



Montara Water and Sanitary District

Serving the Community of Montara and Moss Beach

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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

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

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

OLD BUSINESS

1. [Review and Possible Action Concerning Draft Sewer Rate Study.](#)

NEW BUSINESS

1. [Review of Sewer Authority Mid-Coastside General and Collections Budgets.](#)
2. [Review and Possible Action Concerning Authorization to Award the Contract for the Cabrillo Highway Sewer Improvements Phase 1A Project.](#)
3. [Review and Possible Action Concerning Mid-Year Budget Review.](#)
4. [Review and Possible Action Concerning Local Agency Formation Commission Special District Member.](#)
5. [Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting, April 19, 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
March 8, 2018

MINUTES

SPECIAL SESSION BEGAN AT 7:40 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, Christine Fitzgerald
District Accountant, Peter Medina
District Sewer Engineer, Pippin Cavagnaro
District Financial Advisor, Alex Handlers

PRESIDENT'S STATEMENT – None

ORAL COMMENTS - None

PUBLIC HEARING - None

CONSENT AGENDA

1. Approve Minutes for February 1, 2018
2. Approve Financial Statements for January 2018
3. Approve Warrants for February 1, 2018
4. SAM Flow Report for December 2018
5. Monthly Review of Current Investment Portfolio

6. Connection Permit Applications Received
7. Monthly Water Production Report for January 2018
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for December 2018

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

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

OLD BUSINESS –None

NEW BUSINESS -

1. Review of Draft Sewer Rate Study

General Manager Heldmaier announced that a sewer rate study had been discussed in prior meetings and the increased financial needs due to infrastructure needs from the Sewer Authority Mid-Coastside as well as the Montara Water and Sanitary District (MWSD) and legal action brought by the City of Half Moon Bay. This Sewer Rate study combines currently known factors and assumptions to consider setting a new Prop 218 limit for sewer service charges. The challenge is that there are a lot of unknowns. District Financial Advisor Handlers of Bartle Wells Associates has helped in the past will similar studies and will go over what was discussed the last few months and what is thought to happen in the coming years. There are also questions that will be posed to the Board, and it is anticipated that the staff will generate a final version at the April Board Meeting.

General Manager introduced District Financial Advisor Handlers, as he prepared his power point presentation.

District Financial Advisor Handlers announced that this information is preliminary. He put some drafts and scenarios together. At this meeting there will be no decisions. It is just to display what things looks like from his perspective having put together all the information with the rates, get feedback from the Board, and go from there.

District Financial Advisor Handler said when you look at MWSD's sewer enterprise it looks like they are in pretty good shape. They have roughly 7 million dollars in the bank, and have been doing small steady rate increases every year. But looking into the future, there are some major financial challenges, mostly related to MWSD and SAM's infrastructure. Looking over the revenues for the last five years, even though there have been inflationary rate increases, the revenues really haven't increased because the water and sewer use have come down. The revenues have been pretty flat. And for a while MWSD's capital funding from the rates have been fine. But over time as the revenues stayed flat, operating costs increased, the capital program starts to diminish, and now MWSD is generating \$500,000-

600,000 dollars per year for capital improvements. Unfortunately, capital improvement costs are a lot higher.

General Manager Heldmaier added that the fund reserves look very high but not all of it is available for capital use—there is an operations portion in there.

District Financial Advisor Handlers confirmed that there is about 7 million dollars, but it is a little artificial, because some the allocated capital improvements haven't been done yet that was thought be funded in recent years. So, it has made the fund reserves bump up. Once the capital projects are done, the fund reserves will go back down. And on top of that, there are additional capital needs that the rates don't support which could very quickly draw the fund reserves down depending on what is funded.

Director Harvey: We can't mitigate the rate increases with fund reserves in the near future?

District Financial Advisor Handlers replied that they enable MWSD to phase in rate increases because they can draw them down a bit every few years while phasing the rates in but in the long run they don't reduce the rate increase,. This is because at the end of the day you have to get your rates to fund the annual expenditures. So, they help in the short term, but not in the long term.

Director Wilson asked how much of the 7 million dollars is capital and how much is for operations.

District Accountant Medina replied that Operations is 2.9 million.

Director Wilson responded with the other being 4.1 million.

District Financial Advisor Handlers explained that the last sewer rate study was done 8 years ago, with anticipated rate increases over 4 years, but spread over 8 years. This is because the District didn't need to spend the money. So, the rate increases were reduced and spread over a longer time. Looking over 10 years, most years have been increasing roughly with inflation, and peoples' usage have come down over the years. Most people are probably paying less than 10 years ago, particularly in inflation adjusted terms. Looking at MWSD's rates compared to other agencies they are in the middle range right now. This is great for agency of this size.

Director Harvey asked how much have the rates gone down over the years. Is it because of less use?

District Financial Advisor Handlers replied that MWSD have come down a little bit, but not that much. If 15% rate increases were done over the last 5 years, you'd expect the revenues would be a little higher but they are not. So it off-sets the revenue increases. He is guessing that the usage is down what the rates increases have been over the last five, six years, based on the winter use.

Director Huber commented that MWSD has the classic dilemma for most Water and Sanitary Districts—they raise the rates, and people reduce their usage, and you don't get the results you want in terms of revenue. But in our case, because the water usage is at such a low level, there is not much more of a floor to fall through.

District Financial Advisor Handlers agreed. The sewer rates are based on winter usage and there is not a lot of the outdoor use that people can easily cut-off. You start with low use, and people cut back even more. He said some elasticity for water rates and usage was built in, but wasn't factored into the sewer rates. He offered to do this if the Board wanted it done. He pointed out that MWSD is facing a dilemma similar to other agencies in the Bay Area and California. The sewer was put in 50-80 years ago and the agency has been able to get by without a lot of investment. But a lot of these pipelines are approaching the end of its useful life, and they are going to need more and more reinvestment for replacement. It is like a tidal wave of pipeline replacements that is hitting a lot of agencies—maybe not tomorrow, but over the next 10, 15, 20 years. Additionally, there are a lot of old pump stations out there that are well past their anticipated useful life. And the other big thing is the treatment plants. A lot of waste water treatment plants were built in the 1970s. Many, like the SAM treatment plant, got a big chunk of their funding from EPA grants. So you have this free treatment plant and no one had to pay for it, and it has been fine for a while, but it is over 40 years old now. And from talking to people from the treatment plant, things have been patched and repaired. The treatment plant, being on the Coast, is also in harsh Coastal conditions, shortening its useful life. ...It is almost a double whammy—treatment plant and collection system... You are not alone, as a lot of agencies are facing this. The next slide shows how MWSD's rates compare to other communities. The ones to the right have had significant rate increases in recent years, and are much bigger than your agency—San Carlos, Millbrae, etc.

Director Huber: Do the rates include property taxes?

District Financial Advisor Handlers: No, because you don't have separate property taxes levied in addition to your regular property taxes for your sewer.

Director Huber commented that Granada Community Services rates are really low, but a significant part of their overall income comes from property taxes.

District Financial Advisor Handlers concurred, saying that he thought a big chunk comes from property taxes enabling them to keep their rates low, but didn't know how much that is.

General Manager Heldmaier said that it is correct, but he didn't know what the ratio was either.

Director Slater-Carter added that Granada is relatively flat and they don't have as many pumps, electricity bills, and earthquake areas to maintain. So they have

been able to put more of their property taxes to underwriting their sewer bills. That will be changing with the parks effort that they are doing. But looking at the terrain and the simplicity of Granada versus the complexity of Montara—that's the main difference of the two Districts. Even Half Moon Bay is relatively flat.

General Manager Heldmaier: Yes, we have a number of major pump stations in this District due to the hilly area. Granada has hills but it is bowl shaped, so it is just gravity down. Our operation costs are higher.

District Financial Advisor Handlers said in terms of MWSD's customer base, it is mostly residential, about 97% of the customers, and about 90% of the usage from revenues comes from residential. Sewer revenue is about 2 million...it was a little higher, but it has been hovering about 2 million for a number of years. On the next slide, on the sewer rates, we would like input on the sewer rate structure itself. MWSD has volumetric sewer rates, based on usage, residential customers based on prior year winter water use, and commercial customers based on annual water use. On the commercial side, there are 54 customers, but there are 7 separate rate classes with rates that vary according to waste water strength, and a lot of those commercial rates are very close. Charges are collected on the County tax rolls each year.

District Financial Advisor Handlers: I recommend MWSD change the way you report the rates, because it is hard to follow. The rates are listed at \$42.93 for residential per use during the four winter months and multiplied to get the total for the annual bill. There is subject to a minimum charge there, and if you go to the right side of the chart, that \$42.93 is equivalent to rate of \$14.31 per HCF or per unit. Your rates could be \$14.31 per HCF which would be applied to the annualized winter water use. I would also like to point out is the use of HCF or hundred cubic feet. Most people don't think in terms of 100 cubic feet, so this slide is in terms of 100 gallons, and it works out to be \$1.91 per 100 gallons—so about \$.02 per gallon. To the far right you can see the rates shown as a ratio to the residential rate.

Director Wilson asked if anyone objected to doing what Alex Handler's recommended.

District Financial Advisor Handlers recommended using less rate classes—standard strength, low strength, high strength.

Director Slater-Carter said she didn't have any objections, but felt it is too complex to be sending to public. She thought since HCFs are used for water use that they should stick with one metric. She also thought that it is nice to see that, for example, the schools are getting a nice discount.

District Financial Advisor Handlers said there is no right or wrong, and agreed that keeping it per HCF is a good idea.

Director Wilson commented that he liked the right-hand column, but was concerned about the left columns. He recommended keeping the HCF, but put in the language...

District Financial Advisor Handlers: We developed financial projections detailing the assumptions, based on the budget, SAM's budget with the amendments, and their proposed budget for 2018/2019. Also included was 5% operation costs escalation for planning purposes, and assumed slow growth, adding 5 Single Family Dwellings per year, but the big things are the on the Capital side. MWSD has a 5 year CIP that averages about 1.8 million dollars a year. The current rates are generating \$500,000-\$600,000 dollars per year, so there is a 1.2 million dollar short fall per year. MWSD rates only generate 2 million dollars a year total. So, I'm just making up... These costs aren't just a one-time thing and my sense is it will be on-going elevated level of capital funding needs for the pumps and pipelines. And the same for SAM, as they are getting by with the least capital expenditures that they can do to keep the system going. They said if they could spend 2.5 million per year for 5 years, which would allow them to address some of the highest priority items and keep things running. MWSD's share is about 21%, based on flow, and it works out to be \$525,000 dollars per year in this draft. The next slide shows that capital needs are a big portion of driving the need for rate increases. The District Sewer Engineer did a quick analysis, and if all the infrastructure were to be replaced over 50 years, it would cost 1.9 million per year. So, on a 50 year replacement schedule, it would cost 1.9 million dollars. It is the same situation with SAM. They have a 40 year old treatment plant in Coastal conditions, and it is in need of some major refurbishment. On top of that, there was a bump in increased operating expenses for the current fiscal year separate from the budget amendment. Also not factored in our projections is the potential legal costs related to the latest lawsuit.

The Directors talked about the lawsuit, and Director Wilson said that they needed to take that into consideration when looking at the rate projections.

District Financial Advisor Handlers: Here are a few preliminary draft scenarios for informational purposes only. Think of this as just a starting point. People here are aware there are elevated capital needs, but what does it mean to your rates? Unfortunately, to fund these elevated level of capital needs and some operating cost inflation as well, if you were to do a one-time rate spike, it would almost double the rates. The second thing is phasing in rate increases and fund all the capital needs for the next 5 years, but would require partially drawing from fund reserves, while phasing in rates. The third alternative is a slower phase of rate increases which takes significant steps in the right direction and gets you where you want to be after 5 years, but in the intervening years less money would have to be spent on the capital improvements, requiring some cut-backs here and there. The next slide shows the level of rate increase. The one-time rate spike you see the rates double, gives you a sense of the magnitude of what we are looking at when we see these numbers. The second one is the phase in. The rates are still pretty steep phased over 4 years compounded on top of each other. The third is more gradual over 5 years, but would require cutting back on some of the projects

in years 2, 3, and 4 while the rates are phasing in. These are just preliminary versions, and there is always a lot of unknown factors. It means taking steps in the right direction and coming back and re-evaluating in future years. It is a balance of competing objectives—on one hand you want to fund all the needs and do everything right, but on the other hand you don't want to have big rate increases. The balance is somewhere in the middle. And that's where we are looking to the Board for direction on. Rate are long term. Implementing small rate increases early on usually mean larger rate increases later on and vice versa. Sometimes it is a now or later game with these rates.

General Manager Heldmaier concurred saying there are a lot of variables right now. He felt that it would be prudent to do a second rate study in a shorter period of time. So, they would set rates for 1, 2, or 3 years now and do an update to the financial projections later.

Director Huber asked, if for example, in Plan B and Plan C, they took a median rate, half way between the medium and the least expensive, how much does that translate to dollars per month.

District Financial Advisor Handlers: The median bill works out to be 16, or about \$57.24 per month, and the average is about \$75.00 per month. Next year, with a 15% rate increase, it will increase about \$9-\$11 dollars to about \$86 dollars. The subsequent year will kind of be the same but a bit higher depending on how they compounded. Thus, it will be about \$120 per year for each 15% rate increase—somewhere in that range for a typical customer. The next slide shows graphically, what the funding levels were. The green bar has bumped up this year—SAMs treatment operating costs. There is also more orange and red than traditionally had in the past. This is the one-time rate spike and what it would do to your rates. Next slide, this slide shows the same expenditures but you can see the rate phasing in, Alternative B...Next slide, this shows the reduced rate scenario...It still gets to the same place at the end of the 5 years.

Director Slater-Carter: I have a request. You have SAM intermixed with MWSD. Can you prepare a chart to make it easier to understand where the MWSD is stacked on top of each other and with SAM stacked on top of each other?

District Financial Advisor Handlers: Bring their capital down as well? Yes, of course.

Director Harvey: We have been aggressive in replacing sewers, pumps, and mains. Why does it go up so much the MWSD capital projects?

General Manager Heldmaier: You see that for 2017 and 2018 is the biggest orange chunk right there, and 2015 and 2016 is diminished. This is due to the Cabrillo Highway Crossing that has been planned for years. The funds were budgeted but not spent because we were waiting for the Caltrans permit. Now that we have the permit, we will be starting the project very soon. This fiscal year we will be spending a significant amount of money on this project. This project has gone out

to bid. I think for the next meeting we will come back with this project and the lowest responsible bidder and we will kick-start this project off. It will be implemented in two phases—2017/2018 and 2018/2019. First we will do the Crossing and then the pipeline itself.

Director Harvey asked that as they go through this jump for the Crossing, will they also continue with the smaller projects?

General Manager Heldmaier said they also have the 2017/2018 Sewer Improvement project, also projected to start soon.

Director Huber commented the Highway One project has already been funded, and part of the reserves goes to that.

General Manager Heldmaier said that is why in 2015/2016 less was spent than anticipated, and there are more reserves, but funds will be withdrawn in 2017/2018 and 2018/2019.

Director Huber commented that the orange bar in 2015/2016 is too small and too large in 2017/2018 based on the facts.

District Financial Advisor Handlers: That is why the fund reserves are higher, because they haven't already spent those funds. But MWSD will be spending them in the upcoming years. On the next slide, these are the issues to get Board input on. There are three scenarios here, and I'm including Montara's capital improvement program.

Director Wilson asked General Manager Heldmaier if there were anything missing from the questions.

Director Huber: I have a question. We have an area that is seismically active, causing significant expenses there. Is it permissible to have a surcharge for those locations?

District Financial Advisor Handlers: It is certainly permissible. You have elevated costs for those areas. There are a lot of agencies that have different zones. It is certainly legitimate, because of increased costs of service.

General Manager Heldmaier: It is an interesting thought because it is not only the seismic liability issues we see through the fault lines in that area, it is also the geography in that same area that requires re-pumping sewage through a number of different pump stations in that area leading to increased corrosion.

Director Wilson: Should we look at zone rate study as part of the process? Should we look at zone costing?

Director Huber: It was more of a question than a proposal. Can you do it that way, doesn't mean it makes sense to do it. The problem with that is every area is a special zone at some point.

District Financial Advisor Handlers agreed and commented that people will complain about paying for increased maintenance in their area, and having to pay for maintenance in other areas. Sometimes, however, there is an area that has an excessively unique nature to it, where you might want to consider it.

General Manager Heldmaier: There is one thought that can be thought through. I don't recommend going in this direction, but there is a possibility that we could do bi-monthly billing for sewer service like the water bills instead of annually. This would take it off the property taxes. As I said, I don't recommend it.

Director Slater-Carter agreed saying there were many people who are delinquent on their water bills, and if sewer was added to that, a lot of time would be spent on collections.

General Manager Heldmaier concurred and said collections happen automatically since sewer service is collected through the property taxes now.

Director Wilson asked General Manager Heldmaier if he is recommending a 2 or 3 year rate study.

General Manager Heldmaier said he recommends a fairly short period.

Director Slater-Carter asked how much a rate study cost.

General Manager Heldmaier: It costs less than \$15,000 dollars. The reason being the high number of unknown variables or things that can change. We haven't included the potential changes on SAM's Collections Agreement. That's just one variable that could come up next month. The litigation is also on-going.

Director Wilson: Are you recommending a 2 or 3 year, given the variability factor here?

General Manager Heldmaier: I would go with a shorter period.

Director Wilson asked if anyone had any objections to a 2 year study.

Director Slater-Carter said she is concerned about the public perception. She wants a statement that is clear and simple, with an explanation of why it is needed. She feels that the Half Moon Bay Review is not completely accurate and is bias.

General Manager Heldmaier said that they all need to ponder over what was discussed, and at the next meeting a more sharpened iteration of the rate study would possibly be presented as well as a draft Prop 218 notice.

Director Slater Carter articulated that not every house is occupied by its owner. There are many renters. So, that information doesn't always get to the tenants.

General Manager Heldmaier said they can combine the list of water customers with the list of property owners to include tenants.

Director Wilson: The actual time the public should come in is when the rate study comes in and the notice should go as to what we want in that notice. And you are going to prepare that for the April 5th meeting, right?

General Manager Heldmaier: Yes.

Director Slater-Carter wanted the public to be more engaged and part of the process.

Director Wilson said that they are on the same page as to how the information gets out. He repeated that the April 5th meeting is getting feedback from the Board and how notices should go out to the public. Because the rate study hasn't even started. He wants to make sure their messaging is correct and they are in concert first before the public hearing. The April 5th meeting is really getting the information together—what the rate study is going to entail, and how it will be communicated to the public.

General Manager Heldmaier said that Prop 218 requires a public hearing be held 60 days after MWSD sends the notice. Rate information will be uploaded to the County database in July. Notices could be sent out in May regarding a hearing in mid-June or possibly the beginning of July.

District Financial Advisor Handlers interjected it is 45 days.

Director Wilson said that the consensus is that they will ensure the public gets a chance to be part of the process, and confirmed a study of two years, with the message clearly indicated for the public with the Prop 218 process. At the April 5th meeting, information will be brought in as to how they can start that process.

District Financial Advisor Handlers confirmed this and said this is the first analysis preliminarily done, and he will come back with honed information based on the feedback received today.

Director Wilson: What is the group consensus on which level of rate increases are you comfortable with having them work on. Group A, B, C or other scenarios?

Director Huber stated that the first one will never fly. The second and the third scenarios—it really hinges on how fully they want to be able to fund the capital projects without having to dip into reserves. So the 24, 22 scenario prevents them from kicking the can down the road. The 15% means there is a chance that they will have to put off things they really shouldn't put off. So, given the fact that neither one is pleasurable, it seems like the 24, 22 is the better way to go.

Director Harvey felt that something just below Plan B would be more palatable, but it would be nice to have something in between too—just below “B.”

Director Huber: That part of the rate study, we come up with that, we can't go above 24%. So, if we do the Prop 218, and we are going to shoot for 24%, in the second year it doesn't mean we have to do it—it means we can't go over that. So we do have a certain flexibility that way right?

Director Slater-Carter: I agree with Jim and Bill.

Director Wilson: Okay why don't you go with that? What about the sewer rate structure? We talked a little bit about clarifying...and I think we are in agreement that it would be good and come back with your thoughts on that as well.

District Financial Advisor Handlers said he forgot to add one thing in the rate structure—the notion of breaking out the SAM components separately.

Director Slater-Carter: This year, because of the lawsuit, it is better not to, because we don't know where it is going. There is a lot of misinformation out there, and if you start confusing people with more numbers, it is going to get scrambled even more so.

Director Wilson said that most people just want to know what will be their final bill.

Director Huber said in regards to the sewer rate structure he would like to have an example, showing how it is calculated. He suggested taking a median bill and show how it is calculated.

General Manager Heldmaier: Yes, we have can do a sample bill calculation on the Prop 218 notice.

Director Huber asked about the 7 classes versus 3 classes. Strength refers to what it takes to process the fluent.

District Financial Advisor Handlers: Yes, there is a lot higher concentration of things in restaurant waste than in a typical office or home.

Director Huber: Then the 7 classes we would have to arbitrarily say it is no longer a school...

Director Slater Carter said she thought it better not to change too many things at once.

General Manager Heldmaier agreed and said they can look at this in two years.

Director Harvey asked if the classes were changed, what would be standard strength.

General Manager Heldmaier replied that it would be residence, hospital.

Director Harvey: What would be low?

General Manager Heldmaier: School or certain types of offices.

Director Wilson: I think what we are suggesting is that we don't include the strength model at this time around.

Director Huber asked about the issue of the surcharge. He wanted to know if that has been discussed before or anyone had any feelings about it. Is that a legitimate thing to bring up?

General Manager Heldmaier: I recall there was discussion of this a long time ago, but it was dropped fairly soon.

Director Slater-Carter: There were additional charges on Seal Cove for the infrastructure Assessment District, and that was paid off. And the discussion was that if we get into assessments for various things, the people in Seal Cove will say "why do we have to pay for the pump station there because we don't use that pump station?"

Director Wilson said that is something to consider later--they can look at it over the next two years. He asked the Board if there was anything else.

District Financial Advisor Handlers reminded the Board that he did not include additional costs for the lawsuits.

Director Wilson: I think you guys should give your best guess for what the costs are going to be for the next 2 years—that should be all inclusive. At some point, we are going to have to pay for it. I would go for what we think is going to happen, knowing we are going to be off.

Director Slater Carter: Maybe you can separate out anticipated legal costs, combined between Montara and SAM? People need to know what this is costing us. At this point, it is lost in budgets and nobody knows.

District Counselor clarified that Montara is a party to that lawsuit in addition to SAM and in addition to Granada. So, Montara will be incurring legal fees on their own in addition to contributing their share to SAM.

District Financial Advisor Handlers concluded with the Prop 218 requirements and next steps and thanked everyone.

2. Receipt of 2017 Fiscal Year End Budget to Actual Review.

General Manager Heldmaier said that every year the Fiscal year end budget is compared to the actual budget after receiving the audited financial statements. They usually also present in this context the 6 month finance review, and being 6 months into it, they plan to bring this to the Board on the April 5th meeting. This will be the kick-off to the budget season and this year it just worked out to be presented at the next meeting. He introduced District Accountant Peter Medina who will guide the Board through the Year End Budget Actual Review.

District Accountant Medina: With the receipt of the audited financial statements presented at the last Board meeting, that really leads into now that we have the 6/30/2017 fiscal year fully wrapped up in terms of fiscal year completion, audited, audit release and audit acceptance, we can now go into how did we perform as to our budget projections which took place April of last year? At that time, this perspective view is just to say at that time in April we took all of the factors that were known on the expenditure side, made projections, and came up with a budget that works with the current factors in place. I'm very happy to say, that looking at the reports produced, it is close. Looking at sewer service charges, within \$931 dollars. We know what we are going to take in at the beginning of the fiscal year. The budget rates were increased 3%, but even with that we took in approximately \$90,000 dollars less in sewer revenue than we collected last year. We have been budgeting increases in the rates for the past 3, 4, 5 years but in terms of actual revenue it has stayed flat or dropped the last 3, 4, 5 years. Going down in terms of sewer service charges, it is almost to the penny. Other items which we collect in Revenue being the Cell Tower lease, fees, other, and the property tax piece. The property tax piece looks large because of the ERAF. We go through this every year-- we never know what we are going to collect, and if you factor out ERAF, we are actually right on what we budgeted. That is the operating revenue piece. Going to personnel, the \$82,000 dollar under budget is a bit of misnomer. This is due to the PARS plan and the contributions which we budget. Those were budgeted within approximately \$1,000 dollars. The District sees them as "out flows" but actually they are now referred to deferred sources of revenue or deferred sources of assets. They get re-classified to the balance sheet and the entry we receive from the auditors—I don't really like this and I will talk to the auditors about the accounts they asked us to hit. I don't like them "hitting" this account, because it throws off this analysis. But with that part being pulled out, if you were to look at pages 9-15 the actual detail accounts 5800 section for both Water and Sewer you will see the payroll pieces are very tight. District staff really prepared on the front end for what we can expect. Operations aside, it's all relatively close to what we expect by cost center. On the Sewer side, the SAM costs \$106,000 dollars we budget those costs based on what SAM tells us. But the difference here is the lift stations, which the District get billed for, that we capitalize at the end of the fiscal year. We put aside money for those costs, but at the end of the year they go to the balance sheet--it throws off the actual analysis piece. Under Capital Improvements, we budgeted 1.7 million dollars and of that we only spent 1 million dollars due to projects that didn't happen during the current fiscal year. The connection charges are pretty much right on.

Director Wilson commending District staff for running everything so efficiently and effectively. It looks like MWSD hit everything....

District Accountant Medina: Well the Sewer side....

Director Wilson: Well the Sewer Side...I'm taking about operational.

District Accountant Medina: Yes, with the help of staff and the Finance Committee.

General Manager Heldmaier: Ultimately, we have to thank Peter because the budgeting was done very well.

District Accountant Medina: Moving on to the Water side, water sales revenues...the rates have increased, and you look further on and water revenue collected year after year did not go hand in hand. Water revenue in the door increased \$30,000 dollars on a 3% rate hike, so users using less. We budgeted 1.8 million dollars, and collected 1.76 million—that 98%. We almost hit it.

Director Slater-Carter requested next time having a percent difference column. That 98% indicates that the \$28,000 dollars is insignificant.

District Accountant Medina: Absolutely immaterial. You look at 1.8 million dollars budget and see \$28,000 dollars and we say you nailed that. On the Revenue side, going forward we all exceed budget. The big one probably tax, with ERAF is split 50/50 between the funds, so it is the same increase. Personnel is the same issue as the Sewer side also with the Water side.

Director Huber: Then the difference of \$173,000 dollar is due to what?

District Accountant Medina: It is due the fiscal year end adjustment given to us by the auditors which re-classifies the cumulative effects of the long term effects of the pension costs and moving them over to the balance sheet. Going forward to Investments portion, the GO Bond assessment was a little high this year due to the County putting the money out a little too early. We have to accrue it and it all goes toward the payment of the Bond. Capital Improvements program actually went a little bit over. We set the budget and projects came up, and I've never known the District to say we can't do that because it is not within the budget and we do our best, the bigger projects this year were the 4th street and 7th street project, then there were other large purchases such as the new generator and the feasibility study that was paid for. The next few pages show more of the actual comparisons to last year. I like the comparisons on page 7, 8 which is a comparison between fiscal year 2015/16 and 2016/17. You can see how we stacked up in the Revenue and Cost Centers year by year basis. The big one is the increase in rates, but a decrease in actual revenue coming in. We are pretty much on par with what we have in terms of our expectations and growth over years. Costs are maintained here, both for Sewer and Water. The rest of the pages represent our adopted budget, by account. When we budget, this is what we look at. In the end, we look at the first two pages and it is very impressive how well we did. On pages 16, 17 it

show the reserves. On the water side it is under what we would like to have in reserves, Sewer is doing well. But based on the last discussion, that may not be the case for long.

All the Directors thanked District Accountant Medina.

Director Slater Carter: Our water rates used to be structured with a meter charge which covered operations and personnel. Then there was a use charge. To encourage conservation we changed it so the use charge was a larger percentage than the operations charge. I am curious how accurate those ratios are anymore.

General Manager Heldmaier: When we started out, the ratio was 70/30 split. But because we are raising our rates annually as a lump sum, it is not 70/30 anymore.

Director Slater-Carter: I wonder what our operating costs as a percentage, and maybe for our next rate study we can consider changing that so that we are balanced.

District Accountant Medina: No, looking at that second page, it's designed to look at it that way. If you look at the audited financial statements, the cell tower, and property tax are all considered non-operating. Actual operations are only considered to be water sales and the fees that are collected. We can work with this schedule a little bit to see how close are we sticking to that 70/30 split—is it still viable or are we years beyond that. If you look at the audited financial statements for sewer we are running in the negative in operations, a big part of it being the depreciation number—it is the cost of replacement. We are running negative, and that's a problem. It shows that we are not keeping up with our cost of replacement.

Director Slater-Carter: Next time we look at it if you could just make a note that it would be useful to look at the ratios.

District Accountant Medina: No, this could be something that we look at for the mid-year budget review. That is on its way next month.

Director Slater-Carter: I was the only no vote on making those changes because I was concerned that at some point the operations cost you were asking the water use cost to subsidize operations and when people were going to reduce usage the entire District was going to suffer.

Director Wilson: Okay, for the mid-year report.

All the Directors and General Manager Heldmaier thanked District Accountant Medina.

3. Review and Possible Action Concerning Update to Standard Specification for the Water System.

General Manager Heldmaier announced that they are bringing a full set of updated water specifications to the Board. The last time this was done was in 2003, with an update to the standard drawings in intervals, the last one being in 2011. It is really necessary to bring those specifications up to current operation standards, material types, etc. This is just an update to current operation standards. There are no significant changes. He recommended to adopt the resolution of the Montara Water and Sanitary District adopting Standard Specifications for Water System improvements and Rescinding Resolution 1504.

Director Wilson asked if there were any questions from the Board.

Director Slater Carter: Are they equal to requirements in the County codes or tailored to our unique situation?

General Manager Heldmaier: It is just looking at the water facilities that are in the public right of way and owned by the District, which gives us more flexibility to draft those to our needs.

Director Slater Carter moved to adopt the resolution 1631 of the Montara Water and Sanitary District adopting Standard Specifications for Water System improvements and Rescinding Resolution 1504. Director Huber seconded it, all Directors were in favor, and it passed unanimously 4 – 0.

4. Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting, March 15, 2018

General Manager Heldmaier recommended canceling the next meeting on March 15, 2018 as, at this time, there are no urgent items. Additionally, some Board members will be out-of-town. He assured the Directors that if anything came up, the Board and public would be notified and a meeting or a special meeting would be scheduled. Otherwise, they will focus on the next meeting on April 5, 2018.

All Board members were in agreement.

REPORTS

1. Sewer Authority Mid-Coastside Meeting (Slater-Carter) –

Director Slater-Carter: After the SAM Board meeting, Clemens sent out a summary of actions (of what happened) drafted by me and Scott. We also approved contracts for SRT for working on the Intertie pipeline. Good progress is being made. The next meeting is next Monday, and it is a budget workshop for next year's budget with detail and information.

2. MidCoast Community Council Meeting (Slater-Carter) –

Director Slater-Carter: The next MCC meeting is next week, and Beverly is going to be there talking about SAM. The Resist Density prepared a paper about the condition of the sewer system from their point of view. They sent this out to all the Midcoast Community Council members. There will also be a

discussion of protecting views to the ocean from people planting trees along the edge of the highway for privacy, which is not approved under the Local Coastal program.

3. **CSDA Report (Slater-Carter)** – There was a meeting in February, with a presentation done about Grant writing.
4. **Attorney’s Report (Fitzgerald)** – Dave is recovering well, and hopefully he will be back next month.
5. **Directors Report – None**
6. **General Manager’s Report (Heldmaier) – None**

FUTURE AGENDAS-

SPECIAL MEETING ENDED at 9:20 P.M.

The Board Convened in a Special Closed Session at 9:30 p.m.

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

Respectfully Submitted,

Signed _____
Secretary

Approved on the 5th, April 2018

Signed _____
President



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager 

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

Budget vs. Actual – Sewer July thru February 2018 Variances over \$2,000:

- 4610 Property Tax Receipts, \$145,442 above Budget – Approximately \$21K additional revenue received in February.
- 4710 Sewer Service Charges, \$173,483 below Budget – Remainder to be made up over the fiscal year.
- 4720 Sewer Service Refunds, \$2,333 below Budget – No refunds issued in the current fiscal year.
- **Overall Total Operating Income for the period ending February 28, 2018 was \$21,858 below budget. Total revenue received to date is \$1,477,289.**
- 5270 Information Systems, \$3,050 below Budget – Accounts for Mike Watson's services.
- 5400 Legal, \$74,329 above Budget - Increased activity in the current fiscal year.
- 5510 Maintenance, Office \$3,370 below Budget – budgeted projects have not occurred as of yet.
- 5540 Office Supplies, \$2,458 below Budget – Large purchases have been held off due to current inventory surplus.
- 5610 Accounting, \$6,300 below Budget - Difference due to timing in the billing.
- 5630 Consulting, \$8,451 below Budget - Sewer Rate study to be completed in calendar 2018.
- 5800 Labor, \$34,805 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, \$6,667 below Budget –No filed claims in the current fiscal year.
- 6200 Engineering, \$19,724 above Budget – Invoices are being reviewed for possible capitalization of expenses.
- 6400 Pumping, \$2,755 below Budget - Larger PG&E “catch-up” bill typically received in late spring.
- 6600 Collection/Transmission, \$6,667 below Budget – No activity to date.
- 6910 SAM Collections, \$4,351 below Budget – Multiple billing discrepancies are being investigated by District staff.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6920 SAM Operations, \$78,658 below Budget – Multiple billing discrepancies are being investigated by District staff.
- 6940 SAM Maintenance, Collection Sys, \$26,667 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$33,333 below Budget – No activity to date.
- **Overall Total Operating Expenses for the period ending February 28, 2018 were \$142,146 below Budget.**
- **Total overall Expenses for the period ending February 28, 2018 were \$52,041 below budget. For a net ordinary income of \$30,183, budgeted vs. actual. Actual net ordinary income is \$35,463.**
- 7100 Connection Fees, \$62,408 above Budget – No new construction connections issued in February. 1 remodel connection issued in February.
- 7200 Interest Income, LAIF, \$17,380 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$899,452 below Budget – No February activity
- 9175 Capital Assessment – SAM, \$121,345 above Budget – SAM did not make the District aware that they would begin assessing capital assessments during budget prep.
- 9200 I-Bank Loan, \$10,327 below Budget – Variance due to timing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru February 2018 Variances over \$2,000:**
- 4610 Property tax Receipts, \$124,229 above Budget – Approximately \$21K additional revenue received in February.
- 4740 Testing, Backflow, \$5,895 above Budget – quarterly activity up over the fiscal year.
- 4810 Water Sales Domestic, \$20,356 above Budget – More water sales than anticipated.
- 4850 Water sales refunds, customers, \$2,000 below budget – No activity to date
- **Overall Total Operating Income for the period ending February 28, 2018 was \$177,310 above budget. Total revenue received to date is \$1,609,374.**
- 5190 Bank Fees, \$4,125 below Budget – Less than anticipated.
- 5240 CDPH Fees, \$10,333 below Budget – No Activity to date
- 5250 Conference attendance, \$2,895 above budget – Conference attended by Clemens in October & January. Variance will decrease as fiscal year moves forward.
- 5300 Insurance, \$2,133 below Budget – Annual premium has not been invoiced and paid.
- 5400 Legal, \$33,303 below Budget – Majority of resources have been used on the Sewer side.
- 5510 Maintenance-Office, \$3,696 below Budget, - budgeted projects have not occurred as of yet.
- 5530 Memberships, \$8,298 above Budget, - Historically, membership fees paid on a calendar year basis. Variance will decrease as the fiscal year continues.
- 5540 Office Supplies, \$2,458 below Budget – Large purchases have been held off due to current inventory surplus.
- 5610 Accounting, \$6,300 below Budget - Difference due to timing in the billing.
- 5630 Consulting, \$4,763 below Budget – Website update project in process.
- 6170 Claims, Property Damage, \$6,667 below Budget –No activity to date.
- 6185 SCADA Maintenance, \$7,448 below Budget – Minimal activity, one bill paid back in December.
- 6200 Engineering, \$9,509 above Budget – Majority of work is being spent on Water Quality Engineering.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared For the Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6320 Equipment & tools, expensed, \$2,403 above Budget – Approximately \$1,500 in equipment purchased in February.
- 6400 Pumping, \$28,820 below Budget – Larger PG&E “catch-up” bill typically received in late spring.
- 6500 Supply, \$12,086 below Budget – No water made in January or February.
- 6600 Collection/Transmission, \$22,766 below Budget – Water Main maintenance has been held well below budget.
- 6700 Treatment, \$12,091 below Budget – Costs related to chemicals and filtering have been held below historic levels.
- **Overall Total Operating Expenses for the period ending February 28, 2018 were \$69,701 below Budget.**
- **Total overall Expenses for the period ending February 28, 2018 were \$125,233 below budget. For a net ordinary income of \$302,544, budgeted vs. actual. Actual net ordinary income is \$734,716.**
- 7100 Connection Fees, \$81,643 below Budget – 2 PFP new construction connections issued in February.
- 7600 Bond Revenues, G.O. \$96,988 below Budget – additional funds to be received in the following months.
- 8000 CIP, \$333,908 below Budget –\$3K in bills paid in February.
- 9100 Interest Expense G.O. Bonds, \$250,891 below Budget – Variance due to timing.
- 9150 SRF Loan, \$34,273 below Budget - Variance due to timing.

RECOMMENDATION:

This is for Board information only

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

	Jul '17 - Feb 18	Sewer Budget		\$ Over Budget
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	23,634.80	22,866.64		768.16
4400 · Fees				
4410 · Administrative Fee (New Constr)	2,525.00	2,333.28		191.72
4420 · Administrative Fee (Remodel)	708.00	1,333.28		-625.28
4430 · Inspection Fee (New Constr)	2,385.00	2,333.28		51.72
4440 · Inspection Fee (Remodel)	110.00	2,666.64		-2,556.64
4460 · Remodel Fees	7,628.00	2,666.64		4,961.36
4470 · Other Fees	-339.91			
Total 4400 · Fees	13,016.09	11,333.12		1,682.97
4610 · Property Tax Receipts	262,942.16	117,500.00		145,442.16
4710 · Sewer Service Charges	1,161,964.42	1,335,447.28		-173,482.86
4720 · Sewer Service Refunds, Customer	-2,002.72	-2,666.64		663.92
4760 · Waste Collection Revenues	14,365.88	14,666.64		-300.76
4990 · Other Revenue	3,368.37			
Total Income	1,477,289.00	1,499,147.04		-21,858.04
Gross Profit	1,477,289.00	1,499,147.04		-21,858.04
Expense				
5000 · Administrative				
5190 · Bank Fees	5,117.26	4,333.28		783.98
5200 · Board of Directors				
5210 · Board Meetings	1,216.48	2,666.64		-1,450.16
5220 · Director Fees	2,812.50	2,200.00		612.50
Total 5200 · Board of Directors	4,028.98	4,866.64		-837.66
5250 · Conference Attendance	3,075.10	1,333.28		1,741.82
5270 · Information Systems	480.00	4,000.00		-3,520.00
5300 · Insurance				
5310 · Fidelity Bond	0.00	333.28		-333.28
5320 · Property & Liability Insurance	2,160.70	1,333.28		827.42
Total 5300 · Insurance	2,160.70	1,666.56		494.14
5350 · LAFCO Assessment	1,601.00	1,333.28		267.72
5400 · Legal				
5420 · Meeting Attendance, Legal	5,813.75	6,333.28		-519.53
5430 · General Legal	10,035.00	16,666.64		-6,631.64
5440 · Litigation	81,479.75			
Total 5400 · Legal	97,328.50	22,999.92		74,328.58
5510 · Maintenance, Office	1,963.24	5,333.28		-3,370.04
5540 · Office Supplies	2,874.95	5,333.28		-2,458.33
5550 · Postage	168.46	1,666.64		-1,498.18
5560 · Printing & Publishing	2,999.56	2,000.00		999.56

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

	Jul '17 - Feb 18	Sewer Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	13,700.00	20,000.00	-6,300.00
5620 · Audit	9,800.00	8,666.64	1,133.36
5630 · Consulting	10,215.33	18,666.64	-8,451.31
5640 · Data Services	5,850.84	4,000.00	1,850.84
5650 · Labor & HR Support	2,081.00	1,666.64	414.36
5660 · Payroll Services	648.50	633.28	15.22
Total 5600 · Professional Services	42,295.67	53,633.20	-11,337.53
5710 · San Mateo Co. Tax Roll Charges	0.00	1,666.64	-1,666.64
5720 · Telephone & Internet	12,506.43	11,000.00	1,506.43
5730 · Mileage Reimbursement	563.95	1,000.00	-436.05
5740 · Reference Materials	0.00	133.28	-133.28
5790 · Other Administrative	435.19		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	13,332.90	10,296.64	3,036.26
5820 · Employee Benefits	31,605.12	23,756.64	7,848.48
5830 · Disability Insurance	793.52	1,022.64	-229.12
5840 · Payroll Taxes	10,351.94	11,252.64	-900.70
5850 · PARS	11,031.91	9,374.00	1,657.91
5900 · Wages			
5910 · Management	81,401.57	69,150.00	12,251.57
5920 · Staff	86,907.29	75,066.00	11,841.29
5930 · Staff Certification	1,200.00	1,200.00	0.00
5940 · Staff Overtime	515.33	1,676.00	-1,160.67
Total 5900 · Wages	170,024.19	147,092.00	22,932.19
5960 · Worker's Comp Insurance	2,091.01	1,631.28	459.73
Total 5800 · Labor	239,230.59	204,425.84	34,804.75
Total 5000 · Administrative	416,829.58	326,725.12	90,104.46
6000 · Operations			
6170 · Claims, Property Damage	0.00	6,666.64	-6,666.64
6195 · Education & Training	627.53	666.64	-39.11
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	1,333.28	-1,333.28
6220 · General Engineering	54,390.56	33,333.28	21,057.28
Total 6200 · Engineering	54,390.56	34,666.56	19,724.00
6320 · Equipment & Tools, Expensed	0.00	666.64	-666.64
6330 · Facilities			
6335 · Alarm Services	3,289.56	3,800.00	-510.44
6337 · Landscaping	950.00	1,600.00	-650.00
Total 6330 · Facilities	4,239.56	5,400.00	-1,160.44

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

	Jul '17 - Feb 18	Sewer Budget	\$ Over Budget
6400 · Pumping			
6410 · Pumping Fuel & Electricity	18,578.12	21,333.28	-2,755.16
Total 6400 · Pumping	18,578.12	21,333.28	-2,755.16
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	6,666.64	-6,666.64
Total 6600 · Collection/Transmission	0.00	6,666.64	-6,666.64
6800 · Vehicles			
6810 · Fuel	0.00	533.28	-533.28
6820 · Truck Equipment, Expensed	0.00	106.64	-106.64
6830 · Truck Repairs	0.00	266.64	-266.64
Total 6800 · Vehicles	0.00	906.56	-906.56
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	186,272.00	190,622.64	-4,350.64
6920 · SAM Operations	760,888.50	839,546.64	-78,658.14
6940 · SAM Maintenance, Collection Sys	0.00	26,666.64	-26,666.64
6950 · SAM Maintenance, Pumping	0.00	33,333.28	-33,333.28
Total 6900 · Sewer Authority Midcoastside	947,160.50	1,090,169.20	-143,008.70
Total 6000 · Operations	1,024,996.27	1,167,142.16	-142,145.89
Total Expense	1,441,825.85	1,493,867.28	-52,041.43
Net Ordinary Income	35,463.15	5,279.76	30,183.39
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	164,853.00	96,384.00	68,469.00
7120 · Connection Fees (Remodel)	27,272.50	33,333.28	-6,060.78
Total 7100 · Connection Fees	192,125.50	129,717.28	62,408.22
7200 · Interest Income - LAIF	24,880.49	7,500.00	17,380.49
Total 7000 · Capital Account Revenues	217,005.99	137,217.28	79,788.71
Total Other Income	217,005.99	137,217.28	79,788.71
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	193,881.68	1,093,333.28	-899,451.60
Total 8000 · Capital Improvement Program	193,881.68	1,093,333.28	-899,451.60

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03/20/18

Accrual Basis

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

	Jul '17 - Feb 18	Sewer Budget	\$ Over Budget
9000 - Capital Account Expenses			
9125 - PNC Equipment Lease Interest	11,553.40	12,186.64	-633.24
9175 - Capital Assessment - SAM	121,345.00		
9200 - I-Bank Loan	14,027.24	24,354.00	-10,326.76
Total 9000 - Capital Account Expenses	146,925.64	36,540.64	110,385.00
Total Other Expense	340,807.32	1,129,873.92	-789,066.60
Net Other Income	-123,801.33	-992,656.64	868,855.31
Net Income	-88,338.18	-987,376.88	899,038.70

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03/20/18

Accrual Basis

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

	Jul '17 - Feb 18	Water Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	23,634.88	22,866.64	768.24
4400 · Fees			
4410 · Administrative Fee (New Constr)	3,030.00	3,666.64	-636.64
4420 · Administrative Fee (Remodel)	1,679.00	600.00	1,079.00
4430 · Inspection Fee (New Constr)	2,862.00	3,333.28	-471.28
4440 · Inspection Fee (Remodel)	1,908.00	433.28	1,474.72
4460 · Remodel Fees	776.22		
4470 · Other Fees	-543.17		
Total 4400 · Fees	9,712.05	8,033.20	1,678.85
4610 · Property Tax Receipts	262,942.14	117,500.00	145,442.14
4740 · Testing, Backflow	14,562.00	8,666.64	5,895.36
4810 · Water Sales, Domestic	1,297,353.04	1,276,997.28	20,355.76
4850 · Water Sales Refunds, Customer	0.00	-2,000.00	2,000.00
4990 · Other Revenue	1,169.97		
Total Income	1,609,374.08	1,432,063.76	177,310.32
Gross Profit	1,609,374.08	1,432,063.76	177,310.32
Expense			
5000 · Administrative			
5190 · Bank Fees	542.02	4,666.64	-4,124.62
5200 · Board of Directors			
5210 · Board Meetings	3,938.62	2,666.64	1,271.98
5220 · Director Fees	2,812.50	2,200.00	612.50
Total 5200 · Board of Directors	6,751.12	4,866.64	1,884.48
5240 · CDPH Fees	0.00	10,333.28	-10,333.28
5250 · Conference Attendance	5,561.35	2,666.64	2,894.71
5270 · Information Systems	480.00	2,000.00	-1,520.00
5300 · Insurance			
5310 · Fidelity Bond	0.00	333.28	-333.28
5320 · Property & Liability Insurance	0.00	1,800.00	-1,800.00
Total 5300 · Insurance	0.00	2,133.28	-2,133.28
5350 · LAFCO Assessment	2,208.00	1,666.64	541.36
5400 · Legal			
5420 · Meeting Attendance, Legal	2,711.25	5,666.64	-2,955.39
5430 · General Legal	9,652.50	40,000.00	-30,347.50
Total 5400 · Legal	12,363.75	45,666.64	-33,302.89

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Accrual Basis

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

	Jul '17 - Feb 18	Water Budget	\$ Over Budget
5510 · Maintenance, Office	1,637.55	5,333.28	-3,695.73
5530 · Memberships	20,298.20	12,000.00	8,298.20
5540 · Office Supplies	2,874.90	5,333.28	-2,458.38
5550 · Postage	3,828.72	5,000.00	-1,171.28
5560 · Printing & Publishing	354.90	1,333.28	-978.38
5600 · Professional Services			
5610 · Accounting	13,700.00	20,000.00	-6,300.00
5620 · Audit	9,800.00	8,666.64	1,133.36
5630 · Consulting	11,903.28	16,666.64	-4,763.36
5650 · Labor & HR Support	2,081.00	1,500.00	581.00
5660 · Payroll Services	648.46	633.28	15.18
Total 5600 · Professional Services	38,132.74	47,466.56	-9,333.82
5720 · Telephone & Internet	14,363.99	14,920.00	-556.01
5730 · Mileage Reimbursement	563.95	1,333.28	-769.33
5740 · Reference Materials	0.00	533.28	-533.28
5790 · Other Administrative	615.08		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	25,387.44	23,675.28	1,712.16
5820 · Employee Benefits	54,472.28	57,904.00	-3,431.72
5830 · Disability Insurance	1,963.57	2,424.64	-461.07
5840 · Payroll Taxes	25,905.61	28,196.00	-2,290.39
5850 · PARS	19,829.25	18,768.00	1,061.25
5900 · Wages			
5910 · Management	81,401.48	69,150.00	12,251.48
5920 · Staff	240,807.30	236,504.64	4,302.66
5930 · Staff Certification	6,786.20	6,000.00	786.20
5940 · Staff Overtime	28,704.62	37,220.64	-8,516.02
5950 · Staff Standby	16,680.18	17,298.00	-617.82
Total 5900 · Wages	374,379.78	366,173.28	8,206.50
5960 · Worker's Comp Insurance	9,646.43	13,298.64	-3,652.21
Total 5800 · Labor	511,584.36	510,439.84	1,144.52
Total 5000 · Administrative	622,160.63	677,692.56	-55,531.93
6000 · Operations			
6160 · Backflow Prevention	458.33	666.64	-208.31
6170 · Claims, Property Damage	0.00	6,666.64	-6,666.64
6180 · Communications			
6185 · SCADA Maintenance	4,095.74	13,333.28	-9,237.54
6180 · Communications - Other	1,790.02		
Total 6180 · Communications	5,885.76	13,333.28	-7,447.52
6195 · Education & Training	5,859.38	4,666.64	1,192.74

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

	Jul '17 - Feb 18	Water Budget	\$ Over Budget
6200 - Engineering			
6210 - Meeting Attendance, Engineering	15.50	1,333.28	-1,317.78
6220 - General Engineering	8,070.75	13,333.28	-5,262.53
6230 - Water Quality Engineering	59,422.43	43,333.28	16,089.15
Total 6200 - Engineering	67,508.68	57,999.84	9,508.84
6320 - Equipment & Tools, Expensed	5,736.47	3,333.28	2,403.19
6330 - Facilities			
6335 - Alarm Services	381.06	533.28	-152.22
6337 - Landscaping	2,257.02	4,000.00	-1,742.98
Total 6330 - Facilities	2,638.08	4,533.28	-1,895.20
6370 - Lab Supplies & Equipment	1,620.83	666.64	954.19
6380 - Meter Reading	21.25		
6400 - Pumping			
6410 - Pumping Fuel & Electricity	36,919.11	60,000.00	-23,080.89
6420 - Pumping Maintenance, Generators	5,454.08	6,666.64	-1,212.56
6430 - Pumping Maintenance, General	1,263.19	4,666.64	-3,403.45
6440 - Pumping Equipment, Expensed	210.32	1,333.28	-1,122.96
Total 6400 - Pumping	43,846.70	72,666.56	-28,819.86
6500 - Supply			
6510 - Maintenance, Raw Water Mains	1,463.25	1,333.28	129.97
6520 - Maintenance, Wells	2,035.47	6,666.64	-4,631.17
6530 - Water Purchases	19,081.70	26,666.64	-7,584.94
Total 6500 - Supply	22,580.42	34,666.56	-12,086.14
6600 - Collection/Transmission			
6610 - Hydrants	375.29	666.64	-291.35
6620 - Maintenance, Water Mains	26,327.62	36,666.64	-10,339.02
6630 - Maintenance, Water Svc Lines	11,621.25	16,666.64	-5,045.39
6640 - Maintenance, Tanks	556.54	666.64	-110.10
6650 - Maint., Distribution General	272.83	6,666.64	-6,393.81
6670 - Meters	1,079.97	1,666.64	-586.67
Total 6600 - Collection/Transmission	40,233.50	62,999.84	-22,766.34
6700 - Treatment			
6710 - Chemicals & Filtering	5,567.44	20,000.00	-14,432.56
6720 - Maintenance, Treatment Equip.	2,322.93	2,666.64	-343.71
6730 - Treatment Analysis	22,685.02	20,000.00	2,685.02
Total 6700 - Treatment	30,575.39	42,666.64	-12,091.25
6770 - Uniforms	6,243.90	8,000.00	-1,756.10

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 Accrual Basis

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

	Jul '17 - Feb 18	Water Budget	\$ Over Budget
6800 - Vehicles			
6810 - Fuel	3,953.60	5,333.28	-1,379.68
6820 - Truck Equipment, Expensed	6.84	666.64	-659.80
6830 - Truck Repairs	4,470.39	3,333.28	1,137.11
Total 6800 - Vehicles	8,430.83	9,333.20	-902.37
6890 - Other Operations	10,858.12		
Total 6000 - Operations	252,497.64	322,199.04	-69,701.40
Total Expense	874,658.27	999,891.60	-125,233.33
Net Ordinary Income	734,715.81	432,172.16	302,543.65
Other Income/Expense			
Other Income			
7000 - Capital Account Revenues			
7100 - Connection Fees			
7110 - Connection Fees (New Constr)	42,568.00	115,346.64	-72,778.64
7120 - Connection Fees (Remodel)	10,356.50		
7130 - Conn. Fees, PFP (New Constr)	34,112.00	53,333.28	-19,221.28
Total 7100 - Connection Fees	87,036.50	168,679.92	-81,643.42
7600 - Bond Revenues, G.O.	669,969.54	766,957.28	-96,987.74
Total 7000 - Capital Account Revenues	757,006.04	935,637.20	-178,631.16
Total Other Income	757,006.04	935,637.20	-178,631.16
Other Expense			
8000 - Capital Improvement Program			
8100 - Water	141,758.27	475,666.64	-333,908.37
Total 8000 - Capital Improvement Program	141,758.27	475,666.64	-333,908.37
9000 - Capital Account Expenses			
9100 - Interest Expense - GO Bonds	158,544.96	273,978.00	-115,433.04
9125 - PNC Equipment Lease Interest	11,553.45	12,186.64	-633.19
9150 - SRF Loan	0.00	34,273.00	-34,273.00
9210 - Conservation Program/Rebates	1,200.00	333.28	866.72
Total 9000 - Capital Account Expenses	171,298.41	320,770.92	-149,472.51
Total Other Expense	313,056.68	796,437.56	-483,380.88
Net Other Income	443,949.36	139,199.64	304,749.72
Net Income	1,178,665.17	571,371.80	607,293.37

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	2,655,219.72	2,820,627.22							
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	3,916,716.61	3,916,716.61					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	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	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	4,351,365.61	4,351,365.61	-	-	-	-			
Water - Operations															
Wells Fargo Operating - Water	736,973.18	748,608.06	762,530.73	775,543.19	789,406.28	801,506.10	814,926.02	838,191.04							
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	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	253,020.00					253,020.00	-	100%
SRF Reserve				48,222.00	48,222.00	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	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	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	436.13	436.13							
Cost of issuance	122.94	122.94	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	1,483,897.21	908,679.17							
Sub-total	1,439,549.65	899,759.91	900,508.76	901,511.21	902,238.93	920,064.10	1,484,456.28	909,238.24	-	-	-	-			
Total Cash and equivalents	9,942,529.55	9,115,791.26	8,910,556.09	8,675,401.16	8,624,118.21	9,932,464.85	10,051,467.63	9,664,922.11	-	-	-	-			

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	2,954.35	2,954.35						23,634.80	25,725.01	-2,090.21	91.88%
4400 - Fees																	
4410 - Administrative Fee (New Constr)	505.00		505.00				1,010.00	505.00						2,525.00	2,625.02	-100.02	96.19%
4420 - Administrative Fee (Remodel)	354.00	354.00												708.00	1,500.02	-792.02	47.2%
4430 - Inspection Fee (New Constr)	477.00		477.00				954.00	477.00						2,385.00	2,625.02	-240.02	90.86%
4440 - Inspection Fee (Remodel)						110.00								110.00	3,000.01	-2,890.01	3.67%
4460 - Remodel Fees	708.00		354.00	5,418.00			464.00	684.00						7,628.00	3,000.01	4,627.99	254.27%
4470 - Other Fees								-339.91						-339.91			
Total 4400 - Fees	2,044.00	354.00	1,336.00	5,418.00		110.00	2,428.00	1,326.09						13,016.09	12,750.08	266.01	102.09%
4610 - Property Tax Receipts		155.06		233.52	24,036.56	106,594.70	110,709.24	21,213.08						262,942.16	117,500.00	145,442.16	223.78%
4710 - Sewer Service Charges						1,046,119.02		115,845.40						1,161,964.42	1,502,378.27	-340,413.85	77.34%
4720 - Sewer Service Refunds, Customer						-2,002.72								-2,002.72	-3,000.01	997.29	66.76%
4760 - Waste Collection Revenues	984.47	2,604.03	1,058.29	2,455.60	953.94	2,387.50	927.62	2,994.43						14,365.88	16,500.01	-2,134.13	87.07%
4990 - Other Revenue	3,344.93	6.82			7.99			8.63						3,368.37			
Total Income	9,327.75	6,074.26	5,348.64	11,061.47	27,952.84	1,156,162.85	117,019.21	144,341.98						1,477,289.00	1,671,853.36	-194,564.36	88.36%
Gross Profit	9,327.75	6,074.26	5,348.64	11,061.47	27,952.84	1,156,162.85	117,019.21	144,341.98						1,477,289.00	1,671,853.36	-194,564.36	88.36%
Expense																	
5000 - Administrative																	
5190 - Bank Fees	2,740.81	321.48	333.71	336.04	344.44	327.74	339.57	373.47						5,117.26	4,875.02	242.24	104.97%
5200 - Board of Directors																	
5210 - Board Meetings		125.00	375.00		250.00	184.95	156.53	125.00						1,216.48	3,000.01	-1,783.53	40.55%
5220 - Director Fees		187.50		750.00	375.00	187.50	1,312.50							2,812.50	2,475.00	337.50	113.64%
5230 - Election Expenses																	
Total 5200 - Board of Directors		312.50	375.00	750.00	625.00	372.45	1,469.03	125.00						4,028.98	5,475.01	-1,446.03	73.59%
5250 - Conference Attendance		100.00	997.50			787.97	1,189.63							3,075.10	1,500.02	1,575.08	205.0%
5270 - Information Systems		180.00	60.00			240.00								480.00	4,500.00	-4,020.00	10.67%
5300 - Insurance																	
5310 - Fidelity Bond															375.02	-375.02	
5320 - Property & Liability Insurance				2,160.70										2,160.70	1,500.02	660.68	144.05%
Total 5300 - Insurance				2,160.70										2,160.70	1,875.04	285.66	115.24%
5350 - LAFCO Assessment						1,601.00								1,601.00	1,500.02	100.98	106.73%
5400 - Legal																	
5420 - Meeting Attendance, Legal		845.00	256.25	3,082.50	1,630.00									5,813.75	7,125.02	-1,311.27	81.6%
5430 - General Legal		3,170.00	62.50	650.00	375.00	3,307.50	2,470.00							10,035.00	18,750.01	-8,715.01	53.52%

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

												TOTAL				
	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
5440 · Litigation		8,275.00	32,110.00	13,784.75	3,087.50	5,997.50	8,680.00	9,545.00					81,479.75			
Total 5400 · Legal		12,290.00	32,428.75	17,517.25	5,092.50	9,305.00	11,150.00	9,545.00					97,328.50	25,875.03	71,453.47	376.15%
5510 · Maintenance, Office		193.50	392.70	160.00	150.00	745.54	321.50						1,963.24	6,000.02	-4,036.78	32.72%
5540 · Office Supplies		845.76	335.56	305.35	282.45	376.90	616.41	112.52					2,874.95	6,000.02	-3,125.07	47.92%
5550 · Postage			229.17			-60.71							168.46	1,875.01	-1,706.55	8.98%
5560 · Printing & Publishing		131.33	31.50	111.19	21.04	1,186.77	1,517.73						2,999.56	2,250.00	749.56	133.31%
5600 · Professional Services																
5610 · Accounting			4,700.00	4,500.00	1,650.00	1,250.00	1,600.00						13,700.00	22,500.00	-8,800.00	60.89%
5620 · Audit		6,000.00		3,800.00									9,800.00	9,750.01	49.99	100.51%
5630 · Consulting		2,828.88	1,565.67	804.00	73.13	3,931.00	813.90	198.75					10,215.33	21,000.01	-10,784.68	48.64%
5640 · Data Services				5,850.84									5,850.84	4,500.00	1,350.84	130.02%
5650 · Labor & HR Support		194.50	539.00	569.50	194.50	194.50	194.50	194.50					2,081.00	1,875.01	205.99	110.99%
5660 · Payroll Services	74.02	72.96	70.84	71.90	71.90	71.90	143.08	71.90					648.50	712.52	-64.02	91.02%
Total 5600 · Professional Services	74.02	9,096.34	6,875.51	15,596.24	1,989.53	5,447.40	2,751.48	465.15					42,295.67	60,337.55	-18,041.88	70.1%
5710 · San Mateo Co. Tax Roll Charges														1,875.01	-1,875.01	
5720 · Telephone & Internet		1,878.29	2,114.58	2,558.86	482.08	1,320.89	4,012.68	139.05					12,506.43	12,375.00	131.43	101.06%
5730 · Mileage Reimbursement				563.95									563.95	1,125.00	-561.05	50.13%
5740 · Reference Materials														150.02	-150.02	
5790 · Other Administrative			316.19	119.00									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	4,821.53	1,202.63					13,332.90	11,583.76	1,749.14	115.1%
5820 · Employee Benefits	6,092.66		6,778.01	3,653.55	3,653.55	3,809.11	3,809.12	3,809.12					31,605.12	26,726.26	4,878.86	118.26%
5830 · Disability Insurance		113.36	113.36	226.72		113.36	226.72						793.52	1,150.51	-356.99	68.97%
5840 · Payroll Taxes	1,720.28	1,676.31	935.40	868.62	916.80	842.21	2,032.98	1,359.34					10,351.94	12,659.26	-2,307.32	81.77%
5850 · PARS	1,451.93	1,493.70	1,545.86	1,147.45	1,195.23	1,231.83	1,787.41	1,178.50					11,031.91	10,545.75	486.16	104.61%
5900 · Wages																
5910 · Management	8,125.00	8,125.00	14,687.50	8,622.58	8,872.55	8,706.26	15,881.34	8,381.34					81,401.57	77,793.75	3,607.82	104.64%
5920 · Staff	14,212.21	14,854.60	9,123.82	9,527.76	10,067.76	9,382.69	10,500.84	9,237.61					86,907.29	84,449.25	2,458.04	102.91%
5930 · Staff Certification	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00					1,200.00	1,350.00	-150.00	88.89%
5940 · Staff Overtime		134.12	169.42	42.36	84.71	42.36	42.36						515.33	1,885.50	-1,370.17	27.33%
Total 5900 · Wages	22,487.21	23,263.72	24,130.74	18,342.70	19,175.02	18,281.31	26,574.54	17,768.95					170,024.19	165,478.50	4,545.69	102.75%
5960 · Worker's Comp Insurance				1,114.08			976.93						2,091.01	1,835.27	255.74	113.94%
Total 5800 · Labor	33,326.18	28,175.55	35,192.51	26,602.99	25,457.68	24,927.91	40,229.23	25,318.54					239,230.59	229,979.31	9,251.28	104.02%
Total 5000 · Administrative	36,141.01	53,524.75	79,682.68	66,217.62	35,008.67	46,578.86	63,597.26	36,078.73					416,829.58	367,567.08	49,262.50	113.4%
6000 · Operations																
6170 · Claims, Property Damage														7,500.01	-7,500.01	

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
6195 · Education & Training				28.61			598.92						627.53	750.01	-122.48	83.67%
6200 · Engineering																
6210 · Meeting Attendance, Engineering														1,500.02	-1,500.02	
6220 · General Engineering		3,757.50	3,982.50	33,369.50		6,975.00	6,306.06						54,390.56	37,500.02	16,890.54	145.04%
Total 6200 · Engineering		3,757.50	3,982.50	33,369.50		6,975.00	6,306.06						54,390.56	39,000.04	15,390.52	139.46%
6320 · Equipment & Tools, Expensed														750.01	-750.01	
6330 · Facilities																
6335 · Alarm Services	659.70	518.82	888.60	127.02		184.80	518.82	391.80					3,289.56	4,275.00	-985.44	76.95%
6337 · Landscaping		190.00	190.00	190.00	190.00	190.00							950.00	1,800.00	-850.00	52.78%
Total 6330 · Facilities	659.70	708.82	1,078.60	317.02	190.00	374.80	518.82	391.80					4,239.56	6,075.00	-1,835.44	69.79%
6400 · Pumping																
6410 · Pumping Fuel & Electricity		2,528.80	2,875.13	5,600.25		5,004.62	2,569.32						18,578.12	24,000.02	-5,421.90	77.41%
Total 6400 · Pumping		2,528.80	2,875.13	5,600.25		5,004.62	2,569.32						18,578.12	24,000.02	-5,421.90	77.41%
6600 · Collection/Transmission																
6660 · Maintenance, Collection System														7,500.01	-7,500.01	
Total 6600 · Collection/Transmission														7,500.01	-7,500.01	
6800 · Vehicles																
6810 · Fuel														600.02	-600.02	
6820 · Truck Equipment, Expensed														120.01	-120.01	
6830 · Truck Repairs														300.01	-300.01	
Total 6800 · Vehicles														1,020.04	-1,020.04	
6890 · Other Operations																
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	23,284.00	23,284.00					186,272.00	214,450.51	-28,178.51	86.86%
6920 · SAM Operations		185,420.50	92,710.25	92,710.25	167,860.25	129,477.00		92,710.25					760,888.50	944,490.01	-183,601.51	80.56%
6940 · SAM Maintenance, Collection Sys														30,000.01	-30,000.01	
6950 · SAM Maintenance, Pumping														37,500.02	-37,500.02	
Total 6900 · Sewer Authority Midcoastside	26,800.67	205,187.83	115,994.25	115,994.25	191,144.25	152,761.00	23,284.00	115,994.25					947,160.50	1,226,440.55	-279,280.05	77.23%
Total 6000 · Operations	27,460.37	212,182.95	123,930.48	155,309.63	191,334.25	165,115.42	33,277.12	116,386.05					1,024,996.27	1,313,035.69	-288,039.42	78.06%
Total Expense	63,601.38	265,707.70	203,613.16	221,527.25	226,342.92	211,694.28	96,874.38	152,464.78					1,441,825.85	1,680,602.77	-238,776.92	85.79%
Net Ordinary Income	-54,273.63	-259,633.44	-198,264.52	-210,465.78	-198,390.08	944,468.57	20,144.83	-8,122.80					35,463.15	-8,749.41	44,212.56	-405.32%
Other Income/Expense																

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	
Other Income																	
7000 - Capital Account Revenues																	
7100 - Connection Fees																	
7110 - Connection Fees (New Constr)	52,056.00		49,013.00		34,883.00	28,901.00							164,853.00	108,432.00	56,421.00	152.03%	
7120 - Connection Fees (Remodel)	10,468.50	498.50	3,489.50	220.00		9,605.00		2,991.00					27,272.50	37,500.02	-10,227.52	72.73%	
Total 7100 - Connection Fees	62,524.50	498.50	52,502.50	220.00	34,883.00	38,506.00		2,991.00					192,125.50	145,932.02	46,193.48	131.65%	
7200 - Interest Income - LAIF				11,709.89			13,170.60						24,880.49	11,250.00	13,630.49	221.16%	
Total 7000 - Capital Account Revenues	62,524.50	498.50	52,502.50	11,929.89	34,883.00	38,506.00	13,170.60	2,991.00					217,005.99	157,182.02	59,823.97	138.06%	
Total Other Income	62,524.50	498.50	52,502.50	11,929.89	34,883.00	38,506.00	13,170.60	2,991.00					217,005.99	157,182.02	59,823.97	138.06%	
Other Expense																	
8000 - Capital Improvement Program																	
8075 - Sewer		3,275.00	17,815.00	75,482.50		93,819.18	3,490.00						193,881.68	1,230,000.02	-1,036,118.34	15.76%	
Total 8000 - Capital Improvement Program		3,275.00	17,815.00	75,482.50		93,819.18	3,490.00						193,881.68	1,230,000.02	-1,036,118.34	15.76%	
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	1,518.68	1,508.99					11,553.40	13,710.01	-2,156.61	84.27%	
9175 - Capital Assessment - SAM						67,415.00	53,930.00						121,345.00		121,345.00	100.0%	
9200 - I-Bank Loan	2,065.29						11,961.95						14,027.24	24,354.00	-10,326.76	57.6%	
Total 9000 - Capital Account Expenses	2,853.14	1,566.77	1,557.19	1,547.60	1,537.98	68,943.34	67,410.63	1,508.99					146,925.64	38,064.01	108,861.63	386.0%	
Total Other Expense	2,853.14	4,841.77	19,372.19	77,030.10	1,537.98	162,762.52	70,900.63	1,508.99					340,807.32	1,268,064.03	-927,256.71	26.88%	
Net Other Income	59,671.36	-4,343.27	33,130.31	-65,100.21	33,345.02	-124,256.52	-57,730.03	1,482.01					-123,801.33	-1,110,882.01	987,080.68	11.14%	
Net Income	5,397.73	-263,976.71	-165,134.21	-275,565.99	-165,045.06	820,212.05	-37,585.20	-6,640.79					-88,338.18	-1,119,631.42	1,031,293.24	7.89%	

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	2,954.36	2,954.36						23,634.88	25,725.01	-2,090.13	91.88%
4400 - Fees																	
4410 - Administrative Fee (New Constr)	505.00		505.00			505.00	1,010.00	505.00						3,030.00	4,125.01	-1,095.01	73.45%
4420 - Administrative Fee (Remodel)			505.00		164.00		505.00	505.00						1,679.00	675.00	1,004.00	248.74%
4430 - Inspection Fee (New Constr)	477.00		477.00			477.00	954.00	477.00						2,862.00	3,750.02	-888.02	76.32%
4440 - Inspection Fee (Remodel)			477.00		477.00		477.00	477.00						1,908.00	487.52	1,420.48	391.37%
4460 - Remodel Fees			306.75		354.00	115.47								776.22			
4470 - Other Fees				158.79	786.14			-1,488.10						-543.17			
Total 4400 - Fees	982.00		2,270.75	158.79	1,781.14	1,097.47	2,946.00	475.90						9,712.05	9,037.55	674.50	107.46%
4610 - Property Tax Receipts		155.06		233.52	24,036.56	106,594.69	110,709.23	21,213.08						262,942.14	117,500.00	145,442.14	223.78%
4740 - Testing, Backflow	5,322.00	3,080.00				5,060.00	1,100.00							14,562.00	9,750.01	4,811.99	149.35%
4810 - Water Sales, Domestic	172,926.20	269,602.18	204,168.97	43,850.27	261,884.93	58,824.01	177,216.04	108,880.44						1,297,353.04	1,436,622.02	-139,268.98	90.31%
4850 - Water Sales Refunds, Customer															-2,250.00	2,250.00	
4990 - Other Revenue		286.81			7.99			875.17						1,169.97			
Total Income	182,184.56	276,078.41	209,394.08	47,196.94	290,664.98	174,530.53	294,925.63	134,398.95						1,609,374.08	1,596,384.59	12,989.49	100.81%
Gross Profit	182,184.56	276,078.41	209,394.08	47,196.94	290,664.98	174,530.53	294,925.63	134,398.95						1,609,374.08	1,596,384.59	12,989.49	100.81%
Expense																	
5000 - Administrative																	
5190 - Bank Fees	76.10	126.15	3.43	14.15	111.60	102.50	108.09							542.02	5,250.01	-4,707.99	10.32%
5200 - Board of Directors																	
5210 - Board Meetings		125.00	375.00		250.00	2,907.10	156.52	125.00						3,938.62	3,000.01	938.61	131.29%
5220 - Director Fees		187.50		750.00	375.00	187.50	1,312.50							2,812.50	2,475.00	337.50	113.64%
5230 - Election Expenses																	
Total 5200 - Board of Directors		312.50	375.00	750.00	625.00	3,094.60	1,469.02	125.00						6,751.12	5,475.01	1,276.11	123.31%
5240 - CDPH Fees															11,625.02	-11,625.02	
5250 - Conference Attendance		100.00	997.50	2,263.75	319.16	631.30	1,249.64							5,561.35	3,000.01	2,561.34	185.38%
5270 - Information Systems		180.00	60.00			240.00								480.00	2,250.00	-1,770.00	21.33%
5300 - Insurance																	
5310 - Fidelity Bond															375.02	-375.02	
5320 - Property & Liability Insurance															2,025.00	-2,025.00	
Total 5300 - Insurance															2,400.02	-2,400.02	
5350 - LAFCO Assessment						2,208.00								2,208.00	1,875.01	332.99	117.76%
5400 - Legal																	
5420 - Meeting Attendance, Legal		842.50	256.25	767.50	845.00									2,711.25	6,375.01	-3,663.76	42.53%

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

												TOTAL				
	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
5430 · General Legal		692.50	2,925.00	600.00	912.50	1,555.00	2,967.50						9,652.50	45,000.00	-35,347.50	21.45%
Total 5400 · Legal		1,535.00	3,181.25	1,367.50	1,757.50	1,555.00	2,967.50						12,363.75	51,375.01	-39,011.26	24.07%
5510 · Maintenance, Office		193.50	503.90	160.00	185.98	272.67	321.50						1,637.55	6,000.02	-4,362.47	27.29%
5530 · Memberships		842.70		172.50		18,543.00	740.00						20,298.20	13,500.00	6,798.20	150.36%
5540 · Office Supplies		845.75	335.54	305.34	282.43	376.89	616.42	112.53					2,874.90	6,000.02	-3,125.12	47.92%
5550 · Postage		499.81	1,035.26	226.35	980.00	-54.12	1,141.42						3,828.72	5,625.00	-1,796.28	68.07%
5560 · Printing & Publishing		131.32	31.50	111.18	21.03	17.14	42.73						354.90	1,500.02	-1,145.12	23.66%
5600 · Professional Services																
5610 · Accounting			4,700.00	4,500.00	1,650.00	1,250.00	1,600.00						13,700.00	22,500.00	-8,800.00	60.89%
5620 · Audit		6,000.00		3,800.00									9,800.00	9,750.01	49.99	100.51%
5630 · Consulting		2,828.87	1,565.67	3,351.97	73.12	3,071.00	813.90	198.75					11,903.28	18,750.01	-6,846.73	63.48%
5650 · Labor & HR Support		194.50	539.00	569.50	194.50	194.50	194.50	194.50					2,081.00	1,687.50	393.50	123.32%
5660 · Payroll Services	74.00	72.95	70.84	71.90	71.90	71.90	143.07	71.90					648.46	712.52	-64.06	91.01%
Total 5600 · Professional Services	74.00	9,096.32	6,875.51	12,293.37	1,989.52	4,587.40	2,751.47	465.15					38,132.74	53,400.04	-15,267.30	71.41%
5720 · Telephone & Internet		2,220.11	2,127.92	2,598.80	535.38	1,690.64	5,052.09	139.05					14,363.99	16,785.00	-2,421.01	85.58%
5730 · Mileage Reimbursement					563.95								563.95	1,500.02	-936.07	37.6%
5740 · Reference Materials														600.02	-600.02	
5790 · Other Administrative			496.08	119.00									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	6,461.33	2,709.73					25,387.44	26,634.77	-1,247.33	95.32%
5820 · Employee Benefits	11,334.17	-507.45	6,527.58	7,238.86	7,238.86	7,546.76	8,597.04	6,496.46					54,472.28	65,142.00	-10,669.72	83.62%
5830 · Disability Insurance		280.51	280.51	561.02		280.51	561.02						1,963.57	2,727.76	-764.19	71.99%
5840 · Payroll Taxes	3,247.71	3,485.55	3,044.82	2,989.17	2,997.94	2,801.71	4,083.52	3,255.19					25,905.61	31,720.50	-5,814.89	81.67%
5850 · PARS	2,196.04	2,401.72	2,665.36	2,329.63	2,377.41	2,433.20	3,103.21	2,322.68					19,829.25	21,114.00	-1,284.75	93.92%
5900 · Wages																
5910 · Management	8,125.00	8,125.00	14,687.50	8,622.57	8,872.53	8,706.24	15,881.32	8,381.32					81,401.48	77,793.75	3,607.73	104.64%
5920 · Staff	29,178.80	32,918.68	29,474.09	31,026.20	30,313.88	28,446.55	31,698.22	27,750.88					240,807.30	266,067.76	-25,260.46	90.51%
5930 · Staff Certification	800.00	825.00	850.00	850.00	911.20	850.00	850.00	850.00					6,786.20	6,750.00	36.20	100.54%
5940 · Staff Overtime	3,512.23	2,934.29	4,674.34	3,482.76	4,237.84	3,354.07	2,825.71	3,683.38					28,704.62	41,873.26	-13,168.64	68.55%
5950 · Staff Standby	2,245.21	2,110.96	2,019.67	2,081.04	2,105.73	2,107.03	2,124.20	1,886.34					16,680.18	19,460.25	-2,780.07	85.71%
Total 5900 · Wages	43,861.24	46,913.93	51,705.60	46,062.57	46,441.18	43,463.89	53,379.45	42,551.92					374,379.78	411,945.02	-37,565.24	90.88%
5960 · Worker's Comp Insurance				4,848.27			4,798.16						9,646.43	14,961.01	-5,314.58	64.48%
Total 5800 · Labor	63,371.25	55,485.37	67,531.63	66,902.04	61,242.03	58,732.33	80,983.73	57,335.98					511,584.36	574,245.06	-62,660.70	89.09%
Total 5000 · Administrative	63,521.35	71,568.53	83,554.52	87,283.98	68,613.58	91,997.35	97,443.61	58,177.71					622,160.63	762,405.29	-140,244.66	81.61%
6000 · Operations																
6160 · Backflow Prevention	-100.00					113.38	444.95						458.33	750.01	-291.68	61.11%

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
6170 - Claims, Property Damage													7,500.01	-7,500.01		
6180 - Communications																
6185 - SCADA Maintenance			797.00		152.71	3,146.03							4,095.74	15,000.02	-10,904.28	27.31%
6180 - Communications - Other		1,764.83					25.19						1,790.02			
Total 6180 - Communications		1,764.83	797.00		152.71	3,146.03	25.19						5,885.76	15,000.02	-9,114.26	39.24%
6195 - Education & Training		1,420.00	647.50	441.11	531.85	412.50	2,406.42						5,859.38	5,250.01	609.37	111.61%
6200 - Engineering																
6210 - Meeting Attendance, Engineering					15.50								15.50	1,500.02	-1,484.52	1.03%
6220 - General Engineering		1,348.75		840.00	1,718.75		4,163.25						8,070.75	15,000.02	-6,929.27	53.81%
6230 - Water Quality Engineering		10,722.50	7,445.00	7,143.75	10,007.50	7,370.00	16,733.68						59,422.43	48,750.02	10,672.41	121.89%
Total 6200 - Engineering		12,071.25	7,445.00	7,983.75	11,741.75	7,370.00	20,896.93						67,508.68	65,250.06	2,258.62	103.46%
6320 - Equipment & Tools, Expensed		278.74	369.46	1,649.39	45.07	411.05	1,457.69	1,525.07					5,736.47	3,750.02	1,986.45	152.97%
6330 - Facilities																
6335 - Alarm Services		127.02		127.02			127.02						381.06	600.02	-218.96	63.51%
6337 - Landscaping		420.00	443.47	420.00	553.55	420.00							2,257.02	4,500.00	-2,242.98	50.16%
6330 - Facilities - Other																
Total 6330 - Facilities		547.02	443.47	547.02	553.55	420.00	127.02						2,638.08	5,100.02	-2,461.94	51.73%
6370 - Lab Supplies & Equipment			53.15	225.05	1,143.40	187.67	11.56						1,620.83	750.01	870.82	216.11%
6380 - Meter Reading							21.25						21.25			
6400 - Pumping																
6410 - Pumping Fuel & Electricity		5,549.52	5,749.71	8,175.54	2,778.84	7,563.31	5,968.07	1,134.12					36,919.11	67,500.00	-30,580.89	54.7%
6420 - Pumping Maintenance, Generators				4,317.64		1,044.00		92.44					5,454.08	7,500.01	-2,045.93	72.72%
6430 - Pumping Maintenance, General						1,263.19							1,263.19	5,250.01	-3,986.82	24.06%
6440 - Pumping Equipment, Expensed						210.32							210.32	1,500.02	-1,289.70	14.02%
Total 6400 - Pumping		5,549.52	5,749.71	12,493.18	2,778.84	10,080.82	5,968.07	1,226.56					43,846.70	81,750.04	-37,903.34	53.64%
6500 - Supply																
6510 - Maintenance, Raw Water Mains			1,195.59	249.19				18.47					1,463.25	1,500.02	-36.77	97.55%
6520 - Maintenance, Wells		72.12	1,963.35										2,035.47	7,500.01	-5,464.54	27.14%
6530 - Water Purchases				12,817.37		6,264.33							19,081.70	30,000.01	-10,918.31	63.61%
Total 6500 - Supply		72.12	3,158.94	13,066.56		6,264.33		18.47					22,580.42	39,000.04	-16,419.62	57.9%
6600 - Collection/Transmission																
6610 - Hydrants		375.29											375.29	750.01	-374.72	50.04%
6620 - Maintenance, Water Mains			3,068.48	104.20	4,231.33	8,193.80	6,562.56	4,167.25					26,327.62	41,250.01	-14,922.39	63.83%
6630 - Maintenance, Water Svc Lines			2,776.91	83.75	7,249.54	1,511.05							11,621.25	18,750.01	-7,128.76	61.98%
6640 - Maintenance, Tanks				35.81	40.73	480.00							556.54	750.01	-193.47	74.2%
6650 - Maint., Distribution General				97.88		174.95							272.83	7,500.01	-7,227.18	3.64%

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
6670 - Meters			1,066.27				13.70						1,079.97	1,875.01	-795.04	57.6%
6600 - Collection/Transmission - Other																
Total 6600 - Collection/Transmission		375.29	6,911.66	321.64	11,521.60	10,359.80	6,576.26	4,167.25					40,233.50	70,875.06	-30,641.56	56.77%
6700 - Treatment																
6710 - Chemicals & Filtering		221.17	1,466.00	652.23		425.37	443.76	2,358.91					5,567.44	22,500.00	-16,932.56	24.74%
6720 - Maintenance, Treatment Equip.		61.89	1,309.14	165.86	448.96	11.56		325.52					2,322.93	3,000.01	-677.08	77.43%
6730 - Treatment Analysis	-60.80	1,731.27	8,834.22	1,063.50	1,520.42	2,280.80	6,941.01	374.60					22,685.02	22,500.00	185.02	100.82%
Total 6700 - Treatment	-60.80	2,014.33	11,609.36	1,881.59	1,969.38	2,717.73	7,384.77	3,059.03					30,575.39	48,000.01	-17,424.62	63.7%
6770 - Uniforms		791.31	715.05	831.82	726.36	1,377.43	977.66	824.27					6,243.90	9,000.00	-2,756.10	69.38%
6800 - Vehicles																
6810 - Fuel		580.23	454.46	616.04	669.53	620.88	1,012.46						3,953.60	6,000.02	-2,046.42	65.89%
6820 - Truck Equipment, Expensed		6.84											6.84	750.01	-743.17	0.91%
6830 - Truck Repairs			988.88	36.74		591.78	2,852.99						4,470.39	3,750.02	720.37	119.21%
Total 6800 - Vehicles		587.07	1,443.34	652.78	669.53	1,212.66	3,865.45						8,430.83	10,500.05	-2,069.22	80.29%
6890 - Other Operations						2,614.62	8,243.50						10,858.12			
Total 6000 - Operations	-160.80	25,471.48	39,343.64	40,093.89	31,834.04	46,688.02	58,406.72	10,820.65					252,497.64	362,475.36	-109,977.72	69.66%
Total Expense	63,360.55	97,040.01	122,898.16	127,377.87	100,447.62	138,685.37	155,850.33	68,998.36					874,658.27	1,124,880.65	-250,222.38	77.76%
Net Ordinary Income	118,824.01	179,038.40	86,495.92	-80,180.93	190,217.36	35,845.16	139,075.30	65,400.59					734,715.81	471,503.94	263,211.87	155.82%
Other Income/Expense																
Other Income																
7000 - Capital Account Revenues																
7100 - Connection Fees																
7110 - Connection Fees (New Constr)	17,302.00				22,766.00	2,500.00							42,568.00	129,765.01	-87,197.01	32.8%
7120 - Connection Fees (Remodel)					10,356.50								10,356.50		10,356.50	100.0%
7130 - Conn. Fees, PFP (New Constr)					8,528.00	8,528.00		17,056.00					34,112.00	60,000.02	-25,888.02	56.85%
Total 7100 - Connection Fees	17,302.00				41,650.50	11,028.00		17,056.00					87,036.50	189,765.03	-102,728.53	45.87%
7600 - Bond Revenues, G.O.		748.85		1,002.45	17,378.42	560,562.05	5,004.60	85,273.17					669,969.54	862,827.02	-192,857.48	77.65%
Total 7000 - Capital Account Revenues	17,302.00	748.85		1,002.45	59,028.92	571,590.05	5,004.60	102,329.17					757,006.04	1,052,592.05	-295,586.01	71.92%
Total Other Income	17,302.00	748.85		1,002.45	59,028.92	571,590.05	5,004.60	102,329.17					757,006.04	1,052,592.05	-295,586.01	71.92%
Other Expense																
8000 - Capital Improvement Program																
8100 - Water		46,398.00	5,988.00	1,200.00	10,376.25	51,758.27	22,985.60	3,052.15					141,758.27	535,125.01	-393,366.74	26.49%

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 8000 - Capital Improvement Program		46,398.00	5,988.00	1,200.00	10,376.25	51,758.27	22,985.60	3,052.15					141,758.27	535,125.01	-393,366.74	26.49%
9000 - Capital Account Expenses																
9100 - Interest Expense - GO Bonds		23,086.56						135,458.40					158,544.96	273,978.00	-115,433.04	57.87%
9125 - PNC Equipment Lease Interest	787.86	1,566.77	1,557.20	1,547.61	1,537.99	1,528.35	1,518.68	1,508.99					11,553.45	13,710.01	-2,156.56	84.27%
9150 - SRF Loan														34,273.00	-34,273.00	
9210 - Conservation Program/Rebates		300.00	100.00	400.00	200.00	200.00							1,200.00	375.02	824.98	319.98%
Total 9000 - Capital Account Expenses	787.86	24,953.33	1,657.20	1,947.61	1,737.99	1,728.35	1,518.68	136,967.39					171,298.41	322,336.03	-151,037.62	53.14%
Total Other Expense	787.86	71,351.33	7,645.20	3,147.61	12,114.24	53,486.62	24,504.28	140,019.54					313,056.68	857,461.04	-544,404.36	36.51%
Net Other Income	16,514.14	-70,602.48	-7,645.20	-2,145.16	46,914.68	518,103.43	-19,499.68	-37,690.37					443,949.36	195,131.01	248,818.35	227.51%
Net Income	<u>135,338.15</u>	<u>108,435.92</u>	<u>78,850.72</u>	<u>-82,326.09</u>	<u>237,132.04</u>	<u>553,948.59</u>	<u>119,575.62</u>	<u>27,710.22</u>					<u>1,178,665.17</u>	<u>666,634.95</u>	<u>512,030.22</u>	<u>176.81%</u>

Montara Water & Sanitary District Funds Balance Sheet As of February 28, 2018

	Sewer	Water	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
Sewer - Bank Accounts			
Wells Fargo Operating - Sewer	2,820,627.22	0.00	2,820,627.22
LAIF Investment Fund			
Capital Reserve	3,916,716.61	0.00	3,916,716.61
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	<u>4,351,365.61</u>	<u>0.00</u>	<u>4,351,365.61</u>
Total Sewer - Bank Accounts	7,171,992.83	0.00	7,171,992.83
Water - Bank Accounts			
Wells Fargo Operating - Water	0.00	838,191.04	838,191.04
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	908,679.17	908,679.17
Total Restricted Cash	<u>0.00</u>	<u>1,162,258.24</u>	<u>1,162,258.24</u>
Total Water - Bank Accounts	0.00	2,492,929.28	2,492,929.28
Total Checking/Savings	7,171,992.83	2,492,929.28	9,664,922.11
Accounts Receivable			
Sewer - Accounts Receivable			
Accounts Receivable	60,456.23	0.00	60,456.23
Sewer - Accounts Receivable - Ot...	3,345.00	0.00	3,345.00
Total Sewer - Accounts Receivable	<u>63,801.23</u>	<u>0.00</u>	<u>63,801.23</u>
Water - Accounts Receivable			
Accounts Receivable	0.00	-2,683.77	-2,683.77
Accounts Rec. - Backflow	0.00	14,265.11	14,265.11
Accounts Rec. - Water Residents	0.00	182,906.94	182,906.94
Unbilled Water Receivables	0.00	240,244.44	240,244.44
Total Water - Accounts Receivable	<u>0.00</u>	<u>434,732.72</u>	<u>434,732.72</u>
Total Accounts Receivable	63,801.23	434,732.72	498,533.95
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	<u>232.31</u>	<u>43,038.63</u>	<u>43,270.94</u>
Total Current Assets	7,236,026.37	2,970,700.63	10,206,727.00
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.	<u>3,250,409.57</u>	<u>0.00</u>	<u>3,250,409.57</u>

Montara Water & Sanitary District Funds Balance Sheet As of February 28, 2018

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	<u>5,340,307.33</u>	<u>0.00</u>	<u>5,340,307.33</u>
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	<u>5,317,814.64</u>	<u>0.00</u>	<u>5,317,814.64</u>
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	<u>0.00</u>	<u>18,919,882.34</u>	<u>18,919,882.34</u>
Total Fixed Assets	<u>5,317,814.64</u>	<u>18,919,882.34</u>	<u>24,237,696.98</u>
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	<u>2,687,547.08</u>	<u>0.00</u>	<u>2,687,547.08</u>
Total Sewer - Other Assets	<u>2,914,250.17</u>	<u>0.00</u>	<u>2,914,250.17</u>
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	<u>0.00</u>	<u>318,975.85</u>	<u>318,975.85</u>
Total Other Assets	<u>2,914,250.17</u>	<u>318,975.85</u>	<u>3,233,226.02</u>
TOTAL ASSETS	<u><u>15,468,091.18</u></u>	<u><u>22,209,558.82</u></u>	<u><u>37,677,650.00</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable - Water	0.00	20,517.50	20,517.50
Total Accounts Payable	<u>0.00</u>	<u>20,517.50</u>	<u>20,517.50</u>
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	28,030.44	0.00	28,030.44
PNC Equip. Loan - S/T	15,901.44	0.00	15,901.44
Total Sewer - Current Liabilities	<u>56,364.33</u>	<u>0.00</u>	<u>56,364.33</u>

Montara Water & Sanitary District
Funds Balance Sheet
As of February 28, 2018

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	55,287.18	55,287.18
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	15,901.38	15,901.38
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	157,161.17	157,161.17
Payroll Liabilities			
Employee Benefits Payable	11,739.09	0.00	11,739.09
Total Payroll Liabilities	11,739.09	0.00	11,739.09
Total Other Current Liabilities	68,245.42	157,427.17	225,672.59
Total Current Liabilities	68,245.42	177,944.67	246,190.09
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	1,458,772.56	14,806,432.08	16,265,204.64
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	241,834.35	0.00	241,834.35
Total Sewer - Equity Accounts	12,296,379.42	0.00	12,296,379.42
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	-241,834.35	-241,834.35
Total Water - Equity Accounts	0.00	2,449,220.66	2,449,220.66
Equity Adjustment Account	1,801,277.38	3,775,240.91	5,576,518.29
Net Income	-88,338.18	1,178,665.17	1,090,326.99
Total Equity	14,009,318.62	7,403,126.74	21,412,445.36
TOTAL LIABILITIES & EQUITY	15,468,091.18	22,209,558.82	37,677,650.00



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: SAM Flow Report for February 2018

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 February 2018.
- Collection System Monthly Overflow Report – February 2018.

The Average Daily Flow for Montara was 0.252 MGD in February 2018. There was no reportable overflow in February in the Montara System. SAM indicates there were 1.01 inches of rain in February 2018.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, February 2018

February 2018

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

12 Month Moving Total

	12 month rolling Number				
	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	1	1	0	0	0
Mechanical	5	1	0	0	4
Wet Weather	1	1	0	0	0
Other	3	1	1	1	0
Total	10	4	1	1	4
		40%	10%	10%	40%

Reportable SSOs

	Reportable Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
February 2018	0	0	0	0	0
12 Month Moving Total	10	4	1	1	4

SSOs / Year / 100 Miles

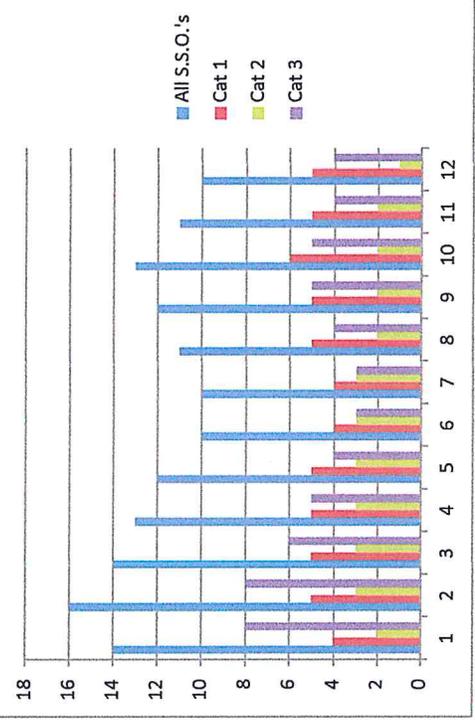
	Number of S.S.O.'s / Year / 100 Miles				
	Total	HMB	GCSD	MWSD	SAM
February 2018	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	9.6	10.8	3.0	3.7	54.8
Category 1	4.8	8.1	0.0	0.0	27.4
Category 2	1.0	0.0	0.0	0.0	13.7
Category 3	3.8	2.7	3.0	3.7	13.7
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
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
Dec - 17	31,661	14,103	9,810	55,574	10.5
Jan - 18	26,653	13,069	11,444	51,166	9.7
Feb - 18	10,011	6,913	11,998	28,922	5.5
Annual ft	233,173	182,226	135,392	550,791	

Annual Mi.	44.2	34.5	25.6	104.3
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12 Month Moving SSO Totals Through February 2018



Attachment A

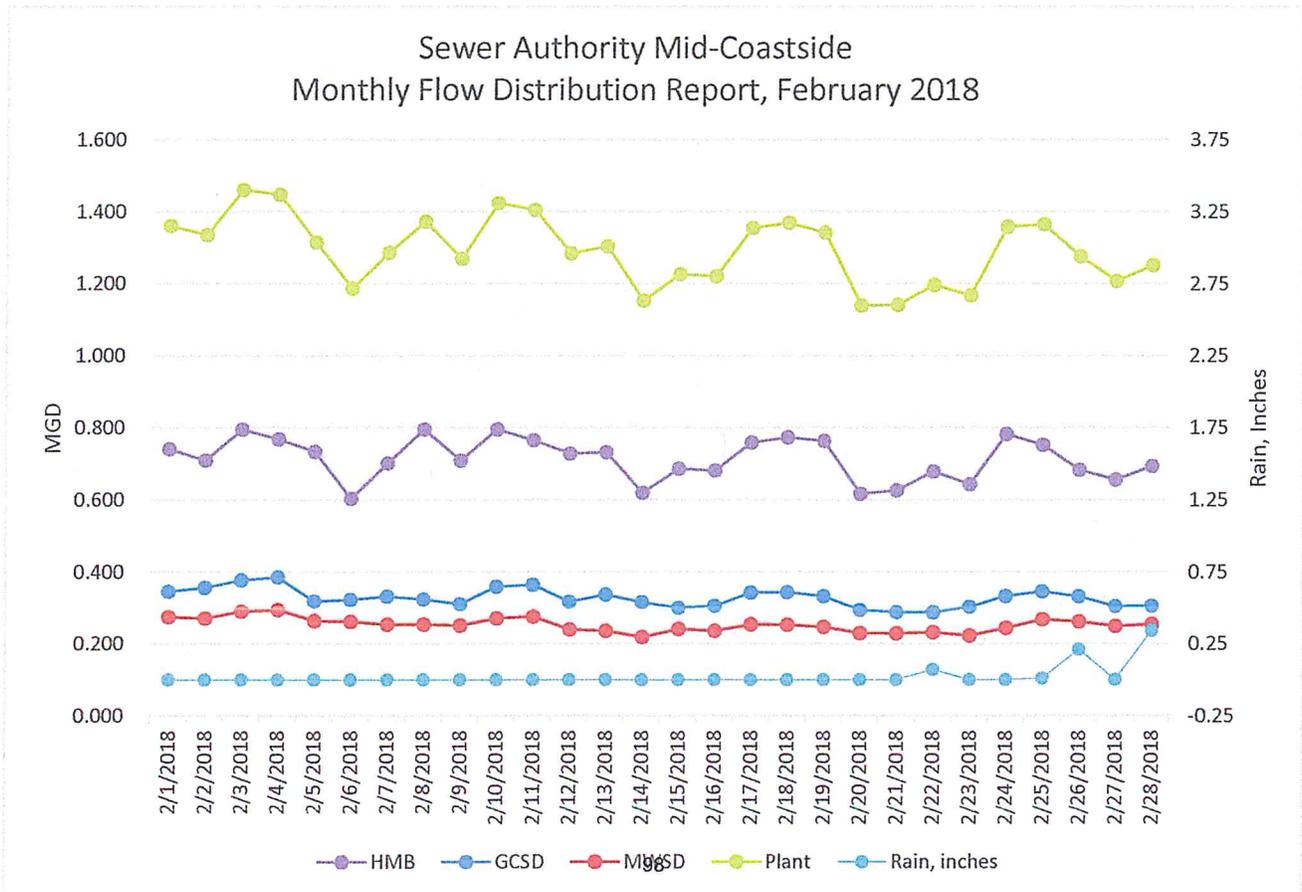
Flow Distribution Report Summary For February 2018

The daily flow report figures for the month of February 2018 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	0.714	55.2%
Granada Community Services District	0.328	25.3%
Montara Water and Sanitary District	<u>0.252</u>	<u>19.5%</u>
Total	1.293	100.0%



Sewer Authority Mid-Coastside

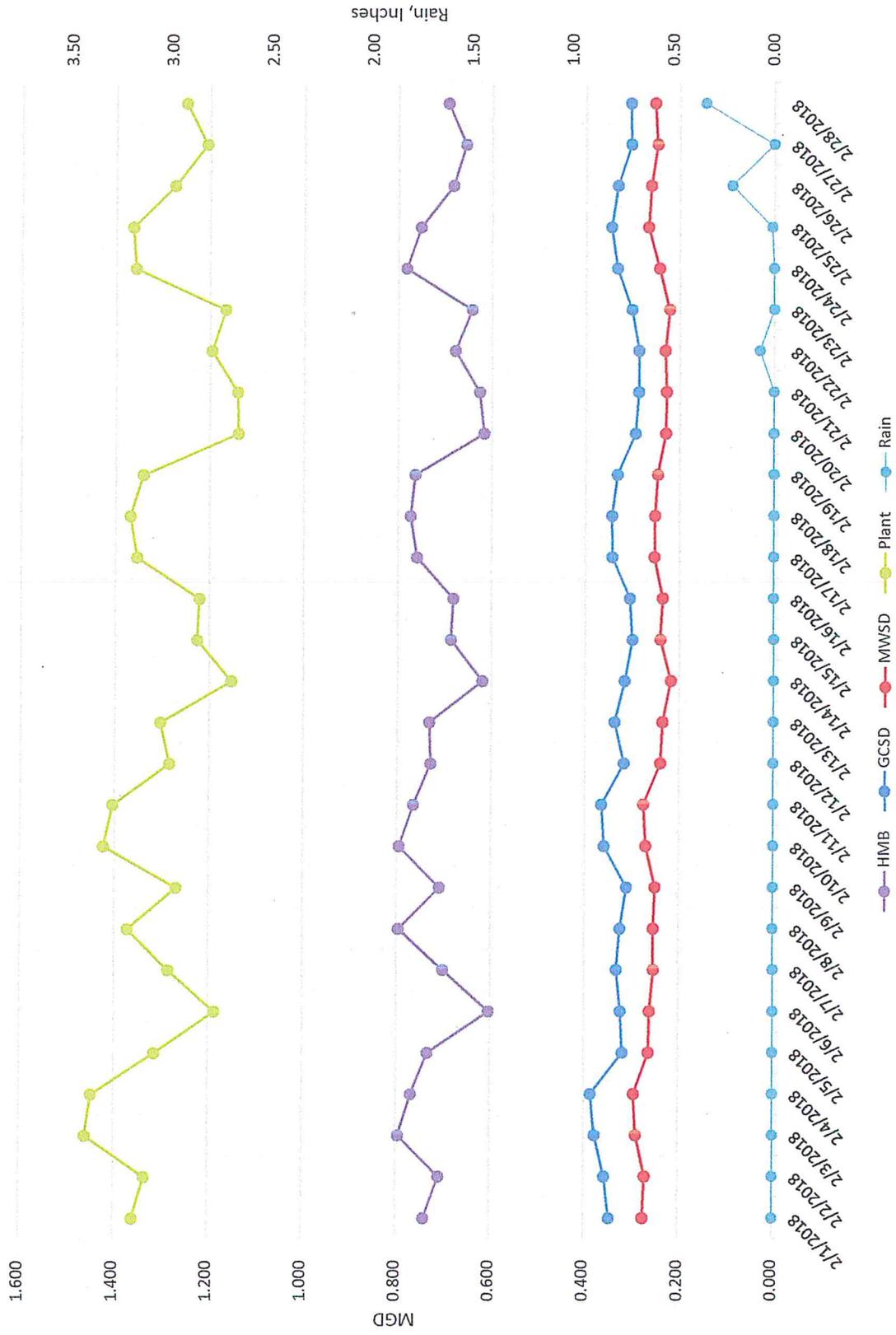
Monthly Flow Distribution Report for February 2018

<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>
2/1/2018	0.740	0.346	0.274	1.360	0.00	0.00	0.00
2/2/2018	0.709	0.356	0.270	1.335	0.00	0.00	0.00
2/3/2018	0.795	0.377	0.289	1.461	0.00	0.00	0.00
2/4/2018	0.768	0.385	0.294	1.448	0.00	0.00	0.00
2/5/2018	0.733	0.318	0.263	1.314	0.00	0.00	0.00
2/6/2018	0.603	0.323	0.261	1.187	0.00	0.00	0.00
2/7/2018	0.701	0.332	0.253	1.285	0.00	0.00	0.00
2/8/2018	0.795	0.324	0.253	1.372	0.00	0.00	0.00
2/9/2018	0.708	0.310	0.250	1.269	0.00	0.00	0.00
2/10/2018	0.795	0.359	0.270	1.424	0.00	0.00	0.00
2/11/2018	0.765	0.364	0.275	1.404	0.00	0.00	0.00
2/12/2018	0.728	0.317	0.239	1.284	0.00	0.00	0.00
2/13/2018	0.731	0.337	0.235	1.303	0.00	0.00	0.00
2/14/2018	0.619	0.316	0.218	1.153	0.00	0.00	0.00
2/15/2018	0.686	0.300	0.240	1.226	0.00	0.00	0.00
2/16/2018	0.681	0.305	0.235	1.221	0.00	0.00	0.00
2/17/2018	0.759	0.342	0.253	1.354	0.00	0.00	0.00
2/18/2018	0.773	0.344	0.252	1.368	0.00	0.00	0.08
2/19/2018	0.763	0.332	0.246	1.341	0.00	0.00	0.00
2/20/2018	0.616	0.294	0.229	1.139	0.00	0.00	0.00
2/21/2018	0.626	0.287	0.228	1.141	0.00	0.00	0.00
2/22/2018	0.678	0.287	0.231	1.196	0.07	0.02	0.07
2/23/2018	0.642	0.302	0.222	1.167	0.00	0.00	0.00
2/24/2018	0.782	0.333	0.243	1.358	0.00	0.00	0.00
2/25/2018	0.752	0.345	0.267	1.364	0.01	0.00	0.00
2/26/2018	0.682	0.332	0.261	1.275	0.21	0.51	0.41
2/27/2018	0.655	0.304	0.248	1.207	0.00	0.00	0.00
2/28/2018	0.693	0.305	0.253	1.250	0.34	0.31	0.45
Totals	19.979	9.172	7.052	36.202	0.63	0.84	1.01

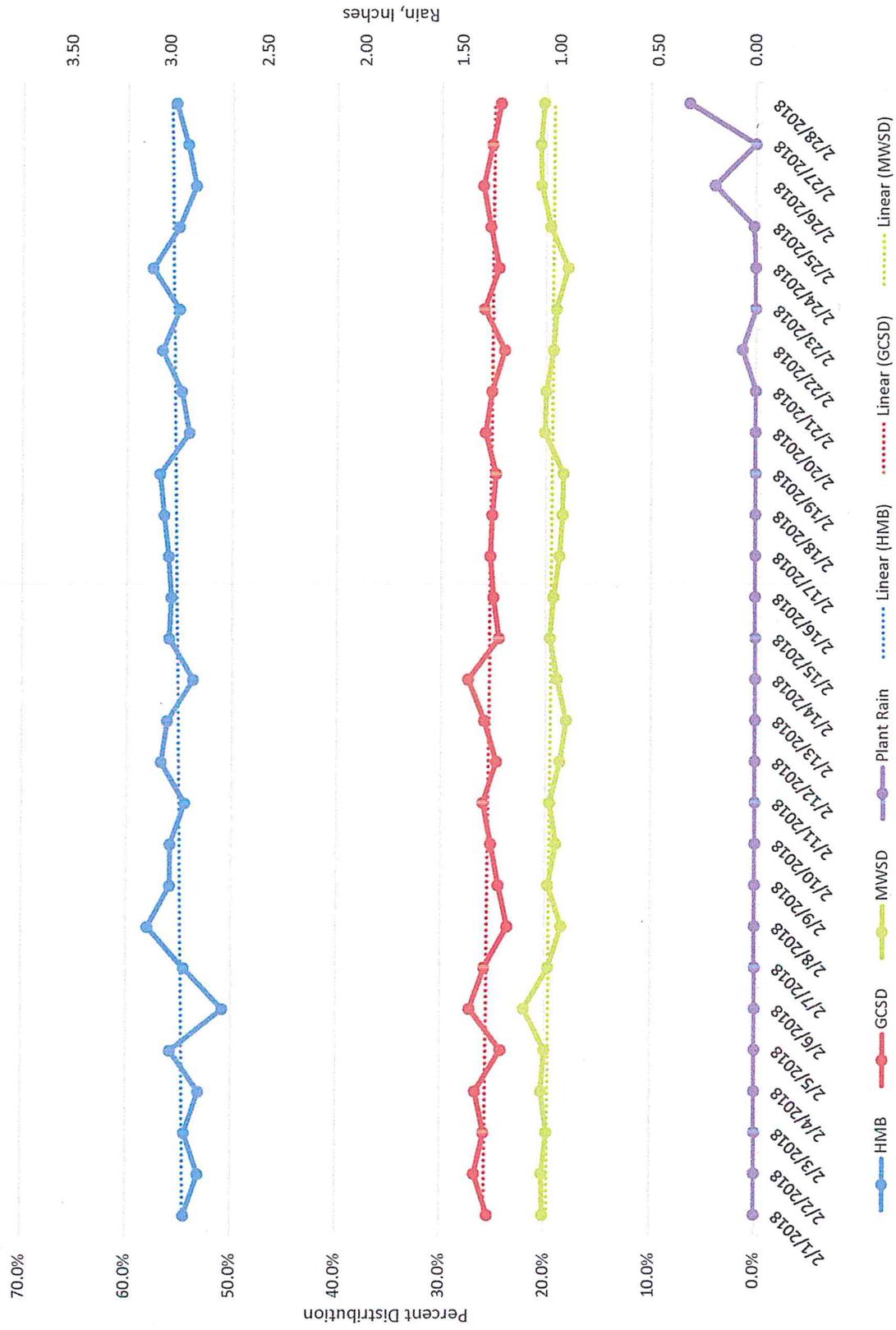
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.603	0.287	0.218	1.139
Average	0.714	0.328	0.252	1.293
Maximum	0.795	0.385	0.294	1.461
Distribution	55.2%	25.3%	19.5%	100.0%

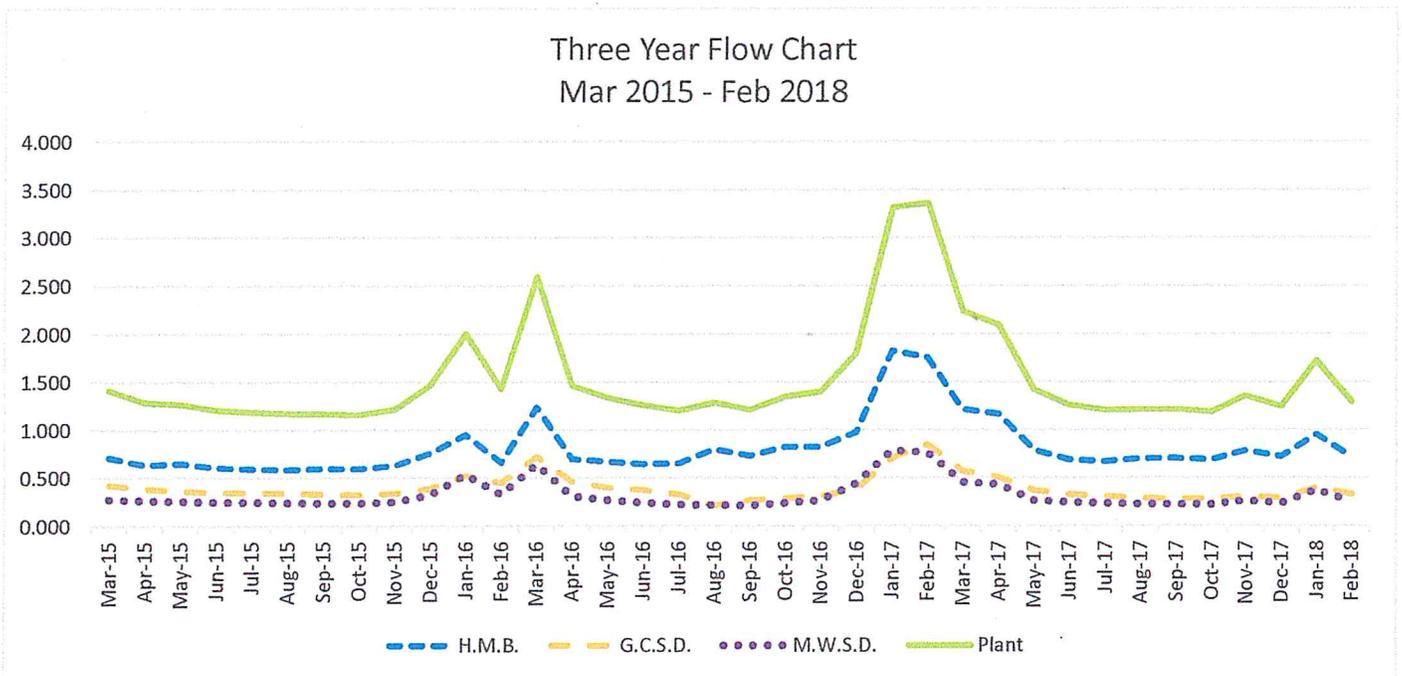
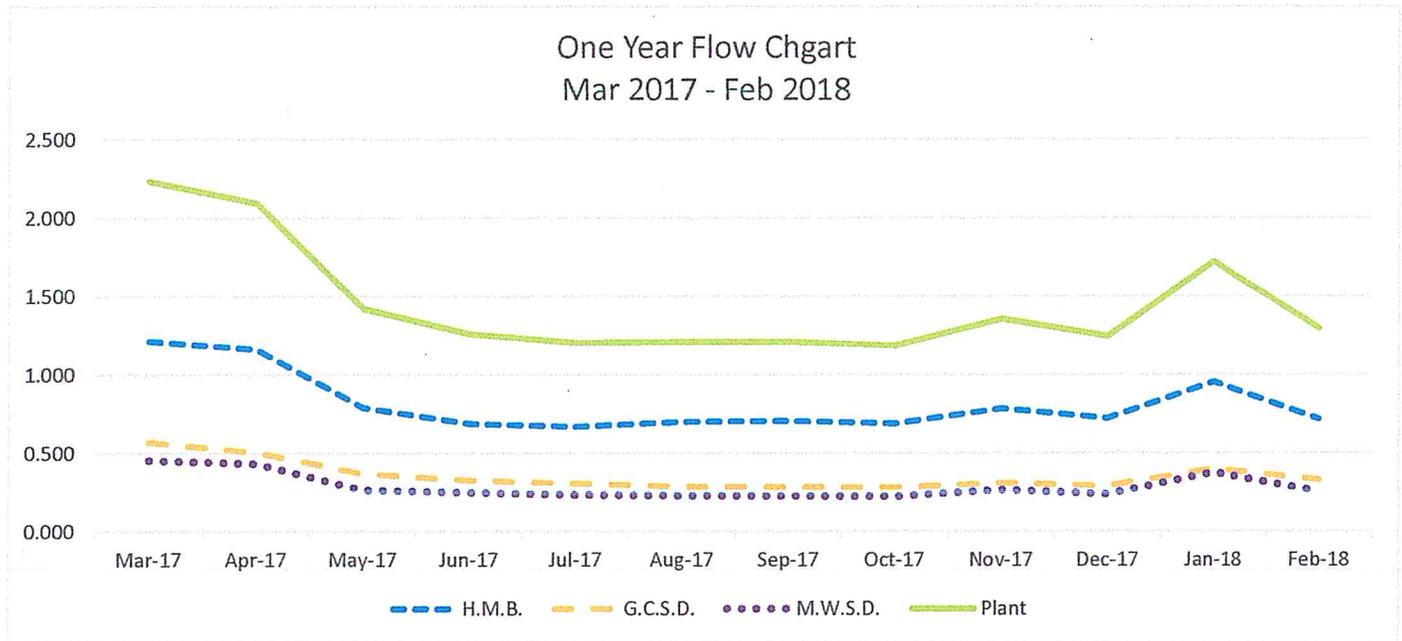
Sewer Authority Mid-Coastside
 Monthly Flow Distribution Report, February 2018



Percent Distribution February 2018

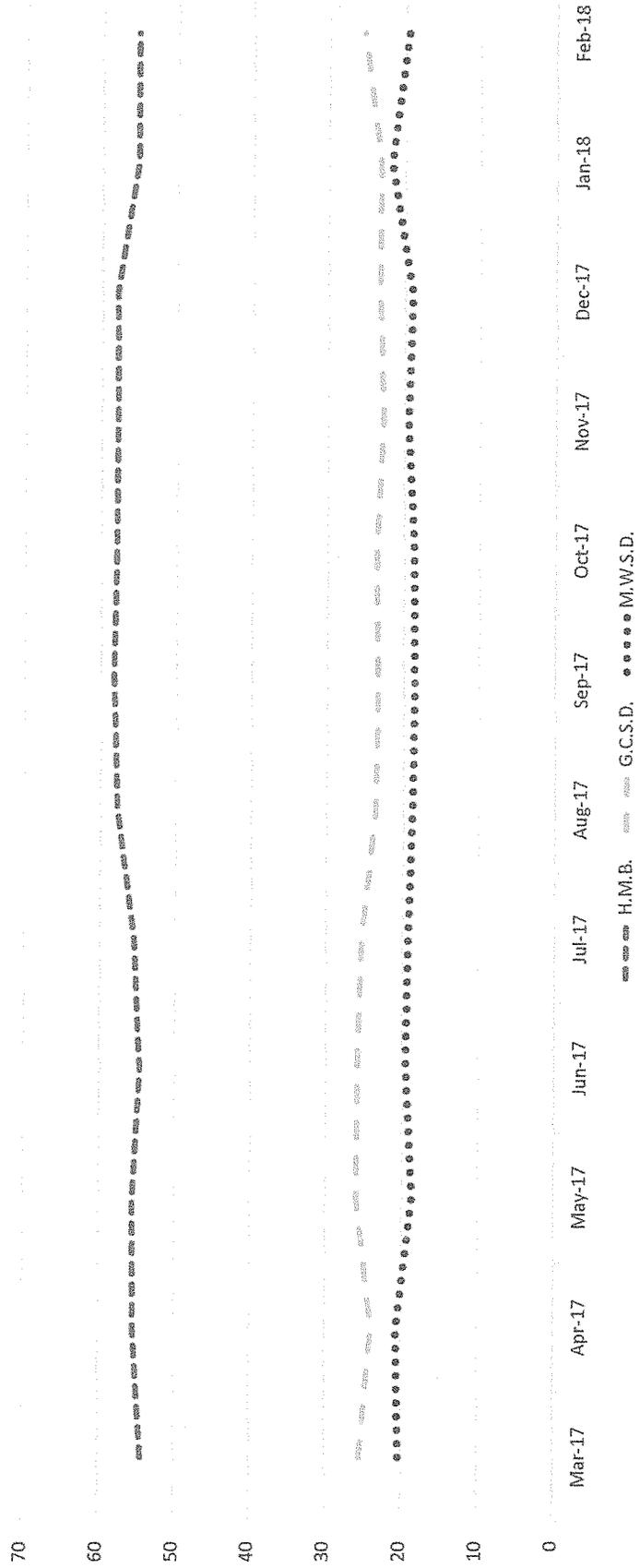


Most recent flow calibration December 2016 PS, November 2016 Plant



Flow based percent distribution based for past year

1 year Distribution by %
Mar 2017 - Feb 2018





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

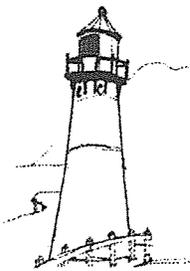
SUBJECT: Review of Current Investment Portfolio

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 February 2018 the rate was 1.412.
- 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: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Connection Permit Applications Received

As of April 5, 2018 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
03-07-18	Amber Forke	991 San Ramon, MB	SFD

As of April 5, 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
03-07-18	Amber Forke	991 San Ramon, MB	SFD SFD

As of April 5, 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
03-07-18	Amber Forke	991 San Ramon, MB	SFD	Domestic
03-16-18	Danielle Mihalkanin	170 Los Banos	SFD	Domestic

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5th, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier', written in a cursive style.

SUBJECT: Monthly Water Production Report

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

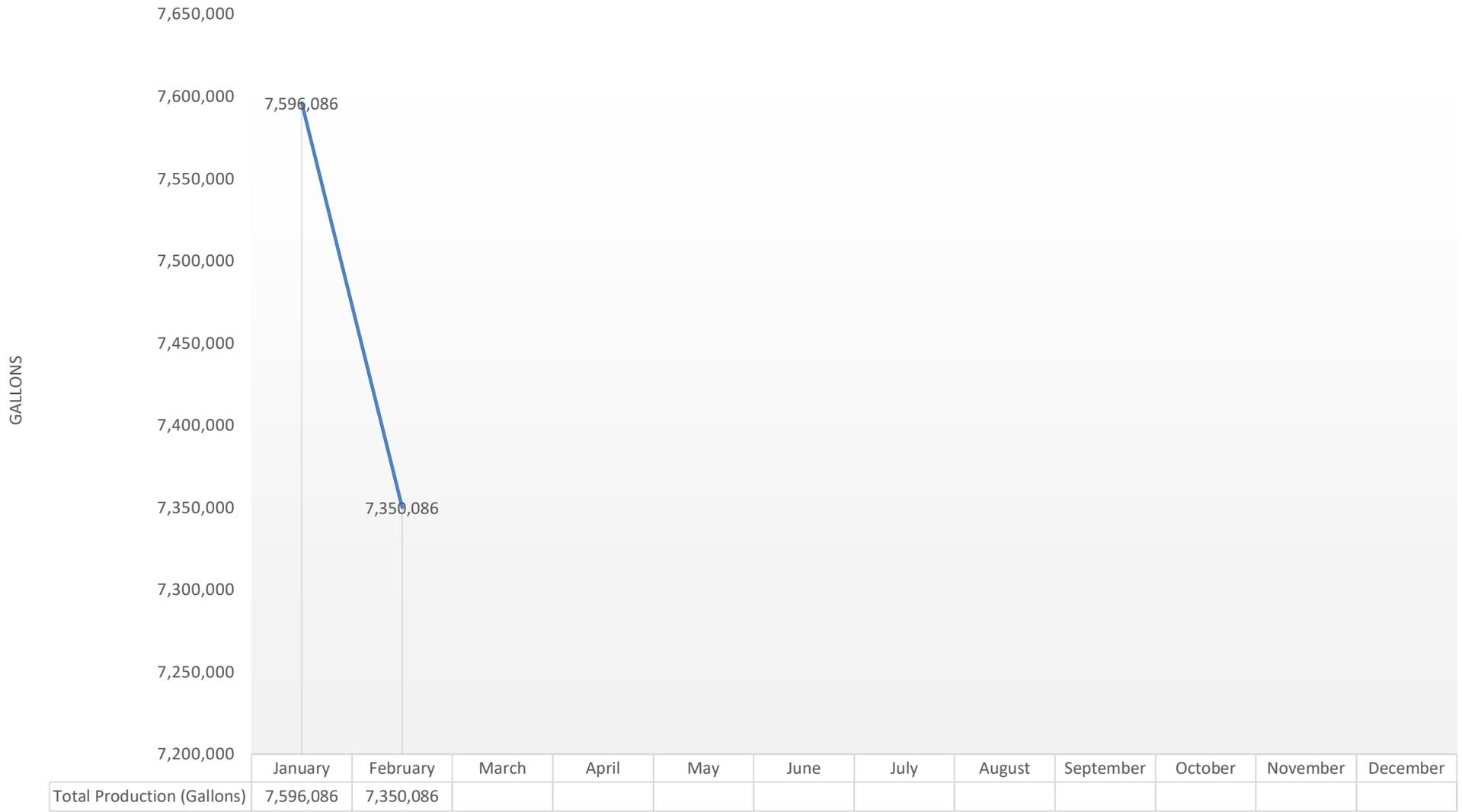
The first shows a consolidated from all sources by month. The second shows each water source the District uses, both wells and surface water. The production is shown in gallons of water produced.

RECOMMENDATION:

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

Attachments: 2

TOTAL PRODUCTION 2018(Gallons)



MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: April 5th, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier'.

SUBJECT: Rain Report

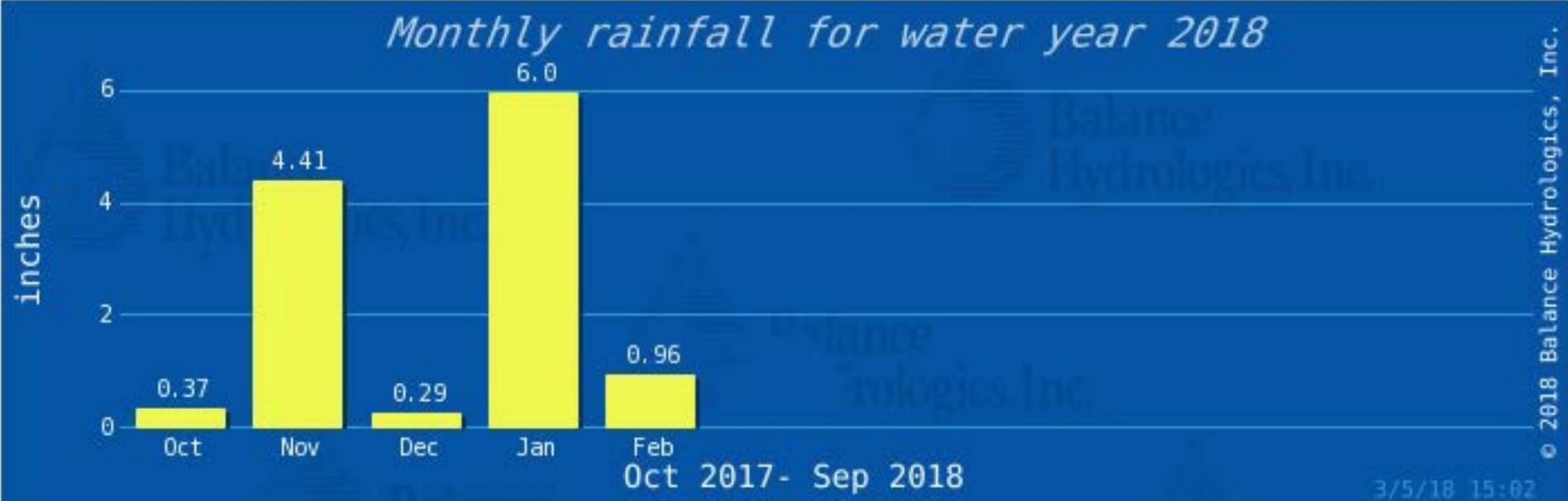
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

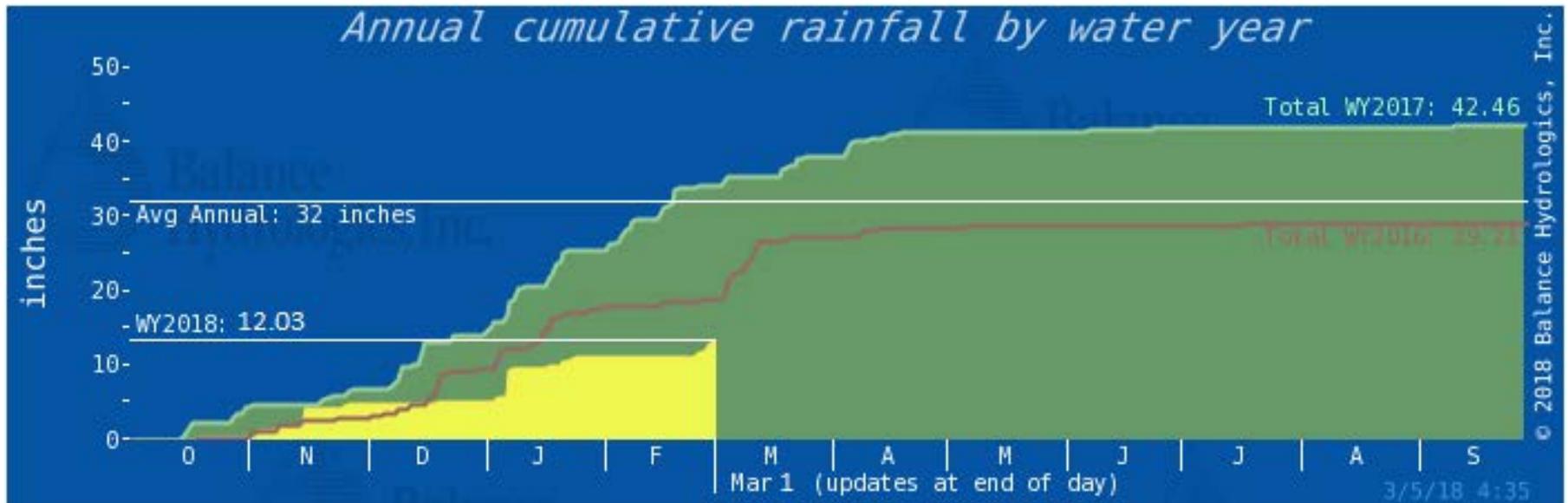
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Monthly Cumulative Rainfall



Annual Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5th, 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 40592 kWh and saved 69006 lbs of CO₂.

RECOMMENDATION:

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

Attachments: 1



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Monthly Public Agency Retirement Service
Report for January 2018.**

The District has received the monthly PARS report for January 2018.

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

TRUSTED SOLUTIONS. LASTING RESULTS.

**Montara Water and San
Retirement Enhancement Plan**

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



**Monthly Account Report for the Period
1/1/2018 to 1/31/2018**

PlanID: P7-REP15A

Account Summary

Source	Beginning Balance as of 1/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 1/31/2018
Contributions	\$609,541.14	\$6,420.21	\$20,676.67	\$286.62	\$1,042.51	\$0.00	\$635,308.89
TOTAL	\$609,541.14	\$6,420.21	\$20,676.67	\$286.62	\$1,042.51	\$0.00	\$635,308.89

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	3.38%	6.20%	18.15%	-	-	-	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.

**January 2018 PARS Statement
Detail Information**

PARS Beginning Balance as of January 1, 2017 \$ 609,541.14

Contributions:

December 15, 2017 Calculation

Wages	\$ 27,315.43	
Employer - 6.5%	\$ 1,890.23	
Employee - 8.25%	\$ 1,443.18	
Contributions Subtotal		\$ 3,333.41

Fund Impact - PARS Wages			
Sewer	Water	Total	
\$ 9,110.76	\$ 18,204.68	\$ 27,315.43	
\$ 630.46	\$ 1,259.76	\$ 1,890.23	

Sewer	Water	Total	
\$ 8,690.19	\$ 16,957.39	\$ 25,647.57	
\$ 601.36	\$ 1,173.45	\$ 1,774.81	

December 31, 2017 Calculation

Wages	\$ 25,647.57	
Employer - 6.5%	\$ 1,774.81	
Employee - 8.25%	\$ 1,311.98	
Contributions Subtotal		\$ 3,086.80

Rounding

Total Contributions thru November	\$ 6,420.20	
Rounding	\$ 0.01	
	\$ 6,420.21	

Earnings \$20,676.67

Expenses \$ (286.62)

Distributions \$ (1,042.51)

PARS Ending Balance as of January 31 \$ 635,308.89



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens'.

SUBJECT: Review of Draft Sewer Rate Study.

A Draft Sewer Rate Study was presented at the March 8 meeting. The Board provided input for the preparation of a final version.

The last MWSD sewer rate study was implemented in 2010. The Prop 2018 limit was set for the coming 4 years, however, the District was able to extend the rate increase over a period of 8 years.

Infrastructure needs at the Sewer Authority Mid-Coastside and MWSD, and current legal action brought by the City of Half Moon Bay result in increased funding needs. The draft Sewer Rate Study combines currently know factors and assumptions to consider setting a new Prop 218 limit for sewer service charges.

Alex Handlers with Bartle Wells will be available at the meeting.

RECOMMENDATION:

Choose the appropriate rate scenario and direct staff to send the required Prop 218 notices to all property owners in the District. This would allow the implementation of the required Prop 218 process by July.

Attachment

Montara Water & Sanitary District



Sewer Rate Study

Revised Draft Findings & Rate Alternatives

March 19, 2018



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



Montara Water & Sanitary District

Sewer Rate Study

Summary of Key Issues



Background

- The sewer utility is currently in sound financial health but faces substantial financial challenges in upcoming years
 - District facing increased funding needs for rehabilitation and replacement of aging infrastructure including capital improvements to both MWSD's sewer collection system and the Sewer Authority Mid-Coastside (SAM) regional wastewater conveyance system and treatment plant
- District has accrued a healthy level of sewer fund reserves; however, this is largely due to a temporary deferral of capital improvement project expenditures
 - A substantial drawdown of fund reserves is anticipated in upcoming years
- Sewer rate revenues have remained relatively flat for past 5 years around \$2 million per year, as rate increases have been offset by declines in billed sewer use
 - As operating costs have gradually increased, funding remaining for capital improvements has decreased
 - Current rates support roughly \$500,000 - \$600,000 of total annual capital expenditures
- Last sewer rate study completed 2010
 - Rate increases adopted in 2010 have been phased in much slower than anticipated
 - District anticipated reaching maximum adopted rates over 4 years, but has been able to spread out the rate increases over 8 years
- District has implemented small, inflationary rate increases most years over past decade
 - Average annual increase over past 10 years is approximately 4.3%, however rates have only increased by about 3.0% per year over the past 5 years (roughly the rate of inflation)
 - Accounting for inflation and reduced water & sewer use, as customers cut back water use in response to drought, many customers now pay roughly the same sewer charges (or in some cases less) in inflation-adjusted terms than they did 10 years ago.
- Typical residential sewer charge is in the middle range compared to other agencies in San Mateo County
 - Many other agencies have adopted substantially higher rate increases over the past 5 years or are in the process of implementing multi-year rate increases
 - Other agencies are facing similar challenges as MWSD including need to increase funding for rehabilitation and replacement of aging infrastructure including old pipelines and aging wastewater treatment facilities

Financial & Rate Projections

- BWA updated financial projections to evaluate annual revenue requirements and project rate increases needed to fund operating and capital programs while maintaining financial health
- Key assumptions:
 - Beginning fund balances almost \$7 million as of June 30, 2017
 - MWSD revenues and expenses based on 2017/18 Budget
 - SAM expenses for collection services and wastewater treatment based on SAM Budget (with Mid-Year Adjustment for 2017/18) and SAM Proposed Budget for 2018/19
 - Operating expenses escalated at 5% per year for financial planning purposes
 - Incorporates MWSD 5-Year Capital Improvement Program, which averages about \$1.8 million per year
 - Includes \$525,000 per year for SAM capital improvements, based on MWSD’s estimated 21% share of a \$2.5 million annual SAM capital program
- Financial projections indicate that significant sewer rate increases needed in upcoming years
- Key factors driving the need for rate increases include:
 - Substantial increases in MWSD and SAM capital funding needs for rehabilitation and replacement of aging infrastructure that includes a) aging sewer collection system pipelines and pump stations, and b) a 40+ year-old wastewater treatment plant in coastal conditions
 - District engineer estimates MWSD capital funding needs to replace aging District infrastructure over the next 50 years at \$1.9 million per year (in current dollars)
 - Roughly 60% of MWSD sewer pipelines are now over 60 years old
 - SAM infrastructure in need of major reinvestment due to age and condition
 - Modest increase in SAM operating expenses starting this fiscal year 2017/18
 - Ongoing cost inflation

Preliminary Financial & Rate Scenarios

- A. Initial one-time rate spike** to immediately increase capital funding to about \$2 million per year for combined MWSD and SAM infrastructure improvements; smaller increases in outer years
- B. Phase-in substantial rate increases** to escalate total capital funding to about \$2.5 million per year and keep up with operating cost inflation. Draw down fund reserves to fully fund capital needs while rates are phasing in.
- B+. Slower phase-in of rate increases** to gradually increase funding for capital needs, but not fully achieve long-term funding needs. Partially reduce capital funding and draw down fund reserves to help fund capital needs while rates are phasing in.

	2018/19	2019/20	2020/21	2021/22	2022/23
A) Initial Rate Spike	90%	0%	0%	8%	8%
B) Phase In Rate Increases	26%	24%	22%	20%	0%
B+) Slower Phase In of Rates	20%	18%	18%	16%	15%

- *District can opt to move forward with the first few years of rate increases at this stage and re-evaluate finances in future years...e.g. take significant, gradual steps in the right direction along a long-term path.*

- Rate impacts for each customer class will vary a little bit due to an updated cost-of-service rate realignment
- Rates often reflect a balance of competing objectives
 - Need to fund increased capital needs vs. desire to minimize rate increases
- Lower rate increases in near term result in need for larger rate increases in future years, and vice versa

Sewer Customers & Use

- The following table shows a summary breakdown of residential vs. commercial sewer customers, billed usage, and sewer rate revenues for the current fiscal year 2017/18

	Residential	Commercial	Total
Sewer Customers	1,785 97.1%	54 2.9%	1,839
Billed Usage	42,768 91.6%	3,936 8.4%	46,704
Sewer Rate Revenues	\$1,797,571 89.9%	\$201,481 10.1%	\$1,999,052

Sewer Rate Structure

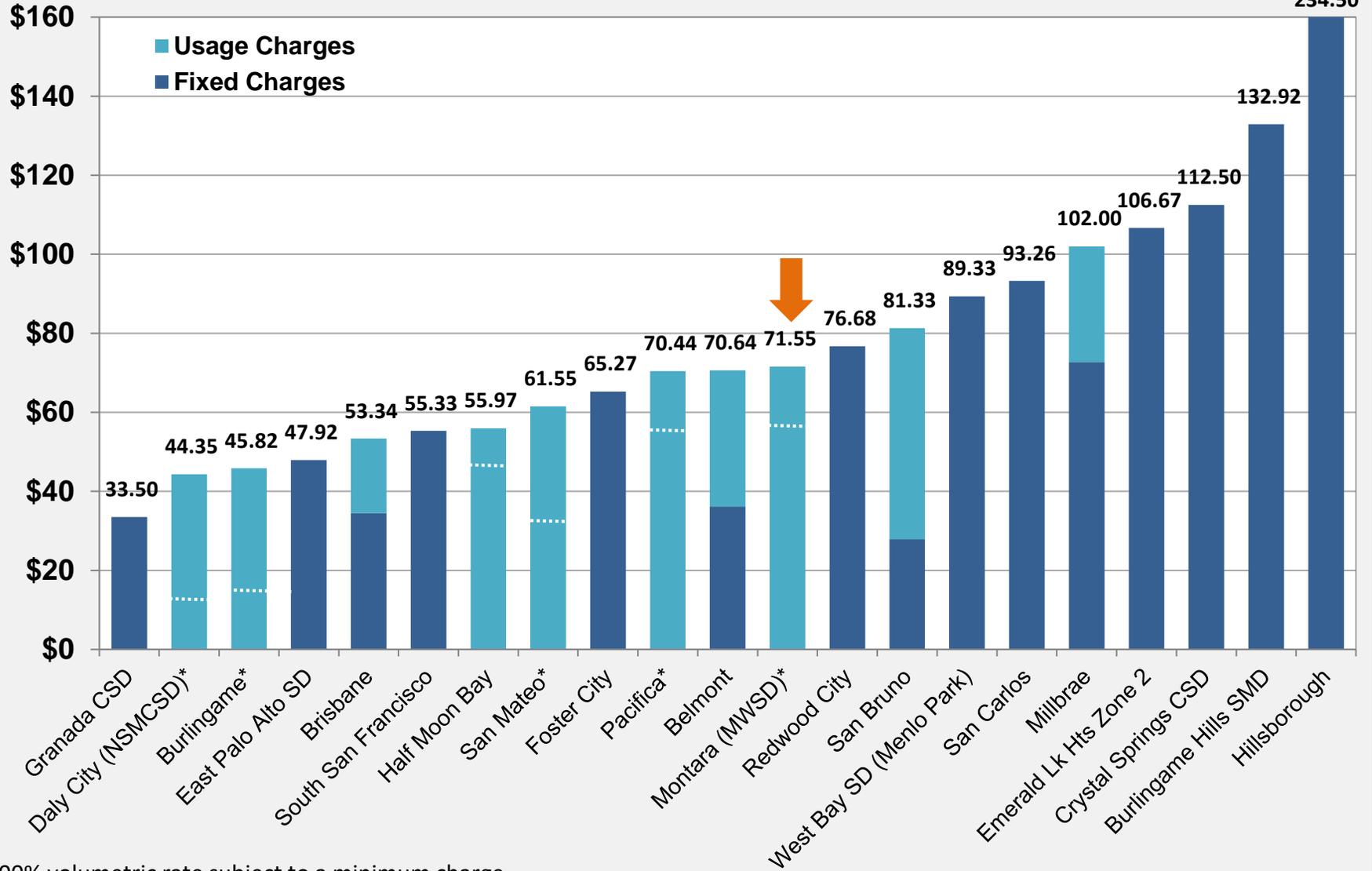
- Current sewer rates are volumetric rates based on prior-year or prior-winter water use
 - Rates for all customer classes are subject to a minimum charge based on 16 hcf of billed usage (for a 4-month period)...equivalent to a charge based on 4 hcf of monthly use
 - Residential rates are applied to water use from two bi-monthly billing periods covering either Nov-Feb or Dec-Mar (depending on billing cycle)
 - 7 Commercial rate classes with rates that vary based on wastewater strength; commercial rates are applied based on four months of average annual water use.
- BWA updated rates based on updated cost-of-service allocations, resulting in slightly different percentage rate increases for each customer class over the next two years
- Annual sewer service charges collected via the County's property tax rolls

Next Steps

- Present revised findings rate alternatives and receive Board direction
 - Obtain Board approval to move forward with the Proposition 218 rate increase process
 - Target dates:
 - April 20 - Mail Proposition 218 Notices on or before this date
 - June 7 - Proposition 218 Rate Hearing at the first Board Meeting in June
-

Single Family Residential Monthly Sewer Bills 2017/18

San Mateo County: Based on flat rate or 5 hcf of monthly winter water use



* 100% volumetric rate subject to a minimum charge.

Table 1
 Montara Water & Sanitary District
 Current Sewer Rates

Sewer Customer Class	Current Sewer Rates ¹	Minimum Annual Charge ²	Equivalent Sewer Rate (\$ per hcf)	Equivalent Sewer Rate (\$ per 100 glns)	% of Residential Rate
Residential	\$42.93	\$686.88	\$14.31	\$1.91	100%
Restaurants	77.87	1,245.92	25.96	3.47	181%
Motels	46.16	738.56	15.39	2.06	108%
Offices	37.94	607.04	12.65	1.69	88%
General Commercial	41.11	657.76	13.70	1.83	96%
All Other Commercial	44.73	715.68	14.91	1.99	104%
Schools	38.63	618.08	12.88	1.72	90%
Hospitals	43.19	691.04	14.40	1.92	101%

1 Residential rates are applied to water use from four wet weather months (Nov-Feb or Dec-Mar)
 Commercial rates are applied based on four months of average use throughout year.

2 Minimum annual charge based on 16 hcf of sewer use for 2 bi-monthly billing periods (4 hcf per month).

Table 2
Montara Water & Sanitary District
Historical Sewer Rates

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Rate Adjustment (rounded)		3.8%	14.0%	2.5%	4.3%	3.0%	3.0%	3.0%	3.0%	2.9%
Sewer Service Charge Rates										
<i>Volumetric charges billed per four months of water use (\$ per hcf)*</i>										
Residential*	\$29.30	\$30.42	\$34.69	\$35.55	\$37.07	\$38.18	\$39.33	\$40.51	\$41.73	\$42.93
Restaurants	53.15	55.18	62.94	64.49	67.252	69.27	71.35	73.49	75.69	77.87
Motels	31.5	32.7	37.3	38.21	39.864	41.06	42.29	43.56	44.87	46.16
Offices	25.9	26.89	30.66	31.43	32.768	33.75	34.76	35.81	36.88	37.94
General Commercial	28.07	29.14	33.23	34.06	35.508	36.57	37.67	38.8	39.96	41.11
All Other Commercial	30.53	31.7	36.15	37.044	38.63	39.79	40.98	42.21	43.48	44.73
Schools	26.37	27.38	31.22	32	33.361	34.36	35.93	36.46	37.55	38.63
Hospitals	29.48	30.6	34.9	35.76	37.298	38.42	39.57	40.76	41.98	43.19
Minimum Charge: <i>Minimum sewer bill based on 16 hcf of billed use from 2 bi-monthly billing periods (4 hcf per month).</i>										
* Residential charges are applied based on water use from two winter billing periods (Nov/Dec & Jan/Feb or Dec/Jan & Feb/Mar). Commercial charges are applied based on average bi-monthly water use from the prior fiscal year.										
Note: 1 hcf = 1 hundred cubic feet, or approximately 748 gallons.										

Table 3
Montara Water & Sanitary District
Sewer Service Customers

	2015/16		2016/17		2017/18	
	<u>Accounts</u>	<u>Dwelling Units</u>	<u>Accounts</u>	<u>Dwelling Units</u>	<u>Accounts</u>	<u>Dwelling Units</u>
Residential						
Single Family	1,724	1,724	1,732	1,732	1,738	1,738
Multi-Family	56	150	49	125	46	114
Mobile Homes	<u>1</u>	<u>227</u>	<u>1</u>	<u>227</u>	<u>1</u>	<u>227</u>
Subtotal	1,781	2,101	1,782	2,084	1,785	2,079
	97.0%		97.0%		97.1%	
Commercial						
Restaurants	7		7		7	
Motels	4		4		4	
Offices	14		14		13	
General Commercial	18		18		18	
All Other Commercial	-		-		-	
Schools	5		5		5	
Hospitals (Medical)	5		5		5	
Other (Res Rate)	<u>2</u>		<u>2</u>		<u>2</u>	
Subtotal	55		55		54	
	3.0%		3.0%		2.9%	
Total	1,836		1,837		1,839	

Table 4
Montara Water & Sanitary District
Billed Sewer Use (hcf)

	2015/16	2016/17	2017/18	2-Year Average	
				4-Months	Annual
Billed Sewer Use for 4 Months (with Minimum 16 hcf)					
Residential					
Single Family	38,261	36,445	36,490	36,468	109,404
Multi-Family	1,390	1,275	1,098	1,187	3,561
Mobile Homes	5,597	4,981	5,180	5,081	15,243
Subtotal	45,248	42,701	42,768	42,736	128,208
	91.5%	91.7%	91.6%	91.6%	91.6%
Commercial					
Restaurants	1,041	986	882	934	2,802
Motels	259	223	219	221	663
Offices	252	243	270	257	771
General Commercial	735	636	587	612	1,836
All Other Commercial	-	-	-	-	-
Schools	262	175	238	207	621
Hospitals (Medical)	1,483	1,517	1,631	1,574	4,722
Other (Res Rate)	192	107	109	108	324
Subtotal	4,224	3,887	3,936	3,913	11,739
	8.5%	8.3%	8.4%	8.4%	8.4%
Total	49,472	46,588	46,704	46,649	139,947

Table 5
Montara Water & Sanitary District
Average Billed Monthly Sewer Use (hcf)

	2015/16	2016/17	2017/18
Residential			
Single Family	5.5	5.3	5.2
Multi-Family	2.3	2.6	2.4
Mobile Homes	6.2	5.5	5.7
Subtotal	5.4	5.1	5.1
Commercial			
Restaurants	37.2	35.2	31.5
Motels	16.2	13.9	13.7
Offices	4.5	4.3	5.2
General Commercial	10.2	8.8	8.2
All Other Commercial	-	-	-
Schools	13.1	8.8	11.9
Hospitals (Medical)	74.2	75.9	81.6
Other (Res Rate)	24.0	13.4	13.6
Subtotal	19.2	17.7	18.2

Table 6
Montara Water & Sanitary District
Sewer Service Charges

	2015/16	2016/17	2017/18
Sewer Service Charge Revenues			
Residential	\$1,809,181 89.8%	\$1,747,864 89.9%	\$1,797,571 89.9%
Commercial			
Restaurants	76,502	74,643	68,690
Motels	13,547	13,462	14,126
Offices	10,743	10,735	11,461
General Commercial	27,471	24,581	24,219
All Other Commercial	-	-	-
Schools	9,589	6,610	9,234
Hospitals (Medical)	60,443	63,691	70,446
Other (Res Rate)	6,482	3,130	3,306
Subtotal	204,777 10.2%	196,851 10.1%	201,481 10.1%
Total	2,013,958	1,944,715	1,999,052

Table 7
 Montara Water & Sanitary District
 Sewer Reserve Fund Balances

Reserve Fund	Investment	Fund Balance as of June 30			
		2014	2015	2016	2017
Operating Reserve	Wells Fargo	\$884,560	\$1,913,858	\$3,386,704	\$2,894,886
Operating Reserve	LAIF	0	255,195	158,079	281,893
Capital Reserve	Wells Fargo	4,717,921	3,789,564	3,804,933	3,867,818
Connection Fees Reserve	Wells Fargo	43,000	228,488	325,604	152,756
Total		5,645,481	6,187,105	7,675,320	7,197,353

A number of capital projects were deferred in 2015 and 2016, largely due to permitting issues. The District anticipates drawing down reserves in upcoming years to help fund capital needs.

Table 8
Montara Water & Sanitary District
Outstanding Sewer Debt

	2008 CIEDB Loan	2013 PNC Lease (50% Sewer)	Total
Issue Size	\$1,010,000	\$1,818,134	
Interest Rate	3.05%	2.95%	
Term	30 Years	20 Years	
Payments	Semi-Annual	Monthly	
Purpose	Sewer Lift Stations	Water Meters	
2015/16	\$55,200	\$59,300	\$114,500
2016/17	55,100	62,300	117,400
2017/18	55,000	65,300	120,300
2018/19	54,900	68,900	123,800
2019/20	54,600	72,400	127,000
2020/21	54,600	76,100	130,700
2021/22	54,600	79,900	134,500
2022/23	54,600	83,500	138,100
2023/24	54,600	87,200	141,800
2024/25	54,000	88,600	142,600
2025/26	54,000	88,700	142,700
2026/27	54,000	29,500	83,500
2027/28	54,000	-	54,000
2028/29	54,000	-	54,000
2029/30	53,300	-	53,300
2030/31	53,300	-	53,300
2031/32	53,300	-	53,300
2032/33	53,300	-	53,300
2033/34	53,300	-	53,300
2034/35	47,000	-	47,000
2035/36	47,000	-	47,000
2036/37	47,000	-	47,000
2037/38	47,000	-	47,000
2038/39	23,000	-	23,000

Debt service rounded to nearest \$100

Table 9
Montara Water & Sanitary District
Sewer System Capital Projects

valuation estimates need for about \$2 million per year for replacements

	2017/18	2018/19	2019/20	2020/21	2021/22
MWSD SEWER CAPITAL PROJECTS					
Mechanical System Repairs & Replacements	\$30,000	\$75,000	\$50,000	\$50,000	\$25,000
Inflow & Infiltration Testing / Televising	10,000	15,000	15,000	15,000	15,000
Seal Cove Area Repair and Maint. Project	35,000	20,000	15,000	15,000	15,000
Replace Pump Station Pumps	20,000	20,000	150,000	50,000	20,000
Replace Medium High Priority Sewer Mains	575,000	450,000	1,300,000	1,300,000	1,500,000
Spot Repairs Program	25,000	15,000	15,000	15,000	15,000
Replace Distillery Pump Station	0	5,000	15,000	120,000	80,000
Cabrillo Hwy Express Sewer	945,000	900,000	0	400,000	500,000
Pump Station Communication Upgrades	0	2,500	2,500	2,500	2,500
Subtotal	1,640,000	1,502,500	1,562,500	1,967,500	2,172,500
SAM CAPITAL ASSESSMENT					
	<u>Budget</u>				
SAM Capital Improvements	included	2,500,000	2,500,000	2,500,000	2,500,000
Est. MWSD Allocation %	below	21.0%	21.0%	21.0%	21.0%
MWSD Allocation \$ (rounded)		856,000	525,000	525,000	525,000
TOTAL		2,496,000	2,027,500	2,087,500	2,697,500

Table 10
Montara Water & Sanitary District
Sewer Authority Mid-Coastside Expenses

	2015/16 Actual	2016/17 Actual	2017/18 Estimated	2017/18 + Mid-Yr Adj*	2018/19 Proposed
MWSD'S SEWER AUTHORITY MID-COASTSIDE EXPENSES					
Wastewater Treatment					
Administrative Services	\$244,692	\$204,348	\$296,117	\$317,717	\$341,797
Treatment Division	463,200	424,507	650,054	659,774	619,120
Environmental Compliance	-	65,675	33,549	33,549	35,521
Subtotal	707,892	694,530	979,720	1,011,040	996,438
Contract Collection Services	325,958	321,608	312,877	312,877	301,644
Total Operating Expenses	1,033,850	1,016,138	1,292,597	1,323,917	1,298,082
Infrastructure/Non-Operating	160,666	153,710	545,951	856,030	514,703
Total Expenses	1,194,516	1,169,848	1,838,548	2,179,947	1,812,785

* 2017/18 Mid-Year Budget Amendment totals \$341,399.

Table 11
Montara Water & Sanitary District
Historical Sewer Finances

	Actual 2014/15	Actual 2015/16	Estimated 2016/17	Budget 2017/18
Beginning Sewer Fund Balances	\$5,645,000	\$6,187,000	\$7,675,000	\$7,021,000
REVENUES				
Sewer Service Charges	2,196,000	2,055,000	1,957,000	1,999,000
Property Taxes	214,000	326,000	327,000	235,000
Connection/Remodel Fees	166,000	101,000	167,000	195,000
Interest Earnings	12,000	18,000	17,000	70,000
Cell Phone Tower Lease	32,000	33,000	34,000	34,000
Other Revenues	54,000	34,000	42,000	39,000
Total Revenues	2,674,000	2,567,000	2,544,000	2,572,000
EXPENSES				
Operating Expenses				
Personnel	243,000	302,000	300,000	307,000
Professional Services	80,000	115,000	97,000	115,000
Facilities & Administration	35,000	44,000	45,000	46,000
Engineering	61,000	32,000	46,000	52,000
Pumping	27,000	29,000	31,000	32,000
SAM Wastewater Treatment	704,000	770,000	749,000	980,000
SAM Budget Amendment	0	0	0	31,000
SAM Collection Services	285,000	326,000	322,000	313,000
Other Operating Expenses	24,000	18,000	27,000	54,000
Subtotal Operating Expenses	1,459,000	1,636,000	1,617,000	1,930,000
Debt Service				
PNC Equipment Lease	56,000	59,000	62,000	65,000
I-Bank Loan	55,000	55,000	55,000	55,000
Subtotal Debt Service	111,000	114,000	117,000	120,000
Capital Improvements				
MWSD Capital Improvements	999,000	244,000	1,055,000	1,640,000
SAM Capital Assessment	63,000	161,000	105,000	546,000
SAM Budget Amendment	0	0	0	310,000
Subtotal Non-Operating Expenses	1,062,000	405,000	1,160,000	2,496,000
Total Expenses	2,632,000	2,155,000	2,894,000	4,546,000
Revenues Less Expenses	42,000	412,000	(350,000)	(1,974,000)
Ending Fund Balances	5,687,000	6,599,000	7,325,000	5,047,000
Funds Generated for Capital	1,104,000	817,000	810,000	522,000

Table 12A
Montara Water & Sanitary District
Sewer Cash Flow Projections

Scenario A
Initial Rate Spike for Full CIP Funding
With Smaller Additional Increases in Later Years

	Budget	Projected				
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Rate Adjustment Effective Date	July 1					
Rate Adjustments	2.9%	90%	-	-	8%	8%
New Sewer Connections (EDUs)		5	5	5	5	5
Sewer Capacity Charges (EDU)	\$24,913	\$25,411	\$25,919	\$26,437	\$26,966	\$27,505
Growth in Customer Base		0.3%	0.3%	0.3%	0.3%	0.3%
Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Cost Escalation		5.0%	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$7,021,000	\$4,947,000	\$5,078,000	\$5,169,000	\$4,770,000	\$4,374,000
REVENUES						
Sewer Service Charges	1,999,000	3,808,000	3,819,000	3,830,000	4,148,000	4,493,000
Property Taxes (+2%)	235,000	240,000	245,000	250,000	255,000	260,000
Connection/Remodel Fees	195,000	137,000	140,000	142,000	145,000	148,000
Interest Earnings (est.)	70,000	74,000	76,000	78,000	72,000	66,000
Cell Phone Tower Lease	34,000	35,000	36,000	37,000	38,000	39,000
Other Revenues	39,000	40,000	40,000	40,000	40,000	40,000
Total Revenues	2,572,000	4,334,000	4,356,000	4,377,000	4,698,000	5,046,000
EXPENSES						
Operating Expenses						
Personnel	307,000	322,000	338,000	355,000	373,000	392,000
Professional Services	115,000	121,000	127,000	133,000	140,000	147,000
Facilities & Administration	46,000	64,000	68,000	71,000	75,000	78,000
Engineering	52,000	55,000	58,000	61,000	64,000	67,000
Pumping	32,000	34,000	36,000	38,000	40,000	42,000
SAM Wastewater Treatment	1,011,000	996,000	1,046,000	1,098,000	1,153,000	1,211,000
SAM Collection Services	313,000	302,000	317,000	333,000	350,000	368,000
Other Operating Expenses	54,000	57,000	60,000	63,000	66,000	69,000
Subtotal Operating Expenses	1,930,000	1,951,000	2,050,000	2,152,000	2,261,000	2,374,000
Debt Service						
PNC Equipment Lease	65,000	69,000	72,000	76,000	80,000	84,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000	55,000
Subtotal Debt Service	120,000	124,000	127,000	131,000	135,000	139,000
Non-Operating Expenses						
MWSD Capital Improvements	1,640,000	1,503,000	1,563,000	1,968,000	2,173,000	2,000,000
SAM Capital Assessment	856,000	525,000	525,000	525,000	525,000	525,000
Est. Additional Legal Expenses	100,000	100,000	0	0	0	0
Subtotal Non-Operating Expenses	2,596,000	2,128,000	2,088,000	2,493,000	2,698,000	2,525,000
Total Expenses	4,646,000	4,203,000	4,265,000	4,776,000	5,094,000	5,038,000
Revenues Less Expenses	(2,074,000)	131,000	91,000	(399,000)	(396,000)	8,000
Ending Fund Balances	4,947,000	5,078,000	5,169,000	4,770,000	4,374,000	4,382,000
Rsrv Target 50% O&M + \$2M	2,965,000	2,976,000	3,025,000	3,076,000	3,131,000	3,187,000
Debt Service Coverage: ≥ 1.20	5.35	19.22	18.16	16.98	18.05	19.22
Funds Generated for Capital	522,000	2,259,000	2,179,000	2,094,000	2,302,000	2,533,000

Scenario A

Montara Water & Sanitary District

Sewer Revenues & Expenses (\$ Millions)

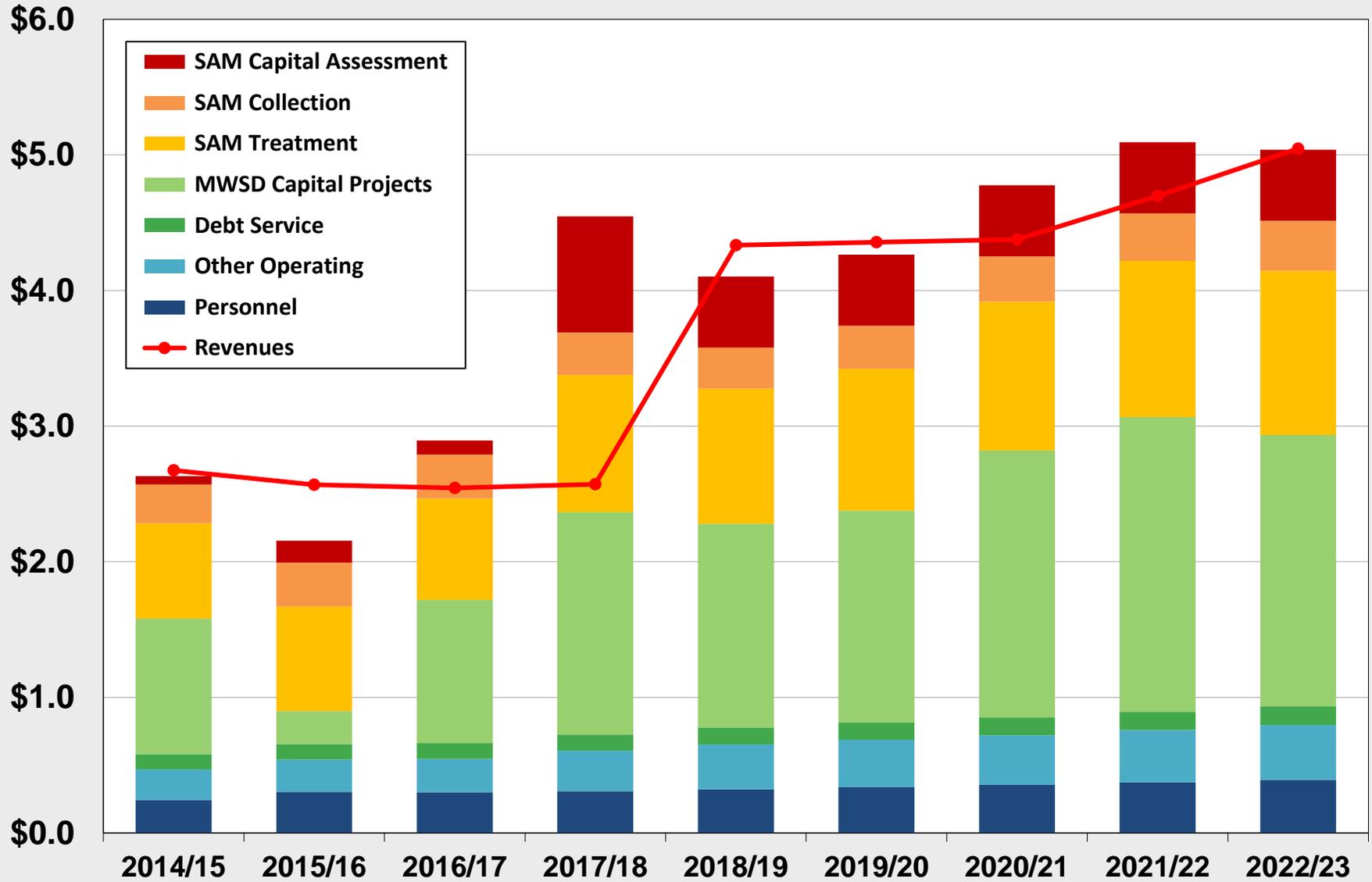


Table 12B
Montara Water & Sanitary District
Sewer Cash Flow Projections

Scenario B
Phase in Rate Increases & Draw Down Reserves
Full CIP Funding

	Budget	Projected				
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Rate Adjustment Effective Date	July 1					
Rate Adjustments	2.9%	26%	24%	22%	20%	0%
New Sewer Connections (EDUs)		5	5	5	5	5
Sewer Capacity Charges (EDU)	\$24,913	\$25,411	\$25,919	\$26,437	\$26,966	\$27,505
Growth in Customer Base		0.3%	0.3%	0.3%	0.3%	0.3%
Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Cost Escalation		5.0%	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$7,021,000	\$4,947,000	\$3,795,000	\$3,188,000	\$2,771,000	\$2,821,000
REVENUES						
Sewer Service Charges	1,999,000	2,525,000	3,140,000	3,842,000	4,624,000	4,637,000
Property Taxes (+2%)	235,000	240,000	245,000	250,000	255,000	260,000
Connection/Remodel Fees	195,000	137,000	140,000	142,000	145,000	148,000
Interest Earnings (est.)	70,000	74,000	57,000	48,000	42,000	42,000
Cell Phone Tower Lease	34,000	35,000	36,000	37,000	38,000	39,000
Other Revenues	39,000	40,000	40,000	40,000	40,000	40,000
Total Revenues	2,572,000	3,051,000	3,658,000	4,359,000	5,144,000	5,166,000
EXPENSES						
Operating Expenses						
Personnel	307,000	322,000	338,000	355,000	373,000	392,000
Professional Services	115,000	121,000	127,000	133,000	140,000	147,000
Facilities & Administration	46,000	64,000	68,000	71,000	75,000	78,000
Engineering	52,000	55,000	58,000	61,000	64,000	67,000
Pumping	32,000	34,000	36,000	38,000	40,000	42,000
SAM Wastewater Treatment	1,011,000	996,000	1,046,000	1,098,000	1,153,000	1,211,000
SAM Collection Services	313,000	302,000	317,000	333,000	350,000	368,000
Other Operating Expenses	54,000	57,000	60,000	63,000	66,000	69,000
Subtotal Operating Expenses	1,930,000	1,951,000	2,050,000	2,152,000	2,261,000	2,374,000
Debt Service						
PNC Equipment Lease	65,000	69,000	72,000	76,000	80,000	84,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000	55,000
Subtotal Debt Service	120,000	124,000	127,000	131,000	135,000	139,000
Non-Operating Expenses						
MWSD Capital Improvements	1,640,000	1,503,000	1,563,000	1,968,000	2,173,000	2,000,000
SAM Capital Assessment	856,000	525,000	525,000	525,000	525,000	525,000
Est. Additional Legal Expenses	100,000	100,000	0	0	0	0
Subtotal Non-Operating Expenses	2,596,000	2,128,000	2,088,000	2,493,000	2,698,000	2,525,000
Total Expenses	4,646,000	4,203,000	4,265,000	4,776,000	5,094,000	5,038,000
Revenues Less Expenses	(2,074,000)	(1,152,000)	(607,000)	(417,000)	50,000	128,000
Ending Fund Balances	4,947,000	3,795,000	3,188,000	2,771,000	2,821,000	2,949,000
Rsrv Target 50% O&M + 2M	2,965,000	2,976,000	3,025,000	3,076,000	3,131,000	3,187,000
Debt Service Coverage: \geq 1.20	5.35	8.87	12.66	16.85	21.36	20.09
Funds Generated for Capital	522,000	976,000	1,481,000	2,076,000	2,748,000	2,653,000

Scenario B

Montara Water & Sanitary District

Sewer Revenues & Expenses (\$ Millions)

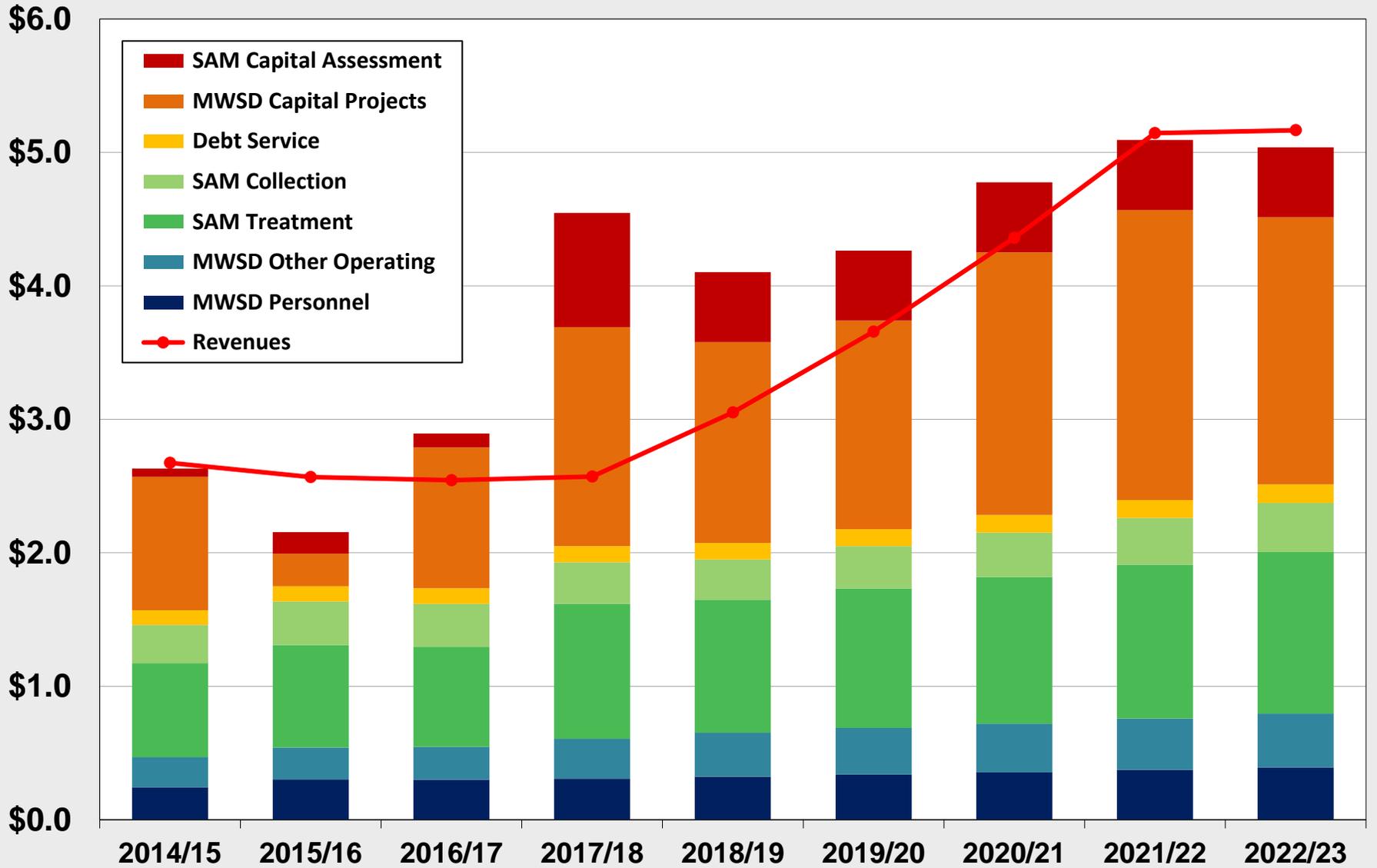


Table 12B+
Montara Water & Sanitary District
Sewer Cash Flow Projections

Scenario B+
Slower Phase In of Rate Increases
With Reduced CIP Funding in Near-Term

	Budget	Projected				
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Rate Adjustment Effective Date	July 1					
Rate Adjustments	2.9%	20%	18%	18%	16%	15%
New Sewer Connections (EDUs)		5	5	5	5	5
Sewer Capacity Charges (EDU)	\$24,913	\$25,411	\$25,919	\$26,437	\$26,966	\$27,505
Growth in Customer Base		0.3%	0.3%	0.3%	0.3%	0.3%
Interest Earnings Rate	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Cost Escalation		5.0%	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$7,021,000	\$4,947,000	\$3,675,000	\$3,335,000	\$3,164,000	\$3,186,000
REVENUES						
Sewer Service Charges	1,999,000	2,405,000	2,846,000	3,368,000	3,918,000	4,519,000
Property Taxes (+2%)	235,000	240,000	245,000	250,000	255,000	260,000
Connection/Remodel Fees	195,000	137,000	140,000	142,000	145,000	148,000
Interest Earnings (est.)	70,000	74,000	55,000	50,000	47,000	48,000
Cell Phone Tower Lease	34,000	35,000	36,000	37,000	38,000	39,000
Other Revenues	39,000	40,000	40,000	40,000	40,000	40,000
Total Revenues	2,572,000	2,931,000	3,362,000	3,887,000	4,443,000	5,054,000
EXPENSES						
Operating Expenses						
Personnel	307,000	322,000	338,000	355,000	373,000	392,000
Professional Services	115,000	121,000	127,000	133,000	140,000	147,000
Facilities & Administration	46,000	64,000	68,000	71,000	75,000	78,000
Engineering	52,000	55,000	58,000	61,000	64,000	67,000
Pumping	32,000	34,000	36,000	38,000	40,000	42,000
SAM Wastewater Treatment	1,011,000	996,000	1,046,000	1,098,000	1,153,000	1,211,000
SAM Collection Services	313,000	302,000	317,000	333,000	350,000	368,000
Other Operating Expenses	54,000	57,000	60,000	63,000	66,000	69,000
Subtotal Operating Expenses	1,930,000	1,951,000	2,050,000	2,152,000	2,261,000	2,374,000
Debt Service						
PNC Equipment Lease	65,000	69,000	72,000	76,000	80,000	84,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000	55,000
Subtotal Debt Service	120,000	124,000	127,000	131,000	135,000	139,000
Non-Operating Expenses						
<i>\$2M reduced CIP funding over 3 years</i>						
MWSD Capital Improvements	1,640,000	1,503,000	1,000,000	1,250,000	1,500,000	2,000,000
SAM Capital Assessment	856,000	525,000	525,000	525,000	525,000	525,000
Est. Additional Legal Expenses	100,000	100,000	0	0	0	0
Subtotal Non-Operating Expenses	2,596,000	2,128,000	1,525,000	1,775,000	2,025,000	2,525,000
Total Expenses	4,646,000	4,203,000	3,702,000	4,058,000	4,421,000	5,038,000
Revenues Less Expenses	(2,074,000)	(1,272,000)	(340,000)	(171,000)	22,000	16,000
Ending Fund Balances	4,947,000	3,675,000	3,335,000	3,164,000	3,186,000	3,202,000
Rsrv Target 50% O&M + 2M	2,965,000	2,976,000	3,025,000	3,076,000	3,131,000	3,187,000
Debt Service Coverage: ≥ 1.20	5.35	7.90	10.33	13.24	16.16	19.28
Funds Generated for Capital	522,000	856,000	1,185,000	1,604,000	2,047,000	2,541,000

Scenario B+

Montara Water & Sanitary District

Sewer Revenues & Expenses (\$ Millions)

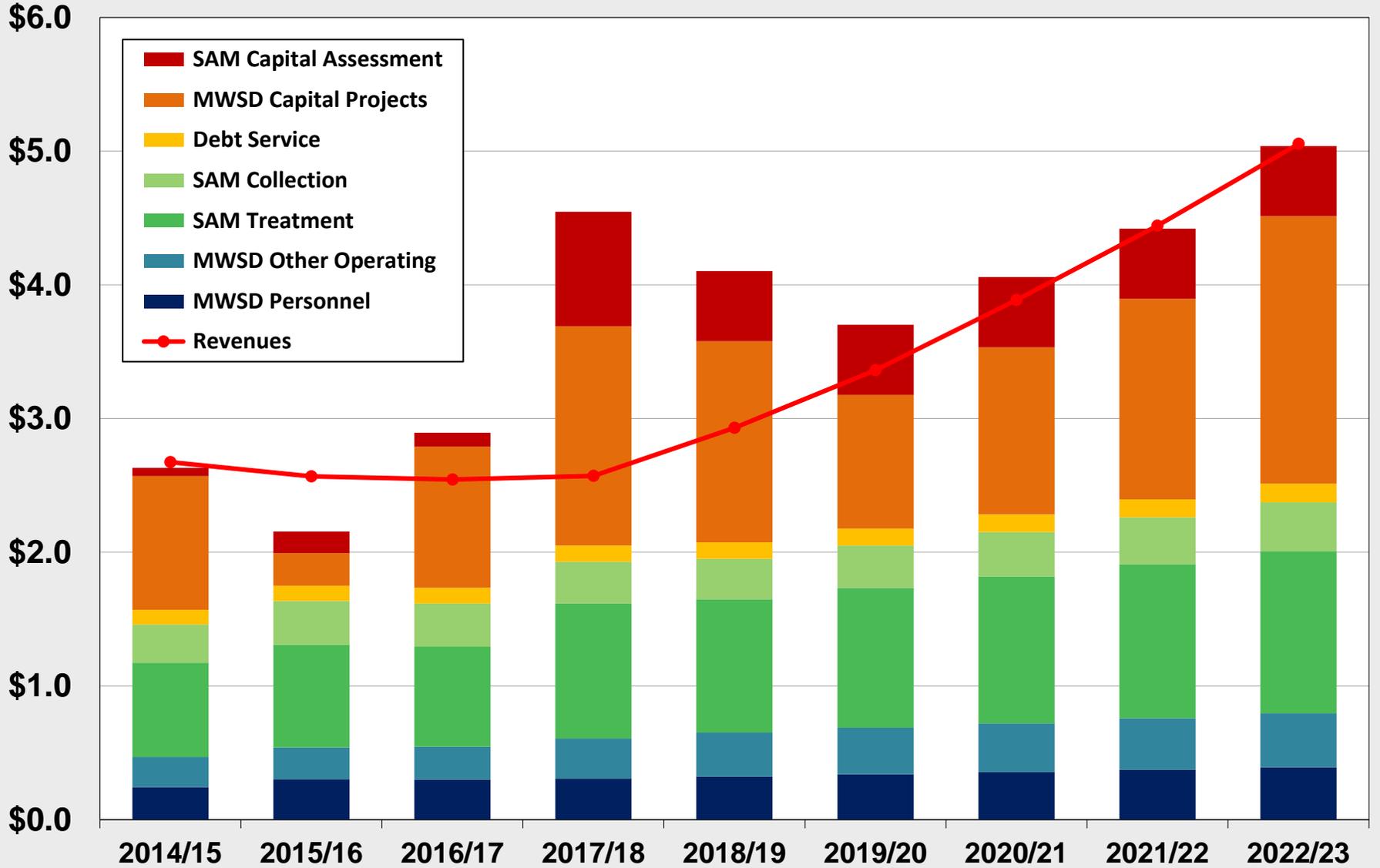


Table 13
Montara Water & Sanitary District
Wastewater Loadings by Customer Class

Customer Class	ACCOUNTS/PARCELS		FLOW	BOD		SS	
	Est. Billed Parcels	Dwelling Units	Billed Swr Flow (hcf)	Strength (mg/l)	Loadings (lbs/year)	Strength (mg/l)	Loadings (lbs/year)
Residential							
Single Family	1,738	1,738	109,404	175	119,445	175	119,445
Multi-Family	46	114	3,561	175	3,888	175	3,888
Mobile Homes	1	227	15,243	175	16,642	175	16,642
Subtotal	1,785	2,079	128,208		139,975		139,975
Commercial							
Restaurants	7		2,802	800	13,985	600	10,489
Motels	4		663	310	1,282	120	496
Offices	13		771	130	625	80	385
General Commercial	18		1,836	150	1,718	150	1,718
Schools	5		621	130	504	100	387
Hospitals	5		4,722	250	7,365	100	2,946
Other (Res Rate)	2		324	200	404	200	404
Subtotal	54		11,739		25,883		16,825
Total	1,839		139,947		165,858		156,800

Note: Wastewater strength estimates based on SWRCB Commercial User Strength Characteristics.

Table 14
Montara Water & Sanitary District
Cost Recovery Allocation

	3-Year Avg Expenses	Cost Allocation %			Cost Allocation \$		
		Flow	BOD	SS	Flow	BOD	SS
	2018/19-2020/21						
EXPENSES							
<u>Operating</u>							
Personnel	338,333	80%	10%	10%	270,667	33,833	33,833
Professional Services	127,000	100%	0%	0%	127,000	0	0
Facilities & Administration	67,667	100%	0%	0%	67,667	0	0
Engineering	58,000	100%	0%	0%	58,000	0	0
Pumping	36,000	100%	0%	0%	36,000	0	0
SAM Wastewater Treatment	1,046,667	50%	25%	25%	523,333	261,667	261,667
SAM Collection Services	317,333	80%	10%	10%	253,867	31,733	31,733
Other Operating Expenses	60,000	100%	0%	0%	60,000	0	0
Subtotal Operating	2,051,000	68.1%	16.0%	16.0%	1,396,533	327,233	327,233
<u>Debt Service</u>							
PNC Equipment Lease	72,333	100%	0%	0%	72,333	0	0
I-Bank Loan	55,000	100%	0%	0%	55,000	0	0
Subtotal Debt Service	127,333	100.0%	0.0%	0.0%	127,333	0	0
<u>Non-Operating/Other</u>							
MWSD Sewer Improvements	1,251,000	100%	0%	0%	1,251,000	0	0
SAM Capital Assessment	525,000	50%	25%	25%	262,500	131,250	131,250
Subtotal Capital Projects	1,776,000	85.2%	7.4%	7.4%	1,513,500	131,250	131,250
TOTAL EXPENSES	3,954,333	76.8%	11.6%	11.6%	3,037,367	458,483	458,483
LESS REVENUE OFFSETS							
Property Taxes	245,000	100%	0%	0%	245,000	0	0
Connection Fees	139,667	100%	0%	0%	139,667	0	0
Interest/Other	45,222	100%	0%	0%	45,222	0	0
Subtotal Capital Projects	429,889	100.0%	0.0%	0.0%	429,889	0	0
COST RECOVERY FROM RATES	3,524,444	73.98%	13.01%	13.01%	2,607,478	458,483	458,483
Rounded		74.0%	13.0%	13.0%			

Scenario B

**Phase in Rate Increases & Draw Down Reserves
With Full CIP Funding Over 5 Years**

Rate Derivation Tables

Table 15
 Montara Water & Sanitary District
 Revenue Recovery & Unit Rates

Scenario B

Service Charge Revenue Requirement			
Rate Revenue Target 2019/20			\$3,140,000
	Flow	BOD	SS
Cost Allocation			
Rate Revenue Recovery Allocation %	74.0%	13.0%	13.0%
Revenue Recovery \$	\$2,323,600	\$408,200	\$408,200
Wastewater Loadings			
Units	139,947 hcf	165,858 lbs	156,800 lbs
Unit Rate Per Treatment Parameter			
Units	\$16.6034 per hcf	\$2.4611 per lb	\$2.6033 per lb

Note: Rate Revenue Target for 2019/20 is below the total annual cost of service.

Table 16
 Montara Water & Sanitary District
 Rate Calculation 2019/20

Scenario B

Customer Class	WW Strength		Loadings per hcf		Unit Rates			Total Rate (per hcf)
	BOD (mg/l)	SS (mg/l)	BOD (lbs)	SS (lbs)	Flow (per hcf)	BOD (per hcf)	SS (per hcf)	
Unit Rates					\$16.603	\$2.461	\$2.603	
Residential	175	175	1.09178	1.09178	\$16.603	\$2.687	\$2.842	\$22.13
Restaurants	800	600	4.99099	3.74324	16.603	12.283	9.745	38.64
Motels	310	120	1.93401	0.74865	16.603	4.760	1.949	23.32
Offices	130	80	0.81104	0.49910	16.603	1.996	1.299	19.90
General Commercial	150	150	0.93581	0.93581	16.603	2.303	2.436	21.35
Schools	130	100	0.81104	0.62387	16.603	1.996	1.624	20.23
Hospitals	250	100	1.55968	0.62387	16.603	3.839	1.624	22.07

Note: Wastewater strength estimates based on SWRCB Commercial User Strength Characteristics.

Table 17
Montara Water & Sanitary District
Projected Sewer Rates

Scenario B

Customer Class	Current Rates		Projected Rates		
	2017/18 \$ per 4-month hcf	\$ per hcf	2017/18 \$ per hcf	2019/20 \$ per hcf	2-Year Increase
Sewer Service Charge Rates¹					
<i>Volumetric charge billed per hundred cubic feet of metered water use.</i>					
Residential	\$42.93	\$14.31	\$18.22	\$22.13	54.6%
Restaurants	77.87	25.96	32.30	38.64	48.9%
Motels	46.16	15.39	19.35	23.32	51.6%
Offices	37.94	12.65	16.27	19.90	57.4%
General Commercial	41.11	13.70	17.53	21.35	55.8%
Schools	38.63	12.88	16.55	20.23	57.1%
Hospitals	43.19	14.40	18.23	22.07	53.3%
All Other Commercial	44.73	14.91	-	-	-
<i>Minimum Billed Use (hcf)²</i>	<i>16 hcf</i>		<i>4 hcf per month</i>		

1 Residential rates applied based on annualized average monthly use from Nov-Feb or Dec-Mar.
Commercial rates applied based on annual use from prior year.

2 Minimum annual charge based on 4 hcf of billable sewer use per month.

Table 18
 Montara Water & Sanitary District
 Projected Residential Rate Impacts

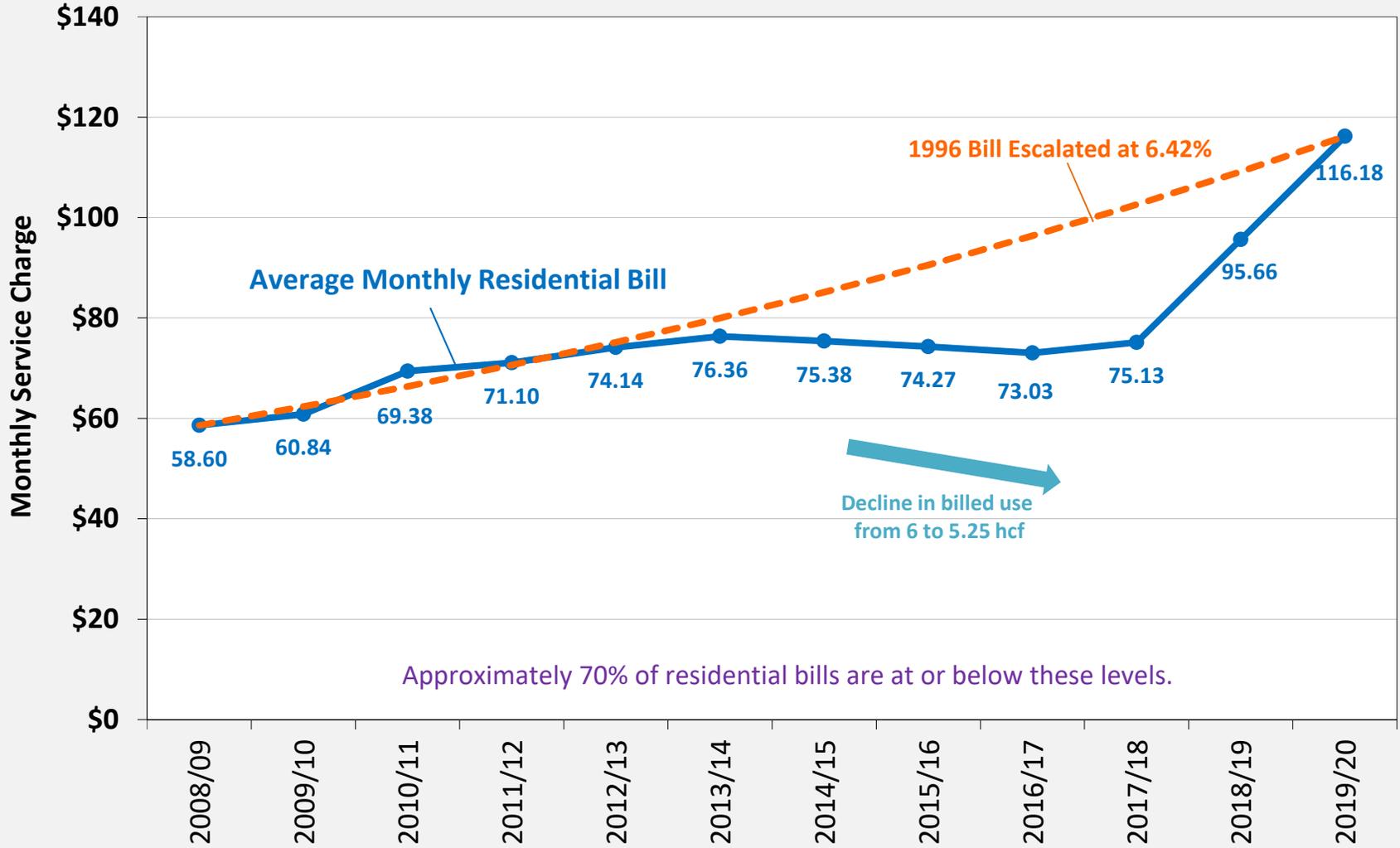
Scenario B

		Monthly	Current	Projected	
		Use (hcf)	2017/18	2018/19	2019/20
RESIDENTIAL BILLS					
<u>Monthly Charges</u>					
Minimum	50% of bills	4.0	\$57.24	\$72.88	\$88.52
Average Bill	70% at or below	5.25	75.13	95.66	116.18
Med-High	Top 10%	7.5	107.33	136.65	165.98
High	Top 5%	9.0	128.79	163.98	199.17
<u>Annual Charges</u>					
Minimum	50% of bills	4.0	\$686.88	\$874.56	\$1,062.24
Average Bill	70% at or below	5.25	901.53	1,147.86	1,394.19
Med-High	Top 10%	7.5	1,287.90	1,639.80	1,991.70
High	Top 5%	9.0	1,545.48	1,967.76	2,390.04

Scenario B

Montara Water & Sanitary District

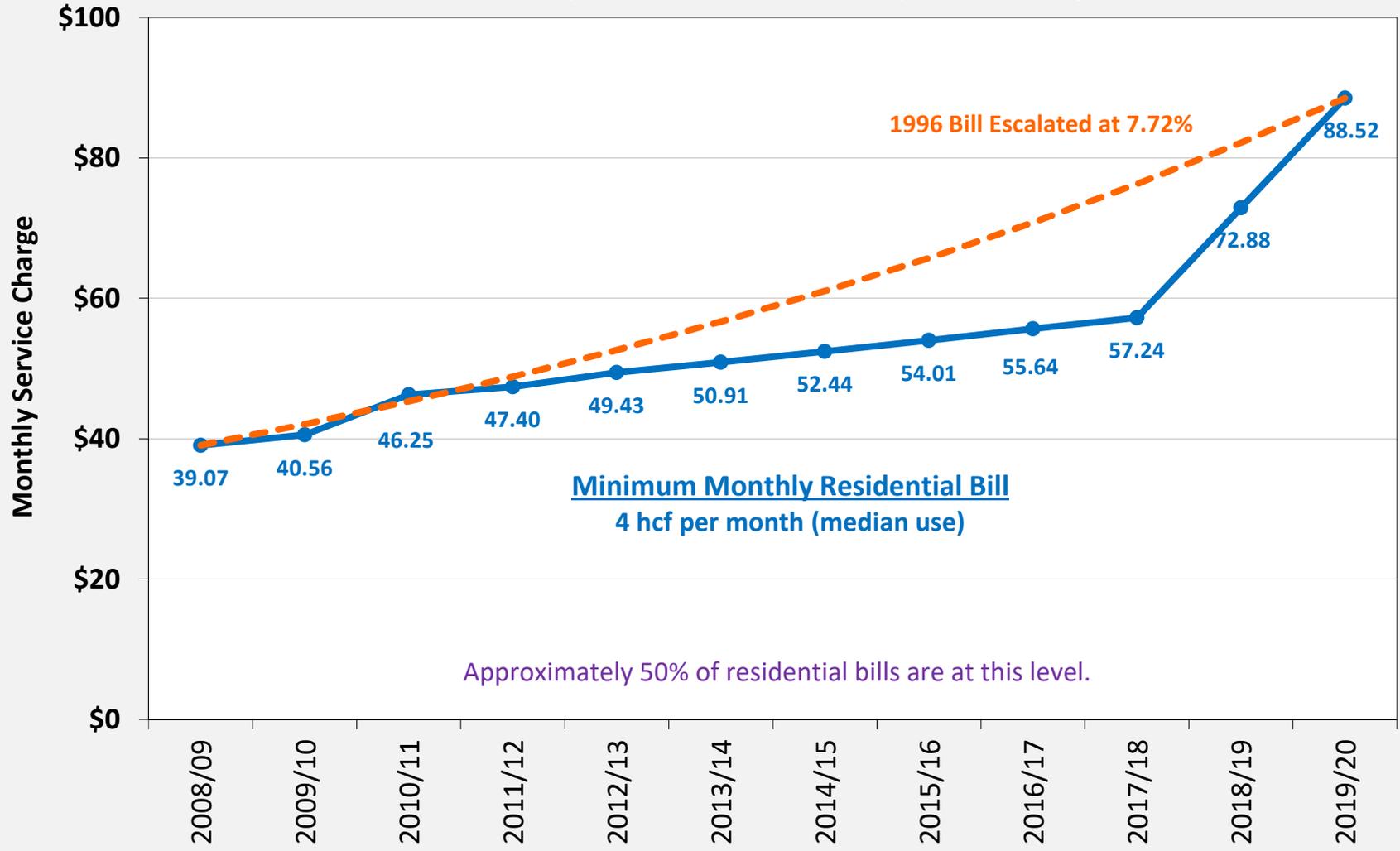
Historical & Projected Monthly Sewer Charges for a Home with Average Use



Scenario B

Montara Water & Sanitary District

Historical & Projected Minimum Monthly Sewer Charges



Scenario B+

**Slower Phase In of Rate Increases
With Partially Reduced CIP Funding Over 5 Years**

Rate Derivation Tables

Table 15
 Montara Water & Sanitary District
 Revenue Recovery & Unit Rates

Scenario B+

Service Charge Revenue Requirement			
Rate Revenue Target 2019/20			\$2,846,000
	Flow	BOD	SS
Cost Allocation			
Rate Revenue Recovery Allocation %	74.0%	13.0%	13.0%
Revenue Recovery \$	\$2,106,040	\$369,980	\$369,980
Wastewater Loadings			
Units	139,947 hcf	165,858 lbs	156,800 lbs
Unit Rate Per Treatment Parameter			
Units	\$15.0488 per hcf	\$2.2307 per lb	\$2.3596 per lb

Note: Rate Revenue Target for 2019/20 is below the total annual cost of service.

Table 16
 Montara Water & Sanitary District
 Rate Calculation 2019/20

Scenario B+

Customer Class	WW Strength		Loadings per hcf		Unit Rates			Total Rate (per hcf)
	BOD (mg/l)	SS (mg/l)	BOD (lbs)	SS (lbs)	Flow (per hcf)	BOD (per hcf)	SS (per hcf)	
Unit Rates					\$15.049	\$2.231	\$2.360	
Residential	175	175	1.09178	1.09178	\$15.049	\$2.435	\$2.576	\$20.06
Restaurants	800	600	4.99099	3.74324	15.049	11.133	8.833	35.02
Motels	310	120	1.93401	0.74865	15.049	4.314	1.767	21.14
Offices	130	80	0.81104	0.49910	15.049	1.809	1.178	18.04
General Commercial	150	150	0.93581	0.93581	15.049	2.088	2.208	19.35
Schools	130	100	0.81104	0.62387	15.049	1.809	1.472	18.34
Hospitals	250	100	1.55968	0.62387	15.049	3.479	1.472	20.01

Note: Wastewater strength estimates based on SWRCB Commercial User Strength Characteristics.

Table 17
Montara Water & Sanitary District
Projected Sewer Rates

Scenario B+

Customer Class	Current Rates		Projected Rates		
	2017/18 \$ per 4-month hcf	\$ per hcf	2017/18 \$ per hcf	2019/20 \$ per hcf	2-Year Increase
Sewer Service Charge Rates¹					
<i>Volumetric charge billed per hundred cubic feet of metered water use.</i>					
Residential	\$42.93	\$14.31	\$17.19	\$20.06	40.2%
Restaurants	77.87	25.96	30.49	35.02	34.9%
Motels	46.16	15.39	18.26	21.14	37.4%
Offices	37.94	12.65	15.34	18.04	42.6%
General Commercial	41.11	13.70	16.53	19.35	41.2%
Schools	38.63	12.88	15.61	18.34	42.4%
Hospitals	43.19	14.40	17.20	20.01	39.0%
All Other Commercial	44.73	14.91	-	-	-
<i>Minimum Billed Use (hcf)²</i>	<i>16 hcf</i>		<i>4 hcf per month</i>		

1 Residential rates applied based on annualized average monthly use from Nov-Feb or Dec-Mar.
Commercial rates applied based on annual use from prior year.

2 Minimum annual charge based on 4 hcf of billable sewer use per month.

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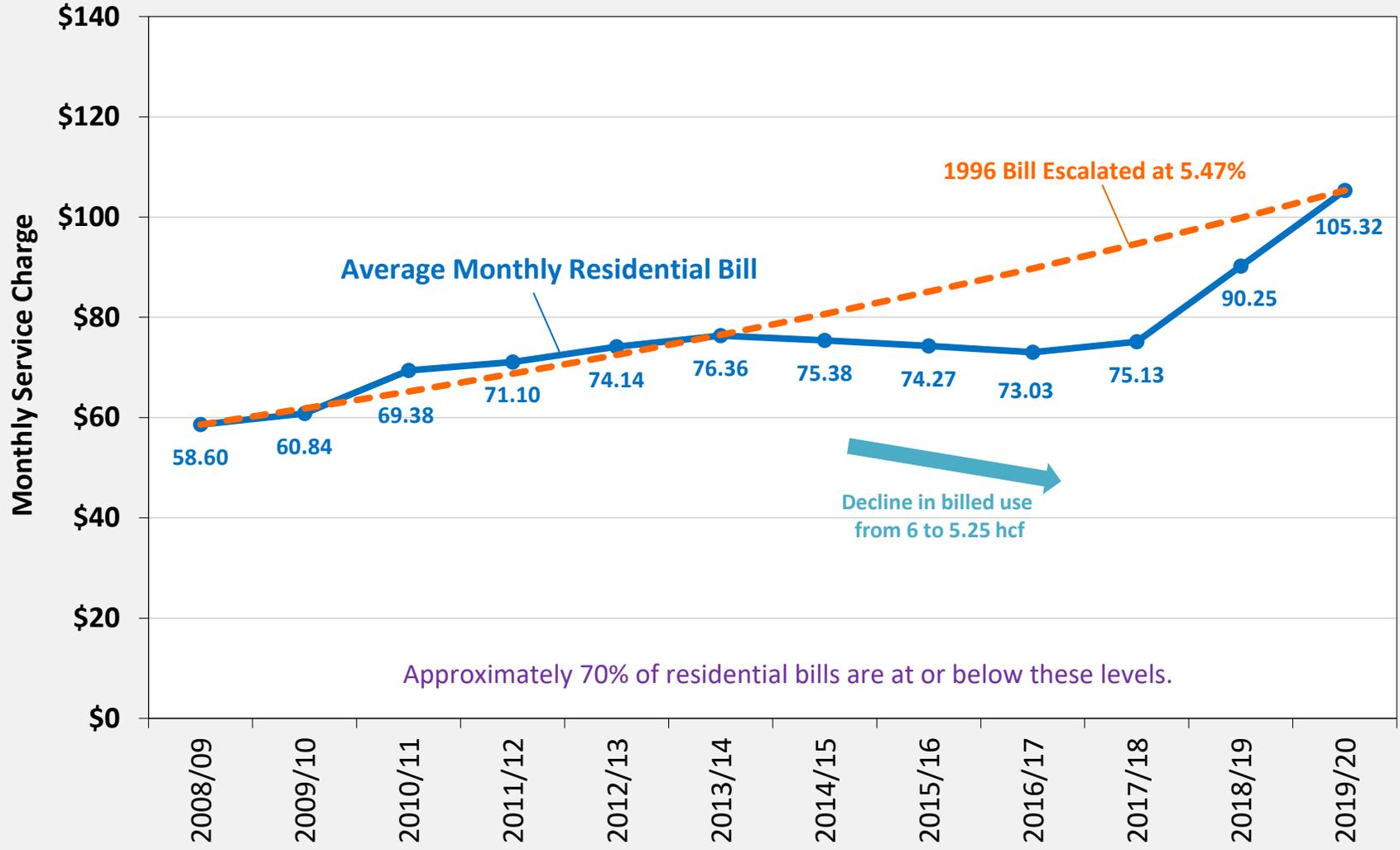
Scenario B+

		Monthly	Current	Projected	
		Use (hcf)	2017/18	2018/19	2019/20
RESIDENTIAL BILLS					
<u>Monthly Charges</u>					
Minimum	50% of bills	4.0	\$57.24	\$68.76	\$80.24
Average Bill	70% at or below	5.25	75.13	90.25	105.32
Med-High	Top 10%	7.5	107.33	128.93	150.45
High	Top 5%	9.0	128.79	154.71	180.54
<u>Annual Charges</u>					
Minimum	50% of bills	4.0	\$686.88	\$825.12	\$962.88
Average Bill	70% at or below	5.25	901.53	1,082.97	1,263.78
Med-High	Top 10%	7.5	1,287.90	1,547.10	1,805.40
High	Top 5%	9.0	1,545.48	1,856.52	2,166.48

Scenario B+

Montara Water & Sanitary District

Historical & Projected Monthly Sewer Charges for a Home with Average Use

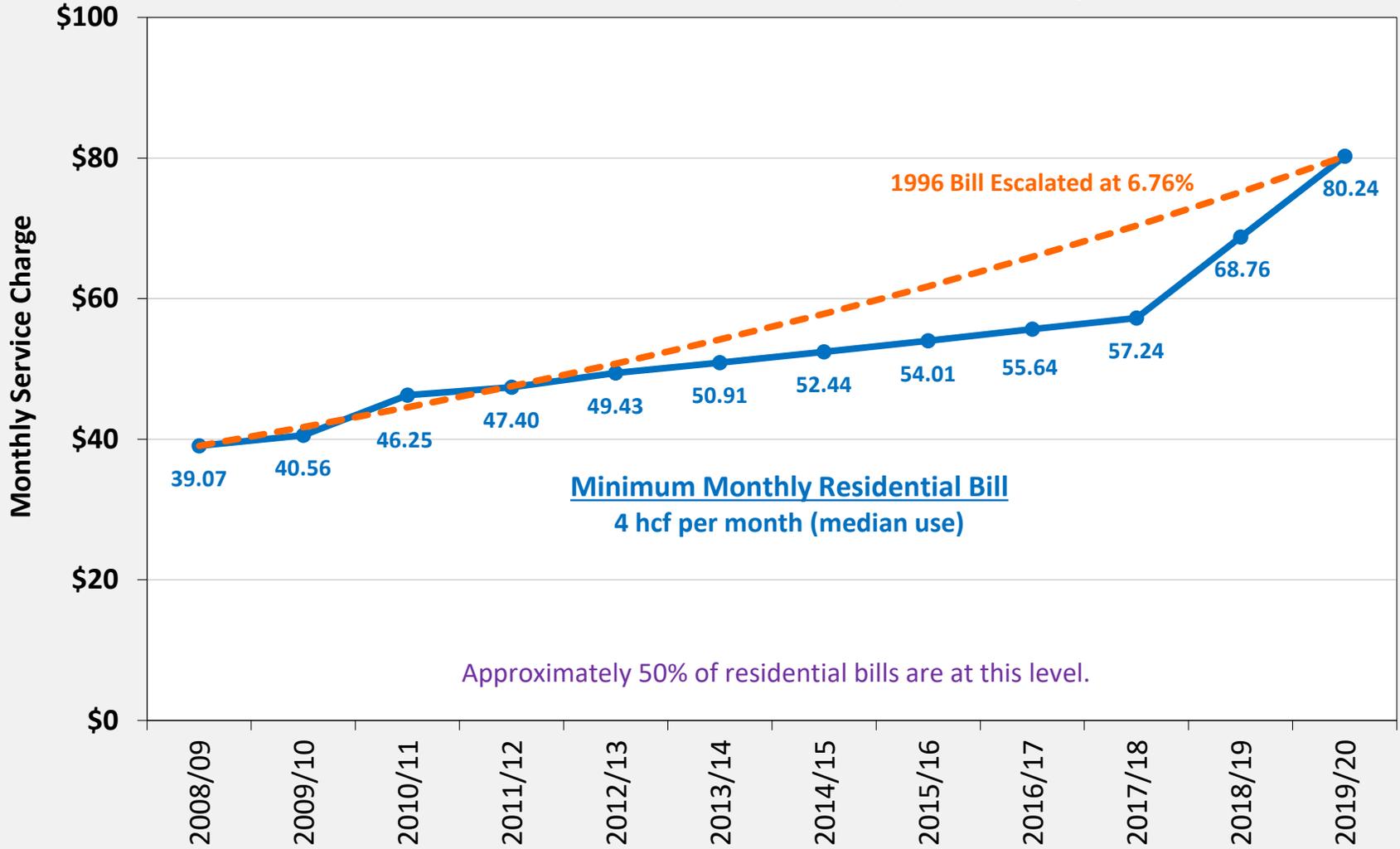


Approximately 70% of residential bills are at or below these levels.

Scenario B+

Montara Water & Sanitary District

Historical & Projected Minimum Monthly Sewer Charges





Montara Water & Sanitary District

Serving the Communities of Montara and Moss Beach

P.O. Box 370131

Tel: (650) 728-3545

8888 Cabrillo Highway

Fax: (650) 728-8556

Montara, CA 94037-0131

E-mail: mwsd@coastside.net

Visit Our Web Site: <http://www.mwsd.montara.com>

NOTICE OF PUBLIC HEARING ON PROPOSED SEWER RATE INCREASES

Dear Property Owner,

Date: _____

Montara Water and Sanitary District is proposing to increase its sewer service charges over the next two years. The proposed increases are needed to fund the costs of sewer operations, maintenance, and capital improvements to aging infrastructure including the District's sewer collection system and the regional wastewater treatment plant operated by the Sewer Authority Mid-Coastside. The District will hold a Public Hearing on the proposed sewer service charges as follows:

Date: June 7, 2018

Time: 7:30 p.m.

Place: Montara Water and Sanitary District

8888 Cabrillo Highway, Montara, CA 94037

(Adjacent to the Point Montara Lighthouse & Hostel)

The sewer utility is a self-supporting enterprise that relies primarily on revenues from sewer service charges to fund the costs of providing service. As such, sewer rates must be set at levels adequate to fund the costs of operations, maintenance, debt service, and capital improvements needed to keep the aging wastewater system in good operating condition. The proposed rate increases are needed to:

- Provide funding for critical capital improvements to the regional wastewater treatment plant operated by Sewer Authority Mid-Coastside, which is over 40 years old and in need of substantial rehabilitation.
- Increase funding for rehabilitation and replacement of aging sewer collection system pump stations and pipelines, many of which are now over 60 years old and reaching the end of their useful operating lives.
- Fund operating and maintenance expenses for the regional wastewater treatment plant, which have increased in recent years partly due to the age and condition of facilities, and provide funding for inflationary cost increases for the District.

The District last adopted sewer rate adjustments in 2010. At the time, these rate adjustments were anticipated to be phased in over four years. The District has worked consistently to minimize costs. Due to cost control measures and other factors, the District was able to raise rates slower than anticipated and defer the need for subsequent rate increases for a number of years. Typical residential sewer bills are currently in the middle range compared to other regional agencies.

Proposed Sewer Rates

The District is proposing to adopt sewer rate increases for the next two fiscal years as shown on the table below. Sewer rates are applied per hundred cubic feet (hcf) of billable annual usage subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use. Residential sewer service charges are calculated based on annualized water use from four wet-weather months (November - February or December - March depending on water billing cycle), a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use. Sewer service charges are collected on the San Mateo County property tax rolls.

PROPOSED SEWER RATES			
DRAFT	Current	Proposed Rates Effective	
	Sewer	July 1	July 1
	Rates	2017	2018
Sewer Service Charge Rates			
<i>Volumetric charge billed per hundred cubic feet of billable use (\$ per hcf).</i>			
<u>Customer Class</u>			
Residential	\$14.31	\$18.22	\$22.13
Restaurants	25.96	32.30	38.64
Motels	15.39	19.35	23.32
Offices	12.65	16.27	19.90
General Commercial	13.70	17.53	21.35
Schools	12.88	16.55	20.23
Hospitals	14.40	18.23	22.07

Note: 1 hcf = one hundred cubic feet, or approximately 748 gallons.

Annual sewer bills are subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use.

Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2017: A typical residential customer with average monthly water use of 5 hcf from November-February or December-March has annualized billable use of 5 hcf x 12 months = 60 hcf. The annual sewer service charge is calculated by multiplying annual billable use of 60 hcf x \$18.22 per hcf = \$1,093.20 which is collected on the property tax rolls.

Process for Submitting Written Protests

Property owners may submit written protests against the proposed rate increases. The proposed sewer rates will not be adopted if written protests are received from a majority of affected parcels with one written protest counted per parcel. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by address or Assessor's Parcel Number; b) include the name and signature of the property owner submitting the protest; and c) indicate opposition to the proposed sewer rate increases. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests can be mailed to: District Clerk, Montara Water and Sanitary District, P.O. Box 370131, Montara, CA 94037. Written protests may also be delivered to the District's headquarters at 8888 Cabrillo Highway. All written protests must be submitted prior to the close of the Public Hearing.

For additional information or questions, please contact the District at (650) 728-3545.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2018-2019 Budgets.

At the SAM Board of Directors meeting on March 26, 2018, the Board approved the SAM General Budget for Fiscal Year 2018/19 be sent as two separate budgets for the member agencies to consider and approve.

The overall Collections Budget is suggested to increase by \$129,483, or 16% over the prior Fiscal Year. The 2017/18 assessment for MWSD for the Collections Contract Services would increase by \$48,625, or 17%.

The General Budget contains an Infrastructure Division Budget, which is largely based on last year's 5 Year Capital Improvement Program, designed to address the maintenance shortfalls of SAM. SAM is asking for an assessment increase of the General Budget by \$913,178, or 18% to a total of \$6,063,748. MWSD's assessment would increase by \$136,624 or 12% to \$1,249,147.

The SAM Manager, Beverli Marshall, will be present at the meeting to present the budgets and answer questions.

RECOMMENDATION:

This is for information and discussion only. Staff plans for further discussion and consideration of approval at the May 3 meeting.

Attachments

SEWER AUTHORITY MID-COASTSIDE



PROPOSED GENERAL BUDGET FISCAL YEAR 2018/19 MARCH 26, 2018



**SEWER AUTHORITY MID-COASTSIDE
GENERAL BUDGET
FISCAL YEAR 2018/19**

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EXECUTIVE SUMMARY

The Joint Exercise of Powers Agreement (Agreement) that created SAM and governs its day-to-day operations specifies that “The total expenses of operation and maintenance shall be shared in a manner based on flows into the single consolidated treatment plant.” The General Budget is divided into Administrative Services, Treatment, Environmental Compliance, and Infrastructure.

The proposed budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

Proposed Income & Expenses

Operating Income	
Assessments - City of Half Moon Bay	3,360,430
Assessments - Granada Community Services District	1,454,171
Assessments - Montara Water & Sanitary District	1,249,147
NDWSCP Fees	118,025
Miscellaneous Revenue	9,000
Total Operating Income	\$ 6,190,773
Operating Expenses	
Wages	1,491,707
Benefits	675,527
Legal Services	56,500
Engineering Services	102,000
Professional & Technical Services	802,000
Professional Memberships	35,100
Insurance Premiums	51,000
Miscellaneous Expenses	79,640
Utilities	504,680
Travel & Training	42,450
Equipment Rental/Lease	60,000
Building & Maintenance Services	159,000
Chemicals	135,000
Permits & Licenses	33,000
Supplies	51,169
Equipment	331,000
Infrastructure Projects	1,332,500
Claims & Penalties	5,000
Total Operating Expenses	\$ 5,947,273
Net Operating Income	\$ 243,500
Non-Operating Income	
Interest Income	6,500
Total Non-Operating Income	\$ 6,500
Contribution to Reserve Funds	\$ 250,000

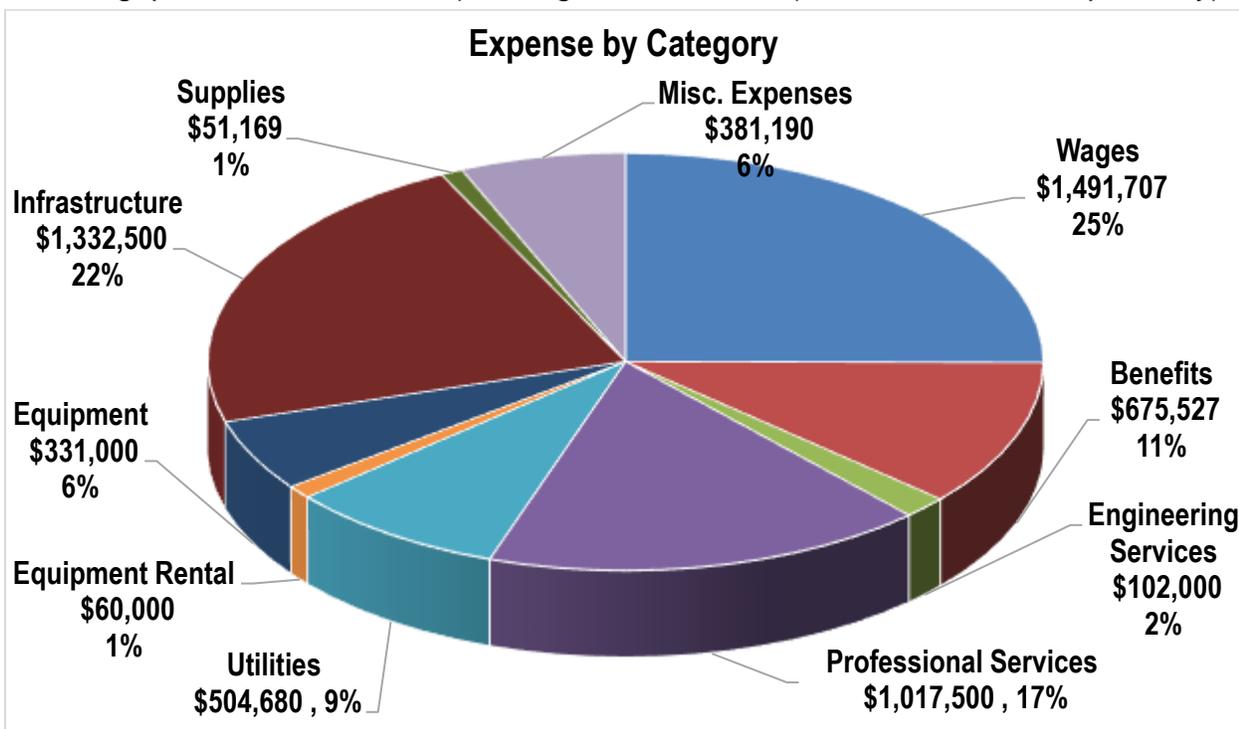
FISCAL YEAR 2018/19

The overall change from the original Fiscal Year 2017/18 budget to Fiscal Year 2018/19 is an increase of \$.74 million (14%). This is primarily due to increasing staff to meet service level needs, infrastructure spending, and COLA adjustments.

Division Budgets by Fiscal Year

	FY 2016/17	FY 2017/18	FY 2018/19	\$ Change	% Change
	<u>Actuals</u>	<u>Original</u>	<u>Proposed</u>	<u>Original</u>	<u>Original</u>
Administration	\$1,022,217	\$1,058,663	\$1,135,148	\$ 76,485	9%
Treatment	\$2,677,553	\$2,479,794	\$3,194,958	\$ 465,164	29%
Environ Comp	\$ 151,386	\$ 165,088	\$ 149,667	(\$ 15,421)	(9%)
Infrastructure	<u>\$ 300,221</u>	<u>\$1,505,000</u>	<u>\$1,717,500</u>	<u>\$ 212,500</u>	<u>14%</u>
Total	\$4,151,377	\$7,095,463	\$6,197,273	\$ 738,727	14%

Of the total budget expenses, 25% (\$1.49 million) is for wages and 11% (\$0.68 million) is for benefits. Infrastructure is 22% (\$1.33 million). Professional services make up a significant amount (17%, \$1.02 million) due to SAM's dependency on contractors and consultants for technical and specialized services. Utilities, equipment purchases, and miscellaneous expenses (liability insurance, professional dues, uniform services, training, permits, licenses, etc.) are significant as well (9%, 6%, and 6% respectively).



The Administrative Services division increased \$76,485 (9%). The significant impacts are from changing the Accounting Technician from part-time to full-time and replacing the carpet in the administration building. The remaining changes are related to COLA and benefit changes per the Local 39 MOU, increases in utility, services, and supplies

costs, and replacement of the carpet in the Administration Building.

The Treatment division increased \$465,164 (19%), primarily due to adding two positions (Operator and Utility Worker) and small (<\$50k) repair projects at SAM facilities.

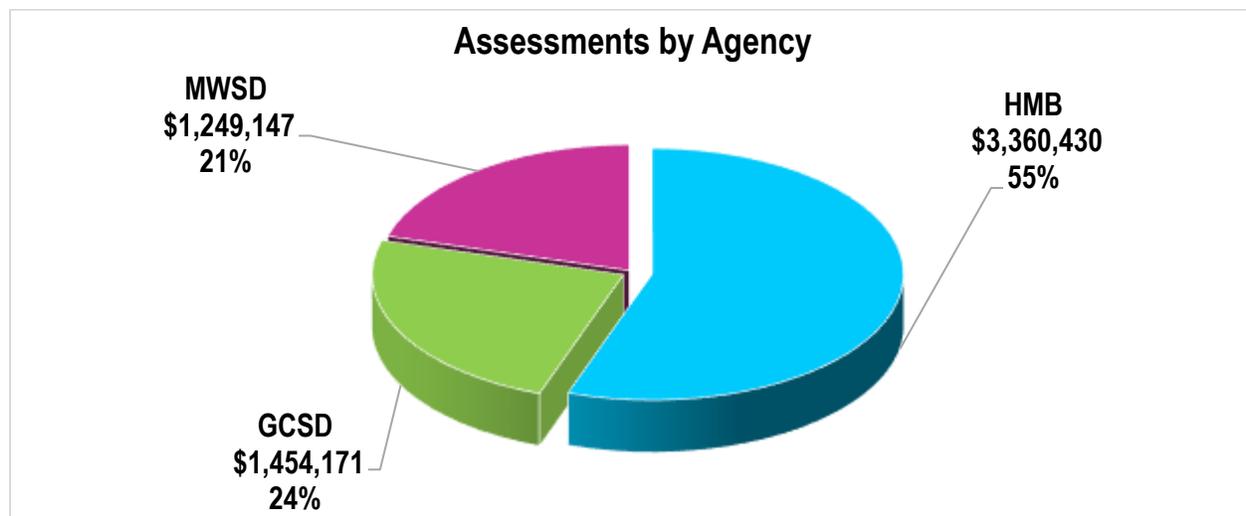
The Environmental Compliance division budget *decreased* \$15,421 (-9%). In FY 2017/18, SAM paid for two years of the First Flush program with the San Mateo County RCD. Therefore, there are no expenses budgeted in FY 2018/19 for this program.

The Infrastructure division increased from \$1.51 million in Fiscal Year 2017/18 to \$1.72 million (14%) in FY 2018/19 to address the most urgent of the Priority 1 projects identified in the adopted 5-Year Infrastructure Plan.

Of the total proposed revenue, the majority (98%) is from assessments paid by the JPA member agencies. The most significant increase is \$250,000 to rebuild reserve funds. The remaining revenue is from NDWSCP fees (2%), and miscellaneous revenue (<1%). The impact to the JPA member agency assessments is (rounded to nearest \$):

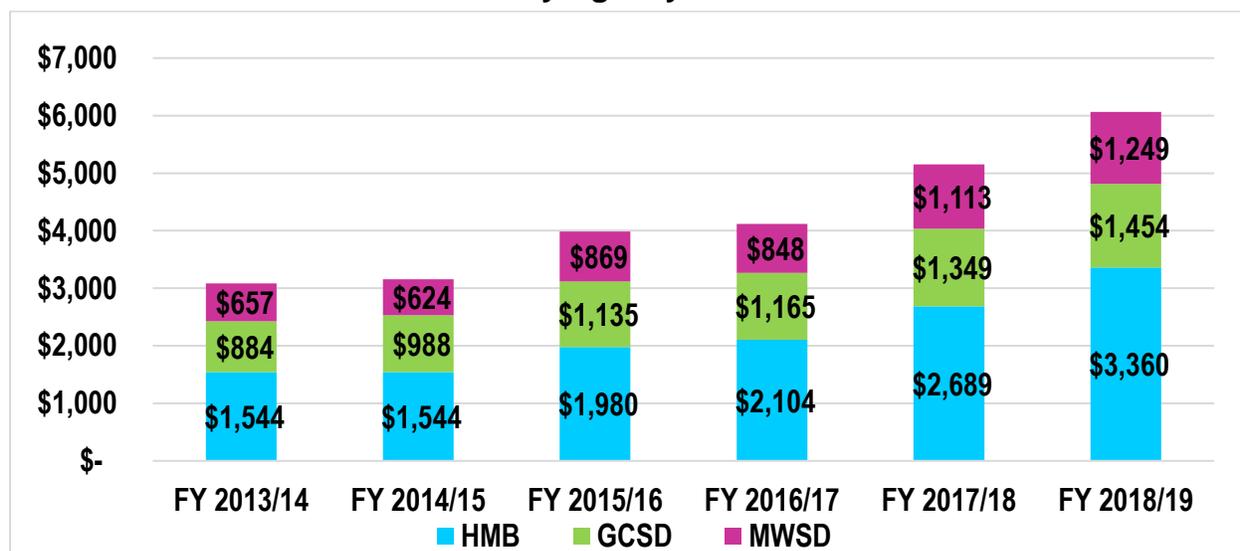
Total Assessments for Each Member Agency

	FY 2016/17	FY 2017/18	FY 2018/19	\$ Change	% Change
	<u>Actuals</u>	<u>Original</u>	<u>Proposed</u>	<u>Original</u>	<u>Original</u>
Half Moon Bay	\$2,417,806	\$2,688,598	\$3,360,430	\$ 671,832	25%
GCSD	\$1,425,166	\$1,349,449	\$1,454,171	\$ 104,722	8%
MWSD	<u>\$1,169,848</u>	<u>\$1,112,523</u>	<u>\$1,249,147</u>	<u>\$ 136,624</u>	<u>12%</u>
Total	\$5,012,820	\$5,150,570	\$6,063,748	\$ 913,178	18%



The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

Assessments by Agency – Past Five Years



Staffing at SAM was kept low for many years to reduce the impact on member agency assessments. Recognizing that a significant number of employees are reaching retirement age, staffing has increased as part of a succession plan. The following table reflects the staffing for SAM functions over the past five years.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
JPA functions	8.85	8.85	8.525	10.75	11.00	13.00

Section I of the budget document provides budget worksheets for each division. Section II provides a brief narrative of each division’s goals and performance metrics. Section III includes the contract collection services budget. Section IV provides charts, glossary, and other relevant data related to SAM.

GENERAL BUDGET

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	919,245	1,130,610	1,174,648	1,177,489	1,421,597	246,949	21%
2	Premium Pay	31,398	79,860	62,582	78,654	70,110	7,528	12%
3	Health Benefits	35,882	226,314	246,493	237,427	299,467	52,974	21%
4	Retirement Cont.	156,415	237,634	260,102	138,009	258,026	(2,076)	-0.8%
5	Retirement Medical	28,974	35,639	27,062	23,616	30,798	3,736	14%
6	Misc. Benefits	257,854	46,972	66,340	58,840	87,235	20,894	31%
7	Subtotal	1,429,768	1,757,029	1,837,228	1,714,034	2,167,234	330,006	18%

Non-Personnel

8	Legal Services	103,449	49,324	46,500	98,562	56,500	10,000	22%
9	Engineering Services	66,966	244,106	102,500	314,000	102,000	(500)	0%
10	Professional Services	361,792	694,397	637,330	568,232	802,000	164,670	26%
11	Prof. Memberships	20,133	30,800	34,100	30,000	35,100	1,000	3%
12	Insurance Premiums	57,858	26,251	49,496	50,000	51,000	1,504	3%
13	Misc. Expenses	91,371	108,869	71,769	297,301	79,640	7,871	11%
14	Utilities	459,316	507,015	493,680	495,439	504,680	11,000	2%
15	Travel & Training	11,223	12,615	38,300	18,619	42,450	4,150	11%
16	Equipment Rental	-	65,009	60,000	121,855	60,000	-	0%
17	Bldg & Maint Services	38,704	154,362	58,452	196,966	159,000	100,548	172%
18	Chemicals	195,468	128,595	130,000	149,420	135,000	5,000	4%
19	Permits & Licenses	36,983	31,103	31,000	31,000	33,000	2,000	6%
20	Supplies	55,639	61,278	53,891	68,339	51,169	(2,722)	-5%
21	Equipment	418,928	280,294	242,800	646,973	331,000	88,200	36%
22	Infrastructure Projects	1,353,921	-	1,311,500	1,964,500	1,332,500	21,000	2%
23	Claims/Penalties	-	330	10,000	300,000	5,000	(5,000)	-50%
24	Subtotal	3,271,751	2,394,348	3,371,318	5,351,205	3,780,039	408,721	12%

25 TOTAL		4,701,519	4,151,377	5,208,545	7,065,239	5,947,273	738,727	14%
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Key Changes

Personnel: COLA of 3%, applicable step increases, CalPERS rate increase	\$ 69,006
Personnel: additional 2.5 positions (Utility Worker, Operator II, Accounting Tech)	\$ 261,000
3% CPI increase for utilities, services, and supplies	\$ 24,303
Legal Services: increase based on anticipated expenses	\$ 10,000
Professional Services: increase preventive maintenance and repair/replace projects	\$ 164,670
Bldg & Maint: small projects at pump stations and Administration Bldg.	\$ 100,548
Equipment: increase in repair/replace projects	\$ 88,200
Infrastructure: increase in repair/replace projects	\$ 21,000

Total	738,727
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GENERAL BUDGET

(Includes: Administrative Services, Treatment, Environmental Compliance, and Infrastructure)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	4,484,212	4,117,177	5,150,570	7,065,277	6,063,748	913,178	18%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	74,593	81,228	22,025	24,925	118,025	96,000	436%
29 Misc. Fees	7,225	5,415	8,200	8,532	8,500	300	4%
30 Interest Earnings	8,365	5,741	6,500	6,500	6,500	-	0%
31 Misc. Revenue	36,350	26,550	21,250	250	500	(20,750)	-98%
32 (From) Reserves	(500,000)	-	-	-	-	-	0%
33	4,110,745	4,236,111	5,208,545	7,105,484	6,197,273	988,728	19%

By Agency:

34 Half Moon Bay	1,980,157	2,103,982	2,688,598	3,682,090	3,360,430	671,832	25%
35 Granada CSD	1,135,497	1,164,955	1,349,449	1,860,182	1,454,171	104,722	8%
36 Montara WSD	868,558	848,240	1,112,523	1,523,005	1,249,147	136,624	12%
37	3,984,212	4,117,177	5,150,570	7,065,277	6,063,748	913,178	18%

Key Changes

Assessment allocations change each year based on flow percentages.

Start replenishing operating reserve funds

250,000

Funded Positions:

Operating Fund FTE	8.53	10.75	10.50	11.00	13.00	2.50	24%
Other Funds FTE	-	-	-	-	-	-	0%
	8.53	10.75	10.50	11.00	13.00	2.50	24%

ADMINISTRATIVE SERVICES

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL	
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EXPENDITURES

Personnel

1	Wages	431,898	447,732	459,157	450,061	506,020	46,863	10%
2	Premium Pay	2,021	-	200	73	200	-	0%
3	Health Benefits	25,494	64,135	83,703	77,352	93,840	10,137	12%
4	Retirement Cont.	76,014	93,205	110,237	62,831	106,996	(3,241)	-3%
5	Retirement Medical	18,216	24,229	16,301	16,360	17,040	739	5%
6	Misc. Benefits	89,174	21,294	17,613	19,272	22,364	4,751	27%
7	Subtotal	642,817	650,595	687,211	625,950	746,460	59,249	9%

Non-Personnel

8	Legal Services	103,449	49,324	46,000	93,114	56,500	10,500	23%
9	Engineering Services	66,966	7,244	2,000	-	2,000	-	0%
10	Professional Services	316,814	165,728	105,280	98,082	108,950	3,670	3%
11	Prof. Memberships	18,975	19,615	24,000	24,000	25,000	1,000	4%
12	Insurance Premiums	56,041	26,251	49,496	50,000	51,000	1,504	3%
13	Misc. Expenses	30,375	28,476	28,794	11,575	27,840	(954)	-3%
14	Utilities	24,678	26,043	20,180	22,968	20,180	-	0%
15	Travel & Training	260	8,504	15,500	9,642	16,500	1,000	6%
16	Equipment Rental	-	9,638	10,000	9,855	10,000	-	0%
17	Bldg & Maint Services	5,379	16,267	24,452	15,929	37,000	12,548	51%
18	Chemicals	-	-	-	-	-	-	0%
19	Permits & Licenses	-	-	-	-	-	-	0%
20	Supplies	16,674	8,406	8,750	4,310	8,718	(32)	0%
21	Equipment	2,781	5,796	27,000	12,000	20,000	(7,000)	-26%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	-	330	10,000	300,000	5,000	(5,000)	-50%
24	Subtotal	642,392	371,622	371,452	651,474	388,688	17,236	5%

25 TOTAL		1,285,209	1,022,217	1,058,663	1,277,424	1,135,148	76,485	7%
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Key Changes

COLA of 3%, applicable step increases, CalPERS rate changes	12,000
Increase Accounting Technician from part-time to full-time	46,000
Legal Services: increase based on anticipated expenses	10,500
3% increase for utilities, services, and supplies	5,985
Bldg. & Maint: Replace carpet in Administration building	25,000
Bldg. & Maint: reduce janitorial due to addition of Utility Worker	(11,000)
Equipment: increased FY 17/18 to replace server	(7,000)
Reduce budget for claims/penalties	(5,000)
	76,485

ADMINISTRATIVE SERVICES

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	1,122,456	991,864	1,030,913	1,370,913	1,128,148	97,235	9%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	-	-	-	-	-	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	8,365	5,741	6,500	6,500	6,500	-	0%
31 Misc. Revenue	36,350	26,550	21,250	250	500	(20,750)	-98%
32 (From) Reserves	-	-	-	-	-	-	0%
33	1,167,171	1,024,155	1,058,663	1,377,663	1,135,148	76,485	7%

By Agency:

34 Half Moon Bay	557,868	502,565	538,137	715,617	625,201	87,064	16%
35 Granada CSD	319,896	284,951	270,099	359,179	270,545	446	0%
36 Montara WSD	244,692	204,348	222,677	296,117	232,401	9,724	4%
37	1,122,456	991,864	1,030,913	1,370,913	1,128,148	97,235	9%

Key Changes

Assessments allocated based on CY 2017 flow calculation

Eliminate assumptions of receiving miscellaneous revenue

\$ (20,750)

Funded Positions:

Operating Fund FTE	3.98	3.50	3.50	4.00	4.00	0.50	14%
Other Funds FTE	-	-	-	-	-	-	0%
	3.98	3.50	3.50	4.00	4.00	0.50	14%

TREATMENT

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	486,492	612,185	621,377	676,667	878,692	257,315	41%
2	Premium Pay	29,377	78,604	61,591	77,716	69,095	7,504	12%
3	Health Benefits	10,297	152,910	144,843	154,636	199,410	54,567	38%
4	Retirement Cont.	80,271	133,867	137,082	70,346	142,110	5,028	4%
5	Retirement Medical	10,314	11,167	9,322	6,774	13,180	3,858	41%
6	Misc. Benefits	167,914	26,350	43,504	38,006	62,571	19,067	44%
7	Subtotal	784,665	1,015,083	1,017,719	1,024,145	1,365,058	347,339	34%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	42,223	500	162,000	15,000	14,500	2900%
10	Professional Services	37,529	471,602	429,500	375,512	432,500	3,000	1%
11	Prof. Memberships	1,158	11,185	10,000	6,000	10,000	-	0%
12	Insurance Premiums	1,817	-	-	-	-	-	0%
13	Misc. Expenses	60,989	32,243	41,150	25,066	41,200	50	0%
14	Utilities	434,638	480,972	473,500	472,471	484,500	11,000	2%
15	Travel & Training	10,963	4,111	19,500	8,837	22,500	3,000	15%
16	Equipment Rental	-	55,371	50,000	112,000	50,000	-	0%
17	Bldg & Maint Services	33,325	138,095	34,000	181,037	122,000	88,000	259%
18	Chemicals	195,468	120,953	125,000	147,775	130,000	5,000	4%
19	Permits & Licenses	36,983	31,103	31,000	31,000	33,000	2,000	6%
20	Supplies	38,965	47,604	35,125	57,185	31,200	(3,925)	-11%
21	Equipment	416,147	227,008	212,800	295,853	208,000	(4,800)	-2%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	1,267,982	1,662,470	1,462,075	1,874,736	1,579,900	117,825	8%

25 TOTAL 2,052,647 2,677,553 2,479,794 2,898,881 2,944,958 465,164 19%

Key Changes

COLA of 3%, applicable step increases, CalPERS rate changes	\$ 48,339
Add 2 new positions (Utility Worker, Operator II)	\$ 216,000
Shift .50 Engineering & Construction Contracts Manager from Infrastructure	\$ 83,000
Engineering: technical support for small repair projects	\$ 14,500
Professional Services: preventive maintenance on electrical bus duct/panel	\$ 25,000
Bldg & Maint: Replace hatches at Portola PS wet well	\$ 40,000
Bldg & Maint: Repair rainwater intrusion at Princeton PS MCC room	\$ 38,000
Total	\$ 464,839

TREATMENT

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL	
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REVENUE

By Type:

26 JPA Assessments	2,124,756	2,209,193	2,452,593	3,023,835	2,821,458	368,865	15%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	-	81,228	19,000	21,900	115,000	96,000	505%
29 Misc. Fees	7,225	5,415	8,200	8,532	8,500	300	4%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 (From) Reserves	-	-	-	-	-	-	0%
33	2,131,981	2,295,836	2,479,793	3,054,267	2,944,958	465,165	19%

By Agency:

34 Half Moon Bay	1,056,000	1,138,924	1,280,254	1,572,457	1,563,606	283,352	22%
35 Granada CSD	605,556	645,762	642,579	801,324	676,625	34,046	5%
36 Montara WSD	463,200	424,507	529,760	650,054	581,227	51,467	10%
37	2,124,756	2,209,193	2,452,593	3,023,835	2,821,458	368,865	15%

Key Changes

Funded Positions:

Operating Fund FTE	4.275	6.25	6.25	6.50	8.75	2.50	40%
Other Funds FTE	-	-	-	-	-	-	0%
	4.275	6.25	6.25	6.50	8.75	2.50	40%

ENVIRONMENTAL COMPLIANCE

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL	
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EXPENDITURES

Personnel

1	Wages	855	55,899	33,283	30,761	36,886	3,603	11%
2	Premium Pay	-	1,256	791	864	815	24	3%
3	Health Benefits	91	7,281	6,217	5,439	6,217	(0)	0%
4	Retirement Cont.	129	9,812	8,577	4,831	8,920	343	4%
5	Retirement Medical	444	227	524	482	578	54	10%
6	Misc. Benefits	767	(1,035)	1,080	1,562	2,300	1,220	113%
7	Subtotal	2,286	73,440	50,472	43,939	55,716	5,244	10%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	7,449	57,067	92,550	84,638	60,550	(32,000)	-35%
11	Prof. Memberships	-	-	100	-	100	-	0%
12	Insurance Premiums	-	-	-	-	-	-	0%
13	Misc. Expenses	7	479	650	6,679	10,600	9,950	1531%
14	Utilities	-	-	-	-	-	-	0%
15	Travel & Training	-	-	3,300	140	3,450	150	5%
16	Equipment Rental	-	-	-	-	-	-	0%
17	Bldg & Maint Services	-	-	-	-	-	-	0%
18	Chemicals	-	7,642	5,000	1,646	5,000	-	0%
19	Permits & Licenses	-	-	-	-	-	-	0%
20	Supplies	-	5,268	10,016	6,844	11,251	1,235	12%
21	Equipment	-	7,490	3,000	2,120	3,000	-	0%
22	Infrastructure Projects	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	7,456	77,946	114,616	102,066	93,951	(20,665)	-18%
25	TOTAL	9,742	151,386	165,088	146,004	149,667	(15,421)	-9%

Key Changes

COLA of 3%, applicable step increases, CalPERS rate changes	\$ 5,244
3% CPI increase for utilities, services, and supplies	\$ 1,385
Professional Services: new requirement for pollution prevention program	\$ 9,950
Professional Services: First Flush paid for 2 fiscal years in 2017/18	\$ (32,000)
Total	\$ (15,421)

ENVIRONMENTAL COMPLIANCE

By Category

FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	-	170,045	162,064	142,979	146,642	(15,422)	-10%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	74,593	-	3,025	3,025	3,025	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 (From) Reserves	-	-	-	-	-	-	0%
33	74,593	170,045	165,089	146,004	149,667	(15,422)	-9%

By Agency:

34 Half Moon Bay	-	66,605	84,597	74,635	81,267	(3,330)	-4%
35 Granada CSD	-	37,765	42,461	37,461	35,167	(7,294)	-17%
36 Montara WSD	-	65,675	35,006	30,884	30,209	(4,797)	-14%
37	-	170,045	162,064	142,979	146,642	(15,422)	-10%

Key Changes

Funded Positions:

Operating Fund FTE	0.28	0.50	0.25	0.25	0.25	-	0%
Other Funds FTE	-	-	-	-	-	-	0%
	0.28	0.50	0.25	0.25	0.25	-	0%

INFRASTRUCTURE

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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EXPENDITURES

Personnel

1	Wages	-	14,794	60,831	20,000	-	(60,831)	-100%
2	Premium Pay	-	-	-	-	-	-	0%
3	Health Benefits	-	1,988	11,730	-	-	(11,730)	-100%
4	Retirement Cont.	-	750	4,206	-	-	(4,206)	-100%
5	Retirement Medical	-	16	915	-	-	(915)	-100%
6	Misc. Benefits	-	363	4,143	-	-	(4,143)	-100%
7	Subtotal	-	17,911	81,825	20,000	-	(81,825)	-100%

Non-Personnel

8	Legal Services	-	-	500	5,448	-	(500)	-100%
9	Engineering Services	-	194,639	100,000	152,000	85,000	(15,000)	-15%
10	Professional Services	-	-	10,000	10,000	200,000	190,000	1900%
11	Prof. Memberships	-	-	-	-	-	-	0%
12	Insurance Premiums	-	-	-	-	-	-	0%
13	Misc. Expenses	-	47,671	1,175	253,982	-	(1,175)	0%
14	Utilities	-	-	-	-	-	-	0%
15	Travel & Training	-	-	-	-	-	-	0%
16	Equipment Rental	-	-	-	-	-	-	0%
17	Bldg & Maint Services	-	-	-	-	-	-	0%
18	Chemicals	-	-	-	-	-	-	0%
19	Permits & Licenses	-	-	-	-	-	-	0%
20	Supplies	-	-	-	-	-	-	0%
21	Equipment	-	40,000	-	337,000	100,000	100,000	0%
22	Infrastructure Projects	1,353,921	-	1,311,500	1,964,500	1,332,500	21,000	2%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	1,353,921	282,310	1,423,175	2,722,930	1,717,500	294,325	21%
25	TOTAL	1,353,921	300,221	1,505,000	2,742,930	1,717,500	212,500	14%

Key Changes

Shift all personnel costs to Treatment division	\$ (81,825)
Wet Weather Storage Expansion Project	\$ 400,000
Shift small (<\$50k) repair projects to Treatment division	\$ (105,675)
Total	\$ 212,500

INFRASTRUCTURE

By Category

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ORIGINAL	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ORIGINAL
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REVENUE

By Type:

26 JPA Assessments	1,237,000	746,075	1,505,000	2,527,550	1,967,500	462,500	31%
27 Contract Services	-	-	-	-	-	-	0%
28 NDWSCP Fees	-	-	-	-	-	-	0%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 (From) Reserves	(500,000)	-	-	-	-	-	0%
33	737,000	746,075	1,505,000	2,527,550	1,967,500	462,500	31%

By Agency:

34 Half Moon Bay	366,289	395,888	785,610	1,319,381	1,090,356	304,746	39%
35 Granada CSD	210,045	196,477	394,310	662,218	471,834	77,524	20%
36 Montara WSD	160,666	153,710	325,080	545,951	405,310	80,230	25%
37	737,000	746,075	1,505,000	2,527,550	1,967,500	462,500	31%

Key Changes

Assessments allocated based on CY 2017 flow calculation

Start replenishing operating reserve funds 250,000

Funded Positions:

Operating Fund FTE	-	0.50	0.50	0.25	-	(0.50)	-100%
Other Funds FTE	-	-	-	-	-	-	0%
	-	0.50	0.50	0.25	-	(0.50)	-100%

OPERATION & MAINTENANCE



PROGRAM DESCRIPTION

This section of the budget provides the service descriptions and performance metrics for the different Operation & Maintenance (O & M) functions by division. O & M (Administrative Services, Treatment, Environmental Compliance, and Infrastructure) staffing remained static until 2016/17. In FY 2016/17, the cost for staff that supervise and provide support for the contract collection services was reallocated to keep the JPA staff independent of the contract staff. This was to clearly identify which staff might be affected if the contract services were terminated. The following staffing summary reflects the historical cost allocation of staff in O & M.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regular Positions	8.85	8.85	8.85	8.525	10.75	10.50	13.00

The Joint Exercise of Powers Agreement (JEPA) stipulates that the total expenses of operation and maintenance of all of the components of the Present Project (intertie pipeline and attendant pump facilities, ocean outfall, treatment plant) shall be shared in a manner based on flows.

Operation & Maintenance Flow Calculations

	HMB	GCSD	MWSD	
FY 2017/18	55.4%	24.0%	20.6%	(Based on Calendar Year 2017)
FY 2017/18	<u>52.3%</u>	<u>26.2%</u>	<u>21.5%</u>	(Based on Calendar Year 2016)
Variance	3.1%	-2.2%	-0.9%	

FINANCIAL DETAILS

The following is a list of budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #	FY 2017/18	FY 2018/19
1. Wages Increased for COLA adjustments of 3% and step increases per MOU. Includes wages for all staff allocated to O & M, which reflects the addition of 2.50 positions.	\$1,174,648	\$1,421,597
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times.	\$62,582	\$70,110
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees Manual. Increased to reflect the addition of 2.50 positions.	\$246,493	\$299,467
4. Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$260,102	\$258,026
5. Retirement Medical Increased to make contributions for future retirement medical costs in compliance with GASB as well as current retiree medical premiums.	\$27,062	\$30,798
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan. Increased to reflect the addition of 2.50 positions.	\$66,340	\$87,235
7. Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits.	\$1,837,228	\$2,167,634
8. Legal Services Increased based on anticipated meetings and projects.	\$46,500	\$56,500

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
9. Engineering Services Increased to provide technical design and project management related to infrastructure and maintenance projects.	\$102,500	\$102,000
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff. Assumes a 3% CPI increase to these services.	\$632,630	\$802,000
11. Professional Membership Increased to reflect rate increases for memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$34,100	\$35,100
12. Insurance Premiums Property and liability premiums based on utilization rates.	\$49,496	\$51,000
13. Misc. Expenses Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite file storage, postage, claims, copier, phone system, property taxes, etc.) not reflected in other categories.	\$75,819	\$79,640
14. Utilities Electricity, water, telephone, solid waste, etc. Increased to reflect anticipated rate changes.	\$494,330	\$504,680
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$38,300	\$42,450
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year.	\$60,000	\$60,000

FISCAL YEAR 2018/19

Budget Line #	FY 2017/18	FY 2018/19
17. Building & Maintenance Services Includes janitorial, landscaping, and other regular building maintenance services.	\$58,452	\$159,000
18. Chemicals Includes chemicals (sodium hypochlorite, polymer, ferric chloride) used in the treatment of wastewater to meet regulatory standards.	\$130,000	\$135,000
19. Permits & Licenses Annual costs for permits with local, regional and state agencies. Increase reflects anticipated changes in fees.	\$31,000	\$33,000
20. Supplies Office, computer, breakroom, and general supplies.	\$53,891	\$51,169
21. Equipment Purchase Purchase of equipment for repair and rehabilitation of SAM facilities not captured in infrastructure projects.	\$242,800	\$331,000
22. Infrastructure Projects Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each.	\$1,311,500	\$1,332,500
23. Claims/Penalties Decreased to reflect claim experience.	\$10,000	\$5,000
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$3,371,318	\$3,780,039
25. Total Total of all costs for O & M (sum of Personnel and Non-Personnel subtotals).	\$5,208,545	\$5,947,273

TREATMENT DIVISION

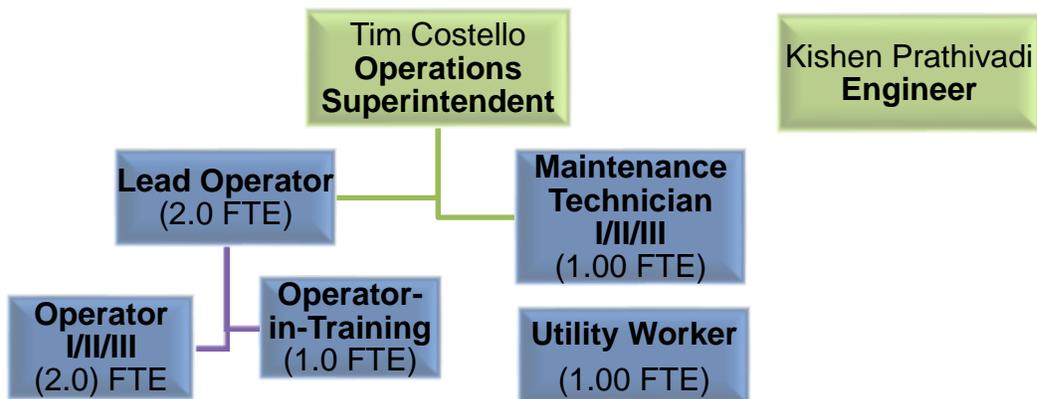


PROGRAM DESCRIPTION

The Treatment division is responsible for the safe, economical, and environmentally acceptable treatment and reclamation of all sanitary wastewater flows from the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The division is responsible for the reliability and integrity of systems and equipment at the Plant and the operation and maintenance of three SAM pump stations and the transmission pipeline. Staff performs predictive and preventive maintenance programs, corrective and rehabilitative maintenance, and in-house equipment and process improvements.

Over recent years we have lost some of the key personal and with that institutional knowledge and ability. While staff is trying to keep up with the current needs of an aging system we have had to bring in people that specialize in certain pieces of equipment as necessary. We are also finding that a growing portion of our equipment no longer has parts available on the primary market which can be problematic at best.

Division services are supervised by the Operations Superintendent. The following organizational chart reflects the reporting structure of the division.



FISCAL YEAR 2018/19

The following staffing summary reflects the historical cost allocation for the division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regular Positions	4.60	4.60	4.70	4.275	5.95	6.25	8.75

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #	FY2017/18	FY 2018/19
1. Wages Increased for COLA adjustments of 3% per MOU, addition of two new positions (Operator-in-Training and Utility Worker), a shift of 0.50 Engineer (was Engineering & Construction Contracts Manager), and merit step increases, where applicable.	\$621,377	\$878,692
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$61,591	\$69,095
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees Manual. Reflects the increase of two new positions.	\$144,843	\$199,410
4. Retirement Contributions Increased to reflect two new positions. SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance PEPRA.	\$137,082	\$142,110
5. Retirement Medical Increased to reflect two new positions.	\$9,322	\$13,180
6. Misc. Benefits Increased to reflect two new positions. Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$43,504	\$62,571

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
7. Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits.	\$1,017,719	\$1,365,058
8. Legal Services There are no legal services budgeted to Treatment.	\$0	\$0
9. Engineering Services Specialized services related to small maintenance projects.	\$500	\$15,000
10. Professional Services Services that are specialized and need to be performed by contractors rather than staff (GIS software hosting, electrical maintenance, safety training, permit compliance assistance, SSMP audit and updates, outfall inspection, inspections, SCADA support, etc.). Increased for additional electrical equipment preventive maintenance.	\$429,500	\$432,500
11. Professional Membership Memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$10,000	\$10,000
12. Insurance Premiums There are no insurance premiums charged to Treatment.	\$0	\$0
13. Misc. Expenses Includes incidental expenses (uniform laundry services, radio and alarm systems, etc.) not captured in other categories. Increase based on anticipated needs.	\$41,150	\$41,200
14. Utilities Electricity, water, telephone, solid waste, etc. Increased to reflect anticipated rate changes.	\$473,500	\$484,500

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices and safety training.	\$19,500	\$22,500
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year.	\$50,000	\$50,000
17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset. Includes small projects costing less than \$50,000.	\$34,000	\$122,000
18. Chemicals Includes chemicals (sodium hypochlorite, polymer, ferric chloride) used in the treatment of wastewater to meet regulatory standards.	\$125,000	\$130,000
19. Permits & Licenses Annual costs for permits with local, regional and state agencies. Increase reflects anticipated changes in fees.	\$31,000	\$33,000
20. Supplies Office, computer, and general supplies.	\$35,125	\$31,200
21. Equipment Purchase of equipment for repair and rehabilitation of SAM facilities not captured in infrastructure projects.	\$212,800	\$208,000
22. Infrastructure There are no project costs budgeted to Treatment. These costs are generally reflected in the Infrastructure division and exceed \$50,000 per project.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to Treatment.	\$0	\$0

FISCAL YEAR 2018/19

Budget Line #	FY2017/18	FY 2018/19
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$1,462,075	\$1,579,900
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$2,479,794	\$2,944,958

The significant changes in the Treatment division from FY 2017/18 included in the FY 2018/19 budget are:

1. Reallocated 0.50 FTE of Engineer (was Engineering & Construction Contracts Manager) from Infrastructure to Treatment to reflect the support provided for Treatment-related functions.
2. Add two new positions (Operator-in-Training and Utility Worker) to address manhour needs as well as succession planning.
3. Increased the retirement contributions budget to CalPERS for classic employees based on projected rate changes and blended with PEPRA rates.
4. Small (<\$50k) repair/replace projects at plant and pump stations.
5. Increased funds for preventive maintenance on electrical, pumps, and other key equipment.

GOALS

- Operate the wastewater system for current and future customers with safe, efficient, and cost-effective treatment services.
- Achieve 100% compliance with all NPDES limits for conventional pollutants.
- Maintain appropriate capacities and effective operations and assure no spills or overflows at SAM facilities.
- Maintain SAM facilities at a level that assures uninterrupted quality service and no process interruptions due to equipment failures.
- Promote the development and education of staff to assure the ongoing ability to operate, maintain, troubleshoot and repair all systems and equipment.
- Maintain equipment and facilities to improve reliability and reduce operating and maintenance costs.

HIGHLIGHTS

- Performed process related laboratory analysis for the Environmental Compliance division on weekends.
- Conducted all required annual safety training programs.
- Administered the Trucked Waste Acceptance Program.
- Worked to optimize processes to improve reliability.
- Developed and implemented standard operating procedures (SOPs) for operations and maintenance functions.
- Purchased and implemented new computer maintenance management system to replace outdated system.

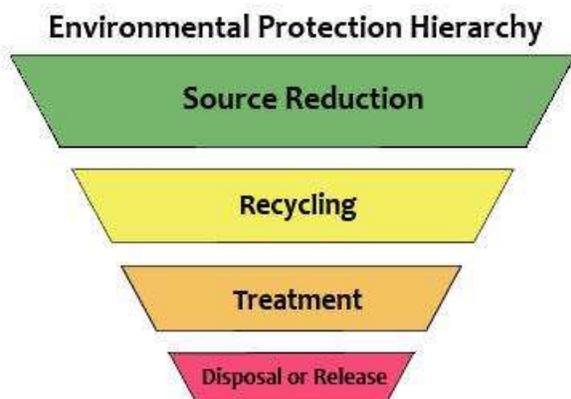
PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses, or discharge permit violations, and to minimize the possibility of equipment breakdowns
- Promote comprehensive training of division personnel.
- Continue to promote and provide a safe and healthy environment for all staff, contractors, and community.
- Develop and implement maintenance plan for routine maintenance on all equipment.

PERFORMANCE MEASURES

- Meet all effluent quality targets described in the NPDES permit.
- Perform all routine maintenance tasks in a timely manner.

ENVIRONMENTAL COMPLIANCE DIVISION



PROGRAM DESCRIPTION

The Environmental Compliance division provides services and oversight in four areas: National Pollutant Discharge Elimination System (NPDES) permit compliance, Laboratory Operations, Non-Domestic Waste Source Control (NDWSCP) Program, and Pollution Prevention (P2) Program. NPDES permit compliance involves maintaining compliance with permit parameters, implementing investigations and additional sampling programs to address specific pollutants, developing action plans to reduce these pollutants and reporting levels of progress to the Regional Board. The in-house laboratory conducts analyses of various plant samples for process control, some NPDES permit parameters, and special projects as needed. We do contract with outside lab analysis for NPDES requirements that our in-house lab is not certified to do to be in compliance with ELPA, (Environmental Lab Accreditation Program).

The NDWSC Program includes evaluating facilities and dischargers within SAM's service area that could adversely affect the SAM collection system and/or treatment plant, evaluating discharge permit applications and issuing permits, performing inspections, sampling and monitoring and conducting enforcement when needed. The P2 Program focuses on educating commercial businesses and residents on pollutants that are harmful to the collection system, treatment plant and the environment, including fats, oils, and grease (F.O.G.), and how to reduce or eliminate them. Public information, plant tours, and participation in outreach activities are significant elements.

Division functions are supervised by the Operations Superintendent. The following organizational chart reflects the reporting structure of the division.



FISCAL YEAR 2018/19

The following staffing summary reflects the historical cost allocation for the division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regular Positions	0.25	0.25	0.225	0.275	0.50	0.25	0.25

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
1. Wages Increased for COLA adjustments of 3%.	\$33,284	\$36,886
2. Premium Pay Special compensation for certification above that required by the position.	\$791	\$815
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees Manual.	\$6,217	\$6,217
4. Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$8,577	\$8,920
5. Retirement Medical Increased to reflect contributions to an OPEB trust in compliance with GASB as well as current retiree medical premiums.	\$524	\$578
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$1,080	\$2,300
7. Personnel Sub-total Subtotal of all costs associated with SAM staff wages and benefits.	\$50,472	\$55,716

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
8. Legal Services There are no legal services budgeted to EC.	\$0	\$0
9. Engineering Services There are no engineering costs budgeted to EC.	\$0	\$0
10. Professional Services Services that are specialized and must be performed by outside laboratories and consultants (SVCW, laboratories, SMCRCD, event registration, etc.). Change reflects required outreach program expenses.	\$92,550	\$60,550
11. Professional Membership The cost of the laboratory certification.	\$100	\$100
12. Insurance Premiums There are no insurance premiums budgeted to EC.	\$0	\$0
13. Misc. Expenses Includes incidental expenses (outreach materials, postage, etc.) not reflected in other categories.	\$650	\$10,600
14. Utilities There are no utility costs budgeted to EC.	\$0	\$0
15. Travel & Training Training and travel related costs for attendance at industry conferences, seminars, and other related events to keep current on technical skills and industry practices and required safety training.	\$3,300	\$3,450
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year.	\$0	\$0
17. Building & Maintenance Services There are no building maintenance services budgeted to EC.	\$0	\$0
18. Chemicals Includes chemicals used in the laboratory.	\$5,000	\$5,000

FISCAL YEAR 2018/19

Budget Line #	FY2017/18	FY 2018/19
19. Permits & Licenses There are no permits or licenses budgeted to EC.	\$0	\$0
20. Supplies Lab and general supplies including materials for biology student field trips to the plant.	\$10,016	\$11,251
21. Equipment Purchase of equipment and tools for the laboratory to replace noncompliant or inoperable equipment.	\$3,000	\$3,000
22. Infrastructure Projects There are no project costs budgeted to EC.	\$0	\$0
23. Claims/Penalties There are no claims or penalties budgeted to EC.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$114,616	\$93,951
25. Total Total of all costs for EC (sum of Personnel and Non-Personnel subtotals).	\$165,088	\$149,667

The significant changes in the Environmental Compliance division from the Adopted Budget for FY 2015/16 included in the FY 2016/17 budget are:

1. Increased retirement contributions to CalPERS for classic employees based on projected rate changes.
2. Increased professional services to reflect costs associated with pollution prevention and outreach requirements in new NPDES permit.

GOALS

- Achieve and maintain 100 % compliance with the District's NPDES permit requirements, including the NDWSC and Pollution Prevention (P2) programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial

discharges, the operational status of the treatment plant and the quality of the bio-solids generated.

- Effectively regulate dischargers of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, staff, the public and the environment.
- Effectively implement the Pollution Prevention (P2) Program and provide public outreach to reduce and or prevent the discharge of pollutants to the collection system, treatment plant and the environment; this includes implementing tools to measure the progress of these efforts.
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (Green Business Program, Household Hazardous Waste/Pharmaceutical Collection, Bay Area Pollution Prevention Group, etc.)
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.

ACHIEVEMENTS

- Identified deficiencies in the necessary ELAP certification requirements and implemented necessary changes.
- Performed the annual NDWSC program inspections and sampling at commercial facilities and inspections at food service establishments (FSEs) and dentists in the SAM's service area.
- Conducted classroom tours of the treatment plant for over 280 students.

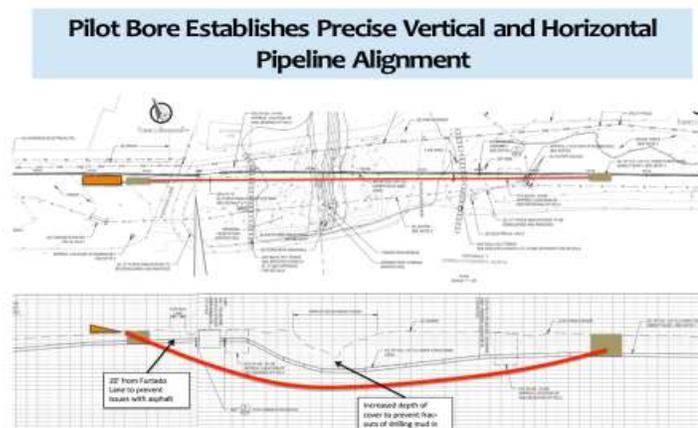
PROGRAM OBJECTIVES

- Perform all required sampling, inspections, studies and outreach to comply with the District's NPDES permit, NDWSCP and Pollution Prevention programs, F.O.G. program, and process control.
- Maintain compliance with all programs and requirements listed above.
- Maintain ELAP certification for laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant and the bay.
- Participate in public outreach activities such as the Half Moon Bay Art & Pumpkin Festival and Pacific Coast Dream Machines.
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses, and public events.
- Coordinate Plant Tour program for Half Moon Bay High School biology students.

PERFORMANCE MEASURES

- Complete 100% NDWSCP inspections as required by SAM permits.
- Meet and maintain ELAP compliance requirements.
- Complete all of the necessary annual continued learning units to maintain required Environmental Compliance Inspector and Laboratory Analyst certifications from the California Water Environment Association.

INFRASTRUCTURE DIVISION



PROGRAM DESCRIPTION

The Infrastructure Division is responsible for the management and technical support necessary to develop and manage an infrastructure program and provide project management and construction inspection services of SAM facilities.

Division services are managed by the Engineer; however, none of the related personnel costs are allocated to this division. The following staffing summary reflects the historical cost allocation to this division.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Regular Positions	0.00	0.00	0.00	0.00	0.80	0.50	0.0

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #	FY2017/18	FY 2018/19
1. Wages All personnel costs have been reallocated to Treatment.	\$60,831	\$0
2. Premium Pay All personnel costs have been reallocated to Treatment.	\$0	\$0
3. Health Benefits All personnel costs have been reallocated to Treatment.	\$11,730	\$0
4. Retirement Contributions All personnel costs have been reallocated to Treatment.	\$4,206	\$0

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
5. Retirement Medical All personnel costs have been reallocated to Treatment.	\$915	\$0
6. Misc. Benefits All personnel costs have been reallocated to Treatment.	\$4,143	\$0
7. Personnel Subtotal Subtotal of all costs associated with staff wages and benefits.	\$81,825	\$0
8. Legal Services Costs associated with general contract review reallocated to Administration.	\$500	\$0
9. Engineering Services Engineering services requiring specialized certification or skills will be performed by consulting engineers.	\$100,000	\$85,000
10. Professional Services Specialized services that cannot be provided by staff.	\$10,000	\$200,000
11. Professional Memberships There are no professional memberships budgeted to Infrastructure.	\$0	\$0
12. Insurance Premiums There are no insurance premiums budgeted to Infrastructure.	\$0	\$0
13. Misc. Expenses There are no utilities budgeted to Infrastructure.	\$1,175	\$0
14. Utilities There are no utilities budgeted to Infrastructure.	\$0	\$0
15. Travel & Training There are no costs budgeted to Infrastructure.	\$550	\$0
16. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset.	\$0	\$0

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY2017/18</u>	<u>FY 2018/19</u>
17. Chemicals There are no chemical costs budgeted to Infrastructure.	\$0	\$0
18. Permits & Licenses There are no permit and license costs budgeted to Infrastructure.	\$0	\$0
19. Supplies There are no supply costs budgeted to Infrastructure.	\$0	\$0
20. Equipment Equipment costs associated with projects that exceed \$50,000 each.	\$0	\$100,000
21. Tools There are no tool costs budgeted to Infrastructure.	\$0	\$0
22. Infrastructure Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each.	\$1,311,500	\$1,332,500
23. Claims/Penalties There are no costs budgeted to Infrastructure.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$1,423,175	\$1,717,500
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$1,505,000	\$1,717,500

The Infrastructure division budget increased from \$1.51 million in Fiscal Year 2017/18 to \$1.72 million. The significant changes in the Infrastructure division included in the FY 2018/19 budget are:

1. Reallocated wage and benefit costs of 0.50 Engineer (was Engineering & Construction Contracts Manager) to Treatment division.

FISCAL YEAR 2018/19

2. Increased the Infrastructure budget by \$212,500 to fund Priority Level 1 projects. The projects planned for this fiscal year are:

➤ Portola Pump Station Replacement Pump	\$202,500
➤ Replace ATS at all three pump stations	\$225,000
➤ Replace Electrical Switch Gear at Plant	\$500,000
➤ Replace Force Air Ventilation System at Plant	\$100,000
➤ Wet Weather Storage Expansion	\$690,000

GOALS

- To provide engineering analysis and project development for cost effective implementation of all SAM facility infrastructure projects.
- To effectively plan and implement future rehabilitation and replacement of the facilities to maintain an efficient, reliable system and to provide timely response with plan review for new development.
- To maintain accurate reproducible records of facility improvements and records.
- To keep informed of all construction that may affect SAM facilities.

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all facility projects.
- Infrastructure Projects completed in FY 2017/18:
 - 20-Year Capital Improvement Plan
 - IPS Repair Project Segments 1 – 3

PROGRAM OBJECTIVES

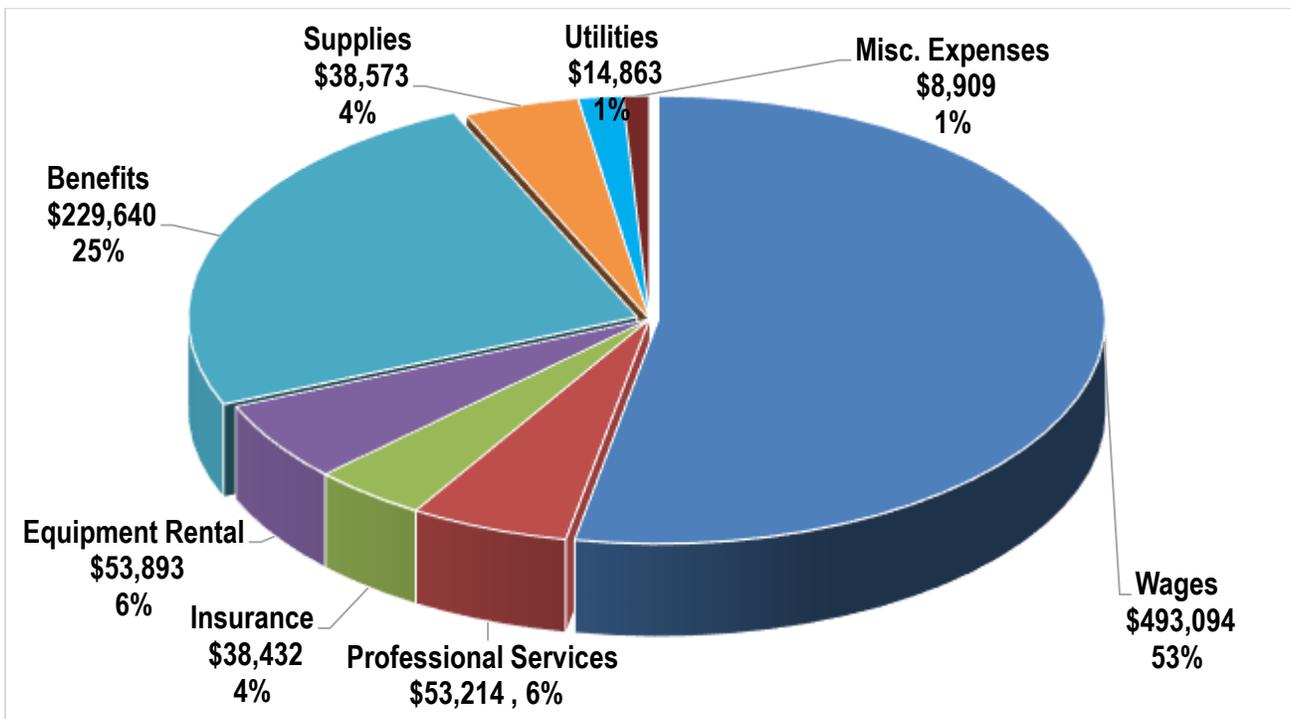
- Provide research, design, bidding and construction inspection services for infrastructure projects.
- Prioritize infrastructure projects to meet SAM needs, compliance with new regulatory requirements, and update 5-Year CIP.

CONTRACT COLLECTION SERVICES BUDGET

Each year SAM makes assumptions regarding revenue and expenses. While some of the expenses are outside of SAM's control (utilities, collection flow levels, emergency repairs), it is still possible to estimate the cost from year to year. The Board and the contracting agencies expect staff to continue to identify areas that can be made more efficient and cost effective.

The budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, increases in retirement contributions, utilities, fuel, and other non-discretionary expenses. Costs were recommended by staff based on identified needs and industry best practices.

As for most service agencies, the most significant costs are for employee wages (53%) and benefits (25%). Providing necessary equipment (6%) and professional support services (6%) required to meet the scope of services are the next largest portions of the budget.



The overall change from the Contract Collection Services Budget for Fiscal Year 2017/18 to Fiscal Year 2018/19 is an increase of \$117,059 (14%). Each agency is invoiced monthly for one-twelfth of the annual cost as well as any requests for reimbursement for contract services performed by vendors in response to requests by the contracting agency.

The change in assessments to each member agency is shown in the following table.

FISCAL YEAR 2018/19

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	\$ Change	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Adopted</u>	<u>Change</u>
Half Moon Bay	\$ 319,741	\$ 351,881	\$ 274,596	\$ 310,908	\$ 36,312	13%
GCSD	\$ 242,391	\$ 242,350	\$ 239,954	\$ 284,500	\$ 44,546	19%
MWSD	<u>\$ 325,958</u>	<u>\$ 321,608</u>	<u>\$ 279,411</u>	<u>\$ 328,036</u>	<u>\$ 48,625</u>	<u>17%</u>
Total	\$ 888,090	\$ 915,839	\$ 793,961	\$ 923,444	\$ 129,483	16%

The primary change in the assessments is that the cost of services methodology for HMB is based on SAM's proposal in response to the Request for Proposals, which reflects the requested change in service levels. The changes for GCSD and MWSD are based on the cost of services methodology used for HMB but reflecting no change in service levels (status quo). The amount assessed for each agency FY 2018/19 assumes that SAM continues to collect the FOG inspection fees on behalf of GCSD and MWSD only.

CONTRACT COLLECTION SERVICES

Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ADOPTED	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ADOPTED
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EXPENDITURES

Personnel

1	Wages	430,134	317,229	390,503	342,945	446,177	55,674	14%
2	Premium Pay	15,545	60,217	48,096	36,868	46,917	(1,179)	-2%
3	Health Benefits	129,030	93,486	117,300	90,651	128,663	11,363	10%
4	Retirement Cont.	71,986	46,635	45,043	28,624	53,499	8,456	19%
5	Retirement Medical	11,942	14,461	5,856	5,342	6,693	837	14%
6	Misc. Benefits	12,233	(8,804)	37,016	27,437	40,785	3,769	10%
7	Subtotal	670,870	523,224	643,813	531,867	722,734	78,920	12%

Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	37,454	153,956	36,400	51,619	53,214	16,814	46%
11	Prof. Memberships	245	1,056	259	183	802	543	210%
12	Insurance Premiums	51,718	71,996	77,761	77,761	38,432	(39,329)	-51%
13	Misc. Expenses	47,103	5,374	5,446	4,359	6,232	786	14%
14	Utilities	942	10,667	12,500	9,328	14,863	2,363	19%
15	Travel & Training	10,666	1,533	2,880	2,387	1,875	(1,005)	-35%
16	Equipment Rental	-	-	100	-	53,893	53,793	53793%
17	Bldg & Maint Services	22	97,568	-	117,994	-	-	0%
18	Chemicals	-	4,153	941	3,877	3,238	2,297	244%
19	Permits & Licenses	-	3,338	6,400	-	-	(6,400)	-100%
20	Supplies	16,229	26,960	18,118	27,628	35,335	17,217	95%
21	Equipment	57,425	2,033	8,942	-	-	(8,942)	-100%
22	Infrastructure	-	-	-	-	-	-	0%
23	Claims/Penalties	-	-	-	-	-	-	0%
24	Subtotal	221,804	378,634	169,747	295,135	207,885	38,138	22%

25	TOTAL	892,674	901,858	813,560	827,002	930,619	117,059	14%
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Key Changes

COLA and applicable step increases for field staff.	\$ 25,976
QA/QC and support services previously subsidized by JPA.	\$ 37,184
No longer providing FOG inspections and related services for HMB per RFP.	\$ (10,240)
Services to cover for employee leave, training, and technical support.	\$ 11,000
Rent/lease equipment from JPA instead of purchasing as part of CCS.	\$ 53,793
Pooled liability insurance through CSRMA for GCSD and MWSD only.	\$ (39,329)
All vehicles and equipment belong to JPA along with maintenance costs.	\$ (8,942)
Safety supplies, general supplies, and services previously allocated by % share.	\$ 32,617
Services supporting 3 SSOs per year for HMB only.	\$ 15,000
	\$ 117,059

CONTRACT COLLECTION SERVICES

Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ADOPTED	FY 2017/18 ESTIMATE	FY 2018/19 PROPOSED	CHANGE FROM FY 2017/18 ADOPTED
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REVENUE

By Type:

26 JPA Assessments	-	-	-	-	-	-	0%
27 Contract Services	888,090	915,839	793,961	807,402	923,444	129,483	16%
28 NDWSCP Fees	-	-	19,600	19,600	7,175	(12,425)	-63%
29 Misc. Fees	-	-	-	-	-	-	0%
30 Interest Earnings	-	-	-	-	-	-	0%
31 Misc. Revenue	-	-	-	-	-	-	0%
32 From/(To) Reserves	-	-	-	-	-	-	0%
33	888,090	915,839	813,561	827,002	930,619	117,058	14%

By Agency:

34 Half Moon Bay	319,741	351,881	274,596	281,645	310,908	36,312	13%
35 Granada CSD	242,391	242,350	239,954	226,623	284,500	44,546	19%
36 Montara WSD	325,958	321,608	279,411	299,133	328,036	48,625	17%
37	888,090	915,839	793,961	807,402	923,444	129,483	16%

Key Changes

SAM continues to perform and invoice for FOG inspections for GCSD and MWSD.

Cost of services based on methodology used for proposal to HMB.

<u>Funded Positions:</u>	6.47	4.75	5.00	5.00	5.00	-	0%
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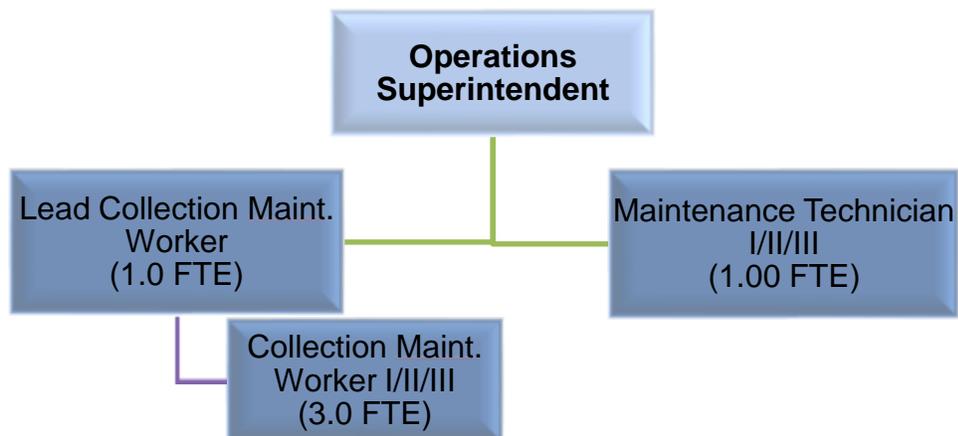


CONTRACT COLLECTION SERVICES

The Contract Collection Services (CCS) division budget is a discrete function at SAM and not included in the JEPA. This division provides preventive and corrective maintenance of the wastewater main lines and lift stations and responds to customer requests for service for the City of Half Moon Bay, Granada Community Services District, and the Montara Water & Sanitary District. The service levels are identified in the service agreements between SAM and each contracting agency.

Starting with FY 2017/18, the allocation of costs between the contracting agencies was based on the percentage of total lines cleaned and percentage of lift stations maintained rather than on a percentage of total CCS man hours.

This program is managed by the Operations Superintendent. The following chart reflects the organizational structure.



FISCAL YEAR 2018/19

The following staffing summary reflects the historical cost allocation for this function.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Positions	6.15	6.15	6.15	6.47	4.75	5.00	5.00

The following pages provide the Contract Collection Services budget line items as well as the cost allocation for each contracting agency.

FINANCIAL HIGHLIGHTS

The following is a list of key budget categories, what is included in each category, and the changes between the FY 2017/18 and 2018/19 budgets.

Budget Line #	FY 2017/18	FY 2018/19
1. Wages Increased for COLA adjustments of 3% per MOU and merit step increases, where applicable.	\$390,503	\$446,177
2. Premium Pay Includes overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$48,096	\$46,917
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU.	\$117,300	\$128,663
4. Retirement Contributions SAM pays the employer contribution but no portion of the employee contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$45,043	\$53,499
5. Retirement Medical Reflects contributions to an OPEB fund in compliance with GASB.	\$5,856	\$6,693
6. Misc. Benefits Includes Medicare, long-term and short-term disability, and workers compensation premiums.	\$37,016	\$40,785
7. Personnel Subtotal Subtotal of all costs associated with SAM staff wages and benefits.	\$643,813	\$722,734

FISCAL YEAR 2018/19

<u>Budget Line #</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
8. Legal Services There are no legal services budgeted to CCS.	\$0	\$0
9. Engineering Services There are no engineering costs budgeted to CCS.	\$0	\$0
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$36,400	\$53,214
11. Professional Membership Includes memberships in professional organizations (CWEA) for SAM to keep current on industry practices and service delivery improvements.	\$259	\$802
12. Insurance Premiums The liability insurance premiums for coverage of the member agencies' collection systems are charged to this budget. Assumes that HMB is no longer covered under this pooled plan.	\$77,761	\$38,432
13. Misc. Expenses Includes incidental expenses (employee physicals, uniform laundry services, radio and alarm systems, etc.) not captured in other categories.	\$5,446	\$6,232
14. Utilities Water for cleaning the sewer lines and cell phone reimbursement for CCS staff.	\$12,500	\$14,863
15. Travel & Training Training and travel related costs for required safety and industry training.	\$2,880	\$1,875
16. Equipment Rental/Lease Rental or lease of equipment necessary to perform the identified scope of services.	\$100	\$53,893
17. Building & Maintenance Services This line reflects the maintenance work performed through 3 rd party vendors. There is no budget and expenses are billed only if approved by the agency.	\$0	\$0

FISCAL YEAR 2018/19

18. Chemicals	\$941	\$3,238
Chemicals are purchased to address issues at the contracting agency lift stations as needed.		
19. Permits	\$6,400	\$0
There are no permit fees budgeted to CCS.		
20. Supplies	\$18,118	\$35,335
Safety, general, and miscellaneous supplies necessary to perform the contract services.		
21. Equipment	\$8,942	\$0
There are no equipment costs budgeted to CCS. All equipment used for the CCS program owned by SAM.		
22. Infrastructure	\$0	\$0
SAM does not perform infrastructure work as part of CCS.		
23. Claims/Penalties	\$0	\$0
There are no claims/penalties budgeted to CCS. Claim recovery costs are reimbursed by the contracting agency when they occur.		
24. Non-Personnel Subtotal	\$169,747	\$207,885
Subtotal of all costs not associated with wages and benefits.		
25. Total	\$813,560	\$930,619
Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).		

The significant changes in the Contract Collection Services department from FY 2017/18 included in FY 2018/19 budget are:

1. The budget for HMB is based on the services described in the Request for Proposals issued by the City. For GCSD and MWSD, each agency's budget is based on the services currently provided by SAM (status quo) based on the same cost for service methodology used for the HMB proposal.
2. QA/QC and support services previously subsidized by JPA now charged to each agency based on cost for service methodology.
3. Rent or lease equipment from JPA rather than CCS purchasing it.

4. Pooled liability insurance through CSRMA for GCSD and MWSD only.
5. Safety supplies, general supplies, and services previously allocated by percentage share of total service hours.

GOALS

- Perform all scheduled and emergency maintenance at the service levels defined in the scope of service for each agency.
- Reduce sanitary sewer overflows (SSOs) through use of industry best practices.
- Provide customers with quick, knowledgeable, and complete response to calls.
- Promote the development and education of staff to assure the ongoing ability to maintain, troubleshoot and repair all systems and equipment.

HIGHLIGHTS

- Cleaned participating agency sewer lines as required in the service agreements.
- Responded to service requests as required in the service agreements.
- Responded to all emergency service requests within 60 minutes or less.
- Performed preventive maintenance at all contract lift stations to maintain station reliability.
- Conducted all required annual safety training programs.
- Responded to requests for USA markings.
- Performed connection inspections for GCSD as requested.
- Performed project oversight as requested by contracting agencies.

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, and to minimize the possibility of equipment breakdowns
- Continue to promote and provide a safe environment for all staff.
- Develop and implement standard operating procedures (SOPs) for contract collection and maintenance functions.
- Develop and implement maintenance plan for routine equipment maintenance.
- Perform annual F.O.G. program inspections on behalf of contracting agencies.

PERFORMANCE MEASURES

- Clean all segments of contracting agency sewer lines each year for regular cleaning and more frequently for “hot spots” or problem areas.
- Reduce sanitary sewer overflows (SSOs) to achieve the goal of no spills.
- No lost time due to injuries or accidents.

FISCAL YEAR 2018/19

- Completion of 100% of required annual safety trainings.
- Respond to 100% of emergency service requests within 60 minutes.
- Achieve 100% customer satisfaction for all service calls.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Review and Possible Action Concerning Authorization to Award of the Contract for the CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A Project.

In accordance with the revised 7 year Capital Improvement Plan, the CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A, first of four phases has been proposed on the CIP for the last several years. Due to delays with the Caltrans permit reviews and Caltrans widening the highway, the project has been postponed each year. This combined past three year FY budget for the first three phases of the project continues to be budgeted with a total of \$2,427,000. The engineers estimate for Phase 1A originally was \$894,000 but after delays and increase in construction and materials costs it was raised to \$1,150,000 for 2017-18. The District then decided because the excavation, shoring and drilling equipment mobilization was high, to add a second crossing for the critical high pressure water main would be value added, and the revised engineers estimate was \$1,400,000, and \$1.82M with contingencies and incidentals.

The General Manager recommend on March 24, 2016 to advertise for sealed bids to be submitted to the District for the award of a Contract for the construction of improvements in strict accordance with the Plans and Specifications therefor entitled, "CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A". Various Permit approval delays with Caltrans postponed the project. Three Bids have been received on March 27th, 2pm, 2018, for the project dated February 2018, prepared by Nute Engineering, Civil and Sanitary Consultants.

The work includes furnishing all labor, materials and equipment for the construction of a new sewer crossing and a new higher pressure water crossing under Cabrillo Highway 1 at 16th Street, and an open cut of a new sewer installation down to the trunk sewer feeing SAM's Montara Pump Station, and a connection for a future sewer to be built to 14th street together with all appurtenances, for the completed and operational project as shown on the Plans and as specified.

JMB Construction, Inc., of South San Francisco, provided the lowest apparent bid of \$1,261,675.00. Enclosed is the license detail obtained from the Contractor's License Board which shows that JMB Construction, Inc. has a valid Contractor's License and is registered with the California Department of Industrial Relations (DIR). Their subcontractor West Coast Boring is also licensed. The other 2 contractors also qualify, but had higher bids. Nute Engineering has reviewed all the Bid packets and recommends awarding the contract to the apparent low bidder JMB Construction, Inc.

Pippin Cavagnaro, P.E. from Nute Engineering, will be available to present the Project and answer any questions the Board might have.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

RECOMMENDATION:

Adopt RESOLUTION NO._____, RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING THE AGREEMENT AND ENTER INTO CONTRACT FORH THE CONSTRUCTION OF THE CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A PROJECT; AUTHORIZING AND DIRECTING EXECUTION OF SAID DOCUMENTS UPON RECIEPT OF SUFFICIENT BONDS AND INSURANCE REQUIRED IN THE CONTRACT.

Attachment

RESOLUTION NO.

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT ACCEPTING BID FOR THE CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A PROJECT, DECLARING LOWEST RESPONSIBLE BIDDER FOR SAID WORK, REJECTING ALL OTHER BIDS, APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT FOR SAID WORK, AND DIRECTING RETURN OF SECURITY DEPOSITS.

WHEREAS, in response to written requests for sealed bids, bids were received for the construction of the Cabrillo Highway Sewer Improvements Phase 1A Project; and

WHEREAS, the bid of JMB Construction, Inc. constitutes the lowest responsible bid submitted;

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. The bid of JMB Construction, Inc. received on March 27, 2018 in the amount of One Million Two Hundred Sixty-One Thousand Six Hundred and Seventy-Five Dollars (\$1,261,675.00), is hereby accepted and said bidder is hereby declared to be the lowest responsible bidder for said work.
2. Any and all informalities in the aforementioned bid of Pacific Infrastructure, Inc. are hereby waived.
3. The President and Secretary of the Board, Montara Water and Sanitary District, are hereby authorized and directed to execute, and to countersign, respectively, that certain agreement for said work by and between Pacific Infrastructure, Inc. and the Montara Water and Sanitary District, a copy of which agreement is on file in the Administrative Office of the District, to which copy reference is hereby made for the full particulars thereof.
4. The District Secretary is hereby authorized and directed to return to all unsuccessful bidders the bid security furnished by them, and to return the bid security submitted by of Pacific Infrastructure, Inc. to said bidder upon execution of the agreement described in paragraph 3 hereof by said bidder.

President, Montara Water and Sanitary District

RESOLUTION NO.

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT ACCEPTING BID FOR THE CABRILLO HIGHWAY SEWER IMPROVEMENTS PHASE 1A PROJECT, DECLARING LOWEST RESPONSIBLE BIDDER FOR SAID WORK, REJECTING ALL OTHER BIDS, APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT FOR SAID WORK, AND DIRECTING RETURN OF SECURITY DEPOSITS.

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a meeting thereof held on the 5th day of April, 2018. by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

AGREEMENT

MONTARA WATER AND SANITARY DISTRICT

San Mateo, California

CABRILLO HIGHWAY SEWER IMPROVEMENTS

PHASE 1A

THIS AGREEMENT, made and entered into this ____ day of _____, 2018, by and between JMB Construction, Inc., of South San Francisco, hereinafter called "Contractor" and the Montara Water and Sanitary District, a public entity in San Mateo, California, hereinafter called "District":

W I T N E S E T H:

WHEREAS, the Board of Directors of the District has awarded a contract to Contractor for performing work hereinafter mentioned in accordance with the sealed bid of said Contractor.

NOW, THEREFORE, IT IS AGREED as follows:

1. Scope of Work: The Contractor shall perform, within the time stipulated, the contract as herein defined, of which this agreement is a component part, and shall provide and furnish all of the labor, materials, methods of processes, equipment, implements, tools, machinery and equipment and all utility, transportation and other services required to perform all of the work covered by the contract in connection with the construction of improvements for the District, in strict accordance with the specifications therefor entitled, "Cabrillo Highway Sewer Improvements Phase 1A" dated February 2018, prepared by Nute Engineering, Civil and Sanitary Consultants, on file in the District's office, including any and all addenda issued by the District, the items and quantities of which are more particularly set

forth in Contractor's bid therefor, and with the other contract documents hereinafter enumerated.

2. Time of Performance and Liquidated Damages: The Contractor shall not commence any work prior to the date of the Notice to Proceed and thereafter shall diligently prosecute the work to completion. The provisions with regard to said time of completion and liquidated damages are set forth in the specifications, which provisions are hereby referred to and incorporated herein by reference.

3. Payments: Payments will be made by the District to Contractor for said work performed at the times and in the manner provided in the specifications and at the prices stated in Contractor's bid in the amount of One Million Two Hundred Sixty-One Thousand Six Hundred and Seventy-Five Dollars (\$1,261,675.00). For any monies earned by the Contractor and withheld by the District to ensure the performance of the contract, the Contractor may, at his/her request and expense, substitute securities equivalent to the amount withheld in the form and manner and subject to the conditions provided in Section 22300 of the Public Contract Code of the State of California.

4. Component Parts: This contract shall consist of the following documents, each of which is on file in the office of the District Secretary and all of which are incorporated herein and made a part hereof by reference thereto:

- a) This Agreement
- b) Notice Inviting Sealed Bids
- c) Instructions to Bidders
- d) Accepted Bid
- e) Faithful Performance Bond and Payment Bond
- f) General Conditions
- g) Special Provisions
- h) Technical Provisions

- i) Appendices
- j) Design Standards
- k) Plans, Profiles and Detailed Drawings
- l) Written Addenda
- m) Written Amendments to the Contract signed by both parties
- n) Executed Change Orders, if any
- o) Written Interpretations issued by the District

5. Wage Scale: Reference is hereby made to the "General Prevailing Wage Determination made by the Director of Industrial Relations pursuant to California Labor Code Division 2, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1," a copy of which is on file in the office of the District Secretary, the provisions of which are hereby specified as the rate of prevailing wage to be paid workers on this project.

6. Hours of Labor: The Contractor shall forfeit, as penalty to the District, Twenty-Five Dollars (\$25.00), for each worker employed in the execution of the contract by him/her or by any subcontractor, for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3, (commencing with Section 1810) of the Labor Code of the State of California. Every Contractor and subcontractor shall keep an accurate payroll record, certify the records, and make them available for inspection pursuant to Labor Code Section 1776 and 1812.

7. Apprentices: In accordance with the provisions of Section 1777.5 of the Labor Code and in accordance with the rules and procedures of the California Apprenticeship Council, properly indentured apprentices shall be employed in the prosecution of the work. Civil Penalties of \$100 per day shall be assessed in accordance with Section 1777.7 of the Labor Code of the State of California for violation of Labor Code Section 1777.5.

Furthermore, a Contractor who knowingly violates Section 1777.5 shall be denied the right to bid on future public works contracts by the Administrator of Apprenticeship.

Information relative to number of apprentices, identifications, wages, hours of employment and standards of working conditions shall be obtained from Administrative of Apprenticeship.

8. Labor Discrimination: Attention is directed to Section 1735 of the Labor Code, which reads as follows:

"No discrimination shall be made in the employment of persons upon public works because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status or sex of such persons, except as provided in Section 12940 of the Government Code, and every contractor for public works violating this section is subject to all the penalties imposed for a violation of this chapter."

9. Workers' Compensation Insurance: In accordance with the provisions of Division 2, Part 7, Chapter 1, Article 5 (commencing with Section 1860) and Division 4, Part 1, Chapter 4 (commencing with Section 3700) of the Labor Code of the State of California, the Contractor is required to secure the payment of employee compensation and shall for that purpose obtain and keep in effect adequate Workers' Compensation Insurance.

The undersigned Contractor is aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation

or to undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing performance of the work of this contract.

IN WITNESS WHEREOF the Montara Water and Sanitary District, has caused these presents to be executed by its officers, thereunto duly authorized, and Contractor has subscribed same, all on the day and year first above written.

CONTRACTOR

By _____

By _____

ATTEST:

MONTARA WATER AND SANITARY DISTRICT
a Public Entity

By _____

By _____

(SEAL)

FAITHFUL PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that, WHEREAS, the Board of Directors of the Montara Water and Sanitary District, San Mateo County, State of California, has awarded to JMB Construction, Inc., of South San Francisco, hereinafter designated as the "Principal," a Contract, the terms and provisions of which Contract are incorporated herein by reference, for constructing the Cabrillo Highway Sewer Improvements Phase 1A, and

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract;

NOW, THEREFORE, we the Principal, and _____, as surety, are held and firmly bound unto the Montara Water and Sanitary District, San Mateo, California, in the penal sum of One Million Two Hundred Sixty-One Thousand Six Hundred and Seventy-Five Dollars (\$1,261,675.00), lawful money of the United States, being one hundred percent (100%) of the Contract amount, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, Principal's heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and faithfully perform the covenants, conditions and agreements in the said Contract and any alterations made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Montara Water and Sanitary District, its officers and agents, as therein stipulated, then this obligation shall be null and void; otherwise it shall be and remain in full force and virtue.

As a condition precedent to the satisfactory completion of the said Contract, the above obligation shall hold good for a period on one (1) year after the completion and acceptance of the said work, during which time, if the above bounden Principal, Principal's heirs, executors, administrators, successors or assigns shall fail to make full, complete and satisfactory repair and replacements or totally protect the said District from loss or damage made evident during said period of one (1) year from the date of acceptance of said work, and resulting from or caused by defective materials or faulty installation, in the prosecution of the work done, the above obligation shall be and remain in full force and virtue.

And the said Surety, for value received, hereby stipulates and agrees to waive the provisions of California Civil Code Section 2819 regarding consent to change, extension of time, alteration or addition to the terms of the Contract, or to the work to be performed thereunder, or the Specifications accompanying the same shall in any way affect its obligations on this bond; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or to the work, or to the Specifications.

In the event the District, or its successors or assigns, shall be the prevailing party in an action brought upon this bond, then, in addition to the penal sum hereinabove specified, we agree to pay to the said District, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

In WITNESS THEREOF, the above bounden parties have executed this instrument under their seals this _____ day of _____, 2018, the name and corporate seal of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

ATTEST:

_____	_____
Principal Secretary	Principal
(SEAL)	By _____
_____	_____
Witness as to Principal	
_____	_____
Address	Address
_____	_____
Witness to Surety	Surety
_____	_____
Address	Address

	Telephone

	Attorney-in-Fact

	Address

If CONTRACTOR is partnership, all partners must execute BOND

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, _____, as Principal, and _____, organized and existing under the laws of the State of _____, and authorized to execute bonds and undertaking as sole surety, as Surety, are held and firmly bound unto any and all persons named in California Civil Code Section 3181, whose claim has not been paid by the Contractor, company or corporation in the aggregate total of One Million Two Hundred Sixty-One Thousand Six Hundred and Seventy-Five Dollars (\$1,261,675.00), (being 100% of the Contract amount) for payment whereof, well and truly to be made, said Principal and Surety bond themselves, their heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that, whereas the above bounden Principal has entered into a Contract dated _____, 2018, with the Montara Water and Sanitary District, to do the following work, to wit: Construct the Cabrillo Highway Sewer Improvements Phase 1A.

NOW, THEREFORE, if the above bounden Principal or his/her subcontractors fail to pay any of the persons named in Section 3181 of the Civil Code of the State of California, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld and paid over to the Employment Development Department from the wages of employees of the Contractor or his/her subcontractor pursuant to Section 13020 of the Unemployment Insurance Code of the State of California, with respect to such work and labor, the surety will pay for the same, in the amount not exceeding the sum specified in this bond, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the court.

This bond shall inure to the benefit of any person named in Section 3181 of the Civil Code of the State of California so as to give a right of action to them or their assignees in suit brought upon this bond.

This bond is executed and filed to comply with the provisions of the act of Legislature of the State of California as designated in Civil Code Section 3247 to 3252, inclusive, and all amendments thereto.

And the said Surety, for value received, hereby stipulates and agrees to waive the provisions of California Civil Code Section 2819 regarding consent to change, extension of time alteration, or addition to the terms of the Contract, or to the work to be performed thereunder, or the Specifications accompanying the same, shall in any way affect its obligations on this bond; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract, or to the work, or to the Specifications.

In the event the District, or its successors or assigns, shall be the prevailing party in an action brought upon this bond, then, in addition to the penal sum hereinabove specified, we agree to pay to the said District, or its successors or assigns, a reasonable sum on account of attorney's fees in such action, which sum shall be fixed by the court.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their seals this _____ day of _____, 2018, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

ATTEST:

_____	_____
Principal Secretary	Principal
(SEAL)	By _____
_____	_____
Witness as to Principal	
_____	_____
Address	Address
_____	_____
Witness to Surety	Surety
_____	_____
Address	Address

	Telephone

	Attorney-in-Fact

	Address

If CONTRACTOR is partnership, all partners must execute BOND.
The signature of the Surety on this bond must be acknowledged before a Notary Public.

Public Works Contractors (PWC) Registration Search

Search criteria to display registered public works contractor(s) matching your selections.

Search results will display all of the public works contractor registrations, both current and expired.

For registration fiscal year is selected when performing a search.

Fiscal Year:

Registration Number:

Contractor Name:

Contractor License Lookup

Select County

Public Works Contractors (PWC) registrations pursuant to Division 2, Part 7, Chapter 1 (commencing with section 1720 of the California Labor Code.)

1 contractor found.

Registration Number	County	City	License Type/Number(s)	Current Status	Registration Date
1000002551	SAN MATEO	SOUTH SAN FRANCISCO	CSLB:715324	Active	06/08/20



DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations. ([hide/show disclaimer](#))

- CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below: Click on the link or button to obtain complaint and/or legal action information.
- Per [B&P 7071.17](#), only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Business Information

WEST COAST BORING INC
3110 PATTON WAY
BAKERSFIELD, CA 93308
Business Phone Number: (661) 587-2673

Entity Corporation
Issue Date 01/18/2001
Expire Date 01/31/2019

License Status

This license is current and active.

All information below should be reviewed.



Contractor's License Detail for License # 715324



DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations. ([hide/show disclaimer](#))

- CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per [B&P 7071.17](#), only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Business Information

JMB CONSTRUCTION INC
132 SOUTH MAPLE AVE
SOUTH SAN FRANCISCO, CA 94080
Business Phone Number: (650) 267-5275

Entity Corporation

Issue Date 11/16/1995

Expire Date 11/30/2019

License Status

This license is current and active.

All information below should be reviewed.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review and Possible Action Concerning Mid-Year Budget Review.

To allow the Board and public to be as well informed as possible regarding the District's financial reporting; a number of steps have been taken over the past 3 years. The Funds Balance Sheet and Revenue & Expenditures Budget vs. Actual line items were renamed and grouped with the intent to make the reports understandable for everyone in the District. In addition a 12 month Revenue & Expenditures Budget vs. Actual was introduced as well as an executive summary that highlight's variances in the Budget line items.

Peter Medina with Maze & Associates has prepared documents that illustrate the comparison of the District's financial position for the period ended December 31, 2018.

RECOMMENDATION:

This is for Board information only.

Attachment



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

SUBJECT: Executive Summary – December 31, 2017 Mid-Year Budget vs. Actual

Sewer Service Charges: Total revenue of \$1,044,116 collected; 52.33% of budget.

1st Sewer Service assessment received in December.

Water Sales: Total revenue of \$1,011,257 collected; 52.88% of budget.

No additional developments to report, outside of monthly flow report analysis.

Sewer Fees: Total revenue of \$9,262 collected; 54.48% of budget.

Remodel fees are the particular line item which has seen the most activity.

Water Fees: Total revenue of \$6,290 collected; 52.20% of budget.

Revenues are tracking as expected.

Sewer Property Tax: Total revenue of \$131,020 collected; 55.75% of budget.

Water Property Tax: Total revenue of \$131,020 collected; 55.75% of budget.

Property tax receipts from the 1st roll were collected in December.

Sewer Personnel expense: Total expense of \$173,683 incurred; 56.64% of budget

Expenditures are slightly higher than expected due to the transition of District Clerk responsibilities. The transition brought on additional staff time as well as a large payout of compensated absences.

Water Personnel expenses: Total expense of \$373,265 incurred; 48.52% of budget

Major accomplishment thus far has been the District keeping overtime costs below budget by almost \$6,000.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

Sewer Professional Services: Total expense of \$115,713 incurred; 100.66% of budget.

Water Professional Services: Total expense of \$44,312 incurred; 31.72% of budget.

For the Sewer enterprise, the District has experienced a significant increase in expense due to continued litigation of various items.

Sewer Engineering: Total expense of \$48,113 incurred; 92.53% of budget.

Water Engineering: Total expense of \$46,612 incurred; 53.58% of budget.

Invoices are being re-reviewed for possible capitalization.

Water Quality Engineering expenses is the main driver of the Water Engineering account group.

Sewer Pumping: Total expense of \$16,009 incurred; 50.03% of budget.

Water Pumping: Total expense of \$36,652 incurred; 33.63% of budget.

All costs associated with this line item are from PG&E. The District has yet to receive and pay for the PG&E catch-up bill.

Sewer Authority Mid-Coastside: Total expense of \$807,882 incurred; 49.40% of budget

Beginning in December 2017 the District began receiving assessments which did not fall in line with the approved budget. The District is currently researching the reasons behind various discrepancies.

Water Supply: Total expense of \$22,562 incurred; 43.39% of budget.

Two water purchases made in the current fiscal year.

Water Collection/Transmission: Total expense of \$29,490 incurred; 31.21% of budget.

Majority of costs are contracted services from Andreini Brothers, Mossa Excavation, and R & B Company for maintenance of water mains, service mains, and other services for District customers.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: April 5, 2018

TO: BOARD OF DIRECTORS
FROM: Clemens H. Heldmaier, General Manager

Water Treatment: Total expense of \$20,132 incurred; 31.46% of budget.

Costs associated with the purchase of chemicals and equipment as well as the analysis of water samples by BSK lab, CA laboratory services, as well as North Coast County Water District.

All other Accounts Sewer: Total expense of \$13,530 incurred; 25.12% of budget.

All other Accounts Water: Total expense of \$58,025 incurred; 44.43% of budget.

Sewer Capital Improvement: Total expense of \$190,392 incurred; 11.61% of budget.

Major projects include the following:

Sewer Capital Improvement Project

Sewer spot repairs.

Water Capital Improvement: Total expense of \$115,721 incurred; 16.22% of budget.

Major projects include the following:

Alta Vista road improvement

4th street water main replacement

Sewer Connection Fees: Total revenue of \$189,135 collected; 97.20% of budget.

A total of 6 new construction connections sold.

A total of 6 remodel connections sold.

Water Connection Fees: Total revenue of \$69,981 collected; 27.66% of budget.

A total of 2 new construction connections sold.

A total of 2 new construction PFP connections sold.



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2017-18

Operating cash flow

Operating income	Actual	Budget	Variance (%)	Variance (\$)
Sewer Service Charges	\$ 1,044,116	\$ 1,999,171	52.23%	\$ (955,055)
Cell Tower Lease	\$ 17,726	\$ 34,300	51.68%	\$ (16,574)
Fees	\$ 9,262	\$ 17,000	54.48%	\$ (7,738)
Property Tax	\$ 131,020	\$ 235,000	55.75%	\$ (103,980)
Waste Collection Revenues	\$ 13,804	\$ 22,000	62.74%	\$ (8,196)
Total operating income	\$ 1,215,928	\$ 2,307,471		\$ (1,091,543)
Operating expenses				
Personnel	\$ (173,683)	\$ (306,639)	56.64%	\$ (132,956)
Professional Services	\$ (115,713)	\$ (114,950)	100.66%	\$ 763
Facilities & Administration	\$ (17,557)	\$ (46,100)	38.08%	\$ (28,543)
Engineering	\$ (48,113)	\$ (52,000)	92.53%	\$ (3,887)
Pumping	\$ (16,009)	\$ (32,000)	50.03%	\$ (15,991)
Sewer Authority Mid-Coastside	\$ (807,882)	\$ (1,635,254)	49.40%	\$ (827,372)
All other Accounts	\$ (13,530)	\$ (53,860)	25.12%	\$ (40,330)
Total operating expenses	\$ (1,192,487)	\$ (2,240,803)		\$ (1,048,316)
Net Cash Flow Provided by Operations	\$ 23,441	\$ 66,668		

Investment cash flow

Investment income				
Interest Revenue	\$ 11,710	\$ 15,000	78.07%	\$ (3,290)
Total investment income	\$ 11,710	\$ 15,000		\$ (3,290)
Investment expenses				
Capital Improvement Program	\$ (190,392)	\$ (1,640,000)	11.61%	\$ (1,449,608)
SAM Capital Assessment	\$ (67,415)	\$ -	#DIV/0!	\$ 67,415
Total investment expenses	\$ (257,807)	\$ (1,640,000)		
Net Cash Flow Used by Investments	\$ (246,097)	\$ (1,625,000)		

Financing cash flow

Financing income				
Connection Fees	\$ 189,135	\$ 194,576	97.20%	\$ (5,442)
Total financing income	\$ 189,135	\$ 194,576		
Financing expenses				
Loan Interest Expense	\$ (10,591)	\$ (42,634)	24.84%	\$ (32,043)
Loan Principal Payment	\$ (51,385)	\$ (75,179)	68.35%	\$ 126,564
Total financing expenses	\$ (61,976)	\$ (117,813)		
Net Cash Flow Provided by Financing Activities	\$ 127,158	\$ 76,763		
Total Cash Flow Provided by All Activities	\$ (95,497)	\$ (1,481,568)		



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2017-2018

Operating cash flow

Operating income	Actual	Budget	Variance (%)	Variance (\$)
Water Sales	\$ 1,011,257	\$ 1,912,496	52.88%	\$ (901,239)
Cell Tower Lease	\$ 17,726	\$ 34,300	51.68%	\$ (16,574)
Fees	\$ 6,290	\$ 12,050	52.20%	\$ (5,760)
Property Tax	\$ 131,020	\$ 235,000	55.75%	\$ (103,980)
Backflow Testing & Other	\$ 13,757	\$ 13,000	105.82%	\$ 757
Total operating income	\$ 1,180,049	\$ 2,206,846		\$ (1,026,797)
Operating expenses				
Personnel	\$ (373,265)	\$ (769,260)	48.52%	\$ (395,996)
Professional Services	\$ (44,312)	\$ (139,700)	31.72%	\$ (95,388)
Facilities & Administration	\$ (18,760)	\$ (57,380)	32.70%	\$ (38,620)
Engineering	\$ (46,612)	\$ (87,000)	53.58%	\$ (40,388)
Pumping	\$ (36,652)	\$ (109,000)	33.63%	\$ (72,348)
Supply	\$ (22,562)	\$ (52,000)	43.39%	\$ (29,438)
Collection/Transmission	\$ (29,490)	\$ (94,500)	31.21%	\$ (65,010)
Treatment	\$ (20,132)	\$ (64,000)	31.46%	\$ (43,868)
All Other Accounts	\$ (58,025)	\$ (130,600)	44.43%	\$ (72,575)
Total operating expenses	\$ (649,809)	\$ (1,503,440)		\$ (853,631)
Net Cash Flow Provided by Operations	\$ 530,240	\$ 703,406		

Investment cash flow

Investment income				
GO Bonds, Assessment Receipts	\$ 579,692	\$ 1,150,436	50.39%	\$ (570,744)
Total investment income	\$ 579,692	\$ 1,150,436		\$ (570,744)
Investment expenses				
Capital Improvement Program	\$ (115,721)	\$ (713,500)	16.22%	\$ (597,779)
Total investment expenses	\$ (115,721)	\$ (713,500)		\$ (597,779)
Net Cash Flow Used by Investments	\$ 463,971	\$ 436,936		

Financing cash flow

Financing income				
Connection Fees	\$ 69,981	\$ 253,020	27.66%	\$ (183,040)
Total financing income	\$ 69,981	\$ 253,020		\$ (183,040)
Financing expenses				
Long Term Debt - Interest Expense	\$ (32,812)	\$ (326,530)	10.05%	\$ (293,718)
Long Term Debt - Principal Payment	\$ (529,887)	\$ (1,062,675)	49.86%	\$ (532,788)
Total financing expenses	\$ (562,699)	\$ (1,389,205)		\$ (826,506)
Net Cash Flow Provided by Financing Activities	\$ (492,719)	\$ (1,136,185)		
Total Cash Flow Provided by All Activities	\$ 501,492	\$ 4,157		

Two-Year Comparative Income Statement

Sewer Comparison 12/31/2016 vs. 12/31/2017

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - December 31, 2017	July 1, 2016 - December 31, 2016		
Revenue				
Sewer Service Charges	1,044,116	994,951	49,165	4.94%
Cell Tower Lease	17,726	17,144	582	3.40%
Fees	9,262	10,579	(1,317)	-12.45%
Property Tax	131,020	123,780	7,240	5.85%
Other	13,804	11,992	1,812	15.11%
Net Sales	1,215,928	1,158,446	57,482	4.96%
Expenses				
Personnel	173,683	150,834	22,849	15.15%
Professional Services	115,713	52,666	63,046	119.71%
Facilities	17,557	20,643	(3,086)	-14.95%
Engineering	48,113	18,034	30,079	166.79%
Pumping	16,009	12,384	3,625	29.27%
SAM	807,882	563,326	244,556	43.41%
All other accounts	13,530	13,073	457	3.49%
Total Expenses	1,192,487	830,960	361,526	43.51%
Net Operating Income	23,441	327,485	(304,044)	-92.84%
Non-Operating				
Connection Fees	189,135	104,872	84,263	80.35%
Loan and Interest Revenue	11,710	0	11,710	
SAM Capital Assessment	67,415	(76,855)	144,270	-187.72%
Interest expense	(10,591)	(11,251)	660	-5.87%
Capital Program	(190,392)	(805,196)	614,805	-76.35%
Total Other Income (Expense)	67,277	(788,431)	855,708	-108.53%
Net Income (Loss)	90,718	(460,946)	551,664	-119.68%

Two-Year Comparative Income Statement

Water Comparison 12/31/2016 vs. 12/31/2017

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - December 31, 2017	July 1, 2016 - December 31, 2016		
Revenue				
Water Sales	1,011,257	909,911	101,346	11.14%
Cell Tower Lease	17,726	17,144	582	3.40%
Fees	6,290	6,142	148	2.41%
Property Tax	131,020	123,780	7,240	5.85%
Backflow Testing & Other	13,757	18,674	(4,917)	-26.33%
Net Sales	1,180,049	1,075,650	104,399	9.71%
Expenses				
Personnel	373,265	357,256	16,009	4.48%
Professional Services	44,312	63,761	(19,449)	-30.50%
Facilities & Administration	18,760	28,393	(9,632)	-33.92%
Engineering	46,612	36,678	9,934	27.08%
Pumping	36,652	30,567	6,085	19.91%
Supply	22,562	16,825	5,737	34.10%
Collection/Transmission Treatment	29,490	37,856	(8,366)	-22.10%
	20,132	22,254	(2,122)	-9.54%
All other Accounts	58,025	60,332	(2,308)	-3.83%
Total Expenses	649,809	653,922	(4,113)	-0.63%
Net Operating Income	530,240	421,728	108,512	25.73%
Non-Operating				
Connection Fees	69,981	85,614	(15,634)	-18.26%
GO Bond Assessment	579,692	638,866	(59,174)	-9.26%
Interest Expense	(32,812)	(79,847)	47,034	-58.91%
Capital Program	(115,721)	(528,782)	413,061	-78.12%
Total Other Income (Expense)	501,139	115,851	385,288	332.57%
Net Income (Loss)	1,031,379	537,579	493,800	91.86%



MWSD — Fiscal Year 2017-2018 budget review as of December 31, 2017 - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>Budgeted</u> <u>amounts 2017-18</u>	<u>Income/Expenditure</u> <u>s to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as</u> <u>% of Budget</u>
Cell Tower Lease:	4220	34,300	17,726	51.68%	35,452	103.36%
Administrative Fees (New Construction):	4410	3,500	1,010	28.86%	2,020	57.71%
Administrative Fees (Remodel):	4420	2,000	708	35.40%	1,416	70.80%
Inspection Fees (New Construction):	4430	3,500	954	27.26%	1,908	54.51%
Inspection Fees (Remodel):	4440	4,000	110	2.75%	220	5.50%
Remodel Fees:	4460	4,000	6,480	162.00%	12,960	324.00%
Property Tax Receipts:	4610	235,000	131,020	55.75%	262,040	111.51%
Sewer Service Charges:	4710	2,003,171	1,046,119	52.22%	2,092,238	104.45%
Sewer Service Refunds, Customer:	4720	(4,000)	(2,003)	50.07%	(4,005)	100.14%
Waste Collection Revenues:	4760	22,000	10,444	47.47%	20,888	94.94%
Other Revenue:	4990		3,360	100.00%	6,719	100.00%
Total Operating Revenue:		2,307,471	1,215,928	52.70%	2,431,856	105.39%
<u>Operating Expenses</u>						
Bank Fees:	5190	6,500	4,404	67.76%	8,808	135.51%
Board Meetings:	5210	4,000	935	23.37%	1,870	46.75%
Director Fees:	5220	3,300	1,500	45.46%	3,000	90.91%
Conference Attendance:	5250	2,000	1,885	94.27%	3,771	188.55%
Information Systems:	5270	6,000	480	8.00%	960	16.00%
Fidelity Bond:	5310	500				
Property & Liability Insurance:	5320	2,000	2,161	108.04%	1,918	95.90%
LAFCO Assessment:	5350	2,000	1,601	80.05%	1,754	87.70%
Meeting Attendance, Legal:	5420	9,500	5,814	61.20%	11,628	122.40%
General Legal:	5430	25,000	7,565	30.26%	15,130	60.52%
Litigation:	5440		63,255	100.00%	126,510	100.00%
Maintenance, Office:	5510	8,000	1,642	20.52%	3,283	41.04%
Office Supplies:	5540	8,000	2,146	26.83%	4,292	53.65%
Postage:	5550	2,500	168	6.74%	337	13.48%
Printing & Publishing:	5560	3,000	1,482	49.39%	2,964	98.79%
Accounting:	5610	30,000	12,100	40.33%	24,200	80.67%
Audit:	5620	13,000	9,800	75.39%	13,000	100.00%
Consulting:	5630	28,000	9,203	32.87%	18,405	65.73%
Data Services:	5640	6,000	5,851	97.51%	11,702	195.03%
Labor & HR Support:	5650	2,500	1,692	67.68%	3,384	135.36%
Payroll Services:	5660	950	434	45.63%	867	91.27%
San Mateo County Tax Roll Charges:	5710	2,500				
Telephone & Internet:	5720	16,500	8,355	50.64%	16,709	101.27%
Mileage Reimbursement:	5730	1,500	564	37.60%	1,128	75.19%
Reference Materials:	5740	200				
Other Administrative:	5790		435	100.00%	870	100.00%
CalPERS 457 Deferred Plan:	5810	15,445	7,309	47.32%	14,617	94.64%
Employee Benefits:	5820	35,635	23,987	67.31%	47,974	134.63%
Disability Insurance:	5830	1,534	567	36.95%	1,134	73.90%
Payroll Taxes:	5840	16,879	6,960	41.23%	13,919	82.47%
Worker's Compensation Insurance:	5960	2,447	1,114	45.53%	2,228	91.06%
Management:	5910	103,725	57,139	55.09%	114,278	110.17%
Staff :	5920	112,599	67,169	59.65%	134,338	119.31%
Staff Certification:	5930	1,800	900	50.00%	1,800	100.00%



MWSD — Fiscal Year 2017-2018 budget review as of December 31, 2017 - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>Budgeted</u> <u>amounts 2017-18</u>	<u>Income/Expenditure</u> <u>s to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as</u> <u>% of Budget</u>
Staff Overtime:	5940	2,514	473	18.81%	946	37.63%
District sponsored Defined Benefit Plan (PARS):	5850	14,061	8,066	57.36%	16,132	114.73%
Claims, Property Damage:	6170	10,000				
Education & Training:	6195	1,000	29	2.86%	57	5.72%
Meeting Attendance, Engineering:	6210	2,000				
General Engineering:	6220	50,000	48,085	96.17%	96,169	192.34%
Equipment & Tools, Expensed:	6320	1,000				
Alarm Services:	6335	5,700	2,379	41.74%	4,758	83.47%
Landscaping:	6337	2,400	950	39.58%	1,900	79.17%
Pumping Fuel & Electricity:	6410	32,000	16,009	50.03%	32,018	100.06%
Maintenance, Collection System:	6660	10,000				
Fuel:	6810	800				
Truck Equipment, Expensed:	6820	160				
Truck Repairs:	6830	400				
SAM Collections:	6910	285,934	139,704	48.86%	279,408	97.72%
SAM Operations:	6920	1,259,320	668,178	53.06%	1,336,357	106.12%
SAM Maintenance, Collection System:	6940	40,000				
SAM Maintenance, Pumping:	6950	50,000				
Total Operations Expense:		2,240,803	1,192,487	53.22%	2,374,522	105.97%
Net Change in position from Operations:		66,668	23,441	35.16%	57,334	86.00%
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	144,576	164,853	114.03%	329,706	228.05%
Connection Fees, Residential Remodel:	7120	50,000	24,282	48.56%	48,563	97.13%
LAI, Interest:	7200	15,000	11,710	78.07%	23,420	156.13%
Total Non Operating Revenue:		209,576	200,844	95.83%	401,689	191.67%
<u>Financing Expense</u>						
PNC Equipment Lease:	9125	18,280	8,526	46.64%	20,790	113.73%
Capital Assessment, SAM:	9175		67,415	100.00%	134,830	100.00%
I-Bank Loan:	9200	24,354	2,065	8.48%	26,022	106.85%
Total Financing Expense:		42,634	78,006	182.97%	181,642	426.05%
Net Change in position from Non Operating		166,942	122,838		220,047	
Continued for CIP and Contingency Reserve:		233,610	146,279		277,380	
Transfer to CIP:		(233,610)	(146,279)		(277,380)	
Total Net Position Changes/Transfer to reserves:		\$ -	\$ -		\$ -	



MWSD — Fiscal Year 2017-2018 budget review as of December 31, 2017 - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>Budgeted amounts</u> <u>2017-18</u>	<u>Income/Expenditures</u> <u>to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>
Cell Tower Lease:	4220	34,300	17,726	51.68%	35,452	103.36%
Administrative Fees (New Construction):	4410	5,500	1,515	27.55%	3,030	55.09%
Administrative Fees (Remodel):	4420	900	669	74.33%	1,338	148.67%
Inspection Fees (New Construction):	4430	5,000	1,431	28.62%	2,862	57.24%
Inspection Fees (Remodel):	4440	650	954	146.77%	1,908	293.54%
Remodel Fees:	4460		776	100.00%	1,552	100.00%
Other Fees:	4470		945	100.00%	1,890	100.00%
Property Tax Receipts:	4610	235,000	131,020	55.75%	262,040	111.51%
Testing, Backflow:	4740	13,000	13,462	103.55%	26,924	207.11%
Water Sales:	4810	1,915,496	1,011,257	52.79%	2,022,513	105.59%
Water Sales Refunds, Customer:	4850	(3,000)		0.00%	0	0.00%
Other Revenue:	4990		295	100.00%	590	100.00%
Total Operating Revenue:		2,206,846	1,180,049	53.47%	2,360,099	106.94%
<u>Operating Expenses</u>						
Bank Fees:	5190	7,000	434	6.20%	868	12.40%
Board Meetings:	5210	4,000	3,657	91.43%	7,314	182.86%
Director Fees:	5220	3,300	1,500	45.46%	3,000	90.91%
CDPH Fees:	5240	15,500		0.00%	11,417	73.66%
Conference Attendance:	5250	4,000	4,312	107.79%	8,623	215.59%
Information Systems:	5270	3,000	480	16.00%	960	32.00%
Fidelity Bond:	5310	500		0.00%	0	0.00%
Property & Liability Insurance:	5320	2,700		0.00%	3,000	111.11%
LAFCO Assessment:	5350	2,500	2,208	88.32%	2,376	95.04%
Meeting Attendance, Legal:	5420	8,500	2,711	31.90%	5,423	63.79%
General Legal:	5430	60,000	6,685	11.14%	13,370	22.28%
Maintenance, Office:	5510	8,000	1,316	16.45%	2,632	32.90%
Memberships:	5530	18,000	19,558	108.66%	23,000	127.78%
Office Supplies:	5540	8,000	2,146	26.82%	4,292	53.65%
Postage:	5550	7,500	2,687	35.83%	5,375	71.66%
Printing & Publishing:	5560	2,000	312	15.61%	624	31.22%
Accounting:	5610	30,000	12,100	40.33%	24,200	80.67%
Audit:	5620	13,000	9,800	75.39%	13,000	100.00%
Consulting:	5630	25,000	10,891	43.56%	21,781	87.13%
Labor & HR Support:	5650	2,250	1,692	75.20%	3,384	150.40%
Payroll Services:	5660	950	433	45.63%	867	91.26%
Telephone & Internet:	5720	22,380	9,173	40.99%	18,346	81.97%



MWSD — Fiscal Year 2017-2018 budget review as of December 31, 2017 - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>Budgeted amounts</u> <u>2017-18</u>	<u>Income/Expenditures</u> <u>to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>
Mileage Reimbursement:	5730	2,000	564	28.20%	1,128	56.40%
Reference Materials:	5740	800		0.00%	0	0.00%
Other Administrative:	5790		615	100.00%	1,230	100.00%
CalPERS 457 Deferred Plan:	5810	35,513	16,216	45.66%	32,433	91.33%
Employee Benefits:	5820	86,856	39,379	45.34%	78,758	90.68%
Disability Benefits:	5830	3,637	1,403	38.56%	2,805	77.13%
Payroll Taxes:	5840	42,294	18,567	43.90%	37,134	87.80%
Worker's Compensation Insurance:	5960	19,948	4,848	24.31%	9,697	48.61%
Management:	5910	103,725	57,139	55.09%	114,278	110.17%
Staff :	5920	358,357	181,358	50.61%	362,716	101.22%
Staff Certification:	5930	9,000	5,086	56.51%	10,172	113.03%
Staff Overtime:	5940	55,831	22,196	39.76%	44,391	79.51%
Staff Standby:	5950	25,947	12,670	48.83%	25,339	97.66%
District sponsored Defined Benefit Plan (PARS):	5850	28,152	14,403	51.16%	28,807	102.33%
Backflow Prevention:	6160	1,000	13	1.34%	27	2.68%
Claims, Property Damage:	6170	10,000		0.00%	0	0.00%
SCADA Maintenance:	6185	20,000	5,861	29.30%	11,721	58.61%
Education & Training:	6195	7,000	3,453	49.33%	6,906	98.66%
Meeting Attendance, Engineering:	6210	2,000	16	0.78%	31	1.55%
General Engineering:	6220	20,000	3,908	19.54%	7,815	39.08%
Water Quality Engineering:	6230	65,000	42,689	65.68%	85,378	131.35%
Equipment & Tools, Expensed:	6320	5,000	2,754	55.07%	5,507	110.15%
Alarm Services:	6335	800	254	31.76%	508	63.51%
Landscaping:	6337	6,000	2,257	37.62%	4,514	75.23%
Lab Supplies & Equipment:	6370	1,000	1,609	160.93%	3,219	321.85%
Pumping Fuel & Electricity:	6410	90,000	29,817	33.13%	59,634	66.26%
Pumping Maintenance, Generators:	6420	10,000	5,362	53.62%	10,723	107.23%
Pumping Maintenance, General:	6430	7,000	1,263	18.05%	2,526	36.09%
Pumping Equipment, Expensed:	6440	2,000	210	10.52%	421	21.03%
Maintenance, Raw Water Mains:	6510	2,000	1,445	72.24%	2,890	144.48%
Maintenance, Wells:	6520	10,000	2,035	20.36%	4,071	40.71%
Water Purchases:	6530	40,000	19,082	47.70%	38,163	95.41%
Hydrants:	6610	1,000	375	37.53%	751	75.06%
Maintenance, Water Mains:	6620	55,000	15,598	28.36%	31,196	56.72%
Maintenance, Water Service Lines:	6630	25,000	11,621	46.49%	23,243	92.97%
Maintenance, Tanks:	6640	1,000	557	55.65%	1,113	111.31%
Maintenance, Distribution General:	6650	10,000	273	2.73%	546	5.46%



MWSD — Fiscal Year 2017-2018 budget review as of December 31, 2017 - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>Budgeted amounts</u> <u>2017-18</u>	<u>Income/Expenditures</u> <u>to date</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>
Meters:	6670	2,500	1,066	42.65%	9,091	363.64%
Chemicals & Filtering:	6710	30,000	2,765	9.22%	5,530	18.43%
Maintenance, Treatment Equipment:	6720	4,000	1,997	49.94%	3,995	99.87%
Treatment Analysis:	6730	30,000	15,369	51.23%	30,739	102.46%
Uniforms:	6770	12,000	4,442	37.02%	9,000	75.00%
Fuel:	6810	8,000	2,941	36.76%	5,882	73.53%
Truck Equipment, Expensed:	6820	1,000	7	0.68%	14	1.37%
Truck Repairs:	6830	5,000	1,617	32.35%	3,235	64.70%
Other Operations:	6890		2,615	100.00%	5,229	100.00%
Total Operations Expense:		1,503,440	649,809	43.22%	1,296,354	86.23%
Net Change in position from Operations:		703,406	530,240	75.38%	1,063,744	151.23%
Non Operating Revenue / Expense						
Connection Fees, Residential New Const:	7110	173,020	42,568	24.60%	85,136	49.21%
Connection Fees, Residential Remodel:	7120		10,357	100.00%	20,713	100.00%
Connection Fees, Residential Fire:	7130	80,000	17,056	21.32%	34,112	42.64%
General Obligation Bonds, Assessment Receipts:	7600	1,150,436	579,692	50.39%	1,150,436	100.00%
Total Non Operating Revenue:		1,403,456	649,672	46.29%	1,290,397	91.94%
Financing Expenses						
General Obligation Bonds:	9100	273,978	23,087	8.43%	273,978	100.00%
PNC Equipment Lease:	9125	18,280	8,526	46.64%	18,280	100.00%
State Revolving Fund Loan:	9150	34,273		0.00%	39,684	115.79%
Conservation Program/Rebates:	9210	500	1,200	240.00%		
Total Financing Expense:		327,030	32,812	10.03%	331,942	101.50%
Net Change in position from Non Operating		1,076,426	616,860		958,455	
Continued for CIP and Contingency Reserve:		1,076,426	1,147,100		2,022,199	
Transfer to CIP:		(1,076,426)	(1,147,100)		(2,022,199)	
Total Net Position Changes/Transfer to reserves:			\$ -			



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Review and Possible Action Concerning Local Agency Formation Commission Special District Member.

The Local Agency Formation Commission(LAFCo) is calling for nominations for the open position as the independent special district alternate member for the upcoming four-year term ending May 2022.

Director Slater Carter is indicated interested in serving on the San Mateo County LAFCo.

RECOMMENDATION:

Adopt Resolution No. ____, Resolution of the Montara Water and Sanitary District Authorizing the Nomination of Kathryn Slater-Carter as Special District Representative to the San Mateo County LAFCo

Attachment

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
AUTHORIZING THE NOMINATION OF KATHRYN SLATER-CARTER AS SPECIAL
DISTRICT REPRESENTATIVE TO THE SAN MATEO COUNTY LAFCO**

WHEREAS, the San Mateo County Local Agency Commission (LAFCo) is soliciting nominations for the open seat representing Independent Special Districts; and

WHEREAS, any nominations of this District may be appointed through Board action confirmed in writing; and

WHEREAS, District Board Member and Director Kathryn Slater-Carter is interested in serving on the San Mateo County LAFCo and possesses all the skills and background necessary to perform in an exemplary manner;

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. Director Kathryn Slater-Carter is hereby nominated by this Board to serve on the San Mateo County LAFCo for a term which expires in May 2022.
2. A copy of this resolution shall be presented to LAFCo as a record of the Board's nomination.

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 adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a meeting thereof held on the 5th day of April 2018, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849



Please forward to Board President

CORRECTED

March 16, 2018

To: Presiding Officers/Board Presidents
Independent Special Districts, San Mateo County

Subject: Call for Nominations: Special District Selection Committee Mail Ballot to Elect
Regular Special District Member on San Mateo LAFCo Pursuant to Section 56332

This corrected letter is being sent to clarify that the position that is expiring in May 2018 is the regular Independent Special District Member on LAFCo.

As you know, San Mateo LAFCo is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee (also known as the Council of Mayors), two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts), and one public member appointed by the six members of the Commission. An alternate for each type of membership is also selected in the same manner as regular members. Terms are four years ending on the first Monday in May and members serve until reappointed or their successor is appointed.

The purpose of this letter is to open the nomination period for the Independent Special District Selection Committee (SDSC) members for candidates to fill the independent special district regular member term that will expire in **May 2022**. This position with a term ending May 2018 is currently held by Joshua Cosgrove of North Coast County Water District. Government Code Section 56332 directs that the LAFCo Executive Officer shall call a meeting or provide for mail ballot to appoint independent special district members to LAFCo to fill vacancies or expiring terms. In this case, it has been determined that the election of a regular special district member for the upcoming four-year term ending **May 2022** shall be held by mail ballot. LAFCo will accept written nominations on your district's letterhead signed by your board president or board-appointed alternate. (No board action is necessary unless your board president is not able to participate.) Nominations may only be submitted in writing and with the signature of

COMMISSIONERS: MIKE O'NEILL, CHAIR, City ▪ ANN DRAPER, VICE CHAIR, Public ▪ JOSHUA COSGROVE, Special District ▪ RICH GARBARINO, City
DON HORSLEY, County ▪ JOE SHERIDAN, Special District ▪ WARREN SLOCUM, County

ALTERNATES: KATI MARTIN, Special District ▪ HARVEY RARBACK, City ▪ SEPI RICHARDSON, Public ▪ DAVE PINE, County

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ JEAN BROOK, COMMISSION CLERK

the Special District President/Chair (or Board-appointed alternate board member) and must be received by LAFCo by 5:00 pm, on Tuesday, June 12, 2018.

Once the nomination period is closed, the LAFCo Executive Officer will distribute a notice and mail ballots, requesting return of the ballot no later than 21 days from the date of the notice. Section 56332(c)(2) provides for distribution of mail ballots by certified mail or by electronic mail with the consent of the district. For both expediency and cost savings it is hoped that districts will consent to distribution of the ballots by electronic mail. To this end, it is requested that your District return the attached "Authorization to transmit the LAFCo Special District Member Ballot by Electronic Mail" and provide LAFCo with the desired email address for distribution of the ballot.

In summary, nominations are now open for the independent special district regular member term that will expire in May 2018 and we need your district's authorization to transmit an election ballot via email.

Board presidents or board-appointed alternates are requested to complete the following two steps:

1. Submit written nominations on your district's letterhead with your signature or that of a board-appointed alternate.
2. Complete and submit the "Authorization to transmit the LAFCo Special District Member Mail Ballot by Electronic Mail."

You must return your authorization form and all nominations to LAFCo no later than 5:00 pm on Tuesday, June 12, 2018.

If you have questions concerning this process, please contact me directly.

Sincerely,



Martha Poyatos
Executive Officer

Attachment: Authorization Form

Distribution: Independent Special Districts in San Mateo County



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **April 5, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning
Cancellation of Next Regular Scheduled
Meeting, April 19, 2018.**

At this time District staff anticipates no urgent items for the second meeting in April.

RECOMMENDATION:

Cancel the regular scheduled meeting, April 19, 2018.