



MONTARA WATER & SANITARY DISTRICT

Serving the Communities of Montara and Moss Beach

P.O. Box 370131
8888 Cabrillo Highway

Tel: (650) 728-3545
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NOTICE OF SPECIAL MEETING
(Special Meeting begins at 6:30 p.m.; see Agenda for Special Meeting below)

AGENDA

Regular Meeting
District Board of Directors
8888 Cabrillo Highway
Montara, California 94037

August 1, 2013 at 7:30 p.m.
(Regular Meeting)

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

CONSENT AGENDA

1. Approve Minutes for Meeting of July 18, 2013.
2. Approve Financial Statements for June 2013.
3. Approve Warrants for August 1, 2013.
4. SAM Flow Report for June 2013.
5. Monthly Review of Current Investment Portfolio.
6. Connection Permit Applications Received.
7. Monthly Water Production Report for June 2013.
8. Rain Report.
9. Solar Energy Report.

OLD BUSINESS

1. Review and Possible Action Concerning Draft Water and Sewer Budgets.
2. Review and Possible Action Concerning Draft Water Rate Study.

NEW BUSINESS

1. Review and Possible Action Concerning Solid Waste Services Contract with Recology of the Coast.
2. Review and Possible Action Concerning Independent Coating Inspection for New Schoolhouse Tank.
3. Review and Possible Action Concerning Cancellation of Regular Scheduled Meeting August 15, 2013.

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Harvey)
2. MidCoast Community Council Meeting (Slater-Carter)
3. ACWA Board of Directors Report (Ptacek)
4. CSDA Report (Slater-Carter)
5. Integrated Regional Water Management Plan (Ptacek)
6. Attorney's Report (Schricker)
7. Directors' Reports
8. General Manager's Report (Heldmaier)

FUTURE AGENDAS

ADJOURN

AGENDA – SPECIAL MEETING (6:30 p.m.)

CALL TO ORDER

ROLL CALL

ORAL COMMENTS (Items other than those on the agenda)

CONVENE IN CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Gov't. Code §54956.8)

Property: Wireless communications lease site

Agency Negotiators: Ad Hoc Committee (Dir. Slater-Carter, Boyd), General Manager, District Counsel

Negotiating party: STC Five, LLC (Sprint)

Under negotiation: Price and terms of payment

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Gov't. C. §54956.9(d)(1))

Case: Montara Water and Sanitary District v. The Dow Chemical Company, et al.
Jud'l. Council Coord. Proceed. No. 4435; San Bernardino Super. Ct. Case No. SCVSS120627

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED
LITIGATION**

Initiation of litigation (Gov't. Code §54956.9(c)

Number of cases: 1

**RECONVENE IN OPEN SESSION AND ADJOURN TO
CONVENE FOR REGULAR MEETING**

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

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



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS SPECIAL MEETING
July 18, 2013

MINUTES

REGULAR SESSION BEGAN AT 7:45 PM.

CALL TO ORDER

ROLL CALL

Directors Present: Boyd, Harvey, Slater-Carter, Thollaug & Ptacek

Directors Absent: None

Staff Present: General Manager, Clemens Heldmaier,
District Clerk, Judy Gromm

Others Present: District Counsel, Dave Schricker

PRESIDENT'S STATEMENT – None

ORAL COMMENTS -

Bill Kehoe, a resident of Moss Beach reported he had been present at the Plan Princeton meeting and heard a rumor regarding the push back on GSD's Community Service District Park Authority application process to LAFCO. The rumor was they should be looking into a park district for the entire coast.

Director Slater-Carter heard about this rumor and addressed it with Martha Poyatos, LAFCo's Executive Officer, who reported it was just a rumor.

Director Slater-Carter announced there would be a meeting held on July 25th at the Cypress Meadows Conference Center between 7:00 and 9:00 pm regarding the Devils Slide Trail.

Dennis Shapses, a Moss Beach resident explained the gallons per minute his well had been producing has dropped significantly and questioned the Board if it were possible for the District to be using his aquifer. The Board

pointed out where the District's aquifers were in conjunction to his property. General Manager Heldmaier suggested Mr. Shapses call the San Mateo County Environmental Health and report his problem.

PUBLIC HEARING - None

CONSENT AGENDA –

1. Approve Minutes for Meetings of June 6 and June 20, 2013.
2. Approve Financial Statements for May 2013.
3. Approve Warrants for July 1, 2013.
4. SAM Flow Report for May 2013.
5. Monthly Review of Current Investment Portfolio.
6. Connection Permit Applications Received.
7. Monthly Water Production Report for May 2013.
8. Rain Report.
9. Solar Energy Report.

Director Thollaug requested to pull the minutes for the June 6th meeting and the financial statements.

Director Boyd moved to approve the Consent Agenda, Items 3 through 9. Director Harvey seconded the motion. All Directors were in favor and the motion passed unanimously.

Director Thollaug noted the minutes of June 6th somewhat reported the conversation regarding the Integrated Regional Water Management Plan meeting he had attended and wanted to clarify his statement on the bottom of page 7. His understanding of this agreement is not about a temporary meter, it's about an emergency use of a water supply. The discussion temporary or not was more about this agreement and putting in a temporary linkage in place for example a pipe on top of the ground that would connect our system to CCWD. The discussion was around that particular agreement. Director Thollaugs read of that particular agreement was it read very much like a permanent intertie agreement. There was only one word in it in fact that told him that it was not a connection that was permanent for emergency with temporary use. Director Thollaug wants to be very clear about this because he believes that interties are critically important. Director Thollaug would like the language cleared up on that statement.

Additionally on page 8, Director Thollaug would like to clarify what he does not agree with is the fact if we set interties in place, it is a first step towards consolidation. In fact, if we don't take that step, that would not be managing the District in the best interest of the people in the community to deal with fire or major emergencies. It isn't that Director Thollaug doesn't agree with the Board Members, it is that he does not agree that the intertie as being the first step towards consolidation.

Director Slater-Carter suggested the minute revisions be brought to the next meeting for board review and approval.

Director Thollaug noted the financials are presented through May 2013. We have some draft financials for June that will be presented during the water rate discussion that we will be referencing with. What Director Thollaug has requested of Maze, is to see a presentation that gives us a monthly trend. Director Thollaug would like to see current month, a variance, year to date, and variance against the plan. Year to date, not plan full year. There was not enough time to format this into this board packet for this evening.

Director Harvey moved to approve the financial statements for May. Director Boyd seconded the motion. All directors were in favor and the motion passed unanimously.

OLD BUSINESS –

1. Review and Possible Action Concerning Revisions to Accounting System and Monthly Financial Statements.

General Manager Heldmaier reported in late January 2013 the District engaged with Maze & Associates for accounting services. At the May 16th meeting, Maze submitted a full set of March Financial Statements for review by the board. This time the April Financials have been submitted and are attached.

Director Thollaug reported there had been another error found that was done by the prior accountant. This is a material error that had not been caught by the Auditors.

Director Ptacek would like for staff to discuss this with the auditors.

2. Review and Possible Action Concerning Draft Water and Sewer Budgets.

At the June 20 meeting Staff presented a draft sewer budget. We continue to develop with Director Thollaug's assistance a new budget format that allows for detailed monthly observations of actual expenses vs. planned throughout the year. The attached budgets are preliminary and presented for initial discussion and board direction. Year to date actuals will be revised early next week and updated budgets will be available then.

Director Thollaug wished he had had more time to work with Director Ptacek on the budgets, but because of the rate study, that prompted the General Manager to put these draft documents into the packet.

NEW BUSINESS -

1. Review and Possible Action Concerning SCADA System Upgrades

General Manager Heldmaier reported the District's water SCADA system computer experienced a catastrophic failure in June. Most likely a failing capacitor damaged the mother board, hard drive, and the added backup drive. The District's operations staff, successfully ran the water system with increased monitoring and pump rounds. The procedures to avoid failures in the water system require not only a lot of overtime for the District's small staff, but also excellent system knowledge and dedication. Staff deserves the credit for maintaining health and safety during this most critical time until a new system has been established.

Calcon the contractor helping the District to maintain the SCADA system and well operations systems has managed to install a computer and SCADA system with limited capabilities. The outdated District software can only run on Windows XP systems. A quote for a new SCADA system was negotiated and \$48,000 for the purchase where authorized by the General Manager after notification of the District Board.

Calcons General Manager, Ryan Smith introduced himself and gave a description of his roll with Calcon and the District. Ryan has been working with the District and on an on call basis for many years. Ryan is recommending the new system to consist of two parallel SCADA computers, updated software of which his staff will install, program and support. Ryan reported there will be incremental upgrades with the new software.

Data backup was discussed and the process will change to a more secure and sophisticated system.

A maintenance schedule was discussed and is highly recommended by both Director Boyd and Ryan Smith.

2. Review and Possible Action Concerning Draft Water Rate Study.

General Manager Heldmaier reported after the adoption of reserve policies the Board authorized Bartle Wells to prepare a water rate study that includes the consideration of the new reserve policy and makes recommendations to increase the District's water reserves over time.

Bartle Wells now has prepared the 1st draft rate study and is asking the Board for comments and direction.

Alex Handlers noted this report is based on preliminary information and is asking the Board for direction. After the year end financial information, Bartle Wells will be coming back with some final recommendations for the next prop 218 process. Mr. Handlers wanted to mention that the district is facing a unique situation this time with near time capital needs.

Director Ptacek noted the rate increase information should go to the public so they understand what the increase is based upon. As long as we can explain what it is, we are doing what we are supposed to do.

Director Harvey does not want to have a percentage drive as what the Board needs do. Director Harvey wants to review the data and do what the district needs to do first.

Mr. Handlers explained he had not had the chance to work through the process with the Rate Committee. That meeting would have provided the level of detail Bartle Wells was anticipating.

General Manager Heldmaier reported the district still had a 9% increase left during the last prop 218 process.

Gus Peterson, a local resident and former Sanitary Engineer for the State of Public Health Department reported he was concerned about the Boards outlook on rates. He wondered if the Board was prepared for the new EPA mandates and what they have planned to do about them.

Director Boyd assured Mr. Peterson the District works very closely with our regulators and are aware of the new mandates. We are actually working to exceed what is required. What we serve to our community is very healthy and clean.

Mr. Peterson is concerned about contaminants that are not being regulated right now.

General Manager Heldmaier explained the treatment plant at the Airport had been designed in anticipation of contaminants that are not regulated right now.

Bill Kehoe requested to be invited to the next rate committee meeting.

Director Ptacek noted the budget needs to be done before we can set the rates.

After a lengthy discussion, the Board will revisit this item on the August 1st meeting when the new budget is available.

Director Slater-Carter moved item 5 up to be discussed at this time.

5. Review and Possible Action Concerning Abandonment of Easement for Water Main at 138 Seacliff Street.

General Manager Heldmaier reported the District holds an easement for a 2" water main on the premises of 138 Seacliff. The old water main was upgraded and replaced in 2011. The new 6" pipe is located in the public right of way and the easement will not be needed in the future. The owner has asked to abandon the easement. Staff asked District counsel to review the file and prepare a resolution abandoning the still existing easement.

Director Slater-Carter noted this was an important resolution. Director Slater-Carter would like to look at this being an ordinance in the near future.

Director Thollaug moved to Adopt the Next Resolution in order, a Resolution Finding that the Herein Described Real Property Interest is no Longer Required For District Purpose and Authorizing and Directing Execution of a Quitclaim Deed Pertaining Thereto. Director Harvey seconded the motion. All Directors were in favor and the motion passed unanimously.

3. Review and Possible Action Concerning Requests for Proposals to Rehabilitate District Production Wells.

General Manager Heldmaier reported The District's 2011 Water system master Plan and 2012 Capital Improvement program (CIP) and Draft 2013 CIP all included a Well Rehabilitation Program to address the need to rehabilitate and renew the water supply wells. The District need to rehabilitate the following wells to restore their respective capacities to design levels:

1. South Airport Well
2. Portola Wells I, II, III, and Drake and Wagner Wells

Staff conducted a search for qualified drilling contractors experienced in drilling and rehabilitation of public water supply wells. Two contractors appear to be most qualified and able to perform the work: Maggiora Bros. of Watsonville, CA and Earth Flow of Santa Cruz.

Director Boyd moved to authorize the General Manager to request quotations from Maggiora Bros. and Earth Flow to rehabilitate the South Airport Well and the four Portola Wells. Director Ptacek seconded the motion. All Directors were in favor and the motion passed unanimously.

Director Boyd moved to waive bidding requirements for the well rehabilitation project on the ground that the qualified contractors available for the project are limited to those identified in the staff report. Director Ptacek seconded the motion. All Directors were in favor and the motion passed unanimously.

4. Review and Possible Action Concerning Schoolhouse Tank Construction Update.

General Manager Heldmaier reported in May 2013, the Board awarded the Schoolhouse Tank West project construction contract.

The following are the key milestones for the construction:

Start Date: July 15, 2013
Mobilization: July 23, 2013
Demolition: July 25, 2013
End Date: November 15, 2013

6. Review and Possible Action Concerning Reconsideration of Treasurer Position.

General Manager Heldmaier received a request from the Treasurer to place this item on the agenda.

Director Ptacek reported the concern he has had is trying to meet with the Financial Committee. He understands we are all busy and acknowledges Director Thollaug has worked very hard with Maze on site, but as decisions are being made, Director Ptacek feels he is not in the loop. He further noted, "we need to meet," and "it has been hard to sync calendars. We have tried to set things up for the future, but that has not worked either." Director Ptacek thinks Director Thollaug is acting as Treasurer as it is and would like to switch positions so Director Thollaug could become the Treasurer. This is Director Ptacek's recommendation.

Director Thollaug responded he had not had any contact with Director Ptacek since mid April. It has not been because he has not been available, because he has been available plenty. Director Thollaug is not willing to take over as Treasurer. He would be willing to take the role next year. Director Thollaug's plan was to assist and learn from Director Ptacek. What Director Thollaug had run into was an accountant who was incompetent. Director Thollaug received a lot of push back from staff and Director Ptacek about the issues he had identified. Director Thollaug noted he got through that and thinks we have someone in place that he respects and can do the work. Director Thollaug reported he has worked steadily

on both the budget process and the chart of accounts for water and sewer in order that they could be combined so we could get out of this ridiculous position of having two payrolls for a handful of employees. Director Thollaug stated he would not have run a budget process the way this has been run if he were the Treasurer. Director Thollaug further stated he would not want to step in now in clean up mode, but would be happy to do it next year. Director Thollaug is not willing to step in now and take responsibility for what he is seeing. "We are into the new fiscal year and we do not have a budget yet and that is not my responsibility." He further noted we need to have rates set. He further reported we have a separate rate committee from the finance committee and he does not agree with that. He is raising these issues now because Director Ptacek asked him. Going into this, Director Thollaug thought it was presumptuous of himself to go in and say how to run a rate committee or finance committee. It made a lot more sense to Director Thollaug to see how things were run. Unfortunately, in a couple of these situations, it became Director Thollaugs fiduciary responsibility as a Board member trumped that. The situation with Jim Barry was an example of that. Director Thollaug is sorry to have to take this kind of position because he and Director Ptacek came onto this Board at the same time. "I served for 8 years and Director Ptacek has been serving the whole time." Director Thollaug acknowledges the enormous amount of effort he has put into this. Director Thollaug noted the District really needs to acknowledge how much work and effort Director Ptacek has put into this. Director Thollaug is stuck there. He does not want to take this on. "I hear what Director Ptacek is saying, but disagrees he has not been available." Director Thollaug further noted, for what ever reason, this is not working for Director Ptacek and he understands that. Director Thollaug is willing to continue what he has been doing.

Director Thollaug suggested Director Ptacek needed to make time to sit down and deal with the budget issue. Director Thollaug did not know how legally Director Ptacek could pull out of being an officer of the organization. If Director Ptacek was able to do that, if there is someone else, anybody who is willing to step up to this and give Director Thollaug some of the institutional background and knowledge, Director Thollaug would be happy to do triage. What Director Thollaug is not willing to do is step in and say it's his responsibility to be Treasurer.

Director Ptacek understands Director Thollaugs position, but feels he has not been allowed to be Treasurer. Director Ptacek reported he had attempted to set up meetings and they had been cancelled. Director Ptacek stated Director Thollaug has been making decisions whether major or minor. "You are doing actions that a Treasurer usually would do." Director Ptacek is not involved in those decisions after the fact, even if this is what we did and this is why we did it. Director Ptacek further reported as far as meeting, he has had no problem meeting on the rate committee or the solid waste committee. "I am available and we have not met. When

we have met, Chris, I am sorry, I am not trying to be harsh, but you have indicated a very excellent knowledge of finance and I respect that, but when we have met, unless the decisions meet what you think should happen, you do not take questions or criticisms very well. It takes a long time for you to understand that someone is not trying to undermine your knowledge, or that someone else has a point to make." Director Ptacek further stated in the meetings they have had, "I feel I am the flag waving in your wind and no matter what I want to do, I do not have a chance to say I think we should do this and this is why." Director Ptacek does not believe in emotional reactions to things. Director Ptacek believes in facts and data just Director Thollaug does. Director Ptacek has done this for all time on the board and will continue to do so. Director Ptacek wants this done and one of the reasons Director Ptacek would like to step out of the Treasurers position is because he doesn't want to be thrown under the bus because "I did not get a choice in being a decision maker of going under the bus." Director Ptacek has no problem being Treasurer, but "you have to understand from my standpoint, I can't be here as often as you. You are the new Paul who lives here, you spend a lot of time here going through stuff, and so that is OK."

Director Thollaug responded that "actually I do not."

Director Ptacek noted if Director Thollaug asked him if he could meet with him tomorrow, this would be tough. If Director Thollaug asked him to meet next week, he has no problem with that or in the next two weeks. Director Ptacek stated they had already done this and nothing has happened. Director Ptacek feels he has not been given the opportunity to do "what you think I should have been able to do. You have taken that and done those decisions. Now, fiduciary, right, wrong and all of that, we are not going to fix the past. I don't believe we can fix history, but we can fix the future. I have no trouble being the Treasurer, but you are going to have to listen. There are two of us as a committee. We both have an obligation to listen to each other and listen to what the reasons are behind it and not force the other one to prove it beyond a shadow of a doubt. Yes, you have had for profit experiences, being in the financial world, which gives you a tremendous amount of knowledge. This is not a critique, but let's go to one of the titles "Profit and Loss". A year ago when that came up, I said my personal feeling is that is the wrong set of language to use on that heading. The data is correct, but the heading is wrong. It's wording that is all it is. It could be a, b, c, x, y, z, but its still profit and loss. Because that is what you feel comfortable with, that is what you know it should be, yet we are not a profit entity."

Director Thollaug reported the report is not titled Profit and Loss; it is titled Operating Plan and Change in Net Assets.

Director Ptacek produced the sheets he was referring to with the heading Profit and Loss.

Director Thollaug explained those were produced by Maze and Associates.

Director Ptacek asked if Director Thollaug was not directing Maze and Associates what to change.

Director Ptacek noted it was late and he has no trouble doing the Treasurers job and calling meetings and doing it.

Director Thollaug responded "then do it".

Director Ptacek will send out an email with schedule and asked Director Thollaug to let him know his dates for the next two weeks between now and August 1st.

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Harvey)

Director Harvey and Boyd reported at the last meeting:

The GM got the authorization to recruit a new collection maintenance worker.

Adoption of the collection and operations budgets.

Awarded the contract for cleaning the digester.

Spent a great deal of time looking at the electrical work proposal

CIP was released to the General Managers of the member agencies for review

Monies being returned to member agencies are being reviewed by General Managers and will be put back on agenda at next meeting.

WWF project was finally closed out

Granada Force Main Project is being worked on.

We sadly accepted the resignation of our General Manager Steve Leonard.

Currently in the process of selecting a firm to help recruit a new GM.

There is a candidate to take over in the interim we will interview Monday night.

We took an action give the supervisor of technical services the ability to act with the authority of the General Manager in the absence of the General Manager.

Director Harvey moved to continue the meeting past 11:00 pm. Director Boyd seconded the motion. All Directors were in favor and the motion passed unanimously.

2. MidCoast Community Council Meeting (Slater-Carter) – Bill Kehoe reported at the last meeting, they spent over an hour talking over the left hand turn lane for Sams. San Mateo County stopped progress due to permits.

On July 24th there will be a meeting on the School Bond Issue.

Last Saturday there was a general introduction into the community on Plan Princeton.

3. **ACWA Board of Directors Report (Ptacek)** – None
4. **CSDA Report (Slater-Carter)** – None
5. **Integrated Regional Water Management Plan (Ptacek)** – None
6. **Attorney’s Report (Schricker)** – Reported that Detroit has filed for bankruptcy.
7. **Directors Report** - None
8. **General Manager’s Report (Heldmaier)** – None

FUTURE AGENDAS-
REGULAR MEETING ENDED at 11:35 P.M.

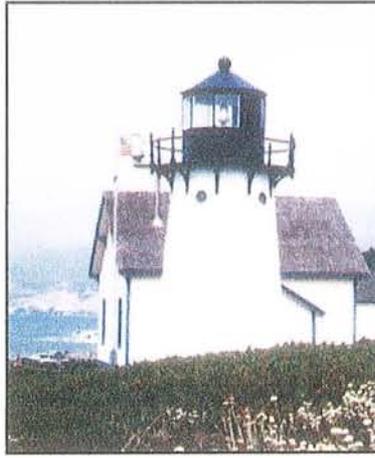
Respectfully Submitted,

Signed _____
Secretary

Approved on the 20th of July, 2013

Signed _____
President

MONTARA WATER AND SANITARY DISTRICT



**Unaudited Financial Statements for
June 2013**

Montara Water & Sanitary District
Balance Sheet
 As of June 30, 2013

Jun 30, 13

ASSETS		
Current Assets		
Checking/Savings		
Wells Fargo Operating - Sewer	818,274.91	
LAIF Investment Fund		
Capital Reserve	3,012,334.05	
Connection Fees Reserve	43,000.00	
Total LAIF Investment Fund	3,055,334.05	
Total Checking/Savings	3,873,608.96	
Accounts Receivable		
Property Tax Receivable	866.43	
Total Accounts Receivable	866.43	
Other Current Assets		
Undeposited Funds	7.52	
Total Other Current Assets	7.52	
Total Current Assets	3,874,482.91	
Fixed Assets		
General Plant - Sewer	856,839.45	
Land	5,000.00	
Other Capital Improv.		
Sewer-Original Cost	685,599.18	
Other Cap. Improv.	2,544,453.41	
Total Other Capital Improv.	3,230,052.59	
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	
Treatment Facility	244,539.84	
Accumulated Depr. - Sewer	-5,960,588.00	
Total Fixed Assets	4,711,656.21	
Other Assets		
Due from Water Fund	2,654,248.70	
Employee Loan	132,820.77	
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 Other Assets	5,474,616.55	
TOTAL ASSETS	14,060,755.67	
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable - Sewer	269,473.93	
Total Accounts Payable	269,473.93	
Other Current Liabilities		
I-Bank Loan - Current	24,992.45	
PNC Equip. Loan - S/T (Sewer)	30,658.40	

Montara Water & Sanitary District
Balance Sheet
As of June 30, 2013

	Jun 30, 13
Payroll Liabilities	
Employee Benefits Payable	266.70
Payroll Taxes Payable	563.51
Total Payroll Liabilities	830.21
Total Other Current Liabilities	56,481.06
Total Current Liabilities	325,954.99
Long Term Liabilities	
Accrued Vacations - Sewer	16,076.85
I-Bank Loan	892,219.14
PNC Equip. Loan - L/T (Sewer)	756,621.19
Total Long Term Liabilities	1,664,917.18
Total Liabilities	1,990,872.17
Equity	
Capital Assets Net - Sewer	3,448,211.00
Fund Bal. Unrestricted - Sewer	8,156,014.78
Net Income	465,657.72
Total Equity	12,069,883.50
TOTAL LIABILITIES & EQUITY	<u>14,060,755.67</u>

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

Jul '12 - Jun 13

Ordinary Income/Expense

Income

4220 · Cell Tower Lease	28,909.26
4400 · Fees	
4420 · Administrative Fee (Remodel)	1,320.00
4430 · Inspection Fee (New Constr)	830.00
4440 · Inspection Fee (Remodel)	830.00
4460 · Remodel Fees	7,331.00
Total 4400 · Fees	10,311.00
4610 · Property Tax Receipts	304,550.33
4710 · Sewer Service Charges	1,952,512.86
4760 · Waste Collection Revenues	12,980.14
4990 · Other Revenue	14.11

Total Income

2,309,277.70

Expense

5000 · Administrative	
5190 · Bank Fees	3,074.39
5200 · Board of Directors	
5210 · Board Meetings	2,135.00
5220 · Director Fees	3,450.00
Total 5200 · Board of Directors	5,585.00
5250 · Conference Attendance	431.25
5260 · Depreciation	430,579.00
5270 · Information Systems	1,300.00
5300 · Insurance	
5320 · Property & Liability Insurance	1,425.37
Total 5300 · Insurance	1,425.37
5350 · LAFCO Assessment	1,107.00
5400 · Legal	
5420 · Meeting Attendance, Legal	7,376.00
5430 · General Legal	14,056.75
Total 5400 · Legal	21,432.75
5510 · Maintenance, Office	2,780.00
5540 · Office Supplies	3,407.87
5550 · Postage	2,886.59
5560 · Printing & Publishing	2,440.66
5600 · Professional Services	
5610 · Accounting	64,790.00
5620 · Audit	12,550.00
5630 · Consulting	11,287.28
5640 · Data Services	5,091.54
5660 · Payroll Services	172.05
Total 5600 · Professional Services	93,890.87
5720 · Telephone & Internet, Admin	12,804.21
5730 · Travel, Local	1,290.46
5740 · Reference Materials	35.00
5790 · Other Administrative	100.00
5800 · Labor	
5810 · CalPERS 457 Deferred Plan	11,247.77
5820 · Employee Benefits	35,678.46
5830 · Disability Insurance	844.02
5840 · Payroll Taxes	11,361.38
5900 · Wages	
5910 · Management	102,901.88
5920 · Staff	63,842.63
Total 5900 · Wages	166,744.51
5960 · Worker's Comp Insurance	4,986.13
Total 5800 · Labor	230,862.27

Total 5000 · Administrative

815,432.69

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Jul '12 - Jun 13
6000 · Operations	
6195 · Education & Training	218.59
6200 · Engineering	
6220 · General Engineering	30,012.81
Total 6200 · Engineering	30,012.81
6330 · Facilities	
6335 · Alarm Services	10,430.31
6337 · Landscaping	2,280.00
Total 6330 · Facilities	12,710.31
6400 · Pumping	
6410 · Pumping Fuel & Electricity	27,178.55
Total 6400 · Pumping	27,178.55
6600 · Collection/Transmission	
6660 · Maintenance, Collection System	2,012.50
Total 6600 · Collection/Transmission	2,012.50
6890 · Other Operations	6,689.86
6900 · Sewer Authority Midcoastside	
6910 · SAM Collections	281,340.00
6920 · SAM Operations	655,776.00
6930 · SAM Prior Year Adjustment	-39,958.00
6940 · SAM Maintenance, Collection Sys	62,052.32
Total 6900 · Sewer Authority Midcoastside	959,210.32
Total 6000 · Operations	1,038,032.94
66000 · Payroll Expense	0.01
Total Expense	1,853,465.64
Net Ordinary Income	455,812.06
Other Income/Expense	
Other Income	
7000 · Capital Account Revenues	
7100 · Connection Fees	
7110 · Connection Fees (New Constr)	22,215.00
7120 · Connection Fees (Remodel)	14,110.00
Total 7100 · Connection Fees	36,325.00
7200 · Interest Income - LAIF	7,918.53
7700 · Interest, Employee Loans	6,288.67
Total 7000 · Capital Account Revenues	50,532.20
Total Other Income	50,532.20
Other Expense	
8000 · Capital Improvement Program	
Sewer	
8810 · Cabrillo Hwy Trunk & Express	0.00
8820 · CIP Planning	0.00
8860 · Replace Med High Priority Mains	0.00
8880 · Seal Cove Area Rep & Maint Proj	0.00
8890 · Spot Repairs Program	0.00
8900 · Vallemar Generator	0.00
Total Sewer	0.00
Total 8000 · Capital Improvement Program	0.00

Montara Water & Sanitary District
Profit & Loss
July 2012 through June 2013

Jul '12 - Jun 13

9000 · Capital Account Expenses	
9125 · PNC Equipment Lease Interest	12,341.72
9200 · I-Bank Loan	28,344.82
Total 9000 · Capital Account Expenses	40,686.54
Total Other Expense	40,686.54
Net Other Income	9,845.66
Net Income	<u>465,657.72</u>

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Jul 12	Aug 12	Sep 12	Oct 12
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	1,125.00	1,125.00	1,125.00	1,125.00
4400 · Fees				
4420 · Administrative Fee (Remodel)	0.00	0.00	0.00	0.00
4430 · Inspection Fee (New Constr)	0.00	0.00	0.00	0.00
4440 · Inspection Fee (Remodel)	0.00	0.00	0.00	0.00
4460 · Remodel Fees	302.00	0.00	0.00	308.00
Total 4400 · Fees	302.00	0.00	0.00	308.00
4610 · Property Tax Receipts	5,929.28	0.00	0.00	169.62
4710 · Sewer Service Charges	66,209.82	0.00	0.00	0.00
4760 · Waste Collection Revenues	491.89	1,923.60	597.45	1,231.53
4990 · Other Revenue	0.00	0.00	0.00	0.00
Total Income	74,057.99	3,048.60	1,722.45	2,834.15
Expense				
5000 · Administrative				
5190 · Bank Fees	2,824.39	0.00	0.00	0.00
5200 · Board of Directors				
5210 · Board Meetings	0.00	250.00	250.00	250.00
5220 · Director Fees	0.00	300.00	0.00	375.00
Total 5200 · Board of Directors	0.00	550.00	250.00	625.00
5250 · Conference Attendance	0.00	0.00	0.00	0.00
5260 · Depreciation	34,391.00	34,391.00	34,391.00	34,391.00
5270 · Information Systems	0.00	60.00	0.00	120.00
5300 · Insurance				
5320 · Property & Liability Insurance	1,425.37	0.00	0.00	0.00
Total 5300 · Insurance	1,425.37	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	0.00	0.00
5400 · Legal				
5420 · Meeting Attendance, Legal	0.00	747.00	450.00	535.50
5430 · General Legal	0.00	281.25	517.50	1,687.50
Total 5400 · Legal	0.00	1,028.25	967.50	2,223.00
5510 · Maintenance, Office	0.00	0.00	480.00	200.00
5540 · Office Supplies	-1,170.00	249.76	641.47	1,053.69
5550 · Postage	0.00	100.00	270.88	631.60
5560 · Printing & Publishing	0.00	443.21	0.00	0.00
5600 · Professional Services				
5610 · Accounting	0.00	8,400.00	5,880.00	8,085.00
5620 · Audit	0.00	0.00	0.00	0.00
5630 · Consulting	0.00	0.00	1,275.00	375.00
5640 · Data Services	0.00	0.00	0.00	0.00
5660 · Payroll Services	11.80	11.80	11.80	14.70
Total 5600 · Professional Services	11.80	8,411.80	7,166.80	8,474.70

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 Accrual Basis

Montara Water & Sanitary District Profit & Loss July 2012 through June 2013

	Jul 12	Aug 12	Sep 12	Oct 12
5720 · Telephone & Internet, Admin	0.00	804.75	1,156.31	1,147.29
5730 · Travel, Local	0.00	197.21	162.85	196.86
5740 · Reference Materials	0.00	0.00	0.00	0.00
5790 · Other Administrative	0.00	0.00	0.00	0.00
5800 · Labor				
5810 · CalPERS 457 Deferred Plan	666.46	678.97	641.44	1,054.35
5820 · Employee Benefits	2,056.30	2,056.30	2,056.30	2,949.42
5830 · Disability Insurance	0.00	56.66	56.66	56.66
5840 · Payroll Taxes	728.37	-320.15	701.02	1,152.26
5900 · Wages				
5910 · Management	5,589.22	5,589.22	5,589.22	10,651.34
5920 · Staff	3,931.84	4,110.56	3,574.40	4,410.72
Total 5900 · Wages	9,521.06	9,699.78	9,163.62	15,062.06
5960 · Worker's Comp Insurance	198.92	198.92	198.92	198.92
Total 5800 · Labor	13,171.11	12,370.48	12,817.96	20,473.67
Total 5000 · Administrative	50,653.67	58,606.46	58,304.77	69,536.81
6000 · Operations				
6195 · Education & Training	0.00	0.00	0.00	0.00
6200 · Engineering				
6220 · General Engineering	0.00	936.00	4,684.00	1,211.00
Total 6200 · Engineering	0.00	936.00	4,684.00	1,211.00
6330 · Facilities				
6335 · Alarm Services	0.00	498.90	4,855.05	260.00
6337 · Landscaping	0.00	190.00	190.00	190.00
Total 6330 · Facilities	0.00	688.90	5,045.05	450.00
6400 · Pumping				
6410 · Pumping Fuel & Electricity	-2,807.51	2,643.08	3,252.41	2,959.44
Total 6400 · Pumping	-2,807.51	2,643.08	3,252.41	2,959.44
6600 · Collection/Transmission				
6660 · Maintenance, Collection System	0.00	0.00	0.00	0.00
Total 6600 · Collection/Transmission	0.00	0.00	0.00	0.00
6890 · Other Operations	0.00	0.00	0.00	0.00
6900 · Sewer Authority Midcoastside				
6910 · SAM Collections	23,445.00	23,445.00	23,445.00	23,445.00
6920 · SAM Operations	54,648.00	54,648.00	54,648.00	54,648.00
6930 · SAM Prior Year Adjustment	0.00	0.00	0.00	0.00
6940 · SAM Maintenance, Collection Sys	0.00	0.00	0.00	0.00
Total 6900 · Sewer Authority Midcoastside	78,093.00	78,093.00	78,093.00	78,093.00
Total 6000 · Operations	75,285.49	82,360.98	91,074.46	82,713.44

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Jul 12	Aug 12	Sep 12	Oct 12
66000 · Payroll Expense	0.00	0.00	0.00	0.00
Total Expense	125,939.16	140,967.44	149,379.23	152,250.25
Net Ordinary Income	-51,881.17	-137,918.84	-147,656.78	-149,416.10
Other Income/Expense				
Other Income				
7000 · Capital Account Revenues				
7100 · Connection Fees				
7110 · Connection Fees (New Constr)	0.00	24,633.00	0.00	-858.00
7120 · Connection Fees (Remodel)	0.00	8,855.00	0.00	0.00
Total 7100 · Connection Fees	0.00	33,488.00	0.00	-858.00
7200 · Interest Income - LAIF	0.00	0.00	2,988.62	0.00
7700 · Interest, Employee Loans	237.76	237.76	618.33	-523.35
Total 7000 · Capital Account Revenues	237.76	33,725.76	3,606.95	-1,381.35
Total Other Income	237.76	33,725.76	3,606.95	-1,381.35
Other Expense				
8000 · Capital Improvement Program				
Sewer				
8810 · Cabrillo Hwy Trunk & Express	0.00	0.00	0.00	5,191.60
8820 · CIP Planning	0.00	0.00	2,418.00	1,191.00
8860 · Replace Med High Priority Mains	0.00	0.00	0.00	3,293.50
8880 · Seal Cove Area Rep & Maint Proj	0.00	0.00	0.00	0.00
8890 · Spot Repairs Program	0.00	0.00	0.00	0.00
8900 · Vallemar Generator	0.00	0.00	358.00	5,129.50
Total Sewer	0.00	0.00	2,776.00	14,805.60
Total 8000 · Capital Improvement Program	0.00	0.00	2,776.00	14,805.60
9000 · Capital Account Expenses				
9125 · PNC Equipment Lease Interest	-1,644.73	3,075.55	3,068.46	3,061.34
9200 · I-Bank Loan	14,357.33	0.00	0.00	0.00
Total 9000 · Capital Account Expenses	12,712.60	3,075.55	3,068.46	3,061.34
Total Other Expense	12,712.60	3,075.55	5,844.46	17,866.94
Net Other Income	-12,474.84	30,650.21	-2,237.51	-19,248.29
Net Income	-64,356.01	-107,268.63	-149,894.29	-168,664.39

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Nov 12	Dec 12	Jan 13	Feb 13
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	1,125.00	1,125.00	1,125.00	10,686.00
4400 · Fees				
4420 · Administrative Fee (Remodel)	0.00	0.00	0.00	440.00
4430 · Inspection Fee (New Constr)	0.00	0.00	0.00	830.00
4440 · Inspection Fee (Remodel)	0.00	0.00	0.00	0.00
4460 · Remodel Fees	0.00	0.00	308.00	2,556.00
Total 4400 · Fees	0.00	0.00	308.00	3,826.00
4610 · Property Tax Receipts	19,822.05	82,166.84	893.91	134,112.65
4710 · Sewer Service Charges	-1,488.62	979,836.50	0.00	64,944.52
4760 · Waste Collection Revenues	575.18	1,444.14	470.90	1,681.24
4990 · Other Revenue	0.00	0.00	0.00	0.00
Total Income	20,033.61	1,064,572.48	2,797.81	215,250.41
Expense				
5000 · Administrative				
5190 · Bank Fees	0.00	0.00	0.00	0.00
5200 · Board of Directors				
5210 · Board Meetings	500.00	250.00	250.00	468.84
5220 · Director Fees	0.00	375.00	0.00	1,012.50
Total 5200 · Board of Directors	500.00	625.00	250.00	1,481.34
5250 · Conference Attendance	0.00	0.00	0.00	287.50
5260 · Depreciation	34,391.00	34,391.00	34,391.00	34,391.00
5270 · Information Systems	60.00	60.00	120.00	500.00
5300 · Insurance				
5320 · Property & Liability Insurance	0.00	0.00	0.00	0.00
Total 5300 · Insurance	0.00	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	1,107.00	0.00	0.00
5400 · Legal				
5420 · Meeting Attendance, Legal	873.00	535.50	937.50	0.00
5430 · General Legal	2,830.50	1,406.25	1,762.50	707.50
Total 5400 · Legal	3,703.50	1,941.75	2,700.00	707.50
5510 · Maintenance, Office	0.00	400.00	0.00	0.00
5540 · Office Supplies	167.80	111.98	598.23	189.47
5550 · Postage	0.00	378.79	254.63	443.41
5560 · Printing & Publishing	481.46	305.68	100.00	589.24
5600 · Professional Services				
5610 · Accounting	20,317.50	3,360.00	0.00	1,807.50
5620 · Audit	0.00	0.00	0.00	0.00
5630 · Consulting	2,086.37	1,906.97	225.00	849.47
5640 · Data Services	0.00	0.00	5,091.54	0.00
5660 · Payroll Services	14.70	14.70	14.70	14.70
Total 5600 · Professional Services	22,418.57	5,281.67	5,331.24	2,671.67

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Accrual Basis

**Montara Water & Sanitary District
Profit & Loss
July 2012 through June 2013**

	Nov 12	Dec 12	Jan 13	Feb 13
5720 · Telephone & Internet, Admin	965.62	1,088.75	1,298.54	952.21
5730 · Travel, Local	93.90	79.13	0.00	128.70
5740 · Reference Materials	0.00	0.00	0.00	0.00
5790 · Other Administrative	0.00	100.00	0.00	0.00
5800 · Labor				
5810 · CalPERS 457 Deferred Plan	986.64	1,145.82	1,011.21	972.74
5820 · Employee Benefits	2,949.42	2,949.42	2,949.42	4,368.13
5830 · Disability Insurance	83.09	84.20	86.05	86.05
5840 · Payroll Taxes	1,078.24	1,252.22	1,111.44	1,063.72
5900 · Wages				
5910 · Management	10,064.50	12,521.63	10,232.18	10,232.18
5920 · Staff	4,030.40	3,847.20	4,213.60	3,664.00
Total 5900 · Wages	14,094.90	16,368.83	14,445.78	13,896.18
5960 · Worker's Comp Insurance	226.70	226.70	0.00	0.00
Total 5800 · Labor	19,418.99	22,027.19	19,603.90	20,386.82
Total 5000 · Administrative	82,200.84	67,897.94	64,647.54	62,728.86
6000 · Operations				
6195 · Education & Training	0.00	0.00	218.59	0.00
6200 · Engineering				
6220 · General Engineering	780.00	1,014.00	4,917.31	4,350.00
Total 6200 · Engineering	780.00	1,014.00	4,917.31	4,350.00
6330 · Facilities				
6335 · Alarm Services	758.26	619.40	978.80	568.35
6337 · Landscaping	190.00	190.00	190.00	190.00
Total 6330 · Facilities	948.26	809.40	1,168.80	758.35
6400 · Pumping				
6410 · Pumping Fuel & Electricity	2,478.03	2,065.07	2,072.24	2,745.31
Total 6400 · Pumping	2,478.03	2,065.07	2,072.24	2,745.31
6600 · Collection/Transmission				
6660 · Maintenance, Collection System	0.00	0.00	0.00	0.00
Total 6600 · Collection/Transmission	0.00	0.00	0.00	0.00
6890 · Other Operations	0.00	0.00	6,689.86	0.00
6900 · Sewer Authority Midcoastside				
6910 · SAM Collections	23,445.00	23,445.00	23,445.00	23,445.00
6920 · SAM Operations	54,648.00	54,648.00	54,648.00	54,648.00
6930 · SAM Prior Year Adjustment	0.00	-39,958.00	0.00	0.00
6940 · SAM Maintenance, Collection Sys	9,638.80	19,263.76	0.00	11,376.53
Total 6900 · Sewer Authority Midcoastside	87,731.80	57,398.76	78,093.00	89,469.53
Total 6000 · Operations	91,938.09	61,287.23	93,159.80	97,323.19

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Nov 12	Dec 12	Jan 13	Feb 13
66000 · Payroll Expense	0.00	0.00	0.00	0.00
Total Expense	174,138.93	129,185.17	157,807.34	160,052.05
Net Ordinary Income	-154,105.32	935,387.31	-155,009.53	55,198.36
Other Income/Expense				
Other Income				
7000 · Capital Account Revenues				
7100 · Connection Fees				
7110 · Connection Fees (New Constr)	0.00	-1,404.00	-156.00	0.00
7120 · Connection Fees (Remodel)	0.00	0.00	415.00	415.00
Total 7100 · Connection Fees	0.00	-1,404.00	259.00	415.00
7200 · Interest Income - LAIF	0.00	2,717.97	0.00	0.00
7700 · Interest, Employee Loans	-528.28	-533.23	-538.20	5,545.17
Total 7000 · Capital Account Revenues	-528.28	780.74	-279.20	5,960.17
Total Other Income	-528.28	780.74	-279.20	5,960.17
Other Expense				
8000 · Capital Improvement Program				
Sewer				
8810 · Cabrillo Hwy Trunk & Express	5,791.13	12,921.00	8,615.94	11,393.73
8820 · CIP Planning	0.00	0.00	0.00	0.00
8860 · Replace Med High Priority Mains	6,852.70	5,968.11	7,125.50	13,770.03
8880 · Seal Cove Area Rep & Maint Proj	0.00	0.00	0.00	0.00
8890 · Spot Repairs Program	0.00	0.00	0.00	0.00
8900 · Vallemar Generator	27,421.52	152,039.76	7,290.67	2,683.50
Total Sewer	40,065.35	170,928.87	23,032.11	27,847.26
Total 8000 · Capital Improvement Program	40,065.35	170,928.87	23,032.11	27,847.26
9000 · Capital Account Expenses				
9125 · PNC Equipment Lease Interest	3,054.20	3,047.03	3,039.83	2,735.46
9200 · I-Bank Loan	0.00	0.00	13,987.49	0.00
Total 9000 · Capital Account Expenses	3,054.20	3,047.03	17,027.32	2,735.46
Total Other Expense	43,119.55	173,975.90	40,059.43	30,582.72
Net Other Income	-43,647.83	-173,195.16	-40,338.63	-24,622.55
Net Income	-197,753.15	762,192.15	-195,348.16	30,575.81

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Accrual Basis

Montara Water & Sanitary District Profit & Loss July 2012 through June 2013

	Mar 13	Apr 13	May 13	Jun 13
Ordinary Income/Expense				
Income				
4220 · Cell Tower Lease	2,584.75	1,323.00	5,178.76	1,261.75
4400 · Fees				
4420 · Administrative Fee (Remodel)	0.00	440.00	440.00	0.00
4430 · Inspection Fee (New Constr)	0.00	0.00	0.00	0.00
4440 · Inspection Fee (Remodel)	0.00	415.00	415.00	0.00
4460 · Remodel Fees	2,048.00	1,501.00	308.00	0.00
Total 4400 · Fees	2,048.00	2,356.00	1,163.00	0.00
4610 · Property Tax Receipts	-33,199.28	66,477.36	538.46	27,639.44
4710 · Sewer Service Charges	0.00	714,639.68	0.00	128,370.96
4760 · Waste Collection Revenues	600.57	0.00	2,360.33	1,603.31
4990 · Other Revenue	0.00	0.00	0.00	14.11
Total Income	-27,965.96	784,796.04	9,240.55	158,889.57
Expense				
5000 · Administrative				
5190 · Bank Fees	0.00	250.00	0.00	0.00
5200 · Board of Directors				
5210 · Board Meetings	250.00	161.88	500.00	-995.72
5220 · Director Fees	0.00	487.50	0.00	900.00
Total 5200 · Board of Directors	250.00	649.38	500.00	-95.72
5250 · Conference Attendance	0.00	0.00	0.00	143.75
5260 · Depreciation	34,391.00	34,391.00	34,391.00	52,278.00
5270 · Information Systems	180.00	840.00	120.00	-760.00
5300 · Insurance				
5320 · Property & Liability Insurance	0.00	0.00	0.00	0.00
Total 5300 · Insurance	0.00	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	0.00	0.00
5400 · Legal				
5420 · Meeting Attendance, Legal	905.00	0.00	1,330.00	1,062.50
5430 · General Legal	625.00	500.00	1,567.50	2,171.25
Total 5400 · Legal	1,530.00	500.00	2,897.50	3,233.75
5510 · Maintenance, Office	600.00	0.00	400.00	700.00
5540 · Office Supplies	293.10	563.48	356.08	352.81
5550 · Postage	132.00	351.67	23.59	300.02
5560 · Printing & Publishing	0.00	0.00	397.03	124.04
5600 · Professional Services				
5610 · Accounting	0.00	6,940.00	0.00	10,000.00
5620 · Audit	12,550.00	0.00	0.00	0.00
5630 · Consulting	810.00	1,441.97	1,950.00	367.50
5640 · Data Services	0.00	0.00	0.00	0.00
5660 · Payroll Services	17.60	16.15	14.70	14.70
Total 5600 · Professional Services	13,377.60	8,398.12	1,964.70	10,382.20

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Accrual Basis

**Montara Water & Sanitary District
Profit & Loss
July 2012 through June 2013**

	Mar 13	Apr 13	May 13	Jun 13
5720 · Telephone & Internet, Admin	1,186.70	1,078.27	1,095.64	2,030.13
5730 · Travel, Local	260.25	0.00	171.56	0.00
5740 · Reference Materials	0.00	35.00	0.00	0.00
5790 · Other Administrative	0.00	0.00	0.00	0.00
5800 · Labor				
5810 · CalPERS 457 Deferred Plan	1,152.68	984.89	1,031.53	921.04
5820 · Employee Benefits	3,683.39	3,220.12	3,220.12	3,220.12
5830 · Disability Insurance	87.60	81.95	82.55	82.55
5840 · Payroll Taxes	1,265.46	1,095.43	1,179.70	1,053.67
5900 · Wages				
5910 · Management	9,122.08	6,023.98	5,924.58	11,361.75
5920 · Staff	7,419.73	8,295.47	8,961.54	7,383.17
Total 5900 · Wages	16,541.81	14,319.45	14,886.12	18,744.92
5960 · Worker's Comp Insurance	0.00	2,085.04	-140.65	1,792.66
Total 5800 · Labor	22,730.94	21,786.88	20,259.37	25,814.96
Total 5000 · Administrative	74,931.59	68,843.80	62,576.47	94,503.94
6000 · Operations				
6195 · Education & Training	0.00	0.00	0.00	0.00
6200 · Engineering				
6220 · General Engineering	2,376.00	3,606.00	2,724.00	3,414.50
Total 6200 · Engineering	2,376.00	3,606.00	2,724.00	3,414.50
6330 · Facilities				
6335 · Alarm Services	499.40	359.40	568.35	464.40
6337 · Landscaping	190.00	190.00	190.00	380.00
Total 6330 · Facilities	689.40	549.40	758.35	844.40
6400 · Pumping				
6410 · Pumping Fuel & Electricity	2,095.59	1,870.31	1,967.40	5,837.18
Total 6400 · Pumping	2,095.59	1,870.31	1,967.40	5,837.18
6600 · Collection/Transmission				
6660 · Maintenance, Collection System	0.00	2,012.50	0.00	0.00
Total 6600 · Collection/Transmission	0.00	2,012.50	0.00	0.00
6890 · Other Operations	0.00	0.00	0.00	0.00
6900 · Sewer Authority Midcoastside				
6910 · SAM Collections	23,445.00	23,445.00	23,445.00	23,445.00
6920 · SAM Operations	54,648.00	54,648.00	54,648.00	54,648.00
6930 · SAM Prior Year Adjustment	0.00	0.00	0.00	0.00
6940 · SAM Maintenance, Collection Sys	0.00	0.00	21,773.23	0.00
Total 6900 · Sewer Authority Midcoastside	78,093.00	78,093.00	99,866.23	78,093.00
Total 6000 · Operations	83,253.99	86,131.21	105,315.98	88,189.08

Montara Water & Sanitary District
Profit & Loss
 July 2012 through June 2013

	Mar 13	Apr 13	May 13	Jun 13
66000 · Payroll Expense	0.00	0.00	0.00	0.01
Total Expense	158,185.58	154,975.01	167,892.45	182,693.03
Net Ordinary Income	-186,151.54	629,821.03	-158,651.90	-23,803.46
Other Income/Expense				
Other Income				
7000 · Capital Account Revenues				
7100 · Connection Fees				
7110 · Connection Fees (New Constr)	0.00	0.00	0.00	0.00
7120 · Connection Fees (Remodel)	0.00	0.00	4,425.00	0.00
Total 7100 · Connection Fees	0.00	0.00	4,425.00	0.00
7200 · Interest Income - LAIF	2,211.94	0.00	0.00	0.00
7700 · Interest, Employee Loans	450.72	445.70	440.67	435.62
Total 7000 · Capital Account Revenues	2,662.66	445.70	4,865.67	435.62
Total Other Income	2,662.66	445.70	4,865.67	435.62
Other Expense				
8000 · Capital Improvement Program				
Sewer				
8810 · Cabrillo Hwy Trunk & Express	6,427.00	2,279.62	1,260.00	-53,880.02
8820 · CIP Planning	0.00	0.00	0.00	-3,609.00
8850 · Replace Med High Priority Mains	6,307.00	0.00	0.00	-43,316.84
8880 · Seal Cove Area Rep & Maint Proj	0.00	0.00	0.00	0.00
8890 · Spot Repairs Program	0.00	0.00	5,123.50	-5,123.50
8900 · Vallemar Generator	862.50	3,415.04	0.00	-199,200.49
Total Sewer	13,596.50	5,694.66	6,383.50	-305,129.85
Total 8000 · Capital Improvement Program	13,596.50	5,694.66	6,383.50	-305,129.85
9000 · Capital Account Expenses				
9125 · PNC Equipment Lease Interest	-12,897.43	1,914.01	1,946.83	1,941.17
9200 · I-Bank Loan	0.00	0.00	0.00	0.00
Total 9000 · Capital Account Expenses	-12,897.43	1,914.01	1,946.83	1,941.17
Total Other Expense	699.07	7,608.67	8,330.33	-303,188.68
Net Other Income	1,963.59	-7,162.97	-3,464.66	303,624.30
Net Income	-184,187.95	622,658.06	-162,116.56	279,820.84

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
July 2012 through June 2013

TOTAL

Ordinary Income/Expense

Income

4220 · Cell Tower Lease	28,909.26
4400 · Fees	
4420 · Administrative Fee (Remodel)	1,320.00
4430 · Inspection Fee (New Constr)	830.00
4440 · Inspection Fee (Remodel)	830.00
4460 · Remodel Fees	7,331.00
Total 4400 · Fees	10,311.00
4610 · Property Tax Receipts	304,550.33
4710 · Sewer Service Charges	1,952,512.86
4760 · Waste Collection Revenues	12,980.14
4990 · Other Revenue	14.11
Total Income	2,309,277.70

Expense

5000 · Administrative	
5190 · Bank Fees	3,074.39
5200 · Board of Directors	
5210 · Board Meetings	2,135.00
5220 · Director Fees	3,450.00
Total 5200 · Board of Directors	5,585.00
5250 · Conference Attendance	431.25
5260 · Depreciation	430,579.00
5270 · Information Systems	1,300.00
5300 · Insurance	
5320 · Property & Liability Insurance	1,425.37
Total 5300 · Insurance	1,425.37
5350 · LAFCO Assessment	1,107.00
5400 · Legal	
5420 · Meeting Attendance, Legal	7,376.00
5430 · General Legal	14,056.75
Total 5400 · Legal	21,432.75
5510 · Maintenance, Office	2,780.00
5540 · Office Supplies	3,407.87
5550 · Postage	2,886.59
5560 · Printing & Publishing	2,440.66
5600 · Professional Services	
5610 · Accounting	64,790.00
5620 · Audit	12,550.00
5630 · Consulting	11,287.28
5640 · Data Services	5,091.54
5660 · Payroll Services	172.05
Total 5600 · Professional Services	93,890.87

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Accrual Basis

Montara Water & Sanitary District
Profit & Loss
July 2012 through June 2013

	TOTAL
5720 · Telephone & Internet, Admin	12,804.21
5730 · Travel, Local	1,290.46
5740 · Reference Materials	35.00
5790 · Other Administrative	100.00
5800 · Labor	
5810 · CalPERS 457 Deferred Plan	11,247.77
5820 · Employee Benefits	35,678.46
5830 · Disability Insurance	844.02
5840 · Payroll Taxes	11,361.38
5900 · Wages	
5910 · Management	102,901.88
5920 · Staff	63,842.63
Total 5900 · Wages	166,744.51
5960 · Worker's Comp Insurance	4,986.13
Total 5800 · Labor	230,862.27
Total 5000 · Administrative	815,432.69
6000 · Operations	
6195 · Education & Training	218.59
6200 · Engineering	
6220 · General Engineering	30,012.81
Total 6200 · Engineering	30,012.81
6330 · Facilities	
6335 · Alarm Services	10,430.31
6337 · Landscaping	2,280.00
Total 6330 · Facilities	12,710.31
6400 · Pumping	
6410 · Pumping Fuel & Electricity	27,178.55
Total 6400 · Pumping	27,178.55
6600 · Collection/Transmission	
6660 · Maintenance, Collection System	2,012.50
Total 6600 · Collection/Transmission	2,012.50
6890 · Other Operations	6,689.86
6900 · Sewer Authority Midcoastside	
6910 · SAM Collections	281,340.00
6920 · SAM Operations	655,776.00
6930 · SAM Prior Year Adjustment	-39,958.00
6940 · SAM Maintenance, Collection Sys	62,052.32
Total 6900 · Sewer Authority Midcoastside	959,210.32
Total 6000 · Operations	1,038,032.94

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Accrual Basis

Montara Water & Sanitary District Profit & Loss

July 2012 through June 2013

	TOTAL	
66000 · Payroll Expense		0.01
Total Expense		1,853,465.64
Net Ordinary Income		455,812.06
Other Income/Expense		
Other Income		
7000 · Capital Account Revenues		
7100 · Connection Fees		
7110 · Connection Fees (New Constr)	22,215.00	
7120 · Connection Fees (Remodel)	14,110.00	
Total 7100 · Connection Fees		36,325.00
7200 · Interest Income - LAIF		7,918.53
7700 · Interest, Employee Loans		6,288.67
Total 7000 · Capital Account Revenues		50,532.20
Total Other Income		50,532.20
Other Expense		
8000 · Capital Improvement Program		
Sewer		
8810 · Cabrillo Hwy Trunk & Express	0.00	
8820 · CIP Planning	0.00	
8860 · Replace Med High Priority Mains	0.00	
8880 · Seal Cove Area Rep & Maint Proj	0.00	
8890 · Spot Repairs Program	0.00	
8900 · Vallemar Generator	0.00	
Total Sewer		0.00
Total 8000 · Capital Improvement Program		0.00
9000 · Capital Account Expenses		
9125 · PNC Equipment Lease Interest	12,341.72	
9200 · I-Bank Loan	28,344.82	
Total 9000 · Capital Account Expenses		40,686.54
Total Other Expense		40,686.54
Net Other Income		9,845.66
Net Income		<u>465,657.72</u>

MWSD - Water
Balance Sheet
As of June 30, 2013

Jun 30, 13

ASSETS**Current Assets****Checking/Savings**

Wells Fargo Operating Reserve	-42,176.70
Capital Reserve	453,500.00
Operating Reserve	246,000.00

Restricted Cash

Acq & Improv Fund	1,462,256.59
Connection Fees Reserve	46,000.00
Cost of Issuance	122.94
GO Bonds Fund	2,309,554.51

Total Restricted Cash 3,817,934.04

Total Checking/Savings 4,475,257.34

Accounts Receivable

Property Taxes Receivable	3,920.34
Accounts Rec. - Backflow	3,918.51
Accounts Rec. - Water Residents	295,081.08

Total Accounts Receivable 302,919.93

Other Current Assets

Maint/Parts Inventory	40,156.36
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Total Other Current Assets 40,156.36

Total Current Assets 4,818,333.63

Fixed Assets

Land & Easements	734,500.00
Surface Water Rights	300,000.00
Water Meters	1,058,985.00
General Plant	20,530,999.60
Fixed Assets - Other	48,171.78
Accumulated Depreciation	-6,397,365.00

Total Fixed Assets 16,275,291.38

Other Assets

Invest in Airport Project	315,786.99
Bond Issue Cost	82,255.25
Bond Acq Cost OID	77,180.40

Total Other Assets 475,222.64

TOTAL ASSETS 21,568,847.65

LIABILITIES & EQUITY**Liabilities****Current Liabilities**

Accounts Payable	
Accounts Payable	1,431.77

Total Accounts Payable 1,431.77

Other Current Liabilities

Accrued Interest	81,799.58
GO Bonds - S/T	795,656.00
PFP Water Deposits	44,716.68
PNC Equipment Loan - S/T	30,658.39

Payroll Liabilities

Employee Benefits Payable	512.99
Payroll Taxes Payable	77.53

Total Payroll Liabilities 590.52

Total Other Current Liabilities 953,421.17

Total Current Liabilities 954,852.94

MWSD - Water
Balance Sheet
As of June 30, 2013

	Jun 30, 13
Long Term Liabilities	
Accrued Vacations	16,654.90
Deferred on Refunding	-280,322.00
Due To Sewer Fund	2,654,248.70
GO Bonds - L/T	13,984,428.77
PNC Equipment Loan - L/T	756,621.20
SRF Loan Payable	360,000.00
Total Long Term Liabilities	17,491,631.57
Total Liabilities	18,446,484.51
Equity	
Capital Assets - Net	-288,324.00
Restricted - Debt Service	2,546,106.50
Unrestricted	180,637.00
Net Income	683,943.64
Total Equity	3,122,363.14
TOTAL LIABILITIES & EQUITY	<u>21,568,847.65</u>

**MWSD - Water
 Profit & Loss
 July 2012 through June 2013**

Jul '12 - Jun 13

Ordinary Income/Expense

Income

4220 · Cell Tower Lease	28,909.26
4400 · Fees	
4410 · Administrative Fee (New Constr)	1,000.00
4420 · Administrative Fee (Remodel)	2,158.00
4440 · Inspection Fees (Remodel)	407.00
Total 4400 · Fees	3,565.00
4610 · Property Tax Receipts	304,550.33
4740 · Testing, Backflow	9,098.00
4810 · Water Sales, Domestic	1,557,944.78
4850 · Water Sales Refunds, Customer	-3,945.00
4990 · Other Revenue	547.97

Total Income 1,900,670.34

Expense

5000 · Administrative	
5190 · Bank Fees	9,074.64
5200 · Board of Directors	
5210 · Board Meetings	2,135.01
5220 · Director Fees	3,450.00
Total 5200 · Board of Directors	5,585.01
5240 · CDPH Fees	14,151.52
5250 · Conference Attendance	3,051.35
5260 · Depreciation	788,387.00
5270 · Information Systems	1,300.00
5300 · Insurance	
5320 · Property & Liability Insurance	1,425.34
Total 5300 · Insurance	1,425.34
5350 · LAFCO Assessment	1,544.00
5400 · Legal	
5420 · Meeting Attendance, Legal	9,218.05
5430 · General Legal	57,911.75
5440 · Litigation	19,769.75
Total 5400 · Legal	86,899.55
5520 · Meetings, Local	1,537.52
5530 · Memberships	17,174.50
5540 · Office Supplies	14,533.17
5550 · Postage	4,560.76
5560 · Printing & Publishing	378.48
5600 · Professional Services	
5610 · Accounting	62,480.00
5620 · Audit	12,550.00
5630 · Consulting	51,266.78
5650 · Labor Representation	8,250.00
5660 · Payroll Services	220.40
5690 · Other Professional Services	9,256.97
Total 5600 · Professional Services	144,024.15
5720 · Telephone & Internet, Admin	919.31
5730 · Travel, Local	1,235.61
5740 · Reference Materials	380.29
5800 · Labor	
5810 · CalPERS 457 Deferred Plan	28,317.70
5820 · Employee Benefits	76,848.45
5830 · Disability Insurance	1,922.50
5840 · Payroll Taxes	29,587.19
5900 · Wages	
5910 · Management	72,718.51
5920 · Staff	322,671.91
5930 · Staff Certification	9,975.00
5940 · Staff Overtime	3,720.65
5950 · Staff Standby	832.19
Total 5900 · Wages	409,918.26

MWSD - Water Profit & Loss July 2012 through June 2013

Jul '12 - Jun 13

5960 · Worker's Comp Insurance	39,080.05
Total 5800 · Labor	585,674.15
Total 5000 · Administrative	1,681,836.35
6000 · Operations	
6160 · Backflow Prevention	2,119.81
6180 · Communications	
6185 · Communications Equip, Expensed	17,402.39
6187 · Telephone & Internet, Comm.	3,279.34
Total 6180 · Communications	20,681.73
6195 · Education & Training	1,840.02
6200 · Engineering	
6210 · Meeting Attendance, Engineering	9,851.10
6220 · General Engineering	23,283.57
6230 · Water Quality Engineering	189,573.17
Total 6200 · Engineering	222,707.84
6320 · Equipment & Tools, Expensed	24,441.31
6330 · Facilities	
6337 · Landscaping	3,600.00
Total 6330 · Facilities	3,600.00
6370 · Lab Supplies & Equipment	197.98
6380 · Meter Reading	1,421.17
6400 · Pumping	
6410 · Pumping Fuel & Electricity	43,956.73
6420 · Pumping Maintenance, Generators	1,671.00
6440 · Pumping Equipment, Expensed	26,496.90
Total 6400 · Pumping	72,124.63
6500 · Supply	
6510 · Maintenance, Supply Mains	4,387.55
6520 · Maintenance, Wells	457.00
Total 6500 · Supply	4,844.55
6600 · Collection/Transmission	
6610 · Hydrants	2,091.09
6620 · Maintenance, Mains	36,122.81
6630 · Maintenance, Service Lines	15,360.57
6640 · Maintenance, Tanks	6,318.03
6650 · Maint., Transmission General	6,188.56
6660 · Maintenance, Collection System	0.00
6670 · Meters	3,186.35
Total 6600 · Collection/Transmission	69,267.41
6700 · Treatment	
6710 · Chemicals & Filtering	20,622.62
6720 · Maintenance, Treatment Equip.	4,779.21
6730 · Treatment Analysis	21,066.09
Total 6700 · Treatment	46,467.92
6770 · Uniforms	8,473.39
6800 · Vehicles	
6810 · Fuel	8,736.62
6820 · Vehicular Equipment, Expensed	20.00
6830 · Vehicular Repairs	860.63
Total 6800 · Vehicles	9,617.25
6890 · Other Operations	1,665.59
Total 6000 · Operations	489,470.60
66000 · Payroll Expenses	0.00
Total Expense	2,171,306.95
Net Ordinary Income	-270,636.61

**MWSD - Water
 Profit & Loss
 July 2012 through June 2013**

Jul '12 - Jun 13

Other Income/Expense	
Other Income	
7000 · Capital Account Revenues	
7100 · Connection Fees	
7110 · Connection Fees (New Const)	1,443.59
7130 · Conn. Fees, PFP (New Constr)	32,457.10
Total 7100 · Connection Fees	33,900.69
7600 · Bond Revenues, G.O.	1,230,364.97
Total 7000 · Capital Account Revenues	1,264,265.66
Total Other Income	1,264,265.66
Other Expense	
8000 · Capital Improvement Program	
Existing Customers - Water	
8025 · CIP Development	0.00
8075 · Pillar Ridge	0.00
8150 · Storage, Schoolhouse Tank Ph. 1	0.00
8175 · Storage, A.V. Tank Safety Rep.	0.00
8200 · Storage, A.V. Water Tank Alloc.	0.00
8225 · Treatment, Central Airport Sys	0.00
8250 · Treatment, Water	0.00
8275 · Vehicle Replacement	0.00
8300 · Water Conservation	0.00
8350 · Water Main Replacements	0.00
Total Existing Customers - Water	0.00
New Customers - Water	
8425 · Storage, A.V. Water Tank Alloc.	0.00
8450 · CIP Development	0.00
8550 · Phase I PWP	0.00
8600 · Pillar Ridge	0.00
8675 · School Boost Pump Stn Upgrade	0.00
8700 · Schoolhouse Tank Proj Phase 2	0.00
Total New Customers - Water	0.00
Total 8000 · Capital Improvement Program	0.00
9000 · Capital Account Expenses	
9025 · Domestic Connection Line	0.00
9050 · Engineering Review Costs	0.00
9075 · PFP Connection Expenses	0.00
9100 · Interest Expense - GO Bonds	294,261.43
9125 · PNC Equipment Lease Interest	12,341.72
9150 · SRF Loan	3,082.26
Total 9000 · Capital Account Expenses	309,685.41
Total Other Expense	309,685.41
Net Other Income	954,580.25
Net Income	<u>683,943.64</u>

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Jul 12	Aug 12	Sep 12
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	1,125.00	6,417.00	1,125.00
4400 · Fees			
4410 · Administrative Fee (New Constr)	0.00	0.00	0.00
4420 · Administrative Fee (Remodel)	0.00	1,850.00	0.00
4440 · Inspection Fees (Remodel)	0.00	407.00	0.00
Total 4400 · Fees	0.00	2,257.00	0.00
4610 · Property Tax Receipts	5,929.26	-2.00	0.00
4740 · Testing, Backflow	-218.00	1,728.00	1,156.00
4810 · Water Sales, Domestic	-156,765.87	155,581.33	145,540.57
4850 · Water Sales Refunds, Customer	-3,945.00	0.00	0.00
4990 · Other Revenue	0.00	0.00	0.00
Total Income	-153,874.61	165,981.33	147,821.57
Expense			
5000 · Administrative			
5190 · Bank Fees	2,241.13	1,011.59	1,000.29
5200 · Board of Directors			
5210 · Board Meetings	0.00	0.00	133.59
5220 · Director Fees	0.00	0.00	525.00
Total 5200 · Board of Directors	0.00	0.00	658.59
5240 · CDPH Fees	0.00	0.00	0.00
5250 · Conference Attendance	1,105.60	0.00	0.00
5260 · Depreciation	63,472.00	63,472.00	63,472.00
5270 · Information Systems	0.00	0.00	0.00
5300 · Insurance			
5320 · Property & Liability Insurance	1,425.34	0.00	0.00
Total 5300 · Insurance	1,425.34	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	0.00
5400 · Legal			
5420 · Meeting Attendance, Legal	434.40	749.25	450.00
5430 · General Legal	4,600.75	3,757.50	3,556.25
5440 · Litigation	0.00	2,295.00	4,230.00
Total 5400 · Legal	5,035.15	6,801.75	8,236.25
5520 · Meetings, Local	-1,720.37	0.00	345.59
5530 · Memberships	0.00	175.50	303.00
5540 · Office Supplies	53.52	0.00	780.94
5550 · Postage	-126.77	0.00	0.00
5560 · Printing & Publishing	-140.00	140.00	64.95
5600 · Professional Services			
5610 · Accounting	0.00	8,400.00	3,150.00
5620 · Audit	0.00	0.00	0.00
5630 · Consulting	-9,177.75	2,522.75	2,703.35
5650 · Labor Representation	750.00	0.00	1,500.00
5660 · Payroll Services	20.30	18.85	18.85
5690 · Other Professional Services	27.00	0.00	0.00
Total 5600 · Professional Services	-8,380.45	10,941.60	7,372.20
5720 · Telephone & Internet, Admin	0.00	0.00	0.00
5730 · Travel, Local	0.00	0.00	0.00
5740 · Reference Materials	0.00	0.00	0.00

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Jul 12	Aug 12	Sep 12
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	2,526.14	2,605.61	2,435.90
5820 · Employee Benefits	6,322.16	6,322.16	6,322.16
5830 · Disability Insurance	0.00	185.00	185.00
5840 · Payroll Taxes	2,835.46	2,859.01	2,669.89
5900 · Wages			
5910 · Management	5,589.22	5,589.22	5,589.22
5920 · Staff	30,404.82	30,722.83	28,128.81
5930 · Staff Certification	1,050.00	1,050.00	1,175.00
5940 · Staff Overtime	0.00	0.00	0.00
5950 · Staff Standby	0.00	0.00	0.00
Total 5900 · Wages	37,044.04	37,362.05	34,893.03
5960 · Worker's Comp Insurance	5,105.58	3,041.49	5,105.58
Total 5800 · Labor	53,833.38	52,375.32	51,611.56
Total 5000 · Administrative	116,798.53	134,917.76	133,845.37
6000 · Operations			
6160 · Backflow Prevention	0.00	350.00	1,512.36
6180 · Communications			
6185 · Communications Equip, Expensed	0.00	75.00	2,629.68
6187 · Telephone & Internet, Comm.	259.53	263.06	274.76
Total 6180 · Communications	259.53	338.06	2,904.44
6195 · Education & Training	210.00	0.00	140.18
6200 · Engineering			
6210 · Meeting Attendance, Engineering	1,619.85	777.50	670.00
6220 · General Engineering	0.00	389.96	28.60
6230 · Water Quality Engineering	0.00	8,980.00	19,208.75
Total 6200 · Engineering	1,619.85	10,147.46	19,907.35
6320 · Equipment & Tools, Expensed	-16.81	22.71	223.38
6330 · Facilities			
6337 · Landscaping	0.00	300.00	300.00
Total 6330 · Facilities	0.00	300.00	300.00
6370 · Lab Supplies & Equipment	0.00	0.00	8.09
6380 · Meter Reading	0.00	41.10	0.00
6400 · Pumping			
6410 · Pumping Fuel & Electricity	-3,785.50	4,894.58	3,308.60
6420 · Pumping Maintenance, Generators	971.00	0.00	0.00
6440 · Pumping Equipment, Expensed	-1,864.00	1,864.00	0.00
Total 6400 · Pumping	-4,678.50	6,758.58	3,308.60
6500 · Supply			
6510 · Maintenance, Supply Mains	0.00	0.00	0.00
6520 · Maintenance, Wells	0.00	0.00	0.00
Total 6500 · Supply	0.00	0.00	0.00
6600 · Collection/Transmission			
6610 · Hydrants	0.00	0.00	0.00
6620 · Maintenance, Mains	-151.70	876.94	663.30
6630 · Maintenance, Service Lines	1,187.20	760.00	24.47
6640 · Maintenance, Tanks	0.00	0.00	82.50
6650 · Maint., Transmission General	0.00	59.43	0.00
6660 · Maintenance, Collection System	0.00	0.00	0.00
6670 · Meters	0.00	421.96	1,238.15
Total 6600 · Collection/Transmission	1,035.50	2,118.33	2,008.42

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Jul 12	Aug 12	Sep 12
6700 · Treatment			
6710 · Chemicals & Filtering	0.00	1,945.45	1,481.45
6720 · Maintenance, Treatment Equip.	-1,153.38	222.48	393.58
6730 · Treatment Analysis	-787.60	1,019.68	4,948.09
Total 6700 · Treatment	-1,940.98	3,187.61	6,823.12
6770 · Uniforms	95.36	519.41	915.76
6800 · Vehicles			
6810 · Fuel	0.00	0.00	1,289.92
6820 · Vehicular Equipment, Expensed	0.00	0.00	20.00
6830 · Vehicular Repairs	0.00	0.00	0.00
Total 6800 · Vehicles	0.00	0.00	1,309.92
6890 · Other Operations	-137.28	69.82	408.92
Total 6000 · Operations	-3,553.33	23,853.08	39,770.54
66000 · Payroll Expenses	0.00	0.00	0.00
Total Expense	113,245.20	158,770.84	173,615.91
Net Ordinary Income	-267,119.81	7,210.49	-25,794.34
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Const)	0.00	322.00	322.00
7130 · Conn. Fees, PFP (New Constr)	18,656.10	0.00	13,801.00
Total 7100 · Connection Fees	18,656.10	322.00	14,123.00
7600 · Bond Revenues, G.O.	44,723.51	0.00	0.00
Total 7000 · Capital Account Revenues	63,379.61	322.00	14,123.00
Total Other Income	63,379.61	322.00	14,123.00
Other Expense			
8000 · Capital Improvement Program			
Existing Customers - Water			
8025 · CIP Development	243.75	0.00	0.00
8075 · Pillar Ridge	0.00	500.00	875.00
8150 · Storage, Schoolhouse Tank Ph. 1	-59,778.09	61,378.09	330.00
8175 · Storage, A.V. Tank Safety Rep.	0.00	0.00	0.00
8200 · Storage, A.V. Water Tank Alloc.	7,960.00	6,016.25	6,375.00
8225 · Treatment, Central Airport Sys	0.00	55.00	0.00
8250 · Treatment, Water	0.00	0.00	0.00
8275 · Vehicle Replacement	0.00	0.00	0.00
8300 · Water Conservation	150.00	50.00	200.00
8350 · Water Main Replacements	0.00	0.00	0.00
Total Existing Customers - Water	-51,424.34	67,999.34	7,780.00
New Customers - Water			
8425 · Storage, A.V. Water Tank Alloc.	0.00	2,797.63	0.00
8450 · CIP Development	272.35	0.00	250.00
8550 · Phase I PWP	1,128.75	2,735.00	2,556.25
8600 · Pillar Ridge	0.00	500.00	875.00
8675 · School Boost Pump Stn Upgrade	0.00	0.00	0.00
8700 · Schoolhouse Tank Proj Phase 2	1,333.75	0.00	1,375.00
Total New Customers - Water	2,734.85	6,032.63	5,056.25
Total 8000 · Capital Improvement Program	-48,689.49	74,031.97	12,836.25

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Jul 12	Aug 12	Sep 12
9000 · Capital Account Expenses			
9025 · Domestic Connection Line	0.00	0.00	4,393.90
9050 · Engineering Review Costs	712.50	465.00	2,712.50
9075 · PFP Connection Expenses	0.00	5,050.00	0.00
9100 · Interest Expense - GO Bonds	0.00	109,445.00	0.00
9125 · PNC Equipment Lease Interest	-1,644.73	3,075.55	3,068.46
9150 · SRF Loan	0.00	0.00	0.00
Total 9000 · Capital Account Expenses	-932.23	118,035.55	10,174.86
Total Other Expense	-49,621.72	192,067.52	23,011.11
Net Other Income	113,001.33	-191,745.52	-8,888.11
Net Income	-154,118.48	-184,535.03	-34,682.45

MWSD - Water Profit & Loss

July 2012 through June 2013

	Oct 12	Nov 12	Dec 12
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	3,771.00	6,417.00	1,125.00
4400 · Fees			
4410 · Administrative Fee (New Constr)	0.00	1,000.00	0.00
4420 · Administrative Fee (Remodel)	0.00	308.00	0.00
4440 · Inspection Fees (Remodel)	0.00	0.00	0.00
Total 4400 · Fees	0.00	1,308.00	0.00
4610 · Property Tax Receipts	170.62	19,949.22	184.24
4740 · Testing, Backflow	480.00	1,536.00	384.00
4810 · Water Sales, Domestic	145,613.47	121,447.40	139,633.14
4850 · Water Sales Refunds, Customer	0.00	0.00	0.00
4990 · Other Revenue	0.00	0.00	0.00
Total Income	150,035.09	150,657.62	141,326.38
Expense			
5000 · Administrative			
5190 · Bank Fees	385.00	486.41	445.06
5200 · Board of Directors			
5210 · Board Meetings	75.93	76.39	87.85
5220 · Director Fees	0.00	675.00	0.00
Total 5200 · Board of Directors	75.93	751.39	87.85
5240 · CDPH Fees	6,424.12	0.00	180.00
5250 · Conference Attendance	0.00	0.00	0.00
5260 · Depreciation	63,472.00	63,472.00	63,472.00
5270 · Information Systems	0.00	0.00	0.00
5300 · Insurance			
5320 · Property & Liability Insurance	0.00	0.00	0.00
Total 5300 · Insurance	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	1,544.00
5400 · Legal			
5420 · Meeting Attendance, Legal	533.25	870.75	533.25
5430 · General Legal	5,000.00	5,000.75	8,272.50
5440 · Litigation	2,025.00	393.75	0.00
Total 5400 · Legal	7,558.25	6,265.25	8,805.75
5520 · Meetings, Local	942.60	1,154.99	62.44
5530 · Memberships	0.00	4,576.00	11,056.00
5540 · Office Supplies	910.40	152.70	229.91
5550 · Postage	360.00	455.30	1,310.14
5560 · Printing & Publishing	0.00	0.00	100.00
5600 · Professional Services			
5610 · Accounting	8,085.00	20,317.50	3,360.00
5620 · Audit	0.00	0.00	0.00
5630 · Consulting	1,575.00	1,621.37	1,756.98
5650 · Labor Representation	750.00	0.00	750.00
5660 · Payroll Services	18.85	17.40	18.85
5690 · Other Professional Services	27.00	1,705.00	2,434.70
Total 5600 · Professional Services	10,455.85	23,661.27	8,320.53
5720 · Telephone & Internet, Admin	0.00	0.00	0.00
5730 · Travel, Local	0.00	0.00	0.00
5740 · Reference Materials	0.00	0.00	0.00

MWSD - Water Profit & Loss

July 2012 through June 2013

	Oct 12	Nov 12	Dec 12
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	2,407.97	2,334.90	2,495.43
5820 · Employee Benefits	5,534.80	5,534.80	5,534.80
5830 · Disability Insurance	185.00	161.84	170.41
5840 · Payroll Taxes	2,635.12	2,551.71	861.55
5900 · Wages			
5910 · Management	6,343.74	5,756.90	8,214.03
5920 · Staff	27,300.14	26,798.92	26,690.61
5930 · Staff Certification	800.00	800.00	800.00
5940 · Staff Overtime	0.00	0.00	0.00
5950 · Staff Standby	0.00	0.00	0.00
Total 5900 · Wages	34,443.88	33,355.82	35,704.64
5960 · Worker's Comp Insurance	5,105.58	5,077.80	5,077.80
Total 5800 · Labor	50,312.35	49,016.87	49,844.63
Total 5000 · Administrative	140,896.50	149,992.18	145,458.31
6000 · Operations			
6160 · Backflow Prevention	0.00	0.00	0.00
6180 · Communications			
6185 · Communications Equip, Expensed	75.00	1,084.00	1,561.00
6187 · Telephone & Internet, Comm.	177.57	272.37	186.76
Total 6180 · Communications	252.57	1,356.37	1,747.76
6195 · Education & Training	0.00	0.00	720.00
6200 · Engineering			
6210 · Meeting Attendance, Engineering	1,005.00	1,256.25	837.50
6220 · General Engineering	0.00	0.00	0.00
6230 · Water Quality Engineering	22,153.75	19,118.78	13,013.75
Total 6200 · Engineering	23,158.75	20,375.03	13,851.25
6320 · Equipment & Tools, Expensed	5,190.61	582.01	7,571.16
6330 · Facilities			
6337 · Landscaping	300.00	300.00	300.00
Total 6330 · Facilities	300.00	300.00	300.00
6370 · Lab Supplies & Equipment	0.00	14.94	0.00
6380 · Meter Reading	0.00	0.00	0.00
6400 · Pumping			
6410 · Pumping Fuel & Electricity	3,034.68	2,807.48	2,958.78
6420 · Pumping Maintenance, Generators	0.00	0.00	0.00
6440 · Pumping Equipment, Expensed	17,235.14	0.00	482.76
Total 6400 · Pumping	20,269.82	2,807.48	3,441.54
6500 · Supply			
6510 · Maintenance, Supply Mains	0.00	0.00	151.07
6520 · Maintenance, Wells	0.00	0.00	0.00
Total 6500 · Supply	0.00	0.00	151.07
6600 · Collection/Transmission			
6610 · Hydrants	0.00	0.00	0.00
6620 · Maintenance, Mains	9,701.30	1,020.00	2,781.51
6630 · Maintenance, Service Lines	0.00	0.00	7,160.74
6640 · Maintenance, Tanks	229.38	223.69	315.84
6650 · Maint., Transmission General	4,017.57	0.00	0.00
6660 · Maintenance, Collection System	0.00	0.00	0.00
6670 · Meters	846.78	0.00	0.00
Total 6600 · Collection/Transmission	14,795.03	1,243.69	10,258.09

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Oct 12	Nov 12	Dec 12
6700 · Treatment			
6710 · Chemicals & Filtering	1,333.51	2,600.09	1,555.60
6720 · Maintenance, Treatment Equip.	1,653.41	150.82	1,057.58
6730 · Treatment Analysis	402.92	631.73	380.00
Total 6700 · Treatment	3,389.84	3,382.64	2,993.18
6770 · Uniforms	0.00	759.35	449.88
6800 · Vehicles			
6810 · Fuel	793.47	789.18	1,044.02
6820 · Vehicular Equipment, Expensed	0.00	0.00	0.00
6830 · Vehicular Repairs	0.00	0.00	91.73
Total 6800 · Vehicles	793.47	789.18	1,135.75
6890 · Other Operations	763.16	124.29	74.84
Total 6000 · Operations	68,913.25	31,734.98	42,694.52
66000 · Payroll Expenses	0.00	0.00	0.00
Total Expense	209,809.75	181,727.16	188,152.83
Net Ordinary Income	-59,774.66	-31,069.54	-46,826.45
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Const)	0.00	0.00	0.00
7130 · Conn. Fees, PFP (New Constr)	0.00	0.00	0.00
Total 7100 · Connection Fees	0.00	0.00	0.00
7600 · Bond Revenues, G.O.	0.00	13,434.99	1,741,173.19
Total 7000 · Capital Account Revenues	0.00	13,434.99	1,741,173.19
Total Other Income	0.00	13,434.99	1,741,173.19
Other Expense			
8000 · Capital Improvement Program			
Existing Customers - Water			
8025 · CIP Development	0.00	0.00	0.00
8075 · Pillar Ridge	0.00	125.00	0.00
8150 · Storage, Schoolhouse Tank Ph. 1	0.00	0.00	0.00
8175 · Storage, A.V. Tank Safety Rep.	0.00	0.00	0.00
8200 · Storage, A.V. Water Tank Alloc.	15,242.57	32,345.00	16,985.00
8225 · Treatment, Central Airport Sys	880.00	4,640.00	9,727.50
8250 · Treatment, Water	0.00	0.00	0.00
8275 · Vehicle Replacement	0.00	0.00	0.00
8300 · Water Conservation	150.00	450.00	150.00
8350 · Water Main Replacements	0.00	0.00	0.00
Total Existing Customers - Water	16,272.57	37,560.00	26,862.50
New Customers - Water			
8425 · Storage, A.V. Water Tank Alloc.	0.00	0.00	0.00
8450 · CIP Development	0.00	0.00	0.00
8550 · Phase I PWP	5,650.00	16,960.80	7,391.25
8600 · Pillar Ridge	0.00	125.00	0.00
8675 · School Boost Pump Stn Upgrade	0.00	25,182.50	735.00
8700 · Schoolhouse Tank Proj Phase 2	0.00	0.00	0.00
Total New Customers - Water	5,650.00	42,268.30	8,126.25
Total 8000 · Capital Improvement Program	21,922.57	79,828.30	34,988.75

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Oct 12	Nov 12	Dec 12
9000 · Capital Account Expenses			
9025 · Domestic Connection Line	3,308.71	0.00	3,914.00
9050 · Engineering Review Costs	225.00	525.00	37.50
9075 · PFP Connection Expenses	2,650.00	0.00	0.00
9100 · Interest Expense - GO Bonds	0.00	0.00	0.00
9125 · PNC Equipment Lease Interest	3,061.34	3,054.20	3,047.03
9150 · SRF Loan	0.00	0.00	0.00
Total 9000 · Capital Account Expenses	9,245.05	3,579.20	6,998.53
Total Other Expense	31,167.62	83,407.50	41,987.28
Net Other Income	-31,167.62	-69,972.51	1,699,185.91
Net Income	-90,942.28	-101,042.05	1,652,359.46

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Jan 13	Feb 13	Mar 13
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	3,771.00	-5,190.00	2,584.75
4400 · Fees			
4410 · Administrative Fee (New Constr)	0.00	0.00	0.00
4420 · Administrative Fee (Remodel)	0.00	0.00	0.00
4440 · Inspection Fees (Remodel)	0.00	0.00	0.00
Total 4400 · Fees	0.00	0.00	0.00
4610 · Property Tax Receipts	893.90	135,790.27	47,409.44
4740 · Testing, Backflow	192.00	1,344.00	1,248.00
4810 · Water Sales, Domestic	110,200.35	116,492.04	131,436.99
4850 · Water Sales Refunds, Customer	0.00	0.00	0.00
4990 · Other Revenue	547.97	0.00	0.00
Total Income	115,605.22	248,436.31	182,679.18
Expense			
5000 · Administrative			
5190 · Bank Fees	455.79	564.02	576.39
5200 · Board of Directors			
5210 · Board Meetings	63.92	-218.84	64.20
5220 · Director Fees	375.00	487.50	375.00
Total 5200 · Board of Directors	438.92	268.66	439.20
5240 · CDPH Fees	0.00	0.00	0.00
5250 · Conference Attendance	0.00	143.75	1,502.00
5260 · Depreciation	63,472.00	63,472.00	63,472.00
5270 · Information Systems	0.00	0.00	0.00
5300 · Insurance			
5320 · Property & Liability Insurance	0.00	0.00	0.00
Total 5300 · Insurance	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	0.00
5400 · Legal			
5420 · Meeting Attendance, Legal	937.50	0.00	907.15
5430 · General Legal	2,637.50	4,830.00	4,682.50
5440 · Litigation	0.00	2,525.00	3,089.00
Total 5400 · Legal	3,575.00	7,355.00	8,678.65
5520 · Meetings, Local	6.91	0.00	139.00
5530 · Memberships	620.00	75.00	315.00
5540 · Office Supplies	1,389.16	167.74	693.39
5550 · Postage	90.69	360.00	435.19
5560 · Printing & Publishing	0.00	0.00	0.00
5600 · Professional Services			
5610 · Accounting	0.00	2,227.50	0.00
5620 · Audit	0.00	0.00	12,550.00
5630 · Consulting	3,847.90	699.48	585.00
5650 · Labor Representation	750.00	750.00	750.00
5660 · Payroll Services	17.40	15.95	20.30
5690 · Other Professional Services	2,276.18	914.70	62.50
Total 5600 · Professional Services	6,891.48	4,607.63	13,967.80
5720 · Telephone & Internet, Admin	0.00	0.00	0.00
5730 · Travel, Local	0.00	0.00	0.00
5740 · Reference Materials	0.00	0.00	0.00

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Jan 13	Feb 13	Mar 13
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	2,346.12	2,183.87	2,204.13
5820 · Employee Benefits	5,534.80	16,442.78	5,877.64
5830 · Disability Insurance	174.25	174.25	175.78
5840 · Payroll Taxes	2,586.34	2,481.64	2,566.72
5900 · Wages			
5910 · Management	5,924.58	5,924.58	5,924.58
5920 · Staff	26,791.24	25,557.72	26,494.49
5930 · Staff Certification	800.00	800.00	525.00
5940 · Staff Overtime	0.00	0.00	0.00
5950 · Staff Standby	0.00	0.00	0.00
Total 5900 · Wages	33,515.82	32,282.30	32,944.07
5960 · Worker's Comp Insurance	0.00	0.00	0.00
Total 5800 · Labor	44,157.33	53,564.84	43,768.34
Total 5000 · Administrative	121,097.28	130,578.64	133,986.96
6000 · Operations			
6160 · Backflow Prevention	0.00	257.45	0.00
6180 · Communications			
6185 · Communications Equip, Expensed	3,748.67	2,549.61	2,538.95
6187 · Telephone & Internet, Comm.	912.79	194.83	477.32
Total 6180 · Communications	4,661.46	2,744.44	3,016.27
6195 · Education & Training	735.00	-74.84	109.68
6200 · Engineering			
6210 · Meeting Attendance, Engineering	0.00	0.00	1,005.00
6220 · General Engineering	39.89	22.41	2,302.75
6230 · Water Quality Engineering	2,502.50	16,266.88	20,270.00
Total 6200 · Engineering	2,542.39	16,289.29	23,577.75
6320 · Equipment & Tools, Expensed	3,961.13	11.61	3,328.20
6330 · Facilities			
6337 · Landscaping	300.00	300.00	300.00
Total 6330 · Facilities	300.00	300.00	300.00
6370 · Lab Supplies & Equipment	0.00	0.00	0.00
6380 · Meter Reading	0.00	1,380.07	0.00
6400 · Pumping			
6410 · Pumping Fuel & Electricity	1,965.84	21,638.48	1,586.49
6420 · Pumping Maintenance, Generators	0.00	0.00	0.00
6440 · Pumping Equipment, Expensed	8,779.00	0.00	0.00
Total 6400 · Pumping	10,744.84	21,638.48	1,586.49
6500 · Supply			
6510 · Maintenance, Supply Mains	0.00	0.00	0.00
6520 · Maintenance, Wells	0.00	0.00	0.00
Total 6500 · Supply	0.00	0.00	0.00
6600 · Collection/Transmission			
6610 · Hydrants	0.00	0.00	0.00
6620 · Maintenance, Mains	4,266.82	6,665.48	273.00
6630 · Maintenance, Service Lines	2,263.76	5.41	0.00
6640 · Maintenance, Tanks	5,436.31	0.00	0.00
6650 · Maint., Transmission General	232.64	195.82	1,634.05
6660 · Maintenance, Collection System	0.00	0.00	0.00
6670 · Meters	40.95	0.00	600.64
Total 6600 · Collection/Transmission	12,240.48	6,866.71	2,507.69

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Jan 13	Feb 13	Mar 13
6700 · Treatment			
6710 · Chemicals & Filtering	2,540.60	1,435.85	1,437.19
6720 · Maintenance, Treatment Equip.	437.76	300.85	0.00
6730 · Treatment Analysis	295.00	625.00	2,787.56
Total 6700 · Treatment	3,273.36	2,361.70	4,224.75
6770 · Uniforms	457.88	619.91	525.64
6800 · Vehicles			
6810 · Fuel	743.20	509.72	822.20
6820 · Vehicular Equipment, Expensed	0.00	0.00	0.00
6830 · Vehicular Repairs	0.00	0.00	0.00
Total 6800 · Vehicles	743.20	509.72	822.20
6890 · Other Operations	74.84	90.36	19.75
Total 6000 · Operations	39,734.58	52,994.90	40,018.42
66000 · Payroll Expenses	0.00	0.00	0.00
Total Expense	160,831.86	183,573.54	174,005.38
Net Ordinary Income	-45,226.64	64,862.77	8,673.80
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Const)	799.59	0.00	0.00
7130 · Conn. Fees, PFP (New Constr)	0.00	0.00	0.00
Total 7100 · Connection Fees	799.59	0.00	0.00
7600 · Bond Revenues, G.O.	3,990.39	33,144.50	-1,141,106.17
Total 7000 · Capital Account Revenues	4,789.98	33,144.50	-1,141,106.17
Total Other Income	4,789.98	33,144.50	-1,141,106.17
Other Expense			
8000 · Capital Improvement Program			
Existing Customers - Water			
8025 · CIP Development	0.00	0.00	0.00
8075 · Pillar Ridge	0.00	135.00	0.00
8150 · Storage, Schoolhouse Tank Ph. 1	0.00	0.00	0.00
8175 · Storage, A.V. Tank Safety Rep.	0.00	0.00	0.00
8200 · Storage, A.V. Water Tank Alloc.	40,163.38	31,516.25	23,080.01
8225 · Treatment, Central Airport Sys	15,740.00	12,245.63	4,189.39
8250 · Treatment, Water	1,023.35	0.00	0.00
8275 · Vehicle Replacement	0.00	27,681.27	0.00
8300 · Water Conservation	300.00	300.00	0.00
8350 · Water Main Replacements	0.00	0.00	2,206.51
Total Existing Customers - Water	57,226.73	71,878.15	29,475.91
New Customers - Water			
8425 · Storage, A.V. Water Tank Alloc.	0.00	0.00	0.00
8450 · CIP Development	0.00	0.00	0.00
8550 · Phase I PWP	3,420.00	12,031.26	11,971.25
8600 · Pillar Ridge	0.00	135.00	0.00
8675 · School Boost Pump Stn Upgrade	0.00	0.00	0.00
8700 · Schoolhouse Tank Proj Phase 2	0.00	0.00	0.00
Total New Customers - Water	3,420.00	12,166.26	11,971.25
Total 8000 · Capital Improvement Program	60,646.73	84,044.41	41,447.16

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Jan 13	Feb 13	Mar 13
9000 · Capital Account Expenses			
9025 · Domestic Connection Line	0.00	0.00	0.00
9050 · Engineering Review Costs	0.00	37.50	0.00
9075 · PFP Connection Expenses	0.00	6,395.00	0.00
9100 · Interest Expense - GO Bonds	186,075.85	0.00	0.00
9125 · PNC Equipment Lease Interest	3,039.83	2,735.46	-12,897.43
9150 · SRF Loan	0.00	0.00	1,492.50
Total 9000 · Capital Account Expenses	189,115.68	9,167.96	-11,404.93
Total Other Expense	249,762.41	93,212.37	30,042.23
Net Other Income	-244,972.43	-60,067.87	-1,171,148.40
Net Income	-290,199.07	4,794.90	-1,162,474.60

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Apr 13	May 13	Jun 13
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	1,323.00	5,178.76	1,261.75
4400 · Fees			
4410 · Administrative Fee (New Constr)	0.00	0.00	0.00
4420 · Administrative Fee (Remodel)	0.00	0.00	0.00
4440 · Inspection Fees (Remodel)	0.00	0.00	0.00
Total 4400 · Fees	0.00	0.00	0.00
4610 · Property Tax Receipts	66,477.37	538.46	27,209.55
4740 · Testing, Backflow	0.00	1,248.00	0.00
4810 · Water Sales, Domestic	128,730.74	119,324.18	400,710.44
4850 · Water Sales Refunds, Customer	0.00	0.00	0.00
4990 · Other Revenue	0.00	0.00	0.00
Total Income	196,531.11	126,289.40	429,181.74
Expense			
5000 · Administrative			
5190 · Bank Fees	724.01	491.47	693.48
5200 · Board of Directors			
5210 · Board Meetings	147.68	0.00	1,704.29
5220 · Director Fees	-187.50	675.00	525.00
Total 5200 · Board of Directors	-39.82	675.00	2,229.29
5240 · CDPH Fees	7,547.40	0.00	0.00
5250 · Conference Attendance	0.00	0.00	300.00
5260 · Depreciation	63,472.00	63,472.00	90,195.00
5270 · Information Systems	0.00	0.00	1,300.00
5300 · Insurance			
5320 · Property & Liability Insurance	0.00	0.00	0.00
Total 5300 · Insurance	0.00	0.00	0.00
5350 · LAFCO Assessment	0.00	0.00	0.00
5400 · Legal			
5420 · Meeting Attendance, Legal	0.00	1,332.50	2,470.00
5430 · General Legal	3,737.50	3,495.50	8,341.00
5440 · Litigation	1,000.00	1,637.00	2,575.00
Total 5400 · Legal	4,737.50	6,465.00	13,386.00
5520 · Meetings, Local	106.09	500.27	0.00
5530 · Memberships	27.00	27.00	0.00
5540 · Office Supplies	8,264.80	282.76	1,607.85
5550 · Postage	387.75	469.66	818.80
5560 · Printing & Publishing	0.00	0.00	213.53
5600 · Professional Services			
5610 · Accounting	6,940.00	0.00	10,000.00
5620 · Audit	0.00	0.00	0.00
5630 · Consulting	2,154.48	8,139.40	34,838.82
5650 · Labor Representation	750.00	0.00	1,500.00
5660 · Payroll Services	18.85	17.40	17.40
5690 · Other Professional Services	328.22	191.00	1,290.67
Total 5600 · Professional Services	10,191.55	8,347.80	47,646.89
5720 · Telephone & Internet, Admin	196.21	206.13	516.97
5730 · Travel, Local	147.42	77.81	1,010.38
5740 · Reference Materials	180.29	0.00	200.00

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Apr 13	May 13	Jun 13
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	2,247.49	2,389.26	2,140.88
5820 · Employee Benefits	4,485.68	4,450.99	4,485.68
5830 · Disability Insurance	167.38	168.93	174.66
5840 · Payroll Taxes	2,517.40	2,701.67	2,320.68
5900 · Wages			
5910 · Management	5,924.58	5,924.58	6,013.28
5920 · Staff	25,832.00	27,832.57	20,117.76
5930 · Staff Certification	900.00	675.00	600.00
5940 · Staff Overtime	0.00	0.00	3,720.65
5950 · Staff Standby	0.00	0.00	832.19
Total 5900 · Wages	32,656.58	34,432.15	31,283.88
5960 · Worker's Comp Insurance	7,087.96	-3,153.36	6,631.62
Total 5800 · Labor	49,162.49	40,989.64	47,037.40
Total 5000 · Administrative	145,104.69	122,004.54	207,155.59
6000 · Operations			
6160 · Backflow Prevention	0.00	0.00	0.00
6180 · Communications			
6185 · Communications Equip, Expensed	252.50	742.00	2,145.98
6187 · Telephone & Internet, Comm.	0.00	0.00	260.35
Total 6180 · Communications	252.50	742.00	2,406.33
6195 · Education & Training	0.00	0.00	0.00
6200 · Engineering			
6210 · Meeting Attendance, Engineering	837.50	0.00	1,842.50
6220 · General Engineering	994.51	1,829.91	17,675.54
6230 · Water Quality Engineering	16,148.75	17,950.00	33,960.01
Total 6200 · Engineering	17,980.76	19,779.91	53,478.05
6320 · Equipment & Tools, Expensed	236.19	1,870.83	1,460.29
6330 · Facilities			
6337 · Landscaping	300.00	300.00	600.00
Total 6330 · Facilities	300.00	300.00	600.00
6370 · Lab Supplies & Equipment	0.00	0.00	174.95
6380 · Meter Reading	0.00	0.00	0.00
6400 · Pumping			
6410 · Pumping Fuel & Electricity	1,757.83	0.00	3,789.47
6420 · Pumping Maintenance, Generators	0.00	0.00	700.00
6440 · Pumping Equipment, Expensed	0.00	0.00	0.00
Total 6400 · Pumping	1,757.83	0.00	4,489.47
6500 · Supply			
6510 · Maintenance, Supply Mains	0.00	1,308.39	2,928.09
6520 · Maintenance, Wells	457.00	0.00	0.00
Total 6500 · Supply	457.00	1,308.39	2,928.09
6600 · Collection/Transmission			
6610 · Hydrants	0.00	2,091.09	0.00
6620 · Maintenance, Mains	774.03	4,652.72	4,599.41
6630 · Maintenance, Service Lines	1,779.29	2,179.70	0.00
6640 · Maintenance, Tanks	30.31	0.00	0.00
6650 · Maint., Transmission General	0.00	0.00	49.05
6660 · Maintenance, Collection System	0.00	0.00	0.00
6670 · Meters	-580.48	229.14	389.21
Total 6600 · Collection/Transmission	2,003.15	9,152.65	5,037.67

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	Apr 13	May 13	Jun 13
6700 · Treatment			
6710 · Chemicals & Filtering	1,866.95	1,519.19	2,906.74
6720 · Maintenance, Treatment Equip.	183.57	586.30	946.24
6730 · Treatment Analysis	721.07	2,811.28	7,231.36
Total 6700 · Treatment	2,771.59	4,916.77	11,084.34
6770 · Uniforms	160.00	1,266.91	2,703.29
6800 · Vehicles			
6810 · Fuel	419.81	698.21	1,626.89
6820 · Vehicular Equipment, Expensed	0.00	0.00	0.00
6830 · Vehicular Repairs	0.00	51.79	717.11
Total 6800 · Vehicles	419.81	750.00	2,344.00
6890 · Other Operations	0.00	111.59	65.30
Total 6000 · Operations	26,338.83	40,199.05	86,771.78
66000 · Payroll Expenses	0.00	0.00	0.00
Total Expense	171,443.52	162,203.59	293,927.37
Net Ordinary Income	25,087.59	-35,914.19	135,254.37
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Const)	0.00	0.00	0.00
7130 · Conn. Fees, PFP (New Constr)	0.00	0.00	0.00
Total 7100 · Connection Fees	0.00	0.00	0.00
7600 · Bond Revenues, G.O.	448,157.89	4,346.75	82,499.92
Total 7000 · Capital Account Revenues	448,157.89	4,346.75	82,499.92
Total Other Income	448,157.89	4,346.75	82,499.92
Other Expense			
8000 · Capital Improvement Program			
Existing Customers - Water			
8025 · CIP Development	0.00	0.00	-243.75
8075 · Pillar Ridge	1,890.00	0.00	-3,525.00
8150 · Storage, Schoolhouse Tank Ph. 1	0.00	0.00	-1,930.00
8175 · Storage, A.V. Tank Safety Rep.	0.00	0.00	0.00
8200 · Storage, A.V. Water Tank Alloc.	0.00	3,530.54	-183,214.00
8225 · Treatment, Central Airport Sys	0.00	10,908.75	-58,386.27
8250 · Treatment, Water	0.00	0.00	-1,023.35
8275 · Vehicle Replacement	0.00	0.00	-27,681.27
8300 · Water Conservation	100.00	50.00	-1,900.00
8350 · Water Main Replacements	1,810.00	0.00	-4,016.51
Total Existing Customers - Water	3,800.00	14,489.29	-281,920.15
New Customers - Water			
8425 · Storage, A.V. Water Tank Alloc.	0.00	0.00	-2,797.63
8450 · CIP Development	0.00	0.00	-522.35
8550 · Phase I PWP	12,000.50	2,000.00	-77,845.06
8600 · Pillar Ridge	0.00	521.25	-2,156.25
8675 · School Boost Pump Stn Upgrade	0.00	0.00	-25,917.50
8700 · Schoolhouse Tank Proj Phase 2	0.00	0.00	-2,708.75
Total New Customers - Water	12,000.50	2,521.25	-111,947.54
Total 8000 · Capital Improvement Program	15,800.50	17,010.54	-393,867.69

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	Apr 13	May 13	Jun 13
9000 · Capital Account Expenses			
9025 · Domestic Connection Line	0.00	0.00	-11,616.61
9050 · Engineering Review Costs	300.00	0.00	-5,015.00
9075 · PFP Connection Expenses	0.00	1,612.50	-15,707.50
9100 · Interest Expense - GO Bonds	0.00	0.00	-1,259.42
9125 · PNC Equipment Lease Interest	1,914.01	1,946.83	1,941.17
9150 · SRF Loan	0.00	0.00	1,589.76
Total 9000 · Capital Account Expenses	2,214.01	3,559.33	-30,067.60
Total Other Expense	18,014.51	20,569.87	-423,935.29
Net Other Income	430,143.38	-16,223.12	506,435.21
Net Income	455,230.97	-52,137.31	641,689.58

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

TOTAL

Ordinary Income/Expense

Income	
4220 · Cell Tower Lease	28,909.26
4400 · Fees	
4410 · Administrative Fee (New Constr)	1,000.00
4420 · Administrative Fee (Remodel)	2,158.00
4440 · Inspection Fees (Remodel)	407.00
Total 4400 · Fees	3,565.00
4610 · Property Tax Receipts	304,550.33
4740 · Testing, Backflow	9,098.00
4810 · Water Sales, Domestic	1,557,944.78
4850 · Water Sales Refunds, Customer	-3,945.00
4990 · Other Revenue	547.97
Total Income	1,900,670.34

Expense

5000 · Administrative	
5190 · Bank Fees	9,074.64
5200 · Board of Directors	
5210 · Board Meetings	2,135.01
5220 · Director Fees	3,450.00
Total 5200 · Board of Directors	5,585.01
5240 · CDPH Fees	14,151.52
5250 · Conference Attendance	3,051.35
5260 · Depreciation	788,387.00
5270 · Information Systems	1,300.00
5300 · Insurance	
5320 · Property & Liability Insurance	1,425.34
Total 5300 · Insurance	1,425.34
5350 · LAFCO Assessment	1,544.00
5400 · Legal	
5420 · Meeting Attendance, Legal	9,218.05
5430 · General Legal	57,911.75
5440 · Litigation	19,769.75
Total 5400 · Legal	86,899.55
5520 · Meetings, Local	1,537.52
5530 · Memberships	17,174.50
5540 · Office Supplies	14,533.17
5550 · Postage	4,560.76
5560 · Printing & Publishing	378.48
5600 · Professional Services	
5610 · Accounting	62,480.00
5620 · Audit	12,550.00
5630 · Consulting	51,266.78
5650 · Labor Representation	8,250.00
5660 · Payroll Services	220.40
5690 · Other Professional Services	9,256.97
Total 5600 · Professional Services	144,024.15
5720 · Telephone & Internet, Admin	919.31
5730 · Travel, Local	1,235.61
5740 · Reference Materials	380.29

**MWSD - Water
Profit & Loss
July 2012 through June 2013**

	TOTAL
5800 · Labor	
5810 · CalPERS 457 Deferred Plan	28,317.70
5820 · Employee Benefits	76,848.45
5830 · Disability Insurance	1,922.50
5840 · Payroll Taxes	29,587.19
5900 · Wages	
5910 · Management	72,718.51
5920 · Staff	322,671.91
5930 · Staff Certification	9,975.00
5940 · Staff Overtime	3,720.65
5950 · Staff Standby	832.19
Total 5900 · Wages	409,918.26
5960 · Worker's Comp Insurance	39,080.05
Total 5800 · Labor	585,674.15
Total 5000 · Administrative	1,681,836.35
6000 · Operations	
6160 · Backflow Prevention	2,119.81
6180 · Communications	
6185 · Communications Equip, Expensed	17,402.39
6187 · Telephone & Internet, Comm.	3,279.34
Total 6180 · Communications	20,681.73
6195 · Education & Training	1,840.02
6200 · Engineering	
6210 · Meeting Attendance, Engineering	9,851.10
6220 · General Engineering	23,283.57
6230 · Water Quality Engineering	189,573.17
Total 6200 · Engineering	222,707.84
6320 · Equipment & Tools, Expensed	24,441.31
6330 · Facilities	
6337 · Landscaping	3,600.00
Total 6330 · Facilities	3,600.00
6370 · Lab Supplies & Equipment	197.98
6380 · Meter Reading	1,421.17
6400 · Pumping	
6410 · Pumping Fuel & Electricity	43,956.73
6420 · Pumping Maintenance, Generators	1,671.00
6440 · Pumping Equipment, Expensed	26,496.90
Total 6400 · Pumping	72,124.63
6500 · Supply	
6510 · Maintenance, Supply Mains	4,387.55
6520 · Maintenance, Wells	457.00
Total 6500 · Supply	4,844.55
6600 · Collection/Transmission	
6610 · Hydrants	2,091.09
6620 · Maintenance, Mains	36,122.81
6630 · Maintenance, Service Lines	15,360.57
6640 · Maintenance, Tanks	6,318.03
6650 · Maint., Transmission General	6,188.56
6660 · Maintenance, Collection System	0.00
6670 · Meters	3,186.35
Total 6600 · Collection/Transmission	69,267.41

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	TOTAL
6700 - Treatment	
6710 - Chemicals & Filtering	20,622.62
6720 - Maintenance, Treatment Equip.	4,779.21
6730 - Treatment Analysis	21,066.09
Total 6700 - Treatment	46,467.92
6770 - Uniforms	8,473.39
6800 - Vehicles	
6810 - Fuel	8,736.62
6820 - Vehicular Equipment, Expensed	20.00
6830 - Vehicular Repairs	860.63
Total 6800 - Vehicles	9,617.25
6890 - Other Operations	1,665.59
Total 6000 - Operations	489,470.60
66000 - Payroll Expenses	0.00
Total Expense	2,171,306.95
Net Ordinary Income	-270,636.61
Other Income/Expense	
Other Income	
7000 - Capital Account Revenues	
7100 - Connection Fees	
7110 - Connection Fees (New Const)	1,443.59
7130 - Conn. Fees, PFP (New Constr)	32,457.10
Total 7100 - Connection Fees	33,900.69
7600 - Bond Revenues, G.O.	1,230,364.97
Total 7000 - Capital Account Revenues	1,264,265.66
Total Other Income	1,264,265.66
Other Expense	
8000 - Capital Improvement Program	
Existing Customers - Water	
8025 - CIP Development	0.00
8075 - Pillar Ridge	0.00
8150 - Storage, Schoolhouse Tank Ph. 1	0.00
8175 - Storage, A.V. Tank Safety Rep.	0.00
8200 - Storage, A.V. Water Tank Alloc.	0.00
8225 - Treatment, Central Airport Sys	0.00
8250 - Treatment, Water	0.00
8275 - Vehicle Replacement	0.00
8300 - Water Conservation	0.00
8350 - Water Main Replacements	0.00
Total Existing Customers - Water	0.00
New Customers - Water	
8425 - Storage, A.V. Water Tank Alloc.	0.00
8450 - CIP Development	0.00
8550 - Phase I PWP	0.00
8600 - Pillar Ridge	0.00
8675 - School Boost Pump Stn Upgrade	0.00
8700 - Schoolhouse Tank Proj Phase 2	0.00
Total New Customers - Water	0.00
Total 8000 - Capital Improvement Program	0.00

MWSD - Water
Profit & Loss
 July 2012 through June 2013

	TOTAL
9000 · Capital Account Expenses	
9025 · Domestic Connection Line	0.00
9050 · Engineering Review Costs	0.00
9075 · PFP Connection Expenses	0.00
9100 · Interest Expense - GO Bonds	294,261.43
9125 · PNC Equipment Lease Interest	12,341.72
9150 · SRF Loan	3,082.26
Total 9000 · Capital Account Expenses	309,685.41
Total Other Expense	309,685.41
Net Other Income	954,580.25
Net Income	<u>683,943.64</u>



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens H. Heldmaier', written in a cursive style.

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 June 2013 was 0.244%.
- The District has set up two checking accounts that are largely backed by Federal securities: Water General Account and the Sewer General Account with Wells Fargo Bank.

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: **August 1, 2013**

TO: BOARD OF DIRECTORS

SUBJECT: Connection Permit Applications Received

As of August 1, 2013 the following new Sewer Connection Permit applications were received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of August 1, 2013 the following new Water (Private Fire Sprinkler) Connection Permit applications were received since the last report:

Date of Application	Property Owner	Site Address	Home Size

As of August 1, 2013 the following new Water Connection Permit applications were 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: **August 1st, 2013**

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 report 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.

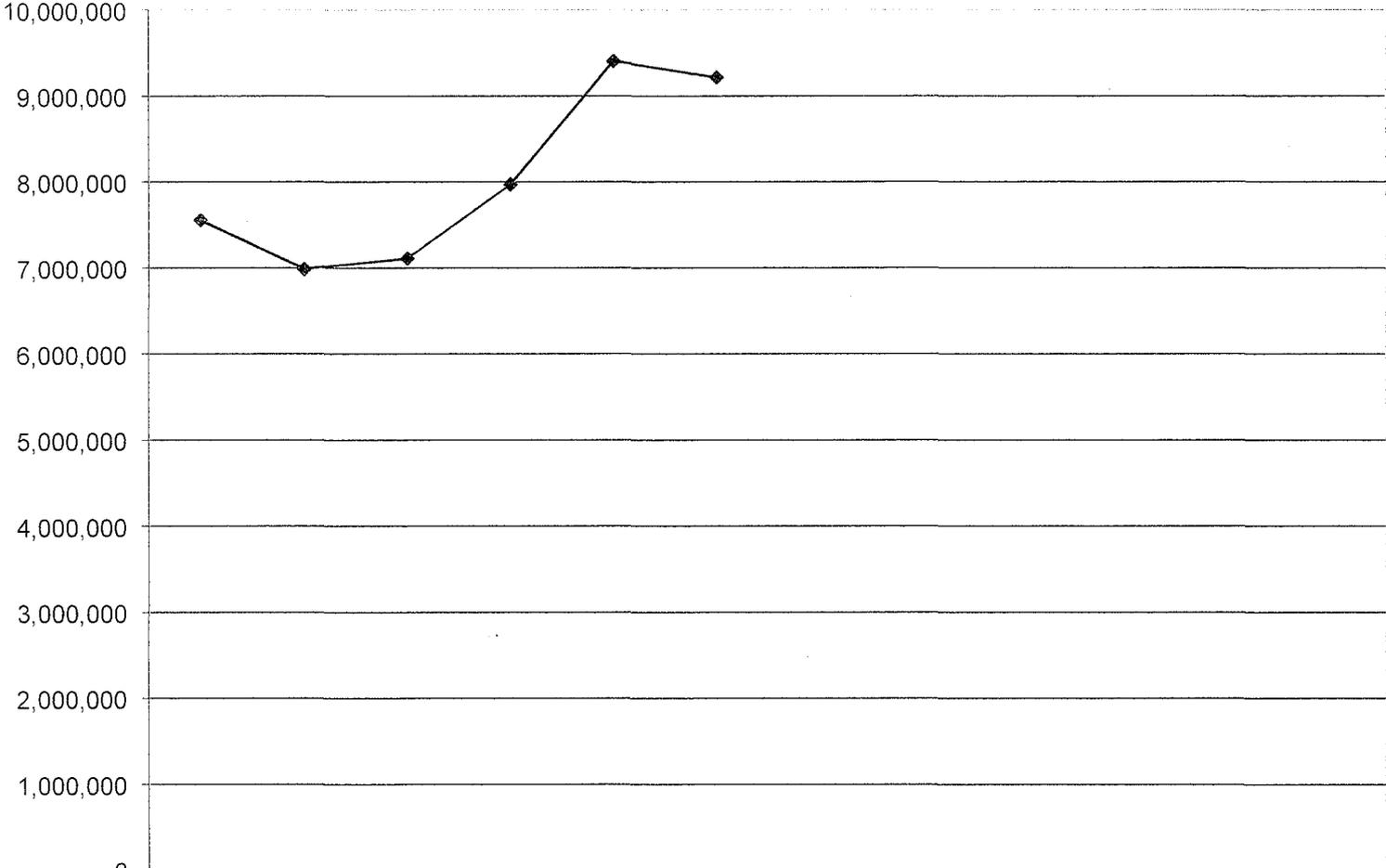
RECOMMENDATION:

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

Attachments

Total Production 2013(Gallons)

GALLONS



	Januar y	Februar y	March	April	May	June	July	August	Septem ber	Octobe r	Novem ber	Decem ber
—◆— Total Production (Gallons)	7,558,45	6,989,96	7,115,88	7,973,32	9,408,87	9,217,46						

MONTH

Source	January	February	March	April	May	June	July	August	September	October	November	December
NORTH AIRPORT WELL	-	9,590	-	-	79,660							
SOUTH AIRPORT WELL	0	0	0	0	0							
AIRPORT WELL #3	0	0	0	0	0							
DRAKE WELL	814,940	727,092	924,459	862,458	989,748	1,032,058						
PORTOLA WELL #1	246,050	210,830	230,910	219,810	235,550	224,180						
PORTOLA WELL #3	251,240	221,480	243,380	214,050	-							
PORTOLA WELL #4	431,558	303,270	145,200	129,920	160,560	158,030						
WAGNER WELL #3	597,570	721,300	937,550	921,790	1,514,058	1,512,800						
Alta Vista Well	3,763,100	2,792,800	3,179,800	3,219,900	4,100,100	4,498,000						
MONTARA SURFACE DIV.	1,454,000	2,003,600	2,285,500	2,405,400	2,329,200	1,792,400						
Total Production (Gallons)	7,558,458	6,989,962	7,115,889	7,973,328	9,408,876	9,217,468						



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1st, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens Heldmaier'. The signature is stylized and written in a cursive-like font.

SUBJECT: Rain Report

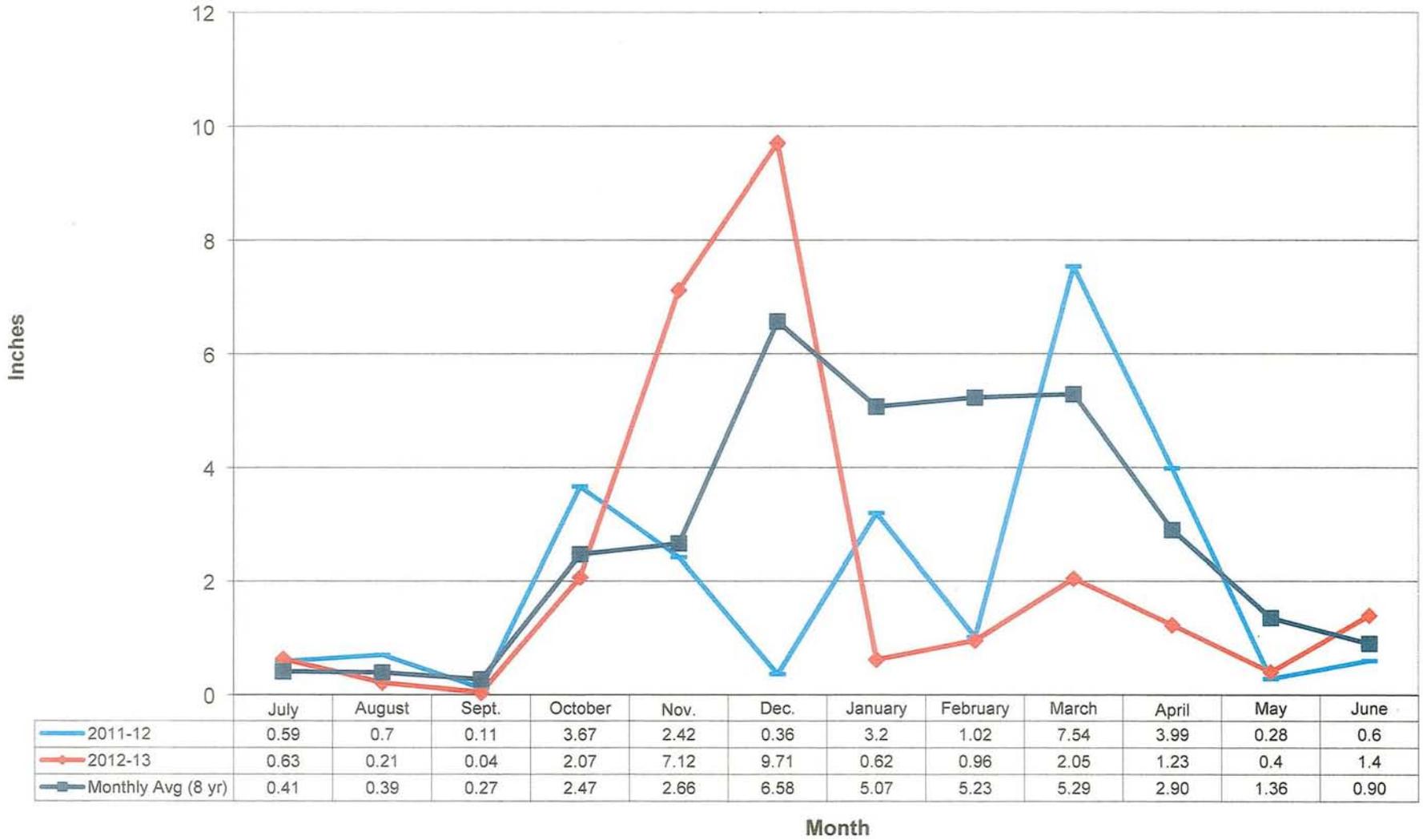
The attached chart shows the monthly rainfall at the Alta Vista Treatment Plant for the current and prior fiscal years along with the seven year average of rainfall.

RECOMMENDATION:

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

Attachment

RAIN REPORT





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1st, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Solar Energy Report

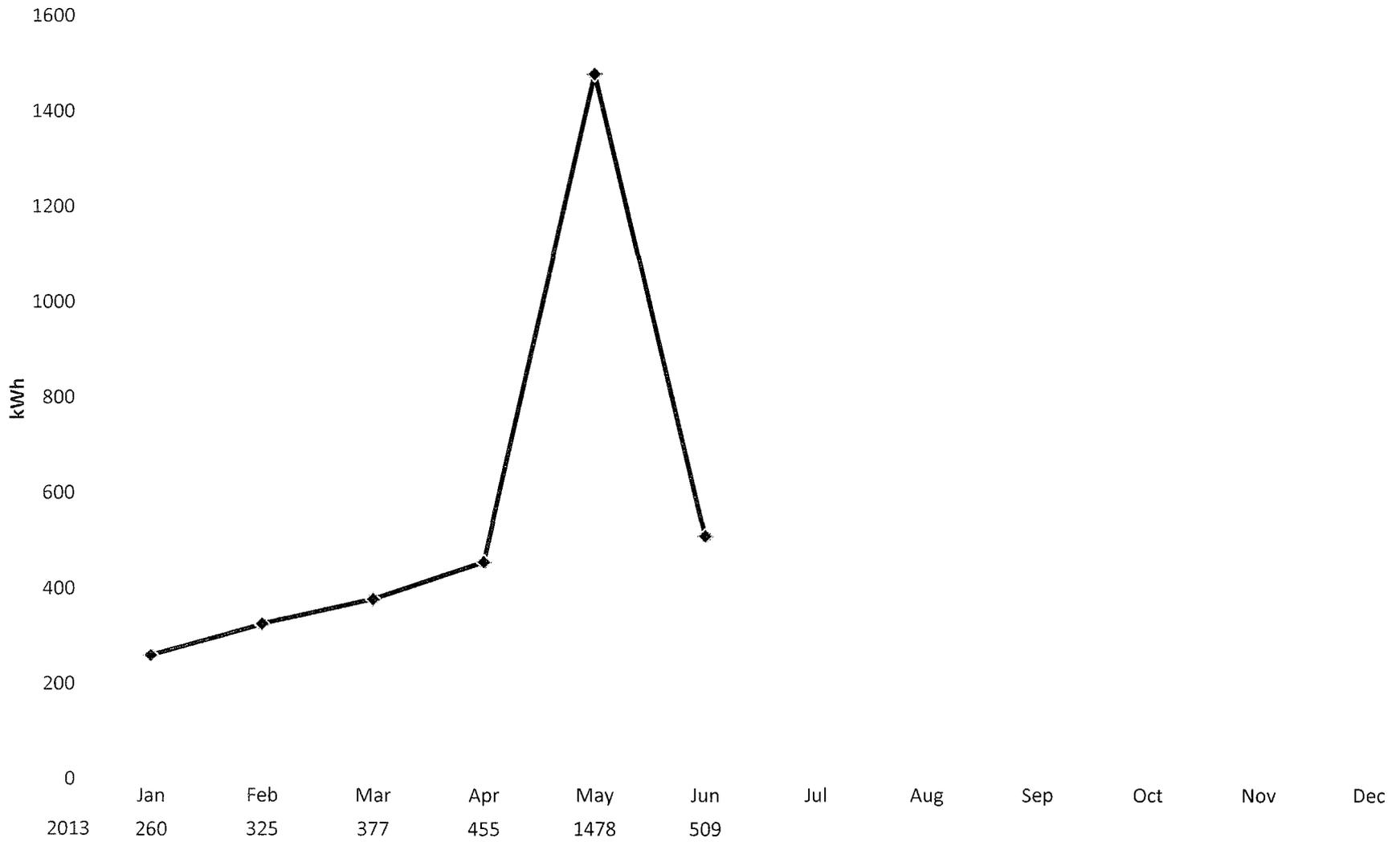
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 30544 kWh and saved 49375 lbs of CO₂.

RECOMMENDATION:

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

Attachments

SOLAR ENERGY PRODUCED IN 2013 (kWh)





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Draft
Water and Sewer Budget.**

At the June 20 meeting staff presented a draft sewer budget. We continue to develop with Director Thollaug's assistance a new budget format that allows for detailed monthly observation of actual expenses vs. planned throughout the year. The attached budgets are preliminary and presented for initial discussion and board direction.

At the last meeting the draft budget was referred to the finance committee. The committee met twice to review and suggested further changes.

At the time of preparation of this staff report no final document was available.

RECOMMENDATION:

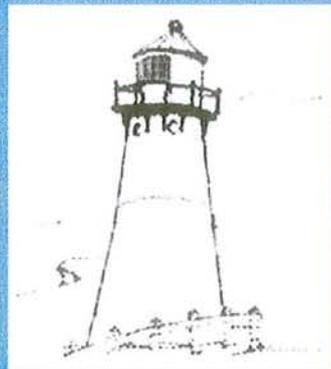
This item is for Board discussion.

Attachments to be provided at the meeting

MWSD
Five Year Capital Improvement Program
WATER SYSTEM

Existing Customer CIP	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	5-Year CIP Total
<i>Mech. Sys. Rep. & Replacements-Water</i>	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 52,040
<i>Water Meters</i>	\$ 10,000	\$ 25,500	\$ 52,020	\$ 53,060	\$ 54,122	\$ 194,702
<i>Water Lateral Services</i>	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 156,121
<i>Water Main Replacements</i>	\$ 100,000	\$ 102,000	\$ 104,040	\$ 106,121	\$ 108,243	\$ 520,404
<i>Replace Fire Hydrants</i>	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412	\$ 26,020
Distribution System Renewal and Replacement Prog	\$ 155,000	\$ 173,400	\$ 202,878	\$ 206,936	\$ 211,074	\$ 949,288
Water Conservation Program	\$ 8,500	\$ 8,670	\$ 8,843	\$ 9,020	\$ 9,201	\$ 44,234
<i>South Airport Well Rehabilitation and Fence</i>	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
<i>Well Rehabilitation</i>	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Well Rehabilitation Program	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Storage Tank Rehabilitation Program	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Vehicle Replacement Fund	\$ -	\$ -	\$ 30,000	\$ 25,000	\$ 25,500	\$ 80,500
<i>Schoolhouse Tank West</i>	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
<i>Alta Vista Tank No. 2 New</i>	\$ 200,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,200,000
<i>Airport Water Treatment Plant - construction</i>	\$ -	\$ 1,550,000	\$ -	\$ -	\$ -	\$ 1,550,000
<i>Airport Water Treatment Plant - design</i>	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000
Public Works Plan Phase I Projects	\$ 940,000	\$ 4,550,000	\$ -	\$ -	\$ -	\$ 5,490,000
Pillar Ridge Rehabilitation Program	\$ -	\$ 150,000	\$ 200,000	\$ 50,000	\$ 50,000	\$ 450,000
EXISTING CUSTOMER CIP TOTAL	\$ 1,353,500	\$ 4,982,070	\$ 441,721	\$ 290,956	\$ 295,775	\$ 7,364,022
EXISTING CUSTOMER CAPITAL FUND						
Beginning Balance	\$ 1,860,000	\$ 1,233,167	\$ 97,763	\$ (57,291)	\$ (261,581)	\$ 2,872,058
<i>SRF LOAN 024</i>	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000
<i>SRF LOAN 022</i>	\$ 500,000	\$ 2,210,000	\$ 200,000	\$ -	\$ -	\$ 2,910,000
SRF Loan Disbursements	\$ 640,000	\$ 2,210,000	\$ 200,000	\$ -	\$ -	\$ 3,050,000
ew Customer Reimbursement to Existing Customers	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 433,333
I-Bank Loan (proposed)	\$ -	\$ 1,550,000	\$ -	\$ -	\$ -	\$ 1,550,000
Existing Customer Capital Fund TOTAL:	\$ 2,586,667	\$ 5,079,833	\$ 384,430	\$ 29,375	\$ (174,914)	\$ 7,905,391
Existing Customer Capital Fund Balance:	\$ 1,233,167	\$ 97,763	\$ (57,291)	\$ (261,581)	\$ (470,689)	\$ 541,369
New Customer CIP						
	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	5-Year CIP Total
Develop Additional Supply Reliability	\$ -	\$ 244,920	\$ 244,920	\$ 94,920	\$ 94,920	\$ 679,680
Portola Tank Telemetry Upgrade	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
New and Upgraded PRV Stations	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 260,202
SCADA Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Schoolhouse Booster Pump Station Upgrade	\$ 50,000	\$ 230,000	\$ -	\$ -	\$ -	\$ 280,000
Valve Installation Program	\$ 10,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ -	\$ 56,824
Wagner Well Pump Upgrade	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Water Main Upgrades	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 900,000
NEW CUSTOMER CIP TOTAL	\$ 160,000	\$ 566,220	\$ 662,546	\$ 463,899	\$ 449,042	\$ 2,301,706

WATER SYSTEM
CAPITAL IMPROVEMENT PROGRAM
UPDATE (2013 –2018)



MONTARA WATER AND SANITARY DISTRICT

Montara Water and Sanitary District

Water System Capital Improvement Program

Update (2013 –2018)

July 2013

Board of Directors

Kathryn Slater-Carter, President

Scott Boyd, Director

Jim Harvey, Director

Bob Ptacek, Director

Chris Thollaug, Director

Clemens Heldmaier, General Manager

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

The District's 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 sources of supply, implementation of repair and replacement, and preventive maintenance programs.

In 2003, the Board established the CIP prioritization criteria that serve as the foundation for the District's capital improvements decision-making process to ensure a relevant implementation schedule and adequate funding for the improvements. The criteria provides a method to rate the relative importance of a particular project based upon factors such as protection of public health, employee safety, legal and regulatory requirements, and funding constraints. These criteria established which projects should be implemented in any given year and over the CIP planning horizon. The prioritization criteria used by MWSD are presented in Table 1, below, categorized into three priority levels, listed from most to least critical for implementation.

Table 1. 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. Project 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.	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.

In addition, following introduction of new domestic connections to the water system in 2011 by the Board, the District has developed a two-part CIP that includes projects needed for the existing customers and designed to provide appropriate levels of renewal and replacement for the current water system. The water rate revenue funds these projects. The second category of projects are designed exclusively or shared by the new customers connecting to the water system. This second category is funded through the Water Capacity Charge (WCC).

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

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) Project funded by others.

This CIP focuses on the first five years of this timeline. The projects and actions described below would allow the District to address system deficiencies and continue to operate an efficient and reliable system. The proposed *Priority Level One* near-term improvements continue the District’s progress toward sustainability through investments that: (1) diversify sources of water supply, (2) improve water quality, (3) encourage conservation of water and energy, and (4) meet current and future infrastructure needs.

Table 2, below, contains all *Priority Level One* projects that have been formulated to provide benefit to, and be paid for by, new District customers. A detailed discussion of the projects follows.

Table 2. Priority Level One – Mandatory Projects
1. Develop Additional Supply Reliability
2. Portola Tank Telemetry Upgrade
3. New and Upgraded PRV Stations
4. SCADA Improvements
5. Schoolhouse Booster Pump Station Upgrade
6. Valve Installation Program
7. Wagner Well Pump Upgrade
8. Water Main Upgrades
9. New Customer Reimbursement to Existing Customers

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: 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 about 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 development, surface water supply augmentation, and restoration of existing wells' capacity.

Portola Wells I, III, and IV Production Restoration

The Portola Wells I, II, III, and IV Production Restoration Project includes re-drilling Portola Wells I, II, III, and IV, rehabilitating the wells, and replacing the pumping equipment to restore the wells to their original design capacity. *Balance Hydrologics* estimated that re-drilling the three wells that would likely restore their production to the design levels:

- Portola I Well depth would be increased from 332 ft to 600 ft
- Portola II Well depth would be increased from 300 ft to 600 ft
- Portola III Well depth would be increased from 300 ft to 600 ft
- Portola IV Well depth would be increased from 500 ft to 800 ft

This increase in depth would potentially improve the rated capacity of each well by 5 to 10 gpm for a total capacity restoration potential of 20 to 40 gpm. Environmental compliance for the project may include obtaining a Categorical Exemption (CatEx) under the California Environmental Quality Act (CEQA) and a Coastal Development Exemption (CDX) or a Coastal Development Permit (CDP) under the Local Coastal Program (LCP).

New Park Well Development

The New Park Well Development Project includes drilling and developing a new well on District-owned "Park Well" property, potentially including a treatment system for iron and manganese removal, and connecting the new well to the distribution system. The New Park Well would be located on the same property as the existing Park Well, either on the existing Tennis Court/Asphalt Pavement or near George Street, outside the flood zone. Although no test drilling has taken place, potential well capacity has been estimated at 50 – 70 gpm, and high levels of iron and manganese are anticipated. Environmental compliance for the project will likely include fulfilling CEQA and LCP.

Pillar Ridge Manufactured Home Community Water System Consolidation

The Pillar Ridge Manufactured Home Community Water System (Pillar Ridge) Consolidation Project is the consolidation of the Pillar Ridge water system, inclusive of the water sources, storage, and

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

treatment, into the MWSD system. The distribution system and customer service will most likely be retained by Pillar Ridge. With the consolidation, the following improvements would be made: incorporation of the Pillar Ridge water system controls into the MWSD Supervisory Control and Data Acquisition (SCADA) system, adjustments to the District's system to accommodate a new pressure zone, and other miscellaneous improvements. Currently, Pillar Ridge provides water to its customers from three groundwater wells and from MWSD. The average production per well is reported at 35 gpm, with a rated combined supply capacity of 105 gpm. The maximum demand on the system is approximately 70 gpm, and the difference between the well production and daily demand is met through the permanent metered connection from the MWSD system. MWSD currently reserves 35 gpm of its supply capacity for Pillar Ridge.

By consolidating Pillar Ridge water system with the MWSD water system, the combined water system would gain further supply reliability. MWSD will no longer have to reserve 35 gpm for Pillar Ridge to be available on a 24-hour notice. To evaluate the potential additional supply that could be acquired by MWSD, a more comprehensive analysis of the Pillar Ridge water system and the consolidation project would be necessary. There is also potential for additional source water supply to be acquired through the consolidation, as the Pillar Ridge system owns a fourth well that could be converted to a production well. Environmental compliance for the project will likely include obtaining a CDX and CatEx under CEQA. There is grant funding potential for this project.

Project:	Develop Additional Supply Reliability
CIP Total Cost:	\$679,680
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 water system for new and old customers.

Table 3. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$679,680	\$-	\$244,920	\$244,920	\$94,920	\$94,920

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: 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: \$50,000

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.

Table 4. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$50,000	\$ --	\$ --	\$50,000	\$ --	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: New and Upgraded Pressure-Regulating Stations

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 up to 10 existing PRV stations.

Project: New and Upgraded Pressure-Regulating Stations

CIP Total Cost: \$260,202

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 efficient water distribution under new demand conditions.

Table 5. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$260,202	\$50,000	\$51,000	\$52,000	\$53,060	\$94,920

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: SCADA Improvements

Priority: Level One

The District operates an existing SCADA that has been significantly improved during the years of public ownership of the water system. However, the system operates at capacity and its expansion is required to accommodate addition of new water customers. This project will include the equipment and installation work required to expand the existing SCADA.

Project: SCADA Improvements

CIP Total Cost: \$50,000

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 efficiency of operations under new demand conditions.

Table 6. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$50,000	\$ --	\$50,000	\$ --	\$ --	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Schoolhouse Booster Pump Station Upgrade

Priority: Level One

The District owns and operates the existing Schoolhouse Booster Pump Station. The addition of new water customers throughout the service area necessitates installation of a new set of booster pumps to accommodate the distribution system expansion for new customers and a new set of parameters under which the system would operate when demand increases. This project will include a new set of pumps and rehabilitation and/or replacement of the existing pumps.

Project: Schoolhouse Booster Pump Station Upgrade

CIP Total Cost: \$280,000

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 water deliveries to new customers with increased flows in the distribution system.

Table 7. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$280,000	\$50,000	\$230,000	\$ --	\$ --	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Valve Installation Program

Priority: Level One

As part of the distribution system upgrade to accommodate addition of new customers to the water system, under this project, the District will install up to eight new isolation and control valves in strategic locations throughout the distribution system to allow flow improvements to serve new customers.

Project: Valve Installation Program

CIP Total Cost: \$56,824

Project Funding: This project will be funded by new customers through the Water Capacity Charge (WCC).

Basis of Priority: This project is ranked as Priority Level 1 because it ensures flow improvements to serve new customers.

Table 8. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$56,824	\$10,000	\$15,300	\$15,606	\$15,918	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Water Main Upgrades

Priority: Level One

Under the water main upgrade program, the District will undertake the effort of designing and constructing new water main extensions in the urban areas, where needed, and upsizing the existing distribution system mains to accommodate increasing demands due to the addition of new water customers. This program includes an estimated additional 6,000 linear feet of 6 to 8-inch diameter mains installed in the water system.

As detailed on page II-5 of this CIP, there are three remaining Public Works Plan (PWP) Projects that are to be implemented. Two of the projects will likely have a significant effect on the operation of the distribution system. These projects include new Alta Vista Tank No. 2 and new Airport Well Water Treatment Plant (AWWTP). The location of the projects at the highest and lowest pressure zones, respectively, and the size of these improvements can affect the balance and operation of the existing distribution system. Rehabilitation and upgrade of existing water mains and installation of new water mains and isolation and control valves will be required to accommodate these improvements and the potential addition of new water customers.

The Water Main Upgrade Project will involve the strategic upgrade of existing and/or installation of new 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.

Project: Water Main Upgrades

CIP Total Cost: \$900,000

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 redundancy and reinforcement of the distribution system to handle the addition of new customers or potential leaks and pipe failures.

Table 9. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$900,000	\$ --	\$ --	\$300,000	\$300,000	\$300,000

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL ONE – MANDATORY PROJECTS

Project: Wagner Well Pump Upgrades

Priority: Level One

The existing District's Wagner Well operates within its design parameters in the existing water system. Hydraulic analysis demonstrates, however, that with increased demands due to new water customers, Wagner Well pump would be unable to pump into the system. The pump and motor replacement is required to accommodate new customers.

Project: Wagner Well Pump Upgrades

CIP Total Cost: \$25,000

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 is required to accommodate new customers.

Table 10. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$25,000	\$ --	\$25,000	\$ --	\$ --	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

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 preventive maintenance programs.

Priority Level Two – These projects provide measurable progress in achieving the District's goals, but over which the District has a moderate level of control over the timing of implementation. Examples of such projects include: (1) Projects required for providing adequate emergency storage and meeting fire flow requirements; and (2) Projects reducing water system losses and reducing pipeline leaks.

Table 11 below provides a list of the Priority Two Level projects. These projects serve existing District's customers and are funded by the water rate revenues.

Table 11. Priority Level Two – Necessary Projects
1. Distribution System Renewal and Replacement Program
2. Water Conservation Program
3. Well Rehabilitation Program
4. Storage Tank Rehabilitation Program
5. Vehicle Replacement Fund
6. Public Works Plan Phase I Projects
7. Pillar Ridge Consolidation Project

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: 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
-

Project: Distribution System Renewal and Replacement Program

CIP Total Cost: \$949,288

Project Funding: This program will be funded by existing customers through water rate revenues.

Basis of Priority: This program is ranked as Priority Level Two because it address system renewal and replacement needs and ensure sufficient response under daily operational scenarios, fire flow, and emergency conditions.

Table 12. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$949,288	\$155,000	\$173,400	\$202,878	\$206,936	\$211,074

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: 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: Distribution System Renewal and Replacement Program

CIP Total Cost: \$44,234

Project Funding: This program will be funded by existing customers through water rate revenues.

Basis of Priority: This program is ranked as Priority Level Two because it continues to promote water conservation.

Table 13. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$44,234	\$8,500	\$8,670	\$8,843	\$9,020	\$9,201

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Well Rehabilitation Program

Priority: Level Two

This program includes rehabilitation of existing groundwater sources and focuses on the South Airport Well rehabilitation at a cost of \$150,000 and Drake and Wager wells at \$100,000.

Project: Well Rehabilitation Program

CIP Total Cost: \$250,000

Project Funding: This program will be funded by existing customers through water rate revenues.

Basis of Priority: This program is ranked as Priority Level Two because it ensures continued operation of the existing water supply sources.

Table 14. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$250,000	\$250,000	\$-	\$-	\$-	\$-

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Project: Vehicle Replacement Fund

Priority: Level Two

This funding is targeted to a renewal of the District fleet of trucks and starts in FY 15/16 with a \$30,000 purchase of a heavy truck followed by replacing one light truck annually at \$25,000 and \$25,500 respectfully, in the following two years of the CIP.

Project: Vehicle Replacement Fund

CIP Total Cost: \$80,500

Project Funding: This project will be funded by existing customers through water rate revenues.

Basis of Priority: This project is ranked as Priority Level Two because it ensures efficiency of water operations.

Table 15. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$80,500	\$ --	\$ --	\$30,000	\$25,000	\$25,500

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Phase I Public Works Plan Projects

Priority: Level Two

The District developed its 2006 Public Works Plan (PWP) and received approval of the Coastal Commission to design and construct various improvements to the water system to improve supply and delivery reliability and fire storage. The PWP projects remaining to be implemented as part of this CIP include the following:

- Schoolhouse Tank West
- Alta Vista Tank No. 2
- Airport Wells Water Treatment Plant

Project: Phase I Public Works Plan Projects

CIP Total Cost: \$5,490,000

Project Funding: This program will be funded through a combination of the State Revolving Fund (SRF) low interest loans and water rate revenue.

Basis of Priority: This program is ranked as Priority Level Two because it will construct various improvements to the water system to address supply and delivery reliability and fire storage.

Table 16. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$5,490,000	\$940,000	\$4,550,000	\$ --	\$ --	\$ --

Montara Water and Sanitary District

WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM UPDATE (2013 – 2018)

PRIORITY LEVEL TWO – NECESSARY PROJECTS

Program: Pillar Ridge Rehabilitation Program

Priority: Level Two

Consolidation of the Pillar Ridge Water System into the MWSD water system benefits all District's customers. The addition of new facilities, however, necessitates planning for the renewal and replacement of the Pillar Ridge treatment, supply, and storage facilities. Existing customer water rate revenues will fund this project.

Project: Pillar Ridge Rehabilitation Program

CIP Total Cost: \$450,000

Project Funding: This program will be funded through water rate revenue.

Basis of Priority: This program is ranked as Priority Level Two because it ensures existing facility functionality and reliability.

Table 17. Annual Cost Distribution and Schedule

CIP Total	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
\$450,000	\$ --	\$150,000	\$200,000	\$50,000	\$50,000

Montara Water and Sanitary District

**2013-2014 Capital Improvement Project Cost Estimate
and Detailed Project Descriptions**

July 12, 2013

Pump Station Control Upgrades - Date Harte, Seal Cove 1, 2, and 3

This project will improve the reliability sanitary sewer pump stations by the installation of redundant float motor starters and communication links as well and other miscellaneous panel improvements at Date Hart, Seal Cove 1 and 3. Seal Cove #2 requires complete MCC Panel Replacement.

6 EA	@	\$20,000	./LF	Float/Pump Starters	\$120,000
1 EA	@	\$30,000	./LF	MCC	\$30,000
Contingencies (35%)					\$52,500
					<hr/>
					\$202,500

Pump Station Mechanical Upgrades and Painting - various locations (see above)

Many of the Pump Stations Wet Wells and Discharge Header pipes and valves need maintenance, painting/coating or replacement due to age and corrosion.

Mechanical	@	\$15,000	LS	Pipes and Valves	\$15,000
Painting	@	\$15,000	LS	Bore and Jack	\$15,000
Contingencies (30%)					\$9,000
					<hr/>
					\$39,000

Acacia Street M730.03 - M721.03 (SAM Hot List #4)

SAM has to clean this sewer multiple times per year due to heavy root intrusion and various cracks which increase infiltration and over flow risks.

720 LF	@	\$180	./LF	Pipe Burst	\$129,600
Contingencies (30%)					\$38,880
					<hr/>
					\$168,480

Montara Area Easements Sewers, 10th at Farallone, 7th at LaConte, Sam Hotlist #3

The Easement sewers are difficult to clean and Manholes M201.05 to M201.13, and M440.07 to M760.07 are lines SAM has to clean this sewer multiple times per year due to heavy root intrusion and various cracks which increase infiltration and over flow risks.

1,025 LF	@	\$160	./LF	Pipe Burst	\$164,000
Contingencies (30%)					\$49,200
					<hr/>
					\$213,200

Montara Area Street Sewers, Farallone between 10th and 11th, South of Harte St

Farallone between 10th and 11th and the sewer South of Harte St on Birch, manholes M800.07-M801.09, M310.05-M311.05, are sewers SAM has to clean multiple times per year due to heavy root intrusion and various cracks which increase infiltration and over flow risks.

750	LF	@	\$180	/LF	Pipe Burst	\$135,000
Contingencies (30%)						\$40,500
						<u>\$175,500</u>

Valleymar Sewer Relocation Study and Permits

The Valleymar sewer is currently an easement sewer in very poor condition that runs along the Strand just above the coastal cliff. It has slid into the ocean and been repaired several times. It used to serve all of East Moss Beach. When the Valleymar Pump Station was build the sewage was intercepted and pumped by the Valleymar Pump Station. There are only about 20 properties connected to this sewer and the Niagara Pump Station. This study will review the feasibility and costs for several design and private and public pumping options associated with the relocation of the sewer to the street above the houses and away from the ocean. Coastal Exemption Plan and Permits will be submitted

Layout Options	@	\$10,000	LS	Study & Prelim Plan	\$10,000
Permits	@	\$5,000	LS	Permit Plan Submittal	\$5,000
<u>\$15,000</u>					

Cabrillo Highway PHASE 1A+1B - Trunk Sewer (Crossing to 14th)

221	LF	@	1275		Bore and Jack	\$281,775
725	LF	@	\$425	/LF	Open Trench	\$308,125
Contingencies (35%)						\$206,465
						<u>\$796,365</u>

					<u>13-14 Total</u>	<u>\$1,610,045</u>
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Montara Water and Sanitary District

2013 - 2018

5 Year Capital Priority List for Sanitary Sewer Repairs

Status: Updated May 31 , 2013

DRAFT

Fiscal Year	Capital Improvement Needs	Notes/Status
2013-2014 Fiscal Year Capital Improvement Needs		
2013-2014	Pump Station Control Upgrades - Date Harte, Seal Cove 1,2, and 3 6 EA @ \$20,000 /LF Float/Pump Starters \$120,000 1 EA @ \$30,000 /LF MCC \$30,000 Contingencies (35%) \$52,500 <hr/> \$202,500	High Priority Pump Failure Risk
2013-2014	Pump Station Mechanical Upgrades and Painting - various (see above) Mechanical @ \$15,000 LS Pipes and Valves \$15,000 Painting @ \$15,000 LS Coating structure \$15,000 Contingencies (30%) \$9,000 <hr/> \$39,000	Medium to High Priority
2013-2014	Acacia Street M730.03 - M721.03 (SAM Hot List #4) 720 LF @ \$180 /LF Pipe Burst \$129,600 Contingencies (30%) \$38,880 <hr/> \$168,480	Medium/High Priority Roots, I and I
2012-2013	Montara Area Easements Sewers, 10th at Farallone, 7th at LaConte 1,025 LF @ \$160 /LF Pipe Burst \$164,000 Contingencies (30%) \$49,200 <hr/> \$213,200	High Priority (SAM Hot List)
2013-2014	Montara Area Street Sewers, Farallone between 10th and 11th, South of Harte St 750 LF @ \$180 /LF Pipe Burst \$135,000 Contingencies (30%) \$40,500 <hr/> \$175,500	Spot Repairs Made (12/13) push back some lines (SAM Hot List)
2013-2014	Vallemar Serwer Relocation Study and Permit Review Study @ \$10,000 LS Study Preparation \$10,000 Permits @ \$5,000 LS Permit Plan Submitta \$5,000 <hr/> \$15,000	Medium to High Priority
2013-2014	Cabrillo Highway PHASE 1A+1B - Trunk Sewer (Crossing to 14th) 221 LF @ 1275 Bore and Jack \$281,775 725 LF @ \$425 /LF Open Trench \$308,125 Contingencies (35%) Night Work \$206,465 <hr/> \$796,365	Caltrans Permit Delay Carry project from 12/13 High Priority,SSO Risk Sag, Roots, Cracks

		13-14 Total	\$1,610,045	
2014-2015 Fiscal Year Capital Improvement Needs				
2014-2015	Cabrillo Highway PHASE 2A - Trunk Sewer (14th - 11th) 1,100 LF @ \$350 ./LF CIPP Contingencies (35%)	\$385,000 \$134,750 \$519,750		Move from 13/14 to 14/15
2014-2015	George St Trunk Sewer West of Tamarand St 900 LF @ \$250 ./LF Pipe Burst Contingencies (30%)	\$225,000 \$67,500 \$292,500		Added 2009 Med.High Priority
2014-2015	Cedar Street (Phase #3, South Section) 450 LF @ \$180 ./LF Open Cut Contingencies (30%)	\$81,000 \$24,300 \$105,300		Moved from 13/14 pipe ok, flat grade need open cut repair (SAM Hot List #6)
2014-2015	6 th -7th Street Area sewers and Easements 750 LF @ \$180 ./LF Open Cut Contingencies (30%)	\$135,000 \$40,500 \$175,500		Spot Repairs Made push back some lines (SAM Hot List #3)
2015-2016	Pump Station FM - Distillary Force Main (And 4 houses) 1 EA @ \$12,000 ./EA Spot Repairs Contingencies (25%)	\$12,000 \$3,000 \$15,000		High Priority (Spot Repairs Made)
2014-2015	Pump Station Control Upgrades - Air Port, 5th St, 7th St, Distillary 4 EA @ \$20,000 ./EA Float/Pump Starters Contingencies (35%)	\$80,000 \$28,000 \$108,000		High Priority Pump Failure Risk
		14-15 Total	\$1,216,050	
2015-2016 Fiscal Year Capital Improvement Needs				
2015-2016	Cabrillo Highway PHASE 2B - Trunk Sewer (11th - 7th + Crossing) 900 LF @ \$350 ./LF CIPP Contingencies (35%)	\$315,000 \$110,250 \$425,250		Move from 14/15 to 15/16
2015-2016	Virginia St Sag Repair 1,200 LF @ \$300 ./LF Open Cut Contingencies (30%)	\$360,000 \$108,000 \$468,000		Multiple Sags Grease problem (Spot Repairs needed now)
2015-2016	Nevada St and Moss Beach Area Sewers 550 LF @ \$220 ./LF Pipe Burst Contingencies (30%)	\$121,000 \$36,300		Multiple Fractures (Spot Repairs needed now)

		\$157,300	
2015-2016	Pump Station FM - Distillary Force Main (And 4 houses)		High Priority
	4 EA @ \$4,000 /EA Pump Connections	\$16,000	(Spot Repairs Made)
	320 LF @ \$325 /LF Distillary Forcemain	\$104,000	
	Contingencies (30%)	\$4,800	
		\$124,800	
2015-2016	Pump Station - Distillary Pump Station (And 4 houses)		High Priority
	4 EA @ \$15,000 /EA Pump Connections	\$60,000	(Spot Repairs Made)
	1 EA @ \$100,000 /LF Distillary Forcemain	\$100,000	
	Contingencies (35%)	\$21,000	
		\$181,000	
	15-16 Total	\$1,356,350	
2016-2017 Fiscal Year Capital Improvement Needs			
2016-2017	Cabrillo Highway PHASE 3 - Parallel Pipes (10th St to 6th Street)		Move from 15/16 to 16/17
	1,440 LF @ \$375 /LF Open Cut	\$540,000	
	Contingencies (35%)	\$189,000	
		\$729,000	
2016-2017	Nevada St and Moss Beach Area Sewers		Multiple Fractures (Spot Repairs needed now)
	1,500 LF @ \$225 /LF Pipe Burst + Open C	\$337,500	
	Contingencies (30%)	\$101,250	
		\$438,750	
2016-2017	Various Moss Beach Sewers on Steston St.		Multiple Fractures (Spot Repairs needed now)
	1,800 LF @ \$220 /LF Pipe Burst and Open	\$396,000	
	Contingencies (30%)	\$118,800	
		\$514,800	
2015-2016	Pump Station - Distillary Pump Station (And 4 houses)		High Priority
	2 EA @ \$4,000 /EA Pump Connections	\$8,000	
	1 EA @ \$69,000 /LF Distillary Forcemain	\$69,000	
	Contingencies (35%)	\$2,800	
		\$79,800	
	16-17 Total	\$1,762,350	
2017-2018 Fiscal Year Capital Improvement Needs			
2017-2018	Vallimar Sewer Relocation (Strand, Niagara, Private Pumps)		Added 2010, Errosion Risk
	1,500 LF @ \$275 /LF Open Cut	\$412,500	Mediun Priority
	10 EA @ \$15,000 /EA Open Cut	\$150,000	Long term plan
	Electrical + Distribution	\$200,000	
	PS Niagra Abandonment	\$25,000	
	Contingencies (35%)	\$275,625	
		\$1,063,125	

2017-2018	Various Moss Beach Sewers Near Buena Vista St. 2,000 LF @ \$220 /LF Pipe Burst and Open <u>Contingencies (30%)</u>	\$440,000 \$132,000 \$572,000	Added 2009 Mediun Priority Long term plan
2017-2018	Various Moss Beach Sewers Near Carlos St. 900 LF @ \$220 /LF Pipe Burst and Open <u>Contingencies (30%)</u>	\$198,000 \$59,400 \$257,400	Added 2009 Mediun Priority Long term plan
2017-2018	Various Montara Sewers 10th and 14th. 1,200 LF @ \$220 /LF Pipe Burst and Open <u>Contingencies (30%)</u>	\$264,000 \$79,200 \$343,200	Added 2009 Mediun Priority Long term plan
2017-2018	Montara Montara Easements Sewers Various Locations. 1,600 LF @ \$180 /LF Pipe Burst and Open <u>Contingencies (30%)</u>	\$288,000 \$86,400	Added 2009 Mediun Priority Long term plan



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

After the adoption of reserve policies the Board authorized Bartle Wells to prepare a water rate study that includes the consideration of the new reserve policy and makes recommendations to increase the District's water reserves over time.

Bartle Wells prepared a draft rate study and presented it at the June 18 meeting and asked the Board for comment and direction.

The preparation of a new document was mainly depending on a revised budget. Therefore at the time of preparation of this staff report no revisions to the rate study have been made. The Rate committee reviewed the study further and discussed the rate study with interested citizen.

RECOMMENDATION:

This is for Board information only.

Montara Water & Sanitary District



Water Rate Study

Draft - July 11, 2013



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



Montara Water & Sanitary District

Water Rate Study

Summary of Key Issues



Background

- District has been a good financial steward by gradually raising rates each year
- Last water rate study completed 2010
 - District adopted maximum rates via Prop. 218 process & has been phasing in rate increases
- Current water rates are still below the maximum rates previously adopted
 - District can raise rates up to the maximum without going through the Prop. 218 process
 - Quantity charges can be increased by a maximum of approximately 9.25%
 - Fixed service charges can be increased by a maximum of approximately 18%
- District has taken advantage of low rates to refund outstanding debt
 - GO Bond Refi generated \$1.5M of new funds for capital projects and reduced debt service
 - PNC interest rate reduction annual savings = approximately \$16,500 per year
- District facing new financial challenges that will require rate increases in upcoming years

Key Drivers of Rate Increases

- **District Capital Improvement Program (CIP)**
 - 5-Year CIP includes \$7.4 million for existing customers + up to \$2.3 million for growth
 - Major CIP projects include:
 - Alta Vista Tank No. 2: \$3,200,000
 - Airport Water Treatment Plant: \$140,000 remaining design + \$1,550,000 construction
 - Schoolhouse Tank West: \$600,000
 - Existing Customer CIP projects to be funded by a combination of state-subsidized loans, roughly \$1.5 million of available GO Bond funds, and ongoing rate revenues
 - Growth-related CIP projects to be funded by connection fee revenues as growth occurs
 - *District does not anticipate any additional major capital projects in upcoming years*
- **New Debt Service**
 - \$183,000 per year for \$2.92 million 20-year SRF loan for Alta Vista Water Tank & Well
 - \$106,000 per year for \$500,000 5-year SRF planning loan for Airport Treatment Plant *or \$34,000 per year if rolled into a 20-year SRF loan for financing the project*
 - \$105,000 per year for estimated \$1,550,000 Airport Water Treatment Plant Loan
 - Total new annual debt service ranges from \$322,000 - \$394,000 depending on repayment term for \$500,000 planning loan
- **Changes in Water Sales**
 - 2012/13 water sales increased 4% from 2011/12, but are down almost 5% from 2 years ago resulting in lower-than-anticipated revenues
 - Future water sales projected to remain constant at 2012/13 level
- **Operating Cost Inflation**
 - Ongoing cost inflation projected at 4% for planning purposes

Financial Projections

- BWA updated financial projections to evaluate annual revenue requirements and project rate increases needed to fund operating and capital programs while maintaining financial health
- Key assumptions:
 - Beginning fund balances based on Balance Sheet as of June 30, 2013
 - Draft financial projections based on 2012/13 Budget
 - Operating cost inflation projected at 4% per year
 - Projections incorporate updated 5-Year Capital Improvement Program
 - Assumes District obtains a 20-year SRF loan for the Airport Treatment Plant; and assumes the \$500,000 planning loan is rolled into the 20-year SRF loan
 - Expansion-related CIP projects to be funded by connection fees as growth occurs
 - Assumes the connection fee fund repays the operating fund \$1.3 million over 15 years (roughly \$87,000 per year) as connection fee revenues are received
 - Includes estimates of Pillar Ridge revenues & expenses beginning January 1, 2015

Rate Projections

<i>Draft Rate Projections</i>	Sep-1 2013	Jul-1 2014	Jul-1 2015	Jul-1 2016	Jul-1 2017
Annual Rate Increases	9%	8%	8%	8%	8%

- Initial 9% rate increase can be implemented by updating the Master Fee Schedule since the proposed rates do not exceed the maximum level previously adopted via the Prop. 218 process
- District will need to go through the Prop. 218 process for future rate increases (e.g. in Dec-Jan)
- District will need to adopt a minimum of 3 years of additional future rate increases to provide adequate repayment security for anticipated new debt (including the Airport Treatment Plant)
- Higher rate increases in near term result in lower rate increases in longer term and vice versa
- After 2017/18 we anticipate the District will only need small inflationary rate adjustments

Water Rate Structure

- Rate structure revised during 2010 rate study
 - Transitioned water quantity charges from 2 Tiers to 4 Tiers
 - Fixed service charges targeted at 30% revenue recovery
 - Quantity charges targeted at 70% of revenue recovery
- Neighboring agencies also have 4-tiered quantity rate structures
- *Does District want to modify rate structure or move forward with across-the-board increases? Rate structure modifications can be phased in over a few years, if any are desired.*

Next Steps

- Present findings and preliminary recommendations and receive Board input
 - Adopt Ordinance to update Master Fee Schedule with water rate increase for 2013/14
 - Adopt water rate increases for future years via the Prop. 218 process later in the year
-

Montara Water & Sanitary District
Water Rate Study
List of Tables

Water Rate Study Tables

- Table 1 - Water Cash Flow Projections
- Table 2 - Existing Customer CIP & Funding Sources
- Table 3 - Expansion / New Customer CIP & Funding Sources
- Table 4 - Water Enterprise Debt Service
- Table 5 - Accounts & Estimated 2012/13 Service Charge Revenues
- Table 6 - Historical & Adopted Water Rates
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Water Consumption Analysis Tables

- Table A1 - Actual vs. Projected Water Sales by Tier
- Table A2 - Single Family Residential Consumption Block Analysis 2012/13
- Table A3 - Residential Water Use Statistics
- Table A4 - Residential & Commercial Consumption By Current Tier Breakpoints

Charts

- Chart A - 5-Year Water Expenses Projections
 - Chart B - Bi-Monthly Single Family Residential Water Bill Distribution 2012/13
 - Chart C - Bi-Monthly Use by Customer Class
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Table 1
Montara Water & Sanitary District
Water Cash Flow Projections

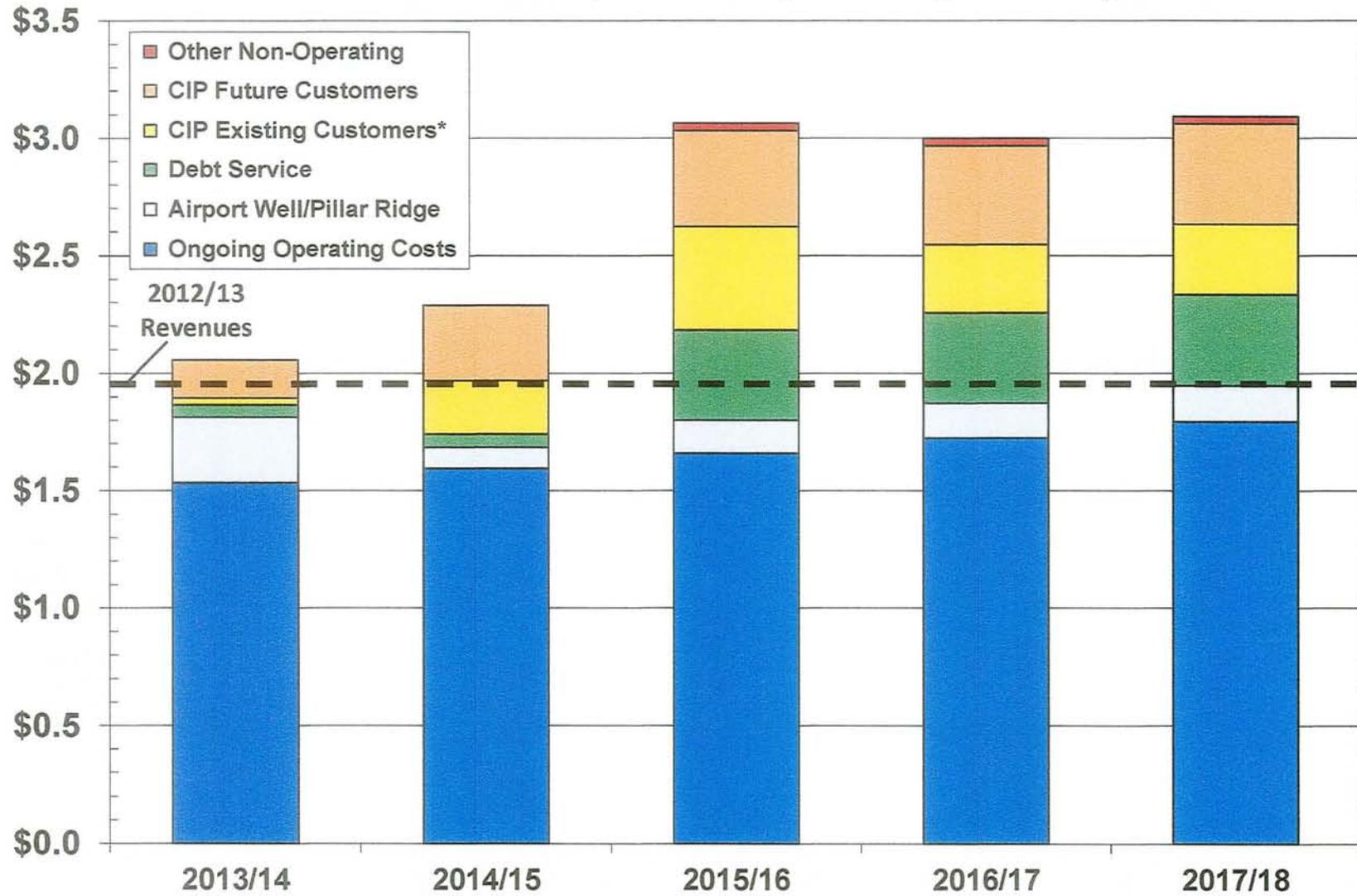
	Projected				
	2013/14	2014/15	2015/16	2016/17	2017/18
	Sep-1	Jul-1	Jul-1	Jul-1	Jul-1
Rate Adjustments	9%	8.0%	8.0%	8.0%	8.0%
Monthly SFR Bill based on 5 ccf	\$65.63	\$70.88	\$76.55	\$82.67	\$89.29
New Water Connections (EDUs)	15	20	25	25	25
New Fire Svc Connections (EDUs)	5	10	10	10	10
Water Capacity Charge (3/4")	\$16,020	\$16,340	\$16,667	\$17,000	\$17,340
Private Fire Protection Charge (1")	\$7,637	\$7,790	\$7,946	\$8,105	\$8,267
Growth	0.9%	1.2%	1.5%	1.5%	1.5%
Change in Water Sales	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Earnings Rate	0.5%	0.75%	1.0%	1.5%	2.0%
Cost Escalation	4.0%	4.0%	4.0%	4.0%	4.0%
Beginning Fund Balances All Funds	\$699,000	\$808,000	\$1,041,000	\$809,000	\$822,000
REVENUES					
Water Service Charges	504,000	561,000	615,000	674,000	739,000
Water Quantity Charges	1,073,000	1,178,000	1,273,000	1,374,000	1,484,000
Subtotal	<u>1,577,000</u>	<u>1,739,000</u>	<u>1,888,000</u>	<u>2,048,000</u>	<u>2,223,000</u>
Property Taxes (+2%)	255,000	260,000	265,000	270,000	275,000
Water & Fire Connection Fees	278,000	405,000	496,000	506,000	516,000
Interest Earnings	4,000	6,000	10,000	12,000	16,000
Other Revenues	50,000	50,000	50,000	50,000	50,000
Pillar Ridge Revenues	0	61,000	123,000	125,000	128,000
Subtotal Revenues	<u>2,164,000</u>	<u>2,521,000</u>	<u>2,832,000</u>	<u>3,011,000</u>	<u>3,208,000</u>
SRF Loan 022 (Alta Vista Tank)		2,920,000			
SRF Loan 024 (Planning Loan)	140,000				
2012 GO Bond Proceeds	1,185,000	282,000			
SRF/I-Bank Loan (Airport Treatment Plant)		1,550,000			
Total Revenues	3,489,000	7,273,000	2,832,000	3,011,000	3,208,000
EXPENSES					
Operating Expenses					
Administrative & Facilities	<u>Preliminary</u> 362,000	376,000	391,000	407,000	423,000
Labor	680,000	707,000	735,000	764,000	795,000
Engineering	167,000	174,000	181,000	188,000	196,000
General Operations	88,000	92,000	96,000	100,000	104,000
Pumping/Supply/Trans/Treatment	236,000	245,000	255,000	265,000	276,000
Airport Water Purchases	280,000	40,000	42,000	44,000	46,000
Pillar Ridge Additional O&M	0	50,000	100,000	104,000	108,000
Subtotal Operating Expenses	<u>1,813,000</u>	<u>1,684,000</u>	<u>1,800,000</u>	<u>1,872,000</u>	<u>1,948,000</u>
Debt Service					
PNC Lease (50% Water Meters)	53,000	56,000	59,000	62,000	65,000
SRF Loan (Alta Vista Tank) 20-Yr	0	0	183,000	183,000	183,000
SRF Loan (Planning Loan) 20-Yr	0	0	34,000	34,000	34,000
SRF/I-Bank Loan (Airport Treatment Plant)	0	0	105,000	105,000	105,000
Subtotal Debt Service	<u>53,000</u>	<u>56,000</u>	<u>381,000</u>	<u>384,000</u>	<u>387,000</u>
Non-Operating Expenses					
CIP: Existing Customers	1,354,000	4,982,000	442,000	291,000	296,000
CIP: New Customers/Expansion	160,000	318,000	409,000	419,000	429,000
Transfer to SRF Reserve (1/10th Debt)	0	0	32,000	32,000	32,000
Subtotal Non-Operating Expenses	<u>1,514,000</u>	<u>5,300,000</u>	<u>883,000</u>	<u>742,000</u>	<u>757,000</u>
Total Expenses	3,380,000	7,040,000	3,064,000	2,998,000	3,092,000
Revenues Less Expenses	109,000	233,000	(232,000)	13,000	116,000
Ending Fund Balances	808,000	1,041,000	809,000	822,000	938,000
Min. Operating Reserves: 2 mnths O&M	302,000	281,000	300,000	312,000	325,000
Min. Capital Reserves: Min annual CIP	400,000	400,000	400,000	400,000	400,000
Total Minimum Target	<u>702,000</u>	<u>681,000</u>	<u>700,000</u>	<u>712,000</u>	<u>725,000</u>
Debt Service Coverage - Min. 1.20	6.62	14.95	2.71	2.97	3.26

Montara Water & Sanitary District
Water Cash Flow Summary (\$ Millions)

Fiscal Year	Budget	Projected				
	12/13	13/14	14/15	15/16	16/17	17/18
Rate Increases		9%	8%	8%	8%	8%
REVENUES						
Water Rate Revenues	1.47	1.58	1.74	1.89	2.05	2.22
Connection Fees	0.17	0.28	0.41	0.50	0.51	0.52
Prop Taxes/Interest/Other	0.31	0.31	0.38	0.45	0.46	0.47
Debt Proceeds	0.36	1.33	4.75	-	-	-
Total Revenues	2.31	3.49	7.27	2.83	3.01	3.21
EXPENSES						
Operating Expenses	1.48	1.81	1.68	1.80	1.87	1.95
Debt Service	0.06	0.05	0.06	0.38	0.38	0.39
CIP Existing Customers	0.36	1.35	4.98	0.44	0.29	0.30
CIP Future Customers	0.00	0.16	0.32	0.41	0.42	0.43
Other Non-Operating	0.00	0.00	0.00	0.03	0.03	0.03
Total Expenses	1.90	3.38	7.04	3.06	3.00	3.09
Revenues Less Exps	0.41	0.11	0.23	(0.23)	0.01	0.12
Ending Fund Reserves	0.70	0.81	1.04	0.81	0.82	0.94
Minimum Rsrv Target	0.65	0.70	0.68	0.70	0.71	0.73
Debt Service Coverage	7.61	6.62	14.95	2.71	2.97	3.26

Chart A

Montara Water & Sanitary District 5-Year Water Expenses Projections (\$ Millions)



* Excludes capital projects funded by debt.

Table 7
Montara Water & Sanitary District
Projected Water Rates

Based on current rates with across-the-board rate adjustments

	Current Rate	Maximum Adopted	Projected				
			2013/14	2014/15	2015/16	2016/17	2017/18
Projected Rate Increase			9%	8%	8%	8%	8%
Service Charge per Meter per Month							
5/8" x 3/4"	\$21.67	\$25.59	\$23.62	\$25.51	\$27.55	\$29.75	\$32.13
3/4"	23.84	28.15	25.99	28.07	30.32	32.75	35.37
1"	30.46	35.83	33.20	35.86	38.73	41.83	45.18
1 1/2"	39.01	46.06	42.52	45.92	49.59	53.56	57.84
2"	62.85	74.21	68.51	73.99	79.91	86.30	93.20
3"	238.41	281.49	259.87	280.66	303.11	327.36	353.55
4"	303.43	358.26	330.74	357.20	385.78	416.64	449.97
Quantity Charges (\$ per hcf)							
Tier 1 0 - 6 hcf	\$6.80	\$7.43	\$7.41	\$8.00	\$8.64	\$9.33	\$10.08
Tier 2 7 - 13 hcf	9.07	9.91	9.89	10.68	11.53	12.45	13.45
Tier 3 14 - 27 hcf	11.34	12.39	12.36	13.35	14.42	15.57	16.82
Tier 4 Over 27 hcf	15.87	17.35	17.30	18.68	20.17	21.78	23.52

Table 8
Montara Water & Sanitary District
Bi-Monthly Water Rate Impacts

Bi-Monthly Charges

Bi-Monthly Use (hcf)	% of Bills in Block	% of Bills at or Below	Bi-Monthly Bills						
			Current	Max Adopted	2013/14	2014/15	2015/16	2016/17	2017/18
Overall Rate Increase					9%	8%	8%	8%	8%
0	3.8%	3.8%	\$21.67	\$25.59	\$23.62	\$25.51	\$27.55	\$29.75	\$32.13
1	1.7%	5.5%	28.47	33.02	31.03	33.51	36.19	39.08	42.21
2	1.7%	7.2%	35.27	40.45	38.44	41.51	44.83	48.41	52.29
3	3.2%	10.4%	42.07	47.88	45.85	49.51	53.47	57.74	62.37
4	3.8%	14.3%	48.87	55.31	53.26	57.51	62.11	67.07	72.45
5	5.3%	19.6%	55.67	62.74	60.67	65.51	70.75	76.40	82.53
6	5.8%	25.4%	62.47	70.17	68.08	73.51	79.39	85.73	92.61
7	6.1%	31.5%	71.54	80.08	77.97	84.19	90.92	98.18	106.06
8	6.8%	38.3%	80.61	89.99	87.86	94.87	102.45	110.63	119.51
9	6.8%	45.1%	89.68	99.90	97.75	105.55	113.98	123.08	132.96
10	7.0%	52.0%	98.75	109.81	107.64	116.23	125.51	135.53	146.41
11	6.1%	58.2%	107.82	119.72	117.53	126.91	137.04	147.98	159.86
12	5.9%	64.0%	116.89	129.63	127.42	137.59	148.57	160.43	173.31
13	5.2%	69.2%	125.96	139.54	137.31	148.27	160.10	172.88	186.76
14	4.4%	73.7%	137.30	151.93	149.67	161.62	174.52	188.45	203.58
15	3.5%	77.1%	148.64	164.32	162.03	174.97	188.94	204.02	220.40
16	3.3%	80.5%	159.98	176.71	174.39	188.32	203.36	219.59	237.22
17	3.0%	83.5%	171.32	189.10	186.75	201.67	217.78	235.16	254.04
18	2.6%	86.1%	182.66	201.49	199.11	215.02	232.20	250.73	270.86
19	2.3%	88.5%	194.00	213.88	211.47	228.37	246.62	266.30	287.68
20	1.9%	90.4%	205.34	226.27	223.83	241.72	261.04	281.87	304.50
21	1.5%	91.9%	216.68	238.66	236.19	255.07	275.46	297.44	321.32
22	1.2%	93.1%	228.02	251.05	248.55	268.42	289.88	313.01	338.14
23	1.0%	94.1%	239.36	263.44	260.91	281.77	304.30	328.58	354.96
24	1.0%	95.1%	250.70	275.83	273.27	295.12	318.72	344.15	371.78
25	0.6%	95.7%	262.04	288.22	285.63	308.47	333.14	359.72	388.60
26	0.7%	96.4%	273.38	300.61	297.99	321.82	347.56	375.29	405.42
27	0.6%	96.9%	284.72	313.00	310.35	335.17	361.98	390.86	422.24
28	0.6%	97.5%	300.59	330.35	327.65	353.85	382.15	412.64	445.76
29	0.5%	97.9%	316.46	347.70	344.95	372.53	402.32	434.42	469.28
30	0.2%	98.2%	332.33	365.05	362.25	391.21	422.49	456.20	492.80
31	0.2%	98.4%	348.20	382.40	379.55	409.89	442.66	477.98	516.32
32	0.2%	98.5%	364.07	399.75	396.85	428.57	462.83	499.76	539.84
33	0.2%	98.7%	379.94	417.10	414.15	447.25	483.00	521.54	563.36
34	0.1%	98.8%	395.81	434.45	431.45	465.93	503.17	543.32	586.88
35	0.1%	99.0%	411.68	451.80	448.75	484.61	523.34	565.10	610.40
36	0.1%	99.0%	427.55	469.15	466.05	503.29	543.51	586.88	633.92
37	0.1%	99.1%	443.42	486.50	483.35	521.97	563.68	608.66	657.44
38	0.0%	99.2%	459.29	503.85	500.65	540.65	583.85	630.44	680.96
39	0.1%	99.3%	475.16	521.20	517.95	559.33	604.02	652.22	704.48
40	0.1%	99.3%	491.03	538.55	535.25	578.01	624.19	674.00	728.00
41	0.1%	99.4%	506.90	555.90	552.55	596.69	644.36	695.78	751.52
42	0.0%	99.4%	522.77	573.25	569.85	615.37	664.53	717.56	775.04
43	0.0%	99.5%	538.64	590.60	587.15	634.05	684.70	739.34	798.56
44	0.0%	99.5%	554.51	607.95	604.45	652.73	704.87	761.12	822.08
45	0.0%	99.5%	570.38	625.30	621.75	671.41	725.04	782.90	845.60
46	0.0%	99.6%	586.25	642.65	639.05	690.09	745.21	804.68	869.12
47	0.1%	99.6%	602.12	660.00	656.35	708.77	765.38	826.46	892.64
48	0.0%	99.7%	617.99	677.35	673.65	727.45	785.55	848.24	916.16
49	0.0%	99.7%	633.86	694.70	690.95	746.13	805.72	870.02	939.68
50	0.0%	99.7%	649.73	712.05	708.25	764.81	825.89	891.80	963.20
75	51-75: 0.15%	99.9%	1,046.48	1,145.80	1,140.75	1,231.81	1,330.14	1,436.30	1,551.20
100	76-100: 0.09%	100.0%	1,443.23	1,579.55	1,573.25	1,698.81	1,834.39	1,980.80	2,139.20
101-200	101-200: 0.02%	100.0%	3,030.23	3,314.55	3,303.25	3,566.81	3,851.39	4,158.80	4,491.20
201+	> 200: 0.02%	100.0%							

Table 9
Montara Water & Sanitary District
Water Rate Impacts

	Current	2013/14	2014/15	2015/16	2016/17	2017/18
LOW USE: 6 hcf bi-monthly use (74 gpd)						
<i>25% of residential bills are at or below this level of use</i>						
Bi-Monthly Bill	\$62.47	\$68.08	\$73.51	\$79.39	\$85.73	\$92.61
Monthly Equivalent	31.24	34.04	36.76	39.70	42.87	46.31
Cost per Day	1.03	1.12	1.21	1.31	1.41	1.52
<i>All-In Cost per 100 gallons</i>	<i>1.39</i>	<i>1.52</i>	<i>1.64</i>	<i>1.77</i>	<i>1.91</i>	<i>2.06</i>
MEDIAN USE: 10 hcf bi-monthly use (123 gpd)						
<i>52% of residential bills are at or below this level of use</i>						
Bi-Monthly Bill	\$98.75	\$107.64	\$116.23	\$125.51	\$135.53	\$146.41
Monthly Equivalent	49.38	53.82	58.12	62.76	67.77	73.21
Cost per Day	1.62	1.77	1.91	2.06	2.23	2.41
<i>All-In Cost per 100 gallons</i>	<i>1.32</i>	<i>1.44</i>	<i>1.55</i>	<i>1.68</i>	<i>1.81</i>	<i>1.96</i>
AVERAGE USE: 11 hcf bi-monthly use (135 gpd)						
<i>58% of residential bills are at or below this level of use</i>						
Bi-Monthly Bill	\$107.82	\$117.53	\$126.91	\$137.04	\$147.98	\$159.86
Monthly Equivalent	53.91	58.77	63.46	68.52	73.99	79.93
Cost per Day	1.77	1.93	2.09	2.25	2.43	2.63
<i>All-In Cost per 100 gallons</i>	<i>1.31</i>	<i>1.43</i>	<i>1.54</i>	<i>1.67</i>	<i>1.80</i>	<i>1.94</i>
MOD-HIGH USE: 20 hcf bi-monthly use (246 gpd)						
<i>90% of residential bills are at or below this level of use</i>						
Bi-Monthly Bill	\$205.34	\$223.83	\$241.72	\$261.04	\$281.87	\$304.50
Monthly Equivalent	102.67	111.92	120.86	130.52	140.94	152.25
Cost per Day	3.38	3.68	3.97	4.29	4.63	5.01
<i>All-In Cost per 100 gallons</i>	<i>1.37</i>	<i>1.50</i>	<i>1.62</i>	<i>1.74</i>	<i>1.88</i>	<i>2.04</i>
HIGH USE: 35 hcf bi-monthly use (430 gpd)						
<i>99% of residential bills are at or below this level of use</i>						
Bi-Monthly Bill	\$411.68	\$448.75	\$484.61	\$523.34	\$565.10	\$610.40
Monthly Equivalent	205.84	224.38	242.31	261.67	282.55	305.20
Cost per Day	6.77	7.38	7.97	8.60	9.29	10.03
<i>All-In Cost per 100 gallons</i>	<i>1.57</i>	<i>1.71</i>	<i>1.85</i>	<i>2.00</i>	<i>2.16</i>	<i>2.33</i>

Table 2
Montara Water & Sanitary District
Existing Customer CIP & Funding Sources

	Funding Source	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	5-Year Total
Existing Customer CIP							
Distribution Syst Renewal/Repl Program							
Mech. Sys. Rep. & Replacements-Water	Rates	10,000	10,200	10,404	10,612	10,824	52,040
Water Meters	Rates	10,000	25,500	52,020	53,060	54,122	194,702
Water Lateral Services	Rates/GO Bonds	30,000	30,600	31,212	31,836	32,473	156,121
Water Main Replacements	Rates/GO Bonds	100,000	102,000	104,040	106,121	108,243	520,404
Replace Fire Hydrants	Rates/GO Bonds	5,000	5,100	5,202	5,306	5,412	26,020
Subtotal		155,000	173,400	202,878	206,936	211,074	949,288
Water Conservation Program	Rates	8,500	8,670	8,843	9,020	9,201	44,234
Well Rehabilitation Program							
South Airport Well Rehab & Fence	GO Bonds	150,000	-	-	-	-	150,000
Well Rehabilitation	Rates/GO Bonds	100,000	-	-	-	-	100,000
Subtotal		250,000	-	-	-	-	250,000
Storage Tank Rehabilitation Program	Rates/GO Bonds	-	100,000	-	-	-	100,000
Vehicle Replacement Fund	Rates	-	-	30,000	25,000	25,500	80,500
Public Works Plan Phase I Projects							
Schoolhouse Tank West	GO Bonds	600,000	-	-	-	-	600,000
Alta Vista Tank No. 2 New - Go Bonds	GO Bonds	200,000	80,000	-	-	-	280,000
Alta Vista Tank No. 2 New - SRF Loan	SRF Loan 022C	-	2,920,000	-	-	-	2,920,000
Airport Water Trtmt Plant - design	SRF Planning Loan	140,000	-	-	-	-	140,000
Airport Water Trtmt Plant - construction	I-Bank Loan (est)	-	1,550,000	-	-	-	1,550,000
Subtotal		940,000	4,550,000	-	-	-	5,490,000
Pillar Ridge Consolidation Project	Rates	-	150,000	200,000	50,000	50,000	450,000
Total Existing Customer CIP		1,353,500	4,982,070	441,721	290,956	295,775	7,364,022
Sources of Funds							
Rates		28,500	230,070	441,721	290,956	295,775	1,287,022
SRF Loan 022C (Alta Vista Tank)		-	2,920,000	-	-	-	2,920,000
SRF Loan 024 (planning loan)		140,000	-	-	-	-	140,000
GO Bonds		1,185,000	282,000	-	-	-	1,467,000
I-Bank Loan (est)		-	1,550,000	-	-	-	1,550,000
Total Sources of Funds		1,353,500	4,982,070	441,721	290,956	295,775	7,364,022

Table 4
Montara Water & Sanitary District
Water Enterprise Debt Service

With \$500,000 Planning Loan
 Repaid in 5 Years Starting 2014/15

	2006 PNC Lease	2012 SRF Loan	2012 SRF Loan	2014 SRF or I-B Loan	Total Debt Service
Issue Size	\$1,818,134	\$2,920,000	\$500,000	\$1,550,000	
Interest Rate	2.95%	2.2836%	2.0933%	2.75%	
Term	20 Years	20 Years	5 Years	20 Years	
Payments	Monthly	Semi-Annual	Semi-Annual	Semi-Annual	
Purpose	Water Meters (50% Water)	Alta Vista Tank	Planning Loan	Airport Trt Plant <i>Estimated</i>	
2012/13	61,735	-	-	-	61,735
2013/14	53,475	-	-	-	53,475
2014/15	56,340	-	105,846	-	162,186
2015/16	59,275	182,687	105,846	105,000	452,809
2016/17	62,325	182,687	105,846	105,000	455,859
2017/18	65,275	182,687	105,846	105,000	458,809
2018/19	68,875	182,687	105,846	105,000	462,409
2019/20	72,425	182,687	-	105,000	360,112
2020/21	76,130	182,687	-	105,000	363,817
2021/22	79,905	182,687	-	105,000	367,592
2022/23	83,520	182,687	-	105,000	371,207
2023/24	87,230	182,687	-	105,000	374,917
2024/25	88,558	182,687	-	105,000	376,245
2025/26	88,650	182,687	-	105,000	376,337
2026/27	29,536	182,687	-	105,000	317,224
2027/28	-	182,687	-	105,000	287,687
2028/29	-	182,687	-	105,000	287,687
2029/30	-	182,687	-	105,000	287,687
2030/31	-	182,687	-	105,000	287,687
2031/32	-	182,687	-	105,000	287,687
2032/33	-	182,687	-	105,000	287,687
2033/34	-	182,687	-	105,000	287,687
2034/35	-	182,687	-	105,000	287,687

Table 4B
Montara Water & Sanitary District
Water Enterprise Debt Service

With \$500,000 Planning Loan
 Rolled into 20-Year SRF Loan

	2006 PNC Lease	2012 SRF Loan	2012 SRF Loan	2014 I-Bank Loan	Total Debt Service
Issue Size	\$1,818,134	\$2,920,000	\$500,000	\$1,550,000	
Interest Rate	2.95%	2.2836%	2.7500%	2.75%	
Term	20 Years	20 Years	20 Years	20 Years	
Payments	Monthly	Semi-Annual	Semi-Annual	Semi-Annual	
Purpose	Water Meters (50% Water)	Alta Vista Tank	Planning Loan	Airport Trt Plant <i>Estimated</i>	
2012/13	61,735	-	-	-	61,735
2013/14	53,475	-	-	-	53,475
2014/15	56,340	-	-	-	56,340
2015/16	59,275	182,687	34,300	105,000	381,262
2016/17	62,325	182,687	34,300	105,000	384,312
2017/18	65,275	182,687	34,300	105,000	387,262
2018/19	68,875	182,687	34,300	105,000	390,862
2019/20	72,425	182,687	34,300	105,000	394,412
2020/21	76,130	182,687	34,300	105,000	398,117
2021/22	79,905	182,687	34,300	105,000	401,892
2022/23	83,520	182,687	34,300	105,000	405,507
2023/24	87,230	182,687	34,300	105,000	409,217
2024/25	88,558	182,687	34,300	105,000	410,545
2025/26	88,650	182,687	34,300	105,000	410,637
2026/27	29,536	182,687	34,300	105,000	351,524
2027/28	-	182,687	34,300	105,000	321,987
2028/29	-	182,687	34,300	105,000	321,987
2029/30	-	182,687	34,300	105,000	321,987
2030/31	-	182,687	34,300	105,000	321,987
2031/32	-	182,687	34,300	105,000	321,987
2032/33	-	182,687	34,300	105,000	321,987
2033/34	-	182,687	34,300	105,000	321,987
2034/35	-	182,687	34,300	105,000	321,987

Table 5
Montara Water & Sanitary District
Accounts & Estimated 2012/13 Service Charge Revenues

	Residential	Commercial	Total
NUMBER OF ACCOUNTS			
Water Service			
5/8" x 3/4"	1,604	17	1,621
3/4"	2	6	8
1"	14	2	16
1-1/2"	2	3	5
2"	4	2	6
3"	0	0	0
4"	<u>2</u>	<u>0</u>	<u>2</u>
Subtotal	1,628	30	1,658
Private Fire			
4"	119	0	119
6"	5	0	5
8"	0	0	0
10"	1	0	1
12"	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	125	0	125
Total All Meters	1,753	30	1,783
EST. FIXED SERVICE CHARGE REVENUES 2012/13			
Water Service			
5/8" x 3/4"	\$417,104	\$4,421	\$421,525
3/4"	572	1,716	2,289
1"	5,117	731	5,848
1-1/2"	936	1,404	2,341
2"	3,017	1,508	4,525
3"	0	0	0
4"	<u>7,282</u>	<u>0</u>	<u>7,282</u>
Subtotal	434,029	9,781	443,810
Private Fire			
4"	\$21,206	\$0	\$21,206
6"	1,263	0	1,263
8"	0	0	0
10"	709	0	709
12"	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	23,178	0	23,178
Total Service Charge Revenues	\$457,207	\$9,781	\$466,988

**Table 6
Montara Water & Sanitary District
Historical & Adopted Water Rates**

Prior Rate Structure	2006	May-1 2007	Jul-1 2008	Jul-1 2009	Revised Rate Structure	Dec-1 2010	Jul-1 2012	Adopted Max Rate			
Quantity Charges (\$ per hcf)					Quantity Charges (\$ per hcf)						
<u>Tier</u>	<u>Bi-Monthly Use</u>				<u>Tier</u>	<u>Bi-Monthly Use</u>	<u>Equiv. Rate per 100 glns</u>				
Tier 1	0-19 hcf	\$4.479	\$4.733	\$4.987	\$5.240	Tier 1	0-6 hcf	\$6.54	\$6.80	\$0.91	\$7.43
Tier 2	> 19 hcf	5.731	6.285	6.839	7.393	Tier 2	7-13 hcf	8.72	9.07	1.21	9.91
						Tier 3	14-27 hcf	10.90	11.34	1.52	12.39
						Tier 4	>27 hcf	15.26	15.87	2.12	17.35
Service Charge per Meter per Month					Service Charge per Meter per Month						
5/8 x 3/4 inch meter	\$28.61	\$30.76	\$32.90	\$35.05	\$20.84	\$21.67	\$0.71	\$25.59			
3/4 inch meter	34.13	36.69	39.25	41.81	22.92	23.84	0.78	28.15			
1 inch meter	46.46	49.94	53.43	56.91	29.18	30.46	1.00	35.83			
1-1/2 inch meter	62.06	66.71	71.37	76.02	37.51	39.01	1.28	46.06			
2 inch meter	83.84	90.13	96.41	102.70	60.44	62.85	2.07	74.21			
3 inch meter	155.09	166.72	178.36	189.99	229.24	238.41	7.84	281.49			
4 inch meter	210.95	226.77	242.59	258.41	291.76	303.43	9.98	358.26			
Private Fire Protection Charge per Month					Private Fire Protection Charge per Month						
4 inch connection or smaller	\$11.34	\$12.19	\$13.04	\$13.89	\$13.89	\$14.85	0.49				
6 inch connection	16.07	17.28	18.48	19.69	19.69	21.05	0.69				
8 inch connection	21.42	23.03	24.63	26.24	26.24	28.05	0.92				
10 inch connection	45.15	48.54	51.92	55.31	55.31	59.12	1.94				
12 inch connection	63.00	67.73	72.45	77.18	77.18	82.51	2.71				

Table 10
Montara Water and Sanitary District
Water Rate Structure Comparison

Rates Effective 2012/13

	Montara WSD		Coastside CWD		North Coast CWD	
Fixed Service Charge (per Month)						
Typical Residential Meter Charge		\$21.67		\$17.21		\$12.47
Water Quantity Charges						
<u>Bi-Monthly Tiers</u>						
Tier 1	0 - 6 hcf	\$6.80	0 - 8 hcf	\$5.62	0 - 5 hcf	\$2.53
Tier 2	7 - 13 hcf	9.07	9 - 25 hcf	6.19	6 - 16 hcf	5.62
Tier 3	14 - 27 hcf	11.34	26 - 40 hcf	8.05	17 - 28 hcf	8.04
Tier 4	> 27 hcf	15.87	> 41 hcf	9.95	> 28 hcf	14.75

Appendix A
Water Consumption Analysis

Table A1
Montara Water & Sanitary District
Actual vs. Projected Water Sales by Tier

2009/10				2011/12			2012/13		
PROJECTED (from Nov 2010 Water Rate Study)									
Tier	(hcf)	Consumption (hcf)		Decrease	Consumption (hcf)		Decrease	Consumption (hcf)	
		in Tier	% of Total		in Tier	% of Total		in Tier	% of Total
Tier 1	0 - 6 hcf	53,598	41.3%	4%	51,454	41.7%	3%	49,910	42.1%
Tier 2	7 - 13 hcf	40,627	31.3%	5%	38,596	31.3%	4%	37,052	31.2%
Tier 3	14 - 27 hcf	22,826	17.6%	6%	21,456	17.4%	5%	20,384	17.2%
Tier 4	Over 27 hcf	<u>12,842</u>	<u>9.9%</u>	7%	<u>11,943</u>	<u>9.7%</u>	6%	<u>11,226</u>	<u>9.5%</u>
Total		129,893	100.0%		123,449	100.0%		118,572	100.0%
<i>Total Change in Water Consumption</i>				-5.0%			-4.0%		
ACTUAL									
Tier	Break	Consumption (hcf)		Decrease	Consumption (hcf)		Decrease	Consumption (hcf)	
		in Tier	% of Total		in Tier	% of Total		in Tier	% of Total
Tier 1	0 - 6 hcf	53,598	41.3%	-1%	53,319	44.9%	1%	53,708	43.4%
Tier 2	7 - 13 hcf	40,627	31.3%	-6%	38,076	32.1%	1%	38,570	31.2%
Tier 3	14 - 27 hcf	22,826	17.6%	-23%	17,543	14.8%	10%	19,367	15.7%
Tier 4	Over 27 hcf	<u>12,842</u>	<u>9.9%</u>	-24%	<u>9,723</u>	<u>8.2%</u>	23%	<u>11,974</u>	<u>9.7%</u>
Total		129,893	100.0%		118,661	100.0%		123,619	100.0%
<i>Total Change in Water Consumption</i>				-8.6%			4.2%		

(1) Consumption includes all customers (residential and non-residential)

Table A2
Montara Water & Sanitary District
Single Family Residential Consumption Block Analysis 2012/13

Median Bi-Monthly Use: 10 hcf
Average Bi-Monthly Use: 11.4 hcf

Bi-Monthly Use (hcf)	Number of Bills				Water Use (hcf)		Use Through Break	
	In Block	% of Total	Cumulative	Cumulative %	In Block	% of Ttl	Use (hcf)	% of Ttl
0	375	3.8%	375	3.8%	0	0.0%	0	0.0%
1	167	1.7%	542	5.5%	167	0.1%	9,405	8.4%
2	167	1.7%	709	7.2%	334	0.3%	18,643	16.7%
3	312	3.2%	1,021	10.4%	936	0.8%	27,714	24.8%
4	375	3.8%	1,396	14.3%	1,500	1.3%	36,473	32.6%
5	519	5.3%	1,915	19.6%	2,595	2.3%	44,857	40.1%
6	565	5.8%	2,480	25.4%	3,390	3.0%	52,722	47.1%
7	597	6.1%	3,077	31.5%	4,179	3.7%	60,022	53.6%
8	669	6.8%	3,746	38.3%	5,352	4.8%	66,725	59.6%
9	661	6.8%	4,407	45.1%	5,949	5.3%	72,759	65.0%
10	683	7.0%	5,090	52.0%	6,830	6.1%	78,132	69.8%
11	598	6.1%	5,688	58.2%	6,578	5.9%	82,822	74.0%
12	575	5.9%	6,263	64.0%	6,900	6.2%	86,914	77.6%
13	507	5.2%	6,770	69.2%	6,591	5.9%	90,431	80.8%
14	434	4.4%	7,204	73.7%	6,076	5.4%	93,441	83.5%
15	340	3.5%	7,544	77.1%	5,100	4.6%	96,017	85.8%
16	325	3.3%	7,869	80.5%	5,200	4.6%	98,253	87.8%
17	296	3.0%	8,165	83.5%	5,032	4.5%	100,164	89.5%
18	258	2.6%	8,423	86.1%	4,644	4.1%	101,779	90.9%
19	229	2.3%	8,652	88.5%	4,351	3.9%	103,136	92.1%
20	188	1.9%	8,840	90.4%	3,760	3.4%	104,264	93.1%
21	148	1.5%	8,988	91.9%	3,108	2.8%	105,204	94.0%
22	118	1.2%	9,106	93.1%	2,596	2.3%	105,996	94.7%
23	99	1.0%	9,205	94.1%	2,277	2.0%	106,670	95.3%
24	94	1.0%	9,299	95.1%	2,256	2.0%	107,245	95.8%
25	61	0.6%	9,360	95.7%	1,525	1.4%	107,726	96.2%
26	65	0.7%	9,425	96.4%	1,690	1.5%	108,146	96.6%
27	54	0.6%	9,479	96.9%	1,458	1.3%	108,501	96.9%
28	54	0.6%	9,533	97.5%	1,512	1.4%	108,802	97.2%
29	45	0.5%	9,578	97.9%	1,305	1.2%	109,049	97.4%
30	24	0.2%	9,602	98.2%	720	0.6%	109,251	97.6%
31	18	0.2%	9,620	98.4%	558	0.5%	109,429	97.8%
32	17	0.2%	9,637	98.5%	544	0.5%	109,589	97.9%
33	20	0.2%	9,657	98.7%	660	0.6%	109,732	98.0%
34	9	0.1%	9,666	98.8%	306	0.3%	109,855	98.1%
35	13	0.1%	9,679	99.0%	455	0.4%	109,969	98.2%
36	8	0.1%	9,687	99.0%	288	0.3%	110,070	98.3%
37	8	0.1%	9,695	99.1%	296	0.3%	110,163	98.4%
38	4	0.0%	9,699	99.2%	152	0.1%	110,248	98.5%
39	8	0.1%	9,707	99.3%	312	0.3%	110,329	98.6%
40	6	0.1%	9,713	99.3%	240	0.2%	110,402	98.6%
41	10	0.1%	9,723	99.4%	410	0.4%	110,469	98.7%
42	3	0.0%	9,726	99.4%	126	0.1%	110,526	98.7%
43	2	0.0%	9,728	99.5%	86	0.1%	110,580	98.8%
44	2	0.0%	9,730	99.5%	88	0.1%	110,632	98.8%
45	3	0.0%	9,733	99.5%	135	0.1%	110,682	98.9%
46	3	0.0%	9,736	99.6%	138	0.1%	110,729	98.9%
47	8	0.1%	9,744	99.6%	376	0.3%	110,773	99.0%
48	4	0.0%	9,748	99.7%	192	0.2%	110,809	99.0%
49	4	0.0%	9,752	99.7%	196	0.2%	110,841	99.0%
50	0	0.0%	9,752	99.7%	0	0.0%	110,869	99.0%
51-75	15	0.2%	9,767	99.9%	905	0.8%	111,349	99.5%
76-100	9	0.1%	9,776	100.0%	784	0.7%	111,558	99.7%
101-200	2	0.0%	9,778	100.0%	331	0.3%	111,889	99.9%
201+	2	0.0%	9,780	100.0%	457	0.4%	111,946	100.0%
Total	9,780	100.0%			111,946	100.0%		

Chart B

Montara Water & Sanitary District Bi-Monthly Single Family Residential Water Bill Distribution 2012/13

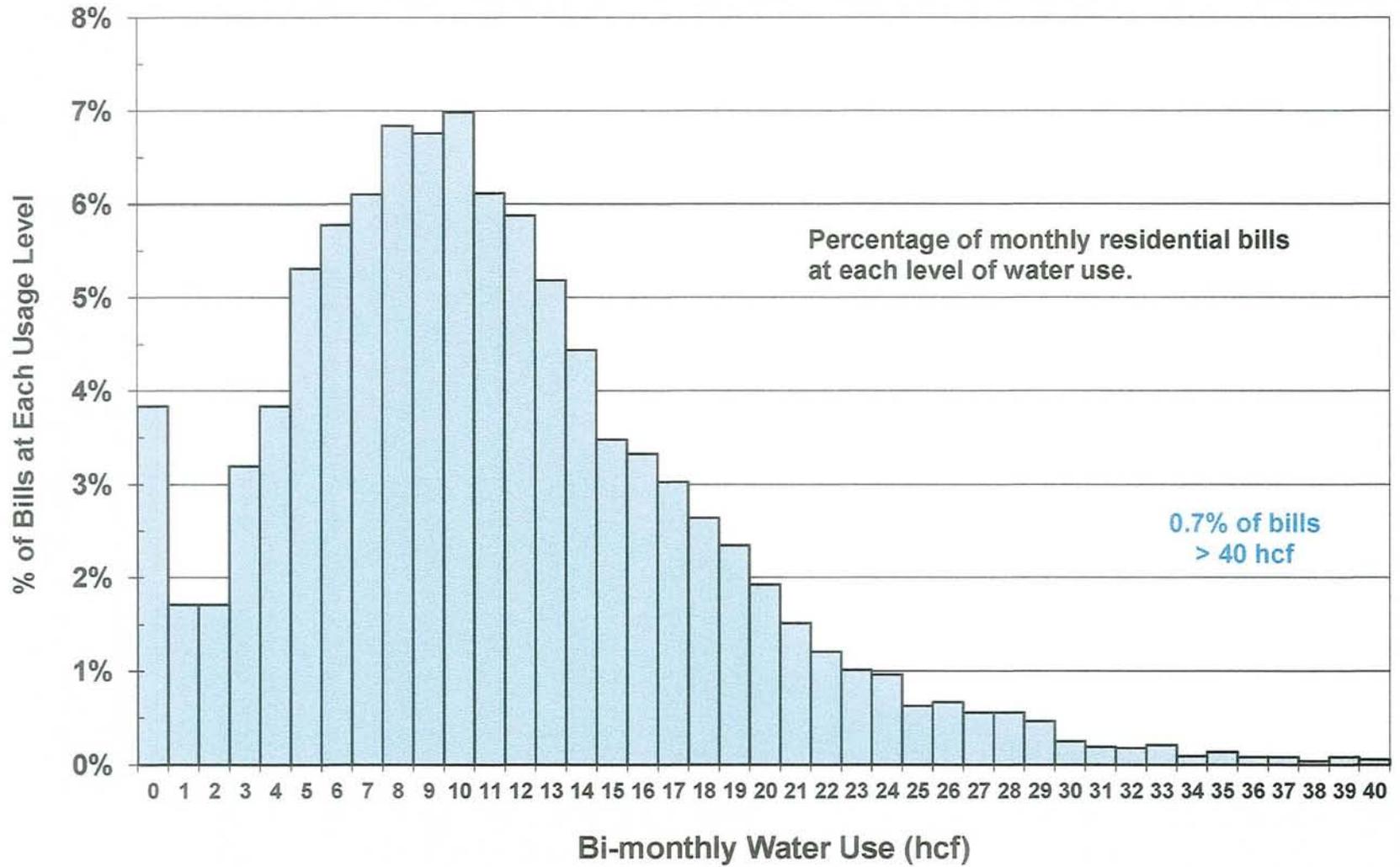


Table A3
Montara Water & Sanitary District
Residential Water Use Statistics

Fiscal Year	Bi-Monthly Water Use (hcf)			
	25th Percentile	Median¹	Average	75th Percentile
2011/12	6.0	10.0	11.1	14.0
2012/13	6.0	10.0	11.4	14.0
2-Year Avg (hcf)	6.0	10.0	11.3	14.0

¹ Half of all annual bi-monthly bills have water use at or below this level.

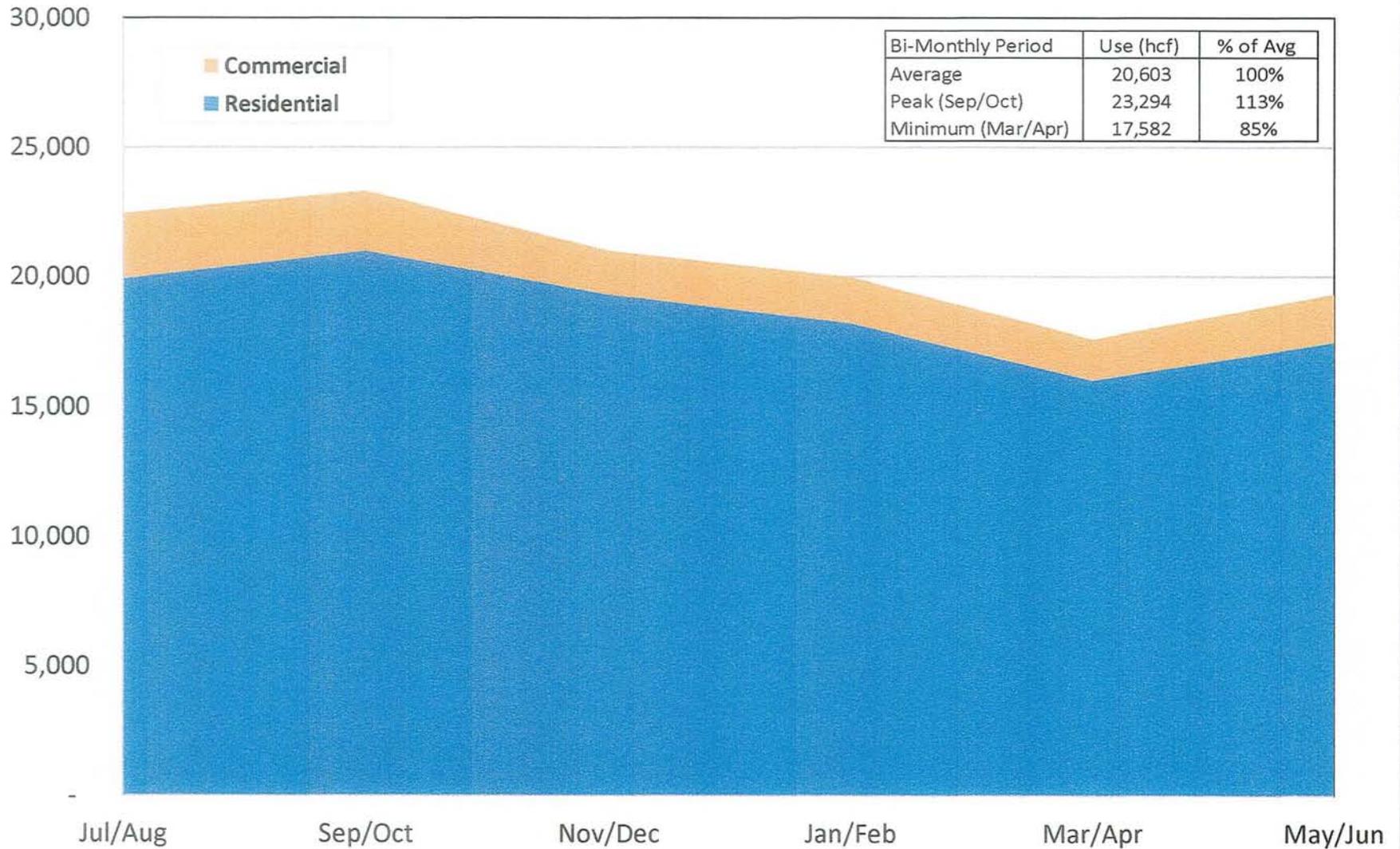
Table A4
Montara Water & Sanitary District
Residential & Commercial Consumption By Current Tier Breakpoints

Tier	Bi-Monthly Use (hcf)	Number of Bills Ending		Water Consumption (hcf)		Rate	Total Revenues
		in Tier	% of Total	in Tier	% of Total		
RESIDENTIAL							
2011/12							
Tier 1	0 - 6	2,525	25.8%	52,397	48.2%	\$6.540	\$342,676
Tier 2	7 - 13	4,351	44.5%	37,287	34.3%	\$8.720	\$325,143
Tier 3	14 - 27	1,472	15.1%	16,337	15.0%	\$10.900	\$178,073
Tier 4	Over 27	<u>1,432</u>	<u>14.6%</u>	<u>2,695</u>	<u>2.5%</u>	\$15.260	<u>\$41,126</u>
Total		9,780	100.0%	108,716	100.0%		\$887,018
2012/13							
Tier 1	0 - 6	2,480	25.4%	52,722	47.1%	\$6.800	\$358,510
Tier 2	7 - 13	4,290	43.9%	37,709	33.7%	\$9.070	\$342,021
Tier 3	14 - 27	2,709	27.7%	18,070	16.1%	\$11.340	\$204,914
Tier 4	Over 27	<u>301</u>	<u>3.1%</u>	<u>3,445</u>	<u>3.1%</u>	\$15.870	<u>\$54,672</u>
Total		9,780	100.0%	111,946	100.0%		\$960,116
COMMERCIAL							
2011/12							
Tier 1	0 - 6	72	36.4%	922	9.3%	\$6.540	\$6,030
Tier 2	7 - 13	26	13.1%	789	7.9%	\$8.720	\$6,880
Tier 3	14 - 27	28	14.1%	1,206	12.1%	\$10.900	\$13,145
Tier 4	Over 27	<u>72</u>	<u>36.4%</u>	<u>7,028</u>	<u>70.7%</u>	\$15.260	<u>\$107,247</u>
Total		198	100.0%	9,945	100.0%		\$133,303
2012/13							
Tier 1	0 - 6	60	30.3%	986	8.4%	\$6.800	\$6,705
Tier 2	7 - 13	31	15.7%	861	7.4%	\$9.070	\$7,809
Tier 3	14 - 27	30	15.2%	1,297	11.1%	\$11.340	\$14,708
Tier 4	Over 27	<u>77</u>	<u>38.9%</u>	<u>8,529</u>	<u>73.1%</u>	\$15.870	<u>\$135,355</u>
Total		198	100.0%	11,673	100.0%		\$164,577
TOTAL							
2011/12							
Tier 1	0 - 6	2,597	26.0%	53,319	44.9%	\$6.540	\$348,706
Tier 2	7 - 13	4,377	43.9%	38,076	32.1%	\$8.720	\$332,023
Tier 3	14 - 27	1,500	15.0%	17,543	14.8%	\$10.900	\$191,219
Tier 4	Over 27	<u>1,504</u>	<u>15.1%</u>	<u>9,723</u>	<u>8.2%</u>	\$15.260	<u>\$148,373</u>
Total		9,978	100.0%	118,661	100.0%		\$1,020,321
2012/13							
Tier 1	0 - 6	2,540	25.5%	53,708	43.4%	\$6.800	\$365,214
Tier 2	7 - 13	4,321	43.3%	38,570	31.2%	\$9.070	\$349,830
Tier 3	14 - 27	2,739	27.5%	19,367	15.7%	\$11.340	\$219,622
Tier 4	Over 27	<u>378</u>	<u>3.8%</u>	<u>11,974</u>	<u>9.7%</u>	\$15.870	<u>\$190,027</u>
Total		9,978	100.0%	123,619	100.0%		\$1,124,693

Chart C

Montara Water & Sanitary District

Bi-Monthly Water Use by Customer Class FY 2012/13





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Solid Waste Services Contract with Recology of the Coast.

Recology acquired Seacoast Disposal in 2010 and requested the assignment of contract to Recology in accordance with the language specified in the franchise agreement. At the time Seacoast Disposal was operating at a loss and Recology has since then been asking to increase the rates for solid waste disposal services to cover the cost of operation due to cost increases in dump fees, fuel, personnel, and the decrease in revenues from recyclables.

An interim rate increase for 2013 in the amount of \$15.68 for a 30 gallon can and associated rates was implemented to allow further negotiations of contract changes and future rates. The item was referred to the solid waste committee.

The Committee is negotiating a contract with no service reductions, the same scheduled weekly pickup of refuse and recycling and biweekly green waste service. Services include a standardized 64 gallon recycling can and consumer choice of Recology supplied 20, 32 and 64 gallon containers.

RECOMMENDATION:

Authorize the Solid Waste Committee to negotiate a rate starting at approximately \$19 (32 gallon can) for multiple years.

Attachment

EXHIBIT E

RATE ADJUSTMENT METHODOLOGY

1. DEFINITIONS

In addition to the terms defined in Exhibit "A" of this Agreement, the following terms are defined as follows:

1.1 "CPI-U" means the Consumer Price Index, All Urban Consumers, All Items, Not Seasonally Adjusted, San Francisco-Oakland-San Jose Metropolitan Area (Series Id: cuura422sa0), compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

1.2 "CPI-W" means the Consumer Price Index, Urban Wage Earners and Clerical Workers, All Items, Not Seasonally Adjusted, San Francisco-Oakland-San Jose Metropolitan Area (Series Id: cwura422sa0), compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

1.3 "California Gasoline and Diesel Prices Index" means the U.S. Energy Information Administration (EIA), Petroleum and Other Liquids, U.S. On-Highway Diesel Fuel Prices (dollars per gallon) Weekly Retail Gasoline and Diesel Prices, California Diesel Ultra Low Sulfur (0 – 15 ppm) Dollars per Gallon, Period equals Monthly

1.4 "Motor Vehicle Maintenance and Repair Index" means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, Not Seasonally Adjusted, U.S. City Average (Series Id: cuur0000setd), compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

1.5 "Annual Percentage Change" is calculated as the Average Index Value for the 12-month period ending April 30 of the then-current Rate Year, minus the Average Index Value for the 12-month period ending April 30 of the prior year, and dividing the result by the Average Index Value for the 12-month period ending April 30 of such prior year. The Annual Percentage Change shall be rounded to the nearest hundredth of one percent (e.g., a calculated value of 0.02636 (2.636%) would be rounded to 0.0264 (2.64%)).

1.6 "Average Index Value" for a twelve (12) month period means the sum of the published monthly index values for such period divided by 12 (in the case of indices published monthly) or the sum of the bi-monthly index values for such period divided by 6 (in the case of indices published bi-monthly).

1.7 "Yard Waste Processing Fee" for a given period means the highest per-ton fee payable by Contractor during such period for the processing of source separated Yard Waste Materials at the Yard Waste Processing Facility.

1.8 "Disposal Fee" for a given period means the highest per-ton fee payable by Contractor during such period for the Disposal of Solid Waste (including the Regulatory Fee Component).

1.9 "Recyclables Transfer Station (Load-Out) Fee" or "Recyclables Transfer Station Fee" for a given period means the highest per-ton fee payable by Contractor during such period for the transfer of Recyclable Materials at the Designated Transfer Facility to cover costs related to receipt of materials in Collection vehicles and loading such

materials into long-haul transfer vehicles. So long as the Designated Transfer Facility is owned by an Affiliate of Contractor, the Recyclables Transfer Station Fee shall equal \$6.64 per ton until December 31, 2014, and shall thereafter increase by the Annual Percentage Change in the CPI-U and changes in regulatory fees pursuant to Sections 3.6.1 and 4.6.1.

1.10"Recyclables Transport Fee" for a given period means the highest per-ton fee payable by Contractor during such period for the transportation of Recyclable Materials from the Designated Transfer Facility to the Designated Processing Facility. So long as the Designated Transfer Facility is owned by an Affiliate of Contractor, the Recyclables Transport Fee shall equal \$22.66 per ton until December 31, 2014, and shall thereafter increase by the Annual Percentage Change in the CPI-U and changes in regulatory fees pursuant to Sections 3.6.2 and 4.6.2.

1.11"Base Component" means, with respect to a given fee, the portion of such fee that represents Contractor's charge for transfer station, transport, processing, composting, or disposal and includes all Contractor's expenses, but excludes the Regulatory Fee Component.

1.12"Regulatory Fee Component" means, with respect to a given fee, that portion of such fee that represents amounts payable by Contractor for all federal, State, and local fees applied to transfer, transport, processing, composting, or disposal.

If an index is discontinued, the successor index with which it is replaced will be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics, the index published by the Bureau which, in the reasonable opinion of District after conferring with Contractor, is most comparable will be used.

2. COST COMPONENTS

Both index-based and cost-based Rate adjustments are effected by applying various adjustment factors as described herein to the following categories of costs and other amounts, which are referred to herein as "Cost Components" or "Components":

2.1"CBA Labor Costs" for a given period means the direct and indirect costs incurred by Contractor during such period for Contractor's employees, who are governed by a collective bargaining agreement, including without limitation: (1) wage costs including costs for regular, overtime, holiday, vacation, and sick wages; (2) health and welfare costs; and (3) pension/retirement benefit costs, but excluding Workers Compensation and Payroll Taxes.

2.2"Non-CBA Labor Costs" for a given period means the direct and indirect costs incurred by Contractor during such period for Contractor's employees, including supervisory personnel, who are not governed by a collective bargaining agreement, including without limitation: (1) wage and salary costs including costs for regular, overtime, holiday, vacation, and sick wages; (2) health and welfare costs; and (3) pension/retirement benefit costs, but excluding Workers Compensation and Payroll Taxes.

2.3"Workers Compensation" for a given period means the costs incurred by Contractor during such period for workers compensation insurance premiums.

2.4“Payroll Taxes” for a given period means the costs incurred by Contractor during such period for payroll taxes.

2.5“Vehicle-Related Costs” for a given period means direct and indirect costs incurred by Contractor during such period associated with maintenance, repair, licensing and registration of Contractor’s vehicles and equipment, but excluding Fuel Costs and Lease Costs.

2.6“Fuel Costs” for a given period means the costs incurred by Contractor during such period for fuel.

2.7“Yard Waste Processing Costs” for a given period means the total dollar amount (e.g., number of Tons multiplied by the per-Ton Yard Waste Processing Fee) of fees incurred by Contractor during such period for the processing of Yard Waste at the Designated Composting Facility.

2.8 “Lease Costs” for a given period means the costs incurred by Contractor during such period for leases of facilities, vehicles and equipment (including Containers) leased from Affiliates of Contractor.

Leases for new vehicles and equipment (including Containers) shall fully amortize Contractor's acquisition cost over a 7-year period, and leases for used vehicles and equipment (including Containers) shall fully amortize Contractor's acquisition cost over a 5-year period, in each case based on the date the vehicles or equipment are put into service, and assuming equal monthly payments over the life of the lease. After the 5- or 7-year amortization period, the lease costs shall not be included in subsequent Rate Years. Lease rates shall be calculated at a rate equal to 1.9% plus the rate (as of the date the asset is put into service by Contractor) for Treasury bonds of constant maturity having the same term as the lease term (e.g., 7-year bonds for a 7-year lease term), as such rate appears on the web site of the Federal Reserve Board (<http://www.federalreserve.gov/releases/H15/data.htm>).

2.9“Other Costs” for a given period means all costs reasonably incurred by Contractor during such period in connection with or arising from Contractor’s performance of its obligations under this Agreement, other than (i) costs attributable to the Cost Components set forth in Sections 2.1 through 2.8 above, (ii) Pass-Through Costs, (iv) Calculated Profit, and (v) Non-Allowable Costs.

2.10“Total Annual Cost of Operations” means the sum of the Cost Components set forth in Sections 2.1 through 2.9 above. Total Annual Cost of Operations is used as a basis for determining Calculated Profit.

2.11“Calculated Profit” means an estimate of Contractor’s profit based on the Operating Ratio of 0.90. Contractor’s profit margin with respect to a given amount (e.g., the Total Annual Cost of Operations) is calculated by dividing the given amount by the Operating Ratio, and subtracting from the result the given amount.

2.12 “Other District Fees” means an estimate of the amount of the fees other than the Franchise Fee (if any) payable by Contractor to District pursuant to this Agreement, used for purposes of determining Total Calculated Costs. Other District shall be Pass-Through Costs.

2.13“Calculated Franchise Fee” means the amount of the Franchise Fee payable by Contractor to District pursuant to Section 3.01.1 of this Agreement, used for purposes of

determining the Total Calculated Costs. The Franchise Fee shall be a Pass-Through Cost.

2.14 "Recyclables Transfer Station (Load-Out) Costs" or "Recyclables Transfer Station Costs" for a given period means the total dollar amount (e.g., number of Tons multiplied by the per-Ton Recyclables Transfer Station Fee) of costs incurred by Contractor during such period for the transfer of Recyclable Materials at the Designated Processing Facility. Recyclables Transfer Station Costs shall be Pass-Through Costs.

2.15 "Recyclables Transport Costs" for a given period means the total dollar amount (e.g., number of Tons multiplied by the per-Ton Recyclables Transport Fee) of costs incurred by Contractor during such period for the transport of Recyclable Materials from the Designated Transfer Station to the Designated Processing Facility. Recyclables Transport Costs shall be Pass-Through Costs.

2.16 "Disposal Costs" for a given period means the total dollar amount (e.g., number of Tons multiplied by the per-Ton Disposal Fee) of fees incurred by Contractor during such period for the disposal of Solid Waste at the Designated Disposal Facility. Disposal Costs shall be Pass-Through Costs.

2.17 "Total Calculated Costs" means the sum of the Cost Components set forth in Sections 2.10 through 2.16 above. Total Calculated Costs is used as a basis for determining the Rate Adjustment Factor under the index-based and cost-based Rate adjustment methodologies. Total Calculated Costs does not reflect or in any way guarantee the Gross Receipts that are to be generated by Rates or retained by Contractor.

2.18 "Pass-Through Costs" means the Franchise Fee, Other District Fees, Disposal Costs, Recyclables Transfer Station Costs, Recyclables Transport Costs and Other Pass-Through Adjustments.

3. INDEX-BASED RATE ADJUSTMENT METHODOLOGY

3.1 Summary. The index-based Rate adjustment methodology involves the application of the Annual Percentage Change in various price indices to certain categories of Contractor's Total Annual Cost of Operations for the current Rate Year; the calculation of profit; and the calculation of Other District Fees and Franchise Fees. The difference (measured as a percentage) between Total Calculated Costs for the coming Rate Year and Total Calculated Costs for the current Rate Year is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Year.

3.2 Determination of Contractor's Costs. With respect to the Cost Components that comprise Total Annual Cost of Operations, the starting point for the adjustment calculations referred to in Section 3.1 is the value of each Cost Component for the Rate Year in which Contractor's Application is submitted (i.e., the current year), as determined in the previous Rate adjustment process. For purposes of Contractor's Application submitted in 2014 to determine the Rates that will take effect on January 1, 2015, the Cost Components that make up Total Annual Cost of Operations will be as set forth on Exhibit "F" which components shall be adjusted to the extent any of the circumstances described in Section 6.02.B or Section 6.02.C occur and such circumstances reasonably increase Contractor's costs of operation.

3.3 Calculation of Adjustments to Cost Components. Each of the Cost Components will be adjusted as follows:

3.3.1 CBA Labor Costs. CBA Labor Costs for the coming Rate Year shall be determined by adjusting CBA Labor Costs for the current Rate Year in accordance with the procedures described in the then-current collective bargaining agreement.

3.3.2 Non-CBA Labor Costs. Non-CBA Labor Costs for the coming Rate Year shall equal Non-CBA Labor Costs for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-W.

3.3.3 Workers Compensation. Workers Compensation for the coming Rate Year shall equal Workers Compensation for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U.

3.3.4 Payroll Taxes. Payroll Taxes for the coming Rate Year shall equal (i) Payroll Taxes for the current Rate Year multiplied by (ii) the sum of CBA Labor Costs and Non-CBA Labor Costs for the coming Rate Year, determined in accordance with Sections 3.3.1 and 3.3.2, respectively, and divided by (iii) the sum of CBA Labor Costs and Non-CBA Labor Costs for the current Rate Year.

3.3.5 Vehicle-Related Costs. Vehicle-Related Costs for the coming Rate Year shall equal Vehicle-Related Costs for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.

3.3.6 Fuel Costs. Fuel Costs for the coming Rate Year shall equal Fuel Costs for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the California Gasoline and Diesel Prices Index.

3.3.7 Yard Waste Processing Costs. Yard Waste Processing Costs for the coming Rate Year shall equal (i) the Base Component of the Yard Waste Processing Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees, multiplied by (ii) the total Tons of Yard Waste Materials Collected by Contractor for the most-recently completed 12-month period ending April 30.

3.3.8 Lease Costs. Lease Costs for the coming Rate Year shall be determined in accordance with Section 2.8 above.

3.3.9 Other Costs. Other Costs for the coming Rate Year shall equal Other Costs for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U.

3.3.10 Total Annual Cost of Operations. Total Annual Cost of Operations for the coming Rate Year shall equal the sum of the amounts calculated in Sections 3.3.1 through 3.3.9 above.

3.4 Calculated Profit. Calculated Profit for the coming Rate Year will be calculated by dividing the Total Annual Cost of Operations for the coming Rate Year (the value calculated in Section 3.3.10 above) by an operating ratio (0.90)

and subtracting from the result the Total Annual Cost of Operations for the coming Rate Year.

3.5 Total District Fees. The Total District Fees for the coming Rate Year shall equal the sum of the Franchise Fee and Other District Fees for the coming Rate Year.

3.6 Other Pass-Through Adjustments. Other Pass-Through Adjustments for the coming Rate Year shall equal (i) the sum of the costs calculated in items 3.6.1 through 3.6.3 below, plus (ii) any amounts (actual or reasonably estimated) not included in Total Annual Cost of Operations for which Contractor is entitled to reimbursement through the Rate adjustment mechanism, plus (iii) any other amounts mutually agreed by District and Contractor to be "Other Pass-Through Adjustments" hereunder.

3.6.1 Recyclables Transfer Station (Load-Out) Costs. Recyclables Transfer Station Costs for the coming Rate Year shall equal (i) the Base Component of the Recyclables Transfer Station Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees of the Regulatory Fee Component of the Recyclables Transfer Station Fee, multiplied by (ii) the total Tons of Recyclable Materials Collected by Contractor for the most-recently completed 12-month period ending April 30.

3.6.2 Recyclables Transport Costs. Recyclables Transport Costs for the coming Rate Year shall equal (i) the Base Component of the Recyclables Transport Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees of the Regulatory Fee Component of the Recyclables Transport Fee, multiplied by (ii) the total Tons of Recyclable Materials Collected by Contractor for the most-recently completed 12-month period ending April 30.

3.6.3 Disposal Costs. Disposal Costs for the coming Rate Year shall equal the per-Ton Disposal Fee at the Designated Disposal Facility for the coming Rate Year multiplied by the total Tons of Solid Waste Collected by Contractor for the most-recently completed 12-month period ending April 30.

3.7 Total Calculated Costs. The Total Calculated Costs for the coming Rate Year shall equal the sum of the Total Annual Cost of Operations for the coming Rate Year (as calculated in Section 3.3.10 above), Calculated Profit for the coming Rate Year (as calculated in Section 3.4 above), Total District Fees for the coming Rate Year (as calculated in Section 3.5 above), and Other Pass-Through Adjustments for the coming Rate Year (as calculated in Section 3.6 above).

3.8 Adjustment of Rates. The Rate Adjustment Factor for the coming Rate Year shall equal Total Calculated Costs for the coming Rate Year (as calculated in Section 3.7 above) divided by Total Calculated Costs for the current Rate Year, which shall be rounded to the nearest thousandth. Each then-effective Rate, as set forth on Exhibit "D", shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Year. The adjustment to each Rate shall be rounded to the nearest cent.

4. COST-BASED RATE ADJUSTMENT METHODOLOGY

4.1 Summary. The cost-based Rate adjustment methodology involves: review of Contractor's actual, allowable and allocated Total Calculated Costs from Contractor's most recently completed Fiscal Year; allocation of those costs to the Cost Components that comprise Total Annual Cost of Operations; the application of the Annual Percentage Change in various price indices to those Cost Components to reflect a 2-year increase (i.e., the period from the most recently completed Fiscal Year to the coming Rate Year); the calculation of Calculated Profit for the coming Rate Year based on Total Annual Cost of Operations; the calculation of the Calculated Franchise Fee for the coming Rate Year based on Total Annual Cost of Operations plus Calculated Profit plus Other District Fees and Other Pass-Through Adjustments; and the pass-through of Other District Fees and other actual or reasonably expected changes in costs, if any, to determine Total Calculated Costs for the coming Rate Year. The difference (measured as a percentage) between Total Calculated Costs for the coming Rate Year and total Billings for the most-recently completed twelve (12) month period ending April 30 (adjusted to reflect the most recent Rate adjustment) is the Rate Adjustment Factor. The Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Year.

4.2 Determination of Contractor's Costs. Contractor's actual, allowable and allocated Total Calculated Costs from Contractor's most recently completed Fiscal Year shall be derived from Contractor's audited financial statements for such Fiscal Year, in accordance with the following steps:

4.2.1 Allocation Across Franchises. First, Contractor shall allocate its costs as set forth in such financial statements among the different jurisdictions to which Contractor provided services during the Fiscal Year. The amount of costs allocated to this Agreement shall be determined for each cost component described in Section 2 using one of the following allocation factors:

(a) Route allocation factor - Percentage of routes attributable to the District compared to total routes operated by Contractor, which shall be calculated as the number of routes Contractor operates to serve the District divided by the total routes Contractor operates to serve all jurisdictions, multiplied by 100.

(b) Single-Family Customer allocation factor - Percentage of Single-Family Customers in the District compared to the total Single-Family Customers served by the Contractor, which shall be calculated as the total number of Single-Family Customers served by Contractor under this Agreement, divided by the total number of Single-Family Customers served by Contractor in all jurisdictions, multiplied by 100. If Contractor expands its services to other areas in addition to Pacifica, Montara, and Granada, the District reserves the right to request that the Single-Family Customer allocation factor be modified to an allocation factor based on the total Customers including residential and commercial Customers.

(c) Tonnage allocation factor - Percentage of Tonnage of Solid Waste, Recyclable Materials and Yard Waste Collected by Contractor from District, compared to total Tonnage of Solid Waste, Recyclable Materials and Yard Waste, respectively, Collected by Contractor, which shall be calculated as the total number of Tons of the applicable materials type Collected by Contractor from District, divided by the total number of Tons of such materials type collected by Contractor from all jurisdictions, multiplied by 100.

(d) Drop box hauls allocation factor – Percentage of drop box hauls from District, compared to total hauls, which shall be calculated as the total number of hauls by Contractor from District, divided by the total number of hauls by Contractor from all jurisdictions, multiplied by 100.

The route allocation factor will be applied to all costs with the exception of (i) Other Costs, which shall be allocated using the Single-Family Customer allocation factor, (ii) Disposal Costs, which shall be allocated using the Solid Waste Tonnage allocation factor, (iii) Recyclables Transfer Station Costs and Recyclables Transport Costs, which shall be allocated using the Recyclables Tonnage allocation factor, and (iv) Yard Waste Processing Costs, which shall be allocated using the Yard Waste Tonnage allocation factor.

The allocation factors shall be calculated using the then-current route information, Customer account data and tonnage information. Based on such allocations, Contractor shall prepare a pro forma financial statement which reflects Contractor's costs of performing its obligations under this Agreement for such Fiscal Year.

4.2.2 Removal of Non-Allowable Costs. Second, Contractor shall adjust such pro forma financial statement by excluding therefrom all Non-Allowable Costs. "Non-Allowable Costs" means the following:

(a) Labor costs attributable to Contractor's employees who are governed by a collective bargaining agreement resulting from adjustments to wages, health and welfare, and pension/retirement costs that are in excess of the adjustment made in accordance with the procedures described in the then-current collective bargaining agreement.

(b) Payments to directors and/or owners of Contractor, unless paid as reasonable compensation for services actually rendered.

(c) Travel expenses and entertainment expenses (above \$5,000 annually in total), unless authorized in advance by District.

(d) Payments, not covered by insurance, to repair damage to property of third parties or District for which Contractor is legally liable.

(e) Fines for penalties of any nature.

(f) Liquidated damages assessed under this Agreement.

(g) Federal or State income taxes.

(h) Charitable or political donations.

(i) Lease costs in excess of those determined in accordance with the preapproved methods described in Section 2.8.

(j) Attorney's fees and other expenses incurred by Contractor in any court proceeding in which District and Contractor are adverse Parties, unless Contractor is the prevailing Party in such proceeding.

(k) Attorney's fees and other expenses incurred by Contractor arising from any act or omission of Contractor in violation of this Agreement.

(l)Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or willful misconduct are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed.

(m)Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for District derived from the action of its citizens or ratepayers (such as in a CERCLA lawsuit) unless Contractor is found not liable in such claims.

(n)Payments to Related Party Entities for products or services in excess of (1) in the case of transactions other than Permitted Related Party Transactions, the cost to the Related Party Entity for those products or services, or (2) in the case of Permitted Related Party Transactions, the applicable amounts set forth in this Agreement for such transactions (such as the Recyclables Transfer Station Fee, the Recyclables Transport Fee, and Lease Costs).

(o)Goodwill.

(p)Costs of the Contractor's Employee Stock Ownership Plan.

(q)Depreciation and interest expenses because Contractor plans to lease equipment rather than purchase.

(r)Corporate and regional overhead costs greater than five and seven tenths percent (5.7%) of Total Annual Cost of Operations for the most-recently completed twelve (12) month period ending April 30. This cap on costs applies to the sum total of the following line item expenses: regional accounting fees, regional management fees, corporate accounting, IT fee, environmental compliance, human resources fee, corporate management, and public relations.

(s)Bad debt write-offs in excess of three percent (3.0%) of Gross Receipts for the most-recently completed twelve (12) month period ending April 30.

(t)Incremental costs (i.e., labor, fuel and other truck costs) attributed to delivering Solid Waste or Yard Waste to a disposal, processing or transfer facility other than the Ox Mountain Sanitary Landfill for any period when such other facility is used for Solid Waste or Yard Waste for any reason other than the unavailability of the Ox Mountain Sanitary Landfill (it being understood that if the Ox Mountain Sanitary Landfill is unavailable, such costs and any associated Rate adjustment shall be determined pursuant to Section 6.02.C).

4.2.3 Allocation to Cost Components. Third, Contractor shall allocate the costs set forth in the adjusted pro forma financial statement prepared pursuant to Section 4.2.2 to each of the 12 Cost Components that make up Contractor's Total Annual Costs of Operations (taking into account the fact that Lease Costs are determined as set forth in Section 2.8).

4.3Calculation of Adjustments to Cost Components. Calculated Total Cost for the coming Rate Year shall be derived from the Cost Components that make up Contractor's Total Annual Cost of Operations for the Fiscal Year as determined in Section 4.2.3, in the manner set forth below:

4.3.1 **CBA Labor Costs.** CBA Labor Costs for the coming Rate Year shall be determined by adjusting Allowable CBA Labor Costs for the previous Fiscal Year determined in accordance with Section 4.2 above adjusted in accordance with the procedures described in the then-current collective bargaining agreement, for the two (2) year period from the previous Fiscal Year to the coming Rate Year.

4.3.2 **Non-CBA Labor Costs.** Non-CBA Labor Costs for the coming Rate Year shall equal Allowable Non-CBA Labor Costs for the previous Fiscal Year determined in accordance with Section 4.2 above multiplied by (i) one (1) plus the Annual Percentage Change in the CPI-W, and multiplying the result by (ii) the same number used in clause (i).

4.3.3 **Workers Compensation.** Workers Compensation for the coming Rate Year shall equal Allowable Workers Compensation for previous Fiscal Year determined in accordance with Section 4.2 above multiplied by (i) one (1) plus the Annual Percentage Change in the CPI-U, and multiplying the result by (ii) the same number used in clause (i).

4.3.4 **Payroll Taxes.** Payroll Taxes for the coming Rate Year shall equal (i) Allowable Payroll Taxes for the previous Fiscal Year determined in accordance with Section 4.2 above, multiplied by (ii) the sum of CBA Labor Costs and Non-CBA Labor Costs for the coming Rate Year, determined in accordance with Sections 4.3.1 and 4.3.2, respectively, and divided by (iii) the sum of CBA Labor Costs and Non-CBA Labor Costs for the previous Fiscal Year.

4.3.5 **Vehicle-Related Costs.** Vehicle-Related Costs for the coming Rate Year shall equal Allowable Vehicle-Related Costs for the previous Fiscal Year determined in accordance with Section 4.2 above multiplied by (i) one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index, and multiplying the result by (ii) the same number used in clause (i).

4.3.6 **Fuel Costs.** Fuel Costs for the coming Rate Year shall equal Allowable Fuel Costs for the previous Fiscal Year determined in accordance with Section 4.2 above multiplied by (i) one (1) plus the Annual Percentage Change in the California Gasoline and Diesel Prices Index, and multiplying the result by (ii) the same number used in clause (i).

4.3.7 **Yard Waste Processing Costs.** Yard Waste Processing Costs for the coming Rate Year shall equal (i) the Base Component of the Yard Waste Processing Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees, multiplied by (ii) the total Tons of Yard Waste Collected by Contractor for the most-recently completed 12-month period ending April 30.

4.3.8 **Lease Costs.** Lease Costs for the coming Rate Year shall be determined in accordance with Section 2.8 above.

4.3.9 **Other Costs.** Other Costs for the coming Rate Year shall equal Allowable Other Costs for the previous Fiscal Year determined in accordance with Section 4.2 above multiplied by (i) one (1) plus the Annual Percentage Change in the CPI-U, and multiplying the result by (ii) the same number used in clause (i).

4.3.10 Total Annual Cost of Operations. Total Annual Cost of Operations for the coming Rate Year shall equal the sum of the amounts calculated in Sections 4.3.1 through 4.3.9 above.

4.4 Calculated Profit. Calculated Profit for the coming Rate Year shall equal Total Annual Cost of Operations for the coming Rate Year (as calculated in Section 4.3.10 above) divided by the Operating Ratio, and subtracting from the result Total Annual Cost of Operations for the coming Rate Year.

4.5 Total District Fees. The Total District Fees for the coming Rate Year shall equal the sum of the Franchise Fee and Other District Fees for the coming Rate Year.

4.6 Other Pass-Through Adjustments. Other Pass-Through Adjustments for the coming Rate Year shall equal (i) the sum of the costs calculated in items 4.6.1 through 4.6.3 below, plus (ii) any amounts (actual or reasonably estimated) not included in Total Annual Cost of Operations for which Contractor is entitled to reimbursement through the Rate adjustment mechanism, plus (iii) any other amounts mutually agreed by District and Contractor to be "Other Pass-Through Adjustments" hereunder.

4.6.1 Recyclables Transfer Station (Load-Out) Costs. Recyclables Transfer Station Costs for the coming Rate Year shall equal (i) the Base Component of the Recyclables Transfer Station Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees of the Regulatory Fee Component of the Recyclables Transfer Station Fee, multiplied by (ii) the total Tons of Recyclable Materials Collected by Contractor for the most-recently completed 12-month period ending April 30.

4.6.2 Recyclables Transport Costs. Recyclables Transport Costs for the coming Rate Year shall equal (i) the Base Component of the Recyclables Transport Fee for the current Rate Year multiplied by one (1) plus the Annual Percentage Change in the CPI-U plus the sum of the then-current (or known future) Regulatory Fees of the Regulatory Fee Component of the Recyclables Transport Fee, multiplied by (ii) the total Tons of Recyclable Materials Collected by Contractor for the most-recently completed 12-month period ending April 30.

4.6.3 Disposal Costs. Disposal Costs for the coming Rate Year shall equal the per-Ton Disposal Fee at the Designated Disposal Facility for the coming Rate Year multiplied by the total Tons of Solid Waste Collected by Contractor for the most-recently completed 12-month period ending April 30.

4.7 Total Calculated Costs. Total Calculated Costs for the coming Rate Year shall equal the sum of Total Annual Cost of Operations for the coming Rate Year (as calculated in Section 4.3.10 above), Calculated Profit for the coming Rate Year (as calculated in Section 4.4 above), Total District Fees for the coming Rate Year (as calculated in Section 4.5 above), and Other Pass-Through Adjustments for the coming Rate Year (as calculated in Section 4.6 above).

4.8 Adjustment of Rates. The Rate Adjustment Factor for the coming Rate Year shall equal Total Calculated Costs for the coming Rate Year (as calculated in Section 4.7 above) divided by total Billings for the most-recently completed twelve (12) month period ending April 30, which shall be rounded to the nearest thousandth. Each then-effective

Rate, as set forth on Exhibit "D", shall be multiplied by the Rate Adjustment Factor to calculate the effective Rate for the coming Rate Year. The adjustment to each Rate shall be rounded to the nearest cent.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Review and Possible Action Concerning Schoolhouse Tank West Coating Inspection

The Board has awarded the Schoolhouse Tank West Project (Project) construction contract at its June 5, 2013 meeting. The contractor, Paso Robles Tank (PRT), has mobilized and started working on site. This is the second tank the District is erecting to improve its fire storage capacity and distribution system efficiency. This project will also demolish the existing dilapidated concrete tank that had been off line since the Schoolhouse Tank East was completed.

The bid documents prepared by the District's Water System Engineer, calls for an independent inspection of the welded steel tank coating and lining systems to ensure that the contractor followed the specifications and to protect the District's asset in the best possible way. The reasons for this independent coating inspection to be provided by the District are as follows:

1. Based on the experience with Schoolhouse Tank East built by the District and on the fact that PRT, the contractor and tank manufacturer, has acquired the coating inspection company, the District Engineer removed the requirement for the contractor to provide coating inspection, due to the conflict of interest, from the bid documents.
2. The District is better served by hiring an independent inspector for this service.
3. By hiring the coating inspection services directly, the District saves money on a minimum a 15-percent markup the contractor places on its subcontractors.
4. This inspection is critical to the successful construction completion and the longevity of the tank and will help control its future maintenance costs.

Staff obtained quotes from three (3) qualified certified coating inspection firms, with the following results:

- | | |
|-------------------------------|----------|
| 1. MCS Inspection Group, Inc. | \$7,932 |
| 2. DB Gaya Consulting LLC | \$6,500 |
| 3. BACC Coating Consultants | \$14,960 |

As the lowest cost is from DB Gaya Consulting LLC, staff recommends awarding the coating inspection services to them.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

In addition, the District Engineer proposes, based on the fact that PRT has successfully built one tank for the District, and to save cost, to not have a construction inspector on site during the entire construction duration but limit inspections to specialty inspections required by Bid Documents. District's staff will be overseeing construction activities while making their daily rounds to the Schoolhouse Tank site.

RECOMMENDATION:

Staff has reviewed the submitted quotes for compliance with District's specifications, and recommends awarding the coating inspection contract to DB Gaya Consulting LLC, in an amount not to exceed \$6,500.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: August 1, 2013

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning
Cancellation of Regular Scheduled Meeting
August 15, 2013.**

Staff recommends cancelling the August 15 meeting.

RECOMMENDATION:

Cancel the regular scheduled meeting August 15, 2013.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **August 1, 2013**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

A handwritten signature in blue ink, appearing to be 'Clemens H. Heldmaier', written in a cursive style.

SUBJECT: Managers Report

Water Operations: The General Manager participated in the supervision of the water operations and training of new employees.

Attended Meetings:

On July 19 the General Manager attended a meeting with representatives from the City of HMB, Granada Sanitary District and SAM to discuss changes to collection services agreement and collections equipment.

In addition, the General Manager attended phone calls and conferences with consultants, directors, and customers.

Water Staff: Interviews for the open position of Water System Operator were conducted on July 22, 23, 24, 25, 26 and 29.

Manager Leave: The General Manager will be in vacation from August 5-16.

RECOMMENDATION:

This is for Board information only.