



Montara Water and Sanitary District

Serving the Community of Montara and Moss Beach

P.O. Box 370131
8888 Cabrillo Hwy
Montara, CA 94037-0131
t: 650.728.3545 • f: 650.728.8556

To sensitively manage the natural resources entrusted to our care, to provide the people of Montara - Moss Beach with reliable, high – quality water, wastewater, and trash disposal at an equitable price, and to ensure the fiscal and environmental vitality of the district for future generations. Be open to providing other services desired by our community.

AGENDA

Regular Meeting

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

February 1, 2018 at 7:30 p.m.

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

CONSENT AGENDA

1. [Approve Minutes for December 7, 2017 and January 4, 2018](#)
2. [Approve Financial Statements for December 2017.](#)
3. Approve Warrants for January 1, 2018.
4. [SAM Flow Report for October and November 2017](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report for December 2017.](#)
8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for November 2017](#)

OLD BUSINESS NEW BUSINESS

1. [Review and Possible Action Concerning Receipt of FY 2016/17 Audit.](#)
2. [Review and Possible Action Concerning adoption of Connection Charge Report.](#)
3. [Review and Possible Action Concerning Sewer Authority Mid-Coastside Budget Amendment.](#)
4. [Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting, February 15, 2018.](#)

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Boyd)
2. MidCoast Community Council Meeting (Slater-Carter)
3. CSDA Report (Slater-Carter)
4. Attorney's Report (Schricker)
5. Directors' Reports
6. General Manager's Report (Heldmaier)

FUTURE AGENDAS

ADJOURNMENT

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

(Government Code §54956.9(d)(1))

Case Names: *City of Half Moon Bay v. Granada Community Services District, et al.*
(San Mateo County Super, Crt. No. 17 CIV 03092)

Regional Water Quality Control Board v. Sewer Authority Mid-Coastside
(ACL Complaint No. R2-2017-1024)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code §54956.9(d)(2))

Significant Exposure to Litigation:

Number of cases:1

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY ADJOURNMENT



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
December 7, 2017

MINUTES

REGULAR SESSION BEGAN AT 7:29 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Slater-Carter, Wilson, Harvey and Huber
Directors Absent: Boyd
Staff Present: General Manager, Clemens Heldmaier
District Clerk, Tracy Beardsley
Others Present: District Counsel, David Schricker
District Sewer Engineer, Pippin Cavagnaro
District Accountant, Peter Medina
Bartell Associates, Mary Beth Redding

PRESIDENT'S STATEMENT – Count our blessings with the Ventura fire—we should all give a prayer for everyone down South dealing with the firestorms down there.

Director Harvey acknowledged the day being December 7th, and wanted to thank those who sacrificed their lives and also survivors of Pearl Harbor in Hawaii. He reported that he attended a California Public Utilities Commission Workshop yesterday in San Francisco, in which the on-going issue with copper communication facilities was discussed. AT&T wants to remove hard-wired copper land lines and replace them with fiber transmission of data. He spoke as a citizen, and many others did as well, and how they depended on these lines of communication. He said the PUC was very responsive, and AT&T executives were unhappy. There will be further hearings on this issue.

District Sewer Engineer Pippin Cavagnaro added that they are having this problem from an engineering standpoint. They design in their systems for both water and sewer, extremely reliable communication. When the power is out, they need to know the status of the water service supply or sewer treatment pumping facility. Copper land lines are the most reliable system available and they count on them. He also mentioned that PG&E has doubled their rates this year.

Director Harvey asked that people join him at the next hearing. He commented that the rates were discussed, and the fact that AT&T received Governmental financial aid to build these lines over the last 80 years, and now they want the lines removed.

Directory Slater-Carter suggested that this District, CASA and ACWA send out an alert to send a note to the PUC, because public health and safety throughout the state is dependent on this. She thanked Jim for alerting everyone to this important issue.

General Manager Heldmaier concurred, saying that the Montara Water and Sanitary District (MWSD) have been involved in on-going discussions with AT&T and other providers about this. Most of the pump-stations, if they aren't connected via radio, rely on land line use, and it is absolutely the most reliable.

Director Slater-Carter said she planned on sending a note and attending future hearings.

ORAL COMMENTS - none

Director Wilson recommended that the Consent Agenda be reviewed before the Public Hearing.

All Directors were in agreement.

CONSENT AGENDA –

1. Approve Minutes for November 16, 2017
2. Approve Financial Statements for October 2017
3. Approve Warrants for December 1, 2017
4. Monthly Review of Current Investment Portfolio
5. Connection Permit Applications Received
6. Monthly Water Production Report for October 2017
7. Rain Report
8. Solar Energy Report
9. Monthly Public Agency Retirement Service Report for September 2017

Director Slater-Carter moved to approve the Consent Agenda, and Director Huber seconded the motion.

Four Directors were in favor and the motion passed 4 – 0. Director Boyd was absent.

PUBLIC HEARING –

1. Review and Possible Action Concerning Adoption of Revised Master Fee Schedule.

General Manager Heldmaier said that rate formula for Recology of the Coast was reviewed two meetings ago, resulting in a need for a rate increase for the solid waste in Montara and Moss Beach of 3.25% for 2018. This increase is based on cost increases for dump fees, supply costs, and equipment upgrades that Recology needs. The solid waste fees for 2017 was reduced compared to 2016 rates by 3.56%. So, a higher percent reduction was implemented in 2017. Now, MWSD is requesting an increase close to the Prop 218 limit for garbage fees. These 2018 fees are established through the adoption of the Master Fee Schedule. In addition to the solid waste fee changes, the water capacity charges are now adjusted in accordance with the capacity charge study that was received in July 2017. And, as announced in July, the implementation of new fees is scheduled to commence during the calendar year of 2018. The water connection report recommended a 5.15% increase in fees, which adjusts the cost for a 5/8" water meter from \$16,262 dollars to \$17,100 dollars. MWSD went through a very lengthy process to establish the connection charges. The Master Fee Schedule, if adopted, will be in effect on January 1, 2018.

The recommendation is to open the public hearing, consider relevant public testimony, close the public hearing, and adopt the Ordinance of the Montara Water and Sanitary District Restating and Amending the Master Fee Schedule.

Director Wilson recommended opening up the Public Hearing on the proposed action concerning the revising of the Master Fee schedule as outlined by General Manger Heldmaier. He asked if anyone wanted to address any of the issues raised on the action of the adoption of the Master Fee Schedule.

Director Slater-Carter said a letter from Chris Thollaug was received via email and he requested it be included in the minutes.

General Manager Heldmaier replied that MWSD will certainly honor that request. He announced that MWSD also received a letter from Mr. Koerting, who is present.

Mr. Koerting: Why is there an increase in the garbage collection rates? These rates have changed each year for the last few years. Normally, rates are only changed once approximately every four years because the calculation of the rate schedule is extensive and costly, and the hearing associated with it is time consuming. So what we have here is the District changing rates every year. I don't

know if you have a proper rate-of-return (ROR) determined for the Recology people. My questions have to do with this recycling that we do. What is the financial benefit or just benefit to the Montara Water and Sanitary District (MWSD) for recycling? What is the additional cost to MWSD for recycling? What is the current ROR for Recology? What is the ROR for Recology if there is no rate increase? What is the ROR if there is a stated increase? Why is there an annual increase for Recology? Normally, Sewer, Water and Garbage Districts only file every four years. I was head of the California Public Utilities Water Tariffs Section years ago and we had at that time well over 100 utilities that we evaluated on a four year basis. About 10% of those Water Districts also had Garbage Districts, so we also evaluated Sewer Districts at that time.

Director Wilson said that the rates for water and sewer are evaluated and adjusted annually as long as he has been there. He recommended that the process involved in the rate increases be explained briefly.

General Manager Heldmaier explained that MWSD has a franchise agreement with Recology. District Accountants at Maze receive Recology's financial statements and review the information. They confirm that there is no error in the calculations and statements. That is the basic information for this increase. Also, it is important to understand that public agencies usually tend to increase rates on an annual basis simply to keep up with inflation and to avoid rate shock. So, an agency that raises rates every four years might have a higher increase and MWSD wants to avoid that. Today most public agencies adjust their fees and rates annually. He asked District Accountant Peter Medina to further describe the process.

District Accountant Medina communicated how Recology and MWSD have a long term financial agreement that stipulates how a rate increase or decrease is calculated on an annual basis. The agreement was laid out in the last year of a seven year contract but every other year is a cost-based increase. The odd years to that are index-based where they go off of CPI base on the previous rate. The cost-base is really the reconciliation year in which they actually open their audited financial statements and give them the full display of what their costs are; and based on that, and the formula given, comes out with the rate increase or decrease. Recology has their own internal ROR, which Maze and Associates is not privy to that information. But the District is responsible to pay their required profit margin, and these are standard agreements that the District is going into the Franchise. If they were to choose a different provider, it would probably be a similar agreement. Maze is given the calculation many months in advance and asked by the District to go over their calculations and review them. There hasn't been any issues in the last three years. Also, three years ago there was a double digit rate increase and it was very controversial. It was upsetting for the rate payers to see that large of an increase; so, the annual nature of an increase does help for that process. That year was a major reconciliation year so it just happened to be that way. He hoped that helped to answer Mr. Koerting's questions.

Mr. Koerting: None of them. When this started, we got these large canisters. I have one 32 gallon canister and it weighs 30 pounds. It is designed to be lifted by a hoist. They do not have hoists on the trucks that pick up the garbage around my house and they do not have hoists to pick up the recycled material at my house. We have these 32 gallon canisters that is top heavy, weighs 30 lbs and my garbage weighs about 5 lbs. This makes the man....at my house, I am a single individual there, and my house has very little garbage. But it requires a man to pick up 35 lbs. A standard commercially available can weighs 5 lbs and is not as top heavy like that, you can latch the cover on to keep the critters out. There has been a gross change in the service that we get and the type of equipment that has been evaluated that was included in this. I disagree entirely with the way the District evaluates the cost of the service and you can poke holes in any rate schedule that is produced that is given to the PUC for evaluation and that right there and they are reduced very significantly. A big factor with Recology is the allocation of the costs. They have their office in Los Angeles they send their equipment all over the place and Lord knows what they all include. So, I say what they have here is very poor.

Director Slater-Carter answered Mr. Koerting's question about recycling. Around the year 2000, every City was required to have a minimum amount of recycling (50%). Montara far exceeds that—and MWSD has been working with Recology for a lot of years on that. And there are many things included in their trash rates that help keep the community clean and a healthy place to live. Recology cleans up when people just dump their trash at the end of streets. It is something the community doesn't see. Also, Recology has clean up days, people can call to have their large items picked up, and they provide options to dispose of hazardous waste. There are a lot of services that are provided by Recology that are not seen. Recycling is a state mandate, and they do audit those.

District Counsel Schricker: This is under the Waste Management Act, adopted in the year 1989, in Public Resources Code § 40000, the main point being that there is a statutory requirement to divert waste from landfill and that is where recycling comes in. There is an annual goal to be met. I think this area meets this goal in accordance with the local Waste Management plan.

Director Slater-Carter added that one of the costs included in the increase is the cost of going to Ox Mountain. The County no longer controls the rates at Ox Mountain, and it is now controlled by Republic Waste. They are extraordinarily high, and that cost everyone has to absorb.

Director Huber asked Mr. Koerting if he was able to roll the garbage can, as they have wheels on it.

Mr. Koerting: Yes, it has wheels on it, and I roll it. It is pointless, because the wheels don't roll up to the truck. The truck driver has to pick it up.

Director Huber explained that one of the reasons for going to a standardized container is for the safety of the workers requested by Recology.

Director Slater-Carter added that Recology will be installing lifts on their trucks starting next year. And that is why they are going to the green waste containers, too.

Director Wilson thanked Mr. Koerting for his feedback. He asked if anyone else would like to present to the Board in the Public Hearing. Hearing none, he closed the Public Hearing to bring the discussion to the Board.

Director Harvey said that Recology does have a hoist for the blue garbage recycle cans. Some routes have hoists for the garbage cans. Also, with the last cycle of rate increases started a couple of years ago; an audit on Recology was done in this particular area.

General Manager Heldmaier clarified that they reviewed the independent audit that they produced.

Director Harvey added that Recology rates are much lower than our neighbors, and still continues to be lower than our neighbors.

Director Huber said they are 24% lower than Half Moon Bay.

Director Slater-Carter interjected that Half Moon Bay has not yet implemented their rate increase from their new contract with Republic Waste.

Director Huber; I have a simple statement about this whole thing.

We are in a unique situation in that we have a large number of private Wells within the district. Both in the urban and rural areas. We have made some major progress in addressing the needs of well owners within the district by eliminating the requirement that they shall connect to the system. There is still work to do. How do you fairly and equitably enable well owners to connect to the system if they so choose? Compounding this question is the fact that many wells were drilled simply because of the moratorium and the fact that there was no other way to build a new house then to drill a private well. Keep in mind that many cases they have been paying both property taxes and a general obligation bond assessment for a significant amount of time and in many cases since the founding of the district. A fee on new construction for the purpose of connecting to the system seems perfectly justifiable. Although a fee for well owners to connect is also justifiable, it requires some offset or fee reduction to acknowledge the fact that they have been making payments on general obligation bonds and property taxes. I am against this water capacity charge for two fundamental reasons.

1. Is that a case has not been made that we need to increase capacity to be able to accommodate anticipated new connections. Without going into great detail an analysis has been done that is based on 600 new connections. From my perspective this figure is pulled out of thin air and bares no relationship to anything. We don't have a need for a water capacity charge, we do however have a justification for seeking a connection charge for those desiring to connect to an established and valuable asset, our water system. This is the problem we should be seeking a solution to, how to establish a connection fee for new construction. Two. Is that is that we simply have not addressed the issue of well owners that would like to connect to the system. A fee in their case should take into account that they are members in good standing in the district. The other problem that I have with this resolution is the fact that we are asking it to do two things, deal with a solid waste fee adjustment and the water capacity charge. I am fully in favor of the solid waste fee increase. I am not in favor of the water capacity charge. If I have to vote on the resolution as presented I will need to vote no.

Director Harvey moved to pass the Ordinance of the Montara Water and Sanitary District Restating and Amending the Master Fee Schedule, and Director Slater-Carter seconded the motion. Director Huber voted no, and Director Boyd was not present. Director Wilson, Slater-Carter and Harvey were in favor and the motion passed 3 – 1.

OLD BUSINESS – None

NEW BUSINESS -

1. Review and Possible Action Concerning Receipt of the June 30, 2017 Actuarial Valuation and Adjustments to Contribution Rates.

General Manager Heldmaier reported that at the beginning of the Fiscal year 2015-2016, MWSD adopted a Defined Benefit plan for the employees and at the time an actuarial report was received to establish the contribution rates for the District and employees based on the current PEPRA laws. It was decided the District contribution would be 6.5% and the employee portion would be 8.25%. It has been in existence for two fiscal years, and as prescribed by current regulations, a bi-annual actuarial valuation must be performed. The current actuarial makes a number of assumptions regarding discount rates, payroll increases, and mortality. In addition, the actuarial also takes into account plan assets from two years of contributions. The current report shows that the plan is fully funded. The actuarial recommends to adjust the employer contribution to 6.92% and employee contribution to 7.75% This adjustment is designed to continue the current funding level and bring employer/employee contribution rates to 50/50 share, as originally adopted in the plan documents.

General Manager Heldmaier recommended receiving the actuarial valuation and authorize the General Manager to adjust employer contributions to 6.92% and

employee contributions to 7.75% in accordance with the actuarial's recommendation going forward. He introduced Mary Beth Redding of Bartell Associates who will be presenting the results of the actuarial study and District Accountant Peter Medina to answer any questions.

Mary Beth Redding of Bartell Associates: The rule for pension plans is that an actuarial valuation is done every two years, which entails looking at the status of the plan—its assets and liabilities, and truing it up to take account of what is reality as best can be measured when evaluating a pension plan, to make sure it doesn't stray too far and keep pulling it back to reality, adjusting rates every two years to make sure things continue as it should. So, this is our valuation as of June 2017—two years after the first valuation. The plan that was adopted two years ago was reviewed (page 2 of report) and the Pension benefit that is provided uses the formula known as $2\% \times \text{final pay} \times \text{service payable at 62}$. This is the formula that was put into law under the PEPRA pensioning format of 2013 and is required for new employees and new plans starting after that date. The District didn't have an option of benefit formulas, so the required pension formula was used. It looks at service with the District. Employees were given the option to retroactively buy credit for past service—the true actuarial cost of that service, and some employees did accept that option, so it has some assets than it would not have had otherwise. And in exchange, those employees were given service credits for the amount of time they purchased. And as required by the law, employees are paying half of the normal cost of the plan. In terms of number of participants, on June 30th, there were 8 employees for this valuation because of an overlap/transition of employees during this period. One employee has retired now under the pension plan. In terms of the assumptions used in valuation, Bartells Associates used the same assumptions utilized by CalPERS for MWSD, as they have done extensive studies on the behavior patterns of public employees in California. The one big assumption not used from CalPERS was the expected rate of return of funds invested. MWSD is in the PARS Capital Appreciation Plan, which is a fairly moderate mix of assets and it is assumed that this fund will earn 6.5% every year. Calculations were done based on the data about the participants given—their ages, service, their salaries, the pension amount for the pensioner. And it was calculated that the value of benefits earned to date for all the people in the plan is \$455,000 dollars. This is due, in part, to the amount purchased by employees, adding to their service credits and liabilities. The assets of the plan as of June 30, 2017 are \$537,000 dollars. So, as of June 30th there is a surplus in the plan of \$71,000 dollars partly because of the money employees paid to purchase service and partly because the investment return ending June 30, 2017 was very good. It was a good 12 month period. What does that mean for this plan? The first thing Bartell Associates is required to do under state law is determine what the required contribution rate for employees is. Employees are required to pay half the cost of the normal plan and there is some very specific rounding rules on how this is calculated. Bartell Associates calculated what employees ought to pay is 7.76% of pay limited by the PEPRA rules. They should pay 7.76%. However, due to rounding rules, 7.75% of pay. This is the rate going forward until the next time a valuation is done. The employer would then pay

the remainder of the costs. And for the employer costs, rather than calculating it based on the PEPRA restricted pay, it was calculated as a percent of total payroll. This is the same basis you would use for Medicare contributions. And on that basis, it is 6.92% of total payroll. So, even though the percentages are different, they will come out to be almost the same amount in dollars paid by employees and employer. Due to a change made by PEPRA, the Public Employees law in 2013, contributions to the plan are required to fund the plan, even though there is enough assets in it. It will give MWSD a cushion, in case a bad investment is made the next year or the year after that. The plan did really well during the last two years, and MWSD is in good shape.

Director Huber: Is the discount rate of 6.5%, as part of this actuarial analysis, did you review that to see if it was still suitable?

Mary Beth Redding of Bartell Associates: It was analyzed and some analysis data is on page 8. It came down to what you assumed the administrative expenses of the fund are going to be. Bartell Associates felt that a discount rate ranging from 6.2 % – 6.7% would be appropriate and 6.5% was right in the middle.

Director Huber confirmed as far as managing this everything is nailed down, and adjusting employer contribution up and the employee contribution down, and the actual contribution stays approximately the same. This is basically a \$2,800.00 decision. He asked if there is any decision to be made or is this mandatory.

Mary Beth Redding of Bartell Associates: As far as I know, for the employer contribution, there is no legal requirement. However, I don't know what the agreement with PARS is. The employees are required to make their share of the contributions, so it really does seem like it is the right thing to do—to adjust that to the proper level.

Director Huber said that's how it was originally set up, closer to what is being proposed now, than when it started.

Director Wilson said that he thinks it was supposed to be 50/50 and it might not have not done correctly in the outset.

Mary Beth Redding of Bartell Associates said that it should be expected with a small group of people, there would be change in averages, and that every two years the rates are going to change. It will be hard to keep the numbers stable. If MWSD had a larger group the numbers would stay more stable.

Director Harvey asked for clarification of the rate-of-return on page 8.

Mary Beth Redding of Bartell Associates replied that it is not in the report. Page 8 rate-of-return is what is expected for the future.

Director Harvey asked if she recalled what the rate-of-return is.

Mary Beth Redding of Bartell Associates responded that she knows it was more than 6.5% but didn't recall the exact number.

District Accountant Medina interjected that Page 9 shows what the actual investment income was and calculations can be made from that page.

Director Harvey asked if it was more than 6.5%.

Director Huber also asked if it was more than 6.5% net of expenses.

Mary Beth Redding of Bartell Associates: Yes.

Director Harvey asked for clarification of the Confidence Level 50%

Mary Beth Redding of Bartell Associates: When we model what we expect the rate of return to be, we use probability functions. We look at the kinds of things PARS is invested in—75% Equity, 20% fixed income, 5% staff. We have assumptions that tell us...I'm going to make this up...the real rate of return on equity is 6%, but there is a standard deviation of 8% on that, and fixed income is a much lower rate of return. But you run these thousand trials of modeling to say how do the probabilities interact and what you get is a thousand rates-of-return it could be. So we say, what is the median of all those possible rates of return?

Director Harvey: why are there two 50%?

Mary Beth Redding of Bartell Associates: In both cases, both columns, the 50th percentile rate is 7.01% then investment expenses are subtracted resulting in the new rate-of-return.

Director Harvey: Why are there two columns?

Mary Beth Redding of Bartell Associates: They are two different investment expenses. PARS told us there are 80 basis points. Normally our firm's assumption for a fairly passive portfolio is about 30 basis points for expenses, and it may depend on the size of the fund. So, we did it both ways. What if it really is 80 basis points of expenses, then your net return would be 6.2% and what if it is only really 30 basis points, then your net return would be 6.7%, and 6.5% is right in between those numbers, and we feel comfortable with it.

Director Harvey: We are not getting into any unfunded liability issues? We are on course?

Mary Beth Redding of Bartell Associates: You are doing great.

Director Huber motioned to authorize the General Manager to adjust the employer rate to 6.92% and the employee rate to 7.75%, and Director Harvey seconded it. Director Boyd was absent. All Directors present were in favor and the motion passed 4 – 0.

2. Review and Possible Action Concerning Revision of Standard Sewer Specifications

General Manager Heldmaier said the Sewer Standard Specifications are revised regularly when there is a need to tighten the rules and regulations a bit. This time MWSD is also announcing something that will benefit some people in the District for mainline replacement projects. So far, the District only replaced the lower lateral, and now MWSD is extending a benefit to the home owners by allowing the placement of the clean out somewhere else besides the property line, so that a larger section of the private lateral can be replaced which will help the District reducing the I&I (Inflow & Infiltration) and the home owners who are lucky enough to live on the street where the sewer replacement project happens. He introduced District Engineer Pippin Cavagnaro.

Director Slater-Carter: When you replaced laterals in the past, what, on average, was the condition of the laterals?

District Sewer Engineer Cavagnaro: That is a very good question. Let me start by handing out this document. This is the guide that is published on-line so a contractors can refer to the District in how we build our sewer systems, what standards we use, and we have a document that starts out based on standard plumbing practices/codes. It isn't exactly the same as the California Plumbing codes because the District has special requirements/needs because of our geography, and our District policies and goals are trying to gradually work towards better than the state average for I&I. The District is averaged, a lot of these pipes, particularly in Montara, are in the order of 60 or more years old, some pre-date the formation of the District, and there might have pipes that went to a septic tank, then extended out to a District sewer. Much of the District were sewerred in the 1950s. While some individual houses and neighborhoods were built more recently, we find even some of those contractor pipes are built out of plastic which was a big improvement at the time, but it was a fairly light duty plastic, was done in the 1980s and now they are 20-30 years old and since it is plastic they are showing signs of stress and failure on several occasions. With that kind of history, this document is something we add to, and a basis on how we design our projects. Clay is the most common, but there is also historical pipes such as Orangeburg and Transite. We have a little bit of history. In working with our partner, JPA and SAM there is always a discussion with infiltration and rain. It is a State question now—what are Districts doing? There is not a requirement for the District's discharge permit, if you will, to be a Sanitary District to do something with private laterals, but the State is asking a lot of questions. Do you guys have an Ordinance? This is not just our District, it is statewide. They recognize that a lot of rain water gets in to laterals and

lot of sewer spills happen on laterals—many times more in number and volume than some of the better managed Sewer Districts. Districts are encouraged to implement Lateral Ordinances, and we even discussed this with this Board. It means implementing an Ordinance that has trigger points. The most stringent trigger points would be if the District performs a Capital project, they knock on the home owner door, and say “you are responsible now and in the next 30 days to televise your sewer lateral and you have 180 days to make any repairs discovered.” That’s fairly intrusive in the community to approach it that way. And it is fairly intensive at the District level for management. The effort and costs for staff time for engineering and consulting to follow through, reviewing video and enforcement, is a significant of a cost that it starts to equal the incremental increase in cost to extending our Capital project a few extra feet. So for a number of years now, we’ve had a policy in Montara to replace the laterals with the main line particularly on the pipe burst project, and it is optional, not a requirement but a policy. Any time we do a capital project, particularly in pipe bursting we try to identify that lateral up at the property line and replace the lower portion in the street, with the thought it helps avoid the home owner encroachment permits and start reducing problem pipes, I&I reduction and overflows. So, now with a bit of history we probably replaced approx. 400 or more lower laterals and about 90 lateral permits repairs or replacements on file through other sources. So looking back, we have implemented repairs on 400 laterals, but we have only affected the repair on half the footage of that pipe. Looking back, what would be the incremental cost to go up an extra few feet to go up to someone’s house when we already have a hole dug in the street? If we can pipe burst it, it is usually fairly nominal, over the way the bids have broken down. So it is our recommendation with the change here is to modify the Standard Specification to give the District the option to not require the property line clean out in every case, to keep costs lower, and allow the contractor, with the home owners’ permission, to go up and place a new clean out next to the house and replace the whole lateral in one shot. With that we are excited to hope to add that to future Capital projects when it makes sense to do that. And we hope that with every case it would make sense. The goal is for a nominal cost to put the pipe in the ground, rather than spend it on administration time.

Director Huber: So you replace a main, you replace the lateral all the up to the house with a new lateral? Then you put a clean out there? And the only thing the home owner is out is that they have to give permission to allow the contractor to do the work?

District Sewer Engineer Cavagnaro: Generally that would be the case. There may be a case where the home owner has a fancy landscaping plan. Generally, we are able to have the contractor review the site pre-bid, and include adequate repairs in this price, and when you are doing a large volume, usually those prices smooth out. So, maybe one patio is concrete and other is stepping stones, and the home with concrete would cost more. Sometimes home owner with concrete patio might object to us cutting into his concrete for example. So, with this program being a

little more voluntary we have some flexibility where we can work with the home owners. We already have in place other triggers of the District's Sewer permit requirements, for example a remodel or legalization of a second unit—whenever there is a substantive fixture unit change at the house, we can ask them to review their pipe and make sure it is in sound condition and perform spot repairs if there is an issue. So, I think that in some cases, some home owner will have to make a choice, for example, do I want to have half the patio cut? They might say they don't want to cut it, and it might be able to be re-routed. If the home owner wants them to go around it, the contractor can work with the home owner to pay the additional cost for the change. Generally we are looking at an overall cost to the District, the cost of managing bigger pump stations bigger piping to get it to the treatment plant. Our goal is to keep those rain peaks down. That is our main goal with this change. We have other minor changes, including improving and increasing requirements for pipe materials. In our last iteration, we had eliminated ABS pipe, for example. We eliminated it from the document. So, we have gotten into conflicts with plumbers because the County is still allowing it and since it is more stringent we chose to bring it back into our document with a specific "not allowed" statement so it is very clear that it isn't an omission—you can't use it--requiring PVC pipe instead for new construction. However, if you put ABS in now, and it is permitted now and it is sound, we are not going to make you dig it up. We made it very clear. There are also a few tweaks in the details, minor clarifications of lateral standards, etc.

Director Huber: So in essence, we are giving a valuable service to our customers without it really costing very much?

District Sewer Engineer Cavagnaro: Correct. Particularly when you look at the offset of potential future risks to the District to have a Lateral Ordinance program, either volunteered by the District or imposed upon the District from the State preemptively going ahead and having a policy where we are actively addressing private laterals in a way that is economic. It is a benefit that will protect the District if future fines are assessed to the District for spills.

Director Huber: the secondary benefit is that we have better control over wet weather influence.

Pippin: Yeah. And Granada has a slightly different but similar policy. It is a proactive approach for the District to control what we have control over.

Director Harvey: So the State has set standards on the laterals?

Pippin: They are trying to. There is no legal requirement for the District to do what we are proposing, but it has been suggested that it is a good idea. And a number of Districts are finding that economically it is a good idea, because we are seeing benefits in I&I and it doesn't cost much more.

Director Harvey: So the District is setting the standards...East Bay has set standards for Berkeley and Oakland.

Pippin: Yeah. We have a lateral standard. The second hand-out included here is basically...the largest change for this specification document is that I've pulled the specific lateral detail specs out as a hand-out, as an attachment so when we get a permit, we can give them this (rather than the whole binder) which specifically refers to the standards that they have to build the pipe to. We have to have a standard as to how the pipes are built, but it is not a legal requirement that we make repairs to it, which is what we are proposing.

Director Harvey: Does the District have any authority to demand that home owners and business comply, or is it still voluntary?

Pippin: It is still voluntary. We would have to go to a formal Resolution with a Lateral Ordinance setting those trigger point where people have to comply.

Director Harvey: Can the District demand that all home owners and business owners comply?

District Counsel Schrickler: Yes.

Director Harvey: By getting rid of the clean out at the property line, does it affect having appropriate access to the main? By having the clean out at the house, does it reduce the accessibility or would it cause problems?

Pippin: That's a good question. There are still standards on how often we want the clean-outs, so if there are other criteria in the specs that say your pipe is over a certain length or has a certain number of bends. What we did is make that clean out at the property line optional, so the District doesn't have to put it in. That saves about \$800 dollars to the District each time we would go to upgrade the upper lateral because we would only have to dig two holes instead of three. So, by making that optional or as needed, we have the option to discount that.

Director Harvey: If it is needed for a particular house, then it would be done?

Pippin: Yes, if it is needed then we would put it in. And the home owner would be given the same benefit. So a pipe burst pipe from the house, if the home owner chooses to do on their own, the current standard is that they have to install a proper line clean out, meaning they would have to dig three holes. And that is a cost burden that other Districts have chosen to eliminate, and we are following suite in that.

Director Slater-Carter moved to approve the Amended Sewer Standard Specifications and it was seconded by Director Harvey. Director Boyd was absent. All Directors present were in favor and the motion passed 4 – 0.

Please note the new Sewer Standard Specifications can be found on the MWSD website:

http://mwsd.montara.org/assets/uploads/documents/standard-specs/MWSD%20SWR%20STD%20Specs_Drawings_2017_Complete.pdf

3. Review and Possible Action Concerning Appointment of Board Officers and Committee Assignments for 2018.

Director Wilson announced this item will be deferred until the next meeting January 4, 2018 when everyone is present, due to Director Boyd's absence. No action taken tonight.

All Directors present were in agreement.

4. Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting, December 21, 2017.

General Manager Heldmaier announced that the next meeting December 21, 2017 will be canceled, and the next scheduled regular meeting will take place January 4, 2018.

All Directors present were in agreement.

REPORTS

1. Sewer Authority Mid-Coastside Meeting (Boyd) –

Director Slater-Carter: Last week, there was a meltdown literally of the power supply to the plant. Fortunately, the SAM staff noticed the smoke and got the generator running. The Calcon electrical engineers, and the SAM engineers investigated it, and the special meeting today was to discuss the damage and to declare an emergency, and approve the work and the parts. The total bill is half million dollars. I went out on Saturday to look at it and took a tour of the electrical system. It was thought at the time they could go from this system Buss Bar to more of a cable, but there is too much power required, 800 kilowatts.

Director Wilson: Is this one of those delayed maintenance issues that blew up in our face?

Director Slater-Carter: Yes. In 2009, SRT recommended to repair the electrical and generator. However with the financial issues and revolving General Managers and other things needing attention, it was neglected. The pressure relief valves also need to be replaced, possibly contributing to spills. Pipelines need to be replaced. There are so many points as to why things haven't been done. It has come to a

point now that it has to be done. Calcon pulled strings so that SAM received the necessary parts quickly. It was approved, and it will be expensive. We are on track on getting this fixed, but we are in the middle of the holiday season.

General Manager pointed out that the plant is currently running on generator and will stay on the generator for the next week, and there is also a back-up generator on site. This is a classic example of a project that probably would have cost half if it had been scheduled as a repair instead of this emergency and its associated costs.

Director Slater Carter said the next meeting on Monday will include the budget, the impact of the Collections and the treatment plant system.

2. **MidCoast Community Council Meeting (Slater-Carter) – nothing to report**
3. **CSDA Report (Slater-Carter) – Nothing to report**
4. **Attorney's Report (Schricker) –**

You may have heard about the case coming out of the Supreme Court in the case of Ventura, and United Water Conservation District. The Supreme Court upheld the imposition of water extraction or pumping charge under specific provisions of the water code that pertain to water conservation districts. And the issue is that the charge imposed was on residential properties (non-agricultural property) three times the amount than on agricultural pumping, and the Supreme Court held that it is not a property-related charge under Proposition 218 but remanded it to the trial court for determination whether or not the charge the differential between non-agricultural and agricultural is reasonable and based on a benefit analysis –the benefit being the conservation uses to which the charge is imposed. It is an interesting case from our standpoint in the sense that it gives a good review of the status of Proposition 218 cases. This District does not impose a pumping charge at this time. This is just for information.

5. **Directors' Report – Nothing to report**
6. **General Manager's Report (Heldmaier) –**

General Manager Heldmanier: President Wilson and I attended the ACWA meeting last week and the state is busy with issues such as Oroville Dam and delta politics. We are in a very special situation that we are somewhat removed from this discussion. Having our own resources is to our advantage.

FUTURE AGENDAS-

REGULAR MEETING ADJOURNED at 9:12 P.M.

CONVENED IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code § 54956.9(d)(1))

Case Name: *City of Half Moon Bay v. Granada Community Services District, et al.*
(San Mateo County Super, Crt. No. 17CIV 03092)

Regional Water Quality Control Board v. Sewer Authority Mid-Coastside (ACL Complaint No. R2-2017-1024)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code § 54956.9(d)(2))

Significant Exposure to Litigation:

Number of cases: 1

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. C. §54957)

Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

Respectfully Submitted,

Signed _____
Secretary

Approved on the 1st, February 2018

Signed _____
President

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Workshop Agenda

Copper Communication Facilities Usage in the IP Transition

December 6, 2017 – CPUC Auditorium – 1:00 pm – 5:00 pm

1:00 pm – 1:15 pm – Introduction

- Opening Remarks *Michael J. Picker, Commission President*
- Topic Overview *Karen Eckersley, Communications Division*

1:15 pm – 2:15 pm – Panel Discussion: Overview of Existing Networks

Description of network, including how copper is used in service delivery. Use of fiber or other technologies, motivation for using other technologies.

Topics:

- Frontier Communications *Michael P. Golob, Senior Vice President, Frontier*
- AT&T California *Allison M. Ellis, Senior Vice President, Frontier*
- Small California LECs *Hany Fahmy, Ph.D, Assistant Vice President, AT&T*
Eric Vargas, Director of Operations, Ponderosa

2:15 pm – 3:00 pm – Panel Discussion: Wholesale and Interconnection

Description of resale components, including technology available for resale. Types of interconnection and dependencies on copper or other technology.

Topics:

- Business Models, IP Interconnection *Sarah DeYoung, Executive Director, CalTel*
- Technological Issues Overview *Nathan Patrick, Chief Technical Officer, Sonic Telecom*
- Last-Mile Copper Facilities Usage *Kelsey M. Forsyth, Vice President, TPx Communications*

3:00 pm - 3:15 pm – Break

3:15 pm – 4:30 pm – Expert Presentations: Customer Usage of the Copper Network

Discussion of customers and technologies which rely on copper.

Topics:

- Critical Infrastructure *Dewey Day, Principal OT Architect, PG&E*
- Small Business and Rural 911 Access *Regina Costa, Telecom Policy Director, TURN*
- Public Safety Answering Points *Ryan Sunahara, Technology Division Chief, CalOES*
- Disabled Individuals *Richard Ray, DDTP Council Member*
- California LifeLine Program *Ana Maria Johnson, Office of Ratepayer Advocates*
- Alarm Services *Morgan Hertel, VP, Rapid Response Monitoring*

4:30 pm – 4:45 pm – Public Comments

Please register with meeting organizer.

4:45 pm – 5:00 pm – Conclusion

- Wrap-up and Next Steps
- Closing Remarks

*Karen Eckersley, Communications Division
Michael J. Picker, Commission President*

Join by Phone (Listen Only):

Access Number: 1-877-988-5848

Attendee Access Code: 7035345

WebEx Information:

Web-site Link:

<https://van.webex.com/van/j.php?MTID=m8a91db547f2ce527aface9ece216d80b>

WebEx Access:

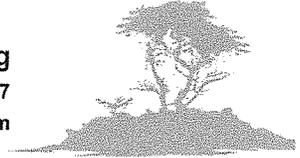
Meeting number: 740 829 941

Meeting password: Wireline17!

Chris Thollaug

PO Box 371018, Montara CA 94037

(650) 400-0482 cthollaug@gmail.com



December 7, 2017

Board of Directors
Montara Water and Sanitary District
8888 Cabrillo Hwy
Montara, CA 94037

Via email to board members and general manager

Regarding: Submission to Public Hearing on Increase to Water Capacity Charges

Dear Directors,

You have agendized for tonight's board meeting an increase in the water capacity charge. This letter and attachments is my input to tonight's public hearing, Review and Possible Action Concerning Adoption of Revised Master Fee Schedule. Specifically, I am addressing the proposed increase to \$17,100 to the Water Capacity Charge for residential connections. Please include this letter and attachments in the minutes of the public hearing.

The public process the district has conducted on this matter has been a charade. No one questions that new service connections should pay a fair price to connect to the district water system. However, the Connection Charge Report prepared last summer by Bartle Wells was based on fabricated numbers for projected new connections, as well as the capital improvements proposed to service such connections.

To put related events on the record, in January, after the district sent letters to all private well owners regarding abandoning their wells and paying the water capacity charge to connect to the MWSD water system, 75+ angry residents showing up for the January board meeting (moved to a much large venue). In response to this public reaction Dwight Wilson, the board chair, committed to a public study session in a workshop format. The first "workshop" was conducted at the March 16th board meeting, conducted at the Farallone View School. Unfortunately it was anything but a workshop. Hardly anyone attended, because they didn't contact any of the attendees who signed in for the well-attended January meeting. The format of the March "workshop" (PowerPoint presentations by consultants, followed by questions from the public channeled through the chair and staff, finally discussion by board members only) was clearly designed to avoid any meaningful discussion with or questioning by the public. That effort at suppression extended to my written letter and financial analysis (3-15-17, attached) which I asked to be available for the public study session. Despite being delivered days before the meeting, it was not made available at the meeting, nor were the questions I raised mentioned, much less addressed.

I wrote a second letter (5-4-17, also attached) with detailed questions on connection charges and gave it to the board at the May 4th meeting for which they had agendized a draft 2017 Water System Master Plan. In my letter I said, "I believe a workgroup format that permits a dialogue between all participants is the appropriate forum for discussing these issues." This request was ignored in the second "workshop" conducted by the board on July 6th. They again failed to conduct any outreach to the public—providing notice of the event in an agenda packet on their website the Friday before Independence Day. Given the lack of outreach and the other pressing business on the 7-6-17 agenda, I wrote a third letter which was delivered to board members in advance of the meeting (7-6-17, attached) asking the board to table the workshop agenda item, and reschedule it to July 20th (next scheduled board meeting) with a more conventional workshop format, perhaps moderated.

That request was completely ignored and the board proceeded to conduct a second "workshop" on July 6th, using the same format as the March meeting—consultant PowerPoints, and very controlled questioning by the public. Clearly to avoid the public engaging directly with district consultants, Dwight Wilson attempted to limit dialogue by routing the public's questions through the general manager, and severely restricting the time allocated to public speakers. Given these tactics it is understandable why the meeting deteriorated into a shouting match. When I was recognized by the chair to speak, I queried the district engineer on the capital improvement budgets for new connections until I was cut off by the chair (time expired).

What I was told in that brief exchange was that for the years 2012-2016 MWSD had made only 15 new connections, and spent \$3m for capital improvements which were done solely to support new connections. 15 new connections times approx. \$15,000 in fees for each connection yields \$225k of new revenue to the district: I

was assured by the district engineer that this didn't mean MWSD had spent \$200k per new connection (the \$3m in improvements divided by 15 new connections), but that the \$3m in capital improvements had, after all, some value to the system overall—despite being represented at the time of the prior connection-charge calculation as necessary entirely and solely for serving new. Nevertheless, those current customers will bear the cost. Given the district has ~1,630 residential connections, the capital improvements that were made solely to service new connections will end up costing each current user approximately \$1,700—plus the interest to service the related debt.

Moving on to the proposed capital budget, one could say that MWSD doesn't need a capital budget for new connections at all—zero. I took a look at the trend over the last 10 years with respect to the district's average daily water delivery. Here's what I found:

Average district use, basis of 2011 Master Plan Update	<u>Gallons per Day</u>	
2007	286,603	
2008	292,384	
2009	271,041	
2010	254,329	
2011	240,411	
5-Year Average:	268,954	

Average district use, basis of 2017 Master Plan Update	<u>Gallons per Day</u>	<u>New Connectio ns</u>
2012	255,107	3
2013	259,367	3
2014	236,921	3
2015	245,274	3
2016	246,754	3
5-Year Average:	248,685	15
Decline in average daily use:	20,269	7.5%

Per capita water use	66	gpd
Persons per household	2.84	gpd
Per household water use	187	

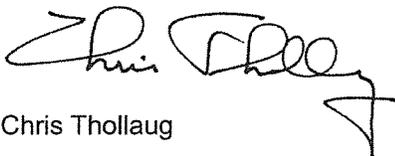
of new connections suppliable via decline in average use 115.9 Includes the 15 new connections 2012-2016.

So there has been a 7.5 percent decline in the volume of water delivered to MWSD customers, the 2016-2012 five-year period compared to the prior five years, 2007-2011. The decline in use is driven primarily by constantly increasing water charges. As a result of the declining per-household usage, the district could add another 100 connections without adding any additional hydraulic capacity—hence one could legitimately argue that there is *no need for any capital improvement solely to service new connections.*

On the projection of new connections, MWSD has used 600 as the number that they must be prepared to serve in the 2016-2020 timeframe. MWSD has attempted to justify that number by saying that given the capital improvement requirements, the capital cost *per connection* for fewer than 600 connections would require an even greater capacity charge increase. Of course, what they ignore is that the LCP limits midcoast residential growth to 1% per year. With approximately 4,000 residences in the entire midcoast, if the 1% limit was reach every year for five years, and all that new construction occurred in MWSD's service area (zero growth in El Granada, Princeton)ng, right?), that would be 200 connections—not 600. And when they put in "new-service-only" capital improvements going forward and serve only a fraction of the new-connection projection, current users will be on the hook for the eventual expense—just like they pick up the \$1,700 per household expense for the \$3m spent on 15 new connections.

To be clear, my intention is not to say that there should be no charge to connect. However, by law there needs to be a legitimate basis for an increase in the connection charge. Bartle Wells' use of an incremental cost approach as the fee methodology is flawed given the convenient data supplied by the district. This is an example of a client providing an answer to a consultant—give me a basis for an increase—and asking the consultant to provide a legal justification. The district's failure to provide an open, participative public process is their attempt to avoid scrutiny of their projected number of future connections and supposedly related capital costs figures—numbers that fail to justify the conclusion of the Bartle Wells report, that the proposed increase conforms to the California Mitigation Fee Act.

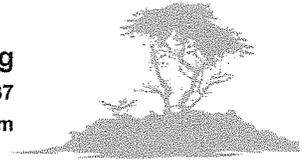
Regards,

A handwritten signature in black ink, appearing to read "Chris Thollaug". The signature is stylized and includes a large, sweeping flourish at the end.

Chris Thollaug

Chris Thollaug

PO Box 371018, Montara CA 94037
(650) 400-0482 cthollaug@gmail.com



Board of Directors
Montara Water and Sanitary District
8888 Cabrillo Hwy
Montara, CA 94037

Dear Directors,

I've developed an Excel file with two worksheets I'd like to have available for use at tomorrow's study session. I've attached the printouts as PDFs, and am providing the Excel file as an attachment to this email.

The first worksheet, titled Revenue Projection, MWSD Projected Conversions, calculates incremental connection charge and water-bill revenues under various scenarios:

- Scenario 1: Calculation of revenues using the connections projected by district staff and the district engineer and provided to Bartle Wells for their 2011 Water Capacity Charge Study. I've estimated the year-over-year annual increases at 2.1% (the historical average for the period 2011-2017), and projected increases at that rate for the balance of the Bartle-Wells study period. Projected revenue, \$16.6m.
- Scenario 2: Same source, projected revenues that would have been received if the connections projected through 2016 by the BW study had in fact occurred, together with projected water-bill revenues through the end of the study period (2025). Projected revenue, \$8.3m.
- Scenario 3: An estimate of the new-connection revenues. I've estimated those connections at 4 per year, however I would like to have this updated with actuals if those numbers are readily available. Projected revenue, less than \$1m, a small fraction of the revenues projected by the Bartle Wells study.
- Scenario 4: Projection of well conversions under the financing incentive approved by the board. The projection reflects my belief that there will be very little demand from well owners to convert, unless they have serious equipment problems or a failing well. Projected revenues, \$1.3m.
- Scenario 5: Projection of well conversions under an incentive which waives the water connection charge for a fixed period, in this example, 3 years. I've projected 66 well conversions, which is approximately one third of the wells inside the urban/rural boundary (per the Public Works Plan, new connections outside the urban/rural boundary are prohibited).
- Scenario 6: A blank for any additional projection you'd like to consider.

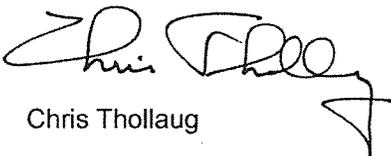
All the scenarios are set up with variables that allow modification for any pricing and connection circumstances you'd like to consider in the study session.

The second, titled Current Value of MWSD Capital Assets Paid Through Water Charges, uses debt and asset numbers from the 2015-2016 audit to calculate the present value of assets (acquisition cost less accumulated depreciation) paid by water customers. Using the audit figures, that number is \$3.3m, 17% of current asset value or approx. \$2,000 per connection.

In addition to working with these numbers, at the study session I'd like to review the status of the \$8.8 million capital improvement plan for new connections included in the 2011 Bartle Wells study, as well as the basis for the district engineer's determination that each project is 100% for future new water customers.

Please make this letter and attachments available to study session participants.

Best regards,


Chris Thollaug

Revenue Projection, MWSD Projected Conversions

Projected Annual Increase: 2.1% both capacity charges & water bills

Scenario 1: Bartle Wells New Customer CIP & Water Capacity Charge Study, 2011 – Projection of Connections (Table 1, page 6)

Revenues assuming the number of new connections projected by district staff and engineer for the Bartle Wells. That projection assumed all wells would convert to the water system. Also assumes 100% of new connections are 5/8 x 3/4 meters, rather than the 97.77% assumed by the BW study.

Year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Capacity Charge:	\$14,187	\$14,485	\$14,789	\$15,100	\$15,417	\$15,729	\$16,059	\$16,397	\$16,741	\$17,092	\$17,451	\$17,818	\$18,192	\$18,574	\$18,964	
Average Water Bill:	\$90	\$92	\$94	\$96	\$98	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	
New connections:	20	50	50	50	50	50	50	50	50	50	50	20	20	20	20	600
Connection Fees:	\$283,740	\$724,250	\$739,459	\$754,988	\$770,843	\$786,450	\$802,965	\$819,828	\$837,044	\$854,622	\$872,569	\$356,357	\$363,841	\$371,481	\$379,282	\$9,717,720
Water Bills:	21,600	77,280	135,360	195,840	258,720	324,000	391,680	461,760	534,240	609,120	686,400	725,760	766,080	807,360	849,600	6,844,800
Total receipts:	\$305,340	\$801,530	\$874,819	\$950,828	\$1,029,563	\$1,110,450	\$1,194,645	\$1,281,588	\$1,371,284	\$1,463,742	\$1,558,969	\$1,082,117	\$1,129,921	\$1,178,841	\$1,228,882	\$16,562,520

Scenario 2: Bartle Wells Projection, 2011 through 2016

Revenues from the new connections projected by the Bartle Wells report for the period 2011-2016, including water billing through the end of the study period.

Year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Capacity Charge:	\$14,187	\$14,485	\$14,789	\$15,100	\$15,417	\$15,741										
Average Water Bill:	\$90	\$92	\$94	\$96	\$98	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	
New connections:	20	50	50	50	50	50										270
Connection Fees:	\$283,740	\$724,250	\$739,459	\$754,988	\$770,843	\$787,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,060,310
Water Bills:	21,600	77,280	135,360	195,840	258,720	324,000	330,480	336,960	343,440	349,920	356,400	362,880	369,360	375,840	382,320	4,220,400
Total receipts:	\$305,340	\$801,530	\$874,819	\$950,828	\$1,029,563	\$1,111,030	\$330,480	\$336,960	\$343,440	\$349,920	\$356,400	\$362,880	\$369,360	\$375,840	\$382,320	\$8,280,710

Scenario 3: 2011-2016 Actual New Connections (estimate, needs update to numbers highlighted below)

Revenues from actual new connections, 2011-2016, including water billing through the end of the study period.

Year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Capacity Charge:	\$14,187	\$14,485	\$14,789	\$15,100	\$15,417	\$15,741	\$16,071	\$16,409	\$16,753	\$17,105	\$17,464	\$17,831	\$18,205	\$18,588	\$18,978	
Average Water Bill:	\$90	\$92	\$94	\$96	\$98	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	
New connections:	4	4	4	4	4	4										24
Connection Fees:	\$56,748	\$57,940	\$59,157	\$60,399	\$61,667	\$62,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$358,874
Water Bills:	4,320	8,832	13,536	18,432	23,520	28,800	29,376	29,952	30,528	31,104	31,680	32,256	32,832	33,408	33,984	382,560
Total receipts:	\$61,068	\$66,772	\$72,693	\$78,831	\$85,187	\$91,762	\$29,376	\$29,952	\$30,528	\$31,104	\$31,680	\$32,256	\$32,832	\$33,408	\$33,984	\$741,434

Revenue Projection, MWSD Projected Conversions

Projected Annual Increase: 2.1% both capacity charges & water bills

Scenario 4: Projection of Well Conversions under Financing Incentive Ordinance as approved by the Board, and non-enforcement of "shall connect" provision of MWSD Code section 5-3.103

Financing incentive implements a payment schedule and waives interest for property owners that elect to convert within the first year. Water Capacity Charge revenues are shown when earned, rather than when received. Assumption is that incentive is insufficient to motivate well owners who are not experiencing problems with well output and/or equipment.

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Capacity Charge:	\$15,729	\$16,059	\$16,396	\$16,741	\$17,092	\$17,451	\$17,818	\$18,192	\$18,574	\$18,964	\$19,362	\$19,769	\$20,184	\$20,608	\$21,040	
Average Water Bill:	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	\$120	\$123	\$126	\$129	\$132	
Well conversions:	6	6	6	2	2	2	2	2	2	2	2	2	2	2	2	42
Connection Fees:	\$94,374	\$96,354	\$98,377	\$33,481	\$34,184	\$34,902	\$35,635	\$36,383	\$37,147	\$37,928	\$38,724	\$39,537	\$40,367	\$41,215	\$42,081	\$740,691
Water Bills:	7,200	14,688	22,464	25,440	28,512	31,680	34,944	38,304	41,760	45,312	48,960	53,136	57,456	61,920	66,528	578,304
Total receipts:	\$101,574	\$111,042	\$120,841	\$58,921	\$62,696	\$66,582	\$70,579	\$74,687	\$78,907	\$83,240	\$87,684	\$92,673	\$97,823	\$103,135	\$108,609	\$1,318,995

Scenario 5: Projection of Connections under a policy of waiving the Water Capacity Charge for well owners abandoning their wells. Incentive would be for a fixed period, then revert to full fee

Waiving water connection charge is a much more substantive incentive, and the assumption is more well owners would choose to convert. The incentive is proposed for a finite period—in this example, 3 years.
 Note that 1/3rd of the estimated 314 wells are outside the urban/rural boundary, and per the Public Works Plan may not be served as the PWP prohibits new connections outside the urban/rural boundary.
 This example assumes 1/3rd of the wells inside the urban/rural boundary opt to convert to the water system.

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Capacity Charge:	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	\$120	\$123	\$126	\$129	\$132	
Average Water Bill:	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	\$120	\$123	\$126	\$129	\$132	
Well conversions:	22	22	22	2	2	2	2	2	2	2	2	2	2	2	2	90
Connection Fees:	\$0	\$0	\$0	\$33,482	\$34,185	\$34,903	\$35,636	\$36,384	\$37,148	\$37,929	\$38,725	\$39,538	\$40,369	\$41,216	\$42,082	\$451,597
Water Bills:	26,400	53,856	82,368	86,496	90,720	95,040	99,456	103,968	108,576	113,280	118,080	123,984	130,032	136,224	142,560	1,511,040
Total receipts:	\$26,400	\$53,856	\$82,368	\$119,978	\$124,905	\$129,943	\$135,092	\$140,352	\$145,724	\$151,209	\$156,805	\$163,522	\$170,401	\$177,440	\$184,642	\$1,962,637

Scenario 6:

[comments]

Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Capacity Charge:	\$15,729	\$16,059	\$16,396	\$16,741	\$17,092	\$17,451	\$17,818	\$18,192	\$18,574	\$18,964	\$19,362	\$19,769	\$20,184	\$20,608	\$21,040	
Average Water Bill:	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$116	\$118	\$120	\$123	\$126	\$129	\$132	
Well conversions:																0
Connection Fees:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Bills:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total receipts:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Current Value of MWSD Capital Assets Paid Through Water Charges

Present Value, Capital Assets*	Capital Assets at Acquisition Cost:	\$28,031,592	% of Asset
	Accumulated Depreciation	(\$8,896,821)	<u>Current Value</u>
	Current value of water-system assets:	<u>\$19,134,771</u>	100%
Debit Financing*	General Obligation Bonds (less current portion):	\$11,426,755	60%
	Other Long-Term Obligations (less current portion):	<u>\$4,392,206</u>	23%
	Current long-term debt:	\$15,818,961	83%
	Current Value of Capital Assets Paid Through Water Charges:	<u>\$3,315,810</u>	17%
	# of water system connections:	1,649	
	Current Value of Capital Assets Paid Through Water Charges, per Connection:	<u>\$2,011</u>	

* source: 2015-2016 audit

Questions

Are all depreciable costs for the Alta Vista Tank project included in the balance sheet of the 2016 audit?

What improvements listed on Table 4 of the 2011 Bartle Wells Connection Charge Rpt have been completed and are included in the district's capital assets?

What is the current number of connections--1,649 needs to be updated

Chris Thollaug

PO Box 371018, Montara CA 94037
(650) 400-0482 cthollaug@gmail.com



May 4, 2017

Board of Directors
Montara Water and Sanitary District
8888 Cabrillo Hwy
Montara, CA 94037

Regarding: Draft Water Capacity Charge Report

Dear Directors,

After review of the Draft Water Capacity Charge Report I have the following questions:

1. The report states that BWA is using an incremental cost approach for calculating updated water capacity charges, as has been used historically. What other methodologies are relevant and worth consideration?
2. Table 1 of the 2011 BWA Water Capacity Charge Report projects 270 connections 2010/11 through 2015/16, and 600 cumulative connections by 2024/25. What was the number of actual new connections the district made to the water system 2010/11 through 2015/16? Table 4 of the 2011 BWA report identified \$8.8m in projects that were identified as 100% For Future New Water Customers. Which of these projects were undertaken, and what were the expenditures by project?
3. What is the methodology and data sources used to generate the estimates of new connections being projected in the 2017 BWA draft?
4. Instead of a year-by-year projection of new connections, the 2017 BWA draft provides six scenarios, ranging from 50 new connections to 1,000 new connections, and provides a Cost per New Connection for each scenario. A dollar figure of total estimated capital investment for each scenario is provided, but no breakdown as to specifically what capital improvements these costs are for, nor how they relate to the \$8.2m in project costs identified in the proposed New Customer Water System Capital Improvement Program. What's the cost breakdown of capital improvements, by project, for each scenario? For each project in each scenario, how is the allocation of cost to new customers calculated?
5. The Total Project Cost Distribution, Table 2 of the New Customer Water System Capital Improvement Program, shows a \$1.6m cost allocation to new connections for a main replacement project totaling \$7.5m. Does the \$1.6m allocation relate to one of the six scenarios provided in the draft 2017 BWA Water Capacity Charge Report? If not, what is the number of new connections used to calculate the allocation of the water main replacement project between current users and projected new users?
6. Same questions for the Existing Well Upgrade Program, Emergency Generator Upgrade Program, Schoolhouse Booster Pump Station Upgrade, Portola Tank Telemetry Upgrade, and the item identified as "Develop Additional Supply Reliability".

I believe a workgroup format that permits a dialogue between all participants is the appropriate forum for discussing these issues.

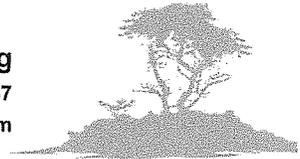
Best regards,

A handwritten signature in black ink that reads "Chris Thollaug". The signature is stylized and includes a large, sweeping flourish at the end.

Chris Thollaug

Chris Thollaug

PO Box 371018, Montara CA 94037
(650) 400-0482 cthollaug@gmail.com



July 6, 2017

Board of Directors
Montara Water and Sanitary District
8888 Cabrillo Hwy
Montara, CA 94037

Sent via email, general manager and board members

Regarding: "Study Sessions" for Water Capacity Charges

Dear Directors,

Following the highly emotional (and well attended) board meeting on January 19th, the district agreed to hold study sessions regarding water capacity charges for new construction as well as well conversions, to give constituents an opportunity to ask questions and discuss policies and practices with staff, consultants, and the board. Emotions ran high at the January meeting because the district had mismanaged earlier communications with well owners in the district, leaving many with the impression that the district would force them to abandon their wells and, at a very high cost, connect to the MWSD water system.

The board meeting on March 19th was agendized with such a study session but, as conducted, was ineffective. The reasons: 1) there was no outreach to the several dozen concerned community members that had provided their contact information at the January meeting, consequentially they did not attend; 2) the format was PowerPoint presentations by the district's consultants reviewing district's planning and practices, with questions for the consultants taken through the general manager with no opportunity to dialogue with the consultants re their areas of competence; and 3) an agenda packed with other business—the packet was 352 pages long.

I also attended the May 4th meeting, because despite the seriously flawed March "study session", a 2017 Connection Fee Study was agendized for review and possible action. My letter of May 4th (attached) was handed to board members when I spoke on the agenda item; it laid out the questions that I felt should be addressed before consideration of new connection charges.

The May 4th meeting minutes were provided with the July 6th meeting packet, and while my letter with connection charge questions was missing, pages 8 and 9 of the minutes provide, more or less verbatim, my verbal remarks on my written questions. Going then to the connection charge agenda item for tonight's meeting, I was disturbed to find that not a single question I had raised had been responded to. Completely ignored. A handful of questions had been posed and responded to, all of which were very general, and very brief. Frankly, they raise more questions than they answer.

My conclusion is that the district is going through the motions of soliciting dialogue regarding water capacity charges with constituents, but its actions have demonstrated that it has no real interest in engaging in a meaningful dialogue. I suggest that if the board really wants to hear from constituents, that it pull the study session agenda item from tonight's packed agenda and schedule a conventional, perhaps moderated, session for July 20th—the next scheduled board meeting—which the general manager is recommending be cancelled due to lack of business. Contacting the list of people who attended the January 19th meeting is essential if one wants meaningful public participation.

Regards,

A handwritten signature in black ink that reads "Chris Thollaug". The signature is stylized and includes a large, sweeping flourish at the end.

Chris Thollaug

Questions to the Montara Sewer Dist for the Recology Rate hearing of Dec.7,17

When I refer to the Montara Sewer Dist, (M) I am also including the district citizens.

What is the financial benefit (or disbenefit) to the Montara Sewer Dist. for recycling?

What is the additional cost to the to the Montara Sewer Dist. for recycling?

What is the current Rate of Return (ROR)?

What is the ROR for R if there is no stated increase?

What is the ROR for R if there is the stated increase?

Why is there an annual increase for R. Normally Water, Sewer and Garbage dists only file every 4 years?

What is the % of allocation of overhead included in the R costs.!? *overhead*

What are the properties i.e. the features included in the rate analysis?

Who calculates the Rate analysis? And what are the qualifications?

Is a total rate design available for this hearing? If not, what is being used for the increase? /

Where is the total rate design available for inspection?

How much ^{asks} is the Rate analysis show as a cost for each specific type of can.

The 32 gal R bin weighs about 30 pounds empty, are top heavy and without a latch for the lid. They are easy prey for the critters. Common store available 32 gal waste cans weigh about 5 pounds are more stable and have lid latches.

My average waste weighs about 5 lbs. In a store bought bin, it 10 lbs. In an R bin it's 35 lbs.

Why do we still have the R cans?

Why are the R trucks being loaded by hand?

Are we paying for loading by hoists

I have never had more than one 32 gal. Container. Why is recycle can included in my costs?

Does the Rate Design recognize that the R trucks no longer use lifts to hoist the cans?

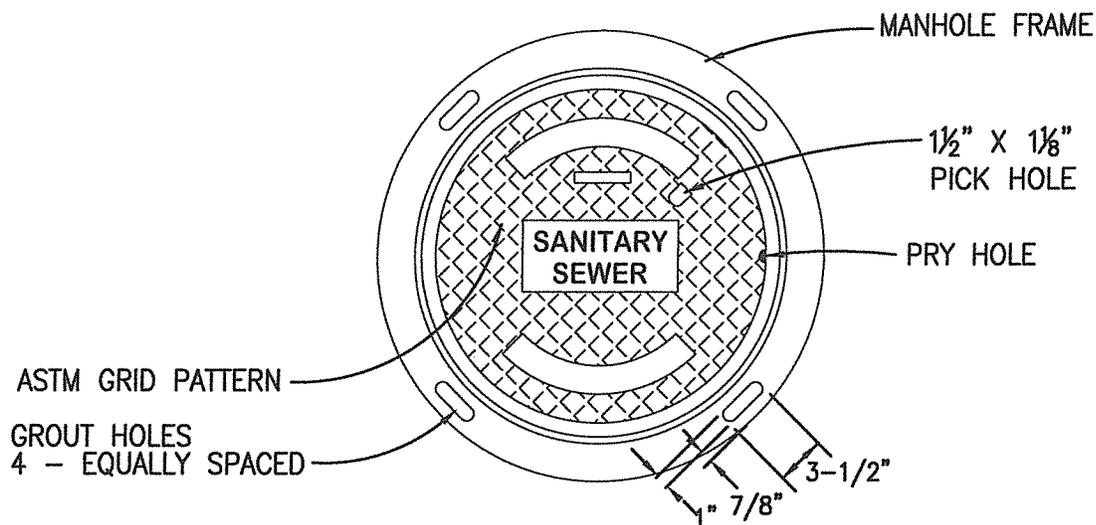
Does the Rate Design recognize the time difference in loading time using lifts vs hand loading?

Are we paying for vehicles with hoists?

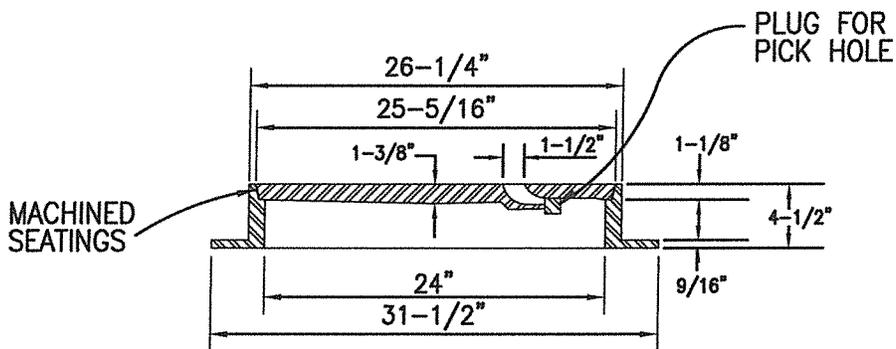
Where are trucks with hoists used?

Does any member of the R board, staff, or employees get any special benefit from R in the manner of free service, reduced costs, kick backs, or special treatment ? What are they?

W.R. Koerting resident
2165 Carlos St.
Moss Beach, CA



PLAN



NOTES:

1. MANHOLE FRAME AND COVER SHALL BE AS MANUFACTURED BY PHOENIX IRON WORKS, OAKLAND, NO. P-1090 OR APPROVED EQUIVALENT.
2. FOR MANHOLES LOCATED IN SIDEWALK AREAS USE PHOENIX NO. P-1067 FRAME AND COVER OR APPROVED EQUIVALENT.
3. MINIMUM WEIGHT OF FRAME IS 138 LBS. MINIMUM WEIGHT OF COVER IS 130 LBS.

MONTARA WATER & SANITARY DISTRICT

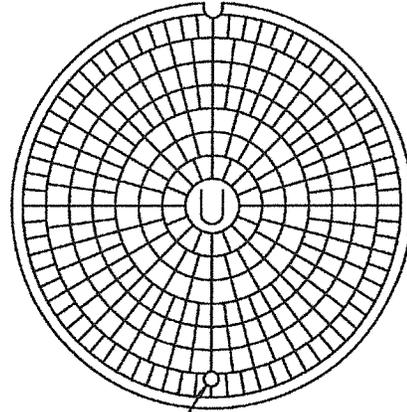
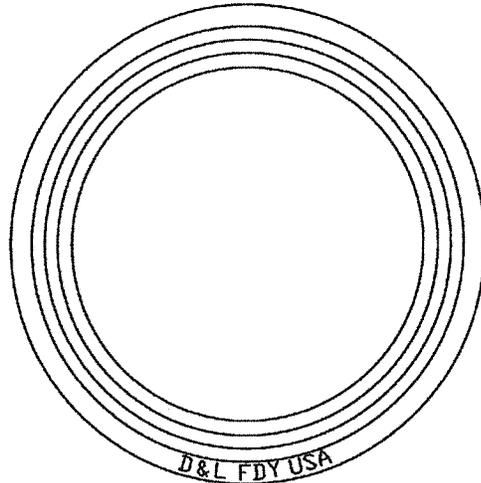
STANDARD MANHOLE
FRAME AND COVER

2017

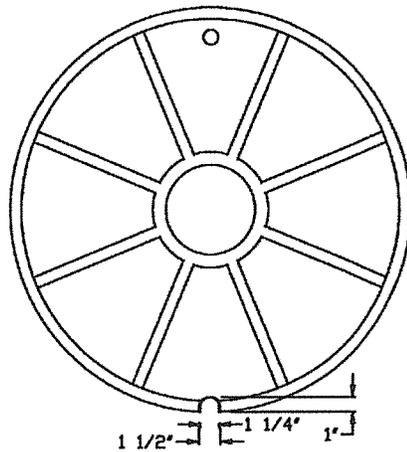
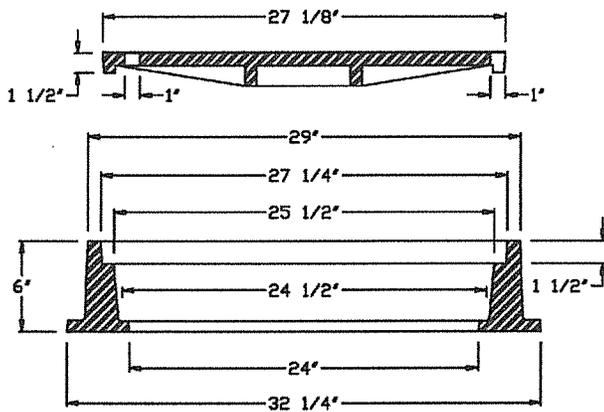
SD 1.0

A-1015

Manhole Ring and Cover



1" PICKHOLE



Alternate Cover Markings:

- S
- D
- or as specified

CAST IRON to conform to ASTM A-48, CLASS 35B H-20 Wheel Loading	D&L No. A-1015		D&L SUPPLY D&L Foundry P.O. Box 1319 Moses Lake, WA 98837	Phone: (509) 765-7952	Fax: (509) 765-8124
	Est. Ring weight	455 lbs.			
Designation A-1015	Date of Drawing MAR 1994	Prepared by D&L Supply	Scale 1" = 9 3/4"	Sheet Number 1	Total Sheets 1

NOTES:

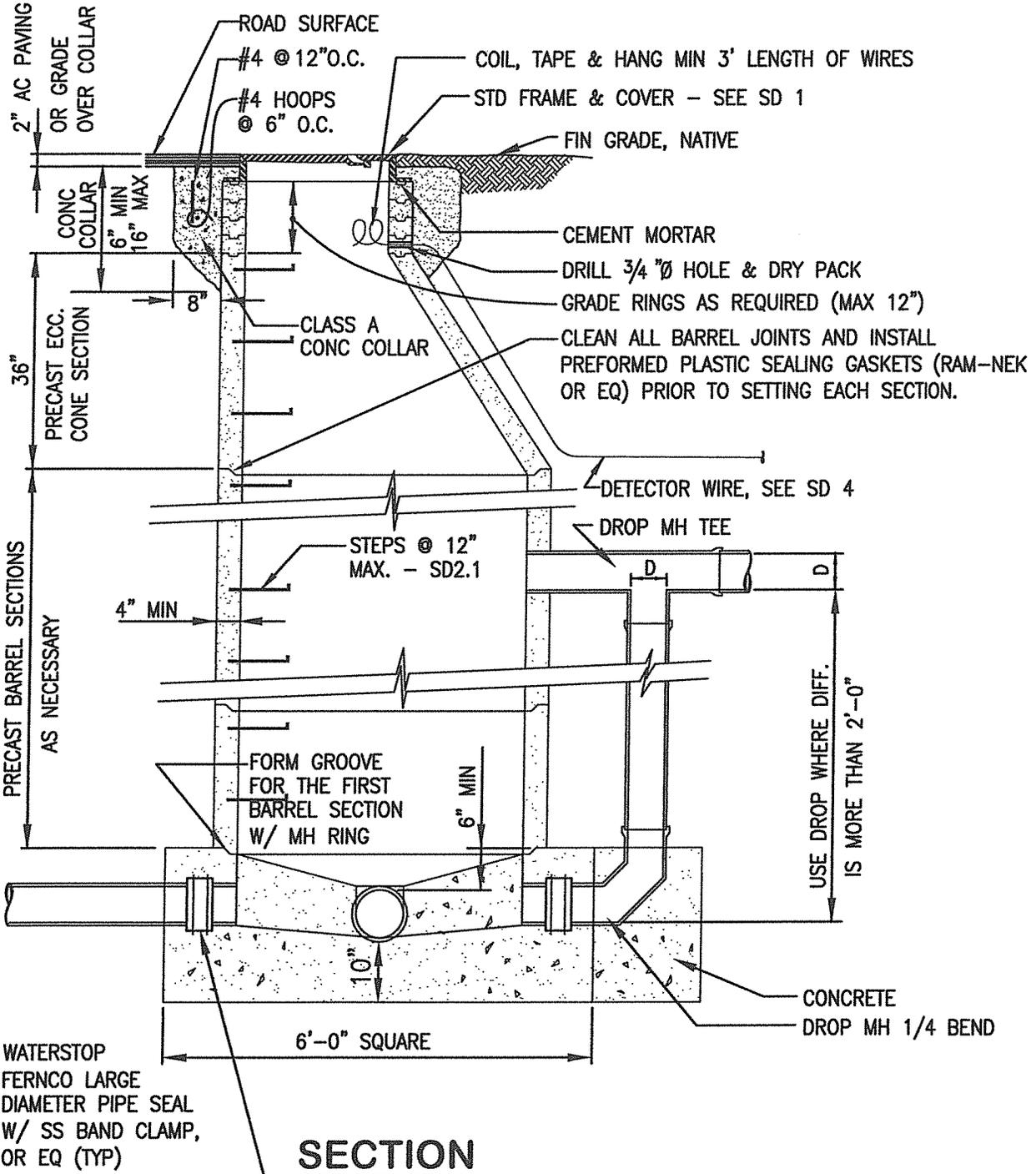
1. USE MARKING "S".
2. ALTERNATE VENDORS MUST PROVIDE PROOF OF CALTRANS APPROVAL.
3. COVER MAY BE REQUIRED TO BE SEALED OR BOLT-DOWN AT THE DISTRICT'S REQUEST.

MONTARA WATER & SANITARY DISTRICT

HEAVY DUTY MANHOLE FRAME AND COVER

2017

SD 1.1



FOR NOTES AND DETAILS NOT SHOWN SEE STD DETAIL SD 2.1

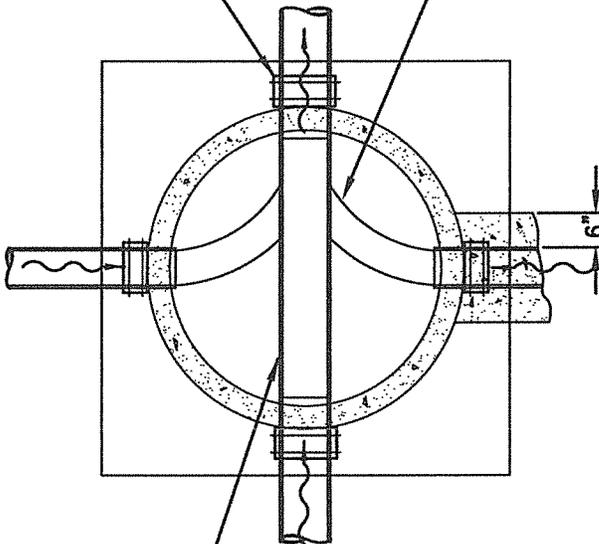
MONTARA WATER & SANITARY DISTRICT		
STANDARD SEWER MANHOLE		
2017		SD 2.0

NOTES

1. MANHOLE BASE SHALL BE CLASS A (6-sack) CONCRETE AND SHALL BE POURED AGAINST CRUSHED ROCK BEDDING.
2. PRECAST CONCRETE CONE, BARREL AND GRADE RINGS SHALL CONFORM TO A.S.T.M. Spec C-478, EXCEPT THAT TYPE II Modified PORTLAND CEMENT SHALL BE USED.
3. STEPS SHALL BE POLYPROPYLENE REINFORCED WITH 1/2" GRADE 60 STEEL BAR AS DETAILED BELOW, #PS 2-PF AS MANUFACTURED BY M.A. INDUSTRIES OR EQ.
4. FRAME AND COVER MAY BE ADJUSTED TO GRADE LEVEL EITHER BEFORE OR AFTER PAVING, BUT FINAL GRADE SHALL CONFORM TO ADJACENT FINISH PAVEMENT GRADE WITHIN 1/8".
5. ECCENTRIC CONE SECTION SHALL BE POSITIONED AS DIRECTED BY THE DISTRICT.
6. WHERE FRAME AND COVER IS SET AFTER PAVING, THE CONCRETE COLLAR SHALL BE BROUGHT TO FINISH GRADE AND THE EXPOSED CONCRETE SURFACE SHALL BE COLORED WITH LAMPBLACK.
7. RECESS IN MANHOLE BASE SHALL BE FORMED WITH AN APPROVED METAL FORMING RING TO RECEIVE PRECAST MANHOLE JOINT. PREFORMED PLASTIC SEAL GASKET SHALL BE INSTALLED BEFORE PLACING FIRST BARREL SECTION.
8. PRECAST MANHOLE BASES ARE NOT ALLOWED.

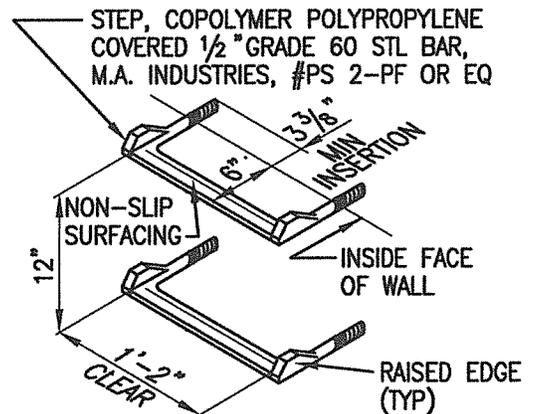
WATERSTOP
(TYP)

FORM FLOW CHANNELS THRU ALL MANHOLES
MATCHING THE FULL SIZE OF SEWER MAINS
AND LATERALS, SHAPE AND TROWEL SMOOTH.



LAY PVC PIPE THRU
MANHOLE WHERE POSSIBLE AND
SAWCUT TO FORM SMOOTH CHANNELS
STUB ALL PIPE 1" INTO MH (TYP)

PLAN AT MH BOTTOM



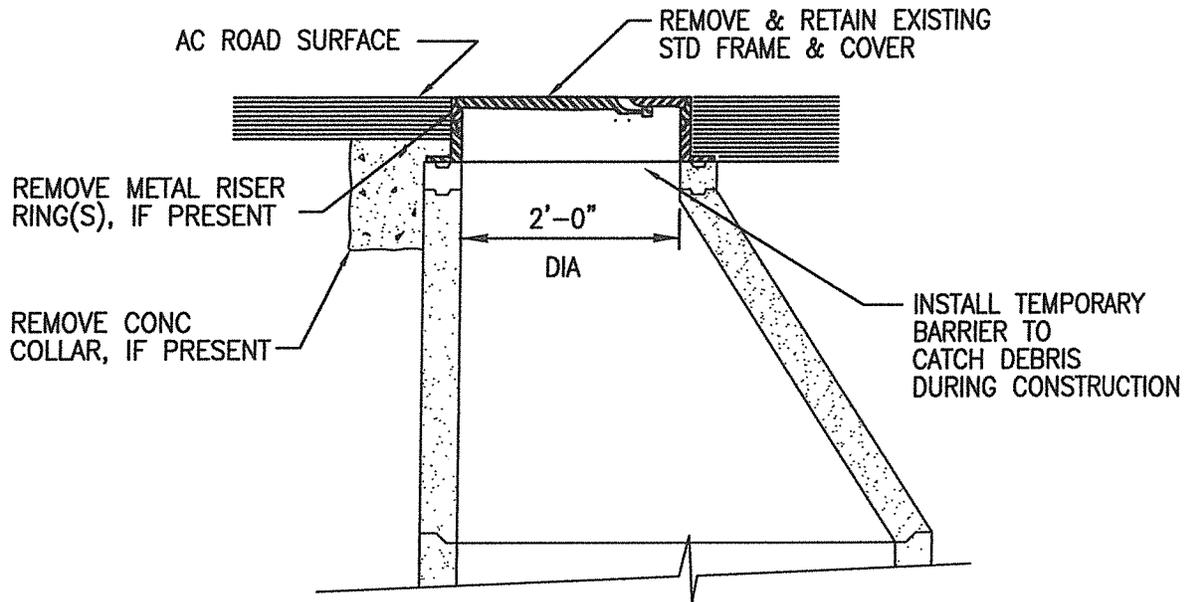
MANHOLE STEPS

**MONTARA WATER &
SANITARY DISTRICT**

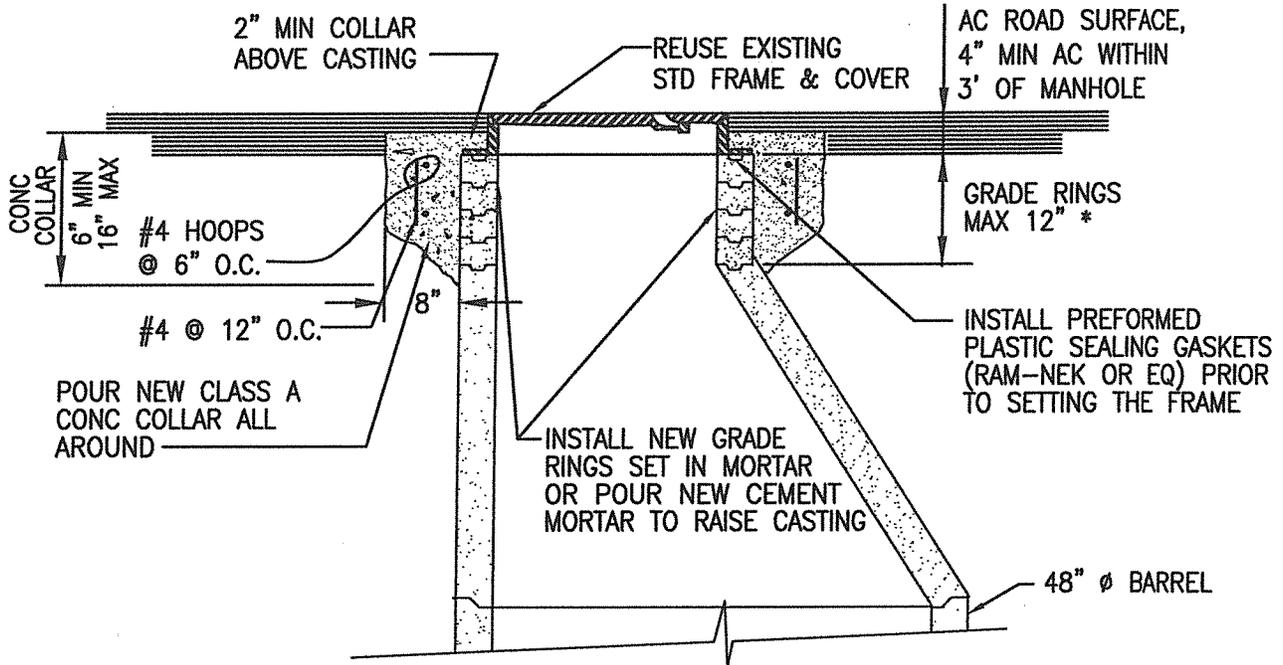
STANDARD SEWER
MANHOLE

2017

SD 2.1



EXISTING CONDITION



RAISED RING CONDITION

* IF GRADE RINGS EXCEED 12"
REMOVE CONE AND INSTALL
NEW 48" DIAMETER BARREL
SECTION, REINSTALL CONE

MONTARA WATER & SANITARY DISTRICT

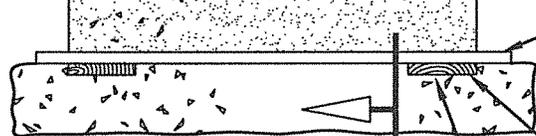
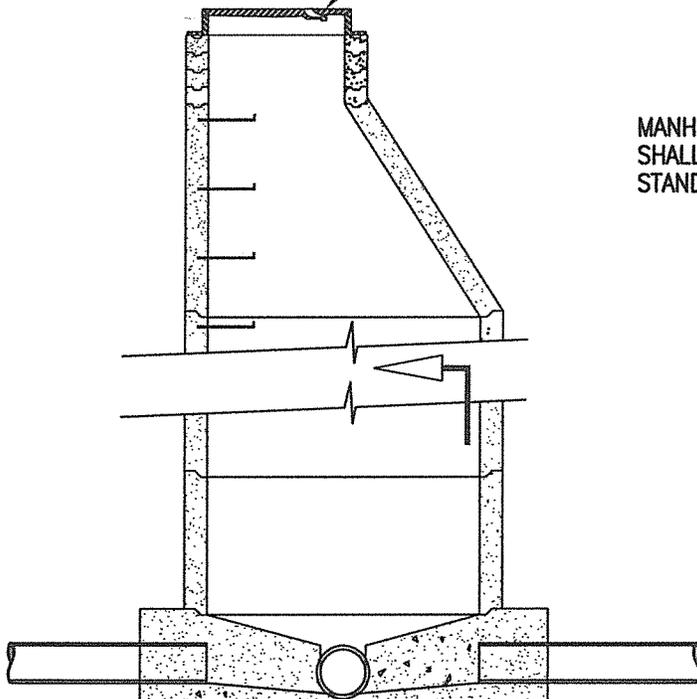
MANHOLE REPAIR
TO RAISE FRAME AND COVER

2017

SD 2.2

STD FRAME & COVER

MANHOLE BASE, CONE AND BARREL
SHALL BE CONSTRUCTED PER
STANDARD DETAIL SD 2.0



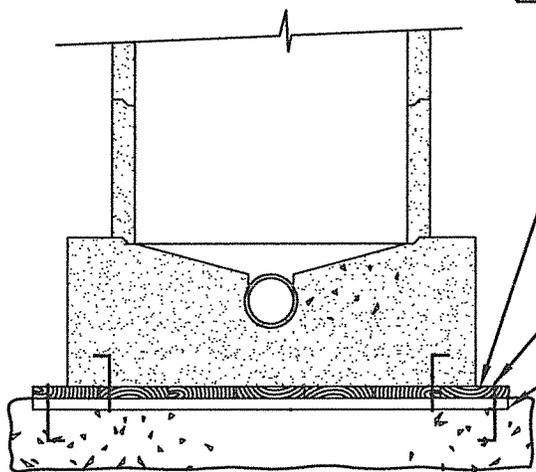
SECTION

7 - 2" x 12" REDWOOD PLANKS,
SPIKED THRU CLEATS W/ MINIMUM
OF 3- #16 H.D. GALV SPIKES EA END

2 - 2" x 12" REDWOOD CLEATS

12" QUARRY WASTE ROCK, OR
12" - 1 1/2" ROCK IN WET CONDITIONS.

FORM GROOVES IN CLASS II MATERIALS
FOR BOTTOM CLEATS ON COMPACTED
MATERIAL.



SECTION

REDWOOD PLANKS

LAY BENT SPIKES TYP EACH END
INTO ROCK AND CONCRETE FORM

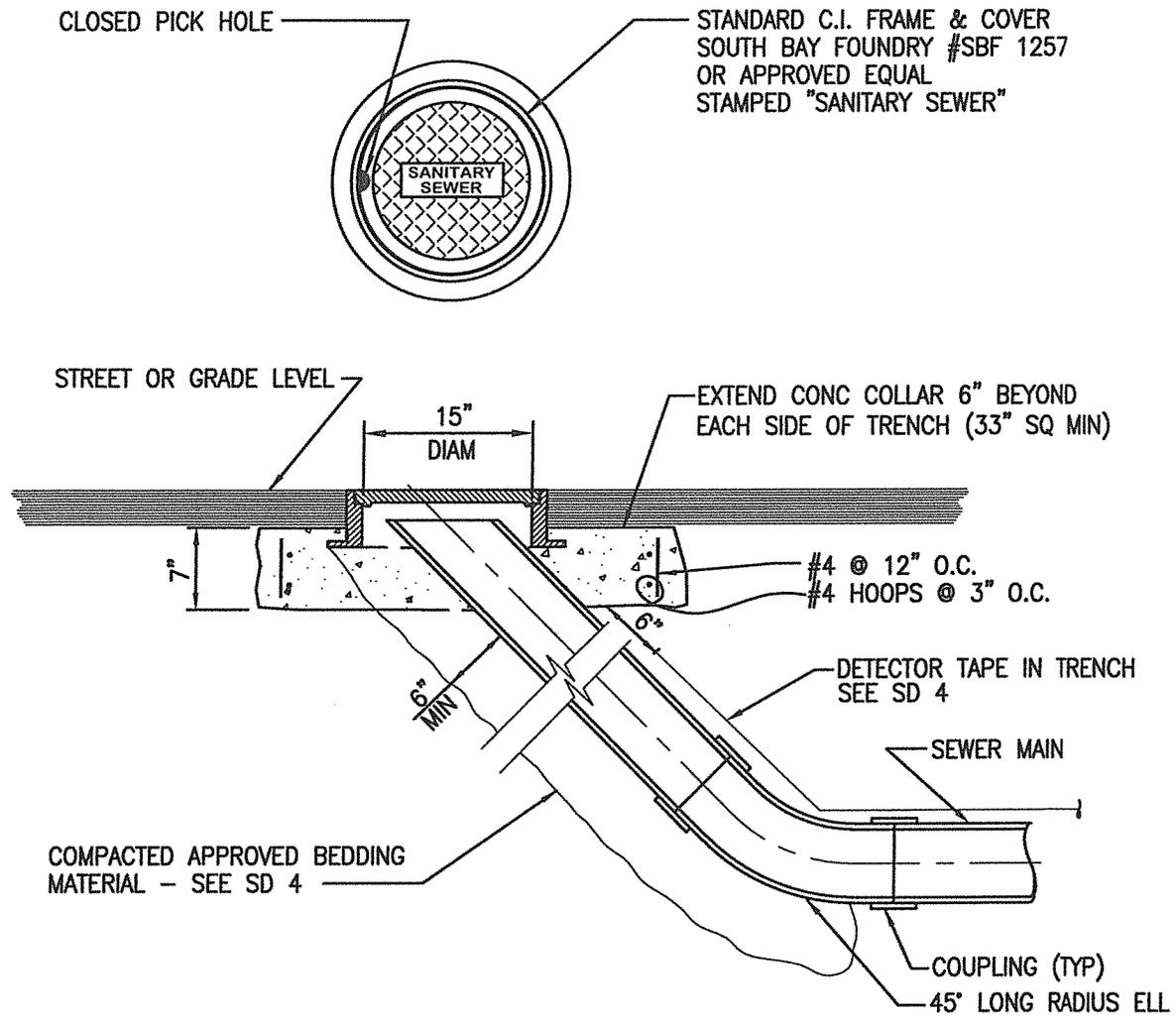
REDWOOD CLEATS

**MONTARA WATER &
SANITARY DISTRICT**

MANHOLE BASE
IN BAY MUD

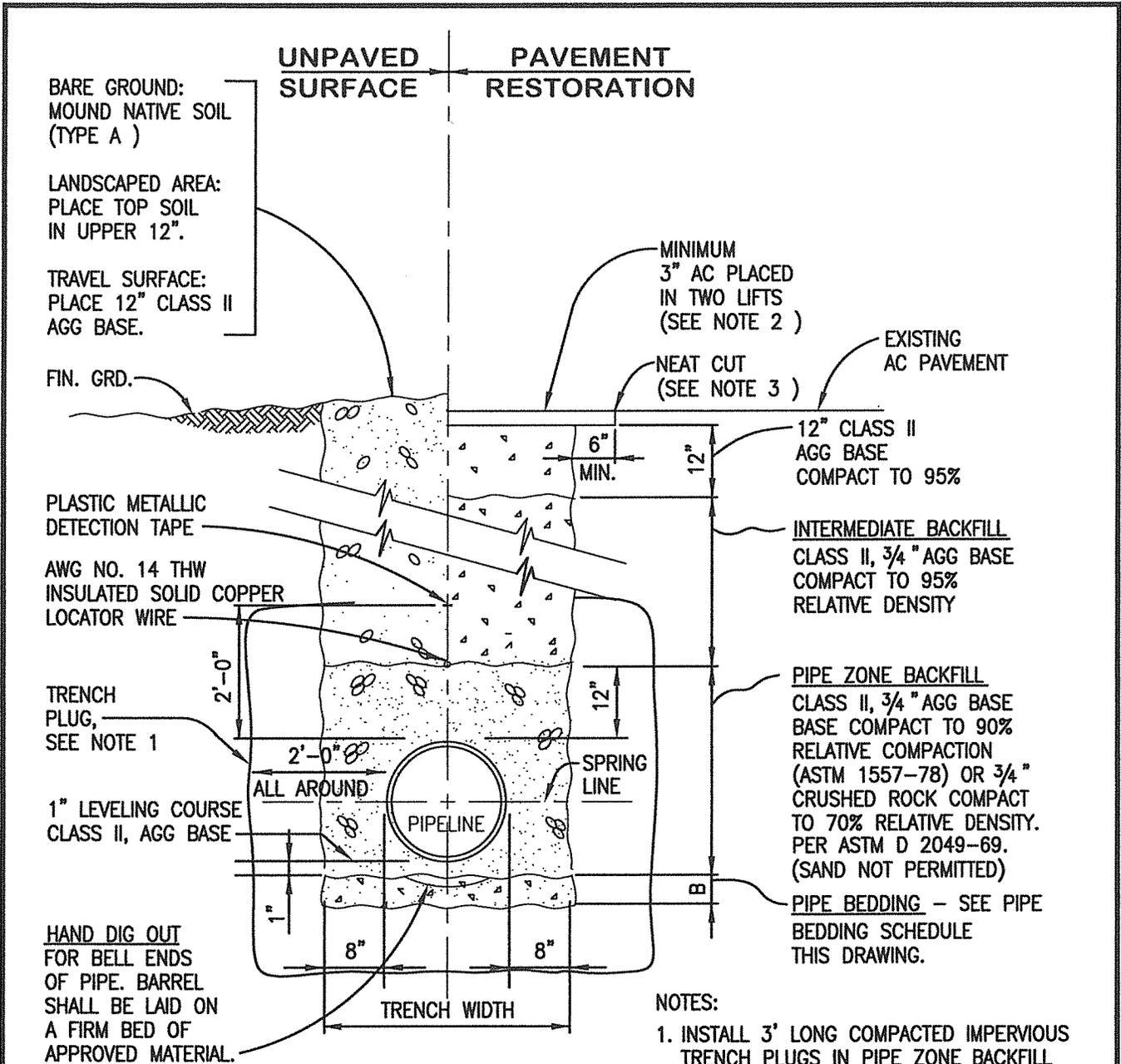
2017

SD 2.3



STANDARD ROD HOLE

MONTARA WATER & SANITARY DISTRICT		
STANDARD 6 INCH RODDING INLET		
2014		SD 3



PIPE BEDDING DETAIL

NOTES:

1. INSTALL 3' LONG COMPACTED IMPERVIOUS TRENCH PLUGS IN PIPE ZONE BACKFILL AND PIPE BEDDING AT 100' INTERVALS.
2. ASPHALT THICKNESS SHALL CONFORM TO THE REQUIREMENTS OF THE AGENCY WITH JURISDICTION OVER STREET.
3. CONSULT LOCAL JURISDICTION FOR ASPHALT CUTTING REQUIREMENTS.

PIPE BEDDING SCHEDULE		
TRENCH MATERIAL	BEDDING DEPTH - B	BEDDING MATERIAL
SOIL - DRY	6"	3/4" CRUSHED ROCK OR CLASS II, AGG BASE
SOIL W/ WATER	12"	1 1/2" CRUSHED ROCK
ROCK OR HARD PAN - DRY	6"	3/4" CRUSHED ROCK OR CLASS II AGG BASE
ROCK OR HARD PAN W/ WATER	6"	1 1/2" CRUSHED ROCK
BAY MUD	SEE BAY MUD TRENCH DETAIL DRAWING SD 4.1	

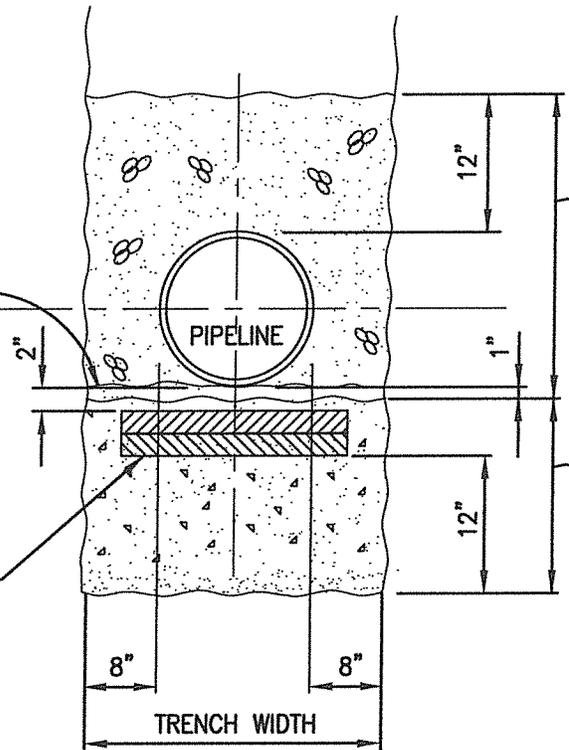
MONTARA WATER & SANITARY DISTRICT

TYPICAL TRENCH SECTION

2017		SD 4.0
------	--	--------

1" LEVELING COURSE
CLASS II, AGG BASE

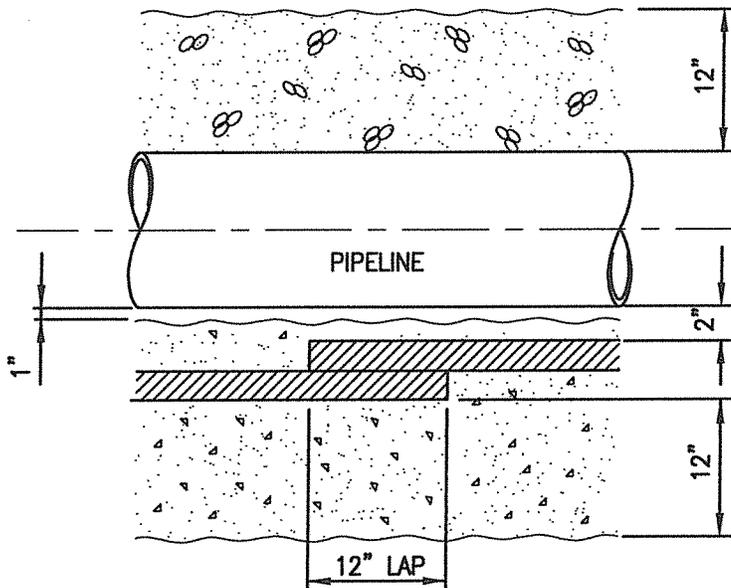
2" x 12" REDWOOD
PLANKS UNDER PIPE
LAP 12" EA. END.



PIPE ZONE BACKFILL
CLASS II, 3/4" AGG
BASE COMPACT TO 90%
RELATIVE COMPACTION
(ASTM 1557-78) OR 3/4"
CRUSHED ROCK COMPACT
TO 70% RELATIVE DENSITY.
PER ASTM D 2049-69.

PIPE BEDDING
1 1/2" CRUSHED ROCK
COMPACT TO 90%
RELATIVE DENSITY.

SECTION



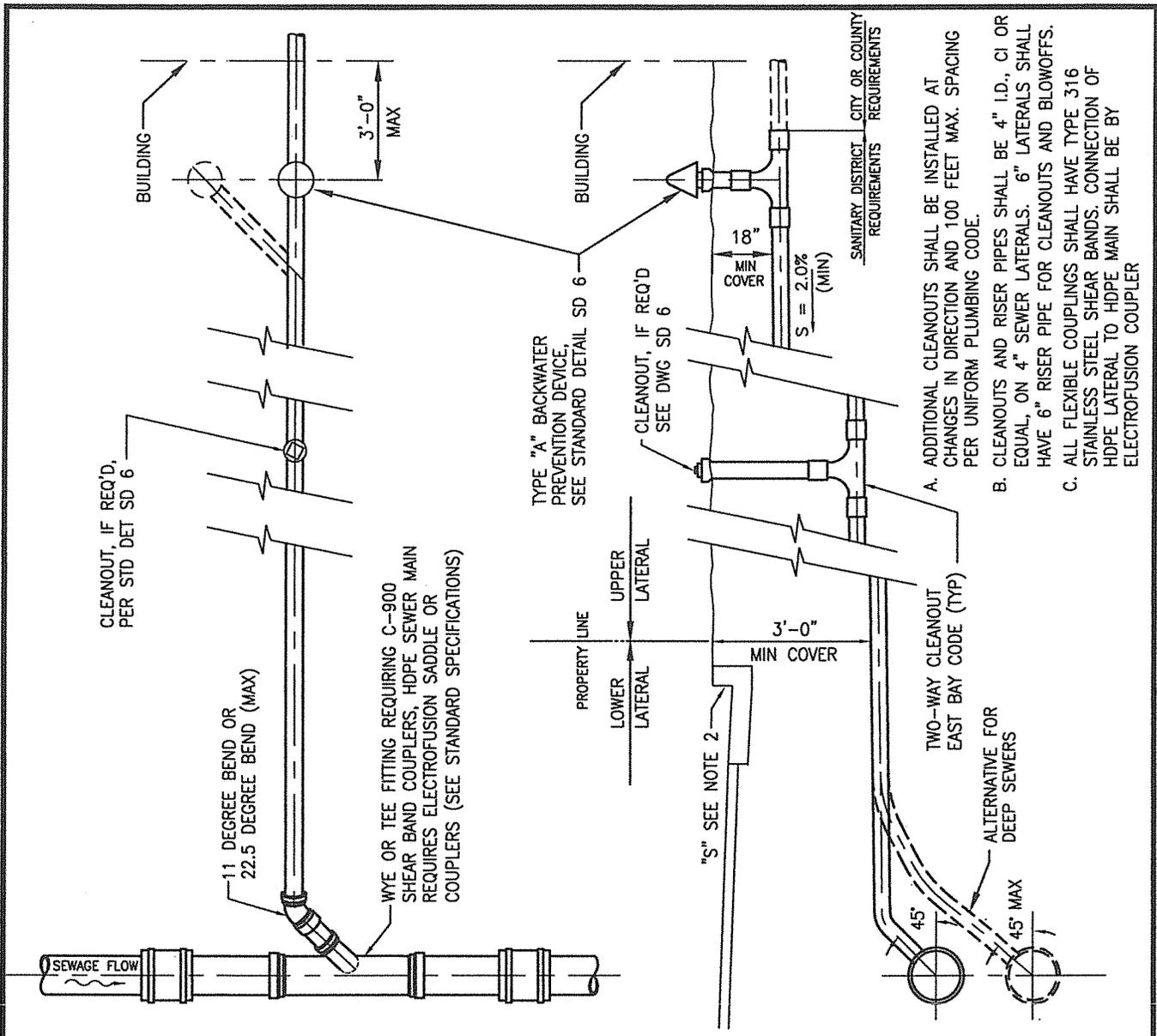
ELEVATION

**MONTARA WATER &
SANITARY DISTRICT**

**BAY MUD TRENCH
DETAIL**

2017

SD 4.1



NOTES:

1. WHEN A LATERAL SEWER IS INSTALLED IN ADVANCE OF THE BUILDING SEWER, IT SHALL BE TERMINATED AT OR NEAR THE PROPERTY LINE. THE END OF THE LATERAL SHALL BE MARKED WITH A 4" x 4" REDWOOD STAKE, PAINTED GREEN, FROM THE TOP OF THE PIPE TO A MINIMUM OF 6" ABOVE THE FINISHED GROUND SURFACE.
2. WHERE CONCRETE CURBS AND GUTTERS EXIST OR ARE TO BE A PART OF AN IMPROVEMENT, EACH SIDE SEWER SHALL BE PERMANENTLY LOCATED BY IMPRINTING OR CHISELING AN "S" (3" size) IN THE FACE OF THE CURB VERTICALLY ABOVE THE SEWER PIPE.
3. BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY THE DISTRICT. PIPE BEDDING 3" AROUND PIPE ON PRIVATE PROPERTY MAY BE SAND WHERE REQUIRED BY COUNTY BUILDING PERMIT.
4. TYPE A BACKWATER PREVENTION DEVICE (CONTRA COSTA RELIEF VALVE, ALSO KNOWN AS MUSHROOM CAP) SHALL BE INSTALLED ON A 4" MINIMUM RISER PIPE NOT MORE THAN 2' FROM BUILDING WALL, PER STANDARD DETAIL SD6.
5. TYPE A BACKWATER PREVENTION DEVICE MAY BE INSTALLED TO LEFT OR RIGHT SIDE OF LATERAL IN GARAGE OR STEP AREAS.
6. LATERAL TRENCHES IN AREA OF PUBLIC STREET CURB, GUTTER AND SIDEWALK SHALL BE COMPACTED THE SAME AS TYPICAL TRENCH DETAIL SD 4. AREAS AROUND NEW CONCRETE CLEAN-OUT BOXES SHALL BE SOILS TESTED TO 90% COMPACTED. CONTRACTOR IS TO USE WHATEVER MEANS NECESSARY TO ACHIEVE 90% COMPACTED.

A. ADDITIONAL CLEANOUTS SHALL BE INSTALLED AT CHANGES IN DIRECTION AND 100 FEET MAX. SPACING PER UNIFORM PLUMBING CODE.

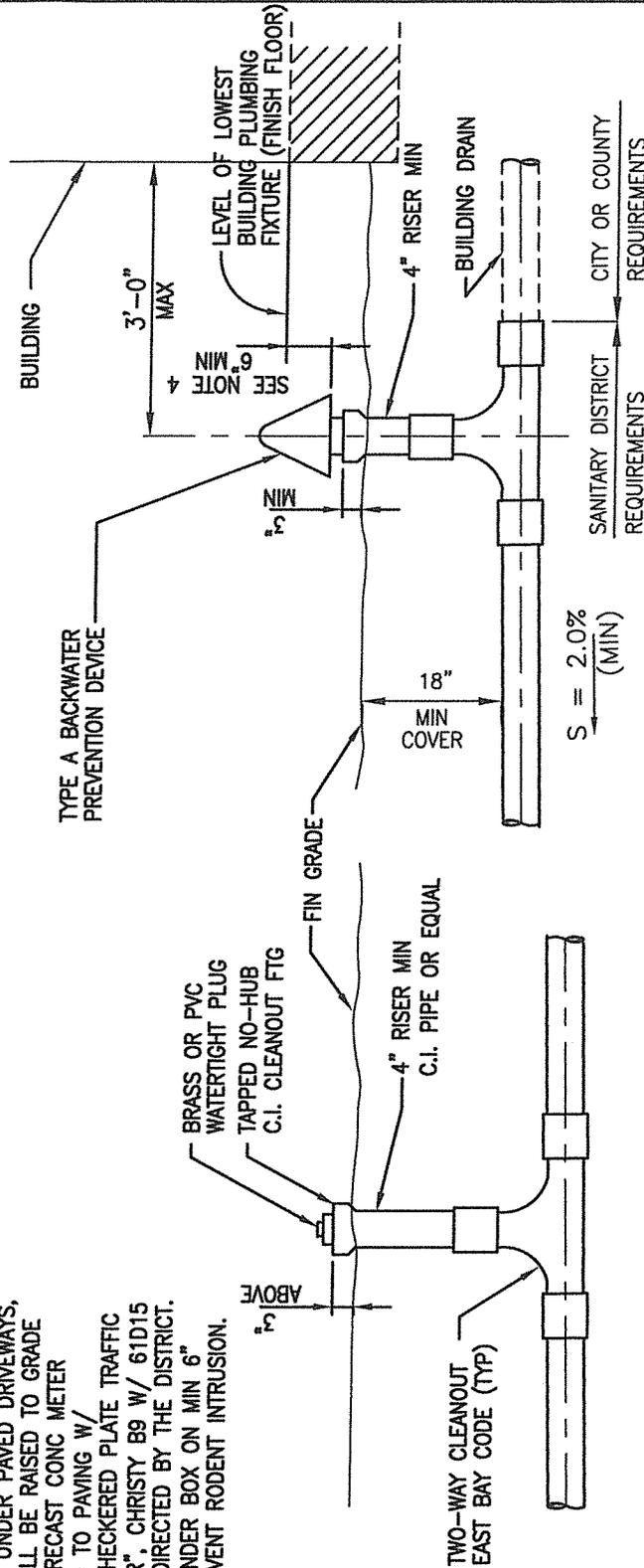
B. CLEANOUTS AND RISER PIPES SHALL BE 4" I.D., CI OR EQUAL, ON 4" SEWER LATERALS. 6" LATERALS SHALL HAVE 6" RISER PIPE FOR CLEANOUTS AND BLOWOFFS.

C. ALL FLEXIBLE COUPLINGS SHALL HAVE TYPE 316 STAINLESS STEEL SHEAR BANDS. CONNECTION OF HDPE LATERAL TO HDPE MAIN SHALL BE BY ELECTROFUSION COUPLER

MONTARA WATER & SANITARY DISTRICT		
TYPICAL SIDE SEWER DETAILS		
2017		SD 5

CLEANOUT BOXES IF REQUIRED:

CLEANOUTS LOCATED UNDER PAVED DRIVEWAYS, WALKWAYS, ETC. SHALL BE RAISED TO GRADE AND INSTALLED IN PRECAST CONC METER BOXES FLUSH FITTED TO PAVING W/ GALVANIZED STEEL CHECKERED PLATE TRAFFIC LIDS MARKED "SEWER", CHRISTY B9 W/ 61D15 LID, OR EQUAL, AS DIRECTED BY THE DISTRICT. PLACE WIRE MESH UNDER BOX ON MIN 6" DRAIN ROCK TO PREVENT RODENT INTRUSION.



STANDARD CLEANOUT

TYPE A BACKWATER PREVENTION DEVICE

DEVICE

NOTES:

1. A STANDARD 4" C.I. CLEANOUT IS THE MINIMUM DISTRICT REQUIREMENT.
2. A BACKWATER PREVENTION DEVICE IS REQUIRED AND SHALL BE INSTALLED ON ALL SIDE SEWERS.
3. A TYPE "A" BACKWATER PREVENTION DEVICE SHALL BE INSTALLED IN A LOCATION WHERE SEWAGE CAN OVERFLOW ON THE SURROUNDING AREA WITHOUT DAMAGE TO PROPERTY.
4. IF THE DIFFERENCE IN ELEVATION OF THE LOWEST FIXTURE AND THE TYPE "A" BACKWATER PREVENTION DEVICE IS LESS THAN SIX (6) INCHES, A BACKWATER CHECK VALVE SHALL BE INSTALLED AS SHOWN IN STANDARD DETAIL SD 7.
5. ALL FLEXIBLE COUPLINGS SHALL HAVE TYPE 316 STAINLESS STEEL SHEAR BANDS.
6. CLEANOUT AT PROPERTY LINE MAY BE DELETED WITH APPROVAL OF DISTRICT ENGINEER.

MONTARA WATER & SANITARY DISTRICT		
STANDARD CLEANOUT AND BACKWATER PREVENTION DEVICE		
2017		SD 6

TYPE A BACKWATER PREVENTION DEVICE,
SEE STANDARD DETAIL SD 6

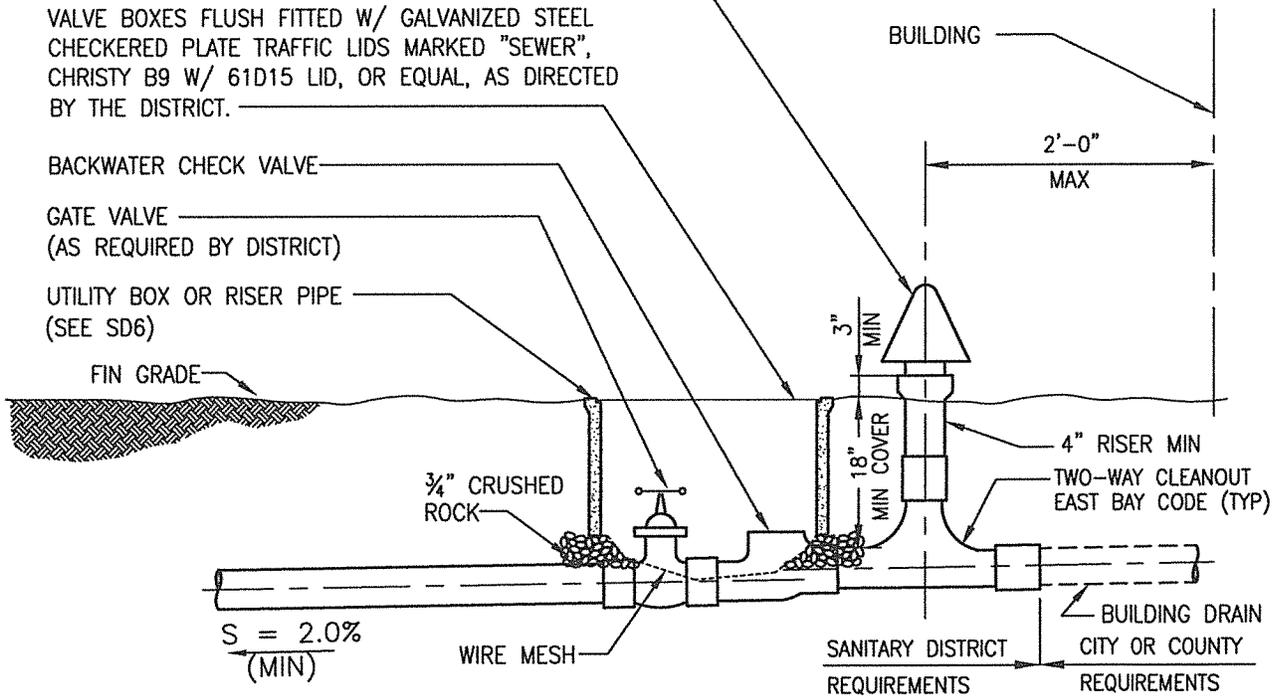
VALVES SHALL BE INSTALLED IN PRECAST CONCRETE VALVE BOXES FLUSH FITTED W/ GALVANIZED STEEL CHECKERED PLATE TRAFFIC LIDS MARKED "SEWER", CHRISTY B9 W/ 61D15 LID, OR EQUAL, AS DIRECTED BY THE DISTRICT.

BACKWATER CHECK VALVE

GATE VALVE
(AS REQUIRED BY DISTRICT)

UTILITY BOX OR RISER PIPE
(SEE SD6)

FIN GRADE



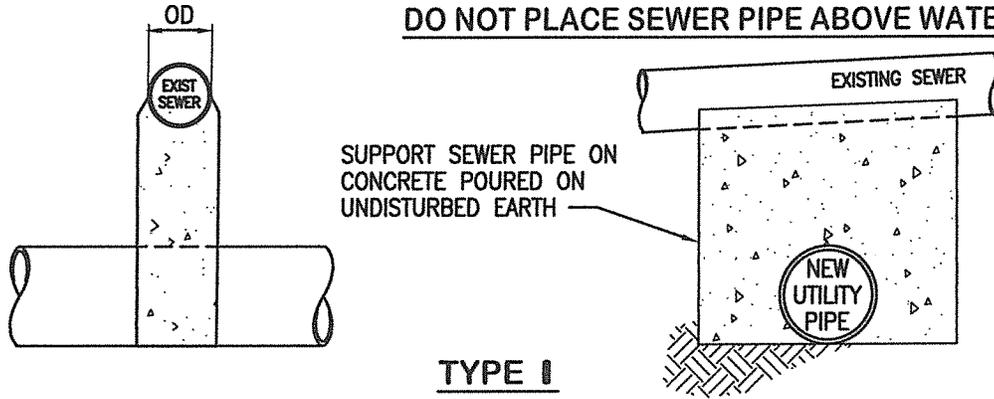
MONTARA WATER & SANITARY DISTRICT

BACKWATER CHECK VALVE
AND SHUTOFF SYSTEM

2017

SD 7

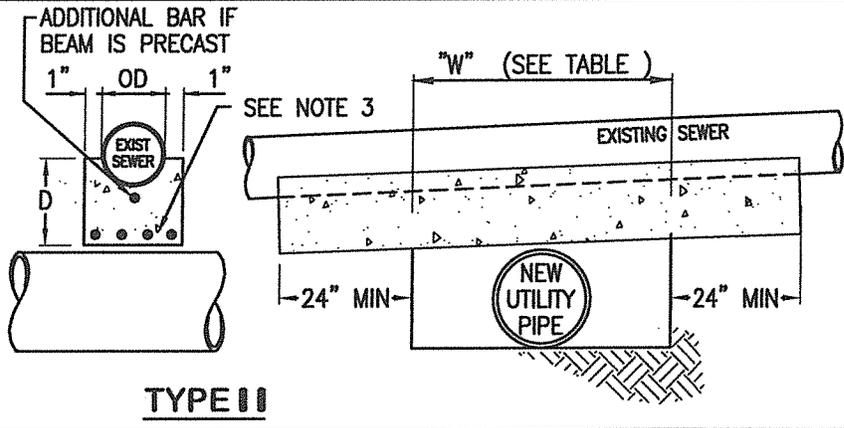
DO NOT PLACE SEWER PIPE ABOVE WATER PIPE



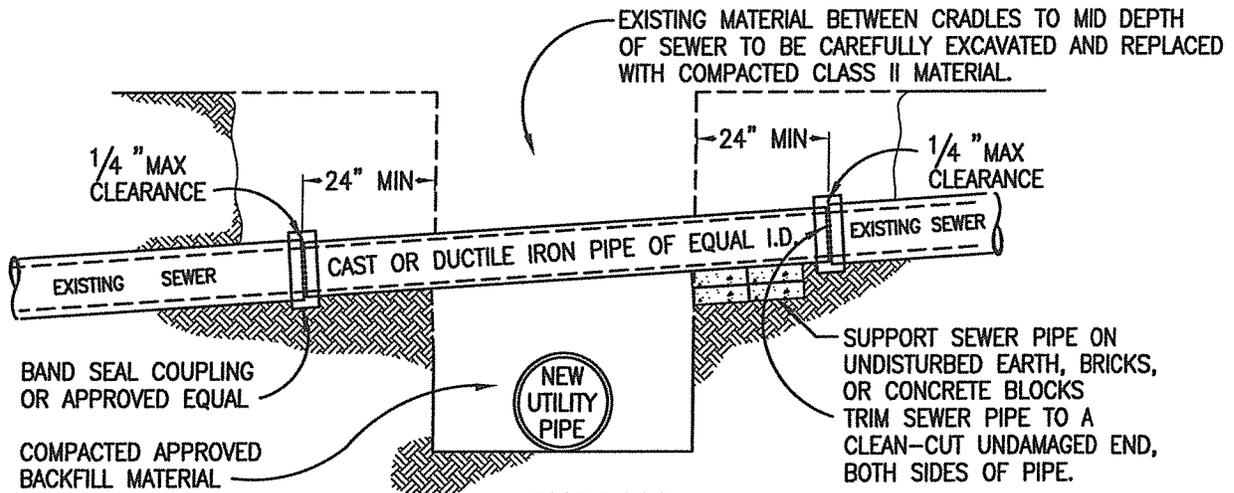
TYPE I

DIMENSIONS OF REINFORCED CONCRETE BEAM

W	DEPTH OF COVER TO SEWER			
	0' - 8'-0"		8'-0" - 16'-0"	
	D	BAR No.	D	BAR No.
4'	8"	4	8"	4
5'	8"	4	9"	5
6'	8 1/2"	5	10 1/2"	5
7'	9"	5	11 1/2"	6
8'	10"	5	12 1/2"	6
9'	11"	6	13 1/2"	6
10'	12"	6	15"	7



TYPE II



TYPE III

NOTES:

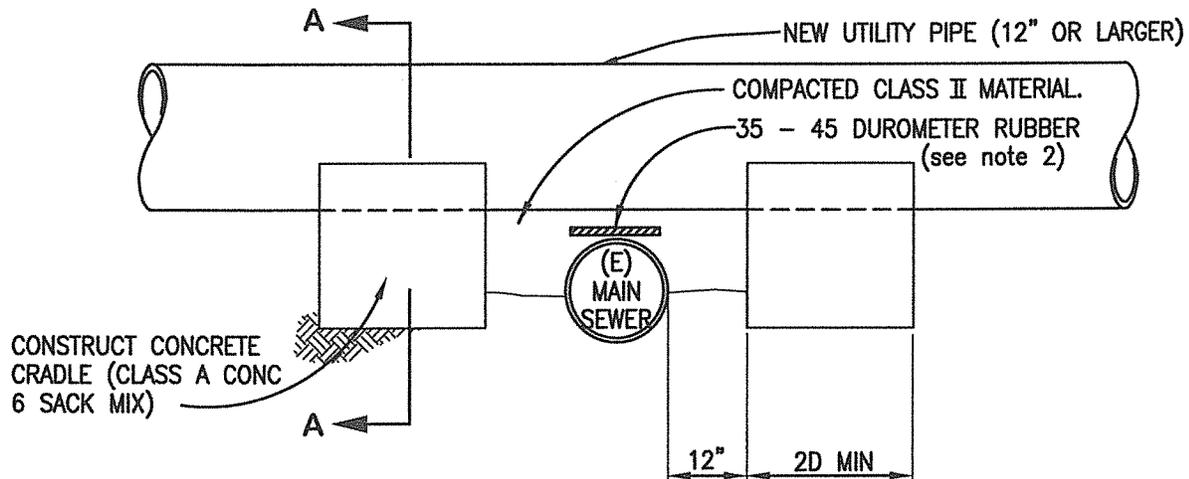
- SEWER PROTECTION, AS DETAILED HEREON, SHALL BE PROVIDED WHEN A NEW UTILITY PIPE IS INSTALLED BELOW AN EXISTING MAIN SEWER. TYPE I, TYPE II OR TYPE III MAY BE USED AT THE CONTRACTOR'S OPTION, UNLESS OTHERWISE SHOWN ON THE PLANS OR DIRECTED BY THE DISTRICT.
- WHEN THE CLEARANCE BETWEEN THE PIPES IS 1" OR LESS INSTALL A 4" x 4" PAD OF 35-45 DUROMETER RUBBER SNUGLY FIT BETWEEN THE PIPES.
- MAX SPACING OF REINFORCING STEEL TO BE 4" CENTER-CENTER.
- CONCRETE TO BE CLASS A (6 sack mix)
- BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY THE DISTRICT.
- IF UTILITY IS A WATER MAIN, SEE SD 10.1

MONTARA WATER & SANITARY DISTRICT

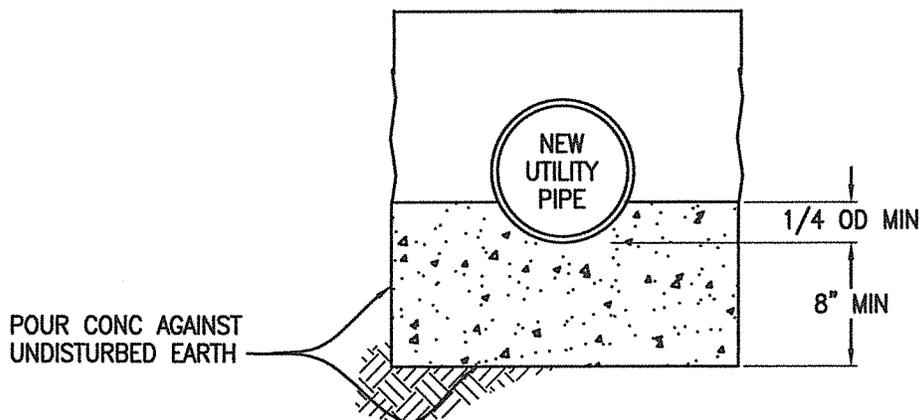
MAIN SEWER PROTECTION ABOVE UTILITY CROSSING

2017

SD 8



MAIN SEWER



SECTION A-A

NOTES:

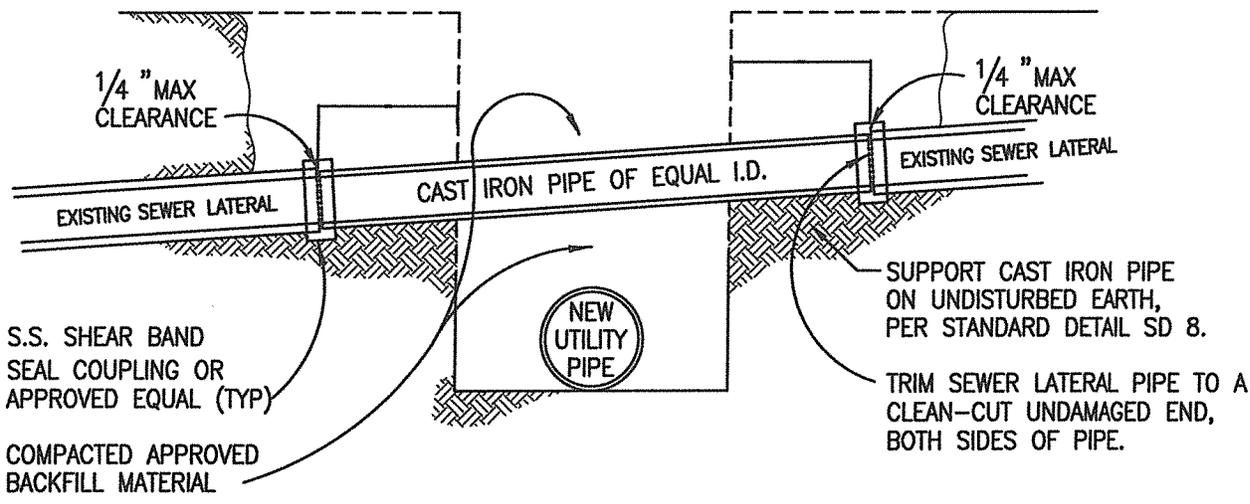
1. SEWER PROTECTION, AS DETAILED HEREON, SHALL BE PROVIDED WHEN A NEW UTILITY PIPE, 12" OR LARGER, IS INSTALLED ABOVE AN EXISTING MAIN SEWER AND THE CLEARANCE IS LESS THAN 12".
2. WHEN THE OUTSIDE DIAMETER OF THE PIPES ARE WITHIN 1" OF THE OTHER THERE SHALL BE A 4" x 4" PAD OF 35-45 DUROMETER RUBBER PLACED SNUGLY BETWEEN PIPES.
3. EXISTING MATERIAL BETWEEN CRADLES TO MID DEPTH OF SEWER TO BE CAREFULLY EXCAVATED AND REPLACED WITH COMPACTED CLASS II MATERIAL.
4. BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY DISTRICT.

MONTARA WATER & SANITARY DISTRICT

MAIN SEWER PROTECTION
BELOW UTILITY CROSSING

2017

SD 9



S.S. SHEAR BAND
SEAL COUPLING OR
APPROVED EQUAL (TYP)

COMPACTED APPROVED
BACKFILL MATERIAL

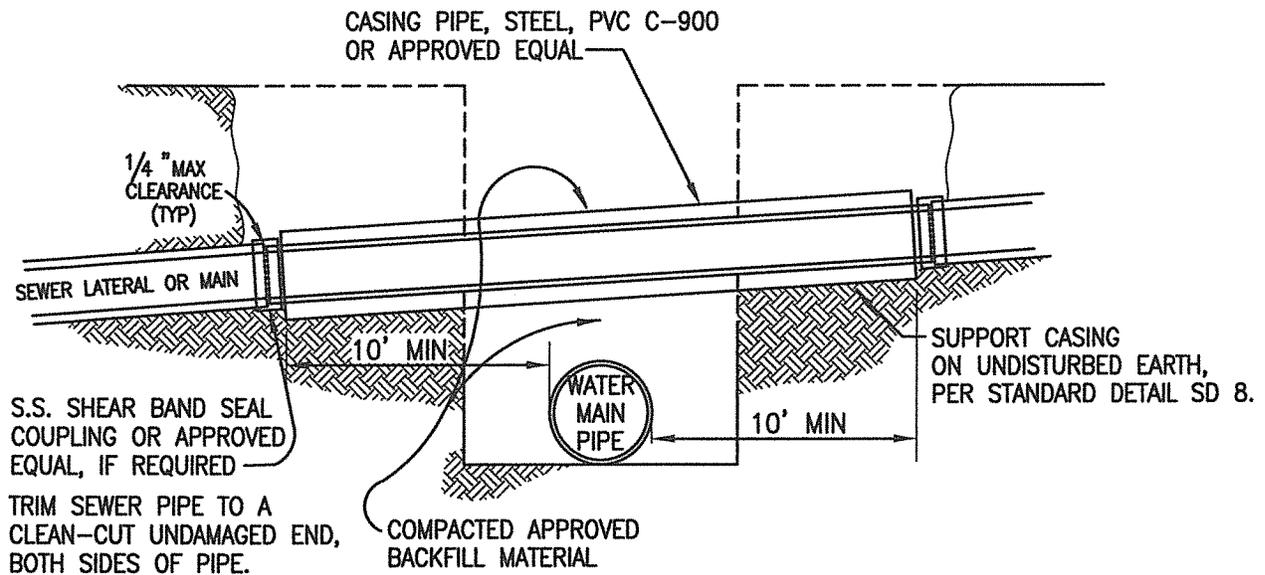
SUPPORT CAST IRON PIPE
ON UNDISTURBED EARTH,
PER STANDARD DETAIL SD 8.

TRIM SEWER LATERAL PIPE TO A
CLEAN-CUT UNDAMAGED END,
BOTH SIDES OF PIPE.

NOTES:

1. SEWER PROTECTION, AS DETAILED HEREON, SHALL BE PROVIDED WHEN A NEW UTILITY PIPE, 12" OR LARGER, IS INSTALLED BELOW AN EXISTING SEWER LATERAL.
2. BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY DISTRICT.
3. WHEN THE OUTSIDE DIAMETER OF THE PIPES ARE WITHIN 1" OF THE OTHER THERE SHALL BE A 4" x 4" PAD OF 35-45 DUROMETER RUBBER PLACED SNUGLY BETWEEN PIPES.
4. IF UTILITY IS A WATER MAIN, SEE SD 10.1

MONTARA WATER & SANITARY DISTRICT		
SEWER LATERAL PROTECTION ABOVE UTILITY CROSSING		
2017		SD 10.0



NOTES:

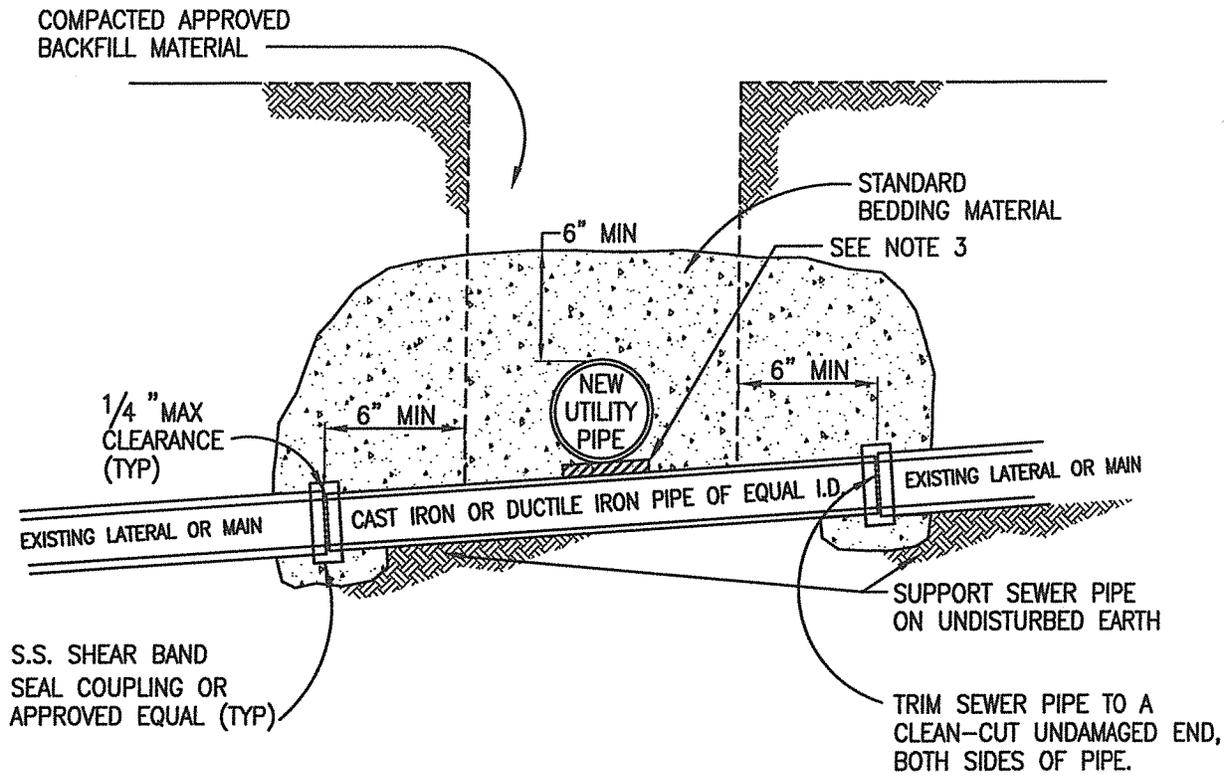
1. SEWER CASING PROTECTION, AS DETAILED HEREON, SHALL BE PROVIDED FOR ALL SEWER PIPES, MAIN OR LATERAL, INSTALLED OVER WATER MAINS.
2. BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY DISTRICT.
3. WHEN THE OUTSIDE DIAMETER OF THE WATER PIPE AND CASING ARE WITHIN 1" OF THE OTHER THERE SHALL BE A 4" x 4" PAD OF 35-45 DUROMETER RUBBER PLACED SNUGLY BETWEEN PIPES.
4. CASING LENGTH MUST EXTEND 10' BEYOND EITHER SIDE OF THE WATER MAIN.

**MONTARA WATER &
SANITARY DISTRICT**

**SEWER PIPE CASING
ABOVE WATER MAIN CROSSING**

2017

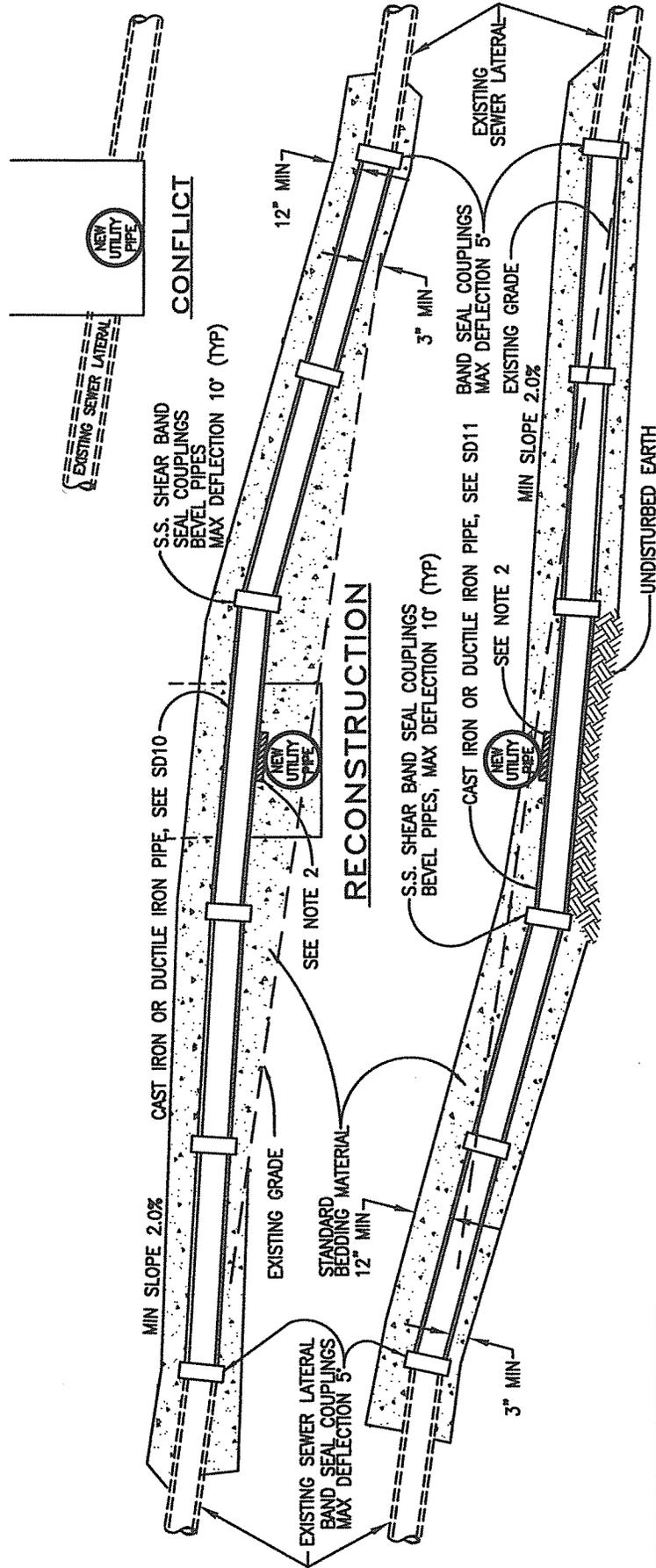
SD 10.1



NOTES:

1. SEWER PROTECTION, AND REPLACEMENT OF PIPE SECTION IF DAMAGED, AS DETAILED HEREON, SHALL BE PROVIDED WHEN ANY NEW UTILITY PIPE IS INSTALLED ABOVE AN EXISTING SEWER PIPE AND THE CLEARANCE IS LESS THAN 12".
2. BACKFILL SHALL NOT BE PLACED UNTIL PIPE INSTALLATION HAS BEEN INSPECTED AND APPROVED BY THE DISTRICT.
3. WHEN THE CLEARANCE BETWEEN THE PIPES IS 1" OR LESS, INSTALL A 4" x 4" PAD OF 35-45 DUROMETER RUBBER SNUGLY FIT BETWEEN THE PIPES.

MONTARA WATER & SANITARY DISTRICT		
SEWER PIPE PROTECTION BELOW UTILITY CROSSING		
2014		SD 11

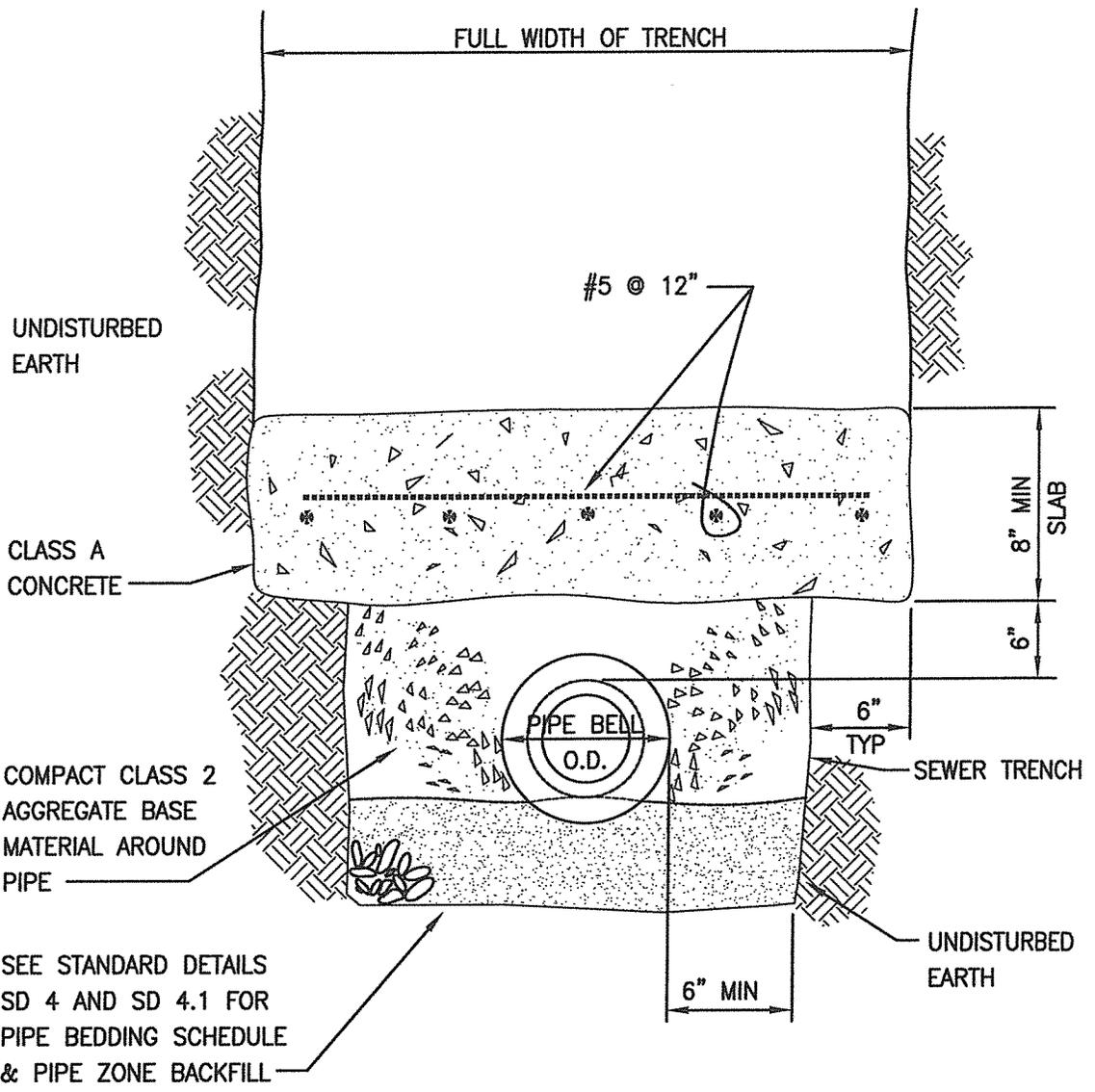


RECONSTRUCTION

NOTES:

1. WHEN ANY NEW UTILITY PIPE OR CONDUIT CONFLICTS WITH AN EXISTING SEWER LINE GRADE, THE UTILITY PIPE OR CONDUIT SHALL BE RAISED OR LOWERED, IF POSSIBLE, TO MISS THE SEWER LINE. IF IT IS NOT POSSIBLE TO MOVE THE UTILITY LINE, WRITTEN PERMISSION SHALL BE OBTAINED FROM THE SANITARY DISTRICT, AND THE SEWER LINE SHALL BE RECONSTRUCTED IN ACCORDANCE WITH ONE OF THE DETAILS ABOVE AND THE STANDARD SPECIFICATIONS OF THE DISTRICT.
2. WHEN THE CLEARANCE BETWEEN THE PIPES IS 1" OR LESS, INSTALL A 4" x 4" PAD OF 35-45 DUROMETER RUBBER SNUGLY FIT BETWEEN THE PIPES.
3. MINIMUM SLOPE OF LESS THAN 2.0% MAY BE USED ON PIPES 8" AND LARGER WITH DISTRICT APPROVAL.
4. IF SEWER IS OVER A WATER MAIN, INSTALL CASING, SEE SD10.1.

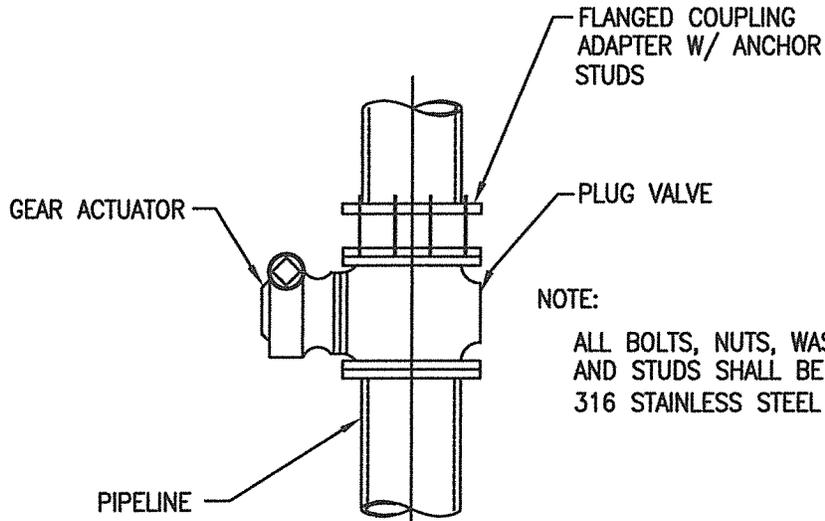
MONTARA WATER & SANITARY DISTRICT		
SEWER LATERAL RECONSTRUCTION AT UTILITY CROSSING		
2017		SD 12



MONTARA WATER & SANITARY DISTRICT

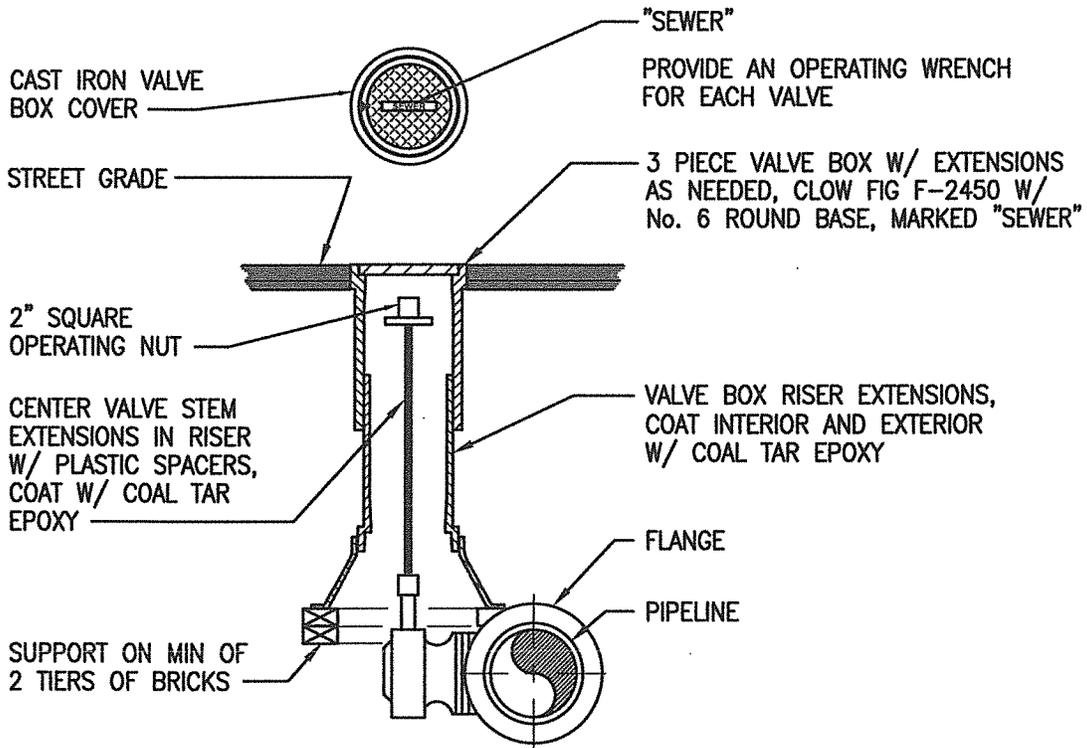
STANDARD CONCRETE PIPE PROTECTION

2017		SD 13
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NOTE:
ALL BOLTS, NUTS, WASHERS
AND STUDS SHALL BE TYPE
316 STAINLESS STEEL

PLAN VIEW



PROVIDE AN OPERATING WRENCH
FOR EACH VALVE

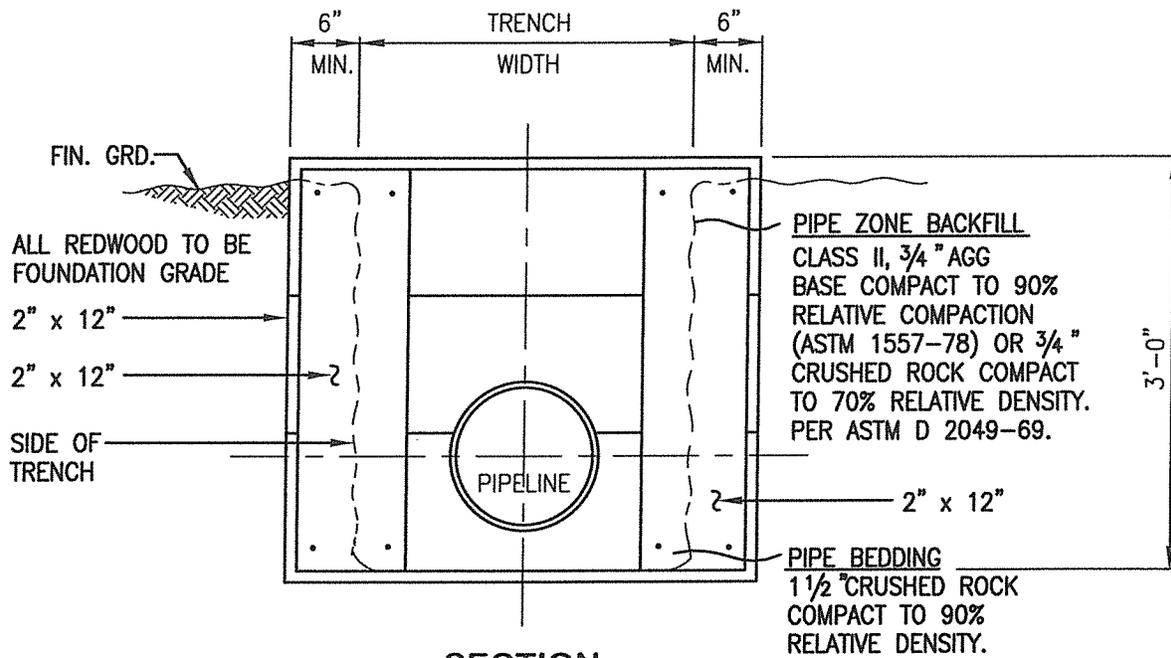
3 PIECE VALVE BOX W/ EXTENSIONS
AS NEEDED, CLOW FIG F-2450 W/
No. 6 ROUND BASE, MARKED "SEWER"

VALVE BOX RISER EXTENSIONS,
COAT INTERIOR AND EXTERIOR
W/ COAL TAR EPOXY

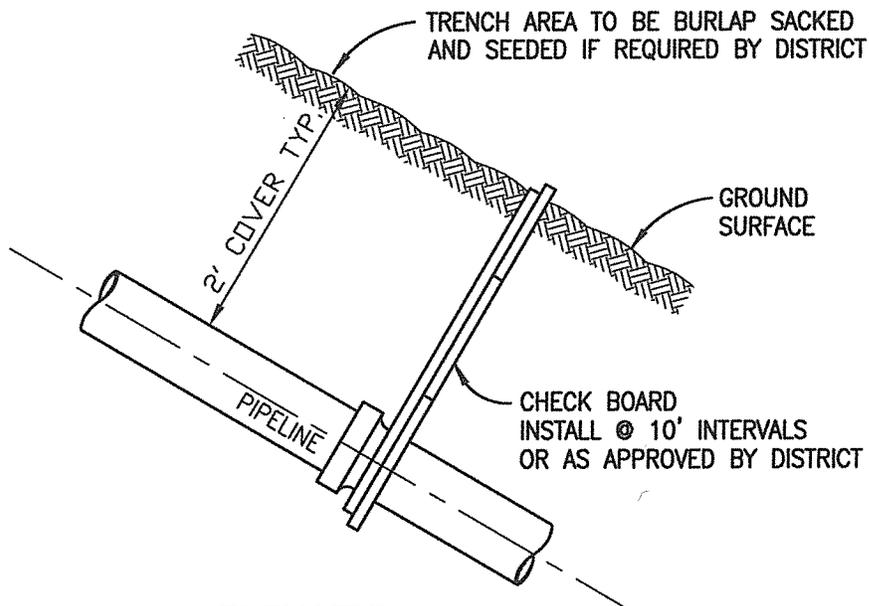
SECTION

NOTE:
ALL BURIED VALVES, GEAR
ACTUATORS, FLEX COUPLINGS
AND HARNESSES SHALL BE
COATED AND WRAPPED PER
SPECIFICATIONS.

MONTARA WATER & SANITARY DISTRICT		
FORCE MAIN VALVE		
2017		SD 14



SECTION



ELEVATION

NOTES:

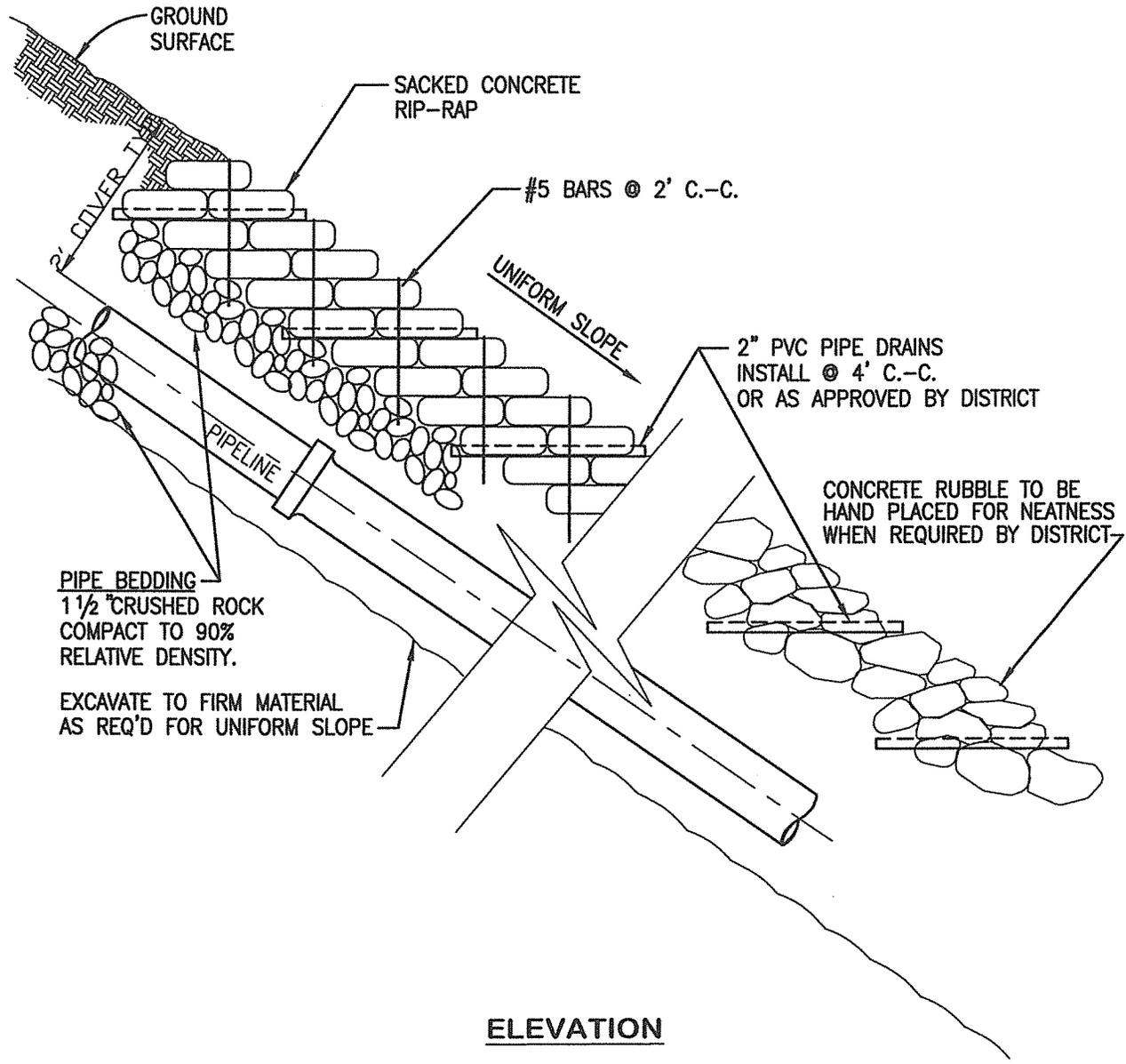
1. CHECK BOARDS TO BE PLACED ON ALL SLOPES GREATER THAN 50% OR WHERE REQUIRED BY THE DISTRICT.
2. ALL SLOPES 50% OR GREATER SHALL HAVE CLASS 150 C.I. BELL & SPIGOT PIPE.
3. CHECK BOARD MAY BE SUBSTITUTED WITH COMPACTED BASE ROCK (CLASS 2) MIXED WITH BENTONITE IF APPROVED BY THE DISTRICT ENGINEER.
4. MAY BE REQUIRED ON PIPEBURST MAINS AND LATERALS

MONTARA WATER & SANITARY DISTRICT

STANDARD REDWOOD
CHECK BOARD

2017

SD 15

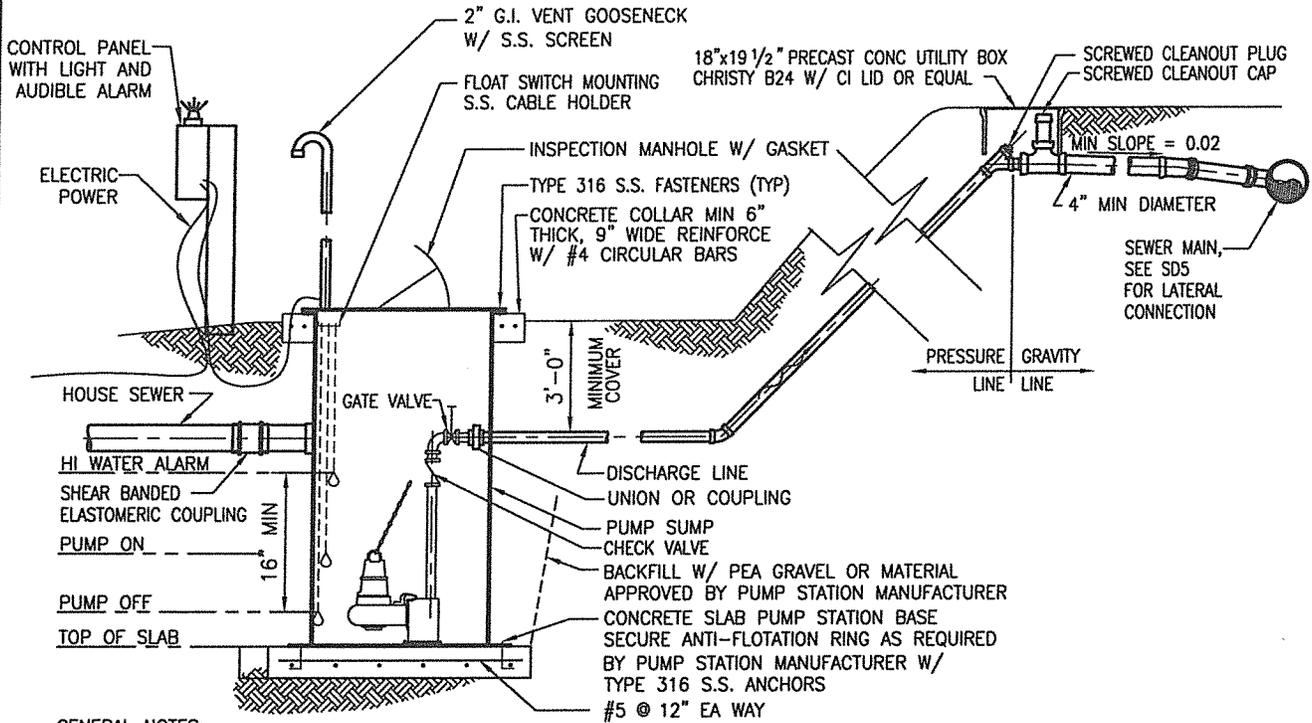


ELEVATION

NOTES:

1. CHECK BOARDS TO BE PLACED ON ALL SLOPES GREATER THAN 50% OR WHERE REQUIRED BY THE DISTRICT. SEE SD 15.
2. ALL SLOPES 50% OR GREATER SHALL HAVE CLASS 150 C.I. BELL & SPIGOT PIPE.

MONTARA WATER & SANITARY DISTRICT		
STANDARD RIP-RAP INSTALLATION		
2017		SD 16



GENERAL NOTES:

THE MINIMUM REQUIREMENTS FOR A RESIDENTIAL SEWAGE PUMPING SYSTEM CONNECTING A SINGLE RESIDENCE OR EQUIVALENT TO THE DISTRICT'S SYSTEM ARE SPECIFIED BELOW. THE DISTRICT ACCEPTS NO RESPONSIBILITY FOR THE DESIGN, OPERATION OR MAINTENANCE OF SUCH PRIVATELY OWNED AND OPERATED SYSTEMS. ALL WORK SHALL COMPLY WITH THE UNIFORM PLUMBING AND BUILDING CODES.

MANUFACTURERS:

ALL EQUIPMENT AND ACCESSORIES SHALL BE INDUSTRY STANDARD MANUFACTURED ITEMS AND THOSE COMING IN DIRECT CONTACT WITH SEWAGE SHALL BE SPECIFICALLY MANUFACTURED FOR SEWAGE USE.

PUMPS:

PUMPS SHALL BE SUBMERSIBLE SOLIDS HANDLING OR GRINDER TYPE SEWAGE PUMPS. PUMP MOTORS FOR RESIDENTIAL SERVICE SHALL BE EXPLOSION PROOF OR MEET CLASS 1, DIVISION 2 REQUIREMENTS PER NEC. ALL COMMERCIAL INSTALLATIONS SHALL CONSIST OF DUPLEX EXPLOSION PROOF PUMPS EACH RATED FOR TOTAL LOADING. ALL PUMP MOTORS SHALL BE UL LISTED.

PUMP SUMP:

THE PUMP SUMP SHALL BE CONSTRUCTED OUT OF NON-CORROSIVE MATERIAL OF SUITABLE STRENGTH TO WITHSTAND HYDRAULIC AND EARTH LOADS. THE PUMP SUMP SHALL BE A MINIMUM 36" DEEP WITH A MINIMUM CAPACITY OF 200 GALLONS AND SHALL BE PROVIDED WITH A FOUR (4) INCH MINIMUM INLET. IN ANY CASE THE INLET I.D. SHALL BE EQUAL TO OR GREATER THAN THE BUILDING PLUMBING STUB. THE TOP OF THE PUMP SUMP SHALL BE SECURELY ANCHORED TO THE PUMP SUMP BY BOLTS, AND ALL JOINTS BETWEEN THE COMPONENT PARTS SHALL BE SEALED WITH A WATERPROOF MASTIC.

ELECTRIC POWER SERVICE:

THE POWER REQUIREMENTS SHALL BE AS RECOMMENDED BY PACIFIC GAS AND ELECTRIC COMPANY.

ELECTRICAL WORK AND CONTROLS:

ALL ELECTRICAL WIRING AND INSTALLED CABLING, CONDUIT AND CONTROLS SHALL MEET NEC CLASS 1, DIVISION 2 REQUIREMENTS AND CONFORM TO THE REQUIREMENTS OF THE CITY OR COUNTY. THE ELECTRICAL CONTROLS SHALL PROVIDE ADEQUATE PROTECTION FOR MOTOR AND EQUIPMENT. THE ELECTRICAL CONTROL PANEL SHALL MEET NEC AND UL STANDARDS FOR SAFETY. OUTDOOR PANELS SHALL BE WEATHER TIGHT NEMA 4X. INDOOR PANELS SHALL BE NEMA 1.

FLOAT SWITCH ASSEMBLY AND HIGH-WATER ALARM:

A VISIBLE RED LIGHT AND AUDIBLE HIGH WATER ALARM SHALL BE PROVIDED. THE HIGH WATER ALARM SHALL BE ACTIVATED BY A DEDICATED FLOAT AND SHALL HAVE BATTERY BACKUP. ALL FLOAT SWITCHES SHALL HAVE GAS-TIGHT MOUNTINGS.

VENT FOR PUMP SUMP:

WHERE SYSTEM IS LOCATED WITHIN THE DWELLING, A VENT TWO (2) INCHES OR LARGER SHALL BE PROVIDED. WHERE SYSTEM IS LOCATED OUTSIDE THE DWELLING, A TWO (2) INCH OR LARGER VENT SHALL BE EXTENDED TO A POINT TEN (10) FEET ABOVE THE PUMP SUMP COVER.

DISCHARGE LINE:

THE PRESSURE PORTION OF THE DISCHARGE LINE SHALL INCLUDE A CHECK VALVE, GATE VALVE AND FLEXIBLE COUPLINGS AND SHALL BE A MINIMUM 1/2" DIAMETER LARGER THAN THE PUMP DISCHARGE. ALL PIPE, VALVES AND COUPLINGS SHALL CONFORM TO THE STANDARD SPECIFICATIONS. THE GRAVITY PORTION OF THE DISCHARGE LINE SHALL BE FOUR (4) INCH MINIMUM DIAMETER PIPE, SHALL MEET THE DISTRICT REQUIREMENT FOR SIDE SEWERS AND SHALL PROVIDE A MINIMUM TWELVE (12) INCH VERTICAL DROP AT THE JUNCTION WITH THE PRESSURE LINE.

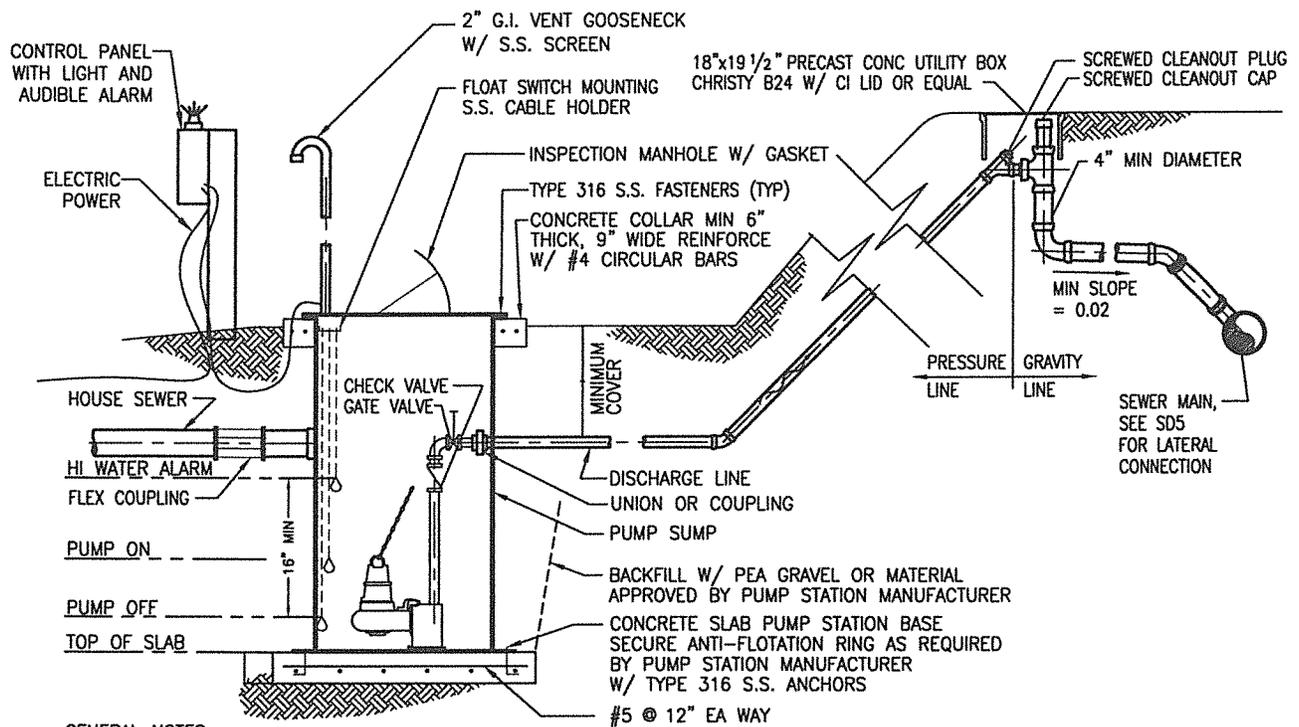
SHALLOW SEWER MAIN CONNECTION

MONTARA WATER & SANITARY DISTRICT

RESIDENTIAL SEWERAGE PUMPING SYSTEM

2017

SD 17.0



GENERAL NOTES:

THE MINIMUM REQUIREMENTS FOR A RESIDENTIAL SEWAGE PUMPING SYSTEM CONNECTING A SINGLE RESIDENCE OR EQUIVALENT TO THE DISTRICT'S SYSTEM ARE SPECIFIED BELOW. THE DISTRICT ACCEPTS NO RESPONSIBILITY FOR THE DESIGN, OPERATION OR MAINTENANCE OF SUCH PRIVATELY OWNED AND OPERATED SYSTEMS. ALL WORK SHALL COMPLY WITH THE UNIFORM PLUMBING AND BUILDING CODES.

MANUFACTURERS:

ALL EQUIPMENT AND ACCESSORIES SHALL BE INDUSTRY STANDARD MANUFACTURED ITEMS AND THOSE COMING IN DIRECT CONTACT WITH SEWAGE SHALL BE SPECIFICALLY MANUFACTURED FOR SEWAGE USE.

PUMPS:

PUMPS SHALL BE SUBMERSIBLE SOLIDS HANDLING OR GRINDER TYPE SEWAGE PUMPS. ALL COMMERCIAL INSTALLATIONS SHALL CONSIST OF DUPLEX EXPLOSION PROOF PUMPS EACH RATED FOR TOTAL LOADING. ALL PUMP MOTORS SHALL BE UL LISTED.

PUMP SUMP:

THE PUMP SUMP SHALL BE CONSTRUCTED OUT OF NON-CORROSIVE MATERIAL OF SUITABLE STRENGTH TO WITHSTAND HYDRAULIC AND EARTH LOADS. THE PUMP SUMP SHALL BE A MINIMUM 36" DEEP WITH A MINIMUM CAPACITY OF 200 GALLONS AND SHALL BE PROVIDED WITH A FOUR (4) INCH MINIMUM INLET. IN ANY CASE THE INLET I.D. SHALL BE EQUAL TO OR GREATER THAN THE BUILDING PLUMBING STUB. THE TOP OF THE PUMP SUMP SHALL BE SECURELY ANCHORED TO THE PUMP SUMP BY BOLTS, AND ALL JOINTS BETWEEN THE COMPONENT PARTS SHALL BE SEALED WITH A WATERPROOF MASTIC.

ELECTRIC POWER SERVICE:

THE PUMP SYSTEM POWER REQUIREMENTS SHALL BE PROVIDED AS RECOMMENDED BY PUMP SYSTEM MANUFACTURER.

ELECTRICAL WORK AND CONTROLS:

ALL ELECTRICAL WIRING AND INSTALLED CABLING, CONDUIT AND CONTROLS SHALL MEET NEC AND UL STANDARDS FOR SAFETY REQUIREMENTS AND CONFORM TO THE REQUIREMENTS OF THE CITY OR COUNTY. THE ELECTRICAL CONTROLS SHALL PROVIDE ADEQUATE PROTECTION FOR MOTOR AND EQUIPMENT. THE ELECTRICAL CONTROL PANEL SHALL MEET NEC AND UL STANDARDS FOR SAFETY. OUTDOOR PANELS SHALL BE WEATHER TIGHT. INDOOR PANELS SHALL BE NEMA 1.

FLOAT SWITCH ASSEMBLY AND HIGH-WATER ALARM:

A VISIBLE RED LIGHT AND AUDIBLE HIGH WATER ALARM SHALL BE PROVIDED. THE HIGH WATER ALARM SHALL BE ACTIVATED BY A DEDICATED FLOAT AND SHALL HAVE BATTERY BACKUP.

VENT FOR PUMP SUMP:

WHERE SYSTEM IS LOCATED WITHIN THE DWELLING, A VENT TWO (2) INCHES OR LARGER SHALL BE PROVIDED. WHERE SYSTEM IS LOCATED OUTSIDE THE DWELLING, A TWO (2) INCH OR LARGER VENT SHALL BE EXTENDED TO A POINT TEN (10) FEET ABOVE THE PUMP SUMP COVER.

DISCHARGE LINE:

THE PRESSURE PORTION OF THE DISCHARGE LINE SHALL INCLUDE A CHECK VALVE, GATE VALVE AND FLEXIBLE COUPLINGS AND SHALL BE A MINIMUM 1/2" DIAMETER LARGER THAN THE PUMP DISCHARGE. ALL PIPE, VALVES AND COUPLINGS SHALL CONFORM TO THE STANDARD SPECIFICATIONS. THE GRAVITY PORTION OF THE DISCHARGE LINE SHALL BE FOUR (4) INCH MINIMUM DIAMETER PIPE, SHALL MEET THE DISTRICT REQUIREMENT FOR SIDE SEWERS AND SHALL PROVIDE A MINIMUM TWELVE (12) INCH VERTICAL DROP AT THE JUNCTION WITH THE PRESSURE LINE.

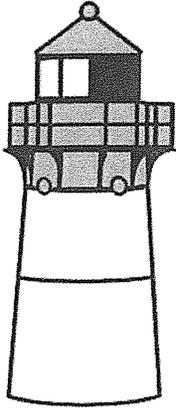
DEEP SEWER MAIN CONNECTION

MONTARA WATER & SANITARY DISTRICT

RESIDENTIAL SEWERAGE PUMPING SYSTEM

2017

SD 17.1



Montara Water and Sanitary District

STANDARD SEWER SPECIFICATIONS

ATTACHMENT A:

SPECIFICATIONS FOR LATERAL SEWERS

Adopted by the Board of Directors by Resolution No. _____

On December 7th, 2017

SPECIFICATIONS FOR LATERAL SEWERS

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MONTARA WATER AND SANITARY DISTRICT

SPECIFICATIONS FOR LATERAL SEWERS

All lateral sewers within the Montara Water and Sanitary District must conform to these specifications and each District's Standard Specifications and Sanitary Code, copies of which are available from the District offices. These definitions specifications and details supersede District's Standard Specifications and Sanitary Code for laterals only. The remainder of the codes and Specifications remain in effect.

Following is a summary of the specifications regarding lateral sewers.

Lateral or Building Sewer. The sanitary sewer pipe beginning at the wye connection with the main sewer and terminating at its point of connection to the building's sanitary or waste plumbing at the point the plumbing first extends outside the building's foundation, which location must be two feet or less from the building foundation. The lateral or building sewer, including the wye, is privately owned and maintained.

Upper Lateral. That portion of the lateral sewer lying within private property. (Normally that portion of the lateral sewer between the connection to the building's waste plumbing and public right-of-way or property line.) The upper lateral sewer is privately owned and maintained.

Lower Lateral. That portion of the lateral sewer lying within a street or sewer right-of-way. (Normally that portion of the lateral sewer between the main sewer and property or right-of-way line.) The lower lateral sewer is privately owned and maintained.

Main Sewer. The public sewer pipe which accommodates more than one lateral sewer and is normally six inches or more in diameter. The District maintains the main sewer.

Section 1. GENERAL INFORMATION

1-01 Jurisdiction. The District has jurisdiction over all property to receive sewer service within the District boundaries. District jurisdiction includes, but is not limited to: issuing permits to connect to the main sewer, specification of design, type of material, construction requirements, inspection, and testing.

1-02 Ownership and Maintenance. Each building's lateral sewer, including the sewer ejector pump system if applicable, is owned and maintained by the property owner from the building to the connection with the sewer main.

1-03 Liability. The District and its officers and employees shall not be liable for injury or death to any person, or damage to any property, arising during or growing out of, the performance of any work described herein.

1-04 California Environmental Quality Act Requirements. Any person requesting a sewer connection permit must also comply with all applicable environmental guidelines, including the District's Local Guidelines adopted pursuant to the Environmental Quality Act of 1970, and must

make all deposits required and pay all fees established by the District to process applications to comply with said Act.

1-05 Prohibited Wastes. Except as hereinafter provided, it is unlawful for any person to discharge, or cause to be discharged, any of the following described waters or wastes into any manhole or sanitary sewer connecting to the main sewer:

a) Drainage. Leaders from roofs and surface drains for rainwater. Surface or subsurface drains for rainwater, storm water, seepage, industrial cooling water, or unpolluted industrial process waters.

b) Swimming pool discharge water, except when the size of the pipe carrying the discharge water is less than two inches and under a head not to exceed twenty feet. If the water is discharged by pumping, the rate of flow cannot exceed fifty (50) gallons per minute. The swimming pool discharge connection must be equipped with an approved separator to prevent the backflow of sewage into the swimming pool or piping system.

c) Septic tank sludge.

d) Industrial waste or any solid, semisolid, or liquid substance resulting from any industrial manufacturing, commercial process, or from any garage, service station, or wash rack, without first having obtained a permit to discharge.

e) Liquid or vapor having a temperature higher than 150° F.

f) Water or waste which contains more than 100 parts per million, by weight, of fat, oil, or grease.

g) Food waste that has not been shredded so that all particles will be carried freely under the flow conditions normally prevailing in the main sewer, with no particle greater than one-half inch in any dimension.

h) Ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, paint, solvents, or any other solid or viscous substance capable of causing obstruction to the flow in sewers or causing other interference with the proper operation of the sewage works.

i) Waters or wastes having a pH lower than 5.5 or higher than 9.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.

j) Waters or wastes containing toxic or poisonous substance(s) in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the sewage treatment plant.

k) Waters or wastes containing suspended solids of such character or quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant.

l) Noxious or malodorous gas or substance capable of creating a public nuisance.

Section 2. Permits and Inspections

2-01 Permits & Regulations. Following is a summary of the permits and regulations that are generally applicable to the installation of lateral sewers. This list is not intended to be all inclusive.

2-02 Building Permit. For new buildings and remodels, a building permit issued by the building department of jurisdiction must be obtained prior to issuance of a sewer connection permit by the District.

2-03 Plans Required. Plans approved by the building department of jurisdiction must be furnished to the District upon making application for a sewer connection permit for new structures. Said plans must show the location of the proposed structure, floor plans showing plumbing fixtures, including any floor drains, and the location of the lateral sewer. Plans should be in a PDF (electronic) format. The District may require a survey by a registered land surveyor or engineer if it is necessary to determine: a) the invert elevation of the lateral sewer and/or building floor; and/or b) that the proposed sewer installation is within the property line or easement.

2-04 Encroachment Permit (As Required). When lateral sewer construction extends into a street right-of-way, an encroachment permit must be obtained from the agency having jurisdiction over said street, and all construction must comply with the State, County, and City/Town laws, ordinances, rules and regulations pertaining to the cutting of pavement, opening, barricading, lighting, and protection of trenches, backfilling and paving. The lateral encroachment permit and/or other permits required must be obtained prior to issuance of a sewer connection permit by the District.

2-05 Sewer Connection Permit. A permit from the District is required for any alteration, repair, replacement, new construction, connections, or abandonment/disconnect of lateral sewers that flow to the District's public sewer system. Note that plumbing changes within the building are regulated by the building department of the jurisdiction in which the building is located. Work performed without a valid District Permit will be subject to removal, reconstruction, and additional fees to the property owner. To obtain a permit from the District:

- a. Complete the District's application form for the proposed sewer lateral work.
- b. Provide a set of approved plans showing work to be performed and plumbing fixtures including Building Permit Number.
- c. Provide a copy of encroachment permits (if applicable).
- d. Copies of recorded easements for laterals crossing private property of other property owners
- e. Determine appropriate fees to District per District's application forms and payment of applicable fees to District.

2-06 Permits are Non-Transferable. Permits are issued for a specific property giving the property's street address and Assessor's Parcel Number. Permits may not be transferred to another property without written approval of the District Board of Directors.

2-07 Time Limit on Permits. The sewer connection permit becomes void and the fees paid are forfeited under the following conditions: a) work is not commenced within one year from date of issue; or b) after partial completion, work is discontinued for a period of one year. Work may not begin/resume until a new, valid sewer connection permit is obtained. The new sewer connection permit will be issued upon application and payment of applicable fees.

2-08 Compliance with Regulations. A copy of all required permits must be kept at the job site when the lateral sewer is being constructed.

Section 3. Design Requirements

3-01 Separate Sewers. Each structure requiring sewer service must be separately and independently connected to the main sewer. Upon application, the District may grant an exception in the following situations: a) multiple structures on one lot that cannot be subdivided; or b) condominiums having CC&R's providing for sewer maintenance by the homeowner's association. Exceptions are granted at the discretion of the District.

3-02 Pipe Size. The minimum size of pipe for lateral sewers is: a) 4-inch inside diameter when serving less than one hundred-fifty (150) fixture units; and b) when serving over one hundred-fifty (150) fixture units, the pipe must conform to the size requirements for horizontal drainage based on fixture unit loading as set out in the California Plumbing Code. In no event will a lateral sewer be permitted to connect to a main sewer of lesser size on the downstream side.

3-03 Pipe Slope. The minimum slope for a four-inch diameter lateral sewer is 2.0 foot per 100 feet (2.0%), unless specifically approved by the District. The minimum slope for a lateral sewer greater than four inches is 1.0 feet per 100 feet (1.0%).

3-04 Pipe Cover. The minimum cover over the top of a lateral sewer must be: a) See Table 1 when pipe is outside of street right-of-way; and b) three feet when pipe is in a street right-of-way. When the foregoing pipe cover cannot be maintained, special pipe bedding, rip-rap, and/or concrete cap may be required by the District.

3-05 Pipe Materials. See Table 1 - Private Lateral Sewer Pipe Materials List

3-06 Cleanouts. Cleanouts must be installed at the following locations: a) at the junction of the building plumbing and the lateral sewer (two feet or less, outside the building); b) at each bend or change in direction of the lateral sewer greater than 45° (1/8 bend); and c) where a run of pipe without bends exceeds ninety feet. All cleanouts, except the blow-off cleanout, must be brought to grade, properly capped, and completely watertight.

3-07 Backwater Prevention Device (Blow-off Cleanout). All lateral sewers must be equipped with a backwater prevention device (blow-off or popper cleanout) as shown in Standard Drawings SD-5, SD-6 and SD-7. The elevation of the overflow rim of the backwater prevention device must be at least three inches above finish grade and at least six inches below the lowest plumbing fixture. In driveways or other paved areas, a pipe may be extended to the side from a wye to the backwater prevention device. If this installation is not feasible, a check valve must be installed in the lateral sewer ahead of the backwater prevention device in accordance with Standard Drawings SD-5, SD-6 and SD-7.

3-08 Interceptors Required & Maintenance. Fats, Oils, and Grease, (FOG), and sand interceptors must be permitted, installed and maintained in conjunction with commercial sewers when necessary, in the opinion of the District, for the proper handling of liquid wastes containing grease in excessive amounts, flammable wastes, sand, or other substances capable of causing: a) a public nuisance, or b) damage or hazard to structures, equipment, and personnel of the sewage works. Interceptors must be: a) a type and capacity approved by the District and the wastewater treatment authority (MWSD or Sewer Authority Mid-costside, SAM), b) easily accessible for cleaning and inspection, and c) maintained in a continuously efficient operation at all times by the property owner at the property owner's expense.

3-09 Residential Sewage Pump Systems. Where gravity service is not feasible, special application may be made to the District to allow installation of a residential sewage pump system in accordance with Standard Drawings SD-17 and 17.1. The District must approve the design of the system, and the District reserves the right to prohibit the installation of a residential sewage pump system. When installation of a residential sewage pump system is approved, the following general requirements must be met:

Installation of the sewer ejector pump, electrical work, holding tank and alarm must: a) meet the codes and regulations of the building department of jurisdiction issuing the building permit; and b) be inspected by a Inspector from said building department.

The discharge pipe from the building outlet to the sewage pump must be gravity flow and be equipped with a blow-off cleanout. The pressurized discharge line from the holding tank must be equipped with a check valve as close as possible to the holding tank, followed by a gate valve. The pressurized discharge line must be installed for the shortest distance feasible, at which point the pressurized discharge line must be converted to gravity flow using a wye, and a cleanout must be installed on the gravity flow portion of the wye. A pressurized discharge line will not be permitted to connect to the main sewer unless no other alternative is possible AND, in the opinion of the District, the main sewer can facilitate the pressurized connection.

All gravity and pressure discharge lines must be inspected by a District Representative before being covered.

3-10 Taps into Main Sewer. Tap connections to the main sewer, when permitted, must be made in the presence of a District Representative. Subject to price approval of the District, connections must be made as follows:

- a) 6-inch or less diameter main sewers - a wye (for HDPE pipe use a tee or wye which must be electrofusion-welded to HDPE main)

- b) 8-inch or larger diameter main sewers - "Tap Tite" or equal pipe penetration type connection may be used only if pre-approved by the District Engineer.

3-11 Pipebursting Rehabilitation of Laterals

Pipebursting rehabilitation of lateral sewers with a minimum of three (3) feet of cover within street right of ways may be performed with District approval.

The District may reject the use of pipe bursting method for rehabilitation of lateral sewers based on the pre-installation CCTV or on site conditions.

The trenchless pipe replacement shall utilize High Density Polyethylene (HDPE) Pipe with a DR of 17 as the carrier pipe and a minimum size of 4" ID (4.5" OD).

Pipes shall be pipeburst using a method that will not cause undue vibration or impact in the ground around the pipe or damage adjacent utilities.

3-12 Cured-in-Place (CIPP) Rehabilitation of Laterals

CIPP rehabilitation of lateral sewers may be performed only upon prior approval by the District. CIPP materials shall be approved by the District. The Contractor shall provide written certificates from the lining manufacturer. Prior to water being discharged into the sewer system, Contractor shall obtain a permit from the wastewater treatment authority (MWSD or SAM).

3-13 Closed Circuit Television Inspections (CCTV)

All CCTV inspections of the inside of lateral pipes must be performed by a licensed plumber. CCTV inspections submitted to the District for review shall include a .pdf log on a DVD or USB memory stick and a written inspection report. Listing all pipe events, defects, sags, lateral connection locations including quadrant position, infiltration points and other conditions, etc., observed on a footage basis.

3-14 Old Lateral sewers. A new structure or major remodel is not permitted to connect to an old lateral sewer unless the old lateral sewer is tested in the presence of a District Representative and found to meet all current District requirements, including installation of a backwater prevention device. All costs for examination and testing must be paid by the property owner. A sewer connection permit is required for the new structure and said permit will only be issued after: a) the building department of jurisdiction issues the building permit; and b) payment of applicable fees to the District.

3-15 Abandoned or Unused Lateral sewers. Any abandoned or unused lateral sewer connected to the main sewer, including lateral sewers from structures that are demolished, must be dug out to the main sewer, and the wye, tee, or connection area must be cut away and spliced with a solid piece of pipe of the same size and dimension, i.e. plugged off. Plugging off must be done in the presence of a District Representative.

3-16 Existing Septic Tanks. Septic tanks are under the jurisdiction of the County of San Mateo Environmental Health Department. The Health Department must be notified when a septic tank is abandoned or encountered during installation of a lateral sewer. The District's

requirements are: a) all building plumbing outlets must connect to the lateral sewer and completely bypass the septic tank; and b) the septic tank must be abandoned following regulations of the California Plumbing Code and the County of San Mateo Environmental Health Department.

Septic tanks must be abandoned if the nearest building is less than 400 feet from the District main.

Section 4. Construction

4-01 Location of Lateral Stub. It is the responsibility of the property owner or his contractor to locate and uncover the lateral stub or wye installed to serve the property. When the lateral stub or wye cannot be located, even though the District's records indicate such a connection exists, the lateral sewer must be connected to the main sewer at a location designated by the District at the expense of the property owner as required in Section 3-10 of this Specification. The District does not guarantee the presence or location of lateral stubs or wyes.

4-02 Laying Pipe. Lateral sewers must be laid by the shortest route from the building plumbing outlet to connect to the main sewer and must be perpendicular to the public right-of-way when possible. All pipes must be laid to line and grade. Each length of pipe must be laid on a firm bed as detailed in Standard Drawing SD-4 and must have full bearing for its entire length between bells. When applicable, an adequate bell hole must be dug at the end of each pipe length for making the joint. Blocking under the lateral sewer will not be permitted. The inside edge of any cut pipe must be beveled, and both bell and spigot must be marked for proper inspection and cleaned before the joint is made. Care must be taken to prevent foreign materials from entering the pipe. Water must be pumped from the trench while the pipes are laid and the joints made. Backfill must be carefully and uniformly placed around the pipe, with no rocks or clods touching the pipe. In rocky areas, imported bedding material may be required. Pipe must not be covered until inspected by a District Representative.

4-03 Inspections. Prior to backfilling, lateral sewer installations and modifications must be inspected by a District Representative or Engineer (Representative). When required, tests for watertightness must be done in the presence of a District Representative. Connections to the main sewer must be done in the presence of a District Representative. Inspections must be scheduled with the District giving three working days advance notice. Inspections are not made on Saturdays, Sundays, or holidays.

4-04 Trenches Lateral sewers - Excavation and Backfilling. Trenches for lateral sewers within public streets must be excavated and backfilled and the pavement restored in strict accordance with the laws, ordinances, and regulations of the State of California, San Mateo County and/or agency having jurisdiction over said street. The District, City and/or County reserves the right to require compaction tests on trench backfill by a soils engineer. The cost of compaction tests must be paid by the contractor or property owner.

4-05 Clay Plugs. Impervious clay trench plugs must be constructed in the pipe zone backfill at intervals of approximately fifty (50) feet, or as otherwise directed by a District. Impervious clay trench plugs must: a) consist of dense clay material free of rocks and vegetation, and b) be

moisture-conditioned and mechanically compacted to the same density as the adjoining backfill material.

4-06 Trenches in Slopes. Trenches in ground sloping greater than fifty percent (50%) from the horizontal must be protected from erosion by placing rip-rap in cement mortar or concrete laid flush with the slope over the backfilled trench, or other protective measures must be taken as directed by a soils engineer and approved by the District. Drains which are two inches in diameter must be installed in the concrete covering at five-foot intervals along the trench line.

For trenches in slopes less than fifty percent (50%) the District may require the use of redwood trench dams or other types of erosion control.

4-07 Testing of Gravity Sewers. Unless otherwise directed by the District, lateral sewers must be tested by plugging and filling with either water or compressed air to four (4) psi, in accordance with the District Standard Sewer Specifications. For water tests, leakage must not exceed 20 gallons per day per inch of internal diameter per mile of sewer line being tested (0.07 gallons per hour per 100 feet of 4-inch diameter pipe). For air tests, the pressure must not drop more than one psi over a three-minute period. Tests must be performed in the presence of a District Representative.

4-08 Testing of Pressure Sewers. Pressure sewers must be tested under a pressure of not less than 50 psi without leakage for a period of fifteen minutes. Air Testing is Not allowed

4-09 Special Conditions. When encountering special conditions which are not covered by the Specifications herein or the District Standard Specifications and/or Code, a District Representative and/or the District Engineer will direct the contractor or property owner in the required procedures.

References:

Table 1 – Private Lateral Sewer Pipe Materials List

Section 5. Details

See District Standard Sewer Specifications – Standard Drawings

Typical Side Sewer Details	SD 5
Standard Cleanout and Backwater Prevention Device	SD 6
Backwater Check Valve and Shutoff System	SD 7
Sewer Lateral Protection Above Utility Crossing	SD 10.0
Sewer Pipe Protection Below Utility Crossing	SD 11
Sewer Lateral Reconstruction at Utility Crossing	SD 12
Standard Concrete Pipe Protection	SD 13
Standard Redwood Check Board	SD 15
Standard Rip-Rap Installation	SD 16
Residential Sewer Pump System, Shallow Sewer Main Connection	SD 17.0
Residential Sewer Pump System, Deep Sewer Main Connection	SD 17.1

MONTARA WATER AND SANITARY DISTRICT

**TABLE 1
PRIVATE LATERAL SEWER PIPE MATERIALS LIST
(Specific Use Subject to District Approval)**

Pipe Specifications	Can Be Used for Gravity Sewer Laterals	Can Be Used for Ejector Pump Discharge Pipelines
Vitrified Clay Pipe, VCP	No	No
ABS Pipe (Glue Joints or Rubber Coupler Joints)	No ³	No ³
Cast Iron Soil Pipe (No Hub), CIP, 316 Stainless Steel Shear Band Couplers	Yes ²	No
Ductile Iron Pipe w/Rubber Ring Joints, DIP	Yes ²	No
PVC, SDR=35	No	No
PVC ASTM D-2241, SDR=26	Yes ¹	Yes ¹
PVC AWWA C-900, SDR=21	Yes ²	Yes ²
PVC Sch 40	Yes ¹	Yes ¹
PVC Sch 80	Yes ²	Yes ²
Polyethylene, min SDR=17	Yes ¹	Yes ¹
Cured In Place Pipe (CIPP)	Yes	No

1 Requires minimum 3-foot cover with imported bedding and pipe zone backfill.

2 Requires minimum 18-inch cover on private property with imported bedding and pipe zone backfill or shaded with select native material containing rocks no larger than 1" sieve size.

3. ABS Pipe will not be accepted for direct burial for private laterals after December 31, 2017.



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
January 4, 2018

MINUTES

REGULAR SESSION BEGAN AT 7:31 p.m.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Slater-Carter, Wilson, Harvey and Huber
Directors Absent: None
Staff Present: General Manager, Clemens Heldmaier
District Clerk, Tracy Beardsley
Others Present: District Counsel, David Schricker

PRESIDENT'S STATEMENT – Bill, we are all hoping for the best for Megan' surgery. We also lost an icon of the community, Carl Hoffman, who was the owner of the Feed and Fuel. Many of you may have known him. He died on December 31, 2017.

ORAL COMMENTS - None

PUBLIC HEARING – None

CONSENT AGENDA –

1. Approve Financial Statements for November 2017
2. Approve Warrants for January 1, 2018
3. Monthly Review of Current Investment Portfolio
4. Connection Permit Applications Received
5. Monthly Water Production Report for November 2017

6. Rain Report
7. Solar Energy Report
8. Monthly Public Agency Retirement Service Report for October 2017

Director Boyd moved to approve the Consent Agenda, and Director Slater-Carter seconded the motion.

All Directors were in favor and the motion passed 5 – 0.

OLD BUSINESS – None

NEW BUSINESS -

1. Review and Possible Action Concerning Appointment of Board Officers and Committee Assignments for 2018.

General Manager Heldmaier announced that the Montara Water and Sanitary District (MWSD) prepared a spreadsheet of all appointments for the year 2017 to help the Board determine appointments for 2018.

Director Slater-Carter suggested that they maintain all the committee and officer appointments for 2018. Director Boyd concurred, complimenting that everyone has been effective in their roles.

Director Huber questioned Director Boyd how long he was been on the SAM Board.

Director Boyd replied that he doesn't remember, but there was a gap for a few years when he was not on the Board.

Director Slater-Carter said that Director Boyd is an important part of the SAM Board because of his sense of history and his ability to recall important policies, procedures, and past practices, which many of the new members are unaware of. She felt it particularly important to have someone with this sense of history for the lawsuit.

Director Huber said there should be a rotation there, not a seat that is kept in perpetuity.

Director Boyd said that Montara has worked very hard to provide leadership and continuity this past year. Last year was very challenging at SAM dealing with the lawsuit that HMB brought, attempting to "stay on the same page," managing to keep the agency functional, and improve more common ground and agreement. It is a delicate time.

Director Harvey added that this is a critical time for SAM and the Board, and they want to keep things strong and consistent.

Director Wilson commented that the issue of having turnover on these groups is something to be discussed next year, as Board Elections are coming up and there will be opportunity for that. This year there has been some improvements in transparency, and as long as communication is coming in such a way that the Board, as a whole, is involved in the decision making, he supports leaving everything alone this year, and opening it up for discussion for 2019.

Director Boyd said he wants to point out that they appreciate Director Huber filling in as an alternate when either he or Director Slater-Carter are not available to attend the meetings.

Director Harvey added that he appreciates the SAM Representatives being so inclusive in regards to the issues at SAM with the Board. It is a new dynamic.

Director Boyd advised that they plan to talk to General Manager Heldmaier before and after SAM meetings, so that if there is anything that the Board should be notified about, they can have that fast turn-around, and everyone will be better informed and prepared at the Board meetings.

Director Slater Carter said one of the important parts that they act on as representatives of SAM is that they are careful to follow the direction of the Board from the meetings. It is of critical importance.

Director Boyd moved to retain the current structure for the Board officers, agency representatives, and committee assignments for the year 2018. Director Harvey seconded the motion.

All Directors were in favor and the motion passed unanimously 5 – 0.

2. Review of Sewer Authority Mid-Coastside Request to Fund Emergency Repair of Plant Power System.

General Manager Heldmaier explained that this is forward look at SAM and a topic that will be discussed at the SAM Board on Monday. Over a month ago, around November 2017, the incoming power equipment at the SAM plant failed, and they have now switched to a temporary power line. The generator is off, and the immediate emergency situation has subsided. The SAM Manager announced to the member agencies an amended budget to the SAM Board meeting in January. General Manager Heldmaier attended the December 15, 2017 SAM meeting, and reported that this is about \$460,000 dollars and the financial impact will be \$105,000 dollars. Today the SAM staff report was published and it indicates a need of 1.9 million dollars, so MWSD will need to investigate and discuss the

discrepancy before the SAM Board meeting on Monday. This originally was an information item, but with today's SAM staff report, it looks somewhat different.

Director Boyd clarified the SAM report amount of 1.9 million dollars is the aggregate amount, but the power issue is \$450,000 dollars.

General Manager Heldmaier replied that MWSD was given notice that there would be a \$460,000 dollars change order to the budget implemented through SAM. The other items included in the 1.9 million dollars needs to be clarified.

Director Slater-Carter said the \$600,000 dollar fine needs to be paid.

General Manager Heldmaier said this \$600,000 dollars is already approved, and there is a question as to why it is included in this report.

General Manager Heldmaier explained that he is just pointing out that there is a significant discrepancy that needs to be investigated.

Director Boyd encouraged everyone to take a look at the SAM staff report on the SAM website.

Director Boyd said that they will discuss this with General Manager Heldmaier before the SAM Board meeting, and clarify the items. He and Director Slater-Carter agreed that the SAM staff report needs to be better supported. He mentioned that, looking through the items, he doesn't see anything that is misguided. None of these items were on the budget in 2017, but all of them presented in a way to force them to the front burner.

Director Slater Carter added that there was an overall assessment done in 2009, and things were not addressed. Ultimately, one of the outcomes of the lawsuit needs to be a way to stop allowing a single agency to put its own interests and priorities ahead of the maintenance and repair of the sewer plant--the major public health plant for the whole Coastsides.

Director Huber asked specifically about the Busbar, determined to be \$460,000 dollars, when they originally authorized \$495,000 dollars. He wanted to know how much saving there is due to the fact that they were able to convert to temporary power and turn the generator off.

Director Slater-Carter said she asked General Manager Marshall that today.

General Manager Heldmaier said he questioned that as well. Additionally, there is \$50,000 dollars for diesel and other items that he felt should not be there.

Director Boyd and Director Slater Carter agreed that they would try to contact General Manager Marshall to get a more detailed list by Monday.

Director Wilson said it would be advantageous to have it before going into the SAM meeting. And when that information is available, have it circulated to the other Board members through General Manager Heldmaier.

3. Review of MWSD's Receipt of Association of California Water Agencies Joint Powers Authority President's Special Recognition Award.

General Manager Heldmaier announced that MWSD received a Presidents Special Recognition award at the ACWA Annual meeting in Anaheim for not having a workers compensation claim in the last five years. He wanted to acknowledge this, as MWSD had some workers compensation issues in the past, and rate issue because of that. MWSD has that under control and since switching to new workers compensation provider, ACWA JPIA, they have established a good relationship with them, and it seems to have made a difference.

Director Wilson asked for the Workers Compensation injury level, citing that one is considered the average, and the District's rate should be less than that.

General Manager Heldmaier did not have that information at the time but promised to include it in the staff report for the next meeting. He said although the rates have gone up over the five years, the factor has dropped.

Director Wilson said that it would be interesting to see what the rate were five years ago versus today. It should be substantial.

Director Slater Carter thanked General Manager Heldmaier for a job well done, as Worker Comp claims are a direct indicator of the relationship between management and staff.

4. Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting, January 18, 2018.

General Manager Heldmaier said there isn't a need to have another meeting on January 18, 2018 at this time. If the need arises, everyone would be notified. The next regular meeting is scheduled for February 1, 2018.

All Board members were in agreement.

REPORTS

1. Sewer Authority Mid-Coastside Meeting (Boyd) –

Director Boyd reported that the Finance Committee at SAM talked with General Manager Marshall about the things they want to prepare, so they have a well-presented budget this year. They are trying to anticipate the needs that they all have when they see these things.

Director Slater Carter interjected that HMB said that neither of their representatives wanted to participate in that committee.

The intertie replacement is progressing well, and the segments seem to be place.

Director Slater Carter advised that HMB still has not committed whether it will be signing the Collections Contract with SAM, which will affect us. She suggested to General Manager Marshall that Montara and Granada need to form a committee for Collections System contracts, and not have it as part of the regular agenda, due to HMB's reluctance to make a commitment, and the time constraints of getting the SAM budget together. It is a matter of implementing past practices. It may be that Granada and Montara have separate meetings for the Collection Systems discussions rather than the general SAM Board meetings, so that these items remain distinct and separate. She added that she would also like to have discussions for MWSD about the contract and where they are going with that too.

2. **MidCoast Community Council Meeting (Slater-Carter) – nothing to report**
3. **CSDA Report (Slater-Carter) – Nothing to report**
4. **Attorney's Report (Schricker) – Nothing to report**
5. **Directors' Report –**

Director Slater Carter said that North Coast County Water District just raised their first tier rates about 30%.

6. **General Manager's Report (Heldmaier) – nothing to report**

FUTURE AGENDAS-

REGULAR MEETING ADJOURNED at 8:12 P.M.

CONVENED IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code § 54956.9(d)(1))

Case Name: *City of Half Moon Bay v. Granada Community Services District, et al.*
(San Mateo County Super, Crt. No. 17CIV 03092)

Regional Water Quality Control Board v. Sewer Authority Mid-Coastside (ACL Complaint No. R2-2017-1024)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code § 54956.9(d)(2))

Significant Exposure to Litigation:

Number of cases: 1

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. C. §54957)

Title: General Manager

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

Respectfully Submitted,

Signed _____
Secretary

Approved on the 1st, February 2018

Signed _____
President



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: February 01, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager *CH*

**SUBJECT: Unaudited Financial Statements – Executive
Summary**

Budget vs. Actual – Sewer July thru December 2017 Variances over \$2,000:

- 4460 Remodel Fees, \$4,480 above Budget – No remodel fees collected in December.
- 4610 Property Tax Receipts, \$13,520 above Budget – 1st property tax assessment received in December.
- 4710 Sewer Service Charges, \$44,534 above Budget – 1st sewer service charges remitted by the County in December.
- 4720 Sewer Service Refunds, \$2,000 below Budget – No refunds issued in the current fiscal year.
- **Overall Total Operating Income for the period ending December 31, 2017 was \$60,850 above budget. Total revenue received to date is \$1,214,586.**
- 5270 Information Systems, \$2,520 below Budget – Accounts for Mike Watson's services.
- 5400 Legal, \$59,384 above Budget- Increased activity in the current fiscal year.
- 5510 Maintenance, Office \$2,904 below Budget – budgeted projects have not occurred as of yet.
- 5610 Accounting, \$2,900 below Budget - Difference due to timing in the billing.
- 5620 Audit, \$3,300 above Budget - Majority of the FS audit has been paid through October.
- 5630 Consulting, \$4,797 below Budget - Sewer Rate study to be completed in calendar 2018.
- 5640 Data Services, \$2,851 above Budget - Parcel management software used for sewer service charges paid for in September.
- 5800 Labor, \$20,363 above Budget – Major line items to increase are due to the payment of an additional employee during the month of July & August, which included a large vacation pay-out.
- 6170 Claims, Property Damage, \$2,997 below Budget –No filed claims in the current fiscal year.
- 6200 Engineering, \$22,085 above Budget – More activity then anticipated in the month of October, over \$26K in bills paid.
- 6600 Collection/Transmission, \$5,000 below Budget – No activity to date.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: February 01, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6910 SAM Collections, \$3,263 below Budget – Collections budget was adopted prior to SAM adopting their budget.
- 6920 SAM Operations, \$38,518 above Budget – Operations budget was adopted prior to SAM adopting their budget.
- 6940 SAM Maintenance, Collection Sys, \$20,000 above Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$25,000 below Budget – No activity to date.
- **Overall Total Operating Expenses for the period ending December 31, 2017 were \$820 below Budget.**
- **Total overall Expenses for the period ending December 31, 2017 were \$73,935 below budget. For a net ordinary loss of \$(13,085), budgeted vs. actual. Actual net ordinary income is \$20,249.**
- 7100 Connection Fees, \$91,847 above Budget – One new construction connections issued, and 2 remodel connections issued in December.
- 7200 Interest Income, LAIF, \$3,750 below budget – No activity to date.
- 8000 CIP, \$629,608 below Budget – Minimal Sewer Improvement project and spot repairs paid in December.
- 9200 I-Bank Loan, \$10,327 below Budget – Variance due to timing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: February 01, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru December 2017 Variances over \$2,000:**
- 4610 Property tax Receipts, \$13,520 above Budget – 1st property tax assessment received in December.
- 4740 Testing, Backflow, \$6,852 above Budget – quarterly activity up over the fiscal year.
- 4810 Water Sales Domestic, \$53,509 above Budget – More water sales than anticipated.
- **Overall Total Operating Income for the period ending December 31, 2017 was \$76,517 above budget. Total revenue received to date is \$1,179,940.**
- 5190 Bank Fees, \$3,066 below Budget – Less than anticipated.
- 5240 CDPH Fees, \$7,750 below Budget – No Activity to date
- 5250 Conference attendance, \$2,312 above budget – Conference attended by Clemens in October.
- 5400 Legal, \$24,854 below Budget – Less activity than anticipated to date.
- 5510 Maintenance-Office, \$2,684 below Budget, - Minimal activity in December.
- 5530 Memberships, \$7,367 above Budget, - Historically, membership fees paid on a calendar year basis. Variance will decrease as the fiscal year continues.
- 5610 Accounting, \$2,900 below Budget - Difference due to timing in the billing.
- 5620 Audit, \$3,300 above Budget – Majority of the FS audit has been paid through October.
- 5720 Telephone & Internet, \$2,017 below Budget – District has been able to keep costs down.
- 5800 Labor, \$9,565 below Budget – Overtime costs have been kept below budget.
- 6170 Claims, Property Damage, \$5,000 below Budget –No activity to date.
- 6185 SCADA Maintenance, \$5,904 below Budget – Minimal activity, one bill paid in December.
- 6200 Engineering, \$3,112 above Budget – Water Quality Engineering bills where high in December
- 6400 Pumping, \$17,847 below Budget – PG&E costs have been less than expected to date. A large catch up bill is typically received near the end of the calendar year.
- 6500 Supply, \$3,438 below Budget – Minimal activity in December.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: February 01, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6600 Collection/Transmission, \$17,760 below Budget – Water Main maintenance has been held well below budget.
- 6700 Treatment, \$11,868 below Budget – Costs related to chemicals and filtering have been held below historic levels.
- 6800 Vehicles, \$2,435 below Budget – Indicative of lower fuel costs.
- **Overall Total Operating Expenses for the period ending December 31, 2017 were \$58,379 below Budget.**
- **Total overall Expenses for the period ending December 31, 2017 were \$103,301 below budget. For a net ordinary income of \$179,817, budgeted vs. actual. Actual net ordinary income is \$533,321.**
- 7100 Connection Fees, \$56,529 below Budget – One new construction fee issued, no remodel fees issued, and one PFP new construction issued in December.
- 7600 Bond Revenues, G.O. \$4,474 above Budget – 1st property tax assessment received in December.
- 8000 CIP, \$241,029 below Budget – Minimal water projects in December.
- 9100 Interest Expense G.O. Bonds, \$115,439 below Budget – Variance due to timing.
- 9150 SRF Loan, \$17, 512 below Budget - Variance due to timing.

RECOMMENDATION:

This is for Board information only

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July through December 2017

	Jul - Dec 17	Sewer Budget		\$ Over Budget
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	17,726.10	17,149.98		576.12
4400 · Fees				
4410 · Administrative Fee (New Constr)	1,010.00	1,749.96		-739.96
4420 · Administrative Fee (Remodel)	708.00	999.96		-291.96
4430 · Inspection Fee (New Constr)	954.00	1,749.96		-795.96
4440 · Inspection Fee (Remodel)	110.00	1,999.98		-1,889.98
4460 · Remodel Fees	6,480.00	1,999.98		4,480.02
Total 4400 · Fees	9,262.00	8,499.84		762.16
4610 · Property Tax Receipts	131,019.84	117,500.00		13,519.84
4710 · Sewer Service Charges	1,046,119.02	1,001,585.46		44,533.56
4720 · Sewer Service Refunds, Customer	0.00	-1,999.98		1,999.98
4760 · Waste Collection Revenues	10,443.83	10,999.98		-556.15
4990 · Other Revenue	14.81			
Total Income	1,214,585.60	1,153,735.28		60,850.32
Gross Profit	1,214,585.60	1,153,735.28		60,850.32
Expense				
5000 · Administrative				
5190 · Bank Fees	4,404.22	3,249.96		1,154.26
5200 · Board of Directors				
5210 · Board Meetings	934.95	1,999.98		-1,065.03
5220 · Director Fees	1,500.00	1,650.00		-150.00
Total 5200 · Board of Directors	2,434.95	3,649.98		-1,215.03
5250 · Conference Attendance	1,885.47	999.96		885.51
5270 · Information Systems	480.00	3,000.00		-2,520.00
5300 · Insurance				
5310 · Fidelity Bond	0.00	249.96		-249.96
5320 · Property & Liability Insurance	2,160.70	999.96		1,160.74
Total 5300 · Insurance	2,160.70	1,249.92		910.78
5350 · LAFCO Assessment	1,601.00	999.96		601.04
5400 · Legal				
5420 · Meeting Attendance, Legal	5,813.75	4,749.96		1,063.79
5430 · General Legal	7,565.00	12,499.98		-4,934.98
5440 · Litigation	63,254.75			
Total 5400 · Legal	76,633.50	17,249.94		59,383.56
5510 · Maintenance, Office	1,096.20	3,999.96		-2,903.76
5530 · Memberships	3,191.50			
5540 · Office Supplies	2,146.02	3,999.96		-1,853.94
5550 · Postage	168.46	1,249.98		-1,081.52
5560 · Printing & Publishing	1,481.83	1,500.00		-18.17

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July through December 2017

	Jul - Dec 17	Sewer Budget		\$ Over Budget
5600 · Professional Services				
5610 · Accounting	12,100.00	15,000.00		-2,900.00
5620 · Audit	9,800.00	6,499.98		3,300.02
5630 · Consulting	9,202.68	13,999.98		-4,797.30
5640 · Data Services	5,850.84	3,000.00		2,850.84
5650 · Labor & HR Support	1,692.00	1,249.98		442.02
5660 · Payroll Services	433.52	474.96		-41.44
Total 5600 · Professional Services	39,079.04	40,224.90		-1,145.86
5710 · San Mateo Co. Tax Roll Charges	0.00	1,249.98		-1,249.98
5720 · Telephone & Internet	8,354.70	8,250.00		104.70
5730 · Mileage Reimbursement	563.95	750.00		-186.05
5740 · Reference Materials	0.00	99.96		-99.96
5790 · Other Administrative	435.19			
5800 · Labor				
5810 · CalPERS 457 Deferred Plan	7,308.74	7,722.48		-413.74
5820 · Employee Benefits	23,986.88	17,817.48		6,169.40
5830 · Disability Insurance	566.80	766.98		-200.18
5840 · Payroll Taxes	6,959.62	8,439.48		-1,479.86
5850 · PARS	8,066.00	7,030.50		1,035.50
5900 · Wages				
5910 · Management	57,138.89	51,862.50		5,276.39
5920 · Staff	67,168.84	56,299.50		10,869.34
5930 · Staff Certification	900.00	900.00		0.00
5940 · Staff Overtime	472.97	1,257.00		-784.03
Total 5900 · Wages	125,680.70	110,319.00		15,361.70
5960 · Worker's Comp Insurance	1,114.08	1,223.46		-109.38
Total 5800 · Labor	173,682.82	153,319.38		20,363.44
Total 5000 · Administrative	319,799.55	245,043.84		74,755.71
6000 · Operations				
6170 · Claims, Property Damage	2,002.72	4,999.98		-2,997.26
6195 · Education & Training	28.61	499.98		-471.37
6200 · Engineering				
6210 · Meeting Attendance, Engineering	0.00	999.96		-999.96
6220 · General Engineering	48,084.50	24,999.96		23,084.54
Total 6200 · Engineering	48,084.50	25,999.92		22,084.58
6320 · Equipment & Tools, Expensed	0.00	499.98		-499.98
6330 · Facilities				
6335 · Alarm Services	2,378.94	2,850.00		-471.06
6337 · Landscaping	950.00	1,200.00		-250.00
Total 6330 · Facilities	3,328.94	4,050.00		-721.06

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Accrual Basis

Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer July through December 2017

	Jul - Dec 17	Sewer Budget	\$ Over Budget
6400 · Pumping			
6410 · Pumping Fuel & Electricity	16,008.80	15,999.96	8.84
Total 6400 · Pumping	16,008.80	15,999.96	8.84
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	4,999.98	-4,999.98
Total 6600 · Collection/Transmission	0.00	4,999.98	-4,999.98
6800 · Vehicles			
6810 · Fuel	0.00	399.96	-399.96
6820 · Truck Equipment, Expensed	0.00	79.98	-79.98
6830 · Truck Repairs	0.00	199.98	-199.98
Total 6800 · Vehicles	0.00	679.92	-679.92
6890 · Other Operations	-2,799.39		
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	139,704.00	142,966.98	-3,262.98
6920 · SAM Operations	668,178.25	629,659.98	38,518.27
6940 · SAM Maintenance, Collection Sys	0.00	19,999.98	-19,999.98
6950 · SAM Maintenance, Pumping	0.00	24,999.96	-24,999.96
Total 6900 · Sewer Authority Midcoastside	807,882.25	817,626.90	-9,744.65
Total 6000 · Operations	874,536.43	875,356.62	-820.19
Total Expense	1,194,335.98	1,120,400.46	73,935.52
Net Ordinary Income	20,249.62	33,334.82	-13,085.20
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	164,853.00	72,288.00	92,565.00
7120 · Connection Fees (Remodel)	24,281.50	24,999.96	-718.46
Total 7100 · Connection Fees	189,134.50	97,287.96	91,846.54
7200 · Interest Income - LAIF	0.00	3,750.00	-3,750.00
Total 7000 · Capital Account Revenues	189,134.50	101,037.96	88,096.54
Total Other Income	189,134.50	101,037.96	88,096.54
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	190,391.68	819,999.96	-629,608.28
Total 8000 · Capital Improvement Program	190,391.68	819,999.96	-629,608.28

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July through December 2017

	Jul - Dec 17	Sewer Budget	\$ Over Budget
9000 - Capital Account Expenses			
9125 - PNC Equipment Lease Interest	8,525.73	9,139.98	-614.25
9175 - Capital Assessment - SAM	67,415.00		
9200 - I-Bank Loan	2,065.29	12,392.00	-10,326.71
Total 9000 - Capital Account Expenses	78,006.02	21,531.98	56,474.04
Total Other Expense	268,397.70	841,531.94	-573,134.24
Net Other Income	-79,263.20	-740,493.98	661,230.78
Net Income	-59,013.58	-707,159.16	648,145.58

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July through December 2017

	Jul - Dec 17	Water Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	17,726.16	17,149.98	576.18
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,515.00	2,749.98	-1,234.98
4420 · Administrative Fee (Remodel)	669.00	450.00	219.00
4430 · Inspection Fee (New Constr)	1,431.00	2,499.96	-1,068.96
4440 · Inspection Fee (Remodel)	954.00	324.96	629.04
4460 · Remodel Fees	776.22		
4470 · Other Fees	944.93		
Total 4400 · Fees	6,290.15	6,024.90	265.25
4610 · Property Tax Receipts	131,019.83	117,500.00	13,519.83
4740 · Testing, Backflow	13,352.00	6,499.98	6,852.02
4810 · Water Sales, Domestic	1,011,256.56	957,747.96	53,508.60
4850 · Water Sales Refunds, Customer	0.00	-1,500.00	1,500.00
4990 · Other Revenue	294.80		
Total Income	1,179,939.50	1,103,422.82	76,516.68
Gross Profit	1,179,939.50	1,103,422.82	76,516.68
Expense			
5000 · Administrative			
5190 · Bank Fees	433.93	3,499.98	-3,066.05
5200 · Board of Directors			
5210 · Board Meetings	3,657.10	1,999.98	1,657.12
5220 · Director Fees	1,500.00	1,650.00	-150.00
Total 5200 · Board of Directors	5,157.10	3,649.98	1,507.12
5240 · CDPH Fees	0.00	7,749.96	-7,749.96
5250 · Conference Attendance	4,311.71	1,999.98	2,311.73
5270 · Information Systems	480.00	1,500.00	-1,020.00
5300 · Insurance			
5310 · Fidelity Bond	0.00	249.96	-249.96
5320 · Property & Liability Insurance	0.00	1,350.00	-1,350.00
Total 5300 · Insurance	0.00	1,599.96	-1,599.96
5350 · LAFCO Assessment	2,208.00	1,249.98	958.02
5400 · Legal			
5420 · Meeting Attendance, Legal	2,711.25	4,249.98	-1,538.73
5430 · General Legal	6,685.00	30,000.00	-23,315.00
Total 5400 · Legal	9,396.25	34,249.98	-24,853.73

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July through December 2017

	Jul - Dec 17	Water Budget	\$ Over Budget
5510 · Maintenance, Office	1,316.05	3,999.96	-2,683.91
5530 · Memberships	16,366.70	9,000.00	7,366.70
5540 · Office Supplies	2,145.95	3,999.96	-1,854.01
5550 · Postage	2,687.30	3,750.00	-1,062.70
5560 · Printing & Publishing	312.17	999.96	-687.79
5600 · Professional Services			
5610 · Accounting	12,100.00	15,000.00	-2,900.00
5620 · Audit	9,800.00	6,499.98	3,300.02
5630 · Consulting	10,890.63	12,499.98	-1,609.35
5650 · Labor & HR Support	1,692.00	1,125.00	567.00
5660 · Payroll Services	433.49	474.96	-41.47
Total 5600 · Professional Services	34,916.12	35,599.92	-683.80
5720 · Telephone & Internet	9,172.85	11,190.00	-2,017.15
5730 · Mileage Reimbursement	563.95	999.96	-436.01
5740 · Reference Materials	0.00	399.96	-399.96
5790 · Other Administrative	615.08		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	16,216.38	17,756.46	-1,540.08
5820 · Employee Benefits	39,378.78	43,428.00	-4,049.22
5830 · Disability Insurance	1,402.55	1,818.48	-415.93
5840 · Payroll Taxes	18,566.90	21,147.00	-2,580.10
5850 · PARS	14,403.36	14,076.00	327.36
5900 · Wages			
5910 · Management	57,138.84	51,862.50	5,276.34
5920 · Staff	181,358.20	177,378.48	3,979.72
5930 · Staff Certification	5,086.20	4,500.00	586.20
5940 · Staff Overtime	22,195.53	27,915.48	-5,719.95
5950 · Staff Standby	12,669.64	12,973.50	-303.86
Total 5900 · Wages	278,448.41	274,629.96	3,818.45
5960 · Worker's Comp Insurance	4,848.27	9,973.98	-5,125.71
Total 5800 · Labor	373,264.65	382,829.88	-9,565.23
Total 5000 · Administrative	463,347.81	508,269.42	-44,921.61
6000 · Operations			
6160 · Backflow Prevention	13.38	499.98	-486.60
6170 · Claims, Property Damage	0.00	4,999.98	-4,999.98
6180 · Communications			
6185 · SCADA Maintenance	4,095.74	9,999.96	-5,904.22
6180 · Communications - Other	1,764.83		
Total 6180 · Communications	5,860.57	9,999.96	-4,139.39
6195 · Education & Training	3,452.96	3,499.98	-47.02

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July through December 2017

	Jul - Dec 17	Water Budget	\$ Over Budget
6200 - Engineering			
6210 - Meeting Attendance, Engineering	15.50	999.96	-984.46
6220 - General Engineering	3,907.50	9,999.96	-6,092.46
6230 - Water Quality Engineering	42,688.75	32,499.96	10,188.79
Total 6200 - Engineering	46,611.75	43,499.88	3,111.87
6320 - Equipment & Tools, Expensed	2,753.71	2,499.96	253.75
6330 - Facilities			
6335 - Alarm Services	254.04	399.96	-145.92
6337 - Landscaping	2,257.02	3,000.00	-742.98
Total 6330 - Facilities	2,511.06	3,399.96	-888.90
6370 - Lab Supplies & Equipment	1,609.27	499.98	1,109.29
6400 - Pumping			
6410 - Pumping Fuel & Electricity	29,816.92	45,000.00	-15,183.08
6420 - Pumping Maintenance, Generators	5,361.64	4,999.98	361.66
6430 - Pumping Maintenance, General	1,263.19	3,499.98	-2,236.79
6440 - Pumping Equipment, Expensed	210.32	999.96	-789.64
Total 6400 - Pumping	36,652.07	54,499.92	-17,847.85
6500 - Supply			
6510 - Maintenance, Raw Water Mains	1,444.78	999.96	444.82
6520 - Maintenance, Wells	2,035.47	4,999.98	-2,964.51
6530 - Water Purchases	19,081.70	19,999.98	-918.28
Total 6500 - Supply	22,561.95	25,999.92	-3,437.97
6600 - Collection/Transmission			
6610 - Hydrants	375.29	499.98	-124.69
6620 - Maintenance, Water Mains	15,597.81	27,499.98	-11,902.17
6630 - Maintenance, Water Svc Lines	11,621.25	12,499.98	-878.73
6640 - Maintenance, Tanks	556.54	499.98	56.56
6650 - Maint., Distribution General	272.83	4,999.98	-4,727.15
6670 - Meters	1,066.27	1,249.98	-183.71
Total 6600 - Collection/Transmission	29,489.99	47,249.88	-17,759.89
6700 - Treatment			
6710 - Chemicals & Filtering	2,764.77	15,000.00	-12,235.23
6720 - Maintenance, Treatment Equip.	1,997.41	1,999.98	-2.57
6730 - Treatment Analysis	15,369.41	15,000.00	369.41
Total 6700 - Treatment	20,131.59	31,999.98	-11,868.39
6770 - Uniforms	4,441.97	6,000.00	-1,558.03

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July through December 2017

	Jul - Dec 17	Water Budget	\$ Over Budget
6800 - Vehicles			
6810 - Fuel	2,941.14	3,999.96	-1,058.82
6820 - Truck Equipment, Expensed	6.84	499.98	-493.14
6830 - Truck Repairs	1,617.40	2,499.96	-882.56
Total 6800 - Vehicles	4,565.38	6,999.90	-2,434.52
6890 - Other Operations	2,614.62		
Total 6000 - Operations	183,270.27	241,649.28	-58,379.01
Total Expense	646,618.08	749,918.70	-103,300.62
Net Ordinary Income	533,321.42	353,504.12	179,817.30
Other Income/Expense			
Other Income			
7000 - Capital Account Revenues			
7100 - Connection Fees			
7110 - Connection Fees (New Constr)	42,568.00	86,509.98	-43,941.98
7120 - Connection Fees (Remodel)	10,356.50		
7130 - Conn. Fees, PFP (New Constr)	17,056.00	39,999.96	-22,943.96
Total 7100 - Connection Fees	69,980.50	126,509.94	-56,529.44
7200 - Interest Income - LAIF	11,709.89		
7600 - Bond Revenues, G.O.	579,691.77	575,217.96	4,473.81
Total 7000 - Capital Account Revenues	661,382.16	701,727.90	-40,345.74
Total Other Income	661,382.16	701,727.90	-40,345.74
Other Expense			
8000 - Capital Improvement Program			
8100 - Water	115,720.52	356,749.98	-241,029.46
Total 8000 - Capital Improvement Program	115,720.52	356,749.98	-241,029.46
9000 - Capital Account Expenses			
9100 - Interest Expense - GO Bonds	23,086.56	138,519.00	-115,432.44
9125 - PNC Equipment Lease Interest	8,525.78	9,139.98	-614.20
9150 - SRF Loan	0.00	17,512.00	-17,512.00
9210 - Conservation Program/Rebates	1,200.00	249.96	950.04
Total 9000 - Capital Account Expenses	32,812.34	165,420.94	-132,608.60
Total Other Expense	148,532.86	522,170.92	-373,638.06
Net Other Income	512,849.30	179,556.98	333,292.32
Net Income	1,046,170.72	533,061.10	513,109.62

Montara Water & Sanitary District
Restricted and Non Restricted Cash Assets
July 2017 through June 2018

Assets and Reserves Information

Year to Date Cash Information	July	August	September	October	November	December	January	February	March	April	May	June	Target Reserves	\$ Over/(Under) Targets	% Over/Under Targets
Sewer - Operations															
Wells Fargo Operating - Sewer	2,699,856.60	2,395,438.17	2,175,531.48	1,926,361.64	1,848,777.99	3,127,199.64									
Sewer - Reserve Accounts															
LAIF -															
Capital Reserve	3,886,001.12	3,891,836.12	3,891,836.12	3,891,836.12	3,903,546.01	3,903,546.01							2,679,500.00	1,206,501.12	145%
Connection Fees Reserve	194,576.00	194,576.00	194,576.00	194,576.00	194,576.00	194,576.00							194,576.00	-	100%
Operating Reserve	240,073.00	240,073.00	240,073.00	240,073.00	240,073.00	240,073.00							281,893.00	(41,820.00)	85%
Sub-total	4,320,650.12	4,326,485.12	4,326,485.12	4,326,485.12	4,338,195.01	4,338,195.01	-	-	-	-	-	-			
Water - Operations															
Wells Fargo Operating - Water	736,973.18	748,608.06	762,530.73	775,543.19	789,406.28	801,506.10									
Water - Reserve Accounts															
Wells Fargo Bank-															
Capital Reserve	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00							1,049,567.00	(651,318.00)	38%
Connection Fees Reserve	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00							253,020.00	-	100%
SRF Reserve				48,222.00	48,222.00	48,222.00							48,222.00	-	0%
Operating Reserve	94,231.00	94,231.00	94,231.00	46,009.00	46,009.00	46,009.00							250,573.00	(204,564.00)	38%
Sub-total	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	-	-	-	-	-	-			
Water - Restricted accounts															
First Republic Bank - Water															
Acquisition & Improvement Fund	436.13	436.13	436.13	436.13	436.13	436.13									
Cost of issuance	122.94	122.94	122.94	122.94	122.94	122.94									
GO Bonds Fund	1,438,990.58	899,200.84	899,949.69	900,952.14	901,679.86	919,505.03									
Sub-total	1,439,549.65	899,759.91	900,508.76	901,511.21	902,238.93	920,064.10	-	-	-	-	-	-			
Total Cash and equivalents	<u>9,942,529.55</u>	<u>9,115,791.26</u>	<u>8,910,556.09</u>	<u>8,675,401.16</u>	<u>8,624,118.21</u>	<u>9,932,464.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense																
Income																
4220 - Cell Tower Lease	2,954.35	2,954.35	2,954.35	2,954.35	2,954.35	2,954.35							17,726.10	20,008.35	-2,282.25	88.59%
4400 - Fees																
4410 - Administrative Fee (New Constr)	505.00	0.00	505.00	0.00	0.00	0.00							1,010.00	2,041.70	-1,031.70	49.47%
4420 - Administrative Fee (Remodel)	354.00	354.00	0.00	0.00	0.00	0.00							708.00	1,166.70	-458.70	60.68%
4430 - Inspection Fee (New Constr)	477.00	0.00	477.00	0.00	0.00	0.00							954.00	2,041.70	-1,087.70	46.73%
4440 - Inspection Fee (Remodel)	0.00	0.00	0.00	0.00	0.00	110.00							110.00	2,333.35	-2,223.35	4.71%
4460 - Remodel Fees	708.00	0.00	354.00	5,418.00	0.00	0.00							6,480.00	2,333.35	4,146.65	277.71%
Total 4400 - Fees	2,044.00	354.00	1,336.00	5,418.00	0.00	110.00							9,262.00	9,916.80	-654.80	93.4%
4610 - Property Tax Receipts	0.00	155.06	0.00	233.52	24,036.56	106,594.70							131,019.84	117,500.00	13,519.84	111.51%
4710 - Sewer Service Charges	0.00	0.00	0.00	0.00	0.00	1,046,119.02							1,046,119.02	1,168,516.45	-122,397.43	89.53%
4720 - Sewer Service Refunds, Customer	0.00	0.00	0.00	0.00	0.00	0.00							0.00	-2,333.35	2,333.35	0.0%
4760 - Waste Collection Revenues	984.47	2,604.03	1,058.29	2,455.60	953.94	2,387.50							10,443.83	12,833.35	-2,389.52	81.38%
4990 - Other Revenue	0.00	6.82	0.00	0.00	7.99	0.00							14.81			
Total Income	5,982.82	6,074.26	5,348.64	11,061.47	27,952.84	1,158,165.57							1,214,585.60	1,326,441.60	-111,856.00	91.57%
Gross Profit	5,982.82	6,074.26	5,348.64	11,061.47	27,952.84	1,158,165.57							1,214,585.60	1,326,441.60	-111,856.00	91.57%
Expense																
5000 - Administrative																
5190 - Bank Fees	2,740.81	321.48	333.71	336.04	344.44	327.74							4,404.22	3,791.70	612.52	116.15%
5200 - Board of Directors																
5210 - Board Meetings	0.00	125.00	375.00	0.00	250.00	184.95							934.95	2,333.35	-1,398.40	40.07%
5220 - Director Fees	0.00	187.50	0.00	750.00	375.00	187.50							1,500.00	1,925.00	-425.00	77.92%
5230 - Election Expenses	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00	0.00	0.0%
Total 5200 - Board of Directors	0.00	312.50	375.00	750.00	625.00	372.45							2,434.95	4,258.35	-1,823.40	57.18%
5250 - Conference Attendance	0.00	100.00	997.50	0.00	0.00	787.97							1,885.47	1,166.70	718.77	161.61%
5270 - Information Systems	0.00	180.00	60.00	0.00	0.00	240.00							480.00	3,500.00	-3,020.00	13.71%
5300 - Insurance																
5310 - Fidelity Bond	0.00	0.00	0.00	0.00	0.00	0.00							0.00	291.70	-291.70	0.0%
5320 - Property & Liability Insurance	0.00	0.00	0.00	2,160.70	0.00	0.00							2,160.70	1,166.70	994.00	185.2%
Total 5300 - Insurance	0.00	0.00	0.00	2,160.70	0.00	0.00							2,160.70	1,458.40	702.30	148.16%
5350 - LAFCO Assessment	0.00	0.00	0.00	0.00	0.00	1,601.00							1,601.00	1,166.70	434.30	137.23%
5400 - Legal																
5420 - Meeting Attendance, Legal	0.00	845.00	256.25	3,082.50	1,630.00	0.00							5,813.75	5,541.70	272.05	104.91%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
5430 - General Legal	0.00	3,170.00	62.50	650.00	375.00	3,307.50							7,565.00	14,583.35	-7,018.35	51.87%
5440 - Litigation	0.00	8,275.00	32,110.00	13,784.75	3,087.50	5,997.50							63,254.75			
Total 5400 - Legal	0.00	12,290.00	32,428.75	17,517.25	5,092.50	9,305.00							76,633.50	20,125.05	56,508.45	380.79%
5510 - Maintenance, Office	0.00	193.50	392.70	160.00	150.00	200.00							1,096.20	4,666.70	-3,570.50	23.49%
5530 - Memberships	0.00	0.00	0.00	0.00	0.00	3,191.50							3,191.50			
5540 - Office Supplies	0.00	845.76	335.56	305.35	282.45	376.90							2,146.02	4,666.70	-2,520.68	45.99%
5550 - Postage	0.00	0.00	229.17	0.00	0.00	-60.71							168.46	1,458.35	-1,289.89	11.55%
5560 - Printing & Publishing	0.00	131.33	31.50	111.19	21.04	1,186.77							1,481.83	1,750.00	-268.17	84.68%
5600 - Professional Services																
5610 - Accounting	0.00	0.00	4,700.00	4,500.00	1,650.00	1,250.00							12,100.00	17,500.00	-5,400.00	69.14%
5620 - Audit	0.00	6,000.00	0.00	3,800.00	0.00	0.00							9,800.00	7,583.35	2,216.65	129.23%
5630 - Consulting	0.00	2,828.88	1,565.67	804.00	73.13	3,931.00							9,202.68	16,333.35	-7,130.67	56.34%
5640 - Data Services	0.00	0.00	0.00	5,850.84	0.00	0.00							5,850.84	3,500.00	2,350.84	167.17%
5650 - Labor & HR Support	0.00	194.50	539.00	569.50	194.50	194.50							1,692.00	1,458.35	233.65	116.02%
5660 - Payroll Services	74.02	72.96	70.84	71.90	71.90	71.90							433.52	554.20	-120.68	78.22%
Total 5600 - Professional Services	74.02	9,096.34	6,875.51	15,596.24	1,989.53	5,447.40							39,079.04	46,929.25	-7,850.21	83.27%
5710 - San Mateo Co. Tax Roll Charges	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,458.35	-1,458.35	0.0%
5720 - Telephone & Internet	0.00	1,878.29	2,114.58	2,558.86	482.08	1,320.89							8,354.70	9,625.00	-1,270.30	86.8%
5730 - Mileage Reimbursement	0.00	0.00	0.00	0.00	563.95	0.00							563.95	875.00	-311.05	64.45%
5740 - Reference Materials	0.00	0.00	0.00	0.00	0.00	0.00							0.00	116.70	-116.70	0.0%
5790 - Other Adminstrative	0.00	0.00	316.19	119.00	0.00	0.00							435.19			
5800 - Labor																
5810 - CalPERS 457 Deferred Plan	1,574.10	1,628.46	1,689.14	1,249.87	517.08	650.09							7,308.74	9,009.60	-1,700.86	81.12%
5820 - Employee Benefits	6,092.66	0.00	6,778.01	3,653.55	3,653.55	3,809.11							23,986.88	20,787.10	3,199.78	115.39%
5830 - Disability Insurance	0.00	113.36	113.36	226.72	0.00	113.36							566.80	894.85	-328.05	63.34%
5840 - Payroll Taxes	1,720.28	1,676.31	935.40	868.62	916.80	842.21							6,959.62	9,846.10	-2,886.48	70.68%
5850 - PARS	1,451.93	1,493.70	1,545.86	1,147.45	1,195.23	1,231.83							8,066.00	8,202.25	-136.25	98.34%
5900 - Wages																
5910 - Management	8,125.00	8,125.00	14,687.50	8,622.58	8,872.55	8,706.26							57,138.89	60,506.25	-3,367.36	94.44%
5920 - Staff	14,212.21	14,854.60	9,123.82	9,527.76	10,067.76	9,382.69							67,168.84	65,682.75	1,486.09	102.26%
5930 - Staff Certification	150.00	150.00	150.00	150.00	150.00	150.00							900.00	1,050.00	-150.00	85.71%
5940 - Staff Overtime	0.00	134.12	169.42	42.36	84.71	42.36							472.97	1,466.50	-993.53	32.25%
Total 5900 - Wages	22,487.21	23,263.72	24,130.74	18,342.70	19,175.02	18,281.31							125,680.70	128,705.50	-3,024.80	97.65%
5960 - Worker's Comp Insurance	0.00	0.00	0.00	1,114.08	0.00	0.00							1,114.08	1,427.45	-313.37	78.05%
Total 5800 - Labor	33,326.18	28,175.55	35,192.51	26,602.99	25,457.68	24,927.91							173,682.82	178,872.85	-5,190.03	97.1%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Total 5000 - Administrative	36,141.01	53,524.75	79,682.68	66,217.62	35,008.67	49,224.82							319,799.55	285,885.80	33,913.75	111.86%
6000 - Operations																
6170 - Claims, Property Damage	0.00	0.00	0.00	0.00	0.00	2,002.72							2,002.72	5,833.35	-3,830.63	34.33%
6195 - Education & Training	0.00	0.00	0.00	28.61	0.00	0.00							28.61	583.35	-554.74	4.9%
6200 - Engineering																
6210 - Meeting Attendance, Engineering	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,166.70	-1,166.70	0.0%
6220 - General Engineering	0.00	3,757.50	3,982.50	33,369.50	0.00	6,975.00							48,084.50	29,166.70	18,917.80	164.86%
Total 6200 - Engineering	0.00	3,757.50	3,982.50	33,369.50	0.00	6,975.00							48,084.50	30,333.40	17,751.10	158.52%
6320 - Equipment & Tools, Expensed	0.00	0.00	0.00	0.00	0.00	0.00							0.00	583.35	-583.35	0.0%
6330 - Facilities																
6335 - Alarm Services	659.70	518.82	888.60	127.02	0.00	184.80							2,378.94	3,325.00	-946.06	71.55%
6337 - Landscaping	0.00	190.00	190.00	190.00	190.00	190.00							950.00	1,400.00	-450.00	67.86%
Total 6330 - Facilities	659.70	708.82	1,078.60	317.02	190.00	374.80							3,328.94	4,725.00	-1,396.06	70.45%
6400 - Pumping																
6410 - Pumping Fuel & Electricity	0.00	2,528.80	2,875.13	5,600.25	0.00	5,004.62							16,008.80	18,666.70	-2,657.90	85.76%
Total 6400 - Pumping	0.00	2,528.80	2,875.13	5,600.25	0.00	5,004.62							16,008.80	18,666.70	-2,657.90	85.76%
6600 - Collection/Transmission																
6660 - Maintenance, Collection System	0.00	0.00	0.00	0.00	0.00	0.00							0.00	5,833.35	-5,833.35	0.0%
Total 6600 - Collection/Transmission	0.00	0.00	0.00	0.00	0.00	0.00							0.00	5,833.35	-5,833.35	0.0%
6800 - Vehicles																
6810 - Fuel	0.00	0.00	0.00	0.00	0.00	0.00							0.00	466.70	-466.70	0.0%
6820 - Truck Equipment, Expensed	0.00	0.00	0.00	0.00	0.00	0.00							0.00	93.35	-93.35	0.0%
6830 - Truck Repairs	0.00	0.00	0.00	0.00	0.00	0.00							0.00	233.35	-233.35	0.0%
Total 6800 - Vehicles	0.00	0.00	0.00	0.00	0.00	0.00							0.00	793.40	-793.40	0.0%
6890 - Other Operations	-3,344.93	0.00	0.00	0.00	0.00	545.54							-2,799.39			
6900 - Sewer Authority Midcoastside																
6910 - SAM Collections	26,800.67	19,767.33	23,284.00	23,284.00	23,284.00	23,284.00							139,704.00	166,794.85	-27,090.85	83.76%
6920 - SAM Operations	0.00	185,420.50	92,710.25	92,710.25	167,860.25	129,477.00							668,178.25	734,603.35	-66,425.10	90.96%
6940 - SAM Maintenance, Collection Sys	0.00	0.00	0.00	0.00	0.00	0.00							0.00	23,333.35	-23,333.35	0.0%
6950 - SAM Maintenance, Pumping	0.00	0.00	0.00	0.00	0.00	0.00							0.00	29,166.70	-29,166.70	0.0%
Total 6900 - Sewer Authority Midcoastside	26,800.67	205,187.83	115,994.25	115,994.25	191,144.25	152,761.00							807,882.25	953,898.25	-146,016.00	84.69%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Total 6000 - Operations	24,115.44	212,182.95	123,930.48	155,309.63	191,334.25	167,663.68							874,536.43	1,021,250.15	-146,713.72	85.63%
Total Expense	60,256.45	265,707.70	203,613.16	221,527.25	226,342.92	216,888.50							1,194,335.98	1,307,135.95	-112,799.97	91.37%
Net Ordinary Income	-54,273.63	-259,633.44	-198,264.52	-210,465.78	-198,390.08	941,277.07							20,249.62	19,305.65	943.97	104.89%
Other Income/Expense																
Other Income																
7000 - Capital Account Revenues																
7100 - Connection Fees																
7110 - Connection Fees (New Constr)	52,056.00	0.00	49,013.00	0.00	34,883.00	28,901.00							164,853.00	84,336.00	80,517.00	195.47%
7120 - Connection Fees (Remodel)	10,468.50	498.50	3,489.50	220.00	0.00	9,605.00							24,281.50	29,166.70	-4,885.20	83.25%
Total 7100 - Connection Fees	62,524.50	498.50	52,502.50	220.00	34,883.00	38,506.00							189,134.50	113,502.70	75,631.80	166.63%
7200 - Interest Income - LAIF	0.00	0.00	0.00	0.00	0.00	0.00							0.00	7,500.00	-7,500.00	0.0%
Total 7000 - Capital Account Revenues	62,524.50	498.50	52,502.50	220.00	34,883.00	38,506.00							189,134.50	121,002.70	68,131.80	156.31%
Total Other Income	62,524.50	498.50	52,502.50	220.00	34,883.00	38,506.00							189,134.50	121,002.70	68,131.80	156.31%
Other Expense																
8000 - Capital Improvement Program																
8075 - Sewer	0.00	3,275.00	17,815.00	75,482.50	0.00	93,819.18							190,391.68	956,666.70	-766,275.02	19.9%
Total 8000 - Capital Improvement Program	0.00	3,275.00	17,815.00	75,482.50	0.00	93,819.18							190,391.68	956,666.70	-766,275.02	19.9%
9000 - Capital Account Expenses																
9125 - PNC Equipment Lease Interest	787.85	1,566.77	1,557.19	1,547.60	1,537.98	1,528.34							8,525.73	10,663.35	-2,137.62	79.95%
9175 - Capital Assessment - SAM	0.00	0.00	0.00	0.00	0.00	67,415.00							67,415.00	0.00	67,415.00	100.0%
9200 - I-Bank Loan	2,065.29	0.00	0.00	0.00	0.00	0.00							2,065.29	12,392.00	-10,326.71	16.67%
Total 9000 - Capital Account Expenses	2,853.14	1,566.77	1,557.19	1,547.60	1,537.98	68,943.34							78,006.02	23,055.35	54,950.67	338.34%
Total Other Expense	2,853.14	4,841.77	19,372.19	77,030.10	1,537.98	162,762.52							268,397.70	979,722.05	-711,324.35	27.4%
Net Other Income	59,671.36	-4,343.27	33,130.31	-76,810.10	33,345.02	-124,256.52							-79,263.20	-858,719.35	779,456.15	9.23%
Net Income	5,397.73	-263,976.71	-165,134.21	-287,275.88	-165,045.06	817,020.55							-59,013.58	-839,413.70	780,400.12	7.03%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL					
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget		
Ordinary Income/Expense																		
Income																		
4220 - Cell Tower Lease	2,954.36	2,954.36	2,954.36	2,954.36	2,954.36	2,954.36							17,726.16	20,008.35	-2,282.19	88.59%		
4400 - Fees																		
4410 - Administrative Fee (New Constr)	505.00	0.00	505.00	0.00	0.00	505.00							1,515.00	3,208.35	-1,693.35	47.22%		
4420 - Administrative Fee (Remodel)	0.00	0.00	505.00	0.00	164.00	0.00							669.00	525.00	144.00	127.43%		
4430 - Inspection Fee (New Constr)	477.00	0.00	477.00	0.00	0.00	477.00							1,431.00	2,916.70	-1,485.70	49.06%		
4440 - Inspection Fee (Remodel)	0.00	0.00	477.00	0.00	477.00	0.00							954.00	379.20	574.80	251.58%		
4460 - Remodel Fees	0.00	0.00	306.75	0.00	354.00	115.47							776.22					
4470 - Other Fees	0.00	0.00	0.00	158.79	786.14	0.00							944.93					
Total 4400 - Fees	982.00	0.00	2,270.75	158.79	1,781.14	1,097.47							6,290.15	7,029.25	-739.10	89.49%		
4610 - Property Tax Receipts	0.00	155.06	0.00	233.52	24,036.56	106,594.69							131,019.83	117,500.00	13,519.83	111.51%		
4740 - Testing, Backflow	5,322.00	3,080.00	0.00	0.00	0.00	4,950.00							13,352.00	7,583.35	5,768.65	176.07%		
4810 - Water Sales, Domestic	172,926.20	269,602.18	204,168.97	43,850.27	261,884.93	58,824.01							1,011,256.56	1,117,372.70	-106,116.14	90.5%		
4850 - Water Sales Refunds, Customer	0.00	0.00	0.00	0.00	0.00	0.00							0.00	-1,750.00	1,750.00	0.0%		
4990 - Other Revenue	0.00	286.81	0.00	0.00	7.99	0.00							294.80					
Total Income	182,184.56	276,078.41	209,394.08	47,196.94	290,664.98	174,420.53							1,179,939.50	1,267,743.65	-87,804.15	93.07%		
Gross Profit	182,184.56	276,078.41	209,394.08	47,196.94	290,664.98	174,420.53							1,179,939.50	1,267,743.65	-87,804.15	93.07%		
Expense																		
5000 - Administrative																		
5190 - Bank Fees	76.10	126.15	3.43	14.15	111.60	102.50							433.93	4,083.35	-3,649.42	10.63%		
5200 - Board of Directors																		
5210 - Board Meetings	0.00	125.00	375.00	0.00	250.00	2,907.10							3,657.10	2,333.35	1,323.75	156.73%		
5220 - Director Fees	0.00	187.50	0.00	750.00	375.00	187.50							1,500.00	1,925.00	-425.00	77.92%		
5230 - Election Expenses	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00	0.00	0.0%		
Total 5200 - Board of Directors	0.00	312.50	375.00	750.00	625.00	3,094.60							5,157.10	4,258.35	898.75	121.11%		
5240 - CDPH Fees	0.00	0.00	0.00	0.00	0.00	0.00							0.00	9,041.70	-9,041.70	0.0%		
5250 - Conference Attendance	0.00	100.00	997.50	2,263.75	319.16	631.30							4,311.71	2,333.35	1,978.36	184.79%		
5270 - Information Systems	0.00	180.00	60.00	0.00	0.00	240.00							480.00	1,750.00	-1,270.00	27.43%		
5300 - Insurance																		
5310 - Fidelity Bond	0.00	0.00	0.00	0.00	0.00	0.00							0.00	291.70	-291.70	0.0%		
5320 - Property & Liability Insurance	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,575.00	-1,575.00	0.0%		
Total 5300 - Insurance	0.00	0.00	0.00	0.00	0.00	0.00							0.00	1,866.70	-1,866.70	0.0%		
5350 - LAFCO Assessment	0.00	0.00	0.00	0.00	0.00	2,208.00							2,208.00	1,458.35	749.65	151.4%		

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
5400 - Legal																
5420 - Meeting Attendance, Legal	0.00	842.50	256.25	767.50	845.00	0.00							2,711.25	4,958.35	-2,247.10	54.68%
5430 - General Legal	0.00	692.50	2,925.00	600.00	912.50	1,555.00							6,685.00	35,000.00	-28,315.00	19.1%
Total 5400 - Legal	0.00	1,535.00	3,181.25	1,367.50	1,757.50	1,555.00							9,396.25	39,958.35	-30,562.10	23.52%
5510 - Maintenance, Office	0.00	193.50	503.90	160.00	185.98	272.67							1,316.05	4,666.70	-3,350.65	28.2%
5530 - Memberships	0.00	842.70	0.00	172.50	0.00	15,351.50							16,366.70	10,500.00	5,866.70	155.87%
5540 - Office Supplies	0.00	845.75	335.54	305.34	282.43	376.89							2,145.95	4,666.70	-2,520.75	45.98%
5550 - Postage	0.00	499.81	1,035.26	226.35	980.00	-54.12							2,687.30	4,375.00	-1,687.70	61.42%
5560 - Printing & Publishing	0.00	131.32	31.50	111.18	21.03	17.14							312.17	1,166.70	-854.53	26.76%
5600 - Professional Services																
5610 - Accounting	0.00	0.00	4,700.00	4,500.00	1,650.00	1,250.00							12,100.00	17,500.00	-5,400.00	69.14%
5620 - Audit	0.00	6,000.00	0.00	3,800.00	0.00	0.00							9,800.00	7,583.35	2,216.65	129.23%
5630 - Consulting	0.00	2,828.87	1,565.67	3,351.97	73.12	3,071.00							10,890.63	14,583.35	-3,692.72	74.68%
5650 - Labor & HR Support	0.00	194.50	539.00	569.50	194.50	194.50							1,692.00	1,312.50	379.50	128.91%
5660 - Payroll Services	74.00	72.95	70.84	71.90	71.90	71.90							433.49	554.20	-120.71	78.22%
Total 5600 - Professional Services	74.00	9,096.32	6,875.51	12,293.37	1,989.52	4,587.40							34,916.12	41,533.40	-6,617.28	84.07%
5720 - Telephone & Internet	0.00	2,220.11	2,127.92	2,598.80	535.38	1,690.64							9,172.85	13,055.00	-3,882.15	70.26%
5730 - Mileage Reimbursement	0.00	0.00	0.00	0.00	563.95	0.00							563.95	1,166.70	-602.75	48.34%
5740 - Reference Materials	0.00	0.00	0.00	0.00	0.00	0.00							0.00	466.70	-466.70	0.0%
5790 - Other Administrative	0.00	0.00	496.08	119.00	0.00	0.00							615.08			
5800 - Labor																
5810 - CalPERS 457 Deferred Plan	2,732.09	2,911.11	3,307.76	2,872.52	2,186.64	2,206.26							16,216.38	20,715.95	-4,499.57	78.28%
5820 - Employee Benefits	11,334.17	-507.45	6,527.58	7,238.86	7,238.86	7,546.76							39,378.78	50,666.00	-11,287.22	77.72%
5830 - Disability Insurance	0.00	280.51	280.51	561.02	0.00	280.51							1,402.55	2,121.60	-719.05	66.11%
5840 - Payroll Taxes	3,247.71	3,485.55	3,044.82	2,989.17	2,997.94	2,801.71							18,566.90	24,671.50	-6,104.60	75.26%
5850 - PARS	2,196.04	2,401.72	2,665.36	2,329.63	2,377.41	2,433.20							14,403.36	16,422.00	-2,018.64	87.71%
5900 - Wages																
5910 - Management	8,125.00	8,125.00	14,687.50	8,622.57	8,872.53	8,706.24							57,138.84	60,506.25	-3,367.41	94.44%
5920 - Staff	29,178.80	32,918.68	29,474.09	31,026.20	30,313.88	28,446.55							181,358.20	206,941.60	-25,583.40	87.64%
5930 - Staff Certification	800.00	825.00	850.00	850.00	911.20	850.00							5,086.20	5,250.00	-163.80	96.88%
5940 - Staff Overtime	3,512.23	2,934.29	4,674.34	3,482.76	4,237.84	3,354.07							22,195.53	32,568.10	-10,372.57	68.15%
5950 - Staff Standby	2,245.21	2,110.96	2,019.67	2,081.04	2,105.73	2,107.03							12,669.64	15,135.75	-2,466.11	83.71%
Total 5900 - Wages	43,861.24	46,913.93	51,705.60	46,062.57	46,441.18	43,463.89							278,448.41	320,401.70	-41,953.29	86.91%
5960 - Worker's Comp Insurance	0.00	0.00	0.00	4,848.27	0.00	0.00							4,848.27	11,636.35	-6,788.08	41.67%
Total 5800 - Labor	63,371.25	55,485.37	67,531.63	66,902.04	61,242.03	58,732.33							373,264.65	446,635.10	-73,370.45	83.57%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Total 5000 - Administrative	63,521.35	71,568.53	83,554.52	87,283.98	68,613.58	88,805.85							463,347.81	592,982.15	-129,634.34	78.14%
6000 - Operations																
6160 - Backflow Prevention	-100.00	0.00	0.00	0.00	0.00	113.38							13.38	583.35	-569.97	2.29%
6170 - Claims, Property Damage	0.00	0.00	0.00	0.00	0.00	0.00							0.00	5,833.35	-5,833.35	0.0%
6180 - Communications																
6185 - SCADA Maintenance	0.00	0.00	797.00	0.00	152.71	3,146.03							4,095.74	11,666.70	-7,570.96	35.11%
6180 - Communications - Other	0.00	1,764.83	0.00	0.00	0.00	0.00							1,764.83			
Total 6180 - Communications	0.00	1,764.83	797.00	0.00	152.71	3,146.03							5,860.57	11,666.70	-5,806.13	50.23%
6195 - Education & Training	0.00	1,420.00	647.50	441.11	531.85	412.50							3,452.96	4,083.35	-630.39	84.56%
6200 - Engineering																
6210 - Meeting Attendance, Engineering	0.00	0.00	0.00	0.00	15.50	0.00							15.50	1,166.70	-1,151.20	1.33%
6220 - General Engineering	0.00	1,348.75	0.00	840.00	1,718.75	0.00							3,907.50	11,666.70	-7,759.20	33.49%
6230 - Water Quality Engineering	0.00	10,722.50	7,445.00	7,143.75	10,007.50	7,370.00							42,688.75	37,916.70	4,772.05	112.59%
Total 6200 - Engineering	0.00	12,071.25	7,445.00	7,983.75	11,741.75	7,370.00							46,611.75	50,750.10	-4,138.35	91.85%
6320 - Equipment & Tools, Expensed	0.00	278.74	369.46	1,649.39	45.07	411.05							2,753.71	2,916.70	-162.99	94.41%
6330 - Facilities																
6335 - Alarm Services	0.00	127.02	0.00	127.02	0.00	0.00							254.04	466.70	-212.66	54.43%
6337 - Landscaping	0.00	420.00	443.47	420.00	553.55	420.00							2,257.02	3,500.00	-1,242.98	64.49%
6330 - Facilities - Other	0.00	0.00	0.00	0.00	0.00	0.00							0.00			
Total 6330 - Facilities	0.00	547.02	443.47	547.02	553.55	420.00							2,511.06	3,966.70	-1,455.64	63.3%
6370 - Lab Supplies & Equipment	0.00	0.00	53.15	225.05	1,143.40	187.67							1,609.27	583.35	1,025.92	275.87%
6380 - Meter Reading	0.00	0.00	0.00	0.00	0.00	0.00							0.00			
6400 - Pumping																
6410 - Pumping Fuel & Electricity	0.00	5,549.52	5,749.71	8,175.54	2,778.84	7,563.31							29,816.92	52,500.00	-22,683.08	56.79%
6420 - Pumping Maintenance, Generators	0.00	0.00	0.00	4,317.64	0.00	1,044.00							5,361.64	5,833.35	-471.71	91.91%
6430 - Pumping Maintenance, General	0.00	0.00	0.00	0.00	0.00	1,263.19							1,263.19	4,083.35	-2,820.16	30.94%
6440 - Pumping Equipment, Expensed	0.00	0.00	0.00	0.00	0.00	210.32							210.32	1,166.70	-956.38	18.03%
Total 6400 - Pumping	0.00	5,549.52	5,749.71	12,493.18	2,778.84	10,080.82							36,652.07	63,583.40	-26,931.33	57.64%
6500 - Supply																
6510 - Maintenance, Raw Water Mains	0.00	0.00	1,195.59	249.19	0.00	0.00							1,444.78	1,166.70	278.08	123.84%
6520 - Maintenance, Wells	0.00	72.12	1,963.35	0.00	0.00	0.00							2,035.47	5,833.35	-3,797.88	34.89%
6530 - Water Purchases	0.00	0.00	0.00	12,817.37	0.00	6,264.33							19,081.70	23,333.35	-4,251.65	81.78%
Total 6500 - Supply	0.00	72.12	3,158.94	13,066.56	0.00	6,264.33							22,561.95	30,333.40	-7,771.45	74.38%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
6600 · Collection/Transmission																
6610 · Hydrants	0.00	375.29	0.00	0.00	0.00	0.00							375.29	583.35	-208.06	64.33%
6620 · Maintenance, Water Mains	0.00	0.00	3,068.48	104.20	4,231.33	8,193.80							15,597.81	32,083.35	-16,485.54	48.62%
6630 · Maintenance, Water Svc Lines	0.00	0.00	2,776.91	83.75	7,249.54	1,511.05							11,621.25	14,583.35	-2,962.10	79.69%
6640 · Maintenance, Tanks	0.00	0.00	0.00	35.81	40.73	480.00							556.54	583.35	-26.81	95.4%
6650 · Maint., Distribution General	0.00	0.00	0.00	97.88	0.00	174.95							272.83	5,833.35	-5,560.52	4.68%
6670 · Meters	0.00	0.00	1,066.27	0.00	0.00	0.00							1,066.27	1,458.35	-392.08	73.12%
Total 6600 · Collection/Transmission	0.00	375.29	6,911.66	321.64	11,521.60	10,359.80							29,489.99	55,125.10	-25,635.11	53.5%
6700 · Treatment																
6710 · Chemicals & Filtering	0.00	221.17	1,466.00	652.23	0.00	425.37							2,764.77	17,500.00	-14,735.23	15.8%
6720 · Maintenance, Treatment Equip.	0.00	61.89	1,309.14	165.86	448.96	11.56							1,997.41	2,333.35	-335.94	85.6%
6730 · Treatment Analysis	-60.80	1,731.27	8,834.22	1,063.50	1,520.42	2,280.80							15,369.41	17,500.00	-2,130.59	87.83%
Total 6700 · Treatment	-60.80	2,014.33	11,609.36	1,881.59	1,969.38	2,717.73							20,131.59	37,333.35	-17,201.76	53.92%
6770 · Uniforms	0.00	791.31	715.05	831.82	726.36	1,377.43							4,441.97	7,000.00	-2,558.03	63.46%
6800 · Vehicles																
6810 · Fuel	0.00	580.23	454.46	616.04	669.53	620.88							2,941.14	4,666.70	-1,725.56	63.02%
6820 · Truck Equipment, Expensed	0.00	6.84	0.00	0.00	0.00	0.00							6.84	583.35	-576.51	1.17%
6830 · Truck Repairs	0.00	0.00	988.88	36.74	0.00	591.78							1,617.40	2,916.70	-1,299.30	55.45%
Total 6800 · Vehicles	0.00	587.07	1,443.34	652.78	669.53	1,212.66							4,565.38	8,166.75	-3,601.37	55.9%
6890 · Other Operations	0.00	0.00	0.00	0.00	0.00	2,614.62							2,614.62			
Total 6000 · Operations	-160.80	25,471.48	39,343.64	40,093.89	31,834.04	46,688.02							183,270.27	281,925.60	-98,655.33	65.01%
Total Expense	63,360.55	97,040.01	122,898.16	127,377.87	100,447.62	135,493.87							646,618.08	874,907.75	-228,289.67	73.91%
Net Ordinary Income	118,824.01	179,038.40	86,495.92	-80,180.93	190,217.36	38,926.66							533,321.42	392,835.90	140,485.52	135.76%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)	17,302.00	0.00	0.00	0.00	22,766.00	2,500.00							42,568.00	100,928.35	-58,360.35	42.18%
7120 · Connection Fees (Remodel)	0.00	0.00	0.00	0.00	10,356.50	0.00							10,356.50	0.00	10,356.50	100.0%
7130 · Conn. Fees, PFP (New Constr)	0.00	0.00	0.00	0.00	8,528.00	8,528.00							17,056.00	46,666.70	-29,610.70	36.55%
Total 7100 · Connection Fees	17,302.00	0.00	0.00	0.00	41,650.50	11,028.00							69,980.50	147,595.05	-77,614.55	47.41%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL			
													Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
7200 - Interest Income - LAIF	0.00	0.00	0.00	11,709.89	0.00	0.00							11,709.89			
7600 - Bond Revenues, G.O.	0.00	748.85	0.00	1,002.45	17,378.42	560,562.05							579,691.77	671,087.70	-91,395.93	86.38%
Total 7000 - Capital Account Revenues	17,302.00	748.85	0.00	12,712.34	59,028.92	571,590.05							661,382.16	818,682.75	-157,300.59	80.79%
Total Other Income	17,302.00	748.85	0.00	12,712.34	59,028.92	571,590.05							661,382.16	818,682.75	-157,300.59	80.79%
Other Expense																
8000 - Capital Improvement Program																
8100 - Water	0.00	46,398.00	5,988.00	1,200.00	10,376.25	51,758.27							115,720.52	416,208.35	-300,487.83	27.8%
Total 8000 - Capital Improvement Program	0.00	46,398.00	5,988.00	1,200.00	10,376.25	51,758.27							115,720.52	416,208.35	-300,487.83	27.8%
9000 - Capital Account Expenses																
9100 - Interest Expense - GO Bonds	0.00	23,086.56	0.00	0.00	0.00	0.00							23,086.56	138,519.00	-115,432.44	16.67%
9125 - PNC Equipment Lease Interest	787.86	1,566.77	1,557.20	1,547.61	1,537.99	1,528.35							8,525.78	10,663.35	-2,137.57	79.95%
9150 - SRF Loan	0.00	0.00	0.00	0.00	0.00	0.00							0.00	17,512.00	-17,512.00	0.0%
9210 - Conservation Program/Rebates	0.00	300.00	100.00	400.00	200.00	200.00							1,200.00	291.70	908.30	411.38%
Total 9000 - Capital Account Expenses	787.86	24,953.33	1,657.20	1,947.61	1,737.99	1,728.35							32,812.34	166,986.05	-134,173.71	19.65%
Total Other Expense	787.86	71,351.33	7,645.20	3,147.61	12,114.24	53,486.62							148,532.86	583,194.40	-434,661.54	25.47%
Net Other Income	16,514.14	-70,602.48	-7,645.20	9,564.73	46,914.68	518,103.43							512,849.30	235,488.35	277,360.95	217.78%
Net Income	135,338.15	108,435.92	78,850.72	-70,616.20	237,132.04	557,030.09							1,046,170.72	628,324.25	417,846.47	166.5%

Montara Water & Sanitary District Funds Balance Sheet As of December 31, 2017

	Sewer	Water	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
Sewer - Bank Accounts			
Wells Fargo Operating - Sewer	3,127,199.64	0.00	3,127,199.64
LAIF Investment Fund			
Capital Reserve	3,903,546.01	0.00	3,903,546.01
Connection Fees Reserve	194,576.00	0.00	194,576.00
Operating Reserve	240,073.00	0.00	240,073.00
Total LAIF Investment Fund	4,338,195.01	0.00	4,338,195.01
Total Sewer - Bank Accounts	7,465,394.65	0.00	7,465,394.65
Water - Bank Accounts			
Wells Fargo Operating - Water	0.00	801,506.10	801,506.10
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	46,009.00	46,009.00
SRF Reserve	0.00	48,222.00	48,222.00
Restricted Cash			
Acq & Improv Fund	0.00	436.13	436.13
Connection Fees Reserve	0.00	253,020.00	253,020.00
Cost of Issuance	0.00	122.94	122.94
GO Bonds Fund	0.00	919,505.03	919,505.03
Total Restricted Cash	0.00	1,173,084.10	1,173,084.10
Total Water - Bank Accounts	0.00	2,467,070.20	2,467,070.20
Total Checking/Savings	7,465,394.65	2,467,070.20	9,932,464.85
Accounts Receivable			
Sewer - Accounts Receivable			
Accounts Receivable	61,915.46	0.00	61,915.46
Sewer - Accounts Receivable - Ot...	28,901.00	0.00	28,901.00
Total Sewer - Accounts Receivable	90,816.46	0.00	90,816.46
Water - Accounts Receivable			
Accounts Receivable	0.00	-1,224.53	-1,224.53
Accounts Rec. - Backflow	0.00	17,613.59	17,613.59
Accounts Rec. - Water Residents	0.00	197,149.10	197,149.10
Unbilled Water Receivables	0.00	240,244.44	240,244.44
Total Water - Accounts Receivable	0.00	453,782.60	453,782.60
Total Accounts Receivable	90,816.46	453,782.60	544,599.06
Other Current Assets			
Due from Kathryn Slater-Carter	232.31	382.31	614.62
Maint/Parts Inventory	0.00	42,656.32	42,656.32
Total Other Current Assets	232.31	43,038.63	43,270.94
Total Current Assets	7,556,443.42	2,963,891.43	10,520,334.85
Fixed Assets			
Sewer - Fixed Assets			
General Plant	3,389,801.90	0.00	3,389,801.90
Land	5,000.00	0.00	5,000.00
Other Capital Improv.			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
Total Other Capital Improv.	3,250,409.57	0.00	3,250,409.57

Montara Water & Sanitary District Funds Balance Sheet As of December 31, 2017

Seal Cove Collection System	995,505.00	0.00	995,505.00
Sewage Collection Facility			
Collection Facility - Org. Cost	1,349,064.00	0.00	1,349,064.00
Collection Facility - Other	3,991,243.33	0.00	3,991,243.33
Total Sewage Collection Facility	5,340,307.33	0.00	5,340,307.33
Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-7,907,749.00	0.00	-7,907,749.00
Total Sewer - Fixed Assets	5,317,814.64	0.00	5,317,814.64
Water - Fixed Assets			
General Plant	0.00	26,624,584.56	26,624,584.56
Land & Easements	0.00	734,500.00	734,500.00
Surface Water Rights	0.00	300,000.00	300,000.00
Water Meters	0.00	1,058,985.00	1,058,985.00
Fixed Assets - Other	0.00	48,171.78	48,171.78
Accumulated Depreciation	0.00	-9,846,359.00	-9,846,359.00
Total Water - Fixed Assets	0.00	18,919,882.34	18,919,882.34
Total Fixed Assets	5,317,814.64	18,919,882.34	24,237,696.98
Other Assets			
Sewer - Other Assets			
Def'd Amts Related to Pensions	108,836.00	0.00	108,836.00
Due from Water Fund	117,867.09	0.00	117,867.09
Joint Power Authority			
SAM - Orig Collection Facility	981,592.00	0.00	981,592.00
SAM - Expansion	1,705,955.08	0.00	1,705,955.08
Total Joint Power Authority	2,687,547.08	0.00	2,687,547.08
Total Sewer - Other Assets	2,914,250.17	0.00	2,914,250.17
Water - Other Assets			
Def'd Amts Related to Pensions	0.00	204,534.00	204,534.00
Bond Acquisition Cost OID	0.00	52,750.40	52,750.40
Bond Issue Cost	0.00	61,691.45	61,691.45
Total Water - Other Assets	0.00	318,975.85	318,975.85
Total Other Assets	2,914,250.17	318,975.85	3,233,226.02
TOTAL ASSETS	15,788,508.23	22,202,749.62	37,991,257.85
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Water - Net Pension Liability	0.00	266.00	266.00
Sewer - Net Pension Liability	142.00	0.00	142.00
Sewer - Current Liabilities			
Accrued Payables - Sewer	6,374.00	0.00	6,374.00
Accrued Vacations	6,058.45	0.00	6,058.45
Deposits Payable	20,945.00	0.00	20,945.00
PNC Equip. Loan - S/T	23,793.77	0.00	23,793.77
Total Sewer - Current Liabilities	57,171.22	0.00	57,171.22

Montara Water & Sanitary District
Funds Balance Sheet
 As of December 31, 2017

Water - Current Liabilities			
Accrued Payables - Water	0.00	51.11	51.11
Accrued Vacations	0.00	10,779.03	10,779.03
Construction Deposits Payable	0.00	-9,910.00	-9,910.00
Deposits Payable	0.00	46,059.18	46,059.18
GO Bonds - S/T	0.00	439,759.64	439,759.64
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	23,793.71	23,793.71
SRF Loan Payable X102 - Current	0.00	39,382.25	39,382.25
SRF Loan Payable X109 - Current	0.00	41,367.72	41,367.72
Total Water - Current Liabilities	0.00	595,585.14	595,585.14
Payroll Liabilities			
Employee Benefits Payable	9,693.43	0.00	9,693.43
Total Payroll Liabilities	9,693.43	0.00	9,693.43
Total Other Current Liabilities	67,006.65	595,851.14	662,857.79
Total Current Liabilities	67,006.65	595,851.14	662,857.79
Long Term Liabilities			
Sewer - Long Term Liabilities			
Accrued Vacations	12,201.56	0.00	12,201.56
I-Bank Loan	784,390.61	0.00	784,390.61
PNC Equip. Loan - L/T	593,934.97	0.00	593,934.97
Total Sewer - Long Term Liabilities	1,390,527.14	0.00	1,390,527.14
Water - Long Term Liabilities			
Accrued Vacations	0.00	12,201.57	12,201.57
Deferred on Refunding	0.00	-206,234.00	-206,234.00
Due to Sewer Fund	0.00	117,867.09	117,867.09
GO Bonds - L/T	0.00	10,603,044.74	10,603,044.74
PNC Equip. Loan - L/T	0.00	593,935.01	593,935.01
SRF Loan Payable - X102	0.00	127,373.47	127,373.47
SRF Loan Payable - X109	0.00	3,380,299.53	3,380,299.53
Total Water - Long Term Liabilities	0.00	14,628,487.41	14,628,487.41
Total Long Term Liabilities	1,390,527.14	14,628,487.41	16,019,014.55
Total Liabilities	1,457,533.79	15,224,338.55	16,681,872.34
Equity			
Sewer - Equity Accounts			
Capital Assets Net	3,408,252.20	0.00	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87	0.00	8,646,292.87
Retained Earnings	534,165.57	0.00	534,165.57
Total Sewer - Equity Accounts	12,588,710.64	0.00	12,588,710.64
Water - Equity Accounts			
Capital Assets Net	0.00	2,868,858.70	2,868,858.70
Restricted Debt Service	0.00	1,384,997.90	1,384,997.90
Unrestricted	0.00	-1,562,801.59	-1,562,801.59
Retained Earnings	0.00	-534,165.57	-534,165.57
Total Water - Equity Accounts	0.00	2,156,889.44	2,156,889.44
Equity Adjustment Account	1,801,277.38	3,775,240.91	5,576,518.29
Net Income	-59,013.58	1,046,280.72	987,267.14
Total Equity	14,330,974.44	6,978,411.07	21,309,385.51
TOTAL LIABILITIES & EQUITY	15,788,508.23	22,202,749.62	37,991,257.85



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: SAM Flow Report for October and November
2017**

The Sewer Authority Mid-Coastside (SAM) has prepared the following attached reports for the SAM Board of Directors and the California Regional Water Quality Control Board:

- Flow Report for October and November 2017.
- Collection System Monthly Overflow Report – October and November 2017.

The Average Daily Flow for Montara was 0.220 MGD in October and 0.263 MGD in November 2017. There was no reportable overflow in October or November in the Montara System. SAM indicates there were 0.37 inches of rain in October and 4.40 inches of rain in November 2017.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, October 2017

October 2017

Total	Number of S.S.O.'s			
	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0
Grease	1	0	0	0
Mechanical	0	0	0	0
Wet Weather	0	0	0	0
Other	0	1	0	0
Total	1	1	0	0
	50%	50%		

12 Month Moving Total

Total	12 month rolling Number			
	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0
Grease	1	0	0	0
Mechanical	5	0	1	4
Wet Weather	2	0	0	0
Other	0	1	2	0
Total	8	1	2	4
	27%	9%	27%	36%

Reportable SSOs

Total	Reportable Number of S.S.O.'s			
	HMB	GCSD	MWSD	SAM
October 2017	1	1	0	0
12 Month Moving Total	3	1	3	4

SSOs / Year / 100 Miles

Total	Number of S.S.O.'s / Year / 100 Miles			
	HMB	GCSD	MWSD	SAM
October 2017	2.7	3.0	0.0	0.0
12 Month Moving Total	8.1	3.0	11.1	54.8
Category 1	5.4	0.0	3.7	27.4
Category 2	2.7	0.0	0.0	13.7
Category 3	0.0	3.0	7.4	13.7
Miles of Sewers	37.0	33.2	27.0	7.3
	35.4%	31.8%	25.8%	7.0%

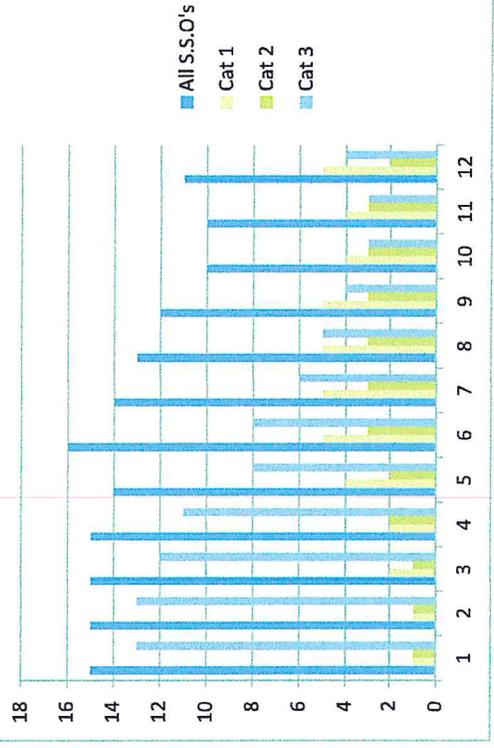
12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Nov - 16	25,535	33,638	10,436	69,609	13.2
Dec - 16	33,928	19,306	10,127	63,361	12.0
Jan - 17	16,650	16,144	11,837	44,631	8.5
Feb - 17	12,216	4,866	11,531	28,613	5.4
Mar - 17	15,347	11,667	10,133	37,147	7.0
Apr - 17	13,101	11,588	11,460	36,149	6.8
May - 17	12,044	12,483	9,547	34,074	6.5
June - 17	18,411	17,317	8,567	44,295	8.4
July - 17	28,276	20,290	6,368	54,934	10.4
Aug - 17	21,769	22,465	20,044	64,278	12.2
Sep - 17	18,710	17,419	11,347	47,476	9.0
Oct - 17	19,336	11,871	14,696	45,903	8.7

Annual ft	235,323	199,054	136,093	570,470	
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Annual Mi.	44.6	37.7	25.8	108.0	
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12 Month Moving SSO Totals Through October 2017



Attachment A

Flow Distribution Report Summary For October 2017

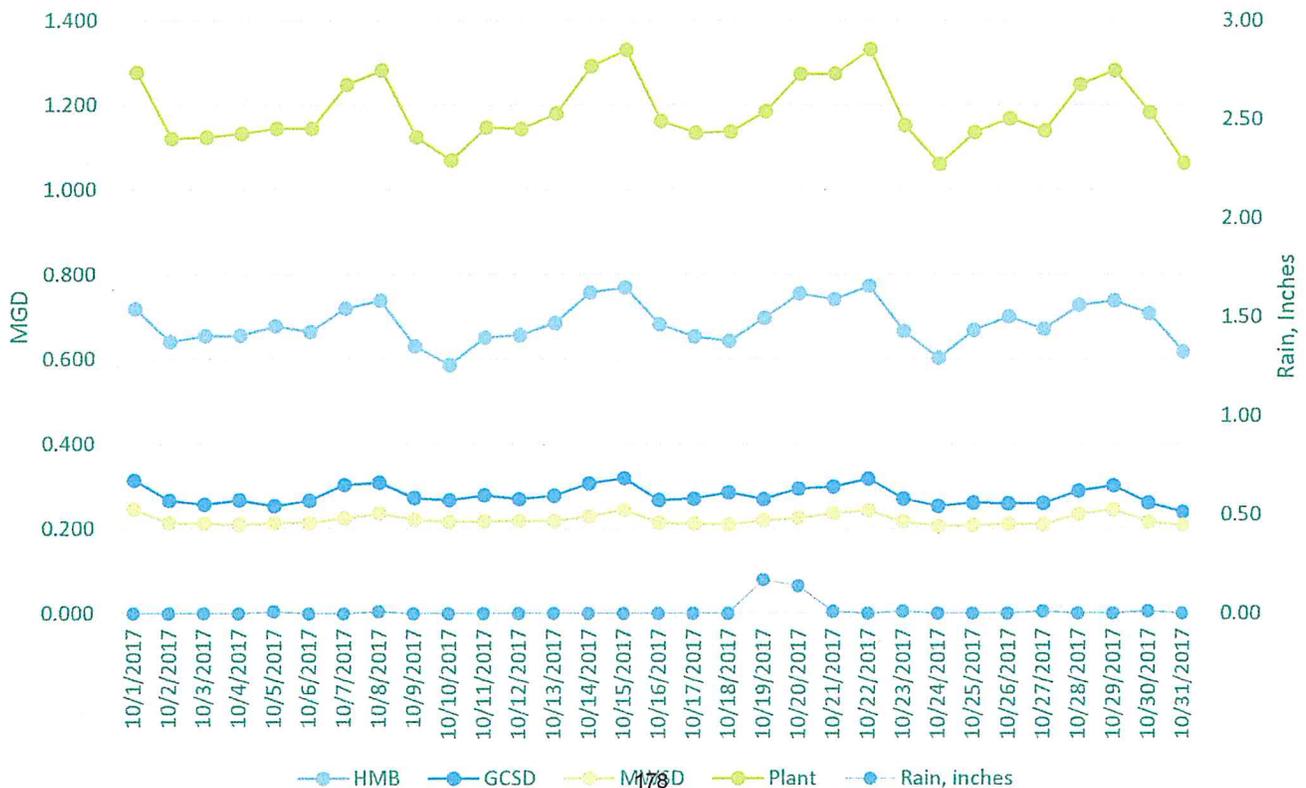
The daily flow report figures for the month of October 2017
have been converted to an Average

Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.685	57.9%
Granada Community Services District	0.278	23.5%
Montara Water and Sanitary District	<u>0.220</u>	<u>18.6%</u>
Total	1.183	100.0%

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, October 2017



Sewer Authority Mid-Coastside

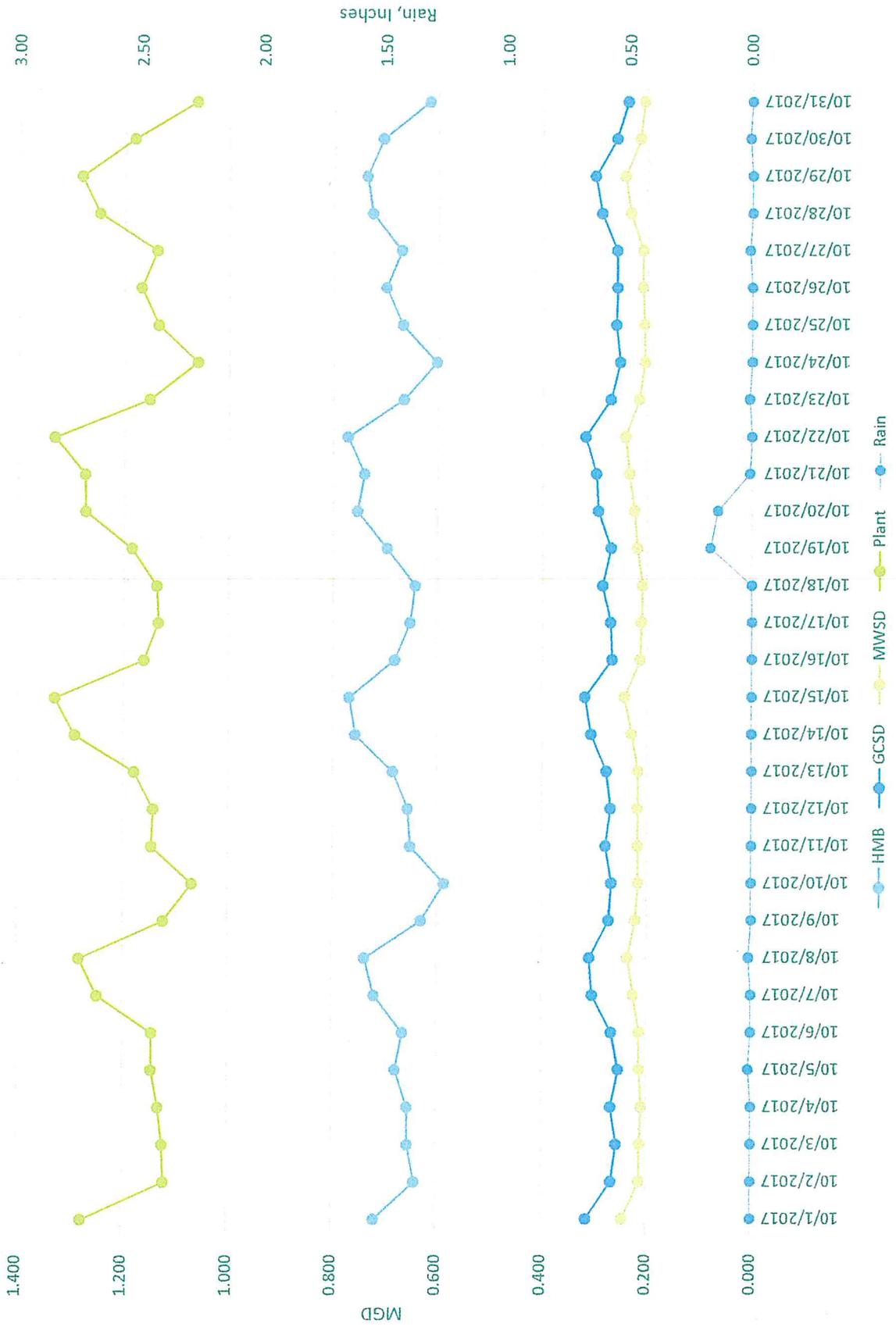
Monthly Flow Distribution Report for October 2017

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
10/1/2017	0.718	0.314	0.245	1.277	0.00	0.00	0.00
10/2/2017	0.641	0.266	0.213	1.121	0.00	0.00	0.00
10/3/2017	0.655	0.257	0.212	1.124	0.00	0.00	0.00
10/4/2017	0.656	0.267	0.209	1.132	0.00	0.00	0.00
10/5/2017	0.678	0.253	0.213	1.145	0.01	0.00	0.00
10/6/2017	0.664	0.266	0.213	1.144	0.00	0.00	0.00
10/7/2017	0.720	0.303	0.225	1.248	0.00	0.00	0.00
10/8/2017	0.738	0.309	0.236	1.283	0.01	0.00	0.00
10/9/2017	0.630	0.272	0.221	1.124	0.00	0.00	0.00
10/10/2017	0.586	0.267	0.216	1.069	0.00	0.00	0.00
10/11/2017	0.651	0.279	0.217	1.146	0.00	0.00	0.00
10/12/2017	0.656	0.269	0.218	1.143	0.00	0.00	0.00
10/13/2017	0.685	0.278	0.217	1.180	0.00	0.00	0.00
10/14/2017	0.757	0.306	0.229	1.292	0.00	0.00	0.00
10/15/2017	0.769	0.318	0.243	1.330	0.00	0.00	0.00
10/16/2017	0.682	0.267	0.213	1.162	0.00	0.00	0.00
10/17/2017	0.653	0.270	0.211	1.134	0.00	0.00	0.00
10/18/2017	0.643	0.285	0.209	1.137	0.00	0.00	0.00
10/19/2017	0.697	0.269	0.219	1.185	0.17	0.17	0.19
10/20/2017	0.754	0.294	0.225	1.273	0.14	0.24	0.18
10/21/2017	0.741	0.298	0.235	1.274	0.01	0.00	0.00
10/22/2017	0.772	0.318	0.242	1.332	0.00	0.00	0.00
10/23/2017	0.665	0.270	0.216	1.152	0.01	0.00	0.00
10/24/2017	0.603	0.253	0.205	1.060	0.00	0.00	0.00
10/25/2017	0.668	0.260	0.207	1.136	0.00	0.00	0.00
10/26/2017	0.700	0.259	0.210	1.168	0.00	0.00	0.00
10/27/2017	0.671	0.259	0.209	1.139	0.01	0.00	0.00
10/28/2017	0.727	0.288	0.233	1.248	0.00	0.00	0.00
10/29/2017	0.738	0.301	0.244	1.282	0.00	0.00	0.00
10/30/2017	0.707	0.260	0.215	1.182	0.01	0.00	0.00
10/31/2017	0.617	0.239	0.207	1.063	0.00	0.00	0.00
Totals	21.241	8.616	6.827	36.684	0.37	0.41	0.37

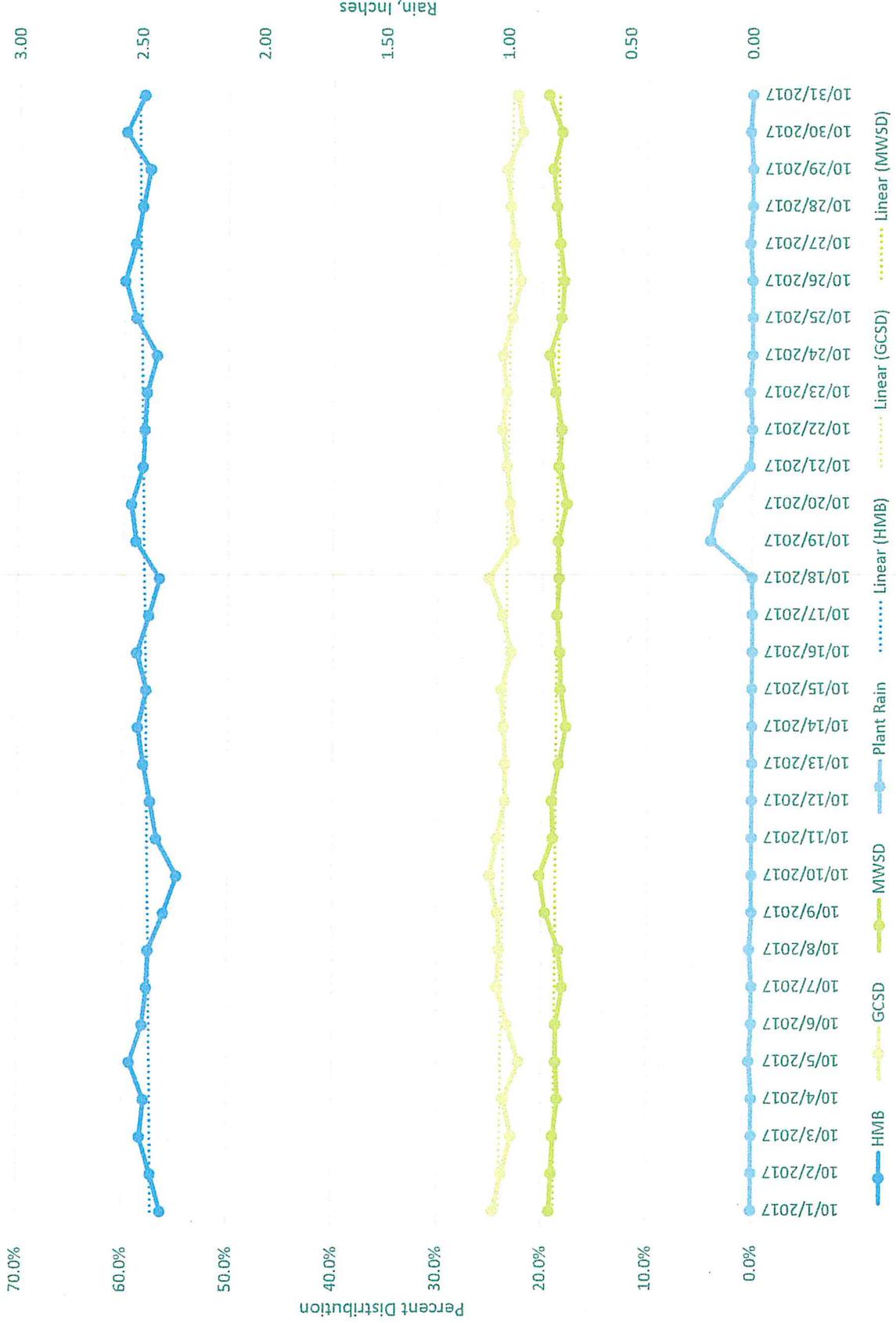
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.586	0.239	0.205	1.060
Average	0.685	0.278	0.220	1.183
Maximum	0.772	0.318	0.245	1.332
Distribution	57.9%	23.5%	18.6%	100.0%

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, October 2017



Percent Distribution October 2017



Most recent flow calibration December 2016 PS, November 2016 Plant

One Year Flow Chart
Nov 2016 - Oct 2017

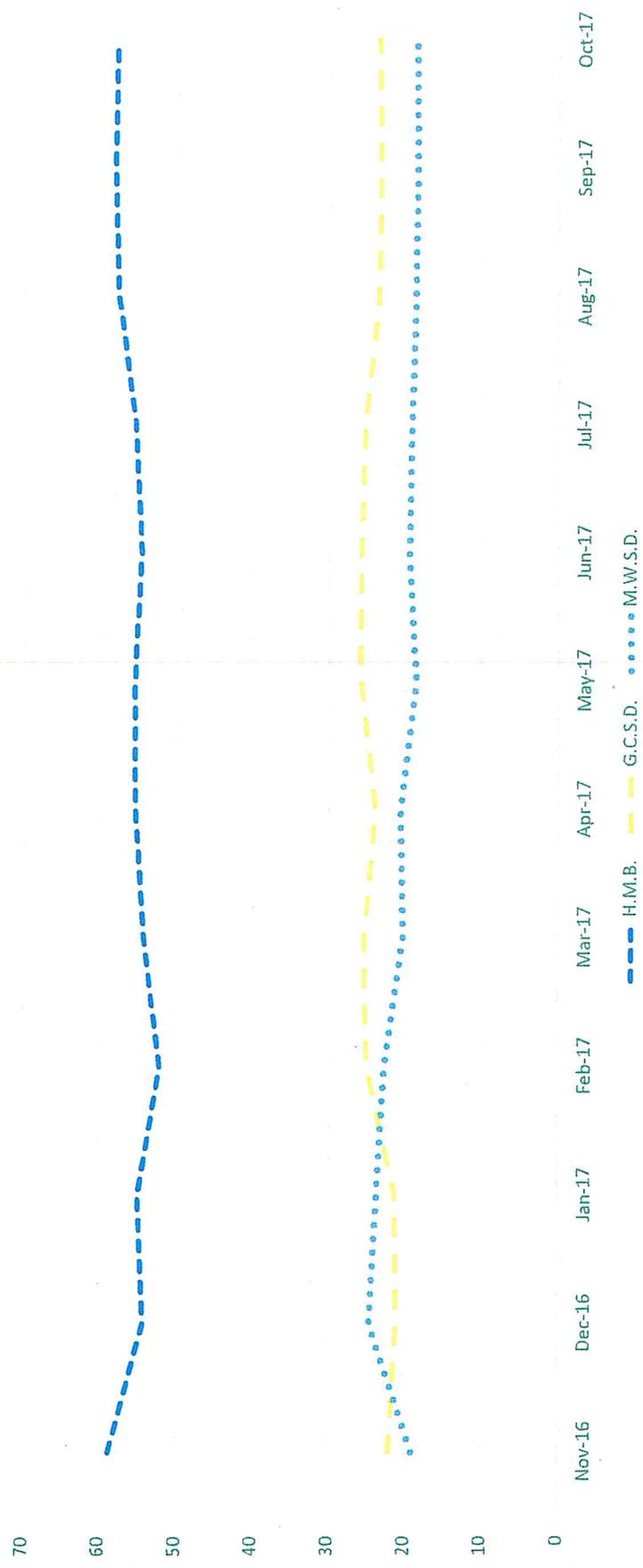


3 Year Flow Chart
Nov 2014 - Oct 2017



Flow based percent distribution based for past year

1 year Distribution by %
Nov 2016 - Oct 2017



Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, November 2017

November 2017

Total	Number of S.S.O.'s			SAM
	HMB	GCSO	MWSD	
Roots	0	0	0	0
Grease	1	0	0	0
Mechanical	0	0	0	0
Wet Weather	0	0	0	0
Other	0	0	0	0
Total	1	0	0	0
	100%			

12 Month Moving Total

Total	12 month rolling Number			SAM
	HMB	GCSO	MWSD	
Roots	0	0	0	0
Grease	1	0	0	0
Mechanical	5	0	1	4
Wet Weather	2	0	0	0
Other	1	1	2	0
Total	12	1	3	4
	33%	8%	25%	33%

Reportable SSOs

Total	Reportable Number of S.S.O.'s			SAM
	HMB	GCSO	MWSD	
November 2017	1	0	0	0
12 Month Moving Total	4	1	3	4

SSOs / Year / 100 Miles

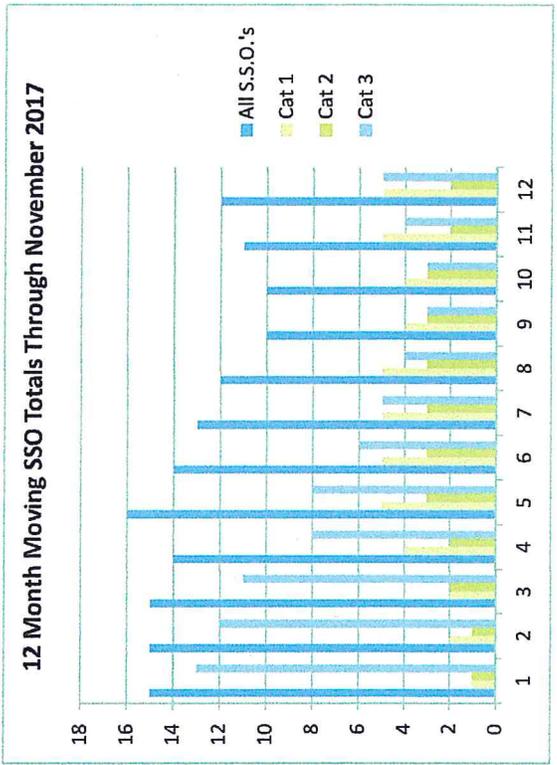
Total	Number of S.S.O.'s / Year/100 Miles			SAM
	HMB	GCSO	MWSD	
November 2017	2.7	0.0	0.0	0.0
12 Month Moving Total	10.8	3.0	11.1	54.8
Category 1	5.4	0.0	3.7	27.4
Category 2	2.7	0.0	0.0	13.7
Category 3	2.7	3.0	7.4	13.7
Miles of Sewers	104.5	33.2	27.0	7.3
	35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSO	MWSD	Total Feet	Total Miles
Dec - 16	33,928	19,306	10,127	63,361	12.0
Jan - 17	16,650	16,144	11,837	44,631	8.5
Feb - 17	12,216	4,866	11,531	28,613	5.4
Mar - 17	15,347	11,667	10,133	37,147	7.0
Apr - 17	13,101	11,588	11,460	36,149	6.8
May - 17	12,044	12,483	9,547	34,074	6.5
June - 17	18,411	17,317	8,567	44,295	8.4
July - 17	28,276	20,290	6,368	54,934	10.4
Aug - 17	21,769	22,465	20,044	64,278	12.2
Sep - 17	18,710	17,419	11,347	47,476	9.0
Oct - 17	19,336	11,871	14,696	45,903	8.7
Nov - 17	17,854	23,041	9,978	50,873	9.6
Annual ft.	227,642	188,457	135,635	551,734	

Annual Mi.	43.1	35.7	25.7	104.5
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12 Month Moving SSO Totals Through November 2017



Attachment A

Flow Distribution Report Summary For November 2017

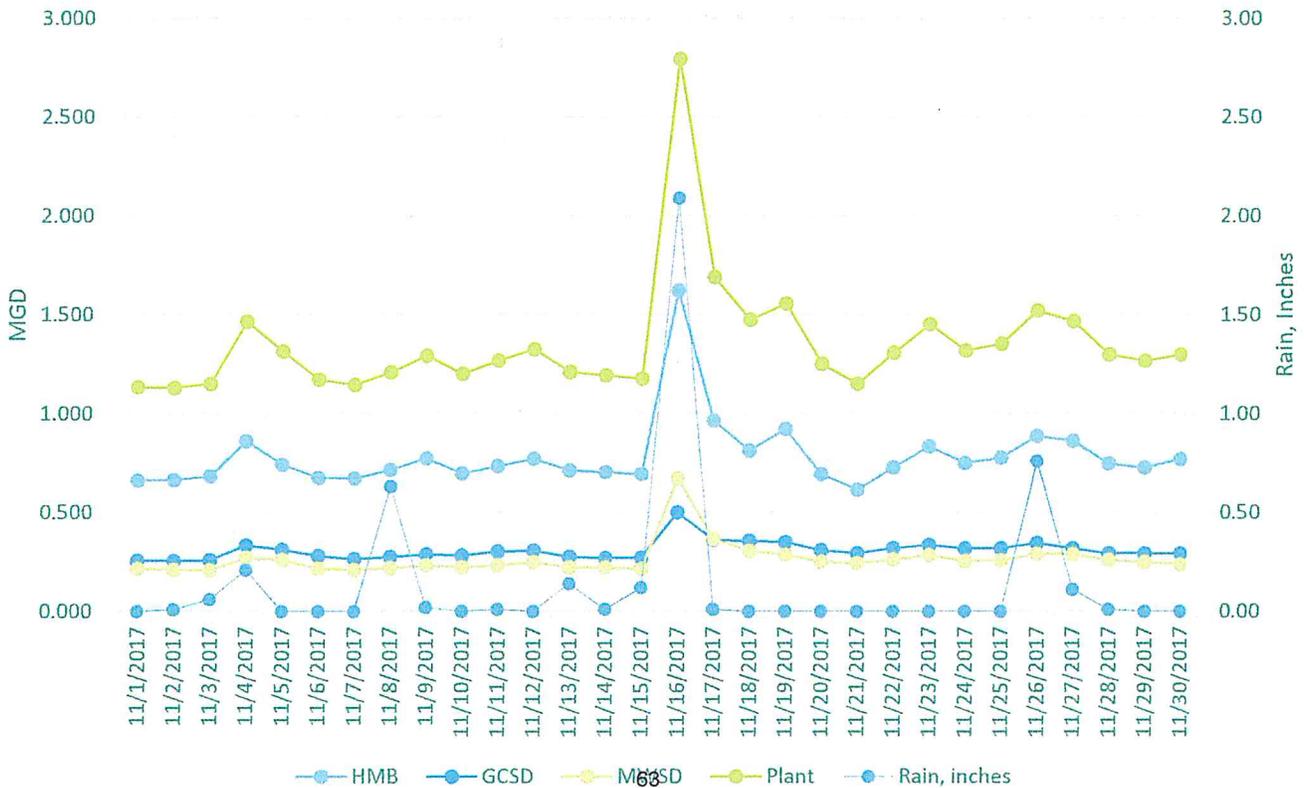
The daily flow report figures for the month of November 2017
have been converted to an Average

Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.782	57.8%
Granada Community Services District	0.307	22.7%
Montara Water and Sanitary District	<u>0.263</u>	<u>19.4%</u>
Total	1.352	100.0%

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, November 2017



Sewer Authority Mid-Coastside

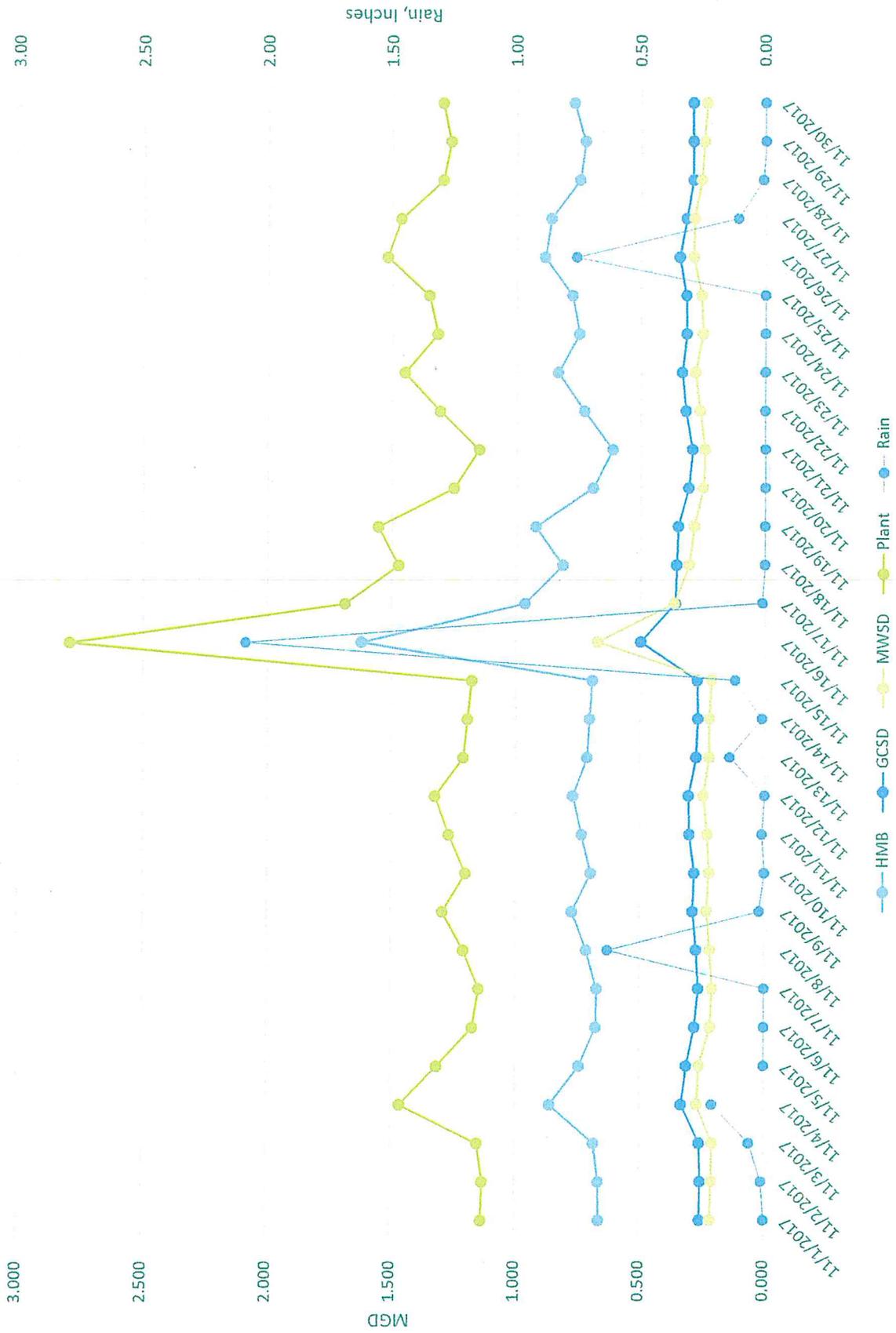
Monthly Flow Distribution Report for November 2017

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
11/1/2017	0.662	0.257	0.215	1.134	0.00	0.00	0.00
11/2/2017	0.664	0.255	0.211	1.130	0.01	0.00	0.00
11/3/2017	0.684	0.259	0.208	1.151	0.06	0.04	0.00
11/4/2017	0.861	0.333	0.270	1.464	0.21	0.52	0.77
11/5/2017	0.743	0.311	0.260	1.314	0.00	0.00	0.00
11/6/2017	0.676	0.279	0.216	1.171	0.00	0.00	0.00
11/7/2017	0.672	0.265	0.209	1.146	0.00	0.00	0.00
11/8/2017	0.716	0.274	0.219	1.209	0.63	0.35	0.32
11/9/2017	0.773	0.288	0.232	1.293	0.02	0.02	0.00
11/10/2017	0.697	0.282	0.222	1.201	0.00	0.00	0.01
11/11/2017	0.735	0.302	0.231	1.268	0.01	0.00	0.00
11/12/2017	0.771	0.307	0.247	1.325	0.00	0.00	0.00
11/13/2017	0.713	0.275	0.222	1.210	0.14	0.22	0.17
11/14/2017	0.704	0.269	0.221	1.193	0.01	0.02	0.00
11/15/2017	0.693	0.271	0.213	1.177	0.12	0.08	0.18
11/16/2017	1.623	0.500	0.672	2.795	2.09	2.08	2.45
11/17/2017	0.965	0.361	0.364	1.690	0.01	0.00	0.00
11/18/2017	0.813	0.356	0.305	1.473	0.00	0.00	0.00
11/19/2017	0.922	0.349	0.285	1.556	0.00	0.00	0.00
11/20/2017	0.693	0.308	0.250	1.251	0.00	0.00	0.00
11/21/2017	0.613	0.293	0.243	1.150	0.00	0.00	0.00
11/22/2017	0.727	0.319	0.261	1.307	0.00	0.00	0.00
11/23/2017	0.834	0.334	0.282	1.450	0.00	0.00	0.00
11/24/2017	0.749	0.317	0.252	1.318	0.00	0.00	0.00
11/25/2017	0.777	0.319	0.257	1.352	0.00	0.00	0.00
11/26/2017	0.886	0.345	0.289	1.520	0.76	0.43	0.34
11/27/2017	0.862	0.318	0.287	1.467	0.11	0.13	0.16
11/28/2017	0.748	0.292	0.258	1.298	0.01	0.00	0.00
11/29/2017	0.726	0.292	0.248	1.266	0.00	0.00	0.00
11/30/2017	0.770	0.292	0.236	1.298	0.00	0.00	0.00
Totals	23.471	9.218	7.885	40.574	4.19	3.89	4.40

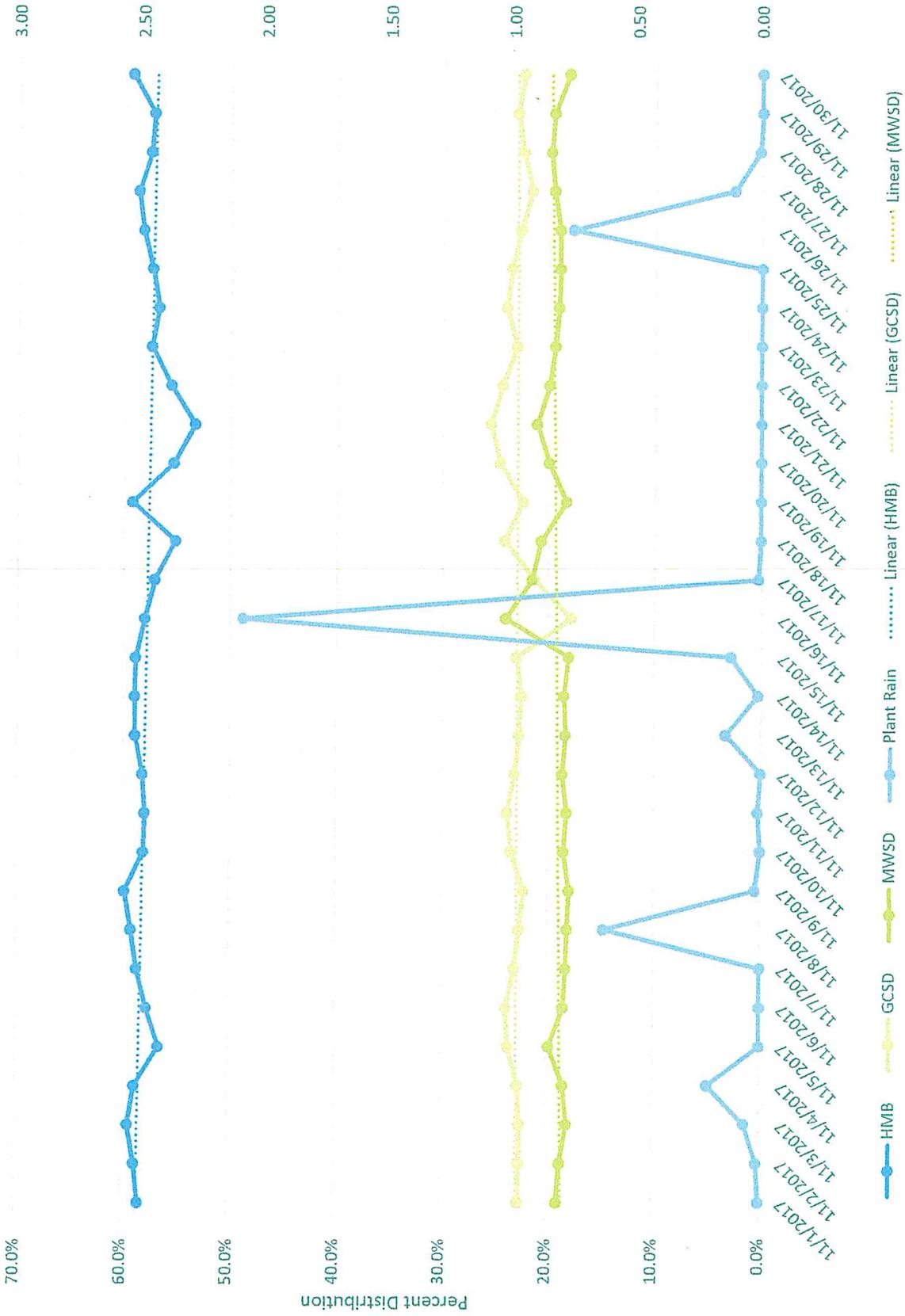
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.613	0.255	0.208	1.130
Average	0.782	0.307	0.263	1.352
Maximum	1.623	0.500	0.672	2.795
Distribution	57.8%	22.7%	19.4%	100.0%

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, November 2017

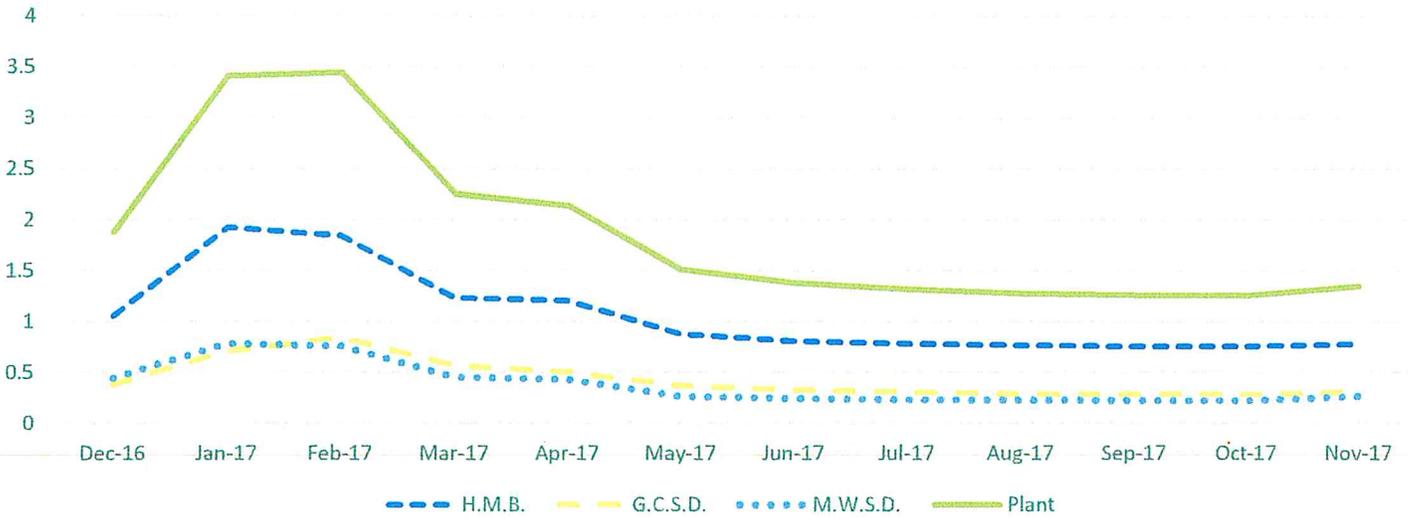


Percent Distribution November 2017

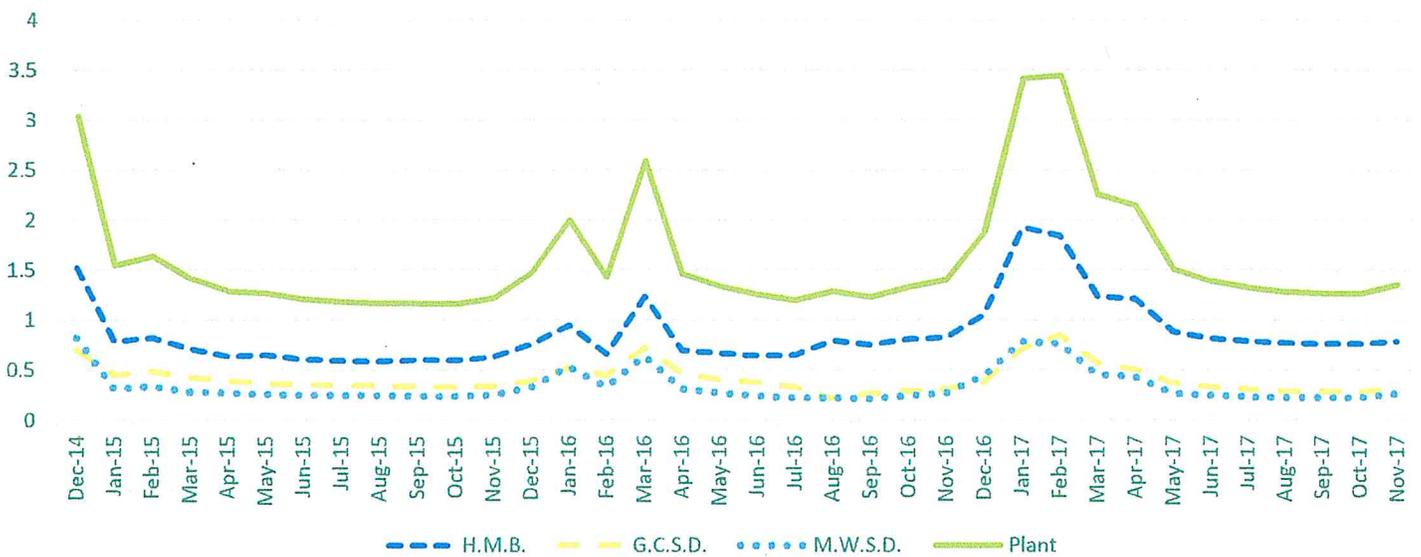


Most recent flow calibration December 2016 PS, November 2016 Plant

One Year Flow Chgart
Dec 2016 - Nov 2017

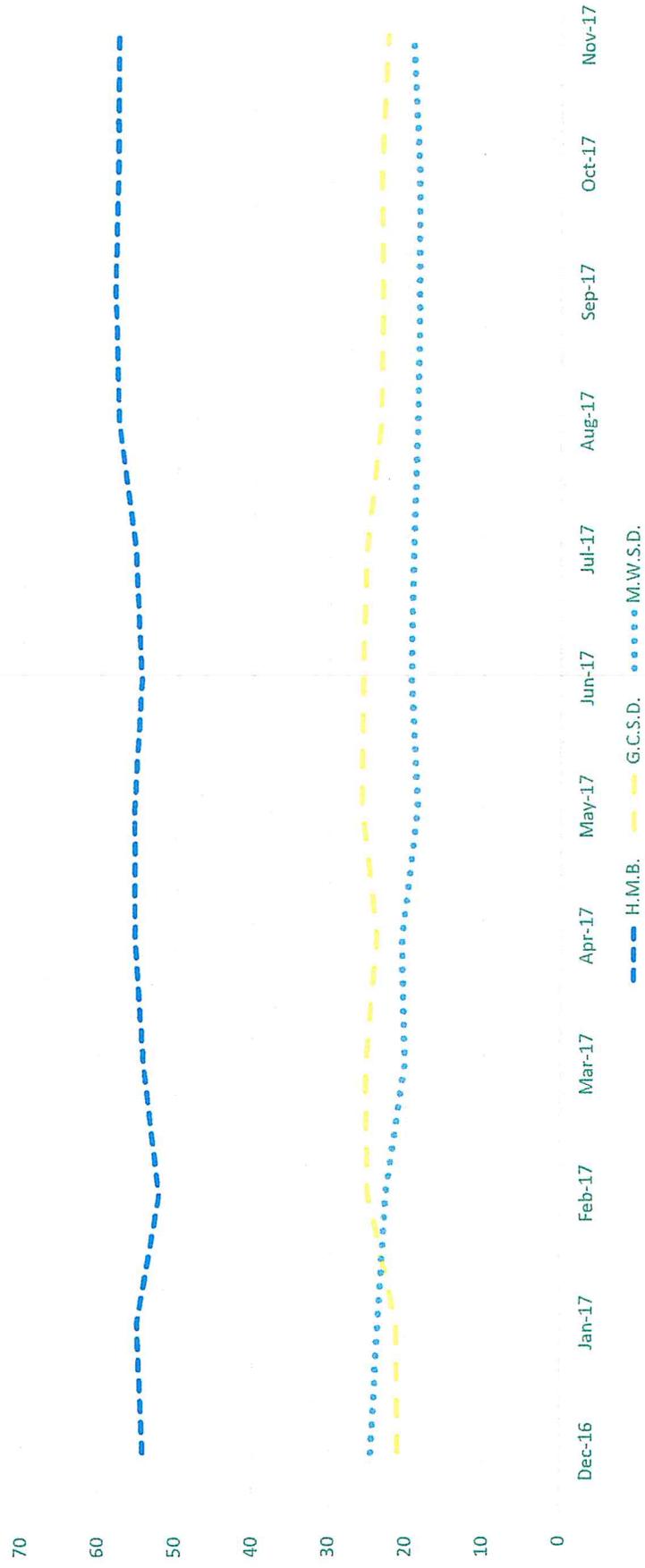


Three Year Flow Chart
Dec 2014 - Nov 2017



Flow based percent distribution based for past year

1 year Distribution by %
Dec 2016 - Nov 2017





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: February 1, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Review of Current Investment Portfolio

The District's Investment Policy and Guidelines requires that the Board review the status of the current investment portfolio. The following summarizes the status of these accounts:

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for December 2017 the rate was 1.239.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

RECOMMENDATION:

District staff attempts to cash manage idle funds in LAIF as long as possible before transferring to the Wells Fargo checking accounts for disbursements.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Connection Permit Applications Received

As of February 1, 2018 the following new **Sewer Connection Permit** application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
01-12-18	William Bright	1026 Birch, Montara	SFD
01-23-18	Scott Menary	312 7th, Montara	SFD

As of February 1, 2018 the following new **Water (Private Fire Sprinkler) Connection Permit** application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
01-12-18	William Bright	1026 Birch, Montara	SFD
01-23-18	Scott Menary	312 7th, Montara	SFD
01-24-18	Karen Wang/Peter Willhoite	314 8th, Montara	SFD

As of February 1, 2018 the following new **Water Connection Permit** application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
01-12-18	William Bright	1026 Birch, Montara	SFD	Domestic
01-23-18	Scott Menary	312 7th, Montara	SFD	Domestic

RECOMMENDATION:

No action is required. This is for Board information only.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: February 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Monthly Water Production Report

The attached two charts summarize the monthly water production for the District.

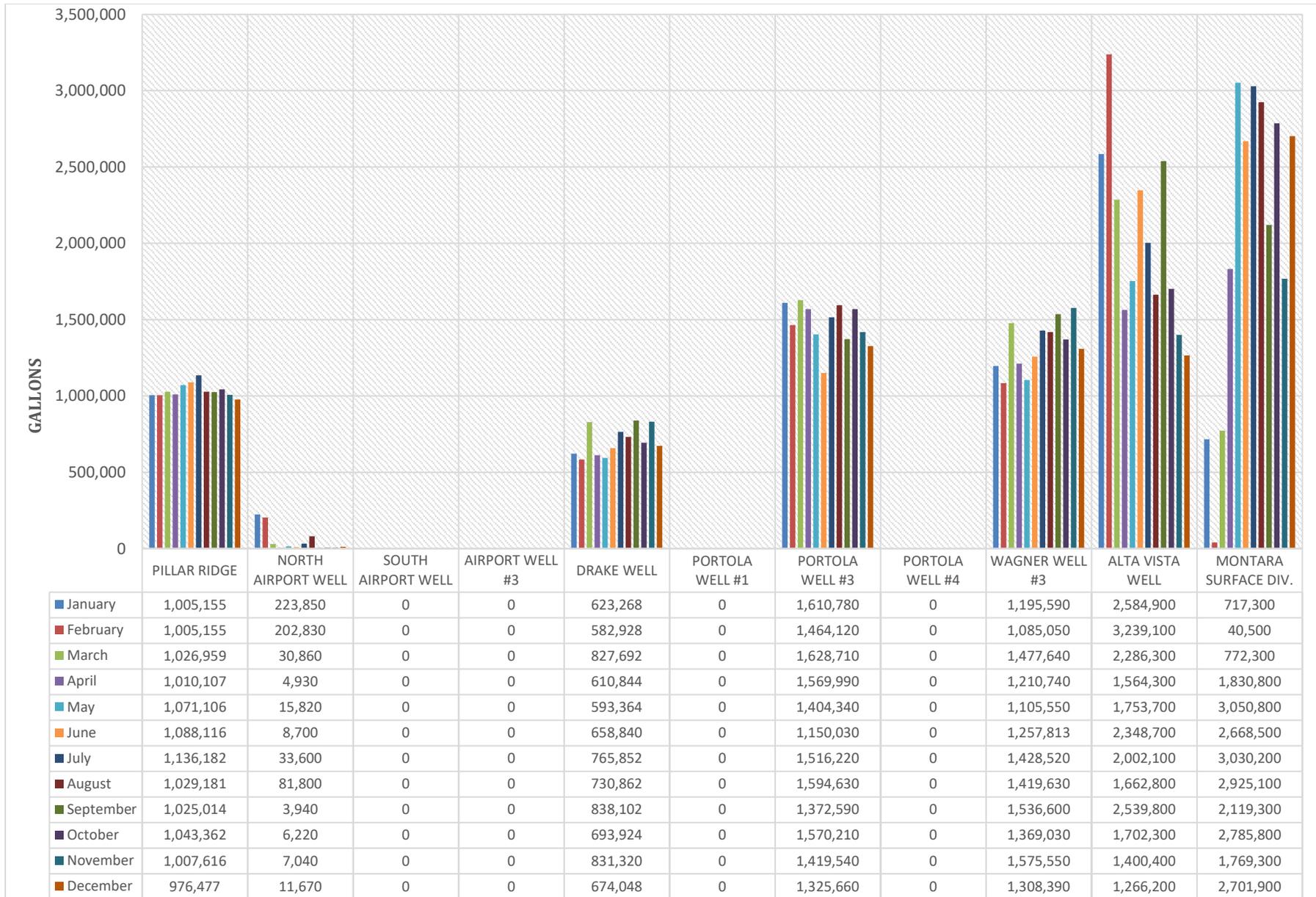
The first shows a consolidated from all sources by month. The second shows each water source the District uses, both wells and surface water. The production is shown in gallons of water produced.

RECOMMENDATION:

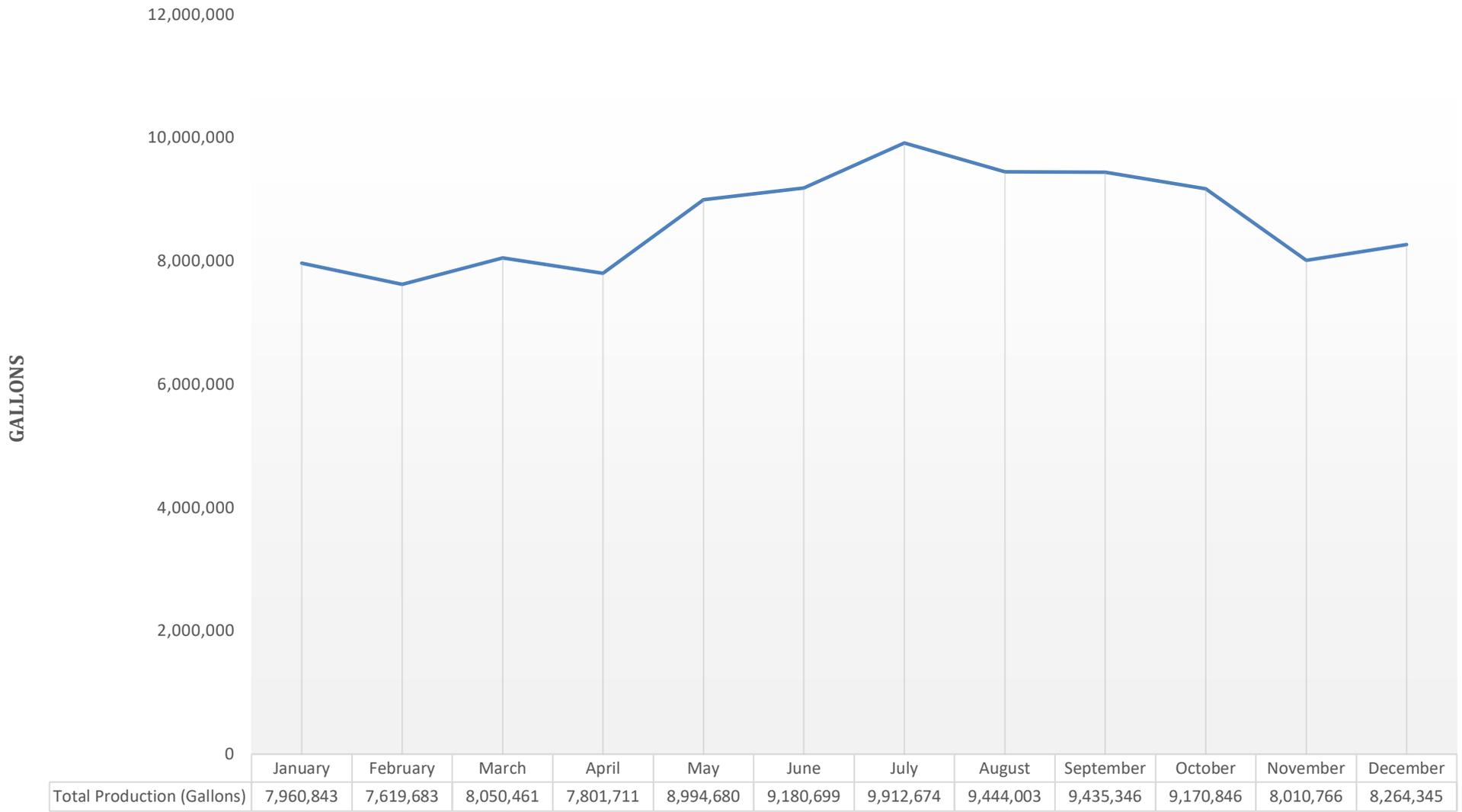
No action is required. These reports are provided for the Board's information only.

Attachments: 2

MONTHLY WATER PRODUCTION 2017



TOTAL PRODUCTION 2017(Gallons)



MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: February 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Rain Report

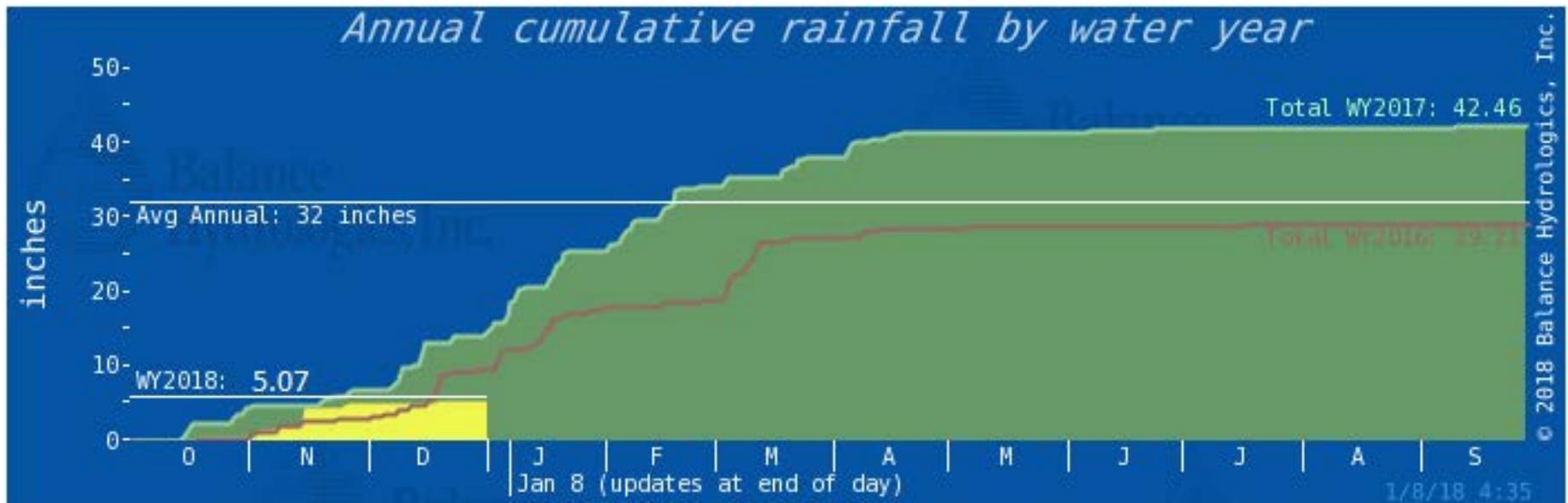
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

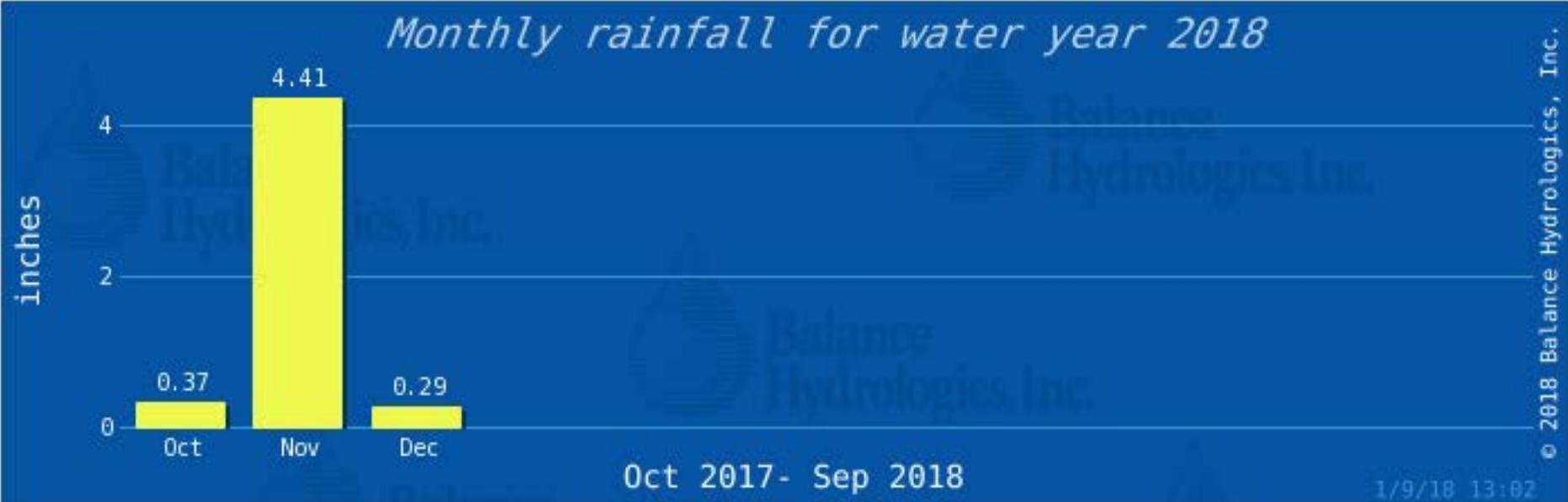
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Annual Cumulative Rainfall



Monthly Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: February 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Solar Energy Report

The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 40339 kWh and saved 68576 lbs of CO₂.

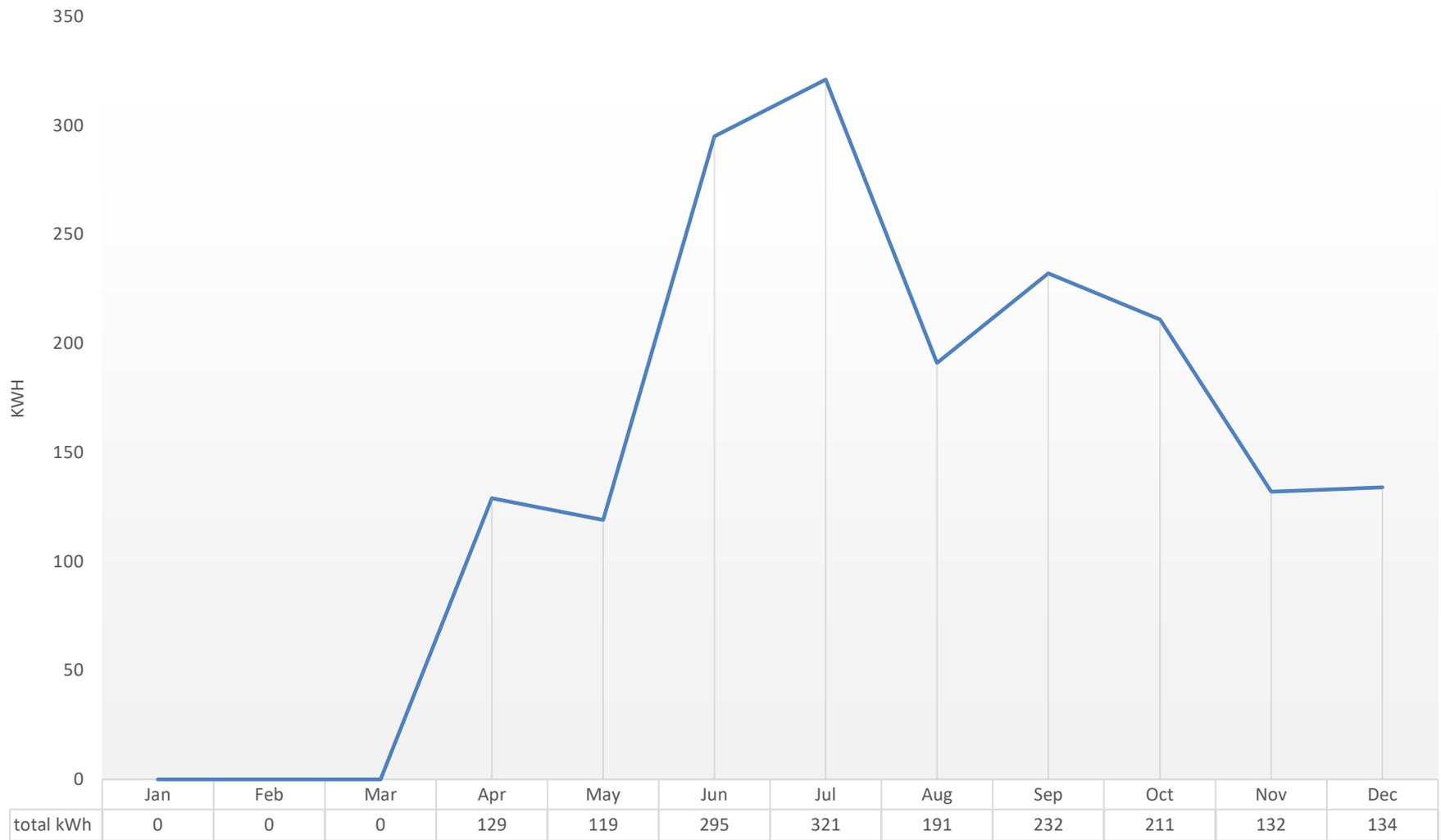
Please note - due to an electrical storm in December, the solar array equipment was damaged and has been disconnected. Array was reconnected April 15th , 2017

RECOMMENDATION:

No action is required. This information is provided for the Board's information only.

Attachments: 1

SOLAR ENERGY PRODUCED IN 2017 (kWh)





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Public Agency Retirement Service Report for November 2017.

The District has received the monthly PARS report for November 2017.

Contributions are calculated on a bi-weekly basis, and contributions are made on a monthly basis.

The following monthly reports are submitted as consent agenda items on a monthly basis.

RECOMMENDATION:

This is for Board information only.

Attachment



*Montara Water and San
Retirement Enhancement Plan*

Monthly Account Report for the Period
11/1/2017 to 11/30/2017

Clemens H. Heldmaier
General Manager
Montara Water and San
P.O. Box 370131
Montara, CA 94037

PlanID: P7-REP15A

Account Summary

Source	Beginning Balance as of 11/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 11/30/2017
Contributions	\$583,058.33	\$6,549.64	\$10,213.70	\$275.25	\$1,042.51	\$0.00	\$598,503.91
TOTAL	\$583,058.33	\$6,549.64	\$10,213.70	\$275.25	\$1,042.51	\$0.00	\$598,503.91

Investment Selection

PARS Capital Appreciation INDEX PLUS

Investment Objective

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
General	1.75%	5.01%	16.77%	-	-	-	03/08/16

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value.

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Receipt
of Fiscal Year 2016-17 Audit.**

Vavrinek, Trine, Day & Co (VTD) completed the audit for the Fiscal Year ending on June 30, 2017.

Representatives with VTD and Peter Medina with Maze are available to present the audit document to the full Board.

After review of the audit, the Board should acknowledge receipt and file with County, State, Standard & Poor's, I-Bank and First Republic Bank.

RECOMMENDATION:

Acknowledge receipt of the Annual Audit for the period ending June 30, 2017. Direct the General Manager to send a copy to the County of San Mateo, the State Controller, Standard & Poor's, post on the District webpage and to make copies on file available to the public.

Attachment



To the Board of Directors
Montara Water and Sanitary District

We have audited the financial statements of the sewer and water enterprise funds of the Montara Water and Sanitary District for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Montara Water and Sanitary District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Some of the more sensitive estimates are the depreciation calculation for which we have evaluated the useful life of various classes of depreciable assets in accordance with Montara Water and Sanitary District's policy and industry practice, and pension related liabilities, deferred inflows and outflows of resources and disclosures based on actuarial valuations of the net pension liability for the District's defined benefit pension plan administered by the Public Agency Retirement Services (PARS). Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were included in Note 8 relating to the District's pension plan administered by PARS. We evaluate the key factors and assumptions used to develop these disclosures in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Montara Water and Sanitary District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Montara Water and Sanitary District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in the net pension liability and related ratios and schedules of contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Montara Water and Sanitary District and is not intended to be, and should not be, used by anyone other than these specified parties.

Vavrinck, Trine, Day & Co. LLP

Pleasanton, California
January 25, 2018

**MONTARA WATER AND
SANITARY DISTRICT**

**INDEPENDENT ACCOUNTANTS' REPORT ON
AGREED-UPON PROCEDURES APPLIED TO
APPROPRIATIONS LIMIT SCHEDULE**

FOR THE FISCAL YEAR ENDING JUNE 30, 2018



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON
PROCEDURES OVER COMPLIANCE WITH THE PROPOSITION 111
2017-2018 APPROPRIATIONS LIMIT INCREMENT**

To the Board of Directors
Montara Water and Sanitary District
Montara, California

We have performed the procedures enumerated below to the Appropriations Limit Calculation of the Montara Water and sanitary District (District) for the fiscal year ended June 30, 2018. These procedures, which were agreed to by the District, were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District's management is responsible for the Appropriations Limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings were as follows:

- A. We obtained the completed worksheets setting forth the calculations necessary to establish the District's appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

- B. We added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2017-2018 appropriations limit.

Findings: No exceptions were noted as a result of our procedures.

- C. We compared the current year information to the worksheets described in No. 1 above.

Findings: No exceptions were noted as a result of our procedures.

- D. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Trine, Day & Co. LLP

Pleasanton, California

January 25, 2018

MONTARA WATER AND SANITARY DISTRICT

**APPROPRIATIONS LIMIT SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

	<u>Amount</u>	<u>Source</u>
A. Appropriations limit for the year ended June 30, 2017	\$ 2,110,093	Prior year schedule
B. Calculation Factors:		
1. Population increase %	1.0056 *	State Department of Finance
2. Inflation increase %	<u>1.0369</u>	County of San Mateo
3. Total adjustment factor %	1.0427	B1 x B2
C. Annual adjustment Increase	90,135	[(B3-1)A]
D. Other Adjustments:		
Loss responsibility (-)	-	N/A
Transfers to private (-)	-	N/A
Transfers to fees (-)	-	N/A
Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>90,135</u>	(C+D)
F. Appropriations limit for the year ending June 30, 2018	<u><u>\$ 2,200,228</u></u>	(A+E)
* Greater of population increase % for:		
County of San Mateo	1.0056	

MONTARA WATER AND SANITARY DISTRICT

NOTES TO APPROPRIATIONS LIMIT SCHEDULE FOR THE YEAR ENDED JUNE 30, 2018

1. PURPOSE OF AGREED-UPON PROCEDURES

Under Article XIII B of the California Constitution (the Gann Spending Limitations Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriation limit is subject to agreed-upon procedures in connection with the annual audit.

2. METHOD OF CALCULATION

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

3. POPULATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the District for the year 2017-2018 represents the annual percentage change in population for the County of San Mateo.

4. INFLATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the District for the year 2017-2018 represents the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction.

5. OTHER ADJUSTMENTS

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The District had no such adjustment for the year ending June 30, 2018.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Montara Water and Sanitary District
Montara, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Montara Water and Sanitary District, California (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Pleasanton, California
January 25, 2018

**MONTARA WATER AND
SANITARY DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

WITH

INDEPENDENT AUDITORS' REPORT

MONTARA WATER AND SANITARY DISTRICT

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MONTARA WATER AND SANITARY DISTRICT

**ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL**

JUNE 30, 2017

BOARD OF DIRECTORS

Scott Boyd
Jim Harvey
Kathryn Slater-Carter
Dwight Wilson
Bill Huber

GENERAL MANAGER

Clemens Heldmaier



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Montara Water and Sanitary District
Montara, California

Report on the Financial Statements

We have audited the accompanying financial statements of the sewer and water enterprise funds of the Montara Water and Sanitary District (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the sewer and water enterprise funds of the District as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability and related ratios and schedule of pension plan contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinck, Trine, Day & Co. LLP

Pleasanton, California
January 25, 2018

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Our discussion and analysis of the Montara Water and Sanitary District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the District financial statements and accompanying notes, which follow this section.

HIGHLIGHTS

District Financial Highlights

- District-wide revenues increased \$149,585 from the prior year going from \$6,103,347 to \$6,252,932.
- District-wide expenses decreased \$246,784 below the prior year going from \$5,076,146 to \$4,829,362.
- The effect of the increase in revenues and decrease in expenses caused the District-wide change in net position to increase \$396,369 from the prior year. In other words, the District-wide increase in net position for the year ended June 30, 2017 was \$1,423,570.

USING THIS ANNUAL REPORT

This annual report consists of two parts: Management's Discussion and Analysis, and Financial Statements. The Financial Statements also include notes that explain in more detail the information contained in those statements.

Required Financial Statements

District financial statements report information about the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all District assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return; evaluating the capital structure of the District; and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about District cash receipts, cash disbursements and changes in cash resulting from operations, investing, and capital and non-capital financing activities. It provides answers to such questions as, "Where did the cash come from?", "For what was the cash used?", and "What was the change in cash balance during the reporting period?"

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about District finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues and Expenses and Changes in Net Position report information about District activities in a way that will help answer this question. These two statements report the net position of the District and changes. You can think of District net position, the difference between assets and liabilities, as one way to measure financial health or financial position. Over time, increases or decreases in District net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Net Position Statement and Analysis

The District's total net position increased from \$18,898,545 to \$20,322,115 or \$1,423,570.

The following is the District's condensed statement of net position:

	Sewer		Water		Total	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 7,280,424	\$ 7,766,177	\$ 1,792,440	\$ 1,651,481	\$ 9,072,864	\$ 9,417,658
Capital assets net of accumulated depreciation	5,317,814	4,776,817	18,919,883	19,134,771	24,237,697	23,911,588
Other long term assets	2,805,647	2,687,547	1,569,617	1,696,419	4,375,264	4,383,966
Total assets	15,403,885	15,230,541	22,281,940	22,482,671	37,685,825	37,713,212
Deferred outflows of resources	108,836	13,495	410,768	251,577	519,604	265,072
Total deferred outflow of resources	108,836	13,495	410,768	251,577	519,604	265,072
Current liabilities	245,337	210,305	1,404,001	1,405,504	1,649,338	1,615,809
Long-term liabilities	1,411,561	1,620,099	14,822,415	15,843,831	16,233,976	17,463,930
Total liabilities	1,656,898	1,830,404	16,226,416	17,249,335	17,883,314	19,079,739
Net position						
Net investment in capital assets	3,939,488	3,253,238	4,469,326	2,408,708	8,408,814	5,661,946
Restricted for debt service	-	-	1,507,544	1,488,309	1,507,544	1,488,309
Unrestricted	9,916,335	10,160,394	489,422	1,587,896	10,405,757	11,748,290
Total net position	\$ 13,855,823	\$ 13,413,632	\$ 6,466,292	\$ 5,484,913	\$ 20,322,115	\$ 18,898,545

Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2017 the sewer system generated operating revenue of \$2,016,027 and operating expenses of \$1,998,315 for a net operating income of \$17,712. This is an increase from prior year's net operating loss of \$176,064 by \$193,776. Whereas operating revenue decreased 3.4%, system maintenance and repairs expense decreased by \$208,274 or 16.0%.

The Sewer Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees, and revenue from the lease of the cell phone tower, experienced an increase of \$103,208.

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

For the fiscal year ended June 30, 2017 the water system generated operating revenue of \$1,818,254 and operating expenses of \$2,275,268 for a net operating loss of \$457,014. This is a decrease from prior year's net operating loss of \$546,962 by \$89,948. For the fiscal year ended June 30, 2017 operating revenue decreased 0.2% and system maintenance and repairs expense decreased by \$35,266. This decrease in expense is due to decreases in pumping, collections, and treatment line items.

The Water Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees and revenue from the lease of the cell phone tower, experienced an increase of \$121,555. The District receives property tax revenue which was imposed specifically for the payment of the General Obligation Bonds approved by the District rate payers.

Connection fees for the Sewer Fund increased from \$100,597 to \$175,830 or approximately 74.8% whereas the connection fees for the Water Fund increased from \$139,419 to \$208,785 or approximately 49.8%. These funds are used to off-set capital needs for existing customers. This amount is expected to rise in the upcoming years as the moratorium on connections for residents within the District's service area has been repealed.

The following is the District's condensed statement of revenues, expenses, and changes in net position:

	Sewer		Water		Total	
	2017	2016	2017	2016	2017	2016
Operating revenues	\$ 2,016,027	\$ 2,087,771	\$ 1,818,254	\$ 1,821,688	\$ 3,834,281	\$ 3,909,459
Tax revenues	340,019	325,926	1,593,129	1,541,867	1,933,148	1,867,793
Interest and investment income	32,034	19,079	-	-	32,034	19,079
Connection fees and other non operating revenues	210,257	134,097	243,212	172,919	453,469	307,016
Total revenues	<u>2,598,337</u>	<u>2,566,873</u>	<u>3,654,595</u>	<u>3,536,474</u>	<u>6,252,932</u>	<u>6,103,347</u>
Operating expenses	1,998,315	2,263,835	2,275,268	2,368,650	4,273,583	4,632,485
Non-operating expenses	157,831	49,027	397,948	394,634	555,779	443,661
Total expenses	<u>2,156,146</u>	<u>2,312,862</u>	<u>2,673,216</u>	<u>2,763,284</u>	<u>4,829,362</u>	<u>5,076,146</u>
Change in fund net position	442,191	254,011	981,379	773,190	1,423,570	1,027,201
Fund net position - beginning of year	<u>13,413,632</u>	<u>13,159,621</u>	<u>5,484,913</u>	<u>4,711,723</u>	<u>18,898,545</u>	<u>17,871,344</u>
Fund net position - end of year	<u>\$ 13,855,823</u>	<u>\$ 13,413,632</u>	<u>\$ 6,466,292</u>	<u>\$ 5,484,913</u>	<u>\$ 20,322,115</u>	<u>\$ 18,898,545</u>

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the District had \$24,237,697 (net of accumulated depreciation) invested in a variety of capital assets.

The assets include: land; sanitary sewer collection system subsurface lines and pump stations; water supply wells; surface water diversion and storage tank; water treatment plant; treated water storage tanks; water distribution system subsurface lines, valves, hydrants, and pumps; administration building; and vehicles. The District's capital assets balance as of June 30, 2017, increased by \$326,109 or 1.36 percent over the prior year. This is due to capitalized expenses in regards to the District's Water facilities plant and other capital improvements reduced by current year depreciation expense.

Major capital assets events during the fiscal year included the following:

- Capital improvements to the water system
- Sewer pipeline replacement

The following summarizes District capital assets for fiscal year ended June 30, 2017:

Category	Audited	Additions	Deletions	Transfers	Audited
	Balance				Balance
	June 30, 2016				June 30, 2017
Land & easement	\$ 739,500	\$ -	\$ -	\$ -	\$ 739,500
Sewage collection facilities	5,341,536	-	-	-	5,341,536
Sewage treatment facilities	244,540	-	-	-	244,540
General plant & administration facilities	2,334,224	1,054,591	-	-	3,388,815
Seal Cove collection system	995,505	-	-	-	995,505
Other capital improvements	4,357,566	-	-	-	4,357,566
Water facilities plant	25,715,384	734,650	-	-	26,450,034
Water general plant	174,309	-	-	-	174,309
Surface water rights	300,000	-	-	-	300,000
Total	<u>40,202,564</u>	<u>1,789,241</u>	<u>-</u>	<u>-</u>	<u>41,991,805</u>
Accumulated depreciation	<u>16,290,976</u>	<u>1,463,132</u>	<u>-</u>	<u>-</u>	<u>17,754,108</u>
Property, plant & equipment, net	<u>\$ 23,911,588</u>	<u>\$ 326,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,237,697</u>

Additional information on capital assets can be found in notes #1F and #4 to the financial statements of this report.

Long Term Obligations

On April 18, 2012, the District issued General Obligation Bonds Series 2012 in the amount of \$15,635,000. The bonds were issued to fully refund the General Obligation Bonds Series 2003 and to finance improvements to the District's water system.

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

The District entered into a capital lease for approximately \$1.8 million in October of 2006, to finance the acquisition of capital assets for the water operations. The financing was originally provided by Citibank at a rate of 4.56 percent for a 20 year term and is now held by PNC Equipment Finance (PNCEF). Effective March 15, 2013, the District refinanced the capital lease with PNCEF at a rate of 2.95 percent.

On July 10, 2012, the District entered into an agreement with the State of California Department of Health under the Safe Drinking Water State Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan and a grant made by the State to the District. The purpose of the funding is to assist in financing the cost of studies, planning and other preliminary activities for a project which will enable the District to meet safe drinking water standards.

The following is a summary of long term obligations activity for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
General Obligation Bonds, 2012 Series	\$12,334,203	\$ -	\$ 854,700	\$11,479,503	\$ 876,458	\$10,603,045
2012 GO Bonds Discount	(57,634)	-	(4,886)	(52,748)	(4,886)	(47,862)
PNCEF Lease Obligation	1,367,312	-	85,452	1,281,860	93,990	1,187,870
CIEDB loan	839,921	-	27,346	812,575	28,184	784,391
SRF Loan	3,990,596	-	238,268	3,752,328	244,655	3,507,673
Totals	<u>\$18,474,398</u>	<u>\$ -</u>	<u>\$ 1,200,880</u>	<u>\$17,273,518</u>	<u>\$ 1,238,401</u>	<u>\$16,035,117</u>

Additional information on the long term obligations can be found in Note #6 of the notes to the financial statements of this report.

ECONOMIC FACTORS, RATES, AND BUDGETARY CONTROL

The District is a California Special District including a sewer and water enterprise fund. As a Special District, charges to customers are made only to those who receive services. The District is not typically subject to general economic conditions such as increases or declines in property tax values or other types of revenues that vary with economic conditions such as sales taxes. However, it does receive property tax which is dependent on property tax valuations. Accordingly, the District sets its rates to its users to cover the costs of operation, maintenance and recurring capital replacement and debt financed capital improvements, plus any increments for known or anticipated changes in program costs.

The District and its Board adopt an annual budget to serve as its approved financial plan. The Board sets all fees and charges required to fund the District's operations and capital programs. The budget is used as a key control device (1) to ensure Board approval for amounts set for operations and capital projects, (2) to monitor expenses and project progress and (3) as compliance that approved spending levels have not been exceeded. All operating activities and capital activities of the District are included within the approved budget. The budget and capital expenditures are within the Gann limits established by State law.

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

REQUEST FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general over view of District finances, and demonstrate District accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the General Manager at 8888 Cabrillo Highway, Montara, CA 94037 or (650) 728-3545.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF NET POSITION AS OF JUNE 30, 2017

	Sewer	Water	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,211,431	\$ 1,313,614	\$ 8,525,045
Accounts receivable	68,993	436,170	505,163
Inventory	-	42,656	42,656
Total current assets	7,280,424	1,792,440	9,072,864
Non-current assets:			
Capital assets:			
Property, plant and equipment	13,225,563	28,766,242	41,991,805
Less accumulated depreciation	7,907,749	9,846,359	17,754,108
Total capital assets	5,317,814	18,919,883	24,237,697
Other assets:			
Prepaid items	233	62,073	62,306
Restricted cash and cash equivalents	-	1,507,544	1,507,544
Interfund advances - Due from water fund	117,867	-	117,867
Investment in joint powers authorities - capacity rights	2,687,547	-	2,687,547
Total other assets	2,805,647	1,569,617	4,375,264
Total non-current assets	8,123,461	20,489,500	28,612,961
Total assets	15,403,885	22,281,940	37,685,825
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	206,234	206,234
Deferred amounts related to pensions	108,836	204,534	313,370
Total deferred outflows of resources	108,836	410,768	519,604

(Continued)

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

**STATEMENT OF NET POSITION (CONTINUED)
AS OF JUNE 30, 2017**

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	140,952	113,779	254,731
Accrued expenses	12,034	-	12,034
Interest payable	11,114	116,221	127,335
Accrued compensated absences	6,058	10,779	16,837
Current portion of general obligation bonds and other long-term obligations	<u>75,179</u>	<u>1,163,222</u>	<u>1,238,401</u>
Total current liabilities	<u>245,337</u>	<u>1,404,001</u>	<u>1,649,338</u>
Long term liabilities:			
Accrued compensated absences	12,202	12,202	24,404
General obligation bonds, less current portion	-	10,555,183	10,555,183
Other long term obligations, less current portion	1,378,326	4,101,608	5,479,934
Interfund advances - Due to sewer fund	-	117,867	117,867
Deposits	20,891	35,289	56,180
Net pension liability	<u>142</u>	<u>266</u>	<u>408</u>
Total long term liabilities	<u>1,411,561</u>	<u>14,822,415</u>	<u>16,233,976</u>
Total liabilities	<u>1,656,898</u>	<u>16,226,416</u>	<u>17,883,314</u>
NET POSITION			
Net investments in capital assets	3,939,488	4,469,326	8,408,814
Restricted for debt service	-	1,507,544	1,507,544
Unrestricted	<u>9,916,335</u>	<u>489,422</u>	<u>10,405,757</u>
Total net position	<u>\$ 13,855,823</u>	<u>\$ 6,466,292</u>	<u>\$ 20,322,115</u>

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2017

	Sewer	Water	Total
OPERATING REVENUES			
Sales and service charges	\$ 2,016,027	\$ 1,818,254	\$ 3,834,281
OPERATING EXPENSES			
General and administrative	392,395	826,461	1,218,856
System maintenance and repairs	1,092,326	499,269	1,591,595
Depreciation	513,594	949,538	1,463,132
Total operating expenses	1,998,315	2,275,268	4,273,583
OPERATING INCOME (LOSS)	17,712	(457,014)	(439,302)
NONOPERATING REVENUES (EXPENSE)			
Taxes - District share of one percent	340,019	340,018	680,037
Taxes - Ad valorem for general obligation bonds	-	1,253,111	1,253,111
Investment income	32,034	-	32,034
Interest expense	(157,831)	(396,816)	(554,647)
Other revenues	34,427	34,427	68,854
Other expenses	-	(1,132)	(1,132)
Total non-operating revenues (expenses)	248,649	1,229,608	1,478,257
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS			
Capital contributions - connection fees	175,830	208,785	384,615
Changes in net position	442,191	981,379	1,423,570
NET POSITION, BEGINNING OF YEAR	13,413,632	5,484,913	18,898,545
TOTAL NET POSITION, END OF YEAR	<u>\$ 13,855,823</u>	<u>\$ 6,466,292</u>	<u>\$ 20,322,115</u>

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	Sewer	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 2,048,458	\$ 1,826,179	\$ 3,874,637
Payments to suppliers - other	(1,061,375)	(523,245)	(1,584,620)
Payments to employees	(486,100)	(1,001,616)	(1,487,716)
Net cash provided by operating activities	<u>500,983</u>	<u>301,318</u>	<u>802,301</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Property taxes collected	340,019	340,020	680,039
Principal paid on long term debt	(145,253)	(1,135,692)	(1,280,945)
Interest paid on long term debt	(158,231)	(382,740)	(540,971)
Acquisition and construction of capital assets	(1,054,591)	(734,652)	(1,789,243)
Interfund advances	(264,286)	264,286	-
Connection fees and other non operating revenue collected	210,257	1,495,191	1,705,448
Net cash provided (used) by capital and related financing activities	<u>(1,072,085)</u>	<u>(153,587)</u>	<u>(1,225,672)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	32,034	-	32,034
Net cash provided by investing activities	<u>32,034</u>	<u>-</u>	<u>32,034</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(539,068)	147,731	(391,337)
Cash and investments, July 1	7,675,320	2,673,427	10,348,747
Cash and investments, June 30	<u>\$ 7,136,252</u>	<u>\$ 2,821,158</u>	<u>\$ 9,957,410</u>
AMOUNTS AS THEY APPEAR ON THE STATEMENT OF NET POSITION:			
Cash and cash equivalents	\$ 7,211,431	\$ 1,313,614	\$ 8,525,045
Restricted cash and cash equivalents	-	1,507,544	1,507,544
	<u>\$ 7,211,431</u>	<u>\$ 2,821,158</u>	<u>\$ 10,032,589</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 17,712	\$ (457,014)	\$ (439,302)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	513,594	949,538	1,463,132
Accounts and notes receivable	21,864	(12,463)	9,401
Accounts payable	31,184	(23,594)	7,590
Deposits and prepaid expenses	10,334	20,006	30,340
Pension related amounts	(95,199)	(177,447)	(272,646)
Compensated absences	1,494	2,292	3,786
Total adjustments	<u>483,271</u>	<u>758,332</u>	<u>1,241,603</u>
Net cash provided by operating activities	<u>\$ 500,983</u>	<u>\$ 301,318</u>	<u>\$ 802,301</u>

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Montara Water and Sanitary District (the District), a governmental entity legally constituted as a special district under California law, is located on the coast in northwestern San Mateo County. The District was formed in 1958 to provide sanitary sewer services and franchise solid waste collection for the unincorporated areas known as Montara and Moss Beach. On May 2003 an agreement to acquire Cal-Am Montara Water District was reached with operations beginning as of August 1, 2003.

B. Basis of Accounting

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs and expenses, including depreciation, and providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

A major fund is a fund whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all funds, or that management deems significant.

The District reports the following major Proprietary Funds:

Water Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the water system which is funded by user charges and other fees.

Sewer Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the sewer system. These activities are funded by user charges and other fees.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

C. Measurement Focus

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activities are included on their statement of net position. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the cost of goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California and is not registered with the SEC. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

E. Inventory

Inventory is held for consumption and is recorded at cost using the first-in-first-out (FIFO) basis.

F. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at estimated fair value on the date of contribution.

The District defines capital assets as assets with an initial, individual cost of \$2,500 and an estimated useful life in excess of one year.

Depreciation is computed by the straight-line method based on the estimated useful lives of related asset classifications of 3 to 50 years of assets.

G. Cash Flows Defined

For purpose of the statement of cash flows the District defines cash and cash equivalents to include all cash in deposit accounts, highly liquid investments, and cash on hand.

H. Accounts Receivable

The District bills its water consumption and sewer usage on a cycle billing method. Cycle billing results in an amount of services rendered but not yet billed at year-end. The District has recorded this revenue by estimating the unbilled amount. The estimate was calculated by using the billing subsequent to the balance sheet date (June 30) and calculating the amount of service provided prior to June 30. This calculated amount is included in accounts receivable.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The delinquent water and sewer charges for services and facilities furnished by the District's water and sewage system, and all the penalties or delinquent charges accrued thereon shall constitute a lien upon the real property served. The District is allowed to place such charges and fees on the property tax rolls annually as of July 1.

I. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated vacation hours at current pay rates.

J. Budgets and Budgetary Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles. A general budget is adopted annually by the Board of Directors which includes operations, maintenance, and administration.

K. Property Taxes

Secured property taxes attach an enforceable lien on property as of January 1. Taxes are payable in two installments due November 1 and February 1 and become delinquent on December 10 and April 10. Unsecured property taxes, if any, are payable in one installment on or before August 15. The County of San Mateo bills and collects the taxes for the District. Tax revenues are recognized by the District when received. The sewer service charges are included in secured property tax bills.

L. Contract Services

The District contracted out the operation and maintenance of its sewer facilities to the Sewer Authority Mid-Coastside (SAM).

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period and deferred inflows of resources are in acquisition of net position that is applicable to a future reporting period. A deferred outflows of resources has a positive effect on net position, similar to assets, and a deferred inflows of resources has a negative effect on net position, similar to liabilities. The District has two items that qualify for reporting in as deferred outflows of resources: the deferred outflows on pension contributions and the deferred charges on debt refunding.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Public Agency Retirement Services (PARS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Subsequent Events

Management has considered subsequent events through January 25, 2018, the date which the financial statements were available to be issued.

Q. New Accounting Pronouncements

The City is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement is effective for fiscal years beginning after June 15, 2017, or the 2017 2018 fiscal year.
- GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*. The Statement is effective for the reporting periods beginning after December 15, 2016, or the 2017-18 fiscal year.
- GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The Statement is effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year.
- GASB Statement No. 84 – *Fiduciary Activities*. The Statement is effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year.
- GASB Statement No. 85 – *Omnibus 2017*. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-18 fiscal year.
- GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-18 fiscal year.
- GASB Statement No. 87–*Leases*. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-21 fiscal year.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #2 - CASH AND INVESTMENTS

A. Cash and Investment Summary

The following is a summary of the cash and investments as of June 30, 2017:

Cash Deposits	\$ 5,716,044
Investments (Local Agency Investment Fund)	4,316,545
	<u>\$ 10,032,589</u>
Restricted cash and cash equivalents	\$ 1,507,544
Unrestricted cash and cash equivalents	8,525,045
	<u>\$ 10,032,589</u>

B. General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Agency Obligations	5 years	None	None
U.S. Treasury Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Certificate of Deposit	N/A	30%	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by depositing the majority of its funds with the State Local Agency Investment Fund, which is short term investment.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #2 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity</u>
LAIF	<u>\$ 4,316,545</u>	194 days

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. LAIF doesn't have a credit rating.

E. Custodial Credit Risk - Deposits

For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code. At June 30, 2017, balances in financial institutions were \$5,716,094. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$5,216,094 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

Investment in the State Investment Pool – the District is a voluntary participant in the LAIF that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2017:

Investment Type	Fair Value	Fair Value Measurement Using			Uncategorized
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
State Investment Pool	\$ 4,316,545	\$ -	\$ -	\$ -	\$ 4,316,545

All assets have been valued using a market approach, with quoted market prices.

NOTE #4 - CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

Category	Audited Balance	Additions	Deletions	Transfers	Audited Balance
	June 30, 2016				June 30, 2017
Land & easement	\$ 739,500	\$ -	\$ -	\$ -	\$ 739,500
Sewage collection facilities	5,341,536	-	-	-	5,341,536
Sewage treatment facilities	244,540	-	-	-	244,540
General plant & administration facilities	2,334,224	1,054,591	-	-	3,388,815
Seal Cove collection system	995,505	-	-	-	995,505
Other capital improvements	4,357,566	-	-	-	4,357,566
Water facilities plant	25,715,384	734,650	-	-	26,450,034
Water general plant	174,309	-	-	-	174,309
Surface water rights	300,000	-	-	-	300,000
Total	40,202,564	1,789,241	-	-	41,991,805
Accumulated depreciation	16,290,976	1,463,132	-	-	17,754,108
Property, plant & equipment, net	\$ 23,911,588	\$ 326,109	\$ -	\$ -	\$ 24,237,697

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #5 – INVESTMENT IN JOINT POWER AUTHORITY - CAPACITY RIGHTS

Investment in Sewer Authority Mid-Coastside

The District has capacity rights in the Sewer Authority Mid-Coastside (SAM), a public entity created February 3, 1976 by a Joint Exercise of Powers Agreement pursuant to the provisions of Title 1, Division 7, and Chapter 5 of the Government code of the State of California. Other joint power members include the City of Half Moon Bay and the Granada Sanitary District. The District reports these capacity rights in SAM on cost basis.

Under this agreement, SAM is granted the power of the member agencies to construct, maintain, and operate facilities for the collection, transmission, treatment and disposal of wastewater for the benefit of the lands and inhabitants within their respective boundaries.

Each member agency has the power to appoint two representatives of their own governing body to SAM's Board of Directors. Budgets prepared by SAM are subject to approval by the member agencies and expenditures in excess of the budgeted amounts require unanimous consent and approval of SAM's Board of Directors.

SAM provides sewage collection and treatment services, for which the District pays a monthly fee. The District paid \$1,112,944 for these collection and treatment services for the year.

Summary details of SAM's financial position and results of operation from the most recent audited financial statement available for the year ended June 30, 2016 are as follows:

Total assets	\$	15,324,865
Deferred outflows of resources		550,878
Total liabilities		2,449,131
Deferred inflows of resources		<u>920,956</u>
Net position	\$	<u>12,505,656</u>
Total revenues	\$	4,355,057
Total expenses		<u>5,434,514</u>
Decrease in net position	\$	<u>(1,079,457)</u>

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #6 - LONG TERM OBLIGATIONS

Following is a summary of the changes in long term obligations for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long Term Portion
General Obligation Bonds, 2012 Series	\$12,334,203	\$ -	\$ 854,700	\$11,479,503	\$ 876,458	\$10,603,045
2012 GO Bonds Discount	(57,634)	-	(4,886)	(52,748)	(4,886)	(47,862)
PNCEF Lease Obligation	1,367,312	-	85,452	1,281,860	93,990	1,187,870
CIEDB loan	839,921	-	27,346	812,575	28,184	784,391
SRF Loan	3,990,596	-	238,268	3,752,328	244,655	3,507,673
Totals	<u>\$18,474,398</u>	<u>\$ -</u>	<u>\$ 1,200,880</u>	<u>\$17,273,518</u>	<u>\$ 1,238,401</u>	<u>\$16,035,117</u>

A. General Obligation Bonds, Series 2012

On April 18, 2012, the District issued General Obligation Bonds Series 2012 in the amount of \$15,635,000. The bonds were issued to fully refund the General Obligation Bonds Series 2003, which the District issued for the acquisition and improvements of a domestic water supply, treatment, and fire protection system serving the entire District service area, and to finance improvements to the District's water system. These bonds are payable from the levy of ad valorem taxes on all property within the District. Interest on the bonds is 2.4 percent and is payable on February 1 and August 1 of each year, commencing August 1, 2012.

Principal is due bi-annually beginning on August 1, 2012, in amounts ranging from \$389,142 to \$568,322, with a final payment on August 1, 2028 of \$568,322. The bonds maturing on or before August 1, 2017 are not subject to redemption prior to their respective stated maturity dates. Bonds maturing on or after August 1, 2017 are subject to redemption prior to their respective stated maturity dates at the option of the District at the principal amount of the bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Repayment Schedule

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 871,572	\$ 273,978	\$ 1,145,550
2019	893,029	252,521	1,145,550
2020	915,011	230,539	1,145,550
2021	936,939	208,611	1,145,550
2022	960,589	184,961	1,145,550
2023-2027	5,165,035	558,822	5,723,857
2028-2029	1,684,580	41,080	1,725,660
Total	<u>\$ 11,426,755</u>	<u>\$ 1,750,512</u>	<u>\$ 13,177,267</u>

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #6 - LONG TERM OBLIGATIONS (Continued)

B. Capital Lease

On November 7, 2006, the District entered into a lease/purchase agreement with a financial institution in the amount of \$1,854,443 at a fixed interest rate of 4.56 percent annually. The agreement matures on October 7, 2026. The agreement was to finance the acquisition, construction and installation of energy conservation capital facilities for the District's water system with the expectation that the cost thereof will be offset through reductions in future energy costs created by the facilities. As security for its obligation under this lease the District has pledged to the Lessor a security interest in the net revenue of both the water and sewer enterprises.

The financing was originally provided by Citibank at a rate of 4.56 percent for a 20-year term and is now held by PNC Equipment Finance (PNCEF). Effective March 15, 2013, the District refinanced the capital lease with PNCEF at a rate of 2.95 percent.

Repayment Schedule

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 93,990	\$ 36,560	\$ 130,550
2019	104,097	33,653	137,750
2020	114,407	30,443	144,850
2021	125,339	26,921	152,260
2022	136,739	23,071	159,810
2023-2027	707,288	47,623	754,911
Total	<u>\$ 1,281,860</u>	<u>\$ 198,271</u>	<u>\$ 1,480,131</u>

C. CIEDB Loan

On October 1, 2008, the District entered into an enterprise fund installment sale agreement with California Infrastructure and Economic Development Bank (CIEDB) in the amount of \$1,010,000. The agreement was to purchase a facility in order to renovate and upgrade two sewer pump stations. The agreement matures on December 3, 2037 with principal amounts due August 1, and interest payments due on February 1 and August 1 of each year. The interest rate is 3.05 percent per annum.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #6 - LONG TERM OBLIGATIONS (Continued)

Repayment Schedule:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 28,184	\$ 24,354	\$ 52,538
2019	29,043	23,481	52,524
2020	29,930	22,582	52,512
2021	30,842	21,655	52,497
2022	31,783	20,700	52,483
2023-2027	174,060	88,123	262,183
2028-2032	202,273	59,479	261,752
2033-2037	235,060	26,192	261,252
2038	51,400	784	52,184
Total	<u>\$ 812,575</u>	<u>\$ 287,349</u>	<u>\$ 1,099,924</u>

D. State Revolving Fund Loan

On July 10, 2012, the District entered into an agreement with the State of California Department of Health under the Safe Drinking Water State Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan and a grant made by the State to the District to assist in financing the cost of studies, planning and other preliminary activities for a project which will enable the District to meet safe drinking water standards. Under this agreement, the State will lend the District an amount not to exceed \$500,000, payable in five years from the first principal and interest invoice. On November 14, 2012, the District entered into an additional agreement with the State of California Department of Health under the Safe Drinking Water Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan made by the State to the District to assist in financing the construction of the preliminary activities noted above. Under this agreement, the State will lend the District an amount not to exceed \$2,920,000. The District will make semiannual payments for the principal and any interest amounts due January 1 and July 1 of each year until the loan is repaid in full at an interest rate of 2.09 percent and 2.28 percent, respectively, per annum.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #6 - LONG TERM OBLIGATIONS (Continued)

Repayment Schedule:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 244,655	\$ 83,943	\$ 328,598
2019	249,309	78,501	327,810
2020	211,523	72,938	284,461
2021	172,495	68,616	241,111
2022	176,456	64,655	241,111
2023-2027	944,963	260,592	1,205,555
2028-2032	1,058,575	146,980	1,205,555
2033-2035	694,352	28,038	722,390
Total	<u>\$ 3,752,328</u>	<u>\$ 804,263</u>	<u>\$ 4,556,591</u>

NOTE #7 - DEFERRED COMPENSATION PLAN

The District's defined contribution, IRS code section 457 pension plan, provides deferred compensation retirement benefits to plan members and beneficiaries. Under this plan participants may defer a portion of their compensation and are not taxed on the deferred portion until it is distributed to them. Distribution may be made only at termination, retirement, death, or in an emergency as defined by the plan. The District has contracted with a third party to provide administration and management of the plan's assets which are to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the District's property and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

NOTE #8 - DEFINED BENEFIT PLAN

A. Plan Description

The District has adopted, through the Public Agency Retirement Services ("PARS"), a tax qualified governmental defined benefit plan for the benefit of eligible District employees to provide retirement benefits. PARS is a private company specializing in retirement services. The plan conforms to the requirements of Internal Revenue Code Section 401(a) tax-qualified multiple employer retirement system and therefore is entitled to favorable tax treatment.

Members are eligible to receive benefits under the PARS plan if they:

- a) Were a full-time employee of the District on or after July 1, 2015;
- b) Are at least sixty-two years of age;
- c) Have completed at least five or more years of full-time service with the District;
- d) Have applied for benefits under the Plan; and
- e) Have terminated employment with the District.

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE #8 – DEFINED BENEFIT PLAN (Continued)

B. Benefits Provided

Members are paid benefits equal to an amount equal to one-twelfth (1/12) of the number of full and partial years of full-time continuous employment with the District completed as of the member’s retirement times the member’s final pay times 2%. Upon death of a member, the member’s monthly allowance will automatically continue to an eligible survivor. No preretirement disability benefits are provided. Pre-retirement death benefits are provided for employees who have at least five years of full-time employment with the District.

Employees who terminate employment or are terminated whether voluntarily, involuntarily, by death, disability or in any other manner prior to completing five (5) years of full-time service with the Employer, will receive one hundred percent (100%) of their Employee contributions made to the Plan plus three percent (3%) interest per annum.

The Plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows:

Hire Date	<u>On or after July 1, 2015</u>
Formula	2% @ 62
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	62
Required employee contribution rates	8.25%
Required employer contribution rates	6.50%

C. Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms for the Plan:

Active employees*	<u>PARS Plan</u>
	<u><u>7</u></u>

* Plan is closed to new entrants

D. Contributions

The District contributed the actuarially determined contribution to the PARS plan. For the year ended June 30, 2017, the contributions were:

Contributions - Employer	<u>PARS Plan</u>
Contributions - Employee	\$ 40,741
	51,710

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #8 – DEFINED BENEFIT PLAN (Continued)

E. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

	<u>PARS Plan</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.5%
Projected payroll increases	3.5% ⁽¹⁾
Mortality	Varies by gender and age

(1) Depending on age, service and type of employment

F. Discount Rate

The best estimate for the long-term rate of return of 6.50% is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The table below reflects discount rate development. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Asset Class Component		
Equity	75%	5.35%
Fixed Income	20%	1.55%
Cash	5%	0.45%
Long-Term Expected rate of Return	7.35%	
Long-Term Investment Expenses	0.80%	
<u>Long-Term Expected Net Rate of Return</u>	<u>6.55%</u>	
<u>Discount Rate (rounded)</u>	<u>6.50%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the current contribution policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments.

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE #8 – DEFINED BENEFIT PLAN (Continued)

G. Changes in Net Pension Liability

The changes in the Net Pension Liability, measured as of June 30, 2016 for the Plan follows:

	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2015	\$ -	\$ -	\$ -
Changes in the Year			
- Service cost	80,448	-	80,448
- Interest	10,064	-	10,064
- Difference between expected and actual experience	297,568	-	297,568
- Contributions - employer	-	37,027	(37,027)
- Contributions - employee	-	344,564	(344,564)
- Net investment income	-	6,520	(6,520)
- Administrative expense	-	(439)	439
Net changes	<u>388,080</u>	<u>387,672</u>	<u>408</u>
Balance at MD 6/30/16	<u>\$ 388,080</u>	<u>\$ 387,672</u>	<u>\$ 408</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the District for the Plan, calculated using the plan discount rate, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	1% Decrease -5.50%	Current Rate -6.50%	1% Increase -7.50%
Net pension liability	\$ 19,153	\$ 408	\$ (14,045)

H. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued PARS financial report.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

NOTE #8 – DEFINED BENEFIT PLAN (Continued)

I. Pension Expense (Revenue) and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2017, the District recognized pension revenue of \$235,195. At June 30, 2017, the District reported deferred outflows resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 271,805	\$ -
Net difference between projected and actual earnings on plan investments	825	-
Employer contributions made subsequent to the measurement date	40,741	-
	<u>\$ 313,371</u>	<u>\$ -</u>

The amount of \$40,741 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	Deferred Outflows of Resources
2018	\$ 25,969
2019	25,969
2020	25,969
2021	25,970
2022	25,763
Thereafter	<u>142,990</u>
	<u>\$ 272,630</u>

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE #9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54-member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and monthly premiums to State Fund for its workers compensation insurance.

CSRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

The following is a summary of the insurance policies carried by the District as of June 30, 2017:

Type of Coverage	Coverage Limits
General Liability	\$ 15,500,000
Workers' Compensation	2,000,000
Boiler & Machinery	100,000,000
Public Officials	100,000
Property	7,583,313

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The District has not exceeded its insurance coverage limits in any of the last three years. Any District liability is included in accrued expenses on the financial statements.

NOTE #10 – COMMITMENTS AND CONTINGENT LIABILITIES

The District has an agreement with Sewer Authority Mid-Coastside (SAM), Granada Sanitary District, and City of Half Moon Bay for the purchase of additional plant sewer capacity on an as needed basis. The District may purchase additional capacity in the SAM plant, if such additional capacity is available, at a cost per Equivalent Residential Unit (ERU) in effect. The future price would be an average current cost per ERU charged a property in the City of Half Moon Bay and Granada Sanitary District plus accrued interest as stipulated in the agreement. At this time the District needs no additional capacity.

The District is a plaintiff or defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTARA WATER AND SANITARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

**PARS Plan
Last 10 Years **
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period**

Measurement Period	June 30, 2016
Total Pension Liability	
Service Cost	\$ 80,448
Interest on total pension liability	10,064
Difference between expected and actual experience	<u>297,568</u>
Net change in total pension liability	388,080
Total Pension Liability - beginning	<u>-</u>
Total Pension Liability - ending (a)	<u><u>\$ 388,080</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 37,027
Contributions - employee*	344,564
Net investment income	6,520
Administrative expense	<u>(439)</u>
Net change in plan fiduciary net position	387,672
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 387,672</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 408</u></u>
Plan fiduciary net position as a percentage of the total pension liability	99.89%
Covered payroll	\$ 620,243

* Includes employee purchases of past service contributions of \$297,568 in March 2016.

** Fiscal year 2016 was the 1st year of implementation.

**MONTARA WATER AND SANITARY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2017**

**PARS Plan
 Last 10 Years **
 Schedule of Plan Contributions**

	2017	2016
Actuarially Determined Contribution	\$ 40,741	\$ 40,316
Contribution in relation to the Actuarially Determined Contribution	(40,741)	(40,316)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 626,786	\$ 620,243
Contributions as a percentage of covered payroll	6.50%	6.50%
Notes to Schedule		
Valuation date	6/30/2015	
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry age normal	
Investments	Highmark's passively managed Capital Appreciation portfolio	
Discount rate	6.5%	
Payroll increases	Aggregate payroll increase – 3.25%	
Retirement	The probabilities of retirement and mortality are based on the 1997-2011 CalPERS Experience Study - Mortality projected fully generational with Scale MP2014	

** Fiscal year 2016 was the 1st year of implementation.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning
Adoption of Connection Charge Report**

Senate Bill 1760 revised a section of the Government Code concerning development fees and charges in 1999. It requires local governments to make available to the public information about capacity charges, what they are used for and whether or not any are available for refund. It provides that any water or sewer connection charges shall not exceed the estimated reasonable cost of providing the service for which the charge is imposed. The attached Annual Connection Charge Report provides a summary of the connection charge revenue received for previous fiscal years through FY 2016-17, and indicates how that money is allocated.

RECOMMENDATION:

Authorize the filing of the Annual Connection Report with the District Clerk.

Attachment

ANNUAL WATER CONNECTION CHARGE REPORT
Montara Water and Sanitary District
June 30, 2017

The District, in compliance with Section 66013 of the Government Code in reviewing the water and sewer connection charges and fees, finds as follows:

<u>Year Ending</u>	<u>Connection Fees Collected</u>	<u>Connection Fees Spent on Capital Projects</u>	<u>Remaining Balance</u>
6/30/2017	\$ 208,785.00	\$ 208,785.00	\$0.00
6/30/2016	\$ 139,419.00	\$ 139,419.00	\$0.00
6/30/2015	\$ 172,492.12	\$ 172,492.12	\$0.00
6/30/2014	\$ 107,520.30	\$ 107,520.30	\$0.00
6/30/2013	\$ 74,314.87	\$ 74,314.87	\$0.00
6/30/2012	\$ 131,890.00	\$ 131,890.00	\$0.00
6/30/2011	\$ 18,382.00	\$ 18,382.00	\$0.00
6/30/2010	\$ 21,971.00	\$ 21,971.00	\$0.00
6/30/2009	\$ 50,848.00	\$ 50,848.00	\$0.00
6/30/2008	\$ 120,108.59	\$ 120,108.59	\$0.00
6/30/2007	\$ 65,900.00	\$ 65,900.00	\$0.00

ANNUAL SEWER CONNECTION CHARGE REPORT
Montara Water and Sanitary District
June 30, 2017

The District, in compliance with Section 66013 of the Government Code in reviewing the water and sewer connection charges and fees, finds as follows:

<u>Year Ending</u>	<u>Connection Fees Collected</u>	<u>Connection Fees Spent on Capital Projects</u>	<u>Remaining Balance</u>
6/30/2017	\$ 175,830.00	\$ 175,830.00	\$0.00
6/30/2016	\$ 100,597.00	\$ 100,597.00	\$0.00
6/30/2015	\$ 166,355.00	\$ 166,355.00	\$0.00
6/30/2014	\$ 66,970.00	\$ 66,970.00	\$0.00
6/30/2013	\$ 36,325.00	\$ 36,325.00	\$0.00
6/30/2012	\$ 43,468.00	\$ 43,468.00	\$0.00
6/30/2011	\$ 6,519.28	\$ 6,519.28	\$0.00
6/30/2010	\$ 49,516.00	\$ 49,516.00	\$0.00
6/30/2009	\$ 102,628.00	\$ 102,628.00	\$0.00
6/30/2008	\$ 153,929.00	\$ 153,929.00	\$0.00
6/30/2007	\$ 295,901.00	\$ 295,901.00	\$0.00



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier', located to the right of the 'FROM:' line.

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Budget Amendment.

At the January 4 meeting this Board was informed that the Sewer Authority's (SAM) incoming power equipment to the Treatment Plant failed due to lack of maintenance in late November. The SAM Board authorized the repair to be paid out of SAM's emergency fund. The SAM manager announced to bring an amended Budget to the SAM Board in January. The repair cost for the failed power bus was determined to be \$460,000. The financial impact to MWSD was supposed to be \$105,840.

The SAM Board approved a budget amendment that is much more substantial than what was described earlier. The overall amount requested by SAM is now \$1,580,550. MWSD's share grew to \$341,399. The approved amendment contains now also already approved funds for the Intertie Pipeline System Repair, a portion of an expected State Fine for SAM sewage spills, additional legal funds, and a new full time staffing position.

Two versions of the budget were approved by the SAM board. Version one contains all 5 listed items, Version 2 does not include additional funds for General Counsel and additional staff.

RECOMMENDATION:

Adopt Resolution No.____, Resolution of the Montara Water and Sanitary District Consenting to Approval of Amendment to Sewer Authority Mid-Coastside General Budget for Fiscal Year 2017-2018. The Resolution is drafted to approve Version 1 of the SAM Budget Amendment.

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL OF AMENDMENT TO SEWER AUTHORITY MID-COASTSIDE GENERAL BUDGET FOR FISCAL YEAR 2017-2018

WHEREAS, Sewer Authority Mid-Coastside (“SAM”) has, pursuant to Article V, Section (A) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, adopted its General Budget for fiscal year July 1, 2017 – June 30, 2018; and

WHEREAS, subsequent to adoption of the budget SAM has incurred expenditures for work, materials and services unknown and unanticipated at the time of adoption of the budget (“Additional Costs”); and

WHEREAS, the Additional Costs are identified and discussed in memorandum dated January 9, 2018 from SAM’s General Manager to the Montara Water and Sanitary District General Manager, the subject of which is “Proposed Budget Amendment for Fiscal Year 2017/18,” a copy of which is on file in the District’s Administrative Offices to which reference is hereby made for the full particulars thereof; and

WHEREAS, this Board has reviewed the proposed amendment and desires to signify 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. Consent is hereby given to approval by Sewer Authority Mid-Coastside of an amendment to its General Budget for fiscal year 2017-2018 that includes the line-item expenditures for Additional Costs set forth as “Version 1” in the attachment to the above-referenced memorandum in the total amount of One Million Five Hundred Eighty Thousand Five Hundred Fifty and No One-Hundredths Dollars (1,580,550.00).

2. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to Sewer Authority Mid-Coastside, the Granada Community Services District and the City of Half Moon Bay.

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
CONSENTING TO APPROVAL OF AMENDMENT TO SEWER AUTHORITY
MID-COASTSIDE GENERAL BUDGET FOR FISCAL YEAR 2017-2018**

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 1st day of February, 2018, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

Sewer Authority Mid-Coastside
1000 Cabrillo Hwy N.
Half Moon Bay, CA 94019
(650) 726-0124
www.samcleanswater.org



A Joint Powers Authority
Serving:
City of Half Moon Bay
Granada Community Services District
Montara Water and Sanitary District

January 9, 2018

Clemens Heldmaier
General Manager
Montara Water & Sanitary District
PO Box 370131
Montara, CA 94037-0131

Re: Proposed Budget Amendment for Fiscal Year 2017/18

Dear Mr. Heldmaier,

At the SAM Board of Directors meeting on January 8, 2018, the Board approved two versions of the proposed budget amendment to be sent to the member agencies to consider and approve. Enclosed please find the proposed budget amendment revised staff report detailing the amendments as well as Version 1 and Version 2 of the amendment request.

In order for the SAM Board to adopt the budget amendment in a timely manner, I need to receive a written notice of the Council's action no later than Wednesday, February 10, 2018.

If you have any questions regarding the budget amendment, please call or send me an e-mail.

Respectfully,

A handwritten signature in black ink that reads 'Beverli A. Marshall'.

Beverli A. Marshall, SDA
General Manager



SEWER AUTHORITY MID-COASTSIDE

Staff Report - Revised

TO: Honorable Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: **Authorize the General Manager to Submit a Budget Amendment for Fiscal Year 2017/18 to Member Agencies for Approval**

Executive Summary

The purpose of this report is for the Board of Directors to discuss the proposed budget amendment for Fiscal Year 2017/18.

Fiscal Impact

The fiscal impact of the budget amendment for FY 2017/18 is \$1.58 million. The impact to the member agency assessments is (rounded to nearest \$):

	<u>FY 2017/18</u>	<u>Amended</u>	<u>\$ Change</u>	<u>% Change</u>
Half Moon Bay	\$2,688,598	\$3,513,645	\$ 825,047	31%
GCSD	\$1,349,449	\$1,763,553	\$ 414,104	31%
MWSD	\$1,112,523	\$1,453,922	\$ 341,399	31%
Total	\$5,150,570	\$6,731,120	\$1,580,550	31%

Strategic Plan Compliance

The recommendation complies with the SAM Strategic Plan's Goal 3: *"Consider long-term costs, and ensure that finances are stable and understandable by the board, member agencies, and the public."*

Background and Discussion/Report

The JPA General Budget for FY 2017/18 was presented based on the issues known as of June 2017. Since that time, several events (listed below) occurred that required the

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	J. Harvey	B. Huber
	R. Kowalczyk	H. Rarback	

SAM Board to authorize funding above the amount approved as part of the stipulation and order.

8/21/17	Administrative Civil Liability Complaint R2-2017-1024	\$522,700
9/25/17	Additional legal counsel costs	\$100,000
10/9/17	Intertie Pipeline System repairs, funding all 3 segments	\$685,550
11/13/17	Demolition and replacement of Plant burner unit	\$52,000
8/28/17	Additional staffing to comply with NPDES permit renewal	\$45,000
12/7/17	Plant main bus duct power supply failure and replacement	<u>\$450,000</u>
		\$1,905,250

- Staff informed the Board at the September 25, 2017, meeting that the ACL penalty would be included in the mid-year budget amendment, most likely in January or February, once the official penalty amount was known. At this time, staff anticipates that only \$300,000 of the ACL complaint will be paid in FY 2017/18 and the remainder will be included in the General Budget for FY 2018/19.
- Staff requested authority to increase the contract with Bold, Polisner, Madow, Nelson & Judson at the September 25, 2017, regular Board meeting. I informed the Board that the additional funds to cover the contract increase would be presented as part of a mid-year budget amendment, "What I anticipate is that I will also have to do an amendment to what we anticipated the budget being this year because of the action by the state. I would like to bring that back all at once when I know what that number is rather than piecing and parting it to the member agencies. I anticipate that somewhere in the vicinity of January or February a mid-year budget amendment is what I will prepare." Boyd moved, "that the Board authorize the General Manager to amend the contract with Bold, Polisner, Madow, Nelson & Judson to increase the amount by \$100,000, for a total contract amount of \$190,000, and to limit the use of the additional funds for general legal advice and work related to Administrative Civil Liabilities complaints. None of the additional funds will be used for the HMB vs. GCSD and MWSD." Director Penrose seconded the motion and it was unanimously approved.
- Staff discussed the IPS project construction contract award at the October 9, 2017, regular meeting. Director Woren moved, "that we award the base bid and the alternate bid to Bay Pacific Pipelines Inc., the bidder who submitted the apparent

BOARD MEMBERS:	J. Blanchard D. Ruddock	S. Boyd K. Slater-Carter	D. Penrose L. Woren
ALTERNATE MEMBERS:	M. Clark R. Kowalczyk	J. Harvey H. Rarback	B. Huber

lowest **total** bidder in the amount of \$1,997,050 for construction of segments 1, 2, and 3, and that we cover the additional amount from SAM's emergency reserves and request that all member agencies backfill that money within three months." The motion was seconded by Director Boyd and it was unanimously approved. After the vote, Director Ruddock requested that staff submit the required action to City staff. An e-mail was sent to all three agency managers at 8:41 a.m. on Tuesday, October 10, 2017. SAM invoiced the additional funds for the IPS repair project as directed by the Board.

- The burner system for the boilers was included in the adopted SAM 5-Year Infrastructure Plan and was planned for FY 2017/18. The SAM Board directed staff to work with the member managers to lean down the projects to approximately \$1.5 million. The member managers directed staff to propose only the IPS project that could be accomplished with the \$1.5 million and to defer all other projects that have not resulted in an SSO or permit violation. The burner system had not failed as of that discussion, so it was deferred to FY 2018/19. Staff stated that funds from other planned activities could be diverted to pay for this project to reduce the impact on member agencies. Director Ruddock moved "per staff recommendation Item 7A." The motion was seconded by Director Woren and it was unanimously approved. The funds have been shifted in the budget: \$22,000 from equipment purchases (6123) and \$28,000 from Misc. Professional Services (5330) to Machinery & Equipment (6121).
- Staff informed the Board of the requirement to establish minimum staffing by position as part of the NPDES permit renewal. The item was on the August 7, August 14, August 21, and August 28 Board agendas. Director Ruddock stated that she was "perfectly happy to support staff's recommendation insofar as it is personnel associated to delivering on the JPA." Staff presented that the request for minimum staffing would include making the part-time Accounting Technician full-time and hiring an O-I-T in January, for a total increase of \$100,000 for FY 2017/18. Boyd moved, "to set the minimum staffing levels at the 2017/18 recommendation of current staffing plus one O-I-T and .50 Accounting Technician." Director Ruddock seconded the motion and it was unanimously approved.
- At the December 7, 2017, special board meeting, staff informed the Board of the anticipated cost to temporarily maintain operations using the rental generator as well as the cost of the replacement options (full or partial). Clemens Heldmaier requested that staff be required to submit a budget amendment to the member agencies for the

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	J. Harvey	B. Huber
	R. Kowalczyk	H. Rarback	

funds. Staff and a representative from Calcon explained the urgency of submitting the fabrication request to the vendor before the holiday break. The Board agreed and unanimously supported immediate action. Director Penrose moved and Director Woren seconded the motion to contract with Calcon for the repairs. It was approved by a unanimous vote. Director Ruddock moved to authorize the purchase of the replacement bus bar/duct from Eaton Corporation in an amount not to exceed \$194,000. Director Woren seconded and it was unanimously approved. Staff was directed to inform the member agency managers of the cost of the project with a request for additional funds. Staff sent an e-mail to the member agency managers at 6:58 p.m., immediately following the special meeting, providing the required information along with notice that a budget amendment would be prepared for presentation to the SAM Board at the January 8, 2018, regular meeting.

Staff believes that some of the additional expenses can be funded by reprioritizing and deferring other tasks to reduce the burden on member agencies. **Therefore, the total budget amendment request is \$1,580,550** (Attachment A).

Cash flow is an issue since the IPS project is under way, the temporary power supply expenses have been invoiced by the vendors, and the bus duct repair parts have been ordered and received. The additional assessments (*less the \$685,550 in supplemental assessments invoiced for IPS repair project*) will be billed in a single invoice to each agency once the budget amendment is approved by the member agencies and the SAM Board.

Staff anticipates that the member agencies will approve the amendment no later than January 18, 2018, and that the SAM Board will approve the amendment at the February 5, 2018, regular Board meeting. If so, the invoices will be sent out on February 6, 2018, in the following amounts.

Half Moon Bay	\$480,901
GCSD	\$234,490
MWSD	<u>\$179,609</u>
	\$895,000

Staff Recommendation

Staff recommends that the Board of Directors authorize the General Manager to submit the budget amendment for FY 2017/18 to the member agencies and to request that this item be placed on the next regular meeting for each agency to consider and approve.

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	J. Harvey	B. Huber
	R. Kowalczyk	H. Rarback	

Supporting Documents

Attachment A: FY 2017/18 Mid-Year Budget Amendment Request

BOARD MEMBERS:	J. Blanchard	S. Boyd	D. Penrose
	D. Ruddock	K. Slater-Carter	L. Woren
ALTERNATE MEMBERS:	M. Clark	J. Harvey	B. Huber
	R. Kowalczyk	H. Rarback	

FY 2017/18 Mid-Year Budget Amendment Request - Version 1

Item #	Amount	Description	Justification	SAM Board Date	JPA Allocations		
					HMB	GCSD	MWSD
1	\$ 685,550	Intertie Pipeline System Repairs Project	Additional funding over budgeted amount to repair all 3 failing segments.	10/9/17	\$ 357,857	\$ 179,614	\$ 148,079
2	\$ 300,000	Administrative Civil Liability Complaint R2-2017-1024	ECA project costs to be included in FY 2018/19 budget request	8/21/17	\$ 156,600	\$ 78,600	\$ 64,800
3	\$ 450,000	Plant Main Bus Duct Power Supply Project	Emergency power supply and replacement costs	12/7/17	\$ 234,900	\$ 117,900	\$ 97,200
4	\$ 100,000	General Counsel legal fees	Unanticipated legal expenses above general counsel budget.	9/25/17	\$ 52,200	\$ 26,200	\$ 21,600
5	\$ 45,000	New Operator-in-Training position to start 1/22/18	Increase to meet minimum staffing levels established for NPDES permit renewal.	8/28/17	\$ 23,490	\$ 11,790	\$ 9,720
\$ 1,580,550					825,047	414,104	341,399
Previously invoiced supplemental assessments for IPS project.					<u>(344,146)</u>	<u>(179,614)</u>	<u>(161,790)</u>

Additional assessments to be invoiced once budget amendment approved. \$ 480,901 \$ 234,490 \$ 179,609

FY 2017/18 Mid-Year Budget Amendment Request - Version 2

Item #	Amount	Description	Justification	SAM Board Date	JPA Allocations		
					HMB	GCSD	MWSD
1	\$ 685,550	Intertie Pipeline System Repairs Project	Additional funding over budgeted amount to repair all 3 failing segments.	10/9/17	\$ 357,857	\$ 179,614	\$ 148,079
2	\$ 300,000	Administrative Civil Liability Complaint R2-2017-1024	ECA project costs to be included in FY 2018/19 budget request	8/21/17	\$ 156,600	\$ 78,600	\$ 64,800
3	\$ 450,000	Plant Main Bus Duct Power Supply Project	Emergency power supply and replacement costs	12/7/17	\$ 234,900	\$ 117,900	\$ 97,200
\$ 1,435,550					749,357	376,114	310,079
Previously invoiced supplemental assessments for IPS project.					<u>(344,146)</u>	<u>(179,614)</u>	<u>(161,790)</u>

Additional assessments to be invoiced once budget amendment approved. \$ 405,211 \$ 196,500 \$ 148,289



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'C. Heldmaier', is written to the right of the 'FROM' line.

**SUBJECT: Review and Possible Action Concerning
Cancellation of Next Regular Scheduled
Meetings, February 15, 2018.**

At this time District staff anticipates no urgent items for the second meeting in February

RECOMMENDATION:

Cancel the regular scheduled meeting, February 15, 2018.