



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

P.O. Box 370131
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Montara, CA 94037-0131
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To sensitively manage the natural resources entrusted to our care, to provide the people of Montara - Moss Beach with reliable, high – quality water, wastewater, and trash disposal at an equitable price, and to ensure the fiscal and environmental vitality of the district for future generations. Be open to providing other services desired by our community.

AGENDA

District Board of Directors

June 4, 2020 at 7:30 p.m.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED REMOTELY PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 TEMPORARILY SUSPENDING AND MODIFYING CERTAIN TELECONFERENCE REQUIREMENTS UNDER THE RALPH M. BROWN ACT. ADDITIONALLY, MEMBERS OF THE PUBLIC MAY ATTEND THE PUBLIC HEARING PORTION OF THE MEETING IN-PERSON, WHERE ALL SOCIAL DISTANCING REQUIREMENTS WILL BE MAINTAINED.

Directors, staff and the public may participate remotely via the application ZOOM:

ZOOM MEETING INFORMATION:

WEBSITE: <https://us02web.zoom.us/j/397048134?pwd=YUdaZkFkdGtYKytzVW0xWFBWZEY3Zz09>

MEETING ID: 397 048 134

Password: 644094

CALL IN PHONE NUMBER: +1 669 900 9128

INSTRUCTIONS for remote access are available at <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>. You also may view video during the meeting via live stream or after the meeting at <https://videoplayer.telvue.com/player/wuZKb9gwEY7sMACIIsr7VSJglB35kNZA/stream/159?fullscreen=true&showtabssearch=false&autostart=false> . If you experience technical difficulties or have technical questions prior to or during the meeting, please contact MWSD's IT support at (650) 728-7843.
Note: Public participation is not permitted during closed session discussion items.

Public Comment

In accordance with the Government Code, members of the public may address the Board on specific agenda items when the matter is announced by the Board President. Any other item of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. A "raise hand" button available for every Zoom user can be used to alert the President of the intent to comment.

Public comment also may be submitted in writing (in accordance with the three-minute per speaker limit) via email to info@mwsd.net up to one-hour prior to the scheduled meeting time. Please indicate in your email the agenda item to which your comment applies. The District Clerk will read all comments into the record. Comments and materials related to an item on this Agenda submitted after distribution of the Agenda Packet are available in the District Clerk's office during normal business hours and 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.

Upon request, this Agenda and written agenda materials 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 emailed to info@mwsd.net or submitted by phone at 650-728-3545 at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, and local orders, the format of this meeting may be altered, or the meeting may be canceled. You may check on the status of the meeting by visiting the District's website at: <http://mwsd.montara.org> .

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

1. [Receive Final Water and Sewer Rate Studies and Review and Possible Action Concerning Prop 218 Rate Limits for Sewer Service Charges and Establishment of New Water System Reliability Charge.](#)

2. [Review and Possible Action Confirming Reports on Sewer Service Charges, Water System Reliability Charges for FY 2020-2021, and Delinquent Refuse Collection and Water Service Charges for FY 2019-2020.](#)
3. [Review and Possible Action Concerning Adoption of a Revised Master Fee Schedule.](#)

CONSENT AGENDA

1. [Approve Minutes for Regular Scheduled Board Meetings May 7 and Finance Committee Meeting May 13, 2020.](#)
2. [Approve Financial Statements for April 2020.](#)
3. [Approve Warrants for June 1, 2020.](#)
4. [SAM Flow Report for April 2020.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report.](#)
8. [Rain Report.](#)
9. [Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for March 2020.](#)

OLD BUSINESS

1. [Review and Possible Action Concerning Approval of Sewer Authority Mid-Coastside General and Collections Budget for Fiscal Year 2020-2021.](#)
2. [Review and Possible Action Concerning Approval of MWSD Water and Sewer Budgets and Capital Improvement Programs.](#)

NEW BUSINESS

1. [Review and Possible Action Concerning Establishment of Economic Hardship Assistance Policy.](#)

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

1. MWSD General Obligation Bond Refinancing.
2. MWSD Defined Benefit Plan Actuarial Evaluation.
3. Strategic Community Planning Workshop.
4. Sewer Capital Improvement Project Public Bid Initiation.
5. Review of MWSD Public Outreach Program.

CONVENE IN CLOSED SESSION

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)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code §54956.9(d)(4))

Initiation of Litigation

Number of cases: 3

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.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Receive Final Water and Sewer Rate Studies and Review and Possible Action Concerning Prop 218 Rate Limits for Sewer Service Charges and Establishment of New Water System Reliability Charge

The Board will hold a public hearing to review and take possible action on the District's proposed Water System Reliability Charge and increases in Sewer Fees and Charges. The proposed Water System Reliability Charge (WSRC) will be collected annually on the property tax rolls and is estimated for a typical residential customer with a 5/8 x 3/4-inch meter to be \$558.66. The purpose of the WSRC is to provide a dedicated funding source "to maintain and replace aging pipelines, tanks, pumps and other infrastructure in the District's water collection and distribution system." The proposed sewer increases are 9% annual increases over each of the next three years and are also collected on the property tax rolls. The rates and charges are proposed to go into effect starting on July 1, 2020.

Background

Since early 2018, the Board and Finance Committee have received almost monthly presentations and have held discussions* regarding revenue deficiencies that impact the District's ability to fund capital infrastructure improvements. Just this year, a \$500,000 interfund transfer (loan) from sewer funds to water system funds was necessary to balance the water system budget while making regulatory-required system improvements. To date, the District has a documented annual \$2 million in water system capital replacement needs that remains unfunded. Analysis of the sewer system indicates an annual \$1.9 million capital investment need, along with \$700,000 per year of capital contributions required to support infrastructure improvements at Sewer Authority Mid-Coastside (SAM). Without significant financial adjustments in the form of additional revenues, the District will quickly face challenges in maintaining the critical water and sewer systems the community relies upon for service.

Since 2010, the District has implemented limited water rate increases, with three successive years of 3% water rates increases and no increase in 2019. Sewer rates were similarly limited, with the period of 2013-2017 seeing only 3% increases. These increases did not provide sufficient funds to address capital improvement needs. In 2018, the Board took action to begin to address this



MONTARA WATER AND SANITARY DISTRICT AGENDA

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FROM: Clemens Heldmaier, General Manager
deferred sewer system infrastructure investment with 21.7% and 21% rate increases in 2018 and 2019.

Though the District always seeks and has successfully secured cost efficient means to finance infrastructure investment – such as state and federal grants, low-interest loans, and general obligation bonds, at this time the District does not have a sufficient revenue stream to secure loans or bonds. Though the District continuously seeks grant funding, grants are not sufficient to address the District’s annual infrastructure investment needs, and frequently are limited to shovel-ready projects where the requesting agency has funds available to match the requested grants funds. There are no known grants available at this time to address District infrastructure projects.

Potential Impact of COVID-19 on District Budget

Staff has considered the potential for significant financial impacts to customers and the District’s 2020-2021 Budget resulting from the COVID-19 pandemic. Fortunately, the District is not experiencing, nor anticipating, a significant reduction in District revenues. Current financials indicate only minor reductions in water sales projections, and to date, staff have received very limited inquiries or requests from customers for financial assistance. Water sales have increased slightly due to Shelter In Place. The District is well prepared to assist customers with a proposed Hardship Assistance Program, based on the Board’s advance thinking and early action.

Studies and Board Actions

Last year, following prior year budget and rates discussions, the Board authorized the District’s financial consultant, Bartle Wells, to prepare a Water Rate Study, the initial findings of which were presented and publicly discussed at the Board’s July 18, 2019 meeting. The following table summarizes meetings and discussions regarding rates and 2020-2021 Budget:

Date	Meeting Type	Topic
May 31, 2018	Board Meeting	2018-2019 Budget discussion, 3% water and 21% sewer rate discussion
June 13, 2018	Finance Committee Meeting	2018-2019 Budget, 3% water and 21% sewer rate discussion



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

June 28, 2018	Finance Committee Meeting	2018-2019 Budget, 3% water and 21% sewer rate discussion
July 11, 2018	Board Meeting	Review and Possible Action Concerning Approval of Water and Sewer Budgets and Capital Improvement Programs: 2018-2019 Budget, 3% water and 21% sewer rate discussion
September 4, 2018	Board Meeting	Adoption of Master Fee Schedule reflecting 3% water and 21% sewer rate increases as of July 1, 2018
May 2, 2019	Board Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget
May 16, 2019	Board Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget
May 23, 2019	Board Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget
May 29, 2019	Finance Committee Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget; interfund loan discussion
June 6, 2019	Board Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget; interfund loan discussion; Water Rate Study discussion



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FROM: Clemens Heldmaier, General Manager

June 20, 2019	Board Meeting	Review and Possible Action Concerning Draft 2019-2020 Water and Sewer Budget; interfund loan discussion; Water Rate Study discussion
July 11, 2019	Board Meeting	Water Rate Study discussion
July 18, 2019	Board Meeting	Water Rate Study discussion
December 5, 2019	Board Meeting	Water Rate Study discussion
October 9, 2019	Finance Committee Meeting	Water Rate Study discussion
January 7, 2020	Finance Committee Meeting	Water Rate Study discussion
January 16, 2020	Board Meeting	Water Rate Study discussion; Sewer Rate Study discussion
January 28, 2020	Finance Committee Meeting	Water Rate Study discussion; Sewer Rate Study discussion
February 6, 2020	Board Meeting	Water Rate Study discussion; Sewer Rate Study discussion
March 5, 2020	Board Meeting	Discussion and authorization for Prop 218 Hearing Notice
May 7, 2020	Board Meeting	2020-2021 Budget discussion
May 14, 2020	Finance Committee Meeting	2020-2021 Budget discussion
May 21, 2020	Finance Committee Meeting	2020-2021 Budget discussion

Videos of all MWSD board meetings are available online via YouTube and Pacific Coast Television.



MONTARA WATER AND SANITARY DISTRICT AGENDA

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TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

Concurrent with the rates study, SRT Consultants provided a comprehensive assessment of all District water system assets. Based on age of physical assets, expected viable lifespans, current and anticipated regulatory requirements, this assessment documents \$2 million in water infrastructure replacement per year for the next 20 years.

Additionally, the Board directed staff to initiate the Prop 218 Hearing Notice based on the rates recommended in the Water Rate Study on February 6, 2020 and thereafter authorized the Notice to be mailed to all affected owners on March 5, 2020.

Proposition 218 Process

In 1996, voters approved Proposition 218 and adopted California Constitution Articles XIII C & XIII D, thereafter, codified in The Proposition 218 Omnibus Implementation Act (Gov't Code §§ 53750-53758; "Act"). As a Water and Sanitary District, this Board is authorized to increase and impose new rates to pay for the water, sewer and refuse services and facilities furnished by it as long as the procedural and substantive requirements of Proposition 218 are met (Health & Safety Code §5471(b)). Such rates may be used not only to pay to supply services, but also to pay the capital cost of the public improvement that delivers those services. (Health & Safety Code §5471(c)) For example, the Act defines "water" to mean "any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source." (Gov. Code § 53750(n)) All actions necessary to provide services can be funded through rates. (Gov. Code § 53751(m); Griffith v. Pajaro Valley Water Management Agency (2013) 220 Cal.App.4th 586) Moreover, revenues received from the new or increased rates, inter alia, must be used for the purpose for which the rates are imposed.

As set forth in this staff report, the District provided the requisite notice of the public hearing to all record owners and, therefore, has complied with Proposition 218's procedural requirement. Moreover, the District's rate consultant has prepared a sewer and water rate analysis identifying revenue requirements and a schedule of rates to meet those requirements that serves as the evidentiary support for substantive compliance with Proposition 218. Therefore, the District has complied with both the procedural and substantive requirements of Proposition 218. Subject to receipt of less than a majority protest at the hearing, adoption of the rates must be by 2/3rds vote of Board.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

Implementation and Timing

The proposed Water System Reliability Charge is an annual charge affixed to the property tax rolls. This method of collection was selected by the Board to avoid

increasing monthly charges that might have a more direct and reoccurring impact on customers. As a tax roll collection, the District must take action before July 1 so that the San Mateo County Assessor can complete processing for inclusion on the 2020-2021 tax bills. If the District delays this action, we will face another year without adequate funding to address our \$2 million annual infrastructure replacement needs. The sewer rate increases must be uniformly applied to all customers and thus are scheduled to be applied on July 1, 2020 as with all prior rate increases.

The District's rate consultant Alex Handlers and accountant Peter Medina will be available to address any questions. Additionally, the District's sewer engineer, Pippin Cavagnaro of Nute Engineering and the District's water engineer, Tanya Yurovsky of SRT Associates, will also be available.

Administrative Record

This staff report, together with staff presentation and all testimony received during the public hearing, and all engineering and consultant reports, studies, analyses, materials, and meeting minutes where the matter has been discussed, having been made available and relied upon by the Board herein and incorporated by reference, shall become part of administrative record.

RECOMMENDATION: Receive final Water and Sewer Rate Studies, hold a public hearing, consider and adopt proposed Water System Reliability Charge, and annual 9% sewer rate increases over each of the next three years, beginning July 1, 2020. It is further recommended that the public hearing be conducted as follows:

1. Chair announces opening of public hearing
2. Staff presentation
3. Receive public testimony
4. Chair asks for motion to close public hearing
5. Chair asks Clerk to complete tabulation and announce final number of valid written protests and whether a majority exists (if majority exists, Board may not adopt fees)
6. Board discusses item
7. Board adopts/does not adopt fees

Attachments



**Montara Water
and Sanitary District**



Water System Reliability Charges

May 2020



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



Montara Water & Sanitary District

Water System Reliability Charges

Summary of Key Issues



Background

- **Substantial increase in revenues needed to address the capital funding needs of MWSD's aging water infrastructure**
 - Water system asset replacement analysis developed by SRT Consultants identifies need for roughly \$2.0 million per year (on average) to replace aging water infrastructure over the next 20 years
 - Funding needed for rehabilitation and replacement of aging infrastructure and upgrades needed to address deficiencies and support long-term system reliability
- **Major capital projects have historically been financed by debt with supplemental funding provided from rates**
 - 2001 GO Bonds approved by 80.6% of community voters
 - \$11 million for water system acquisition, \$6.5 million for critical system improvements
 - 2012 GO Bond Refinancing
 - Generated add'l \$1.5 million of capital funding & also lowered debt service
 - \$1.15 million annual debt service apportioned based on Assessed Value
 - Final maturity in 2028, 2.4% interest rate
 - SRF Loans
 - Generated roughly \$4 million (mostly for Alta Vista Tank)
 - \$185,000 annual debt service through fiscal year 2035/36, approx. 2.28% interest rate
 - PNC Equipment Lease for water meters (split 50/50 water/sewer)
 - Roughly \$900,000 (50% of \$1.8 million total) allocated to water fund
 - \$75,000 - \$90,000 debt service through fiscal year 2026/27
 - Interest rate reduction renegotiated in 2013 to 2.95%
 - District has taken advantage of low-rate funding programs and refunding opportunities to minimize interest rates and debt service
- **Current water rates are inadequate to fund the District's capital improvement needs**
 - District has historically balanced competing goals of trying to keep rates as affordable as possible while addressing operating and capital funding needs of an aging system
 - Water rates have historically generated less than \$500,000 per year for capital needs
 - Water rates currently generate roughly \$100,000 in annual capital funding (partly due to some temporary operating cost increases)

- Water Fund had to rely on a fund transfer from Sewer Fund to help cover expenses
- Water rates currently generate about \$1.9 million per year
- Rates would need to roughly double to fund the full \$2 million per year of estimated average annual water system funding needs over the next 20 years

➤ **Water rate history**

- In 2010, District adopted substantial decreases to fixed service charges coupled with larger increase to water quantity charges and transition from 2-tiers to 4-tiers
- Since 2010, District has mostly implemented relatively small or inflationary rate increases almost every year to keep revenues in line with rising expenses
- Accounting for inflation and reduced water use, many customers are currently paying roughly the same in inflation-adjusted terms as they did back in 2010

➤ **Many other regional agencies are facing similar challenges and have been substantially increasing utility rates to help address aging infrastructure**

Water System Reliability Charges

➤ **Purpose:** Water System Reliability Charges are a new dedicated funding source for water system capital investment needs (separate from regular water service charges) and would provide funding for:

- Rehabilitation & replacement of aging infrastructure
- Ongoing upgrades to address existing and future deficiencies
- Support of long-term water system reliability & fire protection

➤ Regular bi-monthly water rates would continue funding operating, maintenance, and outstanding debt service

- Regular water rates may also provide a small supplemental level of capital funding

➤ **Process:** Proposed charges developed over roughly a 7-month period dating back to July 2019

- Findings, alternatives, and draft recommendations were reviewed, discussed and honed based on input received during numerous meetings, including at least 5 Board Meeting and 4 Finance Committee Meetings in the current fiscal year
- Evaluated rate alternatives including a) a range of annual funding levels up to \$2 million, and b) a range of rate structure and cost-recovery alternatives
- Board reviewed proposed charges in January/February and provided direction for staff to move forward with the Prop 218 Notice and rate adoption process in early March
- MWSD mailed Prop 218 Notices (including notice of proposed bill collection via the property tax rolls) to all water customers and property owners more than 45 days prior to the scheduled Public Hearing

- **Proposed Charges:** Fixed charges based on meter size designed to generate \$1 million per year for water system capital improvements
 - Even though \$1 million is lower than current engineering estimates for long-term annual funding needs, this level of funding would be a substantial step in the right direction and provide a large increase in funding for capital needs
 - MWSD can re-evaluate and potentially phase in higher charges in future years
 - Outstanding GO Bonds reach final maturity on 08/01/28; this may provide opportunity for District to increase the proposed charges after the bond payments end
 - Fixed annual charges based on meter size and capacity
 - Costs recovered in proportion to the level of water demand and infrastructure capacity needs associated with each meter size based on American Water Works Association standard meter capacities
 - Charges for residential accounts with private fire service only would be set at half the charge for the base 5/8"x3/4" meter, charges for larger private fire service connections would be higher based on capacity

- **Billing Method**
 - Bill collection via the County property tax rolls
 - Property owner responsible for payment (not tenant)
 - Nexus: MWSD's water system infrastructure benefits all properties served by the system
 - Charge can be implemented starting fiscal year 2020/21

List of Tables (attached)

- Table 1 - Proposed Water System Reliability Charges
- Table 2 - Water System 20-Year Projection of Capital Improvement Needs
- Table 3 - Historical Water Rates
- Table 4 - Water Accounts by Rate Code 2018/19
- Table 5 - Meter Equivalentents
- Table 6 - Charge Derivation
- Table 7 - Examples of Other Agencies' Rate Increases

Table 1
Montara Water & Sanitary District
Proposed Water System Reliability Charges

Annual Funding Target: \$1,000,000

Rate Structure: Fixed annual charges based on meter size & capacity

Proposed Water System Reliability Charges			
Water Service Accounts			
<u>Meter Size</u>	<u>Accounts</u>	<u>Charge Ratio</u>	<u>Proposed Charges</u>
5/8" x 3/4"	1,555	1.00	\$558.66
3/4"	17	1.50	837.99
1"	9	2.50	1,396.65
1-1/2"	2	5.00	2,793.30
2"	4	8.00	4,469.28
3"	0	15.00	8,379.90
4"	3	25.00	13,966.50
Accounts with Private Fire Service Only			
<u>Connection</u>	<u>Accounts</u>	<u>Charge Ratio</u>	
Up to 4"	75	0.50	\$279.33
6"	3	1.00	558.66
8"	0	1.60	893.86
10"	1	2.40	1,340.78
12"	0	3.40	1,899.44

Table 2
Montara Water & Sanitary District
Water System 20-Year Projection of Capital Improvement Needs

The following table includes the net present value of the replacement costs of MWSD’s assets that are due for replacement within the next 20 years and the other capital improvement projects required to optimize the water system.

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 Inflation		Approximately \$40,000,000

Source: SRT Consultants

Table 3
Montara Water & Sanitary District
Historical Water Rates

	Jul-1 2009	Dec-1 2010	Jul-1 2012	Oct-1 2013	Jul-1 2014	Jul-1 2015	Jul-1 2016	Jul-1 2017	Jul-1 2018		
Quantity Charge Increase		Varies by Tier	4.0%	4.0%	5.1%	3.0%	3.0%	3.0%	3.0%		
Fixed Service Charge Increase		-40.5%	4.0%	4.0%	13.5%	3.0%	3.0%	3.0%	3.0%		
Water System Improvement Charges										Equiv. Rate per 100 glns	
Tier	Bi-Monthly Use										
Tier 1	0-6 hcf	Prior Rates	\$6.54	\$6.80	\$7.07	\$7.43	\$7.65	\$7.88	\$8.12		\$8.36
Tier 2	7-13 hcf	Included	8.72	9.07	9.43	9.91	10.21	10.52	10.84		11.17
Tier 3	14-27 hcf	2-Tiers	10.90	11.34	11.794	12.39	12.76	13.14	13.53		13.94
Tier 4	>27 hcf		15.26	15.87	16.50	17.35	17.87	18.41	18.96	19.53	
Service Charge per Meter per Month										\$ per Day	
5/8 x 3/4 inch meter	\$35.05	\$20.84	\$21.67	\$22.54	\$25.59	\$26.36	\$27.15	\$27.96	\$28.80		\$0.95
3/4 inch meter	41.81	22.92	23.84	24.79	28.15	28.99	29.86	30.76	31.68		1.04
1 inch meter	56.91	29.18	30.46	31.68	35.83	36.90	38.01	39.15	40.32		1.33
1-1/2 inch meter	76.02	37.51	39.01	40.57	46.06	47.44	48.86	50.33	51.84		1.70
2 inch meter	102.70	60.44	62.85	65.36	74.21	76.44	78.73	81.09	83.52		2.75
3 inch meter	189.99	229.24	238.41	247.95	281.49	289.93	298.63	307.59	316.82		10.42
4 inch meter	258.41	291.76	303.43	315.57	358.26	369.01	380.08	391.48	403.22	13.26	
Private Fire Protection Charge per Month										\$ per Day	
Up to 4 inch connection	\$13.89	\$13.89	\$14.85	\$15.44	\$15.44	\$15.90	\$16.38	\$16.87	\$17.38		\$0.57
6 inch connection	19.69	19.69	21.05	21.89	21.89	22.55	23.23	23.93	24.65		0.81
8 inch connection	26.24	26.24	28.05	29.17	29.17	30.05	30.95	31.88	32.84		1.08
10 inch connection	55.31	55.31	59.12	61.48	61.48	63.32	65.22	67.18	69.20		2.28
12 inch connection	77.18	77.18	82.51	85.81	85.81	88.38	91.03	93.76	96.57		3.17

Note: 1 hcf = 100 cubic feet, or approximately 748 gallons.

Table 4
Montara Water & Sanitary District
Water Accounts by Class & Meter Size 2018/19

Water Accounts	Residential	Commercial	Other Public	Total
<u>Meter Size</u>				
5/8 x 3/4"	1,521	25	9	1,555
3/4"	16	-	1	17
1"	3	2	4	9
1-1/2"	-	-	2	2
2"	2	2	-	4
4"	1	2	-	3
Total	<u>1,543</u>	<u>31</u>	<u>16</u>	<u>1,590</u>

Private Fire Service	With Water Service	Stand Alone	Total	
<u>Service Size</u>				
Up to 4"	P1	76	75	151
6"	P2	2	3	5
10"	P3	-	1	1
Total		<u>78</u>	<u>79</u>	<u>157</u>

Table 5
Montara Water & Sanitary District
Meter Equivalents

Water Accounts	All Accounts	AWWA Meter Capacity Ratio	Meter Equivalents
<u>Meter Size</u>			
5/8 x 3/4"	1,555	1.00	1,555
3/4"	17	1.50	26
1"	9	2.50	23
1-1/2"	2	5.00	10
2"	4	8.00	32
3"	0	15.00	0
4"	3	25.00	75
	1,590		1,720
Private Fire Service Stand Alone Only		Charge Ratio	
<u>Service Size</u>			
Up to 4"	75	0.50	38
6"	3	1.00	3
8"	0	1.60	0
10"	1	2.40	2
	79		43
Total Current 5/8"x3/4" Meter Equivalents			1,763

Table 6
Montara Water & Sanitary District
Proposed Water System Reliability Charges

Annual Funding Target: \$1,000,000

Rate Structure: Fixed annual charges based on meter size & capacity

Charge Derivation			
Annual Funding Target			\$1,000,000
Billing Units (5/8"x3/4" Meter Equivalents)*			1,790
Annual Charge per 5/8"x3/4" Meter or Equivalent			\$558.66
Water System Reliability Charges			
<i>Fixed Annual Charges</i>			
Water Service Accounts			
<u>Meter Size</u>	<u>Accounts</u>	<u>Charge Ratio</u>	<u>Proposed Charges</u>
5/8" x 3/4"	1,555	1.00	\$558.66
3/4"	17	1.50	837.99
1"	9	2.50	1,396.65
1-1/2"	2	5.00	2,793.30
2"	4	8.00	4,469.28
3"	0	15.00	8,379.90
4"	3	25.00	13,966.50
Accounts with Private Fire Service Only			
<u>Connection</u>	<u>Accounts</u>	<u>Charge Ratio</u>	
Up to 4"	75	0.50	\$279.33
6"	3	1.00	558.66
8"	0	1.60	893.86
10"	1	2.40	1,340.78
12"	0	3.40	1,899.44

Table 7
Montara Water & Sanitary District
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%

Note: Many other regional agencies have adopted or in process of increasing utility rates to help pay for infrastructure funding needs.



**Montara Water
and Sanitary District**



Sewer Rate Study

May 2020



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



Montara Water & Sanitary District

Sewer Rate Study 2020

Summary of Key Issues



Background

- MWSD has provided strong financial stewardship by implementing small annual inflationary rate adjustments for many years followed by larger rate increases phased in over the past two years to generate more funding for capital needs of both SAM and MWSD
- The sewer utility is currently in sound financial health but needs to continue increasing funding for rehabilitation and replacement of aging infrastructure
 - Sewer Authority Mid-Coastside: Recent analysis recommends SAM budget \$40 million over next 5-10 years for wastewater treatment plant improvements. Treatment plant is over 40 years old and operates in coastal conditions. Funding needs may be temporarily reduced if SAM opts to fund minimal rehab to defray replacement needs.
 - SAM's Consent Decree with ERP: Requires completion of approximately \$7.8 million of improvements to the Intertie Pipeline System by June 30, 2024
 - MWSD sewer collection system: Engineering analysis identifies need for \$1.9 million per year (current \$) for rehab and replacement of aging facilities over next 20 years. Roughly 60% of sewer pipelines are over 60 years old.
 - Combined capital funding needs for SAM & MWSD total roughly \$2.6 million per year on average over next 3-5 years, but may be higher in future years depending on how SAM funds its capital improvement needs
- Last sewer rate study conducted in 2018
 - MWSD adopted 2 years of rate increases as part of a longer-term plan to raise rates to address capital funding needs
 - Plan was to re-evaluate sewer rates in 2020 based on updated information and continue taking gradual steps in the right direction
 - Sewer rates now generate roughly \$3 million per year and provide about \$1.3 million of funding for capital and other needs (after paying regular operating cost and debt service)
- Before 2018, the prior sewer rate study was conducted in 2010
 - Rate increases adopted in 2010 were expected to be phased in over 4 years, but were more slowly implemented over 8 years
 - After an initial bump up in rates in 2010, MWSD implemented inflationary rate increases for 7 years leading up to the 2018 rate study
 - Accounting for inflation and conservation, many customers paid roughly the same in inflation-adjusted terms for many years leading up to the 2018 rate study
 - Many other regional agencies are facing similar challenges to increase funding for replacement of aging infrastructure including old pipelines and aging wastewater treatment facilities Many other agencies have adopted substantial rate increases over the past decade to address capital funding needs

Financial & Rate Projections

- BWA developed financial projections to evaluate funding needs and project rate increases
- Key assumptions:
 - Beginning fund balances total roughly \$5.3 million as of July 1, 2019
 - MWSD revenues & expenses based on 2019/20 Budget
 - SAM expenses based on SAM Proposed 2019/20 Budget
 - Operating expenses escalate at 5% per year for financial planning purposes
 - MWSD capital funding phases in to \$1.9 million per year plus 3% annual cost escalation
 - MWSD’s share of SAM capital funding projected at \$700,000 per year based on SAM’s draft 5-year \$12.1 million capital improvement plan; after 5 years, future SAM funding gradually phases in to higher levels
- Key factors driving the need for future rate increases include:
 - MWSD and SAM funding needs for rehabilitation and replacement of aging infrastructure; combined capital improvement funding needs average roughly \$2.5 million per year
 - SAM operating expenses have increased in recent years
 - Ongoing operating and capital cost inflation

Financial & Rate Scenarios

- A. Large Up-Front Rate Increase:** Adopt 55% rate increase next year to fund approx. \$1.9 million per year of MWSD capital improvements and \$700K per year of SAM capital contributions. Additional future rate adjustments would likely be needed after 3 years to meet future MWSD and SAM infrastructure needs. *This scenario was developed for informational purposes to show the total projected level of rate increases needed to immediately increase capital funding to the engineering estimates of projected longer-term funding needs.*
- B. Phase-in Rates & CIP Funding:** Move forward with 9% annual rate increases and gradually ramp up additional capital funding for MWSD and SAM. Under this scenario, the District could potentially need to draw down an estimated \$1.6 million of fund reserves over roughly 5 years to help fund capital needs while rate increases are gradually phased in, depending on the actual level of capital funding over the next 5 years. *Only the next 3 years of 9% annual rates increases are proposed at this time to allow MWSD to continue phasing in capital funding with anticipation that MWSD would re-evaluate future potential rate increases after 3 years. Additional future rate adjustments would be needed to continue phasing in capital funding for future MWSD and SAM infrastructure needs.*

	2020/21	2021/22	2022/23
A) Large Up-Front Rate Increase	55%	0%	0%
B) Phase-In Rates & CIP Funding	9%	9%	9%

Note: Under Scenario B, only the next 3 years of 9% rate increases are proposed at this time with anticipation that MWSD would re-evaluate funding needs and rates after 3 years.

Proposed Sewer Rate Increases

- Move forward with 3 years of 9% rate increases and subsequently re-evaluate in future years. This would enable MWSD to take gradual, additional steps toward meeting long-term capital funding needs while providing flexibility to adjust course in future years.
- No change to sewer rate structure proposed at this time; rate increases would be applied on an across-the-board basis with the same percentage rate increases to all customers. MWSD's sewer rate structure was derived based on a cost-of-service rate analysis developed in 2018.
- **Process:** Proposed charges developed from roughly January to March 2020 and build upon the prior 2018 sewer rate study
 - Findings, alternatives, and draft recommendations were reviewed, discussed and honed at Board and Finance Committee Meeting in January and February 2020
 - Board provided direction for staff to move forward with the Prop 218 Notice and rate adoption process in early March
 - MWSD mailed Prop 218 Notices to all sewer customers/property owners more than 45 days prior to the scheduled Public Hearing

Table 1
Montara Water & Sanitary District
Current Sewer Rates

Sewer Customer Class	Current Sewer Rate (\$ per hcf) ¹	Minimum Annual Charge ²	Equivalent Sewer Rate (\$ per 100 glns)	% of Residential Rate
Residential	\$21.07	\$1,011.36	\$2.82	100%
Restaurants	36.55	1,754.40	4.89	173%
Motels	22.18	1,064.64	2.97	105%
Offices	18.98	911.04	2.54	90%
General Commercial	20.33	975.84	2.72	96%
Schools	19.28	925.44	2.58	92%
Hospitals	21.01	1,008.48	2.81	100%

1 Residential rates are applied to annualized water use from two winter billing periods (Nov-Feb or Dec-Mar) Commercial rates are applied based on annual water use.

2 Minimum annual charge based on 48 hcf of annual sewer use (4 hcf per month).

Table 2
 Montara Water & Sanitary District
 Historical Sewer Rates

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Residential Rate Adjustment		2.5%	4.3%	3.0%	3.0%	3.0%	3.0%	2.9%	21.7%	21.0%
Sewer Service Charge Rates										
<i>Volumetric charges billed per month of winter water use (\$ per hcf)*</i>										
Residential	\$11.56	\$11.85	\$12.36	\$12.73	\$13.11	\$13.50	\$13.91	\$14.31	\$17.41	\$21.07
Restaurants	20.98	21.50	22.42	23.09	23.78	24.50	25.23	25.96	30.21	36.55
Motels	12.43	12.74	13.29	13.69	14.10	14.52	14.96	15.39	18.33	22.18
Offices	10.22	10.48	10.92	11.25	11.59	11.94	12.29	12.65	15.69	18.98
General Commercial	11.08	11.35	11.84	12.19	12.56	12.93	13.32	13.70	16.80	20.33
Schools	10.41	10.67	11.12	11.45	11.98	12.15	12.52	12.88	15.93	19.28
Hospitals	11.63	11.92	12.43	12.81	13.19	13.59	13.99	14.40	17.36	21.01
All Other Commercial	12.05	12.35	12.88	13.26	13.66	14.07	14.49	14.91	n/a	n/a
Minimum Charge: <i>Minimum sewer bill based on 48 hcf of annual billed use (4 hcf per month).</i>										
Residential charges are applied based on water use from two winter billing periods (Nov/Dec & Jan/Feb or Dec/Jan & Feb/Mar).										
Commercial charges are applied based on annual water use from the prior fiscal year.										
Note: 1 hcf = 1 hundred cubic feet, or approximately 748 gallons.										

Table 3
Montara Water & Sanitary District
Sewer Authority Mid-Coastside Expenses

	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Proposed
MWSD'S SHARE OF SEWER AUTHORITY MID-COASTSIDE EXPENSES					
Wastewater Treatment					
Administrative Services	\$244,692	\$204,348	\$222,677	\$285,958	\$257,684
Treatment Division	463,200	424,507	525,979	597,117	713,972
Environmental Compliance	-	65,675	35,006	30,243	44,981
Subtotal	707,892	694,530	783,662	913,318	1,016,637
Contract Collection Services	325,958	321,608	312,877	301,644	341,549
Total Operating Expenses	1,033,850	1,016,138	1,096,539	1,214,962	1,358,186
Infrastructure/Non-Operating	160,666	153,710	540,800	406,622	512,502
Total Expenses	1,194,516	1,169,848	1,637,339	1,621,584	1,870,688

Table 4
Montara Water & Sanitary District
SAM Draft 5-Year CIP

Year	Project Number	Category		Project	Cost With Inflation	MWSD Cost %	MWSD Cost \$
2020-21	1.02B	Force Mains	Princeton Force Main	Preparation of design documents-drawings, specifications and cost estimate	250,000	33.3%	83,300
	1.02	Force Mains	Princeton Force Main	Replace deteriorated sections	1,200,000	33.3%	400,000
	1.03	Force Mains	Montara Force Main	Conduct condition assessment	150,000	33.3%	50,000
	1.03A	Force Mains	Montara Force Main	Preparation of design documents-drawings, specs, and cost estimate	350,000	33.3%	116,700
	4.03	Princeton Pump Station	Pumps	Conduct feasibility study for pump station replacement	50,000	33.3%	16,700
	5.10	Admin	Vehicles	Rehab/replace vehicle fleet	55,000	20.0%	11,000
	10.02	WWTP	Primary Treatment	Rehabilitate skimmer troughs	50,000	20.0%	10,000
	11.01	WWTP	Secondary Treatment	Rehabilitate backup aeration basin	150,000	20.0%	30,000
	14.01	WWTP	Anaerobic Digestion	Install VFDs on sludge transfer pumps 1 and 2	75,000	20.0%	15,000
	15.02	WWTP	Sludge Dewatering	Purchase critical spare parts for BFP/main conveyor and prepare emergency plan	100,000	20.0%	20,000
			Sum Total	2,430,000		752,700	
2021-22	1.04	Force Mains	Montara Force Main	Replace pipeline	1,350,000	33.3%	450,000
	2.03	Montara Pump Station	Electrical & Emergency Power	Replace emergency generator	250,000	20.0%	50,000
	2.05	Montara Pump Station	Pumps	Replace pumps 1 & 2	100,000	20.0%	20,000
	2.08	Montara Pump Station	Pumps	Rehabilitate pump station bypass system	220,000	20.0%	44,000
	3.08	Portola Pump Station	Pumps	Replace pumps 1 & 4	70,000	20.0%	14,000
	9.05	WWTP	Influent Pumping	Influent wet well inspection and repair	90,000	20.0%	18,000
	10.02	WWTP	Primary Treatment	Rehabilitate skimmer troughs	50,000	20.0%	10,000
	13.02	WWTP	Effluent Pumping	Replace effluent pumps	200,000	20.0%	40,000
	17.03	WWTP	Water Supply and Piping Systems	Replace No. 3 water pumps	75,000	20.0%	15,000
			Sum Total	2,405,000		661,000	
2022-23	1.04	Force Mains	Montara Force Main	Replace pipeline	1,400,000	33.3%	466,700
	3.06	Portola Pump Station	Electrical & Emergency Power	Replace emergency generator and fuel tank	350,000	20.0%	70,000
	3.08	Portola Pump Station	Pumps	Replace pumps 1 & 4	70,000	20.0%	14,000
	8.01	WWTP	Headworks	Replace screenings screw conveyor at headworks	140,000	20.0%	28,000
	10.03	WWTP	Primary Treatment	Upgrade/replace grit blowers, as needed	90,000	20.0%	18,000
	10.04	WWTP	Primary Treatment	Replace chain & flights, collector gear reducer, and weirs in primary clarifier	175,000	20.0%	35,000
	11.03	WWTP	Secondary Treatment	Replace/rehabilitate secondary clarifier drive mechanism	175,000	20.0%	35,000
	14.04	WWTP	Anaerobic Digestion	New burner system for Boilers	55,000	20.0%	11,000
			Sum Total	2,455,000		677,700	
2023-24	1.02	Force Mains	Princeton Force Main	Replace deteriorated sections	1,450,000	33.3%	483,300
	1.04	Force Mains	Montara Force Main	Replace pipeline	900,000	33.3%	300,000
	4.04	Princeton Pump Station	Pumps	Replace with Package Pump Station	750,000	33.3%	250,000
				Sum Total	3,100,000		1,033,300
2024-25	2.05A	Montara Pump Station	Pumps	Replace pumps 2	100,000	20.0%	20,000
	7.02	WWTP	Electrical & Emergency Power	Replace emergency generator	1,100,000	20.0%	220,000
	8.03	WWTP	Headworks	Replace automatic bar screen drives	150,000	20.0%	30,000
	9.01	WWTP	Influent pumping	Replace influent pumps	100,000	20.0%	20,000
	10.06	WWTP	Preliminary Treatment	Replace grit pumps and appurtenances	130,000	20.0%	26,000
	11.05	WWTP	Secondary Treatment	Replace WAS pumps	175,000	20.0%	35,000
			Sum Total	1,755,000		351,000	
5-Year Total					12,145,000	28.6%	3,475,700
5-Year Average Annual Cost					2,429,000	28.6%	695,140

Table 5
 Montara Water & Sanitary District
 MWSD Sewer Replacement Program

The following table includes the net present value of the replacement costs of MWSD's SEWER assets that are due for replacement within the next 20 years and the other capital improvement projects required to optimize the Sewer system.

MWSD SEWER Capital Improvement Projects	MWSD Sewer Program Description	Total Asset Present Worth Value (2019\$)	Estimated Present Worth 20 Year Sewer Replacement Costs (2019\$)
Collection Gravity System Pipelines	Pipe Replacement for SSO reduction and Pipe Repairs : Total Asset ~145,560 feet mains; Project Goals 58,000 feet	\$64,152,000	\$25,660,000
Pipe Inspections and Sealing	I & I (Infiltration and Inflow) reduction and inspection and sewer service tap repair program	\$5,850,000	\$1,170,000
Sewer Access Structures	Replace or rehabilitate manholes and access structure: Total asset ~575 structures; project goals 150 structures	\$3,018,750	\$754,500
Force Main Sewer Pipes	Pressure Pipe Replacement and associated air valves (ARV's) and isolation valves, Airport, Kanoff, Distillary, Vallemar: ~25,500 feet; project goals 6,500 feet	\$15,300,000	\$3,825,000
Large Pump Stations (2)	Vallemar MCC and Dry Weather pumps	\$4,400,000	\$1,950,000
Medium Pump Stations (11)	Date Harte, Seal Cove 3 and 4, Fifth St and Airport MCCs and Pump Discharge Pipe Upgrades	\$13,750,000	\$3,500,000
Small Pump Stations (28)	Pump Replacemens and Wet Well/Electrical upgrades: Asset Count 28	\$700,000	\$162,500
SCADA	Radio and Cell communication upgrades and expanded moitoring of pump stations, data link with SAM	\$350,000	\$250,000
Advanced Early Warning	Smart Covers and remote warning systems	\$30,000	\$65,000
Power Generation Stationary and Portable	Kanoff Generator, California Street, Seal Cove Pump Stations	\$600,000	\$250,000
Service Vehicles (Not Including SAM trucks)	Service Utility Vehicles	\$125,000	\$125,000
Office Database Equipment	GIS mapping and infrastructure management	\$450,000	\$112,500
Totals		\$108,725,750	\$37,824,500
Annual Average Sewer CIP			\$1,891,225

Source: Nute Engineering

Table 6
Montara Water & Sanitary District
Outstanding Sewer Debt

	2008 CIEDB Loan	2013 PNC Lease (50% Sewer Share)	Total
Sewer Proceeds	\$1,010,000	\$909,067	
Interest Rate	3.05%	2.95%	
Term	30 Years	20 Years	
Payments	Semi-Annual	Monthly	
Purpose	Sewer Lift Stations	Water Meters	
2015/16	\$55,200	\$59,300	\$114,500
2016/17	55,100	62,300	117,400
2017/18	55,000	65,300	120,300
2018/19	54,900	68,900	123,800
2019/20	54,600	72,400	127,000
2020/21	54,600	76,100	130,700
2021/22	54,600	79,900	134,500
2022/23	54,600	83,500	138,100
2023/24	54,600	87,200	141,800
2024/25	54,000	88,600	142,600
2025/26	54,000	88,700	142,700
2026/27	54,000	29,500	83,500
2027/28	54,000	-	54,000
2028/29	54,000	-	54,000
2029/30	53,300	-	53,300
2030/31	53,300	-	53,300
2031/32	53,300	-	53,300
2032/33	53,300	-	53,300
2033/34	53,300	-	53,300
2034/35	47,000	-	47,000
2035/36	47,000	-	47,000
2036/37	47,000	-	47,000
2037/38	47,000	-	47,000
2038/39	23,000	-	23,000

Debt service rounded to nearest \$100

Table 7
Montara Water & Sanitary District
Historical Sewer Finances

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
REVENUES					
Sewer Service Charges	2,196,000	2,055,000	1,975,000	2,054,000	2,611,000
Property Taxes	214,000	326,000	340,000	368,000	404,000
Connection/Remodel Fees	166,000	101,000	192,000	239,000	317,000
Interest Earnings	12,000	18,000	32,000	41,000	99,000
Cell Phone Tower Lease	32,000	33,000	34,000	36,000	37,000
Other Revenues (Net of Refunds)	54,000	34,000	25,000	32,000	33,000
Total Revenues	2,674,000	2,567,000	2,598,000	2,770,000	3,501,000
EXPENSES					
Operating Expenses			<i>categories may be a little off</i>		
Personnel	243,000	302,000	293,000	341,000	351,000
Professional Svcs & Engineering	141,000	147,000	159,000	215,000	134,000
Additional Legal	0	0	0	165,000	158,000
Other Operating Expenses	86,000	91,000	113,000	115,000	152,000
SAM Wastewater Treatment	704,000	770,000	678,000	1,625,000	1,317,000
SAM Collection Services	285,000	326,000	322,000	233,000	330,000
SAM Supplemental Maintenance	0	0	0	0	83,000
Subtotal Operating Expenses	1,459,000	1,636,000	1,565,000	2,694,000	2,525,000
Debt Service					
PNC Equipment Lease	56,000	59,000	62,000	65,000	69,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal Debt Service	111,000	114,000	117,000	120,000	124,000
Capital Improvements					
MWSD Capital Improvements	999,000	244,000	1,055,000	300,000	2,471,000
SAM Capital Assessment	63,000	161,000	154,000	541,000	407,000
Subtotal Non-Operating Expenses	1,062,000	405,000	1,209,000	841,000	2,878,000
Total Expenses	2,632,000	2,155,000	2,891,000	3,655,000	5,527,000
Revenues Less Expenses	42,000	412,000	(293,000)	(885,000)	(2,026,000)
Funds Generated for Capital	1,104,000	817,000	916,000	(44,000)	852,000

Table 9
Montara Water & Sanitary District
10-Year Sewer Cash Flow Projections

Scenario A
Large Up-Front Rate Increase

	Projected Years 1 - 5				
	2019/20	2020/21	2021/22	2022/23	2023/24
Rate Adjustment Effective Date	July 1	July 1	July 1	July 1	July 1
Rate Adjustments	21%	55%	0%	0%	5%
New Sewer Connections (EDUs)	5	5	5	5	5
Sewer Capacity Charges (EDU)	\$26,378	\$26,906	\$27,444	\$27,993	\$28,553
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation	-	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$5,292,000	\$4,683,000	\$4,954,000	\$5,079,000	\$5,049,000
REVENUES					
Sewer Service Charges	3,006,000	4,673,000	4,687,000	4,701,000	4,950,000
Property Taxes (+2%)	275,000	281,000	287,000	293,000	299,000
Connection/Remodel Fees	142,000	145,000	147,000	150,000	153,000
Interest Earnings (est.)	106,000	94,000	99,000	102,000	101,000
Cell Phone Tower Lease	35,000	36,000	37,000	38,000	39,000
Other Revenues	40,000	40,000	40,000	40,000	40,000
Total Revenues	3,604,000	5,269,000	5,297,000	5,324,000	5,582,000
EXPENSES					
Operating Expenses					
Personnel	350,000	368,000	386,000	405,000	425,000
Professional Services	500,000	300,000	315,000	331,000	348,000
Other Operating Expenses	164,000	172,000	181,000	190,000	200,000
SAM Wastewater Treatment	1,017,000	1,068,000	1,121,000	1,177,000	1,236,000
SAM Collection Services	342,000	359,000	377,000	396,000	416,000
Subtotal	2,373,000	2,267,000	2,380,000	2,499,000	2,625,000
Debt Service					
PNC Equipment Lease	72,000	76,000	80,000	84,000	87,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal	127,000	131,000	135,000	139,000	142,000
Non-Operating Expenses					
MWSD Capital Improvements	1,200,000	1,900,000	1,957,000	2,016,000	2,076,000
SAM WWTP Improvements	513,000	700,000	700,000	700,000	700,000
Subtotal	1,713,000	2,600,000	2,657,000	2,716,000	2,776,000
Total Expenses	4,213,000	4,998,000	5,172,000	5,354,000	5,543,000
Revenues Less Expenses	(609,000)	271,000	125,000	(30,000)	39,000
Ending Fund Balances	4,683,000	4,954,000	5,079,000	5,049,000	5,088,000
Rsrv Target 50% O&M + 2M	3,187,000	3,134,000	3,190,000	3,250,000	3,313,000
Debt Service Coverage: ≥ 1.20	9.69	22.92	21.61	20.32	20.82
Funds Generated for Capital	1,104,000	2,871,000	2,782,000	2,686,000	2,815,000

Table 9
Montara Water & Sanitary District
10-Year Sewer Cash Flow Projections

Scenario A
Large Up-Front Rate Increase

	Projected Years 6-10				
	2024/25	2025/26	2026/27	2027/28	2028/29
Rate Adjustment Effective Date	July 1	July 1	July 1	July 1	July 1
Rate Adjustments	5%	5%	5%	5%	3%
New Sewer Connections (EDUs)	5	5	5	5	5
Sewer Capacity Charges (EDU)	\$29,124	\$29,706	\$30,300	\$30,906	\$31,524
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation	5.0%	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$5,088,000	\$5,206,000	\$5,310,000	\$5,466,000	\$5,650,000
REVENUES					
Sewer Service Charges	5,213,000	5,489,000	5,780,000	6,086,000	6,286,000
Property Taxes (+2%)	305,000	311,000	317,000	323,000	329,000
Connection/Remodel Fees	156,000	159,000	162,000	165,000	168,000
Interest Earnings (est.)	102,000	104,000	106,000	109,000	113,000
Cell Phone Tower Lease	40,000	41,000	42,000	43,000	44,000
Other Revenues	40,000	40,000	40,000	40,000	40,000
Total Revenues	5,856,000	6,144,000	6,447,000	6,766,000	6,980,000
EXPENSES					
Operating Expenses					
Personnel	446,000	468,000	491,000	516,000	542,000
Professional Services	365,000	383,000	402,000	422,000	443,000
Other Operating Expenses	210,000	221,000	232,000	244,000	256,000
SAM Wastewater Treatment	1,298,000	1,363,000	1,431,000	1,503,000	1,578,000
SAM Collection Services	437,000	459,000	482,000	506,000	531,000
Subtotal	2,756,000	2,894,000	3,038,000	3,191,000	3,350,000
Debt Service					
PNC Equipment Lease	89,000	89,000	30,000	0	0
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal	144,000	144,000	85,000	55,000	55,000
Non-Operating Expenses					
MWSD Capital Improvements	2,138,000	2,202,000	2,268,000	2,336,000	2,406,000
SAM WWTP Improvements	700,000	800,000	900,000	1,000,000	1,100,000
Subtotal	2,838,000	3,002,000	3,168,000	3,336,000	3,506,000
Total Expenses	5,738,000	6,040,000	6,291,000	6,582,000	6,911,000
Revenues Less Expenses	118,000	104,000	156,000	184,000	69,000
Ending Fund Balances	5,206,000	5,310,000	5,466,000	5,650,000	5,719,000
Rsrv Target 50% O&M + 2M	3,378,000	3,447,000	3,519,000	3,596,000	3,675,000
Debt Service Coverage: ≥ 1.20	21.53	22.57	40.11	65.00	66.00
Funds Generated for Capital	2,956,000	3,106,000	3,324,000	3,520,000	3,575,000

Table 9
Montara Water & Sanitary District
10-Year Sewer Cash Flow Projections

Scenario B
Phase In Rates & CIP Funding

	Projected Years 1 - 5				
	2019/20	2020/21	2021/22	2022/23	2023/24
Rate Adjustment Effective Date	July 1	July 1	July 1	July 1	July 1
Rate Adjustments	21%	9%	9%	9%	9%
New Sewer Connections (EDUs)	5	5	5	5	5
Sewer Capacity Charges (EDU)	\$26,378	\$26,906	\$27,444	\$27,993	\$28,553
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation	-	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$5,292,000	\$4,683,000	\$4,267,000	\$3,940,000	\$3,729,000
REVENUES					
Sewer Service Charges	3,006,000	3,286,000	3,592,000	3,927,000	4,293,000
Property Taxes (+2%)	275,000	281,000	287,000	293,000	299,000
Connection/Remodel Fees	142,000	145,000	147,000	150,000	153,000
Interest Earnings (est.)	106,000	94,000	85,000	79,000	75,000
Cell Phone Tower Lease	35,000	36,000	37,000	38,000	39,000
Other Revenues	40,000	40,000	40,000	40,000	40,000
Total Revenues	3,604,000	3,882,000	4,188,000	4,527,000	4,899,000
EXPENSES					
Operating Expenses					
Personnel	350,000	368,000	386,000	405,000	425,000
Professional Services	500,000	300,000	315,000	331,000	348,000
Other Operating Expenses	164,000	172,000	181,000	190,000	200,000
SAM Wastewater Treatment	1,017,000	1,068,000	1,121,000	1,177,000	1,236,000
SAM Collection Services	342,000	359,000	377,000	396,000	416,000
Subtotal	2,373,000	2,267,000	2,380,000	2,499,000	2,625,000
Debt Service					
PNC Equipment Lease	72,000	76,000	80,000	84,000	87,000
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal	127,000	131,000	135,000	139,000	142,000
Non-Operating Expenses					
MWSD Capital Improvements	1,200,000	1,200,000	1,300,000	1,400,000	1,500,000
SAM WWTP Improvements	513,000	700,000	700,000	700,000	700,000
Subtotal	1,713,000	1,900,000	2,000,000	2,100,000	2,200,000
Total Expenses	4,213,000	4,298,000	4,515,000	4,738,000	4,967,000
Revenues Less Expenses	(609,000)	(416,000)	(327,000)	(211,000)	(68,000)
Ending Fund Balances	4,683,000	4,267,000	3,940,000	3,729,000	3,661,000
Rsrv Target 50% O&M + 2M	3,187,000	3,134,000	3,190,000	3,250,000	3,313,000
Debt Service Coverage: ≥ 1.20	9.69	12.33	13.39	14.59	16.01
Funds Generated for Capital	1,104,000	1,484,000	1,673,000	1,889,000	2,132,000

Table 9
Montara Water & Sanitary District
10-Year Sewer Cash Flow Projections

Scenario B
Phase In Rates & CIP Funding

	Projected Years 6-10				
	2024/25	2025/26	2026/27	2027/28	2028/29
Rate Adjustment Effective Date	July 1	July 1	July 1	July 1	July 1
Rate Adjustments	9%	9%	9%	6%	6%
New Sewer Connections (EDUs)	5	5	5	5	5
Sewer Capacity Charges (EDU)	\$29,124	\$29,706	\$30,300	\$30,906	\$31,524
Interest Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Escalation	5.0%	5.0%	5.0%	5.0%	5.0%
Beginning Sewer Fund Balances	\$3,661,000	\$3,668,000	\$3,684,000	\$3,804,000	\$3,867,000
REVENUES					
Sewer Service Charges	4,693,000	5,130,000	5,608,000	5,962,000	6,338,000
Property Taxes (+2%)	305,000	311,000	317,000	323,000	329,000
Connection/Remodel Fees	156,000	159,000	162,000	165,000	168,000
Interest Earnings (est.)	73,000	73,000	74,000	76,000	77,000
Cell Phone Tower Lease	40,000	41,000	42,000	43,000	44,000
Other Revenues	40,000	40,000	40,000	40,000	40,000
Total Revenues	5,307,000	5,754,000	6,243,000	6,609,000	6,996,000
EXPENSES					
Operating Expenses					
Personnel	446,000	468,000	491,000	516,000	542,000
Professional Services	365,000	383,000	402,000	422,000	443,000
Other Operating Expenses	210,000	221,000	232,000	244,000	256,000
SAM Wastewater Treatment	1,298,000	1,363,000	1,431,000	1,503,000	1,578,000
SAM Collection Services	437,000	459,000	482,000	506,000	531,000
Subtotal	2,756,000	2,894,000	3,038,000	3,191,000	3,350,000
Debt Service					
PNC Equipment Lease	89,000	89,000	30,000	0	0
I-Bank Loan	55,000	55,000	55,000	55,000	55,000
Subtotal	144,000	144,000	85,000	55,000	55,000
Non-Operating Expenses					
MWSD Capital Improvements	1,700,000	1,900,000	2,100,000	2,300,000	2,500,000
SAM WWTP Improvements	700,000	800,000	900,000	1,000,000	1,100,000
Subtotal	2,400,000	2,700,000	3,000,000	3,300,000	3,600,000
Total Expenses	5,300,000	5,738,000	6,123,000	6,546,000	7,005,000
Revenues Less Expenses	7,000	16,000	120,000	63,000	(9,000)
Ending Fund Balances	3,668,000	3,684,000	3,804,000	3,867,000	3,858,000
Rsrv Target 50% O&M + 2M	3,378,000	3,447,000	3,519,000	3,596,000	3,675,000
Debt Service Coverage: ≥ 1.20	17.72	19.86	37.71	62.15	66.29
Funds Generated for Capital	2,407,000	2,716,000	3,120,000	3,363,000	3,591,000

Montara Water & Sanitary District

Projected Sewer Revenues & Expenses (\$ Millions)

Scenario B
Phase-In Rates
& CIP Funding

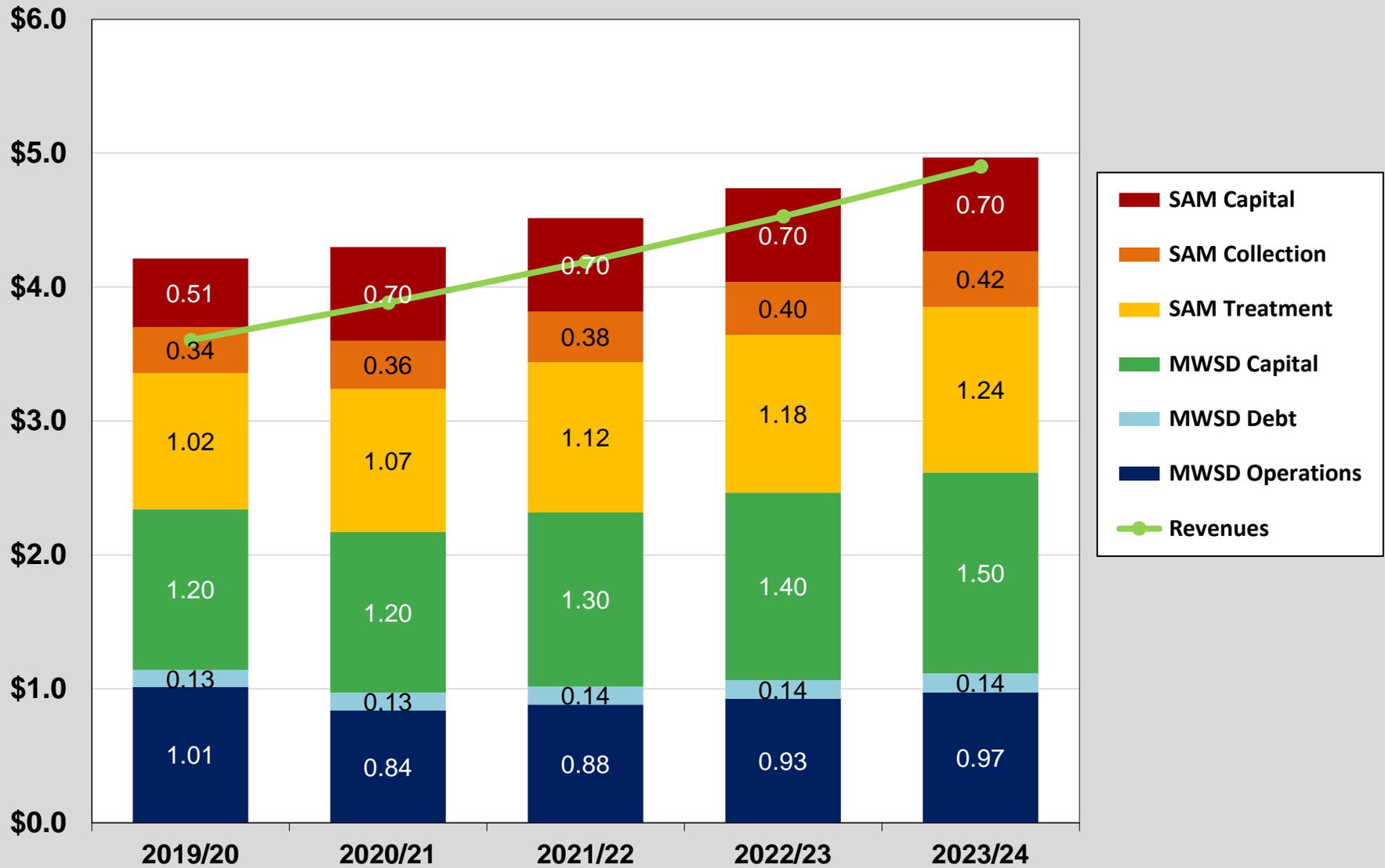


Table 10
 Montara Water & Sanitary District
 Projected Sewer Rates

For next 3 fiscal years

Proposed Sewer Rates				
Customer Class	Current Sewer Rates	Projected Rates Effective On or After		
		July 1 2020	July 1 2021	July 1 2022
Rate Adjustment %		9%	9%	9%
Sewer Service Charge Rates¹				
<i>Volumetric charge billed per hundred cubic feet (hcf) of metered water use.</i>				
<i>Subject to a minimum charge based on 48 hcf of annual sewer use (4 hcf per month).</i>				
Residential	\$21.07	\$22.97	\$25.04	\$27.29
Restaurants	36.55	39.84	43.43	47.34
Motels	22.18	24.18	26.36	28.73
Offices	18.98	20.69	22.55	24.58
General Commercial	20.33	22.16	24.15	26.32
Schools	19.28	21.02	22.91	24.97
Hospitals	21.01	22.90	24.96	27.21

1 Residential rates are applied to annualized water use from 2 winter billing periods (Nov-Feb or Dec-Mar); Commercial rates are applied based on annual water use.

Note: Sewer service charges are collected on the County property tax rolls.

Table 11
 Montara Water & Sanitary District
 Projected Residential Rate Impacts

Customer Class	Monthly Sewer Use (hcf)	Current Sewer Rates	Projected Rates Effective On or After			
			July 1 2020	July 1 2021	July 1 2022	
RESIDENTIAL BILLS						
Monthly Charges						
Minimum	50% of bills	4.0	\$84.28	\$91.88	\$100.16	\$109.16
Average	65% at or below	4.5	94.82	103.37	112.68	122.81
Mod-High	Top 10%	7.5	158.03	172.28	187.80	204.68
Annual Charges						
Minimum	50% of bills	4.0	\$1,011.36	\$1,102.56	\$1,201.92	\$1,309.92
Average	65% at or below	4.5	1,137.78	1,240.38	1,352.16	1,473.66
Mod-High	Top 10%	7.5	1,896.30	2,067.30	2,253.60	2,456.10

Note: Sewer service charges are collected on the County property tax rolls.

Table 12

Montara Water & Sanitary District
Consumption Block Analysis
Single Family Residential Winter Water Use 2018/19

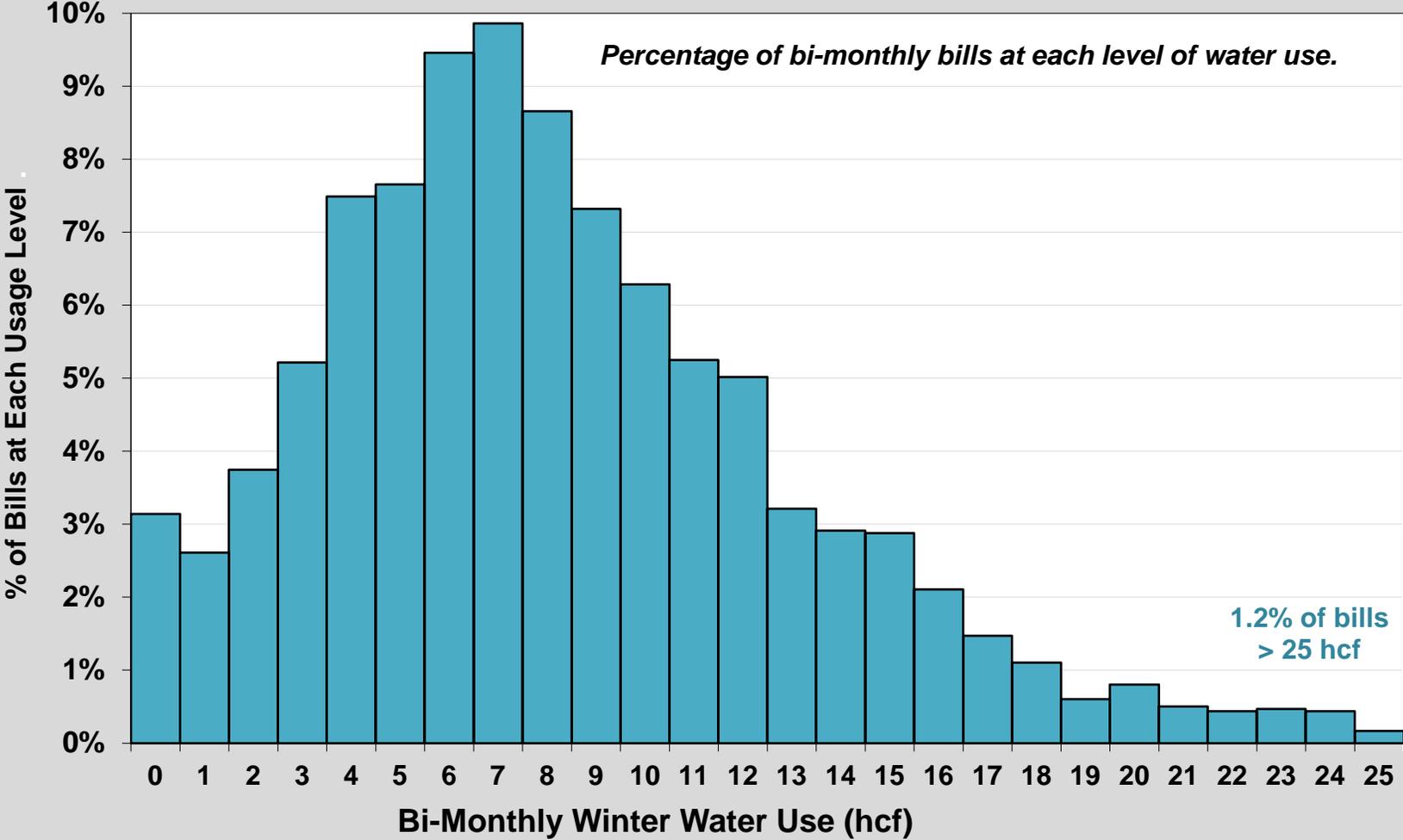
Average Bi-Monthly Use: 8.6 hcf
Median Bi-Monthly Use: 8.0 hcf

4-Mo. Winter Use (hcf)	Number of Bills				Winter Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0	94	3.1%	94	3.1%	0	0.0%	0	0.0%
1	78	2.6%	172	5.7%	78	0.3%	2,898	11.3%
2	112	3.7%	284	9.5%	224	0.9%	5,718	22.3%
3	156	5.2%	440	14.7%	468	1.8%	8,426	32.9%
4	224	7.5%	664	22.2%	896	3.5%	10,978	42.9%
5	229	7.7%	893	29.8%	1,145	4.5%	13,306	52.0%
6	283	9.5%	1,176	39.3%	1,698	6.6%	15,405	60.2%
7	295	9.9%	1,471	49.2%	2,065	8.1%	17,221	67.3%
8	259	8.7%	1,730	57.8%	2,072	8.1%	18,742	73.2%
9	219	7.3%	1,949	65.1%	1,971	7.7%	20,004	78.1%
10	188	6.3%	2,137	71.4%	1,880	7.3%	21,047	82.2%
11	157	5.2%	2,294	76.7%	1,727	6.7%	21,902	85.5%
12	150	5.0%	2,444	81.7%	1,800	7.0%	22,600	88.3%
13	96	3.2%	2,540	84.9%	1,248	4.9%	23,148	90.4%
14	87	2.9%	2,627	87.8%	1,218	4.8%	23,600	92.2%
15	86	2.9%	2,713	90.7%	1,290	5.0%	23,965	93.6%
16	63	2.1%	2,776	92.8%	1,008	3.9%	24,244	94.7%
17	44	1.5%	2,820	94.3%	748	2.9%	24,460	95.5%
18	33	1.1%	2,853	95.4%	594	2.3%	24,632	96.2%
19	18	0.6%	2,871	96.0%	342	1.3%	24,771	96.7%
20	24	0.8%	2,895	96.8%	480	1.9%	24,892	97.2%
21	15	0.5%	2,910	97.3%	315	1.2%	24,989	97.6%
22	13	0.4%	2,923	97.7%	286	1.1%	25,071	97.9%
23	14	0.5%	2,937	98.2%	322	1.3%	25,140	98.2%
24	13	0.4%	2,950	98.6%	312	1.2%	25,195	98.4%
25	5	0.2%	2,955	98.8%	125	0.5%	25,237	98.6%
26	5	0.2%	2,960	98.9%	130	0.5%	25,274	98.7%
27	5	0.2%	2,965	99.1%	135	0.5%	25,306	98.8%
28	3	0.1%	2,968	99.2%	84	0.3%	25,333	98.9%
29	2	0.1%	2,970	99.3%	58	0.2%	25,357	99.0%
30	1	0.0%	2,971	99.3%	30	0.1%	25,379	99.1%
31	6	0.2%	2,977	99.5%	186	0.7%	25,400	99.2%
32	2	0.1%	2,979	99.6%	64	0.2%	25,415	99.3%
33	0	0.0%	2,979	99.6%	0	0.0%	25,428	99.3%
34	0	0.0%	2,979	99.6%	0	0.0%	25,441	99.4%
35	3	0.1%	2,982	99.7%	105	0.4%	25,454	99.4%
36	1	0.0%	2,983	99.7%	36	0.1%	25,464	99.4%
37	0	0.0%	2,983	99.7%	0	0.0%	25,473	99.5%
38	0	0.0%	2,983	99.7%	0	0.0%	25,482	99.5%
39	1	0.0%	2,984	99.7%	39	0.2%	25,491	99.6%
40	1	0.0%	2,985	99.8%	40	0.2%	25,499	99.6%
41	0	0.0%	2,985	99.8%	0	0.0%	25,506	99.6%
42	0	0.0%	2,985	99.8%	0	0.0%	25,513	99.6%
43	0	0.0%	2,985	99.8%	0	0.0%	25,520	99.7%
44	1	0.0%	2,986	99.8%	44	0.2%	25,527	99.7%
45	0	0.0%	2,986	99.8%	0	0.0%	25,533	99.7%
46	0	0.0%	2,986	99.8%	0	0.0%	25,539	99.7%
47	1	0.0%	2,987	99.8%	47	0.2%	25,545	99.8%
48	0	0.0%	2,987	99.8%	0	0.0%	25,550	99.8%
49	0	0.0%	2,987	99.8%	0	0.0%	25,555	99.8%
50	1	0.0%	2,988	99.9%	50	0.2%	25,560	99.8%
51-75	4	0.1%	2,992	100.0%	245	1.0%	25,605	100.0%
Total	2,992	100.0%			25,605	100.0%		

Note: Excludes a few non-residential accounts classified as single family residential.

Montara Water & Sanitary District

Single Family Bi-Monthly Winter Water Use 2018/19





Montara Water & Sanitary District

NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER AND SEWER FEES AND CHARGES; COLLECTION OF CHARGES ON THE TAX ROLL

This Notice provides information about proposed increases to water and sewer fees and charges, and collection of charges on the tax roll.

HEARING DATE: Thursday, June 4, 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,

To support continued investment in our critical local water and sewer systems, Montara Water and Sanitary District (MWSD) is proposing to adopt new Water System Reliability Charges to be collected annually on property tax rolls, and 9% annual increases to its sewer service charges over each of the next three years. The rates and charges are proposed to go into effect starting on July 1, 2020.

The water and sewer utilities are independent self-supporting enterprises that rely primarily on revenues from water and sewer service charges to fund the costs of providing service. As such, water and sewer rates must be set at levels adequate to fund the costs of operations, maintenance, debt service, and capital improvements needed to keep the aging water and wastewater systems in good operating condition. Both systems have identified need for substantial ongoing investment to ensure continued high quality, reliable drinking water, adequate fire protection and sanitation.

What Do the Proposed Increases Pay for? Funds collected will be used to maintain and replace aging pipelines, tanks, pumps and other infrastructure in the District's water collection and distribution system, the sewer collection system and the regional wastewater treatment plant operated by the Sewer Authority Mid-Coastside.

Continuing Our Infrastructure Investment

In 2001, our community overwhelmingly supported the public purchase of our local water system and secured funds to upgrade it's infrastructure. That general obligation bond measure provided \$11 million to purchase the water system and \$8 million for critical system improvements. Over the last 19 years, by leveraging those funds, along with low interest loans and grants, as well as your rate dollars, we've invested over \$14.5 million in our water system.

We added new tanks, water treatment facilities, installed a new well and rehabilitated 7 wells, begun pipeline replacements, added solar panels, improved our system technology by adding real-time monitoring and upgrading our meter reading technology. We've also ensured that our staff have efficient, ready to go equipment, generators, and vehicles should an emergency occur.

We work hard to keep this system operating for you and that work never ends.

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 Water System Reliability Charges and S

The District is proposing Water System Reliability Charges to be collected on the property tax rolls and an increa

Proposed Water System Reliability Charges:

MWSD is proposing to adopt Water System Reliability Charges effective July 1, 2020 as shown on the table below. The proposed charges are applied annually by meter size. Water accounts with both regular water service and a private fire service connection shall pay Water System Reliability Charges solely based on the water service meter size; these accounts do not pay an additional charge associated with their private fire service connection. Regular bi-monthly water system service and quantity charges will remain unchanged. The Water System Reliability Charges are proposed to be collected on the San Mateo County property tax rolls.

Proposed Water System Reliability Charges	
Water Service Accounts	
Meter Size	Effective July 1, 2020
5/8 x 3/4-inch	\$558.66
3/4-inch	\$837.99
1-inch	\$1,396.65
1-1/2-inch	\$2,793.30
2-inch	\$4,469.28
3-inch	\$8,379.90
4-inch	\$13,966.50
Accounts with Private Fire Service Only	
Connection	Effective July 1, 2020
Up to 4-inch	\$279.33
6-inch	\$558.66
8-inch	\$893.86
10-inch	\$1,340.78
12-inch	\$1,899.44

Typical Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:

A typical residential customer with a 5/8 x 3/4-inch meter will be billed \$558.66, collected on the property tax rolls.

Proposed Water System Reliability Charges to be collected on property tax rolls.

The MWSD Board of Directors will consider the collection of Water System Reliability Charges on the property tax roll under California Government Code Section 5473.

Sewer Rates; Collection of Charges on the Tax Roll

use to sewer rates to maintain the water and sewer systems beginning July 1, 2020, as described on these pages.

Proposed Sewer Rates:

The District is proposing to adopt sewer rate increases for the next three fiscal years as shown on the table below. The proposed sewer rates are applied per hundred cubic feet (hcf) of billable annual usage subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use. Residential sewer service charges are currently calculated based on annualized water use from four wet-weather months (depending on water billing cycle), a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use. The first rate increase will be effective July 1, 2020. Sewer service charges are collected on the San Mateo County property tax rolls.

Proposed Sewer Rates		Projected Rates Effective On or After		
Sewer Service Charge Rates:				
<i>Volumetric charge billed per hundred cubic feet (hcf) of metered water use. Subject to a minimum charge based on 48 hcf of annual sewer use (4 hcf per month).</i>				
Customer Class	Current	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022
Residential	\$21.07	\$22.97	\$25.04	\$27.29
Restaurants	\$36.55	\$39.84	\$43.43	\$47.34
Motels	\$22.18	\$24.18	\$26.36	\$28.73
Offices	\$18.98	\$20.69	\$22.55	\$24.58
General Commercial	\$20.33	\$22.16	\$24.15	\$26.32
Schools	\$19.28	\$21.02	\$22.91	\$24.97
Hospitals	\$21.01	\$22.90	\$24.96	\$27.21

Sewer Service Charge Rates are usage-based rates billed per hundred cubic feet (hcf) of billable use; 1 hcf = one hundred cubic feet, or approximately 748 gallons. Annual sewer service charges are subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use.

Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:

A typical residential customer with average monthly water use of 5 hcf has annualized billable use of 5 hcf x 12 months = 60 hcf. The annual sewer service charge is calculated by multiplying annual billable use of 60 hcf x \$22.97 per hcf = \$1,378.20 which is collected on the property tax rolls.

How to Protest the Proposed Rate Increases and/or Method of Collection

Property owners or customers may file written protests against the proposed rate increases and method of collection. 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 specific proposed:

1. Water System Reliability Charges,
2. collection on the property tax rolls, or
3. sewer rate increases.

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 June 4, 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
Peter Dekker, Treasurer
Ric Lohman, Secretary
Scott Boyd, Director

GENERAL MANAGER

Clemens Heldmaier

This was mailed using a legally mandated list. If you receive multiple copies, or received this in error, we apologize.

Montara Water & Sanitary District - NOTICE OF PUBLIC HEARING ON PROPOSED WATER SYSTEM RELIABILITY CHARGES AND INCREASES IN SEWER FEES AND CHARGES

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara and Moss Beach. Over 6,000 residents rely on our services for their homes and businesses. To continue to invest in and maintain critical water and sewer system infrastructure, MWSD is proposing annual Water System Reliability Charges to be collected on the property tax rolls, along with 9% annual increases in sewer service charges for the next three years, effective starting July 1, 2020.

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, June 4, 2020 at
7:30 PM at:

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

Economic Hardship Assistance Available

Customers experiencing financial hardship may qualify for MWSD's Economic Hardship Assistance Discount.

The Hardship Assistance Discount offers qualified customers an annual \$100 sewer charge credit, and a bi-monthly water charge credit of \$16.67 (\$100 per year). Customers enrolled in the PG&E Care Program and/or Recology of the Coast's low income rate program qualify for the District's Hardship Assistance Discount. Customers participating in Recology's low income rate program will be automatically enrolled in MWSD's program after July 1, 2020.

To Enroll:

Call Recology of the Coast Customer Service at (650) 355-9000 or MWSD directly at (650) 728-3545.



Montara Water & Sanitary District

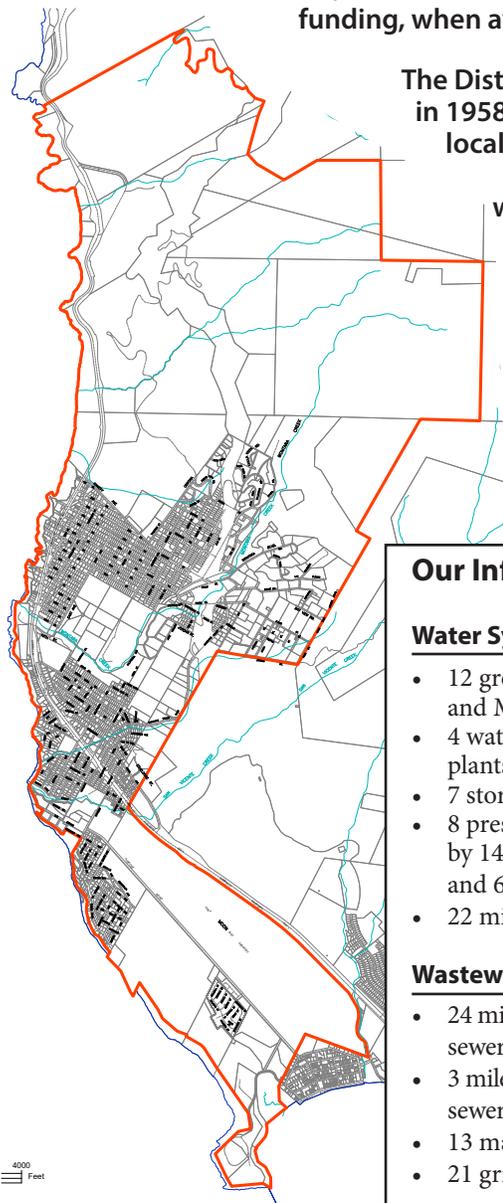
Water and Sewer Rates Fact Sheet

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara and Moss Beach. Over 6,000 residents rely on our services for their homes and businesses.

Info Sheet

Water and Sewer Rates: District Financing, History, Spending, Limitations, and Infrastructure Investment

District Financing – Montara Water and Sanitary District operates and maintains our water and sewer systems with funding primarily from the bills our customers pay. Historically, we have also utilized general obligation bond financing, low interest state loans, as well as limited grant funding, when available.



The District was formed in 1958 to manage our local sewage. Today, we manage the water and sewer systems, as well as solid waste (garbage) collection, for our coastal community.

Our Infrastructure

Water System

- 12 groundwater wells and Montara Creek
- 4 water treatment plants
- 7 storage tanks
- 8 pressure zones served by 14 valve stations and 6 booster pumps
- 22 miles of pipelines

Wastewater System

- 24 miles gravity-flow sewers
- 3 miles pressurized sewers
- 13 major pumpstations
- 21 grinder pumps

The District's operating funds come from:

Rates (Bills paid by customers):	49-75%
Property Tax 1% (<i>stable</i>):	11-12%
Connection and Other Fees* (<i>variable</i>):	10-40%
Investment Income:	0-3%

*depends on development and new construction

California State Law (Proposition 218) limits the use of ratepayer funds (customer bill payments). CA law requires that funds generated from rate (bill) payments be used only to operate and maintain the system (water or sewer) they are paying for. Ratepayer funds also may not be used to reduce a customer's bill (i.e. subsidize any class of customer).

General Obligation Bond & System Purchase –

In 2001, our community overwhelmingly supported the public purchase of our local water system and secured funds to upgrade it's infrastructure. That general obligation bond measure provided \$11 million to purchase the water system and \$8 million for critical system improvements. Over the last 19 years, by leveraging those funds, along with low interest loans and grants, as well as your rate dollars, we've invested over \$14.5 million in our water system.

We added new water tanks, installed a new groundwater well and new water treatment facilities, rehabilitated 7 of our 12 groundwater wells, begun pipeline replacements, added solar panels, improved our system technology by adding real-time monitoring and upgrading our meter reading technology. We've also ensured that our staff have efficient, ready to go equipment, generators, and vehicles should an emergency occur.

Our wastewater system - including the critical plant that treats all our sewage, as well as our sewers and pumps - is also aging and reaching the end of its useful life.

We work hard to keep these systems operating for you and that work never ends.

4000 Feet

Board Meetings on the 1st and 3rd Thursday of each month at 7:30 p.m. at 8888 Cabrillo Highway, Montara.

Call: (650) 728-3545

Email: mwsd@coastside.net

Visit: mwsd.montara.org

District Completed Capital Investment – Over the last 14 years, the District has completed \$14.5 million in capital infrastructure improvements. This work was funded by the 2001 General Obligation Bond, low interest State loans, grants, and customer bill payments.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$4.15M – Replacement of Meters, Mains & Raw Water Pipeline; Install of Alta Vista Well & Solar; Rehab of Alta Vista WTP & Portola Tank road, Wagner & Drake Wells			\$1.94M – Replacement of Mains; new Water Quality testing; Install of water treatment plants, Rehab of Airport No. 3, North Airport, & Portola wells					\$2.75M – Replacement of Mains; Install of Schoolhouse I & II, Alta Vista II tanks					\$1.46M – Replacement of 4th St. Mains; Install of new main on 7th St., Acquisition of new generator, Improvements at Alta Vista site		

Need for Continued Investment – The systems and facilities we rely on every day continue to age. Over the next 20 years, the District will need to spend \$2 million per year - a total of \$40 million - to keep our systems in good working order. Funds from the General Obligation Bond are spent, and only limited low interest State loans are available. We need increased income to maintain our systems.

2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$40 Million	\$9.58M – Replacement of approximately 45,000 linear feet of water mains, including associated valves and appurtenances														
	\$12.83M – Replacement of the Alta Vista No. 1, Portola and the 2 Pillar Ridge tanks, Pillar Ridge and the Alta Vista treatment plants, Schoolhouse booster pump														
	\$4.7M – Rehabilitation of the Alta Vista Well, Drake, North and South Airport wells the 4 Portola Wells, the 3 Pillar Ridge Wells, and 16 PRV stations														
	\$6.67M – Replacement of all hydrants, service meters, generators, vehicles, electronic monitoring system, and office systems; groundwater and well studies														

Proposed Water System Reliability Charge:

MWSD is proposing to adopt a Water System Reliability Charge effective July 1, 2020. The proposed charges are applied annually by meter size. Regular bi-monthly water system service and quantity charges will remain unchanged.

Proposed Water System Reliability Charge to be collected on property tax rolls.

The MWSD Board of Directors will consider the collection of the Water System Reliability Charge on the property tax roll under California Government Code Section 5473.

Typical Proposed Water System Reliability Charges		Effective July 1, 2020
Water Service Accounts		
5/8" x 3/4" Meter Size		\$558.66
Accounts with Private Fire Service Only		
Up to 4"		\$279.33

Proposed Sewer Rates:

The District is proposing to adopt sewer rate increases for the next three fiscal years. Residential sewer service charges are calculated based on annualized water use from four wet-weather months, a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use. The first rate increase will be effective starting July 1, 2020. Sewer service charges are collected on the San Mateo County property tax rolls.

Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:

A typical residential customer with average monthly water use of 5 hcf from November-February or December-March has annualized billable use of 5 hcf x 12 months = 60 hcf. The annual sewer service charge is calculated by multiplying annual billable use of 60 hcf x \$22.97 per hcf = \$1,378.20 which is collected on the property tax rolls.

Sewer Rates				
Rate Adjustment %		9%	9%	9%
Customer Class	Current	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022
Residential	\$21.07	\$22.97	\$25.04	\$27.29



**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



- Confirm Finance Committee Recommendation for Water Rates:
 - \$1M Water System Reliability Charge
 - With Inflation Adjustment
- Provide Direction on Hardship Assistance



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.



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



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



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	



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.



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



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



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.



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



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?

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of the Montara Water and Sanitary District mailed notices in accordance with Proposition 218 to all property owners of a proposed increase in sewer and water system reliability charge rates. Any written protests must be mailed or delivered to the District and received prior to the public hearing or presented and counted at the public hearing. A public hearing will be held by the Board of Directors at a meeting of the Board as follows:

DATE: June 4, 2020

TIME: 7:30 p.m., or as soon thereafter as may be heard.

PLACE: District Board Chambers
8888 Cabrillo Highway
Montara, CA 94037

Due to COVID-19, remote and telephonic attendance will additionally be permitted by visiting www.mwsd.montara.com for access information.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Confirming Reports on Sewer Service Charges, Water System Reliability Charges for FY 2020-2021, and Delinquent Refuse Collection Charges and Water Service Charges for FY 2019-2020.

The Health and Safety Code requires that in order for sewer service charges and water system reliability charges to be placed on the property tax roll, a public hearing must be held. The Code also provides for collection of delinquent water service and refuse collection charges under the tax roll. The District has previously adopted ordinances enabling collection of the sewer service and delinquent water and refuse collection charges under the property tax roll.

The attached notices regarding collection of the foregoing charges and delinquent charges were published in the HMB Review in accordance with the Code. Additionally, the District also mailed written notice to all parcel owners of the public hearing and the District's election to collect the proposed new Water System Reliability Charge on the tax roll. (See attached notice.) Mailing said notice is a requirement under the Code when a charge is being collected on the tax roll for the first time. The Board must now hold a public hearing at which time everyone is given the opportunity to speak regarding their proposed charges. Once the public hearing is held, the Board may then adopt the attached resolution that confirms the final charges, including any Board-directed changes, for the coming fiscal year.

RECOMMENDATION:

Open the public hearing, allow pertinent public testimony, close the public hearing, and adopt RESOLUTION NO. _____, *Resolution of the Montara Water and Sanitary District Overruling Protests and Confirming Reports on Sewer Service Charges and Water System Reliability Charges for Fiscal Year 2020-2021 and Delinquent Refuse Collection and Water Service Charges for Fiscal Year 2019-2020, Certifying List of Lots or Parcels of Land and Corresponding Charges Against Said Lots or Parcels and Directing Transmittal of Said Certified List and Charges to County Controller for Entry on the Current Assessment Roll.*

Attachments

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT OVERRULING PROTESTS, CONFIRMING REPORTS ON SEWER SERVICE CHARGES AND WATER SYSTEM RELIABILITY CHARGES FOR FISCAL YEAR 2020-2021 AND DELINQUENT REFUSE COLLECTION AND WATER SERVICE CHARGES FOR FISCAL YEAR 2019-2020, CERTIFYING LIST OF LOTS OR PARCELS OF LAND AND CORRESPONDING CHARGES AGAINST SAID LOTS OR PARCELS AND DIRECTING TRANSMITTAL OF SAID CERTIFIED LIST AND CHARGES TO COUNTY CONTROLLER FOR ENTRY ON THE CURRENT ASSESSMENT ROLL

WHEREAS, a written Report containing a description of each parcel of real property that shall receive sewerage services and facilities from the District and the amount of the service charge for each such parcel for Fiscal Year 2020-2021 was prepared and filed with the Secretary of the District; and

WHEREAS, a written Report containing a description of each parcel of real property that shall receive water services and facilities from the District and the amount of the Water System Reliability Charge for each such parcel for Fiscal Year 2020-2021 was prepared and filed with the Secretary of the District; and

WHEREAS, a written Report containing a description of each parcel of real property receiving refuse collection and recycling services from the District for which charges are delinquent and the amount of such delinquency for each designated parcel for Fiscal Year 2019-2020 was prepared and filed with the District Secretary; and

WHEREAS, a written Report containing a description of each parcel of real property receiving water services and facilities from the District for which charges are delinquent and the amount of such delinquency for each designated parcel for Fiscal Year 2019-2020 was prepared and filed with the Secretary of the District; and

WHEREAS, hearing was set for consideration of the Reports on Sewer Service Charges and Water System Reliability Charges for Fiscal Year July 1, 2020 - June 30, 2021, Delinquent Refuse Collection Charges and Delinquent Water Service Charges for Fiscal Year July 1, 2019 - June 30, 2020 for the purpose of collecting said charges on the assessment roll of the County of San Mateo pursuant to Sections 5470 through 5473.11 of the California Health and Safety Code; and

WHEREAS, notice was given of the date, time and place of the above-mentioned hearing in accordance with the provisions of said Code; and

WHEREAS, said matter came on regularly for hearing as so noticed; and

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
OVERRULING PROTESTS, CONFIRMING REPORTS ON SEWER SERVICE
CHARGES AND WATER SYSTEM RELIABILITY CHARGES FOR FISCAL
YEAR 2020-2021 AND DELINQUENT REFUSE COLLECTION AND WATER
SERVICE CHARGES FOR FISCAL YEAR 2019-2020, CERTIFYING LIST OF
LOTS OR PARCELS OF LAND AND CORRESPONDING CHARGES AGAINST
SAID LOTS OR PARCELS AND DIRECTING TRANSMITTAL OF SAID
CERTIFIED LIST AND CHARGES TO COUNTY CONTROLLER FOR ENTRY
ON THE CURRENT ASSESSMENT ROLL**

WHEREAS, such written protests or other written communications objecting to the aforesaid Reports, or any of them, or any matter therein contained, that were submitted were considered by this Board at said hearing and all persons present and desiring to be heard were given the opportunity to be heard.

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. Objections to, and protests against, the above-described Reports of Sewer Service Charges and Water System Reliability Charges for Fiscal Year 2020-2021 and Delinquent Refuse Collection Charges and Delinquent Water Service Charges, respectively, for fiscal year 2019-2020 proposed for collection on the assessment roll of the County of San Mateo were not made by owners of a majority of the separate parcels of property described in each of said Reports against which such charges for the corresponding services and facilities provided by the District were fixed.

2. Any and all objections to, and protests against, said Reports of Sewer Service Charges, Water System Reliability Charges, Delinquent Refuse Collection Charges and Delinquent Water Service Charges have been heard and considered by this Board and said objections and protests shall be, and each of them is, hereby overruled.

3. Said Reports of Sewer Service Charges, Water System Reliability Charges, Delinquent Refuse Collection Charges and Delinquent Water Service Charges are hereby adopted in full without revision, change, reduction, or modification of any charge specified therein for entry of said charges on the assessment roll, and the list of the lots or parcels of land as they appear on the current assessment roll subject to such charges and the amounts of the installments of such charges and the interest to be entered against such lots or parcels on the assessment roll are hereby certified.

4. The Secretary of the District is hereby authorized and directed to file with the County Controller of the County of San Mateo, on or before the 30th day

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
OVERRULING PROTESTS, CONFIRMING REPORTS ON SEWER SERVICE
CHARGES AND WATER SYSTEM RELIABILITY CHARGES FOR FISCAL
YEAR 2020-2021 AND DELINQUENT REFUSE COLLECTION AND WATER
SERVICE CHARGES FOR FISCAL YEAR 2019-2020, CERTIFYING LIST OF
LOTS OR PARCELS OF LAND AND CORRESPONDING CHARGES AGAINST
SAID LOTS OR PARCELS AND DIRECTING TRANSMITTAL OF SAID
CERTIFIED LIST AND CHARGES TO COUNTY CONTROLLER FOR ENTRY
ON THE CURRENT ASSESSMENT ROLL**

of July 2020, copies of the above-described Reports, or a document combining said Reports, upon each of which, or upon the combined Report, shall be endorsed over his or her signature a statement that each such Report had been finally adopted by the Board of the Montara Water and Sanitary District.

5. The County Controller of the County of San Mateo shall, upon receipt of said Reports or the document combining said Reports, enter the amounts of the charges therein described against the corresponding lots or parcels of real property therein described, as said lots or parcels appear on the current assessment roll, and the County Treasurer/Tax Collector shall include the amounts of the installments of such charges and the interest on bills for taxes levied against the said respective lots and parcels of land.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
OVERRULING PROTESTS, CONFIRMING REPORTS ON SEWER SERVICE
CHARGES AND WATER SYSTEM RELIABILITY CHARGES FOR FISCAL
YEAR 2020-2021 AND DELINQUENT REFUSE COLLECTION AND WATER
SERVICE CHARGES FOR FISCAL YEAR 2019-2020, CERTIFYING LIST OF
LOTS OR PARCELS OF LAND AND CORRESPONDING CHARGES AGAINST
SAID LOTS OR PARCELS AND DIRECTING TRANSMITTAL OF SAID
CERTIFIED LIST AND CHARGES TO COUNTY CONTROLLER FOR ENTRY
ON THE CURRENT ASSESSMENT ROLL**

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a regular meeting thereof held on the 4th day of June 2020, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



Montara Water & Sanitary District

NOTICE OF PUBLIC HEARING ON PROPOSED INCREASES TO WATER AND SEWER FEES AND CHARGES; COLLECTION OF CHARGES ON THE TAX ROLL

This Notice provides information about proposed increases to water and sewer fees and charges, and collection of charges on the tax roll.

HEARING DATE: Thursday, June 4, 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,

To support continued investment in our critical local water and sewer systems, Montara Water and Sanitary District (MWSD) is proposing to adopt new Water System Reliability Charges to be collected annually on property tax rolls, and 9% annual increases to its sewer service charges over each of the next three years. The rates and charges are proposed to go into effect starting on July 1, 2020.

The water and sewer utilities are independent self-supporting enterprises that rely primarily on revenues from water and sewer service charges to fund the costs of providing service. As such, water and sewer rates must be set at levels adequate to fund the costs of operations, maintenance, debt service, and capital improvements needed to keep the aging water and wastewater systems in good operating condition. Both systems have identified need for substantial ongoing investment to ensure continued high quality, reliable drinking water, adequate fire protection and sanitation.

What Do the Proposed Increases Pay for? Funds collected will be used to maintain and replace aging pipelines, tanks, pumps and other infrastructure in the District's water collection and distribution system, the sewer collection system and the regional wastewater treatment plant operated by the Sewer Authority Mid-Coastside.

Continuing Our Infrastructure Investment

In 2001, our community overwhelmingly supported the public purchase of our local water system and secured funds to upgrade it's infrastructure. That general obligation bond measure provided \$11 million to purchase the water system and \$8 million for critical system improvements. Over the last 19 years, by leveraging those funds, along with low interest loans and grants, as well as your rate dollars, we've invested over \$14.5 million in our water system.

We added new tanks, water treatment facilities, installed a new well and rehabilitated 7 wells, begun pipeline replacements, added solar panels, improved our system technology by adding real-time monitoring and upgrading our meter reading technology. We've also ensured that our staff have efficient, ready to go equipment, generators, and vehicles should an emergency occur.

We work hard to keep this system operating for you and that work never ends.

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 Water System Reliability Charges and S

The District is proposing Water System Reliability Charges to be collected on the property tax rolls and an increa

Proposed Water System Reliability Charges:

MWSD is proposing to adopt Water System Reliability Charges effective July 1, 2020 as shown on the table below. The proposed charges are applied annually by meter size. Water accounts with both regular water service and a private fire service connection shall pay Water System Reliability Charges solely based on the water service meter size; these accounts do not pay an additional charge associated with their private fire service connection. Regular bi-monthly water system service and quantity charges will remain unchanged. The Water System Reliability Charges are proposed to be collected on the San Mateo County property tax rolls.

Proposed Water System Reliability Charges	
Water Service Accounts	
Meter Size	Effective July 1, 2020
5/8 x 3/4-inch	\$558.66
3/4-inch	\$837.99
1-inch	\$1,396.65
1-1/2-inch	\$2,793.30
2-inch	\$4,469.28
3-inch	\$8,379.90
4-inch	\$13,966.50
Accounts with Private Fire Service Only	
Connection	Effective July 1, 2020
Up to 4-inch	\$279.33
6-inch	\$558.66
8-inch	\$893.86
10-inch	\$1,340.78
12-inch	\$1,899.44

Typical Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:
 A typical residential customer with a 5/8 x 3/4-inch meter will be billed \$558.66, collected on the property tax rolls.

Proposed Water System Reliability Charges to be collected on property tax rolls.

The MWSD Board of Directors will consider the collection of Water System Reliability Charges on the property tax roll under California Government Code Section 5473.

Sewer Rates; Collection of Charges on the Tax Roll

use to sewer rates to maintain the water and sewer systems beginning July 1, 2020, as described on these pages.

Proposed Sewer Rates:

The District is proposing to adopt sewer rate increases for the next three fiscal years as shown on the table below. The proposed sewer rates are applied per hundred cubic feet (hcf) of billable annual usage subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use. Residential sewer service charges are currently calculated based on annualized water use from four wet-weather months (depending on water billing cycle), a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use. The first rate increase will be effective July 1, 2020. Sewer service charges are collected on the San Mateo County property tax rolls.

Proposed Sewer Rates		Projected Rates Effective On or After		
Sewer Service Charge Rates:		Projected Rates Effective On or After		
<i>Volumetric charge billed per hundred cubic feet (hcf) of metered water use. Subject to a minimum charge based on 48 hcf of annual sewer use (4 hcf per month).</i>				
Customer Class	Current	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022
Residential	\$21.07	\$22.97	\$25.04	\$27.29
Restaurants	\$36.55	\$39.84	\$43.43	\$47.34
Motels	\$22.18	\$24.18	\$26.36	\$28.73
Offices	\$18.98	\$20.69	\$22.55	\$24.58
General Commercial	\$20.33	\$22.16	\$24.15	\$26.32
Schools	\$19.28	\$21.02	\$22.91	\$24.97
Hospitals	\$21.01	\$22.90	\$24.96	\$27.21

Sewer Service Charge Rates are usage-based rates billed per hundred cubic feet (hcf) of billable use; 1 hcf = one hundred cubic feet, or approximately 748 gallons. Annual sewer service charges are subject to a minimum charge based on 4 hcf per month (48 hcf per year) of billable use.

Sample Residential Bill Calculation for Fiscal Year Beginning July 1, 2020:

A typical residential customer with average monthly water use of 5 hcf has annualized billable use of 5 hcf x 12 months = 60 hcf. The annual sewer service charge is calculated by multiplying annual billable use of 60 hcf x \$22.97 per hcf = \$1,378.20 which is collected on the property tax rolls.

How to Protest the Proposed Rate Increases and/or Method of Collection

Property owners or customers may file written protests against the proposed rate increases and method of collection. 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 specific proposed:

1. Water System Reliability Charges,
2. collection on the property tax rolls, or
3. sewer rate increases.

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 June 4, 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
Peter Dekker, Treasurer
Ric Lohman, Secretary
Scott Boyd, Director

GENERAL MANAGER

Clemens Heldmaier

This was mailed using a legally mandated list. If you receive multiple copies, or received this in error, we apologize.

Montara Water & Sanitary District - NOTICE OF PUBLIC HEARING ON PROPOSED WATER SYSTEM RELIABILITY CHARGES AND INCREASES IN SEWER FEES AND CHARGES

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara and Moss Beach. Over 6,000 residents rely on our services for their homes and businesses. To continue to invest in and maintain critical water and sewer system infrastructure, MWSD is proposing annual Water System Reliability Charges to be collected on the property tax rolls, along with 9% annual increases in sewer service charges for the next three years, effective starting July 1, 2020.

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, June 4, 2020 at
7:30 PM at:

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

Economic Hardship Assistance Available

Customers experiencing financial hardship may qualify for MWSD's Economic Hardship Assistance Discount.

The Hardship Assistance Discount offers qualified customers an annual \$100 sewer charge credit, and a bi-monthly water charge credit of \$16.67 (\$100 per year). Customers enrolled in the PG&E Care Program and/or Recology of the Coast's low income rate program qualify for the District's Hardship Assistance Discount. Customers participating in Recology's low income rate program will be automatically enrolled in MWSD's program after July 1, 2020.

To Enroll:

Call Recology of the Coast Customer Service at (650) 355-9000 or MWSD directly at (650) 728-3545.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Adoption of a Revised Master Fee Schedule.

Every year the Board adopts a Master Fee Schedule which contains updates to most charges and fees including the Water and Sewer connection charges. Staff has updated the connection charges and service fees based on the cost of construction and the consumer price index.

The new Water Rates and Sewer Service Charges are also included in the proposed Master Fee Schedule.

The following are the major changes from the prior year:

- The Sewer Service Charge rate is suggested to be set at tonight's meeting to increase from \$21.07 to \$22.97. The increase is necessary to fund increased SAM assessments and capital improvement expenses.
- The Water System Reliability Charge of \$558.66 is a newly introduced fee designed to close MWSD's revenue shortfall for infrastructure improvements.
- Connection Charges and other construction related fees have been increased by 1.67% in accordance with the California Construction Cost Index. The Application Fees and other Miscellaneous Fees that depend on District staff for review have been increased by 1.11% in accordance with the U.S. Bureau of Labor's Consumer Price Index (All Urban Consumers – SF-Bay).
- The addition of a \$100 Economic Hardship discount for qualifying sewer customers and \$100 discount for qualifying water customers.

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.*

Attachments

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 and/or added to conform to the costs corresponding to the services, commodities and facilities to which they pertain; and

WHEREAS, the District has determined that it is necessary to establish a new Water System Reliability Charge to fund water system capital improvement needs due to aging infrastructure and the need to support long-term system reliability; 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 water and sewer services and facilities set forth herein are hereby added and/or amended; 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 are hereby restated, having heretofore been established by ordinance duly adopted; and

WHEREAS, notice was published twice in the Half Moon Bay Review, a newspaper of general circulation within the District, giving notice of a public hearing to take place on June 4, 2020 to consider adoption of additional and revised fees for water and sewer services and facilities effective July 1, 2020; and

ORDINANCE NO. ____

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

WHEREAS, notice was also given of the date, time and place of the above-mentioned hearing in accordance with the provisions of Section 6 of Article XIII D of the California Constitution (enacted by Proposition 218, November 6, 1996 Statewide election); and

WHEREAS, all persons present at the aforesaid hearing interested in the adoption of the added and/or 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.

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	\$22.97	\$1,102.56
Restaurants	\$39.84	\$1,912.32
Motels	\$24.18	\$1,160.64
Offices	\$20.69	\$993.12
General Commercial	\$22.16	\$1,063.68
Schools	\$21.02	\$1,008.96
Hospitals	\$22.90	\$1,099.20

*Hundred cubic feet

ORDINANCE NO. ____

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

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 or added to read as follows:

<u>Description of Fee*</u>	<u>Fee</u>
Sewer Connection Permit (MWSD Code §3-9.500)	\$26,819.00
Fixture Unit Charge (MWSD Code §3-9.500)	\$1,073.00
Fixture Unit Charge for additional Fixture Units within an existing building, structure, or portion thereof (MWSD Code §3-9.500)	\$536.50
Sewer Connection Permit for Conversion from Septic System to Sewerage System (MWSD Code §§3-4.800, 3-9.500)	\$17,037.00
Fixture Unit Charge – Conversion from Septic System to Sewerage System (MWSD Code §§3-4.800, 3-9.500)	\$681.00
Fixture Unit Charge for Accessory Dwelling Units (MWSD Code §3-10.200)	\$681.00
Connection Permit Administrative Fee (MWSD Code §3-9.600)	Actual Cost (\$548.00 minimum)
Connection Permit Inspection Fee (MWSD Code §3-9.600)	Actual Cost (\$518.00 minimum)
Remodel Permit Fee (MWSD Code §3-9.500)	Actual Cost (\$384.00 minimum)

ORDINANCE NO. ____

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

Minor Remodel Inspection Fee, No additional fixture units (MWSD Code §3-9.500)	\$120.00
Private Sewer System Permit (MWSD Code §3-4.200)	Actual Cost (\$177.00 minimum)
Private Sewer System Hydrologic Investigation (MWSD Code §3-4.1200 (c))	Actual Cost (\$3,035.00 minimum)
Connection Permit Administrative Fee - Subdivisions & Commercial Units (MWSD Code §3-9.600)	Actual Cost (\$548.00 minimum)
Connection Permit Inspection Fee - Subdivisions & Commercial Units (MWSD Code §3-9.600,)	Actual Cost (\$518.00 minimum)
Administrative Fee for Reimbursement Agreement (MWSD Code §3-9.500)	Actual Cost (\$548.00 minimum)
Administrative Fee for Main Line Extension Agreement (MWSD Code §3-9.500)	Actual Cost (\$548.00 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 (\$518.00 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	\$10,730.00

ORDINANCE NO. ____

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

(10 fixture units) connection fee:
(MWSD Code §3-10.200)

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)	\$11,803.00
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Accessory Dwelling Unit Additional Fixture Units: (MWSD Code §3-10.200)	\$1,073.00
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Accessory Dwelling Unit Permit Application Fee (MWSD Code §3-10.400)	Actual Cost (\$548.00 minimum)
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Developer Service Fee for processing application: (MWSD Code §§5-3.102, 5-3.210)	Actual Cost (\$2,971.00 minimum)
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Administrative Charge for Processing Collection of Delinquent Refuse and Water Charges on Tax Roll (MWSD Code §1-5.200)	\$48.00 per account
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Charge to Photocopy Documents	\$1.58 per page for first four pages; \$0.40 for each page over four.
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Charge for Failure to Obtain Permit (MWSD Code §1-5.200)	Double amount of Permit Fee or actual collection cost, whichever is greater
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SPECIAL PROVISIONS
(MWSD Code §4-2.800)

Financial hardship discount rate (PGE CARE PROGRAM)	\$100 per annum
--	-----------------

*Where minimums or deposits are specified, no District services will be

ORDINANCE NO. ____

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

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 or added 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
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:

ORDINANCE NO. ____

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

(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:* \$548.00 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:	\$5,496.00
1" meter:	\$9,180.00
1½ " meter:	\$18,302.00
2" meter:	\$29,296.00
3" meter:	\$54,962.00
4" meter:	\$91,627.00
6" meter:	\$152,733.00
8" meter:	\$254,608.00
10" meter :	\$424,431.00

(MWSD Code §5-3.208)

Private Fire Protection Inspection Fee* \$518.00
(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	\$18,407.00
3/4 inch meter	\$20,248.00
1 inch meter	\$25,769.00
1-1/2 inch meter	\$33,136.00
2 inch meter	\$53,380.00
3 inch meter	\$202,476.00
4 inch meter	\$257,696.00

ORDINANCE NO. ____

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

Above 4 inch meter:

Charge determined by
General Manager based on
estimated water usage

**(e) WATER SYSTEM RELIABILITY CHARGE
(MWSD Code §5-3.313)**

Water Service Accounts

Meter Size:

5/8 x 3/4 inch meter	\$558.66
3/4 inch meter	\$837.99
1 inch meter	\$1,396.65
1-1/2 inch meter	\$2,793.30
2 inch meter	\$4,469.28
3 inch meter	\$8,379.90
4 inch meter	\$13,966.50

Accounts with Private Fire Service Only

Connection:

Up to 4-inch	\$279.33
6-inch	\$558.66
8-inch	\$893.86
10-inch	\$1,340.78
12-inch	\$1,899.44

(f) 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)	\$76.00
Developer Service Fee against which all District costs to process application are charged (MWSD Code §§5-3.102, 5-3.210)	\$2,971.00 minimum deposit

ORDINANCE NO. ____

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

Hydrant Meter Deposit against which water use is charged: (MWSD Code §5-4.227)	\$1,343.00 deposit
Hydrant Test Fee (MWSD Code §§5-3.208, 5-5.202)	\$600.00
Connection Administrative Fee (minimum deposit applied to actual hourly costs to process application) (MWSD Code §§5-3.202, 5-3.203)	\$548.00 minimum deposit
Connection Inspection Fee (MWSD Code §5-3.210)	\$518.00
Connection construction cost deposit applied to actual cost (MWSD Code §§5-3.202, 5-3.203)	\$2,971.00 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)	\$3.48 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)	\$159.00 per incident plus actual water usage & damages
Service Charge for Cross Connection Control Device Test: (MWSD Code §5-6.400)	\$120.00 per tested device
(g) SPECIAL PROVISIONS (MWSD Code §5-3.217)	
Financial hardship discount rate (PGE CARE PROGRAM)	\$100 per annum; \$16.67 discount applied to each bi-monthly bill

*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

ORDINANCE NO. ____

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 July 1, 2020 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

7. Dropoff at Recycling yard in Pacifica of motor oil, latex paint, unpainted lumber, incl. w/service

ORDINANCE NO. ____

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

large pieces of metal, styrofoam, e-waste, large white goods, furniture, mattresses,
large amounts of recyclable materials

- 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

SPECIAL PROVISIONS

1. Financial hardship rate for weekly collection for single container placed in front of

MASTER FEE SCHEDULE

Fee	Current Fee	Construction Cost Increase
Sewer Connection Permit	\$ 14,032.00	1.0116
Fixture Unit Charge		
Sewer Connection Permit--Paid Sewer Svc Chg	\$ 8,903.00	1.0116
Fixture Unit Charge--Sewer Service Paid		
Connection Permit Administrative Fee	\$ 130.00	
Connection Permit Inspection Fee	\$ 298.00	
Remodel Permit Fee	\$ 220.00	
Second Unit Connection Fee--Studio	\$ 3,560.00	1.0116
Second Unit Connection Fee--One Bedroom	\$ 3,916.00	1.0116
Second Unit Permit Application	\$ 130.00	
Private Sewer System Permit	\$ 102.00	
Administrative Charge for Processing Del. Trash	\$ 25.00	\$ 1.07915
Charge for copying documents -FirstFour Pages	\$ 1.00	\$ 1.07915
Additional Pages	\$ 0.25	\$ 1.07915

MASTER FEE SCHEDULE

CPI	Adjusted Fee	
	\$ 14,194.77	
	\$ 567.79	
	\$ 9,006.27	
	\$ 360.25	
1.0115	\$ 131.50	
1.0115	\$ 301.43	
1.0115	\$ 222.53	
	\$ 3,601.30	
	\$ 3,961.43	
1.0115	\$ 131.50	
1.0115	\$ 103.17	
	\$ 26.98	
	\$ 1.08	
	\$ 0.27	

MWSD Master Fee Schedule
 Cost Increases
 June 2020

Fee	2019 Adjusted Fee	2020 CCI	2020 CPI	2020 Adjusted Fee
Sewer Connection Permit	\$26,378	1.0167		\$26,819
Fixture Unit Charge	\$1,055			\$1,073
Sewer Connection Permit--Paid Sewer Svc Chg	\$16,757	1.0167		\$17,037
Fixture Unit Charge--Sewer Service Paid	\$670			\$681
Connection Permit Administrative Fee	\$542		1.0111	\$548
Connection Permit Inspection Fee	\$512		1.0111	\$518
Remodel Permit Fee	\$380		1.0111	\$384
Second Unit Permit Application	\$225		1.0111	\$227
Private Sewer System Permit	\$175		1.0111	\$177
Private Sewer Hydrologic Investigation	\$2,985	1.0167		\$3,035
Administrative Charge for Processing Del. Trash	\$47		1.0111	\$48
Charge for copying documents -FirstFour Pages	\$1.56		1.0111	\$1.58
Additional Pages	\$0.40		1.0111	\$0.40
Customer Credit for ACH	\$3.44		1.0111	\$3.48
WATER CHARGES				
Miscellaneous Service Fees:				
Check Not Honored by Bank	\$31		1.0111	\$31
Reconnection Fee due to non-payment	\$75		1.0111	\$76
Engineering Review Fee	\$2,938		1.0111	\$2,971
Hydrant Meter Deposit	\$1,328		1.0111	\$1,343
Service Charge for Posting Door Tag for Delinq. Acct	\$34		1.0111	\$34
Service Charge for Unauthorized Use of Fire Hydrant	\$157		1.0111	\$159
Cross Connection Control Device Test	\$119		1.0111	\$120
Fixture Unit Count	\$119		1.0111	\$120
Hydrant Test Fee	\$593		1.0111	\$600
Private Fire Protection Connection Charge:				
3/4" to 5/8" meter:	\$5,406	1.0167		\$5,496
1" meter	\$9,029	1.0167		\$9,180
1 1/2" meter	\$18,001	1.0167		\$18,302
2" meter	\$28,815	1.0167		\$29,296
3" meter	\$54,059	1.0167		\$54,962
4" meter	\$90,122	1.0167		\$91,627
6" meter	\$150,224	1.0167		\$152,733
8" meter	\$250,426	1.0167		\$254,608
10" meter	\$417,459	1.0167		\$424,431
Water System Connection Capacity Charge:				
5/8" x 3/4" meter	\$18,105	1.0167		\$18,407
3/4" meter	\$19,915	1.0167		\$20,248
1" meter	\$25,346	1.0167		\$25,769
1-1/2" meter	\$32,592	1.0167		\$33,136
2" meter	\$52,503	1.0167		\$53,380
3" meter	\$199,150	1.0167		\$202,476
4" meter	\$253,463	1.0167		\$257,696
California Cost of Construction Increase				
	Apr-19	6841		
	Apr-20	6955	1.67%	
US Bur. Of Labor All Urban Consumers-SF Bay				
	Apr-19	294.801		
	Apr-20	298.074	1.11%	

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 Sewer Service Charges and a new Water System Reliability Charge. The District proposes to update these fees in accordance with increases occurring since the last update. The Board shall consider adoption of this ordinance at a meeting of the Board as follows:

DATE: June 04, 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

Due to COVID-19, remote and telephonic attendance will additionally be permitted by visiting www.mwsd.montara.com for access information.



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
May 7, 2020

MINUTES

Due to COVID-19, this meeting was conducted remotely pursuant to the provisions of the Governor's Executive orders N-25-20 and N-29-20 temporarily suspending and modifying certain teleconference requirements under the Ralph M. Brown Act. Directors, staff, and the public participated remotely via the application ZOOM.

REGULAR SESSION BEGAN AT 7:30 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 Accountant, Peter Medina
Finance Officer of Sewer Authority Mid-Coastside, George Evans
General Manager of Sewer Authority Mid-Coastside, Kishen Prathivadi

PRESIDENT'S STATEMENT –

Director Slater-Carter stated the importance of the Water Reliability charge, which is integral in keeping the District running responsibly. However, she acknowledged

the dire circumstances the pandemic has caused, and requested the Finance Committee explore the possibility of delaying the implementation of the Water Reliability charge, without having to do another Prop 218 notice and more studies. She also advised the public that in doing this, they may need to consider other factors, such as inflation, which may affect the amount. She also expressed her concern about rumors amongst the residents, many untruths and half-truths that have been circulating and suggested that a public meeting be held in September, if possible, to give them the opportunity to address community concerns and questions.

ORAL COMMENTS

Joel Farbstein, Montara resident, requested that the Water Reliability Charge be postponed for at least one year, citing the hardship it would cause to residents. People are using the stimulus check funds for critical household needs, and others haven't received it yet. Many, including himself, are unemployed. He felt it unjust for the District to take almost half that money for a non-urgent, non-essential assessment. He stated it is not the time for "wish list" items, but a time for "belt-tightening" as other companies are doing. He reiterated that this is a non-urgent, non-essential charge that is taking money away from families who need it more than ever.

General Manager Heldmaier updated the Board and the public on how the Montara Water and Sanitary District has been working during this time. Regulations have been loosened as of May 1st, and the District will begin performing non-essential services again. All team work duties have been adjusted and coordinated in accordance with social distancing, taking more time to perform team projects. Additionally, delivery of water quality samples through conventional methods have been unreliable, and an Operator has to drive to the Fresno laboratory in order to get the samples processed within the required specific holding time and temperature. The District is working on pandemic cost recovery through FEMA/Cal OES, but did not meet the requirements for the first round of priority funding. He is hopeful that there will be money left for MWSD during the next round of priorities. Grants are available for shovel ready projects, and General Manager of the Sewer Authority Mid-Coastside (SAM), Kishen Prathivadi is monitoring the situation.

Ann Rothman, Moss Beach resident, said she listened to the last meeting, and was concerned about the Mega Drought. She also expressed her concern about the Cypress Point project proposed and its additional users to the system, the problem with the sewer manhole that cost the District one million dollars to move, and changing of the LCP to be 100% affordable housing, which would impact tax base. She is also aware of the push for consolidation of the Coastside, and pointed out as a resident of Moss Beach for 27 years, she and the other residents voted to acquire the water system in order to have autonomy. She requested the Board

draft a letter to the Planning Commission opposing the approval of the LCP change.

Director Slater-Carter thanked Ann for her comments, and said that more information on the Mega Drought could be found in an article from *SF Gate*, April 16, 2020 and encouraged her to review the graphics. She will send a copy of one of the graphs to General Manager Heldmaier, and recommended it be put on the website along with the link. She said it is important to be aware of the change in weather patterns—fewer storms of higher intensity—and monitor their water supply and sewer maintenance with the changing circumstances in mind.

Director Lohman stated that the MWSD Board is 100% against consolidation, and has been fighting against it. There is a process for consolidation. The people that want to consolidate don't want to follow this process because they know it will fail, so they are trying to get the County or the State to mandate it. He also commented about the postponement of the Water Reliability charge, and the need for the funds. The District needs to stay solvent, as the consolidation threat is always there. People will think that Montara is not doing well, and will just merge MWSD into Half Moon Bay. The Board members are all local residents, trying to balance the District needs while keeping in mind the community needs, and are working hard to help everyone out, but also need to keep the District alive so that MWSD is not consolidated.

PUBLIC HEARING – none

CONSENT AGENDA

- 1. Approve Minutes for Regular Scheduled Board Meetings for April 2, and April 16, 2020.**
- 2. Approve Financial Statements for March 2020**
- 3. Approve Warrants for May 1, 2020**
- 4. SAM Flow Report for March 2020**
- 5. Monthly Review of Current Investment Portfolio**
- 6. Connection Permit Applications Received**
- 7. Monthly Water Production Report**
- 8. Rain Report**
- 9. Solar Energy Report**
- 10. Monthly Public Agency Retirement Service Report for February 2020**

Director Slater-Carter commented that the monthly water production report is the water use demand. It is not a graphic of what MWSD's ability is, but how much water people are demanding. She requested that the report be pulled from the Consent Agenda. She requested a motion to be made for items 1-6, 8 & 9. Director Lohman made a motion to approve items 1-6, 8 & 9 and Director Harvey seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

Director Slater-Carter asked General Manager Heldmaier about item 7, and how the shelter-in-place has affected water demand.

General Manager Heldmaier replied that normally water usage varies day by day, and there is always changes in usage patterns. However, during the shelter-in-place water usage has been consistent and constant, neither higher or lower than average usage and is right on target.

Director Lohman said he was surprised that the water usage wasn't higher.

Director Lohman made a motion to approve item 7, and Director Harvey seconded the motion. A roll call vote was taken, and the motion passed 5-0.

OLD BUSINESS - none

NEW BUSINESS-

1. Review and Possible Action Concerning Draft MWSD Budget

General Manager Heldmaier said this is a preliminary draft of the budget for review and the numbers will change. He requested that the Board refer it to Finance Committee meeting. He introduced Accountant Peter Medina, who will describe the key drivers that will be reviewed at the Finance Committee meeting.

District Account Peter Medina stated that he would like to focus on the first two pages, MWSD Budgeted Cash Flow for fiscal year 2020-2021. They have data through March, and should be getting the April numbers soon. For the Sewer fund the major piece is the Capital Improvement program. They are working with the engineer to get solid numbers on the 5-year plan and have an idea of what the expectations are for 2021. The budget for 2019-2020 in terms of capital product has not quite come off. They have a capital budget of 1.4 million dollars and expensed about \$200,000 dollars. In addition, operational wise for personnel costs, on the water and sewer side--more on the water side--they have more full-time employees. On the sewer side, the largest expense is the SAM assessment. They are working with SAM to get the various components in place to get the MWSD assessments, and usually budget \$120,000 dollars for pump station repair that MWSD is responsible for. Those are the main expenses for the sewer side. For the revenue, the major component is the sewer service charges, and they are working to solidify those numbers. The property tax for water and sewer are split equally. The funds for ERAF are difficult to predict, and will be discussed at the Finance Committee meeting.

On the Water side, the water sales are the piece that varies the most, and they must hypothesize the projection. And with the prospect of a drought, and no increase in rates, it is unclear how it will be affected.

The document, as you move further along, contains all of the GL revenue and expense codes, and there is also a discussion at the end of the debt service for the year—water and sewer both carry debt. The current year principal payments are also captured on the summary pages. Also, the connection fees will be discussed. In the next few weeks, he will work together with General Manager Heldmaier and the Finance Committee to hone in the budget as much as possible with the data that is available, and discuss impending issues that they would like to set aside money for in the budget.

Gregg Dieguez said that he missed some Finance Committee meetings, so he was “flying in the dark.” He noted that on the the bottom of the MWSD two colored pages, it says to refer to pages 23 and 22 for explanation of the reserve handling and he couldn’t find it.

District Accountant Medina apologized and said it was on page 18, 19, 20.

Gregg Dieguez stated that according to the documents, MWSD is expecting to lose a million dollars on the sewer side, and a million dollars on water side next year. Does it include the rate increases?

General Manager Heldmaier stated that it does include the rate increases. It also includes the Capital Improvement project Cabrillo Highway Phase 1B. The sewer reserves were built up for this project, so they are planning to transfer 1.1 million dollars, if they can get this project permitted next year to complete the highway crossing section going north to Montara along the highway. It is a critical main artery for Montara that needs to addressed.

Gregg Dieguez said he is not questioning the need, but the projection for a deficit of both franchises with the rate increase already included. Looking at the document, if he is reading it correctly, it appears that MWSD is losing a 1.3 million dollars in cash flow on the water side, and 1.1 million dollars on the sewer side. What is the bottom line?

District Accountant Peter Medina said the bottom line overall is \$48,000 dollars.

General Manager Heldmaier stated that Mr. Dieguez is aware that the cash need on the water side, is 2 million dollars for the Water System Reliability charge, and the Board only authorized one million dollars with a re-assessment in the coming years.

Gregg Dieguez replied that these statements don’t show the reserve status going forward.

District Accountant Peter Medina interjected it begins on page 14. MWSD has three reserves: Operating, Connection Fee, and Capital Improvement reserves for

both sewer and water. These figures are up through March 31, 2020 and what the targets are.

Gregg Dieguez said water looks okay, but on the sewer side, it appears there are insufficient dedicated operating sewer reserves for this year, and they are implying there will be enough for the minimum for next year with the rate increase to adhere to policy.

Director Dekker said he has reviewed the budget and the open question is what is happening on the SAM side and the debt has not been brought to an end yet. He would like to know what the proposal is from SAM and how it reflects in the monthly payments to SAM and the year payment. He commended Accountant Peter Medina for the format of his documents, as it is easy to follow and understand. He wished SAM had a similar format, as it is difficult to follow.

Director Harvey stated there were two Finance Committee meetings and they went through it in detail. He agreed with Director Dekker, that there are still the SAM budget unknowns remaining.

Director Lohman stated this is one of the hardest balancing acts he has ever seen on any Board around here. With the Coronavirus economic crash, the Half Moon Bay lawsuit, delayed maintenance that they haven't been able to do, and trying to move forward with everything all at once while protecting the people and the District, these are tough times.

Director Boyd stated that they have been through a similar situation in 2008, and had to work really hard to figure out how to keep things going without being unduly burdensome on the ratepayers, many of who were experiencing great financial strains. What they are dealing with right now is bigger than that. He is aware of what is happening to people in our economy, and the people who have jobs are in a different world than those who do not. It is time to reflect on the things learned in 2008, and make some hard decisions as to what is essential to get through the year, and try to make their best estimate of what is going to happen financially to people, and figure out what degrees of freedoms they have in dealing with the differences between people who are employed and people who are not. He appreciated Director Slater-Carter's president's statement in this regard. He encouraged the Finance Committee to take all the hard work done so far, and do a little more. This is not going to be easy. Things are upon us that they did not anticipate and have impressed themselves upon them, unique in their lifetimes. However, everything they defer, becomes deferred maintenance and in the decade the economy started recovering, the District and Board has been "riding the brake," to avoid rate-shock on the community. They have spent the last couple of years talking about "paying the piper" and taking care of things. They have to decide what must get fixed and what can be deferred. They need to put some present future valuation numbers on some of what some of the deferrals might mean. It is going to cost something to defer this maintenance. What they have learned in the

past is that any time that they put off any project that involves construction, contractors, purchasing, materials, equipment, etc. every year that it is delayed, it always costs them more. However, in this time of crisis, sometimes there is a win-win to be had, by paying less for something someone is desperate to sell just to keep their people employed. It is good for them, and it is good for the rate-payers as well. They have the biggest challenge they've ever faced, and he looks forward to seeing what the Financial Committee can do. He asked staff how much latitude the Board has to consider modifications to what is being heard. For example, Joel proposed postponing the Water Reliability charge for one year. Does the Board, on the June 4th meeting have latitude to consider modification about when the charge would go into effect? He asked because he thinks they need to consider a few things. He wants to think about this as they consider the budget, as it will be affected by what happens on Jun 4th.

District Counsel Christine Fitzgerald stated that the Board is not required under Prop 218 to approve a rate increase at the Public Hearings even if it receives less than the majority of protests. The Board can make a different decision other than approving the rate increases.

Director Boyd asked if that would allow a modified decision that would have a lesser financial impact. For example, if they chose to postpone it six months or twelve months, could they make that modification at that meeting?

District Counsel Christine Fitzgerald: So, are you saying that you would consider approving that rate increase but postponing it?

Director Boyd asked if that was an option. He always thought of the Prop 218 as an up or down decision. Often it is about setting a new upper limit but doesn't commit them to an implementation schedule. And they have often explained to their rate payers, while it allows the Board to go to a certain percentage, the plan was to increase it at a slower rate and not go to the maximum immediately. He went over the materials, and he didn't see that kind of language in there. If the wording on the Prop 218 Notice allows them to set an implementation schedule that takes into account the things Joel is raising, he wants to know if he has that option, so they don't have to delay and re-issue the 218 Notice, etc.

District Counsel Christine Fitzgerald said she would do some research and give them a definitive answer at the next meeting.

General Manager Heldmaier said that he understands the severity of the situation, but also cautioned the Board of the District's dire need. They talked about the water net cash flow that is provided by the rates, and it is currently \$320,000 dollars, which that is not enough to even cover regulatory requirements that may occur. He reiterated that the number that was requested was 2 million dollars, and what was approved is one million dollars. He is concerned that not approving the funds will put the District at risk of not being able to be in compliance. Mr.

Farbstein talked about non-essential items. While there are some items in the budget that are non-essential, conferences for example, they are small expenses. The projects that are planned are essential and if they continue to be deferred, MWSD may end up being a water system in disrepair, as was the case when they acquired the Water system in 2003. It is a very slippery slope.

Director Boyd gave an analogy of trimming one's nails appropriately. If the nails are trimmed too close, even on the smallest digit, it becomes all about the pain from that. He recounted the problems with the Intertie pipeline, and the deferred maintenance not done that led to the leak, fines, and the mandates on the projects that are now required to be done as a result. It forced their hand in a way, and exposed wastewater to the environment and put health and safety at risk, required a lot of emergency spending and caused chaos. He feels the Finance Committee needs to take hard look at the budget, and cut and delay anything that they can, and be sure that anything that is left that they really understand the basis for why it must be done as soon as they have it scheduled. No one is going to be happy—this is a situation where there is going to be pain on multiple fronts. This will be a delicate balance, and hopefully they can pare things down just right.

Director Slater-Carter announced the SAM Finance Committee approved the SAM budget to send to each of the districts, and Keshin is here to talk about it on our next Agenda item. She thanked Gregg for talking about the reserves, as they have been talking about the reserves for a long time. They decided they finally needed to start building reserves, but it takes money. One might think to just reduce it. The Board has already taken the economic and engineering recommendations and asked to have those cut in half. If they put the District in financial risk, it affects every person who lives here. It affects the water they use, and fire protection for many homes on wells. They've reduced costs over the years--but it is hard to remember that when you are faced with bills. She requested that they look at the possibility of a loan--maybe they can find a low rate, pre-payable loan that could meet their financial needs for the short-term allowing them to do the improvements they need to do, with the awareness that it will need to be repaid.

General Manager Heldmaier announced the tentative date of the Finance Committee meeting for Wednesday, May 13th at 2:00pm.

All Directors were in agreement to refer the budget to the Finance Committee and to District Counsel Christine Fitzgerald to explore those requests from the Board members.

2. Review and Possible Action Concerning Sewer Authority Mid-Coastside FY 17-18 Audited Financial Statements.

General Manager Heldmaier said that the Directors requested this item be agendaized for discussion. And for good reason, as this 2017-2018 audit has some interesting comments and should have been done within the calendar year of 2018

or the beginning of 2019, not in 2020. General Manager of SAM, Kishen Prathivadi and Financial Officer George Evans are present to explain the Audit. Our District Accountant Peter Medina has also been working with SAM on this, and can answer questions as well. He pointed out that none of the SAM staff presenting this were in positions of financial authority during that time—they are just the bearers of bad news.

Director Slater-Carter added that many of the problems occurred at that time because the majority of the SAM Board could not approve spending the money on a good financial system at that time. And this led to some serious deficiencies for staff, accounting, and in the systems. Had this been addressed earlier, it would have cost less in the long run compared to what they are going through with the audit.

General Manager Kishen Prathivadi announced that the SAM General budget and Collections Budget was approved by the SAM Finance Committee and it will be brought before the SAM Board on May 11, 2020, and subsequent to that, he will be happy to present it to the MWSD Board at the earliest opportunity available. He introduced Financial Officer George Evans, and stated he and Mr. Evans were not involved in the financial workings of SAM during the years 2017-2018 of the audit which is being presented. He explained the reason for the delay in getting this audit was due staff turn-over, including the General Manager, during and after those years. He said they are working on catching up with the subsequent audits, and hope to be caught up and current by the end of the year.

General Manager Kishen Prathivadi stated that he is going to go over a brief per view of the significant deficiencies and material weaknesses which have been pointed out by the auditor. Please keep in mind these occurrences happened in 2017-2018 and their response is indicated in the present scenario and what they have done to overcome that. And as they move along Maze and Associates are providing support and guidance to ensure these occurrences do not happen again. The first issue was administrative: accounting personnel and journal entries. Check signing, recording, general reconciliation should be performed by separate employees. SAM has hired new qualified staff, trained staff on the new Tyler Incode accounting program, and implemented policy protocol which establishes internal controls performed by multiple staff members. Additionally, Maze and Associates provides functionality support. He noted that accounting information was not transferred from the old software to the new software, which contributed to the delay in the audit. The second issue was the computer systems, and that was resolved with the new Tyler program and extensive training to staff. The third comment was that SAM should have unrestricted reserves to meet cash flows for several months. Presently, SAM has sufficient funds to meet short term cash flows for several months, and they have been able to stay within their budget approved by all the member agencies for 2019-2020. The next comment was about SAM's long term emergency reserves. As per SAM policy, 1.25 million dollars should be held in reserve to fund repair and/or replacement of capital assets. SAM has

sufficient funds for reserves for all their accounts. The last comment was in reference to Other-Post-Employment Benefits (OPEB). Money has been set aside in the budget for OPEB, and there has not been issues.

Gregg Dieguez asked when the 2018-2019 audit will be ready.

General Manager Kishen Prathivadi said it will be ready by September, October.

District Accountant Peter Medina said the overall goal is to have the audits for 2018-2019 and 2019-2020 completed by the end of the calendar year and get on a normal audit track moving forward.

Gregg Dieguez, Montara resident, recalled the 20-year Capital Expenditure plan that was presented to MWSD two years ago, and asked if MWSD has an update to what the capital expense allocation going forward for that time period is going to be.

General Manager Kishen Prathivadi acknowledged that he presented the 20 Year CIP budget, and after that, last year they drafted a 5-year Capital budget which was worked out by one of the consultants. They took excerpts from the 20 Year and doubled up the 5 year and zeroed down to the 2020-2021 budget which has been adopted by the Board. They have a consultant now working on the 5-year CIP. They decided to separate out the 2020-2021 from the 5 year, because they wanted to move forward with the budget. So, the adopted 2020-2021 budget is already available, but the modified 5 years Capital Improvement fund project are still in progress and it will be brought before the SAM Board in a few months, then will be shared with MWSD.

Gregg Dieguez, Montara resident, replied that the years 6-20 those assets are still aging, and something should be reserved for those assets. When MWSD gets there, they will be faced with a huge need. Is someone keeping track of that 20-year timeline, so they can see what is left of the 20 years as they go forward year by year. is there an update that shows that that have taken these first 5-6 years out and still have these 14 years left?

General Manager Kishen Prathivadi said that the 20-year CIP has not been updated.

Gregg Dieguez, Montara resident, asked about Half Moon Bay's overusing their flow allocation as indicated on the SAM Flow report, and if MWSD will be able to pay less in the future.

Director Lohman said they could not comment due to the lawsuit.

Director Dekker said he will hold his questions for the Finance Committee meeting.

Director Harvey said he will also wait until the Finance Committee meeting, and thanked Kishen P. for all his work.

Director Boyd thanked General Manager Prathivadi for mitigation steps they have taken, in particular, the transitioning to the new accounting system and training staff appropriately. He said he is looking forward to good audits moving forward, because SAM has a handle on tracking the details. It is a small thing that often goes unappreciated, and he wanted to point that out.

Director Slater-Carter requested that SAM make a list from the auditors' recommendations from the last few audits, and send it to each of the Board members and General Managers. She recalls that one of the recommendations was to have the Board more involved with SAM finances.

General Manager Kishen Prathivadi replied he will get this list out.

Director Slater-Carter thanked Kishen, George and Peter.

3. Review and Possible Action Concerning Remote Location for June 4, 2020 Public Hearing re: Proposition 218 Rate Increases (COVID-19)

General Manager Heldmaier stated that this agenda item has to do with the Prop 218 Public Hearing scheduled for June 4th. He would like authorization to allow remote access to the hearing be permitted as well as the physical location to allow public participation at the meeting. The physical location will adhere to strict social distancing requirements. He recommended the Board to approve and adopt the resolution establishing a remote place for the District's Proposition 218 public hearing in addition to the hearing place at the District's administrative offices.

Director Boyd expressed his concern about the small size of the Board room, air circulation, and the ability for people to get in and out without having to be too close.

General Manager Heldmaier said that he is hoping most people will participate remotely. However, if they want to come to the office, MWSD currently plans to use the parking lot, and let people in one at a time to make a comment. Parking spaces will be marked with 6-10 ft spacers, the big screen placed outside so people can listen to the comments, and people will be brought in one at a time to speak in front of a computer in the Board Room to make their comment. This scenario will evolve as conditions do.

Director Boyd inquired if General Manager Heldmaier considered setting up a podium outside in the parking lot rather than bringing them in.

General Manager Heldmaier said that this was a possibility. He said the location specified was the Board Room, and that is why it was planned that way.

Director Slater-Carter suggested utilizing the emergency exit to allow the public to come in and leave through separate doors.

Director Harvey made a motion to approve and adopt the resolution of the Montara Water and Sanitary Board establishing a remote place for the District's Proposition 218 public hearing in addition to the hearing place at the District's administrative offices, and Director Boyd seconded the motion. A roll call vote was taken, and Director Lohman was not present at this time. The directors present were all in favor, and the motioned passed 4-0.

REPORTS

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

Director Slater-Carter reported that the Finance Committee approved the SAM budgets and it is being sent to the member agencies. The budget has been reduced by \$180,000 dollars. At the last meeting, on the General Manager's report, there was a presentation of a proposal made by Dan Child, for what she terms "additional force main light." He wants to increase the strength of the pumps. It is somewhat being proposed as an option instead of putting in the wet weather storage tanks—which they already have one in. They found some errors in the report, and they requested that this report remain as Dan Child's report, and not an official document representing SAM. So, that proposal remains Dan Child's. They are waiting on bids for the expansion of the wet weather holding facilities in El Granada, and she requested that they find out how much it would cost, perhaps through an engineers estimate, to expand the holding facility to its full anticipated 600,000 gallons instead of staging it to up to 400,000 gallons, and then doing another 200,000 gallons later when it is more expensive.

Gregg Dieguez, Montara resident asked if there was a cost benefit description of Dan Child's force main project.

Director Slater-Carter said it has been represented to be equivalent in cost to the holding tanks. But in conversation with engineers that argument does not stand up. The SAM Board has not approved it, and they have made an ethical commitment to the Regional Water Quality Control Board to put in the holding tanks. It would be foolish for SAM to go down any other path to solve this wet weather problem until these are built and installed.

Director Slater-Carter said the description was presented as part of the Agenda on the Manager's report at the last SAM Board meeting—but there are no numbers.

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

3. CSDA Report (Lohman) – Director Lohman not present

4. **LAFCo Report (Lohman)** – Director Lohman not present
5. **Attorney’s Report (Fitzgerald)** – nothing
6. **Directors’ Report** – nothing
7. **General Manager’s Report (Heldmaier)** - nothing

FUTURE AGENDAS

1. District Water and Sewer Budgets
2. District Water and Sewer Capital Improvement Programs
3. June 4th Public Hearing for Water System Reliability Charge and Sewer Service Charges Increase
4. June 4th Public Hearing for Master Fee Schedule Adjustment
5. MWSD District General Obligation Bonds Refinancing
6. SAM Budget
7. MWSD Defined Benefit Plan Actuarial Evaluation

Director Slater-Carter stated that Director Lohman asked that an item be agendaized for the next meeting for Board members to forego their meeting fees until the end of the COVID-19.

Director Boyd requested that his checks be suspended immediately.

Director Slater-Carter said that it is important to have a Board discussion, so that the public understand they feel their pain.

BRIEF RECESS

REGULAR MEETING ENDED at 9:40 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)*

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 4th, June 2020

Signed _____
President

Sewer Authority **SAM** Mid-Coastside

MWSD Board Meeting

SAM Audit 2017-18

May 7, 2020

2018-01: Admin Issues: Accounting Personnel & Journal Entries



Criteria: check signing, recording, general entity and reconciliation should be performed by separate employees

Present Situation:

- *New qualified internal staff hired*
- *Completed significant training on Tyler Incode*
- *Financial Consultants engaged to provide additional functionality*
- *Improved system includes*
 - a) Establishment of internal controls with respect to authorization, recording, reconciliation process that is reviewed by multiple staff members
 - b) Development of journal entry cover sheet with signature signoffs
 - c) Improved production of timely and accurate finance information to Board

2018-02: Computer Systems



Criteria: software should be able to produce timely, accurate reports and staff to be trained

Present Situation:

- Staff along with financial consultants received sufficient training
- Completed training on different modules like AR, AP, Payroll and PO's

2018-03: Unrestricted Net Position



Criteria: should have unrestricted reserves to meet cash flows for several months

Present Situation:

- SAM has sufficient funds to meet short term cash flows for several months
- Operations budget is approved by Member agencies and is fully funded for the year.
- At no time has there been critical cash flow position

2018-04: Long term Emergency Reserves



Criteria: as per SAM Policy 1.25M should be held in reserve to fund repair and/or replacement of capital assets

Present Situation:

- SAM has two types of Reserve in its reserve policy:
 - a) Emergency repair reserve of 1.25M
 - b) Operating Reserve – at least two months of budgeted operating expenses (approx. \$0.8M)
- SAM has 3 accounts - LAIF, Money Market and Checking and is only a question of money management
- SAM has adequate funding for reserves

2018-05: Other Post-Employment Benefits



Criteria: OPEB obligation based on actuarial data of approximately \$465,000 as of June 30, 2018

Present Situation:

- Budget model based on “pay as you go” and therefore monthly payments have been accounted for and is included in budget

Questions



MONTARA WATER & SANITARY
DISTRICT

FINANCE COMMITTEE MEETING
May 13, 2020

MINUTES

Due to COVID-19, this meeting was conducted remotely pursuant to the provisions of the Governor's Executive orders N-25-20 and N-29-20 temporarily suspending and modifying certain teleconference requirements under the Ralph M. Brown Act. Directors, staff, and the public participated remotely via the application ZOOM.

SPECIAL SESSION BEGAN AT 2:00 p.m.

Directors Present: Dekker and Harvey

Directors Absent: None

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

Others Present: District Account, Peter Medina
District Water Engineer, Tanya Yurovsky
Kastama Strategic Consulting, Alison Kastama

NEW BUSINESS

1. Review of Draft FY 2020/2021 Water and Sewer Budgets

General Manager Heldmaier said that the draft water and sewer budgets were reviewed at the last meeting, and since then there have been some minor changes which will be discussed. He pointed out that they haven't talked enough about the Economic Hardship rate, effective July 1st, for \$100 dollars off on the water side,

and \$100 dollars off on the sewer side per year. To qualify for the program, the applicant must be enrolled in the PG&E Care program. Recology also has a hardship rate, and their participants will automatically be enrolled in the Montara Water and Sewer (MWSD) program. Recology will share information of those eligible participants. Some water customers not enrolled in the Recology program, will apply directly through the Montara Water and Sanitary District (MWSD), submit the appropriate paperwork, and receive \$100 off.

Peter Medina talked about the cash flow projections from data up to March 2020, recently introduced to the Finance Committee. He is expecting the April numbers tomorrow, and will revise it for the next meeting. Recently, staff has completed the calculation for the wet weather flow for the sewer service charges, and the projected amount has been adjusted from 3.28 million dollars to 3.242 million dollars based on flow during the wet winter months. So, even with a 9% rate increase, MWSD will not be bringing in the 9% revenue. Cell tower leases, a slight increase nothing major there. There are various fees that the District collects for, and property tax is budgeted as flat, about \$275,000 dollars. There is ERAF in there, but not a very large piece--the accepted 1% of value has been budgeted. The waste collection revenue is the franchise fee with Recology. In total, 3.592 million dollars of operational revenue is coming in. Now, going into the Operational Expenses, personnel is the second major driver of the budget based on two full time equivalents for the sewer enterprise. Currently, MWSD is operating off of the assumption of a COLA increase and a merit increase. The merit increase constitutes a 2.5% step increase and a COLA increase of 1.66%, based off the Bureau of Labor and Stats (April 2019-January 2020). Now, they have the new update (April to April) and it is less, at 1.11%. Professional services encapsulates all the various consultants that the District utilizes, the main drivers being the rates studies that are scheduled, actuarials, legal, contract accounting, and PR. There is a significant decrease, 42%. Facilities and administration take care of the District. On the last three pages of the budget of the account roll up so you can see the full detail of the GL accounts. The sewer engineer, based on trends, has been reduced by 30%, and pumping will remain as is. The PG&E bills includes a one-time true-up amount and that is were you get that figure. The other major driver of the sewer budget is SAM. They have been working with SAM, and these numbers reflect the SAM Operations & Maintenance and Collections Budget figures as well as other expenses that are pass-through costs to the District. Then they have the rest of the accounts that don't yet have a good home for that fit into the model--the biggest item being insurance. Interest revenue MWSD has LAIF, and they are not sure what LAIF is going to do. They are expecting it to go down with the utilization of the LAIF funds as well as a diminished rate of return for LAIF in general. In the CIP program, they shaved off one million dollars from the original budget, and we have a new 10-year and a 5-year plan for sewer. They are expecting a reduction in connections sold based on historical information from this year. And after that, is debt service. This is presented in amortization schedules, and they don't change a whole lot. With that MWSD expects to dip into reserves 1.15 million dollars.

There are a number of costs that are born by both enterprises. They are separate and distinct, but share a lot of expenses. The big piece here is water sales-1.89 million dollars is what the expectation is, and the economic hardship discount was not applied yet. He only did it for sewer. The District performs backflow testing for residents that need it. Personnel is the major driver for the water enterprise. MWSD has six full time equivalents, and temp staff. Professional services are about the same as for sewer in terms of consultants. MWSD has separate water and sewer engineering consultants. Our supply is cut two-fold. There has a potential for the quarterly purchase of additional supply if needed. Collection, transmission, and treatment are all the various account expense categories on the water side. The GO Bond revenue is attached to District rate payer property tax. This is more or less dollar for dollar, taking care of the GO Bond. They have another ten years left. This is designed so that operations do not have to take care of the GO Bond that goes through the property tax roll. Then there is the Water System Reliability charge, and they will discuss that further. The capital improvement project expenditures were reduced and is now 1.1 million dollars. The connection fees are expected to be lower. With that, MWSD expects to have cash flow positive of about \$50,000 dollars.

General Manager Heldmaier commented that the sewer service revenue was reduced by over \$30,000 dollars with the current data. With volumetric charges, a 9% rate increase doesn't constitute a 9% increase in revenue. Additionally, the economic hardship discount will reduce the revenue further.

General Manager Heldmaier said a question came in about the economic hardship rate. Is the estimate of 40 participants, or \$4,000 dollars realistic to reflect the hardship rate?

Directors Dekker and Harvey said the estimate for the discount is reasonable.

He commented that it is complicated for a public agency to implement a hardship rate as charging by class is prohibited. MWSD will be using the cell tower lease revenue and not rate payer revenue for the Economic Hardship discount.

General Manager Heldmaier explained that the COLA increase is for non-exempt full-time employees in accordance with the Bay Area CPI, and with the new data, April to April, it is 1.11%. He would like to revise the budget, reducing the increase from 1.66% increase to a 1% for the COLA increase and a possible 2.5% merit increase, to the Board.

District Accountant Peter Medina changed the percentage live, lowering the amount by approximately \$8,537 dollars.

General Manager Heldmaier pointed out that MWSD has not increased water rates for two years. He said they are being optimistic with the water sales number. He expects with the impending drought that the District water sales will be affected by

conservation. He suggested to the committee that they reduce the water sales amount by \$4,000 dollars to reflect the hardship rate.

Director Dekker said he thought the rates were being increased 3% each year.

General Manager Heldmaier said that was stopped two years ago. Last year and this year there was no increase.

General Manager Heldmaier said that the Board asked the Finance Committee to reduce the budget. The alternative to averting a rate increase is spending less money. He pointed out that they have gone through a number of drastic and heavy budget cuts. In 2003 when MWSD became a publicly owned system, this was the first time they tried to reduce the operations budget. Since then they have gone through heavy budget cuts, and the Operations budget is at a minimum. The main area that is usually adjusted is the Capital Improvement program, and each year it gets smaller and smaller. There is a difference between what is planned and what is spent. And MWSD usually spends less than what is planned. This is how they have been balancing the budget, by not implementing capital improvement projects.

Director Harvey asked if the only option to adjust the budget would be to cut the Capital Improvement budget.

General Manager Heldmaier replied that there are always areas to cut, but the consequences may be dire.

Director Harvey said other than personnel, what other items could be cut, even with a little risk? Is there anything that can be cut besides capital improvement projects?

General Manager Heldmaier said there were probably some things they could cut, and he would be happy to walk through the water and sewer cash flow line items and identify those. But first, he suggested addressing questions from the public.

Joel Farbstein, Montara resident, said that on the personnel side, the Board asked the Finance Committee to look at the budget, and raises were cut by 0.5%. This is not a serious attempt to address budget shortfalls. The Finance Committee doesn't understand how dire it is to their customers facing lost jobs and incomes. Other companies are reducing pay to save jobs, and senior managers are taking larger pay cuts as they have more discretionary income. This is not discretionary income for their customers; it is critically needed funds to survive. He suggested delaying raises and temporary workers, cutting back on consultants, offering voluntary leaves-of-absences to people, offering reduced work weeks, canceling conferences, and re-negotiating unused leased equipment.

General Manager Heldmaier clarified that they have been making tough cuts since 2003 on a regular basis. They consider what can be cut every year, and there is very little that can be cut that has not been cut already, including all the suggestions Mr. Farbstein made. However, being an essential service provider with minimal staff is not an option. If staff is not doing what they are doing, this District would run the risk of not being in compliance. The type of work performed by staff is essential for the health and safety of the entire community.

Joel Farbstein, Montara resident, replied that he was talking about cutting back, not furloughing, and said budgeting personnel raises and charging customers more is contradictory.

General Manager Heldmaier replied that was a good point, and something that can be addressed by the Finance Committee and the Board. He reminded everyone that this is a draft and will probably be brought to the Board before being approved.

Director Dekker said that they are looking at the overall big picture, and looking for the big numbers and the easiest way to do that is to cut back on the future infrastructure projects which are listed here which have already been reduced. Perhaps it can be reduced a little further.

District Water Engineer, Tanya Yurovsky said 1.1% is a very modest COLA increase. The District is not a Union agency, and the District is competing with personnel of other agencies which have a COLA increase of 3-5%. If the employees can't get paid fairly for their days of work, they will go elsewhere, especially in a very competitive climate. Hiring new operators is extremely hard, and if the District doesn't have enough operators, they will be non-compliant with the State regulators, and may be fined. The key issue is these are essential public health and safety workers, and they are responsible for delivering safe drinking water to all the homes. She also reminded the Finance Committee that COLA costs are part of the Operations budget and the Water Reliability charge proposed is for the purpose of funding capital improvement projects. And while they are part of the same budget, they are different parts. Not paying the workers will not help reduce the capital charge. In fact, not having adequate staff may result in more facilities failing requiring more replacement.

General Manager Heldmaier added that the District has worked hard towards retaining the employees they have that live locally.

Joel Farbstein, Montara resident, replied that he felt that the law of supply and demand right now would contradict Tanya's statement about competition, and that the employees understand the situation and are probably happy to have jobs. The Finance Committee has a responsibility to look at that. Even if it is only a few thousand dollars, that is significant. He commented that the legal costs are outrageous, and the District could save a lot of money by cutting the legal costs. He further stated that the Economic Hardship rate is a band-aid solution, and

doesn't address the problem. MWSD has to be more fiscally responsible, and focus on things, and not just offer 0.5% as a reduction of an increase. You have to make major cuts at this point, go back to the Board and provide solutions that will save a lot of money.

Director Harvey replied that the legal costs are from the lawsuit from Half Moon Bay. They are doing the best they can responding to the lawsuit. The legal fees will be significantly reduced in the coming year.

General Manager Heldmaier said they don't have a lot of control over the legal costs. The Water Reliability charge is not influenced by the legal costs. The legal costs are a temporary spike and they are not related to the capital projects that the Water System Reliability charge would be used for. MWSD would like to spend a lot less on legal. He pointed out that the increase in legal costs are directly due to the lack of infrastructure improvements at SAM.

Gregg Dieguez, Montara resident, said he sent the Finance a detailed email and took the numbers from Peter and came up with a financial model for the District. He requested copies of materials for the Finance Committee meetings in advance so he has time to consider them. He feels the issue that is not being discussed that is more important is the long-term adequacy of the reserves, or capital adequacy. This budget will drive MWSD down. He wants to see what the impact is going forward not just one year, but several years on those reserves and compare it to the longer-term capital projects beyond just one year at a time. The planning horizon has to go out further. MWSD should consider the rate structure for multi-unit dwellings and associated dwelling units. There is also Pillar Ridge that is receiving a substantial discount. There are good reasons for that, but he doesn't want additional large complexes to get similar discounts, especially when it comes to the Water System Reliability charge. It is not merited, because those complexes couldn't exist without the infrastructure. Another future discussion is changing or ensuring that the pricing structure is adequate for multi-unit dwellings. He agrees with Joel about wage increases but suggested waiting to see what the other districts are doing and MWSD can always re-visit that. He noted he would like to get a copy of Peter's spreadsheet after this meeting. If he reads Peter's numbers right, the District has millions in cash not being designated in the reserve accounts. Why aren't some of those monies being contributed to the reserve accounts? At first glance, it looks like MWSD has plenty of cash, but then MWSD does not have enough money to fund the longer-term capital improvement requirements. He wonders how those two conflicting issues will balance out. Those are things that should be investigated and discussed. MWSD needs to look at processes of long-term capital adequacy, exposure to large developments given our current rate structure, and excess cash not in reserves.

General Manager Heldmaier replied that he hadn't a chance to look at Gregg's documents closely but noticed some discrepancies. He said that the available cash

is noted once a month on financial statements. He said he will talk to Gregg about this later. He asked the Directors if they wanted to go through the line items.

Director Dekker suggested that they wait for the April numbers and see if there is anything they have not considered this year and how it influences next year forecast, and for the final SAM numbers to come in.

General Manager Heldmaier said the SAM budgets were approved by the SAM Board to be considered by the member agencies, and their numbers reflect what they received from SAM. He said, at this point, the member agencies have been asked to look at the SAM budget, consider it, and send it back with or without comments. MWSD can't really make any changes on the budget. They can make comments, but it is really an up or down vote. And if they make a down vote, they have been threatened with having to leave the Joint Powers Agency. There is limited room to work with the SAM budget—the numbers are what they are. He stated that on the next meeting, May 21st, the SAM budget as well as the MWSD budget will be on the agenda and everyone will have opportunity to make comments.

Director Harvey commented that he agreed with Director Dekker to wait for the April numbers before going through each line item.

General Manager Heldmaier said that they will try to plug in the April numbers and present the revised budget at the next Board meeting.

District Accountant Peter Medina said that with the April numbers it will be 10 of 12 months. He encouraged people to bring items to their attention that they feel can be cut, and they can discuss why they have made a certain stance on certain items. Squeezing on Operations has always been tough on a year by year basis when it comes to operational expenses, and there isn't much wiggle room. They have gone through every line item multiple times. He was happy to talk about anything that is thought to be unnecessary. Gregg brings up a good point, 5 or 10 years down the road, what does that look like? It is not a matter of cost savings in 2020-2021, it is increased revenue for the next 10 fiscal years. How is MWSD going to do that? By cutting conferences next year, how will they get anywhere near that? That is far from what is necessary for the millions of dollars to keep the District in operation.

General Manager Heldmaier reiterated that if MWSD does not implement the Water Reliability charge, they risk all capital investment. They can continue to cut, but they have been cutting the Capital improvements for a number of years. What is really at risk is "Can we put infrastructure improvements in?" Some of these capital improvement projects are essential to the health and safety of the community as well as compliance. This is all a capital question.

Director Dekker reminded everyone that when they looked at the Water Reliability Charge, what was really needed for capital needs was two million dollars and the Board authorized one million dollars.

Gregg Dieguez, Montara resident, interjected that if you do not project out and show the public what the reserves are going to look like, they are not going to appreciate the problem.

General Manager Heldmaier said they understand what the situation is for their customers. They asked for two million dollars and the Board said it was unrealistic and said to start with one million dollars. The idea of a long-term project is good, but as soon as they are done with the long-term projection, they have to start with a new projection because the circumstances change constantly and dramatically. While they take a long-term outlook, the plan for this Board is to look at the Water Reliability charge and the water rates two years from now. What they are doing here is a step in the right direction, but it is not designed to resolve all infrastructure problems at MWSD.

Gregg Dieguez, Montara resident, said he sent them an email with some issues, and would like to discuss them. Peter Dekker agreed to talk to him at a later date.

Director Harvey asked what the next step was.

General Manager said that they will bring the revised budget to the Board with the April numbers. The Board can decide if they would like to go through each line item or refer it back to the Finance Committee. Then they can go through the line items then. He thanked everyone for their input and the meeting was adjourned.

ADJOURNMENT

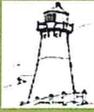
SPECIAL MEETING ENDED at 3:40 P.M.

Respectfully Submitted,

Signed _____
Secretary

Approved on the 4, June 2020

Signed _____
President



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2020-2021

Cash flow summary

Operating cash flow

Operating income		FY 2019-2020		FY 2020-2021	Variance (%)		Variance (\$)
Sewer Service Charges	\$	3,006,212	\$	3,242,487	7.86%	\$	236,275
Cell Tower Lease	\$	37,000	\$	37,500	1.35%	\$	500
Fees & Other	\$	21,100	\$	13,100	-37.91%	\$	(8,000)
Property Tax	\$	275,000	\$	275,000	0.00%	\$	-
Waste Collection Revenues	\$	23,000	\$	24,000	4.35%	\$	1,000
Total operating income	\$	3,362,312	\$	3,592,087			
Operating expenses							
Personnel	\$	(350,129)	\$	(363,409)	3.79%	\$	13,280
Professional Services	\$	(500,200)	\$	(289,700)	-42.08%	\$	(210,500)
Facilities & Administration	\$	(56,950)	\$	(57,000)	0.09%	\$	50
Engineering	\$	(62,000)	\$	(60,000)	-3.23%	\$	(2,000)
Pumping	\$	(45,000)	\$	(45,000)	0.00%	\$	-
Sewer Authority Mid-Coastside	\$	(1,960,688)	\$	(1,948,790)	-0.61%	\$	(11,898)
All other Accounts	\$	(69,860)	\$	(75,610)	8.23%	\$	5,750
Total operating expenses	\$	(3,044,827)	\$	(2,839,509)			
Net Cash Flow Provided by Operations	\$	317,485	\$	752,578			

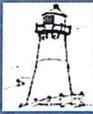
Investment cash flow

Investment income							
Interest Revenue	\$	50,000	\$	60,000	20.00%	\$	10,000
Total investment income	\$	50,000	\$	60,000			
Investment expenses							
Capital Improvement Program	\$	(1,486,085)	\$	(1,985,272)	33.59%	\$	499,187
Total investment expenses	\$	(1,486,085)	\$	(1,985,272)			
Net Cash Flow Used by Investments	\$	(1,436,085)	\$	(1,925,272)			

Financing cash flow

Financing income							
Connection Fees	\$	200,000	\$	150,000	-25.00%	\$	(50,000)
Total financing income	\$	200,000	\$	150,000			
Financing expenses							
Loan Interest Expense	\$	(37,803)	\$	(35,116)	-7.11%	\$	(2,688)
Loan Principal Payment	\$	(87,133)	\$	(93,512)	7.32%	\$	6,379
Total financing expenses	\$	(124,936)	\$	(128,627)			
Net Cash Flow Provided by Financing Activities	\$	75,064	\$	21,373			
Overall projected cash flow	\$	(1,043,536)	\$	(1,151,321)			
Transfer from Sewer Reserves	\$	1,043,536	\$	1,151,321			*
Net cash flow	\$	-	\$	-			

* Please see discussion of Sewer reserve funds on page 23. In addition, please review the Sewer CIP project summary list on page 17.



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2020-2021

Cash flow summary

Operating cash flow

Operating income		FY 2019-2020		FY 2020-2021	Variance (%)	Variance (\$)
Water Sales	\$	1,944,000	\$	1,897,000	-2.42%	\$ (47,000)
Cell Tower Lease	\$	37,000	\$	37,500	1.35%	\$ 500
Fees & Other	\$	14,000	\$	15,000	7.14%	\$ 1,000
Property Tax	\$	275,000	\$	275,000	0.00%	-
Backflow Testing & Other	\$	18,000	\$	18,000	0.00%	-
Total operating income	\$	2,288,000	\$	2,242,500		
Operating expenses						
Personnel	\$	(886,161)	\$	(947,044)	6.87%	\$ 60,882
Professional Services	\$	(377,500)	\$	(226,500)	-40.00%	\$ (151,000)
Facilities & Administration	\$	(114,300)	\$	(71,000)	-37.88%	\$ (43,300)
Engineering	\$	(380,500)	\$	(220,000)	-42.18%	\$ (160,500)
Pumping	\$	(105,700)	\$	(110,700)	4.73%	\$ 5,000
Supply	\$	(47,500)	\$	(37,500)	-21.05%	\$ (10,000)
Collection/Transmission	\$	(82,500)	\$	(80,500)	-2.42%	\$ (2,000)
Treatment	\$	(85,000)	\$	(85,000)	0.00%	-
All Other Accounts	\$	(127,350)	\$	(139,300)	9.38%	\$ 11,950
Total operating expenses	\$	(2,206,511)	\$	(1,917,544)		
Net Cash Flow Provided by Operations	\$	81,489	\$	324,956		

Investment cash flow

Investment income						
GO Bonds, Assessment Receipts	\$	1,150,436	\$	1,150,436	0.00%	-
Water System Reliability Charge	\$		\$	1,000,000		
Total investment income	\$	1,150,436	\$	2,150,436		
Investment expenses						
Capital Improvement Program	\$	(549,500)	\$	(1,108,750)	101.77%	\$ 559,250
Total investment expenses	\$	(549,500)	\$	(1,108,750)		
Net Cash Flow Used by Investments	\$	600,936	\$	1,041,686		

Financing cash flow

Financing income						
Connection Fees	\$	280,000	\$	150,000	-46.43%	\$ (130,000)
Total financing income	\$	280,000	\$	150,000		
Financing expenses						
Long Term Debt - Interest Expense	\$	(318,633)	\$	(292,561)	-8.18%	\$ (26,072)
Long Term Debt - Principal Payment	\$	(1,189,448)	\$	(1,175,875)	-1.14%	\$ (13,573)
Total financing expenses	\$	(1,508,081)	\$	(1,468,436)		
Net Cash Flow Provided by Financing Activities	\$	(1,228,081)	\$	(1,318,436)		
Overall projected cash flow	\$	(545,656)	\$	48,206		
Transfer to Water Reserves	\$	(545,656)	\$	48,206	*	
Net cash flow	\$	-	\$	-		

* Please see discussion of Water reserve funds on page 22.



MWSD — Fiscal Year 2020-21 Operations Budget - SEWER ENTERPRISE

Operating Revenue	2017-18		2018-19		2019-20		2020-21		Projected as of Budget		Increase/(Decrease) from 2019-20		Increase/(decrease) %
	Actual	Actual	Actual	Budget 2019-	Income/Expenditures as of March 31, 2020	% To date	Projected	% of Budget	amounts 2020-21	\$	%		
Operating Revenue	35,632	36,752	37,000	37,000	28,379	76.70%	37,839	102.27%	37,500	500	1.35%		
Cell Tower Lease:	4410	4,040	3,647	3,600	3,794	105.39%	3,609	140.52%	3,600	0	0.00%		
Administrative Fees (New Construction):	4420	0	0	2,000	542	27.10%	723	36.13%	1,000	(1,000)	-50.00%		
Administrative Fees (Remodel):	4430	3,339	3,448	3,500	3,584	102.40%	4,779	136.53%	3,500	0	0.00%		
Inspection Fees (New Construction):	4440	0	0	4,000	512	12.80%	683	17.07%	1,000	(3,000)	-75.00%		
Inspection Fees (Remodel):	4450	1,500	0	0	0	0.00%	0	0.00%	0	0	#DIV/0!		
Mainline Extension Fees:	4460	10,278	5,276	8,000	2,239	27.99%	2,985	37.32%	4,000	(4,000)	-50.00%		
Remodel Fees:	4510	0	0	0	112	100.00%	149	100.00%	0	0	#DIV/0!		
Grants:	4610	0	0	0	0	0.00%	0	0.00%	0	0	0.00%		
Property Tax Receipts:	4610	367,805	404,079	275,000	290,129	105.50%	410,000	149.09%	275,000	0	0.00%		
Sewer Service Charges:	4710	2,053,963	2,610,244	3,010,212	1,728,243	57.41%	3,010,212	100.00%	3,246,487	236,275	7.85%		
Sewer Service Refunds, Customer:	4720	(2,343)	496	(4,000)	(6,245)	156.12%	(8,326)	208.16%	(4,000)	0	0.00%		
Waste Collection Revenues:	4760	21,677	23,172	23,000	17,302	75.23%	23,069	100.30%	24,000	1,000	4.35%		
Other Revenue:	4990	3,378	2,825	1,991	1,991	100.00%	2,655	100.00%	0	0	0.00%		
Total Operating Revenue:	2,499,269	3,090,039	3,362,312	3,362,312	2,070,582	61.58%	3,489,826	103.79%	3,592,087	229,775	6.83%		
Operating Expenses													
Bank Fees:	5190	6,654	6,875	7,500	4,319	57.59%	5,759	76.78%	6,750	(750)	-10.00%		
Board Meetings:	5210	1,836	3,928	3,000	2,610	87.00%	3,480	116.00%	3,000	0	0.00%		
Director Fees:	5220	3,900	2,288	4,000	3,075	76.88%	4,100	102.50%	4,000	0	0.00%		
Election Expenses:	5230	0	4,265	5,000	0	0.00%	0	0.00%	5,000	0	0.00%		
Conference Attendance:	5250	3,131	2,467	5,000	238	4.76%	317	6.35%	5,000	0	0.00%		
Information Systems:	5270	1,224	1,725	4,000	15,396	384.90%	20,528	513.20%	4,000	0	0.00%		
Fidelity Bond:	5310	0	438	500	0	0.00%	0	0.00%	500	0	0.00%		
Property & Liability Insurance:	5320	2,161	7,737	2,000	0	0.00%	0	0.00%	8,000	6,000	300.00%		
LAFCO Assessment:	5350	1,601	1,794	2,000	1,766	88.30%	2,355	117.73%	2,500	500	25.00%		
Meeting Attendance, Legal:	5420	6,951	14	0	0	0.00%	0	0.00%	0	0	#DIV/0!		
General Legal:	5430	209,412	183,515	412,500	92,523	22.43%	123,364	29.91%	200,000	200,000	100.00%		
Maintenance, Office:	5510	4,020	7,230	8,000	3,358	41.73%	4,451	55.63%	8,000	0	0.00%		
Meetings, Local:	5520	0	0	0	0	0.00%	0	0.00%	0	0	0.00%		
Memberships:	5530	0	0	0	0	0.00%	0	0.00%	0	0	0.00%		
Office Supplies:	5540	6,243	5,681	8,000	4,231	52.89%	5,641	70.52%	6,000	(2,000)	-25.00%		
Postages:	5550	277	2,043	2,650	544	20.53%	725	27.37%	2,000	(650)	-24.53%		
Printing & Publishing:	5560	2,909	2,490	5,000	620	12.40%	827	16.53%	5,000	0	0.00%		
Accounting:	5610	31,276	26,503	30,000	27,225	90.75%	36,300	121.00%	32,000	2,000	6.67%		
Audit:	5620	18,000	13,000	13,000	8,150	62.69%	10,867	83.59%	13,000	0	0.00%		
Consulting:	5630	35,859	25,261	35,000	34,532	98.66%	46,043	131.55%	35,000	0	0.00%		
Data Services:	5640	5,851	6,079	6,200	0	0.00%	0	0.00%	6,200	0	0.00%		
Labor & HR Support:	5650	2,484	2,442	2,500	2,135	85.40%	2,847	113.87%	2,500	0	0.00%		
Payroll Services:	5660	940	949	1,000	750	75.00%	1,000	100.00%	1,000	0	0.00%		
Other Professional Services:	5690	0	0	0	3,350	100.00%	4,467	100.00%	0	0	0.00%		
San Mateo County Tax Roll Charges:	5710	18,961	25,300	24,000	23,653	98.55%	31,537	131.41%	20,000	0	0.00%		
Telephone & Internet:	5720	564	1,570	1,500	327	21.83%	437	29.11%	1,500	(4,000)	-16.67%		
Mileage Reimbursement:	5730	0	87	200	0	0.00%	0	0.00%	200	0	0.00%		
Reference Materials:	5740	0	0	0	0	0.00%	0	0.00%	0	0	0.00%		
Other Administrative:	5790	448	448	0	(7)	100.00%	(9)	100.00%	0	0	0.00%		
CalPERS 457 Deferred Plan:	5810	18,386	18,955	17,002	16,010	94.17%	21,347	125.56%	17,585	584	3.43%		
Employee Benefits:	5820	39,107	52,115	48,307	31,522	65.25%	42,029	87.01%	49,096	789	1.63%		
Disability Insurance:	5830	1,360	1,360	1,401	1,275	91.00%	1,700	121.33%	1,884	483	34.47%		
Payroll Taxes:	5840	16,063	15,610	18,980	11,656	62.73%	15,541	83.64%	19,218	638	3.43%		
Worker's Compensation Insurance:	5960	4,082	2,622	5,473	1,402	25.62%	1,869	34.16%	3,712	(1,761)	-32.18%		
Management:	5910	114,908	112,113	111,733	87,009	77.87%	116,012	103.83%	116,211	4,479	4.01%		
Staff:	5920	127,015	125,760	126,526	100,792	79.66%	134,389	106.22%	135,005	8,479	6.70%		
Staff Certification:	5930	1,800	1,800	1,800	1,625	90.28%	2,167	120.37%	1,800	0	0.00%		
Staff Overtime:	5940	918	1,435	2,821	1,539	54.56%	2,052	72.74%	1,760	(1,061)	-37.60%		
Staff Standby:	5950	32	0	0	0	0.00%	0	0.00%	0	0	0.00%		
PARS:	5850	16,909	19,459	16,487	12,642	76.68%	16,856	102.24%	17,138	650	3.94%		
Claims, Property Damage:	6170	12,811	20,514	20,000	0	0.00%	0	0.00%	20,000	0	0.00%		
Education & Training:	6195	787	559	1,000	0	0.00%	0	0.00%	1,000	0	0.00%		
Meeting Attendance, Engineering:	6210	0	0	2,000	0	0.00%	0	0.00%	0	(2,000)	-100.00%		

MWSD — Fiscal Year 2020-21 Operations Budget - SEWER ENTERPRISE

	2017-18 Actual	2018-19 Actual	Approved Budget 2019-	Income/Expenditures as of March 31, 2020	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2020-21	Increase/(Decrease) from 2019-2020 \$	Increase/(decrease) %
Operating Revenue										
General Engineering:	68,682	33,584	60,000	25,334	42.22%	33,779	56.30%	60,000	0	0.00%
Equipment & Tools, Expensed:	0	0	1,000	0	0.00%	0	0.00%	1,000	0	0.00%
Alarm Services:	5,146	5,028	5,700	4,457	78.19%	5,943	104.26%	10,000	4,300	75.44%
Landscaping:	2,280	2,588	3,600	2,468	68.56%	3,291	91.41%	6,000	2,400	66.67%
Pumping Fuel & Electricity:	39,312	44,881	45,000	31,117	69.15%	41,489	92.20%	45,000	0	0.00%
Uniforms:	0	0	0	126	100.00%	168	100.00%	0	0	#DIV/0!
Maintenance, Collection System:	6660	550	10,000	0	0.00%	0	0.00%	10,000	0	0.00%
Fuel:	6810	1,021	1,000	801	80.10%	1,068	106.80%	1,000	0	0.00%
Truck Equipment, Expensed:	6820	27	160	439	274.38%	585	365.83%	160	0	0.00%
Truck Repairs:	780	423	1,000	622	62.20%	829	82.93%	1,000	0	0.00%
Total Other Operations:	0	0	0	0	0.00%	0	0.00%	0	0	0.00%
SAM Collections:	232,841	329,965	341,549	256,162	75.00%	341,549	100.00%	254,153	(87,396)	-25.59%
SAM Operations:	1,625,331	1,316,715	1,529,139	1,146,855	75.00%	1,529,140	100.00%	1,584,637	55,498	3.63%
Depreciation:	555,756	408,078	0	0	0.00%	0	0.00%	0	0	0.00%
SAM Maintenance, Collection System:	0	0	40,000	0	0.00%	0	0.00%	40,000	0	0.00%
SAM Maintenance, Pumping:	0	82,999	50,000	83,260	166.52%	111,013	222.03%	70,000	20,000	40.00%
Total Operations Expense:	3,249,479	2,932,411	3,044,827	2,046,007	67.20%	2,728,010	89.60%	2,839,509	(205,318)	-6.74%
Net Change in position from Operations:	(750,211)	157,629	317,485	24,575	7.74%	761,816	239.95%	752,578	435,093	137.04%

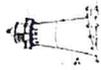
MWSD — Fiscal Year 2020-21 Non-Operating Budget - SEWER ENTERPRISE

GL Codes	2017-18 Actual	2018-19 Actual	Approved Budget 2019-20	Income/Expenditures as of March 31, 2020	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2020-21	Increase/(Decrease) from 2019-2020 \$	Increase/(decrease) %
Non Operating Revenue										
Connection Fees, Residential New Const:	221,658	246,161	150,000	87,483	58.32%	116,644	77.76%	100,000	(50,000)	-33.33%
Connection Fees, Residential Remodel:	7,605	66,218	50,000	47,359	94.72%	63,145	126.29%	50,000	0	0.00%
LAIF, Interest:	41,070	99,073	50,000	82,214	164.43%	109,619	219.24%	60,000	10,000	20.00%
Total Non Operating Revenue:	270,333	411,451	250,000	217,056	86.82%	289,408	115.76%	210,000	(40,000)	-16.00%
Non Operating Expense										
PNC Equipment Lease:	18,222	17,492	15,221	12,802	84.11%	15,221	100.00%	13,461	(1,760)	-11.57%
Capital Assessment, SAM:	121,345	0	0	0	0.00%	0	0.00%	0	0	#DIV/0!
I-Bank Loan:	23,996	22,382	22,582	11,063	48.99%	22,582	100.00%	21,655	(927)	-4.11%
Total Non Operating Expense:	163,563	39,874	37,803	23,865	63.13%	28,638	75.76%	35,116	(2,687)	-7.11%
Net Change in position from Non Operating	106,770	371,577	212,197	193,191		260,770		174,884	(37,313)	

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MWSD — Fiscal Year 2020-21 Operations Budget - WATER ENTERPRISE

GL Codes	2017-18		2018-19		Approved Budget, Income/Expenditures		% To date		Projected	Projected as % of Budget	Proposed Budgeted		Increase/(Decrease) from 2019-2020 \$	Increase/(Decrease) %
	Actual	Actual	Actual	as of March 31, 2020	2019-20	2020-21	2019-20	2020-21			amounts 2020-21	amounts 2020-21		
Operating Revenue														
Cell Tower Lease:	4220	35,632	36,752	37,000	28,379	76.70%	37,839	102.27%	37,500	102.27%	500	1.35%		
Administrative Fees (New Construction):	4410	4,545	3,126	5,000	4,336	86.72%	5,781	115.63%	5,000	115.63%	0	0.00%		
Administrative Fees (Remodel):	4420	1,679	0	0	542	100.00%	723	100.00%	0	100.00%	0	#DIV/0!		
Inspection Fees (New Construction):	4430	4,293	2,956	4,000	4,096	102.40%	5,461	136.53%	4,000	136.53%	0	0.00%		
Inspection Fees (Remodel):	4440	1,908	0	0	1,024	100.00%	1,365	100.00%	1,000	100.00%	1,000	#DIV/0!		
Mainline Extension Fees:	4450	0	3,119	3,000	4,400	146.67%	5,867	195.56%	3,000	195.56%	0	0.00%		
Remodel Fees:	4460	4,425	5,561	2,000	2,682	134.12%	3,577	178.83%	2,000	178.83%	0	0.00%		
Property Tax Receipts:	4610	367,805	404,079	275,000	290,129	105.50%	386,839	140.67%	275,000	140.67%	0	0.00%		
Testing, Backflow:	4740	17,858	18,420	18,000	18,264	101.47%	24,352	135.29%	18,000	135.29%	0	0.00%		
Water Sales:	4810	1,922,677	1,892,091	1,947,000	1,460,645	75.02%	1,947,527	100.03%	1,900,000	100.03%	(47,000)	-2.41%		
Water Sales Refunds, Customer:	4850	(1,488)	(4,670)	(3,000)	(2,258)	75.28%	(3,011)	100.37%	(3,000)	100.37%	0	0.00%		
Other Revenue:	4990	1,180	3,936	2,288,000	56,508	100.00%	75,344	108.90%	2,242,500	108.90%	(45,500)	-1.99%		
Total Operating Revenue:		2,360,513	2,365,369	2,288,000	1,868,747	81.68%	2,491,663							
Operating Expenses														
Bank Fees:	5190	1,618	3,495	3,750	834	22.24%	1,112	29.65%	1,500	29.65%	(2,250)	-60.00%		
Board Meetings:	5210	1,836	3,928	4,000	2,610	65.25%	3,480	87.00%	3,000	87.00%	(1,000)	-25.00%		
Director Fees:	5220	3,900	2,288	3,300	3,075	93.18%	4,100	124.24%	4,000	124.24%	700	21.21%		
Election Expenses:	5230	0	4,265	0	0	0.00%	0	0.00%	5,000	0.00%	(5,000)	#DIV/0!		
CDPH Fees:	5240	10,832	10,530	15,750	9,156	58.14%	9,156	58.13%	11,000	58.13%	(1,750)	-30.16%		
Conference Attendance:	5250	5,697	2,467	6,000	1,146	19.10%	1,528	25.47%	6,000	25.47%	0	0.00%		
Information Systems:	5270	9,488	10,185	3,000	9,123	304.10%	12,164	405.47%	5,000	405.47%	2,000	66.67%		
Fidelity Bond:	5310	0	438	500	0	0.00%	0	0.00%	500	0.00%	0	0.00%		
Property & Liability Insurance:	5320	0	2,215	2,500	1,173	46.92%	1,564	62.56%	5,000	62.56%	2,500	100.00%		
LAFCO Assessment:	5350	2,208	2,520	2,750	2,465	89.64%	2,465	89.64%	2,500	89.64%	(250)	-9.09%		
Meeting Attendance, Legal:	5420	3,211	14	0	0	0.00%	0	0.00%	0	0.00%	0	#DIV/0!		
General Legal:	5430	24,643	24,250	231,000	80,466	34.83%	107,288	46.45%	100,000	46.45%	(131,000)	-56.71%		
Maintenance, Office:	5510	5,561	11,015	8,000	5,137	64.21%	6,849	85.62%	8,000	85.62%	0	0.00%		
Meetings, Local:	5520	0	41	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%		
Memberships:	5530	20,298	22,236	24,000	26,275	109.48%	26,275	109.48%	27,000	109.48%	3,000	12.50%		
Office Supplies:	5540	8,452	7,244	8,000	4,231	52.89%	5,641	70.52%	6,000	70.52%	(2,000)	-25.00%		
Postage:	5550	6,379	9,318	9,000	7,170	79.67%	9,560	106.22%	4,000	106.22%	(5,000)	-55.56%		
Printing & Publishing:	5560	1,739	3,213	3,000	1,965	49.13%	1,965	65.51%	7,000	65.51%	4,000	133.33%		
Accounting:	5610	31,276	26,503	30,000	27,225	90.75%	36,300	121.00%	32,000	121.00%	2,000	6.67%		
Audit:	5620	18,000	13,000	13,000	8,150	62.69%	10,867	83.59%	13,000	83.59%	0	0.00%		
Consulting:	5630	19,678	28,471	100,000	40,926	40.93%	54,568	54.57%	75,000	54.57%	(25,000)	-25.00%		
Data Services:	5640	0	0	0	0	0.00%	0	0.00%	3,000	0.00%	3,000	0.00%		
Labor & HR Support:	5650	2,484	2,442	2,500	2,135	85.40%	2,847	113.87%	2,500	113.87%	0	0.00%		
Payroll Services:	5660	940	949	1,000	750	75.00%	1,000	100.00%	1,000	100.00%	0	0.00%		
Other Professional Services:	5690	0	480	0	2,750	100.00%	3,667	100.00%	3,000	100.00%	0	0.00%		
San Mateo County Tax Roll Charges:	5710	0	119	27,000	119	100.00%	159	100.00%	3,000	100.00%	3,000	0.00%		
Telephone & Internet:	5720	22,460	31,642	2,000	27,239	100.89%	36,319	134.51%	20,000	134.51%	(7,000)	-25.93%		
Mileage Reimbursement:	5730	564	2,188	2,000	623	31.13%	830	41.51%	2,000	41.51%	0	0.00%		
Reference Materials:	5740	0	0	800	0	0.00%	0	0.00%	800	0.00%	0	0.00%		
Other Administrative:	5790	615	791	0	5,265	100.00%	7,020	100.00%	1,000	100.00%	1,000	0.00%		
CalPERS 457 Deferred Plan:	5810	37,021	38,266	43,235	32,065	74.16%	42,753	98.89%	45,344	98.89%	2,109	4.88%		
Employee Benefits:	5820	74,878	84,851	88,110	51,078	57.97%	68,104	77.29%	107,614	77.29%	19,504	22.14%		
Disability Insurance:	5830	3,366	3,366	3,467	2,565	73.98%	3,420	98.64%	4,794	98.64%	1,326	38.26%		
Payroll Taxes:	5840	39,499	39,124	49,062	31,344	63.89%	41,792	85.18%	51,706	85.18%	2,644	5.39%		
Worker's Compensation Insurance:	5960	19,208	12,579	23,324	6,954	29.82%	9,272	39.75%	22,663	39.75%	(661)	-2.83%		
Management:	5910	114,908	112,113	111,733	87,009	77.87%	116,012	103.83%	116,211	103.83%	4,479	4.01%		
Staff:	5920	360,388	356,877	446,840	296,944	66.45%	395,925	88.61%	469,638	88.61%	22,799	5.10%		
Staff Certification:	5930	10,042	9,275	11,400	8,283	72.66%	11,044	96.88%	11,400	96.88%	0	0.00%		
Staff Overtime:	5940	42,425	45,516	48,105	37,110	77.14%	49,480	102.86%	55,385	102.86%	7,280	15.13%		
Staff Standby:	5950	25,125	24,705	23,249	19,211	82.63%	25,615	110.17%	23,257	110.17%	7	0.03%		
PAIRS:	5850	31,691	37,916	37,636	24,880	66.11%	33,173	88.14%	39,033	88.14%	1,396	3.71%		
Backflow Prevention:	6160	473	764	1,000	326	32.60%	435	43.47%	1,000	43.47%	0	0.00%		



MWSD — Fiscal Year 2020-21 Operations Budget - WATER ENTERPRISE

Operating Revenue	2017-18		2018-19		2019-20		2020-21		Projected as % of Budget	Increase/(Decrease) from 2019-2020 \$	Increase/(Decrease) %
	Actual	GL Codes	Actual	Income/Expenditures as of March 31, 2020	% To date	Projected	Projected amounts 2020-21				
Claims, Property Damage:	0	6170	22	10,000	6.95%	927	10,000	9.27%	0	0.00%	
SCADA Maintenance:	9,802	6185	12,061	13,000	1.26%	218	13,000	1.68%	0	0.00%	
Education & Training:	9,911	6195	5,098	9,000	36.63%	4,396	9,000	48.84%	0	0.00%	
Meeting Attendance, Engineering:	16	6210	0	500	0.00%	0	0	0.00%	(500)	-100.00%	
General Engineering:	8,503	6220	1,467	30,000	71.87%	28,749	20,000	95.83%	(10,000)	-33.33%	
Water Quality Engineering:	178,764	6230	420,284	350,000	118.11%	157,487	200,000	45.00%	(150,000)	-42.86%	
Equipment & Tools, Expensed:	7,441	6320	11,867	8,000	198.08%	21,128	12,000	264.10%	4,000	50.00%	
Alarm Services:	671	6335	718	800	67.38%	719	5,000	89.83%	4,200	525.00%	
Landscaping:	5,947	6337	5,811	56,000	9.16%	6,837	15,000	12.21%	(41,000)	-73.21%	
Lab Supplies & Equipment:	3,698	6370	2,251	2,500	287.84%	9,595	4,000	383.79%	1,500	60.00%	
Meter Reading:	21	6380	0	10	100.00%	13	0	100.00%	0	0.00%	
Pumping Fuel & Electricity:	68,177	6410	77,011	90,000	57.06%	76,083	90,000	84.54%	0	0.00%	
Pumping Maintenance, Generators:	7,777	6420	21,339	10,000	209.08%	27,877	15,000	278.77%	5,000	50.00%	
Pumping Maintenance, General:	4,137	6430	3,448	5,000	17	23	5,000	0.46%	0	0.00%	
Pumping Equipment, Expensed:	210	6440	478	700	1223.16%	11,416	700	1630.88%	0	0.00%	
Maintenance, Raw Water Mains:	1,474	6510	1,857	2,500	1.10%	37	2,500	1.47%	0	0.00%	
Maintenance, Wells:	16,851	6520	8,635	5,000	10.63%	14,181	5,000	283.63%	0	0.00%	
Water Purchases:	25,508	6530	26,826	40,000	21.58%	28,780	30,000	71.95%	(10,000)	-25.00%	
Hydrants:	375	6610	0	1,000	6.48%	8,641	1,000	864.13%	0	0.00%	
Maintenance, Water Mains:	39,633	6620	46,952	50,000	32.35%	43,133	50,000	86.27%	0	0.00%	
Maintenance, Water Service Lines:	12,389	6630	3,506	20,000	17.60%	4,692	15,000	23.46%	(5,000)	-25.00%	
Maintenance, Tanks:	741	6640	1,593	1,000	414.60%	5,528	4,000	552.80%	3,000	300.00%	
Maintenance, Distribution General:	273	6650	7,341	8,000	10.82%	14,439	8,000	180.48%	0	0.00%	
Maintenance, Collection System:	33	6660	414	0	0.00%	0	0	0.00%	0	0.00%	
Meters:	2,373	6670	8,177	2,500	250.14%	8,338	2,500	333.52%	0	0.00%	
Chemicals & Filtering:	18,681	6710	20,233	20,000	38.88%	51,985	20,000	259.93%	0	0.00%	
Maintenance, Treatment Equipment:	10,508	6720	28,456	20,000	12.61%	16,815	20,000	84.08%	0	0.00%	
Treatment Analysis:	35,504	6730	45,055	45,000	16.66%	22,213	45,000	49.36%	0	0.00%	
Uniforms:	11,166	6770	11,459	2,000	3.48%	4,644	2,000	232.20%	0	0.00%	
Fuel:	5,598	6810	6,541	10,000	4.53%	6,051	10,000	60.51%	0	0.00%	
Truck Equipment, Expensed:	12	6820	309	1,000	2.48%	3,317	2,000	331.73%	1,000	100.00%	
Truck Repairs:	4,422	6830	2,411	5,000	70.48%	4,699	5,000	93.97%	0	0.00%	
Other Operations:	238	6890	0	0	0.00%	0	0	0.00%	0	0.00%	
Total Operations Expense:	1,451,758		1,773,218	2,206,511	59.12%	1,726,711	1,917,544	78.26%	(291,968)	-13.23%	
Net Change in position from Operations:	908,754		592,152	81,489	692.41%	764,952	324,956	938.72%	246,468	302.46%	



MWSD — Fiscal Year 2020-2021 Non-Operating Budget - WATER ENTERPRISE

GL Codes	2017-18 Actual	2018-19 Actual	Approved Budget 2019-20	Income/Expenditures as of March 31, 2020	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2020-21	Increase/(Decrease) from 2019-20 \$	Increase/(decrease) %
Non Operating Revenue										
Connection Fees, Residential New Const:	145,168	151,098	150,000	100,608	67.07%	134,144	89.43%	100,000	(50,000)	-33.33%
Connection Fees, Residential Remodel:	7120				0.00%	0	0.00%	0	0	#DIV/0!
Connection Fees, Residential Fire:	118,691	164,056	130,000	57,430	44.18%	76,573	58.90%	50,000	(80,000)	-61.54%
Connection Fees, Residential Remodel Fire:	7140	12,893			0.00%	0	0.00%	0	0	
Connection Fees, Well Conversion:	7150	7,800			0.00%	0	0.00%	0	0	
General Obligation Bonds, Assessment Receipts:	7600	1,226,216	1,150,436	658,609	57.25%	1,150,436	100.00%	1,150,436	0	0.00%
Water System Reliability:								1,000,000	1,000,000	#DIV/0!
Total Non Operating Revenue:	1,510,768	1,500,125	1,430,436	816,647	57.09%	1,361,153	95.16%	1,300,436	(130,000)	-9.09%
Non Operating Expense										
General Obligation Bonds:	265,164	242,762	230,539	230,539	100.00%	230,539	100.00%	208,611	(21,928)	-9.51%
PNC Equipment Lease:	18,222	17,492	15,221	12,802	84.11%	15,221	100.00%	13,461	(1,760)	-11.57%
State Revolving Fund Loan:	83,943	78,501	72,873	163,905	224.92%	163,905	224.92%	70,489	(2,384)	-3.27%
Water Rebates :	1,400	1,500	3,000	1,350	45.00%	2,025	67.50%	3,000	0	0.00%
Total Non Operating Expense:	368,729	383,970	321,633	408,596	127.04%	411,690	128.00%	295,561	(26,072)	-8.11%
Net Change in position from Non Operating activities:	1,142,039	1,116,155	1,108,803	408,051		949,463		1,004,875	(103,228)	-9.37%

SALARY RANGE
MONTARA WATER AND SANITARY DISTRICT
July 1, 2020

Position	Salary Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Operations Manager	\$154,173 \$123,451 \$59,35	\$123,451 \$59,35	\$126,537 \$60,84	\$129,701 \$62,36	\$132,943 \$63,91	\$136,267 \$65,51	\$139,673 \$67,15	\$143,165 \$68,83	\$146,744 \$70,55	\$150,413 \$72,31	\$154,173 \$74,12
Superintendent	\$144,487 \$115,695	\$115,695 \$55,62	\$118,587 \$57,01	\$121,552 \$58,44	\$124,591 \$59,90	\$127,706 \$61,40	\$130,898 \$62,93	\$134,171 \$64,51	\$137,525 \$66,12	\$140,963 \$67,77	\$144,487 \$69,47
Water System Operator	\$88,123 \$70,563	\$70,563 \$33,92	\$72,327 \$34,77	\$74,135 \$35,64	\$75,988 \$36,53	\$77,888 \$37,45	\$79,835 \$38,38	\$81,831 \$39,34	\$83,877 \$40,33	\$85,974 \$41,33	\$88,123 \$42,37
Maintenance Worker I	\$76,512 \$61,265	\$61,265 \$29,45	\$62,797 \$30,19	\$64,367 \$30,95	\$65,976 \$31,72	\$67,625 \$32,51	\$69,316 \$33,32	\$71,049 \$34,16	\$72,825 \$35,01	\$74,645 \$35,89	\$76,512 \$36,78
Account Specialist	\$73,152 \$58,575	\$58,575 \$28,16	\$60,040 \$28,87	\$61,541 \$29,59	\$63,079 \$30,33	\$64,656 \$31,08	\$66,272 \$31,86	\$67,929 \$32,66	\$69,627 \$33,47	\$71,368 \$34,31	\$73,152 \$35,17
District Clerk	\$73,152 \$58,575	\$58,575 \$28,16	\$60,040 \$28,87	\$61,541 \$29,59	\$63,079 \$30,33	\$64,656 \$31,08	\$66,272 \$31,86	\$67,929 \$32,66	\$69,627 \$33,47	\$71,368 \$34,31	\$73,152 \$35,17
2.5 % step increases											
	Increase	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19	1-Jul-20	Increase	1-Jul-19	1-Jul-20	Increase	1-Jul-20
Operations Manager	2.70%	\$109,394	\$113,540	\$121,178	\$121,435	\$123,451	2.83%	4.01%	1.66%	1.0166	\$123,451
Superintendent	1.027	\$102,521	\$106,407	\$113,565	\$113,806	\$115,695	1.0283	1.0401	1.0166	1.0166	\$115,695
Water System Operator	1.027	\$62,528	\$64,898	\$69,264	\$69,410	\$70,563	1.0283	1.0401	1.0166	1.0166	\$70,563
Maintenance Worker	1.027	\$54,289	\$56,347	\$60,137	\$60,265	\$61,265	1.0283	1.0401	1.0166	1.0166	\$61,265
Account Specialist	1.027	\$51,905	\$53,873	\$57,497	\$57,619	\$58,575	1.0283	1.0401	1.0166	1.0166	\$58,575
District Clerk	1.027	\$51,905	\$53,873	\$57,497	\$57,619	\$58,575	1.0283	1.0401	1.0166	1.0166	\$58,575

Operator in Training \$19 per hour
Temporary Worker \$19 per hour

Payroll	Water	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Water
GM	\$ 116,211.37					\$ 116,211.37	\$ 13,971.25	\$ 859.96	\$ 1,162.11	\$ 8,134.80	\$ 8,041.83	\$ 1,685.06	\$ 7,205.10	\$ 157,271.48
Superintendent	\$ 69,903.96	\$ 1,020.83	\$ 739.37		\$ 1,800.00	\$ 73,464.16	\$ 7,182.09	\$ 543.63	\$ 2,020.26	\$ 5,142.49	\$ 4,837.35	\$ 1,065.23	\$ 4,554.78	\$ 98,810.00
Account Specialist	\$ 64,126.15					\$ 64,126.15	\$ 27,942.50	\$ 474.53	\$ 551.48	\$ 4,488.83	\$ 4,437.53	\$ 929.83	\$ 3,975.82	\$ 106,926.68
Water Operator	\$ 89,585.97	\$ 7,096.89	\$ 9,798.47	\$ 6,284.80	\$ 2,400.00	\$ 115,166.12	\$ 10,191.81	\$ 852.23	\$ 5,182.48	\$ 8,061.63	\$ 6,199.35	\$ 1,669.91	\$ 7,140.30	\$ 154,463.82
Water Operator	\$ 85,269.21	\$ 6,479.74	\$ 8,219.46	\$ 5,795.03	\$ 2,400.00	\$ 108,163.44	\$ 10,191.81	\$ 800.41	\$ 4,867.35	\$ 7,571.44	\$ 5,900.63	\$ 1,568.37	\$ 6,706.13	\$ 145,769.59
Water Operator	\$ 65,435.00	\$ 4,453.43	\$ 6,087.34	\$ 3,962.91	\$ 2,400.00	\$ 82,338.69	\$ 10,191.81	\$ 609.31	\$ 3,705.24	\$ 5,763.71	\$ 4,528.10	\$ 1,193.91	\$ 5,105.00	\$ 113,435.77
Water Operator	\$ 73,527.38	\$ 2,691.00	\$ 5,655.95	\$ 4,029.87	\$ 2,400.00	\$ 88,304.19	\$ 27,942.50	\$ 653.45	\$ 3,873.69	\$ 6,181.29	\$ 5,088.09	\$ 1,280.41	\$ 5,474.86	\$ 138,898.49
Temp. Operator	\$ 20,000.00	\$ 1,668.87	\$ 1,473.21	\$ 3,183.97		\$ 26,326.05			\$ 1,184.67				\$ 381.73	\$ 29,524.66
Part Time Admin	\$ 1,790.75					\$ 1,790.75			\$ 15.40				\$ 25.97	\$ 1,943.14
Totals	\$ 585,849.79	\$ 23,410.76	\$ 31,973.80	\$ 23,256.57	\$ 11,400.00	\$ 675,890.92	\$ 107,613.76	\$ 4,793.53	\$ 22,662.70	\$ 45,344.19	\$ 39,032.89	\$ 9,800.42	\$ 41,905.24	\$ 947,043.64
Payroll	Sewer	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Sewer
GM	\$ 116,211.37					\$ 116,211.37	\$ 13,971.25	\$ 871.59	\$ 1,162.11	\$ 8,134.80	\$ 8,041.83	\$ 1,685.06	\$ 7,205.10	\$ 157,283.11
Superintendent	\$ 69,903.96	\$ 1,020.83	\$ 739.37		\$ 1,800.00	\$ 73,464.16	\$ 7,182.09	\$ 550.98	\$ 2,020.26	\$ 5,142.49	\$ 4,837.35	\$ 1,065.23	\$ 4,554.78	\$ 98,817.34
District Clerk	\$ 61,540.53					\$ 61,540.53	\$ 27,942.50	\$ 461.65	\$ 529.25	\$ 4,307.84	\$ 4,288.60	\$ 892.34	\$ 3,815.51	\$ 103,748.12
Totals	\$ 247,655.85	\$ 1,020.83	\$ 739.37	\$ -	\$ 1,800.00	\$ 251,216.05	\$ 49,095.84	\$ 1,884.12	\$ 3,711.63	\$ 17,585.12	\$ 17,137.78	\$ 3,642.63	\$ 15,575.40	\$ 359,848.57

PROJECT	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
MWSD CAPITAL PROJECTS					
Mechanical System Repairs & Replacements	\$ 75,000	\$ 612,500	\$ 164,600	\$ 50,000	\$ 974,500
Inflow & Infiltration Testing / Televising	\$ 25,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000
Seal Cove Area Repair and Maint. Project	\$ 15,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000
Replace Pump Station Pumps	\$ 20,000	\$ 20,000	\$ 5,000	\$ 50,000	\$ 20,000
Replace Medium High Priority Sewer Mains	\$ 580,000	\$ 577,775	\$ 1,571,135	\$ 1,211,150	\$ 681,875
Spot Repairs Program	\$ 35,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Replace Distillery Pump Station	\$ 5,000	\$ 5,000	\$ 15,000	\$ 10,000	\$ 80,000
Cabrillo Hwy Express Sewer				\$515,300	
Pump Station Communication Upgrades	\$ 5,125	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
MWSD CAPITAL PROJECTS TOTAL:	\$ 760,125	\$ 1,277,775	\$ 1,828,235	1,893,950	1,813,875
Alternative Budget Items					
Express Sewer					
Cabrillo Hwy Phase 1B	\$ 1,225,147		\$ 526,975	\$500,000	\$668,250
Pump Station MCC and Coatings		\$ 715,500			
TOTAL ANNUAL COST	1,985,272	1,993,275	2,355,210	2,393,950	2,482,125

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 5/13/2020

MWSD
Five Year Capital Improvement Program
WATER SYSTEM

Existing Customer CIP - WATER						
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Distribution System Renewal and Replacement Program (1)	\$ 455,000	\$ 464,100	\$ 473,382	\$ 482,850	\$ 492,507	\$ 2,367,838
Water Conservation Program	\$ 8,750	\$ 9,013	\$ 9,018	\$ 9,288	\$ 9,567	\$ 45,636
Storage Tank Rehabilitation Program (2)		\$ 350,000	\$ 1,000,000			\$ 1,350,000
Emergency Generator Replacement Program	\$ 45,000	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709	\$ 234,182
Vehicle Replacement Fund		\$ 40,000	\$ 41,200	\$ 42,436		\$ 123,636
EXISTING CUSTOMER CIP TOTAL	\$ 508,750	\$ 909,013	\$ 1,570,418	\$ 582,328	\$ 550,783	\$ 4,121,292
New Customer CIP - WATER						
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Water Main Upgrade Program (1)	\$ 525,000	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 4,708,627
Existing Well Upgrade Program (3)		\$ 320,000	\$ 329,600	\$ 339,488		\$ 989,088
New and Upgraded PRV Stations' Program (4)		\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 1,045,907
Emergency Generator Upgrade Program	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,413	\$ 398,185
Portola Tank Telemetry Upgrade				\$ 250,000		\$ 250,000
Develop Additional Supply Reliability			\$ 100,000	\$ 350,000	\$ 1,000,000	\$ 1,450,000
NEW CUSTOMER CIP TOTAL	\$ 600,000	\$ 1,647,250	\$ 1,796,668	\$ 2,347,568	\$ 2,450,322	\$ 8,841,807
Total Annual Capital Cost	\$ 1,108,750	\$ 2,556,263	\$ 3,367,086	\$ 2,929,896	\$ 3,001,105	\$ 12,963,099
CAPITAL FUND BALANCE						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Capital Fund TOTAL:	\$ -					
Less CIP	\$ (1,108,750)	\$ (2,556,263)	\$ (3,367,086)	\$ (2,929,896)	\$ (3,001,105)	\$ (12,963,099)
Total	\$ (1,108,750)	\$ (2,556,263)	\$ (3,367,086)	\$ (2,929,896)	\$ (3,001,105)	\$ (12,963,099)
Notes:						
(1) These programs include a project to merge the Alta Vista and Portola Zones to improve system reliability and to provide service to new customers. Proposed split is 50/50. Additionally, in the following years of the CIP, these programs include a replacement of a failed main under and along Hwy 1						
(2) This project includes urgent repairs needed to the Portola Tank and is coupled with the above project (1) for cost efficiency						
(3) This project is for the Pillar Ridge wells' rehabilitation and upgrades						
(4) This project would add new PRV stations, sampling stations, valves, and upgrade existing						

Fiscal year 2020-2021 Budget Debt Service

	Original Issue Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Interest Expense
Sewer						
CIEDB Loan (I Bank)	\$ 1,010,000	\$ 753,602		\$ 30,842	\$ 722,760	\$ 21,655
PNCEF Lease Obligation	\$ 927,222	\$ 531,678		\$ 62,669	\$ 469,008	\$ 13,461
Subtotal - Sewer		<u>\$ 1,285,280</u>	<u>\$ -</u>	<u>\$ 93,512</u>	<u>\$ 1,191,768</u>	<u>\$ 35,116</u>
Water						
General Obligation Bonds	\$ 15,635,000	\$ 9,661,690		\$ 941,825	\$ 8,719,866	\$ 208,611
PNCEF Lease Obligation	\$ 927,222	\$ 531,678		\$ 62,669	\$ 469,008	\$ 13,461
SRF Loan	\$ 4,248,354	\$ 3,289,866		\$ 171,381	\$ 3,118,485	\$ 70,489
Subtotal - Water		<u>13,483,234</u>	<u>-</u>	<u>1,175,875</u>	<u>12,307,359</u>	<u>292,561</u>
Total Debt Service		<u>\$ 14,768,514</u>	<u>\$ -</u>	<u>\$ 1,269,387</u>	<u>\$ 13,499,127</u>	<u>\$ 327,677</u>

PNCEF lease obligation is split evenly between Sewer and Water.

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

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5/13/2020

Fiscal year 2020-2021 Budget Impact Area Operating Reserves

WATER

Water Operating Account as of March 31, 2020

Wells Fargo Checking: \$ 668,495

Current Operating Reserves as of March 31, 2020

Operating: \$ 46,009

Operating Reserve:

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year 2020-21 budget the amount of operating reserves is as follows:

Target calculation

\$	1,917,544		Budgeted fiscal year 2020-21
	12		Months
<hr/>			
\$	159,795		Monthly budgeted operating expenses
	x 2		Two months expenditures
<hr/>			
<u>\$</u>	<u>319,591</u>		Target Reserve

Conclusion:

Currently, the District has sufficient Operating Water Reserves for Fiscal Year 2020-2021

DRAFT
5/13/2020

Fiscal year 2020-2021 Budget Impact Area Operating Reserves

SEWER

Sewer Operating Account as of March 31, 2020

Wells Fargo Checking \$ 1,046,481

Current Reserves as of March 31, 2020

Operating: \$ 406,882

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 2020-21 budget the amount of operating reserves is as follows:

Minimum Target		
\$	2,839,509	Budgeted fiscal year 2020-21
	12	Months
<hr/>		
\$	236,626	Monthly budgeted operating expenses
	x 2	Monthly budgeted operating expenses
<hr/>		
\$	473,251	Minimum Target Reserve
<hr/> <hr/>		

Maximum Target		
\$	2,839,509	Budgeted fiscal year 2020-21
	12	Months
<hr/>		
\$	236,626	Monthly budgeted operating expenses
	x 10	Monthly budgeted operating expenses
<hr/>		
\$	1,893,006	Maximum Target Reserve
<hr/> <hr/>		

Conclusion: Year

Currently, the District has insufficient dedicated operating Sewer Reserves for Fiscal Year 2019-20

Beginning in Fiscal Year 2020-21 the minimum target reserve amount will be set aside in the District's LAIF account and displayed on the balance sheet.

Fiscal year 2020-2021 Budget Impact Area Capital and Connection Reserves

CAPITAL 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

Current Capital Reserves as of March 31, 2020

Capital: \$ 398,249

Minimum Target

\$ 1,108,750 Lowest year CIP existing customers (fiscal year 2020-21)

\$ 750,000 Engineer estimate

\$ 1,858,750 Minimum target

Maximum Target

\$ 3,367,086 Highest year CIP existing customers (fiscal year 2022-23)

\$ 750,000 Engineer estimate

\$ 4,117,086 Maximum target

Conclusion:

Based on the above, the District does not have sufficient reserves for the minimum target Capital reserve.

Fiscal year 2020-2021 Budget Impact Area Capital and Connection Reserves

SEWER

Current Capital Reserves as of March 31, 2020

Capital: \$ 3,947,360

Minimum Target

\$ 1,985,272	Lowest year CIP existing customers (fiscal year 2020-21)
\$ 1,177,000	Engineer estimate
<u>\$ 3,162,272</u>	Minimum target

Maximum Target

\$ 2,482,125	Highest year CIP existing customers (fiscal year 2024-25)
\$ 1,177,000	Engineer estimate
<u>\$ 3,659,125</u>	Maximum target

Conclusion:

Based on the above, the District has sufficient reserves for Capital minimum & maximum target.

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 2020-21 amount to be reserved is \$150,000.

SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.
Fiscal year 2020-21 amount to be reserved is \$150,000.

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
-----------------------------	------

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
Pumping Fuel & Electricity: Maintenance, Collection System:	6410 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
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
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

MWSD 2020-21 Budget Prep Schedule of changes

- 1 reduced SAM general expense
- 2 reduced temp. operator to \$20K
- 3 Updated Water CIP - \$1,108,750
- 4 Inclusion of Water system reliability program \$1M
- 5 Updated SAM collections, reduced \$83,983.
- 6 Updated SAM operations, increased \$39,035.
- 7 Updated sewer CIP, based on Nute Engineering 5 year plan. \$1,985,272.
- 8 Updated Capital reserve discussion
- 9 Updated sewer service charges based on rate increase and calculation
- 10 Reduced SSC by \$4,000 in anticipation of hardship
- 11
- 12
- 13
- 14

DRAFT
5/13/2020

Tracy Beardsley

From: [REDACTED]
Sent: Tuesday, May 12, 2020 3:27 PM
To: Tracy
Subject: for today's minutes..

Tracy,
My comments today:
Issues:

- would like copy of the material IN ADVANCE, and of course, Now that Peter has updated it. Spreadsheet preferred.
- Process - 8 written suggestions.
- longer term reserve inadequacy - need project reserves several years
- exposure to subsidizing ADU's & large developments as we do Pillar Ridge
- excess cash not in reserves? true? why?
- COVID-19 effects: inflation, salary cuts & layoffs -- no wage cuts due to CV-19?? Watch other Public Works agencies before making decision.
- Legal costs - consultants - \$300k high in past 3 years, will watch what future budget looks like.

--
Gregg A. Dieguez
[REDACTED]
[REDACTED]
[REDACTED]

Tracy Beardsley

From: [REDACTED]
Sent: Wednesday, May 13, 2020 12:19 PM
To: Tracy
Subject: Fwd: Financial Planning Model for MWSD - version 1
Attachments: MWSDFinancialModel.V1.xlsx

Tracy,

Wanted you to be aware that I sent this, kinda as a matter of public record/minutes. If it becomes necessary to show during the FinComm (or other) meetings, I can share my screen and step people through the charts.

Best,
Gregg

----- Forwarded message -----

From: [REDACTED]
Date: Tue, May 12, 2020 at 10:43 PM
Subject: Financial Planning Model for MWSD - version 1
To: Clemens Heldmaier MWSD <mwsd@coastside.net>, Peter Dekker [REDACTED], Jim Harvey [REDACTED]
Cc: <[REDACTED]>

Dear MWSD FinComm:

This email outlines a financial planning process for MWSD to address the current rate increase proposal and related community resistance. Attached is a start at a spreadsheet for capturing that plan. It is incomplete - it excludes the last 3 months of FY 2020, and there may be other omissions an experienced reviewer could capture. It is unfinished, because it does not have the five year forecast I expect MWSD will want to use as a minimum evaluation time horizon. After adding assumptions for the rest of 2020, and whatever new budget numbers Board and staff have prepared, this spreadsheet will capture the impact of those projections on the District's Capital Adequacy. Further refinements could tie the new rates to future year projections, and add more performance evaluation in the form of ratios and more graphs. What the current spreadsheet DOES have is 5 years** of actual data tied to a summary presentation.

Proposed process for the present planning/evaluation:

1. Agree where we are - which means adding best estimates for 3 remaining months of 2020
2. Agree the asset inventory for planning. Likely something over \$200 million in asset replacement cost, but over what timeframe?
3. Forecast the next X years (5?) assuming NO inflation and existing rate increases, including projecting out the reserve balances
4. Consider reserves needed for assets aging outside the immediate planning horizon.
5. Reforecast after agreeing on inflation, interest rate, and reserve planning horizon.
6. Evaluate current rate proposals in light of those needs.
7. If necessary, reforecast with borrowing assumptions and new rate proposals.
8. Explain the situation to the community

Quick, Uninformed Guesses:

- A. MWSD has more cash than it needs based on existing rate targets.
- B. Existing reserve targets (and balances) are inadequate for a valid, smooth, long term sustainable financial plan.
- C. With reserve targets tied to longer term capital plans, much of the 'excess' cash will be consumed for required future

reserves.

D. It is an open question whether the current rate proposals can be deferred or reduced.

E. It is an open question whether borrowing and paying interest with added loan covenants is any better than using current reserves.

Outstanding Detail Questions & Issues:

? Do the cash balances foot to the balance sheet on same dates?

? What are the targets for the reserves which don't show a target?

? Why are there 'operating' reserves in four places, rather than just two?

? Why is there so much cash in accounts outside of the reserve accounts?

? Why did target sewer capital reserves dip in 2017 and then bounce up again?

? Are the current reserve policies adequate for a COVID-19 economy?

? Are we done with excessive legal fees?

? Can some consultant cost be shaved from the budget (e.g. PR)?

? Is there a year by year SAM capital expense projection we can tie into our Sewer Capital Expense projections? Can we believe it?

**It could have 6 - I also have 2014 income and expense, but no reserve balances. The historical timeframe can be expanded when I get reserve balance data.

NOTE: rows labelled "Proof" exist only to ensure I accurately transcribed from the detailed worksheets - by footing to various subtotals.

See you at tomorrow's meeting...

--

Gregg A. Dieguez
[Redacted]
[Redacted]
[Redacted]

--

Gregg A. Dieguez
[Redacted]
[Redacted]
[Redacted]

MWSD Financial Analysis & Projections
GAD - 5/12/20

Annualize Factor for 2020
0.75

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water	760,166	650,669	916,691	678,364	765,654	0	0	0	0	0
Operating Cash Margin	-210,075	-858,135	-57,524	-1,860,126	34,851	0	0	0	0	0
Capital Cash Flows	-539,935	493,373	1,073,370	749,211	-573,429	0	0	0	0	0
Water: Net Cash Flow	220,231	1,144,042	1,590,060	1,427,575	192,228	0	0	0	0	0
Proof:	0	0	0	0	0	0	0	0	0	0

Sewer	799,141	622,801	-109,989	704,068	32,768	0	0	0	0	0
Operating Cash Margin	-109,989	-109,989	-109,989	-109,989	-109,989	0	0	0	0	0
Capital Cash Flows	-858,135	-57,524	-1,860,126	34,851	0	0	0	0	0	0
Sewer: Net Cash Flow	-59,093	-167,713	-1,970,115	74,866	0	0	0	0	0	0
Proof:	0	0	0	0	0	0	0	0	0	0

Combined	1,550,307	1,273,470	806,701	1,362,450	798,422	0	0	0	0	0
Operating Cash Margin	-368,004	-1,437,513	-1,970,115	-1,115,033	-315,033	0	0	0	0	0
Capital Cash Flows	-809,207	384,763	1,095,846	-1,130,915	-536,575	0	0	0	0	0
MWSD: Net Cash Flow	809,207	908,708	1,812,547	251,535	258,846	0	0	0	0	0
Proof:	0	0	0	0	0	0	0	0	0	0

Water	47,394	64,268	18,199	18,128	80,466	0	0	0	0	0
Professional Svcs.	92,543	84,922	59,128	66,255	81,935	0	0	0	0	0
Water L&P Svcs.	139,937	149,190	77,327	84,381	162,401	0	0	0	0	0
Sewer	38,596	39,298	160,736	162,398	92,523	0	0	0	0	0
Professional Svcs.	69,296	68,118	72,288	68,644	76,142	0	0	0	0	0
Sewer L&P Svcs.	107,692	107,375	233,004	231,042	165,695	0	0	0	0	0
Combined	85,950	103,525	178,635	180,524	172,989	0	0	0	0	0
Legal	161,939	153,040	131,396	134,899	158,077	0	0	0	0	0
Total L & P Svcs.	247,629	256,565	310,331	315,423	331,066	0	0	0	0	0

Reserves:										
Sewer Operations Cash	\$3,386,704	\$2,894,886	\$3,008,937	\$1,325,335	\$1,046,481					
Wells Fargo										

Sewer Reserve - LAIF										
Capital Reserve	\$3,804,933	\$3,867,818	\$3,932,906	\$3,865,146	\$3,947,360					
Connection Fees Reserve	\$325,604	\$152,756	\$184,576	\$194,600	\$194,600					
Operating Reserve	\$158,079	\$281,893	\$240,073	\$406,882	\$406,882					
Sub-total	\$4,288,616	\$4,302,467	\$4,357,555	\$4,466,628	\$4,548,842					
Proof:	\$0	\$0	\$0	\$0	\$0					

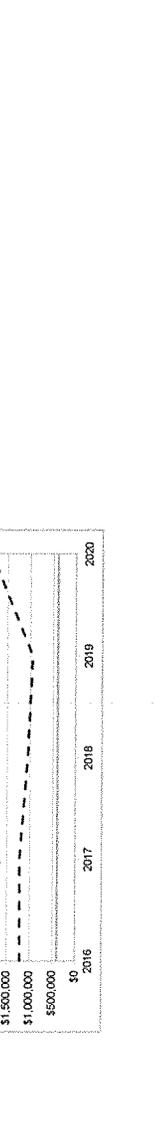
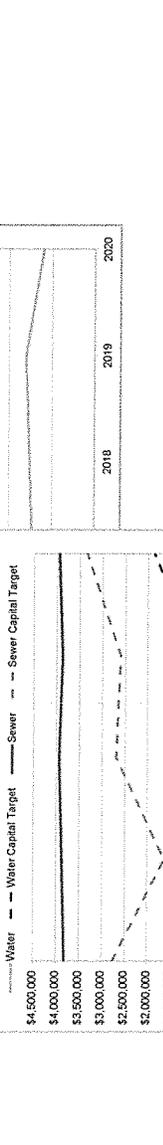
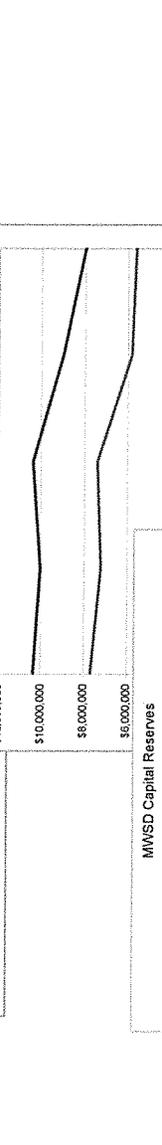
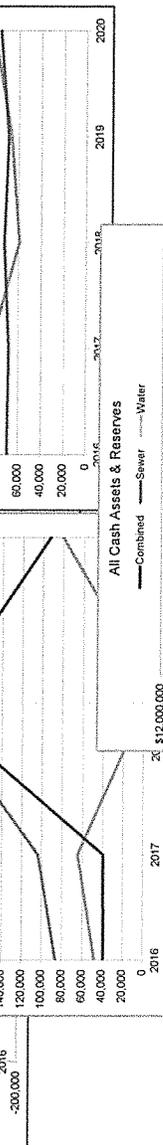
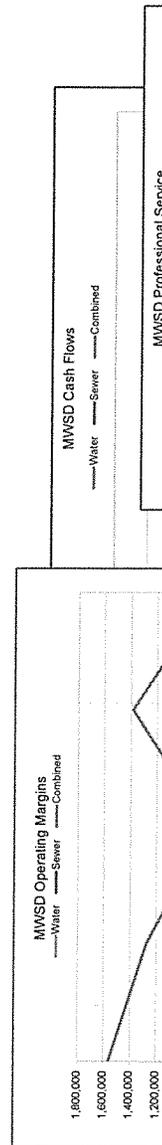
All Sewer Cash	\$7,075,320	\$7,197,353	\$7,376,493	\$5,791,963	\$5,595,322					
Water Operations Cash										
Wells Fargo	\$598,618	\$725,114	\$872,766	\$1,038,827	\$666,495					

Water - Reserve Accounts Wells Fargo										
Capital Reserve	\$388,249	\$388,249	\$388,249	\$388,249	\$388,249					
Connection Fees Reserve	\$157,000	\$157,000	\$253,020	\$253,020	\$253,020					
SFR Reserve	\$0	\$0	\$48,222	\$48,222	\$48,222					
Operating Reserve	\$190,251	\$190,251	\$46,009	\$46,009	\$46,009					
Sub-total	\$745,500	\$745,500	\$745,500	\$745,500	\$745,500					
Proof:	\$0	\$0	\$0	\$0	\$0					

Water - Restricted accounts First Republic	\$1,331,309	\$1,350,544	\$1,350,926	\$1,405,135	\$955,682					
All Water Cash	\$2,673,427	\$2,821,158	\$3,009,192	\$3,189,461	\$2,369,677					
Total ALL Cash and equiv	\$10,348,747	\$10,018,512	\$10,385,685	\$8,981,425	\$7,964,999					
Proof:	\$0	\$0	\$0	\$0	\$0					

Reserve Targets										
Water Capital Target	1,207,180	1,218,890	1,049,597	946,817	1,859,750					
Water Operating Target	217,906	242,487	250,573	277,746	319,591					
Sewer Capital Target	2,750,446	1,626,140	2,679,500	2,889,500	3,334,250					
Sewer Operating Target	287,352	281,893	281,893	406,882	473,251					

Water										
Sewer										
Combined										





MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: June 4, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager 

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

Budget vs. Actual – Sewer July 2019 thru April 2020 Variances over \$2,000:

- 4220 Cell Tower Lease, \$2,340 above budget – additional check received in April.
- 4400 Fees, \$6,912 below budget – overall reduced activity, especially in inspection and remodel fees.
- 4610 Property Tax Receipts, \$101,255 above Budget – ERAF collections totals \$139,294 for the current fiscal year.
- 4710 Sewer Service Charges, \$268,730 above Budget – Two apportionment received in April.
- 4720 Sewer Service Refunds, customer, \$2,911 above Budget – Sewer service adjustments posted to various accounts.
- **Overall Total Operating Income for the period ending April 30, 2020 was \$365,864 above budget. Total income received to date is \$3,213,624.**
- 5200 Board of Directors, \$4,308 below Budget – Election expense budgeted for, but, due to timing, expense is not expected in current fiscal year.
- 5250 Conference Attendance, \$4,132 below Budget – No activity in April.
- 5270 Information Systems, \$4,490 above Budget – Expense due to services performed by Tech Solutions for hardware and software upgrades.
- 5300 Insurance, \$2,083 below Budget – No activity in current fiscal year.
- 5400 Legal, \$251,227 below Budget – Magnitude of expenses has not been as expected.
- 5510 Maintenance, office, \$3,329 below Budget – Larger maintenance projects have been deferred.
- 5560 Printing & Publishing, \$3,547 below Budget – No activity in April.
- 5610 Accounting, \$2,225 above Budget – increased costs associated with the preparation of the FY 20-21 budget.
- 5620 Audit, \$2,683 below Budget – Minimal activity in the current fiscal year, due to the timing of billing.
- 5630 Consulting, \$8,115 above Budget – Increase due to increase in public relations costs.
- 5640 Data Services, \$2,006 above Budget – Parcel Management System/tax roll program in current fiscal year.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: June 4, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 5730 Telephone & Internet, \$3,713 above Budget – Service providers continually raise rates after initial promotion ends. GM to re-evaluate.
- 6170 Claims, Property Damage, \$16,667 below Budget – No claims paid in current fiscal year.
- 6200 Engineering, \$26,333 below Budget – Minimal activity in the current fiscal year, due to deferral of major projects.
- 6400 Pumping, \$6,383 below Budget – Catch up bill paid in March in the amount of \$10,284.
- 6600 Collection/Transmission, \$8,333 below Budget – No activity to date.
- 6910 SAM Collections, \$28,462 below Budget – No activity in April due to delay in bill payment.
- 6920 SAM Operations, \$127,428 below Budget – No activity in April due to delay in bill payment.
- 6940 SAM Maintenance, Collection Sys, \$33,333 below Budget – No activity to date.
- 6950 SAM Maintenance, Pumping, \$41,594 above Budget – Payment made to SAM for pump and lift station repairs. Costs to be capitalized at fiscal year end. Recent cost for Beach St. repair.
- **Overall Total Operating Expenses for the period ending April 30, 2020 were \$207,650 below Budget.**
- **Total overall Expenses for the period ending April 30, 2020 were \$462,362 below budget. For a net ordinary income of \$828,226, budget vs. actual. Actual net ordinary income is \$1,138,629.**
- 7100 Connection Fees, \$5,446 below Budget – One new construction issue and no remodel connection issued in April.
- 7200 Interest Income, LAIF, \$40,547 above budget – LAIF has been outperforming projections.
- 8000 CIP, \$1,060,288 below Budget – Major projects deferred to next fiscal year.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: June 4, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Budget vs. Actual – Water July 2019 thru April 2020 Variances over \$2,000:

- 4220 Cell Tower Lease, \$2,340 above budget – additional check received in April.
- 4400 Fees, \$5,207 above budget – Due to increased activity.
- 4610 Property Tax Receipts, \$101,255 above Budget – ERAF collections totals \$139,294 for the current fiscal year.
- 4740 Testing, Backflow, \$4,454 above Budget – Difference due to timing.
- 4810 Water Sales, Domestic, \$14,967 below Budget – Mainly due to timing of customer payments.
- 4990 Other Revenue, \$56,411 – revenue is from Big Wave for application cost reimbursement (\$44K) & an insurance reimbursement (\$10K).
- **Overall Total Operating Income for the period ending April 30, 2020 was \$155,053 above budget. Total revenue received to date is \$2,107,553.**
- 5190 Bank Fees, \$ 2,107 below Budget – Reduced charges negotiated with service providers.
- 5240 CDPH Fees, \$3,969 below Budget – CA SWRCB annual fee was less than anticipated.
- 5250 Conference Attendance, \$4,057 below Budget – No activity in April.
- 5270 Information Systems, \$5,723 above Budget – Expense due to services performed by Tech Solutions for hardware and software upgrades.
- 5400 Legal, \$112,034 below Budget – Magnitude of expenses has not been as expected.
- 5530 Membership, \$6,275 above Budget – ACWA & CA rural memberships paid in December. Variance to decrease as fiscal year moves forward.
- 5610 Accounting, \$2,225 above budget – increased costs associated with the preparation of the FY 20-21 budget.
- 5620 Audit, \$2,683 below Budget – Due to timing in billing.
- 5630 Consulting, \$39,658 below Budget – Full rate study expenditures have not been paid.
- 5720 Telephone & Internet, \$4,932 above Budget – Service provider's continually raise rates after initial promotion ends. GM to re-evaluate.
- 5800 Labor, \$73,135 below Budget – The District budgeted to have a 4th water operator in the current fiscal year. This has occurred as of March 2020.
- 6170 Claims, Property Damage, \$7,941 below Budget – No claims paid in April.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: June 4, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6180 Communications, \$10,607 below Budget – Minimal activity in current fiscal year. SCADA maintenance costs deferred to next fiscal year.
- 6195 Education & training, \$3,890 below Budget – Under budget due to District not having 4th operator to send to cert training.
- 6200 Engineering, \$186,579 below Budget – Water Quality engineering expenses have been held in check.
- 6320 Equipment & tools, Expensed, \$9,846 above Budget – additional need for tools and equipment due to hiring of 4th operator.
- 6330 Facilities, \$41,645 below Budget – Maintenance & landscaping tree projects have been deferred.
- 6370 Lab supplies & equipment, \$5,113 above Budget – Large bill paid in September, variance expected to decrease as fiscal year moves forward.
- 6500 Supply, \$7,283 below Budget – 1st quarter 2020 water purchases have not been paid to date.
- 6600 Collection/Transmission – Water service line expense has been less than anticipated.
- 6700 Treatment, \$2,488 below Budget – Due to Treatment Analysis lower than anticipated.
- 6800 Vehicles, \$2,088 below Budget – Due to equipment upgrades for District fleet.
- **Overall Total Operating Expenses for the period ending April 30, 2020 were \$251,793 below Budget.**
- **Total overall Expenses for the period ending April 30, 2020 were \$473,898 below budget. For a net ordinary income of \$628,952, budgeted vs. actual. Actual net ordinary income is \$742,692.**
- 7100 Connection Fees, \$60,515 below Budget – No new connections sold in April.
- 7600 Bond Revenues, GO Bond, \$93,513 above Budget – Three apportionments received in April.
- 8000 CIP, \$378,587 above Budget – Major reactionary projects paid for during the fiscal year which were not budgeted for.
- 9100 Interest Expense-GO Bonds, \$38,423 above Budget – Difference due to timing.
- 9150 SRF Loan, \$60,728 below Budget – Difference due to timing.

RECOMMENDATION:

This is for Board information only

Montara Water & Sanitary District

05/14/20

Balance Sheet

Accrual Basis

As of April 30, 2020

	Apr 30, 20
ASSETS	
Current Assets	
Checking/Savings	
Sewer - Bank Accounts	
Wells Fargo Operating - Sewer	2,720,143.51
LAIF Investment Fund	
Capital Reserve	3,947,359.67
Connection Fees Reserve	194,600.00
Operating Reserve	406,882.00
Total LAIF Investment Fund	4,548,841.67
Total Sewer - Bank Accounts	7,268,985.18
Water - Bank Accounts	
Wells Fargo Operating - Water	680,360.18
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	955,818.95
Total Restricted Cash	1,208,838.95
Total Water - Bank Accounts	2,381,679.13
Total Checking/Savings	9,650,664.31
Accounts Receivable	
Sewer - Accounts Receivable	
Accounts Receivable	-190.56
Sewer - Accounts Receivable - Other	-10,061.79
Total Sewer - Accounts Receivable	-10,252.35
Water - Accounts Receivable	
Accounts Receivable	6,431.47
Accounts Rec. - Backflow	17,415.11
Accounts Rec. - Water Residents	200,679.98
Unbilled Water Receivables	258,319.70
Total Water - Accounts Receivable	482,846.26
Total Accounts Receivable	472,593.91
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	10,166,529.16
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 April 30, 2020

	Apr 30, 20
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	38,281,735.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable - Sewer	95,188.34
Accounts Payable - Water	166,969.06
Total Accounts Payable	262,157.40
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	27,592.13
I-Bank Loan - Current	29,929.31
Interest Payable	10,265.32
PNC Equip. Loan - S/T	9,701.02
Total Sewer - Current Liabilities	83,431.11

Montara Water & Sanitary District
Balance Sheet
As of April 30, 2020

	Apr 30, 20
Water - Current Liabilities	
Accrued Vacations	15,964.24
Deposits Payable	6,074.27
Interest Payable	98,256.59
PFP Water Deposits	4,302.50
PNC Equip. Loan - S/T	9,700.98
SRF Loan Payable X102 - Current	42,901.29
SRF Loan Payable X109 - Current	168,622.04
Temporary Construction Meter	14,180.52
Total Water - Current Liabilities	360,002.43
Payroll Liabilities	
Employee Benefits Payable	13,598.22
Total Payroll Liabilities	13,598.22
Total Other Current Liabilities	364,611.76
Total Current Liabilities	626,769.16
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	14,357,646.12
Equity	
Sewer - Equity Accounts	
Capital Assets Net	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87
Retained Earnings	42,547.87
Total Sewer - Equity Accounts	12,097,092.94
Water - Equity Accounts	
Capital Assets Net	2,868,858.70
Restricted Debt Service	1,384,997.90
Unrestricted	-1,562,801.59
Retained Earnings	-42,547.87
Total Water - Equity Accounts	2,648,507.14

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Accrual Basis

Montara Water & Sanitary District
Balance Sheet
As of April 30, 2020

	<u>Apr 30, 20</u>
Equity Adjustment Account	7,275,786.02
Net Income	1,902,702.89
Total Equity	23,924,088.99
TOTAL LIABILITIES & EQUITY	38,281,735.11

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2019 through April 2020

	Jul '19 - Apr 20	Sewer Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	33,173.60	30,833.30	2,340.30
4400 · Fees			
4410 · Administrative Fee (New Constr)	3,794.00	3,000.00	794.00
4420 · Administrative Fee (Remodel)	542.00	1,666.70	-1,124.70
4430 · Inspection Fee (New Constr)	3,584.00	2,916.70	667.30
4440 · Inspection Fee (Remodel)	512.00	3,333.30	-2,821.30
4460 · Remodel Fees	2,239.00	6,666.70	-4,427.70
Total 4400 · Fees	10,671.00	17,583.40	-6,912.40
4510 · Grants	112.00		
4610 · Property Tax Receipts	376,254.72	275,000.00	101,254.72
4710 · Sewer Service Charges	2,777,239.98	2,508,510.00	268,729.98
4720 · Sewer Service Refunds, Customer	-6,244.71	-3,333.30	-2,911.41
4760 · Waste Collection Revenues	20,412.85	19,166.70	1,246.15
4990 · Other Revenue	2,004.85		
Total Income	3,213,624.29	2,847,760.10	365,864.19
Gross Profit	3,213,624.29	2,847,760.10	365,864.19
Expense			
5000 · Administrative			
5190 · Bank Fees	4,722.98	6,250.00	-1,527.02
5200 · Board of Directors			
5210 · Board Meetings	2,616.97	2,500.00	116.97
5220 · Director Fees	3,075.00	3,333.30	-258.30
5230 · Election Expenses	0.00	4,166.70	-4,166.70
Total 5200 · Board of Directors	5,691.97	10,000.00	-4,308.03
5250 · Conference Attendance	35.00	4,166.70	-4,131.70
5270 · Information Systems	8,223.00	3,333.30	4,889.70
5300 · Insurance			
5310 · Fidelity Bond	0.00	416.70	-416.70
5320 · Property & Liability Insurance	0.00	1,666.70	-1,666.70
Total 5300 · Insurance	0.00	2,083.40	-2,083.40
5350 · LAFCO Assessment	1,766.00	1,666.70	99.30
5400 · Legal			
5430 · General Legal	49,152.71	343,750.00	-294,597.29
5440 · Litigation	43,370.20		
Total 5400 · Legal	92,522.91	343,750.00	-251,227.09
5510 · Maintenance, Office	3,337.71	6,666.70	-3,328.99
5540 · Office Supplies	4,697.72	6,666.70	-1,968.98
5550 · Postage	543.78	2,208.30	-1,664.52
5560 · Printing & Publishing	619.85	4,166.70	-3,546.85

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2019 through April 2020

	Jul '19 - Apr 20	Sewer Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	27,225.00	25,000.00	2,225.00
5620 · Audit	8,150.00	10,833.30	-2,683.30
5630 · Consulting	37,282.12	29,166.70	8,115.42
5640 · Data Services	7,173.05	5,166.70	2,006.35
5650 · Labor & HR Support	2,135.00	2,083.30	51.70
5660 · Payroll Services	822.03	833.30	-11.27
Total 5600 · Professional Services	82,787.20	73,083.30	9,703.90
5710 · San Mateo Co. Tax Roll Charges	119.00	833.30	-714.30
5720 · Telephone & Internet	23,712.58	20,000.00	3,712.58
5730 · Mileage Reimbursement	327.48	1,250.00	-922.52
5740 · Reference Materials	0.00	166.70	-166.70
5790 · Other Administrative	607.85		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	17,402.76	14,168.30	3,234.46
5820 · Employee Benefits	35,494.00	40,255.80	-4,761.80
5830 · Disability Insurance	1,274.94	1,167.50	107.44
5840 · Payroll Taxes	13,180.02	15,483.30	-2,303.28
5850 · PARS	14,005.52	13,739.20	266.32
5900 · Wages			
5910 · Management	96,020.09	93,110.80	2,909.29
5920 · Staff	111,497.26	105,438.30	6,058.96
5930 · Staff Certification	1,825.00	1,500.00	325.00
5940 · Staff Overtime	1,538.68	2,350.80	-812.12
Total 5900 · Wages	210,881.03	202,399.90	8,481.13
5960 · Worker's Comp Insurance	1,402.20	4,560.80	-3,158.60
Total 5800 · Labor	293,640.47	291,774.80	1,865.67
Total 5000 · Administrative	523,355.50	778,066.60	-254,711.10
6000 · Operations			
6170 · Claims, Property Damage	0.00	16,666.70	-16,666.70
6195 · Education & Training	0.00	833.30	-833.30
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	1,666.70	-1,666.70
6220 · General Engineering	25,334.05	50,000.00	-24,665.95
Total 6200 · Engineering	25,334.05	51,666.70	-26,332.65
6320 · Equipment & Tools, Expensed	0.00	833.30	-833.30
6330 · Facilities			
6335 · Alarm Services	4,456.56	4,750.00	-293.44
6337 · Landscaping	2,468.00	3,000.00	-532.00
Total 6330 · Facilities	6,924.56	7,750.00	-825.44
6400 · Pumping			
6410 · Pumping Fuel & Electricity	31,116.67	37,500.00	-6,383.33
Total 6400 · Pumping	31,116.67	37,500.00	-6,383.33

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2019 through April 2020

	Jul '19 - Apr 20	Sewer Budget	\$ Over Budget
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	8,333.30	-8,333.30
Total 6600 · Collection/Transmission	0.00	8,333.30	-8,333.30
6770 · Uniforms	125.80		
6800 · Vehicles			
6810 · Fuel	800.82	833.30	-32.48
6820 · Truck Equipment, Expensed	439.03	133.30	305.73
6830 · Truck Repairs	621.96	833.30	-211.34
Total 6800 · Vehicles	1,861.81	1,799.90	61.91
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	256,161.78	284,624.20	-28,462.42
6920 · SAM Operations	1,146,854.52	1,274,282.50	-127,427.98
6940 · SAM Maintenance, Collection Sys	0.00	33,333.30	-33,333.30
6950 · SAM Maintenance, Pumping	83,260.22	41,666.70	41,593.52
Total 6900 · Sewer Authority Midcoastside	1,486,276.52	1,633,906.70	-147,630.18
Total 6000 · Operations	1,551,639.41	1,759,289.90	-207,650.49
Total Expense	2,074,994.91	2,537,356.50	-462,361.59
Net Ordinary Income	1,138,629.38	310,403.60	828,225.78
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	105,512.00	125,000.00	-19,488.00
7120 · Connection Fees (Remodel)	55,708.36	41,666.70	14,041.66
Total 7100 · Connection Fees	161,220.36	166,666.70	-5,446.34
7200 · Interest Income - LAIF	82,213.62	41,666.70	40,546.92
Total 7000 · Capital Account Revenues	243,433.98	208,333.40	35,100.58
Total Other Income	243,433.98	208,333.40	35,100.58
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	178,115.59	1,238,404.20	-1,060,288.61
Total 8000 · Capital Improvement Program	178,115.59	1,238,404.20	-1,060,288.61

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Accrual Basis

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2019 through April 2020

	Jul '19 - Apr 20	Sewer Budget	\$ Over Budget
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	12,802.44	12,684.20	118.24
9150 · SRF Loan	163,905.22		
9200 · I-Bank Loan	11,062.63	18,818.30	-7,755.67
Total 9000 · Capital Account Expenses	187,770.29	31,502.50	156,267.79
Total Other Expense	365,885.88	1,269,906.70	-904,020.82
Net Other Income	-122,451.90	-1,061,573.30	939,121.40
Net Income	1,016,177.48	-751,169.70	1,767,347.18

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

July 2019 through April 2020

	Jul '19 - Apr 20	Water Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	33,173.58	30,833.30	2,340.28
4400 · Fees			
4410 · Administrative Fee (New Constr)	4,336.00	4,166.70	169.30
4420 · Administrative Fee (Remodel)	1,084.00		
4430 · Inspection Fee (New Constr)	4,096.00	3,333.30	762.70
4440 · Inspection Fee (Remodel)	1,536.00		
4450 · Mainline Extension Fees	0.00	2,500.00	-2,500.00
4460 · Remodel Fees	1,421.00	1,666.70	-245.70
4470 · Other Fees	4,400.40		
Total 4400 · Fees	16,873.40	11,666.70	5,206.70
4510 · Grants	112.00		
4610 · Property Tax Receipts	376,254.64	275,000.00	101,254.64
4740 · Testing, Backflow	19,454.00	15,000.00	4,454.00
4810 · Water Sales, Domestic	1,607,532.94	1,622,500.00	-14,967.06
4850 · Water Sales Refunds, Customer	-2,258.33	-2,500.00	241.67
4990 · Other Revenue	56,411.09		
Total Income	2,107,553.32	1,952,500.00	155,053.32
Gross Profit	2,107,553.32	1,952,500.00	155,053.32
Expense			
5000 · Administrative			
5190 · Bank Fees	1,018.40	3,125.00	-2,106.60
5200 · Board of Directors			
5210 · Board Meetings	2,616.95	3,333.30	-716.35
5220 · Director Fees	3,075.00	2,750.00	325.00
Total 5200 · Board of Directors	5,691.95	6,083.30	-391.35
5240 · CDPH Fees	9,156.40	13,125.00	-3,968.60
5250 · Conference Attendance	943.01	5,000.00	-4,056.99
5270 · Information Systems	8,223.00	2,500.00	5,723.00
5300 · Insurance			
5310 · Fidelity Bond	0.00	416.70	-416.70
5320 · Property & Liability Insurance	1,173.00	2,083.30	-910.30
Total 5300 · Insurance	1,173.00	2,500.00	-1,327.00
5350 · LAFCO Assessment	2,465.00	2,291.70	173.30
5400 · Legal			
5430 · General Legal	80,465.97	192,500.00	-112,034.03
Total 5400 · Legal	80,465.97	192,500.00	-112,034.03
5510 · Maintenance, Office	5,137.45	6,666.70	-1,529.25
5530 · Memberships	26,275.16	20,000.00	6,275.16
5540 · Office Supplies	4,834.54	6,666.70	-1,832.16
5550 · Postage	8,231.28	7,500.00	731.28
5560 · Printing & Publishing	1,474.47	2,500.00	-1,025.53

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2019 through April 2020

	Jul '19 - Apr 20	Water Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	27,225.00	25,000.00	2,225.00
5620 · Audit	8,150.00	10,833.30	-2,683.30
5630 · Consulting	43,675.51	83,333.30	-39,657.79
5640 · Data Services	899.50		
5650 · Labor & HR Support	2,214.10	2,083.30	130.80
5660 · Payroll Services	821.92	833.30	-11.38
Total 5600 · Professional Services	82,986.03	122,083.20	-39,097.17
5710 · San Mateo Co. Tax Roll Charges	119.00		
5720 · Telephone & Internet	27,432.34	22,500.00	4,932.34
5730 · Mileage Reimbursement	622.63	1,666.70	-1,044.07
5740 · Reference Materials	0.00	666.70	-666.70
5790 · Other Administrative	2,156.12		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	35,559.09	36,029.20	-470.11
5820 · Employee Benefits	57,523.69	73,425.00	-15,901.31
5830 · Disability Insurance	2,564.82	2,889.20	-324.38
5840 · Payroll Taxes	35,235.50	40,885.00	-5,649.50
5850 · PARS	28,069.44	31,363.30	-3,293.86
5900 · Wages			
5910 · Management	96,020.16	93,110.80	2,909.36
5920 · Staff	334,135.17	372,366.70	-38,231.53
5930 · Staff Certification	9,183.13	9,500.00	-316.87
5940 · Staff Overtime	38,788.98	40,087.50	-1,298.52
5950 · Staff Standby	21,298.47	19,374.20	1,924.27
Total 5900 · Wages	499,425.91	534,439.20	-35,013.29
5960 · Worker's Comp Insurance	6,953.68	19,436.70	-12,483.02
Total 5800 · Labor	665,332.13	738,467.60	-73,135.47
Total 5000 · Administrative	933,737.88	1,155,842.60	-222,104.72
6000 · Operations			
6160 · Backflow Prevention	325.93	833.30	-507.37
6170 · Claims, Property Damage	392.00	8,333.30	-7,941.30
6180 · Communications			
6185 · SCADA Maintenance	225.95	10,833.30	-10,607.35
Total 6180 · Communications	225.95	10,833.30	-10,607.35
6195 · Education & Training	3,609.99	7,500.00	-3,890.01
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	416.70	-416.70
6220 · General Engineering	12,389.54	25,000.00	-12,610.46
6230 · Water Quality Engineering	118,115.31	291,666.70	-173,551.39
Total 6200 · Engineering	130,504.85	317,083.40	-186,578.55
6320 · Equipment & Tools, Expensed	16,314.40	6,666.70	9,647.70

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2019 through April 2020

	Jul '19 - Apr 20	Water Budget	\$ Over Budget
6330 · Facilities			
6335 · Alarm Services	538.56	666.70	-128.14
6337 · Landscaping	5,149.73	46,666.70	-41,516.97
Total 6330 · Facilities	5,688.29	47,333.40	-41,645.11
6370 · Lab Supplies & Equipment	7,196.21	2,083.30	5,112.91
6380 · Meter Reading	9.95		
6400 · Pumping			
6410 · Pumping Fuel & Electricity	58,362.82	75,000.00	-16,637.18
6420 · Pumping Maintenance, Generators	20,908.20	8,333.30	12,574.90
6430 · Pumping Maintenance, General	17.24	4,166.70	-4,149.46
6440 · Pumping Equipment, Expensed	8,562.13	583.30	7,978.83
Total 6400 · Pumping	87,850.39	88,083.30	-232.91
6500 · Supply			
6510 · Maintenance, Raw Water Mains	27.48	2,083.30	-2,055.82
6520 · Maintenance, Wells	10,686.87	4,166.70	6,520.17
6530 · Water Purchases	21,585.05	33,333.30	-11,748.25
Total 6500 · Supply	32,299.40	39,583.30	-7,283.90
6600 · Collection/Transmission			
6610 · Hydrants	6,481.17	833.30	5,647.87
6620 · Maintenance, Water Mains	32,349.63	41,666.70	-9,317.07
6630 · Maintenance, Water Svc Lines	3,519.11	16,666.70	-13,147.59
6640 · Maintenance, Tanks	4,146.03	833.30	3,312.73
6650 · Maint., Distribution General	10,828.95	6,666.70	4,162.25
6670 · Meters	6,253.45	2,083.30	4,170.15
Total 6600 · Collection/Transmission	63,578.34	68,750.00	-5,171.66
6700 · Treatment			
6710 · Chemicals & Filtering	38,989.15	16,666.70	22,322.45
6720 · Maintenance, Treatment Equip.	12,639.86	16,666.70	-4,026.84
6730 · Treatment Analysis	16,715.95	37,500.00	-20,784.05
Total 6700 · Treatment	68,344.96	70,833.40	-2,488.44
6770 · Uniforms	3,482.54	1,666.70	1,815.84
6800 · Vehicles			
6810 · Fuel	5,035.48	8,333.30	-3,297.82
6820 · Truck Equipment, Expensed	2,685.51	833.30	1,852.21
6830 · Truck Repairs	3,524.44	4,166.70	-642.26
Total 6800 · Vehicles	11,245.43	13,333.30	-2,087.87
6890 · Other Operations	54.59		
Total 6000 · Operations	431,123.22	682,916.70	-251,793.48
Total Expense	1,364,861.10	1,838,759.30	-473,898.20
Net Ordinary Income	742,692.22	113,740.70	628,951.52

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

July 2019 through April 2020

	Jul '19 - Apr 20	Water Budget		\$ Over Budget
Other Income/Expense				
Other Income				
7000 · Capital Account Revenues				
7100 · Connection Fees				
7110 · Connection Fees (New Constr)	100,608.44	125,000.00		-24,391.56
7130 · Conn. Fees, PFP (New Constr)	57,430.11	108,333.30		-50,903.19
7100 · Connection Fees - Other	14,779.63			
Total 7100 · Connection Fees	172,818.18	233,333.30		-60,515.12
7600 · Bond Revenues, G.O.	1,052,210.04	958,696.70		93,513.34
Total 7000 · Capital Account Revenues	1,225,028.22	1,192,030.00		32,998.22
Total Other Income	1,225,028.22	1,192,030.00		32,998.22
Other Expense				
8000 · Capital Improvement Program				
8100 · Water	836,503.89	457,916.70		378,587.19
Total 8000 · Capital Improvement Program	836,503.89	457,916.70		378,587.19
9000 · Capital Account Expenses				
9100 · Interest Expense - GO Bonds	230,538.67	192,115.80		38,422.87
9125 · PNC Equipment Lease Interest	12,802.47	12,684.20		118.27
9150 · SRF Loan	0.00	60,727.50		-60,727.50
9210 · Conservation Program/Rebates	1,350.00	2,500.00		-1,150.00
Total 9000 · Capital Account Expenses	244,691.14	268,027.50		-23,336.36
Total Other Expense	1,081,195.03	725,944.20		355,250.83
Net Other Income	143,833.19	466,085.80		-322,252.61
Net Income	886,525.41	579,826.50		306,698.91

Montara Water & Sanitary District
Restricted and Non Restricted Cash Assets
July 2019 through June 2020

Assets and Reserves Information

Year to Date Cash Information	July	August	September	October	November	December	January	February	March	April	May	June	Target Reserves	\$ Over/(Under) Targets	% Over/Under Targets
Sewer - Operations															
Wells Fargo Operating - Sewer	1,187,446.23	958,547.87	731,831.78	410,053.97	498,542.18	2,286,080.52	1,531,279.28	1,555,409.43	1,046,480.62	2,720,143.51					
Sewer - Reserve Accounts															
LAIF -															
Capital Reserve	3,893,688.18	3,893,688.18	3,893,688.18	3,921,377.10	3,921,377.10	3,921,377.10	3,947,359.67	3,947,359.67	3,947,359.67	3,947,359.67			2,589,500.00	1,304,188.18	150%
Connection Fees Reserve	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00	194,600.00			194,600.00	-	100%
Operating Reserve	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00	406,882.00			406,882.00	-	100%
Sub-total	4,495,170.18	4,495,170.18	4,495,170.18	4,522,859.10	4,522,859.10	4,522,859.10	4,548,841.67	4,548,841.67	4,548,841.67	4,548,841.67	-	-			
Water - Operations															
Wells Fargo Operating - Water	1,053,121.02	1,067,125.08	1,082,273.73	1,097,201.83	612,797.42	627,029.30	642,109.43	655,072.36	668,495.08	680,360.18					
Water - Reserve Accounts															
Wells Fargo Bank-															
Capital Reserve	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00	398,249.00			945,817.00	(547,568.00)	42%
Connection Fees Reserve	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00	253,020.00			253,020.00	-	100%
SRF Reserve	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00	48,222.00			48,222.00	-	100%
Operating Reserve	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00	46,009.00			277,745.00	(231,736.00)	17%
Sub-total	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	745,500.00	-	-			
Water - Restricted accounts															
First Republic Bank - Water															
GO Bonds Fund	1,406,233.55	1,447,509.18	874,341.24	874,341.24	875,737.43	896,853.63	1,457,563.78	1,459,915.79	955,681.63	955,818.95					
Sub-total	1,406,233.55	1,447,509.18	874,341.24	874,341.24	875,737.43	896,853.63	1,457,563.78	1,459,915.79	955,681.63	955,818.95	-	-			
Total Cash and equivalents	8,887,470.98	8,713,852.31	7,929,116.93	7,649,956.14	7,255,436.13	9,078,322.55	8,925,294.16	8,964,739.25	7,964,999.00	9,650,664.31	-	-			

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense																
Income																
4220 · Cell Tower Lease	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	4,794.26			33,173.60	33,916.67	-743.07	97.81%
4400 · Fees																
4410 · Administrative Fee (New Constr)		1,084.00	1,084.00		542.00		542.00		542.00				3,794.00	3,300.00	494.00	114.97%
4420 · Administrative Fee (Remodel)					542.00								542.00	1,833.33	-1,291.33	29.56%
4430 · Inspection Fee (New Constr)		1,024.00	1,024.00		512.00		512.00		512.00				3,584.00	3,208.33	375.67	111.71%
4440 · Inspection Fee (Remodel)					512.00								512.00	3,666.67	-3,154.67	13.96%
4460 · Remodel Fees		114.00	542.00				271.00	651.00	661.00				2,239.00	7,333.33	-5,094.33	30.53%
Total 4400 · Fees		2,222.00	2,650.00		2,108.00		1,325.00	651.00	1,715.00				10,671.00	19,341.66	-8,670.66	55.17%
4510 · Grants	112.00												112.00			
4610 · Property Tax Receipts		853.45	61,790.13	330.21	10,325.04	117,962.78	78,150.07	20,095.38	622.33	86,125.33			376,254.72	275,000.00	101,254.72	136.82%
4710 · Sewer Service Charges	496.20					1,544,087.78		183,658.85		1,048,997.15			2,777,239.98	2,759,361.00	17,878.98	100.65%
4720 · Sewer Service Refunds, Customer	-5,729.85	-367.36				-147.50							-6,244.71	-3,666.67	-2,578.04	170.31%
4760 · Waste Collection Revenues	1,416.21	2,888.11	997.86	2,852.02	979.34	2,710.71	1,261.90	3,052.26	1,143.83	3,110.61			20,412.85	21,083.33	-670.48	96.82%
4990 · Other Revenue		16.75			16.07				1,972.03				2,004.85			
Total Income	-552.18	8,766.21	68,591.25	6,335.49	16,581.71	1,667,767.03	83,890.23	210,610.75	8,606.45	1,143,027.35			3,213,624.29	3,105,035.99	108,588.30	103.5%
Gross Profit	-552.18	8,766.21	68,591.25	6,335.49	16,581.71	1,667,767.03	83,890.23	210,610.75	8,606.45	1,143,027.35			3,213,624.29	3,105,035.99	108,588.30	103.5%
Expense																
5000 · Administrative																
5190 · Bank Fees	406.59	390.24	481.27	382.98	585.56	432.25	430.49	517.24	692.19	404.17			4,722.98	6,875.00	-2,152.02	68.7%
5200 · Board of Directors																
5210 · Board Meetings		670.96	296.48	490.32	14.97	461.98	322.46	15.64	344.16				2,616.97	2,750.00	-133.03	95.16%
5220 · Director Fees		225.00	337.50	337.50	562.50	187.50	450.00	637.50	337.50				3,075.00	3,666.67	-591.67	83.86%
5230 · Election Expenses													4,583.33		-4,583.33	
Total 5200 · Board of Directors		895.96	633.98	827.82	577.47	649.48	772.46	653.14	681.66				5,691.97	11,000.00	-5,308.03	51.75%
5250 · Conference Attendance			35.00										35.00	4,583.33	-4,548.33	0.76%
5270 · Information Systems		75.00		639.00		300.00			7,209.00				8,223.00	3,666.67	4,556.33	224.26%
5300 · Insurance																
5310 · Fidelity Bond													458.33		-458.33	
5320 · Property & Liability Insurance													1,833.33		-1,833.33	
Total 5300 · Insurance													2,291.66		-2,291.66	
5350 · LAFCO Assessment									1,766.00				1,766.00	1,833.33	-67.33	96.33%
5400 · Legal																
5420 · Meeting Attendance, Legal																
5430 · General Legal				5,882.50	4,514.00		8,965.26	8,386.88	21,404.07				49,152.71	378,125.00	-328,972.29	13.0%
5440 · Litigation		80.00	13,178.95	5,100.00	3,295.00	16,181.25		2,985.00	2,550.00				43,370.20			
Total 5400 · Legal		80.00	13,178.95	10,982.50	7,809.00	16,181.25	8,965.26	11,371.88	23,954.07				92,522.91	378,125.00	-285,602.09	24.47%
5510 · Maintenance, Office		260.00	284.23	160.00	379.25	447.03	100.00	1,297.20	410.00				3,337.71	7,333.33	-3,995.62	45.51%
5540 · Office Supplies		870.19	391.66	26.52	439.29	224.73	660.77	706.55	1,378.01				4,697.72	7,333.33	-2,635.61	64.06%
5550 · Postage			78.03	154.85	154.85	78.02			78.03				543.78	2,429.17	-1,885.39	22.39%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2019 through June 2020

												TOTAL				
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
5560 · Printing & Publishing		36.97	56.86	34.97	25.30	89.32	50.24	119.51	206.68				619.85	4,583.33	-3,963.48	13.52%
5600 · Professional Services																
5610 · Accounting		5,150.00	4,750.00		4,450.00	1,850.00	3,250.00	3,525.00	4,250.00				27,225.00	27,500.00	-275.00	99.0%
5620 · Audit							8,150.00						8,150.00	11,916.67	-3,766.67	68.39%
5630 · Consulting		1,093.75	806.59		3,669.58	5,996.90	3,456.63	5,386.72	16,871.95				37,282.12	32,083.33	5,198.79	116.2%
5640 · Data Services		899.50	6,273.55										7,173.05	5,683.33	1,489.72	126.21%
5650 · Labor & HR Support	213.50	213.50	213.50	213.50	213.50	213.50	213.50	213.50	427.00				2,135.00	2,291.67	-156.67	93.16%
5660 · Payroll Services	76.98	75.82	76.98	76.98	74.66	74.66	144.31	74.66	74.66	72.32			822.03	916.67	-94.64	89.68%
Total 5600 · Professional Services	290.48	7,432.57	12,120.62	290.48	8,407.74	8,135.06	15,214.44	9,199.88	21,623.61	72.32			82,787.20	80,391.67	2,395.53	102.98%
5710 · San Mateo Co. Tax Roll Charges					119.00								119.00	916.67	-797.67	12.98%
5720 · Telephone & Internet		2,371.37	2,543.97	2,564.49	2,695.90	2,834.20	2,678.71	2,708.89	5,315.05				23,712.58	22,000.00	1,712.58	107.78%
5730 · Mileage Reimbursement				127.99				199.49					327.48	1,375.00	-1,047.52	23.82%
5740 · Reference Materials														183.33	-183.33	
5790 · Other Administrative						7.85			600.00				607.85			
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	1,400.50	1,381.21	1,377.12	1,427.01	1,365.08	1,381.38	1,408.77	4,875.27	1,393.22	1,393.20			17,402.76	15,585.17	1,817.59	111.66%
5820 · Employee Benefits		3,908.30	3,908.30	3,908.30	3,908.30	3,972.16	3,972.16	3,972.16	3,972.16	3,972.16			35,494.00	44,281.42	-8,787.42	80.16%
5830 · Disability Insurance		141.66	283.32		283.32		141.66	141.66	283.32				1,274.94	1,284.25	-9.31	99.28%
5840 · Payroll Taxes	1,445.79	1,008.14	1,005.49	1,065.47	995.25	907.73	1,587.05	2,094.71	1,546.83	1,523.56			13,180.02	17,031.67	-3,851.65	77.39%
5850 · PARS	1,374.15	1,345.19	1,311.49	1,378.85	1,311.51	1,345.16	1,378.83	1,833.42	1,363.46	1,363.46			14,005.52	15,113.08	-1,107.56	92.67%
5900 · Wages																
5910 · Management	8,746.24	8,746.24	8,746.24	8,746.24	8,746.24	8,746.24	8,746.24	16,775.09	9,010.66	9,010.66			96,020.09	102,421.92	-6,401.83	93.75%
5920 · Staff	11,845.60	11,287.71	10,764.86	11,809.30	10,802.86	11,161.20	11,799.80	10,311.51	11,009.22	10,705.20			111,497.26	115,982.17	-4,484.91	96.13%
5930 · Staff Certification	150.00	150.00	150.00	175.00	200.00	200.00	200.00	200.00	200.00	200.00			1,825.00	1,650.00	175.00	110.61%
5940 · Staff Overtime		142.77	571.05	285.53	348.98	95.17		95.18					1,538.68	2,585.92	-1,047.24	59.5%
Total 5900 · Wages	20,741.84	20,326.72	20,232.15	21,016.07	20,098.08	20,202.61	20,746.04	27,381.78	20,219.88	19,915.86			210,881.03	222,640.01	-11,758.98	94.72%
5960 · Worker's Comp Insurance				701.92				700.28					1,402.20	5,016.92	-3,614.72	27.95%
Total 5800 · Labor	24,962.28	28,111.22	28,117.87	29,497.62	27,961.54	27,809.04	29,234.51	40,999.28	28,778.87	28,168.24			293,640.47	320,952.52	-27,312.05	91.49%
Total 5000 · Administrative	25,659.35	40,523.52	57,922.44	45,689.22	49,154.90	57,188.23	58,106.88	67,773.06	92,693.17	28,644.73			523,355.50	855,873.34	-332,517.84	61.15%
6000 · Operations																
6170 · Claims, Property Damage														18,333.33	-18,333.33	
6195 · Education & Training														916.67	-916.67	
6200 · Engineering																
6210 · Meeting Attendance, Engineering														1,833.33	-1,833.33	
6220 · General Engineering		3,621.50	4,836.00		3,255.00		1,860.00	2,331.25	9,430.30				25,334.05	55,000.00	-29,665.95	46.06%
Total 6200 · Engineering		3,621.50	4,836.00		3,255.00		1,860.00	2,331.25	9,430.30				25,334.05	56,833.33	-31,499.28	44.58%
6320 · Equipment & Tools, Expensed														916.67	-916.67	
6330 · Facilities																
6335 · Alarm Services	391.80	518.82	836.10		518.82	391.80	444.30	518.82	836.10				4,456.56	5,225.00	-768.44	85.29%
6337 · Landscaping		218.00		250.00	500.00		500.00	500.00	500.00				2,468.00	3,300.00	-832.00	74.79%
Total 6330 · Facilities	391.80	736.82	836.10	250.00	1,018.82	391.80	944.30	1,018.82	1,336.10				6,924.56	8,525.00	-1,600.44	81.23%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
6400 · Pumping																
6410 · Pumping Fuel & Electricity		3,379.03	6,154.63	2,774.62			2,984.05	3,002.67	12,821.67				31,116.67	41,250.00	-10,133.33	75.43%
Total 6400 · Pumping		3,379.03	6,154.63	2,774.62			2,984.05	3,002.67	12,821.67				31,116.67	41,250.00	-10,133.33	75.43%
6600 · Collection/Transmission																
6660 · Maintenance, Collection System														9,166.67	-9,166.67	
Total 6600 · Collection/Transmission														9,166.67	-9,166.67	
6770 · Uniforms				125.80									125.80			
6800 · Vehicles																
6810 · Fuel									800.82				800.82	916.67	-115.85	87.36%
6820 · Truck Equipment, Expensed									439.03				439.03	146.67	292.36	299.33%
6830 · Truck Repairs									621.96				621.96	916.67	-294.71	67.85%
Total 6800 · Vehicles									1,861.81				1,861.81	1,980.01	-118.20	94.03%
6900 · Sewer Authority Midcoastside																
6910 · SAM Collections		28,462.42	56,924.84		28,462.42	28,462.42	28,462.42	28,462.42	56,924.84				256,161.78	313,086.58	-56,924.80	81.82%
6920 · SAM Operations		127,428.28	254,856.56		127,428.28	127,428.28	127,428.28	127,428.28	254,856.56				1,146,854.52	1,401,710.75	-254,856.23	81.82%
6940 · SAM Maintenance, Collection Sys														36,666.67	-36,666.67	
6950 · SAM Maintenance, Pumping		4,341.08	23,883.47		27,191.82		1,984.82	5,485.51	20,373.52				83,260.22	45,833.33	37,426.89	181.66%
Total 6900 · Sewer Authority Midcoastside		160,231.78	335,664.87		183,082.52	155,890.70	157,875.52	161,376.21	332,154.92				1,486,276.52	1,797,297.33	-311,020.81	82.7%
Total 6000 · Operations	391.80	167,969.13	347,491.60	3,150.42	187,356.34	156,282.50	163,663.87	167,728.95	357,604.80				1,551,639.41	1,935,219.01	-383,579.60	80.18%
Total Expense	26,051.15	208,492.65	405,414.04	48,839.64	236,511.24	213,470.73	221,770.75	235,502.01	450,297.97	28,644.73			2,074,994.91	2,791,092.35	-716,097.44	74.34%
Net Ordinary Income	-26,603.33	-199,726.44	-336,822.79	-42,504.15	-219,929.53	1,454,296.30	-137,880.52	-24,891.26	-441,691.52	1,114,382.62			1,138,629.38	313,943.64	824,685.74	362.69%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)				26,378.00					52,756.00	26,378.00			105,512.00	137,500.00	-31,988.00	76.74%
7120 · Connection Fees (Remodel)	5,184.00	2,637.50	10,050.00	2,100.36	4,647.50		10,959.00	7,385.00	12,745.00				55,708.36	45,833.33	9,875.03	121.55%
Total 7100 · Connection Fees	5,184.00	2,637.50	10,050.00	28,478.36	4,647.50		10,959.00	7,385.00	65,501.00	26,378.00			161,220.36	183,333.33	-22,112.97	87.94%
7200 · Interest Income - LAIF	28,542.13			27,688.92			25,982.57						82,213.62	45,833.33	36,380.29	179.38%
Total 7000 · Capital Account Revenues	33,726.13	2,637.50	10,050.00	56,167.28	4,647.50		36,941.57	7,385.00	65,501.00	26,378.00			243,433.98	229,166.66	14,267.32	106.23%
Total Other Income	33,726.13	2,637.50	10,050.00	56,167.28	4,647.50		36,941.57	7,385.00	65,501.00	26,378.00			243,433.98	229,166.66	14,267.32	106.23%
Other Expense																
8000 · Capital Improvement Program																
8075 · Sewer		25,087.21	142,368.91		7,016.97		1,674.00	93.00	1,875.50				178,115.59	1,362,244.58	-1,184,128.99	13.08%
Total 8000 · Capital Improvement Program		25,087.21	142,368.91		7,016.97		1,674.00	93.00	1,875.50				178,115.59	1,362,244.58	-1,184,128.99	13.08%
9000 · Capital Account Expenses																
9125 · PNC Equipment Lease Interest	1,332.23	1,321.34	1,309.68	1,298.01	1,286.30	1,274.56	1,262.80	1,251.01	2,466.51				12,802.44	13,952.58	-1,150.14	91.76%
9150 · SRF Loan						163,905.22							163,905.22			
9200 · I-Bank Loan							11,062.63						11,062.63	20,700.17	-9,637.54	53.44%
Total 9000 · Capital Account Expenses	1,332.23	1,321.34	1,309.68	1,298.01	1,286.30	165,179.78	12,325.43	1,251.01	2,466.51				187,770.29	34,652.75	153,117.54	541.86%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2019 through June 2020

	TOTAL												Budget	\$ Over Budget	% of Budget	
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20			
Total Other Expense	1,332.23	26,408.55	143,678.59	1,298.01	8,303.27	165,179.78	13,999.43	1,344.01	4,342.01				365,885.88	1,396,897.33	-1,031,011.45	26.19%
Net Other Income	32,393.90	-23,771.05	-133,628.59	54,869.27	-3,655.77	-165,179.78	22,942.14	6,040.99	61,158.99	26,378.00			-122,451.90	-1,167,730.67	1,045,278.77	10.49%
Net Income	5,790.57	-223,497.49	-470,451.38	12,365.12	-223,585.30	1,289,116.52	-114,938.38	-18,850.27	-380,532.53	1,140,760.62			1,016,177.48	-853,787.03	1,869,964.51	-119.02%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense																
Income																
4220 · Cell Tower Lease	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	3,153.26	4,794.24			33,173.58	33,916.67	-743.09	97.81%
4400 · Fees																
4410 · Administrative Fee (New Constr)		1,084.00	1,084.00		542.00		542.00		1,084.00				4,336.00	4,583.33	-247.33	94.6%
4420 · Administrative Fee (Remodel)						542.00				542.00			1,084.00	1,084.00	1,084.00	100.0%
4430 · Inspection Fee (New Constr)		1,024.00	1,024.00		512.00		512.00		1,024.00				4,096.00	3,666.67	429.33	111.71%
4440 · Inspection Fee (Remodel)						512.00	512.00			512.00			1,536.00	1,536.00	1,536.00	100.0%
4450 · Mainline Extension Fees														2,750.00	-2,750.00	
4460 · Remodel Fees	380.00	380.00		119.00			542.00						1,421.00	1,833.33	-412.33	77.51%
4470 · Other Fees	692.40	130.00					3,578.00						4,400.40			
Total 4400 · Fees	1,072.40	2,618.00	2,108.00	119.00	1,054.00	1,054.00	5,686.00		2,108.00	1,054.00			16,873.40	12,833.33	4,040.07	131.48%
4510 · Grants	112.00												112.00			
4610 · Property Tax Receipts		853.44	61,790.12	330.21	10,325.02	117,962.79	78,150.06	20,095.37	622.32	86,125.31			376,254.64	275,000.00	101,254.64	136.82%
4740 · Testing, Backflow	114.00			13,990.00	2,975.00		947.00	238.00		1,190.00			19,454.00	16,500.00	2,954.00	117.9%
4760 · Waste Collection Revenues																
4810 · Water Sales, Domestic	182,045.53	177,480.27	174,333.84	154,144.69	165,837.81	142,233.39	173,506.11	139,971.95	152,353.17	145,626.18			1,607,532.94	1,784,750.00	-177,217.06	90.07%
4850 · Water Sales Refunds, Customer	-1,061.41					-53.85	-222.93	-920.14					-2,258.33	-2,750.00	491.67	82.12%
4990 · Other Revenue		54,423.00			16.07				1,972.02				56,411.09			
Total Income	185,435.78	238,527.97	241,385.22	171,737.16	183,361.16	264,349.59	261,219.50	162,538.44	160,208.77	238,789.73			2,107,553.32	2,120,250.00	-12,696.68	99.4%
Gross Profit	185,435.78	238,527.97	241,385.22	171,737.16	183,361.16	264,349.59	261,219.50	162,538.44	160,208.77	238,789.73			2,107,553.32	2,120,250.00	-12,696.68	99.4%
Expense																
5000 · Administrative																
5190 · Bank Fees			44.53		54.03	218.22	209.40	117.80	189.71	184.71			1,018.40	3,437.50	-2,419.10	29.63%
5200 · Board of Directors																
5210 · Board Meetings		670.96	296.48	490.32	14.97	461.97	322.46	15.64	344.15				2,616.95	3,666.67	-1,049.72	71.37%
5220 · Director Fees		225.00	337.50	337.50	562.50	187.50	450.00	637.50	337.50				3,075.00	3,025.00	50.00	101.65%
Total 5200 · Board of Directors		895.96	633.98	827.82	577.47	649.47	772.46	653.14	681.65				5,691.95	6,691.67	-999.72	85.06%
5240 · CDPH Fees							9,156.40						9,156.40	14,437.50	-5,281.10	63.42%
5250 · Conference Attendance			35.00	185.01	23.00				700.00				943.01	5,500.00	-4,556.99	17.15%
5270 · Information Systems		75.00		639.00		300.00			7,209.00				8,223.00	2,750.00	5,473.00	299.02%
5300 · Insurance																
5310 · Fidelity Bond														458.33	-458.33	
5320 · Property & Liability Insurance			1,173.00										1,173.00	2,291.67	-1,118.67	51.19%
Total 5300 · Insurance			1,173.00										1,173.00	2,750.00	-1,577.00	42.66%
5350 · LAFCO Assessment							2,465.00						2,465.00	2,520.83	-55.83	97.79%
5400 · Legal																
5420 · Meeting Attendance, Legal																
5430 · General Legal				10,637.50	20,591.25		9,562.26	12,663.87	27,011.09				80,465.97	211,750.00	-131,284.03	38.0%
Total 5400 · Legal				10,637.50	20,591.25		9,562.26	12,663.87	27,011.09				80,465.97	211,750.00	-131,284.03	38.0%
5510 · Maintenance, Office		319.46	284.22	160.00	379.25	447.03	668.06	1,961.97	917.46				5,137.45	7,333.33	-2,195.88	70.06%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
5530 · Memberships		277.00			10,732.16	15,266.00							26,275.16	22,000.00	4,275.16	119.43%
5540 · Office Supplies		870.14	391.64	26.51	439.27	224.73	660.72	706.56	1,377.98	136.99			4,834.54	7,333.33	-2,498.79	65.93%
5550 · Postage		567.75	856.47	708.90	780.54	946.26	1,057.84	1,068.78	2,244.74				8,231.28	8,250.00	-18.72	99.77%
5560 · Printing & Publishing	854.62	36.97	56.86	34.96	25.30	89.33	50.25	119.51	206.67				1,474.47	2,750.00	-1,275.53	53.62%
5600 · Professional Services																
5610 · Accounting		5,150.00	4,750.00		4,450.00	1,850.00	3,250.00	3,525.00	4,250.00				27,225.00	27,500.00	-275.00	99.0%
5620 · Audit							8,150.00						8,150.00	11,916.67	-3,766.67	68.39%
5630 · Consulting		1,093.75	806.59		10,063.02	5,996.89	3,456.62	5,386.71	16,871.93				43,675.51	91,666.67	-47,991.16	47.65%
5640 · Data Services		899.50											899.50			
5650 · Labor & HR Support	213.50	213.50	213.50	213.50	213.50	213.50	292.60	213.50	427.00				2,214.10	2,291.67	-77.57	96.62%
5660 · Payroll Services	76.98	75.81	76.98	76.98	74.64	74.64	144.29	74.64	74.64	72.32			821.92	916.67	-94.75	89.66%
Total 5600 · Professional Services	290.48	7,432.56	5,847.07	290.48	14,801.16	8,135.03	15,293.51	9,199.85	21,623.57	72.32			82,986.03	134,291.68	-51,305.65	61.8%
5710 · San Mateo Co. Tax Roll Charges					119.00								119.00			
5720 · Telephone & Internet		2,958.80	3,076.06	2,958.32	3,085.97	3,074.29	3,000.15	3,075.68	6,203.07				27,432.34	24,750.00	2,682.34	110.84%
5730 · Mileage Reimbursement				127.99		295.14		199.50					622.63	1,833.33	-1,210.70	33.96%
5740 · Reference Materials														733.33	-733.33	
5790 · Other Adminstrative						1,853.12			303.00				2,156.12			
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	3,200.51	3,181.17	3,131.46	3,338.98	3,200.65	3,192.48	3,275.40	6,426.36	3,118.31	3,493.77			35,559.09	39,632.08	-4,072.99	89.72%
5820 · Employee Benefits		6,323.56	6,323.56	6,323.56	6,323.56	6,445.89	6,445.89	6,445.89	6,445.89	6,445.89			57,523.69	80,767.50	-23,243.81	71.22%
5830 · Disability Insurance		284.98	569.96		569.96		284.98	284.98	569.96				2,564.82	3,178.08	-613.26	80.7%
5840 · Payroll Taxes	3,656.75	3,241.27	3,128.18	3,369.98	3,190.85	3,134.09	3,870.36	4,027.19	3,725.38	3,891.45			35,235.50	44,973.50	-9,738.00	78.35%
5850 · PARS	2,796.87	2,706.07	2,610.56	2,801.61	2,615.13	2,716.20	2,812.20	3,079.80	2,741.07	3,189.93			28,069.44	34,499.67	-6,430.23	81.36%
5900 · Wages																
5910 · Management	8,746.24	8,746.24	8,746.25	8,746.24	8,746.24	8,746.24	8,746.24	16,775.11	9,010.68	9,010.68			96,020.16	102,421.92	-6,401.76	93.75%
5920 · Staff	34,653.88	33,263.83	31,291.05	34,255.36	31,150.01	32,996.60	34,879.00	30,529.43	33,924.63	37,191.38			334,135.17	409,603.33	-75,468.16	81.58%
5930 · Staff Certification	911.25	850.00	850.00	875.00	1,196.88	900.00	900.00	900.00	900.00	900.00			9,183.13	10,450.00	-1,266.87	87.88%
5940 · Staff Overtime	3,350.67	4,318.60	5,030.69	5,034.33	5,919.48	4,461.83	4,019.64	2,406.92	2,568.04	1,678.78			38,788.98	44,096.25	-5,307.27	87.96%
5950 · Staff Standby	2,042.74	2,219.34	2,061.71	2,229.61	2,082.68	2,200.35	2,048.39	2,031.30	2,294.44	2,087.91			21,298.47	21,311.58	-13.11	99.94%
Total 5900 · Wages	49,704.78	49,398.01	47,979.70	51,140.54	49,095.29	49,305.02	50,593.27	52,642.76	48,697.79	50,868.75			499,425.91	587,883.08	-88,457.17	84.95%
5960 · Worker's Comp Insurance				3,450.24				3,503.44					6,953.68	21,380.33	-14,426.65	32.52%
Total 5800 · Labor	59,358.91	65,135.06	63,743.42	70,424.91	64,995.44	64,793.68	67,282.10	76,410.42	65,298.40	67,889.79			665,332.13	812,314.24	-146,982.11	81.91%
Total 5000 · Administrative	60,504.01	78,568.70	76,142.25	87,021.40	116,603.84	96,292.30	110,178.15	106,177.08	133,966.34	68,283.81			933,737.88	1,271,426.74	-337,688.86	73.44%
6000 · Operations																
6160 · Backflow Prevention									325.93				325.93	916.67	-590.74	35.56%
6170 · Claims, Property Damage									392.00				392.00	9,166.67	-8,774.67	4.28%
6180 · Communications																
6185 · SCADA Maintenance						48.06		115.79	62.10				225.95	11,916.67	-11,690.72	1.9%
6180 · Communications - Other																
Total 6180 · Communications						48.06		115.79	62.10				225.95	11,916.67	-11,690.72	1.9%
6195 · Education & Training			2,195.00	566.24			336.25		512.50				3,609.99	8,250.00	-4,640.01	43.76%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
6200 · Engineering																
6210 · Meeting Attendance, Engineering														458.33	-458.33	
6220 · General Engineering		12,389.54											12,389.54	27,500.00	-15,110.46	45.05%
6230 · Water Quality Engineering		7,712.50	27,556.25	9,455.67	2,615.00	4,176.25	9,347.76	36,469.38	20,782.50				118,115.31	320,833.33	-202,718.02	36.82%
Total 6200 · Engineering		20,102.04	27,556.25	9,455.67	2,615.00	4,176.25	9,347.76	36,469.38	20,782.50				130,504.85	348,791.66	-218,286.81	37.42%
6320 · Equipment & Tools, Expensed		204.96	1,168.25	1,946.98	8,577.25	790.02	1,043.81	1,690.05	765.26	127.82			16,314.40	7,333.33	8,981.07	222.47%
6330 · Facilities																
6335 · Alarm Services		127.02	52.50		127.02		52.50	127.02	52.50				538.56	733.33	-194.77	73.44%
6337 · Landscaping		483.00	1,050.00	691.28	550.00	850.00	603.62	350.00	550.00	21.83			5,149.73	51,333.33	-46,183.60	10.03%
Total 6330 · Facilities		610.02	1,102.50	691.28	677.02	850.00	656.12	477.02	602.50	21.83			5,688.29	52,066.66	-46,378.37	10.93%
6370 · Lab Supplies & Equipment			4,095.97		1,909.32	308.09	719.37		163.46				7,196.21	2,291.67	4,904.54	314.02%
6380 · Meter Reading					9.95								9.95			
6400 · Pumping																
6410 · Pumping Fuel & Electricity		6,536.56	8,790.51	5,901.37	2,267.57	6,190.55	5,320.22	5,698.59	16,356.52	1,300.93			58,362.82	82,500.00	-24,137.18	70.74%
6420 · Pumping Maintenance, Generators		7,631.82	3,815.91	44.02	1,183.22	1,173.00		4,136.12	2,924.11				20,908.20	9,166.67	11,741.53	228.09%
6430 · Pumping Maintenance, General							17.24						17.24	4,583.33	-4,566.09	0.38%
6440 · Pumping Equipment, Expensed					5,312.57	453.91	2,795.65						8,562.13	641.67	7,920.46	1,334.35%
Total 6400 · Pumping		14,168.38	12,606.42	5,945.39	8,763.36	7,817.46	8,133.11	9,834.71	19,280.63	1,300.93			87,850.39	96,891.67	-9,041.28	90.67%
6500 · Supply																
6510 · Maintenance, Raw Water Mains								27.48					27.48	2,291.67	-2,264.19	1.2%
6520 · Maintenance, Wells	-815.00							36.76	11,414.12	50.99			10,686.87	4,583.33	6,103.54	233.17%
6530 · Water Purchases					10,606.31			10,978.74					21,585.05	36,666.67	-15,081.62	58.87%
Total 6500 · Supply	-815.00				10,606.31			11,042.98	11,414.12	50.99			32,299.40	43,541.67	-11,242.27	74.18%
6600 · Collection/Transmission																
6610 · Hydrants									6,481.17				6,481.17	916.67	5,564.50	707.03%
6620 · Maintenance, Water Mains			2,587.50		16,308.94		6,407.56		7,045.63				32,349.63	45,833.33	-13,483.70	70.58%
6630 · Maintenance, Water Svc Lines					3,519.11								3,519.11	18,333.33	-14,814.22	19.2%
6640 · Maintenance, Tanks			4,146.03										4,146.03	916.67	3,229.36	452.29%
6650 · Maint., Distribution General			223.81		7,203.14				3,402.00				10,828.95	7,333.33	3,495.62	147.67%
6670 · Meters		1,599.42					4,654.03						6,253.45	2,291.67	3,961.78	272.88%
Total 6600 · Collection/Transmission		1,599.42	6,957.34		27,031.19		11,061.59		16,928.80				63,578.34	75,625.00	-12,046.66	84.07%
6700 · Treatment																
6710 · Chemicals & Filtering	2,537.58	628.31	2,825.45	3,155.21	10,841.50	14,646.00	680.50	1,943.89	1,730.71				38,989.15	18,333.33	20,655.82	212.67%
6720 · Maintenance, Treatment Equip.		574.99		30.72	11,659.11	7.10	137.89	201.38	28.67				12,639.86	18,333.33	-5,693.47	68.95%
6730 · Treatment Analysis		937.80	7,518.32	600.05	1,646.35	1,039.92	1,218.75	1,056.98	2,697.78				16,715.95	41,250.00	-24,534.05	40.52%
Total 6700 · Treatment	2,537.58	2,141.10	10,343.77	3,785.98	24,146.96	15,693.02	2,037.14	3,202.25	4,457.16				68,344.96	77,916.66	-9,571.70	87.72%
6770 · Uniforms		761.41	1,407.57	151.93	487.62	225.84	400.62		47.55				3,482.54	1,833.33	1,649.21	189.96%
6800 · Vehicles																
6810 · Fuel		539.98	536.34	747.59	935.61	816.56	575.95	468.17	415.28				5,035.48	9,166.67	-4,131.19	54.93%
6820 · Truck Equipment, Expensed	2,926.85												2,685.51	916.67	1,768.84	292.96%
6830 · Truck Repairs		919.99	175.14	2,887.91		101.45			-560.05				3,524.44	4,583.33	-1,058.89	76.9%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2019 through June 2020

													TOTAL			
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Total 6800 · Vehicles	2,926.85	1,459.97	711.48	3,635.50	935.61	918.01	575.95	468.17	-386.11				11,245.43	14,666.67	-3,421.24	76.67%
6890 · Other Operations										54.59			54.59			
Total 6000 · Operations	4,649.43	41,047.30	68,144.55	26,178.97	85,759.59	30,826.75	34,311.72	63,300.35	75,348.40	1,556.16			431,123.22	751,208.33	-320,085.11	57.39%
Total Expense	65,153.44	119,616.00	144,286.80	113,200.37	202,363.43	127,119.05	144,489.87	169,477.43	209,314.74	69,839.97			1,364,861.10	2,022,635.07	-657,773.97	67.48%
Net Ordinary Income	120,282.34	118,911.97	97,098.42	58,536.79	-19,002.27	137,230.54	116,729.63	-6,938.99	-49,105.97	168,949.76			742,692.22	97,614.93	645,077.29	760.84%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)	4,072.72			18,105.00			4,200.72	18,105.00	56,125.00				100,608.44	137,500.00	-36,891.56	73.17%
7130 · Conn. Fees, PFP (New Constr)	6,879.11	9,029.00		5,406.00				9,029.00	27,087.00				57,430.11	119,166.67	-61,736.56	48.19%
7100 · Connection Fees - Other										14,779.63			14,779.63			
Total 7100 · Connection Fees	10,951.83	9,029.00		23,511.00			4,200.72	27,134.00	83,212.00	14,779.63			172,818.18	256,666.67	-83,848.49	67.33%
7600 · Bond Revenues, G.O.		2,050.10		1,396.19	21,116.20	560,710.15	2,352.01	69,880.54	1,103.34	393,601.51			1,052,210.04	1,054,566.33	-2,356.29	99.78%
Total 7000 · Capital Account Revenues	10,951.83	11,079.10		24,907.19	21,116.20	560,710.15	6,552.73	97,014.54	84,315.34	408,381.14			1,225,028.22	1,311,233.00	-86,204.78	93.43%
Total Other Income	10,951.83	11,079.10		24,907.19	21,116.20	560,710.15	6,552.73	97,014.54	84,315.34	408,381.14			1,225,028.22	1,311,233.00	-86,204.78	93.43%
Other Expense																
8000 · Capital Improvement Program																
8100 · Water		52,240.72	57,197.72	118,127.12	213,799.88	166,380.61	173,886.45		45,425.14	9,446.25			836,503.89	503,708.33	332,795.56	166.07%
Total 8000 · Capital Improvement Program		52,240.72	57,197.72	118,127.12	213,799.88	166,380.61	173,886.45		45,425.14	9,446.25			836,503.89	503,708.33	332,795.56	166.07%
9000 · Capital Account Expenses																
9100 · Interest Expense - GO Bonds		117,108.56							113,430.11				230,538.67	211,327.42	19,211.25	109.09%
9125 · PNC Equipment Lease Interest	1,332.23	1,321.33	1,309.69	1,298.01	1,286.30	1,274.57	1,262.80	1,251.01	2,466.53				12,802.47	13,952.58	-1,150.11	91.76%
9150 · SRF Loan														66,800.25	-66,800.25	
9210 · Conservation Program/Rebates			350.00		150.00		450.00	200.00	200.00				1,350.00	2,750.00	-1,400.00	49.09%
Total 9000 · Capital Account Expenses	1,332.23	118,429.89	1,659.69	1,298.01	1,436.30	1,274.57	1,712.80	114,881.12	2,666.53				244,691.14	294,830.25	-50,139.11	82.99%
Total Other Expense	1,332.23	170,670.61	58,857.41	119,425.13	215,236.18	167,655.18	175,599.25	114,881.12	48,091.67	9,446.25			1,081,195.03	798,538.58	282,656.45	135.4%
Net Other Income	9,619.60	-159,591.51	-58,857.41	-94,517.94	-194,119.98	393,054.97	-169,046.52	-17,866.58	36,223.67	398,934.89			143,833.19	512,694.42	-368,861.23	28.05%
Net Income	129,901.94	-40,679.54	38,241.01	-35,981.15	-213,122.25	530,285.51	-52,316.89	-24,805.57	-12,882.30	567,884.65			886,525.41	610,309.35	276,216.06	145.26%

Date	Check #	Description	Amount	
SPLIT				
05/04/2020	11483	ACWA/JPIA Insurance Authority	-10,418.05	PAID
05/04/2020	1191	Bay Area Air Quality Management District	-2,594.00	PAID
05/04/2020	11485	Fitzgerald Law Offices	-20,853.75	PAID
05/04/2020	11486	IEDA	-427.00	PAID
05/20/2020	11497	Jim Harvey	-150.00	PAID
05/04/2020	11487	Office Depot	-108.93	PAID
05/06/2020	11495	Office Depot	-49.92	PAID
05/06/2020	11496	PCT	-300.00	PAID
05/20/2020	11498	Peter Dekker	-150.00	PAID
05/04/2020	11488	Rauch Communication Consultants, Inc.	-105.00	PAID
05/04/2020	11490	White Glove Housekeeping	-520.00	PAID
		A-B Communications	-166.30	
		AT&T	-270.29	
		AT&T	-148.66	
		AT&T	-69.88	
		AT&T	-3,680.83	
		AT&T	-265.38	
		Aztec Gardens	-850.00	
		CalPERS 457 Plan	-5,752.13	
		Maze & Associates	-5,500.00	
		Pacific Gas & Electric	-5,184.80	
		PARS	-795.68	
		PCT	-600.00	
		Standard Insurance Co.	-477.69	
		Tech Solutions	-300.00	
		U.S. Bank PARS	-9,259.38	
		Office Depot	-134.50	

WATER				
05/04/2020	11484	Calcon Systems, Inc.	-3,405.00	PAID
05/06/2020	11494	North Coast County Water District	-415.00	PAID
05/06/2020	11492	Pacific Gas & Electric	-1,290.88	PAID
05/04/2020	11489	SRT Consultants	-17,511.25	PAID
		AT&T Mobility	-5.23	
		BSK Lab	-1,121.10	
		Calcon Systems, Inc.	-1,702.50	
		County of San Mateo Public Works	-6,229.83	
		First Republic Bank	-8,244.10	
		North Coast County	-450.00	
		Pacific Gas & Electric	-1,020.74	
		R&B Company	-1,240.09	
		USA Blue Book	-361.14	
		Wells Fargo Remittance Center	-1,100.16	

SEWER

05/06/2020	11493	Hue & Cry Security	-391.80	PAID
		Hue & Cry	-391.80	
		Nute Engineering	-18,324.90	
		Sewer Authority Mid-Coastside	-127,428.28	
		Sewer Authority Mid-Coastside	-28,462.42	
		Sewer Authority Mid-Coastside	-21,041.81	



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: SAM Flow Report for April 2020

The Sewer Authority Mid-Coastside (SAM) has not been published at this time. The April Flow Report will be included in the July 2, 2020 consent agenda.

RECOMMENDATION:

Receive report at future meeting.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: June 4, 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 April 2020 the rate was 1.648.
- 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: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Connection Permit Applications Received

As of June 4, 2020 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of June 4, 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

As of June 4, 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

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: June 4th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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.

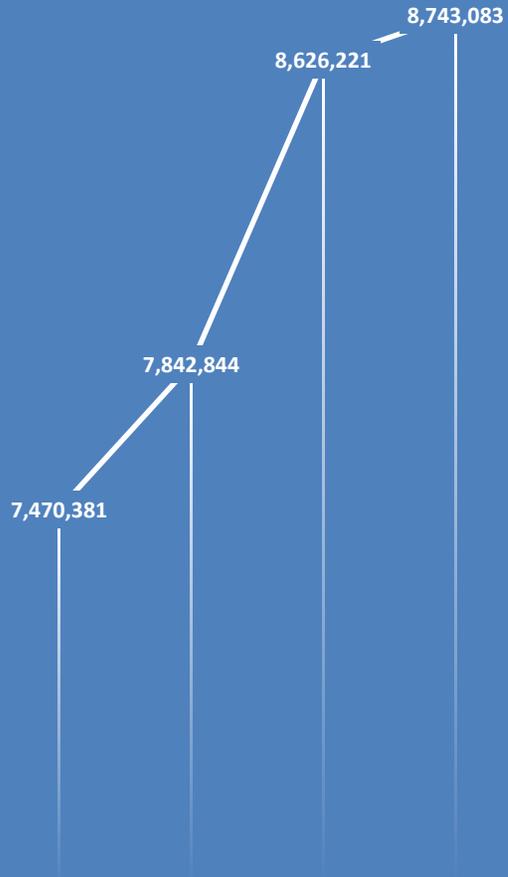
Attachments: 2

Annual Water Production 2020



TOTAL PRODUCTION 2020 (GALLONS)

GALLONS



	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,470,381	7,842,844	8,626,221	8,743,083								

MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: June 4th, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Rain Report

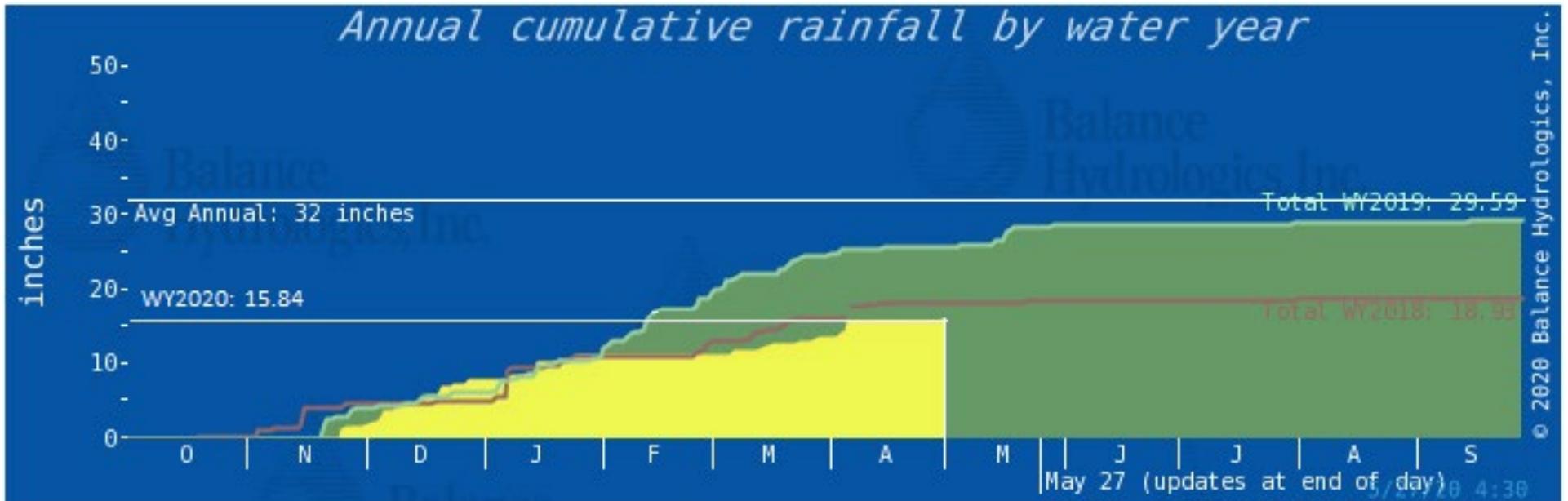
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

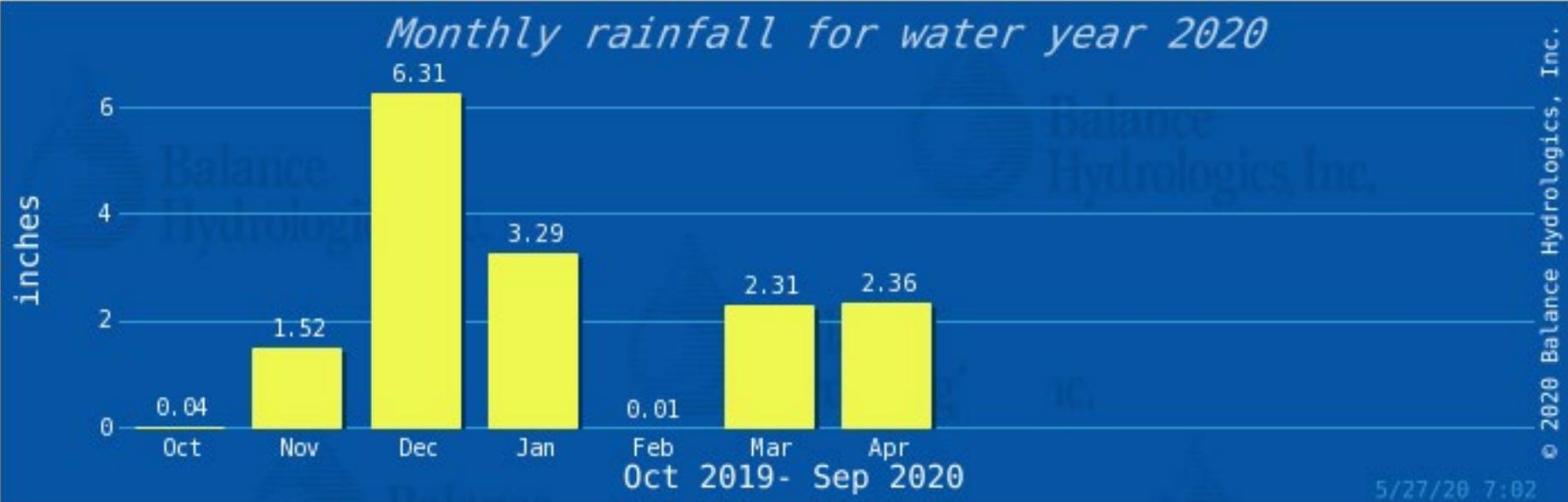
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Annual Cumulative Rainfall



Monthly Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: June 4th, 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 44,532 kWh and saved 75,704 lbs of CO₂.

RECOMMENDATION:

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

Attachments: 1

SOLAR ENERGY PRODUCED IN 2020 (kWh)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
total kWh	104	167	176	212								



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Monthly Public Agency Retirement Service Report for March 2020.

The District has received the monthly PARS report for March 2020.

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
3/1/2020 to 3/31/2020**

Plan ID: P7-REP15A

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

Account Summary

Source	Beginning Balance as of 3/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 3/31/2020
Contributions	\$812,076.93	\$10,415.76	(\$91,847.30)	\$383.86	\$1,084.63	\$0.00	\$729,176.90
TOTAL	\$812,076.93	\$10,415.76	(\$91,847.30)	\$383.86	\$1,084.63	\$0.00	\$729,176.90

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	-11.23%	-16.57%	-7.82%	2.2%	-	-	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: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Sewer Authority Mid-Coastside Fiscal Year 2020-2021 Budgets.

At the SAM Board of Directors meeting on May 11 2020, the SAM Board approved the SAM General Budget and SAM Collections Budget for Fiscal Year 2020/21 to be sent to the member agencies for consideration and approval.

The overall Collections Budget is suggested to decrease by \$144,265, or 17% over the prior Fiscal Year due to the City of HMB's separate Collections Services Agreement expiring this current FY. The 2018/19 assessment for MWSD for the Collections Contract Services would decrease by \$83,1898, or 24%.

SAM is suggesting an assessment decrease of the General Budget by \$107,366 or 1% to a total of \$7,307,067. The General Budget contains an Infrastructure Division Budget \$1,975,000. MWSD's assessment would increase by \$55,498 or 4% to \$1,584,637.

The SAM General and Collections Budgets were presented and discussed at the May 21 MWSD Board meeting.

RECOMMENDATION:

Adopt Resolution, No.____, Resolution of the Montara Water and Sanitary District Consenting to Approval by Sewer Authority Mid-Coastside of its General Budget for Fiscal Year 2020-2021, and adopt Resolution No. ____, Resolution of the Monatar Water and Sanitary District Approving and Adopting Fiscal Year 2020-2021 Sewer Authority Mid-Coastside Wastewater Collection System Contract Services Budget.

Attachments

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2020-2021

WHEREAS, Sewer Authority Mid-Coastside has, pursuant to Article III, Section (F)(3) of the joint exercise of powers agreement dated February 3, 1976, as amended, establishing said Authority, submitted its General Budget for fiscal year July 1, 2020 – June 30, 2021 for the consent of this District; and

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

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

1. Consent is hereby given to the approval by Sewer Authority Mid-Coastside of its General Budget for fiscal year 2020-2021 entitled, “General Budget – Fiscal Year 2020/21,” a copy of which is on file in the District’s Administrative Offices to which reference is hereby made for the particulars thereof.

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

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT CONSENTING TO APPROVAL BY SEWER AUTHORITY MID-COASTSIDE OF ITS GENERAL BUDGET FOR FISCAL YEAR 2020-2021

* * * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a Regular Meeting thereof held on the 4th day of June, 2020, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING AND ADOPTING FISCAL YEAR 2020 – 2021 SEWER AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM CONTRACT SERVICES BUDGET

WHEREAS, pursuant to Section V of that certain Agreement entitled, "Agreement for Maintenance and Operation Services Between the Montara Sanitary District and Sewer Authority Mid-Coastside," [said District subsequently renamed] dated April 7, 1988, for wastewater collection system maintenance and operation services, the Authority has submitted its Fiscal Year July 1, 2020 – June 30, 2021 budget for such services; and

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

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

1. That certain budget entitled, "Contract Collection Services Budget – Fiscal Year 2020/21," for collection system maintenance and operation services to be provided by Sewer Authority Mid-Coastside to the Montara Water and Sanitary District for said fiscal year, a copy of which is on file in the District Administrative Offices to which reference is hereby made for the particulars thereof, is hereby approved.

2. The District Secretary is hereby authorized and directed to transmit a certified copy of this resolution to Sewer Authority Mid-Coastside.

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
APPROVING AND ADOPTING FISCAL YEAR 2020 – 2021 SEWER
AUTHORITY MID-COASTSIDE WASTEWATER COLLECTION SYSTEM
CONTRACT SERVICES BUDGET**

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____
was duly and regularly adopted and passed by the Board of the Montara Water
and Sanitary District, San Mateo County, California, at a Regular Meeting thereof
held on the 4th day of June, 2020, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



SEWER AUTHORITY MID-COASTSIDE

T0: Board of Directors

FROM: Kishen Prathivadi, General Manager

SUBJECT: **Discuss proposed General Budget for Fiscal Year 2020-21 and Authorize the General Manager to submit it to Member Agencies for Approval.**

Executive Summary

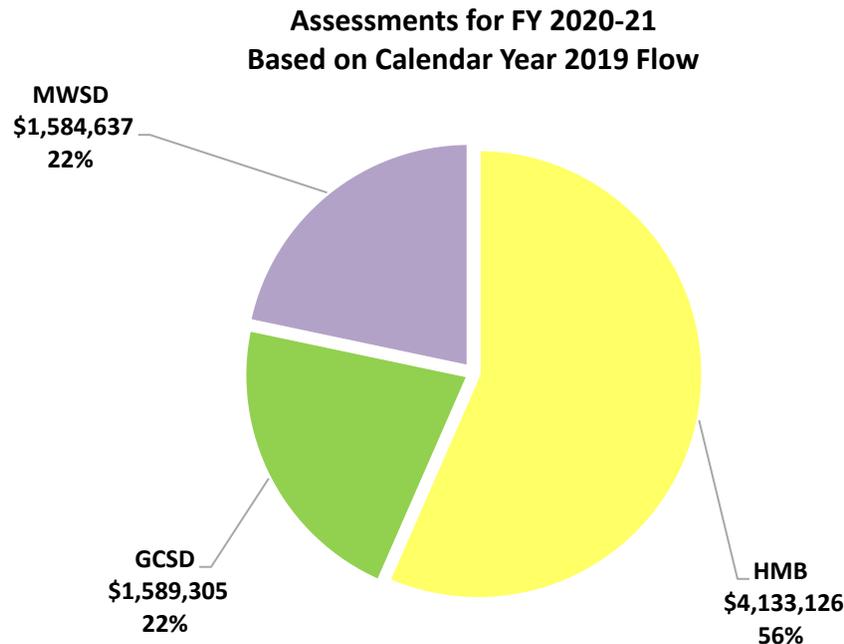
The purpose of this report is to discuss the proposed General Budget for Fiscal Year 2020-21 and Authorize the General Manager to submit it to Member Agencies for Approval.

Fiscal Impact

The operation and maintenance expenditure budget for Fiscal Year 2020/21 is \$7.4 million, including infrastructure project expenses. This is an *overall decrease* of \$190,000 from the FY 2019/20 adopted budget, which is primarily due to decreasing wages and benefits by \$250,000 and reducing the infrastructure budget by \$0.5M partly offset by increases in professional and legal services. The impact, net of miscellaneous revenues of \$138,000, to the member agency assessments is:

Assessments for Each Member Agency

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
Half Moon Bay	\$ 3,461,445	\$ 3,542,142	\$ 4,131,899	\$ 4,133,126	\$ 1,226	0%
Granada CSD	\$ 1,527,134	\$ 1,532,891	\$ 1,753,394	\$ 1,589,305	\$ (164,090)	-9%
Montara WSD	\$ 1,324,462	\$ 1,316,715	\$ 1,529,139	\$ 1,584,637	\$ 55,498	4%
	\$ 6,313,041	\$ 6,391,748	\$ 7,414,433	\$ 7,307,067	\$ (107,366)	-1.4%



Strategic Plan Compliance

The recommendations in the proposed budget comply with SAM Strategic Plan Goal 3: *“Consider long-term costs and ensure that finances are stable and understandable by the board, member agencies, and the public.”*

Background and Discussion/Report

The General Budget includes all operation and maintenance (O&M) costs for SAM and are allocated to four divisions (Administrative Services, Treatment, Environmental Compliance, and Infrastructure). The proposed budget includes obligations for wages and benefits defined in employment and bargaining contracts, increases in retirement contributions, and other non-discretionary expenses.

Staff made the following assumptions in determining changes from the FY 2020/21 adopted budget.

- Projects in the SAM Board of Directors approved FY 2020-2021 Infrastructure Plan will be implemented, except for five projects totaling \$0.66M that are proposed to be deferred.
- The positions of Engineering & Construction Contracts Manager and Accounting Technician have been defunded.
- All applicable merit step increases will be earned per the MOU with Local No. 39.
- All authorized positions are funded. Salaries for filled positions are estimated at one step up and for currently vacant positions are estimated at mid-step.

- All services, supplies, and utilities will be increased by a 3% CPI unless specific adjustment was deemed necessary based on actual experience or known factors.
- Removed overhead charge of approximately \$180,000 to collection contract services.

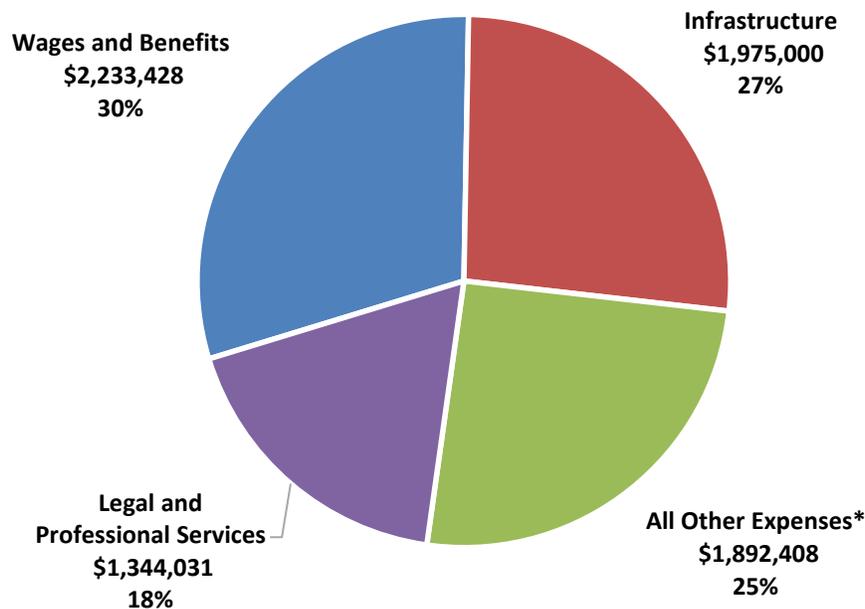
Budget Overview

The General Budget, including the proposed infrastructure projects, has been discussed by the member agency managers. The presentation today is for the Board to review and follow-up with agency staff and government leaders for comment. Approval of the proposed budget will take place later.

Of the total General Budget of \$7.44 million, \$2.233 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$1.975 million (27%). Professional, Engineering and Legal services is \$1.344 million (18%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services.

All other expenses (liability insurance, professional memberships, uniform services, conferences, training, permits, licenses, etc.) make up approximately 25% of the total budget.

**Expense by Category
Total \$7.44 million**



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims.

The most significant changes in the Administrative Services division budget are the defunding of the accounting technician position (\$116,000) resulting in a net reduction of \$80,000 in wages and benefits and increasing the legal and professional services (\$160,000) to respond to the recent litigation and to outsource key accounting functions.

The most significant changes in the Treatment division budget are defunding of the Engineering & Construction Contracts Manager position resulting in a net decrease of \$117,538 in wages and benefits, increases in professional services and engineering (\$363,000), building and maintenance services (\$90,000), and a reduction in equipment purchases (\$120,000).

The Infrastructure division decreased by \$0.5 million from \$2.485 million in Fiscal Year 2019/20 to \$1.993 million (conservative scenario) in FY 2020/21 to address critical and urgent projects identified in the approved FY 2020-2021 Capital Improvement Plan.

Changes in Expenses

The significant overall changes in the expense categories are as follows. The numbers are correlated to the line items on the budget spreadsheets.

1. Wages: net decrease of \$198,484 to reflect the defunding of the Accounting Technician and Engineering & Construction Contracts Manager positions, negotiated COLA, and application of step increases, where appropriate.
2. Premium Pay: increased \$775 for negotiated changes in standby pay, certification pay, and overtime pay.
3. Health Benefits: decreased \$60,673 based on the negotiated health premiums and the net decrease in staffing.
4. Retirement Contributions: increased \$24,348 primarily due to the underestimation of retirement costs related to the unfunded liability portion in the prior year's budget.
5. Retirement Medical: increased \$1,021 for contributions as negotiated in the MOU and the Unrepresented Employees.
6. Misc. Benefits: decreased \$16,629 for benefits as negotiated in the MOU and the Unrepresented Employees.
7. Personnel Subtotal: total decrease in personnel costs is \$251,684 (-10%) primarily due to defunding of two positions.
8. Legal Services: increased \$47,500 based on anticipated expenses for FY 2020/21 (does not include any expense related to the HMB lawsuit).

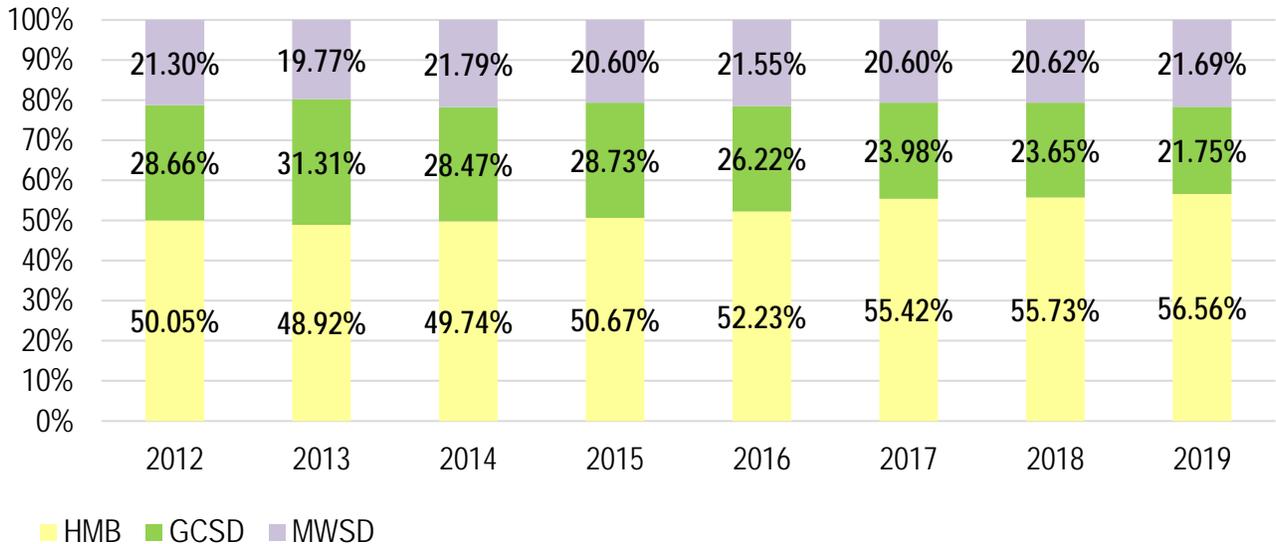
9. Engineering Services: decreased \$367,000 for design and project management services for projects identified in the Infrastructure/Capital Improvement Plan with the engineering costs reclassified into the infrastructure project budgets.
10. Professional Services: increased \$344,222 to reflect increased reliance on contractors and one-time expenses (such as GIS software hosting, electrical maintenance, safety training, etc.)
11. Professional Memberships: increased \$990 based on current year spending.
12. Insurance Premiums: increased \$42,000 to reflect anticipated increases in property, liability, pollution, and professional liability premiums.
13. Misc. Expenses: increased \$34,463 to reflect current needs year-to-date.
14. Utilities: increased \$39,965 for electricity, gas, and water to reflect current costs.
15. Travel & Training: decreased \$1,437 based on existing training needs of staff and participation in industry conferences for management team.
16. Equipment Rental: decreased \$29,685 to reflect reduced expenses to reflect actual rent experience in the current year.
17. Building & Maintenance Services: increased \$101,453 for contractors to perform necessary maintenance tasks at the treatment plant and pump stations.
18. Chemicals: increased \$5,520 based on anticipated expenses to reflect actual recent experience and expected vendor increases.
19. Permits & Licenses: decreased \$5,500 based on current spending.
20. Supplies: decreased \$833 based on current spending.
21. Equipment: decreased \$89,445 to reflect anticipated needs
22. Infrastructure: decreased \$60,000 to address the projects identified in the approved FY2020-2021 Capital Improvement Plan budget, including engineering costs.
23. Claims/Penalties: increased \$105 based on CPI increase of 3%.
24. Non-Personnel Subtotal: total increase in non-personnel costs is \$62,319 (1%).

Revenue Allocation

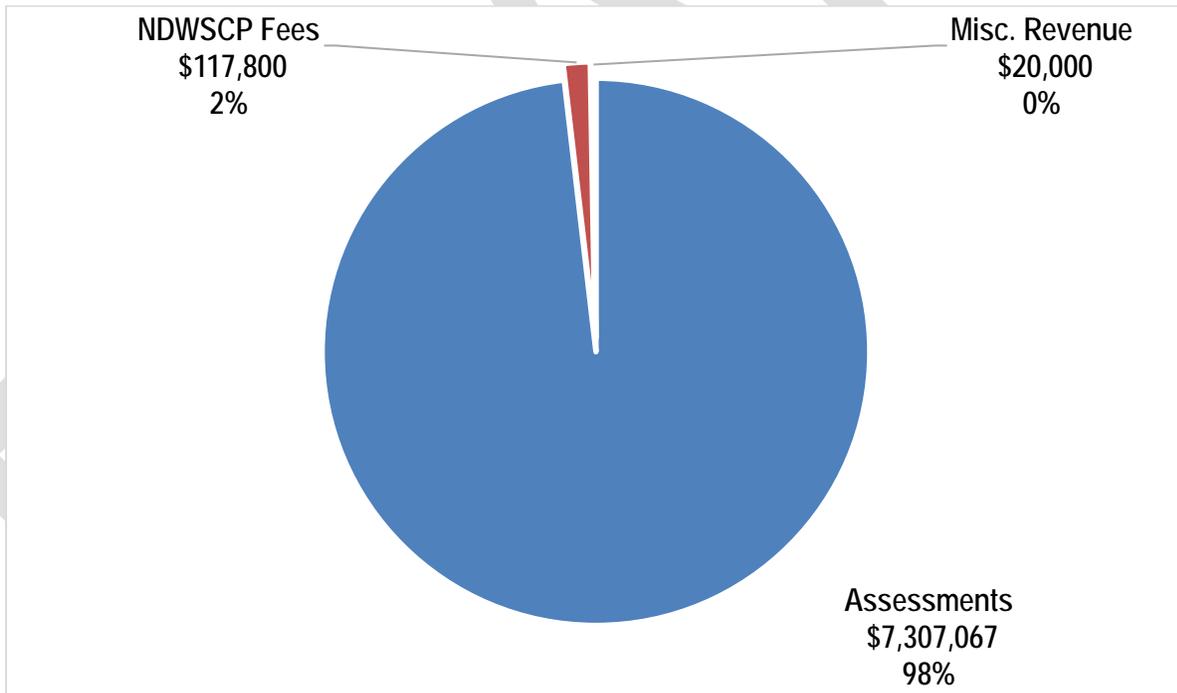
Of the total O & M revenue, the majority (98%) is from assessments paid by the JPA

member agencies. The allocation between the agencies is based on the flow from the preceding calendar year. The flow allocations fluctuate from year to year.

Historical Flow Allocations



The remaining revenue comes from the Non-Domestic Waste Source Control Program fees (2%), and miscellaneous revenue (0%).



Fiscal Reserve

The Authority has two types of reserves identified in its reserve policy – Emergency Repair Reserve) and Operating Reserve. The specific requirements for those reserves are as follows:

Emergency Repair Reserve

1. Objective: To ensure that adequate cash is available to stabilize and avoid sudden

budget impacts in a particular year from material, unplanned repairs or replacements that require immediate attention to continue operations.

Target: An emergency reserve of \$1,250,000. If and to the extent the reserve is used, a plan for replenishment will be presented by the SAM Manager to the Board within 60 days.

Uses:

- a. A repair or replacement resulting from an event causing sudden, significant failure of facilities that threatens continuation of operations.*
- b. Any repair or replacement which was scheduled to commence in a future fiscal year, but is critical to complete earlier than planned in order to insure continuation of operations, with Board approval.*

Operating Reserve

1. Objective: To ensure that adequate cash is available when needed to pay SAM's normal and recurring operating costs.

Target: An operating and cash flow reserve equal to two months of the fiscal year budgeted operating expenses.

Uses: Payment of budgeted operating expenditures.

SAM maintains their reserve in cash accounts (LAIF, Money Market and checking)

Staff Recommendation

Staff recommends that the Board of Directors review the budget with their respective staff and contemporaries and return comments to the SAM General Manager on or before May 20, 2020 for evaluation and approve a final budget before June 1, 2020.

Supporting Documents

Attachment A: SAM General Budget for FY 2020/21



General Budget
Fiscal Year 2020/21

OPERATIONS BUDGET



EXECUTIVE SUMMARY

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

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

JPA Income & Expenses – General Budget

Operating Income		
Assessments - City of Half Moon Bay	4,133,126	
Assessments - Granada Community Services District	1,589,305	
Assessments - Montara Water & Sanitary District	1,548,637	
Interest Income	20,000	
NDWSCP Fees	117,800	
Total Operating Income		\$ 7,444,867
Operating Expenses		
Wages	1,427,794	
Benefits	805,634	
Legal Services	150,000	
Engineering Services	100,000	
Professional & Technical Services	1,094,031	
Professional Memberships	34,090	
Insurance Premiums	105,000	
Miscellaneous Expenses	75,736	
Utilities	561,173	
Travel & Training	42,164	
Equipment Rental/Lease	110,815	

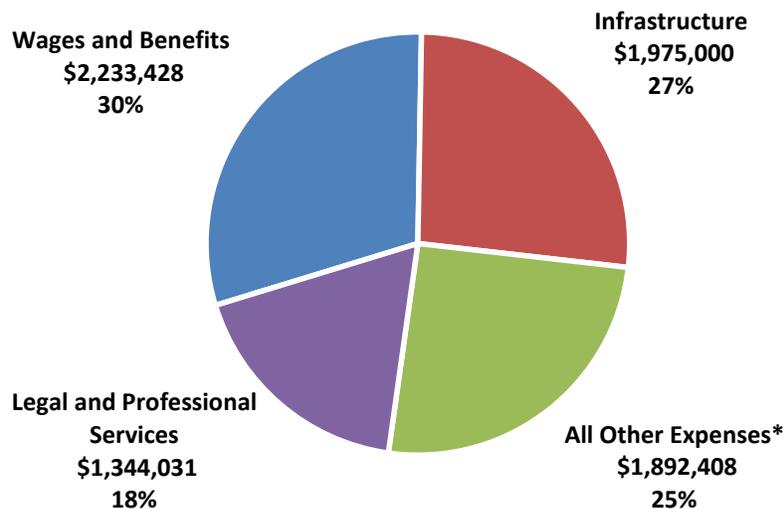
GENERAL BUDGET FISCAL YEAR 2019/20

Building & Maintenance Services	329,553	
Chemicals	189,520	
Permits & Licenses	27,500	
Supplies	104,198	
Equipment	309,055	
Infrastructure Projects	1,975,000	
Claims & Penalties	3,605	
Total Expenses		\$ 7,444,867
Total Operating Expenses (less Infrastructure)		\$ 5,469,867
Contribution to Reserve Funds (Revenues less Expenses)		\$ 0

The overall decrease from the adopted budget for Fiscal Year 2019/20 to the proposed budget for Fiscal Year 2020/21 is \$190,000 (-2%). This is primarily due to a decrease in infrastructure and increase in professional and legal services in addition to COLA and CPI adjustments net of defunding two positions (approximately \$280,000).

Of the total General Budget, \$2.233 million (30%) is for wages and benefits. The cost of infrastructure improvements is \$1.975 million (27%). Engineering, Legal, and Professional Services is \$1.344 million (18%) and accounts for a significant percentage of the budget due to SAM's dependency on contractors and consultants for technical and specialized services. Other expenses (including Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims) represent 25% of the budget.

Expense by Category Total \$7.44 million



*All Other Expenses include: Utilities, Insurance, Equipment Rental, Maintenance Services, Chemicals, Permits, Supplies, Equipment, and Claims

Division Budgets by Fiscal Year

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Administration	\$1,155,846	\$1,573,851	\$1,249,451	\$1,355,424	\$ 105,973	8%
Treatment	\$2,994,735	\$3,457,677	\$3,678,880	\$3,936,735	\$ 257,856	7%
Environmental	\$ 151,643	\$ 133,563	\$ 220,902	\$ 159,910	\$ (60,993)	-28%
Infrastructure	<u>\$ 3,047,274</u>	<u>\$792,677</u>	<u>\$2,485,000</u>	<u>\$1,992,799</u>	<u>\$ (492,201)</u>	<u>-20%</u>
Total	\$7,349,498	\$5,957,769	\$7,634,233	\$7,444,867	\$(189,365)	-2%
Total Operating	\$4,302,224	\$5,165,092	\$5,149,233	\$5,469,867	\$320,634	6%

The Administrative Services division increased \$105,973 (8%). The net increase is a result from the COLA adjustment of 4% and an overall increase in professional and legal services from the prior year and defunding of the Accounting Technician position.

The Treatment division increased \$257,856 (7%), which is mostly due to the COLA increase of 4%, shift in unfunded PERS liability from the administrative services division, and increased budget for professional services and defunding of the Engineering & Construction Contracts Manager position.

The Environmental Compliance division budget decreased \$60,993 (-28%) primarily due to reduction in professional services based on year-to-date expenditures.

The Infrastructure division decreased \$0.5 million to address the projects in the approved FY2020-2021 Capital Improvement Plan, with the exception of five non urgent projects totaling \$0.66 million. This amount is inclusive of engineering project costs.

BUDGET ALLOCATION AND ASSESSMENTS

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

Flow Results for Budget Allocations*

	HMB	GCS D	MWSD	
FY 2020/21	56.6%	21.8%	21.7%	(Based on Calendar Year 2019)
FY 2019/20	<u>55.7%</u>	<u>23.6%</u>	<u>20.6%</u>	(Based on Calendar Year 2018)
Variance	0.9%	-1.8%	1.1%	

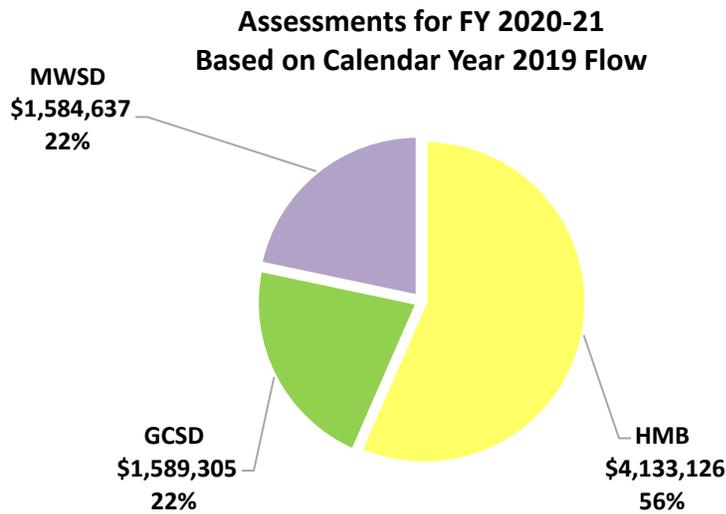
*The member agency assessments are allocated based on flow percentages from the previous calendar year. This allocation varies each year.

GENERAL BUDGET FISCAL YEAR 2020/21

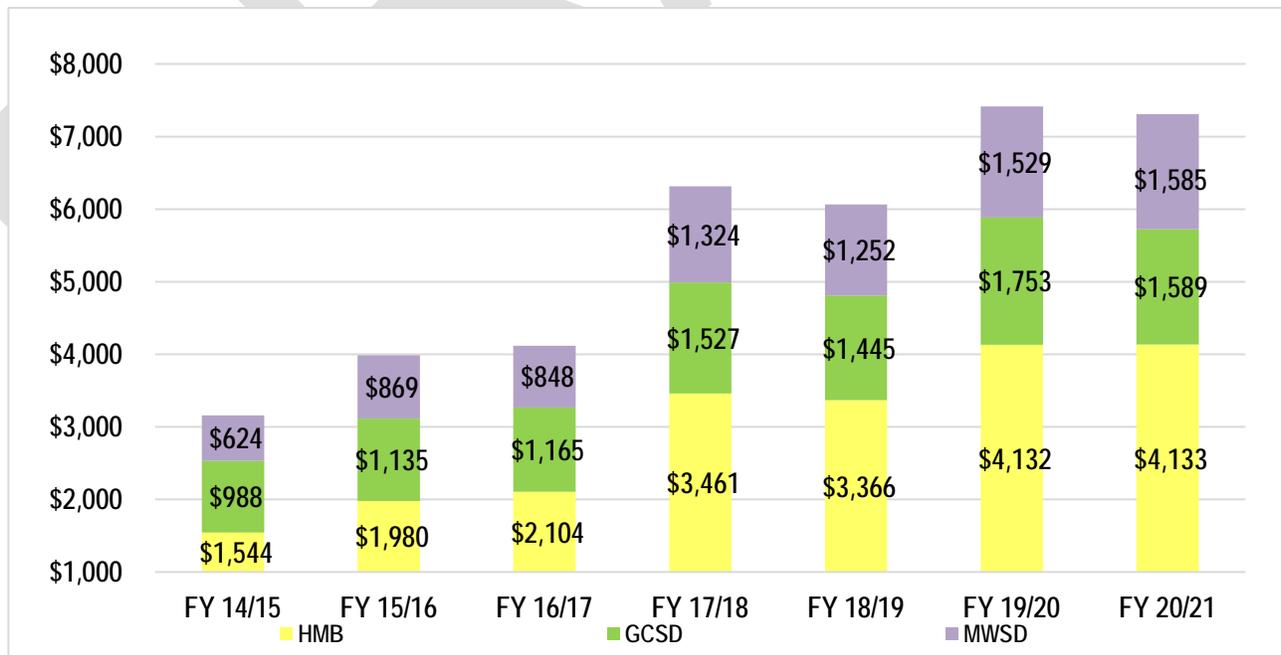
Total Assessments for Each Member Agency*

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
Half Moon Bay	\$ 3,461,445	\$ 3,542,142	\$ 4,131,899	\$ 4,133,126	\$ 1,226	0%
Granada CSD	\$ 1,527,134	\$ 1,532,891	\$ 1,753,394	\$ 1,589,305	\$ (164,090)	-9%
Montara WSD	\$ 1,324,462	\$ 1,316,715	\$ 1,529,139	\$ 1,584,637	\$ 55,498	4%
	\$ 6,313,041	\$ 6,391,748	\$ 7,414,433	\$ 7,307,067	\$ (107,366)	-1.4%

* The assessments to the Member Agencies are rounded to nearest dollar.



Assessments History by Agency (in 1,000's)



STAFFING

SAM continues to keep staffing levels as low as possible in order to hold costs down. This results in less impact on Member Agency assessments and lower rates to the end users. SAM struggles with filling vacant positions with qualified persons due to the requirement for Operations, Maintenance and Collections staff to live within 60 minutes of the service area in order to respond to emergency callouts. The high cost of living in the bay area and on the mid-coast makes it difficult to replace retiring staff and other vacancies as new employees are often unable to find suitable housing in an area that allows them to comply with the 60 minute response requirement. SAM will continue to develop programs to retain employees that are able to start in lower level positions and grow within SAM as positions that require higher skill levels open and provides opportunity for staff to make higher wages. The development of a succession plan and staff training programs are underway and over time will help with this challenge.

The following table reflects the operating staff level for SAM over the past six years.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
JPA	8.85	8.525	10.75	11.00	13.00	14.00	12.0 ¹

¹FY 2020-21 staffing reflects defunded positions of Accounting Technician and Engineering & Construction Contracts Manager.

GENERAL BUDGET FISCAL YEAR 2020/21

OVERALL OPERATIONS BUDGET SUMMARY

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

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
EXPENDITURES							
Personnel							
1 Wages	1,225,723	1,443,587	1,626,278	1,457,296	1,427,794	(198,484)	-12%
2 Premium Pay	73,243	62,748	85,700	112,758	86,475	775	1%
3 Health Benefits	255,994	299,804	343,982	273,344	283,309	(60,673)	-18%
4 Retirement Cont.	145,698	294,314	296,658	278,164	321,006	24,348	8%
5 Retiree Med/OPEB	22,331	32,415	35,628	29,066	34,607	(1,021)	-3%
6 Misc. Benefits	58,682	76,678	96,866	77,779	80,237	(16,629)	-17%
7 Subtotal	1,781,671	2,209,545	2,485,113	2,228,407	2,233,428	(251,684)	-10%
Non-Personnel							
8 Legal Services	98,537	282,251	102,500	316,210	150,000	47,500	46%
9 Engineering Services	292,396	237,689	467,000	182,235	100,000	(367,000)	-79%
10 Professional Services	680,764	911,700	749,809	943,195	1,094,031	344,222	46%
11 Prof. Memberships	38,670	30,724	33,100	113,369	34,090	990	3%
12 Insurance Premiums	205,646	107,808	63,000	156,845	105,000	42,000	67%
13 Misc. Expenses	44,656	55,777	41,273	77,267	75,736	34,463	84%
14 Utilities	425,533	584,894	521,208	535,386	561,173	39,965	8%
15 Travel & Training	16,054	40,306	43,600	38,898	42,164	(1,437)	-3%
16 Equipment Rental	169,149	133,766	140,500	72,435	110,815	(29,685)	-21%
17 Bldg & Maint Services	281,465	320,185	228,100	353,244	329,553	101,453	44%
18 Chemicals	131,994	186,273	184,000	192,332	189,520	5,520	3%
19 Permits & Licenses	51,194	23,588	33,000	40,302	27,500	(5,500)	-17%
20 Supplies	61,412	89,193	105,031	101,704	104,198	(833)	-1%
21 Equipment	1,067,664	532,350	398,500	681,367	309,055	(89,445)	-22%
22 Infrastructure Projects	1,952,693	208,443	2,035,000	101,974	1,975,000	(60,000)	-3%
23 Claims/Penalties	-	3,275	3,500	-	3,605	105	3%
24 Subtotal	5,517,827	3,748,224	5,149,120	3,906,763	5,211,439	62,319	1%
25 TOTAL	7,299,498	5,957,769	7,634,233	6,135,170	7,444,867	(189,365)	-2%

Key Changes

GENERAL BUDGET FISCAL YEAR 2020/21

Personnel costs: net decrease as a result of the eliminated two positions	\$ (251,684)
Engineering services: net decrease in miscellaneous engineering, accounted for in infrastructure	\$ (367,000)
Legal services: net increase as a result of ongoing and potential legal cases and due to underbudgeting in prior fiscal year	\$ 47,500
Professional services: net increase driven by year-to-date actuals	\$ 344,222
Insurance premiums: net increase due to underbudgeting in prior fiscal year	\$ 42,000
All other operating expenses: net increase due to CPI and adjustments to other operating expenses	\$ 55,597
Infrastructure: net decrease result of CIP (includes engineering costs, reclassified)	\$ (60,000)

TOTAL GENERAL OPERATING EXPENDITURES BUDGET DECREASE \$ (189,365)

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
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REVENUE

By Type:

JPA Assessments	6,313,041	6,391,748	7,414,433	7,414,433	7,307,067	(107,366)	-1%
NDWSCP Fees	109,238	158,908	149,800	91,665	117,800	(32,000)	-21%
Interest Earnings	20,184	23,314	20,000	615	20,000	-	0%
Misc. Revenue	66,827	183,200	176,530	-	-	(176,530)	-100%
Total	6,509,290	6,757,169	7,760,763	7,506,713	7,444,867	(315,896)	-4.1%

By Agency:

Half Moon Bay	3,461,445	3,542,142	4,131,899	4,131,899	4,133,126	1,226	0%
Granada CSD	1,527,134	1,532,891	1,753,394	1,753,394	1,589,305	(164,090)	-9%
Montara WSD	1,324,462	1,316,715	1,529,139	1,529,139	1,584,637	55,498	4%
	6,313,041	6,391,748	7,414,433	7,414,433	7,307,067	(107,366)	-1.4%

Key Changes

Assessments reflect decreased funding for infrastructure projects, maintenance, staff	(107,366)
Reduction in FOG	(32,000)
Overhead revenue from Contract Services removed from General Budget	(176,530)
TOTAL GENERAL OPERATING BUDGET REVENUE DECREASE	(315,896)

GENERAL BUDGET FISCAL YEAR 2020/21

FINANCIAL DETAILS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

Budget Line #	FY 2019/20	FY 2020/21
1. Wages Increased for COLA adjustments, step increases and staffing changes.	\$1,626,278	\$1,427,794
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times.	\$85,700	\$86,475
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees.	\$343,982	\$283,309
4. Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$296,658	\$321,006
5. Retiree Medical/OPEB Includes contributions to a Health Retirement Account for future retirees as well as current retiree medical premiums.	\$35,628	\$34,607
6. Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$96,866	\$80,237
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$2,485,113	\$2,223,428
8. Legal Services Increased based on anticipated number of meetings special projects, and ongoing cases.	\$102,500	\$150,000
9. Engineering Services Increased to provide design and project management related to treatment division.	\$17,000	\$100,000

GENERAL BUDGET FISCAL YEAR 2020/21

Budget Line #	FY 2019/20	FY 2020/21
10. Professional Services Includes ongoing services that are specialized and need to be performed by consultants rather than staff.	\$749,809	\$1,094,031
11. Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$33,100	\$34,090
12. Insurance Premiums Property, liability, and pollution premiums based on utilization rates.	\$63,000	\$105,000
13. Misc. Expenses Includes incidental expenses (uniforms laundry services, radio and alarm systems, offsite storage, postage, claims, copier, phone system support, etc.) not reflected in other categories.	\$41,273	\$75,736
14. Utilities Electricity, water, telephone, solid waste, etc.	\$521,208	\$561,173
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$43,600	\$42,164
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$140,500	\$110,815
17. Building & Maintenance Services Includes janitorial, landscaping, and other regular building maintenance services.	\$228,100	\$329,553
18. Chemicals Includes chemicals used in the treatment of wastewater to meet regulatory standards.	\$184,000	\$189,520

GENERAL BUDGET FISCAL YEAR 2020/21

Budget Line #	FY 2019/20	FY 2020/21
19. Permits & Licenses Annual costs for permits with local, regional and state agencies.	\$33,000	\$27,500
20. Supplies Office, computer, breakroom, and safety supplies.	\$105,031	\$104,198
21. Equipment Purchase Purchase of equipment use at SAM facilities not included in infrastructure projects.	\$398,500	\$309,055
22. Infrastructure Projects Includes costs of projects included in 5-Year CIP. Includes engineering costs associated. Includes costs associated with projects that exceed \$50,000 each.	\$2,485,000	\$1,975,000
23. Claims/Penalties Reflects claims expenses not covered by insurance.	\$3,500	\$3,605
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$5,149,120	\$5,444,867
25. Total Total of all costs (sum of Personnel and Non-Personnel subtotals).	\$7,634,233	\$7,444,867

ADMINISTRATIVE SERVICES

By Category

		FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
	EXPENDITURES						
	Personnel						
1	Wages	481,408	472,383	522,759	444,357	(78,402)	-15%
2	Premium Pay	1,896	8,134	7,600	7,500	(100)	-1%
3	Health Benefits	87,037	75,085	98,532	66,623	(31,909)	-32%
4	Retirement Cont.	62,917	112,423	112,318	62,041	(50,277)	-45%
5	Retiree Med/OPEB	13,184	16,754	19,172	21,111	1,939	10%
6	Misc. Benefits	18,812	20,666	25,207	14,944	(10,263)	-41%
7	Subtotal	665,254	705,447	785,588	616,576	(169,012)	-22%
	Non-Personnel					-	
8	Legal Services	93,089	276,663	102,500	150,000	47,500	46%
9	Engineering Services	-	-	2,000	-	(2,000)	-100%
10	Professional Services	94,563	316,436	165,631	273,483	107,852	65%
11	Prof. Memberships	27,586	25,324	25,000	25,750	750	3%
12	Insurance Premiums	205,646	107,808	63,000	105,000	42,000	67%
13	Misc. Expenses	13,034	26,685	16,751	46,479	29,728	177%
14	Utilities	19,382	28,654	25,200	30,356	5,156	20%
15	Travel & Training	7,444	16,664	17,500	18,025	525	3%
16	Equipment Rental	13,567	12,475	10,500	10,815	315	3%
17	Bldg & Maint Services	11,511	17,135	10,500	21,725	11,225	107%
18	Chemicals	-	-	-	-	-	
19	Permits & Licenses	-	-	-	-	-	
20	Supplies	4,770	7,449	9,280	10,734	1,454	16%
21	Equipment	-	29,836	12,500	42,875	30,375	243%
22	Infrastructure Projects	-	-	-	-	-	
23	Claims/Penalties	-	3,275	3,500	3,605	105	3%
24	Subtotal	490,592	868,405	463,863	738,848	274,985	59%
25	TOTAL	1,155,846	1,573,851	1,249,451	1,355,424	105,973	8%

Key Changes

Wages: Result of net change of elimination of Accounting Technician	(78,402)
Medical, dental, vision premiums and misc. benefits: net decrease due to eliminated position benefits	(42,272)
Retirement: net decrease due to shift in unfunded liabilities allocation; PERS contribution rates increased by less than 1%	(50,277)
Professional services: increased based on actual year-to-date experience	107,852
Legal services: net increase due to continuing cases from prior year	47,500
Utilities, supplies, misc. expenses: increased by 3% CPI	121,572
TOTAL ADMINISTRATION EXPENDITURES BUDGET INCREASE	105,973

GENERAL BUDGET FISCAL YEAR 2019/20

ADMINISTRATIVE SERVICES

By Category

		FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
	REVENUE						
	By Type:						
26	JPA Assessments	816,375	1,799,447	1,249,451	1,335,424	85,973	7%
27	Contract Services	-	-	-	-	-	-
28	NDWSCP Fees	-	-	-	-	-	-
29	Misc. Fees	-	-	-	-	-	-
30	Interest Earnings	20,184	23,314	20,000	20,000	-	0%
31	Misc. Revenue	66,827	-	500	-	(500)	-100%
32	(From) Reserves	-	-	-	-	-	-
33		903,386	1,822,761	1,269,951	1,355,424	85,473	7%
	By Agency:						
34	Half Moon Bay	538,137	997,177	696,291	755,361	59,070	8%
35	Granada CSD	55,561	431,580	295,475	290,458	(5,017)	-2%
36	Montara WSD	222,677	370,690	257,684	289,605	31,920	12%
37		816,375	1,799,447	1,249,451	1,335,424	85,973	16%

Key Changes

Assessments reflect net increase in budget for wages, benefits, and other expenses

85,973

TOTAL ADMINISTRATION REVENUE BUDGET INCREASE

85,973

ADMINISTRATIVE SERVICES DIVISION



PROGRAM DESCRIPTION

The Administrative Services division provides administrative and financial support to the Board of Directors, the General Manager and all SAM divisions. Its function includes: planning and coordination of SAM activities related to the following: finance, human resources, risk management; management of SAM's information systems and web site; and Board services. Public contact by Administrative Services staff is generally the first interaction citizens have with the agency and are often related to complaints or reports of perceived problems. The ability to communicate clearly and understand the concerns of the caller is a skill demonstrated by those in the office. Contact with Member Agency staff and vendors is often first addressed via Administrative Services staff and communications and routing of information is a critical role of those in Administrative Services.

The financial staff in Administrative Services is responsible for maintaining detailed financial records; accounts payable processing; issuing, tracking and collection of accounts receivables; payroll processing including CalPERS reporting and benefits accounting; fixed asset management; financial planning; budget development; debt administration; centralized procurement; coordination of the District's audits and administration of SAM's self-insurance and loss prevention programs.

GENERAL BUDGET FISCAL YEAR 2019/20

Administrative Services operations are managed by the General Manager. The following organizational chart reflects the reporting structure for this division.



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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
JPA	4.00	3.93	3.98	4.00	3.50	4.00	4.00	3.00

FINANCIAL DETAILS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

Budget Line #		FY 2019/20	FY 2020/21
1.	Wages Increased for COLA adjustments and step increases per MOU and Unrepresented Employees and defunding of positions.	\$522,759	<u>\$444,357</u>
2.	Premium Pay Overtime paid for staff to perform tasks outside of normal work times.	\$7,600	\$7,500
3.	Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU and Unrepresented Employees.	\$98,532	<u>\$66,623</u>
4.	Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$112,318	<u>\$68,283</u>

GENERAL BUDGET FISCAL YEAR 2019/20

5.	Retiree Medica/OPEB Includes contributions to Health Retirement Account for current retiree medical premiums and OPEB trust for future retirees.	\$19,172	\$21,111
6.	Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation, and matching funds to a 457 plan.	\$25,207	<u>\$14,944</u>
7.	<u>Personnel Subtotal</u> Subtotal of all costs associated with SAM staff wages and benefits	\$785,588	\$616,576
8.	Legal Services Increased based on anticipated number of meetings special projects, and ongoing cases for SAM.	\$102,500	<u>\$150,000</u>
9.	Engineering Services There are no engineering services charged to Administrative Services.	\$2,000	\$0
10.	Professional Services Includes technical/specialized services that need to be performed by consultants.	\$165,631	<u>\$273,483</u>
11.	Professional Membership Includes memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$25,000	\$25,750
12.	Insurance Premiums Insurance premiums for property and liability.	\$63,000	<u>\$105,000</u>
13.	Misc. Expenses Incidental expenses (offsite storage, postage, claims, phone system, etc.) not reflected in other categories.	\$16,751	<u>\$46,479</u>
<hr/>			
14.	Utilities Telephone, cellular service, internet connections, etc.	\$25,200	\$30,356

GENERAL BUDGET FISCAL YEAR 2019/20

15. Travel & Training		
Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices.	\$17,500	\$18,025
16. Equipment Rental		
Short-term rental of equipment for less than a fiscal year and annual cost of multi-year leased equipment (copier, phones, etc.).	\$10,500	\$10,815
17. Building & Maintenance Services		
Includes janitorial, landscaping, and other regular building maintenance services.	\$10,500	<u>\$21,725</u>
18. Chemicals		
There are no chemical costs charged to Administrative Services.	\$0	\$0
19. Permits & Licenses		
There are no permit and license costs charged to Administrative Services.	\$0	\$0
20. Supplies		
Office, computer, breakroom, and general supplies.	\$9,280	\$10,734
21. Equipment		
Purchase of replacement computers, small office and ergonomic equipment.	\$12,500	<u>\$42,875</u>
22. Infrastructure Projects		
Project costs that exceed \$50,000 each. There are no infrastructure projects charged to Administrative Services	\$0	\$0
23. Claims/Penalties		
Costs not covered by insurance.	\$3,500	\$3,605
24. Non-Personnel Subtotal	\$463,863	\$738,848
Subtotal of all costs not associated with wages and benefits.		
25. Total	\$1,249,45	\$1,355,424
Total of all costs for Administrative Services (sum of Personnel and Non-Personnel subtotals).		

GOALS

- Provide effective and efficient administrative support to the Board and other divisions.
- Maintain responsive and efficient customer service.
- Ensure that SAM is protected against loss through risk and claim management.
- Manage information systems, web site, and social media pages.
- Review administrative, financial, and personnel policies each year for compliance and relevance.

ACHIEVEMENTS

- Worked hand in hand with financial consultants to resolve past due audits and continue to do so
- Developed, posted to SAM website and distributed Board Meeting agendas twice per month.
- Worked hand in hand with Board Finance and Operations Committees to overcome significant changes in management of SAM
- Developed and delivered FY2020-2021 budget to Board and Member Agencies.

PROGRAM OBJECTIVES

- Manage the processing and review of SAM contracts.
- Maintain records of benefits, including employee leave balances, retirement contributions, and employer-provided insurance policies.
- Recruit and retain highly qualified candidates for vacant positions.
- Maintain up-to-date personnel files.
- Work with consultants to update policies and procedures and make appropriate revisions.
- Process employee payroll per employee contracts. Process accounts payable on a biweekly basis. issue, track and collect accounts receivable.
- Provide monthly budget reports each month.
- Conform with GAAP (Generally Accepted Accounting Principles).
- Work with other divisions to implement procedures that result in cost savings, increased efficiencies, and improved customer service.
- Provide general administrative support to all divisions for centralized services.
- Efficiently and effectively manage information technology and systems, including the SAM website and social media sites.

PERFORMANCE MEASURES

- Submit the Annual Financial and Salary & Compensation reports to the State Controller's Office by the deadline.
- Review and update, as necessary, administrative, financial, and personnel policies.
- Complete annual audit and present it to the Board no later than December 31.
- Present budget to Board and Member Agencies in a timely manner.

DRAFT

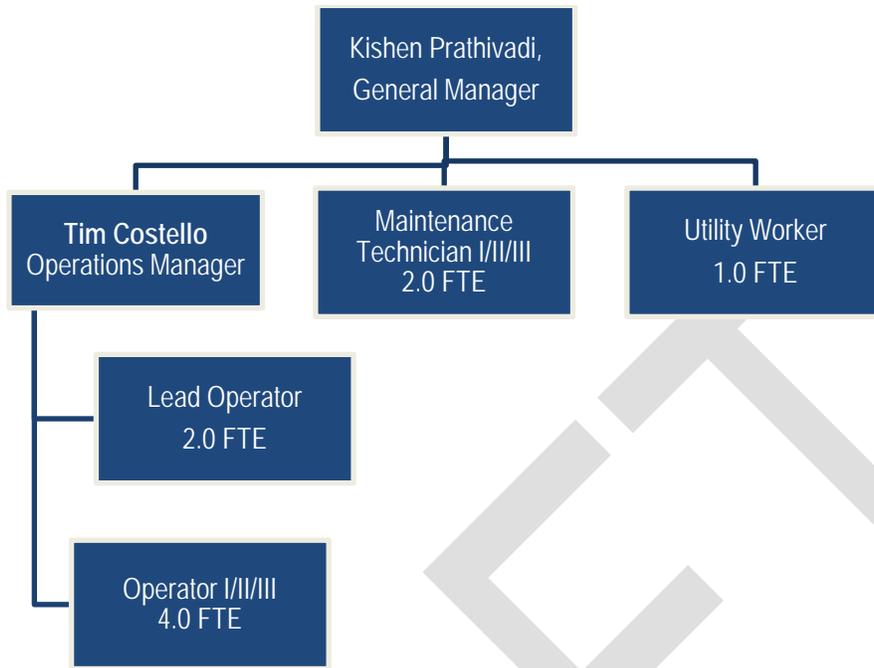
TREATMENT DIVISION



PROGRAM DESCRIPTION

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

While staff is trying to keep up with the current needs of an aging system, we have had to bring in people that specialize in certain pieces of equipment as necessary. Staff finds that key pieces of equipment no longer have parts available on the primary market which can be problematic. Division services are currently supervised by the Supervisor of Treatment/Field Operations and Engineering & Construction Contracts Manager. The organizational chart on the following page reflects the reporting structure of the division.



The following staffing summary reflects the historical staffing level for the division.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
JPA	4.60	4.70	4.275	5.95	6.25	8.75	9.75	8.75

**TREATMENT
By Category**

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
EXPENDITURES							
Personnel							
1 Wages	711,375	937,882	1,063,771	1,023,545	945,359	(118,413)	-11%
2 Premium Pay	70,432	54,309	77,500	83,457	78,375	875	1%
3 Health Benefits	163,163	217,792	240,000	212,263	210,827	(29,173)	-12%
4 Retirement Cont.	78,267	173,230	175,000	205,530	243,921	68,921	39%
5 Retiree Med/OPEB	8,645	15,166	15,957	15,086	12,986	(2,971)	-19%
6 Misc. Benefits	38,234	54,407	69,435	63,462	63,275	(6,161)	-9%
7 Subtotal	1,070,116	1,452,786	1,641,663	1,603,344	1,554,741	(86,922)	-5%
Non-Personnel							
8 Legal Services	-	-	-	-	-	-	-
9 Engineering Services	129,141	111,457	15,000	40,081	100,000	85,000	567%
10 Professional Services	446,662	548,209	466,600	667,404	743,819	277,219	59%
11 Prof. Memberships	11,084	5,401	8,000	6,301	8,240	240	3%
12 Insurance Premiums	-	-	-	-	-	-	-
13 Misc. Expenses	18,860	16,510	16,917	33,833	21,424	4,508	27%
14 Utilities	406,151	549,947	495,950	506,236	530,809	34,859	7%
15 Travel & Training	8,385	23,380	22,500	19,972	23,175	675	0
16 Equipment Rental	155,582	121,291	130,000	61,020	100,000	(30,000)	-23%
17 Bldg & Maint Services	269,954	303,050	217,600	341,057	307,828	90,228	41%
18 Chemicals	129,656	178,911	175,000	189,688	180,250	5,250	3%
19 Permits & Licenses	51,194	19,322	33,000	40,302	27,500	(5,500)	-17%
20 Supplies	47,677	71,957	73,650	80,570	75,860	2,210	3%
21 Equipment	200,273	55,455	383,000	389,539	263,090	(119,910)	-31%
22 Infrastructure Projects	-	-	-	-	-	-	-
23 Claims/Penalties	-	-	-	-	-	-	-
24 Subtotal	1,874,619	2,004,891	2,037,217	2,376,004	2,381,994	344,777	17%
25 TOTAL	2,944,735	3,457,677	3,678,880	3,979,347	3,936,735	257,856	7%

Key Changes

Personnel: Net decrease due to defunding of Engineering & Construction Contracts Manager position and COLA increase of 4%, underbudgeting payment for unfunded PERS liability, shift in a portion of unfunded liabilities from admin, and health benefit adjustment \$ (86,922)

Professional Services: net increase based on year-to-date actuals. \$ 277,219

Increase services, supplies, chemicals, etc. by 3% CPI \$ 67,558

TOTAL TREATMENT EXPENDITURES BUDGET INCREASE \$257,856

**TREATMENT
By Category**

		FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
REVENUE								
<u>By Type:</u>								
26	JPA Assessments	2,562,043	2,654,337	3,461,880	2,596,410	3,821,735	359,855	10%
27	Contract Services	-	-	-	-	-	-	
28	NDWSCP Fees	91,535	157,622	147,000	91,665	115,000	(32,000)	-22%
29	Misc. Fees	-	-	-	-	-	-	
30	Interest Earnings	-	-	-	-	-	-	
31	Misc. Revenue	-	183,200	176,030	-	-	(176,030)	-100%
32	(From) Reserves	-	-	-	-	-	-	
33		2,653,578	2,995,158	3,784,910	2,688,075	3,936,735	151,825	4%
<u>By Agency:</u>								
34	Half Moon Bay	1,364,809	1,470,978	1,929,229	1,446,922	2,161,703	232,474	12%
35	Granada CSD	671,255	636,560	818,679	614,009	831,237	12,558	2%
36	Montara WSD	525,979	546,799	713,972	535,479	828,795	114,823	16%
37		2,562,043	2,654,337	3,461,880	2,596,410	3,821,735	359,855	10%

Key Changes

Assessments reflect net increased funding for wages, benefits, and other expenses	\$359,855
Increased leachate deliveries per contract	(\$32,000)
Removed overhead revenue from Collection Contract Services	<u>(\$176,030)</u>
TOTAL TREATMENT REVENUE BUDGET INCREASE	\$151,825

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a “budget to budget” comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

Budget Line #	FY 2019/20	FY 2020/21
1. Wages Increased for COLA adjustments and merit step increases and defunded positions.	\$1,063,771	<u>\$945,359</u>
2. Premium Pay Overtime paid for staff to perform tasks outside of normal work times as well as standby pay.	\$77,500	\$78,375
3. Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees.	\$240,000	<u>\$210,827</u>
4. Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits in compliance with PEPRA.	\$175,000	<u>\$243,827</u>
5. Retiree Medical/OPEB Includes contributions to Health Retirement Account for current retiree medical premiums and OPEB trust for future retirees.	\$15,957	\$12,986
6. Misc. Benefits Includes Medicare, long-term and short-term disability, and workers compensation.	\$69,435	\$63,275
7. Personnel Subtotal Subtotal of all costs associated with wages and benefits.	\$1,641,663	\$1,554,741
8. Legal Services There are no legal services budgeted to Treatment.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY 2019/20	FY 2020/21
9. Engineering Services Specialized services related to small (<\$50,000) projects.	\$15,000	<u>\$100,000</u>
10. Professional Services Services that are specialized and need to be performed by contractors rather than staff (GIS software hosting, electrical maintenance, safety training, permit compliance assistance, SSMP audit and updates, outfall inspection, inspections, SCADA support, etc.).	\$466,600	<u>\$743,819</u>
11. Professional Membership Memberships in professional organizations for SAM and employees that keeps them current in industry practices and improves how SAM serves the community.	\$8,000	\$8,240
12. Insurance Premiums There are no insurance premiums charged to Treatment.	\$0	\$0
13. Misc. Expenses Includes incidental expenses (uniform services, radio and alarm systems, etc.) not captured in other categories.	\$16,917	\$21,424
14. Utilities Electricity, water, telephone, solid waste, etc.	\$495,950	<u>\$530,809</u>
15. Travel & Training Training and travel related costs for attendance at industry conferences and seminars, and other related events to allow staff to keep current on technical skills and industry best practices and safety training.	\$22,500	\$23,175
16. Equipment Rental/Lease Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$130,000	\$100,000

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY 2019/20	FY 2020/21
17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset. Includes small (<\$50,000) repair projects.	\$217,600	<u>\$307,828</u>
18. Chemicals Includes chemicals (sodium hypochlorite, polymer, ferric chloride) used in the treatment of wastewater to meet regulatory standards.	\$175,000	\$180,250
19. Permits & Licenses Annual costs for permits with local, regional and state agencies.	\$33,000	\$27,500
20. Supplies Office, computer, safety, and general supplies.	\$73,650	\$75,860
21. Equipment Purchase of equipment for repair and rehabilitation of SAM facilities not captured in infrastructure projects.	\$383,000	<u>\$263,090</u>
22. Infrastructure There are no project costs budgeted to Treatment. These costs are generally reflected in the Infrastructure division and exceed \$50,000 per project.	\$0	\$0
23. Claims/Penalties There are no claims/penalties budgeted to Treatment.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$2,037,217	\$2,381,994
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$3,678,880	\$3,936,735

GOALS

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

HIGHLIGHTS

- Performed process related laboratory analysis for the Environmental Compliance division on weekends.
- Conducted all required annual safety training programs.
- Administered the Trucked Waste Acceptance Program.
- Worked to optimize processes to improve reliability.

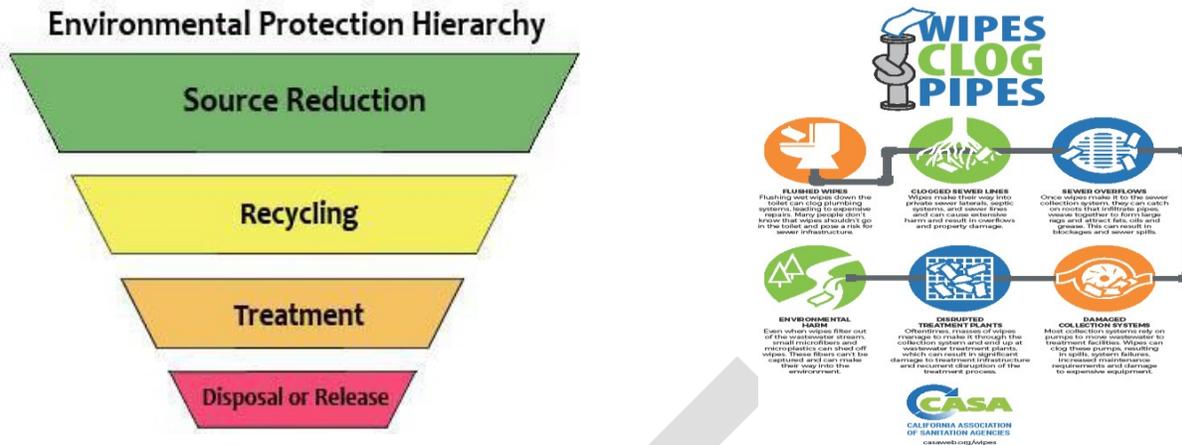
PROGRAM OBJECTIVES

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

PERFORMANCE MEASURES

- Meet all effluent quality targets described in the NPDES permit.
- Perform all duties in a safe manner to avoid OSHA recordable and lost time accidents.
- Perform all routine maintenance tasks in a timely manner.

ENVIRONMENTAL COMPLIANCE DIVISION



PROGRAM DESCRIPTION

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

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

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

Supervisor of Treatment & Field Operations

GENERAL BUDGET FISCAL YEAR 2020/21

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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
JPA	0.25	0.225	0.275	0.50	0.25	0.25	0.25	0.25

ENVIRONMENTAL COMPLIANCE

By Category

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
EXPENDITURES							
<u>Personnel</u>							
1 Wages	32,940	33,321	39,748	33,344	38,078	(1,669)	-4%
2 Premium Pay	915	305	600	-	600	-	0%
3 Health Benefits	5,794	6,927	5,450	7,898	5,858	408	7%
4 Retirement Cont.	4,514	8,660	9,340	10,536	15,044	5,704	61%
5 Retiree Med/OPEB	502	494	500	499	511	11	2%
6 Misc. Benefits	1,636	1,605	2,223	1,663	2,019	(205)	-9%
7 Subtotal	46,301	51,313	57,861	53,940	62,110	4,249	7%
<u>Non-Personnel</u>							
8 Legal Services	-	-	-	-	-	-	
9 Engineering Services	-	-	-	-	-	-	
10 Professional Service	79,753	43,940	117,578	60,673	58,930	(58,647)	-50%
11 Prof. Memberships	-	-	100	150	100	-	0%
12 Insurance Premiums	-	-	-	-	-	-	
13 Misc. Expenses	12,474	12,583	7,605	7,125	7,833	228	3%
14 Utilities	-	6,293	57	(150)	8	(49)	-86%
15 Travel & Training	225	261	3,600	267	964	(2,637)	-73%
16 Equipment Rental	-	-	-	-	-	-	
17 Bldg & Maint Service	-	-	-	-	-	-	
18 Chemicals	2,338	7,362	9,000	2,644	9,270	270	3%
19 Permits & Licenses	-	-	-	-	-	-	
20 Supplies	8,965	9,786	22,101	13,177	17,604	(4,497)	-20%
21 Equipment	1,587	2,026	3,000	-	3,090	90	3%
22 Infrastructure Project	-	-	-	-	-	-	
23 Claims/Penalties	-	-	-	-	-	-	
24 Subtotal	105,342	82,251	163,041	83,885	97,799	(65,242)	-40%
						-	
25 TOTAL	151,643	133,563	220,902	137,825	159,910	(60,993)	-28%

Key Changes

Professional services: net decrease due to change in services used	\$ (58,647)
Net decrease in utilities, services, and supplies	\$ (2,346)
TOTAL ENVIRONMENTAL COMPLIANCE EXPENDITURES DECREASE	\$ (60,993)

GENERAL BUDGET FISCAL YEAR 2020/21

ENVIRONMENTAL COMPLIANCE

By Category

		FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2018/19 ADOPTED	
	REVENUE							
	By Type:							
26	JPA Assessments	162,064	134,423	218,102	163,577	157,110	(60,993)	-28%
27	Contract Services	-	-	-	-	-	-	
28	NDWSCP Fees	17,703	1,286	2,800	-	2,800	-	0%
29	Misc. Fees	-	-	-	-	-	-	
30	Interest Earnings	-	-	-	-	-	-	
31	Misc. Revenue	-	-	-	-	-	-	
32	(From) Reserves	-	-	-	-	-	-	
33		179,767	135,708	220,902	163,577	159,910	(60,993)	-28%
	By Agency:							
34	Half Moon Bay	84,597	74,495	121,544	91,158	88,866	(32,677)	-27%
35	Granada CSD	42,461	32,236	51,578	38,683	34,172	(17,406)	-34%
36	Montara WSD	35,006	27,692	44,981	33,736	34,071	(10,910)	-24%
37		162,064	134,423	218,102	163,577	157,110	(60,993)	-28%

Key Changes

Assessments reflect net decreased funding for wages, benefits, and other expenses

\$ (60,993)

TOTAL ENVIRONMENT COMPLIANCE REVENUE BUDGET DECREASE

\$ (60,993)

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY2019/20 and 2020/21 budgets with brief explanations of the changes from year to year. This is a "budget to budget" comparison and does not necessarily represent current expenditures. Underlined items indicate a budget change in excess of \$10,000 year to year.

Budget Line #		FY2019/20	FY 2020/21
1.	Wages Cost of 0.25 FTE allocated to division.	\$39,748	\$38,078
2.	Premium Pay Special compensation for certification above that required by the position.	\$600	\$600

GENERAL BUDGET FISCAL YEAR 2020/21

3.	Health Benefits The cost of medical, dental, and vision benefits provided to employees based on the MOU or Unrepresented Employees.	\$5,450	\$5,858
4.	Retirement Contributions SAM pays the employer contribution to CalPERS for retirement benefits. SAM is in compliance with PEPRA.	\$9,340	\$15,044
5.	Retiree Medical/OPEB Includes contributions to Health Retirement account for current retiree medical premiums and OPEB trust for future retirees.	\$500	\$511
6.	Misc. Benefits Includes Medicare, long-term and short-term disability, workers compensation.	\$2,223	\$2,019
7.	Personnel Sub-total Subtotal of all wage and benefit costs.	\$57,861	\$62,110
8.	Legal Services There are no legal services budgeted to EC.	\$0	\$0
9.	Engineering Services There are no engineering costs budgeted to EC.	\$0	\$0
10.	Professional Services Services that are specialized and must be performed by outside laboratories and consultants (SVCW, laboratories, SMCRCD, event registration, etc.).	\$117,578	\$58,930
11.	Professional Membership The cost of maintaining membership in CWEA.	\$100	\$100
12.	Insurance Premiums There are no insurance premiums budgeted to EC.	\$0	\$0
13.	Misc. Expenses Includes incidental expenses (outreach materials, postage, etc.) not reflected in other categories.	\$7,605	\$7,833
14.	Utilities There are no utility costs budgeted to EC.	\$57	\$8

GENERAL BUDGET FISCAL YEAR 2020/21

15. Travel & Training	Training and travel related costs for attendance at industry conferences, seminars, and other related events to keep current on technical skills and industry practices and required safety training.	\$3,600	\$964
16. Equipment Rental/Lease	Short-term rental or lease of equipment (generators, storage tanks, etc.) for less than a fiscal year.	\$0	\$0
17. Building & Maintenance Services	There are no building maintenance services budgeted to EC.	\$0	\$0
18. Chemicals	Includes chemicals used in the laboratory.	\$9,000	\$9,270
19. Permits & Licenses	There are no permits or licenses budgeted to EC.	\$0	\$0
20. Supplies	Lab and general supplies including materials for biology student field trips to the plant.	\$22,101	\$17,604
21. Equipment	Purchase of equipment and tools for the laboratory to replace noncompliant or inoperable equipment.	\$3,000	\$3,090
22. Infrastructure Projects	There are no project costs budgeted to EC.	\$0	\$0
23. Claims/Penalties	There are no claims or penalties budgeted to EC.	\$0	\$0
24. Non-Personnel Subtotal	Subtotal of all costs not associated with wages and benefits.	<u>\$163,041</u>	<u>\$97,799</u>
25. Total	Total of all costs for EC (sum of Personnel and Non-Personnel subtotals).	<u>\$220,902</u>	<u>\$137,825</u>

GOALS

- Achieve and maintain 100% compliance with the District’s NPDES permit requirements, including the NDWSC and Pollution Prevention (P2) programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial discharges, the operational status of the treatment plant and the quality of the bio-solids generated.
- Effectively regulate dischargers of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, staff, the public and the environment.
- Effectively implement the Pollution Prevention (P2) Program and provide public outreach to reduce and or prevent the discharge of pollutants, with emphasis on educating the public regarding “flushable wipes” and the fact they are harmful to their collection system, treatment plant and the environment
- Effectively build and maintain partnerships with other agencies that have similar requirements and goals (Green Business Program, Household Hazardous Waste/Pharmaceutical Collection, Bay Area Pollution Prevention Group, etc.)
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.

ACHIEVEMENTS

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

PROGRAM OBJECTIVES

- Perform all required sampling, inspections, studies and outreach to comply with the District’s NPDES permit, NDWSCP and Pollution Prevention programs, F.O.G. program, and process control.
- Maintain compliance with all programs and requirements listed above.
- Maintain ELAP certification for laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention

GENERAL BUDGET FISCAL YEAR 2020/21

and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant and the bay.

- Participate in public outreach activities such as the Half Moon Bay Art & Pumpkin Festival and Pacific Coast Dream Machines with focus on the negative impacts of flushable wipes
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses, and public events.
- Coordinate Plant Tour program for Half Moon Bay High School biology students and the mid-coast population.

PERFORMANCE MEASURES

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

INFRASTRUCTURE DIVISION



PROGRAM DESCRIPTION

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

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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
JPA	0.00	0.00	0.00	0.80	0.50	0.0	0.0	0.0

INFRASTRUCTURE

By Category

	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
EXPENDITURES							
<u>Personnel</u>							
1 Wages	-	-	-	-	-	-	-
2 Premium Pay	-	-	-	-	-	-	-
3 Health Benefits	-	-	-	-	-	-	-
4 Retirement Cont.	-	-	-	-	-	-	-
5 Retiree Med/OPEB	-	-	-	-	-	-	-
6 Misc. Benefits	-	-	-	-	-	-	-
7 Subtotal	-	-	-	-	-	-	-
<u>Non-Personnel</u>							
8 Legal Services	5,448	5,588	-	-	-	-	-
9 Engineering Services	163,255	126,231	450,000	142,155	-	(450,000)	-100%
10 Professional Services	59,786	3,115	-	17,799	17,799	17,799	-
11 Prof. Memberships	-	-	-	-	-	-	-
12 Insurance Premiums	-	-	-	-	-	-	-
13 Misc. Expenses	288	-	-	-	-	-	-
14 Utilities	-	-	-	-	-	-	-
15 Travel & Training	-	-	-	-	-	-	-
16 Equipment Rental	-	-	-	-	-	-	-
17 Bldg & Maint Service	-	-	-	-	-	-	-
18 Chemicals	-	-	-	-	-	-	-
19 Permits & Licenses	-	4,266	-	-	-	-	-
20 Supplies	-	-	-	-	-	-	-
21 Equipment	865,804	445,033	-	291,828	-	-	-
22 Infrastructure Projects	1,952,693	208,443	2,035,000	101,974	1,975,000	(60,000)	-3%
23 Claims/Penalties	-	-	-	-	-	-	0%
24 Subtotal	3,047,274	792,677	2,485,000	553,755	1,992,799	(492,201)	-20%
25 TOTAL	3,047,274	792,677	2,485,000	553,755	1,992,799	(492,201)	-20%

Key Changes

Engineering costs are included in the overall project cost on line 22 of the budget. Overall soft costs for design, permits and construction inspection and management are based on 40% of the construction cost estimate.

TOTAL INFRASTRUCTURE REVENUE BUDGET DECREASE

\$ (492,201)

INFRASTRUCTURE

By Category

		FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	FY 2019/20 ESTIMATE	FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED	
	REVENUE							
	By Type:							
26	JPA Assessments	2,772,559	1,803,542	2,485,000	1,863,750	1,992,799	(492,201)	-20%
27	Contract Services	-	-	-	-	-	-	0%
28	NDWSCP Fees	-	-	-	-	-	-	0%
29	Misc. Fees	-	-	-	-	-	-	0%
30	Interest Earnings	-	-	-	-	-	-	0%
31	Misc. Revenue	-	-	-	-	-	-	0%
32	To/(From) Reserves	-	-	-	-	-	-	0%
33		2,772,559	1,803,542	2,485,000	1,863,750	1,992,799	(492,201)	-20%
	By Agency:						-	0%
34	Half Moon Bay	1,473,902	999,493	1,384,836	1,038,627	1,127,195	(257,641)	-19%
35	Granada CSD	757,857	432,515	587,663	440,747	433,438	(154,224)	-26%
36	Montara WSD	540,800	371,534	512,502	384,376	432,166	(80,336)	-16%
37		2,772,559	1,803,542	2,485,000	1,863,750	1,992,799	(492,201)	-20%

Key Changes

TOTAL INFRASTRUCTURE REVENUE BUDGET DECREASE \$ (492,201)

FINANCIAL HIGHLIGHTS

The following is a list of key budget lines for FY 2019/20 and 2020/21 budgets.

Budget Line #		FY2019/20	FY 2020/21
1.	Wages No personnel costs are allocated to Infrastructure.	\$0	\$0
2.	Premium Pay No personnel costs are allocated to Infrastructure.	\$0	\$0
3.	Health Benefits No personnel costs are allocated to Infrastructure.	\$0	\$0
4.	Retirement Contributions No personnel costs are allocated to Infrastructure.	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY2018/19	FY 2019/20
5. Retiree Medical/OPEB No personnel costs are allocated to Infrastructure.	\$0	\$0
6. Misc. Benefits No personnel costs are allocated to Infrastructure.	\$0	\$0
7. Personnel Subtotal Subtotal of all wage and benefit costs.	\$0	\$0
8. Legal Services No legal services costs are allocated to Infrastructure.	\$0	\$0
9. Engineering Services Engineering services requiring specialized certification or skills will be performed by consulting engineers. <i>Costs for 2020/21 included in infrastructure projects line.</i>	\$0	\$0
10. Professional Services Specialized services that cannot be provided by staff.	\$0	\$17,799
11. Professional Memberships There are no professional memberships budgeted to Infrastructure.	\$0	\$0
12. Insurance Premiums There are no insurance premiums budgeted to Infrastructure.	\$0	\$0
13. Misc. Expenses There are no utilities budgeted to Infrastructure.	\$0	\$0
14. Utilities There are no utilities budgeted to Infrastructure.	\$0	\$0
15. Travel & Training There are no costs budgeted to Infrastructure.	\$0	\$0
16. Equipment Rental Short-term rental or lease of equipment (generators, storage tanks, etc.).	\$0	\$0

GENERAL BUDGET FISCAL YEAR 2019/20

Budget Line #	FY2018/19	FY 2019/20
17. Building & Maintenance Services Preventive maintenance and emergency repairs on structures and stationary equipment that do not extend the life expectancy of the asset.	\$0	\$0
18. Chemicals There are no chemical costs budgeted to Infrastructure.	\$0	\$0
19. Permits & Licenses Permits related to projects.	\$0	\$0
20. Supplies There are no supply costs budgeted to Infrastructure.	\$0	\$0
21. Equipment Equipment costs associated with projects that exceed \$50,000.	\$0	\$0
22. Infrastructure Contract construction costs are included in this category. Includes costs associated with projects that exceed \$50,000 each.	\$2,035,000	\$1,975,000
23. Claims/Penalties There are no costs budgeted to Infrastructure.	\$0	\$0
24. Non-Personnel Subtotal Subtotal of all costs not associated with wages and benefits.	\$2,485,000	\$1,992,799
25. Total Total of all costs for Treatment (sum of Personnel and Non-Personnel subtotals).	\$2,485,000	\$1,992,799

The projects planned for this fiscal year, as specified in the approved FY2020-2021 Capital Improvement Plan, are:

- Improve Chemical Treatment to Eliminate Issues \$125,000
- WWTP – Evaluate Electric and I&C Needs \$300,000
- WWTP – Digester 2 and Holding Tank Cleaning \$250,000
- WWTP – Digester 1 & 2, Holding Tank Structural Design \$200,000
- WWTP – Implement Digester #1 Structural Repair \$500,000

GENERAL BUDGET FISCAL YEAR 2019/20

- Administration – Replace Two Vehicles in Fleet \$75,000
- WWTP – Purchase Critical Parts for BFP/Conveyor \$100,000
- Montara PS – Repair Access Road and Erosion Control \$100,000
- IPS – Analysis/Initial Design of Upgrade or Replacement \$200,000
- Princeton PS – Analysis/Design Replacement and Bidding Support \$125,000

The following projects have been deferred from FY 2020/21 to a future year:

- WWTP – Design Screening System Replacement \$125,000
- WWTP – Evaluate WWTP Liquid and Solid Process Needs \$200,000
- WWTP – Install Metal Building for Rotary Drum Thickener \$125,000
- WWTP – Replace Flammables Material Storage Building \$75,000
- WWTP – Replace all WWTP Plant Building Ventilators \$135,000

GOALS

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

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all facility projects.
- Infrastructure Projects completed in FY 2019/20:
 - ✓ Portola Pump Station – Replace Pump #1
 - ✓ Portola Pump Station – Replace ATS
 - ✓ WWTP – Replace Chemical Pump System

PROGRAM OBJECTIVES

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

Position Control List

<u>Classifications</u>	<u>Authorized Positions</u>
<u>Administrative Services:</u>	
General Manager	1.0
Finance Officer	1.0
<i>Accounting Technician (Defunded)</i>	0.0
Administrative Assistant	<u>1.0</u>
	3.0
<u>Operations & Maintenance:</u>	
<i>Engineering & Construction Contracts Manager (Defunded)</i>	0.0
Supervisor of Treatment / Field Operations	0.75
Maintenance Mechanic I/II/III	2.0
Operator I/II/III	3.0
Lead Operator	2.0
Utility Worker	<u>1.0</u>
	8.75
<u>Environmental Compliance:</u>	
Supervisor of Treatment / Field Operations	.25
Total Authorized – General Budget	12.0
<u>Collection Services:</u>	
Collection Maintenance Worker I/II/III	3.0
Maintenance Mechanic I/II/III	<u>1.0</u>
Total Authorized – Collections Services	4.0
Grand Total Authorized Authority	16.0



SEWER AUTHORITY MID-COASTSIDE

Staff Report

TO: Honorable Board of Directors

FROM: Kishen Prathivadi, General Manager

SUBJECT: **Discuss Proposed Contract Collection Services Budget for FY 2020/21 and Authorize the General Manager to submit it to the Participating Agencies for approval**

Executive Summary

The purpose of the report is to discuss the contract collection services budget for FY 2020/21 and authorize the General Manager to submit it to the Participating Agencies for approval

Fiscal Impact

The total cost to provide the Member Agency requested services for Fiscal Year 2020/21 is \$672,373. This amount is payable to SAM as contract service fees from the served agencies. This is an overall decrease in fees of \$144,265 attributed to collection systems contract maintenance for the agencies. The following table reflects the history of fees for each agency for the past three years, the current year, and the upcoming year.

Contract Fees for Each Contracting Agency

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY2020/21	\$	%
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Change</u>	<u>Change</u>
Half Moon Bay	\$351,881	\$274,596	\$310,908	\$178,888	\$227,439	\$ 48,551	27%
GCSD	\$242,350	\$239,954	\$284,500	\$296,201	\$186,574	- \$ 109,627	- 37%
MWSD	<u>\$321,608</u>	<u>\$279,411</u>	<u>\$328,036</u>	<u>\$341,549</u>	<u>\$258,360</u>	- \$ 83,189	- 24%
Total	\$915,839	\$793,961	\$923,444	\$816,638	\$672,373	- \$ 144,265	- 17%

The proposed budget is impacted mostly by the decision to remove \$180,000 Overhead Charges. Upon review of the process with staff and accounting/budgeting consultants it was determine that the recent

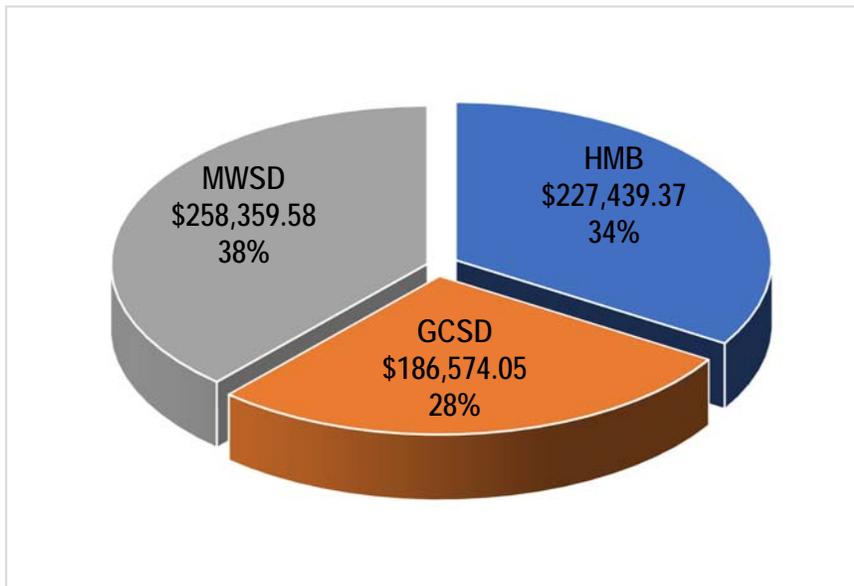
BOARD MEMBERS: J. Blanchard B. Dye R. Lohman
 D. Penrose D. Ruddock K. Slater-Carter

ALTERNATE MEMBERS: S. Boyd M. Clark A. Eisen
 J. Harvey H. Rarback

practice of allocating a portion of SAM Administrative Overhead costs to the Collection Budget should cease as it is more transparent to have those costs entirely attributed to the SAM General Budget Administrative costs. This decision is consistent with SAM's goal of simplifying the budget process going forward.

There is an increased cost to the proposed budget of approximately \$46,000 which is almost entirely attributable to costs incurred over the last year due to actual levels of "Hot Spot" cleaning required to prevent pipeline plugging and expected to continue into the future.. The removal of the misapplied funds plus the added cost of Hot Spot cleaning requirements results in a net reduction of \$144,265.00 compared to last year's approved budget for collections system maintenance services.

The pie-chart below details the allocation of the proposed budget for each Member Agency.



Strategic Plan Compliance

The recommendations in the proposed budget comply with SAM Strategic Plan Goal 5.6: *“SAM is committed to providing quality collection system maintenance service for the Coastside. It will seek to offer the type of agile and responsive service and cost that wins that business. However, SAM resources should not be used to backstop collection service without appropriate compensation and pre-planning so it does not impact SAM operations and maintenance.”*

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	J. Harvey	H. Rarback	

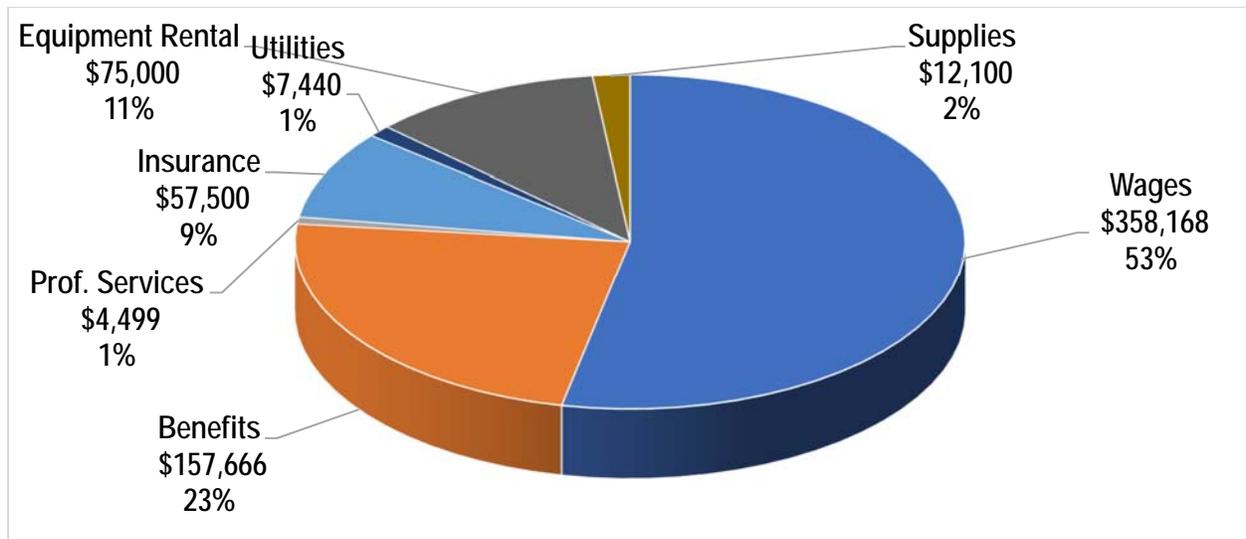
Background and Discussion/Report

SAM has provided collection system maintenance services to its member agencies since 1988. The scope of services has changed over the years to meet regulatory requirements and individual needs of the Member Agencies. While the cost allocation methodology has changed over the years, the Member Agency Managers along with the SAM Manager and consultants have worked together to develop a method of allocation, beginning this year and hoped to be used in the future, based on the needed services of each agency. The cost allocation presented reflect that method and those needs.

Beginning July 1, 2020 the minimum service level provided by SAM will entail cleaning at least fifty percent (50%) of the collection system’s pipelines, cleaning of designated Hot Spots per an agreed upon schedule, provide lift station services as defined, provide emergency response throughout the year and performance of reporting and planning as needed to ensure all needs of each Member Agency’s service area collection system is met.

The proposed budget includes obligations for wages and benefits as stipulated in employment and bargaining contracts, utilities, fuel, rental equipment, insurance and other expenses needed to perform all needed and required services.

The pie chart below details budget expenditures.



BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	J. Harvey	H. Rarback	

The performance of collection system maintenance is a very staff intensive activity and, thereby, most costs (76%) as shown above are for wages and benefits for personnel to perform the work. Other significant costs are insurance provided for the Member Agencies related to their collection systems and rental equipment needed as support for the work. All other costs combined are less than 5% of the total overall budget.

Staff Recommendation

Staff recommends that the Board of Directors authorize the General Manager to submit the Contract Collection Services Budget for Fiscal Year 2020/21 to the participating agencies for approval.

Supporting Documents

Attachment A: Contract Collection Services Budget for FY 2020/21

BOARD MEMBERS:	J. Blanchard	B. Dye	R. Lohman
	D. Penrose	D. Ruddock	K. Slater-Carter
ALTERNATE MEMBERS:	S. Boyd	M. Clark	A. Eisen
	J. Harvey	H. Rarback	

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2017/18 ACTUAL	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 ADOPTED	SAM FY 2020/21 PROPOSED	CHANGE FROM FY 2019/20 ADOPTED		
EXPENDITURES								
<u>Personnel</u>								
1	Wages	347,149	401,639	173,534	246,191	356,029	109,837	45%
2	Premium Pay	40,519	44,243	55,314	35,733	2,139	(33,594)	-94%
3	Health Benefits	95,961	70,298	55,271	41,204	97,914	56,710	138%
4	Retirement Cont.	30,156	52,497	29,710	31,347	30,683	(665)	-2%
5	Retiree Med/OPEB	1,668	5,660	3,371	3,362	4,584	1,222	36%
6	Misc. Benefits	23,027	31,812	13,354	18,229	24,486	6,257	34%
7	Subtotal	538,480	606,149	330,555	376,067	515,834	139,767	37%
<u>Non-Personnel</u>								
8	Legal Services	-	-	-	-	-	-	
9	Engineering Services	-	-	-	-	-	-	
10	Professional Services	49,004	-	48,269	44,988	4,499	(40,489)	-90%
11	Prof. Memberships	-	175	-	50	-	(50)	-100%
12	Insurance Premiums	59,204	37,000	43,960	35,744	57,500	21,756	61%
13	Misc. Expenses	9,211	175,494	186,865	176,030	-	(176,030)	-100%
14	Utilities	10,001	10,950	9,642	12,627	7,440	(5,187)	-41%
15	Travel & Training	2,180	1,081	921	50	-	(50)	-100%
16	Equipment Rental	-	52,139	150,373	148,843	75,000	(73,843)	-50%
17	Bldg & Maint Services	115,430	-	97,042	-	-	-	
18	Chemicals	4,089	1,025	1,855	1,000	-	(1,000)	-100%
19	Permits & Licenses	1,044	-	-	-	-	-	
20	Supplies	21,176	21,600	21,178	21,270	12,100	(9,170)	-43%
21	Equipment	-	-	-	-	-	-	
22	Infrastructure	-	-	-	-	-	-	
23	Claims/Penalties	(38,653)	-	1,419	-	-	-	
24	Subtotal	232,686	299,464	561,525	440,602	156,539	(284,063)	-64%
25	TOTAL	771,166	905,613	892,080	816,669	672,373	(144,296)	-18%

Key Budget Points:

- Additional Hot Spot Cleanings result in approximately \$36,000 increase
- Actual headcount is budgeted and reflected vs under budgeting last year
- Removal of Other Miscellaneous Expenses and reclassified to the General Budget
- Includes required COLA per MOU and Step Increases

CONTRACT COLLECTION SERVICES
Consolidated (Half Moon Bay, GCSD, MWSD)

	FY 2018/19 ADOPTED	FY 2018/19 ACTUAL	FY 2019/20 BUDGETED	FY2020/21 PROPOSED		CHANGE FROM FY 2019/20 BUDGET	
REVENUE							
<u>By Type:</u>							
26	JPA Assessments	-	-	-		-	
27	Contract Services	923,441	977,409	816,638	672,373	(144,265)	-18%
28	NDWSCP Fees	7,175	11,571	7,175		(7,175)	-100%
29	Misc. Fees	-	-	-		-	
30	Interest Earnings	-	-	-		-	
31	Misc. Revenue	-	-	-		-	
32	From/(To) Reserves	-	-	-		-	
33		930,616	988,981	823,813	672,373	(151,440)	-18%
<u>By Agency:</u>							
34	Half Moon Bay	310,905	271,906	178,888	227,439.37	48,551	27%
35	Granada CSD	284,500	290,128	296,201	186,574.05	(109,627)	-37%
36	Montara WSD	328,036	415,376	341,549	258,359.58	(83,189)	-24%
37		923,441	977,409	816,638	672,373.00	(144,265)	-18%

Funded Positions:	5.00	5.00	4.00	4.00		-	0%
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MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Review and Possible Action Concerning Approval of Water and Sewer Budgets and Capital Improvement Programs.

A Draft Water and Sewer Budget was presented at the May 7 and May 21 meetings for Board Review. The Finance Committee provided input throughout the process and met on May 13 to review the Draft Budget and suggest changes. The Finance Committee recommends approval of the Budget at this time.

The Budget contains a sewer service charge increase of 9%, as suggested in the Sewer Service Study and Prop 218 notice. It also contains \$1,000,000 revenue from the new suggested Water System Reliability Charge.

A 1.11% Cost of Living increase for all non-exempt employees is also included in the Budget.

MWSD expects a total combined cash flow income of \$8,341,023 and combined expenses of \$9,314,115, dipping into reserves in the amount of \$973,092 to balance the budget.

Infrastructure improvement costs total \$3,094,022, or 33% of expenses. Sewer Authority Mid-Coastside assessment for the next FY will be \$1,948,790, or 21%. Loan and other financing expenses amount to \$1,597,063, or 17% of combined expenses. Of the overall expenses, 14%, or \$1,305,928, are expected personnel costs.

RECOMMENDATION:

Authorize a 1.11% Cost of Living increase for all non-exempt employees, and adopt Resolution No._____, RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT APPROVING BUDGET FOR THE FISCAL YEAR 2020-2021.

Attachments.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND
SANITARY DISTRICT APPROVING BUDGET FOR THE
FISCAL YEAR 2020-2021**

RESOLVED, by the Board of the Montara Water and Sanitary District, San Mateo County, California, as follows:

1. That the balances on hand as of June 30, 2020, in each of funds of the District shall be reserved for use by the District during the Fiscal Year 2020-2021.
2. That the budget for said District for the Fiscal Year 2020-2021 heretofore presented to this Board and a copy of which is hereto attached and the same is hereby approved.
3. That the Secretary of this District be, and hereby is, authorized and directed to file a certified copy of this resolution with the budget of this District thereto attached, with the County Controller of San Mateo County.

COUNTERSIGNED:

President, Montara Water and Sanitary District

Secretary, Montara Water and Sanitary District

* * *

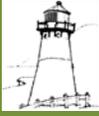
I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a meeting held on the 4th day of June 2020, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



Montara Water & Sanitary Budgeted Cash Flow - Sewer Fiscal year 2020-2021

Cash flow summary
Operating cash flow

Operating income	FY 2019-2020	FY 2020-2021	Variance (%)	Variance (\$)
Sewer Service Charges	\$ 3,006,212	\$ 3,242,487	7.86%	\$ 236,275
Cell Tower Lease	\$ 37,000	\$ 37,500	1.35%	\$ 500
Fees & Other	\$ 21,100	\$ 13,100	-37.91%	\$ (8,000)
Property Tax	\$ 275,000	\$ 275,000	0.00%	\$ -
Waste Collection Revenues	\$ 23,000	\$ 24,000	4.35%	\$ 1,000
Total operating income	\$ 3,362,312	\$ 3,592,087		
Operating expenses				
Personnel	\$ (350,129)	\$ (362,039)	3.40%	\$ 11,910
Professional Services	\$ (500,200)	\$ (189,700)	-62.08%	\$ (310,500)
Facilities & Administration	\$ (56,950)	\$ (57,000)	0.09%	\$ 50
Engineering	\$ (62,000)	\$ (60,000)	-3.23%	\$ (2,000)
Pumping	\$ (45,000)	\$ (45,000)	0.00%	\$ -
Sewer Authority Mid-Coastside	\$ (1,960,688)	\$ (1,948,790)	-0.61%	\$ (11,898)
All other Accounts	\$ (69,860)	\$ (71,110)	1.79%	\$ 1,250
Total operating expenses	\$ (3,044,827)	\$ (2,733,639)		
Net Cash Flow Provided by Operations	\$ 317,485	\$ 858,448		
Investment cash flow				
Investment income				
Interest Revenue	\$ 50,000	\$ 60,000	20.00%	\$ 10,000
Total investment income	\$ 50,000	\$ 60,000		
Investment expenses				
Capital Improvement Program	\$ (1,486,085)	\$ (1,985,272)	33.59%	\$ 499,187
Total investment expenses	\$ (1,486,085)	\$ (1,985,272)		
Net Cash Flow Used by Investments	\$ (1,436,085)	\$ (1,925,272)		
Financing cash flow				
Financing income				
Connection Fees	\$ 200,000	\$ 150,000	-25.00%	\$ (50,000)
Total financing income	\$ 200,000	\$ 150,000		
Financing expenses				
Loan Interest Expense	\$ (37,803)	\$ (35,116)	-7.11%	\$ (2,688)
Loan Principal Payment	\$ (87,133)	\$ (93,512)	7.32%	\$ 6,379
Total financing expenses	\$ (124,936)	\$ (128,627)		
Net Cash Flow Provided by Financing Activities	\$ 75,064	\$ 21,373		
Overall projected cash flow	\$ (1,043,536)	\$ (1,045,451)		
Transfer from Sewer Reserves	\$ 1,043,536	\$ 1,045,451		*
Net cash flow	\$ -	\$ -		

* Please see discussion of Sewer operating reserve funds on page 15. In addition, please review the Sewer CIP project summary list on page 11.



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2020-2021

Cash flow summary
Operating cash flow

Operating income	FY 2019-2020	FY 2020-2021	Variance (%)	Variance (\$)
Water Sales	\$ 1,944,000	\$ 1,893,000	-2.62%	\$ (51,000)
Cell Tower Lease	\$ 37,000	\$ 37,500	1.35%	\$ 500
Fees & Other	\$ 14,000	\$ 15,000	7.14%	\$ 1,000
Property Tax	\$ 275,000	\$ 275,000	0.00%	\$ -
Backflow Testing & Other	\$ 18,000	\$ 18,000	0.00%	\$ -
Total operating income	\$ 2,288,000	\$ 2,238,500		
Operating expenses				
Personnel	\$ (886,161)	\$ (939,877)	6.06%	\$ 53,716
Professional Services	\$ (377,500)	\$ (206,500)	-45.30%	\$ (171,000)
Facilities & Administration	\$ (114,300)	\$ (71,000)	-37.88%	\$ (43,300)
Engineering	\$ (380,500)	\$ (220,000)	-42.18%	\$ (160,500)
Pumping	\$ (105,700)	\$ (110,700)	4.73%	\$ 5,000
Supply	\$ (47,500)	\$ (37,500)	-21.05%	\$ (10,000)
Collection/Transmission	\$ (82,500)	\$ (80,500)	-2.42%	\$ (2,000)
Treatment	\$ (85,000)	\$ (85,000)	0.00%	\$ -
All Other Accounts	\$ (127,350)	\$ (134,300)	5.46%	\$ 6,950
Total operating expenses	\$ (2,206,511)	\$ (1,885,377)		
Net Cash Flow Provided by Operations	\$ 81,489	\$ 353,123		
Investment cash flow				
Investment income				
GO Bonds, Assessment Receipts	\$ 1,150,436	\$ 1,150,436	0.00%	\$ -
Water System Reliability Charge	\$ -	\$ 1,000,000		\$ 1,000,000
Total investment income	\$ 1,150,436	\$ 2,150,436		
Investment expenses				
Capital Improvement Program	\$ (549,500)	\$ (1,108,750)	101.77%	\$ 559,250
Total investment expenses	\$ (549,500)	\$ (1,108,750)		
Net Cash Flow Used by Investments	\$ 600,936	\$ 1,041,686		
Financing cash flow				
Financing income				
Connection Fees	\$ 280,000	\$ 150,000	-46.43%	\$ (130,000)
Total financing income	\$ 280,000	\$ 150,000		
Financing expenses				
Long Term Debt - Interest Expense	\$ (318,633)	\$ (292,561)	-8.18%	\$ (26,072)
Long Term Debt - Principal Payment	\$ (1,189,448)	\$ (1,175,875)	-1.14%	\$ (13,573)
Total financing expenses	\$ (1,508,081)	\$ (1,468,436)		
Net Cash Flow Provided by Financing Activities	\$ (1,228,081)	\$ (1,318,436)		
Overall projected cash flow	\$ (545,656)	\$ 76,372		
Transfer to Water Reserves	\$ (545,656)	\$ 76,372		*
Net cash flow	\$ -	\$ -		

* Please see discussion of Water operating reserve funds on page 14. In addition, please review the Water CIP project summary list on page 12.



MWSD — Fiscal Year 2020-21 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2017-18	2018-19	Approved	Income/Expenditures		Projected	Projected as	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	Budget 2019-	as of April 30, 2020	% To date		% of Budget	amounts 2020-21	from 2019-2020 \$	%
Cell Tower Lease:	4220	35,632	36,752	37,000	33,174	89.66%	37,913	102.47%	37,500	500	1.35%
Administrative Fees (New Construction):	4410	4,040	3,647	3,600	3,794	105.39%	4,553	126.47%	3,600	0	0.00%
Administrative Fees (Remodel):	4420	0	0	2,000	542	27.10%	650	32.52%	1,000	(1,000)	-50.00%
Inspection Fees (New Construction):	4430	3,339	3,448	3,500	3,584	102.40%	4,301	122.88%	3,500	0	0.00%
Inspection Fees (Remodel):	4440	0	0	4,000	512	12.80%	614	15.36%	1,000	(3,000)	-75.00%
Mainline Extension Fees:	4450	1,500	0	0	0	0.00%	0	0.00%	0	0	#DIV/0!
Remodel Fees:	4460	10,278	5,376	8,000	2,239	27.99%	2,687	33.59%	4,000	(4,000)	-50.00%
Grants:	4510	0	0	0	112	100.00%	134	100.00%	0	0	#DIV/0!
Property Tax Receipts:	4610	367,805	404,079	275,000	376,255	136.82%	410,000	149.09%	275,000	0	0.00%
Sewer Service Charges:	4710	2,053,963	2,610,244	3,010,212	2,777,240	92.26%	3,010,212	100.00%	3,246,487	236,275	7.85%
Sewer Service Refunds, Customer:	4720	(2,343)	496	(4,000)	(6,245)	156.12%	(7,494)	187.34%	(4,000)	0	0.00%
Waste Collection Revenues:	4760	21,677	23,172	23,000	20,413	88.75%	24,496	106.50%	24,000	1,000	4.35%
Other Revenue:	4990	3,378	2,825	0	2,005	100.00%	2,406	100.00%	0	0	0.00%
Total Operating Revenue:		2,499,269	3,090,039	3,362,312	3,213,625	95.58%	3,490,473	103.81%	3,592,087	229,775	6.83%
Operating Expenses											
Bank Fees:	5190	6,654	6,875	7,500	4,723	62.97%	5,668	75.57%	6,750	(750)	-10.00%
Board Meetings:	5210	1,836	3,928	3,000	2,617	87.23%	3,140	104.68%	3,000	0	0.00%
Director Fees:	5220	3,900	2,288	4,000	3,075	76.88%	3,690	92.25%	2,000	(2,000)	-50.00%
Election Expenses:	5230	0	4,265	5,000	0	0.00%	0	0.00%	5,000	0	0.00%
Conference Attendance:	5250	3,131	2,467	5,000	35	0.70%	35	0.70%	2,500	(2,500)	-50.00%
Information Systems:	5270	1,224	1,725	4,000	8,223	205.58%	9,868	246.69%	4,000	0	0.00%
Fidelity Bond:	5310	0	438	500	0	0.00%	0	0.00%	500	0	0.00%
Property & Liability Insurance:	5320	2,161	7,737	2,000	0	0.00%	0	0.00%	8,000	6,000	300.00%
LAFCO Assessment:	5350	1,601	1,794	2,000	1,766	88.30%	2,119	105.96%	2,500	500	25.00%
Meeting Attendance, Legal:	5420	6,951	14	0	0	0.00%	0	0.00%	0	0	#DIV/0!
General Legal:	5430	209,412	183,515	412,500	92,523	22.43%	111,028	26.92%	100,000	(312,500)	-75.76%
Maintenance, Office:	5510	4,020	7,230	8,000	3,338	41.73%	4,006	50.07%	8,000	0	0.00%
Meetings, Local:	5520	0	0	0	0	0.00%	0	0.00%	0	0	0.00%
Memberships:	5530	0	0	0	0	0.00%	0	0.00%	0	0	0.00%
Office Supplies:	5540	6,243	5,681	8,000	4,698	58.73%	5,638	70.47%	6,000	(2,000)	-25.00%
Postage:	5550	277	2,043	2,650	544	20.53%	653	24.63%	2,000	(650)	-24.53%
Printing & Publishing:	5560	2,909	2,490	5,000	620	12.40%	744	14.88%	5,000	0	0.00%
Accounting:	5610	31,276	26,503	30,000	27,225	90.75%	32,670	108.90%	32,000	2,000	6.67%
Audit:	5620	18,000	13,000	13,000	8,150	62.69%	9,780	75.23%	13,000	0	0.00%
Consulting:	5630	35,859	25,261	35,000	37,282	106.52%	44,738	127.82%	35,000	0	0.00%
Data Services:	5640	5,851	6,079	6,200	7,173	115.69%	8,608	138.83%	6,200	0	0.00%
Labor & HR Support:	5650	2,484	2,442	2,500	2,135	85.40%	2,562	102.48%	2,500	0	0.00%
Payroll Services:	5660	940	949	1,000	822	82.20%	986	98.64%	1,000	0	0.00%
Other Professional Services:	5690	0	0	0	0	0.00%	0	0.00%	0	0	0.00%
San Mateo County Tax Roll Charges:	5710	0	119	1,000	119	11.90%	143	14.28%	1,000	0	0.00%
Telephone & Internet:	5720	18,961	25,300	24,000	23,713	98.80%	28,456	118.57%	20,000	(4,000)	-16.67%
Mileage Reimbursement:	5730	564	1,570	1,500	327	21.83%	393	26.20%	1,500	0	0.00%
Reference Materials:	5740	0	87	200	0	0.00%	0	0.00%	200	0	0.00%
Other Administrative:	5790	0	448	0	608	100.00%	730	100.00%	0	0	0.00%
CalPERS 457 Deferred Plan:	5810	18,386	18,955	17,002	17,403	102.36%	20,884	122.83%	17,508	507	2.98%
Employee Benefits:	5820	39,107	52,115	48,307	35,494	73.48%	42,593	88.17%	49,096	789	1.63%
Disability Insurance:	5830	1,360	1,360	1,401	1,275	91.00%	1,530	109.20%	1,876	475	33.88%
Payroll Taxes:	5840	16,063	15,610	18,580	13,180	70.94%	15,816	85.12%	19,134	554	2.98%
Worker's Compensation Insurance:	5960	4,082	2,622	5,473	1,402	25.62%	1,682	30.74%	3,688	(1,785)	-32.62%
Management:	5910	114,908	112,113	111,733	96,020	85.94%	115,224	103.13%	116,211	4,479	4.01%
Staff:	5920	127,015	125,760	126,526	111,497	88.12%	133,796	105.75%	133,905	7,379	5.83%
Staff Certification:	5930	1,800	1,800	1,800	1,825	101.39%	2,190	121.67%	1,800	0	0.00%
Staff Overtime:	5940	918	1,435	2,821	1,539	54.56%	1,847	65.47%	1,760	(1,061)	-37.60%
Staff Standby:	5950	32	0	0	0	0.00%	0	0.00%	0	0	0.00%
PARS:	5850	16,909	19,459	16,487	14,006	84.95%	16,807	101.94%	17,062	574	3.48%
Claims, Property Damage:	6170	12,811	20,514	20,000	0	0.00%	0	0.00%	20,000	0	0.00%
Education & Training:	6195	717	559	1,000	0	0.00%	0	0.00%	1,000	0	0.00%
Meeting Attendance, Engineering:	6210	0	0	2,000	0	0.00%	0	0.00%	0	(2,000)	-100.00%



MWSD — Fiscal Year 2020-21 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2017-18	2018-19	Approved	Income/Expenditures		Projected	Projected as	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	Budget 2019-	as of April 30, 2020	% To date		% of Budget	amounts 2020-21	from 2019-2020 \$	%
General Engineering:	6220	68,682	33,584	60,000	25,334	42.22%	30,401	50.67%	60,000	0	0.00%
Equipment & Tools, Expensed:	6320	0		1,000		0.00%	0	0.00%	1,000	0	0.00%
Alarm Services:	6335	5,146	5,028	5,700	4,457	78.19%	5,348	93.83%	10,000	4,300	75.44%
Landscaping:	6337	2,280	2,588	3,600	2,468	68.56%	2,962	82.27%	6,000	2,400	66.67%
Pumping Fuel & Electricity:	6410	39,312	44,881	45,000	31,117	69.15%	37,340	82.98%	45,000	0	0.00%
Uniforms:	6770	0	0	0	126	100.00%	151	100.00%	0	0	#DIV/0!
Maintenance, Collection System:	6660		550	10,000		0.00%	0	0.00%	10,000	0	0.00%
Fuel:	6810	988	1,021	1,000	801	80.10%	961	96.12%	1,000	0	0.00%
Truck Equipment, Expensed:	6820	2	27	160	439	274.38%	527	329.25%	160	0	0.00%
Truck Repairs:	6830	780	423	1,000	622	62.20%	746	74.64%	1,000	0	0.00%
Total Other Operations:	6890	0	0			0.00%	0	0.00%		0	
SAM Collections:	6910	232,841	329,965	341,549	256,162	75.00%	307,394	90.00%	254,153	(87,396)	-25.59%
SAM Operations:	6920	1,625,331	1,316,715	1,529,139	1,146,855	75.00%	1,376,226	90.00%	1,584,637	55,498	3.63%
Depreciation:	5260	555,756	408,078			0.00%	0	0.00%		0	
SAM Maintenance, Collection System:	6940	0	0	40,000		0.00%	0	0.00%	40,000	0	0.00%
SAM Maintenance, Pumping:	6950	0	82,999	50,000	83,260	166.52%	99,912	199.82%	70,000	20,000	40.00%
Total Operations Expense:		3,249,479	2,932,411	3,044,827	2,074,998	68.15%	2,489,998	81.78%	2,733,639	(311,188)	-10.22%
Net Change in position from Operations:		(750,211)	157,629	317,485	1,138,627	358.64%	1,000,475	315.13%	858,448	540,963	170.39%

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MWSD — Fiscal Year 2020-21 Non-Operating Budget - SEWER ENTERPRISE

	GL Codes	2017-18 Actual	2018-19 Actual	Approved Budget 2019-20	Income/Expenditure s as of April 30,	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2020-21	Increase/(Decrease) from 2019-2020 \$	Increase/(decrease) %
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	221,658	246,161	150,000	105,512	70.34%	126,614	84.41%	100,000	(50,000)	-33.33%
Connection Fees, Residential Remodel:	7120	7,605	66,218	50,000	55,708	111.42%	66,850	133.70%	50,000	0	0.00%
LAIF, Interest:	7200	41,070	99,073	50,000	82,214	164.43%	98,657	197.31%	60,000	10,000	20.00%
Total Non Operating Revenue:		270,333	411,451	250,000	243,434	97.37%	292,121	116.85%	210,000	(40,000)	-16.00%
Non Operating Expense											
PNC Equipment Lease:	9125	18,222	17,492	15,221	12,802	84.11%	15,221	100.00%	13,461	(1,760)	-11.57%
Capital Assessment, SAM:	9175	121,345	0		0	0.00%	0	0.00%		0	#DIV/0!
I-Bank Loan:	9200	23,996	22,382	22,582	11,063	48.99%	22,582	100.00%	21,655	(927)	-4.11%
Total Non Operating Expense:		163,563	39,874	37,803	23,865	63.13%	28,638	75.76%	35,116	(2,687)	-7.11%
Net Change in position from Non Operating		106,770	371,577	212,197	219,569		263,483		174,884	(37,313)	

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MWSD — Fiscal Year 2020-21 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2017-18	2018-19	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2019-20	as of April 30, 2020			of Budget	amounts 2020-21	from 2019-2020 \$	%
Cell Tower Lease:	4220	35,632	36,752	37,000	33,174	89.66%	37,913	102.47%	37,500	500	1.35%
Administrative Fees (New Construction):	4410	4,545	3,126	5,000	4,336	86.72%	5,203	104.06%	5,000	0	0.00%
Administrative Fees (Remodel):	4420	1,679	0	0	1,084	100.00%	1,301	100.00%	0	0	#DIV/0!
Inspection Fees (New Construction):	4430	4,293	2,956	4,000	4,096	102.40%	4,915	122.88%	4,000	0	0.00%
Inspection Fees (Remodel):	4440	1,908	0	0	1,536	100.00%	1,843	100.00%	1,000	1,000	#DIV/0!
Mainline Extension Fees:	4450	0	3,119	3,000	0	0.00%	0	0.00%	3,000	0	0.00%
Grants:	4510				112	100.00%	134	100.00%		0	#DIV/0!
Remodel Fees:	4460	4,425	5,561	2,000	1,421	71.05%	1,705	85.26%	2,000		
Property Tax Receipts:	4610	367,805	404,079	275,000	376,255	136.82%	451,506	164.18%	275,000	0	0.00%
Testing, Backflow:	4740	17,858	18,420	18,000	19,454	108.08%	23,345	129.69%	18,000	0	0.00%
Water Sales:	4810	1,922,677	1,892,091	1,947,000	1,607,533	82.57%	1,929,040	99.08%	1,896,000	(51,000)	-2.62%
Water Sales Refunds, Customer:	4850	(1,488)	(4,670)	(3,000)	(2,258)	75.28%	(2,710)	90.33%	(3,000)	0	0.00%
Other Revenue:	4990	1,180	3,936		60,811	100.00%	72,973	100.00%		0	0.00%
Total Operating Revenue:		2,360,513	2,365,369	2,288,000	2,107,554	92.11%	2,527,169	110.45%	2,238,500	(49,500)	-2.16%
Operating Expenses											
Bank Fees:	5190	1,618	3,495	3,750	1,018	27.15%	1,222	32.58%	1,500	(2,250)	-60.00%
Board Meetings:	5210	1,836	3,928	4,000	2,617	65.43%	3,140	78.51%	3,000	(1,000)	-25.00%
Director Fees:	5220	3,900	2,288	3,300	3,075	93.18%	3,690	111.82%	2,000	(1,300)	-39.39%
Election Expenses:	5230	0	4,265			0.00%	0	0.00%	5,000	5,000	#DIV/0!
CDPH Fees:	5240	10,832	10,530	15,750	9,156	58.14%	9,156	58.13%	11,000	(4,750)	-30.16%
Conference Attendance:	5250	5,697	2,467	6,000	943	15.72%	1,132	18.86%	3,000	(3,000)	-50.00%
Information Systems:	5270	9,488	10,185	3,000	8,223	274.10%	9,868	328.92%	5,000	2,000	66.67%
Fidelity Bond:	5310	0	438	500	0	0.00%	0	0.00%	500	0	0.00%
Property & Liability Insurance:	5320	0	2,215	2,500	1,173	46.92%	1,408	56.30%	5,000	2,500	100.00%
LAFCO Assessment:	5350	2,208	2,520	2,750	2,465	89.64%	2,465	89.64%	2,500	(250)	-9.09%
Meeting Attendance, Legal:	5420	3,211	14	0	0	0.00%	0	0.00%	0	0	#DIV/0!
General Legal:	5430	24,643	24,250	231,000	80,466	34.83%	96,559	41.80%	100,000	(131,000)	-56.71%
Maintenance, Office:	5510	5,561	11,015	8,000	5,137	64.21%	6,164	77.06%	8,000	0	0.00%
Meetings, Local:	5520	0	41		0	0.00%	0	0.00%	0	0	0.00%
Memberships:	5530	20,298	22,236	24,000	26,275	109.48%	26,275	109.48%	27,000	3,000	12.50%
Office Supplies:	5540	8,452	7,244	8,000	4,835	60.44%	5,802	72.53%	6,000	(2,000)	-25.00%
Postage:	5550	6,379	9,318	9,000	8,231	91.46%	9,877	109.75%	4,000	(5,000)	-55.56%
Printing & Publishing:	5560	1,739	3,213	3,000	1,474	49.13%	1,769	58.96%	7,000	4,000	133.33%
Accounting:	5610	31,276	26,503	30,000	27,225	90.75%	32,670	108.90%	32,000	2,000	6.67%
Audit:	5620	18,000	13,000	13,000	8,150	62.69%	9,780	75.23%	13,000	0	0.00%
Consulting:	5630	19,678	28,471	100,000	43,676	43.68%	52,411	52.41%	55,000	(45,000)	-45.00%
Data Services:	5640	0			900	100.00%	1,080	100.00%	3,000	3,000	
Labor & HR Support:	5650	2,484	2,442	2,500	2,214	88.56%	2,657	106.27%	2,500	0	0.00%
Payroll Services:	5660	940	949	1,000	822	82.20%	986	98.64%	1,000	0	0.00%
Other Professional Services:	5690	0	480		0	0.00%	0	0.00%	0	0	0.00%
San Mateo County Tax Roll Charges:	5710	0	119		119	100.00%	143	100.00%	3,000		
Telephone & Internet:	5720	22,460	31,642	27,000	27,432	101.60%	32,918	121.92%	20,000	(7,000)	-25.93%
Mileage Reimbursement:	5730	564	2,188	2,000	623	31.13%	747	37.36%	2,000	0	0.00%
Reference Materials:	5740	0	0	800	0	0.00%	0	0.00%	800	0	0.00%
Other Administrative:	5790	615	791		2,156	100.00%	2,587	100.00%	1,000	1,000	
CalPERS 457 Deferred Plan:	5810	37,021	38,266	43,235	35,559	82.25%	42,671	98.69%	44,948	1,712	3.96%
Employee Benefits:	5820	74,878	84,851	88,110	57,524	65.29%	69,029	78.34%	107,614	19,504	22.14%
Disability Insurance:	5830	3,366	3,366	3,467	2,565	73.98%	3,078	88.78%	4,752	1,285	37.05%
Payroll Taxes:	5840	39,499	39,124	49,062	35,236	71.82%	42,283	86.18%	51,267	2,206	4.50%
Worker's Compensation Insurance:	5960	19,208	12,579	23,324	6,954	29.82%	8,345	35.78%	22,444	(880)	-3.77%
Management:	5910	114,908	112,113	111,733	96,020	85.94%	115,224	103.13%	116,211	4,479	4.01%
Staff :	5920	360,388	356,877	446,840	334,135	74.78%	400,962	89.73%	464,762	17,922	4.01%
Staff Certification:	5930	10,042	9,275	11,400	9,183	80.55%	11,020	96.66%	11,400	0	0.00%
Staff Overtime:	5940	42,425	45,516	48,105	38,789	80.63%	46,547	96.76%	54,781	6,677	13.88%
Staff Standby:	5950	25,125	24,705	23,249	21,298	91.61%	25,558	109.93%	23,003	(246)	-1.06%
PARS:	5850	31,691	37,916	37,636	28,069	74.58%	33,683	89.50%	38,695	1,059	2.81%



MWSD — Fiscal Year 2020-21 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2017-18	2018-19	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2019-20	as of April 30, 2020			of Budget	amounts 2020-21	from 2019-2020 \$	%
Backflow Prevention:	6160	473	764	1,000	326	32.60%	391	39.12%	1,000	0	0.00%
Claims, Property Damage:	6170	0	22	10,000	392	3.92%	470	4.70%	10,000	0	0.00%
SCADA Maintenance:	6185	9,802	12,061	13,000	226	1.74%	271	2.09%	13,000	0	0.00%
Education & Training:	6195	9,911	5,098	9,000	3,610	40.11%	4,332	48.13%	9,000	0	0.00%
Meeting Attendance, Engineering:	6210	16		500	0	0.00%	0	0.00%	0	(500)	-100.00%
General Engineering:	6220	8,503	1,467	30,000	12,390	41.30%	14,868	49.56%	20,000	(10,000)	-33.33%
Water Quality Engineering:	6230	178,764	420,284	350,000	118,115	33.75%	141,738	40.50%	200,000	(150,000)	-42.86%
Equipment & Tools, Expensed:	6320	7,441	11,867	8,000	16,314	203.93%	19,577	244.71%	12,000	4,000	50.00%
Alarm Services:	6335	671	718	800	539	67.38%	647	80.85%	5,000	4,200	525.00%
Landscaping:	6337	5,947	5,811	56,000	5,150	9.20%	6,180	11.04%	15,000	(41,000)	-73.21%
Lab Supplies & Equipment:	6370	3,698	2,251	2,500	7,196	287.84%	8,635	345.41%	4,000	1,500	60.00%
Meter Reading:	6380	21	0		10	100.00%	12	100.00%		0	
Pumping Fuel & Electricity:	6410	68,177	77,011	90,000	58,363	64.85%	70,036	77.82%	90,000	0	0.00%
Pumping Maintenance, Generators:	6420	7,777	21,339	10,000	20,908	209.08%	25,090	250.90%	15,000	5,000	50.00%
Pumping Maintenance, General:	6430	4,137	3,448	5,000	17	0.35%	21	0.41%	5,000	0	
Pumping Equipment, Expensed:	6440	210	478	700	8,562	1223.16%	10,275	1467.79%	700	0	0.00%
Maintenance, Raw Water Mains:	6510	1,474	1,857	2,500	27	1.10%	33	1.32%	2,500	0	
Maintenance, Wells:	6520	16,851	8,635	5,000	10,687	213.74%	12,824	256.49%	5,000	0	0.00%
Water Purchases:	6530	25,508	26,826	40,000	21,585	53.96%	25,902	64.76%	30,000	(10,000)	-25.00%
Hydrants:	6610	375	0	1,000	6,481	648.10%	7,777	777.72%	1,000	0	0.00%
Maintenance, Water Mains:	6620	39,633	46,952	50,000	32,350	64.70%	38,820	77.64%	50,000	0	0.00%
Maintenance, Water Service Lines:	6630	12,389	3,506	20,000	3,519	17.60%	4,223	21.11%	15,000	(5,000)	-25.00%
Maintenance, Tanks:	6640	741	1,593	1,000	4,146	414.60%	4,975	497.52%	4,000	3,000	300.00%
Maintenance, Distribution General:	6650	273	7,341	8,000	10,829	135.36%	12,995	162.44%	8,000	0	0.00%
Maintenance, Collection System:	6660	33	414			0.00%	0	0.00%			
Meters:	6670	2,373	8,177	2,500	6,253	250.14%	7,504	300.17%	2,500	0	0.00%
Chemicals & Filtering:	6710	18,681	20,233	20,000	38,989	194.95%	46,787	233.93%	20,000	0	0.00%
Maintenance, Treatment Equipment:	6720	10,508	28,456	20,000	12,640	63.20%	15,168	75.84%	20,000	0	0.00%
Treatment Analysis:	6730	35,504	45,055	45,000	16,716	37.15%	20,059	44.58%	45,000	0	0.00%
Uniforms:	6770	11,166	11,459	2,000	3,483	174.15%	4,180	208.98%	2,000	0	0.00%
Fuel:	6810	5,598	6,541	10,000	5,035	50.35%	6,042	60.42%	10,000	0	0.00%
Truck Equipment, Expensed:	6820	12	309	1,000	2,686	268.60%	3,223	322.32%	2,000	1,000	100.00%
Truck Repairs:	6830	4,422	2,411	5,000	3,524	70.48%	4,229	84.58%	5,000	0	0.00%
Other Operations:	6890	238		0	55	100.00%	66	100.00%	0	0	
Total Operations Expense:		1,451,758	1,773,218	2,206,511	1,364,862	61.86%	1,630,254	73.88%	1,885,377	(324,134)	-14.69%
Net Change in position from Operations:		908,754	592,152	81,489	742,692	911.40%	896,915	1100.66%	353,123	274,634	337.02%

MWSD — Fiscal Year 2020-2021 Non-Operating Budget - WATER ENTERPRISE

	GL Codes	2017-18 Actual	2018-19 Actual	Approved Budget 2019-20	Income/Expenditures as of April 30, 2020	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2020-21	Increase/(Decrease) from 2019-20 \$	Increase/(decrease) %
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	145,168	151,098	150,000	100,608	67.07%	120,730	80.49%	100,000	(50,000)	-33.33%
Connection Fees, Residential Remodel:	7120					0.00%	0	0.00%		0	#DIV/0!
Connection Fees, Residential Fire:	7130	118,691	164,056	130,000	57,430	44.18%	68,916	53.01%	50,000	(80,000)	-61.54%
Connection Fees, Residential Remodel Fire:	7140	12,893	2,032		14,780	100.00%	17,736	100.00%		0	
Connection Fees, Well Conversion:	7150	7,800				0.00%	0	0.00%		0	
General Obligation Bonds, Assessment Receipts:	7600	1,226,216	1,182,939	1,150,436	1,052,210	91.46%	1,150,436	100.00%	1,150,436	0	0.00%
Water System Reliability:									1,000,000	1,000,000	#DIV/0!
Total Non Operating Revenue:		1,510,768	1,500,125	1,430,436	1,225,028	85.64%	1,357,818	94.92%	1,300,436	(130,000)	-9.09%
Non Operating Expense											
General Obligation Bonds:	9100	265,164	242,762	230,539	230,539	100.00%	230,539	100.00%	208,611	(21,928)	-9.51%
PNC Equipment Lease:	9125	18,222	17,492	15,221	12,802	84.11%	15,221	100.00%	13,461	(1,760)	-11.57%
State Revolving Fund Loan:	9150	83,943	78,501	72,873	163,905	224.92%	163,905	224.92%	70,489	(2,384)	-3.27%
Water Rebates :	9210	1,400	1,500	3,000	1,350	45.00%	1,620	54.00%	3,000	0	0.00%
Total Non Operating Expense:		368,729	383,970	321,633	408,596	127.04%	411,285	127.87%	295,561	(26,072)	-8.11%
Net Change in position from Non Operating activities:		1,142,039	1,116,155	1,108,803	816,432		946,533		1,004,875	(103,928)	-9.37%

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SALARY RANGE
MONTARA WATER AND SANITARY DISTRICT
July 1, 2020

Position	Salary Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Operations Manager	\$153,324 \$122,771	\$122,771 \$59.02	\$125,840 \$60.50	\$128,986 \$62.01	\$132,211 \$63.56	\$135,516 \$65.15	\$138,904 \$66.78	\$142,376 \$68.45	\$145,936 \$70.16	\$149,584 \$71.92	\$153,324 \$73.71
Superintendent	\$143,691 \$115,058	\$115,058 \$55.32	\$117,934 \$56.70	\$120,882 \$58.12	\$123,905 \$59.57	\$127,002 \$61.06	\$130,177 \$62.59	\$133,432 \$64.15	\$136,767 \$65.75	\$140,187 \$67.40	\$143,691 \$69.08
Water System Operator	\$87,638 \$70,174	\$70,174 \$33.74	\$71,928 \$34.58	\$73,727 \$35.45	\$75,570 \$36.33	\$77,459 \$37.24	\$79,395 \$38.17	\$81,380 \$39.13	\$83,415 \$40.10	\$85,500 \$41.11	\$87,638 \$42.13
Maintenance Worker I	\$76,090 \$60,927	\$60,927 \$29.29	\$62,451 \$30.02	\$64,012 \$30.77	\$65,612 \$31.54	\$67,253 \$32.33	\$68,934 \$33.14	\$70,657 \$33.97	\$72,424 \$34.82	\$74,234 \$35.69	\$76,090 \$36.58
Account Specialist	\$72,749 \$58,252	\$58,252 \$28.01	\$59,709 \$28.71	\$61,202 \$29.42	\$62,732 \$30.16	\$64,300 \$30.91	\$65,907 \$31.69	\$67,555 \$32.48	\$69,244 \$33.29	\$70,975 \$34.12	\$72,749 \$34.98
District Clerk	\$72,749 \$58,252	\$58,252 \$28.01	\$59,709 \$28.71	\$61,202 \$29.42	\$62,732 \$30.16	\$64,300 \$30.91	\$65,907 \$31.69	\$67,555 \$32.48	\$69,244 \$33.29	\$70,975 \$34.12	\$72,749 \$34.98

2.5 % step increases

	Increase 2.70%	1-Jul-16	Increase 3.79%	1-Jul-17	Increase 2.83%	1-Jul-18	Increase 4.01%	1-Jul-19	Increase 1.11%	1-Jul-20
Operations Manager	1.027	\$109,394	1.0379	\$113,540	1.0283	\$121,178	1.0401	\$121,435	1.011	\$122,771
Superintendent	1.027	\$102,521	1.0379	\$106,407	1.0283	\$113,565	1.0401	\$113,806	1.011	\$115,058
Water System Operator	1.027	\$62,528	1.0379	\$64,898	1.0283	\$69,264	1.0401	\$69,410	1.011	\$70,174
Maintenance Worker	1.027	\$54,289	1.0379	\$56,347	1.0283	\$60,137	1.0401	\$60,265	1.011	\$60,927
Account Specialist	1.027	\$51,905	1.0379	\$53,873	1.0283	\$57,497	1.0401	\$57,619	1.011	\$58,252
District Clerk	1.027	\$51,905	1.0379	\$53,873	1.0283	\$57,497	1.0401	\$57,619	1.011	\$58,252

Operator in Training \$19 per hour
Temporary Worker \$19 per hour

Payroll	Water	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Water
										7%	6.92%	1.45%	6.20%	
GM	\$ 116,211.37					\$ 116,211.37	\$ 13,971.25	\$ 859.96	\$ 1,162.11	\$ 8,134.80	\$ 8,041.83	\$ 1,685.06	\$ 7,205.10	\$ 157,271.48
Superintendent	\$ 69,142.78	\$ 1,009.72	\$ 731.32		\$ 1,800.00	\$ 72,683.81	\$ 7,182.09	\$ 537.86	\$ 1,998.80	\$ 5,087.87	\$ 4,784.68	\$ 1,053.92	\$ 4,506.40	\$ 97,835.42
Account Specialist	\$ 63,427.88					\$ 63,427.88	\$ 27,942.50	\$ 469.37	\$ 545.48	\$ 4,439.95	\$ 4,389.21	\$ 919.70	\$ 3,932.53	\$ 106,066.62
Water Operator	\$ 88,610.47	\$ 7,019.61	\$ 9,691.77	\$ 6,216.37	\$ 2,400.00	\$ 113,938.22	\$ 10,191.81	\$ 843.14	\$ 5,127.22	\$ 7,975.68	\$ 6,131.84	\$ 1,652.10	\$ 7,064.17	\$ 152,924.18
Water Operator	\$ 84,340.72	\$ 6,409.19	\$ 8,129.96	\$ 5,731.93	\$ 2,400.00	\$ 107,011.79	\$ 10,191.81	\$ 791.89	\$ 4,815.53	\$ 7,490.83	\$ 5,836.38	\$ 1,551.67	\$ 6,634.73	\$ 144,324.62
Water Operator	\$ 64,722.49	\$ 4,404.94	\$ 6,021.06	\$ 3,919.76	\$ 2,400.00	\$ 81,468.24	\$ 10,191.81	\$ 602.86	\$ 3,666.07	\$ 5,702.78	\$ 4,478.80	\$ 1,181.29	\$ 5,051.03	\$ 112,342.88
Water Operator	\$ 72,726.74	\$ 2,661.69	\$ 5,594.36	\$ 3,985.98	\$ 2,400.00	\$ 87,368.78	\$ 27,942.50	\$ 646.53	\$ 3,931.60	\$ 6,115.81	\$ 5,032.69	\$ 1,266.85	\$ 5,416.86	\$ 137,721.62
Temp. Operator	\$ 20,000.00	\$ 1,650.70	\$ 1,457.17	\$ 3,149.30		\$ 26,257.16			\$ 1,181.57			\$ 380.73	\$ 1,627.94	\$ 29,447.41
Part Time Admin	\$ 1,790.75					\$ 1,790.75			\$ 15.40			\$ 25.97	\$ 111.03	\$ 1,943.14
Totals	\$ 580,973.20	\$ 23,155.84	\$ 31,625.64	\$ 23,003.33	\$ 11,400.00	\$ 670,158.01	\$ 107,613.76	\$ 4,751.61	\$ 22,443.79	\$ 44,947.71	\$ 38,695.43	\$ 9,717.29	\$ 41,549.80	\$ 939,877.40
Payroll	Sewer	Overtime	Doubletime	On Call	Cert Pay	Total	Health	Disability	WC	CalPERS	PARS	Medicare	SS	F/Y Total Sewer
GM	\$ 116,211.37					\$ 116,211.37	\$ 13,971.25	\$ 871.59	\$ 1,162.11	\$ 8,134.80	\$ 8,041.83	\$ 1,685.06	\$ 7,205.10	\$ 157,283.11
Superintendent	\$ 69,142.78	\$ 1,020.83	\$ 739.37		\$ 1,800.00	\$ 72,702.98	\$ 7,182.09	\$ 545.27	\$ 1,999.33	\$ 5,089.21	\$ 4,784.68	\$ 1,054.19	\$ 4,507.58	\$ 97,865.33
District Clerk	\$ 61,201.53					\$ 61,201.53	\$ 27,942.50	\$ 459.01	\$ 526.33	\$ 4,284.11	\$ 4,235.15	\$ 887.42	\$ 3,794.49	\$ 103,330.54
Totals	\$ 246,555.67	\$ 1,020.83	\$ 739.37	\$ -	\$ 1,800.00	\$ 250,115.87	\$ 49,095.84	\$ 1,875.87	\$ 3,687.78	\$ 17,508.11	\$ 17,061.65	\$ 3,626.68	\$ 15,507.18	\$ 358,478.98

MWSD SEWER Capital Improvement Program
2020-21
SEWER SYSTEM

PROJECT	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
MWSD CAPITAL PROJECTS					
Mechanical System Repairs & Replacements	\$ 75,000	\$ 612,500	\$ 164,600	\$ 50,000	\$ 974,500
Inflow & Infiltration Testing / Televising	\$ 25,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000
Seal Cove Area Repair and Maint. Project	\$ 15,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000
Replace Pump Station Pumps	\$ 20,000	\$ 20,000	\$ 5,000	\$ 50,000	\$ 20,000
Replace Medium High Priority Sewer Mains	\$ 580,000	\$ 577,775	\$ 1,571,135	\$ 1,211,150	\$ 681,875
Spot Repairs Program	\$ 35,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Replace Distillery Pump Station	\$ 5,000	\$ 5,000	\$ 15,000	\$ 10,000	\$ 80,000
Cabrillo Hwy Express Sewer				\$515,300	
Pump Station Communication Upgrades	\$ 5,125	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
MWSD CAPITAL PROJECTS TOTAL:	\$ 760,125	\$ 1,277,775	\$ 1,828,235	1,893,950	1,813,875
Alternative Budget Items					
Express Sewer					
Cabrillo Hwy Phase 1B	\$ 1,225,147		\$ 526,975	\$500,000	\$668,250
Pump Station MCC and Coatings		\$ 715,500			
TOTAL ANNUAL COST	1,985,272	1,993,275	2,355,210	2,393,950	2,482,125

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MWSD
Five Year Capital Improvement Program
WATER SYSTEM

Existing Customer CIP - WATER						
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Distribution System Renewal and Replacement Program (1)	\$ 455,000	\$ 464,100	\$ 473,382	\$ 482,850	\$ 492,507	\$ 2,367,838
Water Conservation Program	\$ 8,750	\$ 9,013	\$ 9,018	\$ 9,288	\$ 9,567	\$ 45,636
Storage Tank Rehabilitation Program (2)		\$ 350,000	\$ 1,000,000			\$ 1,350,000
Emergency Generator Replacement Program	\$ 45,000	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709	\$ 234,182
Vehicle Replacement Fund		\$ 40,000	\$ 41,200	\$ 42,436		\$ 123,636
EXISTING CUSTOMER CIP TOTAL	\$ 508,750	\$ 909,013	\$ 1,570,418	\$ 582,328	\$ 550,783	\$ 4,121,292
New Customer CIP - WATER						
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Water Main Upgrade Program (1)	\$ 525,000	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 4,708,627
Existing Well Upgrade Program (3)		\$ 320,000	\$ 329,600	\$ 339,488		\$ 989,088
New and Upgraded PRV Stations' Program (4)		\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 1,045,907
Emergency Generator Upgrade Program	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,413	\$ 398,185
Portola Tank Telemetry Upgrade				\$ 250,000		\$ 250,000
Develop Additional Supply Reliability			\$ 100,000	\$ 350,000	\$ 1,000,000	\$ 1,450,000
NEW CUSTOMER CIP TOTAL	\$ 600,000	\$ 1,647,250	\$ 1,796,668	\$ 2,347,568	\$ 2,450,322	\$ 8,841,807
Total Annual Capital Cost	\$ 1,108,750	\$ 2,556,263	\$ 3,367,086	\$ 2,929,896	\$ 3,001,105	\$ 12,963,099
CAPITAL FUND BALANCE						
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Capital Fund TOTAL:	\$ -					
Less CIP	\$ (1,108,750)	\$ (2,556,263)	\$ (3,367,086)	\$ (2,929,896)	\$ (3,001,105)	\$ (12,963,099)
Total	\$ (1,108,750)	\$ (2,556,263)	\$ (3,367,086)	\$ (2,929,896)	\$ (3,001,105)	\$ (12,963,099)
Notes:						
(1) These programs include a project to merge the Alta Vista and Portola Zones to improve system reliability and to provide service to new customers. Proposed split is 50/50. Additionally, in the following years of the CIP, these programs include a replacement of a failed main under and along Hwy 1						
(2) This project includes urgent repairs needed to the Portola Tank and is coupled with the above project (1) for cost efficiency						
(3) This project is for the Pillar Ridge wells' rehabilitation and upgrades						
(4) This project would add new PRV stations, sampling stations, valves, and upgrade existing						

Fiscal year 2020-2021 Budget Debt Service

	Original Issue Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Interest Expense
Sewer						
CIEDB Loan (I Bank)	\$ 1,010,000	\$ 753,602		\$ 30,842	\$ 722,760	\$ 21,655
PNCEF Lease Obligation	\$ 927,222	\$ 531,678		\$ 62,669	\$ 469,008	\$ 13,461
Subtotal - Sewer		<u>\$ 1,285,280</u>	<u>\$ -</u>	<u>\$ 93,512</u>	<u>\$ 1,191,768</u>	<u>\$ 35,116</u>
Water						
General Obligation Bonds	\$ 15,635,000	\$ 9,661,690		\$ 941,825	\$ 8,719,866	\$ 208,611
PNCEF Lease Obligation	\$ 927,222	\$ 531,678		\$ 62,669	\$ 469,008	\$ 13,461
SRF Loan	\$ 4,248,354	\$ 3,289,866		\$ 171,381	\$ 3,118,485	\$ 70,489
Subtotal - Water		<u>13,483,234</u>	<u>-</u>	<u>1,175,875</u>	<u>12,307,359</u>	<u>292,561</u>
Total Debt Service		<u>\$ 14,768,514</u>	<u>\$ -</u>	<u>\$ 1,269,387</u>	<u>\$ 13,499,127</u>	<u>\$ 327,677</u>

PNCEF lease obligation is split evenly between Sewer and Water.

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

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Fiscal year 2020-2021 Budget Impact Area

Operating Reserves

WATER

Water Operating Account as of April 30, 2020

Wells Fargo Checking: \$ 680,360

Current Operating Reserves as of April 30, 2020

Operating: \$ 46,009

Operating Reserve:

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year 2020-21 budget the amount of operating reserves is as follows:

Target calculation

\$	1,885,377	Budgeted fiscal year 2020-21
	12	Months
<hr/>		
\$	157,115	Monthly budgeted operating expenses
	x 2	Two months expenditures
<hr/>		
\$	314,230	Target Reserve
<hr/> <hr/>		

Conclusion:

Currently, the District has sufficient Operating Water Reserves for Fiscal Year 2020-2021

Fiscal year 2020-2021 Budget Impact Area

Operating Reserves

SEWER

Sewer Operating Account as of April 30, 2020

Wells Fargo Checking \$ 2,720,144

Current Reserves as of April 30, 2020

Operating: \$ 406,882

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 2020-21 budget the amount of operating reserves is as follows:

Minimum Target		
\$	2,733,639	Budgeted fiscal year 2020-21
	12	Months
<hr/>		
\$	227,803	Monthly budgeted operating expenses
	x 2	Monthly budgeted operating expenses
<hr/>		
\$	455,607	Minimum Target Reserve
<hr/> <hr/>		

Maximum Target		
\$	2,733,639	Budgeted fiscal year 2020-21
	12	Months
<hr/>		
\$	227,803	Monthly budgeted operating expenses
	x 10	Monthly budgeted operating expenses
<hr/>		
\$	1,822,426	Maximum Target Reserve
<hr/> <hr/>		

Conclusion: Year

Currently, the District has insufficient dedicated operating Sewer Reserves for Fiscal Year 2020-21

Beginning in Fiscal Year 2020-21 the minimum target reserve amount will be set aside in the District's LAIF account and displayed on the balance sheet.

Fiscal year 2020-2021 Budget Impact Area Capital and Connection Reserves

CAPITAL 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

Current Capital Reserves as of April 30, 2020

Capital: \$ 398,249

Minimum Target

\$ 1,108,750	Lowest year CIP existing customers (fiscal year 2020-21)
\$ 750,000	Engineer estimate
<u>\$ 1,858,750</u>	Minimum target

Maximum Target

\$ 3,367,086	Highest year CIP existing customers (fiscal year 2022-23)
\$ 750,000	Engineer estimate
<u>\$ 4,117,086</u>	Maximum target

Conclusion:

Based on the above, the District does not have sufficient reserves for the minimum target Capital reserve.

Fiscal year 2020-2021 Budget Impact Area Capital and Connection Reserves

SEWER

Current Capital Reserves as of April 30, 2020

Capital: \$ 3,947,360

Minimum Target

\$ 1,985,272	Lowest year CIP existing customers (fiscal year 2020-21)
\$ 1,177,000	Engineer estimate
<u>\$ 3,162,272</u>	Minimum target

Maximum Target

\$ 2,482,125	Highest year CIP existing customers (fiscal year 2024-25)
\$ 1,177,000	Engineer estimate
<u>\$ 3,659,125</u>	Maximum target

Conclusion:

Based on the above, the District has sufficient reserves for Capital minimum & maximum target.

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 2020-21 amount to be reserved is \$150,000.

SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.
Fiscal year 2020-21 amount to be reserved is \$150,000.

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
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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
Pumping Fuel & Electricity:	6410
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
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
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

MWSD 2020-21 Budget Prep Schedule of changes

Date of change	
	1 reduced SAM general expense
	2 reduced temp. operator to \$20K
	3 Updated Water CIP - \$1,108,750
	4 Inclusion of Water system reliability program \$1M
	5 Updated SAM collections, reduced \$83,983.
	6 Updated SAM operations, increased \$39,035.
	7 Updated sewer CIP, based on Nute Engineering 5 year plan. \$1,985,272.
	8 Updated Capital reserve discussion
	9 Updated sewer service charges based on rate increase and calculation
13-May	10 Reduced SSC by \$4,000 in anticipation of hardship
13-May	11 Reduced Water revenue estimate by \$4,000 in anticipation of hardship rates
13-May	12 Updated COLA increase for Staff, to 1.11% from 1.66%
14-May	13 Updated April 2020 actuals
15-May	14 Reduced Water consulting expense to \$55,000, from \$75,000
15-May	15 Reduced Sewer Legal down to \$100,000, from \$200,000
15-May	16 Reduced both Water & Legal Director fee line item by \$2,000 per fund.
15-May	17 Reduced conference attendance by half for both Sewer and Water
	18 NOTE: Water uniforms has been brought in house. Purchase of Washer and dryer to eliminate Aramark
5/18/2020	19 Updated cash balances at 4/30/2020
	20
	21

DRAFT
5/27/2020

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUURS49BSA0
 Not Seasonally Adjusted
 Series Title: All items in San Francisco-Oakland-Hayward, CA, all
 Area: San Francisco-Oakland-Hayward, CA
 Item: All items
 Base Period: 1982-84=100
 Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010		226,145		227,697		228,110		227,954		228,107		227,655
2011		229,981		234,121		233,646		234,608		235,331		234,322
2012		236,880		238,985		239,806		241,170		242,834		239,533
2013		242,677		244,675		245,935		246,072		246,617		245,711
2014		248,615		251,495		253,317		253,354		254,503		252,277
2015		254,910		257,622		259,117		259,917		261,019		260,288
2016		262,600		264,565		266,041		267,853		270,306		269,488
2017		271,626		274,589		275,304		275,893		277,570		277,411
2018		281,308		283,422		286,062		287,664		289,673		289,899
2019		291,227		294,801		295,259		295,490		298,443		297,000
2020		299,690		298,074								

$$\frac{(1) 298,074 - (2) 294,801}{294,801} = 3.273\%$$

$$\frac{(3) 299,690 - (4) 294,801}{294,801} = 1.110\%$$

DRAFT

Montara Water and Sanitary District
2020 - 2030

Draft - Sewer Repairs - 10 Year Capital Improvement Priority (CIP) List

Status: Updated April 29, 2020

Fiscal Year	CIP Capital Improvement Needs	Notes/Status
2020-2021 Fiscal Year Capital Improvement Needs		
	<p>Nevada St, Virginia, Steson and Moss Beach Area Sewers 1,000 LF @ \$300 ./LF Pipe Burst \$300,000</p> <p>Date Harte Area Sewers 750 LF @ \$300 ./LF Pipe Burst \$225,000</p> <p><u>Contingencies (30%)</u> \$90,000 \$615,000</p> <p>Pump Station Mechanical, Electrical and Coating Upgrades, Seal Cove Cover</p> <p>1 EA @ \$5,000 ./EA Pipe works \$5,000</p> <p>1 EA @ \$12,500 ./EA Pump rebuilds \$12,500</p> <p>6 EA @ \$15,000 ./EA Electric/Comm/Radio \$90,000</p> <p><u>Contingencies (35%)</u> \$37,625 \$145,125</p> <p>BASE BUDGET FOR FY 2020-2021 \$760,125</p>	<p>Multiple Fractures Dropped Wyes I&I Hot Spots</p> <p>High Priority Corrosion/Leak Risks, Scheduled Repairs, Durability issues and Regulatory compliance</p>
	<p><u>ALTERNATIVE BUDGET ITEMS</u></p> <p>Cabrillo Highway PHASE 1B - Trunk Sewer (16th to 14th)</p> <p>990 LF @ \$920 ./LF Open Trench \$910,800</p> <p>Remaining work for 2018 \$110,000</p> <p><u>Contingencies and Incidentals Est remaining* (20%)</u> \$204,160 \$1,225,147</p> <p>(*Design 90% completed, permitting and CM still required)</p> <p>BASE + ALTERNATIVE BUDGET FOR FY 2020-2021 \$1,985,272</p>	<p>Caltrans Permit Review Possible Delay to FY 21-22 Project Plan F.Y. 12/13 High Priority,SSO Risk</p> <p>Roots, Cracks, water conflict Clean in roadway requires night wrk.</p>
2021-2022 Fiscal Year Capital Improvement Needs		
	<p>Cedar Street Area and Moss Beach Stetson Area</p> <p>600 LF @ \$300 ./LF Pipe Burst \$180,000</p> <p>660 LF @ \$300 ./LF Pipe Burst \$198,000</p> <p><u>Contingencies (30%)</u> \$113,400 \$491,400</p> <p>Pump Station Mechanical, Electrical and Coating Upgrades</p> <p>5 EA @ \$5,000 ./EA pipe works \$25,000</p> <p>2 EA @ \$10,000 ./EA pump rebuilds \$20,000</p> <p>3 EA @ \$12,500 ./EA Electrical/Radios \$37,500</p> <p><u>Contingencies (35%)</u> \$28,875 \$111,375</p>	<p>Moved from 13/14 pipe ok, flat grade</p> <p>may need open cut repair (SAM Hot List, but reduced)</p> <p>High Priority Corrosion/Leak Risk Scheduled Repairs and Un-scheduled Repairs Regulatory compliance</p>

Pump Station -Date Harte PS Update	High Priority
1 EA @ \$500,000 /LF Date Harte Upgrades \$500,000	Move from 15/16
Contingencies (35%) \$175,000	(Recent Repairs, 17, 19)
<u>\$675,000</u>	
BASE BUDGET FOR FY 2021-2022	\$1,277,775
ALTERNATIVE BUDGET ITEMS	
Pump Station Mechanical, Electrical and Coating Upgrades, Seal Cove Cover	High Priority
1 EA @ \$80,000 /EA Coatings/Mechan. \$80,000	Corrosion
1 LS @ \$450,000 /EA Vallemar Sumr Pump \$450,000	Durability issues and
Contingencies (35%) \$185,500	Regulatory compliance
<u>\$715,500</u>	
BASE + ALTERNATIVE BUDGET FOR FY 2021-2022	\$1,993,275

2022-2023 Fiscal Year Capital Improvement Needs	
Cabrillo Highway PHASE 2 - Trunk Sewer (14th - 11th)	Move from 13/14
900 LF @ \$450 /LF CIPP-Lining \$405,385	Clean CCTV PSI/SAM
Contingencies (30%) \$121,616	Longitudinal Cracks
<u>\$526,975</u>	
Various Moss Beach Sewers Near Carlos St., Seal Cove	Added 2009, Update 2018
1,200 LF @ \$350 /LF Pipe Burst \$420,000	Mediu Priority
Contingencies (30%) \$126,000	Long term plan
<u>\$546,000</u>	
Sun Valley Area Trunk Sewer Sam Hot List	Moved from 13/14
950 LF @ \$450 /LF Open Cut \$427,500	Infiltration Area
Contingencies (30%) \$128,250	Monitor Recent MH Repairs
<u>\$555,750</u>	2018
Kannoff-3rd St	I & I, Flow Balance WW.
900 LF @ \$450 /LF Pipe Burst \$405,000	Monitor with Smart Covers
Contingencies (30%) \$119,825	
<u>\$524,825</u>	
Pump Station Mechanical, Electrical and Coating Upgrades	High Priority
3 EA @ \$25,000 /EA Coatings/Mechan. \$75,000	Corrosion
2 EA @ \$8,000 /EA pipe works \$16,000	Corrosion/Leak Risk
1 EA @ \$9,000 /EA Electrical Work \$9,000	Un-scheduled Repairs
1 EA @ \$50,000 /LF Distillary Forcemain \$50,000	Move from 15/16
Contingencies (35%) \$52,100	(spot repaired)
<u>\$202,100</u>	
2022-23 Total	\$2,355,650

2023-2024 Fiscal Year Capital Improvement Needs	
Cabrillo Highway PHASE 3a - Parallel Pipes (10th St to 6th Street)	Move from 15/16
1,420 LF @ \$550 /LF Open Cut \$781,000	Caltrans Permit Delay
Contingencies (30%) \$234,300	(Pending above projects)
<u>\$1,015,300</u>	Clean CCTV PSI/SAM
	Montor Condition
Montara Montara Easements Sewers Various Locations.	Added 2018
1,500 LF @ \$300 /LF Pipe Burst and Open C \$450,000	Mediu Priority
Contingencies (30%) \$135,000	Long term plan
<u>\$582,400</u>	
Various Moss Beach Sewers Near Cypress, Nevada & Buena Vista St.	Monitor with Smart Cover

	1,750 LF @ \$350 ./LF Pipe Burst and Open C	\$612,500	Added 2009, updated 2019
	<u>Contingencies (30%)</u>	<u>\$183,750</u>	Mediu Priority
		\$796,250	Long term plan
	2023-24 Total	\$2,393,950	
2024-2025 Fiscal Year Capital Improvement Needs			
	Cabrillo Highway PHASE 3b - Trunk Sewer (11th - 7th + Crossing)		Move from 16/17
	900 LF @ \$550 ./LF CIPP	\$495,000	Caltrans Permit Delay
	<u>Contingencies (35%)</u>	<u>\$173,250</u>	(Pending above projects)
		\$668,250	Clean CCTV PSI/SAM
	Various Sewers Seal Cove.		Revised 2018
	750 LF @ \$375 ./LF Pipe Burst and Open C	\$281,250	Mediu Priority
	<u>Contingencies (30%)</u>	<u>\$84,375</u>	Long term plan
		\$365,625	
	Montara Montara Easements Sewers Various Locations.		Revised 2018
	750 LF @ \$350 ./LF Pipe Burst and Open C	\$262,500	Repair and Cleaning Priority
	<u>Contingencies (30%)</u>	<u>\$78,750</u>	Long term plan
		\$341,250	
	Pump Station Mechanical, Electrical and Coating Upgrades		High Priority
	2 EA @ \$30,000 ./EA Coatings/Mechan.	\$60,000	Corrosion
	2 EA @ \$10,000 ./EA pipe works	\$20,000	Corrosion/Leak Risk
	2 EA @ \$20,000 ./EA pump rebuilds	\$40,000	Scheduled Repairs
	2 EA @ \$350,000 ./EA Vallemar New MCC	\$700,000	Un-scheduled Repairs
	<u>Contingencies (35%)</u>	<u>\$287,000</u>	
		\$1,107,000	
	2024-25 Total	\$2,482,125	
2025-2026 Fiscal Years Capital Improvement Needs			
	Various Moss Beach Sewers Carlos St area		
	1,500 LF @ \$450 ./LF Pipe Burst and Open C	\$675,000	Revised 2018
	<u>Contingencies (30%)</u>	<u>\$202,500</u>	Mediu Priority
		\$877,500	Long term plan
	Montara Montara Easements Sewers Various Locations.		Revised 2018
	1,500 LF @ \$250 ./LF Pipe Burst and Open C	\$375,000	Mediu Priority
	<u>Contingencies (30%)</u>	<u>\$112,500</u>	Long term plan
		\$487,500	
	Pump Station Mechanical, Electrical and Coating Upgrades		High Priority
	2 EA @ \$30,000 ./EA Coatings/Mechan.	\$60,000	Corrosion
	2 EA @ \$20,000 ./EA pump rebuilds	\$40,000	Corrosion/Leak Risk
	1 EA @ \$200,000 ./EA Date Harte MCC	\$200,000	Scheduled Repairs
	1 EA @ \$200,000 ./EA Airport MCC	\$200,000	Un-scheduled Repairs
	<u>Contingencies (35%)</u>	<u>\$175,000</u>	
		\$675,000	
	BASE BUDGET FOR FY 2025-2026	\$2,040,000	
	<u>ALTERNATIVE BUDGET ITEM</u>		
	Vallimar Sewer Main Relocation Part 1 (Strand, Niagara, Private Pumps)		Added 2010, Errosion Risk
	2,000 LF @ \$475 ./LF Open Cut	\$950,000	Mediu Priority
	<u>Contingencies (30%)</u>	<u>\$285,000</u>	

		\$1,235,000	
	BASE + ALTERNATIVE FY 2025-26 Total	\$3,275,000	
2026-2027 Fiscal Years Capital Improvement Needs			
	Cabrillo Highway PHASE 4 - Force Mains (7th to Kanoff PS) 1,800 LF @ \$750 /LF CIPP	\$1,350,000	Move from 17/18 Monitor Via CCTV
	Contingencies (35%)	\$472,500	
		\$1,822,500	
	Various Moss Beach Sewers Varginia down town area 1,500 LF @ \$475 /LF Pipe Burst and Open C	\$712,500	Revised 2018 Mediun Priority Long term plan
	Contingencies (30%)	\$213,750	
		\$926,250	
	Virginia St and frontage road 1,500 LF @ \$500 /LF Open Cut	\$750,000	Multiple Sags Grease problem (Spot Repairs needed now)
	Contingencies (30%)	\$225,000	
		\$975,000	
	BASE BUDGET FOR FY 2026-2027	\$3,723,750	
	Vallimar Street Sewer PUMPS Part 2 (Strand, Niagara, Private Pumps) 10 EA @ \$20,000 /EA Open Cut	\$200,000	Added 2010, Errosion Risk Long term plan
	Electrical + Distribution	\$300,000	
	PS Niagra Abandonment	\$50,000	
	Contingencies (35%)	\$192,500	
		\$742,500	
	BASE + ALTERNATIVE FY 2026-27 Total	\$4,466,250	
2027-2028 Fiscal Years Capital Improvement Needs			
	Pump Station Mechanical, Electrical and Coating Upgrades 2 EA @ \$30,000 /EA Coatings/Mechan.	\$60,000	High Priority Corrosion
	2 EA @ \$10,000 /EA Pipe works	\$20,000	Corrosion/Leak Risk
	2 EA @ \$20,000 /EA Pump rebuilds	\$40,000	Scheduled Repairs and Un-scheduled Repairs
	2 EA @ \$10,000 /EA Electrical Work	\$20,000	
	Contingencies (35%)	\$49,000	
		\$189,000	
	Various Montara Sewers , including 7th st easements 2,500 LF @ \$450 /LF Pipe Burst and Open C	\$1,125,000	Revised 2018 Mediun Priority Long term plan
	Contingencies (30%)	\$337,500	
		\$1,462,500	
	Moss Beach Costal Side Sewers, California St vacinity 2,000 LF @ \$475 /LF Open Cut	\$950,000	Multiple Sags, tlat grade Roots (Spot Repairs needed now)
	Contingencies (30%)	\$285,000	
		\$1,235,000	
	Airport Pump Station Rebuild 1 LS @ \$1,250,000 /EA Open Cut	\$1,250,000	Added 2010, Errosion Risk Long term plan
	Electrical + Generator	\$150,000	
	Contingencies (35%)	\$490,000	
		\$1,890,000	
	2027-28 Total	\$4,776,500	
2028-2029 Fiscal Years Capital Improvement Needs			
	Pump Station Mechanical, Electrical and Coating Upgrades 2 EA @ \$30,000 /EA Coatings/Mechan.	\$60,000	High Priority Corrosion

2	EA	@	\$10,000	./EA	Pipe works	\$20,000	Corrosion/Leak Risk
2	EA	@	\$20,000	./EA	Pump rebuilds	\$40,000	Scheduled Repairs
2	EA	@	\$10,000	./EA	Electrical Work	\$20,000	and Un-scheduled Repairs
<u>Contingencies (35%)</u>						\$49,000	
						\$189,000	
Various Montara Sewers , including 8-12th streets							
2,750	LF	@	\$450	./LF	Pipe Burst, Open Cut	\$1,237,500	Revised 2018
<u>Contingencies (30%)</u>						\$371,250	Mediu Priority
						\$1,608,750	Long term plan
Moss Beach Costal Side Sewers, Seal Cove							
2,500	LF	@	\$475	./LF	Open Cut	\$1,187,500	Multiple Sags, flat grade
<u>Contingencies (30%)</u>						\$356,250	Roots
						\$1,543,750	(Spot Repairs needed now)
5th St Pump Station Rebuild							
1	LS	@	\$1,000,000	./EA	Open Cut	\$1,000,000	Added 2010, Errosion Risk
<u>Contingencies (35%)</u>						\$350,000	Long term plan
						\$1,350,000	
2028-29 Total						\$4,691,500	
2029-2030 Fiscal Years Capital Improvement Needs							
Various Moss Beach Sewers Sunshine Valley							
1,500	LF	@	\$425	./LF	Pipe Burst and Open C	\$637,500	Long term plan
<u>Contingencies (30%)</u>						\$191,250	
						\$828,750	
Montara Costal Sewers							
3,000	LF	@	\$450	./LF	Open Cut	\$1,350,000	I&I, roots
<u>Contingencies (30%)</u>						\$405,000	
						\$1,755,000	
BASE BUDGET FOR FY 2029-2030						\$2,583,750	
Airport Force Main Rehabilitation							
7,500	LF	@	\$350	./EA	CIPP	\$2,625,000	Long term plan, corrosion,
<u>Contingencies (30%)</u>						\$787,500	
						\$3,412,500	
BASE + ALTERNATIVE FY 2029-30 Total						\$5,996,250	



Montara Water and Sanitary District

Water System Capital Improvement Program

Update FY2020/21 – FY2024/25

June 2020

Board of Directors

Kathryn Slater-Carter, President

Jim Harvey, President Pro Tem

Ric Lohman, Secretary

Peter Dekker, Treasurer

Scott Boyd, Director

Clemens Heldmaier, General Manager

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

The Montara Water and Sanitary District (the District or MWSD) water system requires improvements to address system renewal and replacement needs, continue to improve water supply reliability, and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions. These potential improvements make up the District's Capital Improvement Program (CIP) and include the rehabilitation of the existing infrastructure, addition of new facilities, development of new supply sources, and implementation of repair, replacement, and preventive maintenance programs.

In 2003, the District’s Board of Directors established the CIP prioritization criteria that serve as the foundation for the District's capital improvements decision-making process to determine an achievable implementation schedule and ensure that adequate funding is secured for the needed improvements. In 2011 the Board of Directors began allowing new domestic connections to the water system, resulting in the need for capital projects designed exclusively for or shared by the new customers connecting to the water system. These projects are funded by the Water Capacity Charge (WCC). Capital projects designed to provide appropriate levels of renewal and replacement for customers that are using the existing water system are funded by water system revenues.

The CIP prioritization criteria provide a method to rate the relative importance of a particular project for projects serving either new or existing customers based on factors such as protection of public health, employee safety, legal and regulatory requirements, and funding constraints. These criteria determine which projects should be implemented in any given year and over the CIP 20-year planning horizon. The prioritization criteria used by MWSD are presented in Table 1, below, categorized into three priority levels that are listed from most to least critical for implementation.

Table 1. CIP Prioritization Criteria		
Priority Level	Description	Examples
Level One <i>Mandatory Projects</i>	<i>“Must do” – highest priority,</i> District has little or no control to defer	<ol style="list-style-type: none"> 1. Projects required by law/legislation, regulations; 2. Projects protecting health and safety of employees and the public; and 3. Projects funded by others.
Level Two <i>Necessary Projects</i>	<i>Must be done,</i> District has moderate level of control over the timing of implementation	<ol style="list-style-type: none"> 1. Projects required for providing adequate emergency storage and meeting fire flow requirements; 2. Projects reducing water system losses and reducing pipeline leaks.
Level Three <i>Discretionary Projects</i>	<i>Should be done,</i> District has significant level of control over the timing of implementation	Required projects that can be deferred to a later date. Level Three Projects can be completed as needed, if Level One or Level Two Projects are postponed or outside funding sources become available.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

The planning-level cost estimates included in this CIP are total project costs with the +50%/-30% estimating accuracy and include the following elements:

1. Engineer’s opinion of probable construction cost
2. Planning, permitting, legal, and administrative costs at 40%
3. Planning-level contingency at 25%

Table 2 includes the net present value (NPV) for the replacement costs of existing MWSD assets that are due for replacement within the next 20 years and the other projects required to optimize operations. These projects would be funded through water system revenues.

Table 2. 20-Year Water System Asset Replacement Program		
Water System Capital Improvement Projects	MWSD Program Description	NPV (2020\$\$)
Water Storage Tanks	Replacement of the Alta Vista Tank No. 1, Portola Tank and the 2 Pillar Ridge Tanks	\$3,972,000
Groundwater Supply 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	Various improvements required for the functioning MWSD office	\$850,000
20-year CIP Total		\$33,771,000

While the CIP projects and programs included in Table 2 provide the long-range projects for the water system, the summary presented in Table 3, Project Cost Distribution and Fiscal Year Schedule, includes capital projects and portions of the capital programs that the District anticipates completing the next five (5) fiscal years. Project descriptions that follow include the cost of the entire project or program that may extend beyond the initial five (5) years of the CIP.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

Table 3. Total Project Cost Distribution and Fiscal Year Schedule – Five-Year Water System CIP						
Existing Customer CIP - WATER	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Distribution System Renewal and Replacement Program ¹	\$455,000	\$464,100	\$473,382	\$482,850	\$492,507	\$2,367,838
Water Conservation Program	\$8,750	\$9,013	\$9,018	\$9,288	\$9,567	\$45,636
Storage Tank Rehabilitation Program ²		\$350,000	\$1,000,000			\$1,350,000
Emergency Generator Replacement Program	\$45,000	\$45,900	\$46,818	\$7,754	\$48,709	\$234,182
Vehicle Replacement Fund		\$40,000	\$41,200	\$42,436		\$123,636
EXISTING CUSTOMER CIP TOTAL	\$508,750	\$909,013	\$1,570,418	\$582,328	\$550,783	\$4,121,292
New Customer CIP - WATER	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	5-Year CIP Total
Water Main Upgrade Program ³	\$525,000	\$1,000,000	\$1,030,000	\$1,060,900	\$1,092,727	\$4,708,627
Existing Well Upgrade Program ⁴		\$320,000	\$329,600	\$339,488		\$989,088
New and Upgraded PRV Stations' Program ⁵		\$250,000	\$257,500	\$265,225	\$273,182	\$1,045,907
Emergency Generator Upgrade Program	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$398,185
Portola Tank Telemetry Upgrade				\$250,000		\$250,000
Develop Additional Supply Reliability			\$100,000	\$350,000	\$1,000,000	\$1,450,000
NEW CUSTOMER CIP TOTAL	\$600,000	\$1,647,250	\$1,796,668	\$2,347,568	\$2,450,322	\$8,841,807
Total Annual Capital Cost	\$1,108,750	\$2,556,263	\$3,367,086	\$2,929,896	\$3,001,105	\$12,963,099

¹ This program includes a project to merge the Alta Vista and Portola Zones to improve system reliability and to provide service to new customers; proposed split is 50/50. Additionally, in the following years of the CIP, these programs include a replacement of a failed main under and along Hwy 1.

² This project includes urgent repairs needed to the Portola Tank and is coupled with the above project (1) for cost efficiency.

³ This program includes a project to merge the Alta Vista and Portola Zones to improve system reliability and to provide service to new customers; proposed split is 50/50. Additionally, in the following years of the CIP, these programs include a replacement of a failed main under and along Hwy 1.

⁴ This project is for the Pillar Ridge wells' rehabilitation and upgrades.

⁵ This project would add new PRV stations, sampling stations, valves, and upgrade existing PRVs.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Priority Level One projects almost exclusively address the projected system deficiencies related to adding new customers to the system. Most of the anticipated system deficiencies are due to adding new connections to the system and increasing water demands.

Priority Level One – These are the highest priority, “must do” capital projects. The District has little or no control to defer these projects. Examples of such projects include: (1) Projects required by law/legislation, regulations; (2) Projects protecting health and safety of employees and the public; and (3) Projects funded by others.

The projects and actions described below are designed to allow the District addressing system deficiencies while continue to operate an efficient and reliable water system. The proposed *Priority Level One* near-term improvements continue the District’s progress toward sustainability through investments that:

- (1) Diversify water supply sources,
- (2) Improve water quality,
- (3) Encourage water and energy conservation, and
- (4) Meet current and future infrastructure needs.

Table 4 below, contains *Priority Level One* projects and programs that have been formulated to provide benefit to, and be paid for by, new District customers. A detailed discussion of the projects follows.

Table 4. Priority Level One – Mandatory Projects
1. Water Main Upgrade Program
2. Existing Well Upgrade Program
3. New and Upgraded PRV Stations’ Program
4. Emergency Generator Upgrade Program
5. Portola Tank Telemetry Upgrade
6. Develop Additional Supply Reliability

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Program 1: Water Main Upgrade Program

Priority: Level One

Under the water main upgrade program, the District will undertake the effort of designing and constructing upsizing of the existing distribution system mains to accommodate increasing demands due to the addition of new water customers. This program includes an estimated 12,800 linear feet of 8-inch- and 10-inch-diameter mains installed in the water system replacing existing 2-inch, 4-inch, and 6-inch-diameter mains.

Upsizing of existing water mains and isolation and control valves will be required to accommodate new water customers.

The Water Main Upgrade Program will involve the strategic upgrade of existing water mains to incorporate “arterial distribution loops” throughout the system. These arterial loops will provide added redundancy and reinforcement to handle the addition of new customers or potential leaks and pipe failures. The loops will be designed utilizing the existing distribution system and the installation of short spans of new pipelines. Isolation and control valves will also be installed in critical locations as part of the loop design. As a whole, the arterial loops will provide the District’s Operations staff the ability to isolate and repair critical sections of the distribution system while still conveying water throughout the system. Additionally, this program includes upsizing of the existing mains that would become deficient due to added new customer demands.

Project: Water Main Upgrade Program

CIP Total Cost: \$7.5 million

Project Funding: This program will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures redundancy and reinforcement of the distribution system to handle the addition of new customers or potential leaks and pipe failures.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Program 2: Existing Well Upgrade Program

Priority: Level One

The existing District's wells operate within their design parameters in the existing water system. Hydraulic analysis demonstrates, however, that with increased demands due to new water customers, existing wells' pumps and motors would need to be upsized to pump into the system. The pump and motor replacement and piping modifications are required to accommodate new customers. This program would involve replacement of all existing motor control centers (MCCs) and associated power supply improvements.

Project: Existing Well Upgrade Program

CIP Total Cost: \$3.4 million

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it is required to accommodate new customers

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Program 3: New and Upgraded Pressure-Regulating Stations' Program

Priority: Level One

Due to the District's water system configuration and the terrain of the service area, the District operates over 20 existing pressure-regulating stations (PRVs). With the addition of new customers throughout the service area, this project will install up to 5 new PRV stations and increase the capacity of 13 existing PRV stations.

Project: New and Upgraded Pressure-Regulating Stations Program

CIP Total Cost: \$1.86 million

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures reliable and efficient water distribution under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Program 4: Emergency Generator Upgrade Program

Priority: Level One

Existing generators at the District’s pumping and treatment facilities will become undersized following upgrades of the existing pumps and motors and would require replacement. This program would secure safe and reliable emergency power to the District’s critical water treatment and delivery facilities and provide safe operation by staff under the increased demand conditions due to new customers. The associated appurtenances, including automatic transfer switches (ATS) would also have to be replaced due to the increased generator and system capacities.

Project: Emergency Generator Upgrade Program

CIP Total Cost: \$889,500

Project Funding: This project will be funded by new customers WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures reliability and efficiency of operations under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project 5: Portola Tank Telemetry Upgrade

Priority: Level One

The existing Portola Tank currently operates with no telemetry link to the District's SCADA system. While this arrangement works to serve existing water customers, addition of new customers throughout the District's service area will require adding the tank to SCADA to ensure operational optimization of the tank under new demand conditions.

Project: Portola Tank Telemetry Upgrade

CIP Total Cost: \$250,000

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures operational optimization of the Portola Tank under new demand conditions

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Program 6: Develop Additional Supply Reliability

Priority: Level One

This project provides for planning, permitting, and implementation of water supply augmentation to ensure that the water system's reliability remains intact with the addition of the new water customers to the system. Currently, the District has over 20 percent reliability and redundancy in its water supply portfolio achieved by existing District's customers through adding new sources, implementing water system improvements, securing the existing Airport Wells for its water supply portfolio, and through conservation. This portion of the water supply portfolio will initially be utilized to add new customers to the system; however, the supply reliability needs to be replenished and paid for by the new customers to ensure consistent continued reliability of the water system. The project includes new groundwater source planning, permitting, and development.

Project: Develop Additional Supply Reliability

CIP Total Cost: \$1.98 million

Project Funding: This project will be funded by new customers through the WCC

Basis of Priority: This project is ranked as Priority Level 1 because it ensures consistent continued reliability of the District's water system

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

The District's water system requires improvements to address system renewal and replacement needs and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions. These necessary improvements make up the District's Priority Level Two, Necessary Projects, which include the rehabilitation of the existing infrastructure, repair and replacement, and preventative maintenance programs.

Priority Level Two programs provide measurable progress in achieving the District's goals, however, the District has a moderate level of control over the timing of implementation. Examples of such projects include projects reducing water system losses and pipeline leaks, treatment plant and storage tank rehabilitation, and other asset replacement programs.

Table 5 below provides a list of the Priority Two Level programs. These projects serve existing District's customers and are funded by the water rate revenues.

Table 5. Priority Level Two – Necessary Projects
1. Distribution System Renewal and Replacement Program
2. Groundwater Supply Wells Rehabilitation Program
3. Storage Tank Rehabilitation Program
4. Generator Replacement Program
5. Vehicle Replacement Fund
6. Water Treatment Plant Rehabilitation Program
7. Water Conservation Program

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 1: Distribution System Renewal and Replacement Program

Priority: Level Two

This program is an on-going annual rehabilitation program that includes the following projects:

- Mechanical systems replacement
- Water meter replacement
- Water lateral replacement
- Water main replacement
- Fire hydrant replacement
- Booster Pump Station replacement

Project: Distribution System Renewal and Replacement Program

CIP Total Cost: \$15.94 million

Project Funding: This program will be funded by existing customers through water revenues

Basis of Priority: This program is ranked as Priority Level Two because it addresses system renewal and replacement needs to ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions, and protects public health and safety.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 2: Groundwater Supply Well Rehabilitation Program

Priority: Level Two

This program is an on-going rehabilitation program that includes 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).

Project: Groundwater Supply Well Rehabilitation Program

CIP Total Cost: \$3.53 million

Project Funding: This program will be funded by existing customers through water revenues

Basis of Priority: This program is ranked as Priority Level Two because it addresses water supply reliability and protects public health and safety.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 3: Storage Tank Rehabilitation Program

Priority: Level Two

The existing Alta Vista Tank No.1 was inspected in 2016 and found needing to be taken off line for rehabilitation. It was determined that the tank floor and areas on the wall of the AVT 1 shows signs of significant corrosion. AVT 1 will be rehabilitated, including: cleaning, recoating and corrosion spot repair. Some areas, such as the tank floor, may require more extension corrosion repair. Additionally, the Portola Tank is in an immediate need of roof replacement and other appurtenances' rehabilitation.

Project: Storage Tank Rehabilitation Program

CIP Total Cost: \$3.97 million

Project Funding: This program will be funded by existing customers through water revenues.

Basis of Priority: This program is ranked as Priority Level Two because it ensures continued operation of the existing water system and protects the emergency and fire storage capacity and protects public health and safety.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 4: Emergency Generator Replacement

Priority: Level Two

This program is for the replacement of the existing emergency generators that reached the end of their useful life.

Project: Emergency Generator Replacement

CIP Total Cost: \$987,000

Project Funding: This project will be funded by existing customers through water revenues.

Basis of Priority: This project is ranked as Priority Level Two because it ensures efficiency of water operations and provides business continuity assurance and resiliency of the water infrastructure and protects public health and safety.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 5: Vehicle Replacement Fund

Priority: Level Two

This funding is earmarked for the District's fleet of trucks renewal over the 20-year CIP cycle.

Project: Vehicle Replacement Fund

CIP Total Cost: \$425,000

Project Funding: This project will be funded by existing customers through water revenues.

Basis of Priority: This project is ranked as Priority Level Two because it ensures efficiency of water operations.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 6: Water Treatment Plant Rehabilitation Program

Priority: Level Two

The District owns and operates two water treatment plants, the Alta Vista WTP and Pillar Ridge WTP. Both plants contain treatment units and facilities that are approaching the end of their respective useful life and would need to be either rehabilitated or replaced. This program includes funding for the two WTPs overhaul.

Project: Water Treatment Plant Rehabilitation Program

CIP Total Cost: \$5.57 million

Project Funding: This program will be funded through water revenues.

Basis of Priority: This program is ranked as Priority Level Two because it ensures existing facility functionality and reliability and protects public health and safety.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21 – FY2024/25)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program 7: Water Conservation Program

Priority: Level Two

The District continues its multi-year rebate program to encourage customers to replace their fixtures and appliances with water-efficient units.

Project: Water Conservation Program

CIP Total Cost: \$100,000

Project Funding: This program will be funded by existing customers through water revenues.

Basis of Priority: This program is ranked as Priority Level Two because it continues to promote water conservation.

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (FY2020/21-FY2024/25)

PRIORITY LEVEL THREE – DISCRETIONARY PROJECTS

Projects not meeting the criteria for Priority Level One or Two are ranked as Priority Level Three. These projects are needed, albeit may not yet have defined scopes, schedules, or funding sources. Many factors exist that may promote Level Three projects to Level One or Two such as the release of new regulations and legislation or the availability of funding.

Priority Level Three – Projects that are required but can be deferred to a later date. Level Three Projects can be completed as needed, if Level One or Level Two Projects are postponed. District has significant level of control over the timing of implementation.

Table 6 below provides a list of the Priority Level Three projects. Funding for these projects is not currently included as part of this CIP.

Table 6. Priority Level Three – Discretionary Projects	
1. SCADA Upgrades	\$500,000
2. Supply Reliability Program	\$2,000,000
3. Office Systems Upgrades	\$850,000
4. New Large Service Connections – paid for entirely by the project owner who applies for water service from the District	Example: Big Wave NPA will be funding and constructing a new 12-inch-diameter water main that will serve the Wellness Center domestic and fire demands, also a series of new distribution mains.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

SUBJECT: Review and Possible Action Concerning Establishment of Economic Hardship Assistance Policy.

In conjunction with revisions to water and sewer rates, the MWSD board asked for the addition of a hardship assistance policy. Any customer who qualifies for the program would be eligible to receive a \$100 discount on sewer rates and \$100 discount on water rates per year, starting July 1, 2020. The concept was discussed at prior board meetings and is presented for approval to the board in the attached document.

RECOMMENDATION:

Adopt Resolution No. ___, Resolution of the Montara Water and Sanitary District Establishing an Economic Hardship Discount Program for Sewer and Water Services and Designating Funding Source Therefore.

Attachments

RESOLUTION NO. _____

RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT ESTABLISHING AN ECONOMIC HARDSHIP DISCOUNT PROGRAM FOR SEWER AND WATER SERVICES AND DESIGNATING FUNDING SOURCE THEREFOR

WHEREAS, the Montara Water and Sanitary District (“District”) is organized and operates pursuant to California Health and Safety Code Sections 6400, *et seq.* and has the power to do any act necessary or proper to the complete exercise and effect of any of its powers, or for the purposes for which it is formed; and

WHEREAS, in order to provide financial relief to needy and low income customers of the District, the Board wishes to adopt an Economic Hardship Discount Program (“Program”) for water and sewer services; and

WHEREAS, the Program discount shall contain annual eligibility requirements based upon participation in PG&E’s CARE program and limited to an annual \$100 discount for water service and an annual \$100 discount for sewer service; and

WHEREAS, Program participants whose service accounts are delinquent at the time of eligibility determination are disqualified to receive the discount; and

WHEREAS, only non-rate discretionary District revenues in compliance with the law shall be used to fund the Program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE MONTARA WATER AND SANITARY DISTRICT, A PUBLIC AGENCY IN THE COUNTY OF SAN MATEO, CALIFORNIA, AS FOLLOWS:

1. The above recitals are true and correct and incorporated herein by this reference, and the Board hereby establishes an Economic Hardship Discount Program.
2. The Manager of the District is hereby authorized and directed to implement the Program in accordance with this Resolution.
3. The Board may revise or repeal the Program or this Resolution at any time.
4. This Resolution shall take effect from and after its passage.

RESOLUTION NO. _____

**RESOLUTION OF THE MONTARA WATER AND SANITARY DISTRICT
ESTABLISHING AN ECONOMIC HARDSHIP DISCOUNT PROGRAM FOR
SEWER AND WATER SERVICES AND DESIGNATING FUNDING SOURCE
THEREFOR**

President, Montara Water and Sanitary District

COUNTERSIGNED:

Secretary, Montara Water and Sanitary District

* * * *

I HEREBY CERTIFY that the foregoing Resolution No. _____ was duly and regularly adopted and passed by the Board of the Montara Water and Sanitary District, County of San Mateo, California, at a regular meeting thereof held on the 4th day of June 2020, by the following vote:

AYES, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary, Montara Water and Sanitary District



Montara Water & Sanitary District

Economic Hardship Discount

Policy Summary



Economic Hardship Discount

- Proposed discount & method of applying discount
 - \$100 annual sewer service charge discount
 - Sewer discount can be paid to qualifying customer via a check from the District or can be applied to annual charge collected on the property tax rolls
 - In cases when a property changes hands and the prior owner did not qualify for the sewer discount but the new owner does qualify, the sewer discount can be pro-rated for the remaining portion of the fiscal year (e.g. based on date of change in ownership)
 - \$100 annual water service charge discount
 - Water discount to be applied to each bi-monthly water bill; applies to the billpayer of record (\$100 annual discount = \$16.67 discount per bi-monthly bill)
- Annual eligibility based on participation in PG&E's CARE program
 - PG&E CARE program participation is verified each year by Recology
 - Recology requires name on PG&E account to match name on Recology account
 - Recology can provide MWSD with a list of eligible customers for automatic enrollment in MWSD's discount program
 - Customer may need to provide Recology authority to provide their info to MWSD
 - Recology only provides a discount to customers with the smallest cart size
 - MWSD may need to verify CARE program participation for a small number of customers
 - Customers whose names do not match the Recology account
 - Customers who are on the CARE program but do not receive the discount from Recology because they don't have the smallest cart size
 - Recology currently provides discount to 23 customers in MWSD service area
- Funding source: Non-ratepayer revenues (in compliance with Prop 218)
 - Cell tower rental payments, property tax revenues, and/or other eligible funding sources
 - Under Prop 218, a discount for some customers cannot be funded by higher charges on other customers (no ratepayer subsidy)
- MWSD's regular water service rates also provide benefit to Pillar Ridge and to customers with low water use
 - In 2010, MWSD significantly reduced its Fixed Water Service Charges and transitioned Water Quantity Charges from 2 to 4 tiers, increasing conservation incentive and reducing the financial burden on customers with low water use
- Economic Hardship Policy can be reviewed and revised in future years



Reduce your energy bill through the CARE Program

To qualify for CARE:

- The PG&E bill must be in your name. (For sub-metered tenants, the energy bill from your landlord must be in your name.)
- You must live at the address to which the discount applies.
- Another person (besides your spouse) can't claim you as a dependent on an income tax return.
- You must not share an energy meter with another home.
- You must account for all sources of qualifying household income and meet the program income guidelines.
- You must notify PG&E if your household no longer qualifies for the CARE discount.
- After you enroll, you may need to provide proof of qualifying household income, including IRS tax returns. You may also be required to participate in the Energy Savings Assistance Program.

- Your monthly electric usage must not exceed six times the Tier 1 allowance. This is the lowest-priced rate tier within PG&E's standard Tiered Base Plan.
- You must renew your eligibility every two years (or every four years if you're on a fixed income).
- Qualification is based on the total income of everyone living in the home or participation in qualifying public assistance programs.

QUALIFYING FOR CARE BASED ON PUBLIC ASSISTANCE PROGRAM PARTICIPATION

You may qualify for the CARE Program if you or someone in your household takes part in any of the following public assistance programs.

- Low Income Home Energy Assistance Program (LIHEAP)
- Women, Infants, and Children (WIC)
- CalFresh/SNAP (Food Stamps)
- CalWORKs (TANF) or Tribal TANF
- Head Start Income Eligible (Tribal Only)
- Supplemental Security Income (SSI)
- Medi-Cal for Families (Healthy Families A & B)
- National School Lunch Program (NSLP)
- Bureau of Indian Affairs General Assistance
- Medicaid/Medi-Cal (under age 65)
- Medicaid/Medi-Cal (age 65 and over)

QUALIFYING FOR CARE BASED ON HOUSEHOLD INCOME

Add all household members' incomes from all eligible sources for your total gross annual household income. The total combined gross annual household income must be at or below the amounts shown in the following table.

Number of Persons in Household	Total Gross Annual Household Income*
1-2	\$33,820 or less
3	\$42,660 or less
4	\$51,500 or less
5	\$60,340 or less
6	\$69,180 or less
7	\$78,020 or less
8	\$86,860 or less
9	\$95,700 or less
10	\$104,540 or less
Each additional person, add	\$8,840

*Before taxes based on current income sources. Valid through May 31, 2020.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **June 4, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Operations: MWSD Operations staff repaired 1 water distribution leak at Precita Avenue and 2 leaks in close proximity on 9th Street, investigated 5 customer leaks, accompanied Hydrologist on field investigations on 2 days, responded to 15 Underground Service Alerts, took quarterly samples and delivered them to lab, responded to 11 customer work orders, maintained the AVTP entrance door, took monthly Bac-T samples, secured and rebuild a retaining wall at the District property, participated in sexual harassment training, picked up State issued face masks for employees in San Jose, Verified treatment plant turbidimeter calibrations, repaired tampered meters, replaced AV cl2 injection pump and brake down of old pump, maintained cl2 dosage at Portola Tank, participated in board meeting preparations.

Projects: 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.

Collections: "Flushable" wipes introduced into Moss Beach collection system resulted in the failure of the second pump within the Covid-19 SIP. One of the airport lift station pumps contained clothing material.

Covid-19: MWSD offices remain closed to the public since March 16. SOP's for Covid-19 office and employee safety were updated since new health orders were issued. Non-essential construction and permitting is allowed in SMC and MWSD operations is working at full capacity always adhering to social distancing guidelines.

RECOMMENDATION:

This is for Board information only.