



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

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

# AGENDA

## **District Board of Directors**

8888 Cabrillo Highway  
Montara, California 94037

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

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

## **OLD BUSINESS**

1. [Review and Possible Action Concerning Consideration of In-House Sewer Collection Services.](#)

## **NEW BUSINESS**

1. [Review and Possible Action Concerning Approval of Cell Lease Negotiating Contract with Communication Leasing Services Inc.](#)
2. [Review of Fiscal Year End 2017-18 Budget to Actual Review.](#)
3. [Review and Possible Action Concerning Adoption of Resolutions Commending Bill Huber and Dwight Wilson for their Outstanding Service as Board Members.](#)
4. [Review and Possible Action Concerning Cancellation of Next Regular Scheduled Meetings December 20, 2018, and January 3, 2019.](#)

## **REPORTS**

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

## **FUTURE AGENDAS**

### **ADJOURNMENT**

### **CONVENE IN CLOSED SESSION**

## **CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION**

(Government Code §54956.9(d)(1))

Case Names: *City of Half Moon Bay v. Granada Community Services District, et al.*  
(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

## **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**  
**November 1, 2018**

**MINUTES**

**REGULAR SESSION BEGAN AT 7:33 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  
Vavrinek, Trine, Day & Company, Nathan Edelman

**PRESIDENT'S STATEMENT** – Welcome everyone. I just returned from Turkey yesterday, and I'm glad to be back in the US.

**ORAL COMMENTS -**

Gregg Dieguez, Montara resident, passed out copies of his memo, and addressing the Board, staff, and public, he stated that he wanted to raise the issue for Board action about fire preparation in our Water District. He said that all could review it,

and wanted to talk about three issues. (1) In reviewing the Fire preparation in the District's 2017 Master Plan, he noticed 39% of the nodes in Montara do not meet the pressure requirements. Although it is simulated rather than actual tests, and there are complications associated with doing real tests, he wants to know what is being done about them. (2) He said he did not see any reserve capacity for fire. (3) There is a state requirement of a 240,000-gallon designer fire for 2 hours listed as the sufficiency test. That doesn't seem to be a reasonable standard in a period of climate crisis of drought. He raised a number of points in his memo that he would like the Board to recommend that staff prepare a report addressing these issues and anything else they believe that is necessarily attended thereto to make sure that the District has adequate preparation of reserves, water pressure, etc. for the fire danger that we face.

General Manager Heldmaier replied that as a City Water System, the Montara Water and Sanitary District (MWSD) has a duty to protect the community from a fire within the boundaries of the water system. A wildfire is not within their scope of responsibility. CalFire would use other equipment for wildfires, than it would use for areas where there is access to hydrants. He also said there is a two-hour requirement for fire flow, and MWSD has the capacity. That is why additional tanks were built. The requirement is 1,000 gallons per minute for two hours for residential, and 2,000 gallons per minute for commercial. It also depends on the location of the hydrant. Flow tests are done on a regular basis while not in a drought, and the District is continuing to make improvements. He added that the State ISO rating done this year, not released yet, will show improvements for the Coastsides, which has an excellent rating for fire suppression for the community.

Director Wilson: Okay, alright... Given the depth of your email we can certainly respond by the next Board meeting.

Director Slater-Carter: Perhaps we would do well to have it as a brief agenda item, given the fires that have been happening for the last couple of years.

Director Wilson: I think that is an excellent idea. So, we will agendaize it as well.

Director Slater-Carter: I have a public question too, which is not on the agenda.

Director Wilson: Okay.

Director Slater-Carter: I got a note from a recreation general improvement District in Nevada about having the OpenGov up and running. So, I went to look and see it—it has a golf course, ski runs, beaches, water and sewer, and all kinds of different functions. SAM, on their website has a transparency link to OpenGov as well. I went poking around looking for ours, and I can't find it.

General Manager Heldmaier stated that it is in the hands of the Finance Committee. The link is up, not on the website, and was sent to the Finance Committee several times requesting approval.

Director Slater-Carter: It was just updated yesterday—by OpenGov. You had sent a report, and that is why I went looking for it.

General Manager Heldmaier: That is correct. So, the reason why it is not on the link is, we have asked several times for meetings to get this approved.

Director Slater-Carter: Okay.

General Manager Heldmaier: So, we can get this done, I think, very soon.

Director Slater-Carter: Good.

Director Wilson: Okay, so that will be the Finance Committee back to the Board on that one.

**PUBLIC HEARING** None

### **CONSENT AGENDA**

1. Approve Minutes for October 4, 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

Director Slater-Carter 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 Possible Action Concerning Receipt of FY 2017-2018 Audit.**

General Manager Heldmaier announced that MWSD's audit was complete, and thanked the staff at Vavrinek, Trine, Day & Company (VTD), Maze

Associates, and MWSD for completing the audit in a timely manner. He said the documents are available, and introduced Nathan Edelman of Vavrinek, Trine, Day & Company (VTD) to present the audit and answer any questions, and said District Accountant Peter Medina was also present and available for questions.

Mr. Edelman introduced himself as the independent external auditor with VTD. In the packet is the audited financial statements for year ending June 30, 2018. The scope and purpose of the audit is to validate that the financial statements are fairly stated—that the accounting records of the District are intact, that all of the revenues and expense transactions and those ending balance sheet items are complete and accurate as of the ending date. Peter is responsible for making sure that the financial statements are complete and accurate. They come in after-the-fact, ask questions, look at documents, and validate that it is the case. There is an opinion in the beginning of the report, indicating that the financial statements of the District are fairly stated in all material respects.

Director Wilson asked if it was a clean audit and if there were any concerns.

Mr. Edelman confirmed that it was a clean audit, and there were no concerns.

District Accountant Peter Medina said that AJ Mader, the Districts Head audit partner, had retired. So, this year things had been looked at a bit differently. Some items that were fielded hadn't been fielded before, and it helped give Maze and Associates a deeper understanding of things that were taken at face value in the past. They really delved into it at a very deep level, and he was pleased that it came out as clean as it did with the new perspectives of the auditing.

Director Wilson commented that in the non-profit world having a fresh set of eyes every 3-5 years is best practices. He was pleased to hear it.

Director Harvey asked if the 8.65% increase in water revenue was due to connections.

General Manager Heldmaier said it was the annual differences in how much water we sell.

District Accountant Medina added that the fees collected in line for various remodels contributed to the increase, as they were up quite a bit.

Director Huber asked about the Revenue expenses on page 11, and an operating loss of a little over a million on the sewer side and \$500,000 loss on the water side, and asked if that was cause for concern.

Mr. Edelman replied that this is not a cause for concern, and it is not unusual for the District. He said the way the statements are written, there are revenues and expenses from operations, and right below that non-operating, and the total net position at the end of the day is positive. So, the District, as a whole, the fund balance, the net position is positive, and this is a better indicator of the health going forward of the District. MWSD has resources to continue operations and from a health perspective, that would not be of concern from an audit perspective.

General Manager Heldmaier: While there are no concerns, because the District has sufficient reserves on the Sewer side, we have seen this fiscal year a significant increase of costs on the Sewer side, and close to a 20% (not sure of the numbers) increase last year in what we have to pay for SAM, in addition to another 20% increase this fiscal year. So, we have seen all around about an increase of about 30-40% from SAM. On top of that, emergency repairs had to be done, paid by this agency. This is a concern for us. We have seen a 23% increase in sewer rates, offsetting this loss. This increase, with another 20% next year, the outlook of this being only the first two years in step increases, with the anticipation that the cost will increase further. The costs are based on our own CIP projects. However, for our own CIP projects, we have set aside money in the past, and have been saving properly for them. But the SAM cost increases are the reason for this increase.

Mr. Edelman: That is a good point. The financial statements in this point in time are validating things that have happened in the past, and it makes no statement as to what is going to happen next year or in the future. Those are all important things from a budgeting and operating perspective. You are not going to pick up those things from the balance sheets or income statement for the current year.

Director Wilson inquired if there were any questions from the Board. Hearing none, he asked General Manager Heldmaier if there was an action item for this.

General Manager Heldmaier said only the recommendation that the Board acknowledge receipt of the Annual Audit for the period ending June 30, 2018, and direct him to send a copy to the County of San Mateo, the State Controller, Standard & Poor's, post it on the District Webpage, and have copies on file available to the public.

Director Boyd made a motion to approve and acknowledge receipt of the Annual Audit for the period ending June 30, 2018, and direct him to send a copy to the County of San Mateo, the State Controller, Standard & Poor's, post it on the District Webpage, and have copies on file available to the public. Director Slater-Carter seconded the motion. All Directors were in favor and the motion passed unanimously 5 – 0.

Director Wilson thanked Mr. Edelman and District Account Medina.

## **2. Review and Possible Action Concerning Consideration of In-House Sewer Collection Services.**

Director Wilson said he would like General Manager Heldmaier to speak first, then allow for public comment, and finally open it up for the Board for further discussion.

General Manager Heldmaier: This is a good transition as we started to talk about the costs of SAM. And this is what this item is about. This agency has a history of seeing high rates on the water side, and we have worked very hard to balance our rate increases to offset inflation. It went unnoticed that the neighboring agencies now have higher rates, and still need to do what we have to do in this District. We did the heavy lifting on the water side that other agencies have to do; we have adequate fire protection through the new tanks (thank you for bringing this up, Gregg), have new sources added in the past years, replaced leaky pipes, and have a system in top shape and reasonably priced. The concern for the cost was tremendous 15 years ago, and now we have balanced this out. We are seeing a similar situation now at the Sewer Authority Mid-Coastside (SAM). It has some to do with the Sewer Collection services, but has to do a lot with deferred maintenance at SAM. This is one of the reasons we see the costs rise tremendously. We also see a cost increase in the Collection services, and anticipate, through some events and changes that I will explain, further increases to the cost. We are bringing this up due to the cost issue, and we want to start a transparent process of this. SAM has been providing for most of its existence Collections Service for all three Joint Powers agencies—City of Half Moon Bay, Granada Community Services District as well as Montara Water and Sanitary District (MWSD). This agreement is outside the Joint Powers agreement. This is an agreement we can have with anyone who can provide Collection Services. There really isn't anyone else on the Coastside. SAM is the Collections provider for the Coast. Montara has utilized other cleaning services in the past and outsourced 80-90% of Collection Services in past years (13-15 years ago). We started this process in early 2015, and started looking at bringing Collection Services in-house. There was a different set of circumstances at SAM, and we were concerned about the cleaning services as well as other services we were receiving from SAM. And that is when the Board started looking at bringing Collection Services in-house. Also, back then it was an open and transparent process by this Board. We have seen significant changes at SAM, have reviewed and observed how SAM is evolving, and we believe this is a good time to start looking at this one more time. I want to make it clear that what we have seen over at SAM over the last two years there has been tremendous improvements in scheduling, communication, and work quality. It has been very

satisfactory, and a point to keep Collection services at SAM. However, the cost of services is starting to increase. This has to do with the agreements between the three-member agencies. The City of Half Moon Bay desired similar changes in service and has decided to Request for Proposal (RFP) for collection services to consider outsourcing their service to maintain and manage their Collection System. They have done this past year and we asked to be part of this RFP process in the sense that we believe that all three-member agencies should receive service from the same vendor provider. We were hoping that this would be SAM. However, SAM responded to the Request Proposal and this was a challenge in how to do this because the RFP was designed for private parties. A private party has flexibility in how to provide service and how to charge rates. A private party vendor can make a profit. SAM is a public agency, and there is no profit allowed. You can make a profit by selling more services in good times, and offset the loss when you don't sell services in the bad times. A private company can lay off furloughed workers, but SAM is a public agency, and it is more complicated.... The Collections system, while it was outside the Joint Powers Agreement, it was a similar agency approach of cost sharing. Thus, on the treatment side, the total amount of cost is apportioned between the three membership agencies based on ownership and flows. A similar approach was done in the past on the Collections side through work hours, so work hours were recorded and collection services totals was divided up between the member agencies, based on work hours. What this means is, SAM has a fixed amount of cleaning staff, cleaning personnel, cleaning costs, and had this throughout the years with some changes to the amount of staffing determined at SAM. However, these hours were always divided up between the member agencies. SAM had to respond to the request proposal from the City and did this along the lines of a private agency switching over to a linear/foot cost and line items costs that are provided for their cleaning services. The way the process went first was SAM responded to provide 100% of the services. As it turned out the City negotiated later and agreed with SAM to a hybrid approach. Right now, the Sewer Authority Mid-Coastside is providing a portion of the collection services at SAM, the City outsourced a large percentage of their services this year to a private company, Mark Thomas. What this means is that the City reduced services significantly. This service reduction, now affects the member agencies, because the cost sharing approach is gone. That means that now Montara and Granada see the collection cost increase. The contract that is suggested that the City has, is \$1.31/linear foot, while the contract suggested for Montara to cover the cost is \$2.30/linear foot. This is almost double. So, engaging in a contract means for Montara reducing services. Reducing services is something that Montara considers all the time, but reducing services due to a contract, due to a premium price that we have to pay right now, because this is not our intent; our mission is to protect our environment and prevent SSOs--sanitary sewer overflows. We do not want to spill sewage, and we want to thank the SAM staff—I see some of the SAM staff here-- for ensuring that for over one year there has not been a spill. Now if Montara and Granada start negotiating

these services, that will impact the level of staffing at the Sewer Authority Mid-Coastside. This agency has a history of retaining institutional knowledge of workers. We are very interested in retaining the institutional knowledge of our Coastside sewer operators that know the system and provide these services for us and the other agencies. We believe this is an opportune time for the District to strongly re-consider shifting the upcoming expense back into our MWSD budget and hiring new staff. We are proposing 3.5 positions to clean and maintain the system in-house. We have looked at some of that. Again, we are at the very beginning of this process. The reason why we are here is this is a public transparent process. We see many advantages to this agency as well. We are the only agency on the Coastside that has trained and State Certified personnel on the water side, and some of our personnel also have sewer certifications. Our water personnel are already providing sewer services for this agency. There are inspections for example, that SAM is providing for the other agencies that we do in-house and we utilize water staff. Some advantages are that we see a direct management of our sewer liability. Right now, we are paying SAM to provide the services, yet we don't have control over the liability that is associated with the collection system. Bringing that in-house means spending the same amount of money, but owning the responsibility for the liability. This is not the case now. There is a number of efficiency improvements due to the fact we have existing staff--cross-training for example that could allow for more flexible hours for our operators. I think that is a very important aspect. This is something that will benefit the water and sewer sides. We see efficiency improvements for hot spot and daily activities due to less travel time involved, and many other benefits. There is potential for joint emergency response plan, etc. etc. We are going to look at some numbers shortly, but the rough napkin sketch is that \$400,000 dollars are going to SAM right now, and with that money we can "buy" 3 collections workers and this would be at zero cost to the District. We are excluding the capital costs that would have to be brought in up front. Up front, it would be about \$500,000 dollars in capital costs. That is something that depreciates over a number of years, so we want to review that separately aside from the \$400,000 dollars that we currently spend. What we haven't considered in this math right is that other Coastside agencies have need for collection services, for example emergency services need to be provided, are provided by SAM right now. There is a need for all 3 agencies for collection services emergency response but also a need for the Sewer Authority Mid-Coastside emergency services. So, we really have 4 agencies in need for cleaning and emergency responses. When we had discussions with the other member agencies, Granada Community Services District was interested at the time to purchase services through MWSD. The City of Half Moon Bay has also expressed interest in discussions with us in this. If we really start looking at this, at one point we will also consider at one point there may be potential income that offset some of the costs. In short, we see that this could be done at no additional cost to the District or potentially less cost to the District. One more time, to conclude there are recommendations for the General Manager to initiate first steps to bring the sewer service in-house. For

example, work with a consultant to review recommending compensation structure for sewer collection staff and look at the detail at the number of workers, etc. initiate a detailed review of Collections equipment that we would want, prepare RFP for transitional service and negotiate remaining services with SAM. None of these items I need authorization from the Board. as all of these items will be brought back to the Board in the future, so any RFP would be approved by this Board in the future. With that I would like to hand it over to Pippin.

Director Wilson clarified that the General Manager is requesting authorizing first steps in exploring potential of bringing in-house the collection service, and there would be additional meetings in front of the Board, for approval of such steps moving forward.

District Sewer Engineer Pippin Cavagnaro thanked General Manager Heldmaier for his detailed explanation of the goals. He said he hoped to answer all the questions that the public had, and reminded people to fill-out the blue forms.

Director Wilson announced that they already had four people who had questions, and as a matter of process, the questions will be answered collectively after the public had a chance to speak.

District Sewer Engineer Pippin Cavagnaro: As Clemens pointed out, most of the last couple of decades, SAM has been the leader in providing the majority of the day to day services for the District. There have been other outsourced agreements and individual cases of smoke testing and CCTV that Montara and JPA members have done on their own. This agreement was a resolution signed in 1988, and that resolution allowed SAM to work outside the contract, outside of the JPA. It is an individual contract with each member agency. All agencies signed a similar agreement. One point to jump directly to on that to show one of the problems with that agreement is that the agreement stipulates that any member could choose to leave that agreement within 90 days. When we started looking at this in 2015, and beginning approach with staff meetings with SAM staff and how this agreement might be updated and brought more current, particularly details, for example what would be their authority on how much they could spend before getting authorization. There are small increments, because they were typed in as numbers and never updated--\$2500 or something like that. You can hardly do much these days in the construction industry for that level of cost. But the 90-day cancellation notice appeared to be problematic. While legally something you can do, the District and the Board recognize the ramifications of any decisions made that quickly could impact personal and impact the other agencies. And the relationship between the member agencies have been pretty good for all these years, so that impact is something the District took seriously and wanted to make sure that any decisions taken by the District were thought out and really benefited the District without jeopardizing

SAM in an acute way. As Clemens went over pretty well is the understanding what SAM has been doing, and to put it in a ballpark percentages of effort SAM has put in over the years, is similar to the ownership of the plant, scaled by our size.

Half Moon Bay is about 50% of the field services, and Montara is about 22% of the field services in general scope. So, we are definitely a smaller size. We have unique characteristics in the District which has been challenging over the years. Montara has 25 miles of gravity sewers, maybe a few more miles than Half Moon Bay has with varied terrain and easements. Also, the topography—we have far more pump stations. I think Granada has one, Half Moon Bay has maybe 3, and we have 13 major pump stations and 27 individual grinder pump stations, which they have to maintain frequently. I'm sure they can tell you stories of call-outs on those. It requires a lot of travel time, back and forth, and a lot of work. We definitely recognize that. Through the negotiation process, on understanding how the maintenance agreement worked, and who was responsible for what, we did start doing that investigation in 2015, recognizing on the long-term approach of the District, now that the District had taken on water, which in 1988, Montara didn't have water, just sewer. Montara has a far more complex infrastructure now that is being maintained. There is some overlap in the services being provided, meaning there is technical equipment and accounting services provided by SAM, and there is technical service and mechanical service provided by Montara. In 2015, we started suggesting we could take that in-house first and leave the general cleaning alone. Actually, in 2015, I recommended not to do that primarily for the reason Clemens mentioned, the institutional knowledge. In order to maintain smooth operation, it is really important that people are familiar what they are working with. If every year you just switch to a new vendor, because they are a couple dollars cheaper, they won't know what was done in the past. It is really hard. You can document and document, but these guys know that they fixed something and what was going on. That is where we left before. At that time, we recommended a 2 person or 3-person model and we didn't at that time consider so much the cross-training. But when we started recognizing overlap, and in the last 3 years as Clemens mentioned, the in-house staff has been providing more services on the sewer side—supplementing field inspections, being involved in the building permit process, project oversight here as well. Our capital improvement projects have increased due to the money that has been set aside and there has been active oversight this summer on those as well. This is something, I mentioned because of the practicality of it and the risks involved, we would recommend that any transition will probably take place over approximately 3 years. You might be able to pull the trigger and do it in one year. Half Moon Bay tried, but they are going to be 2-2.5-year program. So, in the fairness of the 90 days they did their RFP, and ended up continuing with the contract with SAM for some of that work. Now, they have given about a 9-month notice that they will not be renewing their contract with SAM in July. So, they have gone beyond the 90 days and said they are going to continue to go in a different direction. That results, as Clemens mentioned, it does impact

costs here. We are seeing costs for service, potentially increasing on certain line items as much as 80-90%, but on average about 33% increase over 3 years. As the current proposal came from SAM management pointed out, it was significantly unbalancing a fairly balanced cost of service. The \$1.33 that Half Moon Bay is currently paying probably penciled out across the agencies. The current proposal for Montara for the next season is \$2.16, (to correct Clemens number just slightly), the next year \$2.45, and the following year \$2.55 over the next 3 years per linear foot—just to take that one-line item for example. The increases in Granada were about half as much. So, there is a disproportionate increase presented to Montara which really changed the financial picture. In the reality of it, if this is your only option and it is going to go up 33%, well, there might be another option. This renewed the investigation by Clemens to look at how this would cost and what we want to do. As mentioned, there is an upfront capital costs—we would need a vacuum truck. Potentially, if we had to buy our own here at the District. Rotting equipment, there is an opportunity to buy other equipment that SAM currently doesn't have. Our own portable pumps or generators, specs like here. Our recent spill last year. We had one spill in 2.5 years. However, it was a significant spill, and part of the problem with that event was availability of equipment. The equipment wasn't here at the District. SAM staff (emergency response) got here quickly, but the equipment to help solve the problem wasn't able to be gotten quickly. And that ultimately ended up in a fine for the District. Not to the fault of the SAM staff but what it brought to light having equipment more closely situated the specific equipment that meets your pump station needs, at that is where our highest risk is with 13 pump stations. Having it here and not on a trailer. A couple of years ago, we had a small storm on 5<sup>th</sup> Street, an electrical overload a brown out, one power leg when down. SAM was here, but their pump was busy helping another pump station for one of the member agencies and when they wanted to get it here, they didn't have enough hose available. So, those types of small details—having it here, having oversight, building an infrastructure with a team and as Clemens pointed out, being able to cross-train for educational purposes, knowledge of public health and water and sewer separation as well as more flexible hours for the works is a significant benefit that will strengthen the existing staff. I put some discussion here about labor costs, and I am happy to talk about those assumptions. I think that is the section that would have to be reviewed carefully by a consultant that specializes in labor costs. We acknowledge that up front. These costs were generally based on how we see it from a budget standpoint. We get a bill every month, such as a \$1,000 per day and that money is divided up to the amount of service we have or the number of hours staff is the District. And looking at those two factors, is how I approached these numbers. From an actual wage compensation standpoint, that is what Clemens would need to look at in more detail in the future with a specialist on that.

Director Wilson opened the discussion to the public, and the questions that come from it, and bring it back to the Board for further discussion. He

acknowledged 4 individuals that wanted to speak, and re-iterated that anyone else wishing to speak to fill-out the blue Speaker form and submit it to the Board.

Gregg Dieguez, Montara: This may very well be a good decision, and if I were in Clemens shoes, I would want to do the same thing. When I was in business, I wanted control of everything that would affect my operation, and I was willing to budget it out and take control of it. I understand there is a long list of stuff in there, and I can understand the strong benefits of having an experienced staff doing a job, rather than a green staff. My problem is with the decision-making process. And it's not really a problem but a hope, a recommendation that you crisp this up a bit. To begin with I don't think that we should be authorizing first steps on any given path. I think the right way to word this is "authorizing a review of the risks and financial implications of various alternatives for sewer service Collections" which is what you have been studying all along but it doesn't have the predisposition that we are going to go in this direction. The second thing is that what makes this complicated is mixing decisions with outcomes that are to some degree out of your control. So, a decision is "we are going to staff up at X" and outcome could be Half Moon Bay changed its mind and they are going to stay with SAM or not stay with SAM, or Granada will share some of the costs or Granada won't. Maybe you can sell emergency services to Half Moon Bay. So, you come up with decision scenarios which combine a decision (you expand the staff or don't expand the staff) with the outcomes and you have to look at every one of those scenarios and add up the numbers. What I don't see in this analysis is a table, and I provided you with an example (I will give Pippin a copy). What I would like to see is a summary of what decision combined with what outcome leads to what financial implications. And that leads to the third point. I am a rate payer, and I want to know what this is going to cost. The first thing I want to know is that in addition to the 100% increase in the sewer rates over 5 years that we are facing already is this going to be more? It could that it is going to be more. But to help you sell this to the public it sure would be helpful if you had a table like this that showed "we are screwed, we have to do it anyway, because our rates are going to up x%" or "we are not going to spend any more money, and we will have all these advantages." At least, establish what the financial baseline is going to be will help you sell this additional sewer rate increase by showing that you did your homework and that is what's missing—simply a table showing the financial and budgetary impacts boiled down to the rate payer. Thank you.

John Szabo, SAM: Good evening everyone, my name is John Szabo, and I am the Lead Collections worker for the Sewer Authority Mid-Coastside, which means I am in charge of cleaning your sewers. In fact, I was out there today, because one of our guys was sick, and there are only 3 of us... This was a shock to us, a real surprise. For the last six months, a year, when Half Moon Bay got into their thing... I'm also running for City Council in Half Moon Bay, in an effort to stop the insanity that Half Moon Bay is getting itself into. They are

willing to double their sewer rates to get someone else to do the cleaning. That is what their RFP came up with and they are willing to pay over \$600,000 dollars from \$300,000 dollars to clean their sewers. I don't understand how it works, but that is what the numbers show. They are willing to double their rates. I am afraid that this will happen in Montara—you guys are willing to double your rates, go ahead, it's okay with me. This was a surprise to me. For the last year, I have been hearing that Granada and Montara wants to stick with SAM, and all of a sudden last night I see in an email that Montara is going in a different direction. Big, surprise, nothing I can do about it. Oh well. It sounds like your minds are made up. And the thing here says you have 90 days to pull out of any kind of thing. Please let your Board and let your members that are part of SAM go down to SAM and vote. You have 90 days; you guys are out. You guys are fine. You guys go out and hire someone else to do the work, and go for it. If you are going to save that much money and it will be so much better work than we perform for you, then do it. I'm tired of being told over and over again how you all say that we are wonderful, and yet you all want to get rid of us. Five people can lose their jobs over this. If that is what you want to do, then do it. It's fine with me. I'm an old guy, and I will retire. You guys keep threatening us with this stuff, just do it. Get it over with. Thank you.

Bill Kehoe, Moss Beach: First of all, I realize that I don't know a whole lot about this. And in trying to go through the 22 Megabyte file attached to your agenda today (because I just became aware of it today) was next to impossible. There are a lot of terms in there a lay person doesn't understand I don't know what USA stands for, I didn't know until tonight what SSO stood for. We need a grid as a rate payer, as Gregg as saying—I'm really Gregg presented that. A clear table—a decision tree. If you do X this is what you are paying now and this is what it is going to cost in the future; if you do X prime which is slightly different, this then it is going to be the cost there. Anyway, it gets to be pretty complex as you go through each analysis that you will have to go through, but at the end of the day, that is what you will be voting on representing us which will be the bottom line we are going to pay. I hear things like we will have liability ownership. That is confusing to me, because the last spill happened down by El Granada. I believe it was part of the force main. At some point our sewer is going to have to go down to the force main to get to the plant in Half Moon Bay. How does us having someone doing cleaning up here take us out of any kind of liability from that down there? I don't see how that is going to happen. Maybe you can explain it to us and all the rate payers. Another thing that was brought up the cost—and I'm guessing—although it wasn't clearly stated, the reason for us paying \$2.50 up here and Half Moon Bay paying \$1.30 is because of the extra pump stations and the extra maintenance that has to go along with all those pump stations. But that's not... I am making the wrong assumption—because, I am going back to what Gregg is saying and what I want to say, is there is no way to parse the data to come up with something that I can analyze. I spent my whole life doing analytics for all sorts of software companies and other types of companies on very complex systems. I know it is not easy, and it

is very costly to do that, but at the end of the day, we don't know what it is going to end up being for any of us. I'm fine with you doing a study. If you do a study and you want to be transparent then have general studies—maybe it is going to be a couple of hours on a Saturday—and you go through all this, and let anyone who is interested start to ask these little one-off questions. Because there is a lot of stuff you are talking about here that most people don't know. At the end of the day, if we understand what you are doing and we understand why those are the inherent costs then that would be great. I think at one-point Clemens mentioned the idea of wanting to keep the institutional knowledge, and the only way of keeping the institutional knowledge is by hiring John and his crew because they are the ones who have been doing it. Nobody else is going to have that knowledge. And it is not that I fully agree with doing it that way or not. In this day of electronics and record keeping and the rest of it, I think institutional knowledge is a little over-rated. If you have good management and good documentation you can do a lot. I did very complex software systems. I didn't have to stay there. It gets passed on and other people do it, and it gets activated in the field. I see a lot of waving of hands, no clear definitions with costs attached and risks. Not only the costs, but the risks. I want to know. At one point you threw out that we are going to save \$400,000 and that would more than cover the salaries of the 3 employees. Just doing the math in my head, based upon the salaries of the people I managed, that doesn't sound like a fully loaded employee unless you are paying them \$60,000 per year in order to get in under \$400,000 dollars. Don't wave your hands, put it in black and white, in print, and have a few open meetings where people can come after reading the documents and studying and having intelligent questions that will serve as feedback to the Board to help you make the right decision for the rate payers. We need data. Thank you

Carlyle Ann Young, Moss Beach: I have a bunch of questions, mostly for Clemens. What is a hot spot and can you please give an example? You mentioned it, but I am a novice, and maybe people watching on the video are wondering what those are. If we decide to hire our own staff for this sort of cleaning and operations, will that cause lay-offs at SAM, or is it the intention of MWSD to hire them away because of their institutional knowledge? I would feel better about it, as I hate the thought of people losing their jobs. However, I have also been loosely following the SAM fiasco happening with Half Moon Bay. I understand it is all under litigation, there just seems to be an on-going non-cooperative attitude for years—and I don't mean recently. So, that is one reason why I can speculate having an in-house. Anyway, this question doesn't relate to item 3, but if you can write it down and answer it, I have seen construction trucks going and coming out of the driveway here by MWSD and the Lighthouse intersection, and I would like to know what is going on. Also, I agree with Gregg in that we should delay in taking any action until the newly elected Board is seated. Now, going through Clemens' letter first, the Half Moon Bay service reduction on page one, did they actually reduce their service or divert it to another source of somebody providing that service? It doesn't

sound like they decided not to have their sewer lines cleaned. It sounds like they just decided not to let SAM do it. It wasn't specific in this letter you put out and they did say they were going to transition away of SAM's Collection Service by July and they are not inclined to renew the contract. My question is why not (Half Moon Bay)? Maybe it is a control issue, or financial. But as a rate payer I would like to know why they decided to do that specifically. Maybe you can't say, because of the lawsuit. On page two, you mentioned that on accounting on utilizing surplus labor, because SAM is not a private vendor, they are not allowed to generate a profit so that has limited ability to change staffing levels or furlough positions. I'm a read-between-the-lines gal, and to me that means we get to pay for a lot of "sit around" time. Maybe I'm just projecting that. I'm not sure what you mean—like if we had our own in-house people, and there wasn't any big project to work on, would you lay them off for a week, and say "hey take some time off." Would we have that ability? Because you said they don't have that ability. That wasn't clear in the letter. The contract doesn't provide a solution to the above-mentioned labor issues, but you did say you were interested in retaining institutional knowledge. I agree. I think that is very important, especially in places like Seal Cove, where I live. I want to know why Half Moon Bay decided to go with a limited scope of services? To me I read it as a control factor, but it could be a financial factor. I'd like you to answer that. I understand, having read through Pippin's letter more about the capital outlay for the \$500,000. I guess that does make sense. When you said, or maybe it was Pippin, we have to share the equipment and if it is down in SAM's construction yard, or where ever they keep it, and it is in use, we have to wait. So, I like the idea of us having our own equipment and being able to send our people out. But, if we increase our staff level by bringing in the sewer in-house cleaning, I was looking at this chart, and 78% is labor. I guess we are covering that now that Half Moon Bay is not going to be doing it. That sounds like big money to me. And I think someone said this doesn't cover infrastructure at all. Over the years, in 2008 when there was a banking meltdown, we are able to get contractors to do work on the cheap at a good price. We took advantage of that. It sounds like SAM hasn't been doing a lot of deferred maintenance issues at their plants so I would like to know if we do hire those people, I'm hoping they would get to work on our infrastructure, because we obviously have it, and need to keep it up and running. Why are they charging us 89% and GSC 45%? Is it only because of the geography? We have more lines? The main question I have as far as page 3, maybe we can help explore GCSD's future needs. We really don't have a guarantee, and in my personal opinion it is hard to get cooperation. I wouldn't bank on other Districts cooperating, especially after seeing how Half Moon Bay pulled out of everything. Page 3 also mentions something about "other activities, such as parks." Do we have plans for Parks powers here? In the hand-out it states "we are the only JPA member agency that currently has State certified operators and sharing of staffing positions between water and sewer and other activities such as parks, is common practice." I was wondering if at some point we are going to have parks? On page 4, it says here, direct itemization of costs for improved budgetary

planning, that sounds really good to me I'm thinking, reading between the lines, that we have been getting vague stuff from SAM and they are not giving us specific budgetary itemization. They have had three districts and now they have to taper it down to two for the services. I would like to see our own control for that situation, and the action taken in emergency situations being under MWSD control. I think that is a very good point. Where is Presidio Systems? Where are they located (page 5)? Why did they (HMB) decide to outsource? That's it. Thank you.

General Wilson: Before I bring it to the Board, Clemens and Pippin, I will let you respond to the questions at hand.

General Manager Heldmaier: Hot spots are sections of sewer pipes that have issues requiring more frequent cleaning than other section of pipes.

Carlyle Young: So, would that be like at Los Banos and Airport Road? Sometimes you can smell that smell...

General Manager Heldmaier: No, that is not a hot spot. That is a different issue that has to do with the length of pipe along Airport Road and how long that sewage remains in that pipe. Again, hot spots are sections of sewer pipes that require more frequent cleaning than other section of pipes.

Director Boyd continued with Ms. Young's questions: "Will there be lay-offs at SAM or would we hire away other people?"

General Manager: I'm going to be blunt here. If we engage in a contract with SAM, they will have to lay-off staff. That's our concern. We don't see another way that SAM can offset the reduction in service from all the member agencies, and that is why the portion prices are going up.

The public in the audience began protesting that the question was not being answered.

Director Wilson called the meeting to order.

Director Boyd explained: I sit on the SAM Board, and Half Moon Bay is doing what they are doing we are going to see a significant reduction in the funding available for cleaning operations. And it doesn't take an accounting team to understand less money means, since staffing is such a significant portion of this, and there are fewer feet of lines to clean, and fewer pumps to maintain, there is not going to be a need for the level of service that SAM is currently staffed for. Regardless of what Montara does, I think it is entirely likely that there will be lay-offs at SAM, to what degree I don't know. The General Manager is working very hard to think of ways to utilize staff to fill across into the treatment function. She is trying to limit what the affect would be there. If we

reduce the level of service, we purchase from SAM that would only exacerbate the situation. But what we are seeing, and I'm going to interject my view on this having been through of quite of lot of trying to persuade everybody to stay in the game, with Half Moon Bay pulling out, it changes the efficiency of the scale of everyone working together. And what we are doing now, is asking the question "how do we spend Montara and Moss Beach rate payers' money most efficiently?" If we can do it in-house for the same or better, we need to ask and answer that question.

General Manager Heldmaier: And to further answer your question, Cid, SAM currently has 5 Collections positions, and one position is open, and has not been filled. The reason being the City changed to that contract.

Carlyle Young: The follow-up to my question, is it our intention to hire some people that had to be laid off by SAM, to maintain the institutional knowledge? Is that in the ballpark?

General Manager Heldmaier: Let me say it this way, I don't see where we would find institutional knowledge if we don't look to the SAM employees.

Carlyle Young: Thank you. That makes me feel better.

Director Boyd: The next question, is the construction trucks going in and out.

General Manager Heldmaier: That is a project... You spend a lot of time following our business. Apparently, you missed that one. There was a lot of public meetings about this. What we are doing is replacing, actually this is already completed, the crossing of the sewage coming from the North entering into the pump station down here. So, the highway crossing needed to be replaced, and this is in preparation for repairs to a sewer line that is going north, so the concern is that it is a trunk line, and if there are spills, and we had a spill some time ago due to the condition of the pipe. This is a high volume, high risk pipe, and in preparation to replace the pipe going up north, we first had to replace the highway crossing. We also took advantage of the equipment being out there, and added a water crossing. There is a section that affects the water...

Director Slater-Carter: There are also some wonderful pictures in our Minutes published for this meeting.

Director Boyd: "Did Half Moon Bay reduce or divert service, or both?" I can speak to that...

Director Wilson: How can we comment on something that is basically Half Moon Bay to answer that? It is up to Half Moon Bay to answer that...

Director Boyd: I've been to countless meetings and read through their RFP, and we've been in the thick of this. They reduced their service; the level of cleaning and they have outsourced it to another agency through an RFP process.

Carlyle Young: Not equal service. They reduced service?

Director Boyd: They reduced the level of cleaning to the best of my understanding. It's up to Half Moon Bay to decide what level of service is necessary. And the question further down was, why are we paying more than Granada? Every year each agency pays a differing amount based on the level of service that that agency requests. SAM has been our contractor, and we said this is the level we need this year. So, it goes up and down. There are some fundamental differences on the lay of the land, and the number of pumps and all of that. And it also depends on the timing of how things work out whether or not a big cleaning project spans over a budgetary year for example, so things shift around. Half Moon Bay has chosen their level of service, and that is their business. The next question "Why does Half Moon Bay want out?" This is a political question, and I'm just going to jump in.

Director Huber: Half Moon Bay has to answer that. You can't answer that.

Director Boyd: I have an opinion on why they want out. They have wanted out for a long time, and now they are making good on that plan.

Carlyle Young: Was that due to control or financial?

Director Slater-Carter: That's up to them.

Director Boyd: There are Counsel members...

Director Slater-Carter: They have given many different stories.

Director Boyd: Yes, and Bill, that was to the degree I intended to answer. Because we can put a lot of interpretation on it.

Director Slater-Carter: Bill, the recent history stands up to what Scott is saying.

Director Boyd: Okay, so "Do we pay for sit-around time, and how would we be different on how we handle that?" Our staff doesn't sit around. Our staff has a regular cleaning and maintenance schedule plus they do all the call-outs.

Carlyle Young: Yes, I see them all the time in the neighborhood.

Director Boyd: That was a really good question. Would we be any different on how we dealt with that?

General Manager Heldmaier: No, the assessment is looking at what would we need for Montara. If there are other agencies that are interested in purchasing services from this agency, then the staffing level would vary. It also goes back to the advantage of having the existing staff on the water side, again some already have sewer certifications, and asking sewer staff to attain water certifications allowing for more flexibility, and there would not be any sitting-around time. There is no sitting around currently, and there will not be any sitting around.

District Sewer Engineer Cavagnaro: I would like to give one clarification, to give a perspective. Part of our review here is a response to a recent update in proposal from SAM management which is separate and different than that agreement which I mentioned from 1988. And that new proposal is a modification and a re-statement similar to what was provided to Half Moon Bay in the RFP. But, on the first year they recommended we clean 100,026 feet of sewer, which is our current cleaning level. They are recommending to control costs, to reduce service to 63,000 feet in year two and maintain a lower level, and the only recommendation to reduce service is to maintain a level budget. Our response from a regulator standpoint, is that service has to be reduced on a justified basis consistent with public health. We have a standard to clean our system every year here, that the District has maintained for as long as I can remember having supported the District with engineering services, and my first response is that I can't recommend reducing service without clear evidence that those pipes can last 2 or 3 years, without a sewer spill. We don't have that evidence on hand. The newer plastic pipes that have replaced over time through our CIP have increased our percentage of the system from the old clay pipes with roots to the newer smooth plastic pipes, largely will allow for a 3-year system. Now a 3-year cleaning system is generally considered the maximum duration of delay for cleaning that the Water Board will approve. Some Districts have gotten away with 5 years on certain pipes, but very few. Three years is considered the gold standard for a new system. The reason you just can't leave pipes alone is things like grease, kids flush Legos. All these things have impacts in Collections in various spots in the system. When every piece in Collections in the system is perfectly efficient, you might have a manhole where debris piles up and then you have a sewer spill. These guys are always calling me. So, we need more careful oversight. I want to point out one of the big drivers here, recently submitted just 2 weeks ago, is to drastically cut our service by half without an explanation of the risks associated with that reduction in service. I wanted to point out that this is a major decision point the District is looking at is the risk with the State.

Director Harvey: Who is reducing what, by how much?

District Sewer Engineer Cavagnaro: SAM management has recommended reducing our cleaning services by half in order to maintain our budget. And that comes without documentation as to which lines would be reduced in service,

what that frequency would be, what evidence has been gained over the past reports to justify that the pipes don't need cleaning that often, and recommendations come without that backup.

Director Harvey: How often would our system be cleaned?

District Sewer Engineer Cavagnaro: Our recommendation is to maintain the current level of services once per year and then hot spots in addition 2 or 3 times, or even once a quarter for the critical ones.

Director Boyd: There was a question about parks. I think that was a recitation of what is different about us.

General Manager Heldmaier: We currently don't have parks powers. There is an option that the District may pursue this in the future. This was something that was asked for by the public and is in our strategic plan. We could become a community services district with parks powers, or remain a water district with parks powers, any of those.

Director Boyd: There was a question about Presidio Systems, and it is in Livermore. And Bill had a question about liability ownership and what that meant.

General Manager Heldmaier: This goes back to the question that was asked in reference to a sewer spill down at the SAM pipe versus Pippin mentioned a spill that was within our Collection System at the Kanoff station. Right now, SAM is providing the collection services. Any spills are Montara's liability. We don't have the SAM Collections system under control, it goes into a bit what Gregg was saying—the local control aspect. So, we don't have control over the level of training of the SAM employees, scheduling, equipment, etc. While we don't have it under our control the associated risk, meaning the cost of the fine that resulted from the spill, is on us, not on SAM.

Director Boyd: I would like to add that there are four areas that are regulatory separately controlled. The three-member agencies have their own District, and SAM has the overlay, and the shared SAM infrastructure, SAM bears the regulatory liability for. Each member agency bears the regulatory liability for its own District. Working with the regulators sometimes, they try to push into one area or another, but we are all very clear. Montara is Montara. Granada is Granada, and Half Moon Bay is Half Moon Bay and SAM is SAM. So, on the shared SAM infrastructure, the IPS, that's SAMs responsibility and SAM does have to jump on that, and it does. Each member agency has that responsibility. Half Moon Bay is going to a different agency for emergency response. We've got a responsibility here, and we rely on SAM staff to take care of our responsibility in our District. One of the difficulties, is that the people have to get here, but the equipment has to get here too in order to be able to respond. It's

one of those things that local control might give you a better response time, but it also comes with financial implications as well.

Bill Kehoe, Moss Beach: Can I clarify my question? You kind of answered my question, but danced around it. I was referring to the overflow at the creek south of El Granada, and there was a million dollar plus fine, and all the separate agencies had to pay a portion of the fine. My question was more specific, about if we do our own local collection here, the sewage is still going to have to go through the force main down to the SAM plant, where it is treated and released. So, we would still be liable for a piece of anything that happens in the big pipe at SAM.

Director Boyd: Montara is not considering anything that would change the fact that Montara is responsible for the Montara/Moss Beach service area. And as a member of SAM it is responsible for anything that is part of the IPS or the plant. So, the spill that happened in Granada, was on the shared SAM infrastructure, and that is why all member agencies of SAM shared in that expense.

Bill Kehoe, Moss Beach: So, then, we are always going to have that.

Director Slater-Carter: If I might add, that is what the lawsuit is about. Half Moon Bay has only been paying those bills under protest, and depending what happens either the mediation or the lawsuit Montara may end up with a whopping big bill.

Bill Kehoe, Moss Beach: If there is a spill up here under complete control at MWSD shame on us. I understand that. But what I didn't quite understand is that we will have more control over the liability. I always felt our liability wasn't always so much up here, but I didn't know about the spill in Montara.

Director Boyd: We can have a spill up here, and have huge liability. We would rather not. We have two buckets of responsibility.

Director Wilson: there is shared responsibility, then there is District responsibility.

Director Boyd: there was a question "why are we are paying more for our Collections bill than the other member agencies?" We touched on that.

General Manager Heldmaier: The number of pump stations, and miles of pipes.

District Sewer Engineer Cavagnaro: We haven't reviewed the current cost proposal from SAM in depth enough to clearly answer the changes. I think we should give SAM an opportunity to respond when we present them these questions. I want to be fair to them on that respect. To be specific, the \$2.25 cost that we were presented in the three years of cleaning pipe, is only linear

feet cost per pipe. Half Moon Bay is currently paying \$1.35, and Granada \$1.65 or \$1.85. Perhaps the easements and the terrain cause some of that, or maybe travel time. I don't have a good explanation that I could present at this time. But those costs that were quoted for that particular line item, are separate from the technical costs associated with checking the pump stations and the new proposal does offer some clarification in line items but not necessarily details yet to how those hours would be spent that we could give you a detailed answer. Good questions, thank you.

Carlyle Young: there was one question that was not answered. The question is "Can the Board delay taking any action until after the newly elected Board members are seated?"

Director Wilson: It can, but it might not. So, with that in mind, I am going to bring it to the Board.

Director Harvey: What is the reason that Montara is being charged more per linear foot than the other Districts? You mentioned the complicated terrain. But the price per linear foot is a price for linear foot. What is the background for that?

District Sewer Engineer Cavagnaro: I don't have an answer for that at this time. The Proposal came to us without an explanation, so I can't answer that question.

Director Harvey: So, SAM is proposing to charge us more per linear foot?

General Manager Heldmaier: Correct. We received this proposal with higher prices after the reduction of services to the City of Half Moon Bay. Again, it goes back to the cost sharing aspect. SAM has fixed costs. Now, if the City puts less money in the jar, the other two agencies have to pick up that tab, and put more money in.

Director Harvey: In conjunction with that, there are three collection employees for SAM, in which two of them are working at a time, and the other person is doing something else. There are only two people at SAM collecting at one time. If Half Moon Bay assuming, leaves completely the collection process for SAM those two employees are responsible for SAM pipes—the 7 miles of SAM pipes and their pump stations. And if we stayed with them, they would be responsible for cleaning Granada and Montara Districts. How is their load decreased? They have all the SAM district, and these two Districts. I don't understand why there is a threat of reduction of Collections staff when there is so much to do.

District Sewer Engineer Cavagnaro: I would like to offer clarification. Montara also purchases pump station services, which is different staff, and there is also management oversight that the District is charged for—the office.

Director Harvey: The pump station service is through the operators?

District Sewer Engineer Cavagnaro: Yes, mechanics and operators. It is a different class of worker and then there is management that Montara pays for on top of that. That is why the costs we are seeing for Montara is not just representative of 25% of two employees. We are seeing these other overhead expenses. I wish we could provide more details, but we don't have them.

Director Harvey: This is based on the proposal from SAM.

District Sewer Engineer Cavagnaro: yes.

Director Harvey: How does the lawsuit affect our proposal and/or our status with SAM if we did the collection ourselves? If we lose the lawsuit, then we will have to pay for our half of the pipe-line and if we don't lose the lawsuit that would be great. Are we factoring in the results of the lawsuit?

District Counsel Dave Schrick: There are some imponderables created by the lawsuit. It would be offering conjectural thoughts as to what might happen. Elements of the collection system are involved in the lawsuit. The sole issue set out by the plaintiffs relates to the responsibility for the intertie pipe system. That is all I can say.

Director Harvey: Are our financial numbers based on a neutral lawsuit?

General Manager Heldmaier: The Collections system is outside of the JPA agreement and outside of the JPA budget. If Montara has to pick up the cost for the pipe that SAM owns and SAM maintains, the intertie pipeline system, is in the General budget, not the Collection Systems budget. So, the numbers we are looking at with the Collections system would not be affected by the lawsuit.

District Counsel Dave Schrick: I read the estimates as exclusive of, not taking in consideration of the lawsuit, which is appropriate.

Director Wilson: We are facing a few separate budgets and to your point Jim, it might affect the well-being of the District, but that is independent of the discussion at hand, which is being done with our pipes, not the JPA pipes.

Director Harvey: But the budgets are connected.

Director Wilson: Yes, but they are essentially different subjects, even though there are financial ramifications to the lawsuit.

Director Huber: The IPS. Currently, SAM takes care of maintaining the IPS and any cleaning and Collection services related to that, correct?

District Sewer Engineer Cavagnaro: Correct.

Director Huber: Under this new scenario, the IPS is within the Half Moon Bay territory. Who is responsible for that?

District Sewer Engineer Cavagnaro: The IPS is part of the JPA, and not part of the Collections agreement that we are discussing here. That is under the SAM General Budget. What we are talking about in this discussion is the individual contract between SAM and each of the member agencies for cleaning each member agency's own individual pipes and pump stations. So, the outcome of your question is dependent on the outcome of the lawsuit.

Director Huber: So, in all events, SAM will still have to maintain a staff to maintain the IPS.

District Sewer Engineer Cavagnaro: I would have to say, it would depend on the outcome of the lawsuit. There are possible outcomes that would be different but as Dave said, it is conjecture entirely, and you would have better luck flipping a coin. But your point is, to assume the status quo is maintained where would we have right now, if the lawsuit didn't exist, SAM would need to potentially maintain in-house staff or sub-contract out to pump station services and to a large company, they don't have as many sewer laterals and small pipes as we do here, they could outsource to Presidio Systems once a year for example. I'm not saying, I don't know what the right decision is for them—we are not the same manager. This report really looks at what benefits, the thought process starts from the costs going up, the recommended services going down coming from SAM, and whether Montara wants to try maintain existing service through different means, but with specific asterisks. Over the last 3 years, to John's specific point in his statement, the District is concerned about the effects on the other member agencies, and that is why this has been a discussion over 3 years, not just with Montara internally, but through manager meetings about how the service can be changed, and how it can be improved. And there has been tremendous jobs on the ground with the service. This is coming from a contract perspective of cost versus risk management for the District. That approach, having increased local control, has the potential to keep Montara, in a better position to state regulators than outsourcing to all of the services.

Director Huber: The Collections is separate from the JPA, and the Collections are funded by the member agencies, including vac trucks, tools, etc. Then why would we have to buy new trucks, when we have partial ownership to the existing trucks?

General Manager Heldmaier: We are not at the point of understanding what SAM's position is on this. Right now, we have to assume that SAM has a need to clean pipes. What happens to the equipment at SAM is a discussion we will have to have in the future, if Montara decides to go down this path. Right now, the separation between the JPA and Collections budget isn't as clean as one would expect. For example, the flusher truck is used at SAM, for purposes at the plant in the IPS as well as for all three-member agencies. There is a shared ownership between all 4 agencies.

Director Boyd: When we are all in it together, the differences are marginal. However, when someone pulls out, then it matters.

Director Slater-Carter: I passed out a sheet with some questions that came up for me. There was a lot of questions that were not answered in the report. I'm glad we are changing from the staff recommendation of beginning to cut our ties with SAM for Collections.

General Manager Heldmaier: There was no staff recommendation to cut ties with SAM.

Director Slater-Carter: I'm not going to argue with you, but I can read. And I am very concerned with how the lawsuit will impact the rate payers and entering into this now, I really want to see strong budgetary projections. It may be imponderable, but we are going to moving forward with this we have to make at least worst case assumptions so that we know what kind of effect this will have on our rate payers. It was said that there was management staff at SAM for the collection system, there would also need to be management here. So, assuming the salaries for General Managers are close, it seems that might be a wash, because SAM can't add profits, as you said. I'm very concerned about buying major equipment. Where are we going to house it, to keep it out of the weather? Stuff rust here, we are so close to the ocean. And maintenance, specialty equipment is not cheap to maintain. So, we need to be looking at all those costs. In my sheet, I asked for a 5-year projection and that's short term. My other concern is labor. We are in a very tight labor market right now... and it may be difficult to get workers, being so small. There is an economy of scale that SAM has that we don't. So, I look forward to us doing this investigation, but I would like to see a Board committee involved closely to keep track of this. The last I heard is that we were going forward and updating a 30-year-old contract, which is a huge risk and a liability for this District. And I see this process as taking more than 90 days, and with that the first thing we need to be doing is putting in an interim contract that is up-to-date, and then we can go on and take our time in deciding whether we are going to take on a new department in this District or not. As you can see in my note there is a lot of concerns that I have, and they are just the tip of the iceberg. So, that is where I am going with this, I would like to see a committee formed, and I'd like to see a new contract written.

Director Boyd: I'm glad to see starting this public process of considering our options. What is happening at SAM, John you made reference to some of the statements I've made at SAM about the importance of keeping the family together, not just for the sake of the kids. It's the smart way of doing business. But we've been trying diligently to keep all three agencies at the table working together. To some degree we are now, but we have not been able to keep Half Moon Bay in the Collections system. With them pulling out, it is a big piece of the budget, and we have to take a good look at what is the best thing we can do for our rate-payers. In all of that, each of you has been on my mind, because I know you all. The first order of business is to get things stabilized, and this is why I made sure speaking for Montara to let Beverly know that we were in for this budgetary year... Now we are looking at this, and I'm glad that we have some initial stuff, and I'm interested on seeing some flesh on the bones of this thing—what this looks like. The outcome of the lawsuit is going to make a difference to this agency and Granada and Half Moon Bay, depending how it turns out. But it is not focused on the Collections. If half of the voting power and the budget at SAM is going in a different direction for Collections, we have to consider our options. Let's think it through. I like the idea of a committee, and establish some continuity and Board interaction, because we have strong interest in the community and strong interest in the Board making sure that if we are going to make a plan it is as good as a plan to consider that we can. I don't think any of us have our minds made up, but we do know that a decision point is coming and need to be prepared for it. I appreciate this public process happening now, so that we can do this out in the open... We need to work with Beverly to see where these dollars amounts are coming from and the basis for it. Together we may figure out something where it works out better to keep everything at SAM or maybe we figure out something to bring some of it to the agency here. We want a good partnership with SAM, and we want to invest in that, and keep investing in that, and nobody has spoken louder about this than we have. So, we have to do this in a collaborative way with SAM. I want to highlight and reiterate the level of service and degree of excellence from the SAM team in the field getting the work done. It has been a good past year. We haven't had some of the problems we had previously. The big spills were due to equipment wearing out, that wasn't SAM staff, that was equipment wearing out that we had on the schedule to be repaired and replaced and there was some tussle about budget at SAM and it didn't get replaced in time. Crew did a great job. Tim is the one that caught first wind of it. Our team has done excellent work and everything we are talking about is built on the knowledge of that. So, I don't know where it is going to go, but I know we have to figure something out.

Director Slater Carter: Something I would like to add. I was reading that the Federal Government signed by the President has just started Federal Finance program for water and sewers, increasing from 2 billion dollars to 7 billion per year, and I think it is something that we, SAM and Montara need pay attention to in terms of getting federal financing. One of the stories I read today, said that

1 in 5 home in Chicago have lead in their drinking water. So, it is something that there will be money available and we should be thinking about how we can use that project to tap into that program.

Director Wilson: I've heard and I absolutely support this moving forward. I think that we have had some great comments about budgetary items and assumptions should be put in a way that we can all read and be transparent. I like the idea of having a Board committee, although I think it is a little early to do that. I think that within a month or two, when you get your plans in a way that is more measurable and it has a more teeth to it, and perhaps vesting what is being proposed is new and well in order, I think the biggest mistake is doing nothing. No one has said this is a done deal. Clearly, we need to be sensitive to the personnel involved. I support what I am hearing which is giving you the authority to move forward in a way that answers the questions in-depth of the issues that were brought forward today and unfortunately, you will have to work with this Board for the next month. But this is a 3-5-year process, and I think everyone will be best served by this transparent process. So, unless I hear anything different, I think we should proceed as discussed tonight, and I would like to see it agendized for the December Board meeting as to the progress and next steps.

Director Harvey: So, it is not a black and white issue. There are things to be studied and prepared. So, I think we have given you direction to study this and look at it, continue on, and we look at this again at the next meeting or the beginning of next year with the new Board.

Director Wilson: My guess is that this process is going to go on for a period of time, and you will have plenty of feedback for that. With that in mind, I am going to move on to item 3.

District Counsel Dave Schrick: Mr. President, for clarification of the record, are you directing the recommendation that is set forth in the staff report?

Director Wilson: In so many words, with the input that we have received tonight that needs to be in that.

Director Slater-Carter: I would ask to have that changed. I am concerned about the language in that. I don't like the words "first steps." I think investigate, evaluate.

Director Wilson: okay, let's do that. To investigate or evaluate the alternatives to the current process.

District Counsel Dave Schrick: Might I suggest that the staff report be clarified to read: To Authorize the General Manager to proceed further with the cost studies with respect to the various facets provided for the Collections System

services including personnel aspects, and in that context also contact IEDA to investigate the employer and employee relations aspects.

District Sewer Engineer Cavagnaro: I want to clarify one thing, which I believe Clemens has the authority to do. If there is a situation, Montara has not recently, except for specific cases in 2015 and 2016, hired a specific outside service to solve specific sewer problems, I want to make sure this resolution doesn't restrict his ability to call an additional outside service contractor if needed should SAM not be able to meet our current expectations.

District Counsel Dave Schricker: As I read the staff report back up information, there are three areas to be further pursued. Relationship with Sam, for Collection Services, perhaps on an interim basis or on some basis. For investigating further cost elements of in-house provisions of Collection Services, including capital and rolling stock facilities and personnel.

General Manager Heldmaier: Yes, and what Pippin is referring to is if we decide to outsource additional services, this is something the Board would...

District Sewer Engineer Cavagnaro: Yes, we would. SAM brought up tonight that they feel that they only have two functional staff people.

Director Slater-Carter: No, that was Jim.

District Sewer Engineer Cavagnaro: I just want to make sure. I don't want to be at a point that we have to declare an emergency...

Director Wilson: We have given enough direction tonight. The other thing I've asked is that it be brought up at the December agenda, and ongoing agendas, and I think if we come to an issue what you are looking at contracting outside of SAM it will be done within the order of our business. I think you have enough flexibility to work...

Director Slater Carter: I would like this Board to give direction to the General Manager to work on a new contract with the SAM agency. If we are going to working on this for years, we are working under a 30-year-old contract that is old and a lot has changed in 30 years.

Director Wilson: Okay, why don't we have him do this, the ability to explore a new contract, and not mandate him to do a new...

Director Slater-Carter: I know that it has been discussed and it can happen if we decide we want it to. Let's start talking about the terms of the new contract at the December meeting.

Director Wilson: Okay.

Director Boyd: It sounds like Beverly has already initiated that conversation.

General Manager Heldmaier: That is correct. I want to make it clear, and correct the statement I heard before, this agency has an existing contract and we've done a recent review, and we didn't see any liabilities remaining with the existing contract.

Director Harvey: What does that mean?

General Manager Heldmaier: I'm saying we are going to explore further engaging with SAM into a contract, but there is no need to engage into a contract with SAM. We have a contract.

Director Slater Carter: But it is 30 years old.

General Manager Heldmaier: It is 30 years old, and it has worked wonderfully for 30 years.

Director Wilson: Okay, let's do this. In light of the time tonight, we've already discussed, I think, exploring potentially updating the contract, there's no down side to that, it's not mandating a new contract—it means explore. If you would be willing to bring that in, I would like to see that happen.

### **3. Update on Montara Water and Sanitary District 60<sup>th</sup> Year Anniversary Event.**

General Manager Heldmaier: This is a call for participation to attend our 60<sup>th</sup> Anniversary event. In 1958 this District was formed as a sewer agency. There was a State action that demanded that a treatment plant was built, the existing facility at the entrance of Montara was failing at the time, with an extreme odor issue, with sewer running through open trenches. There is a lot to learn about the history of the District...We are also celebrating 15 years ownership of the water system and tremendous improvements. The event will happen at the Lighthouse from noon-3:00pm. Please remember the Daylight time change on Sunday, and if you arrive early you are welcome to help set up. We hope you all can attend.

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

General Manager Heldmaier recommended canceling the next meeting, as there weren't any urgent items at this time. If a need should arise, the Board and public would be notified.

All Directors were in agreement.

## REPORTS

1. **Sewer Authority Mid-Coastside Meeting (Boyd) –**  
Director Boyd: We are still talking about the easement for the wet weather facility expansion project, and I'm confident that is going to get done. We postponed the item for Coastside mutual agency policy, and the contract for legal sources was postponed and we did authorize the General Manager to execute the contract for the Edgecomb Law Group representing SAM for the Ecological Rights lawsuit.
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) – None**

## FUTURE AGENDAS

## ADJOURNMENT

**REGULAR MEETING ENDED at 10:10 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**

Respectfully Submitted,

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

Approved on the 6th, December 2018

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

To: MWSD Board and General Manager

From: Gregg A. Dieguez, 360 7<sup>th</sup> St., Montara

Date: 11/1/2018

Subject: Adequacy of MWSD Fire Preparation

I'm writing out of concern for fire in our area. You have likely seen that we are residing in an "extreme fire hazard area, as indicated in the 2018 CPUC high fire threat district map" (link below). [ftp://ftp.cpuc.ca.gov/safety/fire-threat\\_map/2018/PrintablePDFs/8.5X11inch\\_PDF/High\\_Fire-Threat\\_District\\_Map\\_final.pdf](ftp://ftp.cpuc.ca.gov/safety/fire-threat_map/2018/PrintablePDFs/8.5X11inch_PDF/High_Fire-Threat_District_Map_final.pdf) (Mercury News article, etc.), and that wildfires are appearing to be the new normal per the climate crisis. Yet the 2017 updated master plan - AFAICT - does not project reserves nor water pressure under drought conditions necessary to overcome a nearby wildfire.

From what I understand, there is a 240kgal "designer fire" listed in Table 8, and that is not followed through with assessments of related issues:

1. With the projected connection growth, how is pressure maintained throughout the system to fight fires?
2. Is a 2 hour designer fire a reasonable depiction of the risks we face? What other scenarios would it be prudent to plan for?
3. Why isn't the "fire reserve" reserved and DEDUCTED from planned capacity in projections of how many connections MWSD could support?
4. How does the "real peak fire reserve" compare to mid-year and end of year storage at each tank? How would the water be directed to the likely fire areas?
5. Would a fire in Rancho Corral de Tierra affect our access to and use of water pumped and stored there or other locations? How is any fire-related outage factored into our available capacity or reliable water supply?
6. What actions are being taken to remedy the 2017 Master Plan note that "39-percent of the nodes in the distribution system were unable to provide adequate fire flow"

In addition, I have concerns about even non-fire water capacity. The numbers I have run show us:

- A. In a deficit (compared to current rates of use) IMMEDIATELY during a drought.
- B. In a deficit WITHOUT a drought in either 2028 or 2039 with 1% population growth - depending upon what reserve and consumption numbers are used.

So, things might be worse after prudent consideration of necessary fire reserves. My calculations [attached] are based on assumptions in the 2017 Master Plan, so if these assumptions have been recently updated, please let me know. So things might be OK, or OK under certain assumptions.

Thinking sustainably is not something our political leaders seem to do well. But as residents and taxpayers I want to ensure we have properly prepared for a looming fire scenario as part of our overall thought process. I am requesting the Board have Staff prepare a public report on MWSD Fire Preparation Adequacy addressing these and related issues in concert with County and CalFire.

**Montara/Moss Beach Water Supply Estimates \***

Year	Pop	Pop Estim @ 1%/yr	MDD (gpd)	MDD per capita	MDD Estim (gpd)	2017 Reliable Sys Cap (gpd)	Excess or Deficit (gpd)	2011 Reliable Sys Cap (gpd)	Excess or Deficit (gpd)	Drought Sys Cap (gpd)	Excess or Deficit (gpd)
<b>2010</b>	<b>6,012</b>	<b>6,012</b>	<b>###</b>	95	570,564	<b>758,880</b>	<b>188,316</b>	<b>676,800</b>	<b>106,236</b>	<b>487,440</b>	<b>(83,124)</b>
2011		6,072		95	576,270	758,880	182,610	676,800	100,530	487,440	(88,830)
2012		6,133		95	582,032	758,880	176,848	676,800	94,768	487,440	(94,592)
2013		6,194		95	587,853	758,880	171,027	676,800	88,947	487,440	(100,413)
2014		6,256		95	593,731	758,880	165,149	676,800	83,069	487,440	(106,291)
2015		6,319		95	599,668	758,880	159,212	676,800	77,132	487,440	(112,228)
2016		6,382		95	605,665	758,880	153,215	676,800	71,135	487,440	(118,225)
2017		6,446		95	611,722	758,880	147,158	676,800	65,078	487,440	(124,282)
2018		6,510		95	617,839	758,880	141,041	676,800	58,961	487,440	(130,399)
2019		6,575		95	624,017	758,880	134,863	676,800	52,783	487,440	(136,577)
<b>2020</b>		<b>6,641</b>		<b>95</b>	<b>630,258</b>	<b>758,880</b>	<b>128,622</b>	<b>676,800</b>	<b>46,542</b>	<b>487,440</b>	<b>(142,818)</b>
2021		6,707		95	636,560	758,880	122,320	676,800	40,240	487,440	(149,120)
2022		6,774		95	642,926	758,880	115,954	676,800	33,874	487,440	(155,486)
2023		6,842		95	649,355	758,880	109,525	676,800	27,445	487,440	(161,915)
2024		6,911		95	655,849	758,880	103,031	676,800	20,951	487,440	(168,409)
2025		6,980		95	662,407	758,880	96,473	676,800	14,393	487,440	(174,967)
2026		7,050		95	669,031	758,880	89,849	676,800	7,769	487,440	(181,591)
2027		7,120		95	675,721	758,880	83,159	676,800	1,079	487,440	(188,281)
<b>2028</b>		<b>7,191</b>		<b>95</b>	<b>###</b>	758,880	76,401	<b>676,800</b>	<b>(5,679)</b>	487,440	(195,039)
2029		7,263		95	689,303	758,880	69,577	676,800	(12,503)	487,440	(201,863)
<b>2030</b>		<b>7,336</b>		<b>95</b>	<b>696,197</b>	<b>758,880</b>	<b>62,683</b>	<b>676,800</b>	<b>(19,397)</b>	<b>487,440</b>	<b>(208,757)</b>
2031		7,409		95	703,158	758,880	55,722	676,800	(26,358)	487,440	(215,718)
2032		7,483		95	710,190	758,880	48,690	676,800	(33,390)	487,440	(222,750)
2033		7,558		95	717,292	758,880	41,588	676,800	(40,492)	487,440	(229,852)
2034		7,634		95	724,465	758,880	34,415	676,800	(47,665)	487,440	(237,025)
2035		7,710		95	731,710	758,880	27,170	676,800	(54,910)	487,440	(244,270)
2036		7,787		95	739,027	758,880	19,853	676,800	(62,227)	487,440	(251,587)
2037		7,865		95	746,417	758,880	12,463	676,800	(69,617)	487,440	(258,977)
2038		7,944		95	753,881	758,880	4,999	676,800	(77,081)	487,440	(266,441)
<b>2039</b>		<b>8,023</b>		<b>95</b>	<b>###</b>	<b>758,880</b>	<b>(2,540)</b>	676,800	(84,620)	487,440	(273,980)
<b>2040</b>		<b>8,103</b>		<b>95</b>	<b>769,034</b>	<b>758,880</b>	<b>(10,154)</b>	<b>676,800</b>	<b>(92,234)</b>	<b>487,440</b>	<b>(281,594)</b>
2041		8,184		95	776,724	758,880	(17,844)	676,800	(99,924)	487,440	(289,284)
2042		8,266		95	784,492	758,880	(25,612)	676,800	(107,692)	487,440	(297,052)
2043		8,349		95	792,337	758,880	(33,457)	676,800	(115,537)	487,440	(304,897)
2044		8,432		95	800,260	758,880	(41,380)	676,800	(123,460)	487,440	(312,820)
2045		8,517		95	808,263	758,880	(49,383)	676,800	(131,463)	487,440	(320,823)
2046		8,602		95	816,345	758,880	(57,465)	676,800	(139,545)	487,440	(328,905)
2047		8,688		95	824,509	758,880	(65,629)	676,800	(147,709)	487,440	(337,069)
2048		8,775		95	832,754	758,880	(73,874)	676,800	(155,954)	487,440	(345,314)
2049		8,862		95	841,081	758,880	(82,201)	676,800	(164,281)	487,440	(353,641)
<b>2050</b>		<b>8,951</b>		<b>95</b>	<b>849,492</b>	<b>758,880</b>	<b>(90,612)</b>	<b>676,800</b>	<b>(172,692)</b>	<b>487,440</b>	<b>(362,052)</b>
2051		9,041		95	857,987	758,880	(99,107)	676,800	(181,187)	487,440	(370,547)
2052		9,131		95	866,567	758,880	(107,687)	676,800	(189,767)	487,440	(379,127)
2053		9,222		95	875,233	758,880	(116,353)	676,800	(198,433)	487,440	(387,793)
2054		9,314		95	883,985	758,880	(125,105)	676,800	(207,185)	487,440	(396,545)
2055		9,408		95	892,825	758,880	(133,945)	676,800	(216,025)	487,440	(405,385)
2056		9,502		95	901,753	758,880	(142,873)	676,800	(224,953)	487,440	(414,313)
2057		9,597		95	910,770	758,880	(151,890)	676,800	(233,970)	487,440	(423,330)
2058		9,693		95	919,878	758,880	(160,998)	676,800	(243,078)	487,440	(432,438)
2059		9,790		95	929,077	758,880	(170,197)	676,800	(252,277)	487,440	(441,637)
<b>2060</b>		<b>9,888</b>		<b>95</b>	<b>938,368</b>	<b>758,880</b>	<b>(179,488)</b>	<b>676,800</b>	<b>(261,568)</b>	<b>487,440</b>	<b>(450,928)</b>

\* Sources: MWSD 2011 Water System Master Plan and 2017 Update; 2010 U.S. Census. Source input values shown in blue.

Agenda Item: New Business: Review and Possible Action Concerning Consideration of In-House Sewer Collection Services.

**Questions:** This is a partial list. There are many issues and concerns that need to be detailed, explored and answered for the Board to make an informed decision.

**Financial:**

There has been no competitive bid process to inform the Board of costs and issues. We need to create a detailed rfp. It needs to be sent to SAM and two companies to have a basis for comparison. (As Half Moon Bay did)

Will we need to finance this department?

We need several 5 year budgets to analyze the impacts on the MWSD financials. One needs to show the effects of the worst case financial impacts from the ongoing HMB v. MWSD et al lawsuit. The next needs to include that forecast with the inclusion of all the costs associated with taking over the collection system, including any changes in the treatment costs by SAM. The third needs to include both of the previous forecasts and any finance costs.

We need rate projections based on all three forecast budgets.

**Regulatory:**

New staff will need to live close-by for on call shifts as well as emergency situations. How will MWSD accommodate this need?

Cross contamination prevention between drinking water and sewerage is a paramount concern. What are the industry standards for sanitary service/water districts. What must MWSD do to meet this standard?

How much will it cost? Where will the tools and equipment be stored, including any trucks?

**Administrative:**

Who will manage the new collections staff? Will the organizational structure of the district change? How?

The job market is very tight right now: It is projected to remain very tight into the future. What will a competitive pay scale be? What is the time line for hiring and training?

Where will the new staff offices and break rooms be located?



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: December 6, 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 October 2018 Variances over \$2,000:**

- 4400 Fees, \$66,032 above Budget – It appears a connection fee was inadvertently booked as an operating fee. Financials will be updated to reflect the correct booking in future months.
- 4610 Property Tax Receipts, \$90,805 below Budget – Funds from the County are typically received in November or December.
- 4710 Sewer Service Charges, \$849,832 below Budget – Funds from the County are typically received in November or December.
- **Overall Total Operating Income for the period ending October 31, 2018 was \$870,222 below budget. Total revenue received to date is \$96,019.**
- 5200 Board of Directors \$2,713 below Budget – Elections expense has yet to be billed and paid.
- 5400 Legal, \$2,078 below Budget – Difference due to timing in the billing.
- 5640 Data Services, \$4,079 above Budget – Bill for the Parcel Management System for 2018-2019.
- 5800 Labor, \$9,320 above Budget – Employee benefits have been billed and paid a month ahead of time.
- 6170 Claims, Property Damage, \$6,327 below Budget – Minimal activity in the current year.
- 6200 Engineering, \$11,698 below Budget – Majority of costs have been capital in nature.
- 6600 Collection/ Transmission \$3,333 below Budget – No activity in current year.
- 6910 SAM Collections, \$25,408 below Budget – The September collections expense has not been remitted.
- 6940 SAM Maintenance, Collection Sys, \$13,333 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$4,642 below Budget – One bill paid for to date for capitalizable costs related to pumping.
- **Overall Total Operating Expenses for the period ending October 31, 2018 were \$66,427 below Budget.**
- **Total overall Expenses for the period ending October 31, 2018 were \$58,494 below budget. For a net ordinary Loss of (\$811,729), budgeted vs. actual. Actual net ordinary Loss is (\$659,252).**



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**Prepared for the Meeting Of: December 6, 2018**

**TO: BOARD OF DIRECTORS**

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

- 7200 Interest Income, LAIF, \$32,067 above budget – LAIF has been out-performing projections.
- 8000 CIP, \$663,144 below Budget – JMB progress payment #3 made for \$434,995.50.
- 9200 I-Bank Loan, \$10,698 below Budget – Difference due to timing.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: December 6, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru October 2018 Variances over \$2,000:**
- 4610 Property tax Receipts, \$90,804 below Budget – Funds from the County are typically received in November or December.
- 4740 Testing, Backflow, \$5,333 below Budget – No activity in the current fiscal year.
- 4810 Water Sales, Domestic, \$57,519 above budget – Increase due to rate increase as well as increased usage.
- **Overall Total Operating Income for the period ending October 31, 2018 was \$37,673 below budget. Total revenue received to date is \$712,676.**
- 5240 CDPH Fees, \$5,167 below Budget – No activity in the current fiscal year.
- 5400 Legal, \$14,485 below Budget – Difference due to timing in billing.
- 5530 Memberships, \$3,194 below Budget – Membership dues paid to the American Water Works Association & CSDA. Most paid at the beginning of the calendar year.
- 5550 Postage, \$2,054 above Budget – higher than normal newsletter activity.
- 5630 Consulting, \$5,983 below Budget – Minimal activity in current fiscal year.
- 5800 Labor, \$47,349 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, \$3,311 below Budget – Minimal activity in this fiscal year.
- 6180 Communications, \$5,470 above Budget – SCADA system maintenance.
- 6200 Engineering, \$57,855 above Budget – Water Quality engineering costs are higher than anticipated, more than double the current budget.
- 6400 Pumping, \$9,674 below Budget – Large “catch-up” bill expected later in the fiscal year.
- 6500 Supply, \$13,539 below Budget – Water purchases are below budget.
- 6600 Collection/Transmission, \$12,833 below Budget – No activity in October.
- 6700 Treatment, \$6,239 below budget – Chemicals & Filtering budget and treatment analysis costs held below expectations.
- **Overall Total Operating Expenses for the period ending October 31, 2018 were \$17,597 above Budget.**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: December 6, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Total overall Expenses for the period ending October 31, 2018 were \$57,191 below budget. For a net ordinary income of \$19,518, budgeted vs. actual. Actual net ordinary income is \$214,376.**
- 7100 Connection Fees, \$16,325 below Budget – One new construction connection and one new PFP connection fee issued in October.
- 7600 Bond Revenues, G.O. \$380,716 below Budget – Funds from the County are typically received in November or December.
- 8000 CIP, \$102,477 below Budget – Over \$44K in bills paid in the month of October for various projects.
- 9100 Interest Expense – GO Bonds \$107,349 below Budget – Difference due to timing.

## RECOMMENDATION:

This is for Board information only

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

	Jul - Oct 18	Water Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	12,184.84	11,833.32	351.52
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,042.00	1,833.32	-791.32
4420 · Administrative Fee (Remodel)	0.00	300.00	-300.00
4430 · Inspection Fee (New Constr)	988.00	1,666.68	-678.68
4440 · Inspection Fee (Remodel)	0.00	216.68	-216.68
4460 · Remodel Fees	354.00		
<b>Total 4400 · Fees</b>	<b>2,384.00</b>	<b>4,016.68</b>	<b>-1,632.68</b>
4510 · Grants	280.00		
4610 · Property Tax Receipts	862.13	91,666.68	-90,804.55
4740 · Testing, Backflow	0.00	5,333.32	-5,333.32
4810 · Water Sales, Domestic	696,017.24	638,498.68	57,518.56
4850 · Water Sales Refunds, Customer	-2,234.65	-1,000.00	-1,234.65
4990 · Other Revenue	3,182.30		
<b>Total Income</b>	<b>712,675.86</b>	<b>750,348.68</b>	<b>-37,672.82</b>
<b>Gross Profit</b>	<b>712,675.86</b>	<b>750,348.68</b>	<b>-37,672.82</b>
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	1,212.01	1,166.68	45.33
5200 · Board of Directors			
5210 · Board Meetings	294.63	1,333.32	-1,038.69
5220 · Director Fees	825.00	1,100.00	-275.00
<b>Total 5200 · Board of Directors</b>	<b>1,119.63</b>	<b>2,433.32</b>	<b>-1,313.69</b>
5240 · CDPH Fees	0.00	5,166.68	-5,166.68
5250 · Conference Attendance	111.63	2,000.00	-1,888.37
5270 · Information Systems	1,079.50	1,000.00	79.50
5300 · Insurance			
5310 · Fidelity Bond	437.50	166.68	270.82
5320 · Property & Liability Insurance	2,215.00	900.00	1,315.00
<b>Total 5300 · Insurance</b>	<b>2,652.50</b>	<b>1,066.68</b>	<b>1,585.82</b>
5350 · LAFCO Assessment	0.00	833.32	-833.32
5400 · Legal			
5420 · Meeting Attendance, Legal	13.50	2,833.32	-2,819.82
5430 · General Legal	1,550.00	20,000.00	-18,450.00
5440 · Litigation	6,785.00		
<b>Total 5400 · Legal</b>	<b>8,348.50</b>	<b>22,833.32</b>	<b>-14,484.82</b>

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

	Jul - Oct 18	Water Budget	\$ Over Budget
5510 · Maintenance, Office	1,302.96	2,666.68	-1,363.72
5530 · Memberships	3,639.00	6,833.32	-3,194.32
5540 · Office Supplies	2,975.09	2,333.32	641.77
5550 · Postage	4,386.98	2,333.32	2,053.66
5560 · Printing & Publishing	735.40	666.68	68.72
5600 · Professional Services			
5610 · Accounting	10,450.00	10,000.00	450.00
5620 · Audit	5,000.00	4,333.32	666.68
5630 · Consulting	5,683.81	11,666.68	-5,982.87
5650 · Labor & HR Support	814.00	833.32	-19.32
5660 · Payroll Services	290.98	333.32	-42.34
<b>Total 5600 · Professional Services</b>	<b>22,238.79</b>	<b>27,166.64</b>	<b>-4,927.85</b>
5710 · San Mateo Co. Tax Roll Charges	119.00		
5720 · Telephone & Internet	9,256.24	8,333.32	922.92
5730 · Mileage Reimbursement	974.85	666.68	308.17
5740 · Reference Materials	0.00	266.68	-266.68
5790 · Other Administrative	176.00		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	11,639.67	14,343.00	-2,703.33
5820 · Employee Benefits	28,480.35	26,686.00	1,794.35
5830 · Disability Insurance	1,122.04	1,429.32	-307.28
5840 · Payroll Taxes	12,030.69	16,253.32	-4,222.63
5850 · PARS	10,021.41	11,911.32	-1,889.91
5900 · Wages			
5910 · Management	34,728.68	34,575.00	153.68
5920 · Staff	118,776.86	142,268.00	-23,491.14
5930 · Staff Certification	2,550.00	3,800.00	-1,250.00
5940 · Staff Overtime	16,007.56	23,111.32	-7,103.76
5950 · Staff Standby	8,151.05	8,707.68	-556.63
<b>Total 5900 · Wages</b>	<b>180,214.15</b>	<b>212,462.00</b>	<b>-32,247.85</b>
5960 · Worker's Comp Insurance	0.00	7,772.32	-7,772.32
<b>Total 5800 · Labor</b>	<b>243,508.31</b>	<b>290,857.28</b>	<b>-47,348.97</b>
<b>Total 5000 · Administrative</b>	<b>303,836.39</b>	<b>378,623.92</b>	<b>-74,787.53</b>
6000 · Operations			
6160 · Backflow Prevention	0.00	333.32	-333.32
6170 · Claims, Property Damage	21.75	3,333.32	-3,311.57
6180 · Communications			
6185 · SCADA Maintenance	8,803.19	3,333.32	5,469.87
<b>Total 6180 · Communications</b>	<b>8,803.19</b>	<b>3,333.32</b>	<b>5,469.87</b>
6195 · Education & Training	2,387.22	3,000.00	-612.78

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

	Jul - Oct 18	Water Budget	\$ Over Budget
<b>6200 - Engineering</b>			
6210 - Meeting Attendance, Engineering	0.00	166.68	-166.68
6220 - General Engineering	7,968.05	15,000.00	-7,031.95
6230 - Water Quality Engineering	98,386.79	33,333.32	65,053.47
<b>Total 6200 - Engineering</b>	106,354.84	48,500.00	57,854.84
<b>6320 - Equipment &amp; Tools, Expensed</b>	3,845.53	1,666.68	2,178.85
<b>6330 - Facilities</b>			
6335 - Alarm Services	306.54	266.68	39.86
6337 - Landscaping	1,463.95	2,000.00	-536.05
<b>Total 6330 - Facilities</b>	1,770.49	2,266.68	-496.19
<b>6370 - Lab Supplies &amp; Equipment</b>	954.00	666.68	287.32
<b>6400 - Pumping</b>			
6410 - Pumping Fuel & Electricity	24,529.37	30,000.00	-5,470.63
6420 - Pumping Maintenance, Generators	822.01	3,333.32	-2,511.31
6430 - Pumping Maintenance, General	207.57	1,666.68	-1,459.11
6440 - Pumping Equipment, Expensed	0.00	233.32	-233.32
<b>Total 6400 - Pumping</b>	25,558.95	35,233.32	-9,674.37
<b>6500 - Supply</b>			
6510 - Maintenance, Raw Water Mains	1,445.65	700.00	745.65
6520 - Maintenance, Wells	2,381.50	3,333.32	-951.82
6530 - Water Purchases	0.00	13,333.32	-13,333.32
<b>Total 6500 - Supply</b>	3,827.15	17,366.64	-13,539.49
<b>6600 - Collection/Transmission</b>			
6610 - Hydrants	-570.00	333.32	-903.32
6620 - Maintenance, Water Mains	12,688.49	16,666.68	-3,978.19
6630 - Maintenance, Water Svc Lines	0.00	6,666.68	-6,666.68
6640 - Maintenance, Tanks	0.00	333.32	-333.32
6650 - Maint., Distribution General	0.00	2,333.32	-2,333.32
6670 - Meters	2,214.89	833.32	1,381.57
<b>Total 6600 - Collection/Transmission</b>	14,333.38	27,166.64	-12,833.26
<b>6700 - Treatment</b>			
6710 - Chemicals & Filtering	1,056.94	10,000.00	-8,943.06
6720 - Maintenance, Treatment Equip.	10,400.45	1,333.32	9,067.13
6730 - Treatment Analysis	7,637.10	14,000.00	-6,362.90
<b>Total 6700 - Treatment</b>	19,094.49	25,333.32	-6,238.83
<b>6770 - Uniforms</b>	3,572.65	4,000.00	-427.35

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Accrual Basis

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

	Jul - Oct 18	Water Budget	\$ Over Budget
<b>6800 - Vehicles</b>			
6810 - Fuel	2,389.92	2,666.68	-276.76
6820 - Truck Equipment, Expensed	108.64	333.32	-224.68
6830 - Truck Repairs	1,397.54	1,666.68	-269.14
<b>Total 6800 - Vehicles</b>	3,896.10	4,666.68	-770.58
<b>6890 - Other Operations</b>	43.48		
<b>Total 6000 - Operations</b>	194,463.22	176,866.60	17,596.62
<b>Total Expense</b>	498,299.61	555,490.52	-57,190.91
<b>Net Ordinary Income</b>	214,376.25	194,858.16	19,518.09
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 - Capital Account Revenues</b>			
7100 - Connection Fees			
7110 - Connection Fees (New Constr)	36,660.00	57,673.32	-21,013.32
7130 - Conn. Fees, PFP (New Constr)	29,322.73	26,666.68	2,656.05
7140 - Conn. Fees, PFP (Remodel)	2,032.40		
<b>Total 7100 - Connection Fees</b>	68,015.13	84,340.00	-16,324.87
7600 - Bond Revenues, G.O.	2,761.94	383,478.68	-380,716.74
<b>Total 7000 - Capital Account Revenues</b>	70,777.07	467,818.68	-397,041.61
<b>Total Other Income</b>	70,777.07	467,818.68	-397,041.61
<b>Other Expense</b>			
<b>8000 - Capital Improvement Program</b>			
8100 - Water	57,856.30	160,333.32	-102,477.02
<b>Total 8000 - Capital Improvement Program</b>	57,856.30	160,333.32	-102,477.02
<b>9000 - Capital Account Expenses</b>			
9075 - PFP Connection Expenses	6,135.00		
9100 - Interest Expense - GO Bonds	20,593.81	127,943.00	-107,349.19
9125 - PNC Equipment Lease Interest	7,197.85	5,779.40	1,418.45
9210 - Conservation Program/Rebates	700.00	666.68	33.32
<b>Total 9000 - Capital Account Expenses</b>	34,626.66	134,389.08	-99,762.42
<b>Total Other Expense</b>	92,482.96	294,722.40	-202,239.44
<b>Net Other Income</b>	-21,705.89	173,096.28	-194,802.17
<b>Net Income</b>	<b>192,670.36</b>	<b>367,954.44</b>	<b>-175,284.08</b>

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Accrual Basis

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

	Jul - Oct 18	Sewer Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 - Cell Tower Lease	12,184.80	11,833.32	351.48
<b>4400 - Fees</b>			
4410 - Administrative Fee (New Constr)	26,997.00	1,166.68	25,830.32
4420 - Administrative Fee (Remodel)	0.00	666.68	-666.68
4430 - Inspection Fee (New Constr)	1,480.00	1,166.68	313.32
4440 - Inspection Fee (Remodel)	0.00	1,333.32	-1,333.32
4460 - Remodel Fees	43,222.00	1,333.32	41,888.68
<b>Total 4400 - Fees</b>	71,699.00	5,666.68	66,032.32
4610 - Property Tax Receipts	862.12	91,666.68	-90,804.56
4710 - Sewer Service Charges	909.70	850,741.68	-849,831.98
4720 - Sewer Service Refunds, Customer	0.00	-1,333.32	1,333.32
4760 - Waste Collection Revenues	7,751.34	7,666.68	84.66
4990 - Other Revenue	2,612.29		
<b>Total Income</b>	96,019.25	966,241.72	-870,222.47
<b>Gross Profit</b>	96,019.25	966,241.72	-870,222.47
<b>Expense</b>			
<b>5000 - Administrative</b>			
5190 - Bank Fees	3,846.08	2,166.68	1,679.40
<b>5200 - Board of Directors</b>			
5210 - Board Meetings	294.65	833.32	-538.67
5220 - Director Fees	825.00	1,333.32	-508.32
5230 - Election Expenses	0.00	1,666.68	-1,666.68
<b>Total 5200 - Board of Directors</b>	1,119.65	3,833.32	-2,713.67
5250 - Conference Attendance	111.63	1,000.00	-888.37
5270 - Information Systems	1,079.50	1,333.32	-253.82
<b>5300 - Insurance</b>			
5310 - Fidelity Bond	437.50	166.68	270.82
5320 - Property & Liability Insurance	2,215.00	666.68	1,548.32
<b>Total 5300 - Insurance</b>	2,652.50	833.36	1,819.14
5350 - LAFCO Assessment	0.00	666.68	-666.68
<b>5400 - Legal</b>			
5420 - Meeting Attendance, Legal	13.50	3,166.68	-3,153.18
5430 - General Legal	16,195.00	50,000.00	-33,805.00
5440 - Litigation	34,880.00		
<b>Total 5400 - Legal</b>	51,088.50	53,166.68	-2,078.18

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

	Jul - Oct 18	Sewer Budget	\$ Over Budget
5510 · Maintenance, Office	788.74	2,666.68	-1,877.94
5530 · Memberships	3,370.00		
5540 · Office Supplies	1,411.97	2,666.68	-1,254.71
5550 · Postage	1,013.98	833.32	180.66
5560 · Printing & Publishing	735.42	1,666.68	-931.26
<b>5600 · Professional Services</b>			
5610 · Accounting	10,450.00	10,000.00	450.00
5620 · Audit	5,000.00	4,333.32	666.68
5630 · Consulting	5,098.81	6,666.68	-1,567.87
5640 · Data Services	6,079.02	2,000.00	4,079.02
5650 · Labor & HR Support	814.00	833.32	-19.32
5660 · Payroll Services	290.98	333.32	-42.34
<b>Total 5600 · Professional Services</b>	<b>27,732.81</b>	<b>24,166.64</b>	<b>3,566.17</b>
5710 · San Mateo Co. Tax Roll Charges	119.00	833.32	-714.32
5720 · Telephone & Internet	7,065.41	8,000.00	-934.59
5730 · Mileage Reimbursement	878.91	500.00	378.91
5740 · Reference Materials	0.00	66.68	-66.68
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	5,214.71	5,304.00	-89.29
5820 · Employee Benefits	21,404.25	11,878.32	9,525.93
5830 · Disability Insurance	453.44	511.32	-57.88
5840 · Payroll Taxes	4,223.43	5,796.68	-1,573.25
5850 · PARS	5,083.01	5,138.68	-55.67
<b>5900 · Wages</b>			
5910 · Management	34,728.75	34,575.00	153.75
5920 · Staff	42,450.66	39,682.32	2,768.34
5930 · Staff Certification	600.00	600.00	0.00
5940 · Staff Overtime	378.36	914.68	-536.32
<b>Total 5900 · Wages</b>	<b>78,157.77</b>	<b>75,772.00</b>	<b>2,385.77</b>
5960 · Worker's Comp Insurance	0.00	815.68	-815.68
<b>Total 5800 · Labor</b>	<b>114,536.61</b>	<b>105,216.68</b>	<b>9,319.93</b>
<b>Total 5000 · Administrative</b>	<b>217,550.71</b>	<b>209,616.72</b>	<b>7,933.99</b>
<b>6000 · Operations</b>			
6170 · Claims, Property Damage	339.30	6,666.68	-6,327.38
6195 · Education & Training	0.00	333.32	-333.32
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	666.68	-666.68
6220 · General Engineering	8,968.70	20,000.00	-11,031.30
<b>Total 6200 · Engineering</b>	<b>8,968.70</b>	<b>20,666.68</b>	<b>-11,697.98</b>
6320 · Equipment & Tools, Expensed	0.00	333.32	-333.32

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Accrual Basis

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

	Jul - Oct 18	Sewer Budget	\$ Over Budget
<b>6330 - Facilities</b>			
6335 - Alarm Services	1,873.74	1,900.00	-26.26
6337 - Landscaping	626.00	800.00	-174.00
<b>Total 6330 - Facilities</b>	2,499.74	2,700.00	-200.26
<b>6400 - Pumping</b>			
6410 - Pumping Fuel & Electricity	13,121.57	13,666.68	-545.11
<b>Total 6400 - Pumping</b>	13,121.57	13,666.68	-545.11
<b>6600 - Collection/Transmission</b>			
6660 - Maintenance, Collection System	0.00	3,333.32	-3,333.32
<b>Total 6600 - Collection/Transmission</b>	0.00	3,333.32	-3,333.32
<b>6800 - Vehicles</b>			
6810 - Fuel	206.69	333.32	-126.63
6820 - Truck Equipment, Expensed	0.00	53.32	-53.32
6830 - Truck Repairs	239.06	333.32	-94.26
<b>Total 6800 - Vehicles</b>	445.75	719.96	-274.21
<b>6900 - Sewer Authority Midcoastside</b>			
6910 - SAM Collections	83,937.57	109,345.32	-25,407.75
6920 - SAM Operations	416,382.32	416,382.32	0.00
6940 - SAM Maintenance, Collection Sys	0.00	13,333.32	-13,333.32
6950 - SAM Maintenance, Pumping	12,025.16	16,666.68	-4,641.52
<b>Total 6900 - Sewer Authority Midcoastside</b>	512,345.05	555,727.64	-43,382.59
<b>Total 6000 - Operations</b>	537,720.11	604,147.60	-66,427.49
<b>Total Expense</b>	755,270.82	813,764.32	-58,493.50
<b>Net Ordinary Income</b>	-659,251.57	152,477.40	-811,728.97
<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)	54,911.00	48,200.00	6,711.00
7120 - Connection Fees (Remodel)	6,979.00	16,666.68	-9,687.68
7130 - Conn. Fees, PFP (New Constr)	1,996.40		
<b>Total 7100 - Connection Fees</b>	63,886.40	64,866.68	-980.28
<b>7200 - Interest Income - LAIF</b>	44,567.46	12,500.00	32,067.46
<b>Total 7000 - Capital Account Revenues</b>	108,453.86	77,366.68	31,087.18
<b>Total Other Income</b>	108,453.86	77,366.68	31,087.18

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Accrual Basis

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

	Jul - Oct 18	Sewer Budget	\$ Over Budget
<b>Other Expense</b>			
<b>8000 - Capital Improvement Program</b>			
8075 - Sewer	629,355.52	1,292,500.00	-663,144.48
<b>Total 8000 - Capital Improvement Program</b>	629,355.52	1,292,500.00	-663,144.48
<b>9000 - Capital Account Expenses</b>			
9125 - PNC Equipment Lease Interest	7,197.84	5,779.40	1,418.44
9200 - I-Bank Loan	1,263.57	11,961.96	-10,698.39
<b>Total 9000 - Capital Account Expenses</b>	8,461.41	17,741.36	-9,279.95
<b>Total Other Expense</b>	637,816.93	1,310,241.36	-672,424.43
<b>Net Other Income</b>	-529,363.07	-1,232,874.68	703,511.61
<b>Net Income</b>	<b>-1,188,614.64</b>	<b>-1,080,397.28</b>	<b>-108,217.36</b>

## Montara Water & Sanitary District Funds Balance Sheet As of October 31, 2018

	Sewer	Water	TOTAL
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
<b>Sewer - Bank Accounts</b>			
Wells Fargo Operating - Sewer	1,364,083.77	0.00	1,364,083.77
LAIF Investment Fund			
Capital Reserve	3,810,640.78	0.00	3,810,640.78
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>4,412,122.78</u>	<u>0.00</u>	<u>4,412,122.78</u>
<b>Total Sewer - Bank Accounts</b>	5,776,206.55	0.00	5,776,206.55
<b>Water - Bank Accounts</b>			
Wells Fargo Operating - Water	0.00	930,168.60	930,168.60
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	46,009.00	46,009.00
SRF Reserve	0.00	48,222.00	48,222.00
Restricted Cash			
Acq & Improv Fund	0.00	286.13	286.13
Connection Fees Reserve	0.00	253,020.00	253,020.00
GO Bonds Fund	0.00	940,709.77	940,709.77
<b>Total Restricted Cash</b>	<u>0.00</u>	<u>1,194,015.90</u>	<u>1,194,015.90</u>
<b>Total Water - Bank Accounts</b>	<u>0.00</u>	<u>2,616,664.50</u>	<u>2,616,664.50</u>
<b>Total Checking/Savings</b>	5,776,206.55	2,616,664.50	8,392,871.05
<b>Accounts Receivable</b>			
<b>Sewer - Accounts Receivable</b>			
Accounts Receivable	-1,693.55	0.00	-1,693.55
Sewer - Accounts Receivable - Ot...	64,201.74	0.00	64,201.74
<b>Total Sewer - Accounts Receivable</b>	62,508.19	0.00	62,508.19
<b>Water - Accounts Receivable</b>			
Accounts Receivable	0.00	-2,727.54	-2,727.54
Accounts Rec. - Backflow	0.00	12,399.11	12,399.11
Accounts Rec. - Water Residents	0.00	197,609.19	197,609.19
Unbilled Water Receivables	0.00	259,634.72	259,634.72
<b>Total Water - Accounts Receivable</b>	<u>0.00</u>	<u>466,915.48</u>	<u>466,915.48</u>
<b>Total Accounts Receivable</b>	62,508.19	466,915.48	529,423.67
<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>	5,855,915.72	3,126,618.61	8,982,534.33
<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
Other Capital Improv.			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
<b>Total Other Capital Improv.</b>	<u>3,250,409.57</u>	<u>0.00</u>	<u>3,250,409.57</u>

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
**As of October 31, 2018**

Seal Cove Collection System	995,505.00	0.00	995,505.00
Sewage Collection Facility			
Collection Facility - Org. Cost	1,349,064.00	0.00	1,349,064.00
Collection Facility - Other	3,991,243.33	0.00	3,991,243.33
<b>Total Sewage Collection Facility</b>	<u>5,340,307.33</u>	<u>0.00</u>	<u>5,340,307.33</u>
Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-8,463,505.00	0.00	-8,463,505.00
<b>Total Sewer - Fixed Assets</b>	<u>5,062,409.24</u>	<u>0.00</u>	<u>5,062,409.24</u>
<b>Water - Fixed Assets</b>			
General Plant	0.00	26,866,754.62	26,866,754.62
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>	<u>0.00</u>	<u>18,189,939.40</u>	<u>18,189,939.40</u>
<b>Total Fixed Assets</b>	<u>5,062,409.24</u>	<u>18,189,939.40</u>	<u>23,252,348.64</u>
<b>Other Assets</b>			
<b>Sewer - Other Assets</b>			
Def'd Amts Related to Pensions	101,367.00	0.00	101,367.00
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>	<u>2,687,547.08</u>	<u>0.00</u>	<u>2,687,547.08</u>
<b>Total Sewer - Other Assets</b>	<u>2,338,564.13</u>	<u>0.00</u>	<u>2,338,564.13</u>
<b>Water - Other Assets</b>			
Def'd Amts Related to Pensions	0.00	190,536.00	190,536.00
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>	<u>0.00</u>	<u>289,809.95</u>	<u>289,809.95</u>
<b>Total Other Assets</b>	<u>2,338,564.13</u>	<u>289,809.95</u>	<u>2,628,374.08</u>
<b>TOTAL ASSETS</b>	<u><u>13,256,889.09</u></u>	<u><u>21,606,367.96</u></u>	<u><u>34,863,257.05</u></u>
<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>	<u>-163,586.09</u>	<u>281,171.49</u>	<u>117,585.40</u>
<b>Other Current Liabilities</b>			
Water - Net Pension Liability	0.00	-52,155.00	-52,155.00
Sewer - Net Pension Liability	-27,826.00	0.00	-27,826.00
<b>Sewer - Current Liabilities</b>			
Accrued Vacations	5,532.92	0.00	5,532.92
Deposits Payable	22,523.73	0.00	22,523.73
PNC Equip. Loan - S/T	30,726.50	0.00	30,726.50
<b>Total Sewer - Current Liabilities</b>	<u>58,783.15</u>	<u>0.00</u>	<u>58,783.15</u>

**Montara Water & Sanitary District**  
**Funds Balance Sheet**  
**As of October 31, 2018**

<b>Water - Current Liabilities</b>			
Accrued Vacations	0.00	14,310.99	14,310.99
Deposits Payable	0.00	43,682.23	43,682.23
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	30,726.48	30,726.48
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>794,565.36</b>	<b>794,565.36</b>
<b>Payroll Liabilities</b>			
Employee Benefits Payable	331.42	0.00	331.42
<b>Total Payroll Liabilities</b>	<b>331.42</b>	<b>0.00</b>	<b>331.42</b>
<b>Total Other Current Liabilities</b>	<b>31,288.57</b>	<b>742,410.36</b>	<b>773,698.93</b>
<b>Total Current Liabilities</b>	<b>-132,297.52</b>	<b>1,023,581.85</b>	<b>891,284.33</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>Deferred Inflows (Pensions)</b>			
Sewer	21,452.00	0.00	21,452.00
Water	0.00	40,208.00	40,208.00
<b>Total Deferred Inflows (Pensions)</b>	<b>21,452.00</b>	<b>40,208.00</b>	<b>61,660.00</b>
<b>Total Long Term Liabilities</b>	<b>1,327,487.21</b>	<b>12,916,761.82</b>	<b>14,244,249.03</b>
<b>Total Liabilities</b>	<b>1,195,189.69</b>	<b>13,940,343.67</b>	<b>15,135,533.36</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	37,932.03	0.00	37,932.03
<b>Total Sewer - Equity Accounts</b>	<b>12,092,477.10</b>	<b>0.00</b>	<b>12,092,477.10</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	-37,932.03	-37,932.03
<b>Total Water - Equity Accounts</b>	<b>0.00</b>	<b>2,653,122.98</b>	<b>2,653,122.98</b>
Equity Adjustment Account	1,157,836.94	4,820,230.95	5,978,067.89
Net Income	-1,188,614.64	192,670.36	-995,944.28
<b>Total Equity</b>	<b>12,061,699.40</b>	<b>7,666,024.29</b>	<b>19,727,723.69</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>13,256,889.09</b>	<b>21,606,367.96</b>	<b>34,863,257.05</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	1,364,083.77											
<b>Sewer - Reserve Accounts</b>															
LAIF -															
Capital Reserve	3,786,797.70	3,786,797.70	3,786,797.70	3,810,640.78									2,589,500.00	1,197,297.70	146%
Connection Fees Reserve	194,600.00	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									406,882.00	-	100%
Sub-total	4,388,279.70	4,388,279.70	4,388,279.70	4,412,122.78	-	-	-	-	-	-	-	-			
<b>Water - Operations</b>															
Wells Fargo Operating - Water	886,304.60	900,197.83	915,718.26	930,168.60											
<b>Water - Reserve Accounts</b>															
Wells Fargo Bank-															
Capital Reserve	398,249.00	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									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	46,009.00									277,745.00	(231,736.00)	17%
Sub-total	745,500.00	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	286.13											
Cost of issuance	62.94	32.94	2.94	-											
GO Bonds Fund	1,514,515.09	939,297.05	940,709.77	940,709.77											
Sub-total	1,514,954.16	939,676.12	941,028.84	940,995.90	-	-	-	-	-	-	-	-			
Total Cash and equivalents	<b>10,062,440.16</b>	<b>9,246,170.23</b>	<b>9,187,017.51</b>	<b>8,392,871.05</b>	<b>-</b>										

**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	3,046.20									12,184.80	14,791.69	-2,606.89	82.38%
<b>4400 - Fees</b>																
4410 - Administrative Fee (New Constr)	0.00	1,563.00	0.00	25,434.00									26,997.00	1,458.31	25,538.69	1,851.25%
4420 - Administrative Fee (Remodel)	0.00	0.00	0.00	0.00									0.00	833.31	-833.31	0.0%
4430 - Inspection Fee (New Constr)	0.00	1,480.00	0.00	0.00									1,480.00	1,458.31	21.69	101.49%
4440 - Inspection Fee (Remodel)	0.00	0.00	0.00	0.00									0.00	1,666.69	-1,666.69	0.0%
4460 - Remodel Fees	20,010.50	612.50	22,485.00	114.00									43,222.00	1,666.69	41,555.31	2,593.28%
<b>Total 4400 - Fees</b>	20,010.50	3,655.50	22,485.00	25,548.00									71,699.00	7,083.31	64,615.69	1,012.23%
4610 - Property Tax Receipts	0.00	0.00	635.07	227.05									862.12	114,583.31	-113,721.19	0.75%
4710 - Sewer Service Charges	0.00	909.70	0.00	0.00									909.70	1,063,427.06	-1,062,517.36	0.09%
4720 - Sewer Service Refunds, Customer	0.00	0.00	0.00	0.00									0.00	-1,666.69	1,666.69	0.0%
4760 - Waste Collection Revenues	1,054.27	3,013.27	1,067.16	2,616.64									7,751.34	9,583.31	-1,831.97	80.88%
4990 - Other Revenue	0.00	512.29	1,100.00	1,000.00									2,612.29			
<b>Total Income</b>	24,110.97	11,136.96	28,333.43	32,437.89									96,019.25	1,207,801.99	-1,111,782.74	7.95%
<b>Gross Profit</b>	24,110.97	11,136.96	28,333.43	32,437.89									96,019.25	1,207,801.99	-1,111,782.74	7.95%
<b>Expense</b>																
<b>5000 - Administrative</b>																
5190 - Bank Fees	2,741.45	348.18	388.21	368.24									3,846.08	2,708.31	1,137.77	142.01%
<b>5200 - Board of Directors</b>																
5210 - Board Meetings	20.92	125.00	0.00	148.73									294.65	1,041.69	-747.04	28.29%
5220 - Director Fees	0.00	187.50	262.50	375.00									825.00	1,666.69	-841.69	49.5%
5230 - Election Expenses	0.00	0.00	0.00	0.00									0.00	2,083.31	-2,083.31	0.0%
<b>Total 5200 - Board of Directors</b>	20.92	312.50	262.50	523.73									1,119.65	4,791.69	-3,672.04	23.37%
5250 - Conference Attendance	111.63	0.00	0.00	0.00									111.63	1,250.00	-1,138.37	8.93%
5270 - Information Systems	1,079.50	0.00	0.00	0.00									1,079.50	1,666.69	-587.19	64.77%
<b>5300 - Insurance</b>																
5310 - Fidelity Bond	0.00	437.50	0.00	0.00									437.50	208.31	229.19	210.02%
5320 - Property & Liability Insurance	0.00	0.00	2,215.00	0.00									2,215.00	833.31	1,381.69	265.81%
<b>Total 5300 - Insurance</b>	0.00	437.50	2,215.00	0.00									2,652.50	1,041.62	1,610.88	254.65%
5350 - LAFCO Assessment	0.00	0.00	0.00	0.00									0.00	833.31	-833.31	0.0%
<b>5400 - Legal</b>																
5420 - Meeting Attendance, Legal	0.00	0.00	0.00	13.50									13.50	3,958.31	-3,944.81	0.34%

**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
5430 - General Legal	0.00	0.00	0.00	16,195.00									16,195.00	62,500.00	-46,305.00	25.91%
5440 - Litigation	2,450.00	0.00	24,430.00	8,000.00									34,880.00			
<b>Total 5400 - Legal</b>	<b>2,450.00</b>	<b>0.00</b>	<b>24,430.00</b>	<b>24,208.50</b>									<b>51,088.50</b>	<b>66,458.31</b>	<b>-15,369.81</b>	<b>76.87%</b>
5510 - Maintenance, Office	0.00	528.74	100.00	160.00									788.74	3,333.31	-2,544.57	23.66%
5530 - Memberships	0.00	0.00	0.00	3,370.00									3,370.00			
5540 - Office Supplies	234.38	354.80	170.75	652.04									1,411.97	3,333.31	-1,921.34	42.36%
5550 - Postage	77.67	100.50	94.81	741.00									1,013.98	1,041.69	-27.71	97.34%
5560 - Printing & Publishing	86.83	45.44	549.38	53.77									735.42	2,083.31	-1,347.89	35.3%
<b>5600 - Professional Services</b>																
5610 - Accounting	0.00	2,050.00	0.00	8,400.00									10,450.00	12,500.00	-2,050.00	83.6%
5620 - Audit	0.00	0.00	0.00	5,000.00									5,000.00	5,416.69	-416.69	92.31%
5630 - Consulting	1,338.25	375.00	0.00	3,385.56									5,098.81	8,333.31	-3,234.50	61.19%
5640 - Data Services	0.00	6,079.02	0.00	0.00									6,079.02	2,500.00	3,579.02	243.16%
5650 - Labor & HR Support	203.50	203.50	203.50	203.50									814.00	1,041.69	-227.69	78.14%
5660 - Payroll Services	71.08	73.30	73.30	73.30									290.98	416.69	-125.71	69.83%
<b>Total 5600 - Professional Services</b>	<b>1,612.83</b>	<b>8,780.82</b>	<b>276.80</b>	<b>17,062.36</b>									<b>27,732.81</b>	<b>30,208.38</b>	<b>-2,475.57</b>	<b>91.81%</b>
5710 - San Mateo Co. Tax Roll Charges	0.00	0.00	0.00	119.00									119.00	1,041.69	-922.69	11.42%
5720 - Telephone & Internet	1,440.07	1,496.77	154.48	3,974.09									7,065.41	10,000.00	-2,934.59	70.65%
5730 - Mileage Reimbursement	0.00	0.00	0.00	878.91									878.91	625.00	253.91	140.63%
5740 - Reference Materials	0.00	0.00	0.00	0.00									0.00	83.31	-83.31	0.0%
<b>5800 - Labor</b>																
5810 - CalPERS 457 Deferred Plan	1,293.41	1,337.49	1,235.40	1,348.41									5,214.71	6,630.00	-1,415.29	78.65%
5820 - Employee Benefits	7,618.22	3,809.11	6,167.81	3,809.11									21,404.25	14,847.94	6,556.31	144.16%
5830 - Disability Insurance	113.36	113.36	113.36	113.36									453.44	639.19	-185.75	70.94%
5840 - Payroll Taxes	1,352.50	981.57	877.41	1,011.95									4,223.43	7,245.81	-3,022.38	58.29%
5850 - PARS	1,265.24	1,301.24	1,210.88	1,305.65									5,083.01	6,423.31	-1,340.30	79.13%
<b>5900 - Wages</b>																
5910 - Management	9,584.73	8,381.34	8,381.34	8,381.34									34,728.75	43,218.75	-8,490.00	80.36%
5920 - Staff	10,472.97	11,003.05	9,730.60	11,244.04									42,450.66	49,602.94	-7,152.28	85.58%
5930 - Staff Certification	150.00	150.00	150.00	150.00									600.00	750.00	-150.00	80.0%
5940 - Staff Overtime	43.56	89.28	0.00	245.52									378.36	1,143.31	-764.95	33.09%
<b>Total 5900 - Wages</b>	<b>20,251.26</b>	<b>19,623.67</b>	<b>18,261.94</b>	<b>20,020.90</b>									<b>78,157.77</b>	<b>94,715.00</b>	<b>-16,557.23</b>	<b>82.52%</b>
5960 - Worker's Comp Insurance	0.00	0.00	0.00	0.00									0.00	1,019.56	-1,019.56	0.0%
<b>Total 5800 - Labor</b>	<b>31,893.99</b>	<b>27,166.44</b>	<b>27,866.80</b>	<b>27,609.38</b>									<b>114,536.61</b>	<b>131,520.81</b>	<b>-16,984.20</b>	<b>87.09%</b>
<b>Total 5000 - Administrative</b>	<b>41,749.27</b>	<b>39,571.69</b>	<b>56,508.73</b>	<b>79,721.02</b>									<b>217,550.71</b>	<b>262,020.74</b>	<b>-44,470.03</b>	<b>83.03%</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	0.00									339.30	8,333.31	-7,994.01	4.07%	
6195 - Education & Training	0.00	0.00	0.00	0.00									0.00	416.69	-416.69	0.0%	
<b>6200 - Engineering</b>																	
6210 - Meeting Attendance, Engineering	0.00	0.00	0.00	0.00									0.00	833.31	-833.31	0.0%	
6220 - General Engineering	0.00	2,184.00	0.00	6,784.70									8,968.70	25,000.00	-16,031.30	35.88%	
<b>Total 6200 - Engineering</b>	0.00	2,184.00	0.00	6,784.70									8,968.70	25,833.31	-16,864.61	34.72%	
6320 - Equipment & Tools, Expensed	0.00	0.00	0.00	0.00									0.00	416.69	-416.69	0.0%	
<b>6330 - Facilities</b>																	
6335 - Alarm Services	518.82	391.80	444.30	518.82									1,873.74	2,375.00	-501.26	78.89%	
6337 - Landscaping	0.00	190.00	218.00	218.00									626.00	1,000.00	-374.00	62.6%	
<b>Total 6330 - Facilities</b>	518.82	581.80	662.30	736.82									2,499.74	3,375.00	-875.26	74.07%	
<b>6400 - Pumping</b>																	
6410 - Pumping Fuel & Electricity	3,313.73	3,759.06	5.26	6,043.52									13,121.57	17,083.31	-3,961.74	76.81%	
<b>Total 6400 - Pumping</b>	3,313.73	3,759.06	5.26	6,043.52									13,121.57	17,083.31	-3,961.74	76.81%	
<b>6600 - Collection/Transmission</b>																	
6660 - Maintenance, Collection System	0.00	0.00	0.00	0.00									0.00	4,166.69	-4,166.69	0.0%	
<b>Total 6600 - Collection/Transmission</b>	0.00	0.00	0.00	0.00									0.00	4,166.69	-4,166.69	0.0%	
<b>6800 - Vehicles</b>																	
6810 - Fuel	117.48	0.00	89.21	0.00									206.69	416.69	-210.00	49.6%	
6820 - Truck Equipment, Expensed	0.00	0.00	0.00	0.00									0.00	66.69	-66.69	0.0%	
6830 - Truck Repairs	31.45	0.00	207.61	0.00									239.06	416.69	-177.63	57.37%	
<b>Total 6800 - Vehicles</b>	148.93	0.00	296.82	0.00									445.75	900.07	-454.32	49.52%	
<b>6900 - Sewer Authority Midcoastside</b>																	
6910 - SAM Collections	0.00	0.00	0.00	83,937.57									83,937.57	136,681.69	-52,744.12	61.41%	
6920 - SAM Operations	104,095.58	104,095.58	104,095.58	104,095.58									416,382.32	520,477.94	-104,095.62	80.0%	
6940 - SAM Maintenance, Collection Sys	0.00	0.00	0.00	0.00									0.00	16,666.69	-16,666.69	0.0%	
6950 - SAM Maintenance, Pumping	0.00	0.00	0.00	12,025.16									12,025.16	20,833.31	-8,808.15	57.72%	
<b>Total 6900 - Sewer Authority Midcoastside</b>	104,095.58	104,095.58	104,095.58	200,058.31									512,345.05	694,659.63	-182,314.58	73.76%	
<b>Total 6000 - Operations</b>	108,416.36	110,620.44	105,059.96	213,623.35									537,720.11	755,184.70	-217,464.59	71.2%	
<b>Total Expense</b>	150,165.63	150,192.13	161,568.69	293,344.37									755,270.82	1,017,205.44	-261,934.62	74.25%	

**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>Net Ordinary Income</b>	-126,054.66	-139,055.17	-133,235.26	-260,906.48									-659,251.57	190,596.55	-849,848.12	-345.89%
<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	5,085.00									54,911.00	60,250.00	-5,339.00	91.14%
7120 - Connection Fees (Remodel)	0.00	0.00	6,979.00	0.00									6,979.00	20,833.31	-13,854.31	33.5%
7130 - Conn. Fees, PFP (New Constr)	1,996.40	0.00	0.00	0.00									1,996.40			
<b>Total 7100 - Connection Fees</b>	26,909.40	24,913.00	6,979.00	5,085.00									63,886.40	81,083.31	-17,196.91	78.79%
7200 - Interest Income - LAIF	20,724.38	0.00	0.00	23,843.08									44,567.46	12,500.00	32,067.46	356.54%
<b>Total 7000 - Capital Account Revenues</b>	47,633.78	24,913.00	6,979.00	28,928.08									108,453.86	93,583.31	14,870.55	115.89%
<b>Total Other Income</b>	47,633.78	24,913.00	6,979.00	28,928.08									108,453.86	93,583.31	14,870.55	115.89%
<b>Other Expense</b>																
<b>8000 - Capital Improvement Program</b>																
8075 - Sewer	0.00	164,486.00	0.00	464,869.52									629,355.52	1,615,625.00	-986,269.48	38.95%
<b>Total 8000 - Capital Improvement Program</b>	0.00	164,486.00	0.00	464,869.52									629,355.52	1,615,625.00	-986,269.48	38.95%
<b>9000 - Capital Account Expenses</b>																
9125 - PNC Equipment Lease Interest	1,460.18	2,890.09	0.00	2,847.57									7,197.84	7,122.11	75.73	101.06%
9200 - I-Bank Loan	1,263.57	0.00	0.00	0.00									1,263.57	11,961.96	-10,698.39	10.56%
<b>Total 9000 - Capital Account Expenses</b>	2,723.75	2,890.09	0.00	2,847.57									8,461.41	19,084.07	-10,622.66	44.34%
<b>Total Other Expense</b>	2,723.75	167,376.09	0.00	467,717.09									637,816.93	1,634,709.07	-996,892.14	39.02%
<b>Net Other Income</b>	44,910.03	-142,463.09	6,979.00	-438,789.01									-529,363.07	-1,541,125.76	1,011,762.69	34.35%
<b>Net Income</b>	<b>-81,144.63</b>	<b>-281,518.26</b>	<b>-126,256.26</b>	<b>-699,695.49</b>									<b>-1,188,614.64</b>	<b>-1,350,529.21</b>	<b>161,914.57</b>	<b>88.01%</b>

**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>Ordinary Income/Expense</b>																
<b>Income</b>																
4220 - Cell Tower Lease	3,046.21	3,046.21	3,046.21	3,046.21									12,184.84	14,791.69	-2,606.85	82.38%
<b>4400 - Fees</b>																
4410 - Administrative Fee (New Constr)	0.00	521.00	0.00	521.00									1,042.00	2,291.69	-1,249.69	45.47%
4420 - Administrative Fee (Remodel)	0.00	0.00	0.00	0.00									0.00	375.00	-375.00	0.0%
4430 - Inspection Fee (New Constr)	0.00	496.00	0.00	492.00									988.00	2,083.31	-1,095.31	47.43%
4440 - Inspection Fee (Remodel)	0.00	0.00	0.00	0.00									0.00	270.81	-270.81	0.0%
4460 - Remodel Fees	354.00	0.00	0.00	0.00									354.00			
<b>Total 4400 - Fees</b>	354.00	1,017.00	0.00	1,013.00									2,384.00	5,020.81	-2,636.81	47.48%
4510 - Grants	0.00	280.00	0.00	0.00									280.00			
4610 - Property Tax Receipts	0.00	0.00	635.08	227.05									862.13	114,583.31	-113,721.18	0.75%
4740 - Testing, Backflow	0.00	0.00	0.00	0.00									0.00	6,666.69	-6,666.69	0.0%
4810 - Water Sales, Domestic	139,171.95	220,638.79	181,536.41	154,670.09									696,017.24	798,123.31	-102,106.07	87.21%
4850 - Water Sales Refunds, Customer	0.00	-818.04	-1,416.61	0.00									-2,234.65	-1,250.00	-984.65	178.77%
4990 - Other Revenue	0.00	512.30	1,100.00	1,570.00									3,182.30			
<b>Total Income</b>	142,572.16	224,676.26	184,901.09	160,526.35									712,675.86	937,935.81	-225,259.95	75.98%
<b>Gross Profit</b>	142,572.16	224,676.26	184,901.09	160,526.35									712,675.86	937,935.81	-225,259.95	75.98%
<b>Expense</b>																
<b>5000 - Administrative</b>																
5190 - Bank Fees	1,057.50	60.00	61.57	32.94									1,212.01	1,458.31	-246.30	83.11%
<b>5200 - Board of Directors</b>																
5210 - Board Meetings	20.92	125.00	0.00	148.71									294.63	1,666.69	-1,372.06	17.68%
5220 - Director Fees	0.00	187.50	262.50	375.00									825.00	1,375.00	-550.00	60.0%
<b>Total 5200 - Board of Directors</b>	20.92	312.50	262.50	523.71									1,119.63	3,041.69	-1,922.06	36.81%
5240 - CDPH Fees	0.00	0.00	0.00	0.00									0.00	6,458.31	-6,458.31	0.0%
5250 - Conference Attendance	111.63	0.00	0.00	0.00									111.63	2,500.00	-2,388.37	4.47%
5270 - Information Systems	1,079.50	0.00	0.00	0.00									1,079.50	1,250.00	-170.50	86.36%
<b>5300 - Insurance</b>																
5310 - Fidelity Bond	0.00	437.50	0.00	0.00									437.50	208.31	229.19	210.02%
5320 - Property & Liability Insurance	0.00	0.00	2,215.00	0.00									2,215.00	1,125.00	1,090.00	196.89%
<b>Total 5300 - Insurance</b>	0.00	437.50	2,215.00	0.00									2,652.50	1,333.31	1,319.19	198.94%
5350 - LAFCO Assessment	0.00	0.00	0.00	0.00									0.00	1,041.69	-1,041.69	0.0%
5400 - Legal																

**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
5420 · Meeting Attendance, Legal	0.00	0.00	0.00	13.50									13.50	3,541.69	-3,528.19	0.38%
5430 · General Legal	0.00	0.00	0.00	1,550.00									1,550.00	25,000.00	-23,450.00	6.2%
5440 · Litigation	0.00	0.00	0.00	6,785.00									6,785.00			
<b>Total 5400 · Legal</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,348.50</b>									<b>8,348.50</b>	<b>28,541.69</b>	<b>-20,193.19</b>	<b>29.25%</b>
5510 · Maintenance, Office	0.00	880.60	220.85	201.51									1,302.96	3,333.31	-2,030.35	39.09%
5530 · Memberships	0.00	269.00	0.00	3,370.00									3,639.00	8,541.69	-4,902.69	42.6%
5540 · Office Supplies	234.37	979.73	170.75	1,590.24									2,975.09	2,916.69	58.40	102.0%
5550 · Postage	698.47	1,650.66	94.80	1,943.05									4,386.98	2,916.69	1,470.29	150.41%
5560 · Printing & Publishing	86.82	45.43	549.37	53.78									735.40	833.31	-97.91	88.25%
<b>5600 · Professional Services</b>																
5610 · Accounting	0.00	2,050.00	0.00	8,400.00									10,450.00	12,500.00	-2,050.00	83.6%
5620 · Audit	0.00	0.00	0.00	5,000.00									5,000.00	5,416.69	-416.69	92.31%
5630 · Consulting	1,923.25	375.00	0.00	3,385.56									5,683.81	14,583.31	-8,899.50	38.98%
5650 · Labor & HR Support	203.50	203.50	203.50	203.50									814.00	1,041.69	-227.69	78.14%
5660 · Payroll Services	71.08	73.30	73.30	73.30									290.98	416.69	-125.71	69.83%
<b>Total 5600 · Professional Services</b>	<b>2,197.83</b>	<b>2,701.80</b>	<b>276.80</b>	<b>17,062.36</b>									<b>22,238.79</b>	<b>33,958.38</b>	<b>-11,719.59</b>	<b>65.49%</b>
5710 · San Mateo Co. Tax Roll Charges	0.00	0.00	0.00	119.00									119.00			
5720 · Telephone & Internet	2,085.07	2,637.72	154.49	4,378.96									9,256.24	10,416.69	-1,160.45	88.86%
5730 · Mileage Reimbursement	0.00	0.00	0.00	974.85									974.85	833.31	141.54	116.99%
5740 · Reference Materials	0.00	0.00	0.00	0.00									0.00	333.31	-333.31	0.0%
5790 · Other Administrative	0.00	0.00	0.00	176.00									176.00			
<b>5800 · Labor</b>																
5810 · CalPERS 457 Deferred Plan	2,994.72	2,955.32	2,708.19	2,981.44									11,639.67	17,928.75	-6,289.08	64.92%
5820 · Employee Benefits	12,335.62	6,167.81	3,809.11	6,167.81									28,480.35	33,357.50	-4,877.15	85.38%
5830 · Disability Insurance	280.51	280.51	280.51	280.51									1,122.04	1,786.69	-664.65	62.8%
5840 · Payroll Taxes	3,386.07	2,947.62	2,695.50	3,001.50									12,030.69	20,316.69	-8,286.00	59.22%
5850 · PARS	2,499.83	2,591.96	2,333.24	2,596.38									10,021.41	14,889.19	-4,867.78	67.31%
<b>5900 · Wages</b>																
5910 · Management	9,584.72	8,381.32	8,381.32	8,381.32									34,728.68	43,218.75	-8,490.07	80.36%
5920 · Staff	29,431.49	31,019.87	27,262.39	31,063.11									118,776.86	177,835.00	-59,058.14	66.79%
5930 · Staff Certification	600.00	650.00	650.00	650.00									2,550.00	4,750.00	-2,200.00	53.68%
5940 · Staff Overtime	5,183.35	3,200.36	3,770.54	3,853.31									16,007.56	28,889.19	-12,881.63	55.41%
5950 · Staff Standby	2,034.26	2,072.54	1,964.04	2,080.21									8,151.05	10,884.56	-2,733.51	74.89%
<b>Total 5900 · Wages</b>	<b>46,833.82</b>	<b>45,324.09</b>	<b>42,028.29</b>	<b>46,027.95</b>									<b>180,214.15</b>	<b>265,577.50</b>	<b>-85,363.35</b>	<b>67.86%</b>
5960 · Worker's Comp Insurance	0.00	0.00	0.00	0.00									0.00	9,715.44	-9,715.44	0.0%

**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>Total 5800 · Labor</b>	68,330.57	60,267.31	53,854.84	61,055.59									243,508.31	363,571.76	-120,063.45	66.98%
<b>Total 5000 · Administrative</b>	75,902.68	70,242.25	57,860.97	99,830.49									303,836.39	473,280.14	-169,443.75	64.2%
<b>6000 · Operations</b>																
<b>6160 · Backflow Prevention</b>	0.00	0.00	0.00	0.00									0.00	416.69	-416.69	0.0%
<b>6170 · Claims, Property Damage</b>	0.00	21.75	0.00	0.00									21.75	4,166.69	-4,144.94	0.52%
<b>6180 · Communications</b>																
<b>6185 · SCADA Maintenance</b>	0.00	6,300.00	0.00	2,503.19									8,803.19	4,166.69	4,636.50	211.28%
<b>Total 6180 · Communications</b>	0.00	6,300.00	0.00	2,503.19									8,803.19	4,166.69	4,636.50	211.28%
<b>6195 · Education &amp; Training</b>	1,498.58	200.00	166.09	522.55									2,387.22	3,750.00	-1,362.78	63.66%
<b>6200 · Engineering</b>																
<b>6210 · Meeting Attendance, Engineering</b>	0.00	0.00	0.00	0.00									0.00	208.31	-208.31	0.0%
<b>6220 · General Engineering</b>	0.00	1,785.00	2,033.75	4,149.30									7,968.05	18,750.00	-10,781.95	42.5%
<b>6230 · Water Quality Engineering</b>	0.00	38,201.29	21,065.50	39,120.00									98,386.79	41,666.69	56,720.10	236.13%
<b>Total 6200 · Engineering</b>	0.00	39,986.29	23,099.25	43,269.30									106,354.84	60,625.00	45,729.84	175.43%
<b>6320 · Equipment &amp; Tools, Expensed</b>	1,525.40	1,001.58	305.35	1,013.20									3,845.53	2,083.31	1,762.22	184.59%
<b>6330 · Facilities</b>																
<b>6335 · Alarm Services</b>	127.02	0.00	52.50	127.02									306.54	333.31	-26.77	91.97%
<b>6337 · Landscaping</b>	0.00	497.95	483.00	483.00									1,463.95	2,500.00	-1,036.05	58.56%
<b>6330 · Facilities - Other</b>	0.00	0.00	0.00	0.00									0.00			
<b>Total 6330 · Facilities</b>	127.02	497.95	535.50	610.02									1,770.49	2,833.31	-1,062.82	62.49%
<b>6370 · Lab Supplies &amp; Equipment</b>	0.00	460.08	0.00	493.92									954.00	833.31	120.69	114.48%
<b>6400 · Pumping</b>																
<b>6410 · Pumping Fuel &amp; Electricity</b>	6,089.22	6,538.30	1,571.22	10,330.63									24,529.37	37,500.00	-12,970.63	65.41%
<b>6420 · Pumping Maintenance, Generators</b>	0.00	393.39	428.62	0.00									822.01	4,166.69	-3,344.68	19.73%
<b>6430 · Pumping Maintenance, General</b>	0.00	207.57	0.00	0.00									207.57	2,083.31	-1,875.74	9.96%
<b>6440 · Pumping Equipment, Expensed</b>	0.00	0.00	0.00	0.00									0.00	291.69	-291.69	0.0%
<b>Total 6400 · Pumping</b>	6,089.22	7,139.26	1,999.84	10,330.63									25,558.95	44,041.69	-18,482.74	58.03%
<b>6500 · Supply</b>																
<b>6510 · Maintenance, Raw Water Mains</b>	0.00	0.00	0.00	1,445.65									1,445.65	875.00	570.65	165.22%
<b>6520 · Maintenance, Wells</b>	0.00	2,189.25	0.00	192.25									2,381.50	4,166.69	-1,785.19	57.16%
<b>6530 · Water Purchases</b>	0.00	0.00	0.00	0.00									0.00	16,666.69	-16,666.69	0.0%
<b>Total 6500 · Supply</b>	0.00	2,189.25	0.00	1,637.90									3,827.15	21,708.38	-17,881.23	17.63%

**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>6600 · Collection/Transmission</b>																	
6610 · Hydrants	0.00	-570.00	0.00	0.00									-570.00	416.69	-986.69	-136.79%	
6620 · Maintenance, Water Mains	0.00	6,313.73	6,374.76	0.00									12,688.49	20,833.31	-8,144.82	60.91%	
6630 · Maintenance, Water Svc Lines	0.00	0.00	0.00	0.00									0.00	8,333.31	-8,333.31	0.0%	
6640 · Maintenance, Tanks	0.00	0.00	0.00	0.00									0.00	416.69	-416.69	0.0%	
6650 · Maint., Distribution General	0.00	0.00	0.00	0.00									0.00	2,916.69	-2,916.69	0.0%	
6670 · Meters	0.00	0.00	2,214.89	0.00									2,214.89	1,041.69	1,173.20	212.63%	
<b>Total 6600 · Collection/Transmission</b>	<b>0.00</b>	<b>5,743.73</b>	<b>8,589.65</b>	<b>0.00</b>									<b>14,333.38</b>	<b>33,958.38</b>	<b>-19,625.00</b>	<b>42.21%</b>	
<b>6700 · Treatment</b>																	
6710 · Chemicals & Filtering	0.00	193.52	292.50	570.92									1,056.94	12,500.00	-11,443.06	8.46%	
6720 · Maintenance, Treatment Equip.	7.16	10.09	9,686.80	696.40									10,400.45	1,666.69	8,733.76	624.02%	
6730 · Treatment Analysis	61.80	374.60	6,598.10	602.60									7,637.10	17,500.00	-9,862.90	43.64%	
<b>Total 6700 · Treatment</b>	<b>68.96</b>	<b>578.21</b>	<b>16,577.40</b>	<b>1,869.92</b>									<b>19,094.49</b>	<b>31,666.69</b>	<b>-12,572.20</b>	<b>60.3%</b>	
6770 · Uniforms	1,024.15	814.00	905.15	829.35									3,572.65	5,000.00	-1,427.35	71.45%	
<b>6800 · Vehicles</b>																	
6810 · Fuel	665.72	594.74	-89.21	1,218.67									2,389.92	3,333.31	-943.39	71.7%	
6820 · Truck Equipment, Expensed	0.00	0.00	0.00	108.64									108.64	416.69	-308.05	26.07%	
6830 · Truck Repairs	178.20	595.30	581.16	42.88									1,397.54	2,083.31	-685.77	67.08%	
<b>Total 6800 · Vehicles</b>	<b>843.92</b>	<b>1,190.04</b>	<b>491.95</b>	<b>1,370.19</b>									<b>3,896.10</b>	<b>5,833.31</b>	<b>-1,937.21</b>	<b>66.79%</b>	
6890 · Other Operations	0.00	0.00	0.00	43.48									43.48				
<b>Total 6000 · Operations</b>	<b>11,177.25</b>	<b>66,122.14</b>	<b>52,670.18</b>	<b>64,493.65</b>									<b>194,463.22</b>	<b>221,083.45</b>	<b>-26,620.23</b>	<b>87.96%</b>	
<b>Total Expense</b>	<b>87,079.93</b>	<b>136,364.39</b>	<b>110,531.15</b>	<b>164,324.14</b>									<b>498,299.61</b>	<b>694,363.59</b>	<b>-196,063.98</b>	<b>71.76%</b>	
<b>Net Ordinary Income</b>	<b>55,492.23</b>	<b>88,311.87</b>	<b>74,369.94</b>	<b>-3,797.79</b>									<b>214,376.25</b>	<b>243,572.22</b>	<b>-29,195.97</b>	<b>88.01%</b>	
<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	19,203.00									36,660.00	72,091.69	-35,431.69	50.85%	
7130 · Conn. Fees, PFP (New Constr)	0.00	8,706.00	11,910.73	8,706.00									29,322.73	33,333.31	-4,010.58	87.97%	
7140 · Conn. Fees, PFP (Remodel)	0.00	2,032.40	0.00	0.00									2,032.40				
<b>Total 7100 · Connection Fees</b>	<b>0.00</b>	<b>28,195.40</b>	<b>11,910.73</b>	<b>27,909.00</b>									<b>68,015.13</b>	<b>105,425.00</b>	<b>-37,409.87</b>	<b>64.52%</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
7600 - Bond Revenues, G.O.	0.00	0.00	1,412.72	1,349.22									2,761.94	479,348.31	-476,586.37	0.58%
<b>Total 7000 - Capital Account Revenues</b>	<b>0.00</b>	<b>28,195.40</b>	<b>13,323.45</b>	<b>29,258.22</b>									<b>70,777.07</b>	<b>584,773.31</b>	<b>-513,996.24</b>	<b>12.1%</b>
<b>Total Other Income</b>	<b>0.00</b>	<b>28,195.40</b>	<b>13,323.45</b>	<b>29,258.22</b>									<b>70,777.07</b>	<b>584,773.31</b>	<b>-513,996.24</b>	<b>12.1%</b>
<b>Other Expense</b>																
<b>8000 - Capital Improvement Program</b>																
8100 - Water	0.00	5,337.50	11,684.01	40,834.79									57,856.30	200,416.69	-142,560.39	28.87%
<b>Total 8000 - Capital Improvement Program</b>	<b>0.00</b>	<b>5,337.50</b>	<b>11,684.01</b>	<b>40,834.79</b>									<b>57,856.30</b>	<b>200,416.69</b>	<b>-142,560.39</b>	<b>28.87%</b>
<b>9000 - Capital Account Expenses</b>																
9075 - PFP Connection Expenses	0.00	0.00	0.00	6,135.00									6,135.00			
9100 - Interest Expense - GO Bonds	0.00	20,593.81	0.00	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	2,847.56									7,197.85	7,122.11	75.74	101.06%
9150 - SRF Loan	0.00	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	400.00									700.00	833.31	-133.31	84.0%
<b>Total 9000 - Capital Account Expenses</b>	<b>1,460.19</b>	<b>23,783.91</b>	<b>0.00</b>	<b>9,382.56</b>									<b>34,626.66</b>	<b>174,435.98</b>	<b>-139,809.32</b>	<b>19.85%</b>
<b>Total Other Expense</b>	<b>1,460.19</b>	<b>29,121.41</b>	<b>11,684.01</b>	<b>50,217.35</b>									<b>92,482.96</b>	<b>374,852.67</b>	<b>-282,369.71</b>	<b>24.67%</b>
<b>Net Other Income</b>	<b>-1,460.19</b>	<b>-926.01</b>	<b>1,639.44</b>	<b>-20,959.13</b>									<b>-21,705.89</b>	<b>209,920.64</b>	<b>-231,626.53</b>	<b>-10.34%</b>
<b>Net Income</b>	<b>54,032.04</b>	<b>87,385.86</b>	<b>76,009.38</b>	<b>-24,756.92</b>									<b>192,670.36</b>	<b>453,492.86</b>	<b>-260,822.50</b>	<b>42.49%</b>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: SAM Flow Report for October 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 October 2018.
- Collection System Monthly Overflow Report – October 2018.

The Average Daily Flow for Montara was 0.209 MGD in October 2018. There was no reportable overflow in October in the Montara System. SAM indicates there were 0.15 inches of rain in October 2018.

RECOMMENDATION:

Review and file.

Attachments

# Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, October 2018

## October 2018

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

## 12 Month Moving Total

	12 month rolling Number				
	Total	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	1	1	0	0	0
Wet Weather	0	0	0	0	0
Other	1	1	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

## Reportable SSOs

	Reportable Number of S.S.O.'s				
	Total	HMB	GCSD	MWSD	SAM
October 2018	0	0	0	0	0
12 Month Moving Total	2	2	0	0	0

## SSOs / Year / 100 Miles

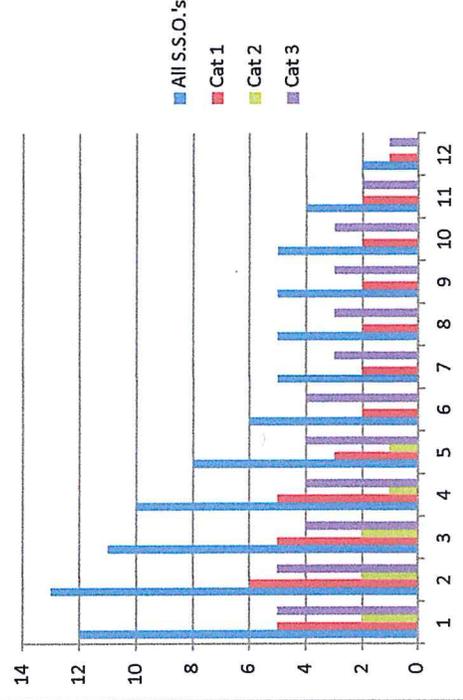
	Number of S.S.O.'s /Year/100 Miles				
	Total	HMB	GCSD	MWSD	SAM
October 2018	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	1.9	5.4	0.0	0.0	0.0
Category 1	1.0	2.7	0.0	0.0	0.0
Category 2	0.0	0.0	0.0	0.0	0.0
Category 3	1.0	2.7	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

## 12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
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
Oct - 18	21,189	10,969	14,786	46,944	8.9
<b>Annual ft</b>	<b>233,728</b>	<b>177,922</b>	<b>136,317</b>	<b>547,967</b>	

<b>Annual Mi.</b>	<b>44.3</b>	<b>33.7</b>	<b>25.8</b>	<b>103.8</b>
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## 12 Month Moving SSO Totals Through October 2018



## Attachment A

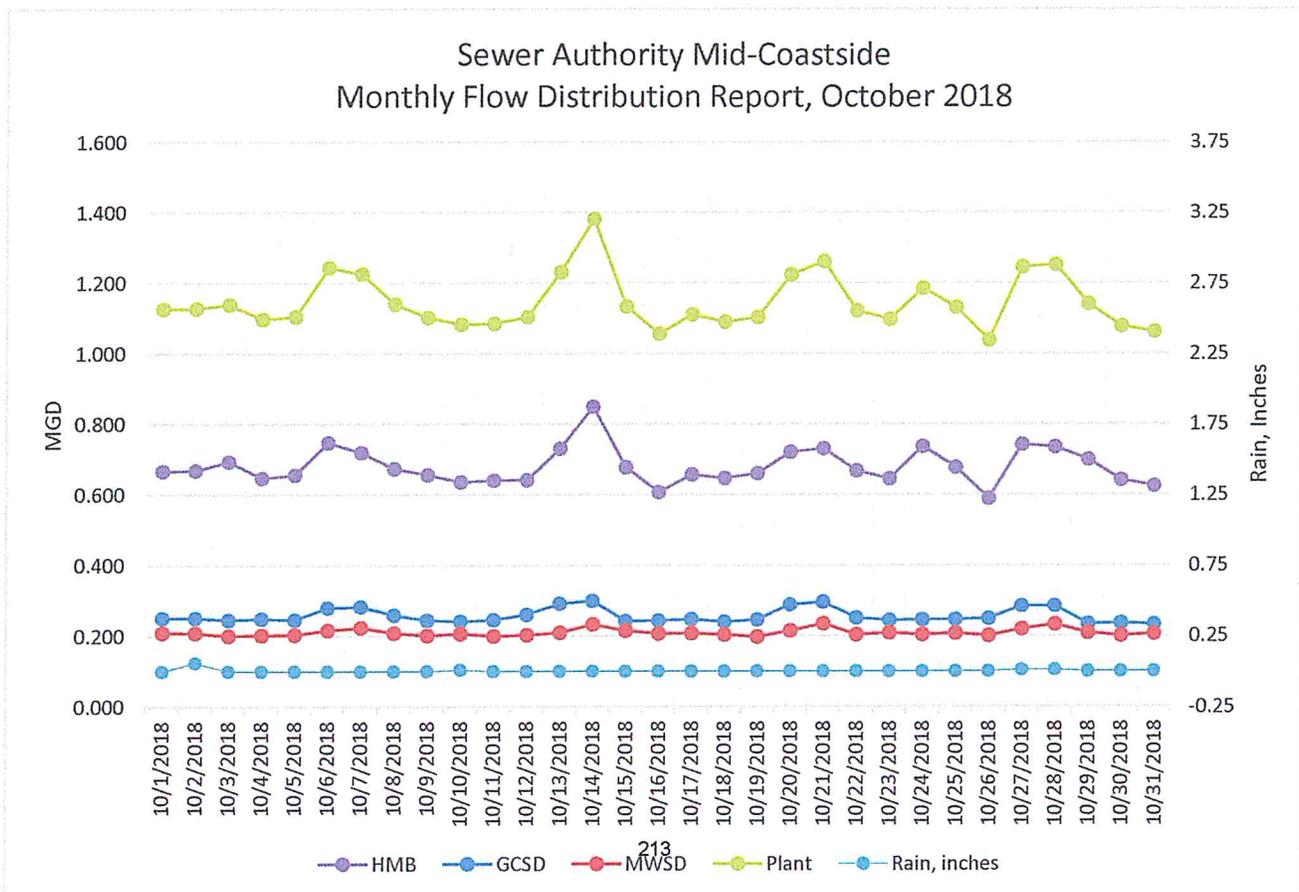
### Flow Distribution Report Summary for October 2018

The daily flow report figures for the month of October 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	0.680	59.4%
Granada Community Services District	0.256	22.4%
Montara Water and Sanitary District	<u>0.209</u>	<u>18.2%</u>
<b>Total</b>	<b>1.145</b>	<b>100.0%</b>



# Sewer Authority Mid-Coastside

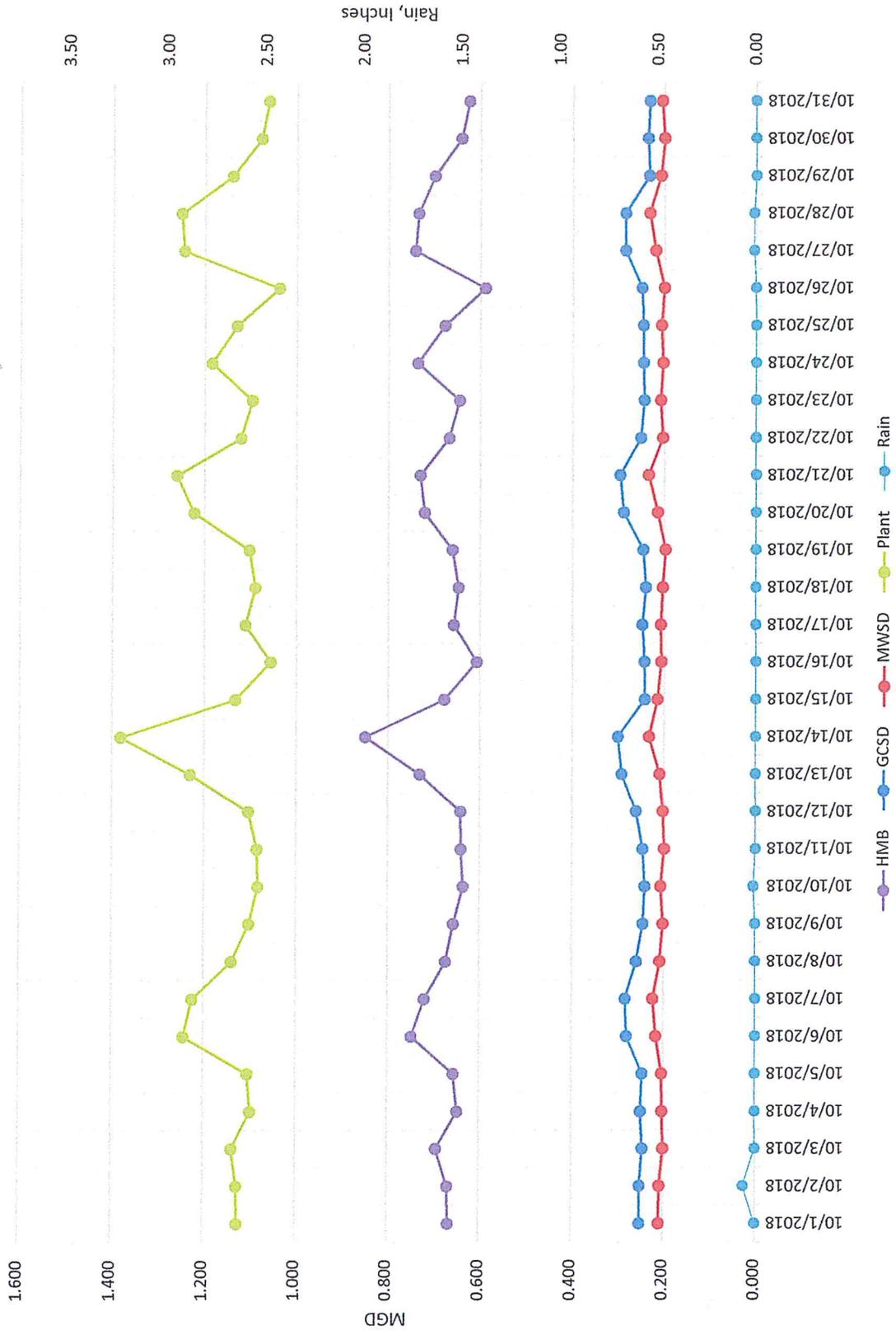
## Monthly Flow Distribution Report for October 2018

<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>
10/1/2018	0.667	0.250	0.209	1.126	0.00	0.00	0.00
10/2/2018	0.669	0.251	0.208	1.127	0.06	0.09	0.14
10/3/2018	0.693	0.245	0.200	1.138	0.00	0.00	0.00
10/4/2018	0.647	0.248	0.202	1.098	0.00	0.00	0.00
10/5/2018	0.656	0.245	0.203	1.104	0.00	0.00	0.00
10/6/2018	0.747	0.280	0.216	1.243	0.00	0.00	0.00
10/7/2018	0.719	0.283	0.223	1.225	0.00	0.00	0.00
10/8/2018	0.673	0.258	0.208	1.140	0.00	0.00	0.00
10/9/2018	0.656	0.244	0.201	1.101	0.00	0.00	0.01
10/10/2018	0.636	0.241	0.206	1.083	0.01	0.00	0.00
10/11/2018	0.641	0.245	0.199	1.085	0.00	0.00	0.00
10/12/2018	0.641	0.260	0.202	1.103	0.00	0.00	0.00
10/13/2018	0.730	0.291	0.209	1.231	0.00	0.00	0.00
10/14/2018	0.849	0.300	0.232	1.381	0.00	0.00	0.00
10/15/2018	0.677	0.242	0.214	1.133	0.00	0.00	0.00
10/16/2018	0.607	0.243	0.206	1.056	0.00	0.00	0.00
10/17/2018	0.657	0.247	0.207	1.110	0.00	0.00	0.00
10/18/2018	0.647	0.240	0.203	1.090	0.00	0.00	0.00
10/19/2018	0.660	0.246	0.197	1.103	0.00	0.00	0.00
10/20/2018	0.721	0.288	0.214	1.223	0.00	0.00	0.00
10/21/2018	0.730	0.296	0.234	1.260	0.00	0.00	0.00
10/22/2018	0.668	0.251	0.203	1.121	0.00	0.00	0.00
10/23/2018	0.645	0.244	0.208	1.097	0.00	0.00	0.00
10/24/2018	0.736	0.245	0.203	1.185	0.00	0.00	0.00
10/25/2018	0.677	0.246	0.207	1.130	0.00	0.00	0.00
10/26/2018	0.589	0.249	0.200	1.038	0.00	0.00	0.00
10/27/2018	0.742	0.285	0.219	1.245	0.01	0.00	0.00
10/28/2018	0.734	0.285	0.232	1.251	0.01	0.00	0.00
10/29/2018	0.699	0.233	0.208	1.140	0.00	0.00	0.00
10/30/2018	0.641	0.236	0.200	1.077	0.00	0.00	0.00
10/31/2018	0.624	0.232	0.205	1.061	0.00	0.00	0.00
<b>Totals</b>	<b>21.081</b>	<b>7.948</b>	<b>6.478</b>	<b>35.507</b>	<b>0.09</b>	<b>0.09</b>	<b>0.15</b>

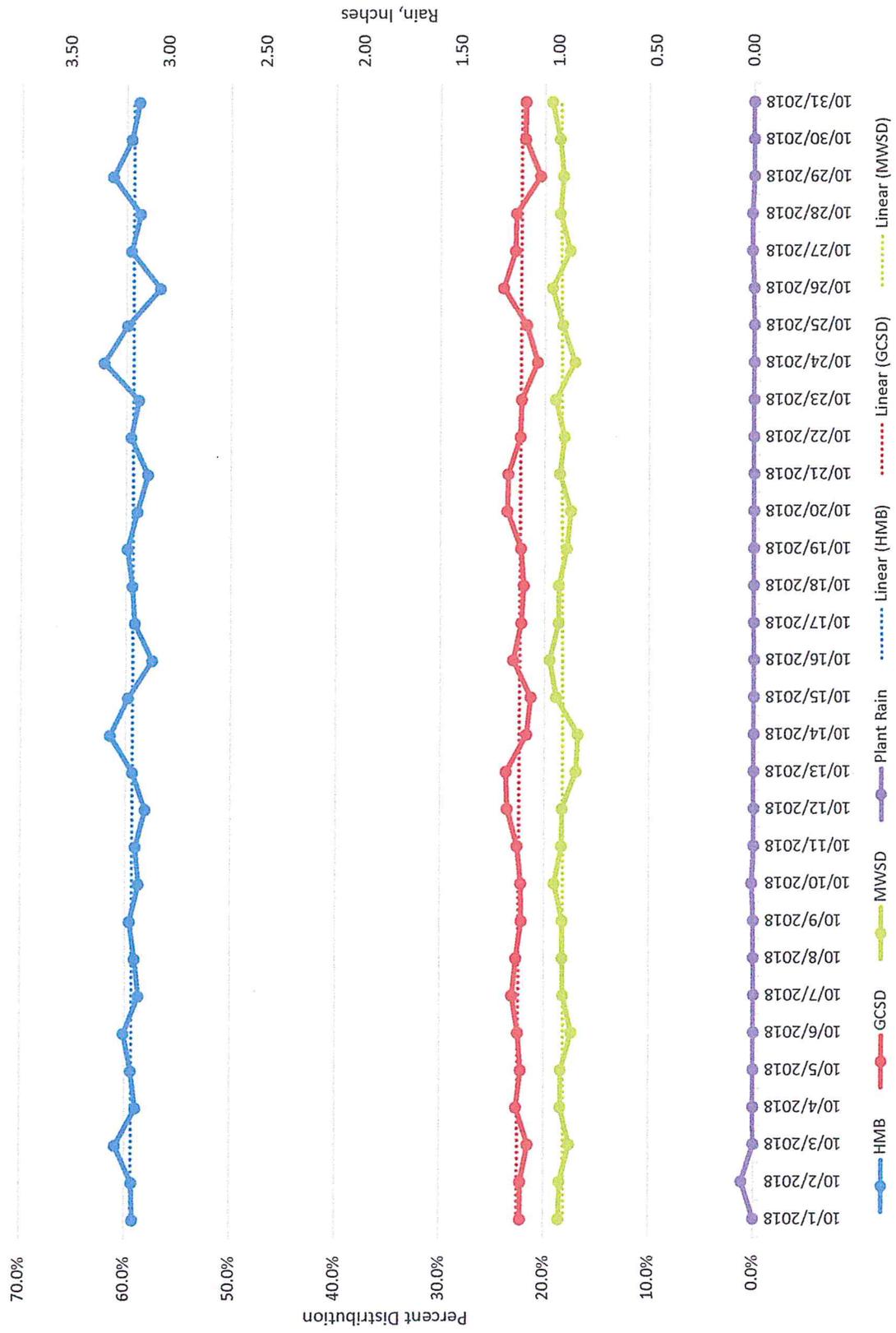
### Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.589	0.232	0.197	1.038
<b>Average</b>	<b>0.680</b>	<b>0.256</b>	<b>0.209</b>	<b>1.145</b>
Maximum	0.849	0.300	0.234	1.381
<b>Distribution</b>	<b>59.4%</b>	<b>22.4%</b>	<b>18.2%</b>	<b>100.0%</b>

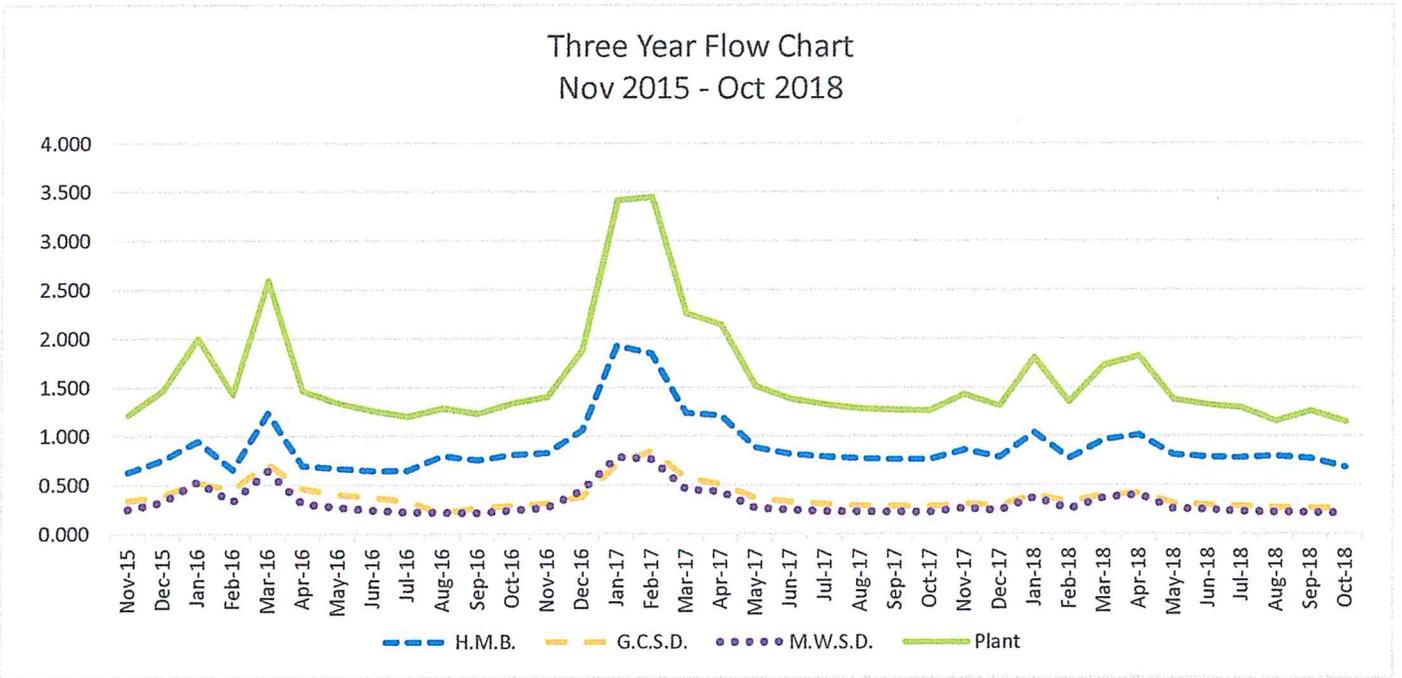
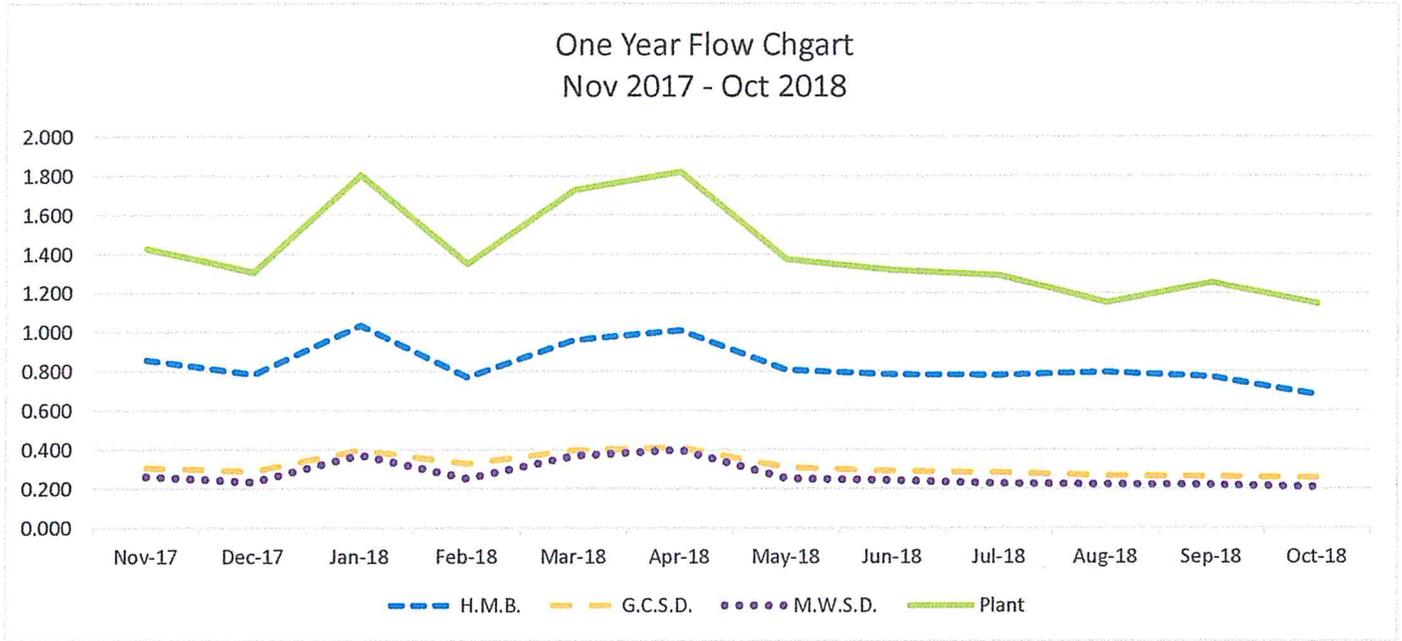
# Sewer Authority Mid-Coastside Monthly Flow Distribution Report, October 2018



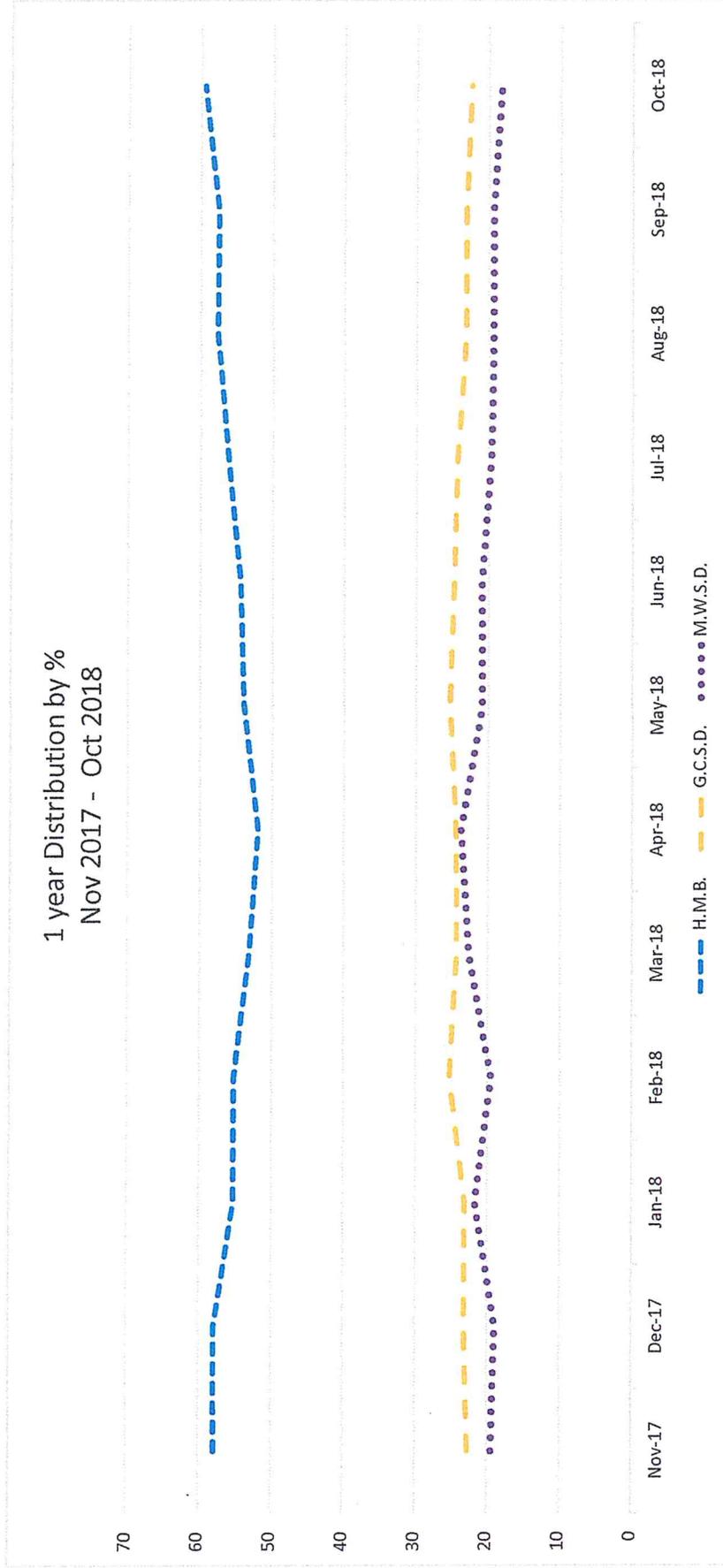
# Percent Distribution October 2018



Most recent flow calibration April 2018 PS, April 2018 Plant



# Flow based percent distribution based for past year





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 6, 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 October 2018 the rate was 2.144.
- 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: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Connection Permit Applications Received**

As of December 6, 2018 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
11-30-2018	Thomas & Mary Piller	820 Edison, Montara	SFD

As of December 6, 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
11-30-2018	Thomas & Mary Piller	820 Edison, Montara	SFD

As of December 6, 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
11-30-2018	Thomas & Mary Piller	820 Edison, Montara	SFD	Domestic

**RECOMMENDATION:**

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 6th, 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.

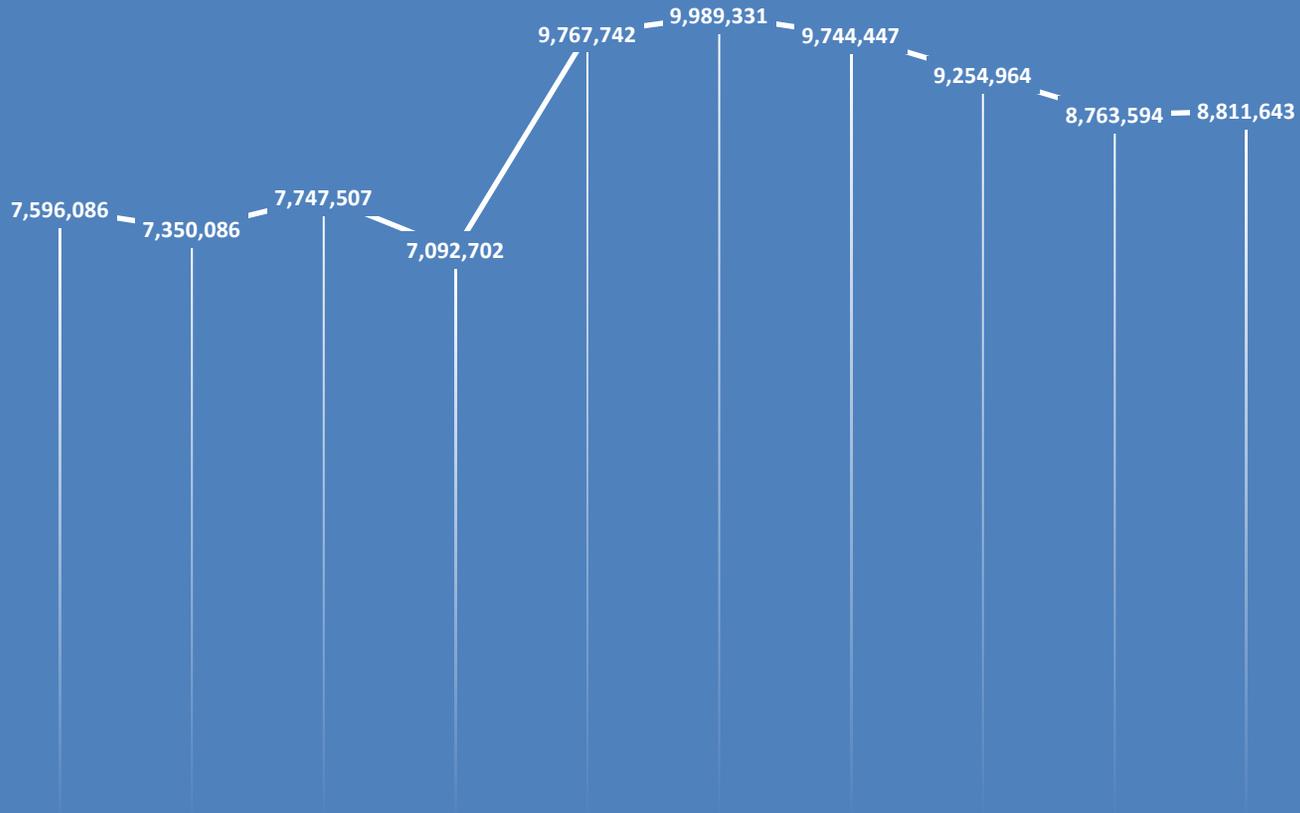
## RECOMMENDATION:

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	8,811,643		

MONTH





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: December 6th, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Rain Report**

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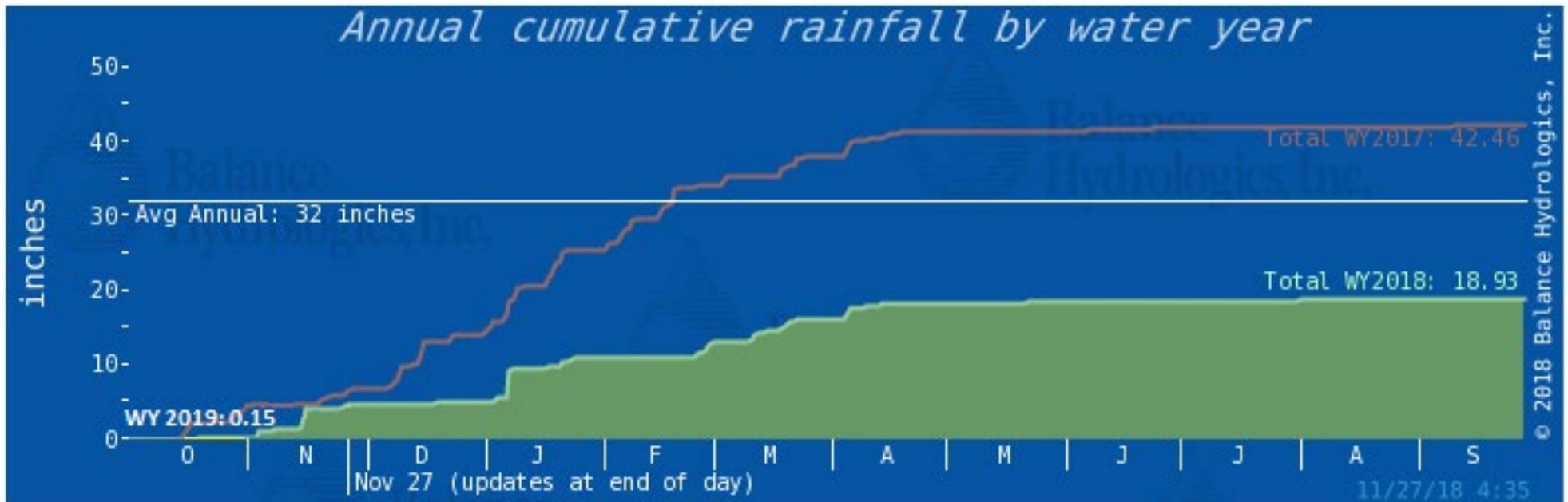
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

## RECOMMENDATION:

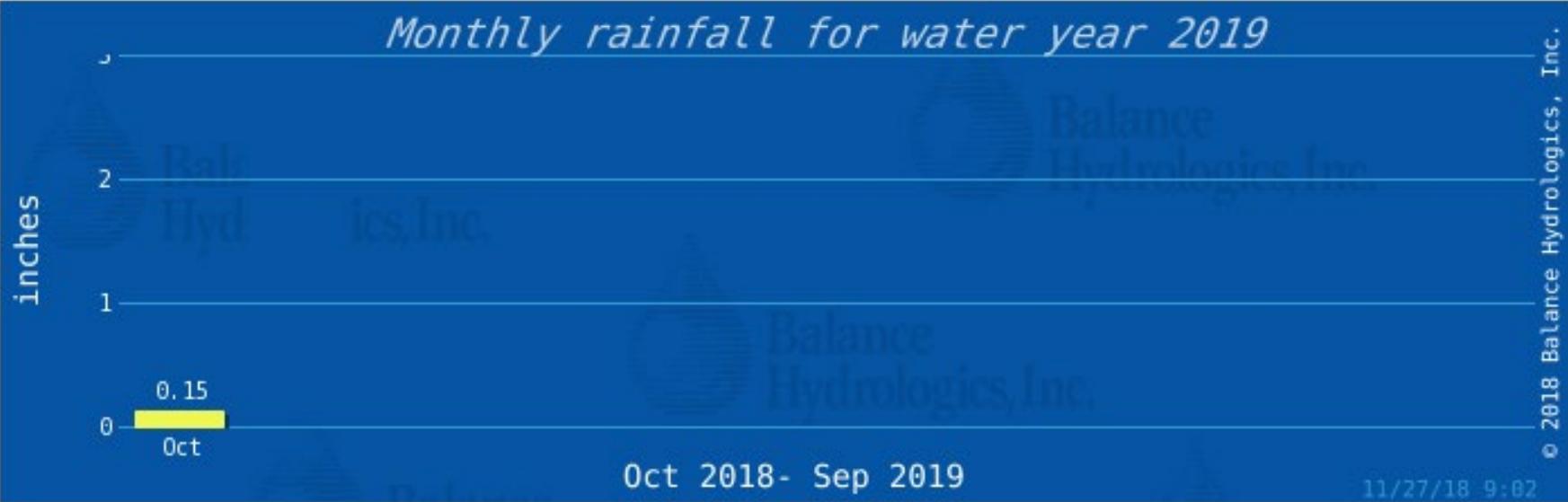
No action is required. These reports are provided for the Board's information only.

Attachments: 2

# Annual Cumulative Rainfall



# Monthly Cumulative Rainfall





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 6th, 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: Monthly Solar Energy Report**

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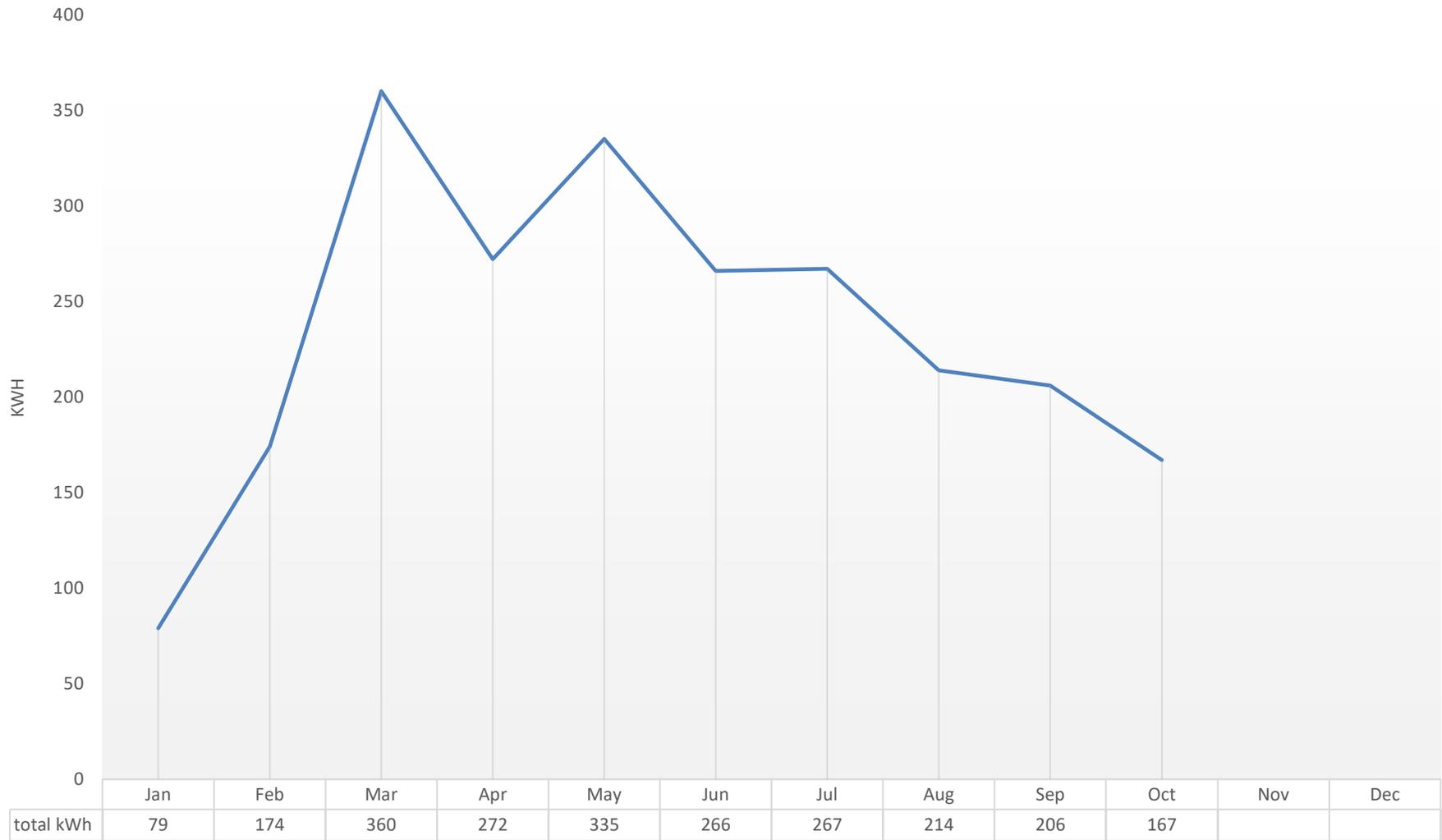
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 42081 kWh and saved 71538 lbs of CO<sub>2</sub>.

## 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: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

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The District has received the monthly PARS report for September 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  
9/1/2018 to 9/30/2018**

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 9/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 9/30/2018
Contributions	\$676,690.89	\$6,956.21	(\$1,547.59)	\$315.66	\$1,063.36	\$0.00	\$680,720.49
<b>TOTAL</b>	<b>\$676,690.89</b>	<b>\$6,956.21</b>	<b>(\$1,547.59)</b>	<b>\$315.66</b>	<b>\$1,063.36</b>	<b>\$0.00</b>	<b>\$680,720.49</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	-0.23%	3.69%	8.84%	-	-	-	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.

## September 2018 PARS Statement Detail Information

PARS Beginning Balance as of September 1, 2018    \$ 676,690.89

**Contributions:**

August 15, 2018 Calculation

Wages	\$ 27,204.37	
Employer - 6.92%	\$ 1,882.54	
Employee - 7.75%	\$ 1,459.75	
Contributions Subtotal		\$ 3,342.30

August 31, 2018 Calculation

Wages	\$ 29,055.88	
Employer - 6.92%	\$ 2,010.67	
Employee - 7.75%	\$ 1,603.25	
Contributions Subtotal		\$ 3,613.91

Rounding

Total Contributions thru August	\$ 6,956.21	
Rounding	\$ -	
	\$ 6,956.21	

Earnings (\$1,547.59)

Expenses \$ (315.66)

Distributions \$ (1,063.36)

PARS Ending Balance as of September 30    \$ 680,720.49

Fund Impact - PARS Wages			
Sewer	Water	Total	
\$ 9,141.91	\$ 18,062.47	\$ 27,204.37	
\$ 632.62	\$ 1,249.92	\$ 1,882.54	



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 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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At the November 1 meeting, the board asked for a financial analysis of the suggested steps to bring sewer maintenance staff in-house and compare to the SAM suggested agreement.

Alex Handlers with Bartle Wells prepared the attached memorandum and will present the findings to the full Board.

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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 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

## RECOMMENDATION:

Authorize the General Manager to prepare a draft collections budget, prepare draft RFP for transitional services, and negotiate remaining services with SAM.



Date: December 3, 2018

To: Clemens Heldmaier, Montara Water & Sanitary District

From: Alex Handlers, Bartle Wells Associates

Re: Financial Analysis of In-House Sewer Collection System Operations

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## **Background**

The Sewer Authority Mid-Coastside (SAM) is a joint powers authority (JPA) formed in 1976 to provide wastewater treatment services to its member agencies who currently include the City of Half Moon Bay (HMB), the Granada Community Services District (GCSD), and the Montara Water and Sanitary District (MWSD). SAM owns and operates wastewater conveyance, treatment, and effluent disposal facilities for the joint benefit of its member agencies.

Each of the member agencies owns its own local sewer collection system. Since 1983, SAM has been providing contractual operating and maintenance services for all three member agencies' local sewer collection systems pursuant to separate agreements with each agency. This has enabled the use of a single collections system crew managed by SAM to serve all three member agencies, providing economies of scale for regional collection system operations and shared administrative and emergency response staffing. The contract collection agreements with each agency can be terminated by either party, with or without cause, by providing written notice 90 days prior to termination.

The City of Half Moon Bay is currently in the process of transitioning away from contracting with SAM to use of a private contractor for provision of sewer collection system operating and maintenance services. HMB has cut back its use of SAM for sewer collection system operations by approximately 50% in the current fiscal year and plans to completely terminate SAM's contract collection services starting at the beginning of the next fiscal year 2019/20. SAM would subsequently only provide sewer collection services GCSD and MWSD.

## **In-House Sewer Collection System Operations**

In 2015, MWSD began evaluating the potential for providing in-house sewer collection system operations vs. continuing to contract with SAM. MWSD's primary goals have included a) improving service, b) more closely managing liability and SSO risk, c) increasing accountability, and d) improving State reporting accuracy. HMB's subsequent decision to transition to use of a private contract operator for sewer collection system operations has provided additional impetus to evaluate the potential for in-house operations as HMB plans to fully transition to private contract operations by July 1, 2019, which is only about seven months away.

MWSD provides operating and maintenance services for its water system and has the capacity to provide similar services to its sewer collection system. A memo by Nute Engineering (MWSD's sewer system engineering consultant) dated October 24, 2018 identifies a number of operational benefits for transitioning to in-house sewer collection system operations and also provides some preliminary cost estimates for providing these services.

This memo supplements Nute Engineering's analysis by a) providing an initial assessment of the financial impacts of transitioning to in-house sewer collection system operations, and b) comparing the estimated costs for continued provision of service by SAM to the costs for in-house collection system operations. The analysis is based on:

- SAM budget projections for collection system contract operations that account for the phase out of service to Half Moon Bay with subsequent cost allocations to GCSD and MWSD only.
- Cost estimates for in-house sewer collection system staffing and equipment based on input from Nute Engineering and MWSD.
- The assumption that concurrent with the potential provision of in-house collection system operations, MWSD would also provide contractual sewer collection system operating and maintenance services to GCSD as it would not make economic sense to have three separate operators providing regional service.

### **Projected Costs for Continued SAM Contract Collection Services**

Table 1 attached shows SAM's historical, budget, and projected revenues and expenses for providing contract sewer collection system services. The revenue and expense projections were developed by SAM assuming that a) SAM would fully terminate provision of sewer collection system services to HMB by the end of the current fiscal year 2018/19 and b) SAM would continue providing GCSD and MWSD the same level of services as it currently provides.

### **Estimated Incremental Costs for In-House Collection System Operations**

Table 2 attached shows estimated incremental expenses for providing in-house sewer collection system operations. Costs include a) salaries and benefits for 3 new full-time equivalent staff members needed for the sewer collection system including a Field Superintendent and two operators, b) estimates for an up-front cost outlay for required vehicles and equipment, although these costs could be amortized over a number years via use of a vehicle and/or equipment lease, if desired, and c) other related costs for initial training and SCADA modifications as well as ongoing expenses for insurance, utilities, contract cleaning, professional services and other miscellaneous expenses.

Table 2 also accounts for estimated revenues to MWSD for providing contract sewer collection system services to GCSD and emergency response services for both GCSD and HMB. The table provides a preliminary, good-faith estimate of future net funding requirements for MWSD to provide in-house sewer collection system operations.

## **Financial Comparison of In-House vs. Continue SAM Contract Collection Services**

Table 3 compares MWSD's net funding requirements for in-house sewer collection system operations vs. MWSD's share of future costs for continues SAM contract collection services based on SAM budget projections. Although the analysis based on preliminary estimates at this stage, it provides indication that MWSD could achieve future cost savings by transitioning to in-house sewer collection system operations. While MWSD may need to incur a higher level of funding for initial one-time costs related to the purchase of vehicles and equipment, training, and SCADA transition, long-term savings could be achieved by transitioning to in-house operations.

In addition, establishing in-house sewer collection system operations also provides some crossover financial benefits to the water system including shared administrative costs and savings for having a single crew on call for emergency response services to both the water and sewer systems, instead of having separate crews for each service.

### **Summary of Findings**

While the extent of potential cost savings is difficult to quantify with precision at this stage, financial analysis indicates that MWSD could achieve future cost savings by transitioning to in-house sewer collection system operations. Hence, in-house operations offer the potential to provide both operational and financial benefits to MWSD. In light of this, BWA recommends that MWSD continue pursuing the potential for providing in-house sewer collection system services.

**Table 1 – Historical & Projected SAM Contract Collection System Operations**

	2015/16 Actual	2016/17 Actual	2017/18 Estimated	2018/19 Budget	2019/20 Projected	2020/21 Projected
<b>REVENUES</b>						
Montara WSD	325,958 36.7%	321,608 35.1%	283,238 34.5%	328,036 35.2%	339,517 53.0%	351,400 53.0%
Granada CSD	242,391 27.3%	242,350 26.5%	228,750 27.9%	284,500 30.6%	294,458 45.9%	304,764 45.9%
Half Moon Bay	319,741 36.0%	351,881 38.4%	289,435 35.3%	310,908 33.4%	0 0.0%	0 0.0%
NDWSCP Fees	0	0	19,600	7,175 0.8%	7,175 1.1%	7,175 1.1%
<b>Total</b>	<b>888,090</b>	<b>915,839</b>	<b>821,023</b>	<b>930,619</b>	<b>641,150</b>	<b>663,339</b>
<b>EXPENSES</b>						
Source:	<u>SAM Contract Collection Budget FY2018/19</u>			<u>SAM Projections</u>		
<u>Staffing</u>						
Wages	430,134	317,229	350,473	446,177	288,469	299,200
Premium Pay	15,545	60,217	39,867	46,917	35,556	36,903
Benefits	225,191	145,778	153,615	229,640	145,680	148,002
Subtotal	670,870	523,224	543,955	722,734	469,705	484,105
<u>Other Expenses</u>						
Professional Services	37,454	153,956	52,314	53,214	51,238	55,858
Building & Maint Services	22	97,568	96,144	0	0	0
Equipment Rental	0	0	0	54,584	38,438	38,438
Insurance	51,718	71,996	77,761	38,342	40,115	41,622
Supplies	16,229	26,960	28,016	35,335	24,893	25,854
Other Expenses	116,381	28,154	22,832	26,410	16,761	17,462
Subtotal	221,804	378,634	277,067	207,885	171,445	179,234
<b>Total</b>	<b>892,674</b>	<b>901,858</b>	<b>821,022</b>	<b>930,619</b>	<b>641,150</b>	<b>663,339</b>

Source: SAM Contract Collection Services Budget FY 2018/19.

**Table 2 – Estimated In-House Collection System Operations**

	2018/19 Cost Basis	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected	2023/24 Projected
Cost Escalation		4.0%	4.0%	4.0%	4.0%	4.0%
<b>New Staffing (3 FTEs)</b>						
Field Superintendent	140,000	146,000	152,000	158,000	164,000	171,000
Sewer Operator	120,000	125,000	130,000	135,000	140,000	146,000
Sewer Operator	120,000	125,000	130,000	135,000	140,000	146,000
Subtotal	380,000	396,000	412,000	428,000	444,000	463,000
<b>Vehicles &amp; Equipment</b>						
Vactor Truck (10-Year Lease, 4%)	350,000	43,000	43,000	43,000	43,000	43,000
Pick-Up Truck (Small Utility Boom)	50,000	50,000	0	0	0	0
Emergency Response Trailer/Equip	75,000	75,000	0	0	0	0
Portable CCTV Camera	15,000	15,000	0	0	0	0
Equipment Rental	25,000	26,000	27,000	28,000	29,000	30,000
Other Equipment	25,000	5,000	5,000	5,000	5,000	5,000
Subtotal	540,000	214,000	75,000	76,000	77,000	78,000
<b>Other Expenses</b>						
Contract Cleaning Services	20,000	21,000	22,000	23,000	24,000	25,000
CalConn Electronic	10,000	10,000	11,000	11,000	12,000	12,000
Other Professional Services	20,000	21,000	22,000	23,000	24,000	25,000
MWSD Insurance	20,000	21,000	22,000	23,000	24,000	25,000
Utilities	10,000	10,000	11,000	11,000	12,000	12,000
SCADA Modifications	60,000	70,000	15,000	16,000	17,000	18,000
Training/Transition Costs	20,000	20,000	5,000	5,000	5,000	5,000
Supplies	25,000	26,000	27,000	28,000	29,000	30,000
Other/Misc	10,000	10,000	10,000	10,000	10,000	10,000
Subtotal	195,000	209,000	145,000	150,000	157,000	162,000
<b>Total Expenses</b>	<b>1,115,000</b>	<b>819,000</b>	<b>632,000</b>	<b>654,000</b>	<b>678,000</b>	<b>703,000</b>
<b>Revenue Offsets</b>						
Granada CSD Contract Services	250,000	260,000	270,000	281,000	292,000	304,000
Half Moon Bay Emergency Services	25,000	26,000	27,000	28,000	29,000	30,000
Potential SAM Intertie Cleaning	<i>excluded</i>	-	-	-	-	-
Subtotal	275,000	286,000	297,000	309,000	321,000	334,000
<b>Net MWSD Cost</b>		<b>533,000</b>	<b>335,000</b>	<b>345,000</b>	<b>357,000</b>	<b>369,000</b>

**Table 3 – Comparison of In-House vs. SAM Contract Collection**

	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected	2023/24 Projected
Cost Escalation	4.0%	4.0%	4.0%	4.0%	4.0%
<b>MWSD In-House Collection Services</b>					
<b>Collection Service Expenses</b>					
New Staffing (3 FTEs)	396,000	412,000	428,000	444,000	463,000
Vehicles & Equipment	214,000	75,000	76,000	77,000	78,000
Other Expenses	209,000	145,000	150,000	157,000	162,000
SAM Costs Re-Alloc to JPA (MWSD 20%)	0	0	0	0	0
<b>Total Expenses</b>	<b>819,000</b>	<b>632,000</b>	<b>654,000</b>	<b>678,000</b>	<b>703,000</b>
<b>Revenue Offsets</b>					
Granada CSD Contract Service	260,000	270,000	281,000	292,000	304,000
Half Moon Bay Emergency Svcs	26,000	27,000	28,000	29,000	30,000
SAM Intertie Cleaning ?	-	-	-	-	-
<b>Total Revenue Offsets</b>	<b>286,000</b>	<b>297,000</b>	<b>309,000</b>	<b>321,000</b>	<b>334,000</b>
<b>Net MWSD Cost</b>	<b>533,000</b>	<b>335,000</b>	<b>345,000</b>	<b>357,000</b>	<b>369,000</b>
<b>Maintain Existing SAM Contract Collections</b>					
	<u>Budget</u>	<u>Budget</u>	<u>Projected with 4% Cost Escalation</u>		
SAM Budget Projections w/o HMB	340,000	351,000	365,000	380,000	395,000
Plus Est Additional MWSD Costs	25,000	26,000	27,000	28,000	29,000
<b>Total Costs</b>	<b>365,000</b>	<b>377,000</b>	<b>392,000</b>	<b>408,000</b>	<b>424,000</b>
<b>MWSD In-House vs. SAM Contract Incremental Cost or Savings</b>	168,000	(42,000)	(47,000)	(51,000)	(55,000)



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.

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

<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	GCSO	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.

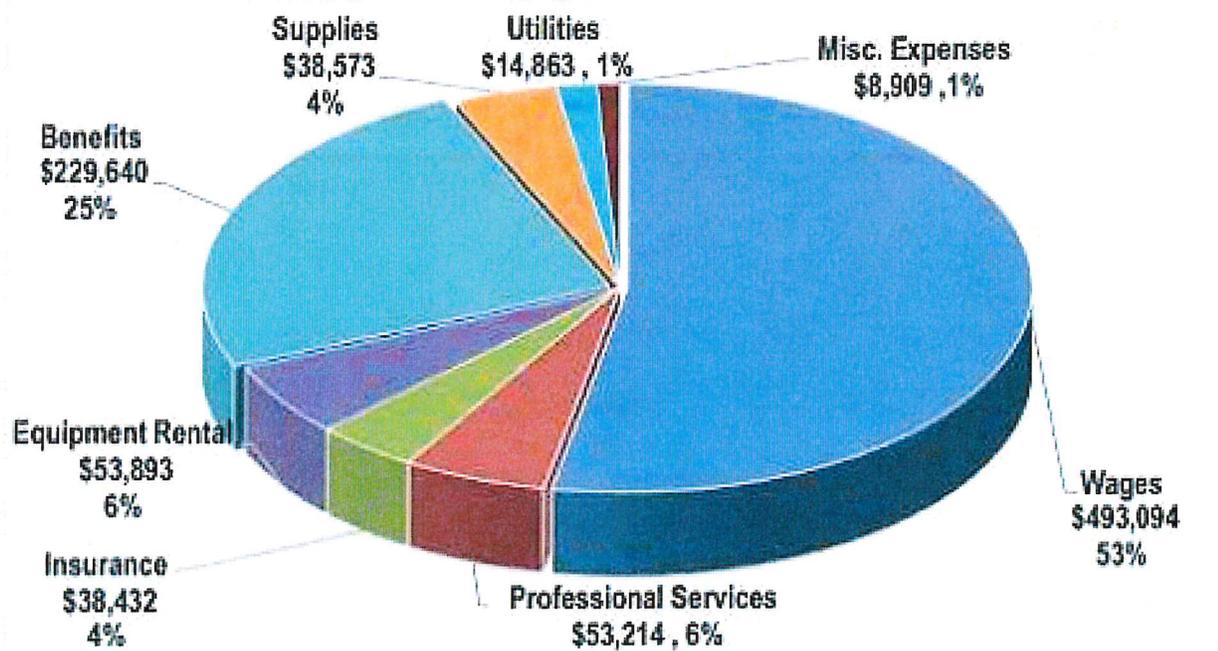
**CCS Income & Expenses**

<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
OA/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.

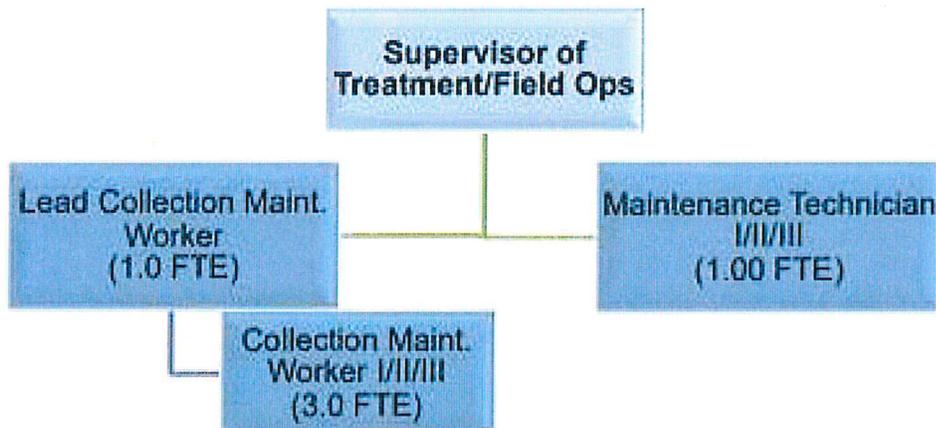
Authorized Positions	6.47	4.75	5.00	5.00	5.00	-	0%
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**CONTRACT COLLECTION SERVICES**

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

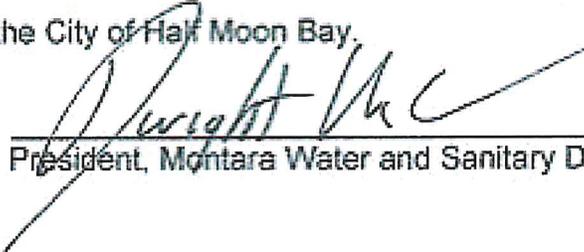
WHEREAS, Sewer Authority Mid-Coastside has, pursuant to Article III, Section (F)(3) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, submitted its General Budget for fiscal year July 1, 2018 – June 30, 2019 for the consent of this District; and

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.  
 Half Moon Bay, CA 94019  
 (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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning  
Approval of Cell Lease Negotiating Contract with  
Communication Leasing Services Inc.**

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The District owns two communication towers and receives a steady stream of income from cellular companies. So far District staff negotiated the agreements. Cell leases and the potential use of communication sites are a field that is flooded with professional scouts and negotiators for the communication companies. Professionals that are representing the property owner's interest are rare. District staff believes that advise by a consultant with insight into the Industry could be beneficial for MWSD.

The District has two existing contracts with providers that are established and in no urgent need for renegotiation. However, changes to equipment and uses could potentially serve to negotiate better terms going forward. The District also owns further sites that could be of potential interest for communication providers. One wireless group recently voiced interest in the District's Schoolhouse site.

Communication Leasing Services Inc. was recommended to the District by Coastside County Water District. The General Manager engaged with Communication Leasing Services Inc. in a limited scope agreement to negotiate a contract with a marine communication equipment provider. While the negotiations are still ongoing, we have been impressed with Communication Leasing Services Inc. knowledge and expert advice.

## RECOMMENDATION:

Adopt Resolution No. \_\_\_\_\_, Resolution of the Montara Water and Sanitary District Approving and Authorizing Execution of Consulting Agreements for Leasing or otherwise Permitting use of District Property.

Attachment

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND AUTHORIZING EXECUTION OF CONSULTING AGREEMENT FOR LEASING OR OTHERWISE PERMITTING USE OF DISTRICT PROPERTY**

(Communication Leasing Services, Inc.)

**WHEREAS**, the Montara Water and Sanitary District (“District”) is approached from time to time regarding leasing or otherwise obtaining use of District property; and

**WHEREAS**, the District desires expert advice in entering into agreements for such use; and

**WHEREAS**, Communication Leasing Services, Inc. represents that it is experienced and qualified to provide such services; and

**WHEREAS**, this Board has been presented with and reviewed an agreement with said company for such services and desires to approve and authorize execution thereof on behalf of the District;

**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:

That certain agreement by and between Communication Leasing Services, Inc., with offices in Corte Madera, California, and the Montara Water and Sanitary District, a public Agency, entitled, “Communication Leasing Services, Inc. – Consulting Agreement,” on file in the District’s Administrative Offices, to which reference is hereby made for the full particulars thereof, is hereby approved and the District General Manager is hereby authorized and directed to execute said agreement for and on behalf of the District.

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

COUNTERSIGNED:

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

\* \* \* \*

I HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 6<sup>th</sup> day of December 2018, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

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Secretary, Montara Water and Sanitary District



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Fiscal  
Year End Budget to Actual Review.**

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With the completion of the District's fiscal year end June 30, 2018 audit, District staff would like to present a comprehensive review of operations budget as compared to the adopted June 30, 2018 budget. This process will assist District staff with the up-coming budget preparation for fiscal year 2019-2020.

## RECOMMENDATION:

This is for Board information only.

Attachment



# **M MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**SUBJECT: Executive Summary – June 30, 2018 fiscal year-end audit  
Budget vs. Actual**

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**Sewer Service Charges:** Total revenue of \$2,051,620 collected; \$52,449 above budget.

Budgeted revenues were expected to increase 1.70% due to favorable flow distribution in the prior wet weather period. This 1.70% increase in revenue was expected based on a 2.88% increase in residential rate from \$41.73 to \$42.93, the prop 218 limit. For FY 18-19 the District went through a sewer rate study and raised the prop 218 limit raising rates approximately 20%.

**Water Sales:** Total revenue of \$1,921,188 collected; \$8,692 above budget.

2017-2018 Water Rates were once again increased by 3% for all standard 5/8' connections across all 4 tiers. During the budget process it was anticipated that usage in addition to the increased rates would increase revenue approximately \$150,000. This estimate proved true.

**Sewer Fees:** Total revenue of \$22,535 collected; \$5,535 above budget.

**Water Fees:** Total revenue of \$18,030 collected; \$5,980 above budget.

Remodel fees for both Sewer and Water funds exceeded expectations. Other fee categories were slightly lower than prior years.

**Sewer Property Tax:** Total revenue of \$367,805 collected; \$132,805 above budget.

**Water Property Tax:** Total revenue of \$367,805 collected; \$132,805 above budget.

The District collected \$219K in ERAF apportionments, which was split 50/50 between Sewer and Water. The District does not budget for the receipt of ERAF revenues, due to the fact we are not made aware of the revenues during the budget process. Without the receipt of ERAF, the District



**M**

## **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

would have collected exactly \$258K in property tax revenues, exceeding budget projections by approximately \$23,000. Beginning with the FY18-19 budget, ERAF apportionments are included in the projection of property taxes, thus raising the revenue projection to \$550,000 to be split equally.



# **M MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**Sewer Personnel expense:** Total expense of \$340,580 incurred; \$33,639 above budget

**Water Personnel expenses:** Total expense of \$758,551 incurred; \$10,709 above budget

Sewer overbudget – During the first two months of the fiscal year, the District’s former Clerk was training the current Clerk in anticipation for her departure. This caused additional payroll for an additional FTE that was unbudgeted.

Water overbudget – the General Manager’s position is based on negotiations which had not yet occurred at the time of the budget.

PARS expenditures – PARS contributions were \$3,649 over budget for both Sewer and Water combined.

**Sewer Professional Services:** Total expense of \$340,580 incurred; \$195,823 above budget.

**Water Professional Services:** Total expense of \$100,232 incurred; \$39,468 below budget.

Sewer overbudget – Legal costs associated with various litigation caused more than 90% of the cost over-runs.

Water underbudget – costs associated with the District’s attorney were less than half of what was projected.

**Sewer Engineering:** Total expense of \$68,682 incurred; \$16,682 above budget.

**Water Engineering:** Total expense of \$187,283 incurred; \$100,283 above budget.

Sewer general engineering expenses were mainly attributed to capital improvement projects that were not eligible to be capitalized.



**M**

## **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Water quality engineering expenses were more than double the budget in response to Pillar Ridge Water Treatment plant. The District and its engineers were also responsible for increased documentation to the State regarding updated regulations.



# **M MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

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

**Sewer Pumping**: Total expense of \$39,312 incurred; \$7,312 above budget.

**Water Pumping**: Total expense of \$80,301 incurred \$28,699 below budget.

Sewer fund budget over-runs are due to the increased PG&E costs at District pump houses.

**Sewer Authority Mid-Coastside**: Total expense of \$1,979,517 incurred; \$344,264 above budget

Budget over-runs are due to mid-year budget adjustments from SAM based on a variety of factors.

**Water Supply**: Total expense of \$43,833 incurred; \$8,167 below budget.

Mainly due to less water purchases. The District expected to purchase \$10K of water per quarter, however, on average only \$6K worth was purchased.

**Water Collection/Transmission**: Total expense of \$55,817 incurred; \$38,683 below budget.

No major maintenance work performed on water mains or water service lines. Work performed by Mossa Excavation, Andreini Brothers, and R&B company.

**Water Treatment**: Total expense of \$64,693 incurred; \$693 above budget.

Costs associated with the purchase of chemicals and equipment as well as the analysis of water samples by BSK lab, CA laboratory services, as well as North Coast County Water District. District staff was diligent about keeping these costs under control.

**All other Accounts Sewer**: Total expense of \$36,368 incurred; \$17,492 below budget.

**All other Accounts Water**: Total expense of \$109,225 incurred; \$21,375 below budget.



# **M MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

The District's collection system maintenance performed by District employees saw minimal activity, saving the District over \$10,000.

The water enterprise accounts which were the main cause of the \$21,375 below budget were as follows:

Claims \$10K below budget – No activity & SCADA maintenance - \$12K below budget.

**Sewer Capital Improvement:** Total capitalized expenses \$300,351; \$1,339,649 below budget.

Due to various impediments, the Cabrillo Highway Express Sewer Project did not begin in FY 17-18. The project is currently on-going and will be captured as a FY 18-19 capital expense.

Major projects include the Sanitary Sewer Improvement project and spot repairs.

The District also paid SAM \$16,071 for Lift Station Repairs.

**Water Capital Improvement:** Total capitalized expenses \$235,275; \$478,225 below budget.

Major projects include the following:

- SCADA System Enhancements
- Further projects at the Alta Vista site
- 4<sup>th</sup> Street new service line

**Sewer Connection Fees:** Total revenue of \$229,263 collected; \$34,687 above budget.

A total of 8 new construction connections sold.

**Water Connection Fees:** Total revenue of \$368,729 collected; \$42,199 above budget.

A total of 8 new construction connection fees sold.



**M**

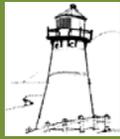
# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

**For Meeting Of: December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

A total of 11 new construction PFP connections sold.



# Montara Water & Sanitary

## Budgeted Cash Flow - Sewer

### Fiscal year 2017-18

#### Operating Cash Flow

Operating income		<u>Actual</u>		<u>Budget</u>		<u>Variance</u>
Sewer Service Charges	\$	2,051,620	\$	1,999,171	\$	52,449
Cell Tower Lease	\$	35,632	\$	34,300	\$	1,332
Fees & Other	\$	22,535	\$	17,000	\$	5,535
Property Tax	\$	367,805	\$	235,000	\$	132,805
Waste Collection Revenues	\$	21,677	\$	22,000	\$	(323)
<b>Total operating income</b>	<b>\$</b>	<b>2,499,269</b>	<b>\$</b>	<b>2,307,471</b>	<b>\$</b>	<b>191,798</b>
<b>Operating expenses</b>						
Personnel	\$	(340,580)	\$	(306,639)	\$	33,941
Professional Services	\$	(310,773)	\$	(114,950)	\$	195,823
Facilities & Administration	\$	(39,836)	\$	(46,100)	\$	(6,264)
Engineering	\$	(68,682)	\$	(52,000)	\$	16,682
Pumping	\$	(39,312)	\$	(32,000)	\$	7,312
Sewer Authority Mid-Coastside	\$	(1,858,172)	\$	(1,635,254)	\$	222,918
All other Accounts	\$	(36,368)	\$	(53,860)	\$	(17,492)
<b>Total operating expenses</b>	<b>\$</b>	<b>(2,693,723)</b>	<b>\$</b>	<b>(2,240,803)</b>	<b>\$</b>	<b>452,920</b>
<b>Net Cash Flow Provided by Operations</b>	<b>\$</b>	<b>(194,454)</b>	<b>\$</b>	<b>66,668</b>		

#### Investment cash flow

<b>Investment income</b>						
Interest Revenue	\$	41,070	\$	15,000	\$	26,070
<b>Total investment income</b>	<b>\$</b>	<b>41,070</b>	<b>\$</b>	<b>15,000</b>	<b>\$</b>	<b>26,070</b>
<b>Investment expenses</b>						
Capital Improvement Program	\$	(300,351)	\$	(1,640,000)	\$	(1,339,649)
SAM Capital Assessment	\$	(121,345)	\$	-	\$	121,345
<b>Total investment expenses</b>	<b>\$</b>	<b>(421,696)</b>	<b>\$</b>	<b>(1,640,000)</b>	<b>\$</b>	<b>(1,218,304)</b>
<b>Net Cash Flow Used by Investments</b>	<b>\$</b>	<b>(380,626)</b>	<b>\$</b>	<b>(1,625,000)</b>		

#### Financing cash flow

<b>Financing income</b>						
Connection Fees	\$	229,263	\$	194,576	\$	34,687
<b>Total financing income</b>	<b>\$</b>	<b>229,263</b>	<b>\$</b>	<b>194,576</b>	<b>\$</b>	<b>34,687</b>
<b>Financing expenses</b>						
Loan Interest Expense	\$	(42,218)	\$	(42,634)	\$	(416)
Loan Principal Payment	\$	(75,180)	\$	(75,179)	\$	1
<b>Total financing expenses</b>	<b>\$</b>	<b>(117,398)</b>	<b>\$</b>	<b>(117,813)</b>	<b>\$</b>	<b>(415)</b>
<b>Net Cash Flow Provided by Financing Activities</b>	<b>\$</b>	<b>111,865</b>	<b>\$</b>	<b>76,763</b>		
<b>Total Cash Flow Provided by All Activities</b>	<b>\$</b>	<b>(463,215)</b>	<b>\$</b>	<b>(1,481,569)</b>		

Two-Year Comparative Income Statement

**Sewer Comparison - Actuals**  
6/30/2017 vs. 6/30/2018

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - June 30, 2018	July 1, 2016 - June 30, 2017		
<b>Revenue</b>				
Sewer Service Charges	2,051,620	1,964,795	86,825	4.42%
Cell Tower Lease	35,632	34,427	1,205	3.50%
Fees & Other	22,535	28,102	(5,567)	-19.81%
Property Tax	367,805	340,018	27,787	8.17%
Waste Collection Revenues	21,677	23,130	(1,453)	-6.28%
<b>Net Sales</b>	<b>2,499,269</b>	<b>2,390,473</b>	<b>108,796</b>	<b>4.55%</b>
<b>Expenses</b>				
Personnel	340,580	217,936	122,644	56.28%
Professional Services	310,773	114,425	196,348	171.59%
Facilities & Administration	39,836	44,165	(4,329)	-9.80%
Engineering	68,682	44,122	24,560	55.66%
Pumping	39,312	36,043	3,269	9.07%
Sewer Authority Mid-Coastside	1,858,172	999,512	858,660	85.91%
Depreciation	555,756	513,594	42,162	8.21%
All other Accounts	36,368	28,518	7,850	27.53%
<b>Total Expenses</b>	<b>3,249,479</b>	<b>1,998,315</b>	<b>1,251,164</b>	<b>62.61%</b>
<b>Net Operating Income</b>	<b>(750,210)</b>	<b>392,157</b>	<b>(1,142,367)</b>	<b>-291.30%</b>
<b>Non-Operating</b>				
Connection Fees - Revenue	229,263	175,830	53,433	30.39%
LAIF interest - Revenue	41,070	32,034	9,036	28.21%
PNC equipment lease - Expense	(18,222)	(19,545)	1,323	-6.77%
I-Bank Loan - Expense	(23,996)	(24,853)	857	-3.45%
Sam Capital Assessment - Expense	(121,345)	(113,432)	(7,913)	6.98%
<b>Total Other Income (Expense)</b>	<b>106,770</b>	<b>50,034</b>	<b>56,736</b>	<b>113.40%</b>



## MWSD — Fiscal Year 2017-2018 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>Approved Budget 2017-18</u>	<u>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Cell Tower Lease:	4220	33,500	34,427	34,300	35,632	1,332
Administrative Fees (New Construction):	4410	3,318	3,409	3,500	4,040	540
Administrative Fees (Remodel):	4420	1,422	1,448	2,000		(2,000)
Inspection Fees (New Construction):	4430	3,136	3,220	3,500	3,339	(161)
Inspection Fees (Remodel):	4440	3,219	3,748	4,000		(4,000)
Mainline Extension Fees:	4450				1,500	1,500
Remodel Fees:	4460	2,222	15,844	4,000	10,278	6,278
Property Tax Receipts:	4610	325,926	340,018	235,000	367,805	132,805
Sewer Service Charges:	4710	2,063,335	1,975,325	2,003,171	2,053,963	50,792
Sewer Service Refunds, Customer:	4720	(8,386)	(10,530)	(4,000)	(2,343)	1,657
Waste Collection Revenues:	4760	19,350	23,130	22,000	21,677	(323)
Other Revenue:	4990	155	433		3,378	3,378
<b>Total Operating Revenue:</b>		<b>2,447,196</b>	<b>2,390,473</b>	<b>2,307,471</b>	<b>2,499,269</b>	<b>191,798</b>
<b><u>Operating Expenses</u></b>						
Bank Fees:	5190	3,363	6,692	6,500	6,654	(154)
Board Meetings:	5210	3,282	4,169	4,000	1,836	2,164
Director Fees:	5220	2,363	2,665	3,300	3,900	(600)
Election Expenses:	5230		4,860			
Conference Attendance:	5250		147	2,000	3,131	(1,131)
Information Systems:	5270	3,888	1,667	6,000	1,224	4,776
Fidelity Bond:	5310			500		500
Property & Liability Insurance:	5320	1,688	3,758	2,000	2,161	(161)
LAFCO Assessment:	5350	1,718	1,526	2,000	1,601	399
Meeting Attendance, Legal:	5420	7,139	6,483	9,500	6,951	2,549
General Legal:	5430	31,865	32,775	25,000	44,220	(19,220)
Litigation:	5440				165,192	(165,192)
Maintenance, Office:	5510	7,619	6,933	8,000	4,020	3,980
Meetings, Local:	5520					
Office Supplies:	5540	7,366	7,755	8,000	6,243	1,757
Postage:	5550	2,668	1,143	2,500	277	2,223
Printing & Publishing:	5560	3,478	1,135	3,000	2,909	91
Accounting:	5610	38,555	38,950	30,000	31,276	(1,276)
Audit:	5620	12,050	13,000	13,000	18,000	(5,000)
Consulting:	5630	16,886	19,894	28,000	35,859	(7,859)
Data Services:	5640	5,504		6,000	5,851	149
Labor & HR Support:	5650	1,875	2,250	2,500	2,484	16



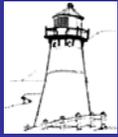
## MWSD — Fiscal Year 2017-2018 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>Approved Budget 2017-18</u>	<u>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Payroll Services:	5660	839	942	950	940	10
Other Professional Services:	5690	375	132			
San Mateo County Tax Roll Charges:	5710	116	119	2,500		2,500
Telephone & Internet:	5720	13,742	16,380	16,500	18,961	(2,461)
Mileage Reimbursement:	5730	682	1,063	1,500	564	936
Reference Materials:	5740		23	200		200
Other Administrative:	5790					
CalPERS 457 Deferred Plan:	5810	13,954	18,637	15,445	18,386	(2,941)
Employee Benefits:	5820	47,890	37,701	35,635	39,107	(3,472)
Disability Benefits:	5830	1,397	1,360	1,534	1,360	174
Payroll Taxes:	5840	14,577	14,552	16,879	16,063	816
Worker's Compensation Insurance:	5960	491	2,120	2,447	4,082	(1,635)
Management:	5910	92,434	99,561	103,725	114,908	(11,183)
Staff :	5920	112,648	119,299	112,599	127,015	(14,416)
Staff Certification:	5930	1,800	1,800	1,800	1,800	
Staff Overtime:	5940	2,888	3,879	2,514	918	1,596
Staff Standby:	5950	29			32	(32)
District sponsored Defined Benefit Plan:	5850	(0)	(80,974)	14,061	16,909	(2,848)
Claims, Property Damage:	6170			10,000	12,810	(2,810)
Education & Training:	6195			1,000	717	283
Meeting Attendance, Engineering:	6210			2,000		2,000
General Engineering:	6220	31,924	44,122	50,000	68,682	(18,682)
Equipment & Tools, Expensed:	6320			1,000		1,000
Alarm Services:	6335	5,896	6,738	5,700	5,146	554
Landscaping:	6337	3,702	4,080	2,400	2,280	120
Pumping Fuel & Electricity:	6410	25,454	36,043	32,000	39,312	(7,312)
Pumping Maintenance, General:	6430	3,525				
Maintenance, Collection System:	6660			10,000		10,000
Fuel:	6810	792	878	800	988	(188)
Truck Equipment, Expensed:	6820	89	71	160	2	158
Truck Repairs:	6830	153	331	400	780	(380)
Total Other Operations:	6890		550			
SAM Collections:	6910	360,504	321,608	285,934	232,841	53,093
SAM Operations:	6920	707,892	677,904	1,259,320	1,625,331	(366,011)
SAM Prior-Year Adjustment:	6930					
SAM Maintenance, Collection System:	6940			40,000		40,000
SAM Maintenance, Pumping:	6950			50,000		50,000



## MWSD — Fiscal Year 2017-2018 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>Approved Budget 2017-18</u>	<u>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Depreciation:	5260	508,067	513,594		555,756	(555,756)
<b>Total Operations Expense:</b>		<b>2,103,168</b>	<b>1,998,315</b>	<b>2,240,803</b>	<b>3,249,479</b>	<b>(1,008,676)</b>
<b>Net Change in position from Operations:</b>		<b>344,029</b>	<b>392,157</b>	<b>66,668</b>	<b>(750,210)</b>	<b>1,200,474</b>
<b><u>Non Operating Revenue / Expense</u></b>						
Connection Fees, Residential New Const:	7110	53,363	140,090	144,576	221,658	77,082
Connection Fees, Residential Remodel:	7120	47,234	35,740	50,000	7,605	(42,395)
Connection Fees - Other:	7100					
Employee Loans:	7700	895				
LAIF, Interest:	7200	18,184	32,034	15,000	41,070	26,070
<b>Total Non Operating Revenue:</b>		<b>119,676</b>	<b>207,864</b>	<b>209,576</b>	<b>270,333</b>	<b>60,757</b>
<b><u>Financing Expense</u></b>						
PNC Equipment Lease:	9125	20,743	19,545	18,280	18,222	58
Capital Assessment, SAM:	9175	160,668	113,432		121,345	(121,345)
I-Bank Loan:	9200	28,284	24,853	24,354	23,996	358
<b>Total Financing Expense:</b>		<b>209,695</b>	<b>157,830</b>	<b>42,634</b>	<b>163,563</b>	<b>(120,929)</b>



# Montara Water & Sanitary

## Budgeted Cash Flow - Water

### Fiscal year 2017-18

#### Operating Cash Flow

Operating income	Actual	Budget	Variance
Water Sales	\$ 1,921,188	\$ 1,912,496	\$ 8,692
Cell Tower Lease	\$ 35,632	\$ 34,300	\$ 1,332
Fees & Other	\$ 18,030	\$ 12,050	\$ 5,980
Property Tax	\$ 367,805	\$ 235,000	\$ 132,805
Backflow Testing	\$ 17,858	\$ 13,000	\$ 4,858
<b>Total operating income</b>	<b>\$ 2,360,513</b>	<b>\$ 2,206,846</b>	<b>\$ 153,667</b>
Operating expenses			
Personnel	\$ (758,551)	\$ (769,260)	\$ (10,709)
Professional Services	\$ (100,232)	\$ (139,700)	\$ (39,468)
Facilities & Administration	\$ (51,824)	\$ (57,380)	\$ (5,556)
Engineering	\$ (187,283)	\$ (87,000)	\$ 100,283
Pumping	\$ (80,301)	\$ (109,000)	\$ (28,699)
Supply	\$ (43,833)	\$ (52,000)	\$ (8,167)
Collection/Transmission	\$ (55,817)	\$ (94,500)	\$ (38,683)
Treatment	\$ (64,693)	\$ (64,000)	\$ 693
All Other Accounts	\$ (109,225)	\$ (130,600)	\$ (21,375)
<b>Total operating expenses</b>	<b>\$ (1,451,759)</b>	<b>\$ (1,503,440)</b>	<b>\$ (51,681)</b>
<b>Net Cash Flow Provided by Operations</b>	<b>\$ 908,754</b>	<b>\$ 703,406</b>	

#### Investment cash flow

Investment income			
GO Bonds, Assessment Receipts	\$ 1,226,216	\$ 1,150,436	\$ 75,780
<b>Total investment income</b>	<b>\$ 1,226,216</b>	<b>\$ 1,150,436</b>	<b>\$ 75,780</b>
Investment expenses			
Capital Improvement Program	\$ (235,275)	\$ (713,500)	\$ (478,225)
<b>Total investment expenses</b>	<b>\$ (235,275)</b>	<b>\$ (713,500)</b>	<b>\$ (478,225)</b>
<b>Net Cash Flow Used by Investments</b>	<b>\$ 990,941</b>	<b>\$ 436,936</b>	

#### Financing cash flow

Financing income			
Connection Fees	\$ 284,552	\$ 253,020	\$ 31,532
<b>Total financing income</b>	<b>\$ 284,552</b>	<b>\$ 253,020</b>	<b>\$ 31,532</b>
Financing expenses			
Long Term Debt - Interest Expense	\$ (368,729)	\$ (326,530)	\$ 42,199
Long Term Debt - Principal Payment	\$ (1,167,320)	\$ (1,062,675)	\$ 104,645
<b>Total financing expenses</b>	<b>\$ (1,536,049)</b>	<b>\$ (1,389,205)</b>	<b>\$ 146,844</b>
<b>Net Cash Flow Provided by Financing Activities</b>	<b>\$ (1,251,497)</b>	<b>\$ (1,136,185)</b>	
<b>Total Cash Flow Provided by All Activities</b>	<b>\$ 648,198</b>	<b>\$ 4,157</b>	

Two-Year Comparative Income Statement

**Water Comparison - Actuals**  
6/30/2017 vs. 6/30/2018

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - June 30, 2018	July 1, 2016 - June 30, 2017		
<b>Revenue</b>				
Water Sales	1,921,188	1,768,246	152,942	8.65%
Cell Tower Lease	35,632	34,427	1,205	3.50%
Fees & Other	18,030	24,372	(6,342)	-26.02%
Property Tax	367,805	340,018	27,787	8.17%
Backflow Testing	17,858	25,636	(7,778)	-30.34%
<b>Net Sales</b>	<b>2,360,513</b>	<b>2,192,699</b>	<b>167,814</b>	<b>7.65%</b>
<b>Expenses</b>				
Personnel	758,551	700,919	57,632	8.22%
Professional Services	100,232	156,359	(56,127)	-35.90%
Facilities & Administration	51,824	60,926	(9,102)	-14.94%
Engineering	187,283	142,968	44,315	31.00%
Pumping	80,301	99,817	(19,516)	-19.55%
Supply	43,833	37,179	6,654	17.90%
Collection/Transmission	55,817	99,611	(43,794)	-43.96%
Treatment	64,693	41,037	23,656	57.65%
Depreciation	1,005,802	972,946	32,856	3.38%
All other Accounts	109,225	114,437	(5,212)	-4.55%
<b>Total Expenses</b>	<b>2,457,561</b>	<b>2,426,199</b>	<b>31,362</b>	<b>1.29%</b>
<b>Net Operating Income</b>	<b>(97,048)</b>	<b>(233,500)</b>	<b>136,452</b>	<b>-58.44%</b>
<b>Non-Operating</b>				
Connection Fees - Revenue	284,552	208,786	75,766	36.29%
GO Bonds Assessment - Revenue	1,226,216	1,253,111	(26,895)	-2.15%
PNC equipment lease - Expense	(18,222)	(19,545)	1,323	-6.77%
GO Bonds Interest - Expense	(265,164)	(286,455)	21,291	-7.43%
SRF Interest - Expense	(83,943)	(90,816)	6,873	-7.57%
Conservation Program - Expense	(1,400)	(1,129)	(271)	24.05%
<b>Total Other Income (Expense)</b>	<b>1,142,039</b>	<b>1,063,952</b>	<b>78,087</b>	<b>7.34%</b>



## MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>Approved Budget</u> <u>2017-18</u>	<u>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Cell Tower Lease:	4220	33,500	34,427	34,300	35,632	1,332
Administrative Fees (New Construction):	4410	6,349	7,292	5,500	4,545	(955)
Administrative Fees (Remodel):	4420	0	0	900	1,679	779
Inspection Fees (New Construction):	4430	5,813	6,888	5,000	4,293	(707)
Inspection Fees (Remodel):	4440	0	460	650	1,908	1,258
Mainline Extension Fees:	4450	46,459				0
Remodel Fees:	4460		9,732		1,593	1,593
Other Fees:	4470				2,832	2,832
Property Tax Receipts:	4610	325,926	340,018	235,000	367,805	132,805
Testing, Backflow:	4740	16,377	14,816	13,000	17,858	4,858
Water Sales:	4810	1,739,386	1,771,239	1,915,496	1,922,676	7,180
Water Sales Refunds, Customer:	4850	(1,488)	(2,993)	(3,000)	(1,488)	1,512
Other Revenue:	4990	8,793	10,820		1,180	1,180
<b>Total Operating Revenue:</b>		<b>2,181,114</b>	<b>2,192,699</b>	<b>2,206,846</b>	<b>2,360,513</b>	<b>153,667</b>
<b><u>Operating Expenses</u></b>						
Bank Fees:	5190	6,907	6,743	7,000	1,618	5,382
Board Meetings:	5210	3,282	4,169	4,000	1,836	2,164
Director Fees:	5220	2,363	2,665	3,300	3,900	(600)
Election Expenses:	5230		4,860			0
CDPH Fees:	5240	18,086		15,500	10,832	4,668
Conference Attendance:	5250	5,267	850	4,000	5,697	(1,697)
Information Systems:	5270	3,888	2,973	3,000	9,488	(6,488)
Fidelity Bond:	5310			500		500
Property & Liability Insurance:	5320	1,688	3,758	2,700		2,700
LAFCO Assessment:	5350	2,328	2,048	2,500	2,208	292
Meeting Attendance, Legal:	5420	7,700	6,480	8,500	3,211	5,289
General Legal:	5430	43,625	57,788	60,000	23,868	36,132
Litigation:	5440				775	(775)
Maintenance, Office:	5510	8,122	8,678	8,000	5,561	2,439



## MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>Approved Budget</u> <u>2017-18</u>	<u>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Memberships:	5530	17,225	17,679	18,000	20,298	(2,298)
Office Supplies:	5540	7,366	7,638	8,000	8,452	(452)
Postage:	5550	7,578	7,168	7,500	6,379	1,121
Printing & Publishing:	5560	1,650	1,356	2,000	1,739	261
Accounting:	5610	38,555	38,950	30,000	31,276	(1,276)
Audit:	5620	20,950	13,000	13,000	18,000	(5,000)
Consulting:	5630	28,560	36,600	25,000	19,678	5,322
Data Services:	5640	18,773				0
Labor & HR Support:	5650	2,651	2,349	2,250	2,484	(234)
Payroll Services:	5660	839	942	950	940	10
Other Professional Services:	5690	227	132			0
San Mateo Co. Tax Roll Charges:	5710	122	119			0
Telephone & Internet:	5720	19,391	22,304	22,380	22,460	(80)
Mileage Reimbursement:	5730	2,157	1,648	2,000	564	1,436
Reference Materials:	5740	0	23	800		800
Other Administrative:	5790	127	2,147	0	615	(615)
CalPERS 457 Deferred Plan:	5810	31,571	36,418	35,513	37,021	(1,508)
Employee Benefits:	5820	75,196	76,378	86,856	74,878	11,978
Disability Benefits:	5830	3,329	3,366	3,637	3,366	271
Payroll Taxes:	5840	36,932	38,090	42,294	39,499	2,795
Worker's Compensation Insurance:	5960	4,788	14,423	19,948	19,208	740



## MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>Approved Budget</u> <u>2017-18</u>	<u>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Management:	5910	92,434	99,563	103,725	114,908	(11,183)
Staff :	5920	329,764	347,037	358,357	360,388	(2,031)
Staff Certification:	5930	9,440	9,125	9,000	10,042	(1,042)
Staff Overtime:	5940	48,214	52,690	55,831	42,425	13,406
Staff Standby:	5950	22,621	23,830	25,947	25,125	822
District sponsored Defined Benefit Plan:	5850	0	(150,932)	28,152	31,691	(3,539)
Backflow Prevention:	6160	800	892	1,000	473	527
Claims, Property Damage:	6170	0	175	10,000	0	10,000
SCADA Maintenance:	6185	28,817	20,505	20,000	7,778	12,222
Internet & Telephone, Communications:	6187				2,024	(2,024)
Education & Training:	6195	2,574	8,131	7,000	9,911	(2,911)
Meeting Attendance, Engineering:	6210	0		2,000	16	1,984
General Engineering:	6220	15,406	4,029	20,000	8,503	11,497
Water Quality Engineering:	6230	82,864	138,939	65,000	178,764	(113,764)
Equipment & Tools, Expensed:	6320	4,008	2,962	5,000	7,441	(2,441)
Alarm Services:	6335	640	777	800	671	129
Landscaping:	6337	6,226	7,102	6,000	5,947	53
Lab Supplies & Equipment:	6370	818	178	1,000	3,698	(2,698)
Meter Reading:	6380		119		21	(21)
Pumping Fuel & Electricity:	6410	89,652	82,730	90,000	68,177	21,823
Pumping Maintenance, Generators:	6420	4,771	12,118	10,000	7,777	2,223
Pumping Maintenance, General:	6430	6,284	4,969	7,000	4,137	2,863
Pumping Equipment, Expensed:	6440	1,786		2,000	210	1,790
Maintenance, Raw Water Mains:	6510	2,478	1,421	2,000	1,474	526
Maintenance, Wells:	6520	20,657	1,466	10,000	16,851	(6,851)
Water Purchases:	6530	38,009	34,292	40,000	25,508	14,492
Hydrants:	6610	0	3,819	1,000	408	592
Maintenance, Water Mains:	6620	71,575	75,576	55,000	39,633	15,367
Maintenance, Water Service Lines:	6630	33,705	4,206	25,000	12,389	12,611
Maintenance, Tanks:	6640	8,741	71	1,000	741	259



## MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>Approved Budget</u> <u>2017-18</u>	<u>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Maintenance, Distribution General:	6650	2,406	5,220	10,000	273	9,727
Meters:	6670	5,382	10,719	2,500	2,373	127
Chemicals & Filtering:	6710	40,896	11,660	30,000	18,681	11,319
Maintenance, Treatment Equipment:	6720	11,965	4,724	4,000	10,508	(6,508)
Treatment Analysis:	6730	28,890	24,653	30,000	35,504	(5,504)
Uniforms:	6770	14,530	10,560	12,000	11,166	834
Fuel:	6810	6,117	6,143	8,000	5,598	2,402
Truck Equipment, Expensed:	6820	651	496	1,000	12	988
Truck Repairs:	6830	1,074	2,316	5,000	4,422	578
Other Operations:	6890	2,811	18,301		240	(240)
Depreciation:	5260	881,848	949,538		972,113	(92,113)
Amortization:	5265	28,549	23,408		33,689	(33,689)
<b>Total Operations Expense:</b>		<b>2,340,101</b>	<b>2,275,268</b>	<b>1,503,440</b>	<b>2,457,561</b>	<b>(954,121)</b>
<b>Net Change in position from Operations:</b>		<b>(158,987)</b>	<b>(82,568)</b>	<b>703,406</b>	<b>(97,048)</b>	<b>1,107,788</b>
<b><u>Non Operating Revenue / Expense</u></b>						
Connection Fees, Residential New Const:	7110	77,695	130,171	173,020	145,168	(27,852)
Connection Fees, Residential Remodel:	7120	0	25,921			0
Connection Fees, Residential Fire:	7130	61,724	52,693	80,000	118,691	38,691
Connection Fees, Residential Remodel Fire:	7140				12,893	12,893
Connection Fees, Well Conversion:	7150				7,800	7,800
General Obligation Bonds, Assessment Receipts:	7600	1,215,941	1,253,111	1,150,436	1,226,216	75,780
<b>Total Non Operating Revenue:</b>		<b>1,355,359</b>	<b>1,461,897</b>	<b>1,403,456</b>	<b>1,510,768</b>	<b>107,312</b>
<b><u>Financing Expenses</u></b>						
PFP Connection Expenses:	9075					
General Obligation Bonds:	9100	307,634	286,455	273,978	265,164	8,814
PNC Equipment Lease:	9125	20,743	19,545	18,280	18,222	58
State Revolving Fund Loan:	9150	60,239	90,816	34,273	83,943	(49,670)
Conservation Program/Rebates:	9210	6,018	1,129	500	1,400	(900)
<b>Total Financing Expense:</b>		<b>394,634</b>	<b>397,944</b>	<b>327,031</b>	<b>368,729</b>	<b>(41,698)</b>

# Fiscal year 2017-2018 Budget Operating Reserves

## WATER

**Operating Reserve:**

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year **2017-18** budget the amount of operating reserves is as follows:

**Target calculation**

\$	1,503,440	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	125,287	x 2	Monthly budgeted operating expenses Two months expenditures
<hr/>			
\$	250,573		Target Reserve
<hr/> <hr/>			

**Actual reserve at fiscal year June 30, 2018**

**\$46,009**

**Actual Operating Funds @ June 30, 2018**

**\$872,766**

## SEWER

**Operating Reserve:**

For the District's Sewer Operating Reserve, the **maximum** target amount shall equal ten months' of operating expenses and the **minimum** target amount shall equal two months' of operating expenses.

Based on fiscal year **2017-18** budget the amount of operating reserves is as follows:

**Minimum Target**

\$	2,240,803	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	186,734	x 2	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	373,467		Minimum Target Reserve
<hr/> <hr/>			

**Maximum Target**

\$	2,240,803	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	186,734	x 10	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	1,867,336		Maximum Target Reserve
<hr/> <hr/>			

**Actual reserve at fiscal year June 30, 2018**

\$ 240,073

**Actual Operating Funds @ June 30, 2018**

\$ 3,040,370

# Fiscal year 2017-2018 Budget

## Capital Reserve Connection Fee Reserve

### Capital Reserve:

For the Water and Sewer capital reserves, the target amounts are based on district engineers' estimates of the annual costs to replace water and sewer facilities and the five year capital improvement plans (CIP). Each Utility enterprise shall have a separate capital reserve. The maximum target amount shall equal the highest total annual amount shown in the CIP applicable to existing customers plus the district engineer's estimate of annual replacement capital project costs. The minimum target amount shall equal the lowest total annual amount shown in the CIP applicable to existing customers plus the district engineers' estimate of annual replacement capital project costs.

### WATER

#### Minimum Target

\$	299,567	Lowest year CIP existing customers (fiscal year 2021-22)
\$	750,000	Engineer estimate
<hr/>		
\$	1,049,567	Minimum target

#### Maximum Target

\$	576,018	Highest year CIP existing customers (fiscal year 2019-20)
\$	750,000	Engineer estimate
<hr/>		
\$	1,326,018	Maximum target

#### Actual reserve at fiscal year June 30, 2018

\$ 398,249

### SEWER

#### Minimum Target

\$	1,502,500	Lowest year CIP existing customers (fiscal year 2018-19)
\$	1,177,000	Engineer estimate
<hr/>		
\$	2,679,500	Minimum target

#### Maximum Target

\$	2,172,500	Highest year CIP existing customers (fiscal year 2021-22)
\$	1,177,000	Engineer estimate
<hr/>		
\$	3,349,500	Maximum target

#### Actual reserve at fiscal year June 30, 2018

\$ 3,932,906

# Fiscal year 2017-2018 Budget

## Capital Reserve Connection Fee Reserve

### CONNECTION FEE RESERVE

#### Connection Fees:

Provides funds for expansion-related capital projects caused by increases in new water and sewer customers. The connection fee reserves are restricted pursuant to Government Code Section 66013.

The water and sewer connection fee reserves shall equal one year's revenue.

#### WATER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.  
Fiscal year 2017-18 amount to be reserved is \$253,020.

#### Actual reserve at fiscal year June 30, 2018

\$ 253,020

#### SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.  
Fiscal year 2017-18 amount to be reserved is \$194,576.

#### Actual reserve at fiscal year June 30, 2017

\$ 194,576

# **Sewer**

## **Personnel**

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
Worker's Compensation Insurance:	5960
Management:	5910
Staff :	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

## **Professional Services**

Accounting:	5610
Audit:	5620
Consulting:	5630
Data Services:	5640
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

## **Facilities & Administration**

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Telephone & Internet:	5720
Other Administrative:	5790
Maintenance, Office:	5510

## **Engineering**

Meeting Attendance, Engineering:	6210
General Engineering:	6220

## **Pumping**

Pumping Fuel & Electricity:	6410
Pumping Maintenance, General:	6430

## **Sewer Authority Mid-Coastside**

SAM Collections:	6910
SAM Operations:	6920
SAM Prior-Year Adjustment:	6930
SAM Maintenance, Collection System:	6940
SAM Maintenance, Pumping:	6950

## **All other Accounts**

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
Conference Attendance:	5250
Information Systems:	5270
Fidelity Bond:	5310
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
San Mateo County Tax Roll Charges:	5710
Mileage Reimbursement:	5730
Reference Materials:	5740
Claims, Property Damage:	6170
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Maintenance, Collection System:	6660
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Total Other Operations:	6890

# Water

## **Personnel**

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
Worker's Compensation Insurance:	5960
Management:	5910
Staff :	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

## **Professional Services**

Accounting:	5610
Audit:	5620
Consulting:	5630
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

## **Facilities & Administration**

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Fidelity Bond:	5310
Maintenance, Office:	5510
Telephone & Internet:	5720
Other Administrative:	5790

## **Engineering**

Meeting Attendance, Engineering:	6210
General Engineering:	6220
Water Quality Engineering:	6230

## **Pumping**

Pumping Fuel & Electricity:	6410
Pumping Maintenance, Generators:	6420
Pumping Maintenance, General:	6430
Pumping Equipment, Expensed:	6440

## **Supply**

Maintenance, Raw Water Mains:	6510
Maintenance, Wells:	6520
Water Purchases:	6530

## **Collection/Transmission**

Hydrants:	6610
Maintenance, Water Mains:	6620
Maintenance, Water Service Lines:	6630
Maintenance, Tanks:	6640
Maintenance, Distribution General:	6650
Meters:	6670

## **Treatment**

Chemicals & Filtering:	6710
Maintenance, Treatment Equipment:	6720
Treatment Analysis:	6730

## **All other Accounts**

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
CDPH Fees:	5240
Conference Attendance:	5250
Information Systems:	5270
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
Memberships:	5530
Mileage Reimbursement:	5730
Reference Materials:	5740
Backflow Prevention:	6160
Claims, Property Damage:	6170
SCADA Maintenance:	6185
Internet & Telephone, Communications:	6187
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Lab Supplies & Equipment:	6370
Meter Reading:	6380
Uniforms:	6770
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Other Operations:	6890



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Resolutions Commending Bill Huber and Dwight Wilson for their Outstanding Service as Board Members**

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Bill Huber and Dwight Wilson were elected to the MWSD Board in November 2013. Bill is currently the District Treasurer and Dwight serves as MWSD President. Both have served during an important time in the District's history and share responsibility for a number of improvements. The attached resolutions formally recognize Bill and Dwight for their outstanding service and express the Board's appreciation and gratitude for their service.

## RECOMMENDATION:

Adopt Resolution No.\_\_\_\_, Resolution of the Montara Water and Sanitary District Expressing its Gratitude and Appreciation of Bill Huber for his Years of Service and Dedication;

And, adopt Resolution No.\_\_\_\_, Resolution of the Montara Water and Sanitary District Expressing its Gratitude and Appreciation of J. Dwight Wilson for his Years of Service and Dedication.

Attachment

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT EXPRESSING ITS GRATITUDE AND APPRECIATION OF BILL HUBER FOR HIS YEARS OF SERVICE AND DEDICATION**

**WHEREAS**, Bill Huber was elected to the Montara Water and Sanitary Board in November 2013 and during that time he was appointed to serve as Treasurer; and

**WHEREAS**, during his tenure as Treasurer, he served in the continued endeavors to improve the Coastside community, demonstrating his outstanding community spirit, commitment to excellence and integrity; and

**WHEREAS**, Bill Huber also served on the Standing Committee of Budget and Finance, Ad Hoc Committee WEB, Ad Hoc Committee Outreach, Ad Hoc Committee CCWD Committee, Ad Hoc Committee Recycling/Solid Waste, and Ad Hoc Committee Recycled Water; and

**WHEREAS**, in recognition of Director Huber’s hard work and dedication, the Montara Water and Sanitary District is able to continue the initiatives implemented during his service for the past 5 years.

**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. This Board does hereby commend Bill Huber for his exemplary and dedicated leadership and service to the Montara Water and Sanitary District and does hereby express its sincere gratitude and appreciation for his commitment to the Coastside community.

2. The District Clerk is hereby authorized and directed to transmit a copy of this resolution to Bill Huber.

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

COUNTERSIGNED:

\_\_\_\_\_

Secretary, Montara Water and Sanitary District.

\* \* \* \*

I HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 6<sup>th</sup> day of December 2018, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

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Secretary, Montara Water and Sanitary District

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT EXPRESSING ITS GRATITUDE AND APPRECIATION OF J. DWIGHT WILSON FOR HIS YEARS OF SERVICE AND DEDICATION**

**WHEREAS**, J. Dwight Wilson was elected to the Montara Water and Sanitary Board in November 2013 and during that time he was appointed to serve as Board Chair, Vice-Chair and Secretary; and

**WHEREAS**, during his tenure as Board Chair, Vice-Chair and Secretary, he served in the continued endeavors to improve the Coastside community, demonstrating his outstanding community spirit, commitment to excellence and integrity; and

**WHEREAS**, J.Dwight Wilson also served on the Standing Committee Budget and Finance, Standing Committee Personnel, Ad Hoc Big Wave, Ad Hoc Strategic Plan Progress, Ad Hoc Recycling/Solid Waste, and Ad Hoc Recycled Water; and

**WHEREAS**, in recognition of Director Wilson’s hard work and dedication, the Montara Water and Sanitary District is able to continue the initiatives implemented during his service for the past 5 years.

**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. This Board does hereby commend J. Dwight Wilson for his exemplary and dedicated leadership and service to the Montara Water and Sanitary District and does hereby express its sincere gratitude and appreciation for his commitment to the Coastside community.
2. The District Clerk is hereby authorized and directed to transmit a copy of this resolution to J. Dwight Wilson.

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

COUNTERSIGNED:

\_\_\_\_\_

Secretary, Montara Water and Sanitary District.

\* \* \* \*

I HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 6<sup>th</sup> day of December 2018, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

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Secretary, Montara Water and Sanitary District



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning  
Cancellation of Next Regular Scheduled Meeting  
December 20, 2018, and January 3, 2019**

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At this time staff does not anticipate a need for a meeting before January 17, 2019.

## RECOMMENDATION:

Cancel the Next Regular Scheduled meetings on December 20, 2018, and January 3, 2019.