



# Monterey Regional Water Pollution Control Agency

*"Dedicated to meeting the wastewater and reclamation needs  
of our member agencies, while protecting the environment."*

Administration Office:  
5 Harris Court, Bldg. D, Monterey, CA 93940-5756  
(831) 372-3367 or 422-1001, FAX: (831) 372-6178  
Website: [www.mrwPCA.org](http://www.mrwPCA.org)

## **NOTICE AND AGENDA BUDGET/PERSONNEL COMMITTEE**

Gloria De La Rosa, Chair  
Lou Calcagno, Dave Pendergrass, Carmelita Garcia, and Chris Orman

DATE:	<b>Friday, February 12, 2010</b>
TIME:	<b>1:30 p.m.</b>
LOCATION:	Admin Conference Room 5 Harris Court, Building D

### **PUBLIC COMMENTS**

*Anyone wishing to address the Committee on matters not appearing on the Agenda may do so now. Comments on any other matter listed on the Agenda are welcome at the time the matter is being considered by the Committee.*

- 1. REVIEW MID-YEAR BUDGET STATUS AND INVESTMENT PORTFOLIO**  
(see attachment)
- 2. REQUEST HIRING CONTRACT SRDF LABORATORY ANALYST**  
(see attachment)

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BUDGET/PERSONNEL COMMITTEE

February 12, 2010

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This Committee Meeting Notice and Agenda was hereby posted at the MRWPCA Administrative offices, 5 Harris Court, Building D, Monterey, California 93940.

POSTED: **Tuesday, February 9, 2010**

BY: */s/ Betty Nebb*  
Executive Assistant



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## MEMORANDUM

**TO:** BUDGET/PERSONNEL COMMITTEE

**FROM:** JOHN TIERNAN, DIRECTOR OF ADMINISTRATION  
(Via General Manager)

**DATE:** FEBRUARY 8, 2010

**SUBJECT:** REVIEW MID-YEAR BUDGET STATUS AND INVESTMENT  
PORTFOLIO

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Typically, in February, we give the Committee and the Board an update on six months of budget revenues and expenditures. I will give a full report at the Board meeting.

### **FY08-09 SIX-MONTH BUDGET STATUS:**

For the period July 1 through December 31, 2009, we are on target with both expenditures and revenues when compared to our adopted budget. With a target of 50%, our expenditures are at 48% (Chart 1) and revenues are at 50% of budget (Chart 2).

Most expense categories are under budget with the exceptions of operating supplies, contract services and chemicals (Chart 3). We do not include encumbrances in our calculations; however, with encumbrances we are 50.24% of budget. With the inclusion of encumbrances, expenditures are less than .25% over target due to some up front purchases in order to take advantage of quantity discounts. Staff's ongoing focus on expenditures helps us stay within budget.

Joint Powers Authority Member Entities:

Boronda County Sanitation District, Castroville Community Services Water District, County of Monterey, Del Rey Oaks, Fort Ord, Marina Coast Water District, Monterey, Moss Landing County Sanitation District, Pacific Grove, Salinas, Sand City, and Seaside.

## **MEMORANDUM**

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We are reporting revenues at 50.4% of budget (Chart 4). Our largest category, User Fees, is at 51.58% or \$7.7 million. Lift Station Maintenance Fees for quarter ended 12/31/09 are not included in the report as they are calculated in mid February. Staff expects revenues to be at or above budget for this category by year end.

CSIP/SVRP are under budget. We are reimbursed for whatever expenses we incur for the projects.

We will fine tune our six-month projections and make a full presentation at the Board meeting this month.

### **INVESTMENT PORTFOLIO:**

Every quarter we look internally at our investments to determine best yields and maturities. The following describes current investment strategies (Chart 5):

As of December 31, 2009, the Investment Portfolio contained an amortized cost basis of \$8,567,969 spread among 3 separate investments. The portfolio's weighted average amortized cost yield was .687%. The weighted average maturity of the portfolio was .072 years due to over 88% of our investments were liquid.

Yields are less than expected primarily due to our country's sagging economy. In comparison, last year at this time, market interest rates were about 2.2%.

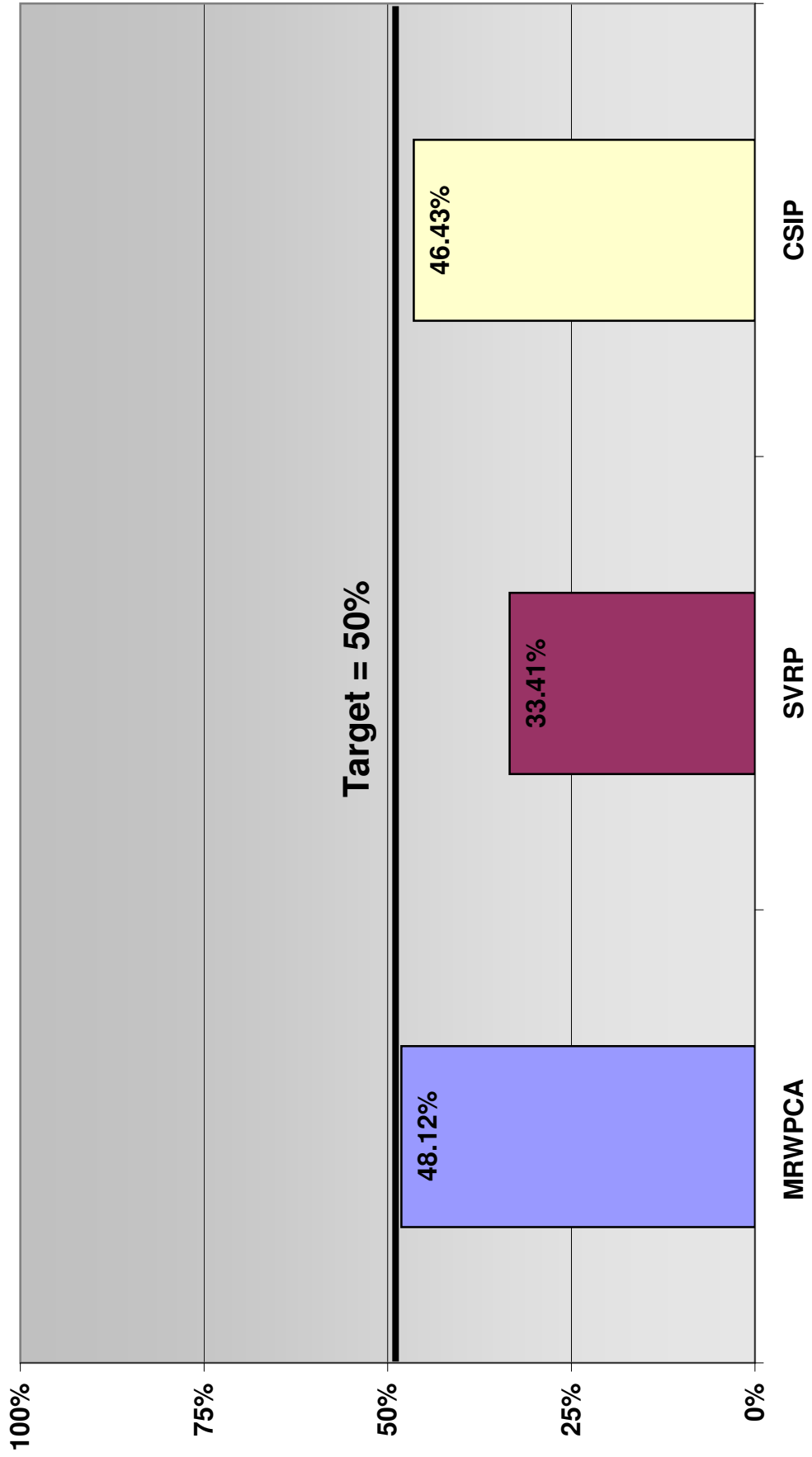
The Investment Portfolio is in compliance with all provisions of the adopted Investment Policy and with applicable provisions of state statutes. The sources of market values and prices were Bloomberg LLP., FT Interactive (a national pricing service), Union Bank of California, and several securities dealers.

### **RECOMMENDATION:**

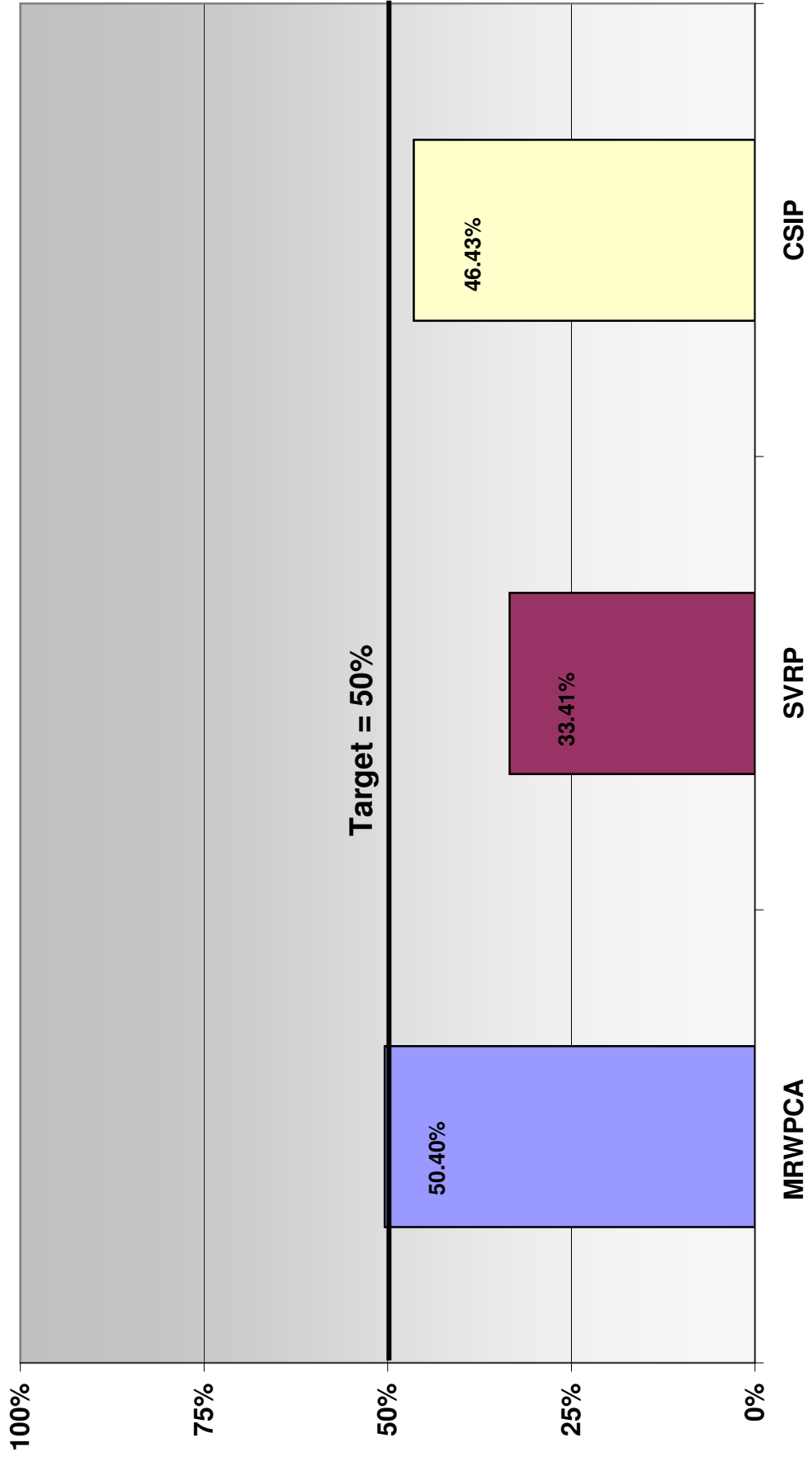
Accept this report along with any committee recommendations for the Board presentation.

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# BUDGET FY 09/10 VS EXPENDITURES Through December 31, 2009



# BUDGET FY 09/10 VS REVENUES Through December 31, 2009



# Expenditures

2009/10 Budget to Actuals as of December 31, 2009

Target = 50%

Description	2009/10 Approved Budget	2009/10 Actuals	% of Actuals to Budget	Variance from Target \$	Variance from Target %
Wages & Benefits	\$9,188,260	\$4,513,452	49.12%	(\$80,678)	-0.88%
Training & Administration	125,234	54,544	43.55%	(8,073)	-6.45%
Office Expenses	263,425	91,870	34.88%	(39,843)	-15.12%
Information Systems	202,675	73,403	36.22%	(27,935)	-13.78%
Professional Services	587,994	260,030	44.22%	(33,967)	-5.78%
Operating Supplies	308,550	169,946	55.08%	15,671	5.08%
Contract Services	443,180	243,516	54.95%	21,926	4.95%
Chemicals	1,166,500	586,807	50.30%	3,557	0.30%
Utilities	2,364,038	1,058,025	44.75%	(123,994)	-5.25%
Maintenance & Repairs	877,200	424,047	48.34%	(14,553)	-1.66%
Billable Services	18,500	4,131	22.33%	(5,119)	-27.67%
<b>Total O&amp;M</b>	<b>\$15,545,556</b>	<b>\$7,479,771</b>	<b>48.12%</b>	<b>(\$293,007)</b>	<b>-1.88%</b>
Debt Service	1,645,083	634,037	38.54%	(188,505)	-11.46%
Transfer to Reserves	290,909	0	0.00%	(145,455)	-50.00%
<b>Total MRWPCA</b>	<b>\$17,481,548</b>	<b>\$8,113,808</b>	<b>46.41%</b>	<b>(\$626,966)</b>	<b>-3.59%</b>
Reclamation - Plant	2,196,063	733,649	33.41%	(364,383)	-16.59%
Reclamation - Distrib.	1,534,927	712,742	46.43%	(54,722)	-3.57%
<b>Total General Fund</b>	<b>\$21,212,538</b>	<b>\$9,560,199</b>	<b>45.07%</b>	<b>(\$1,046,070)</b>	<b>-4.93%</b>

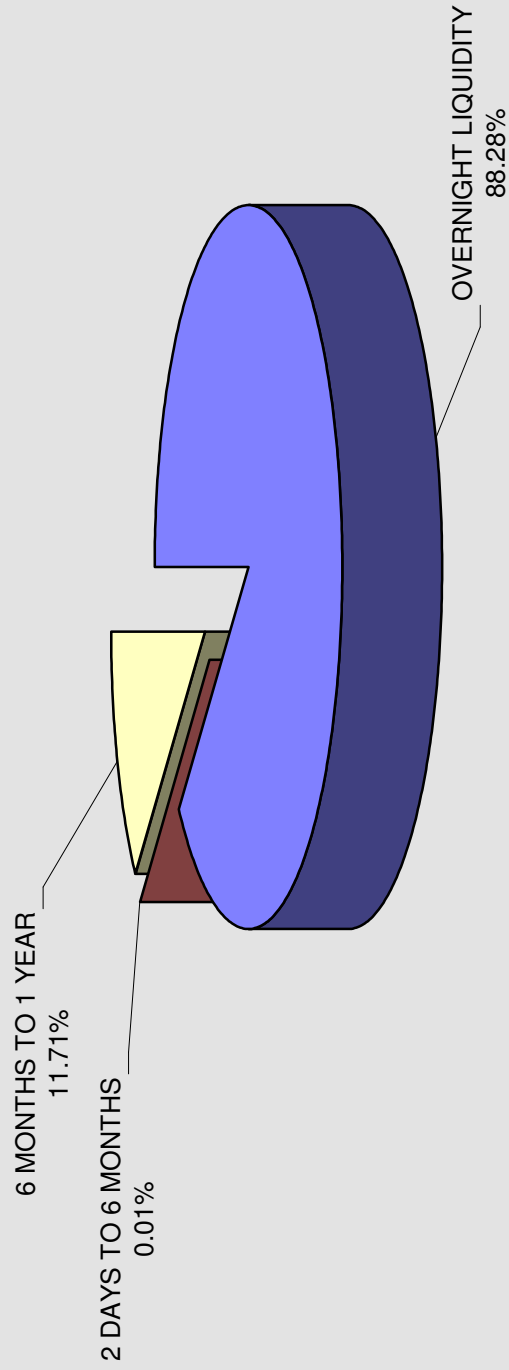
# Revenues

2009/10 Budget to Actuals as of December 31, 2009

Target = 50%

Operating Revenues	2009/10 Approved Budget	2009/10 Actuals	% of Actuals to Budget	Variance from Target	Variance from Target %
User Fees	\$14,926,606	\$7,699,524	51.58%	\$236,221	1.58%
Transfer Reserves	0	0	0.00%	\$0	0.00%
Other Operating Revenue					
Brine Receiving	530,000	247,803	46.76%	(\$17,197)	-3.24%
Liquid Waste Fees	385,000	197,230	51.23%	\$4,730	1.23%
Grease Fees	130,000	72,905	56.08%	\$7,905	6.08%
Diluted Oily Waste	215,000	41,497	19.30%	(\$66,003)	-30.70%
User Penalty Fees	250,000	131,525	52.61%	\$6,525	2.61%
Lien Penalty Fees	25,000	0	0.00%	(\$12,500)	-50.00%
Lien Transfer Fees	70,000	72,390	103.41%	\$37,390	53.41%
NSD Services Fees	69,900	34,164	48.88%	(\$786)	-1.12%
MOCO Wastewater Billings	14,000	7,196	51.40%	\$196	1.40%
Fees - Outside Entities	200,000	74,628	37.31%	(\$25,372)	-12.69%
Reclamation - Reimbursemen	255,642	99,296	38.84%	(\$28,525)	-11.16%
Lift Station Maintenance	100,000	21,671	21.67%	(\$28,329)	-28.33%
PG&E Auxiliary Power	33,000	4,534	13.74%	(\$11,966)	-36.26%
Misc. Operating Income	50,000	2,706	5.41%	(\$22,294)	-44.59%
Non-Operating Revenue					
Investment Gains/Interest	115,000	16,461	14.31%	(\$41,039)	-35.69%
Other Revenues	112,400	87,243	77.62%	\$31,043	27.62%
<b>Revenues w/o Reclamation</b>	<b>\$17,481,548</b>	<b>\$8,810,773</b>	<b>50.40%</b>	<b>\$69,999</b>	<b>0.40%</b>
Reclamation - Plant	2,196,063	733,649	33.41%	(\$364,383)	-16.59%
Reclamation - Distribution	1,534,927	712,742	46.43%	(\$54,722)	-3.57%
<b>General Fund Revenues</b>	<b>\$21,212,538</b>	<b>\$10,257,164</b>	<b>48.35%</b>	<b>(\$349,105)</b>	<b>-1.65%</b>

**MRWPCA  
ASSET CLASSES  
AS OF DECEMBER 31, 2009**





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## **MEMORANDUM**

**TO:** BUDGET AND PERSONNEL COMMITTEE

**FROM:** BRAD HAGEMANN, ASSISTANT GENERAL MANAGER

**DATE:** FEBRUARY 1, 2010

**SUBJECT:** REQUEST HIRING CONTRACT SRDF LABORATORY ANALYST

### **BACKGROUND:**

Requests for contract-funded Laboratory activities by the Agency in recent years have increased demands placed on the Laboratory Division. For example, in 2005 the Agency was retained by the City of Salinas to perform all regulatory monitoring for the Salinas Industrial Pond System. The labor generated for the Laboratory Division by this contract is equivalent to approximately 26% of one full-time Laboratory staff member, 100% of which is reimbursed by the City of Salinas. Because the sampling requirements were monthly or longer, we were able to distribute this workload among the existing Laboratory staff instead of hiring additional help.

Beginning in April 2010 the Agency will begin performing all regulatory, process control, and food safety monitoring related to the rubber dam Salinas River Diversion Facility – SRDF, under contract with the Monterey County Water Resources Agency (MCWRA). The requested monitoring program (most of which is daily) is expected to generate additional labor equivalent to approximately 70% of one full-time Laboratory staff member, 100% of which will be reimbursed by the MCWRA.

Existing Laboratory staffing level does not allow for this additional labor to be distributed among existing staff without significant increases in overtime. The

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increased cost of this labor, ie: labor done at overtime rates vs. regular rates, would carry over to the routine workload, so it would be absorbed by the Agency and the full difference would not be reimbursed by MCWRA, thus representing a significant increase in the cost to the Agency for labor that would otherwise be 100% reimbursed.

The Laboratory work generated by the Salinas Pond Contract (SPC) and the additional workload required to support the SRDF Project are illustrated in Attachments 1 and 2, respectively. In addition, the Laboratory workload associated with regulatory compliance, process control and food safety has steadily increased over the last several years.

Funding for Laboratory costs related to the start-up and continuing operation of the SRDF was included in this year's SRDF budget, and funding for future years will be included in subsequent SRDF budgets. Staff evaluated whether it would be more cost effective to contract out the additional sampling and analysis, and determined that conducting the work in-house is the most effective.

The position should be filled by March so that we are prepared for SRDF initiation of operations in April. Staff submitted the proposed FY 2010-11 SRDF budget to MCWRA on February 5, 2010. Filling this position is contingent upon MCWRA approval of the proposed FY 2010-11 budget.

### **RECOMMENDATION:**

Staff recommends that the Budget and Personnel Committee forward a recommendation to the full Board to approve the request for the addition of a contract Laboratory Analyst in order to meet the needs of the SRDF beginning in March of 2010.

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**MEMORANDUM**

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**ATTACHMENT 1:**

**Salinas Pond Contract (SPC)  
Estimated Annual Laboratory Labor  
February – November Peak Season**

<b>Analysis</b>	<b>Frequency</b>	<b># Samples</b>	<b>Person Hrs per Sample</b>	<b>Test Events per Year</b>	<b>Person Hrs per Year</b>
Total Suspended Solids	Monthly	2	0.5	12	<b>12</b>
Settleable Solids	Monthly	2	0.1	12	<b>2</b>
Biochemical Oxygen Demand	Weekly	11	0.6	44	<b>290</b>
	Bi-Weekly	2	0.6	22	<b>26</b>
	Monthly	13	0.6	10	<b>78</b>
	Semi-Annual	9	0.6	2	<b>11</b>
Chemical Oxygen Demand	Monthly	1	1.0	12	<b>12</b>
	Quarterly	2	1.0	4	<b>8</b>
Total Kjeldahl Nitrogen	Monthly	1	1.0	12	<b>12</b>
	Quarterly	2	1.0	4	<b>8</b>
Chlorides	Monthly	2	1.0	12	<b>24</b>
	Quarterly	2	1.0	4	<b>8</b>
	Semi-Annual	9	1.0	2	<b>18</b>
Total Dissolved Solids	Monthly	2	0.5	12	<b>12</b>
	Quarterly	2	0.5	4	<b>4</b>
	Semi-Annual	9	0.5	2	<b>9</b>
<b>Annual SPC Lab Hours (0.26 FY Full-Time Position):</b>					<b>521</b>

**MEMORANDUM**

Budget/Personnel Committee

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**ATTACHMENT 2:****Salinas River Diversion Facility (SRDF)****Estimated Annual Laboratory Labor****April – October Operation (Est. 30-Week Duration)**

<b>Analysis</b>	<b>Frequency</b>	<b># Samples</b>	<b>Person Hrs per Sample</b>	<b>Test Events per Year</b>	<b>Person Hrs per Year</b>
Specific Conductance	Daily	1	0.20	210	<b>42</b>
pH	Daily	2	0.15	210	<b>63</b>
Turbidity	Daily	2	0.15	210	<b>63</b>
Chlorine Residual	Daily	2	0.25	210	<b>105</b>
Total Coliform	Daily	2	0.75	210	<b>315</b>
Fecal Coliform	Daily	2	0.75	210	<b>315</b>
Generic E. coli	Daily	2	0.75	210	<b>315</b>
Total Suspended Solids	Weekly	1	0.50	30	<b>15</b>
Settleable Solids	Weekly	2	0.15	30	<b>9</b>
Agronomics: Storage Pond	Weekly	1	6.00	30	<b>180</b>
Coliform (County Health)	Bi-Weekly	2	0.25	15	<b>8</b>
Total Dissolved Solids	Monthly	1	0.50	7	<b>4</b>
Parasite, Viruses, Pathogens	Monthly	1	6.00	7	<b>42</b>
Agronomics: SRDF Effluent	3/Year	1	6.00	3	<b>18</b>
<b>Annual SRDF Lab Hrs (0.73 FY Full-Time Position):</b>					<b>1493</b>