



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

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

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

AGENDA

District Board of Directors

December 3, 2020 at 7:30 p.m.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED REMOTELY PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 TEMPORARILY SUSPENDING AND MODIFYING CERTAIN TELECONFERENCE REQUIREMENTS UNDER THE RALPH M. BROWN ACT. MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

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

ZOOM MEETING INFORMATION:

WEBSITE: <https://us02web.zoom.us/j/84064211387?pwd=cmxCdlZDaUdHMGlS2NYVU1yc3EyZz09>

MEETING ID: 840 6421 1387

Password: 560854

CALL IN PHONE NUMBER: +1 669 900 9128

INSTRUCTIONS for remote access are available at <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>. You also may view video during the meeting via live stream or after the meeting at <https://videoplayer.telvue.com/player/wuZKb9gwEY7sMACIIsr7VSJglB35kNZA/stream/159?fullscreen=true&showtabssearch=false&autostart=false> . If you experience technical difficulties or have technical questions prior to or during the meeting, please contact MWSD's IT support at (650) 728-7843.

Note: Public participation is not permitted during closed session discussion items.

Public Comment

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

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

Upon request, this Agenda and written agenda materials will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or accommodation in order to participate in the public meeting should be emailed to info@mwsd.net or submitted by phone at 650-728-3545 at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

1. [Review and Possible Action Concerning Establishment of Prop 218 Limits for Solid Waste Disposal Fee Increase, January 1, 2021.](#)

CONSENT AGENDA

1. [Approve Minutes for Regular Scheduled Board Meetings November 5, and November 19, 2020.](#)
2. [Approve Financial Statements for October 2020.](#)
3. [Approve Warrants for December 1, 2020.](#)
4. [SAM Flow Report for October 2020.](#)
5. [Monthly Review of Current Investment Portfolio.](#)
6. [Connection Permit Applications Received.](#)
7. [Monthly Water Production Report.](#)
8. [Rain Report.](#)
9. [Monthly Solar Energy Report.](#)
10. [Monthly Public Agency Retirement Service Report for September 2020.](#)

OLD BUSINESS (none)

1. [Review and Possible Action Related to SFPUC Construction Atop Montara Mountain.](#)

NEW BUSINESS

1. [Review and Possible Action Concerning Receipt of Fiscal Year 2019-2020 Audit.](#)

REPORTS

1. Sewer Authority Mid-Coastside Meetings (Slater-Carter).
2. MidCoast Community Council Meeting (Slater-Carter).

3. CSDA Report (Lohman).
4. LAFCo Report (Lohman).
5. Attorney's Report (Fitzgerald).
6. Directors' Reports.
7. [General Manager's Report \(Heldmaier\)](#).

FUTURE AGENDAS

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code §54956.9(d)(1))

Case Name: *City of Half Moon Bay v. Granada Community Services District, et al.*
(Santa Clara County Super. Ct. No. 17CV316927)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957(b)(1))

Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS

(Government Code §54957.6)

Unrepresented Employee: General Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code §54956.8)

Property: 771 Rivera Rd., Montara, CA

Agency Negotiator(s): District General Manager; District General Counsel; District Real Estate Broker

Negotiating parties: Coast Wholesale Florists, a corporation/Miller-Havice Ranch

Under Negotiation: To be determined.

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager *CH*

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

The franchise agreement with Recology of the Coast requires the District to annually assess the solid waste disposal rates by January 1 in accordance with an agreed upon formula. Pursuant to the franchise agreement, Recology of the Coast provided calculations required for the rate increase effective January 1, 2021. In accordance to the agreement, the current increase is based on index. The formula results in a 1.97% rate increase over the 2020 rates.

Notices were mailed in October 2020 to all 1736 property owners and customers in Montara and Moss Beach notifying them about the planned rate increase for January 1, 2021. At the preparation of this agenda item no (0) written protests have been received. However, a full final count will be made at the public hearing since more may be received by that time.

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

RECOMMENDATION:

Open the public hearing, allow relevant testimony, close the public hearing and count all allowable Prop 218 protests received. Determine whether or not the proposed rate limits should be approved in accordance with Prop 218. Adopt ORDINANCE NO.____, ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ESTABLISHING MAXIMUM RATES FOR THE COLLECTION, REMOVAL AND DISPOSAL OF REFUSE AND FOR RECYCLING SERVICES EFFECTIVE JANUARY 1, 2021.

Attachments

ORDINANCE NO. _____

ORDINANCE OF THE MONTARA WATER AND SANITARY DISTRICT ESTABLISHING MAXIMUM RATES FOR THE COLLECTION, REMOVAL AND DISPOSAL OF REFUSE AND FOR RECYCLING SERVICES EFFECTIVE JANUARY 1, 2021

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

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

a. Pursuant to the provisions of Section 6 of Article XIII D of the California Constitution, this Board adopted Ordinance No. 195, which established maximum rates to be charged by Recology of the Coast (“Recology”), the District's franchisee for the collection, removal and disposal of refuse and for recycling services (“Solid Waste Services”) for properties within the District commencing January 16, 2020.

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

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

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

e. On December 3, 2020, not less than 45 days after mailing of the aforesaid notice, a public hearing on the proposed fees and charges set forth herein for the Solid Waste Services for all occupied premises (except agricultural premises) was held by this Board and all persons present at the hearing and interested in the matter were

heard or given the opportunity to be heard on the question of enactment of said fees and charges.

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

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

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

Section 2. Refuse collection and recycling rates and charges.

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

RESIDENTIAL

- 1. Weekly collection, single container placed in front of premises, wet and dry garbage ("first can service") in wheeled carts:
 - a. Container limits: volume - 20 gals. (3/10 cu yd), weight 40 lbs, per mo charge \$27.07
 - b. Container limits: volume - 32 gals (1/4 cu yd), weight 60 lbs, per mo charge \$33.17
 - c. Container limits: volume - 64 gals (1/2 cu yd), weight 100 lbs, per mo charge \$108.98

- 2. Special Services (charges added to above, basic changes):
 - a. Container placed at side or rear of dwelling - per container \$8.29
 - b. Container not placed at specified collection point and return call required- per container \$17.31
 - c. Extra 30 gallon bag with collection (excludes 20 gallon cart service), per bag \$8.94
 - d. Special collections combined with regular service, including collections for brush, yard clippings, boxes, etc. estimate

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

MULTIFAMILY, COMMERCIAL AND INDUSTRIAL SERVICE

- | | |
|---|-------------------|
| 1. Service to restaurants, hotels, cafes, apartment houses, stores and similar places of business, factories, schools and institutions, wet and dry garbage-container limits: volume - 30 gal. cans (1/4 cu. Yd), weight - 75 lbs | |
| a. Regular collections: | |
| 1-64 gallon collection once per week | \$130.86 |
| 1-96 gallon collection once per week | \$214.14 |
| b. Additional 64 or 96 gallon commercial carts picked up more than once a week will be original charge times the number of pickups | Will vary by size |
| 2. Commercial Container Rental: | |
| a. 1 cubic yard box - per mo. | \$59.54 |
| b. 2 cubic yard box - per mo. | \$77.18 |
| 3. Commercial Container Collections: | |
| a. 1 cubic yard box - per collection | \$50.31 |
| b. 2 cubic yard box - per collection | \$100.10 |
| 4. Compacted Commercial Container Service: | |
| a. 1 cubic yard box - per collection | \$98.20 |
| b. 2 cubic yard box - per collection | \$198.36 |
| 5. Recyclable material collection up to five times a week | incl. w/service |

DEBRIS BOX SERVICE

1. 7, 14, 20 and 30 yard size containers:

- a. Container rental, delivery and pickup charge \$395.48
- b. \$93.73 per ton confirmed by disposal site weight slip Tonnage based

SPECIAL PROVISIONS

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

- a. 15% reduction 20-gallon can \$23.01
- b. 15% reduction 32-gallon can \$27.29

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

Section 3. Effective, Operative Date. Upon adoption, this Ordinance shall be entered in the minutes of the Board and posted for one week in three (3) public places in the District, shall become effective immediately upon expiration of one week following said posting and shall be operative from and after January 1, 2021.

President

COUNTERSIGNED: _____

Secretary

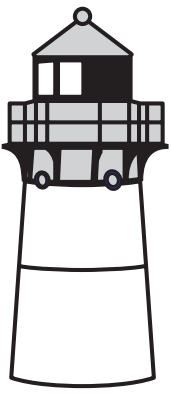
I hereby certify that the foregoing Ordinance was duly and regularly passed and adopted by the Board of the Montara Water and Sanitary District, San Mateo County, California, at a regular meeting thereof held on the 3rd day of December 2020, by the following vote :

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary



Montara Water & Sanitary District

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

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

HEARING DATE: Thursday, December 3, 2020

HEARING TIME: 7:30 p.m.

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

(Adjacent to the Point Montara Lighthouse & Hostel)

Hearing may be viewed via Zoom teleconference, details at MWSD.MONTARA.ORG

Dear Property Owner or Customer,

Montara Water and Sanitary District (MWSD) is proposing to adopt a 1.97% increase in garbage collection, recycling and disposal fees and charges for those services furnished by Recology of the Coast (Recology) under a franchise agreement with the District. The rates are proposed to go into effect on January 1, 2021.

Recology has continued to find cost savings in fuel, greenwaste transportation and other areas of their operations that have offset revenues lost due to COVID-19. The 2021 proposed increase reflects minimal increases in labor, health and wellness costs, as well as organics and recyclables processing costs. This increase is based on an index-based growth factor and is not cost-based.

What Do the Solid Waste Fees and Charges Pay for?

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

How Can Customers Reduce Garbage Collection Fees and Charges?

By switching from a 32-gallon garbage collection receptacle to a 20-gallon receptacle, your new monthly collection fee charge would be \$27.07 instead of \$33.17. Currently in the MWSD service area, only a small percentage of customers use 20-gallon cans.

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

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

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS

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

Proposed Garbage Collection, Recycling and Disposal Fees

The District is proposing an increase to garbage collection, recycling and disposal fees to cover costs of service and equipment replacement by Recology of the Coast beginning Jan. 1, 2021, as described on these pages.

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

RESIDENTIAL	2020	2021
1. Basic, weekly collection of a single container placed in front of premises, wet and dry garbage ("first can service") in wheeled carts:		
One 20-gallon can collected once per week	\$26.55	\$27.07
One 32-gallon can collected once per week	\$32.53	\$33.17
One 64-gallon can collected once per week	\$106.87	\$108.98
2. Special Services (charges added to above, basic charges)		
Container placed at side or rear of dwelling - per container	\$8.13	\$8.29
Container not placed at specified collection point and return call required - per container	\$16.98	\$17.31
Extra 30-gallon bag with collection (excludes 20-gallon cart service) - per bag	\$8.77	\$8.94
Special collections combined with regular service, including collections for brush, yard clippings, boxes, etc.	Estimate	Estimate
3. Bulky goods dropoff service four times a year within Montara District limits, including greenwaste and motor oil in Recology provided bottles only	Included w/service	Included w/service
4. Weekly commingled recyclable materials collection (64-gallon wheeled cart)	Included w/service	Included w/service
5. Every other week green waste (yard trimmings, etc.) collection, limited to one 96 gallon container provided by Recology and one 30-gallon container provided by customer	Included w/service	Included w/service
6. Bulky goods curbside collection service, limited to four (4) times a year One item up to 200 lbs or five, 30-gallon bags	Included w/service	Included w/service
7. Drop-off at Recycling Yard in Pacifica of motor oil, latex and oil paint, unpainted lumber, large pieces of metal, styrofoam, e-waste, large white goods, furniture, mattresses, large amounts of recyclable materials	Included w/service	Included w/service
8. Christmas trees free of charge thru January 31st	Included w/service	Included w/service
After January 31st charge is \$20 per tree for removal	\$20.00	\$20.00

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

Most residential customers only use Weekly collection for a 32-gallon can, which would be \$33.17 per month starting January 1, 2021.

Please take advantage of the many services included with your garbage fees.

MULTI-FAMILY, COMMERCIAL AND INDUSTRIAL SERVICE	2020	2021
1. Service to restaurants, hotels, cafes, apartment houses, stores and similar places of business, factories, schools and institutions, wet and dry garbage-container limits: volume - 30-gal. cans (1/4 cu. Yd.), weight - 75 lbs.		
One 64-gallon can collected once per week	\$128.33	\$130.86
One 96-gallon can collected once per week	\$210.00	\$214.14
Additional 64- or 96-gallon commercial carts picked up more than once a week will be original charge times the number of pickups	Will Vary	Will Vary
2. Commercial Container Rental		
1 cubic yard box per month	\$58.39	\$59.54
2 cubic yard box per month	\$75.69	\$77.18
3. Commercial Container Collections		
1 cubic yard box per collection	\$49.34	\$50.31
2 cubic yard box per collection	\$98.17	\$100.10
4. Compacted Commercial Container Service		
1 cubic yard box per collection	\$96.30	\$98.20
2 cubic yard box per collection	\$194.53	\$198.36
5. Recycled materials collection up to five times a week	Included w/service	Included w/service

DEBRIS BOX SERVICE	2020	2021
1. Containers of 7, 14, 20 and 30 yard sizes		
Container rental and delivery and pickup charge	\$387.84	\$395.48
Additional fee per ton confirmed by disposal site weight slip	\$91.92	\$93.73

SPECIAL PROVISIONS (PGE CARE PROGRAM)	2020	2021
1. Financial hardship rate for weekly collection for single container placed in front of premises, wet and dry garbage		
15% reduction 20-gallon can	-	\$23.01
15% reduction 32-gallon can	\$26.76	\$27.29

How to Protest the Proposed Rate Increases

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

Written protests may be mailed to: District Clerk, Montara Water and Sanitary District, P.O. Box 370131, Montara, CA 94037-0131. Written protests may also be delivered to the District's headquarters at 8888 Cabrillo Highway. All written protests must be submitted prior to the close of the Public Hearing on **December 3, 2020.**



Montara Water and Sanitary District

PRSRT STD
U.S. POSTAGE
PAID
XXX

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

DIRECTORS

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

GENERAL MANAGER

Clemens Heldmaier

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

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

Montara Water and Sanitary District (MWSD) works every day to deliver water, garbage and sewer services for the residents of Montara, Moss Beach, and adjacent areas north of El Granada. Over 6,000 residents rely on our services for their homes and businesses. Under a franchise agreement with the District, garbage collection, recycling and disposal services are furnished by Recology of the Coast (Recology). The District is proposing to adopt a 1.97% increase in garbage collection, recycling and disposal fees and charges to maintain quality services in our area.

QUESTIONS OR COMMENTS?

Call: (650) 728-3545
8:30 AM to 5:00 PM Mon-Fri
Email: mwsd@coastside.net

Write: PO Box 370131,
Montara, CA 94037

Web: www.mwsd.montara.org

Attend: Public Hearing on
Thursday, December 3, 2020 at
7:30 PM at:

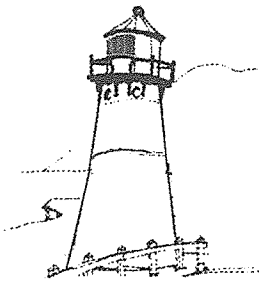
8888 Cabrillo Highway, Montara,
CA 94037 (Adjacent to the Point
Montara Lighthouse & Hostel)

Charges Will Remain Below Average

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

Reasons for the Rate Increases:

Rate revisions are based on a comprehensive Rate Adjustment Schedule included in Recology's franchise that takes into consideration documented labor costs, workers compensation insurance premiums, vehicle-related costs, fuel costs, yard-waste processing costs, lease costs associated with vehicles and equipment, dump fees (also called tipping fees) charged at the Ox Mountain Landfill in Half Moon Bay and all other costs of providing quality garbage and recycling services. The 2021 proposed increase is based off of an index-based growth factor and is not cost-based.



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
November 5, 2020

MINUTES

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

REGULAR SESSION BEGAN AT 7:32 p.m.
CALL TO ORDER
ROLL CALL

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

Directors Absent: Harvey

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

Others Present: District Counsel, Christine Fitzgerald
District Sewer Engineer, Pippin Cavagnaro
District Accountant, Peter Medina
District Financial Advisor, Alex Handlers
Kastama Consulting, Alison Kastama
Bartel Associates, Mary Elizabeth Redding
Jones Hall, James Wawrzyniak, Jr.

PRESIDENT'S STATEMENT –

Director Slater-Carter stated that the local election for the most part is in, although not official until December. She thanked everyone who ran, locally and elsewhere, and congratulated Gregg Dieguez for Mid-Coast Community Council (MCC), Joaquin Jimenez for the City of Half Moon Bay City Council, and Dan Haggerty re-elected at the MCC.

ORAL COMMENTS

Clemens Heldmaier, General Manager reported that the Sewer Authority Mid-Coastside treatment plant (SAM) has some issues with the effluent biochemical oxygen demand (BOD). The BOD must stay within a certain level, and has now exceeded the limit significantly, triggering violations. The BOD is the amount of oxygen required to remove the waste, and is related to the process of decomposition by the aerobic bacteria. Thus, the more organic material that goes into the plant, the higher the BOD, and this requires more bacteria to remove the organic matter. SAM has rented some sample units capable of sampling in various locations to see if there is a specific source of organic pollution. They are also taking steps to get the BOD levels down. They are trying to equalize the flow into the plant, using the Intertie pipeline (IPS) and associated tanks (Walker tank and storage at the Burnham strip), and adding polymers to reduce the load. This all means that the plant is in violation, and fines are expected.

Director Lohman commented that using the IPS and tanks to help out SAM is a huge benefit to all three agencies. The IPS is a big help to everyone.

Clemens Heldmaier, General Manager concurred.

Director Lohman added that SAM has also temporarily stopped processing the leachate from Ox Mountain.

Clemens Heldmaier, General Manager concurred and stated that reduction of material is also something SAM is doing and possibly importing seed material from other plants.

Director Harvey asked District Counsel Christine Fitzgerald to document this.

Clemens Heldmaier, General Manager, replied that all of this is documented at SAM.

Christine Fitzgerald replied that it should also be in the minutes.

Director Slater-Carter said that there is a SAM meeting on Monday, and she will ask Kishen and Tim if Half Moon Bay having an effluent storage facility would be useful in this kind of situation.

PUBLIC HEARING – none

CONSENT AGENDA

1. **Approve Minutes for Regular Scheduled Board Meeting October 1, and October 15, 2020**
2. **Approve Financial Statements for September 2020**
3. **Approve Warrants for November 1, 2020**
4. **SAM Flow Report for September 2020**
5. **Monthly Review of Current Investment Portfolio**
6. **Connection Permit Applications Received**
7. **Monthly Water Production Report**
8. **Rain Report**
9. **Monthly Solar Energy Report**
10. **Monthly Public Agency Retirement Service Report for August 2020**

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

OLD BUSINESS - none

NEW BUSINESS

1. **Review and Possible Action Concerning Adoption of a Debt Management Policy.**

Clemens Heldmaier, General Manager stated this is in context of refinancing the General Obligation bonds. MWSD needs to provide a report to the California Debt and Investment Advisory Commission which includes a Debt Management Policy. He recommends approving the resolution of the Montara Water and Sanitary District adopting the Debt Management Policy.

James Wawrzyniak, Jones Hall, introduced himself as the Bond Counsel of Jones Hall serving the District on the next item, the GO refunding bonds for savings. It is a new requirement under California law which came into effect about two years ago, which requires public agencies that have bonds or other kinds of debt to have a Debt management policy in place. Jones Hall has a debt management policy template form that is flexible and meets all the requirements. In this case, MWSD will be doing a bond to refund old bonds, so there are no bond proceeds going to the District. They will be paying off the old bonds with the new bonds for a lower interest rate. In the future, if the District

were to do other debt, they will have this policy in place to govern those types of things.

Director Dekker made a motion to approve and adopt the resolution to approve the Debt Management Policy and Director Harvey seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0

2. Review and Possible Action Concerning General Obligation Bond Refinancing.

Clemens Heldmaier, General Manager stated that this is the big item they have been talking about, the General Obligation bonds refinancing, which lowers the payments that all property owners are making towards the GO Bond. This will benefit the property owners directly, not the District. He thanked Alex Handlers for excellent work he did in acquiring a favorable rate for the District. He recommended adopting the resolution authorizing the issuance and sale of Montara Water and Sanitary District General Obligation Bonds, Series 2020, in an aggregate principle amount not to exceed \$8,500,000 dollars to refund outstanding General Obligation Bonds, and directing related actions.

District Financial Advisor, Alex Handlers stated that interest rates are at near historical lows. They did a competitive RFP process, and received one stellar bid from JP Morgan Chase at rate of 1.14%. This is approximately \$400,000 dollars in savings over the life of the issuance. Additionally, there is a fund balance that has accrued (when the County does its tax levies it levies a little extra to ensure there is enough for debt service) and was applied to the bonds, further reducing the amount of bonds being issued to do the refunding. They are looking at an annual payment reduction of about \$150,000 dollars or 15% reduction in the tax levies. The Board packet has all the numbers and details. The resolution being considered authorizes the District to issue the debt up to a maximum amount of eight million five hundred thousand dollars, and was stated that to ensure all costs are covered. However, with the fund balance being applied, it will probably be less than that. They are hoping to have the whole issue completed by next Friday, November 13th.

Director Harvey asked General Manager Clemens Heldmaier what he meant when he said the bond will benefit the tax payers and not the District.

Clemens Heldmaier, General Manager replied that the District has already spent the money, and the tax payers are paying back that bond. It is similar to making payments for a mortgage.

Director Harvey asked if they are really saving money, after all the costs and fees are factored in, and on a loan, you initially pay interest.

District Financial Advisor, Alex Handlers affirmed that the savings he stated were net savings after any costs are incurred. The term remains the same. MWSD will just be reducing the payments from here on out.

Director Harvey stated that in the old loan, the interest was paid first, then principle. If now, MWSD has a new loan, and they are starting from the beginning, paying off the interest first, isn't that a disadvantage?

District Financial Advisor, Alex Handlers replied no, you are always paying interest and principle on the debt. As you pay off the principle, the interest goes down. So, in the early years of the loan, you are paying mostly interest and a little of principle. As you pay it down, over time, you keep paying off the principle, and the interest gets smaller. So, the last payment is almost all principle and a tiny bit of interest. The principle is amortized with the existing debt and this new debt. Every six months you make a principle payment and an interest payment. And with this lower interest rate, more money is going to principle, and you are actually paying off the principle a little quicker with the new loan.

Director Harvey said he was a little perplexed as to why they still have eight million dollars remaining on the loan. He was surprised it is still that high.

District Financial Advisor, Alex Handlers stated that the voter authorized bonds go back to 2003, then in 2012 those were refunded for savings, and MWSD took out the remaining 1.5 million dollars of voter authorized debt issuance that MWSD didn't take out in 2003, and still payments came down in debt service too. It takes time. In the early days of paying bonds, you are paying mostly interest and a little principle. And as time goes on, you will be paying more principle. The District still has \$8.3 million dollars outstanding.

Director Harvey asked if they don't refinance again, how many more years are they paying this?

District Financial Advisor, Alex Handlers replied that there is about 8 more years on this, under the current and new bonds. They kept the same term and payment dates.

Director Harvey asked what was the time of completion for the initial loan in 2003?

District Financial Advisor, Alex Handlers replied it is exactly the same. The final maturity date, the final payment date, has never changed. The original loan in 2003, probably had a 25-year prepayment period, so the final payment would be in 2028. This loan has not been extended in any way.

Director Dekker made a motion to adopt the resolution of the Board of Directors of the Montara Water and Sanitary District, County of San Mateo, authorizing the issuance and sale of Montara Water and Sanitary District General Obligation Bonds, Series 2020, in an aggregate principle amount not to exceed \$8,500,000 dollars to refund outstanding General Obligation Bonds, and directing related actions., and Director Harvey seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

3. Review and Acceptance of the June 30, 2020 GASB 68 Actuarial Valuation.

Clemens Heldmaier, General Manager stated that the Governmental Accounting Standards Board (GASB) establishes reporting standards, and the GASB 68 Actuarial Valuation relates to MWSD's pension plan, implemented in fiscal 2015-2016. This is in reference to unfunded liabilities.

Mary Beth Redding, Bartel Associates, stated that the GASB Statement 68 report has the same numbers as in the Actuarial Valuation and are required to be calculated and presented in all the financial statements. They use all the same assumptions and the Discount Rate as in the evaluation. The total pension liability is \$685,000 dollars and the asset number (which is a little different, and is reported by PARS), indicates that MWSD is slightly over-funded liability of about \$81,000 dollars for the financial statements. Although this is measured and calculated for June 30, 2019, it shows up on your June 30, 2020 financial statements, and is labeled as a June 30, 2020 number—so it has a lag built into it. In summary, it is showing a positive situation, with a slightly over-funded pension plan.

The Directors were pleased that the pension is solid, and that they are able to provide a modest benefit for the team that works so hard.

Director Lohman made a motion to accept the GASB 68 Actuarial Evaluation and Director Boyd seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

4. Review and Possible Action Concerning Receipt of the June 30, 2019 Actuarial Valuation and Adjustments to Contribution Rates.

Mary Beth Redding, Bartel Associates, reported that the status of the pension plan for MWSD, which started in 2015, is good. The District has its own pension plan, for District employees, set up with PARS. PARS is investing the money and administering the plan. The benefit provided to retirees is the benefit required by CALPERs which uses the PEPPRA formula (Public Employees' Pension Plan Reform Act). This applies to new state employees after 2013. The retiree pension is calculated as follows: 2% multiplied by their final average pay multiplied by the number of years of service they have. That

is the pension they get when they retire. They only count District service after the date the pension plan went into effect. As required by state law, the employees are paying half the cost of the plan. As of 2019, there were 7 active employees and two retirees. In doing their calculations, they are modeling the benefits expected to be paid to employees over the rest of their lifetime after they retire. They are building models to predict behaviors, using standard assumptions set by CALPERs. The most important assumption used is called the Discount Rate, asking "what do you think the funds will earn?" This year, the asset values of the plan have grown from \$528,000 two years ago to \$760,000 as of June 30, 2019. The fund earned on average about 7% for each of those two years. She doesn't have the earnings for June 2020. The employees have paid about \$45,000 dollars into the plan each year, and the District has paid about the same amount; the investments have paid almost the same amount in investment earnings. Over time that will grow, so more money going into the fund will come from investments. The Actuarial accrued liability is the value of benefits earned to date for all of MWSD's active employees and retirees, and this amount should be enough money on hand now to grow over time to pay the benefits for all the current employees when they retire. Currently, the value of MWSD's assets, \$760,000 are more than required (\$685,000 dollars). Thus, there are no unfunded liabilities in this pension plan. They have calculated the contribution rate for the next two years, and following state law, the employees will continue to pay 7.75% (up to certain amount) and the employer will pay 7.01% of total earnings, which is a very slight increase from last year, mostly due to rounding. So, the costs of the plan are very stable, and MWSD is slightly over-funded, and that is great news.

Director Lohman asked that the numbers for June 2020 be sent to the Board members or General Manager Clemens Heldmaier, understanding they will be less robust.

Mary Beth Redding, Bartel Associates, replied that she will send them when they become available.

Director Lohman made a motion to receive and accept the June 30, 2019 Actuarial Valuation Report of the District PARS Retirement Plan and adopt the resolution of the Montara Water and Sanitary District adjusting employer paid member contributions for the Fiscal year 2020-2021 and 2021-2022, and Director Dekker seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

5. Review and Possible Action Concerning Mutual Aid Agreement with Water/Wastewater Member Agencies in CalWARN.

Clemens Heldmaier, General Manager stated that CalWARN is the California Water/Wastewater Agency Response Network. It is a group of agencies that help each other out in the event of an emergency. The District has been a

member of CalWARN for some time, and is now signing a Mutual Assistance Agreement, to process the sharing of emergency resources. There are some obligations that come with this, including requiring MWSD to respond if they are able to help—not necessarily obliging MWSD to help—in the event of an emergency. He is recommending adopting the resolution authorizing the General Manager to sign the Mutual Aid Agreement with CalWARN.

Director Lohman asked in what capacity would MWSD be able to help.

Clemens Heldmaier, General Manager replied that they can offer their expertise, operator time, etc.

Director Slater-Carter added that other large agencies have people that do specific duties, whereas MWSD operators are multi-faceted and have a broad range of skills.

Director Lohman asked if there were any financial obligations.

Clemens Heldmaier, General Manager replied no.

Director Slater-Carter asked if the operators are dispatched to help other agencies who pays for their time.

Clemens Heldmaier, General Manager replied that it would be MWSD.

Director Lohman added that if we needed help other agencies would help us.

District Sewer Engineer, Pippin Cavagnaro, commented about a similar agreement in Marin, and six months ago there was a force main leak that had to be monitored 24 hours a day and local agencies responded with staff and equipment to be able to relieve those operators. Later, work was reciprocated when a neighboring agency had a force main issue. It is a very beneficial agreement that the agencies can rely on for all kinds of things to protect against the regulatory challenges.

Director Lohman made a motion to accept the resolution authorizing the General Manager to sign the Mutual Aid Agreement with CalWARN, and director Dekker seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

6. Review and Possible Action Concerning Acceptance of the Agreement for Construction and Acquisition of Sewer Main Extension at 540 Stetson Street.

Clemens Heldmaier, General Manager stated that this is a standard agreement for construction of a sewer main extension at 540 Stetson, Moss Beach. The

sewer main needs to be extended so the applicant can connect according to District standards. Our District Sewer Engineer has reviewed the plans and all the documents. There will be a one-year warranty bond, and the applicant pays all associated fees for the construction of the sewer main. Once the project has been completed, there is a warranty period of one year. After that, the money can be returned if nothing breaks during that period. The recommendation is to authorize release of the warranty bond, and adopt the resolution approving a main sewer extension and authorizing execution of agreement for construction and acquisition of the sewer main extension.

Director Harvey said the exhibits and details of the project are blank, and asked for details of the project.

District Sewer Engineer, Pippin Cavagnaro explained that there is a lot on Stetson Street that happens to be positioned on a high point, and the sewer main needs to be extended to the applicant's property so they can connect. It is a straightforward project, just extending the existing 6" sewer main and installing a new end of line structure so they can connect into it.

Director Lohman asks if the property owner will be paying for this extension as well as the connection.

District Sewer Engineer, Pippin Cavagnaro replied that they will be paying for the extension separately from the connection and fixtures. They pay for all costs.

Gregg Dieguez, Montara resident, asked what the connection fees are.

Clemens Heldmaier replied that it is about \$60,000-\$65,000 dollars.

Gregg Dieguez, Montara, stated that then the net free money is about \$45,000-\$50,000 dollars.

Director Slater-Carter asked how he defines free money.

Gregg Dieguez, Montara resident, replied that it is the margin that you get to keep not used to incur expenses, such as labor, connection to laterals, and so forth.

Director Slater-Carter said new customers are buying into the system.

Director Dekker added that it is the difference of what you are asking the client to pay and what your actual costs are.

Gregg Dieguez, Montara Resident, reminded the Board about an email which he sent looking at the District asset foundation a while back, and had used

approximate numbers for SAM. He worked with Kishen to update his asset portfolio to 2020 numbers and updated his analysis for MWSD for its share of 21% of those assets. There is some question about how many connections there are. Ballpark, there is something over \$125,000 per connection equivalent in the District, that is, existing rate payers have paid for a foundation of about \$125,000 dollars, which is much more than the \$45,000-\$50,000 dollars that this new joiner is being charged. If you assume 3.5% inflation, and someone donates an asset—whether it be \$100,000 or a million dollars—and if you say this pipe is going to last 100 years, then that pipe costing one million dollars becomes 31 million dollars in one hundred years. Over the hundred years the average burden on the rate-payers for replenishing that asset when it wears out—in the case of the one-million-dollar pipe, \$312,000 per year or 31% value of the asset. This new joiner is paying for the up-front costs, but no one is saying anything about an extra Asset Replenishment fee or Water System Reliability charge for that incremental asset. This is one small case. However, if you do this one, two, twenty times, then you begin to burden the rate payers even more strongly because you have not collected enough money to fund the asset replenishment. The concept is solid—small mistakes add up. To ensure that the Board is performing its fiduciary responsibility to the District and existing rate payers, he is requesting that any project involving a new asset beyond the normal connections not be approved until an analysis of the incremental revenues and costs from the new joiner is performed and it is deemed in this analysis to hold existing rate-payers harmless. And that analysis should take into account inflation, perpetual replenishment of the asset, as well as the operating margins on water and sewer costs and fees that are collected. At this point, it is unknown if this District has conducted this analysis. Until the analysis is done and you see what the long-term costs are, you should not approve this project. And of course, there are other pending projects with connections, where the numbers get much larger where MWSD will need this kind of rigorous oversight even more than on this small instance. He is available to talk about this further.

Clemens Heldmaier, General Manager said that the customer will be charged the annual sewer charge, which contributes to the replacement of all assets. This is a buy-in to a community system. New members enlarge the system, and this makes it more effective for everyone.

Gregg Dieguez, Montara Resident, said that he is requesting that it be put in writing, put on a spreadsheet, showing what the impact is. Further background on this, and he knows they disagree, is that the District indicated a need of two million dollars annually for capital improvement projects, and the numbers he has showing their asset base, shows that they need over three million dollars and the district is not funded for that. So, everything that you do on a small scale like this is going to add up. The District needs more upfront charges.

District Sewer Engineer, Pippin Cavagnaro stated that there are a lot of ways to consider how you value a system, and how you value the replacement of a system. A lot of it has to do with available construction techniques and perspective where the market is. Pipe replacements today are less expensive than they were five years ago. And while one might say that is unusual, it shows the technology for rehabilitating pipes is getting better. It also depends on the methodologies, and the costs will always be different. He feels that Mr. Dieguez is making some broad statements when he says that the District is underfunded, because he is valuing the system at a certain rate or replacement. The District has an existing system and different rehabilitation methods are used for different parts of that system.

Director Lohman reminded the Board that this agenda item is for an extension for a person's residence and this project went through with the expectation of the connection. He appreciates this discussion, but feels that the Board should not withhold approval because of this.

Director Slater-Carter added that their connection fees are in line in many ways, and they use State standard accounting formula, to set their connection fees. She feels that Mr. Dieguez is requesting a radical change for the entire industry.

District Financial Advisor, Alex Handlers stated that water capacity charges were updated a few years ago, and sewer a little longer. They were based on a forward look at what the capital costs were. The District's rates are not low, and funding is coming through the rates. The District is trying to keep their rates in line with their future needs. The new joiner will be paying substantial upfront costs, and paying on-going costs every year. Inflation applies for everything. So, a sewer lateral that costs one million now may cost 31 million in 100 years, but other payments and fees will go up as well.

Director Dekker suggested connection fees be reviewed regularly to ensure they are in line.

Director Boyd replied that it is Board policy that they do. The cost to join the system is reflective of the cost of joining the system; the cost of maintaining the system year over year is something they do year over year with the collection of fees. They don't have to accept this extension, but the Board does, if someone pays to do it to District standards, then it is a normal matter that it is taken into the system. Should they have to replace it, the parts that would have to be replaced would be attached to everything else in that street, and the costs would have to be considered aggregate across that range of things. Trying to look at this one property, and determine costs, is a category error. Replacement costs are getting lower, construction materials are getting better, and techniques are getting better, so the costs per linear foot has changed over the years and the value of the work they are getting has improved over the

years. They look at the engineer's assessment of the condition of the equipment, forecasting what needs to be replaced and making sure they have money each year for those things coming up. There are other things they can do, like increase maintenance to extend the life of equipment. There are a lot of factors in this, and with careful management, the District has a long track record of staying on top of this stuff. A spreadsheet analysis, standalone, like this can't be used quite that way—it is not that simple. It is a good start, but has to be part of the bigger picture. He agreed that with the larger projects, they need to be sure that their numbers are scaled right.

Director Slater-Carter suggested that when the connection fees are re-assessed that Gregg's suggestions be considered.

Director Boyd made a motion to authorize release of the warranty bond, and adopt the resolution approving a main sewer extension at 540 Stetson, Moss Beach and authorizing execution of agreement for construction and acquisition of the sewer main extension. Director Dekker seconded the motion. A roll-call vote was taken, and the motion passed unanimously 5-0.

7. Information Related to the San Francisco Public Utilities Commission (SFPUC) Construction atop Montara Mountain.

Clemens Heldmaier, General Manager thanked Director Harvey for bringing this item to the Board for discussion. The San Francisco Bay Advanced Quantitative Precipitation Information System (AQPI) funded through the California Department of Water Resources grant, is managed through the Sonoma Water and participating Bay Area agencies. NOAA is part of this also. This project is an effort to gather more information about precipitation. There is a series of radar systems, X band and C band radars, installed to increase the accuracy of weather forecasting and response systems throughout the Bay Area. This information will help various different agencies including MWSD. One of these radar stations will be built on Montara Mountain. There will be site improvements, including vegetation removal, construction of a 150' access road, engineered foundations for the radio and radio tower, installation of the radar and support structure, 45' tower with communication antennas and dish, connection to power lines, a back-up power system, all behind a fence. And while he understands the great benefits to all the agencies, including the District, he disagrees with the location of the site.

Director Harvey said the top of Montara Mountain is surrounded by a fence, and people are directed to an alternate route adjacent to the actual summit. He doesn't understand why the whole area is fenced off, so people can't get to the top. It's frustrating as a hiker/climber to not be able to get to the top and see the panoramic view.

Mark Verlander, Montara resident, showed photos of the mountain, before and during the construction of the radio tower. The top is no longer there. He talked to Tim Ramirez, of the SFPUC, and asked if they could allow room for people to see the view. Right now, it is all fenced off. His response was that they had to close it off for safety reasons. Through research, he found that it was run by the County for approval last August, and they did it as a favor to San Mateo County, because they don't have to ask since they own the property of Montara Mountain. He is trying to get them to allow public access to that area once the project is finished. It seems like the SFPUC went through the approval process without really informing the public, then bulldozed the historical top of the mountain. They could have moved the station a little bit lower on the mountain, and made the tower a little taller, which would have accomplished the same thing.

Director Slater-Carter said she was disappointed that the relevant agencies, like the MCC wasn't notified, or San Mateo County didn't recognize our community, notifying people of this. The mountain is a very important landmark for the community. She thinks it is not too late, and suggested Gregg talk to the MCC, people go to the Pacifica City Council, etc.

Director Lohman said he supports Mark's suggestion of reducing the area of fence as much as possible. He suggested possible cellular antennas too.

Clemens Heldmaier, General Manager replied that there are already antennas up by Montara Mountain. MWSD also in the process of negotiation with AT&T for installing cellular antennas by the Alta Vista site, which should resolve the issues with Montara. He also inquired if the throne of rocks was removed.

Mark Verlander, replied that he didn't know. It is the peak of Montara Mountain that is gone; the USGS elevation marker is gone. It was definitely a place you could stand on a point, and you were on the highest point of the mountain.

District Sewer Engineer, Pippin Cavagnaro, stated that all survey markers are protected Federal property. What permission was given to move that marker, or remove that marker, and change the elevation of the mountain? It is important for documenting the movement of Montara Mountain and understanding how to predict earthquakes for the safety of our community. He has been interested in the fire spotter cameras, which can be done via the internet now, and always looks for the USGS markers. He is shocked and flabbergasted.

Director Harvey added they shaved about 7' off the top, and now to get a panoramic view you have to walk around the construction area.

District Sewer Engineer, Pippin Cavagnaro, stated those markers are used to survey in the different locations of the mountain tops each year to understand

where that mountain used to be in San Diego. That is a San Diego landmark that we have been appreciating here.

Alison Kastama, Kastama Consulting, said that she works with the SFPUC, although she is not working on this project. She thinks the SFPUC did a mitigated neg dec last year in August, and there were meetings with community members before construction started. They also agreed to construct a viewing platform after construction.

Director Harvey replied that the viewing platform will not be on the top. It will be on the adjacent hill, 20 ft below.

Alison Kastama, Kastama Consulting added that the fence is there for security concerns.

Mark Verlander replied that people are very respectful of that area. No one is going there to party, as it is too long of a hike.

Gregg Dieguez, Montara resident, said he will follow up on this, and requested any information to be emailed to him, especially Mark's pictures.

Director Slater-Carter suggested Mark make a presentation at the MCC.

Director Boyd said that after hiking three hours, it is frustrating to not have access to the top. Additionally, handling federal property is a serious matter. He will also contact the USGS about the survey markers and what they know about this. Finally, he doesn't know who the SFPUC talked to, but if they didn't talk to the MCC, they talked to the wrong people. They may act like they have complete sovereignty over the property because they have title to it, but they do not. Filing a negative declaration is a requirement under the law, and going through the County is part of that requirement. It is not a courtesy. It is because they have a duty under the law. Did they properly discharge that duty, or did they skip over a few points?

Mark Verlander replied that he thought someone said that they didn't have to make public notice because it wasn't within 150' from a residence.

Director Boyd commented that it is very inconsiderate to the community affected and they deserve every scorn and scrutiny that the community will bring in their direction. They may be big and powerful, but they are not above the law, and have a responsibility to talk to the community. The County should be ashamed that they engaged in this and didn't advise the Mid Coast Community Council about this. They should have done that. Our local representative, Don Horsley, should get some phone calls.

Director Slater-Carter suggested this item be kept on the Agenda under Old Items, to keep the community informed.

District Sewer Engineer, Pippin Cavagnaro, reminded the Board there us a precedent to restore mountain tops in the Bay Area. Angel Island had many feet added back to the top to restore the mountain that was cut off during the military days. He said that Montara Mountain should be restored to its original elevation as well.

Director Harvey interjected Nike.

Director Boyd said there was undoubtedly a prescriptive easement on that property over all these years, and they had a duty to notify those people that have made use of that property over those years. they have opened themselves up to attacks from a number of legal angles. They want to work with them to correct this.

Director Slater-Carter said that prescriptive easements require statements from people who use it, and the more the better. She asked Clemens Heldmaier, General Manager to get emails from everyone so they can keep in touch.

Clemens Heldmaier, General Manager added that contacting the Sierra Club would be a good idea.

Director Slater-Carter said she would put him in touch with Mike Ferrara.

8. Review and Possible Action Concerning the Local Agency Formation Commission East Palo Alto Sanitary District Municipal Service Review.

Director Lohman stated that he would normally have discussed this in reports, but felt it has direct correlations to issues MWSD has had with LAFCo and the County. This will be on the LAFCo agenda. LAFCo does these Municipal Service Reviews (MSR) every five years, although it is lagging. It appears that they push for consolidation of special districts. The East Palo Alto Sanitation District may be facing this. East Palo City created a whole development plan and did not tell the special district. They found out about a proposed development, when the plans were brought to them, the district reviewed the plans and said they need 40 million dollars in infrastructure costs and the developer said it wasn't their responsibility. The special district said they are not going to do that. The developers pay for their development. The developers then got together with the City and brought it to LAFCO to move up their Municipal Services Review and include the nearby Sanitary District (West Bay Sanitary). They pushed this through because the special district is being difficult, and when they bring in another district there is a potential that they will merge them together under the City, dissolve them, or merge them into West Bay. The other special district rep, Josh Cosgrove, and I voted against moving

this up, as their MSR was already scheduled for March or April. The LAFCO panel approved this. At the special districts chapter meeting, they had the two California Senate reps talk, and he brought this up, and they both agreed that the developer has to pay for all infrastructure improvements.

Special districts are the most financially sound districts on the Peninsula, and they are the only ones that are attacked for mergers and things like that. He and Josh Cosgrove will fight any consolidation or merging of this District.

Director Slater-Carter commented that the IKEA shopping center in East Palo Alto was put in without notifying the sanitary district, when they were ready to connect to the sewer district, they couldn't do it. There is some interesting history there you might want to look into.

Director Harvey congratulated Director Lohman for being re-elected as LAFCO rep and thanked him for his help.

Director Slater-Carter suggested that Gregg look into LAFCO's efforts to get rid of small districts. It's an on-going battle.

Gregg Dieguez, Montara Resident, stated that he will look to Ric in getting information on this. Last he looked into this a year or two ago, when he did some research on this, there were no bench marks, either at the County or State level on the results in terms of costs or quality of service from any consolidations. None. He was astounded. How do they have a case?

Director Boyd added that it is a talking point, and the loudest repeated assertion tends to win. So, we have to talk back.

Director Lohman added that sometimes the MSRs don't go into detail Gregg was talking about. He feels that more than half are political decisions. If anyone has comments, email him.

REPORTS

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

The SAM meeting was cancelled. Director Slater-Carter stated there will be meeting on Monday, and she will be sure to ask about the BODs and if Half Moon Bay would benefit from having their own holding tanks for their flows. She will also ask if SAM is part of CalWARN.

Director Dekker requested that she inquire about the potential size of the fines.

Clemens Heldmaier, General Manager commented that he did not think that question could be answered at this time. He had heard the fine was a couple thousand dollars per day.

District Sewer Engineer, Pippin Cavagnaro, gave an example of a district that had a similar violation, and they paid approximately \$5,000 for a week in violation. However, this fine may have been reduced because they had a permit to do a remodel, and the problem was due to new equipment that did not work as expected.

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

3. CSDA Report (Lohman) – none

4. LAFCo Report (Lohman) –

Director Lohman stated there was a presentation by a group called Adapting to Rising Tides in the San Francisco Bay Area Conservation. This is a rising tide climate change on everything that is happening in San Francisco Bay, and said that one half to one third of all the problems in California are in San Francisco Bay. He mentioned that he noticed nothing was being done on the Coast, with no response. He looked at the outlines of the project and said “you don’t seem to be doing anything for the Coastside, “and there was no response. Then commissioner O’Neil from Pacifica, added “they have apartments falling into the ocean and other problems too, yet all the projects ignore the Coast.” They also did the MSR for our local Resource Conservation District based on the Coast. It was very successful and supportive. They are funded by grants with minimal tax stuff. But with the projects and how they leverage things, they said they leverage \$114 dollars for every \$1 they get in cash. They are good group.

5. Attorney’s Report (Fitzgerald) – none

6. Directors’ Report – none

7. General Manager’s Report (Heldmaier) – none

Director Harvey asked about the leak on Date street.

Clemens Heldmaier, General Manager replied that an unlicensed back-hoe operator was doing work over the weekend and accidentally hit the fire protection water service line. The crew went out there and talked to the operator, notified the County, and worked with the the property owner. He has since released the contractor from the project. MWSD is working with the property owner in references to damages. At this time, the property will pay in full.

Director Dekker asked about the “Marine mystery main” was.

Clemens Heldmaier, General Manager stated there was a service line that was run on Marine Avenue. The construction crew found a main, but it was dry.

Realizing there was no water in it, they had to find the active main. It has been resolved.

FUTURE AGENDAS

BRIEF RECESS

REGULAR MEETING ENDED AT 9:52 PM

Director Boyd made a motion to extend the meeting one hour.

District Counsel, Christine Fitzgerald, stated that Director Lohman will be recusing himself from Closed Session Item number two due to a conflict of interest under Government code section §87100. His video and audio will be turned off.

CONVENE IN CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code § 54956.9(d)(1))

Case Names: *City of Half Moon Bay v. Granada Community Services District, et al. (Santa Clara County Super, Crt. No. 17CV316927)*

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code §54956.8)

Property: 771 Rivera Rd. in Montara, CA

Agency Negotiator(s): General Manager; District General Counsel; and District Real Estate Broker

Negotiating parties: Coast Wholesale Florists, a corporation/Miller-Havice Ranch

Under Negotiation: To Be Determined

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

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

Respectfully Submitted,

Signed _____

Secretary

Approved on the 3rd, December 2020

Signed _____
President



MONTARA WATER & SANITARY
DISTRICT

BOARD OF DIRECTORS MEETING
November 19, 2020

MINUTES

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

REGULAR SESSION BEGAN AT 7:33 p.m.
CALL TO ORDER
ROLL CALL

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

Directors Absent: None

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

Others Present: District Counsel, Christine Fitzgerald
District Sewer Engineer, Pippin Cavagnaro
District Water Engineer, Tanya Yurovsky
Tim Ramirez, San Francisco Public Utilities Commission

PRESIDENT'S STATEMENT

Director Slater-Carter said she read an article about a problem with discarded personal protective equipment (PPE), including masks, making its way to our creeks and waterways after the first rain. Please dispose all PPE in the trash and do your part in keeping the environment clean.

ORAL COMMENTS

Director Lohman commented that Clemens Heldmaier, General Manager made a presentation on the Montara Water District, at their Home Owners Association meeting in Montara. He did an exceptional job and everyone enjoyed it, and it was good publicity for the District.

Director Lohman also warned people that their camera caught a mountain lion and her cub wandering around in the early evening. He cautioned people to be careful if they are out and about in the early morning and evening.

Clemens Heldmaier, General Manager gave an update on the Biological Oxygen Demand (BOD) issues at the Sewer Authority Mid-Coastside (SAM). The bacteria levels are getting back to normal, and they expect things to be within the perimeters allowed by the State soon. He recommended that everyone compost their organic waste, rather than using the garbage disposal, as this is the type of organic matter that the plant doesn't need right now.

PUBLIC HEARING – none

CONSENT AGENDA - none

OLD BUSINESS

1. Review of Information and Possible Action Related to the San Francisco Public Utilities Commission (SFPUC) Construction atop Montara Mountain.

Clemens Heldmaier, General Manager stated this item was brought to the Board by Director Harvey, who was informed about this by community member Mark Verlander. There was great interest in this topic at the last meeting. This has to do with the Advanced Quantitative Precipitation Information System project that is currently implemented through the San Francisco Public Utilities Commission (SFPUC). One component of the project is installing a high-def radar system. This will allow better weather forecasting and observation. However, the community has issue with the location of the project atop the highest peak of Montara Mountain, which was shaved off and destroyed during the construction process. Montara mountain is located in the unincorporated part of San Mateo, and is owned by SFPUC. This area was fenced off in mid- 2019. The Half Moon Bay review reported then that this was done to protect butterfly habitats. Later in 2019, SFPUC circulated a Preliminary Mitigated Negative Declaration, which is a document that

is prepared that satisfied the California Environmental review process. During the last meeting, valid concerns were raised, such as the public historic access and possible rights to the peak, the USGS marker being removed, the symbolic nature of the peak for the community and native tribes, and there were questions if the Mitigated Neg Dec was clear enough to understand the impact to the peak of Montara Mountain. He felt the next step would be to contact the SFPUC, and Tim Ramirez of the SFPUC is present to talk about the project and answer questions.

Tim Ramirez, SFPUC, introduced himself as the Division Manager for Natural Resources and Lands Management at SFPUC. He is responsible for managing the land that they own outside of San Francisco, including the Peninsula Water Shed and the Alameda Creek Water Shed. He also handles the environmental compliance for operation and maintenance for projects that they have in the area, including this project at Montara Mountain. The purpose is the regional AQPI System which is part of a number of installations being done, in coordination with NOAA and other water districts in the Bay Area, and will allow them to get better information, especially assisting in forecasting storms that are coming in from the ocean. This is also a new location that is part of their radio project in an effort to enhance the entire SFPUC communication operations. In reference to the CEQA documents, San Francisco City Planning is the agency who publishes and certifies the CEQA documents and we adopt the project when they are done. He apologized for their lack of communication to the community last year when people found out about the project through posted information on the perimeter fence, which sparked anger amongst the community. They tried to meet with people, albeit a little late, to give them more information. In reference to the location, there was a fairly rigorous site study plan done, and Montara Mountain was chosen as one of the best locations for their project, understanding the challenges of doing it close to a butterfly habitat. There was a monument at the top. It is a San Mateo County Triangulation Monument, not a USGS monument. There are reports that there was one there decades ago, but it is not there now. Only the San Mateo County Triangulation Monument is there. Their surveyors were in contact with San Mateo County and their intention was to preserve and maintain that monument when the project was complete. However, it has been stolen, and is gone. They are working with the County to address this. They will reestablish the monument, if that is what the County wants them to do it. They have owned the land since 1930, and have never provided authorized access to this location. He understands people go there, but it was never authorized. The signs on the perimeter fencing was put up for safety reasons. The project is still under construction. However, when complete, they will be providing public access. This will not be exactly where the monument was, but it will be as close to the top as possible, with similar views as possible. The part of the project is not solidified and he will be happy to come back to share these plans with people as this part of the project comes into focus.

Mark Verlander, Montara resident, shared some photos of the peak before and after the construction atop Montara mountain. The peak is only big enough to fit one person, but you can spin around and see the whole Bay Area. That is all gone now. There is a now a new large road that was graded and built up to the peak, which is not indicated on the plan from the SFPUC. They put in a 15 ft wide access road which goes directly to where the peak was destroyed and flattened.

Director Dekker said there was a potential vista point plan on that road which is supposed to allow the public to get the same view atop of the mountain.

Mark Verlander replied that the road is so wide, it could be a location for the towers or any vista site. At this point, the area is all graded and is quite large. That tower can be placed anywhere along that road, aside from the fact that they made the decision to put it on the peak.

Director Dekker said the potential vista point has been wiped out by the new road.

Mark Verlander said that road could become the vista point. He proposed to Tim, to move the tower and equipment 10 feet to the south, and keep the peak open for visitors. It is the same elevation and footprint, just moved south 10 ft. This is preserving the ability for people to stand atop the actual peak of the mountain. He also proposed that if they weren't willing to do that, to make a smaller trail be built to afford visitors to do a 360. He thanked Tim for talking to him, and he respects what the SFPUC is trying to do to help the Bay Area. He emphasized that the peak of Montara mountains is a treasured destination for the local Coastside community, Bay Area residents and visitors from around the world for decades, and offers a beautiful panoramic view of the Bay Area. Montara mountain also has some of the oldest rock formations in California, and is the highest peak of the Coastal Santa Cruz Mountain Range on the peninsula. In September 2019, the SFPUC fenced off and prevented public access to the top of Montara Mountain under the guise of protecting a rare butterfly, but was actually planning to build weather tracking and extra radio towers. Over the following months, behind the fence, and hidden from public view, a 25-foot-wide graded gravel road was constructed to the peak. Then in September 2020, they bulldozed the natural peak, removing several feet of the elevation from the mountain top, removed a decades old geological survey marker, and graded the site. The SFPUC has plans to build a tower on the now flattened peak of the mountain top. Had the community known, they would have protested. The community nor the environment was considered. Alternatives were not considered, like moving the tower a few feet to the side to allow public access. The SFPUC misinformed the public, fencing off the mountain because of a rare butterfly, while their true intent was to bulldoze the mountain top. He respectfully demanded on behalf of the public that the SFPUC cease all construction activity of the mountain top, and re-open access to the mountain top until the Board of Supervisors, the Mid-Coast Community Council, the Coastal Commission, and the public can review the project, comment on it, and propose alternatives. The peak

of Montara Mountain is a nature treasure for all to enjoy and should be protected as such.

Gregg Dieguez, Montara resident, stated he will be writing an article about this, and doesn't have all the facts yet. He said that he did see that the County and the MCC commented negatively on SFPUC's proposal, and a document on Acela indicated that landmarks would not be removed, which was done. He said he will bring this up at the MCC once he formally takes office. He recommended that the SFPUC stop construction work, as there is precedent in California that requires restoration of previously desecrated mountain tops. They need to look at why they got where they are, and then decide what they are going to do about it as a community. He encouraged anyone to send him information, suggestions or comments.

Kimberly Williams, resident, said she has been running, biking, or walking Montara Mountain for 13 years, until COVID-19, and feels she is a well-informed person in this community. However, she was not aware of this project, and there are a lot of people like her that don't know about it. It is only going to get larger, because the people that do know about it are mourning. She works on public policy and worked with agencies and government entities over the years. This has been handled so poorly from a public relations standpoint and she is appalled at the lack of consideration in notifying the community adequately. The lack of sensitivity for the historical, environment, and cultural significance of the mountain to the Community is shocking. How will this be handled moving forward? How will this be handled more carefully? Has there been any censure or communication with their contractor how they are going to mitigate the damage already done and prevent further damage? There is a huge emotional component to this project that SFPUC failed to recognize. There are alternative solutions which should have been explored more thoroughly with more community input. She volunteered her time to help Mr. Dieguez in community outreach.

Director Harvey commented have been going up to Montara Mountain for 35 years, and he feels that the implication that the community is trespassing is wrong and insensitive. As a member of this Board, he was not informed about this project, and didn't know about it until Mr. Verlander brought it to his attention. They are the local public agency here. The SFPUC shaved off at least 7 feet from the top, which is significant, plus all the roads and grading. There is a lot of ecological damage, and he wonders how they expect the butterflies to survive with all that construction and grading. He recommended that Mr. Ramirez go back to the SFPUC to modify this, perhaps with Mr. Verlander's proposal.

Celeste Langelle, spoke on her personal behalf, as she does work for a state agency. She lives in Pacifica on a house that faces Montara Mountain. She said that while the SFPUC considers it the middle of nowhere, to the community it is the center of everywhere. It has emotional significance to the community. When agencies have properties far from their locations, sometimes there is a disconnect.

Obviously, the findings of the County and local agencies were disregarded. The CEQA process depends on public information. She read the preliminary MND, and it indicates notifying the public, which is a typical part of the process, in which they were going to notify everyone within 300 feet of the project location which means no one. So, deciding on alternatives is key to have public input, which didn't happen and was missing from the beginning. The decision to locate it where they wanted was a convenient decision for their agency, and they certainly didn't consider the public, which doesn't engender trust in their agency to have the community input disregarded in such area of significant public resource. The butterflies are hill-topping species, and when they are bulldozing the top of the mountain and hosting vegetation, it doesn't seem like they are putting the butterflies first. She likes Mr. Verlander's proposal, but also wants more public input moving forward and really hopes the SFPUC will consider this as an important public resource.

District Water Engineer, Tanya Yurovski, says that although she lives in San Francisco, she has been serving this community for over 15 years. She did some research on this project, and said the San Mateo Planning Commission voted against this project 5-0. She understands it was an advisory vote, but it is surprising that it was ignored, especially this is where the County where the community is located. The principle planner on this project is Chris Kern. They worked with Chris extensively when he was with the Coastal Commission. In fact, before he began at the SFPUC, he was in charge of approving a very significant permit for this District. The Coastal Commission was not consulted and this project is within the Coastal zone. They understand SFPUC owns the land, however, they require everyone who owns property in this District, in San Mateo County to get a Coastal Development permit. That was a regulation that was completely ignored. She was surprised that this was led and approved, according to the Planning Report, by Chris Kern, and he should have known better.

Gwendolyn Holden, said she lives in Pacifica, but was a former resident of the Coast, and echoed the comments of the others. She had no idea that this was going on, and wants to know in terms of outreach, what was done to inform the public? Also, if they were only required to notify residents within 300 feet, how does the SFPUC justify this, when they know that it is not appropriate? Also, Mr. Verlander's suggestion of relocating the tower a few feet seems like a good idea—they would just need to make the tower a little taller. Why is that an issue? She also asked Tim to clarify their position on easement by prescription. She understands it to mean that if they haven't restricted access in the course of 5 years, they don't get to claim that as private land to do whatever they want with it. So, to suddenly say this is private property after 90 years is not right.

Director Lohman reminded everyone about what the community did with the Tunnel a decade ago. Caltrans came in, said they owned the land, and intended to build the bypass along Montara Mountain, the community found out about it, and rallied against it. People got signatures together, and forced it on the ballot. The

decision was put to the voters, and with the win by 74%, the construction of the tunnel was approved, which is the better solution. Had the community had the opportunity to be involved in this project they would have found a better solution.

Director Slater-Carter stated that there are just a few community members now, but that will change. She said that when the District had a Public Works plan permitted by the Coastal Commission, there is a 11-acre parcel that the District owns, and Coastal Commission required that they keep the trail on the property open for the public. It was at a Coastal Commission hearing. And any earth moving, you need to have a Coastal Development permit in the County. Even if the top of the mountain didn't need one, the roadwork needed one. She suggested they reach out to the MCC, the Pacifica City Council, the city of Half Moon Bay, the County---especially Supervisor Horsley, and the Coastal Commission and Planning. The more people that make these connections, the better off we will be.

Clemens Heldmaier, General Manager reiterated the importance of the mountain top to the community and hoped Tim will bring this information to the relevant parties. It is clear that this community has been hit in the heart. It is the highest peak in this side of the Bay Area. This is in a Coastal Zone and should require a Coastal Development permit, as well as a grading permit from San Mateo County. The documents the SFPUC sent out, especially the Mitigated Negative Declaration, was severely inadequate. Whoever got this document across the table did not understand what this document was about. Additionally, the County staff report for the Planning Commission that commented, the location of the project was not on top of Montara Mountain—it was along side the mountain. The document was severely inadequate, and no one had a way of understanding of what SFPUC was really doing.

Director Boyd reiterated the importance of the mountain. He said this meeting is how things start, and they want to be heard. They are counting on him. This is the little community that could. The issue with the Tunnel is no small thing, and was a multi-decade battle that this community defeated Caltrans to accomplish. This is the center of where they live. They came here to be close to this mountain. They are going to find out what happened to the marker. They would be supportive about moving the tower. This community would not battle you on a taller tower, if the net peak height was no different. It looks like the SFPUC is using the idea of protecting endangered species to hide what it was actually doing. This destroys the credibility of everybody working on the project. In reference to community outreach, he didn't see anything about talking to the Ohlone Tribes, direct engagement with the Mid-Coast Community Council and they certainly did not come to the District. They have equipment on the mountain, and they know the District. He understands that the San Francisco Planning Department runs the CEQA effort, but they have to live with the consequences of their shotty work. San Francisco shaved the top of Montara Mountain. Shame on them. He understands the CEQA process, and he can't imagine any engineer would still be employed if one of these had gone through like this. Prescriptive easements—please don't say

that the public doesn't have a right. They understand prescriptive easements, and telling them that the land that they have appreciated for a century is somehow off-limits because someone wraps their construction project in the Elfin Butterfly won't work. The legal principle is one that can be worked out; but it isn't a fight that needs to happen. The better way is to follow Mr. Verlander's lead, and find a way to mitigate this. At the beginning with their fight for the Tunnel, they were enemies with the Caltrans people. After the measure was passed, Caltrans came out and said they are going to build the tunnel, and when the project was complete and the Tunnel opened, they all took pictures together, because they had become good friends. This could happen with this project too. But they are at the beginning of the timeline with this project. He requested that SFPUC talk to the crew that excavated that monument, and that you have satisfactorily been assured that that monument is not in the hands of anyone on the crew. He is not accusing anyone, but wants the hard questions answered. The contractor broke trust. In reference to the Mitigated Neg Dec, you make representations to the community, state and EPA when you take out a mitigated Neg Dec. He feels it is manifestly obvious that those representations to the public have been violated, is defective and it is really important to cure those defects. There are a lot of people here that are willing to help you reach out to the community, come up with some creative ideas, and provide support for what you might propose to remedy these errors.

Tim Ramirez, SFPUC, thanked everyone for their thoughtful comments. He emphasized that he was there to listen, and didn't want to debate any of merits of some of the technical details. He is available to follow up on any of them. The SFPUC is a large agency, and they are imperfect. Their outreach is in constant need for improvement. He forgot to tell everyone that there is a separate environmental document for the road that connects to the top. They did that because it is important for them to get to the facilities without having to cross the American Towers' property. It is not included on the MND, because that is not where it was included. There is another document if you want to see that detail. They have a broad responsibility to protect the water quality and ecological resources. They do have an environmental stewardship policy. His staff is conducting the butterfly surveys with consultants. They are monitoring the site during construction. The rumors told about the fencing is not true. They have nothing to hide. He requested the signage on the perimeter fence about construction for safety reasons. There are fences up there for the butterflies; but the fencing and signage was in the interest of public safety. They didn't know the butterflies where there until this project came along. Their habitat is not at the top but adjacent on a slope. They didn't destroy any of the butterflies' habitat. All the work being done is by SFPUC staff employees. He will take this back to their project team next week and share this information with them. The supervisor for this project is the AGM for Water, Steve Richie, and he is very aware of this discussion. He wants people to know that they intend to provide access for the public, details to be determined. He is happy to come back again and answer questions, or stay in contact with Mr. Heldmaier—whatever is needed to keep everyone in the loop. We want the line of communication to stay open. He

reiterated that they do not have anything to hide and will do their best to put these issues to rest as quickly as they can.

Director Slater-Carter replied that they would like Mr. Ramirez to communicate via email to Mr. Dieguez, Mr. Verlander, and General Manager Heldmaier. She thanked Mr. Ramirez.

Tim Ramirez said he will add them to his Montara list, and if anyone else is interested in updates please reach out to him, via Clemens Heldmaier, General Manager.

Director Slater-Carter stated that they needed to get a hold of Coastal—the enforcement decision, the Coastal Commission, the County, City of Half Moon Bay, the Pacifica City Council, Mid-Coast Community Council, and any environmental organizations—maybe Sierra Club, Committee for Green Foothills.

Mark Verlander commented that he did hear back from Don Horsley today and they are looking in the Coastal Zone issue, and more importantly, it is on his radar. He plans to send information to his friend that works for MPR, and he is hoping to draw more attention to this. He will be taking more pictures next week. He is hoping that they will be able to restore the mountain top. He questions if Mr. Ramirez really understands what they have done to the community.

Kimberly Williams commented that Director Slater-Carter talked about the Committee for Green Foothills, and she spoke with Lenny and Mike Ferrara of the Sierra Club and she said she did know about the project, and their focus was on the butterflies, and may have realized the extend of the construction. She will talk to her about it will be interested to know what they think of this project now, that all of this has come to light. Green Foothills did not oppose this project for that reason.

Director Boyd added that it is pretty clear that they misrepresented the location, the scale, the scope, and very tangible material aspects about the project plan. He was glad they disclosed that they had the plans for the road on another planning document. This is what is know in environmental law as piecemealing. This is unlawful. When you plan, your plans have to be put together, so that the people reviewing the plan can understand the project, and don't have to be told after the fact "that was in the other document." If it is relevant you put it all together. They piecemealed this. They didn't get a CDP, a grading permit, they misrepresented the project to the San Mateo Planning Commission, they didn't do the proper community outreach, get the community feedback. He never mentioned them talking about the tribes. This is defective on many fronts. It is very normal for them to say, "we are big, get over it." If we reach out to them in the right way, and cooperate with them, maybe they can get somewhere with this.

Gregg Dieguez commented that the MCC knew about this project. Whether they were fully informed, it appears not, because they issued a weak resistance. He will look into this.

Mark Verlander said that their plans were very vague. There are no specifics or details.

Director Lohman suggested that MWSD and the MCC have a community forum meeting time at 7:00pm.— maybe 30 minutes before the regular meeting. MWSD and MCC has a couple of meetings a month. People can come in and tell us what is happening, and they can tell us what is happening. We can share ideas, etc.

Director Slater-Carter asked if he wanted MWSD and MCC to host the meetings utilizing Zoom to accommodate a lot of people.

Director Lohman said having a solo meeting might be too difficult. If they could dedicate a few meetings a month it would help get information out to everyone.

Director Slater-Carter added that Michelle could put it on Coastside Buzz too.

Gregg Dieguez said that at the last meeting there was resistance to having very many meetings for the next two months, and suggested it be appended with the MWSD meetings, and he will do his best to get the word out about it.

Clemens Heldmaier, General Manager added that he concurs with Mr. Verlander about the inadequacy of the documents. It has gone through the permitting process, and the documents were either not clear enough or their project is inconsistent with what was presented at the time. That should be looked into.

Director Slater-Carter added that it was also piece-mealed.

Mark Verlander mentioned that filing a civil suit to cease construction would be great.

Director Slater-Carter said they should go through Coastal, and enforcement and get the Coastal Commission to stop it.

Clemens Heldmaier, General Manager, said he takes that as direction.

Director Slater-Cater said she likes the idea of having a community forum before their regularly scheduled meeting as long as this topic is the point of discussion. She doesn't want the public bringing in other topics as that is for the MCC to handle.

Mark Verlander has a video of the Mountain Mountain with butterflies around.

Director Slater-Carter said that when they are talking later about his PR output, that can be the focal point.

Director Slater-Carter said they will schedule a forum to talk about this before the meeting. She suggested they all stay in contact.

Clemens Heldmaier, General Manager added that this will be agendaized as a special meeting.

NEW BUSINESS - none

REPORTS

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

Director Slater-Carter stated there was a Finance Committee meeting and they have had three annual audits completed this one year. At the next meeting, they will be discussing the quarterly annual reports. They are working on getting information updated on Open.gov.

Director Dekker asked when the last audit will be done.

Director Slater-Carter replied the 2019-2020 final audit will be done in December.

Director Lohman said the issue with the BOD is getting better.

2. Mid-Coast Community Council Meeting (Slater-Carter)

Gregg Dieguez stated that there was even more passion for Montara Mountain than at today's meeting. Caltrans is going to install a flashing beacon sign at Virginia Avenue crosswalk in Moss Beach. The community is upset about the light it will generate because the cars are going 50mph and the speed limit needs to be lowered and Caltrans installed that crosswalk without community input in what the community believes is the wrong place to begin with. This would be a safety improvement installed in March, but people are upset with the location and so forth. Also, a different group with Caltrans has a grant to install a series of signs to monitor traffic and provide advisories from Half Moon Bay through Pacifica. The Council voted in favor of working with Caltrans who has agreed to make some intelligent modifications. There may be a derivative benefit in having them available case of evacuation. However, this is being planned backwards. We are not planning for evacuation and planning what we need. They have a grant to do this, and they are going to put it in there and make it somewhat relevant. Lastly, there was a presentation by Jonathan Cox of CAL fire. One of things that he pointed out was that the wildfire situation is not just California mismanaging its forests, it is the climate change which has dried out the fuel. He gave an example of how the rate of speed of which a fire burns have increased dramatically. The

focus was evacuation, and he previews a technical system that has safe haven zone design, etc., and while he was doing this, he had internet connection problems. Mr. Dieguez then pointed out that this was not going to work without some major infrastructure input, and he is aware of it. He admitted he is not in charge and doesn't know who is in charge. There is a lot of agencies to coordinate. There is not a person at the County, as far as he knows, that you can point to and say, "this person calls the shots." He presented them with an inventory of fire and emergency preparedness issues back in October. They still do not have any reporting vehicle to track, and get piecemeal reports from Don Horsley's staff, but the County does not seem to have mobilized itself to address this yet.

Director Lohman said that when the Tunnel was constructed, Caltrans added the information lights without telling anyone or having it in the drawings. The Coastal Commission made them remove it.

In Montara and Moss Beach, the County came in and the final proposal from Montara to Moss Beach they planned 75 lights and signs in that area. The community said, "just go away and do nothing," and they did. Just because something is proposed, does not mean the community cannot stop it.

Director Slater-Carter said that one time someone was doing work on Highway 92, and cut the fiber optic feed for the Coast, and no one had cell phone or internet service.

Gregg Dieguez replied that the need for upgraded telecommunication infrastructure has merit. In the meantime, they need other modes of alerting people.

3. CSDA Report (Lohman) –

Director Lohman said they will be electing a new president of the Chapter. Josh Cosgrove has been working diligently for 3 years and has done a great job. In January they will put a new Board of Special Districts people into that.

4. LAFCo Report (Lohman) –

Director Lohman stated that the municipal services review for RCD was done. People wrote comments in the draft, and the finished review was very positive and signed off. They have a sphere of influence which has some exclusions in communities considered a farm agency (i.e. Montara, Half Moon Bay), and there is a proposal at the next meeting to remove all the "holes" allowing RCD to help anyone who needs it.

5. Attorney's Report (Fitzgerald) – none

6. Directors' Report

Director Boyd thanked Clemens Heldmaier, General Manager for inviting Tim Ramirez to their meeting to take note and the materials in the packet.

Director Lohman thanked Clemens Heldmaier, General Manager again for the presentation made to their Home Owners Association earlier that evening.

7. General Manager's Report (Heldmaier) –

FUTURE AGENDAS

BRIEF RECESS

REGULAR MEETING ENDED AT 9:38 PM

Kimberly Williams made a comment for awareness about the Closed Session Item about the Miller-Havice ranch. She said she is one of the tenants on that ranch and is concerned about their fate if the property were to be sold to MWSD.

CONVENE IN CLOSED SESSION

Director Slater-Carter reconvened back into open session and District Counsel Christine Fitzgerald made the following statement:

Director Lohman recused himself from the closed session item pertaining to real property negotiations because of his conflict of interest under Government Code Section 87100.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code § 54956.9(d)(1))

Case Names: *City of Half Moon Bay v. Granada Community Services District, et al. (Santa Clara County Super, Crt. No. 17CV316927)*

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code §54956.8)

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Negotiating parties: Coast Wholesale Florists, a corporation/Miller-Havice Ranch
Under Negotiation: To Be Determined

REPORT OF ACTION TAKEN IN CLOSED SESSION, IF ANY

ADJOURNMENT

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

Respectfully Submitted,

Signed _____
Secretary

Approved on the 3rd, December 2020


Signed _____
President



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: December 03, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager 

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

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

- 4220 Cell Tower Lease, \$4,414 under Budget – Activity has been booked into the account that is being reviewed further.
- 4400 Fees, \$6,745 over budget – Mainline extension fee collected in October.
- 4610 Property Tax Receipts, \$20,480 below Budget – First major tax assessment comes in November or early December.
- 4710 Sewer Service Charges, \$1,082,162 below Budget – First major property tax assessment comes in November or early December.
- **Overall Total Operating Income for the period ending October 31, 2020 was \$1,099,059 below budget. Total income received to date is \$98,303.**
- 5200 Board of Directors, \$2,583 below Budget – The Board has chosen to forego \$75 director fee per board meeting.
- 5300 Insurance, \$7,018 above Budget – Annual CSRMA renewal was paid in October. Variance will decrease as fiscal year moves forward.
- 5400 Legal, \$16,644 below Budget – additional expenses expected as fiscal year moves forward.
- 5630 Consulting, \$14,813 above Budget – Payment to Bartle Wells for Sewer rate study, variance will decrease as fiscal year moves forward.
- 5640 Data Services, \$9,806 above Budget – Payment of the sewer service program was made in August, variance will decrease as the fiscal year moves forward.
- 5720 Telephone & Internet, \$3,607 above Budget – Increased operational costs.
- 5800 Labor, \$5,487 below Budget – Variance to decrease as merit increases occur further in fiscal year.
- 6170 Claims, Property Damage, \$6,667 below Budget – No activity to date.
- 6200 Engineering, \$12,495 below Budget – Engineering costs capitalized in October due to project development.
- 6330 Facilities, \$2,349 below budget – Landscaping bills are behind.
- 6600 Collection/transmission, \$3,333 below Budget - No activity in current fiscal year.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **December 03, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6940 SAM Maintenance, Collection Sys, \$13,333 below Budget – No activity in current fiscal year.
- 6950 SAM Maintenance, Pumping, \$2,053 below Budget – One expenditure made to SAM for work performed at 873 Ocean.
- **Overall Total Operating Expenses for the period ending October 31, 2020 were \$43,310 below Budget.**
- **Total overall Expenses for the period ending October 31, 2020 were \$39,550 below budget. For a net ordinary loss of \$1,059,510, budget vs. actual. Actual net ordinary loss is \$773,361.**
- 7100 Connection Fees, \$27,305 below Budget – No new connections sold in October.
- 7200 Interest Income, LAIF, \$30,000 below budget – 1st interest allocation to be recognized in September, yet to be booked.
- 8000 CIP, \$616,178 below Budget – Major projects deferred to later in fiscal year.
- 9200 I-Bank Loan, \$9,219 below Budget - Due to timing.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **December 03, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Budget vs. Actual – Water July 2020 Thru October 2020 - Variances over \$2,000:

- 4220 Cell Tower Lease, \$4,460 under Budget – Activity has been booked into the account that is being reviewed further.
- 4610 Property Tax Receipts, \$20,480 below Budget First major property tax assessment comes in November.
- 4740 Testing, Backflow, \$2,748 above Budget – Frequent testing in August.
- 4810 Water Sales, Domestic, \$98,089 above Budget – Difference mainly due to timing of collections.
- **Overall Total Operating Income for the period ending October 31, 2020 was \$74,504 above budget. Total revenue received to date is \$820,671.**
- 5200 Board of Directors, \$2,583 below Budget – The Board has chosen to forego \$75 director fee per board meeting.
- 5240 CDPH, \$3,667 below Budget – No activity in current fiscal year.
- 5400 Legal, \$8,544 below Budget – additional expenses expected as fiscal year moves forward.
- 5540 Office Supplies, \$2,197 above Budget – additional expenses incurred as staff need supplies at work from home.
- 5550 Postage, \$2,240 above Budget – additional mailings going to rate payers, including prop. 218 notice.
- 5640 Consulting, \$6,561 above Budget – Payment for rate study and related public relations.
- 5720 Telephone & Internet, \$5,524 above Budget – Increased operational costs.
- 5800 Labor, \$16,953 below Budget – Difference due to timing in payment of workers compensation premiums. The invoice is paid on a quarterly basis.
- 6170 Claims, Property Damage \$3,333 below Budget – No claims have been paid in current fiscal year.
- 6180 Communications, \$4,137 below Budget – SCADA expenses have been less than expected so far through fiscal year.
- 6195 Education & Training, \$2,935 below Budget – One recertification in current fiscal year.
- 6200 Engineering, \$59,136 below Budget – Majority of costs have been capitalized during the fiscal year.
- 6320 Equipment & Tools, Expensed, \$3,289 below Budget – Minimal needs thus far in the fiscal year.



MONTARA WATER AND SANITARY DISTRICT AGENDA

Prepared for the Meeting Of: **December 03, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

- 6330 Facilities, \$4,499 below Budget - Landscaping bills are behind.
- 6400 Pumping, \$12,423 below Budget – Large PG&E “catch-up” bill expected later in fiscal year.
- 6500 Supply, \$12,061 below Budget – No payments for water purchases have been made thus far in the fiscal year.
- 6700 Treatment, \$7,397 below Budget – Minimal activity in the current fiscal year.
- 6800 Vehicles, \$3,887 below budget – Fuel expense has been kept under budget in current fiscal year.
- **Overall Total Operating Expenses for the period ending October 31, 2020 were \$113,235 below Budget.**
- **Total overall Expenses for the period ending October 31, 2020 were \$141,093 below budget. For a net ordinary income of \$333,305, budgeted vs. actual. Actual net ordinary income is \$215,597.**
- 7100 Connection Fees, \$35,595 above Budget – 6 New Construction/connections fees PFP sold in November.
- 7600 Bond Revenues, G.O. \$369,623 below Budget – Additional funds received as bond payment nears.
- 7650 Water System Reliability, \$333,333 below Budget – First assessment expected in November or early December.
- 8000 CIP, \$278,846 below Budget – Minimal activity to date.
- 9100 GO Bond interest expense \$88,828, below Budget - Difference due to timing.
- 9150 SRF Loan interest expense, \$35,766 below Budget — Difference due to timing.

RECOMMENDATION:

This is for Board information only

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

	Jul - Oct 20	Sewer Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	8,086.37	12,500.00	-4,413.63
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,644.00	1,200.00	444.00
4420 · Administrative Fee (Remodel)	0.00	333.32	-333.32
4430 · Inspection Fee (New Constr)	1,036.00	1,166.68	-130.68
4440 · Inspection Fee (Remodel)	0.00	333.32	-333.32
4460 · Remodel Fees	932.00	1,333.32	-401.32
4470 · Other Fees	7,500.00		
Total 4400 · Fees	11,112.00	4,366.64	6,745.36
4510 · Grants	136.00		
4610 · Property Tax Receipts	71,186.61	91,666.68	-20,480.07
4710 · Sewer Service Charges	0.00	1,082,162.32	-1,082,162.32
4720 · Sewer Service Refunds, Customer	-1,827.34	-1,333.32	-494.02
4760 · Waste Collection Revenues	9,599.76	8,000.00	1,599.76
4990 · Other Revenue	9.51		
Total Income	98,302.91	1,197,362.32	-1,099,059.41
Gross Profit	98,302.91	1,197,362.32	-1,099,059.41
Expense			
5000 · Administrative			
5190 · Bank Fees	4,190.31	2,250.00	1,940.31
5200 · Board of Directors			
5210 · Board Meetings	750.00	1,000.00	-250.00
5220 · Director Fees	0.00	666.68	-666.68
5230 · Election Expenses	0.00	1,666.68	-1,666.68
Total 5200 · Board of Directors	750.00	3,333.36	-2,583.36
5250 · Conference Attendance	0.00	833.32	-833.32
5270 · Information Systems	350.00	1,333.32	-983.32
5300 · Insurance			
5310 · Fidelity Bond	0.00	166.68	-166.68
5320 · Property & Liability Insurance	9,851.00	2,666.68	7,184.32
Total 5300 · Insurance	9,851.00	2,833.36	7,017.64
5350 · LAFCO Assessment	0.00	833.32	-833.32
5400 · Legal			
5430 · General Legal	8,139.00	33,333.32	-25,194.32
5440 · Litigation	8,550.00		
Total 5400 · Legal	16,689.00	33,333.32	-16,644.32
5510 · Maintenance, Office	1,023.92	2,666.68	-1,642.76
5540 · Office Supplies	854.42	2,000.00	-1,145.58
5550 · Postage	97.83	666.68	-568.85
5560 · Printing & Publishing	929.00	1,666.68	-737.68

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

	Jul - Oct 20	Sewer Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	9,800.00	10,666.68	-866.68
5620 · Audit	4,000.00	4,333.32	-333.32
5630 · Consulting	26,479.85	11,666.68	14,813.17
5640 · Data Services	11,873.05	2,066.68	9,806.37
5650 · Labor & HR Support	854.00	833.32	20.68
5660 · Payroll Services	298.33	333.32	-34.99
Total 5600 · Professional Services	53,305.23	29,900.00	23,405.23
5710 · San Mateo Co. Tax Roll Charges	0.00	333.32	-333.32
5720 · Telephone & Internet	10,273.60	6,666.68	3,606.92
5730 · Mileage Reimbursement	0.00	500.00	-500.00
5740 · Reference Materials	0.00	66.68	-66.68
5790 · Other Administrative	150.00		
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	5,753.90	5,836.00	-82.10
5820 · Employee Benefits	15,888.64	16,365.32	-476.68
5830 · Disability Insurance	578.44	625.32	-46.88
5840 · Payroll Taxes	4,513.36	6,378.00	-1,864.64
5850 · PARS	5,552.09	5,687.32	-135.23
5900 · Wages			
5910 · Management	35,992.64	38,737.00	-2,744.36
5920 · Staff	44,371.22	44,635.00	-263.78
5930 · Staff Certification	800.00	600.00	200.00
5940 · Staff Overtime	1,101.31	586.68	514.63
Total 5900 · Wages	82,265.17	84,558.68	-2,293.51
5960 · Worker's Comp Insurance	640.89	1,229.32	-588.43
Total 5800 · Labor	115,192.49	120,679.96	-5,487.47
Total 5000 · Administrative	213,656.80	209,896.68	3,760.12
6000 · Operations			
6170 · Claims, Property Damage	0.00	6,666.68	-6,666.68
6195 · Education & Training	0.00	333.32	-333.32
6200 · Engineering			
6220 · General Engineering	7,505.00	20,000.00	-12,495.00
Total 6200 · Engineering	7,505.00	20,000.00	-12,495.00
6320 · Equipment & Tools, Expensed	0.00	333.32	-333.32
6330 · Facilities			
6335 · Alarm Services	1,984.48	3,333.32	-1,348.84
6337 · Landscaping	1,000.00	2,000.00	-1,000.00
Total 6330 · Facilities	2,984.48	5,333.32	-2,348.84
6400 · Pumping			
6410 · Pumping Fuel & Electricity	13,306.95	15,000.00	-1,693.05
Total 6400 · Pumping	13,306.95	15,000.00	-1,693.05

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

	Jul - Oct 20	Sewer Budget	\$ Over Budget
6600 · Collection/Transmission			
6660 · Maintenance, Collection System	0.00	3,333.32	-3,333.32
Total 6600 · Collection/Transmission	0.00	3,333.32	-3,333.32
6800 · Vehicles			
6810 · Fuel	0.00	333.32	-333.32
6820 · Truck Equipment, Expensed	0.00	53.32	-53.32
6830 · Truck Repairs	0.00	333.32	-333.32
Total 6800 · Vehicles	0.00	719.96	-719.96
6900 · Sewer Authority Midcoastside			
6910 · SAM Collections	84,717.68	84,717.68	0.00
6920 · SAM Operations	528,212.32	528,212.32	0.00
6940 · SAM Maintenance, Collection Sys	0.00	13,333.32	-13,333.32
6950 · SAM Maintenance, Pumping	21,280.19	23,333.32	-2,053.13
Total 6900 · Sewer Authority Midcoastside	634,210.19	649,596.64	-15,386.45
Total 6000 · Operations	658,006.62	701,316.56	-43,309.94
Total Expense	871,663.42	911,213.24	-39,549.82
Net Ordinary Income	-773,360.51	286,149.08	-1,059,509.59
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	177.00	33,333.32	-33,156.32
7120 · Connection Fees (Remodel)	22,518.36	16,666.68	5,851.68
Total 7100 · Connection Fees	22,695.36	50,000.00	-27,304.64
7200 · Interest Income - LAIF	0.00	30,000.00	-30,000.00
Total 7000 · Capital Account Revenues	22,695.36	80,000.00	-57,304.64
Total Other Income	22,695.36	80,000.00	-57,304.64
Other Expense			
8000 · Capital Improvement Program			
8075 · Sewer	45,579.55	661,757.32	-616,177.77
Total 8000 · Capital Improvement Program	45,579.55	661,757.32	-616,177.77
9000 · Capital Account Expenses			
9125 · PNC Equipment Lease Interest	2,904.81	4,487.00	-1,582.19
9200 · I-Bank Loan	1,843.77	11,063.00	-9,219.23
Total 9000 · Capital Account Expenses	4,748.58	15,550.00	-10,801.42
Total Other Expense	50,328.13	677,307.32	-626,979.19
Net Other Income	-27,632.77	-597,307.32	569,674.55
Net Income	-800,993.28	-311,158.24	-489,835.04

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

July through October 2020

	Jul - Oct 20	Water Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4220 · Cell Tower Lease	8,039.96	12,500.00	-4,460.04
4400 · Fees			
4410 · Administrative Fee (New Constr)	1,644.00	1,666.68	-22.68
4430 · Inspection Fee (New Constr)	1,554.00	1,333.32	220.68
4440 · Inspection Fee (Remodel)	0.00	333.32	-333.32
4450 · Mainline Extension Fees	548.00	1,000.00	-452.00
4460 · Remodel Fees	0.00	666.68	-666.68
Total 4400 · Fees	3,746.00	5,000.00	-1,254.00
4510 · Grants	136.00		
4610 · Property Tax Receipts	71,186.59	91,666.68	-20,480.09
4740 · Testing, Backflow	8,748.00	6,000.00	2,748.00
4810 · Water Sales, Domestic	730,088.78	632,000.00	98,088.78
4850 · Water Sales Refunds, Customer	-1,315.02	-1,000.00	-315.02
4990 · Other Revenue	40.52		
Total Income	820,670.83	746,166.68	74,504.15
Gross Profit	820,670.83	746,166.68	74,504.15
Expense			
5000 · Administrative			
5190 · Bank Fees	618.25	500.00	118.25
5200 · Board of Directors			
5210 · Board Meetings	750.00	1,000.00	-250.00
5220 · Director Fees	0.00	666.68	-666.68
5230 · Election Expenses	0.00	1,666.68	-1,666.68
Total 5200 · Board of Directors	750.00	3,333.36	-2,583.36
5240 · CDPH Fees	0.00	3,666.68	-3,666.68
5250 · Conference Attendance	0.00	1,000.00	-1,000.00
5270 · Information Systems	350.00	1,666.68	-1,316.68
5300 · Insurance			
5310 · Fidelity Bond	0.00	166.68	-166.68
5320 · Property & Liability Insurance	0.00	1,666.68	-1,666.68
Total 5300 · Insurance	0.00	1,833.36	-1,833.36
5350 · LAFCO Assessment	0.00	833.32	-833.32
5400 · Legal			
5430 · General Legal	24,789.00	33,333.32	-8,544.32
Total 5400 · Legal	24,789.00	33,333.32	-8,544.32
5510 · Maintenance, Office	1,023.92	2,666.68	-1,642.76
5530 · Memberships	7,698.00	9,000.00	-1,302.00
5540 · Office Supplies	4,197.70	2,000.00	2,197.70
5550 · Postage	3,573.62	1,333.32	2,240.30
5560 · Printing & Publishing	929.02	2,333.32	-1,404.30

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

	Water Jul - Oct 20	Water Budget	\$ Over Budget
5600 · Professional Services			
5610 · Accounting	9,800.00	10,666.68	-866.68
5620 · Audit	4,000.00	4,333.32	-333.32
5630 · Consulting	24,893.96	18,333.32	6,560.64
5640 · Data Services	899.50	1,000.00	-100.50
5650 · Labor & HR Support	854.00	833.32	20.68
5660 · Payroll Services	298.33	333.32	-34.99
Total 5600 · Professional Services	40,745.79	35,499.96	5,245.83
5710 · San Mateo Co. Tax Roll Charges	0.00	1,000.00	-1,000.00
5720 · Telephone & Internet	12,190.67	6,666.68	5,523.99
5730 · Mileage Reimbursement	12.00	666.68	-654.68
5740 · Reference Materials	0.00	266.68	-266.68
5790 · Other Administrative	150.00	333.32	-183.32
5800 · Labor			
5810 · CalPERS 457 Deferred Plan	14,864.62	14,982.68	-118.06
5820 · Employee Benefits	30,073.85	35,871.32	-5,797.47
5830 · Disability Insurance	1,332.32	1,584.00	-251.68
5840 · Payroll Taxes	14,945.69	17,089.00	-2,143.31
5850 · PARS	12,841.29	12,898.32	-57.03
5900 · Wages			
5910 · Management	35,992.72	38,737.00	-2,744.28
5920 · Staff	152,012.91	154,920.68	-2,907.77
5930 · Staff Certification	3,600.00	3,800.00	-200.00
5940 · Staff Overtime	17,793.88	18,260.32	-466.44
5950 · Staff Standby	9,234.52	7,667.68	1,566.84
Total 5900 · Wages	218,634.03	223,385.68	-4,751.65
5960 · Worker's Comp Insurance	3,648.01	7,481.32	-3,833.31
Total 5800 · Labor	296,339.81	313,292.32	-16,952.51
Total 5000 · Administrative	393,367.78	421,225.68	-27,857.90
6000 · Operations			
6160 · Backflow Prevention	0.00	333.32	-333.32
6170 · Claims, Property Damage	0.00	3,333.32	-3,333.32
6180 · Communications			
6185 · SCADA Maintenance	196.26	4,333.32	-4,137.06
Total 6180 · Communications	196.26	4,333.32	-4,137.06
6195 · Education & Training	65.35	3,000.00	-2,934.65
6200 · Engineering			
6220 · General Engineering	600.00	6,666.68	-6,066.68
6230 · Water Quality Engineering	13,597.50	66,666.68	-53,069.18
Total 6200 · Engineering	14,197.50	73,333.36	-59,135.86
6320 · Equipment & Tools, Expensed	711.10	4,000.00	-3,288.90

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

	Jul - Oct 20	Water Budget	\$ Over Budget
6330 · Facilities			
6335 · Alarm Services	417.28	1,666.68	-1,249.40
6337 · Landscaping	1,750.00	5,000.00	-3,250.00
Total 6330 · Facilities	2,167.28	6,666.68	-4,499.40
6370 · Lab Supplies & Equipment	30.59	1,333.32	-1,302.73
6380 · Meter Reading	120.94		
6400 · Pumping			
6410 · Pumping Fuel & Electricity	23,541.06	30,000.00	-6,458.94
6420 · Pumping Maintenance, Generators	0.00	5,000.00	-5,000.00
6430 · Pumping Maintenance, General	0.00	1,666.68	-1,666.68
6440 · Pumping Equipment, Expensed	0.00	233.32	-233.32
6400 · Pumping - Other	935.89		
Total 6400 · Pumping	24,476.95	36,900.00	-12,423.05
6500 · Supply			
6510 · Maintenance, Raw Water Mains	0.00	833.32	-833.32
6520 · Maintenance, Wells	438.65	1,666.68	-1,228.03
6530 · Water Purchases	0.00	10,000.00	-10,000.00
Total 6500 · Supply	438.65	12,500.00	-12,061.35
6600 · Collection/Transmission			
6610 · Hydrants	3,351.11	333.32	3,017.79
6620 · Maintenance, Water Mains	9,376.54	16,666.68	-7,290.14
6630 · Maintenance, Water Svc Lines	10,500.00	5,000.00	5,500.00
6640 · Maintenance, Tanks	2,129.18	1,333.32	795.86
6650 · Maint., Distribution General	37.10	2,666.68	-2,629.58
6670 · Meters	0.00	833.32	-833.32
Total 6600 · Collection/Transmission	25,393.93	26,833.32	-1,439.39
6700 · Treatment			
6710 · Chemicals & Filtering	4,233.34	6,666.68	-2,433.34
6720 · Maintenance, Treatment Equip.	2,763.51	6,666.68	-3,903.17
6730 · Treatment Analysis	13,939.75	15,000.00	-1,060.25
Total 6700 · Treatment	20,936.60	28,333.36	-7,396.76
6770 · Uniforms	800.00	666.68	133.32
6800 · Vehicles			
6810 · Fuel	1,531.11	3,333.32	-1,802.21
6820 · Truck Equipment, Expensed	181.91	666.68	-484.77
6830 · Truck Repairs	66.26	1,666.68	-1,600.42
Total 6800 · Vehicles	1,779.28	5,666.68	-3,887.40

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

July through October 2020

	Jul - Oct 20	Water Budget	\$ Over Budget
6890 · Other Operations	2,648.04		
6000 · Operations - Other	36.00		
Total 6000 · Operations	93,998.47	207,233.36	-113,234.89
Total Expense	487,366.25	628,459.04	-141,092.79
Net Ordinary Income	333,304.58	117,707.64	215,596.94
Other Income/Expense			
Other Income			
7000 · Capital Account Revenues			
7100 · Connection Fees			
7110 · Connection Fees (New Constr)	0.00	33,333.32	-33,333.32
7130 · Conn. Fees, PFP (New Constr)	71,595.44	16,666.68	54,928.76
7140 · Conn. Fees, PFP (Remodel)	13,999.37		
Total 7100 · Connection Fees	85,594.81	50,000.00	35,594.81
7600 · Bond Revenues, G.O.	13,855.38	383,478.68	-369,623.30
7650 · Water System Reliability	0.00	333,333.32	-333,333.32
Total 7000 · Capital Account Revenues	99,450.19	766,812.00	-667,361.81
Total Other Income	99,450.19	766,812.00	-667,361.81
Other Expense			
8000 · Capital Improvement Program			
8100 · Water	90,737.52	369,583.32	-278,845.80
Total 8000 · Capital Improvement Program	90,737.52	369,583.32	-278,845.80
9000 · Capital Account Expenses			
9100 · Interest Expense - GO Bonds	17,765.69	106,594.00	-88,828.31
9125 · PNC Equipment Lease Interest	2,904.81	4,487.00	-1,582.19
9150 · SRF Loan	0.00	35,766.00	-35,766.00
9210 · Conservation Program/Rebates	150.00	1,000.00	-850.00
Total 9000 · Capital Account Expenses	20,820.50	147,847.00	-127,026.50
Total Other Expense	111,558.02	517,430.32	-405,872.30
Net Other Income	-12,107.83	249,381.68	-261,489.51
Net Income	321,196.75	367,089.32	-45,892.57

Montara Water & Sanitary District
Restricted and Non Restricted Cash Assets
July 2020 through June 2021

Assets and Reserves Information

Year to Date Cash Information	July	August	September	October	November	December	January	February	March	April	May	June	Target Reserves	\$ Over/(Under) Targets	% Over/Under Targets
Sewer - Operations															
Wells Fargo Operating - Sewer	1,775,920.55	1,643,549.38	1,546,367.03	1,316,959.67											
Sewer - Reserve Accounts															
LAIF -															
Capital Reserve	3,970,253.27	3,970,253.27	3,970,253.27	3,970,253.27									3,162,272.00	807,981.27	126%
Connection Fees Reserve	194,600.00	194,600.00	194,600.00	194,600.00									150,000.00	44,600.00	130%
Operating Reserve	406,882.00	406,882.00	406,882.00	406,882.00									455,607.00	(48,725.00)	89%
Sub-total	4,571,735.27	4,571,735.27	4,571,735.27	4,571,735.27	-	-	-	-	-	-	-	-			
Water - Operations															
Wells Fargo Operating - Water	723,431.14	739,953.42	757,180.73	773,986.51									314,230.00	409,201.14	230%
Water - Reserve Accounts															
Wells Fargo Bank-															
Capital Reserve	398,249.00	398,249.00	398,249.00	398,249.00									1,858,750.00	(1,460,501.00)	21%
Connection Fees Reserve	253,020.00	253,020.00	253,020.00	253,020.00									150,000.00	103,020.00	169%
SRF Reserve	48,222.00	48,222.00	48,222.00	48,222.00									48,222.00	-	100%
Additional Reserve	46,009.00	46,009.00	46,009.00	46,009.00											
Sub-total	745,500.00	745,500.00	745,500.00	745,500.00	-	-	-	-	-	-	-	-			
Water - Restricted accounts															
First Republic Bank - Water															
GO Bonds Fund	1,476,753.57	913,486.11	920,220.52	920,220.52											
Sub-total	1,476,753.57	913,486.11	920,220.52	920,220.52	-	-	-	-	-	-	-	-			
Total Cash and equivalents	9,293,340.53	8,614,224.18	8,541,003.55	8,328,401.97	-	-	-	-	-	-	-	-			

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL				
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense																	
Income																	
4220 · Cell Tower Lease	-1,566.14	3,217.50	3,217.50	3,217.51									8,086.37	15,625.00	-7,538.63	51.75%	
4400 · Fees																	
4410 · Administrative Fee (New Constr)			1,096.00	548.00									1,644.00	1,500.00	144.00	109.6%	
4420 · Administrative Fee (Remodel)														416.69	-416.69		
4430 · Inspection Fee (New Constr)			518.00	518.00									1,036.00	1,458.31	-422.31	71.04%	
4440 · Inspection Fee (Remodel)														416.69	-416.69		
4460 · Remodel Fees				932.00									932.00	1,666.69	-734.69	55.92%	
4470 · Other Fees				7,500.00									7,500.00				
Total 4400 · Fees			1,614.00	9,498.00									11,112.00	5,458.38	5,653.62	203.58%	
4510 · Grants		136.00											136.00				
4610 · Property Tax Receipts		1,565.73	51,647.64	17,973.24									71,186.61	114,583.31	-43,396.70	62.13%	
4710 · Sewer Service Charges														1,352,702.94	-1,352,702.94		
4720 · Sewer Service Refunds, Customer			-166.60	-1,660.74									-1,827.34	-1,666.69	-160.65	109.64%	
4760 · Waste Collection Revenues	1,454.35	3,806.28	1,383.63	2,955.50									9,599.76	10,000.00	-400.24	96.0%	
4990 · Other Revenue		9.51											9.51				
Total Income	-111.79	8,735.02	57,696.17	31,983.51									98,302.91	1,496,702.94	-1,398,400.03	6.57%	
Gross Profit	-111.79	8,735.02	57,696.17	31,983.51									98,302.91	1,496,702.94	-1,398,400.03	6.57%	
Expense																	
5000 · Administrative																	
5190 · Bank Fees	2,634.56	528.05	564.02	463.68									4,190.31	2,812.50	1,377.81	148.99%	
5200 · Board of Directors																	
5210 · Board Meetings		300.00	150.00	300.00									750.00	1,250.00	-500.00	60.0%	
5220 · Director Fees														833.31	-833.31		
5230 · Election Expenses														2,083.31	-2,083.31		
Total 5200 · Board of Directors		300.00	150.00	300.00									750.00	4,166.62	-3,416.62	18.0%	
5250 · Conference Attendance														1,041.69	-1,041.69		
5270 · Information Systems		50.00		300.00									350.00	1,666.69	-1,316.69	21.0%	
5300 · Insurance																	
5310 · Fidelity Bond														208.31	-208.31		
5320 · Property & Liability Insurance				9,851.00									9,851.00	3,333.31	6,517.69	295.53%	
Total 5300 · Insurance				9,851.00									9,851.00	3,541.62	6,309.38	278.15%	
5350 · LAFCO Assessment														1,041.69	-1,041.69		
5400 · Legal																	
5430 · General Legal		1,291.00	4,424.00	2,424.00									8,139.00	41,666.69	-33,527.69	19.53%	
5440 · Litigation		6,000.00	495.00	2,055.00									8,550.00				
Total 5400 · Legal		7,291.00	4,919.00	4,479.00									16,689.00	41,666.69	-24,977.69	40.05%	

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
5510 · Maintenance, Office		260.00	453.92	310.00									1,023.92	3,333.31	-2,309.39	30.72%
5540 · Office Supplies	108.03	235.76	402.55	108.08									854.42	2,500.00	-1,645.58	34.18%
5550 · Postage			78.03	19.80									97.83	833.31	-735.48	11.74%
5560 · Printing & Publishing		233.80	202.50	492.70									929.00	2,083.31	-1,154.31	44.59%
5600 · Professional Services																
5610 · Accounting		2,500.00	5,250.00	2,050.00									9,800.00	13,333.31	-3,533.31	73.5%
5620 · Audit		4,000.00											4,000.00	5,416.69	-1,416.69	73.85%
5630 · Consulting	8,925.00	1,994.72	515.52	15,044.61									26,479.85	14,583.31	11,896.54	181.58%
5640 · Data Services		11,873.05											11,873.05	2,583.31	9,289.74	459.61%
5650 · Labor & HR Support		427.00	213.50	213.50									854.00	1,041.69	-187.69	81.98%
5660 · Payroll Services	72.32	74.13	75.94	75.94									298.33	416.69	-118.36	71.6%
Total 5600 · Professional Services	8,997.32	20,868.90	6,054.96	17,384.05									53,305.23	37,375.00	15,930.23	142.62%
5710 · San Mateo Co. Tax Roll Charges														416.69	-416.69	
5720 · Telephone & Internet	2,528.07	2,611.86	2,577.39	2,556.28									10,273.60	8,333.31	1,940.29	123.28%
5730 · Mileage Reimbursement														625.00	-625.00	
5740 · Reference Materials														83.31	-83.31	
5790 · Other Adminstrative				150.00									150.00			
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	1,450.81	1,400.09	1,460.70	1,442.30									5,753.90	7,295.00	-1,541.10	78.88%
5820 · Employee Benefits	3,972.16	3,972.16	3,972.16	3,972.16									15,888.64	20,456.69	-4,568.05	77.67%
5830 · Disability Insurance	144.61	144.61		289.22									578.44	781.69	-203.25	74.0%
5840 · Payroll Taxes	1,481.29	972.22	1,039.98	1,019.87									4,513.36	7,972.50	-3,459.14	56.61%
5850 · PARS	1,415.89	1,355.47	1,390.36	1,390.37									5,552.09	7,109.19	-1,557.10	78.1%
5900 · Wages																
5910 · Management	8,998.16	8,998.16	8,998.16	8,998.16									35,992.64	48,421.25	-12,428.61	74.33%
5920 · Staff	11,553.04	10,589.88	11,114.15	11,114.15									44,371.22	55,793.75	-11,422.53	79.53%
5930 · Staff Certification	200.00	200.00	200.00	200.00									800.00	750.00	50.00	106.67%
5940 · Staff Overtime		213.69	575.31	312.31									1,101.31	733.31	368.00	150.18%
Total 5900 · Wages	20,751.20	20,001.73	20,887.62	20,624.62									82,265.17	105,698.31	-23,433.14	77.83%
5960 · Worker's Comp Insurance				640.89									640.89	1,536.69	-895.80	41.71%
Total 5800 · Labor	29,215.96	27,846.28	28,750.82	29,379.43									115,192.49	150,850.07	-35,657.58	76.36%
Total 5000 · Administrative	43,483.94	60,225.65	44,153.19	65,794.02									213,656.80	262,370.81	-48,714.01	81.43%
6000 · Operations																
6170 · Claims, Property Damage														8,333.31	-8,333.31	
6195 · Education & Training														416.69	-416.69	
6200 · Engineering																
6210 · Meeting Attendance, Engineering																
6220 · General Engineering	3,705.00		2,470.00	1,330.00									7,505.00	25,000.00	-17,495.00	30.02%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
Total 6200 · Engineering	3,705.00		2,470.00	1,330.00									7,505.00	25,000.00	-17,495.00	30.02%
6320 · Equipment & Tools, Expensed														416.69	-416.69	
6330 · Facilities																
6335 · Alarm Services	391.80	391.80	682.06	518.82									1,984.48	4,166.69	-2,182.21	47.63%
6337 · Landscaping		500.00	500.00										1,000.00	2,500.00	-1,500.00	40.0%
Total 6330 · Facilities	391.80	891.80	1,182.06	518.82									2,984.48	6,666.69	-3,682.21	44.77%
6400 · Pumping																
6410 · Pumping Fuel & Electricity	3,269.52	3,332.03	3,428.52	3,276.88									13,306.95	18,750.00	-5,443.05	70.97%
Total 6400 · Pumping	3,269.52	3,332.03	3,428.52	3,276.88									13,306.95	18,750.00	-5,443.05	70.97%
6600 · Collection/Transmission																
6660 · Maintenance, Collection System														4,166.69	-4,166.69	
Total 6600 · Collection/Transmission														4,166.69	-4,166.69	
6800 · Vehicles																
6810 · Fuel														416.69	-416.69	
6820 · Truck Equipment, Expensed														66.69	-66.69	
6830 · Truck Repairs														416.69	-416.69	
Total 6800 · Vehicles														900.07	-900.07	
6900 · Sewer Authority Midcoastside																
6910 · SAM Collections	21,179.42	21,179.42	21,179.42	21,179.42									84,717.68	105,897.06	-21,179.38	80.0%
6920 · SAM Operations	132,053.08	132,053.08	132,053.08	132,053.08									528,212.32	660,265.44	-132,053.12	80.0%
6940 · SAM Maintenance, Collection Sys														16,666.69	-16,666.69	
6950 · SAM Maintenance, Pumping	2,171.92		19,108.27										21,280.19	29,166.69	-7,886.50	72.96%
Total 6900 · Sewer Authority Midcoastside	155,404.42	153,232.50	172,340.77	153,232.50									634,210.19	811,995.88	-177,785.69	78.11%
Total 6000 · Operations	162,770.74	157,456.33	179,421.35	158,358.20									658,006.62	876,646.02	-218,639.40	75.06%
Total Expense	206,254.68	217,681.98	223,574.54	224,152.22									871,663.42	1,139,016.83	-267,353.41	76.53%
Net Ordinary Income	-206,366.47	-208,946.96	-165,878.37	-192,168.71									-773,360.51	357,686.11	-1,131,046.62	-216.21%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)		177.00											177.00	41,666.69	-41,489.69	0.43%
7120 · Connection Fees (Remodel)				22,518.36									22,518.36	20,833.31	1,685.05	108.09%
Total 7100 · Connection Fees		177.00		22,518.36									22,695.36	62,500.00	-39,804.64	36.31%
7200 · Interest Income - LAIF														30,000.00	-30,000.00	
Total 7000 · Capital Account Revenues		177.00		22,518.36									22,695.36	92,500.00	-69,804.64	24.54%
Total Other Income		177.00		22,518.36									22,695.36	92,500.00	-69,804.64	24.54%
Other Expense																
8000 · Capital Improvement Program																

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Sewer
 July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
8075 · Sewer	6,393.00		26,516.55	12,670.00									45,579.55	827,196.69	-781,617.14	5.51%
Total 8000 · Capital Improvement Program	6,393.00		26,516.55	12,670.00									45,579.55	827,196.69	-781,617.14	5.51%
9000 · Capital Account Expenses																
9125 · PNC Equipment Lease Interest	583.84		1,166.88	1,154.09									2,904.81	5,608.75	-2,703.94	51.79%
9200 · I-Bank Loan	1,843.77												1,843.77	11,063.00	-9,219.23	16.67%
Total 9000 · Capital Account Expenses	2,427.61		1,166.88	1,154.09									4,748.58	16,671.75	-11,923.17	28.48%
Total Other Expense	8,820.61		27,683.43	13,824.09									50,328.13	843,868.44	-793,540.31	5.96%
Net Other Income	-8,820.61	177.00	-27,683.43	8,694.27									-27,632.77	-751,368.44	723,735.67	3.68%
Net Income	-215,187.08	-208,769.96	-193,561.80	-183,474.44									-800,993.28	-393,682.33	-407,310.95	203.46%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL				
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense																	
Income																	
4220 · Cell Tower Lease	-1,612.56	3,217.51	3,217.51	3,217.50									8,039.96	15,625.00	-7,585.04	51.46%	
4400 · Fees																	
4410 · Administrative Fee (New Constr)		548.00	548.00	548.00									1,644.00	2,083.31	-439.31	78.91%	
4430 · Inspection Fee (New Constr)		518.00	518.00	518.00									1,554.00	1,666.69	-112.69	93.24%	
4440 · Inspection Fee (Remodel)														416.69	-416.69		
4450 · Mainline Extension Fees		548.00											548.00	1,250.00	-702.00	43.84%	
4460 · Remodel Fees														833.31	-833.31		
Total 4400 · Fees		1,614.00	1,066.00	1,066.00									3,746.00	6,250.00	-2,504.00	59.94%	
4510 · Grants		136.00											136.00				
4610 · Property Tax Receipts		1,565.72	51,647.64	17,973.23									71,186.59	114,583.31	-43,396.72	62.13%	
4740 · Testing, Backflow	1,913.00	3,355.00	1,680.00	1,800.00									8,748.00	7,500.00	1,248.00	116.64%	
4810 · Water Sales, Domestic	385,849.40	-29,524.82	387,182.65	-13,418.45									730,088.78	790,000.00	-59,911.22	92.42%	
4850 · Water Sales Refunds, Customer	-1,037.10			-277.92									-1,315.02	-1,250.00	-65.02	105.2%	
4990 · Other Revenue		40.52											40.52				
Total Income	385,112.74	-19,596.07	444,793.80	10,360.36									820,670.83	932,708.31	-112,037.48	87.99%	
Gross Profit	385,112.74	-19,596.07	444,793.80	10,360.36									820,670.83	932,708.31	-112,037.48	87.99%	
Expense																	
5000 · Administrative																	
5190 · Bank Fees	146.01	123.25	177.54	171.45									618.25	625.00	-6.75	98.92%	
5200 · Board of Directors																	
5210 · Board Meetings		300.00	150.00	300.00									750.00	1,250.00	-500.00	60.0%	
5220 · Director Fees														833.31	-833.31		
5230 · Election Expenses														2,083.31	-2,083.31		
Total 5200 · Board of Directors		300.00	150.00	300.00									750.00	4,166.62	-3,416.62	18.0%	
5240 · CDPH Fees														4,583.31	-4,583.31		
5250 · Conference Attendance														1,250.00	-1,250.00		
5270 · Information Systems		50.00		300.00									350.00	2,083.31	-1,733.31	16.8%	
5300 · Insurance																	
5310 · Fidelity Bond														208.31	-208.31		
5320 · Property & Liability Insurance														2,083.31	-2,083.31		
Total 5300 · Insurance														2,291.62	-2,291.62		
5350 · LAFCO Assessment														1,041.69	-1,041.69		
5400 · Legal																	
5430 · General Legal		8,059.00	4,679.00	12,051.00									24,789.00	41,666.69	-16,877.69	59.49%	
Total 5400 · Legal		8,059.00	4,679.00	12,051.00									24,789.00	41,666.69	-16,877.69	59.49%	
5510 · Maintenance, Office		260.00	453.92	310.00									1,023.92	3,333.31	-2,309.39	30.72%	

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
5530 · Memberships	445.00			7,253.00									7,698.00	11,250.00	-3,552.00	68.43%
5540 · Office Supplies	108.01	235.77	402.51	3,451.41									4,197.70	2,500.00	1,697.70	167.91%
5550 · Postage	1,210.48	1,534.07	809.28	19.79									3,573.62	1,666.69	1,906.93	214.41%
5560 · Printing & Publishing		233.81	202.50	492.71									929.02	2,916.69	-1,987.67	31.85%
5600 · Professional Services																
5610 · Accounting		2,500.00	5,250.00	2,050.00									9,800.00	13,333.31	-3,533.31	73.5%
5620 · Audit		4,000.00											4,000.00	5,416.69	-1,416.69	73.85%
5630 · Consulting	7,339.11	1,994.71	515.53	15,044.61									24,893.96	22,916.69	1,977.27	108.63%
5640 · Data Services		899.50											899.50	1,250.00	-350.50	71.96%
5650 · Labor & HR Support		427.00	213.50	213.50									854.00	1,041.69	-187.69	81.98%
5660 · Payroll Services	72.32	74.13	75.94	75.94									298.33	416.69	-118.36	71.6%
Total 5600 · Professional Services	7,411.43	9,895.34	6,054.97	17,384.05									40,745.79	44,375.07	-3,629.28	91.82%
5710 · San Mateo Co. Tax Roll Charges														1,250.00	-1,250.00	
5720 · Telephone & Internet	3,204.25	2,729.67	3,036.27	3,220.48									12,190.67	8,333.31	3,857.36	146.29%
5730 · Mileage Reimbursement		6.00	6.00										12.00	833.31	-821.31	1.44%
5740 · Reference Materials														333.31	-333.31	
5790 · Other Administrative				150.00									150.00	416.69	-266.69	36.0%
5800 · Labor																
5810 · CalPERS 457 Deferred Plan	3,810.16	3,573.68	3,748.25	3,732.53									14,864.62	18,728.31	-3,863.69	79.37%
5820 · Employee Benefits	7,270.47	8,262.44	7,270.47	7,270.47									30,073.85	44,839.19	-14,765.34	67.07%
5830 · Disability Insurance	333.08	333.08		666.16									1,332.32	1,980.00	-647.68	67.29%
5840 · Payroll Taxes	4,178.76	3,469.02	3,647.61	3,650.30									14,945.69	21,361.25	-6,415.56	69.97%
5850 · PARS	3,324.35	3,093.86	3,211.54	3,211.54									12,841.29	16,122.94	-3,281.65	79.65%
5900 · Wages																
5910 · Management	8,998.18	8,998.18	8,998.18	8,998.18									35,992.72	48,421.25	-12,428.53	74.33%
5920 · Staff	39,625.96	36,300.35	37,985.83	38,100.77									152,012.91	193,650.81	-41,637.90	78.5%
5930 · Staff Certification	900.00	900.00	900.00	900.00									3,600.00	4,750.00	-1,150.00	75.79%
5940 · Staff Overtime	3,789.68	4,208.91	4,956.95	4,838.34									17,793.88	22,825.44	-5,031.56	77.96%
5950 · Staff Standby	2,698.60	2,231.74	2,132.81	2,171.37									9,234.52	9,584.56	-350.04	96.35%
Total 5900 · Wages	56,012.42	52,639.18	54,973.77	55,008.66									218,634.03	279,232.06	-60,598.03	78.3%
5960 · Worker's Comp Insurance				3,648.01									3,648.01	9,351.69	-5,703.68	39.01%
Total 5800 · Labor	74,929.24	71,371.26	72,851.64	77,187.67									296,339.81	391,615.44	-95,275.63	75.67%
Total 5000 · Administrative	87,454.42	94,798.17	88,823.63	122,291.56									393,367.78	526,532.06	-133,164.28	74.71%
6000 · Operations																
6160 · Backflow Prevention														416.69	-416.69	
6170 · Claims, Property Damage														4,166.69	-4,166.69	
6180 · Communications																
6185 · SCADA Maintenance		196.26											196.26	5,416.69	-5,220.43	3.62%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
Total 6180 · Communications		196.26											196.26	5,416.69	-5,220.43	3.62%
6195 · Education & Training			65.35										65.35	3,750.00	-3,684.65	1.74%
6200 · Engineering																
6210 · Meeting Attendance, Engineering																
6220 · General Engineering				600.00									600.00	8,333.31	-7,733.31	7.2%
6230 · Water Quality Engineering		3,442.50	3,060.00	7,095.00									13,597.50	83,333.31	-69,735.81	16.32%
Total 6200 · Engineering		3,442.50	3,060.00	7,695.00									14,197.50	91,666.62	-77,469.12	15.49%
6320 · Equipment & Tools, Expensed	52.52	236.94	204.25	217.39									711.10	5,000.00	-4,288.90	14.22%
6330 · Facilities																
6335 · Alarm Services			290.26	127.02									417.28	2,083.31	-1,666.03	20.03%
6337 · Landscaping		350.00	550.00	850.00									1,750.00	6,250.00	-4,500.00	28.0%
Total 6330 · Facilities		350.00	840.26	977.02									2,167.28	8,333.31	-6,166.03	26.01%
6370 · Lab Supplies & Equipment		30.59											30.59	1,666.69	-1,636.10	1.84%
6380 · Meter Reading	22.94	63.00	35.00										120.94			
6400 · Pumping																
6410 · Pumping Fuel & Electricity	4,652.82	6,356.95	5,064.76	7,466.53									23,541.06	37,500.00	-13,958.94	62.78%
6420 · Pumping Maintenance, Generators														6,250.00	-6,250.00	
6430 · Pumping Maintenance, General														2,083.31	-2,083.31	
6440 · Pumping Equipment, Expensed														291.69	-291.69	
6400 · Pumping - Other			935.89										935.89			
Total 6400 · Pumping	4,652.82	6,356.95	6,000.65	7,466.53									24,476.95	46,125.00	-21,648.05	53.07%
6500 · Supply																
6510 · Maintenance, Raw Water Mains														1,041.69	-1,041.69	
6520 · Maintenance, Wells	255.16			183.49									438.65	2,083.31	-1,644.66	21.06%
6530 · Water Purchases														12,500.00	-12,500.00	
Total 6500 · Supply	255.16			183.49									438.65	15,625.00	-15,186.35	2.81%
6600 · Collection/Transmission																
6610 · Hydrants	593.00		2,758.11										3,351.11	416.69	2,934.42	804.22%
6620 · Maintenance, Water Mains			5,361.11	4,015.43									9,376.54	20,833.31	-11,456.77	45.01%
6630 · Maintenance, Water Svc Lines				10,500.00									10,500.00	6,250.00	4,250.00	168.0%
6640 · Maintenance, Tanks	2,129.18												2,129.18	1,666.69	462.49	127.75%
6650 · Maint., Distribution General			37.10										37.10	3,333.31	-3,296.21	1.11%
6670 · Meters														1,041.69	-1,041.69	
6600 · Collection/Transmission - Other																
Total 6600 · Collection/Transmission	2,722.18		8,156.32	14,515.43									25,393.93	33,541.69	-8,147.76	75.71%
6700 · Treatment																
6710 · Chemicals & Filtering	817.82	7.16	905.36	2,503.00									4,233.34	8,333.31	-4,099.97	50.8%
6720 · Maintenance, Treatment Equip.		965.69	1,725.10	72.72									2,763.51	8,333.31	-5,569.80	33.16%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
													Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget
6730 · Treatment Analysis	4,889.00	967.55	3,580.90	4,502.30									13,939.75	18,750.00	-4,810.25	74.35%
6700 · Treatment - Other																
Total 6700 · Treatment	5,706.82	1,940.40	6,211.36	7,078.02									20,936.60	35,416.62	-14,480.02	59.12%
6770 · Uniforms			800.00										800.00	833.31	-33.31	96.0%
6800 · Vehicles																
6810 · Fuel	484.10	630.00	417.01										1,531.11	4,166.69	-2,635.58	36.75%
6820 · Truck Equipment, Expensed		181.91											181.91	833.31	-651.40	21.83%
6830 · Truck Repairs		66.26											66.26	2,083.31	-2,017.05	3.18%
Total 6800 · Vehicles	484.10	878.17	417.01										1,779.28	7,083.31	-5,304.03	25.12%
6890 · Other Operations		2,549.77		98.27									2,648.04			
6000 · Operations - Other				36.00									36.00			
Total 6000 · Operations	13,896.54	16,044.58	25,790.20	38,267.15									93,998.47	259,041.62	-165,043.15	36.29%
Total Expense	101,350.96	110,842.75	114,613.83	160,558.71									487,366.25	785,573.68	-298,207.43	62.04%
Net Ordinary Income	283,761.78	-130,438.82	330,179.97	-150,198.35									333,304.58	147,134.63	186,169.95	226.53%
Other Income/Expense																
Other Income																
7000 · Capital Account Revenues																
7100 · Connection Fees																
7110 · Connection Fees (New Constr)														41,666.69	-41,666.69	
7130 · Conn. Fees, PFP (New Constr)		40,727.18	11,659.02	19,209.24									71,595.44	20,833.31	50,762.13	343.66%
7140 · Conn. Fees, PFP (Remodel)	13,999.37												13,999.37			
Total 7100 · Connection Fees	13,999.37	40,727.18	11,659.02	19,209.24									85,594.81	62,500.00	23,094.81	136.95%
7600 · Bond Revenues, G.O.			6,734.41	7,120.97									13,855.38	479,348.31	-465,492.93	2.89%
7650 · Water System Reliability														416,666.69	-416,666.69	
Total 7000 · Capital Account Revenues	13,999.37	40,727.18	18,393.43	26,330.21									99,450.19	958,515.00	-859,064.81	10.38%
Total Other Income	13,999.37	40,727.18	18,393.43	26,330.21									99,450.19	958,515.00	-859,064.81	10.38%
Other Expense																
8000 · Capital Improvement Program																
8100 · Water	14,307.00	4,686.25	19,151.17	52,593.10									90,737.52	461,979.19	-371,241.67	19.64%
Total 8000 · Capital Improvement Program	14,307.00	4,686.25	19,151.17	52,593.10									90,737.52	461,979.19	-371,241.67	19.64%
9000 · Capital Account Expenses																
9100 · Interest Expense - GO Bonds		17,765.69											17,765.69	106,594.00	-88,828.31	16.67%
9125 · PNC Equipment Lease Interest	583.84		1,166.88	1,154.09									2,904.81	5,608.75	-2,703.94	51.79%
9150 · SRF Loan														35,766.00	-35,766.00	
9210 · Conservation Program/Rebates		150.00											150.00	1,250.00	-1,100.00	12.0%
Total 9000 · Capital Account Expenses	583.84	17,915.69	1,166.88	1,154.09									20,820.50	149,218.75	-128,398.25	13.95%
Total Other Expense	14,890.84	22,601.94	20,318.05	53,747.19									111,558.02	611,197.94	-499,639.92	18.25%
Net Other Income	-891.47	18,125.24	-1,924.62	-27,416.98									-12,107.83	347,317.06	-359,424.89	-3.49%

Montara Water & Sanitary District
Revenue & Expenditures Budget vs. Actual - Water
 July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL			
	Jul '20 - Jun 21	Budget	\$ Over Budget	% of Budget												
Net Income	282,870.31	-112,313.58	328,255.35	-177,615.33									321,196.75	494,451.69	-173,254.94	64.96%

Montara Water & Sanitary District
Funds Balance Sheet
As of October 31, 2020

	Sewer	Water	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
Sewer - Bank Accounts			
Wells Fargo Operating - Sewer	1,316,959.67	0.00	1,316,959.67
LAIIF Investment Fund			
Capital Reserve	3,970,253.27	0.00	3,970,253.27
Connection Fees Reserve	194,600.00	0.00	194,600.00
Operating Reserve	406,882.00	0.00	406,882.00
Total LAIF Investment Fund	4,571,735.27	0.00	4,571,735.27
Total Sewer - Bank Accounts	5,888,694.94	0.00	5,888,694.94
Water - Bank Accounts			
Wells Fargo Operating - Water	0.00	773,986.51	773,986.51
Capital Reserve	0.00	398,249.00	398,249.00
Operating Reserve	0.00	46,009.00	46,009.00
SRF Reserve	0.00	48,222.00	48,222.00
Restricted Cash			
Connection Fees Reserve	0.00	253,020.00	253,020.00
GO Bonds Fund	0.00	920,220.52	920,220.52
Total Restricted Cash	0.00	1,173,240.52	1,173,240.52
Total Water - Bank Accounts	0.00	2,439,707.03	2,439,707.03
Total Checking/Savings	5,888,694.94	2,439,707.03	8,328,401.97
Accounts Receivable			
Sewer - Accounts Receivable			
Accounts Receivable	-3,500.97	0.00	-3,500.97
Property Tax Receivable	1,506.32	0.00	1,506.32
Sewer - Accounts Receivable - Other	-10,061.79	0.00	-10,061.79
Total Sewer - Accounts Receivable	-12,056.44	0.00	-12,056.44
Water - Accounts Receivable			
Accounts Receivable	0.00	1,351.98	1,351.98
Accounts Rec. - Backflow	0.00	19,255.11	19,255.11
Accounts Rec. - Water Residents	0.00	218,544.44	218,544.44
Property Tax Receivable	0.00	1,506.34	1,506.34
Unbilled Water Receivables	0.00	264,854.59	264,854.59
Total Water - Accounts Receivable	0.00	505,512.46	505,512.46
Total Accounts Receivable	-12,056.44	505,512.46	493,456.02
Other Current Assets			
Prepaid Expenses	6,060.00	6,060.00	12,120.00
Due from Kathryn Slater-Carter	232.31	382.31	614.62
Maint/Parts Inventory	0.00	42,656.32	42,656.32
Total Other Current Assets	6,292.31	49,098.63	55,390.94
Total Current Assets	5,882,930.81	2,994,318.12	8,877,248.93
Fixed Assets			
Sewer - Fixed Assets			
General Plant	6,549,969.71	0.00	6,549,969.71
Land	5,000.00	0.00	5,000.00
Other Capital Improv.			
Sewer-Original Cost	685,599.18	0.00	685,599.18
Other Cap. Improv.	2,564,810.39	0.00	2,564,810.39
Total Other Capital Improv.	3,250,409.57	0.00	3,250,409.57
Seal Cove Collection System	995,505.00	0.00	995,505.00
Sewage Collection Facility			
Collection Facility - Org. Cost	1,349,064.00	0.00	1,349,064.00
Collection Facility - Other	3,991,243.33	0.00	3,991,243.33
Total Sewage Collection Facility	5,340,307.33	0.00	5,340,307.33
Treatment Facility	244,539.84	0.00	244,539.84
Accumulated Depreciation	-9,345,853.00	0.00	-9,345,853.00
Total Sewer - Fixed Assets	7,039,878.45	0.00	7,039,878.45

Montara Water & Sanitary District
Funds Balance Sheet
As of October 31, 2020

Water - Fixed Assets			
General Plant	0.00	28,221,310.18	28,221,310.18
Land & Easements	0.00	734,500.00	734,500.00
Surface Water Rights	0.00	300,000.00	300,000.00
Water Meters	0.00	1,058,985.00	1,058,985.00
Fixed Assets - Other	0.00	48,171.78	48,171.78
Accumulated Depreciation	0.00	-12,791,924.00	-12,791,924.00
Total Water - Fixed Assets	0.00	17,571,042.96	17,571,042.96
Total Fixed Assets	7,039,878.45	17,571,042.96	24,610,921.41
Other Assets			
Sewer - Other Assets			
Def'd Amts Related to Pensions	92,939.00	0.00	92,939.00
Joint Power Authority			
SAM - Orig Collection Facility	981,592.00	0.00	981,592.00
SAM - Expansion	1,705,955.08	0.00	1,705,955.08
Total Joint Power Authority	2,687,547.08	0.00	2,687,547.08
Total Sewer - Other Assets	2,780,486.08	0.00	2,780,486.08
Water - Other Assets			
Def'd Amts Related to Pensions	0.00	174,114.00	174,114.00
Due from Sewer	0.00	283,585.00	283,585.00
Bond Acquisition Cost OID	0.00	38,092.40	38,092.40
Bond Issue Cost	0.00	41,127.65	41,127.65
Total Water - Other Assets	0.00	536,919.05	536,919.05
Total Other Assets	2,780,486.08	536,919.05	3,317,405.13
TOTAL ASSETS	15,703,295.34	21,102,280.13	36,805,575.47
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable - Sewer	191,956.19	0.00	191,956.19
Accounts Payable - Water	0.00	71,216.93	71,216.93
Total Accounts Payable	191,956.19	71,216.93	263,173.12
Other Current Liabilities			
Water - Net Pension Liability	0.00	-60,375.00	-60,375.00
Sewer - Net Pension Liability	-32,045.00	0.00	-32,045.00
Sewer - Current Liabilities			
Accrued Vacations	7,058.69	0.00	7,058.69
Deposits Payable	13,991.43	0.00	13,991.43
Interest Payable	-656.12	0.00	-656.12
PNC Equip. Loan - S/T	47,059.96	0.00	47,059.96
Total Sewer - Current Liabilities	67,453.96	0.00	67,453.96
Water - Current Liabilities			
Accrued Vacations	0.00	19,382.98	19,382.98
Construction Deposits Payable	0.00	-232.34	-232.34
Deposits Payable	0.00	-50,985.89	-50,985.89
GO Bonds - S/T	0.00	473,200.98	473,200.98
PFP Water Deposits	0.00	4,302.50	4,302.50
PNC Equip. Loan - S/T	0.00	47,059.96	47,059.96
SRF Loan Payable X109 - Current	0.00	172,494.67	172,494.67
Temporary Construction Meter	0.00	19,803.38	19,803.38
Total Water - Current Liabilities	0.00	685,026.24	685,026.24
Payroll Liabilities			
Employee Benefits Payable	-1,900.54	0.00	-1,900.54
Total Payroll Liabilities	-1,900.54	0.00	-1,900.54
Total Other Current Liabilities	33,508.42	624,651.24	658,159.66
Total Current Liabilities	225,464.61	695,868.17	921,332.78

Montara Water & Sanitary District
Funds Balance Sheet
As of October 31, 2020

Long Term Liabilities			
Sewer - Long Term Liabilities			
Due to Water Fund	283,585.00	0.00	283,585.00
Accrued Vacations	16,419.93	0.00	16,419.93
I-Bank Loan	694,575.67	0.00	694,575.67
PNC Equip. Loan - L/T	422,013.42	0.00	422,013.42
Total Sewer - Long Term Liabilities	1,416,594.02	0.00	1,416,594.02
Water - Long Term Liabilities			
Accrued Vacations	0.00	21,526.17	21,526.17
Deferred on Refunding	0.00	-150,668.00	-150,668.00
GO Bonds - L/T	0.00	7,843,407.24	7,843,407.24
PNC Equip. Loan - L/T	0.00	422,013.48	422,013.48
SRF Loan Payable - X109	0.00	2,875,134.12	2,875,134.12
Total Water - Long Term Liabilities	0.00	11,011,413.01	11,011,413.01
Deferred Inflows (Pensions)			
Sewer	20,838.00	0.00	20,838.00
Water	0.00	39,012.00	39,012.00
Total Deferred Inflows (Pensions)	20,838.00	39,012.00	59,850.00
Total Long Term Liabilities	1,437,432.02	11,050,425.01	12,487,857.03
Total Liabilities	1,662,896.63	11,746,293.18	13,409,189.81
Equity			
Sewer - Equity Accounts			
Capital Assets Net	3,408,252.20	0.00	3,408,252.20
Fund Balance - Unrestricted	8,646,292.87	0.00	8,646,292.87
Retained Earnings	196,117.06	0.00	196,117.06
Total Sewer - Equity Accounts	12,250,662.13	0.00	12,250,662.13
Water - Equity Accounts			
Capital Assets Net	0.00	2,868,858.70	2,868,858.70
Restricted Debt Service	0.00	1,384,997.90	1,384,997.90
Unrestricted	0.00	-1,562,801.59	-1,562,801.59
Retained Earnings	0.00	-196,117.06	-196,117.06
Total Water - Equity Accounts	0.00	2,494,937.95	2,494,937.95
Equity Adjustment Account	2,590,729.86	6,539,852.25	9,130,582.11
Net Income	-800,993.28	321,196.75	-479,796.53
Total Equity	14,040,398.71	9,355,986.95	23,396,385.66
TOTAL LIABILITIES & EQUITY	15,703,295.34	21,102,280.13	36,805,575.47

Montara Water & Sanitary District

Check Detail

November 23 - 30, 2020

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Paid Amount</u>	
SPLIT				
11/06/2020	11847	ACWA/JPIA	-12,004.84	PAID
11/06/2020	11850	CoastsideNet, Inc.	-64.95	PAID
11/06/2020	11851	Comcast	-273.91	PAID
11/06/2020	11856	Huntington National Bank	-12,740.00	PAID
11/06/2020	11857	IEDA	-427.00	PAID
11/06/2020	11860	Sandie Arnott S. M. County Tax Collector	-238.00	PAID
11/06/2020	11863	White Glove Housekeeping	-520.00	PAID
11/25/2020	11867	A-B Communications	-164.15	
11/25/2020	11870	AT&T	-319.60	
11/25/2020	11871	AT&T	-73.35	
11/25/2020	11872	AT&T	-3,749.66	
11/25/2020	11873	AT&T	-155.66	
11/25/2020	11874	AT&T	-328.81	
11/25/2020	11876	Aztec Gardens	-1,050.00	
11/25/2020	11877	Bartel Associates	-6,950.00	
11/25/2020	11882	CalPERS 457 Plan	-5,931.51	
11/25/2020	11884	Eide Bailly	-18,300.00	
11/25/2020	11887	Fitzgerald Law Offices	-16,640.00	
11/25/2020	11890	Kastama Strategic Consulting	-4,173.75	
11/25/2020	11891	KBA Document Solutions	-48.72	
11/25/2020	11911	Mark Stegmaier:APN 036-103-630	-351.79	
11/25/2020	11892	Maze & Associates	-4,200.00	
11/25/2020	11896	Office Depot	-561.72	
11/25/2020	11897	Pacific Gas & Electric	-6,466.32	
11/25/2020	11898	Pacifica Community Television, Inc.	-900.00	
11/25/2020	11899	PARS	-819.55	
11/30/2020	11921	Pitney Bowes Financial Services LLC	-156.05	
11/25/2020	11901	Rauch Communication Consultants, Inc.	-111.25	
11/25/2020	11906	Standard Insurance Co.	-477.69	
11/25/2020	11907	Tech Solutions	-4,033.00	
11/25/2020	11908	U.S. Bank PARS	-8,137.95	

Montara Water & Sanitary District

Check Detail

November 23 - 30, 2020

Date	Num	Name	Paid Amount	
WATER				
11/06/2020	11848	Calcon Systems, Inc.	-757.50	PAID
11/06/2020	11849	CD & Power	-1,715.00	PAID
11/06/2020	11852	EDD	-916.00	PAID
11/06/2020	11853	Esbro Chemical	-406.39	PAID
11/06/2020	11854	Evoqua Water Technologies	-5,006.00	PAID
11/06/2020	11855	Hassette Ace Hardware	-423.31	PAID
11/06/2020	11858	Mossa Excavation	-22,084.48	PAID
11/06/2020	11859	R & B Company	-3,865.87	PAID
11/06/2020	11861	SRT Consultants	-14,242.50	PAID
11/06/2020	11862	USA Blue Book	-1,922.75	PAID
11/06/2020	11864	Doug Machado	-1,182.30	PAID
11/06/2020	11865	Schnebly Building & Design	-639.87	PAID
11/23/2020	11866	Pacific Gas & Electric	-1,246.91	PAID
11/25/2020	11868	ACWA	-14,885.00	
11/25/2020	11869	Andreini Brothers, Inc.	-8,876.00	
11/25/2020	11912	Anya Volonsky	-100.00	
11/25/2020	11875	AT&T Mobility	-88.16	
11/25/2020	11878	Bay Area Air Quality Management District	-361.00	
11/25/2020	11879	Bay Area Air Quality Management District	-420.00	
11/25/2020	11880	Bay Area Air Quality Management District	-392.00	
11/25/2020	11881	BSK Lab	-436.40	
11/30/2020	11917	California Rural Water Association	-816.00	
11/25/2020	11883	County of San Mateo Dept Public Works	-6,769.30	
11/25/2020	11885	Esbro Chemical	-394.49	
11/25/2020	11886	Evoqua Water Technologies	-2,503.00	
11/25/2020	11889	JMB Construction	-925.84	
11/25/2020	11893	Mossa Excavation	-1,015.72	
11/25/2020	11894	North Coast County Water District	-450.00	
11/23/2020	11866	Pacific Gas & Electric	-1,246.91	
11/30/2020	11918	Pacific Gas & Electric	-1,013.03	
11/25/2020	11900	Phil's Tire Pros & auto Care	-239.58	
11/25/2020	11910	Scott Cropper	-30.00	
11/30/2020	11919	SRT Consultants	-9,305.00	
11/30/2020	11920	State Water Resources Control Board	-2,848.00	
11/25/2020	11909	Wells Fargo Remittance Center	-2,166.24	

Montara Water & Sanitary District

Check Detail

November 23 - 30, 2020

Date	Num	Name	Paid Amount	
SEWER				
11/25/2020	11916	Eric Clausen	-7,335.96	
11/25/2020	11888	Hue & Cry Security Systems, Inc.	-391.80	
11/25/2020	11895	Nute Engineering	-13,000.50	
11/25/2020	11913	Poul Nielsen	-1,944.15	
11/25/2020	11915	Raymond Shimeld	-8,368.56	
11/25/2020	11914	Ric Lohman	-3,906.32	
11/25/2020	11902	Roto-Rooter Services	-384.00	
11/25/2020	11903	Sewer Authority Mid-Coastside	-132,053.08	
11/25/2020	11904	Sewer Authority Mid-Coastside	-9,879.87	
11/25/2020	11905	Sewer Authority Mid-Coastside	-21,179.42	



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

A handwritten signature in black ink, appearing to be 'C Heldmaier'.

SUBJECT: SAM Flow Report for September 2020

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

- Flow Report for September 2020.
- Collection System Monthly Overflow Report – September 2020.

The Average Daily Flow for Montara was 0.243 MGD in September 2020. There was no reportable overflow in September in the Montara System. SAM indicates there were 0.00 inches of rain in September 2020.

RECOMMENDATION:

Review and file.

Attachments

Sewer Authority Mid-Coastside

Monthly Collection System Activity/SSO Distribution Report, September 2020

September 2020

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

12 Month Moving Total

Total	12 month rolling Number			
	HMB	GCSD	MWSD	SAM
Roots	0	1	0	0
Grease	0	0	0	0
Mechanical	0	0	0	0
Wet Weather	0	0	0	0
Other	1	1	0	1
Total	1	2	0	1
	25%	50%	0%	25%

Reportable SSOs

Total	Reportable Number of S.S.O.'s			
	HMB	GCSD	MWSD	SAM
September 2020	0	0	0	0
12 Month Moving Total	1	2	0	1

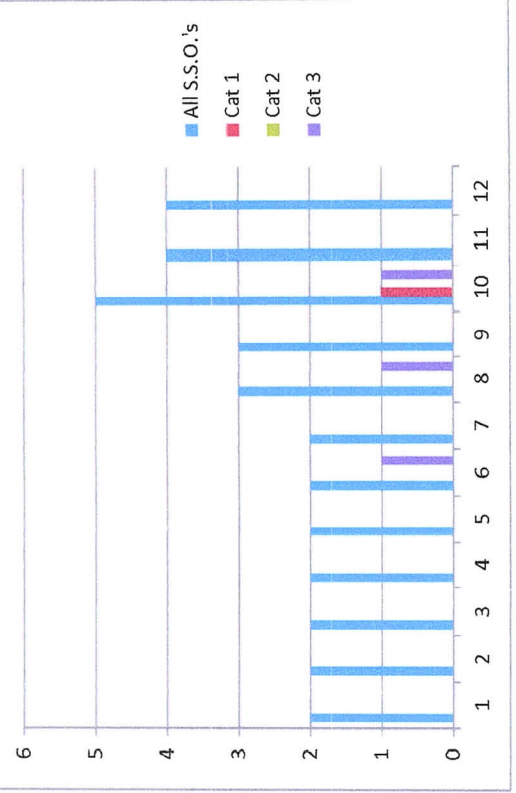
SSOs / Year / 100 Miles

Total	Number of S.S.O.'s /Year/100 Miles			
	HMB	GCSD	MWSD	SAM
September 2020	0.0	0.0	0.0	0.0
12 Month Moving Total	3.8	6.0	0.0	13.7
Category 1	1.0	3.0	0.0	0.0
Category 2	0.0	0.0	0.0	0.0
Category 3	2.9	3.0	0.0	13.7
Miles of Sewers	104.5	33.2	27.0	7.3
	35.4%	31.8%	25.8%	7.0%

12 Month Rolling Total Sewer Cleaning Summary

Month	HMB	GCSD	MWSD	Total Feet	Total Miles
Oct - 19	16,104	14,144	13,611	43,859	8.3
Nov - 19	6,171	23,308	10,135	39,614	7.5
Dec - 19	6,660	18,277	9,422	34,359	6.5
Jan - 20	6,947	11,809	11,218	29,974	5.7
Feb - 20	7,403	7,463	10,503	25,369	4.8
Mar - 20	10,957	11,948	10,023	32,928	6.2
Apr - 20	9,893	10,803	10,420	31,116	5.9
May - 20	10,453	12,618	10,308	33,379	6.3
June - 20	11,026	17,691	6,463	35,180	6.7
July - 20	16,890	18,514	14,262	49,666	9.4
Aug - 20	15,475	20,299	7,883	43,657	8.3
Sept - 20	12,942	18,428	4,067	35,437	6.7
Annual ft	130,921	185,302	118,315	434,538	
Annual Mi.	24.8	35.1	22.4		82.3

12 Month Moving SSO Totals Through Sept 2020



Attachment A

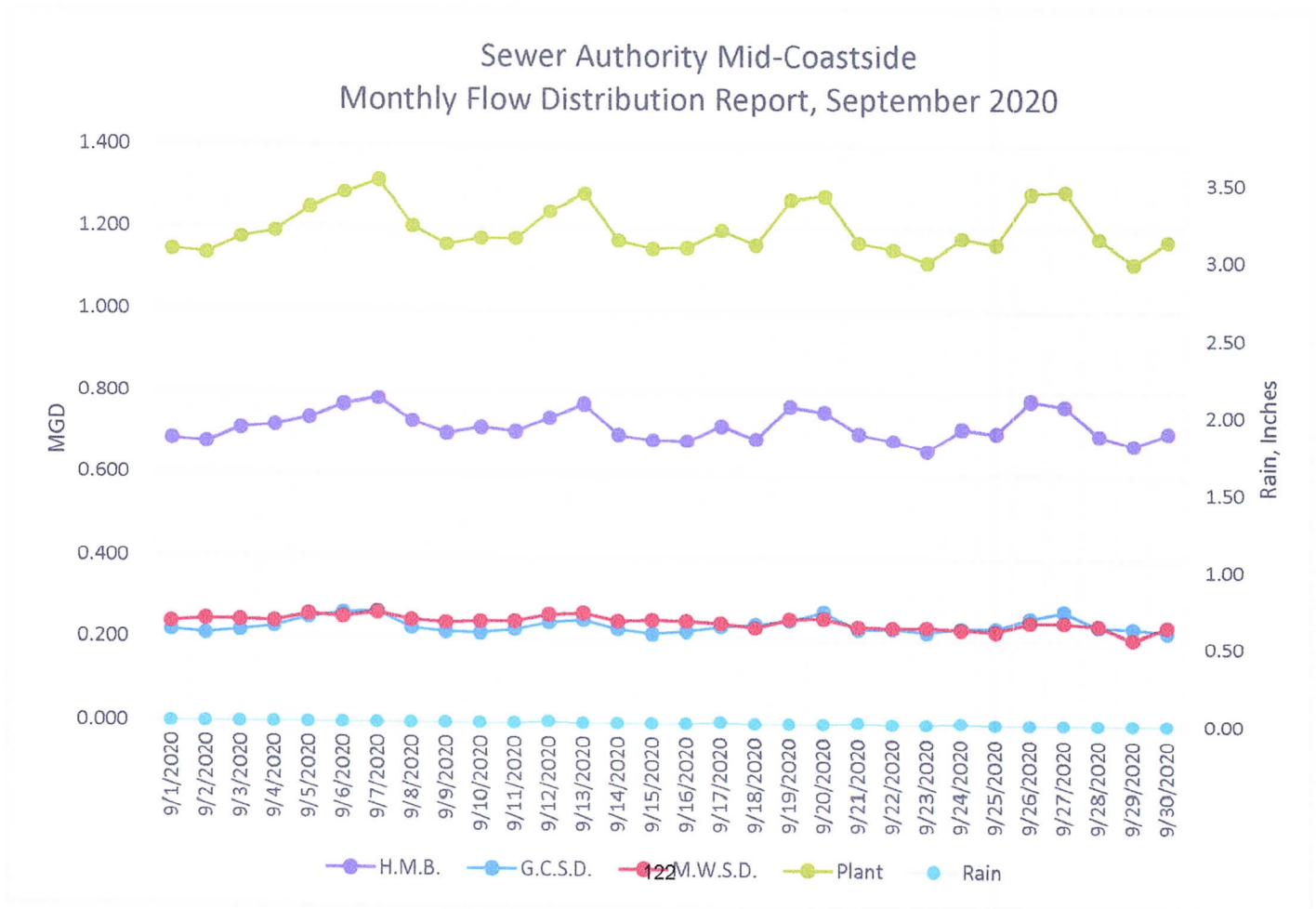
Flow Distribution Report Summary for September 2020

The daily flow report figures for the month of September 2020 have been converted to an Average

Daily Flow (ADF) for each Member Agency.
The results are attached for your review.

The summary of the ADF information is as follows:

	<u>MGD</u>	<u>%</u>
The City of Half Moon Bay	0.718	60.06%
Granada Community Services District	0.235	19.64%
Montara Water and Sanitary District	<u>0.243</u>	<u>20.30%</u>
Total	1.196	100.0%



Sewer Authority Mid-Coastside

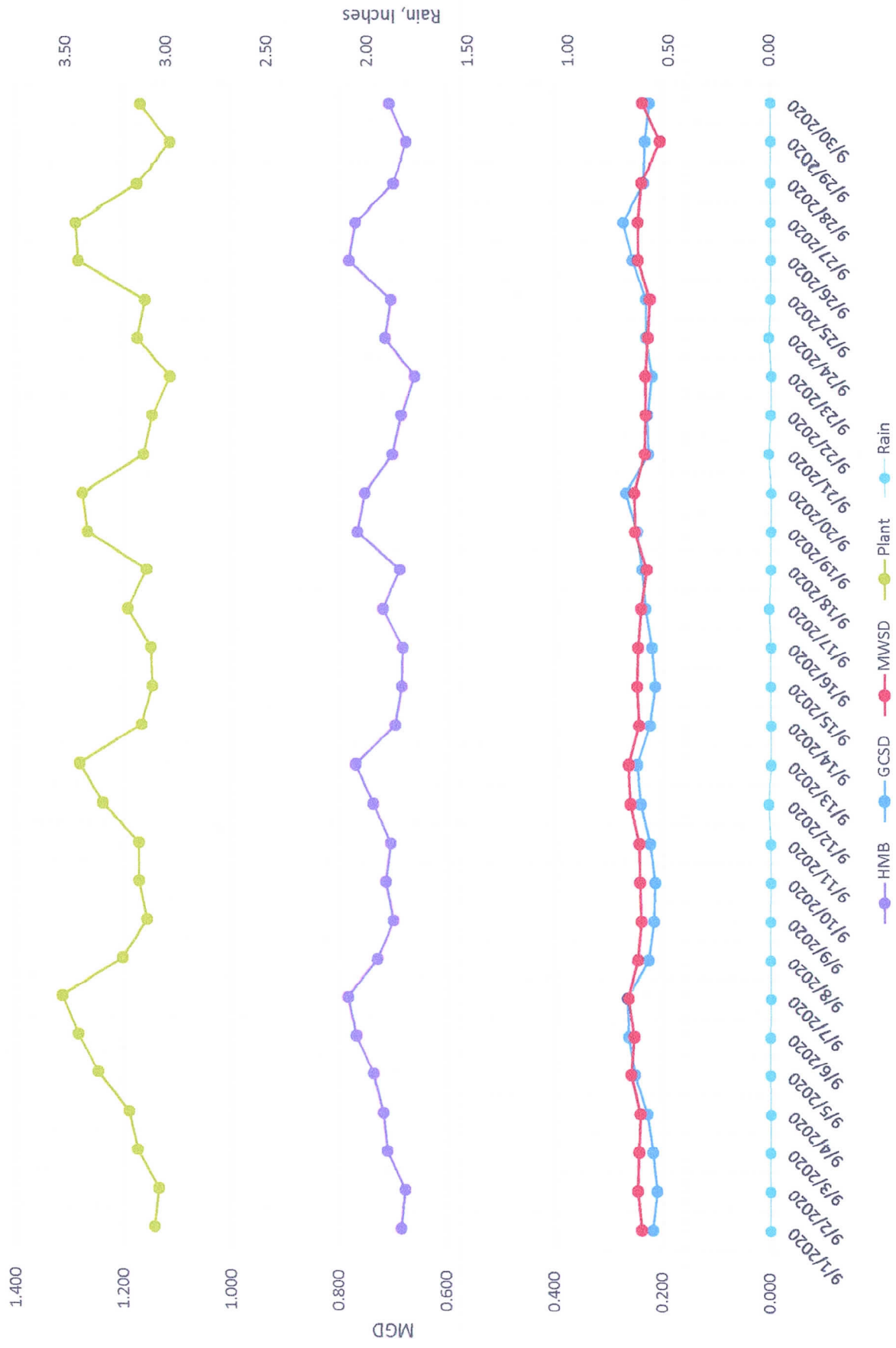
Monthly Flow Distribution Report for September 2020

<u>Date</u>	<u>HMB</u>	<u>GCS D</u>	<u>MWSD</u>	<u>Plant</u>	<u>Rain Plant</u>	<u>Rain Portola</u>	<u>Rain Montara</u>
9/1/2020	0.685	0.219	0.239	1.143	0.00	0.00	0.00
9/2/2020	0.678	0.211	0.246	1.135	0.00	0.00	0.00
9/3/2020	0.712	0.219	0.244	1.174	0.00	0.00	0.00
9/4/2020	0.719	0.229	0.242	1.190	0.00	0.00	0.00
9/5/2020	0.737	0.252	0.259	1.248	0.00	0.00	0.00
9/6/2020	0.769	0.263	0.253	1.285	0.00	0.00	0.00
9/7/2020	0.784	0.266	0.264	1.315	0.00	0.00	0.00
9/8/2020	0.730	0.226	0.246	1.202	0.00	0.00	0.00
9/9/2020	0.701	0.217	0.240	1.157	0.00	0.00	0.00
9/10/2020	0.715	0.215	0.243	1.173	0.00	0.00	0.00
9/11/2020	0.705	0.223	0.244	1.173	0.00	0.00	0.00
9/12/2020	0.738	0.241	0.260	1.239	0.01	0.00	0.00
9/13/2020	0.771	0.248	0.264	1.283	0.00	0.00	0.00
9/14/2020	0.698	0.225	0.245	1.168	0.00	0.00	0.00
9/15/2020	0.685	0.215	0.248	1.148	0.00	0.00	0.00
9/16/2020	0.684	0.221	0.246	1.151	0.00	0.00	0.00
9/17/2020	0.720	0.233	0.241	1.194	0.01	0.00	0.00
9/18/2020	0.689	0.239	0.230	1.158	0.00	0.00	0.00
9/19/2020	0.768	0.248	0.252	1.268	0.00	0.00	0.00
9/20/2020	0.754	0.270	0.254	1.278	0.00	0.00	0.00
9/21/2020	0.703	0.227	0.234	1.164	0.01	0.00	0.00
9/22/2020	0.686	0.229	0.232	1.148	0.00	0.00	0.00
9/23/2020	0.661	0.221	0.233	1.116	0.00	0.00	0.00
9/24/2020	0.716	0.232	0.228	1.175	0.01	0.00	0.00
9/25/2020	0.705	0.232	0.224	1.161	0.00	0.00	0.00
9/26/2020	0.783	0.257	0.246	1.286	0.00	0.00	0.00
9/27/2020	0.770	0.274	0.246	1.290	0.00	0.00	0.00
9/28/2020	0.700	0.236	0.239	1.175	0.00	0.00	0.00
9/29/2020	0.676	0.233	0.205	1.114	0.00	0.00	0.00
9/30/2020	0.707	0.225	0.237	1.169	0.00	0.00	0.00
Totals	21.549	7.045	7.284	35.878	0.04	0.00	0.00

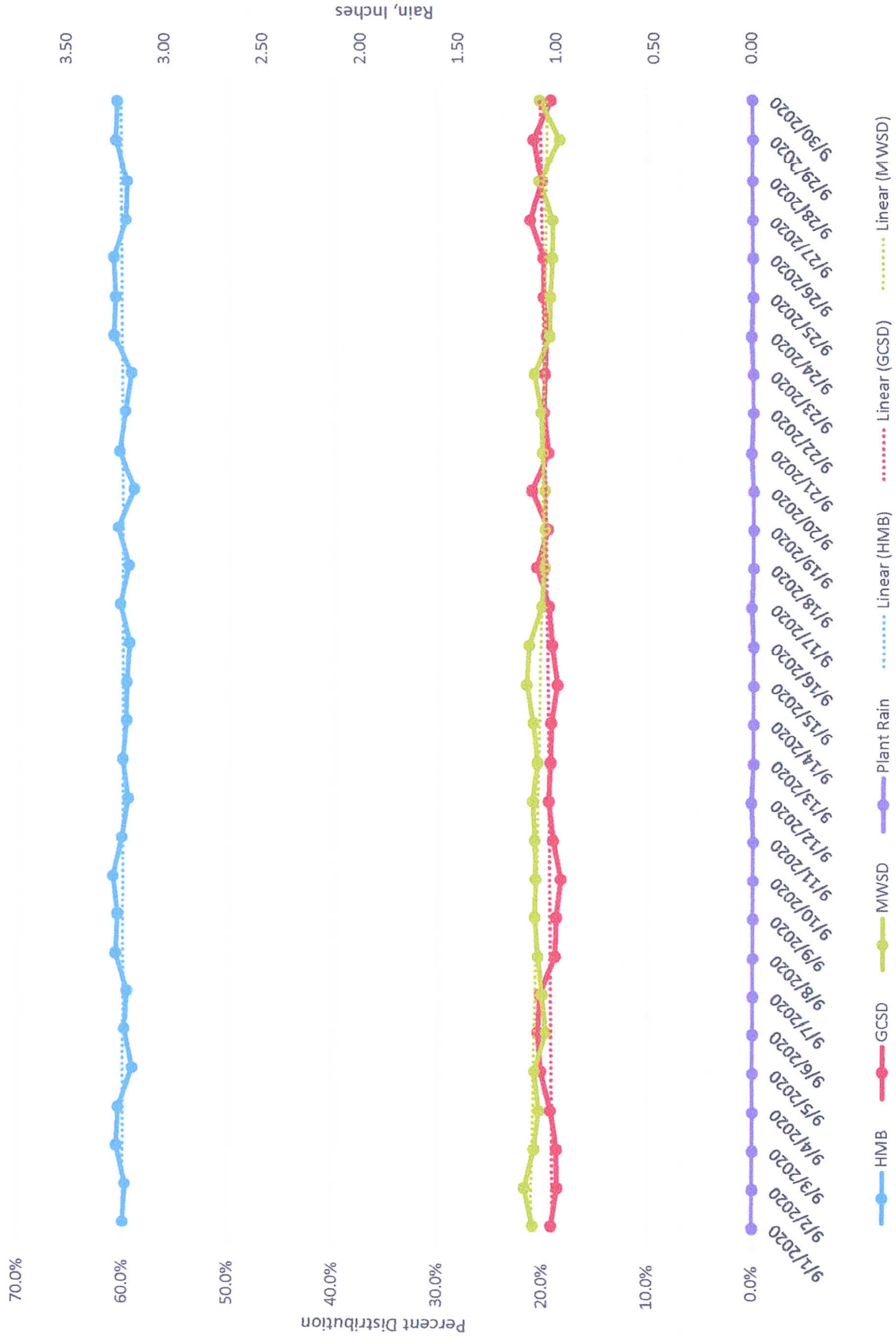
Summary

	<u>HMB</u>	<u>GCS D</u>	<u>MWSD</u>	<u>Plant</u>
Minimum	0.661	0.211	0.205	1.114
Average	0.718	0.235	0.243	1.196
Maximum	0.784	0.274	0.264	1.315
Distribution	60.06%	19.64%	20.30%	100.0%

Sewer Authority Mid-Coastside Monthly Flow Distribution Report, September 2020

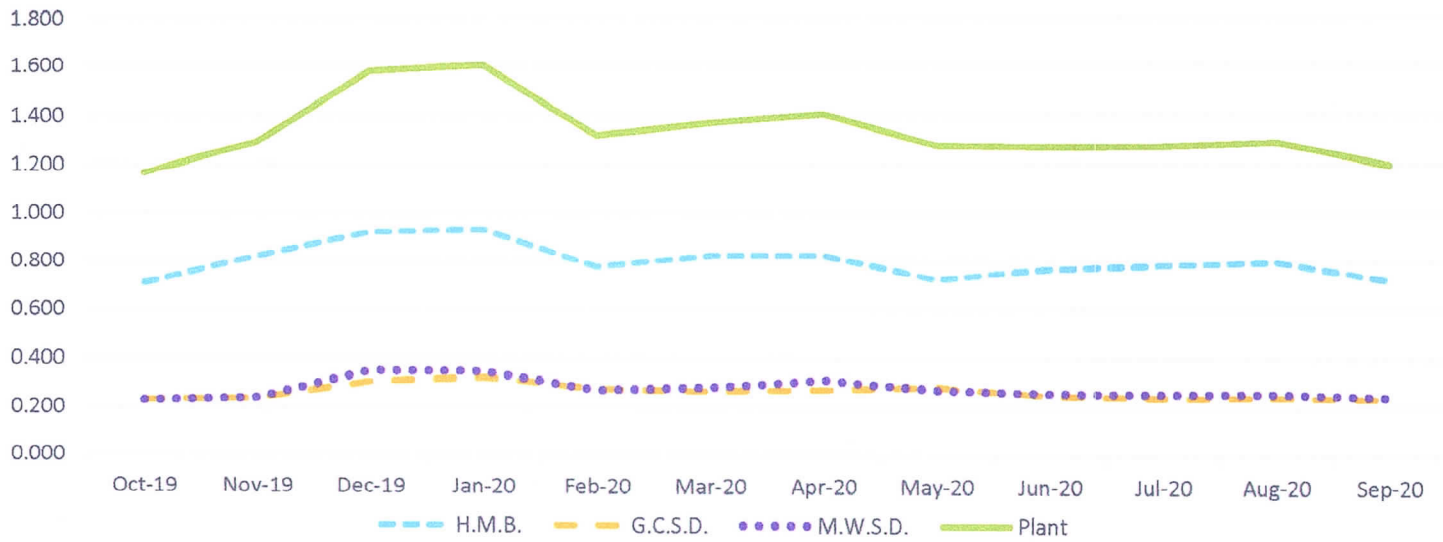


Percent Distribution September 2020

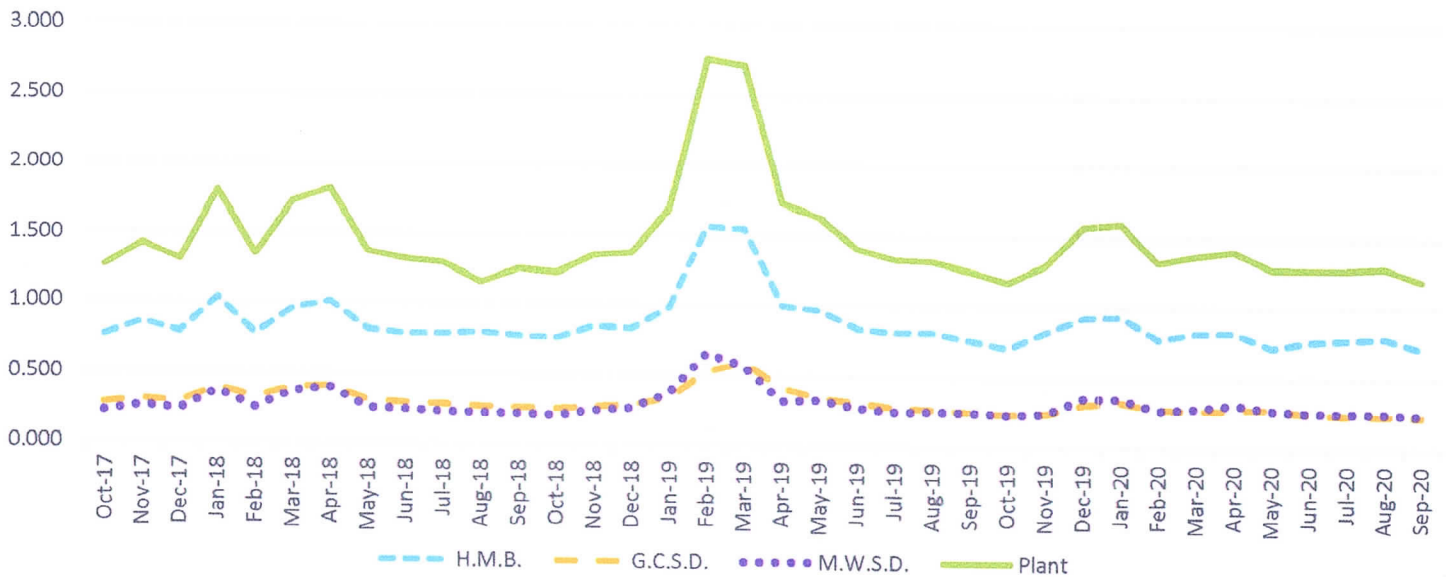


Most recent flow calibration September 2019 PS, September 2019 Plant

One Year Flow Chgart
Aug 2019 - Sept 2020

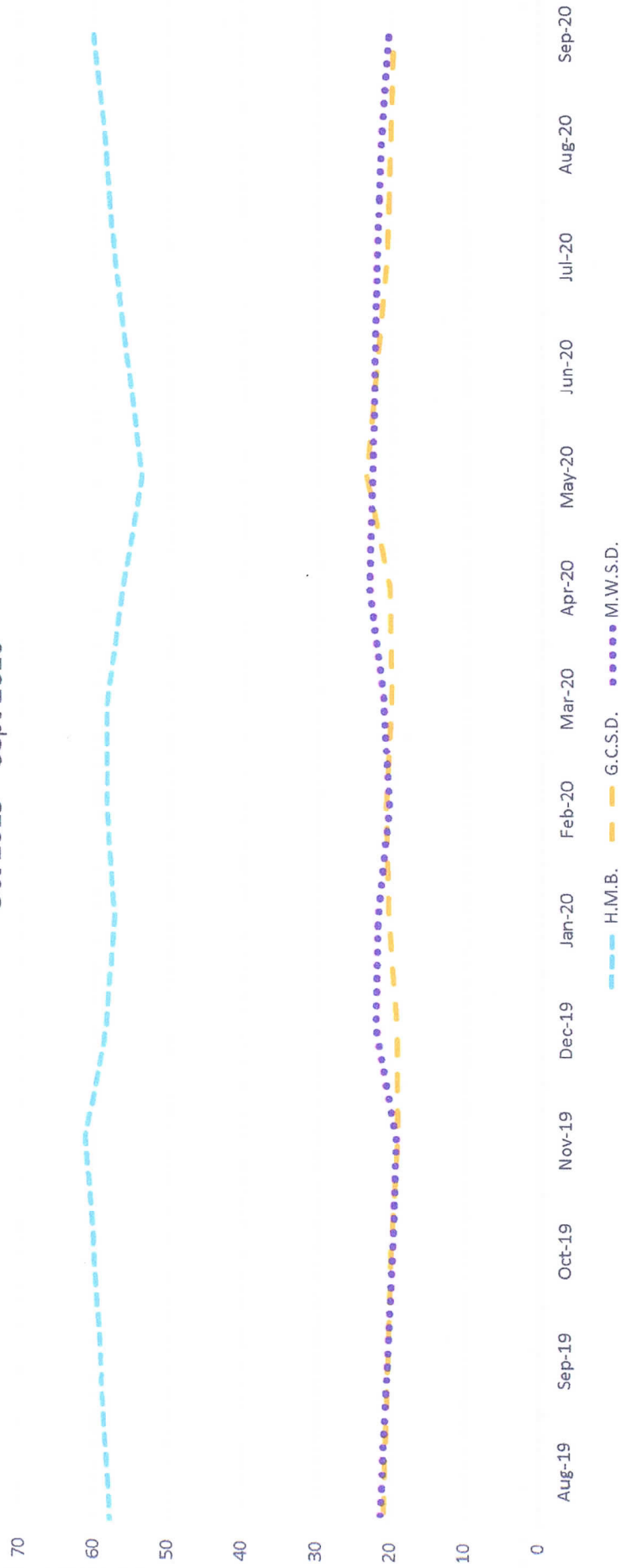


Three Year Flow Chart
Aug 2017 - Sept 2020



Flow based percent distribution based for past year

1 year Distribution by %
Oct 2019 - Sept 2020





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

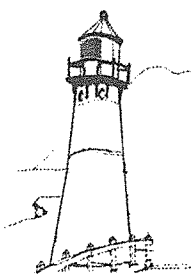
SUBJECT: Review of Current Investment Portfolio

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

- The District has most of its idle sewer funds deposited in the State of California's Local Agency Investment Fund (LAIF). The Monthly Average interest rate for October 2020 was 0.620%.
- The District has one checking account with Wells Fargo Bank for Water and Sewer Funds that is largely backed by Federal securities.

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

SUBJECT: Connection Permit Applications Received

As of December 3, 2020 the following new Sewer Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
10-20-20	David Madwed	0 Ocean Blvd, Moss Beach	SFD
11-12-20	Julian Platis	845 San Ramon, Moss Beach	SFD

As of December 3, 2020 the following new Water (Private Fire Sprinkler) Connection Permit application was received since the last report:

Date of Application	Property Owner	Site Address	Home Size
10-20-20	David Madwed	0 Ocean Blvd, Moss Beach	SFD
11-12-20	Julian Platis	845 San Ramon, Moss Beach	SFD

As of December 3, 2020 the following new Water Connection Permit application was received since the last report:

Date of App.	Property Owner	Site Address	Home Size	Type of Connection
10-20-20	David Madwed	0 Ocean Blvd, Moss Beach	10-20-20	Domestic
11-12-20	Julian Platis	845 San Ramon, Moss Beach	11-12-20	Domestic

RECOMMENDATION:

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



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3rd, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Water Production Report

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

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

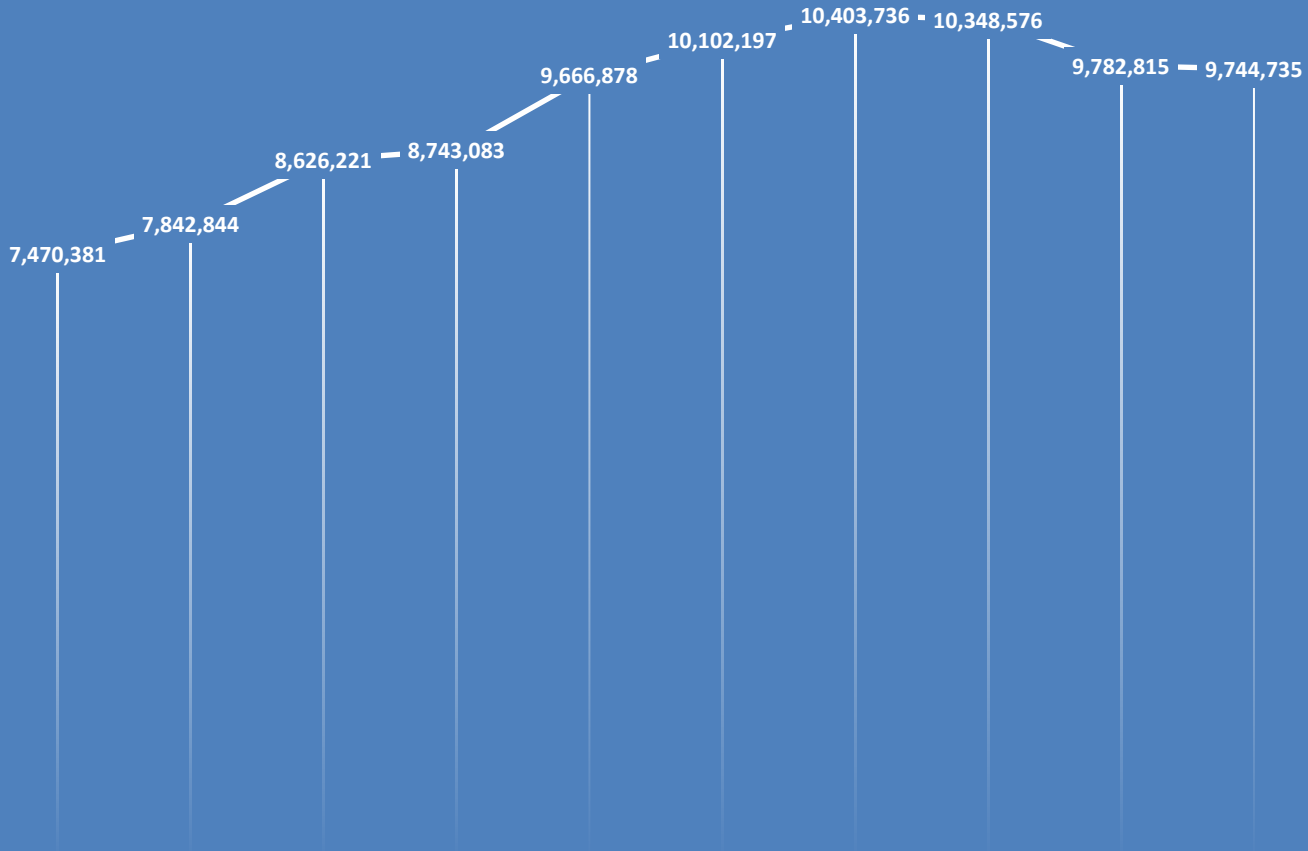
RECOMMENDATION:

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

Attachments: 2

TOTAL PRODUCTION 2020 (GALLONS)

GALLONS



	January	February	March	April	May	June	July	August	September	October	November	December
Total Production (Gallons)	7,470,381	7,842,844	8,626,221	8,743,083	9,666,878	10,102,197	10,403,736	10,348,576	9,782,815	9,744,735		

MONTH



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting of: December 3rd, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Rain Report

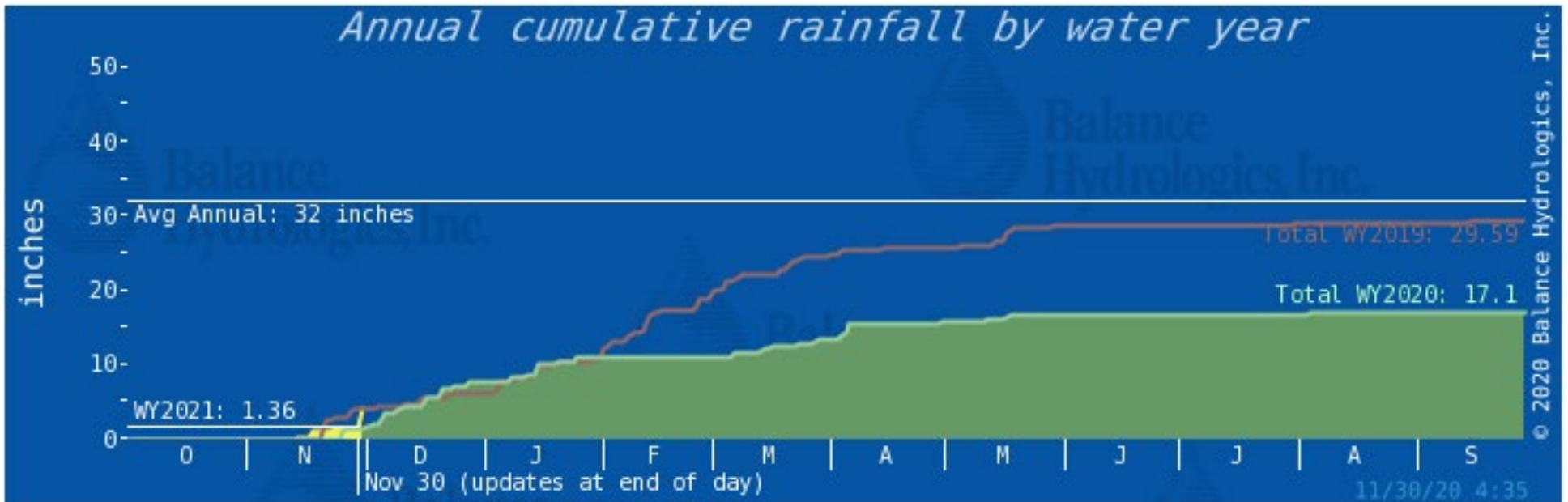
The attached chart shows the monthly rainfall at Alta Vista Treatment Plant for the current and prior water years along with seven-year average rain fall.

RECOMMENDATION:

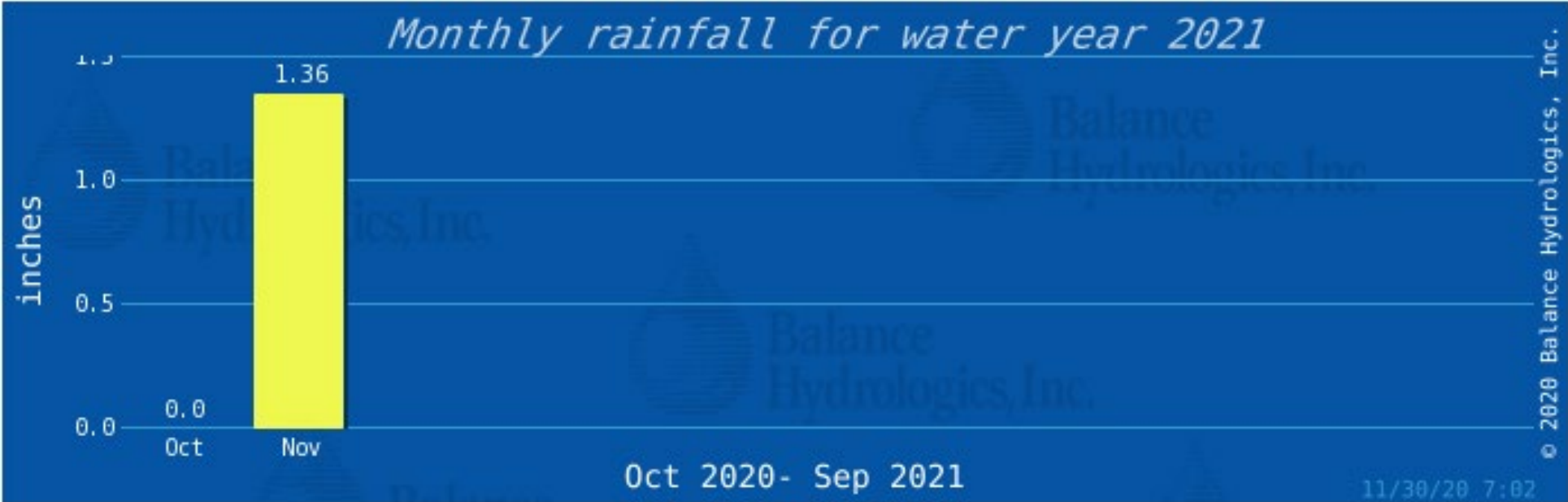
No action is required. These reports are provided for the Board's information only.

Attachments: 2

Annual Cumulative Rainfall



Monthly Cumulative Rainfall





MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3rd, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: Monthly Solar Energy Report

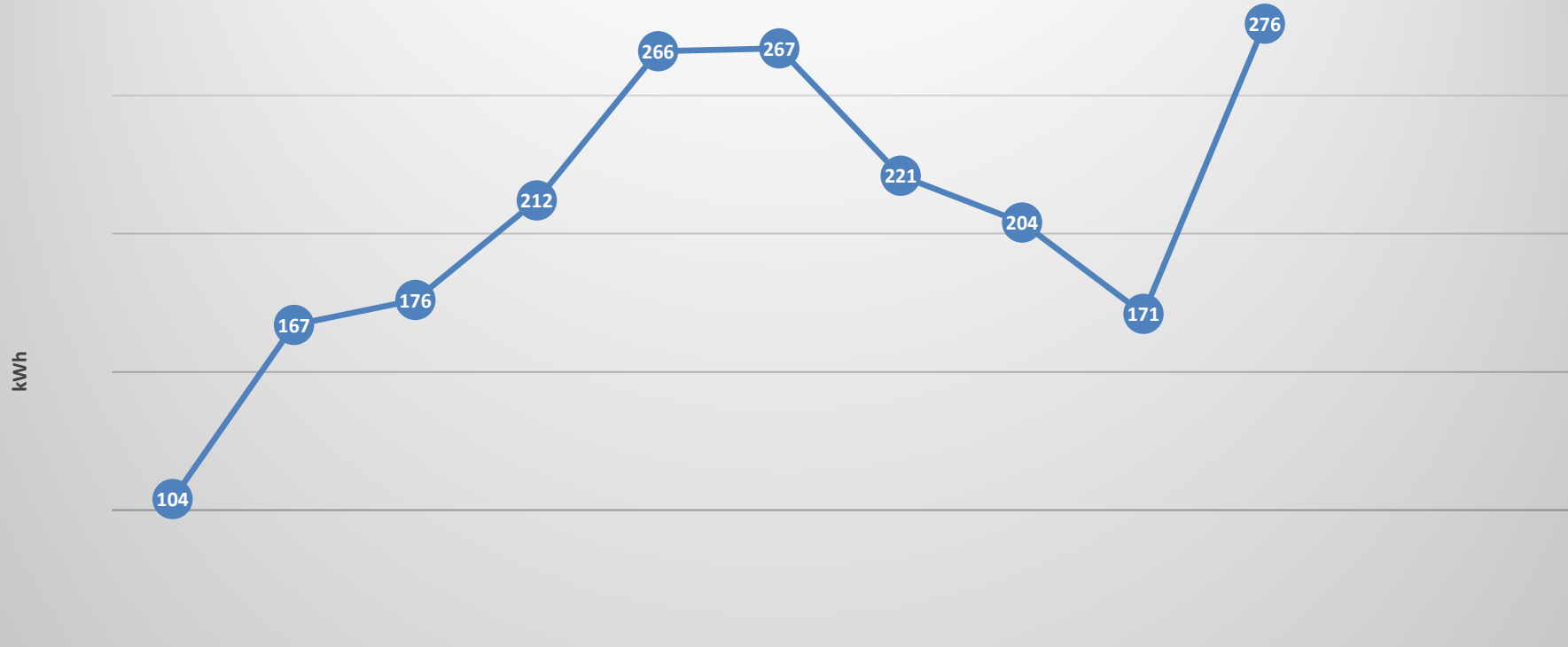
The attached chart summarizes the monthly solar production at the Alta Vista Array. Since the installation of the solar panels the District produced 45,504 kWh and saved 77,347 lbs of CO₂.

RECOMMENDATION:

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

Attachments: 1

SOLAR ENERGY PRODUCED IN 2020 (kWh)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
total kWh	104	167	176	212	266	267	221	204	171	276		



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

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

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

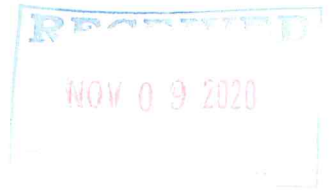
Contributions are calculated on a bi-weekly basis, and contributions are made on a monthly basis.

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

RECOMMENDATION:

This is for Board information only.

Attachment



**Montara Water and Sanitary Dist
Retirement Enhancement Plan**

**Monthly Account Report for the Period
9/1/2020 to 9/30/2020**

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

Plan ID: P7-REP15A

Account Summary

Source	Beginning Balance as of 9/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 9/30/2020
Contributions	\$945,690.40	\$8,037.67	(\$21,962.90)	\$435.90	\$1,106.32	\$0.00	\$930,222.95
TOTAL	\$945,690.40	\$8,037.67	(\$21,962.90)	\$435.90	\$1,106.32	\$0.00	\$930,222.95

Investment Selection

PARS Capital Appreciation INDEX PLUS

Investment Objective

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
GENERAL	-2.32%	5.52%	7.2%	6.53%	-	-	03/08/16

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

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

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

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

September 2020 PARS Statement Detail Information

PARS Beginning Balance as of September 1, 2020 \$ 945,690.40

Contributions:

August 15, 2020 Calculation

Wages	\$	31,046.17	
Employer - 6.92%	\$	2,148.39	
Employee - 7.75%	\$	1,708.72	
Contributions Subtotal			\$ 3,857.11

August 31, 2020 Calculation

Wages	\$	33,250.97	
Employer - 6.92%	\$	2,300.97	
Employee - 7.75%	\$	1,879.59	
Contributions Subtotal			\$ 4,180.56

Rounding

Total Contributions thru August	\$		
Rounding			\$ 8,037.67
			\$ 8,037.67

Earnings (\$21,962.90)

Expenses \$ (435.90)

Distributions \$ (1,106.32)

PARS Ending Balance as of September 2020 \$ 930,222.95

Fund Impact - PARS Wages		
Sewer	Water	Total
\$ 9,541.89	\$ 21,504.29	\$ 31,046.17
\$ 660.30	\$ 1,488.10	\$ 2,148.39
Sewer	Water	Total
\$ 10,046.17	\$ 23,204.81	\$ 33,250.97
\$ 695.19	\$ 1,605.77	\$ 2,300.97



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review of Information and Possible Action
Related to SFPUC Construction Atop Montara
Mountain.**

At the last board meeting on November 19 more concerns about the destruction of Montara Mountain Peak were brought to light:

Sections of the project fall within the Coastal Zone and therefore should require a Coastal Development Permit.

A road that has been constructed for the project is not included in the project description.

Questions about the project size not being conform with the project description were raised.

Significant grading is not mentioned in the project description and requires a grading permit with San Mateo County.

Staff will report verbally from an on-site meeting with SFPUC scheduled for December 1.

This item was first brought to the MWSD board on November 5, 2020 at the request of Director Harvey and found a great level of interest with members of the board and public. The Advanced Quantitative Precipitation Information (AQPI) system project found general support with all meeting attendees. High-Definition Radar Systems will be installed that will allow for immediate and more granulated weather forecast and observation. This can help water managers and the public in planning efforts. However, the location of the project exactly on the highest peak in the San Francisco Peninsula, the peak of Montara Mountain, and its destruction in the construction process was criticized.

Local community member Mark Verlander presented photos from the construction site showing that the peak of Montara Mountain was removed and leveled. The peak was originally a granitic rock formation with stunning vistas of the Pacific Ocean, the entire Bay Area, Mount Tamalpais, Mount Diablo, and Mount Hamilton. The peak is located in the unincorporated San Mateo County and belongs since some time to property owned by SFPUC. Access was granted until 2019 when the peak was fenced off. According to SFPUC Communications Manager in a news article from the HMB Review Aug 7, 2019, the fence was



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 3, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

erected to protect habitat of the San Bruno Elfin Butterfly and the Mission Blue Butterfly.

Also in 2019 SFPUC circulated a Preliminary Mitigated Negative Declaration, a self-certification satisfying California Environmental Review Process that can be viewed here: https://files.ceqanet.opr.ca.gov/252305-2/attachment/5Gz_VWugePA4brNpoK5OUX0206qjYhqCOba4ITT71jXstVZxhBpJOjZeRtnjksRzLQfoTHF3a4JSfRy10

Some questions about the public's historic access and possible rights to the peak were raised.

Concerns about the removal of USGS Marker # HT2784, a protected historic site and its importance for measurements in the seismically active area came up. Additionally, concerns of the importance of the symbolic nature of the peak for the community and native tribes were brought up. Under AB 52 mountain tops can be protected cultural resources.

In this context it was questioned if the provided Mitigated Negative Declaration was clear enough to understand the immediate impact to the peak of Montara Mountain and if notified parties really understood that the top would be removed.

RECOMMENDATION:

Staff asks for authorization to send a letter to the SFPUC requesting to stop the ongoing destruction of the peak of Montara Mountain, to reopen the peak to the public, and restore the peak to its natural state.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning Receipt
of Fiscal Year 2019-20 Audit.**

Eide Bailly LLP completed the audit for the Fiscal Year ending on June 30, 2020.

Representatives with Eide Bailey and Peter Medina with Maze are available to present the audit document to the full Board.

After review of the audit, the Board should acknowledge receipt and file with County, State, Standard & Poor's, I-Bank and Chase Bank.

RECOMMENDATION:

Acknowledge receipt of the Annual Audit for the period ending June 30, 2020. Direct the General Manager to send a copy to the County of San Mateo, the State Controller, Standard & Poor's, post on the District webpage and to make copies on file available to the public.

Attachment



November 24, 2020

Governing Board
Montara Water and Sanitary District
Montara, California

We have audited the financial statements of Montara Water and Sanitary District (District) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 24, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated June 8, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the net pension liability, related deferred inflow of resources and deferred outflows of resources, collectively referred to as pension liability.

Management's estimate of the pension liability is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to: The Discount Rate used to calculate the pension liability where one percent increase or decrease may have an impact on the pension amount.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We had no corrected or uncorrected misstatements to the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated November 24, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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



San Mateo, California



**Annual Financial Report
with Independent Auditor's Report
June 30, 2020**

**Montara Water and
Sanitary District**

MONTARA WATER AND SANITARY DISTRICT

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MONTARA WATER AND SANITARY DISTRICT

**ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL**

JUNE 30, 2020

BOARD OF DIRECTORS

Kathryn Slater-Carter – President

Jim Harvey – President Pro Tem

Ric Lohman – Secretary

Peter Dekker – Treasurer

Scott Boyd – Director

GENERAL MANAGER

Clemens Heldmaier



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Montara Water and Sanitary District
Montara, California

Report on the Financial Statements

We have audited the accompanying financial statements of the sewer and water enterprise funds of the Montara Water and Sanitary District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the sewer and water enterprise funds of the District as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, the schedule of changes in the net pension liability and related ratios and schedule of pension plan contributions on pages 32-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Mateo, California
November 24, 2020

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Our discussion and analysis of the Montara Water and Sanitary District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the District financial statements and accompanying notes, which follow this section.

HIGHLIGHTS

District Financial Highlights

- District-wide revenues increased \$605,950 from the prior year going from \$7,366,986 to \$7,972,936.
- District-wide expenses decreased \$61,336 from the prior year going from \$6,069,268 to \$6,130,604.
- The effect of the change in revenues and expenses caused the District-wide change in net position to increase \$544,614 from the prior year. In other words, the District-wide increase in net position for the year ended June 30, 2020 was \$1,842,332.

USING THIS ANNUAL REPORT

This annual report consists of two parts: Management's Discussion and Analysis, and Financial Statements. The Financial Statements also include notes that explain in more detail the information contained in those statements.

Required Financial Statements

District financial statements report information about the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all District assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return; evaluating the capital structure of the District; and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about District cash receipts, cash disbursements and changes in cash resulting from operations, investing, and capital and non-capital financing activities. It provides answers to such questions as, "Where did the cash come from?", "For what was the cash used?", and "What was the change in cash balance during the reporting period?"

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about District finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues and Expenses and Changes in Net Position report information about District activities in a way that will help answer this question. These two statements report the net position of the District and changes. You can think of District net position, the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, as one way to measure financial health or financial position. Over time, increases or decreases in District net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Net Position Statement and Analysis

The District's total net position increased from \$22,021,386 to \$22,863,718 or \$1,842,332.

The following is the District's condensed statement of net position:

	Sewer		Water		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 6,657,245	\$ 5,917,762	\$ 2,456,958	\$ 2,265,300	\$ 9,114,203	\$ 8,183,062
Capital assets net of accumulated depreciation	9,727,425	9,813,167	17,571,043	17,655,426	27,298,468	27,468,593
Other assets	28,484	32,045	1,408,860	1,766,752	1,437,344	1,798,797
Total assets	<u>16,413,154</u>	<u>15,762,974</u>	<u>21,436,861</u>	<u>21,687,478</u>	<u>37,850,015</u>	<u>37,450,452</u>
Deferred outflows of resources	91,030	92,939	320,865	343,304	411,895	436,243
Total deferred outflow of resources	<u>91,030</u>	<u>92,939</u>	<u>320,865</u>	<u>343,304</u>	<u>411,895</u>	<u>436,243</u>
Current liabilities	710,409	802,257	1,371,204	1,491,389	2,081,613	2,293,646
Long-term liabilities	1,133,009	1,220,395	11,128,874	12,291,418	12,261,883	13,511,813
Total liabilities	<u>1,843,418</u>	<u>2,022,652</u>	<u>12,500,078</u>	<u>13,782,807</u>	<u>14,343,496</u>	<u>15,805,459</u>
Deferred inflows of resources	19,149	20,838	35,547	39,012	54,696	59,850
Total deferred inflow of resources	<u>19,149</u>	<u>20,838</u>	<u>35,547</u>	<u>39,012</u>	<u>54,696</u>	<u>59,850</u>
Net position						
Net investment in capital assets	8,517,315	8,515,933	5,442,260	4,361,427	13,959,575	12,877,360
Restricted for debt service	-	-	1,355,793	1,706,377	1,355,793	1,706,377
Unrestricted	6,124,302	5,296,490	2,424,048	2,141,159	8,548,350	7,437,649
Total net position	<u>\$ 14,641,617</u>	<u>\$ 13,812,423</u>	<u>\$ 9,222,101</u>	<u>\$ 8,208,963</u>	<u>\$ 23,863,718</u>	<u>\$ 22,021,386</u>

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2020 the sewer system generated operating revenue of \$3,116,897 and operating expenses of \$3,084,855 for a net operating gain of \$32,042. This is an increase from prior year's net operating loss of \$212,368 by \$244,410. Whereas operating revenue increased 17.7%, system maintenance and repairs expense increased by \$160,896 or 9.1%. The major factor causing these changes was the adoption of a sewer service charge rate increase of approximately 17%. Sewer Authority Mid-Coastside expenses for collections and operations increased by \$224,008 to account for increased costs at the Authority.

The Sewer Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees, and revenue from the lease of the cell phone tower, experienced an increase of \$16,151 mainly due to a higher rate of return for District treasury funds in Local Agency Investment Fund (LAIF).

For the fiscal year ended June 30, 2020 the water system generated operating revenue of \$2,070,046 and operating expenses of \$2,709,368 for a net operating loss of \$639,322. This is an increase from prior year's net operating loss of \$859,307 by \$219,985. For the fiscal year ended June 30, 2020 operating revenue increased 7.56% and system maintenance and repairs expense decreased by \$289,560. Sales of water revenue increased from \$1,887,421 to \$1,970,876 or \$83,455 translating to 4% increase.

The Water Funds non-operating activities revenues, consisting of property taxes, investment income, connection fees and revenue from the lease of the cell phone tower, experienced an increase of \$104,426. The District receives property tax revenue which was imposed specifically for the payment of the General Obligation Bonds approved by the District rate payers.

Connection fees for the Sewer Fund decreased from \$312,379 to \$280,972 or approximately 10.1% whereas the connection fees for the Water Fund decreased from \$317,186 to \$308,235 or approximately 2.8%. These funds are used to off-set capital needs for existing customers. This amount is expected to rise in the upcoming years as the moratorium on connections for residents within the District's service area has been repealed.

The following is the District's condensed statement of revenues, expenses, and changes in net position:

	Sewer		Water		Total	
	2020	2019	2020	2019	2020	2019
Operating revenues	\$ 3,116,897	\$ 2,649,208	\$ 2,070,046	\$ 1,924,541	\$ 5,186,943	\$ 4,573,749
Tax revenues	407,337	404,079	1,598,968	1,587,017	2,006,305	1,991,096
Interest and investment income	105,107	99,073	-	-	105,107	99,073
Connection fees and other non operating revenues	323,659	349,131	350,922	353,937	674,581	703,068
Total revenues	<u>3,953,000</u>	<u>3,501,491</u>	<u>4,019,936</u>	<u>3,865,495</u>	<u>7,972,936</u>	<u>7,366,986</u>
Operating expenses	3,084,855	2,861,576	2,709,368	2,783,848	5,794,223	5,645,424
Non-operating expenses	38,951	39,875	297,430	383,969	336,381	423,844
Total expenses	<u>3,123,806</u>	<u>2,901,451</u>	<u>3,006,798</u>	<u>3,167,817</u>	<u>6,130,604</u>	<u>6,069,268</u>
Change in fund net position	829,194	600,040	1,013,138	697,678	1,842,332	1,297,718
Fund net position - beginning of year	<u>13,812,423</u>	<u>13,212,383</u>	<u>8,208,963</u>	<u>7,511,285</u>	<u>22,021,386</u>	<u>20,723,668</u>
Fund net position - end of year	<u>\$ 14,641,617</u>	<u>\$ 13,812,423</u>	<u>\$ 9,222,101</u>	<u>\$ 8,208,963</u>	<u>\$ 23,863,718</u>	<u>\$ 22,021,386</u>

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the District had \$27,298,468 (net of accumulated depreciation) invested in a variety of capital assets.

The assets include: land; capacity rights, sanitary sewer collection system subsurface lines and pump stations; water supply wells; surface water diversion and storage tank; water treatment plant; treated water storage tanks; water distribution system subsurface lines, valves, hydrants, and pumps; administration building; and vehicles. The District's capital assets balance as of June 30, 2020, decreased by \$170,125 or 0.6 % above the prior year. This is due to capitalized expenses in regards to the District's Water facilities plant and other capital improvements reduced by current year depreciation expense.

Major capital assets events during the fiscal year included the following:

- Capital improvements to the water system
- Sewer pipeline replacement

The following summarizes District capital assets for fiscal year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated				
Land and easement	\$ 739,500	\$ -	\$ -	\$ 739,500
Capacity rights	2,687,547	-	-	2,687,547
Total capital assets not being depreciated	<u>3,427,047</u>	<u>-</u>	<u>-</u>	<u>3,427,047</u>
Capital assets being depreciated				
Sewage collection facilities	5,340,307	-	-	5,340,307
Sewage treatment facilities	244,540	-	-	244,540
General plant and administration facilities	6,161,442	388,528	-	6,549,970
Seal Cove collection system	995,505	-	-	995,505
Other capital improvements	4,357,566	-	-	4,357,566
Water facilities plant	26,904,696	907,030	-	27,811,726
Water general plant	409,584	-	-	409,584
Surface water rights	300,000	-	-	300,000
Total capital assets being depreciated	<u>44,713,640</u>	<u>1,295,558</u>	<u>-</u>	<u>46,009,198</u>
Accumulated depreciation	<u>20,672,094</u>	<u>1,465,683</u>	<u>-</u>	<u>22,137,777</u>
Net capital assets being depreciated	<u>24,041,546</u>	<u>(170,125)</u>	<u>-</u>	<u>23,871,421</u>
Property, plant and equipment, net	<u>\$ 27,468,593</u>	<u>\$ (170,125)</u>	<u>\$ -</u>	<u>\$ 27,298,468</u>

Additional information on capital assets can be found in notes #1F and #4 to the financial statements of this report.

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

Long Term Obligations

On April 18, 2012, the District issued General Obligation Bonds Series 2012 in the amount of \$15,635,000. The bonds were issued to fully refund the General Obligation Bonds Series 2003 and to finance improvements to the District's water system.

The District entered into a capital lease for approximately \$1.8 million in October of 2006, to finance the acquisition of capital assets for the water operations. The financing was originally provided by Citibank at a rate of 4.56% for a 20 year term and is now held by PNC Equipment Finance (PNCEF). Effective March 15, 2013, the District refinanced the capital lease with PNCEF at a rate of 2.95%.

On July 10, 2012, the District entered into an agreement with the State of California Department of Health under the Safe Drinking Water State Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan and a grant made by the State to the District. The purpose of the funding is to assist in financing the cost of studies, planning and other preliminary activities for a project which will enable the District to meet safe drinking water standards.

The following is a summary of long-term obligations activity for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
General Obligation Bonds, 2012 Series	\$ 9,705,129	\$ -	\$ 919,897	\$ 8,785,232	\$ 941,825	\$ 7,843,407
2012 GO Bonds Discount	(42,978)	-	(4,884)	(38,094)	(4,886)	(33,208)
PNCEF Lease Obligation	1,083,774	-	114,408	969,366	125,338	844,028
CIEDB loan - Direct borrowing	755,348	-	29,919	725,429	30,852	694,577
SRF Loan - Direct borrowing	3,259,150	-	211,522	3,047,628	172,495	2,875,133
Totals	<u>\$ 14,760,423</u>	<u>\$ -</u>	<u>\$ 1,270,862</u>	<u>\$ 13,489,561</u>	<u>\$ 1,265,624</u>	<u>\$ 12,223,937</u>

Additional information on the long-term obligations can be found in Note #5 of the notes to the financial statements of this report.

ECONOMIC FACTORS, RATES, AND BUDGETARY CONTROL

The District is a California Special District including a sewer and water enterprise fund. As a Special District, charges to customers are made only to those who receive services. The District is not typically subject to general economic conditions such as increases or declines in property tax values or other types of revenues that vary with economic conditions such as sales taxes. However, it does receive property tax which is dependent on property tax valuations. Accordingly, the District sets its rates to its users to cover the costs of operation, maintenance and recurring capital replacement and debt financed capital improvements, plus any increments for known or anticipated changes in program costs.

The District and its Board adopt an annual budget to serve as its approved financial plan. The Board sets all fees and charges required to fund the District's operations and capital programs. The budget is used as a key control device (1) to ensure Board approval for amounts set for operations and capital projects, (2) to monitor expenses and project progress and (3) as compliance that approved spending levels have not been exceeded. All operating activities and capital activities of the District are included within the approved budget. The budget and capital expenditures are within the Gann limits established by State law.

MONTARA WATER AND SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

REQUEST FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general over view of District finances, and demonstrate District accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the General Manager at 8888 Cabrillo Highway, Montara, CA 94037 or (650) 728-3545.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2020

	Sewer	Water	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,483,575	\$ 1,452,842	\$ 7,936,417
Accounts receivable	167,378	602,727	770,105
Inventory	-	42,656	42,656
Prepaid items	6,292	61,488	67,780
Due from sewer fund	-	297,245	297,245
Total current assets	<u>6,657,245</u>	<u>2,456,958</u>	<u>9,114,203</u>
Non-current assets:			
Capital assets:			
Nondepreciable			
Land and easement	5,000	734,500	739,500
Capacity rights	2,687,547	-	2,687,547
Depreciable, net	<u>7,034,878</u>	<u>16,836,543</u>	<u>23,871,421</u>
Total capital assets	<u>9,727,425</u>	<u>17,571,043</u>	<u>27,298,468</u>
Other assets:			
Restricted cash and cash equivalents	-	1,355,793	1,355,793
Net pension asset	<u>28,484</u>	<u>53,067</u>	<u>81,551</u>
Total other assets	<u>28,484</u>	<u>1,408,860</u>	<u>1,437,344</u>
Total non-current assets	<u>9,755,909</u>	<u>18,979,903</u>	<u>28,735,812</u>
Total assets	<u>16,413,154</u>	<u>21,436,861</u>	<u>37,850,015</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	150,668	150,668
Deferred amounts related to pensions	<u>91,030</u>	<u>170,197</u>	<u>261,227</u>
Total deferred outflows of resources	<u>91,030</u>	<u>320,865</u>	<u>411,895</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2020

	Sewer	Water	Total
LIABILITIES			
Current liabilities:			
Accounts payable	290,389	71,217	361,606
Due to water fund	297,245	-	297,245
Deposits	14,946	4,303	19,249
Interest payable	7,249	89,424	96,673
Other current liabilities	-	14,774	14,774
Accrued compensated absences	7,059	19,383	26,442
Current portion of general obligation bonds and other long-term obligations	93,521	1,172,103	1,265,624
Total current liabilities	<u>710,409</u>	<u>1,371,204</u>	<u>2,081,613</u>
Long term liabilities:			
Accrued compensated absences	16,420	21,526	37,946
General obligation bonds, less current portion	-	7,810,201	7,810,201
Other long term obligations, less current portion	1,116,589	3,297,147	4,413,736
Total long term liabilities	<u>1,133,009</u>	<u>11,128,874</u>	<u>12,261,883</u>
Total liabilities	<u>1,843,418</u>	<u>12,500,078</u>	<u>14,343,496</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	19,149	35,547	54,696
Total deferred inflows of resources	<u>19,149</u>	<u>35,547</u>	<u>54,696</u>
NET POSITION			
Net investments in capital assets	8,517,315	5,442,260	13,959,575
Restricted for debt service	-	1,355,793	1,355,793
Unrestricted	6,124,302	2,424,048	8,548,350
Total net position	<u>\$ 14,641,617</u>	<u>\$ 9,222,101</u>	<u>\$ 23,863,718</u>

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	Sewer	Water	Total
OPERATING REVENUES			
Sales and service charges	\$ 3,116,897	\$ 2,070,046	\$ 5,186,943
Total operating revenues	3,116,897	2,070,046	5,186,943
OPERATING EXPENSES			
General and administrative	681,669	1,196,540	1,878,209
System maintenance and repairs	1,928,916	492,866	2,421,782
Depreciation and amortization	474,270	1,019,962	1,494,232
Total operating expenses	3,084,855	2,709,368	5,794,223
OPERATING Income (LOSS)	32,042	(639,322)	(607,280)
NONOPERATING REVENUES (EXPENSE)			
Taxes - District share of one percent	407,337	407,337	814,674
Taxes - Ad valorem for general obligation bonds	-	1,191,631	1,191,631
Investment income	105,107	-	105,107
Interest expense	(38,951)	(296,080)	(335,031)
Other revenues	42,687	42,687	85,374
Other expenses	-	(1,350)	(1,350)
Total non-operating revenues (expenses)	516,180	1,344,225	1,860,405
INCOME BEFORE CONTRIBUTIONS	548,222	704,903	1,253,125
Capital contributions - connection fees	280,972	308,235	589,207
Changes in net position	829,194	1,013,138	1,842,332
NET POSITION, BEGINNING OF YEAR	13,812,423	8,208,963	22,021,386
TOTAL NET POSITION, END OF YEAR	\$ 14,641,617	\$ 9,222,101	\$ 23,863,718

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Sewer	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 3,068,741	\$ 1,971,050	\$ 5,039,791
Payments to suppliers - other	(2,134,206)	(597,775)	(2,731,981)
Payments to employees	(682,539)	(1,175,802)	(1,858,341)
Net cash provided by operating activities	<u>251,996</u>	<u>197,473</u>	<u>449,469</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Property taxes collected	407,337	407,337	814,674
Interfund advances	121,132	(121,132)	-
Net cash provided by non-capital financing activities	<u>528,469</u>	<u>286,205</u>	<u>814,674</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long term debt	(87,124)	(1,188,622)	(1,275,746)
Interest paid on long term debt	(41,967)	(281,507)	(323,474)
Acquisition and construction of capital assets	(388,528)	(935,579)	(1,324,107)
Connection fees and other non operating revenue collected	323,659	1,541,203	1,864,862
Net cash used for capital and related financing activities	<u>(193,960)</u>	<u>(864,505)</u>	<u>(1,058,465)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income	105,107	-	105,107
Net cash provided by investing activities	<u>105,107</u>	<u>-</u>	<u>105,107</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	691,612	(380,827)	310,785
Cash and equivalents, July 1	5,791,963	3,189,462	8,981,425
Cash and equivalents, June 30	<u>\$ 6,483,575</u>	<u>\$ 2,808,635</u>	<u>\$ 9,292,210</u>
AMOUNTS AS THEY APPEAR ON THE STATEMENT OF NET POSITION:			
Cash and cash equivalents	\$ 6,483,575	\$ 1,452,842	\$ 7,936,417
Restricted cash and cash equivalents	-	1,355,793	1,355,793
	<u>\$ 6,483,575</u>	<u>\$ 2,808,635</u>	<u>\$ 9,292,210</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (loss)	\$ 32,042	\$ (639,322)	\$ (607,280)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	474,270	1,019,962	1,494,232
Pension related amounts	220	7,760	7,980
Change in assets and liabilities:			
Accounts and notes receivable	(38,250)	(85,933)	(124,183)
Accounts payable and other current liabilities	(199,230)	(90,073)	(289,303)
Deposits and prepaid expenses	(24,298)	(27,899)	(52,197)
Compensated absences	7,242	12,978	20,220
Total adjustments	<u>219,954</u>	<u>836,795</u>	<u>1,056,749</u>
Net cash provided by operating activities	<u>\$ 251,996</u>	<u>\$ 197,473</u>	<u>\$ 449,469</u>

The accompanying notes are an integral part of these financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Montara Water and Sanitary District (the District), a governmental entity legally constituted as a special district under California law, is located on the coast in northwestern San Mateo County. The District was formed in 1958 to provide sanitary sewer services and franchise solid waste collection for the unincorporated areas known as Montara and Moss Beach. On May 2003 an agreement to acquire Cal-Am Montara Water District was reached with operations beginning as of August 1, 2003.

B. Basis of Accounting

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs and expenses, including depreciation, and providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

A major fund is a fund whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all funds, or that management deems significant.

The District reports the following major Proprietary Funds:

Water Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the water system which is funded by user charges and other fees.

Sewer Enterprise – This enterprise accounts for the operation, maintenance and capital improvement projects of the sewer system. These activities are funded by user charges and other fees.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

C. Measurement Focus

Enterprise funds are accounted for on a cost of services or *economic resources* measurement focus, which means that all assets and all liabilities associated with their activities are included on their statement of net position. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the cost of goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California and is not registered with the SEC. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

E. Inventory

Inventory is held for consumption and is recorded at cost using the first-in-first-out (FIFO) basis.

F. Capital Assets

Capital assets, which include property, plant, and equipment are recorded at historical costs or estimated historical cost, if actual cost is not available. Contributed assets are recorded at estimated acquisition cost on the date of contribution.

The District defines capital assets as assets with an initial, individual cost of \$2,500 and an estimated useful life in excess of one year.

Depreciation is computed by the straight-line method based on the estimated useful lives of related asset classifications of 3 to 50 years.

G. Cash Flows Defined

For purpose of the statement of cash flows the District defines cash and cash equivalents to include all cash in deposit accounts, highly liquid investments, investment in LAIF and cash on hand.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

H. Accounts Receivable

The District bills its water consumption and sewer usage on a cycle billing method. Cycle billing results in an amount of services rendered but not yet billed at year-end. The District has recorded this revenue by estimating the unbilled amount. The estimate was calculated by using the billing subsequent to the balance sheet date (June 30) and calculating the amount of service provided prior to June 30. This calculated amount is included in accounts receivable.

The delinquent water and sewer charges for services and facilities furnished by the District's water and sewage system, and all the penalties or delinquent charges accrued thereon shall constitute a lien upon the real property served. The District is allowed to place such charges and fees on the property tax rolls annually as of July 1.

I. Accrued Compensated Absences

The liability for vested vacation pay is calculated and accrued on an annual basis. The amount is computed using current employee accumulated vacation hours at current pay rates.

J. Budgets and Budgetary Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles. A general budget is adopted annually by the Board of Directors which includes operations, maintenance, and administration.

K. Property Taxes

Secured property taxes attach an enforceable lien on property as of January 1. Taxes are payable in two installments due November 1 and February 1 and become delinquent on December 10 and April 10. Unsecured property taxes, if any, are payable in one installment on or before August 15. The County of San Mateo bills and collects the taxes for the District. Tax revenues are recognized by the District when received. The sewer service charges are included in secured property tax bills.

L. Contract Services

The District contracted out the operation and maintenance of its sewer facilities to the Sewer Authority Mid-Coastside (SAM).

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

N. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period and deferred inflows of resources are in acquisition of net position that is applicable to a future reporting period. A deferred outflow of resources has a positive effect on net position, similar to assets, and a deferred inflows of resources has a negative effect on net position, similar to liabilities. The District has two items that qualify for reporting in as deferred outflows of resources: the deferred outflows related to pension and the deferred charges on debt refunding.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Public Agency Retirement Services (PARS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. New Accounting Pronouncements

GASB Statement No. 95 – In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 or later. For the District, the requirements became effective for FY 2019/2020. The dates noted below were modified to include the postponement.

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance related to fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, or the FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2020, or FY 2021/2022. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 or FY 2021/2022. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 61*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 or FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to establish accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except for the requirement relating to Statement 87 and Implementation Guide 2019-3; reinsurance recoveries, and terminology used to refer to derivative instruments which are effective upon issuance. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022 or FY 2023/2024. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objective of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022. The District is evaluating the impact of this Statement on the financial statements.

NOTE #2 - CASH AND INVESTMENTS

A. Cash and Investment Summary

The following is a summary of the cash and investments as of June 30, 2020:

Cash Deposits	\$ 4,720,475
Investments (Local Agency Investment Fund)	4,571,735
	<u>\$ 9,292,210</u>
Restricted cash and cash equivalents	\$ 1,355,793
Unrestricted cash and cash equivalents	7,936,417
	<u>\$ 9,292,210</u>

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

B. General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Agency Obligations	5 years	None	None
U.S. Treasury Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Certificate of Deposit	N/A	30%	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by depositing the majority of its funds with the State Local Agency Investment Fund, which is short term investment.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Fair Value	Average Maturity
LAIF	\$ 4,571,735	191 days

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. Investment in LAIF are not rated on June 30, 2020.

E. Custodial Credit Risk - Deposits

For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code. At June 30, 2020, balances in financial institutions were \$4,956,654. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$4,456,654 was collateralized as required by State law (*Government Code* Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

Investment in the State Investment Pool – the District is a voluntary participant in the LAIF that is regulated by California (*Government Code* Section 16429) under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE #3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Local Agency Investment Funds/State Investment Pools are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Fair Value Measurement Using				Uncategorized
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
State Investment Pool	\$ 4,571,735	\$ -	\$ -	\$ -	\$ 4,571,735

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE #4 - CAPITAL ASSETS

Changes in capital assets accounts are summarized below:

Water Fund	Balance			Balance
Category	June 30, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated				
Land and easement	\$ 734,500	\$ -	\$ -	\$ 734,500
Total capital assets not being depreciated	734,500	-	-	734,500
Capital assets being depreciated				
Water meters	1,058,985	-	-	1,058,985
Water general plant	27,314,280	907,030	-	28,221,310
Other capital assets	48,172	-	-	48,172
Surface water rights	300,000	-	-	300,000
Total capital assets being depreciated	28,721,437	907,030	-	29,628,467
Accumulated depreciation	11,800,511	991,413	-	12,791,924
Net capital assets being depreciated	16,920,926	(84,383)	-	16,836,543
Property, plant and equipment, net	\$ 17,655,426	\$ (84,383)	\$ -	\$ 17,571,043
Sewer Fund	Balance			Balance
Category	June 30, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capacity rights	2,687,547	-	-	2,687,547
Total capital assets not being depreciated	2,692,547	-	-	2,692,547
Capital assets being depreciated				
Sewage collection facilities	5,340,307	-	-	5,340,307
Sewage treatment facilities	244,540	-	-	244,540
General plant and administration facilities	6,161,442	388,528	-	6,549,970
Seal Cove collection system	995,505	-	-	995,505
Other capital improvements	3,250,409	-	-	3,250,409
Total capital assets being depreciated	15,992,203	388,528	-	16,380,731
Accumulated depreciation	8,871,583	474,270	-	9,345,853
Net capital assets being depreciated	7,120,620	(85,742)	-	7,034,878
Property, plant and equipment, net	\$ 9,813,167	\$ (85,742)	\$ -	\$ 9,727,425

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Capacity Rights in Sewer Authority Mid-Coastside

The District has capacity rights in the Sewer Authority Mid-Coastside (SAM), a public entity created February 3, 1976 by a Joint Exercise of Powers Agreement pursuant to the provisions of Title 1, Division 7, and Chapter 5 of the Government code of the State of California. Other joint power members include the City of Half Moon Bay and the Granada Community Services District. The District reports these capacity rights in SAM on cost basis.

Under this agreement, SAM is granted the power of the member agencies to construct, maintain, and operate facilities for the collection, transmission, treatment and disposal of wastewater for the benefit of the lands and inhabitants within their respective boundaries.

Each member agency has the power to appoint two representatives of their own governing body to SAM's Board of Directors. Budgets prepared by SAM are subject to approval by the member agencies and expenditures in excess of the budgeted amounts require unanimous consent and approval of SAM's Board of Directors.

SAM provides sewage collection and treatment services, for which the District pays a monthly fee. The District paid \$1,870,688 for these collection and treatment services for the year.

The Sewer Authority Mid-Coastside complete audited financial statements are available at 1000 Cabrillo Hwy N, Half Moon Bay, CA 94019.

NOTE #5 - LONG TERM OBLIGATIONS

Following is a summary of the changes in long term obligations for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
General Obligation Bonds, 2012 Series	\$ 9,705,129	\$ -	\$ 919,897	\$ 8,785,232	\$ 941,825	\$ 7,843,407
2012 GO Bonds Discount	(42,978)	-	(4,884)	(38,094)	(4,886)	(33,208)
PNCEF Lease Obligation	1,083,774	-	114,408	969,366	125,338	844,028
CIEDB loan - Direct borrowing	755,348	-	29,919	725,429	30,852	694,577
SRF Loan - Direct borrowing	3,259,150	-	211,522	3,047,628	172,495	2,875,133
Totals	<u>\$ 14,760,423</u>	<u>\$ -</u>	<u>\$ 1,270,862</u>	<u>\$ 13,489,561</u>	<u>\$ 1,265,624</u>	<u>\$ 12,223,937</u>

A. General Obligation Bonds, Series 2012

On April 18, 2012, the District issued General Obligation Bonds Series 2012 in the amount of \$15,635,000. The bonds were issued to fully refund the General Obligation Bonds Series 2003, which the District issued for the acquisition and improvements of a domestic water supply, treatment, and fire protection system serving the entire District service area, and to finance improvements to the District's water system. These bonds are payable from the levy of ad valorem taxes on all property within the District. Interest on the bonds is 2.4 percent and is payable on February 1 and August 1 of each year, commencing August 1, 2012.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Principal is due bi-annually beginning on August 1, 2012, in amounts ranging from \$389,142 to \$568,322, with a final payment on August 1, 2028 of \$568,322. The bonds maturing on or before August 1, 2017 are not subject to redemption prior to their respective stated maturity dates. Bonds maturing on or after August 1, 2017 are subject to redemption prior to their respective stated maturity dates at the option of the District at the principal amount of the bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Repayment Schedule

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 941,825	\$ 208,611	\$ 1,150,436
2022	965,475	184,961	1,150,436
2023	989,111	161,325	1,150,436
2024	1,013,326	137,110	1,150,436
2025	1,037,804	112,632	1,150,436
2026-2029	3,837,690	188,835	4,026,525
Total	<u>\$ 8,785,231</u>	<u>\$ 993,474</u>	<u>\$ 9,778,705</u>

B. Capital Lease

On November 7, 2006, the District entered into a lease/purchase agreement with a financial institution in the amount of \$1,854,443 at a fixed interest rate of 4.56 percent annually. The agreement matures on October 7, 2026. The agreement was to finance the acquisition, construction and installation of energy conservation capital facilities for the District's water system with the expectation that the cost thereof will be offset through reductions in future energy costs created by the facilities. As security for its obligation under this lease the District has pledged to the Lessor a security interest in the net revenue of both the water and sewer enterprises.

The financing was originally provided by Citibank at a rate of 4.56 percent for a 20-year term and is now held by PNC Equipment Finance (PNCEF). Effective March 15, 2013, the District refinanced the capital lease with PNCEF at a rate of 2.95 percent.

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Repayment Schedule

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 125,339	\$ 26,921	\$ 152,260
2022	136,739	23,071	159,810
2023	148,157	18,883	167,040
2024	160,108	14,352	174,460
2025	167,593	9,522	177,115
2026-2027	231,429	4,867	236,296
Total	<u>\$ 969,365</u>	<u>\$ 97,616</u>	<u>\$ 1,066,981</u>

C. CIEDB Loan

On October 1, 2008, the District entered into an enterprise fund installment sale agreement with California Infrastructure and Economic Development Bank (CIEDB) in the amount of \$1,010,000. The agreement was to purchase a facility in order to renovate and upgrade two sewer pump stations. The agreement matures on December 3, 2037 with principal amounts due August 1, and interest payments due on February 1 and August 1 of each year. The interest rate is 3.05 percent per annum.

Repayment Schedule:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 30,842	\$ 21,655	\$ 52,497
2022	31,783	20,700	52,483
2023	32,752	19,716	52,468
2024	33,751	18,702	52,453
2025	34,781	17,656	52,437
2026-2030	190,477	71,455	261,932
2031-2035	221,352	40,110	261,462
2036-2038	149,690	6,939	156,629
Total	<u>\$ 725,428</u>	<u>\$ 216,933</u>	<u>\$ 942,361</u>

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

D. State Revolving Fund Loan

On July 10, 2012, the District entered into an agreement with the State of California Department of Health under the Safe Drinking Water State Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan and a grant made by the State to the District to assist in financing the cost of studies, planning and other preliminary activities for a project which will enable the District to meet safe drinking water standards. Under this agreement, the State will lend the District an amount not to exceed \$500,000, payable in five years from the first principal and interest invoice. On November 14, 2012, the District entered into an additional agreement with the State of California Department of Health under the Safe Drinking Water Revolving Fund Law of 1947. This agreement constitutes funding in the form of a loan made by the State to the District to assist in financing the construction of the preliminary activities noted above.

Under this agreement, the State will lend the District an amount not to exceed \$2,920,000. The District will make semiannual payments for the principal and any interest amounts due January 1 and July 1 of each year until the loan is repaid in full at an interest rate of 2.09 percent and 2.28 percent, respectively, per annum.

Repayment Schedule:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 172,495	\$ 68,616	\$ 241,111
2022	176,456	64,655	241,111
2023	180,509	60,602	241,111
2024	184,654	56,457	241,111
2025	188,895	52,216	241,111
2026-2030	1,011,577	193,978	1,205,555
2031-2035	1,133,041	72,358	1,205,399
Total	<u>\$ 3,047,627</u>	<u>\$ 568,882</u>	<u>\$ 3,616,509</u>

NOTE #6 - DEFERRED COMPENSATION PLAN

The District’s defined contribution, IRS code section 457 pension plan, provides deferred compensation retirement benefits to plan members and beneficiaries. Under this plan participants may defer a portion of their compensation and are not taxed on the deferred portion until it is distributed to them. Distribution may be made only at termination, retirement, death, or in an emergency as defined by the plan. The District has contracted with a third party to provide administration and management of the plan’s assets which are to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the District’s property and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

NOTE #7 - DEFINED BENEFIT PLAN

A. Plan Description

The District has adopted, through the Public Agency Retirement Services (PARS), a tax qualified governmental defined benefit plan for the benefit of eligible District employees to provide retirement benefits. PARS is a private agent-multiple employer agency specializing in retirement services. The plan conforms to the requirements of Internal Revenue Code Section 401(a) tax-qualified multiple employer retirement system and therefore is entitled to favorable tax treatment.

Members are eligible to receive benefits under the PARS plan if they:

- a) Were a full-time employee of the District on or after July 1, 2015;
- b) Are at least sixty-two years of age;
- c) Have completed at least five or more years of full-time service with the District;
- d) Have applied for benefits under the Plan; and
- e) Have terminated employment with the District.

B. Benefits Provided

Members are paid benefits equal to an amount equal to one-twelfth (1/12) of the number of full and partial years of full-time continuous employment with the District completed as of the member's retirement times the member's final pay times 2%. Upon death of a member, the member's monthly allowance will automatically continue to an eligible survivor. No preretirement disability benefits are provided. Pre-retirement death benefits are provided for employees who have at least five years of full-time employment with the District.

Employees who terminate employment or are terminated whether voluntarily, involuntarily, by death, disability or in any other manner prior to completing five (5) years of full-time service with the Employer, will receive one hundred percent (100%) of their Employee contributions made to the Plan plus three percent (3%) interest per annum.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

Formula	2% @ 62
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	62
Required employee contribution rates	7.75%
Required employer contribution rates	6.92%

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

C. Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms for the Plan:

	<u>PARS Plan</u>
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	-
Active employees*	7
Total	<u>9</u>

* Plan is closed to new entrants

D. Contributions

The District contributed the actuarially determined contribution to the PARS plan. For the year ended June 30, 2020, the employer contributions were \$50,970.

E. Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions - The total pension liabilities in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

	<u>PARS Plan</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.5%
Aggregate payroll increases	3.0% ⁽¹⁾
Mortality	Varies by gender and age ⁽²⁾

⁽¹⁾ Depending on age, service and type of employment.

⁽²⁾ The underlying mortality assumptions and all other actuarial assumption used in the June 30, 2019 valuation were based on the results of a January 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

F. Discount Rate

The best estimate for the long-term rate of return of 6.50% is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The table below reflects discount rate development. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class Component	Target Allocation	Real Rate of Return
Global Equity	73%	4.82%
Fixed Income	20%	1.47%
REITs	2%	3.76%
Cash	5%	0.06%
Assumed Long-Term rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.50%

G. Changes in Net Pension Asset

The changes in the Net Pension Asset for the Plan is as follows:

	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance at July 1, 2019	\$ 554,568	\$ 646,988	\$ 92,420
Changes in the Year			
- Service cost	93,834	-	(93,834)
- Interest	41,731	-	(41,731)
- Difference between expected and actual experience	(9,020)	-	9,020
- Changes of assumptions	17,159	-	(17,159)
- Contributions - employer	-	46,775	46,775
- Contributions - employee	-	44,969	44,969
- Net investment income	-	41,201	41,201
- Benefit payments including refunds	(12,770)	(12,770)	-
- Administrative expense	-	(110)	(110)
Net changes	130,934	120,065	(10,869)
Balance at June 30, 2020	\$ 685,502	\$ 767,053	\$ 81,551

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the net pension asset (liability) of the District, calculated using the plan discount rate, as well as what the District’s net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net pension asset (liability)	\$ (70,752)	\$ 81,551	\$ 200,457

H. Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued PARS financial report.

I. Pension Expense (Revenue) and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2020, the District recognized pension expense of \$62,513. At June 30, 2020, the District reported deferred outflows and inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 194,516	\$ (36,011)
Changes of assumptions	15,741	(5,447)
Net difference between projected and actual earnings on plan investments	-	(13,238)
Employer contributions made subsequent to the measurement date	50,970	-
	<u>\$ 261,227</u>	<u>\$ (54,696)</u>

The amount of \$50,970 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

MONTARA WATER AND SANITARY DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	Deferred Outflows of Resources
2021	\$ 16,424
2022	16,215
2023	21,639
2024	23,416
2025	22,733
Thereafter	55,134
	<u>\$ 155,561</u>

NOTE #8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District joined together with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54-member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The District pays annual premiums to CSRMA for its general, liability, property damage and monthly premiums to State Fund for its workers compensation insurance.

CSRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

The following is a summary of the insurance policies carried by the District as of June 30, 2020:

Type of Coverage	Coverage Limits
General Liability	\$ 15,500,000
Workers' Compensation	2,000,000
Boiler and Machinery	100,000,000
Public Officials	100,000
Property	9,410,012

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

MONTARA WATER AND SANITARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

The District has not exceeded its insurance coverage limits in any of the last three years. Any District liability is included in accrued expenses on the financial statements.

NOTE #9 - COMMITMENTS AND CONTINGENT LIABILITIES

The District has an agreement with Sewer Authority Mid-Coastside (SAM), Granada Community Services District, and City of Half Moon Bay for the purchase of additional plant sewer capacity on an as needed basis. The District may purchase additional capacity in the SAM plant, if such additional capacity is available, at a cost per Equivalent Residential Unit (ERU) in effect. The future price would be an average current cost per ERU charged a property in the City of Half Moon Bay and Granada Community Services District plus accrued interest as stipulated in the agreement. At this time the District needs no additional capacity.

The District is a plaintiff or defendant in a number of lawsuits, which have arisen in the normal course of business. In the opinion of the District, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

**MONTARA WATER AND SANITARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

**PARS Plan
Last 10 Years **
Schedule of Changes in the Net Pension Liability and Related Ratios
During the Measurement Period**

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total Pension Liability				
Service cost	\$ 93,834	\$ 91,101	\$ 83,063	\$ 80,448
Interest on total pension liability	41,731	34,674	30,574	10,064
Difference between expected and actual experience	(9,020)	-	(37,021)	297,568
Changes in assumptions	17,159	-	(7,271)	-
Benefit payments, including refunds of employee contributions	(12,770)	(27,105)	(1,527)	-
Net change in total pension liability	130,934	98,670	67,818	388,080
Total Pension Liability - beginning	554,568	455,898	388,080	-
Total Pension Liability - ending (a)	\$ 685,502	\$ 554,568	\$ 455,898	\$ 388,080
Plan fiduciary net position				
Contributions - employer	\$ 46,775	\$ 45,411	\$ 44,093	\$ 37,027
Contributions - employee*	44,969	47,075	50,429	344,564
Net investment income	41,201	45,838	55,329	6,520
Benefit payments	(12,770)	(27,105)	(1,527)	-
Administrative expense	(110)	(110)	(117)	(439)
Net change in plan fiduciary net position	120,065	111,109	148,207	387,672
Plan fiduciary net position - beginning	646,988	535,879	387,672	-
Plan fiduciary net position - ending (b)	\$ 767,053	\$ 646,988	\$ 535,879	\$ 387,672
Net pension asset (liability) - ending (a) - (b)	\$ 81,551	\$ 92,420	\$ 79,981	\$ (408)
Plan fiduciary net position as a percentage of the total pension liability	111.90%	116.67%	117.54%	99.89%
Covered payroll	\$ 675,929	\$ 680,306	\$ 626,786	\$ 620,243
Net pension asset (liability) as a percentage of covered employee payroll	12.07%	13.59%	12.76%	-0.07%

* Measurement Year 2016 - Includes employee purchases of past service contributions of \$297,568 in March 2016.

** Measurement year 2016 was the 1st year of the plan.

**MONTARA WATER AND SANITARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PLAN CONTRIBUTIONS**

REQUIRED SUPPLEMENTARY INFORMATION

**PARS Plan
Last 10 Years **
Schedule of Plan Contributions**

	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 50,970	\$ 46,774	\$ 45,862	\$ 40,741	\$ 40,316
Contribution in relation to the Actuarially Determined Contribution	(50,970)	(46,774)	(45,862)	(40,741)	(40,316)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 736,554	\$ 675,929	\$ 680,306	\$ 626,786	\$ 620,243
Contributions as a percentage of covered payroll	6.92%	6.92%	6.74%	6.50%	6.50%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Investments	Highmark's passively managed Capital Appreciation portfolio
Discount rate	6.5%
Payroll increases	Aggregate payroll increase – 3% annually
Mortality, Withdrawal, Disability and Retirement	The probabilities of retirement and mortality are based on the 1997-2015 CalPERS Experience Study - Mortality projected fully generational with Scale MP-2019.

** Measurement year 2016 was the 1st year of the plan.



**Independent Accountant's Report on
Agreed-Upon Procedures Applied to
Appropriations Limit Schedule
June 30, 2021**

**Montara Water and
Sanitary District**



**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON
PROCEDURES OVER COMPLIANCE WITH THE PROPOSITION 111
2020-2021 APPROPRIATIONS LIMIT INCREMENT**

To the Board of Directors
Montara Water and Sanitary District
Montara, California

We have performed the procedures enumerated below to the Appropriations Limit Calculation of the Montara Water and Sanitary District (District) for the fiscal year ended June 30, 2021. These procedures, which were agreed to by the District, were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District's management is responsible for the Appropriations Limit calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures you requested us to perform and our findings are as follows:

- A. We obtained the completed worksheets setting forth the calculations necessary to establish the District's appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

- B. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2020-2021 appropriations limit.

Findings: No exceptions were noted as a result of our procedures.

- C. We compared the current year information to the worksheets described in No. 1 above.

Findings: No exceptions were noted as a result of our procedures.

- D. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

San Mateo, California
November 24, 2020

MONTARA WATER AND SANITARY DISTRICT

**APPROPRIATIONS LIMIT SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

	<u>Amount</u>	<u>Source</u>
A. Appropriations Limit for the Year Ended June 30, 2020	\$ 2,392,041	Prior year schedule
B. Calculation Factors:		
1. Population increase percent	<u>0.9987</u> *	State Department of Finance
2. Inflation increase percent	<u>1.0373</u>	County of San Mateo
3. Total adjustment factor percent	1.0360	B1 x B2
C. Annual Adjustment Increase	85,997	[(B3-1)A]
D. Other Adjustments:		
Loss responsibility (-)	-	N/A
Transfers to private (-)	-	N/A
Transfers to fees (-)	-	N/A
Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>85,997</u>	(C+D)
F. Appropriations Limit for the Year Ending June 30, 2021	<u>\$ 2,478,038</u>	(A+E)

* Greater of population increase percent for:
County of San Mateo

0.9987

MONTARA WATER AND SANITARY DISTRICT

NOTES TO APPROPRIATIONS LIMIT SCHEDULE FOR THE YEAR ENDED JUNE 30, 2020

1. PURPOSE OF AGREED-UPON PROCEDURES

Under Article XIII B of the California Constitution (the Gann Spending Limitations Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriation limit is subject to agreed-upon procedures in connection with the annual audit.

2. METHOD OF CALCULATION

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-1987, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

3. POPULATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the District for the year 2020-2021 represents the annual percentage change in population for the County of San Mateo.

4. INFLATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the District for the year 2020-2021 represents the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction.

5. OTHER ADJUSTMENTS

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The District had no such adjustment for the year ending June 30, 2021.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Montara Water and Sanitary District
Montara, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Montara Water and Sanitary District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name and date.

Palo Alto, California
November 24, 2020



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

SUBJECT: General Manager's Report

Operations:

U.S.As – 22

Work orders – 19 : 3 leak investigations, 10 profile, 5 move in move out, 1 fixture unit count

Leaks – 4; Date street pfp line hit, Weinki way failed service leak, 10th st service/ saddle leak, leak in 2" steel line on cedar

Back-flows – 20

Valves exercise – 6

Hydrant maintenance - 5

Portola Tank dose

4th Quarter samples

Monthly samples – 1

Quarterly and monthly samples to Manteca

Work with Calcon to trouble shoot issues – 2

Raw water line flushing – 1

New Meter install – 2

Leak log paperwork update – 2

Farallon View School water pressure investigation

Termite inspection for Schoolhouse building

Work for Vue De Mar main extension/ new service and PFP service – 4

BacT samples taken – 2 times for routine, 5 specials taken

Truck oil change and tire repair/ change flat / brake lights

Pull Retiro well pump with Paul to troubleshoot function issue

TLC and clean settling tank level transducer at PRTP

10th st leak prep

Pull construction meter

Pull and replace Retiro pump with roadrunner

Commons photo organization

Place RnB order

Leak meter reads

PRTP and well site TLC and clearing

Set up plan for PRTP raw line flushing

Drake CL2 pump breakdown and cleaning

Martini creek tree trimming for Balance Hydrologic

Raw water tank solar cleaning

Pillar Ridge Well lines flush



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 3, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

Newsletter: The December-January bill inserted Newsletter is attached to this report.

Projects: This year's Sewer Improvement Project is scheduled to commence soon.

Pavement of the road on MWSD property to the Sewer Authority Mid-Coastside Pump-Station is complete. The project is jointly funded by MWSD and SAM.

Big Wave water mainline construction along Airport Street is progressing according to schedule. Completion is planned in mid-December

Covid-19: MWSD offices remain closed to the public since March 16. SOP's for Covid-19 office and employee safety were updated since new health orders were issued. Non-essential construction and permitting is allowed in SMC and MWSD operations is working at full capacity always adhering to social distancing guidelines.

Meetings: On November 11, 2020 the General Manager toured the MWSD water and sewer facilities with HMB Review reporter Vanessa Ochavillo.

On November 20, 2020 the General Manager participated in a Sewer Authority Mid-Coastside plant walk through with the SAM General Manager and Operations Manager.

RECOMMENDATION:

This is for Board information only.



Montara Water & Sanitary District

Staying Ahead of our Local Community Needs

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

December 2020 -
January 2021

News for You: Essential for our Health and Environment; Sewer Authority Mid-Coastside - Our Contract and Obligations

Sewer Authority Mid-Coastside: Our Contract, Obligations and Regional Reliance

In the 1960's, Montara Water and Sanitary District (MWSD) successfully operated an independent wastewater system for our community that met state and federal water quality standards. Our safely treated wastewater was discharged offshore into the Pacific Ocean near our office. Granada Community Services District (GCSD) and the City of Half Moon Bay (HMB) operated separate sewage systems with aging treatment plants that did not meet evolving standards.

In the 1970's, the Fitzgerald Marine Reserve was extended and encompassed MWSD's ocean outfall. This action put MWSD's discharge location in violation of CA state law.

In 1974, the State issued a series of violations to Half Moon Bay and Granada, and Montara, and ordered that each comply with state standards. These orders were followed in 1979 by legal action by the State Attorney General. This action forced Montara to abandon our treatment plant, and created a regional need for new and/or improved wastewater treatment and disposal facilities.

Sewer Authority Mid-Coastside (SAM), a Joint Powers Authority created under contract between MWSD, GCSD, and HMB was formed to address this regional need.

A Regional Wastewater System

The SAM contract authorized construction, operation and maintenance, of a consolidated regional wastewater system composed of:

- a **new regional deepwater ocean discharge pipe**, located in Half Moon Bay, to dispose of consolidated, treated wastewater flows;
- **new conveyance, tie-in and pumping facilities** necessary to transport the combined wastewater to the treatment plant;
- **new treatment facilities** adequate to meet all water quality standards.

Human waste and sewage requires treatment to protect public health and the environment.

All water leaving our toilets, sinks, showers, dish and clothes washers must be collected and treated before release to the ocean.

Today, wastewater treatment is a process of separating water from solids, then biological treatment to further remove contaminants before returning treated water to the ocean.

We protect the Pacific Ocean through the management and treatment provided by the Sewer Authority Mid-Coastside system.

SAM Owns, Operates and Maintains This Regional System.

Per the contract, this system includes the ocean outfall, conveyance and the treatment plant. The largest SAM conveyance asset, the Intertie Pipeline System (IPS), is a 7.3-mile-long series of pump stations and pipelines, force mains and gravity interceptors that delivers raw sewage from the agencies to the SAM plant for treatment and discharge.

In 2017, the City of Half Moon Bay filed a lawsuit against MWSD, GCSD, and SAM claiming continuing work on the Intertie Pipeline System should not be paid by HMB. Under the contract, HMB's obligation to fund the operation and maintenance of the consolidated regional system, including this critical shared pipeline, is clear.

Each of our communities need reliable wastewater treatment. We need all agencies to work together to address our current and future needs for the region. The Intertie Pipeline System is the tie that binds our agencies together.

As our community continues its recovery from COVID-19, MWSD is committed to providing safe public access via ZOOM teleconference for our regularly scheduled public meetings for the foreseeable future.

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

Call: (650) 728-3545

Email: mwsd@coastside.net

Visit: mwsd.montara.org