

SEWER AUTHORITY MID-COASTSIDE
Staff Report

Subject / Title

Manager's Informational Report

Staff Recommendation:

None. This is an informational item only.

Fiscal Impact:

None. This is an informational item only.

Discussion/Report:

Update on SAM Proposed FY2009-10 Budget

As of this writing, SAM staff has met with staff from each of the three member agencies. SAM staff has presented the budget to the Montara Water and Sanitary District on April 16, 2009. SAM staff is scheduled to present the budget to the Granada Sanitary District Board on April 23, 2009. As previously reported, the City of Half Moon Bay staff has asked for budget modifications, some having to do with further reductions (review and reduce line-item budget amounts, similar to MWSD Director Ptacek's requests of March 23, 2009), some having to do with format and presentation of the budget (e.g. add pages discussing budget assumptions, process, procedures, etc), and some having to do with accounting for and tracking of capital projects (improve tracking of capital expenditures, continue with SAM's existing plans to receive advice from financial consultant on these matters). The more substantial changes, such as the accounting changes and most of the capital tracking relate more to next year's budget process and will be implemented fully after the financial study and its recommendations. SAM Board and member agency managers will have input on the financial study from beginning to end. SAM will also conduct a mid-year review of the budget (January) to discuss and provide the Board with expenditure projections and the opportunity to make budget modifications.

When SAM staff presented to the MWSD Board, many similar requests were made. The MWSD meeting focused on the need for additional detail. In addition, MWSD board requested that the issue of risk and urgency be added to capital projects and some operating expenditures. That is, a discussion of how urgent the expenditure is and of the risks if the expenditure is postponed a year, or two, or more.

There are no changes to the amounts or cost sharing for IPS/Pump Station maintenance, WWFMP or Recycled Water Capital Projects. SAM has received a preliminary proposal for a financial consultant review. SAM will obtain input from member agency management before bringing this proposal to the Board for its review.

SAM staff is working to address these concerns and changes. An update will be presented at the meeting.