

Sewer Authority Mid-Coastside



**Presentation to Midcoast Community
Council**

May 10, 2017

Joint Powers Authority (JPA)

- Joint Exercise of Powers Agreement (JEPA): February 3, 1976, created public entity separate from the member agencies
- Member Agencies: City of Half Moon Bay, Granada Community Services District, and Montara Water and Sanitary District
- Purpose: acquire, construct, alter, enlarge, replace, repair, maintain, manage, operate and control facilities for the collection, transmission, treatment and disposal of wastewater



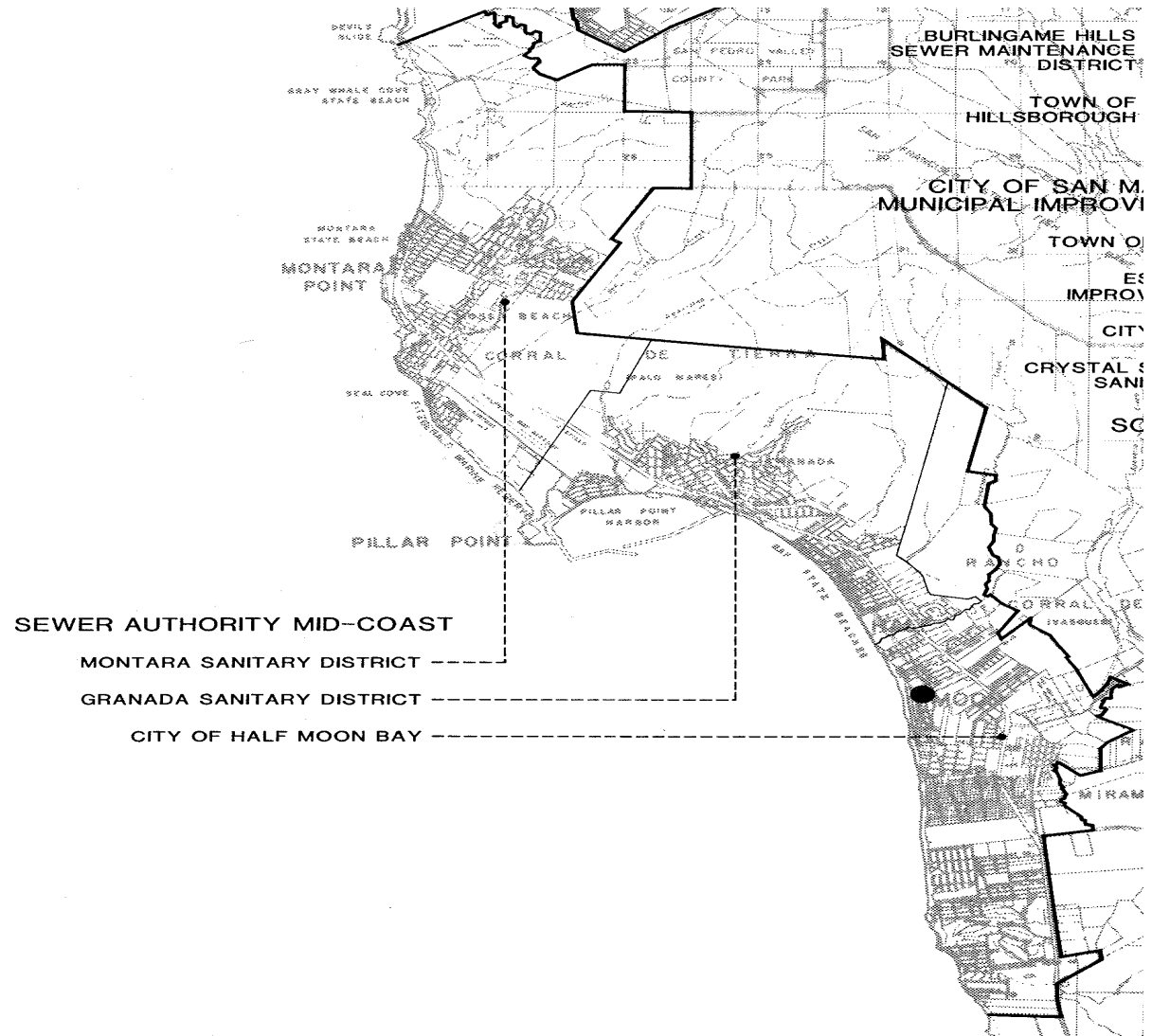
Granada Community Services District



**Montara Water
and Sanitary District**

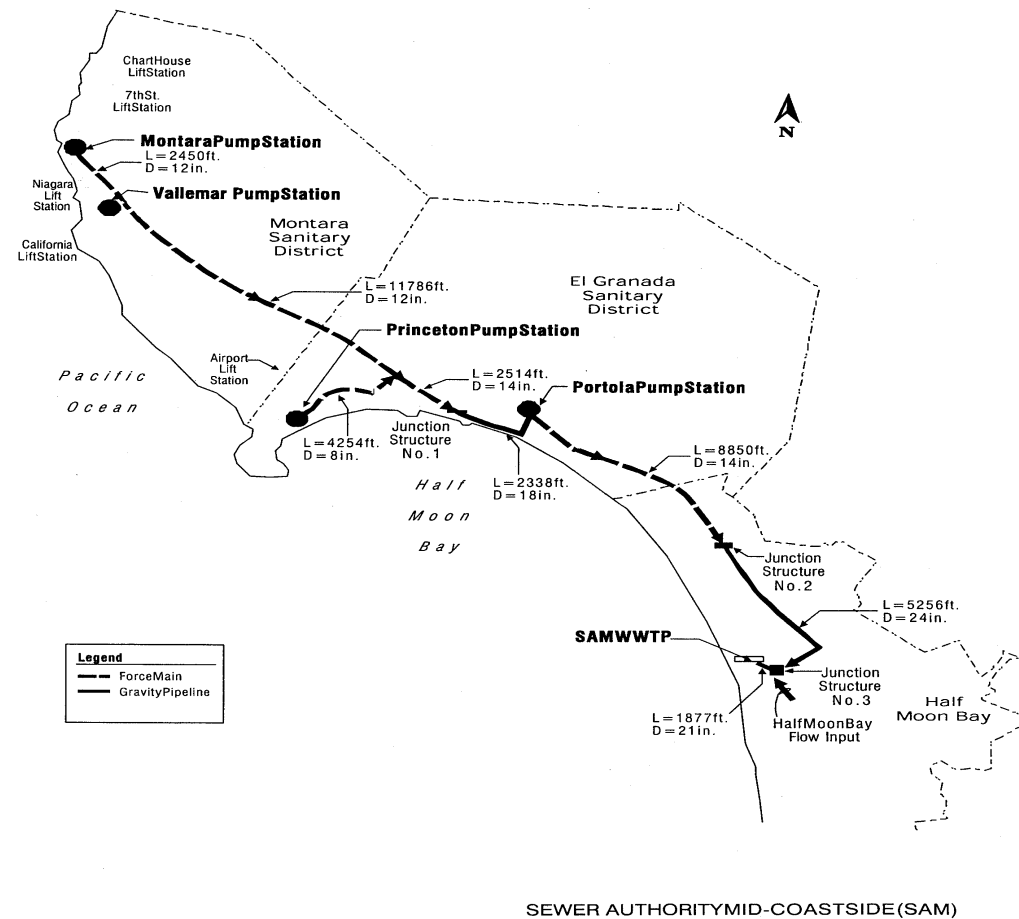
SAM Service Area

- Boundaries: the consolidated boundaries of all member agencies
- Population: approx. 26,000



SAM Facilities

- Facilities: buildings, works, improvements or property acquired, constructed, maintained, managed, operated or controlled by SAM. Includes:
 1. Ocean Outfall Pipeline
 2. Treatment Plant
 3. Intertie Pipeline System
- Ownership of SAM Facilities:
City of Half Moon Bay 50.5%, Granada Community Services District 29.5%, and Montara Water and Sanitary District 20%



Board Structure and Voting

- Board of Directors = 2 elected officials appointed from each member agency (total of 6 directors); alternates allowed
- Vote allocation: Half Moon Bay 2 votes each director, Granada 1 vote each director, Montara 1 vote each director (total of 8 votes)
- Quorum and approval of a motion = simple majority (5 votes)
- Resolution approval = super majority (6 votes)
- Officers: Chair, Vice Chair, Secretary, Treasurer

Mission Statement

SAM collects, transports, and treats wastewater for the Coastside community in order to cost-effectively protect public health and the environment, while maximizing the conversion of wastewater and wastewater byproducts into usable resources.



Vision

A *collaborative* Coastside organization that is engaged with the community and provides the most environmentally sound and efficient methods for managing and reusing water and wastewater resources.

- *Act as one organization serving the Coastside community: member agencies, residents, visitors and the environment.*
- *Complete and fund an infrastructure master plan, and make operational and maintenance changes to achieve zero sewer spills within the Coastside area it serves.*
- *Evaluate and ultimately implement the long-term, most environmentally sound and efficient methods for managing and reusing wastewater and all its byproducts.*

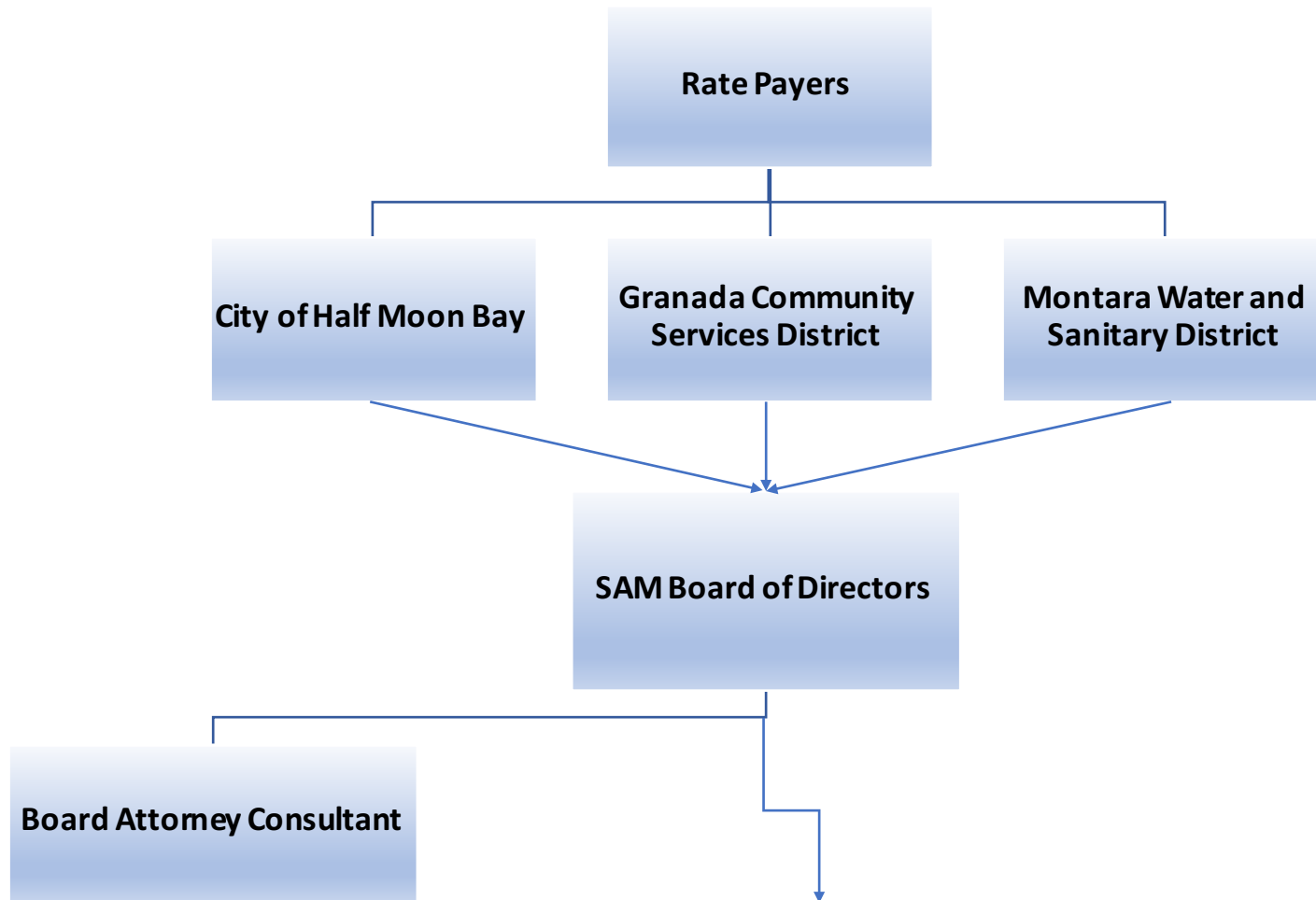
Vision cont'd

- *Move toward 100% reuse, converting all its wastewater into usable water, nutrients and energy, and identify or develop customers to utilize the recovered resources.*
- *Employ, develop and support a dynamic, motivated staff and contractor team that accomplishes the organization's work, effectively, economically and safely.*
- *Utilize state of the art technologies and management practices to advance public health and environmental protection.*
- *Develop and maintain partnerships to share funding and identify grants and other sources of financing to offset costs.*

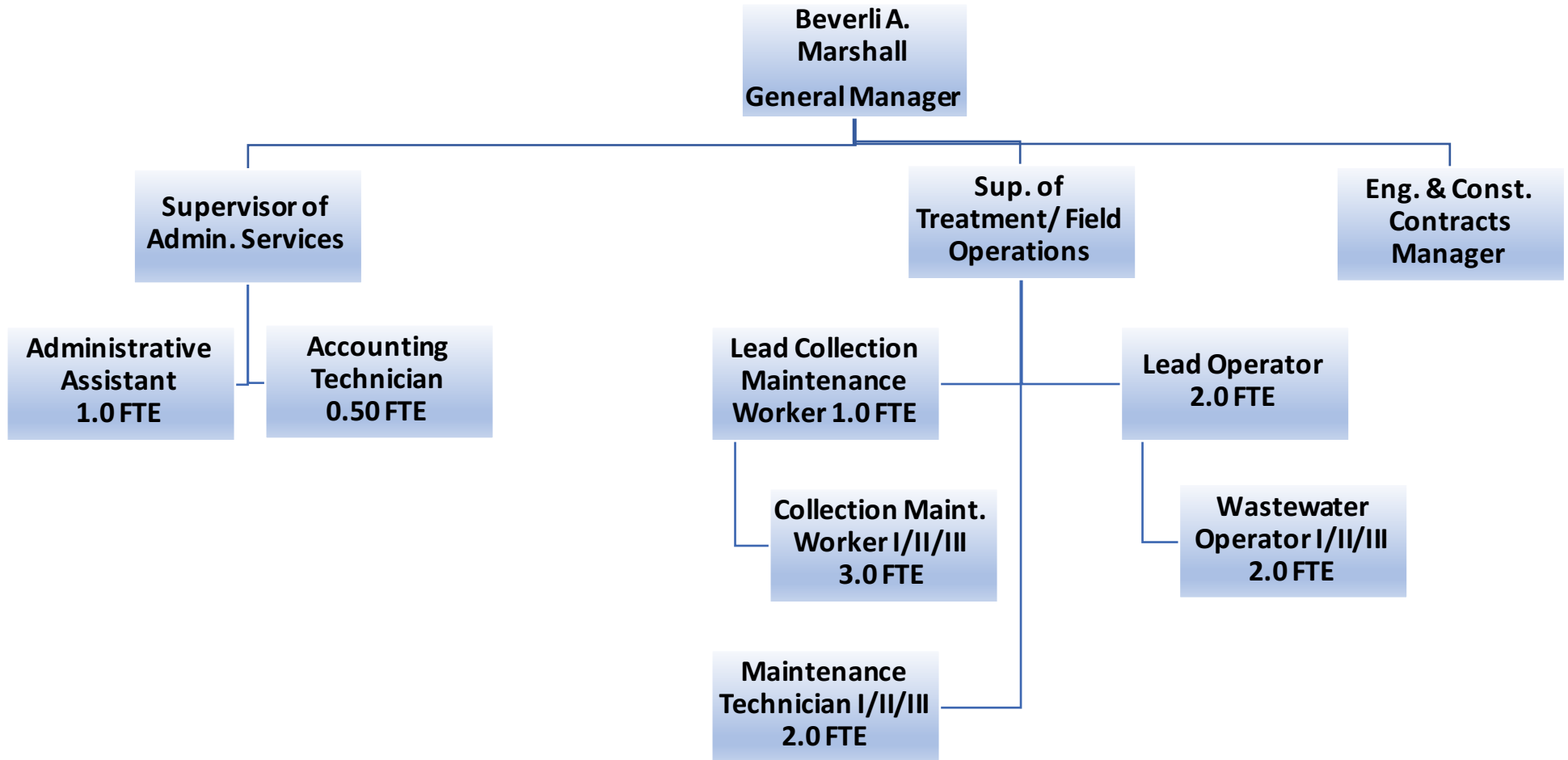
Reserve Policy

- Established by Resolution 2-2013
- Operating Reserve: ensures adequate cash flow for normal O & M costs = 2 month's budgeted O & M expenses (\$1.46 million)
- Emergency Repair Reserve: ensures adequate cash to stabilize rates for unplanned repairs or replacements = \$1.25 million
- \$500,000 was drawn down in FY 2015/16 from reserve to pay for Vallemar force main replacement. Reserve funds have not been replaced

Political Structure



Organizational Chart (15.50 FTE)



Functional Services

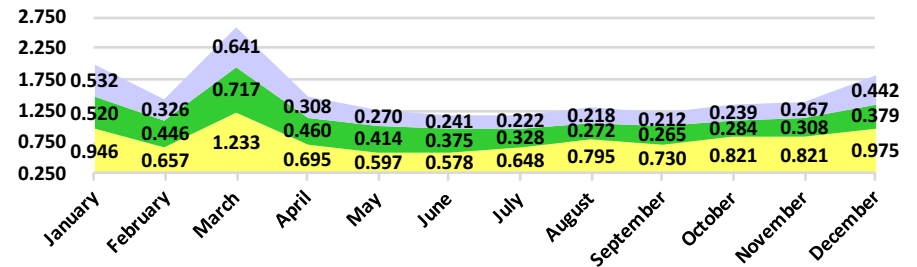
- JPA Operations & Maintenance of SAM facilities: Administrative Services, Treatment, Environmental Compliance, and Infrastructure
- Collection Services by Contract: member agency-owned sewer pipe cleaning and maintenance; member agency-owned lift station maintenance



Assessments by Type

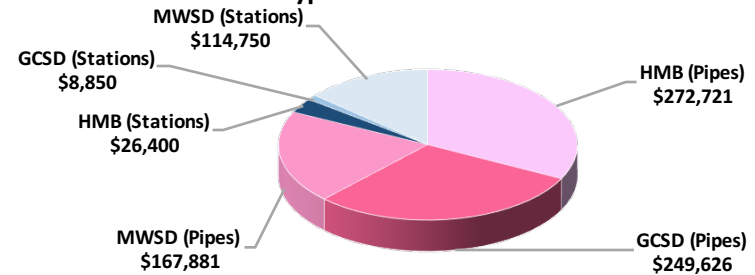
- Operations & Maintenance of SAM facilities: JPA assessments to member agencies based on annual flow % from previous calendar year
- Collection Services by Contract: assessments to participating agencies based on % of total pipes scheduled to be cleaned in calendar year and % of total lift stations maintained
- New Projects (i.e., Recycled Water Project): assessments to agencies participating in project based on ownership % of new facility

Average Daily Flow by Month (MGD)

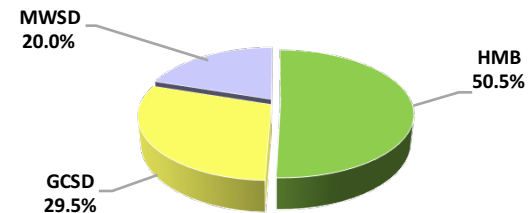


■ HMB Average Daily Flow ■ GCSD Average Daily Flow ■ MWSD Average Daily Flow

Type of Service Allocation

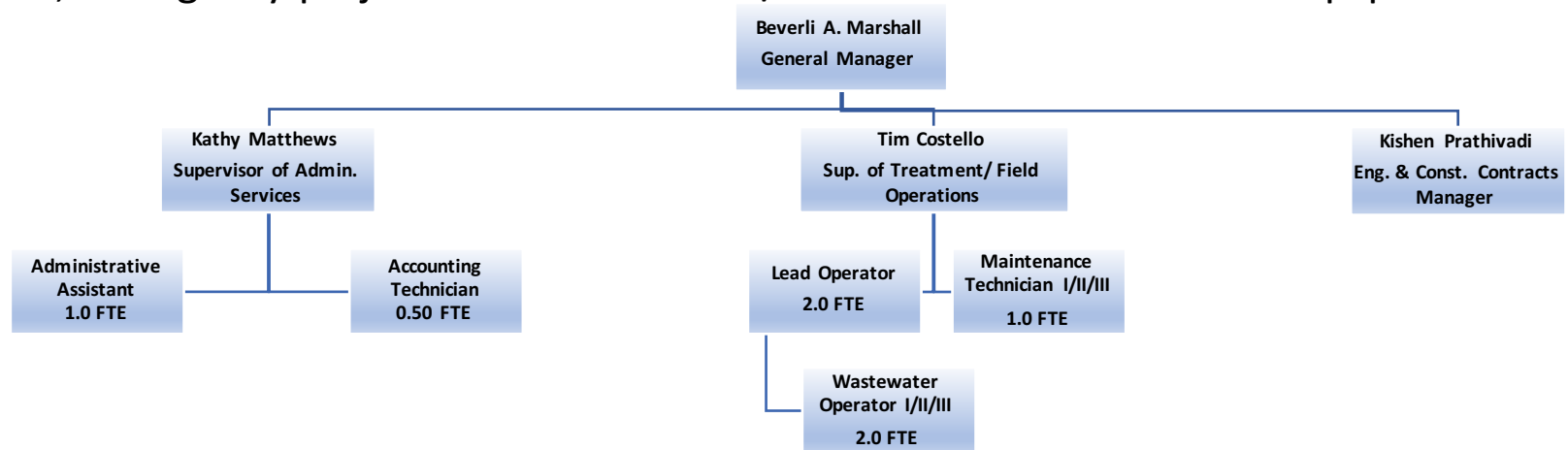


SAM Facilities Ownership Allocation



JPA Operations & Maintenance (10.50 FTE)

- Administrative Services (3.50 FTE): Board of Directors, accounting, human resources, risk management, information technology support
- Treatment (6.25 FTE): NPDES permit compliance, treatment operations, facilities maintenance
- Environmental Compliance (0.25 FTE): laboratory operations, pre-treatment inspections, public education, outreach
- Infrastructure (0.50 FTE): planned projects based on risk assessment and remaining useful life; emergency projects based on actual/imminent failure of critical equipment



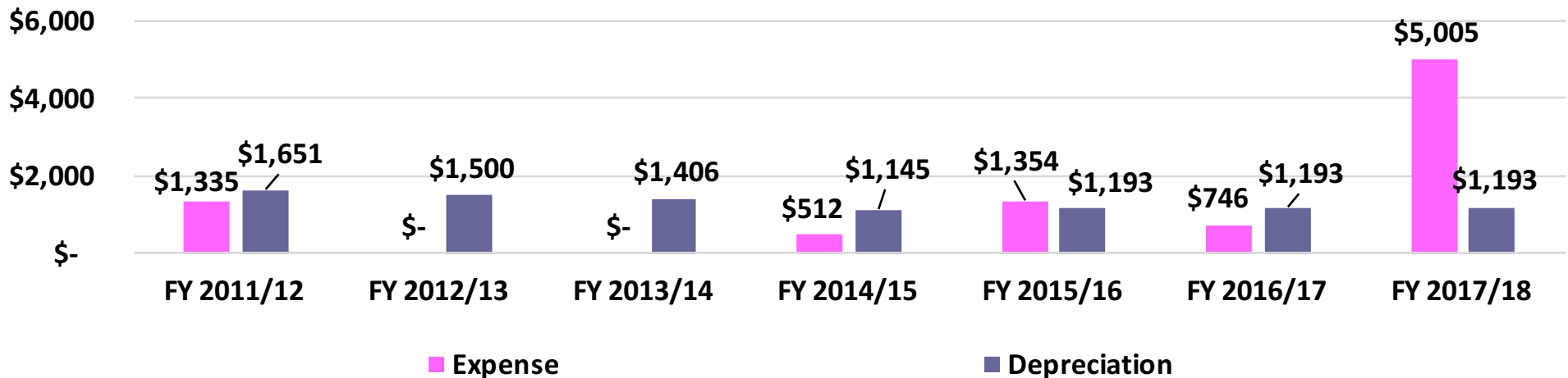
JPA O & M – Performance Measures

- Implement goals and objectives of Strategic Plan
- Meet all effluent quality targets described in NPDES permit
- No Sanitary Sewer Overflows (SSOs) in SAM system
- Perform routine maintenance tasks in timely manner
- Meet and maintain ELAP (Lab) compliance requirements
- Complete all annual NDWSCP inspections required by SAM permits
- Maintain zero lost time due to injuries/accidents
- Complete all required safety training
- Complete all required certification training

JPA O & M – Performance Measures cont'd

- Identify infrastructure projects based on risk rank (Risk = Probability of equipment failure x Consequence of equipment failure)
- Develop 5-Year Infrastructure Plan
- Complete projects on time and within budget
- Minimum annual expense should be no less than annual depreciation

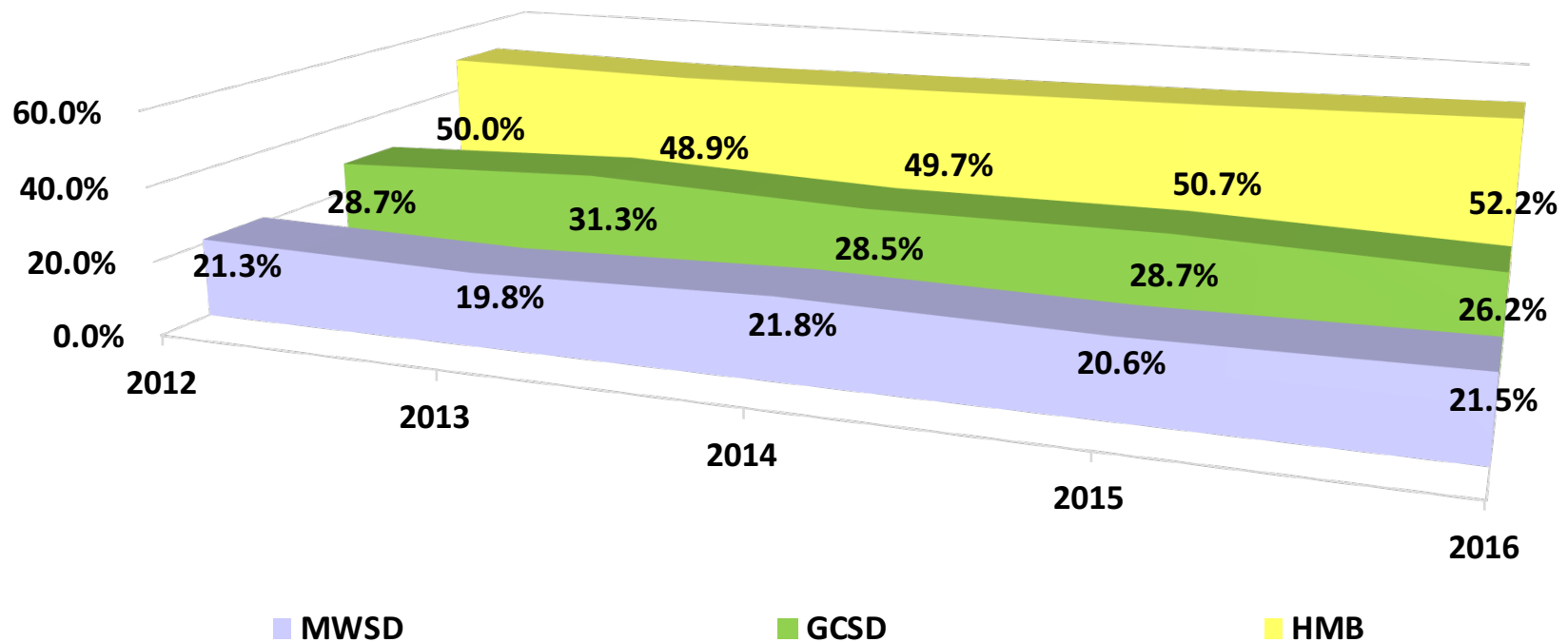
Spending vs. Depreciation (\$1,000s)



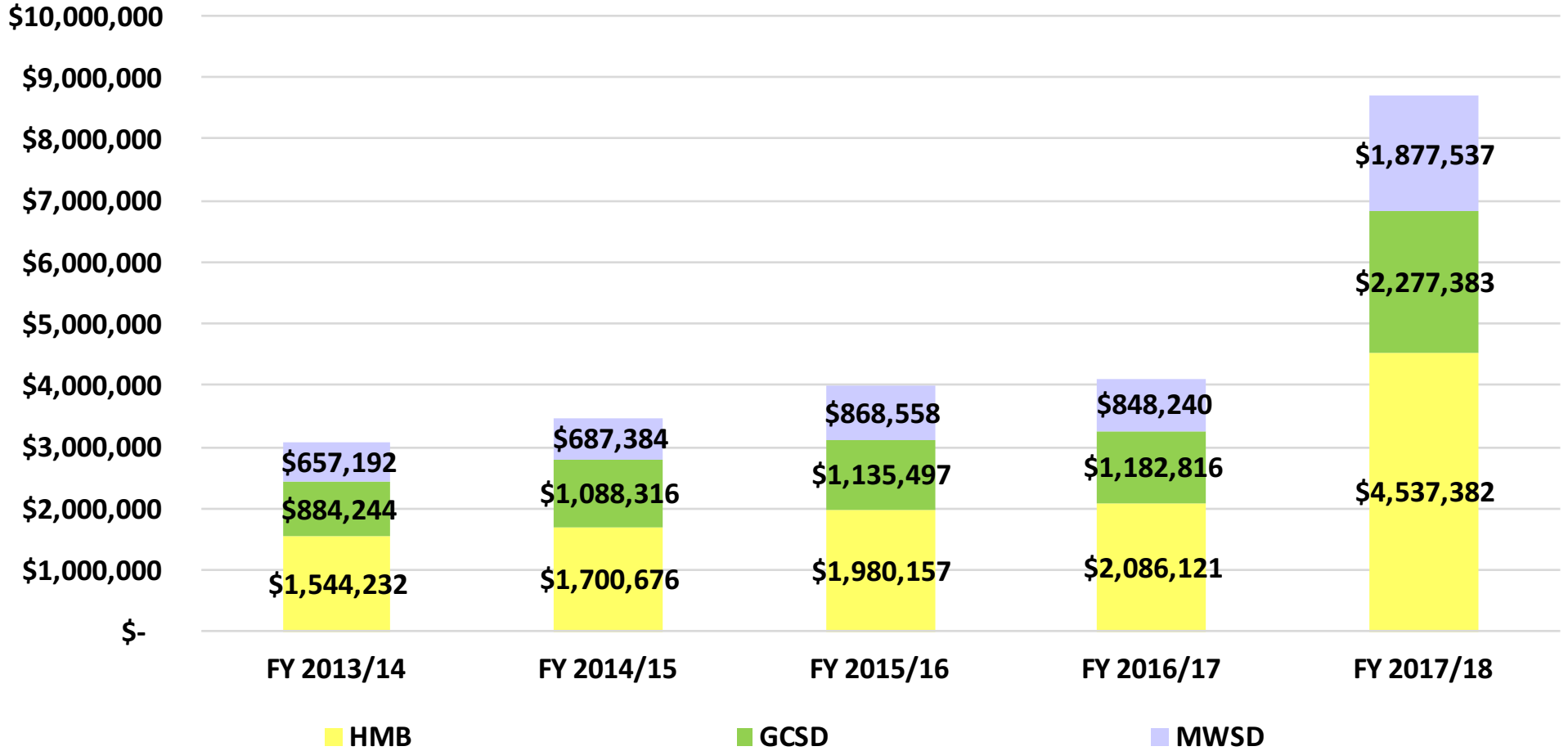
JPA Operations & Maintenance Funding

- 99% funding from member agency assessments
- Assessments based on flow % from previous calendar year

Flow Allocation by Year



JPA Assessments by Fiscal Year

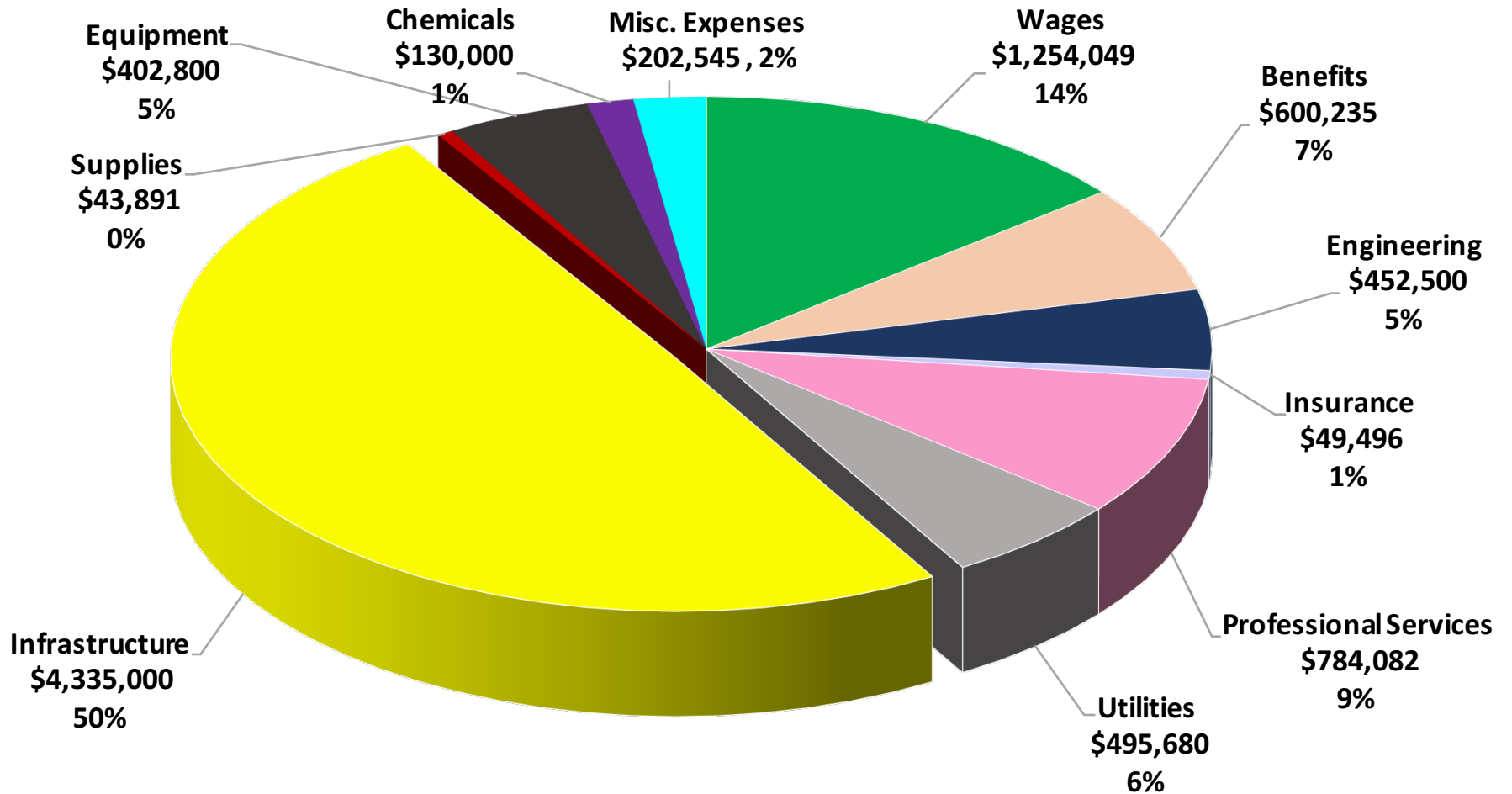


JPA General Budget for FY 2017/18

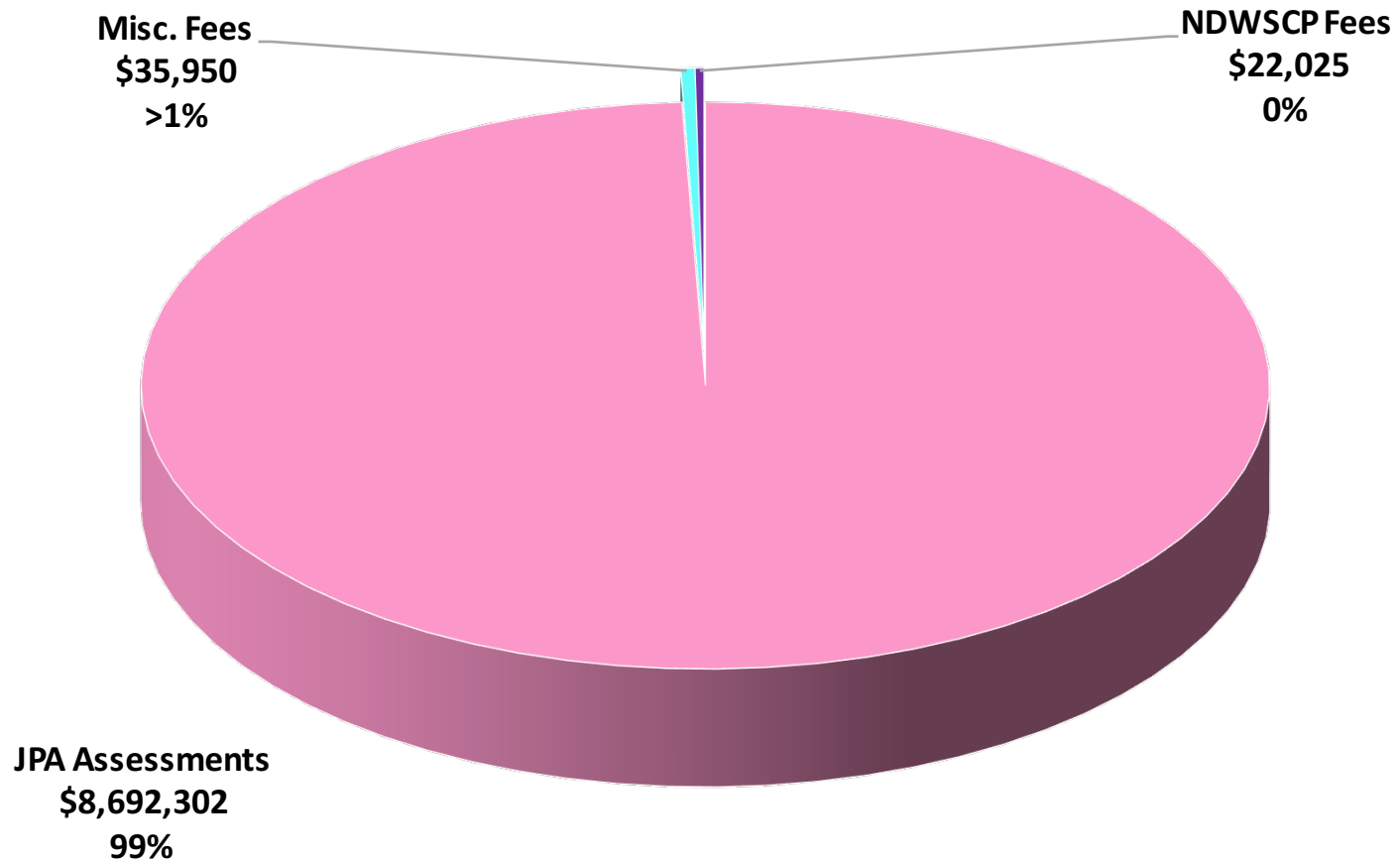
- General Budget: the expenses of administration of the Authority and operation and maintenance of the facilities.
- Budget Assumptions for FY 2017/18
 1. Fund all Year 1 projects in 5-Year Infrastructure Plan, including all 3 sections of Granada Force Main
 2. All three member agencies participating in contract services (mutual aid benefits)
 3. All budgeted positions filled, if vacant
 4. All applicable merit step increases earned per policy and MOU
 5. Set aside 1.5% of payroll to fund OPEB



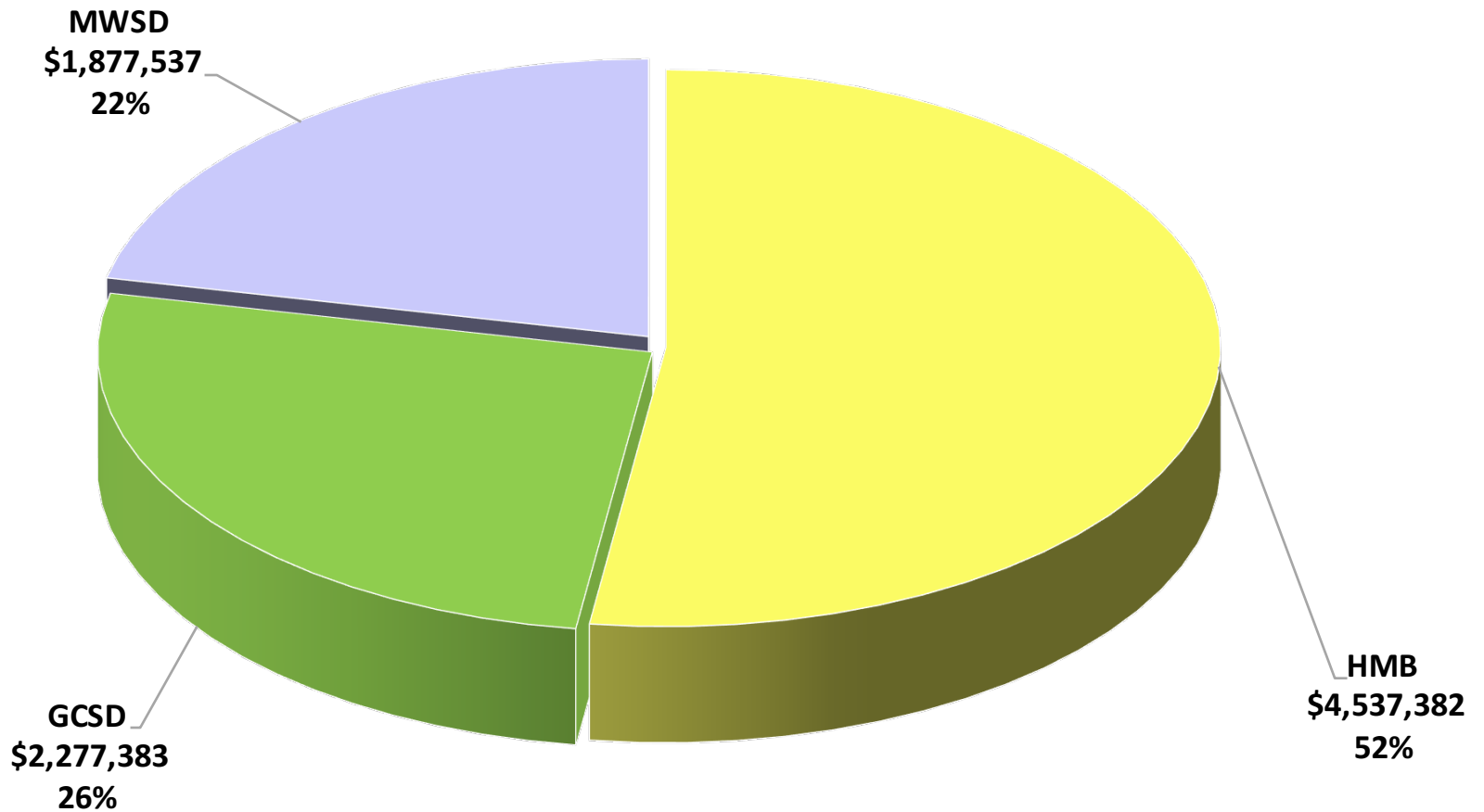
JPA Budget Expenses for FY 2017/18



JPA Budget Revenue for FY 2017/18



JPA Budget Assessments by Agency for FY 2017/18



Significant JPA Budget Changes from FY 2016/17

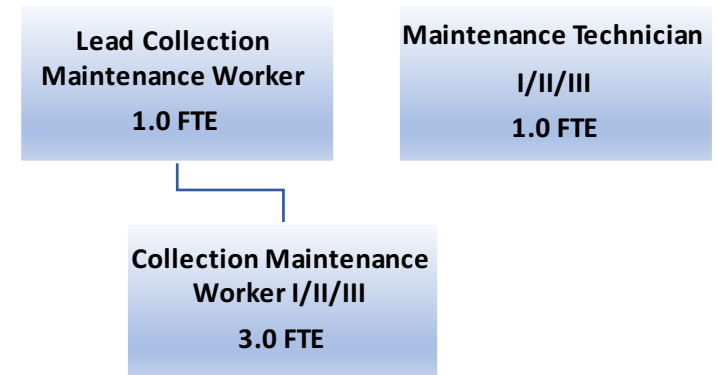
- Increased funding for infrastructure budget – additional \$3.97 million
- Increased engineering costs for infrastructure projects
- Increased wages and benefits – COLAs, merit steps, premium pay, OPEB, CalPERS
- Increased professional memberships and certifications
- Increased insurance premiums
- Shifted all general support costs out of Contract Services Budget to JBA General Budget

JPA General Budget Challenges

- Aged infrastructure and processes now critical / failing
- No infrastructure or equipment replacement funds – significant increase in assessments to cover costs
- Cash flow timing for infrastructure projects
- Increasing CalPERS rates and OPEB costs
- Workforce transition (7 of 16 at/exceed retirement age (55 years); 2 more w/in 4 years; 3 have 25 years or more service)

Contract Collection Services “CCS” (5.0 FTE)

- Separate from JPA services; provided by contract dated 1988
- Sewer Lines (4.00 FTE): annual cleaning of all public main lines, customer service response, emergency standby and response, minor repairs, damage claims processing, SSO assessment and initial reporting, F.O.G. inspections and billing, USA utility marking
- Lift Stations (1.00 FTE): daily maintenance checks, emergency standby and response, station wash downs, SSO assessment and initial reporting, minor repairs, SCADA alarm monitoring and response

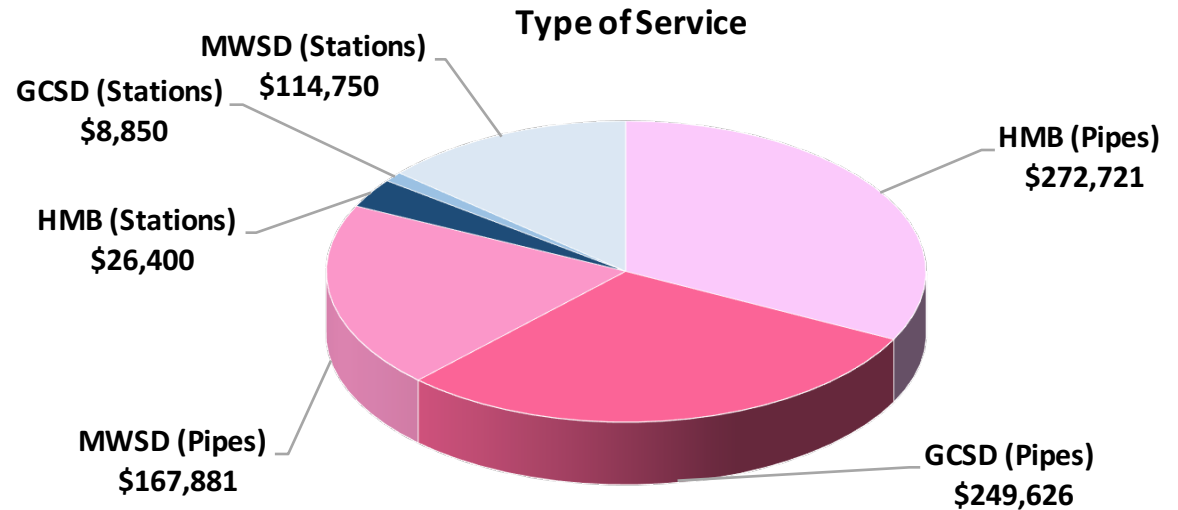


Contract Collection Services – Performance Measures

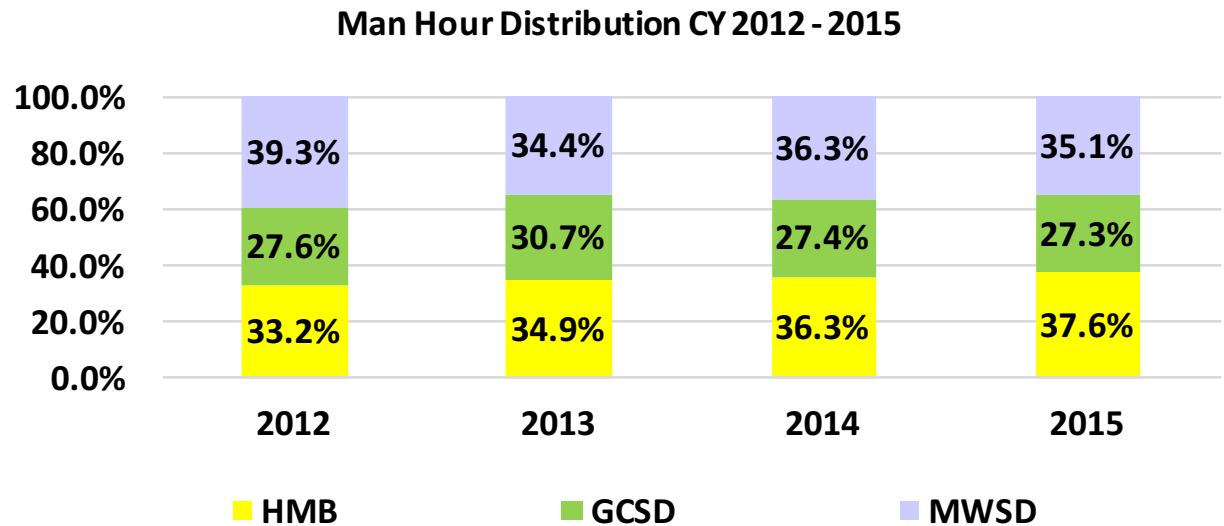
- Clean planned segments of pipe per monthly schedule
- Maintain *service-related* SSOs at/below regional annual average (6 per 100 miles of pipe) – HMB no more than 2 in 12-month period
- Respond to all customer service requests and emergency calls in 60 minutes or less
- Maintain zero lost time due to injuries/accidents
- Complete all annual F. O. G. inspections
- Complete all required safety training
- Complete all required certification training
- Stabilize costs and related assessments to participating agencies

CCS Funding

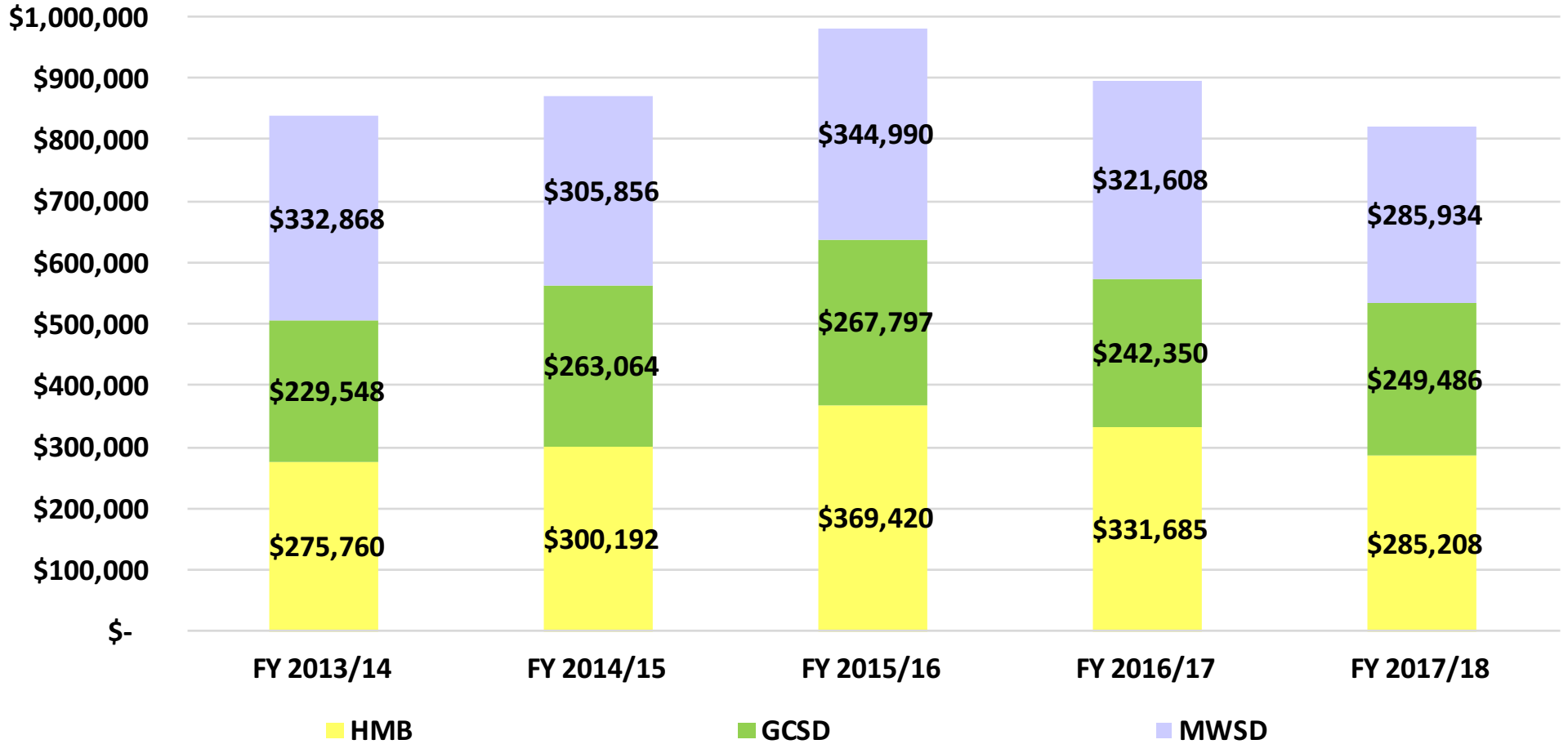
- For FY 2017/18, assessments based on % of pipes to be cleaned and % of lift stations maintained



- For previous years, assessments based on % of total man hours used for services delivered



CCS Assessments by Fiscal Year

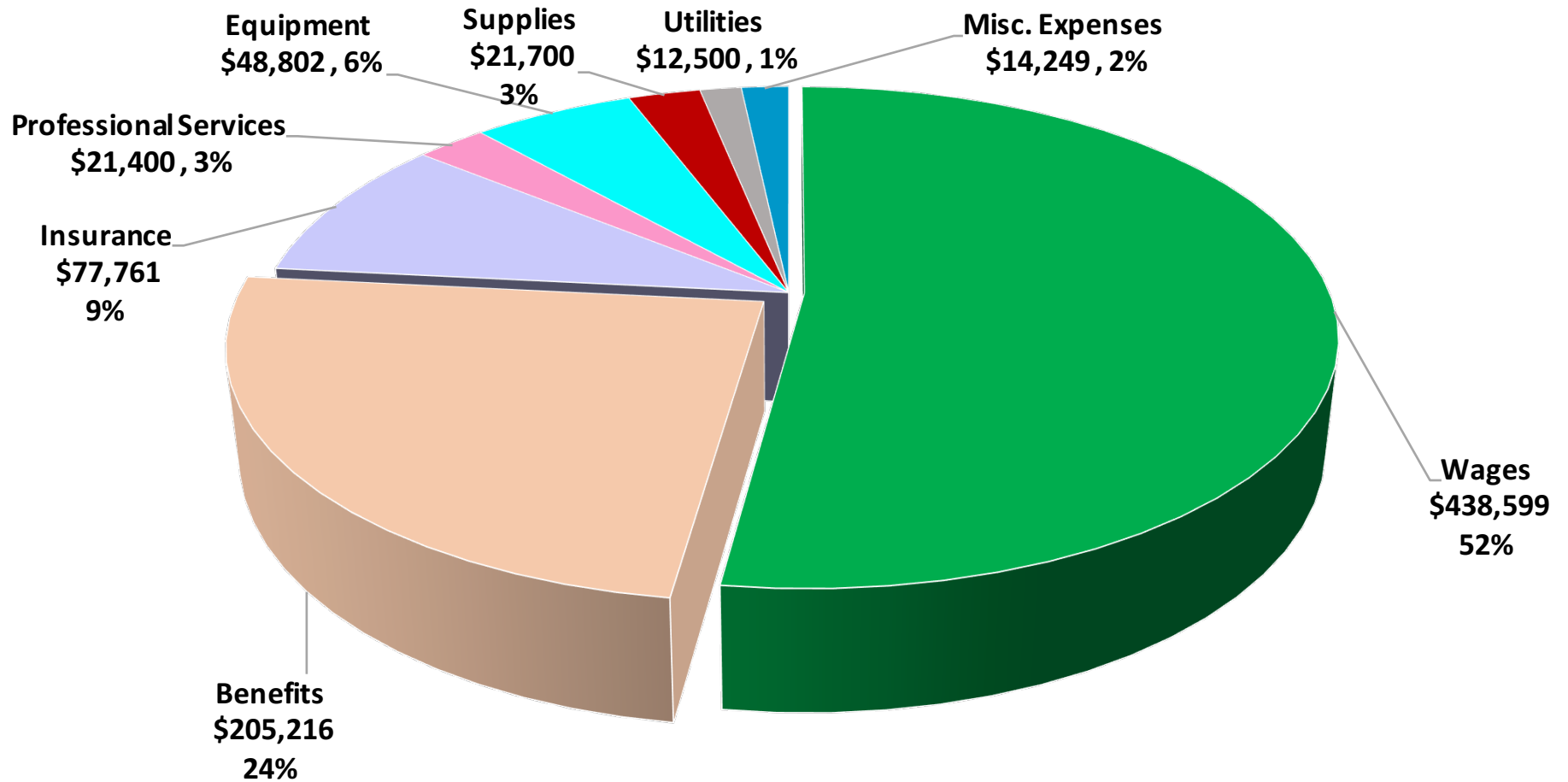


CCS Budget for FY 2017/18

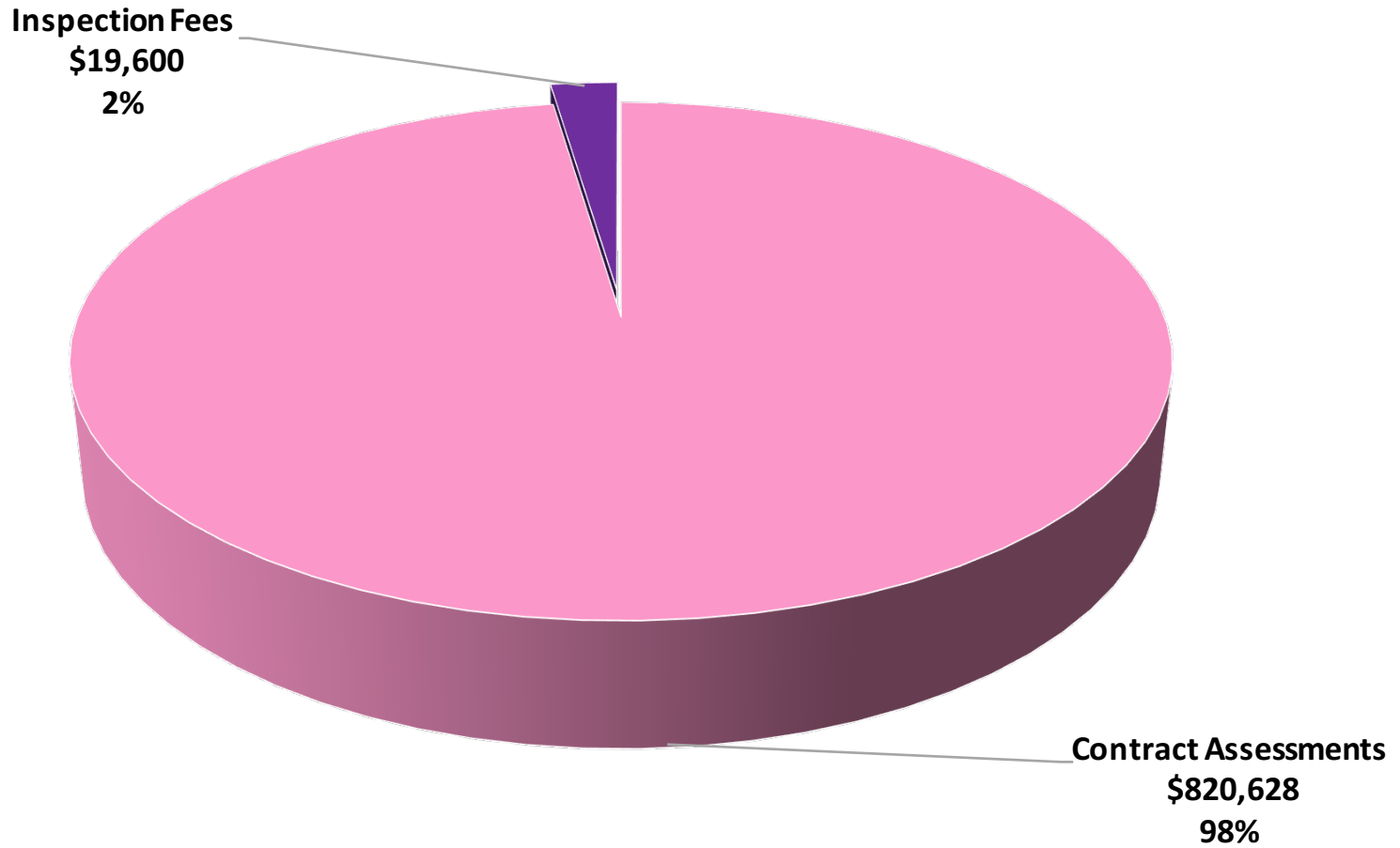
- Contract Services Budget: the expenses of providing contract services to participating agencies for agency-owned facilities
- Budget Assumptions for FY 2017/18
 1. All three member agencies participating in contract services (mutual aid benefits)
 2. All budgeted positions filled, if vacant
 3. All applicable merit step increases earned per policy and MOU
 4. Set aside 1.5% of payroll to fund OPEB



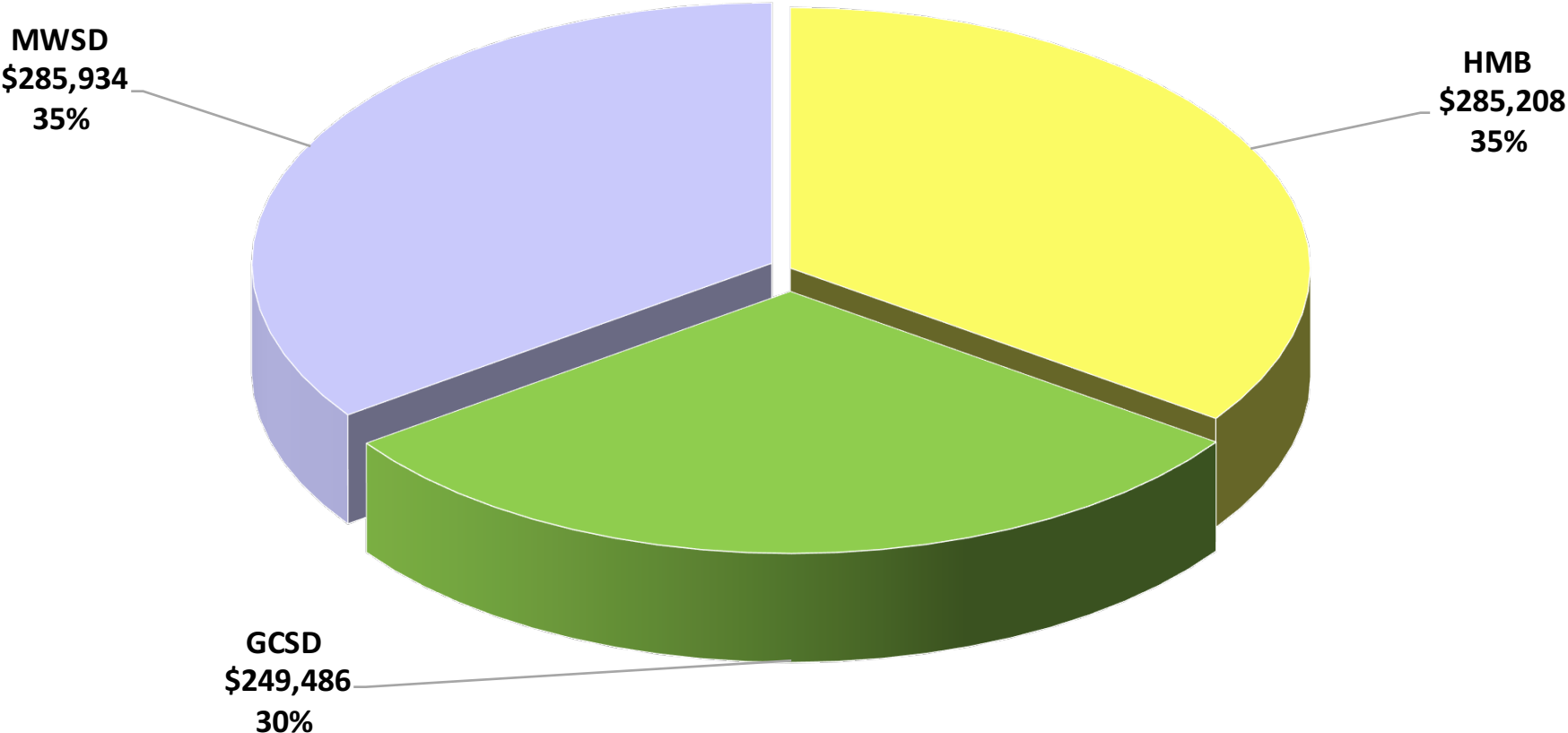
CCS Budget Expenses for FY 2017/18



CCS Budget Revenue for FY 2017/18



CCS Assessments by Agency for FY 2017/18



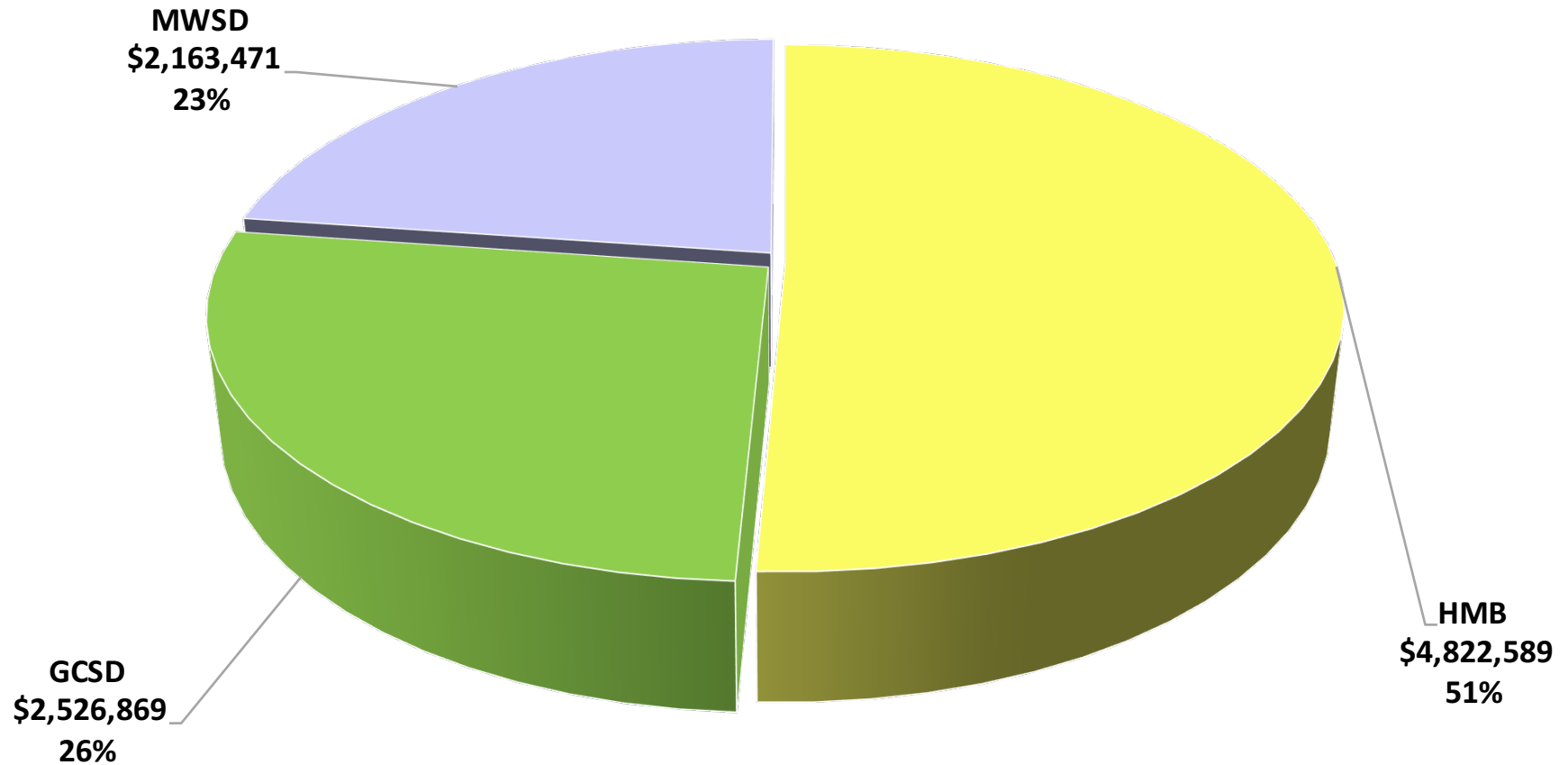
Significant CCS Budget Changes from FY 2016/17

- Changed allocation methodology from % of man hours to % of service type received (miles of pipe cleaned; % of lift stations maintained)
- Shifted all general support costs out of Contract Services Budget to JBA General Budget (mutual aid benefits)
- Increased wages and benefits – COLAs, merit steps, premium pay, OPEB, CalPERS
- Increased CSRMA insurance premiums based on adjusted ex-mod rates and retroactive premiums
- Established Collection Equipment Replacement Fund

CCS Budget Challenges

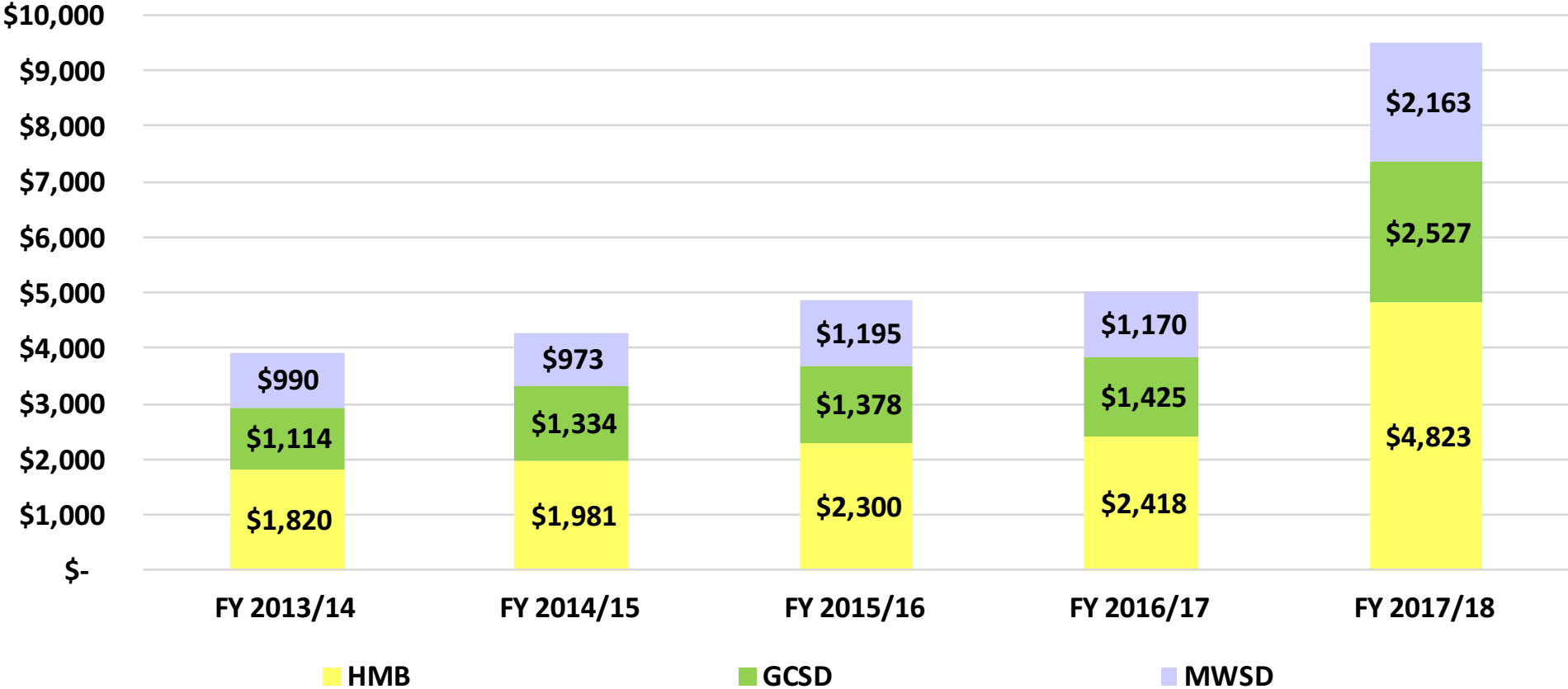
- Aging equipment and vehicles
- No equipment or vehicle replacement funds – significant increase in assessments to cover costs
- Increasing CalPERS rates and OPEB costs
- Workforce transition (7 of 16 at/exceed retirement age (55 years); 2 more w/in 4 years; 3 have 25 years or more service)

Total Assessments by Agency for FY 2017/18



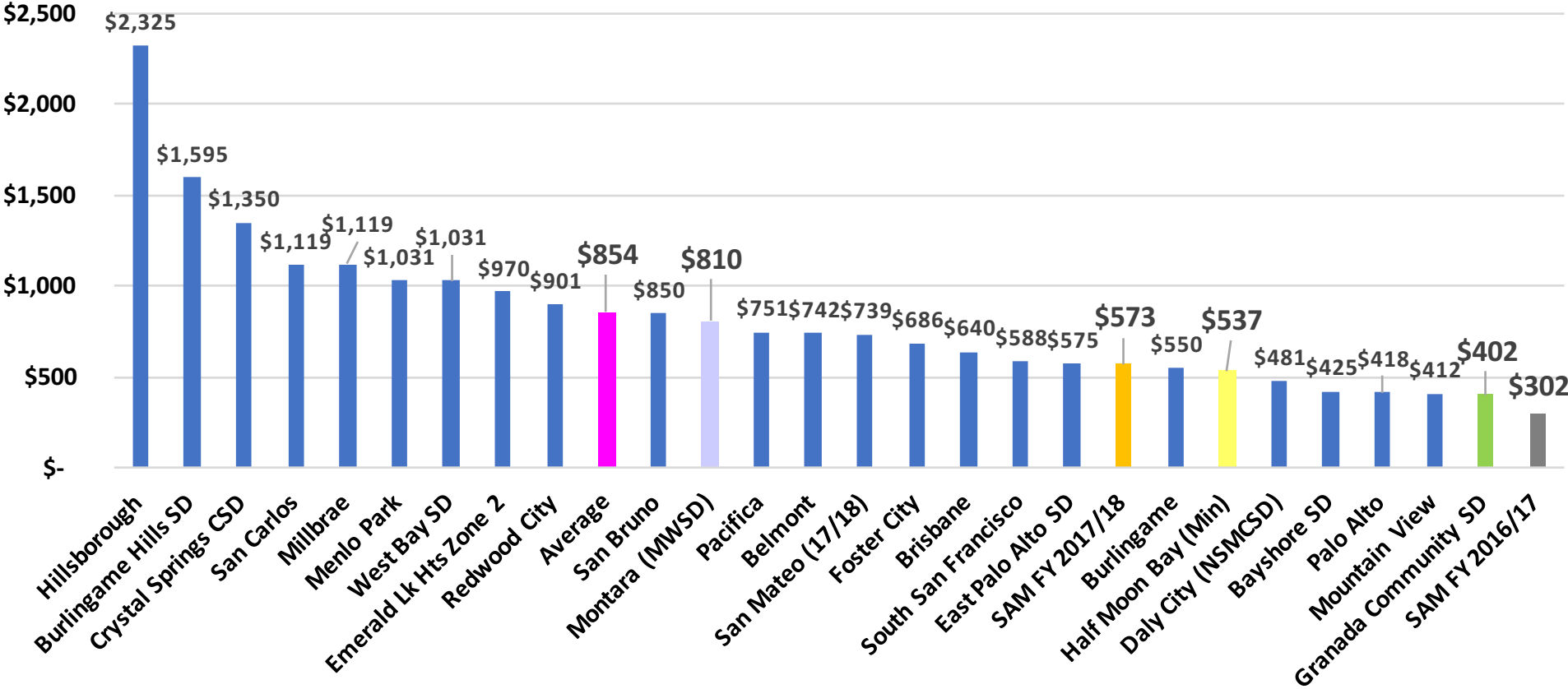
Total Assessments FY 2013/14 – 2017/18

By Agency (\$1,000s)



Typical Single Family Residential Monthly Sewer Bill

Based on Flat Rate or 5 CCF of Monthly Winter Water Use



SAM's Strengths

- 24 x 7 x 365 customer service and emergency response
- Local employees provide quick response times and care about Coastside environmental quality (we live here, too)
- Employees have long-term commitment to SAM and wastewater industry
- One of the lowest sewer rates on the Peninsula
- All field staff hold industry recognized certifications
- Long-time partnership with CUSD for environmental education
- Commitment to safety (over 6 years with no lost-work days)
- No NPDES permit or air quality violations (people don't smell the Plant)