



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

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

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

AGENDA

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

January 16, 2020 at 7:30 p.m.

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

1. [Review and Possible Action Concerning Establishment of Prop 218 Limits for Solid Waste Disposal Fee Increase, January 1, 2020.](#)
2. [Review and Possible Action Concerning Adoption of a Revised Master Fee Schedule to amend Solid Waste Disposal Fees.](#)

CONSENT AGENDA

1. [Approve Minutes for November 7, November 21, December 5, and December 19, 2019.](#)
2. [Approve Financial Statements for November 2019.](#)
3. Approve Warrants for January 1, 2019.
4. [SAM Flow Report for November 2019.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report for November 2019.](#)
8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for August 2019.](#)
11. [Approval of Vallemar Sewer Mainline Extension Agreement.](#)

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 Adoption of Connection Charge Report.](#)
4. [Review and Possible Action Concerning Fiscal Year End Budget to Actual Review.](#)
5. [Review and Possible Action Concerning Introduction of Electronic Billing Service.](#)
6. [Review of State Revolving Fund Loan 2012PX102 Completion.](#)
7. [Receipt of USGS certificate for Collaboration with Groundwater Ambient Monitoring and Assessment Program-Priority Basin Project.](#)

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. Ct. No. 17CV316927)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957(b)(1))

Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS

(Government Code §54957.6)

Unrepresented Employee: 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) subject to staff's ability to post the documents before the meeting.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning
Establishment of Prop 218 Limits for Solid Waste
Disposal Fee Increase.**

The franchise agreement with Recology of the Coast requires the District to annually assess the solid waste disposal rates by January 1 in accordance with an agreed upon formula. Pursuant to the franchise agreement, Recology of the Coast provided calculations required for the rate increase effective January 1, 2020. In accordance to the agreement, the current increase is based on index. The formula results in a 4.71% rate increase over the 2019 rates.

The Chinese National Sword situation has caused the bottom to drop out of the recycling revenue market. Waste Disposal Companies were paid \$35 a ton for as late as September 30, 2018. Now a ton is costing \$20 or more to process. Many companies County, State and Countrywide are landfilling their recycling materials to keep costs down. Recology continues to process recycling and keeps these materials out of the landfill.

Notices were mailed in November, 2019 to all 1736 property owners and customers in Montara and Moss Beach notifying them about the planned rate increase for January 1, 2020. At the preparation of this agenda item no (0) written protests have been received. However, a full final count will be made at the public hearing since more may be received by that time.

The purpose of this meeting is to formally count the number of written protests received. If written protests are submitted against the proposed fees or against a particular fee by the owners of a majority of the parcels, the fees or fee will not become effective.

RECOMMENDATION:

Open the public hearing, allow relevant testimony, close the public hearing and count all allowable Prop 218 protests received. Determine whether or not the proposed rate limits should be approved in accordance with Prop 218. Adopt ORDINANCE NO.____, ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ESTABLISHING MAXIMUM RATES FOR THE COLLECTION, REMOVAL AND DISPOSAL OF REFUSE AND FOR RECYCLING SERVICES EFFECTIVE JANUARY 1, 2020.

Attachments

ORDINANCE NO. _____

ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ESTABLISHING MAXIMUM RATES FOR THE COLLECTION, REMOVAL AND DISPOSAL OF REFUSE AND FOR RECYCLING SERVICES EFFECTIVE JANUARY 1, 2020

**THE BOARD OF THE MONTARA WATER AND SANITARY DISTRICT, A
PUBLIC AGENCY IN THE COUNTY OF SAN MATEO, CALIFORNIA, DOES ORDAIN
AS FOLLOWS:**

Section 1. Findings. The Board of the Montara Water and Sanitary District hereby finds and declares that:

a. Pursuant to the provisions of Section 6 of Article XIII D of the California Constitution, this Board adopted Ordinance No. 191, which established maximum rates to be charged by Recology of the Coast (“Recology”), the District’s franchisee for the collection, removal and disposal of refuse and for recycling services (“Solid Waste Services”) for properties within the District commencing January 1, 2019.

b. The franchise provides for annual revisions to the schedule of fees and charges for the Solid Waste Services.

c. The schedule of maximum fees and charges hereinafter approved and adopted implement the intention of the parties to the franchise to provide compensation to Recology corresponding to costs of providing such Services.

d. The parcels upon which the proposed fees or charges for Solid Waste Services were identified and the amount of such fee or charge was calculated, and the District provided written notice by mail of the proposed fee or charge to the record owners of each identified parcel, the amount of the fee or charge, the basis upon which the amount of the fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of the public hearing on the proposed fees or charges in accordance with the provisions of Section 6 of Article XIII D of the California Constitution.

e. In addition to the aforesaid notice, notice of said public hearing was published not less than twice, with at least five (5) days intervening between the dates of the first and last publication, in a newspaper of general circulation regularly published once a week or more often within the County of San Mateo.

f. On January 17, 2019, not less than 45 days after mailing of the aforesaid notice, a public hearing on the proposed fees and charges set forth herein for the Solid Waste Services for all occupied premises (except agricultural premises) was held by this Board and all persons present at the hearing and interested in the matter were heard or given the opportunity to be heard on the question of enactment of said fees and charges.

g. This Board considered all protests against the proposed fees or charges for said Solid Waste Services and written protests against said fees or charges were not presented by a majority of owners of the identified parcels.

h. Revenues to be received from the fees and charges for the Solid Waste Services for all occupied premises (except agricultural premises) set forth herein do not exceed the funds required to provide such Services, nor do they exceed the proportional cost of the Services attributable to the aforesaid parcels, and the revenues from said fees and charges shall not be used for any other purpose than that for which the fees and charges are imposed.

i. The fees and charges enacted by this ordinance are maximums for each corresponding rate component listed herein.

Section 2. Refuse collection and recycling rates and charges.

a. The maximum monthly rates to be charged by the District's franchisee for the collection, removal, and disposal of refuse for all occupied premises (except agricultural premises) and recycling services within the District commencing on January 1, 2020 and until thereafter revised are:

RESIDENTIAL

- 1. Weekly collection, single container placed in front of premises, wet and dry garbage ("first can service") in wheeled carts:
 - a. Container limits: volume - 20 gals. (3/10 cu yd), weight 40 lbs, per mo charge \$26.55
 - b. Container limits: volume - 32 gals (1/4 cu yd), weight 60 lbs, per mo charge \$32.53
 - c. Container limits: volume - 64 gals (1/2 cu yd), weight 100 lbs, per mo charge \$106.87

- 2. Special Services (charges added to above, basic changes):
 - a. Container placed at side or rear of dwelling - per container \$8.13
 - b. Container not placed at specified collection point and return call required- per container \$16.98
 - c. Extra 30 gallon bag with collection (excludes 20 gallon cart service), per bag \$8.77
 - d. Special collections combined with regular service, including collections for estimate

brush, yard clippings, boxes, etc.

- | | |
|--|-----------------|
| 3. Bulky goods dropoff service four times a year within Montara District limits including greenwaste and motor oil in Recology-provided bottles only | incl. w/service |
| 4. Weekly commingled recyclable materials collection (64 gallon wheeled cart) | incl. w/service |
| 5. Every other week greenwaste (yard trimmings, etc.) collection, limited to four (4) thirty gallon containers - customers own containers | incl. w/service |
| 6. Bulky goods curbside collection service, limited to four (4) times a year
One item up to 200 lbs or 5-30 gallon bags | incl. w/service |
| 7. Dropoff at Recycling yard in Pacifica of motor oil, latex paint, unpainted lumber, large pieces of metal, styrofoam, e-waste, large white goods, furniture, mattresses, large amounts of recyclable materials | incl. w/service |
| 8. Christmas trees free of charge through January 31st of each year | incl. w/service |
| a. After January 31st charge is \$20 per tree for removal | \$20.00 |

MULTIFAMILY, COMMERCIAL AND INDUSTRIAL SERVICE

- | | |
|---|-------------------|
| 1. Service to restaurants, hotels, cafes, apartment houses, stores and similar places of business, factories, schools and institutions, wet and dry garbage-container limits: volume - 30 gal. cans (1/4 cu. Yd), weight - 75 lbs | |
| a. Regular collections: | |
| 1-64 gallon collection once per week | \$128.33 |
| 1-96 gallon collection once per week | \$210.00 |
| b. Additional 64 or 96 gallon commercial carts picked up more than once a week will be original charge times the number of pickups | Will vary by size |
| 2. Commercial Container Rental: | |
| a. 1 cubic yard box - per mo. | \$58.39 |
| b. 2 cubic yard box - per mo. | \$75.69 |
| 3. Commercial Container Collections: | |
| a. 1 cubic yard box - per collection | \$49.34 |
| b. 2 cubic yard box - per collection | \$98.17 |
| 4. Compacted Commercial Container Service: | |
| a. 1 cubic yard box - per collection | \$96.30 |
| b. 2 cubic yard box - per collection | \$194.53 |
| 5. Recyclable material collection up to five times a week | incl. w/service |

DEBRIS BOX SERVICE

7, 14, 20 and 30 yard containers

a. Container rental, delivery and pickup charge

\$387.84

b. \$91.92 per ton confirmed by disposal site weight slip

Tonnage based

SPECIAL PROVISIONS

1. Financial hardship rate for weekly collection for single container placed in front of premises, wet and dry garbage 30 gallon can (PGE CARE PROGRAM) 15% reduction

\$26.76

b. The rates and charges hereby established are maximums for the listed rate components. Rates and charges equal to or less than said maximums may be enacted from time to time by separate ordinance including, without limitation, by ordinance amending, supplementing or restating the District's Master Fee Schedule; provided, that the last rate or charge or rates or charges so enacted shall remain in full force and effect until superseded by a subsequent enactment, likewise equal to, or less than, said maximums, such that said rates and charges shall in no event revert to the schedule of rates and charges in effect prior to enactment of the above rates and charges or to a lower rate than the last rate enacted pursuant hereto. Nothing herein contained shall be deemed a limitation upon the District to enact rates and charges superseding the maximum rates and charges hereby established; provided that such superseding rates and charges shall have been enacted in accordance with all legal requirements pertaining thereto.

Section 3. Effective, Operative Date. Upon adoption, this Ordinance shall be entered in the minutes of the Board and posted for one week in three (3) public places in the District, shall become effective immediately upon expiration of one week following said posting and shall be operative from and after January 1, 2020.

President

COUNTERSIGNED: _____

Secretary

I hereby certify that the foregoing Ordinance was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a regular meeting thereof held on the 16th Day of January 2020, by the following vote :

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary



Montara Water & Sanitary District

NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO GARBAGE COLLECTION, RECYCLING AND DISPOSAL FEES AND CHARGES

This Notice provides information about proposed increases in garbage collection, recycling and disposal fees and charges for those services provided by Recology of the Coast to MWSD customers.

HEARING DATE: Thursday, January 16, 2020

HEARING TIME: 7:30 p.m.

LOCATION: Montara Water and Sanitary District
8888 Cabrillo Highway
Montara, CA 94037

(Adjacent to the Point Montara Lighthouse & Hostel)

Dear Property Owner or Customer,

Montara Water and Sanitary District (MWSD) is proposing to adopt a 4.71% increase in garbage collection, recycling and disposal fees and charges for those services furnished by Recology of the Coast (Recology) under a franchise agreement with the District. The rates are proposed to go into effect on January 1, 2020.

Recology has continued to find cost savings in recycling materials transportation and other areas of their operations that have offset lost recycling revenues. Prior to 2019, the international market paid \$35 a ton for recyclable materials, that market has collapsed and it now costs \$20 or more a ton to process. Recology continues to process recycling and keeps these materials out of landfills. The 2020 proposed increase is solely based on a deferred rate increase amount from the 2019 calculation.

What Do the Solid Waste Fees and Charges Pay for?

- On-going operating expenses to collect and dispose of all garbage and recyclable material, and to account for and bill customers.
- On-going expenses for equipment and supplies needed to operate.
- Capital expenditures to repair, replace, and upgrade garbage collection trucks and other equipment.
- Domestic recycling costs associated with global shifts in the recycling market.
- Tipping fees (also called dump fees) at Ox Mountain Landfill in Half Moon Bay to dispose of all non-recycled waste.

How Can Customers Reduce Garbage Collection Fees and Charges?

By switching from a 32-gallon garbage collection receptacle to a 20-gallon receptacle, your new monthly collection fee charge would be \$26.55 instead of \$32.53. Currently in the MWSD service area, only a small percentage of customers use 20-gallon cans.

Take Advantage of Free Bulky Goods Collection. Four times a year, Recology will pick up one item up to 200 pounds or five 30-gallon bags for no additional charge.

Increase Recycling + Reduce Garbage + Switch to a 20-Gallon Can = Save Money

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS

Tel: (650) 728-3545 • Email: mwsd@coastside.net • Write: P.O. Box 370131 Montara, CA 94037-0131

Proposed Garbage Collection, Recycling and Disposal Fees

The District is proposing an increase to garbage collection, recycling and disposal fees to cover costs of service and equipment replacement by Recology of the Coast beginning Jan. 1, 2020, as described on these pages.

Note: Although the rates are proposed to cover a one-year period, they will remain in effect after that year unless and until new rates are approved.

RESIDENTIAL	2019	2020
1. Basic, weekly collection of a single container placed in front of premises, wet and dry garbage ("first can service") in wheeled carts:		
One 20-gallon can collected once per week	\$25.36	\$26.55
One 32-gallon can collected once per week	\$31.07	\$32.53
One 64-gallon can collected once per week	\$102.06	\$106.87
2. Special Services (charges added to above, basic charges)		
Container placed at side or rear of dwelling - per container	\$7.76	\$8.13
Container not placed at specified collection point and return call required - per container	\$15.83	\$16.98
Extra 30 gallon bag with collection (excludes 20-gallon cart service) - per bag	\$8.38	\$8.77
Special collections combined with regular service, including collections for brush, yard clippings, boxes, etc.	Estimate	Estimate
3. Bulky goods dropoff service four times a year within Montara District limits, including greenwaste and motor oil in Recology provided bottles only		
Included w/service		Included w/service
4. Weekly commingled recyclable materials collection (64 gallon wheeled cart)		
Included w/service		Included w/service
5. Every other week green waste (yard trimmings, etc.) collection, limited to four (4) 30-gallon containers - customers' own containers		
Included w/service		Included w/service
6. Bulky goods curbside collection service, limited to four (4) times a year One item up to 200 lbs or five, 30-gallon bags		
Included w/service		Included w/service
7. Drop-off at Recycling Yard in Pacifica of motor oil, latex and oil paint, unpainted lumber, large pieces of metal, styrofoam, e-waste, large white goods, furniture, mattresses, large amounts of recyclable materials		
Included w/service		Included w/service
8. Christmas trees free of charge thru January 31st		
After January 31st charge is \$20 per tree for removal	\$20.00	\$20.00

To Estimate Your Monthly Bill Add Up the Services You Use.

Most residential customers only use Weekly collection for a 32-gallon can, which would be \$32.53 per month starting January 1, 2020.

Please Take Advantage of the Many Services Included with Your Garbage Fees

MULTI-FAMILY, COMMERCIAL AND INDUSTRIAL SERVICE	2019	2020
1. Service to restaurants, hotels, cafes, apartment houses, stores and similar places of business, factories, schools and institutions, wet and dry garbage-container limits: volume - 30-gal. cans (1/4 cu. Yd.), weight - 75 lbs.		
One 64-gallon can collected once per week	\$122.56	\$128.33
One 96-gallon can collected once per week	\$200.55	\$210.00
Additional 64- or 96-gallon commercial carts picked up more than once a week will be original charge times the number of pickups	Will Vary	Will Vary
2. Commercial Container Rental		
1 cubic yard box per month	\$55.76	\$58.39
2 cubic yard box per month	\$72.29	\$75.69
3. Commercial Container Collections		
1 cubic yard box per collection	\$47.12	\$49.34
2 cubic yard box per collection	\$93.75	\$98.17
4. Compacted Commercial Container Service		
1 cubic yard box per collection	\$91.97	\$96.30
2 cubic yard box per collection	\$185.78	\$194.53
5. Recycled materials collection up to five times a week		
Included w/service		Included w/service

DEBRIS BOX SERVICE	2019	2020
1. Containers of 7, 14, 20 and 30 yard sizes		
Container rental and delivery and pickup charge	\$370.39	\$387.84
Per ton confirmed by disposal site weight slip	\$87.79	\$91.92

SPECIAL PROVISIONS	2019	2020
1. Financial hardship rate for weekly collection for single container placed in front of premises, wet and dry garbage 30-gallon can (PGE CARE PROGRAM) 15% reduction		
	\$25.56	\$26.76

How to Protest the Proposed Rate Increases

Property owners or customers may file written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing and must a) identify the affected property or properties, such as by address, Assessor's Parcel Number, or customer account number; b) include the name and signature of the customer or property owner submitting the protest; and c) indicate opposition to the proposed garbage collection, recycling, and disposal fees and charges. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. The proposed rates will not be adopted if written protests are received from the owners or customers representing a majority of affected parcels. Only one protest accepted per parcel.

Written protests may be mailed to: District Clerk, Montara Water and Sanitary District, P.O. Box 370131, Montara, CA 94037-0131. Written protests may also be delivered to the District's headquarters at 8888 Cabrillo Highway. All written protests must be submitted prior to the close of the Public Hearing on January 16, 2020.



Montara Water and Sanitary District

PRSRT STD
U.S. POSTAGE
PAID
XXX

P.O. Box 370131
Montara, CA 94037
Voice: 650-728-3545
Email: mwsd@coastside.net
Web: mwsd.montara.org

DIRECTORS

Kathryn Slater-Carter, President
Jim Harvey, President Pro Tem
Ric Lohman, Secretary
Scott Boyd, Director

GENERAL MANAGER

Clemens Heldmaier

This was mailed using a legally mandated list. If you receive multiple copies, or do not receive service from Recology and received this in error, we apologize.

Montara Water & Sanitary District - NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES IN GARBAGE COLLECTION, RECYCLING AND DISPOSAL FEES AND CHARGES

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara, Moss Beach, and adjacent areas north of El Granada. Over 6,000 residents rely on our services for their homes and businesses. Under a franchise agreement with the District, garbage collection, recycling and disposal services are furnished by Recology of the Coast (Recology). The District is proposing to adopt a 4.71% increase in garbage collection, recycling and disposal fees and charges to maintain quality services in our area.

QUESTIONS OR COMMENTS?

Call: (650) 728-3545
8:30 AM to 5:00 PM Mon-Fri

Email: mwsd@coastside.net

Write: PO Box 370131,
Montara, CA 94037

Web: www.mwsd.montara.org

Attend: Public Hearing on
Thursday, January 16, 2020 at
7:30 PM at:

8888 Cabrillo Highway, Montara,
CA 94037 (Adjacent to the Point
Montara Lighthouse & Hostel)

Charges Will Remain Below Average

Even with the proposed fees and charges, rates in the Montara service area will remain below average in San Mateo County. The District will audit costs to ensure they are appropriate, and to maintain garbage service quality and keep customer bills low.

Reasons for the Rate Increases:

Rate revisions are based on a comprehensive Rate Adjustment Schedule included in Recology's franchise that takes into consideration documented labor costs, workers compensation insurance premiums, vehicle-related costs, fuel costs, yard-waste processing costs, lease costs associated with vehicles and equipment, dump fees (also called tipping fees) charged at the Ox Mountain Landfill in Half Moon Bay and all other costs of providing quality garbage and recycling services. The 2020 proposed increase is solely based on a deferred rate increase amount from the 2019 calculation.

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
MONTARA WATER AND SANITARY DISTRICT
FRANCHISE AGREEMENT
WITH
RECOLOGY OF THE COAST
FOR
SOLID WASTE AND RECYCLING SERVICES**

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
MONTARA WATER AND SANITARY DISTRICT
FRANCHISE AGREEMENT
WITH
RECOLOGY OF THE COAST
FOR SOLID WASTE AND RECYCLING SERVICES**

Honorable Members
of the Board of Directors
Montara, California

We have performed the procedures described below, which were agreed to by the Montara Water and Sanitary District (District) solely to assist you with respect to verifying the accuracy of the calculation of the new rates for providing solid waste and recycling services. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures, results, findings, and recommendations are as follows:

1. We obtained the *Franchise Agreement between The Montara Water and Sanitary District (Montara) and Recology of the Coast for Solid Waste and Recycling Services, effective October 1, 2013 (Agreement)*, in order to gain an understanding of the terms, fees, services and reporting requirements outlined.

Result: We reviewed the Franchise Agreement between the District and Recology of the Coast (Recology) and noted that service rates are to change annually. We also noted that commencing January 1, 2020, service rates are to be determined by using "index-based method" calculation, versus the previous "cost-based method" calculation.

2. We obtained the outline for the calculation utilized to determine the Index Based Rate Adjustment Calculation.

Results: We noted that the specified cost factors required for the Index-Based Rate Adjustment Methodology were used and the indices, calculations and formulas were in alignment with the Franchise Agreement; No variances were found.

3. We independently confirmed necessary indices used by Recology to determine the rate for the year 2020. The indices appear to have been downloaded from the US Bureau of Labor and Statistics and US Energy Information Administration.

Result: We re-calculated all 2020 indices used in the determination of the 2020 rate; no variances were found.

Conclusion: By applying the procedures identified above, we detected no deviations between the calculations prepared by Recology and the terms of the Franchise Agreement.

Recommendations: Factors which represent a critical component of the rate calculations were not audited, and are based on good faith disclosures by Recology. The District may consider having the following data subjected to more thorough testing:

1. CBA Labor Costs, Health & Welfare as well as Pension figures were provided by Recology Staff. However, the supporting documentation for all of these factors was not provided.
2. Rate year 2019 expenses used as the basis to increase rates cannot be independently verified with audited financial statements due to timing. Figures have been reviewed for reasonableness by comparing 2018 index-based adjustment cost factors to 2020 cost factors.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the calculation of the new rates for providing solid waste and recycling services. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Mage & Associates

September 18, 2019



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review and Possible Action Concerning
Adoption of a Revised Master Fee Schedule to
amend Solid Waste Disposal Fees.**

The Board has scheduled the adoption of a new prop 218 limit for solid waste removal fees at this meeting. For the new rates to be set at the newly established maximum prop 218 limit, the Master Fee Schedule needs to be amended.

RECOMMENDATION:

Open the public hearing, consider relevant public testimony, close the public hearing, and ADOPT ORDINANCE NO._____. ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE.

Attachment

ORDINANCE NO. ____

ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

WHEREAS, the Montara Water and Sanitary District Code (“Code”) includes regulations governing connections to and use of the District’s water and sewerage facilities, the construction, operation and maintenance thereof and for the establishment and collection of all fees and charges pertaining thereto; and

WHEREAS, the Code further provides for the establishment and collection of monthly rates to be charged for the collection, removal, and disposal of refuse and for recycling services performed by the District’s franchisee under agreement with the District; and

WHEREAS, the Code provides that such fees and charges may be set forth in a Master Fee Schedule; and

WHEREAS, periodically such fees and charges are reviewed and adjusted to conform to the costs corresponding to the services, commodities and facilities to which they pertain; and

WHEREAS, the fees and charges pertaining to water and sewer services and facilities set forth herein and for the collection, removal, and disposal of refuse for all occupied premises (except agricultural premises) and recycling services within the District do not exceed the corresponding maximum amounts heretofore approved in accordance with the requirements of law including, to the extent applicable, the provisions of Section 6 of Article XIII D of the California Constitution (enacted by Proposition 218, November 6, 1996 Statewide election); and

WHEREAS, the fees and charges pertaining to the collection, removal, and disposal of refuse for all occupied premises (except agricultural premises) and recycling services set forth herein are hereby amended; and

WHEREAS, the fees and charges pertaining to water and sewer services and facilities are hereby restated; and

WHEREAS, notice was published twice in the Half Moon Bay Review, a newspaper of general circulation within the District, giving notice of public hearing on January 16, 2020 to consider adoption of revised fees or charges effective January 1, 2020 for the collection, removal, and disposal of refuse for all occupied premises (except agricultural premises) and recycling services; and

WHEREAS, all persons present at the aforesaid hearing interested in the adoption of the revised fees or charges herein set forth were heard or given the opportunity to be heard on the matter of said adoption and this Board considered all statements so made or documents pertaining thereto presented at the hearing;

ORDINANCE NO. ____

ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

NOW, THEREFORE, THE BOARD OF THE MONTARA WATER AND SANITARY DISTRICT, A PUBLIC AGENCY IN THE COUNTY OF SAN MATEO, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The following provisions of the Master Fee Schedule are hereby amended to read as follows:

SEWER SERVICE CHARGE RATES

The annual sewer service charge for the property occupancy classifications specified hereinafter is hereby established as an amount equal to the applicable rate hereinafter specified times the cubic feet of water consumption attributable to such property per annum divided by one hundred (MWSD Code §4-2.100).

<u>Classification</u>	<u>Rate/HCF*</u>	<u>Minimum Charge</u>
Residential	\$21.07	\$1,011.36
Restaurants	\$36.55	\$1,754.40
Motels	\$22.18	\$1,064.64
Offices	\$18.98	\$911.04
General Commercial	\$20.33	\$975.84
Schools	\$19.28	\$925.44
Hospitals	\$21.01	\$1,008.48

*Hundred cubic feet

Upon a new connection to the District's sewerage system, the applicant shall pay the pro-rated amount of sewer service charges for the remainder of the fiscal year in which connection is made based upon the average annual sewer service charge of all users within the applicant's user classification.
(MWSD Code §4-2.100(f))

SECTION 2. The following provisions of the Master Fee Schedule are hereby amended to read as follows:

<u>Description of Fee*</u>	<u>Fee</u>
Sewer Connection Permit	\$26,378.00

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(MWSD Code §3-9.500)

Fixture Unit Charge (MWSD Code §3-9.500)	\$1,055.00
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Fixture Unit Charge for additional Fixture Units within an existing building, structure, or portion thereof (MWSD Code §3-9.500)	\$527.50
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Sewer Connection Permit for Conversion from Septic System to Sewerage System (MWSD Code §§3-4.800, 3-9.500)	\$16,757.00
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Fixture Unit Charge – Conversion from Septic System to Sewerage System (MWSD Code §§3-4.800, 3-9.500)	\$670.00
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Fixture Unit Charge for Accessory Dwelling Units (MWSD Code §3-10.200)	\$670.00
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Connection Permit Administrative Fee (MWSD Code §3-9.600,)	Actual Cost (\$542.00 minimum)
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Connection Permit Inspection Fee (MWSD Code §3-9.600,)	Actual Cost (\$512.00 minimum)
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Remodel Permit Fee (MWSD Code §3-9.500)	Actual Cost (\$380.00 minimum)
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Private Sewer System Permit (MWSD Code §3-4.200,)	Actual Cost (\$175.00 minimum)
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Private Sewer System Hydrologic Investigation (MWSD Code §3-4.1200 (c))	Actual Cost (\$2,985.00 minimum)
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Connection Permit Administrative Fee - Subdivisions & Commercial Units (MWSD Code §3-9.600)	Actual Cost (\$542.00 minimum)
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ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

Connection Permit Inspection Fee - Subdivisions & Commercial Units (MWSD Code §3-9.600,)	Actual Cost (\$512.00 minimum)
Administrative Fee for Reimbursement Agreement (MWSD Code §3-9.500)	Actual Cost (\$542.00 minimum)
Administrative Fee for Main Line Extension Agreement (MWSD Code §3-9.500)	Actual Cost (\$542.00 minimum)
Connection Fee to Connect to Interceptor (MWSD Code §3-9.500)	Prorata share of current value of interceptor
Miscellaneous Inspection Fee (MWSD Code §3-9.500)	Actual Cost (\$512.00 minimum)
Accessory Dwelling Unit contained within the existing space of a single-family residence or accessory structure – no connection fee	n.c.
Accessory Dwelling Unit not within the existing space of a single-family residence or accessory structure – Detached Studio Unit (10 fixture units) connection fee: (MWSD Code §3-10.200)	\$10,550.00
Accessory Dwelling Unit not within the existing space of a single-family residence or accessory structure – Detached One Bedroom Unit (11 fixture units): (MWSD Code §3-10.200)	\$11,605.00
Accessory Dwelling Unit Additional Fixture Units: (MWSD Code §3-10.200)	\$1,055.00

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Accessory Dwelling Unit Permit Application Fee (MWSD Code §3-10.400)	Actual Cost (\$542.00 minimum)
Developer Service Fee for processing application: (MWSD Code §§5-3.102, 5-3.210)	Actual Cost (\$2,938.00 minimum)
Administrative Charge for Processing Collection of Delinquent Refuse and Water Charges on Tax Roll (MWSD Code §1-5.200)	\$47.00 per account
Charge to Photocopy Documents	\$1.56 per page for first four pages; \$0.40 for each page over four.
Charge for Failure to Obtain Permit (MWSD Code §1-5.200)	Double amount of Permit Fee or actual collection cost, whichever is greater

*Where minimums or deposits are specified, no District services will be provided when the estimated costs to complete the services exceed the minimum paid or when the deposit has been exhausted unless and until an amount equal to the estimated cost for completion has been deposited with the District. Balances remaining upon completion of services will be refunded

SECTION 3. The following provisions of the Master Fee Schedule are hereby amended to read as follows:

(a) WATER QUANTITY AND METER SERVICE CHARGES
 (MWSD Code §§ 5-5.102, 103)

Rate Components	Rate**
Tier 1 0 to 6 HCF*	\$8.36 per HCF
Tier 2 7 – 13 HCF	\$11.17 per HCF
Tier 3 14 – 27 HCF	\$13.94 per HCF

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Tier 4 over 27 HCF	\$19.53 per HCF
Meter Service Charge-5/8" (standard residential size)	\$28.80 per month
Meter Service Charge-3/4"	\$31.68 per month
Meter Service Charge-1"	\$40.32 per month
Meter Service Charge-1 1/2"	\$51.84 per month
Meter Service Charge-2"	\$83.52 per month
Meter Service Charge-3"	\$316.82 per month
Meter Service Charge-4"	\$403.22 per month

*HCF=Hundred Cubic Feet (1 cubic foot ≈ 7.4805 gal.; 1 HCF = 748 gal.)

(b) FIRE PROTECTION WATER SYSTEM CHARGES

Private Fire Protection Service Per Meter Per Month:
(MWSD Code §5-5.106)

4-inch connection or smaller:	\$17.38
6-inch connection:	\$24.65
8-inch connection:	\$32.84
10-inch connection:	\$69.20
12-inch connection:	\$96.57

Private Fire Protection Administrative Fee: * \$542.00 minimum
(MWSD Code §5-3.208)

Installation of Private Fire Protection Service from Meter to District Main: * Cost invoiced to District by contractor; estimated cost to be deposited
(MWSD Code §5-5.204)

Private Fire Protection Connection Charge:

3/4" to 5/8" meter:	\$5,406.00
1" meter:	\$9,029.00
1 1/2 " meter:	\$18,001.00

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2" meter:	\$28,815.00
3" meter:	\$54,059.00
4" meter:	\$90,122.00
6" meter:	\$150,224.00
8" meter:	\$250,426.00
10" meter :	\$417,459.00

(MWSD Code §5-3.208)

Private Fire Protection Inspection Fee* \$512.00
(MWSD Code §5-3.210)

(c) WATER SYSTEM CONNECTION METER CHARGES
(MWSD Code §§5-3.204, 5-3.205)

Charge determined by District's cost of purchase corresponding to meter size.

(d) WATER SYSTEM CONNECTION CAPACITY CHARGES
(MWSD Code §5-3.312)

5/8 x 3/4 inch meter	\$18,105.00
3/4 inch meter	\$19,915.00
1 inch meter	\$25,346.00
1-1/2 inch meter	\$32,592.00
2 inch meter	\$52,503.00
3 inch meter	\$199,150.00
4 inch meter	\$253,463.00

Above 4 inch meter: Charge determined by General Manager based on estimated water usage

(e) MISCELLANEOUS WATER SYSTEM SERVICE FEES:*

Check not honored by bank: (MWSD Code §§1-5.200, 5-5.122)	\$31.00
Poor credit history deposit: (MWSD Code §§1-5.200, 5-3.210)	Twice estimated first payment
Reconnection Charge due to Non-Payment: (MWSD Code §§5-3.210, 5-5.120)	\$75.00

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Developer Service Fee against which all District costs to process application are charged (MWSD Code §§5-3.102, 5-3.210)	\$2,938.00 minimum deposit
Hydrant Meter Deposit against which water use is charged: (MWSD Code §5-4.227)	\$1,328.00 deposit
Hydrant Test Fee (MWSD Code §§5-3.208, 5-5.202)	\$593.00
Connection Administrative Fee (minimum deposit applied to actual hourly costs to process application) (MWSD Code §§5-3.202, 5-3.203)	\$542.00 minimum deposit
Connection Inspection Fee (MWSD Code §5-3.210)	\$512.00
Connection construction cost deposit applied to actual cost (MWSD Code §§5-3.202, 5-3.203)	\$2,938.00 deposit
Service Charge for Posting Door Tag for Delinquent Account (MWSD Code §§1-5.200, 5-3.210)	\$34.00 per customer per incident
Credit for Customer paying bill using ACH: (MWSD Code §5-3.200)	\$3.44 per bill
Service Charge for Unauthorized Use of Fire Hydrant (Total charge includes Service Charge plus water usage plus damages). (MWSD Code §5-5.202)	\$157.00 per incident plus actual water usage & damages
Service Charge for Cross Connection Control Device Test: (MWSD Code §5-6.400)	\$119.00 per tested device

*Where minimums or deposits are specified, no District services will be provided when the estimated costs to complete the services exceed the minimum paid or when the deposit has been exhausted unless and until an amount equal to

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ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

the estimated cost for completion has been deposited with the District. Balances remaining upon completion of services will be refunded.

SECTION 4. The following provisions of the Master Fee Schedule are hereby restated:

The monthly rates to be charged by the District's Franchisee for the collection, removal, and disposal of refuse for all occupied premises (except agricultural premises) and recycling services within the District commencing on January 1, 2019 and until thereafter revised are:
(MWSD Code §2-7.100)

RESIDENTIAL

1. Weekly collection, single container placed in front of premises, wet and dry garbage ("first can service") in wheeled carts:
 - a. Container limits: volume - 20 gals. (3/10 cu yd), weight 40 lbs, per mo charge \$26.55
 - b. Container limits: volume - 32 gals (1/4 cu yd), weight 60 lbs, per mo charge \$32.53
 - c. Container limits: volume - 64 gals (1/2 cu yd), weight 100 lbs, per mo charge \$106.87

2. Special Services (charges added to above, basic changes):
 - a. Container placed at side or rear of dwelling - per container \$8.13
 - b. Container not placed at specified collection point and return call required- per container \$16.98
 - c. Extra 30 gallon bag with collection (excludes 20 gallon cart service), per bag \$8.77
 - d. Special collections combined with regular service, including collections for brush, yard clippings, boxes, etc. estimate

3. Bulky goods dropoff service four times a year within Montara District limits including greenwaste and motor oil in Recology-provided bottles only incl. w/service

4. Weekly commingled recyclable materials collection (64 gallon wheeled cart) incl. w/service

5. Every other week greenwaste (yard trimmings, etc.) collection, limited to four (4) thirty gallon containers - customers own containers incl. w/service

6. Bulky goods curbside collection service, limited to four (4) times a year One item up to 200 lbs or 5-30 gallon bags incl. w/service

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ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

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|--|-----------------|
| 7. Dropoff at Recycling yard in Pacifica of motor oil, latex paint, unpainted lumber, large pieces of metal, styrofoam, e-waste, large white goods, furniture, mattresses, large amounts of recyclable materials | incl. w/service |
| 8. Christmas trees free of charge through January 31st of each year | incl. w/service |
| a. After January 31st charge is \$20 per tree for removal | \$20.00 |

MULTIFAMILY, COMMERCIAL AND INDUSTRIAL SERVICE

- | | |
|---|-------------------|
| 1. Service to restaurants, hotels, cafes, apartment houses, stores and similar places of business, factories, schools and institutions, wet and dry garbage-container limits: volume - 30 gal. cans (1/4 cu. Yd), weight - 75 lbs | |
| a. Regular collections: | |
| 1-64 gallon collection once per week | \$128.33 |
| 1-96 gallon collection once per week | \$210.00 |
| b. Additional 64 or 96 gallon commercial carts picked up more than once a week will be original charge times the number of pickups | Will vary by size |
| 2. Commercial Container Rental: | |
| a. 1 cubic yard box - per mo. | \$58.39 |
| b. 2 cubic yard box - per mo. | \$75.69 |
| 3. Commercial Container Collections: | |
| a. 1 cubic yard box - per collection | \$49.34 |
| b. 2 cubic yard box - per collection | \$98.17 |
| 4. Compacted Commercial Container Service: | |
| a. 1 cubic yard box - per collection | \$96.30 |
| b. 2 cubic yard box - per collection | \$194.53 |
| 5. Recyclable material collection up to five times a week | incl. w/service |

DEBRIS BOX SERVICE

- | | |
|--|---------------|
| 7, 14, 20 and 30 yard containers | |
| a. Container rental, delivery and pickup charge | \$387.84 |
| b. \$67 per ton confirmed by disposal site weight slip | Tonnage based |

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ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT RESTATING AND AMENDING MASTER FEE SCHEDULE

SPECIAL PROVISIONS

1. Financial hardship rate for weekly collection for single container placed in front of premises, wet and dry garbage 30 gallon can (PGE CARE PROGRAM) 15% reduction \$26.76

SECTION 5. All ordinances or portions thereof in conflict herewith shall be, and hereby are, repealed to the extent of such conflict.

SECTION 6. Upon adoption, this ordinance shall be entered in the minutes of the Board and posted in three (3) places in the District and shall become effective immediately upon the expiration of one week following said posting.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * *

I HEREBY CERTIFY that the foregoing Ordinance No. ____ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a Regular meeting thereof held on the 16th day of June 2020 by the following vote:

AYES, Directors

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of the Montara Water and Sanitary District proposes to adopt an ordinance revising the Master Fee Schedule. This document contains most of the fees levied by the District including the Sewer and Water Service Charges and Sewer and Water Connection Permit fees. The District proposes to update Solid Waste Disposal fees. The Board shall consider adoption of this ordinance at a meeting of the Board as follows:

DATE: January 16, 2020

TIME: 7:30 p.m., or as soon thereafter as the matter may be considered

PLACE: District Board Chambers
8888 Cabrillo Highway
Montara, CA 94037
(www.mwsd.montara.com)



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
November 7, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:30 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Financial Advisor Alex Handlers
District Water Engineer Tanya Yurovsky

PRESIDENT'S STATEMENT –

Chairperson Slater-Carter thanked the Montara Water and Sanitary staff for doing a good job in keeping operations in check during the power outages. She acknowledged that it wasn't an easy task, and thanked the General Manager and staff on behalf of the Board. She also said that she discovered that there were cameras mounted on mountain tops in other areas, and would like to talk about this further as an agenda item in working with the agencies that do this for other communities and offer our site as a location for cameras. This would allow us to monitor the area. And since these cameras are monitored, we would be notified much faster in the event of a fire. She emphasized the importance of being able to

identify a fire quickly, and said she would be happy to do some research, bring back some information for the Board, and have it as a future agenda item. She explained that they would need to work with the agencies, the County, and Coastside Fire, and reiterated the importance of being vigilant in an area with so many eucalyptus trees and bad roads.

Director Slater-Carter also stated that the oral comments request slips pertaining to items on the agenda will be addressed when the item is discussed.

ORAL COMMENTS

Chris Thollaug, Montara resident: So, at your September meeting I gave you a document in reference to unification, and not surprisingly, I haven't heard anything from the Board members about it...One correction to that document, at the time I thought the water supplies for CCWD were constrained, and I now understand they are not. The permits are constrained, but they are only drawing 50% of their Hetch Hetchy flow. There will be a revision to that plan which would reflect that we don't have water constraints anywhere. As Tanya's reports pointed out 2 years ago, we have sufficient reserves in this District for the next 40 years. Of course, we would like better quality, but quantity isn't the issue. So, why am I here? I've been trying for 2 months to meet with Scott and Kathryn to discuss this plan, and to also discuss what their plan is for the topics I'm raising. This is coming up now because of the actions of this Board to pursue a land-grab of the Bypass property. So, when we put the tunnel through the surplus property became available. This District has tried, since 2014, to first verify if there is water under that property, and acquire it without the required public process that is specified in the LCP. There is a lot of documentation about that, and I thought in 2017 we "put that to bed." But it turned out recently this summer, this District has been staking out well lease sites on that property with no notification to Caltrans, and after that, survey markers for how to connect those wells sites to your current mains. So, I'm outraged about this, and I'm here to tell you, that without a public process, there is no way the District is going to acquire that property. I encourage you to lead a public process—it should be about transparency here, instead of preparing for potential litigation which seems to be the way this District chooses to address controversy rather than communication. So, the other reasons why it is important to look at this now, is we are about to address a very serious climate change crisis and it may not be a slow trickle of the sea level rise, it may be catastrophic storm and we are going to have to be in a position to respond to that as a community, not just Montara Water and Sanitary District. Finally, I think we need to have an integrated plan for a response to earthquake or a climate change induced weather event. So, what I expect your plan to be addressing: First, I think you need to solve the governance problem that you have at SAM. You have a short-term settlement, but that is not addressing the long-term structure that has hamstrung us for all these decades. You didn't create it—you've only been responding to it. It is dysfunctional for Half Moon Bay and this District. We need to have a plan for the Bypass property instead of you hanging out in closed session trying to figure out what you are going to do. You ought to

bring it out to the light; you don't need this water tomorrow-you have an adequate supply. We need to look at this and really understand what is in the best interest of the community. Not just you, in closed session, deciding what to do with this property. That's what the LCP says, that's what Caltrans says, that's what San Mateo County Planning says, and that is what the Coastal Commission says. You have a wonderful opportunity here. If you were to pursue this, in the best interest of everyone in a participative process, then we can make some real traction. Doing it the way you are doing it, is not going to go anywhere. Particularly, I will point to one example, Clemens you wrote a letter to San Mateo County when they had criticized that you had gone to the Board of Supervisors and got a recommendation that this District receive that property. You wrote a letter saying "just transfer the property and we will do a specific plan later." Kathryn, how many years have we been trying to fight off the fact that we are not a land use planning agency? And here, your General Manager is recommending that we put the "cart in front of the horse" first, that we allocate the property concluding what it was we are supposed to be in a public process about. The other issues that I say you need to be looking at are how do you offset the scale deficiency you've got here. You have a staff of 6—2 administrative, 4 technical. And you are thinking of taking over that property and doing the stewardship number? How are you going to do this with this scale? Finally, you need to have a plan to ensure that the important policies—by that I mean a specific plan for the Bypass property—survives future Boards. It needs to be locked down. Just like POST buys property, so in the future it is guaranteed what they can do. I think a specific plan process with the Board of Supervisors and the Coastal Commission, we can lock down protections. They are what you are trying to do in closed session. My plan that I've proposed addresses all of this. I haven't seen anything from you guys that addresses any of it. I would really like to hear from you Scott and Kathryn what it is that you are trying to accomplish that I'm not accomplishing with this plan and what are the problems inherent in the plan. You guys for years, have shut down all discussion that could lead in the direction of cooperation. You wouldn't give me a second when I was on the Board talking about an Intertie. So, I think again, it is about sunshine, it's about having an open public process, and not shutting down the communication that you should be having with your constituents. So, I ask that you agendize this. You have an opportunity to hear from the public—but really, for us to hear from you. What is it that you are doing with this plan? How do you want to protect us? I don't know if you bothered to read this...let me explain it to you. We've got a variety of multiple service providers on the Coast. We need to look at how that is configured and whether that is going to work for future generations. For decades we have been at war with San Mateo County and other districts in a manner that isn't helping us. For many years it was the only option we had available. The County was failing to enforce regulations that we were relying on and it was important for us to be there. But a lot has changed in the last 30 years and we need to look at that with open eyes and say "what are we really trying to accomplish here? What do we want to leave as a legacy?" I think having an open discussion about this is critical. Again, if you don't engage in the public process with that property, the chance that you will

end up influencing it, in my opinion, is zero. If I had a chance to meet with you guys and talk about these issues, I would appreciate it.

Directory Slater-Carter indicated that she has been out of the country for the last two months.

Director Lohman: I would like to make a comment about the Affordable Housing bill. There is a bill moving through the California legislature right now which takes all public land owned by the State or State agencies to become available for affordable housing. So, one possible alternative that the State is looking for the Caltrans Right of Way is a couple of hundred affordable units up there. So, that is one of the things that we have been looking at.

PUBLIC HEARING – None

CONSENT AGENDA

1. Approve Minutes for October 3, 2019 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.

Director Lohman made a motion to approve the consent agenda and was seconded by Director Boyd. All were in favor and the motion passed unanimously 4-0

OLD BUSINESS –

1. Review and Possible Action Concerning Water Rate Study

Gregg Dieguez, Montara Resident: As usual, I have about 7 things to say, but I will only focus one right now, and send you a memo, and hopefully participate in another Finance Committee meeting to make the rest. But, one point I want to mention is it drives from the fact that one of the assumptions in the rate study was the half million dollars borrowed—if I have this right—the sewer reserves was transferred to the water reserves and did not have to be repaid. I don't know what the mechanics are..but it flagged the issue with me. As part of this rate study we

need to see a projection of the reserve balance going forward, maybe 20 years? Twenty years may be silly, but beyond the years where we have specifically targeted expenses which is 5 years. It's not in this hand-out, but I think you did a projection at some point in this study. I'm just saying when you evaluate these, show the reserve balances going forward, so we see where we are. My immediate impression in one scenario was we had zero reserves left over after we did one of the capital projects and that didn't seem right for a capital reserve. And in fact, there is a page in here that implies we need a million and a half. So, please project the capital reserves under the different rate scenarios and the related issue—and I know there are two separate budgets, and legalities that I probably don't understand—but it seems to me that you have to look at sewer reserves at the same time you are looking at the water reserves, even it is not part of the water rate study. You ought to have a forecast for what the sewer reserves would be, absent of a rate change, to ensure that the half million doesn't have to be paid back and you have adequate reserves on the other side. I think you have to look at both set of reserves. Thank you.

Lisa Ketchum, resident of Pillar Ridge: I would like to speak to the proposal of the mobile homes in the rate study. Pillar Ridge has an agreement with the District regarding fixed charges and usage costs that were agreed to for giving up a valuable water right. Some background: The 227 home owners in this designated affordable housing community own their manufactured homes and pay for space rent for the land it sits on and the common area facilities. All Pillar Ridge operating, capital expenses, and debt services are ultimately paid by the residents through the space rent. Pillar Ridge has been a customer of this water district since 1965. In 1990, during the water shortage and moratorium, Pillar Ridge developed three wells with enough water to supply our community and related infrastructure—treatment plant, pressure tanks and pump, and storage tanks. In the 2000s, hundreds of thousands of dollars were spent on maintenance and upgrades to the system. In 2014, all that infrastructure and the water rights were turned over to the District for one dollar. Since then, Pillar Ridge residents have paid the District for the water from those wells. This is in contrast to the airport wells that the District paid to develop and continues to pay the County for the water. It is like that was our contribution. I want to remind you of this agreement. Thank you.

Carlyle Young, Moss Beach resident: I live out in Seal Cove, and I am talking on behalf of people in a similar situation--single resident on a limited income. Everyone is raising their rates, and everyone is suffering. On Next Door (website), there have been quite a few comments about the school bond rate jump and for people in this District, the Montara Water and Sanitary (MWSD) rate jump as well. This becomes more of a hardship if you raise the water rates. Maybe consider a single senior that is not using a lot of water and keep the lowest rate low. Maybe people in Pillar Ridge would also be advantaged by that. Thank you.

General Manager Heldmaier: This topic is not new, as we have been looking at this for at least four months. The background is that we had a prop 218 until last

year. We didn't raise rates this year. It has become evident that the income isn't covering the expenses. We knew that some years ago, but we chose to keep the rates at inflationary levels. We bridged this year with a \$500,000 dollar loan. Gregg, the background is that there were loans the other way, and that is one of the reasons we are not considering paying it back. But that is probably something we should show as well. So, we brought this to the Board some months ago, and since most of the money needed is for capital improvements, the Board looked at a Water System Reliability charge, separate from the existing water rates which are based on meter service charges. It has a fixed component and a variable use component to introduce a Water Reliability charge. We've met with the Finance Committee as well, looked at a number of options and honed it down to four major questions that needs to be addressed and thought through. This is a larger process, and we are still at the beginning of it. We welcome input. We received input from the Finance Committee meeting. Thank you, Lisa, for your comment. Since this is a new charge, we want to thoroughly think this through and how this should be implemented.

General Manager Heldmaier introduced District Financial Advisor Alex Handlers. He indicated that instead of a Power Point presentation, there are hand-outs to review.

District Financial Advisor Alex Handlers: Historically, as Clemens mentioned, in 2010 there were some changes to the rate structure, and since 2010 it has been mostly inflationary rate increases. The last rate study was in 2015, with inflationary increases. And what we've seen here with water usage is that your customers have done a great job in keeping their water usage down. Thus, many customers, in inflation adjustment terms, are paying the same or less than in 2010 or before. So, the bills haven't really gone up much for many people. I think the Board has known and Clemens has been saying that the water revenue really don't support the capital needs that the District has. Historically, the District has relied on outside funding sources for its major capital needs. When the water system was acquired, the GO bonds issued also provided funding for some of the critical upgrades to get the system into decent shape. And since then you've also got some State subsidized financing, and when they refunded your GO bonds you were able to take out some additional money, without increasing debt service. So, you've been able to get by with some capital projects without needing to raise rates for a while. But when we look at what the needs are going forward, this District like many agencies in the Bay Area has a lot of aging infrastructure that is going to need rehabilitation and replacement. There needs to be a significant increase in funding needs, a reinvestment to keep the system in good shape for future years, and keep reliable service going. When you look at your financial data from last fiscal year, your rates were only supporting about \$100,000 for capital needs, after paying O&M, debt service, etc. Part of that was due to a temporary increase in some operating costs, which we think are go down, but in the big picture, the rates don't come near generating what the infrastructure needs are. Now, the latest 5-year capital improvement program, the average funding that it suggests is 1.8

million dollars per year, and the rates are only generating approximately \$100,000 or a few hundred thousand if the expenses were a little lower. To put that in context, your total water rate revenue is about 1.9 million and you need roughly the same amount in annual capital needs. So, it is a significant increase, if you are get to these levels next year. You are not the only agency facing this, as we work with a lot of agencies in the area. And for many of them, we've been trying to ramp up funding for what they see in the future—a tidal wave of pipeline and infrastructure replacements coming down the line. Originally, we started looking at this as a water rate study. But as we began working with the Board, staff, and the Finance Committee, and looking into it, it is really the capital needs that are driving the revenue increase. So, what is being proposed, instead of an across the board rate increase, is something we are calling the Water System Reliability charge, which is a proposed separate charge from your water rates that is a dedicated funding source for capital needs—rehab and replacement, upgrades, on-going deficiencies, support long term reliability, fire protection, etc. The water rates would continue to fund the operations and debt service, but this new charge would fund the long-term infrastructure rehabilitation that is needed. This is what is being proposed. It is still in the process of being worked out. We appreciate folks weighing in because that is what we want at this stage. One thought is that since this is an infrastructure charge that benefits all the property owners out there that it could be a charge, instead of a monthly bill, it could be put on the property tax rolls, similar to how you collect your sewer rates and again the nexus there is the charge benefits all the properties, including your water customers, and to a degree, your fire service protection customers. If that is the case, the rates could not be implemented until the next fiscal year to put on the property tax rolls. There are a lot of different ways such a charge could be implemented. On the residential side, it sounded like it might be a good option to have a fixed charge for single family homes since it is infrastructure to support that home regardless of who is there now or twenty years from now, regardless of what the water use is. With that there could be a discount for multifamily units, mobile homes, and accessory dwelling units that tend to put lower demands on the system. And there could be reduced charges for customers who have private fire protection only, who aren't putting the same level of demand, but still benefit from the capacity in the system that provides fire protection. For commercial, it could be fixed charge based on water meter size, or some other factor. We also talked about the charge partially based on usage, partially fixed. And in that case, the charges can go up or down each year. We made up an example of 50% fixed revenue recovery, and 50% usage-based recovery. There is no right or wrong answer here. We talked about this during the Finance Committee meetings. The other thing Clemens talked about that needs Board approval on is what are the funding levels? If you want approximately 2 million dollars a year of on-going capital funding next year, you are talking about a doubling of the revenues coming in from the rate payers. So, one option would be to phase it in over time, start with something at a lower level to generate some funding. Another thing of note, one of the sources of funding for this district for capital has been the GO bonds, which just didn't acquire the system but also funded some key upgrades. Those GO Bonds have been out there for a

while now, with about 7-8 year of payments and then they are going to fall away. So, property owners will see their annual payments go down. So, something like this can dove-tail this at the back end. Maybe there is a lower level of funding that could kick up in a few years. The other thing I want to mention, we know the needs are out there, but a lot of needs are long term. There's always risks if you don't fund upgrades, but at the same time you don't have to solve this whole thing immediately. A lot of agencies look at this long term, and come up with a plan, to get there over the long term. Even steps in the right direction are very beneficial for the infrastructure needs. We made up a couple of examples of charges, just to give you an example of the magnitude of what we would be looking at. In the fixed charge, what if you charged a fixed charge per home owner at different levels from \$500,000 to \$2,000,000 dollars. At the \$500,000 dollar level you are talking about a fixed charge that equates to \$22.00 per month.

Director Slater-Carter: the \$500,000 to \$2,000,000 dollars is based on what our receipts would be, and not the value of the house, right?

District Financial Advisor Alex Handlers: Yes, this will be the revenues generated from the charge. So, it is really what level of capital funding are you generating from the charge. If it is \$500,000 per year the fixed charge would be about \$22.00 per month, which collected annually would be about \$270.00 a year. For a million dollars, it would double, approximately \$45.00 per month, and ultimately, it may need to be higher. We also made an example of a hybrid charge, which is half fixed and half usage. Just to give a sense of the order of magnitude. Obviously, this is based on a lot of assumptions. The final charges would reflect the Board's policy objectives and how the charges would be implemented. But on the fixed and usage side looking at the \$500,000 per year funding level, which is only about a quarter of what you need, usage charge of about \$2.00 per unit of water and the fixed charge would be about half of the other example, \$11.00 per month, or \$120.00 dollars plus a year. As Clemens mentioned, we went over this with the Finance Committee a couple of times, and got some good ideas, but we are at a point now where to come up with the details of the charge that you would want to see, we are looking for some Board input. For a charge like this to be implemented, what levels of funding would the Board be comfortable going out with a Prop 218 process to adopt, keeping in mind you don't have to make the final decision on what rates are charged? First you have to put something in the Prop 218, but it is not until the Prop 218 hearing that you adopt a maximum charge. Even if you did adopt the maximum charge you would still have the discretion to phase in the charges over time, like you did with the rates in the past. And how would the rates be implemented? Would you be looking to go out the gate with a charge, maybe get something in place, and step it up over time? How would it be billed? Would it be part of the bi-monthly charges, or what we recommended on the annual property tax rolls? I don't think we will get all the answers immediately, but if we can get some input we can come back with some alternatives. How should these charges be applied? Single family homes, and to a lesser extent multi-family homes. Some agencies have a fixed charged for every dwelling unit,

other agencies have a reduced charge for multi-family. You've got Pillar Ridge, which has its own unique situation. They have their own local distribution system, and made an agreement for some of these charges that need to be factored in. You've got Accessory Dwelling units that put additional demand on the system but is not doubling the demand of a single-family home. How are you going to handle customers that have fire protection only? Maybe they would pay half or something less than a single family would pay. How would charges be implemented for commercial customers? Again, a common way of doing that is based on meter size, there are other ways of doing it. Those are the key issues. We are looking to get conceptual input on, work with staff and the Finance Committee, try to hone it and come back with some concrete proposals or alternatives that the Board can then weigh in on. Sometimes these issues take time to think about until people get comfortable enough to implement them. At some point you will have to go out with a Prop 218 process not only to adopt the rates and a parallel process if you want to collect charges on the tax roll. The District has done this process in the past for sewer rates but you can do that in parallel time for the rate increase. It's got the same thing. The goal is to get something in place to start implementing some level of this charge by next fiscal year and get it on the property tax roll to start addressing these long-term infrastructure needs.

Director Slater-Carter asked District Water Engineer Tanya Yurovsky what will happen if these charges are not implemented and the District doesn't fix things.

District Water Engineer Tanya Yurovsky said the Coastal environment has accelerated the need for improvements. The District needs new generators and they have been trying to replace a few each year. They just don't last long with the salt air. There is also an old tank at the Alta Vista site that needs major work, and the State regulators have been pushing to replace it. The District has repaired it, but it basically has no service life left. That is easily a million-dollar project that needs to be funded. She stressed that if the District is not able to get the funding for the infrastructure improvements, the District will deteriorate and would be turning the clock back on what the District has accomplished in the past 15 years.

Director Slater-Carter said that before the acquisition of the water system and fixing the system, there was some discussion about consolidating with the district to the South. She asked Director Harvey to explain.

Director Harvey said 35 years ago, before they bought out Cal-Am, they went to CCWD and asked if they could consolidate with them. CCWD said they would be willing to consolidate, but won't guarantee representation (on the Board) and Montara/Moss Beach would have to pay for all local improvements on their own. They were not offered assistance or representation at that time.. So, they couldn't go with the consolidation.

General Manager Heldmaier said that with the water takeover, the community approved a 19-million-dollar bond and the majority of the funds were utilized for the

acquisition, but not all of it. The rest of the money was used over time for infrastructure projections. That helped the District to create a capital improvement plan without impacting rates... The acquisition of the water system required an "overhaul" and now the District is doing well. However, pipes, facilities etc. are aging. Also, the District was able to acquire the Pillar Ridge water production system, but there are some significant upgrades needed. So, the District has some infrastructure challenges ahead, but as Alex pointed out the District is not the only agency faced with this problem. MWSD has to find a way to keep the capital program with the existing continuing pressure from the regulators, and projects arising from the requirements of the regulators. This make it difficult to plan for the long-term. General Manager Heldmaier felt that he was more comfortable with a 5-year capital improvement plan, than with a 10, 20-year plan, due to regulatory changes that occur that would impact the District, as there would be unanticipated costs involved. The District Engineer presented the capital plan in May, explaining the capital needs to maintain it, and that cost is 2 million dollars. The rate study is using this as a guideline. How do we get to this goal? And how much further can be deferred? We can only maintain for so long, and it becomes unsustainable at some point. He stressed the importance of implementing some increases, and get the program in the right direction.

Director Lohman asked if the District was considering bonds, loans, etc. to fund the immediate capital needs now, and pay over time.

District Financial Advisor Alex Handlers said that bonds are usually used for a big project that needs funding immediately and paid off over time, i.e. the Alta Vista tank. However, he said that the money the District needs is not a spike in capital needs. Rather, it is long term funding that is needed year after year and the District needs an on-going funding stream. He said the District could take out debt up front to fund a few big projects, but the money would have to be paid back over time, and there will still be the increased need to fund on-going projects. His general recommendation was to create a funding stream that is available to generate the money that can be invested to fund the highest priority project each year.

Director Harvey asked District Financial Advisor Alex Handlers what was the minimum annual CIP funding target and what was recommended.

District Financial Advisor Alex Handlers said that what was recommended from the CIP was 1.8 million per year. However, because of the substantial increase in funding needs, even though ideally it would be nice if you could get there tomorrow, there are realities of how to get to that level of funding. He felt that taking steps in the right direction is important, even though it may take longer to reach that goal.

Director Harvey asked if the \$500,000 level was a reasonable step.

District Water Engineer said that the need was really 2 million dollars, and they dropped it down to 1.8 million.

General Manager Heldmaier stated that the larger capital improvement projects make sense starting at \$300,000 or more, as the District wants the benefit of a larger scale project so there is more interest and more bidders. The District Water Engineer mentioned the need of replacing generators, etc. and there would not be enough money to start the larger projects, like pipeline replacement. He said that any increase in funding would be a step in the right direction, but staff needs 1.8 million dollars.

Carlyle Young, Moss Beach Resident asked if that would be a charge of \$90.00 per household per month.

District Financial Advisor Alex Handlers confirmed that for the 2 million dollars, it would be approximately \$90.00 per month or approximately \$1,000 per year per home. He reiterated that the target is a big rate increase and a burden on the rate papers. Increases could be phased in, and a balance had to be found. He reminded the Board that there are some things happening in the future that the funding level could dove-tail with. The GO funds will fall away in 7-8 years, so it would be a good time to step it up over the longer term.

General Manager Heldmaier stated that the District is in a similar situation on the sewer side, in which they took steps in right direction for increased funding needs, and now they are re-assessing the needs. He said that this makes sense for this problem as well. He recommended a two-year outlook, so that it could be re-assessed and their needs could be evaluated. They did a 4-year outlook with the water rates, only doing inflationary increases, causing in part, this problem.

Director Slater-Carter stated that she was in favor of having a shorter outlook, and giving residents some control in the way of a hybrid fee. The problem with using the GO Bond as a comparison, is that is based upon the assessed value of houses. There are folks in town that have been living here 30-50 years, and are living on a fixed income. A fixed charge would be a terrible burden on them, and she would like to give them a measure of control. Meanwhile, the District, and any agency doing construction, is faced with significant increases in construction costs, especially after the fires that have occurred.

District Water Engineer said that the General Manager had mentioned that MWSD wants to get the benefit of larger scale so there is more interest from contractors and more bidders. One of the problems they have on the Coast is less interest, and usually if the project is bigger, they can attract more contractors, and the prices come out better.

Director Slater-Carter said that she wants people to get a sense of scale of costs that the District is working with here—approximately \$400 per linear foot.

Unfortunately, it was necessary, because we have to pay for water, pumps, and now generators. The question is what is the fairest way to the people in the District? She said that they are talking about concepts for the Water Reliability charge, and requested any input. In December/January they will incorporate Board and public input and work towards developing the charges. She encouraged people email and write suggestions. Then they will then initiate the Prop 218 process in Jan/February and put out the Prop 218 notices.

Director Slater-Carter asked if there was a cap on what the District needs and about the longevity of these projects.

District Financial Advisor Alex Handlers replied that he thought there was an on-going need for reinvestment into the system—pipelines, generators, tanks. That is something that could be re-evaluated in the future if an adjustment is needed.

Director Slater-Carter replied that once pipe is replaced it lasts a long time.

General Manager Heldmaier said that there is approximately 22 miles of pipe that needs to be replaced over 100 years and at \$400 per linear foot. And if you did the math you will see that there is a higher funding need for the infrastructure.

District Financial Advisor Alex Handlers said that if you calculate that out it would be approximately 40-50 million dollars. Some agencies are trying to coordinate construction projects done at once to keep costs down. There is debt service, if there was a need for initial economies of scale of trying to do a chunk of projects in the next few years, State revolving fund loans.

Director Slater-Carter said that is something they should look at.

Director Boyd said when the economy took a down turn in 2008, this District cut way back and cut into the investments the District was making to keep rates down. And this was done for a number of years until the economy began bouncing back. With that context in mind, many customers may be paying, in inflation adjusted terms, the same or less than they did in 2010. That is not a sustainable long-term plan for infrastructure that is mostly underground or exposed to salt air. Costs are going up everywhere and inflation isn't the only thing we are dealing with. There are things we have to buy, and things that wear out and have to be replaced, but it is now time to get on top of this. With that in mind, he inquired about table 4, listed in the draft Water Study, referencing the New and Existing customers Capital Improvement plans and their numbers. He said that in May it was said that some things are funded through rates and other things funded through the capacity charge, and it is broken down into serving new, existing, and future customers. The breakdown in this table is disproportionate—the existing annual is much smaller than the new, future customers, and it is important to understand to get some context of what is that breakdown, and why are we proposing that the existing customers are doing both categories.

District Financial Advisor Alex Handlers said those numbers in the table are a little misleading—that the projects are for new customers only. There is big chunk needed, and the goal is that the new customers are funding their share of infrastructure. We talked about this at the Finance Committee meeting as well. It is not the case that the existing customers need to fund only \$500,000 per year. There is a lot of this stuff that benefits everyone. The District did review its capacity charges that are levied under new development ensuring that new customers are paying their fair share on their end. The report will be changed to more accurately reflect what the investment needs to be for the whole system for on-going customer base.

Director Boyd said that as we go forward, this report needs to get crisper on delivery, because this could be a sticking point for folks. He reiterated the need for infrastructure improvements and how they have been talking about this for a long time. There is a lot of deferred maintenance that needs to be fixed, without burdening the community. He expressed a strong interest to do what they can to ease the burden on the categories of customers where it would weigh extra heavily. He felt designated low income housing is one category where the District can take a look of what can be done about that, and seniors--especially those in single fixed income environments.

Director Slater-Carter said that the cost must be borne by somebody, and if person A doesn't pay, person B has to pick up that cost.

Director Boyd said he understands that and they would go through everything line by line.

General Manager Heldmaier reminded the Directors about the 4 questions staff needed answers to. They looked at funding levels, and how they should be implemented. The third question, "how should the charges be billed and how should the charges be applied?" still need to be addressed. The more specific the Board could be with their answers, the better staff will be able to bring this back to the Board in a better form.

Director Boyd was in favor in putting the charges on the annual property tax bill.

Director Slater-Carter said that on the level of funding that they should start small and move up, making it easier for people to deal with. She favors implementing an initial charge and re-evaluating. She liked the idea of phasing it in over multiple years. She said she was in favor of the mixed charges, having some of it on the bi-monthly water bill, and some on the property taxes as it is more transparent, but will be more complex. How should charges be applied? Yes, to single family, but she had mixed opinions about multi-family, second units, etc. citing it is the whole system they are talking about--whether the use is small or large, the whole system needs to work. If the pipes don't work, the system doesn't work. She thought that

charges should for a dwelling unit, and a household with fire protection should be charged equally. And for commercial, the District can figure out how to do it somewhat on capacity that makes a difference. She also mentioned that commercial in Half Moon Bay underwrites a lot of the charges for residential. MWSD doesn't have a lot of commercial and they don't use a lot of water. It won't make a big difference. She encouraged suggestions, opinions.

Carlyle Young, Moss Beach resident asked if the rates are only paying for the operations and maintenance, and if the rate increase is for a reserve fund. She also asked if the money was going to be used every year, and if that is what the money is for.

General Manager said rates cover operations and maintenance and some capital. Every year the money will fund on-going needs, not to be building up reserve funds.

District Financial Advisor Alex Handlers said that the water rates cover a little bit of capital improvements, but this new charge would be a dedicated source for capital improvement projects, and that the money would be applied every year.

Carlyle Young said she didn't understand why a multi-family would get a discount. There are also two big projects proposed that would be multi-family, and they shouldn't get a reduced rate.

District Financial Advisor Alex Handlers stated that was only an option. Multi-family usage tend to be lower, and some agencies give them a discount. A volumetric charge would be based on usage, regardless if they were single or multi.

Carlyle Young encouraged the Board to go with usage, because she is a thrifty consumer when it comes to water use. She spoke about the School Bonds, and the blended rate on the property tax bill.

Carlyle Young asked about Prop 218, and if that referenced mello-roos.

District Financial Advisor Alex Handlers said that a Prop 218 is the process to adopt a rate increase, and a mello-roos it is not normally done on rate increase like this. This is just a mechanism for generating funds, and at the end of the day, it doesn't change anything.

Director Slater-Carter said a mello-roos is also expensive, and the money should be used for their capital projects.

Carlyle Young said that there are some big projects and if they were able to have their own Communities District that would be one way to raise some of the money.

District Financial Advisor Alex Handlers said in doing that the development doesn't have to pay for the upgrades to the infrastructure, and it is then put on the backs of the home owners. MWSD has capacity charges or development impact fees, so that if any development occurs, they have to pitch in with the funding for the infrastructure that benefits them.

Carlyle Young said that if this charge were to be added to the property taxes as opposed to the billing statement, it would be the third line item on there for MWSD, and optically it would upset people. She suggested doing it on the bi-monthly billing.

Director Harvey said he was in favor of putting it on the tax roll, and starting with a smaller scale at one million instead of 1.8 million for the first year.

Director Lohman said he favored the fixed/usage charge instead of the fixed rate for everyone.

NEW BUSINESS

1. Review and Possible Action Concerning Sewer Rate Study

General Manager Heldmaier stated that they had done the "heavy lifting" in doing a rate study and implementing a sewer rate adjustment a year and a half ago. Now, the District would like to re-assess the sewer rates and if they need to be adjusted again. He is anticipating, with the pending lawsuit, and the Sewer Authority Mid-Coastside (SAM) capital and increased funding needs, that another rate increase is impending. He requested authorization to initiate a sewer rate study to re-evaluate rates.

Director Lohman commented that a big chunk of this is because of Half Moon Bay and litigation which now has to be passed on to the customers.

Director Boyd explained the background of the lawsuit with Half Moon Bay, and their actions that impaired SAM from addressing issues leading up to its current problems.

Director Harvey said that his earlier comment about consolidation 35 years ago still pertains today. Some people say that customers will save money by consolidating, but that is not the case. Further, Montara would not get representation (on the Board), and we need to protect ourselves. Those that believe consolidation is the answer fail to recognize that it will not save them money, nor will there be fair representation to protect them.

Director Slater-Carter said that Montara takes a pro-active, preventative maintenance attitude. It costs us; but it saves money and fines in the long run, and we are able to preserve public health in a very complex district. The reason we are doing a water and sewer rate study is to avoid major spills, outages, and problems, and that takes an on-going stream of money. If we are going to be talking about economies of scale with other districts, we can do that through purchase agreements. There are other ways we can achieve economies of scales which may or may not be worth looking at for the small costs that would be saved.

Director Boyd made a motion to authorize the General Manager to initiate a Sewer Rate study. Director Harvey seconded the motion and it passed unanimously 4 – 0.

2. Review and Possible Action Concerning Appointment of District Treasurer.

Director Slater-Carter appointed Director Lohman as District Treasurer.

General Manager Heldmaier stated the officers are designated in January. However, since MWSD is expecting an audit, and there are some challenges with the SAM audit, as well as looking at the rate study, he felt it was important to have an appointed District Treasurer now.

All Directors were in agreement.

3. Report of System Operations during PG&E Power Outage.

General Manager Heldmaier explained some of the preparatory work in anticipation of the two PG&E outages, that all went smoothly. MWSD set up a courtesy water -fill station for well owners. All the local agencies were well prepared and worked hard through the night. It was the larger agencies that had significant issues. Comcast, for example, dropped out on the Coast, and was unavailable. Also, people were unaware that their land lines were switched over to voice over IPs, and no longer worked without electricity. He stated that he put together a list of what was done, and some of it was due to the failed infrastructure from the large conglomerates.

Director Boyd requested that some of this information be put on the website, particularly the information about the Courtesy fill station. He wants the public to know that the District has a lot of stuff together and it is a good place to be for certain kinds of needs. He commended the District for having the “can do” spirit and it exemplified the beauty of a small agency that is in the community—everybody that works in the District, lives in the District.

REPORTS

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

Director Slater-Carter said today's SAM Finance Committee meeting was canceled, and will be held on November 25th.

Director Lohman said SAM has launched a project with Ameresco to develop a project to maximize energy efficiencies; segment 4 of the El Granada force main was approved. They approved working with a Bay Area chemical consortium to buy chemicals at a savings of about 25%. There is a significant problem with the digester an emergency cleaning was approved. The General Manager was authorized to fix it. They also tweaked the contract with the Wastewater Management Consulting Services for another \$40,000 to help with the audit and help clean up the finances.

Director Slater-Carter said the digester is ten years overdue for cleaning. It will be expensive to clean it and they don't know what is wrong with it, but it needs to be replaced. She said she has an agenda item for the next SAM Board meeting regarding Ameresco and general direction to staff that she is asking the Board to take that when giving direction to staff when working with the consultant or engineer, they want improvements that are off the shelf, easily fixed, repaired or replaced, potentially reducing operating costs—nothing customized. So, SAM can do the preventative maintenance, and do what needs to be done in a more efficient, less expensive manner. In reference to the consultant, he is asking 1.4 million, and it is a lot of money, but it is over the course of two more years. There is no employee handbook at SAM, and there are huge liabilities. As Dan Childs said in his interview, "he is like an emergency room doctor, doing major fixes." These are things that should have been done a long time ago. We have to ask ourselves "if SAM falls apart, what is the cost?" What is the cost of the continued practice of deferred maintenance and rotating general managers? We have staff turn-over right now coming up with people retiring, and we don't have a succession plan. And the general manager doesn't do this. These are specialized skills that need to be brought in and once done, we can hire a general manager to do his/her job.

2. Mid-Coast Community Council Meeting (Slater-Carter) – none

3. CSDA Report (Lohman) –

Director Lohman said Supervisor Horsley gave a status report of the things he has done, and he talked about a group that addresses sea level rise. Director Lohman did not recall the name of the group or its acronym, but said it is essentially a County wide group that will be the sea level rise monitoring, coordinating everything group. They are looking at state funding for it and how to give it power. That will affect everybody, and we talked about issues on the Coast. San Mateo County, when Supervisor Pine, was doing it, said something on the order of 33% of all of California's problem with sea level rise is San Mateo County.

4. LAFCo Report (Lohman) –

Director Lohman went to the LAFCo conference, and they talked about problems in LA. Right now, their mission is to protect open space, agriculture and prevent urban sprawl, and the other side of the Government is saying you have to add lots of homes. So, there is a conflict. There is talk of LAFCo possibly starting to work with approving developments also, and not just special districts and city borders.

5. Attorney's Report (Fitzgerald) –

District Counsel talked to Recology about organic waste regulations and clarified that MWSD needs to have their Ordinance in place by January 2022.

6. Directors' Report –

Director Boyd encouraged people to come and apply for the Director vacancy

7. General Manager's Report (Heldmaier) –

General Manager Heldmaier reported that MWSD approved the Big Wave agreement, and it was signed. Also, Wagner well is almost complete, and if all goes well, it will be fired up, and pump testing will happen at the Portola 3 well. This will impact Montara Boulevard East minimally.

FUTURE AGENDAS

BRIEF RECESS

REGULAR MEETING ENDED at 10:15 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.

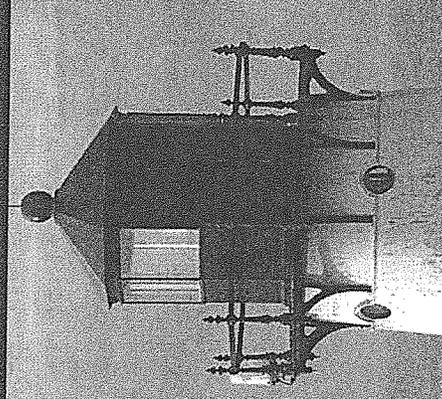
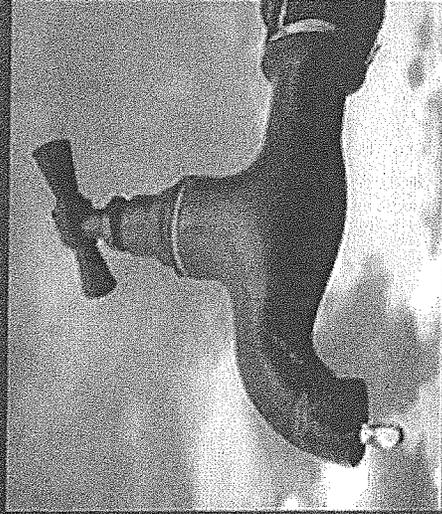
Respectfully Submitted,

Signed _____
Secretary

Approved on the 16th, January 2020

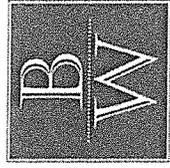
Signed _____
President

Montara Water & Sanitary District



Water System Reliability Charges

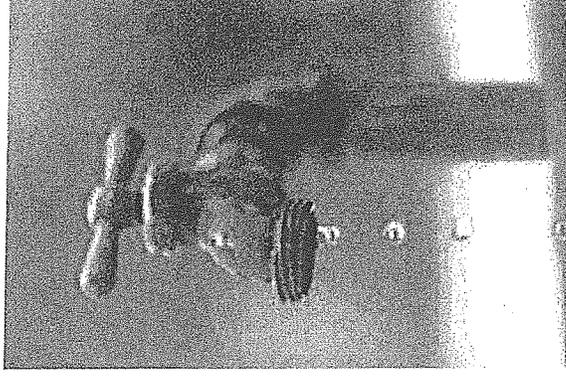
November 7, 2019



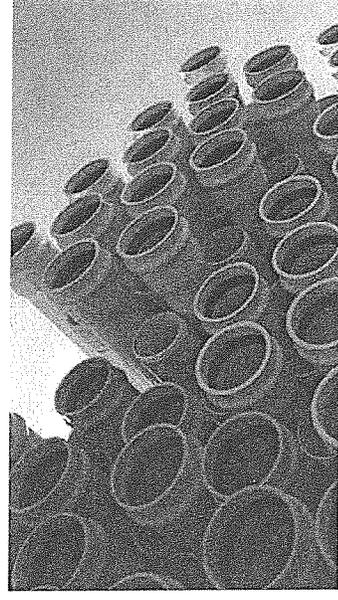
BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

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



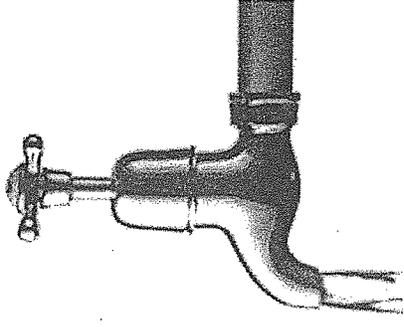
Increase in Capital Funding Needs



- 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



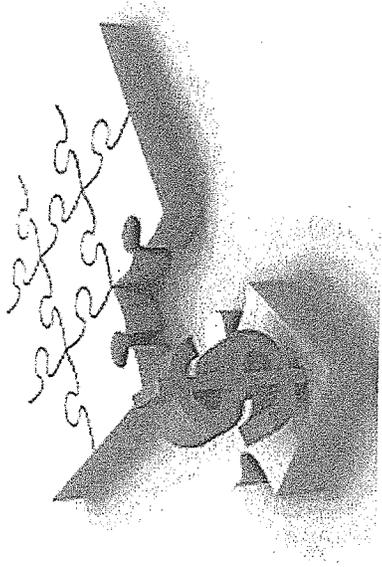
Billing Method

- 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



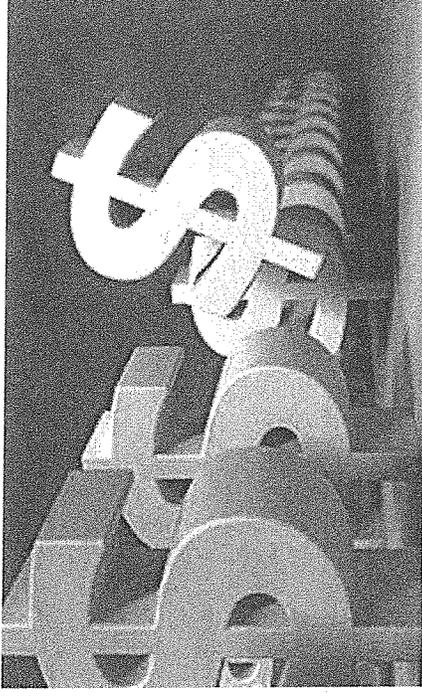
Charge Alternatives

- 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
Charge per Meter Equivalent Annual Charge	\$270.27	\$540.54	\$810.81	\$1,081.08
Monthly Equivalent	22.52	45.05	67.57	90.09
Projected Fixed Monthly Charges				
Single Family Home	\$22.52	\$45.05	\$67.57	\$90.09
Multi-Family or Mobile Home Unit 75%	16.89	33.79	50.68	67.57
Commercial/Non-Residential				
Meter Size				
5/8" x 3/4"	\$22.52	\$45.05	\$67.57	\$90.09
3/4"	24.77	49.56	74.33	99.10
1"	31.53	63.07	94.60	126.13
1-1/2"	40.54	81.09	121.63	162.16
2"	65.31	130.65	195.95	261.26
3"	247.72	495.55	743.27	990.99
4"	315.28	630.70	945.98	1,261.26



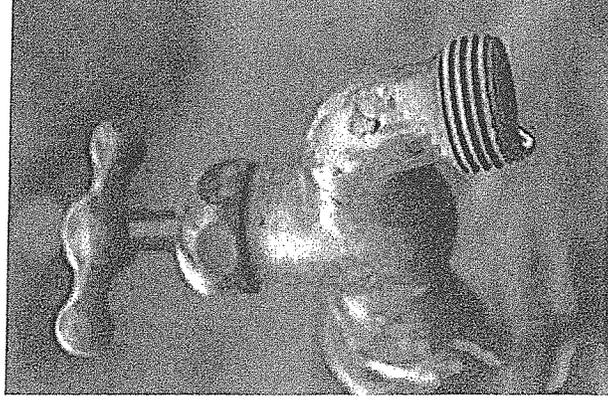
Example of Fixed + Usage Charges

		Annual CIP Funding Target			
		\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
Volumetric Funding %	50%	50%	50%	50%	50%
Volumetric Funding \$	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,000,000
Est. Annual Water Use (ccf)	120,000	120,000	120,000	120,000	120,000
Usage Charge (per ccf)					
Projected Usage Charges (Based on Prior Year Water Use)		\$2.08	\$4.17	\$6.25	\$8.33
Fixed Charge Funding %	50%	50%	50%	50%	50%
Estimated Total Billing Units	1,850	1,850	1,850	1,850	1,850
Projected Fixed Monthly Charges					
Single Family Home	\$11.26	\$22.53	\$33.79	\$45.05	\$45.05
Multi-Family or Mobile Home Unit	8.45	16.90	25.34	33.79	33.79
Commercial/Non-Residential					
Meter Size	Charge Ratio				
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
Total Annual Charges for a Single Family Home at Different Usage Levels					
	Monthly Use				
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

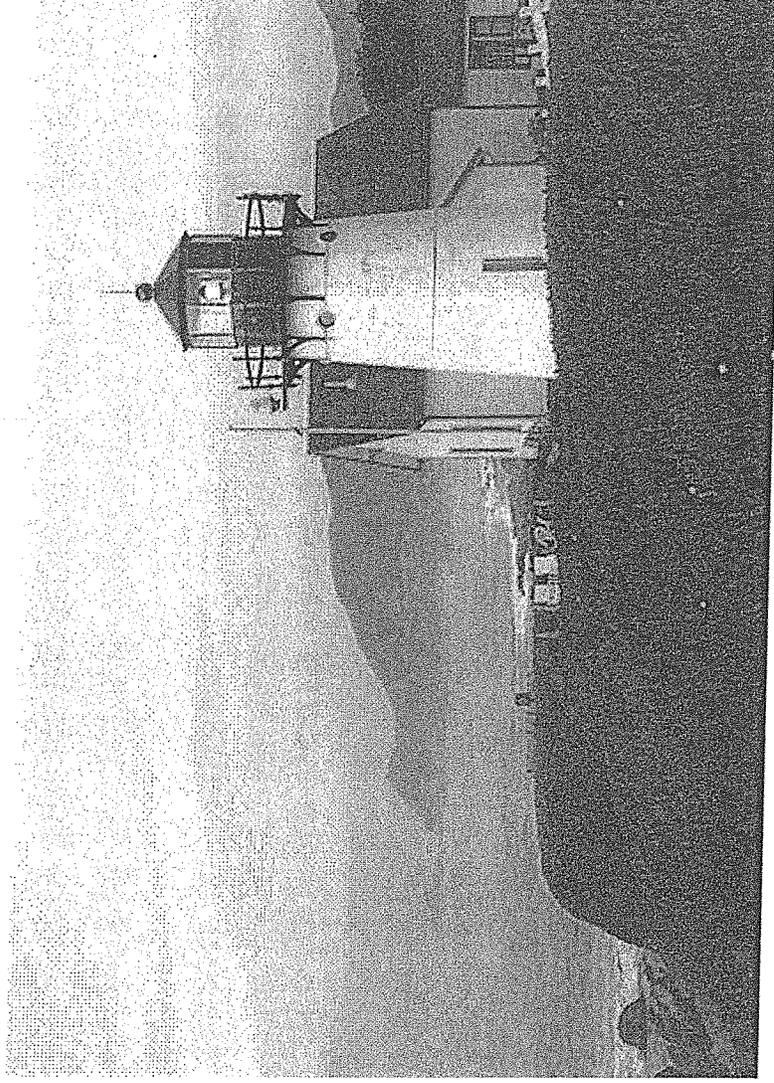


Process & Next Steps

- 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 & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
November 21, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:31 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald

PRESIDENT'S STATEMENT –

Director Slater-Carter: For those of you that watch the meetings or are in the audience, you are aware, there has been some discussion at the Board level, while we are trying to sort out the details before we can make much public, we are trying to acquire the Caltrans-right-of-way for watershed protection and additional water sources. I noticed in this week's Review, a headline "*State Considers More Affordable Lodging on the Coast,*" One of reasons I ran for this Board so many years ago, is I happen to have a map of that Right-of-way and I counted, using the County's then practice, 600 buildable lots, which would equate to 1000-1800 more cars in the back of Montara, and given our road conditions, could be very bad. We probably have the sewer and water. And if the State decided to sell this with the

requirement of affordable housing to builders, the County would go along, and the citizens of Montara and Moss Beach would not have much say about it. This is just something to think about when you are trying to decide what is best—having a forever water supply with a clean watershed protected or lots more housing. I know we need housing, but perhaps it could be better thought out in other places.

ORAL COMMENTS

Gregg Dieguez, Montara resident: I was made aware before the meeting that Clemens is an avid bicyclist and I don't know if you are aware that risks bicyclists take...in fact, there was someone that was just killed. Do we have key man insurance on Clemens? Every major company that I've worked with has key man insurance for selected individuals.

General Manager Heldmaier said he would look into this.

PUBLIC HEARING CONSENT AGENDA

OLD BUSINESS –

1. Review and Possible Action Concerning Vacant Position for Board of Directors.

General Manager Heldmaier: We had a resignation from Director Marshall on October 16, 2019 that created a vacancy on the Board. A special meeting was held on November 5th in which the remaining Board members decided to fill the open position by appointment. The person appointed shall serve the remainder of Director Marshall's initial half of the vacated term. Thus, this appointed person will serve until the next 2020 election. In 2020, there will be three Directors in the election up for vote. Then the person elected will serve the remainder of the second half or two years on this Board. The County was notified and the Notice of Vacancy was posted in accordance with the requirements of the Government code. So, the last regular meeting we could make an appointment would be December 5th and there are still options for special meetings after that. If the Board fails to make an appointment within the time required, before December 16th, the County Board of Supervisors may make the appointment. We would like the Board of Directors to interview the candidates. There are a total of four candidates, two are present. The third candidate will participate by phone, and the fourth candidate submitted comments in writing just before the meeting. Our recommendation is to interview the candidates, appoint the candidate best suited for the vacant position, then adopt the resolution of the Montara Water and Sanitary District filling the vacancy on the Board of Directors by appointment.

Kathryn Slater-Carter thanked Bill Kehoe, Bob Ptacek, Peter Dekker, and Alan Haffner for submitting letters of interest. She explained the procedure of the meeting: an introductory statement, questions/answers from the Board, audience questions, brief closing statement, close the interview, the Board will discuss, and the Board will make a motion and then vote on the nominations.

District Counsel Fitzgerald recommended that at the conclusion of the interviews, the President open the floor for nominations, each Board member nominate one person for the appointed position, the President would then entertain the motion, close the nominations, the President would open the floor for discussion amongst the Board members as to each nominee, then a vote would take place as to each nominee, and the nominee with the majority of the votes would then be appointed to the Board.

Director Slater-Carter: Can we do the swearing in tonight, if the candidate is here? Otherwise we will do it on December 5th.

District Counsel Fitzgerald stated that they need to verify that the candidate is a registered voter living within the jurisdiction of Montara or Moss Beach before swearing him in.

Opening Statement

General Manager Heldmaier read Alan Haffner's statement: Hello, I have been a resident of the Coast since April 1, 1998. I have served on the Montara Moss Beach Water Improvement Association (MMBWIA), assisting in getting us to the point of having our own water and sewer Board. I have kept up, to some degree, with the issues around water, water rights, and the improvements to date. I would look forward to serving the community as a member of the Board. Thank you.

Peter Dekker stated that he also served on the MMBWIA with Alan Haffner. He moved here in 1991, and was actively involved at that time in the discussions about what to do with water. He recently retired, and is looking forward to contributing to the continuing successes of Montara Water and Sewer District (MWSD). He is impressed with the work done so far, and hopes it will continue.

Bill Kehoe said he has been a resident of Moss Beach since September 1985. At the time, the water was owned by Citizens Utilities, with the second highest rate in California for what was, almost undrinkable water. At about the same time, he met Gary Warhaftig, who educated him on the problems with the water on the Coastside, and was forming the MMBWIA. And thus began Bill's involvement with all things Coastside. He fully supported the idea in trying to get a locally controlled water board. He helped in notifying the public by talking to people at the post office and getting people involved. He feels that they got what they were promised (for the most part)—a well-run Board, higher quality water. Citizens never invested in any of the infrastructure, so there was a lot of start-up costs that people used to

grouse about, then buying them out, and having to do a whole lot of maintenance. But over time, that has been handled well, and MWSD rates have only gone up marginally compared to a lot of the other local districts. So now MWSD rates are competitive or better than the other districts. For this reason, he wants to ensure that whomever gets appointed understands that history and why MWSD has to be very protective of what we have here. He considers the rate-payers share-holders, because some of the residents have been paying since the beginning, and that is a major investment for anyone on the Coastside. And just to have someone come in and say you have to start giving it to XWY District, MWSD needs to be able to keep that at a limit. Also, in 1991 he helped to form the Mid-Coast Community Council, and at that time, it was again, trying to get local representation. If there was an issue with the County over anything, you had to go over the hill to make your comment, with a limit of two minutes. The Mid-Coast Community Council has been very successful in getting better representation for us, too. He served on the Mid-Coast Community Council for a few years in various capacities. His intent is to keep the Board moving forward, and acquiring the Caltrans property to protect the watershed, possibly working with Recology and composting. We've had a conservative board as far as controlling costs and providing value, and he thinks that is mainly what the Board needs to do.

Bob Ptacek stated that he has lived on the Coast since 1985, and previously served on the Board through the SAM expansion and water acquisition.

Question 1: Are you are registered voter living within MWSD, and how long have you lived in the district?

All candidates affirmed they are registered voters living within the District.

Question 2: Who are the stakeholders for sewer service, trash, water? Are they the same or different for each service?

Bill Kehoe said that the stake-holders are the rate-payers—they pay the bills. Then the people that provide the service, in the case of water, there is the Water Board here, the Sewer District provides some of it, and MWSD also provides some of it, and Recology for solid waste.

Bob Ptacek also stated the stake-holders are the rate-payers. And while on the Board he went through three contract negotiations with Recology and its predecessors.

General Manager Heldmaier read Alan Haffner's statement: Trash is provided by Recology. Water & Sewer are provided by the Sanitary District.

Peter Dekker stated that he concurred with Alan's response. MWSD has a contract with Recology, the rest is MWSD service, and from Montara and Montara citizens, and citizens of Half Moon Bay. He looked at the financial records and expressed

his concern with the problems at the Sewer Authority Mid-Coastside, and the agencies, and said as a Board member he would do his best to assist in making the situation with the problems at SAM better.

Question 3: What is your position on MWSD acquiring additional land for watershed protection and future water needs?

Bob Ptacek stated that he supports that because we have some wells that process more to run and we need the water in order for us to have the best quality water. He supports the acquisition to support the community's use of the water possibly obtained from that acquisition.

General Manager Heldmaier read Alan Haffner's statement: I believe the MWSD may want to look into options, including what may be the path of least resistance while maintaining its independence. While obtaining both the land and the water rights may be the best alternative, if obtaining the water rights alone is more economical, easier and quicker to obtain and can still secure water for the community with assurance of the quality of the water, it should be considered.

Peter Dekker stated that he felt the focus, since MWSD has sufficient water, should not be acquiring additional land but be acquiring water rights within that land and other expenditures should be focused on trying to improve the sewer situation.

Bill Kehoe said that he felt acquiring the Caltrans property was of utmost importance. It is a watershed area for keeping safe clean water, and there could be other uses such as working with Recology in composting. In the future an investment like that may come in handy in employee retention, if you were to put in some controlled housing to help the employees live and work on the Coastside. He pointed out that people balked about spending money when MWSD acquired the water system, but over 20 years there has been a great payback. You have to have a Board that is looking forward.

Question 4: What is your position on the districts consolidating on the Coast?

General Manager Heldmaier read Alan Haffner's statement: No consolidation. We have different needs than Half Moon Bay. I would not want our future supply of water to be tied to the needs of the residents that do not live in our community, or who did not share in the cost of obtaining the water. In addition, I would not want to take the chance of pressure from the County to use the water consolidation to pursue combining the unincorporated county into Half Moon Bay.

Peter Dekker said that we should retain our independence. He doesn't know what CCWD brings in terms of problems and deferred maintenance and he doesn't want to take that burden on us.

Bill Kehoe said that consolidation with our water supply would be an erosion of our rate-payers investment, as mentioned earlier. There are probably other ways, if needed, that we could work with other districts, but it would have to be at no cost to the current rate-payers. He pointed to what happened with the consolidation of the sewer.

Bob Ptacek also said he does not want any consolidation for the district. It has been looked at in the past. Currently we have representation and have a say as a community of what happens to our assets. We would be in the minority, and in all previous consolidation talks there is no financial gain for the district. For example, a dollar cost in Half Moon Bay is not going to be a dollar cost in Montara. Consolidation would not be any good for the community. There are no benefits for us.

Question 5: What is your position on rate increases?

Peter Dekker stated from a financial point of view, we should make sure that the district is financial stable and viable. Adjustments every year for inflation and improvements should be allowed, but should not be too high. Also, MWSD should take into account that the employees are properly compensated, and the district has the ability to do so. Financial viability is very important, and he is concerned about the situation with SAM.

Bill Kehoe said that he concurred with Peter's concern about rate increases. Over the years, he has seen the budget battles and fights over rate increases for the last decade or so, and MWSD has never had rate increases that were out of line with needs to keep the district viable. He trusts the Board to keep doing that, and the person appointed should be looking at the value of the product and the cost of the product—they go hand in hand—that is what you have to do as a Board member.

Bob Ptacek said rates are the cost of providing service. It is important to explain the details, why we are doing it, the purpose, and convey it to the community. We want to turn on our lights, flush our toilets, and have water. There is a cost to maintain that system, whether we use one gallon or a thousand gallons. And that is what rates should be based on. The Board has done that over the years.

General Manager Heldmaier read Alan Haffner's statement: While rate increases are necessary, they should be kept to a minimum and the users should be informed well in advance. When possible users should be given the opportunity to decide how their money is spent—improvements, tanks, etc.

Question 6: How have you contributed to our community in the past? Have you had any prior political involvement on the Coast either by holding office or attending meetings?

Bill Kehoe stated that he helped form the Mid-Coast Community Council and served on the Council in various positions, including Chair. He also was involved in the Coastside Emergency Action Program, ran for the Fire Board (although not elected), and was involved in community programs. His children grew up here, and he participated in various school programs in middle and high school associated with his kids.

Bob Ptacek stated that he has been involved in endeavors on the Coast. His political career has been spent with the Montara Water and Sewer District.

General Manager Heldmaier read Alan Haffner's statement: I was a member of the Montara Moss Beach Water Improvement Association. I was involved in attempting to monitor our costs while water and sewer were provided by Citizens and American. I was also involved in dealing with the County to eventually allow the community to create MWSD and purchase our water rights. I handed out flyers, attended meetings, and help relieve the community of the private water companies.

Peter Dekker stated he was also involved in the Montara Water Improvement Water Association and participated in the efforts there. He was also involved in school programs, such as the PTA (treasurer), at the local elementary and middle school.

Question 7: Would you commit to serving the people of MWSD and being involved in caring for the district?

All candidates stated yes.

Question 8: Do you have any conflict of interest in serving as an MWSD Board member?

All candidates stated they have no conflict of interest.

Question 9: What is the greatest problem or threat you see facing MWSD at this time?

Peter Dekker stated that it was important to be financially viable, remain independent, and to straighten out the problems at the Sewer Authority.

Bill Kehoe also agreed that the most pressing problem is with our interaction with the Sewer Authority, although he feels it is a political problem, rather than a technical or management problem. He would be leery of getting involved in any entanglements. He said there is always the possibility that the State can move in and do what they want. If there was a force to put in more housing, especially a large number, what is the viability of our resources? Do we have enough water, and in the future? Or will it evaporate because of climate change? There are so

many unknowns that we can be vulnerable if the district is not managed in a conservative precise way using good business practices. That is why local control is the most important thing we can do—we paid for this system, use the system, and need to preserve the system.

Bob Ptacek stated that generally in the district there aren't any threats. MWSD is a well-run district, has overcome many obstacles, and manage our resources well. Our biggest threat is from the outset—over the hill, down the Highway, and Sacramento, and they are looking at us with envy, looking at what we have, our assets, and the challenge is continuing to be vigilant.

General Manager Heldmaier read Alan Haffner's statement: The possibility of forced consolidation with CCWD or the litigation that drains the funds needed to provide service to the community. I know that improvements have been made to the system recently. However, I do not know what may be needed to meet the needs of the community going forward including the possibility of future droughts.

Closing statements

Bill Kehoe stated that when he applied he didn't realize how much more qualified some of the other candidates were. His intent to run for the Board was to ensure that the appointed person was familiar with the issues, favored local control, and not consolidation. He felt after hearing all the responses from the other candidates, that he was not the best candidate for the Board.

Bob Ptacek stated he also applied for the appointment because he was concerned there wouldn't be enough interest, and/or the candidates might not be suitable or have the best interests of the district in mind. He is more than satisfied that the other candidates are qualified, and was pleased to let that torch pass on.

General Manager Heldmaier read Alan Haffner's statement: I wish to be part of those that help secure and maintain the water and sewer service that are provided to our community to help secure our water for the future as well as make sure our infrastructure is in the best condition possible for normal service and for any future disaster. On a separate note, I do not want to be given any special treatment in comparison to the other candidates for today's meeting due to my not being able to attend in person.

Peter Dekker stated it was wonderful to see all the candidates coming forward and being so passionate about helping out, and helping the community. He felt each person is fully qualified to take on this position and is in full support of the chosen person to be on the Board to do the duties that the community expects of him.

Director Slater-Carter closed the interviews and opened the Board for nominations.

Director Harvey nominated Peter Dekker.

Director Boyd thanked the candidates (and others) for wanting to help out in a volunteer capacity, and for stepping forward to be on the Board. He was also concerned that there might not be enough interest. He was really happy, impressed, and grateful that such great people stepped forward.

Director Harvey said to the candidates that even though they might be selected tonight, if a Board member leaves or something happens, it was good to know there are people that would step forward to take his or her place. He thanked them again for coming forward.

Director Lohman also thanked the candidates and concurred with Director Boyd's sentiment.

Director Slater-Carter thanked all those that sent a letter of interest. It shows their interest, skills, and knowledge. She said this is why this is such a great district because of extraordinary people like Gregg and Lou and the people attending and watching. We have an extraordinary community that understands the value of community and keeping financially independent small government that can represent the people in a sane manner. She thanked the candidates again, and asked them to keep involved, because none of us do this as well as all of us. She stated as there was only one nomination, and all directors had ample time to nominate another, it was a unanimous decision to appoint Peter Dekker as their new Board member.

Director Boyd made a motion to adopt resolution 1665 of the Montara Water and Sanitary District filling the vacancy on the Board of Directors by appointment to Peter Dekker to the Board of Directors. Director Harvey seconded the motion. All were in favor, and the motion passed unanimously 4-0.

Director Slater Carter administered the Oath of Office swearing in of Peter Dekker.

Director Dekker took a seat with the other Board members.

NEW BUSINESS

1. Review and Possible Action Concerning Approval of Purchase Order for Generator at Wagner Site.

General Manager Heldmaier: This Board already approved a more expensive generator for the Alta Vista plant earlier this year. Our generators have been in service for quite some time, most of them from the Citizens era. We had a failure of a unit at the Wagner site. The Wagner site went through some significant work recently and was offline for a bit, so we weren't immediately in need of one. We were able to rent another generator that helped us at the Portola 3 well, to offset what we needed to produce during the power outages, for example. Now it is time

to replace the Wagner 3 trailer mounted 30 kW generator. We received three quotes, and got a very favorable quote from CD & Power for a multi-quip unit. That is the recommendation of staff, in looking at cost and the short lead time for delivery of the generator.

General Manager Heldmaier pointed out that while staff is able to maintain the generators, they need to be checked annually with special equipment, and is usually contracted out. CD & Power was able to help them when needed, and has been pleased with their service and low rates. He recommended that the Board authorize the general manager to issue a purchase order to CD & Power for \$39,824.18 dollars.

Director Boyd made a motion to authorize the general manager to issue a purchase order to CD & Power for \$39,824.18 dollars, and Director Slater-Carter seconded the motion. The motion passed unanimously 5-0.

Director Boyd commented (and chuckled) that Peter Dekker has only been on the Board for a few minutes and he voted to spend money.

REPORTS

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

Director Slater-Carter said the next meeting is on Monday, and there was not a meeting earlier in the month because of Veteran's Day.

Director Lohman wanted to make a correction that he read in the paper, in reference to the SAM Board no longer searching for a general manager. He stated that it was solely by Half Moon Bay, but was not a SAM vote to stop looking for a general manager.

Director Slater-Carter suggested that this issue be discussed with the SAM Chair and general manager, and put on the agenda for the next SAM meeting.

Director Boyd explained that the SAM Chair has the authority to organize the agenda, make sure the meetings come together, and a few other minor administrative organizational things. But no special powers are delegated to the SAM Chair by the SAM Board. All of those powers remain as Board powers. The Directors were all surprised that the SAM Chair was acting as an executive when in fact the Chair is a facilitative organizer.

Director Harvey asked if they were looking for a manager previously.

Director Slater-Carter replied that they had engaged with a management search company.

Director Harvey asked if the statement by the Chair, then, has no effect, and they were still looking for a manager.

Director Slater-Carter said they will need to have that reaffirmed by the SAM Board.

2. Mid-Coast Community Council Meeting (Slater-Carter) – nothing

3. CSDA Report (Lohman) – nothing

4. LAFCo Report (Lohman) –

Director Lohman stated that they had two more mergers from the unincorporated areas into the City due to failing septic systems and being close enough that they could be incorporated into the city. One of the Local Agency Formation Commission (LAFCo) roles is to do municipal service reviews of cities and special districts. That role will be changing a little bit in the future. These service reviews will also include any effects of climate change, conflicts, problems caused by climate change, and pension plans of the organization that is being reviewed. The next chunk of cities being reviewed will be to the north of us. He felt that our district won't be reviewed for several more years.

Director Lohman said that there is move, especially for cities, instead of starting from scratch, for areas that haven't changed much, to review what has changed since the last review.

5. Attorney's Report (Fitzgerald) – nothing

6. Directors' Report –

Director Harvey commented that Recology held a free large-item pick up over the weekend, which was very successful. He appreciated this free service very much and not having to go to Ox Mountain to drop off things.

Director Slater-Carter commented that Ox Mountain was expensive too. We pay for this service through our trash rates with Recology, and MWSD has a very good contract.

7. General Manager's Report (Heldmaier) – nothing

FUTURE AGENDAS

Director Slater-Carter asked the other directors to contact her if they wanted to put anything on *Future Agendas*.

BRIEF RECESS

REGULAR MEETING ENDED at 8:45 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 16th, January 2020

Signed _____
President

MWSD

Interview Questions for Open Board Position November 21, 2019

- A) 2-minute introductory statement by each candidate
- B) Candidate Questionnaire; Each candidate will have one minute to answer each question. Each question will be answered by each candidate before the next question is asked. The candidates will rotate who answers each question first to avoid having the same person be the first to answer each question:
- 1) Are you a registered voter living in the MWSD. How long have you lived within the District?
 - 2) Who are the stakeholders for sewer service? Trash? Water? Are they the same or different each service?
 - 3) What is your position on MWSD acquiring additional land for watershed protection and future water needs? Why or why not?
 - 4) What is your position on district consolidation on the coast? Why or why not?
 - 5) What is your position on rate increases?
 - 6) How have you contributed to our Community in the past? Have you had any prior political involvement on the Coast, either by holding office or attending meeting?
 - 7) Would you commit to serving the people of MWSD, and be involved in caring for the District?
 - 8) Do you have any conflict of interest to serving as a MWSD Board Member?
 - 9) What is the greatest problem or threat you see facing WMSD at this time?
- C) 2-minute closing statement by each candidate on why he/she wants to serve on the MWSD board.

MWSD

Interview Questions for Open Board Position November 21, 2019

- A) 2-minute introductory statement by each candidate
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- 1) Are you a registered voter living in the MWSD. How long have you lived within the District?
 - 2) Who are the stakeholders for sewer service? Trash? Water? Are they the same or different each service?
 - 3) What is your position on MWSD acquiring additional land for watershed protection and future water needs? Why or why not?
 - 4) What is your position on district consolidation on the coast? Why or why not?
 - 5) What is your position on rate increases?
 - 6) How have you contributed to our Community in the past? Have you had any prior political involvement on the Coast, either by holding office or attending meeting?
 - 7) Would you commit to serving the people of MWSD, and be involved in caring for the District?
 - 8) Do you have any conflict of interest to serving as a MWSD Board Member?
 - 9) What is the greatest problem or threat you see facing WMSD at this time?
- C) 2-minute closing statement by each candidate on why he/she wants to serve on the MWSD board.

MWSD

Interview Questions for Open Board Position November 21, 2019

- A) 2-minute introductory statement by each candidate: Hello. I have been a resident of the coast since 4/1/1898. I have served on the MMBWIA, assisting in getting us to the point of having our own water & sewer board. I have kept up, to some degree, with the issues around water, water rights and the improvements to date. I would look forward to serving the community as a member of the board. Thank you,
- B) Candidate Questionnaire; Each candidate will have one minute to answer each question. Each question will be answered by each candidate before the next question is asked. The candidates will rotate who answers each question first to avoid having the same person be the first to answer each question:
- 1) Are you a registered voter living in the MWSD. How long have you lived within the District? Yes, Since 4/1/1989.
 - 2) Who are the stakeholders for sewer service? Trash? Water? Are they the same or different each service? Trash is provided by Recology. Water & Sewer are provided by the Sanitary District.
 - 3) What is your position on MWSD acquiring additional land for watershed protection and future water needs? Why or why not? I believe the MWSD may want to look into options, including what may be the path of least resistance while maintaining its independence. While obtaining both the land and the water rights may be the best alternative, if obtaining the water rights alone is more economical, easier & quicker to obtain and can still secure water for the community with assurance of the quality of the water, it should be considered.
 - 4) What is your position on district consolidation on the coast? Why or why not? No consolidation. We have different needs than Half Moon Bay. I would not want our future supply of water be tied to the needs of the resident that do not live in our community, or who did not share in the cost of obtaining the water. In addition, I would not want to take the chance of pressure from the County to use the water consolidation to pursue combining the unincorporated county into Half Moon Bay.
 - 5) What is your position on rate increases? While rate increases are necessary, they should be kept to a minimum and the users should be informed well in



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
December 5, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:31 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Financial Advisor Alex Handlers
District Accountant, Peter Medina
Ahmad Gharaibeh, Eide Bailly LLP
Lara Egbeola-Martial, SRT
Quanxin (Nina) Mao, SRT

PRESIDENT'S STATEMENT –

Director Slater-Carter thanked staff and the general manager for decorating the tree outside with lights, and the community for their cheerful decorations. It makes December a pleasant time to be driving around after dark. It also hasn't rained much. In going through some old papers, she found a notice from Cal Am in the summer of 2002, a *Stage 5 Water Alert*, instructing residents not to use water; and residents could only do certain water tasks on certain days. It brought back

memories as to why they were sitting there on the Montara Water and Sanitary District Board. She said she will bring in the notices and possibly frame them and put a history wall up for people to remember what this community went through.

ORAL COMMENTS

Gregg Dieguez, Montara Resident: I want to request that the Board authorize participation in the study being done by the American Water Works Association. It has to do specifically with the aging infrastructure in Public Works. The first phase of this study is specifically the pipes. I will forward you the email from the analyst there... The advantage to the District is to get the benchmark data that shows performance and conditions of agencies throughout the country. I hope it won't take much time for staff to fill out the inventory of pipes and the data they request. The point it will make going forward is it will give the District a basis for justifying things like the rate increases. In the last version of their study, in 2008, if I recall correctly, they forecasted a tripling of water rates because of age infrastructure deficiencies, and my math on the last study shows that the pipes alone is a three trillion-dollar problem nationally. Again, I am requesting the Board to authorize staff to participate in this study to get the benefits of the benchmark study and the findings which I think will support a lot of the work you are trying to do here to keep our infrastructure robust.

Director Slater-Carter commented that they have already spent approximately 15 million on pipe and pump replacements for the water system—maybe more.

General Manager Heldmaier: All together yes. It was eight million dollars in infrastructure from the Bond alone, and a good chunk, at least \$500,000 each year until recently. Recently, we dropped off a bit in spending money.

Director Slater-Carter said that if doesn't take too much time, they would be happy to participate.

Director Lohman: After attending some LAFCo conferences, we are in pretty good shape on the west West Coast. The Central Valley in California has humongous problems. We had an example near LA in which the residents were getting brown water, there were no water meters, hydrants, or accounting systems. They are talking about consolidation. There are districts that have 10-12 people off one well, and things are going bad. I hope they will be able to resolve their problems. But, here on the Coast, we are blessed to have a great water supply that we can maintain.

Director Slater-Carter thanked Mr. Dieguez for bringing that to their attention.

PUBLIC HEARING – None

CONSENT AGENDA

1. Approve Minutes for November 5, 2019
2. Approve Financial Statements for October 2019
3. Approve Warrants for December 1, 2019
4. SAM Flow Report for October 2019
5. Monthly Review of Current Investment Portfolio
6. Connection Permit Applications Received
7. Monthly Water Production Report for October 2019
8. Rain Report
9. Solar Energy Report
10. Monthly Public Agency Retirement Service Report for September 2019

General Manager Heldmaier reminded the Board that any item in the Consent Agenda could be pulled for discussion separately.

Director Boyd made a motion to approve the consent agenda and was seconded by Director Lohman. All were in favor and the motion passed unanimously 5-0

OLD BUSINESS –

1. Review and Possible Action Concerning Water Rate Study

General Manager Heldmaier: We talked about this a month ago, and there were some questions raised about the details about the future capital replacement needs that we focused on. We worked with SRT to look at how much money is needed for replacements on an annual basis. We have a short presentation from SRT, then we will discuss the major questions of how to structure the rate increase with Mr. Alex Handlers of Bartell Wells. Our staff recommendation is to receive the presentations, discuss, and direct staff further. We anticipate that this will come back to the Board once again.

Lara Egbeola-Martial, SRT: I will be providing a brief overview of the methodology that was used to assess the District's asset replacement needs. This analysis starts by compiling an inventory of all the assets of the water system and sorting them into main categories of types of assets. Once we have a solid asset inventory, we then want to estimate replacement costs for each of these assets to the best of our abilities based on the records available estimate year of installation. Then use industry standards, manufacturer's information and field experience to apply average service life to each type of asset... In talking about the water system, we are talking about a variety of types of assets; here we are talking about water storage tanks, ground water facilities, PVR stations, hydrants, etc. It can feel more manageable to replace valves, hydrants, but some of the larger ticket items, like storage tanks and treatment plants can require extensive planning and design. A lot of the assets that are considered here do have an average service of about 20-30 years, but that varies with the large variety of type of asset. At the end of this

stage of analysis we have a recommended replacement year for each asset and an estimate of replacement cost. Once we have that we are able to tally the replacement cost for any given year. This provides a basis for planning investments to maximize the efficiencies of the assets in the field. What this translates to for the Water System is to avoid any unexpected failures in the field which then require emergency repairs, disruptions in service, which would mean spending more money, rather than planning ahead and replacing that asset before it fails in the field. Another advantage is that it can help reduce maintenance costs in the sense that an overextended asset can become more expensive to maintain and operate than it actually needs to. And delaying the replacement of an asset can feel like a capital cost savings but sometimes the maintenance costs become higher than they need to be. Something to note is that any asset that was compiled in the asset inventory, based on its average service life, estimate year of installation, was due for replacement before today, is assumed to be up for replacement in year one of this analysis (year 2020). There is a deferred replacement of assets considered to happen in 2020. Once we've done this tally of replacement costs we can then estimate the annual investment required to stay on top of replacing those assets on time before they fail in the field. This presents three different timeline scenarios: a 20-year, 50 year, and 100 year, where we are looking at approximately two million dollars per year in annual investment on a 20-year timeline. When we look at the 50- and 100-year timeline, this is approximately 1.5 million dollars per year. This is where we see how the deferred replacement shows up more in the first 20 years, because the deferred replacement that comes up in 2020 is then diluted over a longer period of time when you are looking over 50 and 100 years. This graph shows the annual required cost to keep up with the aging assets. The blue bars are the tallied costs to replace assets as they reach their end of life, and the purple bars are the annualized investments required to make sure money is kept aside so the funds are there when the larger ticket items come up. So obviously, some years have smaller investments, especially for facilities like storage tanks, water treatment plants, and water mains add up in terms of replacement costs.

Director Harvey asked Lara to explain the disproportional height of the blue bars in years 2025 and 2028.

Lara Egbeola-Martial, SRT: Year 2028 is that very large peak. This where we have the Alta Vista Tank One and the rehabilitation of the Alta Vista treatment plant. We see a lot of peaks and valleys in this graph, and realistically the implementation of this where some large projects end up falling on the same year, in reality the implementation would most likely have these projects be staggered along a few years for ease of implementation. So overall, this graph shows the extent of the assets that need to be replaced in the next 20 years, and it highlights the need to plan ahead. In terms of those peaks in 2028, it includes the replacement of the Alta Vista Tank One, and the Alta Vista Treatment Plant. If you were to plan for the replacement of the Alta Vista Tank One in 2029 instead of 2028, this peak would

look less intimidating. These are the direct results of what the analysis gives us in theory when we are looking at installation and average service life.

Director Slater-Carter asked for confirmation that the purple lines are what we are building towards our reserves and the blue lines are when we expend them on major expenditures.

Lara confirmed it was correct.

Gregg Dieguez asked if these costs are 2019 dollars, or present value constant dollars and not future actual costs.

General Manager Heldmaier wanted to point out that MWSD is not looking at building reserves but putting money "in the ground." However, in the case of the larger expenditures that will cost several million dollars, that is when we will have to build up funds to be able to spend them.

Director Boyd said that it is designated funds, a savings account for that item.

District Financial Advisor Alex Handlers reminded that the graph assumes an annual investment of two million dollars, which is the long-term norm. You won't be building up one cent of reserves if you are starting at a lower level of funding. You can see the first bar, there is already 2.5 million dollars of already deferred projects that are overdue for replacement. You already have the needs. If you were going to be funding, for example, \$500,000 per year to start off, you already have a lot of projects that you will be spending on, so you are not going to be accruing funds for something that is happening 10 or 20 years down the line. There probably won't be a big amount of cash sitting there. Maybe at some point in the future there will be, but for the near term, you are going to be, as Clemens mentioned "pay as you go."

Lara Egbeola-Martial, SRT: The year 2025 includes the replacement of the water mains, and PRV stations. That is where that peak is. In year 2031, we have the replacement of the Portola Tank, and the rehabilitation of the Pillar Ridge treatment plant that comes in. And we have one of these peaks being the Schoolhouse pump station, including replacement of water mains. Once again, the reality of implementation of these, half of them can be installed over a few years.

Director Boyd: It is to give us a rough estimate over time the kinds of expense that we might be looking at. They are not specific planning numbers. This based on what we have in the ground, as we expect it to wear out, this is spreading the replacement out over the years. This is not an actual plan of what we are going to do. In 2020, there is a list of things by some criteria have reached end of useful life. Have we actually examined those items in the ground to see if they are actually at their end of useful life, or is this based on a book exercise on age of the items?

Lara Egbeola-Martial, SRT: A little of both, in the sense that you were saying the exercise helps to visualize the extent of the assets and have in our minds the larger items that are coming up and are going to need a significant amount of funds that require planning ahead. In the 2020 deferred replacement, this includes some ground water wells and PRV stations which need rehabilitation and are at risk.

Director Boyd: I understand that...I am going to presume that the items to the left of this graph are things that SRT and staff have already been keeping a careful eye on, and these are things that would show up in the CIP. We were already planning to do maintenance on these things. I would hate to dig something up having already spent a lot of money on it, and find that it is doing well and didn't need it. I presume, based on all the practice with SRT that there is a lot of examination of the stuff that is coming up, and we are putting things at the top of the list that we know. I do need to understand how much of this is the strict book exercise based on acquisition date and data and putting it in service, and how much of this is informed by on-the-ground knowledge of individual items.

General Manager Heldmaier reminded the Board that this is not related to any capital improvement program. From that angle, it is a "book exercise." On the other hand, they understand their facilities. The theoretical life that is applied is just the theoretical life. We have a tank that is 100 years old. On the other hand, a generator sitting out here, could rust out in the ocean air much faster than we anticipate. There is a lot of theory that goes into this. This exercise is really to explain why are we looking at a financial need, what is this financial need, and it has to be a theoretical approach to come up with this number. MWSD looks at the Alta Vista tank in real numbers, because we know what that facility looks like right now and we don't have to put an artificial life to it.

Director Boyd said that he wants to make sure that we have a group understanding of what we are looking at. We know in 2025 we have to spend 4.5 million dollars that year. Over the next few years we have an idea to take care the proper care of the system we are going to have a run rate—if we are not spending it, we will fall behind, and taking on more risk a failure. This has happened at SAM.

Director Harvey asked if it would be possible to have a graph produced going to the left showing what the costs have been—where we have been.

District Financial Advisor Alex Handlers said it would be a good idea, so you can see historically, what you have been investing in.

Director Boyd said it would also be great to show the source of funds for those. So, if we had any grants, or other things you can break that down, because as we look at this if we don't get help, it will end up coming out of the communities' pockets. If we do get help, one thing he wants to point to is that they have had some success in getting some grant money, which is great for this community.

Carlyle Young, Moss Beach resident asked if the “backwards” graph shows a spike can they include an explanation of what the issue was.

Director Slater-Carter said they can include footnotes.

General Manager said that will be the tanks that are the large issues.

Director Slater-Carter stated that they had a member of the community in the recent past that stated the economies of scale and so on and how much better it would be to consolidate with the District next door. She wants to point out that the graph shows in-district costs that will not go away. On the chart, there is an annual replacement cost and a present value of renewal. And what it shows on the far right is that if we did it today it would cost a lot less than if we did it 2031. Things get more expensive. These are all projects that need to be done to keep the water system for Montara and Moss Beach operating efficiently. And if we defer it, and something happens, costs go way up, and they still have to be paid.

Director Boyd: The replacement costs are those projected as the expected future replacement costs of each item based on how far in the future, we would not have to buy it. So, if we know if a tank will cost a million dollars today, just with the cost of construction index, we can inflate that out if we wait twenty years. Did we do it that way, or did we use present replacement?

Lara Egbeola-Martial, SRT: We tallied the replacement costs for every year that would come up and calculated the present value of renewal that is shown on here using the customer price index as inflation rate.

General Manager Heldmaier: This is just the replacement of infrastructure. This shows the Districts need for money for putting money in the ground on this basis alone. This is on-going operations and maintenance.

Director Boyd: this will be on top of what we have to spend to keep things working.

General Manager Heldmaier: This is replacement costs. Anything new or unexpected would not be included.

Director Boyd stated that there will always be a surprise; something always breaks.

District Financial Adviser, Alex Handlers: You can see the magnitude of the funding needs, of about 2 million per year, and the District’s current rate revenues generate approximately 1.9 million dollars years annually. So, to jump to that funding level of the two million in the next year, it requires a doubling of rates. Your current rates only general a small amount for capital, so if you were to fund the full two million, you would practically have to double your rates.

A lot of time agencies don't want to do that, so that is why it takes a few iterations. And that is why I want to talk about some options. So, it is a huge funding need. Other agencies in the Bay Area are aware of the tidal wave of replacement needs coming down the line, and have been trying to slowly ratchet up the rates each year for replacement funding. Historically in the past the way a lot of the projects have been funded is through debt service. When you did the GO Bonds to acquire the water system, a chunk of that money was also generated to do the initial repairs and get the system up to reasonable operating condition, and you got a state revolving fund loans, IBank loans, GO Bond money that helped contribute to the big chunks toward the projects you have done in the last 15-20 years.

I think it is a great idea to make that chart looking backwards to see what have we been funding, how have we been funding it. As Lara pointed out, there is a two million dollar a year funding need on average going forward to stay on top of this stuff. It doesn't mean in year 2025 you have to spend 4.5 million and another 3 years another 6 million. These costs will be spread over a number of years, you will prioritize what you are going to do. And it has also been brought up that it is also a theoretical exercise as what is a typical useful life. As Clemens pointed out, you have some items that lasts longer than the annual engineer estimate of what their lifespan will be. It's a little flexible how you can fund the program. But the important thing is you have to generate a higher level of revenue stream to start funding these projects. Our take is that you don't need to get there overnight; you don't have to start generating 2 million out of the gate next year. You can start lower—this is a big hurdle to put in for the rate payers. Anything is better than nothing. I see from working with a lot of agencies, when they are looking at big challenges and it is hard to solve it all right away. If you can take significant steps in the right direction, and continually build upon it, eventually you will get to where you need to go. You won't get all the dollars year one but you will eventually get to a higher funding level and that is being proposed for this Water System Reliability Charge—a new funding source to provide a stream of funding to help fund these projects, separate from the regular rates. The regular rates would continue funding operations, debt service. They contribute a little towards capital, but this new charge would really be the funding source for the repairs and replacements you are going to need over time to address deficiencies and repair old assets. Last time we talked about some billing charge methods, one of them being proposed was putting it on the property tax rolls and it sounded like folks thought that was a good idea. At this meeting, there are a few issues that we want to get additional input on, now that we heard this before and thought about it a little bit more, to get your input for coming up with the details of what the actual charge would look like....this would be a new charge, called the Water System Reliability Charge, the draft name working with the finance committee, separate from the regular rates. The regular rates would be continued to be billed every other month, but each year on the property tax roll, there would be a charge that specifically is used for funding these major replacements needed over time, and these facilities benefit all the properties out there, so it seems appropriate that the properties would pay for them—not necessarily the tenant; this is what is protecting the property values of all the homes. This is a new charge, separate from the regular rates, specifically to

provide a dedicated funding source for these capital replacements. We want to get input on how should the details of this new charge work? How are we going to charge single family homes, commercial customers? A fixed charge, or usage-based charge? That is what we want to get some Board input on, your preferences, because we want to come back with some specific charges next time we come back to the Board. I have some sample charges in this presentation. One way we had talked about it with staff and the Finance Committee, it could be a fixed charge in which every single-family home pays the same. Most of your customers are single-family homes. Another option was a hybrid charge, with partly a fixed charge, and partly a usage-based charge. Each you can look back and see how much water the customer has used over the prior year and that would be the basis for the usage component similar to what you do for your sewer rates. For commercial it could be a fixed charged, based on meter size, or a partial fixed charge, and a partial volumetric charge. What does the Board, at this initial stage, think for the preferred method specifically how it should be implemented? So those are some of the questions we need input on. What level of funding does the Board want to go out with the first step in implementing these charges. I have a sample number of \$500,000. No, that is not the full two million per year hypothetically needed over time, but that is a big step in the right direction in establishing a charge on the books at a level that might be more politically palatable to folks. I'll point out nine years hence forth, the GO Bonds that everyone is paying for on their property taxes will reach final maturity and fall away. So, that may be an opportunity where there could be a bump up in funding to replace the money that is going away with the GO Bond—it might be an equal replacement, or just a little bit more... We came up with some sample charges; they are ball park estimates that will give you a sense of what it would look like. This first one assumes the 50-50 hybrid rate, where half the revenue would be generated through fixed charges, and the other half of charges would be generated from volumetric water quantity charges based on peoples' water usage from the prior year. Each column shows a different funding target. For example, on the left, there is the target level of \$500,000 per year, then a million, 1.5, and 2 million per year...that would go on the County tax roll. From the Finance committee, this seems like the preferred preliminary approach. To generate 2 million, it would have to be four times that size. At the bottom of this table in the yellow section, if the commercial rates were based on meter size, similar to how you do your current rates, what the monthly equivalent would be for the various meter sizes. So, by the time you get to the 4" meter, it is about 14-15 times that of the base meter. So, the larger meters would pay more just as they do with the current rates. This is to see what the impact would be on a monthly basis, but the charge would be an annual charge collected on the property tax roll. So, to generate \$500,000, if it were the fixed charge it would be approximately \$275-280 dollars per year, if a volumetric charge about \$140 per year + \$2 usage charge per unit of water. And obviously, the rates go higher when you want to generate more revenue. So that is the key issues we wanted to get any input. Sometimes it takes a few times to hash through this stuff. It is a new charge with a significant impact on the rate payers. We would like to hear any general input. What level to fund might the Board want to look at for an

actual charge when we come back next time? Is it \$500,000, which is a step in the right direction? Then in future years, you can review, and elevate as needed. How would charges be implemented? Right now, do you want to do an initial charge, or maybe you can adopt a maximum or multi-year phase in? The billing could be on-going bills or do it on the property tax roll. It sounded like a little bit of consensus on putting it on the tax rolls-I want to confirm that. And any input that folks have regarding how the charge should be applied. Should it be a fixed charge each year, should there be a fixed and volumetric component based on peoples' usage? For commercial, it could parallel what is happening with the residential side, with a half-fixed charge, and half volumetric charge. And then there were a few details there. What do you do with Pillar Ridge, which serve a whole bunch of residential connections served by a single 4" meter, and those with fire service protection. If they are paying a fixed charge, might it be half that, or if it is a hybrid charge, maybe they could pay just the fixed charge and zero on the usage component or should they pay less?

Director Slater-Carter: What about people on wells who will not have any of these charges, and if they have to come back in? How do we account for these charges in our new rates, in our new connection fees? If we just kept our regular rate schedule, and we are putting all this money in, at some point we will be analyzing the effect of these improvements on the buy-in charge. Is it possible that we can anticipate those charges in the connection charges?

District Financial Advisor, Alex Handlers: Yes, you can include a factor in the capacity charge levied to all the new connections. If they don't connect for ten years but the District is making a lot of investments that benefits that property, there could be a way to factor that in.

General Manager Heldmaier: I would like to add a little bit to what Alex is saying, because I think this is the most important part of the presentation. The target level of funding is going to be a difficult decision. My recommendation is to focus the Board and public discussion on the how should the charges be applied. This is the first step that we need to address here right now. The listing—single family, multi-family, mobile homes, ADUs. Should a single-family home with a second dwelling unit pay a little larger contribution to this charge? What about the commercial accounts? Should there be a different classification for commercial accounts? Alex also explained the situation with Pillar Ridge. They are currently paying a volumetric charge as any other customer. But the meter stand-by charge—the fixed component of our regular water rates—they are paying for a 4" meter, they are not paying per unit. They are not paying 226 5/8" meter charges, instead paying one charge for 4" meter, which Alex explained is roughly equivalent to 14-15 5/8" meters (single family home size). It is the same with the fire protection service. We have a combination of varying scenarios. We have homes that don't have a domestic connection, but have a fire sprinkler connection. We have homes that have two connections, one domestic and one fire sprinkler, and that in varying meter sizes, for example. Before we start this discussion, I want to highlight this, to

guide the discussion towards this point. I also want to point out that all of these questions are somewhat addressed already through a meter size, meaning that a single-family home that is on a 5/8" meter adding an accessory dwelling unit is required to upsize the meter to a 3/4" meter. A commercial account will have a larger meter size.

Carlyle Young, Moss Beach resident asked if this new charge takes into consideration the resulting burden from the Sewer Authority lawsuit.

General Manager Heldmaier replied that only the water side is being considered.

Director Slater-Carter stated that Half Moon Bay lawsuit is an expensive burden because the repairs were not done. If we are responsible and fix our water system, it will be burdensome, but not nearly as burdensome if we have a major breakdown. There is a problem with whatever choice you make. A choice must be made, and this is a stark example of the difference between burdens of deferred maintenance (fines, emergency repairs, etc.) or planned maintenance.

Carlyle Young: I did see on Alex's slides, *Existing Deficiencies*, what would those be? Also, I am in favor of keeping it low in the beginning, and not putting it on the property tax.

Lara Egbeola-Martial, SRT: The existing deficiencies are the different maintenance that happened over the years, such as valves that weren't replaced, hydrants and water mains that need to be replaced and other assets that should have been replaced but hasn't.

General Manager Heldmaier stated that there will also be something similar on the sewer side. MWSD has been authorized to do a sewer rate study, and something should be brought to the Board in January or February. So, we will be looking at this process and the sewer service process concurrently.

Director Boyd reminded people that much of the infrastructure for both the sewer and water systems were paid for by federal funds. One might wonder, "how did we get into this mess?" where stuff is wearing out, and we don't have enough to replace it, because we never had the money to build it in the first place. So we took on the responsibility for this thing, grateful for the funding that got it built, but sooner or later, you are going to have to replace it...As we go forward, the technologies for these things have changed, so we might be able to things for a lower cost, or for the same amount of money get a lot more done... Part of what we have to do is try to get set for what we expect to happen, keep a sharp eye, and apply really good management as we go to get the most for what we are doing. We've also had to defer replacement and increased maintenance and monitoring. We do have to look at the big run rate. If nothing happens, this is what it is going to cost.

Gregg Dieguez, Montara: I'm pleased to see the new title of the report, and I would like to use the work "replenishment" instead of "replacement," because it gives a good emotional context to this. What we are seeing here is a methodology like the AWWA guidelines for capital reserves. The thing that is missing is that it does not show a forecast of what the reserves would be under each rate scenario. And one of the key decision criteria I think the Board faces is "how much will we have in reserve, if we do funding level X, Y, Z? I think this needs to be done. Also, when you are doing this analysis I would recommend against consideration of any growth. I would let it be good news later if growth actually pays for itself. Why put something in the forecast something that may not come true and create more pressure later. I would do a sustainable rate based on current population usage. One of the questions you might ask is "what level of reserves do we need?" there are extensive documents out there on the nature of types of different reserves, one of which is capital. The AWWA has a good document on this. If you don't use a document like that how else are you going to decide what level of reserves is accurate? One measure is "do we have enough to fund what we need to build? And then there is an emergency reserve, and various other kinds of reserves. Another reserve is used for fluxuations in cash flow which is one reason I would vote for fixed only charges for this asset replenishment fee. From my background in finance, what I see is too much volatility in the revenue from rates, the capital expenditures are not volatile—they are relatively predictable and steady. You have an extra risk as a financial institution here, in that you have too much volatility in your revenues and not enough volatility in your expenses. You can't cut back the expenses because people cut back usage. I would also bill tax rolls; that avoids cash flow issues as well as an administrative headache. I would also recommend a massive increase in connection fees which needs to be studied. I don't understand how you can set rates without considering connection fees, unless all your forecasts are going to exclude connection fees and their forecasts. If you are going to exclude connection fees in the revenue forecast then you can exclude rethinking for the basis for the connection fee. But if you don't, you can't. The other thing, is the payback from the sewer reserves, from the loan that was made to the water reserves. It has been said that the loan previously went the other direction. This really raises the issue of the adequacy of capital reserves for both water and sewer, which should be studied at the same time because you are going to be moving money back and forth, how can you not look at what happens to the sewer when you don't pay the loan back.

That might require some simplistic assumptions in the beginning about what the sewer rates are going to be, or maybe you update both when you do the sewer study. I note that the answer that came out this time is 1.9 million in annual funding, last time it was a 1.8 million over 5 years for a total of 7 million for capital expenses. I'm curious why the first 5 years of this chart only show 2.8 million in capital expenditures versus the 7 million in expenditures in the last draft, and I would like to know what has been removed and why. As far as discounts in rates for certain populations, a discount for someone is a surcharge for someone else. I think we need to study carefully, and I remember Lisa Ketchum here talking about Pillar Ridge situation. For any rate payer class that you are going to consider a

discount you need to have a worksheet that shows the capital replenishment requirements for that infrastructure. In the case of Pillar Ridge for example, they contributed infrastructure. So, we need an analysis like this analysis, if it doesn't already include it, that their assets are all in good shape and don't need any more money for them for a long time, which can then justify giving them a break or not. I will also note on the graph that they showed, I am familiar with present value, but you are going to be paying for capital expenditures in future dollars, and we rate-payers are going to be paying the rates with future dollars, so you also need a spreadsheet or graph that shows the then current dollars, and not all 2019. We are not going to be locked into paying 2019 rates for the next 20 years. We are going to be paying something—I am guessing—but you are probably going to end up indexing those rates for inflation to cover the then indexed future costs of the capital improvements. That is an assumption on my part, but I don't think it is an unreasonable one. It doesn't have to be an assumption by just doing a spreadsheet in nominal dollars, which is to say future dollars, and you can resolve this issue and see whether or not things are going to work. Finally, the missing key issue which has been discussed in passing is "what are decision criteria that the Board is going to use to make this decision?" The first item, I think is, the adequacy of the annual reserves under each rate scenario, as mentioned before. You have to project those reserves, because one of the things the Board has to consider is if that is enough reserves. Separately, the dollar and percentage rate increase to the rate-payers under each scenario needs to be considered. There is a lot of numbers on this table, and it is very complicated, so maybe you have to pick a few sample populations and say "sample family of 4, consumption of X", their rates over time have gone up this much, single retired person, their rates are going to go up this much. You have to do something to assess what is going to happen to the rate-payers in order to make this decision. Another thing that should be done is a comparison of the rates projected to those in other water Districts for comparably consumption under each rate scenario. So, it shows how we compare with rates of other Districts. There is also the probability of significant disgruntlement in the rate payer base and Alex has been cautioning us about this. You will have to think about as a Board about the rate payer disgruntlement, putting your hat on as a rate-payer and a fiduciary to decide what you think is required. There is a possibility of third-party intervention in the District under some scenarios. There was the grand jury report, for instance. Reserves that are too high trigger investigations by people who claim that stuff is going on that is financially improper. There could be the issue of consolidation, forced on Districts that don't have enough reserves and inadequate financial situations. Those are the first four decision criteria that come to my mind.

Carlyle Young, Moss Beach resident asked if the big proposed projects—Mid-Pen and Big Wave are also considered in the numbers. They will be big projects.

Director Slater-Carter said this is only a short 218 notice that they are sending out. These things aren't going to be coming out for the next year or even the next two

years. She also said that they have done water rate comparisons in the past, and said that even if they tripled their water rates, it would be lower than over the hill.

Gregg Dieguez, Montara resident replied that he was recommending a communication strategy which revisits that, and if true, they should say it again.

Director Boyd said that all the wall of numbers might not be received well by the community... Some people like all the data, others only want to see what affects them. It's being mindful of the audience and conveying what we can. It is that very reason that I mentioned the Federal funding to get things built in the first place. It is understanding that context that helps us to understand that where we are now... We need to figure out what do we want to do to get started on this. The key thing is how do we want to present structuring it? Let's think about these different use cases, and if we have different scenarios, have something to back it up. In regards to Pillar Ridge, a lot of economic work was done in negotiating with them to take on that responsibility. And we did account for a lot of what had been put in the ground as a contributing factor to justify the rate structure that was put in place. So, we got a lot to rely on there.

Carlyle Young, Moss Beach resident said that Gregg had a good point in getting ahead of the grumble factor.

Director Slater-Carter pointed out that the Board has always tried to be fair. She understood it was going to be tough for all of us. In reference to Gregg's point on the stability of our rate increases, we have seen the projections by basing our operations on water rates, and consumption values instead of meter charges. That is part of the problem, that we are in now, is that people reduce their water use and therefore projections for income were not realized. So, being fair will be the most important thing. She referred to the newsletter included in the General Manager report sent out with the billing statements.

Lou Wall made a correction. He said that federal money paid for the sewer system. MWSD bought the water system.

Director Lohman stated he was in favor of the hybrid charge, combining the flat rate, and volumetric charge. This rewards people for being frugal. He said this should be for everyone (commercial, Pillar Ridge, fire connections, new connections).

Director Dekker stated that he favored putting the charge on the property tax roll, which is the easiest collection. But had reservations for people who can't afford it. Rates that tie into usage are justified. He liked striving for the 1.5 million target, but realized they needed more community input to decide. He stressed the importance of doing this now, without delay. He felt that if something breaks down, MWSD would be in trouble and subject to penalties.

Director Harvey agreed with Director Lohman in reference to the hybrid charge, and also stressed the need to do it soon. He inquired about the timeline.

General Manager Heldmaier said that they need time for the Prop 218 notice before everything can go on the property tax roll, and that deadline is in August. Something similar will happen on the sewer side, and will have a concurrent timeline to it. So, it makes sense to do it all at once. He stressed that with this new water system reliability charge, it is important to understand how this rate is structured before they can talk about the funding level and implementation.

Director Dekker stated that it would help when they get that extension into the past to see what was done in the past. This will provide some guidance as to what are we going to change and how big are we going to change our former attitude? Historically speaking, people have accepted what they were doing, and if they get a grip on what people were okay with, then it will be a better input from the community.

Director Boyd: We know that we have been collecting about 1.9 million per year and have been spending on the CIP at a rate that has been well under, for the most part. We've done some large episodic things where we have done some savings. Where we have reserves and saving for specific projects, that is one thing. But the typical reserve funds are there for emergency reserves to handle a crisis or so many days of difficulty with cash flow. Those are the things that reserves are for. The designated reserves, where we are saving for projects needs to be done based on the project schedule. So, we should be identifying the things... We can have a generalize list that we are saving for the list that we saw, but I would expect to have a 5-year projection, the 5-year CIP. We are going to say these are things are targeted, because day over day, working with our engineers here is the list of things that we really have to do next. We are going to time order them, and if there are two big projects that we can't possibly do in the same year, we will allocate these to the calendar and make sure that we have enough funds to pay for them. It would be great to have a steady state, always pulling in 2 million a year and just pull what we need, but there is an activity of planning, saving, and tracking, which is an on-going activity. It is not a one-time activity. Putting it on the tax roll makes it easier for people who work with the banks. Some people put their home loan and tax bill into the structure of the home loan. It should be something that would be easy to anticipate, the amount needed, depending on how we structure it. If we have the usage factor in there, it would be more like guessing on the sewer bill than the school bond tax. I see a real benefit in putting it on the tax roll. It is something much easier to have a conversation with your bank about how you want to managing your money. I appreciate the notion of a ramp where we move up, but I want to reiterate that I want to keep a regular discuss of where they could find other money—grants, low interest loans—things that we always do, but it should be part of this discussion, as well as efficiencies or changes in technology that might get us something. A lot of that is “as we go” and not something that we are going to have figured out by January. But if we keep in mind the structure, we

will be looking for opportunities to fill in the various pieces. For what the community can bear, the 1.9 million is what we have been able to bear. And all of this funding, for the most part, is on top of that. So, the past performance of what we know, different years we have had proposals for different size increases and the response from the public, has led us as a general practice, be very conservative about the increases we put into effect. It may not feel like that to someone looking at their bill, but to this Board, we have been asking staff and Mother Nature to do what we can to squeeze more life out of this system. There does come a time, when we have to spend. I'm in support of finding how far we can go in the first year, and then looking to the future. We know that the two million is the number that would take care of it all, but that is the number that we could have if we could have it magically without any consequences. But it is the real world, and that is why we need to keep the back pressure on it, and that is why I talk about new technologies, checking conditions of things in the ground and how it relates to the life expectancy on the spec sheet, and what to expect. All of that stuff is back pressure and we have crew, engineers, staff who know how to make these assessments... So, 2028 when the GO Bond ends, we know the run rate the community has been supportive of, we know that we asked for a fixed period of time, and there will be a discussion with people saying "you said it will end in 2028" but in terms of what the community has been able to muster. I would like to see a tool, where we can see, for example \$500,000 this year, \$600,000 next year, \$700,000 next and start "peanut buttering" the projects across the years to come, and see what years according to that schedule do we go in the red and start doing the actual constraint solving, and see how much of a jam do we get ourselves into if we do that. But I don't want to jump to the 2 million either. I want to make sure that we are solving it, not just taking a magic wand to it.

Director Dekker: I am looking at the big picture. Problems are going to come to us in terms of sewage and water. If we have a big surprise coming from sewer than that \$500,000, we were previously able to get from sewer to water, that situation could be reversed. And if that would be reversed, we could get into cash flow problems.

Director Boyd: we have to plan this. What we are talking about right now is an understanding of capital needs for the system if we are going to take care of fully funding depreciation. We have stuff that is wearing out, and we are trying to take into account what it is going to cost to keep up with it at the rate it is wearing out. We have to consider this as a water system problem. The sewer system we are doing the same thing. We are at the same table, so we are going to think about it. So, we need to work into the model, do we put in our plan of record that money is going to flow one way or the other, between the two.

Director Slater-Carter: One of things I think we should start thinking about is maybe funding this with a GO Bond, starting in 2029. Clearly, we figure what the rates are going to be. One of the things I like about the GO Bond, is everyone in the District pays for it. I don't have sewer, and I am on a well. I should probably

make a donation to the District. That said, people that have been living here a long time, tend to be low income, living on social security, have lower valued homes than people that have bought a new 3-million-dollar home on the edge of the ocean. It is fairness in terms of the ability to contribute to the system. When we did the first GO Bond, the folks that have lived here the longest, were paying into a bad water system and spending days without water, and all kinds of terrible things. They were paying in their own way too. I would like to have this idea in the mix, and kept in the mix as a point of discussion.

Lou Wall made a correction that the GO Bond that we all paid into and finally paid off was before we bought Citizens, was for the sewer not the water. Citizens did not have the community to approve their rate increases; they had the PUC approve their rates. And it wasn't until we ran out of water in some of these fire hydrants that we were able to convince the PUC that there was a problem. When we bought out the system in 2003, we bought out everything they owned.

Director Lohman: Another reason I like long term bonds or loans, in general is that some of the infrastructure we are putting in is good for 20,30,40 years and I don't think that all has to be borne by the current residents. If you have a long-term payment plan, that pushes payments into the future, for future people moving into the area who will benefit from all the work the current people do. I think that is fair.

Director Slater-Carter said they have some good ideas and referred to the sheet Gregg Dieguez handed out. She asked if enough direction was given to Alex and General Manager Heldmaier.

General Manager Heldmaier recommended that it be reviewed by the Finance Committee one more time so that they could get more focus on the structure.

District Financial Advisor Alex Handlers said it was a good idea. He said he heard that a hybrid charge is preferable, to help folks that are using less water. He said they can run a few scenarios by the Finance Committee, as to the breakdown. Is it going to be 50/50 or 2/3 and get some input in what your preference might be, and get a honing for what is going to come back to the Board.

General Manager Heldmaier said that should be done before the January 16th meeting—probably early January.

NEW BUSINESS

1. Review and Possible Action Concerning Receipt of Fiscal Year 2018-2019 Audit.

General Manager Heldmaier: We received the audit ending June 30, 2019. We have Ahmad Gharaibeh here to present the audit and Peter Medina is also to answer any questions in reference to MWSD financial questions. This is a receipt of

the audit, so the recommendation is for the Board to acknowledged receipt of the annual audit for the period ending June 30, 2019, and direct the General Manager to send a copy to the County of San Mateo, State Controller, Standard and Poor's, post on the District website, and make copies on file available to the public.

Ahmad Gharaibeh, Eide Bailly: I am the Partner in charge of the audit for the District. The scope of the audit is to ensure that the financial statements are fairly stated. It is a process that is usually split into two or three phases. We come in here in an interim phase and look at the controls as it relates to financial transactions, process receipts, billing, disbursements. We come back final and it is a process of confirming the balances the audit reported on the financial statements and at the end we issue an opinion on the fair presentation of the financial statements. I'm pleased to let you know it was a clean opinion. We had no exception with respect to the audit and no adjustments. The management has been very helpful in facilitating that process. In common with local governments over the past 3 or 4 years, all local governments are now required to report what is called a Pension Liability. The pension liability reflects an amount you owe to your employees after they retire throughout the pension benefit period. In the past it was reported if you make the required contribution which is a kind of smoothing of the payment of that pension payment, it wasn't reported there as a liability. The accounting standards have changed. So, some of the comments were about some of the assumptions and the dating of the information. I know there were some comments made with respect to some of the numbers were taken as of 2017 or 2018. The reason behind that is most of these pension plans whether it is CALPERs or in your case, PARS is that it has to be audited. I cannot rely on numbers given to me by somebody else. I have to get those number audited by someone else. So, the Accounting Standards Board allows the back-dating process, by which these numbers are basically 2018 numbers but are reflected on the 2019 just to smooth out the logistics behind reflecting these numbers in there. Some of them are 2017, some 2018. One of the most sensitive subjects we see with our clients is when calculating that pension liability, there is a discount rate. What you do is take the future expected payments based on life expectancy and you discount them to today's dollars. The discounting process effectively is 6.5%, which is very conservative; 7.5% is the most liberal were. CALPERs, which has about 5000 employers participating in the pension plans uses 7.15% I believe. So, your rates are more conservative than others. This will answer some of these questions with respect to the discount rate. It is not the current discount rate, bond rates, or investment rates, because you are not going to pay those pension liabilities tomorrow. It is based on life expectancy. It could take up to 60 years until these pension liabilities are paid. And if you look at the stock market performance over the past 30-40 years it has averaged 8-9%. So, that is how the assumptions are derived. It is in common with assumptions of almost all local governments in the United States pretty much follow the same types of assumptions with respect to pensions. One item that is over and above the audit is a letter that we typically send out with the audit that tells you what our responsibility is—what the scope of the audit is, which is the numbers you see on the financial statement are real numbers. We call out your attention in there that there are

estimates in there, and actual results may vary. You just never know what is going to happen. The sentence referencing a note to the financial statement which specifically talks about the estimates of the pension, I think we made an error in there. We called it note 7 as opposed to note 8. It is a letter and can be corrected, and we will send a revised letter.

Director Dekker: in your letter you say “the effectiveness of the District’s internal control is not included,” and also “the compliance is not included.” Have you done audits where you do a check of the effectiveness of the District’s internal controls?

Ahmad Gharaibeh, Eide Bailly: Yes, the audit standards out there have various types of audits opinions, and the main thing we are doing here is when the District is telling us this how much reserves we have and this is how much cash we have that is the main scope of the audit, to ensure that these numbers that are reported to you is accurate. Our job is not to opine. The opinion is on the fair presentation of the financial statements. We are not contracted to audit the internal control. However, our audit standards require us to look at how you accumulate that information, including billing, payroll, contract vendor related expenses. So, we did look at the internal controls, and are required to report any significant deficiencies in the internal controls and we noted none. Did we opine on that internal control? Was that our objective in performing this audit? It was not. Our objective was to make sure that these financial statements are fairly stated. And we did look at it. The letter states that we did not opine on the internal controls, we opined on the financial statements.

Gregg Dieguez, Montara resident: My concern about the dates of the actuarial evaluation in reference date on the pension liability. If I understand your explanation, you downstream in workflow from other agencies auditing themselves, even though it is two years back. My hope was since we have to pay for an actuary evaluation every year. Why not get it current? Why not do 2019 right now? That would be more conservative than other agencies out there. Everybody takes advantage of the two-year delay because it shows less of a problem. Is it possible to speed up or not?

Ahmad Gharaibeh, Eide Bailly: the pension liability is a nap, which is payments that you are expected to pay minus investment balances. I believe it is located with PARS. My audit standards tell me you have to tell PARS to get your share audited—and it is an independent auditor regulated by the Board of Accountancy that opines on the actual investment balance that is deducted from that pension. The logistics behind that, if you look at CALPERs or any of those and these things take a while. Frankly, I have never booked a liability not as of current of today’s date. But with respect to pension the Accounting Standards Board (Governmental Accounting Board) did give that exemption in which you can back-date a year or two, so that all these logistics are resolved because the information is not here. It is with PARS and I can’t rely on what PARS is saying, so I would have to get PARS to get their auditors to opine on their financial statements. That is why the back-dating

was created, only for pension. It never happens before. It is the first time that GATBSY allows this to happen. It is because the logistics are hard to get it as of today's date because there are so many participants out there.

Gregg Dieguez, Montara residents: on the rates of return, you see the same thing at San Mateo County. When I looked at their financials, they have a billion dollars in unfunded pension liability, broken down in four buckets so it is hard to see. If you look at the sensitivity analysis, they are a real liability because they are assuming 7.15% blended rate across several funds. Their real liability is somewhere between 3 and 5 billion, and that is two years out of date. So, everybody wants to not report current. We are in the favorable position of being positive. So, I was thinking, why not catch up now while things are looking good. But if it is not a possibility, I can't ask for it. I would ask that those rates of return be considered because the math doesn't add up. It talks about a rate of inflation—I can't remember the rate—but it ends up yielding rates of 2.81% on cash investments when even the Schwab money market fund which includes CDs are only 1.55%. So, the rates in our statements are unrealistic. If you were to say the rate of inflation added to those real rates of return, we are not going to get that kind of yield. So, I think that is going to take some continued attention and just for reference while those are point in time rates, they also match the ten-year rates that San Mateo County is using, so they are not way out of whack. Pay attention to those rates of return, because they are not realistic.

Director Harvey: Are those CALPERs funded liabilities included in this report?

Ahmad Gharaibeh, Eide Bailly: They are not.

District Account Peter Medina: I believe you are discussing is the 457 plan. That is administered through CALPERs. The pension plan is a defined contribution plan. It is a plan the District participates in but it is not DV plan, meaning that over the long term the employee will not be receiving a pension over their lifetime. Our CALPERs 457 plan is a defined contribution plan which the District contributes 7% of the employees' gross wages to that plan, but it is not a defined benefit plan. A defined benefit plan is a pension plan, all the contributions put in by the District is paid out to the employee over a period of time.

Gregg Dieguez: Another way of saying that is there is no risk with a defined contribution plan, so there is not note to the financial statements requiring disclosure.

District Account Peter Medina: We have a disclosure in there, but it states that we administer this plan for the employees.

Ahmad Gharaibeh, Eide Bailly: it is similar to a 401K for municipalities. To add the pension liability total, and we are talking about a couple of million in reserves over there. With respect to this District it is not significant. I believe it is \$90,000 dollars,

and it is not a big number in relation to the other numbers reported on the financial statements.

District Accountant Peter Medina: I was going to say, the District has had an opportunity to reduce contribution rates, and you guys have chosen not to. For a while a lot of municipalities were getting in trouble, because they did reduce rates when times were good, and now they find themselves in a 3 billion-dollar holes. The District's plan is still in its infancy (less than 5 years old), but they are doing a pretty good job not going into the negative.

Director Slater-Carter acknowledged receipt of the annual audit for the period ending June 30, 2019, and directed the General Manager to send a copy to the County of San Mateo, State Controller, Standard and Poor's, post on the District website, and make copies on file available to the public.

2. Review and Possible Action Concerning UC Davis Bodega Marine Center Permit for Scientific Ocean Current Monitoring Project.

General Manager Heldmaier stated that we have been hosting a high definition radar unit used for scientific research out here at the office on the property down below at the ocean front here at the bluffs. Our units are part of similar radar unit system that are installed around San Francisco Bay and around the California Coastline. These radar units monitor ocean currents in real time, helping to understand regional current patterns and is also used by the California Coast Guard in search and rescue missions. This was originally installed by the Romberg Tiburon Center, and the responsibility has been handed to the Bodega Marine Center. They are asking to extend the current agreement for 5 years. The recommendation is to adopt the resolution of the Montara Water and Sanitary approving and authorizing execution of permit for scientific ocean current monitoring.

Director Lohman made a motion to adopt the resolution of the Montara Water and Sanitary District approving and authorizing execution of permit for scientific ocean current monitoring, and Director Boyd seconded the motion. The motion passes unanimously 5 -0.

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

General Manager Heldmaier: this is the fourth Special Recognition Award from ACWA JPIA. We changed over to ACWA JPIA in 2013 and it has helped us quite a bit. At the time we had an issue with the Workers Comp rate due to claims made in the years prior. These claims are "marks" that remain for 3 years. We were able to reduce the losses, and I feel that it has to do something with ACWA JPIA, because they are actively working with us than the prior provider. They are subsection of the Association of California Water Agencies, and our experience modification factor,

which determines what we pay, dropped from 2.12 to 0.85 in 2019. In comparison, in 2012, we spent \$62,400 dollars in workers compensation insurance and in 2019 the payments were \$15,419 dollars.

All the Directors congratulated the General Manager and staff and thanked the General Manager for his good work.

4. Review and Possible Action Concerning Cancellation of Regular Scheduled meeting for January 2, 2020.

General Manager Heldmaier said the January 3rd is canceled for certain, and the meeting for December 19th is also cancelled, unless something comes up.

REPORTS

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

Director Slater-Carter: there is a meeting on Monday. We have an agenda item to promote Keshin to General Manager of SAM, and that will be agendaized for the meeting on Monday. In reference to the consultant, Half Moon Bay wants to pay him month-to-month with the option to stop paying him at any time. It seems a bit fool hearty when he has presented a long list of things that need to happen, and Half Moon Bay is unwilling to spend the money. The consultant cost is the result of a lot of things that weren't taken care of in the past. And some problems, if not dealt with, get far more expensive.

2. Mid-Coast Community Council Meeting (Slater-Carter) – none

3. CSDA Report (Lohman) – nothing

4. LAFCo Report (Lohman) – nothing

5. Attorney's Report (Fitzgerald) – nothing

6. Directors' Report – nothing

7. General Manager's Report (Heldmaier) –

Director Slater-Carter complimented General Manager Heldmaier on the mailer put in with the billing statement are really great.

General Manager Heldmaier said that this insert will be sent to all customers, and he hopes to send a brief newsletter on a regular basis with each bill.

FUTURE AGENDAS

Carlyle Young inquired about the food waste pick-up and Recology.

Director Slater-Carter said that Board decided there will be a change in State law requiring us to do that combined service, and it can wait until then. She invited Carlyle Young to do something on composting.

BRIEF RECESS

REGULAR MEETING ENDED at 9:50 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 16th, January 2020

Signed _____
President

Comments on Water Rate Study Draft - Old Business #1

0. Pleased to see the new title for this report - suggest Asset REPLENISHMENT Assessment instead. Glad to see consideration of the 2018 AWWA guidelines for capital reserves in this analysis.

1. Don't assume growth, let it be Good News later, if growth actually pays for itself. And history tells us it does NOT.

2. Show capital reserve balances each year under each rate scenario in order to assess whether funding sufficient.

3. Use AWWA standards for capital reserves as metric for adequacy - how else decide the level of capital funding these charges should generate?

4. Vote for FIXED only; too much imbalance between revenue volatility and expense volatility; unacceptable risk.

5. Bill via tax rolls

6. Need Massive increase in connection fees as part of asset replenishment funding - restudy THAT. How can you set rates without reconsidering that?

7. Payback of loan from sewer? Why not assess adequacy of capital reserves for BOTH water and sewer at same time? Requires study of both reserve classes for capital funding as well as sufficiency of all other reserves in place compared to MWSD policy and industry practice.

8. Why are the five years of annual replacement cost ~ \$2.8 mil vs. the ~ \$7 mil shown in the last draft? What has been removed and why?

9. Study carefully before granting discounts: the infrastructure provided by, and required for, each ratepayer class, and the capital replenishment requirements of that infrastructure. Note this applies especially to the services and equipment for Pillar Ridge. There should be a worksheet with financials and assumptions supporting any discount.

10. MISSING KEY ISSUE: Key decision criteria:

a. adequacy of annual reserves under each rate scenario

b. \$ and % rate increase to ratepayers under each rate scenario

c. comparison of rates to those in other water districts for comparable consumption under each rate scenario

d. probability of board being dismissed/turned out under each rate scenario

e. probability of 3rd party (e.g. regulator) action under each rate scenario

Questions on Financial Statements: New Business #1.

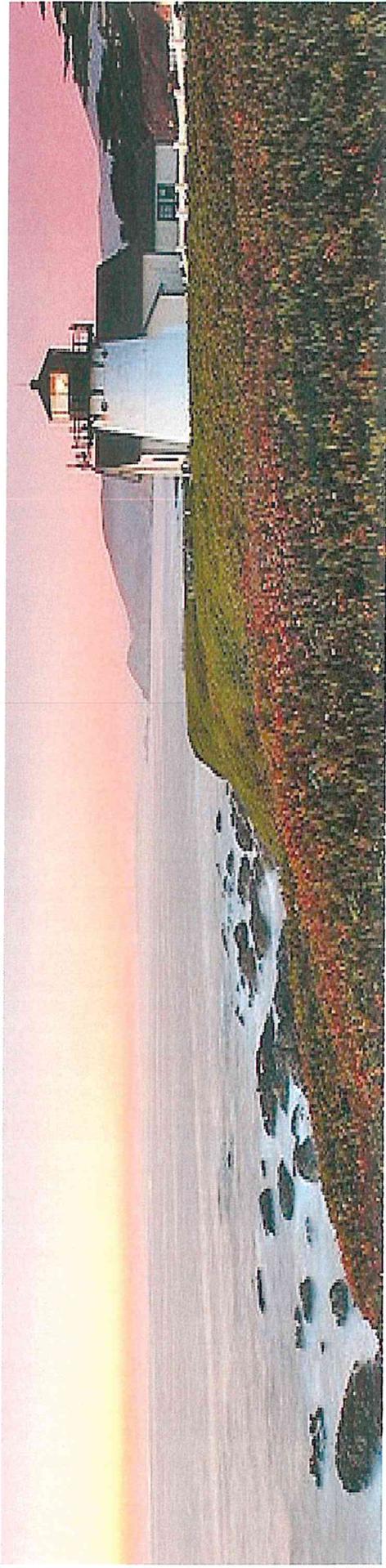
1. why 6/30/2017 actuarial valuation rather than current year, 2019?

2. Why measurement date of 6/30/2018 rather than current year, 2019?

3. Source for real rates of return? Seems unrealistic. If assumed inflation is added to the real rate of return on Cash, for example, the gross yield would be 2.81%, which far exceeds the current yield on money market funds of 1.55%.

4. Error/typo in audit firm's cover letter, which mentions Note 8 relating to district pension plan; it is note 7 - note 8 refers to insurance policies.

Gregg Dieguez - 12/5/19



Asset Replacement Assessment

Montara Water & Sanitary District Capital Improvement Program

December 5, 2019
Board Meeting



Categories of Assets

Above-Ground Assets and Underground Assets

- **Water Storage Tanks**
- **PRV Stations**
- **Hydrants**
- **Booster Pump Stations**
- **Service Meters**
- **Water Treatment Plants**
- **Groundwater Wells**
- **Generators**
- **Service Vehicles**
- **Pipelines**

Replacement Needs

- The recommended replacement year was calculated for all assets, based on the estimated year of installation and average service life of the specific asset
- Any asset that should have been replaced in the past is scheduled for replacement in 2020

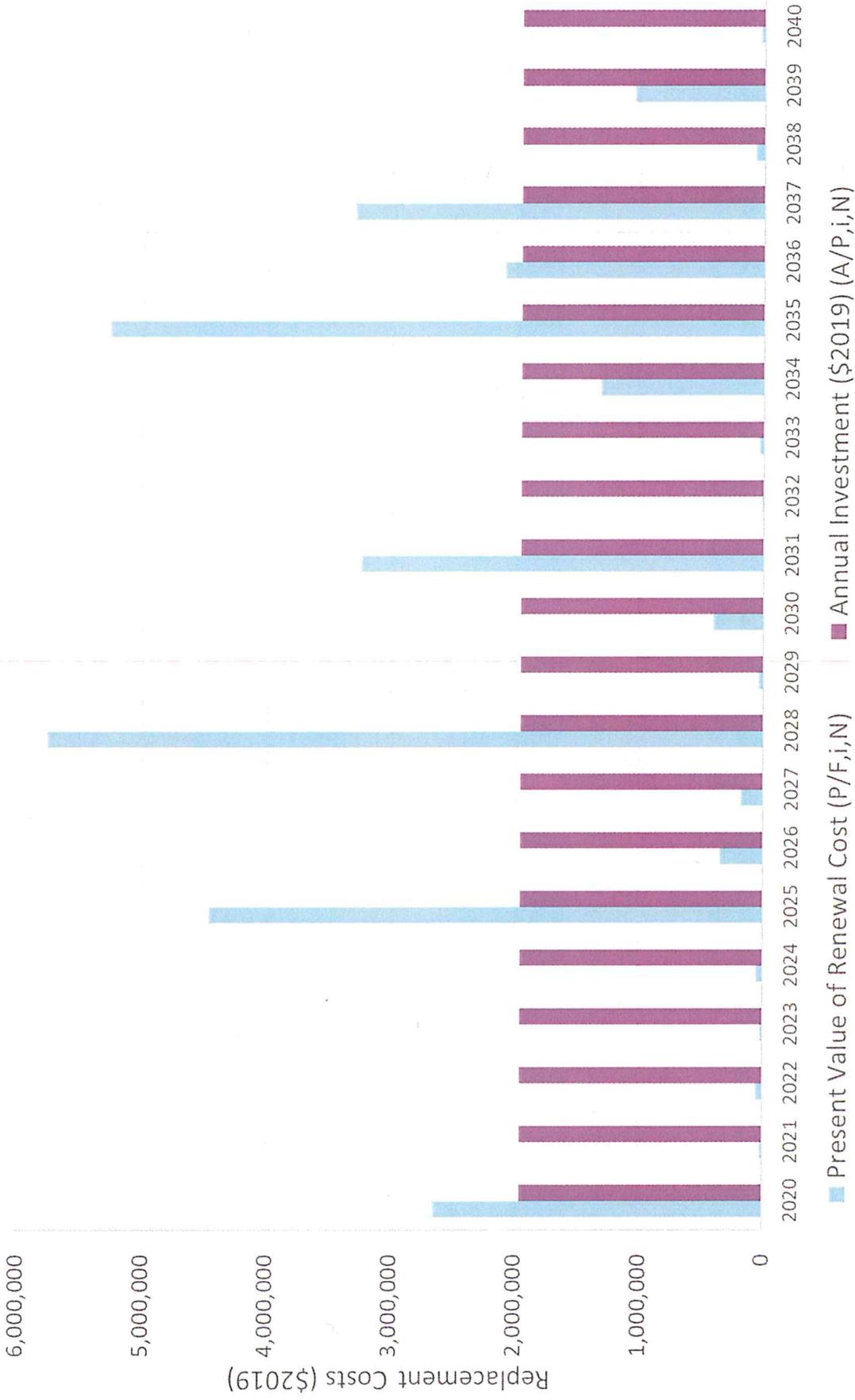
Year	Annual Replacement Cost	Present Value of Renewal Cost (P/F,i,N)
2020	2,647,750	2,647,750
2021	19,500	19,024
2022	59,500	56,633
2023	19,500	18,108
2024	59,500	53,904
2025	5,047,648	4,461,385
2026	403,000	347,506
2027	213,000	179,189
2028	7,019,500	5,761,231
2029	53,000	42,439
2030	526,000	410,910
2031	4,253,000	3,241,402
2032	13,000	9,666
2033	53,000	38,447
2034	1,863,000	1,318,496
2035	7,633,527	5,270,688
2036	3,103,000	2,090,258
2037	5,023,000	3,301,091
2038	113,000	72,452
2039	1,673,000	1,046,508
2040	50,000	30,514

Asset Replacement Program Summary

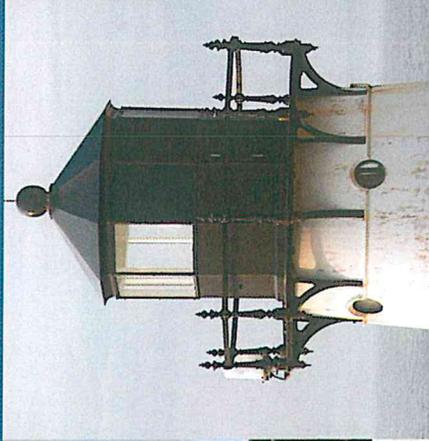
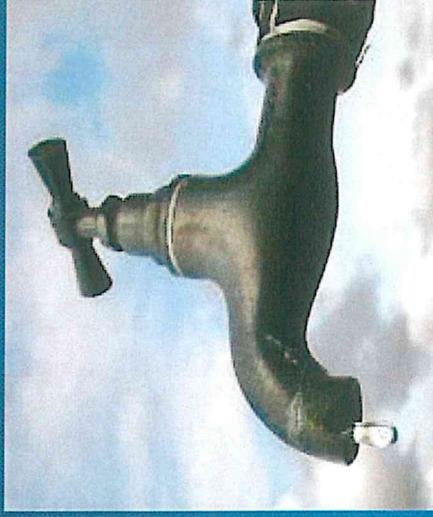
Timeline	Time Period (Years)	Total Present Value Replacement Costs (P/F,i,N)	Annual Investment (\$2019) (A/P,i,N)
2020 - 2040	20	30,417,599	1,951,202
2020 - 2070	50	43,455,294	1,532,149
2020 - 2120	100	55,912,041	1,539,794

With $i=2.5\%$

Annual Replacement Costs



Montara Water & Sanitary District



Water System Reliability Charges

December 5, 2019



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Replacement Funding Needs

- Updated engineering analysis identifies substantial increase in funding needs for infrastructure replacement over next 20 years
 - Average annual funding need of roughly \$2.0 million per year over next 20 years
 - Long-term funding needs of roughly \$1.5 million per year over next 50-100 years
- Substantial revenue increase needed to fund long-term capital needs
 - In Fiscal Year 2018/19, rates supported less than \$100,000 for capital
 - Water rates currently generate approximately \$1.9 million per year in rate revenues
- Historically, District relied on debt financing to fund major capital needs
- Other regional agencies are facing similar challenges with aging infrastructure & need to increase funding for replacements

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



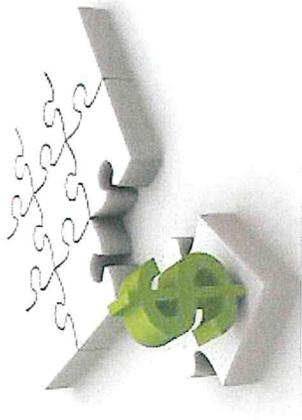
Billing Method

- 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
- 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



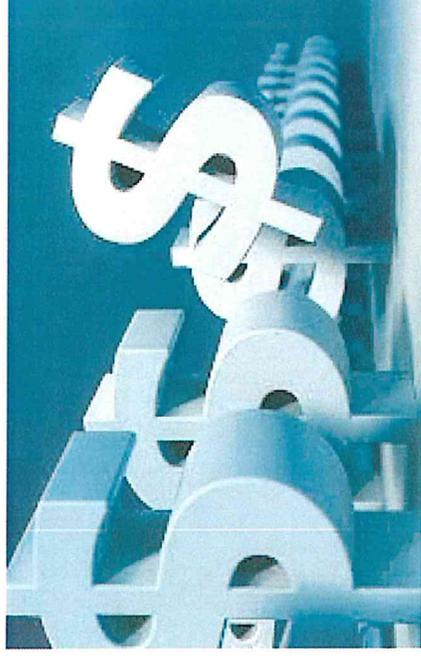
Charge Alternatives

- **Single Family Residential**
 - Fixed charge per single family home or hybrid fixed & usage-based rates
 - e.g. 50% fixed rates + 50% usage-based rates (based on prior year water use)
 - Or fixed charges based on meter size (similar to regular water rates)
- **Commercial/Non-Residential**
 - Fixed charge based on meter size (or other factor) or hybrid fixed & usage-based rates
- **Other**
 - Potential reduced fixed charge per unit for multi-family, mobile homes, ADUs
 - Potential reduced fixed charges for customers with private fire protection service only



Funding Levels & Implementation

- Target funding level from new charges
 - e.g. Start with target of generating \$500,000 per year
- Potential to phase in charges in future years
 - 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 + Usage Charges

EXAMPLE HYBRID CHARGES: 50% FIXED & 50% VOLUMETRIC RATE RECOVERY				
Annual CIP Funding Target	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
Volumetric Funding %	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
Projected Usage Charges (Based on Prior Year Water Use)				
Usage Charge (per ccf)	\$2.08	\$4.17	\$6.25	\$8.33
Fixed Charge Funding %	50%	50%	50%	50%
Estimated Total Billing Units	1,850	1,850	1,850	1,850
Projected Fixed Monthly Charges				
Single Family Home	\$11.58	\$23.15	\$34.72	\$46.30
Multi-Family, Mobile Home Unit, ADU	8.69	17.36	26.04	34.73
Commercial/Non-Residential				
Meter Size	Charge Ratio			
5/8" x 3/4"	1.00			
3/4"	1.10			
1"	1.40			
1-1/2"	1.80			
2"	2.90			
3"	11.00			
4"	14.00			
Total Annual Charges for a Single Family Home at Different Usage Levels				
	Monthly Use (ccf)			
Low	\$213.96	\$427.80	\$641.64	\$855.60
Average	273.96	547.80	821.64	1,095.60
Mod-High	338.96	677.80	1,016.64	1,355.60



Example of Fixed Charges

	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
Annual CIP Funding Target				
Estimated Total Billing Units <i>Assumes some growth</i>	1,800	1,800	1,800	1,800
Charge per Meter Equivalent				
Annual Charge	\$277.78	\$555.56	\$833.33	\$1,111.11
Monthly Equivalent	23.15	46.30	69.44	92.59
Projected Fixed Monthly Charges				
Single Family Home	\$23.15	\$46.30	\$69.44	\$92.59
Multi-Family, Mobile Home Unit, ADU	17.36	34.73	52.08	69.44
Commercial/Non-Residential				
<u>Meter Size</u>				
5/8" x 3/4"	\$23.15	\$46.30	\$69.44	\$92.59
3/4"	25.47	50.93	76.38	101.85
1"	32.41	64.82	97.22	129.63
1-1/2"	41.67	83.34	124.99	166.66
2"	67.14	134.27	201.38	268.51
3"	254.65	509.30	763.84	1,018.49
4"	324.10	648.20	972.16	1,296.26

Key Issues for Board Input

➤ **What target level of funding should charges generate?**

- e.g. \$500,000 per year or other amount

➤ **How should charges be implemented?**

- Adopt initial charge and re-evaluate in future years

➤ **Billing via property tax rolls (confirm)**

➤ **How should charges be applied?**

Per meter size or per unit

- Single family
- Multi-family, mobile homes, ADUs
- Commercial
- Pillar Ridge
- Fire protection service only



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: Discuss concepts for new charge
- Dec 5 Board Meeting: Updated asset replacement cost assessment, Review charge options & provide input for fee development
- 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 & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
December 19, 2019

MINUTES

REGULAR SESSION BEGAN AT 7:31 p.m.

CALL TO ORDER

ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
Dan Child, Wastewater Management Specialist
Kishen Prathivadi, General Manager of Sewer Authority Mid-Coastside (SAM)

PRESIDENT'S STATEMENT –

Director Slater-Carter: Merry Christmas everyone! We had over an inch of rain yesterday. Keep your fingers crossed for more.

ORAL COMMENTS

General Manager Heldmaier gave special thanks to Judy Gromm, former District Clerk, for bringing her signature special assortment of holiday cookies to share with the Board.

All the directors were very appreciative.

Director Lohman informed the audience that at midnight tonight the last edition of Star Wars is launched. Politically, sometimes he feels we have our own dark forces to compete against and he hoped our Montara and Moss Beach communities, “may the good force be with you.”

Director Slater-Carter said that she heard about efforts in the community to consolidate Montara with Coastside County Water District, turn the Sewer Authority Mid-Coastside (SAM) into a single sewer agency, and have District elections for Montara to Half Moon Bay City. This has also been mentioned at the SAM Board meetings in the past by a SAM Board representative from Half Moon Bay. She urged people to think about how much we have paid for our District both for water and sewer, how valuable our independence is, and advised everyone to keep their ears open.

Director Lohman said “Liberty is eternal vigilance.”

PUBLIC HEARING – None

CONSENT AGENDA

OLD BUSINESS –

NEW BUSINESS-

1. Review and Possible Action Concerning Wastewater Management Specialist Sewer Authority Mid-Coastside Planning Level Cost Evaluation.

Director Slater-Carter: I will introduce Dan Child, Wastewater Management Specialist Child and Kishen Prathivadi, General Manager of SAM Prathivadi. Kishen Prathivadi is the new general manager at SAM, and they are working on planning level evaluations. This is a broad range of numbers on what it will take just to fix the plant at SAM. I invited them to come to make this presentation to the public and the Board, as I feel it important that we stay fully informed on the costs that are coming to us. It is important for the public to be aware of this. We are going to end up paying for it, and if we don't do this work, we are going to be paying even more because having to fix things under emergency situations is very expensive, and then there are the fines the regulatory agencies impose. That is what happened when one of the member agencies at SAM stymied the repairs on the Intertie pipeline system. We are going to be paying for that. You will be seeing the result of that in the sewer rate study. I want everyone in the community to be aware of what is going to be happening because of this.

General Manager Heldmaier: We received a little more detail in what Dan Child, Wastewater Management Specialist is presenting today from Kishen Prathivadi,

General Manager of SAM, and this is all covered in Dan Child, Wastewater Management Specialist's presentation.

Dan Child, Wastewater Management Specialist Child: As Kathryn stated, I was asked to evaluate the capital improvement needs for the treatment plant and all of SAM ultimately. The treatment plant seems to be the biggest place where we need to identify what needs to be done in the next few years to be able to maintain treatment of the wastewater generated in the area. As you know there is a discharge permit, and the treatment plant acts as the final safety net to ensure that the water being discharged to the ocean is cleaned to the standard that people can swim in the ocean and it doesn't cause a problem out there with the pollutant factor so fish and wildlife can remain in their natural habitat. Next slide. This is a Planning Level Evaluation and its associated costs looking at meeting the needs for the next 20 years. The next step is to develop a true 5-year capital improvement program, and my recommendation is also to look at a 10-year capital improvement outlook to be able to see what is coming and update those both every year so you continuously know things that are coming. Wastewater treatment plants are notorious for corrosion. The atmosphere that is generated by sewer gases is very corrosive, and on top of that, in SAM's case you are in a very strong marine salt water layer, so you get a double whammy when it comes to the corrosion. SAM's treatment plant was upgraded 20 years ago, which is a typical life cycle. It was built in the 1970s, upgraded in the late 1990s, and now we are almost in year 2020. It's pretty common. However, there are some things that are in very bad shape. There are no process upgrades. We are not expanding the capacity, increasing capacity, addressing recycled water. This work is purely taking care of the deferred maintenance that needs to be caught up with to keep the facilities running as they are intended to. Also, at this point there is no scheduling. We have not looked at "can we implement this in 5 years, 10 years?" My guess is somewhere in-between. We need to get a handle on how much costs we are looking at and the impact on your rates the next few years. There are several areas that we identified as we went through this. One was influent flow monitoring. Right now, the agency uses what is called a parshall flume, and they are a good indicator, if they have a constant flow going through them and it is within the range they are designed. If you fall out of the range on the high or low side, you lose accuracy. You are also using what are called magnetic meters (mag meters) for the pump stations for both El Granada and Montara. They take the number from the parshall flume, subtract what happens at these two pump stations, and determine what the other flow is coming from Half Moon Bay. All those have multiple errors associated with them—it is not a very accurate method of doing it. I talked about the sewer gas corrosion. The headworks, the barscreens, and the washer compactor are reaching the end of their useful life, and on top of that, the barscreens that are there are a safety hazard for the people that maintain them. There is a potential for the barscreen to actually fall on them. That's mitigated by as much safety as possible, but there is always a chance that part of the screen could fall on them. The primary clarifiers and the raw sludge handling systems are just showing their age. They are at a point where they need to be addressed. The

aeration basins: the basins themselves are relatively new, but it's the equipment in them—the aeration diffusers, typically has a lifespan of 5 years, possibly 7 years. Yours are 20 years old. It doesn't mean they can't put out air, but it means that they aren't efficient. The secondary clarifiers are another corrosion area, the bridges and the support structures are heavily corroded; the rotary thickener is new, but is sitting outside on a trailer and needs to be enclosed. One of our digesters is plugged up with what we call in the industry, rags (paper products—flushable wipes—which do not break down). The biosolids dewatering system is the second most stressed area in the treatment plant. It's had a lot of jerry rigged systems to keep it running, it's not operator friendly, and it is also 20 years old and reaching the end of its life. The electrical system is almost 40% of the cost of this estimate. There is a huge problem with corrosion of conduit of conductors, the generator is old and worn out, and when the power goes, there is a fear that the generator may not run. The transfer system is not up to code today. And on top of all these things, the electrical system is located in the lowest spot in the treatment plant, so it is prone to being flooded and having water run through it. The flammable storage building is a metal building that is heavily corroded and needs to be replaced. All the ventilators on top of the buildings of the treatment plant are corroded and the programmable logic controllers—the computers spread throughout the plant that run multiple pieces of equipment—the ones in your plant have not been supported by the manufacturer for the last ten years and the main source for spare parts is eBay. These are pictures of some of the corrosion. That top left one is actually an electric motor. How that thing are running I have no idea. Immediately underneath that is the support platform for that same motor. The one in the center is the base of a light post, and you can see the walls of some of the tunnels underneath the plant are cracked and have leakage coming through them. The guys got creative, and put up sections of rain gutter and a funnel to get the water over to a drain so it doesn't cause a safety hazard. On the electrical side, on the far left is a conduit box that is corroded away. The second from the left is the main conductors going through the plant go through this box. I talked to the electrician that does work on this plant, and he told me during the rainstorms it is literally a waterfall coming out of that box. The conduit out under the ground has corroded away so that water runs through the system. The next one over, the roof of the flammable storage building is gone, and the far right is the digester. The picture of the handrail anchored to the side is just pulling out from the structure. Now there are some good things. The RDT, the rotary drum thickener, is a new piece of equipment, and they bought a portable carport for it. The clarifiers at the treatment plant is operating well. The equipment there is functioning but it is reaching the end of its useful life. So, the cost assessment was developed as a range of costs. We tried to put together our estimate of costs. However, since we are at the planning level, we made a range of negative 30% to plus 50% which is pretty typical of what is done at this stage in evaluation, so we have an approximate idea of where we are going to be. It is useful for a gross budget evaluation. It is not a firm estimate at this point. We can get some tighter cost estimating once we put together a capital improvement program, get the designs done. Costs become more realistic once you do a bid opening and get a contractor

on board. Your final costs are only truly known once your project is complete. These are broad high-level estimates. Cost range for these projects ranges from 12 million dollars to 36 million dollars with no contingency. If anyone has ever remodeled anything or done this kind of work, you always run into stuff you don't expect. So, we recommend that you plan on a 25% contingency for the things you don't know...With the contingency, the range goes up to 15 million to 45 million. Based on my experience in dealing with this type of thing, I've recommended to the SAM Board that they plan on a budget of approximately 40 million dollars to address these items that we talked about. That really is the crux of the presentation that I've made to the SAM Board.

Director Slater-Carter: 40 million dollars over how many years?

Dan Child, Wastewater Management Specialist: Roughly five years; it may take seven or eight years. One thing that we have not done is are we capable of implementing that 40 million dollars' worth of work in five years or not. There has not been that evaluation at this point. However, I can't imagine taking more than five to eight at the most.

Gregg Dieguez, Montara resident: I read that this doesn't include the Intertie pipeline system.

Dan Child, Wastewater Management Specialist: That is correct.

Gregg Dieguez, Montara resident: At some point, can we have a discussion about why not? Does this budget include every asset that SAM owns except for the IPS related materials? Does it include every asset being aged and spread out over time, and an allowance for reserves for items that don't fall within the 20-year window, like certain pipes?

Dan Child, Wastewater Management Specialist: The only reason the Intertie wasn't looked at is because they are already doing a lot of work on the Intertie, and I just haven't had time to include it. The next phase is to look at the Intertie, the pump stations. The outfall was not addressed. Based on the most recent reports, the outfall is in very good shape and only needs some minor repairs that fall under maintenance. This is the treatment plant only.

Gregg Dieguez, Montara resident: Can we get, at some point, an estimate of what percentage of the total future capital replenishment has been covered by this and what hasn't? What forecasts have been made showing this level of expenditure and what happens to the reserves being held at SAM? Have you looked at the funding streams and compare them to the outlays?

Dan Child, Wastewater Management Specialist: There are no reserves at SAM to start with, and the purpose of getting this number out at this point is to help with the evaluations that are being made on rate setting at this point. I know the City of

Half Moon Bay and the Montara Water and Sewer District (MWSD) are looking at rate studies in the near future. So, they asked me to get them a ballpark of what this part is going to be first. Then we will move forward.

Gregg Dieguez, Montara resident: But it needs some projection over time, like we had at the water thing, of what the reserve levels are going to be, the cash flow in and out, and needs to have some estimate for the stuff that is not included. The American Water Works Association—which I realize is not sewer—recommends that you age every asset, project current replacement costs, the remaining life, and that amount per year, 1/Nth of that amount per year should be held in reserves. I would like to see, at some point, the rest of the financial planning. Because how are we going to set rates just because of this? For one thing, the uncertainty factor is %100 and it doesn't include a bunch of stuff. It's a start, but not enough to set rates on.

Dan Child, Wastewater Management Specialist: It is definitely a start, and a work in progress. Everything you just said needs to be developed over the next few months.

Gregg Dieguez, Montara resident: Can we have a task list that shows that for SAM or us or both?

Dan Child, Wastewater Management Specialist: Yes.

Director Slater-Carter: The reason I brought this is because we are at the very initial stages and this is why SAM has hired Mr. Child. He is like the ER physician and Kishen is the general practitioner. SAM is at the point where it needs emergency treatment. Dan will be making those lists and checking them twice, presenting them to the Boards. Thank you Kishen and Dan, for coming here tonight so more people in Montara and Moss Beach can be informed. I invite everyone to come to the SAM Board meetings or watch the videos. This is step one to raise peoples' awareness of what is going on and why. When we get to the rate setting part, this room will be full of people and they are all going to be upset. I want people to understand why we are here and what the rationale is. It is only fair.

Dan Child, Wastewater Management Specialist: We definitely need to do what you said--by equipment process by process, put a life expectancy on it and figure out how to fund it, going forward. And there is always the question, "do you charge now to create the reserves or create a partial reserve, borrow money, and all those things?" That will have to be policy decisions.

Director Slater-Carter inquired about a list of equipment with life expectancy and age of equipment started at SAM last year or the year before.

Kishen Prathivadi, General Manager of SAM: Two years back I had come to the Board and gave a presentation on the risk assessment of SAM, the impact it is going to have, useful life expectancy, etc.

Gregg Dieguez, Montara resident: As I recall, that was 40 million present value, 50 million with inflation over 20 years.

Kishen Prathivadi, General Manager of SAM: Precisely right. But most of the products we presented at that time has also been covered but now it is an accelerated rate because now we realize that it needs to be replaced asap.

General Manager Heldmaier: The 40 million that we looked at over a 20-year span, in the 20 year assessment, to be fair, there were IPS costs rolled in, and that is not what we are looking at right now. It's not an apples to apples comparison. The 40 million that we are currently looking at is deferred maintenance. On the water side, for example, we are trying to address deferred maintenance, but taking a different approach. We are trying to establish the amount of money we need to collect in any given year, to maintain the system on an on-going basis. Here it is a treatment plant, and more of a confined effort. We know we are at the end of useful life of many of these assets that were just listed, so this is something that can be collected through rates. But then we would need to know after 5,6,7,8 years to what level does SAM's capital needs drop. If we are looking at the sewer rates, we don't want to raise them for 5 years and lower them later. So, we want to find the right financing mechanism for this. It is a more consolidated effort to fix a bunch of stuff that wasn't fixed in recent years, now to get a reliable treatment plant. Wouldn't we want to think about SAM or the member agencies trying to borrow money or get a bond of some sort for this type of effort? Wouldn't that be the logical route?

Dan Child, Wastewater Management Specialist: That is obviously a policy decision to be made by the various Boards and owners. Typically, yes, that's exactly how you would progress. Trying to pay for this on a pay-as-you-go cash basis is going to result in huge increases that don't really make a lot of sense. On the other side of that is if you go pay-as-you-go right now, those of you sitting here today, pay for an asset that is going to last 20 years and the people that move here in the future get a free ride. There are pros and cons to both sides. It also costs more money, because you are paying interest on it when you borrow it.

Director Slater-Carter: The interest rate is very good right now.

Dan Child, Wastewater Management Specialist: The interest rate for this kind of work is generally less than 2.5%.

Director Slater-Carter: If inflation comes along with the national debt, the unpaid liabilities, and all of those things, from other government agencies 2.5% will be free money.

Gregg Dieguez, Montara resident: I was meaning to write about the issue of debt. Of course, it increases the total cost to the rate-payers. There does seem to be a roll, especially when there is a bulge in the near term, and as Clemens said, you don't want to raise rates for 5 years and try to lower them to try and smooth out the burden. The reason you don't have enough capital now is because the current users have been underpaying. They have starved the infrastructure for oxygen. So, it is not fair to say we are going to push this off to the kids because we have been getting away with low rates. It is another intergenerational equity issue. While I do understand the role of debt in smoothing cash flow and I do agree the rates are low, we have to consider the fact that one of the reasons we have to borrow is because we haven't been paying enough for years.

Director Boyd: I want to mention that a number of these things are things that the SAM Board has known about and attempted to work on for quite some time, for example the generator and electrical system. The generator being placed at the lowest point in the plant is just dumb. Whoever was the PE that put their seal on that should have their PE status examined. There is a tremendous risk for flooding, and if that happens the generator is out of commission, and the plant will be out of commission completely until something external is trucked in and that is going to be expensive. It's all something that we have known about. I want to highlight that our efforts to do something tangible about that started 12 years ago. There is one-member agency of SAM stopped it. We had some very good initial plans. It is going to cost more now than it would have cost then. But the work is all the more needed. I want to express some concern that after countless SAM Board meetings, I am really surprised by the condition of some things of the site. I'm surprised these things weren't brought to the attention of the Board. Many of them, like the corroded box housing some wires, we never had trouble getting that kind of money to go attend to that. Housings, motors, and other things, some of this you can prevent with just a regular dab of paint. So, I am very concerned by what looks to me like a regular inspection and touch up, regular simple mechanical physical maintenance which should be well within the scope of either the crew that we have (I'm not speaking to work load). This kind of stuff wasn't brought to the Board and should have been. I hope, in the work that you gentlemen are doing now, this becomes more regular reporting to the Board because some of these things are manifestly unsafe and need to be dealt with. Things like water coming through a box in the electrical housing when it rains is no small matter, and that should have been a Board item the first time it was noticed if someone wasn't able to plug that leak. I'm grateful that you are putting all this together, this is sound work. I really want to hear that along with this we are working on standards and practices in the plant for maintaining a safe physical plant that doesn't take undue corrosion for lack of basic maintenance. I know we don't have an electrician on staff but seeing wire nuts on the end exposed to the elements...if this is happening with the small items, I have no idea what was kept from the Board on the big items. You are capturing a lot this stuff—the generator, what is going on with the electrical—the Board knows about this. But we started paying attention to it after an incident. It's a

small plant. Someone skilled in treatment should be able to walk it in an hour and run a checklist and there should be a regular schedule for maintenance. And there should be some flexible for work we see ad hoc need. And there should be some budget for calling a painter, etc. I am also concerned about use of materials that corrode in a salt environment for construction of a plant. There should have been a bunch of plastic housings. I haven't heard of any kind of maintenance and operations guide provided by the firm that did the plant rebuild. I want to say we are looking at some projects here, and there shouldn't be any that doesn't come with a how to guide. If we spent 7 million dollars on a generator, part of the RFP needs to include an O&M guide. I don't know if Corollo left a manual, but if now I will re-visit it.

Director Slater-Carter: Since that plant was re-built 20 years ago, how many managers and interim managers have there been cycling through?

Director Boyd: No fewer than five.

Director Slater-Carter: And every time somebody goes through, things fall off the table. A lot of that is your maintenance checklist, your operations manuals, and routine thing like filing. As long as I have been on the Board, which has been a while, there was a question about labor. And when you spend all your time putting out fires, the little things get left, and that spec of rust turns into a dime size, and pretty soon you don't even see it.

Director Boyd: I'm going to point to one thing in particular. The arc flash on the busbar. Not only was the installation done incorrectly, I don't know why the City signed off on that electrical installation. They mounted it horizontally so it would hold water. And there is no regular inspection scheduled for it either and that costs us a fortune. Beyond that a hole this size in the copper busbar means that there was an arc flash large enough that it could have killed someone and that kind of condition should be impossible to set up in a plant that has daily inspections. The operational practices of the people on site need to reflect pride in their work which manifests in a clear and safe work environment. And that means you see something rusty; it doesn't stay rusty long. The busbar--I came along about the time Carollo was finishing up work on that plant. At the time, I didn't have an awareness that I have since developed, but that kind of thing happening on our watch is bad. We need a bit of a reset in our mentality about how we are attending to the thing. We trust that we have people there every day. And as a Board member you are showing me pictures that I haven't seen, and why is that? We need to fix that. I'm looking forward to seeing this in some kind of spreadsheet form with more detail.

2. Review and Possible Action Concerning Appointment of Board Officers and Committee Assignments for 2020.

General Manager Heldmaier: Every year we prepare a chart of assignments for the current calendar year and we had some changes through the year because Director Marshall was replaced, and some of the committees he was on, Ric substituted for some of those. This is reflected in the 2019 appointments, and there are open positions for the 2020 appointments. So, the recommendation is to appoint district officers and committee assignments for 2020.

Director Slater-Carter was appointed President of the Board.

Director Harvey was appointed as President Pro-tem.

Director Lohman was appointed Secretary.

Director Dekker was appointed as Treasurer.

Director Harvey was appointed Secretary pro-tem, and Director Boyd desired to be last in order to be Secretary pro-tem.

Agency Representatives

Director Slater-Carter and Director Lohman was appointed as SAM representatives with the alternates being Director Harvey, Director Boyd, and Director Dekker.

Director Lohman was appointed as the CSDA representative, with Director Boyd, Director Slater-Carter, Director Harvey, and Director Dekker being the alternates.

Director Lohman was appointed as the ACWA representative, and Director Dekker will be the alternate ACWA member.

General Manager Heldmaier explained that ACWA (Association of California Water Agencies) also includes ACWA Joint Powers Insurance Agency. It is two organizations under ACWA. He recommends that there be one representative for both agencies and one alternate.

Standing Committees

Director Dekker and Director Harvey were appointed for Budget and Finance.

Director Slater-Carter and Director Harvey were appointed on the Personnel Committee.

Ad Hoc Committees

Director Slater-Carter and Director Harvey were appointed on the Recycling Solid Waste committee.

Director Slater-Carter and Director Harvey were appointed on the Outreach/Newsletter committee.

Director Slater-Carter was appointed on the Legislative committee.

Director Lohman and Director Harvey were appointing for the Planning Public Works committee.

Director Slater-Carter said the Big Wave committee was not needed and was discontinued.

The connection fee committee was discontinued. It was decided that if the subject of the connection fees comes up, it should be handled by the Budget and Finance Committee.

Director Slater-Carter and Director Lohman were appointed on the Strategic Plan Progress committee, and Caltrans will be handled by this committee.

General Manager Heldmaier reminded the Board that they can establish a new ad hoc committee at any time.

All Directors were in agreement of the new appointments for 2020.

REPORTS

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

Director Lohman: The meeting was on December 9th. We kicked it off with a resolution commending Kevin Antonelli who retired after 30 years with SAM. The National Stewardess Action Council came in with a report. The wet-weather storage project has been completely re-launched with updated designs. Dan Child, Wastewater Management Specialist was there earlier, and they approved a step of money to keep him going for a while. They also approved the employment agreement with Kishen Prathivadi, as the new General Manager for SAM. They extended the legal contract through April, and our current legal counsel volunteered to help any future people coming in to provide some transition in the future.

Director Slater-Carter said at the Finance Committee meeting from today they talked about the update on the 2017-2018 audit. It will be done January 15th, then come to the Finance Committee, and the Board on Jan 27th for approval. She inquired if Quick Books was better than Tyler, and George, said the Tyler program allowed him to get the detail needed by the auditors. Sandra from Management Partners is coming in a couple times a week to work on the 2018-2019 audit prep. Kishen and George have been working with the agency managers on the reconciliation of the financial information from 2015. George said the reports on

this should never have been released, as 86% of the information in that report was incorrect. It is getting resolved. Hussein from Management Partners will be working with Kishen and Dan to start the prep on the budget. There will be a draft for the agencies in March, and it will be ready for adoption in May. There was a fair amount of discussion about the facilities work. It will be in the budget for the year after this year. They have engaged a PR person, Alison Kastama, and they talked about grants and bonds to finance the work that needs to be done at SAM. We had a long discussion, which was well received, by Debbie Ruddick and Barbara Dye about sea level rise and doing more of a distributed system of treatment plants rather than a centralized system with a lot of problematic piping. As long as they are looking at money issues, they should consider other alternatives. Half Moon Bay is re-doing its Local Coastal Program, and it is going to be putting in public utilities zone areas in various parts of the City. This may work quite well for them. She asked that we keep a distributed treatment system in mind....Debbie Ruddick mentioned the first sign of sea level rise will be salt water intrusion into the ground water before the waves actually start. Given how low Granada is, they may need to split and pump both directions or move east. One of the things Debbie brought up was a project called Pure Water Monterey Ground Water Replenishment program. It's just getting started now. We may want to follow-up on that. It would be useful if we are looking at more saltwater intrusion, as there are a lot of wells up and down the Coastside.

General Manager Heldmaier said it thought it was Pajaro Valley Water Agency.

Director Slater-Carter said if it was Pajaro Valley, they had a 7 mile inland salt water intrusion and was taking out all kinds of wells and it has been an environmental disaster. They are trying to remedy what was done with a lack of planning.

General Manager Heldmaier said they have a contact with that water agency and also use the same hydrologist and could probably get more information.

2. **Mid-Coast Community Council Meeting (Slater-Carter) - nothing**
3. **CSDA Report (Lohman) – nothing**
4. **LAFCo Report (Lohman) – nothing**
5. **Attorney's Report (Fitzgerald) – nothing**
6. **Directors' Report – nothing**
7. **General Manager's Report (Heldmaier)**

Director Slater-Carter thanked General Manager Heldmaier and Lou Wall for recording the history and development of MWSD. She suggesting also recording Quentin Copp too.

Gregg Dieguez, Montara resident asked if he could read the draft when available.

FUTURE AGENDAS

BRIEF RECESS

REGULAR MEETING ENDED at 8:47 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 16th, January 2020

Signed _____
President



"PLANNING LEVEL" WASTEWATER TREATMENT PLANT
CAPITAL IMPROVEMENT PROGRAM EVALUATION

WASTEWATER MANAGEMENT SPECIALISTS, LLC

DECEMBER 9, 2019

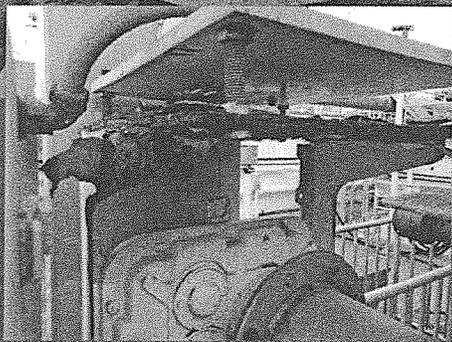
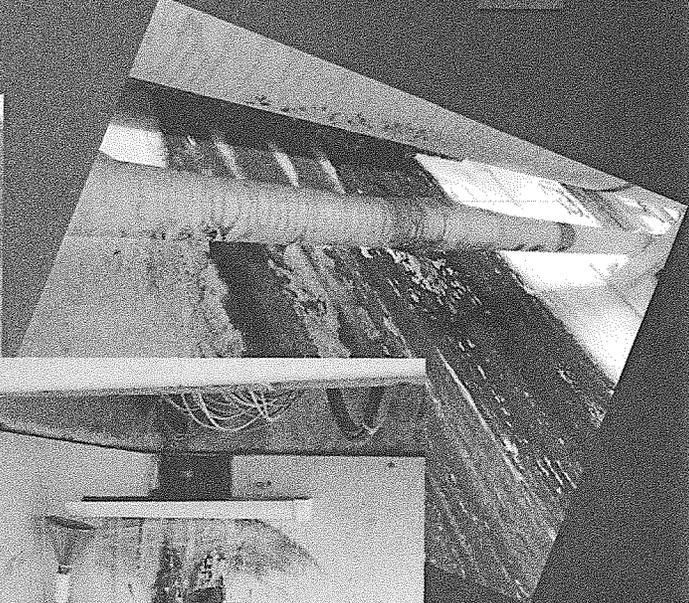
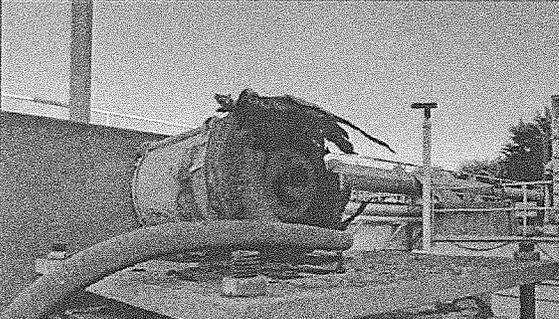
Sewer Authority Mid-Coastside

- ▶ Wastewater Treatment Plant Only Capital Improvement Program
- ▶ "Planning Level" Evaluation and Associated Costs
 - ▶ Evaluated to Meet Needs for 20 Years
- ▶ Next Step is 5-year Capital Improvement Program Development
 - ▶ Also Develop 10-Year Capital Improvement Outlook
 - ▶ Update both on an annual basis to maintain a rolling program
- ▶ Corrosion and Age are the major items the Treatment Plant is facing
- ▶ No Process Upgrades are included
- ▶ No Scheduling at this time - An Evaluation for Implementation is Needed

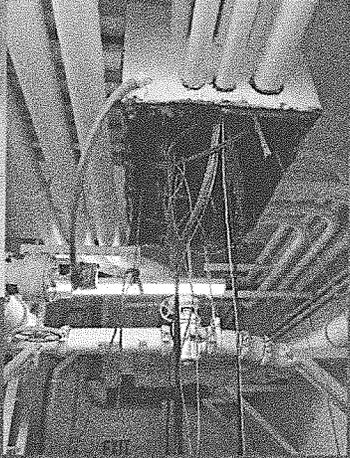
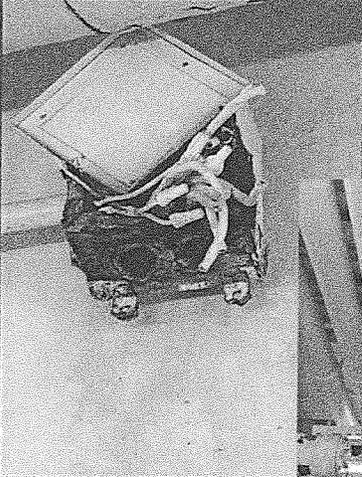
Sewer Authority Mid-Coastside

- ▶ Projects Areas Identified Include:
 - ▶ Member Agency/Influent Flow Monitoring
 - ▶ Sewer Gas Corrosion Control and Monitoring
 - ▶ Headworks – Barscreens and Washer Compactors
 - ▶ Primary Clarifiers/Raw Sludge Handling
 - ▶ Aeration Basins
 - ▶ Secondary Clarifiers
 - ▶ Rotary Drum Thickener
 - ▶ Digesters
 - ▶ Biosolids Dewatering
 - ▶ Electrical System
 - ▶ Flammables Storage Building
 - ▶ Building Ventilators
 - ▶ Programmable Logic Controllers

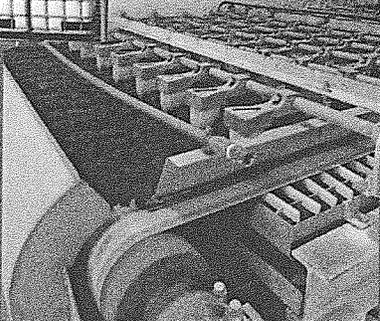
Sewer Authority Mid-Coastside



Sewer Authority Mid-Coastside



Sewer Authority Mid-Coastside



Sewer Authority Mid-Coastside

- ▶ Cost Estimate
 - ▶ Developed as a Range
 - ▶ Planning Level Costs are -30% to +50%
 - ▶ Useful for Gross Budget Evaluation
 - ▶ Tighter cost estimating can be done after design
 - ▶ Costs become realistic at bid opening
 - ▶ Final Costs are Truly Only Known at Project Completion

Sewer Authority Mid-Coastside

- ▶ Cost Estimate

- ▶ Range of Costs is:

- ▶ \$11.87 Million to \$36.42 Million with no contingency
 - ▶ Recommend 25% Contingency for Unknowns
 - ▶ \$14.84 Million to \$45.53 Million with Contingency

- ▶ Recommend Planning Level Budget of \$40.0 Million

Sewer Authority Mid-Coastside

Questions and Discussion

Sewer Authority Mid-Coastside

THANK YOU

Planning Level Preliminary Evaluation

Wastewater Treatment Plant

Capital Improvement Program

For

SEWER AUTHORITY MID-COASTSIDE



December 9, 2019

Prepared by:

Wastewater Management Specialists, LLC

The following is a preliminary, planning level, description of items identified by Wastewater Management Specialists, LLC in evaluating the current state of the Sewer Authority Mid-Coastside's (SAM) Wastewater Treatment Plant's mechanical and structural facilities. The purpose of this evaluation is to provide an overview of the needed improvements to maintain the treatment plant's ability to treat wastewater from Coastside residents and businesses for the next twenty years, allowing SAM to plan the work and associated cost impacts.

It must be noted that this evaluation is specifically an overview and no design or detailed investigation has occurred to date. Cost estimates provided in this report are provided for the purpose of allowing the SAM Board of Directors and SAM Member Agencies a high-level planning budget estimate of upcoming expenses needed to meet the above stated goal. The cost estimates at this time, with no detailed investigation or design work performed, are based on experience at other locations and the needs of the facility. The estimates are not to be considered hard cost or engineering estimates for the work needed. The range of costs for planning purposes should be evaluated as the low being approximately thirty percent lower and up to fifty percent higher than the best estimate at this time. As an example, a project expected to cost \$1,000,000 would be shown with a range of \$700,000 to \$1,500,000. For budgetary purposes, it is recommended that the highest number shown be used to plan for future costs.

It also should be noted that the information contained in this evaluation is based on items that are readily visible to the eye. Experience has taught that, as in any remodel, there will be unexpected items found as SAM works on fixing the known issues. There is no way to know the extent of these items, but it is recommended to add twenty-five percent to the costs as a contingency for work that will have to be done but is not yet known.

This is a preliminary evaluation with some description of the projects and the planning-level cost ranges. Next steps are to perform recommended further investigation, bring in qualified, highly experienced wastewater engineers in the specialty fields needed to better tie down work that is required and develop a comprehensive 5-year Capital Improvement Program and a 10-year Capital Improvement Outlook. Each of these must be updated on an annual basis to maintain a 5-year rolling program and associated budget.

Preliminary Treatment:

Flow Metering – The current system uses a parshall flume at the influent to the treatment plant and then flows readings taken at the MSWD and GCSD pump stations to calculate the flow from the City of Half Moon Bay. This system is ripe for error as it involves multiple variables and parshall flumes are inherently accurate in a specific range. The SAM parshall flume has to read flows across a broad spectrum of flow.

It is proposed to continue to use the flow readings at the pump stations for the independent readings related to their billing and add two Krohne Tidal Flux Flowmeters to the system. Different than standard magnetic flow meters, the Krohne meters are highly accurate magnetic flow meters that have the capability of measuring both velocity and depth of flow in a pipe.

The first flow meter will read the combined total flow from MWSD and GCSD, while the second will be a new location near the end of the Half Moon Bay pipeline coming into the treatment plant but upstream of the point where all flows combine.

Implementation of this metering system will allow consistent and accurate monitoring of all flow from each Member Agency entering the treatment plant. This project will require construction of a vault for each meter, power and telemetry runs along with the installation of the flow meters.

Estimated Cost Range: \$700,000 to \$1,500,000

Corrosion Control - SAM has an existing odor control program used in the collection systems to alleviate complaints of odors from sewage sources. This program uses a chemical (sodium hypochlorite, known as bleach) injected into the wetwells of the Montara Pump Station, the Princeton Pump Station and the Portola Pump Station. Bleach is a quick acting oxidizer that is good at eliminating odors in wetwells and in very short pipelines. It is not a good application for systems like the SAM system that consists of multiple forcemains and long pipelines. Additionally, the current SAM odor control program is not designed to control corrosion in the collections system nor at the treatment plant.

A preliminary report has been prepared and delivered to SAM staff in relation to better controlling odors in the collection system, but it did not attempt to evaluate the needs to control corrosion at the treatment plant. It must be noted that the extensive corrosion seen at the treatment is not one-hundred percent related to controlling corrosion caused by the wastewater entering the plant as there is also the severe impact of salt corrosion due to the location of the plant in a strong salt-water marine environment.

The preliminary report recommends replacing the current bleach system with a system that uses Calcium Nitrate, a non-hazardous material, that is expected to also reduce the cost of treatment for the collection system by approximately \$10,000 per year. Again, this is a preliminary report and further work is needed, however, an even bigger issue is the need to address the impact of the sewer gasses entering the treatment plant from the collection system. The application of Calcium Nitrate is an extremely good and cost effective method to address this concern and further evaluation is needed.

The capital cost for conversion of just the collection system odor control is less than \$20,000 which results in a project payback of approximately 2 years. It is expected the capital cost to

treat the plant influent will be approximately equal for each system (IPS and Half Moon Bay) entering the treatment plant. The operational costs is estimated to be approximately double the current operational cost. It is necessary to perform a complete system corrosion control evaluation. The cost estimate includes this evaluation and estimates of capital costs to implement a system wide corrosion control program but does not include annual operations and maintenance costs.

Estimated Cost Range: \$45,000 to \$90,000

Headworks – The existing 1-inch spaced Schloss Engineering climber screens are reaching the end of their useful life and are ineffective by current standards in the removal of “rag” material from the flow entering the plant. The Schloss screens are also hazardous for staff due to their design requiring maintenance personnel to be subject to entering channels to service the mechanism.

It is recommended the Schloss Engineering Barscreens be replaced by similar capacity Duperon Screens which have no maintenance needs below the surface of the platform and are constructed of 316 stainless steel. 316 stainless steel is the most capable, at a reasonable cost, material to resist the corrosion found in multiple areas at the treatment plant. Also, the new screen size needs to be evaluated to maintain flow capacity, but the openings are expected to be 4 to 6 millimeters (substantially smaller than the current 1-inch openings) and will remove a much higher percentage of the “rag” material that currently passes through the barscreens and, ultimately, ends up in the digesters.

The related washer-compactor is beyond its useful life, severely deteriorated and unsafe. Corrosion from sewer gasses and the marine environment have consumed this unit which is constructed of mild steel. It is also a single unit and when it fails, there is no backup.

It is recommended to replace it with two new units, constructed of 316 stainless steel, to provide redundancy to the washer compactor process.

Estimated Project Cost: \$750,000 to \$1,350,000

Odor Scrubber – There are odors associated with the operation of a wastewater system that are not necessarily corrosive or a problem for the treatment system. These odors may be offensive to neighbors or others near the treatment facility. The current headworks has a Unison Odor Scrubber that is out of service and odors and corrosion are both present.

Evaluation of the need for odor control at the headworks needs to be evaluated. The current units may be able to be updated and reused if there is the need for odor control at the headworks. The treatment of the entire collection system for corrosion control will likely address the majority of this issue.

It is believed the vast majority of the issue will be addressed by collection system treatment. The addition of an influent "Sulfilogger" to monitor the incoming concentration of dissolved sulfides in the wastewater is recommended as a monitoring program to ensure the collection system and the treatment plant are adequately and consistently protected.

Estimated Project Cost: \$4,000 to \$9,000

Influent Pumping – The current pumps and piping are reaching the end of their useful lives and are being addressed by the Ameresco Proposal. No Cost estimate is provided at this time for this system, but it requires evaluation and updating if the Ameresco process does not work out for some reason. In fact, the replacement of pumps and motors is not included in this evaluation as the Ameresco approach is expected to cover most if not all critical short-term replacement needs.

Primary Treatment

This is an area that deserves intense evaluation prior to moving forward with improvements to the barscreens and the primary clarification system as a whole. The existing primary clarifier structures and equipment are very old and deteriorated. The primary pumping gallery requires piping upgrades and pumping improvements and will potentially drive major renovation efforts.

It is recommended to perform a significant engineering evaluation of potential treatment options prior to replacing "in-kind" equipment and repairing structures. Grinder pumps are needed for the primary sludge going to the digesters and are expected to be addressed in the Ameresco work effort as well. These pumps will be needed no matter the decision on how to proceed with refurbishment of the primary clarification process.

The cost estimate for this work is vast and will likely reach several million dollars. For this reason it is suggested that current technology options that could reduce costs be evaluated prior to proceeding with the construction work. The base cost estimate provided is solely for the engineering review by qualified, sanitary (process) structural and mechanical engineering firm, but all options are expected to exceed \$3 Million and could be much more.

Estimated Project Cost: \$70,000 to \$150,000 (Engineering Only)
-\$1,400,000 - \$3,000,000 (Minimum Work)
- \$3,500,000 - \$7,500,000 (Full
Refurbishment/Replacement)

Secondary Treatment

Aeration Basins – The current aeration basins consist of two constructed in the late 1970s that are not used and have coarse air bubblers in them and two constructed in the late 1990s. One of the two newer aeration basins is used on a daily basis and seems to meet current needs. It uses fine air diffusers which are way beyond their useful life and likely result in higher than needed power costs due to their deterioration. Fine air diffusers generally are recommended to be replaced on a every five-year basis with ten years of service considered the absolute outside limit for their efficiency. The SAM fine air diffusers have been in service for over twenty years and should be replaced very soon. The second aeration basin built in the late 1990s is not equipped with piping or diffusers to allow its use and appears to be an tank built in anticipation of higher flows or stricter discharge requirements.

To improve the effectiveness of the newer basin that is in service, the diffusers need to be replaced. When SAM makes the decision to implement a Recycled Water Program, it is probable that the system will need to increase its treatment capacity to perform nitrification on a consistent basis. At this time, it is believed the system routinely enters into the nitrification process due to high Dissolved Oxygen (DO) levels and high Mixed Liquor Volatile Suspend Solids (MLVSS) concentrations used at SAM. It would be cost effective to develop denitrification zones in the treatment process to recapture alkalinity and potentially lessen oxygen demand. Nitrification results in the conversion of ammonia (NH₄) to Nitrate (NO₃) which is a common fertilizer used on lawns. Nitrification is not required for Recycled Water applications, but given SAM's current practice and potential uses for the Recycled Water, this is something to evaluate. Costs shown are for the replacement of the current fine air diffusers only as costs related to Recycled Water should be carried by that project when it is implemented.

Project Cost Estimate: \$300,000 to \$675,000

Secondary Clarifiers – There are two secondary clarifiers with one in service. Both clarifier bridges and drive mechanism reflect extreme corrosion and need significant refurbishment and/or replacement. There is also an opportunity to install fixed brushes to improve wiper and launderer cleaning. Finally, the addition of a chlorine injection line around the perimeter of the weirs will likely improve the disinfection process and allow the current mechanical mixer to be turned off and save power.

It is recommended to have the manufacturer investigate the current corrosion and determine if it can be fixed in place or has to be replaced. Once recommendations are received the cost can be estimated with some accuracy. The other modifications are inexpensive and can be done by a local contractor or plant maintenance staff and the cost is low.

Project Cost Estimate: \$3,500 to \$7,500 (Minor Items Only)
- \$150,000 to \$300,000 (Repair in Place)

- \$700,000 to \$1,500,000 (Replacement)

Thickening

Rotary Drum Thickener – This unit is currently mounted on a trailer and under a temporary tarp-type cover. A permanent pad and enclosure should be constructed for this equipment as the stainless steel is already showing signs of corrosion and should be re-pacified.

The range on this is based on a concrete pad with a metal building sized to allow maintenance of the unit and its removal from the building as needed, but no more. If a masonry building is chosen, costs will be much higher, but the need to maintain a metal building would be eliminated.

Estimated Project Cost: \$50,000 - \$125,000

Digestion

Digesters – The digester system is in very disparate need of significant work. The cleaning of these tanks should be planned on a every 5 year basis with the current influent screening and once the screening is upgraded cleaning should be planned every 7 to 10 years. All of the pumps associated with digester mixing, heating and transfer need to be replaced with grinder pumps and are expected to be addressed in the Ameresco project. If the Ameresco projects should not happen in the near future, the need to replace approximately \$250,000 in pumps will be needed.

The digester structures have never been inspected since their installation. It is very common for digester coatings to fail and significant corrosion to occur to the upper levels of the tanks and especially the domes. It is required that, once the cleaning is complete and the tanks are empty, a qualified structural engineer investigate the interior condition of the digester tanks and make recommendations for repairs (if needed) and coatings (if needed, but extremely likely). Costs for this work (engineering evaluation and repairs) is included in the estimate for Digester #1, Digester #2 and the Holding Tank. The cost for cleaning two of the three is also included as Digester #1 is already planned for cleaning in the next 60 to 90 days.

In addition, there is a need to replace the digester gas valves and install a "Sulfatreat" gas scrubbing system to meet air quality needs and protect downstream equipment that uses the gas.

The handrails on the digester tank walkways have pulled out of the structure and must be repaired for safety reasons. This should be done while the tanks are empty after cleaning to ensure penetrations to not enter the tanks.

Finally, and this is a known issue, the waste gas burner needs to be updated and/or replaced with a functional unit that meets air quality standards.

Project Cost Estimate: \$400,000 - \$900,000 (no repairs to digester tanks needed)
- \$2,100,000 - \$4,500,000 (All require substantial
repair/recoating)

Dewatering

The Ashbrook Belt Filter Press is over 20 years old and reaching the end of its useful life. On top of this, the unit is the sole point of failure with no backup. The related belt conveyor is also aged and hanging by what appears to be a "homemade" system that while it seems to work, it would benefit from an upgrade. The bin handling system is a makeshift system as SAM plant staff have no way to move the bins once they are in place (especially if they are full) and have to rely on the refuse company's hook-trucks to move them. SAM staff have created several homegrown solutions to allow them to operate, but the system is weak and prone to failure until needed improvements are made.

The best solution would be a complete revamp of the dewatering process. This would include a complete new building with up to date polymer storage and redundant feed equipment, new (2) screw presses, indoor bin storage and loading and a means of moving the bins when needed. A new structure would require electrical, instrumentation and control and ventilations systems as well

A minimum back up system would include the addition of one screw press and maintain the existing belt filter press as a backup along with a new conveyor and engineered support system. Purchase of a piece of equipment capable of moving the full bins without relying on an outside vendor is also needed.

Finally, the ventilation system in the building is connected to an old RJ Environmental scrubber that has serious corrosion issues on the motor and fan support platforms. It moves air, but does not treat it as designed and should be repaired to provide the needed treatment and ensure the motor and fan operate into the future.

Project Cost Estimate: \$700,000 - \$1,500,000 (minimal work described)
- \$2,100,000 - \$4,500,000 (New Building and
Complete Revamp)

Miscellaneous

Plant Electrical System – The plant electrical system is in a state of extreme corrosion to the conduits and junction boxes. The conductor (wire) condition in many cases is assumed (some have been replaced for this reason already) to be in similar condition as it has been exposed to the same atmospheric elements as most of the treatment plant and much of it has been or is wet due to water intrusion. The location of the main plant feed is in a very poor location and is subject to flooding. It is recommended the plant feed be relocated to a higher, more protected location which will require new conduit for virtually the entire facility.

Infrared testing of all connections in Motor Control Centers and other high load areas should be done routinely to ensure connections are solid and no heat is being generated. This was last done 3 years ago and should be done on a bi-annual basis to provide safety and fire protection.

Electricity is the life blood of the treatment facility and failure of components can result in unsafe working conditions, the inability to properly treat the wastewater and potential flooding of the treatment works. The current standby generator is over 30 years old and has outdated control and interlock systems. The cost estimate includes replacement of the old generator with one that is able to meet plant needs with controls that are acceptable and safe for operation.

It is recommended that SAM retain the services of a quality electrical firm to evaluate the electrical needs and required solutions. If needed, an Electrical Engineer may be used to provide additional direction and assistance to the work.

At this time, it is assumed that a large portion of conduit and related conductors will require replacement. The cost to perform this work may be able to be spread over multiple projects, but it would likely be cost effective to have it done all at the same time.

The cost estimate below is a place holder as there needs to be much more detailed investigation and evaluation to determine the ultimate needs of the electrical system.

Project Cost Estimate: \$7,000,000 to \$15,000,000

Flammables Storage Building – The existing building is a metal structure that is highly corroded and needs replacement. Could consider incorporating this with the Rotary Drum Thickener metal building to lower costs if there is adequate footprint. The cost below is anticipating replacement as a standalone metal structure

Project Cost Estimate: \$35,000 - \$75,000

Ventilators – The ventilators on the plant buildings are corroded and not functioning. Maintenance staff has done all they can to keep them in service, but they need to be replaced and will require roof repair work to facilitate their replacement

Project Cost Estimate: \$65,000 - \$135,000

Programmable Logic Controllers (PLC) – The plant is currently using Allen-Bradly SLC 5 PLCs. These units have not been supported by the manufacturer for nearly 10 years and spare parts are not available – eBay is the best source for replacements if they can be found. It is recommended that a plant wide update of PLCs be put in place as soon as possible. The failure of a PLC can take down multiple processes and make manual operation the only option. Replacement will also require programming by a qualified Instrumentation and Control Technician and interfacing with the plant SCADA system.

Project Cost Estimate: \$200,000 - \$450,000

Summary

The range of costs for the work identified to date for the treatment plant only is very broad. The estimated high end of the range is \$36.42 million. The low end of the range is \$11.87 million.

The above range does not include the recommended twenty-five percent contingency for work that will be found and needed as other work is performed. With 25% contingency for unknown work requirements raises the totals to a low of \$14.84 million and high of \$45.53 million. Based on experience of Wastewater Management Specialists, LLC over the past decade and considering Bay Area construction costs, it is recommended that SAM budget \$40 million for work needed to maintain the wastewater treatment plant over the next 5 to 10 years.

As noted earlier, this is a preliminary evaluation and estimate for planning purposes only. No scheduling has been attempted as part of this evaluation and the ability to complete the identified work over a set period of time is not known. Most of the identified needs should be addressed as soon as possible. Priorities and available funds will have to be established to provide a reasonable approach to maintaining the ability of the facilities to function as required to protect the health and welfare of the community and the environment and to keep user rates at an acceptable level.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

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

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

- 4610 Property Tax Receipts, \$64,201 below Budget – First major County apportionment arrives in December.
- 4710 Sewer Service Charges, \$1,253,759 below Budget – First County apportionment arrives in December.
- 4720 Sewer Service Refunds, customer, \$4,431 above Budget – Sewer service adjustments posted to various accounts.
- **Overall Total Operating Income for the period ending November 30, 2019 was \$1,324,158 below budget. Total income received to date is \$99,722.**
- **5270 Information Systems, \$6,220 above Budget – Parcel management software for sewer service charges implemented and paid for in September.**
- 5400 Legal, \$139,824 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$2,250 below Budget – Larger maintenance projects expected during the fiscal year.
- 5620 Audit, \$5,417 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in December.
- 5630 Consulting, \$9,013 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study.
- 5640 Data Services, \$2,583 below Budget – No activity in current fiscal year.
- 5800 Labor, \$7,237 below Budget – Major decrease is due to timing in employee benefits payments. Management wages are also less than budgeted.
- 6170 Claims, Property Damage, \$8,333 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$14,121 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 6400 Pumping, \$6,442 below Budget – PG&E cost has been lower than expected in current fiscal year. Large “catch-up” bill to arrive in the Spring.
- 6600 Collection/Transmission, \$4,167 below Budget – No activity to date.
- 6910 & 6920 – SAM Collections & Operations, \$155,890 below Budget – Difference due to timing in billing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6940 SAM Maintenance, Collection Sys, \$16,667 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$34,583 above Budget – Payment made to SAM for pump repairs.
- **Overall Total Operating Expenses for the period ending November 30, 2019 were \$173,286 below Budget.**
- **Total overall Expenses for the period ending November 30, 2019 were \$343,370 below budget. For a net ordinary loss of \$980,788, budget vs. actual. Actual net ordinary loss is \$825,586.**
- 7100 Connection Fees, \$32,336 below Budget – No new construction connection issued, one remodel connection issued in November.
- 7200 Interest Income, LAIF, \$35,398 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$444,729 below Budget – additional construction projects to begin during the fiscal year.
- 9200 I-Bank Loan, \$9,409 below budget – difference due to timing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Budget vs. Actual – Water July thru November 2019 Variances over \$2,000:

- 4430 Inspection Fee (New Constr), \$10,893 above Budget – \$10K check for Water Main inspection relating to Big Wave received in November.
- 4610 Property Tax Receipts, \$64,201 below Budget – First major County apportionment arrives in December.
- 4740 Testing, Backflow, \$9,693 above Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$41,331 above budget – Fluctuations caused by usage and timing of bill payments.
- **Overall Total Operating Income for the period ending November 30, 2019 was \$54,311 above budget. Total revenue received to date is \$1,030,561.**
- 5240 CDPH fees, \$6,563 below Budget – No activity to date.
- 5250 Conference Attendance, \$2,455 below Budget – Minimal activity in current fiscal year.
- 5400 Legal, \$65,021 below Budget – Expense line item expected to grow as on-going legal matters move forward.
- 5510 Maintenance, office, \$2,190 below Budget – Larger maintenance projects expected during the fiscal year.
- 5620 Audit, \$5,417 below Budget – Audit cost not billed until reports have been issued, currently scheduled to take place in December.
- 5630 Consulting, \$29,703 below Budget – Sewer rate study is currently underway and will run concurrently with the Water rate study.
- 5800 Labor, \$45,576 below Budget – The District budgeted to have a 4th water operator in the current fiscal year. This has not yet happened.
- 6170 Claims, Property Damage, \$4,167 – No claims paid in current fiscal year.
- 6180 Communications, \$5,417 below Budget – No activity in current fiscal year. SCADA maintenance costs expected later in fiscal year.
- 6200 Engineering, \$98,813 below Budget – Water Quality engineering expenses have been held in check.
- 6320 Equipment & tools, Expensed, \$8,564 above Budget – Expenses to be investigated further for possible capitalization.
- 6330 Facilities, \$20,586 below Budget – Maintenance & landscaping tree projects have not yet taken place.
- 6370 Lab supplies & equipment, \$4,963 above Budget – Large bill paid in September, variance expected to decrease as fiscal year moves forward.
- 6400 Pumping, \$74,771 above Budget – Payment made to Herc rentals for the use of an emergency generator.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6500 Supply, \$10,000 below Budget – One payment made to the County for water purchases at Airport Well.
- 6700 Treatment, \$9,980 above Budget – More chemical purchases than anticipated through November.
- 6800 Vehicles, \$3,003 above Budget – Several repairs made to damaged vehicles in October.
- **Overall Total Operating Expenses for the period ending November 30, 2019 were \$35,908 below Budget.**
- **Total overall Expenses for the period ending November 30, 2019 were \$194,989 below budget. For a net ordinary income of \$249,300, budgeted vs. actual. Actual net ordinary income is \$306,171.**
- 7100 Connection Fees, \$73,175 below Budget – No new Construction connections, or PFP connections issued in November.
- 7600 Bond Revenues, GO Bond, \$454,786 below Budget – Difference due to timing.
- 8000 CIP, \$135,078 below Budget – \$210,526 in capital improvements paid for in November.
- 9100 Interest Expense – GO Bonds \$21,050 above Budget – Difference due to timing.
- 9150 SRF Loan, \$30,364 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 November 2019

	Jul - Nov 19	Sewer Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	15,766.30	15,416.65	349.65
4400 · Fees			
4410 · Administrative Fee (New Constr)	2,710.00	1,500.00	1,210.00
4420 · Administrative Fee (Remodel)	542.00	833.35	-291.35
4430 · Inspection Fee (New Constr)	2,560.00	1,458.35	1,101.65
4440 · Inspection Fee (Remodel)	512.00	1,666.65	-1,154.65
4460 · Remodel Fees	656.00	3,333.35	-2,677.35
Total 4400 · Fees	6,980.00	8,791.70	-1,811.70
4510 · Grants	112.00		
4610 · Property Tax Receipts	73,298.83	137,500.00	-64,201.17
4710 · Sewer Service Charges	496.20	1,254,255.00	-1,253,758.80
4720 · Sewer Service Refunds, Customer	-6,097.21	-1,666.65	-4,430.56
4760 · Waste Collection Revenues	9,133.54	9,583.35	-449.81
4990 · Other Revenue	32.82		
Total Income	99,722.48	1,423,880.05	-1,324,157.57
Gross Profit	99,722.48	1,423,880.05	-1,324,157.57
Expense			
5000 · Administrative			
5190 · Bank Fees	2,246.64	3,125.00	-878.36
5200 · Board of Directors			
5210 · Board Meetings	1,472.73	1,250.00	222.73
5220 · Director Fees	1,462.50	1,666.65	-204.15
5230 · Election Expenses	0.00	2,083.35	-2,083.35
Total 5200 · Board of Directors	2,935.23	5,000.00	-2,064.77
5250 · Conference Attendance	0.00	2,083.35	-2,083.35
5270 · Information Systems	7,887.05	1,666.65	6,220.40
5300 · Insurance			
5310 · Fidelity Bond	0.00	208.35	-208.35
5320 · Property & Liability Insurance	0.00	833.35	-833.35
Total 5300 · Insurance	0.00	1,041.70	-1,041.70
5350 · LAFCO Assessment	0.00	833.35	-833.35
5400 · Legal			
5430 · General Legal	10,396.50	171,875.00	-161,478.50
5440 · Litigation	21,653.95		
Total 5400 · Legal	32,050.45	171,875.00	-139,824.55
5510 · Maintenance, Office	1,083.48	3,333.35	-2,249.87
5520 · Meetings, Local	35.00		
5540 · Office Supplies	1,727.66	3,333.35	-1,605.69
5550 · Postage	387.73	1,104.15	-716.42
5560 · Printing & Publishing	154.10	2,083.35	-1,929.25

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

	Jul - Nov 19	Sewer Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	14,350.00	12,500.00	1,850.00
5620 · Audit	0.00	5,416.65	-5,416.65
5630 · Consulting	5,569.92	14,583.35	-9,013.43
5640 · Data Services	0.00	2,583.35	-2,583.35
5650 · Labor & HR Support	1,067.50	1,041.65	25.85
5660 · Payroll Services	381.42	416.65	-35.23
Total 5600 · Professional Services	21,368.84	36,541.65	-15,172.81
5710 · San Mateo Co. Tax Roll Charges	0.00	416.65	-416.65
5720 · Telephone & Internet	10,175.73	10,000.00	175.73
5730 · Mileage Reimbursement	127.99	625.00	-497.01
5740 · Reference Materials	0.00	83.35	-83.35
5790 · Other Administrative	119.00		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	6,950.92	7,084.15	-133.23
5820 · Employee Benefits	15,633.20	20,127.90	-4,494.70
5830 · Disability Insurance	708.30	583.75	124.55
5840 · Payroll Taxes	5,520.14	7,741.65	-2,221.51
5850 · PARS	6,721.19	6,869.60	-148.41
5900 · Wages			
5910 · Management	43,731.20	46,555.40	-2,824.20
5920 · Staff	56,510.33	52,719.15	3,791.18
5930 · Staff Certification	825.00	750.00	75.00
5940 · Staff Overtime	1,348.33	1,175.40	172.93
Total 5900 · Wages	102,414.86	101,199.95	1,214.91
5960 · Worker's Comp Insurance	701.92	2,280.40	-1,578.48
Total 5800 · Labor	138,650.53	145,887.40	-7,236.87
Total 5000 · Administrative	218,949.43	389,033.30	-170,083.87
6000 · Operations			
6170 · Claims, Property Damage	0.00	8,333.35	-8,333.35
6195 · Education & Training	0.00	416.65	-416.65
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	833.35	-833.35
6220 · General Engineering	11,712.50	25,000.00	-13,287.50
Total 6200 · Engineering	11,712.50	25,833.35	-14,120.85
6320 · Equipment & Tools, Expensed	0.00	416.65	-416.65
6330 · Facilities			
6335 · Alarm Services	2,265.54	2,375.00	-109.46
6337 · Landscaping	968.00	1,500.00	-532.00
Total 6330 · Facilities	3,233.54	3,875.00	-641.46
6400 · Pumping			
6410 · Pumping Fuel & Electricity	12,308.28	18,750.00	-6,441.72
Total 6400 · Pumping	12,308.28	18,750.00	-6,441.72
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	4,166.65	-4,166.65
Total 6600 · Collection/Transmission	0.00	4,166.65	-4,166.65

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

	Jul - Nov 19	Sewer Budget	\$ Over Budget
6770 · Uniforms	125.80		
6800 · Vehicles			
6810 · Fuel	0.00	416.65	-416.65
6820 · Truck Equipment, Expensed	0.00	66.65	-66.65
6830 · Truck Repairs	0.00	416.65	-416.65
Total 6800 · Vehicles	0.00	899.95	-899.95
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	113,849.68	142,312.10	-28,462.42
6920 · SAM Operations	509,713.12	637,141.25	-127,428.13
6940 · SAM Maintenance, Collection Sys	0.00	16,666.65	-16,666.65
6950 · SAM Maintenance, Pumping	55,416.37	20,833.35	34,583.02
Total 6900 · Sewer Authority Midcoastside	678,979.17	816,953.35	-137,974.18
Total 6000 · Operations	706,359.29	879,644.95	-173,285.66
Total Expense	925,308.72	1,268,678.25	-343,369.53
Net Ordinary Income	-825,586.24	155,201.80	-980,788.04
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	27,342.00	62,500.00	-35,158.00
7120 · Connection Fees (Remodel)	23,655.36	20,833.35	2,822.01
Total 7100 · Connection Fees	50,997.36	83,333.35	-32,335.99
7200 · Interest Income - LAIF	56,231.05	20,833.35	35,397.70
Total 7000 · Capital Account Revenues	107,228.41	104,166.70	3,061.71
Total Other Income	107,228.41	104,166.70	3,061.71
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	174,473.09	619,202.10	-444,729.01
Total 8000 · Capital Improvement Program	174,473.09	619,202.10	-444,729.01
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	6,547.56	6,342.10	205.46
9200 · I-Bank Loan	0.00	9,409.15	-9,409.15
Total 9000 · Capital Account Expenses	6,547.56	15,751.25	-9,203.69
Total Other Expense	181,020.65	634,953.35	-453,932.70
Net Other Income	-73,792.24	-530,786.65	456,994.41
Net Income	-899,378.48	-375,584.85	-523,793.63

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

	Jul - Nov 19	Water Budget		\$ Over Budget
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	15,766.30	15,416.65		349.65
4400 · Fees				
4410 · Administrative Fee (New Constr)	2,710.00	2,083.35		626.65
4430 · Inspection Fee (New Constr)	12,560.00	1,666.65		10,893.35
4450 · Mainline Extension Fees	0.00	1,250.00		-1,250.00
4460 · Remodel Fees	2,140.38	833.35		1,307.03
4470 · Other Fees	822.40			
Total 4400 · Fees	18,232.78	5,833.35		12,399.43
4510 · Grants	112.00			
4610 · Property Tax Receipts	73,298.79	137,500.00		-64,201.21
4740 · Testing, Backflow	17,193.00	7,500.00		9,693.00
4810 · Water Sales, Domestic	852,580.76	811,250.00		41,330.76
4850 · Water Sales Refunds, Customer	-1,061.41	-1,250.00		188.59
4990 · Other Revenue	54,439.07			
Total Income	1,030,561.29	976,250.00		54,311.29
Gross Profit	1,030,561.29	976,250.00		54,311.29
Expense				
5000 · Administrative				
5190 · Bank Fees	98.56	1,562.50		-1,463.94
5200 · Board of Directors				
5210 · Board Meetings	1,472.73	1,666.65		-193.92
5220 · Director Fees	1,462.50	1,375.00		87.50
Total 5200 · Board of Directors	2,935.23	3,041.65		-106.42
5240 · CDPH Fees	0.00	6,562.50		-6,562.50
5250 · Conference Attendance	45.00	2,500.00		-2,455.00
5270 · Information Systems	1,613.50	1,250.00		363.50
5300 · Insurance				
5310 · Fidelity Bond	0.00	208.35		-208.35
5320 · Property & Liability Insurance	1,173.00	1,041.65		131.35
Total 5300 · Insurance	1,173.00	1,250.00		-77.00
5350 · LAFCO Assessment	0.00	1,145.85		-1,145.85
5400 · Legal				
5430 · General Legal	31,228.75	96,250.00		-65,021.25
Total 5400 · Legal	31,228.75	96,250.00		-65,021.25
5510 · Maintenance, Office	1,142.93	3,333.35		-2,190.42
5520 · Meetings, Local	198.01			
5530 · Memberships	11,009.16	10,000.00		1,009.16
5540 · Office Supplies	1,727.56	3,333.35		-1,605.79
5550 · Postage	2,913.66	3,750.00		-836.34
5560 · Printing & Publishing	1,008.71	1,250.00		-241.29

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

	Water Jul - Nov 19	Water Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	14,350.00	12,500.00	1,850.00
5620 · Audit	0.00	5,416.65	-5,416.65
5630 · Consulting	11,963.36	41,666.65	-29,703.29
5650 · Labor & HR Support	1,067.50	1,041.65	25.85
5660 · Payroll Services	381.39	416.65	-35.26
Total 5600 · Professional Services	27,762.25	61,041.60	-33,279.35
5720 · Telephone & Internet	12,079.15	11,250.00	829.15
5730 · Mileage Reimbursement	127.99	833.35	-705.36
5740 · Reference Materials	0.00	333.35	-333.35
5790 · Other Administrative	119.00		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	16,052.77	18,014.60	-1,961.83
5820 · Employee Benefits	25,294.24	36,712.50	-11,418.26
5830 · Disability Insurance	1,424.90	1,444.60	-19.70
5840 · Payroll Taxes	16,587.03	20,442.50	-3,855.47
5850 · PARS	13,530.24	15,681.65	-2,151.41
5900 · Wages			
5910 · Management	43,731.21	46,555.40	-2,824.19
5920 · Staff	164,614.13	186,183.35	-21,569.22
5930 · Staff Certification	4,683.13	4,750.00	-66.87
5940 · Staff Overtime	23,653.77	20,043.75	3,610.02
5950 · Staff Standby	10,636.08	9,687.10	948.98
Total 5900 · Wages	247,318.32	267,219.60	-19,901.28
5960 · Worker's Comp Insurance	3,450.24	9,718.35	-6,268.11
Total 5800 · Labor	323,657.74	369,233.80	-45,576.06
Total 5000 · Administrative	418,840.20	577,921.30	-159,081.10
6000 · Operations			
6160 · Backflow Prevention	0.00	416.65	-416.65
6170 · Claims, Property Damage	0.00	4,166.65	-4,166.65
6180 · Communications			
6185 · SCADA Maintenance	0.00	5,416.65	-5,416.65
Total 6180 · Communications	0.00	5,416.65	-5,416.65
6195 · Education & Training	2,761.24	3,750.00	-988.76
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	208.35	-208.35
6220 · General Engineering	12,389.54	12,500.00	-110.46
6230 · Water Quality Engineering	47,339.42	145,833.35	-98,493.93
Total 6200 · Engineering	59,728.96	158,541.70	-98,812.74
6320 · Equipment & Tools, Expensed	11,897.44	3,333.35	8,564.09
6330 · Facilities			
6335 · Alarm Services	306.54	333.35	-26.81
6337 · Landscaping	2,774.28	23,333.35	-20,559.07
Total 6330 · Facilities	3,080.82	23,666.70	-20,585.88
6370 · Lab Supplies & Equipment	6,005.29	1,041.65	4,963.64
6380 · Meter Reading	9.95		

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

July through November 2019

	Jul - Nov 19	Water Budget	\$ Over Budget
6400 · Pumping			
6410 · Pumping Fuel & Electricity	23,496.01	37,500.00	-14,003.99
6420 · Pumping Maintenance, Generators	90,004.11	4,166.65	85,837.46
6430 · Pumping Maintenance, General	0.00	2,083.35	-2,083.35
6440 · Pumping Equipment, Expensed	5,312.57	291.65	5,020.92
Total 6400 · Pumping	118,812.69	44,041.65	74,771.04
6500 · Supply			
6510 · Maintenance, Raw Water Mains	0.00	1,041.65	-1,041.65
6520 · Maintenance, Wells	-815.00	2,083.35	-2,898.35
6530 · Water Purchases	10,606.31	16,666.65	-6,060.34
Total 6500 · Supply	9,791.31	19,791.65	-10,000.34
6600 · Collection/Transmission			
6610 · Hydrants	0.00	416.65	-416.65
6620 · Maintenance, Water Mains	18,896.44	20,833.35	-1,936.91
6630 · Maintenance, Water Svc Lines	3,519.11	8,333.35	-4,814.24
6640 · Maintenance, Tanks	4,146.03	416.65	3,729.38
6650 · Maint., Distribution General	7,426.95	3,333.35	4,093.60
6670 · Meters	1,599.42	1,041.65	557.77
Total 6600 · Collection/Transmission	35,587.95	34,375.00	1,212.95
6700 · Treatment			
6710 · Chemicals & Filtering	22,490.85	8,333.35	14,157.50
6720 · Maintenance, Treatment Equip.	12,264.82	8,333.35	3,931.47
6730 · Treatment Analysis	10,640.72	18,750.00	-8,109.28
Total 6700 · Treatment	45,396.39	35,416.70	9,979.69
6800 · Vehicles			
6770 · Uniforms	2,808.53	833.35	1,975.18
6810 · Fuel	2,759.52	4,166.65	-1,407.13
6820 · Truck Equipment, Expensed	2,926.85	416.65	2,510.20
6830 · Truck Repairs	3,983.04	2,083.35	1,899.69
Total 6800 · Vehicles	9,669.41	6,666.65	3,002.76
Total 6000 · Operations	305,549.98	341,458.35	-35,908.37
Total Expense	724,390.18	919,379.65	-194,989.47
Net Ordinary Income	306,171.11	56,870.35	249,300.76
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	22,177.72	62,500.00	-40,322.28
7130 · Conn. Fees, PFP (New Constr)	21,314.11	54,166.65	-32,852.54
Total 7100 · Connection Fees	43,491.83	116,666.65	-73,174.82
7600 · Bond Revenues, G.O.	24,562.49	479,348.35	-454,785.86
Total 7000 · Capital Account Revenues	68,054.32	596,015.00	-527,960.68
Total Other Income	68,054.32	596,015.00	-527,960.68

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12/17/19

Accrual Basis

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

	Jul - Nov 19	Water Budget	\$ Over Budget
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	364,036.30	228,958.35	135,077.95
Total 8000 · Capital Improvement Program	364,036.30	228,958.35	135,077.95
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	117,108.56	96,057.90	21,050.66
9125 · PNC Equipment Lease Interest	6,547.56	6,342.10	205.46
9150 · SRF Loan	0.00	30,363.75	-30,363.75
9210 · Conservation Program/Rebates	500.00	1,250.00	-750.00
Total 9000 · Capital Account Expenses	124,156.12	134,013.75	-9,857.63
Total Other Expense	488,192.42	362,972.10	125,220.32
Net Other Income	-420,138.10	233,042.90	-653,181.00
Net Income	-113,966.99	289,913.25	-403,880.24

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

	Nov 30, 19
ASSETS	
Current Assets	
Checking/Savings	
Sewer - Bank Accounts	
Wells Fargo Operating - Sewer	498,542.18
LAIF Investment Fund	
Capital Reserve	3,921,377.10
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
Total LAIF Investment Fund	4,522,859.10
Total Sewer - Bank Accounts	5,021,401.28
Water - Bank Accounts	
Wells Fargo Operating - Water	612,797.42
Capital Reserve	398,249.00
Operating Reserve	46,009.00
SRF Reserve	48,222.00
Restricted Cash	
Connection Fees Reserve	253,020.00
GO Bonds Fund	875,737.43
Total Restricted Cash	1,128,757.43
Total Water - Bank Accounts	2,234,034.85
Total Checking/Savings	7,255,436.13
Accounts Receivable	
Sewer - Accounts Receivable	
Accounts Receivable	-1,795.70
Sewer - Accounts Receivable - Other	8,403.21
Total Sewer - Accounts Receivable	6,607.51
Water - Accounts Receivable	
Accounts Receivable	-2,829.69
Accounts Rec. - Backflow	19,799.61
Accounts Rec. - Water Residents	175,486.94
Unbilled Water Receivables	258,319.70
Total Water - Accounts Receivable	450,776.56
Total Accounts Receivable	457,384.07
Other Current Assets	
Due from Kathryn Slater-Carter	614.62
Maint/Parts Inventory	42,656.32
Total Other Current Assets	43,270.94
Total Current Assets	7,756,091.14
Fixed Assets	
Sewer - Fixed Assets	
General Plant	6,161,441.87
Land	5,000.00
Other Capital Improv.	
Sewer-Original Cost	685,599.18
Other Cap. Improv.	2,564,810.39
Total Other Capital Improv.	3,250,409.57
Seal Cove Collection System	995,505.00
Sewage Collection Facility	
Collection Facility - Org. Cost	1,349,064.00
Collection Facility - Other	3,991,243.33
Total Sewage Collection Facility	5,340,307.33

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

	Nov 30, 19
Treatment Facility	244,539.84
Accumulated Depreciation	-8,871,583.00
Total Sewer - Fixed Assets	7,125,620.61
Water - Fixed Assets	
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	-11,800,511.00
Total Water - Fixed Assets	17,655,426.26
Total Fixed Assets	24,781,046.87
Other Assets	
Sewer - Other Assets	
Def'd Amts Related to Pensions	92,939.00
Joint Power Authority	
SAM - Orig Collection Facility	981,592.00
SAM - Expansion	1,705,955.08
Total Joint Power Authority	2,687,547.08
Total Sewer - Other Assets	2,780,486.08
Water - Other Assets	
Def'd Amts Related to Pensions	174,114.00
Due from Sewer	290,312.00
Bond Acquisition Cost OID	42,978.40
Bond Issue Cost	46,268.60
Total Water - Other Assets	553,673.00
Total Other Assets	3,334,159.08
TOTAL ASSETS	35,871,297.09
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable - Sewer	97,629.34
Accounts Payable - Water	166,969.06
Total Accounts Payable	264,598.40
Other Current Liabilities	
Water - Net Pension Liability	-60,375.00
Sewer - Net Pension Liability	-32,045.00
Sewer - Current Liabilities	
Accrued Vacations	5,943.33
Deposits Payable	30,001.63
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	33,746.11
Total Sewer - Current Liabilities	109,885.70
Water - Current Liabilities	
Accrued Vacations	15,964.24
Deposits Payable	2,171.45
GO Bonds - S/T	461,787.93
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	33,746.10
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	12,378.69
Total Water - Current Liabilities	840,130.83

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

	Nov 30, 19
Payroll Liabilities	
Employee Benefits Payable	10,184.57
Total Payroll Liabilities	10,184.57
Total Other Current Liabilities	867,781.10
Total Current Liabilities	1,132,379.50
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	20,838.00
Water	39,012.00
Total Deferred Inflows (Pensions)	59,850.00
Total Long Term Liabilities	13,730,876.96
Total Liabilities	14,863,256.46
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	7,275,786.02
Net Income	-1,013,345.47
Total Equity	21,008,040.63
TOTAL LIABILITIES & EQUITY	35,871,297.09



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: SAM Flow Report for November 2019

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 November 2019.
- Collection System Monthly Overflow Report – November 2019.

The Average Daily Flow for Montara was 0.239 MGD in November 2019. There was no reportable overflow in November in the Montara System. SAM indicates there were 1.43 inches of rain in November 2019.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, November 2019

Attachment C

November 2019

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

12 Month Moving Total

	Total	12 month rolling Number			
		HMB	GCSD	MWSD	SAM
Roots	0	0	0	0	0
Grease	0	0	0	0	0
Mechanical	2	1	0	0	1
Wet Weather	0	0	0	0	0
Other	0	0	0	0	0
Total	2	1	0	0	1
		50%	0%	0%	50%

Reportable SSOs

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

SSOs / Year / 100 Miles

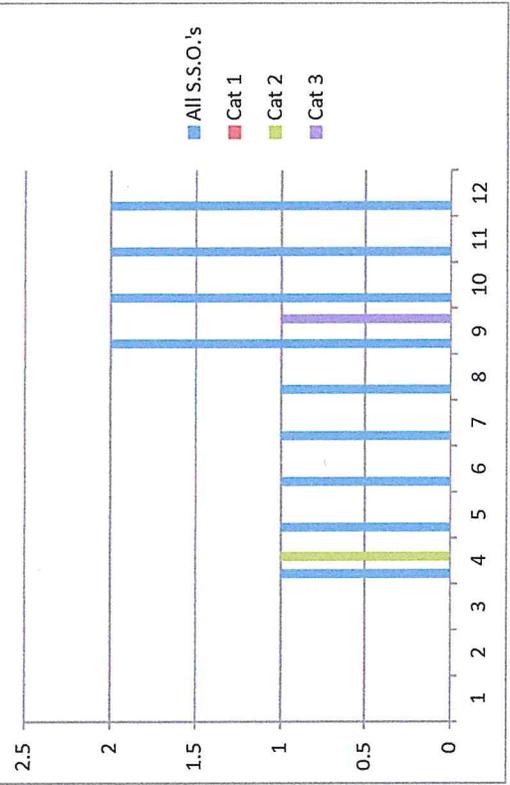
	Total	Number of S.S.O.'s / Year / 100 Miles			
		HMB	GCSD	MWSD	SAM
November 2019	0.0	0.0	0.0	0.0	0.0
12 Month Moving Total	1.9	2.7	0.0	0.0	13.7
Category 1	0.0	0.0	0.0	0.0	0.0
Category 2	1.0	0.0	0.0	0.0	13.7
Category 3	1.0	2.7	0.0	0.0	0.0
Miles of Sewers	104.5	37.0	33.2	27.0	7.3
		35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
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
Oct - 19	16,104	14,144	13,611	43,859	8.3
Nov - 19	6,171	23,308	10,135	39,614	7.5
Annual ft	152,608	187,375	134,408	474,391	

Annual Mi.	28.9	35.5	25.5	89.8
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12 Month Moving SSO Totals Through Nov 2019



Attachment A

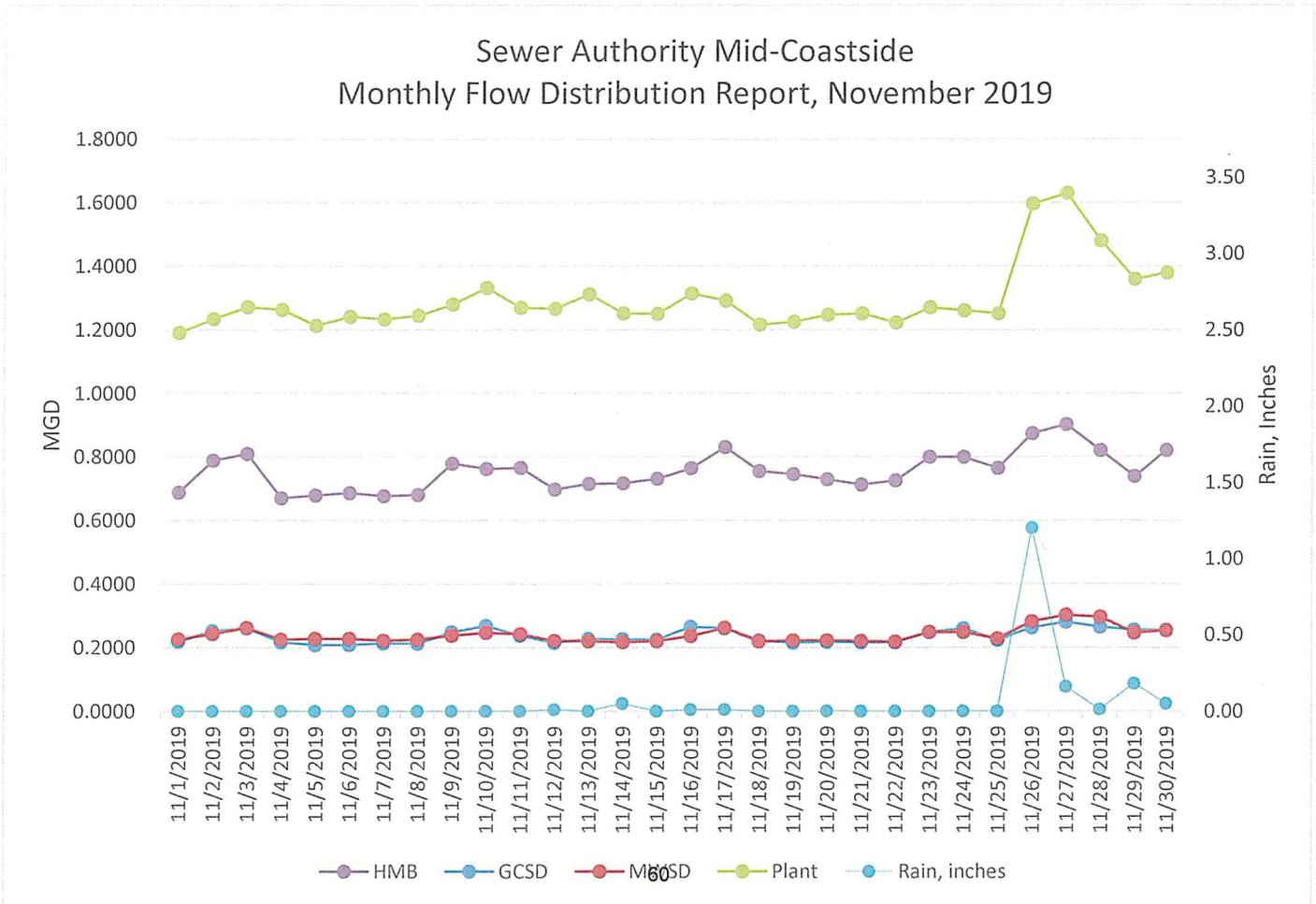
Flow Distribution Report Summary for November 2019

The daily flow report figures for the month of November 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	0.754	61.3%
Granada Community Services District	0.237	19.2%
Montara Water and Sanitary District	<u>0.239</u>	<u>19.4%</u>
Total	1.230	100.0%



Sewer Authority Mid-Coastside

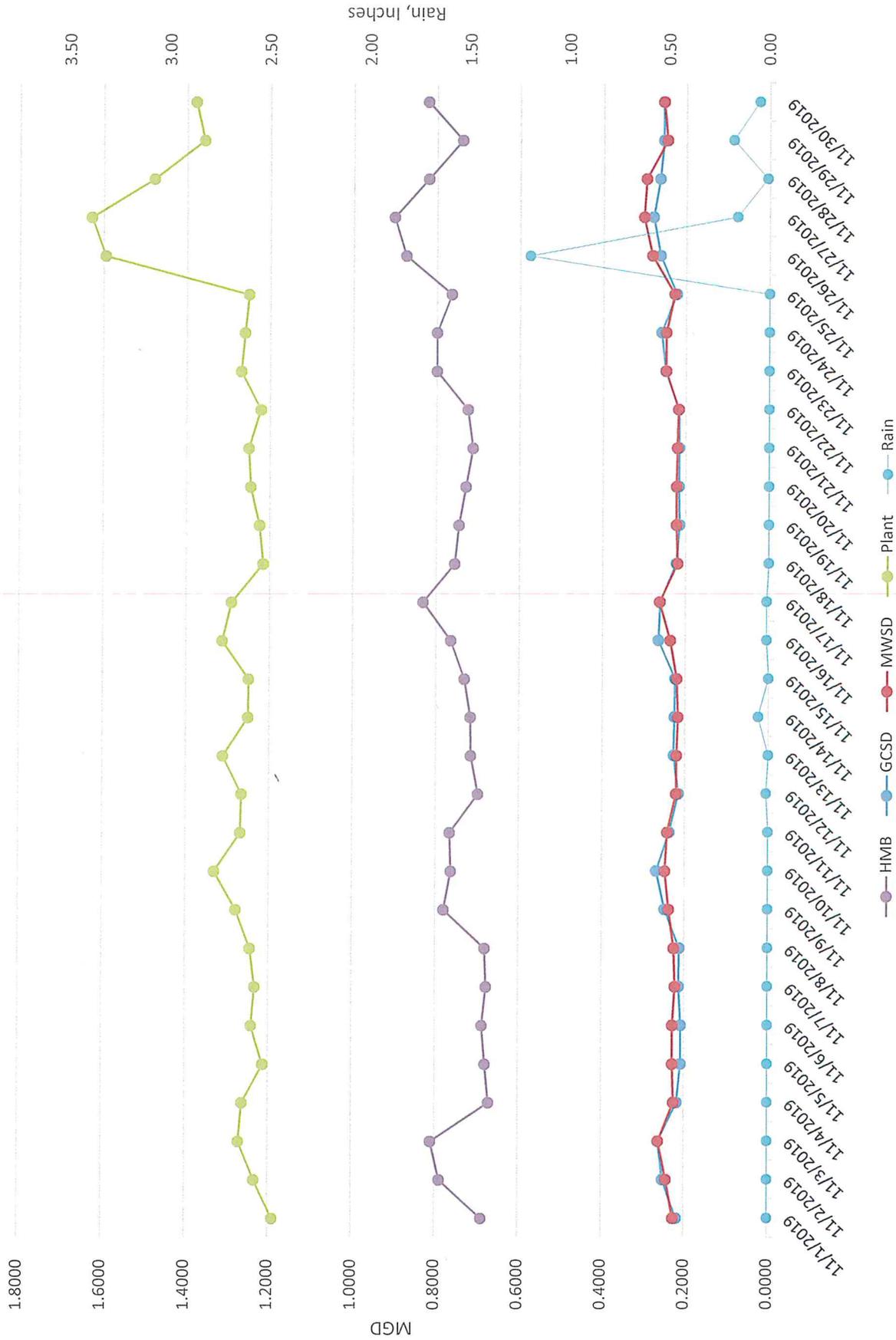
Monthly Flow Distribution Report for November 2019

<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>
11/1/2019	0.6882	0.218	0.226	1.189	0.00	0.00	0.00
11/2/2019	0.7886	0.252	0.243	1.233	0.00	0.00	0.00
11/3/2019	0.8097	0.262	0.262	1.270	0.00	0.00	0.00
11/4/2019	0.6703	0.217	0.225	1.262	0.00	0.00	0.00
11/5/2019	0.6791	0.208	0.228	1.212	0.00	0.00	0.00
11/6/2019	0.6867	0.208	0.228	1.240	0.00	0.00	0.00
11/7/2019	0.6767	0.213	0.222	1.232	0.00	0.00	0.00
11/8/2019	0.6805	0.212	0.225	1.244	0.00	0.00	0.00
11/9/2019	0.7793	0.248	0.238	1.279	0.00	0.00	0.00
11/10/2019	0.7627	0.268	0.247	1.331	0.00	0.00	0.00
11/11/2019	0.7657	0.237	0.242	1.268	0.00	0.00	0.00
11/12/2019	0.6978	0.215	0.221	1.266	0.01	0.00	0.00
11/13/2019	0.7154	0.227	0.220	1.311	0.00	0.00	0.00
11/14/2019	0.7169	0.226	0.217	1.250	0.05	0.00	0.00
11/15/2019	0.7312	0.224	0.220	1.249	0.00	0.00	0.00
11/16/2019	0.7643	0.265	0.236	1.313	0.01	0.01	0.01
11/17/2019	0.8310	0.261	0.262	1.291	0.01	0.00	0.00
11/18/2019	0.7553	0.222	0.219	1.215	0.00	0.00	0.00
11/19/2019	0.7455	0.215	0.222	1.224	0.00	0.00	0.00
11/20/2019	0.7291	0.217	0.222	1.246	0.00	0.00	0.00
11/21/2019	0.7129	0.216	0.220	1.250	0.00	0.00	0.00
11/22/2019	0.7252	0.216	0.218	1.221	0.00	0.00	0.00
11/23/2019	0.7997	0.249	0.248	1.269	0.00	0.00	0.00
11/24/2019	0.7996	0.259	0.248	1.260	0.00	0.00	0.00
11/25/2019	0.7645	0.223	0.228	1.251	0.00	0.00	0.00
11/26/2019	0.8738	0.263	0.282	1.596	1.20	1.05	1.08
11/27/2019	0.9022	0.279	0.302	1.629	0.16	0.30	0.27
11/28/2019	0.8202	0.264	0.296	1.479	0.01	0.00	0.00
11/29/2019	0.7389	0.255	0.246	1.358	0.18	0.04	0.01
11/30/2019	0.8212	0.255	0.254	1.379	0.05	0.05	0.06
Totals	22.632	7.096	7.167	38.818	1.68	1.45	1.43

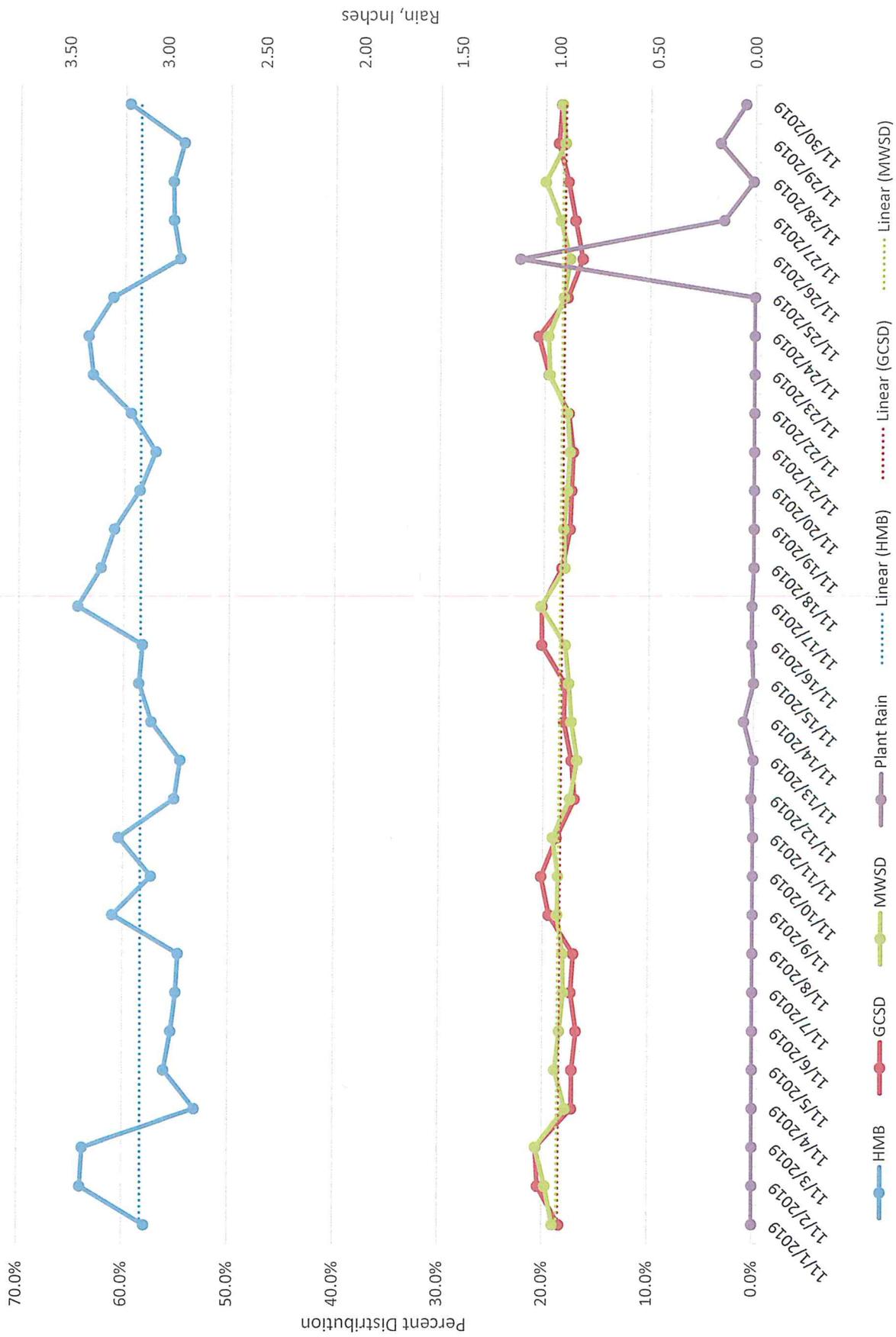
Summary

	<u>HMB</u>	<u>GCSD</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.670	0.208	0.217	1.189
Average	0.754	0.237	0.239	1.230
Maximum	0.902	0.279	0.302	1.629
Distribution	61.3%	19.2%	19.4%	100.0%

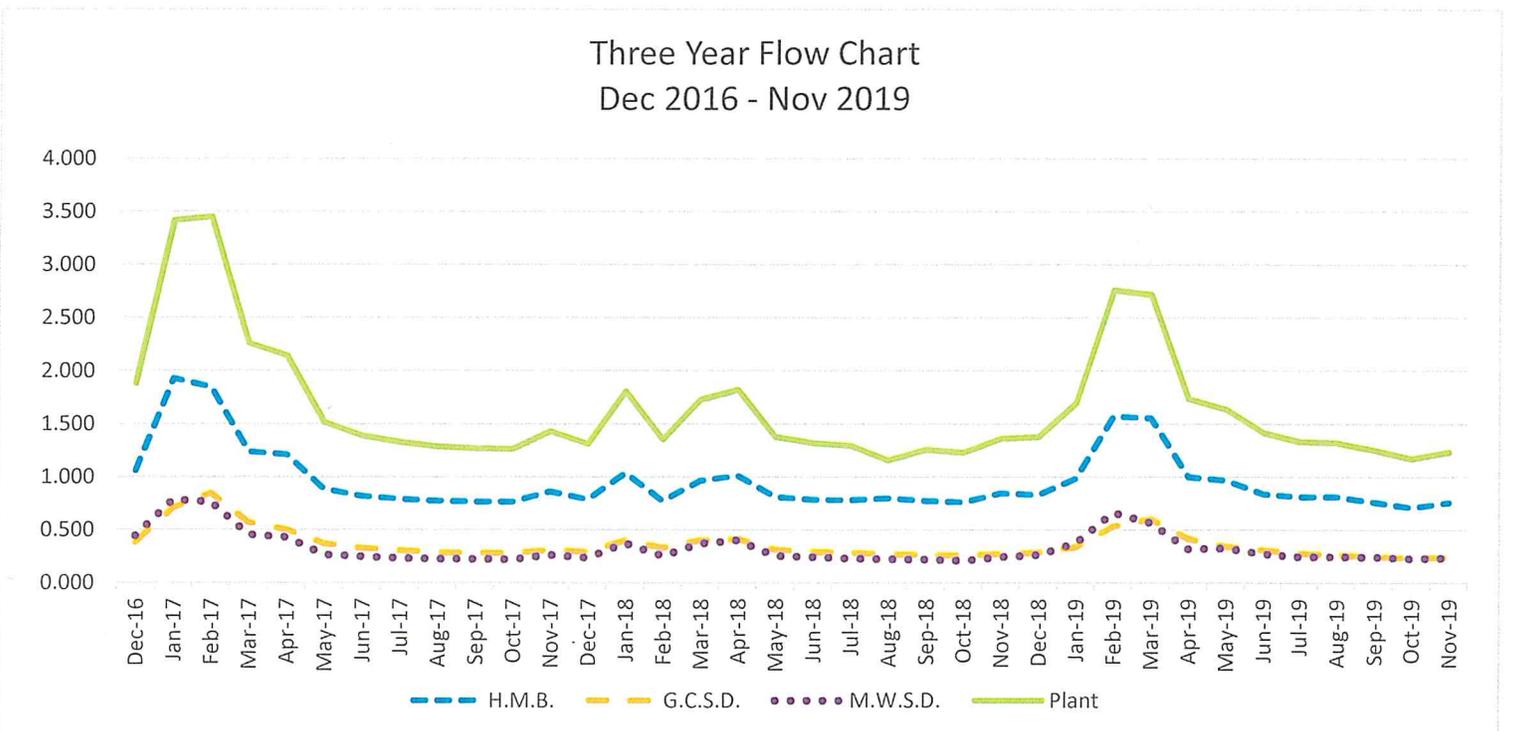
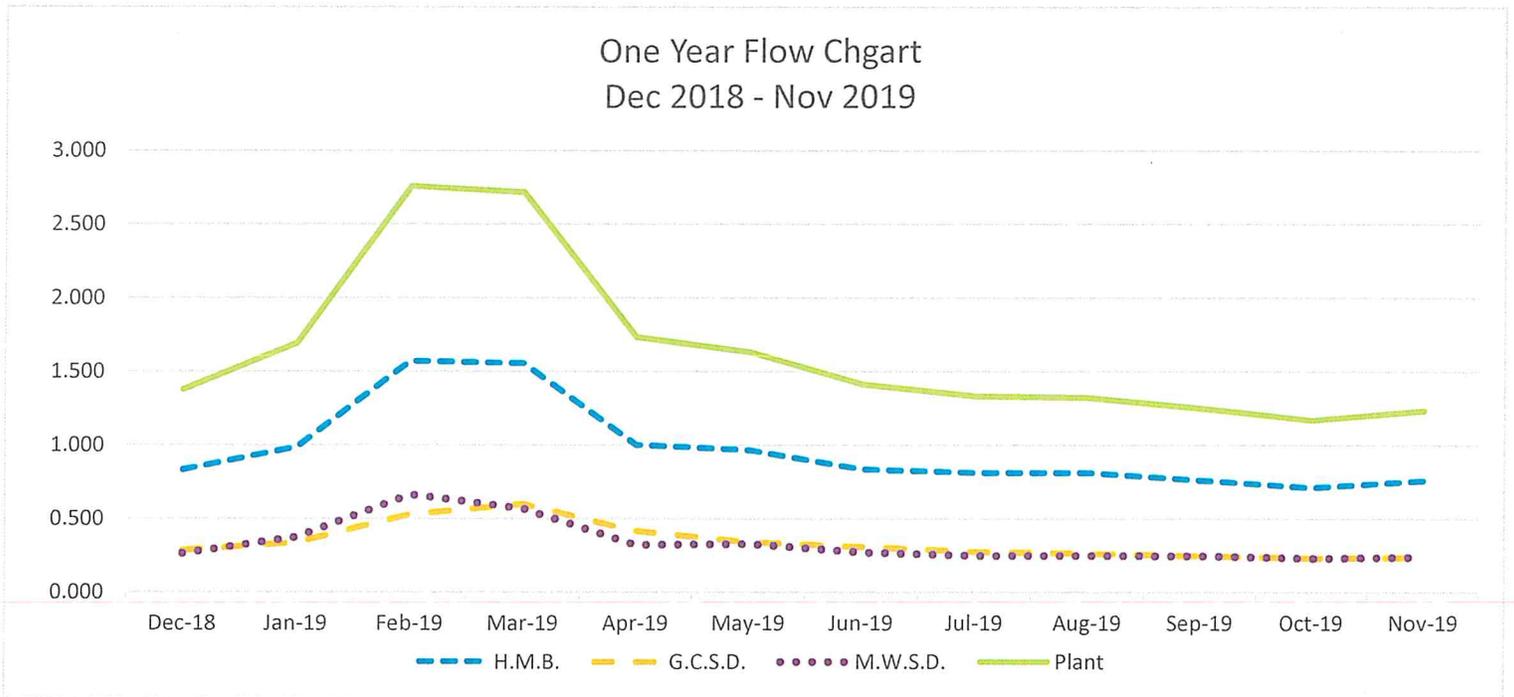
Sewer Authority Mid-Coastside Monthly Flow Distribution Report, November 2019



Percent Distribution November 2019



Most recent flow calibration September 2019 PS, September 2019 Plant





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review of Current Investment Portfolio

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

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for November 2019 the rate was 2.103.
- 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: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Connection Permit Applications Received

As of January 16, 2020 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
01-08-20	Joe Guntren	61 Wylvale Avenue, Moss Beach	SFD

As of January 16, 2020 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
12-19-2019	Jeff Solberg	550 Stetson, Moss Beach	SFD
01-08-20	Joe Guntren	61 Wylvale Avenue, Moss Beach	SFD

As of January 16, 2020 the following new Water Connection Permit application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
01-08-20	Joe Guntren	61 Wylvale Avenue, Moss Beach	SFD	Domestic

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of, January 16th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Monthly Water Production Report

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

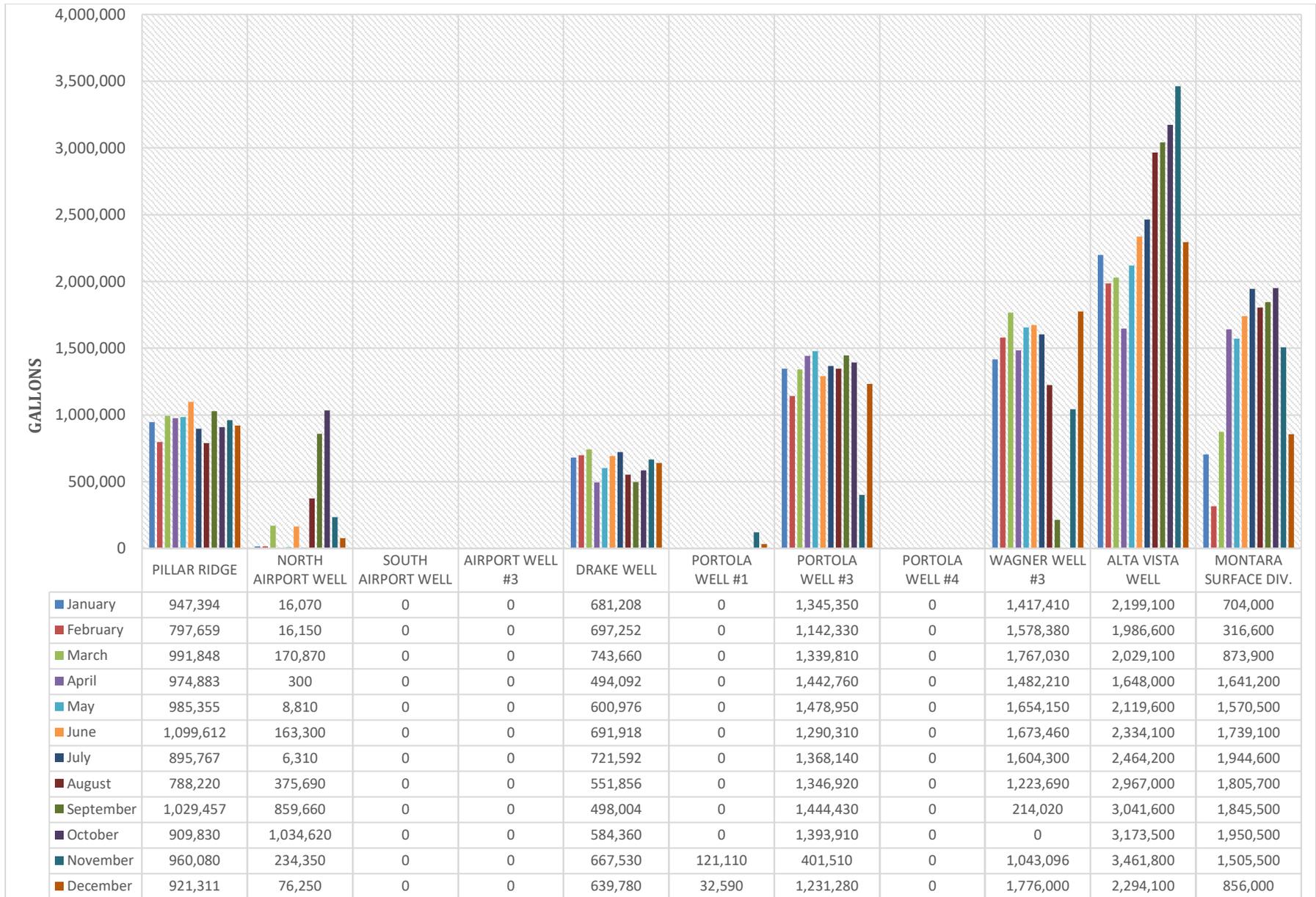
The first shows a consolidated from all sources by month. The second shows each water source the District uses, both wells and surface water. The production is shown in gallons of water produced.

RECOMMENDATION:

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

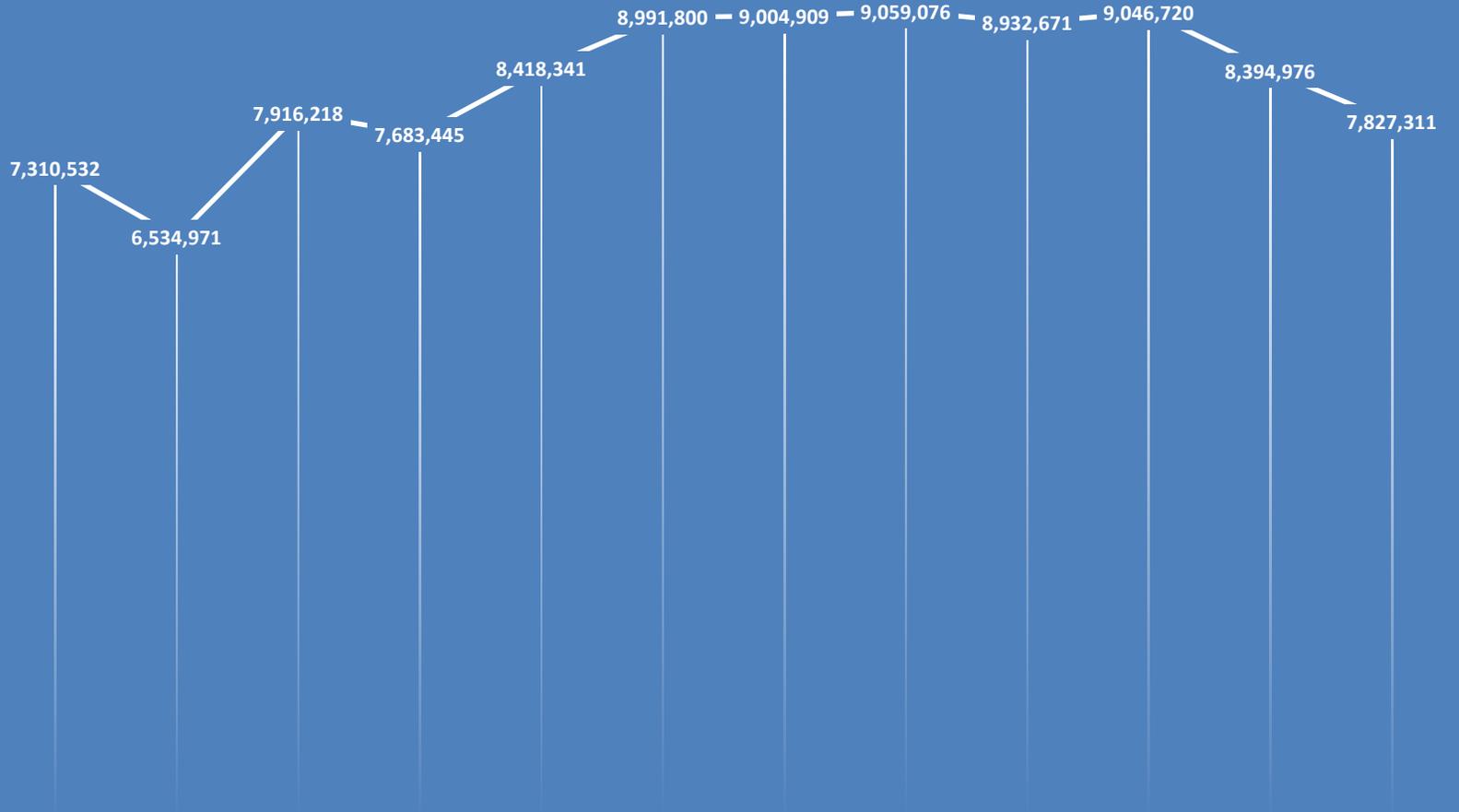
Attachments: 2

Annual Water Production 2019



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	9,046,720	8,394,976	7,827,311

MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: January 16th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Rain Report

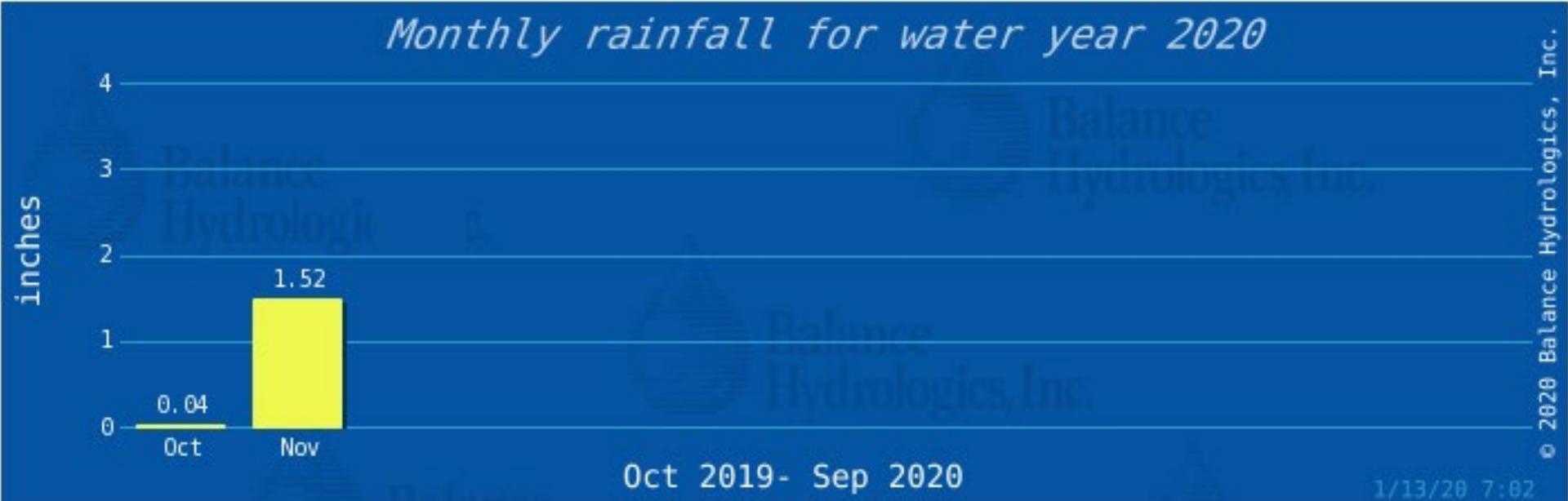
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

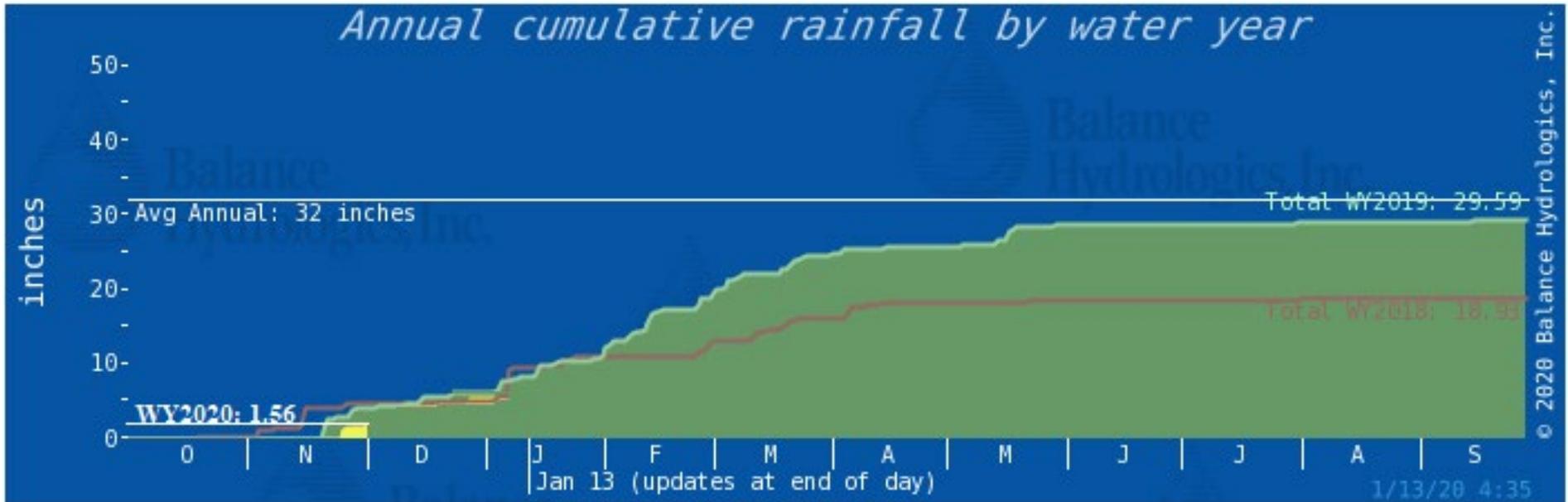
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Monthly Cumulative Rainfall



Annual Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

CH

SUBJECT: Monthly Solar Energy Report

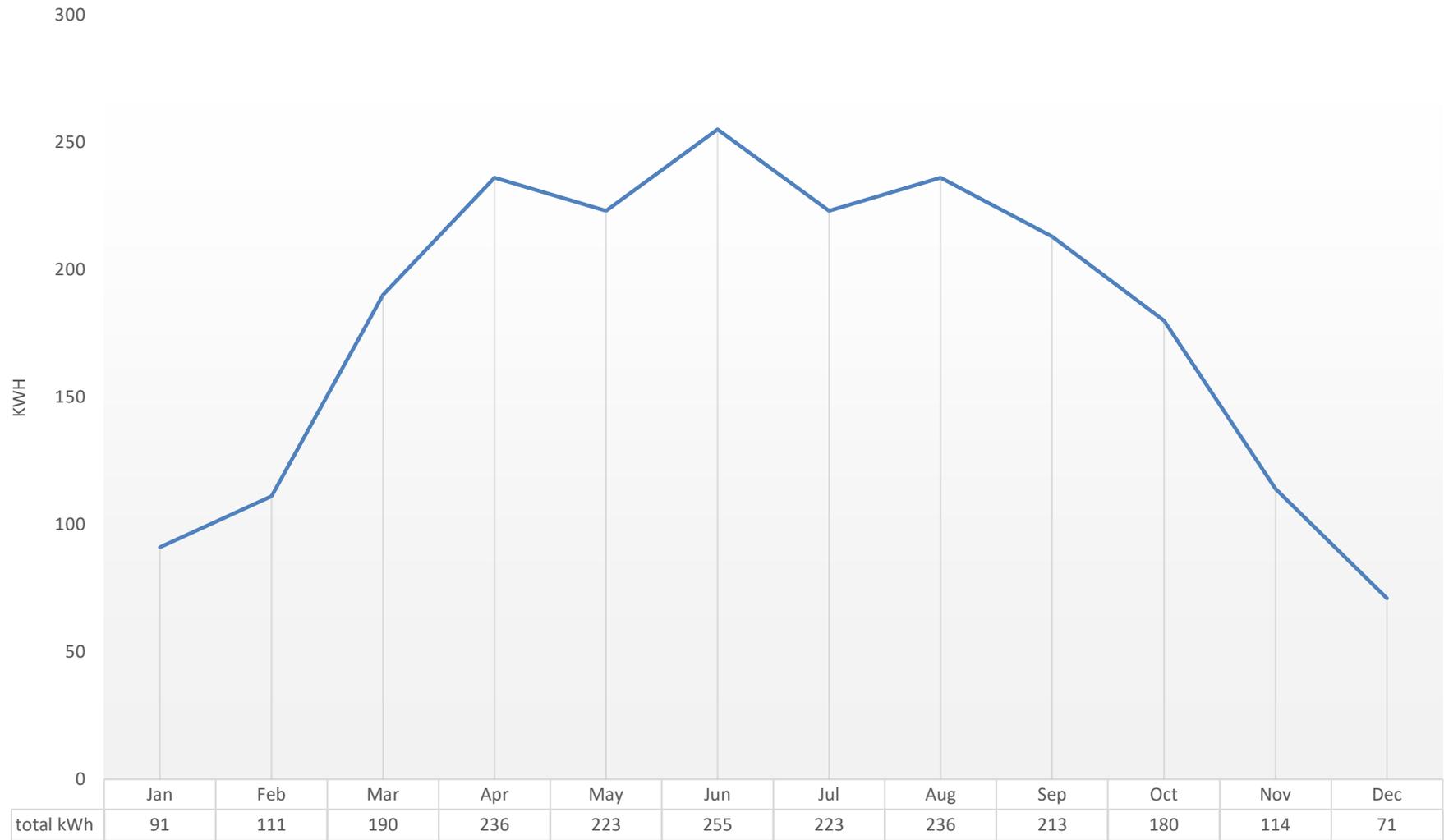
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 43,944 kWh and saved 74,705 lbs of CO₂.

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: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

The District has received the monthly PARS report for October 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
10/1/2019 to 10/31/2019**

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 10/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 10/31/2019
Contributions	\$784,873.48	\$6,960.79	\$13,623.92	\$366.81	\$1,084.63	\$0.00	\$804,006.75
TOTAL	\$784,873.48	\$6,960.79	\$13,623.92	\$366.81	\$1,084.63	\$0.00	\$804,006.75

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%	0.34%	10.01%	9.25%	-	-	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: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Approval of Vallemar Sewer Mainline Extension Agreement

In March 2019 San Mateo County approved a Coastal Development Permit for a Project located at 0 Vallemar Street for 4 single family homes. The planned development went through all necessary San Mateo County planning steps including MWSD's referral.

The project will to connect to the existing water main system for domestic and fire suppression.

The existing sewer mains on Vallemar and Juliana are not suited to serve the planned development. A sewer mainline extension fronting the development on Vallemar street is required. The developer will be responsible to finance all associated cost for the extension.

The applicant, Moss Beach Association, LLC, has met all District Code requirements for the mainline extension, including engineering review.

RECOMMENDATION:

Adopt MWSD Resolution No.____ and authorize the General Manager to sign the Vallemar Sewer Mainline Extension Agreement.

Attachments

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING A MAIN SEWER EXTENSION AND AUTHORIZING EXECUTION OF AGREEMENT FOR CONSTRUCTION AND ACQUISITION OF SEWER MAIN EXTENSION (APNs 037-086-230, -240, -250, -260, -270, -280 and -290)

WHEREAS, Moss Beach Association, a California Limited Liability Corporation ("Applicant") owns real property located at 0 Vallemar Street and Juliana Avenue, Moss Beach, California, as more particularly described as Assessor Parcel Numbers 037-086-230, -240, -250, -260, -270, -280 and -290 ("real property"); and

WHEREAS, Applicant applied for a permit to connect and serve the real property to the District's sewer system ("Permit") in accordance with the Montara Water and Sanitary District ("District") Code Section 3-6.100 ("Service Application"), which requires the financing, construction and dedication of a Public Sewer Extension ("Main Sewer") beyond the District's existing facilities; and

WHEREAS, Applicant submitted plans, profiles and specifications for the Main Sewer, which have been reviewed and approved by the District's Engineer for conformance with District's requirements under District Code Section 3-6.300; and

WHEREAS, pursuant to District Code Section 3-6.1200, the District and the Applicant have agreed upon the terms and conditions for the Main Sewer and that are included in the agreement entitled "Agreement for Construction and Acquisition of Sewer Main Extension" ("Agreement"); and

WHEREAS, the District Board desires to enter into the Agreement, approve Applicant's Service Application and issue the Permit.

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

1. Applicant's Service Application is hereby approved subject to the terms and conditions contained in the attached form of the Agreement, which is further approved and the General Manager is authorized to execute and record the Agreement.
2. Applicant's plans, profiles and specifications for the Main Sewer comply with the District's Code and the District's rules and regulations and the General Manager is authorized to issue a Permit to Applicant

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING A MAIN SEWER EXTENSION AND AUTHORIZING EXECUTION OF AGREEMENT FOR CONSTRUCTION AND ACQUISITION OF SEWER MAIN EXTENSION (APNs 037-086-230, -240, -250, -260, -270, -280 and -290)

subject to the terms and conditions contained in the attached form of the Agreement.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Adjourned Meeting thereof held on the 16th day of January 2020, by the following vote:

AYES, Directors:

ABSTENTION:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

**RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:**

Montara Water and Sanitary District
Attn: Clemens Heldmaier, General Manager
8888 Cabrillo Hwy
Montara, CA 94037

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EXEMPT FROM RECORDING FEES
PURSUANT TO GOV. CODE SEC. 6103

**AGREEMENT FOR CONSTRUCTION AND
ACQUISITION OF SEWER MAIN EXTENSION**
(APNs: 037-086-230, -240, -250, -260, -270, -280 and -290)

THIS AGREEMENT, made and entered as of _____, _____ by and between the **MONTARA WATER AND SANITARY DISTRICT**, a public agency in the County of San Mateo, California (“District;” also “Party”) and **Moss Beach Associates**, a California Limited Liability Corporation (“Applicant;” also “Party”).

WITNESSETH:

WHEREAS, Applicant is the fee owner of the real property described in Exhibit “A” hereof and by this reference incorporated herein (“Property;” also designated by Assessor Parcel Numbers 037-086-230, -240, -250, -260, -270, -280 and -290); and

WHEREAS, environmental review pursuant to the California Environmental Quality Act (Pub. Res. C. §21000 et seq.) for proposed development of the Property designated “Vallemar Street at Juliana Avenue, Moss Beach, APNs: 037-086-230, -240, -250, -260, -270, -280 and -290” has been completed and a final subdivision map or lot line adjustment of the Property and related entitlements have been conditionally approved by the County of San Mateo as set forth in the Letter of Decision, PLN 2015-00380, dated March 1, 2019 (a copy of which is attached hereto as Exhibit “B” and by this reference incorporated herein), including the condition that sewer service is available for the Property to be provided by District; and

WHEREAS, Applicant has applied for a permit to connect the Property to District's sewer system pursuant to the provisions of Section 3-6.100, et. seq. of the Montara Water and Sanitary District Code ("District Code"); and

WHEREAS, a sewer main extension ("Extension") is required in order to serve the Property, along with the pertinent conditions set forth in the District's "Recommended Conditions of Approval for PLN2015-00380, APN 037086230, Graham Dick et al, 0 Vallemar & Juliana St., Moss Beach" dated May 18, 2017 submitted in connection with approval by the County of San Mateo of the final subdivision map or lot line adjustment of the Property, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference; and

WHEREAS, an abandoned sewer line ("Abandoned Sewer") currently lies within the Property; and

WHEREAS, Applicant has submitted plans, profiles, drawings and specifications for the Extension which have been approved by District's Engineer, and considered and approved by the District's governing Board, for conformance with District's requirements under District Code Section 3-6.300; and

WHEREAS, this Agreement is entered into pursuant to District Code Section 3-6.100, et. seq.;

NOW, THEREFORE, the parties hereto agree as follows:

1. Extension. Applicant shall, at Applicant's own cost and expense, construct or provide for the construction of the Extension and furnish all the materials, equipment, machinery, vehicles and perform all labor, and do all other work necessary to complete the construction in strict accordance with the plans, profiles, drawings and specifications (collectively, "Plans") prepared for Application by Rodney Cahill, Registered Professional Engineer entitled, "Vallemar Street & Juliana Avenue Moss Beach, California," dated 12/4/2019, prepared by Mesiti-Miller Engineering, Inc., and approved by District's governing Board on January 16, 2020, including District's Standard Specifications on file in District's Administrative Offices, the applicable provisions of which are incorporated herein by this reference. If a conflict exists between the Plans and District's Standard Specifications or the District's Code for a particular portion or component of the Extension, the stricter standard shall govern to the extent of such

conflict. Applicant shall complete construction of the Extension subject to such exceptions and time extensions as may be allowed under Paragraph 12 (Force Majeure) or otherwise approved for good cause by District's Sanitary System Engineer, on or before January 16, 2021.

2. Inspection. Applicant hereby grants District, its officers, employees, consultants, agents and designees the right and permission to enter upon the Property and the construction site or sites of the Extension to inspect the work of construction and to test or observe the testing of the Extension to ensure that the Extension are constructed in accordance with the Plans and applicable provisions of District's Code and otherwise conform to the conditions for approval and acceptance of the Extension by District.

3. Property Interests. Prior to commencing construction of the Extension, Applicant shall submit to District for review deed(s) of easement(s), or other evidence(s) of property interest(s) title to which is vested in Applicant and is otherwise sufficient and free of encumbrances or claims by others to allow for the construction of the Extension by Application, for District's right of entry pursuant to Paragraph 2 herein and for District's acceptance of the Extension. Upon completion of construction of the Extension and acceptance thereof by District, Applicant shall grant District an easement, or such other property interest as may be specified by District, in the real property in which the Extension and appurtenances are located and convey title to the Extension and appurtenances to District free and clear of any encumbrances, except such encumbrances as may expressly in writing be accepted by District. Such easement or other interest shall include, without limitation, the right to operate, maintain, repair, replace (in the original or any other size), construct and install a sewer main or mains and appurtenances thereto. Applicant agrees and covenants that, prior to execution of such conveyances, Applicant shall not convey to any other person or entity or entities the same interest or any other interest that may conflict with the interest or interests to be conveyed to District. Title to the Extension and associated easements or other requisite property interests (as determined by District) shall vest absolutely in District upon District's acceptance thereof. Conveyance of title to District shall be conducted through escrow acceptable to District. All conveyancing costs including, without

limitation, costs of preparing documents, escrow, title insurance for the benefit of District, and recordation shall be borne by Applicant. All deeds or other form of conveyancing documents described above shall be subject to approval by District's legal counsel. Applicant shall, prior to commencement of construction of the Extension, obtain and provide District with a copy of a title report for the Property and such other property within which the Extension is to be constructed.

4. Security. Prior to commencing construction of the Extension, Applicant shall file with or provide to District's General Manager a faithful performance bond or cash deposit in the amount of the total estimated cost of the work securing payment for all work and the construction of the Extension within the time herein specified. The amount of the security shall be One-Hundred Ninety-nine Thousand Five-Hundred and Six dollars and No One Hundredths Dollars (\$199,506.00.) The cash deposit or faithful performance bond shall be conditioned upon the performance of the terms and conditions of the Permit and shall guarantee the correction of faulty workmanship and the replacement of defective materials for a period of one (1) year after the date of acceptance of the work.

Likewise prior to commencing construction of the Extension, Applicant shall file with District's General Manager a payment bond securing payment by Applicant of all costs for labor and materials incurred in the construction of the Extension and all other work herein agreed to be performed by Applicant. The amount of the security shall be One-Hundred Ninety-nine Thousand Five-Hundred and Six dollars and No One Hundredths Dollars (\$199,506.00).

The aforementioned security shall include, in addition to the principal amounts, guarantee of the payment of costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by District in the event of successful enforcement of such security. All bonds shall be issued by California admitted surety insurers satisfactory to the District.

5. Reimbursement; Deposits for District's Costs. The Parties acknowledge that Applicant has deposited with District the sum of Six Thousand and No One Hundredths Dollars (\$6,000.00), (the "Initial Deposit") receipt of which is hereby acknowledged by District. The deposit shall be used by District to pay for its costs

incurred in administering this Agreement and carrying out its duties for construction and acceptance of the Extension including, without limitation, costs of reviewing the Plans for the Extension, costs incidental to inspection of the construction of the Extension, administrative, engineering and legal services costs and other costs and expenses incurred by District pursuant to the aforesaid District Code Sections or otherwise related to this Agreement and construction of the Extension.

If the Initial Deposit is insufficient to pay all such estimated costs and expenses, District shall notify Applicant in writing thereof, whereupon Applicant shall replenish the deposit in the amount estimated by District that is necessary to cover District's remaining estimated costs and expenses. If such insufficiency occurs, District shall not be obligated to perform any further services hereunder or under the District Code unless and until a replenishment deposit is made. Upon completion of the construction of the Extension, Applicant shall pay any additional costs and expenses of District not covered by the Initial Deposit and, if applicable, replenishments thereof, prior to acceptance of the Extension by District. District shall refund to Applicant any balance of the deposit(s) remaining after acceptance of the Extension.

Applicant hereby acknowledges and agrees that the aforesaid deposit(s) shall not be deemed as payment, or excuse payment, of any other fees and charges duly imposed by District and payable by Applicant for use of, or connection to, District's sewer system.

6. Hold Harmless. Applicant shall protect, indemnify, and hold harmless District, its governing board, committees, officers, employees, agents and consultants (collectively, "Indemnitees") from and against any and all liabilities, losses, damages, claims, expenses, causes of action and judgments, including reasonable attorneys' fees, arising out of or attributable to Applicant's performance or failure to perform under this Agreement or relating to the Abandoned Sewer including, without limitation, any accident, occurrence or incident related to the construction of the Extension, or the negligent performance of, or failure to perform, any other responsibility of Applicant hereunder. Applicant shall also protect, indemnify, and hold harmless Indemnitees from and against any and all liability related to the use of any copyrighted material in the Plans or the use of any patent or patented article or process by Applicant in the

construction of the Extension. Applicant's duty to defend and indemnify includes the responsibility to provide legal representation, the selection of whom shall be subject to District's approval.

Applicant's obligation to indemnify, hold harmless and defend District shall extend to injuries to property or persons and damages to or alleged taking of property resulting from the design or construction of the Extension and shall likewise extend to adjacent property owners asserting claims based upon the design or construction of the Extension. District's acceptance of the Extension shall not constitute an assumption by District of any responsibility or liability for any damage or alleged taking of property referenced herein. District shall not be responsible or liable for the design or construction of the Extension or for the subdivision that includes the Extension. After District's acceptance of the Extension, Applicant shall remain obligated to correct or eliminate all dangerous conditions created by defects in design or construction; provided, however, that Applicant shall not be responsible for routine maintenance. Applicant acknowledges and agrees that Applicant shall be responsible and liable for the design and construction of the Extension and other work done pursuant to this Agreement, and District shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying the Plans or in inspecting, reviewing or approving any work related to construction of the Extension. Applicant's Improvement security shall not be required to secure Applicant's obligations under this Paragraph beyond the one-year guarantee and warranty period described in Paragraph 10. If, in any judicial proceedings involving statutory immunity under the Tort Claims Act (Government Code 810, et seq.) asserted by District, or its officers, employees, agents or consultants is determined by a court of competent jurisdiction to be inapplicable or unavailable to immunize District, or its officers, employees, agents or consultants, from potential liability for any alleged acts or omissions under this Paragraph, then such rights or obligations of indemnification hereunder shall be governed by principles of comparative fault.

7. Insurance. Applicant shall obtain and maintain in full force and effect during the term of this Agreement, at Applicant's cost, a comprehensive general liability insurance policy naming District, its governing board, commissions, committees,

officers, agents, and employees (collectively, "District's Insureds") as insureds or additional insureds, insuring them against liability for personal injury (including death) and property damage (including loss of use thereof) arising out of the construction of the Extension or from Applicant's performance or failure to perform Applicant's obligations under this Agreement. Said insurance shall be in the minimum limits of \$1,000,000 for personal injuries to, or death of, any one person, \$3,000,000 for personal injuries or death arising out of any one occurrence and \$1,000,000 for property damage arising out of any one occurrence. Said insurance shall expressly insure against contractual liability assumed by Applicant under this Agreement including, without limitation, the provisions of Paragraph 1.

The foregoing policies or endorsements thereto shall provide that: (i) the insurer shall notify District in writing thirty (30) days in advance of the insurer's intention to cancel or materially change the terms of said policy or policies, (ii) coverage for District's Insureds shall be severable from that of other insureds if the insurance covers Applicant, another entity, or person(s) in addition to District's Insureds (cross liability or severability of interest provision) and (iii) such insurance shall be primary regarding District's Insureds and that any insurance or self-insurance maintained by District shall be excess of Applicant's insurance, and not contributory with it. Upon execution of this Agreement Applicant shall file with District's General Manager copies of the policies or the policies' declaration page(s) or information page(s) with such endorsements that show compliance with all of the requirements of this Paragraph, together with a certificate or certificates of the insurance.

8. Acceptance. Construction of the Extension in conformance with the Plans and the provisions of Chapter V, Article 4, Division 2 ("Extension of Facilities") of the District Code shall be subject to the approval of District's Sanitary System Engineer. Upon completion of the construction in full compliance with this Agreement and upon recommendation of said Engineer, District shall accept the Extension. The security required hereunder shall not be released until such acceptance. Upon acceptance, Applicant shall furnish District with a complete set of the Plans and drawings showing the Extension in their actual or "as built" condition and location.

9. Time of the Essence. Time is of the essence of this Agreement and if Applicant defaults in the performance of Applicant's obligations hereunder not excused by reason of Force Majeure under paragraph 12, Applicant hereby agrees that District may, at District's option: (i) treat any deposits and payments made by Applicant hereunder as compensation or reimbursement for District's costs and expenses hereunder and terminate this Agreement, or (ii) if District desires that the Extension shall be completed, District may enforce the provisions hereof against Applicant and Applicant's sureties and recover any and all costs incurred therewith, including, without limitation, costs of suit and reasonable attorney's fees.

10. Guarantee of Workmanship and Materials. Applicant agrees that, if within a period of one (1) year after acceptance of the Extension, the Extension or any part or component thereof fails to fulfill any of the requirements of this Agreement, or of the Plans, District's Standard Specifications and the provisions of Chapter V, Article 4, Division 2 ("Extension of Facilities") of the District Code, Applicant shall, upon written notice from District directing the work to be done, without delay and without any cost to District, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Extension. Should Applicant fail to act promptly to make such repair, replacement, or reconstruction, or otherwise to act in accordance with the requirement to repair, replace, or reconstruct, or should the exigencies of the case require that repair, replacement, or reconstruction be made before Applicant can be notified, District may, at its option, make the necessary repair, replacement, or reconstruction or perform the necessary work, and Applicant shall pay to District the actual cost of thereof plus fifteen (15) percent.

11. Security to Insure Guarantee. Applicant agrees, as a condition precedent to District's acceptance of the Extension, to submit to District a bond or cash deposit in the amount of ten percent (10%) of the costs of construction of the Extension guaranteeing and securing to District Applicant's compliance with the provisions of Paragraph 10 for a period of one (1) year after acceptance of the Extension by District. Applicant shall provide District copies of all invoices for and proof of payment of the costs of construction of the Extension concurrently with submittal of the bond or cash deposit.

12. Force Majeure. Applicant shall not be in default of any provision of this Agreement where timely performance or timely compliance thereof is prevented by acts of God, including natural disasters, or unusually inclement weather, civil emergencies, inability to obtain materials (except for such inability occasioned by the act, or failure to act, of Applicant), unanticipated change in governmental regulations, labor strike or disturbance (except that pertaining to Applicant's employees or agents) or similar acts which are beyond Applicant's reasonable ability to control; provided, that Applicant shall be obligated to perform or comply within a reasonable time after the event or action which precluded Applicant's timely performance no longer exists.

13. Independent Contractor. Neither Applicant, nor any of Applicant's agents or contractors are, or shall be, agents or employees of District in connection with the performance of Applicant's obligations under this Agreement. Applicant is, and shall be, an independent contractor hereunder.

14. Release and Discharge. To the extent that Applicant's proposed development of the Property, including Applicant's grading and construction activities and the location and construction of any utilities and improvements, impacts, affects or otherwise disturbs the Abandoned Sewer, Applicant fully, finally, unconditionally, and forever discharges and releases the District and its respective elected officials, appointed officials, officers, employees, contractors, agents, attorneys, administrators, assigns, and insurers—and anyone else acting on their behalf in connection with the Abandoned Sewer—from all injuries to persons or property (including the environment), whether the injuries are known or unknown, suspected or unsuspected, or anticipated or unanticipated, as well as all liabilities, claims, demands, causes of action, obligations, damages, losses, costs, attorneys' fees and expenses of any kind and nature whatsoever, known or unknown, arising out of, connected with, or related to, the Abandoned Sewer.

Applicant has read California Civil Code section 1542 ("Section 1542") and understands that Section 1542 gives Applicant the right not to release existing claims of which Applicant is not now aware, unless Applicant voluntarily chooses to do so. Applicant nevertheless hereby voluntarily waives Section 1542 and elects to assume all

risks for claims against the District relating to the Abandoned Sewer, whether known or unknown. Section 1542 reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

15. Assignability. Applicant may assign this Agreement subject to District's prior written approval and to such conditions and covenants that District may require in order to effectuate the purposes of this Agreement.

16. Successors. The rights and obligations of the parties hereunder shall inure to the benefit of, and be binding upon their respective successors, assigns, administrators and heirs.

17. Joint and Several. If Applicant, as named above, consists of two or more persons or entities (irrespective of whether the form of such entity or entities is corporate, partnership, association or other form), the obligations and responsibilities under this Agreement of each and all of them are joint and several.

18. Recordation. Either Party hereto may submit this Agreement or a memorandum thereof to the San Mateo County Clerk-Recorder for recordation in County's Official Records.

19. Attorneys' Fees. If suit is brought by one Party against the other for damages or otherwise to enforce the provisions of this Agreement, the prevailing Party shall recover costs of suit including reasonable fees of expert witnesses and reasonable attorneys' fees.

20. Entire Agreement. This Agreement comprises the entire agreement between the Parties and integrates any and all prior writings, documents or understandings, between them pertaining to the subject matter hereof.

21. Paragraph Headings. Paragraph headings as used herein are for convenience of reference and shall not be deemed to amend or alter the contents of the paragraphs headed thereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first hereinabove written.

MONTARA WATER AND SANITARY DISTRICT, a public agency (“District”)

By: _____

General Manager

Moss Beach Associates, LLC, a California Limited Liability Corporation (“Applicant”)

By: _____

Its _____

(Insert title)

DRAFT

Exhibit A

Property Description

DRAFT

Exhibit B

County Letter of Decision

DRAFT

Exhibit C

District Conditions of Approval

DRAFT

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Mateo, State of California, described as follows:

TRACT A: (APN: 037-086-230, JPN: 037-008-086-16.03A AND 037-008-086-17.04A)

LOT A, DESIGNATED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 10 THROUGH 14 INCLUSIVE, AND LOTS 45 THROUGH 49 INCLUSIVE, ALL IN BLOCK 44, AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908, IN [BOOK 6 OF MAPS AT PAGE 8](#).

EXCEPTING FROM SAID LOTS 10 THROUGH 14 THAT PORTION THEREOF CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 29, 1949, IN [BOOK 1641, PAGE 148](#), OFFICIAL RECORDS.

TRACT B: (APN: 037-086-240, JPN: 037-008-086-16.04A; 037-008-086-17A)

PARCEL 1:

LOT B, DESIGNATED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 42 OF SAID BLOCK 44 AND RUNNING THENCE N 36° 19' 10" W, 75.03 FEET, (N 36° 21' W, 75 FEET PER [BOOK 6 OF MAPS, PAGE 8](#)) ALONG THE EASTERLY LINE OF THE STRAND, TO THE MOST SOUTHERLY CORNER OF LOT 45 OF SAID BLOCK; THENCE N 51° 45' 54" E, 105.36 FEET (N 51° 45' E, 106 FEET PER [BOOK 6 OF MAPS, PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 45, TO THE MOST EASTERLY CORNER OF SAID LOT AND A POINT ON A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 3,028.93 FEET, A RADIAL LINE TO SAID POINT BEARS S 56° 04' 39" W; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 1° 19' 33", AN ARC DISTANCE OF 70.08 FEET TO THE MOST SOUTHERLY CORNER OF LOT 17 OF SAID BLOCK; THENCE SOUTHEASTERLY TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 19 OF SAID BLOCK, SAID POINT BEING 38.00 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT 19; THENCE S 22° 41' 15" W, 30.14 FEET; THENCE S 80° 47' 47" W, 129.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

EXHIBIT A (4 pages)

AN EASEMENT FOR INGRESS, EGRESS, AND PUBLIC UTILITIES OVER, UNDER AND UPON LOTS 20 AND 21 OF SAID BLOCK.

TRACT C: (APN: 037-086-250, JPN: 037-008-086-16.01A AND 037-008-086-17.01A)

LOT C, DESCRIBED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 37 OF SAID BLOCK 44 AND RUNNING THENCE N 15° 01' 00" W, 135.94 FEET (136.00 PER [BOOK 6 OF MAPS, PAGE 8](#)) ALONG THE SOUTHWESTERLY LINE OF SAID BLOCK, TO THE MOST SOUTHERLY CORNER OF LOT 42 OF SAID BLOCK; THENCE N 80° 47' 47" E, 129.00 FEET; THENCE N 22° 41' 15" E, 30.14 FEET TO A POINT ON THE LINE BETWEEN LOTS 19 AND 20 OF SAID BLOCK, SAID POINT BEING 38.00 FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT 19; THENCE N 53° 46' 28" E, 56.19 FEET TO THE WESTERLY LINE OF THAT CERTAIN DEED RECORDED IN [BOOK 1641 OF OFFICIAL RECORDS AT PAGE 148](#); THENCE S 33° 34' 39" E, (S 33° 34' 09" E PER 1641-OR-148) ALONG SAID WESTERLY LINE, 50.21 FEET TO THE NORTHWESTERLY LINE OF LOT 22 OF SAID BLOCK; THENCE S 52° 47' 44" W, ALONG SAID NORTHWESTERLY LINE, 84.44 FEET; THENCE S 38° 59' 36" E, 26.52 FEET; THENCE S 51° 46' 39" W, (S 51° 45' W PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 37 AND ITS EASTERLY EXTENSION, 160.73 FEET TO THE POINT OF BEGINNING.

TRACT D: (APN: 037-086-260, JPN: 037-008-086-17.02A)

LOT D, DESCRIBED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AN FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID BLOCK 44 AND RUNNING THENCE N 15° 01' 00" W, ALONG THE WESTERLY LINE OF SAID BLOCK, 135.98 FEET, (136.05 FEET PER [BOOK 6 OF MAPS PAGE 8](#)) TO THE MOST SOUTHERLY CORNER OF LOT 37 OF SAID BLOCK; THENCE N 51° 46' 39" E, (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 37, 85.67 FEET; THENCE S 20° 47' 42" E, 131.06 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID BLOCK 44; THENCE S 51° 48' 47" W, (S 51° 45' W PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG SAID SOUTHEASTERLY LINE, 100 FEET TO THE POINT OF BEGINNING.

TRACT E: (APN: 037-086-270, JPN: 037-008-086-17.03A)

LOT E, DESCRIBED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL

NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID BLOCK 44 THAT BEARS N 51° 48' 47" E, (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) 100.00 FEET FROM THE MOST SOUTHERLY CORNER OF SAID BLOCK; THENCE N 20° 47' 42" W, 131.06 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 37 OF SAID BLOCK THAT BEARS N 51° 46' 39" E, 85.67 (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) FEET FROM THE MOST SOUTHERLY CORNER OF SAID LOT 37; THENCE N 51° 46' 39" E, (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 37 AND ITS NORTHEASTERLY PROLONGATION 75.06 FEET; THENCE S 38° 59' 36" E, 25.08 FEET; THENCE S 31° 44' 46" E, 100.67 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID BLOCK 44; THENCE S 51° 48' 47" W, (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG SAID SOUTHEASTERLY LINE, 103.29 FEET TO THE POINT OF BEGINNING.

TRACT F: (APN: 037-086-280, JPN: 037-008-086-16.02A)

LOT F, DESCRIBED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN [BOOK 13 OF LLS MAP ON PAGE 95](#), FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID BLOCK 44 THAT BEARS N 51° 48' 47" E, (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) 203.29 FEET FROM THE MOST SOUTHERLY CORNER OF SAID BLOCK 44; THENCE N 31° 44' 44" W, 100.67 FEET; THENCE N 38° 59' 36" W, 51.60 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 21 OF SAID BLOCK; THENCE N 52° 47' 44" E, (N 57° 47' 50" E PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG SAID SOUTHEASTERLY LINE, 84.44 FEET TO THE WESTERLY LINE OF THAT CERTAIN DEED RECORDED IN [BOOK 1641 OF OFFICIAL RECORDS AT PAGE 148](#), THENCE S 33° 34' 39" E, (N 33° 34' 09" E PER 1641-OR-148) ALONG SAID WESTERLY LINE OF SAID DEED, 120.80 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY; THENCE ALONG SAID CURVE HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 85° 33' 35", (85° 19' 39" PER 1641-OR-148) AN ARC DISTANCE OF 46.89 FEET (44.68 FEET PER 1641-OR-148), THENCE S 51° 48' 47" W (N 51° 45' E PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF BLOCK 44, 55.29 FEET TO THE POINT OF BEGINNING.

TRACT G: (APN: 037-086-290, JPN: 037-008-086-16A)

LOT G, DESCRIBED IN THE APPROVAL OF LOT LINE ADJUSTMENT RECORDED MAY 28, 1991, SERIAL NO. [91064892](#), OFFICIAL RECORDS, AND IN CORRECTED APPROVAL OF LOT LINE ADJUSTMENT RECORDED JANUARY 20, 1994, SERIAL NO. [94008766](#), OFFICIAL RECORDS, AND AS SHOWN IN BOOK 13 OF LLS MAP ON PAGE 95, FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN

MATEO, STATE OF CALIFORNIA, IN JUNE 7, 1991 UNDER RECORDER'S SERIAL NO. [91071490](#), OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF BLOCK 44 AS DESIGNATED ON THE MAP ENTITLED, "MAP OF MOSS BEACH HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 4, 1908 IN [BOOK 6 OF MAPS, AT PAGE 8](#), DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 17 IN SAID BLOCK 44 AND RUNNING THENCE NORTHWESTERLY ALONG A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 3,028.93 FEET, THROUGH A CENTRAL ANGLE OF 1° 28' 03", AN ARC DISTANCE OF 77.58 FEET, TO THE MOST SOUTHERLY CORNER OF LOT 14 OF SAID BLOCK 44; THENCE N 56° 13' 09" E, 97.77 FEET (N 56° 13' 45" E, 100.00 FEET PER [BOOK 6 OF MAPS AT PAGE 8](#)) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 14, TO THE WESTERLY LINE OF THAT CERTAIN DEED RECORDED IN [BOOK 1641 OF OFFICIAL RECORDS AT PAGE 148](#); THENCE S 31° 32' 30" E, (S 31° 20' 32" E PER 1641-OR-148) ALONG SAID WESTERLY LINE, 12.93 TO AN ANGLE POINT THEREIN; THENCE S 33° 34' 39" E, (S 33° 34' 09" E PER 1641-OR-148) CONTINUING ALONG SAID WESTERLY LINE 112.32 FEET TO ITS INTERSECTION WITH THE SOUTHEASTERLY LINE OF LOT 19 OF SAID BLOCK 44; THENCE S 53° 46' 28" W, (S 53° 46' 40" W, PER [BOOK 6 OF MAPS PAGE 8](#)) ALONG SAID SOUTHEASTERLY LINE, 56.19 FEET; THENCE S 72° 12' 57" W, 63.92 FEET TO THE POINT OF BEGINNING.

March 1, 2019

Moss Beach Association, LLC
Mr. Owen Lawlor
612 Spring Street
Santa Cruz, CA 95060

Dear Mr. Lawlor:

Subject: **LETTER OF DECISION**
File Number: PLN2015-00380
Location: Vallemar Street at Julianna Avenue, Moss Beach
APNs: 037-086-230, -240, -250, -260, -270, -280 and -290; 2.48 acres

On February 13, 2019 the San Mateo County Planning Commission considered a certification of an Initial Study and Mitigated Negative Declaration pursuant to the California Environmental Quality Act, and consideration of Coastal Development, Design Review, Resource Management permits, pursuant to Sections 6328.4, 6565.20 and 6903, respectively, of the County Zoning Regulations, a Grading Permit, pursuant to Section 9283 of the County Building Regulations (Division VII, Chapter 5), and a Lot Line Adjustment, pursuant to Section 7125 of the San Mateo County Subdivision Regulations, to construct four single-family residences, with associated grading, tree removal and installation of all required access and utilities, located on Vallemar Street at Juliana Avenue, in the unincorporated Moss Beach area of San Mateo County. This project is appealable to the California Coastal Commission.

Based on information provided by staff and evidence presented at the hearing, the Planning Commission certified the Mitigated Negative Declaration and approved the Coastal Development, Design Review, Resource Management District Development Review and Grading Permits, and Lot Line Adjustment (County File No: PLN 2015 00380), by making the required findings and adopting the conditions of approval identified in Attachment A.

Any interested party aggrieved by the determination of the Planning Commission has the right of appeal to the Board of Supervisors within ten (10) business days from such date of determination. The appeal period for this matter will end at **5:00 p.m. on February 28, 2019.**

The approval of this project is also appealable to the California Coastal Commission. Any aggrieved person may appeal this decision to the California Coastal Commission within 10 working days following the Coastal Commission's receipt of the notice of Final Local Decision. Please contact the Coastal Commission's North Central Coast District Office at 415/904-5260 for further information concerning the Commission's appeal process. The County and Coastal Commission appeal periods are sequential, not concurrent, and together total approximately one month. A project is considered approved when these appeal periods have expired and no appeals have been filed.

Exhibit B (26 pages)



To provide feedback, please visit the Department's Customer Survey at the following link:
<http://planning.smcgov.org/survey>.

Sincerely,



Janneth Lujan
Planning Commission Secretary
Pcd213dd (Item 3. Moss Beach Assoc.)

cc: Building Inspection Department
County Geologist
Environmental Health
Parks and Recreation Director
California Coastal Commission
Coastside Fire Authority
Midcoast Community Council
Lennie Roberts, Committee for Green Foothills
James and Kathy Lockhart

County of San Mateo
Planning and Building Department

FINDINGS AND CONDITIONS OF APPROVAL

Permit or Project File Number: PLN 2015-00380 Hearing Date: February 13, 2019

Prepared By: David Holbrook
Senior Planner

Adopted By: Planning Commission

FINDINGS

For the Environmental Review, Found:

1. That the Planning Commission does hereby find that this Mitigated Negative Declaration reflects the independent judgment of San Mateo County
2. That the Mitigated Negative Declaration is complete, correct, and adequate and prepared in accordance with the California Environmental Quality Act (CEQA) and applicable State and County Guidelines.
3. That, on the basis of the Initial Study, comments received hereto, and testimony presented and considered at the public hearing, there is no substantial evidence that the project will have a significant effect on the environment.
4. That the Mitigation Measures (numbered 1 through 36) in the Mitigated Negative Declaration and agreed to by the owner and placed as conditions on the project have been incorporated into the Mitigation Monitoring and Reporting Plan in conformance with the California Public Resources Code Section 21081.6.

For the Coastal Development Permit, Found:

5. That the project, as described in the application and accompanying materials required by Section 6328.7 and as conditioned in accordance with Section 6328.14, conforms to the plans, policies, requirements and standards of the San Mateo County Local Coastal Program.
6. That the project conforms to the specific findings required by policies of the San Mateo County Local Coastal Program. The legalization will not affect any sensitive habitats, visual resources, or public access to and along the coast.
7. That the project conforms to the applicable policies of the Local Coastal Program (LCP) as discussed.
8. The development is in conformity with the public access and public recreation policies of Chapter 3 of the State Coastal Act (commencing with Section 30200), as discussed in the sections of this report addressing bluff top access.

For the Design Review Permit, Found:

9. That the project has been reviewed under and found to be in general compliance with the Design Review Standards for One-Family Development in the Midcoast, pursuant to Section 6565.20 of the County Zoning Regulations.

For the Resource Management District Development Review Permit, Found:

10. That the project complies with the applicable criteria and standards, as required by Section 6324 of the County Zoning Regulations.

For the Grading Permit, Found:

11. That this project, as conditioned, will not have a significant adverse effect on the environment. The project has been reviewed by planning staff and the Department of Public Works, which found that the project can be completed without significant harm to the environment as conditioned.
12. That this project, as conditioned, conforms to the criteria of the San Mateo County Grading Ordinance and is consistent with the General Plan. Planning staff and the Department of Public Works have reviewed the project and have determined its conformance to the criteria of Chapter 8, Division VII, San Mateo County Ordinance Code, including the standards referenced in Section 8605 and the San Mateo County General Plan.

For the Lot Line Adjustment, Found:

13. That the Lot Line Adjustment conforms to the General Plan, LCP, and Zoning and Building Regulations.
14. That the Lot Line Adjustment creates suitable building sites with provisions for adequate routine and emergency access.
15. That the Lot Line Adjustment accommodates provisions for adequate water supply and sewage disposal.
16. That the Lot Line Adjustment avoid or minimize impacts upon scenic corridors, wetlands, coastal resources, or authorized coastal development.

CONDITIONS OF APPROVAL

Current Planning Section

1. This approval applies only to the proposal as described in the plans, supporting materials and reports approved by the Planning Commission on February 13, 2019. Minor revisions or modifications to the project may be made subject to the review and approval of the Community Development Director, if they are consistent with the intent of and in substantial conformance with this approval.
2. This permit shall be valid for one year. Any extension of this permit shall require submittal of an application for permit extension and payment of applicable permit extension fees 60 days prior to expiration.

3. The applicant shall submit a check in the amount of \$2,404.75, payable to San Mateo County, prior to and required for filing of the Mitigated Negative Declaration's 'Notice of Determination' with the County Clerk's office, as required by the California Department of Fish and Wildlife (\$2,354.75 + \$50 County Clerk processing fee).
4. Prior to issuance of any of the building permits for the four residences, the applicant shall submit, for the review and approval of the County Parks and Public Works Departments, plans for construction of the segment of the California Coastal Trail (CCT) within the Vallemar Street road right-of-way adjacent to the project. The plans shall, among other things, satisfy the trail width, striping, and signage requirements established by these departments. The trail section shall be completed to the departments' satisfaction prior to the final building permit inspection of the last of the four residences.
5. The construction of any shoreline protective device(s) for the purpose of protecting the development approved in this project is prohibited. This includes, but is not limited to, the construction of any seawall or revetment for the purpose of protecting the approved buildings and associated foundations, in the event that these structures are threatened with imminent damage or destruction from coastal hazards such as episodic and long-term shoreline erosion, and bluff and geologic instability. Prior to the issuance of the building permit for this project, the property owner shall record a deed restriction, to the satisfaction of the Community Development Director, which informs all future property owners of this prohibition.
6. At the building permit application stage, the project shall demonstrate compliance with the Water Efficient Landscape Ordinance (WELo) and provide the required forms. WELo applies to new landscape projects equal to or greater than 500 sq. ft. A prescriptive checklist is available as a compliance option for projects under 2,500 sq. ft. WELo also applies to rehabilitated landscape projects equal to or greater than 2,500 sq. ft. The following restrictions apply to projects using the prescriptive checklist:
 - a. Compost: The project must incorporate compost at a rate of at least four (4) cubic yards per 1,000 sq. ft. to a depth of 6 inches into the landscape area (unless contra-indicated by a soil test).
 - b. Plant Water Use (Residential): Install climate adapted plants that require occasional, little, or no summer water (average WUCOLS plant factor 0.3) for 75% of the plant area excluding edibles and areas using recycled water.
 - c. Mulch: A minimum 3-inch layer of mulch should be applied on all exposed soil surfaces of planting areas, except in areas of turf or creeping or rooting groundcovers.
 - d. Turf: Total turf area shall not exceed 25% of the landscape area. Turf is not allowed in non-residential projects. Turf (if utilized) is limited to slopes not exceeding 25% and is not used in parkways less than 10 feet in width. Turf, if utilized in parkways, is irrigated by sub-surface irrigation or other technology that prevents overspray or runoff.
 - e. Irrigation System: The property shall certify that Irrigation controllers use evapotranspiration or soil moisture data and utilize a rain sensor; Irrigation controller programming data will not be lost due to an interruption in the primary power source; and Areas

less than 10 feet in any direction utilize sub-surface irrigation or other technology that prevents overspray or runoff.

7. No grading activities shall commence until the property owner has been issued a grading permit (issued as the “hard card” with all necessary information filled out and signatures obtained) together with the building permit by the Current Planning Section.
8. No grading shall be allowed during the winter season (October 1 to April 30) to avoid potential soil erosion. An applicant-completed and County-issued grading permit “hard card” is required prior to the start of any land disturbance/grading operations. Along with the “hard card” application, the applicant shall submit a letter to the Current Planning Section, at least two (2) weeks prior to commencement of grading, stating the date when grading operations will begin, anticipated end date of grading operations, including dates of revegetation and estimated date of establishment of newly planted vegetation.
9. Prior to any land disturbance and throughout the grading operation, the property owner shall implement the erosion control plan, as prepared and signed by the engineer of record and approved by the Planning Commission. Revisions to the approved erosion control plan shall be prepared and signed by the engineer and submitted to the Community Development Director for review and approval.
10. Prior to issuance of the grading permit “hard card,” the property owner shall submit a schedule of all grading operations to the Current Planning Section, subject to review and approval by the Current Planning Section. The submitted schedule shall include a schedule for winterizing the site. If the schedule of grading operations calls for the grading to be completed in one grading season, then the winterizing plan shall be considered a contingent plan to be implemented if work falls behind schedule. All submitted schedules shall represent the work in detail and shall project the grading operations through to completion.
11. The property owner shall adhere to the San Mateo Countywide Stormwater Pollution Prevention Program “General Construction and Site Supervision Guidelines,” including, but not limited to, the following:
 - a. Delineation with field markers of clearing limits, easements, setbacks, sensitive or critical areas, buffer zones, trees, and drainage courses within the vicinity of areas to be disturbed by construction and/or grading.
 - b. Protection of adjacent properties and undisturbed areas from construction impacts using vegetative buffer strips, sediment barriers or filters, dikes, mulching, or other measures as appropriate.
 - c. Performing clearing and earth-moving activities only during dry weather.
 - d. Stabilization of all denuded areas and maintenance of erosion control measures continuously between October 1 and April 30.
 - e. Storage, handling, and disposal of construction materials and wastes properly, so as to prevent their contact with stormwater.

- f. Control and prevention of the discharge of all potential pollutants, including pavement cutting wastes, paints, concrete, petroleum products, chemicals, wash water or sediments, and non-stormwater discharges to storm drains and watercourses.
 - g. Use of sediment controls or filtration to remove sediment when dewatering site and obtain all necessary permits.
 - h. Avoiding cleaning, fueling, or maintaining vehicles on-site, except in a designated area where wash water is contained and treated.
 - i. Limiting and timing application of pesticides and fertilizers to prevent polluted runoff.
 - j. Limiting construction access routes and stabilization of designated access points.
 - k. Avoiding tracking dirt or other materials off-site; cleaning off-site paved areas and sidewalks using dry sweeping methods.
 - l. Training and providing instruction to all employees and subcontractors regarding the Watershed Protection Maintenance Standards and construction Best Management Practices.
 - m. Additional Best Management Practices in addition to those shown on the plans may be required by the Building Inspector to maintain effective stormwater management during construction activities. Any water leaving the site shall be clear and running slowly at all times.
 - n. Failure to install or maintain these measures will result in stoppage of construction until the corrections have been made and fees paid for staff enforcement time.
12. It shall be the responsibility of the engineer of record to regularly inspect the erosion control measures for the duration of all grading remediation activities, especially after major storm events, and determine that they are functioning as designed and that proper maintenance is being performed. Deficiencies shall be immediately corrected, as determined by and implemented under the observation of the engineer of record.
 13. For the final approval of the grading permit, the property owner shall ensure the performance of the following activities within thirty (30) days of the completion of grading at the project site: (a) The engineer shall submit written certification that all grading has been completed in conformance with the approved plans, conditions of approval/mitigation measures, and the Grading Regulations, to the Department of Public Works and the Planning and Building Department's Geotechnical Engineer, (b) The geotechnical consultant shall observe and approve all applicable work during construction and sign Section II of the Geotechnical Consultant Approval form, for submittal to the Planning and Building Department's Geotechnical Engineer and Current Planning Section.
 14. Applicant shall prepare a Stormwater Management Plan (SWMP) that includes, at a minimum, exhibit(s) showing drainage areas and location of Low Impact Development (LID) treatment measures; project watershed; total project site area and total area of land disturbed; total new and/or replaced impervious area; treatment measures and hydraulic sizing calculations; a listing of source control and site design measures to be implemented at the site; hydro-modification management measures and calculations, if applicable; NRCS soil type; saturated hydraulic conductivity rate(s) at relevant locations

or hydrologic soil type (A, B, C or D) and source of information; elevation of high seasonal groundwater table; a brief summary of how the project is complying with Provision C.3 of the MRP; and detailed Maintenance Plan(s) for each site design, source control and treatment measure requiring maintenance.

15. LID treatment measures to be shown on final improvement or grading plans shall not differ materially from the LID treatment measures presented on the project's Lot Line Adjustment/Parcel Map Map, without written approval from the Planning Department.
16. Project construction activities shall comply with all requirements of the Municipal Regional Stormwater NPDES Permit Provision C.3. Please refer to the San Mateo Countywide Water Pollution Prevention Program's (SMCWPPP) C.3 Stormwater Technical Guidance Manual for assistance in implementing LID measures at the site.
17. **(Mitigation Measure 1):** All development on all four proposed lots shall comply with the plans approved by the Coastside Design Review Committee on October 12, 2017, and shall include the following revisions to the project on the plans submitted in conjunctions with the required building permit applications:
 - a. Revise the variable color scheme to be neutral so as to blend with the immediate landscape so that the structures' exteriors weather naturally. Weathered (pickled) wood, stucco or cementitious hardy sidings are acceptable options. Any such changes shall require the submittal of material samples for review by the Community Development Director.
 - b. Submit revised plans to show modified deck specifications to include the floor area of the mezzanine decks (for all houses that include such decks) pursuant to the second revision plans presented [to the DRC] on October 12, 2017 (definitive deck square footage was delineated only for entry, rear, and garage decks in all versions of previously submitted plans).
 - c. Any additional exterior lighting (in addition to the single fixture shown at the entry and garage locations) shall be dark sky compliant fixtures, which shall be mounted or recessed under the soffits at other openings and allowed only as required by building code (for safety). No additional site, building, or landscape lighting is proposed.
 - d. All paved pathways and patios shall be shown as dimensioned, on the plans, with identified materials [which shall be of a previous nature].
 - e. The applicant shall provide "finished floor elevation verification" to certify that the structure is actually constructed at the height shown on the submitted plans. The applicant shall have a licensed land surveyor or engineer establish a baseline elevation datum point in the vicinity of the [four] construction sites.

(1) The applicant shall maintain the datum point so that it will not be disturbed by the proposed construction activities until final approval of the building permit.

(2) This datum point and its elevation shall be shown on the submitted site plan. This datum point shall be used during construction to verify the elevation of the finished floors relative to the existing natural or to the grade of the site (finished grade).

(3) Prior to Planning approval of the building permit application, the applicant shall also have the licensed land surveyor or engineer indicate on the construction plans: (a) the natural grade elevations at the significant corners (at least four) of the footprint of the

proposed structure on the submitted site plan, and (b) the elevations of proposed finished grades.

(4) In addition, (a) the natural grade elevations at the significant corners of the proposed structure, (b) the finished floor elevations, (c) the topmost elevation of the roof, and (d) the garage slab elevation must be shown on the plan, elevations, and cross-section (if one is provided).

(5) Once the building is under construction, prior to the below floor framing inspection or the pouring of the concrete slab (as the case may be) for the lowest floor(s), the applicant shall provide to the Building Inspection Section a letter from the licensed land surveyor or engineer certifying that the lowest floor height, as constructed, is equal to the elevation specified for that floor in the approved plans. Similarly, certifications on the garage slab and the topmost elevation of the roof are required.

(6) If the actual floor height, garage slab, or roof height, as constructed, is different than the elevation specified in the plans, then the applicant shall cease all construction and no additional inspections shall be approved until a revised set of plans is submitted to and subsequently approved by both the Building Official and the Community Development Director.

f. All new power and telephone utility lines from the street or nearest existing utility pole to the project structures on the property shall be placed underground.

g. Prior to issuance of a building permit for any of the four residences, the applicant shall submit, for review and approval by the Community Development Director, a roof sample, together with the manufacturer's 'cut sheets' and specifications, confirming the metal seam roof material's color (not painted) and that it is of a matte, or otherwise non-reflective material. All exterior materials and colors, as reviewed by the Design Review Committee at their October 31, 2017 meeting, shall be shown on the submitted building plans and confirmed (by Planning) to have been installed/applied prior to the final building inspection approval of all four residences.

18. **(Mitigation Measure 2):** The applicant shall submit an Air Quality Best Management Practices Plan to the Planning and Building Department prior to the issuance of any grading "hard card" or building permit that, at a minimum, includes the "Basic Construction Mitigation Measures" as listed in Table 8-1 of the BAAQMD California Environmental Quality Act (CEQA) Guidelines (May 2011). These measures shall be implemented prior to beginning any grading and/or construction activities and shall be maintained for the duration of the project grading and/or construction activities:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access road) shall be watered two times per day.

b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.

c. All visible mud or dirt track-out onto adjacent paved roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.

d. All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph).

e. Roadways and building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

f. Idling times shall be minimized either by shutting equipment or vehicles off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations). Clear signage shall be provided for construction workers at all access points.

g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications.

h. Minimize the idling time of diesel powered construction equipment to two minutes.

19. **(Mitigation Measure 3):** The applicant shall submit a dust control plan to the Planning Department for review and approval prior to the issuance of a building permit for the project. The approved plan shall be implemented for the duration of any grading, demolition, and construction activities that generate dust and other airborne particles. The plan shall include the following control measures:

a. Water all active construction areas at least twice daily.

b. Water or cover stockpiles of debris, soil, sand, or other materials that can be blown by the wind.

c. Cover all trucks hauling soil, sand and other loose materials or require all trucks to maintain at least 2 feet of freeboard.

d. Apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking and staging areas at construction sites. Also, hydroseed or apply non-toxic soil stabilizers to inactive construction areas.

e. Sweep daily (preferably with water sweepers) all paved access roads, parking and staging areas at construction sites.

f. Sweep adjacent public streets daily (preferably with water sweepers) if visible soil material is carried onto them.

g. Enclose, cover, water twice daily or apply non-toxic soil binders to exposed stockpiles (dirt, sand, etc.).

h. Limit traffic speeds on unpaved roads within the project parcel to 15 mph.

i. Install sandbags or other erosion control measures to prevent silt runoff to public roadways.

j. Replant vegetation in disturbed areas as quickly as possible.

20. **(REVISED Mitigation Measure 4):** The project developer, and all future owners, shall be responsible for protecting and maintaining the environmentally sensitive habitat areas that exist on the project site in perpetuity. To this end, a final Habitat Management Plan (HMP), Conservation and Open Space Easement, and

associated Covenants, Conditions and Restrictions (CC&Rs), shall be submitted for the review and approval of the Community Development Director prior to commencement of grading or construction, and, upon approval, recorded with the Final Lot Line Adjustment/Parcel Map. The purpose of the easement and the CCR's shall be to restrict the use and development of the easement area in a manner that protects sensitive habitats, identify the ongoing responsibilities of the property owners to protect and maintain these habitat areas, and allow for the lateral public coastal access trail to be relocated within the easement areas in the event the existing trail is undermined by erosion. The easement shall be conveyed from the Project owner to the Golden State Land Conservancy or other entity acceptable to the Community Development Director, who will be responsible for ensuring compliance with the easement's provisions and effective implementation of the approved Habitat Management Plan.

21. **(Mitigation Measure 5):** Prior to the final building inspection of any of the four residences, a permanent fence – not to exceed three (3) feet in height and of a construction and nonsolid design (i.e., wood split-rail) as approved by the Community Development Director – shall be placed along all the boundaries of the easement area, to include respective access points on its eastern boundaries adjacent to the west-facing building site areas for each of the four lots. Said fencing shall include the installation of interpretive signs (not to exceed 3 feet in height) that provide information about the conservation area, subject to the Community Development Director's review and approval of the of the signs design and content.
22. **(Mitigation Measure 6):** The CC&Rs for the parcels as well as the Conservation Easement shall prohibit all forms of access and development within the Easement area that are not compatible with conservation, restoration, and management of native coastal terrace prairie plants and habitats. Examples of prohibited uses and activities include: installation of permanent or semi-permanent infrastructure or equipment such as outdoor furniture (e.g., patio furniture, picnic tables, umbrellas), play equipment (trampolines, play structures, etc.) or other items that intensify use or otherwise modify the structure and species composition of the grassland.
23. **(REVISED Mitigation Measure 7):** Prior to the recordation of the final map, the permittee shall enter into an agreement with the County Parks Department that identifies the actions to be taken by current and future owners of the property on which the project is located to maintain lateral public access along the entire length of the coastal bluff, in a manner that is consistent with the protection of rare plants and their habitats. These measures shall include, but shall not be limited to the installation of erosion control and trail improvements, relocation of trail segments threatened by coastal erosion, and installation of signage and temporary fencing where needed to protect natural resources into perpetuity. The agreement shall identify the improvements that will be installed by the current owner, which shall be completed to the satisfaction of the Parks Department prior to a final building inspection, and shall include a monitoring program (also applied into perpetuity) that specifies the circumstances under which future actions will be taken.
24. **(Mitigation Measure 8):** The respective building plans for each of the four residences shall include a landscape plan that identifies tree removal, new trees, shrubs and other landscaping, and (if applicable) irrigation. Landscaping shall be with plant species native to the San Mateo Coast, to limit the potential for the spread of non-native species into

the adjacent habitat, and limit the need for irrigation and pesticide use, which could influence nearby natural communities. The landscape plans shall be reviewed by the applicant's biologist and incorporate the biologist's recommendations, prior to being submitted for the review and approval of the Community Development Director, which must occur prior to the issuance of the building permit.

25. **(Mitigation Measure 9):** Prior to the issuance of any respective building permit for the four residences, the applicant shall submit to the Planning Department for review and approval an erosion control plan (to be included in each respective set of building plans for the four residences) that shows how the transport and discharge of soil and pollutants from and within the project site shall be minimized on each respective lot, as tailored to the approved development on that lot. The plan shall generally follow the Erosion Control Plan as included and shown on Page C6.0, C7.0 of the Project Plans, and shall be designed to minimize potential sources of sediment, control the amount of runoff and its ability to carry sediment by diverting incoming flows and impeding internally generated flows, and retain sediment that is picked up on the project site through the use of sediment-capturing devices. The plan shall minimize impacts from stormwater and urban runoff on the biological integrity of the natural drainage systems leading to and within the adjacent Fitzgerald Marine Reserve. The plan shall also limit application, generation and migration of toxic substances, ensure the proper storage and disposal of toxic materials, and apply nutrients at rates necessary to establish and maintain vegetation without causing significant nutrient runoff to surface waters. Such measures shall be confirmed to have been implemented (by a qualified contractor and under the supervision of the project's civil engineer) prior to the issuance of the respective building permits for the four residences, to the satisfaction of the Planning and Building Department. The County will monitor compliance of this mitigation measure by conducting weekly construction inspections during the rainy season (October 1 through May 1) for the period covering all land disturbance activities, as required by the State Water Board's Special Protections. Such measures shall be kept in place for each of the lots through the duration of the construction activities on that lot, up to the final inspection approval of the respective building permit for development on that lot. Said plan shall adhere to the San Mateo Countywide Stormwater Pollution Prevention Program "General Construction and Site Supervision Guidelines," including:
- a. Sequence construction to install sediment-capturing devices first, followed by runoff control measures and runoff conveyances. No construction activities shall begin until after all proposed measures are in place.
 - b. Minimize the area of bare soil exposed at one time (phased grading).
 - c. Clear only areas essential for construction.
 - d. Within five (5) days of clearing or inactivity in construction, stabilize bare soils through either non-vegetative best management practices (BMPs), such as mulching, or vegetative erosion control methods, such as seeding. Vegetative erosion control shall be established within two (2) weeks of seeding/planting.
 - e. Construction entrances shall be stabilized immediately after grading and frequently maintained to prevent erosion and control dust.
 - f. Control wind-born dust through the installation of wind barriers such as hay bales and/or sprinkling.

g. Soil and/or other construction-related material stockpiled on-site shall be placed a minimum of 200 feet from all wetlands and drain courses. Stockpiled soils shall be covered with tarps at all times of the year.

h. Intercept runoff above disturbed slopes and convey it to a permanent channel or storm drains by using earth dikes, perimeter dikes or swales, or diversions. Use check dams where appropriate.

i. Provide protection for runoff conveyance outlets by reducing flow velocity and dissipating flow energy.

j. Use silt fence and/or vegetated filter strips to trap sediment contained in sheet flow. The maximum drainage area to the fence should be 0.5-acre or less per 100 feet of fence. Silt fences shall be inspected regularly and sediment removed when it reaches 1/3 the fence height. Vegetated filter strips should have relatively flat slopes and be vegetated with erosion resistant species.

26. **(Mitigation Measure 10):** Prior to commencement of any project-related site disturbance, grading/clearing, tree removal/trimming or construction activities, and in conjunction with an approved Erosion Control Plan, the applicant shall place adequate temporary construction fencing along all boundaries of the proposed Conservation Easement and surrounding all limits of the four building sites. No such activity shall extend beyond that fenced perimeter. All environmentally sensitive areas shall be clearly flagged. Additional measures shall also be included in the plan narrative and implemented as follows:

a. Entrance and exit from the construction site by construction equipment and other vehicles shall occur from Vallemar Street, and the point of access shall be clearly identified.

b. An excavator with a swivel bucket shall be used during construction. The excavator will have "street" tracks to minimize site disturbance.

c. Construction lay down areas shall be located on the building envelopes not under active construction or within other portions of the construction footprint.

d. Spoil material that will be hauled away may first be stored either on the building envelopes not in active construction or on the paved parking area on Vallemar Street, subject to an encroachment permit from San Mateo County Public Works.

e. A biological monitor will be present during ground disturbing activities to ensure that encroachment into the flagged environmentally sensitive areas does not occur. The biological monitor will have the authority to stop work in the event construction activities are encroaching into environmentally sensitive areas.

27. **(Mitigation Measure 11):** The erosion control plan for the project shall include the following best management practices (BMPs) and shall be implemented and maintained (under the supervision of the project civil engineer) as described:

a. Control and prevent the discharge of all potential pollutants, including pavement cutting wastes, paints, concrete, petroleum products, chemicals, washwater or sediments, rinse

water from architectural copper, and non-stormwater discharges to storm drains and watercourses.

- b. Store, handle, and dispose of construction materials/wastes properly to prevent contact with stormwater.
 - c. Do not clean, fuel, or maintain vehicles on-site, except in a designated area where wash water is contained and treated.
 - d. Train and provide instruction to all employees/subcontractors regarding construction BMPs.
 - e. Protect all storm drain inlets in vicinity of site using sediment controls such as berms, fiber rolls, or filters.
 - f. Limit construction access routes and stabilize designated access points.
 - g. Perform clearing and earthmoving activities only during dry weather.
 - h. Use sediment controls or filtration to remove sediment when dewatering and obtain all necessary permits.
 - i. Trap sediment on site, using BMPs such as sediment basins or traps, earthen dikes or berms, silt fences, check dams, soil blankets or mats, covers for soil stockpiles, etc.
 - j. Divert on-site runoff around exposed areas; divert off-site runoff around the site (e.g. swells and dikes).
 - k. Protect adjacent properties and undisturbed areas from construction impacts using vegetative buffer strips, sediment barriers or filters, dikes, mulching, or other measures as appropriate.
 - l. No land clearing operations where grading operations may take place between October 15 and April 15 unless a separate winter erosion control plan is approved prior to beginning such construction.
 - m. Erosion is to be controlled at all times. The specific measures shown are to be implemented at all times. Additional measures will be required for construction between October 15 and April 15.
28. **(Mitigation Measure 12):** Site all construction materials and staging areas in converted (i.e., paved), ruderal, or planted, areas within the portion of the property proposed for development, to avoid impacts to special-status communities and species.
29. **(Mitigation Measure 13):** Implement measures to prevent indirect effects of the development project on the adjacent coastal terrace prairie community and rare species during construction, including:
- a. Fence the project disturbance envelop during construction using ESA fencing to clearly delimit the area of work;

- b. Erect signs on the fences and in other areas to prevent workers from entering them during construction;
- c. Conduct worker awareness training to educate construction personnel about the sensitive communities and special-status species, as well as the measures that must be implemented to protect them;
- d. Prevent erosion and manage drainage during construction to prevent concentrated runoff and sediment deposition in the coastal terrace prairie, including by installing, silt fences where needed;
- e. Monitor compliance with the protection measures during construction, to ensure that fences and signage remain in places, and that the areas outside of the disturbance envelope are not disturbed or otherwise utilized during construction;
- f. Monitor the site throughout construction period (and in perpetuity, per Mitigation Measure 5 below) and using early-detection/rapid response to eradicate any new occurrences of exotic plant species.

30. **(Mitigation Measure 14):** Prior to disturbing any portion of the development footprint area that supports coastal terrace prairie dominated or co-dominated by native plants (2018 McGraw Survey; Figure 6), including the stormwater infiltration spreader areas and limits of grading, salvage the sod, topsoil, seed, and individual native plants, where appropriate and feasible. Use the salvaged material to restore areas of temporary disturbance; if the salvaged area is to be permanently impacted, use the material to restore other highly degraded habitat on site (e.g., ice plant mats) where appropriate.

31. **(Mitigation Measure 15):** Minimize the potential for indirect impacts to coastal terrace prairie and rare plant species that could result from landscaping, by:

- a. Avoiding landscaping elements that could degrade adjacent habitat, including pesticides, herbicides, fertilizers, and irrigation beyond that required to establish plantings; and

- b. Installing plants native to the coastal terrace prairie, coastal strand, and coastal scrub communities in San Mateo County. For plant species found in the native communities in the study area, use container stock from local (coastal San Mateo County) sources to avoid disrupting locally adapted genetic complexes (i.e., causing genetic erosion or outbreeding depression) within the adjacent remaining habitat on-site and in the adjacent FMR.

32. **(Mitigation Measure 16):** Compensate for the impacts of the project on coastal terrace prairie by implementing the following measures:

- a. Permanently protect 0.92 acres of coastal terrace prairie, through dedication of a perpetual conservation easement (as required in Mitigation Measure 4) to a tax exempt nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue Code and qualified to do business in California that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use.

- b. Restore an estimated 0.71 acres within the conservation easement area that feature planted/ornamental species (i.e., Monterey cypress), are dominated by exotic plant species, and/or have been previously disturbed and feature unnatural topography or materials

(e.g., wood chips). Table 9 and Figure 8 (2018 McGraw Survey) illustrate the acreages and approximate locations of restoration treatment areas. The restoration should follow a specific restoration plan that addresses the anthropogenic factors that have degraded native plant community structure and species composition. The restoration plan will also describe how the areas in the conservation easement area that were graded and installed with spreaders will be restored. It will critically evaluate and use, where appropriate, the following approaches:

- (1) Removing the planted/ornamental plant species and ice plant mats;
- (2) Removing wood chips, base rock, or other non-native material covering the soil;
- (3) Recreating the natural topography in areas where mounds or swales were created through prior excavation;
- (4) Controlling other invasive plants (e.g., Italian rye grass and prickly sow thistle) that outcompete native plant species;
- (5) Managing the abundance of disturbance-adapted native plants such as coastal tarweed, where they are dominant (e.g., in the southeastern corner of the property) to promote the establishment and growth of a broader diversity of native grasses and forbs;
- (6) Establishing native plants in areas previously used as trails to access the bluff trail;
- (7) Salvaging seed and topsoil from coastal terrace prairie and areas supporting harlequin lotus prior to any ground-disturbing activities and using the material in on-site restoration, where appropriate; and
- (8) Increasing the cover and diversity of native coastal terrace prairie plant species by sowing native plant seed (or spreading topsoil, where available) into restoration areas.

c. Manage and monitor, in perpetuity, the entire 0.92-acre conservation area to address anthropogenic factors that degrade native plant community structure and species composition. Management elements should be identified in a management plan developed for the conservation area based on the site conditions and the literature documenting relevant conservation and management strategies, which are anticipated to include the following:

- (1) Controlling exotic plants, and preventing the invasion and spread of new exotic plant species;
- (2) Managing recreation and access on and adjacent to the conservation area, including by:
 - (a) Installing fencing and signage to deter public access within the conservation area;
 - (b) Recording in the CC&Rs for the site and in the conservation easement, prohibitions against recreational use and access that are not compatible with conservation and management natural community structure and species composition in the coastal terrace prairie and populations of rare native plants. Installation of permanent or semi-

permanent infrastructure and play equipment such as law chairs, umbrellas, trampolines, or any other items that intensify use in one area should be prohibited;

(c) Siting, constructing, and managing any public trails that are all or partially within the conservation area so that the recreational use is compatible with the protection of coastal terrace prairie and adjacent coastal bluff habitat;

(d) Monitoring compliance with the measures to prevent trampling associated with recreational use and taking steps to increase compliance when/if negative impacts are observed.

(3) Monitoring natural community structure and species composition and rare plant populations within coastal terrace prairie, to gauge the effectiveness of management and inform adjustments as part of the adaptive management framework.

33. (Mitigation Measure 17): The erosion control plan for the project shall include the following BMPs and shall be implemented and maintained (under the supervision of the project civil engineer) as described:

a. Control and prevent the discharge of all potential pollutants, including pavement cutting wastes, paints, concrete, petroleum products, chemicals, washwater or sediments, rinse water from architectural copper, and non-stormwater discharges to storm drains and watercourses.

b. Store, handle, and dispose of construction materials/wastes properly to prevent contact with stormwater.

c. Do not clean, fuel, or maintain vehicles on-site, except in a designated area where wash water is contained and treated.

d. Train and provide instruction to all employees/subcontractors regarding construction BMPs.

e. Protect all storm drain inlets in vicinity of site using sediment controls such as berms, fiber rolls, or filters.

f. Limit construction access routes and stabilize designated access points.

g. Perform clearing and earthmoving activities only during dry weather.

h. Use sediment controls or filtration to remove sediment when dewatering and obtain all necessary permits.

i. Trap sediment on site, using BMPs such as sediment basins or traps, earthen dikes or berms, silt fences, check dams, soil blankets or mats, covers for soil stockpiles, etc.

j. Divert on-site runoff around exposed areas; divert off-site runoff around the site (e.g. swells and dikes).

k. Protect adjacent properties and undisturbed areas from construction impacts using vegetative buffer strips, sediment barriers or filters, dikes, mulching, or other measures as appropriate.

l. No land clearing operations where grading operations may take place between October 15 and April 15 unless a separate winter erosion control plan is approved prior to beginning such construction.

m. Erosion is to be controlled at all times. The specific measures shown are to be implemented at all times. Additional measures will be required for construction between October 15 and April 15.

34. **(Mitigation Measure 18):** The applicant shall implement the drainage improvement recommendations of the Mesiti-Miller Engineering, Inc., (2017) Preliminary Storm Drainage Report to limit impacts to the Coastal Terrace Prairie grass, erosive bluff edge, and the near-shore marine environment (within the Fitzgerald Marine Reserve adjacent and just west of the project site, including the surveyed area of the endangered coast yellow leptosiphon on the coastal bluff promontory just west of the project site's westernmost property line) utilizing (within the Easement Area as shown) infiltration trenches with overflow spreaders on each lot to disperse the runoff over wide areas and maintain existing hydrology and soil moisture on the site, and using pervious pavers and detention areas to control peak runoff. The respective building permits for each of the four residences shall include a drainage plan that incorporates and implements all drainage measures cited in the report by Mesiti-Miller Engineering, Inc. The project shall minimize alteration of the site's hydrology, including by using permeable pavers (in all driveways, walkways and patio areas) to increase infiltration of rainfall, and installing overflow spreaders in trenches to diffuse runoff.

35. **(Mitigation Measure 19):** Prior to any ground disturbing activities, including vegetation/tree removal or tree trimming, that would occur during the nesting/breeding season of native bird species potentially nesting/roosting on the site (typically February 1 through August 31 in the project region), a survey for nesting birds shall be conducted by a qualified biologist experienced with the nesting behavior of bird species of the region. The intent of the survey would be to determine if active nests of special-status bird species or other species protected by the Migratory Bird Treaty Act and/or the California Fish and Wildlife Code are present in the construction zone or within 500 feet of the construction zone. The surveys shall be timed such that the last survey is concluded no more than 2 weeks prior to initiation of construction or tree removal work. If ground disturbance activities are delayed, then an additional pre-construction survey shall be conducted such that no more than 2 weeks will have elapsed between the last survey and the commencement of ground disturbance activities.

If active nests are found in areas that could be directly affected or subject to prolonged construction-related noise, a no-disturbance buffer zone shall be created around active nests during the breeding season or until a qualified biologist determines that all young have fledged. The size of the buffer zones and types of construction activities restricted within them will be determined through consultation with the California Department of Fish and Wildlife (CDFW), taking into account factors such as the following:

a. Noise and human disturbance levels at the construction site at the time of the survey and the noise and disturbance expected during the construction activity;

b. Distance and amount of vegetation or other screening between the construction site and the nest; and

- c. Sensitivity of individual nesting species and behaviors of the nesting birds.

Limits of construction to avoid an active nest shall be established in the field with flagging, fencing, or other appropriate barriers and construction personnel shall be instructed on the sensitivity of nest areas. A qualified biologist shall serve as a construction monitor during those periods when construction activities would occur near active nest areas of special status bird species and all birds covered by the Migratory Bird Act to ensure that no impacts on these nests occur.

36. **(Mitigation Measure 20):** The new trees indicated on the applicant's Tree Replacement Plan and Tree and Shrub Replanting Plan (found in the Project Plans) shall be planted prior to Planning final approval of the respective building permits for the four residences. Tree removal (identified by tree numbers), new trees and shrubs, additional landscaping, and tree preservation shall be shown on the submitted building plans for each of the four respective residences. The landscaping plan (for tree replacement and all other proposed landscaping) shall include plants that are pest- and/or disease-resistant, drought-tolerant, and attractive to beneficial insects. Upon implementation of the plan (for each of the four residences), the use of quick-release fertilizers shall be minimized. The associated irrigation system shall be designed to efficiently distribute water and minimize runoff. The planting of all new trees shall occur pursuant to the standards for such planting (depth of holes dug, fertilizing at planting and watering for respective tree types) and under the observation of a qualified, licensed arborist. The arborist shall confirm (via letter and/or email) that this has occurred for all trees prior to final inspection approval of the respective building permits for the four residences, to the satisfaction of the Community Development Director.
37. **(Mitigation Measure 21):** Any plan modifications to the subsequent development on the four lots (assuming they are deemed "minor" by the Community Development Director) that occur post issuance of any of the respective building permits for the four residences shall be reviewed by the arborist to assess any potential impacts to existing trees, trees that are being preserved, and/or new trees to be planted affecting trees should be reviewed by the project consulting arborist (arborist) with regard to tree Impacts.
38. **(Mitigation Measure 22):** The submitted building plans for each of the four respective residences shall demarcate a Tree Protection Zone, to be established for all trees to be preserved, in which no disturbance is permitted. These plans shall indicate the method and measures of such protection (i.e., 6-foot high fencing placed at the trees' dripline) pursuant to the design and confirmed observation by the arborist. All such tree protection measures shall be reviewed and approved by the Community Development Director prior to issuance of the respective building permits for the four residences. No grading, excavation, construction or storage of materials, equipment, spoils, waste or wash-out water may be deposited, stored, or parked within the Tree Protection Zone. All underground services, including utilities, sub-drains (and other drainage features), irrigation lines, water and sewer laterals, shall be routed around the Tree Protection Zone. All tree protection measures shall be confirmed by the County to have been implemented prior to the issuance of any of the respective building permits for the four residences. All tree protection measures shall remain until all construction on each respective lot is completed.

39. **(Mitigation Measure 23):** Any herbicides placed under paving materials must be safe for use around trees (as determined and confirmed by the arborist) and labeled for that use.
40. **(Mitigation Measure 24):** All tree pruning shall be done by skilled tree or landscape contractors pursuant to the specific standards (adhering to the latest edition for Best Management Practices – and Tree Pruning as published by the International Society of Arboriculture), directions and under the supervision of the arborist.
41. **(Mitigation Measure 25):** Prior to the initiation of any site disturbance activities (prior to issuance of the building permits), the project contractors working in the vicinity of trees to be preserved shall meet with the arborist at the site to review all work procedures, access routes, storage areas and tree protection measures.
42. **(Mitigation Measure 26):** Upon issuance of the building permits, any excavation within the dripline or other work that is expected to encounter tree roots should be approved and monitored by the arborist. Any roots requiring cutting (including the type of backfill soil, compaction, fertilizing and watering) shall be the standards and under the supervision of the arborist to ensure that such root cutting does not damage the long term health of the tree.
43. **(Mitigation Measure 27):** Should any tree or its roots be damaged during construction, it should be evaluated as soon as possible by the arborist so that appropriate treatments can be applied.
44. **(Mitigation Measure 28):** Any additional or unanticipated tree pruning needed for clearance during construction shall be performed to the standards and under the supervision by the arborist.
45. **(REVISED Mitigation Measure 29):** In addition to Mitigation Measures 34, 35, & 36, and prior to building permit issuance for construction of residences on all or any of the respective lots, the applicant shall **(a) confirm to the satisfaction of the Community Development Director that, prior to the commencement of any ground disturbance activities, they have hired an archaeologist to providing adequately training to any construction crew that will be performing any such activities to ensure that they are aware of how to identify any potential archaeological resources encountered,** and (b) incorporate, via a note on the first page of the building construction plans, that in the event that archaeological resources are inadvertently discovered during construction, work in the immediate vicinity (within 25 feet) of the find must stop until a qualified archaeologist can evaluate the significance of the find. Construction activities may continue in other areas beyond the 25-foot stop work area. A qualified archaeologist is defined as someone who meets the Secretary of the Interior's Professional Qualifications Standards in archaeology. The Community Development Director shall be notified of such findings, and no additional work shall be done in the stop work area until the archaeologist has recommended appropriate measures, and those measures have been approved by the Current Planning Section and implemented. Disposition of Native American remains shall comply with CEQA Guidelines Section 15064.5(e).
46. **(Mitigation Measure 30):** In the event that paleontological resources are inadvertently discovered during construction, work in the immediate vicinity (within 25 feet) of the find must stop until a qualified paleontologist can evaluate the significance of the find. The Community Development Director shall be notified of such findings, and no additional

work shall be done in the stop work area until the paleontologist has recommended appropriate measures, and those measures have been approved by the Current Planning Section and implemented.

47. **(REVISED Mitigation Measure 31): The applicant confirm to the satisfaction of the Community Development Director that, prior to the commencement of any ground disturbance activity, they have hired an archaeologist to provide adequately training to any construction crew that will be performing any such activities to ensure that they are aware of how to identify any potential human remains and associated burial items encountered.** Should any human remains be discovered during construction, all ground disturbing work shall cease and the County Coroner be immediately notified, pursuant to Section 7050.5 of the State of California Health and Safety Code. Work must stop until the County Coroner can make a determination of origin and disposition of the remains pursuant to California Public Resources Code Section 5097.98. If the County Coroner determines the remains to be Native American, the Native American Heritage Commission shall be contacted within **48** hours. A qualified archaeologist, in consultation with the Native American Heritage Commission, shall recommend subsequent measures for disposition of the remains.

Whenever the California Native American Heritage Commission receives notification of a discovery of Native American human remains from a county coroner pursuant to subdivision (c) of Section 7050.5 of the Health and Safety Code, it shall immediately notify those persons it believes to be most likely descended from the deceased Native American. The descendants may, with the permission of the owner of the land, or his or her authorized representative, inspect the site of the discovery of the Native American human remains and may recommend to the owner or the person responsible for the excavation work means for treatment or disposition, with appropriate dignity, of the human remains and any associated grave goods. The descendants shall complete their inspection and make recommendations or preferences for treatment within 48 hours of being granted access to the site. Also see Conditions of Approval 52 and 54 (Mitigation Measures 29 and 31, respectively).

48. Upon the discovery of Native American remains, the landowner shall ensure that the immediate vicinity, according to generally accepted cultural or archaeological standards or practices, where the Native American human remains are located, is not damaged or disturbed by further development activity until the landowner has discussed and conferred, as prescribed in this section, with the most likely descendants regarding their recommendations, if applicable, taking into account the possibility of multiple human remains. The landowner shall discuss and confer with the descendants all reasonable options regarding the descendants' preferences for treatment.
- a. The descendants' preferences for treatment may include the following:
 - b. The nondestructive removal and analysis of human remains and items associated with Native American human remains.
 - c. Preservation of Native American human remains and associated items in place.
 - d. Relinquishment of Native American human remains and associated items to the descendants for treatment.
 - e. Other culturally appropriate treatment.

f. The parties may also mutually agree to extend discussions, taking into account the possibility that additional or multiple Native American human remains, as defined in this section, are located in the project area, providing a basis for additional treatment measures.

49. For the purposes of this section, “conferral” or “discuss and confer” means the meaningful and timely discussion and careful consideration of the views of each party, in a manner that is cognizant of all parties’ cultural values, and where feasible, seeking agreement. Each party shall recognize the other’s needs and concerns for confidentiality of information provided to the other.

50. Human remains of a Native American may be an inhumation or cremation, and in any state of decomposition or skeletal completeness. Any items associated with the human remains that are placed or buried with the Native American human remains are to be treated in the same manner as the remains, but do not by themselves constitute human remains.

51. Whenever the Commission is unable to identify a descendant, or the descendants identified fail to make a recommendation, or the landowner or his or her authorized representative rejects the recommendation of the descendants and the mediation provided for in subdivision (k) of Section 5097.94, if invoked, fails to provide measures acceptable to the landowner, the landowner or his or her authorized representative shall reinter the human remains and items associated with Native American human remains with appropriate dignity on the property in a location not subject to further and future subsurface disturbance. To protect these sites, the landowner shall do one or more of the following:

- a. Record the site with the Commission or the appropriate Information Center.
- b. Utilize an open-space or conservation zoning designation or easement.
- c. Record a document with the county in which the property is located.

The document shall be titled “Notice of Reinterment of Native American Remains” and shall include a legal description of the property, the name of the owner of the property, and the owner’s acknowledged signature, in addition to any other information required by this section. The document shall be indexed as a notice under the name of the owner.

52. Upon the discovery of multiple Native American human remains during a ground disturbing land development activity, the landowner may agree that additional conferral with the descendants is necessary to consider culturally appropriate treatment of multiple Native American human remains. Culturally appropriate treatment of the discovery may be ascertained from a review of the site utilizing cultural and archaeological standards. Where the parties are unable to agree on the appropriate treatment measures the human remains and items associated and buried with Native American human remains shall be reinterred with appropriate dignity, pursuant to subdivision (e).

53. Notwithstanding Section 5097.9, this section, including those actions taken by the landowner or his or her authorized representative to implement this section and any action taken to implement an agreement developed pursuant to subdivision (l) of Section

- 5097.94, shall be exempt from the requirements of the California Environmental Quality Act (Division 13, commencing with Section 21000).
54. Notwithstanding Section 30244, this section, including those actions taken by the landowner or his or her authorized representative to implement this section and any action taken to implement an agreement developed pursuant to subdivision (l) of Section 5097.94, shall be exempt from the requirements of the California Coastal Act of 1976 (Division 20, commencing with Section 30000).
55. **(Mitigation Measure 32):** The project design for the development of each of the four lots (at the time of the submitted respective building permits), shall each include lot-specific geotechnical reports and shall carefully follow the geotechnical recommendations presented in the subject Haro, Kasunich and Associates (HKA) geotechnical report (pages 25 through 46, except where such recommendations affect Lot 4), covering the following categories: General Site Grading (including Cut and Fill Slopes); Foundations (including Conventional Spread and Skin Friction Pier Foundations); Perched Groundwater Drainage (including Concrete Slab-On-Ground); Retaining Walls (including Lateral Pressures and use of Tie-Backs); Utility Trenches; Surface Drainage (including use of Curtain Drains); Pavement Design; and Plan Review, Construction Observation and Testing. Additionally, and more specifically, the project design for the development on Lot 4 shall carefully follow the recommendations presented in the HKA Geotechnical Investigation Update, dated June 13, 2018. Specifically, the proposed residence and other structures on Lot 4 are recommended to be supported by shallow stiffened grid foundations or structural mat foundations, either of which is capable of withstanding the estimated liquefaction induced vertical ground settlement (from an earthquake) and capable of being re-leveled after such an event. Shallow stiffened foundations are recommended by geotechnical consultants for single family dwelling construction on sites with potentially liquefiable soils as an alternative to ground improvements (i.e., stone columns, compaction grouting) or deep driven piles, either of which would have a much higher environmental impact to the site. Any such changes to the recommendations by the project geotechnical engineer presented in this report shall be pursuant to the review and approval of the County's geotechnical engineer.
56. **(Mitigation Measure 33):** The applicant's architect shall complete and submit the County 2013 Energy Efficiency Climate Action Plans (EECAP) Development Checklist, and shall incorporate applicable measures and performance criteria into the submitted building plans for each of the four residences.
57. **(Mitigation Measure 34):** Should any traditionally or culturally affiliated Native American tribe respond to the County's issued notification for consultation, such process shall be completed and any resulting agreed upon measures for avoidance and preservation of identified resources be taken prior to implementation of the project.
58. **(Mitigation Measure 35):** In the event that tribal cultural resources are inadvertently discovered during project implementation, all work shall stop until a qualified professional can evaluate the find and recommend appropriate measures to avoid and preserve the resource in place, or minimize adverse impacts to the resource, and those measures shall be approved by the Current Planning Section prior to implementation and continuing any work associated with the project.
59. **(Mitigation Measure 36):** Any inadvertently discovered tribal cultural resources shall be treated with culturally appropriate dignity taking into account the tribal cultural values and

meaning of the resource, including, but not limited to, protecting the cultural character and integrity of the resource, protecting the traditional use of the resource, and protecting the confidentiality of the resource.

Department of Public Works

60. The applicant shall have prepared, by a registered civil engineer, a drainage analysis of the proposed subdivision and submit it to the Department of Public Works for review and approval. The drainage analysis shall consist of a written narrative and a plan. The flow of the stormwater onto, over, and off of the property being subdivided shall be detailed on the plan and shall include adjacent lands as appropriate to clearly depict the pattern of flow. The analysis shall detail the measures necessary to certify adequate drainage. Post-development flows and velocities shall not exceed those that existed in the pre-developed state. Recommended measures shall be designed and included in the street improvement plans and submitted to the Department of Public Works for review and approval.
61. Prior to the issuance of the building permit or planning permit (if applicable), the applicant shall submit a driveway "Plan and Profile," to the Department of Public Works, showing the driveway access to the parcel (garage slab) complying with County Standards for driveway slopes (not to exceed 20%) and to County Standards for driveways (at the property line) being the same elevation as the center of the access roadway. When appropriate, as determined by the Department of Public Works, this plan and profile shall be prepared from elevations and alignment shown on the roadway improvement plans. The driveway plan shall also include and show specific provisions and details for both the existing and the proposed drainage patterns and drainage facilities.
62. The applicant shall submit to the Department of Public Works and the Planning Department, review, deed restrictions for sensitive habitat, coastal access, as needed.
63. Erosion and sediment control during the course of this grading work shall be according to a plan prepared and signed by the Engineer of Record, and approved by the Department of Public Works and the Planning Department. Revisions to the approved erosion and sediment control plan shall be prepared and signed by the Engineer.
64. It shall be the responsibility of the applicant's engineer to regularly inspect the erosion control measures and determine that they are functioning as designed and that proper maintenance is being performed. Deficiencies shall be immediately corrected.
65. Prior to the issuance of the Building Permits for each of the four residences, the applicant will be required to provide payment of "roadway mitigation fees" based on the square footage (assessable space) of the proposed building per Ordinance No. 3277.
66. The applicant shall submit a Lot Line Adjustment/Parcel Map to the Department of Public Works County Surveyor for review, to satisfy the State of California Subdivision Map Act. The final map will be recorded only after all Inter Department conditions have been met.
67. The applicant shall submit written certification from the appropriate utilities to the Department of Public Works and the Planning and Building Department stating that they

will provide utility (e.g., sewer, water, energy, communication, etc.) services to the proposed parcels of this Lot Line Adjustment.

Building Inspection Section

68. The proposed structures associated with this application shall obtain building permits.
69. The proposed structures associated with this application shall be designed and constructed using the currently adopted and locally amended California Building Standards Codes, which at the time of this review is the 2016 version.

Environmental Health Services

70. The applicant shall obtain a well destruction permit (for the existing capped well on APN 037-083-260; Lot 4) from Environmental Health Services. The well destruction shall to the standards of and be witnessed by Environmental Health Services.

Coastside Fire Protection District

71. Fire Department access shall be to within 150 feet of all exterior portions of the facility and all portions of the exterior walls of the first story of the buildings as measured by an approved access route around the exterior of the building or facility. Access shall be asphalt and be a minimum of 20 feet wide, with roadway and able to support a fire apparatus weighing 75,000 lbs. Where a fire hydrant is located in the access, a minimum of 26 feet is required for a minimum of 20 feet on each side of the hydrant. Fire Department access less than 26 feet in width shall require NO PARKING FIRE LANE CVC 22500 1 posted on both sides of roadway.
72. All buildings that have a street address shall have the number of that address on the building, mailbox, or other type of sign at the driveway entrance in such a manner that the number is easily and clearly visible from either direction of travel from the street. Residential buildings shall have internally illuminated address numbers contrasting with the background so as to be seen from the public way fronting the building. Residential address numbers shall be at least six feet above the finished surface of the driveway. An address sign shall be placed at each break of the road where deemed applicable by the Coastside Fire Protection District. Numerals shall be contrasting in color to their back-ground and shall be no less than 4 inches in height, and have a minimum 3/4-inch stroke. Remote signage shall be a 6-inch x 18-inch green reflective metal sign.
73. No combustibles shall be on-site prior to required fire protection water supply and fire department access provided.
74. Contact the Fire Marshal's Office to schedule Inspections prior to occupancy and Final Inspection by a Building Inspector. Allow for a minimum 72-hour notice to the Fire Department at 650/726-5213. This project will require the formation of a Mello-Roos Community Facilities District (CFD) before final.
75. A fire flow of 1,000 gallons per minute (gpm) for 2 hours with a 20 pounds per square inch (psi) residual operating pressure must be available as specified by additional project conditions to the project site. The applicant shall provide documentation including hydrant location, main size, and fire flow report at the building permit application stage.

Inspection required prior to Fire's final approval of the building permit or before combustibles are brought on site.

76. Maintain around and adjacent to such buildings or structures a fuelbreak/firebreak made by removing and clearing away flammable vegetation for a distance of not less than 30 feet and up to 100 feet around the perimeter of all structures, or to the property line, if the property line is less than 30 feet from any structure.
77. The required fire flow shall be available from a Clow 960 Standard 6" Wet Barrel Fire Hydrant. The configuration of the hydrant shall have a minimum of one each 4 1/2-inch outlet and one each 2 1/2-inch outlet located not more than 250 feet from the building measured by way of approved drivable access to the project site.
78. The applicant shall install the proper occupancy separations, as per current California Building and Residential Codes. Plans at the building permit application stage shall include listing and construction details. Inspections will occur throughout construction and prior to Fire's final approval of the building permit.
79. All roof assemblies shall have a minimum CLASS-B fire resistive rating and be installed in accordance with the manufacturer's specifications and current California Building and Residential Codes.
80. Smoke alarms and carbon monoxide detectors shall be installed in accordance with the California Building and Residential Codes. This includes the requirement for hardwired, interconnected detectors equipped with battery backup and placement in each sleeping room in addition to the corridors and on each level of the residence.
81. An approved Automatic Fire Sprinkler System meeting the requirements of NFPA-13D shall be required to be installed for your project. Plans shall be submitted to the San Mateo County Building Inspection Section for review and approval by the authority having jurisdiction.
82. A statement that the building will be equipped and protected by automatic fire sprinklers must appear on the title page of the building plans.
83. If applicable, street signs shall be posted at each intersection conforming to the standards of the Department of Public Works.

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MONTARA WATER & SANITARY DISTRICT

Serving the Communities of Montara and Moss Beach

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May 18, 2017

Recommended Conditions of Approval for PLN2015-00380, APN 037086230, Graham Dick et al, 0 Vallemar & Juliana St, Moss Beach:

Generally Water and Sewer Connections are available within MWSD on a first come first serve basis and in conjunction with project approval through the planning agencies. The available information for the 0 Vallemar & Juliana Project is limited and should be updated to include the application for a subdivision or lot-line adjustment and an adequate description of how water and sewer services are to be provided.

A sewer mainline extension from Vallemar Pump station to serve all structures will be required. MWSD Code requires mainline frontage within the public right of way for each individual home. All homes might be required to install a pressurized sewer line.

Applicant required to obtain a Sewer Permit prior to issuance of building permit. Sewer Connection Fees must be paid prior to issuance of connection permit. Pressurized laterals with Grinder Pumps might be required.

Applicant required to obtain a Domestic Water Connection Permit prior to issuance of building permit. Connection fee for domestic water must be paid prior to issuance of connection permit. Proof of well abandonment to SMC Health Department standards may be required.

Connection to the District's fire protection system is required. Certified Fire Protection Contractor must certify adequate fire flow calculations. Connection fee for fire protection system is required. Connection charge must be paid prior to issuance of Private Fire Protection permit.

Applicants must first apply directly to District for permits and not their contractor.

An abandoned sewer line crosses the proposed development property. A release and hold harmless agreement in favor of the District regarding the effects of the

line, if any, on any grading or construction activities conducted on the property, including the location and construction of any utilities and improvements.

Clemens Heldmaier
MWSD

A handwritten signature in blue ink, appearing to read 'Clemens Heldmaier', is written over the printed name. The signature is fluid and cursive, with a large initial 'C' and 'H'.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

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 January 7, 2020 and supports staff recommendations in the newest staff presentation.

RECOMMENDATION:

Review the suggestions in the presentation and direct staff.



**Montara Water
and Sanitary District**

**Proposed Water System Reliability Charges
January 2020**



- Understand the Water Infrastructure Investment Need
- Review the Historic Water System Infrastructure Investments
- Provide Direction on Finance Committee Recommendation
 - Proposed Options, Inflation Adjustment, Local Comparisons
- Review Schedule for Proposed Rate Process



Staff Recommendation

- Confirm Finance Committee Recommendation for Water Rates:
 - \$1M Water System Reliability Charge
 - With Inflation Adjustment
- Provide Direction on Hardship Assistance



Montara Water
and Sanitary District

Infrastructure Investment Needed

- The District has a continuing financial need.
- We have \$2M in capital rehabilitation needs TODAY.
Based on a standard age of infrastructure asset assessment analysis
- We can continue to maintain and band-aid what we have only to a certain point. Eventually facilities age, become inefficient, and fail.
- **Replacement is the safest, most secure, and most cost-effective** means to maintain the good condition of the system for current and future ratepayers.



Montara Water
and Sanitary District

Current Rates are Inadequate

Historically water rates (customer bill payments) provided <\$500,000 annually for capital projects.

This amount has shrunk due to increased costs:

- **Increased regulatory oversight at the State level has added:**
Increase monitoring, reporting, sampling (water engineering costs)
This increase takes staff time and/or consultant expense to address
- **New operator**
- **Additionally, construction costs have doubled since we last raised rates:**
2015: \$200/foot for pipe replacement
2019: \$400/foot for pipe replacement



Montara Water
and Sanitary District

Current Rates are Inadequate

In 2014-2015, the Water System Rate Study discussed with the Board showed the need for additional funds for Capital Investment.

The rates set at that time were not adequate to fully address known infrastructure needs.

AND

Revenues have not meet expected projections:

- Reduced water consumption = lower water sales
- Fewer new developments / construction = lower connection fees and fewer new customers



Montara Water
and Sanitary District

2014/15 Adopted Projections

Table 15
Montara Water & Sanitary District
Scenario 3: Water Cash Flow Projections

DRAFT

	Budget	Projected				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
		July 1	July 1	July 1	July 1	July 1
Rate Adjustments		3.0%	3.0%	3.0%	3.0%	3.0%
Monthly SFR Bill: 5/8" mtr, 5 ccf use	\$67.70	\$69.73	\$71.82	\$73.98	\$76.20	\$78.48
REVENUES						
Water Service Charges	550,000	570,000	591,000	612,000	634,000	657,000
Water Quantity Charges	1,296,473	1,337,000	1,379,000	1,422,000	1,467,000	1,513,000
Subtotal	1,846,473	1,907,000	1,970,000	2,034,000	2,101,000	2,170,000
Actual Water Service and Quantity Revenues	\$1,698,991	\$1,821,688	\$1,818,254	\$1,957,077	\$1,924,541	



Montara Water
and Sanitary District

Why a Water System Reliability Charge?

- The District needs a continuous source of funds dedicated to infrastructure investment so that cash is available to fund needed projects (Pay Go).
- This cash can be leveraged for State Revolving Funds or other low-cost loans, if available.
- **During the last 15 years, the District has maintained capital investment funding \$10M from GOBond refinancing, low interest loans and grants.**



Why Rates vs. Grants/Loans

- Rates are the District's sole funding source whether you pay directly or to pay off debt (grant, loan)
 - Just like a mortgage, we must have adequate income to qualify for financing/loans.
- Pay As You Go: Having available cash is always the least expensive mechanism to fund work.
- Debt Financing: For larger projects, we always pursue the best mechanism to fund each project based on cost and grant/loan availability.



Montara Water
and Sanitary District

Investments Made:

- **2001 \$19M Authorized General Obligation Bond:**
\$11M for purchase, **\$6.5M for capital projects**
80.6% Yes vote by community voters; Will be paid off in 2028
- **2012 GO Bond Refinancing \$1.5M**
- **SRF Loan \$4M**
- **PNC Equipment Lease \$1M; Refinanced in 2013 from 4.56% to 2.95%**

Major Project Construction Costs

Year	Budget Spent on CIP	Projects Accomplished:
2004	\$250,000	Raw Water Pipeline Replacement
2005	\$2,300,000	Water System Reliability and Safety Improvements; Alta Vista Well and Solar System installation; main replacements; Alta Vista WTP rehabilitation; Portola Tank road rehabilitation
2006	\$1,600,000	Meter Replacement and Radio-Read System installation; main replacements; Wagner Well and Drake Well Rehabilitation
2007	\$870,000	North Airport Well rehabilitation and nitrate treatment installation; main replacements
2008	\$350,000	1,2,3,TCP pilot testing and MTBE treatment removal, main replacements
2009	\$240,000	Airport Well No. 3 rehabilitation; main replacements
2010	\$130,000	South Airport Well Rehabilitation; main replacements
2011	\$350,000	Main replacements; Portola Well rehabilitation
2012	\$850,000	Schoohouse Tank I installation; main replacements
2013	\$600,000	Schoohouse Tank I and II installation; main replacements
2014	\$1,300,000	Schoohouse Tank II installation; main replacements
2015	\$2,300,000	Alta Vista Tank II installation
2016	\$1,600,000	Alta Vista Tank II installation
2017	\$740,000	Replacement of 4 th St water main, Installation of new water main on 7 th St, Acquisition of a new generator, Improvements at Alta Vista site
2018	\$240,000	SCADA system upgrades, Replacement of 4 th St water main, Improvements at Alta Vista site
2019	\$480,000	Rehabilitation of Airport Well No.3, Acquisition of 2 trucks, Groundwater well monitoring
Total 2004-2019	\$14,200,000	



Today, we need:

To begin systematic replacement or rehabilitation of:

- Approximately 8.5 miles of water mains, including associated valves and appurtenances
- Alta Vista Tank No. 1 (rust, roof), Portola Tank and the 2 Pillar Ridge Tanks
- Pillar Ridge and Alta Vista water treatment plants
- Groundwater wells: Alta Vista, Drake, North Airport, South Airport, Portola (Nos. 1, 2, 3, and 4) and Pillar Ridge (Retiro, Corona and Culebra)

MWSD Capital Improvement Projects	MWSD Program Description	Estimated Present Worth (2019\$)
Asset Replacement Program		
Water Storage Tanks	Replacement of the Alta Vista Tank No. 1, Portola Tank and the 2 Pillar Ridge Tanks	3,972,000
Supply Groundwater Wells	Rehabilitation of the Alta Vista Well, Drake, North Airport well, South Airport Well, the Portola Wells (Nos. 1, 2, 3, and 4) and the Pillar Ridge Wells (Retiro, Corona and Culebra)	3,525,000
PRV Stations	Rehabilitation of all of the 16 PRV Stations	1,170,000
Water Mains	Replacement of approximately 45,000 linear feet of water mains, including associated valves and appurtenances	9,577,000
Treatment Plants	Replacement of the Pillar Ridge and the Alta Vista treatment plants	5,570,000
Hydrants	Replacement of 123 hydrants	738,000
Booster Pump Stations	Replacement of the Schoolhouse booster pump station	3,286,000
Service Meters	Replacement of the Service Meters	1,171,000
Generators	Installation of generators at locations that do not currently have any and replacement of aging generators	987,000
Vehicles	Replacement of the service vehicles every 7 years	425,000
SCADA Upgrades	Necessary upgrades of the water system's electronic controls and monitoring equipment	500,000
Supply Reliability Program	Groundwater exploration studies to better understand local aquifers and identify potential groundwater well sites to augment water system supply reliability	\$2,000,000
Office Systems Upgrades		\$850,000
Total		\$33,771,000

Total with construction cost escalation over 20 years:

~\$40M



Montara Water
and Sanitary District

Proposed Water System Reliability Charge

- Beginning July 1, 2020:
Apply a fixed charge based on meter size, collected on the property tax rolls for all customers starting in 2020:
 - Assumes no change to current rates and charges for bimonthly billing
- Issue a Proposition 218 mailing this April/May
- Bi-Annual Budget Reviews allow for assessment every 6 months
- Potential for next Proposition 218 mailing in 2022



Montara Water
and Sanitary District

Proposed PARTIAL Funding Water System Reliability Charge:

- A fixed charge based on meter size, collected on the property tax rolls for all customers to raise **\$1,000,000 per year** starting in 2020:
 - Assumes no change to current rates and charges for bimonthly billing

Domestic Water Meters	# of All Accounts: 1587	% of All Accounts:	Water System Reliability Charge
5/8" & 3/4"	1555	98%	\$558.66
3/4"	17	1%	\$830.00
1"	9	<1%	\$1,396.66
1-1/2"	2	<1%	\$2,793.30
2"	4	<1%	\$4,469.28
3"	0	0%	\$8,379.90
4"	3	<1%	\$13,966.50

Most accounts with private fire service only will pay 50% of 5/8" & 3/4" rate



**Montara Water
and Sanitary District**

Proposed FULL Funding Water System Reliability Charge:

- A fixed charge based on meter size, collected on the property tax rolls for all customers to raise **\$2,000,000 per year** starting in 2020:
 - Assumes no change to current rates and charges for bimonthly billing

Domestic Water Meters	# of All Accounts: 1587	% of All Accounts:	Water System Reliability Charge
5/8" & 3/4"	1555	98%	\$1,117.32
3/4"	17	1%	\$1,660.00
1"	9	<1%	\$2,793.32
1-1/2"	2	<1%	\$5,586.60
2"	4	<1%	\$8,938.56
3"	0	0%	\$16,759.80
4"	3	<1%	\$27,933.00

Most accounts with private fire service only will pay 50% of 5/8" & 3/4" rate



Montara Water
and Sanitary District

Identify Hardship Assistance for Customers

- CA's current Proposition 218 prohibits the use of ratepayer funds to subsidize any group of ratepayers
- Thus, only non-rate revenues are available to assist hardship customers:
(Use of these funds for hardship assistance - REDUCES the operations budget)
 - Cell tower lease - ~\$36K/year
 - Fees - ~\$10K/year
 - District's 1% share of property tax
- Low water use customers already benefit from the District's tiered volumetric rate structure.
- Given Pillar Point's existing distribution system, these residents benefit from Pillar Point's master meter agreement.



**Montara Water
and Sanitary District**

Local Water Rate Increase Comparison

Example of Other Agencies' Rate Increases

	Annual Rate Increases (rounded estimates)										Cumulative Increase	Avg Annual Increase
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
MWSD Water	2.0%	0.0%	4.0%	4.0%	7.5%	3.0%	3.0%	3.0%	3.0%	0.0%	33.5%	2.9%
MWSD Sewer	14.0%	2.5%	4.3%	3.0%	3.0%	3.0%	3.0%	3.0%	23.0%	21.0%	110.3%	7.7%
Redwood City - Water	9.0%	9.0%	12.0%	9.0%	9.0%	9.0%	7.8%	4.5%	4.5%	0.0%	102.9%	7.3%
Redwood City - Sewer	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	3.0%	3.0%	3.0%	4.5%	91.5%	6.7%
San Bruno - Water	11.8%	11.8%	11.7%	9.8%	9.8%	9.8%	9.8%	9.8%	5.0%	5.0%	145.7%	9.4%
San Bruno - Sewer	10.1%	10.1%	10.1%	10.2%	10.2%	10.2%	10.2%	10.2%	5.0%	5.0%	139.1%	9.1%
San Mateo - Sewer	9.0%	9.0%	8.0%	8.0%	8.0%	10.0%	12.0%	36.0%	14.0%	14.0%	225.9%	12.5%
Mid-Peninsula Wtr (Belmont)	9.0%	9.0%	9.0%	9.0%	9.0%	18.0%	6.0%	0.0%	6.0%	4.0%	112.2%	7.8%
San Carlos Sewer	7.0%	7.0%	6.0%	25.0%	20.0%	10.0%	0.0%	5.0%	5.0%	4.5%	130.7%	8.7%



Local CIP Needs Comparison

CIP Comparisons

- MWSD's projected infrastructure need is comparable to other Bay Area districts

	Years	Amount	Per Year Est.
Contra Costa Water District	10	\$ 600,000,000	\$ 60,000,000
San Jose Water Company	5	\$ 39,139,000	\$ 7,827,800
San Lorenzo Valley Water District	1	\$ 6,100,000	\$ 6,100,000
Coastside County Water District	10	\$ 33,000,000	\$ 3,300,000
North Coast County Water District	1	\$ 3,000,000	\$ 3,000,000
Montara Water and Sanitary District	20	\$ 33,771,000	\$ 1,688,550

- MWSD's CIP is a significantly lower expenditure per year



Montara Water
and Sanitary District

MWSD Average Bill:

	# of All Accounts: 1587	% of All Accounts:	Average Monthly Charge:	Average Bi-Monthly Bill:
5/8" & 3/4"	1555	98%	\$28.80 + 5 units = \$76.22	\$152.44

- MWSD's current water rates with no changes proposed.



- Mail Proposition 218: April/May
- Public Hearing & Final Adoption: June
- Deadline for Property Tax Roles collection: August



**Montara Water
and Sanitary District**

Questions?



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

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

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:

Receive presentation and direct staff.

Presentation will published as soon as available.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

Senate Bill 1760 revised a section of the Government Code concerning development fees and charges in 1999. It requires local governments to make available to the public information about capacity charges, what they are used for and whether or not any are available for refund. It provides that any water or sewer connection charges shall not exceed the estimated reasonable cost of providing the service for which the charge is imposed. The attached Annual Connection Charge Report provides a summary of the connection charge revenue received for previous fiscal years through FY 2018-19, and indicates how that money is allocated.

RECOMMENDATION:

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

Attachment

ANNUAL WATER CONNECTION CHARGE REPORT
Montara Water and Sanitary District
June 30, 2019

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

<u>Year Ending</u>	<u>Connection Fees Collected</u>	<u>Connection Fees Spent on Capital Projects</u>	<u>Remaining Balance</u>
6/30/2019	\$ 317,186.00	\$ 317,186.00	\$0.00
6/30/2018	\$ 284,556.00	\$ 284,556.00	\$0.00
6/30/2017	\$ 208,785.00	\$ 208,785.00	\$0.00
6/30/2016	\$ 139,419.00	\$ 139,419.00	\$0.00
6/30/2015	\$ 172,492.12	\$ 172,492.12	\$0.00
6/30/2014	\$ 107,520.30	\$ 107,520.30	\$0.00
6/30/2013	\$ 74,314.87	\$ 74,314.87	\$0.00
6/30/2012	\$ 131,890.00	\$ 131,890.00	\$0.00
6/30/2011	\$ 18,382.00	\$ 18,382.00	\$0.00
6/30/2010	\$ 21,971.00	\$ 21,971.00	\$0.00
6/30/2009	\$ 50,848.00	\$ 50,848.00	\$0.00
6/30/2008	\$ 120,108.59	\$ 120,108.59	\$0.00
6/30/2007	\$ 65,900.00	\$ 65,900.00	\$0.00

ANNUAL SEWER CONNECTION CHARGE REPORT
Montara Water and Sanitary District
June 30, 2019

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

<u>Year Ending</u>	<u>Connection Fees Collected</u>	<u>Connection Fees Spent on Capital Projects</u>	<u>Remaining Balance</u>
6/30/2019	\$ 312,379.00	\$ 312,379.00	\$0.00
6/30/2018	\$ 229,263.00	\$ 229,263.00	\$0.00
6/30/2017	\$ 175,830.00	\$ 175,830.00	\$0.00
6/30/2016	\$ 100,597.00	\$ 100,597.00	\$0.00
6/30/2015	\$ 166,355.00	\$ 166,355.00	\$0.00
6/30/2014	\$ 66,970.00	\$ 66,970.00	\$0.00
6/30/2013	\$ 36,325.00	\$ 36,325.00	\$0.00
6/30/2012	\$ 43,468.00	\$ 43,468.00	\$0.00
6/30/2011	\$ 6,519.28	\$ 6,519.28	\$0.00
6/30/2010	\$ 49,516.00	\$ 49,516.00	\$0.00
6/30/2009	\$ 102,628.00	\$ 102,628.00	\$0.00
6/30/2008	\$ 153,929.00	\$ 153,929.00	\$0.00
6/30/2007	\$ 295,901.00	\$ 295,901.00	\$0.00



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

With the completion of the District's fiscal year end June 30, 2019 audit, District staff would like to present a comprehensive review of operations as compared to the adopted June 30, 2019 budget. This process will assist District staff with the up-coming budget preparation for fiscal year 2020-2021.

RECOMMENDATION:

This is for Board information only.

Attachment



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16, 2020

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

SUBJECT: Executive Summary – June 30, 2019 fiscal year-end audit Budget vs. Actual

Sewer Service Charges: Total revenue of \$2,610,740 collected; \$62,515 above budget.

Budgeted revenues were expected to increase 27.41% due to favorable flow distribution in the prior wet weather period as well as the adoption of a rate increase of nearly 21% for all customer classes. The rate increase is due to take effect over a period of two fiscal years as shown in the table below.

PROPOSED SEWER RATES			
	Current Sewer Rates*	Proposed Rates Effective	
		July 1, 2018	July 1, 2019
Sewer Service Charge Rates	Equivalent	Rate	Rate
<u>Customer Class</u>	<u>rate per hcf</u>	<u>per hcf</u>	<u>per hcf</u>
Residential	\$14.31	\$17.41	\$21.07
Restaurants	25.96	30.21	36.55
Motels	15.39	18.33	22.18
Offices	12.65	15.69	18.98
General Commercial	13.70	16.80	20.33
Schools	12.88	15.93	19.28
Hospitals	14.40	17.36	21.01

Water Sales: Total revenue of \$1,887,420 collected; \$25,076 below budget.

2018-2019 Water Rates were once again increased by 3.0% for all standard 5/8' connections across all 4 tiers as approved in the 5 year rate increase plan. During the budget process it was anticipated that in spite of a rate increase usage would decrease, thus revenue was budgeted flat at \$1,912,496. This estimate fell short by approximately \$25K.

Sewer Fees: Total revenue of \$15,296 collected; \$1,704 below budget.

Water Fees: Total revenue of \$18,699 collected; \$6,649 above budget.

Remodel fees for both Sewer and Water funds exceeded expectations. However, other fee categories were slightly lower than budgeted.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Sewer Property Tax: Total revenue of \$404,079 collected; \$129,079 above budget.

Water Property Tax: Total revenue of \$404,079 collected; \$129,079 above budget.

The District collected \$285K in ERAF apportionments, which was split 50/50 between Sewer and Water. Without the receipt of ERAF, the District would have collected approximately \$264K in property tax revenues, falling short of budget projections by approximately \$11,000. Beginning with the FY18-19 budget, a portion of ERAF apportionments were included in the projection of property taxes, thus raising the revenue projection by \$80K or \$40K between the two funds.

Sewer Personnel expense: Total expense of \$351,231 incurred; \$35,581 above budget

Water Personnel expenses: Total expense of \$764,587 incurred; \$107,985 below budget

Sewer overbudget – Due to the family composition and rising costs of healthcare, employee benefits were over budget by \$16,481. Staff wages were also over budget by approximately \$15,000.

Water underbudget – The fiscal year 2018-2019 budget anticipated the inclusion of a 4th water operator, the position did not get filled.

PARS expenditures – PARS contributions were \$6,225 over budget for Sewer and Water combined due to increased wages.

Sewer Professional Services: Total expense of \$257,761 incurred; \$25,761 above budget.

Water Professional Services: Total expense of \$96,227 incurred; \$53,773 below budget.

Sewer overbudget – Legal costs associated with various litigation caused more than 60% of the cost over-runs.

Water underbudget – costs associated with Mr. Schricker were less than half of what was projected.

Sewer Engineering: Total expense of \$33,584 incurred; \$28,416 below budget.

Water Engineering: Total expense of \$421,751 incurred; \$276,251 above budget.

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Water quality engineering expenses were more than three times the budget in response to increased documentation requirements put forth by the State.

Sewer Pumping: Total expense of \$44,881 incurred; \$3,881 above budget.

Water Pumping: Total expense of \$102,276 incurred \$3,424 below budget.

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

Sewer Authority Mid-Coastside: Total expense of \$1,729,678 incurred; \$62,495 above budget

Budget over-runs are due to mid-year budget adjustments from SAM based on a variety of factors. In fiscal year 18-19 the District paid SAM an additional \$67,568 as a mid-year budget amendment request.

Water Supply: Total expense of \$37,318 incurred; \$14,782 below budget.

Mainly due to less water purchases. The District expected to purchase \$10K of water per quarter, however, on average only \$6,750 worth was purchased.

Water Collection/Transmission: Total expense of \$67,983 incurred; \$13,517 below budget.

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

Water Treatment: Total expense of \$93,744 incurred; \$17,744 above budget.

Costs associated with the purchase of chemicals and equipment as well as the analysis of water samples by BSK lab, CA laboratory services, as well as North Coast County Water District. Cost over-runs due to the purchase of new Filter media, Turnkey removal & replacement.

All other Accounts Sewer: Total expense of \$56,388 incurred; \$11,472 below budget.

All other Accounts Water: Total expense of \$117,407 incurred; \$7,193 below budget.

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

Nothing further to report regarding all other water accounts.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Sewer Capital Improvement: Total capitalized expenses \$2,471,289; \$1,406,211 below budget.

The Cabrillo Highway Express Sewer Project got underway in FY 18-19. The project is currently on-going and expected to progress through the 19-20 fiscal year.

Other capitalized projects include the implementation of Smart Covers.

The District also paid SAM \$70,837 for Lift Station Repairs.

Water Capital Improvement: Total capitalized expenses \$454,420; \$26,580 below budget.

Major projects include the following:

- Airport Well Rehab
- Purchase of two new District trucks
- Other well monitoring projects

Sewer Connection Fees: Total revenue of \$312,379 collected; \$117,779 above budget.

A total of 9 new construction connections sold.

Water Connection Fees: Total revenue of \$317,186 collected; \$64,166 above budget.

A total of 8 new construction connection fees sold.



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2018-19

Operating Cash Flow

Operating income	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Sewer Service Charges	\$ 2,610,740	\$ 2,548,225	\$ 62,515
Cell Tower Lease	\$ 36,752	\$ 35,500	\$ 1,252
Fees & Other	\$ 15,296	\$ 17,000	\$ (1,704)
Property Tax	\$ 404,079	\$ 275,000	\$ 129,079
Waste Collection Revenues	\$ 23,172	\$ 23,000	\$ 172
Total operating income	\$ 3,090,039	\$ 2,898,725	\$ 191,314
Operating expenses			
Personnel	\$ (351,231)	\$ (315,649)	\$ 35,581
Professional Services	\$ (257,761)	\$ (232,000)	\$ 25,761
Facilities & Administration	\$ (50,809)	\$ (55,600)	\$ (4,791)
Engineering	\$ (33,584)	\$ (62,000)	\$ (28,416)
Pumping	\$ (44,881)	\$ (41,000)	\$ 3,881
Sewer Authority Mid-Coastside	\$ (1,729,678)	\$ (1,667,183)	\$ 62,495
All other Accounts	\$ (56,388)	\$ (67,860)	\$ (11,472)
Total operating expenses	\$ (2,524,333)	\$ (2,441,292)	\$ 83,041
Net Cash Flow Provided by Operations	\$ 565,707	\$ 457,433	

Investment cash flow

Investment income			
Interest Revenue	\$ 99,073	\$ 25,000	\$ 74,073
Total investment income	\$ 99,073	\$ 25,000	\$ 74,073
Investment expenses			
Capital Improvement Program	\$ (2,471,289)	\$ (3,877,500)	\$ (1,406,211)
Total investment expenses	\$ (2,471,289)	\$ (3,877,500)	\$ (1,406,211)
Net Cash Flow Used by Investments	\$ (2,372,216)	\$ (3,852,500)	

Financing cash flow

Financing income			
Connection Fees	\$ 312,379	\$ 194,600	\$ 117,779
Total financing income	\$ 312,379	\$ 194,600	\$ 117,779
Financing expenses			
Loan Interest Expense	\$ (39,874)	\$ (40,307)	\$ (433)
Loan Principal Payment	\$ (75,180)	\$ (75,179)	\$ 1
Total financing expenses	\$ (115,054)	\$ (115,486)	\$ (432)
Net Cash Flow Provided by Financing Activities	\$ 197,324	\$ 79,114	
Total Cash Flow Provided by All Activities	\$ (1,609,185)	\$ (3,315,953)	

Two-Year Comparative Income Statement

Sewer Comparison - Actuals 6/30/2018 vs. 6/30/2019

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2018 - June 30, 2019	July 1, 2017 - June 30, 2018		
Revenue				
Sewer Service Charges	2,610,740	2,051,620	559,120	27.25%
Cell Tower Lease	36,752	35,632	1,120	3.14%
Fees & Other	15,296	22,535	(7,239)	-32.12%
Property Tax	404,079	367,805	36,274	9.86%
Waste Collection Revenues	23,172	21,677	1,495	6.90%
Net Sales	3,090,039	2,499,269	590,770	23.64%
Expenses				
Personnel	351,231	340,580	10,651	3.13%
Professional Services	257,761	310,773	(53,012)	-17.06%
Facilities & Administration	50,809	39,836	10,973	27.55%
Engineering	33,584	68,682	(35,098)	-51.10%
Pumping	44,881	39,312	5,569	14.17%
Sewer Authority Mid-Coastside	1,729,678	1,858,172	(128,494)	-6.92%
Depreciation	408,078	555,756	(147,678)	-26.57%
All other Accounts	56,388	36,368	20,020	55.05%
Total Expenses	2,932,411	3,249,479	(317,068)	-9.76%
Net Operating Income	157,629	(750,210)	907,839	-121.01%
Non-Operating				
Connection Fees - Revenue	312,379	229,263	83,116	36.25%
LAIF interest - Revenue	99,073	41,070	58,003	141.23%
PNC equipment lease - Expense	(17,492)	(18,222)	730	-4.00%
I-Bank Loan - Expense	(22,382)	(23,996)	1,614	-6.73%
Sam Capital Assessment - Expense	0	(121,345)	121,345	-100.00%
Total Other Income (Expense)	371,577	106,770	264,807	248.02%
Capital Improvement Program	2,471,289	300,351	2,170,938	722.80%



MWSD — Fiscal Year 2018-2019 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Cell Tower Lease:	4220	34,427	35,632	35,500	36,752	1,252
Administrative Fees (New Construction):	4410	3,409	4,040	3,500	3,647	147
Administrative Fees (Remodel):	4420	1,448		2,000		(2,000)
Inspection Fees (New Construction):	4430	3,220	3,339	3,500	3,448	(52)
Inspection Fees (Remodel):	4440	3,748		4,000		(4,000)
Mainline Extension Fees:	4450		1,500			
Remodel Fees:	4460	15,844	10,278	4,000	5,376	1,376
Property Tax Receipts:	4610	340,018	367,805	275,000	404,079	129,079
Sewer Service Charges:	4710	1,975,325	2,053,963	2,552,225	2,610,244	58,019
Sewer Service Refunds, Customer:	4720	(10,530)	(2,343)	(4,000)	496	4,496
Waste Collection Revenues:	4760	23,130	21,677	23,000	23,172	172
Other Revenue:	4990	433	3,378		2,825	2,825
Total Operating Revenue:		2,390,473	2,499,269	2,898,725	3,090,039	191,314
<u>Operating Expenses</u>						
Bank Fees:	5190	6,692	6,654	6,500	6,875	(375)
Board Meetings:	5210	4,169	1,836	2,500	3,928	(1,428)
Director Fees:	5220	2,665	3,900	4,000	2,288	1,713
Election Expenses:	5230	4,860		5,000	4,265	735
Conference Attendance:	5250	147	3,131	3,000	2,467	533
Information Systems:	5270	1,667	1,224	4,000	1,725	2,276
Fidelity Bond:	5310			500	438	63
Property & Liability Insurance:	5320	3,758	2,161	2,000	7,737	(5,737)
LAFCO Assessment:	5350	1,526	1,601	2,000	1,794	206
Meeting Attendance, Legal:	5420	6,483	6,951	9,500	14	9,487
General Legal:	5430	32,775	44,220	150,000	25,260	124,741
Litigation:	5440		165,192		158,255	(158,255)
Maintenance, Office:	5510	6,933	4,020	8,000	7,230	770
Meetings, Local:	5520					
Office Supplies:	5540	7,755	6,243	8,000	5,681	2,319
Postage:	5550	1,143	277	2,500	2,043	457
Printing & Publishing:	5560	1,135	2,909	5,000	2,490	2,510
Accounting:	5610	38,950	31,276	30,000	26,503	3,498



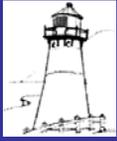
MWSD — Fiscal Year 2018-2019 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Audit:	5620	13,000	18,000	13,000	13,000	
Consulting:	5630	19,894	35,859	20,000	25,261	(5,261)
Data Services:	5640		5,851	6,000	6,079	(79)
Labor & HR Support:	5650	2,250	2,484	2,500	2,442	58
Payroll Services:	5660	942	940	1,000	949	51
Other Professional Services:	5690	132				
San Mateo County Tax Roll Charges:	5710	119		2,500	119	2,381
Telephone & Internet:	5720	16,380	18,961	24,000	25,300	(1,300)
Mileage Reimbursement:	5730	1,063	564	1,500	1,570	(70)
Reference Materials:	5740	23		200	87	113
Other Administrative:	5790				448	(448)
CalPERS 457 Deferred Plan:	5810	18,637	18,386	15,912	18,955	(3,043)
Employee Benefits:	5820	37,701	39,107	35,635	52,115	(16,481)
Disability Benefits:	5830	1,360	1,360	1,534	1,360	174
Payroll Taxes:	5840	14,552	16,063	17,390	15,610	1,780
Worker's Compensation Insurance:	5960	2,120	4,082	2,447	2,622	(175)
Management:	5910	99,561	114,908	103,725	112,113	(8,388)
Staff :	5920	119,299	127,015	119,047	125,760	(6,713)
Staff Certification:	5930	1,800	1,800	1,800	1,800	
Staff Overtime:	5940	3,879	918	2,744	1,435	1,309
Staff Standby:	5950		32			
District sponsored Defined Benefit Plan:	5850	(80,974)	16,909	15,416	19,459	(4,043)
Claims, Property Damage:	6170		12,810	20,000	20,514	(514)
Education & Training:	6195		717	1,000	559	441
Meeting Attendance, Engineering:	6210			2,000		2,000
General Engineering:	6220	44,122	68,682	60,000	33,584	26,416
Equipment & Tools, Expensed:	6320			1,000		1,000
Alarm Services:	6335	6,738	5,146	5,700	5,028	672
Landscaping:	6337	4,080	2,280	2,400	2,588	(188)
Pumping Fuel & Electricity:	6410	36,043	39,312	41,000	44,881	(3,881)
Pumping Maintenance, General:	6430					
Maintenance, Collection System:	6660			10,000	550	9,450
Fuel:	6810	878	988	1,000	1,021	(21)



MWSD — Fiscal Year 2018-2019 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Truck Equipment, Expensed:	6820	71	2	160	27	133
Truck Repairs:	6830	331	780	1,000	423	577
Total Other Operations:	6890	550				
SAM Collections:	6910	321,608	232,841	328,036	329,965	(1,929)
SAM Operations:	6920	677,904	1,625,331	1,249,147	1,316,715	(67,568)
SAM Prior-Year Adjustment:	6930					
SAM Maintenance, Collection System:	6940			40,000		40,000
SAM Maintenance, Pumping:	6950			50,000	82,999	(32,999)
Depreciation:	5260	513,594	555,756		408,078	(408,078)
Total Operations Expense:		1,998,315	3,249,479	2,441,292	2,932,411	(491,119)
Net Change in position from Operations:		392,157	(750,210)	457,433	157,629	299,804
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	140,090	221,658	144,600	246,161	101,561
Connection Fees, Residential Remodel:	7120	35,740	7,605	50,000	66,218	16,218
Connection Fees - Other:	7100					
Employee Loans:	7700					
LAIF, Interest:	7200	32,034	41,070	25,000	99,073	74,073
Total Non Operating Revenue:		207,864	270,333	219,600	411,451	191,851
<u>Financing Expense</u>						
PNC Equipment Lease:	9125	19,545	18,222	16,826	17,492	(666)
Capital Assessment, SAM:	9175	113,432	121,345			
I-Bank Loan:	9200	24,853	23,996	23,481	22,382	1,099
Total Financing Expense:		157,830	163,563	40,307	39,874	433



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2018-19

Operating Cash Flow

Operating income	Actual	Budget	Variance
Water Sales	\$ 1,887,420	\$ 1,912,496	\$ (25,076)
Cell Tower Lease	\$ 36,752	\$ 35,500	\$ 1,252
Fees & Other	\$ 18,699	\$ 12,050	\$ 6,649
Property Tax	\$ 404,079	\$ 275,000	\$ 129,079
Backflow Testing	\$ 18,420	\$ 16,000	\$ 2,420
Total operating income	\$ 2,365,369	\$ 2,251,046	\$ 114,323
Operating expenses			
Personnel	\$ (764,587)	\$ (872,572)	\$ (107,985)
Professional Services	\$ (96,227)	\$ (150,000)	\$ (53,773)
Facilities & Administration	\$ (71,967)	\$ (58,500)	\$ 13,467
Engineering	\$ (421,751)	\$ (145,500)	\$ 276,251
Pumping	\$ (102,276)	\$ (105,700)	\$ (3,424)
Supply	\$ (37,318)	\$ (52,100)	\$ (14,782)
Collection/Transmission	\$ (67,983)	\$ (81,500)	\$ (13,517)
Treatment	\$ (93,744)	\$ (76,000)	\$ 17,744
All Other Accounts	\$ (117,407)	\$ (124,600)	\$ (7,193)
Total operating expenses	\$ (1,773,261)	\$ (1,666,472)	\$ 106,789
Net Cash Flow Provided by Operations	\$ 592,108	\$ 584,574	

Investment cash flow

Investment income	Actual	Budget	Variance
GO Bonds, Assessment Receipts	\$ 1,182,939	\$ 1,150,436	\$ 32,503
Total investment income	\$ 1,182,939	\$ 1,150,436	\$ 32,503
Investment expenses			
Capital Improvement Program	\$ (454,420)	\$ (481,000)	\$ (26,580)
Total investment expenses	\$ (454,420)	\$ (481,000)	\$ (26,580)
Net Cash Flow Used by Investments	\$ 728,519	\$ 669,436	

Financing cash flow

Financing income	Actual	Budget	Variance
Connection Fees	\$ 317,186	\$ 253,020	\$ 64,166
Total financing income	\$ 317,186	\$ 253,020	\$ 64,166
Financing expenses			
Long Term Debt - Interest Expense	\$ (383,970)	\$ (349,301)	\$ 34,669
Long Term Debt - Principal Payment	\$ (1,199,272)	\$ (1,062,675)	\$ 136,597
Total financing expenses	\$ (1,583,242)	\$ (1,411,976)	\$ 171,266
Net Cash Flow Provided by Financing Activities	\$ (1,266,056)	\$ (1,158,956)	
Total Cash Flow Provided by All Activities	\$ 54,571	\$ 95,054	

Two-Year Comparative Income Statement

Water Comparison - Actuals
6/30/2018 vs. 6/30/2019

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2018 - June 30, 2019	July 1, 2017 - June 30, 2018		
Revenue				
Water Sales	1,887,420	1,921,188	(33,768)	-1.76%
Cell Tower Lease	36,752	35,632	1,120	3.14%
Fees & Other	18,699	16,850	1,849	10.97%
Property Tax	404,079	367,805	36,274	9.86%
Backflow Testing	18,420	19,038	(618)	-3.25%
Net Sales	2,365,369	2,360,513	4,856	0.21%
Expenses				
Personnel	764,587	758,551	6,036	0.80%
Professional Services	96,227	100,232	(4,005)	-4.00%
Facilities & Administration	71,967	51,824	20,143	38.87%
Engineering	421,751	187,283	234,468	125.19%
Pumping	102,276	80,301	21,975	27.37%
Supply	37,318	43,833	(6,515)	-14.86%
Collection/Transmission	67,983	55,817	12,166	21.80%
Treatment	93,744	64,693	29,051	44.91%
Depreciation	1,010,588	1,005,802	4,786	0.48%
All other Accounts	117,407	109,225	8,182	7.49%
Total Expenses	2,783,849	2,457,561	326,288	13.28%
Net Operating Income	(418,480)	(97,048)	(321,432)	331.21%
Non-Operating				
Connection Fees - Revenue	317,186	284,552	32,634	11.47%
GO Bonds Assessment - Revenue	1,182,939	1,226,216	(43,277)	-3.53%
PNC equipment lease - Expense	(17,492)	(18,222)	730	-4.00%
GO Bonds Interest - Expense	(242,762)	(265,164)	22,402	-8.45%
SRF Interest - Expense	(78,501)	(83,943)	5,442	-6.48%
Conservation Program - Expense	(1,500)	(1,400)	(100)	7.14%
	(43,714)	0		
Total Other Income (Expense)	1,116,155	1,142,039	(25,884)	-2.27%
Capital Improvement Program	454,420	235,275	219,145	93.14%



MWSD — Fiscal Year 2018-2019 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Cell Tower Lease:	4220	34,427	35,632	35,500	36,752	1,252
Administrative Fees (New Construction):	4410	7,292	4,545	5,500	3,126	(2,374)
Administrative Fees (Remodel):	4420	0	1,679	900	0	(900)
Inspection Fees (New Construction):	4430	6,888	4,293	5,000	2,956	(2,044)
Inspection Fees (Remodel):	4440	460	1,908	650	0	(650)
Mainline Extension Fees:	4450				3,119	3,119
Remodel Fees:	4460	9,732	1,593		1,900	1,900
Other Fees:	4470		2,832		3,382	3,382
Grants:	4510				280	280
Property Tax Receipts:	4610	340,018	367,805	275,000	404,079	129,079
Testing, Backflow:	4740	14,816	17,858	16,000	18,420	2,420
Water Sales:	4810	1,771,239	1,922,676	1,915,496	1,892,091	(23,405)
Water Sales Refunds, Customer:	4850	(2,993)	(1,488)	(3,000)	(4,670)	(1,670)
Other Revenue:	4990	10,820	1,180	0	3,936	3,936
Total Operating Revenue:		2,192,699	2,360,513	2,251,046	2,365,369	(1,801,173)
<u>Operating Expenses</u>						
Bank Fees:	5190	6,743	1,618	3,500	3,495	5
Board Meetings:	5210	4,169	1,836	4,000	3,928	72
Director Fees:	5220	2,665	3,900	3,300	2,288	1,013
Election Expenses:	5230	4,860			4,265	(4,265)
CDPH Fees:	5240		10,832	15,500	10,530	4,971
Conference Attendance:	5250	850	5,697	6,000	2,467	3,533
Information Systems:	5270	2,973	9,488	3,000	10,185	(7,185)
Fidelity Bond:	5310			500	438	63
Property & Liability Insurance:	5320	3,758		2,700	2,215	485
LAFCO Assessment:	5350	2,048	2,208	2,500	2,520	(20)
Meeting Attendance, Legal:	5420	6,480	3,211	8,500	14	8,487
General Legal:	5430	57,788	23,868	60,000	24,250	35,750



MWSD — Fiscal Year 2018-2019 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Litigation:	5440		775			0
Maintenance, Office:	5510	8,678	5,561	8,000	11,015	(3,015)
Meetings, Local:	5520				41	(41)
Memberships:	5530	17,679	20,298	20,500	22,236	(1,736)
Office Supplies:	5540	7,638	8,452	7,000	7,244	(244)
Postage:	5550	7,168	6,379	7,000	9,318	(2,318)
Printing & Publishing:	5560	1,356	1,739	2,000	3,213	(1,213)
Accounting:	5610	38,950	31,276	30,000	26,503	3,498
Audit:	5620	13,000	18,000	13,000	13,000	0
Consulting:	5630	36,600	19,678	35,000	28,471	6,529
Data Services:	5640				0	0
Labor & HR Support:	5650	2,349	2,484	2,500	2,442	58
Payroll Services:	5660	942	940	1,000	949	51
Other Professional Services:	5690	132			480	(480)
San Mateo Co. Tax Roll Charges:	5710	119			119	(119)
Telephone & Internet:	5720	22,304	22,460	25,000	31,642	(6,642)
Mileage Reimbursement:	5730	1,648	564	2,000	2,188	(188)
Reference Materials:	5740	23		800	0	800
Other Administrative:	5790	2,147	615		791	(791)
CalPERS 457 Deferred Plan:	5810	36,418	37,021	43,029	38,266	4,763
Employee Benefits:	5820	76,378	74,878	80,058	84,851	(4,793)
Disability Benefits:	5830	3,366	3,366	4,288	3,366	922
Payroll Taxes:	5840	38,090	39,499	48,760	39,124	9,636
Worker's Compensation Insurance:	5960	14,423	19,208	23,317	12,579	10,738



MWSD — Fiscal Year 2018-2019 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Management:	5910	99,563	114,908	103,725	112,113	(8,388)
Staff :	5920	347,037	360,388	426,804	356,877	69,927
Staff Certification:	5930	9,125	10,042	11,400	9,275	2,125
Staff Overtime:	5940	52,690	42,425	69,334	45,516	23,818
Staff Standby:	5950	23,830	25,125	26,123	24,705	1,418
District sponsored Defined Benefit Plan:	5850	(150,932)	31,691	35,734	37,916	(2,182)
Backflow Prevention:	6160	892	473	1,000	764	236
Claims, Property Damage:	6170	175	0	10,000	22	9,978
SCADA Maintenance:	6185	20,505	7,778	10,000	12,061	(2,061)
Internet & Telephone, Communications:	6187		2,024			0
Education & Training:	6195	8,131	9,911	9,000	5,098	3,902
Meeting Attendance, Engineering:	6210		16	500		500
General Engineering:	6220	4,029	8,503	45,000	1,467	43,533
Water Quality Engineering:	6230	138,939	178,764	100,000	420,284	(320,284)
Equipment & Tools, Expensed:	6320	2,962	7,441	5,000	11,867	(6,867)
Alarm Services:	6335	777	671	800	718	82
Landscaping:	6337	7,102	5,947	6,000	5,811	189
Lab Supplies & Equipment:	6370	178	3,698	2,000	2,251	(251)
Meter Reading:	6380	119	21	0		0
Pumping Fuel & Electricity:	6410	82,730	68,177	90,000	77,011	12,989
Pumping Maintenance, Generators:	6420	12,118	7,777	10,000	21,339	(11,339)
Pumping Maintenance, General:	6430	4,969	4,137	5,000	3,448	1,552
Pumping Equipment, Expensed:	6440		210	700	478	222
Maintenance, Raw Water Mains:	6510	1,421	1,474	2,100	1,857	243
Maintenance, Wells:	6520	1,466	16,851	10,000	8,635	1,365
Water Purchases:	6530	34,292	25,508	40,000	26,826	13,174
Hydrants:	6610	3,819	408	1,000		1,000
Maintenance, Water Mains:	6620	75,576	39,633	50,000	46,952	3,048
Maintenance, Water Service Lines:	6630	4,206	12,389	20,000	3,506	16,494



MWSD — Fiscal Year 2018-2019 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
Maintenance, Tanks:	6640	71	741	1,000	1,593	(593)
Maintenance, Distribution General:	6650	5,220	273	7,000	7,341	(341)
Maintenance, Collection System:	6660				414	
Meters:	6670	10,719	2,373	2,500	8,177	(5,677)
Chemicals & Filtering:	6710	11,660	18,681	30,000	20,233	9,767
Maintenance, Treatment Equipment:	6720	4,724	10,508	4,000	28,456	(24,456)
Treatment Analysis:	6730	24,653	35,504	42,000	45,055	(3,055)
Uniforms:	6770	10,560	11,166	12,000	11,459	541
Fuel:	6810	6,143	5,598	8,000	6,541	1,459
Truck Equipment, Expensed:	6820	496	12	1,000	309	691
Truck Repairs:	6830	2,316	4,422	5,000	2,411	2,589
Other Operations:	6890	18,301	240		43	(43)
Depreciation:	5260	949,538	972,113		982,039	(982,039)
Amortization:	5265	23,408	33,689		28,549	(28,549)
Total Operations Expense:		2,275,268	2,457,561	1,666,472	2,783,849	(1,116,963)
Net Change in position from Operations:		(82,568)	(97,048)	584,574	(418,480)	(684,210)
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	130,171	145,168	173,020	151,098	(21,922)
Connection Fees, Residential Remodel:	7120	25,921				0
Connection Fees, Residential Fire:	7130	52,693	118,691	80,000	164,056	84,056
Connection Fees, Residential Remodel Fire:	7140		12,893		2,032	2,032
Connection Fees, Well Conversion:	7150		7,800			0
General Obligation Bonds, Assessment Receipts:	7600	1,253,111	1,226,216	1,150,436	1,182,939	32,503
Total Non Operating Revenue:		1,461,897	1,510,768	1,403,456	1,500,125	96,669
<u>Financing Expenses</u>						
PFP Connection Expenses:	9075					



MWSD — Fiscal Year 2018-2019 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Positive/ (Negative)</u>
General Obligation Bonds:	9100	286,455	265,164	252,521	242,762	9,759
PNC Equipment Lease:	9125	19,545	18,222	16,826	17,492	(666)
State Revolving Fund Loan:	9150	90,816	83,943	78,455	78,501	(46)
I-Bank Loan:	9200				43,714	
Conservation Program/Rebates:	9210	1,129	1,400	2,000	1,500	500
Total Financing Expense:		397,944	368,729	349,802	383,970	9,547

Fiscal year 2018-2019 Budget Operating Reserves

WATER

Operating Reserve:

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year **2018-19** budget the amount of operating reserves is as follows:

Target calculation

\$	1,666,472	12	Budgeted FY18/19 expenditures Months
<hr/>			
\$	138,873	x 2	Monthly budgeted operating expenses Two months expenditures
<hr/>			
\$	277,745		Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2019

\$46,009

Actual Operating Funds @ June 30, 2019

\$1,038,827

SEWER

Operating Reserve:

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

Based on fiscal year **2018-19** budget the amount of operating reserves is as follows:

Minimum Target

\$	2,441,292	12	Budgeted FY18/19 expenditures Months
<hr/>			
\$	203,441	x 2	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	406,882		Minimum Target Reserve
<hr/> <hr/>			

Maximum Target

\$	2,441,292	12	Budgeted FY18/19 expenditures Months
<hr/>			
\$	203,441	x 10	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	2,034,410		Maximum Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2019

\$ 406,882

Actual Operating Funds @ June 30, 2019

\$ 1,325,335

Fiscal year 2018-2019 Budget

Capital Reserve Connection Fee Reserve

Capital Reserve:

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

WATER

Minimum Target

\$	195,817	Lowest year CIP existing customers (fiscal year 2021-22)
\$	750,000	Engineer estimate
<hr/>		
\$	945,817	Minimum target

Maximum Target

\$	828,164	Highest year CIP existing customers (fiscal year 2020-21)
\$	750,000	Engineer estimate
<hr/>		
\$	1,578,164	Maximum target

Actual reserve at fiscal year June 30, 2019

\$ 398,249

SEWER

Minimum Target

\$	1,412,500	Lowest year CIP existing customers (fiscal year 2019-20)
\$	1,177,000	Engineer estimate
<hr/>		
\$	2,589,500	Minimum target

Maximum Target

\$	1,982,500	Highest year CIP existing customers (fiscal year 2022-23)
\$	1,177,000	Engineer estimate
<hr/>		
\$	3,159,500	Maximum target

Actual reserve at fiscal year June 30, 2019

\$ 3,865,146

Fiscal year 2018-2019 Budget

Capital Reserve Connection Fee Reserve

CONNECTION FEE RESERVE

Connection Fees:

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

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

WATER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.
Fiscal year 2018-19 amount to be reserved is \$253,020.

Actual reserve at fiscal year June 30, 2019

\$ 253,020

SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.
Fiscal year 2018-19 amount to be reserved is \$194,576.

Actual reserve at fiscal year June 30, 2019

\$ 194,600

Sewer

Personnel

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

Professional Services

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

Facilities & Administration

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

Engineering

Meeting Attendance, Engineering:	6210
General Engineering:	6220

Pumping

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

Sewer Authority Mid-Coastside

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

All other Accounts

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

Water

Personnel

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

Professional Services

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

Facilities & Administration

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

Engineering

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

Pumping

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

Supply

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

Collection/Transmission

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

Treatment

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

All other Accounts

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning
Introduction of Electronic Billing Service.**

Until now MWSD customers did not have the option to have their invoices emailed to them. We recently engaged with DocuSend to outsource our mailing of the water bill statements. All of MWSD's billing procedures remain in house with exception of the printing, stuffing envelopes, and mailing. The billing format remains also the same.

With Email bill option, the customer will receive an email with a PDF file attached rather than receiving a mailed copy. For each billing cycle, MWSD will send an email when the statement is ready. The price for email of bill is only \$.03 per bill compared to \$.93 for mailing. We will also be able to attach an Insert- PDF, PNG, JPEG or JPG file.

Creating a customer email data base can also be a cost-effective way to get important information out to your customers like announcements or newsletters. Avoiding special mailings will be an additional cost saving.

Email of the billing statements and PDF inserts would not only save us money but are helpful for the environment. Fewer billing statements means less demand for paper and less air pollution from paper production.

We plan to announce the new billing options via newsletter and also on hardcopy bill mailings.

RECOMMENDATION:

This is for Board information only.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review of State Revolving Fund Loan
2012PX102 Completion.**

The State Revolving Fund Loan (SRF) balance for loan # 2012PX102 has been paid off as of 1/1/2020. The total amount of the loan was \$378,366.26 and was used for planning expenses for the larger loan (X109).

X109 is set to be paid off in 2035. The total amount loaned was \$3,789,163. X109 was used for the construction of water tanks.

RECOMMENDATION:

This is for Board information only.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: January 16th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT:

**Receipt of USGS certificate for Collaboration with
Groundwater Ambient Monitoring & Assessment
Program-Priority Basin Project.**

Starting in 2011 Montara Water and Sanitation District collaborated with the USGS for 5-year trend sampling of the Groundwater Ambient Monitoring and Assessment (GAMA) program, coordinated with the California State Water Resources Control Board.

The Alta-Vista Well was chosen for the study. USGS working with District staff gathered invaluable data, and performed extensive sampling all at no cost to the District. The information has been shared not only with the Districts Hydrologists but was made public so that others responsible for natural resource management could gain from the study.

An Appreciation Certificate has been issued to the District and the complete studies are available via attached hyperlinks.

<https://pubs.usgs.gov/ds/0874/>

<http://rdcu.be/mH75>

RECOMMENDATION:

This is for information only

Attachments

In Appreciation

2019

The U.S. Geological Survey sincerely thanks

Montara Water & Sanitation District

for your collaboration with the **Groundwater Ambient Monitoring and Assessment Program-Priority Basin Project**, an ongoing statewide assessment of groundwater quality.

The Project relies on the participation of well owners who voluntarily allow their well(s) to be sampled to acquire information on regional groundwater quality. The generosity of Montara Water & Sanitation District in allowing the USGS to collect data helps build a foundation of information vital to understanding California's groundwater resources. The research findings will be used by scientists and water managers to the benefit of the environment and the public, now and for future generations.



Miranda Fram

*Program Chief, Statewide and National Water Quality Assessments
USGS California Water Science Center*





Well Owner Report

Owner	MONTARA WATER & SANITATION	Well Name	Alta Vista
Station ID	373300122290001	GAMA ID	HR-SC-01
Station Name	004S006W27R001M	Sample Date	3/28/2011 @ 1020

Your well was one of several sampled for the Hard Rock study unit of the Groundwater Ambient Monitoring and Assessment (GAMA) Priority Basin Project (PBP). Results from all sites will be published in a USGS Data Series report; your well will be identified by only the GAMA-ID in all publications and presentations.

This report lists the concentrations of chemical constituents detected in raw groundwater collected from your well. To put the results in some context, the concentrations of regulatory (r) and non-regulatory (nr) benchmarks set by the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) for drinking water are also listed. This comparison is for context only; it does not indicate compliance or non-compliance with regulatory benchmarks. One category of benchmark listed here is the Health-Based Screening Level, a benchmark developed by the USGS National Water-Quality Assessment Program for contaminants that do not have other human health (for more information see <http://water.usgs.gov/nawqa/HBSL> or [doi:10.5066/F71C1TWP](https://doi.org/10.5066/F71C1TWP)). Please contact your local Health Department if you have questions about potential health effects.

The chemical constituents are organized in the following groups: 1) field water-quality indicators, 2) major ions, 3) nutrients, 4) trace elements, 5) radioactivity, 6) volatile organic compounds, 7) pesticides, 8) geochemical and age-dating tracers, 9) microbiological constituents (not a part of sample schedule), and 10) constituents of special interest. Only detected constituents are reported here. Typical uses or sources are listed for all constituents; other sources not listed also may affect the concentrations of constituents in groundwater in your area.

See the List of Potentially Sampled Constituents for a complete list of potentially analyzed constituents evaluated by the GAMA PBP program. Not all constituents may have been evaluated for your well.

Thank you again for allowing the USGS to sample your well for the GAMA Project.

Robert Kent, Hydrologist
rhkent@usgs.gov
(619) 225-6151

mg/L = milligrams per liter	E = estimated value	HBSL = Health-Based Screening Level
µg/L = micrograms per liter	M = presence verified, but quantity uncertain	NL-CA = CDPH Notification Level (nr)
µS/cm = microsiemens per centimeter	MCL-US = USEPA Maximum Contaminant Level (r)	SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr)
ppm = parts per million	MCL-CA = CDPH Maximum Contaminant Level (r)	SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)
ppb = parts per billion	MCL-HI = HI DOH Maximum Contaminant Level (r)	
pCi/L = picocuries per liter	AL-US = USEPA Action Level (r)	
	HAL-US = USEPA Lifetime Health Advisory (nr)	



Well Owner Report

Concentrations of all chemical constituents detected in raw groundwater collected from your well were less than USEPA and CDPH regulatory and non-regulatory benchmarks applied to drinking water, with the following exceptions:

None.

mg/L = milligrams per liter	E = estimated value	HBSL = Health-Based Screening Level
µg/L = micrograms per liter	M = presence verified, but quantity uncertain	NL-CA = CDPH Notification Level (nr)
µS/cm = microsiemens per centimeter	MCL-US = USEPA Maximum Contaminant Level (r)	SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr)
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pCi/L = picocuries per liter	AL-US = USEPA Action Level (r)	
	HAL-US = USEPA Lifetime Health Advisory (nr)	



Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 3/28/2011 @ 1020

<i>Constituent Name</i>	<i>Units</i>	<i>Value</i>	<i>Benchmark Value and Type</i>	<i>Typical Use or Source</i>
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1 Field Water Quality Indicators

Depth to water, static	feet	358.46		
Barometric pressure	mm of mercury	755		Naturally occurring
Water Temperature	deg Celsius	18.5		Naturally occurring
Specific Conductance, field	µS/cm	289	900 (1600)	SMCL-CA Naturally occurring
pH, field	standard units	8.1	6.5 (8.5)	SMCL Naturally occurring
Dissolved Oxygen	mg/L	5.2		Naturally occurring

2 Major and Minor Ions

Calcium	mg/L	28.7		Naturally occurring
Magnesium	mg/L	3.48		Naturally occurring
Potassium	mg/L	0.36		Naturally occurring
Sodium	mg/L	23.9		Naturally occurring
Bromide	mg/L	0.138		Naturally occurring
Chloride	mg/L	40.2	250	SMCL Naturally occurring
Fluoride	mg/L	0.57	2	MCL-CA Naturally occurring
Silica	mg/L	16.8		Naturally occurring
Sulfate	mg/L	10.3	250	SMCL Naturally occurring
Alkalinity (CaCO3), laboratory	mg/L	69.5		Naturally occurring
Total dissolved solids (TDS)	mg/L	166	500	SMCL Naturally occurring

mg/L = milligrams per liter

E = estimated value

HBSL = Health-Based Screening Level

µg/L = micrograms per liter

M = presence verified, but quantity uncertain

NL-CA = CDPH Notification Level (nr)

µS/cm = microsiemens per centimeter

MCL-US = USEPA Maximum Contaminant Level (r)

SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr)

ppm = parts per million

MCL-HI = HI DOH Maximum Contaminant Level (r)

SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)

ppb = parts per billion

AL-US = USEPA Action Level (r)

pCi/L = picocuries per liter

HAL-US = USEPA Lifetime Health Advisory (nr)

Preliminary: Subject to Revision

Report Date: 8/2/2016



Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 3/28/2011 @ 1020

<i>Constituent Name</i>	<i>Units</i>	<i>Value</i>	<i>Benchmark Value and Type</i>	<i>Typical Use or Source</i>
Hardness	mg/L as CaCO ₃	86		Naturally occurring
3 Nutrients				
Nitrate plus nitrite, as nitrogen	mg/L	0.27	10	MCL-US Natural, fertilizer, sewage
Total nitrogen (ammonia, nitrite, nitrate, organic nitrogen)	mg/L	0.29		Natural, fertilizer, sewage
Orthophosphate, as phosphorus	mg/L	0.006		Natural, fertilizer, sewage
4 Trace Elements				
Arsenic	µg/L	7.9	10	MCL-US Naturally occurring
Barium	µg/L	26.2	1000	MCL-CA Naturally occurring
Boron	µg/L	13	6000	HBSL-NC Naturally occurring
Cadmium	µg/L	0.045	5	MCL-US Naturally occurring
Lithium	µg/L	0.76		Naturally occurring
Molybdenum	µg/L	24.8	40	HBSL-NC Naturally occurring
Selenium	µg/L	0.26	50	MCL-US Naturally occurring
Strontium	µg/L	40.7	4000	HBSL-NC Naturally occurring
Tungsten	µg/L	0.806		Naturally occurring
Uranium	µg/L	0.104	30	MCL-US Naturally occurring
Vanadium	µg/L	5.5	50	NL-CA Naturally occurring
Zinc	µg/L	10.3	2000	HBSL-NC Naturally occurring

5 Radioactivity

mg/L = milligrams per liter	E = estimated value	HBSL = Health-Based Screening Level
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ppm = parts per million	MCL-CA = CDPH Maximum Contaminant Level (r)	SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)
ppb = parts per billion	MCL-HI = HI DOH Maximum Contaminant Level (r)	
pCi/L = picocuries per liter	AL-US = USEPA Action Level (r)	
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Preliminary: Subject to Revision

Report Date: 8/2/2016



Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 3/28/2011 @ 1020

<i>Constituent Name</i>	<i>Units</i>	<i>Value</i>	<i>Benchmark Value and Type</i>	<i>Typical Use or Source</i>	
Gross-beta radioactivity, 30 day count	pCi/L	0.5	50	MCL-US Naturally occurring	
Radon-222	pCi/L	92	300 (4000)	MCL-proposed Naturally occurring	
Uranium-238	pCi/L	0.045	20	MCL-CA Naturally occurring	
6 Volatile Organic Compounds		None Detected			
7 Pesticides and Pesticide Degradates					
Carbaryl	µg/L	E 0.005	40 (4000)	HBSL-C Insecticide	
8 Geochemical and Age-Dating Tracers					
Carbon stable isotope ratio	per mil	-19.01		For dating ancient water	
Carbon-14	percent modern	78.7		For dating ancient water	
Tritium	pCi/L	1.3	20000	MCL-US For dating recent water	
Hydrogen stable isotope ratio of water	per mil	-33.7		Info about recharge source area	
Oxygen stable isotope ratio of water	per mil	-5.56		Info about recharge source area	
9 Microbiological Constituents		Not Sampled			
10 Constituents of Special Interest					
Perchlorate	µg/L	0.11	6	MCL-CA Natural, rocket fuel, fertilizer	
11 Pharmaceuticals		Not Sampled			

mg/L = milligrams per liter
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 µS/cm = microsiemens per centimeter
 ppm = parts per million
 ppb = parts per billion
 pCi/L = picocuries per liter

E = estimated value
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 MCL-US = USEPA Maximum Contaminant Level (r)
 MCL-CA = CDPH Maximum Contaminant Level (r)
 MCL-HI = HI DOH Maximum Contaminant Level (r)
 AL-US = USEPA Action Level (r)
 HAL-US = USEPA Lifetime Health Advisory (nr)

HBSL = Health-Based Screening Level
 NL-CA = CDPH Notification Level (nr)
 SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr)
 SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)



Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 8/18/2016 @ 930

Your well was one of several sampled for the Santa Cruz Mtns San Gabriel Mtns Peninsular Ranges study unit Trends Sampling of the Groundwater Ambient Monitoring and Assessment (GAMA) Priority Basin Project (PBP). Results from all sites will be published in a USGS Data Series report; your well will be identified by only the GAMA-ID in all publications and presentations.

This report lists the concentrations of chemical constituents detected in raw groundwater collected from your well. To put the results in some context, the concentrations of regulatory (r) and non-regulatory (nr) benchmarks set by the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) for drinking water are also listed. This comparison is for context only; it does not indicate compliance or non-compliance with regulatory benchmarks. One category of benchmark listed here is the Health-Based Screening Level, a benchmark developed by the USGS National Water-Quality Assessment Program for contaminants that do not have other human health benchmarks (for more information see <<http://water.usgs.gov/nawqa/HBSL>> or <[doi:10.5066/F71C1TWP](https://doi.org/10.5066/F71C1TWP)>). Please contact your local Health Department if you have questions about potential health effects.

The chemical constituents are organized in the following groups: 1) field water-quality indicators, 2) major ions, 3) nutrients, 4) trace elements, 5) radioactivity (not a part of Trends sample schedule), 6) volatile organic compounds, 7) pesticides, 8) geochemical and age-dating tracers, 9) microbiological constituents (not a part of Trends sample schedule), and 10) constituents of special interest. Only detected constituents are reported here. Typical uses or sources are listed for all constituents; other sources not listed also may affect the concentrations of constituents in groundwater in your area.

See the List of Potentially Sampled Constituents for a complete list of potentially analyzed constituents evaluated by the GAMA PBP program. Not all constituents may have been evaluated for your well.

Thank you again for allowing the USGS to sample your well for the GAMA Project.

Robert Kent, Hydrologist
rhkent@usgs.gov
(619) 225-6151

mg/L = milligrams per liter

µg/L = micrograms per liter

µS/cm = microsiemens per centimeter

ppm = parts per million

ppb = parts per billion

pCi/L = picocuries per liter

E = estimated value

M = presence verified, but quantity uncertain

AL-US = USEPA Action Level (r)

HAL-US = USEPA Lifetime Health Advisory (nr)

HBSL-C = USGS Cancer Health-Based Screening

HBSL-NC = USGS Noncancer Health-Based Screening Level

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SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)



Well Owner Report

Concentrations of all chemical constituents detected in raw groundwater collected from your well were less than USEPA and CDPH regulatory and non-regulatory benchmarks applied to drinking water, with the following exceptions:

None.

mg/L = milligrams per liter	M = presence verified, but quantity uncertain	HHBP-NC = USEPA Noncancer Human Health Benchmark for Pesticide
µg/L = micrograms per liter	AL-US = USEPA Action Level (r)	MCL-CA = CDPH Maximum Contaminant Level (r)
µS/cm = microsiemens per centimeter	HAL-US = USEPA Lifetime Health Advisory (nr)	MCL-US = USEPA Maximum Contaminant Level (r)
ppm = parts per million	HBSL-C = USGS Cancer Health-Based Screening	NL-CA = CDPH Notification Level (nr)
ppb = parts per billion	HBSL-NC = USGS Noncancer Health-Based Screening Level	SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr)
pCi/L = picocuries per liter	HHBP-C = USEPA Cancer Human Health Benchmark for Pesticide	SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)
E = estimated value		



Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 8/18/2016 @ 930

Detected constituents on the Trends schedule

Constituent Name	Units	Value	Benchmark Value and Type	Typical Use or Source
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1 Field Water Quality Indicators

Barometric pressure	mm of mercury	748		Naturally occurring
Water Temperature	deg Celsius	19		Naturally occurring
Specific Conductance, field	µS/cm	307	900 (1600)	SMCL-CA Naturally occurring
pH, field	standard units	7.9	6.5 (8.5)	SMCL-US Naturally occurring
Dissolved Oxygen	mg/L	1.9		Naturally occurring

2 Major and Minor Ions

Calcium	mg/L	31.4		Naturally occurring
Magnesium	mg/L	3.8		Naturally occurring
Potassium	mg/L	0.43		Naturally occurring
Sodium	mg/L	26.3		Naturally occurring
Bromide	mg/L	0.14		Naturally occurring
Chloride	mg/L	41.8	250	SMCL-US Naturally occurring
Fluoride	mg/L	0.56	2	MCL-CA Naturally occurring
Iodide	mg/L	0.001		Naturally occurring
Silica	mg/L	17.5		Naturally occurring
Sulfate	mg/L	10.7	250	SMCL-US Naturally occurring

mg/L = milligrams per liter

µg/L = micrograms per liter

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Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 8/18/2016 @ 930

Detected constituents on the Trends *schedule*

<i>Constituent Name</i>	<i>Units</i>	<i>Value</i>	<i>Benchmark Value and Type</i>	<i>Typical Use or Source</i>
Alkalinity (CaCO ₃), laboratory	mg/L	75.6		Naturally occurring
Total dissolved solids (TDS)	mg/L	184	500 SMCL-US	Naturally occurring
Hardness	mg/L as CaCO ₃	94.3		Naturally occurring
3 Nutrients				
Nitrate plus nitrite, as nitrogen	mg/L	0.185	10 MCL-US	Natural, fertilizer, sewage
Total nitrogen (ammonia, nitrite, nitrate, organic nitrogen)	mg/L	0.18		Natural, fertilizer, sewage
Orthophosphate, as phosphorus	mg/L	0.004		Natural, fertilizer, sewage
4 Trace Elements				
Antimony	µg/L	0.03	6 MCL-US	Naturally occurring
Arsenic	µg/L	7.5	10 MCL-US	Naturally occurring
Barium	µg/L	28.9	1000 MCL-CA	Naturally occurring
Boron	µg/L	15	6000 HBSL-NC	Naturally occurring
Cadmium	µg/L	0.1	5 MCL-US	Naturally occurring
Copper	µg/L	2.4	1000 SMCL-US	Natural, pipe corrosion
Lithium	µg/L	0.89		Naturally occurring
Molybdenum	µg/L	26.4	40 HBSL-NC	Naturally occurring
Selenium	µg/L	0.25	50 MCL-US	Naturally occurring

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 µg/L = micrograms per liter
 µS/cm = microsiemens per centimeter
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Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 8/18/2016 @ 930

Detected constituents on the Trends schedule

<i>Constituent Name</i>	<i>Units</i>	<i>Value</i>	<i>Benchmark Value and Type</i>	<i>Typical Use or Source</i>
Strontium	µg/L	46.7	4000	HBSL-NC Naturally occurring
Uranium	µg/L	0.13	30	MCL-US Naturally occurring
Vanadium	µg/L	5.5	50	NL-CA Naturally occurring
Zinc	µg/L	9.8	2000	HBSL-NC Naturally occurring
5 Radioactivity		Not Sampled		
6 Volatile Organic Compounds		None Detected		
7 Pesticides and Pesticide Degradates		None Detected		
8 Geochemical and Age-Dating Tracers				
Carbon stable isotope ratio	per mil	-19.58		For dating ancient water
Carbon-14	percent modern	82.04		For dating ancient water
Tritium	pCi/L	1.4	20000	MCL-US For dating recent water
Hydrogen stable isotope ratio of water	per mil	-33.4		Info about recharge source area
Oxygen stable isotope ratio of water	per mil	-5.53		Info about recharge source area
9 Microbiological Constituents		Not Sampled		

mg/L = milligrams per liter
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 ppm = parts per million
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Well Owner Report

Owner MONTARA WATER & SANITATION

Well Name Alta Vista

Station ID 373300122290001

GAMA ID HR-SC-01

Station Name 004S006W27R001M

Sample Date 8/18/2016 @ 930

Detected constituents on the Trends schedule

Constituent Name	Units	Value	Benchmark Value and Type	Typical Use or Source
10 Constituents of Special Interest				
		None Detected		
11 Pharmaceuticals				
		Not Sampled		

mg/L = milligrams per liter µg/L = micrograms per liter µS/cm = microsiemens per centimeter ppm = parts per million ppb = parts per billion pCi/L = picocuries per liter E = estimated value	M = presence verified, but quantity uncertain AL-US = USEPA Action Level (r) HAL-US = USEPA Lifetime Health Advisory (nr) HBSL-C = USGS Cancer Health-Based Screening HBSL-NC = USGS Noncancer Health-Based Screening Level HHBP-C = USEPA Cancer Human Health Benchmark for Pesticide	HHBP-NC = USEPA Noncancer Human Health Benchmark for Pesticide MCL-CA = CDPH Maximum Contaminant Level (r) MCL-US = USEPA Maximum Contaminant Level (r) NL-CA = CDPH Notification Level (nr) SMCL-CA = CDPH Secondary Maximum Contaminant Level (nr) SMCL-US = USEPA Secondary Maximum Contaminant Level (nr)
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MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **January 16, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Operations: Faulty meters on the newly constructed Wagner Well and Airport 3 Well will be changed out on warranty.

SAM, City of HMB, and MWSD field staff attended 2 joint safety meetings and plan to continue to meet monthly.

Projects: Construction of the new Airport 3 Treatment Plant is close to completion. SCADA integration is almost complete, final testing and State notification still outstanding. The Wagner Well Rehab Project is finalized and will be closed out soon.

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.

Meetings: The General Manager attended the Finance Committee Meeting on January 7, 2019 and will attend the SAM Manager's meeting on January 16.

Manager Leave: The General Manager will be on vacation Monday January 20, 2020.

RECOMMENDATION:

This is for Board information only.

Attachment