



**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

**November 7, 2019 at 7:30 p.m.**

**CALL TO ORDER**

**ROLL CALL**

**PRESIDENT'S STATEMENT**

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

**PUBLIC HEARING**

**CONSENT AGENDA**

1. [Approve Minutes for October 3, and Finance Committee Meeting October 9, 2019.](#)
2. [Approve Financial Statements for September 2019.](#)
3. Approve Warrants for November 1, 2019.
4. [SAM Flow Report for September 2019.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report for September 2019.](#)

8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for August 2019.](#)
11. [Review and Possible Action Approving Consulting Agreement with Kastama Strategic Consulting.](#)

## **OLD BUSINESS**

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

## **NEW BUSINESS**

2. [Review and Possible Action Concerning Sewer Rate Study.](#)
3. [Review and Possible Action Concerning Appointment of District Treasurer.](#)
4. [Report of System Operations during PG&E Power Outages.](#)

## **REPORTS**

1. Sewer Authority Mid-Coastside Meetings (Slater-Carter).
2. MidCoast Community Council Meeting (Slater-Carter).
3. CSDA Report (Lohman).
4. LAFCo Report (Lohman).
5. Attorney's Report (Fitzgerald).
6. Directors' Reports.
7. [General Manager's Report \(Heldmaier\).](#)

## **FUTURE AGENDAS**

### **CONVENE IN CLOSED SESSION**

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

(Government Code §54956.9(d)(4))

Initiation of Litigation

Number of cases: 1

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

(Government Code §54956.9(d)(1))

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

(Santa Clara County Super. Crt. No. 17CV316927)

### **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

(Government Code §54957(b)(1))

Title: General Manager

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

The District has a curfew of 10:30 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.

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



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

**BOARD OF DIRECTORS MEETING**  
**October 3, 2019**

**MINUTES**

**REGULAR SESSION BEGAN AT 7:35 p.m.**

**CALL TO ORDER**

**ROLL CALL**

Directors Present: Boyd, Harvey, Lohman, Marshall, and Slater-Carter

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald  
District Water Engineer, Tanya Yurovsky  
General Manager of Recology of the Coast, Chris Porter

**PRESIDENT'S STATEMENT** – Welcome to October. As everyone knows Montara and Moss Beach has the best Halloween...some of the houses here are just amazing.

**ORAL COMMENTS** - Two oral comments were moved to agenda items

**PUBLIC HEARING** – None

**CONSENT AGENDA**

1. Approve Minutes for September 12, 2019 and September 19, 2019

2. Approve Financial Statements for August 2019
3. Approve Warrants for October 1, 2019
4. SAM Flow Report for August 2019
5. Monthly Review of Current Investment Portfolio
6. Connection Permit Applications Received
7. Monthly Water Production Report for August 2019
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for July 2019
11. Review and Possible Action Appointing Acting District Counsel. (Resolution 1663)
12. Review and Possible Action Concerning Proposed Sale of Surplus Ford F-250 (Resolution 1664)
13. Review and Possible Action Approving Consulting Agreement with Singer Associates.

Director Slater-Carter pulled the minutes for discussion for September 19, 2019 from the Consent Agenda to be approved.

Director Lohman made a motion to approve the consent agenda minus the minutes for September 19th, and Director Harvey seconded the motion. All were in favor and the motion passed unanimously 5-0.

Director Slater-Carter: Let's do the public comment on the Minutes of September 19, 2019.

Gregg Dieguez, Montara Resident: By a remarkable coincidence, as part of my research project on growth sustainability and infrastructure, I had lunch the day of the last meeting with David Byers, who is also the attorney for Big Wave, which was on the agenda that night. And while it wasn't intended to be a topic of discussion when I met with him...He said out of the blue, "you really should consider consolidation," and gave his pitch about economies of scale. I wondered why he brought that up. So that night, Chris Thollaug walks in, and I see in the minutes after the meeting that there is an extremely well written and very long paper arguing the benefits of consolidation, which I find specious, inaccurate, wrong. But, it is out there in the public record, and apparently has been handed to a bunch of other agencies and people. I view this as a dangerous thing that needs to be replied to, both to everybody he sent it to, and to him, and to the public at large, through whatever means we have—Coastside Buzz, Half Moon Bay Review, etc. I think we ought to be replying to that, and I would be happy to assist in preparing a counter argument.

Director Lohman: I am the LAFCo rep for us out here on special districts and there is a normal, legal LAFCo consolidation process, and it ends up with the communities voting if they want to or not. No consolidator so far has recommended

using the legal process. They all want to go outside the process and avoid voting by the public.

Director Boyd moved to approve the minutes for September 19, 2019, and Director Lohman seconded the motion. All were in favor and the motion passed unanimously 5-0.

## **OLD BUSINESS – None**

## **NEW BUSINESS**

### **1. Review and Possible Action Concerning Review of Recology 2020 Solid Waste Rate Increase.**

General Manager Heldmaier: Every year around this time, we get the financial information from Recology that is required to show and calculate the rate increase for the next year. There is a formula in our Franchise agreement that is applied. This year, Recology found some cost saving methods. There isn't a specific rate increase that Recology is asking for next year, but there is still a "catch-up," since there is a 6% cap in the contract. This is a "catch-up" from last year, of 4.71% that would be effective in 2020.

Director Slater-Carter requested that General Manager Heldmaier explain what a "catch-up" is for the benefit of the public.

General Manager Heldmaier explained that the contract limits an annual rate increase to 6% per year. If the formula shows there is a larger increase, the remainder is banked until it can be applied later within the 6% range. This is what we are seeing this fiscal year. MWSD reviews the calculations and financial statements through Maze and Associates. Peter Medina of Maze and Associates is present to give a brief review of the suggested rate increase. General Manager of Recology Coastside, Chris Porter is also present to talk about the rate increase due to increasing recycling costs, and their efforts to keep the recyclables out of the landfill. MWSD is requesting authorization to prepare and distribute a Prop 2018 notice and a notice of Public Hearing for January 16, 2020. He stated that District Accountant Peter Medina of Maze and Associates will explain the review process and General Manager Chris Porter will elaborate on increased Recology costs and related issues.

District Accountant Peter Medina: We apply procedures to the worksheet that is provided to us by Recology. This entails reviewing the agreement and ensuring the index-based adjustment is accurate. Last year was a cost-based increase and we reached the cap of 6%. That amount that was banked was approximately \$77,000 dollars, and is held in suspense until it can be applied. We saw a reduction in overall costs based on 2019 and 2020 numbers, due to the reduction in transfer costs. Everything else is applied by CPI, and those costs increase by their various

CPI counterparts. As part of the testing, we go through and independently verify the BLS CPI increases, making sure they are applied correctly, and confirm what the overage amount was last year. Then it is verified that all the factors, formulas and methodologies are applied correctly. This is not an audit, and we don't apply an assurance of opinions upon this—we do not test the expenses that are within the worksheet. Recology has a fiscal year of September 30<sup>th</sup>, so we did not have the audited financials for the period. Thus, we are limited and can't provide test based assurance.

Director Slater-Carter: Chris, Recology has had clean audits.

General Manager Chris Porter: Yes, an audited financial statement is sent every year to Peter and Clemens.

District Accountant Peter Medina: We do review it, and there have been no issues there.

Director Harvey asked Peter to clarify what he is stating.

District Accountant Peter Medina: The calculation provided by Recology has been re-calculated, and based on the methodology that is provided within the Franchise agreement, it is being followed.

General Manager Chris Porter: A few things that have come up this year: there was a complete reversal of the recycling market. This time last year, we were getting paid \$35.00 per ton for recyclables, and this year we are paying \$19.50 per ton to assure that it is not put into landfill.,,, Recology is seeking new markets, both domestic and international. It funny how this country is a recycling hub, but they've closed glass and other plants due to pollution reasons. So, things are being re-tooled now, which is good for the future. But right now we are in a dilemma. Recology had a meeting the other day about governmental regulations and I am proud to say Recology is an employee-owned company, and we are pledging in 2020, one million dollars of our employee money to put on the ballot in San Francisco that by 2030 all packaging will have to be a minimum of 75% recyclable or compostable. We are putting our money where our mouth is.

Director Slater-Carter: I would be happy to help in that campaign. I think creating markets for recycling is something that has been missing since the market started.

General Manager Porter: I'm hoping that if this passes, we, on the Coastside can just adopt this resolution also. In Pacifica, we just passed an ordinance to stop single use plastic. I'm hoping this will pass, and we will move forward here. Also, when I saw what the trend will be for the loss of income, I brainstormed with my management team, and instead of bringing our recyclable material to a secondary hauler to transfer it to San Jose, we are doing it ourselves. Every day at 3:00am our guys are hauling the recycling to San Jose. It is much cheaper, and that is

where the savings came from. We know what the effect is on the customers--I live on the Coastside—and we attempt to do whatever we can to mitigate costs.

Carlisle Ann Young, Moss Beach resident: I appreciate everything that Chris says. However, I am opposed to a rate increase simply because of the consideration of life circumstances in my case. I've talked to several other seniors in Montara and Moss Beach, and we would rather raise awareness and try to get people to be good citizens and not buy so much packaged products, rinse containers so they can be recycled instead of discarding them, etc. It sounds like it is coming down the pike no matter what, but I still thought I would speak out in behalf of Peggy Emory, Lynn, and Carol Guion, who would compost everything in her yard if she could.

Director Slater-Carter: One of the problems we had in the past with Seacoast, is that they didn't raise our rates for a long time, and they got into financial hardship. One of things we want to do is keep our service providers financially healthy so we don't have problems too...it was explained that the 4.71% rate increase for 2020 is a rate increase that was continued over several years. Our contract limits a rate increase in any single year to 6%. So, we had to do 6% as our last rate increase, but the costs were more than that. This is a carry-over from the last one when the other prices and other income fell. We are trying to smooth out the highs here.

Director Boyd made a motion to authorize the General Manager to prepare and distribute the Prop 2018 notice and a notice of Public Hearing for January 16, 2020. Director Marshall seconded the motion. All were in favor and the motion passed unanimously 5-0.

Director Slater-Carter: I'd like to add a small amendment to that. Maybe we could discuss the next item, which is the composting services. I think if we just do a 218 notice on the 4.71%, that does include any additional services for composting, and we need to consider that. We have a baseline of 4.71%, but if composting is \$5 dollars a month, for example, we should give people a choice on that.

Director Boyd: Can we pass this one, re-open it, and decide something on the next item?

District Counsel Fitzgerald: That would be a good idea.

Director Slater-Carter: Okay, we will do a Prop 218 notice and talk about the contents of it later.

**2. Review and Possible Action Concerning Consideration of Composting Services.**

Justine Cable, Montara resident: My husband and I just recently relocated to the Coast, and we are expecting soon, so we have a vested interest in this particular

topic. I want to start with pumpkin season has arrived and a lot of it is going to go into our landfill. The MWSD *"How we protect the environment"* pages state "the residents and business owners of the of the Montara coastal area live here because of the beauty, serenity, and sustainable lifestyle. For these reasons, the Directors and staff of the Montara Water and Sanitary District value and respect the environment we enjoy by placing a high priority on recycling and ecology through our partnership with Recology of the Coast and strive to protect our environment for our generation and future generations." So, by making one addition to our service, the Coastside communities have an opportunity to divert up to 50% of compostable waste that might be currently filling our landfill. Those that are currently composting at home, are only composting 21% of that 50% of compostable items. There are items that cannot be composted at home, such as meat scraps, or compostable take away containers. Rejecting curbside composting services denies part of the community may not currently have the time or means to compost. I'm talking about people who work full-time, over-time, have families to raise, live in apartments or condos or have landlords that don't allow yard compost at all, or restaurant workers that have to throw away food every day. I've read some comments and heard from the community a justification not to support curbside pick-up is because of fixed incomes. In the city of Montara alone, we have a population of 2,909 people with an average income of \$104,000 dollars and a poverty rate of 3.9% which is a 115 people. The most recent US census surveyed 1,109 households and 72 of those households had someone living there 65 years or older. So, how did these numbers get skewed in representing the majority of the community? I currently pay \$31.07 for Recology per month. GCSD residents currently pay \$22.02 per month for a typical 32 gallon can. And in Pacifica, which has Recology and composting pick up, residents pay \$33.12 per month. Half Moon Bay, which uses Republic Services, and composting pick up residents pay \$36.94 per month. So, that small delta of money is worth the cost of current and future generations that care about a sustainable environment. The Mid Coast Community Council provided a report on September 11<sup>th</sup>, that the Ox Mountain landfill has approximately 18-19 years left, before it is at 100 % capacity. This landfill services all of San Mateo County and the current approach that was voted in before has had its chance, and now the product of that mistake is filling up our own landfill at a rate that is not sustainable. Now it is time to correct that error and try something new. We can effect real change for the amount of a cup of coffee and that helps the environment with this small adjustment to our service and MWSD can truly stand behind its environmental commitment. Thank you for your time.

Carlyle Ann Young, Moss Beach resident: Justine mentioned that there was 2,909 residents in Montara, and only 115 of them are considered low-income. But, in Moss Beach there are quite a few more low-income. There is the whole Pillar Ridge community and a lot of them are low-income there. And there are quite a few seniors in Moss Beach. The other thing is the technical term of "composting." Since we already have a big green waste bin for composting yard waste, I think composting is a generic term. What we are talking about is having weekly pick up

of food waste that is not considered garbage. It still has to be separated and put in the grey bin. So, a lot of the proposed savings to the Ox Mountain landfill to approximately 2000 households. The food waste of 2,000 households are really negligible compared to other cities on the other side on the Peninsula that are contributing so much more to Ox Mountain than we are and it is not going to be an appreciable amount. There have been people here that have lived here a really long time, and a lot of people here are already really good global citizens as far as composting in their yards. You could raise awareness to get more people to be more careful about sorting and deter a lot more things going to Ox Mountain. I really don't think it is worth the weekly pick-up charge to have food added to the composting....I was at the MCC meeting when Chris spoke, and she said for health reasons, the food waste had to be picked up weekly. Green waste is only every other week, and I'm good with that. There are several residents that come and feed my goats their vegetable scraps, and I'm sure that there are others that would appreciate a treat like that.

General Manager Porter: As I said previously, we had a large governmental meeting of all of Recology. What came out of this meeting, is that as of year 2024, Montara will have to have food composting. AB1383 gives no exceptions. We will have to pass an ordinance by 2022 stating that we will be doing composting. To begin adding food to the green waste, Recology would need one year lead time to get that done, because we are talking about trucks, changes in routes, and a lot of different things...I did speak to the governmental people, as asked to see some type of boiler plate ordinance that we can look. There will have to be a discussion—whatever the Board decides—as to when you want to implement this. And then we will have to move backwards from that date to go forward. I don't know what the costs will be because there are so many things involved. It will be the wisest and cheapest move for the district to do it at the same time as El Granada, as both have service 2.5 days a week, and to cover the costs, it would be much cheaper to do it all at the same time. I think this is a discussion that both districts can have together, then come forward to the Boards and get inputs from the Boards as to what you want to do. Previously, we were able to have waivers because of the composting that was being done in town. AB1383 does not give any waivers for that and there are significant fines to the districts if we do not have the ordinance in place by January 2022 and have the composting in place by 2024.

Director Lohman asked how the green waste and composting be done, and if everything would be thrown into the green waste.

General Manager Chris Porter: Right now you have the 196 and you are allowed to put out an additional 30. So what we would do is just have the 196 and it would be picked up every week. Once you start adding food to the green waste, it is mandatory that you have weekly service. It would be all thrown in together.

Director Lohman: What if we want to compost at home anyway, and put in our gardens?

General Manager Porter: You can do that. But the program has to be in place.

Director Boyd requested that Counsel help them with what the legal requirements are.

Director Lohman suggested that it be coordinated with El Granada.

Director Slater-Carter asked if it was possible to have a bin that people could bring to deposit their compostable stuff in if they wanted to bring it locally—maybe at the District, and have it picked up on a weekly basis. It could give us a gage of this.

General Manager Porter: I ran a lot scenarios. When we had these meetings, they were on-on-one with our top people. AB1383 cuts all that off as of 2024.

Director Slater-Carter: Then in the meantime, you are saying it would not be feasible for us to put in some interim process for folks who want to participate.

General Manager Porter: I would have to talk about it. Pick up could be a problem. Again, there would be a fee for that. I, personally, would rather move forward on everything when the Board and the public decides than to do piece meal right now.

Director Slater-Carter also expressed her concern about the items allowed in commercial composting. She had heard some representations that biological human waste, disposable diapers, and paper towels were allowed.

General Manager Porter replied that human waste was not allowed, but paper towels are.

General Manager Porter added that pumpkins can't be composted, just like palm tree leaves, and that there were certain foods that one would think are compostable but aren't.

General Manager Porter said that since this information was so new, they didn't have time for a more formal presentation. She said she will help District Counsel Fitzgerald get the information she needs to make a presentation to the Board.

Director Slater-Carter added that she would like to meet with General Manager Porter to talk about any possible alternatives. And if there weren't any, maybe Cid (Carlyle Ann Young) could find some master composters to come and talk to us too.

Carlisle Ann Young inquired about the venue of the public hearing and stressed that she wanted Sustainable San Mateo County to get involved and educate the public more. They have a great program.

Director Slater-Carter concurred that would be a great idea, and suggested possibly having a workshop on a weekend day at a bigger meeting area, such as the hostel.

General Manager Porter suggested that the two agenda items remain separate-- the Prop 2018 notice for the rate increase as one item, and the composting requirement and how to move forward a separate discussion.

Director Slater-Carter asked about the rate differences in the various communities that was brought up previously.

General Manager Porter replied that it mainly has to do with the commercial income, which offsets the residential rates. El Granada has \$300,000 dollars more commercial revenue than Montara, and Pacifica has five times more than that.

Director Slater-Carter: So, essentially the commercial underwrites the residential rates.

General Manager Porter requested authorization to work with General Manager Heldmaier and District Counsel Fitzgerald on the composting project.

Director Slater-Carter and the Board approved and Director Slater-Carter requested that she be involved on the project as well.

## REPORTS

1. **Sewer Authority Mid-Coastside Meeting (Slater-Carter) –**  
Director Lohman stated that they discussed and authorized changing the medical, vision, and dental plan for their employees.
2. **Mid-Coast Community Council Meeting (Slater-Carter) –**  
Director Slater-Carter said that they discussed the piece of roadside on Highway One that is failing. Caltrans has started work, and will be shifting that curve inland, so be prepared for traffic stops. There was also an effort to get an underground tunnel at Grey Whale Cove, and Caltrans has decided to put in a stop light with a negative dec.
3. **CSDA Report (Lohman) -- none**
4. **LAFCo Report (Lohman) – none**

Director Lohman stated there was the typical discussion of a house or building outside the service area that was allowed to merge in with the local district. They voted on the updated Municipal Service reviews and the Sphere of Influence. He said the Board wrote an extensive letter, with multiple suggestions to LAFCo... The net result was that LAFCo added one word "unique," in one page of all those pages. That was the only change. Also, they authorized agreement to share the cost of office space, supplies, etc. and approved the standard budget for next year, which was adjusted a bit. He said he will be attending the California meeting of all LAFCOs at the end of the month (paid for by LAFCo, and not by us).

**5. Attorney's Report (Fitzgerald) – none**

**6. Directors' Report – none**

**7. General Manager's Report (Heldmaier) – none**

## **FUTURE AGENDAS**

Collections Contract Status update  
Recology Composting Request Green Waste

## **BRIEF RECESS**

**REGULAR MEETING ENDED at 8:30 P.M.**

## **CONVENE IN CLOSED SESSION**

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

(Government Code §54956.9(d)(4))

Initiation of litigation

Number of cases: 1

### **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)***

## **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

(Government Code §54957(b)(1))

Title: General Manager

## **REPORT OF ACTION TAKEN IN CLOSED SESSION**

**ADJOURNMENT**

The District has a curfew of 10:30 pm for all meetings. The meeting may be extending for one hour by vote of the Board.

Respectfully Submitted,

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

Approved on the 7, November 2019

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



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

**FINANCE COMMITTEE MEETING**  
**October 9, 2019**

**MINUTES**

**SPECIAL SESSION BEGAN AT 4:05 p.m.**  
**CALL TO ORDER**  
**ROLL CALL**

Directors Present: Marshall, and Slater-Carter

Directors Absent: None

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

Others Present: Gregg Dieguez

**ORAL COMMENTS - None**

**NEW BUSINESS**

**1. Review of Draft Water Rate Study.**

District Financial Advisor Alex Handlers explained the background for this financial meeting. The District funded a lot of its capital needs when the GO bonds were issued for acquisition of the system. There were additional funds to reinvest and address some of the infrastructure deficiencies. The District is aware that on the water side there has been an inflationary increase for a number of years but a

shortage of funding for the long term capital needs. With the last rate increase, there was a recognition that there was a higher need for capital funding. A rate study was done to restore the financial stability on the water side and make sure there is adequate capital funding. As the Montara Water and Sanitary District (MWSD) starting looking through this, they asked “what is really driving the capital needs?” So, it was determined that instead of increasing water rates, there should be a separate capital improvement surcharge, called a *Water System Reliability charge*, that would be a dedicated separate charge for funding the long term capital needs that has been identified. The Board seem to like a separate reliability charge. Since this benefits all the properties in the District, this would be a charge levied on the collective of the property tax roll and paid by the home owners specifically dedicated towards funding the water capital needs. It was further thought “what would that look like, how would it be implemented?” Would it be volumetric—based on usage or fixed—based on meter capacity? Or, maybe just a standard charge for single family homes?

Gregg Dieguez asked if the tiered water rates would remain the same.

General Manager Heldmaier said that an inflationary rates would need to be applied either now or in addition to what is being discussed.

District Financial Advisor Alex Handlers said those charges would be for the cost of the operation and maintenance of the system, and the new charges would be levied potentially on property owners to fund the long term infrastructure needs.

Director Marshall: Historically, on the usage side, it has been variable. But the challenge is that people conserve more. Other agencies are adding a line item specifically for capital improvement. We want to get this as close to a fixed value. We can't replace assets and keep the place open, if we are not making the baseline.

Ideally, the District needs 2 million per year to fund capital improvements in addition to the O & M. However, Director Marshall cautioned that the Board has to find a balance that can be found as to what the District needs are and how much the rate payers can provide.

They discussed restructuring table 4 to avoid confusion about what the capital improvement projects were being funded by whom. It was misleading. There were projects that are done for new customers, upgrading the PRV stations for example, that also benefit existing customers. The model, separating new and existing, was started because of the moratorium. That is why the District has this approach.

Gregg Dieguez: if there are no new customers, what line items can be deferred or eliminated.

District Financial Advisor Alex Handlers: According to Tanya (District Water Engineer) they all have to be done. Some stuff did get pulled out.

The GO Bond was discussed, and once paid off, it was suggested to consider replacing that cost with a fixed CIP charge, so it will be net-net for the rate payer. Right now, revenue is approximately 70% variable/30% fixed, which is the industry standard. It was suggested to work towards getting a higher ratio of fixed charges to gain revenue stability.

There was a lively discuss about fairness, and determining the fairest way of recouping costs. District Financial Advisor Alex Handlers stated that from prior conversations, he felt that there is a preference for fixed charges, since these facilities benefit every home regardless of how much water is used. Multi-family homes, which tend to use less water may receive a reduced fixed charge. Commercial should be based on meter size. Pillar Ridge Mobile Home Park are a special case, and a separate lower charge was considered for them.

Director Marshall felt that it might be a good idea to make a goal to get the revenue they need over a multi-year structure, making it easier for rate-payers.

The home owners to be charged would be those with a connection charge. Under prop 218 you can only level the charge on those folks with immediate access--meaning anybody with a water connection. Outside the urban area, maybe the system charge could be half, specifically for fire protection. Would there be a different charge for fire protection only homes?

District Financial Advisor Alex Handlers: A lot of this comes down to a policy decision, as one can make a case of each scenario.

Items discussed to bring to the Board in November on a conceptual level:

- Alternative numbers— revenue goals
  - Where will it start, what levels? (it can't be too low)
  - How many tiers? Should it go higher?
    - Should there be a mid-level tier (\$750,000)?
  - What model is best for our community?
  - Will it cover fund reserves?
- Best way to implement it – will there be a reduced charge based upon the type of connection? Fixed vs. volumetric
  - Multi-year, phasing in, or all at once?
  - Single family homes flat rates – probably fixed
  - Pillar Ridge
  - Second Units
  - Commercial - base on meter size
  - Multi-family - probably fixed, no discount

The idea is to bring options and scenarios to the Board, consider the policy decisions and input, and come back with all the numbers based on their direction, and finalize the draft in December.

District Financial Advisor Alex Handlers may need the following information to work further on the Water Study:

- Number of second units
- Number of accounts with PFP (Private Fire Protection) only
- Number of Multi-family dwelling units
- Number of Pillar Ridge units

Everyone agreed that fairness is key, and it was important to communicate to the public the importance and justification for the increase. For the PFP account holders, for example, storage and fire protection is necessary. As home owners' circumstances and perspectives vary, it will be difficult to find a balance of competing objectives for everyone involved.

## **ADJOURNMENT**

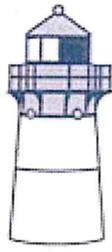
**REGULAR MEETING ENDED at 6:50 P.M.**

Respectfully Submitted,

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

Approved on the 7, November 2019

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



# Montara Water and Sanitary District



## Water System Improvement Charges

*Preliminary Issues & Tables for Discussion*

*Working Draft 10/09/19*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



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## Montara Water & Sanitary District Water System Improvement Charges Preliminary Findings & Issues for Discussion

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### Background

- **Increased capital funding needs driving the need for additional revenues & rate increases**
  - CIP from prior water rate study included average annual capital expenses of less than \$500,000 per year (which was considered a minimal level)
  - Updated CIP identifies need for average annual capital funding level of over \$1.8 million per year for next 5 years
  - Although exact dollar amount for future longer-term capital needs not yet specified, a higher level of capital funding needs is a new “norm” and will continue in future years
  - Increased funding needed for rehabilitation and replacement of aging infrastructure and ongoing upgrades needed to address deficiencies and support long-term reliability
  - Many other regional agencies are facing similar challenges
  
- **Water fund in financial stress**
  - Water fund temporarily facing elevated funding needs for engineering and legal services leaving little funding available for ongoing capital needs
  - In recent years, Water Fund has had to rely on transfers from Sewer Fund to help cover expenses
  - Water Fund historically loaned funds to Sewer Fund, so these transfers may be treated as a reimbursement to the Water Fund, with no need for repayment to the Sewer Fund
  
- **Capital funding needs are much higher than rates can support, even after operating expenses return to “normal” levels**
  - Water rates currently generate about \$1.9 million per year
  - Substantial water rate increase needed to generate CIP funding of \$1.8 million per year
  
- **Water rate history**
  - In 2010, District adopted substantial decreases to fixed service charges coupled with larger increase to water quantity charges and transition from 2-tiers to 4-tiers
  - Since 2010, District has mostly implemented relatively small or inflationary rate increases almost every year...to keep revenues in line with rising expenses
  - Accounting for inflation and reduced water use, many customers may now be paying roughly the same in inflation-adjusted terms as they did back in 2010

## Water System Improvement Charges

- **Purpose:** Dedicated funding source for rehabilitation and replacement of aging infrastructure and ongoing upgrades needed to address deficiencies and support long-term reliability
  - Can be used to supplement rate funding or fully fund future capital needs
- Regular bi-monthly water rates would continue funding operating, maintenance, and debt service (even though debt service supports funding of capital improvements)
  - If CIP will be fully funded by a new Capital Improvement Charge, regular water rates can potentially be reduced at some point (or contribute toward capital needs)
- **Billing Method**
  - Preliminary preference for collection via the County property tax rolls
  - Nexus: The charge benefits all properties served by the District that benefit from access to the District's water system
  - Charge can be implemented starting fiscal year 2020/21
  - Property owner responsible for payment (not tenant)
- **Preliminary Charge Options**
  - Charge levied on all properties with water and/or fire service connections
  - Residential
    - Standard fixed annual charge per single family home (based on system capacity needs for serving a typical single family home)
      - Potential for higher charges for homes with non-standard meter sized (>1")
    - Potential reduced charge per dwelling unit for multi-family units & mobile homes (or standard charge for first dwelling unit & reduced charges per each add'l unit)
  - Commercial/Non-Residential
    - Fixed annual charge based on meter size (or other factor)
  - Alternatives
    - Usage-based charges based on prior year annual water use (adds complexity and administrative issues)
    - Hybrid fixed and usage-based charges (e.g. 50% fixed rate recovery & 50% usage-based revenue recovery)
- **Magnitude & Implementation of charge**
  - What level of revenues should charges be designed to generate?
  - Potential to phase in charges over multiple years
  - Gov't Code 53756 allows for automatic annual inflationary rate adjustment for up to 5 years if relevant

**Table A**  
**Montara Water & Sanitary District**  
**Examples of Water System Sustainability Charges**

DRAFT EXAMPLES

Annual CIP Funding Target	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
<b>FIXED CHARGES</b>				
Estimated Total Meter Equivalents <i>Assumes some growth</i>	1,700	1,700	1,700	1,700
<b>Charge per Meter Equivalent</b>				
Annual Charge	\$294.12	\$588.24	\$882.35	\$1,176.47
Monthly Equivalent	24.51	49.02	73.53	98.04
<b>Projected Fixed Monthly Charges</b>				
<b>Single Family Home</b>	\$24.51	\$49.02	\$73.53	\$98.04
<b>Multi-Family or Mobile Home Unit</b> 75%	18.38	36.77	55.15	73.53
<b>Commercial/Non-Residential</b>				
<u>Meter Size</u>	<u>Charge Ratio</u>			
5/8" x 3/4"	1.00	\$24.51	\$49.02	\$73.53
3/4"	1.10	26.96	53.92	80.88
1"	1.40	34.31	68.63	102.94
1-1/2"	1.80	44.12	88.24	132.35
2"	2.90	71.08	142.16	213.24
3"	11.00	269.61	539.22	808.83
4"	14.00	343.14	686.28	1,029.42
<b>HYBRID CHARGES: 50% FIXED &amp; 50% VOLUMETRIC RATE RECOVERY</b>				
<b>Volumetric Funding %</b>	50%	50%	50%	50%
Volumetric Funding \$	\$250,000	\$500,000	\$750,000	\$1,000,000
Est. Annual Water Use (ccf)	120,000	120,000	120,000	120,000
<b>Projected Usage Charges (Based on Prior Year Water Use)</b>				
<b>Usage Charge (per ccf)</b>	\$2.08	\$4.17	\$6.25	\$8.33
<b>Fixed Charge Funding %</b>	50%	50%	50%	50%
<b>Projected Fixed Monthly Charges</b>				
<b>Single Family Home</b>	\$12.26	\$24.51	\$36.77	\$49.02
<b>Multi-Family or Mobile Home Unit</b> 75%	9.20	18.38	27.58	36.77
<b>Commercial/Non-Residential</b>				
<u>Meter Size</u>	<u>Charge Ratio</u>			
5/8" x 3/4"	1.00	\$12.26	\$24.51	\$36.77
3/4"	1.10	13.49	26.96	40.45
1"	1.40	17.16	34.31	51.48
1-1/2"	1.80	22.07	44.12	66.19
2"	2.90	35.55	71.08	106.63
3"	11.00	134.86	269.61	404.47
4"	14.00	171.64	343.14	514.78
<b>Total Annual Charges for a Single Family Home at Different Usage Levels</b>				
	<u>Bi-Monthly Use</u>			
Low	6 ccf	\$297.12	\$594.12	\$891.24
Median	8 ccf	347.12	694.12	1,041.24
Average	10 ccf	397.12	794.12	1,191.24
Mod-High	16 ccf	547.12	1,094.12	1,641.24

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**Montara Water & Sanitary District  
Water Rate Study  
List of Tables**

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- Table 1 - Historical Water Rates
- Table 2 - Water Reserve Fund Balances
- Table 3 - Water Enterprise Debt Service
- Table 4 - Water 5-Year Capital Improvement Plan
- Table 5 - Historical & Budgeted Revenues & Expenses
- Table 6 - Comparison of Prior Projections vs. Estimates for FY2018/19
- Table 7 - Water Cash Flow Projections

**Appendix A - Water Billing & Usage Analysis**

- Table A1 - Accounts & Est. Rate Revenues FY 2018/19
  - Table A2 - Residential & Commercial Consumption By Current Tier Breakpoints
  - Table A3 - Water Bills & Use per Tier FY2018/19
  - Table A4 - All Customer Consumption Block Analysis 2018/19
  - Table A5 - Residential Consumption Block Analysis 2018/19
  - Table A6 - All Customer Consumption Block Analysis 2017/18
  - Table A7 - Residential Consumption Block Analysis 2017/18
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**Table 2**

**Montara Water & Sanitary District  
Water Reserve Fund Balances**

*Is data for end of June 2018 and June 2019 available*

	Balance July 2018	Balance May 31, 2019	Min Fund Target	Over/(Under) Target	Minimum Reserve Policy
Water Operations	\$886,305	\$1,025,705	n/a		
Operating Reserve	46,009	46,009	277,745	(231,736)	2 months of O&M expenses
Capital Reserve	398,249	398,249	945,817	(547,568)	Lowest year CIP for existing customers + engineer's est. of annual replacement projects
SRF Reserve	48,222	48,222	48,222	0	What is SRF Reserve Requirement?
Connection Fee Reserve	<u>253,020</u>	<u>253,020</u>	<u>253,020</u>	<u>0</u>	One year of est. connection fee revenue
Total	1,631,805	1,771,205	1,524,804	(779,304)	

Source: May 2019 Yearly Activity Analysis.

**Table 3**  
**Montara Water & Sanitary District**  
**Water Enterprise Debt Service**

	2006 PNC Lease	SRF Loan 022 Alta Vista Tank	SRF Loan 024 Planning Loan	Total Debt Service
Issue Size	\$1,818,134	\$2,920,000	\$500,000	
Interest Rate	2.95%	2.2836%	2.0933%	
Term	20 Years	20 Years	5 Years	
Payments	Monthly	Semi-Annual	Semi-Annual	
Purpose	Water Meters (50% Water)	Alta Vista Tank	Planning Loan	
2015/16	59,275	92,500	107,000	258,775
2016/17	62,325	185,000	107,000	354,325
2017/18	65,275	185,000	107,000	357,275
2018/19	68,875	185,000	107,000	360,875
2019/20	72,425	185,000	107,000	364,425
2020/21	76,130	185,000	-	261,130
2021/22	79,905	185,000	-	264,905
2022/23	83,520	185,000	-	268,520
2023/24	87,230	185,000	-	272,230
2024/25	88,558	185,000	-	273,558
2025/26	88,650	185,000	-	273,650
2026/27	29,536	185,000	-	214,536
2027/28	-	185,000	-	185,000
2028/29	-	185,000	-	185,000
2029/30	-	185,000	-	185,000
2030/31	-	185,000	-	185,000
2031/32	-	185,000	-	185,000
2032/33	-	185,000	-	185,000
2033/34	-	185,000	-	185,000
2034/35	-	185,000	-	185,000
2034/35	-	92,500	-	92,500

**Table 4**  
**Montara Water & Sanitary District**  
**Water 5-Year Capital Improvement Plan**

Existing Customer CIP	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
<b>Distribution System Renewal &amp; Replacement Program</b>						
Misc Repair & Replacements	10,000	10,200	10,404	10,612	10,824	52,040
Water Meters	25,000	25,500	26,010	26,530	27,061	130,101
Water Lateral Services	25,000	25,500	26,010	26,530	27,061	130,101
Water Main Replacements	25,000	150,000	153,000	156,060	159,181	643,241
Replace Fire Hydrants	6,000	6,120	6,242	6,367	6,495	31,224
<i>Subtotal Distribution System R&amp;R Program</i>	<i>91,000</i>	<i>217,320</i>	<i>221,666</i>	<i>226,100</i>	<i>230,622</i>	<i>986,708</i>
Water Conservation Program	8,500	8,755	9,018	9,288	9,567	45,128
Storage Tank Rehabilitation Program	-	-	250,000	300,000	-	550,000
Emergency Generator Replace Program	100,000	150,000	75,000	75,000	75,000	475,000
Vehicle Replacement Fund	-	40,000	40,000	-	-	80,000
<b>Subtotal: Existing Customer CIP</b>	<b>199,500</b>	<b>416,075</b>	<b>595,684</b>	<b>610,388</b>	<b>315,189</b>	<b>2,136,836</b>
New Customer CIP	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Water Main Upgrade Program	100,000	500,000	515,000	530,450	546,364	2,191,814
Existing Well Upgrade Program	250,000	250,000	280,000	-	-	780,000
New and Upgraded PRV Stations Program	-	250,000	257,500	265,225	273,182	1,045,907
Emergency Generator Upgrade Program	-	150,000	200,000	206,000	212,180	768,180
Schoolhouse Booster Pump Station Upgrade	-	-	-	-	350,000	350,000
Portola Tank Telemetry Upgrade	-	-	-	250,000	-	250,000
Develop Additional Supply Reliability	-	350,000	-	350,000	1,000,000	1,700,000
Big Wave NPA Water Main Extension*	-	-	-	-	-	-
<b>Subtotal: New Customer CIP</b>	<b>350,000</b>	<b>1,500,000</b>	<b>1,252,500</b>	<b>1,601,675</b>	<b>2,381,725</b>	<b>7,085,900</b>
<b>Total Annual Capital Cost</b>	<b>549,500</b>	<b>1,916,075</b>	<b>1,848,184</b>	<b>2,212,063</b>	<b>2,696,914</b>	<b>9,222,736</b>

\* Costs for Big Wave NPA Water Main Extension are estimated at \$2,500,000 and will be paid directly by developer.

Average Annual CIP	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Average Annual Existing Customer CIP	427,000	427,000	427,000	427,000	427,000	2,135,000
Average Annual New Customer CIP	1,417,000	1,417,000	1,417,000	1,417,000	1,417,000	7,085,000
<b>Total Average Annual CIP</b>	<b>1,844,000</b>	<b>1,844,000</b>	<b>1,844,000</b>	<b>1,844,000</b>	<b>1,844,000</b>	<b>9,220,000</b>
Avg Annual CIP with 2.5% Cost Escalation	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total
Average Annual Existing Customer CIP	406,000	416,000	426,000	437,000	448,000	2,133,000
Average Annual New Customer CIP	1,348,000	1,382,000	1,417,000	1,452,000	1,488,000	7,087,000
<b>Total Accounting for 2.5% Cost Escalation</b>	<b>1,754,000</b>	<b>1,798,000</b>	<b>1,843,000</b>	<b>1,889,000</b>	<b>1,936,000</b>	<b>9,220,000</b>

**Table 5  
Montara Water & Sanitary District  
Historical & Budgeted Revenues & Expenses**

	Actual 2016/17	Actual 2017/18	Budget 2018/19	Through May 2019	+ Est. for June 2019	Estimated 2018/19	Budget 2019/20	Basis for Projections
<b>REVENUES</b>								
Operating Revenues								
Water Sales & Service Charges	\$1,768,246	\$1,921,189	\$1,912,496	\$1,737,983	\$160,000.00	\$1,897,983	\$1,944,000	Preliminary \$1,900,000
Property Taxes (1% Share)	340,018	367,805	275,000	382,878	0	382,878	275,000	300,000
Interest Earnings ???								
Cell Phone Tower Lease	34,427	35,632	35,500	33,598	3,000	36,598	37,000	37,000
Other Revenues [1]	<u>50,008</u>	<u>35,887</u>	<u>28,050</u>	<u>35,255</u>	<u>3,000</u>	<u>38,255</u>	<u>32,000</u>	<u>32,000</u>
Subtotal	2,192,699	2,360,513	2,251,046	2,189,714	166,000	2,355,714	2,288,000	2,269,000
<b>Other Revenues</b>								
Connection Fees	208,786	284,552	253,020	255,953	0	255,953	280,000	250,000
Borrowed from Sewer Fund ?	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
Subtotal	208,786	284,552	253,020	255,953	500,000	755,953	280,000	250,000
<b>TOTAL REVENUES</b>	2,401,485	2,645,065	2,504,066	2,445,667	666,000	3,111,667	2,568,000	2,519,000
<b>EXPENSES</b>								
Operating Expenses								
Personnel	Included in Subtotal	Included in Subtotal	872,572	686,732	62,430	749,162	886,161	886,000
Professional Services			150,000	55,048	5,004	60,052	377,500	378,000
Facilities & Administration			58,500	124,273	11,298	135,571	114,300	114,000
Engineering			145,500	379,593	34,508	414,101	380,500	381,000
Pumping			105,700	82,603	7,509	90,112	105,700	106,000
Supply			52,100	16,260	1,478	17,738	47,500	48,000
Transmission			81,500	64,208	5,837	70,045	82,500	82,000
Treatment			76,000	74,260	6,751	81,011	85,000	85,000
Other Operations			<u>124,600</u>	<u>52,134</u>	<u>4,739</u>	<u>56,873</u>	<u>127,350</u>	<u>127,000</u>
Subtotal	1,302,322	1,451,758	1,666,472	1,535,111	139,556	1,674,667	2,206,511	2,207,000
<b>Other Expenses</b>								
Debt Service								
PNC Equipment Lease	62,325	65,275	68,875	68,875	-	68,875	72,425	72,000
SRF Loan (Alta Vista Tank)	185,000	185,000	185,000	185,000	-	185,000	185,000	185,000
SRF Planning Loan	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>	-	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>
Subtotal	354,325	357,275	360,875	360,875	-	360,875	364,425	364,000
CIP Funding								
Transfer to CIP				<u>371,109</u>		371,109	<u>550,000</u>	<u>550,000</u>
<b>TOTAL EXPENSES</b>	1,656,647	1,809,033	2,027,347	2,267,995	139,556	2,406,661	3,120,936	3,121,000

1 - Includes fees, backflow testing, refunds, and other miscellaneous revenues

**Table 6**  
**Montara Water & Sanitary District**  
**Comparison of Prior Projections vs. Estimates for FY2018/19**

	<b>2015 Study Projection</b>	<b>Estimated Results</b>	<b>Difference</b>	
<b>REVENUES</b>				
Water Service Charges	620,000	610,000	(10,000)	
Water Quantity Charges	<u>1,443,000</u>	<u>1,290,000</u>	<u>(153,000)</u>	Lower Use
Subtotal Water Rate Revenues	2,063,000	1,900,000	(163,000)	
Property Taxes	245,000	300,000	55,000	
Water & Fire Connection Fees	435,000	250,000	(185,000)	Lower Growth
Interest Earnings (est.)	23,000	5,000	(18,000)	
Cell Phone Tower Lease	35,000	37,000	2,000	
Other Revenues	<u>21,000</u>	<u>32,000</u>	<u>11,000</u>	
Total	<u>2,822,000</u>	<u>2,524,000</u>	<u>(298,000)</u>	
<b>EXPENSES</b>				
<b>Operating Expenses</b>				
Personnel	890,000	886,000	(4,000)	
Professional Svcs & Engineering	272,000	659,000	387,000	Temp Increase
Supply & Treatment	128,000	133,000	5,000	
Pumping & Transmission	216,000	188,000	(28,000)	
Admin & Other Operations	<u>217,000</u>	<u>241,000</u>	<u>24,000</u>	
Subtotal	<u>1,723,000</u>	<u>2,107,000</u>	<u>384,000</u>	
<b>Debt Service</b>				
PNC Equipment Lease	69,000	69,000	0	
SRF Loan 022 (Alta Vista Tank)	185,000	185,000	0	
SRF Loan 024 (Planning Loan)	<u>107,000</u>	<u>107,000</u>	<u>0</u>	
Subtotal	<u>361,000</u>	<u>361,000</u>	<u>0</u>	
<i>Net Revenues Available for CIP</i>	<i>738,000</i>	<i>56,000</i>	<i>(682,000)</i>	
<b>Average Annual 5-Year CIP</b>	<b>487,000</b>	<b>1,844,000</b>	<b>1,357,000</b>	Long-Term Needs
<b>Total Expenses w/ Avg 5-Year CIP</b>	<b>2,571,000</b>	<b>4,312,000</b>	<b>1,741,000</b>	

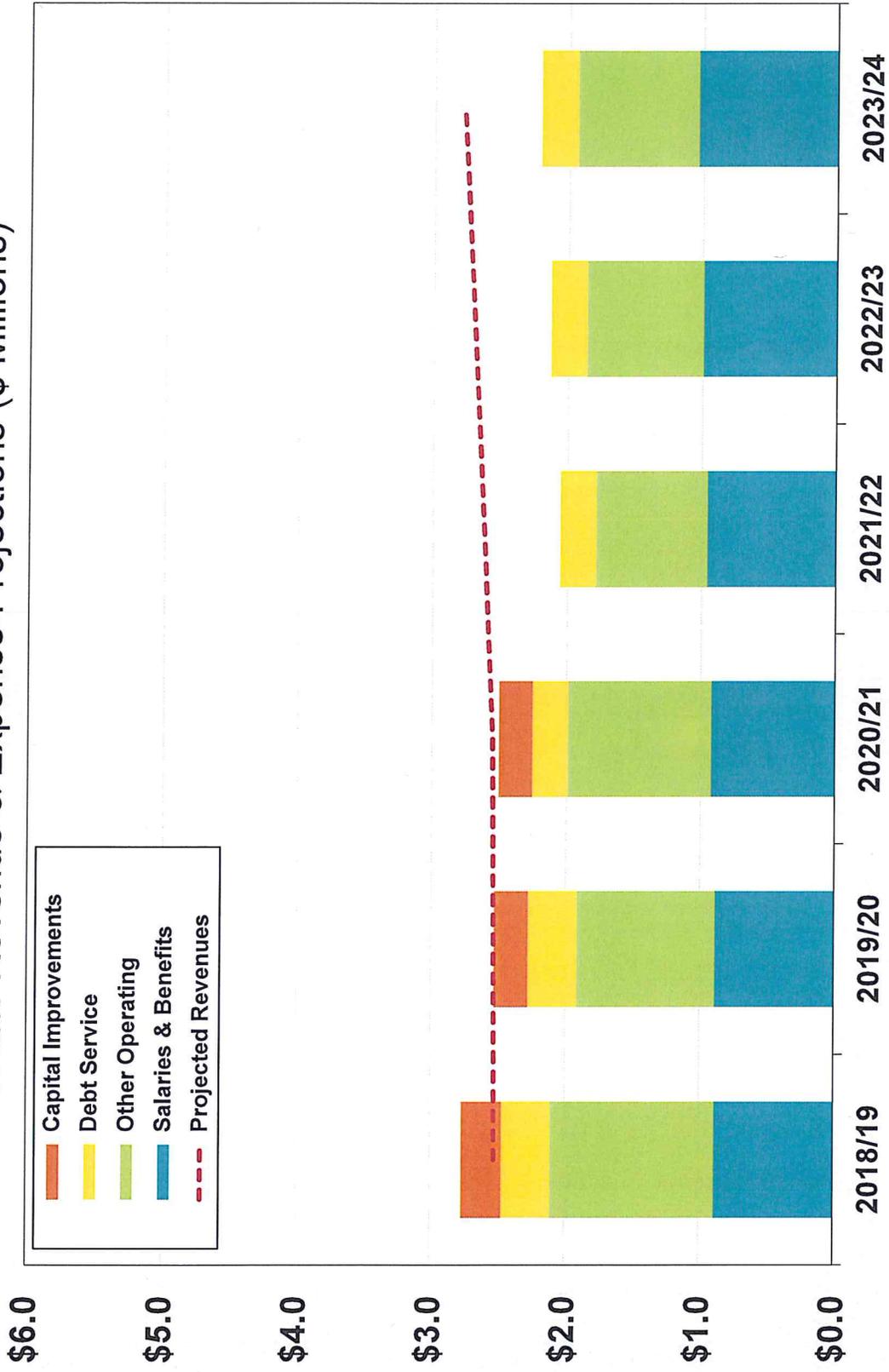
**Table 7**  
**Montara Water & Sanitary District**  
**Water Cash Flow Projections**

With CIP Funded by a New Capital Improvement Charge  
 & No Adjustments to Regular Water Rates

	Estimated 2018/19	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
		tbd	July 1	July 1	July 1	July 1
Rate Revenue Adjustments		0.0%	0.0%	3.0%	3.0%	3.0%
Monthly SFR Bill: 5/8" mtr, 5 ccf use	\$67.70	\$67.70	\$67.70	\$69.73	\$71.82	\$73.98
New Water & Fire Svc Connections (EDUs)		10	10	10	10	10
Water Capacity Charge (5/8" x 3/4")		\$17,457	\$17,806	\$18,162	\$18,525	\$18,896
Private Fire Protection Charge (Up to 3/4")		\$5,213	\$5,317	\$5,423	\$5,531	\$5,642
Private Fire Protection Charge (1")		\$8,706	\$8,880	\$9,058	\$9,239	\$9,424
Growth in Customer Base		0.5%	0.5%	0.5%	0.5%	0.5%
Price Elasticity: -0.015		0.0%	0.0%	-0.5%	-0.5%	-0.5%
Interest Earnings Rate		2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation		4.0%	4.0%	4.0%	4.0%	4.0%
<b>Beginning Fund Balances All Funds</b>	\$1,075,000	\$1,331,000	\$1,336,000	\$1,384,000	\$1,948,000	\$2,516,000
<b>REVENUES</b>						
Water Service Charges	610,000	613,000	616,000	638,000	661,000	684,000
Water Quantity Charges	1,290,000	1,290,000	1,290,000	1,323,000	1,357,000	1,391,000
Subtotal	1,900,000	1,903,000	1,906,000	1,961,000	2,018,000	2,075,000
Property Taxes (+2%)	300,000	306,000	312,000	318,000	324,000	330,000
Water & Fire Connection Fees	250,000	227,000	231,000	236,000	241,000	245,000
Interest Earnings (est.)	5,000	27,000	27,000	28,000	39,000	50,000
Cell Phone Tower Lease	37,000	38,000	39,000	40,000	41,000	42,000
Other Revenues	32,000	33,000	34,000	35,000	36,000	37,000
<b>Total Revenues</b>	2,524,000	2,534,000	2,549,000	2,618,000	2,699,000	2,779,000
<b>EXPENSES</b>						
<b>Operating Expenses</b>						
Personnel	886,000	886,000	921,000	958,000	996,000	1,036,000
Professional Services	378,000	228,000	237,000	78,000	81,000	84,000
Engineering	281,000	281,000	292,000	191,000	199,000	207,000
Facilities & Administration	114,000	114,000	119,000	124,000	129,000	134,000
Pumping	106,000	106,000	110,000	114,000	119,000	124,000
Supply	48,000	48,000	50,000	52,000	54,000	56,000
Transmission	82,000	82,000	85,000	88,000	92,000	96,000
Treatment	85,000	85,000	88,000	92,000	96,000	100,000
Other Operations	127,000	85,000	88,000	92,000	96,000	100,000
Subtotal Operating Expenses	2,107,000	1,915,000	1,990,000	1,789,000	1,862,000	1,937,000
<b>Debt Service</b>						
PNC Equipment Lease	69,000	72,000	76,000	80,000	84,000	87,000
SRF Loan 022 (Alta Vista Tank)	185,000	185,000	185,000	185,000	185,000	185,000
SRF Loan 024 (Planning Loan)	107,000	107,000	0	0	0	0
Subtotal Debt Service	361,000	364,000	261,000	265,000	269,000	272,000
<b>Net Revenues Available for CIP</b>	56,000	255,000	298,000	564,000	568,000	570,000
<b>Non-Operating Expenses</b>						
Average Annual CIP Funding Level with 2.5% Escalation						
CIP: Existing Customers	<i>Included</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>
CIP: New Customers/Expansion	<i>Included</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>	<i>Excluded</i>
Temp Engin/Legal for Property Acqui	100,000	250,000	250,000	0	0	0
Subtotal Non-Operating Expenses	300,000	250,000	250,000	0	0	0
<b>Total Expenses</b>	2,768,000	2,529,000	2,501,000	2,054,000	2,131,000	2,209,000
<b>Revenues Less Expenses</b>	(244,000)	5,000	48,000	564,000	568,000	570,000
Transfer In from Sewer	500,000					
<b>Ending Fund Balances</b>	1,331,000	1,336,000	1,384,000	1,948,000	2,516,000	3,086,000
Debt Service Coverage: $\geq 1.20$	1.16	1.70	2.14	3.13	3.11	3.10

# Montara Water & Sanitary District

## Water Revenue & Expense Projections (\$ Millions)



# **Appendix A**

## **Billing & Usage Analysis**



**Table A1**  
**Montara Water & Sanitary District**  
**Accounts & Est. Rate Revenues FY 2018/19**

<b>NUMBER OF ACCOUNTS</b>	
<b>Water Service</b>	
5/8" x 3/4"	1,586
3/4"	23
1"	17
1-1/2"	2
2"	4
3"	0
4"	<u>2</u>
Subtotal	1,634
<b>Private Fire</b>	
Up to 4"	160
6"	5
8"	0
10"	1
12"	<u>0</u>
Subtotal	166
<b>EST. FIXED SERVICE CHARGE REVENUES FY2018/19</b>	
<b>Water Service</b>	
5/8" x 3/4"	\$548,122
3/4"	8,744
1"	8,225
1-1/2"	1,244
2"	4,009
3"	0
4"	<u>9,677</u>
Subtotal	580,021
<b>Private Fire</b>	
Up to 4"	\$33,370
6"	1,479
8"	0
10"	830
12"	<u>0</u>
Subtotal	35,679
Total Service Charge Revenues	\$615,700

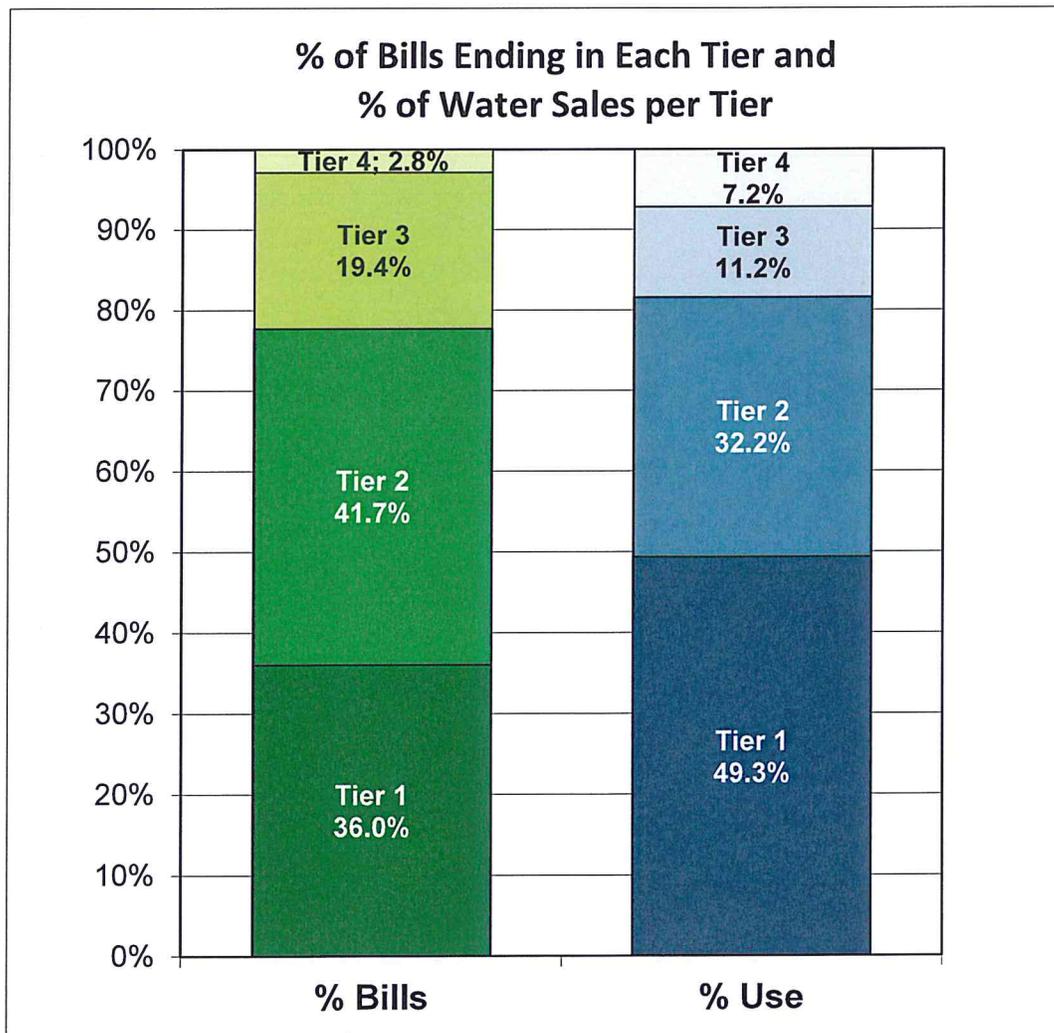
**Table A2**  
**Montara Water & Sanitary District**  
**Residential & Commercial Consumption By Current Tier Breakpoints**

Tier	Bi-Monthly Use (hcf)	Number of Bills Ending		Water Consumption (hcf)		Rate	Estimated Revenues
		in Tier	% of Total	in Tier	% of Total		
<b>RESIDENTIAL</b>							
<b>2018/19</b>							
Tier 1	0 - 6	3,474	36.1%	49,040	52.6%	\$8.36	\$409,974
Tier 2	7 - 13	4,083	42.4%	29,096	31.2%	11.17	325,002
Tier 3	14 - 27	1,842	19.1%	11,901	12.8%	13.94	165,900
Tier 4	Over 27	<u>221</u>	<u>2.3%</u>	<u>3,114</u>	<u>3.3%</u>	19.53	<u>60,816</u>
Subtotal		9,620	100.0%	93,151	100.0%		961,693
<b>Pillar Ridge</b>							
Tier 1	0 - 6			8,244	50.8%	\$8.36	\$68,920
Tier 2	7 - 13			<u>7,980</u>	<u>49.2%</u>	11.17	<u>89,137</u>
Subtotal				16,224	100.0%		158,056
<b>2017/18</b>							
Tier 1	0 - 6	3,221	34.3%	48,441	52.3%	\$8.12	\$393,341
Tier 2	7 - 13	4,072	43.4%	29,606	32.0%	10.84	320,929
Tier 3	14 - 27	1,864	19.9%	12,128	13.1%	13.53	164,092
Tier 4	Over 27	<u>226</u>	<u>2.4%</u>	<u>2,467</u>	<u>2.7%</u>	18.96	<u>46,774</u>
Subtotal		9,383	100.0%	92,642	100.0%		925,136
<b>Pillar Ridge</b>							
Tier 1	0 - 6			8,244	50.8%	\$8.12	\$66,941
Tier 2	7 - 13			8,250	50.9%	10.84	89,430
Tier 3	14 - 27			<u>112</u>	<u>0.7%</u>	13.53	<u>1,515</u>
Subtotal				16,606	102.4%		157,887
<b>COMMERCIAL/OTHER</b>							
<b>2018/19</b>							
Tier 1	0 - 6	120	34.3%	1,598	16.1%	\$8.36	\$13,359
Tier 2	7 - 13	71	20.3%	1,372	13.8%	11.17	15,325
Tier 3	14 - 27	96	27.4%	1,516	15.2%	13.94	21,133
Tier 4	Over 27	<u>63</u>	<u>18.0%</u>	<u>5,466</u>	<u>54.9%</u>	19.53	<u>106,751</u>
Subtotal		350	100.0%	9,952	100.0%		156,569
<b>2017/18</b>							
Tier 1	0 - 6	134	36.7%	1,619	16.0%	\$8.12	\$13,146
Tier 2	7 - 13	719	197.0%	1,363	13.4%	10.84	14,775
Tier 3	14 - 27	(558)	-152.9%	1,535	15.1%	13.53	20,769
Tier 4	Over 27	<u>70</u>	<u>19.2%</u>	<u>5,620</u>	<u>55.4%</u>	18.96	<u>106,555</u>
Subtotal		365	100.0%	10,137	100.0%		155,245
<b>TOTAL</b>							
<b>2018/19</b>							
Tier 1	0 - 6	3,594	36.0%	58,882	49.3%	\$8.36	\$492,254
Tier 2	7 - 13	4,154	41.7%	38,448	32.2%	11.17	429,464
Tier 3	14 - 27	1,938	19.4%	13,417	11.2%	13.94	187,033
Tier 4	Over 27	<u>284</u>	<u>2.8%</u>	<u>8,580</u>	<u>7.2%</u>	19.53	<u>167,567</u>
Total		9,970	100.0%	119,327	100.0%		1,276,318
<b>2017/18</b>							
Tier 1	0 - 6	3,355	34.4%	58,304	48.8%	\$8.12	\$473,428
Tier 2	7 - 13	4,791	49.1%	39,219	32.9%	10.84	425,134
Tier 3	14 - 27	1,306	13.4%	13,775	11.5%	13.53	186,376
Tier 4	Over 27	<u>296</u>	<u>3.0%</u>	<u>8,087</u>	<u>6.8%</u>	18.96	<u>153,330</u>
Total		9,748	100.0%	119,385	100.0%		1,238,268

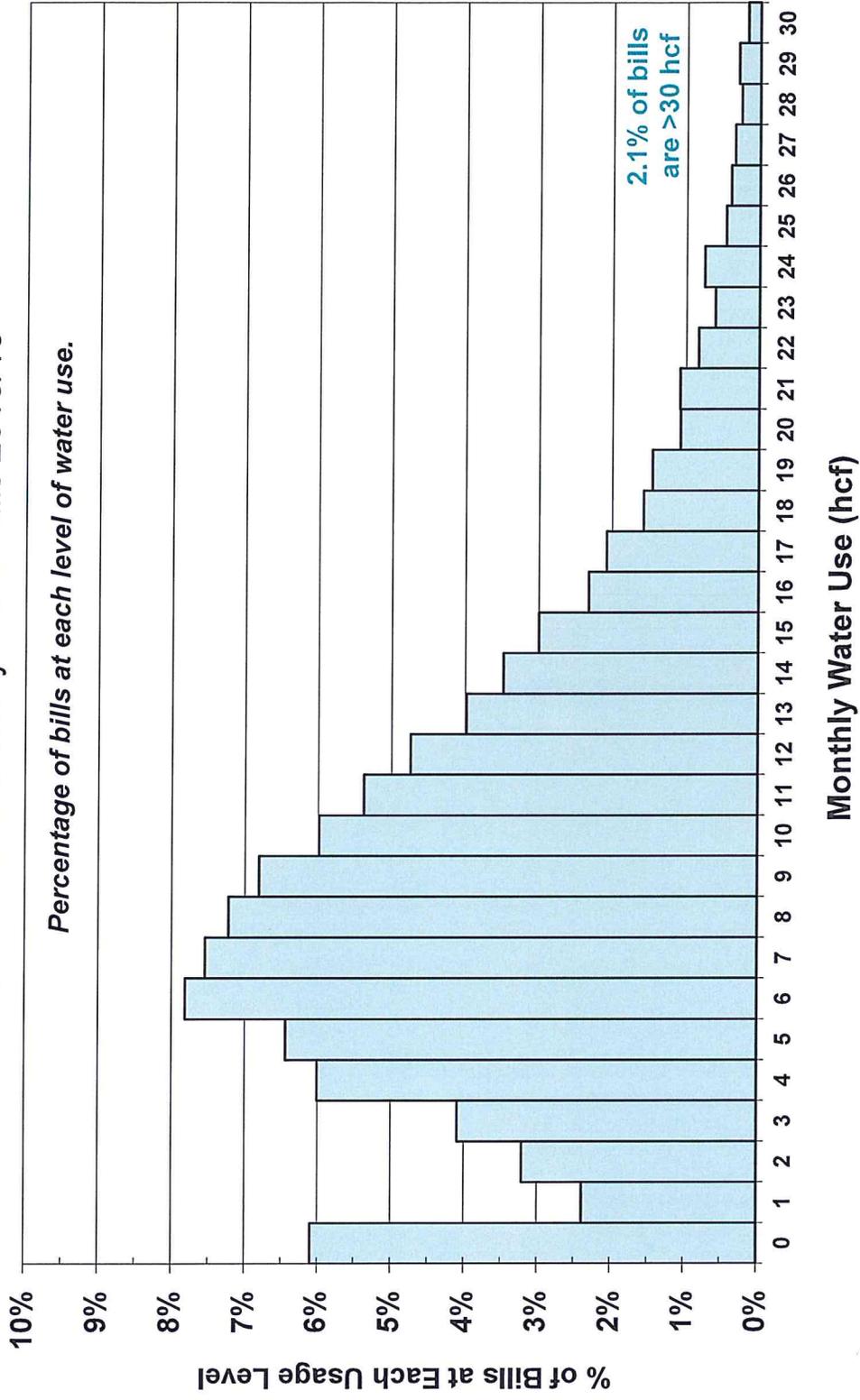
**Table A3**  
**Montara Water & Sanitary District**  
**Water Bills & Use per Tier FY2018/19**

Water Bills & Use by Tier					
	Bi-Monthly Use	Bills Ending in Tier		Water Use in Tier	
		#	%	#	%
Tier 1	0 - 6 hcf	3,594	36.0%	58,882	49.3%
Tier 2	7 - 13 hcf	4,154	41.7%	38,448	32.2%
Tier 3	14 - 27 hcf	1,938	19.4%	13,417	11.2%
Tier 4	Over 27 hcf	<u>284</u>	<u>2.8%</u>	<u>8,580</u>	<u>7.2%</u>
Total		9,970	100.0%	119,327	100.0%

Note: Based on billing data from FY 2018/19.



## Montara Water & Sanitary District Distribution of Bi-Monthly Water Bills 2018/19



# Montara Water & Sanitary District Water Bills 2018/19

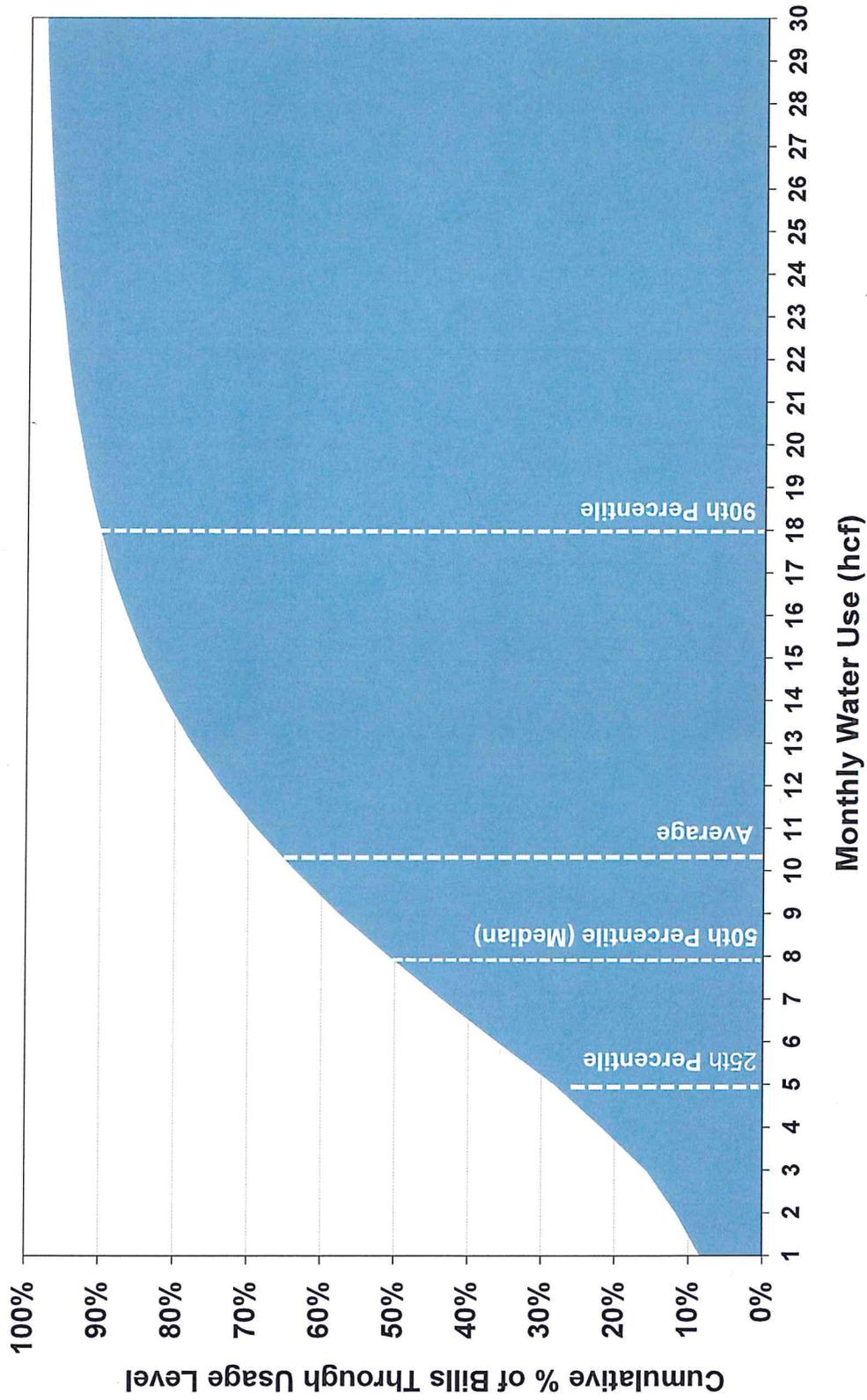


Table A4  
 Montara Water & Sanitary District  
 All Customer Consumption Block Analysis 2018/19

Median Bi-Monthly Monthly Use: 8.0 hcf  
 Average Bi-Monthly Use: 10.3 hcf  
 Note: Excludes Pillar Ridge

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0 Est	608	6.1%	608	6.1%	0	0.0%	0	0.0%
1	238	2.4%	846	8.5%	238	0.2%	9,362	9.1%
2	320	3.2%	1,166	11.7%	640	0.6%	18,486	17.9%
3	408	4.1%	1,574	15.8%	1,224	1.2%	27,290	26.5%
4	599	6.0%	2,173	21.8%	2,396	2.3%	35,686	34.6%
5	642	6.4%	2,815	28.2%	3,210	3.1%	43,483	42.2%
6	779	7.8%	3,594	36.0%	4,674	4.5%	50,638	49.1%
7	752	7.5%	4,346	43.6%	5,264	5.1%	57,014	55.3%
8	720	7.2%	5,066	50.8%	5,760	5.6%	62,638	60.8%
9	679	6.8%	5,745	57.6%	6,111	5.9%	67,542	65.5%
10	597	6.0%	6,342	63.6%	5,970	5.8%	71,767	69.6%
11	536	5.4%	6,878	69.0%	5,896	5.7%	75,395	73.1%
12	473	4.7%	7,351	73.7%	5,676	5.5%	78,487	76.1%
13	397	4.0%	7,748	77.7%	5,161	5.0%	81,106	78.7%
14	347	3.5%	8,095	81.2%	4,858	4.7%	83,328	80.8%
15	299	3.0%	8,394	84.2%	4,485	4.4%	85,203	82.6%
16	231	2.3%	8,625	86.5%	3,696	3.6%	86,779	84.2%
17	207	2.1%	8,832	88.6%	3,519	3.4%	88,124	85.5%
18	157	1.6%	8,989	90.2%	2,826	2.7%	89,262	86.6%
19	145	1.5%	9,134	91.6%	2,755	2.7%	90,243	87.5%
20	107	1.1%	9,241	92.7%	2,140	2.1%	91,079	88.3%
21	108	1.1%	9,349	93.8%	2,268	2.2%	91,808	89.0%
22	83	0.8%	9,432	94.6%	1,826	1.8%	92,429	89.6%
23	60	0.6%	9,492	95.2%	1,380	1.3%	92,967	90.2%
24	75	0.8%	9,567	96.0%	1,800	1.7%	93,445	90.6%
25	46	0.5%	9,613	96.4%	1,150	1.1%	93,848	91.0%
26	39	0.4%	9,652	96.8%	1,014	1.0%	94,205	91.4%
27	34	0.3%	9,686	97.2%	918	0.9%	94,523	91.7%
28	25	0.3%	9,711	97.4%	700	0.7%	94,807	92.0%
29	29	0.3%	9,740	97.7%	841	0.8%	95,066	92.2%
30	17	0.2%	9,757	97.9%	510	0.5%	95,296	92.4%
31	23	0.2%	9,780	98.1%	713	0.7%	95,509	92.6%
32	14	0.1%	9,794	98.2%	448	0.4%	95,699	92.8%
33	14	0.1%	9,808	98.4%	462	0.4%	95,875	93.0%
34	7	0.1%	9,815	98.4%	238	0.2%	96,037	93.1%
35	13	0.1%	9,828	98.6%	455	0.4%	96,192	93.3%
36	7	0.1%	9,835	98.6%	252	0.2%	96,334	93.4%
37	3	0.0%	9,838	98.7%	111	0.1%	96,469	93.6%
38	10	0.1%	9,848	98.8%	380	0.4%	96,601	93.7%
39	8	0.1%	9,856	98.9%	312	0.3%	96,723	93.8%
40	8	0.1%	9,864	98.9%	320	0.3%	96,837	93.9%
41	3	0.0%	9,867	99.0%	123	0.1%	96,943	94.0%
42	4	0.0%	9,871	99.0%	168	0.2%	97,046	94.1%
43	2	0.0%	9,873	99.0%	86	0.1%	97,145	94.2%
44	5	0.1%	9,878	99.1%	220	0.2%	97,242	94.3%
45	7	0.1%	9,885	99.1%	315	0.3%	97,334	94.4%
46	4	0.0%	9,889	99.2%	184	0.2%	97,419	94.5%
47	3	0.0%	9,892	99.2%	141	0.1%	97,500	94.6%
48	4	0.0%	9,896	99.3%	192	0.2%	97,578	94.6%
49	2	0.0%	9,898	99.3%	98	0.1%	97,652	94.7%
50	2	0.0%	9,900	99.3%	100	0.1%	97,724	94.8%
51-100	42	0.4%	9,942	99.7%	2,806	2.7%	99,130	96.1%
101-200	18	0.2%	9,960	99.9%	2,751	2.7%	101,781	98.7%
>200	10	0.1%	9,970	100.0%	3,322	3.2%	103,103	100.0%
Subtotal	9,970	100.0%			103,103	100.0%		
<b>Pillar Ridge</b>								
Tier 1							8,244	50.8%
Tier 2							7,980	49.2%
Subtotal							16,224	100.0%
<b>Total Water Use</b>							119,327	

Table A5  
Montara Water & Sanitary District  
Residential Consumption Block Analysis 2018/19

Median Bi-Monthly Monthly Use: 8.0 hcf  
Average Bi-Monthly Use: 9.7 hcf  
Note: Excludes Pillar Ridge

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0 Est	557	5.8%	557	5.8%	0	0.0%	0	0.0%
1	223	2.3%	780	8.1%	223	0.2%	9,063	9.7%
2	304	3.2%	1,084	11.3%	608	0.7%	17,903	19.2%
3	396	4.1%	1,480	15.4%	1,188	1.3%	26,439	28.4%
4	592	6.2%	2,072	21.5%	2,368	2.5%	34,579	37.1%
5	635	6.6%	2,707	28.1%	3,175	3.4%	42,127	45.2%
6	767	8.0%	3,474	36.1%	4,602	4.9%	49,040	52.6%
7	742	7.7%	4,216	43.8%	5,194	5.6%	55,186	59.2%
8	706	7.3%	4,922	51.2%	5,648	6.1%	60,590	65.0%
9	669	7.0%	5,591	58.1%	6,021	6.5%	65,288	70.1%
10	584	6.1%	6,175	64.2%	5,840	6.3%	69,317	74.4%
11	525	5.5%	6,700	69.6%	5,775	6.2%	72,762	78.1%
12	466	4.8%	7,166	74.5%	5,592	6.0%	75,682	81.2%
13	391	4.1%	7,557	78.6%	5,083	5.5%	78,136	83.9%
14	340	3.5%	7,897	82.1%	4,760	5.1%	80,199	86.1%
15	292	3.0%	8,189	85.1%	4,380	4.7%	81,922	87.9%
16	219	2.3%	8,408	87.4%	3,504	3.8%	83,353	89.5%
17	198	2.1%	8,606	89.5%	3,366	3.6%	84,565	90.8%
18	153	1.6%	8,759	91.0%	2,754	3.0%	85,579	91.9%
19	139	1.4%	8,898	92.5%	2,641	2.8%	86,440	92.8%
20	97	1.0%	8,995	93.5%	1,940	2.1%	87,162	93.6%
21	95	1.0%	9,090	94.5%	1,995	2.1%	87,787	94.2%
22	75	0.8%	9,165	95.3%	1,650	1.8%	88,317	94.8%
23	56	0.6%	9,221	95.9%	1,288	1.4%	88,772	95.3%
24	70	0.7%	9,291	96.6%	1,680	1.8%	89,171	95.7%
25	43	0.4%	9,334	97.0%	1,075	1.2%	89,500	96.1%
26	35	0.4%	9,369	97.4%	910	1.0%	89,786	96.4%
27	30	0.3%	9,399	97.7%	810	0.9%	90,037	96.7%
28	21	0.2%	9,420	97.9%	588	0.6%	90,258	96.9%
29	25	0.3%	9,445	98.2%	725	0.8%	90,458	97.1%
30	17	0.2%	9,462	98.4%	510	0.5%	90,633	97.3%
31	23	0.2%	9,485	98.6%	713	0.8%	90,791	97.5%
32	14	0.1%	9,499	98.7%	448	0.5%	90,926	97.6%
33	11	0.1%	9,510	98.9%	363	0.4%	91,047	97.7%
34	6	0.1%	9,516	98.9%	204	0.2%	91,157	97.9%
35	12	0.1%	9,528	99.0%	420	0.5%	91,261	98.0%
36	7	0.1%	9,535	99.1%	252	0.3%	91,353	98.1%
37	3	0.0%	9,538	99.1%	111	0.1%	91,438	98.2%
38	8	0.1%	9,546	99.2%	304	0.3%	91,520	98.2%
39	6	0.1%	9,552	99.3%	234	0.3%	91,594	98.3%
40	6	0.1%	9,558	99.4%	240	0.3%	91,662	98.4%
41	3	0.0%	9,561	99.4%	123	0.1%	91,724	98.5%
42	3	0.0%	9,564	99.4%	126	0.1%	91,783	98.5%
43	2	0.0%	9,566	99.4%	86	0.1%	91,839	98.6%
44	5	0.1%	9,571	99.5%	220	0.2%	91,893	98.6%
45	7	0.1%	9,578	99.6%	315	0.3%	91,942	98.7%
46	3	0.0%	9,581	99.6%	138	0.1%	91,984	98.7%
47	3	0.0%	9,584	99.6%	141	0.2%	92,023	98.8%
48	4	0.0%	9,588	99.7%	192	0.2%	92,059	98.8%
49	2	0.0%	9,590	99.7%	98	0.1%	92,091	98.9%
50	2	0.0%	9,592	99.7%	100	0.1%	92,121	98.9%
51-100	23	0.2%	9,615	99.9%	1,430	1.5%	92,526	99.3%
101-200	3	0.0%	9,618	100.0%	404	0.4%	92,955	99.8%
>200	2	0.0%	9,620	100.0%	596	0.6%	93,151	100.0%
Subtotal	9,620	100.0%			93,151	100.0%		
<b>Pillar Ridge</b>								
Tier 1							8,244	50.8%
Tier 2							7,980	49.2%
Subtotal							16,224	100.0%
<b>Total Water Use</b>							109,375	

Table A6  
Montara Water & Sanitary District  
All Customer Consumption Block Analysis 2017/18

Median Bi-Monthly Monthly Use: 9.0 hcf  
Average Bi-Monthly Use: 10.5 hcf  
Note: Excludes Pillar Ridge

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0 Est	552	5.7%	552	5.7%	0	0.0%	0	0.0%
1	208	2.1%	760	7.8%	208	0.2%	9,196	8.9%
2	266	2.7%	1,026	10.5%	532	0.5%	18,184	17.7%
3	397	4.1%	1,423	14.6%	1,191	1.2%	26,906	26.2%
4	566	5.8%	1,989	20.4%	2,264	2.2%	35,231	34.3%
5	689	7.1%	2,678	27.5%	3,445	3.4%	42,990	41.8%
6	677	6.9%	3,355	34.4%	4,062	4.0%	50,060	48.7%
7	656	6.7%	4,011	41.1%	4,592	4.5%	56,453	54.9%
8	733	7.5%	4,744	48.7%	5,864	5.7%	62,190	60.5%
9	666	6.8%	5,410	55.5%	5,994	5.8%	67,194	65.4%
10	638	6.5%	6,048	62.0%	6,380	6.2%	71,532	69.6%
11	553	5.7%	6,601	67.7%	6,083	5.9%	75,232	73.2%
12	497	5.1%	7,098	72.8%	5,964	5.8%	78,379	76.3%
13	409	4.2%	7,507	77.0%	5,317	5.2%	81,029	78.8%
14	348	3.6%	7,855	80.6%	4,872	4.7%	83,270	81.0%
15	291	3.0%	8,146	83.6%	4,365	4.2%	85,163	82.9%
16	228	2.3%	8,374	85.9%	3,648	3.5%	86,765	84.4%
17	197	2.0%	8,571	87.9%	3,349	3.3%	88,139	85.8%
18	171	1.8%	8,742	89.7%	3,078	3.0%	89,316	86.9%
19	151	1.5%	8,893	91.2%	2,869	2.8%	90,322	87.9%
20	123	1.3%	9,016	92.5%	2,460	2.4%	91,177	88.7%
21	90	0.9%	9,106	93.4%	1,890	1.8%	91,909	89.4%
22	93	1.0%	9,199	94.4%	2,046	2.0%	92,551	90.0%
23	73	0.7%	9,272	95.1%	1,679	1.6%	93,100	90.6%
24	58	0.6%	9,330	95.7%	1,392	1.4%	93,576	91.0%
25	48	0.5%	9,378	96.2%	1,200	1.2%	93,994	91.5%
26	42	0.4%	9,420	96.6%	1,092	1.1%	94,364	91.8%
27	32	0.3%	9,452	97.0%	864	0.8%	94,692	92.1%
28	27	0.3%	9,479	97.2%	756	0.7%	94,988	92.4%
29	29	0.3%	9,508	97.5%	841	0.8%	95,257	92.7%
30	24	0.2%	9,532	97.8%	720	0.7%	95,497	92.9%
31	16	0.2%	9,548	97.9%	496	0.5%	95,713	93.1%
32	16	0.2%	9,564	98.1%	512	0.5%	95,913	93.3%
33	14	0.1%	9,578	98.3%	462	0.4%	96,097	93.5%
34	5	0.1%	9,583	98.3%	170	0.2%	96,267	93.7%
35	10	0.1%	9,593	98.4%	350	0.3%	96,432	93.8%
36	8	0.1%	9,601	98.5%	288	0.3%	96,587	94.0%
37	15	0.2%	9,616	98.6%	555	0.5%	96,734	94.1%
38	7	0.1%	9,623	98.7%	266	0.3%	96,866	94.2%
39	3	0.0%	9,626	98.7%	117	0.1%	96,991	94.4%
40	11	0.1%	9,637	98.9%	440	0.4%	97,113	94.5%
41	4	0.0%	9,641	98.9%	164	0.2%	97,224	94.6%
42	11	0.1%	9,652	99.0%	462	0.4%	97,331	94.7%
43	7	0.1%	9,659	99.1%	301	0.3%	97,427	94.8%
44	8	0.1%	9,667	99.2%	352	0.3%	97,516	94.9%
45	0	0.0%	9,667	99.2%	0	0.0%	97,597	95.0%
46	1	0.0%	9,668	99.2%	46	0.0%	97,678	95.0%
47	3	0.0%	9,671	99.2%	141	0.1%	97,758	95.1%
48	2	0.0%	9,673	99.2%	96	0.1%	97,835	95.2%
49	3	0.0%	9,676	99.3%	147	0.1%	97,910	95.3%
50	4	0.0%	9,680	99.3%	200	0.2%	97,982	95.3%
51-100	42	0.4%	9,722	99.7%	2,677	2.6%	99,209	96.5%
101-200	19	0.2%	9,741	99.9%	3,090	3.0%	101,749	99.0%
>200	7	0.1%	9,748	100.0%	2,430	2.4%	102,779	100.0%
Subtotal	9,748	100.0%			102,779	100.0%		
<b>Pillar Ridge</b>								
Tier 1							8,244	49.6%
Tier 2							8,250	49.7%
Tier 3							112	0.7%
Subtotal							16,606	100.0%
<b>Total Water Use</b>							119,385	

Table A7  
Montara Water & Sanitary District  
Residential Consumption Block Analysis 2017/18

Median Bi-Monthly Monthly Use: 9.0 hcf  
Average Bi-Monthly Use: 9.9 hcf  
Note: Excludes Pillar Ridge

Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0 Est	484	5.2%	484	5.2%	0	0.0%	0	0.0%
1	200	2.1%	684	7.3%	200	0.2%	8,899	9.6%
2	255	2.7%	939	10.0%	510	0.6%	17,598	19.0%
3	382	4.1%	1,321	14.1%	1,146	1.2%	26,042	28.1%
4	554	5.9%	1,875	20.0%	2,216	2.4%	34,104	36.8%
5	679	7.2%	2,554	27.2%	3,395	3.7%	41,612	44.9%
6	667	7.1%	3,221	34.3%	4,002	4.3%	48,441	52.3%
7	643	6.9%	3,864	41.2%	4,501	4.9%	54,603	58.9%
8	722	7.7%	4,586	48.9%	5,776	6.2%	60,122	64.9%
9	653	7.0%	5,239	55.8%	5,877	6.3%	64,919	70.1%
10	626	6.7%	5,865	62.5%	6,260	6.8%	69,063	74.5%
11	545	5.8%	6,410	68.3%	5,995	6.5%	72,581	78.3%
12	480	5.1%	6,890	73.4%	5,760	6.2%	75,554	81.6%
13	403	4.3%	7,293	77.7%	5,239	5.7%	78,047	84.2%
14	343	3.7%	7,636	81.4%	4,802	5.2%	80,137	86.5%
15	284	3.0%	7,920	84.4%	4,260	4.6%	81,884	88.4%
16	224	2.4%	8,144	86.8%	3,584	3.9%	83,347	90.0%
17	185	2.0%	8,329	88.8%	3,145	3.4%	84,586	91.3%
18	168	1.8%	8,497	90.6%	3,024	3.3%	85,640	92.4%
19	146	1.6%	8,643	92.1%	2,774	3.0%	86,526	93.4%
20	112	1.2%	8,755	93.3%	2,240	2.4%	87,266	94.2%
21	83	0.9%	8,838	94.2%	1,743	1.9%	87,894	94.9%
22	89	0.9%	8,927	95.1%	1,958	2.1%	88,439	95.5%
23	65	0.7%	8,992	95.8%	1,495	1.6%	88,895	96.0%
24	54	0.6%	9,046	96.4%	1,296	1.4%	89,286	96.4%
25	41	0.4%	9,087	96.8%	1,025	1.1%	89,623	96.7%
26	40	0.4%	9,127	97.3%	1,040	1.1%	89,919	97.1%
27	30	0.3%	9,157	97.6%	810	0.9%	90,175	97.3%
28	26	0.3%	9,183	97.9%	728	0.8%	90,401	97.6%
29	24	0.3%	9,207	98.1%	696	0.8%	90,601	97.8%
30	22	0.2%	9,229	98.4%	660	0.7%	90,777	98.0%
31	14	0.1%	9,243	98.5%	434	0.5%	90,931	98.2%
32	14	0.1%	9,257	98.7%	448	0.5%	91,071	98.3%
33	12	0.1%	9,269	98.8%	396	0.4%	91,197	98.4%
34	5	0.1%	9,274	98.8%	170	0.2%	91,311	98.6%
35	9	0.1%	9,283	98.9%	315	0.3%	91,420	98.7%
36	8	0.1%	9,291	99.0%	288	0.3%	91,520	98.8%
37	13	0.1%	9,304	99.2%	481	0.5%	91,612	98.9%
38	6	0.1%	9,310	99.2%	228	0.2%	91,691	99.0%
39	3	0.0%	9,313	99.3%	117	0.1%	91,764	99.1%
40	10	0.1%	9,323	99.4%	400	0.4%	91,834	99.1%
41	4	0.0%	9,327	99.4%	164	0.2%	91,894	99.2%
42	8	0.1%	9,335	99.5%	336	0.4%	91,950	99.3%
43	4	0.0%	9,339	99.5%	172	0.2%	91,998	99.3%
44	4	0.0%	9,343	99.6%	176	0.2%	92,042	99.4%
45	0	0.0%	9,343	99.6%	0	0.0%	92,082	99.4%
46	0	0.0%	9,343	99.6%	0	0.0%	92,122	99.4%
47	3	0.0%	9,346	99.6%	141	0.2%	92,162	99.5%
48	1	0.0%	9,347	99.6%	48	0.1%	92,199	99.5%
49	3	0.0%	9,350	99.6%	147	0.2%	92,235	99.6%
50	3	0.0%	9,353	99.7%	150	0.2%	92,268	99.6%
51-100	29	0.3%	9,382	100.0%	1,746	1.9%	92,589	99.9%
101-200	1	0.0%	9,383	100.0%	128	0.1%	92,642	100.0%
>200	0	0.0%	9,383	100.0%	0	0.0%	92,642	100.0%
Subtotal	9,383	100.0%			92,642	100.0%		
<b>Pillar Ridge</b>								
Tier 1							8,244	49.6%
Tier 2							8,250	49.7%
							112	0.7%
Subtotal							16,606	100.0%
<b>Total Water Use</b>							109,248	



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: November 7, 2019

TO: BOARD OF DIRECTORS

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

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

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**Budget vs. Actual – Sewer July thru September 2019 Variances over  
\$2,000:**

- 4710 Sewer Service Charges, \$752,057 below Budget – First County apportionment arrives in November or December.
- 4720 Sewer Service Refunds, customer, \$5,097 above Budget – Sewer service adjustments posted to various accounts.
- **Overall Total Operating Income for the period ending September 30, 2019 was \$687,166 below budget. Total income received to date is \$84,662.**
- 5400 Legal, \$89,866 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5610 Accounting, \$2,400 above Budget – Due to audit prep and fieldwork.
- 5620 Audit, \$3,250 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in October or November.
- 5630 Consulting, \$6,850 below Budget – Rate studies to take place later in fiscal year.
- 5640 Data Services, \$5,623 above Budget – Parcel management software for sewer service charges implemented and paid for in September.
- 5710 San Mateo Co. Tax Roll Charges, \$15,464 above Budget – additional information being gathered on the payment.
- 5800 Labor, \$6,341 below Budget – Major decrease is due to timing in employee benefits payments. Management wages are also less than budgeted.
- 6170 Claims, Property Damage, \$5,000 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$7,043 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 6600 Collection/Transmission, \$2,500 below Budget – No activity to date.
- 6940 SAM Maintenance, Collection Sys, \$10,000 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$15,725 above Budget – Payment made to SAM for pump repairs.
- **Overall Total Operating Expenses for the period ending September 30, 2019 were \$11,934 below Budget.**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: November 7, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Total overall Expenses for the period ending September 30, 2019 were \$105,397 below budget. For a net ordinary loss of \$581,769, budget vs. actual. Actual net ordinary loss is \$571,148.**
- 7100 Connection Fees, \$32,129 below Budget – No new construction connections issued, one remodel connection issued in September.
- 7200 Interest Income, LAIF, \$16,042 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$204,065 below Budget – additional construction projects to begin during the fiscal year.
- 9200 I-Bank Loan, \$5,645 below budget – difference due to timing.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: November 7, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Budget vs. Actual – Water July thru September 2019 Variances over \$2,000:**
- 4400 Fees, \$2,298 above Budget – Administrative inspection fees as well as a one-time hydrant fee have been collected.
- 4740 Testing, Backflow, \$4,386 below Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$47,110 above budget – Fluctuations caused by usage and timing of bill payments.
- **Overall Total Operating Income for the period ending September 30, 2019 was \$169,956 above budget. Total revenue received to date is \$673,206.**
- 5240 CDPH fees, \$3,938 below Budget – No activity to date.
- 5400 Legal, \$57,750 below Budget – Mr. Schricker has been ill and not been able to attend Board meetings.
- 5530 Membership, \$5,827 below Budget – Membership dues typically paid at the beginning of the calendar year.
- 5610 Accounting, \$2,400 above Budget – Due to audit prep and fieldwork.
- 5620 Audit, \$3,250 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in October or November.
- 5630 Consulting, \$23,100 below Budget – Rate studies to take place later in fiscal year.
- 5800 Labor, \$33,302 below Budget – The District budgeted to have a 4<sup>th</sup> water operator in the current fiscal year. This has not yet happened.
- 6170 Claims, Property Damage, \$2,500 – No claims paid in current fiscal year.
- 6180 Communications, \$3,250 below Budget – No activity in current fiscal year. SCADA maintenance costs expected later in fiscal year.
- 6200 Engineering, \$47,467 below Budget – Water Quality engineering expenses have been held in check.
- 6330 Facilities, \$12,487 below Budget – Maintenance projects have not yet taken place.
- 6370 Lab supplies & equipment, \$3,471 above Budget – Large bill paid in September.
- 6500 Supply, \$11,875 below Budget – No water purchases thus far in fiscal year.
- 6600 Collection/Transmission, \$12,068 below Budget – Minimal activity in September.
- 6700 Treatment, \$3,786 below Budget – Minimal activity in September.
- **Overall Total Operating Expenses for the period ending September 30, 2019 were \$87,778 below Budget.**



# MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- **Total overall Expenses for the period ending September 30, 2019 were \$219,454 below budget. For a net ordinary income of \$389,410, budgeted vs. actual. Actual net ordinary income is \$341,032.**
- 7100 Connection Fees, \$50,019 below Budget – No connections issued in September.
- 7600 Bond Revenues, GO Bond, \$285,559 below Budget – Difference due to timing.
- 8000 CIP, \$27,937 below Budget – Minimal activity in September.
- 9100 Interest Expense – GO Bonds \$59,474 below Budget – Difference due to timing.

**RECOMMENDATION:**

This is for Board information only

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

	Jul - Sep 19	Sewer Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	9,459.78	9,249.99	209.79
4400 · Fees			
4410 · Administrative Fee (New Constr)	2,168.00	900.00	1,268.00
4420 · Administrative Fee (Remodel)	0.00	500.01	-500.01
4430 · Inspection Fee (New Constr)	2,048.00	875.01	1,172.99
4440 · Inspection Fee (Remodel)	0.00	999.99	-999.99
4460 · Remodel Fees	656.00	2,000.01	-1,344.01
<b>Total 4400 · Fees</b>	4,872.00	5,275.02	-403.02
4510 · Grants	112.00		
4610 · Property Tax Receipts	70,500.46		
4710 · Sewer Service Charges	496.20	752,553.00	-752,056.80
4720 · Sewer Service Refunds, Customer	-6,097.21	-999.99	-5,097.22
4760 · Waste Collection Revenues	5,302.18	5,750.01	-447.83
4990 · Other Revenue	16.75		
<b>Total Income</b>	84,662.16	771,828.03	-687,165.87
<b>Gross Profit</b>	84,662.16	771,828.03	-687,165.87
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	1,278.10	1,875.00	-596.90
5200 · Board of Directors			
5210 · Board Meetings	967.44	750.00	217.44
5220 · Director Fees	562.50	999.99	-437.49
5230 · Election Expenses	0.00	1,250.01	-1,250.01
<b>Total 5200 · Board of Directors</b>	1,529.94	3,000.00	-1,470.06
5250 · Conference Attendance	0.00	1,250.01	-1,250.01
5270 · Information Systems	75.00	999.99	-924.99
5300 · Insurance			
5310 · Fidelity Bond	0.00	125.01	-125.01
5320 · Property & Liability Insurance	0.00	500.01	-500.01
<b>Total 5300 · Insurance</b>	0.00	625.02	-625.02
5350 · LAFCO Assessment	0.00	500.01	-500.01
5400 · Legal			
5430 · General Legal	0.00	103,125.00	-103,125.00
5440 · Litigation	13,258.95		
<b>Total 5400 · Legal</b>	13,258.95	103,125.00	-89,866.05
5510 · Maintenance, Office	544.23	2,000.01	-1,455.78
5530 · Memberships	173.50		
5540 · Office Supplies	1,261.85	2,000.01	-738.16
5550 · Postage	78.03	662.49	-584.46
5560 · Printing & Publishing	93.83	1,250.01	-1,156.18

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Sewer

July through September 2019

	Jul - Sep 19	Sewer Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	9,900.00	7,500.00	2,400.00
5620 · Audit	0.00	3,249.99	-3,249.99
5630 · Consulting	1,900.34	8,750.01	-6,849.67
5640 · Data Services	7,173.05	1,550.01	5,623.04
5650 · Labor & HR Support	640.50	624.99	15.51
5660 · Payroll Services	229.78	249.99	-20.21
<b>Total 5600 · Professional Services</b>	<b>19,843.67</b>	<b>21,924.99</b>	<b>-2,081.32</b>
5710 · San Mateo Co. Tax Roll Charges	15,713.77	249.99	15,463.78
5720 · Telephone & Internet	4,915.34	6,000.00	-1,084.66
5730 · Mileage Reimbursement	0.00	375.00	-375.00
5740 · Reference Materials	0.00	50.01	-50.01
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	4,158.83	4,250.49	-91.66
5820 · Employee Benefits	7,816.60	12,076.74	-4,260.14
5830 · Disability Insurance	424.98	350.25	74.73
5840 · Payroll Taxes	3,459.42	4,644.99	-1,185.57
5850 · PARS	4,030.83	4,121.76	-90.93
<b>5900 · Wages</b>			
5910 · Management	26,238.72	27,933.24	-1,694.52
5920 · Staff	33,898.17	31,631.49	2,266.68
5930 · Staff Certification	450.00	450.00	0.00
5940 · Staff Overtime	713.82	705.24	8.58
<b>Total 5900 · Wages</b>	<b>61,300.71</b>	<b>60,719.97</b>	<b>580.74</b>
5960 · Worker's Comp Insurance	0.00	1,368.24	-1,368.24
<b>Total 5800 · Labor</b>	<b>81,191.37</b>	<b>87,532.44</b>	<b>-6,341.07</b>
<b>Total 5000 · Administrative</b>	<b>139,957.58</b>	<b>233,419.98</b>	<b>-93,462.40</b>
<b>6000 · Operations</b>			
6170 · Claims, Property Damage	0.00	5,000.01	-5,000.01
6195 · Education & Training	0.00	249.99	-249.99
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	500.01	-500.01
6220 · General Engineering	8,457.50	15,000.00	-6,542.50
<b>Total 6200 · Engineering</b>	<b>8,457.50</b>	<b>15,500.01</b>	<b>-7,042.51</b>
6320 · Equipment & Tools, Expensed	0.00	249.99	-249.99
<b>6330 · Facilities</b>			
6335 · Alarm Services	1,746.72	1,425.00	321.72
6337 · Landscaping	218.00	900.00	-682.00
<b>Total 6330 · Facilities</b>	<b>1,964.72</b>	<b>2,325.00</b>	<b>-360.28</b>
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	9,533.66	11,250.00	-1,716.34
<b>Total 6400 · Pumping</b>	<b>9,533.66</b>	<b>11,250.00</b>	<b>-1,716.34</b>
<b>6600 · Collection/Transmission</b>			
6660 · Maintenance, Collection System	0.00	2,499.99	-2,499.99
<b>Total 6600 · Collection/Transmission</b>	<b>0.00</b>	<b>2,499.99</b>	<b>-2,499.99</b>

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

	Jul - Sep 19	Sewer Budget	\$ Over Budget
<b>6800 · Vehicles</b>			
6810 · Fuel	0.00	249.99	-249.99
6820 · Truck Equipment, Expensed	0.00	39.99	-39.99
6830 · Truck Repairs	0.00	249.99	-249.99
<b>Total 6800 · Vehicles</b>	0.00	539.97	-539.97
<b>6900 · Sewer Authority Midcoastside</b>			
6910 · SAM Collections	85,387.26	85,387.26	0.00
6920 · SAM Operations	382,284.84	382,284.75	0.09
6940 · SAM Maintenance, Collection Sys	0.00	9,999.99	-9,999.99
6950 · SAM Maintenance, Pumping	28,224.55	12,500.01	15,724.54
<b>Total 6900 · Sewer Authority Midcoastside</b>	495,896.65	490,172.01	5,724.64
<b>Total 6000 · Operations</b>	515,852.53	527,786.97	-11,934.44
<b>Total Expense</b>	655,810.11	761,206.95	-105,396.84
<b>Net Ordinary Income</b>	-571,147.95	10,621.08	-581,769.03
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 · Capital Account Revenues</b>			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	964.00	37,500.00	-36,536.00
7120 · Connection Fees (Remodel)	16,907.50	12,500.01	4,407.49
<b>Total 7100 · Connection Fees</b>	17,871.50	50,000.01	-32,128.51
7200 · Interest Income - LAIF	28,542.13	12,500.01	16,042.12
<b>Total 7000 · Capital Account Revenues</b>	46,413.63	62,500.02	-16,086.39
<b>Total Other Income</b>	46,413.63	62,500.02	-16,086.39
<b>Other Expense</b>			
<b>8000 · Capital Improvement Program</b>			
8075 · Sewer	167,456.12	371,521.26	-204,065.14
<b>Total 8000 · Capital Improvement Program</b>	167,456.12	371,521.26	-204,065.14
<b>9000 · Capital Account Expenses</b>			
9125 · PNC Equipment Lease Interest	3,963.25	3,805.26	157.99
9200 · I-Bank Loan	0.00	5,645.49	-5,645.49
<b>Total 9000 · Capital Account Expenses</b>	3,963.25	9,450.75	-5,487.50
<b>Total Other Expense</b>	171,419.37	380,972.01	-209,552.64
<b>Net Other Income</b>	-125,005.74	-318,471.99	193,466.25
<b>Net Income</b>	<b>-696,153.69</b>	<b>-307,850.91</b>	<b>-388,302.78</b>

## Montara Water & Sanitary District Revenue & Expenditures Budget vs. Actual - Water July through September 2019

	Jul - Sep 19	Water Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4220 · Cell Tower Lease	9,459.78	9,249.99	209.79
4400 · Fees			
4410 · Administrative Fee (New Constr)	2,168.00	1,250.01	917.99
4430 · Inspection Fee (New Constr)	2,048.00	999.99	1,048.01
4450 · Mainline Extension Fees	0.00	750.00	-750.00
4460 · Remodel Fees	760.00	500.01	259.99
4470 · Other Fees	822.40		
<b>Total 4400 · Fees</b>	5,798.40	3,500.01	2,298.39
4510 · Grants	112.00		
4610 · Property Tax Receipts	70,500.45		
4740 · Testing, Backflow	114.00	4,500.00	-4,386.00
4810 · Water Sales, Domestic	533,859.64	486,750.00	47,109.64
4850 · Water Sales Refunds, Customer	-1,061.41	-750.00	-311.41
4990 · Other Revenue	54,423.00		
<b>Total Income</b>	673,205.86	503,250.00	169,955.86
<b>Gross Profit</b>	673,205.86	503,250.00	169,955.86
<b>Expense</b>			
5000 · Administrative			
5190 · Bank Fees	44.53	937.50	-892.97
5200 · Board of Directors			
5210 · Board Meetings	967.44	999.99	-32.55
5220 · Director Fees	562.50	825.00	-262.50
<b>Total 5200 · Board of Directors</b>	1,529.94	1,824.99	-295.05
5240 · CDPH Fees	0.00	3,937.50	-3,937.50
5250 · Conference Attendance	0.00	1,500.00	-1,500.00
5270 · Information Systems	75.00	750.00	-675.00
5300 · Insurance			
5310 · Fidelity Bond	0.00	125.01	-125.01
5320 · Property & Liability Insurance	1,173.00	624.99	548.01
<b>Total 5300 · Insurance</b>	1,173.00	750.00	423.00
5350 · LAFCO Assessment	0.00	687.51	-687.51
5400 · Legal			
5430 · General Legal	0.00	57,750.00	-57,750.00
<b>Total 5400 · Legal</b>	0.00	57,750.00	-57,750.00
5510 · Maintenance, Office	603.68	2,000.01	-1,396.33
5530 · Memberships	173.50	6,000.00	-5,826.50
5540 · Office Supplies	1,261.78	2,000.01	-738.23
5550 · Postage	1,424.22	2,250.00	-825.78
5560 · Printing & Publishing	948.45	750.00	198.45

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

	Jul - Sep 19	Water Budget	\$ Over Budget
<b>5600 · Professional Services</b>			
5610 · Accounting	9,900.00	7,500.00	2,400.00
5620 · Audit	0.00	3,249.99	-3,249.99
5630 · Consulting	1,900.34	24,999.99	-23,099.65
5640 · Data Services	899.50		
5650 · Labor & HR Support	640.50	624.99	15.51
5660 · Payroll Services	229.77	249.99	-20.22
<b>Total 5600 · Professional Services</b>	<b>13,570.11</b>	<b>36,624.96</b>	<b>-23,054.85</b>
5720 · Telephone & Internet	6,034.86	6,750.00	-715.14
5730 · Mileage Reimbursement	0.00	500.01	-500.01
5740 · Reference Materials	0.00	200.01	-200.01
<b>5800 · Labor</b>			
5810 · CalPERS 457 Deferred Plan	9,513.14	10,808.76	-1,295.62
5820 · Employee Benefits	12,647.12	22,027.50	-9,380.38
5830 · Disability Insurance	854.94	866.76	-11.82
5840 · Payroll Taxes	10,026.20	12,265.50	-2,239.30
5850 · PARS	8,113.50	9,408.99	-1,295.49
<b>5900 · Wages</b>			
5910 · Management	26,238.73	27,933.24	-1,694.51
5920 · Staff	99,208.76	111,710.01	-12,501.25
5930 · Staff Certification	2,611.25	2,850.00	-238.75
5940 · Staff Overtime	12,699.96	12,026.25	673.71
5950 · Staff Standby	6,323.79	5,812.26	511.53
<b>Total 5900 · Wages</b>	<b>147,082.49</b>	<b>160,331.76</b>	<b>-13,249.27</b>
5960 · Worker's Comp Insurance	0.00	5,831.01	-5,831.01
<b>Total 5800 · Labor</b>	<b>188,237.39</b>	<b>221,540.28</b>	<b>-33,302.89</b>
<b>Total 5000 · Administrative</b>	<b>215,076.46</b>	<b>346,752.78</b>	<b>-131,676.32</b>
<b>6000 · Operations</b>			
6160 · Backflow Prevention	0.00	249.99	-249.99
6170 · Claims, Property Damage	0.00	2,499.99	-2,499.99
<b>6180 · Communications</b>			
6185 · SCADA Maintenance	0.00	3,249.99	-3,249.99
<b>Total 6180 · Communications</b>	<b>0.00</b>	<b>3,249.99</b>	<b>-3,249.99</b>
6195 · Education & Training	2,195.00	2,250.00	-55.00
<b>6200 · Engineering</b>			
6210 · Meeting Attendance, Engineering	0.00	125.01	-125.01
6220 · General Engineering	12,389.54	7,500.00	4,889.54
6230 · Water Quality Engineering	35,268.75	87,500.01	-52,231.26
<b>Total 6200 · Engineering</b>	<b>47,658.29</b>	<b>95,125.02</b>	<b>-47,466.73</b>
6320 · Equipment & Tools, Expensed	1,373.21	2,000.01	-626.80
<b>6330 · Facilities</b>			
6335 · Alarm Services	179.52	200.01	-20.49
6337 · Landscaping	1,533.00	14,000.01	-12,467.01
<b>Total 6330 · Facilities</b>	<b>1,712.52</b>	<b>14,200.02</b>	<b>-12,487.50</b>
6370 · Lab Supplies & Equipment	4,095.97	624.99	3,470.98

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

	Jul - Sep 19	Water Budget	\$ Over Budget
<b>6400 · Pumping</b>			
6410 · Pumping Fuel & Electricity	15,327.07	22,500.00	-7,172.93
6420 · Pumping Maintenance, Generators	11,447.73	2,499.99	8,947.74
6430 · Pumping Maintenance, General	0.00	1,250.01	-1,250.01
6440 · Pumping Equipment, Expensed	0.00	174.99	-174.99
<b>Total 6400 · Pumping</b>	<b>26,774.80</b>	<b>26,424.99</b>	<b>349.81</b>
<b>6500 · Supply</b>			
6510 · Maintenance, Raw Water Mains	0.00	624.99	-624.99
6520 · Maintenance, Wells	0.00	1,250.01	-1,250.01
6530 · Water Purchases	0.00	9,999.99	-9,999.99
<b>Total 6500 · Supply</b>	<b>0.00</b>	<b>11,874.99</b>	<b>-11,874.99</b>
<b>6600 · Collection/Transmission</b>			
6610 · Hydrants	0.00	249.99	-249.99
6620 · Maintenance, Water Mains	2,587.50	12,500.01	-9,912.51
6630 · Maintenance, Water Svc Lines	0.00	5,000.01	-5,000.01
6640 · Maintenance, Tanks	4,146.03	249.99	3,896.04
6650 · Maint., Distribution General	223.81	2,000.01	-1,776.20
6670 · Meters	1,599.42	624.99	974.43
<b>Total 6600 · Collection/Transmission</b>	<b>8,556.76</b>	<b>20,625.00</b>	<b>-12,068.24</b>
<b>6700 · Treatment</b>			
6710 · Chemicals & Filtering	8,432.34	5,000.01	3,432.33
6720 · Maintenance, Treatment Equip.	574.99	5,000.01	-4,425.02
6730 · Treatment Analysis	8,456.12	11,250.00	-2,793.88
<b>Total 6700 · Treatment</b>	<b>17,463.45</b>	<b>21,250.02</b>	<b>-3,786.57</b>
<b>6800 · Vehicles</b>			
6770 · Uniforms	2,168.98	500.01	1,668.97
6810 · Fuel	1,076.32	2,499.99	-1,423.67
6820 · Truck Equipment, Expensed	2,926.85	249.99	2,676.86
6830 · Truck Repairs	1,095.13	1,250.01	-154.88
<b>Total 6800 · Vehicles</b>	<b>5,098.30</b>	<b>3,999.99</b>	<b>1,098.31</b>
<b>Total 6000 · Operations</b>	<b>117,097.28</b>	<b>204,875.01</b>	<b>-87,777.73</b>
<b>Total Expense</b>	<b>332,173.74</b>	<b>551,627.79</b>	<b>-219,454.05</b>
<b>Net Ordinary Income</b>	<b>341,032.12</b>	<b>-48,377.79</b>	<b>389,409.91</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>7000 · Capital Account Revenues</b>			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	4,072.72	37,500.00	-33,427.28
7130 · Conn. Fees, PFP (New Constr)	15,908.11	32,499.99	-16,591.88
<b>Total 7100 · Connection Fees</b>	<b>19,980.83</b>	<b>69,999.99</b>	<b>-50,019.16</b>
<b>7600 · Bond Revenues, G.O.</b>	<b>2,050.10</b>	<b>287,609.01</b>	<b>-285,558.91</b>
<b>Total 7000 · Capital Account Revenues</b>	<b>22,030.93</b>	<b>357,609.00</b>	<b>-335,578.07</b>
<b>Total Other Income</b>	<b>22,030.93</b>	<b>357,609.00</b>	<b>-335,578.07</b>

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Accrual Basis

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

	Jul - Sep 19	Water Budget	\$ Over Budget
<b>Other Expense</b>			
<b>8000 · Capital Improvement Program</b>			
<b>8100 · Water</b>	109,438.44	137,375.01	-27,936.57
<b>Total 8000 · Capital Improvement Program</b>	109,438.44	137,375.01	-27,936.57
<b>9000 · Capital Account Expenses</b>			
<b>9100 · Interest Expense - GO Bonds</b>	117,108.56	57,634.74	59,473.82
<b>9125 · PNC Equipment Lease Interest</b>	3,963.25	3,805.26	157.99
<b>9150 · SRF Loan</b>	0.00	18,218.25	-18,218.25
<b>9210 · Conservation Program/Rebates</b>	350.00	750.00	-400.00
<b>Total 9000 · Capital Account Expenses</b>	121,421.81	80,408.25	41,013.56
<b>Total Other Expense</b>	230,860.25	217,783.26	13,076.99
<b>Net Other Income</b>	-208,829.32	139,825.74	-348,655.06
<b>Net Income</b>	<b>132,202.80</b>	<b>91,447.95</b>	<b>40,754.85</b>

**Montara Water & Sanitary District**  
**Balance Sheet**  
 As of September 30, 2019

	<u>Sep 30, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Sewer - Bank Accounts</b>	
Wells Fargo Operating - Sewer	731,831.78
<b>LAIF Investment Fund</b>	
Capital Reserve	3,893,688.18
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
<b>Total LAIF Investment Fund</b>	<u>4,495,170.18</u>
<b>Total Sewer - Bank Accounts</b>	5,227,001.96
<b>Water - Bank Accounts</b>	
Wells Fargo Operating - Water	1,082,273.73
Capital Reserve	398,249.00
Operating Reserve	46,009.00
SRF Reserve	48,222.00
<b>Restricted Cash</b>	
Connection Fees Reserve	253,020.00
GO Bonds Fund	874,341.24
<b>Total Restricted Cash</b>	<u>1,127,361.24</u>
<b>Total Water - Bank Accounts</b>	<u>2,702,114.97</u>
<b>Total Checking/Savings</b>	7,929,116.93
<b>Accounts Receivable</b>	
<b>Sewer - Accounts Receivable</b>	
Accounts Receivable	-1,738.64
Sewer - Accounts Receivable - Other	8,403.21
<b>Total Sewer - Accounts Receivable</b>	<u>6,664.57</u>
<b>Water - Accounts Receivable</b>	
Accounts Receivable	-2,772.63
Accounts Rec. - Backflow	13,657.11
Accounts Rec. - Water Residents	197,419.30
Unbilled Water Receivables	258,319.70
<b>Total Water - Accounts Receivable</b>	<u>466,623.48</u>
<b>Total Accounts Receivable</b>	473,288.05
<b>Other Current Assets</b>	
Due from Kathryn Slater-Carter	614.62
Maint/Parts Inventory	42,656.32
<b>Total Other Current Assets</b>	<u>43,270.94</u>
<b>Total Current Assets</b>	8,445,675.92
<b>Fixed Assets</b>	
<b>Sewer - Fixed Assets</b>	
General Plant	6,023,243.87
Land	5,000.00
<b>Other Capital Improv.</b>	
Sewer-Original Cost	685,599.18
Other Cap. Improv.	2,564,810.39
<b>Total Other Capital Improv.</b>	<u>3,250,409.57</u>
<b>Seal Cove Collection System</b>	995,505.00
<b>Sewage Collection Facility</b>	
Collection Facility - Org. Cost	1,349,064.00
Collection Facility - Other	3,991,243.33
<b>Total Sewage Collection Facility</b>	<u>5,340,307.33</u>

**Montara Water & Sanitary District**  
**Balance Sheet**  
 As of September 30, 2019

	<u>Sep 30, 19</u>
Treatment Facility	244,539.84
Accumulated Depreciation	<u>-8,871,583.00</u>
<b>Total Sewer - Fixed Assets</b>	<b>6,987,422.61</b>
<b>Water - Fixed Assets</b>	
General Plant	27,314,280.48
Land & Easements	734,500.00
Surface Water Rights	300,000.00
Water Meters	1,058,985.00
Fixed Assets - Other	48,171.78
Accumulated Depreciation	<u>-11,800,511.00</u>
<b>Total Water - Fixed Assets</b>	<b>17,655,426.26</b>
<b>Total Fixed Assets</b>	<b>24,642,848.87</b>
<b>Other Assets</b>	
<b>Sewer - Other Assets</b>	
Def'd Amts Related to Pensions	101,367.00
Joint Power Authority	
SAM - Orig Collection Facility	981,592.00
SAM - Expansion	<u>1,705,955.08</u>
<b>Total Joint Power Authority</b>	<b>2,687,547.08</b>
<b>Total Sewer - Other Assets</b>	<b>2,788,914.08</b>
<b>Water - Other Assets</b>	
Def'd Amts Related to Pensions	190,536.00
Due from Sewer	290,312.00
Bond Acquisition Cost OID	42,978.40
Bond Issue Cost	<u>46,268.60</u>
<b>Total Water - Other Assets</b>	<b>570,095.00</b>
<b>Total Other Assets</b>	<b>3,359,009.08</b>
<b>TOTAL ASSETS</b>	<b><u>36,447,533.87</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable - Sewer	176,716.55
Accounts Payable - Water	<u>166,969.06</u>
<b>Total Accounts Payable</b>	<b>343,685.61</b>
<b>Other Current Liabilities</b>	
Water - Net Pension Liability	-52,155.00
Sewer - Net Pension Liability	-27,826.00
<b>Sewer - Current Liabilities</b>	
Accrued Vacations	5,943.33
Deposits Payable	26,078.63
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	<u>43,281.80</u>
<b>Total Sewer - Current Liabilities</b>	<b>115,498.39</b>
<b>Water - Current Liabilities</b>	
Accrued Vacations	15,964.24
Deposits Payable	9,934.63
GO Bonds - S/T	461,787.93
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	43,281.79
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	<u>12,450.92</u>
<b>Total Water - Current Liabilities</b>	<b>857,501.93</b>

**Montara Water & Sanitary District**  
**Balance Sheet**  
 As of September 30, 2019

	Sep 30, 19
Payroll Liabilities	
Employee Benefits Payable	10,105.77
Total Payroll Liabilities	10,105.77
Total Other Current Liabilities	903,125.09
Total Current Liabilities	1,246,810.70
Long Term Liabilities	
Sewer - Long Term Liabilities	
Due to Water Fund	290,312.00
Accrued Vacations	10,294.06
I-Bank Loan	725,417.82
PNC Equip. Loan - L/T	484,682.77
Total Sewer - Long Term Liabilities	1,510,706.65
Water - Long Term Liabilities	
Accrued Vacations	11,967.24
Deferred on Refunding	-169,190.00
GO Bonds - L/T	8,785,232.11
PNC Equip. Loan - L/T	484,682.83
SRF Loan Payable - X102	-0.66
SRF Loan Payable - X109	3,047,628.79
Total Water - Long Term Liabilities	12,160,320.31
Deferred Inflows (Pensions)	
Sewer	21,452.00
Water	40,208.00
Total Deferred Inflows (Pensions)	61,660.00
Total Long Term Liabilities	13,732,686.96
Total Liabilities	14,979,497.66
Equity	
Sewer - Equity Accounts	
Capital Assets Net	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87
Retained Earnings	273,503.51
Total Sewer - Equity Accounts	12,328,048.58
Water - Equity Accounts	
Capital Assets Net	2,868,858.70
Restricted Debt Service	1,384,997.90
Unrestricted	-1,562,801.59
Retained Earnings	-273,503.51
Total Water - Equity Accounts	2,417,551.50
Equity Adjustment Account	7,286,387.02
Net Income	-563,950.89
Total Equity	21,468,036.21
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>36,447,533.87</b>



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: SAM Flow Report for September 2019**

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

- Flow Report for September 2019.
- Collection System Monthly Overflow Report – September 2019.

The Average Daily Flow for Montara was 0.243 MGD in September 2019. There was no reportable overflow in September in the Montara System. SAM indicates there were 0.19 inches of rain in September 2019.

## RECOMMENDATION:

Review and file.

Attachments

Attachment A

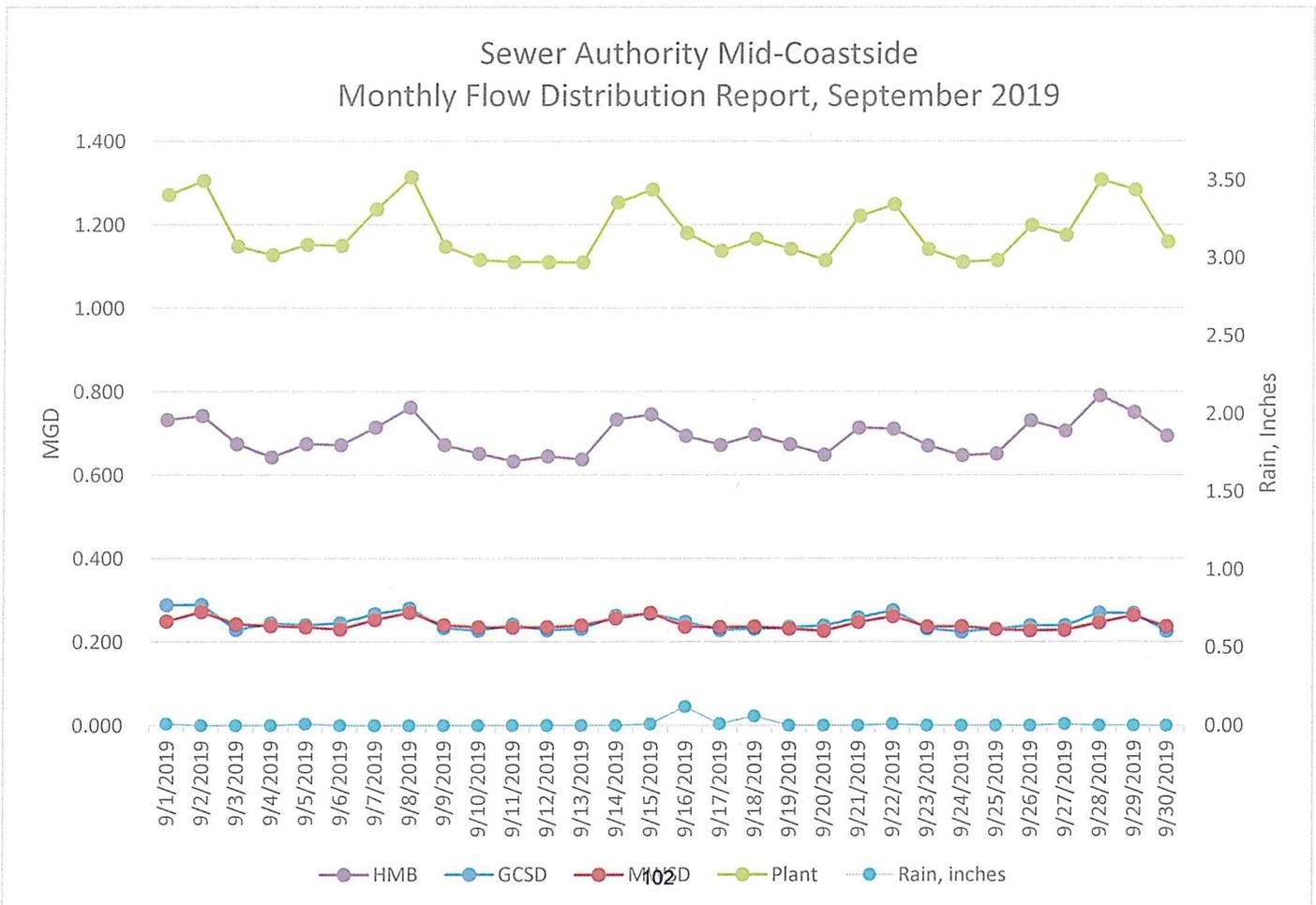
Flow Distribution Report Summary for September 2019

The daily flow report figures for the month of September 2019 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	0.693	58.5%
Granada Community Services District	0.247	20.9%
Montara Water and Sanitary District	<u>0.243</u>	<u>20.6%</u>
Total	1.184	100.0%



# Sewer Authority Mid-Coastside

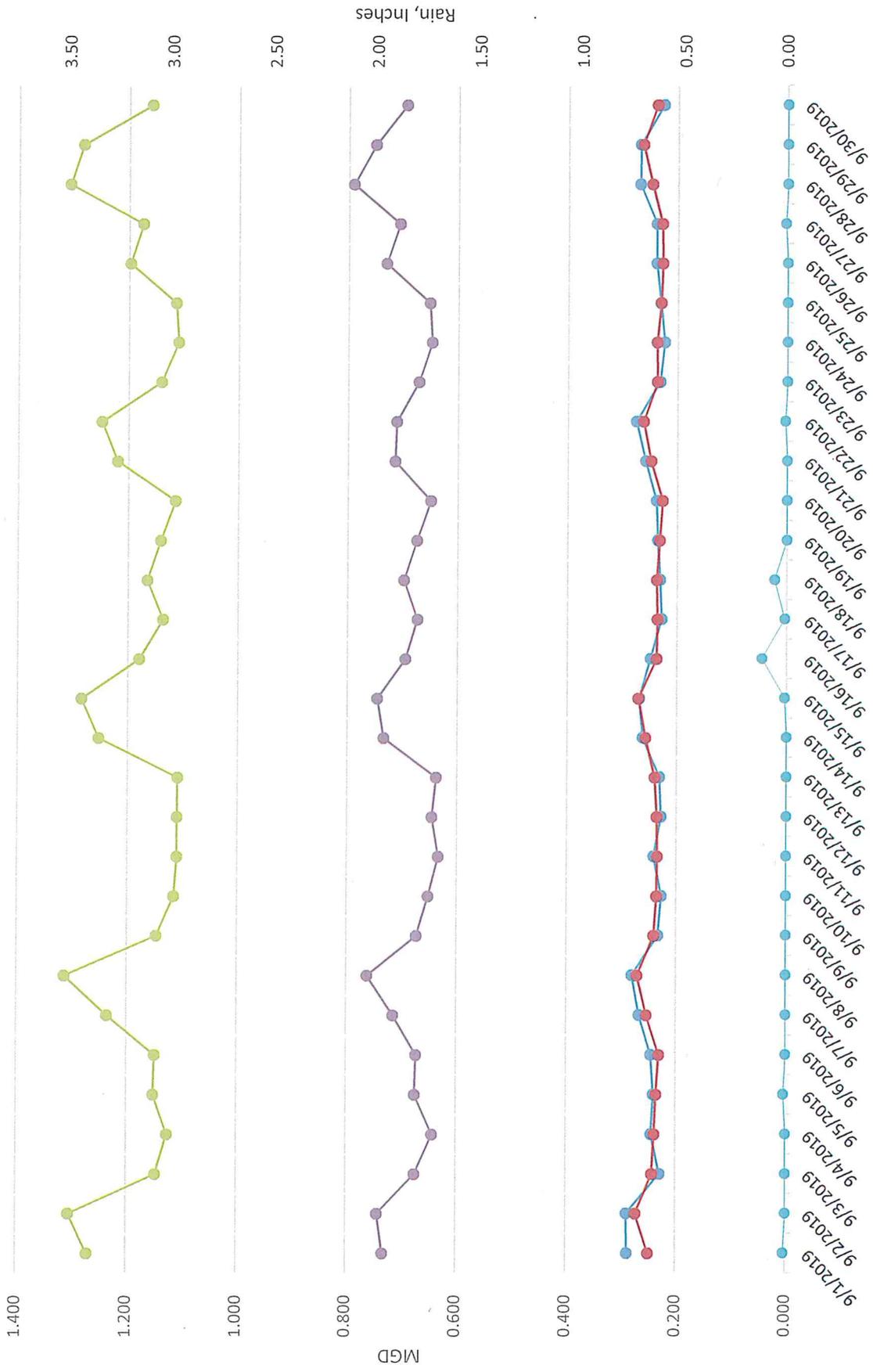
## Monthly Flow Distribution Report for September 2019

<u>Date</u>	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
9/1/2019	0.733	0.288	0.250	1.271	0.01	0.00	0.00
9/2/2019	0.743	0.289	0.273	1.305	0.00	0.00	0.00
9/3/2019	0.675	0.229	0.243	1.147	0.00	0.00	0.00
9/4/2019	0.643	0.244	0.239	1.126	0.00	0.00	0.00
9/5/2019	0.675	0.240	0.236	1.151	0.01	0.01	0.01
9/6/2019	0.673	0.245	0.231	1.149	0.00	0.00	0.00
9/7/2019	0.715	0.267	0.254	1.236	0.00	0.00	0.00
9/8/2019	0.762	0.280	0.271	1.314	0.00	0.00	0.00
9/9/2019	0.672	0.233	0.241	1.147	0.00	0.00	0.00
9/10/2019	0.652	0.227	0.236	1.115	0.00	0.00	0.00
9/11/2019	0.633	0.241	0.235	1.110	0.00	0.00	0.00
9/12/2019	0.645	0.228	0.236	1.110	0.00	0.00	0.00
9/13/2019	0.638	0.231	0.240	1.109	0.00	0.00	0.00
9/14/2019	0.733	0.262	0.257	1.253	0.00	0.00	0.00
9/15/2019	0.746	0.268	0.270	1.284	0.01	0.00	0.00
9/16/2019	0.694	0.248	0.237	1.179	0.12	0.19	0.16
9/17/2019	0.672	0.228	0.236	1.137	0.01	0.00	0.00
9/18/2019	0.697	0.231	0.237	1.165	0.06	0.09	0.01
9/19/2019	0.674	0.235	0.232	1.141	0.00	0.00	0.00
9/20/2019	0.649	0.238	0.227	1.114	0.00	0.00	0.00
9/21/2019	0.714	0.258	0.248	1.220	0.00	0.00	0.00
9/22/2019	0.711	0.275	0.262	1.249	0.01	0.00	0.00
9/23/2019	0.671	0.232	0.237	1.140	0.00	0.00	0.00
9/24/2019	0.648	0.224	0.238	1.110	0.00	0.00	0.00
9/25/2019	0.652	0.231	0.231	1.114	0.00	0.00	0.00
9/26/2019	0.731	0.239	0.228	1.198	0.00	0.00	0.00
9/27/2019	0.706	0.239	0.229	1.175	0.01	0.01	0.01
9/28/2019	0.791	0.269	0.247	1.307	0.00	0.00	0.00
9/29/2019	0.751	0.268	0.264	1.283	0.00	0.00	0.00
9/30/2019	0.694	0.226	0.238	1.158	0.00	0.00	0.00
<b>Totals</b>	<b>20.793</b>	<b>7.419</b>	<b>7.303</b>	<b>35.515</b>	<b>0.24</b>	<b>0.30</b>	<b>0.19</b>

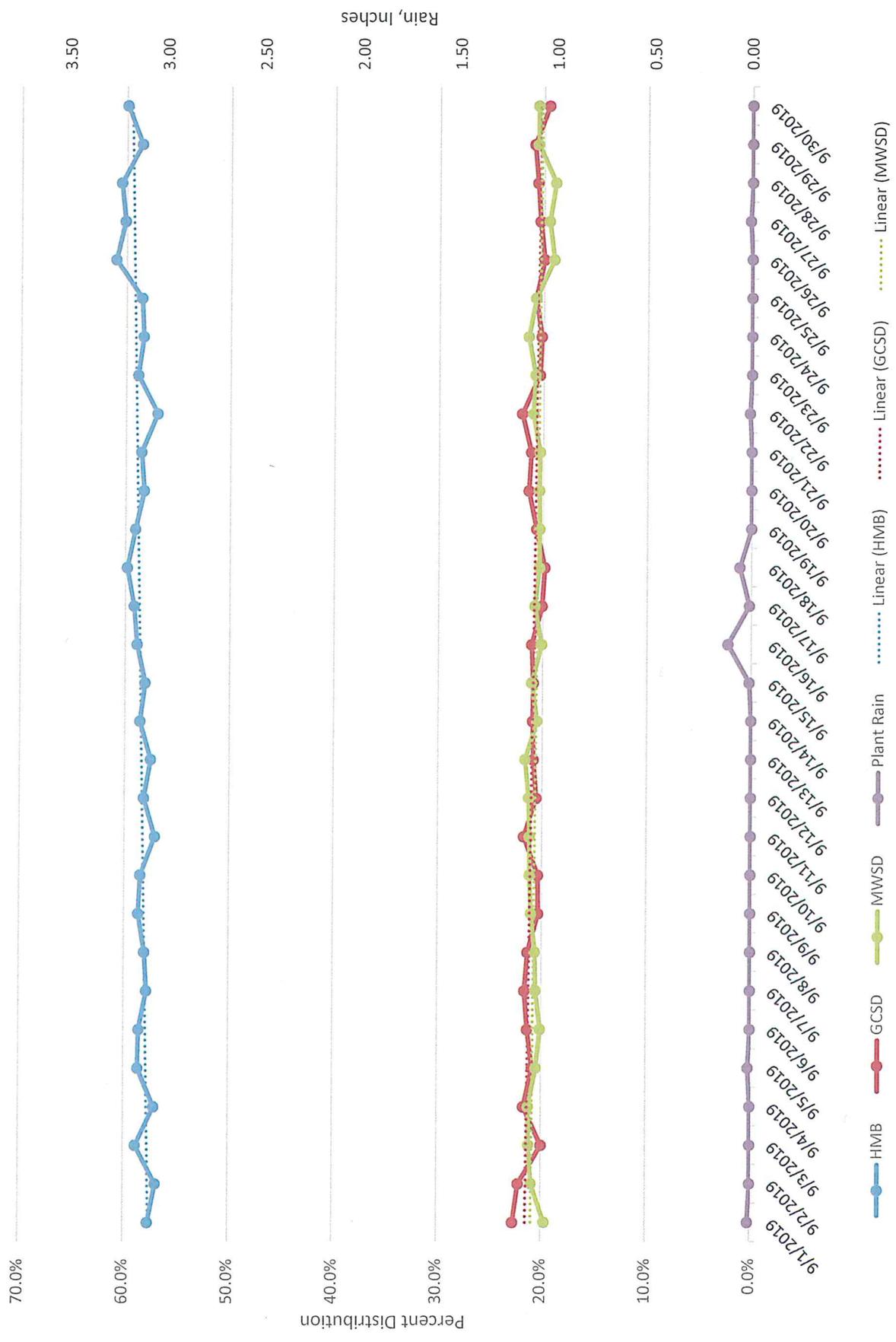
### Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.633	0.224	0.227	1.109
<b>Average</b>	<b>0.693</b>	<b>0.247</b>	<b>0.243</b>	<b>1.184</b>
Maximum	0.791	0.289	0.273	1.314
<b>Distribution</b>	<b>58.5%</b>	<b>20.9%</b>	<b>20.6%</b>	<b>100.0%</b>

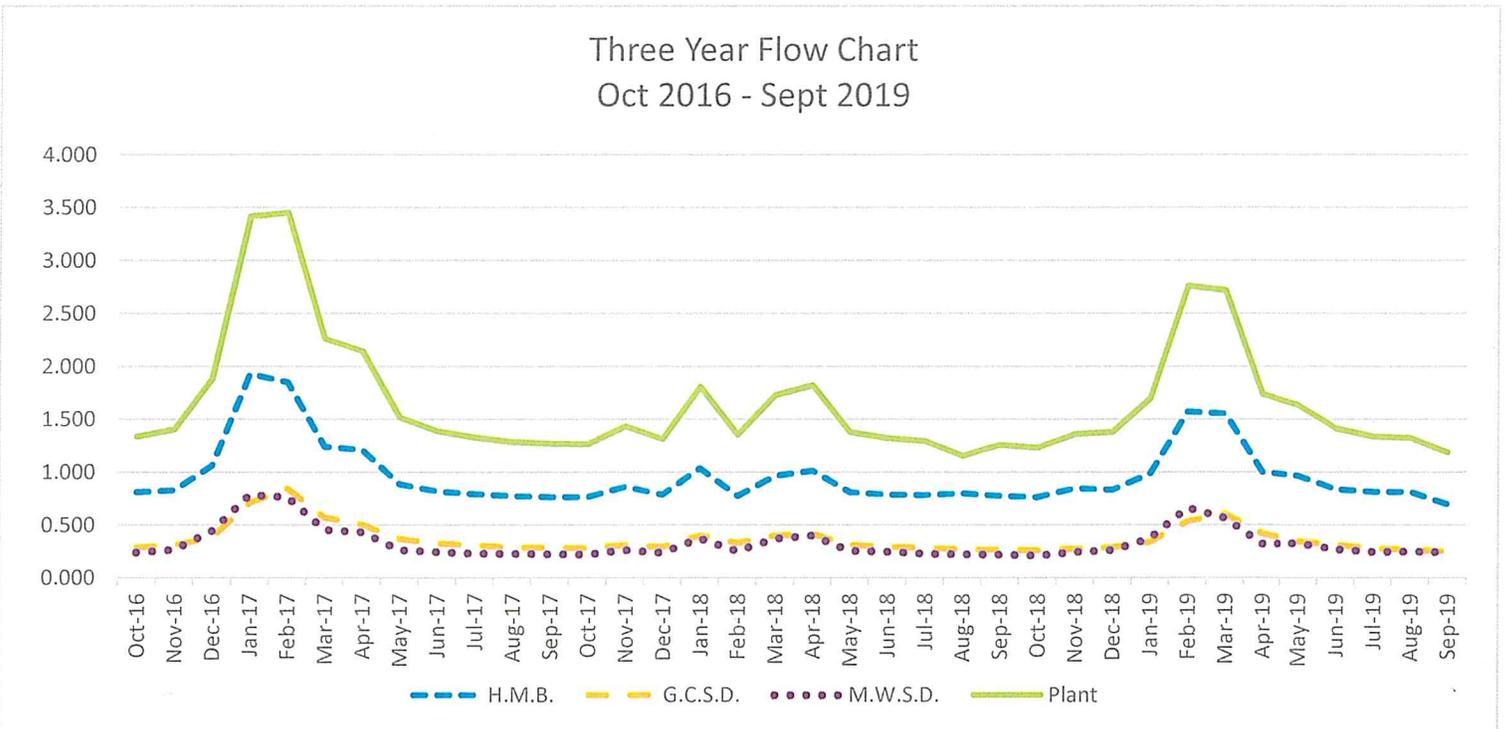
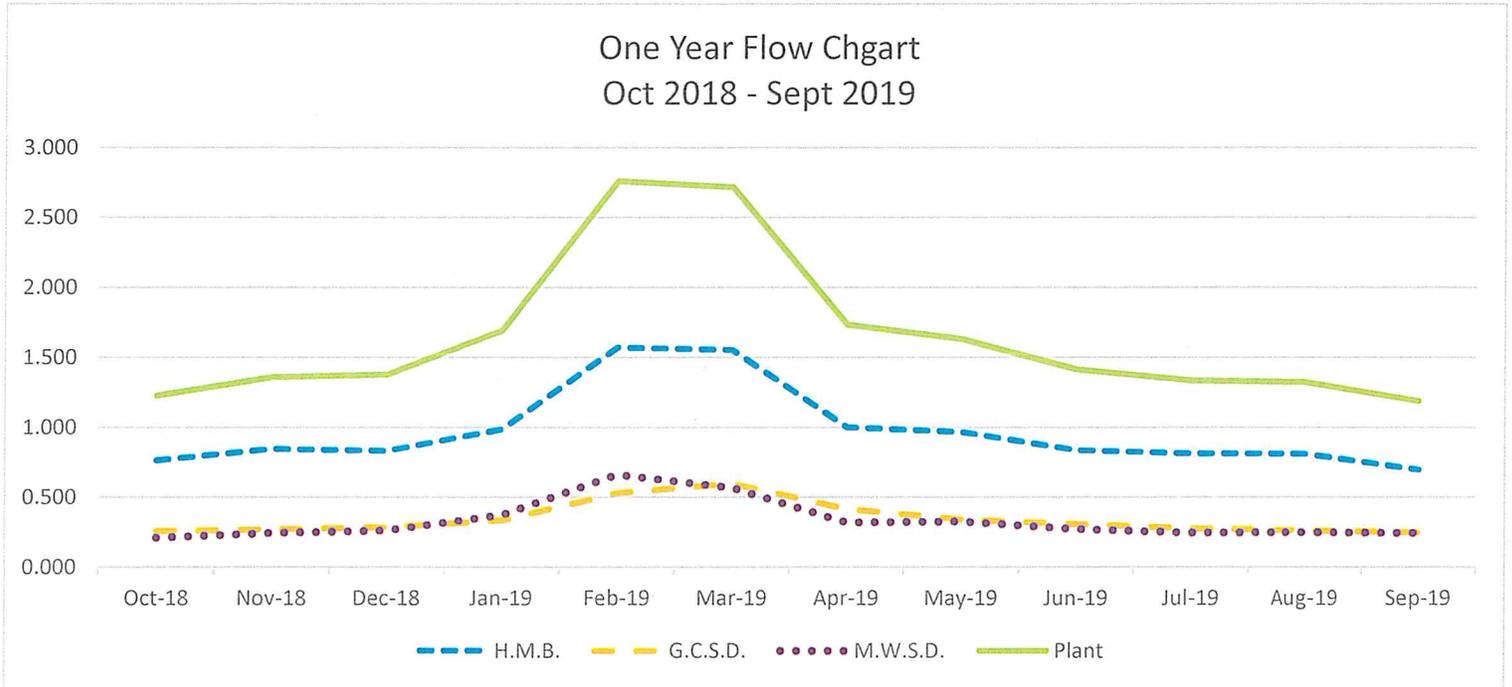
# Sewer Authority Mid-Coastside Monthly Flow Distribution Report, September 2019



### Percent Distribution September 2019



Most recent flow calibration September 2019 PS, September 2019 Plant



# Flow based percent distribution based for past year



# Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, September 2019

September 2019

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

## 12 Month Moving Total

Total	12 month rolling Number			
	HMB	GCSD	MWSD	SAM
Roots	0	0	0	0
Grease	0	0	0	0
Mechanical	1	0	0	1
Wet Weather	0	0	0	0
Other	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
	50%	0%	0%	50%

## Reportable SSOs

Total	Reportable Number of S.S.O.'s			
	HMB	GCSD	MWSD	SAM
September 2019	0	0	0	0
12 Month Moving Total	2	0	0	1

## SSOs / Year / 100 Miles

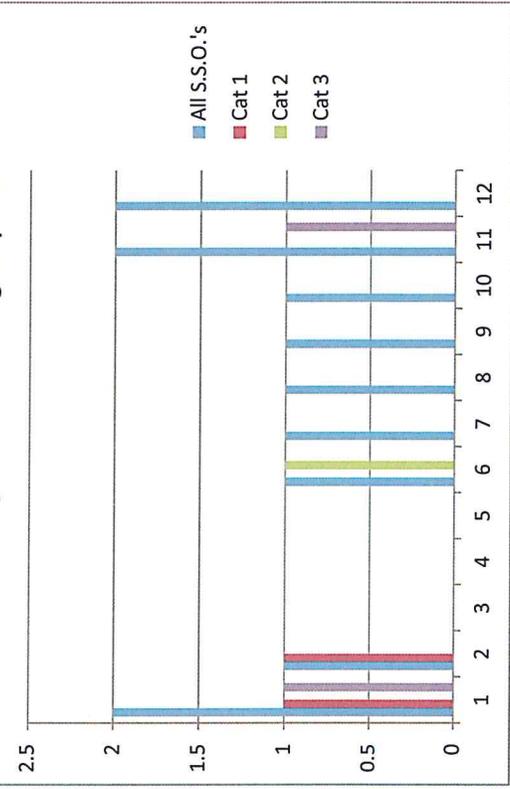
Total	Number of S.S.O.'s / Year/100 Miles			
	HMB	GCSD	MWSD	SAM
September 2019	0.0	0.0	0.0	0.0
12 Month Moving Total	1.9	0.0	0.0	13.7
Category 1	0.0	0.0	0.0	0.0
Category 2	1.0	0.0	0.0	13.7
Category 3	1.0	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	7.3
	35.4%	31.8%	27.0	7.0%

## 12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Oct - 18	21,189	10,969	14,786	46,944	8.9
Nov - 18	19,571	27,546	10,338	57,455	10.9
Dec - 18	27,756	17,357	9,422	54,535	10.3
Jan - 19	17,682	11,504	11,240	40,426	7.7
Feb - 19	10,374	9,126	11,371	30,871	5.8
Mar - 19	11,777	10,890	10,020	32,687	6.2
Apr - 19	12,934	10,801	11,247	34,982	6.6
May - 19	11,193	12,786	10,094	34,073	6.5
June - 19	14,529	18,431	10,419	43,379	8.2
July - 19	8,754	18,560	9,511	36,825	7.0
Aug - 19	8,042	22,405	15,720	46,167	8.7
Sept - 19	7,292	18,063	11,618	36,973	7.0
<b>Annual ft</b>	<b>171,093</b>	<b>188,438</b>	<b>135,786</b>	<b>495,317</b>	

Annual Mi.	32.4	35.7	25.7	93.8
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## 12 Month Moving SSO Totals Through Sept 2019





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 7, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review of Current Investment Portfolio**

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

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for September 2019 the rate was 2.280.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

## RECOMMENDATION:

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Connection Permit Applications Received**

As of November 7, 2019 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of November 7, 2019 the following new Water (Private Fire Sprinkler) Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of November 7, 2019 the following new Water Connection Permit application was received since the last report:

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

**RECOMMENDATION:**

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 7th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

*CH*

**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.

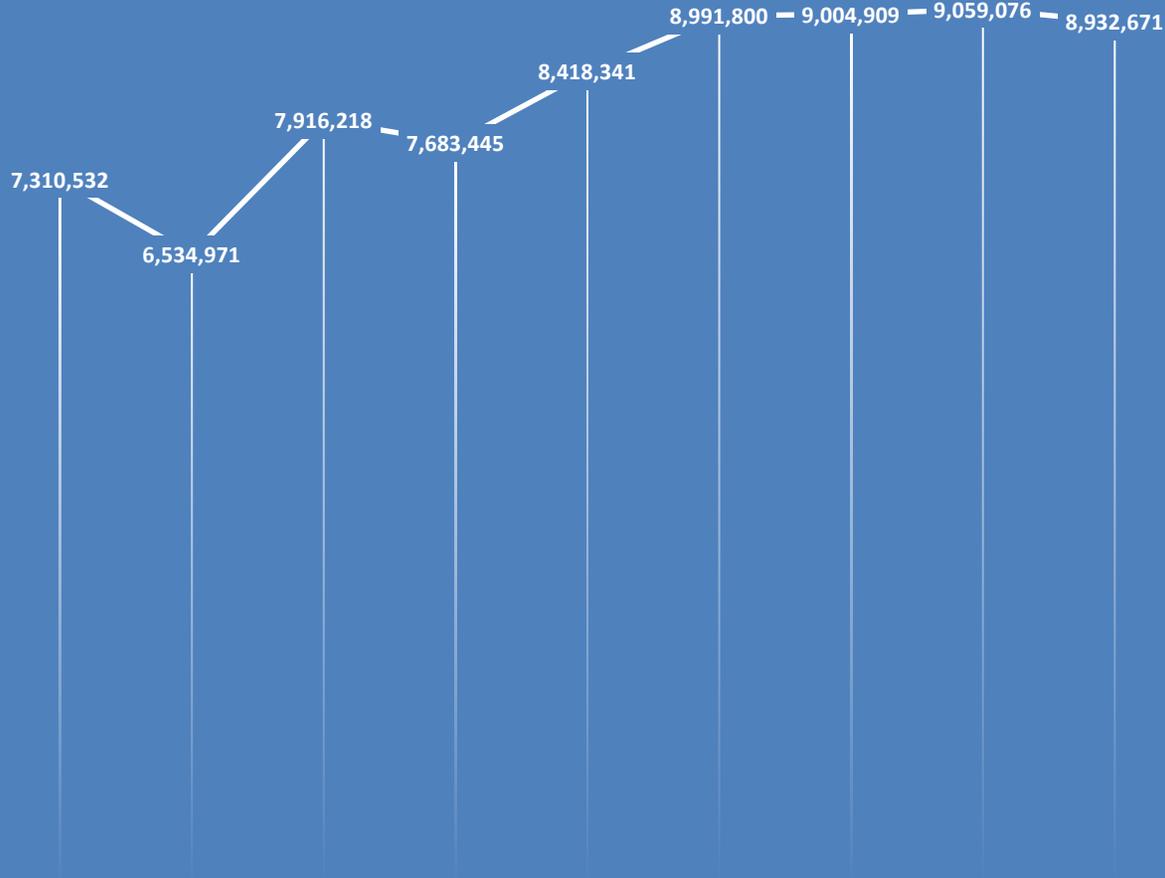
## RECOMMENDATION:

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

Attachments: 2

# TOTAL PRODUCTION 2019(GALLONS)

GALLONS



	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,310,532	6,534,971	7,916,218	7,683,445	8,418,341	8,991,800	9,004,909	9,059,076	8,932,671			

MONTH





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: November 7th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Rain Report**

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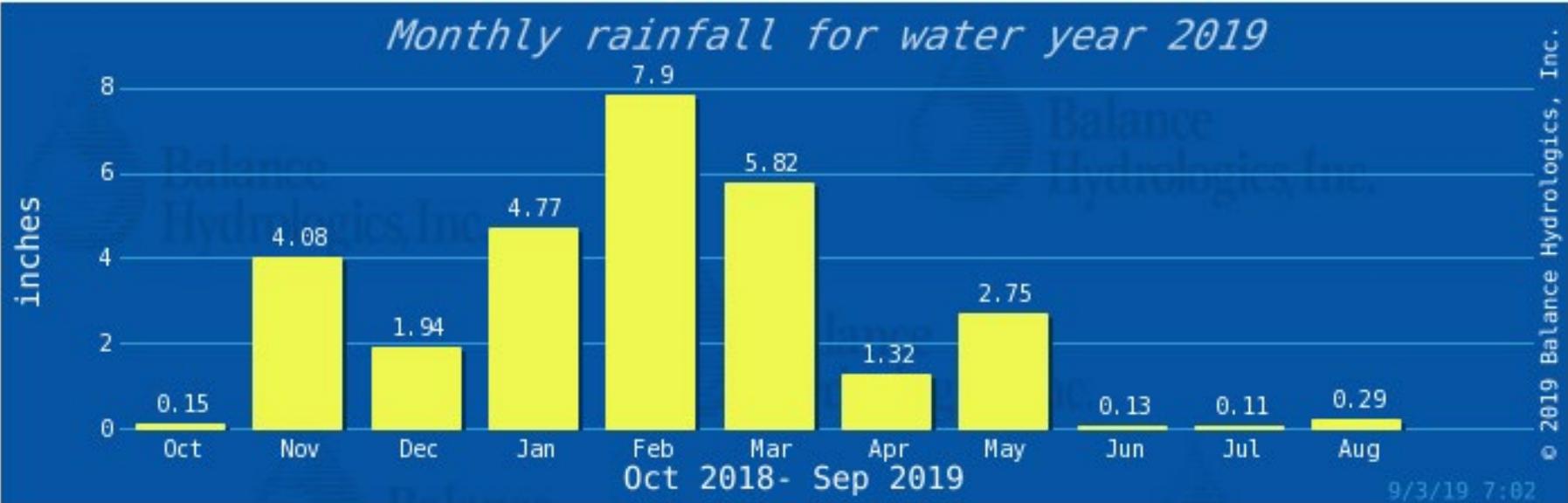
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

## RECOMMENDATION:

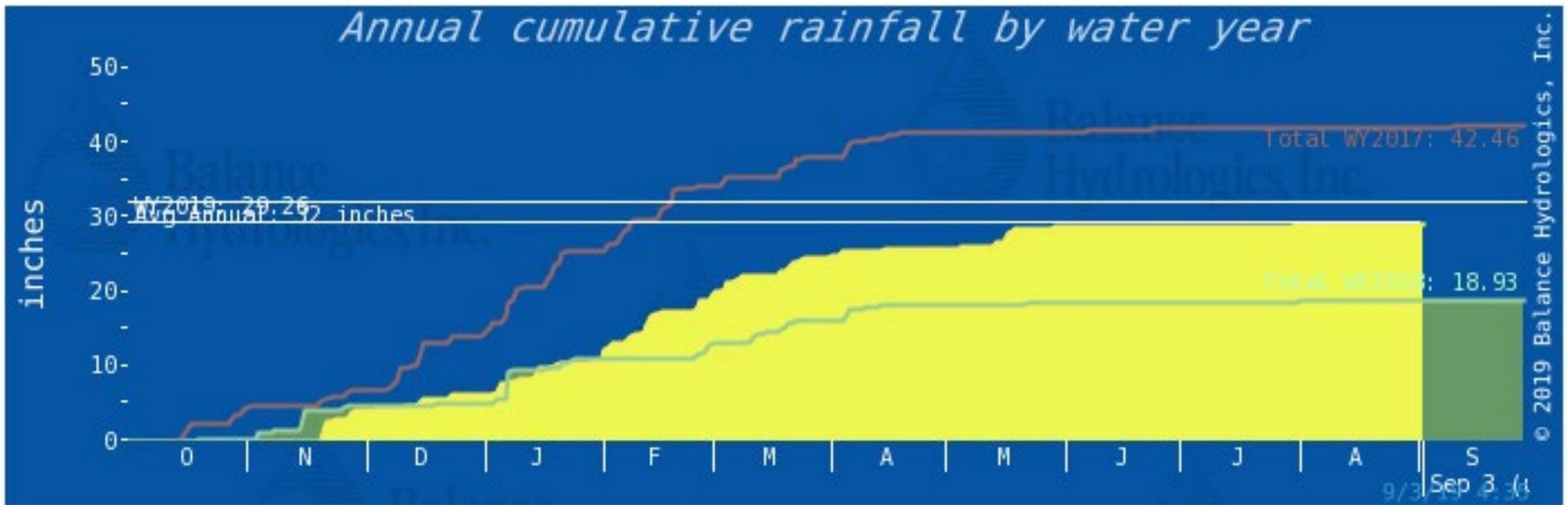
No action is required. These reports are provided for the Board's information only.

Attachments: 2

# Monthly Cumulative Rainfall



# Annual Cumulative Rainfall





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: November 7th, 2019

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Monthly Solar Energy Report**

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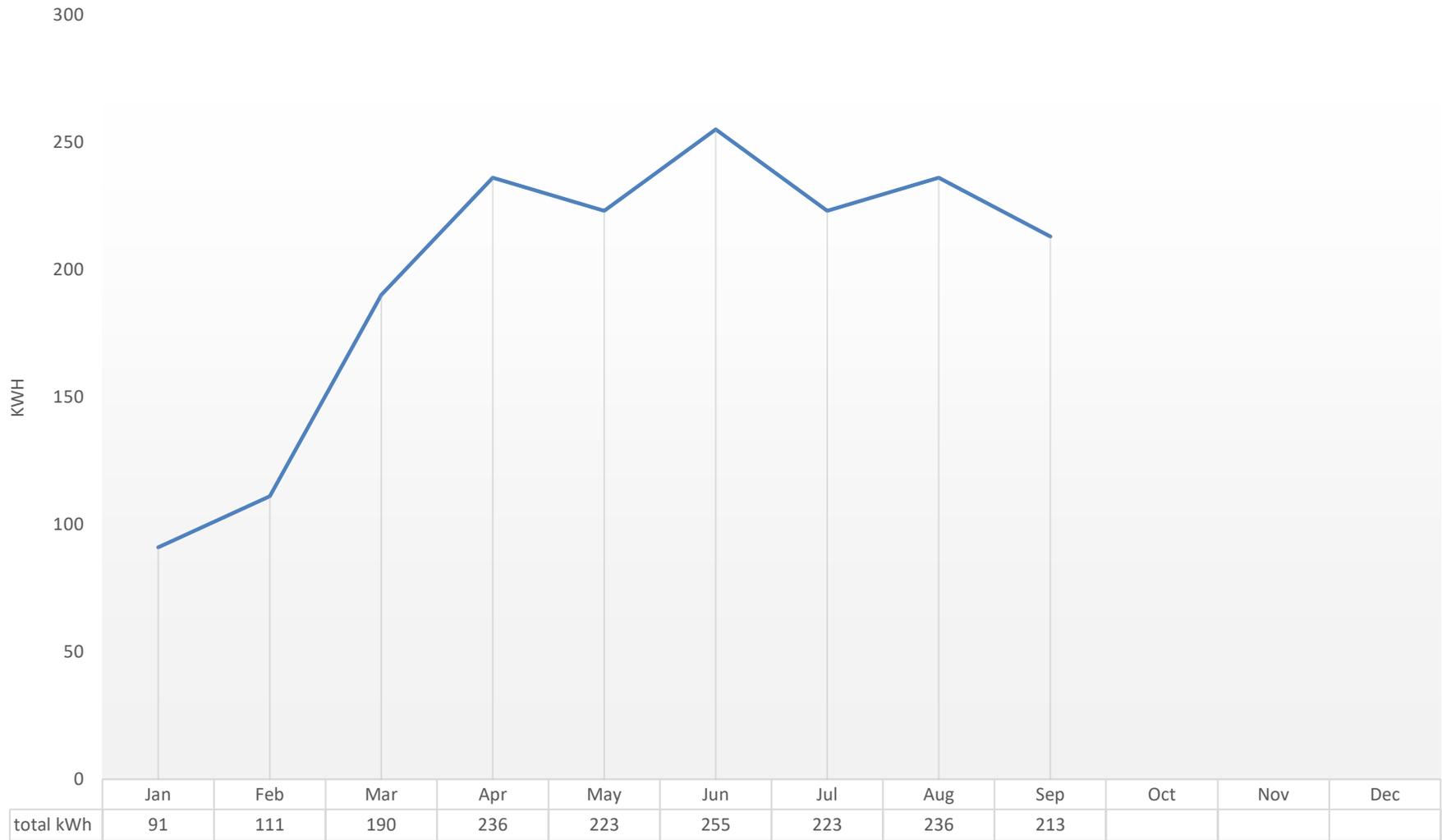
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 43,659 kWh and saved 74,219 lbs of CO<sub>2</sub>.

## RECOMMENDATION:

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

Attachments: 1

## SOLAR ENERGY PRODUCED IN 2019 (kWh)





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

*CH*

**SUBJECT: Monthly Public Agency Retirement Service  
Report for August 2019.**

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The District has received the monthly PARS report for August 2019.

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

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

RECOMMENDATION:

This is for Board information only.

Attachment



**Montara Water and San  
Retirement Enhancement Plan**

**Monthly Account Report for the Period  
8/1/2019 to 8/31/2019**

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

Plan ID: P7-REP15A

**Account Summary**

Source	Beginning Balance as of 8/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 8/31/2019
Contributions	\$769,921.77	\$7,827.66	(\$8,272.30)	\$356.97	\$1,073.74	\$0.00	\$768,046.42
<b>TOTAL</b>	<b>\$769,921.77</b>	<b>\$7,827.66</b>	<b>(\$8,272.30)</b>	<b>\$356.97</b>	<b>\$1,073.74</b>	<b>\$0.00</b>	<b>\$768,046.42</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%	5.37%	5.25%	9.38%	-	-	03/08/16

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

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

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

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



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Approving  
Agreement with Kastama Strategic Consulting.**

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At the October 3 meeting, the MWSD board approved an agreement with Singer Associates as Public Outreach Firm for MWSD to secure Alison Kastama as consultant. Since then Ms. Kastama founded Alison Kastama dba Kastama Strategic Consulting. In agreement with Singer Associates Ms. Kastama can provide the same services for MWSD directly to MWSD.

MWSD's legal counsel reviewed and approved the Kastama agreement to form.

**RECOMMENDATION:**

Approve the Kastama Agreement, and authorize the manager to sign and execute the contract. Terminate the agreement with Singer Associates and authorize the manager to provide notice of termination.

**PROFESSIONAL SERVICES AGREEMENT**  
(Alison Kastama dba Kastama Strategic Consulting)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into by and between the MONTARA WATER AND SANITARY DISTRICT, a public agency, (hereinafter "DISTRICT"), and ALISON KASTAMA DBA KASTAMA STRATEGIC CONSULTING (hereinafter "CONSULTANT").

**RECITALS**

A. DISTRICT requires the professional services of a public relations and communications consultant.

B. CONSULTANT has the necessary experience in providing professional services and advice.

C. Selection of CONSULTANT is expected to achieve the desired results in an expedited fashion.

D. CONSULTANT has submitted a proposal to DISTRICT and has affirmed its willingness and ability to perform such work.

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

**1. SCOPE OF SERVICES.** CONSULTANT shall perform the services described in Exhibit "A" attached hereto and incorporated herein by reference. The services shall be performed by, or under the direct supervision of, CONSULTANT'S Authorized Representative: Alison Kastama. CONSULTANT shall not replace its Authorized Representative, nor shall CONSULTANT replace any of the personnel listed in Exhibit "A," nor shall CONSULTANT use any subcontractors or subconsultants, without the prior written consent of the DISTRICT.

**2. TIME OF PERFORMANCE.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth herein shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. CONSULTANT shall commence performance, and shall complete all required services no later than the dates set forth in Exhibit "A." Any services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CONSULTANT shall submit all requests for extensions of time to the DISTRICT in writing no later than ten (10) days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. DISTRICT shall grant or deny such requests at its sole discretion.

**3. STANDARD OF PERFORMANCE.** While performing the Services, CONSULTANT will exercise the reasonable professional care and skill customarily exercised by reputable members of CONSULTANT'S profession practicing in the urban Northern California Area, and will use reasonable diligence and best judgment while exercising its professional skill and expertise.

**4. SOLE PROPRIETOR INDEPENDENT CONTRACTOR STATUS.**

CONSULTANT is a sole proprietor independent contractor and is solely responsible for all acts of CONSULTANT'S owner, agents, or subconsultants, including any negligent acts or omissions. CONSULTANT is not DISTRICT's employee and CONSULTANT shall have no authority, express or implied, to act on behalf of the DISTRICT as an agent, or to bind the DISTRICT to any obligation whatsoever, unless the DISTRICT provides prior written authorization to CONSULTANT. Contractors and CONSULTANT are free to work for other entities while under contract with the DISTRICT. Contractors and CONSULTANT are not entitled to DISTRICT benefits.

**5. CONFLICTS OF INTEREST.** CONSULTANT (including its owner, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. In the event that CONSULTANT maintains or acquires such a conflicting interest, any contract (including this Agreement) involving CONSULTANT's conflicting interest may be terminated by the DISTRICT.

**6. COMPENSATION.**

6.1. For services performed by CONSULTANT in accordance with this Agreement, DISTRICT shall pay CONSULTANT on a time and expense basis, at the billing rates set forth in Exhibit "B," attached hereto and incorporated herein by reference. CONSULTANT's fee for this Agreement is Not-To-Exceed \$45,000. CONSULTANT'S billing rates shall cover all costs and expenses of every kind and nature for CONSULTANT's performance of this Agreement. CONSULTANT shall perform no work in excess of the Not-To-Exceed amount without the prior written approval of the DISTRICT.

6.2. CONSULTANT shall submit monthly invoices to the DISTRICT describing the services performed, including times, dates, and names of persons performing the service.

6.3. Within thirty (30) days after the DISTRICT's receipt of invoice, DISTRICT shall make payment to the CONSULTANT based upon the services described on the invoice and approved by the DISTRICT.

**7. TERMINATION.** Either party (DISTRICT or CONSULTANT) may terminate this Agreement by giving ten (10) days written notice to other party. Upon termination, CONSULTANT shall give the DISTRICT all original documents, including preliminary drafts and supporting documents, prepared by CONSULTANT for this Agreement. The DISTRICT shall pay CONSULTANT for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

**8. OWNERSHIP OF WORK.** All original documents or electronic content prepared by CONSULTANT for this Agreement, whether complete or in progress, are the property of the DISTRICT, and shall be given to the DISTRICT at the completion of CONSULTANT's services, or upon demand from the DISTRICT. No such documents shall be revealed or made available by CONSULTANT to any third party without the prior written consent of the DISTRICT.

## 9. INDEMNIFICATION.

**9.1.** CONSULTANT shall indemnify, defend, and hold harmless the DISTRICT (including its elected officials, officers, agents, volunteers, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of CONSULTANT in the performance of services under this Agreement or failure to comply with any obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the DISTRICT.

**9.2** DISTRICT shall indemnify, defend, and hold harmless the CONSULTANT (including owners, agents, and subcontractors) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of DISTRICT in the failure to comply with any obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the CONSULTANT.

## 10. INSURANCE.

**10.1. General.** CONSULTANT shall, throughout the duration of this Agreement, maintain insurance to cover CONSULTANT, its agents and representatives in connection with the performance of services under this Agreement at the minimum levels set forth herein.

**10.2. Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$2,000,000 general aggregate and \$1,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

**10.3. Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$500,000 per accident for bodily injury and \$100,000 per accident for property damage.

**10.4. Workers' Compensation** coverage shall be maintained as required by the State of California. (Not required if consultant provides written verification it has no employees.)

**10.5. Professional Liability (Errors and Omissions)** "claims made" coverage shall be maintained to cover damages appropriate to CONSULTANT'S profession, that may be the result of errors, omissions, or negligent acts of CONSULTANT in an amount not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

**10.6. Endorsements.** CONSULTANT shall obtain endorsements to the commercial general liability with the following provisions:

**10.6.1** The DISTRICT (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional “insured.”

**10.6.2** For any claims related to this Agreement, CONSULTANT’S coverage shall be primary insurance with respect to the DISTRICT. Any insurance maintained by the DISTRICT shall be in excess of the CONSULTANT’S insurance and shall not contribute with it.

**10.7. Notice of Cancellation.** CONSULTANT shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days prior written notice to the DISTRICT should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

**10.8. Authorized Insurers.** All insurance companies providing coverage to CONSULTANT shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

**10.9. Insurance Certificate.** CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the DISTRICT, no later than ten (10) days after the execution of this Agreement.

**11. ASSIGNMENT AND DELEGATION.** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the CONSULTANT’S duties be delegated, without the written consent of the DISTRICT. Any attempt to assign or delegate this Agreement without the written consent of the DISTRICT shall be void and of no force and effect. A consent by the DISTRICT to one assignment shall not be deemed to be a consent to any subsequent assignment.

**12. NOTICES.** All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective party as follows:

**To DISTRICT:**

Clemens Heldmaier, General Manager  
Montara Water & Sanitary District  
8888 Cabrillo Hwy  
Montara, CA 94017

**To CONSULTANT:**

Alison Kastama  
DBA Kastama Strategic Consulting  
1 Kelton Court 5M  
Oakland, CA 94611

Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) three working days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

**13. MODIFICATIONS.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

**14. WAIVERS.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

**15. SEVERABILITY.** In the event any term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

**16. JURISDICTION AND VENUE.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Mateo.

**17. ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed for this project. This Agreement supersedes all prior negotiations, representations, or agreements.

**18. COMPLIANCE WITH THE LAW.** CONSULTANT shall comply with all local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

**19. SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the DISTRICT. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

DISTRICT

By: Clemens Heldmaier

Title: General Manager

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_

By:

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONSULTANT

\_\_\_\_\_

By: Alison Anja Kastama

Title: Principal \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT A

### KASTAMA STRATEGIC CONSULTING

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#### SCOPE

To: Clemens Heldmaier, Montara Water and Sanitary District  
From: Alison A. Kastama, Principal, Kastama Strategic Consulting  
Re: Strategic Counsel and Communications Contract Proposal

Thank you for your understanding during my recent transition period and consideration of this revised scope of work under my sole proprietorship, Kastama Strategic Consulting. I look forward to continuing my support of the District as you address pressing financial and water supply security challenges.

I have more than 15 years of experience delivering public relations and communications services to a broad cross section of public agencies in California and particularly the San Francisco Bay Area. In addition, I have ten years of direct experience addressing public affairs, outreach (including rates), issues and crisis management for two of the largest public water agencies here in the Bay Area: the San Francisco Public Utilities Commission – Hetch Hetchy Regional Water System and the East Bay Municipal Utility District. I look forward to bringing our expertise in public affairs, issues management, outreach and communications to serve your district.

As previously discussed, I, through Kastama Strategic Consulting, will provide the following scope of work:

- **Strategic Counsel and Issues Management:** Kastama Strategic Consulting will work in coordination with the General Manager, District Legal Counsel, and Board of Directors to advise the District's on actions related to your rates package and next steps in water supply and infrastructure planning. These discussions will include considerations for messaging, public affairs, and outreach plan development.
- **Key Message Development:** Kastama Strategic Consulting will develop clear messaging for each effort, ensuring that the information and tone is accurate to the District's decided direction and sensitive to the local community.
- **Public Affairs advocacy with elected officials and representatives:** Kastama Strategic Consulting will work to identify and connect the District with various elected officials, representatives and regional stakeholders to properly position the District's efforts.
- **Community Advocacy:** Kastama Strategic Consulting will work with the District to plan an appropriate schedule of outreach to ensure the local Montara and coast-side communities are informed and proactively engaged on each issue and action of the District. This will include planning oversight of staff and Board engagement with residents and local organizations.
- **Media and Press:** Kastama Strategic Consulting will provide:
  - **Media Monitoring:** Throughout our contract period, Kastama Strategic Consulting will monitor local media for Montara WSD and water rates-related news and content.
  - **Local Media:** Kastama Strategic Consulting will advise on interactions with local and countywide news

publications, including identifying opportunities to pitch stories and content.

**Communications Materials Development:** Kastama Strategic Consulting will develop content and coordinate limited graphic design services for outreach materials as discussed with the District. These materials will be provided in electronic form for the printing and distribution by the District and its Board of Directors.

This can include:

- District mailers, fact sheets, postcards
- District website content
- Community newsletter content
- Social media content

## **Budget**

### **Fees**

Kastama Strategic Consulting's fees from October 2019 through June 2020 will average between \$4,000 to \$6,000 per month dependent on activity and consultation with the District. All charges will be based on actual work and in accordance with the attached rate sheet.

### **Out-of-Pocket Fees**

We anticipate limited out-of-pocket costs unless discussed and agreed to with the District.

**Total Budget 2019-2020: \$45,000 (October 2019 - June 2020)**

Thank you for your consideration of this transfer of contract and revised scope of work. I look forward to moving forward on this project with the District.

## ATTACHMENT A

### KASTAMA STRATEGIC CONSULTING RATE SCHEDULE

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#### HOURLY RATES

PRINCIPAL	300.00
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#### OUT-OF-POCKET EXPENSES

Kastama Strategic Consulting charges all clients a flat rate 5% technology fee to cover all local and long distance phone calls, fax charges, online services, online research fees, and other technology services.

Transportation, accommodations and related expenses for trips authorized by the client, and all other expenses incurred in connection with providing our services, including overnight mail, cable, messenger, mass mailing charges, etc., will be billed to you at cost.

Costs of advertising and collateral production, printing and creative services will be billed to you monthly after we have received the supplier invoices and have satisfied ourselves that they are correct. Supporting documentation for these expenses will be retained on file and will be provided on request. These items will be marked up by the standard advertising industry rate of 17.65%.

We reserve the right to request payment in advance for any large out-of-pocket expenses and typically ask for a 50% deposit prior to beginning work on any collateral materials.

All fee and expense invoices are assumed to be undisputed unless you advise us otherwise in writing within ten (10) days of receipt of the invoice.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Water Rate Study.**

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In conjunction with this year's budget approval staff was authorized to initiate a water rate study. The District's current water rates are not providing sufficient income to cover next year's financial needs. A \$500,000 loan from sewer to water was implemented to temporarily cover a portion of the costs.

The District's financial consultant Alex Handlers with Bartle Wells presented initial findings and ideas at the July 18 meeting. Since the increases are due to capital needs the Board indicated the desire to adopt a separate Water System Reliability Charge. The Finance Committee Reviewed the suggestions at a meeting on October 9.

## RECOMMENDATION:

Review the suggestions in Bartle Wells presentation and direct staff.

# Montara Water & Sanitary District



## Water System Reliability Charges

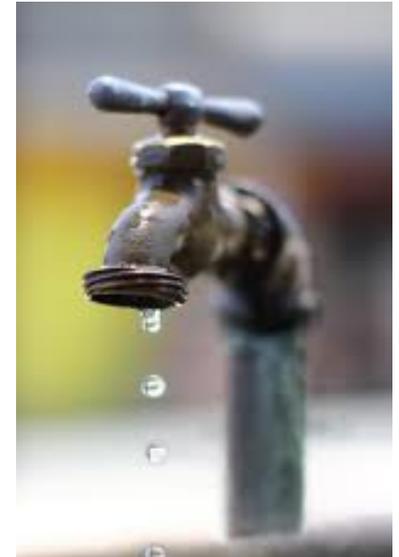
November 7, 2019



BARTLE WELLS ASSOCIATES  
INDEPENDENT PUBLIC FINANCE ADVISORS

# Water Rate History

- **In 2010, District adopted rate increases and changes to rate structure**
  - Substantial decreases to fixed service charges
  - Larger increase to water quantity charges
  - Transition from 2-tiers to 4-tiers
- **Since 2010, District has mostly implemented small, inflationary rate increases almost every year**
  - To keep revenues in line with expenses
  - Last rate study conducted early 2015
- **Water use has declined since 2010**
  - Many customers now pay roughly the same in inflation-adjusted terms as they did back in 2010



# Increase in Capital Funding Needs

- Updated CIP identifies average funding needs of over \$1.8 million per year
- In Fiscal Year 2018/19, rates supported less than \$100,000 for capital
  - Partly due to temporary increase in other expenses
- Substantial revenue increase needed to fund long-term capital needs
  - Capital funding needs are much higher than current rates can support
  - Water rates currently generate approximately \$1.9 million per year
- Historically, District relied on debt financing to fund major capital needs
- Other regional agencies are facing similar challenges



# Water System Reliability Charge

- **Proposed new charge**
- **Purpose: Dedicated funding source for capital needs**
  - **Rehabilitation & replacement of aging infrastructure**
  - **Ongoing upgrades to address existing deficiencies**
  - **Support long-term reliability & fire protection**
- **Regular bi-monthly water rates would continue funding operating, maintenance, and existing debt service**



# Billing Method

- **New charges can be collected via the County property tax rolls**
- **Nexus: The charge benefits all properties served by the District that benefit from access to the District's water system**
  - **Property owner responsible for payment**
- **Charges can be levied on all properties connected to the District's water system including water and/or fire service connections**
- **Charges can be implemented starting fiscal year 2020/21**



# Charge Alternatives

## ➤ Residential

- Fixed charge per single family home
- Reduced charges for multi-family units, mobile homes, and ADUs
  - Or standard charge for 1st dwelling unit + reduced charges per each additional unit
- Reduced charges for customers with private fire protection service only

## ➤ Commercial

- Fixed charge based on meter size (or other factor)

## ➤ Alternative

- Hybrid fixed and usage-based charges
  - e.g. 50% fixed rates + 50% usage-based rates



# Funding Levels & Implementation

- **What level of funding should charges generate?**
  - e.g. \$500,000 to \$2 million per year
- **Potential to phase in charges over multiple years**
  - **Can start with a lower charge and increase in future years**
    - Note that GO Bonds reach final maturity in about 9 years
  - **Don't need to fully solve long-term capital funding challenge now**
  - **Can take a significant step in the right direction & re-evaluate in future years**



# Example of Fixed Charges

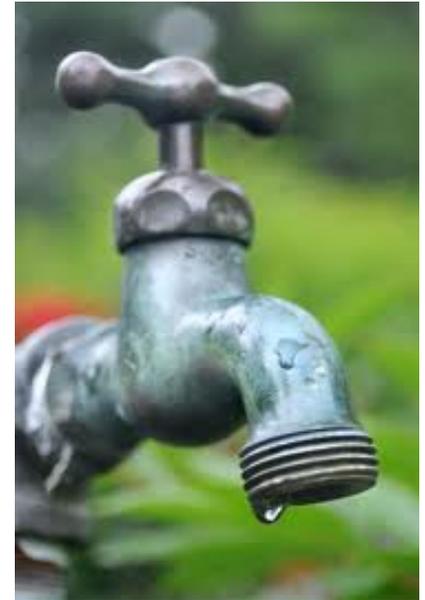
Annual CIP Funding Target	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	
Estimated Total Billing Units <i>Assumes some growth</i>	1,850	1,850	1,850	1,850	
<b>Charge per Meter Equivalent</b>					
Annual Charge	\$270.27	\$540.54	\$810.81	\$1,081.08	
Monthly Equivalent	22.52	45.05	67.57	90.09	
<b>Projected Fixed Monthly Charges</b>					
<b>Single Family Home</b>	<b>\$22.52</b>	<b>\$45.05</b>	<b>\$67.57</b>	<b>\$90.09</b>	
<b>Multi-Family or Mobile Home Unit</b> 75%	<b>16.89</b>	<b>33.79</b>	<b>50.68</b>	<b>67.57</b>	
<b>Commercial/Non-Residential</b>					
<u>Meter Size</u>	<u>Charge Ratio</u>				
5/8" x 3/4"	1.00	\$22.52	\$45.05	\$67.57	\$90.09
3/4"	1.10	24.77	49.56	74.33	99.10
1"	1.40	31.53	63.07	94.60	126.13
1-1/2"	1.80	40.54	81.09	121.63	162.16
2"	2.90	65.31	130.65	195.95	261.26
3"	11.00	247.72	495.55	743.27	990.99
4"	14.00	315.28	630.70	945.98	1,261.26

# Example of Fixed + Usage Charges

Annual CIP Funding Target		\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
<b>Volumetric Funding %</b>		50%	50%	50%	50%
Volumetric Funding \$		\$250,000	\$500,000	\$750,000	\$1,000,000
Est. Annual Water Use (ccf)		120,000	120,000	120,000	120,000
<b>Projected Usage Charges (Based on Prior Year Water Use)</b>					
<b>Usage Charge (per ccf)</b>		<b>\$2.08</b>	<b>\$4.17</b>	<b>\$6.25</b>	<b>\$8.33</b>
<b>Fixed Charge Funding %</b>		50%	50%	50%	50%
Estimated Total Billing Units		1,850	1,850	1,850	1,850
<b>Projected Fixed Monthly Charges</b>					
<b>Single Family Home</b>		<b>\$11.26</b>	<b>\$22.53</b>	<b>\$33.79</b>	<b>\$45.05</b>
<b>Multi-Family or Mobile Home Unit</b> 75%		<b>8.45</b>	<b>16.90</b>	<b>25.34</b>	<b>33.79</b>
<b>Commercial/Non-Residential</b>					
<u>Meter Size</u>	<u>Charge Ratio</u>				
5/8" x 3/4"	1.00	\$11.26	\$22.53	\$33.79	\$45.05
3/4"	1.10	12.39	24.78	37.17	49.56
1"	1.40	15.76	31.54	47.31	63.07
1-1/2"	1.80	20.27	40.55	60.82	81.09
2"	2.90	32.65	65.34	97.99	130.65
3"	11.00	123.86	247.83	371.69	495.55
4"	14.00	157.64	315.42	473.06	630.70
<b>Total Annual Charges for a Single Family Home at Different Usage Levels</b>					
	<u>Monthly Use</u>				
Low	3.0 ccf	\$210.12	\$420.36	\$630.48	\$840.60
Average	5.4 ccf	270.12	540.36	810.48	1,080.60
Mod-High	8.0 ccf	335.12	670.36	1,005.48	1,340.60

# Key Issues for Board Input

- **What level of funding should charges generate?**
  - e.g. \$500,000 to \$2 million per year
- **How should charges be implemented?**
  - Adopt initial charge and re-evaluate in future years
  - Phase in charges over multiple years
  - Adopt maximum charge, but phase in over time
- **Billing via property tax rolls or other method?**
- **How should charges be applied?**
  - Single family
  - Multi-family, mobile homes, ADUs
  - Fire protection service only
  - Commercial



# Process & Next Steps

- **Jul-18**      **Board Meeting: Discussed water finances & need for increased funding for capital improvements**
- **Aug/Oct**      **2 Finance Committee Meetings: Discussed Water System Reliability Charges and potential options**
- **Nov 7**      **Board Meeting: Review concepts for a new Water System Reliability Charge and provide input**
- **Dec/Jan**      **Incorporate Board input & develop charges**
- **Jan/Feb**      **Board Meeting to review charges & initiate Prop 218 process**
- **Feb/Mar**      **Prop 218 Notices & Notices for Bill Collection on Property Tax Rolls mailed to property owners**
- **Apr/May**      **Public Hearing on Proposed Charges**
- **July 1**      **Water System Reliability Charges go into effect**



# Questions / Discussion





# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning Sewer  
Rate Study.**

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The last MWSD sewer rate study was implemented in 2018. The Prop 2018 limit was set for the coming 2 years and the last increase was implemented this Fiscal Year. The last study indicated a further need to assess sewer rates after 2 years. Initiating a study now would allow for a rate assessment for FY 20/21 and beyond.

Current budget increases at the Sewer Authority Mid-Coastside, and current legal action brought by the City of Half Moon Bay result in increased funding needs that need to be paid for by the owners of SAM.

## RECOMMENDATION:

Authorize the manager to initiate a sewer rate study with Bartle Wells.



# **MONTARA WATER AND SANITARY DISTRICT AGENDA**

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning  
Appointment of District Treasurer.**

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Following the resignation of Eric Marshall from the Board of Directors, a new Treasurer should be appointed for the remainder of this calendar year's term. Mr. Marshall also served on the Finance Committee, Personnel Committee, Connection Fee Committee, and Strategic Plan Progress Committee.

The District appoints new officers in December or January for each calendar year.

RECOMMENDATION:

Appoint new Treasurer and replace open committee positions.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Report of System Operations during PG&E Power Outages.**

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Coastside residents lived experienced two prolonged PG&E power outages and prepared for a third one. PG&E states that the “new normal” will require outages for approximately 10 years during extreme weather before PG&E equipment is upgraded to prevent shutdowns. MWSD experienced the outages as resilience test of our emergency equipment. Water production continued without any reportable incident. Coastside agencies generally seemed well prepared for the challenge. However, large corporation and government agencies were less prepared and created difficulties for the agencies depending on their services. PG&E, Comcast, Verizon, and Caltrans struggled with providing their essential services to the community. Notably, East Bay MUD, the Bay area largest water provider did not have backup power to some of their smaller stations and asked water customers to conserve during the outage.

Below is a list of MWSD preparations:

- Relocated and rewired generator from Wagner (Wagner is offline due to repairs) to Drake.
- Readjusted SCADA set points before and during outage to maximize stored water and generator fuel efficiency.
- Secured a rental generator capable of running Portola 3 and installed.
- Secured additional backup diesel supply for potential long term outage.
- Prior to outage - topped off all generators, truck auxiliary fuel tanks, and other fuel canisters.
- During outage switch to backup power systems.
- Adjusted schedules for overnight shifts so that we could visit all sites running on generators in inspect and re-fuel in 4 hour intervals.
- Constant updates for local newspaper.
- Set up a courtesy water fill station at the office so that community members on wells could obtain water.
- Outreach to SMC OES.
- Established regular contact with SAM, Granada Community Services District and City of HMB.
- Assisted SAM with the hiring of outside firm to pump out individual grinder sumps.
- Switched all office computers from failed Comcast internet service to MWSD backup Coastside.net service

RECOMMENDATION:

This is for Board information only.



# MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **November 7, 2019**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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**SUBJECT: General Manager's Report**

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**Operations:** Operations Department has been preparing and assisting with the, Airport Treatment Plant 3, and Wagner rehabilitation project. The recent PG&E outages required some overtime and additional preparations.

**Projects:** Construction of the new Airport 3 Treatment Plant is close to completion. Plumbing corrections to fit new hoses are currently implemented. Testing the Treatment Plant will follow the vessel installation.

The Highway 1 crossing Sewer Project is also close to completion. Hydroseeding on MWSD property is still outstanding. A possible change order to further improve the MWSD access road runoff may be brought to the MWSD board soon.

The Wagner Well site and pipeline replacement project was scheduled to be complete by mid-October. However minor repairs and corrections and scheduling issues delayed the completion. We are hoping to be able to turn the well on in the first half of November.

**Finance Committee Meeting:** A Finance Committee Meeting was held on October 9 to receive comments from the committee and public in regards to the draft water rate study.

RECOMMENDATION:

This is for Board information only.

Attachment