

Fully Maintained and Operated (FM&O) Services

Finance/Administration Committee

February 26, 2019

Overview



- Background
- Use of FM&O services
- District staffing
- Next steps



Background



- FM&O services include equipment and personnel
- FM&O services
 - Paving and concrete
 - Dump truck
 - Backhoe
 - Hydro excavation
 - Sweeping
 - Traffic control
 - Welding
 - Saw cutting



Use of FM&O Contracts



- Peak workloads
- Unplanned absences (e.g., injuries, fatigue)
- Planned absences (e.g., training, vacation)
- Need for specific/specialized equipment
- Joint paving projects with cities
- Backlog reduction (e.g., paving delays due to inclement weather)

FY18/19 Additions



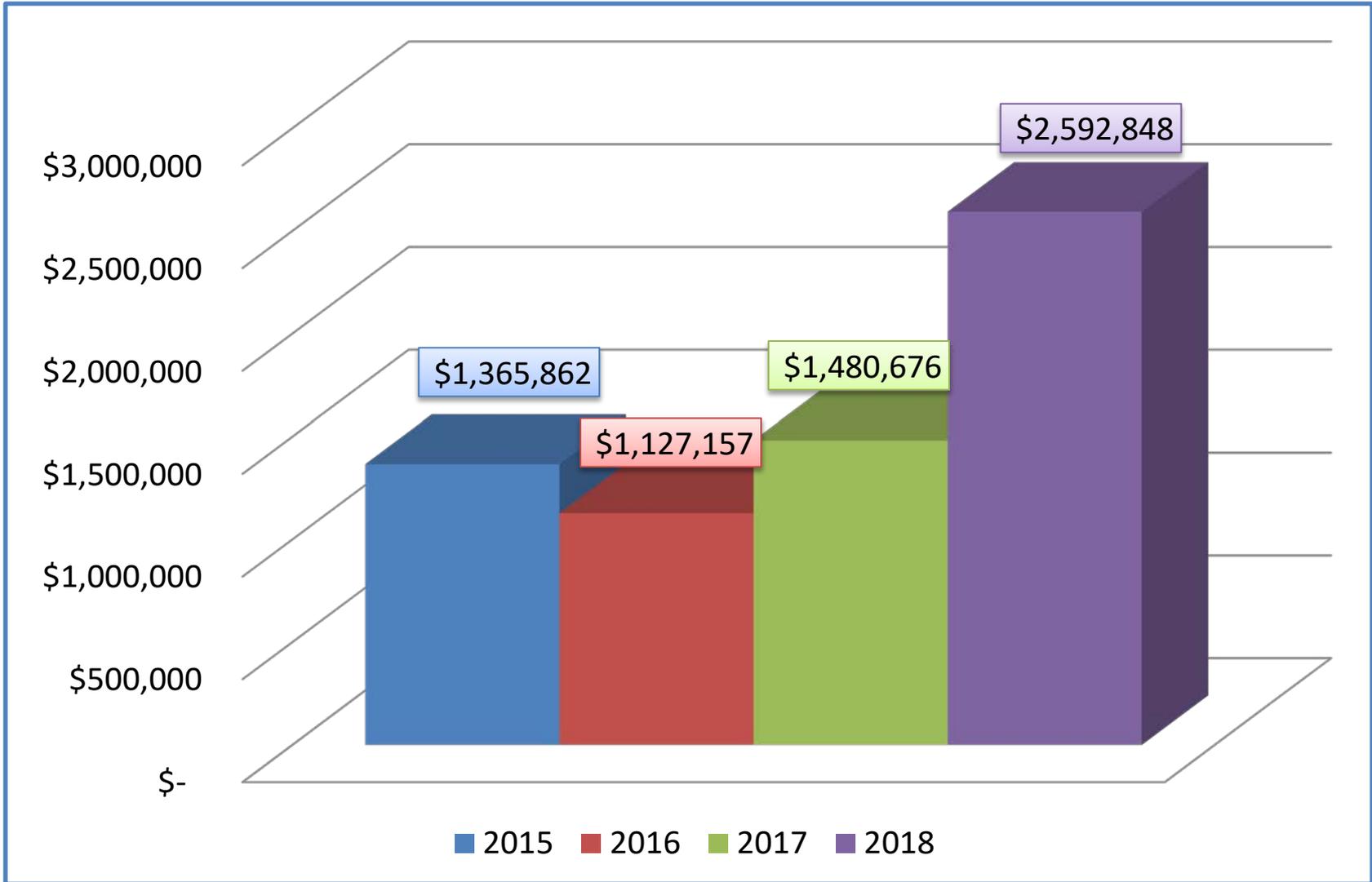
- Personnel
 - 11 Heavy Transport Operators
 - 1 Truck Driver II
 - 2 Heavy Equipment Operators
- Equipment
 - Dump trucks
 - Backhoes and trailers
 - 2 vacuum excavators

FM&O Spending

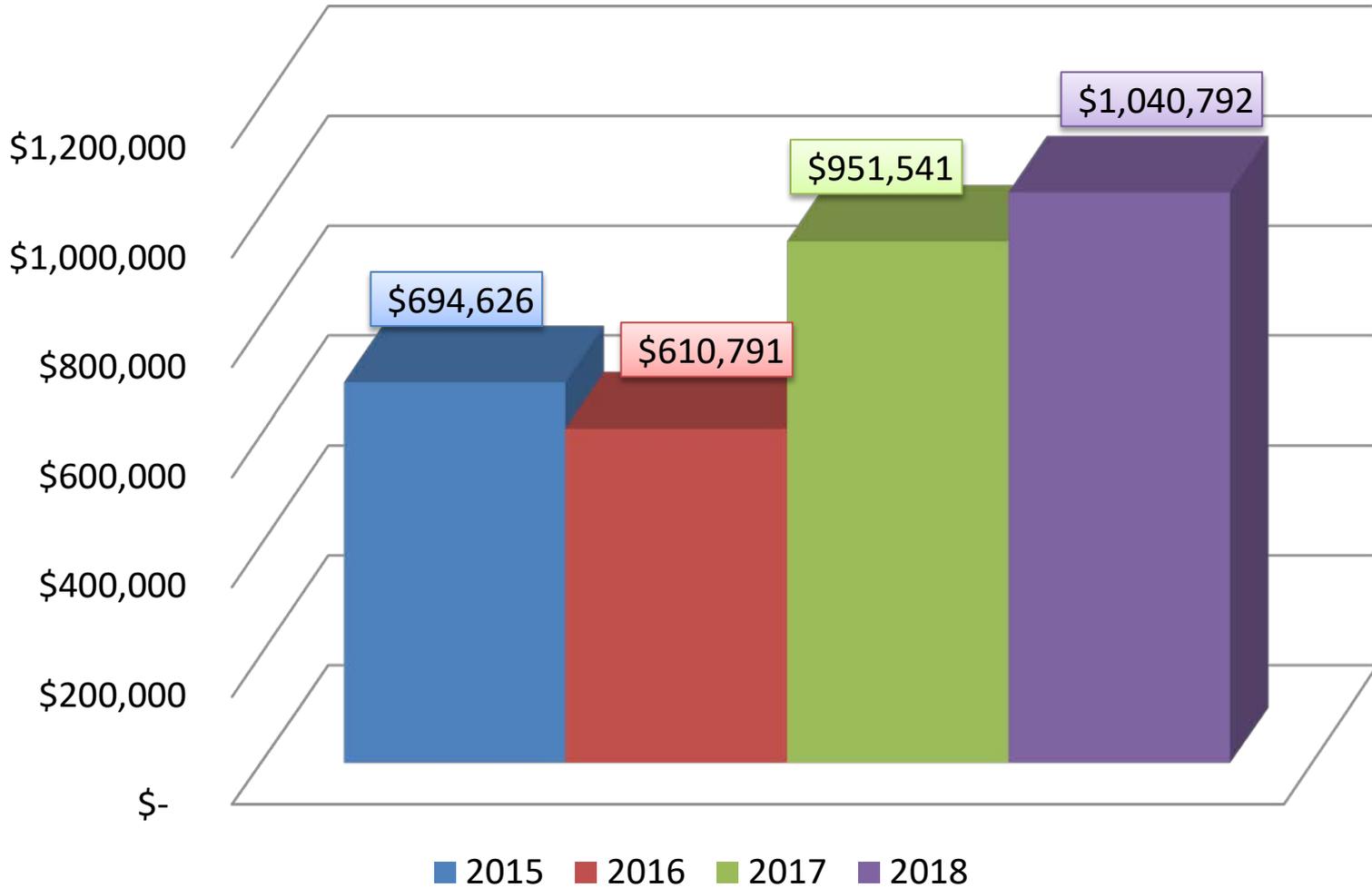


- \$8.06 million in calendar 2018
- Reductions
 - Backhoe excavation: \$289K
 - Dump trucks: \$1.3 million
 - Paving: \$438K
- Increases
 - Saw cutting: \$89K
 - Concrete: \$1.1 million

Concrete



Saw Cutting



Working with Local 444



- Quarterly updates
 - FM&O usage
 - Staffing and recruitment efforts
- Met on December 27 and January 29 to discuss saw cutting and concrete repairs
- Continue discussions

Fiscal Impact



- FY20
 - \$495K per year for labor
 - 2 LT Paving Raker As
 - 2 LT Concrete Finisher I/II
 - \$395 for equipment
- FY21
 - \$247K per year for labor
 - 2 LT Concrete Finisher I/II
 - \$135K for equipment

Next Steps



- February 26 Board Meeting
 - Compact front loading cold milling machine
 - Amendment to paving, striping, sealing, concrete repair, and other related services
- Use FM&O contracts to reduce concrete backlog
- Propose in FY20/21 budget
 - 2 LT Paving Raker As and equipment for saw cutting
 - 4 LT Concrete Finisher I/IIs and equipment for concrete work
 - 2 positions in new classification to operate paving grinder

Questions



Fiscal Year 2019

Semi-Annual

Budget Performance

Finance/Administration Committee

February 26, 2019

Water and Wastewater Systems Overview



Six-Months

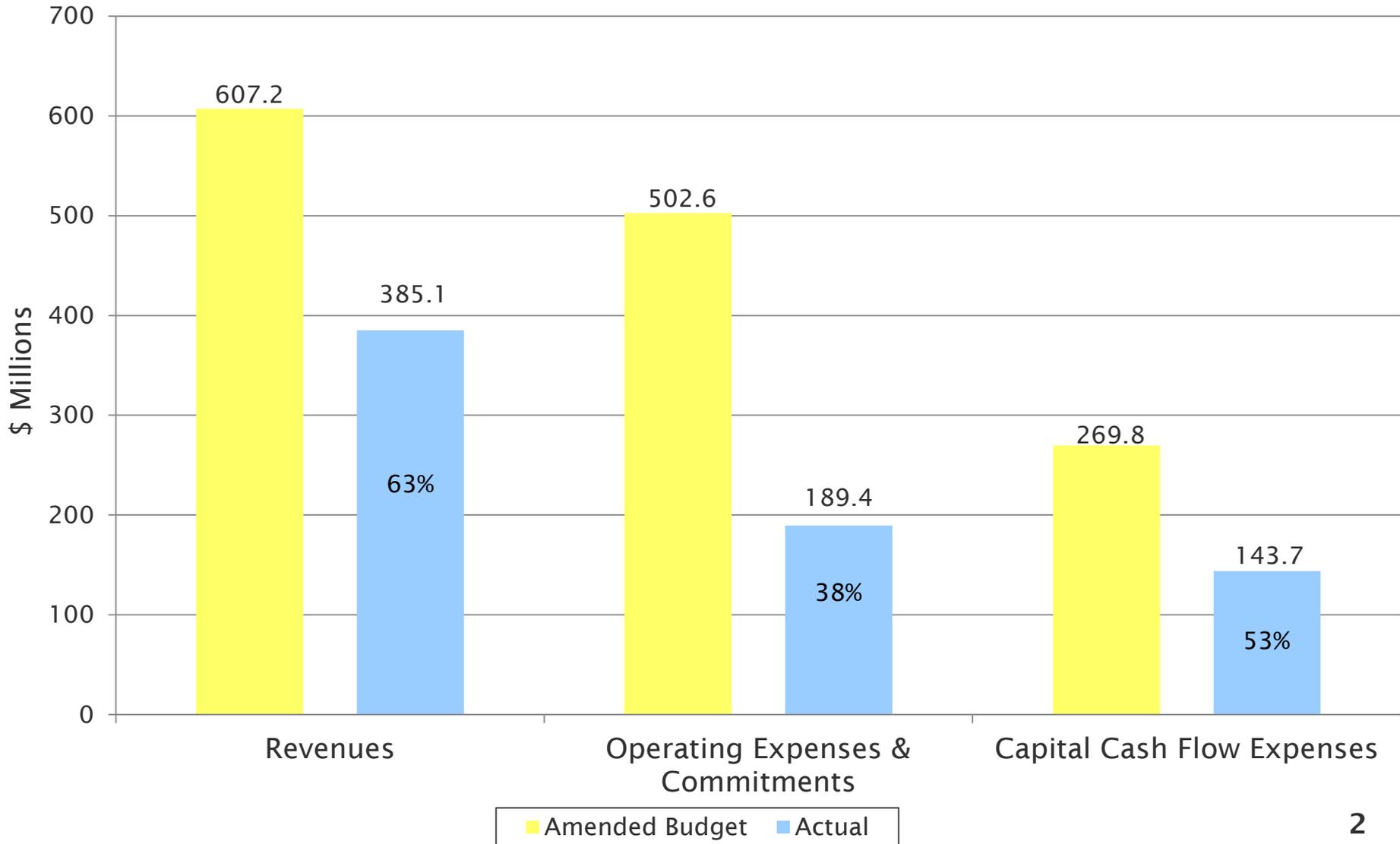
Revenues are higher than budget and expenditures are lower than anticipated for both enterprises.

Year-end Projection

Anticipated strong year-end net revenues and expenses savings anticipated for both enterprises.

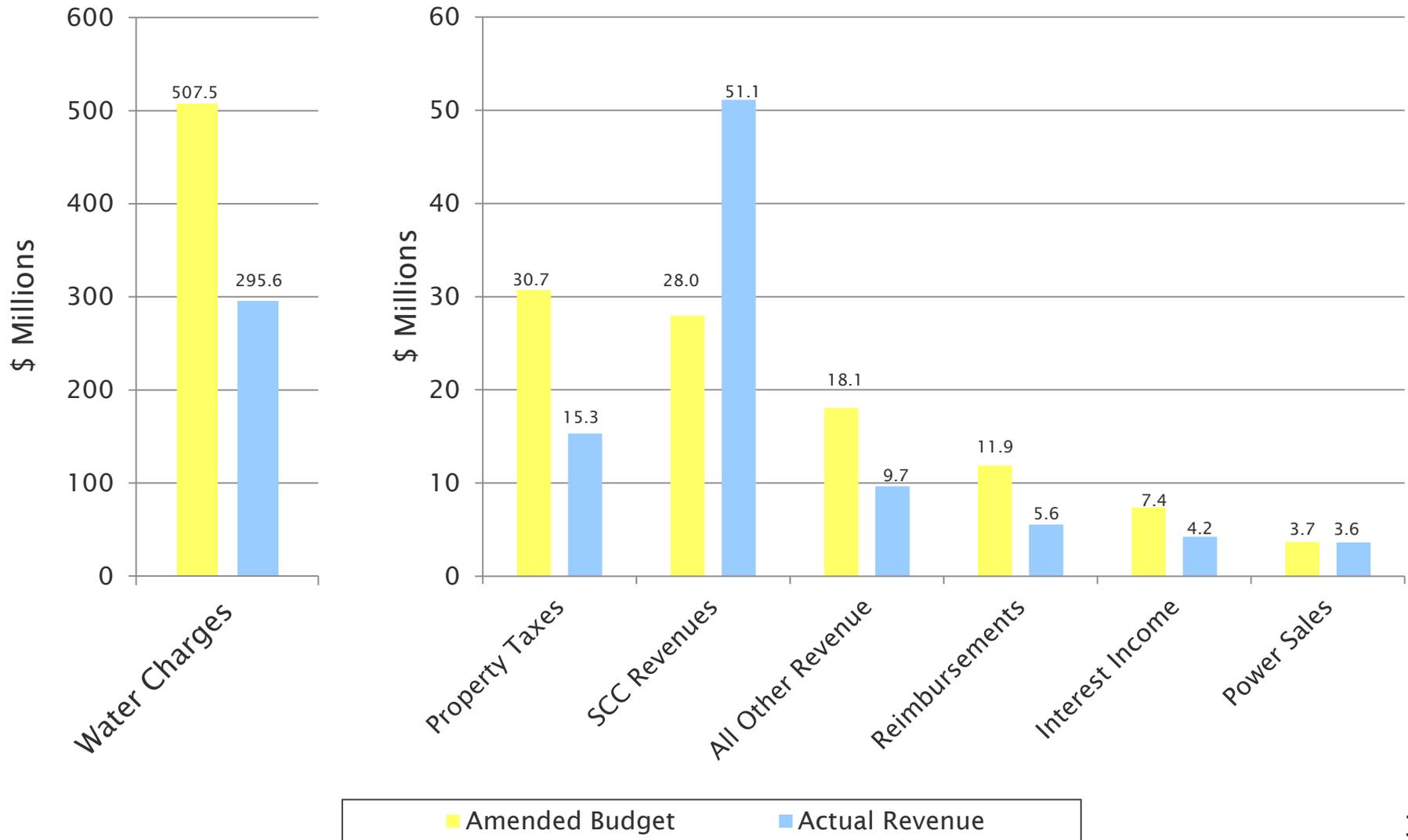
Water System Revenue & Expenses

FY19 Through 12/31/2018

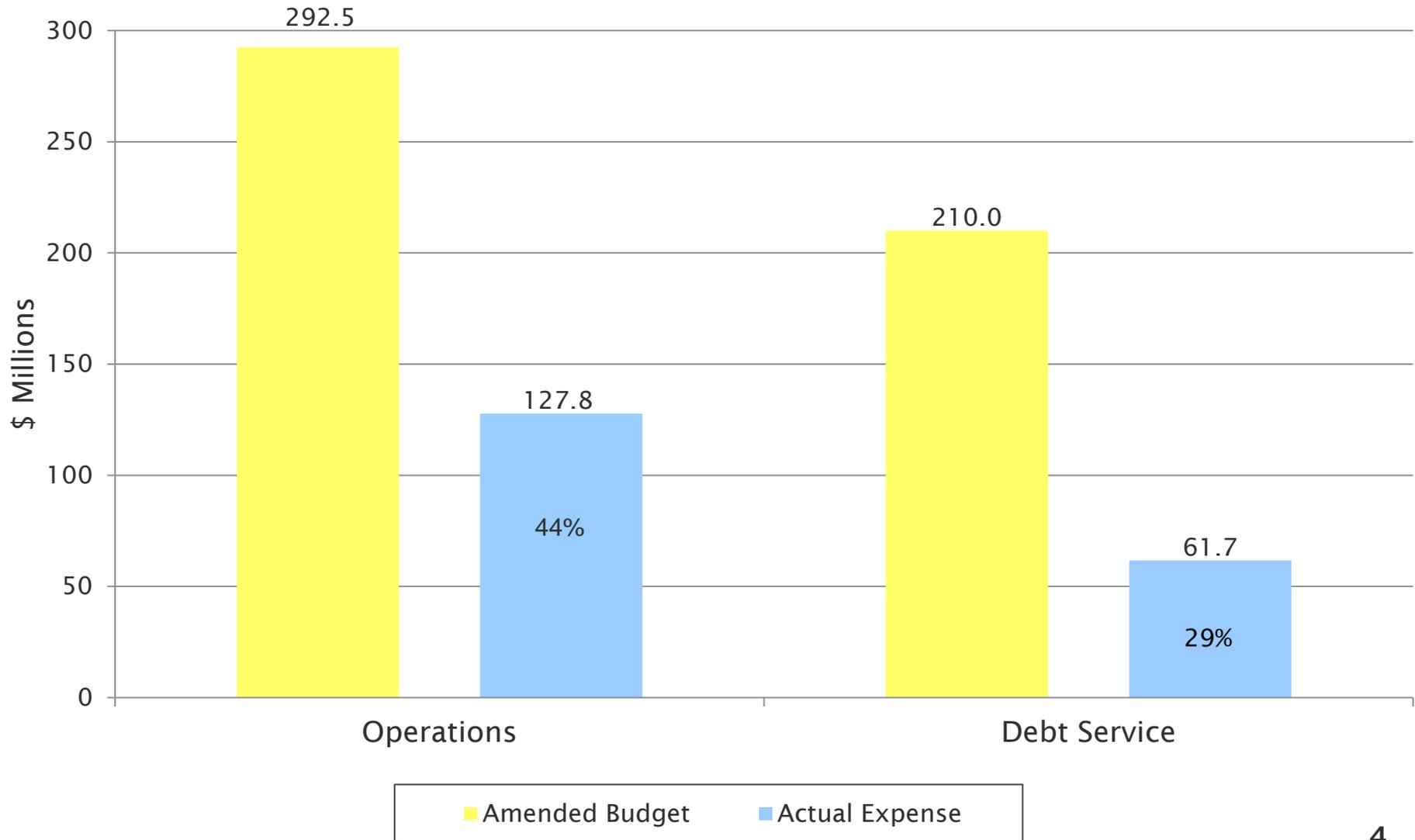


Water System Revenues

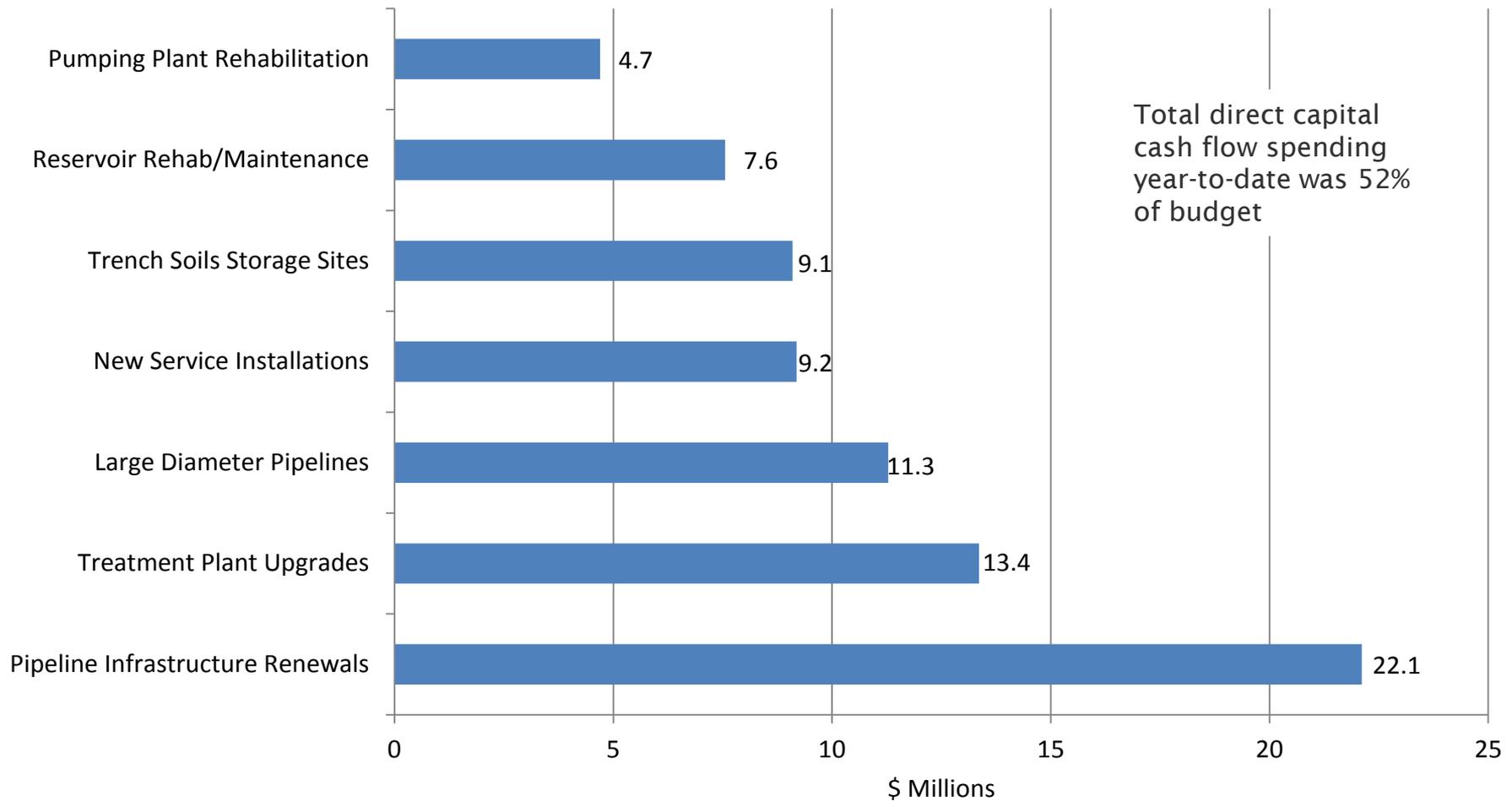
FY19 Through 12/31/2018



Water Operating Expenses & Commitments FY19 Through 12/31/2018

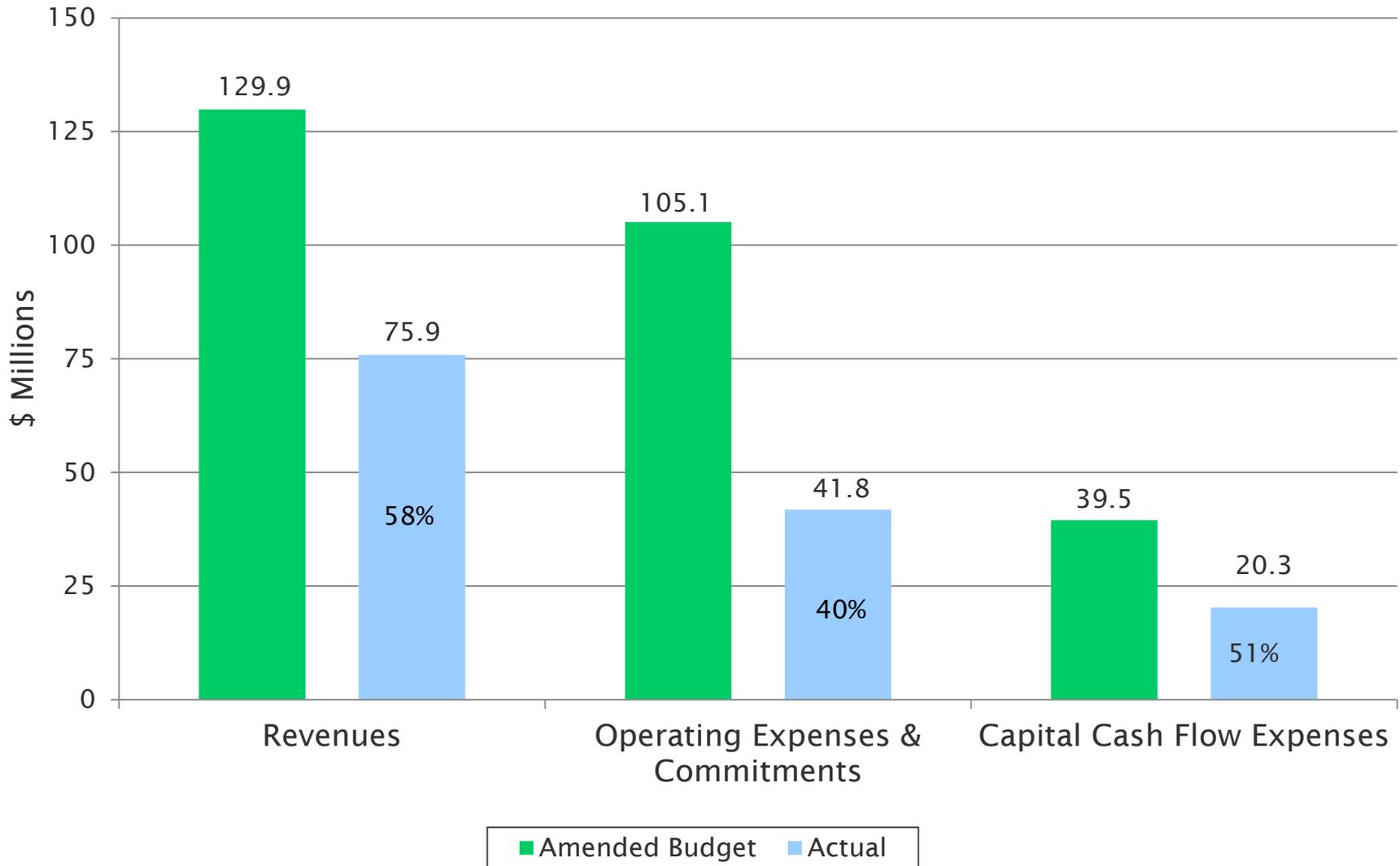


Water Major Capital Cash Flow Expenses FY19 Through 12/31/2018



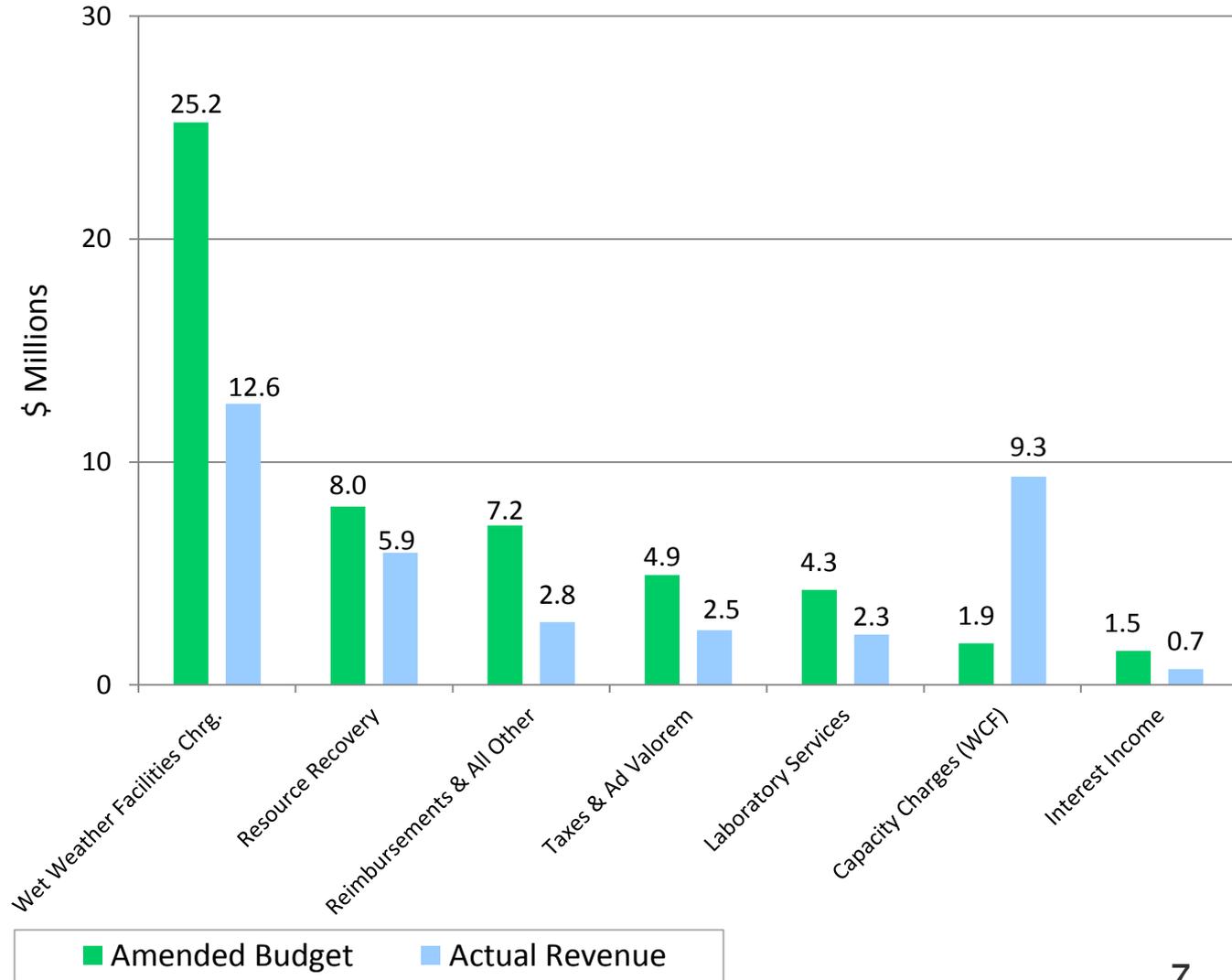
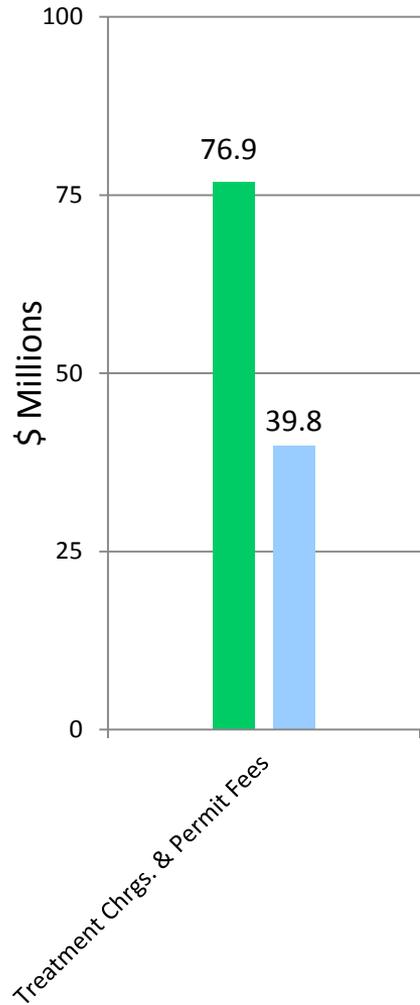
Wastewater System Revenue & Expenses

FY19 Through 12/31/2018

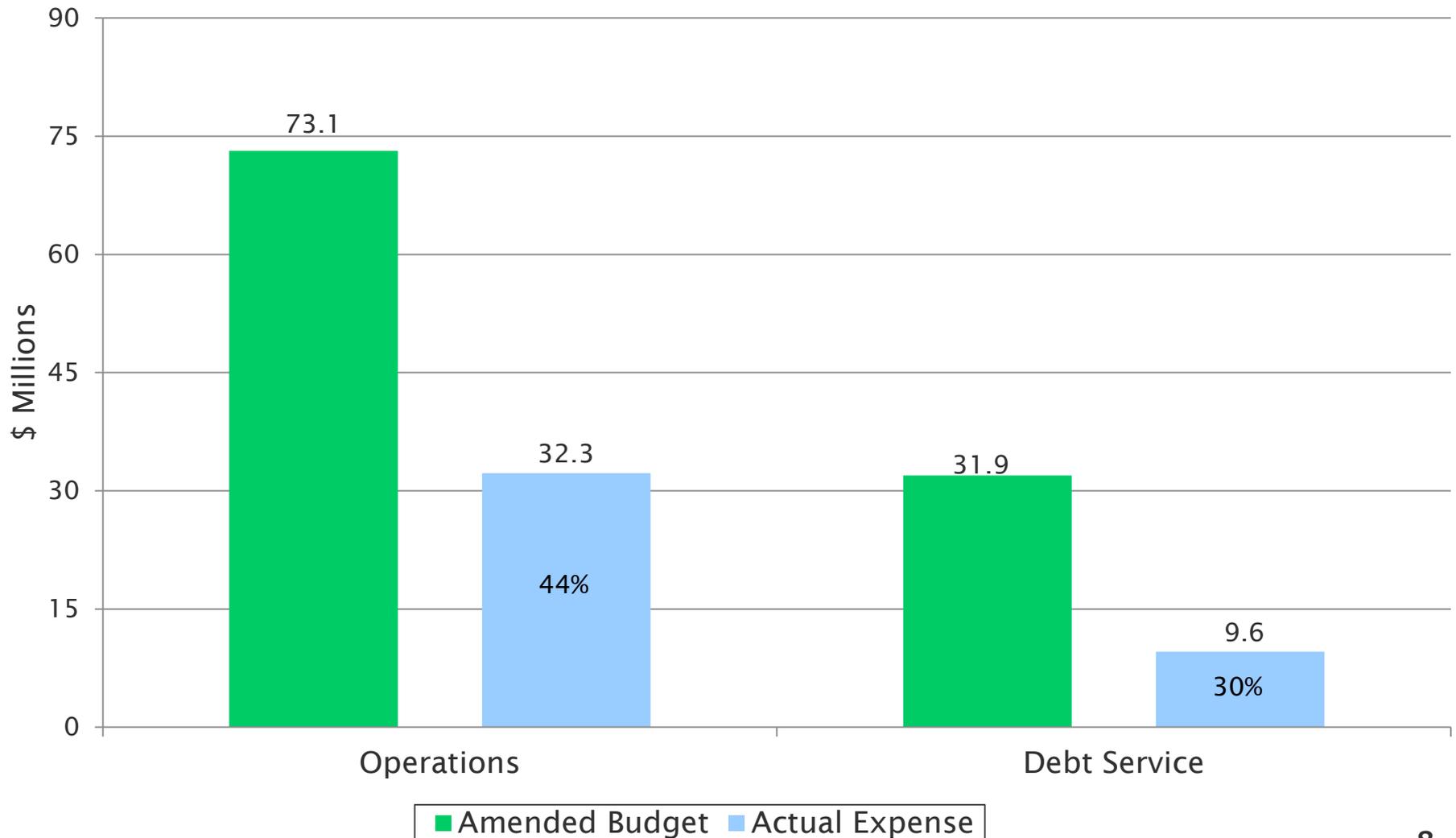


Wastewater System Revenues

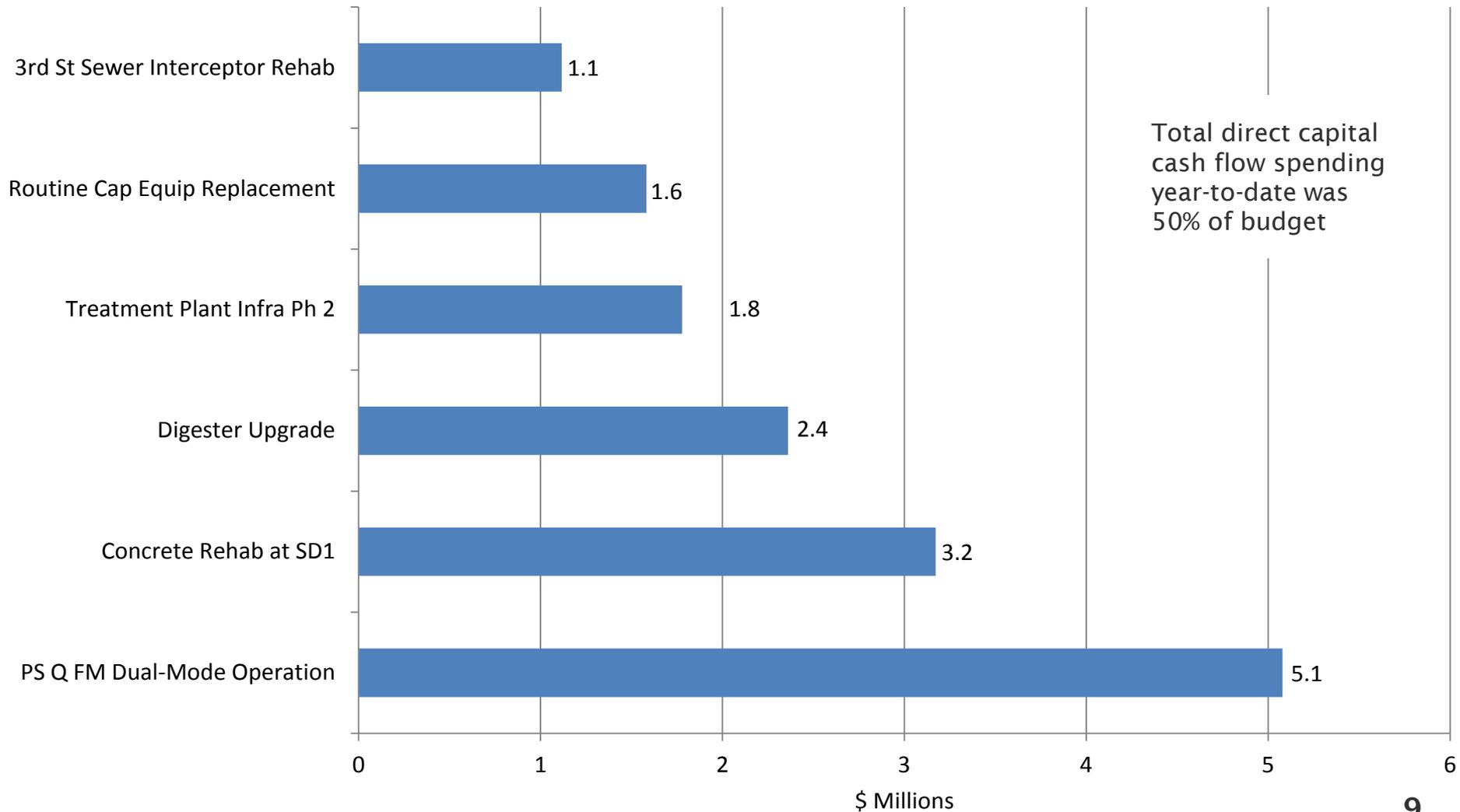
FY19 Through 12/31/2018



Wastewater Operating Exp. & Commitments FY19 Through 12/31/2018



Wastewater Major Capital Cash Flow Expenses FY19 Through 12/31/2018



Water System FY19 Year-End Projection



(\$Millions)	Amended Budget	Year-End Projection	Over / (Under) Budget
Operating Revenues:			
Water Charges	507.5	514.0	6.5
SCC Revenues	28.0	70.0	42.0
Other	71.7	78.8	7.1
TOTAL REVENUES	607.2	662.8	55.6
Operating Expenses:			
Operations	292.5	271.5	(21.1)
Debt Service	210.0	187.3	(22.7)
TOTAL EXPENSES	502.6	458.8	(43.8)

- Water Charges revenue is within 1 percent of budget
- Year-end water sales projection is at budget - 141 MGD
- SCC revenue is driver for revenues above budget
- Planned draw of \$2M in Rate Stabilization Fund is not needed
- Total expenses 9% below budget

Numbers in table may be rounded

Wastewater System FY19 Year-End Projection



(\$Millions)	Amended Budget	Year-End Projection	Over / (Under) Budget
Operating Revenues:			
Treatment Charges & Permits	76.9	77.0	0.1
Resource Recovery	8.0	12.0	4.0
Capacity Charges (WCF)	1.9	12.0	10.1
Other	43.1	44.0	0.9
TOTAL REVENUES	129.9	145.0	15.1
Operating Expenses:			
Operations	73.1	67.8	(5.4)
Debt Service	31.9	29.6	(2.3)
TOTAL EXPENSES	105.1	97.4	(7.7)

- Treatment Charges & Permits revenues on target
- Wastewater revenues less sensitive to water sales
- More than 90% of revenue above budget is from non-rate revenue sources

- Total expenses 7% below budget

Numbers in table may be rounded

Questions



District Billing and Collection Services for Other Entities

Finance/Administration Committee

February 26, 2019

Agenda



- Overview of Billing and Collections Services for Entities
- Background of Utility Users Tax (UUT)
- El Cerrito UUT Billing and Collections Agreement



Overview of Billing and Collection Services



City/Agency	Type of Charge	Type of Customers	Single-Family Residence Rate	Average Pass-through Charge	Revenue Collected on behalf of City/Agency	Amount Reimbursed to District
Oakland	Sewer	All	\$40.08/mo.	\$80.16	\$61,964,395	\$1,685,165
Berkeley	Sewer	All	\$6.89/unit	\$68.90	\$22,897,055	\$479,999
Emeryville	Sewer	All	\$10.36/mo.	\$20.72	\$894,464	\$21,7734
San Leandro	Sewer	Commercial	N/A	N/A	\$2,184,136	\$47,465
Oro Loma	Sewer	Commercial	N/A	N/A	\$1,982,753	\$41,907
DSRSD	Sewer	Commercial	N/A	N/A	\$378,0839	\$3,168
<i>El Cerrito</i>	<i>UUT</i>	<i>All</i>	<i>8% of water charges</i>	<i>\$7</i>	<i>\$531,127</i>	<i>\$21,329</i>
Hercules	UUT	All	8% of water charges	\$7	\$595,460	\$23,874
San Pablo	UUT	All	7% of water charges	\$6	\$449,894.7	\$18,242
TOTAL					\$91,877,370	\$2,342,926

What is an UUT?



- UUT is imposed by a city on the consumption of utility services
- A revenue measure necessary to pay the usual and current expenses of conducting the municipal government of the city State law requires utilities to collect UUT for localities that have adopted the tax
- El Cerrito, Hercules, and San Pablo adopted a UUT
- The District has been collecting UUT on behalf of all three cities

El Cerrito UUT Agreement



- The District has been collecting an UUT on behalf of El Cerrito since 2009
- Approx. 9,500 El Cerrito rate payers are charged an 8% tax for water service charges
- In FY18, the District collected approx. \$531,000 on behalf of El Cerrito
- El Cerrito reimbursed the District approx. \$21,000 for billing and collection services
- The current agreement with El Cerrito will expire on 3/31/19

Next Step



Board approval to extend the El Cerrito UUT Billing and Collections Agreement will be requested at today's Board meeting

Questions?

Sample El Cerrito Customer Statement with UUT



EAST BAY MUNICIPAL UTILITY DISTRICT
EBMUD 1-866-40-EBMUD

YOUR ACCOUNT NO. IS: 12345678001

H Next Read Date is 03/06/2019
 Your Payment is Due by 01/24/2019
 EBMUD is committed to keeping rates as low as possible. To help those in need, EBMUD offers a Customer Assistance Program (CAP) where qualified low-income residential customers and eligible homeless shelters receive a discount on their water bills. Learn more at ebmud.com/cap.


 Florence Water
 123 PIPELINE ST
 EL CERRITO, CA 94530-2121

Bill Date: 01/09/19	
Billing Period	
From	To
10/31/18	1/3/19

For:	AMOUNT	TOTAL
123 Pipeline St Private Residence		
PREVIOUS CHARGES AND CREDITS		
PREVIOUS AMOUNT DUE	140.30	
FULL PAYMENT - 11/16/18	-150.00	-9.70
WATER CHARGES - EBMUD		
WATER SERVICE CHARGE	49.26	
WATER FLOW CHARGE 10 UNITS @3.76	37.60	86.86
El Cerrito Utility User Tax	6.95	6.95
WASTEWATER CHARGES - EBMUD		
WASTEWATER TREATMENT CHARGE	41.10	
SF BAY POLLUTION PREVENTION FEE	0.40	41.50

PLEASE SEE REVERSE SIDE FOR BILLING EXPLANATION

Please Pay This Amount Now Due  125.61

METER SIZE	ELEV. Band	METER READINGS		UNITS	CONSUMPTION INFORMATION		
		Current	Previous		Gallons	Days	Gal/Day
5/8 inch	1	3,196	3,186	10	7,480	64	117
		LAST	YEAR	9	6,732	64	105