Reclassified Plant Equipment from Prof. Services	193,135
All Other Operating Expenses: Net Increase due to CPI and Adjustments to Other Operating Expenses	<u>\$67,118</u>
Total Operating General Budget	\$(549,642)

Legal and Professional Services Detail

	FY 2019/20 <u>Adopted</u>	FY 2020/21 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Legal and Professional Services	\$1,344,031	\$955,566	\$(388,465)	-29%

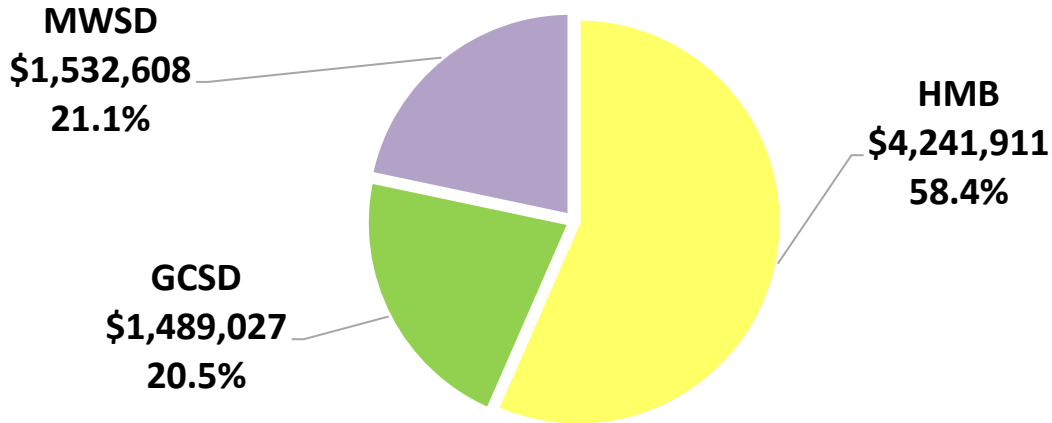
Major Vendors	Service(s)
Calcon Systems, Inc.	Equipment Maintenance
Rutan & Tucker, LLC	General Counsel
Maze & Associates	Accounting Services
Alpha Analytical Laboratories, Inc.	Testing
Peninsula Pump & Equipment, Inc.	Equipment Maintenance
Precision IT Consulting	IT Consulting
Boucher Law Firm	Employment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

CalPERS Rates

	FY 2020/21	FY 2021/22
<u>Employer Rate</u>		
Classic Members	11.746%	11.60%
PEPRA Members	7.874%	7.73%
<u>Employee Rate</u>		
Classic Members	6.906%	7.00%
PEPRA Members	7.250%	7.25%
<u>Unfunded Liability Payment (on \$3M)</u>		
PERS - Classic	\$191,000	\$202,615
PERS - PEPRA	\$7,000	\$3,000
Total Payment for Unfunded Liability	\$198,000	\$205,615

Assessments for Each Agency

Assessments for FY 2021-22 Based on Calendar Year 2020 Flow



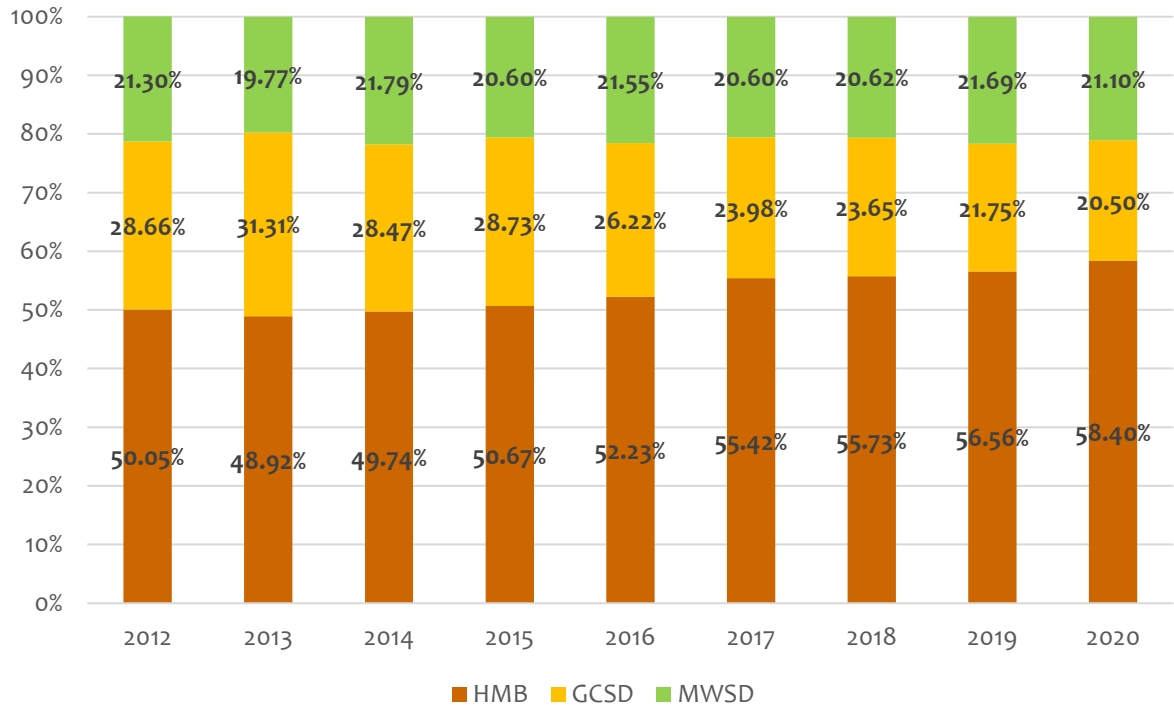
General Budget: Assessments

	FY 2018/29 <u>Actual</u>	FY 2019/20 <u>Actual</u>	FY 2020/21 <u>Adopted</u>	FY 2021/22 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change*</u>
Half Moon Bay	\$3,552,245	\$4,131,899	\$4,133,125	\$4,241,911	\$108,786	3%
Granada CSD	\$1,543,116	\$1,753,394	\$1,589,305	\$1,489,027	\$(100,278)	-6%
Montara WSD	\$1,324,029	\$1,529,139	\$1,584,637	\$1,532,608	\$(52,029)	-3%
Total	\$6,419,390	\$7,414,433	\$7,307,067	\$7,263,546	\$(43,521)	-1%

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

Historical Flow Allocations

Historical Flow Allocations



Division Budgets by Fiscal Year

	FY 2018/29 <u>Actual</u>	FY 2019/20 <u>Actual</u>	FY 2020/21 <u>Adopted</u>	FY 2021/22 <u>Proposed</u>	\$ <u>Change</u>	% <u>Change</u>
Administration	\$1,573,849	\$1,594,922	\$1,355,423	\$1,259,899	\$(95,524)	-7%
Treatment	\$3,457,676	\$3,605,241	\$3,936,735	\$3,477,060	\$(459,675)	-12%
Laboratory	\$133,563	\$149,792	\$159,910	\$183,267	\$26,867	27%
Infrastructure	<u>\$792,676</u>	<u>\$132,550</u>	<u>\$1,992,799</u>	<u>\$2,478,320</u>	<u>\$485,521</u>	<u>24%</u>
Total	\$5,957,764	\$5,482,505	\$7,444,867	\$7,398,546	\$(46,321)	-1%

Questions and Discussion