



**Montara Water  
and Sanitary District**  
*Serving the Community of Montara and Moss Beach*

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

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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

**November 1, 2018 at 7:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

**PRESIDENT'S STATEMENT**

**ORAL COMMENTS** (Items other than those on the agenda)

**PUBLIC HEARING**

**CONSENT AGENDA**

1. [Approve Minutes for October 04, 2018.](#)
2. [Approve Financial Statements for September 2018.](#)
3. Approve Warrants for November 1, 2018.
4. [SAM Flow Report for September.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report for September 2018.](#)

8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for July 2018.](#)

## **OLD BUSINESS NEW BUSINESS**

1. [Review and Possible Action Concerning Receipt of FY 2017-2018 Audit.](#)
2. [Review and Possible Action Concerning Consideration of In House Sewer Collection Services.](#)
3. [Update on Montara Water and Sanitary District 60 Year Anniversary Event.](#)
4. [Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meeting November 15, 2018.](#)

## **REPORTS**

1. Sewer Authority Mid-Coastside Meetings (Boyd)
2. MidCoast Community Council Meeting (Slater-Carter)
3. CSDA Report (Slater-Carter)
4. Attorney's Report (Schrickler)
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.*  
(Santa Clara County Super, Crt. No. 17CV316927)

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

*Regional Water Quality Control Board v. Montara Water and Sanitary District* (ACL Complaint No. [unspecified])

### **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

(Government Code §54956.9(d)(2))

Significant Exposure to Litigation:  
Number of cases: 2

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

Title: General Manager

## **REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY ADJOURNMENT**

The District has a curfew of 11:00 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.

NOTE: In accordance with the Government Code, members of the public may address the Board on specific agenda items when the matter is discussed by the Board. Any other items of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. Upon request, this Agenda will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or accommodation in order to participate in the public meeting should be made at (650) 728-3545. Materials related to an item on this Agenda submitted to the Board after distribution of the Agenda Packet are available in the District Clerk's office during normal business hours. Such documents may also be available on the District's web site ([www.mwsd.montara.org](http://www.mwsd.montara.org)) subject to staff's ability to post the documents before the meeting.



**MONTARA WATER & SANITARY**  
**DISTRICT**

**BOARD OF DIRECTORS MEETING**  
**October 4, 2018**

**MINUTES**

**REGULAR SESSION BEGAN AT 7:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Directors Present: Boyd, Slater-Carter, Wilson, Harvey and Huber

Directors Absent: None

Staff Present: General Manager, Clemens Heldmaier  
District Clerk, Tracy Beardsley

Others Present: District Counsel, David Schricker  
District Counsel, Christine Fitzgerald  
District Sewer Engineer, Pippin Cavagnaro  
District Accountant Peter Medina  
Bartel Associates, Mary Beth Redding

**PRESIDENT'S STATEMENT – None**

**ORAL COMMENTS - None**

**PUBLIC HEARING None**

**CONSENT AGENDA**

1. Approve Minutes for September 4, 2018
2. Approve Financial Statements for August 2018
3. Approve Warrants for October 1, 2018
4. SAM Flow Report for August
5. Monthly Review of Current Investment Portfolio
6. Connection Permit Applications Received
7. Monthly Water Production Report for August 2018
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for June 2018

Director Boyd moved to approve the Consent Agenda and Director Huber seconded the motion. All Directors were in favor and the motion passed unanimously 5 – 0.

**OLD BUSINESS - None**

**NEW BUSINESS -**

**1. Review and Acceptance of the June 30, 2017 GASB 68 Actuarial Valuation.**

General Manager Heldmaier stated that about three years ago, the Montara Water and Sanitary District (MWSD) adopted the PARS plan for all full-time employees, and every two years the rates are evaluated by an actuarial. Although this is not the year to evaluate the plan, the audit requires a similar review of the pension program. So, this is an interim assessment between the two years, where no action is taken. General Manager introduced Mary Beth Redding of Bartel Associates to give a brief overview of her findings.

Mary Beth Redding talked about the accounting report that is now done every year. The Government Accounting Standards Board has set forth rules for how financial statements should work, and in reference to pension plans, Bartel Associates is doing calculations to report MWSDs pension plan every year in accordance with the Governmental Accounting Standard Board rules. They are a little different than the rules used for funding and to determine the contributions for the years, the biggest difference is the timing. Thus, MWSDs statement dated June 30, 2018 was measured in June 30, 2017—so it is really a year old numbers reported as if it is current. They are similar to the funding calculations, but mostly determine the unfunded liability which is the plan. She was pleased to report that it is slightly overfunded, about \$80,000 dollars more in assets than in actuarial liabilities. This will go on the District's balance sheet as an asset for June 30, 2018. GASB has decided that this is a real liability and should be on the balance sheet, and they want it measured on a current basis. So, MWSD should expect it to fluctuate a lot. The reason the plan is

well funded this year is that the year June 30, 2016-2017 was a good asset year for most people on June 30<sup>th</sup> years, and MWSD earned about 12.9%.

Director Wilson asked if she thought the assets have grown in the last year.

Mary Beth Redding said that the plans that they have looked at that have run through June 2018 were running about 8%-8.5% growth, which is a little better than expected. The PARS fund is a little more conservative, but it is still expected to be a little further ahead. The rest of the report is full of numbers -- pension expense, etc. The important information is the funding status of the plan, which is slightly positive, and really good news.

Director Huber asked if the program was adopted today, and we had to determine a discount rate, would the District be at 6.5%.

Mary Beth Redding: It is really hard to walk in and say that we think returns are going to be lower in the future than they have been in the past, as we are just coming off of two good years. But that is really still our expectation—that we are looking lower than in the past 20 years.

Director Wilson thanked Mary Beth Redding.

## **2. Review and Possible Action Concerning Review of Recology Audits for 2019 Solid Waste Rate Increase.**

General Manager Heldmaier stated that MWSD has a Franchise agreement with Recology of the Coast, signed two years ago, and at that time asked for a 6% cap on annual rate increases. Recology is now asking for a solid waste rate increase for 2019. The rate would be implemented on January 1<sup>st</sup> if this is approved, but due to the time line for the 218 process involved, this may be problematic. He is recommending that the Board authorize the initiation of the required Prop 218 process, sending the prop 218 notices to all property owners in the District, with a Public Hearing to be scheduled on January 17, 2019. He said Maze and Associates reviewed the documents, and introduced District Accountant Peter Medina to further explain.

District Accountant Medina said they went through their standard procedures and reviewed Recology's worksheets provided, and tied out their assumptions, and their rates in terms of their indexes that they use, as well as the cost based methods that was employed this time. There was a discrepancy, but it did not change the fact that it was going to increase 6%. It was at 12.93%, and when the error was found, it went down to 12.46%. Thus, the discrepancy did not make a world of difference.

Director Wilson asked District Accountant Medina that if there wasn't a cap, Recology would be asking for a 12% increase.

District Accountant Medina: Correct.

Director Wilson asked what this increase is coming from.

District Accountant Peter Medina said it was mostly for labor costs.

General Manager Heldmaier interjected that Recology is also being impacted by China's refusal to take any recyclables or other items, resulting in a loss of revenue. He said that the General Manager of Recology of the Coast said this is the main reason for the increase.

Director Wilson suggested that District Accountant Medina be able to articulate what the rate increase is driven by, particularly since it is 12% vs 6%, and a chunk of it has to do with recycling costs. He reiterated his strong recommendation to get a breakdown in time for the public hearing.

District Accountant Medina: Understood.

Director Huber said he recalled that on the last review of the contract, for the first two years it was based on what was in the contract as an increase and on the third year it was calculated, with a catch up at the very end.

District Medina said that this is the third year, being the cost base model. The other two years are solely index based, and the third year is the catch up, based on actual expenses.

Director Huber: So at the very end of the contract, the fact that they were at 12% and we capped it at 6% for this year. That 6% still carries forth to the end of the year, right?

General Manager Heldmaier confirmed this, and said the cap is there, but the catch up will happen when there is a year that is less than 6%.

Director Wilson reiterated the need to have all the information needed, to avoid what happened the last time there was a catch-up.

### **3. Update for the Progress of the Cabrillo Highway Sewer Improvements Phase 1A Project.**

General Manager Heldmaier said that he is pleased that this project has finally commenced, as it has taken over ten years for implementation. The project is on track and almost complete.

District Sewer Engineer Pippin Cavagnaro brought photographs of the progress of the work. He showed the Board pictures of the existing old clay pipe under the highway with large fractures, and said if the cracks connect and the pieces fall in, the pipe would become blocked. This pipe is important and brings all the sewage down from Montara to the District. There is a lot of traffic on Highway One, and the pipe which crosses the highway, is close to 30 feet deep. In 2012, a drill rig came out to bore holes, exceeding the depth of the sewer pipe, to get a profile of the geology in the area and what the soil looks like. The intent was to dig an access pit on the west side of Highway One, drill underneath the highway, and put in a steel casing so the sewer pipe could be slid underneath the highway and not disrupt traffic. Starting excavation was a bit messy, as the access road was torn up and replacing the initial sewer—it is about 17-18 feet deep. With a really large excavator, they pulled a 30,000 pound piece of concrete out of the ground and began putting in new concrete, with a big dump bucket. The process began of connecting the old sewer with the new sewer with very large pipes, approximately 18" -24" in diameter. Then an access pit needed to be built for the drilling machine. It was set-up on top of District property, and is 33 ft deep, and 40-50 ft long and 20 ft wide. Large pieces of drilling casing was lowered down into the pit; so there are individual 20 foot sections of steel casing preloaded with a drill bit to pull the soil out. At the front of the drill string is the individual drill bits, and at the head of that is a sophisticated steering machine that runs with hydraulics that can twist it, with hydraulic doors that can be opened on either side to help steer, and accurately position it within about 1/2" on a 200 ft run. He showed a picture of the crew installing and welding the casing down in to the bottom of the pit. This whole drilling operation was done by 3 crew members. Each casing run took about one week.

District Engineer Cavagnaro said they had some challenges for the water crossing, and the crew had to back-fill part way, drill another casing across the way, taking advantage of the excavation already done, and put a new water crossing across the highway. District Engineer Cavagnaro had to work with the contractor to develop a manhole concrete design that could handle the weight of the new manhole, approximately 30,000 lbs. So, high strength concrete that could solidify quickly had to be made. That brought it up 10 feet. and a second casing was put in to install the water pipe. Once the work got started, everything has gone well. The biggest problem encountered was that the signs ordered weren't the right color, which were not visible to the public, and new signs were ordered and set up. The project has had some delays due to some materials not received on time, but overall has been on course, and the water crossing should be done in the next two weeks. He is looking for a successful completion within the next few weeks. The next capital improvements moving forward will be moving up the highway incrementally. The long term capital goal is to complete the restoration of the pipe segments the entire length of the District over time.

Director Wilson asked what the final costs were going to be.

District Sewer Engineer Cavagnaro said the District had budgeted about 1.8 million dollars, and right now it is at about 1.3-1.4 million dollars for this first phase. So, MWSD is about \$400,000 under the estimate, which will be used to contribute to the repairs in the next section.

Director Huber asked if the sewer is being used yet.

Pippin confirmed that it is not being used yet. It would be available under emergency situations. The sooner Phase 1B can be expedited, to get up to 14<sup>th</sup> Street, the lower the risk for the District, because then they will be able to tie it in, and at that point they can rehabilitate the existing crossing which has some of these cracks, with a cure-it-in-place process, which has an epoxy liner which goes on the inside and seals it all up, and that would maintain the existing crossing as a back-up.

Director Harvey asked how many separate sections are involved.

District Engineer Cavagnaro said Phase One is to get to 14<sup>th</sup> Street, Phase Two is to secure things at 10<sup>th</sup>, and Phase Three is rehabilitating Main Street. Right on the business district downtown Montara, it would be most effective to build a parallel sewer and take those business off the main sewer. This is a challenge because the main sewer is handling heavy flow and that can adversely affect the local businesses. This next week, the force mains off of the Kanoff Station will be televised, and this will give MWSD an idea if and what rehabilitation is needed, and this would be Phase Four, the last section all the down to the pump station.

Director Harvey asked what the time frame would be for the completion of the project.

District Engineer Cavagnaro said budget wise, the projects are planned to occur every other year, because they are expensive and reserves could be built up during the off year. After five or six years, this project should be complete. There was a delayed start, as Caltrans did not initially approve the permit. But now that the permit is approved, and with that momentum MWSD will be filing for an extension by the end of the year.

General Manager Heldmaier stated that the delay from Caltrans allowed the District to save up to have the money available to do the work.

The Directors thanked District Sewer Engineer Cavagnaro for the update.

#### **4. Update on Montara Water and Sanitary District 60 Year Anniversary Event.**

General Manager Heldmaier announced the public celebration of the District 60<sup>th</sup> year anniversary. The District is planning an event at the Lighthouse on November 4, 2018 from 12pm-3pm. The first invitations went out today via email, and an invitation will also be mailed to all residents in the form of a newsletter, with a historical perspective, next week. He hoped all the Directors will attend.

## REPORTS

1. **Sewer Authority Mid-Coastside Meeting (Boyd) –**  
Director Boyd said they discussed some concerns raised by the City Director of Public Works about the audit of the financial statements.

Director Harvey asked about the status of the wet weather project.

Director Boyd said everything is moving ahead, with completion early spring.

2. **Mid-Coast Community Council Meeting (Slater-Carter) – None**
3. **CSDA Report (Slater-Carter) – None**
3. **Attorney's Report (Schricker) – None**
5. **Directors Report – None**
6. **General Manager's Report (Heldmaier) –**  
General Manager Heldmaier congratulated District Clerk Tracy Beardsley for becoming a Notary Public for the District. He said it will benefit the District to have a Notary Public in-house, and all were welcome to utilize her services if needed.

## FUTURE AGENDAS

## ADJOURNMENT

**REGULAR MEETING ENDED at 8:10 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.* (Santa Clara County Super, Crt. No. 17CV316927)

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

*Regional Water Quality Control Board v. Montara Water and Sanitary  
District (ACL Complaint No. [unspecified])*

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
(Government Code § 54956.9(d)(2))

Significant Exposure to Litigation  
Number of cases: 2

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

Title: General Manager

**REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY**

**ADJOURNMENT**

**PARTICIPATION BY TELECONFERENCE**

**Director Slater-Carter participated by teleconference in all or a portion of the meeting of the Board, including Closed Session, from the following location:  
431 Lakeview Street, Crystal, MI 89450**

Respectfully Submitted,

Signed \_\_\_\_\_  
Secretary

Approved on the 1st, November 2018

Signed \_\_\_\_\_  
President

# MONTARA WATER AND SANITARY DISTRICT

San Mateo County, California

## PLANS

FOR THE CONSTRUCTION OF

### CABRILLO HIGHWAY SEWER IMPROVEMENT PHASE 1A FEBRUARY 2018

#### DISTRICT BOARD

DWIGHT WILSON - PRESIDENT  
SCOTT BOYD - PRESIDENT PRO TEM  
BILL HUBER - TREASURER  
KATHRYN SLATER-CARTER - SECRETARY  
JIM HARVEY - DIRECTOR  
CLEMENS HELDMAIER - GENERAL MANAGER

#### NUTE ENGINEERING

907 Mission Ave.  
San Rafael, California  
Tel 415.468.4480  
Fax 415.463.0343

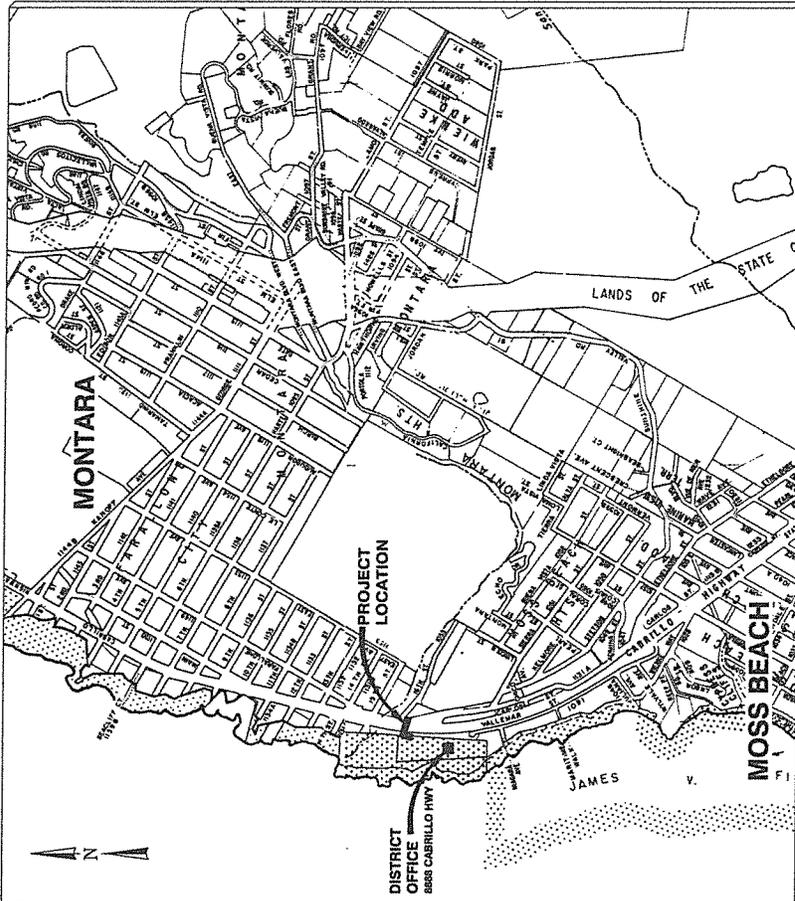
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OF  
14



SUBMITTED BY: *[Signature]*  
CONSULTING SANITARY ENGINEER

Contractor shall agree that in accordance with generally accepted construction practices contractor will be required to provide and maintain all necessary permits and shall be liable to the extent of the contract for any and all liability, including but not limited to, the performance of work on this project, except the liability arising from the negligence of design professionals.

MONTARA WATER AND SANITARY DISTRICT San Mateo County, California	
CABRILLO HIGHWAY SEWER IMPROVEMENT PHASE 1A	
PROJECT LOCATION MAP AND INDEX TO PLANS	
NUTE ENGINEERING	
Drawn By: BEO	Scale: AS SHOWN
Checked By: PC	Date: FEBRUARY 2018



#### PROJECT LOCATION MAP

#### INDEX TO PLANS

1. PROJECT LOCATION MAP AND INDEX TO PLANS
2. NOTES, LEGEND AND ABBREVIATIONS
3. MISCELLANEOUS AND STANDARD DETAILS
4. MISCELLANEOUS DETAILS 1
5. MISCELLANEOUS DETAILS 2
6. PLAN AND PROFILE - SEWER CROSSING - STA 0+00 TO STA 3+84
7. PLAN AND PROFILE - WATER CROSSING - STA 1+50 TO STA 3+80
8. PRELIMINARY TRAFFIC CONTROL PLAN
9. EROSION CONTROL PLAN
10. PAVEMENT STRIPING PLAN
11. CALTRANS EROSION DETAILS (T62)
12. CALTRANS EROSION DETAILS (T63)
13. CALTRANS EROSION DETAILS (T64)
14. CALTRANS EROSION DETAILS (T68)





MO4001

8/10/2017

TO

HWY 1

MO4008

08:55

Crack Longitudinal  
308.7 FT

0

MO4001  
08/10/2017

TO  
HWY 1

MO4008  
08/15/17

CRACK Longitudinal Hinge, 3  
248.1 FT

0

MD4001

8/10/2017

T0

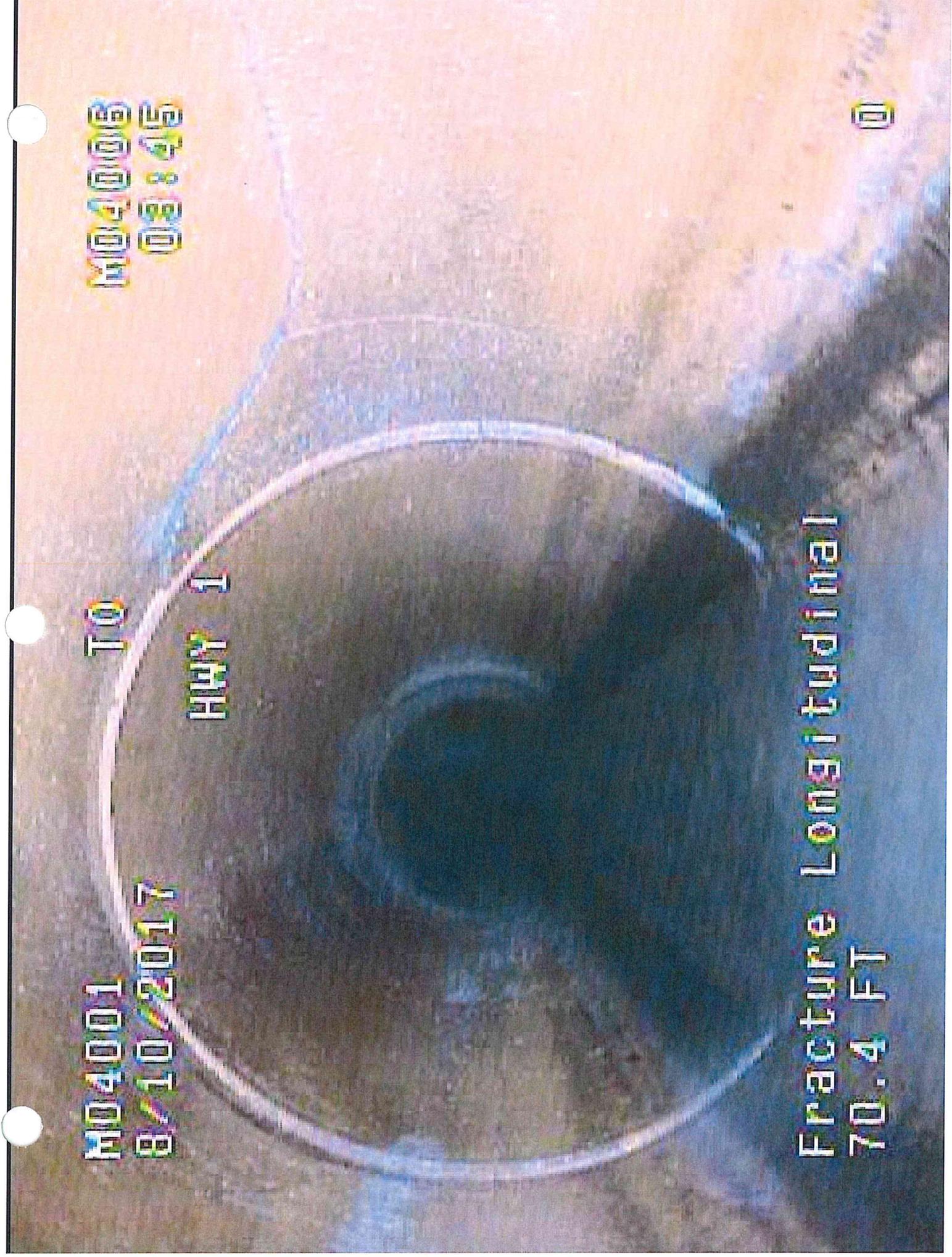
HWY 1

MD4006

09:45

Fracture Longitudinal  
70.4 FT

0



MO4001  
8/10/2017

TO  
HWY 1

MO4008  
08/15/17

Fracture Spiral  
280.4 FT

0



MD4001  
8/10/2017

TO

MD4008  
03:39

HAY 1

Grack Spinal  
4.1 FT

0

MO4001  
8/10/2017

TO  
HAY 1

MO4008  
08:44

Fracture Spiral  
18.8 FT

0



MO4001

8/10/2017

TO

HWY 1

MO4006

08:40

Crack Spiral

18.7 FT

0

MD4001  
8/10/2017

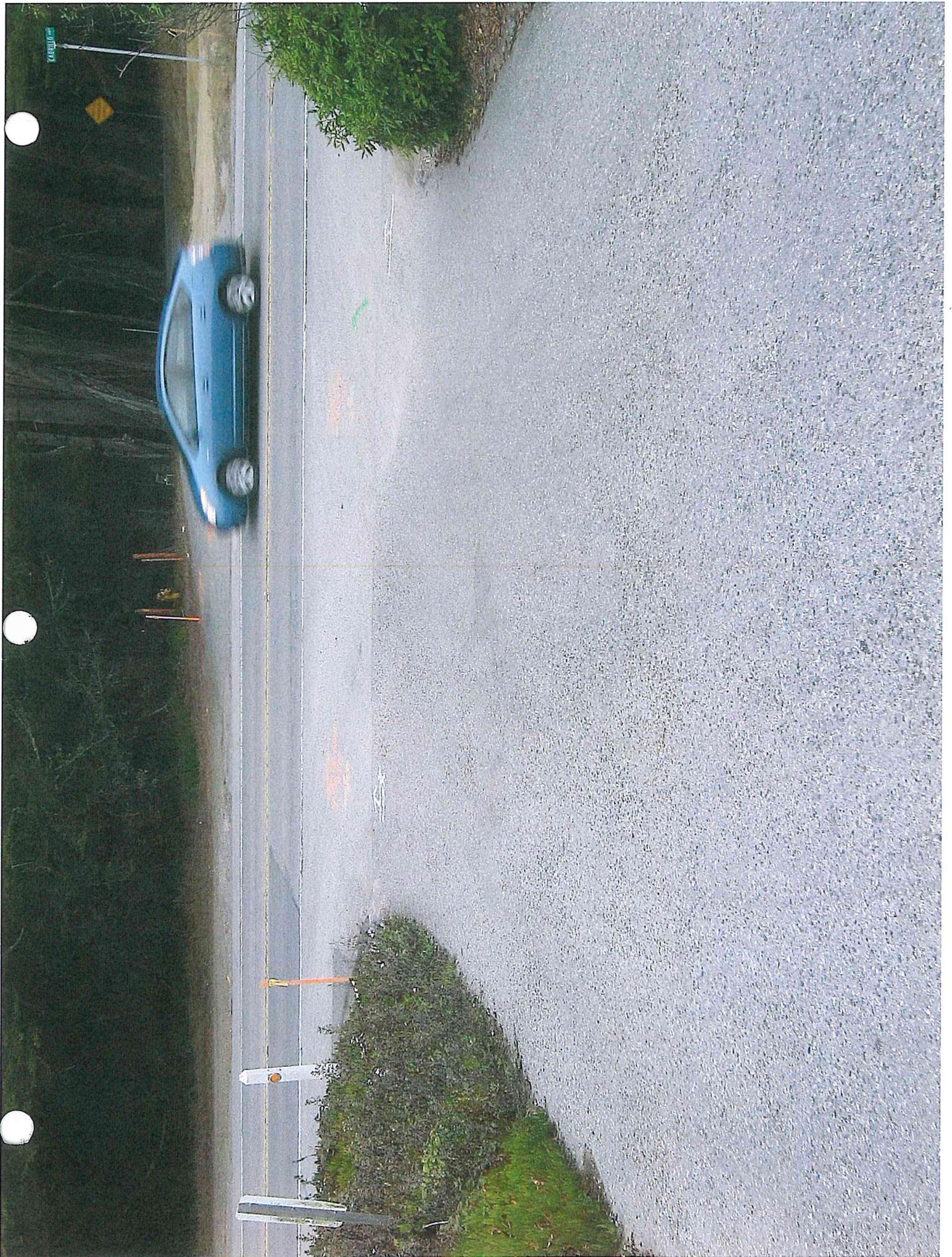
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HWY 1

MD4006  
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4.1 FT

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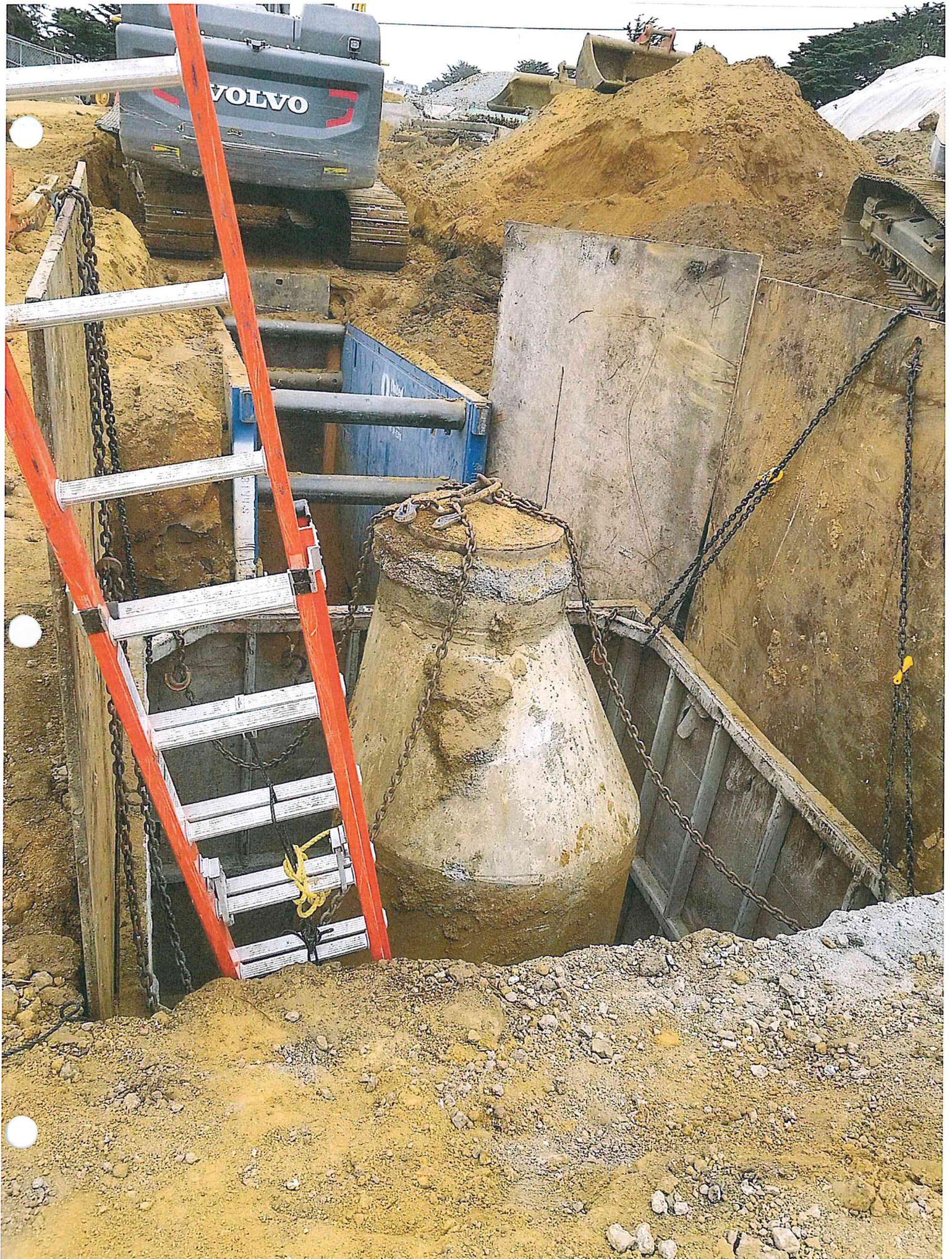






EC350EL

United Rentals  
TRENCH SAFETY  
ADD-UP-RENTS













1/2 EXTENDED

GMC

ON CAP

CAUTION  
EXCESSIVE  
LOADS CAN  
CAUSE  
ACCIDENTS

1/2 EXTENDED



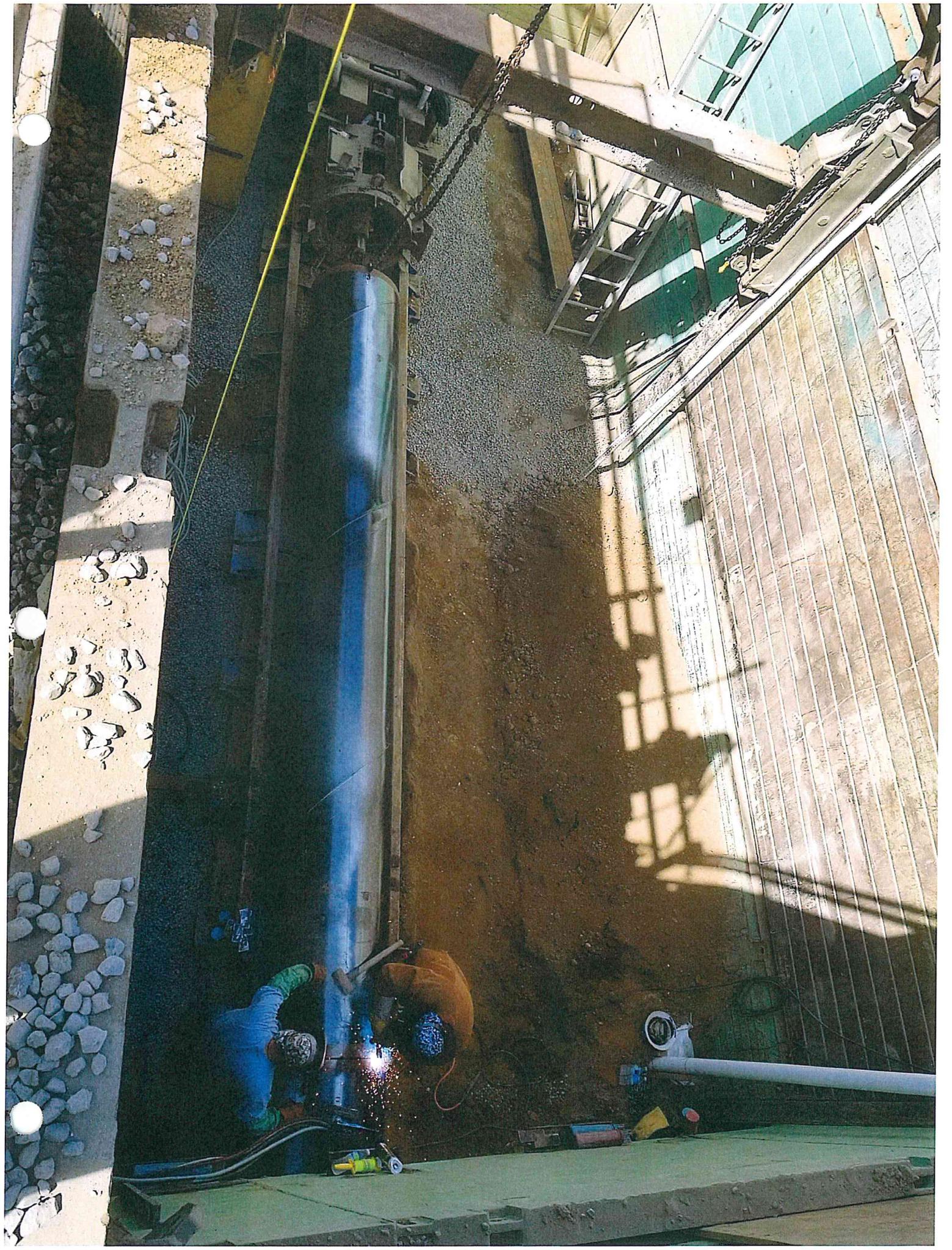


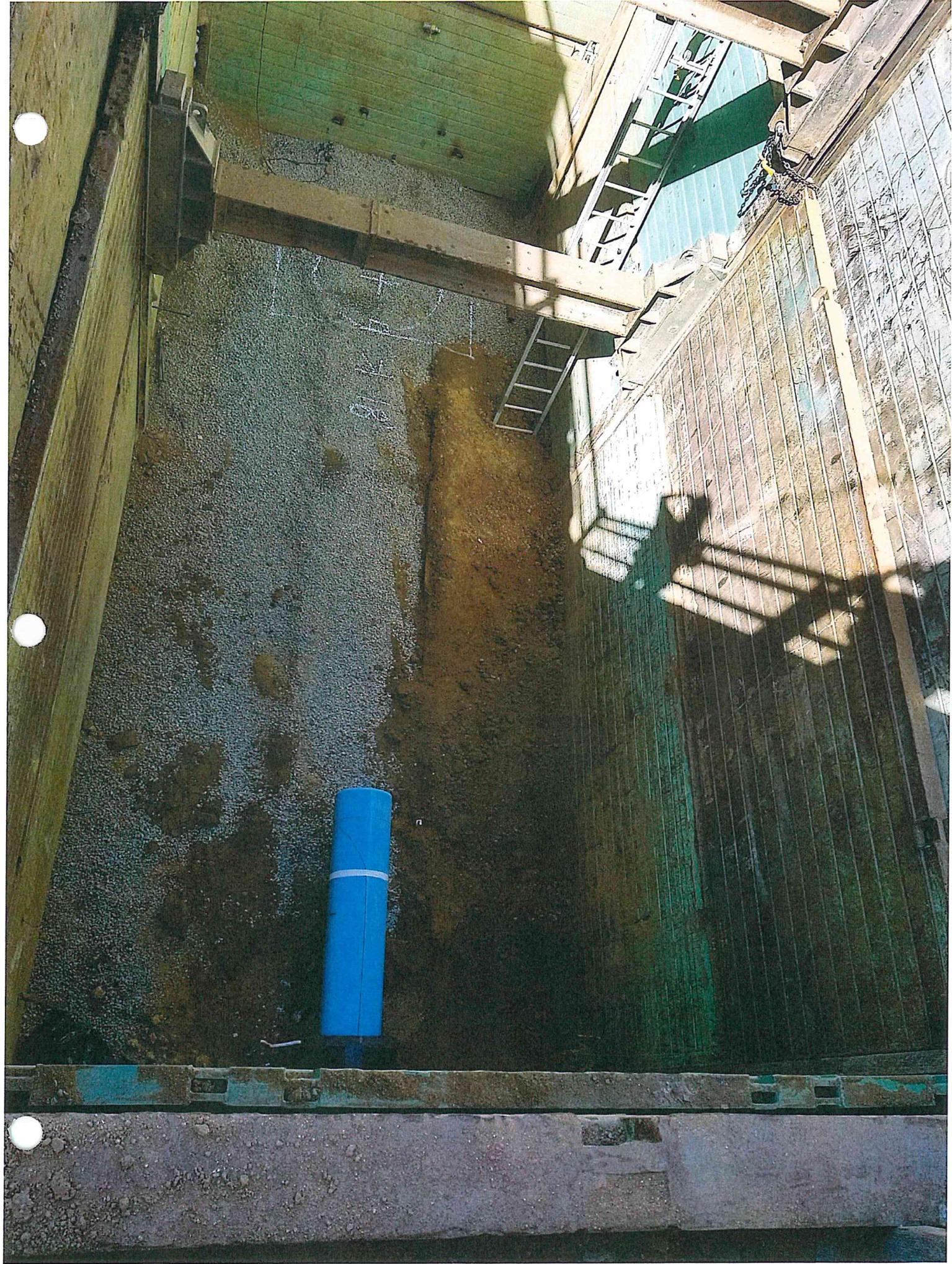
Allstate  
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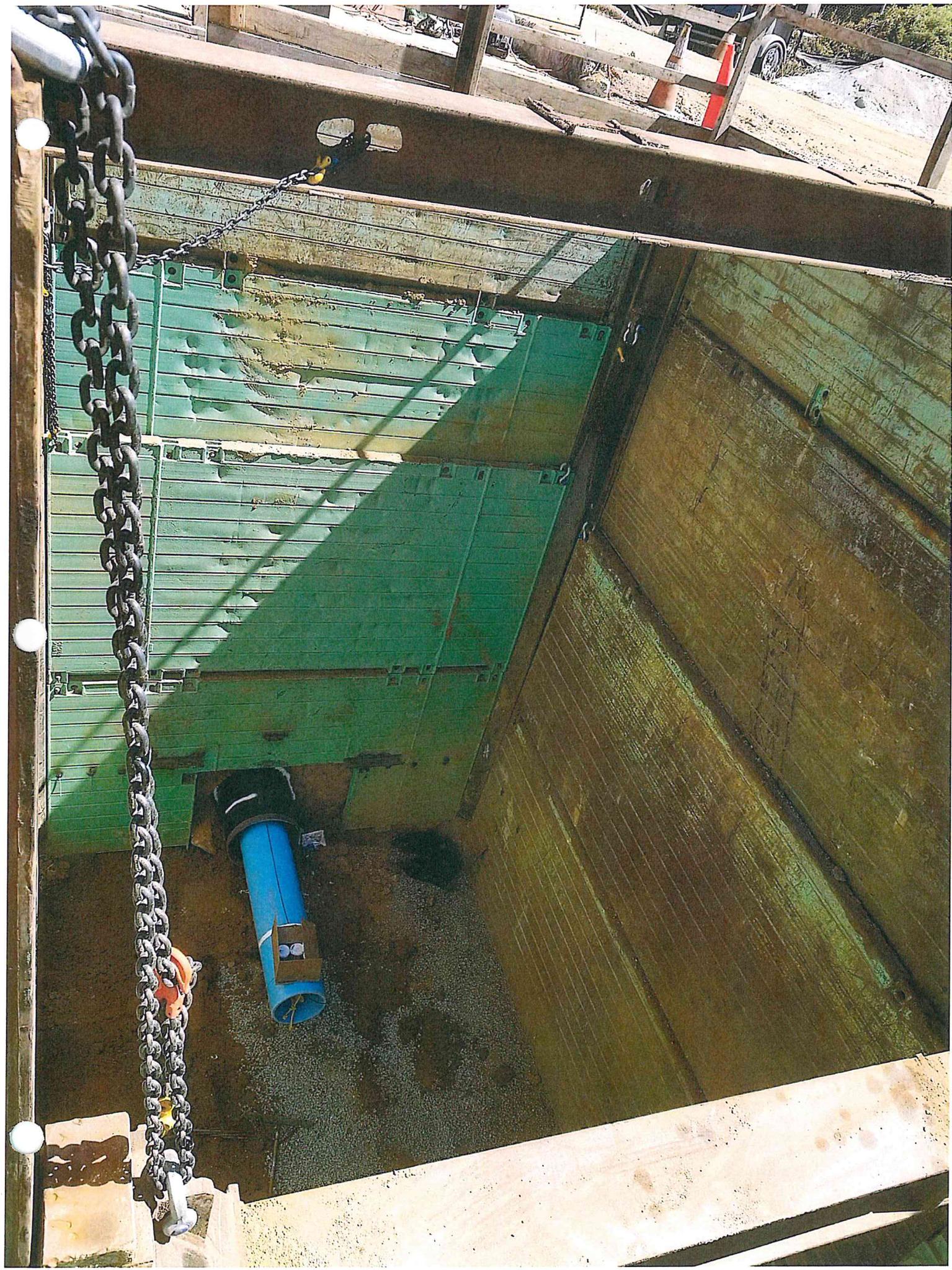
BigTex

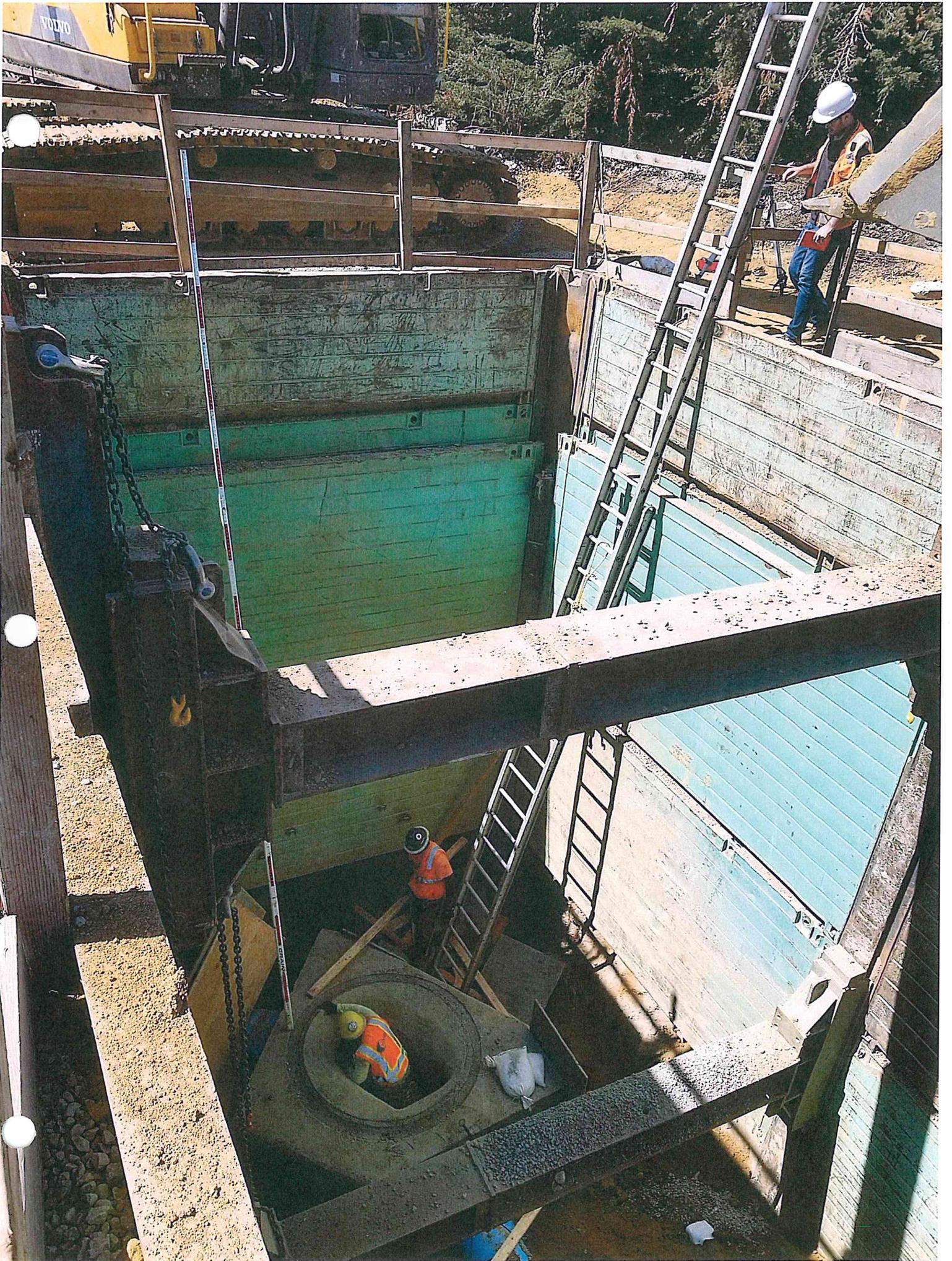
CA 354923

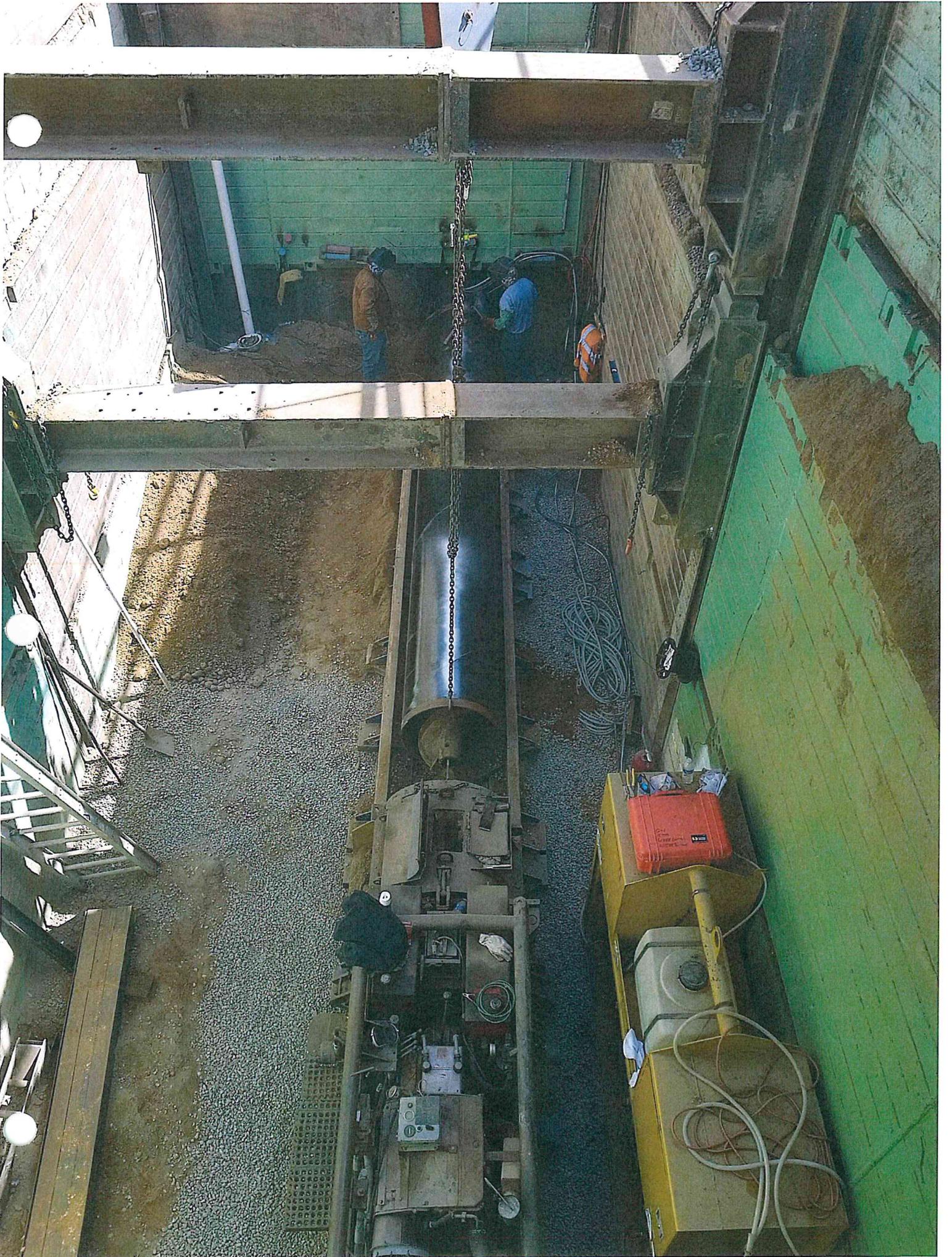
15 TON













# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: November 1, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager 

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

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

- 4400 Fees, \$41,901 above Budget – Remodel fee activity has been substantially more than expected.
- 4610 Property Tax Receipts, \$68,115 below Budget – Funds from the County are typically not received until November or December.
- 4710 Sewer Service Charges, \$424,461 below Budget – Funds from the County are typically not received until November or December.
- **Overall Total Operating Income for the period ending September 30, 2018 was \$661,100 below budget. Total revenue received to date is \$63,581.**
- 5200 Board of Directors \$2,279 below Budget – No elections expenses charged in the current fiscal year.
- 5300 Insurance \$ 2,027 above Budget – Invoice from CSRMA for the JPA charge received and paid in September.
- 5400 Legal, \$12,995 below Budget – Difference due to timing in the billing.
- 5610 Accounting, \$5,450 below Budget – Difference due to timing in the billing.
- 5620 Audit, \$3,250 below Budget – Annual audit has not yet been completed.
- 5630 Consulting, \$3,287 below Budget – More charges expected later in the fiscal year.
- 5640 Data Services, \$4,579 above Budget – Bill for the Parcel Management System for 2018-2019.
- 5720 Telephone & Internet, \$2,909 below Budget – Cost is less than expected in current year.
- 5800 Labor, \$8,015 above Budget – Employee benefits have been billed and paid a month ahead of time.
- 6170 Claims, Property Damage, \$4,661 below Budget – Minimal activity in the current year.
- 6200 Engineering, \$13,316 below Budget – Minimal activity in the current year.
- 6400 Pumping, \$3,172 below Budget – Minimal activity up to date.
- 6600 Collection/ Transmission \$2,500 below Budget – No activity in current year.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

**Prepared for the Meeting Of: November 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6910 SAM Collections, \$82,009 below Budget – No activity in the current year.
- 6920 SAM Operations, \$48,436 below Budget – Minimal activity up to date.
- 6940 SAM Maintenance, Collection Sys, \$48,436 above Budget – Bill for the treatment received in September.
- 6950 SAM Maintenance, Pumping, \$12,500 below Budget – No activity to date.
- **Overall Total Operating Expenses for the period ending September 30, 2018 were \$129,014 below Budget.**
- **Total overall Expenses for the period ending September 30, 2018 were \$148,396 below budget. For a net ordinary Loss of (\$512,703), budgeted vs. actual. Actual net ordinary Loss is (\$398,345).**
- 7100 Connection Fees, \$10,151 above Budget – One remodel connection issued in September.
- 7200 Interest Income, LAIF, \$14,474 above budget – LAIF has been out-performing projections.
- 8000 CIP, \$804,889 below Budget – three bills paid in the month of August.
- 9200 I-Bank Loan, \$10,698 below Budget – Difference due to timing.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **November 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru September 2018 Variances over \$2,000:**
- 4610 Property tax Receipts, \$68,115 below Budget – Funds from the County are typically not received until November or December.
- 4740 Testing, Backflow, \$4,000 below Budget – No activity in the current fiscal year.
- 4810 Water Sales, Domestic, \$62,473 above budget – Increase due to rate increase as well as increased usage.
- **Overall Total Operating Income for the period ending September 30, 2018 was \$10,612 below budget. Total revenue received to date is \$552,150.**
- 5240 CDPH Fees, \$3,875 below Budget – No activity in the current fiscal year.
- 5400 Legal, \$17,124 below Budget – Difference due to timing in the billing.
- 5530 Memberships, \$4,856 below Budget – Membership dues paid to the American Water Works Association.
- 5610 Accounting, \$5,450 below Budget - Difference due to timing in the billing.
- 5620 Audit, \$3,250 below Budget – Annual audit has not yet been completed.
- 5630 Consulting, \$6,452 below Budget – Minimal activity in current fiscal year.
- 5800 Labor, \$35,690 below Budget – Major line items to decrease are staff wages due to the District not yet employing the services of a fourth operator.
- 6170 Claims, property Damage, \$2,478 below Budget – Minimal activity in this fiscal year.
- 6180 Communications, \$3,800 above Budget – SCADA system maintenance.
- 6200 Engineering, \$26,711 above Budget – Water Quality engineering costs are higher than anticipated.
- 6400 Pumping, \$11,197 below Budget – Large “catch-up” bill expected later in the fiscal year.
- 6500 Supply, \$10,836 below Budget – No water purchases in current fiscal year.
- 6600 Collection/Transmission, \$6,042 below Budget – No activity in September.
- **Overall Total Operating Expenses for the period ending September 30, 2018 were \$2,680 below Budget.**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **November 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Total overall Expenses for the period ending September 30, 2018 were \$82,642 below budget. For a net ordinary income of \$72,030, budgeted vs. actual. Actual net ordinary income is \$218,174.**
- 7100 Connection Fees, \$23,149 below Budget – Two new construction connection PFP issued in September.
- 7600 Bond Revenues, G.O. \$286,196 below Budget – Funds from the County are typically not received until November or December.
- 8000 CIP, \$103,228 below Budget – Minimal activity in the current fiscal year.
- 9100 Interest Expense – GO Bonds \$107,349 below Budget – Difference due to timing.

## RECOMMENDATION:

This is for Board information only

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 10/16/18  
 Accrual Basis

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

	Jul - Sep 18	Water Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	9,138.63	8,874.99	263.64
4400 · Fees			
4410 · Administrative Fee (New Constr)	521.00	1,374.99	-853.99
4420 · Administrative Fee (Remodel)	0.00	225.00	-225.00
4430 · Inspection Fee (New Constr)	496.00	1,250.01	-754.01
4440 · Inspection Fee (Remodel)	0.00	162.51	-162.51
4460 · Remodel Fees	354.00		
<b>Total 4400 · Fees</b>	<b>1,371.00</b>	<b>3,012.51</b>	<b>-1,641.51</b>
4510 · Grants	280.00		
4610 · Property Tax Receipts	635.08	68,750.01	-68,114.93
4740 · Testing, Backflow	0.00	3,999.99	-3,999.99
4810 · Water Sales, Domestic	541,347.15	478,874.01	62,473.14
4850 · Water Sales Refunds, Customer	-2,234.65	-750.00	-1,484.65
4990 · Other Revenue	1,612.30		
<b>Total Income</b>	<b>552,149.51</b>	<b>562,761.51</b>	<b>-10,612.00</b>
<b>Gross Profit</b>	<b>552,149.51</b>	<b>562,761.51</b>	<b>-10,612.00</b>
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	1,179.07	875.01	304.06
5200 · Board of Directors			
5210 · Board Meetings	145.92	999.99	-854.07
5220 · Director Fees	450.00	825.00	-375.00
<b>Total 5200 · Board of Directors</b>	<b>595.92</b>	<b>1,824.99</b>	<b>-1,229.07</b>
5240 · CDPH Fees	0.00	3,875.01	-3,875.01
5250 · Conference Attendance	111.63	1,500.00	-1,388.37
5270 · Information Systems	1,079.50	750.00	329.50
5300 · Insurance			
5310 · Fidelity Bond	437.50	125.01	312.49
5320 · Property & Liability Insurance	2,215.00	675.00	1,540.00
<b>Total 5300 · Insurance</b>	<b>2,652.50</b>	<b>800.01</b>	<b>1,852.49</b>
5350 · LAFCO Assessment	0.00	624.99	-624.99
5400 · Legal			
5420 · Meeting Attendance, Legal	0.00	2,124.99	-2,124.99
5430 · General Legal	0.00	15,000.00	-15,000.00
<b>Total 5400 · Legal</b>	<b>0.00</b>	<b>17,124.99</b>	<b>-17,124.99</b>

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Accrual Basis

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

	<u>Jul - Sep 18</u>	<u>Water Budget</u>	<u>\$ Over Budget</u>
5510 · Maintenance, Office	1,101.45	2,000.01	-898.56
5530 · Memberships	269.00	5,124.99	-4,855.99
5540 · Office Supplies	1,384.85	1,749.99	-365.14
5550 · Postage	2,443.93	1,749.99	693.94
5560 · Printing & Publishing	681.62	500.01	181.61
<b>5600 · Professional Services</b>			
5610 · Accounting	2,050.00	7,500.00	-5,450.00
5620 · Audit	0.00	3,249.99	-3,249.99
5630 · Consulting	2,298.25	8,750.01	-6,451.76
5650 · Labor & HR Support	610.50	624.99	-14.49
5660 · Payroll Services	217.68	249.99	-32.31
<b>Total 5600 · Professional Services</b>	<b>5,176.43</b>	<b>20,374.98</b>	<b>-15,198.55</b>
5720 · Telephone & Internet	4,877.28	6,249.99	-1,372.71
5730 · Mileage Reimbursement	0.00	500.01	-500.01
5740 · Reference Materials	0.00	200.01	-200.01
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	8,658.23	10,757.25	-2,099.02
5820 · Employee Benefits	22,312.54	20,014.50	2,298.04
5830 · Disability Insurance	841.53	1,071.99	-230.46
5840 · Payroll Taxes	9,029.19	12,189.99	-3,160.80
5850 · PARS	7,425.03	8,933.49	-1,508.46
<b>5900 · Wages</b>			
5910 · Management	26,347.36	25,931.25	416.11
5920 · Staff	87,713.75	106,701.00	-18,987.25
5930 · Staff Certification	1,900.00	2,850.00	-950.00
5940 · Staff Overtime	12,154.25	17,333.49	-5,179.24
5950 · Staff Standby	6,070.84	6,530.76	-459.92
<b>Total 5900 · Wages</b>	<b>134,186.20</b>	<b>159,346.50</b>	<b>-25,160.30</b>
5960 · Worker's Comp Insurance	0.00	5,829.24	-5,829.24
<b>Total 5800 · Labor</b>	<b>182,452.72</b>	<b>218,142.96</b>	<b>-35,690.24</b>
<b>Total 5000 · Administrative</b>	<b>204,005.90</b>	<b>283,967.94</b>	<b>-79,962.04</b>
<b>6000 · Operations</b>			
6160 · Backflow Prevention	0.00	249.99	-249.99
6170 · Claims, Property Damage	21.75	2,499.99	-2,478.24
<b>6180 · Communications</b>			
6185 · SCADA Maintenance	6,300.00	2,499.99	3,800.01
<b>Total 6180 · Communications</b>	<b>6,300.00</b>	<b>2,499.99</b>	<b>3,800.01</b>
6195 · Education & Training	1,864.67	2,250.00	-385.33

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 Accrual Basis

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

	Jul - Sep 18	Water Budget	\$ Over Budget
<b>6200 - Engineering</b>			
6210 - Meeting Attendance, Engineering	0.00	125.01	-125.01
6220 - General Engineering	3,818.75	11,250.00	-7,431.25
6230 - Water Quality Engineering	59,266.79	24,999.99	34,266.80
<b>Total 6200 - Engineering</b>	63,085.54	36,375.00	26,710.54
<b>6320 - Equipment &amp; Tools, Expensed</b>	2,832.33	1,250.01	1,582.32
<b>6330 - Facilities</b>			
6335 - Alarm Services	179.52	200.01	-20.49
6337 - Landscaping	980.95	1,500.00	-519.05
<b>Total 6330 - Facilities</b>	1,160.47	1,700.01	-539.54
<b>6370 - Lab Supplies &amp; Equipment</b>	460.08	500.01	-39.93
<b>6400 - Pumping</b>			
6410 - Pumping Fuel & Electricity	14,198.74	22,500.00	-8,301.26
6420 - Pumping Maintenance, Generators	822.01	2,499.99	-1,677.98
6430 - Pumping Maintenance, General	207.57	1,250.01	-1,042.44
6440 - Pumping Equipment, Expensed	0.00	174.99	-174.99
<b>Total 6400 - Pumping</b>	15,228.32	26,424.99	-11,196.67
<b>6500 - Supply</b>			
6510 - Maintenance, Raw Water Mains	0.00	525.00	-525.00
6520 - Maintenance, Wells	2,189.25	2,499.99	-310.74
6530 - Water Purchases	0.00	9,999.99	-9,999.99
<b>Total 6500 - Supply</b>	2,189.25	13,024.98	-10,835.73
<b>6600 - Collection/Transmission</b>			
6610 - Hydrants	-570.00	249.99	-819.99
6620 - Maintenance, Water Mains	12,688.49	12,500.01	188.48
6630 - Maintenance, Water Svc Lines	0.00	5,000.01	-5,000.01
6640 - Maintenance, Tanks	0.00	249.99	-249.99
6650 - Maint., Distribution General	0.00	1,749.99	-1,749.99
6670 - Meters	2,214.89	624.99	1,589.90
<b>Total 6600 - Collection/Transmission</b>	14,333.38	20,374.98	-6,041.60
<b>6700 - Treatment</b>			
6710 - Chemicals & Filtering	486.02	7,500.00	-7,013.98
6720 - Maintenance, Treatment Equip.	9,704.05	999.99	8,704.06
6730 - Treatment Analysis	7,034.50	10,500.00	-3,465.50
<b>Total 6700 - Treatment</b>	17,224.57	18,999.99	-1,775.42
<b>6770 - Uniforms</b>	2,743.30	3,000.00	-256.70

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 Accrual Basis

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

	Jul - Sep 18	Water Budget	\$ Over Budget
<b>6800 - Vehicles</b>			
6810 - Fuel	1,171.25	2,000.01	-828.76
6820 - Truck Equipment, Expensed	0.00	249.99	-249.99
6830 - Truck Repairs	1,354.66	1,250.01	104.65
<b>Total 6800 - Vehicles</b>	<u>2,525.91</u>	<u>3,500.01</u>	<u>-974.10</u>
<b>Total 6000 - Operations</b>	129,969.57	132,649.95	-2,680.38
<b>Total Expense</b>	<u>333,975.47</u>	<u>416,617.89</u>	<u>-82,642.42</u>
<b>Net Ordinary Income</b>	218,174.04	146,143.62	72,030.42
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 - Capital Account Revenues</b>			
<b>7100 - Connection Fees</b>			
7110 - Connection Fees (New Constr)	17,457.00	43,254.99	-25,797.99
7130 - Conn. Fees, PFP (New Constr)	20,616.73	20,000.01	616.72
7140 - Conn. Fees, PFP (Remodel)	2,032.40		
<b>Total 7100 - Connection Fees</b>	<u>40,106.13</u>	<u>63,255.00</u>	<u>-23,148.87</u>
<b>7600 - Bond Revenues, G.O.</b>	1,412.72	287,609.01	-286,196.29
<b>Total 7000 - Capital Account Revenues</b>	<u>41,518.85</u>	<u>350,864.01</u>	<u>-309,345.16</u>
<b>Total Other Income</b>	41,518.85	350,864.01	-309,345.16
<b>Other Expense</b>			
<b>8000 - Capital Improvement Program</b>			
<b>8100 - Water</b>	17,021.51	120,249.99	-103,228.48
<b>Total 8000 - Capital Improvement Program</b>	<u>17,021.51</u>	<u>120,249.99</u>	<u>-103,228.48</u>
<b>9000 - Capital Account Expenses</b>			
9100 - Interest Expense - GO Bonds	20,593.81	127,943.00	-107,349.19
9125 - PNC Equipment Lease Interest	4,350.29	4,350.29	0.00
9210 - Conservation Program/Rebates	300.00	500.01	-200.01
<b>Total 9000 - Capital Account Expenses</b>	<u>25,244.10</u>	<u>132,793.30</u>	<u>-107,549.20</u>
<b>Total Other Expense</b>	<u>42,265.61</u>	<u>253,043.29</u>	<u>-210,777.68</u>
<b>Net Other Income</b>	-746.76	97,820.72	-98,567.48
<b>Net Income</b>	<u><u>217,427.28</u></u>	<u><u>243,964.34</u></u>	<u><u>-26,537.06</u></u>

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

	Jul - Sep 18	Sewer Budget		\$ Over Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4220 - Cell Tower Lease	9,138.60	8,874.99		263.61
<b>4400 - Fees</b>				
4410 - Administrative Fee (New Constr)	1,563.00	875.01		687.99
4420 - Administrative Fee (Remodel)	0.00	500.01		-500.01
4430 - Inspection Fee (New Constr)	1,480.00	875.01		604.99
4440 - Inspection Fee (Remodel)	0.00	999.99		-999.99
4460 - Remodel Fees	43,108.00	999.99		42,108.01
<b>Total 4400 - Fees</b>	46,151.00	4,250.01		41,900.99
4610 - Property Tax Receipts	635.07	68,750.01		-68,114.94
4710 - Sewer Service Charges	909.70	638,056.26		-637,146.56
4720 - Sewer Service Refunds, Customer	0.00	-999.99		999.99
4760 - Waste Collection Revenues	5,134.70	5,750.01		-615.31
4990 - Other Revenue	1,612.29			
<b>Total Income</b>	63,581.36	724,681.29		-661,099.93
<b>Gross Profit</b>	63,581.36	724,681.29		-661,099.93
<b>Expense</b>				
<b>5000 - Administrative</b>				
5190 - Bank Fees	3,477.84	1,625.01		1,852.83
<b>5200 - Board of Directors</b>				
5210 - Board Meetings	145.92	624.99		-479.07
5220 - Director Fees	450.00	999.99		-549.99
5230 - Election Expenses	0.00	1,250.01		-1,250.01
<b>Total 5200 - Board of Directors</b>	595.92	2,874.99		-2,279.07
5250 - Conference Attendance	111.63	750.00		-638.37
5270 - Information Systems	1,079.50	999.99		79.51
<b>5300 - Insurance</b>				
5310 - Fidelity Bond	437.50	125.01		312.49
5320 - Property & Liability Insurance	2,215.00	500.01		1,714.99
<b>Total 5300 - Insurance</b>	2,652.50	625.02		2,027.48
5350 - LAFCO Assessment	0.00	500.01		-500.01
<b>5400 - Legal</b>				
5420 - Meeting Attendance, Legal	0.00	2,375.01		-2,375.01
5430 - General Legal	0.00	37,500.00		-37,500.00
5440 - Litigation	26,880.00			
<b>Total 5400 - Legal</b>	26,880.00	39,875.01		-12,995.01
5510 - Maintenance, Office	628.74	2,000.01		-1,371.27
5540 - Office Supplies	759.93	2,000.01		-1,240.08
5550 - Postage	272.98	624.99		-352.01
5560 - Printing & Publishing	681.65	1,250.01		-568.36

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

	Jul - Sep 18	Sewer Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	2,050.00	7,500.00	-5,450.00
5620 · Audit	0.00	3,249.99	-3,249.99
5630 · Consulting	1,713.25	5,000.01	-3,286.76
5640 · Data Services	6,079.02	1,500.00	4,579.02
5650 · Labor & HR Support	610.50	624.99	-14.49
5660 · Payroll Services	217.68	249.99	-32.31
<b>Total 5600 · Professional Services</b>	<b>10,670.45</b>	<b>18,124.98</b>	<b>-7,454.53</b>
5710 · San Mateo Co. Tax Roll Charges	0.00	624.99	-624.99
5720 · Telephone & Internet	3,091.32	6,000.00	-2,908.68
5730 · Mileage Reimbursement	0.00	375.00	-375.00
5740 · Reference Materials	0.00	50.01	-50.01
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	3,866.30	3,978.00	-111.70
5820 · Employee Benefits	17,595.14	8,908.74	8,686.40
5830 · Disability Insurance	340.08	383.49	-43.41
5840 · Payroll Taxes	3,211.48	4,347.51	-1,136.03
5850 · PARS	3,777.36	3,854.01	-76.65
<b>5900 · Wages</b>			
5910 · Management	26,347.41	25,931.25	416.16
5920 · Staff	31,206.62	29,761.74	1,444.88
5930 · Staff Certification	450.00	450.00	0.00
5940 · Staff Overtime	132.84	686.01	-553.17
<b>Total 5900 · Wages</b>	<b>58,136.87</b>	<b>56,829.00</b>	<b>1,307.87</b>
5960 · Worker's Comp Insurance	0.00	611.76	-611.76
<b>Total 5800 · Labor</b>	<b>86,927.23</b>	<b>78,912.51</b>	<b>8,014.72</b>
<b>Total 5000 · Administrative</b>	<b>137,829.69</b>	<b>157,212.54</b>	<b>-19,382.85</b>
<b>6000 · Operations</b>			
6170 · Claims, Property Damage	339.30	5,000.01	-4,660.71
6195 · Education & Training	0.00	249.99	-249.99
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	500.01	-500.01
6220 · General Engineering	2,184.00	15,000.00	-12,816.00
<b>Total 6200 · Engineering</b>	<b>2,184.00</b>	<b>15,500.01</b>	<b>-13,316.01</b>
6320 · Equipment & Tools, Expensed	0.00	249.99	-249.99
<b>6330 · Facilities</b>			
6335 · Alarm Services	1,354.92	1,425.00	-70.08
6337 · Landscaping	408.00	600.00	-192.00
<b>Total 6330 · Facilities</b>	<b>1,762.92</b>	<b>2,025.00</b>	<b>-262.08</b>

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10/16/18

Accrual Basis

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

	Jul - Sep 18	Sewer Budget	\$ Over Budget
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	7,078.05	10,250.01	-3,171.96
<b>Total 6400 · Pumping</b>	7,078.05	10,250.01	-3,171.96
<b>6600 · Collection/Transmission</b>			
6660 · Maintenance, Collection System	0.00	2,499.99	-2,499.99
<b>Total 6600 · Collection/Transmission</b>	0.00	2,499.99	-2,499.99
<b>6800 · Vehicles</b>			
6810 · Fuel	206.69	249.99	-43.30
6820 · Truck Equipment, Expensed	0.00	39.99	-39.99
6830 · Truck Repairs	239.06	249.99	-10.93
<b>Total 6800 · Vehicles</b>	445.75	539.97	-94.22
<b>6900 · Sewer Authority Midcoastside</b>			
6910 · SAM Collections	0.00	82,008.99	-82,008.99
6920 · SAM Operations	263,851.13	312,286.74	-48,435.61
6940 · SAM Maintenance, Collection Sys	48,435.61	9,999.99	38,435.62
6950 · SAM Maintenance, Pumping	0.00	12,500.01	-12,500.01
<b>Total 6900 · Sewer Authority Midcoastside</b>	312,286.74	416,795.73	-104,508.99
<b>Total 6000 · Operations</b>	324,096.76	453,110.70	-129,013.94
<b>Total Expense</b>	461,926.45	610,323.24	-148,396.79
<b>Net Ordinary Income</b>	-398,345.09	114,358.05	-512,703.14
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 · Capital Account Revenues</b>			
<b>7100 · Connection Fees</b>			
7110 · Connection Fees (New Constr)	49,826.00	36,150.00	13,676.00
7120 · Connection Fees (Remodel)	6,979.00	12,500.01	-5,521.01
7130 · Conn. Fees, PFP (New Constr)	1,996.40		
<b>Total 7100 · Connection Fees</b>	58,801.40	48,650.01	10,151.39
<b>7200 · Interest Income - LAIF</b>	20,724.38	6,250.00	14,474.38
<b>Total 7000 · Capital Account Revenues</b>	79,525.78	54,900.01	24,625.77
<b>Total Other Income</b>	79,525.78	54,900.01	24,625.77
<b>Other Expense</b>			
<b>8000 · Capital Improvement Program</b>			
8075 · Sewer	164,486.00	969,375.00	-804,889.00
<b>Total 8000 · Capital Improvement Program</b>	164,486.00	969,375.00	-804,889.00

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Accrual Basis

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

	Jul - Sep 18	Sewer Budget	\$ Over Budget
<b>9000 - Capital Account Expenses</b>			
<b>9125 - PNC Equipment Lease Interest</b>	4,350.27	4,350.29	-0.02
<b>9200 - I-Bank Loan</b>	1,263.57	11,961.96	-10,698.39
<b>Total 9000 - Capital Account Expenses</b>	5,613.84	16,312.25	-10,698.41
<b>Total Other Expense</b>	170,099.84	985,687.25	-815,587.41
<b>Net Other Income</b>	-90,574.06	-930,787.24	840,213.18
<b>Net Income</b>	<b>-488,919.15</b>	<b>-816,429.19</b>	<b>327,510.04</b>

**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
<b>Sewer - Operations</b>															
Wells Fargo Operating - Sewer	2,527,401.70	2,272,516.58	2,196,490.71												
<b>Sewer - Reserve Accounts</b>															
LAIF -															
Capital Reserve	3,786,797.70	3,786,797.70	3,786,797.70										2,589,500.00	1,197,297.70	146%
Connection Fees Reserve	194,600.00	194,600.00	194,600.00										194,600.00	-	100%
Operating Reserve	406,882.00	406,882.00	406,882.00										406,882.00	-	100%
Sub-total	4,388,279.70	4,388,279.70	4,388,279.70	-	-	-	-	-	-	-	-	-			
<b>Water - Operations</b>															
Wells Fargo Operating - Water	886,304.60	900,197.83	915,718.26												
<b>Water - Reserve Accounts</b>															
Wells Fargo Bank-															
Capital Reserve	398,249.00	398,249.00	398,249.00										945,817.00	(547,568.00)	42%
Connection Fees Reserve	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)	100%
Operating Reserve	46,009.00	46,009.00	46,009.00										277,745.00	(277,745.00)	17%
Sub-total	745,500.00	745,500.00	745,500.00	-	-	-	-	-	-	-	-	-			
<b>Water - Restricted accounts</b>															
First Republic Bank - Water															
Acquisition & Improvement Fund	376.13	346.13	316.13												
Cost of issuance	62.94	32.94	2.94												
GO Bonds Fund	1,514,515.09	939,297.05	940,709.77												
Sub-total	1,514,954.16	939,676.12	941,028.84	-	-	-	-	-	-	-	-	-			
Total Cash and equivalents	<u>10,062,440.16</u>	<u>9,246,170.23</u>	<u>9,187,017.51</u>	<u>-</u>											

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
July 2018 through June 2019

												TOTAL				
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>																
<b>Income</b>																
4220 - Cell Tower Lease	3,046.20	3,046.20	3,046.20										9,138.60	11,833.36	-2,694.76	77.23%
<b>4400 - Fees</b>																
4410 - Administrative Fee (New Constr)	0.00	1,563.00	0.00										1,563.00	1,166.64	396.36	133.97%
4420 - Administrative Fee (Remodel)	0.00	0.00	0.00										0.00	666.64	-666.64	0.0%
4430 - Inspection Fee (New Constr)	0.00	1,480.00	0.00										1,480.00	1,166.64	313.36	126.86%
4440 - Inspection Fee (Remodel)	0.00	0.00	0.00										0.00	1,333.36	-1,333.36	0.0%
4460 - Remodel Fees	20,010.50	612.50	22,485.00										43,108.00	1,333.36	41,774.64	3,233.04%
<b>Total 4400 - Fees</b>	20,010.50	3,655.50	22,485.00										46,151.00	5,666.64	40,484.36	814.43%
4610 - Property Tax Receipts	0.00	0.00	635.07										635.07	91,666.64	-91,031.57	0.69%
4710 - Sewer Service Charges	0.00	909.70	0.00										909.70	850,741.64	-849,831.94	0.11%
4720 - Sewer Service Refunds, Customer	0.00	0.00	0.00										0.00	-1,333.36	1,333.36	0.0%
4760 - Waste Collection Revenues	1,054.27	3,013.27	1,067.16										5,134.70	7,666.64	-2,531.94	66.98%
4990 - Other Revenue	0.00	512.29	1,100.00										1,612.29			
<b>Total Income</b>	24,110.97	11,136.96	28,333.43										63,581.36	966,241.56	-902,660.20	6.58%
<b>Gross Profit</b>	24,110.97	11,136.96	28,333.43										63,581.36	966,241.56	-902,660.20	6.58%
<b>Expense</b>																
<b>5000 - Administrative</b>																
5190 - Bank Fees	2,741.45	348.18	388.21										3,477.84	2,166.64	1,311.20	160.52%
<b>5200 - Board of Directors</b>																
5210 - Board Meetings	20.92	125.00	0.00										145.92	833.36	-687.44	17.51%
5220 - Director Fees	0.00	187.50	262.50										450.00	1,333.36	-883.36	33.75%
5230 - Election Expenses	0.00	0.00	0.00										0.00	1,666.64	-1,666.64	0.0%
<b>Total 5200 - Board of Directors</b>	20.92	312.50	262.50										595.92	3,833.36	-3,237.44	15.55%
5250 - Conference Attendance	111.63	0.00	0.00										111.63	1,000.00	-888.37	11.16%
5270 - Information Systems	1,079.50	0.00	0.00										1,079.50	1,333.36	-253.86	80.96%
<b>5300 - Insurance</b>																
5310 - Fidelity Bond	0.00	437.50	0.00										437.50	166.64	270.86	262.54%
5320 - Property & Liability Insurance	0.00	0.00	2,215.00										2,215.00	666.64	1,548.36	332.26%
<b>Total 5300 - Insurance</b>	0.00	437.50	2,215.00										2,652.50	833.28	1,819.22	318.32%
5350 - LAFCO Assessment	0.00	0.00	0.00										0.00	666.64	-666.64	0.0%
<b>5400 - Legal</b>																
5420 - Meeting Attendance, Legal	0.00	0.00	0.00										0.00	3,166.64	-3,166.64	0.0%

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
July 2018 through June 2019

												TOTAL				
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
5430 - General Legal	0.00	0.00	0.00										0.00	50,000.00	-50,000.00	0.0%
5440 - Litigation	2,450.00	0.00	24,430.00										26,880.00			
<b>Total 5400 - Legal</b>	<b>2,450.00</b>	<b>0.00</b>	<b>24,430.00</b>										<b>26,880.00</b>	<b>53,166.64</b>	<b>-26,286.64</b>	<b>50.56%</b>
5510 - Maintenance, Office	0.00	528.74	100.00										628.74	2,666.64	-2,037.90	23.58%
5540 - Office Supplies	234.38	354.80	170.75										759.93	2,666.64	-1,906.71	28.5%
5550 - Postage	77.67	100.50	94.81										272.98	833.36	-560.38	32.76%
5560 - Printing & Publishing	86.83	45.44	549.38										681.65	1,666.64	-984.99	40.9%
<b>5600 - Professional Services</b>																
5610 - Accounting	0.00	2,050.00	0.00										2,050.00	10,000.00	-7,950.00	20.5%
5620 - Audit	0.00	0.00	0.00										0.00	4,333.36	-4,333.36	0.0%
5630 - Consulting	1,338.25	375.00	0.00										1,713.25	6,666.64	-4,953.39	25.7%
5640 - Data Services	0.00	6,079.02	0.00										6,079.02	2,000.00	4,079.02	303.95%
5650 - Labor & HR Support	203.50	203.50	203.50										610.50	833.36	-222.86	73.26%
5660 - Payroll Services	71.08	73.30	73.30										217.68	333.36	-115.68	65.3%
<b>Total 5600 - Professional Services</b>	<b>1,612.83</b>	<b>8,780.82</b>	<b>276.80</b>										<b>10,670.45</b>	<b>24,166.72</b>	<b>-13,496.27</b>	<b>44.15%</b>
5710 - San Mateo Co. Tax Roll Charges	0.00	0.00	0.00										0.00	833.36	-833.36	0.0%
5720 - Telephone & Internet	1,440.07	1,496.77	154.48										3,091.32	8,000.00	-4,908.68	38.64%
5730 - Mileage Reimbursement	0.00	0.00	0.00										0.00	500.00	-500.00	0.0%
5740 - Reference Materials	0.00	0.00	0.00										0.00	66.64	-66.64	0.0%
<b>5800 - Labor</b>																
5810 - CalPERS 457 Deferred Plan	1,293.41	1,337.49	1,235.40										3,866.30	5,304.00	-1,437.70	72.89%
5820 - Employee Benefits	7,618.22	3,809.11	6,167.81										17,595.14	11,878.36	5,716.78	148.13%
5830 - Disability Insurance	113.36	113.36	113.36										340.08	511.36	-171.28	66.51%
5840 - Payroll Taxes	1,352.50	981.57	877.41										3,211.48	5,796.64	-2,585.16	55.4%
5850 - PARS	1,265.24	1,301.24	1,210.88										3,777.36	5,138.64	-1,361.28	73.51%
<b>5900 - Wages</b>																
5910 - Management	9,584.73	8,381.34	8,381.34										26,347.41	34,575.00	-8,227.59	76.2%
5920 - Staff	10,472.97	11,003.05	9,730.60										31,206.62	39,682.36	-8,475.74	78.64%
5930 - Staff Certification	150.00	150.00	150.00										450.00	600.00	-150.00	75.0%
5940 - Staff Overtime	43.56	89.28	0.00										132.84	914.64	-781.80	14.52%
<b>Total 5900 - Wages</b>	<b>20,251.26</b>	<b>19,623.67</b>	<b>18,261.94</b>										<b>58,136.87</b>	<b>75,772.00</b>	<b>-17,635.13</b>	<b>76.73%</b>
5960 - Worker's Comp Insurance	0.00	0.00	0.00										0.00	815.64	-815.64	0.0%
<b>Total 5800 - Labor</b>	<b>31,893.99</b>	<b>27,166.44</b>	<b>27,866.80</b>										<b>86,927.23</b>	<b>105,216.64</b>	<b>-18,289.41</b>	<b>82.62%</b>
<b>Total 5000 - Administrative</b>	<b>41,749.27</b>	<b>39,571.69</b>	<b>56,508.73</b>										<b>137,829.69</b>	<b>209,616.56</b>	<b>-71,786.87</b>	<b>65.75%</b>

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>6000 - Operations</b>																
6170 - Claims, Property Damage	339.30	0.00	0.00										339.30	6,666.64	-6,327.34	5.09%
6195 - Education & Training	0.00	0.00	0.00										0.00	333.36	-333.36	0.0%
<b>6200 - Engineering</b>																
6210 - Meeting Attendance, Engineering	0.00	0.00	0.00										0.00	666.64	-666.64	0.0%
6220 - General Engineering	0.00	2,184.00	0.00										2,184.00	20,000.00	-17,816.00	10.92%
6200 - Engineering - Other	0.00	0.00	0.00										0.00			
<b>Total 6200 - Engineering</b>	0.00	2,184.00	0.00										2,184.00	20,666.64	-18,482.64	10.57%
6320 - Equipment & Tools, Expensed	0.00	0.00	0.00										0.00	333.36	-333.36	0.0%
<b>6330 - Facilities</b>																
6335 - Alarm Services	518.82	391.80	444.30										1,354.92	1,900.00	-545.08	71.31%
6337 - Landscaping	0.00	190.00	218.00										408.00	800.00	-392.00	51.0%
<b>Total 6330 - Facilities</b>	518.82	581.80	662.30										1,762.92	2,700.00	-937.08	65.29%
<b>6400 - Pumping</b>																
6410 - Pumping Fuel & Electricity	3,313.73	3,759.06	5.26										7,078.05	13,666.64	-6,588.59	51.79%
<b>Total 6400 - Pumping</b>	3,313.73	3,759.06	5.26										7,078.05	13,666.64	-6,588.59	51.79%
<b>6600 - Collection/Transmission</b>																
6660 - Maintenance, Collection System	0.00	0.00	0.00										0.00	3,333.36	-3,333.36	0.0%
<b>Total 6600 - Collection/Transmission</b>	0.00	0.00	0.00										0.00	3,333.36	-3,333.36	0.0%
<b>6800 - Vehicles</b>																
6810 - Fuel	117.48	0.00	89.21										206.69	333.36	-126.67	62.0%
6820 - Truck Equipment, Expensed	0.00	0.00	0.00										0.00	53.36	-53.36	0.0%
6830 - Truck Repairs	31.45	0.00	207.61										239.06	333.36	-94.30	71.71%
<b>Total 6800 - Vehicles</b>	148.93	0.00	296.82										445.75	720.08	-274.33	61.9%
<b>6900 - Sewer Authority Midcoastside</b>																
6910 - SAM Collections	0.00	0.00	0.00										0.00	109,345.36	-109,345.36	0.0%
6920 - SAM Operations	104,095.58	104,095.58	55,659.97										263,851.13	416,382.36	-152,531.23	63.37%
6940 - SAM Maintenance, Collection Sys	0.00	0.00	48,435.61										48,435.61	13,333.36	35,102.25	363.27%
6950 - SAM Maintenance, Pumping	0.00	0.00	0.00										0.00	16,666.64	-16,666.64	0.0%
<b>Total 6900 - Sewer Authority Midcoastside</b>	104,095.58	104,095.58	104,095.58										312,286.74	555,727.72	-243,440.98	56.19%
<b>Total 6000 - Operations</b>	108,416.36	110,620.44	105,059.96										324,096.76	604,147.80	-280,051.04	53.65%

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Sewer**  
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Total Expense</b>	150,165.63	150,192.13	161,568.69										461,926.45	813,764.36	-351,837.91	56.76%
<b>Net Ordinary Income</b>	-126,054.66	-139,055.17	-133,235.26										-398,345.09	152,477.20	-550,822.29	-261.25%
<b>Other Income/Expense</b>																
<b>Other Income</b>																
<b>7000 - Capital Account Revenues</b>																
<b>7100 - Connection Fees</b>																
7110 - Connection Fees (New Constr)	24,913.00	24,913.00	0.00										49,826.00	48,200.00	1,626.00	103.37%
7120 - Connection Fees (Remodel)	0.00	0.00	6,979.00										6,979.00	16,666.64	-9,687.64	41.87%
7130 - Conn. Fees, PFP (New Constr)	1,996.40	0.00	0.00										1,996.40			
<b>Total 7100 - Connection Fees</b>	26,909.40	24,913.00	6,979.00										58,801.40	64,866.64	-6,065.24	90.65%
7200 - Interest Income - LAIF	20,724.38	0.00	0.00										20,724.38	6,250.00	14,474.38	331.59%
<b>Total 7000 - Capital Account Revenues</b>	47,633.78	24,913.00	6,979.00										79,525.78	71,116.64	8,409.14	111.82%
<b>Total Other Income</b>	47,633.78	24,913.00	6,979.00										79,525.78	71,116.64	8,409.14	111.82%
<b>Other Expense</b>																
<b>8000 - Capital Improvement Program</b>																
8075 - Sewer	0.00	164,486.00	0.00										164,486.00	1,292,500.00	-1,128,014.00	12.73%
<b>Total 8000 - Capital Improvement Program</b>	0.00	164,486.00	0.00										164,486.00	1,292,500.00	-1,128,014.00	12.73%
<b>9000 - Capital Account Expenses</b>																
9125 - PNC Equipment Lease Interest	1,460.18	2,890.09	0.00										4,350.27	5,693.00	-1,342.73	76.41%
9200 - I-Bank Loan	1,263.57	0.00	0.00										1,263.57	11,961.96	-10,698.39	10.56%
9210 - Conservation Program/Rebates	0.00	0.00	0.00										0.00			
<b>Total 9000 - Capital Account Expenses</b>	2,723.75	2,890.09	0.00										5,613.84	17,654.96	-12,041.12	31.8%
<b>Total Other Expense</b>	2,723.75	167,376.09	0.00										170,099.84	1,310,154.96	-1,140,055.12	12.98%
<b>Net Other Income</b>	44,910.03	-142,463.09	6,979.00										-90,574.06	-1,239,038.32	1,148,464.26	7.31%
<b>Net Income</b>	<b>-81,144.63</b>	<b>-281,518.26</b>	<b>-126,256.26</b>										<b>-488,919.15</b>	<b>-1,086,561.12</b>	<b>597,641.97</b>	<b>45.0%</b>

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>																
<b>Income</b>																
<b>4220 - Cell Tower Lease</b>	3,046.21	3,046.21	3,046.21										9,138.63	11,833.36	-2,694.73	77.23%
<b>4400 - Fees</b>																
<b>4410 - Administrative Fee (New Constr)</b>	0.00	521.00	0.00										521.00	1,833.36	-1,312.36	28.42%
<b>4420 - Administrative Fee (Remodel)</b>	0.00	0.00	0.00										0.00	300.00	-300.00	0.0%
<b>4430 - Inspection Fee (New Constr)</b>	0.00	496.00	0.00										496.00	1,666.64	-1,170.64	29.76%
<b>4440 - Inspection Fee (Remodel)</b>	0.00	0.00	0.00										0.00	216.64	-216.64	0.0%
<b>4460 - Remodel Fees</b>	354.00	0.00	0.00										354.00			
<b>Total 4400 - Fees</b>	354.00	1,017.00	0.00										1,371.00	4,016.64	-2,645.64	34.13%
<b>4510 - Grants</b>	0.00	280.00	0.00										280.00			
<b>4610 - Property Tax Receipts</b>	0.00	0.00	635.08										635.08	91,666.64	-91,031.56	0.69%
<b>4740 - Testing, Backflow</b>	0.00	0.00	0.00										0.00	5,333.36	-5,333.36	0.0%
<b>4760 - Waste Collection Revenues</b>	0.00	0.00	0.00										0.00			
<b>4810 - Water Sales, Domestic</b>	139,171.95	220,638.79	181,536.41										541,347.15	638,498.64	-97,151.49	84.78%
<b>4850 - Water Sales Refunds, Customer</b>	0.00	-818.04	-1,416.61										-2,234.65	-1,000.00	-1,234.65	223.47%
<b>4990 - Other Revenue</b>	0.00	512.30	1,100.00										1,612.30			
<b>Total Income</b>	142,572.16	224,676.26	184,901.09										552,149.51	750,348.64	-198,199.13	73.59%
<b>Gross Profit</b>	142,572.16	224,676.26	184,901.09										552,149.51	750,348.64	-198,199.13	73.59%
<b>Expense</b>																
<b>5000 - Administrative</b>																
<b>5190 - Bank Fees</b>	1,057.50	60.00	61.57										1,179.07	1,166.64	12.43	101.07%
<b>5200 - Board of Directors</b>																
<b>5210 - Board Meetings</b>	20.92	125.00	0.00										145.92	1,333.36	-1,187.44	10.94%
<b>5220 - Director Fees</b>	0.00	187.50	262.50										450.00	1,100.00	-650.00	40.91%
<b>Total 5200 - Board of Directors</b>	20.92	312.50	262.50										595.92	2,433.36	-1,837.44	24.49%
<b>5240 - CDPH Fees</b>	0.00	0.00	0.00										0.00	5,166.64	-5,166.64	0.0%
<b>5250 - Conference Attendance</b>	111.63	0.00	0.00										111.63	2,000.00	-1,888.37	5.58%
<b>5270 - Information Systems</b>	1,079.50	0.00	0.00										1,079.50	1,000.00	79.50	107.95%
<b>5300 - Insurance</b>																
<b>5310 - Fidelity Bond</b>	0.00	437.50	0.00										437.50	166.64	270.86	262.54%
<b>5320 - Property &amp; Liability Insurance</b>	0.00	0.00	2,215.00										2,215.00	900.00	1,315.00	246.11%

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
July 2018 through June 2019

													TOTAL			
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Total 5300 - Insurance</b>	0.00	437.50	2,215.00										2,652.50	1,066.64	1,585.86	248.68%
<b>5350 - LAFCO Assessment</b>	0.00	0.00	0.00										0.00	833.36	-833.36	0.0%
<b>5400 - Legal</b>																
<b>5420 - Meeting Attendance, Legal</b>	0.00	0.00	0.00										0.00	2,833.36	-2,833.36	0.0%
<b>5430 - General Legal</b>	0.00	0.00	0.00										0.00	20,000.00	-20,000.00	0.0%
<b>Total 5400 - Legal</b>	0.00	0.00	0.00										0.00	22,833.36	-22,833.36	0.0%
<b>5510 - Maintenance, Office</b>	0.00	880.60	220.85										1,101.45	2,666.64	-1,565.19	41.31%
<b>5530 - Memberships</b>	0.00	269.00	0.00										269.00	6,833.36	-6,564.36	3.94%
<b>5540 - Office Supplies</b>	234.37	979.73	170.75										1,384.85	2,333.36	-948.51	59.35%
<b>5550 - Postage</b>	698.47	1,650.66	94.80										2,443.93	2,333.36	110.57	104.74%
<b>5560 - Printing &amp; Publishing</b>	86.82	45.43	549.37										681.62	666.64	14.98	102.25%
<b>5600 - Professional Services</b>																
<b>5610 - Accounting</b>	0.00	2,050.00	0.00										2,050.00	10,000.00	-7,950.00	20.5%
<b>5620 - Audit</b>	0.00	0.00	0.00										0.00	4,333.36	-4,333.36	0.0%
<b>5630 - Consulting</b>	1,923.25	375.00	0.00										2,298.25	11,666.64	-9,368.39	19.7%
<b>5650 - Labor &amp; HR Support</b>	203.50	203.50	203.50										610.50	833.36	-222.86	73.26%
<b>5660 - Payroll Services</b>	71.08	73.30	73.30										217.68	333.36	-115.68	65.3%
<b>Total 5600 - Professional Services</b>	2,197.83	2,701.80	276.80										5,176.43	27,166.72	-21,990.29	19.05%
<b>5720 - Telephone &amp; Internet</b>	2,085.07	2,637.72	154.49										4,877.28	8,333.36	-3,456.08	58.53%
<b>5730 - Mileage Reimbursement</b>	0.00	0.00	0.00										0.00	666.64	-666.64	0.0%
<b>5740 - Reference Materials</b>	0.00	0.00	0.00										0.00	266.64	-266.64	0.0%
<b>5800 - Labor</b>																
<b>5810 - CalPERS 457 Deferred Plan</b>	2,994.72	2,955.32	2,708.19										8,658.23	14,343.00	-5,684.77	60.37%
<b>5820 - Employee Benefits</b>	12,335.62	6,167.81	3,809.11										22,312.54	26,686.00	-4,373.46	83.61%
<b>5830 - Disability Insurance</b>	280.51	280.51	280.51										841.53	1,429.36	-587.83	58.88%
<b>5840 - Payroll Taxes</b>	3,386.07	2,947.62	2,695.50										9,029.19	16,253.36	-7,224.17	55.55%
<b>5850 - PARS</b>	2,499.83	2,591.96	2,333.24										7,425.03	11,911.36	-4,486.33	62.34%
<b>5900 - Wages</b>																
<b>5910 - Management</b>	9,584.72	8,381.32	8,381.32										26,347.36	34,575.00	-8,227.64	76.2%
<b>5920 - Staff</b>	29,431.49	31,019.87	27,262.39										87,713.75	142,268.00	-54,554.25	61.65%
<b>5930 - Staff Certification</b>	600.00	650.00	650.00										1,900.00	3,800.00	-1,900.00	50.0%
<b>5940 - Staff Overtime</b>	5,183.35	3,200.36	3,770.54										12,154.25	23,111.36	-10,957.11	52.59%
<b>5950 - Staff Standby</b>	2,034.26	2,072.54	1,964.04										6,070.84	8,707.64	-2,636.80	69.72%

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
July 2018 through June 2019

													TOTAL			
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Total 5900 - Wages</b>	46,833.82	45,324.09	42,028.29										134,186.20	212,462.00	-78,275.80	63.16%
<b>5960 - Worker's Comp Insurance</b>	0.00	0.00	0.00										0.00	7,772.36	-7,772.36	0.0%
<b>Total 5800 - Labor</b>	68,330.57	60,267.31	53,854.84										182,452.72	290,857.44	-108,404.72	62.73%
<b>Total 5000 - Administrative</b>	75,902.68	70,242.25	57,860.97										204,005.90	378,624.16	-174,618.26	53.88%
<b>6000 - Operations</b>																
6160 - Backflow Prevention	0.00	0.00	0.00										0.00	333.36	-333.36	0.0%
6170 - Claims, Property Damage	0.00	21.75	0.00										21.75	3,333.36	-3,311.61	0.65%
<b>6180 - Communications</b>																
6185 - SCADA Maintenance	0.00	6,300.00	0.00										6,300.00	3,333.36	2,966.64	189.0%
<b>Total 6180 - Communications</b>	0.00	6,300.00	0.00										6,300.00	3,333.36	2,966.64	189.0%
6195 - Education & Training	1,498.58	200.00	166.09										1,864.67	3,000.00	-1,135.33	62.16%
<b>6200 - Engineering</b>																
6210 - Meeting Attendance, Engineering	0.00	0.00	0.00										0.00	166.64	-166.64	0.0%
6220 - General Engineering	0.00	1,785.00	2,033.75										3,818.75	15,000.00	-11,181.25	25.46%
6230 - Water Quality Engineering	0.00	38,201.29	21,065.50										59,266.79	33,333.36	25,933.43	177.8%
<b>Total 6200 - Engineering</b>	0.00	39,986.29	23,099.25										63,085.54	48,500.00	14,585.54	130.07%
6320 - Equipment & Tools, Expensed	1,525.40	1,001.58	305.35										2,832.33	1,666.64	1,165.69	169.94%
<b>6330 - Facilities</b>																
6335 - Alarm Services	127.02	0.00	52.50										179.52	266.64	-87.12	67.33%
6337 - Landscaping	0.00	497.95	483.00										980.95	2,000.00	-1,019.05	49.05%
<b>Total 6330 - Facilities</b>	127.02	497.95	535.50										1,160.47	2,266.64	-1,106.17	51.2%
6370 - Lab Supplies & Equipment	0.00	460.08	0.00										460.08	666.64	-206.56	69.02%
<b>6400 - Pumping</b>																
6410 - Pumping Fuel & Electricity	6,089.22	6,538.30	1,571.22										14,198.74	30,000.00	-15,801.26	47.33%
6420 - Pumping Maintenance, Generators	0.00	393.39	428.62										822.01	3,333.36	-2,511.35	24.66%
6430 - Pumping Maintenance, General	0.00	207.57	0.00										207.57	1,666.64	-1,459.07	12.45%
6440 - Pumping Equipment, Expensed	0.00	0.00	0.00										0.00	233.36	-233.36	0.0%
6400 - Pumping - Other	0.00	0.00	0.00										0.00			
<b>Total 6400 - Pumping</b>	6,089.22	7,139.26	1,999.84										15,228.32	35,233.36	-20,005.04	43.22%

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>6500 - Supply</b>																
6510 - Maintenance, Raw Water Mains	0.00	0.00	0.00										0.00	700.00	-700.00	0.0%
6520 - Maintenance, Wells	0.00	2,189.25	0.00										2,189.25	3,333.36	-1,144.11	65.68%
6530 - Water Purchases	0.00	0.00	0.00										0.00	13,333.36	-13,333.36	0.0%
<b>Total 6500 - Supply</b>	<b>0.00</b>	<b>2,189.25</b>	<b>0.00</b>										<b>2,189.25</b>	<b>17,366.72</b>	<b>-15,177.47</b>	<b>12.61%</b>
<b>6600 - Collection/Transmission</b>																
6610 - Hydrants	0.00	-570.00	0.00										-570.00	333.36	-903.36	-170.99%
6620 - Maintenance, Water Mains	0.00	6,313.73	6,374.76										12,688.49	16,666.64	-3,978.15	76.13%
6630 - Maintenance, Water Svc Lines	0.00	0.00	0.00										0.00	6,666.64	-6,666.64	0.0%
6640 - Maintenance, Tanks	0.00	0.00	0.00										0.00	333.36	-333.36	0.0%
6650 - Maint., Distribution General	0.00	0.00	0.00										0.00	2,333.36	-2,333.36	0.0%
6670 - Meters	0.00	0.00	2,214.89										2,214.89	833.36	1,381.53	265.78%
<b>Total 6600 - Collection/Transmission</b>	<b>0.00</b>	<b>5,743.73</b>	<b>8,589.65</b>										<b>14,333.38</b>	<b>27,166.72</b>	<b>-12,833.34</b>	<b>52.76%</b>
<b>6700 - Treatment</b>																
6710 - Chemicals & Filtering	0.00	193.52	292.50										486.02	10,000.00	-9,513.98	4.86%
6720 - Maintenance, Treatment Equip.	7.16	10.09	9,686.80										9,704.05	1,333.36	8,370.69	727.79%
6730 - Treatment Analysis	61.80	374.60	6,598.10										7,034.50	14,000.00	-6,965.50	50.25%
<b>Total 6700 - Treatment</b>	<b>68.96</b>	<b>578.21</b>	<b>16,577.40</b>										<b>17,224.57</b>	<b>25,333.36</b>	<b>-8,108.79</b>	<b>67.99%</b>
<b>6770 - Uniforms</b>	<b>1,024.15</b>	<b>814.00</b>	<b>905.15</b>										<b>2,743.30</b>	<b>4,000.00</b>	<b>-1,256.70</b>	<b>68.58%</b>
<b>6800 - Vehicles</b>																
6810 - Fuel	665.72	594.74	-89.21										1,171.25	2,666.64	-1,495.39	43.92%
6820 - Truck Equipment, Expensed	0.00	0.00	0.00										0.00	333.36	-333.36	0.0%
6830 - Truck Repairs	178.20	595.30	581.16										1,354.66	1,666.64	-311.98	81.28%
<b>Total 6800 - Vehicles</b>	<b>843.92</b>	<b>1,190.04</b>	<b>491.95</b>										<b>2,525.91</b>	<b>4,666.64</b>	<b>-2,140.73</b>	<b>54.13%</b>
<b>6890 - Other Operations</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>										<b>0.00</b>			
<b>Total 6000 - Operations</b>	<b>11,177.25</b>	<b>66,122.14</b>	<b>52,670.18</b>										<b>129,969.57</b>	<b>176,866.80</b>	<b>-46,897.23</b>	<b>73.48%</b>
<b>Total Expense</b>	<b>87,079.93</b>	<b>136,364.39</b>	<b>110,531.15</b>										<b>333,975.47</b>	<b>555,490.96</b>	<b>-221,515.49</b>	<b>60.12%</b>
<b>Net Ordinary Income</b>	<b>55,492.23</b>	<b>88,311.87</b>	<b>74,369.94</b>										<b>218,174.04</b>	<b>194,857.68</b>	<b>23,316.36</b>	<b>111.97%</b>

**Montara Water & Sanitary District**  
**Revenue & Expenditures Budget vs. Actual - Water**  
July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL			
													Jul '18 - Jun 19	Budget	\$ Over Budget	% of Budget
<b>Other Income/Expense</b>																
<b>Other Income</b>																
<b>7000 - Capital Account Revenues</b>																
<b>7100 - Connection Fees</b>																
7110 - Connection Fees (New Constr)	0.00	17,457.00	0.00										17,457.00	57,673.36	-40,216.36	30.27%
7130 - Conn. Fees, PFP (New Constr)	0.00	8,706.00	11,910.73										20,616.73	26,666.64	-6,049.91	77.31%
7140 - Conn. Fees, PFP (Remodel)	0.00	2,032.40	0.00										2,032.40			
<b>Total 7100 - Connection Fees</b>	0.00	28,195.40	11,910.73										40,106.13	84,340.00	-44,233.87	47.55%
<b>7600 - Bond Revenues, G.O.</b>	0.00	0.00	1,412.72										1,412.72	383,478.64	-382,065.92	0.37%
<b>Total 7000 - Capital Account Revenues</b>	0.00	28,195.40	13,323.45										41,518.85	467,818.64	-426,299.79	8.88%
<b>Total Other Income</b>	0.00	28,195.40	13,323.45										41,518.85	467,818.64	-426,299.79	8.88%
<b>Other Expense</b>																
<b>8000 - Capital Improvement Program</b>																
8100 - Water	0.00	5,337.50	11,684.01										17,021.51	160,333.36	-143,311.85	10.62%
<b>Total 8000 - Capital Improvement Program</b>	0.00	5,337.50	11,684.01										17,021.51	160,333.36	-143,311.85	10.62%
<b>9000 - Capital Account Expenses</b>																
9075 - PFP Connection Expenses	0.00	0.00	0.00										0.00			
9100 - Interest Expense - GO Bonds	0.00	20,593.81	0.00										20,593.81	127,943.00	-107,349.19	16.1%
9125 - PNC Equipment Lease Interest	1,460.19	2,890.10	0.00										4,350.29	5,693.00	-1,342.71	76.42%
9150 - SRF Loan	0.00	0.00	0.00										0.00	38,537.56	-38,537.56	0.0%
9210 - Conservation Program/Rebates	0.00	300.00	0.00										300.00	666.64	-366.64	45.0%
<b>Total 9000 - Capital Account Expenses</b>	1,460.19	23,783.91	0.00										25,244.10	172,840.20	-147,596.10	14.61%
<b>Total Other Expense</b>	1,460.19	29,121.41	11,684.01										42,265.61	333,173.56	-290,907.95	12.69%
<b>Net Other Income</b>	-1,460.19	-926.01	1,639.44										-746.76	134,645.08	-135,391.84	-0.56%
<b>Net Income</b>	<b>54,032.04</b>	<b>87,385.86</b>	<b>76,009.38</b>										<b>217,427.28</b>	<b>329,502.76</b>	<b>-112,075.48</b>	<b>65.99%</b>

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
 As of September 30, 2018

	<u>Sewer</u>	<u>Water</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
<b>Sewer - Bank Accounts</b>			
Wells Fargo Operating - Sewer	2,196,490.71	0.00	2,196,490.71
<b>LAIF Investment Fund</b>			
Capital Reserve	3,786,797.70	0.00	3,786,797.70
Connection Fees Reserve	194,600.00	0.00	194,600.00
Operating Reserve	406,882.00	0.00	406,882.00
<b>Total LAIF Investment Fund</b>	<u>4,388,279.70</u>	<u>0.00</u>	<u>4,388,279.70</u>
<b>Total Sewer - Bank Accounts</b>	6,584,770.41	0.00	6,584,770.41
<b>Water - Bank Accounts</b>			
Wells Fargo Operating - Water	0.00	915,718.26	915,718.26
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
<b>Restricted Cash</b>			
Acq & Improv Fund	0.00	316.13	316.13
Connection Fees Reserve	0.00	253,020.00	253,020.00
Cost of Issuance	0.00	2.94	2.94
GO Bonds Fund	0.00	940,709.77	940,709.77
<b>Total Restricted Cash</b>	<u>0.00</u>	<u>1,194,048.84</u>	<u>1,194,048.84</u>
<b>Total Water - Bank Accounts</b>	0.00	2,602,247.10	2,602,247.10
<b>Total Checking/Savings</b>	6,584,770.41	2,602,247.10	9,187,017.51
<b>Accounts Receivable</b>			
<b>Sewer - Accounts Receivable</b>			
Accounts Receivable	-1,693.55	0.00	-1,693.55
Sewer - Accounts Receivable - Ot...	33,682.74	0.00	33,682.74
<b>Total Sewer - Accounts Receivable</b>	31,989.19	0.00	31,989.19
<b>Water - Accounts Receivable</b>			
Accounts Receivable	0.00	-2,727.54	-2,727.54
Accounts Rec. - Backflow	0.00	12,509.11	12,509.11
Accounts Rec. - Water Residents	0.00	194,957.02	194,957.02
Unbilled Water Receivables	0.00	259,634.72	259,634.72
<b>Total Water - Accounts Receivable</b>	0.00	464,373.31	464,373.31
<b>Total Accounts Receivable</b>	31,989.19	464,373.31	496,362.50
<b>Other Current Assets</b>			
Due from Kathryn Slater-Carter	232.31	382.31	614.62
Maint/Parts Inventory	0.00	42,656.32	42,656.32
Prepaid Refuse Charges	16,968.67	0.00	16,968.67
<b>Total Other Current Assets</b>	<u>17,200.98</u>	<u>43,038.63</u>	<u>60,239.61</u>
<b>Total Current Assets</b>	6,633,960.58	3,109,659.04	9,743,619.62
<b>Fixed Assets</b>			
<b>Sewer - Fixed Assets</b>			
General Plant	3,690,152.50	0.00	3,690,152.50
Land	5,000.00	0.00	5,000.00
<b>Other Capital Improv.</b>			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
<b>Total Other Capital Improv.</b>	<u>3,250,409.57</u>	<u>0.00</u>	<u>3,250,409.57</u>

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 Accrual Basis

## Montara Water & Sanitary District Funds Balance Sheet As of September 30, 2018

Seal Cove Collection System	995,505.00	0.00	995,505.00
<b>Sewage Collection Facility</b>			
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
<b>Total Sewage Collection Facility</b>	5,340,307.33	0.00	5,340,307.33
<b>Treatment Facility</b>	244,539.84	0.00	244,539.84
<b>Accumulated Depreciation</b>	-8,463,505.00	0.00	-8,463,505.00
<b>Total Sewer - Fixed Assets</b>	5,062,409.24	0.00	5,062,409.24
<b>Water - Fixed Assets</b>			
General Plant	0.00	26,864,664.74	26,864,664.74
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	-10,818,472.00	-10,818,472.00
<b>Total Water - Fixed Assets</b>	0.00	18,187,849.52	18,187,849.52
<b>Total Fixed Assets</b>	5,062,409.24	18,187,849.52	23,250,258.76
<b>Other Assets</b>			
<b>Sewer - Other Assets</b>			
Def'd Amts Related to Pensions	108,836.00	0.00	108,836.00
Due from Water Fund	-450,349.95	0.00	-450,349.95
<b>Joint Power Authority</b>			
SAM - Orig Collection Facility	981,592.00	0.00	981,592.00
SAM - Expansion	1,705,955.08	0.00	1,705,955.08
<b>Total Joint Power Authority</b>	2,687,547.08	0.00	2,687,547.08
<b>Total Sewer - Other Assets</b>	2,346,033.13	0.00	2,346,033.13
<b>Water - Other Assets</b>			
Def'd Amts Related to Pensions	0.00	204,534.00	204,534.00
Bond Acquisition Cost OID	0.00	47,864.40	47,864.40
Bond Issue Cost	0.00	51,409.55	51,409.55
<b>Total Water - Other Assets</b>	0.00	303,807.95	303,807.95
<b>Total Other Assets</b>	2,346,033.13	303,807.95	2,649,841.08
<b>TOTAL ASSETS</b>	<b>14,042,402.95</b>	<b>21,601,316.51</b>	<b>35,643,719.46</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
Accounts Payable - Sewer	-163,586.09	0.00	-163,586.09
Accounts Payable - Water	0.00	281,171.49	281,171.49
<b>Total Accounts Payable</b>	-163,586.09	281,171.49	117,585.40
<b>Other Current Liabilities</b>			
Water - Net Pension Liability	0.00	266.00	266.00
Sewer - Net Pension Liability	142.00	0.00	142.00
<b>Sewer - Current Liabilities</b>			
Accrued Vacations	5,532.92	0.00	5,532.92
Deposits Payable	27,824.38	0.00	27,824.38
PNC Equip. Loan - S/T	39,408.94	0.00	39,408.94
<b>Total Sewer - Current Liabilities</b>	72,766.24	0.00	72,766.24

## Montara Water & Sanitary District Funds Balance Sheet As of September 30, 2018

<b>Water - Current Liabilities</b>			
Accrued Vacations	0.00	14,310.99	14,310.99
Deposits Payable	0.00	43,972.93	43,972.93
GO Bonds - S/T	0.00	450,640.59	450,640.59
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	39,408.91	39,408.91
SRF Loan Payable X102 - Current	0.00	84,472.84	84,472.84
SRF Loan Payable X109 - Current	0.00	166,429.73	166,429.73
<b>Total Water - Current Liabilities</b>	<b>0.00</b>	<b>803,538.49</b>	<b>803,538.49</b>
<b>Payroll Liabilities</b>			
Employee Benefits Payable	11,918.20	0.00	11,918.20
<b>Total Payroll Liabilities</b>	<b>11,918.20</b>	<b>0.00</b>	<b>11,918.20</b>
<b>Total Other Current Liabilities</b>	<b>84,826.44</b>	<b>803,804.49</b>	<b>888,630.93</b>
<b>Total Current Liabilities</b>	<b>-78,759.65</b>	<b>1,084,975.98</b>	<b>1,006,216.33</b>
<b>Long Term Liabilities</b>			
<b>Sewer - Long Term Liabilities</b>			
Accrued Vacations	8,801.76	0.00	8,801.76
I-Bank Loan	755,347.13	0.00	755,347.13
PNC Equip. Loan - L/T	541,886.32	0.00	541,886.32
<b>Total Sewer - Long Term Liabilities</b>	<b>1,306,035.21</b>	<b>0.00</b>	<b>1,306,035.21</b>
<b>Water - Long Term Liabilities</b>			
Accrued Vacations	0.00	10,041.80	10,041.80
Deferred on Refunding	0.00	-187,712.00	-187,712.00
Due to Sewer Fund	0.00	-450,349.95	-450,349.95
GO Bonds - L/T	0.00	9,705,129.52	9,705,129.52
PNC Equip. Loan - L/T	0.00	541,886.37	541,886.37
SRF Loan Payable - X102	0.00	42,900.63	42,900.63
SRF Loan Payable - X109	0.00	3,214,657.45	3,214,657.45
<b>Total Water - Long Term Liabilities</b>	<b>0.00</b>	<b>12,876,553.82</b>	<b>12,876,553.82</b>
<b>Total Long Term Liabilities</b>	<b>1,306,035.21</b>	<b>12,876,553.82</b>	<b>14,182,589.03</b>
<b>Total Liabilities</b>	<b>1,227,275.56</b>	<b>13,961,529.80</b>	<b>15,188,805.36</b>
<b>Equity</b>			
<b>Sewer - Equity Accounts</b>			
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	90,711.53	0.00	90,711.53
<b>Total Sewer - Equity Accounts</b>	<b>12,145,256.60</b>	<b>0.00</b>	<b>12,145,256.60</b>
<b>Water - Equity Accounts</b>			
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	-90,711.53	-90,711.53
<b>Total Water - Equity Accounts</b>	<b>0.00</b>	<b>2,600,343.48</b>	<b>2,600,343.48</b>
Equity Adjustment Account	1,158,789.94	4,822,015.95	5,980,805.89
Net Income	-488,919.15	217,427.28	-271,491.87
<b>Total Equity</b>	<b>12,815,127.39</b>	<b>7,639,786.71</b>	<b>20,454,914.10</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>14,042,402.95</b>	<b>21,601,316.51</b>	<b>35,643,719.46</b>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: SAM Flow Report for September 2018**

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

The Average Daily Flow for Montara was 0.219 MGD in September 2018. There was no reportable overflow in September in the Montara System. SAM indicates there were 0 inches of rain in September 2018.

## RECOMMENDATION:

Review and file.

Attachments

## Attachment A

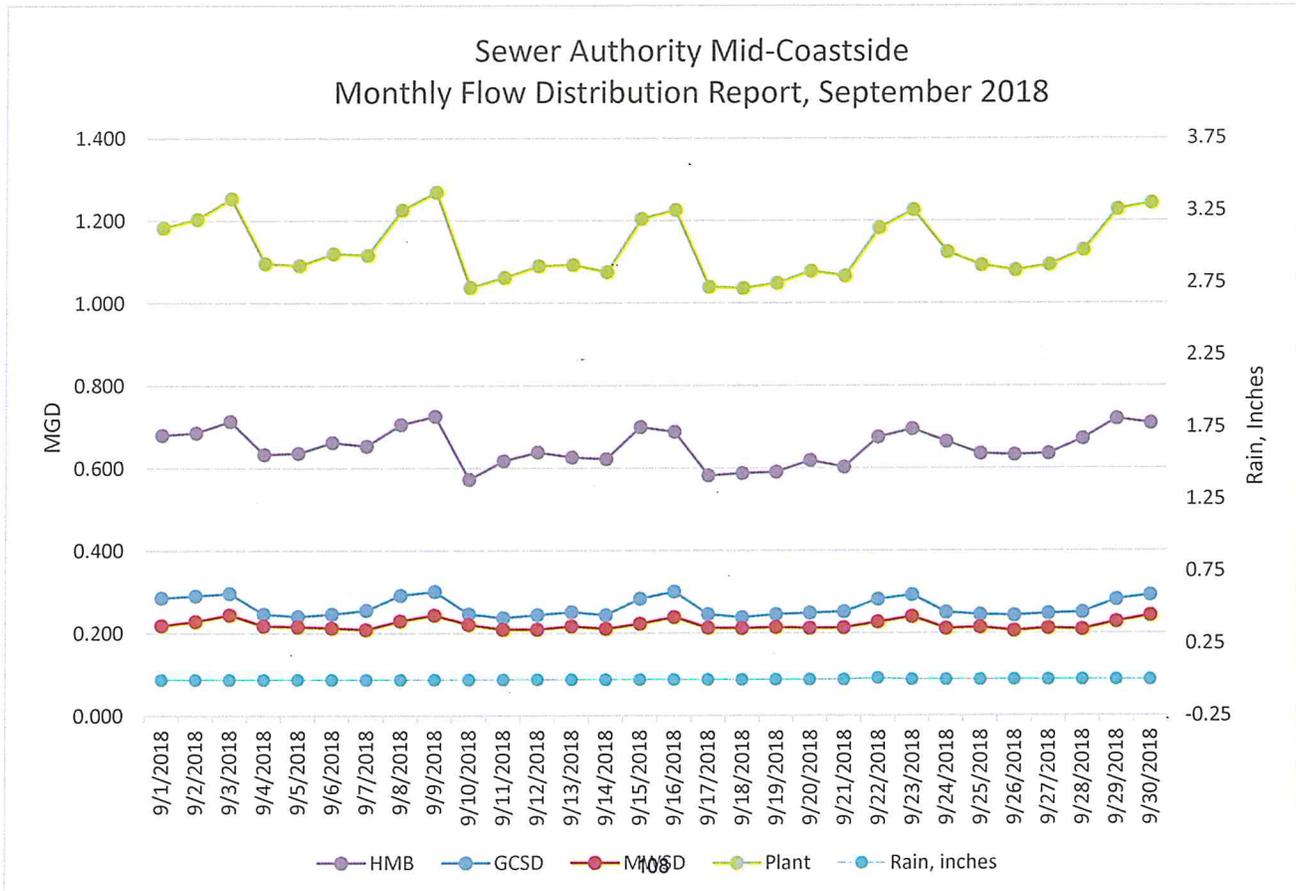
### Flow Distribution Report Summary for September 2018

The daily flow report figures for the month of September 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	0.652	57.5%
Granada Community Services District	0.262	23.1%
Montara Water and Sanitary District	<u>0.219</u>	<u>19.3%</u>
<b>Total</b>	<b>1.134</b>	<b>100.0%</b>



# Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, September 2018

September 2018

	Total	Number of S.S.O.'s			
		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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 12 Month Moving Total

	Total	12 month rolling Number			
		HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	1	1	0	0	0
Mechanical	1	1	0	0	0
Wet Weather	0	0	0	0	0
Other	2	1	1	0	0
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>
		<b>75%</b>	<b>25%</b>	<b>0%</b>	<b>0%</b>

### Reportable SSOs

	Total	Reportable Number of S.S.O.'s			
		HMB	GCSD	MWSD	SAM
September 2018	0	0	0	0	0
12 Month Moving Total	4	3	1	0	0

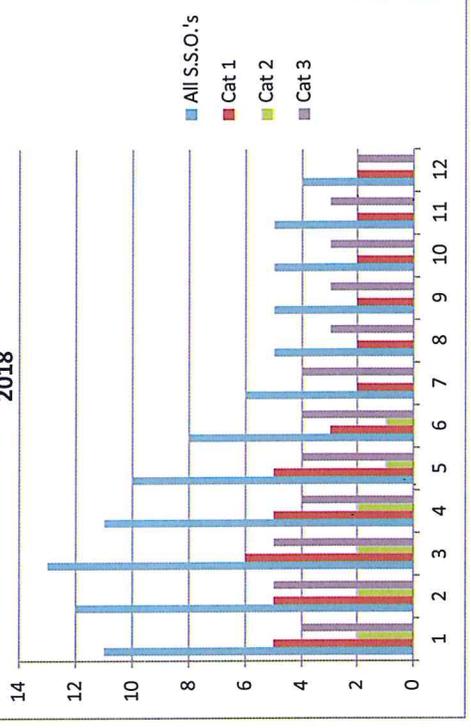
### SSOs / Year / 100 Miles

	Total	Number of S.S.O.'s / Year / 100 Miles			
		HMB	GCSD	MWSD	SAM
September 2018	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	3.8	8.1	3.0	0.0	0.0
Category 1	1.9	5.4	0.0	0.0	0.0
Category 2	0.0	0.0	0.0	0.0	0.0
Category 3	1.9	2.7	3.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

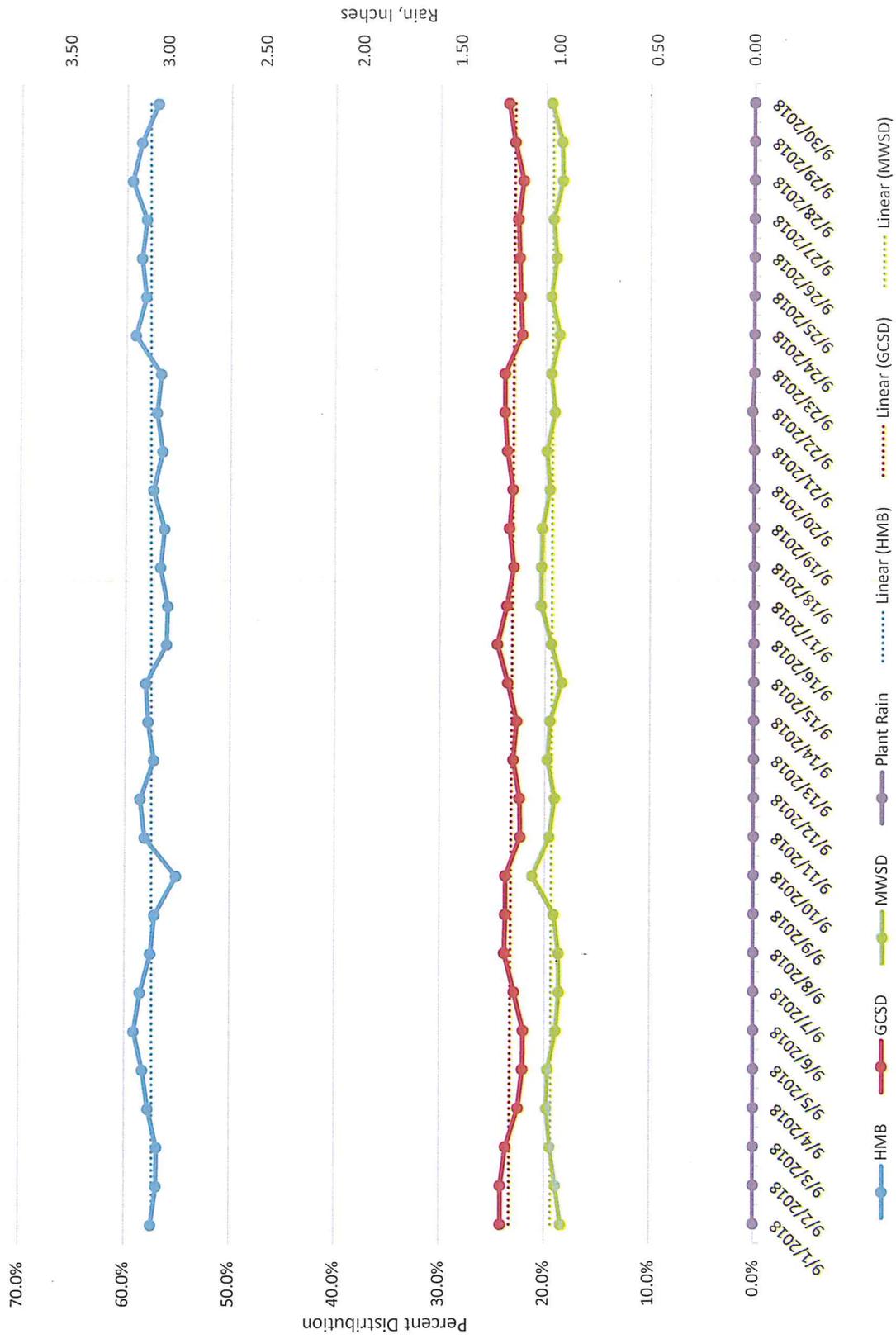
### 12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
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
Mar - 18	15,529	10,672	9,585	35,786	6.8
Apr - 18	13,294	11,588	11,614	36,496	6.9
May - 18	12,081	12,563	10,730	35,374	6.7
June - 18	17,720	17,272	9,086	44,078	8.3
July - 18	29,678	19,093	9,715	58,486	11.1
Aug - 18	22,610	22,232	16,155	60,997	11.6
Sep - 18	15,448	16,407	11,416	43,271	8.2
<b>Annual ft</b>	<b>231,875</b>	<b>178,824</b>	<b>136,227</b>	<b>546,926</b>	
<b>Annual Mi.</b>	<b>43.9</b>	<b>33.9</b>	<b>25.8</b>		<b>103.6</b>

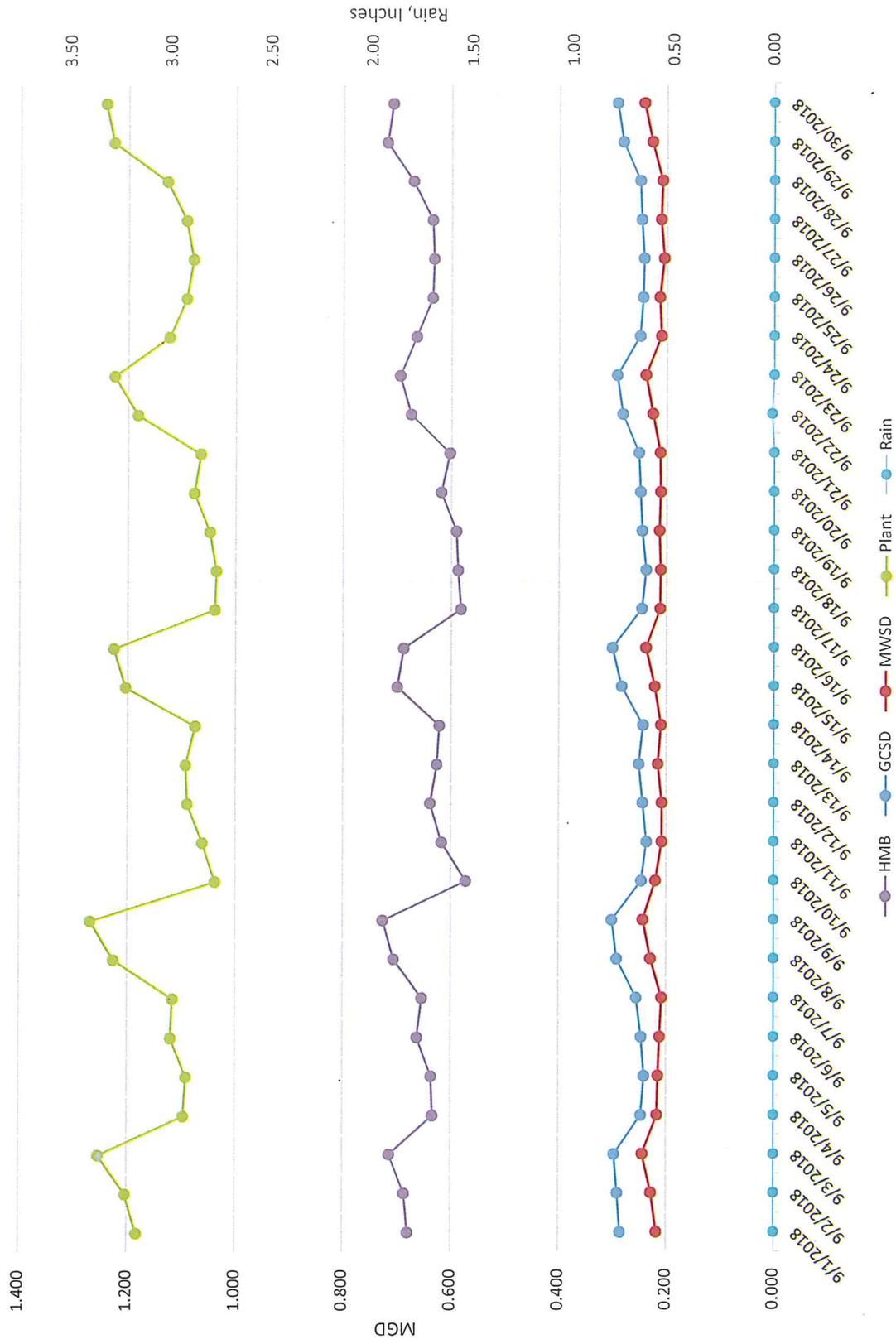
12 Month Moving SSO Totals Through September 2018



## Percent Distribution September 2018



### Sewer Authority Mid-Coastside Monthly Flow Distribution Report, September 2018



# Sewer Authority Mid-Coastside

## Monthly Flow Distribution Report for September 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>
9/1/2018	0.679	0.285	0.218	1.183	0.00	0.00	0.00
9/2/2018	0.685	0.291	0.228	1.204	0.00	0.00	0.00
9/3/2018	0.713	0.297	0.244	1.254	0.00	0.00	0.00
9/4/2018	0.633	0.246	0.217	1.097	0.00	0.00	0.00
9/5/2018	0.636	0.241	0.215	1.091	0.00	0.00	0.00
9/6/2018	0.662	0.246	0.212	1.120	0.00	0.00	0.00
9/7/2018	0.653	0.255	0.208	1.116	0.00	0.00	0.00
9/8/2018	0.705	0.292	0.229	1.226	0.00	0.00	0.00
9/9/2018	0.725	0.301	0.243	1.269	0.00	0.00	0.00
9/10/2018	0.572	0.246	0.220	1.038	0.00	0.00	0.00
9/11/2018	0.617	0.237	0.208	1.062	0.00	0.00	0.00
9/12/2018	0.638	0.244	0.208	1.090	0.00	0.00	0.00
9/13/2018	0.626	0.251	0.216	1.093	0.00	0.00	0.00
9/14/2018	0.621	0.244	0.210	1.075	0.00	0.00	0.00
9/15/2018	0.699	0.283	0.222	1.204	0.00	0.00	0.00
9/16/2018	0.687	0.300	0.238	1.226	0.00	0.00	0.00
9/17/2018	0.582	0.246	0.212	1.039	0.00	0.00	0.00
9/18/2018	0.587	0.238	0.211	1.036	0.00	0.00	0.00
9/19/2018	0.590	0.245	0.213	1.048	0.00	0.00	0.00
9/20/2018	0.618	0.249	0.211	1.078	0.00	0.00	0.00
9/21/2018	0.602	0.252	0.212	1.066	0.00	0.00	0.00
9/22/2018	0.675	0.282	0.226	1.183	0.01	0.00	0.00
9/23/2018	0.695	0.292	0.239	1.226	0.00	0.00	0.00
9/24/2018	0.664	0.250	0.210	1.124	0.00	0.00	0.00
9/25/2018	0.635	0.245	0.213	1.092	0.00	0.00	0.00
9/26/2018	0.632	0.243	0.205	1.080	0.00	0.00	0.00
9/27/2018	0.635	0.247	0.211	1.093	0.00	0.00	0.00
9/28/2018	0.671	0.250	0.208	1.129	0.00	0.00	0.00
9/29/2018	0.719	0.282	0.227	1.228	0.00	0.00	0.00
9/30/2018	0.708	0.292	0.242	1.243	0.00	0.00	0.00
<b>Totals</b>	<b>19.566</b>	<b>7.871</b>	<b>6.576</b>	<b>34.013</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>

### Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.572	0.237	0.205	1.036
<b>Average</b>	<b>0.652</b>	<b>0.262</b>	<b>0.219</b>	<b>1.134</b>
Maximum	0.725	0.301	0.244	1.269
<b>Distribution</b>	<b>57.5%</b>	<b>23.1%</b>	<b>19.3%</b>	<b>100.0%</b>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 1, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review of Current Investment Portfolio**

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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 September 2018 the rate was 2.063.
- 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: **November 1, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Connection Permit Applications Received**

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

Date of Application	Property Owner	Site Address	Home Size

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

Date of Application	Property Owner	Site Address	Home Size

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

Date of App.	Property Owner	Site Address	Home Size	Type of Connection

**RECOMMENDATION:**

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Monthly Water Production Report**

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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.

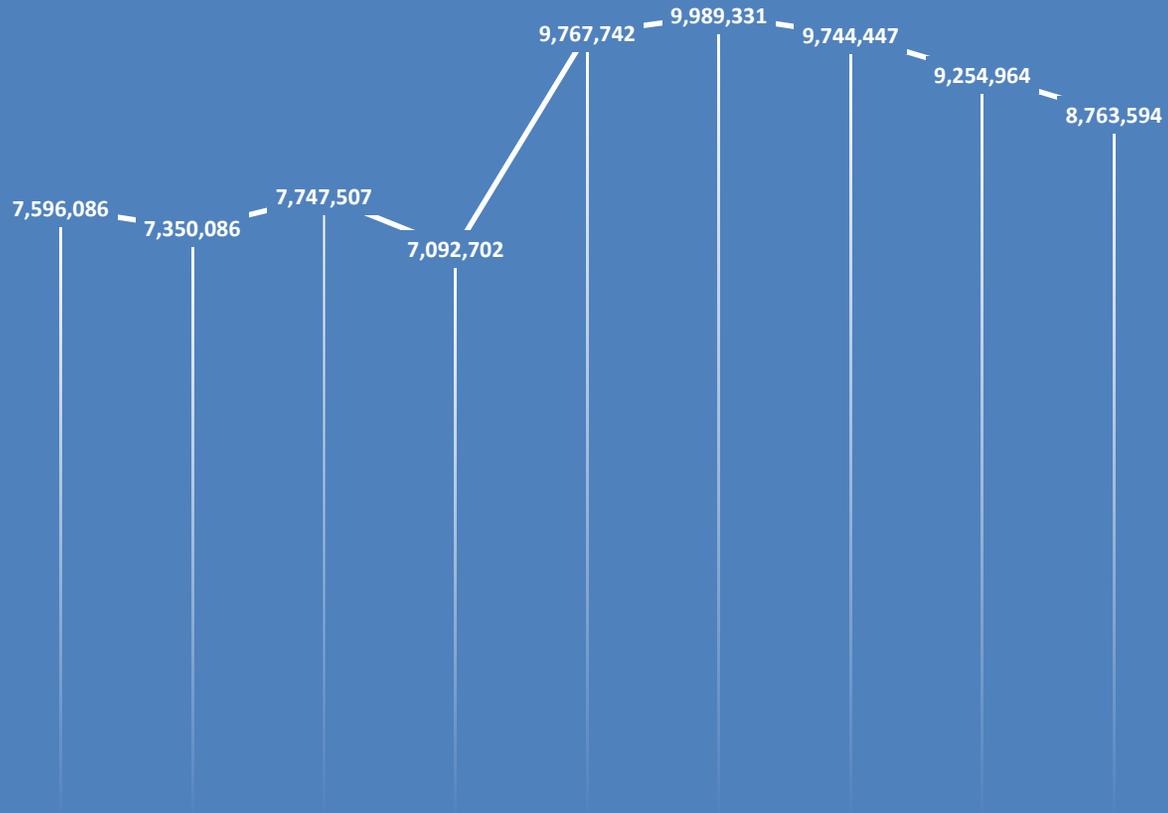
## RECOMMENDATION:

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

Attachments: 2

# TOTAL PRODUCTION 2018(GALLONS)

GALLONS



	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,596,086	7,350,086	7,747,507	7,092,702	9,767,742	9,989,331	9,744,447	9,254,964	8,763,594			

MONTH





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: November 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

**SUBJECT: Rain Report**

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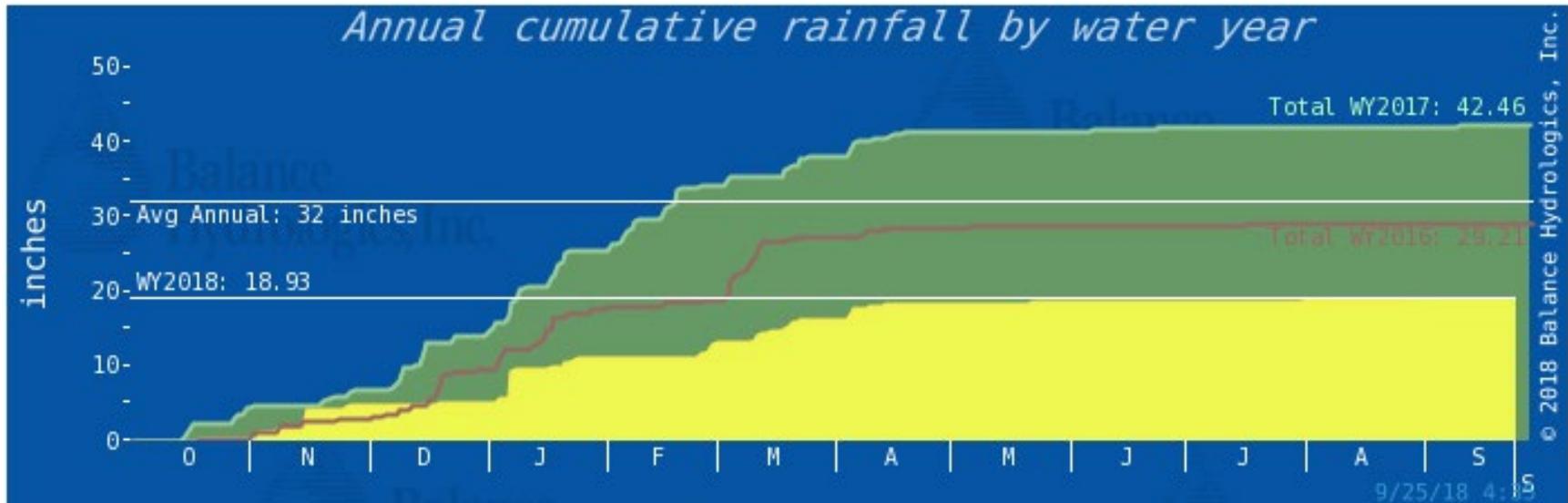
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

## RECOMMENDATION:

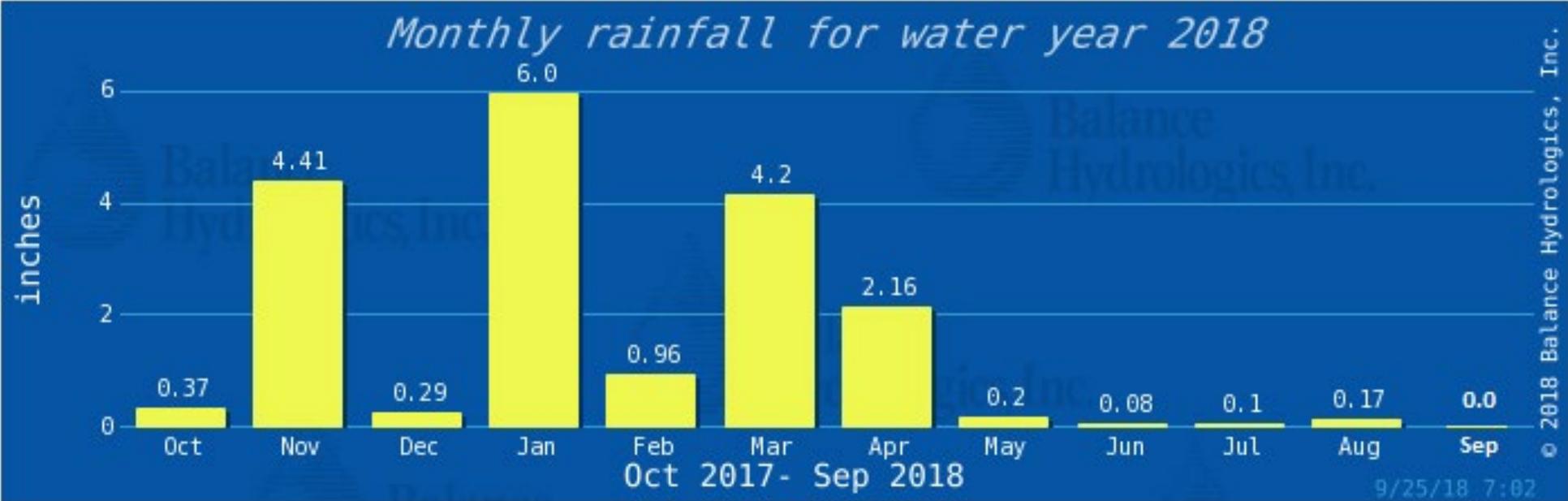
No action is required. These reports are provided for the Board's information only.

Attachments: 2

# Annual Cumulative Rainfall



# Monthly Cumulative Rainfall





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 1st, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Monthly Solar Energy Report**

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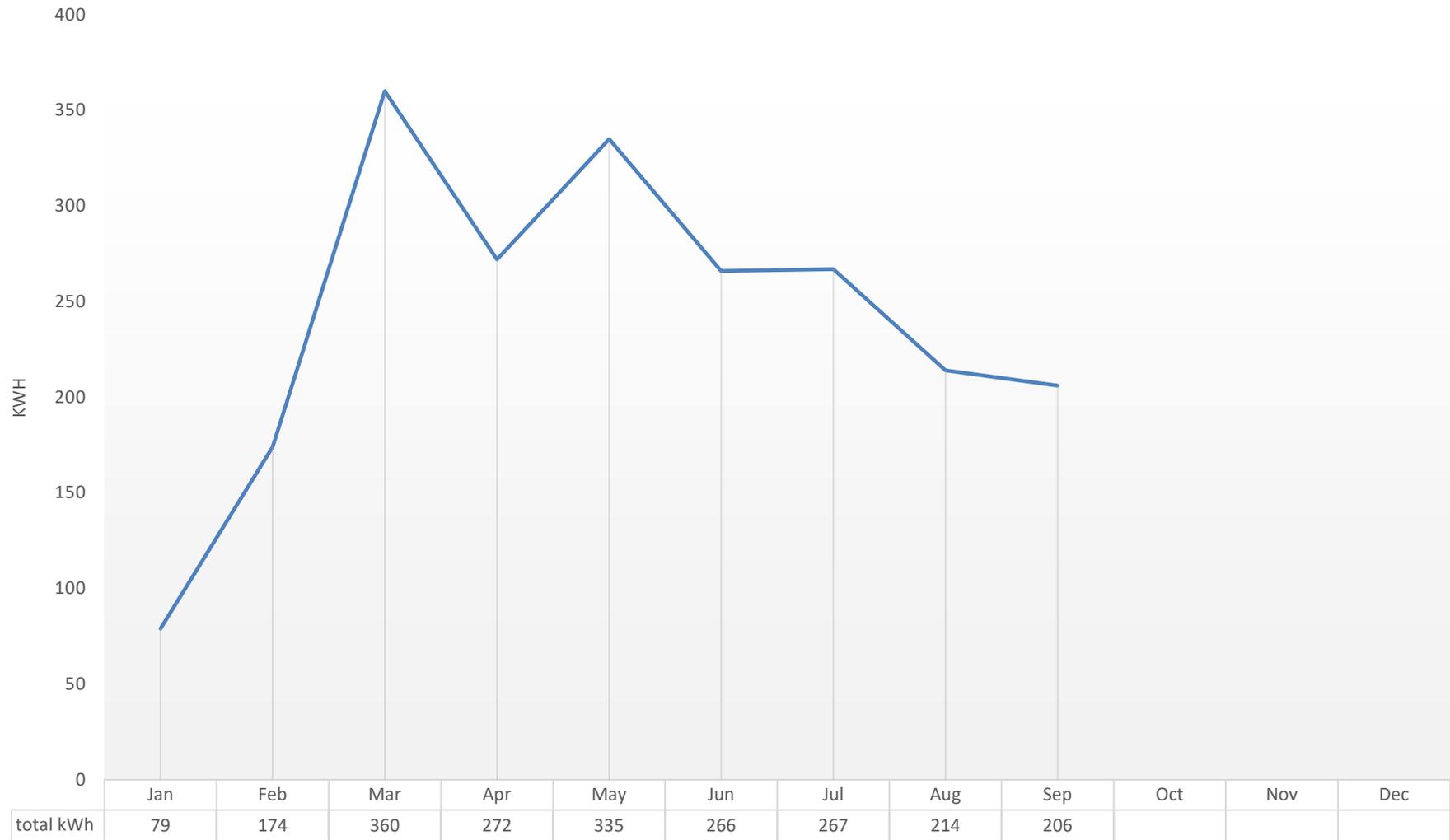
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 41925 kWh and saved 71272 lbs of CO<sub>2</sub>.

## RECOMMENDATION:

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

Attachments: 1

## SOLAR ENERGY PRODUCED IN 2018 (kWh)





# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

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The District has received the monthly PARS report for August 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



**Montara Water and San  
Alternate Retirement System Plan**

**Monthly Account Report for the Period  
8/1/2018 to 8/31/2018**

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

Plan ID: P7-REP15A

**Account Summary**

Source	Beginning Balance as of 8/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 8/31/2018
<b>Contributions</b>	\$660,720.72	\$7,152.67	\$10,183.55	\$313.36	\$1,052.69	\$0.00	\$676,690.89
<b>TOTAL</b>	<b>\$660,720.72</b>	<b>\$7,152.67</b>	<b>\$10,183.55</b>	<b>\$313.36</b>	<b>\$1,052.69</b>	<b>\$0.00</b>	<b>\$676,690.89</b>

**Investment Selection**

**PARS Capital Appreciation INDEX PLUS**

**Investment Objective**

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

**Investment Return**

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
General	1.53%	3.92%	11.09%	-	-	-	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.

## August 2018 PARS Statement Detail Information

PARS Beginning Balance as of August 1, 2018      \$ 660,720.72

**Contributions:**

July 15, 2018 Calculation

Wages	\$ 25,020.03	
Employer - 6.92%	\$ 1,731.39	
Employee - 7.75%	\$ 1,939.05	
Contributions Subtotal		\$ 3,670.44

Fund Impact - PARS Wages			
Sewer	Water	Total	
\$ 8,567.22	\$ 16,452.82	\$ 25,020.03	
\$ 592.85	\$ 1,138.53	\$ 1,731.39	

Sewer	Water	Total	
\$ 9,716.59	\$ 19,672.11	\$ 29,388.69	
\$ 672.39	\$ 1,361.31	\$ 2,033.70	

July 31, 2018 Calculation

Wages	\$ 29,388.69	
Employer - 6.92%	\$ 2,033.70	
Employee - 7.75%	\$ 1,448.53	
Contributions Subtotal		\$ 3,482.23

Rounding

Total Contributions thru July	\$ 7,152.66	
Rounding	\$ -	
	\$ 7,152.66	

Earnings      \$10,183.55

Expenses      \$ (313.36)

Distributions      \$ (1,052.69)

PARS Ending Balance as of August 31      \$ 676,690.89



# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Receipt  
of Fiscal Year 2017-18 Audit.**

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Vavrinek, Trine, Day & Co (VTD) completed the audit for the Fiscal Year ending on June 30, 2018.

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

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

## RECOMMENDATION:

Acknowledge receipt of the Annual Audit for the period ending June 30, 2018. Direct the General Manager to send a copy to the County of San Mateo, the State Controller, Standard & Poor's, post on the District webpage and to make copies on file available to the public.

Attachment



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

To the Board of Directors  
Montara Water and Sanitary District

We have audited the financial statements of the sewer and water enterprise funds of the Montara Water and Sanitary District for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

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

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

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Disagreements with Management*

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

### ***Management Representations***

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

### ***Management Consultations with Other Independent Accountants***

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

### ***Other Audit Findings or Issues***

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

### ***Other Matters***

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

### ***Restriction on Use***

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

*Vavrinch, Trine, Day & Co. LLP*

Palo Alto, California  
October 25, 2018



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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

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

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

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Vavrinck, Trinc, Day & Co. LLP

Pleasanton, California  
October 25, 2018

**MONTARA WATER AND  
SANITARY DISTRICT**

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**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2018**

**WITH**

**INDEPENDENT AUDITORS' REPORT**

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# MONTARA WATER AND SANITARY DISTRICT

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**MONTARA WATER AND SANITARY DISTRICT**

**ELECTED OFFICIALS AND  
ADMINISTRATIVE PERSONNEL**

**JUNE 30, 2018**

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**BOARD OF DIRECTORS**

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

**GENERAL MANAGER**

Clemens Heldmaier



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the sewer and water enterprise funds of the Montara Water and Sanitary District (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the sewer and water enterprise funds of the District as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

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

*Vavrinck, Trine, Day & Co. LLP*

Palo Alto, California  
October 25, 2018

# **MONTARA WATER AND SANITARY DISTRICT**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2018**

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Our discussion and analysis of the Montara Water and Sanitary District’s (District) financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the District financial statements and accompanying notes, which follow this section.

### **HIGHLIGHTS**

#### **District Financial Highlights**

- District-wide revenues increased \$387,954 from the prior year going from \$6,252,932 to \$6,640,886.
- District-wide expenses increased \$1,409,971 from the prior year going from \$4,829,362 to \$6,239,333.
- The effect of the increase in revenues and expenses caused the District-wide change in net position to decrease \$1,022,017 from the prior year. In other words, the District-wide increase in net position for the year ended June 30, 2018 was \$401,553.

### **USING THIS ANNUAL REPORT**

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

#### **Required Financial Statements**

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

# MONTARA WATER AND SANITARY DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2018

### FINANCIAL ANALYSIS OF THE DISTRICT

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

#### Net Position Statement and Analysis

The District’s total net position increased from \$20,322,115 to \$20,723,668 or \$401,553.

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

	Sewer		Water		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 7,504,693	\$ 7,280,424	\$ 2,371,928	\$ 1,792,440	\$ 9,876,621	\$ 9,072,864
Capital assets net of accumulated depreciation	5,062,409	5,317,814	18,183,045	18,919,883	23,245,454	24,237,697
Other long term assets	2,715,373	2,805,647	1,744,293	1,569,617	4,459,666	4,375,264
Total assets	<u>15,282,475</u>	<u>15,403,885</u>	<u>22,299,266</u>	<u>22,281,940</u>	<u>37,581,741</u>	<u>37,685,825</u>
Deferred outflows of resources	101,367	108,836	378,248	410,768	479,615	519,604
Total deferred outflow of resources	<u>101,367</u>	<u>108,836</u>	<u>378,248</u>	<u>410,768</u>	<u>479,615</u>	<u>519,604</u>
Current liabilities	843,972	245,337	1,652,788	1,404,001	2,496,760	1,649,338
Long-term liabilities	1,306,035	1,411,561	13,473,233	14,822,415	14,779,268	16,233,976
Total liabilities	<u>2,150,007</u>	<u>1,656,898</u>	<u>15,126,021</u>	<u>16,226,416</u>	<u>17,276,028</u>	<u>17,883,314</u>
Deferred inflows of resources	21,452	-	40,208	-	61,660	-
Total deferred inflow of resources	<u>21,452</u>	<u>-</u>	<u>40,208</u>	<u>-</u>	<u>61,660</u>	<u>-</u>
Net position						
Net investment in capital assets	3,684,084	3,864,309	3,713,180	3,306,104	7,397,264	7,170,413
Restricted for debt service	-	-	1,692,138	1,507,544	1,692,138	1,507,544
Unrestricted	9,528,299	9,991,514	2,105,967	1,652,644	11,634,266	11,644,158
Total net position	<u>\$ 13,212,383</u>	<u>\$ 13,855,823</u>	<u>\$ 7,511,285</u>	<u>\$ 6,466,292</u>	<u>\$ 20,723,668</u>	<u>\$ 20,322,115</u>

#### Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2018 the sewer system generated operating revenue of \$2,095,832 and operating expenses of \$3,249,479 for a net operating loss of \$1,153,647. This is a decrease from prior year’s net operating income of \$17,712 by \$1,171,359. Whereas operating revenue increased 3.96%, system maintenance and repairs expense increased by \$896,564 or 82.1%. The major factor causing these increases is two-fold. Sewer Authority Mid-Coastside expenses for collections & operations increased by \$858,659 or 86%. In addition, the District’s legal expenses increased by \$183,589 or 560%. This increase is due to the District’s defense of its JPA position with the Sewer Authority Mid-Coastside as it goes through legal proceedings with the City of Half Moon Bay.

# MONTARA WATER AND SANITARY DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS

**JUNE 30, 2018**

The Sewer Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees, and revenue from the lease of the cell phone tower, experienced an increase of \$91,460.

For the fiscal year ended June 30, 2018 the water system generated operating revenue of \$1,957,077 and operating expenses of \$2,457,562 for a net operating loss of \$500,485. This is an increase from prior year’s net operating loss of \$457,014 by \$43,471. For the fiscal year ended June 30, 2018 operating revenue increased 7.63% and system maintenance and repairs expense decreased by \$7,945. Sales of water revenue increased from \$1,768,246 to \$1,921,189 or \$152,943 translating to an 8.65% increase. This increase is due to the rate increase of 3% as well as an increase in usage amongst District customers. This increase in expense is due to increases in engineering costs associated with water quality engineering line items.

The Water Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees and revenue from the lease of the cell phone tower, experienced an increase of \$77,866. The District receives property tax revenue which was imposed specifically for the payment of the General Obligation Bonds approved by the District rate payers.

Connection fees for the Sewer Fund increased from \$175,830 to \$229,263 or approximately 30.4% whereas the connection fees for the Water Fund increased from \$208,785 to \$284,556 or approximately 36.3%. These funds are used to off-set capital needs for existing customers. This amount is expected to rise in the upcoming years as the moratorium on connections for residents within the District’s service area has been repealed.

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

	Sewer		Water		Total	
	2018	2017	2018	2017	2018	2017
Operating revenues	\$ 2,095,832	\$ 2,016,027	\$ 1,957,077	\$ 1,818,254	\$ 4,052,909	\$ 3,834,281
Tax revenues	367,805	340,019	1,594,020	1,593,129	1,961,825	1,933,148
Interest and investment income	41,070	32,034	-	-	41,070	32,034
Connection fees and other non operating revenues	264,895	210,257	320,187	243,212	585,082	453,469
Total revenues	<u>2,769,602</u>	<u>2,598,337</u>	<u>3,871,284</u>	<u>3,654,595</u>	<u>6,640,886</u>	<u>6,252,932</u>
Operating expenses	3,249,479	1,998,315	2,457,562	2,275,268	5,707,041	4,273,583
Non-operating expenses	163,563	157,831	368,729	397,948	532,292	555,779
Total expenses	<u>3,413,042</u>	<u>2,156,146</u>	<u>2,826,291</u>	<u>2,673,216</u>	<u>6,239,333</u>	<u>4,829,362</u>
Change in fund net position	(643,440)	442,191	1,044,993	981,379	401,553	1,423,570
Fund net position - beginning of year	13,855,823	13,413,632	6,466,292	5,484,913	20,322,115	18,898,545
Fund net position - end of year	<u>\$ 13,212,383</u>	<u>\$ 13,855,823</u>	<u>\$ 7,511,285</u>	<u>\$ 6,466,292</u>	<u>\$ 20,723,668</u>	<u>\$ 20,322,115</u>

# MONTARA WATER AND SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal year 2018, the District had \$23,245,454 (net of accumulated depreciation) invested in a variety of capital assets.

The assets include: land; sanitary sewer collection system subsurface lines and pump stations; water supply wells; surface water diversion and storage tank; water treatment plant; treated water storage tanks; water distribution system subsurface lines, valves, hydrants, and pumps; administration building; and vehicles. The District's capital assets balance as of June 30, 2018, decreased by \$992,243 or 4.09 percent below the prior year. This is due to capitalized expenses in regards to the District's Water facilities plant and other capital improvements reduced by current year depreciation expense.

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

- Capital improvements to the water system
- Sewer pipeline replacement

The following summarizes District capital assets for fiscal year ended June 30, 2018:

Category	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Land & easement	\$ 739,500	\$ -	\$ -	\$ -	\$ 739,500
Sewage collection facilities	5,341,536	-	-	-	5,341,536
Sewage treatment facilities	244,540	-	-	-	244,540
General plant & administration facilities	3,388,815	300,351	-	-	3,689,166
Seal Cove collection system	995,505	-	-	-	995,505
Other capital improvements	4,357,566	-	-	-	4,357,566
Water facilities plant	26,450,034	-	-	-	26,450,034
Water general plant	174,309	235,275	-	-	409,584
Surface water rights	300,000	-	-	-	300,000
Total	<u>41,991,805</u>	<u>535,626</u>	<u>-</u>	<u>-</u>	<u>42,527,431</u>
Accumulated depreciation	<u>17,754,108</u>	<u>1,527,869</u>	<u>-</u>	<u>-</u>	<u>19,281,977</u>
Property, plant & equipment, net	<u>\$ 24,237,697</u>	<u>\$ (992,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,245,454</u>

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

#### Long Term Obligations

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

# MONTARA WATER AND SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long Term Portion
General Obligation Bonds, 2012 Series	\$ 11,479,503	\$ -	\$ 876,458	\$ 10,603,045	\$ 897,915	\$ 9,705,130
2012 GO Bonds Discount	(52,748)	-	(4,884)	(47,864)	(4,886)	(42,978)
PNCEF Lease Obligation	1,281,860	-	93,990	1,187,870	104,097	1,083,773
CIEDB loan	812,575	-	28,184	784,391	29,043	755,348
SRF Loan	3,752,328	-	243,868	3,508,460	249,309	3,259,151
Totals	\$ 17,273,518	\$ -	\$ 1,237,616	\$ 16,035,902	\$ 1,275,478	\$ 14,760,424

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

### ECONOMIC FACTORS, RATES, AND BUDGETARY CONTROL

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

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

# **MONTARA WATER AND SANITARY DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2018**

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### **REQUEST FOR INFORMATION**

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

**MONTARA WATER AND SANITARY DISTRICT**

**STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018**

	Sewer	Water	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 7,407,925	\$ 1,317,024	\$ 8,724,949
Accounts receivable	92,727	503,937	596,664
Inventory	-	42,656	42,656
Prepaid items	4,041	57,961	62,002
Interfund advances - Due from sewer fund	-	450,350	450,350
Total current assets	<u>7,504,693</u>	<u>2,371,928</u>	<u>9,876,621</u>
Non-current assets:			
Capital assets:			
Property, plant and equipment	13,525,914	29,001,517	42,527,431
Less accumulated depreciation	<u>8,463,505</u>	<u>10,818,472</u>	<u>19,281,977</u>
Total capital assets	<u>5,062,409</u>	<u>18,183,045</u>	<u>23,245,454</u>
Other assets:			
Restricted cash and cash equivalents	-	1,692,138	1,692,138
Net pension asset	27,826	52,155	79,981
Investment in joint powers authorities - capacity rights	<u>2,687,547</u>	<u>-</u>	<u>2,687,547</u>
Total other assets	<u>2,715,373</u>	<u>1,744,293</u>	<u>4,459,666</u>
Total non-current assets	<u>7,777,782</u>	<u>19,927,338</u>	<u>27,705,120</u>
Total assets	<u>15,282,475</u>	<u>22,299,266</u>	<u>37,581,741</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	187,712	187,712
Deferred amounts related to pensions	101,367	190,536	291,903
Total deferred outflows of resources	<u>101,367</u>	<u>378,248</u>	<u>479,615</u>

*(Continued)*

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

**MONTARA WATER AND SANITARY DISTRICT**

**STATEMENT OF NET POSITION (CONTINUED)  
AS OF JUNE 30, 2018**

	Sewer	Water	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	261,718	283,168	544,886
Interfund advances - Due to water fund	450,350	-	450,350
Deposits	20,486	53,573	74,059
Accrued expenses	14,095	-	14,095
Interest payable	10,698	107,350	118,048
Accrued compensated absences	5,533	14,311	19,844
Current portion of general obligation bonds and other long-term obligations	81,092	1,194,386	1,275,478
Total current liabilities	843,972	1,652,788	2,496,760
Long term liabilities:			
Accrued compensated absences	8,802	10,042	18,844
General obligation bonds, less current portion	-	9,663,747	9,663,747
Other long term obligations, less current portion	1,297,233	3,799,444	5,096,677
Total long term liabilities	1,306,035	13,473,233	14,779,268
Total liabilities	2,150,007	15,126,021	17,276,028
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	21,452	40,208	61,660
Total deferred inflows of resources	21,452	40,208	61,660
<b>NET POSITION</b>			
Net investments in capital assets	3,684,084	3,713,180	7,397,264
Restricted for debt service	-	1,692,138	1,692,138
Unrestricted	9,528,299	2,105,967	11,634,266
Total net position	\$ 13,212,383	\$ 7,511,285	\$ 20,723,668

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

**MONTARA WATER AND SANITARY DISTRICT**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	Sewer	Water	Total
OPERATING REVENUES			
Sales and service charges	2,095,832	1,957,077	\$ 4,052,909
OPERATING EXPENSES			
General and administrative	704,833	960,435	1,665,268
System maintenance and repairs	1,988,890	491,324	2,480,214
Depreciation and amortization	555,756	1,005,803	1,561,559
Total operating expenses	3,249,479	2,457,562	5,707,041
OPERATING INCOME (LOSS)	(1,153,647)	(500,485)	(1,654,132)
NONOPERATING REVENUES (EXPENSE)			
Taxes - District share of one percent	367,805	367,804	735,609
Taxes - Ad valorem for general obligation bonds	-	1,226,216	1,226,216
Investment income	41,070	-	41,070
Interest expense	(42,218)	(367,329)	(409,547)
Other revenues	35,632	35,631	71,263
Other expenses	(121,345)	(1,400)	(122,745)
Total non-operating revenues (expenses)	280,944	1,260,922	1,541,866
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(872,703)	760,437	(112,266)
Capital contributions - connection fees	229,263	284,556	513,819
Changes in net position	(643,440)	1,044,993	401,553
NET POSITION, BEGINNING OF YEAR	13,855,823	6,466,292	20,322,115
TOTAL NET POSITION, END OF YEAR	<u>\$ 13,212,383</u>	<u>\$ 7,511,285</u>	<u>\$ 20,723,668</u>

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

# MONTARA WATER AND SANITARY DISTRICT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	Sewer	Water	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 2,043,867	\$ 1,907,594	\$ 3,951,461
Payments to suppliers - other	(1,871,932)	(317,823)	(2,189,755)
Payments to employees	(677,918)	(957,278)	(1,635,196)
Net cash provided by operating activities	<u>(505,983)</u>	<u>632,493</u>	<u>126,510</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Property taxes collected	367,805	367,806	735,611
Principal paid on long term debt	(75,180)	(1,167,320)	(1,242,500)
Interest paid on long term debt	(42,634)	(352,794)	(395,428)
Acquisition and construction of capital assets	(300,351)	(235,275)	(535,626)
Interfund advances	568,217	(568,217)	-
Connection fees and other non operating revenue collected	143,550	1,511,311	1,654,861
Net cash provided (used) by capital and related financing activities	<u>661,407</u>	<u>(444,489)</u>	<u>216,918</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	41,070	-	41,070
Net cash provided by investing activities	<u>41,070</u>	<u>-</u>	<u>41,070</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>196,494</b>	<b>188,004</b>	<b>384,498</b>
Cash and investments, July 1	7,211,431	2,821,158	10,032,589
Cash and investments, June 30	<u>\$ 7,407,925</u>	<u>\$ 3,009,162</u>	<u>\$ 10,417,087</u>
<b>AMOUNTS AS THEY APPEAR ON THE STATEMENT OF NET POSITION:</b>			
Cash and cash equivalents	\$ 7,407,925	\$ 1,317,024	\$ 8,724,949
Restricted cash and cash equivalents	-	1,692,138	1,692,138
	<u>\$ 7,407,925</u>	<u>\$ 3,009,162</u>	<u>\$ 10,417,087</u>

*(Continued)*

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

# MONTARA WATER AND SANITARY DISTRICT

## STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2018

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	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,153,647)	\$ (500,485)	\$ (1,654,132)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	555,756	1,005,803	1,561,559
Accounts and notes receivable	(51,560)	(67,767)	(119,327)
Accounts payable	120,766	169,389	290,155
Deposits and prepaid expenses	(2,152)	22,396	20,244
Pension related amounts	28,779	1,785	30,564
Compensated absences	(3,925)	1,372	(2,553)
Total adjustments	<u>647,664</u>	<u>1,132,978</u>	<u>1,780,642</u>
Net cash provided by operating activities	<u>\$ (505,983)</u>	<u>\$ 632,493</u>	<u>\$ 126,510</u>

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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### ***NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

#### A. General

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

#### B. Basis of Accounting

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

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

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

The District reports the following major Proprietary Funds:

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

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

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

#### C. Measurement Focus

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

#### D. Investment in the State Investment Pool

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

#### E. Inventory

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

#### F. Capital Assets

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

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

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

#### G. Cash Flows Defined

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

#### H. Accounts Receivable

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

#### I. Accrued Compensated Absences

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

#### J. Budgets and Budgetary Accounting

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

#### K. Property Taxes

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

#### L. Contract Services

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

#### M. Estimates

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

#### N. Deferred Outflows and Inflows of Resources

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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

#### O. Pensions

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

#### P. New Accounting Pronouncements

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

- **GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for Other Postemployment Benefits (OPEB) provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or FY2017-18. This pronouncement does not have an impact on the District.
- **GASB Statement No. 83** – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The District is evaluating the effect of this pronouncement.
- **GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The District is evaluating the effect of this pronouncement.

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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

- **GASB Statement No. 87** – In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use another entity’s nonfinancial assets (“the underlying asset”) in the contract for a period of time in an exchange or exchange like transaction. Examples of nonfinancial assets including buildings, land, vehicles, and equipment. Under this statement, a lessor is required to recognize a lease receivable and deferred inflow of resources, with the exception of certain regulated leases, such as SLOA IV, and a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The statement is effective for periods beginning after December 15, 2019 or FY2020-21. The District is evaluating the effect of this pronouncement.
- **GASB Statement No. 88** – In April 2018, the GASB issued statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, the Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The statement is effective for periods beginning after December 15, 2018 or FY2019-20. The District is evaluating the effect of this pronouncement.
- **GASB Statement No. 89** – In June 2018, the GASB issued statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. The Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The statement is effective for periods beginning after December 15, 2019 or FY2020-21. The District is evaluating the effect of this pronouncement.

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

- GASB Statement No. 90** – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest*, an amendment of GASB statement *No. 14 and No. 61*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government’s holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The statement is effective for periods beginning after December 15, 2018 or FY2019-20. The District is evaluating the effect of this pronouncement.

**NOTE #2 - CASH AND INVESTMENTS**

**A. Cash and Investment Summary**

The following is a summary of the cash and investments as of June 30, 2018:

Cash Deposits	\$ 6,049,532
Investments (Local Agency Investment Fund)	4,367,555
	<u>10,417,087</u>
Restricted cash and cash equivalents	1,692,138
Unrestricted cash and cash equivalents	8,724,949
	<u>\$ 10,417,087</u>

**B. General Authorizations**

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

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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### NOTE #2 - CASH AND INVESTMENTS (Continued)

#### C. Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity</u>
LAIF	<u>\$ 4,367,555</u>	193 days

#### D. Credit Risk

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

#### E. Custodial Credit Risk - Deposits

For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code. At June 30, 2018, balances in financial institutions were \$6,077,500. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$5,577,500 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

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

### NOTE 3 - FAIR VALUE MEASUREMENTS

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

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)**

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

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

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

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

The District's fair value measurements are as follows at June 30, 2018:

Investment Type	Fair Value Measurement Using				Uncategorized
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
State Investment Pool	\$ 4,367,555	\$ -	\$ -	\$ -	\$ 4,367,555

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

### **NOTE #4 – CAPITAL ASSETS**

Changes in capital assets accounts are summarized below:

Category	Balance			Balance	
	June 30, 2017	Additions	Deletions	Transfers	June 30, 2018
Land & easement	\$ 739,500	\$ -	\$ -	\$ -	\$ 739,500
Sewage collection facilities	5,341,536	-	-	-	5,341,536
Sewage treatment facilities	244,540	-	-	-	244,540
General plant & administration facilities	3,388,815	300,351	-	-	3,689,166
Seal Cove collection system	995,505	-	-	-	995,505
Other capital improvements	4,357,566	-	-	-	4,357,566
Water facilities plant	26,450,034	-	-	-	26,450,034
Water general plant	174,309	235,275	-	-	409,584
Surface water rights	300,000	-	-	-	300,000
Total	<u>41,991,805</u>	<u>535,626</u>	<u>-</u>	<u>-</u>	<u>42,527,431</u>
Accumulated depreciation	<u>17,754,108</u>	<u>1,527,869</u>	<u>-</u>	<u>-</u>	<u>19,281,977</u>
Property, plant & equipment, net	<u>\$ 24,237,697</u>	<u>\$ (992,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,245,454</u>

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

#### Investment in Sewer Authority Mid-Coastside

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

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

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

SAM provides sewage collection and treatment services, for which the District pays a monthly fee. The District paid \$1,979,517 for these collection and treatment services for the year.

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #5 – INVESTMENT IN JOINT POWER AUTHORITY - CAPACITY RIGHTS (Continued)**

Summary details of SAM’s financial position and results of operation from the most recent draft of audited financial statement available for the year ended June 30, 2017 are as follows:

Total assets	\$ 14,984,857
Deferred outflows of resources	808,862
Total liabilities	3,840,628
Deferred inflows of resources	178,377
Net position	<u>\$ 11,774,714</u>
Total revenues	4,793,589
Total expenses	6,270,607
Decrease in net position	<u>\$ (1,477,018)</u>

**NOTE #6 - LONG TERM OBLIGATIONS**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long Term Portion
General Obligation Bonds, 2012 Series	\$ 11,479,503	\$ -	\$ 876,458	\$ 10,603,045	\$ 897,915	\$ 9,705,130
2012 GO Bonds Discount	(52,748)	-	(4,884)	(47,864)	(4,886)	(42,978)
PNCEF Lease Obligation	1,281,860	-	93,990	1,187,870	104,097	1,083,773
CIEDB loan	812,575	-	28,184	784,391	29,043	755,348
SRF Loan	3,752,328	-	243,868	3,508,460	249,309	3,259,151
Totals	<u>\$ 17,273,518</u>	<u>\$ -</u>	<u>\$ 1,237,616</u>	<u>\$ 16,035,902</u>	<u>\$ 1,275,478</u>	<u>\$ 14,760,424</u>

**A. General Obligation Bonds, Series 2012**

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

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

### NOTE #6 - LONG TERM OBLIGATIONS (Continued)

#### Repayment Schedule

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 897,915	\$ 252,521	\$ 1,150,436
2020	919,897	230,539	1,150,436
2021	941,825	208,611	1,150,436
2022	965,475	184,961	1,150,436
2023	989,111	161,325	1,150,436
2024-2028	5,320,499	431,681	5,752,180
2029	568,323	6,896	575,219
Total	<u>\$ 10,603,045</u>	<u>\$ 1,476,534</u>	<u>\$ 12,079,579</u>

#### B. Capital Lease

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

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

#### Repayment Schedule

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 104,097	\$ 33,653	\$ 137,750
2020	114,407	30,443	144,850
2021	125,339	26,921	152,260
2022	136,739	23,071	159,810
2023	148,157	18,883	167,040
2024-2027	559,131	28,740	587,871
Total	<u>\$ 1,187,870</u>	<u>\$ 161,711</u>	<u>\$ 1,349,581</u>

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #6 - LONG TERM OBLIGATIONS (Continued)**

**C. CIEDB Loan**

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

**Repayment Schedule:**

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 29,043	\$ 23,481	\$ 52,524
2020	29,929	22,582	52,511
2021	30,842	21,655	52,497
2022	31,783	20,700	52,483
2023	32,752	19,716	52,468
2024-2028	179,369	82,733	262,102
2029-2033	208,443	53,216	261,659
2034-2038	242,230	18,914	261,144
Total	<u>\$ 784,391</u>	<u>\$ 262,997</u>	<u>\$ 1,047,388</u>

**D. State Revolving Fund Loan**

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

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #6 - LONG TERM OBLIGATIONS (Continued)**

Repayment Schedule:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 249,309	\$ 78,501	\$ 327,810
2020	211,522	72,938	284,460
2021	172,495	68,616	241,111
2022	176,456	64,655	241,111
2023	180,509	60,602	241,111
2024-2028	966,666	238,890	1,205,556
2029-2033	1,082,887	122,669	1,205,556
2034-2035	468,616	13,450	482,066
Total	<u>\$ 3,508,460</u>	<u>\$ 720,322</u>	<u>\$ 4,228,782</u>

**NOTE #7 - DEFERRED COMPENSATION PLAN**

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

**NOTE #8 – DEFINED BENEFIT PLAN**

A. Plan Description

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

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

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

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

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### NOTE #8 – DEFINED BENEFIT PLAN (Continued)

#### B. Benefits Provided

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

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

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

Formula	2% @ 62
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	62
Required employee contribution rates	8.25%
Required employer contribution rates	6.50%

#### C. Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms for the Plan:

Active employees*	<u>PARS Plan</u>
	<u>7</u>
* Plan is closed to new entrants	

#### D. Contributions

The District contributed the actuarially determined contribution to the PARS plan. For the year ended June 30, 2018, the employer contributions were \$45,862.

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #8 – DEFINED BENEFIT PLAN (Continued)**

**E. Net Pension Liability**

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

	<u>PARS Plan</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.5%
Aggregate payroll increases	3.0% <sup>(1)</sup>
Mortality	Varies by gender and age <sup>(2)</sup>

<sup>(1)</sup> Depending on age, service and type of employment

<sup>(2)</sup> The underlying mortality assumptions and all other actuarial assumption used in the June 30, 2017 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**F. Discount Rate**

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

	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Asset Class Component		
Equity	75%	4.82%
Fixed Income	20%	1.47%
Cash	5%	0.06%
Long-Term Expected rate of Return		7.01%
Long-Term Investment Expenses		0.8% - 0.3%
Long-Term Expected Net Rate of Return		6.21% - 6.71%
<u>Discount Rate (rounded)</u>		<u>6.50%</u>

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

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #8 – DEFINED BENEFIT PLAN (Continued)**

**G. Changes in Net Pension Liability**

The changes in the Net Pension Liability for the Plan is as follows:

	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2017	\$ 388,080	\$ 387,672	\$ 408
Changes in the Year			
- Service cost	83,063	-	83,063
- Interest	30,574	-	30,574
- Difference between expected and actual experience	(37,021)	-	(37,021)
- Changes of assumptions	(7,271)	-	(7,271)
- Contributions - employer	-	44,093	(44,093)
- Contributions - employee	-	50,429	(50,429)
- Net investment income	-	55,329	(55,329)
- Benefit payments including refunds	(1,527)	(1,527)	-
- Administrative expense	-	(117)	117
Net changes	67,818	148,207	(80,389)
Balance at June 30, 2018	\$ 455,898	\$ 535,879	\$ (79,981)

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

	Discount Rate		
	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 22,863	\$ (79,981)	\$ (159,739)

**H. Pension Plan Fiduciary Net Position**

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

**MONTARA WATER AND SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE #8 – DEFINED BENEFIT PLAN (Continued)**

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

For the year ended June 30, 2018, the District recognized pension expense of \$51,952. At June 30, 2018, the District reported deferred outflows and inflows of resources as follows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,042	\$ (33,926)
Changes of assumptions	-	(6,663)
Net difference between projected and actual earnings on plan investments	-	(21,071)
Employer contributions made subsequent to the measurement date	45,862	-
	<u>\$ 291,904</u>	<u>\$ (61,660)</u>

The amount of \$45,862 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

Year ended June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ 16,844
2020	16,844
2021	16,845
2022	16,636
2023	22,060
Thereafter	95,153
	<u>\$ 184,382</u>

# MONTARA WATER AND SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

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### **NOTE #9 - RISK MANAGEMENT**

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

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

The following is a summary of the insurance policies carried by the District as of June 30, 2018:

Type of Coverage	Coverage Limits
General Liability	\$ 15,500,000
Workers' Compensation	2,000,000
Boiler & Machinery	100,000,000
Public Officials	100,000
Property	8,759,098

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

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

### **NOTE #10 – COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**MONTARA WATER AND SANITARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND  
RELATED RATIOS**

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

Measurement Period	June 30, 2017	June 30, 2016
<b>Total Pension Liability</b>		
Service Cost	\$ 83,063	\$ 80,448
Interest on total pension liability	30,574	10,064
Difference between expected and actual experience	(37,021)	297,568
Changes in assumptions	(7,271)	-
Benefit payments, including refunds of employee contributions	(1,527)	-
<b>Net change in total pension liability</b>	<u>67,818</u>	<u>388,080</u>
<b>Total Pension Liability - beginning</b>	388,080	-
<b>Total Pension Liability - ending (a)</b>	<u>\$ 455,898</u>	<u>\$ 388,080</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 44,093	\$ 37,027
Contributions - employee*	50,429	344,564
Net investment income	55,329	6,520
Benefit payments	(1,527)	-
Administrative expense	(117)	(439)
<b>Net change in plan fiduciary net position</b>	<u>148,207</u>	<u>387,672</u>
<b>Plan fiduciary net position - beginning</b>	387,672	-
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 535,879</u>	<u>\$ 387,672</u>
Net pension liability - ending (a) - (b)	<u>\$ (79,981)</u>	<u>\$ 408</u>
Plan fiduciary net position as a percentage of the total pension liability	117.54%	99.89%
Covered payroll	\$ 626,786	\$ 620,243
Net pension liability as a percentage of covered employee payroll	-12.76%	0.07%

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

\*\* Measurement year 2016 was the 1st year of implementation.

**MONTARA WATER AND SANITARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PLAN CONTRIBUTIONS**

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

	2018	2017	2016
<b>Actuarially Determined Contribution</b>	\$ 45,862	\$ 40,741	\$ 40,316
Contribution in relation to the Actuarially Determined Contribution	(45,862)	(40,741)	(40,316)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 680,306	\$ 626,786	\$ 620,243
Contributions as a percentage of covered payroll	6.74%	6.50%	6.50%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Investments	Highmark's passively managed Capital Appreciation portfolio
Discount rate	6.5%
Payroll increases	Aggregate payroll increase – 3%
Disability and	The probabilities of retirement and mortality are based on the 1997-2011 CalPERS Experience Study - Mortality projected fully generational with Scale MP2016

\*\* Measurement year 2016 was the 1st year of implementation.

**MONTARA WATER AND  
SANITARY DISTRICT**

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

**FOR THE FISCAL YEAR ENDING JUNE 30, 2019**



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON  
PROCEDURES OVER COMPLIANCE WITH THE PROPOSITION 111  
2018-2019 APPROPRIATIONS LIMIT INCREMENT**

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

We have performed the procedures enumerated below to the Appropriations Limit Calculation of the Montara Water and sanitary District (District) for the fiscal year ended June 30, 2019. These procedures, which were agreed to by the District, were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District's management is responsible for the Appropriations Limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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

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

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

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

- B. We added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2018-2019 appropriations limit.

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

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

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

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

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

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

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

*Vavrinck, Trine, Day & Co. LLP*

Palo Alto, California  
October 25, 2018

**MONTARA WATER AND SANITARY DISTRICT**

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

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	<u>Amount</u>	<u>Source</u>
<b>A. Appropriations limit for the year ended June 30, 2018</b>	\$ 2,200,228	Prior year schedule
<b>B. Calculation Factors:</b>		
1. Population increase percent	1.0058 *	State Department of Finance
2. Inflation increase percent	<u>1.0367</u>	County of San Mateo
3. Total adjustment factor percent	1.0427	B1 x B2
<b>C. Annual adjustment Increase</b>	93,957	[(B3-1)A)]
<b>D. Other Adjustments:</b>		
Loss responsibility (-)	-	N/A
Transfers to private (-)	-	N/A
Transfers to fees (-)	-	N/A
Assumed responsibility (+)	-	N/A
<b>E. Total Adjustments</b>	<u>93,957</u>	(C+D)
<b>F. Appropriations limit for the year ending June 30, 2019</b>	<u>\$ 2,294,185</u>	(A+E)

\* Greater of population increase percent for:

County of San Mateo	1.0058
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# **MONTARA WATER AND SANITARY DISTRICT**

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

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### **1. PURPOSE OF AGREED-UPON PROCEDURES**

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

### **2. METHOD OF CALCULATION**

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

### **3. POPULATION FACTORS**

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the District for the year 2018-2019 represents the annual percentage change in population for the County of San Mateo.

### **4. INFLATION FACTORS**

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4<sup>th</sup> quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the District for the year 2018-2019 represents the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction.

### **5. OTHER ADJUSTMENTS**

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The District had no such adjustment for the year ending June 30, 2019.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning  
Consideration of In House Sewer Collection  
Services.**

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Since 1988 the Sewer Authority Mid-Coastside provided most collections services for its three member agencies through a Maintenance Agreement outside of the Joint Powers Authority Agreement (JPA). SAM acted as contracting agency for performing these services for all three JPA members.

For the last three years the MWSD staff has had the following primary goals in this effort to either renew the Maintenance Agreement or bring cleaning staff in-house:

- Improve service to the public,
- More closely manage liability and SSO risk,
- Increase accountability,
- Improve State reporting accuracy.

In spring 2015 District staff compared the options internally and with other JPA members of renegotiating the existing Maintenance Agreement with SAM vs a new two person or a three person in-house sewer cleaning team at MWSD. This discussion was supported by a Memorandum by Nute Engineering on May 4, 2015 in which the costs and responsibility of different combinations of service provided by SAM and MWSD and additional support private contractors in each case, were compared. The decision by the Board at that time was to continue with negotiations with SAM and re-evaluate the District's needs at a later date. Over the past three years improvements in scheduling, communication, and work quality have been achieved. However, cost of service increased and to date no new agreement has been reached.

The City of Half Moon Bay (HMB), desiring similar changes in service decided to issued an RFP for collection services to consider outsourcing the service to maintain and manage their collection system. MWSD and the Granada Community Services District (GCSD) asked to be included in the RFP as well with the idea that SAM was again selected with a new contract and all JPA members could continue with the same cleaning team. SAM responded to the RFP along with at least three other firms, and quoted prices for the services for all three JPA members. HMB selected SAM for only part of the management and maintenance contract and has engaged SAM as contractor to provide a portion of the field services. The City has also engaged with a private party for the remainder of the services. HMB stated that it will transition away from SAM's collection services as soon as July 1, 2019, and is not inclined to renew the contract.

SAM is a public agency. Therefore, the provision of the collection services had a similar cost sharing approach as the treatment services provided under the JPA. While SAM has attempted to separate all collections cost from treatment cost, due to shared staff positions etc., a clean separation is not realistic with the current staff model. SAM responding to the quote as if the services were provided by private party has future cost and service impacts to



# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

the existing collections agreements with other JPA participants. The cost sharing approach between the agencies was based on accounting all utilized and surplus labor. Unlike a private vendor, SAM is not allowed to generate a profit to cover surplus labor costs. It also has limited ability to change staffing levels or to furlough positions.

Since the HMB decision to not use SAM for sewer maintenance in the future, SAM has subsequently provided new sewer maintenance quotes and suggested contracts to the two other member agencies. However, the contracts don't provide a solution to the above mention labor issues. MWSD is interested in retaining institutional knowledge of Coastside sewer operators.

In reviewing the new proposed cost for services, with SAM having to provide a different cost structure for HMB's limited scope of services, contract costs at MWSD and GCSD increase between 40% and 89% to maintain the existing level of sewer pipe cleaning. The current proposed contract with SAM is \$329,000 for MWSD and is projected to rise to \$415,000 by 2021 including emergency response. And additionally, reduced scope of service, considering several of the points for notification feedback, scheduling and SSO liability response terms have yet not been agreed to in a new contract.

We believe that this is an opportune time for the District to strongly consider shifting that expense back into the MWSD budget, and hire new staff, in the range of three and one half positions to clean and maintain the sewer collection system in-house.

There will be a need for capital outlay around \$500,000 the first year, and up to \$125,000 per year for two subsequent years for District owned equipment. Exploring GCSD's needs further offers the possibility of contracting with them to provide sewer cleaning services. MWSD having in house sewer collections maintenance staff offers several significant benefits:

1. Direct Management of Sewer Liability
2. Improved efficiency for Hot Spots and Daily activities with less travel time
3. Cross Training of Staff could offer more flexible work hours
4. Allow for Joint Emergency Response Plan with Pacifica and the other coast-side agencies

Pippin Cavagnaro, P.E. from Nute Engineering, will be available to present the Memorandum Recommendation Regarding Increase Staff Level for Bringing Sewer Cleaning In-House.

## RECOMMENDATION:

Authorize the General Manager to initiate first steps to bring sewer collections services in house: Engage with IEDA to recommend a compensation structure for sewer collections staff. Initiate a detailed review of collections equipment needs. Prepare RFP for transitional services, and negotiate remaining services with SAM.



October 24, 2018

Mr. Clemens Heldmaier, General Manager  
Montara Water & Sanitary District  
PO Box 370131  
Montara, CA 94037

**MEMORANDUM: Recommendations Regarding Increased Staffing Level  
For Bringing Sewer Cleaning In-house**

Dear Clemens:

We are pleased to respond to your request to summarize the findings of the District's past three years of investigation of the possibility of Montara Water & Sanitary District (MWSD) hiring additional field staff to clean and maintain the District sewer system vs the efforts over the similar time frame to re-negotiation of a new cleaning contract with the Sewer Authority Mid-Coastside (SAM). On May 4, 2015 we submitted a memorandum summarizing the existing cleaning program which relies on a long standing contract dating from 1988 with SAM (SAM Resolution 9-88), and also presented two alternative staffing levels for District in-house staffing. Now we are looking more closely at the larger staff team presented at that time. Additionally for comparison, on the 10<sup>th</sup> of this month SAM has submitted for review an alternative cleaning contract with a new pricing model for a possible new future contract between SAM and MWSD and separately between SAM and GCSD, no longer including Half Moon Bay (the City).

**BACKGROUND**

The MWSD collection system including about 25 miles of gravity sewers a little over two miles of Force Mains, 13 large pump stations with associated communication systems, and 27 individual house grinder pumps. In addition to cleaning and general maintenance of the collection system, MWSD is charged with and is liable for capital upgrades, spot repairs, first-responder duties and for clearing stoppages and clean-up of Sanitary Sewer Overflows (SSO's). Administratively MWSD is also responsible for reporting to the Water Boards State website called California Integrated Water Quality System (CIWQS).

Currently, SAM crews take care of the cleaning, general maintenance, perform some minor spot repairs, and act as the first responder to SSOs and site clean-up, as well as initiating the data collection and entry required by CIWQS. They also respond to many

resident complaints about sewer problems which often turn out to be private lateral issues. They also perform utility marking requests for construction projects for both force mains and gravity sewers for the State of California Underground Service Alert (USA's for short.)

The existing sewer cleaning arrangement for MWSD is a cleaning contract called the Maintenance Agreement including Attachment A and is available to view on the SAM Cleans Water website. This is an optional agreement under the SAM Joint Powers Authority (JPA) and was authorized by SAM Resolution 9-88, and under its terms can be canceled by any JPA member with a 90 day notice.

## **CURRENT CLEANING SERVICES**

Over the past three years MWSD staff have been actively working with SAM staff in numerous staff, manager and JPA manager meetings to negotiate new descriptions for work and level of services updating and restating the contract Maintenance Agreement and its Attachment A. This would provide improved level of cleaning service, more flexible cleaning scheduling, increased diversity in types of equipment available, provide more resolution in the documentation, faster feedback of events and improved detail in regulatory reporting. While the SAM staff has been actively working to improve many of the above stated goals, a new Maintenance Agreement has not yet been reached.

In the meantime, the City of Half Moon Bay interested to effect similar changes to their sewer system maintenance program issued an RFP on January 22, 2018, requesting quotes for annual cleaning and sewer system management. Granada Community Services District (GCSD) and MWSD both requested to be part of this RFP to get a comparative perspective of costs and services available from other firms. The result of the RFP was the City engaged Mark Thomas and Associates to manage the sewer system. They also chose to use SAM staff for a transitional year for specific cleaning services, and while a three year contract was provided to them, they only signed a one year agreement.

The current SAM general manager has been receptive to the progress made with regards to the collections Maintenance Agreement negotiations, but due to the restructuring of services and pricing requested by the City, the SAM general manager is now proposing a new cost for service model and a different contract which both GCSD and MWSD are now reviewing.

While the existing maintenance agreement allows for any member agency to pull out of the agreement with a 90 day notice, it is not practical to make such a radical change without significant cause since the surplus staff hours would have to be paid for by the other two remaining agencies. To this consideration the City has given at least 9 month advance notice that they do not intend to continue with SAM in the future for sewer system collection maintenance. At this time the City plans to pull away from SAM for fiscal year 2019-2020 and beyond.

In addition to this significant upcoming change is SAM's staffing needs with the reduction of about 50% of the current field services contract by the loss of the City of HMB, SAM also rebalanced the cost of providing services from one that was evenly spread across all JPA members to one that is disproportionately more expensive for MWSD. This change shows future costs per foot for line cleaning are proposed to increase 89% for MWSD while only 40% for GCSD over the upcoming three years in the newly proposed contract proposed by SAM. Part of these projected costs may be related to the fact that unlike a private vendor, SAM is not allowed to generate a profit in other areas to cover surplus labor and it also has limited ability to lay off staff or furlough positions. These cost allocation shifts proposed by SAM along with their recommendation to reduce future costs can only be achieved with a reduced cleaning frequency. These findings have brought forward the importance for MWSD to consider more seriously the benefits of in-house sewer cleaning staff for a more self-sufficient cleaning service team, as well as explore GCSD's future needs.

### **BENEFITS OF IN-HOUSE SEWER STAFF**

MWSD has since 2015 considered increasing its own staff to provide some level of collections services oversight and State CIWQS data entry in-house. Staff has been tasked to assess the benefits and feasibility of providing collections services in house. The consideration of benefits for building a local team of 3.5 field operations staff assigned to sewer cleaning services and related activities can be summarized in the following items.

- Increased quality insurance due to more staff time available and integrated manager/staff meetings and training.
- Feedback time between identifying issues and notification to management at MWSD will be reduced and operations goals will be more in-line with regulatory requirements and district strategic plan.
- MWSD is the only JPA member agency that currently has State certified operators to maintain technical water and pumping facilities. Sharing of staffing positions between water and sewer or other activities such as parks is a common practice for many other Districts in California and introduces cost savings for this suggested model.
- Shared staffing at MWSD allows the reduction of the on call staffing from currently two to one person and further reduces overtime expenses.
- Reduced daily travel time from MWSD offices to Montara and Moss Beach cleaning sites. Up to 40% more field time is possible.
- In case of many emergencies only one response team would be needed to address water and sewer emergencies, further reducing overtime expenses.

- Reduced emergency response time with locally stored equipment.
- Increasing the staffing positions at Montara increases MWSD's staffing flexibility on both the water and sewer side, both in operation and emergency response.
- Direct itemization of costs for improved budgetary planning.
- More efficient USA cost, only one staff person responding.
- Improved quality of life, employee morale, and employee retention could potentially be achieved by allowing more flexibility in work load and alternative work schedules to the current 8 hour work day.
- State requested collection system early warning monitoring system that will be most effectively implemented by staff who work with District's SCADA system.
- State regulators supported MWSD's interest in providing collection services for the purposes of maintaining institutional knowledge.
- CIWQS system first responder report and certification be managed by the same team. Increased communication efficiency and accuracy reporting.
- Currently MWSD carries liability for SAM managed collection crew. MWSD would continue to carry the same liability under its own control.
- Training levels offered to staff under MWSD control.
- Action taken in emergency situations under MWSD control.
- Possible Maintenance Agreement with GCSO could further reduce costs and support Coast Side jobs should SAM reduce their outside contract cleaning services further.

The plan for increasing staff and cross training of staff is supported by current MWSD staff, with the emphasis on their receptiveness to receive additional training and certification as sewer operators. MWSD currently has a cost incentive based training reward program that rewards staff for maintaining State level certifications, and this could be extended to sewer certifications as well.

### **PROPOSED STAFF LEVELS SEWER CLEANING FOR MWSD**

Currently SAM has allowance for approximately 5.5 employee positions are spread over the cleaning of the three member agencies under the Maintenance Agreement authorized by Ordinance 9-88. For some time at least one position has been un-filled, and depending on staff allocation needs and needs in SAM's own collection system or at the plant this number can fluctuate up or down by one position. Additionally, several times

per year for the last several years SAM has subcontracted with PSI (Presidio Systems, Inc.) for additional staff cleaning and cleaning of trunk sewers and pump station maintenance and electrical technician service. These costs are then back charged to the JPA members.

For reference, SAM up until 2017 managed all collection systems and pump station maintenance and cleaning for all JPA members. For 2018 SAM is contracted for full service with MWSD and GCSD, but is providing reduced level of services for the City. The budget for SAM's current staffing proposed range between 3.5 and 5.5 staff members, with a stated goal of 5, but they occasionally contract with PSI or other firms for additional staff and equipment depending on agency internal staffing needs. In summary, currently for all three member agencies, SAM has assigned about 1.5 mechanics, 2 to 3 cleaning crew, 1 to 3 contract employees, and approximately 1.5 of a managers to clean and maintain about 16 pump stations and approximately 100 miles of sewers, many of which are in hard to access easements, and initiate state reporting duties for MWSD and GCSD.

Because MWSD and the coast side community is geographically isolated, this has giving SAM a regional monopoly over sewer cleaning for quite some time. Currently there are no private sewer cleaning companies based coast-side of the hills of a sufficient size to handle any of the collection systems. This mobilization for daily tasks and emergency response makes the private cleaning model to come in from outside the region to be too expensive and not responsive enough to meet the Regional Water Quality Board's recommended sewer spill emergency response times, and could damage public health. Relying only on a private party contract model, using an entirely private subcontracting cleaning by a firm like Roto Rooter or PSI for all cleaning and maintenance activities, and emergency response, is not considered at this time for four main reasons: 1) lack of response time leading to more SSOs, 2) less control over scheduling daily activities and risk management, 3) difficulty is building institutional knowledge continuity and 4) higher cost. There are specific activities for which it does make sense to use private firms where special requested cleaning or CCTV activities are required.

The review of the newly proposed contract from SAM is not yet complete, but the terms do not appear to be as favorable to MWSD as the past agreement has been, and would likely require the hiring of at least one in-house collections manager to oversee the new contract because it is based on a piecewise procurement of individual services rather than a management package. For this reason and for the risk management control and other aforementioned benefits, MWSD may be best suited to build an in house sewer cleaning team with between 3 and 4 persons, including a field manager, technician/mechanic, and two line workers.

## **CROSS TRAINING STAFFING**

In order for MWSD to improve performance and increase responsiveness to each sewer call and increase cleaning effort the District is considering bringing in three new sewer positions for sewer cleaning and pump station mechanic staff in-house. This would also

allow staff to identify and implement spot repairs more quickly to reduce SSO risks. By increasing the staff level per mile, and cross training at least two employees between water and sewer, one operator and one mechanic, the District will be able to maintain the same level of service for cleaning every pipe every year plus attend to and monitor hot spots at a reduced effort at a cost similar to or possibly less than SAM's projections.

Furthermore, cross training of staff offers better hours assignment flexibility, reduced on-call reliance on any given worker, and has the benefit to improve moral as increased training and betterment programs can boost workers capabilities and compensation. Montara already has the only operations team with water and pumping systems certifications, skills that will be well served in providing a light grade of skilled response and quality assurance, and an active environment for continued education and system efficiency.

**STAFF RESPONSIBILITY AND LIABILITY MANAGEMENT**

Montara Water and Sanitary District currently holds the legal and regulatory liability for both water distribution and sewer connection systems. Unlike the water system where MWSD has direct control over the water related liabilities, at present MWSD has only limited control over the operations affecting the sewer related liabilities.

The in-house staffing alternative would be to take over all collection system and pump station mechanical work and use SAM as supplemental emergency response and pump station SCADA oversight. The Responsibility Matrix: MWSD three and a half person Sewer Model represents a possible shift in work responsibility as a percentage of work hours to a long term goal of 95% MWSD and 5% Sub-contractors responsibility and time.

	<b>RESPONSIBILITY MATRIX: MWSD 3.5 Person Sewer Crew Model</b> Estimated hours percentage per work activity category, Assume 100% is total responsibly for a work category MWSD District.  SAM currently is spending ~2,775 hours in MWSD each year.		
	<b>MWSD 3.5 PERSON CREW**</b>	<b>SAM CREW and/or NEIGHBORING AGENCIES</b>	<b>PRIVATE CONTRACTS (PSI or Roto Rooter for example)***</b>
<b>Current 2018</b>	MWSD: 0% No Field Crew now for sewers.  <b>TOTAL: 0%</b>	SAM: Emergency Response, 10% SAM: Sewer Collections Cleaning, 40-45%* SAM: USA, 10% SAM: Pump Stations, 20-30%* SAM: Lateral Call outs, 2-5% <b>TOTAL: 80-98%</b>	SAM w/ PSI: Sewer Collections Cleaning, 2-10% SAM w/ Calcon/Pump Repair: Pump Stations , 0-10% <b>TOTAL: 0-10%</b>

<b>Transition 2019</b>	<i>MWSD: Emergency Response, 2.5%</i> <i>MWSD: Sewer Collections 30%,</i> <i>MWSD: Cleaning/USA, 8%*</i> <i>Pump Stations, 0-20%</i> <i>Lateral Call Outs, 2-5%</i> <b>TOTAL: 30-60.5%</b>	<i>SAM: Emergency Response, 2.5%</i> <i>Sewer Collections Cleaning/USA, 2%</i> <i>Pump Stations, 0-5%*</i>  <b>TOTAL: 2.5-9.5%</b>	<i>MWSD DIRECT: PSI/Roto Rooter: Emergency Response, 0-5%</i> <i>PSI/Roto Rooter Sewer Collections Cleaning/USA, 0-15%</i> <i>Calcon/Pump Repair: Pump Stations, 0-20%</i>  <b>TOTAL: 0-40%</b>
<b>Future, 2020 and beyond**</b>	<i>MWSD: Emergency Response, 5%</i> <i>MWSD: Sewer Collections Cleaning, 50-60%*</i> <i>MWSD: USA, 10%*</i> <i>MWSD: Pump Stations, 25-30% *</i>  <b>TOTAL: 83-98%</b>	<i>Possible Collaborative Agreement for Joint Emergency Response SAM, Pacifica, and/or the HMB City contractor, 0-2%</i> <i>(Assuming SAM maintains a collections system crew)</i>  <b>TOTAL: 0-2%</b>	<i>MWSD DIRECT: PSI/Roto Rooter: Emergency Response, 0-2%</i> <i>PSI/Roto Rooter Sewer Collections Cleaning/USA, 0-5%</i> <i>Calcon/Pump Repair: Pump Stations, 0-10%</i>  <b>TOTAL: 0-15%</b>

\*Some of these hours could be privately contracted.

\*\* The MWSD 3.5 person model will provide up to 4,725 hours dedicated towards sewer work assuming 65% efficiency of workers which allows for vacation, sick days, etc., for a similar cost to the current more limited hours available from SAM.

\*\*\* Special Services Contracts will be negotiated with firm knowledgeable in MWSD specific systems as required. Firms listed are for reference purposes only.

The SAM staff responsibility is listed in center column on the table. The goal for staff the time split would be 0-2% for SAM staff, 0-15% private contractor providers and 83-100 % for MWSD staff seems achievable. This staffing level change could make MWSD self-sufficient for sewer system management and cleaning services and provide the District with full control over liability of work responsibilities, SSO response and communication with the State.

Additionally, if MWSD has three sewer staff and at least two were cross trained allowing for 3.5 persons to be assigned to sewer, there is increased staffing flexibility over the two person model. If one or two sewer staff can be cross trained with water skills they can fill in on water duties and still have two workers to perform sewer cleaning. It is usually a requirement for sewer workers to be in pairs if performing cleaning and work where confined space entry or traffic control may be required.

Providing the best local service includes issue like keeping a close eye on Hot Spots and USA marking of sewer pipes. In addition the District changed the Code for lateral responsibility and maintenance, and has significantly increased oversight and inspection of private laterals inspections and requirements for repairs. These responses to lateral issues and the USA marking of gravity utilities are not required by the State of California. Laterals are a private utility and are the homeowner's responsibility, but if there is a District back-up causing the problem, response by the District is recommended. The only USA marking requirements are for pressure force mains. The policy of marking gravity sewer lines and providing addition lateral checks has been and will continue to be offered in an attempt to provide accessibility and help the community members during sewers problems with their private sewers to reduce risk to MWSD and to help contractors locate sewer pipes during construction projects

## **FISCAL IMPACT OF IN-HOUSE SEWER MAINTANCE**

### **Equipment Upfront Costs Estimates**

Functionally, the three person model would require MWSD to purchase the equipment outlined above, and additionally purchase a specialized mechanics utility truck suitable for pump station work, pulling pumps, and hauling tools around. A well outfitted mechanics truck will likely include tools and a pump lifting boom. The truck should also be sized for towing a double axel generator or portable self-priming pump. A portable self-priming pump would be needed. Another piece of equipment for emergency readiness is emergency response trailer. This trailer would be out fitted with hoses, small submersible pumps, repair fittings and other items to assist in emergency response for sewer spills. It would be preferable if at least two persons to be a truck operator with a class B license and for the possibility of driving a larger truck.

For the Two Person Model, the Vactor truck is the most expensive piece of equipment to purchase, they can range from \$75,000 to \$450,000 used depending on size and age and condition. New Vactor trucks range in price from \$175,000 to \$450,000 for small to medium sized units. In the future it may be desirable to look at portable, or small truck rodder may be desirable in future years, for a cost of about \$45,000 to \$125,000, but this is not essential in the first years since this work can be sub-contracted out to private firms as needed. A Pick-up utility boom truck is about \$35,000-\$65,000. A CCTV portable Camera is about \$15,000.

This upfront capital cost would be about \$425-475,000 if a new medium sized Vactor, mechanics small boom truck, and a portable CCTV camera were purchased. The lead time for new vectors rigs may quite long (6 to 12 month), so this should be considered in scheduling of starting up and launch of a new program from scratch.

An emergency response trailer, portable with hoses and other items to assist in emergency response may range between \$50,000 and \$75,000 could be phased in during year two. Also, some SCADA work is required to redirect some of the emergency signals from pump stations currently being sent to SAM, to send them also to the MWSD

system, expected modification will cost between \$25,000 and \$35,000 and another \$10-15,000 the subsequent years. These costs for SCADA modifications and re-programming are consistent with current annual expenditures and therefor will not significantly impact the start-up cost of in-house cleaning services.

All told a startup capital budget for the 3.5 person model would range between \$475,000 and \$525,000 the first year, depending on the final equipment selected.

### **Current Labor Costs**

For the Fiscal Year 2015/2016, the SAM billing totaled 2,775 hours for cleaning and maintaining MWSD's collection system which represents the actual hours worked for the previous full calendar year of 2014. See 2013-2014 hours per year tables below. More recently SAM has switched to a lines cleaned per month type reporting (see attached Collection System Services Monthly Activity Reports for various months attached. The percentage break down is then placed into the Maintenance Agreement (see the current 2018 Maintenance Agreement in force, attached. The Mechanics hours in the district are still line-itemed out for each month, but their overhead is still divided up among the three JPA members in the Collections budget.

SAM collection system hour distribution for calendar years 2013 and 2014 are shown in the tables taken from the 2015/2016 SAM budget shows 2,775 hours service in the District for the year. At the time the hourly rate was shown to be increasing from \$113.11 to \$129.91 per hour, a 14.85% increase in hourly rate over the same period, which may have included some equipment overhead at that time. For fiscal years 2018/2019, the budget is constructed differently, and the total estimated to be ~\$925,000 over the entire JPA is represented at 5 positions including insurance and overhead (although it is unclear if all 5 positions in collections are or have been filled for the past year.) If this rate is over 5 staff with 2080 hours each, that equates to an average of about \$89/hr. per position, or \$185,000 per year, while if it covered by 4 staff, the hourly rate would be ~\$111/hr per position. It should be noted that this rate does include insurance and miscellaneous overhead expenses, but does not include large equipment capital outlay or major repairs for large equipment.

Looking at the costs at a per annual basis for only the wages, benefits and professional services (contracted collection system work), the SAM annual cost proposed will be \$770,000 over 5 positions, or \$154,000, and considering only SAM staff, and not contract employees, the annual overall cost per staff employee is \$144,500/year.

The included table of Hours Distribution is included for reference to level of effort SAM has spent on the collections systems. This data is not currently available in the same format, but based on budget costs, it is still representative of what the cleaning effort was at least in 2017 prior to the City's contract changes.

Hour Distribution - Calendar Year 2014							
	HMB	GCS D	MWSD	Total	% HMB	% GCS D	% MWSD
January 2014	124.87	195.45	315.67	635.99	19.63%	30.73%	49.63%
February 2014	118.97	144.40	290.62	553.99	21.48%	26.07%	52.46%
March 2014	125.17	191.62	254.21	571.00	21.92%	33.56%	44.52%
April 2014	227.23	200.42	274.26	701.91	32.37%	28.55%	39.07%
May 2014	138.38	108.53	368.10	615.01	22.50%	17.65%	59.85%
June 2014	318.83	121.22	95.20	535.25	59.57%	22.65%	17.79%
July 2014	226.91	255.61	147.98	630.50	35.99%	40.54%	23.47%
August 2014	248.62	189.21	176.82	614.65	40.45%	30.78%	28.77%
September 2014	346.46	250.39	125.41	722.26	47.97%	34.67%	17.36%
October 2014	329.51	263.24	169.75	762.50	43.21%	34.52%	22.26%
November 2014	295.86	94.09	257.91	647.86	45.67%	14.52%	39.81%
December 2014	280.15	85.19	299.91	665.25	42.11%	12.81%	45.08%
Totals	2780.96	2099.37	2775.84	7656.17	36.32%	27.42%	36.26%

Hour Distribution - Calendar Year 2013							
	HMB	GCS D	MWSD	Total	% HMB	% GCS D	% MWSD
January 2013	106.51	314.60	287.84	708.95	15.02%	44.38%	40.60%
February 2013	92.89	201.98	261.63	556.50	16.69%	36.29%	47.01%
March 2013	120.42	194.06	316.02	630.50	19.10%	30.78%	50.12%
April 2013	94.67	185.40	403.93	684.00	13.84%	27.11%	59.05%
May 2013	113.48	204.74	383.29	701.51	16.18%	29.19%	54.64%
June 2013	279.08	191.59	147.08	617.75	45.18%	31.01%	23.81%
July 2013	275.27	281.58	130.14	686.99	40.07%	40.99%	18.94%
August 2013	291.82	211.27	145.91	649.00	44.96%	32.55%	22.48%
September 2013	245.94	248.90	167.66	662.50	37.12%	37.57%	25.31%
October 2013	344.63	206.20	172.67	723.50	47.63%	28.50%	23.87%
November 2013	319.30	119.46	176.24	615.00	51.92%	19.42%	28.66%
December 2013	457.32	46.98	111.20	615.50	74.30%	7.63%	18.07%
Totals	2741.33	2406.76	2703.61	7851.70	34.91%	30.65%	34.43%

The following two tables show the 12 month rolling sewer cleaning schedule for most of 2013, 2014 and some of 2015. This represents the effort of the line cleaning crew at SAM. See attached Monthly Cleaning activity forms for current cleaning rates, but the totals are virtually unchanged for these tables below with an average of about 10,000-11,000 ft. cleaned per month, or 24 to 26 miles per year (some duplication for Hot Spots.) These totals are still relevant as of 2017, except the Hot-Spot frequency and quantity may have changed.

**12 Month Rolling Total Sewer Cleaning Summary**

Month	HMB	GSD	MWSD	Total Feet	Total Miles
Apr-13	3,795	13,879	28,042	45,716	8.7
May-13	2,070	21,269	29,785	53,124	10.1
Jun-13	23,796	20,397	0	44,193	8.4
Jul-13	26,624	20,858	463	47,945	9.1
Aug-13	27,738	18,778	2,609	49,125	9.3
Sep-13	31,119	26,407	0	57,526	10.9
Oct-13	25,925	13,837	703	40,465	7.7
Nov-13	19,335	3,006	4,473	26,814	5.1
Dec-13	36,715	282	0	36,997	7.0
Jan-14	5,153	16,084	22,555	43,792	8.3
Feb-14	2,893	11,781	22,467	37,141	7.0
Mar-14	7,559	20,183	15,861	43,603	8.3

Annual ft	212,722	186,761	126,958	526,441	
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Annual Mi.	40	35	24		100
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**12 Month Rolling Total Sewer Cleaning Summary**

Month	HMB	GCS D	MWSD	Total Feet	Total Miles
Apr-14	4,369	16,414	22,703	43,486	8.2
May-14	5,278	26,336	36,299	67,913	12.9
Jun-14	24,683	11,422	0	36,105	6.8
Jul-14	24,195	23,571	898	48,664	9.2
Aug-14	29,987	18,644	0	48,631	9.2
Sep-14	18,330	24,438	1,545	44,313	8.4
Oct-14	36,513	2,217	379	39,109	7.4
Nov-14	24,566	1,319	3,334	29,219	5.5
Dec-14	35,635	2,604	0	38,239	7.2
Jan-15	7,981	18,083	22,222	48,286	9.1
Feb-15	4,134	14,324	21,170	39,628	7.5
Mar-15	5,127	10,476	18,072	33,675	6.4

Annual ft	220,798	169,848	126,622	517,268	
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Annual Mi.	41.8	32.2	24.0		98.0
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In 2015 we predicted costs to reach ~\$376,000 by 2020. Attached for reference are the 2018/19 Collections Budget WITH HMB Participating, showing a cost to SAM of \$328,000 projected for this year. Attached is the proposed costs for MWSD for 2019-2020 cost with SAM to increase to \$329,436, as see on the SAM Scope of Services Attachment A and B Over the three years, the costs if the level of service is kept the same will increase to over \$378,000 in the year 2021, but does not include any emergency response costs which is included now under the current Maintenance Agreement. This will add estimated additional 10-15% cost for an annual cost of services to exceed \$415,000 to \$435,000 in year 2021. Looking at this from a cost for services per hour

approach this equates to between \$150/hr and \$185/hr per worker hour spent for services received.

### **Future Labor Costs**

Bringing this labor cost in-house will give management a more active role in managing increases. The addition of a staff for the three and a half person model at MWSD would add an additional cost of likely between \$115,000 and \$140,000 per position at current MWSD wage and benefit levels. Total compensation including benefits, retirement, and Social Security contributions (which SAM does not have) will likely provide a larger per employee take-home pay for workers at MWSD than SAM is currently providing. And with a lower cost to the rate payer, within current and projected future services budgets projected with service by SAM. Additionally, we recommend the District spend about \$20,000 in upfront training and seminar classes to help set up the program, and for a new office computer dedicated to sewer activities.

In addition to the wages, MWSD offers monthly cash benefits to employees for obtaining California State Certifications, something SAM does not appear to be offering sewer cleaning staff. These ranges look to equal or even be more competitive than similar coast-side positions at neighboring agencies. This expense would be shifted from the current SAM budget back to MWSD budget. There would be some overlap and additional sub-contractor consultant support and training likely required for the first year during the transition.

This projected budget will most likely be sufficient to cover the in-house Three Person Model. The benefit of this model to MWSD is that for a slight increase in cost, the cleaning effort and available site for sewer maintenance will increase from the current 2,775 hours per year to between 4,000 and 4,725 hours annually assuming three and a half workers are 65% efficient (accounting for vacation, sick days, etc.)

### **RECOMMENDATION**

For purposes of this memorandum, evident potential risks with the current limited control over sewer cleaning risk liability with the existing or proposed new Maintenance Agreements with SAM, we recommend the Montara Water & Sanitary District proceed with adoption a policy to allow for in-house sewer cleaning staff to be hired. Also, if required for the manager to send out RFPs for contract sewer maintenance services to facilitate the transition. This approach will transition MWSD from the current outsourced sewer Maintenance Agreement with SAM to an in-house model that is more self-sufficient. There will be some increased administration costs and upfront equipment and capital expenses which will need to be included in the upcoming two or three budget cycles for this staffing level increase. The major benefit of this change will likely include up to 40 % increase in time for cleaning and maintenance efforts (time in the field) for either no or small financial impact to the District. The District will gain more control over sewer liability, SSO response, and state reporting. And increased flexibility for new and

existing staff will provide both increased efficiency and improved worker moral and quality of life will allow MWSD to continue to provide the highest dedication to the local community with the best sewer service possible.

**ATTACHMENTS**

Attached hereto are the following:

- SAM Collection Contract Services Budget (13 pgs)
- SAM Scope of Services Attachment A (Proposed 2019-2021, Received October 2018, but not dated) (6 pages)
- SAM Scope of Services Attachment B (Proposed 2019-2021, Received October 2018, but not dated) (4 pgs)
- Collection System Services Monthly Activity Report(s) Dec 2017, Jan., March, May 2018. (4 Pages.)

**Additional Reference Information:**

- SAM JPA RESOLUTION No. 9-88 Maintenance Agreement Authorization (2 pg)
- Agreement for Maintenance and Operation with MWSD, April-1988 (7 pg)
- Maintenance Agreement Attachment A (Pages A1-A6, 6 pg)

Very truly yours,

NUTE ENGINEERING

By   
Pippin Cavagnaro, P.E.

\* \* \* \* \*



**Contract Collection Services Budget  
FY 2018/19**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SEWER AUTHORITY MID-COASTSIDE**

**RESOLUTION NO. 6-2018**

**APPROVING AND ADOPTING THE SEWER AUTHORITY MID-COASTSIDE  
CONTRACT COLLECTION SERVICES BUDGET FOR FISCAL YEAR 2018/19**

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The Board finds that:

The Sewer Authority Mid-Coastside has prepared and submitted to each of the contracting agencies a proposed Contract Collection Services (CCS) Budget for Fiscal Year 2018/19.

The contracting agency governing boards have each approved the proposed budget and adopted resolutions to record their approval.

As a result, the Board of Directors of the Sewer Authority Mid-Coastside:

1. approves and adopts the Contract Collection Services (CCS) Budget for Fiscal Year 2018/19 as presented to the SAM Board of Directors on July 23, 2018; and
2. directs the Secretary to file a copy of this Resolution, along with a copy of the CCS Budget, with each contracting agency.

\* \* \*

I **HEREBY CERTIFY** that this resolution was duly and regularly adopted by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, at a regular meeting held on the 23<sup>rd</sup> day of July 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Secretary of the Board  
Sewer Authority Mid-Coastside  
San Mateo County, California

**EXECUTIVE SUMMARY**

The current collection system agreement (Agreement) with each agency requires that SAM submit a budget for the cost of contract services to each agency no later than March 31 each year and that the agency approves it no later than June 15. The cost for services provided by SAM shall be "in accordance with a fee schedule set forth in the budget for each fiscal year." The Contract Collection Services (CCS) 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.

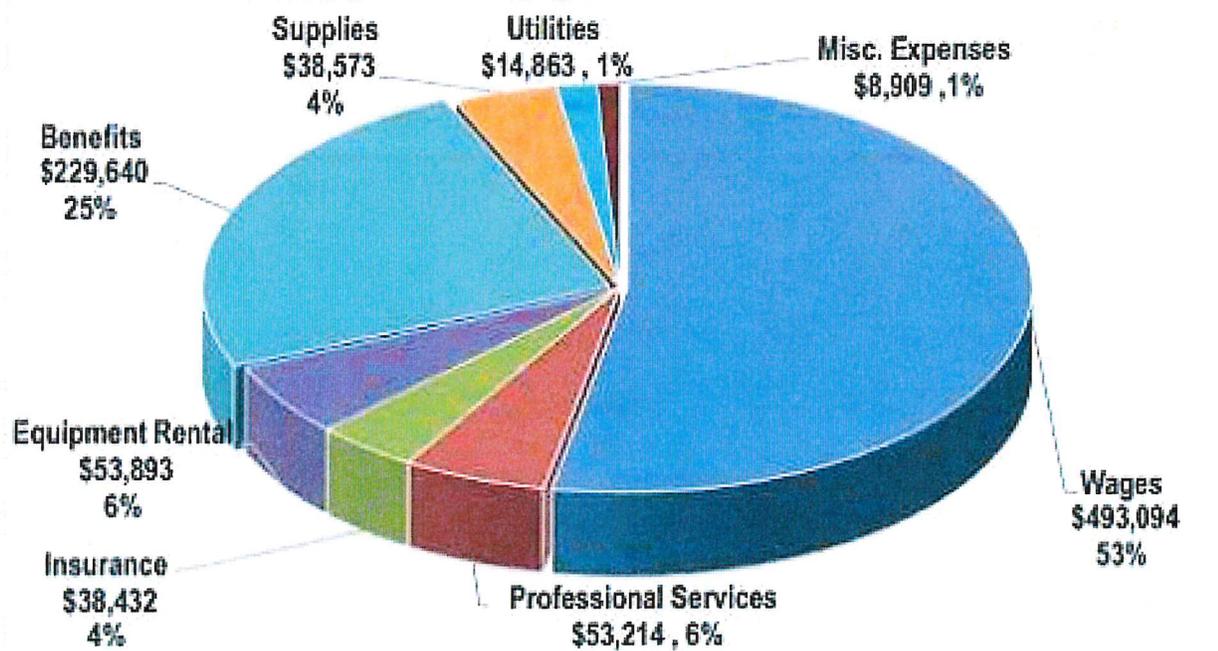
**CCS Income & Expenses**

<b>Operating Income</b>		
Contract Fees - City of Half Moon Bay	310,908	
Contract Fees - Granada Community Services District	284,500	
Contract Fees - Montara Water & Sanitary District	328,038	
NDWSCP Fees	7,175	
Miscellaneous Revenue	0	
<b>Total Operating Income</b>		<b>\$ 930,619</b>
<b>Operating Expenses</b>		
Wages	493,094	
Benefits	229,640	
Legal Services	0	
Engineering Services	0	
Professional & Technical Services	53,214	
Professional Memberships	802	
Insurance Premiums	38,432	
Miscellaneous Expenses	6,232	
Utilities	14,863	
Travel & Training	1,875	
Equipment Rental/Lease	53,893	
Contract Maintenance Services	0	
Chemicals	3,238	
Permits & Licenses	0	
Supplies	35,335	
Equipment	0	
Infrastructure Projects	0	
Claims & Penalties	0	
<b>Total Operating Expenses</b>		<b>\$ 930,619</b>
<b>Net Operating Income</b>		<b>\$ 0</b>
<b>Non-Operating Income</b>		
Interest Income	0	
<b>Total Non-Operating Income</b>		<b>\$ 0</b>
<b>Fund Balance</b>		<b>\$ 0</b>

**CCS BUDGET FISCAL YEAR 2018/19**

The overall change from the CCS Budget for Fiscal Year 2017/18 to Fiscal Year 2018/19 is an increase of \$117,059 (14%). Each agency will be invoiced monthly for the cost of services provided for the previous month as well as any requests for reimbursement for contract services performed by vendors in response to requests by the contracting agency.

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. All other expenses (liability insurance, supplies, utilities, etc.) make up approximately 10% of the total budget.



The following table reflects changes in services fees year over year for each agency.

	<u>FY 2015/16</u>	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>	<u>\$ Change</u>	<u>%</u>
	<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	\$ 325,958	\$ 321,608	\$ 279,411	\$ 328,036	\$ 48,625	17%
<b>Total</b>	<b>\$ 888,090</b>	<b>\$ 915,839</b>	<b>\$ 793,961</b>	<b>\$ 923,444</b>	<b>\$ 129,483</b>	<b>16%</b>

The primary change in the fees for FY 2018/19 is that the cost of services methodology is based on SAM's proposal to the City of Half Moon Bay in response to its Request for Proposals. The changes for GCSD and MWSD are based on the same methodology used for HMB but reflect no change in service levels. It also assumes that SAM collects the FOG inspection fees on behalf of GCSD and MWSD.

## 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	350,473	446,177	55,674	14%
2	Premium Pay	15,545	60,217	48,096	39,867	46,917	(1,179)	-2%
3	Health Benefits	129,030	93,486	117,300	96,110	128,663	11,363	10%
4	Retirement Cont.	71,986	46,635	45,043	30,210	53,499	8,456	19%
5	Retirement Medical	11,942	14,461	5,856	3,592	6,693	837	14%
6	Misc. Benefits	12,233	(8,804)	37,016	23,703	40,785	3,769	10%
7	Subtotal	670,870	523,224	643,813	543,955	722,734	78,920	12%

#### Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	37,454	153,956	36,400	52,314	53,214	16,814	46%
11	Prof. Memberships	245	1,056	259	-	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	4,189	6,232	786	14%
14	Utilities	942	10,667	12,500	11,484	14,863	2,363	19%
15	Travel & Training	10,666	1,533	2,880	2,324	1,875	(1,005)	-35%
16	Equipment Rental	-	-	100	-	53,893	53,793	53793%
17	Bldg & Maint Services	22	97,568	-	96,144	-	-	0%
18	Chemicals	-	4,153	941	4,835	3,238	2,297	244%
19	Permits & Licenses	-	3,338	6,400	-	-	(6,400)	-100%
20	Supplies	16,229	26,960	18,118	28,016	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	277,067	207,885	38,138	22%
25	<b>TOTAL</b>	<b>892,674</b>	<b>901,858</b>	<b>813,560</b>	<b>821,022</b>	<b>930,619</b>	<b>117,059</b>	<b>14%</b>

#### 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
	<b>\$ 117,059</b>

**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	801,422	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	821,022	930,619	117,058	14%

**By Agency:**

34 Half Moon Bay	319,741	351,881	274,596	289,435	310,908	36,312	13%
35 Granada CSD	242,391	242,350	239,954	228,750	284,500	44,546	19%
36 Montara WSD	325,958	321,608	279,411	283,238	328,036	48,625	17%
37	888,090	915,839	793,961	801,422	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.

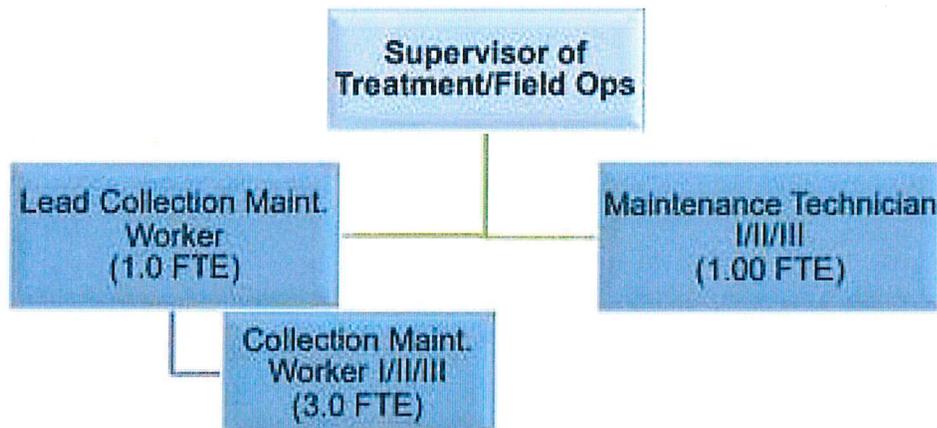
Authorized Positions	6.47	4.75	5.00	5.00	5.00	-	0%
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**CONTRACT COLLECTION SERVICES**

The Contract Collection Services (CCS) Budget is a discrete function at SAM and not included in the JPA agreement. This function provides preventive and corrective maintenance of the wastewater main lines and lift stations 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 2018/19, the cost for services is based on the feet of lines cleaned and the frequency of maintenance of lift stations each month.

This function is managed by the Supervisor of Treatment/Field Operations. The following chart reflects the organizational structure.



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.

**FINANCIAL HIGHLIGHTS**

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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 PEPR.	\$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
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

**CCS BUDGET FISCAL YEAR 2018/19**

<b>Budget Line #</b>	<b>FY 2017/18</b>	<b>FY 2018/19</b>
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 <sup>rd</sup> party vendors. There is no budget and expenses are billed only if approved by the agency.	\$0	\$0
18. Chemicals Chemicals are purchased to address issues at the contracting agency lift stations as needed.	\$941	\$3,238
19. Permits There are no permit fees budgeted to CCS.	\$6,400	\$0

**CCS BUDGET FISCAL YEAR 2018/19**

<u>Budget Line #</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
20. Supplies Safety, general, and miscellaneous supplies necessary to perform the contract services.	\$18,118	\$35,335
21. Equipment There are no equipment costs budgeted to CCS. All equipment used for the CCS program owned by SAM.	\$8,942	\$0
22. Infrastructure SAM does not perform infrastructure work as part of CCS.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to CCS. Claim recovery costs are reimbursed by the contracting agency when they occur.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$169,747	\$207,885
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$813,560	\$930,619

The significant changes in the Contract Collection Services department from FY 2017/18 included in the 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 the JPA function 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**

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- 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**

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- 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 contract lift stations to maintain 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**

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- 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**

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- Clean segments of sewer lines based on agreed upon frequencies.
- Reduce sanitary sewer overflows (SSOs) to achieve the goal of no spills.
- No lost time due to injuries or accidents.
- 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.

RESOLUTION NO. 1637

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2018-2019

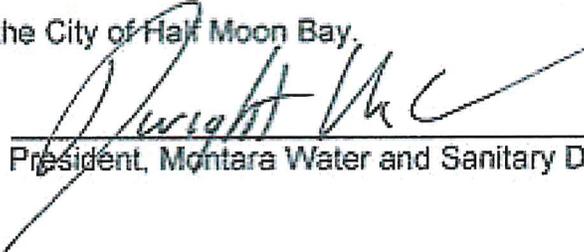
WHEREAS, Sewer Authority Mid-Coastside has, pursuant to Article III, Section (F)(3) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, submitted its General Budget for fiscal year July 1, 2018 – June 30, 2019 for the consent of this District; and

WHEREAS, this Board has reviewed the aforesaid budget and desires to signify its approval thereof;

NOW THEREFORE, be it resolved by the Board of the Montara Water and Sanitary District, a public agency in the County of San Mateo, California, as follows:

1. Consent is hereby given to the approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year July 1, 2018 – June 30, 2019 entitled, "Sewer Authority Mid-Coastside Proposed General Budget - Fiscal Year 2018/19," dated March 26, 2018, a copy of which is on file in the District's Administrative Offices to which reference is hereby made for the particulars thereof.

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

  
\_\_\_\_\_  
President, Montara Water and Sanitary District

COUNTERSIGNED:

  
\_\_\_\_\_  
Secretary, Montara Water and Sanitary District

\*\*\*\*

I HEREBY CERTIFY that the foregoing Resolution No. 1637 was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary

**RESOLUTION NO. 1637**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2018-2019**

District, County of San Mateo, California, at a Special Meeting thereof held on the 31<sup>st</sup> day of May, 2018, by the following vote:

AYES, Directors: Boyd, Slater-Carter, Harvey, and Wilson

NOES, Directors: Huber

ABSENT, Directors: None

  
Secretary, Montara Water and Sanitary District

## **ATTACHMENT A**

### **SCOPE OF SERVICES**

#### **Project Management**

At the District's convenience, SAM will attend a kickoff meeting and quarterly review meetings to ensure good communication and prompt attention to areas of concern. SAM will provide monthly status reports of all work performed on the collection system. Monthly reports will describe progress compared to goals, achievement of the quantity and quality of scheduled maintenance, identify problem areas needing repair or replacement, plans for the subsequent period, and describe any issues encountered and their resolution.

No later than 30 days after the end of each calendar year, SAM will provide an annual report of system maintenance activities using the monthly reports as a guideline. The annual report will include a discussion on trends in system performance and will provide the necessary information to fulfill the Monitoring, Measurement, and Modifications section of the District's SSMP.

SAM will maintain a maintenance strategy (strategy) and document cleaning and maintenance results in a CMMS and provide online access to the District and will advise the District on necessary repairs. The District will provide to SAM all equipment manufacturer records.

#### **Review Existing Data**

SAM will review existing information provided by the District, which will include the current hotspot list, system maps, computerized maintenance management system (CMMS) data, ordinances, historical SSOs, and other maintenance records, and other relevant information. A maintenance strategy, including a cleaning schedule, will be developed based on a review of existing information, the current hotspot list, system maps, CMMS data, ordinances, historical SSOs, and other relevant information provided by the District.

#### **Maintenance Strategy**

SAM proposes to provide services to the District in the following manner based on the developed strategy.

#### *Sewer Cleaning*

SAM shall provide proactive and preventive sewer main cleaning to reduce and eliminate stoppages caused by roots, grease, and debris, and to reduce sanitary sewer overflows. For year one of the contract, this includes 10,500 lf of sewer line cleaning monthly (126,000 per year) with an additional \$1,375 lf each month for designated hot spots (16,500 per year). If requested

in writing by the District, SAM will reduce the regular cleaning by 50% for subsequent years. SAM must receive the written notice no later than May 1 each year for an implementation date of July 1.

Cleaning will be performed using a high velocity truck mounted jet cleaner. The equipment is truck mounted for ease of operation. Nozzles will be capable of producing a scouring action in all designated line sizes. The equipment carries its own water tank capable of holding corrosive or caustic cleaning or sanitizing chemicals, auxiliary engines and pumps, and hydraulically driven hose reel. All controls are located so that the equipment can be operated above ground. SAM already has the necessary equipment to perform this function and included in the cost of services. If preferred, SAM will advise the District on an appropriate vactor/flusher truck, tools, and push camera for purchase by the District.

Cleaning services will remove, capture, and properly dispose of roots, debris, fats, oils, and grease. Pipes will be cleaned until the cleaning results yield "clear" as defined by the following:

- Debris: Minor or no debris is removed with one pass. If more than minor debris is removed with the first pass, then subsequent passes are required.
- FOG: Minor FOG is removed within 15 minutes or less. If "chunks" or "logs" of grease are removed, then subsequent cleaning is required.
- Roots: Minor or no roots are removed with one pass. If "stringy" or other roots are removed with the first pass, then subsequent passes are required.

Roots will be removed in the designated sections where root intrusion is a problem. Severe grease or other obstructions shall be noted and reported to the District, as necessary. If the material recurs due to an upstream issue or defect in the system, the District will be responsible for addressing the source cause.

Special attention will be used during the cleaning operation to ensure complete removal of roots from the joints for 20" diameter and smaller pipes and to ensure 90-95% removal of roots from the joints for larger pipes. Equipment used will be suitable for the type of pipe being cleaned.

The material resulting from the cleaning operation shall be removed at the downstream manhole of the reaches being cleaned, using either a filtering device or vactor truck. The material collected at the downstream manholes and shall be removed from the site by SAM in a closed container and disposed of in a legal manner. It shall not be dumped into streets, ditches,

catch basins, or storm drains. Flushing of the material from manhole reach to manhole reach is unacceptable.

SAM will flush and clean sewers with a history of stoppages (hotspots) at regular intervals as necessary, depending upon the frequency of recurring stoppages. The hotspot cleaning plan will be integrated into the strategy, and any changes to the program shall be incorporated into future revisions of the strategy.

SAM will provide information on all hotspots so the District can address the source cause of the issue. If a structural solution is necessary, the District will be responsible for the repair work. Once the source cause has been resolved, the section of pipe will be removed from the hotspot list and SAM will adjust the strategy to reflect its removal.

SAM will provide traffic control as needed and all labor, materials, and equipment to flush and clean the sewer collection system to reduce the potential for SSOs. SAM will provide a record of maintenance performed on each sewer line segment utilizing the District's manhole map numbering system.

The District shall provide a list of water meters to be accessed by SAM staff to obtain water for cleaning. SAM will pay the associated water bills.

#### *Fats, Oils, and Grease Control*

SAM does not have a requirement to prevent or control grease discharge into its system. However, it inspects food service establishments (FSEs) as part of its Non-Domestic Waste Source Control Program to identify, educate, and control grease discharge into the member agencies' sewer collection systems. Currently, four staff have Environmental Compliance Inspector certifications issued by CWEA. SAM focuses on education and corrective actions. Violations are enforced as part of each member agency's ordinance and SSMP.

The District shall be responsible for identifying FSEs within its boundaries, establishing the inspection fee each year, and enforcing any violations. SAM will inspect six FSEs each year to meet the District's F.O.G. prevention requirements. Reports and copies of the inspections will be provided to the District once each quarter. Performance of more than six inspections per year and re-inspections due to violation corrections will be provided by SAM at an additional cost to the District as identified in Attachment B.

#### *Lift Station Inspections*

SAM will provide regular inspections of the District's lift stations, to include the activities and frequencies shown in Table 1.

Table 1. Lift Station Maintenance Summary

Task	Daily	Weekly	Monthly	Annually
Perform regular maintenance and inspection of pumps per manufacturer recommended check list (provided by District).	X			
Track all lift station maintenance and repairs including date, description of work performed, and amount of time involved.	X			
Inspect motor control center to ensure proper operations	X			
Check generator batteries, fuel, oil, and coolant levels	X			
Visually inspect and check the wet well levels to ensure proper automatic pump start/stop levels.		X		
Check pumps for unusual noise or vibrations		X		
Clean and maintain pumping plant area (excludes landscape maintenance)		X		
Record pump and generator hour meter readings		X		
Exercise generator valves and check generator fluid levels.		X		
Conduct amperage test on each pump bank		X		
Vacuum and clean wet well. Utilize lift station degreaser as needed to control FOG.			X	
Exercise generator, simulating power failure to assure automatic startup			X	
Perform meg test on each pump motor to detect moisture in windings				X
Perform yearly maintenance and inspection of the sewer pumps per current pump manufacturer recommendations				X

SAM will notify the District of necessary non-emergency repairs or replacements. SAM will provide this notification as part of its monthly reports. The District will be responsible for contracting separately for these repairs or replacements. When a lift station repair or replacement is required under emergency conditions in response to or to prevent an SSO, SAM will make the repairs or replacements immediately and inform the District the next business day. The District, within 30 days of receiving an itemized invoice, shall reimburse SAM for all costs it has incurred in making such repairs or replacements.

SAM will accept a phone system automatic dial from the pump stations to a designated phone number and will provide emergency response in a manner like the sewer mainline SSO response.

### *Training*

SAM will conduct training on the District's SSMP no less than once each year. New employees shall receive this training prior to performing sewer cleaning or response for the District's sewer collection system. Twice each year, SAM will contract with a third-party consultant to provide collection system maintenance training for its staff to remain current with SSO volume estimation methods, equipment operations, wastewater collection system best management practices, and regulatory requirement updates.

### **Sanitary Sewer Overflow Response and Reporting Support**

SAM will perform first responder and service call response services. SAM guarantees that it will respond to SSOs notifications within 60 minutes of receiving the first notification. SAM will provide this response 24-hours a day, seven days a week, in accordance with the District's Sewer System Management Plan. Emergency SSO response services will include the following.

- Maintaining emergency contacts lists to ensure prompt SSO response.
- SSO containment and mitigation, which includes: relieving the stoppage and eliminating the immediate cause of stoppage; installing sandbags, barricades and signage, etc. to protect affected storm drainage facilities; providing traffic control when needed; containing the sewage spill; cleaning and disinfecting of the affected area of spill; water quality testing as identified in the District's SSMP.
- Notification to all applicable regulatory agencies within the required regulatory timeframes for Category 1 SSOs.
- Determining the cause of SSO by use of CCTV inspection, if necessary.
- Determining the volume of SSO in accordance with the District's SSMP and industry-recognized methods.
- Documenting SSO events by taking photos and submitting them with the written SSO report to the District upon completion of the SSO debriefing.
- Identifying corrective measures (to be implemented by District) to prevent future SSOs.
- Submitting the initial SSO report into the CIWQS system for final certification of SSOs by the District.

SAM has not included the cost of SSO responses in the Cost of Services. The cost of category 2 and 3 SSOs during normal work hours (7:30 a.m. to 3:30 p.m., Monday – Friday, excluding SAM holidays) are identified in the Cost of Services. The additional costs associated with responding

to category 1 SSOs is identified as well. SAM will respond to after-hours customer service calls and SSOS at the rates identified in the Cost of Services with a minimum 3-hour response charge.

### **Administrative Services**

Administrative services to be performed by SAM include the following.

- SAM will bill and collect the established inspection fees from the FSEs on behalf of the District.
- Purchase and maintain professional liability coverage through CSRMA on behalf of the District and process claims for damages that are unrelated to SAM's services. The District must provide the necessary data by identified deadline each year or the coverage will be terminated for lack of compliance. SAM will bill the District for claims cost recovery as they occur.
- SAM will mark gravity and force main sewer pipelines in response to Underground Service Alert (USA) requests. The Cost of Service includes an average of 21 USA markings per month (252 annually). Performance of more than 252 inspections per year will be provided by SAM at an additional cost to the District as identified in Attachment B.

Additional services requested by the District must be submitted in writing, and agreed to by SAM, prior to SAM providing the services. The cost of such services shall be determined by SAM at the time of the request and billed to the District as they occur.

## **ATTACHMENT B**

### **BUDGET**

The year one project budget is based on the Scope of Services by task and sub-task. The cost of additional service hours that are not assumed and included in the budget is provided as a reference to account for unusual or unanticipated services identified throughout the year.

Table 1 reflects the cost for providing services for Year 1.

Table 2 outlines the Year 2 cost of providing reduced services. The price for Year 2 will be at the price of Year 1, with a 4% escalator applied to Year 1, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Tables 3 outlines the Year 3 cost of providing reduced services. The price for Year 3 will be at the price of Year 1, with a compounding 4% escalator applied each year to Year 1 and Year 2 rates, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Table 3. July 1, 2018 – June 30, 2019

Task	Description	Qty	Unit	Price	Total
1. Project Management	Kick-Off meeting	1	Each	\$ 1,080	\$ 1,080
	Quarterly review meeting	4	Quarter	\$ 540	\$ 2,160
	Monthly status report	12	Month	\$ 540	\$ 6,480
	Annual status report	1	Each	\$ 540	\$ 540
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,256	\$ 2,256
	Review historical SSOs and maintenance records	1	Each	\$ 2,256	\$ 2,256
	Review other relevant data	1	Each	\$ 2,256	\$ 2,256
3. Maintenance Strategy	Clean entire system (10,500 lft / month of sewer line)	126,000	Linear Foot	\$ 2.16	\$ 272,553
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.16	\$ 35,640
	F.O.G. food service inspections and documentation	6	Each	\$ 128	\$ 768
	USA marking - Avg. 21 per month	252	Each	\$ 13.75	\$ 3,465
					\$ 329,436

4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 235	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 235	
	Incident debrief per OERP	1	Per Incident	\$ 235	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 198	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 135	

Table 2. July 1, 2019 – June 30, 2020

Task	Description	Qty	Unit	Price	Total
1. Project Management	Quarterly review meeting	4	Quarter	\$ 568	\$ 2,272
	Monthly status report	12	Month	\$ 568	\$ 6,816
	Annual status report	1	Each	\$ 568	\$ 568
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,368	\$ 2,368
	Review historical SSOs and maintenance records				
	Review other relevant data				
3. Maintenance Strategy	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.43	\$ 153,090
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.43	\$ 40,095
	F.O.G. food service inspections and documentation	6	Each	\$ 134	\$ 804
	USA marking - Avg. 21 per month	252	Each	\$ 14.50	\$ 3,654
					\$ 209,667

4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 250	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 250	
	Incident debrief per OERP	1	Per Incident	\$ 250	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 208	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 142	

Table 3. July 1, 2020 – June 30, 2021

Task	Description	Qty	Unit	Price	Total
Management 1. Project	Quarterly review meeting	4	Quarter	\$ 600	\$ 2,400
	Monthly status report	12	Month	\$ 600	\$ 7,200
	Annual status report	1	Each	\$ 600	\$ 600
System Data 2. Review Existing	Review current system condition	1	Each	\$ 2,480	\$ 2,480
	Review historical SSOs and maintenance records				
	Review other relevant data				
Strategy 3. Maintenance	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.55	\$ 160,650
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.55	\$ 42,075
	F.O.G. food service inspections and documentation	6	Each	\$ 140	\$ 840
	USA marking - Avg. 21 per month	252	Each	\$ 15.25	\$ 3,843
					\$ 220,088
Response 4. Sanitary Sewer Overflow	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 263	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 263	
	Incident debrief per OERP	1	Per Incident	\$ 263	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 218	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 149	

Sewer Authority Mid-Coastside  
 1000 Cabrillo Hwy N.  
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 (650) 726-0124  
[www.samcleanswater.org](http://www.samcleanswater.org)



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

**COLLECTION SYSTEM SERVICES  
 MONTHLY ACTIVITY REPORT: DECEMBER 2017**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of DECEMBER 2017

Basic Services

Feet of Sewer Line Cleaned:	<u>6450 ft</u>	Manholes Inspected:	<u>42</u>
Feet of Hot Spot Sections Cleaned:	<u>3360ft</u>	Areas Unable to be Cleaned:	<u>0</u>
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>50.47</u>	Work Orders Completed:	<u>231</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>231</u>
Annual Mechanic Hours to Date*:	<u>952.59</u>	Annual Lift Station Hours to Date	<u>952.59</u>

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	<u>15</u>
F.O.G. Inspections Completed:	<u>1</u>	F.O.G. Inspections Passed:	<u>1</u>
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	<u>0</u>

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

\*- Data being collected from Sept 2016

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## COLLECTION SYSTEM SERVICES MONTHLY ACTIVITY REPORT: JANUARY 2018

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of JANUARY 2018

### Basic Services

Feet of Sewer Line Cleaned:	<u>10449 ft</u>	Manholes Inspected:	53
Feet of Hot Spot Sections Cleaned:	<u>995ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

### Extended Services

Mechanic Hours:	<u>45.30</u>	Work Orders Completed:	<u>224</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>224</u>
Annual Mechanic Hours to Date*:	<u>997.89</u>	Annual Lift Station Hours to Date	997.89

### Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	16
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

### Attachments

Annual Feet of Sewer Line Cleaning by Month-Enclosed  
Annual Feet of Hot Spot Cleaning by Month-Enclosed  
List of Sewer Line Repairs Requested and Status-None  
Sanitary Sewer Overflow Reports-None  
Customer Service Call Responses and Resolution-Enclosed  
Year-to-Date Budget vs. Actual Expenditures-Enclosed  
Hours by Lift Station-Enclosed  
List of Lift Station Repairs Requested and Status-None  
Quarterly Inventory Report-None

\*- Data being collected from Sept 2016

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**COLLECTION SYSTEM SERVICES  
 MONTHLY ACTIVITY REPORT: MARCH 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Half Moon Bay, the following information is provided for the month of MARCH 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>9,274 ft</u>	Manholes Inspected:	89
Feet of Hot Spot Sections Cleaned:	<u>6,255 ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>16.55</u>	Work Orders Completed:	<u>51</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>51</u>
Annual Mechanic Hours to Date*:	<u>410.09</u>	Annual Lift Station Hours to Date*:	410.09

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	79
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

\*- Data being collected from Sept 2016



**COLLECTION SYSTEM SERVICES  
 MONTHLY ACTIVITY REPORT: MAY 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of MAY 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>8296 ft</u>	Manholes Inspected:	<u>63</u>
Feet of Hot Spot Sections Cleaned:	<u>2434ft</u>	Areas Unable to be Cleaned:	<u>0</u>
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>3</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>46.01</u>	Work Orders Completed:	<u>240</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>240</u>
Annual Mechanic Hours to Date*:	<u>1197.22</u>	Annual Lift Station Hours to Date	<u>1197.22</u>

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	<u>21</u>
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	<u>0</u>
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	<u>0</u>

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

\*- Data being collected from Sept 2016



**Contract Collection Services Budget  
FY 2018/19**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SEWER AUTHORITY MID-COASTSIDE**

**RESOLUTION NO. 6-2018**

**APPROVING AND ADOPTING THE SEWER AUTHORITY MID-COASTSIDE  
CONTRACT COLLECTION SERVICES BUDGET FOR FISCAL YEAR 2018/19**

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The Board finds that:

The Sewer Authority Mid-Coastside has prepared and submitted to each of the contracting agencies a proposed Contract Collection Services (CCS) Budget for Fiscal Year 2018/19.

The contracting agency governing boards have each approved the proposed budget and adopted resolutions to record their approval.

As a result, the Board of Directors of the Sewer Authority Mid-Coastside:

1. approves and adopts the Contract Collection Services (CCS) Budget for Fiscal Year 2018/19 as presented to the SAM Board of Directors on July 23, 2018; and
2. directs the Secretary to file a copy of this Resolution, along with a copy of the CCS Budget, with each contracting agency.

\* \* \*

**I HEREBY CERTIFY** that this resolution was duly and regularly adopted by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, at a regular meeting held on the 23<sup>rd</sup> day of July 2018, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Secretary of the Board  
Sewer Authority Mid-Coastside  
San Mateo County, California

## EXECUTIVE SUMMARY

The current collection system agreement (Agreement) with each agency requires that SAM submit a budget for the cost of contract services to each agency no later than March 31 each year and that the agency approves it no later than June 15. The cost for services provided by SAM shall be "in accordance with a fee schedule set forth in the budget for each fiscal year." The Contract Collection Services (CCS) 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.

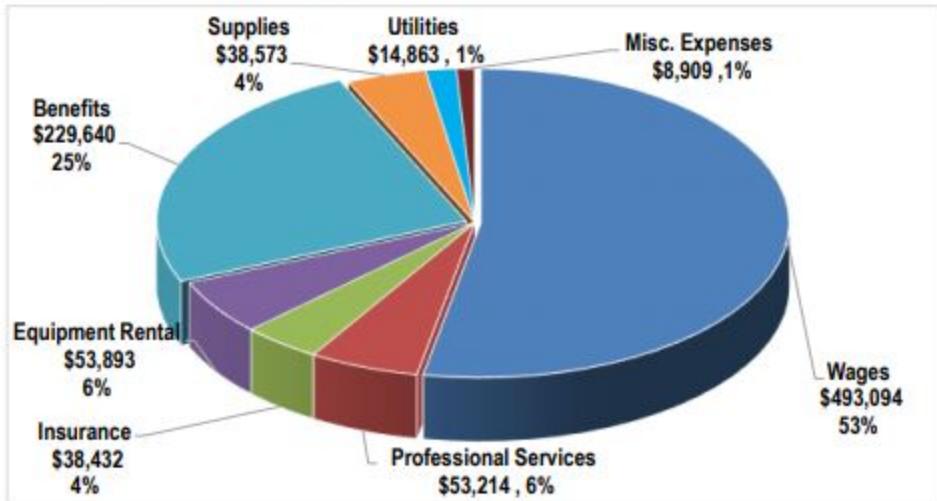
## CCS Income &amp; Expenses

<b>Operating Income</b>	
Contract Fees - City of Half Moon Bay	310,908
Contract Fees - Granada Community Services District	284,500
Contract Fees - Montara Water & Sanitary District	328,036
NDWSCP Fees	7,175
Miscellaneous Revenue	0
<b>Total Operating Income</b>	<b>\$ 930,619</b>
<b>Operating Expenses</b>	
Wages	493,094
Benefits	229,640
Legal Services	0
Engineering Services	0
Professional & Technical Services	53,214
Professional Memberships	802
Insurance Premiums	38,432
Miscellaneous Expenses	6,232
Utilities	14,863
Travel & Training	1,875
Equipment Rental/Lease	53,893
Contract Maintenance Services	0
Chemicals	3,238
Permits & Licenses	0
Supplies	35,335
Equipment	0
Infrastructure Projects	0
Claims & Penalties	0
<b>Total Operating Expenses</b>	<b>\$ 930,619</b>
<b>Net Operating Income</b>	<b>\$ 0</b>
<b>Non-Operating Income</b>	
Interest Income	0
<b>Total Non-Operating Income</b>	<b>\$ 0</b>
<b>Fund Balance</b>	<b>\$ 0</b>

**CCS BUDGET FISCAL YEAR 2018/19**

The overall change from the CCS Budget for Fiscal Year 2017/18 to Fiscal Year 2018/19 is an increase of \$117,059 (14%). Each agency will be invoiced monthly for the cost of services provided for the previous month as well as any requests for reimbursement for contract services performed by vendors in response to requests by the contracting agency.

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. All other expenses (liability insurance, supplies, utilities, etc.) make up approximately 10% of the total budget.



The following table reflects changes in services fees year over year for each agency.

	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	\$ 325,958	\$ 321,608	\$ 279,411	\$ 328,036	\$ 48,625	17%
Total	\$ 888,090	\$ 915,839	\$ 793,961	\$ 923,444	\$ 129,483	16%

The primary change in the fees for FY 2018/19 is that the cost of services methodology is based on SAM's proposal to the City of Half Moon Bay in response to its Request for Proposals. The changes for GCSD and MWSD are based on the same methodology used for HMB but reflect no change in service levels. It also assumes that SAM collects the FOG inspection fees on behalf of GCSD and MWSD.

## 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	350,473	446,177	55,674	14%
2	Premium Pay	15,545	60,217	48,096	39,867	46,917	(1,179)	-2%
3	Health Benefits	129,030	93,486	117,300	96,110	128,663	11,363	10%
4	Retirement Cont.	71,986	46,635	45,043	30,210	53,499	8,456	19%
5	Retirement Medical	11,942	14,461	5,856	3,592	6,693	837	14%
6	Misc. Benefits	12,233	(8,804)	37,016	23,703	40,785	3,769	10%
7	Subtotal	670,870	523,224	643,813	543,955	722,734	78,920	12%

#### Non-Personnel

8	Legal Services	-	-	-	-	-	-	0%
9	Engineering Services	-	-	-	-	-	-	0%
10	Professional Services	37,454	153,956	36,400	52,314	53,214	16,814	46%
11	Prof. Memberships	245	1,056	259	-	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	4,189	6,232	786	14%
14	Utilities	942	10,667	12,500	11,484	14,863	2,363	19%
15	Travel & Training	10,666	1,533	2,880	2,324	1,875	(1,005)	-35%
16	Equipment Rental	-	-	100	-	53,893	53,793	53793%
17	Bldg & Maint Services	22	97,568	-	96,144	-	-	0%
18	Chemicals	-	4,153	941	4,835	3,238	2,297	244%
19	Permits & Licenses	-	3,338	6,400	-	-	(6,400)	-100%
20	Supplies	16,229	26,960	18,118	28,016	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	277,067	207,885	38,138	22%

<b>25 TOTAL</b>	<b>892,674</b>	<b>901,858</b>	<b>813,560</b>	<b>821,022</b>	<b>930,619</b>	<b>117,059</b>	<b>14%</b>
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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
	<b>\$ 117,059</b>

## 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	801,422	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	<b>888,090</b>	<b>915,839</b>	<b>813,561</b>	<b>821,022</b>	<b>930,619</b>	<b>117,058</b>	<b>14%</b>

#### By Agency:

34 Half Moon Bay	319,741	351,881	274,596	289,435	310,908	36,312	13%
35 Granada CSD	242,391	242,350	239,954	228,750	284,500	44,546	19%
36 Montara WSD	325,958	321,608	279,411	283,238	328,036	48,625	17%
37	<b>888,090</b>	<b>915,839</b>	<b>793,961</b>	<b>801,422</b>	<b>923,444</b>	<b>129,483</b>	<b>16%</b>

### 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.

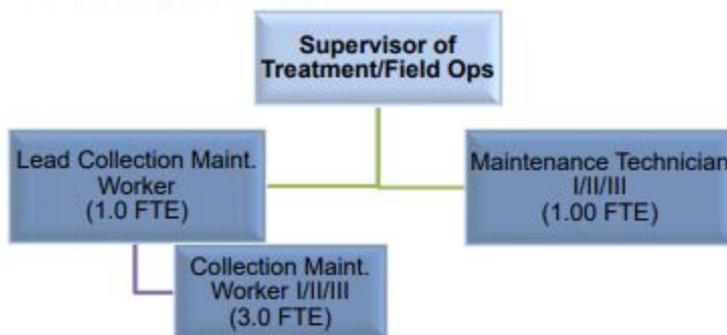
Authorized Positions	6.47	4.75	5.00	5.00	5.00	-	0%
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### **CONTRACT COLLECTION SERVICES**

The Contract Collection Services (CCS) Budget is a discrete function at SAM and not included in the JPA agreement. This function provides preventive and corrective maintenance of the wastewater main lines and lift stations 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 2018/19, the cost for services is based on the feet of lines cleaned and the frequency of maintenance of lift stations each month.

This function is managed by the Supervisor of Treatment/Field Operations. The following chart reflects the organizational structure.



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.

**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 PEPR.	\$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
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

**CCS BUDGET FISCAL YEAR 2018/19**

<u>Budget Line #</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
20. Supplies Safety, general, and miscellaneous supplies necessary to perform the contract services.	\$18,118	\$35,335
21. Equipment There are no equipment costs budgeted to CCS. All equipment used for the CCS program owned by SAM.	\$8,942	\$0
22. Infrastructure SAM does not perform infrastructure work as part of CCS.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to CCS. Claim recovery costs are reimbursed by the contracting agency when they occur.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$169,747	\$207,885
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$813,560	\$930,619

The significant changes in the Contract Collection Services department from FY 2017/18 included in the 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 the JPA function 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**

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- 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**

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- 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 contract lift stations to maintain 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**

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- 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**

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- Clean segments of sewer lines based on agreed upon frequencies.
- Reduce sanitary sewer overflows (SSOs) to achieve the goal of no spills.
- No lost time due to injuries or accidents.
- 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.

RESOLUTION NO. 1637

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2018-2019

**WHEREAS**, Sewer Authority Mid-Coastside has, pursuant to Article III, Section (F)(3) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, submitted its General Budget for fiscal year July 1, 2018 – June 30, 2019 for the consent of this District; and

**WHEREAS**, this Board has reviewed the aforesaid budget and desires to signify its approval thereof;

**NOW THEREFORE**, be it resolved by the Board of the Montara Water and Sanitary District, a public agency in the County of San Mateo, California, as follows:

1. Consent is hereby given to the approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year July 1, 2018 –June 30, 2019 entitled, "Sewer Authority Mid-Coastside Proposed General Budget - Fiscal Year 2018/19," dated March 26, 2018, a copy of which is on file in the District's Administrative Offices to which reference is hereby made for the particulars thereof.

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

  
\_\_\_\_\_  
President, Montara Water and Sanitary District

COUNTERSIGNED:

  
\_\_\_\_\_  
Secretary, Montara Water and Sanitary District

\*\*\*\*

I HEREBY CERTIFY that the foregoing Resolution No. 1637 was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary

RESOLUTION NO. 1637

RESOLUTION OF THE MONTARA WATER AND SANITARY  
DISTRICT CONSENTING TO APPROVAL BY SEWER  
AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR  
FISCAL YEAR 2018-2019

District, County of San Mateo, California, at a Special Meeting thereof held on  
the 31<sup>st</sup> day of May, 2018, by the following vote:

AYES, Directors: Boyd, Slater-Carter, Harvey, and Wilson

NOES, Directors: Huber

ABSENT, Directors: None

  
\_\_\_\_\_  
Secretary, Montara Water and Sanitary District

**CCS BUDGET FISCAL YEAR 2018/19**

<b>Budget Line #</b>	<b>FY 2017/18</b>	<b>FY 2018/19</b>
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 <sup>rd</sup> party vendors. There is no budget and expenses are billed only if approved by the agency.	\$0	\$0
18. Chemicals Chemicals are purchased to address issues at the contracting agency lift stations as needed.	\$941	\$3,238
19. Permits There are no permit fees budgeted to CCS.	\$6,400	\$0



**COLLECTION SYSTEM SERVICES  
 MONTHLY ACTIVITY REPORT: DECEMBER 2017**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of DECEMBER 2017

Basic Services

Feet of Sewer Line Cleaned:	<u>6450 ft</u>	Manholes Inspected:	<u>42</u>
Feet of Hot Spot Sections Cleaned:	<u>3360ft</u>	Areas Unable to be Cleaned:	<u>0</u>
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>50.47</u>	Work Orders Completed:	<u>231</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>231</u>
Annual Mechanic Hours to Date*:	<u>952.59</u>	Annual Lift Station Hours to Date	<u>952.59</u>

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	<u>15</u>
F.O.G. Inspections Completed:	<u>1</u>	F.O.G. Inspections Passed:	<u>1</u>
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	<u>0</u>

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

\*- Data being collected from Sept 2016



**COLLECTION SYSTEM SERVICES  
MONTHLY ACTIVITY REPORT: JANUARY 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of JANUARY 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>10449 ft</u>	Manholes Inspected:	53
Feet of Hot Spot Sections Cleaned:	<u>995ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>45.30</u>	Work Orders Completed:	<u>224</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>224</u>
Annual Mechanic Hours to Date*:	<u>997.89</u>	Annual Lift Station Hours to Date	997.89

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	16
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

Annual Feet of Sewer Line Cleaning by Month-Enclosed  
Annual Feet of Hot Spot Cleaning by Month-Enclosed  
List of Sewer Line Repairs Requested and Status-None  
Sanitary Sewer Overflow Reports-None  
Customer Service Call Responses and Resolution-Enclosed  
Year-to-Date Budget vs. Actual Expenditures-Enclosed  
Hours by Lift Station-Enclosed  
List of Lift Station Repairs Requested and Status-None  
Quarterly Inventory Report-None

\*- Data being collected from Sept 2016



**COLLECTION SYSTEM SERVICES  
 MONTHLY ACTIVITY REPORT: MARCH 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Half Moon Bay, the following information is provided for the month of MARCH 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>9,274 ft</u>	Manholes Inspected:	89
Feet of Hot Spot Sections Cleaned:	<u>6,255 ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>4</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>16.55</u>	Work Orders Completed:	<u>51</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>51</u>
Annual Mechanic Hours to Date*:	<u>410.09</u>	Annual Lift Station Hours to Date*:	410.09

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	79
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

- Annual Feet of Sewer Line Cleaning by Month-Enclosed
- Annual Feet of Hot Spot Cleaning by Month-Enclosed
- List of Sewer Line Repairs Requested and Status-None
- Sanitary Sewer Overflow Reports-None
- Customer Service Call Responses and Resolution-Enclosed
- Year-to-Date Budget vs. Actual Expenditures-Enclosed
- Hours by Lift Station-Enclosed
- List of Lift Station Repairs Requested and Status-None
- Quarterly Inventory Report-None

\*- Data being collected from Sept 2016



**COLLECTION SYSTEM SERVICES  
MONTHLY ACTIVITY REPORT: MAY 2018**

As required in the Agreement for Maintenance and Operation Services between the Sewer Authority Mid-Coastside and Montara Water and Sanitary District, the following information is provided for the month of MAY 2018

Basic Services

Feet of Sewer Line Cleaned:	<u>8296 ft</u>	Manholes Inspected:	63
Feet of Hot Spot Sections Cleaned:	<u>2434ft</u>	Areas Unable to be Cleaned:	0
Sanitary Sewer Overflows:	<u>0</u>	Customer Service Call Responses:	<u>3</u>
Sewer Line/Manhole Failures:	<u>0</u>	Non-Emergency Repairs:	<u>0</u>
Emergency Repairs Completed:	<u>0</u>	Amount Spent on Repairs Completed:	<u>0</u>

Extended Services

Mechanic Hours:	<u>46.01</u>	Work Orders Completed:	<u>240</u>
Work Orders Incomplete:	<u>0</u>	Work Orders Total:	<u>240</u>
Annual Mechanic Hours to Date*:	<u>1197.22</u>	Annual Lift Station Hours to Date	1197.22

Administrative Services

Claims Reported to Insurance:	<u>0</u>	USA Markings Completed:	21
F.O.G. Inspections Completed:	<u>0</u>	F.O.G. Inspections Passed:	0
F.O.G. Inspections Failed:	<u>0</u>	Permit Inspections:	0

Attachments

Annual Feet of Sewer Line Cleaning by Month-Enclosed  
Annual Feet of Hot Spot Cleaning by Month-Enclosed  
List of Sewer Line Repairs Requested and Status-None  
Sanitary Sewer Overflow Reports-None  
Customer Service Call Responses and Resolution-Enclosed  
Year-to-Date Budget vs. Actual Expenditures-Enclosed  
Hours by Lift Station-Enclosed  
List of Lift Station Repairs Requested and Status-None  
Quarterly Inventory Report-None

\*- Data being collected from Sept 2016

## **ATTACHMENT B**

### **BUDGET**

The year one project budget is based on the Scope of Services by task and sub-task. The cost of additional service hours that are not assumed and included in the budget is provided as a reference to account for unusual or unanticipated services identified throughout the year.

Table 1 reflects the cost for providing services for Year 1.

Table 2 outlines the Year 2 cost of providing reduced services. The price for Year 2 will be at the price of Year 1, with a 4% escalator applied to Year 1, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Tables 3 outlines the Year 3 cost of providing reduced services. The price for Year 3 will be at the price of Year 1, with a compounding 4% escalator applied each year to Year 1 and Year 2 rates, if services are not reduced from those provided in Year 1. Increases greater than budgeted for professional liability coverage shall be paid by the District unless coverage is terminated per the plan coverage requirements.

Table 3. July 1, 2018 – June 30, 2019

Task	Description	Qty	Unit	Price	Total
Management 1. Project	Kick-Off meeting	1	Each	\$ 1,080	\$ 1,080
	Quarterly review meeting	4	Quarter	\$ 540	\$ 2,160
	Monthly status report	12	Month	\$ 540	\$ 6,480
	Annual status report	1	Each	\$ 540	\$ 540
System Data 2. Review Existing	Review current system condition	1	Each	\$ 2,256	\$ 2,256
	Review historical SSOs and maintenance records	1	Each	\$ 2,256	\$ 2,256
	Review other relevant data	1	Each	\$ 2,256	\$ 2,256
Strategy 3. Maintenance	Clean entire system (10,500 lft / month of sewer line)	126,000	Linear Foot	\$ 2.16	\$ 272,553
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.16	\$ 35,640
	F.O.G. food service inspections and documentation	6	Each	\$ 128	\$ 768
	USA marking - Avg. 21 per month	252	Each	\$ 13.75	\$ 3,465
					\$ 329,436
Response 4. Sanitary Sewer Overflow	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 235	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 235	
	Incident debrief per OERP	1	Per Incident	\$ 235	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 198	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 135	

Table 2. July 1, 2019 – June 30, 2020

Task	Description	Qty	Unit	Price	Total
1. Project Management	Quarterly review meeting	4	Quarter	\$ 568	\$ 2,272
	Monthly status report	12	Month	\$ 568	\$ 6,816
	Annual status report	1	Each	\$ 568	\$ 568
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,368	\$ 2,368
	Review historical SSOs and maintenance records				
	Review other relevant data				
3. Maintenance Strategy	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.43	\$ 153,090
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.43	\$ 40,095
	F.O.G. food service inspections and documentation	6	Each	\$ 134	\$ 804
	USA marking - Avg. 21 per month	252	Each	\$ 14.50	\$ 3,654
					\$ 209,667
4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 250	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 250	
	Incident debrief per OERP	1	Per Incident	\$ 250	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 208	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 142	

Table 3. July 1, 2020 – June 30, 2021

Task	Description	Qty	Unit	Price	Total
1. Project Management	Quarterly review meeting	4	Quarter	\$ 600	\$ 2,400
	Monthly status report	12	Month	\$ 600	\$ 7,200
	Annual status report	1	Each	\$ 600	\$ 600
2. Review Existing System Data	Review current system condition	1	Each	\$ 2,480	\$ 2,480
	Review historical SSOs and maintenance records				
	Review other relevant data				
3. Maintenance Strategy	Clean 50% of system (5,250 feet / month of sewer line)	63,000	Linear Foot	\$ 2.55	\$ 160,650
	Hot spot cleaning: 1,375 lft / month	16,500	Linear Foot	\$ 2.55	\$ 42,075
	F.O.G. food service inspections and documentation	6	Each	\$ 140	\$ 840
	USA marking - Avg. 21 per month	252	Each	\$ 15.25	\$ 3,843
					\$ 220,088
4. Sanitary Sewer Overflow Response	SSO response / support per SSMP - includes clearing stoppage, clean up, CCTV, recommend fix	1	Hour	\$ 263	
	Additional requirements (Category 1 SSO only) per SSMP - water quality testing, posting signs, and 2-hour notification	1	Hour	\$ 263	
	Incident debrief per OERP	1	Per Incident	\$ 263	
Hourly Cost as Needed	After hours rate w/ 3-hour min (M-F 4:00 p.m. - 7:00 a.m.; Sat, Sun anytime)	1	Hour	\$ 218	
	Operating hours rate - (M - F 7:00 a.m. - 4:00 p.m.)	1	Hour	\$ 149	

# **ATTACHMENT A**

## **SCOPE OF SERVICES**

### **Project Management**

At the District's convenience, SAM will attend a kickoff meeting and quarterly review meetings to ensure good communication and prompt attention to areas of concern. SAM will provide monthly status reports of all work performed on the collection system. Monthly reports will describe progress compared to goals, achievement of the quantity and quality of scheduled maintenance, identify problem areas needing repair or replacement, plans for the subsequent period, and describe any issues encountered and their resolution.

No later than 30 days after the end of each calendar year, SAM will provide an annual report of system maintenance activities using the monthly reports as a guideline. The annual report will include a discussion on trends in system performance and will provide the necessary information to fulfill the Monitoring, Measurement, and Modifications section of the District's SSMP.

SAM will maintain a maintenance strategy (strategy) and document cleaning and maintenance results in a CMMS and provide online access to the District and will advise the District on necessary repairs. The District will provide to SAM all equipment manufacturer records.

### **Review Existing Data**

SAM will review existing information provided by the District, which will include the current hotspot list, system maps, computerized maintenance management system (CMMS) data, ordinances, historical SSOs, and other maintenance records, and other relevant information. A maintenance strategy, including a cleaning schedule, will be developed based on a review of existing information, the current hotspot list, system maps, CMMS data, ordinances, historical SSOs, and other relevant information provided by the District.

### **Maintenance Strategy**

SAM proposes to provide services to the District in the following manner based on the developed strategy.

#### *Sewer Cleaning*

SAM shall provide proactive and preventive sewer main cleaning to reduce and eliminate stoppages caused by roots, grease, and debris, and to reduce sanitary sewer overflows. For year one of the contract, this includes 10,500 lf of sewer line cleaning monthly (126,000 per year) with an additional \$1,375 lf each month for designated hot spots (16,500 per year). If requested

in writing by the District, SAM will reduce the regular cleaning by 50% for subsequent years. SAM must receive the written notice no later than May 1 each year for an implementation date of July 1.

Cleaning will be performed using a high velocity truck mounted jet cleaner. The equipment is truck mounted for ease of operation. Nozzles will be capable of producing a scouring action in all designated line sizes. The equipment carries its own water tank capable of holding corrosive or caustic cleaning or sanitizing chemicals, auxiliary engines and pumps, and hydraulically driven hose reel. All controls are located so that the equipment can be operated above ground. SAM already has the necessary equipment to perform this function and included in the cost of services. If preferred, SAM will advise the District on an appropriate vactor/flusher truck, tools, and push camera for purchase by the District.

Cleaning services will remove, capture, and properly dispose of roots, debris, fats, oils, and grease. Pipes will be cleaned until the cleaning results yield "clear" as defined by the following:

- Debris: Minor or no debris is removed with one pass. If more than minor debris is removed with the first pass, then subsequent passes are required.
- FOG: Minor FOG is removed within 15 minutes or less. If "chunks" or "logs" of grease are removed, then subsequent cleaning is required.
- Roots: Minor or no roots are removed with one pass. If "stringy" or other roots are removed with the first pass, then subsequent passes are required.

Roots will be removed in the designated sections where root intrusion is a problem. Severe grease or other obstructions shall be noted and reported to the District, as necessary. If the material recurs due to an upstream issue or defect in the system, the District will be responsible for addressing the source cause.

Special attention will be used during the cleaning operation to ensure complete removal of roots from the joints for 20" diameter and smaller pipes and to ensure 90-95% removal of roots from the joints for larger pipes. Equipment used will be suitable for the type of pipe being cleaned.

The material resulting from the cleaning operation shall be removed at the downstream manhole of the reaches being cleaned, using either a filtering device or vactor truck. The material collected at the downstream manholes and shall be removed from the site by SAM in a closed container and disposed of in a legal manner. It shall not be dumped into streets, ditches,

catch basins, or storm drains. Flushing of the material from manhole reach to manhole reach is unacceptable.

SAM will flush and clean sewers with a history of stoppages (hotspots) at regular intervals as necessary, depending upon the frequency of recurring stoppages. The hotspot cleaning plan will be integrated into the strategy, and any changes to the program shall be incorporated into future revisions of the strategy.

SAM will provide information on all hotspots so the District can address the source cause of the issue. If a structural solution is necessary, the District will be responsible for the repair work. Once the source cause has been resolved, the section of pipe will be removed from the hotspot list and SAM will adjust the strategy to reflect its removal.

SAM will provide traffic control as needed and all labor, materials, and equipment to flush and clean the sewer collection system to reduce the potential for SSOs. SAM will provide a record of maintenance performed on each sewer line segment utilizing the District's manhole map numbering system.

The District shall provide a list of water meters to be accessed by SAM staff to obtain water for cleaning. SAM will pay the associated water bills.

#### *Fats, Oils, and Grease Control*

SAM does not have a requirement to prevent or control grease discharge into its system. However, it inspects food service establishments (FSEs) as part of its Non-Domestic Waste Source Control Program to identify, educate, and control grease discharge into the member agencies' sewer collection systems. Currently, four staff have Environmental Compliance Inspector certifications issued by CWEA. SAM focuses on education and corrective actions. Violations are enforced as part of each member agency's ordinance and SSMP.

The District shall be responsible for identifying FSEs within its boundaries, establishing the inspection fee each year, and enforcing any violations. SAM will inspect six FSEs each year to meet the District's F.O.G. prevention requirements. Reports and copies of the inspections will be provided to the District once each quarter. Performance of more than six inspections per year and re-inspections due to violation corrections will be provided by SAM at an additional cost to the District as identified in Attachment B.

#### *Lift Station Inspections*

SAM will provide regular inspections of the District's lift stations, to include the activities and frequencies shown in Table 1.

Table 1. Lift Station Maintenance Summary

Task	Daily	Weekly	Monthly	Annually
Perform regular maintenance and inspection of pumps per manufacturer recommended check list (provided by District).	X			
Track all lift station maintenance and repairs including date, description of work performed, and amount of time involved.	X			
Inspect motor control center to ensure proper operations	X			
Check generator batteries, fuel, oil, and coolant levels	X			
Visually inspect and check the wet well levels to ensure proper automatic pump start/stop levels.		X		
Check pumps for unusual noise or vibrations		X		
Clean and maintain pumping plant area (excludes landscape maintenance)		X		
Record pump and generator hour meter readings		X		
Exercise generator valves and check generator fluid levels.		X		
Conduct amperage test on each pump bank		X		
Vacuum and clean wet well. Utilize lift station degreaser as needed to control FOG.			X	
Exercise generator, simulating power failure to assure automatic startup			X	
Perform meg test on each pump motor to detect moisture in windings				X
Perform yearly maintenance and inspection of the sewer pumps per current pump manufacturer recommendations				X

SAM will notify the District of necessary non-emergency repairs or replacements. SAM will provide this notification as part of its monthly reports. The District will be responsible for contracting separately for these repairs or replacements. When a lift station repair or replacement is required under emergency conditions in response to or to prevent an SSO, SAM will make the repairs or replacements immediately and inform the District the next business day. The District, within 30 days of receiving an itemized invoice, shall reimburse SAM for all costs it has incurred in making such repairs or replacements.

SAM will accept a phone system automatic dial from the pump stations to a designated phone number and will provide emergency response in a manner like the sewer mainline SSO response.

### *Training*

SAM will conduct training on the District's SSMP no less than once each year. New employees shall receive this training prior to performing sewer cleaning or response for the District's sewer collection system. Twice each year, SAM will contract with a third-party consultant to provide collection system maintenance training for its staff to remain current with SSO volume estimation methods, equipment operations, wastewater collection system best management practices, and regulatory requirement updates.

### **Sanitary Sewer Overflow Response and Reporting Support**

SAM will perform first responder and service call response services. SAM guarantees that it will respond to SSOs notifications within 60 minutes of receiving the first notification. SAM will provide this response 24-hours a day, seven days a week, in accordance with the District's Sewer System Management Plan. Emergency SSO response services will include the following.

- Maintaining emergency contacts lists to ensure prompt SSO response.
- SSO containment and mitigation, which includes: relieving the stoppage and eliminating the immediate cause of stoppage; installing sandbags, barricades and signage, etc. to protect affected storm drainage facilities; providing traffic control when needed; containing the sewage spill; cleaning and disinfecting of the affected area of spill; water quality testing as identified in the District's SSMP.
- Notification to all applicable regulatory agencies within the required regulatory timeframes for Category 1 SSOs.
- Determining the cause of SSO by use of CCTV inspection, if necessary.
- Determining the volume of SSO in accordance with the District's SSMP and industry-recognized methods.
- Documenting SSO events by taking photos and submitting them with the written SSO report to the District upon completion of the SSO debriefing.
- Identifying corrective measures (to be implemented by District) to prevent future SSOs.
- Submitting the initial SSO report into the CIWQS system for final certification of SSOs by the District.

SAM has not included the cost of SSO responses in the Cost of Services. The cost of category 2 and 3 SSOs during normal work hours (7:30 a.m. to 3:30 p.m., Monday – Friday, excluding SAM holidays) are identified in the Cost of Services. The additional costs associated with responding

to category 1 SSOs is identified as well. SAM will respond to after-hours customer service calls and SSOS at the rates identified in the Cost of Services with a minimum 3-hour response charge.

### **Administrative Services**

Administrative services to be performed by SAM include the following.

- SAM will bill and collect the established inspection fees from the FSEs on behalf of the District.
- Purchase and maintain professional liability coverage through CSRMA on behalf of the District and process claims for damages that are unrelated to SAM's services. The District must provide the necessary data by identified deadline each year or the coverage will be terminated for lack of compliance. SAM will bill the District for claims cost recovery as they occur.
- SAM will mark gravity and force main sewer pipelines in response to Underground Service Alert (USA) requests. The Cost of Service includes an average of 21 USA markings per month (252 annually). Performance of more than 252 inspections per year will be provided by SAM at an additional cost to the District as identified in Attachment B.

Additional services requested by the District must be submitted in writing, and agreed to by SAM, prior to SAM providing the services. The cost of such services shall be determined by SAM at the time of the request and billed to the District as they occur.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Update on Montara Water and Sanitary District 60  
Year Anniversary Event.**

This District was formed 60 years ago in September 1958 as the Montara Sanitary District. Its biggest revolution was the acquisition of the Water system 15 years ago in August 2003.

Staff is planning a Public Event Celebration on November 4, 2018 at the Montara Lighthouse.

RECOMMENDATION:

This is for Board information only.



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

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

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning  
Cancellation of Next Regular Scheduled Meeting  
November 15, 2018**

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At this time staff does not anticipate a need for the second meeting in November.

RECOMMENDATION:

Cancel the Next Regular Scheduled meeting on November 15, 2018.