



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 2, 2026**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2026-27 Collections Budget.

At the SAM Board of Directors meeting on March 9, 2026, the SAM Board approved the SAM Collections Budget for Fiscal Year 2026-27 to be sent to the member agencies for consideration and approval.

The overall Collections Budget is suggested to increase by \$149,379 or 20% over the prior fiscal year budget of \$763,556 which brings total budgeted expenditures to \$912,935. FY 2026-27 assessments for MWSD collections are budget at \$355,430 which represents an increase of \$94,275 or 36%.

Kishen Prathivadi, SAM General Manager, will be available to present the proposed FY 2026-27 Collections Budget.

RECOMMENDATION:

Adopt Resolution, No. ____, Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its Collections Budget for Fiscal Year 2026-2027.

Attachments

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2026 – 2027 SEWER
AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM
CONTRACT SERVICES BUDGET**

WHEREAS, pursuant to Section V of that certain Agreement entitled, "Agreement for Maintenance and Operation Services Between the Montara Sanitary District and Sewer Authority Mid-Coastside," [said District subsequently renamed] dated April 7, 1988, for wastewater collection system maintenance and operation services, the Authority has submitted its Fiscal Year July 1, 2026 – June 30, 2027 budget for such services; and

WHEREAS, this Board has reviewed the budget and desires to signify its approval thereof;

NOW THEREFORE, be it resolved by the Board of the Montara Water and Sanitary District, a public agency in the County of San Mateo, California, as follows:

1. That certain budget entitled, "Contract Collection Services Budget – Fiscal Year 2026/27," for collection system maintenance and operation services to be provided by Sewer Authority Mid-Coastside to the Montara Water and Sanitary District for said fiscal year, a copy of which is on file in the District Administrative Offices to which reference is hereby made for the particulars thereof, is hereby approved.

2. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to Sewer Authority Mid-Coastside.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

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RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2026 – 2027 SEWER
AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM
CONTRACT SERVICES BUDGET**

I HEREBY CERTIFY that the foregoing Resolution No. _____
was duly and regularly adopted and passed by the Board of the Montara Water
and Sanitary District, San Mateo County, California, at a Regular Meeting thereof
held on the 2nd day of April 2026, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

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

FY 2024/25 ACTUAL	FY 2025/26 ADOPTED	FY 2025/26 PROJECTED	FY 26/27 PROPOSED	VARIANCE FY26/27 versus FY25/26
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EXPENDITURES

Under/(Over)

					Under/(Over)	
Personnel						
1	Wages	428,087	411,473	465,000	491,000	79,527 19%
2	Premium Pay	56,738	62,809	56,631	62,800	(9) (0%)
3	Health Benefits	131,782	147,525	145,948	172,900	25,375 17%
4	Retirement Cont.	33,869	35,250	46,674	49,550	14,300 41%
5	Retiree Med/OPEB	658	7,300	7,650	9,000	1,700 23%
6	Misc. Benefits	26,968	30,921	31,889	38,900	7,979 26%
7	Subtotal	678,102	695,278	753,790	824,150	128,872 19%
Non-Personnel						
8	Legal Services	-	-	-	-	- -
9	Engineering Services	-	-	-	-	- -
10	Professional Services	41	-	-	-	- -
11	Prof. Memberships	-	-	-	-	- -
12	Insurance Premiums	33,403	26,038	36,217	38,500	12,462 48%
13	Misc. Expenses	4,615	5,926	5,416	6,915	989 17%
14	Utilities	5,804	7,151	6,950	7,620	469 7%
15	Travel & Training	2,324	2,815	2,625	4,250	1,435 51%
16	Equipment Rental	-	-	-	-	- -
17	Bldg & Maint Services	-	-	-	-	- -
18	Chemicals	-	-	-	-	- -
19	Permits & Licenses	-	-	-	-	- -
20	Supplies	16,856	26,348	29,154	31,500	5,152 20%
21	Equipment	-	-	-	-	- -
22	Infrastructure	-	-	-	-	- -
23	Claims/Penalties	-	-	-	-	- -
24	Repairs & Maintenance	-	-	-	-	- -
25	Subtotal	63,042	68,278	80,362	88,785	20,507 30%
26	TOTAL	741,144	763,556	834,152	912,935	149,379 20%

FY 2024/25 ACTUAL	FY 2025/26 ADOPTED	FY 2025/26 PROJECTED	FY 26/27 PROPOSED	VARIANCE FY26/27 versus FY25/26
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REVENUE

By Type:

27	JPA Assessments	624,145	763,556	687,251	912,935	149,379 20%
28	NDWSCP Fees	-	-	-	-	- -
31	Interest Earnings	-	-	-	-	- -
32	Misc. Revenue	-	-	-	-	- -
33	(From)/To Reserves (*)	-	(76,305)	-	47,687	- -
34	REVENUE TOTAL	624,145	687,251	687,251	960,622	149,379 22%

By Agency:

35	Half Moon Bay	212,209	233,665	233,665	331,415	97,750 42%
36	Granada CSD	174,761	192,431	192,431	273,777	81,346 42%
37	Montara WSD	237,175	261,155	261,155	355,430	94,275 36%
38	TOTAL	624,145	687,251	687,251	960,622	273,371 40%

PASS THROUGH

17A	Pass Through Expenses	297,736
29	Pass Through Revenue	297,736
	Balance	-

(*) Figure represents difference between collections assessments received from Member Agencies & Collections expenditures as noted in the FY 24-25 audited financial statements and added to the budgeted expense.



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 2026/27 and Authorize the General Manager to Submit it to the Member Agencies for Approval**

Executive Summary

The purpose of the report is to discuss the Contract Collection Services Budget for FY 2026/27 and authorize the General Manager to submit it to the Member Agencies for approval.

Fiscal Impact

This contract is separate from the SAM Operating Budget, since it is a contract for SAM to provide maintenance services for the three Member Agencies' wastewater systems. The total cost to provide the Member Agency requested services for Fiscal Year 2026/27 is \$912,935. This amount is payable to SAM as contract service fees from the served Member Agencies, allocated by the percentage of work required for each agency. This is an overall increase in fees of \$149,379 from FY 2025/2026. The following table shows the history of fees for each agency for the past two years, the current year, and the upcoming year.

Please note, FY 2026/2027 budgeted member agency Collections Assessment has been increased by \$47,687. This amount represents the difference between Collections assessment revenue and Collections expenses as noted in SAM's FYE June 30, 2025 audited financial statements.

BOARD MEMBERS:	N. Marsh	B. Dye	S. Boyd
	P. Nagengast	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	B. Softky	J. Randle	W. Bowles
	M. Allen		

Contract Fees for Each Contracting Agency

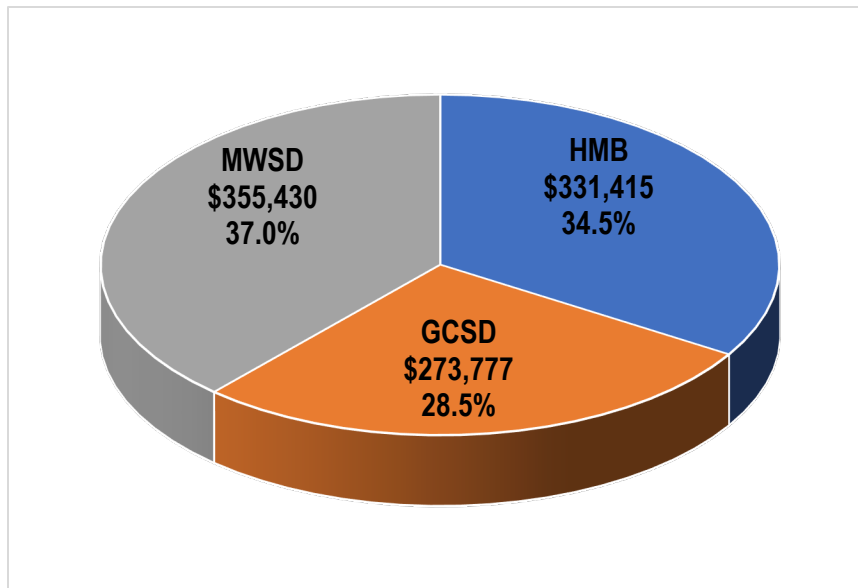
	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Adopted	FY 2026-27 Proposed	\$ Change	% Change
Half Moon Bay	\$ 263,824	\$ 212,209	\$ 233,665	\$ 331,415	\$ 97,750	42%
Granada CSD	\$ 217,267	\$ 174,761	\$ 192,431	\$ 273,777	\$ 81,346	42%
Montara WSD	\$ 294,862	\$ 237,175	\$ 261,155	\$ 355,430	\$ 94,275	36%
	<u>\$ 775,953</u>	<u>\$ 624,145</u>	<u>\$ 687,251</u>	<u>\$ 960,622</u>	<u>\$273,371</u>	<u>40%</u>

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.”

Background and Discussion/Report



The Proposed Contract Collections Services Budget has been discussed by the member agency managers and by the Finance Committee. The presentation today is

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for the Board to review and follow-up with agency staff and respective Council/Board for comment. Approval of the proposed budget will take place later.

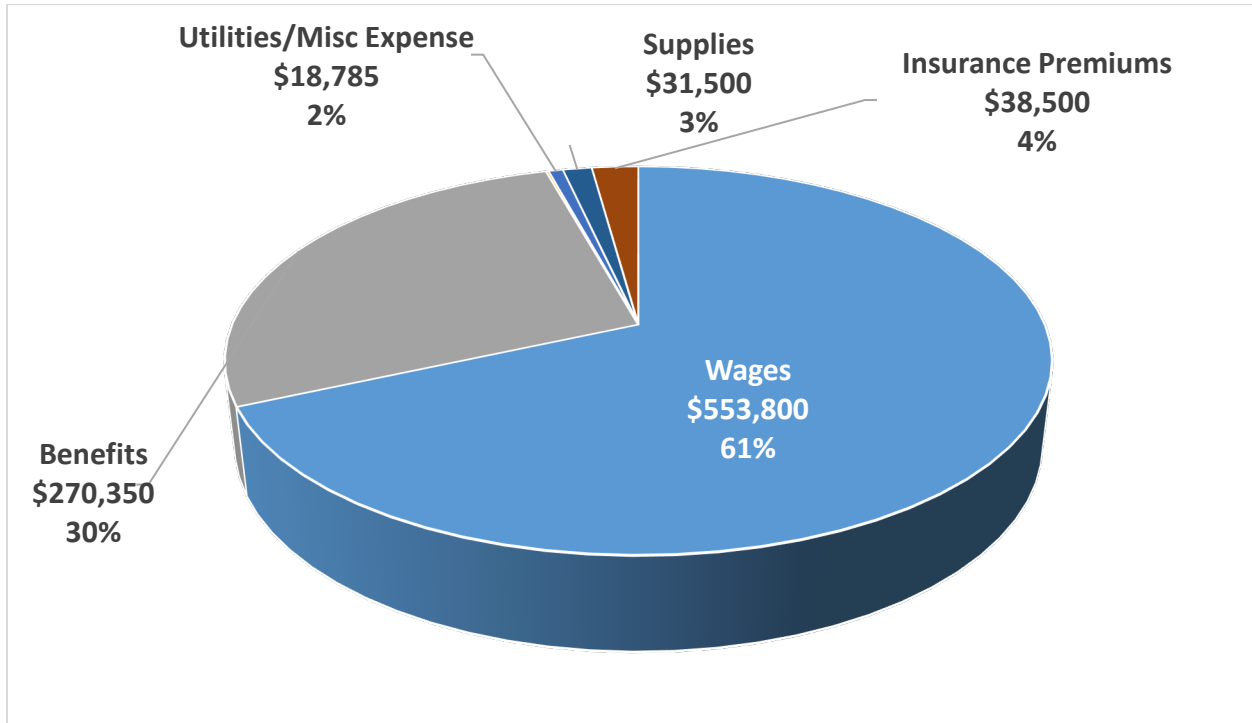
SAM has provided collection system maintenance services to its member agencies since 1988. The scope of services has changed over the years to meet regulatory requirements and individual needs of the Member Agencies. The cost allocation methodology has evolved over the years as well. Couple of years back, the Member Agency Managers, the SAM Manager, and consultants worked in concert to develop a method of allocation based on the needed services of each agency. We are confident that the cost allocation presented reflects more accurately that method and those needs.

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

The proposed budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts. It also includes utilities, fuel, and other expenses needed to perform all the contracted services.

The pie chart on the next page details budget expenditures.

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The performance of collection system maintenance is a very staff-intensive activity and as a result most costs (91%) as shown above are Wages and Benefits for personnel to perform the work. Other significant costs are Insurance Premiums & the cost of supplies estimated to be \$38,500 and \$31,500 respectively. All other costs combined are around 2% of the total overall budget.

Significant Changes to the Budget:

1. Increase of Personnel expenses by \$79,527 based on the approved MOU increase of 4% COLA and applicable step increase which is 3%.

Staff Recommendation

Staff recommends that the Board of Directors authorize the General Manager to submit the Contract Collection Services Budget for Fiscal Year 2026/27 to the participating agencies for approval.

Supporting Documents

Attachment A: Contract Collection Services Budget for FY 2026/27

BOARD MEMBERS:	N. Marsh	B. Dye	S. Boyd
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